(Translation)

TELEPARK Toward the Future

May 9, 2006

Non-consolidated Financial Results
for the Fiscal Year Ended March 2006

Company name:	Telepark Corp.
Stock code:	3738
Stock exchange listing:	Tokyo Stock Exchange, First Section
Company domicile:	Tokyo, Japan
URL:	http://www.teleparkcorp.com
President & CEO	Shigenori Miyazaki
Contact:	Hideo Sugimura, Officer, General Manager, Corporate Planning Tel: +81-(0) 3-5804-7090

Date of board meeting for approving financial results: May 9, 2006
The Company has an interim dividend system. (Dividend payment date: June 28, 2006)
Date of Annual General Meeting of Shareholders: June 27, 2006
The Company does not employ a unit stock system.
Name of the parent company: Mitsui & Co. Ltd. (Stock code: 8031)   Voting rights: 61.89%

1. Financial Results for the Fiscal Year Ended March 31, 2006 (April 1, 2005 – March 31, 2006)

(1) Results of Operations

All amounts are rounded down to the nearest million yen

	Net sales		Operating income		Ordinary income	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
Year ended Mar. 2006	300,748	15.7	6,282	22.4	6,310	22.8
Year ended Mar. 2005	260,008	42.5	5,133	23.2	5,137	20.7

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	YoY change %	Yen	Yen
Year ended Mar. 2006	3,547	19.7	10,704.29	10,627.69
Year ended Mar. 2005	2,964	23.5	17,991.52	17,905.56

	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	%	%	%
Year ended Mar. 2006	29.1	11.6	2.1
Year ended Mar. 2005	33.1	11.3	2.0

Notes:

1. Equity in earnings of non-consolidated subsidiaries
   Year ended Mar. 2006: - million yen
   Year ended Mar. 2005: - million yen
2. Weighted average number of shares outstanding
   Year ended Mar. 2006: 328,458 shares
   Year ended Mar. 2005: 163,616 shares
3. Changes in accounting principles applied: None
4. The percentages shown for net sales, operating income, ordinary income, and net income represent changes from the same period in the previous fiscal year.
5. We implemented a two-for-one stock split effective January 20, 2006. FY2004 (ended March 2005) net income per share (basic) becomes 8,995.76 yen, and diluted net income per share (diluted) 8,952.78 yen, if we retroactively apply the stock split to the start of FY2004.

(2) Dividends

All amounts are rounded down to the nearest million yen

	Dividends per share	Interim	Yearend	Aggregate dividend (Annual)	Payout ratio	Dividend rate for shareholders' equity
	Yen	Yen	Yen	Million yen	%	%
Year ended Mar. 2006	3,750.00	1,750.00	2,000.00	1,232	35.0	9.2
Year ended Mar. 2005	9,000.00	4,000.00	5,000.00	1,474	50.0	13.4

Note: FY2004 (ended March 2005) dividends per share become 4,500 yen (interim dividend 2,000 yen, and yearend dividend 2,500 yen), if we retroactively apply the stock split to the start of FY2004.

(3) Financial Position

All amounts are rounded down to the nearest million yen

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2006	58,764	13,343	22.7	40,507.62
As of Mar. 31, 2005	49,860	11,030	22.1	67,181.27

Notes:
1. Number of shares outstanding at end of period
   As of Mar. 31, 2006: 328,632 shares
   As of Mar. 31, 2005: 163,880 shares
2. Number of treasury stock at end of period:
   As of Mar. 31, 2006: - shares
   As of Mar. 31, 2005: - shares
3. We implemented a two-for-one stock split effective January 20, 2006. FY2004 (ended March 2005) shareholders' equity per share becomes 33,590.63 yen if we retroactively apply the stock split to the start of FY2004.

(4) Cash Flow Position

All amounts are rounded down to the nearest million yen

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Year ended Mar. 2006	(1,172)	(1,052)	2,222	336
Year ended Mar. 2005	-	-	-	-

Note: Because the Company prepared consolidated financial statements during the FY2004 (ended March 2005), information has not presented in above.

2. Forecast for the Fiscal Year Ending March 31, 2007 (April 1, 2006 – March 31, 2007)

	Net sales	Ordinary income	Net income	Dividends per share Interim	Yearend	
	Million yen	Million yen	Million yen	Yen	Yen	Yen
First half	160,000	3,300	1,900	2,000.00	-	-
Full Year	350,000	7,000	4,000	-	2,000.00	4,000.00

Reference: Estimated net income per share for the year ending March 2007: 12,171.67 yen

Note:
Forecasts regarding future performance in these materials are based on estimates and judgments of the Company's management made in accordance with information available at the time this report was prepared. Forecasts therefore embody risks and uncertainties. Actual results may differ significantly from these forecasts for a number of factors. Readers are advised to refer to supplementary information in financial results (Page 11) for details on business forecasts, and assumptions and other relevant factors on which they are based.

(Translation)

1. Corporate Group

The Telepark group, composed of Telepark Corp. and subsidiary Mobitec Co., Ltd., operates two main businesses: the mobile business, centered on the sale of mobile phones and PHS, and the network business, comprised of 'MYLINE,' dry copper, ADSL, and FTTH brokering, as well as FTTH promotional support services. Two other businesses include the contents business, comprised of contents distribution for mobile phones, and the distribution business, comprised of mobile phone-related product sales.

Main activities are as follows:

(1) Mobile business

The main activities of the mobile business are the brokering of mobile phone and PHS subscription services, and the sale of mobile phones and handsets. We broker communication subscription services for mobile phone carriers (NTT DoCoMo Group, KDDI Group, and Vodafone Group), and receive a commission for each successfully concluded subscription contract based on our sales agent agreement with each carrier. We broker communication services and sell mobile phones to general users through our nationwide distribution channels, which include secondary sales agencies (volume electronics retailers and general sales agencies), self-owned shops, and direct sales to corporations. We also use nationwide convenience stores as secondary sales agents to sell pre-paid mobile phones and cards.

Also, our subsidiary Mobitec sells mobile phones at self-owned shops and group sales agencies in Kyushu and Okinawa based on a sales agent agreement concluded with NTT DoCoMo Kyushu.

