

FY 2004 ending March 31, 2005

Flash Report on the Consolidated Results for the Interim Period Ended September 30, 2004

November 15, 2004

Company Name: DAIICHIKOSHO CO., LTD.

Code Number: 7458

(URL <http://www.dkkaraoke.co.jp>)

Registered Stock: JASDAQ

Location of Head Office (Prefecture): Metropolis of Tokyo

Representative: Tatsuyoshi Yoneda, President

Contact: Eiji Hata, Executive Director; Administration Headquarters and General Manager,
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Date of the Board of Directors Meeting on the Closing of Accounts: November 15, 2004

Adoption of U.S. GAAP: No

1. Consolidated Performance for the Interim Period Ended September 2004 (from April 1, 2004, to September 30, 2004)**(1) Consolidated operating results**

Note: Amounts below one million yen are truncated.

	Net sales		Operating income		Ordinary income	
	¥ Million	%	¥ Million	%	¥ Million	%
Interim period ended September 2004	60,850	6.9	6,296	(8.5)	6,195	(3.1)
Interim period ended September 2003	56,910	(2.6)	6,880	15.4	6,392	17.1
Year ended March 2004	119,335		13,126		12,331	

	Net income		Net income per share	Fully diluted net income per share
	¥ Million	%	¥	¥
Interim period ended September 2004	3,895	178.6	108.40	103.22
Interim period ended September 2003	1,398	(39.9)	38.87	37.20
Year ended March 2004	4,898		132.54	126.11

Notes:1. Equity in net income of unconsolidated subsidiaries and affiliates:

Interim period ended September 2004: (¥ - million)

Interim period ended September 2003: (¥ - million) Year ended March 2004: (¥ - million)

2. Average number of shares outstanding during the respective periods (consolidated):

Interim period ended September 2004: 35,941,040 shares

Interim period ended September 2003: 35,965,654 shares

Year ended March 2004: 35,958,418 shares

The Company conducted a two-for-one stock split on May 20, 2004. For comparison, "Net income per share" is stated in the table above as if the stock split had occurred as of April 1, 2003.

3. Change in accounting method: None**4. Percentage figures for net sales, operating income, ordinary income and net income indicate respective changes from the interim period of the previous year.**

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	¥ Million	¥ Million	%	¥
Interim period ended September 2004	139,292	63,746	45.8	1,773.74
Interim period ended September 2003	133,923	56,366	42.1	1,567.49
Year ended March 2004	138,453	60,856	44.0	1,689.46

Note: Number of shares outstanding at the end of the respective periods (consolidated):

35,938,948 shares at September 30, 2004 35,959,692 shares at September 30, 2003

35,942,520 shares at March 31, 2004

The Company conducted a two-for-one stock split on May 20, 2004. For comparison, "Shareholders' equity per share" is stated in the table above as if the stock split had occurred as of April 1, 2003.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ Million	¥ Million	¥ Million	¥ Million
Interim period ended September 2004	11,589	(8,396)	(1,372)	22,142
Interim period ended September 2003	11,918	(11,348)	(2,642)	20,740
Year ended March 2004	27,200	(26,056)	(3,606)	20,300

(4) Scope of consolidation and application of the equity method

Number of consolidated subsidiaries: 38

Number of unconsolidated subsidiaries accounted for by the equity method: -

Number of affiliates accounted for by the equity method: -

(5) Change in the scope of consolidation and application of the equity method

Consolidation (newly included): 1 (Excluded): 1

Equity method (newly applied): - (Excluded): -

2. Forecast Consolidated Performance for FY 2004 (from April 1, 2004, to March 31, 2005)

	Net sales	Ordinary income	Net income
	¥ Million	¥ Million	¥ Million
FY 2004 ending March 31, 2005 (full year)	126,000	12,800	6,800

(Reference) Forecast net income per share (full year): ¥185.51

Note: These projected performance figures are based on information available to the Company's management at the time of preparing this report. There are many uncertain factors inherent in forecasting, and there might be cases in which actual results differ from forecast values. See page 10 of the Attachment for further information on forecasts.

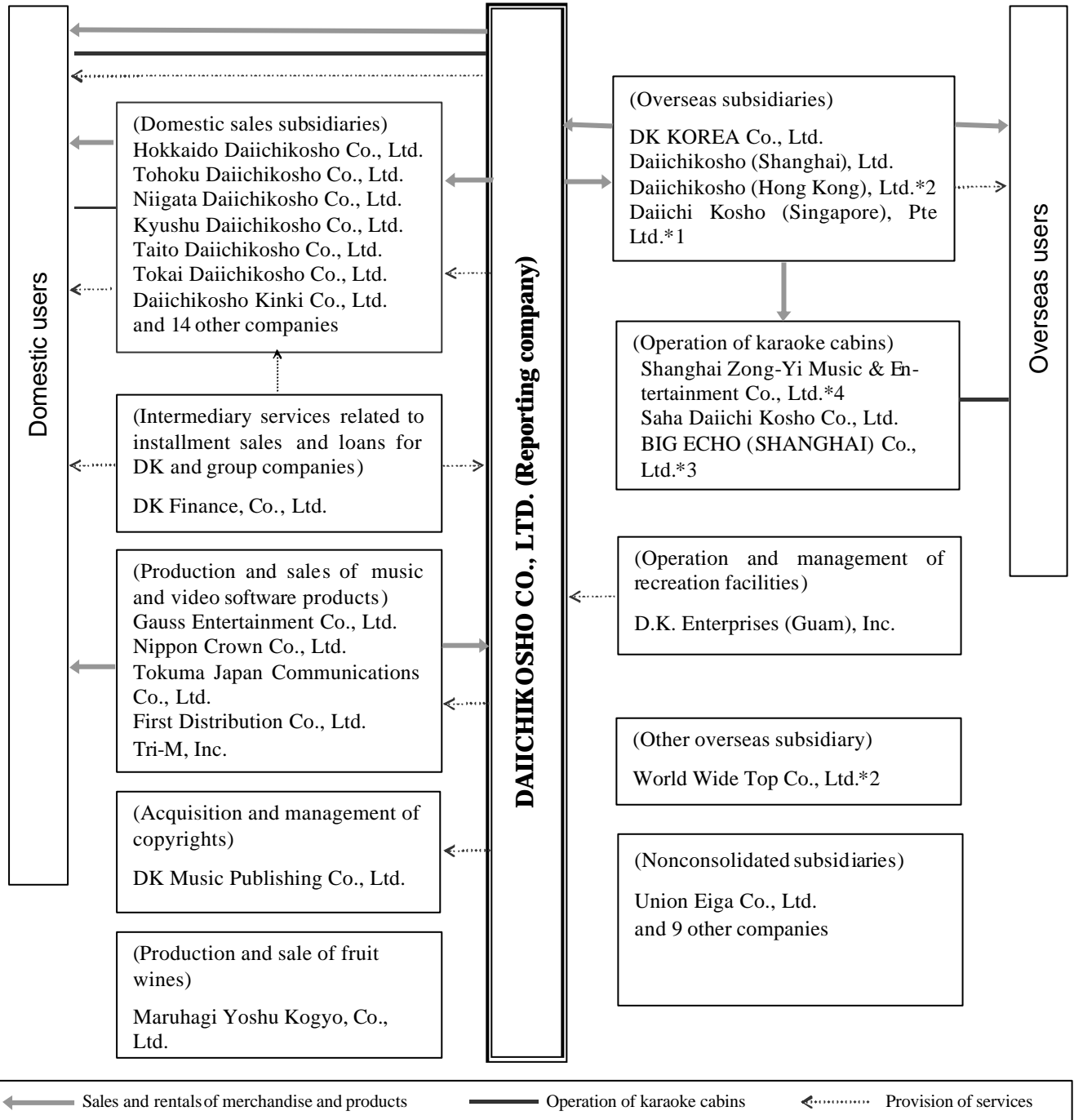
(Attachment)

1. Corporate Group

The Daiichikoshi Group (“DKG”) consists of Daiichikoshi Co., Ltd. (“DK” or “the Company”), and 38 subsidiaries. The major group companies engage in the commercial karaoke business, the karaoke cabin business, the content business and the music software business.

Business segment	Business line	Domestic	Overseas
Commercial karaoke business	Sales and rental of commercial-use karaoke equipment	Daiichikoshi Co., Ltd. Hokkaido Daiichikoshi Co., Ltd. Tohoku Daiichikoshi Co., Ltd. Taito Daiichikoshi Co., Ltd. Niigata Daiichikoshi Co., Ltd. Tokai Daiichikoshi Co., Ltd. Daiichikoshi Kinki Co., Ltd. Kyushu Daiichikoshi Co., Ltd. and 14 other subsidiaries	DK KOREA Co., Ltd. Daiichikoshi (Shanghai), Ltd. and two other subsidiaries
Karaoke cabin business	Operation of karaoke cabins, as well as the supply of food and beverages in the cabins		Shanghai Zong-Yi Music & Entertainment Co., Ltd. Saha Daiichi Kosho Co., Ltd. BIG ECHO (SHANGHAI) Co., Ltd.
Content business	Supply of music content, etc. via satellite broadcasting and mobile phones		
Music software business	Production and sales of music and video software products	Gauss Entertainment Co., Ltd. Nippon Crown Co., Ltd. Tokuma Japan Communications Co., Ltd. First Distribution Co., Ltd. Tri-M, Inc.	
Other business	Real estate lease and rental business, restaurant business, etc.	Daiichikoshi Co., Ltd. DK Finance, Co., Ltd. DK Music Publishing Co., Ltd. Maruhagi Yoshu Kogyo, Co., Ltd.	D.K. Enterprises (Guam), Inc. World Wide Top Co., Ltd.

