

**Supplementary Financial Document
for the 1st Quarter of the Year Ending March 2009**

August 7, 2008

Fields Corporation



FIELDS CORPORATION
THE GREATEST LEISURE FOR ALL PEOPLE

JASDAQ:2767
<http://www.fields.biz>

1. Highlights for the 1st Quarter of the Year Ending March 2009	P. 3	3. Appendix I	P. 17
Results for the 1st Quarter of the Year Ending March 2009 (Consolidated)	P. 4	Corporate Profile	P. 18
Reference: Results for the 1st Quarter of the Year Ending March 2009 (Non-Consolidated)	P. 5	Our Tracks	P. 19
Segment Information for the 1st Quarter of the Year Ending March 2009 (Consolidated)	P. 6	Group Structure	P. 20
Balance Sheets for the 1st Quarter of the Year Ending March 2009 (Consolidated)	P. 7	Introduction to Fields Group Companies	P. 21
		Introduction to Fields Group Companies (Continued)	P. 22
		Business Model	P. 23
		Business flow and Accounting Method of Merchandising Rights Regarding Pachinko/Pachislot Planning and Development (Image)	P. 24
		Accounting method of Pachinko/Pachislot (Image)	P. 25
		Change in the Number of Machines Sold Regarding CR Neon Genesis Evangelion Series and Ratio of Pachinko Machines Content Usage in The Market	P. 26
2. Supplementary Data for the 1st Quarter of the Year Ending March 2009	P. 8	Alliance with KYORAKU SANGYO	P. 27
Main Titles of Pachinko/Pachislot Machines Sold for the 1st Quarter of the Year Ending March 2009	P. 9	PS Field: Transition in the Number of Machines Sold	P. 28
Titles sold for the 1st Quarter of the Year Ending March 2009 and Titles Press Released for the 2nd Quarter of the Year Ending March 2009	P. 10	Financial Highlights	P. 29
Number of Pachinko Machines Sold According to Manufacturer for the 1st Quarter of the Year Ending March 2009	P. 11	4. Appendix II	P. 30
Number of Pachislot Machines Sold According to Manufacturer for the 1st Quarter of the Year Ending March 2009	P. 12	Japanese Leisure Market	P. 31
Change in the Number of Machines Sold by Brand	P. 13	Income Structure of Pachinko Industry (FY2007)	P. 32
Change in the Number of Pachinko/Pachislot Machines Sold	P. 14	Players in the Pachinko/Pachislot Industry	P. 33
Reference: Results for the 1st Quarter of the Year Ending March 2009 by D3 Inc.	P. 15	Recent Trend of Pachinko Industry	P. 34
Reference: Game Software Sales Performance for the 1st Quarter of the Year Ending March 2009 by D3 Inc.	P. 16	Number of Pachinko Halls and Installed Machines Per Hall	P. 35
		Unit Sales and Sales Amount of Pachinko/Pachislot Machines	P. 36
		Number of Installed Pachinko/Pachislot Machines and Annual Turnover Rate	P. 37
		Market Share by Manufacturers	P. 38
		5. Disclaimer	P. 39



Highlights for the 1st Quarter of the Year Ending March 2009



Results for the 1st Quarter of the Year Ending March 2009 (Consolidated)

(Unit: ¥million)

	Year Ended March 2008				Year Ending March 2009					
	1Q Results	1st Half Results	1Q-3Q Results	Full-Year Results	1Q Results	YOY (%)	1st Half Forecast	YOY (%)	Full-Year Forecast	YOY (%)
Net sales	24,234	64,648	77,485	101,818	7,321	30.2%	37,000	57.2%	75,000	73.7%
Gross profit	6,763	17,444	21,280	34,544	2,114	31.3%	14,500	83.1%	33,000	95.5%
SG&A expenses	4,440	9,621	15,292	21,385	5,426	122.2%	12,000	124.7%	23,000	107.6%
Operating income	2,322	7,822	5,988	13,158	(3,312)	-	2,500	32.0%	10,000	76.0%
Operating income margin	9.6%	12.1%	7.7%	12.9%	-	-	6.8%	-	13.3%	-
Ordinary income	2,627	7,464	5,500	11,705	(3,161)	-	2,500	33.5%	10,000	85.4%
Ordinary income margin	10.8%	11.5%	7.1%	11.5%	-	-	6.8%	-	13.3%	-
Net income	1,156	3,077	2,261	5,296	(2,289)	-	700	22.7%	5,300	100.1%
Net income margin	4.8%	4.8%	2.9%	5.2%	-	-	1.9%	-	7.1%	-



Reference: Results for the 1st Quarter of the Year Ending March 2009 (Non-Consolidated)

(Unit: ¥million)

	Year Ended March 2008				Year Ending March 2009					
	1Q Results	1st Half Results	1Q-3Q Results	Full-Year Results	1Q Results	YOY (%)	1st Half Forecast	YOY (%)	Full-Year Forecast	YOY (%)
Net sales	21,094	58,735	65,335	82,758	3,950	18.7%	29,000	49.4%	55,000	66.5%
Gross profit	5,757	15,570	17,955	28,488	2,090	36.3%	12,800	82.2%	25,500	89.5%
SG&A expenses	3,226	7,005	11,154	15,854	3,569	110.6%	8,300	118.5%	16,000	100.9%
Operating income	2,531	8,565	6,800	12,634	(1,478)	-	4,500	52.5%	9,500	75.2%
Operating income margin	12.0%	14.6%	10.4%	15.3%	-	-	15.5%	-	17.3%	-
Ordinary income	2,614	8,660	6,881	12,463	(1,721)	-	4,500	52.0%	9,500	76.2%
Ordinary income margin	12.4%	14.7%	10.5%	15.1%	-	-	15.5%	-	17.3%	-
Net income	1,397	2,467	1,316	4,153	(948)	-	2,500	101.3%	5,300	127.6%
Net income margin	6.6%	4.2%	2.0%	5.0%	-	-	8.6%	-	9.6%	-



Segment Information for the 1st Quarter of the Year Ending March 2009 (Consolidated)

(Unit: ¥million)

	Year Ended March 2008				Year Ending March 2009	
	1Q Results	1st Half Results	1Q-3Q Results	Full-Year Results	1Q Results	Composition (%)
Net sales						
PS Field	21,093	58,715	65,343	82,763	4,197	56.1%
Game Field	2,223	4,140	8,851	14,528	1,904	25.4%
Sports Field *	-	-	-	-	961	12.8%
Movies Field *	-	-	-	-	26	0.4%
Other Field *	989	2,144	3,875	5,919	394	5.3%
Subtotal	24,306	65,000	78,070	103,212	7,485	100.0%
Elimination or incorporation	(72)	(352)	(585)	(1,393)	(163)	
Total	24,234	64,648	77,485	101,818	7,321	
Operating income						
PS Field	2,540	8,623	6,873	12,747	(1,562)	-
Game Field	12	(359)	(414)	952	(1,112)	-
Sports Field *	-	-	-	-	(169)	-
Movies Field *	-	-	-	-	(488)	-
Other Field *	(228)	(439)	(454)	(516)	65	-
Subtotal	2,324	7,824	6,004	13,182	(3,267)	-
Elimination or incorporation	(1)	(1,803)	(15)	(24)	(44)	
Total	2,322	7,822	5,988	13,158	(3,312)	

*As of 1st Quarter of the Year Ending March 2009, 'Other Fields' has been divided into three segments: 'Sports field', 'Movies field' and 'Other fields'



Balance Sheets for the 1st Quarter of the Year Ending March 2009 (Consolidated)

(Unit: ¥million)

Assets	At March 31, 2008	At June 30, 2008	Increase/ Decrease
Cash and cash equivalents	12,841	9,495	(3,346)
Notes and accounts receivable—trade	12,354	5,713	(6,641)
Other	14,456	14,892	436
Allowance for doubtful accounts	(92)	(62)	30
Total current assets	39,559	30,038	(9,521)
Total tangible fixed assets	8,093	11,833	3,740
Goodwill	1,057	1,060	3
Other	2,880	2,848	(32)
Total intangible fixed assets	3,937	3,908	(29)
Investment securities	13,212	14,369	1,157
Other	4,721	4,462	(259)
Allowance for doubtful accounts	(355)	(339)	16
Total investments and other assets	17,578	18,492	914
Total fixed assets	29,609	34,234	4,625
Total assets	69,168	64,272	(4,896)

Liabilities and Net Assets	At March 31, 2008	At June 30, 2008	Increase/ Decrease
Notes and accounts payable—trade	5,954	1,910	(4,044)
Short-term borrowings	3,398	6,497	3,099
Accrued income taxes	3,743	244	(3,499)
Other	6,227	6,549	322
Total current liabilities	19,322	15,200	(4,122)
Corporate bonds	250	2,650	2,400
Long-term borrowings	434	234	(200)
Retirement benefit provisions	211	217	6
Other	2,619	2,579	(40)
Total fixed liabilities	3,514	5,680	2,166
Total liabilities	22,836	20,881	(1,955)
Common stock	7,948	7,948	0
Capital surplus	7,994	7,994	0
Retained earnings	28,852	25,695	(3,157)
Total shareholders' equity	44,795	41,638	(3,157)
Total valuation and translation differences	(309)	292	601
Stock acquisition rights	43	53	10
Minority interest	1,802	1,406	(396)
Total net assets	46,331	43,391	(2,940)
Total liabilities and net assets	69,168	64,272	(4,896)

* 'others' is calculated as the other items deducted from the total figure on this sheet



Supplementary Data for the 1st Quarter of the Year Ending March 2009



Main Titles of Pachinko/Pachislot Machines Sold for the 1st Quarter of the Year Ending March 2009

(Unit: Machines)

Release	Manufacturer	Title	Machines Sold ⁽¹⁾	Cumulative Machines Sold ^{(1) (2)}
Pachinko machines				
1Q	Bisty	CRA Neon Genesis Evangelion Premium Model	41,933	51,443
	Others		11,304	
Total number of Pachinko machines sold for the 1st Quarter of the Year Ending March 2009			53,237	
Pachislot machines				
1Q	Rodeo	Sonic Live	-	-
	Others		-	
Total number of Pachislot machines sold for the 1st Quarter of the Year Ending March 2009			5,360	
Total number of Pachinko/Pachislot machines sold for the 1st Quarter of the Year Ending March 2009			58,597	

⁽¹⁾Regarding the titles of Pachinko/Pachislot machines for which the number of machines sold was less than 10,000, the number of machines sold was not released.

⁽²⁾The figures for Cumulative machines Sold were as of July 31, 2008.



