

Summary of Nonconsolidated Financial Results
for the Six Months ended September 2004

Amuse Inc.

Nonconsolidated interim balance sheet

Thousands of yen	September 30, 2004	%	March 31, 2004	%	Increase/ decrease	September 30, 2003	%
Current assets							
Cash and deposits	2,517,772		3,252,901		(735,129)	4,558,165	
Accounts receivable	768,954		1,632,948		(863,993)	2,826,756	
Inventories	1,144,082		1,086,227		57,854	1,191,139	
Short-term loans	1,788,324		737,851		1,050,473	-	
Others	297,758		316,890		(19,132)	1,370,852	
Allowance for doubtful accounts	(175,576)		(170,555)		(5,021)	(172,206)	
	<u>6,341,316</u>	57.9	<u>6,856,264</u>	60.5	<u>(514,947)</u>	<u>9,774,708</u>	67.3
Fixed assets							
Tangible fixed assets							
Buildings	715,812		734,170		(18,357)	734,881	
Land	1,126,112		1,126,112		-	1,126,112	
Others	28,805		29,521		(715)	29,754	
	<u>1,870,731</u>		<u>1,889,804</u>		<u>(19,073)</u>	<u>1,890,749</u>	
Intangible fixed assets	260,256		266,258		(6,001)	269,224	
Investments and other assets							
Equity investments in affiliates	991,598		936,633		54,965	936,633	
Long-term delinquent receivables	-		123,459		(123,459)	930,913	
Others	1,595,328		1,365,475		229,853	1,660,388	
Allowance for doubtful accounts	(110,471)		(103,465)		(7,005)	(934,941)	
	<u>2,476,455</u>		<u>2,322,102</u>		<u>154,353</u>	<u>2,592,993</u>	
Total fixed assets	<u>4,607,443</u>	42.1	<u>4,478,164</u>	39.5	<u>129,278</u>	<u>4,752,967</u>	32.7
Total assets	<u>10,948,759</u>	100.0	<u>11,334,428</u>	100.0	<u>(385,669)</u>	<u>14,527,675</u>	100.0

Thousands of yen	September 30, 2004	%	March 31, 2004	%	Increase/ decrease	September 30, 2003	%
Current liabilities							
Accounts payable	1,588,137		1,851,465		(263,327)	4,189,922	
Short-term borrowings	-		-		-	1,185,520	
Others	224,277		260,301		(36,024)	310,748	
	<u>1,812,415</u>	16.6	<u>2,111,766</u>	18.6	<u>(299,351)</u>	<u>5,686,191</u>	39.2
Long-term liabilities							
Long-term debt	-		-		-	77,080	
Employees' retirement benefits	383,786		346,870		36,916	327,844	
Reserve for directors' retirement allowances	571,363		549,185		22,178	527,575	
Others	912		1,044		(132)	868	
	<u>956,061</u>	8.7	<u>897,099</u>	7.9	<u>58,962</u>	<u>933,367</u>	6.4
Total liabilities	<u>2,768,476</u>	25.3	<u>3,008,866</u>	26.5	<u>(240,389)</u>	<u>6,619,559</u>	45.6
Shareholders' equity							
Common stock	1,587,825	14.5	1,587,825	14.0	-	1,587,825	10.9
Capital reserves							
Additional paid-in capital	1,694,890		1,694,890		-	1,694,890	
	<u>1,694,890</u>	15.5	<u>1,694,890</u>	15.0	-	<u>1,694,890</u>	11.7
Retained earnings							
Legal income reserve	4,033		4,033		-	4,033	
Voluntary reserves	4,100,164		3,500,164		600,000	3,500,164	
Unappropriated retained earnings, end of term	701,929		1,500,703		(798,773)	1,093,308	
	<u>4,806,127</u>	43.9	<u>5,004,901</u>	44.2	<u>(198,773)</u>	<u>4,597,505</u>	31.6
Unrealized gains or losses on other securities	104,099	0.9	43,238	0.4	60,860	28,003	0.2
Treasury stock	(12,658)	(0.1)	(5,291)	(0.1)	(7,366)	(107)	(0.0)
Total shareholders' equity	<u>8,180,282</u>	74.7	<u>8,325,562</u>	73.5	<u>(145,279)</u>	<u>7,908,116</u>	54.4
Total liabilities and shareholders' equity	<u>10,948,759</u>	100.0	<u>11,334,428</u>	100.0	<u>(385,669)</u>	<u>14,527,675</u>	100.0

Nonconsolidated interim statement of income

Thousands of yen	Six months ended September 30, 2004		Six months ended September 30, 2003		Increase/ decrease		Year ended March 31, 2004	
		%		%		%		%
Operating revenue	4,521,440	100.0	8,764,878	100.0	(4,243,437)	(48.4)	15,811,507	100.0
Cost of operation	3,947,522	87.3	7,573,551	86.4	(3,626,028)	(47.9)	13,163,575	83.3
Gross operating income	573,917	12.7	1,191,326	13.6	(617,408)	(51.8)	2,647,932	16.7
Selling, general and administrative expenses	752,649	16.7	682,772	7.8	69,876	10.2	1,396,474	8.8
Operating income (loss)	(178,731)	(4.0)	508,553	5.8	(687,285)	(135.1)	1,251,457	7.9
Nonoperating income	37,338	0.8	48,362	0.6	(11,023)	(22.8)	63,000	0.4
Nonoperating expenses	12,768	0.2	24,003	0.3	(11,234)	(46.8)	52,375	0.3
Ordinary profit (losses)	(154,161)	(3.4)	532,912	6.1	(687,074)	(128.9)	1,262,083	8.0
Extraordinary income	15,516	0.3	17,859	0.2	(2,343)	(13.1)	19,867	0.1
Extraordinary losses	8,853	0.2	-	-	8,853	-	6,010	0.0
Income (loss) before taxes and other adjustments	(147,498)	(3.3)	550,771	6.3	(698,270)	(126.8)	1,275,939	8.1
Corporate taxes and others	1,350	0.0	104,483	1.2	(103,133)	(98.7)	68,068	0.4
Deferred taxes	(47,337)	(1.1)	159,110	1.8	(206,447)	(129.8)	513,297	3.3
Net income (loss)	(101,511)	(2.2)	287,178	3.3	(388,689)	(135.3)	694,573	4.4
Retained earnings carried forward from previous term	803,440		806,130		(2,689)		806,130	
Unappropriated retained earnings, end of term	701,929		1,093,308		(391,378)		1,500,703	