

Oak Capital Corporation

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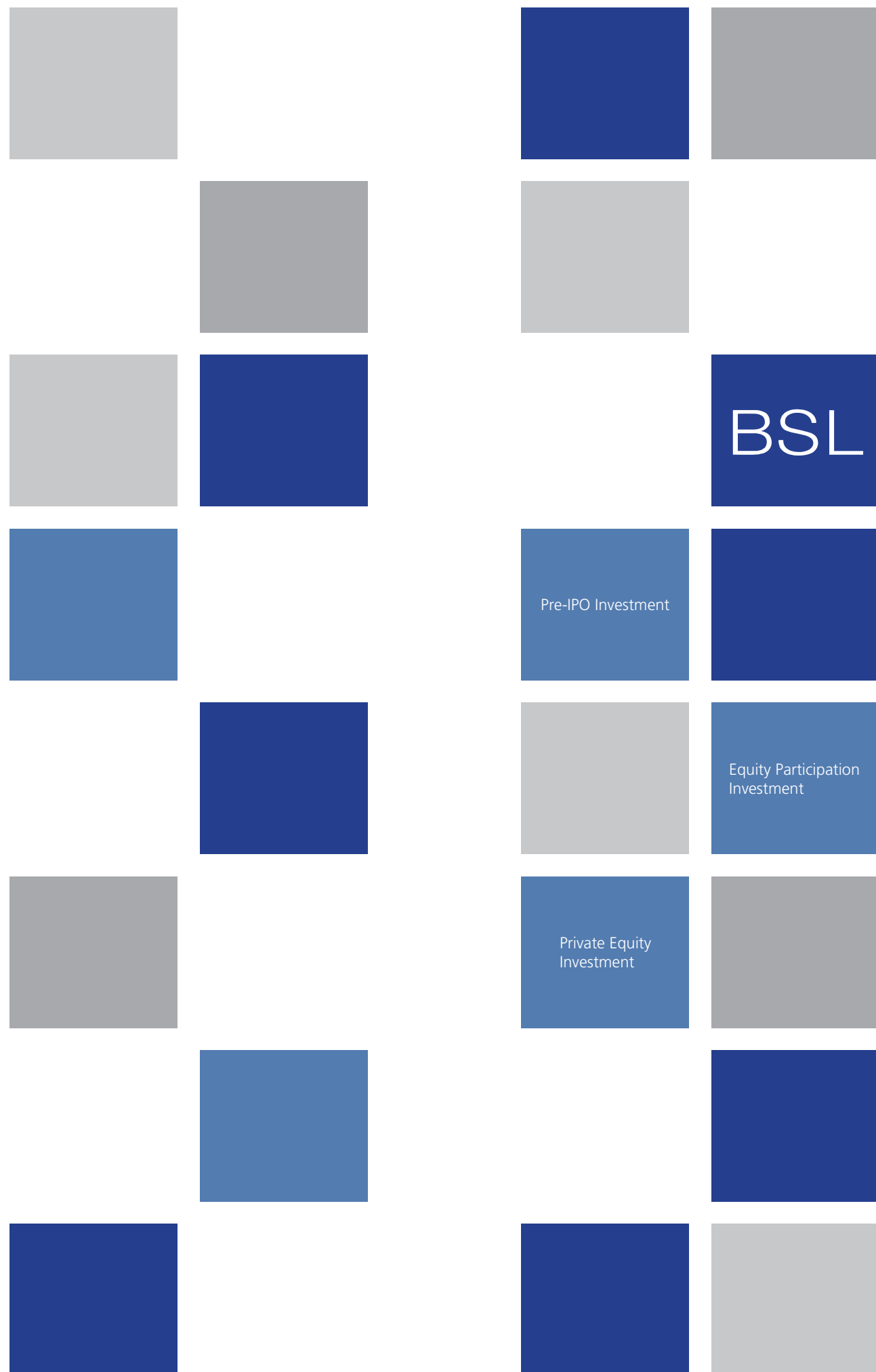
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BSL Corporation

URL: www.bsl-co.com



Annual Report 2006

— For fiscal year 2005 ended March 31, 2006 —

BSL will change to Oak Capital Corporation on October 1, 2006.



BSL CORPORATION

☐ To Our Shareholders

Welcome to our Annual Report for Fiscal Year 2005 (April 2005–March 2006)

In FY2005, Japan saw an improvement in corporate earnings and a firm economic recovery against the backdrop of increased consumer spending, capital investment, and growth in foreign demand.

The Nikkei Average increased sharply from the level of 11,000 yen at the beginning of the fiscal year to 17,000 yen at the end of the year, its highest level in five years and seven months, as a result of investment from domestic and foreign investors who have made a positive assessment of Japan's economic revival.

Amidst structural reform throughout the industrial world, companies are increasingly considering M&A as an option for growth. At the same time, hostile takeovers are becoming a growing concern, and an increasing number of companies are considering measures to defend themselves.

In this environment, BSL Corporation operates to focus on its priority policy and mission which is to support portfolio companies and enhance their corporate value by applying our know-how and networks to help them drive their business plans.

