

Summary

(Translation)

Fields Corporation Summary of Financial Information and Business Results (Consolidated) for the First Quarter of the Year Ending March 31, 2012 (Japan GAAP)

August 4, 2011

Listed on: OSE [JASDAQ]

Company Name: Fields Corporation
(URL: <http://www.fields.biz/>)

Stock code: 2767

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Planned date for submittal of the quarterly report: August 9, 2011

Planned date for start of dividend payment: —

Quarterly earnings supplementary explanatory materials: Yes

Quarterly earnings presentation: Yes (For institutional investors and security analysts)

(Rounded down to the nearest million)

1. Business results for the first quarter of the year ending March 31, 2012 (April 1, 2011 to June 30, 2011)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter, year ending March 31, 2012	17,635	(17.4)	(225)	—	(266)	—	(284)	—
First quarter, year ended March 31, 2011	21,344	33.1	2,348	(72.4)	2,518	(70.4)	1,477	(68.6)

(Note) Comprehensive income First quarter of the year ending March 31, 2012: ¥(309) million (—%)
First quarter of the year ended March 31, 2011: ¥1,122 million (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter, year ending March 31, 2012	(856.82)	—
First quarter, year ended March 31, 2011	4,448.58	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First quarter, year ending March 31, 2012	69,675	45,877	65.5
Year ended March 31, 2011	78,971	47,021	59.2

(Reference) Shareholders' equity First quarter of the year ending March 31, 2012: ¥45,640 million
Year ended March 31, 2011: ¥46,779 million

2. Dividends

(Record date)	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
Year ended March 31, 2011	—	2,500.00	—	2,500.00	5,000.00
Year ending March 31, 2012	—	—	—	—	—
Year ending March 31, 2012 (Forecast)	—	2,500.00	—	2,500.00	5,000.00

(Note) Revision of the most recently released dividend forecasts: No

3. Forecast earnings for the year ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(Percentages denote year-over-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	—	—	—	—	—	—	—	—	—
Full year	100,000	(3.5)	14,000	6.6	14,000	2.3	8,000	6.4	24,088.04

(Note) Revision of the most recently released performance forecasts : No

(Note) The Company will disclose the first half forecast earnings for the year ending March 31, 2012 shortly, as soon as they have been finalized.

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	—	company(ies) (-)
Excluded	—	company(ies) (-)

(2) Application of the accounting method specific to quarterly consolidated financial statements : Yes

(3) Changes in accounting principles and accounting estimates, and revisions/restatements

- 1) Changes due to the revision to the accounting standards, etc.: No
- 2) Changes due to any reason other than those in 1) above: No
- 3) Changes in accounting estimates: No
- 4) Revisions/restatements: No

(4) Number of shares issued (common stock)

1) Number of shares issued at end of year (including treasury stock)

First quarter of the year ending March 31, 2012	347,000 shares
Year ended March 31, 2011	347,000 shares

2) Number of shares of treasury stock at end of year

First quarter of the year ending March 31, 2012	14,885 shares
Year ended March 31, 2011	14,885 shares

3) Average number of shares outstanding (quarterly consolidated cumulative period)

First quarter of the year ending March 31, 2012	332,115 shares
First quarter of the year ended March 31, 2011	332,115 shares

* Indication of status of quarterly review procedure

This quarterly earnings report is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial results, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act have not been completed.

* Explanation of the appropriate usage of forecast earnings and other specific matters

The above forecast relies on judgments and assumptions based on information available as of the date of announcement of this material, and is subject to changes in risks, uncertainties, and economy, and other factors that could cause actual results to be materially different from expectations. When using the performance forecasts, in this document, please refer to "Qualitative information on projections for the consolidated business results" on page 5 of the Appendix to this document for a description of the assumptions underlying the performance projections and points to note.

The company is planning to hold a results briefing for analysts and institutional investors on Thursday, August 4, 2011. Materials distributed at that briefing will be posted on the company's website after the briefing.

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1. Qualitative information on quarterly financial results

(1) Qualitative information on consolidated operating results

1) Overview of operations for the three months ended June 31, 2011 (April to June 2011)

The Company posted net sales of ¥17,635 million (17.4% down year-over-year), operating loss of ¥225 million (versus an operating income of ¥2,348 million for the same period of the previous fiscal year), and ordinary loss of ¥266 million (versus an ordinary income of ¥2,518 million for the same period of the previous fiscal year). There was a net loss for the period totalling ¥284 million (versus a net income of ¥1,477 million for the same period of the previous fiscal year), as a result of an extraordinary loss of ¥87 million.

