SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB/A

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]
[amend]

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FILER

DWANGO NORTH AMERICA CORP

CIK:**1158134**| IRS No.: **841407365** | State of Incorp.:**NV** | Fiscal Year End: **1231**
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SIC: **4812** Radiotelephone communications

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-KSB/A

(Amendment No. 2)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

Commission File Number 000-50533

DWANGO NORTH AMERICA CORP.

(Exact name of registrant as specified in its charter)

Nevada	**84-1407365**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
200 West Mercer Street, Seattle, WA	**98119**
(Address of principal executive offices)	**(Zip Code)**

Registrant' s telephone number, including area code: (206) 286-1440

Securities registered pursuant to Section 12(b) of the Act: None

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Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class	Outstanding shares as of April 12, 2004
Common Stock, par value $.001 per share	**6,925,090**

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant' s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☒

State issuer’ s revenues for its most recent fiscal year: $22,000

As of April 9, 2004 the aggregate market value of the voting and non-voting common equity held by non affiliates was approximately $4,740,018.

This Amendment amends Items 6, 7 and 13, as set forth herein in full.

Item 6. Management' s Discussion and Analysis or Plan of Operation

Overview

We are a development stage company founded to provide content, network technology and application publishing through North American wireless carriers. Since inception, we have not had any significant revenues.

We earn revenue by distributing our content through major wireless carriers in North America. Our revenue model is driven by fees paid by consumers for wireless entertainment products and services. These fees may be collected by carriers, collected directly by our company, or some combination thereof. Currently, our revenue model is through collection by carriers. The revenue model does not rely on advertising or any other revenue source not directly related to the downloading of wireless entertainment content by consumers. A percentage of revenue is shared with the wireless carrier and the percentages vary for each carrier, depending upon the specific carrier agreement.

Currently, our content is sold for a download fee. The download fee model is based on a single fee per downloaded application or bundle of applications. Download fees are assessed on a per download basis for each game or bundle of games downloaded to a consumer' s wireless handset. Ringtones and other features operate on the same basis. Some of the download features will have expirations based on time.

Effective August 14, 2002, we entered into exclusive license agreements with Dwango Co., Ltd., which we refer to as Dwango Japan, which allow us to use Dwango Japan' s current and future wireless intellectual property and trademarks, subject to certain conditions and limitations. Currently, the wireless intellectual property licensed from Dwango Japan consists primarily of games and other wireless device applications.

We have recently significantly expanded our business, including in connection with the acquisition of Over-the-Air Wireless, Inc., a company in the wireless ringtone business, and the hiring of additional employees. We have also recently released our ringtone services. During the next twelve months, subject to the receipt of sufficient financing, we intend to continue expanding our business. To date, we have released two games that we have developed internally and have released eight games based upon technology we license from Dwango Japan. In addition, we have released four games that have been developed by third parties hired to develop games for us. We have two games currently under internal development. We plan to continue to develop and promote our own applications as well as applications based on the licensed technology and content from Dwango Japan and other third parties. In addition, as part of our expansion strategy, we intend to acquire businesses engaged in developing and marketing wireless technology and applications, including games and ringtones.

Through our acquisition of Over-the-Air Wireless, Inc., we obtained: (i) software for the downloading of our games and ringtones and the billing of these downloads, (ii) the services of and employment agreements with three key individuals who currently hold the positions of chief executive officer, president, and vice president of development, respectively, in our company, and (iii) two-year non-compete agreements. The three individuals currently employed by us who were formerly employed by Over-the-Air Wireless, Inc. are proficient with the software acquired and have experience and contacts in the wireless industry. The consideration for the transaction was the issuance of 681,000 shares of our common stock. In addition, pursuant to the employment agreements with the three individuals referred to above, we issued options to purchase an aggregate of 964,913 shares of our common stock.

As of June 30, 2004 we had 37 full-time employees. In connection with the expansion of our business, and subject to the receipt of substantial additional financing, we anticipate that we will hire an additional 25 to 30 employees over the next twelve months.

We currently have agreements with AT&T Wireless, Verizon Wireless, T-Mobile USA, Alltel Communications, Cingular Wireless and Nextel Operations which provide the terms and conditions under which our applications may be made available to the subscribers of such carriers and which are material to the operation of our business. To date, we have released eight games on AT&T Wireless and three games on Verizon Wireless. We have also released certain of our games on certain wireless handsets pursuant to agreements we have with NEC America and Motorola to "pre-load" a game onto a phone. A game is "pre-loaded" onto a phone when it is already loaded onto the phone when the customer purchases the phone. We anticipate introducing additional applications in the near future.

Our company has achieved $22,000 in revenues from inception through December 31, 2003 and is not profitable. We anticipate that we will continue to incur net losses for the foreseeable future. The extent of these losses will depend, in part, on the amount of growth in our revenues from consumer acceptance and use of our games and ringtones and the number of wireless mobile carriers who agree to carry our games and ringtones. As of December 31, 2003, we had an accumulated deficit of $6,127,000. Our operating expenses are currently approximately $400,000 per month, approximately 50% of which is for payroll, 10% of which is for marketing, and 40% of which is for our general operations. Provided we raise the amount of financing we seek in a timely manner, we expect that our operating expenses will increase by approximately 10% per month over the next several months, especially in the areas of product development and marketing. We believe we can satisfy our cash requirements only through August 31, 2004. We will seek to raise up to $9,000,000 in additional financing during the next 12 months. The raising of $9,000,000 is expected to fund a significant expansion of our operations, including expanding our existing operational and development capacity. Additionally, we anticipate expanding our business development and product development teams. Additional investments in operational infrastructure would be made by us. These expanded teams would focus on increased product development activities for existing brands licensed by us, as well as on acquisition of new licenses for consumer brands appropriate for the mobile marketplace. Acquisitions are also planned. We plan to identify companies that offer complementary mobile entertainment infrastructure services, such as ring-back services or multi-player gaming networks. Additionally, acquisition of other game studios and/or media development studios are anticipated to boost production capabilities. To the extent that less than $9,000,000 is raised, we will reduce the scope of our intended activities. We will need to generate a significant amount of increased revenues to achieve profitability. We cannot give you any assurance that we can achieve or sustain profitability or that our operating losses will not increase in the future.

Relationships with Wireless Carriers and Handset Manufacturers

To date we have released various products through agreements with multiple wireless carriers: Verizon Wireless, AT&T Wireless, Nextel Operations, T-Mobile, and Cingular Wireless; and two handset manufacturers: NEC and Motorola. The handset manufacturers have pre-installed certain applications from our content library onto certain phone models, which we refer to as "pre-loading" of a game onto a phone. When a customer purchases a phone with our content on it, the customer gets a certain amount of free game play, often with more available for purchase. We are continually pursuing distribution agreements with the other major carriers and handset manufacturers. We also have an agreement with Alltel Communications, Inc. which sets forth the terms and conditions under which our games may be made available to end-users of this wireless carrier. Accordingly, our company now has six wireless carrier relationships.

Relationships with Content Providers and New Application Development

We have entered into relationships with several companies, as described below, with respect to their development of game content on our behalf.

As of April 2004, 1464251 Ontario Inc. has produced two titles for us, BurnRate and Blink.

Through our reciprocal publishing agreement with Enorbus Technologies, we have plans to publish four of their titles; they have plans to publish three of our titles in China.

With the Connect Corporation, an agreement was made to create an original game. As of June 2004, all work has been completed.

Two new original games are being produced through our Game Studio in San Francisco.

In addition to games, we have developed our ringtone and media service, which allows consumers to download ringtones and images to their phones. We have our own catalog of over 1,000 polyphonic ringtones, with ongoing production and licensing of new ringtones every month. We have an agreement with Rolling Stone and Real Networks to develop mobile content (games, ringtones and other media offerings and applications) using the Rolling Stone brand. Our first product launched under the agreement was a ringtone browser, which was launched in June 2004. Our primary target market for ringtones and media is broader than for games in North America. Ringtones and images for phones are attractive to older consumers as well as the targeted youth market. The

resulting demographic includes youth, but expands beyond to encapsulate those between the ages of 14 to 35, although the heaviest users are still expected to be in the 14 to 24 age segment.

Our delivery platform incorporates a mobile ringtone catalog application that allows users to browse, search, sample and download the newest as well as the most popular ringtones, sorted by title, artist and category. Ringtone downloads are initiated through either a WAP browser or a downloadable BREW ringtone client, allowing for customers to purchase new ringtones directly from their phones.

Results of Operations

Revenue. During the year ended December 31, 2003, revenues were $22,000. During 2002 our company earned no revenues.

