Summary

(Translation)

Fields Corporation

Summary of Financial Information and Business Results for the Year Ended March 31, 2010

May 10, 2010

Company Name: Fields Corporation
(URL: http://www.fields.biz/)
Listed on: JASDAQ (Stock code: 2767)
Representative Director: Takashi Oya
President and COO
Inquiries: Hideaki Hatanaka
Executive Officer; General Manager, Corporate Communications Office
Tel: +81-3-5784-2111
Planned Date for Ordinary General Meeting of Shareholders: June 23, 2010
Planned Date for Start of Dividend Payment: June 24, 2010
Planned Date for Submittal of the Financial Statements Report: June 23, 2010

(Rounded down to the nearest million yen)

1. Consolidated business results for the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)

(1) Operating results (Percentage figures denote year-over-year changes.)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2010	66,342	(9.2)	8,124	314.3	7,761	682.9
Year ended March 31, 2009	73,035	(28.3)	1,960	(85.1)	991	(91.5)

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
Year ended March 31, 2010	3,289	–	9,796.56	–
Year ended March 31, 2009	(1,481)	–	(4,271.78)	–

	Return on equity	Ordinary income to total assets	Operating margin
	%	%	%
Year ended March 31, 2010	8.2	11.6	12.2
Year ended March 31, 2009	(3.5)	1.6	2.7

(Reference) Equity in earnings of affiliates
Year ended March 31, 2010: ¥(258) million
Year ended March 31, 2009: ¥(428) million

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2010	81,329	41,187	50.5	123,645.89
Year ended March 31, 2009	52,064	39,496	75.8	117,326.58

(Reference) Shareholders' equity
Year ended March 31, 2010: ¥41,064 million
Year ended March 31, 2009: ¥39,463 million

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2010	8,429	(1,011)	(2,687)	15,906
Year ended March 31, 2009	4,147	(6,182)	602	11,181

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	–	2,000.00	–	2,500.00	4,500.00
Year ended March 31, 2010	–	2,000.00	–	2,500.00	4,500.00
Year ending March 31, 2011 (Forecast)	–	2,000.00	–	2,500.00	4,500.00

	Total dividend (annually)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	Million yen	%	%
Year ended March 31, 2009	1,534	–	3.7
Year ended March 31, 2010	1,503	45.9	3.7
Year ending March 31, 2011 (Forecast)		27.2	

3. Forecast earnings for the year ending March 31, 2011 (April 1, 2010, to March 31, 2011)

(Percentages denote year-over-year changes versus the corresponding year-earlier period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	30,000	39.9	4,000	(25.7)	4,000	(20.8)	2,000	(8.3)	6,022.01
Full year	80,000	20.6	11,000	35.4	11,000	41.7	5,500	67.2	16,560.53

4. Other information

(1) Transfer of important subsidiaries during the year under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation): No

New consolidation - firms
Deconsolidation - firms

(2) Changes in accounting principles, accounting procedures, presentation method and others in association with the preparation of consolidated financial statements (Those which are stated in the "Basis of Presentation of the Consolidated Financial Statements")

1) Changes due to the revision to the accounting standards, etc.: Yes
2) Changes due to any reason other than those in 1) above: No

(Note) For details, see "Change in the basis of presentation of the consolidated financial statements" on page 24.

(3) Number of shares issued (common stock)

1) Number of shares issued (including treasury stock)
Year ended March 31, 2010 347,000 shares
Year ended March 31, 2009 347,000 shares
2) Number of treasury stock at end of year
Year ended March 31, 2010 14,885 shares
Year ended March 31, 2009 10,643 shares

(Note) For the number of shares used as the calculation basis for net income per share (consolidated), see the "Per-share data" on page 36.

(Reference) Summary of business results (Non-Consolidated)

1. Business results for the year ended March 31, 2010 (April 1, 2009, to March 31, 2010)

(1) Operating results (Percentage figures denote year-over-year changes.)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2010	61,357	15.5	8,618	125.7	8,830	51.2
Year ended March 31, 2009	53,143	(35.8)	3,818	(69.8)	5,842	(53.1)

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
Year ended March 31, 2010	4,538	296.0	13,517.04	–
Year ended March 31, 2009	1,145	(72.4)	3,304.50	–

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2010	82,782	44,703	54.0	134,602.25
Year ended March 31, 2009	51,787	41,853	80.8	124,430.66

(Reference) Shareholders' equity
Year ended March 31, 2010: ¥44,703 million
Year ended March 31, 2009: ¥41,853 million

2. Forecast earnings for the year ending March 31, 2011 (April 1, 2010, to March 31, 2011)

(Percentages denote year-over-year changes versus the corresponding year-earlier period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,000	19.6	4,000	(30.0)	4,000	(31.8)	2,000	(34.9)	6,022.01
Full year	68,000	10.8	11,000	27.6	11,000	24.6	5,500	21.2	16,560.53

* Explanation on the appropriate usage of forecast earnings and other specific matters
(Caution regarding forward-looking statements)

The forward-looking statements made in this report such as performance perspective are based on currently available information and certain premises that are judged reasonable by management. There are many uncertain factors inherent in forecasting, and there might be cases in which actual results of future business operations and/or events differ from our forecasts depending on changes in diverse conditions. Please see "(1) Analysis of operating results" under "1. Operating results" on page 4 with regard to the cautions in using assumptions as the premise for forecast earnings and in using the forecast earnings.

1. Operating results

(1) Analysis of operating results

[1] Overview of operations for the year ended March 31, 2010

With Japanese society having come of age in the 21st century, we recognize that the amount of leisure time people have is definitely increasing, and we expect this trend to continue in the future. Differences in tastes mean that how people spend their time varies, which provides us with many business opportunities.

The Fields Group, of which the Company is a part and whose corporate philosophy is “The Greatest Leisure for All People,” is an enterprise group that provides products and services in response to this ever-increasing amount of leisure time. They conduct their business activities by identifying possible business opportunities through the study, analysis, and anticipation of changes to people's lifestyles, environments, and such like.

The Group’s consolidated business results for the year ended March 31, 2010 were as follows.

Net sales decreased to ¥66,342 million, a fall of 9.2% year on year. The major contributing factor behind this decline compared with the previous fiscal year was the fact that D3 Inc. has been deconsolidated as a subsidiary of the Company as a result of the sale of the shares in D3 Inc.

Operating income increased to ¥8,124 million, a rise of 314.3% year on year, and ordinary income surged to ¥7,761 million, a rise of 682.9%. These increases were primarily due to strong sales of major titles in the pachinko/pachislot machine sales business during this fiscal year.

In addition, the Company posted an extraordinary loss of ¥597 million resulting from the loss on disposal of tangible fixed assets in conjunction with the preparation of the Osaka Branch, among others, during this fiscal year. As a result, net income amounted to ¥3,289 million.

The following is an overview of each business segment.

[2] Analysis of operations for the year ended March 31, 2010 by business segment

1) Pachinko/Pachislot (PS) Field segment

As the pachinko/pachislot industry today is called upon to grow into a purveyor of quality entertainment capable of creating a new population of fans, Fields Corporation has consistently been challenging in the field of planning and developing pachinko/pachislot machines to ensure growth for the future.

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 operations in order. In the meantime, 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 reached saturation point.

During the year ended March 31, 2010, the pachinko machine sales business introduced a total of five new models, including *CR Neon Genesis Evangelion—The Beginning and the End*, which was recorded the highest sales for the Evangelion series, totaling 237,000 machines as well as *CR Shimizu no Jirocho*, the industry’s first experiment with a pachinko machine tie-in with a TV drama. Meanwhile, the pachislot machine sales business released six new models. 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 recorded big hit sales totaling 79,700 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’s 10th anniversary, recorded strong sales amounting to 42,700 machines (the model is still on sale and its sales during the year ended March 31, 2010 totaled 27,199 machines).

As a result of the above, during the year ended March 31, 2010, with unit sales of pachinko machines amounting to 330,734 and unit sales of pachislot machines coming to 119,146, the Pachinko/Pachislot (PS) Field segment posted net sales of ¥62,379 million and operating income of ¥8,133 million.

< Pachinko machine titles released during the year ended March 31, 2010 >

Pachinko machine titles	Month released	
CR Neon Genesis Evangelion—The Beginning and the End	April 2009	(Bisty Co., Ltd.)
CR Iron Chef	October 2009	(Bisty Co., Ltd.)
CR GTO	January 2010	(Bisty Co., Ltd.)
CR Neon Genesis Evangelion—The Angels Are Back Again YF	January 2010	(Bisty Co., Ltd.)
CR Shimizu no Jirocho—The Bonds of Life	February 2010	(Bisty Co., Ltd.)
Total number of pachinko machines sold (machines)	330,734	

Pachislot machine titles	Month released	
Aim for the Ace!	April 2009	(Olympia Co., Ltd.)
Saturday Night Fever	June 2009	(Bisty Co., Ltd.)
I am KONISHIKI	November 2009	(Olympia Co., Ltd.)
Hono-no Nekketsu Kyoshi	December 2009	(Rodeo Co., Ltd.)
Neon Genesis Evangelion—Die Spur der SEELE	March 2010	(Bisty Co., Ltd.)
Onimusha: Dawn of Dreams	March 2010	(Rodeo Co., Ltd.)
Total number of pachislot machines sold (machines)	119,146	

(Note) The total number of pachinko and pachislot machines sold includes the number of machines with titles other than those above sold via agency sales.

2) 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, the company implemented strategies to add greater value to the roster of athletes retained in our athlete management business and promoted the creation of profitable opportunities. These included stepping up athlete management services tied to Total Workout, together with web marketing operations.

As a result of the above, the Sports Entertainment Field posted net sales of ¥2,416 million and operating loss of ¥324 million.

3) Mobile Field segment

During the year ended March 31, 2010, in promoting the mobile content platform operated by FutureScope Corporation, the Company implemented strategies to accelerate the enrollment of paying members and minimize the number of membership cancellations. As the number of paying members for Fields Mobile, the company's mainstay mobile content platform, has reached approximately 400,000 (as of March 31, 2010). FutureScope Corporation continued to consider our existing service offerings to determine which content products should remain or be removed from the portfolio and ideas for new services.

As a result of the above, the Mobile Field posted net sales of ¥1,821 million and operating income of ¥393 million.

4) Other Field segment

During the year ended March 31, 2010, Lucent Pictures Entertainment, Inc., a planning and production company of animation, has been actively involved in a group synergy business which aims to enhance the quality of production for the animation in the Pachinko/Pachislot Field. Furthermore, the company has conducted a feasibility study on commercializing its 3D technology, which is attracting worldwide attention as the next generation of visual expression.

As a result of the above, the Other Field segment posted net sales of ¥619 million and operating loss of ¥70 million.

(Note) Net sales reported by the individual segments are gross of inter-group net sales or transfers.

[3] Forecast earnings for the year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

The full-year forecast for the year ending March 31, 2011 is as follows:

(Unit: Million yen)

	Forecast for the year ending March 31, 2011	Results for the year ended March 31, 2010	Year-over-year change
Net sales	80,000	66,342	+20.6%
Operating income	11,000	8,124	+35.4%
Ordinary income	11,000	7,761	+41.7%
Net income	5,500	3,289	+67.2%

With “The Greatest Leisure for All People” as its corporate philosophy, the Company has long recognized that the strategy of utilizing digital content for multiple purposes is the basis of our competitive edge. Therefore, we have steadily expanded our businesses in a broader range of entertainment fields, including pachinko/pachislot, movies, mobile content, animation, publications 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.

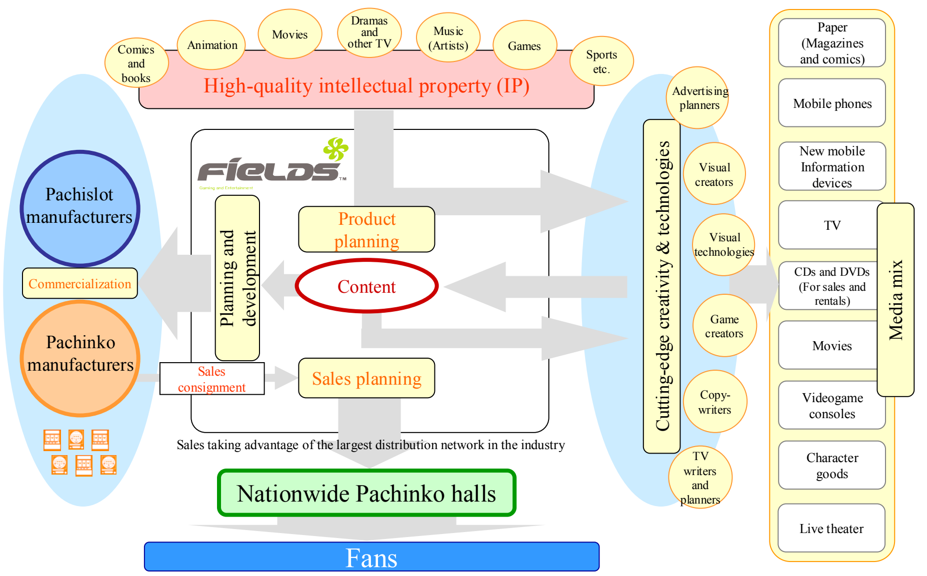
In addition, the Company has implemented a medium-term management plan for sustainable growth in the future and has focused not only on enhancing planning and development capabilities in the Pachinko/Pachislot Field, the Company’s core business, but also on strengthening the foundation of the entertainment fields. In April 2010, Tsuburaya Productions Co., Ltd., a holder of highly-valued IP including the “Ultraman Series” and Digital Frontier Inc., one of Japan’s major computer graphics (CG) production companies, were newly consolidated as the Company’s subsidiaries. Furthermore, the Company and Shogakukan Creative Inc. jointly established a new publishing company called HERO’S in April 2010, with the aim of creating original content by publishing a new monthly comic magazine.