Titles sold for the 1st Quarter of the Year Ending March 2009 and Titles Press Released for the 2nd Quarter of the Year Ending March 2009

(As of June 30, 2008)

Titles Sold for the 1st Quarter of the Year Ending March 2009

Pachinko machines



■ CRA Neon Genesis Evangelion Premium Model

- Released as Premium Model
- Retaining the brilliant content and complex game play that are the trademarks of the Evangelion series, while also launching it as a 'high chance' model that has been preset to make it easier to hit the jackpot

Released in
May 2008

©GAINAX・カラー／Project Eva. ©Bisty

Pachislot machines



■ Sonic Live

- Employing content from Sega Corporation's popular 'Sonic the Hedgehog' video game software series
- Recreating the speedy antics of Sonic, the fastest hedgehog in the world

Released in
May 2008

©SEGA ©Sammy
©RODEO

Titles Press Released for the 2nd Quarter of the Year Ending March 2009

Pachinko machines



■ CRA Morning Musume

- Machine contents feature the Japanese iconic pop group Morning Musume
- Featuring the essential enjoyment that pachinko machines provide

Released in
July 2008

©UP-FRONT AGENCY／FIELDS ©Bisty

Pachislot machines



■ Neon Genesis Evangelion -That time has come, they're waiting for us

- This machines body design is inspired by the epic world of Evangelion
- Utilizing the 'Emergency Gate' in-machine moving devices
- Inclusion of new video footage from the film 'Evangelion: 1.0 You Are (Not) Alone', recreates the image and impact

Coming soon



■ CR Seven Samurai

- Director, Akira Kurosawa's immortal masterpiece, *The Seven Samurai*, has been completely remade with a new cast for exclusive use with pachinko machines, a first for the pachinko industry
- Recreated by carefully selected staff and an ensemble cast drawn from the Japanese film industry has resulted in an unprecedented fusion of game and film that offers distinctive realism

Coming soon

黒澤プロダクション ©三船プロダクション
©BP/PC © FIELDS



Number of Pachinko Machines Sold According to Manufacturer for the 1st Quarter of the Year Ending March 2009

(Unit: Machines)

	Year Ended March 2008						Year Ending March 2009
	1Q Results	2Q Results	1st Half Results	3Q Results	4Q Results	Full-Year Results	1Q Results
Sammy	-	5,640	5,640	35,830	18	41,488	-
Bisty	22,128	1,352	23,480	4,113	189,933	217,526	48,759
Olympia	1,255	-	1,255	-	-	1,255	-
Others	4,391	3,819	8,210	2,738	2,764	13,712	4,478
Total	27,774	10,811	38,585	42,681	192,715	273,981	53,237



Number of Pachislot Machines Sold According to Manufacturer for the 1st Quarter of the Year Ending March 2009

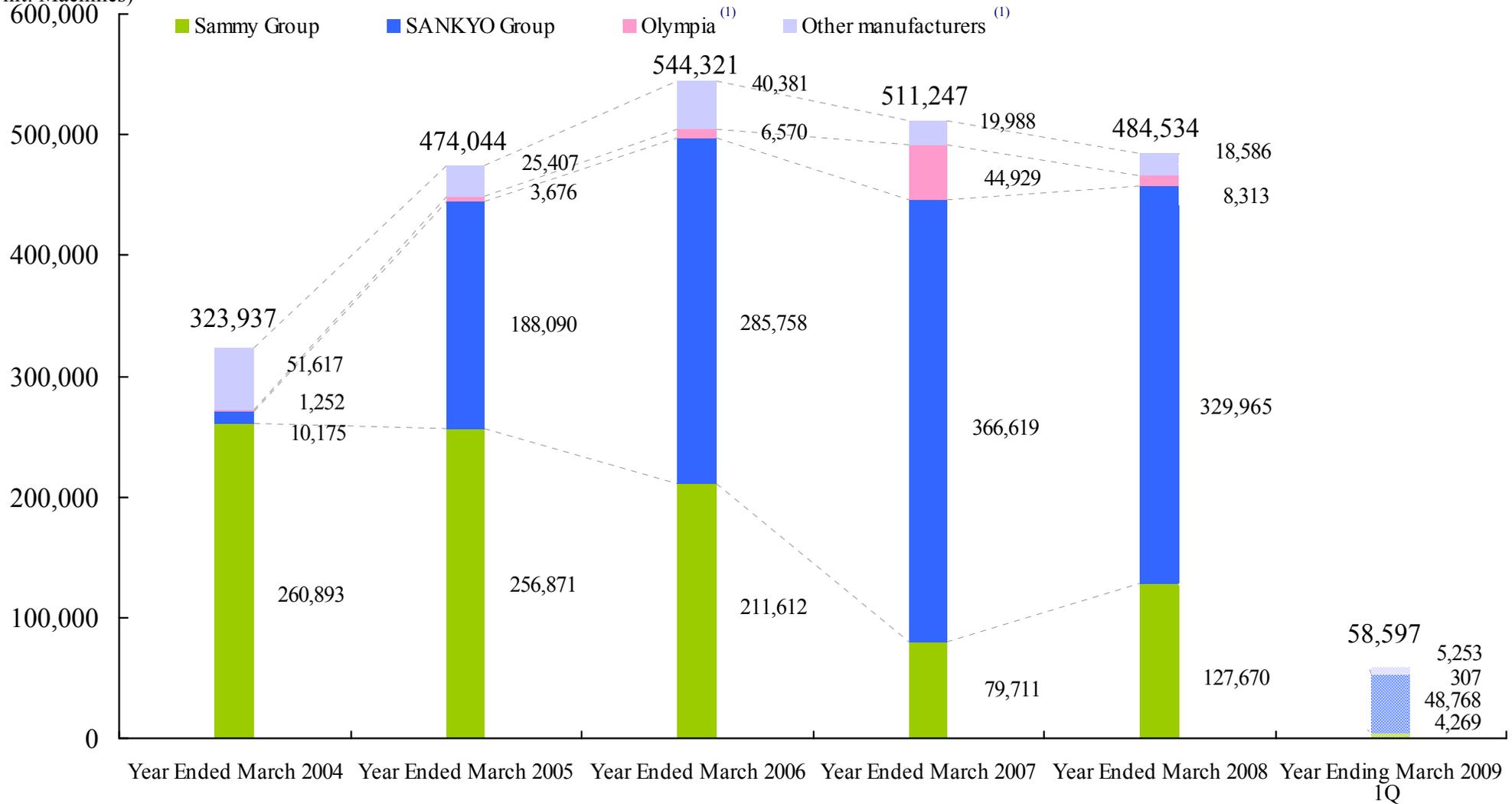
(Unit: Machines)

	Year Ended March 2008						Year Ending March 2009
	1Q Results	2Q Results	1st Half Results	3Q Results	4Q Results	Full-Year Results	1Q Results
Rodeo	48,387	10,964	59,351	8,757	18,074	86,182	4,269
Bisty	7,805	97,469	105,274	7,120	45	112,439	9
Olympia	53	6,203	6,256	121	681	7,058	307
Others	1,130	1,492	2,622	1,481	771	4,874	775
Total	57,375	116,128	173,503	17,479	19,571	210,553	5,360



Change in the Number of Machines Sold by Brand

(Unit: Machines)

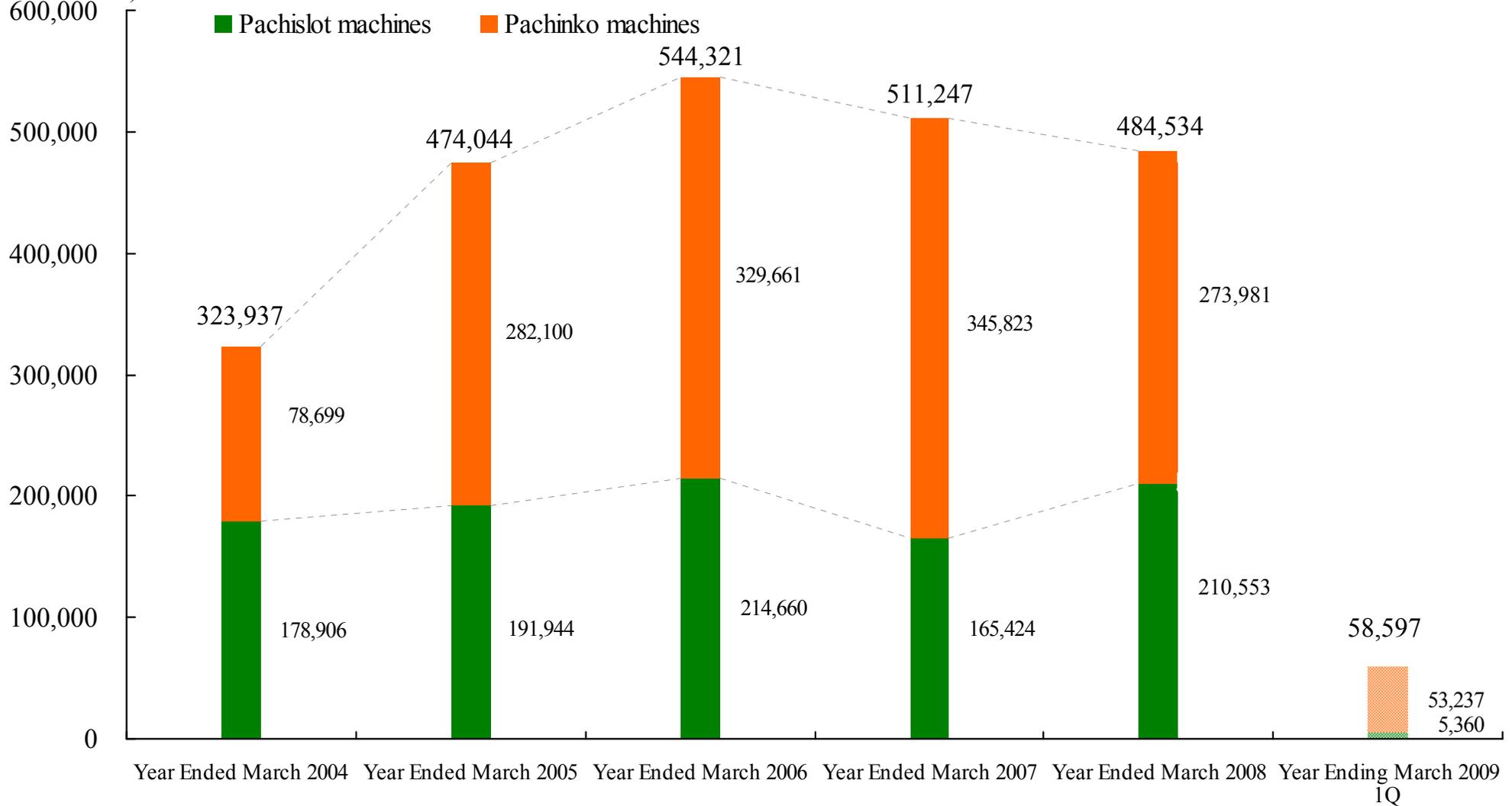


⁽¹⁾ Olympia Co., Ltd., was included in Other manufacturers in and before the year ended March 2006, therefore there is a difference between the figures announced in the past for said company and those presented here.



Change in the Number of Pachinko/Pachislot Machines Sold

(Unit: Machines)





Reference: Results for the 1st Quarter of the Year Ending March 2009 by D3 Inc.