Revenues in 2003 resulted from the games released by our company, available on Verizon Wireless and AT&T Wireless, and purchased by end-users. For the year ended December 31, 2003, a total of two applications, Star Exceed™, and dwango Racing™, were published on Verizon Wireless and three applications, Star Exceed™, Star Diversion™ and dwango Racing™, were published on AT&T Wireless. All of our revenues for 2003 were derived from games licensed by us from Dwango Japan.

Research and Development Expense. During the year ended December 31, 2003, we incurred research and development expenses of $181,000. These expenses consist principally of salaries and related expenses. During 2002 we incurred no research and development expenses.

The increase in research and development expenses relates to the development of games. R&D expenses are expected to continue to increase as we develop a greater number of in house games and other content as an addition to our strategy of sourcing production from third-party developers as well as games and content from Dwango Japan.

Selling, General and Administrative Expense. During the year ended December 31, 2003, we incurred general and administrative expenses of $3,927,000. For the year ended December 31, 2002, general and administrative expenses were $1,213,000.

This increase in general and administrative expenses is due to our increased operations. We hired new employees in development and administration and these payroll related costs account for $1,317,000 of the increase. Further, we incurred increased legal and professional fees of $648,000 as a result of increased contract negotiations with mobile phone carriers as well as costs associated with the acquisition of Dwango North America, Inc. and increased legal and auditing fees related to being a public company and in preparation for the filing of a registration statement in January 2004. We anticipate that general and administrative expenses will continue to increase as we expand our business as contemplated.

Interest Expense. During the year ended December 31, 2003, we incurred interest expense of $564,000. For the year ended December 31, 2002, interest expense was $57,000. This increase in interest expense is directly attributable to the issuance in 2003 of 8% senior convertible notes due 2006 to finance operations and the related amortization of debt discount.

Net Loss. Our net loss for the year ended December 31, 2003 was $4,650,000. Our net loss for the year ended December 31, 2002 was $1,270,000. The increase in our net loss was due to our increased expenses, reflecting increased activities, without a commensurate increased in revenues.

Liquidity and Capital Resources

As of December 31, 2003, we had a cash balance of $0 and a negative working capital position of $1,498,000. At August 4, 2004, we had a cash balance of $257,000. We anticipate that such funds will finance our operations through August 31, 2004. If further funding is not obtained by such date, we may be required to curtail or cease operations.

We have historically funded our operations primarily through the sale of our securities, including sales of common stock, convertible notes, preferred stock and warrants. In September 2003, we completed a $2,500,000 financing of 8% senior convertible notes due 2006 and warrants to purchase 2,086,037 shares of our common stock.

The notes are convertible and the warrants are exercisable at $1.20 per share. The notes are due, and the warrants expire, on September 15, 2006.

From October through December, 2003, to fund operations, two individuals (the former chairman of our company and an outside director of our company) advanced our company $392,000 and $50,000, respectively. In January 2004, our chairman and the outside director that advanced funds to our company converted such advances into 326,927 and 41,667 shares of our common stock, respectively, and warrants to purchase 326,927 and 41,667 shares of our common stock, respectively, exercisable at $1.20 per share.

In December 2003, we completed a private placement pursuant to which we sold 250,000 shares of common stock and four-year warrants to purchase 250,000 shares of common stock with an exercise price of $1.20 per share to Alexandra Global Master Fund Ltd. for $300,000.

In January 2004 we completed a private placement pursuant to which we sold to Alexandra Global Master Fund Ltd. a 9% senior convertible note due 2007 in the principal amount of $1,700,000 and four-year warrants to purchase 708,333 shares of common stock for an aggregate purchase price of $1,700,000. The notes are convertible, and the warrants are exercisable, at $1.20 per share.

In March 2004, we completed a private placement with Alexandra Global Master Fund Ltd. pursuant to which we sold to such investor a 9% senior convertible note due 2007 in the principal amount of $2,300,000 and four-year warrants to purchase 958,333 shares of common stock for an aggregate purchase price of $2,300,000. The notes are convertible, and the warrants are exercisable, at $1.20 per share.

In March 2004, we entered into a License Agreement with Rolling Stone, LLC and RealNetworks, Inc. setting forth the terms and conditions under which we would develop and distribute mobile entertainment featuring the Rolling Stone brand. As per the agreement, we paid a $750,000 advance royalty fee and are committed to quarterly minimum royalty payments of $250,000 beginning September 30, 2004 for the five subsequent quarters thereafter. In addition, we agreed to advertise with Rolling Stone for a minimum of $125,000 per quarter for the duration of the agreement. Pursuant to our agreement with ESPN, we have guaranteed that ESPN will make $50,000 in net revenue over the course of the agreement and have agreed to provide minimum marketing support for the Bassmaster game, to be developed in accordance with the agreement, in the amount of $50,000.

In June 2004, we completed a private placement with Alexandra Global Master Fund Ltd. pursuant to which we sold to such investor 250 shares of our series A convertible preferred stock initially convertible into 208,333 shares of our common stock and four-year warrants to purchase 208,333 shares of common stock for an aggregate purchase price of $250,000. In July 2004, we sold to Alexandra an additional 500 shares of our series A convertible preferred stock initially convertible into 416,667 shares of our common stock and four year warrants to purchase 416,667 shares of our common stock for an aggregate purchase price of $500,000. In August 2004, we sold to Alexandra an additional 500 shares of our series A convertible preferred stock initially convertible into 416,667 shares of our common stock and four year warrants to purchase 416,667 shares of our common stock for an aggregate purchase price of $500,000. The preferred stock issued in each such transaction is convertible, and the warrants are exercisable, at $1.20 per share. Alexandra has not committed to provide any future funding to our company, although it may elect to do so in its sole discretion.

We anticipate that we will continue to issue equity and/or debt securities as the primary source of liquidity until we generate positive cash flow from operations. We cannot give you any assurance that the necessary capital will be raised or that, if funds are raised, that it will be on favorable terms. Any future sales of securities to finance our company will dilute existing shareholders' ownership. Continuation as a going concern depends on our ability to obtain additional financing and ultimately to generate positive cash flow and attain profitability.

In January 2004, our board of directors decided to close our Houston office and perform executive and administrative functions from our Seattle office. If the office is sublet at a rate comparable to the lease rate, this decision will save our company approximately $69,000 per year.

During the year ended December 31, 2003, net cash used in operating activities totaled $2,883,000. During the year ended December 31, 2002, net cash used in operating activities totaled $1,009,000. This 186% increase is due in large part to the hiring of additional employees in development and administration. These payroll related costs account for $1,198,000 of the increase. Further, we incurred increased legal and professional fees of $501,000 as a result of increased contract negotiations with mobile phone carriers, the acquisitions of Dwango North America,

Inc. and Over-the-Air Wireless, Inc., and legal and auditing fees related to being a public company and related to the filing of the registration statement of which this prospectus forms a part.

During the year ended December 31, 2003, cash used in investing activities totaled $188,000. During the year ended December 31, 2002, cash used in investing activities totaled $116,000. This 62% increase in investing activities is primarily related to purchases of computer workstations and servers.

During the year ended December 31, 2003, net cash provided by financing activities totaled $2,778,000. During year ended December 31, 2002, net cash provided by financing activities totaled $1,312,000. This 112% increase is due to additional financings consummated by us that were necessary to fund our ongoing operations.

The success and growth of our business is dependent in large part on our ability to partner and develop relationships within the wireless industry. In order for us to execute on our business plan, which anticipates a significant expansion of operations, we expect that this will require approximately $9,000,000 in additional funding within the next 12 months to complete the rollout of our operations in North America. If less than $9,000,000 is raised, we will reduce the scope of our intended activities.

The following table summarizes, as of December 31, 2003, our obligations and commitments to make future payments under debt and operating leases:

	Payments Due By Period			
	Total	Less Than 1 Year	1-3 Years	After 3-Years
Long-Term Debt	$2,500,000	$–	$2,500,000	$ –
Operating Leases	314,000	134,000	180,000	–
Total	$2,814,000	$134,000	$2,680,000	$ –

Our outstanding long-term debt as of December 31, 2003 consists of $2,500,000 Senior Convertible Promissory Notes bearing interest at the rate of 8% per annum. The principal balance of these notes, together with all interest accrued thereon, is due and payable on September 15, 2006.

Our operating leases consist of leases for office space in Houston, Texas, Seattle, Washington and San Francisco, California. We are in the process of attempting to sublease our offices in Houston. We may or may not be able to sublease such premises for the full amount of our obligation to the landlord. In addition, we anticipate that we will remain primarily liable for amounts owing with respect to such premises.

