

**Interim Consolidated Financial Summaries for the Fiscal Year ending March 2002**

("Kessan Tanshin")

Name of Company Listed: SK JAPAN CO., LTD.  
Code Number: 7608  
Stock Exchange (Section) Listed: The Second Section of Osaka Stock Exchange  
Company Address: SK Building, 3-10 Uemachi 1 chome, Chuo-ku, Osaka city, Osaka Pref. Japan  
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Board of Directors Meeting to discuss interim consolidated financial results for the year: 11/9/2001  
Based on the U.S. accounting standards: No

**1. Business Performance for the Interim Period ended September 2001 (4/1/2001 – 9/30/2001)**

## (1) Business Performance

(Growth Rate is given against the interim figures of the last fiscal year)  
(Unit: rounded down if less than a Million Yen)

	Sales		Operating Income		Ordinary Income	
	Million Yen	Growth Rate (%)	Million Yen	Growth Rate (%)	Million Yen	Growth Rate (%)
Interim Period ended 9/2001	2,756	13.7	156	(1.0)	147	(3.7)
Interim Period ended 9/2000	2,424	(0.6)	157	(32.9)	153	(26.2)
Fiscal Year ended 3/2001	5,090		337		324	

	Interim Net Income		Interim Net Income per Share		Interim Diluted Net Income per Share	
	Million Yen	%	Yen	Sen	Yen	Sen
Interim Period ended 9/2001	80	9.3	23.	88	23.	51
Interim Period ended 9/2000	73	(37.5)	21.	85	21.	47
Fiscal Year ended 3/2001	163		48.66		47.89	

(Notes)

## 1. Equity Method Income

Interim Period ended 9/2001: None  
Interim Period ended 9/2000: None  
Fiscal Year ended 3/2001: None

## 2. Average Number of Shares Outstanding during the Period (Consolidated basis)

Interim Period ended 9/2001: 3,363,455 shares  
Interim Period ended 9/2000: 3,363,440 shares  
Fiscal Year ended 3/2001: 3,363,448 shares

## (2) Financial Position

	Total Assets	Shareholders' Equity	Equity to Total Assets Ratio	Equity per Share
	Million Yen	Million Yen	%	Yen Sen
Interim Period ended 9/2001	2,873	1,719	59.8	511.09
Interim Period ended 9/2000	2,713	1,592	58.7	473.57
Fiscal Year ended 3/2001	2,625	1,663	63.3	494.43

(Notes)

Number of shares issued at the end of fiscal periods (Consolidated basis):

Interim Period ended 9/2001:	3,363,455 shares
Interim Period ended 9/2000:	3,363,440 shares
Fiscal Year ended 3/2001:	3,363,455 shares

(3) Cash Flows Position

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash flows from Financing Activities	Cash and Cash Equivalents at the Period End
	Million Yen	Million Yen	Million Yen	Million Yen
Interim Period ended 9/2001	110	(11)	(68)	857
Interim Period ended 9/2000	11	(19)	(34)	834
Fiscal Year ended 3/2001	52	51	(154)	826

(4) Scope of Consolidation and Application of Equity Method

Consolidated Subsidiaries:	1
Unconsolidated Subsidiaries Subject to Equity Method:	None
Affiliate Companies Subject to Equity Method:	None

(5) Change in Accounting Principle during the Period

A) Change in Scope of Consolidation and Application of Equity Method

New Consolidated Subsidiaries:	None
Excluded Consolidated Subsidiaries:	None
New Unconsolidated Subsidiaries Subject to Equity Method:	None
Excluded Unconsolidated Subsidiaries Subject to Equity Method:	None

B) Change in Accounting Principles during the Period: None

2. Forecast for the Fiscal Year ending March 2002 (4/1/2001 – 3/31/2002)

	Sales	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen
Full Year	5,400	360	204

(Reference)

Projected Net Income per Share	(Consolidated basis):	60 Yen	77 Sen
	(Single basis):	60 Yen	82 Sen

(Reference)

Business Performance of the company on a single basis for the Interim Period ended 9/2001 (4/1/2001 – 9/30/2001)

Sales		Operating Income		Ordinary Income	
Million Yen	Growth Rate (%)	Million Yen	Growth Rate (%)	Million Yen	Growth Rate (%)
2,390	13.5	163	4.8	162	2.1