The following diagram schematically shows the relationships of the respective group companies and businesses.



Notes:

- *1 indicates a dormant company.
- *2 indicates a company that is under liquidation proceedings.
- *3 has been newly included in consolidation as it was newly established in April 2004.
- *4 Shanghai Zong-Yi Music & Entertainment Co., Ltd., was renamed in July 2004.
- The liquidation procedure for H.K. Elektronik und Musik GmbH was completed in April 2004.

2. Management Policies

(1) Basic management policy

Based on the corporate philosophy of “More music to the world, more service to the world,” DKG’s basic management policy is “to promote music culture through karaoke and provide people with many places of pleasant communications.” To that end, DKG believes it must provide karaoke equipment and an attractive range of karaoke content that meet users’ needs, as well as karaoke cabins where people can easily gather to enjoy singing karaoke songs. DKG is proud that this objective has been well completed.

Building on the know-how and entertainment content it has accumulated to date, DKG aims to satisfy the expectations and trust not only of investors but also of all the group’s stakeholders by ensuring continued business growth and higher earnings around the core karaoke business.

(2) Basic policy on profit distribution

DK attaches a high priority to ensuring stable, long-term profit distribution to shareholders and follows a policy of positively paying performance-based dividends. Retained earnings not distributed to shareholders will be systematically and effectively reinvested in the development of new products and operating assets to improve DKG’s market share and reinforce its profit-enhancing foundation.

(3) Basic views on the reduction of the minimum investment lot of shares

DK intends to flexibly address this issue by taking into account the increasing liquidity of its shares, past performance and market conditions while focusing on the shareholders’ interests.

(4) Management target indicator

As a priority indicator, DKG aims to achieve a consolidated return on equity (ROE) of 12% or more.

(5) Medium- and long-term management strategies

For the ongoing growth of DKG around the mainstay karaoke business, DKG’s basic management strategies are to a) create new customer-oriented, value-added products and services leveraging off of the latest information technology (IT) and the expanded karaoke telecommunications network; b) encourage reforms of the karaoke business environment and the revitalization of the karaoke market; and c) establish an integrated music entertainment business in which “music, karaoke and entertainment” are harmoniously intertwined.

(6) DKG’s tasks ahead

DKG needs to proactively address the following groupwide issues: further extending its karaoke telecommunications network and increasing revenue from the network, future expansion of the karaoke cabin business and improving profitability in the business, ensuring a consistent surplus in the satellite broadcasting business, reinforcing the business foundations of the music software business and increasing revenue from the business and setting up the “Gateway Business” as a steady and promising new business.

DKG has established the karaoke telecommunications network to provide a karaoke-streaming service. As of September 30, 2004, the market share of the operating “*DAM*” karaoke equipment had increased to above 50% of the commercial karaoke market. To further expand the network, DKG will focus on increasing the sales and rental contracts of “*DAM*” karaoke equipment to improve profits including the fee revenue from the provision of the karaoke-streaming service.

As of September 30, 2004, DKG operated 209 “*BIG ECHO*” karaoke cabin stores, including those overseas. DKG continues to actively open new stores in prime locations in the Tokyo metropolitan area and regional core cities. DKG will also pursue further differentiation with enhanced equipment and quality services for higher management efficiency and an improved operating margin.

With the multichannel direct broadcast satellite provider, **Sky PerfecTV**, as its platform, DKG now offers two television channels and 100 radio channels. DKG intends to record a consistent surplus in the satellite broadcasting business with an aggressive effort to increase the number of commercial-use subscribers to cope with the recent decline in contracts for household services.

In view of the harsh business environment in the music recording industry, DK will reinforce the management foundation of each music software subsidiary and improve profitability by increasing synergies with DKG’s mainstay karaoke business.

DKG has begun supplying a new, broadband-based interactive service that combines the “*Broadband Cyber DAM (DAM-G100)*” equipment with the information terminal “*DAM Station*” beginning from the FY 2004. DKG intends to commercialize this new “Gateway Business” as a steady source of future corporate growth.

(7) Basic views on corporate governance and the implementation of related measures**Basic views on corporate governance**

“Shareholders first” corporate governance has become a predominant view among corporations given recent stock market pressures. Shareholders who shoulder the burden of monetary risk should be the most respected among a corporation’s various stakeholders, which also include employees, business partners and suppliers. DK believes its corporate governance should be carried out and improved in the direction of maximizing shareholder value while meeting the requirements of the different stakeholders.

Current status of internal supervising organs

Pursuant to the aforementioned concept, DK reduced the number of directors to eight in FY 2001 from a high of 25 in FY 1997 to achieve swifter managerial decision making. Along with the reduction in the number of directors, DK introduced the corporate officer system in June 2001, in which the responsibility of each corporate officer in each significant department has been clarified with regard to his/her duties. Meetings of the Board of Directors and the Executive Board are held periodically according to the “Board of Directors Rules” and the “Executive Board Rules,” respectively. Transparency in managerial decisions is emphasized and respected by allowing responsible staff from the related departments to attend these meetings, and complicated subjects are thoroughly reviewed on the spot to ensure quicker decision making. Although DK currently does not intend to introduce the outside director system, its implementation will be examined as business activities develop in the future.

Risk management

DK ensures that each of its employees fully understands the urgency of risk management and participates in setting up a contingency system to cope with various risks including management risk. To address an emergency situation, DK plans to have an emergency response system in place with the formation of the Crisis-Management Task Force, of which the President will serve as general manager; the establishment of a smooth chain of command; and effective measures to minimize human and physical damages.

Compliance

DK endeavors to raise the consciousness of its employees by taking the initiative within the industry in seeking guidance from specialists. DK believes that every corporate activity should be guided by a recognition of compliance. Consequently, DK is committed to sequentially upgrading the audit and legal affairs departments to reinforce the hold-down function, including the measures for improving moral code of conducts of all employees.

IR activity

DK’s IR information is quickly disclosed with an emphasis on timeliness and usefulness. Such disclosure occurs via the Intermediate-Term Business Plan, the Flash Report on the Consolidated Results, the Business Report and other documents from the PR department, for example, in the “NEWS RELEASE” and “FOR INVESTORS” columns on the DK’s homepage. Moreover, important information is disclosed externally according to the regulations on timely disclosure of corporate information.

Future tasks

DK believes management-supervising organs such as the Board of Directors and the Board of Statutory Auditors should be streamlined to solidify corporate governance. More important, management executives such as directors and corporate officers as well as all managerial staff and employees must maintain a high sense of ethics in carrying out their respective duties. Accordingly, DK strives to establish higher efficiency and sound management by enhancing its quality-focused corporate governance through both top-down and bottom-up approaches.

Unified corporate governance as a corporate group

DK believes it is most efficient and rational for DK as the parent company to take the initiative in reinforcing the corporate governance of its subsidiaries. To integrate and share an overall understanding as a powerful corporate group, DK therefore places corporate governance-related matters on the agenda, as required, at the Subsidiary Presidents’ Conference and the Sales Promotion Strategy Conference, which are held periodically by convening the presidents and major management executives of the subsidiaries. DK’s ideas on corporate governance are communicated there so that each subsidiary can carry out its respective corporate activities under a unified groupwide understanding.

(8) Basic policies on relations with a related party

DK clarifies the scope of a related party and strictly investigates the scope and details of its transactions with the related party. In particular, DK basically discloses all transactions by its officers and principal individual shareholders regardless of the disclosure criteria on transaction amounts.

3. Operating Results and Financial Position

(1) Overview for the Interim Period

Operating results

During the interim period ended September 30, 2004, the Japanese economy showed signs of recovery, supported by a steady increase in capital investments, a boost in exports and an improved employment situation due principally to an upturn of overall corporate performance. However, the pace of the recovery slowed amid uncertainty due to a sharp rise in crude oil prices.

In the karaoke industry, efforts to revitalize the market were apparent—large-scale stores opened consistently in the daytime market with karaoke cabins and several manufacturers launched new products—despite intensifying competition at snack bars and clubs, resulting in lower-priced products and services reflecting the continuously harsh business environment for the nighttime market.

In these circumstances, DKG concentrated its promotional efforts on the sales and rental of the mainstay “**Broadband Cyber DAM (DAM-G100)**” equipment to raise its top market share in the commercial karaoke business. In the “**BIG ECHO**” karaoke cabin business, DKG opened 10 new stores at prime locations in the Tokyo metropolitan area and regional core cities. In the content and the music software businesses, DKG deployed businesses by effectively using its accumulated know-how and content assets. In the new “Gateway Business,” DKG began supplying a variety of entertainment content services using “**Broadband Cyber DAM (DAM-G100)**” equipment and “**DAM Station**” information terminals. As described above, DK and DKG aggressively undertook these measures to realize the ideal of integrating the music entertainment business such that “music, karaoke and entertainment” are intertwined in an effort to respond flexibly to rapid environmental changes in the existing businesses.

Consequently, consolidated net sales for the interim term under review increased 6.9% year over year to ¥60,850 million. Consolidated operating income decreased 8.5% to ¥6,296 million, reflecting various costs to reinforce content services and an increase in operating expenses for diverse measures to raise market share. Consolidated ordinary income also stood at ¥6,195 million, down 3.1%. As a result of the eliminated burden of provision for reserve for directors’ retirement allowances for prior years, which had been recorded for the interim period a year earlier, consolidated net income for the interim period ended September 30, 2004, jumped 178.6% to ¥3,895 million, despite a considerable extraordinary loss for the disposal of fixed assets.