Having solidified the base for entering upon a new expansion phase in our core investment business and with the industry background of our portfolio companies growing wider, our plan of action from now on is to place even greater emphasis on the extended holding of excellent companies while introducing a coherent mechanism for reaping the fruits of our "value enhancement" efforts.

In the light of current conditions and the future course of action of our business, and being aligned with our new management vision, we have decided to change the name of our company to Oak Capital Corporation effective from October 1, 2006.

The "Oak" used in our new company name has traditionally been hailed as a symbol of strength, vitality and growth in Europe since ancient times. The oak is known to spread its roots wide into the soil and grow into a towering tree as it matures. As the tree adds on more annual growth rings (high-quality assets), its trunk enlarges and its branches become lush with luxuriant foliage. The branches and leaves of a big oak tree protect the soil beneath from excessive sunlight and - much in the same fashion - our company aspires to become like a magnificent oak tree supporting the growth of its portfolio companies.

As we maintain our growth in the transition from BSL to Oak Capital, we are grateful for your continued support and encouragement.

June 2006

Hiroyasu Takei
Representative Director & Chairman

☐ Our Investment Business Policy (Continuous Holding of Superior Companies)

BSL's core investment business aims to enhance the value of its portfolio companies by aiding their development or providing business strategy-related support.

To be considered an eligible investment, companies must possess the following strengths:

Strong Brand

Distinguishing Technology

Large Market Share

Adopting a wide-angled perspective, BSL strives to further expand and solidify the groundwork of its investment business by identifying and analyzing companies and/or businesses meeting these criteria. Investment deals are typically pursued along the following lines:

Private equity investment

After acquiring a 35%~100% stake in top-ranking small- and mid-cap enterprises (unlisted companies) that meet the aforementioned criteria, BSL will enforce a policy designed to enhance the corporate value.

Investments in listed companies

When implementing the investment, BSL not only assists in the re-formulation of the business plan but also advises on the creation of the opportune capital plan which is to improve critical aspects such as capital structure, equity liquidity and market capitalization of the companies in whose capital it participates.

BSL believes that corporate value enhancement thus achieved for its portfolio companies will consequently lead to the enhancement of its own value.

Exit Strategy

Depending on the investment, BSL distinguishes between "short-term" deals recoverable over a relatively short span (short-term recovery) and "medium-to-long-term" deals to be recouped over a longer span of time through business development (medium-term recovery). Whereas profits of the former can be included in the results of a single fiscal term and thus serve as a dividend source, more time is required to realize gains of the latter.

BSL nevertheless adopts a flexible stance suited to the circumstances of each deal without adhering to earlier investment decisions so as to take advantage of the opportune timing for realizing its investments and maximize returns.

The method for realizing investment exits, whether that be through IPOs, share transfers (sale in part or in whole) or stock swaps (exchanging unlisted shares for listed shares), is always carefully selected giving full consideration to the collective interests of all stakeholders and ensuring maximum benefits for all involved parties.

Business Performance

Non-consolidated financial results: sharp rise in sales and profits, steady growth and improvement in earnings capability

1. Sharp increase in net sales

From 1,877 million yen in fiscal 2004 to
8,499 million yen

- Investment business: 7,930 million yen
- Marine operations and others: 569 million yen*
- Total: 8,499 million yen

*Marine operations were spun off into an independent company in October 2005.

2. Investment profits

- Ordinary profit, including profits from investment securities and profits from sale of investment securities:
1,481 million yen (Biosensors, etc.)
- Capital gains on stocks of affiliated companies for which time for recovery had arrived:
844 million yen (recorded as extraordinary income)
- Real investment profits
2,325 million yen

3. Extraordinary income

- An appraisal loss was recorded for the stocks of some affiliated companies that are undergoing reconstruction (appraisal loss: 430 million yen).
The accounting method is based on our management policy (we review the details of business and corporate value of the companies in which we invest semiannually, and make financial arrangements conservatively).
- We applied asset-impairment accounting and recorded an asset impairment loss of 180 million yen following our assessment of the probability of recovering our investment in fixed assets (real estate).

4. Sharp rise in net income

From 219 million yen in fiscal 2004 to
1,712 million yen

- Results of investment business

Consolidated financial results: achieved increase in net sales to move into surplus, steady growth and improvement in profits

1. Increase in net sales

From 16,684 million yen in fiscal 2004 to
23,032 million yen

- Contribution from Dyflex Group and Coburn Japan Corporation through consolidation on full-year basis
- Contribution through increase in non-consolidated net sales
- This offset a decline in sales stemming from the exclusion of Mont-Thabor Co., Ltd. from consolidation (sales for fiscal 2004: 6,219 million yen)

2. Sharp rise in consolidated operating income and ordinary profit, and return to the black

From 702 million yen loss in fiscal 2004 to
1,403 million yen profit

- The operating losses of some affiliated companies which are undergoing reconstruction were offset by the favorable results of the Dyflex Group and Coburn Japan Corporation
- Contribution through non-consolidated results of investment business

3. Net income moved into surplus

From 735 million yen net loss in fiscal 2004 to
2,202 million yen net income

- Results of investment business and contribution by some affiliated companies

The Company achieved a rise in sales and profits during the fiscal year under review through the listing of Biosensors International Group, Ltd., one of the companies in which we have invested, on the Singapore Stock Exchange and capital gains coming from the exit realization of other investments. We recorded net sales of 8,499 million yen (up 6,621 million yen from the previous year), operating income of 1,394 million yen (up 1,628 million yen), ordinary profit of 1,481 million yen (up 970 million yen) and net income of 1,712 million yen (up 1,492 million yen).