Critical Accounting Policies

Software Development Costs

We account for software development costs in accordance with Statement of Financial Accounting Standards No. 86, Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed. SFAS No. 86 specifies that costs incurred internally in creating a software product should be charged to expense when incurred as research and development costs until technological feasibility has been established for the product. Once technological feasibility is established, all development costs should be capitalized until the product is available for general release to customers. Judgment is required in determining when the technological feasibility of a product is established, in estimating the life of the product for which the capitalized costs will be amortized and in estimating if the carrying value of capitalized software costs is equal to or less than future operating profits from the associated products. To date, we have not capitalized any software development costs.

Revenue Recognition

Revenue from wireless applications is recognized in the month in which delivery and acceptance by the end-user as a purchase occurs. Our company identifies such delivery and acceptance and therefore revenue is accrued upon the occurrence of a download of an application. Both persuasive evidence of an arrangement occurs and delivery and acceptance occur when the carrier is notified of the end-user transaction and they place a charge on the end-user' s bill. The carrier reports to our company the product and dollar amount of revenue earned by our company which establishes that delivery and performance have occurred. The carriers report to our company provides evidence of collectibility and subsequent to the issuance of the carrier reports, the carrier remits the agreed upon price for each download.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Dwango North America Corp. and its wholly owned subsidiary Dwango North America, Inc. All significant inter-company transactions and balances have been eliminated in consolidation.

Item 7. Financial Statements

The financial statements begin on page F-1 of this Form 10-KSB/A.

Item 13. Exhibits, Financial Statements Schedules and Reports on Form 8-K.

(a) Exhibits

Number	Description
2	Agreement and Plan of Reorganization, dated September 19, 2003, among Woodland Hatchery, Inc., Dwango North America, Inc. and the securityholders of Dwango listed therein (incorporated by reference to Exhibit 2.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
3.1	Articles of Incorporation, as amended to date (incorporated by reference to Exhibits 3.1 to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on September 6, 2001 and Exhibit 3.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
3.2	Bylaws of the Registrant (as amended through December 30, 2003) (incorporated by reference to Exhibit 2 the Form 8-A filed with the Securities and Exchange Commission on December 30, 2003)
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 3 the Form 8-A filed with the Securities and Exchange Commission on December 30, 2003)
4.2	Form of 8% Senior Convertible Promissory Note due 2006 (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.3	9% Senior Convertible Note due 2007 issued to Alexandra Global Master Fund Ltd. dated January 8, 2004 (incorporated by reference to Exhibit 4.4 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
4.4	Form of Warrants to purchase 41,722 shares of common stock issued in August 2002 (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.5	Form of Warrants to purchase an aggregate of 83,444 shares of common stock (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.6	Form of Warrants to purchase an aggregate of 2,086,037 shares of common stock (incorporated by reference to Exhibit 4.4 to the Registrant' s Current Report on Form 8-K (Date of Report September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.7*	Form of Warrants to purchase an aggregate of 417,208 shares of common stock issued to HCFP/Brenner Securities, LLC and RG Securities, LLC for acting as placement agent in connection with the September 2003 private placement

4.8	Form of Warrants to purchase an aggregate of 250,000 shares of common stock (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
4.9*	Form of Warrants to purchase an aggregate of 272,784 shares of common stock issued to HCFP Brenner Securities and RG Securities, LLC
4.10	Warrant to purchase 708,333 shares of common stock issued to Alexandra Global Master Fund Ltd. dated January 8, 2004 (incorporated by reference to Exhibit 4.5 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)

4.11*	Form of Registration Rights Agreement relating to 834,465 shares of common stock and 83,444 shares of common stock underlying warrants issued by the registrant in October 2002.
4.12*	Form of Registration Rights Agreement, issued by the registrant in September 2003, relating to 2,086,037 shares of common stock underlying 8% senior convertible notes due 2006 and 2,086,037 shares of common stock underlying warrants issued by the registrant in offering completed in September 2003
4.13	Registration Rights Agreement, dated February 4, 2004, among Dwango North America Corp. and the former shareholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant' s Current Report Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
4.14	9% Senior Convertible Note due 2007 issued to Alexandra Global Master Fund Ltd. dated March 19, 2004 (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
4.15	Warrant to purchase 958,333 shares of common stock issued to Alexandra Global Master Fund Ltd. dated March 19, 2004 (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
10.1*	2003 Equity Incentive Plan
10.2*	Office Lease Agreement, dated April 25, 2002, by and between Queen Anne Square, LLC and Dwango North America Inc.
10.3*	Office Lease Agreement, dated November 2002, between San Felipe Plaza, Ltd. and Dwango North America, Inc., as amended
10.3	Bridge Agreement, dated December 12, 2003, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
10.4	Note Purchase Agreement, dated January 8, 2004, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
10.5	Conversion Agreement, dated January 28, 2004, between Dwango North America Corp. and Robert E. Huntley (incorporated by reference to Exhibit 10.1 to the Registrant' s Current Report on Form 8-K (Date of Report: January 14, 2004) filed with the Securities and Exchange Commission on January 30, 2004)
10.6	Conversion Agreement, dated January 28, 2004, between Dwango North America Corp. and Paul Eibeler (incorporated by reference to Exhibit 10.2 to the Registrant' s Current Report on Form 8-K(Date of Report: January 14, 2004) filed with the Securities and Exchange Commission on January 30, 2004)
10.7	Agreement and Plan of Merger, dated as of February 4, 2004, among Dwango North America Corp., OTA Acquisition Corp., Over-the-Air Wireless, Inc., and the stockholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
10.8	Note Purchase Agreement, dated March 19, 2004, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
10.9	Form of Employment Agreement between Dwango North America Corp. and each of Rick Hennessey, David Adams, and Alexander U. Conrad (incorporated by reference to Exhibit 10.3 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
10.10	Form of Assignment of Inventions Agreement between Dwango North America Corp. and each of the former shareholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.4 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)

10.11*	Software License Agreement between ALLTEL Communications Inc. and Dwango North America Inc. executed December 19, 2003
10.12*#	Direct Bill Services Agreement between Cingular Wireless LLC and Dwango North America, Inc. executed on January 9, 2004
10.13*#	Software Distribution Agreement between Motorola, Inc. and Dwango North America, Inc. executed September 24, 2003

10.14*#	License and Revenue Sharing Agreement between NEC America, Inc. and Dwango North America, Inc. effective January 1, 2003
10.15*#	Java Wireless Applications Agreement between T-Mobile USA, Inc. and Dwango North America, Inc. effective as of September 3, 2003
10.16*	Brew Application License Agreement between Cellco Partnership d/b/a Verizon Wireless and Dwango North America Inc. Submitted via click through web interface on October 11, 2002
10.17*	Brew Pricing Terms and Carrier Agreement between Qualcomm Incorporated and Dwango North America, Inc. Submitted via click through on May 21, 2002
10.18*	Amendment No. 1 to Brew Developer Agreement between Qualcomm Incorporated and Dwango North America, Inc. effective as of May 17, 2002
10.19*	Mobile Channel Agreement between AT&T Wireless Services, Inc. and Dwango North America, Inc. effective as of September 26, 2002
10.20*#	Addendum to Mobile Channel Agreement Digital Goods Electronic Wallet between AT&T Wireless Services, Inc. and Dwango North America, Inc. dated September 26, 2002
10.21*	Letter agreement dated January 8, 2004 with Alexandra Global Master Fund Ltd.
10.22*	Marilyn Miller notes and extension (need doc from Mullins)
10.23*	License Agreement dated October 29, 2003, between Dwango North America, Inc. and Enorbus Technologies
10.24*	Technology License Agreement dated August 14, 2002, between Dwango North America, Inc. and Dwango Co. Ltd.
10.25*	Trademarks License Agreement between Dwango company, Ltd. And Dwango North America, Inc. effective as of August 14, 2002
10.26*	Letter agreement dated March 19, 2004 with Alexandra Global Master Fund Ltd.
14*	Code of Ethics
21*	Subsidiary:
	Dwango North America, Inc. is a Texas corporation
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Previously filed

\# Requested confidential treatment

Item 13(b) Reports on Form 8-K

On October 7, 2003, we filed a Current Report on Form 8-K to report, as an Item 1, 2 and 7 disclosure, the consummation of a reverse acquisition with Dwango North America, Inc. Included in such filing is an audited balance sheet of Dwango North America, Inc. as of December 31, 2002, and related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2002 and 2001 and for the period from November 20, 2000 (inception) to December 31, 2002.

On October 29, 2003, we filed a Current Report on Form 8-K to report, as an Item 5 disclosure, the execution of an agreement with T-Mobile USA, Inc.

On November 7, 2003, we filed a Current Report on Form 8-K to report, as an Item 4 disclosure, the dismissal of Jones Simkins LLP and the appointment of Eisner LLP as our independent auditors. On December 8, 2003, we filed a Current Report on Form 8-K/A amending our previously filed Current Report on Form 8-K regarding the dismissal of Jones Simkins LLP and the appointment of Eisner LLP as our independent auditors.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Dwango North America Corp.