Operating results by business segment are summarized as follows (with year-over-year percentage changes from the same period a year earlier):

Commercial karaoke business

Net sales: ¥35,067 million (+10.7%)

Operating income: ¥7,593 million (+31.9%)

In this segment, given the progress of lower-priced products and the multifunctionality in the market, DKG’s mainstay product, “**Broadband Cyber DAM (DAM-G100)**,” which was launched in October 2003, continued to gain popularity principally due to the high added value of such features as extensive onboard functions, diversified content menus and interactive services that leverage on the broadband environment. As a consequence, a record 19,800 units were shipped in the interim period. As for the rental of karaoke equipment centering on the nighttime market, the recent decline in the monthly rental fee was more than offset by a considerable rise in the number of rental contracts. In addition, as for the fee revenue from the provision of the karaoke-streaming service, the amount of operating equipment expanded firmly along with increases in equipment sold and the number of rental contracts. As a result, segment net sales expanded 10.7% and operating income rose 31.9% year over year.

Karaoke cabin business**Net sales: ¥12,771 million (+5.4 %)****Operating income: ¥224 million (-82.6%)**

In the operation of karaoke cabin stores with the “**BIG ECHO**” brand, DKG actively opened 10 new stores in prime locations in the Tokyo metropolitan area and regional core cities during the interim period but closed two unprofitable stores. Accordingly, the number of karaoke cabin stores directly operated by DKG increased to 209 as of September 30, 2004 (207 domestically and two overseas), and the number of karaoke rooms totaled 5,896, up 534 from the end of the last fiscal year (March 31, 2004). As a result, segment net sales increased 5.4% year over year. However, net sales at existing stores fell 3.8% mainly affected by increased home TV viewing of the Olympic Games and such meteorological phenomena as the violent heat and the effects of typhoons during the interim period. Operating income declined 82.6%, reflecting increases in operating expenses for aggressive store openings and in the provision for the allowance for doubtful accounts to compensate for guarantee money for leased buildings along with the deteriorated financial position of store renters.

Content business**Net sales: ¥4,729 million (-10.3%)****Operating income: ¥483 million (-53.0%)**

In this segment, DKG engages in two business fields: satellite broadcasting and e-business. Despite a gradual decline in the number of household-use subscribers, subscribers of the “**Stardam**” commercial-use satellite broadcasting service, which offers content menus similar to those supplied for household-use subscribers, increased steadily and profitability remained steady due to stringent cost controls. In its e-business, DKG strove to minimize the adverse effect of a decline in the number of subscribers with the start-up of new sites and extended services to cope with a decline in subscribers for the mobile phone ringtone service. However, the number of subscribers in the e-business market decreased. As a result, segment net sales declined 10.3% and operating income fell 53.0% year over year, due principally to an increase in new site operation costs.

Music software business**Net sales: ¥5,289 million (-0.3%)****Operating loss: ¥(891) million (down ¥846 million from the same period a year earlier)**

In this segment, DKG actively promoted sales to expand operations through the group-owned media in light of the continuously shrinking market volume of the music CD market. Segment net sales, however, edged down 0.3% year over year owing to fewer hit items in the interim period under review. Operating income decreased ¥846 million, leading to an operating loss of ¥891 million due to increases in production costs and selling, general and administrative expenses.

Other business**Net sales: ¥2,991 million (+17.6%)****Operating income: ¥165 million (-38.0%)**

This segment mainly consists of the restaurant business and the real estate lease and rental business. Effective from the current interim period under review, the “Gateway Business” and “Mail-order Business” have been added to this segment. These new businesses started with the installation of the “**DAM Station**” information terminals and the distribution of mail-order catalogs. As a result, segment net sales increased 17.6% year over year, whereas operating income declined 38.0% due to an increase in operating expenses related to the start of these new businesses.

Financial position**(Cash flows)**

For the interim period ended September 30, 2004, the reserve for directors’ retirement allowances decreased and payments for the acquisition of tangible fixed assets increased, which were more than offset by an increase in time and saving deposits and an increase in proceeds from long-term borrowings. As a result of these cash flow factors, consolidated cash and cash equivalents as of September 30, 2004, totaled ¥22,142 million, up ¥1,401 million compared with September 30, 2003.

The following describes the consolidated cash flow conditions for the interim period ended September 30, 2004, and their factors.

(Cash flows from operating activities)

Net cash provided by operating activities decreased ¥328 million year over year to ¥11,589 million. This decline was mainly attributable to a decrease of ¥3,390 million in the reserve for directors’ retirement allowances, which was partly offset by an increase of ¥1,572 million in interim income before income taxes and minority interests and a gain of ¥1,827 million on the disposal of fixed assets.

(Cash flows from investing activities)

Net cash used in investing activities decreased ¥2,952 million year over year to ¥8,396 million. This decline was primarily attributable to a ¥6,579 million decrease in time and saving deposits despite a decrease of ¥2,792 million in payments for the acquisition of tangible fixed assets and a ¥2,034 million decrease in proceeds from the repayment of time and saving deposits.

(Cash flows from financing activities)

Net cash used in financing activities decreased ¥1,270 million year over year to ¥1,372 million. The principal factor in this decline was a ¥1,979 million increase in long-term borrowings despite a net decrease of ¥620 million in short-term borrowings.

The trends of DKG's several cash flow indicators are as follows:

	FY 2002 ended March 31, 2003		FY 2003 ended March 31, 2004		FY 2004 ending March 31, 2005
	Interim period	Fiscal year-end	Interim period	Fiscal year-end	Interim period
Equity ratio (%)	39.6	42.1	42.1	44.0	45.8
Market value-based equity ratio (%)	37.8	47.7	56.9	87.5	84.6
Debt redemption (years)	3.0	2.6	2.1	1.8	2.1
Interest coverage ratio (times)	26.7	31.6	40.1	47.6	42.3

Notes:

Equity ratio: Shareholders' equity/Total assets

Market value-based equity ratio: Total market capitalization/Total assets

Debt redemption: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

1. All of the above indicators are calculated for their respective values on a consolidated basis.
2. Total market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period.
3. Operating cash flow is the value stated as "Cash flows from operating activities" in the consolidated interim statements of cash flows.
4. Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the consolidated interim balance sheets. Interest payment corresponds to the amount of interest paid in the consolidated interim statements of cash flows.
5. As for debt redemption, operating cash flow values for the interim period are doubled to calculate them in annual amounts.

(2) Future outlook (full-year)

Although the tendency toward a gradual recovery is expected to continue, ongoing uncertainty exists domestically regarding yen appreciation and in the global economy especially relative to rising crude oil prices.

The overall business environment surrounding the karaoke industry remains difficult, and some karaoke cabin chain operators have begun to cut back on the scale and timing of store openings. Nevertheless, with the nighttime and daytime markets entering a renewal period for conventional equipment models, replacement demand for broadband-compliant models is expected to expand, thereby stimulating equipment manufacturers to proactively launch new value-added karaoke telecommunications products.

Given such a business environment, DKG has started its full-fledged “Gateway Business” services to restructure the karaoke business environment and revitalize the karaoke market. DKG aims to quickly permeate and firmly establish this new business in the market.

Moreover, to solidify its current top share in the commercial-use karaoke telecommunications market, DKG endeavors to differentiate its products and services and improve the DAM brand value with enhanced quality. Furthermore, DKG seeks record shipments in the karaoke telecommunications market in the second half by focusing its efforts on active shipments. In the karaoke cabin business, DKG will work to open new stores at carefully selected prime sites by emphasizing investment efficiency, thereby improving the profitability of each store. Having almost achieved the target of a continuing surplus in the business, DKG will pursue an increase in the number of commercial-use subscription contracts in the satellite broadcasting business. Meanwhile, in the e-business, DKG will focus on keeping and increasing the number of subscribers with effective measures and the development of superior content menus, as well as with the start-up of new and interesting sites.

In the music software business engaged by its subsidiaries, DKG will strengthen its sales capability to improve profitability and devote itself to scouting new artists using the group network and the production of hit songs.

In the continuously harsh operating environment, DKG expects to achieve net sales of ¥126.0 billion, ordinary income of ¥12.8 billion and net income of ¥6.8 billion for the year ending March 31, 2005, on a consolidated basis by surely carrying out these measures.

4. Consolidated Interim Financial Statements

(1) Consolidated Interim Balance Sheets

(Millions of yen)

Fiscal period Account item	Previous interim period (As of September 30, 2003)		Current interim period (As of September 30, 2004)		Last fiscal year (As of March 31, 2004)		Year-over- year change
	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	
(Assets)							
Current assets							
Cash and bank deposits	21,953		30,843		29,280		1,562
Notes and accounts receivable? trade	13,757		12,909		14,011		(1,101)
Marketable securities	117		25		131		(105)
Inventories	7,319		5,733		5,907		(174)
Deferred tax assets	3,744		3,207		3,613		(405)
Other	3,995		3,496		3,131		365
Allowance for doubtful accounts	(1,346)		(870)		(1,432)		562
Total current assets	49,542	37.0	55,346	39.7	54,644	39.5	702
Fixed assets							
Tangible fixed assets							
Buildings and structures	10,115		7,711		9,094		(1,382)
Karaoke equipment for rental	9,333		10,160		9,392		768
Karaoke cabin facilities	9,626		12,138		10,813		1,325
Land	15,828		15,189		16,626		(1,436)
Other	2,273		3,010		2,418		592
Total tangible fixed assets	47,176	35.2	48,211	34.6	48,345	34.9	(133)
Intangible assets	7,615	5.7	8,888	6.4	8,950	6.5	(61)
Investments and other assets							
Investments in securities	3,422		6,735		7,214		(478)
Long-term loans receivable	3,571		2,356		2,985		(629)
Deferred tax assets	3,116		2,672		2,193		478
Leasehold deposits and guaran- tee money	11,670		13,179		12,604		575
Long-term deposits	6,300		-		-		-
Other	4,793		4,511		4,001		509
Allowance for doubtful accounts	(3,285)		(2,609)		(2,486)		(123)
Total investments and other assets	29,588	22.1	26,845	19.3	26,513	19.1	332
Total fixed assets	84,381	63.0	83,945	60.3	83,808	60.5	137
Total Assets	133,923	100.0	139,292	100.0	138,453	100.0	839

DAIICHIKOSHO CO., LTD.