(Unit: ¥million)

	Year Ended March 2008				Year Ending March 2009					
	1Q Results	1st Half Results	1Q-3Q Results	Full-Year Results	1Q Results	YOY (%)	1st Half Forecast	YOY (%)	Full-Year Forecast	YOY (%)
Net sales	2,174	3,976	8,648	14,286	1,889	86.9%	4,846	121.9%	15,382	107.7%
Gross profit	762	1,277	2,345	4,771	(70)	-	1,234	96.6%	5,314	111.4%
SG&A expenses	725	1,583	2,674	3,701	1,022	140.9%	2,011	127.0%	4,107	111.0%
Operating income	37	(306)	(329)	1,069	(1,093)	-	(777)	-	1,206	112.8%
Operating income margin	1.7%	-	-	7.5%	-	-	-	-	7.8%	-
Ordinary income	122	(350)	(464)	414	(867)	-	(809)	-	1,155	279.0%
Ordinary income margin	5.6%	-	-	2.9%	-	-	-	-	7.5%	-
Net income	(129)	(500)	(706)	293	(858)	-	(1,024)	-	550	187.7%
Net income margin	-	-	-	2.1%	-	-	-	-	3.6%	-



Reference: Game Software Sales Performance for the 1st Quarter of the Year Ending March 2009 by D3 Inc.

(Unit: Thousand)

	Year Ended March 2008	1Q of the Year Ending March 2009			Year Ending March 2009	
	Full-Year Results	Low-price Software (SIMPLE series)	High-end software	Total	Full-Year Forecast	Progress(%)
Japan	1,313	65	163	228	1,577	14.5%
North America	2,627	-	506	506	2,641	19.2%
Europe	1,041	5	212	218	1,233	17.7%
Total	4,982	70	882	953	5,451	17.5%

(Unit: Thousand)

Best-Selling Titles	Platform	Sales area	Sales Units
Ben 10	PS2 ・ PSP ・ DS ・ Wii	North America/ Europe	545
Neon Genesis Evangelion series (Simulator software for Pachinko/Pachislot)	PS2 ・ DS	Japan	145



Appendix I



Corporate Profile

Corporate Data

(As of June 30, 2008)

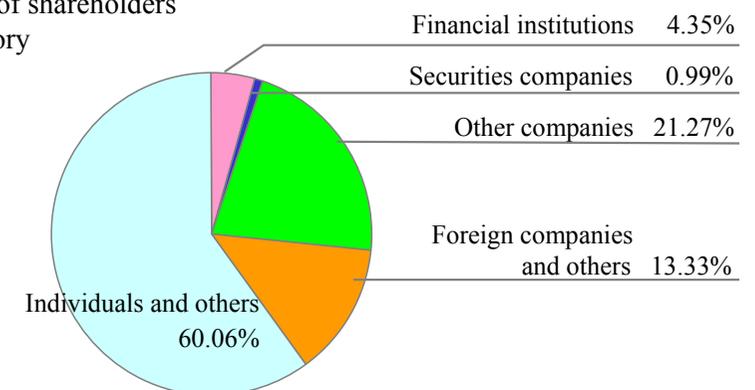
Company name	FIELDS CORPORATION http://www.fields.biz/
Establishment	June 1988 (Started business as TOYO Shoji Co., Ltd. in 1983)
Address of the head office	E Space Tower, 3-6, Maruyama-cho, Shibuya-ku, Tokyo 150-0044, Japan
Common stock	¥7,948.03 million
Stock information	Total number of shares issued and outstanding: 347,000
Securities exchange	JASDAQ 2767
Number of employees	657 (Non-Consolidated); 1,105(Consolidated)
Main business activities	Planning, development and sales of pachinko and pachislot machines
Regional Offices and Branch Offices	<Regional Offices> Hokkaido-Tohoku, North Kanto,Tokyo,Nagoya,Osaka, Chugoku-Shikoku, Kyushu
	<Branch Offices> Sapporo, Aomori, Sendai, Koriyama, Niigata, Takasaki, Tsukuba, Saitama, Chiba, Tokyo, Western Tokyo, Yokohama, Shizuoka, Nagoya, Mie, Kanazawa, Kyoto, Osaka, Kobe, Hiroshima, Yamaguchi, Matsuyama, Fukuoka, Saga, Kumamoto, Kagoshima
Consolidated subsidiaries	<ul style="list-style-type: none"> • Fields Jr. Corporation • D3 Inc. • Lucent Pictures Entertainment, Inc. • FutureScope Corporation • Japan Sports Marketing Inc. and fourteen other companies
Equity method companies	<ul style="list-style-type: none"> • Rodeo Co., Ltd. • Kadokawa Haruki Corporation and two other companies

Principal Shareholders

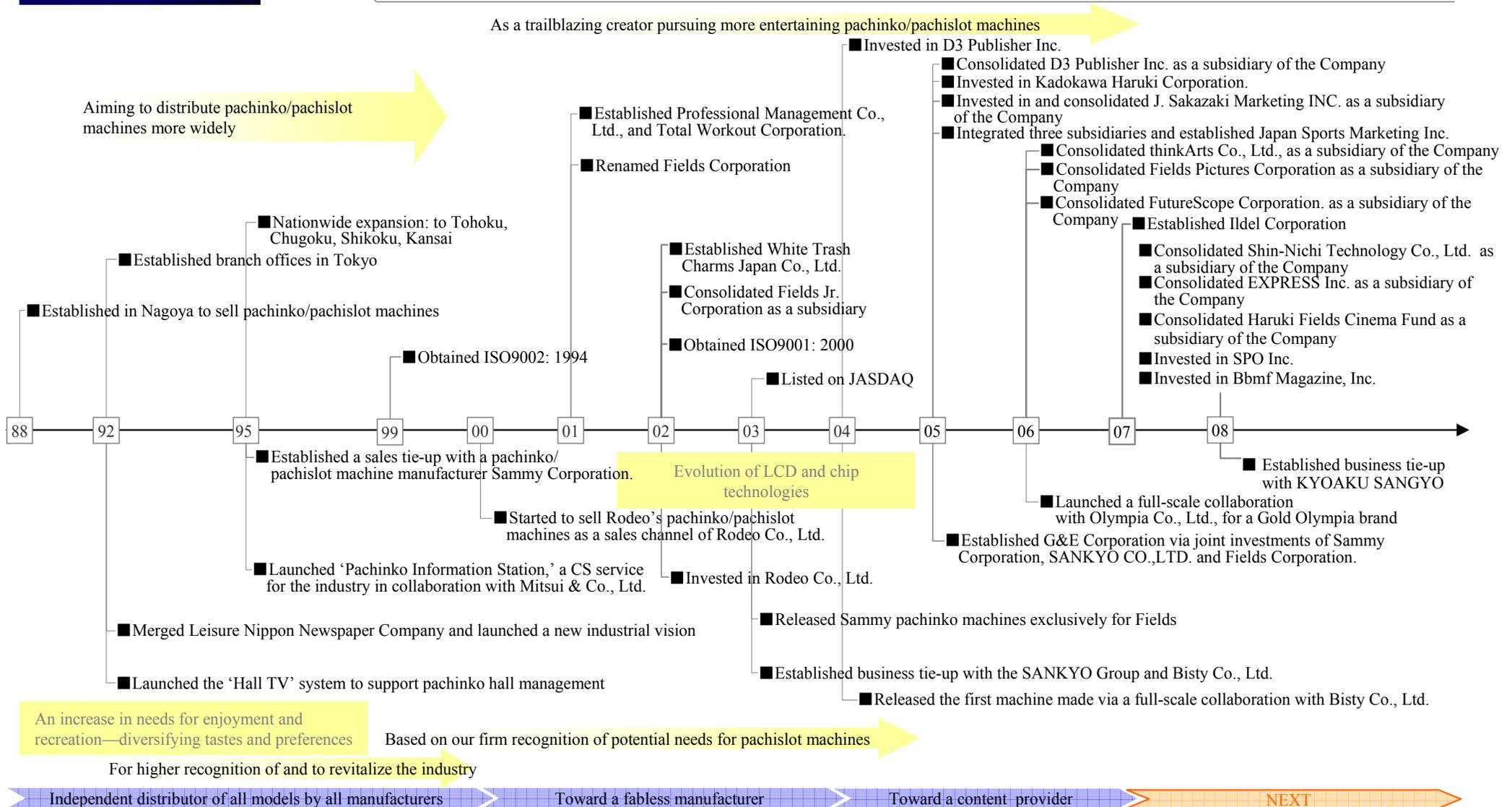
(As of March 31, 2008)

Shareholders	Number of shares held	Percentage of outstanding shares held
Hidetoshi Yamamoto	86,750	25.00%
SANKYO CO.,LTD.	52,050	15.00%
Takashi Yamamoto	36,128	10.41%
Mint Co.	16,000	4.61%
CBNY SAXSON FUNDS MANEGEMENT LTD.	9,501	2.74%
Japan Trustee Services Bank, Ltd. (Trust account)	8,875	2.56%
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	5,507	1.59%
Takashi Oya	5,000	1.44%
The Master Trust Bank of Japan, Ltd. (Trust account)	3,522	1.01%
State Street Bank and Trust Company	3,050	0.88%

Number of shareholders by category



Our Tracks



Group Structure

Fields Corporation [2767]

(As of June 30, 2008)

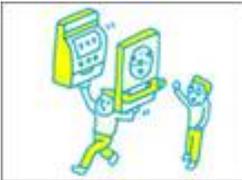


Note: This structure consists of our consolidated subsidiaries and affiliates

Introduction to Fields Group Companies

PS Field

Fields Jr. Corporation



■Manages approximately 1,200 college students across Japan who are involved in the delivery and installation of pachinko and pachislot machines. It also conducts nationwide marketing research for about 13,585 pachinko halls and collects information on the types of machines installed in halls and their use. The information is fed back and used in the planning and development of new machines.

Rodeo Co., Ltd.



RODEO

■Fields is an investor in and a comprehensive sales agent for Rodeo Co., Ltd., a group company of the top selling pachislot machine manufacturer Sammy Corporation.

We are promoting collaboration by merging the outstanding development capability of the Sammy Group with the major merchandising rights and the planning and development abilities of Fields.

<http://www.rodeo.ne.jp/>

PS Field's Other Group Companies

Shin-Nichi Technology Co., Ltd.
Ildel Corporation

Source: Fields

©SEGA ©Sammy ©RODEO ©本宮ひろ志・楽英社/FIELDS ©Sammy ©RODEO
Dark Sector ©2007 Digital Extremes, London, Canada. Dark Sector and the Dark Sector logo are trademarks of Digital Extremes. Digital Extremes and the Digital Extremes logo are trademarks of 1085522 Ontario Ltd. ALL RIGHTS RESERVED. Published by D3 Inc. under license from Digital Extremes. All other trademarks are property of their respective owners.

Game Field

D3 Inc.



■In March 2005, Fields turned the game publisher, D3 Publisher Inc., into its consolidated subsidiary, with the aim of contents deployment via media in the global market.

A close business alliance with D3 Inc. reinforces Field's content provider business by vitalizing the efforts to obtain copyrights in Europe and the United States, as well as enabling faster product planning, development and sales of game software.

■The D3 Group

Securities code 4311:JASDAQ <http://www.d3i.co.jp/>

D3 Inc.



D3 Publisher Inc.

Entertainment Software Publishing Inc.