We have audited the accompanying balance sheet of Dwango North America Corp. and subsidiary (the "Company"), a development stage company, as of December 31, 2003, and the related statements of operations, stockholders' deficit and cash flows for the years ended December 31, 2003 and 2002 and for the period from November 20, 2000 (inception) to December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Dwango North America Corp. and subsidiary as of December 31, 2003, and the results of their operations and their cash flows for the years ended December 31, 2003 and 2002 and for the period from November 20, 2000 (inception) to December 31, 2003, in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note A to the financial statements, the Company has not generated any significant revenues, has incurred losses since inception and has been dependent upon funds generated from the sale of common stock and loans. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters also are described in Note A. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Eisner LLP

New York, NY

April 9, 2004

Dwango North America Corp. and Subsidiary
(a development stage company)

Balance Sheet as of December 31, 2003

ASSETS	
Current assets:	
Accounts Receivable	$9,000
Other current assets	20,000
Total current assets	29,000
Fixed assets	175,000
Deferred acquisition costs	39,000
Deferred financing costs, net	456,000
	$699,000
LIABILITIES AND STOCKHOLDERS' DEFICIT	
Current liabilities:	
Cash overdraft	$2,000
Accounts payable and accrued expenses	1,083,000
Related party advance	442,000
Total current liabilities	1,527,000
Long-Term Liabilities	

Senior convertible notes payable, net of debt discount of $1,575,000	925,000
Accrued interest – senior convertible notes	90,000
	2,542,000
Stockholders' deficit:	
Preferred stock, $.001 par value; 10,000,000 shares authorized; no shares issued and outstanding	
Common stock, $.001 par value; 50,000,000 shares authorized; issued and outstanding, 5,873,000	5,000
Additional paid-in capital	4,279,000
Deficit accumulated during development stage	(6,127,000)
Total Stockholders' deficit	(1,843,000)
	$699,000

See notes to consolidated financial statements

Dwango North America Corp. and Subsidiary
(a development stage company)

Statements of Operations

	Year Ended December 31, 2003	Year Ended December 31, 2002	Period From November 20, 2000 (Inception) to December 31, 2003
Revenue	$22,000		$ 22,000
Expenses:			
Research and development	181,000		181,000
Selling, general and administrative	3,927,000	$1,213,000	5,337,000
Operating loss	(4,086,000)	(1,213,000)	(5,496,000)
Interest expense, net of interest income	564,000	57,000	631,000
Net loss	$(4,650,000)	$(1,270,000)	$ (6,127,000)
Common share data:			
Basic and diluted loss per share	$(0.92)	$(0.33)	
Weighted average number of basic and diluted common shares outstanding	5,077,987	3,861,754	

See notes to consolidated financial statements.

Dwango North America Corp. and Subsidiary
(a development stage company)

Statements of Stockholders' Equity (Deficit)

	Common Stock			Deficit Accumulated During The Development Stage	
	Number of Shares	Amount	Additional Paid-in Capital		Total
Shares issued in connection with the formation of the Company, November 20, 2000, adjusted to reflect the recapitalization	3,408,000	$ 4,000			$4,000
Net loss for the year ended December 31, 2000				$ (1,000)	(1,000)
Balance at December 31, 2000	3,408,000	4,000		(1,000)	3,000
Capital contribution by majority stockholder in 2001			$61,000		61,000
Sale of stock, December 27, 2001	125,000		100,000		100,000
Net loss for the year ended December 31, 2001				(206,000)	(206,000)
Balance at December 31, 2001	3,533,000	4,000	161,000	(207,000)	(42,000)
Common stock issued in payment for rent, June 1, 2002	45,000		54,000		54,000
Conversion of note payable, August 14, 2002	85,000		103,000		103,000
Warrant issued in connection with note payable			46,000		46,000
Sale of stock, August 14, 2002	335,000		370,000		370,000
Capital contribution by majority stockholder, August 14, 2002			57,000		57,000
Exercise of stock options, September 20, 2002	8,000		6,000		6,000

Common stock issued in October 2002, in connection with private financing, net	835,000	1,000	776,000		777,000
Net loss for the year ended December 31, 2002				(1,270,000)	(1,270,000)
Balance at December 31, 2002	4,841,000	5,000	1,573,000	(1,477,000)	101,000
Warrants issued in connection with notes Payable, and debt discount			2,059,000		2,059,000
Conversion of note payable to common stock, July 7, 2003	83,000		100,000		100,000
Stock issued in connection with employment Agreements	39,000		48,000		48,000
Options granted to consultant/director			198,000		198,000
Options granted to employee			25,000		25,000
Reverse merger stock issuance, September 29, 2003	660,000				
Common stock and warrants issued, December 15, 2003	250,000		276,000		276,000
Net loss for the year ended December 31, 2003				(4,650,000)	(4,650,000)
Balance at December 31, 2003	**5,873,000**	**$ 5,000**	**$4,279,000**	**$ (6,127,000)**	**$(1,843,000)**

See notes to consolidated financial statements

Dwango North America Corp. and Subsidiary
(a development stage company)

Statements of Cash Flows

	Year Ended December 31,		Period From November 20, 2000 (Inception) to December 31,
	2003	2002	2003
Cash flows from operating activities:			
Net loss	$(4,650,000)	$(1,270,000)	$ (6,127,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	54,000	36,000	90,000
Common stock issued for rent	17,000	37,000	54,000
Common stock issued as compensation	48,000		48,000
Options issued to consultant/director	198,000		198,000
Options granted to employee	25,000		25,000
Amortization of debt discount	345,000	46,000	391,000
Amortization of deferred financing cost	125,000		125,000
Changes in:			
Accounts Receivable	(9,000)		(9,000)
Prepaid expenses	14,000	(14,000)	–

Other assets	(12,000)	(8,000)	(20,000)
Accounts payable and accrued expenses	872,000	164,000	1,093,000
Accrued Interest	90,000		90,000
Net cash used in operating activities	(2,883,000)	(1,009,000)	(4,042,000)
Cash flows from investing activities:			
Deferred acquisition costs	(39,000)		(39,000)
Purchase of fixed assets	(149,000)	(116,000)	(265,000)
Net cash used in Investing activities	(188,000)	(116,000)	(304,000)
Cash flows from financing activities:			
Cash Overdraft	2,000		2,000
Proceeds from line of credit	50,000	45,000	150,000
Repayment of line of credit	(50,000)	(88,000)	(150,000)
Proceeds from Loan	–	54,000	54,000
Warrant issued in connection with note payable	–	46,000	46,000
Proceeds from related party loan	–	150,000	200,000
Repayment of related party loan	–	(50,000)	(50,000)

Proceeds from issuance of notes payable and warrants	2,500,000		2,500,000
Financing costs in connection with convertible notes	(442,000)		(442,000)
Proceeds from issuance of stock and warrants	276,000		276,000
Proceeds from related party advance	442,000		442,000
Proceeds from issuance of common stock, net of expenses	–	1,155,000	1,318,000
Net cash provided by financing activities	2,778,000	1,312,000	4,346,000
Net (decrease) increase in cash	(293,000)	187,000	–
Cash at beginning of period	293,000	106,000	
Cash at end of period	$–	$293,000	$ –
Supplementary disclosure of cash flow information:			
Interest paid	$2,000	$3,000	$ 5,000
Noncash transactions:			
Conversion of debt to common stock	$100,000	$103,000	$ 203,000
Warrants issued as financing costs	$290,000		$ 290,000
Debt discount recorded for warrants Issued with convertible notes	$1,920,000		$ 1,920,000
Notes and accrued interest contributed as capital		$57,000	$ 57,000

See notes to consolidated financial statements

Notes to the Consolidated Financial Statements December 31, 2003 and 2002

NOTE A−SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Description of business:

Dwango North America Corp. ("Corp." or the "Company"), is a development stage company, which was founded in November 2000 for the purpose of providing wireless content and application publishing channels through North American wireless carriers, developing and publishing content and applications for wireless devices, and developing and providing wireless network technology for both content and applications developed internally and for partner content developers. The Company has an eight-year exclusive North America license with Dwango Company, Ltd. ("Dwango Japan") for all current and future wireless intellectual property, which at the current time principally consists of games, a library of ringtones and other wireless devices applications.

The accompanying consolidated financial statements include the accounts of Dwango North America, Corp. and its wholly owned subsidiary Dwango North America, Inc. All significant inter-company transactions and balances have been eliminated in consolidation.

