

Financial Presentation (1st Half of the Year Ending March 2009)

November 7, 2008

FIELDS CORPORATION

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FIELDS CORPORATION

JASDAQ:2767

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

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(Overview)

■ Launch the Med-Term Management Plan

■ Pachinko/Pachislot Machine Sales Business: Despite tough market environment, strategic titles received high acclaim and results were successful

- ◇ Market Environment: Large-scale reduction in the pachislot machine market due to the move towards replacement demand for pachislot machines compliant with 2007's new regulations continued
Effects of the industry voluntarily refraining from the replacement of machines out of consideration for the country's hosting of the G8 Summit at Lake Toya in June to mid-July 2008
- ◇ Strategic titles:

Pachinko machines that rely less on gambling nature	“CRA Neon Genesis Evangelion Premium Model”
Pachinko machines in first additional innovative series of titles	“CR Seven Samurai”
Major pachislot title machines	“Neon Genesis Evangelion—That time has come, now they're waiting for us”

■ Transitory expenses incurred in the Game/Movies fields

■ As part of Med-Term Management Plan's group business strategy, have improved business efficiency through the absorption merger of wholly owned subsidiaries Fields Pictures Corporation and White Trash Charms Japan Co., Ltd.

CR Seven Samurai



- First additional innovative titles
- New video entertainment
- Director, Akira Kurosawa's immortal masterpiece, *The Seven Samurai*, has been completely remade for exclusive use with pachinko machines, a first for the pachinko industry

Neon Genesis Evangelion —That time has come, now they're waiting for us



- Neon Genesis Evangelion Pachislot series Part 3
- This machines body design is inspired by the epic world of Evangelion
- Inclusion of new video footage from the film 'Evangelion: 1.0 You Are (Not) Alone', recreates the image and impact

**“Release additional innovative titles” “Enhance brand capabilities under alliances”
Med-Term Management Plan achievements for March 2009**

Pachinko/Pachislot Machine Sales Business progressed favorable

(Unit: ¥Billion)

	1st Half					
	Forecast	Results	Initial forecast comparison		YOY	
Net sales	37.0	41.5	+ 4.5	(+12.4%)	(23.0)	(-35.6%)
Operating income	2.5	3.2	+ 0.7	(+30.1%)	(4.5)	(-58.4%)
Net income	0.7	0.8	+ 0.1	(+20.7%)	(2.2)	(-72.5%)

◇ November 6: Revision made to 1st half forecast (consolidated and non-consolidated)

(Unit: Machines)

	Year Ended March 2008			Year Ending March 2009		
	1Q	2Q	1st Half	1Q	2Q	1st Half
Pachinko Machine Sales	27,774	10,811	38,585	53,237	84,302	137,539
Pachislot Machine Sales	57,375	116,128	173,503	5,360	73,933	79,293
Total	85,149	126,939	212,088	58,597	158,235	216,832

Pachinko Machines

1Q

Pachinko machine types less reliant on Gambling nature became a huge hit selling approx. 50,000 machines

■ CRA Neon Genesis Evangelion Premium Model

2Q

As the First additional innovative Titles and a new video entertainment achieved approx. 80,000 sales

■ CRA Morning Musume ■ CR Seven Samurai (※) [2Q sales: 65,000]

Pachislot Machines

《 TOPICS Pachislot Machine “Neon Genesis Evangelion” series 》

1st September 2005
Neon Genesis Evangelion
《23,000 sold》

2nd July 2007
Neon Genesis Evangelion — ‘Magokoro wo Kimini’
《99,000 sold》

3rd September 2008
Neon Genesis Evangelion — That time has come, now they’re waiting for us
《approx. 90,000 sold》

Despite difficult market compared to previous year succeeded in becoming a huge hit selling approx. 90,000 machines

■ Neon Genesis Evangelion—That time has come, now they’re waiting for us (※) [2Q sales: 72,000]

Source: Fields

※Part of the sales will be recorded in the 3rd Quarter

Segment Information for the 1st Half of the Year Ending March 2009



- Pachinko/Pachislot (PS) Field : Pachinko/Pachislot machine sales favorable
- Game/Movies Field : Transitory reasons (Price protection, early film distribution costs)
- Other Field (Mobile) : Made steady progress

(Unit: ¥ Million)