The gain on the sale of the stocks of affiliated companies, which is part of our investment exit realization, is recorded on the income statement as extraordinary income although it actually stems from our investment business. Therefore, to determine the real profit obtained from our investment business, we added together the 844 million yen gain from the sale of the stocks of affiliated companies to the 1,481 million yen in ordinary profit for a total of 2,325 million yen.

During the fiscal year under review, we newly invested 7,191 million yen (including the acquisition of securities to be sold). We realized exits for some of those securities. The balance of investments as of the end of the fiscal year was 6,011 million yen in trade investment securities, 2,202 million yen in the stock of affiliated companies and 30 million yen in investment securities.

Looking at our consolidated financial results, Dyflex Holdings Co., Ltd. and Coburn Japan Corporation, which became subsidiaries in the second half of the previous fiscal year, contributed to profits throughout the year. ADIRON Corporation continued to promote measures for the strategic rearrangement of brand portfolios and focused on the development of sales bases.

As a result, consolidated financial results for the fiscal year under review showed a rise in sales and profits, 23,032 million yen in net sales (up 6,348 million yen from the previous year), 1,371 million yen in operating income (up 1,958 million yen), 1,403 million yen in ordinary profit (up 2,105 million yen) and 2,202 million yen in net income (up 2,937 million yen).

Financial Statements

Non-Consolidated Balance Sheets (millions of yen)

	FY2005	FY2004
Assets		
Current assets	15,428	4,449
Cash and deposits	9,328	2,224
Notes and accounts receivable	1,255	1,001
Trade investment securities	3,925	—
Short-term loans	860	235
Others	58	989
Fixed assets	4,472	5,925
Tangible fixed assets	172	348
Intangible fixed assets	10	11
Investments and other assets	4,289	5,564
Deferred assets	52	—
Total assets	19,952	10,375
Liabilities		
Current liabilities	479	194
Accounts payable	211	111
Others	268	83
Fixed liabilities	5,043	608
Equity warrant-bearing bonds	5,000	500
Others	43	108
Total liabilities	5,523	802
Shareholders' equity		
Capital stock	7,964	6,259
Capital surplus	4,518	2,809
Retained earnings	1,924	593
Unrealized gain on other securities, etc.	42	51
Common stock	(21)	(142)
Total shareholders' equity	14,428	9,572
Total liabilities and shareholders' equity	19,952	10,375

Note 1: Amounts less than 1 million yen are omitted
Note 2: Cumulative depreciation of tangible fixed assets: 81 for FY2005 (68 for FY2004)

Non-Consolidated Statement of Income (millions of yen)

	FY2005	FY2004
Net sales	8,499	1,877
Cost of sales	5,518	982
Gross profit	2,980	895
Selling, general and administrative expenses	1,586	1,129
Operating income (loss)	1,394	(233)
Non-operating income	114	841
Non-operating expenses	27	96
Ordinary profit	1,481	510
Extraordinary income	855	12
Extraordinary expenses	619	296
Income before taxes	1,717	226
Taxes	4	7
Net income	1,712	219
Retained earnings at the beginning of a period	176	338
Undisposed profits at end of fiscal year (unabsorbed loss)	1,889	558

Note 1: Amounts less than 1 million yen are omitted
Note 2: Net income (loss) per share: 7.62 yen for FY2005 (1.31 yen for FY2004)

Disposal of Unconsolidated Profit (millions of yen)

	FY2005	FY2004
Distribution of disposable profit (loss) attained in fiscal year 2005		
Disposable profit (loss) attained in fiscal year 2005	1,889	558
(to be distributed as follows):		
Dividend	414	381
Directors' bonuses	199	—
Profits carried forward to next fiscal year	1,275	176
Distribution of other capital surplus		
Other capital surplus	1,009	—
(to be distributed as follows):		
Dividend	414	—
Other capital surplus carried forward to next fiscal year	595	—

Note 1: Amounts less than 1 million yen are omitted
Note 2: Cumulative depreciation of tangible fixed assets: 81 for FY2005 (68 for FY2004)

Financial Statements

Consolidated Balance Sheets

(millions of yen)

	FY2005	FY2004
Assets		
Current assets	22,897	11,477
Cash and deposits	11,076	3,754
Notes and accounts receivable-trade	4,333	4,725
Trade investment securities	3,925	—
Inventories	1,441	1,558
Short-term loans	1,214	539
Accounts receivable-other	569	1,633
Others	409	571
Allowance for doubtful accounts	(73)	(1,304)
Fixed assets	6,209	8,642
Tangible fixed assets	1,743	2,509
Intangible fixed assets	815	820
Investments and other assets	3,651	5,312
Deferred assets	52	—
Total assets	29,159	20,119

Note: Amounts less than 1 million yen are omitted

Total assets grew 9,039 million yen from the previous year, to 29,159 million yen, mainly due to an increase in cash and deposits and trade investment securities. Total liabilities rose 3,239 million yen to 15,107 million yen primarily reflecting an 4,500 million yen increase from the issue of equity warrant-bearing bonds and a 1,173 million yen decrease from the repayment of long-term debt. Shareholders' equity rose 5,739 million yen to 13,988 million yen due mainly to the payment of 3,101 million yen for the exercise of equity warrants of the third equity subscription rights issuance and a rise in retained earnings as a result of the posting of 2,202 million yen in net income.

