

Summary of Nonconsolidated Financial Results
for the Year ended March 2004

Amuse Inc.

Nonconsolidated balance sheet

March 31; Thousands of yen	2003	%	2004	%
Current assets				
Cash and deposits	4,554,693		3,252,901	
Notes receivable	200		-	
Accounts receivable	1,023,575		1,632,948	
Merchandise	123,642		223,631	
Finished goods	80,989		155,489	
Work in progress	798,824		700,284	
Supplies	9,097		6,822	
Advances paid	3,126		3,645	
Prepaid expenses	74,691		74,048	
Deferred tax assets	245,742		72,840	
Short-term loans	1,268,265		737,851	
Accounts receivable - other	1,545,003		165,480	
Others	601		875	
Allowance for doubtful accounts	(188,194)		(170,555)	
	<u>9,540,260</u>	70.2	<u>6,856,264</u>	60.5
Fixed assets				
Tangible fixed assets				
Buildings	721,533		734,170	
Tools, appliances and fixtures	30,718		29,521	
Land	1,126,112		1,126,112	
	<u>1,878,365</u>	13.8	<u>1,889,804</u>	16.7
Intangible fixed assets				
Leaseholds	194,189		194,189	
Software	83,107		69,433	
Others	2,635		2,635	
	<u>279,931</u>	2.1	<u>266,258</u>	2.3

March 31; Thousands of yen	2003	%	2004	%
Investments and other assets				
Investment securities	296,628		319,561	
Shares of affiliated companies	231,133		936,633	
Equity investments	12,067		15,519	
Equity investments in affiliates	14,581		14,581	
Long-term loans	38,008		30,649	
Long-term loans to employees	16,095		18,132	
Long-term loans to affiliates	-		15,000	
Long-term delinquent receivables	943,353		123,459	
Long-term prepaid expenses	76,765		53,510	
Deferred tax assets	725,722		375,922	
Rental and guarantee deposits	183,072		196,662	
Contributions to insurance savings	181,062		225,958	
Others	118,620		99,978	
Allowance for doubtful accounts	(945,009)		(103,465)	
	<u>1,892,099</u>	13.9	<u>2,322,102</u>	20.5
Total fixed assets	<u>4,050,396</u>	29.8	<u>4,478,164</u>	39.5
Total assets	<u>13,590,657</u>	100.0	<u>11,334,428</u>	100.0

March 31; Thousands of yen	2003	%	2004	%
Current liabilities				
Accounts payable	1,595,337		1,851,465	
Short-term borrowings	1,510,000		-	
Accounts payable - other	173,585		165,147	
Accrued expenses payable	14,974		16,607	
Income taxes payable	1,513,412		1,350	
Advances received	42,715		38,987	
Deposits received	98,340		32,896	
Others	4,115		5,311	
	4,952,481	36.4	2,111,766	18.6
Long-term liabilities				
Long-term debt	101,800		-	
Employees' retirement benefits	314,192		346,870	
Reserve for directors' retirement allowances	505,965		549,185	
Others	1,012		1,044	
	922,970	6.8	897,099	7.9
Total liabilities	5,875,451	43.2	3,008,866	26.5
Shareholders' equity				
Common stock	1,587,825	11.7	1,587,825	14.0
Capital reserves				
Additional paid-in capital	1,694,890		1,694,890	
	1,694,890	12.5	1,694,890	15.0
Retained earnings				
Legal income reserve	4,033		4,033	
Voluntary reserves				
Reserve for reduction entry of fixtures	164		164	
Special reserves	2,000,000		3,500,000	
Unappropriated retained earnings, end of term	2,398,694		1,500,703	
	4,402,891	32.4	5,004,901	44.2
Unrealized gains or losses on other securities	29,707	0.2	43,238	0.4
Treasury stock	(107)	(0.0)	(5,291)	(0.1)
Total shareholders' equity	7,715,205	56.8	8,325,562	73.5
Total liabilities and shareholders' equity	13,590,657	100.0	11,334,428	100.0

Nonconsolidated statement of income

Years ended March 31; Thousands of yen	2003	%	2004	%
Operating revenues				
Artist management	10,338,740		11,522,617	
Media-visual	1,385,013		2,073,612	
Contents	2,420,869		2,215,278	
	<u>14,144,623</u>	100.0	<u>15,811,507</u>	100.0
Cost of operation				
Artist management	8,026,693		9,891,275	
Media-visual	1,393,700		2,024,372	
Contents	1,283,126		1,247,928	
	<u>10,703,519</u>	75.7	<u>13,163,575</u>	83.3
Gross operating income	<u>3,441,104</u>	24.3	<u>2,647,932</u>	16.7
Selling, general and administrative expenses	1,310,512	9.3	1,396,474	8.8
Operating income	<u>2,130,591</u>	15.0	<u>1,251,457</u>	7.9
Nonoperating income				
Interest income	30,401		13,827	
Dividend income	2,327		5,884	
Commissions and fees	18,947		14,454	
Cancellation of a contract	-		20,000	
Others	8,966		8,833	
	<u>60,643</u>	0.5	<u>63,000</u>	0.4
Nonoperating expenses				
Interest expenses	26,762		16,844	
Loss on investments in partnerships	31,165		-	
Foreign exchange loss	-		10,574	
Commissions	-		17,906	
Others	9,236		7,050	
	<u>67,164</u>	0.5	<u>52,375</u>	0.3
Ordinary profit	<u>2,124,070</u>	15.0	<u>1,262,083</u>	8.0
Extraordinary income				
Gain on sales of shares in affiliates	1,420,000		-	
Reversal of allowance for doubtful accounts	-		19,867	
Others	27,920		-	
	<u>1,447,920</u>	10.2	<u>19,867</u>	0.1

Years ended March 31; Thousands of yen	2003	%	2004	%
Extraordinary losses				
Expenses for group restructuring	811,999		-	
Loss on removal of fixed assets	-		6,010	
Provision for doubtful accounts	9,624		-	
Others	137,467		-	
	<u>959,091</u>	6.7	<u>6,010</u>	0.0
Income before taxes and other adjustments	2,612,898	18.5	1,275,939	8.1
Corporate, inhabitant and enterprise taxes	1,703,077		68,068	
Deferred taxes	(546,391)		513,297	
	<u>1,156,686</u>	8.2	<u>581,366</u>	3.7
Net income	1,456,212	10.3	694,573	4.4
Retained earnings carried forward from previous term	942,482		806,130	
Unappropriated retained earnings, end of term	<u>2,398,694</u>		<u>1,500,703</u>	