D3 Publisher of America, Inc. (United States)

Vicious Cycle Software, Inc. (United States)

D3 Publisher of Europe Ltd. (United Kingdom)

D3DB S.r.l. (Italy)

thinkArts Co., Ltd.



■Fields turned thinkArts Co., Ltd., which is engaged in the development of image and game software for pachinko/pachislot machines, into a new consolidated subsidiary. In collaboration with Fields Group companies, it aims to establish a firm system to produce high-value-added digital content.

<http://www.thinkarts.jp/>

Introduction to Fields Group Companies (Continued)

Sports field / Movies field / Other field

Japan Sports Marketing Inc.



■Established in October 2005 through the merger of J.Sakazaki Marketing Ltd., which became a consolidated subsidiary of Fields in July 2005, Professional Management Co., Ltd., and Total Workout Corporation.

It is involved in a wide range of sports entertainment businesses such as the planning and organizing of sporting events, marketing and distribution of broadcasting rights and the operation of gyms.



<http://www.jsm.jp>

Lucent Pictures Entertainment, Inc.

LUCENT PICTURES

■Commenced operations in October 2007, with the aim of planning and production of animation.

It aims to secure content at its source, and enter the animation field as a part of the activities to create synergies within the Group through the cross utilization of the Group's content assets.

<http://www.lpei.co.jp/>

FutureScope Corporation



■Pursuing further possibilities of mobile entertainment, this company was established in October 2006 to propose a more convenient and more enjoyable lifestyle to the world.

Using Fields' wide range of entertainment content, it strives to provide a range of entertainment services and to realize new community-type membership service by applying high-level Internet technology.



<http://www.futurescope.jp/>

Sports Field / Movies Field / Other Field's Group Companies

White Trash Charms Japan Co., Ltd.
Fields Pictures Corporation
EXPRESS Inc.

G&E Corporation



■Japan's first school to train human resources for comprehensive entertainment companies, G&E Corporation was established by the joint investment of SANKYO CO., LTD., Sammy Corporation and Fields Corporation.



At this school, students not only learn the basics of the industry but also improve their business skills, and systematically learn and acquire cutting-edge skills and knowledge. Many career opportunities in the investor companies and other entertainment companies await the graduates.

<http://www.g-e.jp/>

Kadokawa Haruki Corporation



■Kadokawa Haruki Corporation has established a distinctive position in the publication industry through exploring untapped genres in every field. Haruki Kadokawa, its special advisor, is known as a forerunner of a media mixing strategy that promotes multifaceted content development for publication, movies, music, etc.

<http://www.kadokawaharuki.co.jp/>

SPO Inc.



■In March 2008 Fields Corporation formed a capital and business alliance with SPO Inc., a company involved in planning, development and distribution of (mainly Asian) films as well as planning, publishing, and sales of video software and discs.

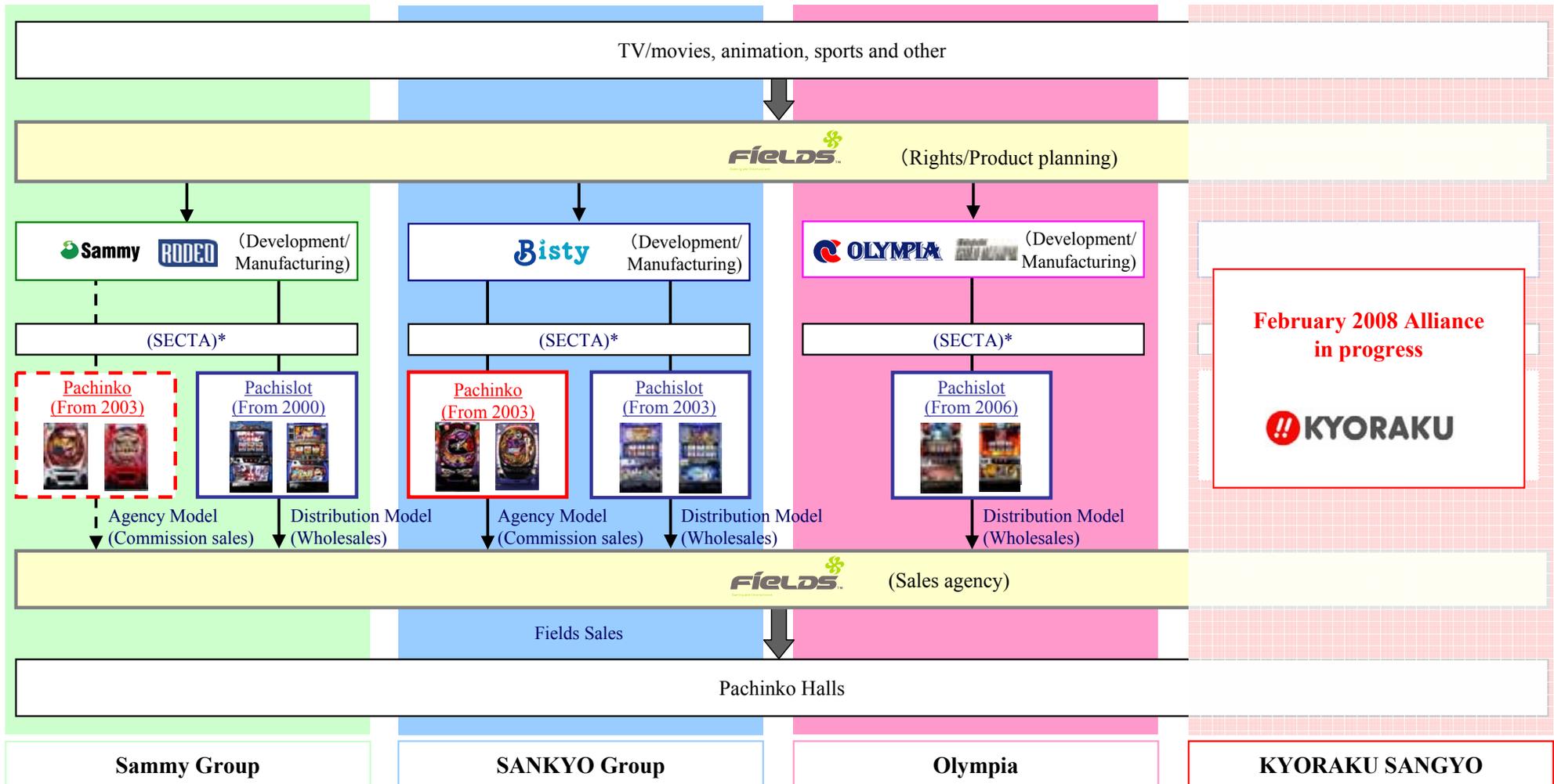
In addition to this SPO Inc. are involved in cinema through ownership of the 'Cinemart' movie theaters in Roppongi, Shinjuku and Shinbashi.

<http://www.spoinc.jp/>

Haruki Fields Cinema Fund
Bbmf Magazine, Inc.

Business Model

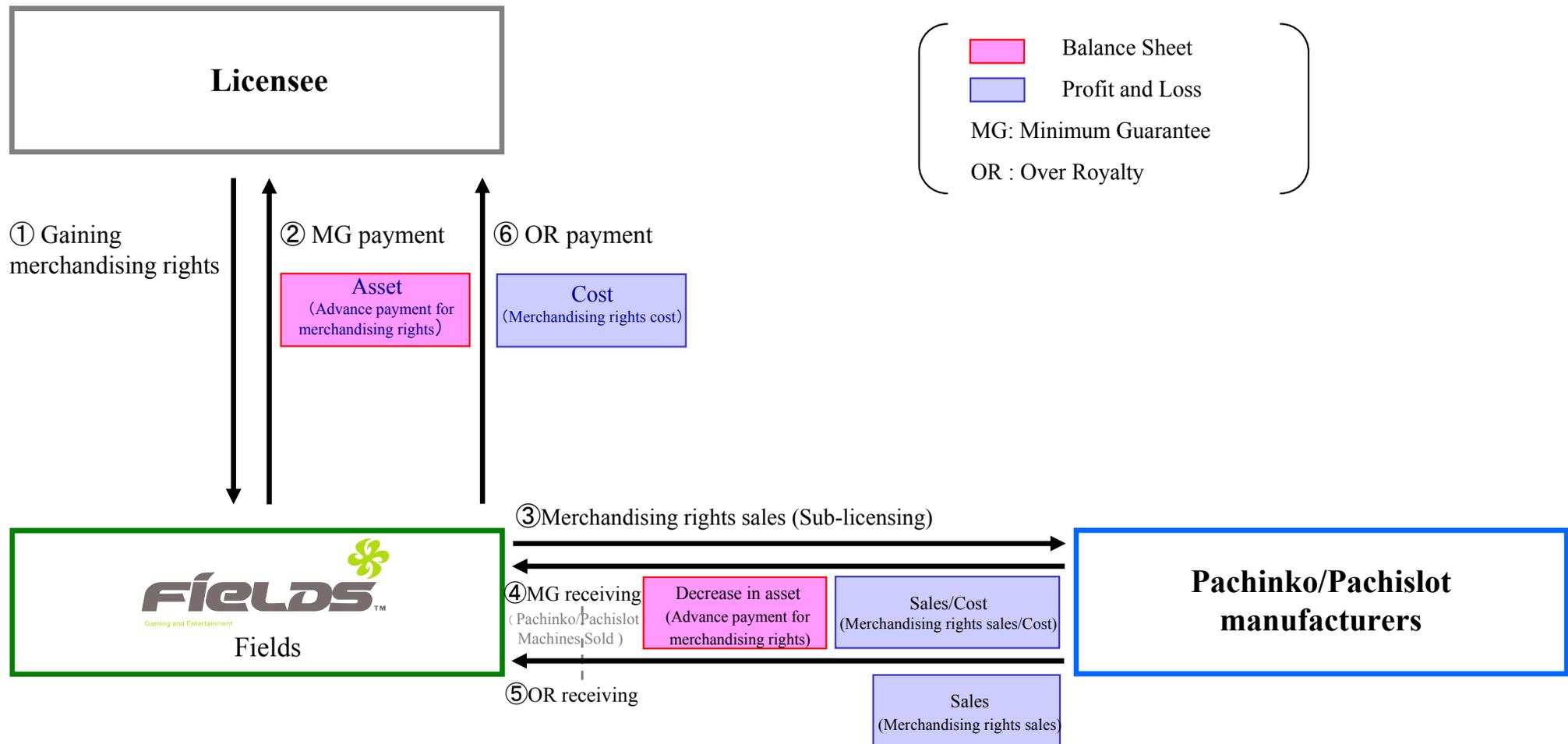
(As of March 31, 2008)



Note: After sale of titles currently developed and manufactured by Sammy Corporation and Olympia Corporation's pachinko machines, we intend to stop sales agency activities.