	Year Ended March 2008			Year Ending March 2009		
	1Q Results	2Q Results	1st Half	1Q Results	2Q Results	1st Half
Net sales	24,234	40,414	64,648	7,321	34,269	41,590
Pachinko/Pachislot (PS) Field	21,093	37,622	58,715	4,197	30,760	34,957
Game Field	2,223	1,917	4,140	1,904	2,223	4,127
Sports Field	-	-	-	961	1,016	1,977
Movies Field	-	-	-	26	4	30
Other Field	989	1,155	2,144	394	377	771
Elimination or Incorporation	(72)	(280)	(352)	(163)	(111)	(274)
Operating income	2,322	5,500	7,822	(3,312)	6,564	3,252
Pachinko/Pachislot (PS) Field	2,540	6,083	8,623	(1,562)	7,131	5,569
Game Field	12	(371)	(359)	(1,112)	(507)	(1,619)
Sports Field	-	-	-	(169)	(173)	(342)
Movies Field	-	-	-	(488)	(34)	(522)
Other Field	(228)	(211)	(439)	65	87	152
Elimination or Incorporation	(1)	(0)	(1)	(44)	58	14

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

Results for the 1st Half of the Year Ending March 2009 (B/S) (Overview)



(Unit: ¥ Million)

	At March 31, 2008	At September 30, 2008	Increase/ Decrease	Major factors causing the increase/decrease
Total current assets	39,559	55,717	16,158	Increase in accounts receivable of Pachinko/Pachislot machine sales, etc. (+19,563)
(Cash and cash equivalents)	12,841	10,848	(1,993)	
(Inventories)	4,013	4,208	195	Increase in game software and visual software in progress
Total fixed assets	29,609	32,154	2,545	
(Total tangible fixed assets)	8,093	11,617	3,524	Increase due to the purchase of land for establishing branches
(Total intangible fixed assets)	3,937	3,513	(424)	
(Total investments and other assets)	17,578	17,023	(555)	
Total assets	69,168	87,871	18,703	

Total current liabilities	19,322	36,390	17,068	Increase in accounts payable of Pachinko/Pachislot sales, etc. (+13,950)
(Short-term borrowings)	3,398	5,921	2,523	Increase in short-term borrowings by Fields Corporation (due to the purchase of land for establishing branches)
(Accrued income taxes)	3,743	2,510	(1,233)	
Total fixed liabilities	3,514	6,175	2,661	
Total liabilities	22,836	42,566	19,730	
Total net assets	46,331	45,305	(1,026)	
Total liabilities and net assets	69,168	87,871	18,703	

Full-Year Forecast for the Year Ending March 2009 (Consolidated)

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Full-Year Forecast for the Year Ending March 2009 (Consolidated/Non-consolidated)

The initial full-year forecast will be unchanged considering the current business environment

(%) : ratio against Net sales (Unit: ¥Billion)

Consolidated	Year Ended March 2008	Year Ending March 2009			
	Full-Year Results	1st Half Results		Full-Year Forecast	Achievement against Full-Year Forecast
		Forecast	Results		
Net sales	101.8	37.0	41.5	75.0	55.4%
Operating income	13.1 (12.9%)	2.5 (6.8%)	3.2 (7.8%)	10.0 (13.3%)	32.5%
Ordinary income	11.7 (11.5%)	2.5 (6.8%)	3.0 (7.3%)	10.0 (13.3%)	30.2%
Net income	5.2 (5.2%)	0.7 (1.9%)	0.8 (2.0%)	5.3 (7.1%)	15.9%

Non-consolidated	Year Ended March 2008	Year Ending March 2009			
	Full-Year Results	1st Half Results		Full-Year Forecast	Achievement against Full-Year Forecast
		Forecast	Results		
Net sales	82.7	29.0	34.3	55.0	62.4%
Operating income	12.6 (15.3%)	4.5 (15.5%)	5.6 (16.4%)	9.5 (17.3%)	59.3%
Ordinary income	12.4 (15.1%)	4.5 (15.5%)	5.4 (16.0%)	9.5 (17.3%)	57.8%
Net income	4.1 (5.0%)	2.5 (8.6%)	3.2 (9.4%)	5.3 (9.6%)	60.9%

Topics for the 2nd Half of the Year Ending March 2009 (Pachinko/Pachislot (PS) Field)

- Pachinko/Pachislot (PS) Market Environment : Pachinko machines continue to bring in a high utilisation rate and gross profit of pachinko hall machines, in contrast, pachislot machines have found the market difficult compared to last year, due to replacement demand in last years 1st half.
- Points : Planned release of major title pachinko machines in the 4th Quarter
Continue to release pachinko/pachislot machines with superior entertainment features
Focus on pachinko sales (sales commission) from the 3rd Quarter, resulted in higher profit and lower sales figure