The main reasons for the above results are as follows.

Taking into account shortages in electronic components due to the effects of the Earthquake in Eastern Japan, which occurred in March 2011, the Company plans to focus on increasing the sales of pachinko/pachislot (PS) machines during the second half of this fiscal, by shifting the scheduled release of multiple major pachinko and pachislot titles to the second half. In accordance with this plan, the Company released only one model, the pachislot title *SAMURAI 7*, in the first quarter of the fiscal year. However, the results for the period was as planned, because part of the sales of *MOBASLO Evangelion—for your own wish*, which was released in the fourth quarter of the previous fiscal year, was recorded during the period.

In the area of Group companies' business, each company progressed as per the original plan.

2) Analysis of operations for the three months under review by business segment

[Pachinko/Pachislot (PS) Field segment]

Although there were concerns regarding the effects of the earthquake on the market environment for the first quarter under review, a clear recovery trend in pachislot machine sales, which bottomed out last summer, has appeared, causing results to exceed those for the same period of the previous fiscal year. The number of pachislot machines installed nationwide increased by 6.3% year-over-year to 1.41 million units* as of the end of the first quarter under review (end of June).

In the pachinko machine sales business, there is a growing trend in which only specific models are particularly popular, as there is an increasing need for the replacement of old machines with new ones, which greatly effects capital investment by pachinko parlors. At the same time, there is a growing number of pachinko parlors with low lease fees for pachinko balls who demand used machines. In this situation, coupled with the effects of the earthquake, growth in the number of machines sold remained sluggish. As of the end of the first quarter under review, the total number of pachinko machines installed nationwide decreased by 0.2% year-over-year to 3.11 million units*.

The number of new pachinko parlors has remained at around 250 for the last several years. Every year the number of new parlors opened up in April (the first month of the new fiscal year) has been increasing, accounting for about 15% of the total number of new parlors opened up each year. The figure for the first quarter under review was almost the same level as that for previous years, indicating that operators remain highly motivated to open pachinko parlors.

The Company views the pachinko/pachislot (PS) business not only from based on changing market needs but also a wide entertainment perspective, and has been committed to improving the competitiveness of the PS market with other leisure markets. During the fiscal year under review, the Company has also been implementing initiatives to revitalize the market by focusing on planning, developing and selling products that serve as great entertainment.

In the pachislot machine sales business for the first quarter under review, the Company released one new model, *SAMURAI 7*, and recorded the sales of *MOBASLO Evangelion—for your own wish*, which was released during the fourth quarter of the previous fiscal year. In the meantime, in the pachinko machine sales business, the Company released no new models but actively launched sales activities for *CR The story of ayumi hamasaki —introduction*, which features a major Japanese female pop-star and is to be delivered during the second quarter of the fiscal year (July to September 2011).

As a result of the above, during the first quarter under review, there were unit sales of pachinko machines amounting to 7,107 (57,785 units down year-over-year) and unit sales of pachislot machines coming to 36,250 (4,396 units down year-over-year). Consequently, the Pachinko/Pachislot (PS) Field posted net sales of ¥15,979 million (16.8% down year-over-year) and operating loss of ¥140 million (versus an operating income of ¥2,343 million for the same period of the previous fiscal year).

* The total number of installations nationwide is based on a survey conducted by the Company.

<Pachinko/Pachislot machine titles sold during the three months under review>

Pachinko machine sales titles	Month released	
(No new titles were released)	—	
Total number of pachinko machines sold (machines)	7,107	

Pachislot machine sales titles	Month released	
[Still on sale from the previous period] <i>MOBASLO Evangelion—for your own wish</i>	March 2011	(Bisty Co., Ltd.)
<i>SAMURAI 7</i>	May 2011	(Bisty Co., Ltd.)
Total number of pachislot machines sold (machines)	36,250	

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

[Mobile Field segment]

Internet access in Japan for both mobile devices and personal computers has continued to develop against faster communication speeds and the improvement of communication access networks. In the area of mobile devices, in particular, smartphones and tablet computers continued to become popular, and the demand for entertainment content, such as games and electronic books, has been increasing.