(millions of yen)

	FY2005	FY2004
Liabilities		
Current liabilities	7,756	8,341
Notes and accounts payable-trade	3,787	3,867
Short-term borrowings	2,327	2,227
Current portion of long-term debt	546	676
Others	1,094	1,570
Fixed liabilities	7,351	3,527
Corporate bonds	600	—
Equity warrant-bearing bonds	5,000	500
Long-term debt	816	1,990
Liabilities for retirement benefits	437	544
Others	496	492
Total Liabilities	15,107	11,868
Minority Interests		
Minority interests	63	3
Shareholders' equity		
Capital stock	7,964	6,259
Capital surplus	4,653	2,809
Retained earnings	1,471	(353)
Unrealized gain on other securities	(79)	57
Common stock	(21)	(524)
Total shareholders' equity	13,988	8,248
Total liabilities, minority interests and shareholders' equity	29,159	20,119

Note: Amounts less than 1 million yen are omitted

Consolidated Statement of Income

(millions of yen)

	FY2005	FY2004
Net sales	23,032	16,684
Cost of sales	15,302	12,165
Gross profit	7,729	4,518
Selling, general and administrative expenses	6,358	5,105
Operating income (loss)	1,371	(586)
Non-operating income	223	170
Non-operating expenses	191	286
Ordinary profit (loss)	1,403	(702)
Extraordinary income	3,503	253
Extraordinary expense	2,592	140
Income (loss) before taxes	2,314	(589)
Taxes	104	50
Adjustment for income tax	7	96
Minority shareholders' equity (loss)	0	(1)
Net income (loss)	2,202	(735)

Note: Amounts less than 1 million yen are omitted

(Cash Flow from Operating Activities)
The primary factors affecting cash flow from operating activities were an increase in cash used to acquire trade investment securities and an even greater increase in income before taxes, etc. These and other factors resulted in 396 million yen in net cash used in operating activities, a decrease of 238 million yen from the previous year.
(Cash Flow from Investment Activities)
The primary factor affecting cash flow from investment activities was the proceeds from the sale of the stocks of affiliated companies and investment securities through our investment business. These and other factors resulted in 1,285 million yen in net cash provided by investment activities, an increase of 2,426 million yen from the previous year.
(Cash Flow from Financing Activities)
The primary factors affecting cash flow from financing activities were cash inflows from the issuance of equity warrant-bearing bonds and the issuance of stocks through the exercise of equity warrants of the third equity subscription rights issuance.

Consolidated Surplus

(millions of yen)

	FY2005	FY2004
Capital surplus		
Capital surplus balance at beginning of term	2,809	652
Increase in capital surplus	1,844	2,157
Capital surplus balance at end of term	4,653	2,809
Retained earnings		
Retained earnings balance at beginning of term	(353)	736
Increase in retained earnings	2,202	—
Decrease in retained earnings	377	1,089
Retained earnings balance at end of term	1,471	(353)

Note: Amounts less than 1 million yen are omitted

Consolidated Statements of Cash Flow

(millions of yen)

	FY2005	FY2004
Cash flow from operating activities	(396)	(635)
Cash flow from investment activities	1,285	(1,141)
Cash flow from financing activities	6,952	2,941
Net increase in cash and cash equivalents	7,840	1,164
Cash and cash equivalents at beginning of year	3,101	1,366
Decrease in cash and cash equivalents due to change in consolidated scope	(113)	—
Increase in cash and cash equivalents due to exchange of shares	—	569
Cash and cash equivalents at end of year	10,828	3,101

Note: Amounts less than 1 million yen are omitted

Portfolio Companies

ADIRON

ADIRON Corporation
Handling popular Italian and French branded bag products

Company profile

Company name	ADIRON Corporation
Head office	1-24-10, Yoyogi, Shibuya-ku, Tokyo
Established	October 1989 (trade name changed in June 2003)
Capital stock	302 million yen
Annual sales	2.7 billion yen for the fiscal year ended February 2006
Representative	Yosuke Shino, President and Representative Director
Number of employees	202 (including contract employees)
URL	http://www.adiron.co.jp
Share holding	100%



AJIOKA

AJIOKA Co., Ltd.

Japan's largest manufacturer and wholesaler of highly-authentic, branded leather accessories

Company profile

Company name	AJIOKA Co., Ltd.
Head office	1-8-12, Nihonbashi-Hamacho, Chuo-ku, Tokyo
Company store	5-2-7, Jingumae, Shibuya-ku, Tokyo
Founded	February 1917
Established	May 2003
Capital stock	325 million yen
Annual sales	5.6 billion yen for the fiscal year ended March 2006
Representative	Heiichiro Ajioka, Chairman and Representative Director and President
Number of employees	105
URL	http://www.ajioka.co.jp
Share holding	23.5%



G.communication grp.