Pachinko Machines

Pachislot Machines

3Q




CR Virtua Fighter

- Adopting content from the fighting game “Virtua Fighter”




CR King Kong

- Adopting content from the mega hit movie “King Kong”




CR Mystic Blue

- Collaboration with actress and model Miho Yoshioka

3Q




Tenchi wo Kurau

- Incorporating elements from comic book writer Hiroshi Motomiya’s ‘Tenchi wo Kurau’




Kaiji Act 2

- Incorporating elements from comic book writer Nobuyuki Fukumoto’s highly popular series “Kaiji”

4Q Releasing major titles

4Q Continuous release of products

The whole of the contents markets experiencing a slump in 2008

◇ Game Market

(Unit: ¥Billion)

1st Half of 2008 Game Market (Comparison)			
	Hardware	Software	Total
1st Half of 2007	143.2	160.1	303.3
1st Half of 2008	95.2	143.6	238.8
YOY	66.5%	89.7%	78.7%

Source: Enterbrain, Inc. (Term March 31, 2008–September 28, 2008)

◇ Film Market

According to Motion Picture Producers Association of Japan Inc., films released by 13 box office leaders' total box office income between January and May was ¥67.7 billion.
(13.5% drop compared to previous year)

Deputy Director General of the association, Takeshi Otagi says
'The market is in a definite slump compared to last year.'

In addition to the low prices of DVDs, the backfiring of a "small profit quick returns" strategy of showing more films to compensate for a decrease in drop in the box-office income for each film is thought to be the reason for this.

Source: Sankei Shinbun News, July 13, 2008

◇ DVD Market

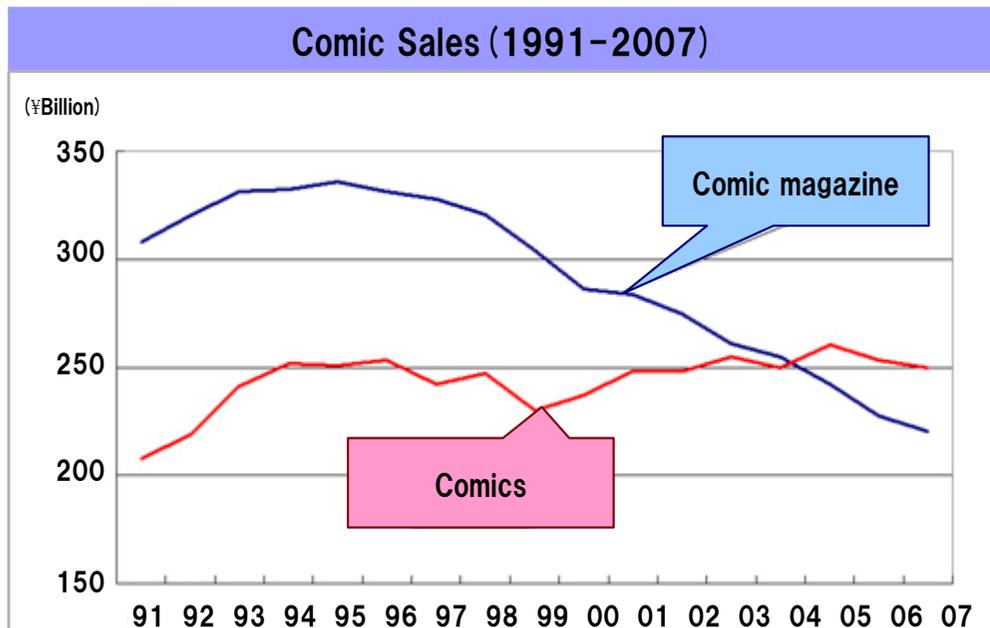
January - September 2008 Total Results				
	Sales (¥Billion)	YOY	Copies (Million)	YOY
Sell DVD	133.5	92.9%	40.8	91.2%
Rental DVD	73.8	96.0%	21.1	115.0%
Commercial DVD	0.9	72.8%	0.6	21.5%
Total	208.4	93.9%	62.6	94.6%