Under these operating circumstances, the Company has adopted a new business structure as of April 1, 2010 based on two business segments, the Entertainment Business (Group Business) segment and the Pachinko/Pachislot Business segment, 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 entertainment business, the Company is planning to obtain superior IP, preeminent human resources (creators, producers, etc.) with the capability to enhance the added-value of such IP, and cutting-edge technologies such as computer graphics and 3D technologies by acquiring them through the group companies or acqireing them in collaboration with the affiliated companies. By steadily establishing a business model to commercialize highly-value added products with market competitiveness by combining these elements and deliver 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 movie software development area of the pachinko/pachislot manufacturing industry, and offering highly-value added products with market competitiveness, leveraging F Inc., our software development subsidiary, as the core driver. In addition to *CR Evangelion—New Beginning Gospel*, 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 fourth quarter of the fiscal year ending March 31, 2011. In the meanwhile, in the pachislot machine sales business, we will strive to expand the sales of titles including Rodeo’s 10th anniversary commemoration series which started with the launch of *Onimusha: Dawn of Dreams*.

Business Scheme 2010



(2) Analysis of financial position

[1] Assets, liabilities and net assets

(Unit: Million yen)

	Current fiscal year end (At March 31, 2010)	Previous fiscal year end (At March 31, 2009)	Year-over-year change
Total assets	81,329	52,064	29,264
Total liabilities	40,141	12,568	27,573
Total net assets	41,187	39,496	1,690

(Assets)

Current assets amounted to ¥56,694 million, up ¥31,559 million since the end of the previous fiscal year. This was mainly attributable to increases in cash and cash equivalents and notes and accounts receivable—trade and a decrease in other accounts receivable.

Tangible fixed assets amounted to ¥9,721 million, down ¥1,177 million since the end of the previous fiscal year. 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.

Intangible fixed assets amounted to ¥2,333 million, down ¥427 million since the end of the previous fiscal year.

Investments and other assets amounted to ¥12,578 million, down ¥689 million since the end of the previous fiscal year. The principal factor behind this was a decrease in deferred tax assets.

As a result of the above, total assets amounted to ¥81,329 million, up ¥29,264 million since the end of the previous fiscal year.

(Liabilities)

Current liabilities amounted to ¥35,845 million, up ¥28,298 million since the end of the previous fiscal year. This primarily reflected increases in notes and accounts payable—trade and accrued income taxes as profit increased.

Fixed liabilities amounted to ¥4,295 million, down ¥725 million since the end of the previous fiscal year. This was mainly attributable to the redemption of corporate bonds.

As a result of the above, total liabilities amounted to ¥40,141 million, up ¥27,573 million since the end of the previous fiscal year.

(Net assets)

Net assets amounted to ¥41,187 million, up ¥1,690 million since the end of the previous fiscal year. This primarily reflected a increase in retained earnings.

[2] Cash flows

During the year ended March 31, 2010, cash and cash equivalents (hereinafter referred to as “cash”) increased ¥4,725 million since the end of the previous fiscal year and amounted to ¥15,906 million at the end of the year ended March 31, 2010.

Cash flows for the year ended March 31, 2010 were as follows:

(Unit: Million yen)

	Current fiscal year (Year ended March 31, 2010)	Previous fiscal year (Year ended March 31, 2009)	Year-over-year change
Cash flows from operating activities	8,429	4,147	4,281
Cash flows from investing activities	(1,011)	(6,182)	5,171
Cash flows from financing activities	(2,687)	602	(3,290)

Cash flows for the year ended March 31, 2010 and their conditions were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥8,429 million (¥4,147 million of income in the previous year). The principal factors in this 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 notes and accounts payable—trade, and ¥2,443 million in income taxes refund.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥1,011 million (¥6,182 million of expenditure in the previous year). The principal factors in this were proceeds from sale of tangible fixed assets totaling ¥615 million, purchases of tangible fixed assets totaling ¥470 million and purchases of intangible fixed assets totaling ¥449 million.

(Cash flows from financing activities)

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

(Reference) Trends of cash flow indicators

	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
Shareholders' equity ratio (%)	45.0	62.2	64.3	75.8	50.5
Shareholders' equity ratio at market value (%)	145.8	99.8	68.7	90.8	44.4
Interest-bearing debt/cash flow ratio (years)	0.3	0.9	0.4	0.7	0.2
Interest coverage ratio (times)	256.6	83.7	145.7	36.0	310.5

Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio at market value: Aggregate market value (based on the closing stock price at the end of the year)/Total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest expense

(Notes)
1. All of the above indicators are calculated for their respective values on a consolidated basis.
2. Aggregate market value is calculated based on the number of shares issued excluding treasury stock.
3. Interest-bearing debt indicates all the liabilities for which interest is paid posted in the consolidated balance sheets.

(3) Fundamental corporate policy for distributing profits and dividends for the current and next fiscal years

The Company regards the enhancement of corporate value as a principal management task, and its fundamental policy is to pay dividends at an appropriate level that corresponds with profits. Specifically, dividends are determined on the basis of such factors as operating revenue and cash flow conditions, and we aim to achieve a consolidated payout ratio of 20% or more.

The Company makes every effort to effectively use retained earnings for investments to enhance its financial condition, strengthen the management foundation, expand businesses continually and secure a competitive edge.

For the year ended March 31, 2010, the Company paid an interim dividend of ¥2,000 per share to shareholders and intends to distribute a year-end dividend of ¥2,500 per share. As a result, this fiscal year's consolidated payout ratio will be 45.9%.

With regard to the year ending March 2011, we intend to distribute an annual dividend per share of ¥4,500 (an interim dividend of ¥2,000 and a year-end dividend of ¥2,500).

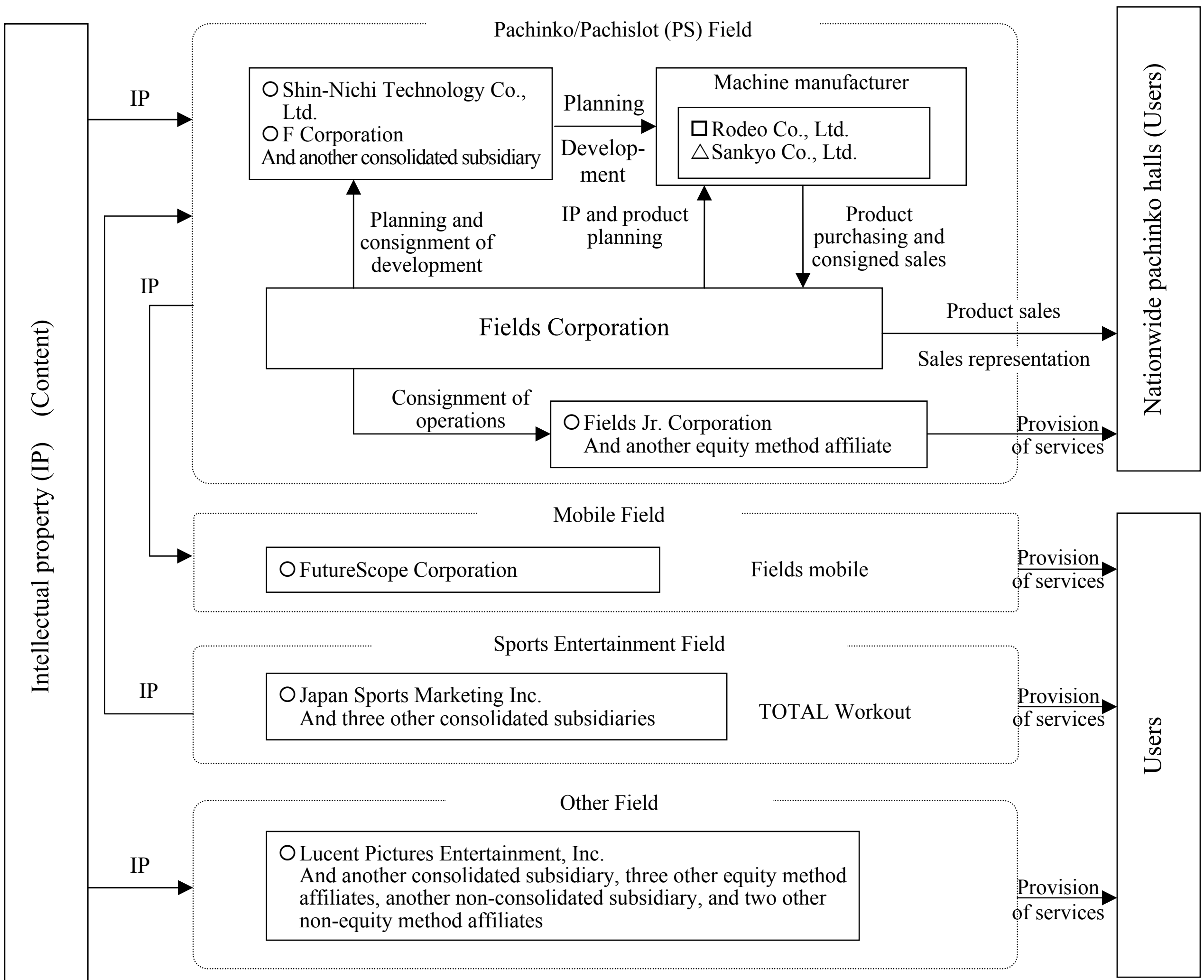
2. Outline of the Fields group

The Fields group (parent company and associated companies) comprises Fields Corporation (“the Company”), 12 subsidiaries, 7 affiliated companies, and 1 other related company.

The business segments of each company in the Fields group are summarized below.

Business segment	Description of principal business	Company name
Pachinko/Pachislot (PS) Field	Planning, development, sales and maintenance of pachinko/pachislot machines, as well as purchasing of pachinko/pachislot machines	Fields Corporation Fields Jr. Corporation Shin-Nichi Technology Co., Ltd. Rodeo Co., Ltd. Sankyo Co., Ltd. F Corporation (and two other companies)
Sports Entertainment Field	Sports management and related activities	Japan Sports Marketing Inc. (and three other companies)
Mobile Field	Mobile content business	FutureScope Corporation
Other Field	Planning, production, etc. of animation	Lucent Pictures Entertainment, Inc. (and seven other companies)

The following chart summarizes our business organization.



○: Consolidated subsidiary □: Equity method affiliate △: Other related company

3. Operating policies

(1) Fundamental corporate management policy

(2) Issues to address and management strategies for the medium to long term

(3) Targeted management indicators

The relevant descriptions on each of the preceding items are omitted as there have been no changes from the contents disclosed in the Summary of Financial Information and Business Results for the Year Ended March 31, 2008 (disclosed as of May 14, 2008).

The Summary of Financial Information and Business Results for the Year Ended March 31, 2008 may be obtained by accessing the following web sites.