G. Communication grp.
Striving to develop a multi-franchise operation

Company profile

Company name	G. Communication grp.
Head office	5-12-3, Kurokawa-Hondori, Kita-ku, Nagoya, Aichi Prefecture
Established	June 1997
Capital stock	1,858 million yen
Annual sales	21.2 billion yen for the fiscal year ended May 2006
Representative	Masaki Inayoshi, Chairman and Representative Director
Number of employees	1,154 (for the entire group as of July 2006)
URL	http://www.g-com.jp
Share holding	4.9%

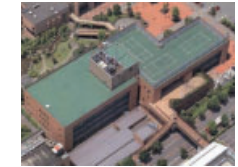


DYFLEX

Dyflex Holdings Co., Ltd.
Leading manufacturer of urethane waterproofing systems

Company profile

Company name	Dyflex Holdings Co., Ltd.
Head office	2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Established	April 1964
Capital stock	315 million yen
Annual sales	9.3 billion yen for the fiscal year ended March 2006
Representative	Keisei Miura, Chairman and Representative Director and President
Number of employees	46
URL	http://www.dyflex.co.jp
Share holding	100%



Christofle

Christofle JAPAN K.K.
Top-ranking silverware manufacturer with a brand and tradition of long standing

Company profile

Company name	Christofle JAPAN K.K.
Head office	8-11-37, Akasaka, Minato-ku, Tokyo
Representative	Yves Alemany, CEO
Established	April 1997
Business	Import and sale of silver products, ceramics and crystal
Capital stock	110 million yen
URL	http://www.cristofle.com
Share holding	50%



GC

Coburn Japan Corporation

Opening up new markets as Japan's top contender and market share holder in holographic films

Company profile

Company name	Coburn Japan Corporation
Head office	1-6-11, Minato, Chuo-ku, Tokyo
Branch office	5-6-10, Nishi-Tenman, Kita-ku, Osaka
Established	March 1978
Capital stock	12 million yen
Annual sales	1.5 billion yen for the fiscal year ended December 2005
Representative	Motohisa Yoshimura, President and Representative Director
Number of employees	27
URL	http://www.coburn.co.jp
Share holding	75.8%



ICS GARLAND INC.

ICS Garland Inc.
Leading U.S. maker of innovative industrial-use flooring products

Company profile

Company name	ICS Garland Inc.
Head office	Delaware, United States
Established	January 2006
Paid-in capital	4 million US dollar
Representative	Byron Smith, CEO
URL	http://www.garlandfloor.com
Share holding	100%



キョウレイ


Kyorei Corporation
Trading firm specialized in importation of fresh and frozen fish and handling of processed marine products

Company profile

Company name	Kyorei Corporation
Head office	4-5-9, Kuramae, Taito-ku, Tokyo
Established	October 1988
Capital stock	170 million yen
Annual sales	4.1 billion yen for the fiscal year ended March 2006
Representative	Akira Noguchi, President and Representative Director
Number of employees	34
URL	http://www.kyorei.co.jp
Share holding	21.9% (as of May 2006)



Portfolio Companies




Summit Design Technologies, Inc.

Pioneer in support software for designing next-generation electronic circuitry

Company profile

Company name	Summit Design Technologies, Inc.
Established	April 2002
Number of employees	45 (including subsidiaries)
URL	http://www.sd.com
Share holding	29%




GORIN Packing K. K.


Pioneer in dust-proof, shock-absorbing, insulating and other packing materials used in consumer electronics

Company profile

Company name	GORIN Packing Co., Ltd.
Head office	1804-25, Noda, Iruma City, Saitama Prefecture
Established	December 1969
Capital stock	143 million yen
Annual sales	5.5 billion yen for the fiscal year ended March 2005
Representative	Akio Suzuki, President and Representative Director
Number of employees	180
URL	http://www.gorinpki.co.jp



Tokyo Stock Exchange, Second Section: 7474




PAO Corporation


Establishing presence as all-comprehensive purveyor of oriental cuisine

Company profile

Company name	PAO Corporation
Head office	676-9-1, Aza-Eboshiwaoki, Nishi-Takadomari, Sanyo-Onoda, Yamaguchi Prefecture
Established	May 23, 1966
Capital stock	951 million yen
Annual sales	5.3 billion yen for the fiscal year ended March 2006
Representative	Takafumi Akutsu, President and Representative Director
Number of employees	142 (as of March 31, 2006)
Number of stores	70 (as of July 1, 2006)
URL	http://www.spao.co.jp
Share holding	G. Communication K. K.: 52.3% BSL Corporation: 7.7%



JASDAQ: 6837

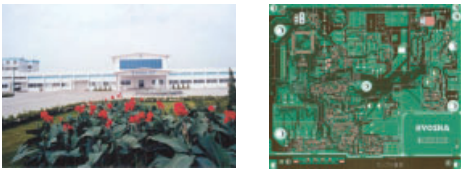


Kyosha Co., Ltd.