[2] Recapitalization:

On September 29, 2003, Woodland Hatchery, Inc. ("Woodland") acquired a majority of the outstanding common stock of Dwango North America, Inc. ("DNA, Inc."), pursuant to an exchange offer. The stockholders of DNA, Inc. that elected to participate in the exchange received stock based on an exchange ratio of 1.3934814 shares of common stock for each share of common stock of DNA, Inc. surrendered for exchange. Shares of common stock underlying DNA, Inc.' s outstanding stock options, warrants and convertible notes are similarly effected and will be exercisable into the number of shares based on the exchange ratio. Following the recapitalization, Woodland changed its name to Dwango North America Corp. Pursuant to the recapitalization, DNA, Inc. became a wholly owned subsidiary of Corp. The stockholders of DNA, Inc. acquired a majority of the voting stock of Corp. pursuant to the exchange, and DNA, Inc. was deemed to be the accounting acquirer. Such exchange is treated for accounting purposes as a capital transaction with an inactive shell company. Accordingly, purchase accounting treatment was not applicable and no goodwill resulted from this transaction. Therefore, all historical financial information and financial statements for the periods presented are those of DNA, Inc. and give retroactive effect as if the recapitalization occurred at the beginning of the periods presented.

Prior to the exchange, in connection with the recapitalization, Woodland effected a one-for-4.5 reverse stock split of its common stock, leaving 2,548,889 shares of common stock before the cancellation of shares stated below. In addition, in exchange for the surrender and cancellation of 1,888,889 shares of common stock of Woodland (on a post-reverse stock split basis) owned by Cody T. Winterton, the former President and principal stockholder of Woodland, and the assumption by Mr. Winterton of all of the pre-closing liabilities of Woodland, all of the pre-closing assets of Woodland were transferred to Mr. Winterton and he was paid $50,000 which is included in the accompanying financial statements as selling, general and administrative expense. Accordingly, Mr. Winterton assumed all assets and liabilities of Woodland existing immediately prior to the closing. Immediately after closing, on a consolidated basis, the only assets and liabilities of the Company were those of DNA, Inc.

[3] Revenue recognition:

Our content is sold for a download fee. The download fee model is based on a single fee per downloaded application or bundle of applications. Download fees are assessed on a per download basis for each game or bundle of games downloaded to a consumer' s wireless handset. Ringtones and other features operate on the same basis. Some of the download features will have expirations based on time. In some cases, the Company is able to pre-load its content on manufacturer' s handset. In that case, revenue is only earned when that content is activated and a fee is paid to the wireless carrier which supports the handset. Revenue from content/wireless applications is recognized in the month in which delivery and acceptance by the end-user occurs. Our company identifies such delivery and acceptance and therefore revenue is accrued upon the occurrence of a download of an application. Both persuasive evidence of an arrangement occurs and delivery and acceptance occur when the carrier is notified of the end-user transaction and they place a charge on the end-user' s bill. The carrier reports to our company the product and dollar amount of revenue earned by our company which establishes that delivery and performance have occurred. The carriers report to our company provides evidence of collectibility and subsequent to the issuance of the carrier reports, the carrier remits the agreed upon price for each download.

[4] Software development costs:

The Company accounts for software development costs in accordance with Statement of Financial Accounting Standards ("SFAS") No. 86, Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed. SFAS No. 86 specifies that costs incurred internally in creating a software product should be charged to expense when incurred as research and development costs until technological feasibility has been established for the product. Once technological feasibility is established, all development costs should be capitalized until the product is available for general release to customers. Judgment is required in determining when the technological feasibility of a product is established, in estimating the life of the product for which the capitalized costs will be amortized and in estimating if the carrying value of capitalized software costs is equal to or less than future operating profits from the associated products. To date, the Company has not capitalized any software development costs.

[5] Basis of presentation:

At December 31, 2003, the Company has incurred losses since inception and has been dependent upon funds generated from the sale of common stock and loans. These conditions raise substantial doubt about the Company' s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management intends to seek additional funding through equity and debt financing. There can be no assurance that additional funds will be available to the Company, or available on terms acceptable to the Company.

[6] Use of estimates:

The accounting and financial reporting policies of the Company conform to accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with such accounting principles requires management to make assumptions and estimates that impact the amounts reported in those statements. Such assumptions and estimates are subject to change in the future as additional information becomes available or as circumstances are modified. Actual results could differ from these estimates.

[7] Fixed assets:

Property and equipment are recorded at cost. Depreciation of furniture and fixtures and computer and office equipment is computed using the straight-line method over the estimated useful lives of the assets (three to seven years). Leasehold improvements are amortized over the shorter of the term of the lease or useful life of the improvements.

[8] Income taxes:

The Company accounts for income taxes following the asset and liability method in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." Under such method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to

differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years that the asset is expected to be recovered or the liability settled. The effect on deferred tax assets and liabilities of a change in tax law or rates is recognized in income in the period that includes the enactment date of change. A valuation allowance is recorded if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

[9] Stock Based Compensation

The Company accounts for stock-based employee and directors compensation under Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. The Company has adopted the disclosure-only provisions of SFAS No. 123, “Accounting for Stock-Based Compensation,” and SFAS No. 148, “Accounting for Stock-Based Compensation−Transition and Disclosure,” which was released in December 2002 as an amendment of SFAS No. 123.

Had compensation cost for the Company’ s stock option grants been determined based on the fair value at the grant dates consistent with the methodology of SFAS No. 123, the Company’ s net loss and net loss per share for the periods indicated would have been increased to the pro forma amounts indicated as follows:

	Year Ended December 31, 2003	Year Ended December 31, 2002
Net loss	$(4,650,000)	$(1,270,000)
Stock-based employee compensation expense included in reported net loss	25,000	
Stock-based employee compensation determined under the fair value based method, net of related tax effect	(610,000)	(160,000)
Pro forma net loss	$(5,235,000)	$(1,430,000)
Net loss per share (basic and diluted):		
As reported	$(0.92)	$(0.33)
Pro forma	$(1.03)	$(0.37)

The per share weighted average fair value of stock options granted during 2003 and 2002 were $1.10 and $0.96, respectively, estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rates of 3.2%-4.9%, volatility of 44%-90%, dividend yield of 0% and expected lives of three to six years.

[10] Loss per share:

The Company' s basic and diluted net loss per share is computed by dividing the net loss by the weighted average number of outstanding common shares. Potentially dilutive securities, which were excluded from the computation of diluted loss per share because their inclusion would have been anti-dilutive, are as follows:

	Year Ended December 31, 2003	Year Ended December 31, 2002
Options	2,282,000	730,000
Warrants	2,753,000	124,000
Convertible notes	2,083,000	84,000
Total dilutive shares	7,118,000	938,000

[11] Concentration of credit risk:

The Company maintains a portion of its cash balances in accounts which at times exceed the federally insured limits.

[12] Valuation of long-lived assets:

Long-lived assets such as property, equipment and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when estimated future undiscounted cash flows expected to result from the use of the assets and their eventual disposition are less than their carrying amount.

[13] Fair value of financial instruments:

The fair values of the Company' s financial instruments, including short-term notes payable, approximate their carrying values because their interest rates approximate rates of interest which correspond to instruments with similar maturities. The carrying amount of the long-term debt approximates fair value at December 31, 2003 based on the interest rates available to the Company and debt instruments with similar terms.

[14] Advertising costs:

Advertising costs, which are expensed as incurred, were not significant for 2002. For the year ended December 31, 2003, advertising expense was approximately $54,000.

[15] Stock splits:

All share and per share amounts give retroactive effect to a 3:1 stock split on April 1, 2002.

[16] Royalties:

On August 14, 2002, the Company entered into two licensing agreements with Dwango Japan, a stockholder of the Company, to use its trademark (25-year term) and intellectual property (eight-year term) in North America. The agreements provide for royalties of 2% (intellectual property) and 0.5% (trademark) of the total gross revenue, subject to an annual minimum royalty (commencing October 1, 2002) of $50,000 per each agreement. These two agreements replaced a license agreement entered into by these parties on January 31, 2002. For the year ended December 31, 2003, 2002 and from November 20, 2000 (inception) to December 31, 2003 royalty expense was $100,000, $25,000 and $125,000 respectively, based upon the minimum.

On October 29, 2003 the Company entered into a licensing agreement with Enorbus Technologies whereby each party agrees to license wireless games from the other. The license agreement is for a two year term.

[17] Research & Development

Research and development expenses include payroll and employee benefits associated with product development. Technological feasibility for our products is reached shortly before the products are released. Costs incurred after technological feasibility is established, are not material, and accordingly, we expense all research and development costs when incurred.

NOTE B–FIXED ASSETS

Fixed assets consist of the following:

	Estimated Useful Lives	Year Ended December 31, 2003
Furniture and fixtures	7 years	$ 38,000
Computer and office equipment	3 years	227,000
		265,000
Less: accumulated depreciation and amortization		90,000
		$ 175,000

NOTE C–DEBT

[1] Line of credit:

During March 2002, the Company entered into a credit facility with a financial institution that permits borrowing of up to $50,000, which expires on April 11, 2004. Borrowings under the facility bear interest at the prime rate plus one percent. As of December 31, 2003, no balance was outstanding. This credit facility is guaranteed by the former president of the Company.