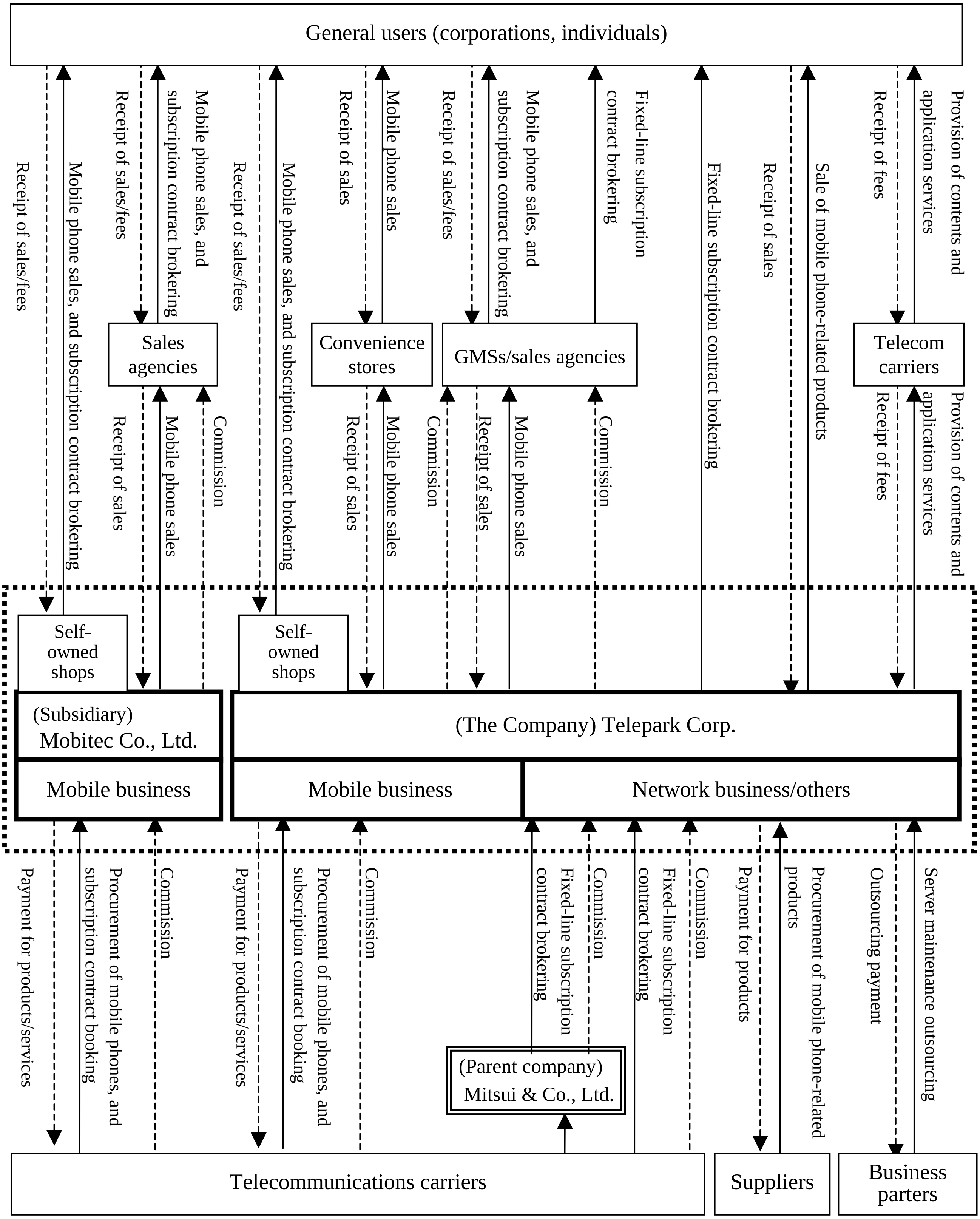
(2) Network business/others

The main business activity of the network business is the brokering of 'MYLINE' and other fixed-line subscription services for individuals and corporations, as well as supporting greater penetration of FTTH broadband services. We have concluded sales agent agreements with NTT Group companies NTT East, NTT West, and NTT Communications; newer telecommunications carriers such as JAPAN TELECOM and KDDI. Commissions paid to us by fixed-line telecommunications carriers include broker commissions for each successfully brokered subscription contract, and a running commission based on a fixed proportion of each subscription line's telecommunications charges (running commissions are paid for a limited period).

We also operate two other businesses: a content business in which we provide content services, such as ringer melodies, for mobile phones through Internet sites; and a distribution business in which we sell mobile phone-related products. (contents, promotional giveaways, etc.)

(Translation)

Below is a visual schematic of our business.



1. Our group is represented within the dotted lines.
2. Our consolidated subsidiary Mobitec handles only NTT DoCoMo products in Kyushu and Okinawa area.
3. In the network business, business activities with some mobile carriers are carried out through our parent company Mitsui & Co., Ltd.

Affiliate companies

Name	Address	Capital (Million yen)	Main business	Voting rights [owned] (%)	Relationship	Remark
Mitsui & Co., Ltd. (Parent company)	Chiyoda-ku, Tokyo	295,766	Comprehensive trading house	[61.89]	Sales and subscription services for mobile products Concurrent directors: 4	Note
Mobitec Co., Ltd. (Subsidiary)	Fukuoka city, Fukuoka	10	Mobile phone sales, etc.	100.00	Concurrent directors: 5 Fund lending	

Note: Mitsui & Co., Ltd. submits a marketable securities report (Yuka Shoken Hokokusho).

2. Management Policies

(1) Basic management policy

We have decided to focus our management resources on mobile and fixed-line telecommunications sales to strengthen our business foundation and maximize corporate value in the midst of a constantly changing business environment resulting from rapidly changing technologies.

In January 2003, we formulated a corporate code emphasizing implementation and respect for the 5Cs of Contribution, Challenging split, Creativity, Compliance and Corporate governance. We aim to become a company with full of challenging spirit and creativity, who can contribute to society through telecommunication services, to comply with laws, ethics, codes of conduct, and to implement strict corporate governance not swayed by near-term success.

(2) Basic profit allocation policy

Our basic profit allocation policy is to provide stable dividends, centered on a payout ratio of about 30%, while ensuring we secure sufficient retained earnings to strengthen and grow our business.

We paid an interim dividend of 3,500 yen per share in December 2005; however, we implemented a two-for-one stock split on January 20, 2006, and the interim dividend becomes 1,750 yen per share if we retroactively apply the stock split to the start of the fiscal year. We have decided to pay a yearend dividend of 2,000 yen per share (up 250 yen over the interim dividend), giving a total dividend of 3,750 yen per share for the current fiscal year.

We are not currently scheduled to revise the record date or number of dividend payments following implementation of the Company Law. For the time being, we will maintain the current system of paying two dividends, once at the end of the interim period and fiscal year.

We plan to use retained earnings to expand our mobile business, launch new businesses, train employees, and make strategic investments.

(3) Basic stance and policy on lowering the minimum investment lot

We recognize that lowering the minimum investment lot is an important means to promote greater individual investor participation in the stock market, and to improve stock liquidity. In light of our share price performance since listing on April 7, 2004, we initiated a two-for-one stock split effective July 9, 2004 for shareholders on record as of May 31, 2004. We implemented a two-for-one stock split effective January 20, 2006 for shareholders on record as of November 30, 2005. A general target is to keep the minimum investment lot below 500,000 yen, a level the Tokyo Stock Exchange has determined should be, as a general rule, the largest investment lot.

(4) Performance targets

We place particular importance on ROA, and aim to establish a high-earnings structure in which we can maintain an ROA of over 10%.