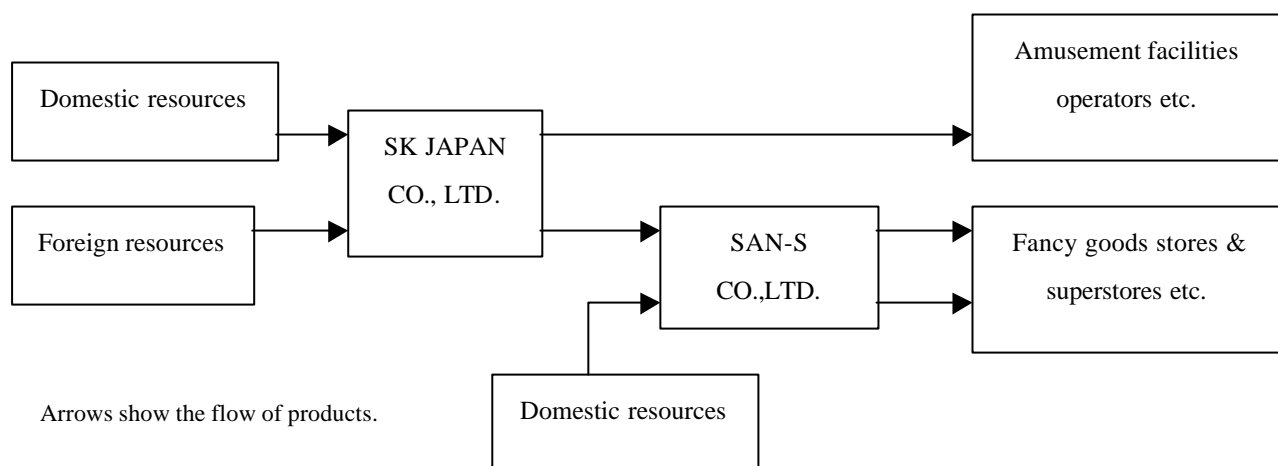
Net Income		Net Income per Share	Total Assets	Shareholders' Equity
Million Yen	%	Yen Sen	Million Yen	Million Yen
91	15.8	27. 30	2,732	1,709

## 1. Corporate Structure

Our company and our related companies (hereafter our group), consisting of SK JAPAN CO., LTD. and its consolidated subsidiary, SAN-S CO., LTD., plan and sell character goods such as stuffed toys, key chains, miscellaneous sundry goods for the home, and straps for mobile phones.

In the group, SK JAPAN CO., LTD. counts amusement facilities operators as their main clients, while SAN-S CO., LTD. has fancy goods stores and superstores as their main clients.

Our business system is as follows:



## **2. Management Principles**

### (1) Basic Management Principles

Our group, whose motto is “to provide character goods which spark dreams to a wide range of people from children to adults ,” plans and develops products with healing, comforting and graceful properties. Although the kind of goods and characters that appeal to people varies as time goes by, we make it our basic management principle to keep pace with current fashions and provide all people with amusement through our creativity and determination. We also aim at contributing to shareholders, customers, employees and society by increasing profits from character goods sales, and at becoming an excellent specialist, rather than all-encompassing company.

With respect to the major business indexes, our group aims to keep the Equity of Total Assets Ratio over 50 percent while keeping ROE over 10 percent. The long-term maintenance of this performance will heighten the company's enterprise value.

### (2) Basic Profit Sharing Principles

The basic profit sharing principle is to stabilize dividend standards and to continually return profits. For the interim period of the current consolidated fiscal year, we have set 6 Yen per share in order to remain flexible to radically changing business environments. Retained profits will be appropriated for further improvement of the management system, the strengthening of the financial system and future business expansion, and they will be returned to shareholders in the future through growth in earnings.

### (3) Mid to Long-Term Business Strategies and Issues that Require Attention

We recognize that the management environment our group is in becoming tougher because of the prolonged economic downturn, the fluctuation and individualization of customer's needs and increased competition among businesses. Under these conditions, we are undertaking strategies to raise the quality of our management and stabilize our profits. In actual terms, we will be putting the following four action plans into action.

1. Strengthening the planning and development of products.

Build a more efficient and improved system ranging from product planning to sales.

2. Improving the ability to respond to customer needs.

Grow sales by increasing staff and their direct involvement with clients.

3. Extending product line and expanding sales network

We try to vivify operating activities, firstly by improving the operating efficiency through the expansion and reconciliation of the kinds of our product line, secondly by opening new networks for more sales, and thirdly by enlarging sales networks in cooperation with wholesalers.

4. Enlarging business scale through cooperation and M&A

Our group partly took over the operating section of Image Life Co., Ltd. as of October 1, 2001, which is our first M&A since listing. We are seeking further to enlarge our business scale in the future through M&A.

By taking on the above important tasks, our group intends to achieve sales of 10 billion yen by the period ending March 2005.

### **3. Business Performance**

#### (1) Summary for this Interim Consolidated Period

The character goods industry has experienced a severe business climate on account of the absence of big name character goods, fewer children, and the prolonged economic downturn. The trend is now drifting from the business depending on single hit items to that of depending on stable sales. For example, we see a development in the area of second-generation character goods and that character goods have begun to be recognized as brand-name products. We see a change occurring recently, where on one hand junior or senior high school students have moved away from character goods while on the other hand, young children, their parents and people over thirty are moving into the target sales category.