[2] Loans and notes payable:

On July 10, 2002, the Company issued a convertible promissory note to Dwango Japan for $100,000, with interest at 4% per year, which was due on July 31, 2003. The note could be converted, at the option of the holder, into 83,444 shares of common stock based on the fair value of the stock at the time of borrowing. On July 7, 2003, Dwango Japan converted its $100,000 convertible promissory note into 83,444 shares of common stock. For the year ended December 31, 2003, and 2002 the interest expense on the note was approximately $1,000 and $2,000 respectively.

During the year ended December 31, 2003, Dwango issued Senior Subordinated Convertible Promissory Notes totaling $2,500,000. In connection with the issuance of the notes, the Company also issued warrants to the note holders to purchase 2,083,333 shares of common stock, exercisable at $1.20 per share until September 15, 2006. The fair value of the warrants was 920,000, utilizing the Black Scholes option-pricing model with the following assumption: 90% volatility, three-year expected life, risk-free interest rate of 4% and a dividend yield ratio of 0%. In accordance with EITF 00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments," the Company allocated the net proceeds between the convertible notes and the warrants based on the relative fair value based method. The proceeds allocated to the warrants of $920,000 was recorded as debt discount. Additionally, the difference between the proceeds allocated to, and the relative fair value of the discount of $920,000 is being amortized over the life of the convertible notes. Upon the conversion of the notes into common stock, the unamortized debt discount balance will be recognized as additional interest expense. The notes bear interest at 8% and are convertible, at the option of the holder, at any time into shares of common stock at $1.20 per share, subject to certain anti-dilution provisions. The full principal amount of the promissory notes and the related accrued interest are due on September 15, 2006. The notes may be prepaid, and the warrants may be redeemed for $.01 per share of common stock underlying the warrants, on 30 days prior written notice to the holder thereof if the closing sales price (or closing bid price) of the Company' s common stock on its principal trading market is at least twice the then current conversion or exercise price, as applicable, for a period of ten consecutive trading days ending within 20 days prior to the date of the notice of prepayment or redemption, as applicable. In connection with the sale of these notes, the Company incurred an aggregate of $689,000 in costs consisting of: placement agent fees of approximately $291,000 and warrants to the placement agent to purchase 417,208 shares of common stock at $1.20 per share that expire in September 2006, valued at $291,000. The warrants were valued by utilizing the Black Scholes option-pricing model with the following assumptions: 90% volatility, five-year expected life, risk-free interest rate of 4% and a dividend yield of 0%,; legal expenses of approximately $82,000; and other costs of approximately $26,000. These warrants remain unexercised as of December 31, 2003. Of the aggregate costs, $550,000 has been allocated as deferred financing costs, to be amortized over 40 months, or earlier if converted into common stock, and the remaining $139,000 of costs has been attributable to additional paid-in capital. For the year ended December 31, 2003, interest expense and amortizing of deferred financing costs on these notes were approximately $90,000 and $75,000, respectively.

NOTE D–OTHER RELATED PARTY TRANSACTIONS

On April 27, 2001, the Company borrowed, in the form of a note, from the wife of the Company’ s then president, $50,000 with interest at 10% per year which was due on September 27, 2001 and was extended to April 26, 2003. On August 20, 2002, this note and the interest due totaling $57,000 was contributed to the capital of the Company and, accordingly, recorded as an additional capital contribution as shown in the statements of stockholders’ equity (deficit). Interest expense on this note for the year ended December 31, 2002 was $3,000.

On April 23, 2002, in consideration of an additional $50,000 loan, the Company issued an additional note to the wife of the Company’ s then president for $50,000 with interest at 10% per year which was due on October 20, 2002. Principal and interest were repaid on August 20, 2002. Interest expense on this note for the year ended December 31, 2002 was $2,000.

From October through December 2003, Robert E. Huntley, our chairman, and at that time, president and chief executive officer, and Paul Eibeler, an outside director, advanced an aggregate of $392,000 and $50,000, respectively to the Company. In January, 2004, they elected to apply previously advanced funds of approximately $442,000, to the Company toward the purchase of an aggregate of 368,594 shares of our common stock ($1.20 per share) and warrants to purchase 368,594 shares of our common stock at an exercise price of $1.20 per share, in full satisfaction of the amounts previously advanced. The warrants have a term of four years and entitle the holders to purchase 368,594 shares of common stock at an exercise price of $1.20 per share.

NOTE E–COMMITMENTS AND CONTINGENCIES

Operating leases:

The Company leases office space in Seattle, Washington, through April 30, 2005. In December 2002, the Company entered into a lease for office space in Houston, Texas, which expires on January 31, 2006. In October 2003, the Company amended the Texas lease, which effectively cancelled the old lease. The new lease expires in September 2006. In August 2003, the Company entered into a lease for temporary residence for the Chairman, which expired on March 31, 2004. In June 2003, the Company entered into a lease for a game studio in San Francisco, California. The lease was due to expire on May 31, 2004. In April 2004, this lease was extended until September of 2004.

Total future minimum lease payments under these lease agreements are as follows:

Year Ending December 31,	Amount
2004	$134,000
2005	111,000
2006	69,000
	$314,000

NOTE F–STOCKHOLDERS’ EQUITY (DEFICIT)

[1] Stock issuances:

On December 27, 2001, the Company sold 125,413 shares of common stock to Dwango Japan for $100,000.

On April 25, 2002, the Company issued a convertible note to a stockholder for $100,000, due on April 25, 2004, with a warrant to purchase 41,722 shares of common stock at $1.20 per share that expires on April 26, 2007. The value ascribed to the warrant was $46,000 utilizing the Black Scholes option-pricing model with the following assumptions: 90% volatility, three-year expected life, risk-free interest rate of 4.0% and a dividend yield of 0%, and was to be amortized over two years as additional interest expense. On August 14, 2002, the principal and interest totaling $103,000 were converted into 85,727 shares of common stock as provided in the convertible note agreement. Upon the conversion of the note into common stock, the unamortized balance of the warrant value was recognized as additional interest expense.

On May 31, 2002, the Company issued 44,819 shares of its common stock, valued at $1.20 per share, for the first year' s rent of $54,000 of its Seattle office.

On August 14, 2002, the Company sold 333,768 shares of common stock at $1.20 per share to Dwango Japan for proceeds of $400,000. In connection with this offering, the private placement agents received aggregate fees of approximately $30,000.

On September 16, 2002, stock options were exercised to purchase 8,000 common shares at $0.80 each for proceeds of $6,000.

On December 12, 2003, the Company issued 250,000 shares of common stock, valued at $1.20 per share and issued 125,000 warrants with an exercise price of $1.20 per share, which expire on December 12, 2007, to Alexandra Global Master Fund, Ltd, for gross proceeds of $300,000 net of financing costs paid to placement agent of $24,000. The Company issued 50,000 warrants with an exercise price of $1.20 per share, which expires on December 11, 2008, to RG Securities and HCFP Brenner Securities, LLC, placement agent.

On January 8, 2004, the Company issued to Alexandra Global Master Fund Ltd. warrants to purchase 125,000 shares of common stock pursuant to the Bridge Agreement between the Company and Alexandra dated December 12, 2003.

[2] Private placement:

In October 2002, the Company received net proceeds of $779,000 from the sale of 834,465 shares of common stock. In connection with this private placement, the placement agents received aggregate fees of approximately $126,000 and additionally warrants to purchase an aggregate of 83,444 shares of common stock at $1.20 per share that expire in October 2007. These warrants remain unexercised as of December 31, 2003. Other costs of the private placement approximated $95,000.

[3] Stock option plan:

On April 1, 2002, the Company established an Equity Incentive Plan (the "Original Plan") under which stock options may be granted. The Original Plan was replaced by an Equity Incentive Plan on September 29, 2003 (the "Plan") in connection with the reverse acquisition of Woodland. Options under the Original Plan were replaced with comparable options under the Plan. A stock option grant allows the holder of the option to purchase a share of the Company' s common stock in the future at a stated price. The Plan is administered by the Board of Directors, which determines the individuals to whom the options shall be granted, as well as the terms and conditions of each option grant, the option price and the duration of each option.