(Millions of yen)

Fiscal period Account item	Previous interim period (As of September 30, 2003)		Current interim period (As of September 30, 2004)		Last fiscal year (As of March 31, 2004)		Year-over- year change
	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	
(Liabilities)							
Current liabilities							
Notes and accounts payable? trade	7,069		7,574		7,249		325
Short-term borrowings	19,219		19,665		19,418		246
Convertible bonds redeemable within one year	-		9,955		10,799		(844)
Accounts payable? other	5,714		5,682		6,705		(1,023)
Income taxes payable	1,157		1,019		1,125		(106)
Reserve for bonuses	1,139		1,160		998		161
Unrealized profit on installment sales	708		526		667		(140)
Other	2,425		2,683		2,576		106
Total current liabilities	37,435	28.0	48,267	34.7	49,541	35.8	(1,273)
Long-term liabilities							
Convertible bonds	11,514		-		-		-
Long-term borrowings	19,338		18,865		18,935		(70)
Deferred tax liabilities	226		226		226		-
Reserve for employees' retire- ment benefits	2,748		2,741		2,662		78
Reserve for directors' retirement allowances	3,001		2,752		3,141		(388)
Consolidation adjustments ac- count	1,091		935		1,016		(81)
Other	1,258		1,135		1,161		(25)
Total long-term liabilities	39,179	29.2	26,657	19.1	27,144	19.6	(487)
Total Liabilities	76,615	57.2	74,924	53.8	76,685	55.4	(1,760)
(Minority Interests)							
Minority interests	941	0.7	621	0.4	910	0.6	(289)
(Shareholders' Equity)							
Capital stock	12,348	9.2	12,350	8.9	12,349	8.9	0
Capital surplus	24,001	17.9	24,002	17.2	24,001	17.3	1
Retained earnings	30,436	22.7	28,961	20.8	29,716	21.5	(755)
Land revaluation difference	(9,981)	(7.5)	(1,927)	(1.3)	(5,761)	(4.1)	3,834
Net unrealized gains or losses on available-for-sale securities	191	0.2	1,025	0.7	1,286	0.9	(261)
Foreign currency translation adjustments	91	0.1	114	0.1	31	0.0	82
Treasury stock	(721)	(0.5)	(780)	(0.6)	(767)	(0.5)	(12)
Total Shareholders' Equity	56,366	42.1	63,746	45.8	60,856	44.0	2,889
Total Liabilities, Minority In- terests and Shareholders' Eq- uity	133,923	100.0	139,292	100.0	138,453	100.0	839

(2) Consolidated Interim Statements of Income

(Millions of yen)

Fiscal period Account item	Previous interim period (From April 1, 2003, to September 30, 2003)		Current interim period (From April 1, 2004, to September 30, 2004)		Year-over-year change (%)	Last fiscal year (From April 1, 2003, to March 31, 2004)		
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	
Net sales		56,910	100.0	60,850	100.0	106.9	119,335	100.0
Cost of sales		31,798	55.9	36,206	59.5	113.9	68,855	57.7
Gross profit before adjustment for unrealized profit on installment sales		25,112	44.1	24,643	40.5	98.1	50,479	42.3
Unrealized profit on installment sales- reversal (+)	120			156			219	
Unrealized profit on installment sales- deferred (-)	69	51	0.1	17	139	0.2	127	92
Gross profit on sales		25,163	44.2	24,782	40.7	98.5	50,572	42.4
Selling, general and administrative expenses		18,283	32.1	18,486	30.4	101.1	37,445	31.4
Operating income		6,880	12.1	6,296	10.3	91.5	13,126	11.0
Nonoperating income								
Interest and dividend income	295			243			540	
Fees and commissions received	133			129			275	
Amortization of consolidation adjustments account	139			113			283	
Other	292	860	1.5	333	819	1.4	692	1,792
Nonoperating expenses								
Interest expense	290			275			570	
Provision for allowance for doubtful accounts	12			24			102	
Loss on disposal of inventories	256			73			729	
Loss on valuation of inventories	429			307			519	
Other	360	1,348	2.4	239	920	1.5	665	2,587
Ordinary income		6,392	11.2	6,195	10.2	96.9	12,331	10.3
Extraordinary gains								
Gain on sales of fixed assets	-			4			16	
Reversal of allowance for doubtful accounts	118			34			201	
Reversal of reserve for directors' retirement allowances	-			139			-	
Gain on sales of investments in securities	2	121	0.2	553	731	1.2	208	426
Extraordinary losses								
Loss on disposal of fixed assets	400			2,232			1,843	
Loss on sales of investments in securities	-			6			-	
Loss on valuation of investments in securities	76			-			82	
Provision for reserve for directors' retirement allowances for prior years	2,921			-			2,921	

Fiscal period Account item	Previous interim period (From April 1, 2003, to Sep- tember 30, 2003)		Current interim period (From April 1, 2004, to Sep- tember 30, 2004)		Year-over -year change (%)	Last fiscal year (From April 1, 2003, to March 31, 2004)				
	Amount	Per- centage (%)	Amount	Per- centage (%)		Amount	Per- centage (%)			
Loss on arrangement of subsidiaries and affiliates	-	3,398	5.9	-	2,238	3.7	65.9	5	4,853	4.1
(Interim) income before income taxes and minority interests		3,115	5.5		4,687	7.7	150.5		7,904	6.6
Income taxes? current	1,081			884				1,975		
Income taxes? deferred	706	1,787	3.1	107	991	1.6	55.5	1,021	2,996	2.5
Minority interests in income (loss) of consolidated subsidiaries		(70)	(0.1)		(199)	(0.3)	284.1		8	0.0
Net income for the period		1,398	2.5		3,895	6.4	278.6		4,898	4.1

(3) Consolidated Interim Statements of Retained Earnings

(Millions of yen)

Fiscal period Account item	Previous interim period (From April 1, 2003, to September 30, 2003)		Current interim period (From April 1, 2004, to September 30, 2004)		Last fiscal year (From April 1, 2003, to March 31, 2004)	
	Amount	Amount	Amount	Amount	Amount	Amount
(Capital surplus)						
Capital surplus at beginning of period		24,000		24,001		24,000
Increase in capital surplus						
Conversion of convertible bonds	-		0		0	
Gain from purchase and redemption of treasury stock	0	0	0	1	0	0
Capital surplus at end of period		24,001		24,002		24,001
(Retained earnings)						
Retained earnings at beginning of period		29,879		29,716		29,879
Increase in retained earnings						
(Interim) net income	1,398	1,398	3,895	3,895	4,898	4,898
Decrease in retained earnings						
Cash dividends	683		682		683	
Bonuses to directors and statutory auditors	134		134		134	
Reversal of land revaluation difference	23	841	3,834	4,651	4,243	5,062
Retained earnings at end of period		30,436		28,961		29,716

(4) Consolidated Interim Statements of Cash Flows

(Millions of yen)

Account item	Fiscal period	Previous interim period (From April 1, 2003, to September 30, 2003)	Current interim period (From April 1, 2004, to September 30, 2004)	Last fiscal year (From April 1, 2003, to March 31, 2004)
		Amount	Amount	Amount
Cash flows from operating activities:				
(Interim) income before income taxes and minority interests		3,115	4,687	7,904
Depreciation expense		5,892	6,811	12,884
Increase (decrease) in allowance for doubtful accounts		299	(160)	504
Increase (decrease) in reserve for directors' retirement allowances		3,001	(388)	3,141
Dividend and interest income		(295)	(243)	(540)
Gain or loss on sales of investments in securities		(2)	(547)	(208)
Interest expense		290	275	570
Gain or loss on disposal of fixed assets		400	2,227	1,827
Loss on valuation of investments in securities		76	-	82
Decrease (increase) in trade receivables		(99)	911	(353)
Decrease (increase) in inventories		(629)	(607)	820
Transfer of cost of sales on karaoke equipment for rental		451	514	943
Increase (decrease) in trade payables		489	(137)	625
Other		(983)	(644)	29
Subtotal		12,006	12,698	28,232
Interest and dividends received		285	237	541
Interest paid		(297)	(274)	(571)
Income taxes paid		(1,078)	(1,162)	(2,004)
Income taxes refunded		1,002	89	1,002
Net cash provided by operating activities		11,918	11,589	27,200
Cash flows from investing activities:				
Increase in time and saving deposits		(6,904)	(324)	(9,008)
Proceeds from decrease in time deposits		2,638	603	3,275
Payments for acquisition of tangible fixed assets		(4,668)	(7,460)	(11,684)
Proceeds from sales of tangible fixed assets		29	748	46
Payments for acquisition of intangible assets		(2,291)	(2,045)	(6,064)
Payments for purchase of investments in securities		(93)	(41)	(2,093)
Proceeds from sales of investments in securities		9	595	223
Payments for purchase of subsidiaries' stocks		(174)	(45)	(265)
Payments for loans		(224)	(212)	(495)
Proceeds from collection of loans		499	542	1,101
Payments for leasehold deposits and guarantee money		(345)	(790)	(1,405)
Proceeds from repayment of leasehold deposits and guarantee money		162	112	241
Other		14	(76)	70
Net cash used in investing activities		(11,348)	(8,396)	(26,056)
Cash flows from financing activities:				
Net increase (decrease) in short-term borrowings		745	124	618
Increase in long-term borrowings		3,777	5,756	9,391
Payments for repayment of long-term borrowings		(5,796)	(5,705)	(11,481)
Payments for retirement of convertible bonds		(654)	(845)	(1,373)
Cash dividends paid		(683)	(682)	(684)
Payments for purchase of treasury stock		(21)	(12)	(67)
Other		(9)	(7)	(9)
Net cash used in financing activities		(2,642)	(1,372)	(3,606)
Effect of exchange rate changes on cash and cash equivalents		(17)	20	(66)
Net increase (decrease) in cash and cash equivalents		(2,090)	1,841	(2,530)
Cash and cash equivalents at beginning of period		22,831	20,300	22,831
Cash and cash equivalents at end of period		20,740	22,142	20,300

Basis of Presenting the Consolidated Interim Financial Statements

1. Scope of Consolidation

(1) Consolidated subsidiaries: 38

The names of the consolidated subsidiaries are omitted as they are stated in the “1. Corporate Group.”