(The Company’s web site)

http://www.fields.biz/

(Osaka Securities Exchange’s web site (“JDS” search page))

http://jds.jasdaq.co.jp/tekiji/

(4) Other important matters affecting corporate management

No relevant items

4. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (March 31, 2009)	Fiscal year ended March 31, 2010 (March 31, 2010)
Assets		
Current assets		
Cash and cash equivalents	11,181	15,916
Notes and accounts receivable—trade	4,324	33,088
Marketable securities	—	48
Merchandise and products	150	107
Work in process	640	1,027
Raw materials and supplies	173	385
Deferred tax assets	545	807
Merchandising rights advances	3,591	2,838
Other accounts receivable	3,223	—
Other current assets	1,383	2,829
Allowance for doubtful accounts	(77)	(355)
Total current assets	25,135	56,694
Fixed assets		
Tangible fixed assets		
Buildings and structures	4,733	4,349
Accumulated depreciation	(1,131)	(1,373)
Net amount of buildings and structures	3,601	2,976
Vehicles	23	47
Accumulated depreciation	(15)	(20)
Net amount of vehicles	7	26
Tools, furniture and fixtures	2,402	2,414
Accumulated depreciation	(1,680)	(1,884)
Net amount of tools, furniture and fixtures	721	529
Land	6,514	6,170
Construction in progress	53	18
Total tangible fixed assets	10,898	9,721
Intangible fixed assets		
Goodwill	326	239
Software	2,355	—
Other intangible fixed assets	80	2,094
Total intangible fixed assets	2,761	2,333
Investments and other assets		
Investment securities	*1 7,989	*1 7,865
Long-term loans	101	345
Deferred tax assets	1,862	1,124
Deposits and guarantees	2,707	—
Other assets	863	3,357
Allowance for doubtful accounts	(256)	(114)
Total investments and other assets	13,268	12,578
Total fixed assets	26,929	24,634
Total assets	52,064	81,329

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (March 31, 2009)	Fiscal year ended March 31, 2010 (March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	1,981	26,610
Current portion of long-term borrowings	61	–
Corporate bonds redeemable within 1 year	720	720
Accrued income taxes	263	3,562
Accrued bonuses	211	273
Accrued bonuses to directors and auditors	245	135
Allowance for losses on order receiving	—	11
Allowance for losses on relocation of offices	9	14
Other current liabilities	4,056	4,517
Total current liabilities	7,547	35,845
Fixed liabilities		
Corporate bonds	2,230	1,510
Retirement benefit provisions	221	274
Long-term guarantee deposits received	2,569	–
Other fixed liabilities	0	2,511
Total fixed liabilities	5,021	4,295
Total liabilities	12,568	40,141
Net assets		
Shareholders' equity		
Common stock	7,948	7,948
Capital surplus	7,994	7,994
Retained earnings	25,808	27,583
Treasury stock	(1,330)	(1,785)
Total shareholders' equity	40,420	41,741
Valuation and translation differences		
Unrealized holding gain on available-for-sale securities	(956)	(676)
Foreign currency translation adjustment	(0)	0
Total valuation and translation differences	(957)	(676)
Minority interest	32	122
Total net assets	39,496	41,187
Total liabilities and net assets	52,064	81,329

(2) Consolidated statements of income

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net sales	73,035	66,342
Cost of sales	49,010	39,452
Gross profit	24,024	26,889
Selling, general and administrative expenses		
Advertising expenditures	4,862	3,587
Salaries	5,106	4,652
Provision for accrued bonuses	202	257
Provision for accrued bonuses to directors and auditors	245	135
Outsourcing expenses	1,532	1,373
Travel and transport expenses	596	469
Depreciation and amortization	1,534	1,175
Rents	1,608	1,475
Provision to allowance for doubtful accounts	29	249
Retirement benefit expenses	70	68
Amortization of goodwill	332	87
Others	5,942	5,233
Total selling, general and administrative expenses	22,063	18,764
Operating income	1,960	8,124
Non-operating income		
Interest income	29	11
Dividend income	188	164
Discounts on purchases	54	21
Lease income	89	30
Interest on refund	–	74
Others	165	180
Total non-operating income	528	484
Non-operating expenses		
Interest expense	127	24
Equity method investment loss	428	258
Amortization of equity investment	92	132
Loss on management of investment securities	323	312
Foreign exchange loss	357	46
Others	168	72
Total non-operating expenses	1,497	846
Ordinary income	991	7,761

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Extraordinary income		
Gain on sale of fixed assets	*1 0	*1 46
Gain on sale of share in affiliates	2	–
Gain on investment in anonymous association	83	–
Insurance proceeds received	110	–
Gain on reversal of stock acquisition rights	71	–
Others	1	7
Total extraordinary income	269	53
Extraordinary losses		
Loss on sale of fixed assets	*2 0	*2 4
Loss on disposal of fixed assets	*3 102	*3 430
Impairment loss	*4 152	*4 18
Valuation loss on investment securities	1,605	15
Provision to allowance for loss on relocation of offices	9	13
Loss on liquidation of affiliates	537	–
Loss due to discontinued production	702	24
Others	730	91
Total extraordinary losses	3,840	597
Income (loss) before income taxes and minority interests	(2,579)	7,218
Current income taxes	388	3,616
Deferred income taxes	(514)	284
Total income taxes	(126)	3,900
Minority interests (loss)	(971)	29
Net income (loss)	(1,481)	3,289

(3) Consolidated statement of change in net assets

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Shareholders' equity		
Common stock		
Balance at end of previous year	7,948	7,948
Amount of changes during the year		
Total amount of changes during the year	–	–
Balance at end of year	7,948	7,948
Capital surplus		
Balance at end of previous year	7,994	7,994
Amount of changes during the year		
Total amount of changes during the year	—	—
Balance at end of year	7,994	7,994
Retained earnings		
Balance at end of previous year	28,852	25,808
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income (loss)	(1,481)	3,289
Change resulted from a merger of companies accounted for by the equity method	(1)	—
Total amount of changes during the year	(3,044)	1,775
Balance at end of year	25,808	27,583
Treasury stock		
Balance at end of previous year	—	(1,330)
Amount of changes during the year		
Purchase of treasury stock	(1,330)	(454)
Total amount of changes during the year	(1,330)	(454)
Balance at end of year	(1,330)	(1,785)
Total shareholders' equity		
Balance at end of previous year	44,795	40,420
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income (loss)	(1,481)	3,289
Change resulted from a merger of companies accounted for by the equity method	(1)	—
Purchase of treasury stock	(1,330)	(454)
Total amount of changes during the year	(4,374)	1,320
Balance at end of year	40,420	41,741

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Valuation and translation differences		
Unrealized holding gain on available for-sale securities		
Balance at end of previous year	(249)	(956)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(707)	280
Total amount of changes during the year	(707)	280
Balance at end of year	(956)	(676)
Foreign currency translation adjustment		
Balance at end of previous year	(59)	(0)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	59	0
Total amount of changes during the year	59	0
Balance at end of year	(0)	0
Total valuation and translation differences		
Balance at end of previous year	(309)	(957)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(647)	280
Total amount of changes during the year	(647)	280
Balance at end of year	(957)	(676)
Stock acquisition rights		
Balance at end of previous year	43	—
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(43)	—
Total amount of changes during the year	(43)	—
Balance at end of year	—	—
Minority interest		
Balance at end of previous year	1,802	32
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(1,769)	89
Total amount of changes during the year	(1,769)	89
Balance at end of year	32	122

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Total net assets		
Balance at end of previous year	46,331	39,496
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income (loss)	(1,481)	3,289
Change resulted from a merger of companies accounted for by the equity method	(1)	—
Purchase of treasury stock	(1,330)	(454)
Net amount of changes in items not included in shareholders' equity during the year	(2,460)	369
Total amount of changes during the year	(6,835)	1,690
Balance at end of year	39,496	41,187

(4) Consolidated statements of cash flows

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Cash flows from operating activities		
Income (loss) before income taxes and minority interest	(2,579)	7,218
Depreciation and amortization	1,775	1,368
Impairment loss	152	18
Amortization of goodwill	332	87
Increase (decrease) in allowance for doubtful accounts	(90)	136
Increase (decrease) in accrued bonuses	36	62
Increase (decrease) in accrued bonuses to directors and auditors	117	(110)
Increase (decrease) in retirement benefit provisions	40	53
Increase (decrease) in allowance for losses on order receiving	(49)	11
Increase (decrease) in allowance for losses on relocation of offices	(0)	5
Interest and dividend income	(218)	(176)
Discounts on purchases	(54)	(21)
Equity method investment loss (gain)	428	258
Interest expense	127	24
Loss (gain) on sale of shares in affiliates	342	–
Loss (gain) on investment in anonymous association	(83)	–
Loss on disposal of fixed assets	102	408
Loss on management of investment securities	323	312
Valuation loss (gain) on investment securities	1,605	15
Amortization of equity investment	92	132
Foreign exchange loss (gain)	364	–
Decrease (increase) in notes and accounts receivable—trade	4,423	(27,896)
Decrease (increase) in inventories	1,343	(557)
Decrease (increase) in merchandising right advances	805	753
Decrease (increase) in prepaid expenses	68	99
Decrease (increase) in advance payments	346	(284)
Decrease (increase) in other accounts receivable	220	–
Increase (decrease) in notes and accounts payable—trade	(2,329)	23,910
Increase (decrease) in other accounts payable	27	507
Increase (decrease) in accrued consumption taxes	(535)	619
Increase (decrease) in deposits received	917	(1,278)
Others	698	150
Subtotal	8,752	5,829
Interest and dividends received	2,328	183
Interest paid	(115)	(27)
Insurance proceeds received	110	–
Income taxes refunded (paid)	(6,863)	2,443
Others	(64)	–
Net cash provided by (used in) operating activities	4,147	8,429

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Cash flows from investing activities		
Purchases of tangible fixed assets	(4,710)	(470)
Proceeds from sale of tangible fixed assets	176	615
Purchases of intangible fixed assets	(401)	(449)
Proceeds from sale of intangible fixed assets	6	–
Purchases of investment securities	(566)	–
Proceeds from sale of investment securities	187	–
Expenditure for acquiring shares in affiliates	–	(3)
Expenditure for sale of shares in subsidiaries which involved change in the scope of consolidation	*2 (793)	–
Expenditure for equity investment	–	(366)
Expenditure for loans	(252)	(357)
Collection on loans	255	1
Payments for deposits and guarantees	(15)	(91)
Proceeds from cancellation of deposits and guarantees	57	134
Payments for long-term prepaid expenses	(54)	–
Others	(70)	(23)
Net cash provided by (used in) investing activities	(6,182)	(1,011)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,898)	–
Proceeds from long-term borrowings	6,200	–
Repayment of long-term borrowings	(2,287)	(61)
Proceeds from issuance of corporate bonds	2,948	–
Redemption of corporate bonds	(420)	(720)
Provision of collateral goods	(17)	–
Proceeds from payments by minority shareholders	–	60
Dividends paid	(1,563)	(1,511)
Expenditure for purchase of treasury stock	(1,334)	(456)
Dividends paid to minority shareholders	(25)	–
Net cash provided by (used in) financing activities	602	(2,687)
Effect of exchange rate changes on cash and cash equivalents	(79)	(4)
Increase (decrease) in cash and cash equivalents	(1,512)	4,725
Cash and cash equivalents at beginning of year	12,693	11,181
Cash and cash equivalents at end of year	*1 11,181	*1 15,906

(5) Note regarding the operation of the company as a going concern

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

No relevant items

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

No relevant items

(6) Basis of presentation of the consolidated financial statements

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 9 Names of consolidated subsidiaries: Fields Jr. Corporation Lucent Pictures Entertainment, Inc. Shin-Nichi Technology Co., Ltd. Haruki Fields Cinema Fund FutureScope Corporation EXPRESS Inc. Japan Sports Marketing Inc. JSM HAWAII, LLC Ildel Corporation White Trash Charms Japan Co., Ltd. and Fields Pictures Corporation, which were consolidated subsidiaries, were excluded from the scope of consolidation in the year ended March 31, 2009 as they were absorbed and merged into the Company (a surviving company) effective as of January 1, 2009. thinkArts Co., Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation in the year ended March 31, 2009 as a result of the liquidation completed in March 2009. D3 Inc. and its consolidated subsidiaries (D3 Publisher Inc., Entertainment Software Publishing Inc., D3Publisher of America, Inc., D3Publisher of Europe Ltd., Vicious Cycle Software, Inc., and D3DB S.r.l.) were excluded from the scope of consolidation in the year ended March 31, 2009 as a result of the sale of all shares held by the Company in D3 Inc. in March 2009.	(1) Number of consolidated subsidiaries: 11 Names of consolidated subsidiaries: Fields Jr. Corporation Shin-Nichi Technology Co., Ltd. F Corporation Lucent Pictures Entertainment, Inc. Haruki Fields Cinema Fund K-1 INTERNATIONAL Corporation FutureScope Corporation EXPRESS Inc. Japan Sports Marketing Inc. JSM HAWAII, LLC Ildel Corporation F Corporation and K-1 INTERNATIONAL Corporation were newly established during the fiscal year ended March 31, 2010 and therefore have been included in the scope of consolidation.
	(2) Names of significant non-consolidated subsidiaries, etc.: APE Inc. Reason for exclusion from the scope of consolidation: Non-consolidated subsidiaries have been excluded from consolidation owing to their small size and the fact that in no case do their aggregate total assets, net sales, net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held), etc., have a material impact on the consolidated financial statements.	(2) Names of significant non-consolidated subsidiaries, etc.: APE Inc. Reason for exclusion from the scope of consolidation: Same as at left

<table>
<tr><th>Item</th><th>Fiscal year ended March 31, 2009
(April 1, 2008–March 31, 2009)</th><th>Fiscal year ended March 31, 2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>2. Application of equity method</td><td>(1) Number of equity-method affiliates: 4
Rodeo Co., Ltd.
SPO Inc.
Bbmf Magazine, Inc.
Kadokawa Haruki Corporation

(2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for by the equity method:
APE Inc.
G&E Corporation
YMO Inc.
Reason for non-application of the equity method:
These companies have a negligible impact on net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held) and have no significance as a whole, so they have been excluded from the application of the equity method.