(5) Medium to long-term business strategy

The mobile phone industry is undergoing momentous change now that the mobile phone market has matured. Slower market growth has intensified competition among sales agencies, and this has pressured profits particularly at small and medium-sized agencies. However, to raise ARPU, which has deteriorated with increased mobile phone penetration, mobile carriers have begun to introduce new services that have triggered greater diversity and sophistication of mobile phones, and mobile phone use. Users are now able to choose mobile phones that better match their individual lifestyles. We believe only mobile phone sales agencies with abundant funds, strong organizations, and superior information-gathering capabilities will succeed going forward. The same can be said of the fixed-line communications industry. ADSL, FTTH, and VoIP technologies have attracted a lot of attention over the past years, but the business potential of these technologies has just begun to be realized.

We aim to be a leader in the communications industry by contributing to the development of both mobile and fixed-line communications markets. We intend to carry out the following medium-term strategies to increase earnings, and by extension, enhance corporate value.

1) Strengthen our core business

Increase our market share by flexibly expanding our nationwide sales network to take advantage of industry-wide consolidation.

2) Develop and cultivate new businesses

Develop and cultivate new sources of revenue second only to the core business of selling mobile phones and brokering subscription services, by leveraging the company's diverse sales network to enter into new business fields.

3) Improve efficiency and strengthen operations

We aim to increase earnings in each business by improving efficiency, and to strengthen operations by recruiting and training talented employees, and solidifying our financial condition.

(6) Challenges

As we mentioned above, the mobile phone industry is undergoing momentous change now that the mobile phone market has matured, and realignment is proceeding rapidly among mobile phone sales agencies. We plan to focus our resources on our core mobile phone and fixed-line businesses, and strengthen our corporate structure, as we see these industry changes as an important opportunity to expand our business.

In the mobile business, we expect the start of mobile number portability (MNP) from November 2006 to revitalize the market. Also, we aim to boost earnings by expanding our sales network through M&A activity and the establishment of partnerships with small and medium-sized sales agencies, and by selling in new stores opened by volume electronics retailers.

In the network business, our main focus has been brokering 'MYLINE' service subscriptions. However, in light of the full-scale penetration of broadband services, we aim to diversify into 'FTTH services' to expand our business and earnings.

(7) Parent company

1) Parent company details

(As of March 31, 2006)

Parent company	Relationship	Voting rights of the parent company (%)	Stock exchanges on which the parent company's shares are listed
Mitsui & Co., Ltd.	Parent company	61.89	Tokyo Stock Exchange, First Section Osaka Securities Exchange, First Section Nagoya Stock Exchange, First Section Sapporo Stock Exchange Fukuoka Stock Exchange NASDAQ (American Depository Receipt)

2) Positioning of our company in the parent group, and relationship with the parent group

We are a consolidated subsidiary of Mitsui & Co., Ltd., a comprehensive trading house, and are in charge of mobile and fixed-line sales and brokerage services for this company's IT business. However, concerning our business domain, carried out operations are independently from the parent company.

We may decide to cooperate more closely with Mitsui & Co., Ltd. in launching new businesses, etc., if we determine that this is in our best interests, but in general the relationship between our company and Mitsui & Co., Ltd. is that between a shareholder and the investment. In short, we currently have no business relationship with Mitsui & Co., Ltd.

Mitsui & Co., Ltd. owns 61.89% of our outstanding stock of 328,632 shares as of March 31, 2006, making our company a consolidated subsidiary. Of course a change in group strategy could alter our relationship with Mitsui & Co., Ltd. However, we do not believe a change in our capital relationship with Mitsui & Co., Ltd. would materially impact our business since we operate our mobile and fixed-line sales and brokerage businesses independent of the parent company.

Two of our external directors, and two of our external auditors, are from Mitsui & Co., Ltd. We invited them because we believed that, based on a comprehensive evaluation of their knowledge and experience, they could positively contribute to our company's management. However, we plan to reduce the number of directors and auditors from Mitsui & Co., Ltd. over the medium to long- term to establish a more independent management structure. With effectively no business relationship with our parent company, no conflicts of interest exist between our company and external directors and auditors dispatched to our company from Mitsui & Co., Ltd. Five of our 327 employees are from Mitsui & Co., Ltd, but they perform their duties independent of the parent company as they are in charge of businesses unrelated to the parent company.

Although we expect to remain a part of the Mitsui & Co., Ltd. group as a consolidated subsidiary, our management decisions are made independent of the parent company as we are engaged in different businesses, and the situation of concurrent directors and employees from the parent company is not such that they would interfere with our company's independent management judgment.

Concurrent directors and auditors, as of March 31, 2006

Position	Name	Position in parent company	Reason for appointment
Director (part-time)	Shinjiro Ogawa	Managing Officer, Chief Operating Officer, Information, Electronics and Telecommunication Business Unit of Mitsui & Co., Ltd.	We invited Mr. Ogawa because he is very knowledgeable about the information & telecommunications industry, and has a lot of relevant industry experience
Director (part-time)	Shigeru Dohi	General Manager, Mobile Business, Machinery, Information, Electronics and Telecommunication Business Unit of Mitsui & Co., Ltd.	We invited Mr. Dohi because he is very knowledgeable about the information & telecommunications industry, and has a lot of relevant industry experience
Director (part-time)	Kazuyuki Matsumoto	General Manager, Risk Management Office, Machinery, Electronics & Information Division of Mitsui & Co., Ltd.	We invited Mr. Matsumoto because he is very knowledgeable about the information & telecommunications industry, and has a lot of experience and knowledge regarding financial management and auditing
Director (part-time)	Kouzo Kumagaya	General Manager, Machinery and Information Accounting Division of Mitsui & Co., Ltd.	We invited Mr. Kumagaya because he is very knowledgeable about the information & telecommunications industry, and has a lot of experience and knowledge regarding financial management and auditing

Note: Of our eight directors and four auditors, four hold concurrent positions in the parent company.

3) Business relationship with the parent group

Million yen

Type of related party	Company name	Address	Paid-in capital and equity	Business	Ratio of voting rights	Relationship		Business transactions	Business transaction values	Account title	Term-end balance
						Concurrent directors, etc.	Business relationship				
Parent company	Mitsui & Co., Ltd.	Chiyoda ku, Tokyo	295,766	Comprehensive trading house	61.89% [owned] Direct	4 concurrent directors	Sales, subscription services, for mobile and fixed-line telecommunications	Commissions for network service sales, etc.	201	Accounts receivable	6
								Mobile equipment sales	24		
								Commissions paid for network services	39	Accounts payable	1

Notes:
1. Business transaction values do not include consumption taxes; the term-end balance includes consumption taxes.
2. Transaction conditions and policies.
   1) Mobile equipment sales are determined based on market prices.
   2) Commissions for the network service sales, etc. are determined based on average unit commissions from mobile carriers.
   3) Commissions paid for the network services are determined based on negotiated contracts for each project.
3. The term-end balance of accounts receivable and payable derive from mobile equipment sales and network service commissions.

(8) Other important management items

Not applicable.

3. Business Results and Financial Condition

(1) Business results

1) Overall business conditions

The Japanese economy remained on a recovery path in the current fiscal year under review as corporate profits continued to improve, private sector capital spending remained firm, the employment environment improved, and consumer spending picked up.