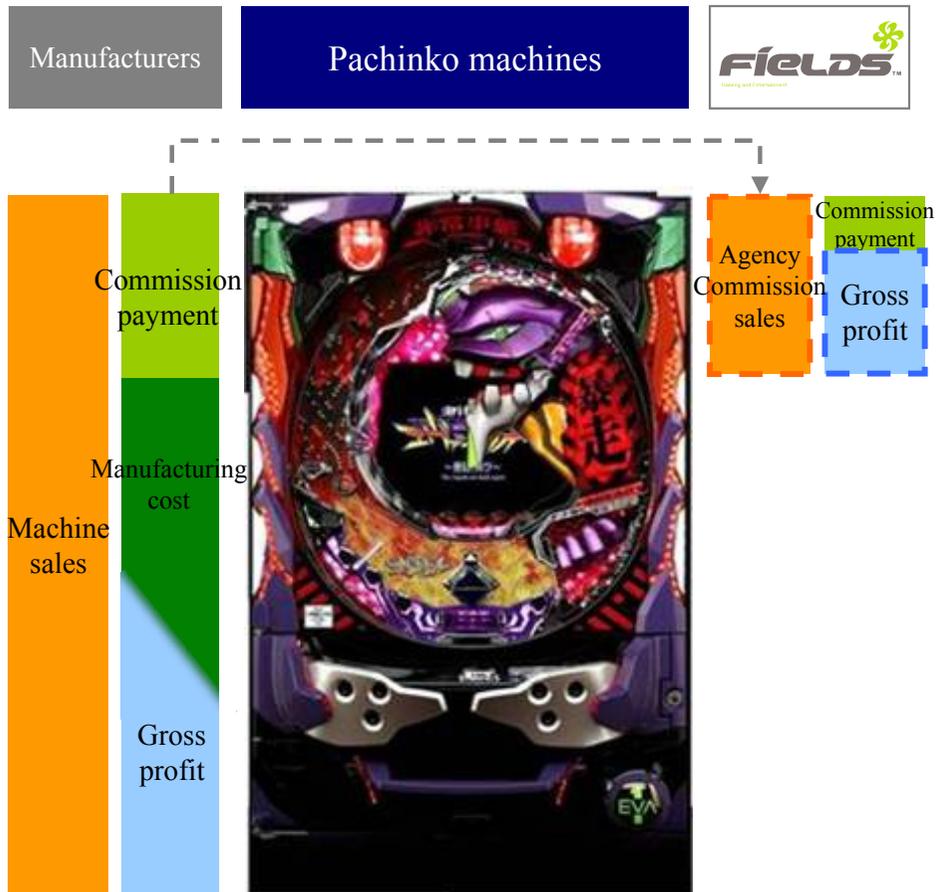
*Security Electronics Communications Technology Association

Business flow and Accounting Method of Merchandising Rights Regarding Pachinko/Pachislot Planning and Development (Image)



Accounting method of Pachinko/Pachislot (Image)

<Agency Model>



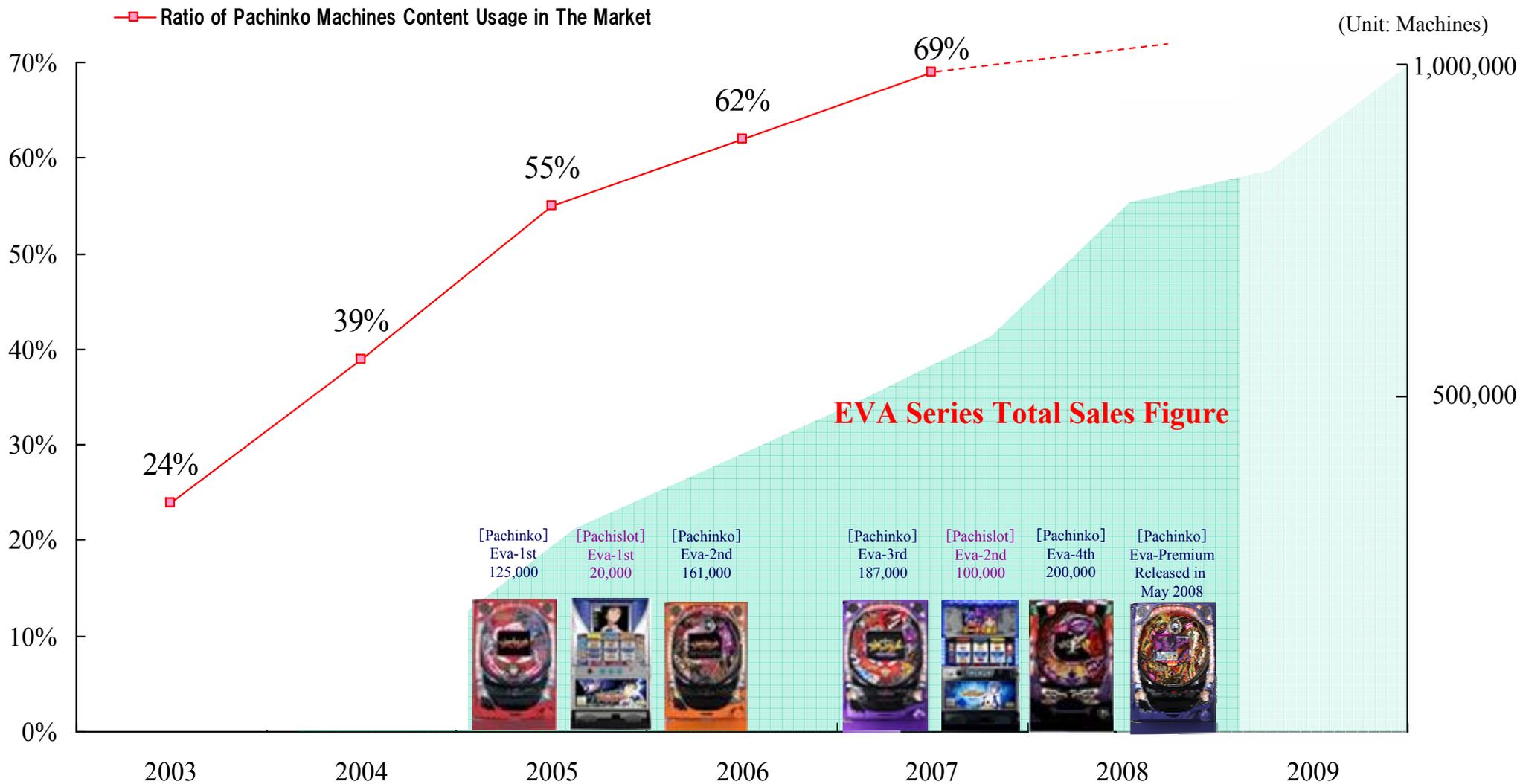
<Price: 250,000-350,000 yen>

<Distribution Model>



<Price: 350,000-450,000 yen>

Change in the Number of Machines Sold Regarding CR Neon Genesis Evangelion Series and Ratio of Pachinko Machines Content Usage in The Market



Alliance with KYORAKU SANGYO

7 Feb 2008 : Agreement to affiliation in new alliance



Alliance

- Aim to produce entertainment machines that are not dependent on gambling nature
- Mutual cooperation in new product development
- Product planning, development, and sales with higher entertainment and playability value
- Increase fan base, contribute to expansion and development of the industry

KYORAKU SANGYO : Renowned for excelling in the production and development of high quality products with a wide variety of themes and playability

Corporate Data (As of Feb 1, 2008)		Main title of Pachinko Machines sold (After 2005) (As of June 30, 2008)	
Company Name	KYORAKU SANGYO	Apr, 2008	CR Pachinko Winter Sonata I
Established	August 1, 1961	Jul, 2007	CR Pachinko Kamen Rider shokker zenmetsu daisakusen
Representative Directors	Chairman Hiroshi Enomoto President Yoshinori Enomoto	Apr, 2007	CR Pachinko Hissatsu Shigotonin III
Head office address	3-24-4, Nishiki, Naka-ku, Nagoya-shi Aichi 460-0003, Japan	Dec, 2006	CR Pachinko Ultraman
Paid in capital	¥45 million	Sep, 2006	CR Pachinko Misora Hibari
Number of employees	314	Mar, 2006	CR Pachinko Winter Sonata
Main business activities	Planning, development, manufacture, and distribution of pachinko gaming machines and the acquisition, management, and licensing of industrial and intellectual property.	May, 2005	CR Pachinko Ultra Seven



〈Hissatsu Shigotonin III〉 〈Winter Sonata II〉

Market Share and machine sales for past 3 years								
2005			2006			2007		
Manufacturer	Machines sold	Share(%)	Manufacturer	Machines sold	Share(%)	Manufacturer	Machines sold	Share(%)
Sanyo	1,000,000	24.7%	Sanyo	887,000	23.1%	Sanyo	820,000	25.9%
SANKYO	740,320	18.2%	KYORAKU SANGYO	804,000	20.9%	SANKYO	724,756	22.8%
KYORAKU SANGYO	390,000	9.6%	SANKYO	636,105	16.6%	KYORAKU SANGYO	510,000	16.1%
Newgin	320,000	7.9%	Newgin	253,000	6.6%	Newgin	204,000	6.4%
Sammy	288,895	7.1%	Daiichi Shokai	195,947	5.1%	Daiichi Shokai	168,000	5.3%
Heiwa /Olympia	242,276	5.9%	Heiwa /Olympia	186,332	4.8%	Heiwa /Olympia	165,377	5.2%
FUJISHOJI	185,572	4.5%	FUJISHOJI	180,006	4.7%	FUJISHOJI	146,134	4.6%

*SANKYO's sales share includes Bisty

Source: "Trend and market share of Pachinko related makers 2008" by Yano Research Institute



PS Field: Transition in the Number of Machines Sold

(Unit: Machines)