Given the current situation where the product cycle moves rapidly and trends pass as quickly as they arrive, our group has accelerated the planning and development of original goods, while positioning fashionable character goods into market as early as possible, utilizing our ability to wholesale fully. In this period, as in the first quarter period preceding, sales to the amusement industry as well as to the sales industry have performed well, earning 2,756 Million Yen (a 13.7% increase from the same period last year).

#### (2) Business Conditions for Each Section

##### [Sales Business to the Amusement Industry]

In the area of sales to the amusement industry, we have aimed at providing more staff mainly for the operating section and focused our operating activities on suiting customer needs. As a result, we have seen more sales to all operators, other than manufacturer operators, than we did last year. The sales to superstores and to shopping centers, in particular, achieved sales of 143 Million Yen (a 24.7% increase from the same period last year) and of 261 Million Yen (a 25.4% increase from the same period last year) respectively. In all, sales reached 2,332 Million Yen (a 12.9% increase from the same period last year). A strong contributor to growth in sales was the product named "INITIAL D".

In the SP business, operating activities narrowed down to selected products. Sales to 300 Yen Shops, confectionaries and franchised restaurants etc. continued successfully, reaching 34 Million Yen.

##### [Sales Business to the Sales Industry]

In the sales business to the sales industry, our main performers - key chain and mobile phone accessories, slumped to 108 Million Yen (a 2.0% decrease from the same period last year) and 180 Million Yen (a 3.0% decrease from the same period last year) respectively. Nevertheless, sales of miscellaneous goods increased dramatically to 131 Million Yen (a 114.3% increase from the same period last year) on account of an expanded range of products, and more aggressive sales, so that the loss in sales of the existing main sellers was compensated for.

We also placed more staff in the Tokyo area and endeavored actively to open new sales networks, with the result of achieving sales of 423 Million Yen (a 18.2% increase from the same period last year) altogether.

(3) Projection for the Full Year

Our plan for the full year is to become more competitive in the market by encouraging the planning and development of original goods and to work more closely with our customers. In addition, we will continue to strengthen the SP section and establish new sales networks now that we partly took over and began to cooperate with the operating section of Image Life Co., Ltd. as of October 1, 2001. Moreover, we will continue to promote our business through planning and developing products with high added value, by collaborating in new projects, and by seeking new target areas.

Accordingly, our projected business performance on a consolidated basis is for sales of 5,400 Million Yen (a 6.1% increase from the period last year), ordinary income of 360 Million Yen (a 11.1% increase from the period last year) and net income of 204 Million Yen (a 24.7% increase from the period last year).

#### 4. Interim Consolidated Financial Statement

##### (1) Interim Consolidated Balance Sheet

(Unit: Thousand Yen)

Period	Interim Consolidated Balance Sheet for Previous Year ended on September 30,2000		Interim Consolidated Balance Sheet for Current Year ended on September 30,2001		Summary of Consolidated Balance Sheet for Previous Fiscal Year ended on March 31,2001	
	Amount	%	Amount	%	Amount	%
<b>(Assets)</b>						
<b>Current Assets</b>						
1. Cash and Cash Equivalents	784,441		807,053		776,508	
2. Trade Notes and Accounts Receivable	728,177		870,215		764,021	
3. Securities	50,075		50,222		50,170	
4. Inventories	189,090		221,313		126,385	
5. Deferred Tax Assets	19,889		16,846		11,625	
6. Other Current Assets	28,244		32,405		25,668	
Allowances for Doubtful Accounts	(4,446)		(8,288)		(5,287)	
<i>Total Current Assets</i>	1,795,473	66.2	1,989,768	69.2	1,749,093	66.6
<b>Fixed Assets</b>						
<b>1. Tangible Fixed Assets</b>						
(1) Buildings	284,379		279,011		286,784	
(2) Land	434,130		416,835		416,835	
(3) Other Tangible Fixed Assets	10,940		14,724		13,176	
<i>Total Tangible Fixed Assets</i>	729,449	26.9	710,571	24.8	716,796	27.3
2. Intangible Fixed Assets	5,802	0.2	5,802	0.2	5,802	0.2
<b>3. Investments and Other Assets</b>						
(1) Investment Securities	5,789		7,512		9,695	
(2) Claim in Bankruptcy and Reorganization	8,365		10,569		8,571	
(3) Reserves for Insurance	158,949		116,114		109,044	
(4) Deferred Tax Assets	9,630		22,681		18,031	

(5) Other Investments and Assets	7,579		20,851		17,460	
Allowances for Doubtful Accounts	(7,665)		(10,569)		(8,571)	
<i>Total Investments and Other Assets</i>	182,648	6.7	167,160	5.8	154,232	5.9
<i>Total Fixed Assets</i>	917,900	33.8	883,534	30.8	876,831	33.4
<b><i>Total Assets</i></b>	2,713,374	100.0	2,873,302	100.0	2,625,924	100.0