Cumulative mobile phone subscriptions totaled 91.79 million units at the end of March 2006, an increase of only 4.79 million units (+5.5%) over the end of March 2005. However, third-generation mobile phones began to penetrate the mobile phone market in earnest: as of end-March 2006, there were 23.46 million subscribers to NTT DoCoMo's 'FOMA' (+104% over the end of March 2005), 21.83 million subscribers to au's 'CDMA2000 1x' (+21.7%), and 3.04 million subscribers to Vodafone's '3G' service (+231.2%), according to the Telecommunications Carriers Association. The strong increase in third-generation mobile phone subscribers suggests that consumer interest is shifting to new and more highly functional models.

In this environment, our company succeeded in increasing mobile phone unit sales as we strengthened and expanded our sales network in line with our basic strategy of increasing market share. Additionally, profits rose year-over-year due to a better-than-expected increase in sales commissions and running commissions.

Profits also increased year-over-year in the fixed-line telecommunications business due to stronger-than-expected sales of FTTH promotional support services, and the booking in the current fiscal year of volume incentives for new subscriptions handled in the previous fiscal year.

Sales in the FY2005 increased 15.7% year-over-year to a record 300,748 million yen, ordinary income 22.8% to a record 6,310 million yen, and net income 19.7% to a record 3,547 million yen.

(2) Results by business segment

1) Mobile business

Mobile phone sales increased 7.9% year-over-year to a record 3.2 million units in the current fiscal year due to strong sales of NTT DoCoMo and au third-generation mobile phones, and an increase in sales agencies and volume electronics retailers. Also, profits rose year-over-year due to a better-than-expected increase in sales commissions and running commissions. Group mobile phone sales totaled 3.23 million units including sales of subsidiary Mobitec.

Sales in the mobile business increased 15.0% year-over-year to 287,057 million yen, and operating income increased 16.1% to 4,146 million yen.

2) Network business/others

Profit growth was strong in the network business because, although subscription growth for JAPAN TELECOM's 'Otoku Line' fell short of our forecast, sales of FTTH promotional support services did better than initially expected. The booking of volume incentives on new subscriptions handled in the previous fiscal year also contributed to strong profits.

Sales in the network business and other businesses increased 31.5% year-over-year to 13,691 million yen, and operating income increased 36.8% to 2,135 million yen.

3) Profit allocation in the current fiscal year under review

We issued an interim dividend of 3,500 yen per share in December 2005; however, we implemented a two-for-one stock split on January 20, 2006, and the interim dividend becomes 1,750 yen per share if we retroactively apply the stock split to the start of the fiscal year. We have decided to pay a yearend dividend of 2,000 yen per share (up 250 yen over the interim dividend), giving a total dividend of 3,750 yen per share for the current fiscal year.

4) Forecasts for the new fiscal year

We expect the Japanese economy to continue recovering as corporate earnings continue to improve.

We expect demand in the mobile phone market, our mainstay business, to expand as mobile number portability, scheduled to begin November 2006, revitalizes the market, and as users upgrade their mobile phones to take advantage of the start of 'one-seg broadcasting' from April 2006. In this environment, we will continue to expand our business in line with our management policy, improve operational efficiency across all businesses, and increase earnings. Regarding the fixed-line telecommunications business, we aim to expand the business and increase profits by diversifying from our core 'MYLINE' business into new lines of business, including FTTH promotional support services, to take advantage of the accelerating spread of broadband.

We do not have consolidated accounts, so our parent forecasts for the new fiscal year are for sales of 350 billion yen, ordinary income of 7 billion yen, and net income of 4 billion yen.

(2) Financial condition

1) Cash flows in the current fiscal year

We do not have year-over-year comparisons as we prepared consolidated financial statements in the previous fiscal year. Cash and cash equivalents at the end of the fiscal year totaled 336 million yen (an decrease of 2 million yen year over year).
Cash flows and major components during the fiscal year were as follows.

Cash flows from operating activities:
Cash flows used in operating activities totaled 1,172 million yen. The major items were 6,224 million yen in income before income taxes, 3,089 million yen in income tax payments, and 5,106 million yen in inventories.

Cash flows from investing activities:
Cash flows used in investing activities totaled 1,052 million yen. The major items were 544 million yen in payment for purchase of property, plant and equipment, 265 million yen in payment for continuing shop operations, and 125 million yen in payment for purchase of software.

Cash flows from financing activities:
Cash flows provided by financing activities totaled 2,222 million yen. The major items were 1,390 million yen in dividend payments, and 3,600 million yen in short-term borrowings.

The following table illustrates the historical movements of certain cash flow indices:

	FY2003	FY2004	FY2005
Shareholders' equity ratio (%)	16.8	22.0	22.7
Shareholders' equity ratio based on market prices (%)	-	114.4	176.2
Debt to annual cash flow (year)	6.6	1.1	-
Interest coverage ratio (times)	54.6	191.3	-

Notes:
1. Cash flow indices are calculated as follows:
Shareholders' equity ratio: Shareholders' equity / Total assets
Shareholders' equity ratio based on market prices: Market capitalization / Total assets
Debt to annual cash flow: Interest-bearing liabilities / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments
2. The Company used figures from consolidated financial statements for FY2004, and figures from non-consolidated financial statements for FY2003 and FY2005.
Market capitalization: Closing stock price on the balance sheet date x Number of shares outstanding on the balance sheet date.
Operating cash flow is taken from the cash flow statements.
Interest-bearing liabilities: Liabilities carried on the balance sheets that incur interest.
Interest payments in the calculation of the interest-coverage ratio: Based on interest payments reported on the statement of cash flow. No share price-related information is available before April 7, 2004, the date we listed on the Second Section of the Tokyo Stock Exchange.
3. We have omitted "debt to annual cash flow" and "interest coverage ratio" for FY2005 because operating cash flow was negative in this fiscal year.

(3) Business risk

Below we list risk factors to our group's business performance, financial condition, and share price.

1) Commissions from mobile carriers

Our group receives a commission from mobile phone carriers for each successfully brokered subscription contract. Commissionable service, commission levels, payment period duration, and the proportion of each subscription line's telecommunications charges all depend on the specific mobile carrier and period of the year. A significant change in contract conditions due to a change in policy by any or all of the mobile carriers could materially impact our earnings.

2) Industry competition

The mobile industry continues to evolve as technological progress brings about new services and products. There were 91 million users in Japan as of March 2006. However, the high penetration rate means that new subscriber growth continues to slow. This implies greater competition for new subscribers among mobile carriers, and among sales agencies including ourselves. Fiercer competition in the mobile phone market could lower our profit margins, and materially impact our earnings.

Broadband technology advances have rekindled competition for customers among fixed-line telecommunications carriers, and competition among sales agencies including ourselves may heat up as a result. Fiercer competition could lower our profit margins, and materially impact our earnings.

3) Business expansion through acquisitions

We may acquire industry peers to expand our business going forward, and this may impact our financial condition and business performance. There is no guarantee that the acquisition will produce anticipated benefits due to changes in market trends and the economic environment. A poor performance at companies we acquire could make it difficult for us to recover invested capital, and this would impact our earnings and business plans.