The Original Plan was approved and became effective on April 1, 2002. Vesting of options granted under the Plan is determined by the Company, and the options expire over varying terms, but not later than ten years from the date of grant. Stock option activity for the period April 1, 2002 (inception of Plan) to December 31, 2003 is as follows:

	Period Ended December 31, 2003		Period Ended December 31, 2002	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding at beginning of period	730,000	$ 0.91	0	

Granted	1,552,000	$ 1.34	738,000	$ 0.92
Exercised	–		8,000	$ 0.80
Outstanding at end of period	2,282,000	$ 1.21	730,000	$ 0.91

The following summarizes information about stock options at December 31, 2003:

	Options Outstanding			Options Exercisable	
Number Outstanding	Range of Exercise Prices	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Number Exercisable	Weighted Average Exercise Price
514,000	$0.80	$0.80	8.26	393,000	$0.80
806,000	$1.20	$1.20	9.21	166,000	$1.20
379,000	$1.32	$1.32	4.66	45,000	$1.32
583,000	$1.50	$1.50	9.89	67,000	$1.50
2,282,000				671,000	$0.92

NOTE G–INCOME TAXES

As of December 31, 2003, the Company had net operating loss carryforwards for federal income tax purposes of approximately $5,768,000, which may be available to offset future federal taxable income, if any, through 2023. The ability of the company to utilize its operating loss carryforwards in future years may be subject to annual limitations in accordance with provisions of section 382 of the Internal Revenue Code. Management does not expect the Company to be taxable in the near future and established a 100% valuation allowance against the deferred tax asset created by the net operating loss carryforwards at December 31, 2003 and 2002. The valuation allowance increased $1,575,000 and $407,000, respectively for the years ended December 31, 2003, and December 31, 2002, respectively.

NOTE H–SUBSEQUENT EVENTS

On January 8, 2004, Dwango issued a Senior Subordinated Convertible Promissory Note of $1,700,000 to Alexandra Global Master Fund Ltd. In connection with the issuance of the notes, the Company also issued warrants to the note holders and the placement agents to purchase 708,333 and 212,500 shares of common stock, respectively, exercisable at $1.20 per share until January 8, 2008 and January 7, 2009, respectively. The fair value of the warrants was approximately $656,000 utilizing the Black Scholes option-pricing model with the following assumption: 88% volatility, three-year expected life, risk-free interest rate of 2.37% and a dividend yield ratio of 0%. In accordance with EITF00-27, “Application of Issue No. 98-5 to Certain Convertible Instruments,” the Company allocated the net proceeds between the convertible notes and the warrants based on the relative fair values. The proceeds allocated to the warrants of $ 474,000 were recorded as debt discount. Additionally, the difference between the proceeds allocated to, and the relative fair value of the discount of $ 474,000 in being amortized over the life of the convertible notes. Upon the conversion of the notes into common stock, the unamortized debt discount balance will be recognized as additional interest expense. The notes bear interest at 9% and are convertible, at the option of the holder, at any time into shares of common stock at $1.20 per share, subject to certain anti-dilution provisions. The full principal amount of the promissory notes and the related accrued interest are due on January 8, 2007. The notes may be prepaid, and the warrants may be redeemed for $.01 per share of common stock underlying the warrants, on 30 days prior written notice to the holder thereof if the closing sales price (or closing bid price) of the Company' s common stock on its principal trading market is at least twice the then current conversion or exercise price, as applicable, for a period of ten consecutive trading days ending within 20 days prior to the date of the notice of prepayment or redemption, as applicable. In connection with the sale of these notes, the Company incurred an aggregate of $379,000 in costs consisting of: placement agent fees of approximately $136,000 and warrants to the placement agent to purchase 212,500 shares of common stock at $1.20 per share that expire on January 7, 2009, valued at $197,000, legal expenses of approximately $45,000; and other costs of approximately $1,000. The warrants were valued by utilizing the Black Scholes option-pricing model with the following assumptions: 88% volatility, three-year expected life, risk-free interest rate of 2.37% and a dividend yield of 0%. Of the aggregate costs, $328,000 has been allocated as deferred financing costs, to be amortized over 36 months, or earlier if converted into common stock, and the remaining $51,000 of costs has been attributable to additional paid-in capital.

On January 8, 2004, the Company issued to Alexandra Global Master Fund Ltd. warrants to purchase 125,000 shares of common stock pursuant to the Bridge Agreement between the Company and Alexandra dated December 12, 2003.

On February 4, 2004, the Company entered into a transaction with Over-the-Air Wireless, Inc. whereby the Company purchased intangibles in exchange for 681,200 shares of common stock with an appraised value of approximately $.78 per share ($530,000 in the aggregate). The assets acquired consisted of software which the Company can use to download its games and its ringtones, valued at $440,000, and covenants not-to-compete valued at $90,000. The software will be amortized over three years and the covenants not-to-compete will be amortized over their two-year terms. The Company also entered into employment agreements with three former key employees of Over-the-Air Wireless.

On March 19 2004, Dwango issued a Senior Subordinated Convertible Promissory Note of $2,300,000 to Alexandra Global Master Fund Ltd. In connection with the issuance of the notes, the Company also issued warrants to the note holders and the placement agents to purchase 958,333 shares of common stock, exercisable at $1.20 per share until March 19, 2008. The fair value of the warrants was $706,436, utilizing the Black Scholes option-pricing model with the following assumption: 91% volatility, three-year expected life, risk-free interest rate of 1.97% and a dividend yield ratio of 0%. In accordance with EITF00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments," the Company allocated the net proceeds between the convertible notes and the warrants based on the relative fair value based method.

The proceeds allocated to the warrants of $ 540,000 were recorded as debt discount. Additionally, the difference between the proceeds allocated to, and the relative fair value of the discount of $ 540,000 is being amortized over the life of the convertible notes. Upon the conversion of the notes into common stock, the unamortized debt discount balance will be recognized as additional interest expense. The notes bear interest at 9% and are convertible, at the option of the holder, at any time into shares of common stock at $1.20 per share, subject to certain anti-dilution provisions. The full principal amount of the promissory notes and the related accrued interest are due on March 19, 2007. The notes may be prepaid, and the warrants may be redeemed for $.01 per share of common stock underlying the warrants, on 30 days prior written notice to the holder thereof if the closing sales price (or closing bid price) of the Company' s common stock on its principal trading market is at least twice the then current conversion or exercise price, as applicable, for a period of ten consecutive trading days ending within 20 days prior to the date of the notice of prepayment or redemption, as applicable. In connection with the sale of these notes, the Company incurred an aggregate of $198,000 in costs consisting of: placement agent fees of approximately $184,000, legal expenses of approximately $13,000, and other costs of approximately $1000. Of the aggregate costs, $151,000 has been allocated as deferred financing costs, to be amortized over 36 months, or earlier if converted into common stock, and the remaining $47,000 of costs has been attributable to additional paid-in capital.

On April 5, 2004 the Company entered into a License Agreement with Rolling Stone, LLC and RealNetworks, Inc. under which the Company would develop and distribute mobile entertainment featuring the Rolling Stone brand. The agreement duration is for two years from the time of the launch of Ringtone services with carriers. The Company also issued to Rolling Stone, LLC and RealNetworks warrants to purchase 201,398 and 222,998 shares of common stock, respectively for a term of seven years and an exercise price of $1.20 per share.

In addition, the Company is to pay advance Royalties of $750,000 on March 30, 2004 and quarterly minimum royalty payments of $250,000 beginning September 30, 2004 for the five subsequent quarters thereafter. The Company agreed to advertise in through Rolling Stone a minimum of $125,000 per quarter for the duration of the agreement.

In January, 2004, two individuals (the Chairman, and then President and Chief Executive Officer of the Company and an outside Director of the Company) elected to purchase with previously advanced funding of approximately $442,000 to our company toward the purchase of an aggregate of 368,594 shares of our common stock ($1.20 per share) and warrants to purchase 368,594 shares of our common stock at an exercise price of $1.20 per share, in full satisfaction of the amounts previously advanced. The warrants have a term of four years and entitle the holders to purchase 368,594 shares of common stock at an exercise price of $1.20 per share. The fair market value of the warrants was $464,000 utilizing the Black Scholes option-pricing model with the following assumptions: 101% volatility, four-year expected life, risk-free interest rate of 3.02% and a dividend yield of 0%.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DWANGO NORTH AMERICA CORP.

Date: August 12, 2004

By: /s/ Rick J. Hennessey

Rick J. Hennessey, Chief Executive Officer

(principal executive officer)

DWANGO NORTH AMERICA CORP.