(3) Matters requiring clarification concerning procedures for application of the equity method:
With regard to companies accounted for by the equity method whose year-end settlement dates differ from that for consolidated accounts, the financial statements relating to those companies' fiscal years are utilized.</td><td>(1) Number of equity-method affiliates: 5
Rodeo Co., Ltd.
Bbmf Magazine, Inc.
SPO Inc.
Kadokawa Haruki Corporation
SOUGOU MEDIA INC.
SOUGOU MEDIA INC. was newly established during the fiscal year ended March 31, 2010 and therefore has been accounted for by the equity method.

(2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for by the equity method:
APE Inc.
G&E Corporation
YMO Inc.
Reason for non-application of the equity method:
Same as at left

(3) Matters requiring clarification concerning procedures for application of the equity method:
Same as at left</td></tr>
<tr><td>3. Accounts settlement dates of consolidated subsidiaries</td><td>Of the consolidated subsidiaries, the year-end balance sheet date of JSM HAWAII, LLC is December 31. In preparing the consolidated financial statements, its financial statements as of March 31 through the temporary settlement of accounts are used.</td><td>Same as at left</td></tr>
<tr><td>4. Accounting standards
(1) Valuation standards and methods for important assets</td><td>(1) Marketable securities
Held-to-maturity bonds:
Carried at amortized cost (straight-line method)
Other marketable securities
Securities with market prices:
Stated at market value based on market price as of the consolidated balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving average method).
Securities without market prices:
Stated at cost determined by the moving average method.</td><td>(1) Marketable securities
Held-to-maturity bonds:
Same as at left
Other marketable securities
Securities with market prices:
Same as at left
Securities without market prices:
Same as at left</td></tr>
</table>

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(1) Valuation standards and methods for important assets	(2) Derivatives: Stated at market value (3) Inventories Valuation policy for inventories held for purposes of ordinary sales is based on a cost basis (which reduces the book value of assets whose profitability is diminished). [1] Merchandise Fields Corporation: Used pachinko/pachislot machines Specific identification method Others Moving average method Consolidated subsidiaries: Periodic average method [2] Work in process Consolidated subsidiaries: Specific identification method [3] Raw materials Consolidated subsidiaries: Moving average method [4] Supplies Last purchase price method	(2) Derivatives: Same as at left (3) Inventories Valuation policy for inventories held for purposes of ordinary sales is based on a cost basis (which reduces the book value of assets whose profitability is diminished). [1] Merchandise Same as at left [2] Work in process Same as at left [3] Raw materials Same as at left [4] Supplies Same as at left
(2) Depreciation methods for important depreciable assets	(1) Tangible fixed assets Declining-balance method for the Company and domestic consolidated subsidiaries However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows. Buildings: 8–50 years Structures: 10–50 years Vehicles: 2–6 years Tools, furniture and fixtures: 2–20 years (2) Intangible fixed assets Straight-line method The straight-line method is applied to software for company use, based on its useful life within the Company (five years). (3) Long-term prepaid expenses Straight-line method	(1) Tangible fixed assets Declining-balance method for the Company and domestic consolidated subsidiaries However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows. Buildings: 8–50 years Structures: 10–50 years Vehicles: 6 years Tools, furniture and fixtures: 2–20 years (2) Intangible fixed assets Same as at left (3) Long-term prepaid expenses Same as at left
(3) Treatment of important deferred charges	(1) Corporate bond issuance expense The expense is charged in full at the time it is incurred.	(1) —— (2) Organization expense The expense is charged in full at the time it is incurred.

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(4) Accounting standards for important reserves	(1) Allowance for doubtful accounts To provide against losses from doubtful accounts, allowances for ordinary receivables are provided using a rate determined by past collection experience, and allowances for specific debts considered doubtful are accounted for by calculating the estimated amounts deemed uncollectible after individually reviewing collectability of the debts. (2) Accrued bonuses To provide for employee bonuses, the Company and some of its consolidated subsidiaries recognize the amounts out of the projected bonus payments to be allocated to the year ended March 31, 2009. (3) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the year ended March 31, 2009 based on the projected bonus payments. (4) ―――― (5) Allowance for losses on relocation of offices The Company provides estimated costs that might result from office relocations including a loss on disposal of fixed assets and expenses for recovering the present status, etc.	(1) Allowance for doubtful accounts Same as at left (2) Accrued bonuses Same as at left (3) Accrued bonuses to directors and auditors Same as at left (4) Allowance for losses on order receiving To provide against losses from receiving orders, allowances for losses on order receiving are provided at some consolidated subsidiaries with regard to order receiving operations bearing a high possibility of incurring losses that at the same time can be estimated rationally. (5) Allowance for losses on relocation of offices The Company provides estimated costs that might result from office relocations including a loss on disposal of fixed assets and expenses for recovering the present status, etc.
(4) Accounting standards for important reserves	(6) Retirement benefit provisions To provide for employees' retirement benefits, the Company and some consolidated subsidiaries recognize, on the basis of projected benefit obligations as of the end of the fiscal year, benefit obligations accrued as of the end of the fiscal year. Actuarial differences are amortized proportionately by the straight-line method over a fixed number of years (five years) within the average remaining period of service of employees as of the time such differences arise. Amortization amounts are expensed beginning with the fiscal year following that in which the differences arise.	(6) Retirement benefit provisions Same as at left
(5) Other significant standards for the preparation of consolidated financial statements	Accounting for consumption taxes Consumption tax is accounted for by the tax-excluded method.	Accounting for consumption taxes Same as at left
5. Valuation of assets and liabilities of consolidated subsidiaries	Assets and liabilities of consolidated subsidiaries are stated at fair value.	Same as at left

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
6. Amortization of goodwill and negative goodwill	Goodwill is amortized equally for a reasonable number of years within 10 years, estimating the period when its effect is generated.	Same as at left
7. Scope of funds in consolidated statements of cash flows	Funds include cash on hand, demand deposits and short-term investments maturing or redeemable within three months after acquisition that are highly liquid, easily convertible into cash and exposed to low price fluctuation risk.	Same as at left

(7) Change in the basis of presentation of the consolidated financial statements

Changes in accounting treatment

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(Accounting standards pertaining to valuation of inventories) Effective with the year ended March 31, 2009, the Company adopts the Accounting Standard for Valuation of Inventories (the Accounting Standards Board of Japan (hereinafter referred to as "ASBJ") Statement No. 9 announced on July 5, 2006) and changes its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability is diminished). This change has no effect on income. (Accounting standards pertaining to lease transactions) In previous years, finance lease transactions, other than those where the ownership of the leased assets is deemed to be transferred to the lessee, are accounted for as ordinary operating lease transactions. However, effective with the year ended March 31, 2009, the Company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (effective as of June 17, 1993 (the 1st Committee of the Business Accounting Council) and revised as of March 30, 2007)) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, effective as of January 18, 1994 (the Accounting System Committee of the Japanese Institute of Certified Public Accountants (hereinafter referred to as the "JICPA")) and revised as of March 30, 2007) and applies the accounting methods that applies to ordinary buying and selling transactions. With regard to non-ownership-transferred finance lease transactions whose effective date of transaction precedes March 31, 2008, the Company applies the accounting method that it uses to account for ordinary lease transactions. This has no effect on income. (Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements) Effective with the year ended March 31, 2009, the Company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (the Practical Issues Task Force (hereinafter referred to as "PITF") No. 18 effective as of May 17, 2006) and performs required reconciliations in the consolidation accounting process. This application has no effect on income.	(Partial amendments to the accounting standard for retirement benefits) Effective with the year ended March 31, 2010, the Company adopts the Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, issued on July 31, 2008). This change has no effect on income.

(Changes in presentation method)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(Consolidated balance sheets) 1. With the application of the Cabinet Office Ordinance Partially Revising Regulation, etc. for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 50 effective as of August 7, 2008), what was included in "Inventories" until the previous fiscal year has been separately presented as "Merchandise and products," "Work in process," "Raw materials and supplies" and "Content" effective with the year ended March 31, 2009. However, the balance of "Content" as of March 31, 2009, was ¥0. In the previous fiscal year, ¥475 million of "Merchandise and products," ¥2,513 million of "Work in process," ¥133 million of "Raw materials and supplies" and ¥890 million of "Content" were included in "Inventories." 2. As "Other accounts receivable," which had been included in "Other current assets" under current assets until the end of the previous fiscal year, accounted for more than 5/100 of total assets, it has been separately presented. The "Other accounts receivable" as of March 31, 2008, was ¥355 million.	(Consolidated balance sheets) 1. As "Other accounts receivable," which had been separately presented until the end of the previous fiscal year, accounted for less than 5/100 of total assets, it has been included in "Others" of current assets. The "Other accounts receivable" as of March 31, 2010, was ¥193 million. 2. "Software," which had been separately presented until the end of the previous fiscal year, has been included in "Others" of intangible fixed assets because the amount became insignificant. The "Software" as of March 31, 2010, was ¥1,910 million. 3. As "Deposits and guarantees," which had been separately presented until the end of the previous fiscal year, accounted for less than 5/100 of total assets, it has been included in "Others" of investments and other assets. The "Deposits and guarantees" as of March 31, 2010, was ¥2,670 million. 4. "Long-term guarantee deposits received," which had been separately presented until the end of the previous fiscal year, has been included in "Others" of fixed liabilities because the amount became insignificant. The "Long-term guarantee deposits received" as of March 31, 2010, was ¥2,508 million.
(Consolidated statements of income) 1. As "Lease income," which had been included in "Others" under non-operating income until the end of the previous fiscal year, accounted for more than 10/100 of total non-operating income, it has been separately presented. The "Lease income" as of March 31, 2008, was ¥3 million. 2. As "Gain on reversal of stock acquisition rights," which had been included in "Others" under extraordinary income until the end of the previous fiscal year, accounted for more than 10/100 of total extraordinary income, it has been separately presented. The "Gain on reversal of stock acquisition rights" as of March 31, 2008, was ¥2 million.	(Consolidated statements of income) 1. As "Interest on refund," which had been included in "Others" under non-operating income until the end of the previous fiscal year, accounted for more than 10/100 of total non-operating income, it has been separately presented. The "Interest on refund" as of March 31, 2009, was ¥0 million.
(Consolidated statements of cash flows) 1. "Proceeds from sale of tangible fixed assets," which had been included in "Others" under cash flows from investing activities until the previous fiscal year, has been separately presented because the amount became significant. The "Proceeds from sale of tangible fixed assets" as of March 31, 2008, was ¥10 million.	(Consolidated statements of cash flows) 1. "Foreign exchange loss (gain)," which had been separately presented under the cash flows from operating activities until the previous fiscal year, has been included in "Others" of the cash flows from operating activities because the amount became insignificant. The "Foreign exchange loss (gain)" as of March 31, 2010, was ¥4 million. 2. "Increase (decrease) in other accounts receivable," which had been separately presented under the cash flows from operating activities until the previous fiscal year, has been included in "Others" of the cash flows from operating activities because the amount became insignificant. The "Increase (decrease) in other accounts receivable" as of March 31, 2010, was ¥27 million. 3. "Payments for long-term prepaid expenses," which had been separately presented under the cash flows from investing activities until the previous fiscal year, has been included in "Others" of the cash flows from investing activities because the amount became insignificant. The "Payments for long-term prepaid expenses" as of March 31, 2010, was down ¥2 million.