(Unit: Thousand Yen)

Period	Interim Consolidated Balance Sheet for Previous Year ended on September 30,2000		Interim Consolidated Balance Sheet for Current Year ended on September 30,2001		Summary of Consolidated Balance Sheet for Previous Fiscal Year ended on March 31,2001	
	Amount	%	Amount	%	Amount	%
<b>Items</b>						
<b>(Liabilities)</b>						
<b>Current Liabilities</b>						
1. Trade Accounts Payable	528,678		665,616		468,947	
2. Short-Term Loans Payable	301,581		190,306		209,676	
3. Other Accounts Payable	50,382		58,540		62,435	
4. Income Taxes Payable	73,595		77,060		51,212	
5. Accrued Bonuses	36,166		36,587		27,598	
6. Other Current Liabilities	30,720		42,152		28,582	
<i>Total Current Liabilities</i>	1,021,124	37.6	1,070,263	37.3	848,452	32.3
<b>Long-Term Liabilities</b>						
1. Long-Term Loans Payable	82,660		44,904		73,930	
2. Liabilities for Retirement Benefits	16,774		39,113		40,539	
<i>Total Long-Term Liabilities</i>	99,434	3.7	84,017	2.9	114,469	4.4
<b>Total Liabilities</b>	1,120,558	41.3	1,154,280	40.2	962,922	36.7
<b>(Shareholders' Equity)</b>						
<b>Common Stocks</b>	336,002	12.4	336,002	11.7	336,002	12.8
<b>Additional Paid-in Capitals</b>	367,364	13.5	367,364	12.7	367,364	14.0
<b>Consolidated Retained Earnings</b>	889,722	32.8	1,015,848	35.4	959,719	36.5
	1,593,088	58.7	1,719,214	59.8	1,663,085	63.3
<b>Treasury Stocks</b>	(273)	(0.0)	(192)	(0.0)	(83)	(0.0)
<i>Total Shareholders' Equity</i>	1,592,815	58.7	1,719,021	59.8	1,663,002	63.3
<b>Total Liabilities and Shareholders' Equity</b>	2,713,374	100.0	2,873,302	100.0	2,625,924	100.0

## (2) Interim Consolidated Income Statement

(Unit: Thousand Yen)

Period	Interim Consolidated Income Statement for Previous Fiscal Year (From April 1, 2000 to September 30, 2000)		Interim Consolidated Income Statement for Current Fiscal Year (From April 1, 2001 to September 30, 2001)		Summary of Consolidated Income Statement for Previous Fiscal Year (From April 1, 2000 to March 31, 2001)	
	Amount	%	Amount	%	Amount	%
<b>Items</b>						
<b>Sales</b>	2,424,343	100.0	2,756,722	100.0	5,090,207	100.0
<b>Cost of Sales</b>	1,690,598	69.7	1,969,845	71.5	3,604,817	70.8
<i>Gross Profit</i>	733,745	30.3	786,877	28.5	1,485,389	29.2
<b>Selling, General and Administrative Expenses</b>						
1. Packing and Carriage Expenses	80,258		96,361		173,240	
2. Salaries	149,935		178,206		339,538	
3. Expenses for Accrued Bonuses	36,166		36,587		27,598	
4. Welfare Expenses	56,383		59,873		106,553	
5. Expenses for Liabilities for Retirement Benefits	1,635		4,150		12,069	
6. Other Expenses	251,590	575,969	255,564	630,744	489,188	1,148,188
<i>Operating Income</i>	157,775	6.5	156,133	5.7	337,201	6.6
<b>Non-operating Income</b>						
1. Interest Income	315		227		925	
2. Gains on Cancellation of Insurance	1,884		517		6,474	
3. Foreign Exchange Gains	-		783		-	
4. Other Non-operating Income	1,096	3,295	1,777	3,305	2,624	10,024
<b>Non-operating Expenses</b>						
1. Interest Payments	3,726		2,933		7,257	
2. Losses on Valuation of Investment Securities	1,899		2,192		8,293	
3. Foreign Exchange Losses	654		-		3,219	
4. Other Non-operating Expenses	1,172	7,453	6,374	11,500	4,301	23,071
<i>Ordinary Income</i>	153,617	6.3	147,937	5.4	324,154	6.4
<b>Extraordinary Income</b>						

1. Gains on Cancellation of Insurance	-		-			50,308		
2. Reversal of Allowances for Doubtful Accounts	1,934	1,934	0.1	-	-	187	50,496	1.0
<b>Extraordinary Losses</b>								
1. Losses on Sales of Fixed Assets	-			45		30,769		
2. Liabilities for Retirement Benefits	19,261	19,261	0.8	-	45	38,523	69,292	1.4
<i>Interim Net Income before Taxes and Other Adjustments</i>		136,290	5.6		147,892		305,357	6.0
Current Income Taxes	73,675			77,453		152,701		
Deferred Income Taxes	(10,864)	62,810	2.6	(9,870)	67,582	(11,002)	141,699	2.8
<i>Interim Net Income</i>		73,480	3.0		80,309		163,658	3.2

