ON THE MOVE

ANNUAL REPORT 2010 April 1, 2009–March 31, 2010

FIELDS CORPORATION

CONTENTS

Forward-looking Statements

This Annual Report includes forward-looking statements about Fields Corporation and its Group companies ("Fields Group"). Forward-looking statements, including the plans and forecasts of operations in this report, are based on information currently available to the Fields Group and involve unknown risks and uncertainties. Any change in risks, uncertainties and other factors upon which such forward-looking statements are based may cause Fields Group's actual results, performance, achievements or financial position to be materially different from future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

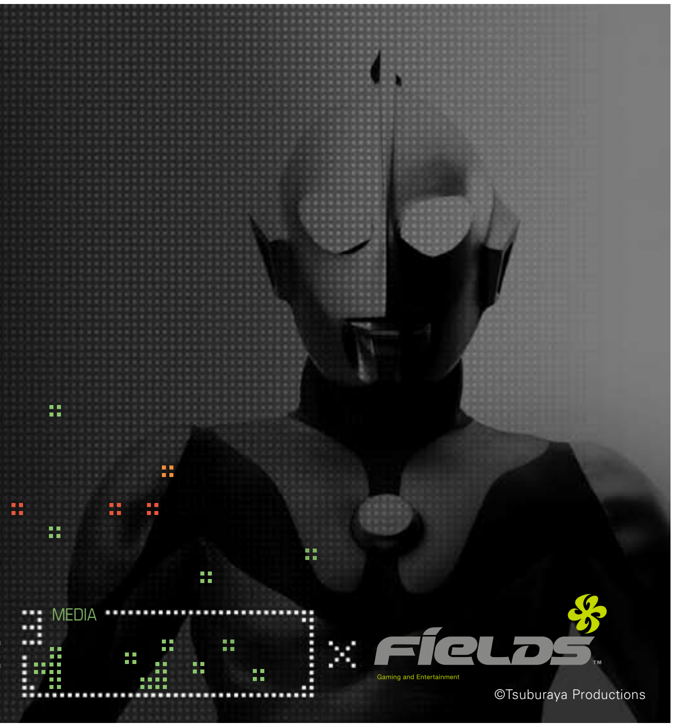
COVER STORY

Fields strives to realize its corporate philosophy of providing "The Greatest Leisure for All People." We aspire to the heroic model of Ultraman and others as we continue our tireless efforts to bring happiness to all people, now and in the future.

We are on the move, boldly leveraging the powerful partnerships we have built over the years to create new and exciting entertainment that has never been seen before; the kind of entertainment that can move and delight millions of people all over the world.

The essential formula for achieving our goal is to combine intellectual property (IP) with creative elements and technologies to create new added value. We firmly believe that this is Fields' role.

Fields is already busy creating a raft of new entertainment—are you ready?



CONSOLIDATED FINANCIAL HIGHLIGHTS

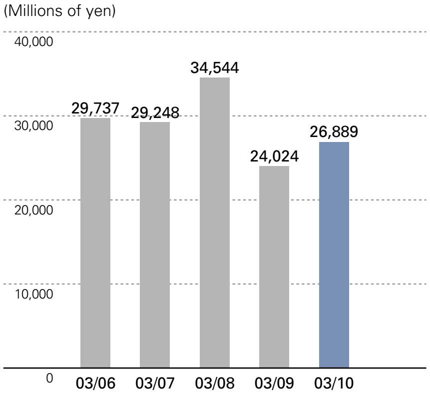
	Year Ended March 31, 2009					Year Ended March 31, 2010				
	1Q	2Q	3Q	4Q	Full	1Q	2Q	3Q	4Q	Full
Results of Operations (millions of yen)										
Net sales	7,321	34,269	23,461	7,984	**73,035**	16,038	5,406	3,077	41,821	**66,342**
Gross profit	2,114	12,408	8,179	1,323	**24,024**	12,402	707	888	12,892	**26,889**
Gross profit margin (%)	28.9	36.2	34.9	16.6	**32.9**	77.3	13.1	28.9	30.8	**40.5**
Operating income	(3,312)	6,564	2,830	(4,122)	**1,960**	8,524	(3,138)	(4,018)	6,756	**8,124**
Operating margin (%)	—	19.2	12.1	—	**2.7**	53.1	—	—	16.2	**12.2**
Net income (loss)	(2,289)	3,134	809	(3,135)	**(1,481)**	4,711	(2,530)	(2,454)	3,562	**3,289**
Net margin (%)	—	9.1	3.4	—	**—**	29.4	—	—	8.5	**5.0**
Financial Position (millions of yen)										
Total assets	64,272	87,871	75,665	52,064	**52,064**	55,933	56,611	49,808	81,329	**81,329**
Net assets	43,391	45,305	44,445	39,496	**39,496**	44,008	41,784	38,000	41,187	**41,187**
Shareholders' equity	41,931	44,117	43,607	39,463	**39,463**	43,912	41,673	37,883	41,064	**41,064**
Cash Flows (millions of yen)										
Cash flows from operating activities	(3,730)	1,470	5,974	433	**4,147**	4,748	5,412	(4,202)	2,471	**8,429**
Cash flows from investing activities	(4,846)	(281)	7	(1,062)	**(6,182)**	(131)	(219)	(299)	(362)	**(1,011)**
Cash flows from financing activities	5,093	219	(3,708)	(1,002)	**602**	(1,028)	(171)	(1,039)	(449)	**(2,687)**
Per-share Data (yen)										
Earnings (loss) per share	(6,596)	9,033	2,332	(9,042)	**(4,271)**	14,007	(7,520)	(7,304)	10,666	**9,796**
Net assets per share	120,839	127,138	125,669	117,326	**117,326**	130,553	123,896	112,862	123,645	**123,645**
Dividends per share		2,000		2,500	**4,500**		2,000		2,500	**4,500**
Key Financial Indicators (%)										
Return (loss) on equity (ROE)					**(3.5)**					**8.2**
Return on assets (ROA)					**1.6**					**11.6**
Shareholders' equity ratio	65.2	50.2	57.6	75.8	**75.8**	78.5	73.6	76.1	50.5	**50.5**
Payout ratio					**—**					**45.9**

During the fiscal year ended March 31, 2009, Fields took steps to secure future earnings by restructuring its Group portfolio including the sale of shares in consolidated subsidiary D3 Inc. and major revisions to the timing to launch for pachinko machines.

During the fiscal year ended March 31, 2010, Fields made progress in strengthening the earnings structure of Group companies, and saw healthy sales of pachinko/pachislot machines. A decline in sales reported this year was due to the sale of D3 Inc.

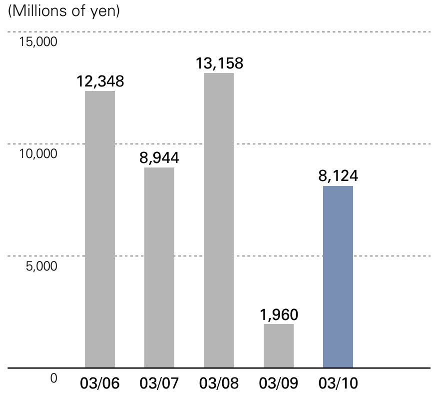
Gross Profit

(Millions of yen)



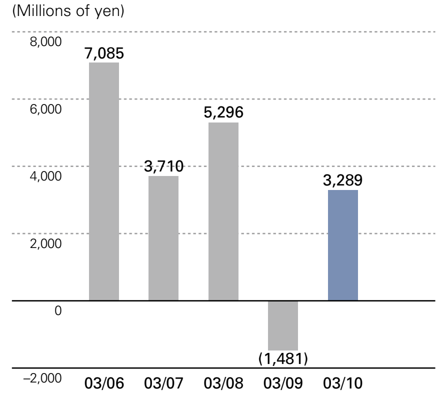
Operating Income

(Millions of yen)



Net Income (Loss)

(Millions of yen)



MESSAGE FROM THE CHAIRMAN AND CEO

The Greatest Leisure for All People

In the maturing Japanese society of the 21st century, advances in medicine and technology have culminated in a society where longevity is the norm, and where growth in leisure time is undeniably set to rise. This situation is generating diverse needs as people look for ways to spend time in line with their interests and tastes.

At Fields, our corporate philosophy is "The Greatest Leisure for All People." Accordingly, our mission is to help bring happiness to as many people as possible by offering optimal entertainment as a corporate group that provides products and services that respond to this growth in leisure time.

Guided by this mission, Fields was among the first to anticipate this growth in leisure time, which is vital for people to enjoy more relaxed and carefree lives. By constantly gathering, analyzing and researching data on a variety of issues in this area, Fields has created new customer bases by independently pioneering new markets. Put differently, we have consistently remained committed to the challenge of creating new forms of entertainment. To this end, it is essential that we look to the future from a long-term perspective, assemble and merge cutting-edge creative elements and the latest technology, and continue to produce high-quality entertainment. With unyielding confidence, Fields is pushing forward with strategies based on this approach.

When Fields went public in 2003, we advocated a business scheme centered firmly on content as one of the strategies that would spearhead future growth. Following steady progress ever since, while Fields has today advanced into the broad realm of entertainment, this core business model powerfully lives on and continues to evolve. To entrench and uphold this scheme now, we have welcomed 3 new companies that specialize in diverse areas into the Fields Group, including Tsuburaya Productions Co., Ltd., and developed stronger alliances with partner companies, all as part of a range of measures pursued ahead of a more profound leap forward in growth. I am convinced that laying these steppingstones to the future one milestone at a time will pave the way to realizing our long-term vision, and will lead to the creation of earnings opportunities and improved corporate value for the Fields Group.

By creating forms of entertainment that engage people in new and exciting ways, we are spurring the development of Japan's leisure market and bringing happiness to every corner of our society as we take bold and unified action to achieve significant growth. I ask for your continued support and invite you to expect great things for the road that lies ahead as the Fields Group takes on the next generation of challenges.

Hidetoshi Yamamoto

Chairman & CEO

MANAGEMENT INTERVIEW

Takashi Oya

Takashi Oya

President & COO

Foreword

Allow me to begin by offering my best wishes to our shareholders, investors and all other stakeholders, and to express my sincere gratitude for your support of the Fields Group.

Once a year, we publish this annual report in the hope of facilitating a deeper understanding of the direction, long-term strategies and other aspects of the Fields Group. This Management Interview section consists mainly of our explanation as senior management of business results, initiatives in each business segment, and our vision for the future. We do this through a Q&A format in which we answer some of the many questions we received. I encourage everyone to read the report, which we hope will serve as the first step toward a more dynamic dialogue with our stakeholders.

The Group's business domains are diverse, covering everything from pachinko/pachislot, video, and mobile content to animation, publishing, and sports. But as a group, we do far more than simply develop businesses in each of these fields. For years now, Fields has promoted a strategy anchored on the multidimensional development of digital content. Group companies have been assigned to each field based on this strategy as we sought to acquire, generate and nurture content that will create new customer bases. The end-result of this work is a distinctive business model that is the source of Fields' corporate competitiveness today, and is sure to support both sustainable growth and improved earnings going forward.

In 2009, our key message was that tackling new challenges would pave the way to the future. This sentiment has, is and will continue to define Fields' stance as a corporation. As Chairman Yamamoto mentioned in his letter, the course we've chosen involves meeting the challenge of independently pioneering markets to create new customer bases.

To see the future unfold as we envision it, our initial task is to pace steadily down our current road, and move boldly as a unified company to realize the sustainable growth and broad social development that I spoke of earlier, as well as our corporate philosophy of achieving "The Greatest Leisure for All People."

Q: Does Japan's maturing entertainment market still hold business opportunities?

A: People are seeing a steady increase in their leisure time, which is leading to an increase in consumer needs. I believe this represents a valuable business opportunity for us.

Without question, Japan's entertainment market appears to be maturing. From a long-term perspective however, I believe we can expect to see further growth.

In the wake of economic development brought on by a period of high growth and ongoing advances in medicine and technology, Japanese society today has become a place where longevity is the norm. If nothing else, this trend will translate into more leisure time. More leisure time, in turn, will necessarily fuel a growing need among the general public for ways to spend that time. It is here that massive business opportunities await.

Already we are seeing new markets opening with 3D images that use state-of-the-art image technology and the added value that Apple's iPad and iPhone have brought to the mobile terminal market. I believe that by grasping diversifying consumer needs, we will see further opportunities for growth in the entertainment market going forward.

The Fields Group was among the first to foresee that a climate of this kind would emerge. This is why we looked beyond the pachinko/pachislot market, which represents only a fraction of Japan's leisure market, to develop operations that anticipated this coming expansion across the entire leisure market.

As is clear from our content-centric business model (see page 8), we have a framework that weds promising intellectual property (IP) with new creative elements and technology to create high-value-added content. This innovative approach is a growth driver for Fields, and I firmly believe that it will encourage growth opportunities across the entertainment domain in the coming years.

Overview of Fiscal Year Ended March 31, 2010

For the fiscal year under review, ended March 31, 2010, net sales amounted to ¥66.3 billion, operating income was ¥8.1 billion, ordinary income came to ¥7.7 billion, and net income was ¥3.2 billion.

Net sales declined slightly on the deconsolidation of D3 Inc. following the sale of shares in the company. Earnings rose, however, atop brisk sales of pachinko/pachislot machines in the Pachinko/pachislot business, in addition to sharp earnings improvement in Group business. The pachinko machine sales business introduced a total of 5 new models, selling a total of some 330,000 units. Models launched included *CR Neon Genesis Evangelion—The Beginning and the End*, which boasted the highest sales volume in the series thus far, and *CR Shimizu no Jirocho—The Bonds of Life*. Linked to a popular Japanese television drama, the latter represents a new style of pachinko machine that Fields has led the industry in pioneering. Meanwhile, the pachislot machine sales business saw the sale of 6 new models, totaling roughly 120,000 units sold. Among the models introduced were *Neon Genesis Evangelion—Die Spur der SEELE* and *Onimusha: Dawn of Dreams*, the first installment in titles celebrating Rodeo's 10th anniversary. Returning to *CR Shimizu no Jirocho—The Bonds of Life*, this model represented a milestone for the year outlined in the Group's mid-term management plan. As a new challenge regarding the video elements used, the final product won particularly high marks from the TV drama's creators.

Outlook for Fiscal Year Ending March 31, 2011

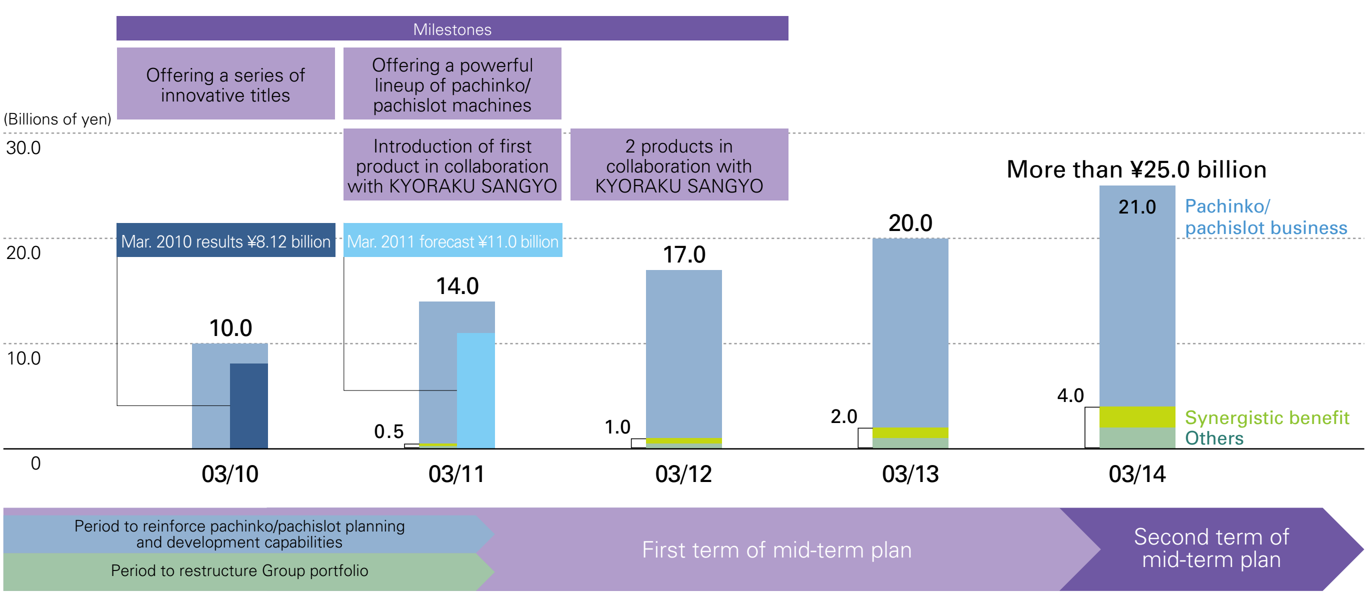
Coinciding with the start of the March 2011 fiscal year, Fields has transitioned to a 2-business framework, consisting of Group business and the Pachinko/pachislot business, that better conforms to the realities and evolution of its operations. In addition to accelerating business speed, this reform is designed to promote a more organic approach to business development.

Where Group business is concerned, the Group has welcomed 3 companies including Tsuburaya Productions Co., Ltd., and will work to develop business for creating new entertainment while naturally maintaining due focus on our current performance. For the Pachinko/pachislot business, in addition to reinforcing the Bisty brand, our plans call for the sale of our first pachinko machine in collaboration with KYORAKU SANGYO, and pachislot machines featuring title series celebrating Rodeo's 10th anniversary, among other new models.

Turning to our mid-term management plan, now entering its third year, we continue to mark steady progress and remain committed to our present heading. This is especially true of the push to rebuild our Group portfolio pursued over the last several years, and steps taken to enhance planning and development capabilities in pachinko/pachislot machines. Efforts in both areas, which are intended to build up a base for achieving our objectives, have begun to steadily show signs of success. Going forward, we are determined to solidify our earnings bases in Group business, and will pool our collective strengths to attain the targets laid out in our mid-term management plan.

Progress on the Mid-Term Management Plan

Operating income for fiscal year ending March 31, 2014 Target over ¥25.0 billion *Target 20% contribution from Group and alliance businesses



Group Business (Mainly in the Entertainment Domain)

Fields consists of 2 businesses—Group business and the Pachinko/pachislot business.

The Pachinko/pachislot business has a major role as the key pillar currently underpinning earnings. Although we plan to develop this business further to maximize earnings going forward, we recognize expansion in Group business as a vital issue to address over the mid to long term.

The backdrop to this includes the facts that the Pachinko/pachislot business is a purely domestic operation, structural problems confronting Japanese society, such as the declining birthrate, and social limitations, etc. In light of this Pachinko/pachislot business environment, we determined that a sole focus on the pachinko/pachislot field offers few prospects for achieving dramatic Group growth in the coming years.

In other words, making the Group business a priority is essential to achieving further growth for the Fields Group.

Today, Fields is concentrating on creating business opportunities from promising content found across the entire span of entertainment in Japan and other markets. In the future, though, we will work to uncover the host of business opportunities that lie in areas beyond content.

T Shigematsu

Tetsuya Shigematsu

Senior Managing Director
(Responsible for Group Business and Division Manager, Business Division)

Creating High-quality Content

The recent financial crisis has triggered a period of intense transformation in the content market. The stark reality of this change has meant success across a range of media for some of the best content, and few opportunities for similar success for all other content. As one of the first to anticipate this changed environment, our surveys and research into what makes for effective content across different media has resulted in 2 important types of content vital to address going forward. The first type, called "legendary content," refers to content from the past that is generally familiar to people today. The second type is "new content," which is content created based on present-day concepts.

To develop a base for the creation of these 2 content types, the Fields Group has established a multifaceted business scheme. First, we focus on assembling and merging intellectual property (IP) with outstanding entertainment value with top-notch people, who contribute high added value to IP, and cutting-edge technologies, such as computer graphics (CG) and 3D effects. We then actively develop the outstanding hybrid content that results in the Pachinko/pachislot business and a variety of other areas in the entertainment field.

Also in April 2010, Fields moved to further develop these initiatives by welcoming 3 powerful partners who will contribute to the creation of premium hybrid content—Tsuburaya Productions Co., Ltd., Digital Frontier Inc. and HERO'S.

Beyond realizing Group synergies in business promotion by upholding a business scheme that incorporates these 3 companies and other corporate partners, we are aiming for sustainable growth and improved earnings by creating fan bases around newly created, premium, hybrid content.

Tsuburaya Productions Co., Ltd. is the owner of a host of outstanding IP, including the "Ultraman Series" of globally recognized content.

Digital Frontier Inc. is a major video production house possessing cutting-edge CG technology honed over more than a decade in business.

HERO'S was jointly established by Shogakukan Creative Inc. and Fields with the goal of generating new IP from comic books.

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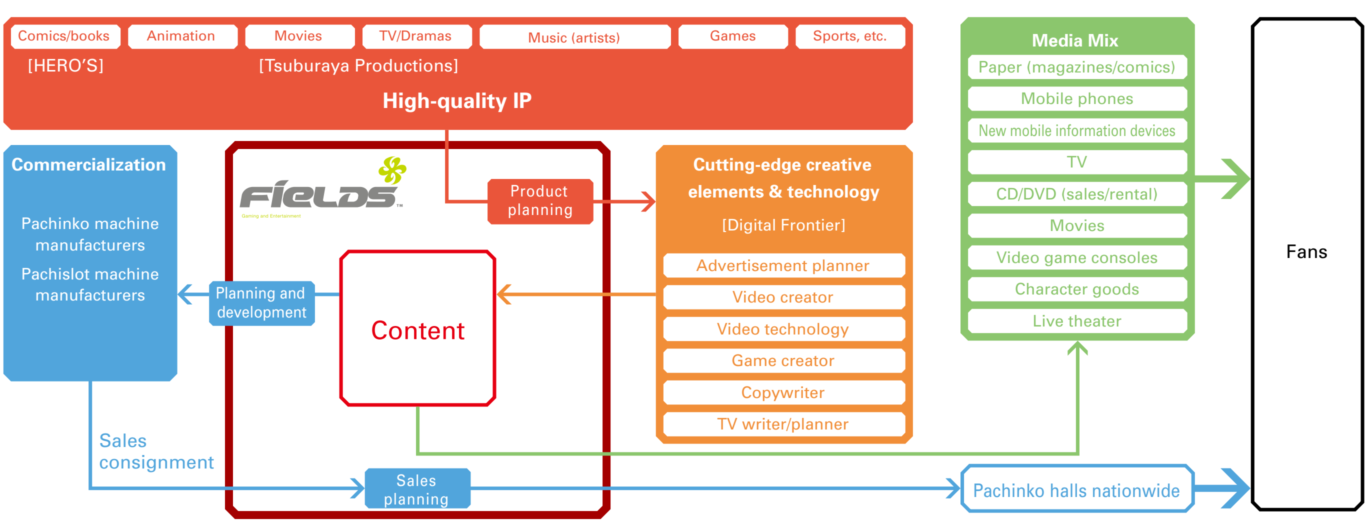
Business Scheme 2010



Future Growth Scenarios

To attain further growth going forward, the Fields Group must broaden its growth potential by continuously coming up with new forms of entertainment that win acclaim both in Japan and worldwide. For years, the Group has worked to develop content optimally suited to all types of media. In other words, the Group has continuously developed reliable mechanisms for creating source material for enjoyable leisure time for virtually everyone. This dedication has helped bring us a step further to realizing a future where people everywhere are moved and thrilled by new forms of entertainment from the Fields Group.

The years until now have been a time for exploring our potential. Today, we stand committed to facing challenges for the future proactively, with our sights set on the sustainable and enduring development of the Fields Group. In this way, we hope to express our immense gratitude to the Group's many stakeholders for the remarkable support we have enjoyed during this period. At the same time, we also aim to meet stakeholder expectations for the Fields Group.

Q: Will any synergies emerge between companies within the Fields Group?

A: Fields' corporate partners include leading companies that are indispensable to our multiple-use approach to content. Ultimately, our shared goal in business development is to create value for the new forms of entertainment that lie ahead. This is the kind of synergy effect that the Fields Group should strive for, and we are moving resolutely towards achieving this ideal.

