

Summary of Nonconsolidated Financial Results
for the Year ended March 2005

Amuse Inc.

Nonconsolidated balance sheet

March 31; Thousands of yen	2004	%	2005	%
Current assets				
Cash and deposits	3,252,901		1,803,104	
Accounts receivable	1,632,948		1,863,133	
Merchandise	223,631		229,131	
Finished goods	155,489		15,451	
Work in progress	700,284		1,625,129	
Supplies	6,822		9,939	
Advances paid	3,645		23,598	
Prepaid expenses	74,048		74,090	
Deferred tax assets	72,840		38,049	
Short-term loans	737,851		2,419,281	
Accounts receivable - other	165,480		155,044	
Others	875		1,265	
Allowance for doubtful accounts	(170,555)		(181,013)	
	<u>6,856,264</u>	60.5	<u>8,076,207</u>	63.8
Fixed assets				
Tangible fixed assets				
Buildings	734,170		700,994	
Tools, appliances and fixtures	29,521		26,736	
Land	1,126,112		1,126,112	
	<u>1,889,804</u>	16.7	<u>1,853,843</u>	14.7
Intangible fixed assets				
Leaseholds	194,189		194,189	
Software	69,433		51,821	
Others	2,635		2,635	
	<u>266,258</u>	2.3	<u>248,645</u>	2.0

March 31; Thousands of yen	2004	%	2005	%
Investments and other assets				
Investment securities	319,561		429,548	
Shares of affiliated companies	936,633		991,598	
Equity investments	15,519		18,718	
Equity investments in affiliates	14,581		14,581	
Long-term loans	30,649		25,771	
Long-term loans to employees	18,132		14,852	
Long-term loans to affiliates	15,000		15,000	
Long-term delinquent receivables	123,459		97,944	
Long-term prepaid expenses	53,510		54,028	
Deferred tax assets	375,922		317,841	
Rental and guarantee deposits	196,662		199,556	
Contributions to insurance savings	225,958		276,181	
Others	99,978		90,998	
Allowance for doubtful accounts	(103,465)		(77,175)	
Total investments and other assets	<u>2,322,102</u>	20.5	<u>2,469,445</u>	19.5
Total fixed assets	<u>4,478,164</u>	39.5	<u>4,571,934</u>	36.2
Total assets	<u>11,334,428</u>	100.0	<u>12,648,142</u>	100.0

March 31; Thousands of yen	2004	%	2005	%
Current liabilities				
Trade accounts payable	1,851,465		2,079,551	
Accounts payable	165,147		130,403	
Accrued expenses payable	16,607		17,328	
Income taxes payable	1,350		436,125	
Advances received	38,987		26,603	
Deposits received	32,896		36,863	
Others	5,311		4,723	
	<u>2,111,766</u>	18.6	<u>2,731,598</u>	21.6
Long-term liabilities				
Employees' retirement benefits	346,870		410,749	
Reserve for directors' retirement allowances	549,185		586,599	
Others	1,044		1,048	
	<u>897,099</u>	7.9	<u>998,397</u>	7.9
Total liabilities	<u>3,008,866</u>	26.5	<u>3,729,995</u>	29.5
Shareholders' equity				
Common stock	1,587,825	14.0	1,587,825	12.6
Capital reserves				
Additional paid-in capital	1,694,890		1,694,890	
	<u>1,694,890</u>	15.0	<u>1,694,890</u>	13.4
Retained earnings				
Legal income reserve	4,033		4,033	
Voluntary reserves				
Reserve for reduction entry of fixtures	164		164	
Special reserves	3,500,000		4,100,000	
Unappropriated retained earnings, end of term	1,500,703		1,396,781	
	<u>5,004,901</u>	44.2	<u>5,500,978</u>	43.5
Unrealized gains or losses on other securities	43,238	0.4	147,987	1.1
Treasury stock	(5,291)	(0.1)	(13,534)	(0.1)
Total shareholders' equity	<u>8,325,562</u>	73.5	<u>8,918,146</u>	70.5
Total liabilities and shareholders' equity	<u>11,334,428</u>	100.0	<u>12,648,142</u>	100.0

Nonconsolidated statement of income

Years ended March 31; Thousands of yen	2004	%	2005	%
Operating revenues	15,811,507	100.0	11,649,318	100.0
Artist management	11,522,617		7,565,384	
Media-visual	2,073,612		1,453,277	
Contents	2,215,278		2,630,656	
Cost of operation	13,163,575	83.3	9,216,111	79.1
Artist management	9,891,275		6,294,586	
Media-visual	2,024,372		1,450,404	
Contents	1,247,928		1,471,120	
Gross operating income	2,647,932	16.7	2,433,207	20.9
Selling, general and administrative expenses	1,396,474	8.8	1,455,273	12.5
Operating income	1,251,457	7.9	977,933	8.4
Nonoperating income	63,000	0.4	74,352	0.6
Interest income	13,827		24,547	
Dividend income	5,884		21,192	
Commissions and fees	14,454		14,093	
Cancellation of a contract	20,000		-	
Others	8,833		14,519	
Nonoperating expenses	52,375	0.3	23,434	0.2
Interest expenses	16,844		-	
Foreign exchange loss	10,574		-	
Commissions	17,906		23,124	
Others	7,050		309	
Ordinary profit	1,262,083	8.0	1,028,851	8.8
Extraordinary income	19,867	0.1	40,232	0.4
Reversal of allowance for doubtful accounts	19,867		-	
Gain on sales of investment in securities	-		40,232	
Extraordinary losses	6,010	0.0	8,853	0.1
Loss on removal of fixed assets	6,010		8,853	
Income before taxes and other adjustments	1,275,939	8.1	1,060,231	9.1
Corporate, inhabitant and enterprise taxes	68,068		446,810	
Deferred taxes	513,297		20,080	
Net income	694,573	4.4	593,340	5.1
Retained earnings carried forward from previous term	806,130		803,440	
Unappropriated retained earnings, end of term	1,500,703		1,396,781	