(3) Interim Consolidated Surplus Statements

(Unit: Thousand Yen)

Period	Interim Consolidated Surplus Statements for Previous Fiscal Year (From April 1, 2000 to September 30, 2000)		Interim Consolidated Surplus Statements for Current Fiscal Year (From April 1, 2001 to September 30, 2001)		Summary of Consolidated Surplus Statements for Previous Fiscal Year (From April 1, 2000 to March 31, 2001)	
	Amount		Amount		Amount	
<b>Consolidated Surplus at Beginning of Year</b>		872,893		959,719		872,893
<b>Decrease in Consolidated Surplus</b>						
1. Dividends	50,451		20,180		70,632	
2. Director's Bonuses	6,200	56,651	4,000	24,180	6,200	76,832
<b>Interim Net Income</b>		73,480		80,309		163,658
<b>Consolidated Surplus at End of Interim Period</b>		889,722		1,015,848		959,719

## (4) Interim Cash Flows Statements

(Unit: Thousand Yen)

Period	Interim Consolidated Cash Flows Statement for Previous Fiscal Year (From April 1, 2000 to September 30, 2000)	Interim Consolidated Cash Flows Statement for Current Fiscal Year (From April 1, 2001 to September 30, 2001)	Summary of Consolidated Cash Flows Statement for Previous Fiscal Year (From April 1, 2000 to March 31, 2001)
Items	Amount	Amount	Amount
<b>Cash Flows from Operating Activities</b>			
1. Interim Net Income before Taxes and Other Adjustments	136,290	147,892	305,357
2. Depreciation and Amortization	12,132	11,674	23,531
3. Losses on Valuation of Investment Securities	1,899	2,192	8,293
4. Increase in Accrued Bonuses	11,073	8,988	2,504
5. Increase in Allowances for Doubtful Accounts (Decrease)	(1,934)	4,998	(188)
6. Increase in Liabilities for Retirement Benefits (Decrease)	16,774	(1,426)	40,539
7. Interest and Dividend Income	(371)	(227)	(1,005)
8. Interest Expenses	3,726	2,933	7,257
9. Gains on Sales of Securities	-	(200)	-
10. Gains on Cancellation of Insurance Income	(1,884)	(517)	(56,782)
11. Losses on Sales of Tangible Fixed Assets	-	45	30,769
12. Increase in Trade Accounts and Notes Receivables	(3,817)	(106,193)	(39,661)
13. Decrease in Inventories (Increase)	(112,169)	(94,927)	(49,464)
14. Increase in Trade Accounts Payables	115,097	196,668	55,367
15. Payments of Director's Bonuses	(6,200)	(4,000)	(6,200)
16. Others	(36,591)	(3,171)	(40,601)
<i>Subtotal</i>	134,025	164,729	279,716
17. Receipt of Interest and Dividend Income	399	229	1,031
18. Payments of Interest Expenses	(3,603)	(2,890)	(7,094)
19. Payments of Income Tax	(119,357)	(51,605)	(220,766)
<i>Net Cash Provided by Operating Activities</i>	11,464	110,462	52,887

<b>Cash Flows from Investing Activities</b>			
1. Purchases of Marketable Securities	(10)	(359)	(12,375)
2. Proceeds from Sales of Marketable Securities	-	550	2,290
3. Payments of Reserves for Insurance	(7,646)	(7,984)	(21,039)
4. Proceeds from Cancellation of Insurance	4,157	1,431	122,353
5. Purchases of Fixed Assets	(1,015)	(5,515)	(79,721)
6. Proceeds from Sales of Fixed Assets	-	20	49,192
7. Payments of Loans Receivable	(11,000)	-	(11,000)
8. Proceeds from Collections on Loans Receivable	1,000	-	11,000
9. Others	(5,250)	-	(9,100)
<i>Net Cash Provided by Investing Activities</i>	(19,764)	(11,856)	51,600
<b>Cash Flows from Financing Activities</b>			
1. Increase in Short-Term Debts	220,000	90,000	290,000
2. Repayments of Short-Term Loans Payable	(173,479)	(108,654)	(344,168)
3. Increase in Long-Term Debts	-	-	40,000
4. Repayments of Long-Term Loans Payable	(30,122)	(29,742)	(70,068)
5. Net Purchases of Treasury Stocks	-	-	190
6. Payments of Dividends	(50,451)	(19,611)	(70,632)
<i>Net Cash Provided by Financing Activities</i>	(34,052)	(68,007)	(154,678)
<b>Increase in Cash and Cash Equivalents</b>	(42,352)	30,597	(50,191)
<b>Cash and Cash Equivalents at Beginning of Year</b>	876,869	826,678	876,869
<b>Cash and Cash Equivalents at End of Interim Period</b>	834,517	857,276	826,678

(5) Significant Items in Preparing Interim Financial Statement

(1) Scope of Consolidation

SAN-S CO., LTD. is the only consolidated subsidiary

(2) Subject to Equity Method:

No

(3) Interim Closing Date of Consolidated Subsidiary

The interim closing date of the consolidated subsidiary accords with that of the consolidated group.