4) Legal regulations

The Personal Information Protection Law went into effect on April 1, 2005, and based on the "Guidelines for personal information protection in the telecommunications industry" formulated by the Ministry of Internal Affairs and Communications (MIC; formerly the Ministry of Posts and Telecommunications), we have concluded confidentiality agreements with each telecommunications carrier with which we do business. Staff with access to the telecom carriers' customer information databases is given ID numbers or cards to ensure strict protection of customer information. Additionally, we have thoroughly trained all employees involved in our telecom businesses to observe personal information protection guidelines, particularly with regards to preventing data leaks. Despite our best efforts, the leak of customer data for whatever reason could diminish trust in our company, bring about damages suits, and materially impact our earnings.

4. Financial Statements

(1) Balance Sheets

Account	*	FY2004 (As of March 31, 2005) Million yen		%	FY2005 (As of March 31, 2006) Million yen		%	YoY change Million yen
Assets								
I Current assets								
1. Cash on hand and in banks			339			336		
2. Note receivable			37			2		
3. Accounts receivable - trade			31,733			34,863		
4. Merchandise			10,651			15,754		
5. Supplies			10			12		
6. Advances			62			46		
7. Prepaid expenses			311			290		
8. Deferred tax assets			1,017			1,371		
9. Short-term loans receivable from affiliate			430			330		
10. Accounts receivable - other			1,514			1,573		
11. Other current assets			28			70		
Allowance for doubtful accounts			(50)			(37)		
Total current assets			46,085	92.4		54,617	92.9	8,531
II Fixed assets								
1. Property, plant and equipment								
(1) Buildings		792			1,013			
Accumulated depreciation		438	353		482	530		
(2) Structure		18			32			
Accumulated depreciation		5	13		11	20		
(3) Tools and fixtures		1,013			1,063			
Accumulated depreciation		806	207		780	283		
(4) Land			24			48		
Total property, plant and equipment			599	1.2		882	1.5	283
2. Intangible assets								
(1) Goodwill			489			403		
(2) Telephone rights			7			7		
Total intangible assets			496	1.0		411	0.7	(85)
3. Investments and other assets								
(1) Investment securities			171			469		
(2) Investments in affiliates			179			179		
(3) Long-term loans receivable			43			28		
(4) Claim in bankruptcy, rehabilitation or other similar claims			252			8		
(5) Long-term prepaid expenses			230			181		
(6) Deferred tax assets			569			397		
(7) Leasehold deposits			1,421			1,483		
(8) Others			104			147		
Allowance for doubtful accounts			(295)			(42)		
Total investments and other assets			2,678	5.4		2,853	4.9	174
Total fixed assets			3,774	7.6		4,147	7.1	372
Total assets			49,860	100.0		58,764	100.0	8,904

Account	*	FY2004 (As of March 31, 2005) Million yen		%	FY2005 (As of March 31, 2006) Million yen		%	YoY change Million yen
Liabilities								
I Current liabilities								
1. Accounts payable - trade			30,549			33,217		
2. Short-term borrowings			2,500			6,100		
3. Current portion of long-term borrowings			12			-		
4. Accrued payable - other			2,664			2,931		
5. Accrued expenses			30			42		
6. Accrued income taxes			1,272			1,280		
7. Deposits received			556			497		
8. Deferred revenues			15			4		
9. Reserve for employees' bonuses			273			355		
10. Allowance for early subscription cancellations			156			220		
11. Other current liabilities			367			299		
Total current liabilities			38,399	77.0		44,949	76.5	6,549
II Long-term liabilities								
1. Accrued employees' retirement benefits			405			432		
2. Accrued directors' severance benefits			24			39		
Total long-term liabilities			430	0.9		471	0.8	41
Total liabilities			38,830	77.9		45,421	77.3	6,590
Shareholders' equity								
I Common stock	*1		1,500	3.0		1,514	2.6	14
II Capital surplus								
1. Additional paid-in capital		1,619			1,633			
Total capital surplus			1,619	3.2		1,633	2.8	14
III Retained earnings								
1. Legal reserve		8			8			
2. Unappropriated retained earnings		7,815			9,947			
Total retained earnings			7,823	15.7		9,955	16.9	2,132
IV Net unrealized holding gain on securities			87	0.2		239	0.4	152
Total shareholders' equity			11,030	22.1		13,343	22.7	2,313
Total liabilities and shareholders' equity			49,860	100.0		58,764	100.0	8,904

(Translation)

(2) Statements of Income

Account	*	FY2004 (Apr. 1, 2004 – Mar. 31, 2005) Million yen		%	FY2005 (Apr. 1, 2005 – Mar. 31, 2006) Million yen		%	YoY change Million yen
I Net sales								
1. Product sales		115,199			129,898			
2. Commission receipts		144,808	260,008	100.0	170,850	300,748	100.0	40,740
II Cost of goods sold								
1. Inventories for merchandise at beginning of year		7,419			10,656			
2. Purchases for merchandise		142,713			160,665			
Subtotal		150,133			171,322			
3. Inventories for merchandise at end of year		10,656			15,773			
		139,476			155,548			
4. Loss on revaluation of merchandise		2			13			
Total cost of merchandise sold		139,479			155,562			
5. Commission payments		100,381	239,860	92.3	121,446	277,009	92.1	37,148
Gross profit			20,147	7.7		23,739	7.9	3,591
III Selling, general and administrative expenses								
1. Directors remuneration		72			77			
2. Employees' wages		1,573			1,595			
3. Temporary staff wages		2,406			3,707			
4. Provision of accrued directors' severance benefits		14			14			
5. Provision of reserves for employees' bonuses		273			355			
6. Dispatched staff wages		2,248			2,917			
7. Transportation		599			605			
8. Rent expense		1,169			1,270			
9. Depreciation		312			509			
10. Outsourcing expenses		1,298			567			
11. Others		5,044	15,013	5.7	5,834	17,457	5.8	2,443
Operating income			5,133	2.0		6,282	2.1	1,148
IV Non-operating income								
1. Interest income		4			1			
2. Dividend income		0			0			
3. Rent income		14			16			
4. Insurance reimbursement		6			20			
5. Gain on reduction of debt		3			1			
6. Others		1	30	0.0	2	42	0.0	12
V Non-operating expenses								
1. Interest expenses		9			9			
2. Listing expenses		9			-			
3. New stock issue expenses		7			2			
4. Provision of allowance for doubtful accounts		-			2			
5. Others		0	26	0.0	0	14	0.0	(12)
Ordinary income			5,137	2.0		6,310	2.1	1,172