One of the world's largest suppliers of printed circuit boards

Company profile

Company name	Kyosha Co., Ltd.
Head office	300, Mura-Higashi, Mori, Kumiyama-cho, Kuse-gun, Kyoto
Established	February 1959
Capital stock	1,101 million yen
Annual sales	13.8 billion yen for the fiscal year ended March 2006
Representative	Yuji Kojima, President and Representative Director
Number of employees	222
URL	http://www.kyosha.co.jp
Share holding	12%




BSL Insurance Corporation

Developing comprehensive risk management services

Company profile

Company name	BSL Insurance Corporation
Head office	8-10-24, Akasaka, Minato-ku, Tokyo
Establishment	August 2002
Capital stock	20 million yen
Shareholders	BSL Corporation (equity position: 83.3%) Aioi Insurance Co., Ltd. (equity position: 10%) NIPPONKOA Insurance Co., Ltd. (equity position: 3.3%) Kyoei Fire & Marine Insurance Co., Ltd. (equity position: 1.7%) Asahi Fire & Marine Insurance Co., Ltd. (equity position: 1.7%)
Representative	Hiroyasu Takei, Chairman and Representative Director Katsushi Tanaka, President and Representative Director
URL	http://www.bsl-ins.com



Tokyo Stock Exchange, Mothers Market: 8925



ARDEPRO Co., Ltd.

Real estate industry innovator

Company profile

Company name	ARDEPRO Co., Ltd.
Head office	1-24, Shinjuku 3-chome, Shinjuku-ku, Tokyo
Established	March 1988
Capital stock	1,178 million yen
Annual sales	13.5 billion yen for the fiscal year ended July 2005
Representative	Tatsuya Akimoto, Chairman and Representative Director and President
Number of employees	176 (as of March 2005)
URL	http://www.ardepro.co.jp



Singapore Stock Exchange, SGX Main Board



Biosensors International Group, Ltd.


Developer, manufacturer, and seller of disposable medical equipment utilizing proprietary technology

Company profile

Company name	Biosensors International Group, Ltd. (BIG)
Head office	41 Cedar Avenue, Hamilton HM 12, Bermuda
Established	March 1998
Capital stock	119 million US dollars
Annual sales	37 million US dollars for the fiscal year ended March 2006
Representative	Yoh-Chie Lu, CEO
URL	http://www.biosensorsintl.com



TSEC, Securities: 2461



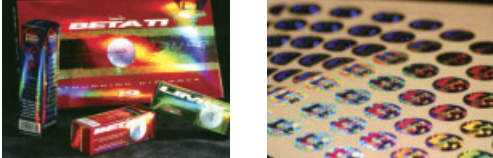
K Laser Technology Inc.

Global leader in the production of holographic films

Company profile

Company name	K Laser Technology Inc.
Head office	1, Li-hsin road VI, Science-based Industrial Park, Hsin-chu 300, Taiwan
Established	April 1988
Capital stock	JPY 6,160 million (as of December 31 2005)
Annual sales	JPY 9.5 billion (ended December 2005)
Representative	Dr. Alex Kuo, Chairman
Employees	190 (as of April 2006)
URL	http://www.klaser.com.tw
Share holding	4.8%

*Conversion: 1NTD=JPY 3.6



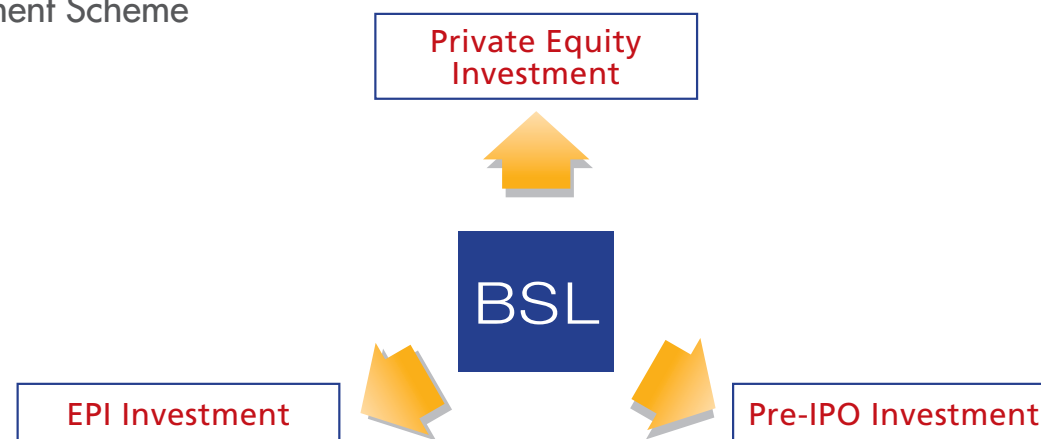
Investment Strategy

BSL enhances the value of portfolio companies in various industries based on 3 investment methods. Investment is conducted through the guiding principle of contributing to their long-term development and growth.

Investment Selection Criteria



Investment Scheme



Private equity investments (Investments supporting business growth)

Principal targets: Companies with hidden Enterprise Value (inherent value). By participating in their capital, BSL aims to further enhance value.



Contribution to BSL's own Enterprise Value creation

- Acquisition and holding of shares subject to BSL's management participation.
- Supporting growth and business development by sharing strategies and risks.