(8) Notes to the consolidated financial statements

(Consolidated balance sheets)

Fiscal year ended March 31, 2009 (As of March 31, 2009)		Fiscal year ended March 31, 2010 (As of March 31, 2010)	
*1. Related to non-consolidated subsidiaries and affiliates		*1. Related to non-consolidated subsidiaries and affiliates	
Investment securities (shares)	¥1,904 million	Investment securities (shares)	¥1,598 million
2. Contingent liabilities		2. Contingent liabilities	
The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls from gaming machine manufacturers when acting as a representative in such sales.		The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls from gaming machine manufacturers when acting as a representative in such sales.	
K.K. Taisei Kanko	¥80 million	K.K. Ichiroku Shoji	¥79 million
Niimi Co., Ltd.	¥54 million	Niimi Co., Ltd.	¥60 million
Y.K. Daiko	¥49 million	K.K. Taisei Kanko	¥49 million
Y.K. Big Shot	¥37 million	Y.K. Daiko	¥46 million
Y.K. Takarazuka Pachinko Hall	¥36 million	K.K. Corona	¥33 million
Sankei Shoji Co., Ltd.	¥34 million	K.K. Shouei Project	¥27 million
Meiplanet K.K.	¥33 million	Y.K. Big Shot	¥26 million
K.K. Corona	¥32 million	inter-trade Inc.	¥24 million
K.K. Veam Stadium	¥32 million	Y.K. Takarazuka	¥21 million
K's corporation	¥30 million	K's corporation	¥20 million
Others (279)	¥839 million	Others (286)	¥589 million
Total	¥1,261 million	Total	¥980 million
3. Overdraft agreements		3. Overdraft agreements	
To raise working capital efficiently, the Fields group has concluded an overdraft agreement with four banks. Unutilized balances under these agreements as of March 31, 2009, were as follows:		To raise working capital efficiently, the Fields group has concluded an overdraft agreement with four banks. Unutilized balances under these agreements as of March 31, 2010, were as follows:	
Overdraft limit	¥19,000 million	Overdraft limit	¥19,000 million
Borrowings outstanding	– million	Borrowings outstanding	– million
Difference	¥19,000 million	Difference	¥19,000 million

(Consolidated statements of income)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
*1. Gain on sale of fixed assets was due to sale of tools, furniture and fixtures.	*1. Gain on sale of fixed assets are as follows: Buildings and structures ¥0 million Vehicles ¥0 million Tools, furniture and fixtures ¥0 million Land ¥44 million Total ¥46 million
*2. Details of loss on sale of fixed assets are as follows: Vehicles ¥0 million Tools, furniture and fixtures ¥0 million Total ¥0 million	*2.Details of loss on sale of fixed assets are as follows: Tools, furniture and fixtures ¥4 million Total ¥4 million
*3. Details of loss on disposal of fixed assets are as follows: Buildings and structures ¥36 million Vehicles ¥0 million Tools, furniture and fixtures ¥26 million Software ¥14 million Others intangible fixed assets ¥25 million Total ¥102 million	*3. Details of loss on disposal of fixed assets are as follows: Buildings and structures ¥399 million Tools, furniture and fixtures ¥8 million Software ¥22 million Total ¥430 million

Fiscal year ended March 31, 2009
(April 1, 2008–March 31, 2009)

*4. Impairment loss

The Fields group has stated an impairment loss for the asset set out below.

Usage	Miscellaneous business-related assets	—	Assets scheduled to be sold
Type	Buildings and structures Tools, furniture and fixtures	Goodwill	Land
Location	Osaka-shi, Osaka	—	Nagoya-shi, Aichi
Amount	¥6 million	¥130 million	¥15 million

When grouping its assets, with regard to business-use assets, the Fields group adopts the method of grouping primarily by business category in accordance with management accounting practice. With regard to idle assets, the method of individual grouping is adopted.
Of the Miscellaneous business-related assets, with regard to the properties in Osaka, the Group has recognized losses, which consist of ¥6 million on the buildings and structures as well as the tools, furniture and fixture because there is no prospect of a recovery in operating income from these properties. On the other hand, with regard to the goodwill, the Group has recognized a loss because the initially anticipated income has become impossible to achieve in the business plan which had been studied when the relevant shares were acquired. It consists of ¥130 million in goodwill.

The recoverable value of these properties has been calculated on the basis of value in use, with such recoverable value appraised zero, because future cash flows are negative.

As the sale of aforementioned assets scheduled to be sold has already been decided, the book value of such assets was amortized up to the recoverable value, and the decreased amount was recorded as an impairment loss under an extraordinary loss. It consists of ¥15 million in land.

The recoverable value is calculated on the basis of the full sale price. With regard to the aforementioned assets scheduled to be sold, the recoverable value has been calculated based on the confirmed price for the sale.

Fiscal year ended March 31, 2010
(April 1, 2009–March 31, 2010)

*4. Impairment loss

The Fields group has stated an impairment loss for the asset set out below.

Usage	Miscellaneous business-related assets
Type	Buildings and structures Tools, furniture and fixtures
Location	Minato-ku, Tokyo
Amount	¥18 million

When grouping its assets, with regard to business-use assets, the Fields group adopts the method of grouping primarily by business category in accordance with management accounting practice.

With regard to the miscellaneous business-related assets, the Group has recognized losses, which consist of ¥18 million on the buildings and structures as well as the tools, furniture and fixture because these properties have been left on idle conditions without a defined usage for the future.

The recoverable value of these properties has been calculated on the basis of value in use, with such recoverable value appraised zero, because no future cash flows are expected.

(Consolidated statements of changes in net assets)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

1. Shares issued

Type	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock (shares)	347,000	–	–	347,000

2. Treasury shares

Type	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock (shares)	–	10,643	–	10,643

(The reason for the changes)

Description of the increase is as follows.

Increase due to the purchase of treasury stock based on a resolution at the Meeting of Board of Directors: 10,643 shares

3. Stock acquisition rights

Company name	Description	Nature of shares to be issued	Number of shares to be issued				Balance at March 31, 2009 (Million yen)
			As of March 31, 2008	Increase	Decrease	As of March 31, 2009	
The Company	The first stock acquisition rights	Common stock	4,960	–	4,960	–	–
	The second stock acquisition rights	Common stock	750	–	750	–	–
Total			5,710	–	5,710	–	–

(Notes) 1. The number of shares to be issued is the number of shares to which acquisition rights can be exercised.

2. The reason for the changes in the number of shares to be issued is as follows.

The decrease during the fiscal year ended March 31, 2009 reflects invalidation of some of the rights.

4. Dividends

(1) Dividends paid

Resolution	Type	Total dividends paid (Million yen)	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 26, 2008	Common stock	867	2,500	March 31, 2008	June 27, 2008
Meeting of the board of directors on November 6, 2008	Common stock	694	2,000	September 30, 2008	December 5, 2008

(2) Dividends for which the cut-off date came during the fiscal year ended on March 31, 2009, but the effective date will come during the fiscal year ended on March 31, 2010 or thereafter

Resolution	Type	Total dividends paid (Million yen)	Source for payment of dividends	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 25, 2009	Common stock	840	Retained earnings	2,500	March 31, 2009	June 26, 2009

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

1. Shares issued

Type	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	347,000	—	—	347,000

2. Treasury shares

Type	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	10,643	4,242	—	14,885

(The reason for the changes)

Description of the increase is as follows.

Increase due to the purchase of treasury stock based on a resolution at the Meeting of Board of Directors: 4,242 shares

3. Stock acquisition rights

No relevant items

4. Dividends

(1) Dividends paid

Resolution	Type	Total dividends paid (Million yen)	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 25, 2009	Common stock	840	2,500	March 31, 2009	June 26, 2009
Meeting of the board of directors on November 5, 2009	Common stock	672	2,000	September 30, 2009	December 4, 2009

(2) Dividends for which the cut-off date came during the fiscal year ended on March 31, 2010 but the effective date will come during the fiscal year ending on March 31, 2011 or thereafter

Resolution	Type	Total dividends paid (Million yen)	Source for payment of dividends	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 23, 2010	Common stock	830	Retained earnings	2,500	March 31, 2010	June 24, 2010

(Consolidated statements of cash flows)

<table>
<tr><th>Fiscal year ended March 31, 2009
(April 1, 2008–March 31, 2009)</th><th>Fiscal year ended March 31, 2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>*1. Relationship between cash and cash equivalents as of the end of the fiscal year and cash amounts stated on the consolidated balance sheets
(As of March 31, 2009)
Cash and deposit accounts ¥11,181 million
Cash and cash equivalents ¥11,181 million</td><td>*1. Relationship between cash and cash equivalents as of the end of the fiscal year and cash amounts stated on the consolidated balance sheets
(As of March 31, 2010)
Cash and deposit accounts ¥15,916 million
Time deposits of which depositing period exceeds 3 months ¥(10) million
Cash and cash equivalents ¥15,906 million</td></tr>
<tr><td>*2. Details of assets and liabilities of companies that have been newly deconsolidated through the sale of shares
Assets and liabilities of D3 Inc. at the time when it was deconsolidated through the sale of shares by the Company, as well as the sale price of shares in D3 Inc. and proceeds from the sale were as follows:
D3 Inc.
Current assets ¥7,892 million
Fixed assets ¥848 million

Current liabilities ¥(1,954) million
Fixed liabilities ¥(5,144) million
Minority interest ¥(816) million
Foreign currency translation adjustment ¥263 million
Loss on sale of shares ¥(344) million

Sale price of shares in D3 Inc. ¥744 million
Cash and cash equivalents held by D3 Inc. ¥(1,537) million

Proceeds from sale of shares: (Subtract) ¥(793) million</td><td></td></tr>
</table>

(Segment information)

1. Segment information by business category

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

(Unit: Million yen)

	Pachinko /Pachislot (PS) Field	Game Field	Sports Field	Movies Field	Web Service Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net sales and operating income or loss Net sales									
(1)Net sales to third parties	55,257	12,504	3,551	73	1,608	38	73,035	–	73,035
(2)Inter-group net sales or transfers	467	88	37	–	0	17	612	(612)	–
Total	55,724	12,593	3,589	73	1,609	56	73,647	(612)	73,035
Operating expenses	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
II. Assets, depreciation and amortization, impairment loss and capital expenditure									
Assets	50,927	–	1,988	107	1,033	353	54,411	(2,346)	52,064
Depreciation and amortization	1,418	108	161	–	81	4	1,774	(14)	1,760
Impairment loss	15	130	6	–	–	–	152	–	152
Capital expenditure	4,442	62	124	–	128	18	4,776	(9)	4,767

(Notes) 1. Based on the proximity of merchandises and services or others provided, the Fields Corporation's businesses are segmented into Pachinko/Pachislot (PS) Field, Game Field, Sports Field, Movies Field, Web Service Field and Other Field.

2. The major products or services in each segment are as follows:

(1) Pachinko/Pachislot (PS) Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services

(2) Game Field: Planning, development and sales of packaged software, such as game software

(3) Sports Field: Sports management and related activities

(4) Movies Field: Movie production, digital content creation and copyright acquisition

(5) Web Service Field: Mobile content, etc.

(6) Other Field: Planning, production, etc. of animation

3. All operating expenses are allocated to individual segments, and thus none remain unallocated.

4. All assets are allocated to individual segments, and thus there are no assets that are regarded as being corporate assets.

5. Additional information

In previous years, the sports management business, the movie business and the Web service business have been included in the Other Field segment. Because these businesses are now significant in value, the Company resegmented its operations to separate and disclose these businesses in segments called the Sports Field segment, Movies Field segment and Web Service Field segment, effective with the year ended March 31, 2009.

The following is the segment information for the year ended March 31, 2008 which is based on the business categories adopted in the year ended March 31, 2009.

(Unit: Million yen)

	Pachinko /Pachislot (PS) Field	Game Field	Sports Field	Movies Field	Web Service Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net sales and operating income or loss Net sales									
(1)Net sales to third parties	82,449	14,261	4,231	68	756	51	101,818	–	101,818
(2)Inter-group net sales or transfers	313	267	762	–	2	47	1,393	(1,393)	–
Total	82,763	14,528	4,993	68	758	98	103,212	(1,393)	101,818
Operating expenses	70,016	13,576	5,305	223	728	179	90,029	(1,369)	88,660
Operating income (loss)	12,747	952	(311)	(154)	29	(80)	13,182	(24)	13,158
II. Assets, depreciation and amortization, impairment loss and capital expenditure									
Assets	55,239	14,148	3,524	1,295	434	95	74,737	(5,569)	69,168
Depreciation and amortization	854	93	111	–	34	4	1,097	(9)	1,087
Impairment loss	116	–	760	–	–	–	876	–	876
Capital expenditure	3,479	130	34	–	90	2	3,738	(18)	3,720

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

(Unit: Million yen)

	Pachinko /Pachislot (PS) Field	Sports Entertainment Field	Mobile Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net sales and operating income or loss Net sales							
(1)Net sales to third parties	62,120	2,385	1,818	18	66,342	–	66,342
(2)Inter-group net sales or transfers	259	31	2	601	895	(895)	–
Total	62,379	2,416	1,821	619	67,237	(895)	66,342
Operating expenses	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
II. Assets, depreciation and amortization, impairment loss and capital expenditure							
Assets	80,885	1,631	1,018	518	84,055	(2,726)	81,329
Depreciation and amortization	1,153	95	120	10	1,380	(12)	1,368
Impairment loss	–	18	–	–	18	–	18
Capital expenditure	700	19	186	13	920	–	920

(Notes) 1. Based on the proximity of merchandises and services or others provided, the Fields Corporation's businesses are segmented into Pachinko/Pachislot (PS) Field, Sports Entertainment Field, Mobile Field and Other Field.

2. The major products or services in each segment are as follows:

(1) Pachinko/Pachislot (PS) Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services

(2) Sports Entertainment Field: Sports management and related activities

(3) Mobile Field: Mobile content, etc.

(4) Other Field: Planning and production of animation, movie production, etc.

3. All operating expenses are allocated to individual segments, and thus none remain unallocated.

4. All assets are allocated to individual segments, and thus there are no assets that are regarded as being corporate assets.

