

## Summary of Financial Results for the Third Quarter Ended July 2005 (Consolidated)

Company name: D3 Publisher Inc.  
 Stock code: 4311  
 Stock exchange listing: JASDAQ  
 Domicile: Tokyo  
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### Consolidated Business Results for the Third Quarter Ended July 2005 (November 1, 2004 - July 31, 2005)

#### (1) Results of Operations

( Note: Rounded down to ¥ Million )

	Net sales		Operating income		Ordinary income		Net income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
3Q of FY 10/2005	2,703	23.5	106	-	135	-	9	-
3Q of FY 10/2004	2,189	-	-	-	-	-	-	-
(Ref.) FY 10/2004	3,057		205		160		160	

	Net income per share	Diluted net income per share
	¥	¥
3Q of FY 10/2005	545.13	538.69
3Q of FY 10/2004	-	-
(Ref.) FY 10/2004	13,102.52	12,815.50

(Note) Because this is the first quarterly consolidated financial report for D3 Publisher Inc., no year-on-year comparisons and data for third quarter of the fiscal year ended July 2004 are presented.

#### Narrative Analysis of 3Q Consolidated Results of Operations

In Package Software Operations, we launched several new full-price game software titles in the third quarter. These included *Hajimeno Ippo All \*Stars* and *Azumi*, based on a highly popular cartoon series carried in magazines; *K-1 Premium 2004 Dynamite!!* and *K-1 World Max 2005*, both targeting fans of fighting games; *Bakumatsu Koihana Shinsengumi GashinSenkumi* and *Ururun Quest Koi Yuuki*, mainly targeted at women; and *Mr Incredible*, *Kim Possible*, and *Lilo and Stitch*, software titles based on popular Disney characters. In the low-price game software SIMPLE Series, our core product, we added 25 new titles for existing hardware platforms, in addition to launching three titles in the SIMPLE DS Series for the DS platform.

In Network Operations, membership of SIMPLE100 Series, game content for mobile phone, showed healthy gains.

Effective from the current fiscal year we included two new subsidiaries in the consolidation, one in the U.S. and one in Europe. However, our U.S. subsidiary, D3 Publisher of America, Inc., has not commenced marketing new titles in the North American market; the first game software launch is scheduled for October 2005. Our European subsidiary, D3DB S. r. l., launched four titles in the SIMPLE Series.

As a result of the above and other factors, third quarter consolidated sales was 2,703 million yen, up 23.5% year-on-year, operating income was 106 million yen, ordinary income was 135 million yen and net income was 9 million yen.

(2) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity to total assets	Shareholders' equity per share
	¥ Million	¥ Million	%	¥
3Q of FY 10/2005	4,643	3,876	83.5	185,256.11
3Q of FY 10/2004	-	-	-	-
(Ref.) FY 10/2004	3,744	2,063	55.1	149,362.65

[Results of Cash Flows]

	Net cash flows by operating activities	Net cash flows by investment activities	Net cash flows by financial activities	Balance of cash and cash equivalents at the end of year
	¥ Million	¥ Million	¥ Million	¥ Million
3Q of FY 10/2005	-144	-201	1,016	2,063
3Q of FY 10/2004	-	-	-	-
(Ref.) FY 10/2004	697	-542	654	1,374

**[Reference]**

Forecasts of financial results for the fiscal year ending October 2005 (November 1, 2004 – October 31, 2005)  
We have not revised the interim and full-year consolidated business forecasts for the fiscal year ending October 2005 released on June 6, 2005.