In Group business, we have gathered leading companies together around content in the wide-ranging field of entertainment, seeking to generate business opportunities from the multiple use of content that has guided the Fields Group since its public offering. The same philosophy holds for new Group companies Tsuburaya Productions Co., Ltd., Digital Frontier Inc. and HERO'S. The Fields Group is thus striving to harness synergies in 3 areas—the acquisition of diverse content from the vast field of entertainment, the use of cutting-edge creative elements and technology to boost the added value of this content and deliver it to an array of different media, and the creation of value for the forms of entertainment that lie ahead.

In the pachinko/pachislot market, for example, Tsuburaya Productions Co., Ltd. is the owner of the Ultraman series, a prominent hero-themed offering among its portfolio that has won huge support as pachinko/pachislot machine content. Meanwhile, HERO'S has the ability to create IP essential to enhancing entertainment value in the pachinko/pachislot market. Elsewhere, Digital Frontier Inc. and Lucent Pictures Entertainment, Inc. have the advanced creative elements and technology for transforming Group IP into optimal, high-value-added pachinko/pachislot content. Drawing these partner companies together in a single field will enable the Group to greatly enhance entertainment value of pachinko/pachislot products, culminating in the generation of new fan bases. The added value of this enhanced content will, in turn, be further amplified when developed across a diverse range of media.

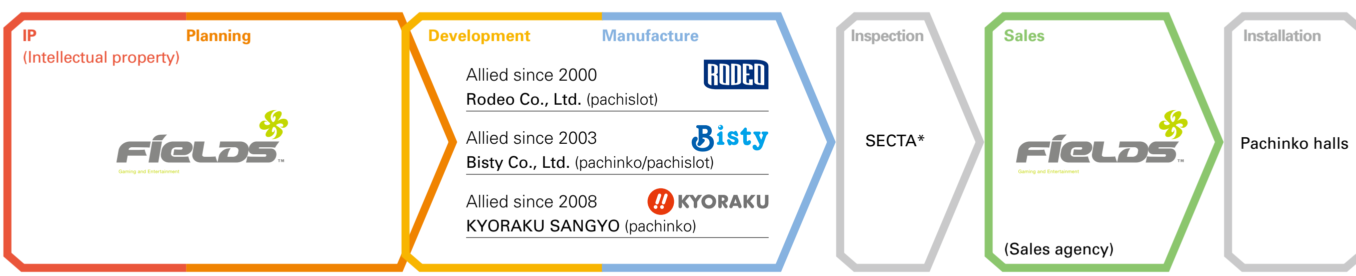
The Fields Group is determined to look beyond the pachinko/pachislot market alone to promote initiatives across the entire breadth of entertainment, encompassing everything from video, mobile content and animation to publishing and sports. Moreover, by creating new fan bases by highlighting new value in every corner of entertainment, plus leveraging the first-mover advantage of Group companies in many business domains, the Fields Group will deliver the best products and services to people everywhere.

Initiatives in the Pachinko/pachislot Business

Fields led the industry in devising new ways to demonstrate the value of pachinko/pachislot as forms of entertainment to the Japanese public.

We turned attention first to the interior space of pachinko halls, which we worked to transform into spaces brimming with entertainment value to delight local customers. We then sought to make the gaming machines themselves more appealing by partnering with influential manufacturers to produce machines that take full advantage of content. Now that much of the existing content has been exhausted, we are leaping ahead of other companies to develop our own original content. Our flexibility to do this derives from our history as an independent distributor, a position that allows us to take wide-ranging action both within and outside the pachinko/pachislot industry. Through extensive marketing utilizing a business network of 26 locations across Japan, we brought long-awaited products and services to customers by accurately grasping latent needs among the general public. In product planning and development, to maximize the quality of our capabilities in these areas, we have merged creative elements found both within and outside of the industry with state-of-the-art technology to create products that surpass what a single company could produce.

Business Model with Allied Manufacturers



*Security Electronics and Communications Technology Association

Q: Pachinko/pachislot machines that entice people to gamble have taken the market by storm. As things stand, do you believe the public views pachinko/pachislot as sound forms of entertainment?

A: People don't necessarily play pachinko/pachislot just for the thrill of gambling. We continue to create machines that offer outstanding gameplay and entertainment value, and we believe this is helping pachinko/pachislot to become sounder forms of entertainment, and driving the industry to develop.

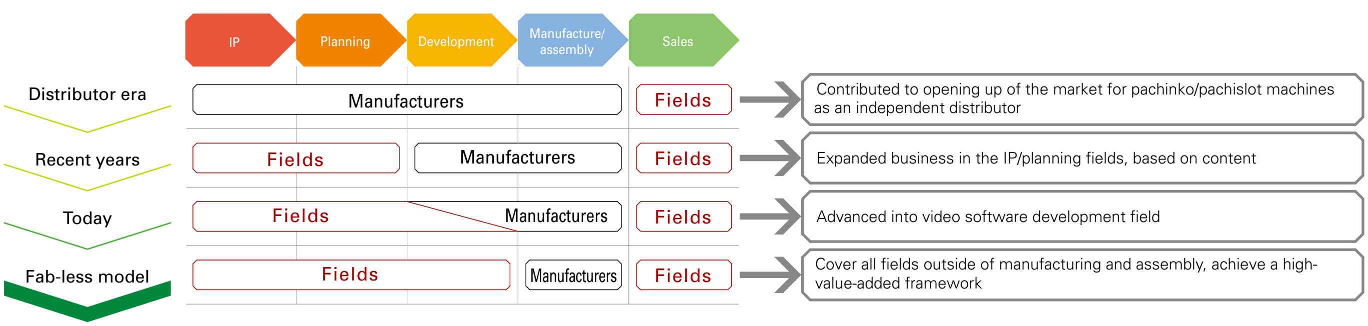
There is no denying that people seek the gambling aspect of pachinko/pachislot. However, from our years of experience in producing pachinko/pachislot machines with outstanding gameplay and high entertainment value, the conclusion we have reached is that what people really want is entertainment, and not necessarily just to satisfy a desire for gambling. By providing machines with low gambling appeal that emphasize entertainment value beyond that aspect, I firmly believe we can transform pachinko/pachislot into meaningful and valued forms of entertainment in their own right, ultimately contributing to the development of a sounder pachinko/pachislot industry.

There was a time when the powerful gambling appeal of pachislot became a controversial issue, and the regulatory amendments in July 2004 that drastically reduced it are still fresh in our minds. The pachislot market actually contracted sharply for a time as a result. But manufacturers channeled their efforts into development, creating products defined by excellent gameplay and entertainment value that have now returned pachislot to a growth trajectory. Pachislot has, in other words, moved one step closer to becoming what we consider to be a sound market. This trend is both expanding Fields' share within the market and leading to growth in new pachislot fans for the future. In the pachinko market on the other hand, growth in gambling appeal has become a concern, which is likely to be behind the momentary contraction we see today. Machines with strong gameplay and entertainment value are especially critical during times like these. And as Fields has demonstrated with the *Evangelion* series, we continue to offer pachinko machines that can be enjoyed without relying on gambling appeal. In taking these steps towards realizing a sounder market, pachinko will become a welcome form of entertainment for everyone, and I am confident that this environment will usher in further growth for Fields.

Entrenching Our Presence in Development

To take further advantage of numerous strengths honed through the years, Fields has focused on building a more robust presence in the field of development. In taking this step, our first task was to clear away the barriers in-house between divisions responsible for intellectual property and those in charge of planning and development. We then enacted organizational reforms to enable the formation of cross-company project teams. In addition, we established a development framework to encourage synergies among Group companies, with F Corporation and Shin-Nichi Technology Co., Ltd. responsible for development functions pertaining to pachinko/pachislot image software, while companies Digital Frontier Inc. and Lucent Pictures Entertainment Inc. contribute with their strengths in cutting-edge video technologies. Along with clear benefits in the areas of distribution, this change has also enabled benefits in planning and development. What's more, the ability to roll out a fully integrated system covering planning through to distribution has enabled Fields to lead the industry in promoting products that create new fans.

Changes in Fields of Operation



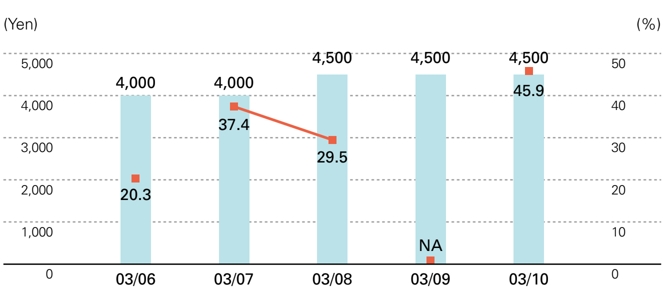
Capital Policy

The foundation underlying all of Fields' activities is a commitment to realizing our corporate philosophy of "The Greatest Leisure for All People." Investment in R&D and M&As is a vital step in this process.

Accordingly, our basic capital policy is to secure stability and to maintain a healthy financial status free from dependence on borrowing. Another part of the policy is to secure a certain level of internal cash reserves to allow us to act flexibly to pursue our capital strategies when opportunities arise.

With respect to dividends, our basic policy is to pay a stable dividend that reflects our profits to shareholders, and we continue to adhere to our pledge of a consolidated payout ratio of 20% or more.

Dividends



Dividend per share (Left)
Payout ratio (refers to non-consolidated dividends for the fiscal year ended March 31, 2006) (Right)

Approach to CSR

We believe that CSR hinges on our remaining a company that is meaningful to society. The individual initiatives that comprise our CSR activities are derived from business activities designed to help realize our corporate philosophy. Thus, we consider it the social responsibility of the Fields Group to enrich people everywhere with the products and services that the Group offers.

In tackling this important responsibility, our entire workforce stands united in a commitment to facing new challenges. Together with the tremendous support of our shareholders and other stakeholders, our goal is to provide offerings that bring even greater happiness to people everywhere. In this way, we hope to raise the corporate value of the Fields Group and achieve sustainable growth. Your long-term support will be vital to our endeavors going forward.

FEATURE ENTERTAINMENT CREATION SIMULATOR

Advertisement planner

Comics/books

Animation

New mobile information devices

Movies

Paper (magazines/comics)

Music (artists)

Video creator

Mobile phones

TV dramas

Video technology

How would *you* combine these elements?

Pachislot machine manufacturers

IP × CREATIVE & TECHNOLOGY × MEDIA × YOU

YOUR KIND OF ENTERTAINMENT

Pachinko machine manufacturers

Games

TV writer/planner

CD/DVD

Game creator

TV

Live theater

Sports, etc.

Movies

Copywriter

Character goods

Video game consoles

ENTERTAINMENT CREATION SIMULATOR

Fields' business scheme is to create hybrid content by combining intellectual property (IP) with human resources and technology to increase added value, and then develop this hybrid content through various forms of entertainment.

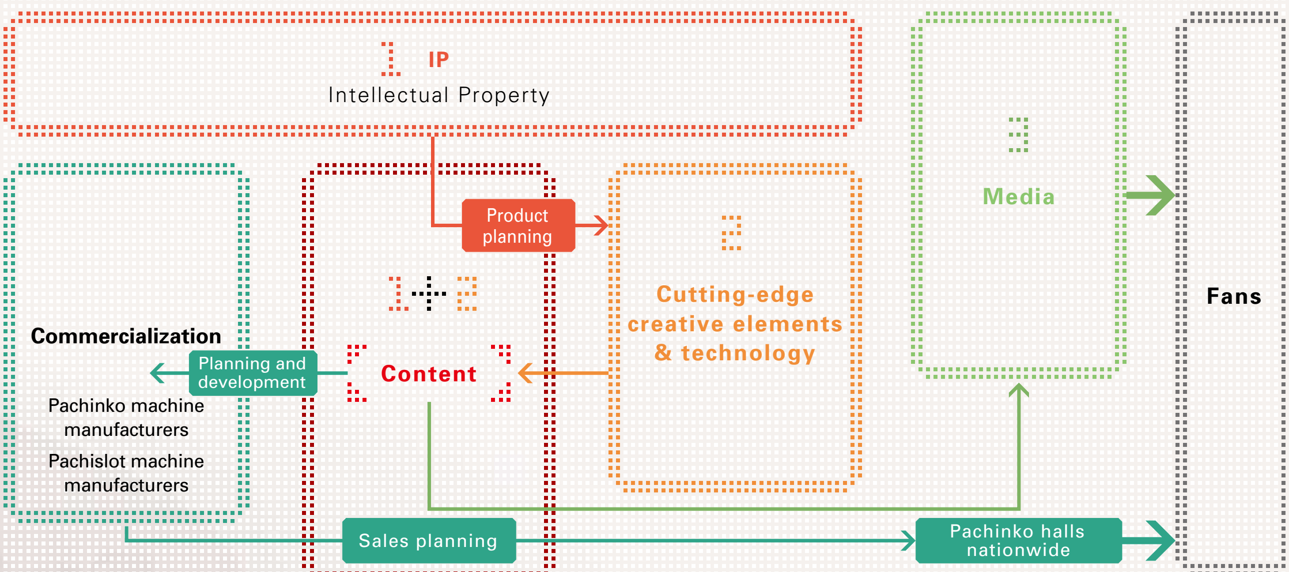
What combination would you make?
Try this simulator to discover the possibilities of Field's business scheme for yourself.

IP

What kind of IP do you feel holds the best potential?
Do you enjoy animation? Or perhaps you are a fan of movies?
Do you have a favorite artist?
Try to think specifically of works and people.

Creative elements & technology

Now that you have chosen your IP, what kind of human resources and technologies would you use to enhance the added value of your choice?
A cutting-edge movie creator and the latest 3D technology?
Or perhaps you would like to uncover a new young talent?



Now you have created some high-quality content, it's time to consider how to develop it for the enjoyment of greater numbers of fans.

Media

What media will you use to develop your content?
The media mix you select can have a huge impact.
How about trying new mobile information devices?
Or perhaps a combination of movie and merchandise?

You have now completed your own unique combination.
Take some time to imagine the possibilities of your creation.
How many fans could you bring joy to with your idea?

Now, let's take a look at some of Fields' ideas.

IP

Fields considers the best intellectual property (IP) to be that which has high value as a material. Generally, there are 3 main methods for obtaining IP. The first is to search for existing IP and acquire commercialization rights to suit the application. The second is to become the owner of IP through M&A, and the third is to create IP from scratch. Fields will not only acquire commercialization rights, but will also try the other methods of becoming an owner and creating from scratch.

- Comics/books
- Animation
- Movies
- TV/Dramas
- Music (artists)
- Games
- Sports, etc.

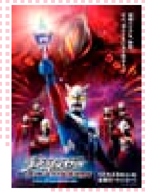
- HERO'S
- Tsuburaya Productions Co., Ltd.
- Japan Sports Marketing Inc.

One of Fields' companies dealing in ownership and creation of premium IP

Tsuburaya Productions

Established	April 1963
Paid-in Capital	¥310 million
Equity stake	51.0%

Tsuburaya Productions holds the rights to many premium IP assets including the globally famous Ultraman Series. The company's businesses focus on TV, movies and other elements of daily life.



Ultraman Zero: The Revenge of Belial
©2010 UZ-ROB Film Partners

One of Fields' premium IP creating companies

HERO'S

Established	April 2010
Paid-in Capital	¥10 million
Equity stake	49.0%

HERO'S seeks to develop original IP through publishing a monthly comic magazine targeting young adults and based on an entirely new concept. The company is a jointly invested venture of Fields and Shogakukan Creative Inc., a member of the Shogakukan Group that continues to lead the Japanese publishing industry.

FIELDS' APPROACH TO CREATING CONTENT

Creative elements & technology

Fields combines "people" in the form of first-rate creators and planners, with the latest "technology" to draw out the full potential of the IP that is the raw material for creating content. Only Fields, with its wide-ranging partnerships, is able to match IP with creative elements and technologies to produce truly appealing and value-added content.

- Advertisement planner
- Video creator
- Video technology
- Game creator
- Copywriter
- TV writer/planner

- butterfly·stroke inc.*
- TYO Inc.*
- Lucent Pictures Entertainment, Inc.
- Digital Frontier Inc.
- Tokyo Itoi Shigesato Office*

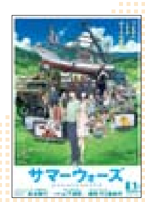
* Partners from outside the Fields Group

One of Fields' first-class creative companies

Digital Frontier Inc.

Established	May 2000
Paid-in Capital	¥31 million
Equity stake	86.9%

Digital Frontier makes use of industry leading proprietary CG (computer graphics) technologies to provide high quality CG images for use in a range of entertainment fields including movies, animation, video games and pachinko/pachislot.



Summer Wars
©2009 SUMMERWARS FILM PARTNERS

One of Fields' advanced video technologies companies

Lucent Pictures Entertainment, Inc.

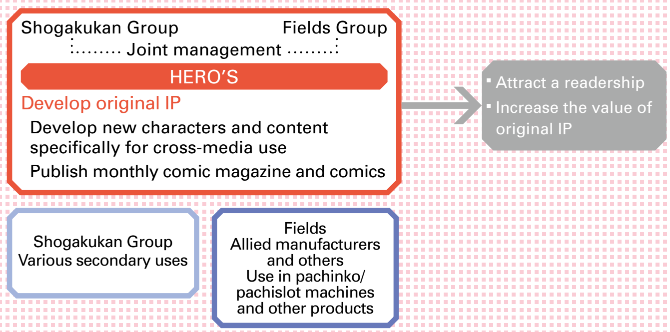
Established	April 2003 (Trading name changed in October 2007)
Paid-in Capital	¥20 million
Equity stake	90.0%

Lucent Pictures uses the latest 3D conversion technologies and an efficient production system to create 3D image content, as well as conducting all stages of video content production mainly for animation, including planning, development, production and sales.

- **Reinvigorate the IP value of Ultraman and others and promote multiple use**
  - Reinvigorate the IP value by developing new video content and new series in partnership with Group companies and affiliates
  - Make active use of IP in new character merchandising and game machine fields to promote multiple use of IP through Group companies
- **Develop content globally in all entertainment fields**
  - Partner with BANDAI Co., Ltd. which has a 49% stake in Tsuburaya Productions, to develop video products including movies, TV and DVDs, as well as character products, for the global market

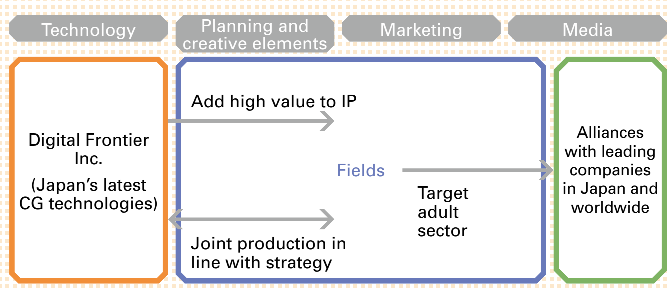
Current status of Ultraman IP

- **Publish monthly comic magazines and comics, and distribute digital comics**
  - Develop authors for a magazine based on an entirely new concept for young adults
  - Publish monthly comic magazines and comics, and distribute a series of digital comics
- **Use comics to spark multiple use in wide-ranging entertainment fields**
  - After creating an IP asset, promote multiple use in wide-ranging entertainment fields through Group Companies and the Shogakukan Group
  - Aim to be the leader in comics IP that is most used in the pachinko market

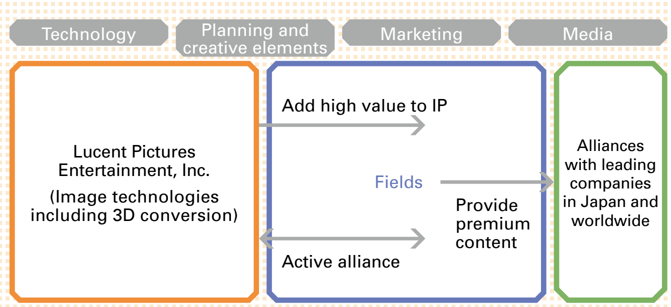


Content

- **Use the latest Japanese CG technologies to add higher value to IP**
  - Fields has the largest motion capture studio in Asia
  - Use the latest Japanese CG technologies to provide images for wide-ranging entertainment fields
- **Promote the multiple use of created content through Group companies and other leading companies**
  - Create contents by leveraging the planning and marketing capabilities of Fields' Group companies
  - Promote multiple use of content through Group company network and alliances with leading companies in Japan and worldwide



- **Use the latest 3D conversion and other video technologies to add high value to IP**
  - Develop proprietary 3D image conversion software for animation, real photography, CG and other video content
  - World leader in efficient workflow
- **Actively collaborate with business partners in wide-ranging fields to create premium content**



Media

Having created high-value-added content by combining premium intellectual property (IP) with cutting edge creative elements and technologies, it is time to consider the optimal mode for viewing that content, and for promoting it. Fields has a variety of media channels including alliances with leading companies in Japan and worldwide. But we have set our sights on going beyond existing media to create an unprecedented media mix by creating entirely new media.

In the Pachinko/pachislot business, one of our strengths is the ability to receive guaranteed earnings through our alliances with leading pachinko/pachislot machine manufacturers.

Promoting Content through Pachinko/pachislot

Planning and development

F Corporation

Shin-Nichi Technology Co., Ltd

Commercialization

Pachislot machine manufacturers

Rodeo Co., Ltd.

Bisty Co., Ltd.*

Pachinko machine manufacturers

KYORAKU SANGYO*

Fields Jr. Corporation

Pachinko halls throughout Japan

SOUGOU MEDIA INC.

Fans

* Partners from outside the Fields Group

Fields companies promoting content through pachinko/pachislot

Rodeo Co., Ltd.

Affiliated	November 2000
Paid-in Capital	¥100 million
Equity stake	35.0%

A consolidated subsidiary of leading pachinko/pachislot machine manufacturer Sammy Corporation, Rodeo creates pachislot machines that fuse the advanced development capabilities of the Sammy Group with Fields' IP and planning and development strengths.

Onimusha: Dawn of Dreams

Bisty Co., Ltd.

Alliance	November 2003

Bisty Co., Ltd. is a wholly consolidated subsidiary of leading pachinko/pachislot machine manufacturer SANKYO CO., LTD., dedicated to developing machines that are rich in gaming and entertainment value. By harnessing Fields' IP development and planning strengths as a distribution company, Bisty continues to create new groups of fans.

CR Evangelion—Evangelical of the Beginnings

Other Media Outside of Pachinko/pachislot

Paper (magazines/comics)

Kadokawa Haruki Corporation

Bbmf Magazine, Inc.

Mobile phones

FutureScope Corporation

New mobile information devices

TV

CD/DVD (sales/rental)

SPO Inc.

Movies

Video game consoles

Partners involved with video games

Character goods

Live theater

Total Workout (EXPRESS Inc.)

Fields companies promoting content through mobile phones

FutureScope Corporation

Established	October 2006
Paid-in Capital	¥60 million
Equity stake	83.3%

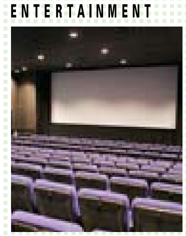
FutureScope offers 2 main services: content distribution and website management, primarily targeting mobile phones, and management of community sites in the Internet world. Going forward, FutureScope will work through alliances with Group companies to expand its membership for charged services.

"Fields Mobile"

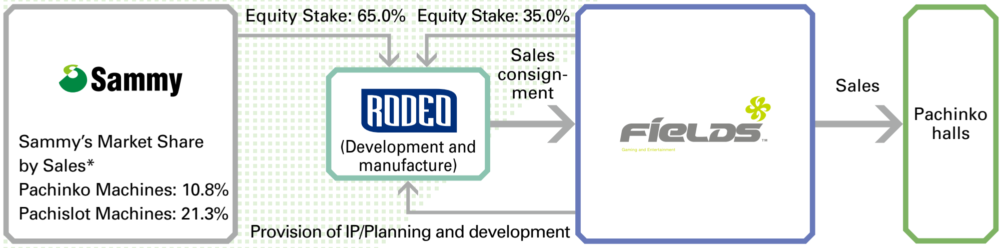
Other content promotion

SPO Inc.