(4) Accounting Standards

1. Valuation Basis and Valuation Methodology of Significant Assets

A) Securities

Securities with Market Price

Market value method based on market prices at the interim closing date. (Positive and negative differences in valuation are included in capital accounts and current term losses respectively; cost of sales is calculated on the moving average method.)

Non-Marketable Securities

Calculated on the moving average method.

B) Derivatives

Calculated on the market value method

C) Inventory

Calculated on the periodic average method (monthly).

2. Depreciation of Significant Depreciable Assets

Tangible Fixed Assets

Fixed percentage on declining balance method. However, to buildings (except attached equipment) obtained from April 1, 1998, fixed installment method is applied.

Useful life for major items is as follows:

Buildings: 15 to 50 years

Others: 2 to 10 years

3. Recognition Standards for Significant Reserves

A) Allowances for Doubtful Accounts

In order to properly reserve for loss from uncollectable accounts, reserves are set up by the following method:

a. for regular receivables, based on actual default ratio experienced

b. for doubtful accounts, based on estimated uncollectable amount, considering credit risk of each account

B) Accrued Bonuses

Accrued bonuses are set up on anticipated bonus payment to employees.

C) Liabilities for Retirement Benefits

In order to properly reserve for retirement benefits, reserves are set up at the value considered due at the end of this interim consolidated fiscal period based on debts for retirement benefits and pension assets.

4. Accounting Treatment for Significant Lease Transactions

Except leases where ownership transfers to leases, financing lease transactions are booked according to the regular accounting treatment for ordinary rent/borrow transactions.

5. Other Significant Items in Preparing Interim Financial Statement

Accounting Treatment for (Local) Consumption Tax

Revenue is recorded excluding collected consumption tax.

(5) Definition of Cash in Interim Consolidated Cash Flows Statements

Definition of cash (cash and cash equivalents) in the interim consolidated cash flows statement is cash on hand and liquid investments such as time deposits with maturity not exceeding a year with easy convertibility to cash and with little risk of change in valuation.



## Notes

(Interim Consolidated Balance Sheet Related)

(The prices given are rounded down if less than a thousand Yen.)

### (1) Accumulated Depreciation

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Tangible Fixed Assets	126,213 Thousand Yen	135,923 Thousand Yen	124,564	Thousand Yen	

### (2) Hypothecated Assets and Corresponding Debts

Hypothecated Assets					
	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous	Consolidated	Fiscal Year
Buildings	273,480 Thousand Yen	220,797 Thousand Yen	228,126	Thousand Yen	
Land	422,270 Thousand Yen	379,760 Thousand Yen	379,760	Thousand Yen	
<i>Total</i>	695,750 Thousand Yen	600,557 Thousand Yen	607,886	Thousand Yen	

Corresponding Debts					
	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous	Consolidated	Fiscal Year
Short-Term Loans Payable	228,380 Thousand Yen	126,536 Thousand Yen	136,800	Thousand Yen	
Long-Term Loans payable (including long-term loans payable to be Repaid within 1 Year)	133,360 Thousand Yen	103,672 Thousand Yen	133,414	Thousand Yen	
Discounted Notes	26,394 Thousand Yen	28,102 Thousand Yen	18,350	Thousand Yen	
<i>Total</i>	388,134 Thousand Yen	258,310 Thousand Yen	288,564	Thousand Yen	

### (3) Discount on Trade Notes Receivable

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Discount on Trade Notes Receivable	42,283 Thousand Yen	36,614 Thousand Yen	28,350	Thousand Yen	

### (4) Accounting Treatment of Notes with Maturity at End of Interim Consolidated Fiscal Period

Notes with maturity at the end of the interim consolidated fiscal period are settled on the day of clearance. Please note that since the last day of the interim consolidated fiscal period fell on a holiday of financial institutions, the following notes with maturity at the end of the interim consolidated fiscal period are included in the balance at the end of the interim consolidated fiscal period.