Source: Japan Video Software Association

September 2008 Monthly Results				
	Sales (¥Billion)	YOY	Copies (Million)	YOY
Sell DVD	13.0	79.1%	4.2	88.7%
Rental DVD	9.4	100.3%	2.5	115.2%
Commercial DVD	0.2	86.5%	0.1	57.7%
Total	22.7	86.8%	6.9	97.2%

◇ Publication Market

[Comics]



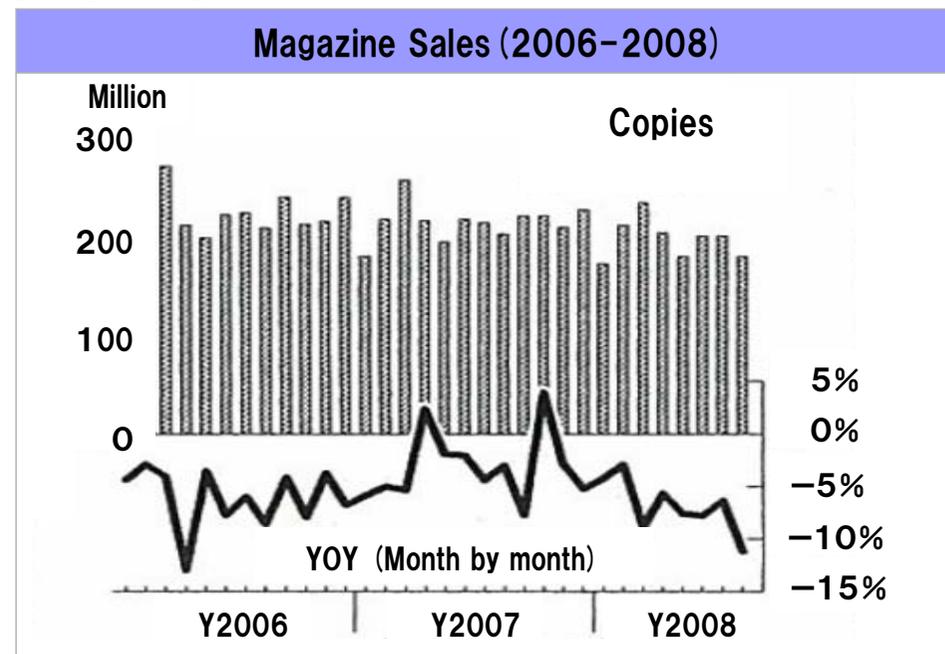
Comic Magazine sales have continued to drop since 1995.

Comics sales have had little fluctuation but film and television adaptations and other such media franchising has helped increase sales.

With the growth of e-comics on mainly mobile phones, the formal launch of rental comics and the emergence of free comic magazines, the comic market is undergoing huge changes.

Source: Shuppan Geppou, February 2008

[Magazine]



Source: The Research Institute for Publications

Discontinued magazines in 2008

- | | |
|---|--|
| <ul style="list-style-type: none"> • Monthly Gendai (Kodansha) • Style (Kodansha) • KING (Kodansha) • ROADSHOW (Shueisha) • PLAYBOY Japan (Shueisha) • Weekly Young Sunday (Shogakukan) | <ul style="list-style-type: none"> • Lapita (Shogakukan) • Ronza (Asahi newspaper) • Kokokuhiyo (Madra Publishing) • SHUFU NO TOMO (SHUFU NO TOMOSHA) • BOAO (Magazine House) • GRACE (Sekai Bunka Publishing) |
|---|--|

Source: Nihon Keizai Shinbun, 2 October 2008

■ Strengthening alliances and accelerating business with group and partner companies

■ Enhancing the effectiveness of investment through the timely and concentrated use of business resources

⇒ Have implemented aggressive business restructuring in order to achieve above

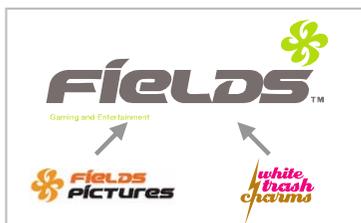
Wholly owned subsidiary companies absorption merger

Fields Pictures Corporation

[Acquiring rights, creation of digital contents]

White Trash Charms Japan Co., Ltd.