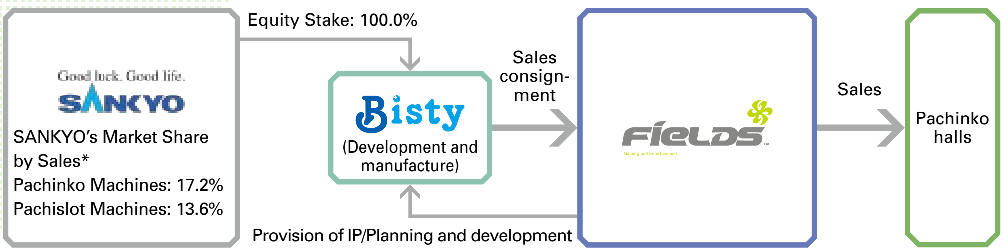
Established	March 1987
Paid-in Capital	¥371 million
Equity stake	31.8%



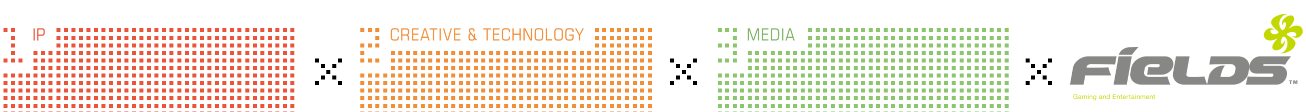
SPO is involved in movie related business. The company works mainly with Asian productions, and handles planning, production and supply of movies for cinemas, and planning, production and sales of video software. SPO also directly manages Cinemart cinemas in the Roppongi and Shinjuku districts of Tokyo and in Shinsaibashi, Osaka.



* "2010 Trend and Market Share of Pachinko Related Manufacturers" published by Yano Research Institute Ltd.



* "2010 Trend and Market Share of Pachinko Related Manufacturers" published by Yano Research Institute Ltd.



COMPLETELY NEW ENTERTAINMENT

Since its establishment Fields has sought to create entertainment to allow as many people as possible to enjoy quality leisure time.

Fields has established a system that leverages its own group strengths and an increasingly diverse network of alliances and partnerships to raise the value of content to the highest possible level. With this major step towards becoming a creator of completely new entertainment, Fields is now on the move.

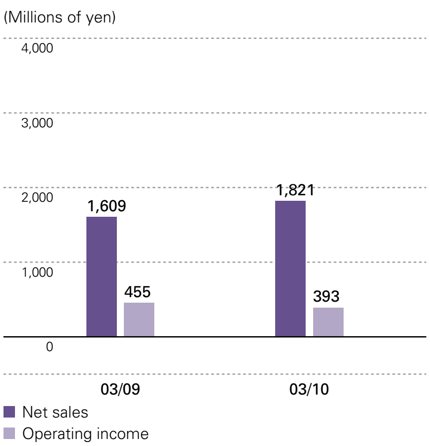
REVIEW OF OPERATIONS

GROUP BUSINESS

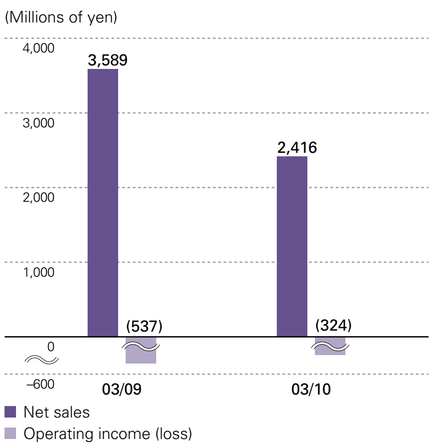
We aim to create new forms of entertainment through the ownership and creation of high-value-added content in Group business.

In order to create high-value-added content that can be used with many different types of media, in the fiscal year ended March 31, 2010 we took steps to establish business schemes as foundations for future growth. Our actions here targeted the intellectual property (IP) and creative and technology fields. Concurrent with these efforts, we sought to improve earnings at all Group companies.

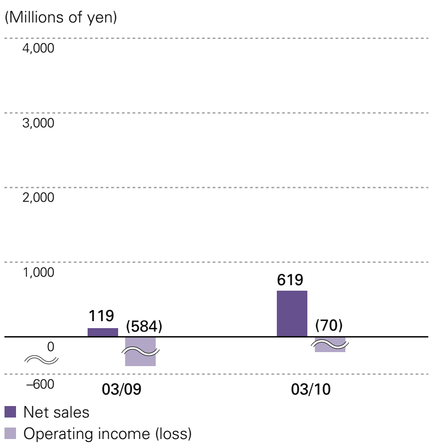
Mobile Field



Sports Entertainment Field



Other Field



Market Trends and Outlook

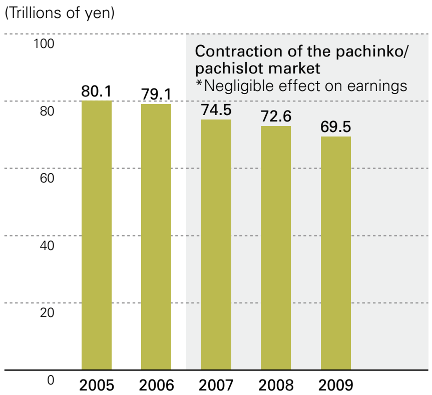
The entertainment market overall shows signs of picking up due to the opening of new markets that make use of new technologies, despite the effects of a contraction in the pachinko/pachislot market. (The market has contracted in scale due to regulatory revisions and the spread of pachinko halls that offer low price rental ball operation, but the actual effect on earnings has been negligible.)

In this environment, we see the field of content as having high future growth potential. Content is a core component of Fields' strategy to build its competitive corporate advantage, and industries that deal in content are seeing a major expansion in fields where content can be distributed following the opening of new markets that use new technologies.

In the movie and TV video content fields in particular, state-of-the-art 3D technologies have been utilized to inject life into video content distribution. And one need look no further than the effect that Apple's iPad and iPhone have had on the mobile IT terminal market to see how new markets can be formed. The world is ready for the creation of new content to suit various life scenarios.

This environment presents a special business opportunity for the content industry. By creating high-value-added content to suit expanded fields of use, we are confident that we can energize the entire entertainment market.

Scale of the Entertainment Market



Source: "2010 White Paper on Leisure," published by Japan Productivity Center

Review of Results for the Fiscal Year Ended March 31, 2010

The Mobile Field segment posted net sales of ¥1,821 million, up 13.2%, and operating income of ¥393 million, down 13.7%. To promote the mobile content platform operated by FutureScope Corporation, the Company implemented strategies to accelerate the enrollment of paying members and minimize membership cancellations. The number of paying members for Fields Mobile, FutureScope's mainstay mobile content platform, reached approximately 400,000 (as of March 31, 2010). FutureScope continued to realign its content portfolio for existing service offerings and to investigate ideas for new services.

The Sports Entertainment Field segment posted net sales of ¥2,416 million, down 32.7% year on year, and an operating loss of ¥324 million, compared with an operating loss of ¥537 million in the previous fiscal year. We implemented strategies to add greater value to the roster of athletes retained in our athlete management business. Actions included stepping up athlete management services tied to Total Workout, a sports gym we manage, and strengthening web-based marketing operations. These measures were designed to reinforce profitability in the future under a new operating system.

The Other Field segment posted net sales of ¥619 million, up 419.7%, and an operating loss of ¥70 million, compared with an operating loss of ¥584 million in the previous fiscal year. Animation planning and production subsidiary Lucent Pictures Entertainment, Inc. was actively involved in a Group business to capture synergies with the aim of enhancing the quality of animation production in the Pachinko/pachislot (PS) Field. Furthermore, the company conducted a feasibility study on commercializing its proprietary 3D technology in a market where 3D technology is attracting worldwide attention as the next generation of visual expression.

Policies Going Forward

In May 2008, the Company formulated a mid-term management plan geared toward achieving sustainable growth in the future. In line with this plan, the Company has focused not only on enhancing planning and development capabilities in the core Pachinko/pachislot business, but also on strengthening foundations in entertainment fields. In April 2010, Tsuburaya Productions Co., Ltd., a holder of the "Ultraman Series" and other premium IP, and Digital Frontier Inc., one of Japan's major computer graphics (CG) production companies, were newly consolidated as Company subsidiaries. The same month the Company and Shogakukan Creative Inc. jointly established a new publishing company called HERO'S, with the aim of creating original content by publishing a new monthly comic magazine.

Against this backdrop and reflecting the current state and evolution of its business operations, on April 1, 2010 the Company adopted 2 business structures: Group Business and Pachinko/pachislot Business. With this new structure, we aim to further speed up our operational processes and realize organic growth of our businesses.

The Company is planning to obtain outstanding IP, first-class human resources (creators, producers, etc.) who can enhance the value of that IP, and cutting-edge technologies such as CG and 3D technologies by acquiring them through Group companies or in collaboration with partner companies. By steadily establishing a business model to commercialize competitive, high-value-added products by combining these elements and delivering them using various platforms, we aim to achieve sustainable growth and improve profitability.

TOPICS

Mobile Field

Initiatives to Breathe Vitality Into the Pachinko/pachislot Market

FutureScope

FutureScope Corporation

FutureScope Corporation's business is focused mainly on mobile content, including "Fields Mobile", a website carrying general information about pachinko/pachislot, and *Shameji*.

As a special plan aimed at capturing synergies with PS Field pachinko/pachislot machine sales, this company invited paying members of "Fields Mobile" to an exhibition in May 2010 at which it unveiled a new machine: *CR Evangelion—Evangelical of the Beginnings*. The exhibition was held at 6 sites in Japan and attracted around 1,200 guests chosen by lot who were excited to get a sneak preview of the machine before it hit pachinko halls.

As operator of Mobile Fields, FutureScope Corporation will continue to promote initiatives that invigorate the pachinko/pachislot market. It will also develop and offer new mobile content as it actively develops its businesses.

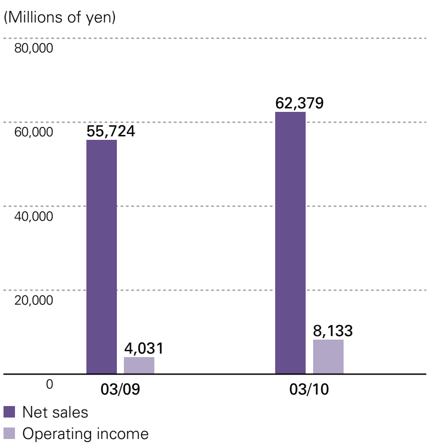
CR Evangelion—Evangelical of the Beginnings, the latest edition of the *Evangelion* series, was showcased at this exhibition on May 19, 2010.

PACHINKO/PACHISLOT BUSINESS

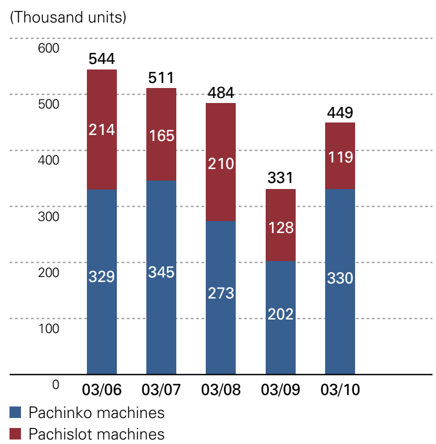
In the Pachinko/pachislot business, we have worked to strengthen our planning and development functions in order to create machines with high gaming and entertainment value using high-quality content.

Our sales strategy has been to anticipate the growth in demand for pachinko machines with high gaming and entertainment value and to sell machines created to suit this market. At the same time, we have sold pachislot machines focused on popular titles.

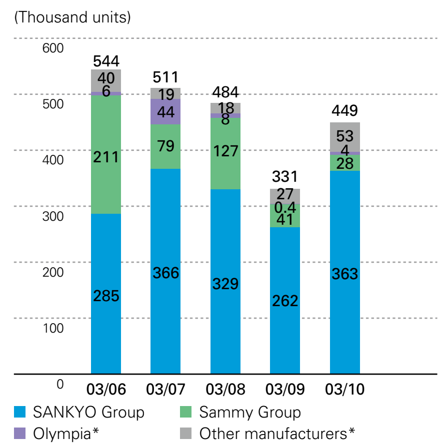
Pachinko/pachislot (PS) Field



Number of Pachinko/pachislot Machines Sold



Number of Pachinko/pachislot Machines Sold by Alliance Partner



* Olympia was included in "Other manufacturers" before the fiscal year ended March 2006. Data in this chart have therefore been modified from data published in the past.

Market Trends and Outlook

The pachinko/pachislot market has been contracting in terms of total fees from ball/medal rental due to regulatory revisions in 2007 and the spread of pachinko halls offering low price rental ball operation. The actual effect of this contraction on earnings has been negligible however, which shows that the pachinko/pachislot market is a time-spending leisure that is relatively unsusceptible to the impact of economic fluctuations.

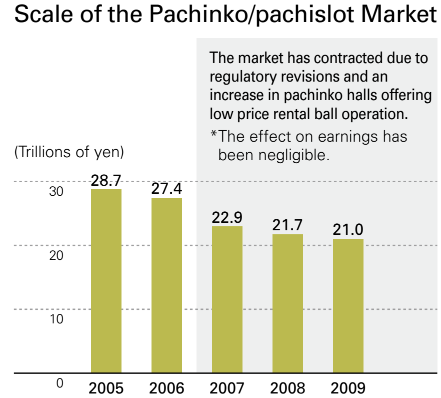
At pachinko halls nationwide, there has been increasing demand for pachinko machines that are rich in gaming and entertainment value to extend the fan base and promote steady operations. At the same time, as pachislot manufacturers have made efforts to develop machines in this direction, the introduction of pachislot machines with improved gaming and entertainment value has advanced. According to market statistics, at the end of 2009 the playing population rose 8.9% to 17.2 million people, increasing for a second consecutive year, while the pachinko/pachislot market, down 3.0% from the previous year at ¥21.0 trillion, appears to have bottomed out.

The trend toward developing larger pachinko halls gained momentum in 2009. Reflecting this trend, the number of halls declined by 2.2% year on year to 12,652, while the average number of machines installed per hall grew 1.8% to 356.

Companies in the pachinko/pachislot market will endeavor to invigorate the market and continue contributing to its soundness with machines featuring high entertainment and gaming value that do not rely on the element of gambling. These efforts are expected to develop the industry as a purveyor of good quality entertainment that is capable of creating a new population of fans.

Player Population

Scale of the Pachinko/pachislot Market



Sources: Metropolitan Police Department; "2010 White Paper on Leisure," published by Japan Productivity Center

Review of Results for the Fiscal Year Ended March 31, 2010

The PS Field recorded net sales of ¥62,379 million, a year-on-year increase of 11.9%, and operating income of ¥8,133 million, up 101.7%.

The core pachinko machine sales business recorded unit sales of 330,734, up 63.3%. One reason for this large year-on-year increase was the launch timing of *CR Neon Genesis Evangelion—The Beginning and the End*, which recorded the highest sales for the *Evangelion* series thus far. We made a strategic decision to change the launch date of this machine from February 2009 to April 2009, which led to lower unit sales in the previous fiscal year, but lifted unit sales considerably in the year ended March 31, 2010 as our strategy delivered a successful outcome.

The Company also sold 119,146 pachislot machines, down 7.4% year on year, amid declining unit sales throughout the market as a whole. In this declining market, we grew our market share and achieved strong sales by launching machines with outstanding gaming and entertainment value such as *Neon Genesis Evangelion—Die Spur der SEELE and Onimusha: Dawn of Dreams*.

Total unit sales in the pachinko/pachislot machine sales business rose strongly by 35.8% to 449,880 units.

Product Releases

During the fiscal year ended March 31, 2010, we launched a number of outstanding products through our ongoing efforts to strengthen our alliance with leading manufacturers SANKYO CO., LTD. and Sammy Corporation.

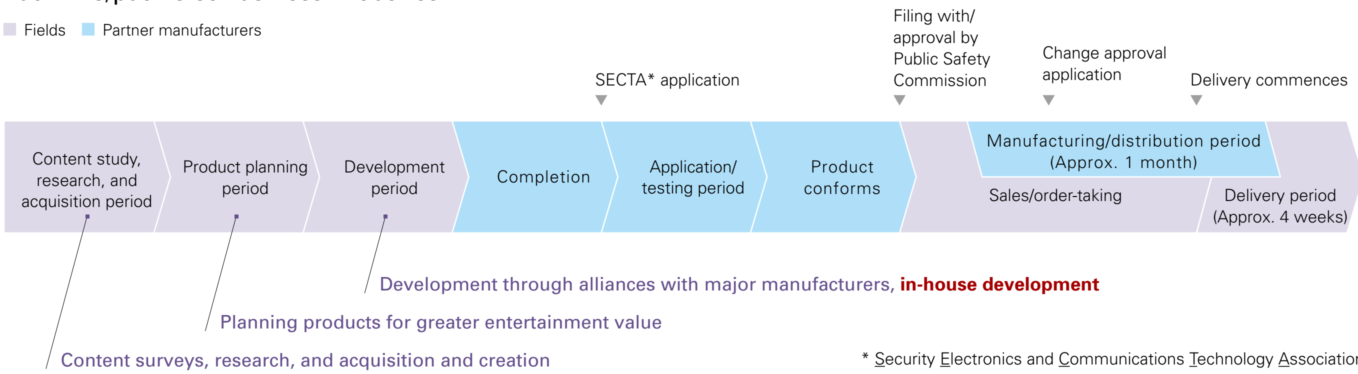
In pachinko machines, we launched *CR Neon Genesis Evangelion—The Beginning and the End*, the 5th machine in the popular *Evangelion* series, which has helped to boost the number of fans. This latest machine recorded sales of 237,000 units, the most of any machine in the *Evangelion* series so far. We also launched *CR Shimizu no Jirocho—The Bonds of Life*, as part of measures to combat the dearth and rising cost of intellectual property (IP) today. With this machine, we created content with the cooperation of top-notch staff active in various fields and famous cast members. This was also the first example in the industry of developing a pachinko machine in a tie-up with a TV drama, and won us rave reviews from many creators. In all, we rolled out a total of 5 new titles featuring content from TV dramas, popular comics and other sources.

In pachislot machines, the *Evangelion* series sold strongly, with the latest in the series, *Neon Genesis Evangelion—Die Spur der SEELE*, recording sales of 74,990 units. (This machine is still on sale and has so far sold more than 80,000 units in total.) Meanwhile, *Onimusha: Dawn of Dreams*, which was launched as the first title to commemorate Rodeo's 10th anniversary, sold 27,199 units. (This machine is still on sale and has so far sold more than 49,000 units.) *Onimusha: Dawn of Dreams* was planned and developed to invigorate the pachislot market. It has won strong support from many pachinko halls and players, underlined by a higher utilization rate than the market average after introduction. In total, we launched 6 new pachislot titles during the year ended March 31, 2010, as we brought to market machines leveraging various movie, comics, sports and other content.

Main Pachinko/pachislot Titles Sold for the Year Ended March 31, 2010

Pachinko machine			
1Q	Bisty Co., Ltd.	Animation	*CR Neon Genesis Evangelion—The Beginning and the End*
3Q	Bisty Co., Ltd.	TV	*CR Iron Chef*
4Q	Bisty Co., Ltd.	Comics	*CR GTO*
	Bisty Co., Ltd.	Animation	*CR Neon Genesis Evangelion—The Angels Are Back Again YF*
	Bisty Co., Ltd.	TV	*CR Shimizu no Jirocho—The Bonds of Life*
Number of pachinko machines sold throughout the year			330,734 units
Pachislot machine			
1Q	Olympia Co., Ltd.	Comics	*Aim for the Ace!*
	Bisty Co., Ltd.	Movie	*Saturday Night Fever*
3Q	Olympia Co., Ltd.	Celebrity	*I am KONISHIKI*
	Rodeo Co., Ltd.	Athlete	*Hono-no Nekketsu Kyoshi*
4Q	Bisty Co., Ltd.	Animation	*Neon Genesis Evangelion—Die Spur der SEELE*
	Rodeo Co., Ltd.	Game	*Onimusha: Dawn of Dreams*
Number of pachislot machines sold throughout the year			119,146 units
Number of pachinko/pachislot machines sold throughout the year			449,880 units

Pachinko/pachislot Business Initiatives



* Security Electronics and Communications Technology Association

Policies Going Forward

In the pachinko/pachislot market, pachinko halls have seen utilization rates decline after having risen for several years along with the increasing gambling appeal of pachinko machines that drove the market following regulatory revisions in July 2004. This has become an issue for the whole industry, creating an urgent need to plan and develop machines that do not rely on gambling appeal and that can create new fans. The pachislot sector, meanwhile, expects machines with high gaming and entertainment value that can invigorate a market which gives all appearances of having bottomed out.

In light of this market environment, besides working to expand our market share and earnings, we seek to help create a sounder, more invigorated market through the planning and development of high-value-added products using our knowhow as an independent distributor and the management resources of our group companies.

In terms of refining our development system, in April 2010 we conducted an organizational realignment, creating a framework that enabled creation of project teams that cut across the company. This new framework has torn down the barriers that separated divisions responsible for intellectual property, planning and development.

Within the Group, F Corporation will move into full swing with its operations, joining Shin-Nichi Technology Co., Ltd., which is engaged in video software development for pachinko/pachislot machines. At the same time, we are leveraging the technical capabilities of Digital Frontier Inc. and Lucent Pictures Entertainment, Inc., which offer state-of-the-art video in the entertainment field. Our goal is to create products that incorporate the strengths of the whole Group.

In terms of sales initiatives, in order to deepen communication with our pachinko halls and develop our strength in proposal-based sales, we will begin providing intelligent information services utilizing Apple's revolutionary iPad device.

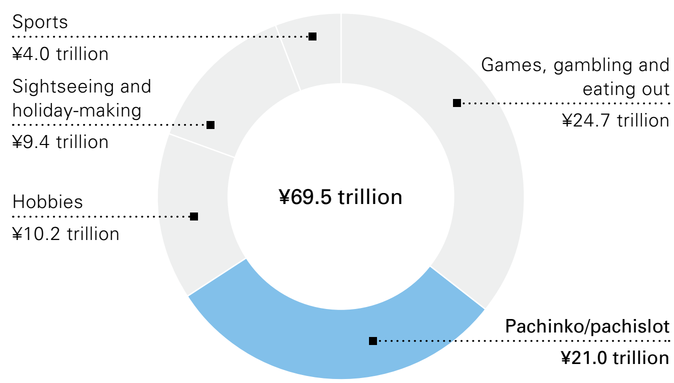
Regarding our sales strategy, in June 2010 we launched *CR Evangelion—Evangelical of the Beginnings*, a major pachinko machine title. We expect to sell at least 200,000 units of this latest edition of the *Evangelion* series. Moreover, during the 4th quarter of the fiscal year ending March 31, 2011, we plan to release our first pachinko collaboration title with KYORAKU SANGYO. In pachislot machines, *Onimusha: Dawn of Dreams*, which went on sale in March 2010, continues to sell strongly. We will continue working to expand sales centered on titles made to commemorate Rodeo's 10th anniversary.

PACHINKO/PACHISLOT MARKET DATA

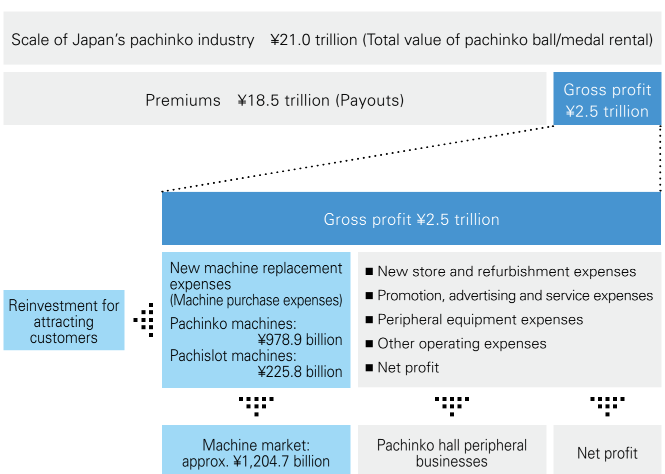
Pachinko/pachislot is one of Japan's most popular forms of entertainment. The market is worth ¥21 trillion, accounting for approximately 36% of the country's entire entertainment market. Some 17.2 million people, or around 13% of Japan's population, play pachinko or pachislot.