Date: August 12, 2004

By: /s/ J. Paul Quinn

J. Paul Quinn, Chief Financial Officer

(principal financial and accounting officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/s/ Rick J. Hennessey Rick J. Hennessey	Director	August 12, 2004
/s/ Alexander U. Conrad Alexander U. Conrad	Director	August 12, 2004
L. Derrick Ashcroft	Director	

/s/ Vishal Bhutani Vishal Bhutani	Director	August 12, 2004
Paul Eibeler	Director	
/s/ James Scibelli James Scibelli	Director	August 12, 2004

EXHIBIT INDEX

Number	Description
2	Agreement and Plan of Reorganization, dated September 19, 2003, among Woodland Hatchery, Inc., Dwango North America, Inc. and the securityholders of Dwango listed therein (incorporated by reference to Exhibit 2.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
3.1	Articles of Incorporation, as amended to date (incorporated by reference to Exhibits 3.1 to the Registration Statement on Form SB-2 filed with the Securities and Exchange Commission on September 6, 2001 and Exhibit 3.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
3.2	Bylaws of the Registrant (as amended through December 30, 2003) (incorporated by reference to Exhibit 2 the Form 8-A filed with the Securities and Exchange Commission on December 30, 2003)
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 3 the Form 8-A filed with the Securities and Exchange Commission on December 30, 2003)
4.2	Form of 8% Senior Convertible Promissory Note due 2006 (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.3	9% Senior Convertible Note due 2007 issued to Alexandra Global Master Fund Ltd. dated January 8, 2004 (incorporated by reference to Exhibit 4.4 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
4.4	Form of Warrants to purchase 41,722 shares of common stock issued in August 2002 (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.5	Form of Warrants to purchase an aggregate of 83,444 shares of common stock (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.6	Form of Warrants to purchase an aggregate of 2,086,037 shares of common stock (incorporated by reference to Exhibit 4.4 to the Registrant' s Current Report on Form 8-K (Date of Report September 29, 2003) filed with the Securities and Exchange Commission on October 7, 2003)
4.7*	Form of Warrants to purchase an aggregate of 417,208 shares of common stock issued to HCFP/Brenner Securities, LLC and RG Securities, LLC for acting as placement agent in connection with the September 2003 private placement.
4.8	Form of Warrants to purchase an aggregate of 250,000 shares of common stock (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
4.9*	Form of Warrants to purchase an aggregate of 272,784 shares of common stock issued to HCFP Brenner Securities and RG Securities, LLC
4.10	Warrant to purchase 708,333 shares of common stock issued to Alexandra Global Master Fund Ltd. dated January 8, 2004 (incorporated by reference to Exhibit 4.5 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
4.11*	Form of Registration Rights Agreement relating to 834,465 shares of common stock and 83,444 shares of common stock underlying warrants issued by the registrant in October 2002

4.12*	Form of Registration Rights Agreement, issued by the registrant in September 2003, relating to 2,086,037 shares of common stock underlying 8% senior convertible notes due 2006 and 2,086,037 shares of common stock underlying warrants issued by the registrant in offering completed in September 2003
4.13	Registration Rights Agreement, dated February 4, 2004, among Dwango North America Corp. and the former shareholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant' s Current Report Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
4.14	9% Senior Convertible Note due 2007 issued to Alexandra Global Master Fund Ltd. dated March 19, 2004 (incorporated by reference to Exhibit 4.2 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
4.15	Warrant to purchase 958,333 shares of common stock issued to Alexandra Global Master Fund Ltd. dated March 19, 2004 (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
10.1*	2003 Equity Incentive Plan
10.2*	Office Lease Agreement, dated April 25, 2002, by and between Queen Anne Square, LLC and Dwango North America Inc.

10.3*	Office Lease Agreement, dated November 2002, between San Felipe Plaza, Ltd. and Dwango North America, Inc., as amended
10.3	Bridge Agreement, dated December 12, 2003, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
10.4	Note Purchase Agreement, dated January 8, 2004, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.3 to the Registrant' s Current Report on Form 8-K (Date of Report: December 12, 2003) filed with the Securities and Exchange Commission on January 16, 2004)
10.5	Conversion Agreement, dated January 28, 2004, between Dwango North America Corp. and Robert E. Huntley (incorporated by reference to Exhibit 10.1 to the Registrant' s Current Report on Form 8-K (Date of Report: January 14, 2004) filed with the Securities and Exchange Commission on January 30, 2004)
10.6	Conversion Agreement, dated January 28, 2004, between Dwango North America Corp. and Paul Eibeler (incorporated by reference to Exhibit 10.2 to the Registrant' s Current Report on Form 8-K(Date of Report: January 14, 2004) filed with the Securities and Exchange Commission on January 30, 2004)
10.7	Agreement and Plan of Merger, dated as of February 4, 2004, among Dwango North America Corp., OTA Acquisition Corp., Over-the-Air Wireless, Inc., and the stockholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
10.8	Note Purchase Agreement, dated March 19, 2004, between Dwango North America Corp. and Alexandra Global Master Fund Ltd. (incorporated by reference to Exhibit 4.1 to the Registrant' s Current Report on Form 8-K (Date of Report: March 19, 2004) filed with the Securities and Exchange Commission on March 29, 2004)
10.9	Form of Employment Agreement between Dwango North America Corp. and each of Rick Hennessey, David Adams, and Alexander U. Conrad (incorporated by reference to Exhibit 10.3 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
10.10	Form of Assignment of Inventions Agreement between Dwango North America Corp. and each of the former shareholders of Over-the-Air Wireless, Inc. (incorporated by reference to Exhibit 10.4 to the Registrant' s Current Report on Form 8-K (Date of Report: February 4, 2004) filed with the Securities and Exchange Commission on February 19, 2004)
10.11*	Software License Agreement between ALLTEL Communications Inc. and Dwango North America Inc. executed December 19, 2003
10.12*#	Direct Bill Services Agreement between Cingular Wireless LLC and Dwango North America, Inc. executed on January 9, 2004
10.13*#	Software Distribution Agreement between Motorola, Inc. and Dwango North America, Inc. executed September 24, 2003
10.14*#	License and Revenue Sharing Agreement between NEC America, Inc. and Dwango North America, Inc. effective January 1, 2003
10.15*#	Java Wireless Applications Agreement between T-Mobile USA, Inc. and Dwango North America, Inc. effective as of September 3, 2003
10.16*	Brew Application License Agreement between Cellco Partnership d/b/a Verizon Wireless and Dwango North America Inc. Submitted via click through web interface on October 11, 2002
10.17*	Brew Pricing Terms and Carrier Agreement between Qualcomm Incorporated and Dwango North America, Inc. Submitted via click through on May 21, 2002
10.18*	Amendment No. 1 to Brew Developer Agreement between Qualcomm Incorporated and Dwango North America, Inc. effective as of May 17, 2002

10.19*	Mobile Channel Agreement between AT&T Wireless Services, Inc. and Dwango North America, Inc. effective as of September 26, 2002
10.20*#	Addendum to Mobile Channel Agreement Digital Goods Electronic Wallet between AT&T Wireless Services, Inc. and Dwango North America, Inc. dated September 26, 2002
10.21*	Letter agreement dated January 8, 2004 with Alexandra Global Master Fund Ltd.
10.22*	Marilyn Miller notes and extension (need doc from Mullins)
10.23*	License Agreement dated October 29, 2003, between Dwango North America, Inc. and Enorbus Technologies
10.24*	Technology License Agreement dated August 14, 2002, between Dwango North America, Inc. and Dwango Co. Ltd.
10.25*	Trademarks License Agreement between Dwango company, Ltd. And Dwango North America, Inc. effective as of August 14, 2002
10.26*	Letter agreement dated March 19, 2004 with Alexandra Global Master Fund Ltd.
14*	Code of Ethics
21*	Subsidiary:
	Dwango North America, Inc. is a Texas corporation
31.1	Certification of Chief Executive Officer

31.2 Certification of Chief Financial Officer

32 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Previously filed

\# Requested confidential treatment

Exhibit 31.1

CERTIFICATION

I, Rick J. Hennessey, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of Dwango North America Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer' s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the small business issuer' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the small business issuer' s internal control over financial reporting that occurred during the small business issuer' s most recent fiscal quarter (the small business issuer' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer' s internal control over financial reporting; and

5. The small business issuer' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer' s auditors and the audit committee of the small business issuer' s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer' s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer' s internal control over financial reporting.

Date: August 12, 2004

/s/ Rick J. Hennessey

Rick J. Hennessey
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, J. Paul Quinn, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of Dwango North America Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer' s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the small business issuer' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the small business issuer' s internal control over financial reporting that occurred during the small business issuer' s most recent fiscal quarter (the small business issuer' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer' s internal control over financial reporting; and

5. The small business issuer' s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer' s auditors and the audit committee of the small business issuer' s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer' s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer' s internal control over financial reporting.

Date: August 12, 2004

/s/ J. Paul Quinn

J. Paul Quinn
Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-KSB/A of Dwango North America Corp. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Rick J. Hennessey

Rick J. Hennessey
Chief Executive Officer

Dated: August 12, 2004

/s/ J. Paul Quinn

J. Paul Quinn
Chief Financial Officer

Dated: August 12, 2004