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Discount on Trade Notes Receivable	7,906 Thousand Yen	13,128 Thousand Yen	14,768	Thousand Yen	

(Interim Consolidated Cash Flows Statement Related)

Breakdown of Interim Consolidated Balance of Cash & Cash Equivalents					
	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Cash & Deposit Accounts	784,441 Thousand Yen	807,053 Thousand Yen	776,508 Thousand Yen		
Securities Accounts (MMF etc.)	50,075 Thousand Yen	50,222 Thousand Yen	50,170 Thousand Yen		
Cash & Cash Equivalents	834,517 Thousand Yen	857,276 Thousand Yen	826,678 Thousand Yen		

(Lease Transactions Related)

Finance Leases other than those of Ownership Transfers to Lease

(1) Acquisition Amount, Accumulated Depreciation and Interim Fiscal Period End Balance Equivalent of the Lease Property

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Tangible Fixed Assets etc.					
Acquisition Price Equivalents	123,375 Thousand Yen	142,578 Thousand Yen	143,700 Thousand Yen		
Accumulated Depreciation Equivalents	72,844 Thousand Yen	99,124 Thousand Yen	85,988 Thousand Yen		
Fiscal Year End Balance Equivalents	50,530 Thousand Yen	43,454 Thousand Yen	57,712 Thousand Yen		

(Notes) Acquisition price equivalents are calculated by including interest, considering the relatively low rate of lease payment equivalents at the end of the interim fiscal period in tangible fixed assets equivalents at the end of the interim fiscal period.

(2) Lease Payment Balance Equivalents at End of Interim Fiscal Period

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Less than a year	23,604 Thousand Yen	17,108 Thousand Yen	23,748 Thousand Yen		
More than a year	26,926 Thousand Yen	26,345 Thousand Yen	33,963 Thousand Yen		
Total	50,530 Thousand Yen	43,454 Thousand Yen	57,712 Thousand Yen		

(Notes) Lease payment balance equivalents at the end of the interim fiscal period are calculated by including interest, considering the relatively low rate of lease payment equivalents at the end of the interim fiscal period in tangible fixed assets equivalents at the end of the interim fiscal period.

(3) Lease Payments and Depreciation Expenses Equivalents

	Previous Interim Consolidated Fiscal Period	Current Interim Consolidated Fiscal Period	Previous Year	Consolidated	Fiscal
Lease Payments Equivalents	12,409 Thousand Yen	14,257 Thousand Yen	26,768 Thousand Yen		
Depreciation Expenses Equivalent	12,409 Thousand Yen	14,257 Thousand Yen	26,768 Thousand Yen		

(4) Depreciation equivalent calculation method

We use the straight-line method with the lease period as depreciable life and a residual value of zero.

*(Significant Items to Add)*

Not applicable.

**5. Segmental Information**

(1) Segmental information for each business

Segmental information for each business is not required for disclosure, since our company group has no other business than planning and selling of such fancy goods belonging to one segment as stuffed toys, key chains, mobile phone accessories and toys.

(2) Segmental Information for Each Local subsidiary

Segmental information for each local subsidiary is not required for disclosure, since our company group has no local consolidated subsidiaries or foreign branches.

(3) Foreign Sales

Not applicable, since we have no foreign sales.

## **6. Production, Order and Sales**

(1) Production

Since our group does not have our own production base or production process, disclosure of productivity is difficult.

(2) Order Received

Not applicable.

(3) Sales Performance

1. Sales for Each Business

(Unit: Thousand Yen, %)

			Previous Interim Consolidated Fiscal Period (From April 1, 2000 to September 30, 2000)		Current Interim Consolidated Fiscal Period (From April 1, 2001 to September 30, 2001)		Previous Consolidated Fiscal Year (From April 1, 2000 to March 31, 2001)	
			Sales	%	Sales	%	Sales	%
Amusement facilities	Operators	Manufacturers	253,927	10.5	232,308	8.4	507,002	10.0
		Superstores	114,746	4.7	143,124	5.2	278,800	5.5
		Shopping Centers	208,827	8.6	261,770	9.5	435,830	8.6
		Street Stores	1,260,693	52.0	1,405,243	51.0	2,647,398	52.0
		Amusement Parks	57,127	2.4	63,010	2.3	91,595	1.8
	Distributors	170,378	7.0	193,306	7.0	307,998	6.0	
	SP Section	-	-	34,079	1.2	46,057	0.9	
<i>Subtotal</i>			2,065,700	85.2	2,332,843	84.6	4,314,680	84.8
Sales	Wholesale stores	39,433	1.6	55,371	2.0	89,026	1.7	
	Retail Stores	319,209	13.2	368,508	13.4	686,493	13.5	
<i>Subtotal</i>			358,642	14.8	423,879	15.4	775,520	15.2
<i>Total</i>			2,424,343	100.0	2,756,722	100.0	5,090,207	100.0

(Notes)

1. Manufactures are enterprises that manufacture amusement and arcade game machines.
2. Superstores are amusement sections in major superstores such as supermarkets.
3. Shopping centers are enterprises that develop stores as tenants in superstores and shopping centers.
4. Distributors are corporations or persons not producing amusement facilities that specialize in selling amusement game machines and prizes to them.
5. The SP section, representing Sales Promotion section, treats planning and selling of premium goods.
6. Consumption tax and others are excluded from the amounts described above.