This section contains pachinko/pachislot market data, including data on market size, pachinko halls and pachinko/pachislot machine manufacturers, to help readers better understand long-term trends and the structure of the market.

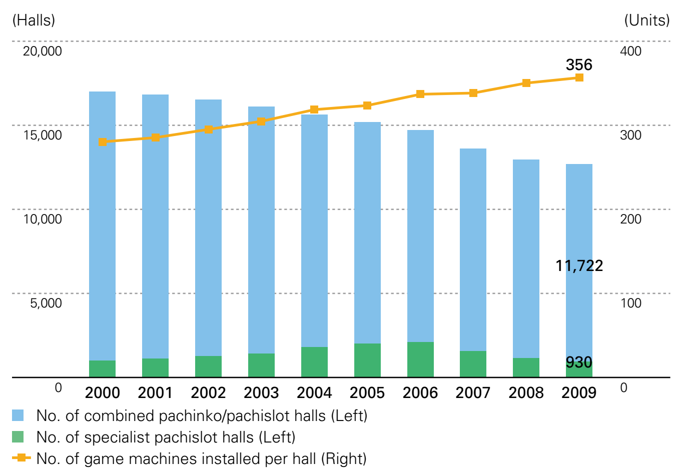
Scale of Japan's Entertainment Market



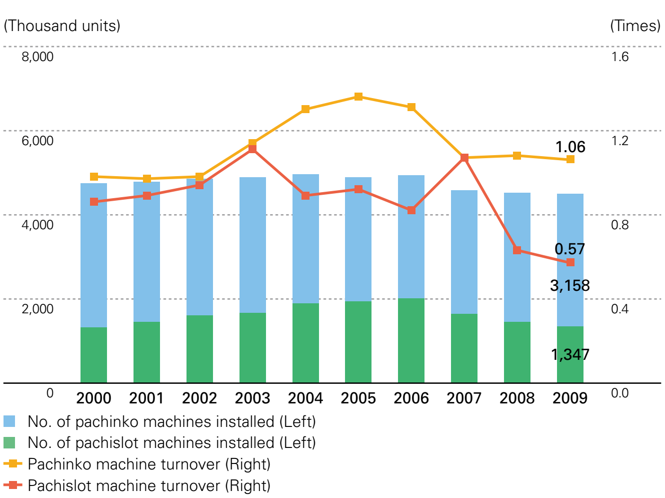
Pachinko Hall Profit Structure



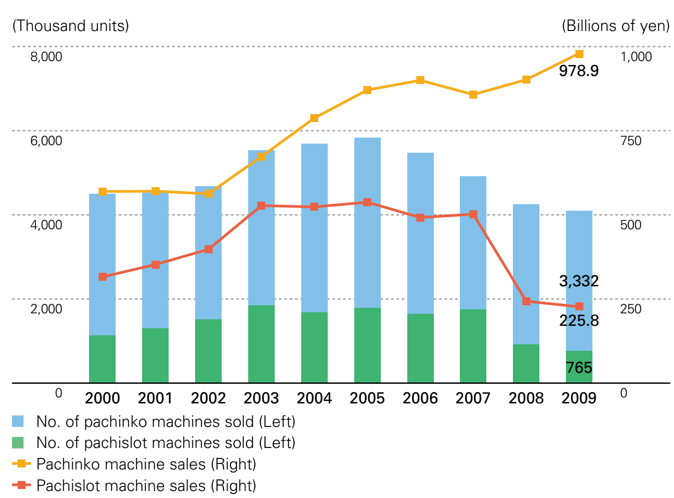
Number of Pachinko Halls and Machines Installed Per Hall



Number of Machines Installed and Annual Turnover



Scale of the Machine Sales Market



Source: "2010 White Paper on Leisure," published by Japan Productivity Center; "2010 Trend and Market Share of Pachinko Related Manufacturers" published by Yano Research Institute Ltd.; some Company estimates

FULFILLING OUR RESPONSIBILITY TO SOCIETY

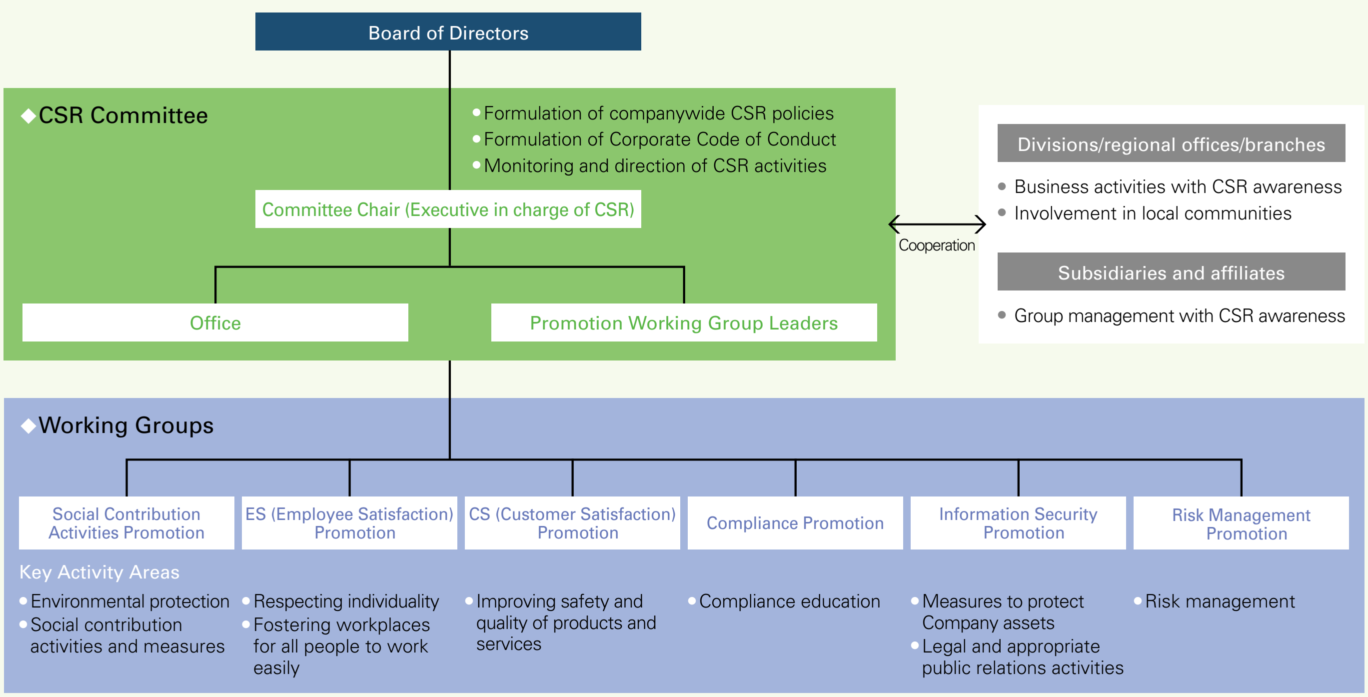
Corporate Social Responsibility (CSR)

Basic Approach to CSR

Fields' mission is to provide "The Greatest Leisure for All People" through products and services that bring fulfilling entertainment for a society that is enjoying increasing leisure time. Through our dedicated pursuit of this mission we believe that our business activities are contributing to the creation of richer lives both for individuals and for society as a whole. This is our basic approach to CSR.

In May 2008, Fields established a CSR Committee as a cross-company organization that is responsible for entrenching this basic approach in our business activities and ensuring we fulfill our corporate social responsibility. The CSR Committee has established 6 working groups under its supervision to promote 6 key CSR activities for Fields. These working groups take the lead in promoting CSR activities to fulfill Fields' responsibilities to society. We also work with each department and Group company to undertake comprehensive, strategic CSR activities, ensuring that the different parts of Fields are able to contribute to all our various stakeholders.

CSR Structure



Role of the CSR Committee

Chaired by the executive in charge of CSR, the CSR Committee is made up of the leaders of CSR promotion working groups and administration staff. The CSR Committee formulates policies relating to CSR management, approves the Corporate Code of Conduct, and monitors the CSR promotion activities run by each promotion working group.

Role of Working Groups

The CSR promotion working groups autonomously plan and execute concrete measures based on their respective activity policies. They make timely progress reports about their activities to the Office, and report quarterly to the CSR Committee.

Activity Policies

◆Social Contribution Activities Promotion

With the goal of coexisting in harmony with the global environment and building excellent relationships with stakeholders connected with Fields' business, Fields will implement strategies to protect the environment and contribute to society.

◆ES (Employee Satisfaction) Promotion

Fields believes that it is vital to foster a corporate culture, environment and values that allow employees to feel happy, in order to bring happiness to customers and trading partners. To this end we insist on respect for the individuality of employees and take steps to create a working environment where employees can feel secure and relaxed as they work.

◆CS (Customer Satisfaction) Promotion

Fields aims to delight customers and trading partners and to earn their trust and faith. We will achieve this through measures to improve the safety and quality of the products and services we provide.

◆Compliance Promotion

Compliance is an important aspect of earning the trust and faith of all stakeholders connected with Fields' business. We must ensure that all our business activities are carried out appropriately and legally. We will carry out measures to foster not only adherence to laws and regulations among our employees, but also a strong sense of ethics and morals.

◆Information Security Promotion

Part of earning the trust and faith of our stakeholders connected with Fields' business involves acquiring, maintaining, managing and utilizing Fields' company information and intellectual property in a way that is both legal and appropriate. We will set rules around these important tangible and intangible Company assets, and take steps to ensure they are known and followed throughout the Company.

◆Risk Management Promotion

Fields prioritizes safety in its business activities. To ensure the safety of employees and other persons connected with Fields, we have developed preventative measures and countermeasures against the occurrence of not only accidents and disasters, but all risks relating to our business in general. We have also built a framework for avoiding and reducing risks, and minimizing the impact if they should materialize.

Examples of Activities for April 2009 through August 2010

◆Social Contribution Activities

Establishment of the Okinawa Working Center to Promote Employment for People with Disabilities

To promote employment for people with disabilities, Fields established the Okinawa Working Center in Okinawa Prefecture, in April 2010. We used the nationwide remote employment services of WINGLE Co., Ltd. for staffing the center. The local staff at the center help with human resources management operations and other internal administrative work, and their efforts have made a big contribution to raising the overall productivity of our administrative division. Fields will continue to create employment opportunities for people with disabilities, and strive to create a richer society by developing working environments that allow all employees to make their best contribution.


Okinawa Working Center Office

Promoting Measures for the Global Environment (Switching to eco-cars and power-saving office equipment)

As the problem of global warming grows more serious, Fields has taken positive actions to help Japan achieve its targets for reducing greenhouse gas emissions under the Kyoto Protocol.

In our sales divisions, as of March 2010 we had replaced 120 cars in our 210 vehicle fleet with eco-cars that have a low impact on the environment. We plan to replace all 210 vehicles by June 2012. We expect this initiative to reduce our annual CO_2 emissions by about 480 tons, a 33% reduction. This is roughly equivalent to the amount of CO_2 which would be absorbed by about 30,000 cedar trees in 1 year.

We are also in the process of consolidating our office equipment, and are systematically changing all our multi-function printers to environmentally friendly energy-saving models (Fuji Xerox ApeosPort-IV). This changeover is expected to reduce annual CO_2 emissions by 6.6 tons, a reduction of 26.8%, which is roughly equivalent to the yearly amount absorbed by 470 cedar trees.


Eco-cars introduced at the Nagoya branch office

* The amount of CO_2 absorbed by a single cedar tree in one year is approximately 14 kg according to the Forest Sink Measures to Prevent Global Warming by the Japanese Ministry of the Environment and Forestry Agency.
* Data on multi-function printers provided by Fuji Xerox Co., Ltd.

◆Other Initiatives

Co-sponsorship of a charity golf tournament

Creation of a CSR website

Participation in the Team Minus 6% initiative to reduce Japan's greenhouse gas emissions by 6%

Cooperation with the Ecocap Movement to recycle bottle caps to fund vaccines for children in developing countries

Promotion of the "Cool Biz" initiative to encourage employees to wear less formal clothing as a way of cutting down on air conditioning use

Signboard for THE LEGEND CHARITY PRO-AM TOURNAMENT

"Cool Biz" notice to employees


CSR website top page

◆Other Activities

Renewal of ISO 9001:2008, the latest standard in Certification for Quality Management

In January 1999, Fields was awarded the internationally recognized ISO 9002:1994 certification for its quality management system. Since then, we have worked continuously to improve service quality, transitioning to ISO 9001:2000 certification in December 2002, and then to ISO 9001:2008 (JIS Q9001:2008), the latest version of this standard, in July 2010.

For Fields, providing clients with superior service quality is vital to the Company's continued survival, and is an essential key to promoting its growth and development. Recognizing this, we view sales activities as synonymous with service quality, and remain dedicated to continuously improving our quality management system.

As we deploy measures to improve our quality management system further, every employee will move with a keen awareness of the importance of service quality to earn the trust of society and our customers.

ISO 9001:2008 certificate

Renewal of ISO 27001:2005 Certification for Information Security Management

Following the acquisition of the ISO 9001:2000 quality management system certification in 2002, Fields obtained international ISO/IEC 27001:2005 certification and domestically recognized JIS Q 27001:2006 certification for its information security management system in August 2007, and renewed these certifications in August 2010. In light of growing interest in the management of information assets accompanying the rapid advance of information technology in recent years, the Company pursued these certifications as a means to continuously strengthen its information security measures, viewing this task as a social responsibility. Certification by an objective third party is a strong acknowledgment that the security measures promoted by the Company are of an internationally recognized level.

At our head office, branches and regional offices we have introduced a secure printing system utilizing employee IC identification cards as a measure to bolster our information management system. Going forward, as we pursue additional measures to improve the system, every employee will act with a keen awareness of the importance of information security to earn the trust of society and our customers.

ISO 27001:2005 certificate

◆Other Initiatives

Promotion of influenza vaccinations for staff with full coverage of the vaccine cost.

New attendance management system using employee identification cards

Joined the Fukuri Kosei Club (Relo Club)

Group education on compliance at head office, branches and regional offices

Distributed wire locks for PC security

Introduced a secure printing system using employee identification cards

Established a crisis management committee

Attendance management system

Secure printing system

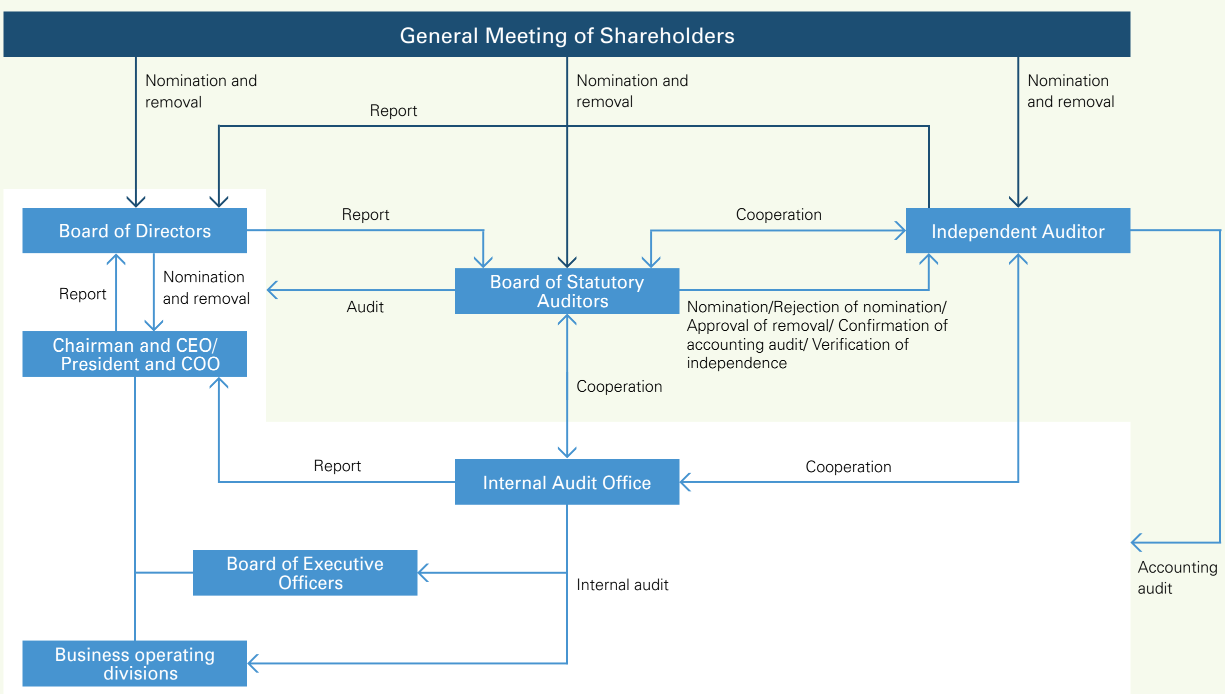
Corporate Governance

Basic Approach to Corporate Governance

Fields' corporate philosophy is to provide "The Greatest Leisure for All People," with the sustainable increase in corporate value based on this philosophy as the basic principle guiding Company management.

To realize this basic policy, we enhance our corporate governance system by advancing reforms in our management structures and institutions within the framework of the Board of Directors, the Board of Statutory Auditors, the Independent Auditor and the Board of Executive Officers. Within this context, we have appointed one outside director and 4 outside auditors with the goal of further bolstering oversight functions. The Fields Group, comprising the Company and its consolidated subsidiaries, conducts corporate management in line with mutually agreed-upon management plans, following careful deliberation of policies and initiatives based on the Group's management philosophy. In parallel, we strive to improve the corporate value of the entire Group through rigorous adherence to standards for extending financing to or exiting from Group companies.

Corporate Governance System



Details of Corporate Functions and Internal Control System (As of July 6, 2010)

Matters related to corporate governance	Details
Governance format	Company with Board of Statutory Auditors system
Chairman of the Board of Directors	President
Number of directors (outside directors)	10 (1)
Board of Directors' meetings in fiscal year ended March 31, 2010	20
Number of statutory auditors (outside auditors)	4 (4)
Board of Statutory Auditors' meetings in fiscal year ended March 31, 2010	20
Board of Directors' meetings attended by outside auditors in fiscal year ended March 31, 2010	Shigeru Matsushita: 20; Tadao Koike: 19; Yoshika Furuta: 20; Koichiro Nakamoto: 18
Attendance at Board of Statutory Auditors' meetings in fiscal year ended March 31, 2010	Shigeru Matsushita: 20; Tadao Koike: 20; Yoshika Furuta: 20; Koichiro Nakamoto: 16
Independent auditor	BDO Sanyu & Co.
Internal audit division	Internal Audit Office

◆Oversight and Execution of Management

The Board of Directors comprises 10 directors (including 1 outside director) and makes decisions on execution of business for the Company. It also has authority to monitor directors' execution of their duties. The Board of Directors meets once a month and holds ad hoc meetings as necessary to make decisions on important management matters, and report on and monitor the status of business execution. This system allows for quick management decisions to be made. In addition, Fields has a comprehensive set of regulations covering all business operations throughout the Company. These clearly documented rules underpin a system for business execution in which the authority and responsibility of each position in the Company is clearly laid out.

◆Statutory Auditors, Board of Statutory Auditors and Internal Audits

Fields has a Board of Statutory Auditors comprising 4 statutory auditors, all of whom are outside auditors. The statutory auditors attend important meetings in the Company, including Board of Directors' meetings, and offer their opinions. They also interview each division and examine decision-making related documents to conduct audits. This allows them to monitor the directors' execution of duties.

Fields has also established an internal audit organization in the form of the Internal Audit Office, which reports directly to the President & COO. The office has 3 members, including a General Manager. These 3 members follow an internal audit plan decided at the start of the fiscal year to conduct regular evaluations of internal controls and internal audits governing general business activities at the Company and its subsidiaries. The office offers advice and recommendations for improving business execution based on the results of these evaluations and audits.

The Internal Audit Office also attends the monthly meetings of the Board of Statutory Auditors, and the Company makes opportunities for statutory auditors to talk with directors and key personnel on an individual basis. In addition, the Board of Statutory Auditors and the Internal Audit Office have a quarterly meeting with the Independent Auditor to exchange opinions. During the interim and end-of-year audits of the Company, its branch offices and affiliated companies by the Independent Auditor, the Board of Statutory Auditors and Internal Audit Office attend as needed and keep in contact in other ways to bolster the auditing functions.

Fields operates a rigorous and appropriate system of checks through internal audits, and audits of the statutory auditors and Independent Auditor. In this way the Company works to strengthen supervisory functions and achieve more transparent business management.

Policy on Setting Compensation

In accordance with the 19th Annual General Meeting of Shareholders resolution of June 27, 2007, the annual compensation amount for directors was set at within ¥800 million (including an amount within ¥50 million for compensation of outside directors). At the 17th Annual General Meeting of Shareholders held on June 29, 2005, the annual compensation amount for statutory auditors was set at within ¥50 million.

The amount of compensation paid to directors in the fiscal year ended March 31, 2010 was ¥615 million (of which ¥14 million was paid to the outside director), while the total amount of compensation paid to statutory auditors was ¥18 million. The numbers of persons receiving payment were 11 directors (including 1 director who retired as of March 31, 2010) and 4 statutory auditors.

Disclosure of the Results of Voting at the Annual General Meeting of Shareholders

At the 22nd Annual General Meeting of Shareholders held on June 23, 2010, shareholders approved a proposal for disposition of surplus (¥2,500 per share, ¥830 million in total). The voting results were as follows.

For	Against	Abstentions	Prerequisites for approval	Result	Percentage in agreement
264,273	509	730	Simple majority of votes in agreement from shareholders in attendance	Approved	99.53%

Strengthening Compliance and Risk Management

Fields has appointed a director responsible for compliance, created compliance-related regulations and adopted an internal reporting system; it also conducts compliance education and training programs for directors and employees. The Internal Audit Office audits the status of compliance operation, reporting the results periodically to the President and Board of Statutory Auditors.

In creating a risk management system, Fields has appointed a director responsible for risk management, formulates risk management regulations, monitors market, investment, disaster and other risks, and addresses risks on a Companywide basis. Moreover, each division has a department responsible for managing risks associated with its respective operations. The Internal Audit Office audits the status of normal risk management conducted by each division, reporting the results to the President and the Board of Statutory Auditors.

In managing legal risk, Fields has all contracts centrally managed by the Legal Division and, as a rule, all important contracts receive a legal check from a legal advisor to avoid any unexpected risks. For other risks relating to business and other areas recognized by the Company, please refer to page 40.

Internal Control System

Since April 2006, Fields has been working to build a management structure that encourages further growth. As part of this effort, in October 2007 we revamped our information systems in order to provide a flexible structure able to cope with business expansion. We also introduced a core business operation system featuring J-SOX-compliant internal control functions and information security functions and strengthened our system infrastructure. These moves have made business issues more visible, accelerated our decision-making process and made our internal control functions an integral part of our structure.

◆System for Ensuring Reliable Financial Reporting

In accordance with the provisions of Japan's Financial Instruments and Exchange Act and other laws, Fields has created and operates a system for internal control over financial reporting, and carries out ongoing evaluation of the system to ensure that it is functioning properly, amending it as required.

◆Duty to Create and Explain an Information Disclosure System

Fields strives to disclose information to all stakeholders, including shareholders and investors, in a manner that is timely, unbiased, accurate and continuous. The Company undertakes investor relations (IR) activities with the goal of building relationships of trust with a greater number of people. Specifically, we have formulated an IR policy and made this public. We also disclose information on an IR section of our website dedicated to investor information, and publish an annual report and shareholders' newsletter. Other IR activities include Company information presentations given by the President for individual investors throughout Japan, and quarterly financial presentations for analysts and institutional investors.