	Year Ended March 2004			Year Ended March 2005			Year Ended March 2006			Year Ended March 2007			Year Ended March 2008					Year Ending March 2009		
	1st Half	2nd Half	Total	1Q	2Q	1st Half	3Q	4Q	2nd Half	Total	1Q									
Number of machines sold	153,254	170,683	323,937	168,707	305,337	474,044	159,387	384,934	544,321	229,807	281,440	511,247	85,149	126,939	212,088	60,160	212,286	272,446	484,534	58,597
Sales ratio																				
Pachinko	42,575	102,456	145,031	91,157	190,943	282,100	74,344	255,317	329,661	123,271	222,552	345,823	27,774	10,811	38,585	42,681	192,715	235,396	273,981	53,237
	27.8%	60.0%	44.8%	54.0%	62.5%	59.5%	46.6%	66.3%	60.6%	53.6%	79.1%	67.6%	32.6%	8.5%	18.2%	70.9%	90.8%	86.4%	56.5%	90.9%
Pachislot	110,679	68,227	178,906	77,550	114,394	191,944	85,043	129,617	214,660	106,53	58,888	165,424	57,375	116,128	173,503	17,479	19,571	37,050	210,553	5,360
	72.2%	40.0%	55.2%	46.0%	37.5%	40.5%	53.4%	33.7%	39.4%	46.4%	20.9%	32.4%	67.4%	91.5%	81.8%	29.1%	9.2%	13.6%	43.5%	9.1%
Agency/distribution sales ratio																				
Agency sales	45,892	105,718	151,610	92,584	194,221	286,805	82,152	273,980	356,132	127,081	223,086	350,167	27,675	12,445	40,120	44,281	193,486	237,648	277,768	53,644
	30.0%	62.0%	46.8%	54.9%	63.6%	60.5%	51.5%	71.2%	65.4%	55.3%	79.3%	68.5%	32.5%	9.8%	18.9%	73.6%	91.1%	87.2%	57.3%	91.5%
Distribution sales	107,362	64,965	172,327	76,123	111,116	187,239	77,235	110,954	188,189	102,726	58,354	161,080	57,474	114,494	171,968	15,879	18,800	34,798	206,766	4,953
	70.1%	38.0%	53.2%	45.1%	36.4%	39.5%	48.5%	28.8%	34.6%	44.7%	20.7%	31.5%	67.5%	90.2%	81.1%	29.4%	8.9%	12.8%	42.7%	8.5%
Direct/Indirect sales ratio																				
Direct sales	98,305	128,291	226,596	123,338	239,310	362,648	112,917	291,982	404,899	167,788	218,503	386,291	68,170	96,616	164,786	47,844	167,548	215,392	380,178	48,296
	64.2%	75.2%	70.0%	73.1%	78.4%	76.5%	70.8%	75.9%	74.4%	73.0%	77.6%	75.6%	80.1%	76.1%	77.7%	79.5%	78.9%	79.1%	78.5%	82.4%
Indirect sales	54,949	42,392	97,341	45,369	66,027	111,396	46,470	92,952	139,422	62,019	62,937	124,956	16,979	30,323	47,302	12,316	44,738	57,054	104,356	10,301
	35.9%	24.8%	30.1%	26.9%	21.6%	23.5%	29.2%	24.2%	25.6%	27.0%	22.4%	24.4%	19.9%	23.9%	22.3%	20.5%	21.1%	20.9%	21.5%	17.6%

Financial Highlights

Key financial data (unit: ¥ million)	(Non-Consolidated)				(Consolidated)						
	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3 1Q
Net sales	11,811	10,017	11,496	34,560	61,888	66,211	81,658	96,814	85,321	101,818	7,321
Operating Income	138	768	1,700	5,730	6,781	11,866	12,097	12,348	8,944	13,158	(3,312)
Ordinary income	107	726	1,681	5,664	7,022	12,209	12,480	13,127	9,202	11,705	(3,161)
Net income	34	262	583	3,041	3,524	6,620	6,926	7,085	3,710	5,296	(2,289)
Common stock	10	10	116	530	1,295	1,295	7,948	7,948	7,948	7,948	7,948
Net assets	23	286	1,069	3,883	8,752	14,507	33,426	39,411	42,836	46,331	43,391
Total assets	5,388	6,199	6,211	18,631	17,090	37,115	72,584	87,556	66,081	69,168	64,272
Cash flows from operating activities	—	—	1,105	4,525	3,316	851	2,965	6,164	5,293	11,127	(3,730)
Cash flows from investing activities	—	—	269	(724)	(2,253)	(3,190)	(5,257)	(2,224)	(4,772)	(14,604)	(4,846)
Cash flows from financing activities	—	—	(920)	2,004	(2,454)	2,029	10,177	(1,540)	1,488	(1,384)	5,093
Cash and cash equivalents at the end of year	—	—	1,414	6,857	5,739	5,437	13,326	15,777	17,819	12,693	9,338

Indicators per share (Yen)	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3 1Q
Net assets per share	119,690	1,430,535	461,122	1,325,324	268,600	89,305	96,026	113,275	118,487	128,201	120,839
Annual dividend per share (Non-Consolidated)	—	—	15,000		10,000						-
				Old shares 100,000		24,000	4,000	4,000	4,000	4,500	
				New shares 27,398		Commemorative dividend 10,000	Interim dividend 2,000	Interim dividend 2,000	Interim dividend 2,000	Commemorative dividend 500	
				2nd new shares 548		Year-end dividend 10,000	Year-end dividend 2,000	Year-end dividend 2,000	Year-end dividend 2,000	Year-end dividend 2,000	
						Year-end dividend 4,000	Year-end dividend 2,000	Year-end dividend 2,000	Year-end dividend 2,000	Year-end dividend 2,000	
Net income per share	174,211	1,310,844	2,075,024	1,275,256	117,233	40,465	19,888	20,118	10,692	15,263	(6,596)

Management indicators (%)	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3 1Q
Shareholders' equity ratio	0.4	4.6	17.2	20.8	51.2	39.1	46.0	45.0	62.2	64.3	65.2
Return on equity (ROE)	534.6	169.1	86.0	122.8	55.9	56.9	28.9	19.5	9.2	12.4	(5.3)
Return on assets (ROA)	2.2	12.6	27.1	45.6	39.3	45.1	22.8	16.4	12.0	17.3	(4.7)
Payout ratio	—	—	6.0	7.8	7.9	⁽¹⁾ 20.1	20.7	20.3	⁽²⁾ 37.4	⁽²⁾ 29.5	-

⁽¹⁾ Payout ratio for the year ended March 2004 was computed including a commemorative dividend. ⁽²⁾ Consolidated payout ratio.

Other	1999.3	2000.3	2001.3	2002.3	2003.3	2004.3	2005.3	2006.3	2007.3	2008.3	2009.3 1Q
Total number of shares issued and outstanding (shares) ⁽³⁾	200	200	2,320	2,930	32,300	161,500	347,000	347,000	347,000	347,000	347,000
Number of employees (people)	166	210	319	323	460	651	758	901	1,022	1,077	1,105

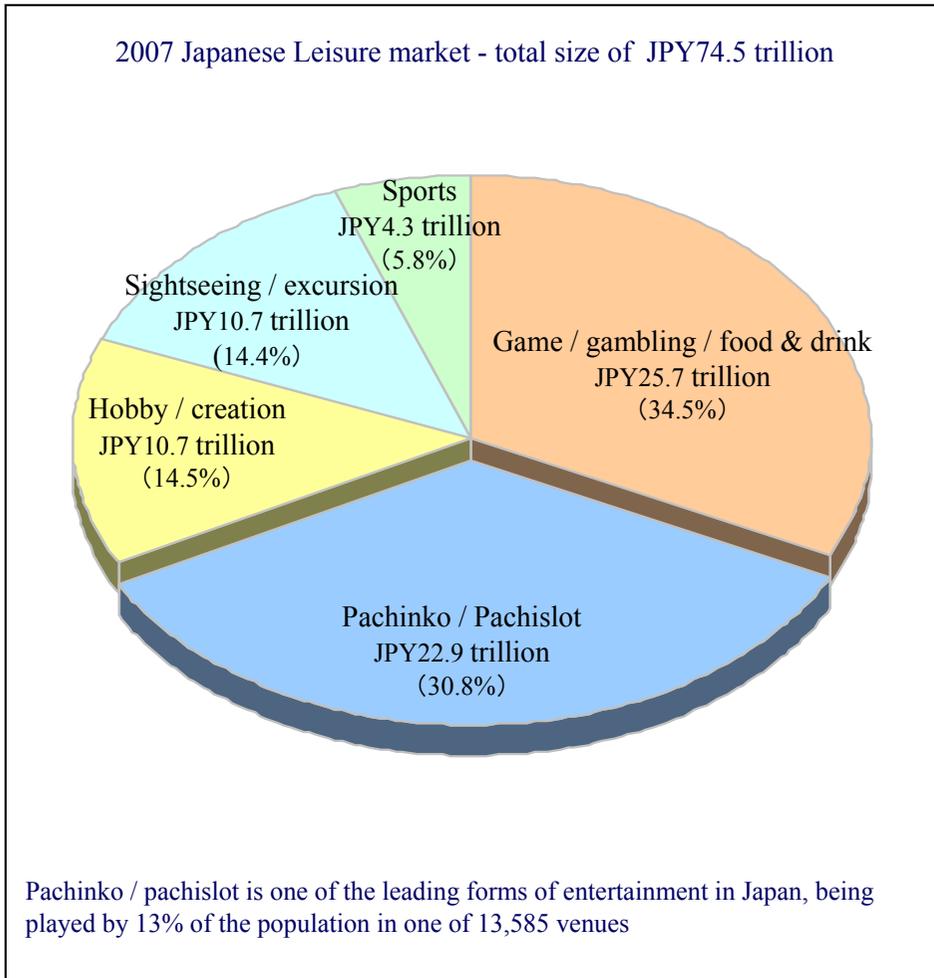
⁽³⁾ • October 2002 1:10 stock split • November 2003 1:5 stock split • September 2004 1:2 stock split



Appendix II

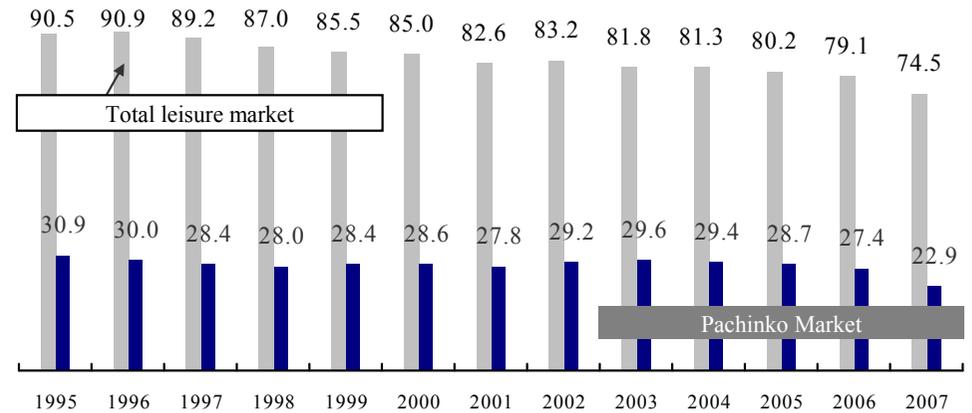
Japanese Leisure Market

Market Scale of Pachinko / Pachislot Industry



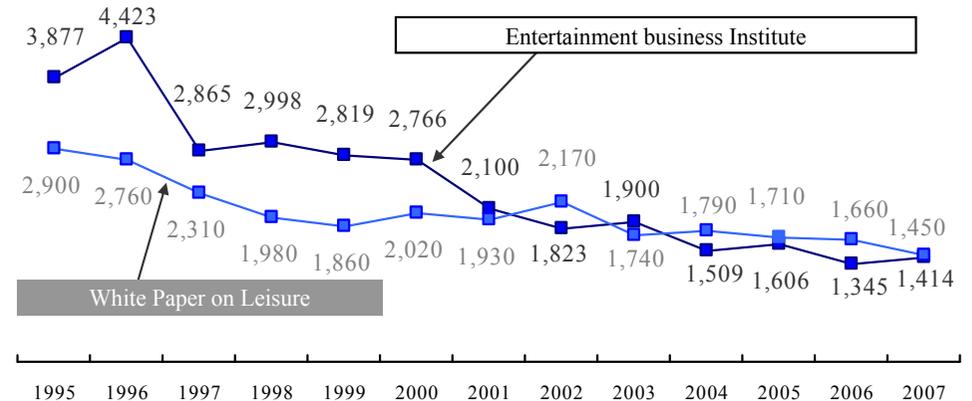
Changes in Pachinko Market

(Unit: ¥trillion)



