

Summary of Nonconsolidated Financial Results  
for the Six Months ended September 2006

Amuse Inc.

## Nonconsolidated interim balance sheet

Thousands of yen	September 30, 2005	%	September 30, 2006	%	March 31, 2006	%	Increase/ decrease
<b>Current assets</b>							
Cash and deposits	1,949,569		1,041,270		1,370,111		(355,840)
Accounts receivable	1,619,518		1,961,573		1,613,796		347,777
Inventories	1,405,889		2,137,396		1,121,713		1,015,683
Short-term loans	3,149,194		4,240,176		4,142,472		97,703
Others	421,418		381,659		248,691		132,967
Allowance for doubtful accounts	(155,326)		(159,763)		(157,924)		(1,839)
	<u>8,390,264</u>	63.1	<u>9,575,314</u>	66.8	<u>8,338,862</u>	63.9	<u>1,236,451</u>
<b>Fixed assets</b>							
<b>Tangible fixed assets</b>							
Buildings	619,810		606,617		598,868		7,748
Land	1,105,587		1,093,612		1,093,612		-
Others	96,552		71,584		80,536		(8,952)
	<u>1,821,950</u>	13.7	<u>1,771,814</u>	12.3	<u>1,773,018</u>	13.6	<u>(1,203)</u>
<b>Intangible fixed assets</b>	91,170	0.7	160,192	1.1	106,789	0.8	53,402
<b>Investments and other assets</b>							
Investment securities	1,088,507		1,058,666		1,214,094		(155,428)
Equity investments in affiliates	1,000,784		1,000,784		1,000,784		-
Others	1,057,186		968,771		815,098		153,672
Allowance for doubtful accounts	(157,844)		(192,753)		(191,306)		(1,447)
	<u>2,988,633</u>	22.5	<u>2,835,467</u>	19.8	<u>2,838,671</u>	21.7	<u>(3,203)</u>
Total fixed assets	<u>4,901,754</u>	36.9	<u>4,767,474</u>	33.2	<u>4,718,479</u>	36.1	<u>48,995</u>
<b>Total assets</b>	<u>13,292,019</u>	100.0	<u>14,342,788</u>	100.0	<u>13,057,341</u>	100.0	<u>1,285,447</u>

(Note) Increase/decrease shows changes of balance sheet amount between March 31, 2006 and September 30, 2006.

Thousands of yen	September 30, 2005	%	September 30, 2006	%	March 31, 2006	%	Increase/ decrease
<b>Current liabilities</b>							
Accounts payable	2,904,532		2,723,459		1,522,528		1,200,930
Short-term borrowings	500,000		500,000		-		500,000
Others	348,721		526,216		980,193		(453,976)
	<u>3,753,254</u>	28.2	<u>3,749,676</u>	26.1	<u>2,502,722</u>	19.2	<u>1,246,954</u>
<b>Long-term liabilities</b>							
Employees' retirement benefits	426,241		484,607		450,308		34,299
Reserve for directors' retirement allowances	376,928		398,878		391,562		7,316
Others	1,110		994		854		140
	<u>804,280</u>	6.1	<u>884,479</u>	6.2	<u>842,724</u>	6.4	<u>41,755</u>
Total liabilities	<u>4,557,534</u>	34.3	<u>4,634,156</u>	32.3	<u>3,345,446</u>	25.6	<u>1,288,710</u>
<b>Shareholders' equity</b>							
Common stock	1,587,825	11.9	-	-	1,587,825	12.1	-
Capital reserves							
Additional paid-in capital	1,694,890		-	-	1,694,890		-
	<u>1,694,890</u>	12.8	<u>-</u>	-	<u>1,694,890</u>	13.0	<u>-</u>
Retained earnings							
Legal income reserve	4,033		-	-	4,033		-
Voluntary reserves	4,600,164		-	-	4,600,164		-
Unappropriated retained earnings, end of term	600,417		-	-	1,531,341		-
	<u>5,204,614</u>	39.1	<u>-</u>	-	<u>6,135,538</u>	47.0	<u>-</u>
Unrealized gains or losses on other securities	262,130	2.0	-	-	309,677	2.4	-
Treasury stock	(14,975)	(0.1)	-	-	(16,035)	(0.1)	-
Total shareholders' equity	<u>8,734,484</u>	65.7	<u>-</u>	-	<u>9,711,895</u>	74.4	<u>-</u>
<b>Total liabilities and shareholders' equity</b>	<u>13,292,019</u>	100.0	<u>-</u>	-	<u>13,057,341</u>	100.0	<u>-</u>

(Note) Increase/decrease shows changes of balance sheet amount between March 31, 2006 and September 30, 2006.