Furthermore, the Company actively works to improve direct communication with all of its stakeholders, and the Management shares information about stakeholders' requests and evaluations throughout the entire Company, to help improve management and raise corporate value.

◆Basic Stance on Rejection of Antisocial Forces and Preparatory Measures

Basic Stand on Rejection of Antisocial Forces

Fields conducts sound corporate management, and strongly rejects any attempts by antisocial forces to influence management activities. The Company deals firmly at an organization level with any contact from antisocial forces or organizations.

Preparatory Measures for Rejecting Antisocial Forces

Fields has distributed a common Corporate Code of Conduct to all executives and employees, which clearly explains the Company's resolute rejection of any relationship with antisocial forces or organizations that threaten the social order of society or public safety. Specifically, we have designated a department that participates in liaison meetings run by the police department in charge of the area and other relevant organizations, and participates in other external specialist organizations, following their guidance. We attend talks, courses and seminars to gather and manage information about the issue. We have also created a response manual and use this to thoroughly educate our employees about this issue.

Comment From an Outside Auditor

Fields' Board of Statutory Auditors operates from a perspective of an alternative management body. It acts as a healthy restraining force, striving to maintain and build on the trust Fields has earned from society to promote sustained growth. The Board of Statutory Auditors has 3 important characteristics as follows.

1) All four statutory auditors are outside auditors. None of us has worked in an executive capacity in the Company. We are therefore strongly independent people from outside of the organization.
2) Each statutory auditor has different fields of expertise. One is a tax specialist with many years experience dealing with national tax affairs. Another is an experienced attorney at law. A third is a veteran of the primary securities market who was in charge of contracting business processes as an officer of a major securities firm. The fourth auditor is an economist who worked in a bank and a think-tank. This diverse array of expertise helps to enhance the Board's auditing activities.
3) The Board of Directors allows the statutory auditors to speak out freely at any time. That is the kind of executive culture that has been fostered.

Going forward, the Board of Statutory Auditors' sole aim is to continue working persistently to embed sound business practices even further into Fields' activities. There are no shortcuts to becoming a company with true character. We intend to ensure Fields stays on the right moral path, working step by step to achieve this goal through dialogue-driven investigations, and correction based on persuasion.

August 2010

Shigeru Matsushita
Standing Auditor

Directors, Corporate Auditors and Executive Officers (As of October 1, 2010)

Chairman & CEO	Hidetoshi Yamamoto
President & COO	Takashi Oya
Senior Managing Director; Responsible for Group Business and Division Manager, Business Division	Tetsuya Shigematsu
Senior Managing Director; Responsible for Pachinko/Pachislot Business	Kiyoharu Akiyama
Managing Director; Division Manager, Development Division	Masakazu Kurihara
Outside Director	Shigesato Itoi
Director; Division Manager, Planning and Administration Division	Hiroyuki Yamanaka
Director; Division Manager, Corporate Division	Hideo Ito
Director; Division Manager, Sales Division	Akira Fujii
Director; General Manager, Office of the Chairman	Toru Suenaga
Standing Auditor	Shigeru Matsushita
Auditor	Tadao Koike
Auditor	Yoshika Furuta
Auditor	Koichiro Nakamoto
Executive Officer; Deputy Senior General Manager, Planning and Administration Division	Kenichi Ozawa
Executive Officer; General Manager, Corporate Communications Office	Hideaki Hatanaka
Executive Officer; Deputy Senior General Manager, Development Division	Teruo Fujishima
Executive Officer; General Manager, Branch Administration Department, Sales Division	Hideo Wakazono
Executive Officer; General Manager, Business Promotion Department, Business Division; Executive Producer	Yosuke Ozawa
Executive Officer; Vice General Manager, Finance and Budget Department, Planning and Administration Division	Soichi Kasuya
Executive Officer; (Development Division)	Yusuke Kurokawa
Executive Officer; Executive Producer, Business Division (Digital Frontier Inc. Representative Director/President)	Hidenori Ueki
Executive Officer; Executive Producer, Business Division (Lucent Pictures Entertainment, Inc. Representative Corporate Executive)	Eiichi Kamagata
Executive Officer; Executive Producer, Business Division (Japan Sports Marketing Inc. Representative Director/President)	Nobuyuki Kikuchi

33 Financial Section

MANAGEMENT'S ANALYSIS OF FINANCIAL POSITION AND BUSINESS RESULTS

Consolidated Financial Highlights

	Year Ended March 31, 2004	Year Ended March 31, 2005	Year Ended March 31, 2006	Year Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2009	**Year Ended March 31, 2010**
Results of Operations (millions of yen):							
Net sales	¥66,211	¥81,658	¥ 96,814	¥ 85,321	¥101,818	¥ 73,035	**¥ 66,342**
Gross profit	21,578	24,752	29,737	29,248	34,544	24,024	**26,889**
Gross profit margin (%)	32.6	30.3	30.7	34.3	33.9	32.9	**40.5**
Operating income	11,866	12,097	12,348	8,944	13,158	1,960	**8,124**
Operating margin (%)	17.9	14.8	12.8	10.5	12.9	2.7	**12.2**
Net income (loss)	6,620	6,926	7,085	3,710	5,296	(1,481)	**3,289**
Net margin (%)	10.0	8.5	7.3	4.3	5.2	—	**5.0**
Financial Position (millions of yen):							
Total assets	37,115	72,584	87,556	66,081	69,168	52,064	**81,329**
Net assets	14,507	33,426	39,411	42,836	46,331	39,496	**41,187**
Shareholders' equity	14,507	33,426	39,411	41,115	44,485	39,463	**41,064**
Cash Flows (millions of yen)							
Cash flows from operating activities	851	2,965	6,164	5,293	11,127	4,147	**8,429**
Cash flows from investing activities	(3,190)	(5,257)	(2,224)	(4,772)	(14,604)	(6,182)	**(1,011)**
Cash flows from financing activities	2,029	10,177	(1,540)	1,488	(1,384)	602	**(2,687)**
Per-share Data (yen):							
Earnings (loss) per share	¥40,465	¥19,888	¥ 20,118	¥ 10,692	¥ 15,263	¥ (4,271)	**¥ 9,796**
Net assets per share	89,305	96,026	113,275	118,487	128,201	117,326	**123,645**
Dividends per share	24,000	4,000	4,000	4,000	4,500	4,500	**4,500**
Key Financial Indicators (%):							
Return (loss) on equity (ROE)	56.9	28.9	19.5	9.2	12.4	(3.5)	**8.2**
Return on assets (ROA)	45.0	22.8	16.4	12.0	17.3	1.6	**11.6**
Shareholders' equity ratio	39.1	46.0	45.0	62.2	64.3	75.8	**50.5**
Payout ratio*	20.1	20.7	20.3	37.4	29.5	—	**45.9**

* Payout ratios for the years ended March 31, 2004 to March 31, 2006 are non-consolidated.

Overview

Business Environment

In the year ended March 31, 2010 (April 1, 2009–March 31, 2010), the Japanese economy gradually recovered from its freefall in the latter half of 2008. Emerging economies were first to pick up, and a recovery in exports followed, bringing improved business sentiment, particularly in the manufacturing industry. However, Japan was unable to escape deflationary pressures because of excess supply across the economy as a whole.

In the leisure market, although consumers continued to exercise restraint because of economic conditions, there were signs of more activity thanks to new technologies creating new markets and other developments.

The pachinko/pachislot market is being called upon today to grow into a purveyor of good quality entertainment that is capable of creating a new population of fans. At pachinko halls nationwide, there has been increasing demand for pachinko machines which are rich in entertainment value to extend the fan base and promote steady utilization. At the same time, as pachislot manufacturers have made efforts to develop and gradually introduce pachislot machines with improved gaming and entertainment features, the pachislot market now seems to have bottomed out.

General Overview

As Japanese society matures in the 21st century, we recognize that the amount of leisure time people have is clearly increasing, and we expect this trend to continue in the future. Individual tastes mean that people seek to spend their time in diverse ways, giving rise to a variety of demand that provides us with many business opportunities.

The Group has grown its business by anticipating changes in the lifestyles and environments of people in terms of their leisure time and finding business opportunities in order to realize its corporate philosophy of "The Greatest Leisure for All People." In particular, we have come to understand the vital role that digital content plays as the basis for creating a competitive edge as a corporation. We have therefore been working to acquire, create and nurture highly entertaining intellectual property (IP) that can be used in the pachinko/pachislot fields as well as content which can attract new types of customers. In recent years, the Group has expanded in diverse fields of entertainment, ranging from video to mobile content, animation, publishing and sports.

In the fiscal year ended March 31, 2010, the Company actively introduced machines with high gaming and entertainment value to cater to market needs in line with its initial strategy of seeking to raise profitability by concentrating management resources on its core Pachinko/pachislot business. Furthermore, the Company launched new innovative titles that had been set as milestones under its mid-term management plan, earning strong support for its efforts to invigorate the pachinko/pachislot market. Meanwhile, in our Group Business we pushed steadily ahead with efforts to rebuild the group portfolio and made progress largely in line with plans.

Business Results

Net Sales

Consolidated net sales in the year ended March 31, 2010 amounted to ¥66,342 million, down 9.2% year on year. This mainly reflected the deconsolidation of D3 Inc. following the sale of its shares in the previous fiscal year.

Gross Profit

Gross profit was ¥26,889 million, 11.9% higher year on year, the result of strong pachinko machine sales in the Pachinko/pachislot (PS) Field, and increased sales of pachislot machines (purchasing and sales).

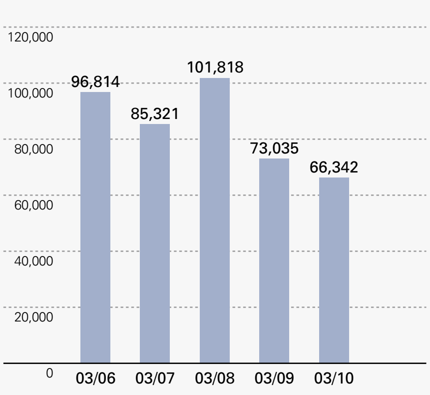
Selling, General and Administrative Expenses

Selling, general and administrative expenses declined 15.0% to ¥18,764 million due mainly to the deconsolidation of D3 Inc. through sale of shares in the fiscal year ended March 31, 2009.

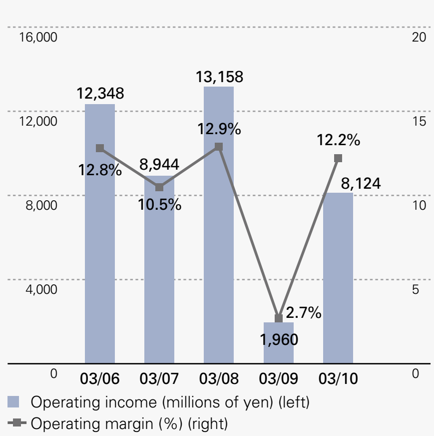
Operating Income

Operating income surged 314.3% to ¥8,124 million on the back of strong machine sales, as well as a more robust earnings structure at all companies resulting from group reorganization and other actions since 2009.

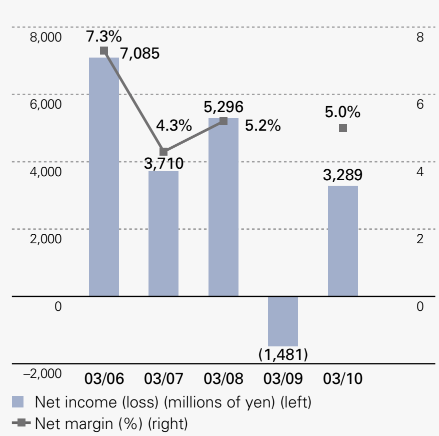
Net Sales



Operating Income/Operating Margin



Net Income (Loss) and Net Margin



Segment Overview

• By Operating Segment

Pachinko/pachislot (PS) Field Segment

Fields Corporation continued to strive in the field of planning and developing pachinko/pachislot machines to ensure growth for the future. The pachinko machine sales business in the fiscal year ended March 31, 2010 recorded unit sales of 330,734, up 63.3% year on year, as it launched a total of 5 new machines. These included *CR Neon Genesis Evangelion—The Beginning and the End*, which recorded cumulative unit sales of 237,000 machines, the highest sales for the *Evangelion* series, as well as *CR Shimizu no Jirocho—The Bonds of Life*, the first example in the industry of a pachinko machine tie-in with a TV drama.

In the pachislot machine sales business, the Company sold 119,146 units, down 7.4% year on year, despite some positive developments. In particular, *Neon Genesis Evangelion—Die Spur der SEELE*, the latest pachislot title of the *Evangelion* series released in March 2010, was highly acclaimed in the marketplace and has recorded sales totaling over 80,000 machines (the model is still on sale and its sales during the year ended March 31, 2010 totaled 74,990). In addition, *Onimusha: Dawn of Dreams*, the first new pachislot machine launched to commemorate Rodeo Co., Ltd.'s 10th anniversary, has recorded strong sales amounting to over 49,000 machines (the model is still on sale and its sales during the year ended March 31, 2010 totaled 27,199 machines).

As a result, the PS Field recorded net sales of ¥62,379 million, a year-on-year increase of 11.9%, and operating income of ¥8,133 million, up 101.7%.

Mobile Field Segment

During the year ended March 31, 2010, to promote the mobile content platform operated by FutureScope Corporation, the Company implemented strategies to accelerate the enrollment of paying members and minimize membership cancellations. The number of paying members for Fields Mobile, a mainstay mobile content platform, reached approximately 400,000 (as of March 31, 2010). FutureScope Corporation continued to realign the content portfolio of existing service offerings and to investigate ideas for new services. As a result, the Mobile Field posted net sales of ¥1,821 million, up 13.2%, and operating income of ¥393 million, down 13.7%.

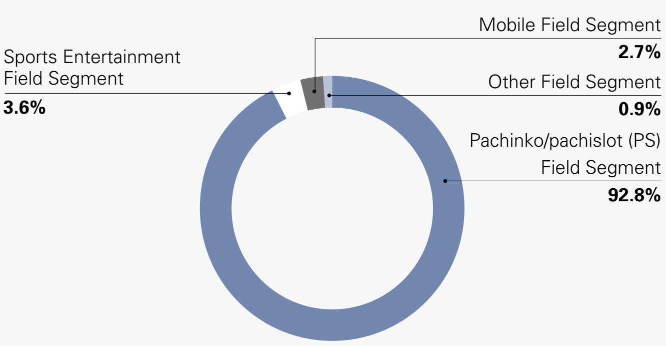
Sports Entertainment Field Segment

During the year ended March 31, 2010, we promoted measures for reinforcing profitability in the future under a new system. Specifically, we implemented strategies to add greater value to the roster of athletes retained in our athlete management business, creating more opportunities to generate earnings. Actions included stepping up athlete management services tied to Total Workout, a sports gym we manage, and strengthening Web-based marketing operations. As a result, the Sports Entertainment Field posted net sales of ¥2,416 million, down 32.7% year on year, and an operating loss of ¥324 million, compared with an operating loss of ¥537 million in the previous fiscal year.

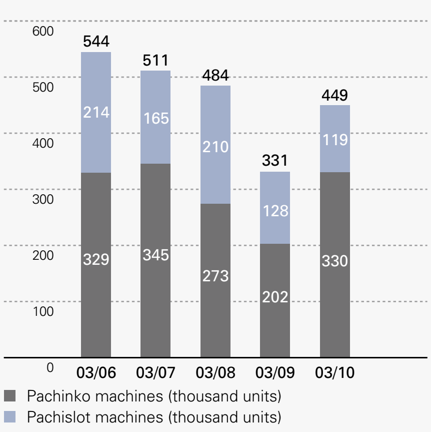
Other Field Segment

During the year ended March 31, 2010, Lucent Pictures Entertainment, Inc., an animation planning and production company, was actively involved in a group business to capture synergies—this business aims to enhance the quality of animation production in the PS Field. Furthermore, the company made further progress in commercializing its proprietary 3D image technology in a market where this type of technology is attracting worldwide attention as the next generation of visual expression. As a result of the above, the Other Field posted net sales of ¥619 million, up 419.7% year on year, and an operating loss of ¥70 million, an improvement from the operating loss of ¥584 million in the previous fiscal year.

Proportion of Sales by Segment



Number of Pachinko/pachislot Machines Sold



Other Income (Expenses) and Net Income (Loss)

In other income (expenses) for the fiscal year ended March 31, 2010, the Company recorded a gain on sale of property and equipment, but also recorded a loss on disposal of property and equipment. This resulted in net other expenses of ¥906 million, compared with net other expenses of ¥4,540 million in the previous fiscal year.

Income before income taxes and minority interests was ¥7,218 million, compared with a loss before income taxes and minority interests of ¥2,579 million in the previous fiscal year.

Net income was ¥3,289 million, compared with a net loss of ¥1,481 million in the previous fiscal year.

Dividends

Fields considers improving corporate value to be a crucial management issue, and makes the appropriate return of profit to shareholders a basic policy. Dividend amounts are determined in consideration of factors such as business profits and the Company's cash flow situation, but in general we aim for a standard of a consolidated payout ratio of 20% or higher.

With regard to internal reserves, our policy is to use them effectively in investments intended to strengthen the Company's financial position and management base and ensure continued business expansion and competitiveness.

The dividend applicable to the year ended March 31, 2010 was ¥4,500 per share, equating to a consolidated payout ratio of 45.9%.

Income Structure for Pachinko/pachislot Business

Net Sales

The Company sells pachinko/pachislot machines through 2 different channels: distribution sales, which are direct sales through the activities of our branch offices, and agency sales, which are indirect sales through brokering activities.

In distribution sales, we purchase pachinko/pachislot machines from manufacturers and sell them to users (pachinko halls). In agency sales, on the other hand, we operate as an agent for pachinko/pachislot machines and receive commissions from pachinko/pachislot machine manufacturers for such services as: (a) arranging sales/purchase agreements on behalf of pachinko/pachislot manufacturers and pachinko halls, (b) collecting sales for machines, (c) preparing for the opening of pachinko halls on their behalf, and (d) providing after-sales services.

Net sales for distribution and agency sales are reported separately.

For distribution sales we record the sales amount for machines sold to pachinko halls, while for agency sales we record sales commissions paid by manufacturers.

Since we use 2 different sales channels, our net sales are affected by the relative balance of distribution and agency sales.

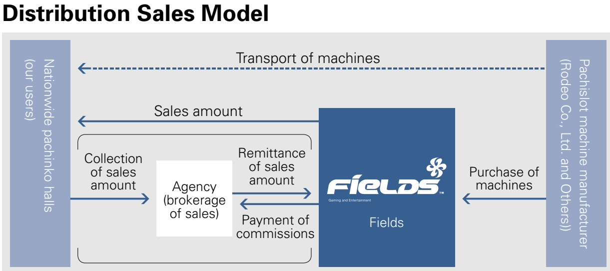
Cost of Sales

Purchase costs of pachislot machines represent a major part of the cost of sales for the Group based on distribution sales. Sales commissions we pay to secondary agencies for the sales of pachinko/pachislot machines are also included in these costs.

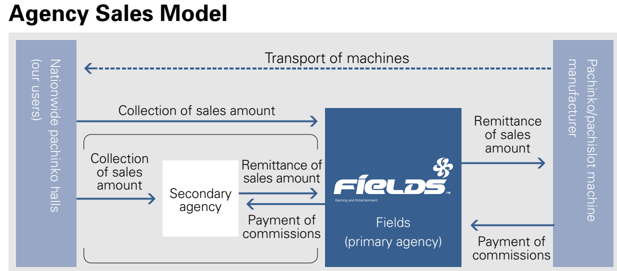
Selling, General and Administrative Expenses (SG&A)

SG&A expenses of the Group primarily consist of personnel expenses for sales staff and other employees along with land and facility rent. Other major items under SG&A include advertising and marketing expenses. These costs principally comprise the cost of participating in exhibitions as well as TV and newspaper promotion expenditures.

Distribution Sales Model



Agency Sales Model



Financial

Assets

Current assets at March 31, 2010 amounted to ¥56,694 million, up ¥31,559 million from March 31, 2009. This was mainly attributable to an increase in cash and cash equivalents due to strong machine sales, an increase in notes and accounts receivable—trade due to sales of pachislot machines (purchasing and sales), mainly of popular titles in the 4th quarter, and a decrease in other receivables.

Property and equipment, net amounted to ¥9,721 million, down ¥1,177 million from March 31, 2009. This primarily reflected the sale of buildings and land of the Tokyo Office and the disposal of buildings and such like, in conjunction with the preparation of the Osaka Branch.

Investments and other assets amounted to ¥14,911 million, down ¥1,118 million from March 31, 2009. The principal factor behind this was a decrease in deferred tax assets.

As a result of the above, total assets at March 31, 2010 amounted to ¥81,329 million, up ¥29,264 million year on year.

Liabilities and Net Assets

Current liabilities increased ¥28,298 million to ¥35,845 million. This primarily reflected increases in notes and accounts payable—trade due to sales of pachislot machines (purchasing and sales) and income taxes payable as profit increased.

Long-term liabilities amounted to ¥4,295 million, a decline of ¥725 million from March 31, 2009. This was mainly attributable to the redemption of corporate bonds.

Net assets amounted to ¥41,187 million, up ¥1,690 million from March 31, 2009. This primarily reflected an increase in retained earnings. The shareholders' equity ratio decreased from 75.8% at March 31, 2009 to 50.5% at March 31, 2010 due to increases in notes and accounts receivable—trade and notes and accounts payable—trade.

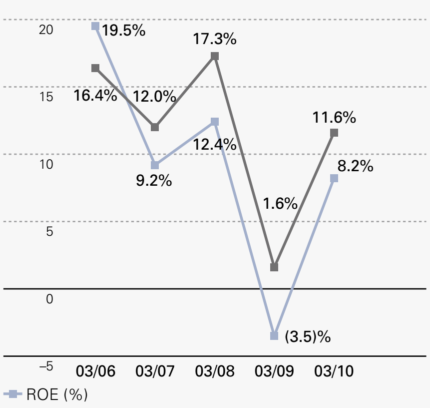
As a result of the above, total liabilities and net assets amounted to ¥81,329 million, up ¥29,264 million from March 31, 2009.

Fund Procurement

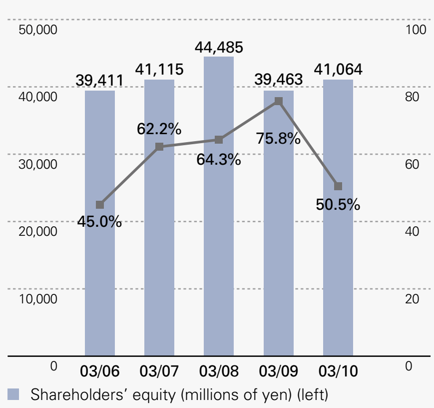
The Group is seeking to expand its business fields. However, positioning growth founded on stability as its basic capital policy, the Company continues to maintain its financial condition without relying on borrowings. As of March 31, 2010, the Company had not raised any funds through borrowing.

In order to procure funds efficiently when they are needed, the Group has concluded overdraft agreements with 4 banks with which it does business. Based on these agreements, as of March 31, 2010, the total overdraft limit and the balance of untapped loans amounted to ¥19,000 million.

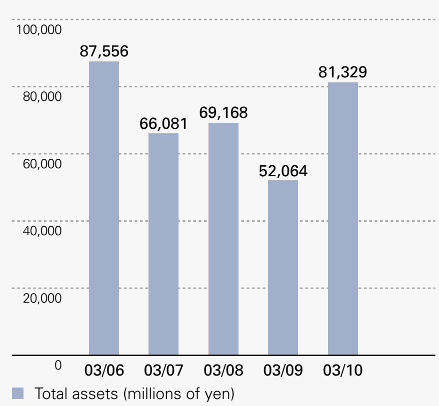
ROE and ROA



Shareholders' Equity and Shareholders' Equity Ratio



Total Assets



Cash Flows

The balance of cash and cash equivalents at the end of March 2010 was ¥15,906 million, an increase of ¥4,725 million from the end of the previous fiscal year.