EPI investments (Strategic Equity Participation Investments in listed companies)

Principal targets: Listed companies

- Investments are typically made by subscribing for new shares issued when the target company decides to increase its capital (private placement of new shares).
- By offering its know-how (such as advice related to the formulation of business strategies and capital structure planning), BSL seeks to enhance the Enterprise Value of the target companies and increase the value of its investments.
- BSL will examine ways for using to advantage existing assets as a business expansionary measure.

Pre-IPO investments (Investments supporting IPO)

Principal targets: Companies in the midst of executing IPO plans

- By capitalizing on its networks and know-how in areas such as capital policy formulation, IPO scheme development and the establishment of a comprehensive support structure, BSL aims to help companies realize a successful IPO and collect on its investment at an early stage.
- BSL will not consider early-stage companies.

Highlights in the Company History of BSL

2001	Commencement of investment banking operation	February	Fund injection of JPY 7.5 billion for the launch of the investment business
		April	Repays in full, funds borrowed from financial institutions and resumes debtless operations
		July	Stock acquisition in Kyorei Co., Ltd. marking BSL's first investment
2002	Listed companies added to investment targets	August	Acquisition of Mont-Thabor Co., Ltd.
		February	Investment in Marukin Chuyu Corp. (TSE 2nd Section) marking BSL's first investment in a listed company
		March	Investment in Tokyo Koki Seizosho Corp. (TSE 2nd Section)
		April	Investment in printed circuit board manufacturer Kyosha Co., Ltd. (JASDAQ)
2003	Group management further improved with hands-on approach	July	Becomes the first listed company in Japan to authorize a free grant of rights to subscribe new shares in favor of all shareholders (issuance of equity subscription rights)
		August	Establishment of insurance agency BSL Insurance Corporation in a joint operation with four nonlife insurance companies
		January	Stock acquisition in Sun Biomedical Ltd. (now, Biosensors International Group, Ltd.)
		August	Expansion into the fashion sector through acquisition of ADIRON Corporation subsequently turned into a consolidated subsidiary
		October	Expansion into environment-related business through establishment of Green Dyflex Co., Ltd. as a joint enterprise
		February	Expansion into the IT sector through investment in Summit Design Technologies, Inc. (USA)
2004	Capital replenishment and further business expansion	First issuance of euro-yen denominated convertible bonds with equity acquisition rights	
		March	Second gratis issuance of equity subscription rights to all shareholders
		June	Acquisition of Coburn Japan subsequently turned into a consolidated subsidiary
2005	Fresh impetus given to investment banking operations	July	Second issuance of euro-yen denominated convertible bonds with equity acquisition rights
		December	Dyflex Holdings Co., Ltd. turned into wholly-owned subsidiary through a stock swap.
		March	Participation in capital of Kyosha Co., Ltd. (JASDAQ) to support mid-term business plan
		Third gratis issuance of equity subscription rights to all shareholders	
2006	Diversification of principal portfolio companies	May	Third issuance of euro-yen denominated convertible bonds with equity acquisition rights
		Biosensors International Group, Ltd. listing its shares on the Singapore Stock Exchange (SGX Main Board)	
		July	Capital investment in QB Net Co., Ltd.
2006	Diversification of principal portfolio companies	January	Acquisition of U.S. Garland Floor Company business divisions
		March	Business and capital tie-up with BIG Group Co., Ltd.
		May	Business and capital tie-up with Orféverrie Christofle K.K.
		June	Basic agreement for capital tie-up with K Laser Technology Inc. (Taiwan)
July	Capital investment in Christofle Japan K.K.		

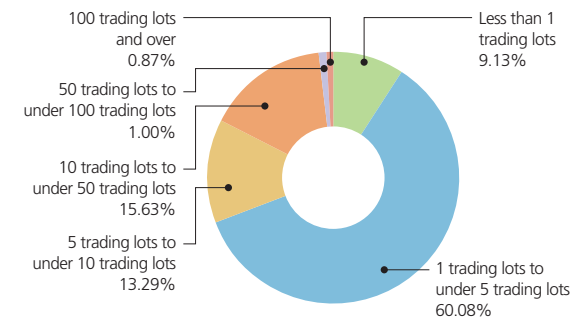
Stock Information

Total number of shares issuable — 600,000,000
 Total number of shares issued and outstanding — 207,180,381
 Number of shareholders — 21,381

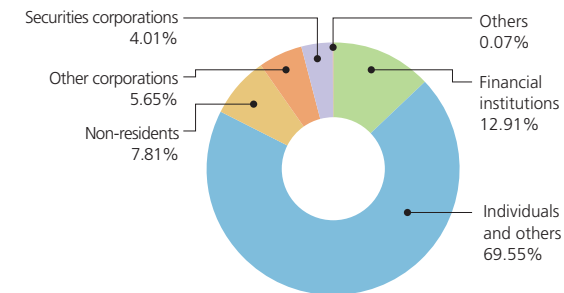
Principal Shareholders (top 7)

Name of shareholders	Shares held	Voting right (%)
Japan Securities Finance Co., Ltd.	14,146,000	6.96%
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,997,000	4.43%
Hiroyasu Takei	8,753,000	4.31%
Keisei Miura	5,305,473	2.61%
SIS SegalInterSettle AG	3,952,000	1.94%
The Chase Manhattan Bank N. A. London SL Omnibus Account	3,595,600	1.77%
Mihiro Shokai K. K.	2,951,000	1.45%