Thousands of yen	September 30, 2005	%	September 30, 2006	%	March 31, 2006	%	Increase/ decrease
<b>Net assets</b>							
<b>Shareholders' equity</b>							
Common stock	-	-	1,587,825	11.1	-	-	-
Capital reserves	-	-			-	-	-
Additional paid-in capital			1,694,890				
	-	-	1,694,890	11.8	-	-	-
Retained earnings							
Legal income reserve	-	-	4,033		-	-	-
Other retained earnings							
General reserves	-	-	5,200,164		-	-	-
Retained earnings brought forward	-	-	1040,565		-	-	-
	-	-	6,244,762	43.5	-	-	-
Treasury stock	-	-	(16,843)	(0.1)	-	-	-
	-	-	9,510,633	66.3	-	-	-
<b>Valuation/translation gains (losses)</b>							
Unrealized gains or losses on other securities	-	-	197,998		-	-	-
	-	-	197,998	1.4	-	-	-
Total net assets	-	-	9,708,632	67.7	-	-	-
<b>Total liabilities and net assets</b>	-	-	14,342,788	100.0	-	-	-

(Note) Increase/decrease shows changes of balance sheet amount between March 31, 2006 and September 30, 2006.

## Nonconsolidated interim statement of income

Thousands of yen	Six months ended September 30, 2005		Six months ended September 30, 2006		Increase/ decrease		Year ended March 31, 2006	
		%		%		%		%
<b>Operating revenue</b>	6,979,811	100.0	6,502,885	100.0	(476,925)	(6.8)	17,129,882	100.0
<b>Cost of operation</b>	6,305,936	90.3	5,390,873	82.9	(915,063)	(14.5)	14,008,188	81.8
Gross operating income	673,874	9.7	1,112,011	17.1	438,137	65.0	3,121,693	18.2
<b>Selling, general and administrative expenses</b>	838,652	12.1	764,871	11.8	(73,781)	(8.8)	1,600,757	9.3
Operating income (loss)	(164,778)	(2.4)	347,140	5.3	511,918	-	1,520,936	8.9
<b>Non-operating income</b>	44,818	0.7	58,237	0.9	13,418	29.9	93,924	0.6
<b>Non-operating expenses</b>	13,999	0.2	11,098	0.1	(2,900)	(20.7)	27,738	0.2
Ordinary profit (losses)	(133,958)	(1.9)	394,279	6.1	528,237	-	1,587,122	9.3
<b>Extraordinary income</b>	59,541	0.8	-	-	(59,541)	-	59,541	0.4
<b>Extraordinary losses</b>	233,293	3.3	18,875	0.3	(214,417)	(91.9)	233,293	1.4
Income (loss) before taxes and other adjustments	(307,710)	(4.4)	375,403	5.8	683,113	-	1,413,370	8.3
Corporate taxes and others	12,261	0.2	134,428	2.1	122,166	996.3	660,415	3.8
Deferred taxes	(111,606)	(1.6)	34,235	0.5	145,841	-	(47,125)	(0.2)
Net income (loss)	(208,365)	(3.0)	206,739	3.2	415,105	-	800,080	4.7
Retained earnings carried forward from previous term	808,783		-		-		808,783	
Dividends paid	-		-		-		77,522	
Unappropriated retained earnings, end of term	600,417		-		-		1,531,341	

(Note) Increase/decrease shows changes of amount between the six-month period ended September 30, 2005 and September 30, 2006.

## Nonconsolidated statement of changes in net assets (shareholders' equity, etc.)

Thousands of yen; September 30, 2006	Shareholders' equity						Total shareholders' equity
	Capital surplus		Retained earnings			Treasury stock	
	Common stock	Additional paid-in capital	Legal income reserve	Other retained earnings			
				General reserve	Retained earnings carried forward		
Balance as of Mar. 31, 2006	1,587,825	1,694,890	4,033	4,600,164	1,531,341	(16,035)	9,402,218
Changes during the term							
Provision for general reserve (note)				600,000	(600,000)		-
Dividends (note)					(77,518)		(77,518)
Directors' and corporate auditors' bonuses (note)					(19,997)		(19,997)
Net income (loss)					206,739		206,739
Acquisition of treasury stock						(808)	(808)
Changes in non-shareholders' equity items during the term (net)							-
Total changes during the term	-	-	-	600,000	(490,776)	(808)	108,415
Balance as of Sept. 30, 2006	1,587,825	1,694,890	4,033	5,200,174	1,949,565	(16,843)	9,510,633

Thousands of yen; September 30, 2006	Valuation/translation gains (losses)		Total net assets
	Unrealized gains or losses on other securities	Total valuation /translation gains (losses)	
Balance as of Mar. 31, 2006	309,677	309,677	9,711,895
Changes during the term			
Provision for general reserve (note)			-
Dividends (note)			(77,518)
Directors' and corporate auditors' bonuses (note)			(19,997)
Net income (loss)			206,739
Acquisition of treasury stock			(808)
Changes in non-shareholders' equity items during the term (net)	(111,678)	(111,678)	(111,678)
Total changes during the term	(111,678)	(111,678)	(3,262)
Balance as of Sept. 30, 2006	197,998	197,998	9,708,632

(Note) These items represent profit appropriation items resolved at the Ordinary General Meeting of Shareholders held on June 25, 2006.