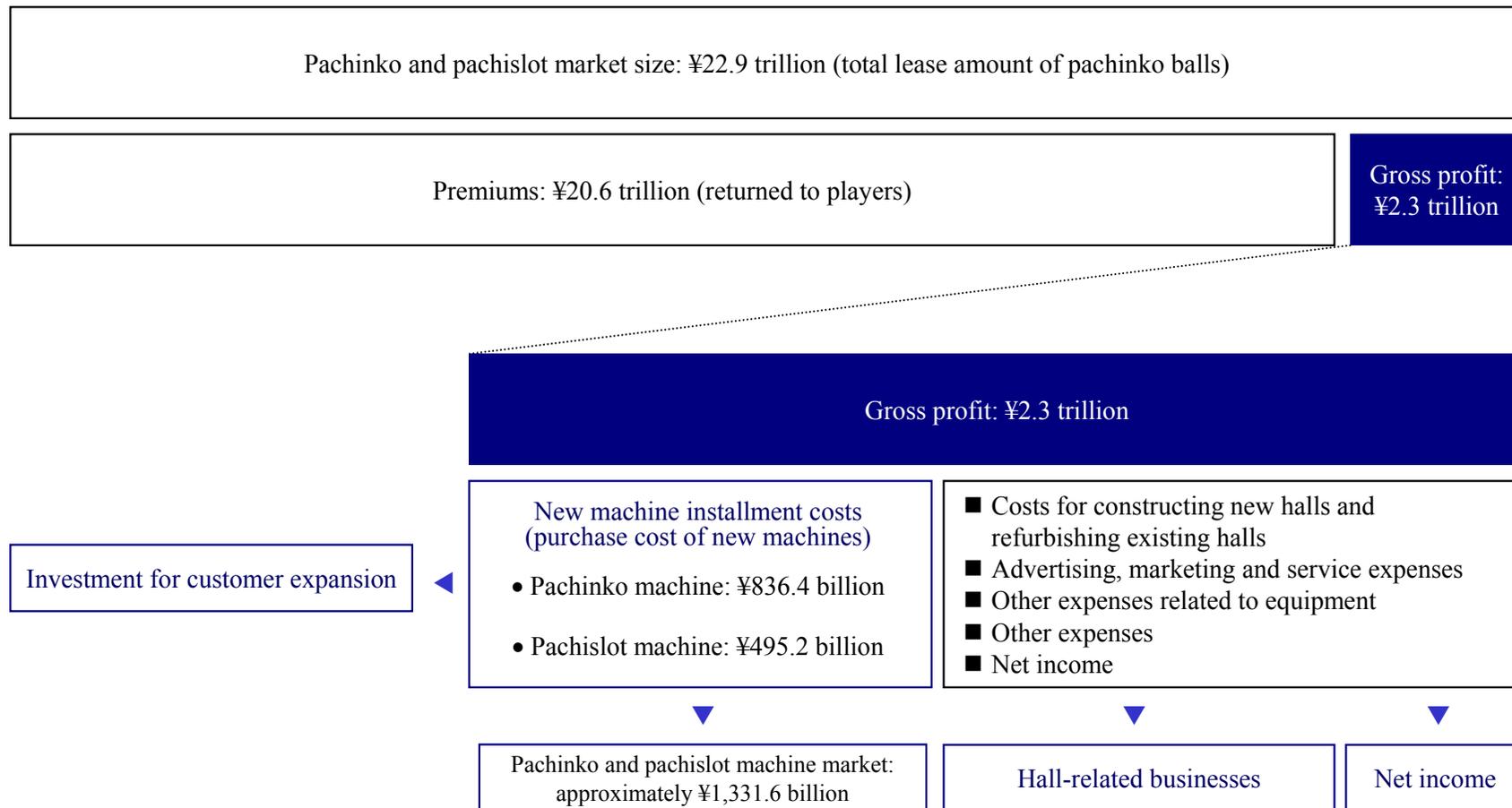
Changes in Number of Pachinko Players

(10,000 people)



Income Structure of Pachinko Industry (FY2007)

Income Structure of Pachinko Halls



Players in the Pachinko/Pachislot Industry

Players

Machine manufacturers

(As of March 31, 2008)



- 31 pachinko machine manufacturers
- Over 60 pachislot machine manufacturers
- Regulated

Example: Sammy Corporation, SANKYO CO., LTD., KYORAKU SANGYO

Parts and software manufacturers

- Software for graphics chips and liquid crystal displays
- Parts of pachinko and Pachislot machines and other items

Example: Axell Corporation and EIZO NANA O CORPORATION

Direct sales
40% for pachinko and 20% for Pachislot

Distributors

- Usually paid via a commission from manufacturers but may also have a resale model for pachislot
- Network of salesmen
- Not directly regulated

Indirect sales
60% for pachinko and 80% for Pachislot

Pachinko Hall Operators



- Around 13,585 in Japan (2007)
- Neighbourhood based
- Large number of small owner operators but some significant chains
- Constant need to attract and retain players
- 'Fickle' client base
- High machine turnover (every 12 months)
- On average, each machine pays for itself in 3-6 weeks
- Regulated

Example: Dynam Co., Ltd.; Maruhan Corporation; and Gaia

Peripheral equipment makers and others

- Unit and pachinko hall computers
- Free gifts, equipment and other items

Example: Daikoku Denki Co., Ltd. and Japan Cash Machine Co., Ltd.

Recent Trend of Pachinko Industry

● July Introduction of revised Pachinko and Pachislot machines regulation

2004

2005

● May Introduction of revised Entertainment Business Control Law; Restricted Pachinko parlor business (Severer penalties)

2006

2007

2008

[Pachinko industry change]

● July Revised regulation → Deregulation
Nikkoso, an organization of pachinko machine manufacturers revised internal regulation
Abolition of classification
Lowest bound jackpot 1/360-1/500

● October Nikkoso, an organization of pachinko machine manufacturers revised internal regulation
Lowest bound jackpot 1/500-1/400 Self-imposed control

● November A new model adapted to the new regulations was released 'CRF Dai Yamato 2 (SANKYO)'



● March Regulations and interpretations were partially revised/ Entertainment level is accelerating by the revised technical interpretations

Jackpot trend
1/400-1/500

Jackpot trend
1/300-1/400

Jackpot trend
1/300-1/350

[Pachislot industry change]

● July Restraining the nature of gambling, the revised regulations for pachinko and pachislot machines were introduced
Setting upper bound jackpot
SECTA's simulation test introduced

● September A new model adapted to the new regulations was released 'Neon Genesis Evangelion (Bisty)'



● October The full-scale shift to regulation five machines was completed

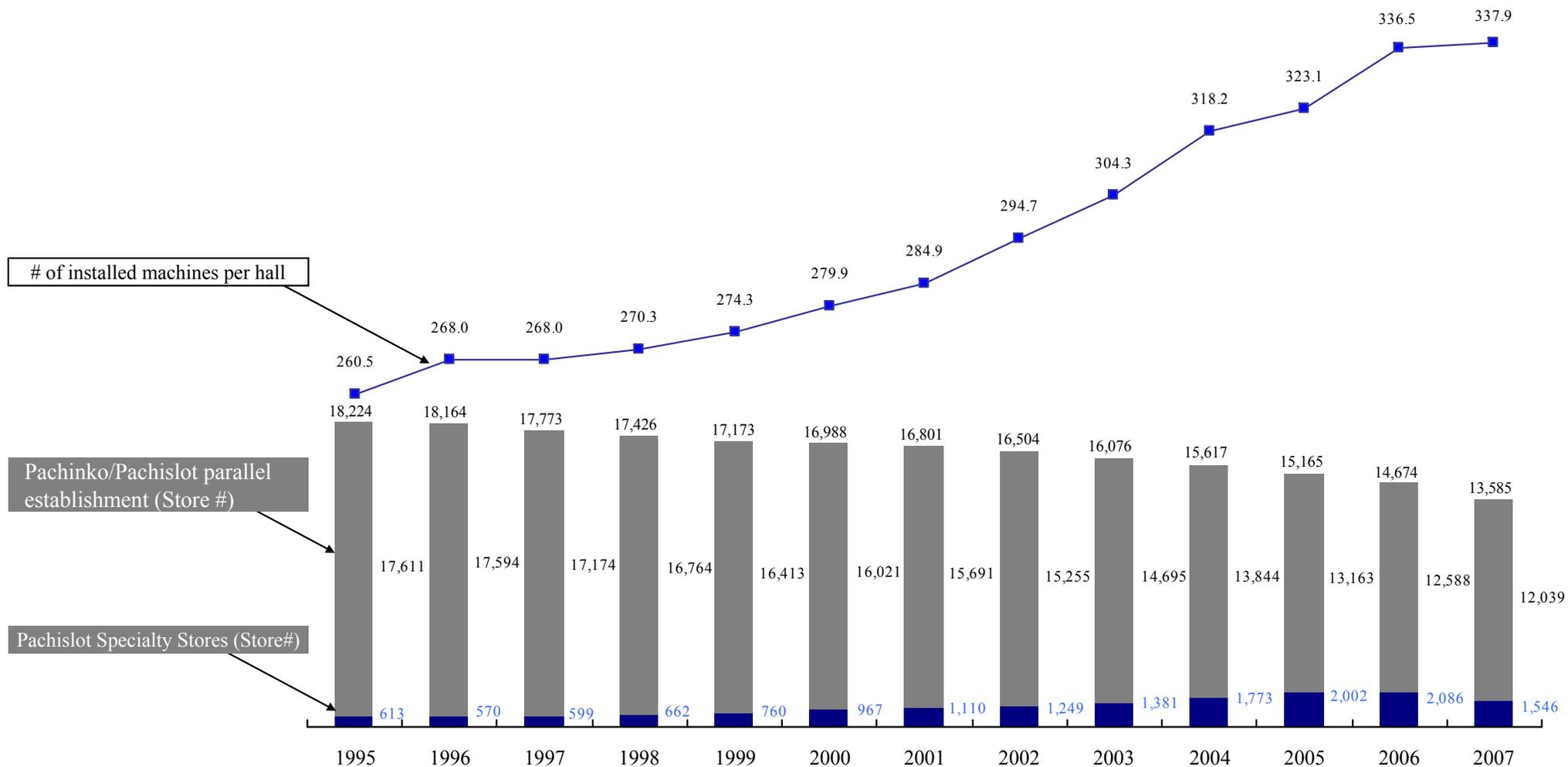
● March Regulations and interpretations were partially revised/ Entertainment level is accelerating by the revised technical interpretations