It is the Company's basic policy to conduct all business investments within the scope of free cash flows.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥8,429 million, compared with ¥4,147 million in the previous fiscal year. The principal factors were ¥7,218 million in income before income taxes and minority interests, an increase of ¥27,896 million in notes and accounts receivable—trade, an increase of ¥23,910 million in accounts payable—trade, and ¥2,443 million in income taxes refunded.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥1,011 million, compared with ¥6,182 million in the previous fiscal year. The principal factors were proceeds from sale of property and equipment totaling ¥615 million, purchases of property and equipment totaling ¥470 million and purchases of intangible assets totaling ¥449 million.

Cash Flows from Financing Activities

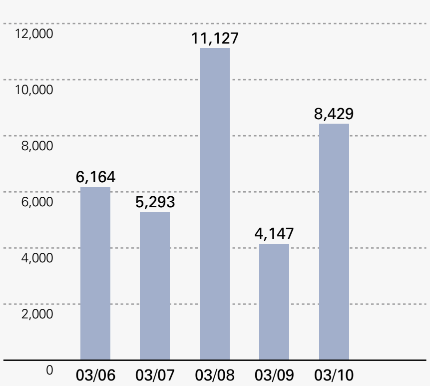
Net cash used in financing activities amounted to ¥2,687 million, compared with net cash provided by financing activities of ¥602 million in the previous fiscal year. The principal factors were cash dividends paid totaling ¥1,511 million, ¥720 million in redemption of corporate bonds, and ¥456 million for the purchase of treasury stock.

Future Outlook

With "The Greatest Leisure for All People" as its corporate philosophy, the Group has long recognized that the strategy of utilizing digital content for multiple purposes is the basis of its competitive edge. Therefore, we have steadily expanded our businesses in a broader range of entertainment fields, including pachinko/pachislot, video, mobile content, animation, publishing and sports, seeking to acquire, create and nurture intellectual property (IP) with highly entertaining elements as well as content that can generate a new class of fans.

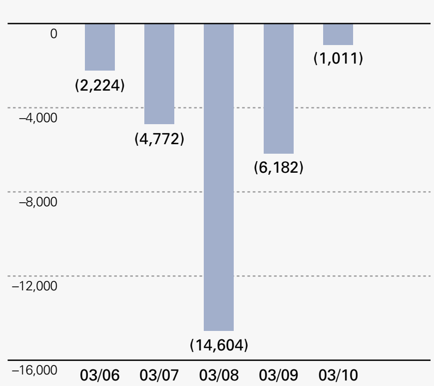
In April 2008, the Group launched a mid-term management plan with the goals of creating new leisure businesses and realizing a vision for the Group 10 years down the road. This ongoing plan set the goal of achieving operating income of over ¥25.0 billion in the fiscal year ending March 31, 2014. In addition to leveraging our advanced planning and development capabilities to introduce a full lineup of pachinko/pachislot machines, we anticipate that profits from our Group business, where our investments are beginning to come full circle and form a revenue base, will contribute about 20% to achieving this target. Going forward, we will actively invest in new business opportunities such as M&As and new businesses in order to become a pioneer in the time-spending leisure market.

Cash Flows From Operating Activities



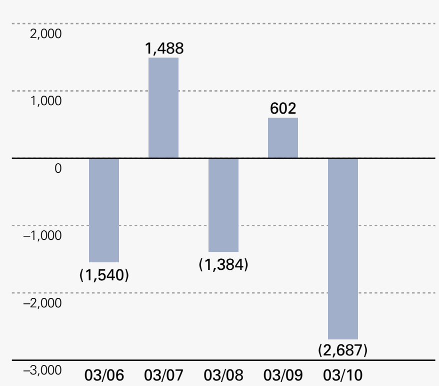
Cash flows from operating activities (millions of yen)

Cash Flows From Investing Activities



Cash flows from investing activities (millions of yen)

Cash Flows From Financing Activities



Cash flows from financing activities (millions of yen)

Outlook for the Year Ending March 31, 2011

In accordance with its mid-term management plan, the Company has focused not only on enhancing planning and development capabilities in the Pachinko/pachislot (PS) Field, but also on strengthening foundations in entertainment fields. As part of these efforts, in April 2010, Tsuburaya Productions Co., Ltd., holder of the "Ultraman Series" and other titles, and Digital Frontier Inc., one of Japan's major computer graphics (CG) production companies, were newly consolidated as Company subsidiaries. Furthermore, the Company and Shogakukan Creative Inc. jointly established a new publishing company called HERO'S, with the aim of creating original content by publishing a new monthly comic magazine. The same month, the Company adopted a new business structure based on 2 business structures, the Group Business and the Pachinko/pachislot Business, in order to reflect the reality and evolution of its business operations. With the new structure, we aim to further speed up our operational processes and realize organic growth of our businesses.

Specifically, in the Group Business, the Company is planning to obtain outstanding intellectual property (IP), first-class human resources (creators, producers, etc.) who can enhance the value of IP, and cutting-edge technologies such as CG and 3D technologies by acquiring them through Group companies or in collaboration with partner companies. By steadily establishing a business model to commercialize competitive, high-value-added products by combining these elements and delivering them using various platforms, we will strive to achieve sustainable growth and improve profitability.

In the Pachinko/pachislot Business, we aim to increase our sales share and improve profitability by entering into the image software development area of the pachinko/pachislot manufacturing industry, and offering competitive, high-value-added products with gaming and entertainment value, leveraging F Corporation, our software development subsidiary established in 2009, as the core driver. In the pachinko machine sales business, in addition to *CR Evangelion—Evangelical of the Beginnings*, a major title which is the latest edition of the *Evangelion* series, we intend to release our first collaboration title with KYORAKU SANGYO during the 4th quarter of the fiscal year ending March 31, 2011. Meanwhile, in the pachislot machine sales business, we will strive to expand sales of titles including Rodeo's 10th anniversary commemoration series, which started with the launch of *Onimusha: Dawn of Dreams*.

In light of the above, we are forecasting the following results for the fiscal year ending March 31, 2011: net sales of ¥80,000 million, an increase of 20.6%; operating income of ¥11,000 million, an increase of 35.4%; and net income of ¥5,500 million, an increase of 67.2%. We plan to pay a dividend of ¥4,500 per share, the same as for the year ended March 31, 2010, equating to a consolidated payout ratio of 27.2%.

*On August 4, 2010, Fields announced a "Notice of Revisions to Performance Projections" for the fiscal year ending March 2011. Please refer to our IR website for details.

Risks Related to Our Business and Status of Management

The operating and financial conditions associated with various risks that may substantially affect decisions by potential investors are as follows.

Forward-looking statements are based on the judgment of Group management as of the end of the fiscal year ended March 31, 2010.

High Level of Products Supplied by a Specific Supplier

The Group sales primarily consist of product sales (distribution sales) in which the Group purchases machines and sells them to customers, and sales commissions (agency sales) in which the Company receives commissions from the brokerage of machine sales. Of the total consolidated net sales of the Company, product sales and sales commissions represented 57.4% and 12.7%, respectively, for the fiscal year ended March 31, 2009, and 65.8% and 23.0%, respectively, for the fiscal year ended March 31, 2010. The major portion of products sold was supplied by Rodeo Co., Ltd., our affiliate, and Bisty Co., Ltd., an allied manufacturer. In the fiscal year ended March 31, 2010, products supplied by Rodeo Co., Ltd. and Bisty Co., Ltd. accounted for 20.1% and 45.4%, respectively, of the total products we purchased on a consolidated basis.

Given the heavy reliance of the Company in the PS Field on these 2 companies for product supply, should products from these companies become less popular or the launch of new products be delayed due to product development falling behind schedule or other reasons, the results of operations of the Group could be affected.

Our Basic Exclusive Distributorship Agreement is renewable on an annual basis with Rodeo Co., Ltd. and a triennial basis with Bisty Co., Ltd. Therefore, should the Agreements not be renewed, Group results could be affected.

The Company maintains alliances with Rodeo Co., Ltd., a member of the Sammy Group, and Bisty Co., Ltd., a member of the SANKYO Group. It also began an alliance with KYORAKU SANGYO in February 2008. These alliances are part of the Company's efforts to reduce its dependence on a specific supplier and diversify risk, as well as to strengthen its product lineup and bring products to market quicker.

Legal and Voluntary Regulations Governing the Pachinko/ pachislot Machine Industry

The pachinko/pachislot machine sales business in which the Company is primarily engaged is not directly subject to laws and regulations. However, business activities by pachinko/pachislot machine manufacturers are regulated by rules prescribed by the National Public Safety Commission, the Rules on Approval of Pachinko/pachislot Machines and Certification of Models, in accordance with the Entertainment Business Law. For example, the Company cannot sell or install any machines that have not obtained the approval of the Public Safety Commission of the related prefecture. The business activities of pachinko hall operators, the final users of our machines, are also regulated under the Entertainment Business Law and related ordinances in each prefecture.

Apart from these regulations, the pachinko/pachislot industry may, as necessary, voluntarily regulate the operations of pachinko/pachislot machines manufacturers, pachinko hall operators, and sales companies to restrain the excessive gambling nature of the games.

Any amendments to laws and regulations or the introduction of new voluntary regulations may delay the delivery of pachinko/pachislot machines to pachinko halls due to the need to comply with such new requirements, and any change in demand for specific machines by pachinko hall operators could affect the results of Group operations.

The Company continues to contribute to the soundness of the pachinko/pachislot market based on its corporate philosophy of providing "The Greatest Leisure for All People." It is working to plan and develop new machines with high gaming and entertainment value that do not rely on gambling appeal. Furthermore, aiming to secure new sources of income, the Company is expanding in diverse fields of entertainment, ranging from movies, mobile content, animation, publishing and sports. It is advancing digital content in multiple directions to create more opportunities to generate earnings.

Content Business

The Company is focusing on obtaining IP rights or merchandising rights and developing content with high value. However, the distinctive nature of the content business makes it difficult to accurately evaluate its potential for contributing to profits. Specifically, due to the following potential risks related to content, the Company may not achieve the business growth it currently projects. Directing significant funds into the content business might result in increased fixed costs and overall financial risk for the Company. Also, investment in rights or usage rights may not lead to the development of content with high value. The Company may not be able to acquire attractive content on favorable terms due to fierce competition in the market. In implementing its content strategy and related activities, the Company may unknowingly infringe upon the intellectual property rights of other companies or become party to other claims associated with these intellectual property rights. In addition, the Company, in turn, may not be able to effectively protect its own content-related intellectual property rights.

Through education and training, the Company is reducing risk by raising awareness regarding intellectual property. At the same time, in order to raise the potential to contribute to earnings, the Company is establishing business schemes for the creation and ownership of content with higher value within the Group.

Risk Associated with Investment

The Company conducts its business in broad areas, including those that are not directly related to the pachinko/pachislot machines sales business. In developing business for the Group, the Group strives to expand existing ventures, enhance functions, and enter new business areas by strengthening and creating alliances with Group companies and other partners. To that end, we conduct such investment activities as establishing new ventures in partnership with other companies and investing in existing companies. We will continue investment activities going forward.

However, a decline in the investment value of companies or in the market value of shares in which the Company has invested may result in losing all or part of the investment value or require the provision of additional funding to these companies. The results of operations of the Group may be affected by either of these eventualities.

The Company reduces risk by periodically checking whether to make investments or extend finance, or exit investments in accordance with the Group's management policy. In fact, in the fiscal year ended March 31, 2009 the Company realigned businesses in line with this policy. It also established a department responsible for internal control systems for the Group. This department is working to strengthen internal control systems for each Group company.

CONSOLIDATED BALANCE SHEETS

At March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Assets	2009	**2010**	**2010**
Current assets:			
Cash and cash equivalents	¥11,181	**¥15,906**	**$170,958**
Notes and accounts receivable — trade	4,324	**33,088**	**355,631**
Other receivables	3,223	**193**	**2,074**
Securities	—	**48**	**515**
Inventories	963	**1,519**	**16,326**
Merchandising right advances	3,591	**2,838**	**30,503**
Deferred tax assets	545	**807**	**8,673**
Other current assets	1,383	**2,646**	**28,439**
Allowance for doubtful accounts	(77)	**(355)**	**(3,815)**
Total current assets	25,135	**56,694**	**609,350**
Property and equipment:			
Land	6,514	**6,170**	**66,315**
Buildings and structures	4,733	**4,349**	**46,743**
Equipment	2,402	**2,414**	**25,945**
Vehicles	23	**47**	**505**
Construction in progress	53	**18**	**193**
Total	13,725	**12,998**	**139,703**
Less: Accumulated depreciation	(2,826)	**(3,277)**	**(35,221)**
Property and equipment, net	10,898	**9,721**	**104,481**
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates	1,904	**1,598**	**17,175**
Investment securities	6,085	**6,267**	**67,358**
Deposits	2,707	**2,670**	**28,697**
Software	2,355	**1,910**	**20,528**
Goodwill	326	**239**	**2,568**
Deferred tax assets	1,862	**1,124**	**12,080**
Other assets	1,044	**1,216**	**13,069**
Allowance for doubtful accounts	(256)	**(114)**	**(1,225)**
Total investments and other assets	16,029	**14,911**	**160,264**
Total assets	¥52,064	**¥81,329**	**$874,129**

See accompanying notes to the consolidated financial statements.

Liabilities and Net Assets	Millions of Yen 2009	Millions of Yen 2010	Thousands of U.S. Dollars (Note 1) 2010
Current liabilities:			
Notes and accounts payable — trade	¥ 1,981	**¥26,610**	**$286,006**
Current portion of long-term debt	781	**720**	**7,738**
Income taxes payable	263	**3,562**	**38,284**
Accrued bonuses	211	**273**	**2,934**
Accrued bonuses to directors and corporate auditors	245	**135**	**1,450**
Other current liabilities	4,065	**4,542**	**48,817**
Total current liabilities	7,547	**35,845**	**385,264**
Long-term liabilities:			
Long-term debt, less current portion	2,230	**1,510**	**16,229**
Retirement benefits	221	**274**	**2,944**
Deposits received	2,569	**2,508**	**26,956**
Other long-term liabilities	0	**3**	**32**
Total long-term liabilities	5,021	**4,295**	**46,162**
Net assets:			
Common stock			
Authorized; 1,388,000 shares at March 31, 2009 and 2010			
Issued; 347,000 shares at March 31, 2009 and 2010	7,948	**7,948**	**85,425**
Capital surplus			
Additional paid-in capital	7,994	**7,994**	**85,920**
Retained earnings	25,808	**27,583**	**296,463**
Treasury stock; 10,643 shares at March 31, 2009 and 14,885 shares at March 31, 2010	(1,330)	**(1,785)**	**(19,185)**
Unrealized loss on available-for-sale securities	(956)	**(676)**	**(7,265)**
Foreign currency translation adjustments	(0)	**0**	**0**
Minority interests	32	**122**	**1,311**
Total net assets	39,496	**41,187**	**442,680**
Total liabilities and net assets	¥52,064	**¥81,329**	**$874,129**

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2010	2010
Net sales	¥ 73,035	**¥ 66,342**	**$713,048**
Cost of sales	49,010	**39,452**	**424,032**
Gross profit	24,024	**26,889**	**289,004**
Selling, general and administrative expenses	22,063	**18,764**	**201,676**
Operating income	1,960	**8,124**	**87,317**
Other income (expenses):			
Interest and dividend income	217	**175**	**1,880**
Interest expenses	(127)	**(24)**	**(257)**
Equity in loss of affiliates	(428)	**(258)**	**(2,773)**
Impairment losses	(152)	**(18)**	**(193)**
Loss on disposal of property and equipment	(102)	**(430)**	**(4,621)**
Loss on write-down of investment securities	(1,605)	**(5)**	**(53)**
Loss on write-down of investments in an affiliate	—	**(10)**	**(107)**
Loss on sale of investments in affiliates, net	(342)	**—**	**—**
Loss on liquidation of a consolidated subsidiary	(537)	**—**	**—**
Loss on discontinued content production	(702)	**(24)**	**(257)**
Foreign exchange loss, net	(357)	**(46)**	**(494)**
Other, net	(405)	**(266)**	**(2,858)**
Other expenses, net	(4,540)	**(906)**	**(9,737)**
Income (loss) before income taxes and minority interests	(2,579)	**7,218**	**77,579**
Income taxes:			
Current	388	**3,616**	**38,865**
Deferred	(514)	**284**	**3,052**
	(126)	**3,900**	**41,917**
Minority interests	(971)	**29**	**311**
Net income (loss)	¥ (1,481)	**¥ 3,289**	**$ 35,350**

	Yen		U.S. Dollars (Note 1)
Earnings per share			
Basic earnings (loss) per share	¥(4,271.78)	**¥9,796.56**	**$ 105.29**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

For the years ended March 31, 2009 and 2010

	Shares	Millions of Yen								
	Number of Shares of Common Stock Issued	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjust-ments	Stock Acquisition Rights	Minority Interests	Total Net Assets
Balance at March 31, 2008	347,000	¥7,948	¥7,994	¥28,852	¥ —	¥(249)	¥(59)	¥ 43	¥ 1,802	¥46,331
Net loss	—	—	—	(1,481)	—	—	—	—	—	(1,481)
Cash dividends paid	—	—	—	(1,561)	—	—	—	—	—	(1,561)
Changes due to the merger of affiliates that had been accounted for under the equity method	—	—	—	(1)	—	—	—	—	—	(1)
Purchase of treasury stock	—	—	—	—	(1,330)	—	—	—	—	(1,330)
Net change in the year	—	—	—	—	—	(707)	59	(43)	(1,769)	(2,460)
Balance at March 31, 2009	**347,000**	**7,948**	**7,994**	**25,808**	**(1,330)**	**(956)**	**(0)**	**—**	**32**	**39,496**
Net income	**—**	**—**	**—**	**3,289**	**—**	**—**	**—**	**—**	**—**	**3,289**
Cash dividends paid	**—**	**—**	**—**	**(1,513)**	**—**	**—**	**—**	**—**	**—**	**(1,513)**
Purchase of treasury stock	**—**	**—**	**—**	**—**	**(454)**	**—**	**—**	**—**	**—**	**(454)**
Net change in the year	**—**	**—**	**—**	**—**	**—**	**280**	**0**	**—**	**89**	**369**
Balance at March 31, 2010	**347,000**	**¥7,948**	**¥7,994**	**¥27,583**	**¥(1,785)**	**¥(676)**	**¥ 0**	**¥ —**	**¥ 122**	**¥41,187**

	Thousands of U.S. Dollars (Note 1)								
	Common Stock	Addi-tional Paid-in Capital	Retained Earnings	Treasury Stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Foreign Currency Translation Adjust-ments	Stock Acquisi-tion Rights	Minority Interests	Total Net Assets
Balance at March 31, 2009	**$85,425**	**$85,920**	**$277,386**	**$(14,294)**	**$(10,275)**	**$(0)**	**$ —**	**$ 343**	**$424,505**
Net income	**—**	**—**	**35,350**	**—**	**—**	**—**	**—**	**—**	**35,350**
Cash dividends paid	**—**	**—**	**(16,261)**	**—**	**—**	**—**	**—**	**—**	**(16,261)**
Purchase of treasury stock	**—**	**—**	**—**	**(4,879)**	**—**	**—**	**—**	**—**	**(4,879)**
Net change in the year	**—**	**—**	**—**	**—**	**3,009**	**0**	**—**	**956**	**3,966**
Balance at March 31, 2010	**$85,425**	**$85,920**	**$296,463**	**$(19,185)**	**$ (7,265)**	**$ 0**	**$ —**	**$1,311**	**$442,680**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31, 2009 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	**2010**	**2010**
Operating activities:			
Income (loss) before income taxes and minority interests	¥ (2,579)	**¥ 7,218**	**$ 77,579**
Adjustments:			
Depreciation and amortization	1,775	**1,368**	**14,703**
Impairment losses	152	**18**	**193**
Amortization of goodwill	332	**87**	**935**
Equity in loss of affiliates	428	**258**	**2,773**
Loss on disposal of property and equipment	102	**408**	**4,385**
Loss on sale of investments in affiliates, net	342	**—**	**—**
Loss on write-down of investment securities	1,605	**5**	**53**
Loss on write-down of investments in an affiliate	—	**10**	**107**
Notes and accounts receivable — trade	4,423	**(27,896)**	**(299,828)**
Inventories	1,343	**(557)**	**(5,986)**
Merchandising right advances	805	**753**	**8,093**
Accounts payable — trade	(2,329)	**23,910**	**256,986**
Consumption taxes payable	(535)	**619**	**6,653**
Deposit received	917	**(1,278)**	**(13,736)**
Other	1,964	**900**	**9,673**
Subtotal	8,752	**5,829**	**62,650**
Interest and dividends received	2,328	**183**	**1,966**
Interest paid	(115)	**(27)**	**(290)**
Income taxes refunded (paid)	(6,863)	**2,443**	**26,257**
Other	46	**—**	**—**
Net cash provided by operating activities	4,147	**8,429**	**90,595**
Investing activities:			
Purchases of property and equipment	(4,710)	**(470)**	**(5,051)**
Proceeds from sale of property and equipment	176	**615**	**6,610**
Purchases of intangible assets	(401)	**(449)**	**(4,825)**
Purchases of investment securities	(566)	**—**	**—**
Payment for sale of investments in consolidated subsidiaries, net	(793)	**—**	**—**
Increase in investments in various partnerships	—	**(366)**	**(3,933)**
Increase in loans receivable	(252)	**(357)**	**(3,837)**
Other	366	**18**	**193**
Net cash used in investing activities	(6,182)	**(1,011)**	**(10,866)**
Financing activities:			
Decrease in short-term borrowings, net	(2,898)	**—**	**—**
Proceeds from long-term debt	9,148	**—**	**—**
Repayments of long-term debt	(2,707)	**(781)**	**(8,394)**
Cash dividends paid	(1,563)	**(1,511)**	**(16,240)**
Purchase of treasury stock	(1,334)	**(456)**	**(4,901)**
Other	(42)	**60**	**644**
Net cash provided by (used in) financing activities	602	**(2,687)**	**(28,880)**
Foreign currency translation adjustments on cash and cash equivalents	(79)	**(4)**	**(42)**
Net increase (decrease) in cash and cash equivalents	(1,512)	**4,725**	**50,784**
Cash and cash equivalents at beginning of the year	12,693	**11,181**	**120,174**
Cash and cash equivalents at end of the year	¥11,181	**¥ 15,906**	**$ 170,958**

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presenting Consolidated Financial Statements

FIELDS CORPORATION (the "Company") and its consolidated subsidiaries maintain their accounts and records in accordance with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), which are different from International Financial Reporting Standards or accounting standards generally accepted in the United States of America as to accounting and disclosure requirements.

The accompanying consolidated financial statements are translated into English from the consolidated financial statements issued domestically in Japan. Certain modifications and reclassifications have been made for the convenience of readers unfamiliar with Japanese GAAP presentation rules and methods. In addition, certain rearrangements have been made to the 2009 consolidated financial statements to conform to the classifications used in 2010.

The consolidated financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2010, which is ¥93.04 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be converted into U.S. dollars at that or any other rate.

The Japanese yen amounts in millions are rounded down to the nearest million, by which the translations into U.S. dollar amounts are computed. U.S. dollar amounts in thousands are also rounded down to the nearest thousand.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (collectively, the "Group") that are controlled by the Company. Under the effective control approach, all majority-owned companies and companies effectively controlled by the Company are consolidated. Additionally, those companies over which the Company is able to directly or indirectly exercise control are to be consolidated even if the holding ratio equals to 50% or less.

All significant inter-company balances and transactions are eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated. In the elimination of investments in subsidiaries, the assets and liabilities, including the portion attributing to minority interests, are evaluated using the fair value at the time the Company acquired controls over the respective subsidiaries. For consolidated subsidiaries or affiliates whose closing dates are different from that of the Company, certain adjustments necessary for consolidation have been made.

The difference between total acquisition costs and underlying fair value of the acquired company is recognized as goodwill or negative goodwill, and is amortized on a straight-line basis over an estimated period of no more than ten years.