(2) Major unconsolidated subsidiaries

Major unconsolidated subsidiaries are Union Eiga Co., Ltd., Crown Music Enterprise Co., Ltd., and Zoom Republic.

(Reason for exclusion from consolidation)

The unconsolidated subsidiaries are excluded from consolidation because their respective sums of total assets, net sales and net income (loss) (corresponding to the amounts owned by DKG) and of retained earnings (corresponding to the amounts owned by DKG) have no significant impact on the consolidated interim financial statements of DKG.

2. Application of the Equity Method

(1) Unconsolidated companies accounted for by the equity method: None

(2) Unconsolidated companies not accounted for by the equity method:

Unconsolidated subsidiaries that are not accounted for by the equity method (e.g., Union Eiga Co., Ltd., Crown Music Enterprise Co., Ltd., and Zoom Republic) are excluded from the application of the equity method because the respective sums of net income (loss) (corresponding to the amounts owned by DKG) and of retained earnings (corresponding to the amounts owned by DKG) for the current interim period have no significant impact on these account items in the consolidated interim financial statements even if they are excluded therefrom, and they are immaterial on the whole.

3. Closing Date for the Settlement of Accounts of Consolidated Subsidiaries

Of the consolidated subsidiaries, the interim closing date of the following companies is different from the consolidated interim closing date, which is September 30. In preparing the consolidated interim financial statements, the financial statements for the respective interim periods are used for those that have an interim closing date that differs from the consolidated interim closing date, provided that necessary adjustments are made for consolidation purposes with regard to material transactions that might take place in the period between their respective interim closing dates and the consolidated interim closing date.

Interim closing date is June 30:

Shanghai Zong-Yi Music & Entertainment Co., Ltd., Saha Daiichi Kosho Co., Ltd., Daiichikosho (Shanghai), Ltd. and BIG ECHO (SHANGHAI) Co., Ltd.

Interim closing date is September 20:

Nippon Crown Co., Ltd., Tokuma Japan Communications Co., Ltd., and Tri-M, Inc.

4. Summary of Significant Accounting Policies

(1) Valuation basis and method for important assets

Marketable securities and investments in securities

Held-to-maturity debt securities that are expected to be held to maturity:

Carried at amortized cost using the straight-line method.

Other securities primarily designated as available-for-sale securities for which the fair values are readily determinable:

Carried at fair value as of the interim balance-sheet date with changes in net unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method.

Other securities primarily designated as available-for-sale securities for which the fair values are not readily determinable:

Carried at cost determined by the moving-average method.

Inventories

Principally stated at cost determined by the moving-average method.

(2) Depreciation method of major depreciable assets

Tangible fixed assets

Depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives of the assets as shown below. However, the straight-line method is adopted for buildings (excluding building improvements) acquired on or after April 1, 1998.

Building and structures: 3–50 years

Karaoke equipment for rental: 5–6 years

Karaoke cabin facilities: 3–19 years

Intangible assets

Amortization of intangible assets is computed by the straight-line method.

(3) Accounting standard for important reserves

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

Reserve for bonuses

The reserve for bonuses is provided at an estimated amount based on the internal payment prediction standard.

Reserve for employees' retirement benefits

The reserve for employees' retirement benefits is provided at an amount recognized to have accrued as of the interim balance-sheet date, based on the projected benefit obligations and plan assets as of March 31, 2005.

Actuarial differences are amortized on a pro rata basis by the straight-line method over a certain period (10 years), which is shorter than the average remaining service years for employees at the time of their occurrence, from the following fiscal year of recognition.

Reserve for directors' retirement allowances

The reserve for directors' retirement allowances of DK and its domestic consolidated subsidiaries is provided at amounts that would be required to be paid in accordance with their respective internal rules concerning directors' retirement allowances if all eligible directors and statutory auditors were to resign their positions as of the respective interim balance-sheet dates.

(4) Translation of important assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate in effect at the interim balance-sheet date. The resulting exchange differences are charged or credited to income. The balance sheet accounts, as well as the revenue and expense accounts, of the overseas subsidiaries are translated into yen at the spot exchange rate in effect at their respective interim balance-sheet dates. The resulting translation differences have been recorded as a component of minority interests and presented as "Foreign currency translation adjustments" in shareholders' equity.

(5) Accounting for important leases

Finance leases that do not transfer ownership of leased property to the lessee are accounted for as rental transactions.

(6) Hedge accounting

DKG hedges against risks of interest rate fluctuations for its variable-rate borrowings using interest rate swaps. The preferential treatment is applied to these interest rate swaps.

(7) Other important matters in preparing the consolidated interim financial statements

Accounting for installment sales

Unrealized profit on installment sales is deferred for the amount corresponding to the portion of installment receivables for which the due date has not expired based on DKG's installment standards.

Accounting for consumption taxes

Consumption taxes are accounted for using the tax exclusion method.

5. Cash and Cash Equivalents in the Consolidated Interim Statements of Cash Flows

Cash and cash equivalents in the consolidated interim statements of cash flows include cash on hand, demand deposits and short-term investments due within three months from the acquired date, which are easily convertible into cash with little risk of value fluctuation.

Notes to Consolidated Interim Financial Statements**(Notes to Consolidated Interim Balance Sheets)**

	(Millions of yen)		
	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
1. Accumulated depreciation for tangible fixed assets	50,335	48,174	49,527
2. Liabilities for guarantee	901	910	899
3. Assets pledged as collateral and secured debt			
Notes and accounts receivable? trade	3,642	2,466	3,282
Buildings and structures	3,610	3,886	3,311
Karaoke equipment for rental	43	22	28
Land	7,984	9,716	7,576
Other tangible fixed assets	834	964	897
Long-term loans receivable	1,793	1,409	1,634
Leasehold deposits and guarantee money	155	155	155
Total	18,065	18,621	16,886
Debt corresponding to the above:			
Short-term borrowings	6,238	5,839	6,000
Long-term borrowings	8,442	7,975	6,993
Total	14,681	13,815	12,994
4. Treasury stock	330,524 shares	682,350 shares	339,203 shares

(Note to Consolidated Interim Statements of Cash Flows)**Relations between the year-end balance of cash and cash equivalents and the accounts listed in the consolidated interim balance sheets**

	(Millions of yen)		
	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Cash and bank deposits	21,953	30,843	29,280
Time and saving deposits for which the deposit period exceeds three months	(1,212)	(8,701)	(8,979)
Cash and cash equivalents	20,740	22,142	20,300

(Segment Information)

The business and geographical segments of DK and its consolidated subsidiaries for the interim periods ended September 30, 2003 and 2004, as well as the last fiscal year ended March 31, 2004, are summarized as follows:

1. Business segments
Previous interim period (From April 1, 2003, to September 30, 2003)

(Millions of yen)

Item	Commer- cial kara- oke	Karaoke cabin	Content	Music software	Other	Total	Elimina- tions and corporate	Consoli- dated
Sales and operating income								
Sales								
Sales to third par- ties	31,674	12,112	5,273	5,306	2,542	56,910	-	56,910
Intersegment sales and transfers	76	-	-	158	174	409	(409)	-
Total	31,751	12,112	5,273	5,464	2,717	57,319	(409)	56,910
Operating expenses	25,992	10,817	4,245	5,509	2,450	49,014	1,015	50,030
Operating income (loss)	5,758	1,295	1,028	(44)	266	8,304	(1,424)	6,880

Current interim period (From April 1, 2004, to September 30, 2004)

(Millions of yen)

Item	Commer- cial kara- oke	Karaoke cabin	Content	Music software	Other	Total	Elimina- tions and corporate	Consoli- dated
Sales and operating income								
Sales								
Sales to third par- ties	35,067	12,771	4,729	5,289	2,991	60,850	-	60,850
Intersegment sales and transfers	96	-	-	66	337	500	(500)	-
Total	35,164	12,771	4,729	5,356	3,328	61,350	(500)	60,850
Operating expenses	27,571	12,547	4,246	6,247	3,163	53,775	778	54,553
Operating income (loss)	7,593	224	483	(891)	165	7,575	(1,279)	6,296

Last fiscal year (From April 1, 2003, to March 31, 2004)

(Millions of yen)

Item	Commer- cial kara- oke	Karaoke cabin	Content	Music software	Other	Total	Elimina- tions and corporate	Consoli- dated
Sales and operating income								
Sales								
Sales to third par- ties	66,505	25,156	10,324	12,098	5,249	119,335	-	119,335
Intersegment sales and transfers	164	-	-	248	340	753	(753)	-
Total	66,670	25,156	10,324	12,347	5,590	120,088	(753)	119,335
Operating expenses	55,986	22,656	8,682	12,004	5,105	104,434	1,773	106,208
Operating income (loss)	10,683	2,499	1,642	342	485	15,653	(2,527)	13,126

Notes: 1. Segmentation method

According to the DKG's sales tabulation categories.