5. Additional information
The planning, development and sales business of packaged software, such as game software, which had been included in the Game Field segment in previous years, was dissolved during the previous fiscal year as a result of the

sale of shares in subsidiaries.
The sports management business had been included in the Sports Field segment in previous years. In light of new business developments, the Company renamed the segment as the Sports Entertainment Field segment effective with the year ended March 31, 2010.
The digital content creation and copyright acquisition business, which had been included in the Movies Field segment in previous years, was dissolved during the previous fiscal year as a result of the merger and absorption of the business as a surviving entity into the Company. In addition, the movie production business has been included in the Other Field segment effective with the year ended March 31, 2010 as the value of the business is no longer material.
The mobile content business had been included in the Web Service Field segment in previous years. In light of business developments such as an expansion of service provision for mobile content, the Company renamed the segment as the Mobile Field segment effective with the year ended March 31, 2010.
The following is the segment information for the year ended March 31, 2009 which is based on the business categories adopted in the year ended March 31, 2010.

(Unit: Million yen)

	Pachinko /Pachislot (PS) Field	Sports Entertainment Field	Mobile Field	Game Field	Movies Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net sales and operating income or loss									
Net sales									
(1)Net sales to third parties	55,257	3,551	1,608	12,504	10	101	73,035	–	73,035
(2)Inter-group net sales or transfers	467	37	0	88	–	17	612	(612)	–
Total	55,724	3,589	1,609	12,593	10	119	73,647	(612)	73,035
Operating expenses	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
II. Assets, depreciation and amortization, impairment loss and capital expenditure									
Assets	50,927	1,988	1,033	–	–	461	54,411	(2,346)	52,064
Depreciation and amortization	1,418	161	81	108	–	4	1,774	(14)	1,760
Impairment loss	15	6	–	130	–	–	152	–	152
Capital expenditure	4,442	124	128	62	–	18	4,776	(9)	4,767

2. Segment information by region

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

(Unit: Million yen)

	Japan	North America	Other Region	Total	Elimination or incorporation	Consolidated
I. Net sales and operating income or loss Net sales						
(1) Net sales to third parties	64,938	5,502	2,594	73,035	–	73,035
(2) Inter-group net sales or transfers	2,081	549	–	2,630	(2,630)	—
Total	67,019	6,052	2,594	75,665	(2,630)	73,035
Operating expenses	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
II. Assets	52,064	–	–	52,064	(–)	52,064

(Notes)
1. Country and regional segments are based on geographic proximity.
2. Main countries or regions included in the Other Region segment: Europe, etc.
3. Of all operating expenses, unallocated operating expenses which were included in elimination or incorporation amounted to ¥289 million. This was mainly attributable to the expenses for the administrative function of D3 Inc. which was the Company's consolidated subsidiary during the year ended March 31, 2009.
4. All assets are allocated to individual segments, and thus there are no assets that are regarded as being corporate assets.
5. In previous years, the disclosure of segment information by region has been omitted because Japan accounted for more than 90% of total net sales in all segments. As Japan now accounts for less than 90% of total net sales, the Company has segmented the sales by region to separate and disclose the information in the segments called the Japan segment, the North America segment, and Other Region segment, respectively, effective with the year ended March 31, 2009.

Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

Segment information by region has been omitted, since Japan has accounted for more than 90% of total net sales across all segments.

3. Overseas sales

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

	Other region	Total
I. Overseas net sales (Million yen)	7,893	7,893
II. Consolidated net sales (Million yen)	–	73,035
III. Overseas net sales as a percentage of consolidated net sales (%)	10.8	10.8

(Notes)
1. Country and regional segments are based on geographic proximity.
2. Because the net sales in countries or regions other than Japan are insignificant, the amounts of net sales are stated collectively in the Other Region segment.
3. Main countries or regions included in the Other Region segment: North America, Europe, etc.
4. Overseas net sales are the net sales of the Company and its consolidated subsidiaries in countries or regions other than Japan.
5. In previous years, the disclosure of overseas net sales has been omitted because overseas net sales accounted for less than 10% of the consolidated net sales. As overseas sales now account for more than 10% of the consolidated net sales, the Company has segmented overseas sales to separate and disclose the information in the Other Region segment, effective with the year ended March 31, 2009.

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

Because overseas sales accounted for less than 10% of the consolidated net sales, the disclosure of overseas sales has been omitted.

(Retirement benefits)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
1. Outline of retirement benefit system adopted The Company and certain domestic consolidated subsidiaries have adopted a defined benefit plan consisting of a lump-sum retirement payment. Certain overseas consolidated subsidiaries have adopted defined contribution plans. 2. Details of retirement benefit obligations Projected benefit obligations ¥(301) million Unrecognized net actuarial loss ¥79 million Retirement benefit provisions ¥(221) million (Note) Certain domestic consolidated subsidiaries use the simplified method for the computation of retirement benefit obligations. 3. Details of retirement benefit expenses Retirement benefit expenses Service cost ¥61 million Interest cost ¥4 million Amortization of net actuarial loss ¥5 million ¥71 million (Note) The retirement benefits expenses of consolidated subsidiaries using the simplified method are stated in "Service cost." 4. Basis for calculation of retirement benefit obligation Discount rate 2.0% Periodic allocation method for projected benefits Straight-line standard Years over which actuarial gains or losses are amortized Five years from the fiscal year after the year of occurrence	1. Outline of retirement benefit system adopted The Company and certain domestic consolidated subsidiaries have adopted a defined benefit plan consisting of a lump-sum retirement payment. 2. Details of retirement benefit obligations Projected benefit obligations ¥(346) million Unrecognized net actuarial loss ¥71 million Retirement benefit provisions ¥(274) million (Note) Certain domestic consolidated subsidiaries use the simplified method for the computation of retirement benefit obligations. 3. Details of retirement benefit expenses Retirement benefit expenses Service cost ¥45 million Interest cost ¥5 million Amortization of net actuarial loss ¥18 million ¥70 million (Note) The retirement benefits expenses of consolidated subsidiaries using the simplified method are stated in "Service cost." 4. Basis for calculation of retirement benefit obligation Discount rate 2.0% Periodic allocation method for projected benefits Straight-line standard Years over which actuarial gains or losses are amortized Five years from the fiscal year after the year of occurrence

(Per-share data)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net assets per share ¥117,326.58 Net loss per share ¥4,271.78 Since no dilutive latent shares exist and the Company recognizes net loss per share, diluted net income per share is not stated.	Net assets per share ¥123,645.89 Net income per share ¥9,796.56 Since no latent shares exist, diluted net income per share is not stated.

(Note) The calculation basis for net income (loss) per share is as follows.

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net income (loss) (Million yen)	(1,481)	3,289
Amount not allocable to common shares	–	–
Net income (loss) allocable to common shares (Million yen)	(1,481)	3,289
Average number of shares of common stock outstanding (shares)	346,796	335,749
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	Two types of stock acquisition rights: Number of the first stock acquisition rights: – Number of the second stock acquisition rights: – The exercise period of the aforementioned stock acquisition rights has expired as of June 30, 2008.	–

(Significant subsequent events)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
———	(Takeover of companies, etc. through the acquisition of shares) The Company resolved at its Board of Directors' Meeting held on March 17, 2010 to acquire shares of Tsuburaya Productions Co., Ltd., concluded a share transfer agreement with TYO Inc. on April 2, 2010 and subsequently acquired 51.00% of Tsuburaya Productions Co., Ltd.,' issued and outstanding shares on the same day. (1) Purpose of share acquisition The Company acquired the Tsuburaya Productions Co., Ltd., shares since this acquisition will enable the development of businesses that create added value in a variety of entertainment fields while contributing to the enhancement of the Group's corporate value, due mainly to the following reasons: i) By acquiring shares of Tsuburaya Productions Co., Ltd., which owns high-value intellectual property (IP) that have been used in various fields, the Company will benefit from the active use of them in new character merchandising fields and in the pachinko/pachislot field as well as the multiple use through the Group companies, in addition to enhancing the value of these IP through the development of new visual production and series; and ii) With regard to global markets, these IP have the potential to grow overseas in the same way as they have in Japan. (2) Company from which shares were acquired TYO Inc. (3) Name, business activities, scale of operations of the acquired company [1] Company name: Tsuburaya Productions Co., Ltd. [2] Main business activities: Planning and production of films and TV programs; planning, production and sales of character goods [3] Scale of operations (Fiscal year ended July 31, 2009) Paid-in capital: ¥310 million Total assets: ¥1,862 million Net assets: ¥(832) million (4) Date of share acquisition April 2, 2010 (5) Number of transferred shares, transfer price and shareholding ratio after transfer [1] Number of shares held before transfer: – shares (Shareholding ratio: –%) [2] Number of transferred shares: 51,000 shares (Transfer price: ¥1,091 million) [3] Number of shares held after transfer: 51,000 shares (Shareholding ratio: 51.00%) (6) Method of financing for the payment The Company's own capital (7) Details of other important covenants The Company acquired 4,887,000 shares of TYO Inc.'s stock (shareholding ratio: 14.99%) for ¥366 million through the disposal of third-party allocation of treasury stock as of April 2, 2010. In addition, the Company has provided ¥1,274 million in operating fund to Tsuburaya Productions Co., Ltd.

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
———	The Company resolved at its Board of Directors' Meeting held on March 25, 2010 to acquire shares of Digital Frontier Inc., concluded a share transfer agreement with TYO Inc. on April 15, 2010 and subsequently acquired 74.31% of Digital Frontier Inc.'s issued and outstanding shares on April 16, 2010. (1) Purpose of share acquisition The Company acquired the Digital Frontier Inc. shares since this acquisition will enable the development of businesses that create synergies and added value in a variety of visual entertainment fields while contributing to the enhancement of the Group's corporate value, due mainly to the following reasons: i) acquiring shares of Digital Frontier Inc., which is equipped with state-of-the-art CG technology, aligns with the Company's strategy to promote the enhancement of its planning and development capabilities in the field of pachinko/pachislot machines, and should facilitate higher quality and faster time-to-market in future development and commercialization of pachinko/pachislot machines; and ii) this should also allow the Company to set up cross-disciplinary collaborations including a tie-up with a group company equipped with technology to convert animation into 3D. (2) Company from which shares were acquired TYO Inc. (3) Name, business activities, scale of operations of the acquired company [1] Company name: Digital Frontier Inc. [2] Main business activities: Planning and production of computer graphics [3] Scale of operations (Fiscal year ended July 31, 2009) Paid-in capital: ¥31 million Total assets: ¥432 million Net assets: ¥189 million (4) Date of share acquisition April 16, 2010 (5) Number of transferred shares, transfer price and shareholding ratio after transfer [1] Number of shares held before transfer: – shares (Shareholding ratio: –%) [2] Number of transferred shares: 353 shares (Transfer price: ¥650 million) [3] Number of shares held after transfer: 353 shares (Shareholding ratio: 74.31%) (6) Method of financing for the payment The Company's own capital (7) Details of other important covenants The Company has provided ¥100 million in operating fund to Digital Frontier Inc.

(Omission of disclosure)

Notes to the Leases, Transactions with related parties, Tax-effect accounting, Financial instruments, Marketable securities, Derivatives, Stock Options, Business combinations, and Real estate including rental properties have been omitted as the significance of disclosure in the Summary of Financial Information and Business Results is deemed immaterial.

5. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (March 31, 2009)	Fiscal year ended March 31, 2010 (March 31, 2010)
Assets		
Current assets		
Cash and cash equivalents	9,450	14,785
Notes receivable—trade	2,188	3,317
Accounts receivable—trade	*1 681	*1 29,019
Marketable securities	–	48
Merchandise and products	124	68
Raw materials and supplies	4	1
Advances	*1 474	*1 1,178
Merchandising rights advances	3,647	*1 2,901
Prepaid expenses	*1 420	*1 389
Deferred tax assets	850	764
Other accounts receivable	*1 3,153	–
Advance payments	*1 53	–
Notes held	102	–
Non-operating notes receivable	333	–
Other current assets	*1 327	*1 1,572
Allowance for doubtful accounts	(42)	(319)
Total current assets	21,769	53,728
Fixed assets		
Tangible fixed assets		
Buildings	4,008	3,609
Accumulated depreciation	(752)	(937)
Net amount of buildings	3,256	2,672
Structures	50	51
Accumulated depreciation	(28)	(31)
Net amount of structures	22	19
Vehicles	23	47
Accumulated depreciation	(15)	(20)
Net amount of vehicles	7	26
Tools, furniture and fixtures	1,968	1,956
Accumulated depreciation	(1,348)	(1,516)
Net amount of tools, furniture and fixtures	619	440
Land	6,512	6,168
Construction in progress	39	18
Total tangible fixed assets	10,458	9,346
Intangible fixed assets		
Goodwill	22	11
Software	2,211	1,748
Software under development	43	–
Telephone subscription rights	18	–
Other intangible fixed assets	6	153
Total intangible fixed assets	2,302	1,913

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (March 31, 2009)	Fiscal year ended March 31, 2010 (March 31, 2010)
Investments and other assets		
Investment securities	5,866	1,734
Investments in subsidiaries and affiliates	3,284	8,399
Equity investment	50	256
Equity investments in subsidiaries and affiliates	–	22
Long-term loans	101	0
Long-term loans receivable from shareholders, directors or employees	0	–
Long-term loans receivable from subsidiaries and affiliates	2,453	2,587
Claims in bankruptcy	247	107
Long-term prepaid expenses	*1 249	*1 165
Deferred tax assets	3,874	3,559
Lon-term other accounts receivable from subsidiaries and affiliates	830	830
Deposits and guarantees	*1 2,313	*1 2,297
Other assets	301	153
Allowance for doubtful accounts	(2,317)	(2,320)
Total investments and other assets	17,256	17,794
Total fixed assets	30,017	29,053
Total Assets	51,787	82,782
Liabilities		
Current liabilities		
Accounts payable—trade	1,023	*1 26,229
Corporate bonds redeemable within 1 year	600	600
Other accounts payable	1,006	1,513
Accrued expenses	33	33
Accrued income taxes	—	3,535
Accrued consumption taxes	—	401
Advances received	331	765
Deposits received	1,581	293
Unearned revenue	11	1
Accrued bonuses	183	241
Accrued bonuses to directors and auditors	245	135
Allowance for losses on relocation of offices	4	14
Other current liabilities	27	31
Total current liabilities	5,046	33,796
Fixed liabilities		
Corporate bonds	2,100	1,500
Retirement benefit provisions	217	271
Long-term guarantee deposits received	2,569	2,508
Other fixed liabilities	0	2
Total fixed liabilities	4,887	4,282
Total liabilities	9,934	38,079

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (March 31, 2009)	Fiscal year ended March 31, 2010 (March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	7,948	7,948
Capital surplus		
Additional paid-in capital	7,994	7,994
Total capital surplus	7,994	7,994
Retained earnings		
Legal reserve	9	9
Other retained earnings		
General reserve	20,000	20,000
Retained earnings carried forward	8,184	11,209
Total retained earnings	28,194	31,218
Treasury stock	(1,330)	(1,785)
Total shareholders' equity	42,806	45,376
Valuation and translation differences		
Unrealized holding gain on available-for-sale securities	(953)	(673)
Total valuation and translation differences	(953)	(673)
Total net assets	41,853	44,703
Total Liabilities and net assets	51,787	82,782

(2) Non-consolidated statements of income

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net sales		
Commission income	9,267	15,236
Merchandise sales	41,887	43,647
Other sales	1,987	2,473
Total net sales	53,143	61,357
Cost of sales		
Commission cost	798	1,341
Cost of merchandise sales		
Merchandise inventory at beginning of period	65	124
Purchase of merchandise for the year	28,632	30,558
Total	28,698	30,682
Merchandise inventory at end of period	124	68
Balance	28,574	30,613
Commissions paid	1,435	1,276
Cost of merchandise sales	30,009	31,890
Other costs	2,904	3,630
Total cost of sales	33,713	36,863
Gross profit	19,430	24,493
Selling, general and administrative expenses		
Advertising expenditures	2,957	3,322
Remuneration of directors and auditors	488	498
Salaries	3,833	3,911
Bonuses	47	29
Provision for accrued bonuses	183	241
Provision for accrued bonuses to directors and auditors	245	135
Legal welfare expenses	506	516
Other welfare expenses	42	43
Outsourcing expenses	1,297	1,258
Travel and transport expenses	378	352
Depreciation and amortization	1,399	1,130
Rents	1,325	1,213
Recruitment and training expenses	61	113
Provision to allowance for doubtful accounts	27	277
Retirement benefit expenses	62	71
Others	2,754	2,760
Total selling, general and administrative expenses	15,611	15,875
Operating income	3,818	8,618

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Non-operating income		
Interest income	85	*1 48
Interest on securities	8	0
Dividend income	*1 2,332	*1 171
Discounts on purchases	54	*1 21
Lease income	89	*1 30
Interest on refund	–	74
Others	204	*1 241
Total non-operating income	2,775	588
Non-operating expenses		
Foreign exchange loss	–	44
Amortization of equity investment	92	132
Depreciation and amortization	2	6
Loss on management of investment securities	127	92
Loss on funds invested	367	49
Others	162	50
Total non-operating expenses	752	376
Ordinary income	5,842	8,830
Extraordinary income		
Gain on sale of fixed assets	–	*2 46
Gain on investment in anonymous association	83	–
Gain on sale of share in affiliates	2	–
Gain on liquidation of investment securities	17	–
Reversal of allowance for doubtful accounts	21	23
Total extraordinary income	124	69
Extraordinary losses		
Loss on sale of fixed assets	*3 0	*3 4
Loss on disposal of fixed assets	*4 62	*4 412
Impairment loss	*5 15	—
Valuation loss on investment securities	1,605	5
Loss on sale of shares in affiliates	1,926	—
Valuation loss on shares in affiliates	390	121
Bad debt loss	932	—
Provision to allowance for doubtful accounts	363	143
Provision to allowance for loss on relocation of offices	4	13
Loss on liquidation of investment securities	339	—
Others	0	—
Total extraordinary losses	5,639	699
Income before income taxes	326	8,201
Current income taxes	35	3,454
Deferred income taxes	(854)	208
Total income taxes	(819)	3,663
Net income	1,145	4,538

(3) Non-consolidated statement of change in net assets

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Shareholders' equity		
Common stock		
Balance at end of previous year	7,948	7,948
Amount of changes during the year		
Total amount of changes during the year	–	–
Balance at end of year	7,948	7,948
Capital surplus		
Additional paid-in capital		
Balance at end of previous year	7,994	7,994
Amount of changes during the year		
Total amount of changes during the year	–	–
Balance at end of year	7,994	7,994
Total capital surplus		
Balance at end of previous year	7,994	7,994
Amount of changes during the year		
Total amount of changes during the year	–	–
Balance at end of year	7,994	7,994
Retained earnings		
Legal reserve		
Balance at end of previous year	9	9
Amount of changes during the year		
Total amount of changes during the year	–	–
Balance at end of year	9	9
Other retained earnings		
General reserve		
Balance at end of previous year	20,000	20,000
Amount of changes during the year		
Total amount of changes during the year	—	—
Balance at end of year	20,000	20,000
Retained earnings carried forward		
Balance at end of previous year	8,600	8,184
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income	1,145	4,538
Total amount of changes during the year	(415)	3,024
Balance at end of year	8,184	11,209
Total retained earnings		
Balance at end of previous year	28,609	28,194
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income	1,145	4,538
Total amount of changes during the year	(415)	3,024
Balance at end of year	28,194	31,218

(Unit: Million yen)

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Treasury stock		
Balance at end of previous year	—	(1,330)
Amount of changes during the year		
Purchase of treasury stock	(1,330)	(454)
Total amount of changes during the year	(1,330)	(454)
Balance at end of year	(1,330)	(1,785)
Total shareholders' equity		
Balance at end of previous year	44,552	42,806
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income	1,145	4,538
Purchase of treasury stock	(1,330)	(454)
Total amount of changes during the year	(1,745)	2,570
Balance at end of year	42,806	45,376
Valuation and translation differences		
Unrealized holding gain on available-for-sale securities		
Balance at end of previous year	(184)	(953)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(768)	280
Total amount of changes during the year	(768)	280
Balance at end of year	(953)	(673)
Total valuation and translation differences		
Balance at end of previous year	(184)	(953)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(768)	280
Total amount of changes during the year	(768)	280
Balance at end of year	(953)	(673)
Total net assets		
Balance at end of previous year	44,367	41,853
Amount of changes during the year		
Dividends from surplus	(1,561)	(1,513)
Net income	1,145	4,538
Purchase of treasury stock	(1,330)	(454)
Net amount of changes in items not included in shareholders' equity during the year	(768)	280
Total amount of changes during the year	(2,514)	2,850
Balance at end of year	41,853	44,703

(4) Note regarding the operation of the company as a going concern

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

No relevant items

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

No relevant items

(5) Significant accounting policies

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
1. Valuation standards and methods for marketable securities	(1) Held-to-maturity bonds: Carried at amortized cost (straight-line method) (2) Shares of subsidiaries and affiliates Stated at cost determined by the moving-average method. (3) Other marketable securities Securities with market prices: Stated at market value based on market price as of the balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving-average method). Securities without market prices: Stated at cost determined by the moving-average method.	(1) Held-to-maturity bonds: Same as at left (2) Shares of subsidiaries and affiliates Same as at left (3) Other marketable securities Securities with market prices: Same as at left Securities without market prices: Same as at left
2. Valuation standards and methods for derivatives	Stated at fair value	Same as at left
3. Valuation standards and methods for inventories	Valuation policy for inventories held for purposes of ordinary sales is based on a cost basis (which reduces the book value of assets whose profitability is diminished). (1) Merchandise Used pachinko/pachislot machines Specific identification method Others Moving-average method (2) Supplies Stated at cost determined by the last purchase price method	Valuation policy for inventories held for purposes of ordinary sales is based on a cost basis (which reduces the book value of assets whose profitability is diminished). (1) Merchandise Same as at left (2) Supplies Same as at left

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
4. Depreciation methods for fixed assets	(1) Tangible fixed assets Declining-balance method However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows. Buildings: 8–50 years Structures: 10–50 years Vehicles: 2–6 years Tools, furniture and fixtures: 2–20 years	(1) Tangible fixed assets Declining-balance method However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows. Buildings: 8–50 years Structures: 10–50 years Vehicles: 6 years Tools, furniture and fixtures: 2–20 years
	(2) Intangible fixed assets Straight-line method The straight-line method is applied to software for company use, based on its useful life within the Company (five years). With regard to goodwill carryforwards as a result of merger with consolidated subsidiaries, unamortized balance is amortized equally over the remaining unamortized period, based on the amortization period on the consolidated financial statements (five years).	(2) Intangible fixed assets Same as at left
	(3) Long-term prepaid expenses Straight-line method	(3) Long-term prepaid expenses Same as at left
5. Treatment of deferred charges	Corporate bond issuance expense The expense is charged in full at the time it is incurred.	—
6. Accounting standards for reserves	(1) Allowance for doubtful accounts To provide against losses from doubtful accounts, allowances for ordinary receivables are provided using a rate determined by past collection experience, and allowances for specific debts considered doubtful are accounted for by calculating the estimated amounts deemed uncollectible after individually reviewing the collectibility of the debts.	(1) Allowance for doubtful accounts Same as at left
	(2) Accrued bonuses To provide for employee bonuses, the Company recognizes the amounts out of the projected bonus payments to be allocated to the fiscal year ended March 31, 2009.	(2) Accrued bonuses Same as at left
	(3) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the year ended March 31, 2009 based on the projected bonus payments.	(3) Accrued bonuses to directors and auditors Same as at left

Item	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
6. Accounting standards for reserves	(4) Allowance for losses on relocation of offices The Company provides estimated costs that might result from office relocations including a loss on disposal of fixed assets and expenses for recovering the present status, etc.	(4) Allowance for losses on relocation of offices Same as at left
6. Accounting standards for reserves	(5) Retirement benefit provisions To provide for employees' retirement benefits, the Company recognizes, on the basis of projected benefit obligations as of the end of the fiscal year, benefit obligations accrued as of the end of the fiscal year. Actuarial differences are amortized proportionately by the straight-line method over a fixed number of years (five years) within the average remaining period of service of employees as of the time such differences arise. Amortization amounts are expensed beginning with the fiscal year following that in which the differences arise.	(5) Retirement benefit provisions Same as at left
7. Accounting standards for revenues and expenses	For agency sales, when the pachinko/pachislot machines are delivered to users, and the payments for the machines are made to the machine makers, these are recognized as commission income and commission cost.	Same as at left
8. Other significant standards for the preparation of financial statements	Accounting for consumption taxes Consumption tax is accounted for by the tax-excluded method.	Accounting for consumption taxes Same as at left

(6) Changes to the significant accounting policies

Changes in accounting treatment

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(Accounting standards pertaining to valuation of inventories) Effective with the year ended March 31, 2009, the Company adopts the Accounting Standard for Valuation of Inventories (the Accounting Standards Board of Japan (hereinafter referred to as "ASBJ") Statement No. 9 announced on July 5, 2006) and changes its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability is diminished). This change has no effect on income. (Accounting standards pertaining to lease transactions) In previous years, finance lease transactions, other than those where the ownership of the leased assets is deemed to be transferred to the lessee, are accounted for as ordinary operating lease transactions. However, effective with the year ended March 31, 2009, the Company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (effective as of June 17, 1993 (the 1st Committee of the Business Accounting Council) and revised as of March 30, 2007)) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, effective as of January 18, 1994 (the Accounting System Committee of the Japanese Institute of Certified Public Accountants (hereinafter referred to as the "JICPA")) and revised as of March 30, 2007) and applies the accounting methods that applies to ordinary buying and selling transactions. With regard to non-ownership-transferred finance lease transactions whose effective date of transaction precedes March 31, 2008, the Company applies the accounting method that it uses to account for ordinary lease transactions. This has no effect on income.	(Partial amendments to the accounting standard for retirement benefits) Effective with the year ended March 31, 2010, the Company adopts the Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, issued on July 31, 2008). This change has no effect on income.