Under the control concept, companies over which the Company has the ability to exercise significant influence through investment, personnel, financing, technology or other relationships are accounted for under the equity method. Investments in companies other than those consolidated or accounted for under the equity method are accounted for under the cost method. If the equity method had been applied to the investments in those companies, the effect on the consolidated financial statements would not have been significant.

Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries and affiliates at March 31, 2009 and 2010 is as follows:

	Number of Companies	
	2009	**2010**
Consolidated subsidiaries	9	**11**
Unconsolidated subsidiaries accounted for under the equity method	—	**—**
Unconsolidated subsidiaries not accounted for under the equity method	1	**1**
Affiliates accounted for under the equity method	4	**5**
Affiliates not accounted for under the equity method	2	**2**

The consolidated subsidiaries and holding ratio of the Company at March 31, 2009 and 2010 are as follows:

	Holding ratio (indirectly owned)	
	2009	**2010**
Fields Jr. Corporation	100.0%	**100.0%**
Lucent Pictures Entertainment, Inc.	90.0	**90.0**
Shin-Nichi Technology Co., Ltd.	100.0	**100.0**
Haruki Fields Cinema Fund	90.0	**90.0**
FutureScope Corporation	83.3	**83.3**
EXPRESS Inc.	80.0	**80.0**
Japan Sports Marketing Inc.	61.8	**61.8**
JSM HAWAII, LLC	61.8 (61.8)	**61.8 (61.8)**
Ildel Corporation	60.0	**60.0**
F Corporation	—	**100.0**
K-1 INTERNATIONAL Corporation	—	**85.7%**

(Note):

In the year ended March 31, 2010, F Corporation and K-1 INTERNATIONAL Corporation were newly established and have been included in the scope of consolidation thereafter.

Cash Equivalents

Cash equivalents are defined as low-risk, highly-liquid, short-term investments with an initial maturity of three months or less that are readily convertible to cash.

Valuation of Inventories

Inventories are stated at cost, determined by the following methods:

Merchandise	The Company	Used Machine: the specific identification method
		Other: the moving-average method
	Consolidated subsidiaries	the gross-average method
Work in process	Consolidated subsidiaries	the specific identification method
Raw material	Consolidated subsidiaries	the moving-average method
Supplies	The Company and consolidated subsidiaries	the last purchase price method

If acquisition cost of an inventory exceeds its net selling value, the carrying amount of such inventory would be written down to its net selling value and the difference would be charged to income.

Investment Securities

Investment securities are classified and accounted for, depending on management's intent, as follows: (1) held-to-maturity securities, which are expected to be held to maturity with a positive intent and an ability to hold to maturity are reported at amortized cost; and (2) available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. Available-for-sale securities whose fair value is not readily determinable are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value and charged to income.

Property and Equipment

Property and equipment are stated at cost determined principally by the declining-balance method.

The range of useful lives of depreciable assets at March 31, 2009 and 2010 are as follows:

	2009	**2010**
Buildings	8 – 50 years	**8 – 50 years**
Structures	10 – 50	**10 – 50**
Vehicles	2 – 6	**6**
Equipment	2 – 20	**2 – 20**

The accounting standard for impairment of fixed assets requires an entity to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted future cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition. Acquisition costs of impaired long-lived assets are directly deducted in recognizing impairment losses.

Intangible Assets

Intangible assets primarily consist of computer software. Software for internal use is amortized over a period of no more than five years by the straight-line method.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided at the amount based on past collection experience and evaluation of potential losses in the receivables outstanding.

Accrued Bonuses

Bonuses to employees are accrued at the estimated amount which the Group is obligated to pay to employees after the balance sheet date, based on services provided during the period.

Bonuses to Directors and Corporate Auditors

Bonuses to directors and corporate auditors are accrued at the year end to which such bonuses are attributable.

Retirement Benefits

The Company and certain consolidated subsidiaries have an unfunded defined benefit retirement plan with lump-sum payments. Reserve for retirement benefit obligations is provided based on the projected benefit obligation. The obligation is calculated in accordance with a formula which has, as its variables, the length of service and basic pay rate at the end of the fiscal year. Actuarial differences are amortized by the straight-line method using the specific number of years (five years) less than the average remaining service period.

Certain subsidiaries adopt the simplified method for calculating projected benefit obligation.

Translation of Foreign Currencies

Current and non-current monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates at the balance sheet date. Gains and losses arising from translation are charged to income in the year they were incurred.

The Company translates the revenue and expense accounts of the overseas consolidated subsidiaries at the average rates of exchange of the year. The balance sheet accounts, except for net assets account, are translated into yen at the exchange rates of the balance sheet date. Net asset accounts are translated at their historical exchange rates. The differences arising from translations are included in foreign currency translation adjustments.

Derivative Financial Instruments and Hedging Accounting

Japanese GAAP for derivative financial instruments:

Derivative financial instruments are stated at fair value and changes in fair value are recognized as gains or losses. If derivative financial instruments are used as hedges and meet certain hedging criteria, a company defers recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related gains or losses on the hedged items are realized.

Companies' management policy for derivative transactions:

The Company utilizes financial instruments with embedded derivative instruments for effective use of surplus fund. The Company does not enter into derivative transactions unless they are considered secure with low risks underlying. The Group does not enter into derivative transactions for speculative purposes.

Risk management for derivative transactions:

The Group enters into the derivative transactions only with major financial institutions with favorable credit ratings, thereby reducing credit risk exposure for non-performance. The Finance and Budget Department is engaged in managing derivative transactions. All derivative transactions are executed, monitored, and managed in accordance with internal authorization policies.

Income Taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are determined by applying currently enacted tax laws to the temporary differences. Change in the statutory tax rate is recognized as income or loss in the period the new tax rate is enacted. A valuation allowance is provided for deferred tax assets when considered tax benefit would not be realized.

Revenue Recognition

Revenue of the Group primary consists of merchandise sales and agency services.

For merchandise sales:

The Group purchases Pachislot machines from manufactures and sells them to Pachinko halls. The Group recognizes revenue when merchandises are shipped to the halls.

For agency services:

The Groups act as an agent between manufacturers and Pachinko halls to provide various services related to the distribution of Pachinko and Pachislot machines. The Group receives commissions from the manufacturers for this agency service. The services are completed when the Group collects sales proceeds from Pachinko halls, and remits the proceeds to the manufacturers. The Group recognizes revenue when services are completed.

Leases

In March 2007, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

Under the previous accounting standard, finance leases that deemed to transfer ownership of the leased property to the lessee were to be capitalized; however, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized recognizing lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company adopted this revised accounting standard as of April 1, 2008, applying the permission discussed above to leases which existed at the transition date and do not transfer ownership of the leased property to the lessee.

Stock and Bond Issuance Costs

Stock and bond issuance costs are expensed as incurred.

Founding Costs

Founding costs are expensed as incurred.

Consumption Tax

Consumption tax is imposed at the flat rate of five percent on all domestic consumption of goods and services (with certain exemptions). The consumption tax imposed on the Group's sales to customers is withheld by the customers at the time of sale and is subsequently paid to the national government. Consumption tax withheld upon sale is not included in "Net sales" and consumption tax payable by the Group on the purchases of goods and services from vendors is not included in "Costs and Expenses." The net balance of consumption tax withheld and payable is included in "Other current assets" or "Other current liabilities" in the accompanying consolidated balance sheets.

Earnings Per Share ("EPS")

Basic EPS is computed based on the average number of shares of common stock outstanding during the period. Diluted EPS reflects all of the potential dilution that could occur if securities or other contracts to issue common stock were exercised.

Diluted EPS for the years ended March 31, 2009 and 2010 is not presented because the Company did not have any kind of securities with potential dilutive effect.

Use of Estimates

The accompanying consolidated financial statements include amounts based on certain estimates and assumptions. The actual results could differ from those estimates and assumptions.

3. Financial Instruments and Related Disclosures

On March 10, 2008, the ASBJ revised ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No. 19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

(1) Policy for financial instruments

Basically, the Group's use of its surplus funds is limited to low-risk financial assets. The Group finances its working capital by short-term bank loans. For mid- or long-term cash demands, the way of raising funds are determined after considering the market environment and its purposes.

(2) Nature, risks arising from financial instruments, and risk management

Notes and accounts receivable are arising from an ordinary course of businesses and are subject to credit risks of customers. The Sales Division controls these risks by reviewing outstanding balances and due dates of each customer in accordance with internal rules for controlling receivables, as well as by monitoring customers' financial conditions to promptly obtain information about possible bad debts.

Most investment securities are related to capital and/or operating alliances with business partners, and are subject to market value volatility risks. In order to control these risks, fair value, financial condition of investees, and related business relationships are periodically reviewed in accordance with internal rules for controlling investment securities.

Financial instruments with embedded derivative instruments are also subject to market value volatility risks. The Finance and Budget Department controls these risks in accordance with internal rules for controlling investment securities.

Notes and accounts payable are arising from an ordinary course of businesses and payable within a year. Income taxes payable include income tax, inhabitant tax, and enterprise tax and are payable within a year. These items are subject to liquidity risks of default. To control these risks, the Group's Finance and Budget Department prepares and updates cash-flow plans and maintains appropriate amounts of ready liquidity based on reports from internal sections.

Fair values of financial instruments are based on quoted prices in active markets. If quoted price is not available, other rational valuation techniques are used instead. Because such valuation techniques include certain assumptions, results may differ if different assumptions are used in the valuation.

Financial instruments whose fair value is readily determinable at March 31, 2010 are as follows:

	Millions of Yen		
	Carrying amount	Fair value	Difference
Assets:			
(1) Cash and cash equivalents	¥15,906	¥15,906	¥ —
(2) Notes and accounts receivable	33,088	33,088	—
(3) Investment securities			
(a) Held-to-maturity securities	400	314	(85)
(b) Available-for-sale securities	5,304	5,304	—
(4) Long-term loans receivable	345	346	0
Total	¥55,045	¥54,960	¥(84)
Liabilities:			
(5) Notes and accounts payable	26,610	26,610	—
(6) Current portion of long-term debt	720	720	0
(7) Income taxes payable	3,562	3,562	—
(8) Long-term debt	1,510	1,510	0
Total	¥32,403	¥32,404	¥ 0

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference
Assets:			
(1) Cash and cash equivalents	$170,958	$170,958	$ —
(2) Notes and accounts receivable	355,631	355,631	—
(3) Investment securities			
(a) Held-to-maturity securities	4,299	3,374	(913)
(b) Available-for-sale securities	57,007	57,007	—
(4) Long-term loans receivable	3,708	3,718	0
Total	$591,627	$590,713	$(902)
Liabilities:			
(5) Notes and accounts payable	286,006	286,006	—
(6) Current portion of long-term debt	7,738	7,738	0
(7) Income taxes payable	38,284	38,284	—
(8) Long-term debt	16,229	16,229	0
Total	$348,269	$348,280	$ 0

(Notes):

(1), (2), (5), and (7) —As these items are settled within a year and have fair values approximately equal to their carrying amounts, they are stated at the carrying amounts.

(3) —Fair value of equity securities is stated at market price whereas that of debt securities are stated at amount obtained from financial institutions. Fair value information categorized by holding purposes of investment securities is discussed in Note 4.

(4) —Fair value of long-term loans receivable is stated at present value of future cash flows. Discount rate is computed by adding spreads to appropriate indices such as yield of Japanese government bond.

(6) and (8) —Long-term debt comprises of bonds issued by the Company and consolidated subsidiaries. Because such bonds do not have market prices, fair value of bonds is stated at present value of total amount of its principal and interest discounted by an assumed rate that would be applicable to bonds issued in the same conditions. Bonds with variable interest rates are stated at carrying amount because fair value of such bonds is considered approximately equal to its carrying amount based on the following assumptions; (a) variable interest rates reflect the current market rate, and (b) the Company's credit status has not significantly changed after the issuance. Bonds with fixed interest rates are stated at present value of a total amount of its principal and interest discounted by a rate determined considering its remaining periods and credit risks.

Financial instruments which do not have quoted market prices and whose fair value is not reliably determinable are not included in the table above. Such financial instruments at March 31, 2010 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
Balance included in the consolidated balance sheet		
Investment securities	¥ 610	$ 6,556
Investments in unconsolidated subsidiaries	10	107
Investments in affiliates	1,588	17,067
Total	¥2,210	$23,753

Detailed information about investment securities is discussed in Note 4.

Maturity analysis for financial assets at March 31, 2010 is as follows:

	Millions of Yen			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
(1) Cash and cash equivalents	¥15,906	¥ —	¥ —	¥ —
(2) Notes and accounts receivable	33,088	—	—	—
(3) Investment securities				
(a) Held-to-maturity securities	—	—	—	400
(b) Available-for-sale securities	48	—	—	145
(4) Long-term loans receivable	—	345	—	—
Total	¥49,043	¥345	¥ —	¥545

	Thousands of U.S. Dollars			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
(1) Cash and cash equivalents	$170,958	$ —	$ —	$ —
(2) Notes and accounts receivable	355,631	—	—	—
(3) Investment securities				
(a) Held-to-maturity securities	—	—	—	4,299
(b) Available-for-sale securities	515	—	—	1,558
(4) Long-term loans receivable	—	3,708	—	—
Total	$527,117	$3,708	$ —	$5,857

4. Investment Securities

(a) The following table summarizes information of held-to-maturity securities and available-for-sale securities with available fair values at March 31, 2009 and 2010:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Held-to-maturity securities			
Balance included in the consolidated balance sheets	¥ 400	**¥ 400**	**$ 4,299**
Fair value	330	**314**	**3,374**
Net unrealized loss	(69)	**(85)**	**(913)**
Available-for-sale securities			
—Equity securities			
Acquisition cost	6,244	**6,244**	**67,110**
Fair value	4,637	**5,109**	**54,911**
Net unrealized loss	(1,608)	**(1,136)**	**(12,209)**
—Other			
Acquisition cost	246	**172**	**1,848**
Fair value	172	**193**	**2,074**
Net unrealized gain (loss)	(74)	**22**	**236**

The Company recognized ¥426 million of loss on write-down of investment securities with available fair value for the year ended March 31, 2009. No loss was recognized for the year ended March 31, 2010.

(b) The following table summarizes carrying value of available-for-sale securities whose fair value is not readily determinable at March 31, 2009 and 2010:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Stocks	¥ 33	**¥ 28**	**$ 300**
Investments in various partnerships and others	841	**582**	**6,255**

The Company recognized ¥1,178 million and ¥5 million ($53 thousand) of loss on write-down of investment securities whose fair value is not readily determinable for the years ended March 31, 2009 and 2010, respectively.

5. Fair Value of Derivative Transactions

Fair values of the Group's derivative financial instruments at March 31, 2009 and 2010 are as follows:

	Millions of Yen			
	2009			
	Contract Amount			
	Within one year	Over one year	Fair Value	Valuation Gain (Loss)
Financial instruments with embedded derivative instruments (Non-listed)	¥ —	¥246	¥172	¥(73)

	Millions of Yen			
	2010			
	Contract Amount			
	Within one year	Over one year	Fair Value	Valuation Gain (Loss)
Financial instruments with embedded derivative instruments (Non-listed)	**¥15**	**¥157**	**¥194**	**¥21**

	Thousands of U.S. Dollars			
	2010			
	Contract Amount			
	Within one year	Over one year	Fair Value	Valuation Gain (Loss)
Financial instruments with embedded derivative instruments (Non-listed)	**$161**	**$1,687**	**$2,085**	**$225**

The fair values in the table above are stated at amounts obtained from financial institutions, the counterparties of the derivative transactions.

The valuation gain and loss in the table above are computed based on the fair value of the financial instruments with embedded derivative instruments taken as a whole because they cannot be reasonably bifurcated and remeasured.

Contract amounts in the table above are stated at the book value as of the beginning of the fiscal year.

6. Long-Lived Assets

The Group reviewed its long-lived assets for impairment at March 31, 2009 and 2010 and as a result, recognized impairment losses of ¥152 million and ¥18 million ($193 thousand), respectively.

For the years ended March 31, 2009 and 2010, impairment losses were recognized for the following assets:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2010	2010
Property and equipment	¥ 6	**¥18**	**$193**
Goodwill	130	**—**	**—**
Land	15	**—**	**—**
Total	¥152	**¥18**	**$193**

For the year ended March 31, 2009, the Group recognized impairment losses on the assets above because achieving anticipated earnings resulting from use of the assets or asset group were not foreseeable. The recoverable amounts for determination of the impairment losses for the unutilized assets were based on the estimated selling price because the Company had entered into a sale and purchase contract after the closing date.

For the year ended March 31, 2010, the Group recognized the impairment losses for unutilized assets on the table above. As no future cash flows were expected, these assets were written down to zero.

7. Leases

The Group leases certain vehicle, equipment and software. The following information summarizes finance lease contracts that do not transfer ownership of the leased property to the lessee and that were entered into prior to April 1, 2008.

Assumed amounts of (a) acquisition cost, accumulated depreciation and net book value and (b) lease obligations at March 31, 2009 and 2010 are as follows:

(a) Acquisition cost, accumulated depreciation and net book value

	Millions of Yen			
At March 31, 2009	Vehicles	Equipment	Software	Total
Acquisition cost	¥12	¥17	¥38	¥68
Accumulated depreciation	9	8	31	49
Net book value	¥ 3	¥ 8	¥ 7	¥19
At March 31, 2010				
Acquisition cost	**¥—**	**¥10**	**¥—**	**¥10**
Accumulated depreciation	**—**	**5**	**—**	**5**
Net book value	**¥—**	**¥ 5**	**¥—**	**¥ 5**

	Thousands of U.S. Dollars			
At March 31, 2010	Vehicles	Equipment	Software	Total
Acquisition cost	**$—**	**$107**	**$—**	**$107**
Accumulated depreciation	**—**	**53**	**—**	**53**
Net book value	**$—**	**$ 53**	**$—**	**$ 53**

(b) Lease obligations

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Payments due within one year	¥14	**¥2**	**$21**
Payments due after one year	5	**2**	**21**
Total	¥19	**¥5**	**$53**

As the aggregated amount of lease obligations is immaterial, interest expenses are included in the assumed acquisition cost and lease obligations at each balance sheet date.

Amounts of lease payments and depreciation expense equivalent for the years ended March 31, 2009 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Lease payments	¥16	**¥14**	**$150**
Depreciation expense equivalent	16	**14**	**150**

Depreciation expense equivalent is computed by the straight-line method over the lease period with no residual value.

(c) The minimum rental commitments under non-cancelable operating leases at March 31, 2010 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Due within one year	**¥ 679**	**$ 7,297**
Due after one year	**1,144**	**12,295**
Total	**¥1,824**	**$19,604**

8. Long-Term Debt

The following table summarizes the Group's long-term debt at March 31, 2009 and 2010:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Long-term debt:			
Long-term bank loans with weighted average interest rate of 1.80% in 2009			
Current portion	¥ 61	**¥ —**	**$ —**
Non-current	—	**—**	**—**
Unsecured bonds with variable interest rate issued on June 27, 2008 and due 2013			
Current portion	600	**600**	**6,448**
Non-current	2,100	**1,500**	**16,122**
0.88% unsecured bonds issued on March 31, 2005 and due 2011			
Current portion	100	**100**	**1,074**
Non-current	100	**—**	**—**
0.76% unsecured bonds issued on July 29, 2005 and due 2011			
Current portion	20	**20**	**214**
Non-current	30	**10**	**107**
Total	¥3,011	**¥2,230**	**$23,968**

The variable interest rate of the unsecured bonds in the above table is 6-month TIBOR plus 0.25%.

The aggregate amounts of annual maturity of long-term debt at March 31, 2010 are as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2011	**¥ 720**	**$ 7,738**
2012	**610**	**6,556**
2013	**600**	**6,448**
2014	**300**	**3,224**
Total	**¥2,230**	**$23,968**

9. Credit Lines

The Group entered into line of credit and overdraft agreements with four banks for the purpose of efficient management of operation fund. The following is the summary of the line of credit at March 31, 2009 and 2010:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Total amount of the line of credit	¥19,000	**¥19,000**	**$204,213**
Outstanding balance	—	**—**	**—**
Remaining amount of the line of credit	¥19,000	**¥19,000**	**$204,213**

10. Retirement Benefits

Accrued retirement benefits for employees at March 31, 2009 and 2010 is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Projected benefit obligation	¥301	**¥346**	**$3,718**
Unrecognized actuarial differences	(79)	**(71)**	**(763)**
Accrued retirement benefits	¥221	**¥274**	**$2,944**

Net periodic costs for the employees' retirement benefits for the years ended March 31, 2009 and 2010 consisted of the following components:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Service cost	¥61	**¥45**	**$483**
Interest cost	4	**5**	**53**
Amortization of actuarial differences	5	**18**	**193**
Net periodic benefit costs	¥71	**¥70**	**$752**

The retirement benefit costs of certain domestic consolidated subsidiaries which adopt the simplified method for calculating projected benefit obligation are accounted for as service cost.

The assumptions used for the above plans for the years ended March 31, 2009 and 2010 are as follows:

Discount rate	2.0%
Allocation of total estimated retirement benefit obligation to each accounting period	straight-line method over service periods
Amortization period of actuarial differences	5 years

11. Contingencies

In its agency services, the Company guarantees payments of customers (Pachinko halls) to the sellers, manufacturers of Pachinko and Pachislot machines. The total amount of such guarantees at March 31, 2010 was ¥980 million ($10,533 thousand).

12. Income Taxes

The significant components of deferred tax assets at March 31, 2009 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
Deferred tax assets:			
Amortization	¥ 119	**¥ 205**	**$ 2,203**
Allowance for doubtful accounts	88	**94**	**1,010**
Accrued bonuses	85	**111**	**1,193**
Retirement benefits for employees	90	**111**	**1,193**
Loss on devaluation of merchandising right advances	407	**295**	**3,170**
Loss on write-down of investment securities	517	**261**	**2,805**
Unrealized loss on investment securities	654	**462**	**4,965**
Enterprise taxes	23	**269**	**2,891**
Tax loss carryforwards	1,568	**1,602**	**17,218**
Other	337	**387**	**4,159**
Gross deferred tax assets	3,892	**3,803**	**40,874**
Valuation allowances	(1,484)	**(1,871)**	**(20,109)**
Total deferred tax assets	¥ 2,408	**¥ 1,931**	**$ 20,754**

No deferred tax liabilities were recognized at March 31, 2009 and 2010.

Income taxes in Japan consist of corporation tax, inhabitants' taxes and enterprise taxes. Reconciliation of the differences between the statutory tax rate and the effective income tax rate for the year ended March 31, 2010 is as follows:

	2010
Statutory tax rate	**40.7%**
Adjustments:	
Per capita levy of inhabitant tax	**0.5**
Expenses not deductible for tax purpose	**1.9**
Income not taxable for tax purpose	**(0.5)**
Equity in loss of affiliates	**1.6**
Effect of tax return amendment	**1.0**
Size-based corporate tax	**0.6**
Accrued bonuses to directors and corporate auditors	**0.8**
Change in valuation allowance	**5.4**
Amortization of goodwill	**0.5**
Unrecognized tax benefit	**0.8**
Other	**0.7**
Effective income tax rate	**54.0%**

Reconciliation for the year ended March 31, 2009 is not presented because the Company recorded loss before income tax and minority interests.

13. Net Assets

Under the Companies Act of Japan (the "Companies Act"), the entire amount of the issuance price of shares is required to be accounted for as capital, although a company may, by resolution of its Board of Directors, account for an amount not exceeding one half of the issue price of new shares as additional paid-in capital, which is one component of capital surplus. The Companies Act also provides that when a company makes cash appropriations such as cash dividends from capital surplus or earnings surplus, the company has to set aside at least 10% of the total amount of the cash payments as earnings reserve or additional paid-in capital until the total amount of capital surplus and earnings surplus equals 25% of common stock. The total amount of the Company's capital surplus and earnings surplus has reached 25% of common stock and, therefore, the Company is no longer required to provide for the earnings surplus.

Year-end dividends are to be approved by the shareholders at a shareholders meeting held subsequent to the fiscal year to which the dividends are applicable. Under the Companies Act, interim dividends may also be paid anytime upon resolution of the Board of Directors, subject to certain limitations imposed by the Companies Act. The maximum amount that a company can distribute as dividends is calculated based on the non-consolidated financial statements of the company in accordance with the Companies Act.