Account	*	FY2004 (Apr. 1, 2004 – Mar. 31, 2005) Million yen		%	FY2005 (Apr. 1, 2005 – Mar. 31, 2006) Million yen		%	YoY change Million yen
VI Extraordinary income								
1. Reversal of allowance for doubtful accounts		95			36			
2. Gain on receipt of fixed assets	*1	-			15			
3. Gain on sales of fixed assets	*2	-	95	0.0	2	53	0.0	(42)
VII Extraordinary loss								
1. Loss on sales of fixed assets	*3	6			0			
2. Loss on removal of fixed assets	*4	28			86			
3. Impairment losses		-			27			
4. Loss on revaluation of telephone rights		16			-			
5. Eviction fees		-			25			
6. Office transfer and merger expenses due to corporate divisions		0	51	0.0	-	139	0.0	88
Income before income taxes			5,182	2.0		6,224	2.1	1,042
Income taxes - current		2,396			2,964			
Income taxes - deferred		(178)	2,217	0.9	(287)	2,677	0.9	459
Net income			2,964	1.1		3,547	1.2	583
Retained earnings brought forward			5,506			6,975		
Interim dividends paid			655			574		
Unappropriated retained earnings			7,815			9,947		2,132

(3) Statements of Cash Flows

Account	*	FY2005 (Apr. 1, 2005 – Mar. 31, 2006) Million yen
I Cash flows from operating activities		
Income before income taxes		6,224
Depreciation and computer expenses		528
Amortization of goodwill		131
Impairment losses		27
New stock issue expenses		2
Increase (decrease) in allowance for doubtful accounts		(266)
Increase (decrease) in reserve for employees' bonuses		81
Increase (decrease) in allowance for early subscription cancellations		63
Increase (decrease) in accrued employees' retirement benefits		26
Increase (decrease) in accrued directors' severance benefits		14
Interest and dividend income		(2)
Interest expenses		9
Loss on sale and removal of fixed assets		84
Gain on receipt of fixed assets		(15)
Decrease (increase) in account receivables		(3,095)
Decrease (increase) in inventories		(5,106)
Increase (decrease) in account payables		2,667
Payment of bonuses to directors		(20)
Others		567
Subtotal		1,923
Interests and dividends received		2
Interests paid		(9)
Income taxes paid		(3,089)
Net cash provided by (used in) operating activities		(1,172)
II Cash flows from investing activities		
Payment for purchase of property, plant and equipment		(544)
Proceeds from sale of property, plant and equipment		3
Payment for purchase of software		(125)
Payment for purchase of investment securities		(40)
Payment for loans receivable		(50)
Proceeds from collection of loans receivable		23
Decrease (increase) in loans to affiliates		100
Payment for leasehold deposits		(149)
Proceeds from leasehold deposits		34
Payment for continuing shop operations		(265)
Decrease (increase) in other assets		(38)
Net cash provided by (used in) investing activities		(1,052)
III Cash flows from financing activities		
Increase (decrease) in short-term borrowings		3,600
Repayment for long-term borrowings		(12)
New stock issue expenses		(2)
Proceeds from issuance of new stock		28
Cash dividends paid		(1,390)
Net cash provided by (used in) financing activities		2,222
IV Net increase (decrease) in cash and cash equivalents		(2)
V Cash and cash equivalents at beginning of year		339
VI Cash and cash equivalents at end of year	*	336

Since the Company prepared consolidated financial statements during the FY2004, information has not presented in above.

(4) Proposal for Appropriation of Retained Earnings

Account	*	FY2004 (Apr. 1, 2004 – Mar. 31, 2005) Million yen		FY2005 (Apr. 1, 2005 – Mar. 31, 2006) Million yen		YoY change Million yen
I Unappropriated retained earnings			7,815		9,947	2,132
II Appropriations						
1. Dividends		819		657		
2. Bonuses to directors		20		31		
[Of which bonuses to auditors]		[-]	840	[-]	688	(151)
III Unappropriated retained earnings carried forward			6,975		9,258	2,283

Significant Accounting Policies in the Preparation of Financial Statements

Item	FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
1. Securities valuation basis and valuation method	(1) Subsidiary stock Subsidiaries are stated at cost, cost being determined by the moving-average method. (2) Other securities Securities with market quotations: Securities with market quotations are carried at fair value on the balance sheet date. Changes in unrealized holding gain or loss are included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method. Securities without market quotations: Securities without market quotations are stated at cost, cost being determined by the moving-average method.	(1) Subsidiary stock Same as on the left. (2) Securities Securities with market quotations: Same as on the left. Securities without market quotations: Same as on the left.
2. Inventories valuation basis and valuation method	(1) Merchandise Merchandise is stated at the lower of the cost method by the first-in first-out method. (2) Supplies Supplies are stated at cost, cost being determined by the first-in first-out method.	(1) Merchandise Same as on the left. (2) Supplies Same as on the left.
3. Methods of depreciation and amortization	(1) Property, plant and equipment Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings (excluding fixtures) acquired on or subsequent to April 1, 1998 on which depreciation is calculated by the straight-line method. Depreciation of equipment, tools and fixtures of self-owned shops is calculated by the straight-line method. (useful life of 3 years) Useful life of principle assets is as follows: Buildings: 3-20 years Tools and fixtures: 2-20 years (2) Intangible assets Straight-line method. Goodwill: 5 years	(1) Property, plant and equipment Depreciation of property, plant and equipment is calculated by the declining-balance method, except for buildings (excluding fixtures) acquired on or subsequent to April 1, 1998 on which depreciation is calculated by the straight-line method. Depreciation of equipment, tools and fixtures of self-owned shops is calculated by the straight-line method. (useful life of 3 years) Useful life of principle assets is as follows: Buildings: 3-20 years Tools and fixtures: 2-10 years (2) Intangible assets Same as on the left.
4. Accounting for deferred assets	New stock issue expenses Stock issue expenses changed to income as accrued.	New stock issue expenses Same as on the left.
5. Recognition of significant allowances	(1) Allowance for doubtful accounts To prepare for credit losses on accounts receivable and loans receivable etc., allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.	(1) Allowance for doubtful accounts Same as on the left.

Item	FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
	(2) Reserves for employees' bonuses To provide for employees' bonus obligations, the Company designates in the reserve account an amount estimated to have accrued for the current fiscal year. (3) Allowance for early subscription cancellations The Company books an allowance for early subscription cancellations based on historical figures, as the Company must return commissions back to telecom carriers (with which the Company has concluded sales agency agreements) when mobile phone users that have subscribed through the Company or network of sales agencies cancel their subscriptions within a short period of time. (Additional information) The Company previously handled commission refunds for early subscription cancellations by deducting the refund from commission receipts at the time of cancellation (commissions on subscriptions made through sales agencies that need to be refunded to telecom carriers because of early cancellation are deducted from commission receipts and payments). However, because of increased values due to a rise in mobile phone volumes, starting from the current fiscal year, the Company estimated an allowance for commission refunds on early subscription cancellations based on historical figures, and book these as an allowance for early subscription cancellations. The new method lowered net sales by 274 million yen, cost of good sold by 118 million yen, and operating income, ordinary income, and income before income taxes by 156 million yen. (4) Accrued employees' retirement benefits To provide for accrued employees' retirement benefits, the Company provides an allowance in the amount deemed to have accrued at the end of the current fiscal year based on projected benefit obligations at the end of the current fiscal year. The Company makes one-off disposals for prior service costs in the fiscal year they occur. The Company makes one-off disposals for actuarial differences in the fiscal year after they occur.	(2) Reserves for employees' bonuses Same as on the left. (3) Allowance for early subscription cancellations The Company books an allowance for early subscription cancellations based on historical figures, as the Company must return commissions back to telecom carriers (with which the Company has concluded sales agency agreements) when mobile phone users that have subscribed through the Company or network of sales agencies cancel their subscriptions within a short period of time. (4) Accrued employees' retirement benefits Same as on the left.
	(5) Accrued directors' severance benefits To provide for accrued directors' severance benefits, the Company provides an allowance for the aggregate amount payable at the end of the current fiscal year pursuant to the Company's rules on directors' retirement benefits.	(5) Accrued directors' severance benefits Same as on the left.