2. Major products and/or services of each business segment

Business segment	Major products and/or services
Commercial karaoke business	Sales and rental of commercial-use karaoke equipment and software
Karaoke cabin business	Operation of karaoke cabins, as well as the supply of food and beverages in the cabins
Content business	Supply of music content, etc., via satellite broadcasting and mobile phones
Music software business	Production and sales of music and video software products
Other business	Real estate lease and rental business, restaurant business, etc.

3. Amounts and major items included in “Elimination and corporate”

(Millions of yen)

	Previous interim period	Current interim period	Last fiscal year	Major items
Amounts of unabsorbed operating expenses included in “Elimination and corporate”	¥1,424	¥1,279	¥2,527	Expenses required for operations by administrative departments such as General Affairs Dept.

2. Geographical segments

As sales in Japan account for more than 90% of the sum of sales in each region of the respective geographical segments, the segment information by geographical region is omitted.

3. Overseas sales

As sales overseas account for less than 10% of consolidated net sales, overseas sales related information is omitted.

(Notes to Leases)

1. Finance lease contracts that do not transfer ownership of leased property to the lessee

(1) Assumed data as to acquisition cost, accumulated depreciation and remaining book value of leased assets at end of period

(Millions of yen)

	Previous interim period (From April 1, 2003, to September 30, 2003)			Current interim period (From April 1, 2004, to September 30, 2004)			Last fiscal year (From April 1, 2003, to March 31, 2004)		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Karaoke cabin facilities	1,023	801	221	454	335	119	476	319	157
Other tangible fixed assets	1,624	990	634	1,393	977	416	1,534	964	569
Total	2,647	1,791	855	1,848	1,312	536	2,010	1,283	726

(2) Assumed future lease payments at end of period under finance leases

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Due within one year	491	330	444
Due after one year	377	212	292
Total	868	543	736

(3) Lease payments, and assumed depreciation expense and interest expense

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Lease payments	355	247	654
Assumed depreciation expense	344	240	635
Assumed interest expense	6	3	11

(4) Computation method of assumed depreciation expense

Depreciation expense is computed by the straight-line method, assuming the lease period as the useful life and no residual value.

(5) Computation method of assumed interest expense

The difference between the total lease contract amount and the assumed acquisition cost is assumed to be interest, and interest expense is computed by the interest method.

2. Operating lease contracts

Assumed future lease payments at end of period under operating leases

	(Millions of yen)		
	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Due within one year	424	383	422
Due after one year	2,599	2,224	2,495
Total	3,024	2,608	2,918

(Notes to Securities)

1. Other securities primarily designated as available-for-sale securities for which fair values are readily determinable

(Millions of yen)

	Previous interim period (As of September 30, 2003)			Current interim period (As of September 30, 2004)			Last fiscal year (As of March 31, 2004)		
	Acquisition cost	Book value per consolidated interim balance sheets	Unrealized gain (loss)	Acquisition cost	Book value per consolidated interim balance sheets	Unrealized gain (loss)	Acquisition cost	Book value per consolidated balance sheets	Unrealized gain (loss)
Stocks	1,132	1,443	311	876	2,468	1,591	1,182	3,167	1,984
Bonds and debentures									
Government and municipal bonds	-	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-	-	-	-
Other bonds and debentures	-	-	-	-	-	-	-	-	-
Other	944	971	26	822	953	130	944	1,138	193
Total	2,077	2,415	338	1,699	3,421	1,722	2,127	4,305	2,178

2. Held-to-maturity debt securities and other securities primarily designated as available-for-sale securities for which values were not readily determinable as of September 30, 2003 and 2004, and March 31, 2004

(Millions of yen)

	Book value per consolidated (interim) balance sheets		
	Previous interim period (As of September 30, 2003)	Current interim period (As of September 30, 2004)	Last fiscal year (As of March 31, 2004)
Held-to-maturity debt securities			
Discount bank debentures	9	9	9
Available-for-sale securities			
Unlisted stocks (excluding OTC issues)	398	2,613	2,313

(Note to Derivative Transactions)

Relevant information is omitted as hedge accounting is applied.

(Significant Subsequent Events)

Previous interim period (From April 1, 2003, to September 30, 2003)	Current interim period (From April 1, 2004, to September 30, 2004)	Last fiscal year (From April 1, 2003, to March 31, 2004)	
<p style="text-align: center;">-----</p> <p style="text-align: center;">-----</p>	<p style="text-align: center;">-----</p> <p style="text-align: center;">-----</p>	<p>1. The meeting of the Board of Directors held on March 22, 2004, adopted a resolution to the effect that the land and buildings at six sales office buildings be sold to an affiliated company (DK Finance, Co., Ltd.). The sales procedure completed on April 27, 2004, resulted in a ¥1,234 million loss on sales of fixed assets and caused a ¥(3,834) million in reversal of land revaluation difference.</p> <p>2. Pursuant to a resolution adopted by the Board of Directors on February 23, 2004, the Company shall issue new shares via a stock split in the following manner:</p> <p>(1) Two-for-one stock split for common shares on May 20, 2004</p> <p>1) Number of shares increased via the stock split: 18,310,463 common shares</p> <p>2) Splitting method: The Company's common shares shall be split at the rate of two-for-one for the shares owned by shareholders whose names are registered or recorded in the last record of shareholders and the last record of beneficiary shareholders as of March 31, 2004.</p> <p>(2) Initial date of reckoning for dividends April 1, 2004</p> <p>The per share data for the year ended March 31, 2003, supposing that the stock split was conducted as of April 1, 2002, and those for the year ended March 31, 2004, supposing that the stock split was conducted as of April 1, 2003, are as follows:</p>	
		FY 2002 (From April 1, 2002, to March 31, 2003)	FY 2003 (From April 1, 2003, to March 31, 2004)
		Shareholders' equity per share	Shareholders' equity per share
		¥1,540.67	¥1,689.46
		Net income per share	Net income per share
		¥187.95	¥132.54
		Fully diluted net income per share	Fully diluted net income per share
		¥177.12	¥126.11

5. Production, Orders Received and Sales Performance

(1) Production

(Millions of yen)

Fiscal period Segment	Previous interim period (From April 1, 2003, to September 30, 2003)		Current interim period (From April 1, 2004, to September 30, 2004)		Last fiscal year (From April 1, 2003, to March 31, 2004)	
		Year-over-year change (%)		Year-over-year change (%)		Year-over-year change (%)
Commercial karaoke business:						
Telecommunication-type karaoke software	1,014	95.8	990	97.6	3,610	159.6
Disk-type karaoke software	520	92.3	-	-	1,032	84.2
Subtotal	1,535	94.6	990	64.5	4,642	133.1
Content business:						
Sound delivery/video software for satellite broadcasting	172	81.1	427	248.4	972	205.0
Music software business:						
Music and video software	1,110	81.2	1,863	167.8	3,474	127.8
Total	2,817	88.0	3,281	116.5	9,089	136.1

Note: The above amounts indicate manufacturing costs and software production output.

(2) Orders received

Inapplicable as DKG follows a policy of project production.

(3) Sales performance

(Millions of yen)

Fiscal period Segment	Previous interim period (From April 1, 2003, to September 30, 2003)			Current interim period (From April 1, 2004, to September 30, 2004)			Last fiscal year (From April 1, 2003, to March 31, 2004)		
		Composition ratio (%)	Year-over-year change (%)		Composition ratio (%)	Year-over-year change (%)		Composition ratio (%)	Year-over-year change (%)
Commercial karaoke business:									
Turnover of merchandise and products	13,182	23.2	103.8	14,525	23.9	110.2	28,421	23.8	104.4
Revenue from rental of karaoke equipment	8,844	15.5	105.8	9,395	15.4	106.2	18,062	15.1	106.6
Fee revenue from the provision of karaoke-streaming service	9,648	17.0	116.2	11,147	18.3	115.5	20,020	16.8	115.6
Subtotal	31,674	55.7	107.9	35,067	57.6	110.7	66,505	55.7	108.1
Karaoke cabin business:	12,112	21.3	108.4	12,771	21.0	105.4	25,156	21.1	106.0
Content business:									
Satellite broadcasting	2,293	4.0	99.7	2,274	3.7	99.2	4,592	3.9	100.2
e-business	2,980	5.2	108.2	2,455	4.1	82.4	5,731	4.8	100.1
Subtotal	5,273	9.2	104.3	4,729	7.8	89.7	10,324	8.7	100.2
Music software business:	5,306	9.3	50.3	5,289	8.7	99.7	12,098	10.1	72.7
Other business:	2,542	4.5	109.7	2,991	4.9	117.6	5,249	4.4	107.6
Total	56,910	100.0	97.4	60,850	100.0	106.9	119,335	100.0	101.9

FY 2004 ending March 31, 2005

Summary of Nonconsolidated Financial Statements for the Interim Period Ended September 30, 2004

November 15, 2004

Company Name: DAIICHIKOSHO CO., LTD.