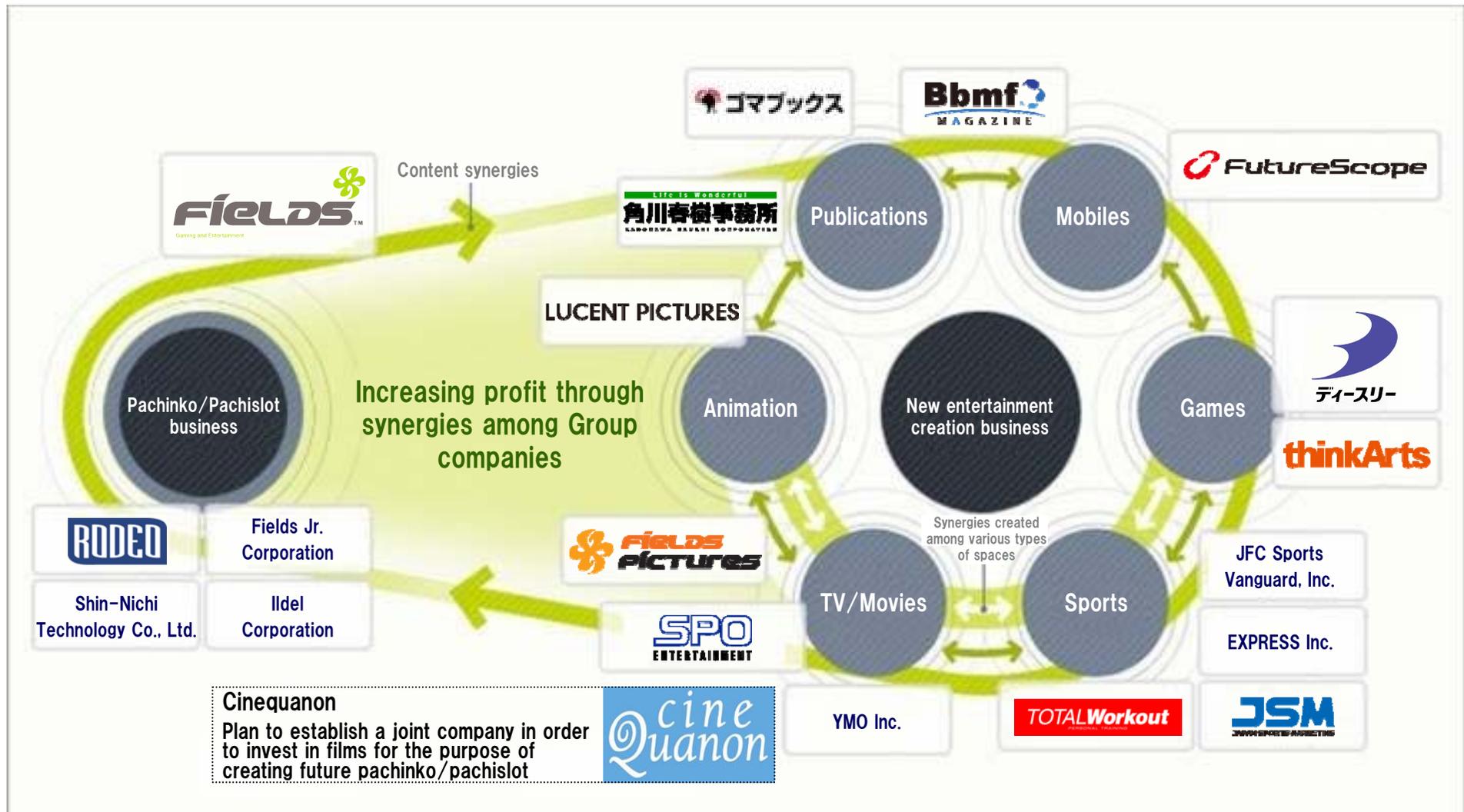
[Sales of accessories]



⇒ Aim to manage group profits through effective utilization of business resources

- ◇ Merger Process: 2 companies will be dissolved as part of their merger and absorption into Fields Corporation, which will be the sole surviving entity
- ◇ Date of merger (Effective Date): January 1, 2009 (Planned)
- ◇ Effect on Business Result : There will be little impact as both are wholly owned subsidiaries

Group strategy – Group outline



Source: Med-term Business Management Plan

Game Field ■ Subsidiary company: D3 Inc. (JQ:4311) 2nd Half Topics



- 1st Half : Business depression due to transitory reasons (Price protection, Loss due to discontinued production)
- 2nd Half : Planning to achieve the 2nd half plan by releasing major titles
 - ◇ International: Continuous release of “Ben10~PROTECTOR OF EARTH~”, New release of “Ben10~Alien Force~” “Coraline”, “Eat Lead”, etc.
 - ◇ Domestic: Simulator software of “Neon Genesis Evangelion—That time has come, now they’re waiting for us”, “Galileo”, “Takeout! DS series”, etc.