## 2. Sales for Each Product

(Unit: Thousand Yen, %)

	Previous Interim Consolidated Fiscal Period (From April 1, 2000 to September 30, 2000)		Current Interim Consolidated Fiscal Period (From April 1, 2001 to September 30, 2001)		Previous Consolidated Fiscal Year (From April 1, 2000 to March 31, 2001)	
	Sales	%	Sales	%	Sales	%
Company's Original goods	55,786	2.3	57,811	2.1	106,914	2.1
Character goods	678,265	28.0	579,144	21.0	1,169,473	23.0
Purchased goods	1,690,291	69.7	2,119,767	76.9	3,813,817	74.9
<i>Total</i>	2,424,343	100.0	2,756,722	100.0	5,090,207	100.0

(Notes) Consumption tax and others are excluded from the amounts described above.

## 7. Securities Related

Previous Interim Consolidated Fiscal Period End (As of September 30, 2000)

- (1) Bonds with Market Price for Holding until Maturity

Not applicable.

- (2) Other Securities with Market Price

(Unit: Thousand Yen)

	Current Value	Amount Listed on the Previous Interim Fiscal Period Balance Sheet	Difference
(1) Stocks	-	-	-
(2) Bonds			
(Local) Government Bonds	-	-	-
Corporate Bonds	-	-	-
Other Bonds	-	-	-
(3) Others	7,678	5,779	(1,899)
<i>Total</i>	<i>7,678</i>	<i>5,779</i>	<i>(1,899)</i>

- (3) Significant Securities without Market Price (excluding the (1) above)

(Unit: Thousand Yen)

	Amount Listed on the Previous Interim Fiscal Period Balance Sheet	Remarks
(1) Other Securities		
Money Management Fund	30,034	
Medium-Term Government Bond Fund	20,041	

Current Interim Consolidated Fiscal Period End (As of September 30, 2001)

(1) Bonds with Market Price for Holding until Maturity

Not applicable.

(2) Other Securities with Market Price

(Unit: Thousand Yen)

	Current Value	Amount Listed on the Current Interim Fiscal Period Balance Sheet	Difference
(1) Stocks	-	-	-
(2) Bonds			
(Local) Government Bonds	-	-	-
Corporate Bonds	-	-	-
Other Bonds	-	-	-
(3) Others	9,695	7,502	(2,192)
<i>Total</i>	9,695	7,502	(2,192)

(3) Significant Securities without Market Price (excluding the (1) above)

(Unit: Thousand Yen)

	Amount Listed on the Current Interim Fiscal Period Balance Sheet	Remarks
(1) Other Securities		
Money Management Fund	30,117	
Medium-Term Government Bond Fund	20,105	

Previous Consolidated Fiscal Year (As of March 31, 2001)

(1) Securities for Trading

Not applicable.

(2) Bonds with Market Price for Holding until Maturity

Not applicable.

(3) Other Securities with Market Price

(Unit: Thousand Yen)

Type	Current Value	Amount Listed on the Consolidated Balance Sheet	Difference
Securities with market value exceeding amount initially listed on consolidated balance sheet			
(1) Stocks	-	-	-
(2) Bonds			
(Local) Government Bonds	-	-	-
Corporate Bonds	-	-	-
Other Bonds	-	-	-
(3) Others	-	-	-
<i>Subtotal</i>	-	-	-
Securities with market value not exceeding amount initially listed on consolidated balance sheet			
(1) Stocks	-	-	-
(2) Bonds			
(Local) Government Bonds	-	-	-
Corporate Bonds	-	-	-
Other Bonds	-	-	-
(3) Others	17,978	9,685	(8,293)
<i>Subtotal</i>	17,978	9,685	(8,293)
<i>Total</i>	17,978	9,685	(8,293)

(4) Other Securities Sold during Previous Consolidated Fiscal Year

(Unit: Thousand Yen)

Sales Value	Total Profits on Sale	Total Losses on Sale
2,290	224	-

(5) Significant Securities without Market Price

(Unit: Thousand Yen)

	Amount Listed on the Current Interim Fiscal Period Balance Sheet	Remarks
Other Securities		
Money Management Fund	20,043	
Medium-Term Government Bond Fund	30,127	

(6) Other Securities with Maturity and Anticipated Redemption Price of Bonds for Holding until Maturity

Not applicable.



**8. Derivatives Related**

Previous Interim Consolidated Fiscal Period (From April 1, 2000 to September 30, 2000)

Not applicable, since our group utilized no derivative transactions.

Current Interim Consolidated Fiscal Period (From April 1, 2001 to September 30, 2001)

There was no derivative transaction that was not subject to hedge accounting.

Previous Consolidated Fiscal Year (From April 1, 2000 to March 31, 2001)

Not applicable, since our group utilized no derivatives.