Code Number: 7458

(URL <http://www.dkkaraoke.co.jp>)

Registered Stock: JASDAQ

Location of Head Office (Prefecture): Metropolis of Tokyo

Representative: Tatsuyoshi Yoneda, President

Contact: Eiji Hata, Executive Director; Administration Headquarters and General Manager,
Finance Dept. Phone: (03) 3280-2151

Date of the Board of Directors Meeting on the Closing of Accounts: November 15, 2004

Interim Dividend System: Applied

Start Date for Payment of Interim Dividends: -

Unit (*tangen*) Stock System: Adopted (Unit (*tangen*) stock of shares: 100 shares)**1. Nonconsolidated Performance for the Interim Period Ended September 2004 (from April 1, 2004, to September 30, 2004)****(1) Nonconsolidated operating results**

Note: Amounts below one million yen are truncated.

	Net sales		Operating income		Ordinary income	
	¥ Million	%	¥ Million	%	¥ Million	%
Interim period ended September 2004	42,186	8.5	4,454	(6.3)	4,694	4.4
Interim period ended September 2003	38,888	8.4	4,752	42.7	4,498	21.3
Year ended March 2004	80,711		8,170		7,531	

	Net income		Net income per share
	¥ Million	%	¥
Interim period ended September 2004	3,359	96.4	93.47
Interim period ended September 2003	1,710	19.0	47.55
Year ended March 2004	4,679		129.47

Notes:**1. Average number of shares outstanding during the respective periods:**

Interim period ended September 2004: 35,941,040 shares

Interim period ended September 2003: 35,965,654 shares

Year ended March 2004: 35,958,418 shares

The Company conducted a two-for-one stock split on May 20, 2004. For comparison, "Net income per share" is stated in the table above as if the stock split had occurred as of April 1, 2003.

2. Change in accounting method: None**3. Percentage figures for net sales, operating income, ordinary income and net income indicate the respective changes from the interim period of the previous year.**

(2) Dividends

	Interim dividend per share	Annual dividend per share
	¥	¥
Interim period ended September 2004	0.0	-
Interim period ended September 2003	0.0	-
Year ended March 2004	-	19.00

The Company conducted a two-for-one stock split on May 20, 2004. For comparison, "Annual (interim) dividend per share" is stated in the table above as if the stock split had occurred as of April 1, 2003.

(3) Nonconsolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	¥ Million	¥ Million	%	¥
Interim period ended September 2004	87,741	53,199	60.6	1,480.27
Interim period ended September 2003	84,986	46,801	55.1	1,301.49
Year ended March 2004	88,578	50,815	57.4	1,413.14

Notes:**1. Number of shares outstanding at the end of the respective periods:**

35,938,948 shares at September 30, 2004 35,959,692 shares at September 30, 2003
35,942,520 shares at March 31, 2004

The Company conducted a two-for-one stock split on May 20, 2004. For comparison, "Shareholders' equity per share" is stated in the table above as if the stock split had occurred as of April 1, 2003.

2. Number of treasury stocks at the end of the respective periods:

682,350 shares at September 30, 2004 330,524 shares at September 30, 2003;
339,203 shares at March 31, 2004

2. Forecast Nonconsolidated Performance for FY 2004 (from April 1, 2004, to March 31, 2005)

	Net sales	Ordinary income	Net income	Annual dividend per share	
				Year-end	
	¥ Million	¥ Million	¥ Million	¥	¥
FY 2004 ending March 31, 2005 (full year)	85,250	7,700	4,750	20.00	20.00

(Reference) Projected net income per share (full year): ¥131.50

Note: These projected performance figures are based on information available to the Company's management at the time of preparing this report. There are many uncertain factors inherent in forecasting, and there might be cases in which actual results differ from forecast values. See page 10 of the Attachment for further information on forecasts.

6. Nonconsolidated Interim Financial Statements

(1) Nonconsolidated Interim Balance Sheet

(Millions of yen)

Account item	Fiscal period		Previous interim period (As of September 30, 2003)		Current interim period (As of September 30, 2004)		Last fiscal year (As of March 31, 2004)		Year-over- year change
	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	
(Assets)									
Current assets									
Cash and bank deposits	10,251		20,387		17,476		2,910		
Notes receivable? trade	1,704		650		1,136		(485)		
Accounts receivable? trade	6,091		6,540		6,609		(69)		
Inventories	5,217		2,976		3,423		(447)		
Deferred tax assets	3,257		2,938		3,340		(402)		
Other	2,970		2,748		2,035		712		
Allowance for doubtful accounts	(446)		(383)		(451)		67		
Total current assets	29,046	34.2	35,859	40.9	33,571	37.9	2,287		
Fixed assets									
Tangible fixed assets									
Buildings	4,403		1,689		3,241		(1,552)		
Karaoke equipment for rental	4,100		4,691		4,388		302		
Karaoke cabin facilities	6,175		7,813		6,992		821		
Land	4,798		2,002		4,853		(2,851)		
Other	1,298		1,765		1,186		578		
Total tangible fixed assets	20,776	24.4	17,961	20.5	20,662	23.3	(2,701)		
Intangible assets									
Sound delivery/video software	3,140		4,588		4,369		218		
Other	3,997		3,784		4,068		(283)		
Total intangible assets	7,138	8.4	8,372	9.5	8,437	9.5	(64)		
Investments and other assets									
Investments in securities	2,559		5,870		6,341		(471)		
Investment in stocks of subsidiaries and affiliates	5,134		4,471		5,080		(609)		
Long-term loans receivable	5,801		4,808		5,373		(564)		
Deferred tax assets	930		1,556		963		593		
Leasehold deposits and guarantee money	8,914		10,268		9,860		407		
Long-term deposits	6,300		-		-		-		
Other	3,743		3,696		3,182		514		
Allowance for doubtful accounts	(5,357)		(5,123)		(4,893)		(229)		
Total investments and other as- sets	28,026	33.0	25,548	29.1	25,907	29.3	(358)		
Total fixed assets	55,940	65.8	51,882	59.1	55,007	62.1	(3,125)		
Total Assets	84,986	100.0	87,741	100.0	88,578	100.0	(837)		

DAIICHIKOSHO CO., LTD.

Fiscal period Account item	Previous interim period (As of September 30, 2003)		Current interim period (As of September 30, 2004)		Last fiscal year (As of March 31, 2004)		Year-over- year change
	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	Amount	Composi- tion ratio (%)	
(Liabilities)							
Current liabilities							
Notes payable? trade	2,294		3,204		2,556		648
Accounts payable? trade	3,450		2,865		3,049		(184)
Short-term borrowings	2,000		600		600		-
Convertible bonds redeemable within one year	-		9,955		10,799		(844)
Current portion of long-term bor- rowings	3,189		3,188		3,400		(212)
Accounts payable? other	3,907		3,823		4,711		(888)
Income taxes payable	112		213		161		52
Reserve for bonuses	700		723		605		117
Other	1,001		777		1,231		(453)
Total current liabilities	16,655	19.6	25,351	28.9	27,116	30.6	(1,764)
Long-term liabilities							
Convertible bonds	11,514		-		-		-
Long-term borrowings	7,514		6,486		8,049		(1,563)
Reserve for employees' retirement benefits	1,021		1,090		1,026		63
Reserve for directors' retirement al- lowances	1,070		1,172		1,130		41
Other	410		442		440		1
Total long-term liabilities	21,530	25.3	9,191	10.5	10,647	12.0	(1,456)
Total Liabilities	38,185	44.9	34,542	39.4	37,763	42.6	(3,220)
(Shareholders' Equity)							
Capital stock	12,348	14.5	12,350	14.1	12,349	14.0	0
Capital surplus							
Capital reserve	4,000		4,002		4,001		0
Other capital surplus	20,000		20,000		20,000		0
Total capital surplus	24,001	28.2	24,002	27.4	24,001	27.1	1
Retained earnings							
Voluntary reserve	18,600		18,602		18,602		-
Unappropriated retained earnings (loss) for the period	2,365		(66)		1,114		(1,181)
Total retained earnings	20,965	24.7	18,535	21.1	19,716	22.3	(1,181)
Land revaluation difference	(9,981)	(11.7)	(1,927)	(2.2)	(5,761)	(6.5)	3,834
Net unrealized gains or losses on available-for-sale securities	188	0.2	1,018	1.1	1,277	1.4	(258)
Treasury stock	(721)	(0.8)	(780)	(0.9)	(767)	(0.9)	(12)
Total Shareholders' Equity	46,801	55.1	53,199	60.6	50,815	57.4	2,383
Total Liabilities and Sharehold- ers' Equity	84,986	100.0	87,741	100.0	88,578	100.0	(837)

(2) Nonconsolidated Interim Statement of Income

Fiscal period Account item		(Millions of yen)									
		Previous interim period (From April 1, 2003, to September 30, 2003)			Current interim period (From April 1, 2004, to September 30, 2004)			Year-over-year change (%)	Last fiscal year (From April 1, 2003, to March 31, 2004)		
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)				
Net sales		38,888	100.0	42,186	100.0	108.5		80,711	100.0		
Cost of sales		23,709	61.0	27,302	64.7	115.2		51,217	63.5		
Gross profit before adjustment for unrealized profit on installment sales		15,179	39.0	14,883	35.3	98.1		29,493	36.5		
Unrealized profit on installment sales- reversal (+)	124			94			231				
Unrealized profit on installment sales- deferred (-)	86	37	0.1	15	79	0.2	212.2	106	125	0.2	
Gross profit on sales		15,216	39.1	14,962	35.5	98.3		29,619	36.7		
Selling, general and administrative expenses		10,464	26.9	10,508	24.9	100.4		21,448	26.6		
Operating income		4,752	12.2	4,454	10.6	93.7		8,170	10.1		
Nonoperating income											
Interest and dividend income	504			359			557				
Fees and commissions received	79			77			164				
Other	188	771	2.0	187	624	1.4	80.9	327	1,049	1.3	
Nonoperating expenses											
Interest expense	103			90			202				
Provision for allowance for doubtful accounts	476			124			500				
Loss on disposal of inventories	192			39			414				
Loss on valuation of inventories	94			29			198				
Other	158	1,025	2.6	100	384	0.9	37.5	372	1,688	2.1	
Ordinary income		4,498	11.6	4,694	11.1	104.4		7,531	9.3		
Extraordinary gains											
Gain on sales of investments in securities	2			553			208				
Gain on sales of fixed assets	-			146			14				
Reversal of allowance for doubtful accounts	118	121	0.3	33	733	1.7	605.1	201	424	0.5	
Extraordinary losses											
Loss on sales and disposal of fixed assets	64			1,354			1,136				
Loss on sales of investments in securities	-			6			-				
Loss on valuation of investments in securities	76			-			77				
Loss on valuation of investment in stocks of subsidiaries and affiliates	218			655			303				
Loss on arrangement of subsidiaries and affiliates	-			-			5				
Provision for reserve for directors' retirement allowances for prior years	1,097	1,455	3.8	-	2,015	4.7	138.5	1,097	2,621	3.2	
(Interim) income before income taxes		3,164	8.1	3,413	8.1	107.9		5,334	6.6		
Income taxes? current	50			69			100				

DAIICHIKOSHO CO., LTD.