(Unit: ¥ Million)

November 6, Revised plan	Year Ended March 2008	Year Ending March 2009		
	Full-Year Results	1st Half Results	2nd Half Forecast	Full-Year Forecast
Net sales	14,286	4,056	10,943	15,000
Operating income	1,069	-1,357	2,007	650
Ordinary income	414	-1,317	1,867	550
Net income	293	-1,536	1,586	50

(Unit: Thousands)

Consumer sales	Year Ended March 2008	Year Ending March 2009		
	Full-Year Results	1st Half Results	2nd Half Forecast	Full-Year Forecast
Japan	1,313	460	850	1,310
North America	2,627	1,103	2,625	3,728
Europe	1,041	468	1,071	1,539
Total	4,982	2,032	4,545	6,577

Main title topics



“Ben10 ~PROTECTOR OF EARTH~”

- Long seller title released in the previous year
- Progressed favorably, selling a million copies in 1st half
- **Became major title, selling 2 million copies so far**

1st Half



“Ben10 ~Alien Force~” (Ben10 Series sequel)

- Released in North America on October 28
- European release before the end of the year to tie-up with TV broadcast.

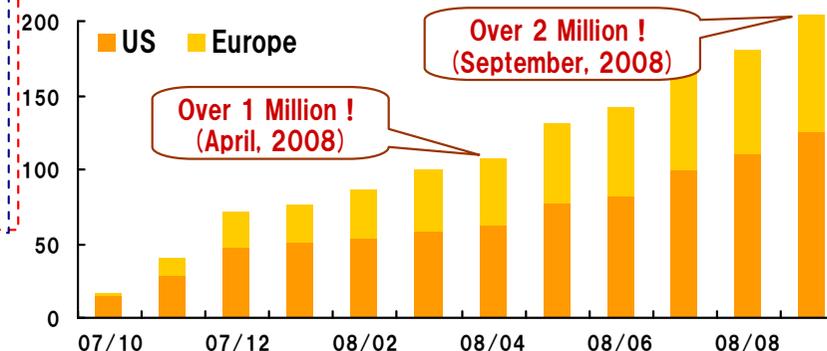
2nd Half



[Coraline]
[Eat Lead]



“Ben10 ~PROTECTOR OF EARTH~” Total Sales



Sports Field

■ Accelerate business restructuring

- Japan Sports Marketing Inc.
 - Reduce rights business and focus on athlete management and solutions (TWO) business
 - Closed Ebisu-Bashi branch of TWO at end of September to improve profitability
- EXPRESS Inc.
 - Increase in members at Fukuoka branch of TWO, opened April 2008, resulted in quick realization of profitability

Movies Field

■ Wholly owned subsidiary companies absorption merger

- Fields Pictures Corporation
 - Invested Korean Film “Saikyo☆Kanojo”, distributed by SPO Inc. to be released November, 2009
 - Absorption into Fields Corporation planned (January 1, 2009, simplified merger)

Other Field

■ Creation and distribution of various contents

- Lucent Pictures Entertainment, Inc.
 - With the aim of developing cross media in films, video and TV, the company started operations for planning and producing animation, and projects reaching profitability by the fiscal year ending March 31, 2010
- FutureScope Corporation
 - Fields Mobile paying members exceeded 380,000, and aim at increasing further
- SPO Inc.
 - Fields Pictures Corporation Invested Korean Film “Saikyo☆Kanojo”, released November, 2009 in Cinemart cinemas
 - Reduce own distribution of and investment in films and change investment strategy to concentrate on TV dramas
- Bbmf Magazine Inc.
 - Launch streaming of comics in Korea, with plans to expand into China and Taiwan
- White Trash Charms Japan Co., Ltd.
 - Absorption into Fields Corporation planned (January 1, 2009, simplified merger)

Awarded the “2008 IR Company of Excellence” by JASDAQ.



Information for investors can be found in an easy to use and convenient format at our IR site. Please visit us at:

< Fields IR Site (Information for shareholders and investors) >

<http://www.fields.biz/ir/j/>

Simple and clear summary of Fields Corporation vision and growth strategy.

The easy to use site allows individual investors and first time visitors to the IR site to learn more about the Fields Corporation.



Information on financial and business results, corporate data and IR archives are listed in an easy to understand format.

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.

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