14. Related Party Transactions

Transactions with and balances due to or due from related parties as of and for the years ended March 31, 2009 and 2010 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	**2010**	**2010**
(Affiliates)			
Rodeo Co., Ltd.			
Account balances			
Accounts payable — trade	¥ —	**¥ 7,909**	**$ 85,006**
Transactions			
Purchase of merchandise	—	**7,918**	**85,103**
(Sister company)			
Bisty Co., Ltd.			
Account balances			
Accounts receivable — trade	55	**846**	**9,092**
Accounts payable	187	**16,081**	**172,839**
Advance received	226	**733**	**7,878**
Other payable	—	**366**	**3,933**
Transactions			
Commissions received	8,297	**14,349**	**154,223**
Sales of merchandising rights	1,330	**1,728**	**18,572**
Purchase of merchandise	20,909	**17,891**	**192,293**
Purchase of merchandising rights	54	**32**	**343**

The terms and conditions of the above transactions have been determined based on the arm's length and normal market price levels.

15. Subsequent Event

Year-end dividends

At the general shareholders meeting of the Company held on June 23, 2010, the shareholders approved the payment of the year-end cash dividends totaling ¥830 million ($8,920 thousand), or ¥2,500.00 ($26.87) per share.

Acquisition of shares of Tsuburaya Productions Co., Ltd.

On April 2, 2010, the Company acquired a 51.0% ownership of Tsuburaya Productions Co., Ltd. ("Tsuburaya") from TYO Inc. ("TYO"), of which acquisition cost was ¥1,091 million ($11,726 thousand). The Company believes that Tsuburaya's intellectual properties will bring added-value business expansion in a variety of entertainment fields while contributing to the enhancement of its corporate value.

On the same date of the acquisition, the Company also acquired a 14.99% ownership of TYO, of which acquisition cost was ¥366 million ($3,933 thousand). In addition, the Company lent ¥1,274 million ($13,693 thousand) to Tsuburaya for operating capital use.

Acquisition of shares of Digital Frontier Inc.

On April 16, 2010, the Company acquired a 74.31% ownership of Digital Frontier Inc. ("DF") from TYO, of which acquisition cost was ¥650 million ($6,986 thousand). The Company believes that DF's cutting-edge computer graphic technologies will bring a lot of added-value synergy in every movie-entertainment field while contributing to the enhancement of its corporate value.

On the same date of the acquisition, the Company lent ¥100 million ($1,074 thousand) to DF for operating capital use.

16. Segment Information

Business Segment:

Business segment for the fiscal year 2009 is as follows:

Millions of Yen

	PS Field	Game Field	Sports Field	Movies Field	Web Service Field	Other Field	Total	Elimination and/ or corporate	Consolidation
Net sales to third parties	¥55,257	¥12,504	¥3,551	¥ 73	¥1,608	¥ 38	¥73,035	¥ —	¥73,035
Inter-segment net sales and transfers	467	88	37	—	0	17	612	(612)	—
Total net sales	55,724	12,593	3,589	73	1,609	56	73,647	(612)	73,035
Operating expense	51,693	13,883	4,126	577	1,153	232	71,667	(593)	71,074
Operating income (loss)	¥ 4,031	¥ (1,289)	¥ (537)	¥(503)	¥ 455	¥(176)	¥ 1,980	¥ (19)	¥ 1,960
Total assets	¥50,927	¥ —	¥1,988	¥ 107	¥1,033	¥ 353	¥54,411	¥(2,346)	¥52,064
Depreciation	1,418	108	161	—	81	4	1,774	(14)	1,760
Impairment losses	15	130	6	—	—	—	152	—	152
Capital expenditure	4,442	62	124	—	128	18	4,776	(9)	4,767

Business segment for the fiscal year 2010 is as follows:

Millions of Yen

	PS Field	Sports Entertain-ment Field	Mobile Field	Other Field	Total	Elimination and/ or corporate	Consolidation
Net sales to third parties	**¥62,120**	**¥2,385**	**¥1,818**	**¥ 18**	**¥66,342**	**¥ —**	**¥66,342**
Inter-segment net sales and transfers	**259**	**31**	**2**	**601**	**895**	**(895)**	**—**
Total net sales	**62,379**	**2,416**	**1,821**	**619**	**67,237**	**(895)**	**66,342**
Operating expense	**54,246**	**2,741**	**1,427**	**689**	**59,105**	**(887)**	**58,217**
Operating income (loss)	**¥ 8,133**	**¥ (324)**	**¥ 393**	**¥ (70)**	**¥ 8,131**	**¥ (7)**	**¥ 8,124**
Total assets	**¥80,885**	**¥1,631**	**¥1,018**	**¥518**	**¥84,055**	**¥(2,726)**	**¥81,329**
Depreciation	**1,153**	**95**	**120**	**10**	**1,380**	**(12)**	**1,368**
Impairment losses	**—**	**18**	**—**	**—**	**18**	**—**	**18**
Capital expenditure	**700**	**19**	**186**	**13**	**920**	**—**	**920**

Thousands of U.S. Dollars

	PS Field	Sports Entertain-ment Field	Mobile Field	Other Field	Total	Elimination and/ or corporate	Consolidation
Net sales to third parties	**$667,669**	**$25,634**	**$19,539**	**$ 193**	**$713,048**	**$ —**	**$713,048**
Inter-segment net sales and transfers	**2,783**	**333**	**21**	**6,459**	**9,619**	**(9,619)**	**—**
Total net sales	**670,453**	**25,967**	**19,572**	**6,653**	**722,667**	**(9,619)**	**713,048**
Operating expense	**583,039**	**29,460**	**15,337**	**7,405**	**635,264**	**(9,533)**	**625,720**
Operating income (loss)	**$ 87,414**	**$ (3,482)**	**$ 4,223**	**$ (752)**	**$ 87,392**	**$ (75)**	**$ 87,317**
Total assets	**$869,357**	**$17,530**	**$10,941**	**$5,567**	**$903,428**	**$(29,299)**	**$874,129**
Depreciation	**12,392**	**1,021**	**1,289**	**107**	**14,832**	**(128)**	**14,703**
Impairment losses	**—**	**193**	**—**	**—**	**193**	**—**	**193**
Capital expenditure	**7,523**	**204**	**1,999**	**139**	**9,888**	**—**	**9,888**

Effective April 1, 2009, the Group's business segment was reorganized into four segments. Game Field was eliminated because the Company sold investments in the consolidated subsidiaries which had engaged in the segment. Movies Field was also eliminated because the Company absorbed the consolidated subsidiary which had engaged in the segment through merger except movie production business which has been included in Other Field as the amount became insignificant. Sports Field and Web Service Field were renamed Sports Entertainment Field and Mobile Field, respectively.

If the business segment information for the year ended March 31, 2009 were prepared using the new segmentation, such information would be as follows:

Millions of Yen

	PS Field	Sports Entertain-ment Field	Mobile Field	Game Field	Movies Field	Other Field	Total	Elimination and/ or corporate	Consolidation
Net sales to third parties	¥55,257	¥3,551	¥1,608	¥12,504	¥ 10	¥ 101	¥73,035	¥ —	¥73,035
Inter-segment net sales and transfers	467	37	0	88	—	17	612	(612)	—
Total net sales	55,724	3,589	1,609	12,593	10	119	73,647	(612)	73,035
Operating expense	51,693	4,126	1,153	13,883	106	703	71,667	(593)	71,074
Operating income (loss)	¥ 4,031	¥ (537)	¥ 455	¥ (1,289)	¥ (95)	¥(584)	¥ 1,980	¥ (19)	¥ 1,960
Total assets	¥50,927	¥1,988	¥1,033	¥ —	¥ —	¥ 461	¥54,411	¥(2,346)	¥52,064
Depreciation	1,418	161	81	108	—	4	1,774	(14)	1,760
Impairment losses	15	6	—	130	—	—	152	—	152
Capital expenditure	4,442	124	128	62	—	18	4,776	(9)	4,767

Geographical Segment:

Geographical segment for the fiscal year 2009 is as follows:

Millions of Yen

	Japan	North America	Europe and Other	Total	Elimination and/ or corporate	Consolidation
Net sales to third parties	¥64,938	¥ 5,502	¥2,594	¥73,035	¥ —	¥73,035
Inter-segment net sales and transfers	2,081	549	—	2,630	(2,630)	—
Total net sales	67,019	6,052	2,594	75,665	(2,630)	73,035
Operating expense	63,933	7,127	2,551	73,612	(2,538)	71,074
Operating income (loss)	¥ 3,086	¥(1,075)	¥ 42	¥ 2,053	¥ (92)	¥ 1,960
Total assets	¥52,064	¥ —	¥ —	¥52,064	¥ —	¥52,064

For the year ended March 31, 2010, geographical segment information is not presented since the operating results and the total assets in jurisdictions other than Japan were insignificant.

Overseas net sales:

For the year ended March 31, 2009, the overseas net sales of the Group were ¥7,893 million, or 10.8% of the consolidated net sales. For the year ended March 31, 2010, information of overseas net sales is not presented since the sales earned in jurisdictions other than Japan were insignificant.

INDEPENDENT AUDITORS' REPORT

FIELDS CORPORATION AND SUBSIDIARIES

The Board of Directors of
FIELDS CORPORATION

We have audited the accompanying consolidated balance sheets of FIELDS CORPORATION and its consolidated subsidiaries as of March 31, 2009 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FIELDS CORPORATION and its consolidated subsidiaries as of March 31, 2009 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan as described in Note 1 to the consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for the convenience of readers outside Japan. Our audit also included the translation of yen amounts into the U.S. dollar amounts and, in our opinion, such translation has been made on the basis set forth in Note 1 to the consolidated financial statements.

BDO Sanyu & Co.

BDO Sanyu & Co.
Tokyo, Japan

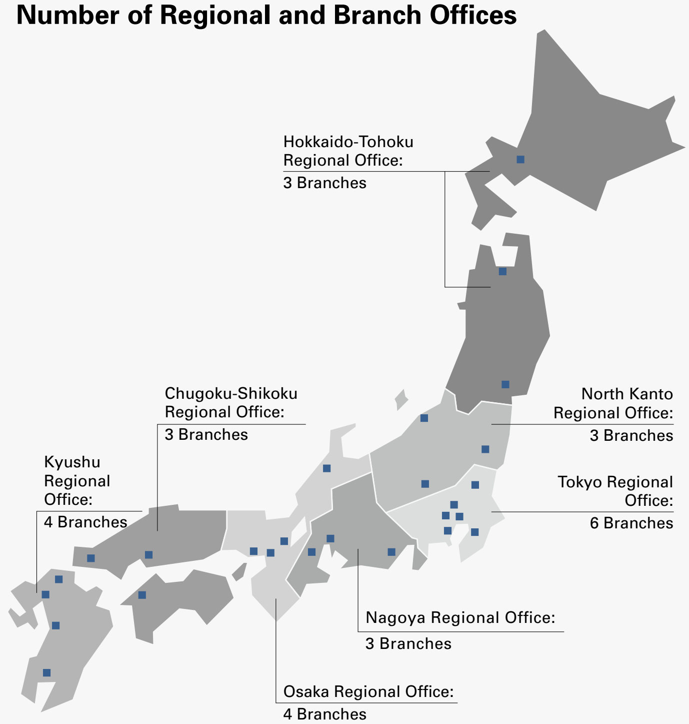
June 23, 2010

CORPORATE PROFILE

As of March 31, 2010

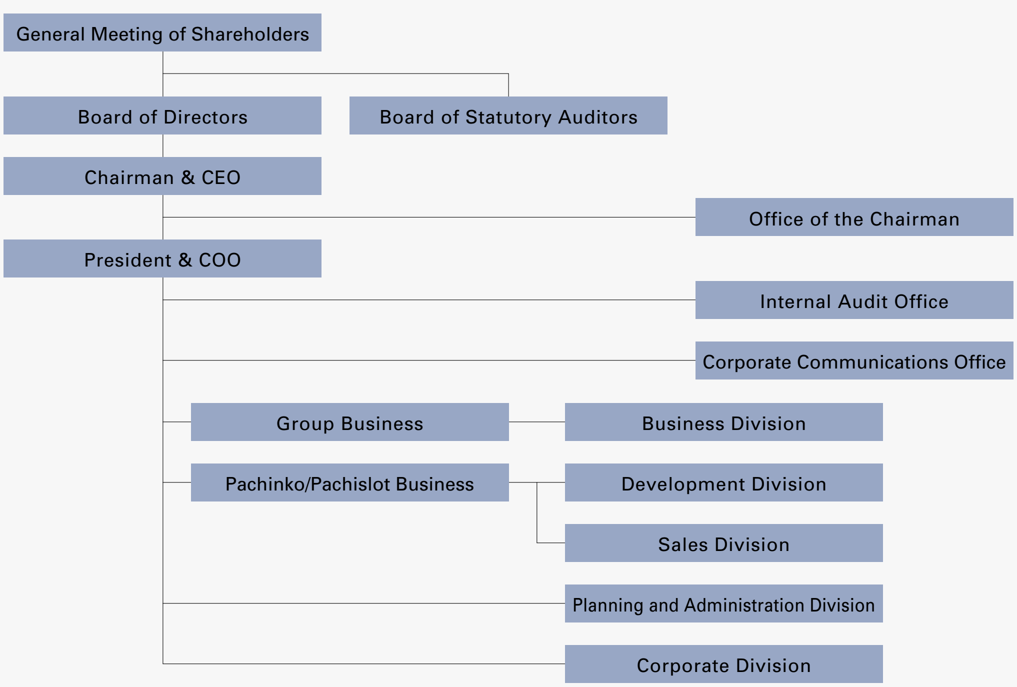
Company name	Fields Corporation
Corporate philosophy	The Greatest Leisure for All People
Established	June 1988
Head office address	E Space Tower, 3-6, Maruyama-cho, Shibuya-ku, Tokyo 150-0044, Japan
Main business activities	1. Planning and development of pachinko/pachislot machines 2. Purchasing and sales of pachinko/pachislot machines 3. Planning, development and sales of copy-righted characters and related content 4. Planning, development and sales of video software
Paid-in capital	¥7,948 million
Number of employees	909 (consolidated)
Consolidated subsidiaries	Fields Jr. Corporation Shin-Nichi Technology Co., Ltd. F Corporation Japan Sports Marketing Inc. FutureScope Corporation Lucent Pictures Entertainment, Inc. 5 other companies

Number of Regional and Branch Offices



Organization

As of April 1, 2010



Corporate History

1988
- Established Toyo Shoji Co., Ltd.

1989
- Established Central Cosmo Co., Ltd.

1999
- Obtained ISO 9002 (Sales Division).

2000
- Merged Hokuyo Building Co., Ltd., Database Co., Ltd. and SK Office Ltd.
- Launched Gamera pachislot machine by Rodeo Co., Ltd. as its sole sales agent.

2001
- Sold pachinko hall operation business to Takeya Co., Ltd.
- Changed company name to Fields Corporation and transferred head office to Minato-ku, Tokyo.
- Concluded basic exclusive distributorship agreements for pachislot machines with Rodeo Co., Ltd.

2002
- Acquired Cerio Ltd., and transformed it into Fields Jr. Corporation.
- Acquired shares of Rodeo Co., Ltd.
- Obtained ISO 9001.

2003
- Increased capital through public offering to ¥1,295 million.
- Listed shares on JASDAQ market.
- Concluded a basic sole sales agency agreement for pachinko/pachislot machines with Daido Co., Ltd. (currently Bisty Co., Ltd.)

2004
- Acquired shares of D3Publisher Inc.
- Increased capital through public offering to ¥7,948 million
- Transferred head office to Shibuya-ku, Tokyo
- Listed shares on the JASDAQ Securities Exchange Inc.

2005
- Acquired additional shares of D3Publisher Inc.
- Acquired shares of Kadokawa Haruki Corporation.
- Consolidated White Trash Charms Japan Co., Ltd.
- Acquired shares of J. Sakazaki Marketing Ltd.
- Established Japan Sports Marketing Inc. through merger of 3 Group companies.
- Acquired shares of E-Active Co., Ltd.

2006
- Converted D3Publisher Inc. into a holding company through a corporate split and changed its company name to D3 Inc.
- Established D3Publisher Inc. anew
- Consolidated thinkArts Co., Ltd.
- Changed the name of E-Active Co., Ltd. to Fields Pictures Corporation
- Acquired shares of FutureScope Corporation.

2007
- Established Ildel Corporation.
- Obtained ISO 27001 (Information Systems Division).
- Changed company name of Digital Lord Corporation to Lucent Pictures Entertainment, Inc.
- Consolidated EXPRESS Inc. as a subsidiary.
- Established Haruki Fields Cinema Fund.

2008
- Established Shin-Nichi Technology Co., Ltd. through a corporate split.
- Acquired shares of Bbmf Magazine, Inc.
- Established business tie-up with KYORAKU SANGYO.
- Acquired shares of SPO Inc.

2009
- Absorbed Fields Pictures Corporation and White Trash Charms Japan Co., Ltd. by merger.
- Completed liquidation of thinkArts Co., Ltd.
- Sold all shares of D3 Inc.
- Acquired equity stake in K-1 INTERNATIONAL Corporation (Equity Stake: 85.7%) and established F Corporation (Equity Stake: 100.0%)

2010
- **Established SOUGOU MEDIA INC. (Equity Stake: 35.0%)**
- **Following the merger of the JASDAQ Securities Exchange and Osaka Securities Exchange, Fields listed its shares on the Osaka Securities Exchange (JASDAQ Market)**
- **Jointly established HERO'S (Equity stake: 49.0%)**
- **Consolidated Tsuburaya Productions Co., Ltd. (Equity stake: 51.0%) and Digital Frontier Inc. (Equity stake: 86.9%)**

1988～

Seeking a more open and flexible distribution model for pachinko/pachislot machines

Taking advantage of our strength as an independent distributor, Fields changed the conventional practice of the industry, in which each pachinko hall only installed machines from a single maker. Hall operators are now able to select the optimal mix of machines from a wide range of options from different makers through our practical proposals, which are based on meticulous marketing. Our innovation and flexible distribution has contributed to increasing fan satisfaction and enhanced the sales channels of makers.

1998～

Evolving into a content provider

In order to find new points of appeal for pachinko/pachislot machines and recognizing the importance of machines featuring game functions, Fields formed a business alliance with pachislot makers and was the first to release pachislot machines featuring highly animated content and exciting story lines associated with copyrighted characters while capitalizing on the rapid advances in liquid crystal displays (LCDs) and semiconductor technologies. The machines were wildly successful and triggered a boom in entertainment machines. Since then we have focused on strengthening the planning and sales of content, while advancing the role of content in multiple directions through a wide range of channels in addition to pachinko/pachislot machines.

2008～

Seeking to create new entertainment

Fields is aiming to realize its corporate philosophy of "The Greatest Leisure for All People" by anticipating changes and finding business opportunities in the lifestyles and environments of people around the world in terms of their increasing leisure time. Recently we have come to understand the vital role that digital content plays as the basis for our leading competitive edge as a corporation. We are therefore aiming to acquire, create and nurture rights to intellectual property (IP) with high entertainment value that can be used in our core business of pachinko/pachislot, and content upon which we can create a new class of customers. To this end we are actively working to create new entertainment through a repeated cycle of exhaustive information gathering, analysis and research in the time-spending leisure market.

STOCK INFORMATION

As of March 31, 2010

Stock status

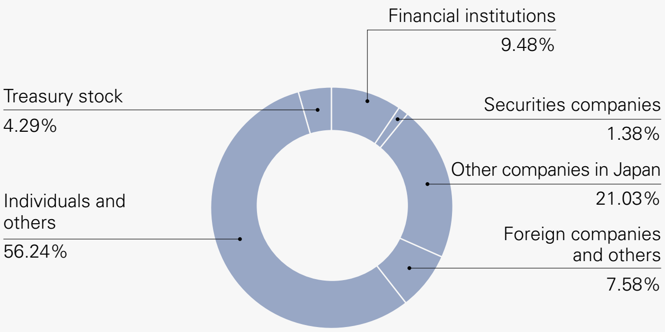
Total authorized shares	1,388,000
Total outstanding shares	347,000
Treasury stock	14,885
Number of shareholders	10,828

Principal Shareholders

Name of shareholders	Number of shares held	Shareholding ratio (%)
Hidetoshi Yamamoto	86,750	25.00
SANKYO CO., LTD.	52,050	15.00
Takeshi Yamamoto	36,128	10.41
Mint Co.	16,000	4.61
The Master Trust Bank of Japan, Ltd. (Trust account)	12,898	3.72
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	5,982	1.72
Japan Trustee Services Bank, Ltd. (Trust account)	4,735	1.37
Takashi Oya	4,500	1.30
NCT Trust and Banking Corporation (Investment accounts)	3,500	1.01
Goldman Sachs International	2,478	0.71

*Excluding treasury stock held by the Company

Number of Shareholders by Category



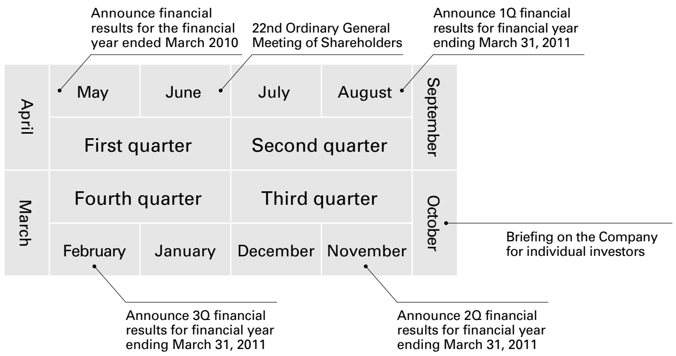
IR INFORMATION

IR Events Held

Financial year ended March 31, 2010

2009	April		
	May	Financial results briefing for the financial year ended March 31, 2009	Participants: 85
	June	21st Ordinary General Meeting of Shareholders	
	July	Participation in JASDAQ Value IR Square 2009	
	August	1Q financial results briefing for financial year ending March 31, 2010	Participants: 49
	September	Briefing on the Company for individual investors held (Fukuoka and Osaka)	Participants: Approximately 440
	October	Briefing on the Company for individual investors held (Tokyo)	Participants: Approximately 320
	November	2Q financial results briefing for financial year ending March 31, 2010	Participants: 80
		Overseas IR activities	
	December		
2010	January		
	February	3Q financial results briefing for financial year ending March 31, 2010	Participants: 57
	March		

IR Schedule for the Financial Year Ending March 31, 2011



Fields' IR Website http://www.fields.biz/ir/e/

Fields' IR website serves as a forum for providing a full range of timely information to shareholders and investors, and for communication. We redesigned the website in both Japanese and English in May 2010 to make it easier to understand and use, adding new functions and reviewing the content composition in the process.

The website has received high marks from external observers, receiving the Best Corporate Website award from Nikko Investor Relations Co., Ltd. (selected in the overall rankings, and seventh in the emerging market ranking), and being selected for the Daiwa Investor Relations Co., Ltd. 2009 Internet IR Best Company Award. We received both of these awards in the previous year also, and are proud that our efforts to provide a high quality IR website continue to be recognized from an objective viewpoint.

We will strive to make prompt, accurate and fair disclosure of information through our IR site, so that it will be truly useful to shareholders and investors.

New Features

- Improved page navigation functions
- Provision of an IR site for mobile phones
- Better printing functions
- New IR column and survey added

Briefing on the Company for Individual Investors

As part of our IR activities for individual investors, we hold regular briefings on the Company (in cooperation with Morningstar Japan K.K.). During the fiscal year ended March 31, 2010, we held briefings in Fukuoka, Osaka and Tokyo, attended by over 760 individual investors.

During the briefings the president gave a presentation detailing Fields' market position and business strategies, and our growth strategies going forward. Investors were active in asking questions, and shared many frank opinions with us.

We plan to hold a briefing on the Company in fall of the fiscal year ending March 31, 2011, and will work to promote greater understanding of Fields among individual investors by actively creating further opportunities for communication with them.

For more information about IR please contact:
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Printed in Japan