Fiscal period Account item	Previous interim period (From April 1, 2003, to September 30, 2003)		Current interim period (From April 1, 2004, to September 30, 2004)		Year-over-year change (%)	Last fiscal year (From April 1, 2003, to March 31, 2004)				
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)			
Income taxes? deferred	1,404	1,454	3.7	(15)	54	0.1	3.7	555	655	0.8
Net income for the period		1,710	4.4		3,359	8.0	196.4		4,679	5.8
Surplus brought forward from the previous period		679			408				679	
Reversal of land revaluation difference		(23)			(3,834)				(4,243)	
Unappropriated retained earnings (loss)		2,365			(66)				1,114	

Significant Accounting Policies

1. Valuation basis and method for assets

(1) Marketable securities and investments in securities

Investment in stocks of subsidiaries and affiliates:

Stated at cost determined by the moving-average method.

Other securities:

Other securities primarily designated as available-for-sale securities for which the fair values are readily determinable:

Carried at fair value as of the interim balance-sheet date with changes in net unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. The cost of securities sold is determined by the moving-average method.

Other securities primarily designated as available-for-sale securities for which the fair values are not readily determinable:

Carried at cost determined by the moving-average method.

(2) Inventories:

Merchandise and finished products:

Carried at cost determined by the moving-average method.

Work in process:

Carried at cost determined by the specific identification method.

2. Depreciation method of fixed assets

(1) Tangible fixed assets

Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets as shown below. However, the straight-line method is adopted for buildings (excluding building improvements) acquired on or after April 1, 1998.

Building and structures: 3–50 years

Karaoke equipment for rental: 5–6 years

Karaoke cabin facilities: 3–19 years

(2) Intangible assets

Amortization of intangible assets is computed by the straight-line method. Computer software for internal use is amortized by the straight-line method over the estimated useful life (five years), and sound delivery and video software is amortized by the straight-line method over two years.

3. Accounting standards for reserves

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the actual rate of losses from bad debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.

(2) Reserve for bonuses

The reserve for bonuses is provided at an estimated amount based on DK's internal payment prediction standard.

(3) Reserve for employees' retirement benefits:

The reserve for employees' retirement benefits is provided at an amount recognized to have accrued as of the interim balance-sheet date, based on the projected benefit obligations and plan assets as of March 31, 2005. Actuarial differences are amortized on a pro rata basis by the straight-line method over a certain period (10 years), which is shorter than the average remaining service years for employees at the time of their occurrence, from the following fiscal year of recognition.

(4) Reserve for directors' retirement allowances:

The reserve for directors' retirement allowances is provided at an amount that would be required to be paid in accordance with the DK's internal rules concerning directors' retirement allowances if all eligible directors and statutory auditors were to resign their positions as of the interim balance-sheet date.

4. Translation of assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rate in effect at the interim balance-sheet date. The resulting exchange differences are charged or credited to income.

5. Accounting for leases

Finance leases that do not transfer ownership of leased property to the lessee are accounted for as rental transactions.

6. Other important matters in preparing the nonconsolidated interim financial statements

(1) Accounting for installment sales

DK's installment profit involved in installment sales is deferred for the amount corresponding to the portion of installment receivables for which the due date has not expired.

(2) Accounting for consumption tax, etc.

Consumption taxes are accounted for using the tax exclusion method. Consumption taxes related to installment sales are deferred for the amount corresponding to the portion of installment receivables for which the due date has not expired.

Notes to Nonconsolidated Interim Financial Statements

(Notes to Nonconsolidated Interim Balance Sheet)

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
1. Accumulated depreciation for tangible fixed assets	23,911	21,352	23,102
2. Liabilities for guarantee			
Liabilities for guarantee	4,455	3,723	3,928
Guarantee by subscription	326	280	301
Letter of undertaking on management services	-	67	-
Total	4,782	4,071	4,230
3 Commitment line contract			
Total amount of commitment line contracts	10,000	10,000	10,000
Residual amount of borrowed funds	-	-	-
On balance	10,000	10,000	10,000

Increase in the number of shares outstanding during the interim period ended September 30, 2004

Date of issuance	Issuance category	Number of shares issued	Issue price (¥)	Amount credited to capital stock (¥)
April 21, 2004	Conversion of convertible bonds	372	5371.2	2,686
May 20, 2004	Stock split (two-for-one)	18,310,463	-	-

(Note to Nonconsolidated Statement of Income)

(Millions of yen)

	Previous interim period (From April 1, 2003, to September 30, 2003)	Current interim period (From April 1, 2004, to September 30, 2004)	Last fiscal year (From April 1, 2003, to March 31, 2004)
Depreciation and amortization executed	1,660	1,899	3,815
Tangible fixed assets	2,112	2,623	4,660
Intangible assets			

(Notes to Leases)**1. Finance lease contracts that do not transfer ownership of leased property to the lessee****(1) Assumed data as to acquisition cost, accumulated depreciation and remaining book value of leased assets at end of period**

(Millions of yen)

	Previous interim period (From April 1, 2003, to September 30, 2003)			Current interim period (From April 1, 2004, to September 30, 2004)			Last fiscal year (From April 1, 2003 to March 31, 2004)		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Karaoke cabin facilities	815	681	134	272	247	25	303	247	55
Other tangible fixed assets	2,356	1,198	1,157	2,570	1,507	1,063	2,423	1,281	1,142
Total	3,172	1,880	1,292	2,834	1,754	1,088	2,726	1,529	1,197

(2) Assumed future lease payments at end of period under finance leases

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Due within one year	734	580	668
Due after one year	572	517	540
Total	1,306	1,098	1,209

(3) Lease payments, and assumed depreciation expense and interest expense

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Lease payments	466	388	828
Assumed depreciation expense	454	380	807
Assumed interest expense	8	6	15

(4) Computation method of assumed depreciation

Depreciation expense is computed by the straight-line method, assuming the lease period as the useful life and no residual value.

(5) Computation method of assumed interest expense

The difference between the total lease contract amount and the assumed acquisition cost is assumed to be interest, and interest expense is computed by the interest method.

2. Operating lease contracts**Assumed future lease payments at end of period under operating leases**

(Millions of yen)

	As of September 30, 2003	As of September 30, 2004	As of March 31, 2004
Due within one year	327	328	331
Due after one year	2,258	1,980	2,144
Total	2,586	2,309	2,476

(Note to Securities)

DK had no available-for-sale securities for which the fair value was readily determinable in its investment in stocks of subsidiaries and affiliates for the interim periods ended September 30, 2003 and 2004, and the last fiscal year ended March 31, 2004.

(Significant Subsequent Events)

Previous interim period (From April 1, 2003, to September 30, 2003)	Current interim period (From April 1, 2004, to September 30, 2004)	Last fiscal year (From April 1, 2003, to March 31, 2004)	
<p>-----</p> <p>-----</p>	<p>-----</p> <p>-----</p>	<p>1. The meeting of the Board of Directors held on March 22, 2004, adopted a resolution to the effect that the land and buildings at six sales office buildings be sold to an affiliated company (DK Finance, Co., Ltd.). The sales procedure completed on April 27, 2004, resulted in a ¥1,234 million loss on sales of fixed assets and caused a ¥(3,834) million in reversal of land revaluation difference.</p> <p>2. Pursuant to a resolution adopted by the Board of Directors on February 23, 2004, the Company shall issue new shares via a stock split in the following manner:</p> <p>(1) Two-for-one stock split for common shares on May 20, 2004</p> <p>1) Number of shares increased via the stock split: 18,310,463 common shares</p> <p>2) Splitting method: The Company's common shares shall be split at the rate of two-for-one for the shares owned by shareholders whose names are registered or recorded in the last record of shareholders and the last record of beneficiary shareholders as of March 31, 2004.</p> <p>(2) Initial date of reckoning for dividends April 1, 2004</p> <p>The per share data for the year ended March 31, 2003, supposing that the stock split was conducted as of April 1, 2002, and those for the year ended March 31, 2004, supposing that the stock split was conducted as of April 1, 2003, are as follows:</p>	
		FY 2002 (From April 1, 2002, to March 31, 2003)	FY 2003 (From April 1, 2003, to March 31, 2004)
		Shareholders' equity per share	Shareholders' equity per share
		¥1,265.09	¥1,413.14
		Net income per share	Net income per share
		¥119.19	¥129.47
		Fully diluted net income per share	Fully diluted net income per share
		¥112.82	¥123.22