Item	FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
6. Lease transaction	Finance leases other than those, which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by the method similar to that applicable to ordinary operating leases.	Same as on the left.
7. Scope of cash and cash equivalents on statements of cash flows	――――――	For the purpose of statements of cash flows, cash and cash equivalents consists of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of 3 months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.
8. Other significant accounting policies in the preparation of financial statements	(1) Accounting for consumption taxes All amounts stated are exclusive of consumption taxes. Non-deductible consumption taxes on assets are charged to income in the year in which it is recognized.	(1) Accounting for consumption taxes Same as on the left.

Change in Significant Accounting Policies

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
――――――	(Accounting for impairment of fixed assets) Effective the current fiscal year, the Company has adopted the new accounting standards for the presentation of the Impairment of Assets (Statement of Opinion, “Accounting for Impairment of Fixed Assets,” (Business Accounting Council; August 9, 2002) and the “Accounting Standard Implementation Guidance No. 6: Guidance for Accounting Standards for Impairment of Fixed Assets,” (ASBJ; October 31, 2003). This change in accounting policy has no significant effect on the amount of income. The amounts of impairment losses are directly deducted from the corresponding carrying amounts of assets, in accordance with the revised standards for the preparation of financial statements.

Reclassifications

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
(Statements of income) The Company listed separately in the current fiscal year the non-operating income “Insurance reimbursements” and “Gains on reduction of debt,” previously included under “Others,” as each of these items exceeded 10% of non-operating income. For reference, “Insurance reimbursements” totaled 2 million yen, and “Gains on reduction of debt” totaled 1 million yen in the previous fiscal year.	――――――

Notes to Financial Statements

Notes to Balance Sheets

Million yen

FY2004 (As of Mar. 31, 2005)	FY2005 (As of Mar. 31, 2006)
*1. Authorized and issued share capital *Shares* Authorized shares Common shares 580,000 Total outstanding shares Common shares 163,880	*1. Authorized and issued share capital *Shares* Authorized shares Common shares 1,160,000 Total outstanding shares Common shares 328,632
2. Restriction on dividends Net assets increased by 87 million yen in consequence of market value added to the assets defined by Article 124-3 of the enforcement Ordinance of the Commercial Code of Japan.	2. Restriction on dividends Net assets increased by 239 million yen in consequence of market value added to the assets defined by Article 124-3 of the enforcement Ordinance of the Commercial Code of Japan.
3. The Company has current account overdraft agreements with a bank and commitment-line agreements with a financial institution, in order to raise funds efficiently. The balance of unused credit commitment lines based on these agreements at the end of fiscal year is as follows: Current account overdraft and commitment-line 1,100 Credit used 0 Credit available 1,099	3. The Company has current account overdraft agreements with a bank and commitment-line agreements with a financial institution, in order to raise funds efficiently. The balance of unused credit commitment lines based on these agreements at the end of fiscal year is as follows: Current account commitment-line 1,100 Credit used 300 Credit available 799

Notes to Statements of Income

Million yen

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
*1. ――――	*1. Gain on receipt of fixed assets Buildings 7 Tools and fixtures 7
*2. ――――	*2. Gain on sales of fixed assets Buildings 1 Tools and fixtures 0 Telephone rights 0
*3. Loss on sales of fixed assets Buildings 0 Tools and fixtures 5	*3. Loss on sales of fixed assets Tools and fixtures 0
*4. Loss on removal of fixed assets Buildings 14 Tools and fixtures 13	*4. Loss on removal of fixed assets Buildings 65 Tools and fixtures 20

Notes to Statements of Cash Flows

Million yen

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
――――	Reconciliation of cash and cash equivalents of the statements of cash flows and account balances of balance sheets for the year is made as follows: (As of March 31, 2006) Cash on hand and in banks 336 Cash and cash equivalents 336

1) Leases

Million yen

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
1. Finance lease transactions other than those in which the title of the leased property is transferred to the lessee. (1) ―――――	1. Finance lease transactions other than those in which the title of the leased property is transferred to the lessee. (1) Acquisition cost, accumulated depreciation and year-end balance equivalents of the leased property. Tools and fixtures: Acquisition cost 16 Accumulated depreciation 2 Year-end balance 13 Total: Acquisition cost 16 Accumulated depreciation 2 Year-end balance 13 Note: Acquisition cost equivalents include amounts applicable to interest since the outstanding balance of lease commitments at year-end are insignificant in the context of property, plant and equipment.
(2) ―――――	(2) Outstanding lease commitments at year-end Within one year 3 Over one year 9 Total 13 Note: Outstanding lease commitments at year-end include amounts applicable to interest since the outstanding balance of lease commitments at year-end is insignificant in the context of property, plant and equipment.
(3) Lease payments and depreciation equivalents Lease payments 0 Depreciation 0	(3) Lease payments and depreciation equivalents Lease payments 2 Depreciation 2
(4) Calculation of accumulated depreciation equivalents Depreciation is calculated based on the straight-line method, assuming the lease period to be the useful life and a residual value of zero.	(4) Calculation of accumulated depreciation equivalents Same as on the left. 2. Operating lease transactions Outstanding lease commitments Within one year 8 Over one year 58 Total 66 (Impairment losses) There are no impairment losses on leased asset-impairment account.

2) Securities

FY2004 (As of Mar. 31, 2005):

The Company did not hold subsidiary stock with market quotations.

FY2005 (As of Mar. 31, 2006):

1. Other securities with market quotations

Million yen

		FY2005 (As of Mar. 31, 2006):		
		Acquisition cost	Carrying value	Valuation gain
Securities whose carrying value exceeds their acquisition cost	(1) Stock	25	429	404
	(2) Bonds	-	-	-
	1) Government bonds, municipal bonds etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	25	429	404
Securities whose acquisition cost exceeds their carrying value	(1) Stock	-	-	-
	(2) Bonds	-	-	-
	1) Government bonds, municipal bonds etc.	-	-	-
	2) Corporate bonds	-	-	-
	3) Other bonds	-	-	-
	(3) Others	-	-	-
	Subtotal	-	-	-
Total		25	429	404

2. Securities without market quotations

Million yen

	Carrying value
(1) Subsidiary stock	179
(2) Other securities	
Non-listed securities	39

3) Derivatives

FY2005 (Apr. 1, 2005 – Mar. 31, 2006)

Not applicable. The Company was not involved in any derivative transactions.