Changes in presentation method

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
(Balance sheets) 1. As “Short-term loans,” which had been separately presented in the current assets until the end of the previous year, accounted for less than 1/100 of total assets, it has been included in “Other current assets.” “Short-term loans” as of March 31, 2009 were ¥295 million.	(Balance sheets) 1. As “Other accounts receivable,” which had been separately presented until the end of the previous year, accounted for less than 1/100 of total assets, it has been included in “Others” of current assets. The “Other accounts receivable” as of March 31, 2010, were ¥134 million. 2. “Advance payments,” which had been separately presented until the end of the previous year, have been included in “Others” of current assets because the amount became insignificant. The “Advance payments” as of March 31, 2010, were ¥49 million. 3. “Notes held,” which had been separately presented until the end of the previous year, have been included in “Others” of current assets because the amount became insignificant. The “Notes held” as of March 31, 2010, were ¥110 million. 4. “Non-operating notes receivable,” which had been separately presented until the end of the previous year, have been included in “Others” of current assets because the amount became insignificant. The “Non-operating notes receivable” as of March 31, 2010, were ¥253 million. 5. “Software under development,” which had been separately presented until the end of the previous year, has been included in “Others” of intangible fixed assets because the amount became insignificant. The “Software under development” as of March 31, 2010, was ¥109 million. 6. “Telephone subscription rights,” which had been separately presented until the end of the previous year, have been included in “Others” of intangible fixed assets because the amount became insignificant. The “Telephone subscription rights” as of March 31, 2010, were ¥18 million.
(Statements of income) 1. As “Loss on management of equity investment” which had been included in “Others” under non-operating expenses until the end of the previous year, accounted for more than 10/100 of total non-operating expenses, it has been presented separately. “Loss on management of equity investment” as of March 31, 2009, was ¥31 million.	(Statements of income) 1. As “Interest on refund” which had been included in “Others” under non-operating expenses until the end of the previous year, accounted for more than 10/100 of total non-operating expenses, it has been presented separately. “Interest on refund” as of March 31, 2009, was ¥0 million.

(7) Notes to the non-consolidated financial statements

(Non-consolidated balance sheets)

<table>
<tr><th>Fiscal year ended March 31, 2009
(As of March 31, 2009)</th><th>Fiscal year ended March 31, 2010
(As of March 31, 2010)</th></tr>
<tr><td>*1 Assets and liabilities relating to affiliates
Other than items stated separately, the following are included in the relevant balance sheet items.
Other assets ¥1,052 million</td><td>*1 Assets and liabilities relating to affiliates
Other than items stated separately, the following are included in the relevant balance sheet items.
Other assets ¥1,633 million
Accounts payable—trade ¥8,000 million</td></tr>
<tr><td>*2 Contingent liabilities
The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers..
K.K. Taisei Kanko ¥80 million
Niimi Co., Ltd. ¥54 million
Y.K. Daiko ¥49 million
Y.K. Big Shot ¥37 million
Y.K. Takarazuka Pachinko Hall ¥36 million
Sankei Shoji Co., Ltd. ¥34 million
Meiplanet K.K. ¥33 million
K.K. Corona ¥32 million
K.K. Veam Stadium ¥32 million
K's corporation ¥30 million
Others (279) ¥839 million
Total ¥1,261 million</td><td>*2 Contingent liabilities
The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers..
K.K. Ichiroku Shoji ¥79 million
Niimi Co., Ltd. ¥60 million
K.K. Taisei Kanko ¥49 million
Y.K. Daiko ¥46 million
K.K. Corona ¥33 million
K.K. Shouei Project ¥27 million
Y.K. Big Shot ¥26 million
inter-trade Inc. ¥24 million
Y.K. Takarazuka ¥21 million
K's corporation ¥20 million
Others (286) ¥589 million
Total ¥980 million
The Company provides a guarantee for liabilities of the following corporation for its lease contract.
Fields Jr. Corporation ¥548 million</td></tr>
<tr><td>*3 Overdraft agreements
To raise working capital efficiently, the Company has concluded an overdraft agreement with four banks. As of March 31, 2009, unutilized balances under these agreements were as follows:
Overdraft limit ¥19,000 million
Borrowings outstanding － million
Difference ¥19,000 million</td><td>*3 Overdraft agreements
To raise working capital efficiently, the Company has concluded an overdraft agreement with four banks. As of March 31, 2010, unutilized balances under these agreements were as follows:
Overdraft limit ¥19,000 million
Borrowings outstanding － million
Difference ¥19,000 million</td></tr>
</table>

(Non-Consolidated Statements of Income)

<table>
<tr><th>Fiscal year ended March 31, 2009
(April 1, 2008–March 31, 2009)</th><th>Fiscal year ended March 31, 2010
(April 1, 2009–March 31, 2010)</th></tr>
<tr><td>*1 Items relating to affiliates included in the statements of income are as follows.
Dividend income ¥2,315 million</td><td>*1 Items relating to affiliates included in the statements of income are as follows.
Dividend income ¥154 million
Other non-operating income ¥119 million</td></tr>
<tr><td>*2 ———</td><td>*2 “Income on sale of fixed assets” is as follows
Buildings and structures ¥0 million
Vehicles ¥0 million
Land ¥44 million
Total ¥46 million</td></tr>
<tr><td>*3 “Loss on sale of fixed assets” was derived from the sale of vehicles.</td><td>*3 “Loss on sale of fixed assets” was derived from tools, furniture and fixtures.</td></tr>
<tr><td>*4 Details of loss on disposal of fixed assets are as follows:
Buildings ¥23 million
Vehicles ¥0 million
Tools, furniture and fixtures ¥4 million
Software ¥9 million
Other intangible fixed assets ¥25 million
Total ¥62 million</td><td>*4 Details of loss on disposal of fixed assets are as follows:
Buildings ¥398 million
Structures ¥0 million
Tools, furniture and fixtures ¥7 million
Software ¥6 million
Total ¥412 million</td></tr>
<tr><td>*5 Impairment loss
The Company has stated an impairment loss for the assets set out below.
Usage: Assets scheduled to be sold
Type: Land
Location: Nagoya-shi, Aichi
Amount: ¥15 million
When grouping its assets, with regard to business-use assets, the Fields Group adopts the method of grouping primarily by business category in accordance with management accounting practice. With regard to idle assets, the method of individual grouping is adopted.
As the sale of aforementioned assets scheduled to be sold has already been decided, the book value of such assets was amortized up to the recoverable value, and the decreased amount was recorded as an impairment loss under an extraordinary loss. It consists of ¥15 million in land.
The recoverable value is calculated on the basis of the full sale price. With regard to the aforementioned assets scheduled to be sold, the recoverable value has been calculated based on the confirmed price for the sale.</td><td>*5 ———</td></tr>
</table>

(Non-Consolidated Statement of Change in Net Assets)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)

1. Matters related to treasury stock

Type	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock (shares)	–	10,643	–	10,643

(Main reasons for the changes)

Details of increase in treasury stock are as follows.

Increase due to the purchase of treasury stock based on a resolution at the Meeting of Board of Directors: 10,643 shares

Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)

1. Matters related to treasury stock

Type	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	10,643	4,242	–	14,885

(Main reasons for the changes)

Details of increase in treasury stock are as follows.

Increase due to the purchase of treasury stock based on a resolution at the Meeting of Board of Directors: 4,242 shares

(Per-Share Data)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net assets per share ¥124,430.66 Net income per share ¥3,304.50 Since no dilutive latent shares exist, diluted net income per share is not stated.	Net assets per share ¥134,602.25 Net income per share ¥13,517.04 Since no latent shares exist, diluted net income per share is not stated.

(Notes) The calculation basis for net income per share is as follows.

	Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
Net income (Million yen)	1,145	4,538
Amount not allocable to common shares	–	–
Net income allocable to common shares (Million yen)	1,145	4,538
Average number of shares of common stock outstanding (shares)	346,796	335,749
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	Two types of stock acquisition rights: Number of the first stock acquisition rights: – Number of the second stock acquisition rights: – The exercise period of the aforementioned stock acquisition rights has expired as of June 30, 2008.	———

(Significant Subsequent Events)

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
———	(Takeover of companies, etc. through the acquisition of shares) The Company resolved at its Board of Directors' Meeting held on March 17, 2010 to acquire shares of Tsuburaya Productions Co., Ltd., concluded a share transfer agreement with TYO Inc. on April 2, 2010 and subsequently acquired 51.00% of Tsuburaya Productions Co., Ltd.,' issued and outstanding shares on the same day. (1) Purpose of share acquisition The Company acquired the Tsuburaya Productions Co., Ltd., shares since this acquisition will enable the development of businesses that create added value in a variety of entertainment fields while contributing to the enhancement of the Group's corporate value, due mainly to the following reasons: i) by acquiring shares of Tsuburaya Productions Co., Ltd., which owns high-value intellectual property (IP) that have been used in various fields, the Company will benefit from the active use of them in new character merchandising fields and in the pachinko/pachislot field as well as the multiple use through the Group companies, in addition to enhancing the value of these IP through the development of new visual production and series; and ii) with regard to global markets, these IP have the potential to grow overseas in the same way as they have in Japan. (2) Company from which shares were acquired TYO Inc. (3) Name, business activities, scale of operations of the acquired company [1] Company name: Tsuburaya Productions Co., Ltd. [2] Main business activities: Planning and production of films and TV programs; planning, production and sales of character goods [3] Scale of operations (Fiscal year ended July 31, 2009) Paid-in capital: ¥310 million Total assets: ¥1,862 million Net assets: ¥(832) million (4) Date of share acquisition April 2, 2010 (5) Number of transferred shares, transfer price and shareholding ratio after transfer [1] Number of shares held before transfer: – shares (Shareholding ratio: –%) [2] Number of transferred shares: 51,000 shares (Transfer price: ¥1,091 million) [3] Number of shares held after transfer: 51,000 shares (Shareholding ratio: 51.00%) (6) Method of financing for the payment The Company's own capital (7) Details of other important covenants The Company acquired 4,887,000 shares of TYO Inc.'s stock (shareholding ratio: 14.99%) for ¥366 million through the disposal of third-party allocation of treasury stock as of April 2, 2010. In addition, the Company has provided ¥1,274 million in operating fund to Tsuburaya Productions Co., Ltd.

Fiscal year ended March 31, 2009 (April 1, 2008–March 31, 2009)	Fiscal year ended March 31, 2010 (April 1, 2009–March 31, 2010)
———	The Company resolved at its Board of Directors' Meeting held on March 25, 2010 to acquire shares of Digital Frontier Inc., concluded a share transfer agreement with TYO Inc. on April 15, 2010 and subsequently acquired 74.31% of Digital Frontier Inc.'s issued and outstanding shares on April 16, 2010. (1) Purpose of share acquisition The Company acquired the Digital Frontier Inc. shares since this acquisition will enable the development of businesses that create synergies and added value in a variety of visual entertainment fields while contributing to the enhancement of the Group's corporate value, due mainly to the following reasons: i) acquiring shares of Digital Frontier Inc., which is equipped with state-of-the-art CG technology, aligns with the Company's strategy to promote the enhancement of its planning and development capabilities in the field of pachinko/pachislot machines, and should facilitate higher quality and faster time-to-market in future development and commercialization of pachinko/pachislot machines; and ii) this should also allow the Company to set up cross-disciplinary collaborations including a tie-up with a group company equipped with technology to convert animation into 3D. (2) Company from which shares were acquired TYO Inc. (3) Name, business activities, scale of operations of the acquired company [1] Company name: Digital Frontier Inc. [2] Main business activities: Planning and production of computer graphics [3] Scale of operations (Fiscal year ended July 31, 2009) Paid-in capital: ¥31 million Total assets: ¥432 million Net assets: ¥189 million (4) Date of share acquisition April 16, 2010 (5) Number of transferred shares, transfer price and shareholding ratio after transfer [1] Number of shares held before transfer: – shares (Shareholding ratio: –%) [2] Number of transferred shares: 353 shares (Transfer price: ¥650 million) [3] Number of shares held after transfer: 353 shares (Shareholding ratio: 74.31%) (6) Method of financing for the payment The Company's own capital (7) Details of other important covenants The Company has provided ¥100 million in operating fund to Digital Frontier Inc.

(Omission of disclosure)

Notes to the Leases, Marketable securities, and Tax-effect accounting, have been omitted as the significance of disclosure in the Summary of Financial Information and Business Results is deemed immaterial.

6. Others

(1) Personnel change in officers

[1] Change in Representatives of the Company

No relevant items

[2] Change in other officers

No relevant items

(2) Others

No relevant items