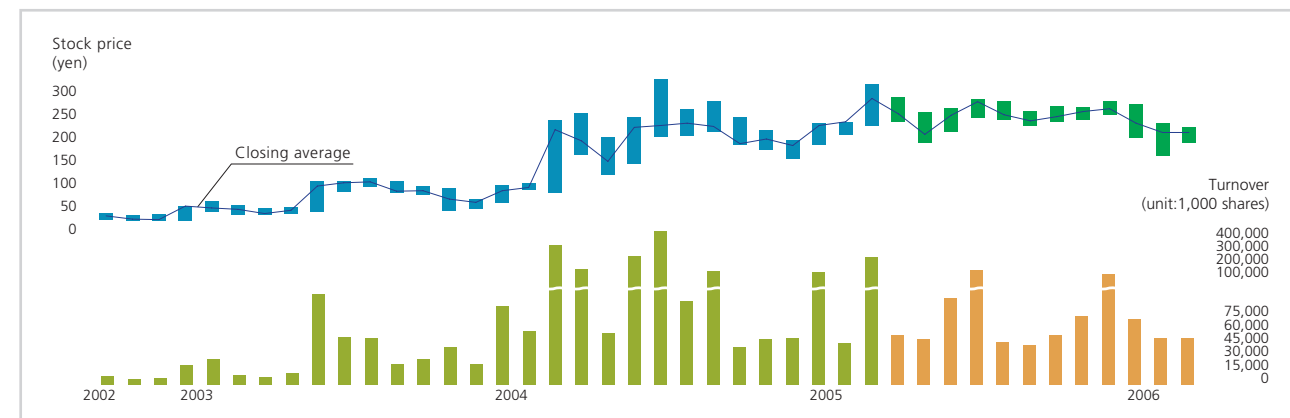
Breakdown of shareholders by volume owned



Distribution of shareholders



Stock Price and Turnover Trends



Guidance To Shareholders Holding the Number of Shares Below One Unit

A shareholder who holds the number of shares that is below one unit may purchase shares from the Company that will make one unit when added to their shareholdings, or the shareholder may request that the Company to purchase the shares held that below one trading unit. Please contact the Transfer Agent Department of Chuo Mitsui Trust & Banking Co., Ltd. for details. When using the central securities custody transfer system, please inquire at your securities company.

Company Profile

Company profile (as of March 31, 2006)

Company name	BSL Corporation The company name will change to Oak Capital Corporation on October 1, 2006.
Address	10-24, Akasaka 8-chome, Minato-ku, Tokyo
Founded	1868
Established	1918
Paid-in Capital	7,964,050,000 yen
Public Listing	2nd Sections of TSE, OSE and NSE. Listed in 1949
Lead Manager	Daiwa Securities SMBC
Auditors	Nihombashi Corporation (Certified Public Accountants)
Banks	Sumitomo Mitsui Bank, Bank of Tokyo-Mitsubishi UFJ, Mizuho Corporate Bank. Ltd.

Members of the Board/Officers/Auditors (as of June 29, 2006)

Member of the Board, Representative Director and Chairman	Hiroyasu Takei	Auditor	Yoshikazu Nagano
		Auditor	Makoto Sakai
Member of the Board, Representative Director and CEO	Jun Kawada	Auditor	Tomoyasu Ozeki
		Auditor	Motosuke Hirose
Member of the Board, Director and Senior General Manager, Head of the Control Division	Masakazu Murao	Managing Director, Investment Division	Koichi Shinada
		Managing Director, Corporate Strategy	Shichiro Hattori
Member of the Board, General Manager, Corporate Strategy	Katsushi Tanaka	Managing Director, Investment Division	Hisao Sakai
Statutory Auditor	Hideya Takahashi	Managing Director, Investment Division	Toshiyuki Umeta

Fiscal Term	from April 1 to March 31 of the following year
Annual Shareholders' General Meeting	June
Reference Dates	Voting Rights Eligibility at the Annual Shareholders' General Meeting: March 31 Final Dividend: March 31 Interim dividend: September 30
Method for Public Notice	Public notices will be published in the <i>Nihon Keizai Shimbun</i> . Rather than a public notice on financial statements, a balance sheet and income statement will be disclosed through EDINET (electronic disclosure system for securities reports based on the Securities and Exchange Law).
Administrator of Shareholders' Register	The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo
Main Administration Office	Head Office, The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku, Tokyo
Administration Center	Transfer Agent Center 8-4, Izumi 2-chome, Suginami-ku Tokyo, 168-0063 Tel: 0120-78-2031 (free dial)
Contact stations	Head office and branch offices of Chuo Mitsui Trust & Banking Co., Ltd. Head office and branch offices of Japan Securities Agents Ltd.

Notice

Please use the following free dial or website for the administrator of shareholders' register, The Chuo Mitsui Trust & Banking Co., Ltd., to request the forms necessary for a change of address, to request the purchase of the number of shares that is less than one unit, to request a share transfer and to designate an account for the remittance of dividends.

- Free dial : 0120-87-2031 (available throughout the day, automatic voice guidance)
- Website : http://www.chuomitsui.co.jp/person/p_06.html