4) Retirement benefits

Million yen

FY2005
(Apr. 1, 2005 – Mar. 31, 2006)

(1) Retirement benefit plan

The Company has defined benefit plans, i.e., retirement lump-sum payment systems based on an in-house fund in accordance with the Company's regulation.

(2) The following table sets forth the funded and accrued status of the plans (As of Mar. 31, 2006)

1) Retirement benefit obligation	443
2) Unrecognized actuarial differences	(11)
3) Accrued employees' retirement benefits	432

(3) The following table sets forth the components of retirement benefit expenses (Apr. 1, 2005 – Mar. 31, 2006)

1) Service cost	63
2) Interest costs	7
3) Write-downs of actuarial differences	(28)
4) Total retirement benefit expenses	41

(4) Calculation method of retirement benefit obligation

1) Distribution of estimated retirement benefit obligations	Straight-line
2) Discount rate (%)	2.0
3) Amortization of actuarial differences (years)	1
4) Amortization of prior service cost (years)	1

5) Deferred tax accounting

1. Breakdown of origin of deferred tax assets and liabilities

Million yen

	FY2004 As of Mar. 31, 2005	FY2005 As of Mar. 31, 2006
Deferred tax assets		
Reserve for employees' bonuses	111	144
Provision of allowance for doubtful accounts in excess of maximum amount allowed for inclusion in expenses	132	16
Loss on revaluation of inventories	9	11
Accrued enterprise taxes and accrued business office taxes	91	101
Advanced losses on mobile phone sales	561	440
Depreciation in excess of maximum amount	302	315
Provision of accrued employees' retirement benefits in excess of maximum amount allowed for inclusion in expenses	161	175
Allowance for early subscription cancellations	63	89
Others	212	637
Total deferred tax assets	1,646	1,934
Deferred tax liabilities		
Unrealized holding gain (loss) on other securities	(59)	(164)
Total deferred tax liabilities	(59)	(164)
Net deferred tax assets	1,587	1,769

2. Breakdown of origin of difference between corporate and other tax liabilities as calculated based on the effective tax rate and tax-effect accounting

%

	FY2004 As of Mar. 31, 2005	FY2005 As of Mar. 31, 2006
Statutory tax rate	40.7	40.7
(Adjustments)		
Entertainment expenses not deductible for tax purposes	1.0	1.1
Unrecognized amortization of goodwill	1.0	0.8
Residential tax	0.9	0.8
Tax exemption for IT investments	(0.6)	(0.1)
Others	(0.2)	(0.2)
Effective tax rate	42.8	43.0

6) Equity method income

FY2005 (Apr. 1, 2005 - Mar. 31, 2006)

Not applicable.

7) Related party transaction

Sister companies etc.

Million yen

Type of related party	Company name	Address	Paid-in capital and equity	Business	Ratio of voting rights	Relationship		Business transactions	Business transaction values	Account title	Term-end balance
						Concurrent directors, etc.	Business relationship				
Subsidiary of the parent company	Mitsui & Co. Financial Services Ltd.	Chiyoda ku, Tokyo	2,000	Finance business	-	-	Borrowing for financing working capital requirements and loans	Fund borrowing	3,000	Short-term borrowings	300
								Fund repayment	2,700	Short-term loans receivable	-

Notes:

1. Rates of borrowing for working capital and loans: Determination in a reasonable manner with reference to market interest rates.
2. The Company has commitment line agreements in order to raise funds efficiently.

Per Share Information

Yen

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
Shareholders' equity per share 67,181.27 Net income per share (basic) 17,991.52 Net income per share (diluted) 17,905.56 A two-for-one stock split was conducted on July 9, 2004. Per share information calculated as if this split had occurred at the beginning of previous fiscal year is presented below. Shareholders' equity per share 46,500.13 Net income per share (basic) 16,231.82 The Company has not listed net income per share (diluted) because, although stock option system allows for stock acquisition rights, it is not possible to ascertain the average share price in the term because the shares are not listed nor registered.	Shareholders' equity per share 40,507.62 Net income per share (basic) 10,704.29 Net income per share (diluted) 10,627.69 A two-for-one stock split was conducted on January 20, 2006. Per share information calculated as if this split had occurred at the beginning of previous fiscal year is presented below. Shareholders' equity per share 33,590.63 Net income per share (basic) 8,995.76 Net income per share (diluted) 8,952.78

Note: The following is a reconciliation of net income per share (basic/diluted)

Million yen

	FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
Net income per share (basic)		
Net income	2,964	3,547
Net income not available to common shareholders	20	31
[Of which bonuses to directors in the appropriation of retained earnings]	20	31
Net income available to common stock	2,943	3,515
Average number of shares outstanding	163,616 shares	328,458 shares
Net income per share (diluted)		
Increase in the number of common shares	785 shares	2,367 shares
[Of which stock acquisition rights]	785 shares	2,367 shares
Summary of potential stock not included in the calculation of "net income per share (diluted)" since there was no dilutive effect in the year.	―――	―――

Subsequent Events

FY2004 (Apr. 1, 2004 – Mar. 31, 2005)	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)
(1) Subsequent event of stock options: The Company's 14th General Meeting of Shareholders, held on June 28, 2005, approved a resolution to grant stock acquisition rights (stock options) to directors, executive officers, and employees pursuant to the provisions of Article 280-20 and Article 280-21 of the Commercial Code of Japan.	―――

5. Procurement and Sales

(1) Procurement

The followings are product procurement (product value totals and commissions paid) in the current fiscal year by business segment.

Million yen

Business segments	Items	Amount	YoY (%)
Mobile business	Mobile telecom equipment	159,858	-
	Sales agency commissions	111,815	-
	Subtotal	271,674	-
Network business/others	Other products	806	-
	Sales agency commissions	9,631	-
	Subtotal	10,438	-
Company-wide	Total	282,112	-

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated financial statements in the previous fiscal year.
2. The above figures do not include consumption taxes.

(2) Sales

The followings are sales (product sales and commissions receipt) in the current fiscal year by business segment.

Million yen

Business segments	Items	Amount	YoY (%)
Mobile business	Mobile telecom equipment	129,081	-
	Sales agency commissions	157,976	-
	Subtotal	287,057	-
Network business/others	Other products	817	-
	Sales agency commissions	12,874	-
	Subtotal	13,691	-
Company-wide	Total	300,748	-

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated financial statements in the previous fiscal year.
2. The above figures do not include consumption taxes.
3. The sales performance according to mobile carrier, and the ratio to overall sales, is shown below.

Customers	FY2005 (Apr. 1, 2005 – Mar. 31, 2006)	
	Million yen	%
KDDI CORPORATION	58,412	19.4
NTT DoCoMo, Inc.	35,059	11.7

Notes:

1. The Company does not have year-over-year comparisons as the Company prepared consolidated financial statements in the previous fiscal year.
2. The above figures do not include consumption taxes.

6. Others

Not applicable.

7. Changes in Directors

Please see "Notice of Changes in Directors" (May 9, 2006) for details on changes in the composition of directors and auditors.