More entertainment machines from gambling machines by shifting to regulation 5

Regulation 5 era; more gaming and entertainment machines

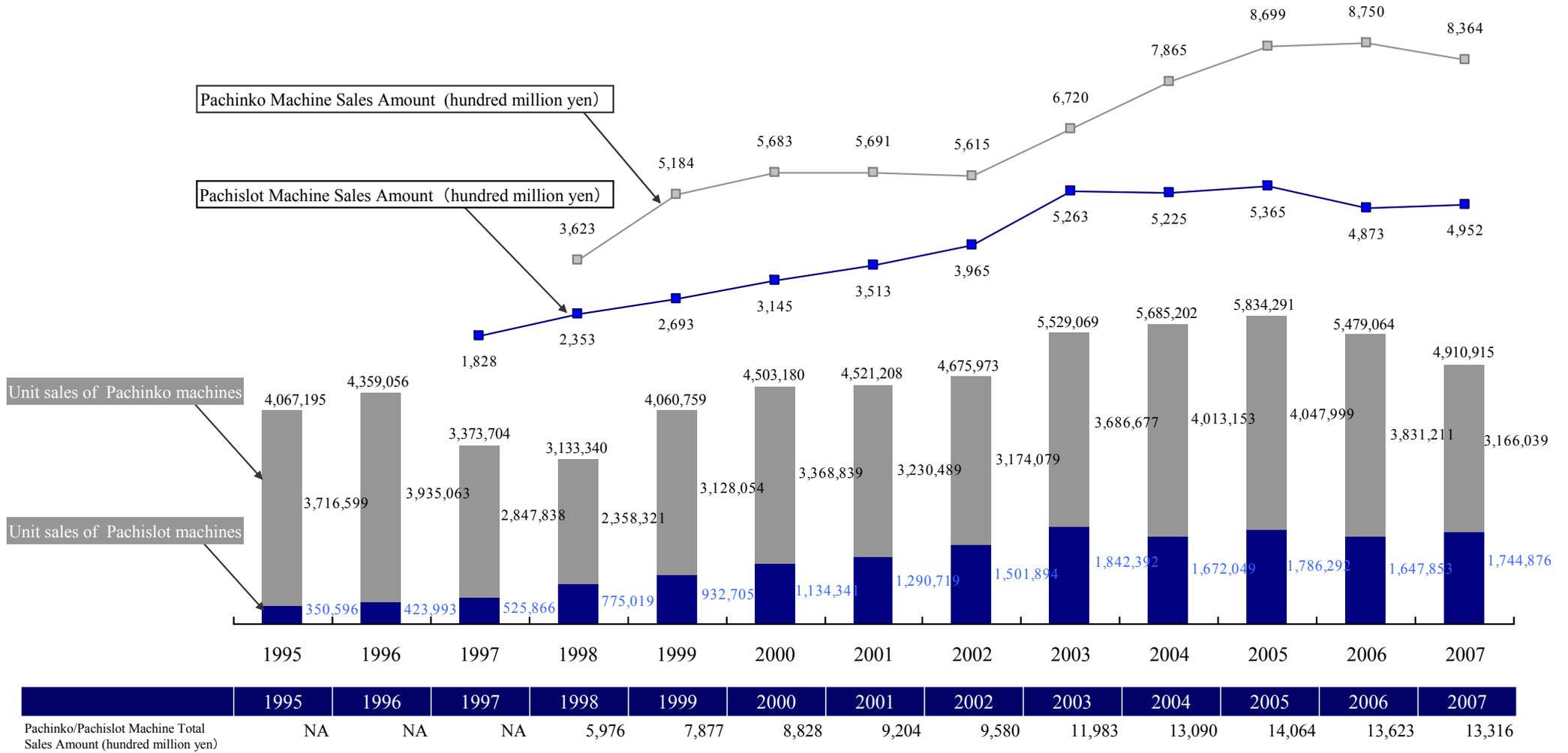


Number of Pachinko Halls and Installed Machines Per Hall



Source: "Trend and market share of Pachinko related makers 2008" by Yano Research Institute

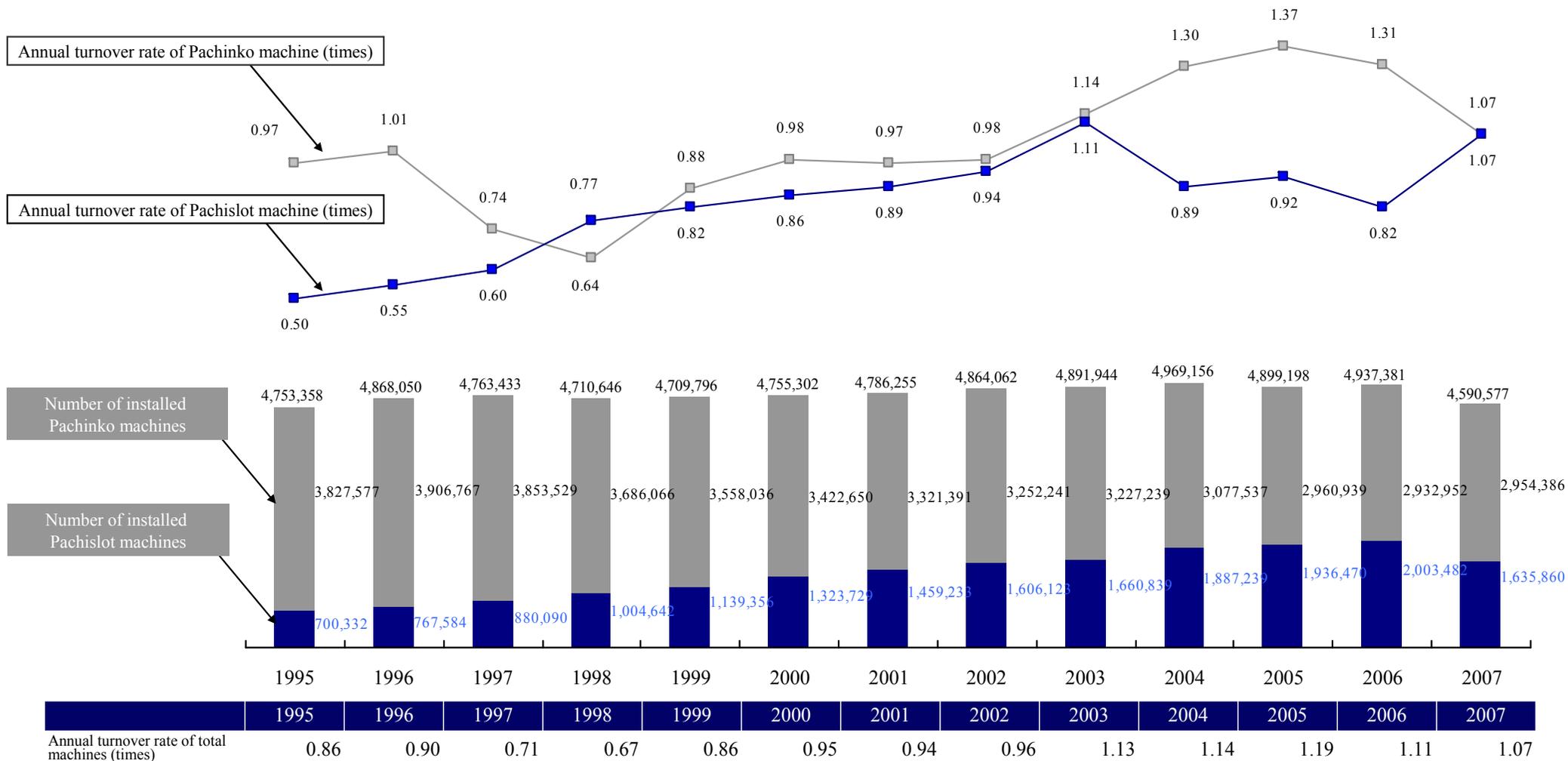
Unit Sales and Sales Amount of Pachinko/Pachislot Machines



Source: "Trend and market share of Pachinko related makers 2008" by Yano Research Institute



Number of Installed Pachinko/Pachislot Machines and Annual Turnover Rate



Source: "Trend and market share of Pachinko related makers 2008" by Yano Research Institute

Market Share by Manufacturers

Unit Sales Share - Pachinko Machine

Ranking	2000		2001		2002		2003		2004		2005		2006		2007	
	Manufacturer	Market share	Manufacturer	Market share	Manufacturer	Market share	Manufacturer	Market share								
1	SANKYO	18.2%	Sanyo	18.8%	Sanyo	16.3%	Sanyo	25.2%	Sanyo	22.9%	Sanyo	24.7%	Sanyo	23.1%	Sanyo	25.9%
2	Sanyo	15.1%	SANKYO	17.2%	SANKYO	14.7%	SANKYO	16.4%	SANKYO	21.1%	SANKYO	18.2%	KYORAKU	20.9%	SANKYO	22.8%
3	Heiwa	11.4%	Heiwa	10.8%	Heiwa	10.0%	Daiichi Shokai	9.5%	Heiwa	8.7%	KYORAKU	9.6%	SANKYO	16.6%	KYORAKU	16.1%
4	Daiichi Shokai	7.4%	Daiichi Shokai	10.3%	KYORAKU	8.1%	Heiwa	7.0%	Daiichi Shokai	7.6%	Newgin	7.9%	Newgin	6.6%	Newgin	6.4%
5	Sofia	5.9%	KYORAKU	7.5%	Daiichi Shokai	7.9%	Sammy	6.7%	Newgin	6.9%	Sammy	7.1%	Daiichi Shokai	5.1%	Daiichi Shokai	5.3%

*The number of sales of Heiwa in FY2004 is converted for 15 months for the accounting period change

*SANKYO's sales share includes Bisty

Unit Sales Share - Pachislot Machine

Ranking	2000		2001		2002		2003		2004		2005		2006		2007	
	Manufacturer	Market share	Manufacturer	Market share	Manufacturer	Market share	Manufacturer	Market share								
1	Aruze	36.2%	Sammy	32.7%	Sammy	31.0%	Sammy	32.1%	Sammy	40.4%	Sammy	33.9%	Sammy	31.7%	Sammy	21.8%
2	Yamasa	17.6%	Yamasa	17.8%	Yamasa	19.9%	Olympia	18.4%	Olympia	16.4%	Daito Giken	13.2%	Daito Giken	12.1%	Aruze	11.0%
3	Sammy	13.5%	Aruze	16.1%	Aruze	19.7%	Aruze	13.6%	Yamasa	8.9%	Heiwa/Olympia	10.4%	Heiwa/Olympia	10.9%	SANKYO	9.6%
4	Olympia	8.8%	Olympia	8.5%	Olympia	11.6%	Yamasa	11.9%	Daito Giken	7.8%	Yamasa	8.4%	Yamasa	10.5%	Daito Giken	8.7%
5	Net	4.4%	Pioneer	5.0%	Pioneer	3.6%	Daito Giken	4.8%	Aruze	4.6%	SANKYO	6.2%	Kita Denshi	9.4%	Yamasa	8.7%

*Sammy's sales share includes Rodeo, IGT, TRIVY, GINZA from 2006 and TAIYO ELEC from 2007

*SANKYO's sales share includes Bisty

*Aruze's sales share includes Eleco, Mizuho and Macy

*Olympia's sales share includes Olympia and Heiwa's all the brands from 2005



Disclaimer

The plans, strategies and estimates of the Company indicated in these documents, other than actual results and facts, include potential risks and uncertainties and cannot be guaranteed.

Potential risks and uncertainties include, but are not limited to, the economic environment of the pachinko/pachislot market in which the Company operates, market competition and the products handled by the Company.