In this market environment and with the aim of increasing the number of paying members, the Company is striving to expand its on-line services, including those for mobile devices, by leveraging PS-related content (an area of particular strength for the Company) as well as enhancing new services in other fields with its own content.

In on-line service fields (including with regard to mobile devices), in addition to “Fields Mobile”, “Pspace”, and “MOBASLO”, FutureScope Corporation and IP Bros. Incorporated invested in services using pachinko/pachislot (PS) related contents, such as “Nanapachi” (a new service introduced in April 2011), with the aim of expanding its business. In addition, both FutureScope Corporation and IP Bros. Incorporated are conducting research and development and are investing in fields other than the PS field, and are aggressively developing their business so as to provide new services using content held by the Fields Group.

As a result of the above, for the first quarter under review, the Mobile Field posted net sales of ¥618 million (24.9% up year-over-year) and operating income of ¥26 million (73.3% down year-over-year).

[Sports Entertainment Field segment]

During the first quarter under review, Japan Sports Marketing Inc. continued to strive to improve its management of sports-related business, which the company began during the previous period. In the fitness club business, the Company endeavored to acquire new members by promoting its high quality services to customers by providing high added value services via the “Total Workout” brand as well as continuing program development. The company continued to review its athlete management services.

As a result of the above, the Sports Entertainment Field posted for the first quarter under review net sales of ¥524 million (4.4% down year-over-year) and operating loss of ¥34 million (versus an operating loss of ¥64 million for the same period of the previous fiscal year).

[Other Field segment]

In the first quarter under review, Tsuburaya Productions Co., Ltd. committed to taking a variety of measures to further revitalize its core IP, the Ultraman Series. At the same time, although a damage suit had been filed against Tsuburaya Productions Co., Ltd. in Japan regarding its use of Ultraman characters overseas, an earlier decision against the company rendered by the Tokyo District Court on September 30, 2010 was overturned by the Intellectual Property High Court on July 27, 2011. Thanks to this decision, the Company believes that the potential for the expansion of the scope and range of use of Ultraman Series IP by Tsuburaya Productions Co., Ltd. has increased. In addition, the company commenced to develop future plans such as development of new IP, so that it will not be dependent on the value of IP and brands it has owned for many years.

Digital Frontier Inc. steadily made progress in the production of computer graphics for movies, games, and pachinko/pachislot machines. Digital Frontier Inc. expanded its image production business by taking advantage of its high level technology for the visual effects (VFX) produced for “GANTZ PERFECT ANSWER” released on April 2011 as a sequel to an earlier production and providing motion-capture-related cooperation for the production of the game, “Ryu ga Gotoku: Of the End”.

The publisher HERO’S, which was jointly established with Shogakukan Creative INC., continued to prepare for the launch of its premiere issue of its monthly comic in the coming fall, and focused on the strengthening of the foundations required for the development and creation of highly-valued IP.

Lucent Pictures Entertainment, Inc. deepened its ties with partner companies inside and outside Japan and promoted the planning of the magazine and digital versions of the world's first monthly 3D HD visual magazine, "PLUP SERIES", which is scheduled to be launched in August 2011. The company also prepared for the release of "Berserk Golden Age Arc I: Egg of the Supreme King" (scheduled to be released on January 2012), an animated movie planned and produced by the company.

As a result of the above, the Other Field posted net sales of ¥920 million (21.6% down year-over-year) and operating loss of ¥78 million (versus an operating loss of ¥55 million for the same period of the previous fiscal year) for the first quarter under review.

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

(2) Qualitative information on the consolidated financial position

(Assets)

Current assets amounted to ¥40,946 million, down ¥10,105 million since the end of the previous fiscal year. The principal factor behind this was a decrease in notes and accounts receivable—trade.

Tangible fixed assets amounted to ¥10,099 million, up ¥10 million since the end of the previous fiscal year.

Intangible fixed assets amounted to ¥5,029 million, down ¥40 million since the end of the previous fiscal year.

Investments and other assets amounted to ¥13,600 million, up ¥839 million since the end of the previous fiscal year. This was mainly attributable to a purchase of investment securities, etc.

As a result of the above, total assets amounted to ¥69,675 million, down ¥9,296 million since the end of the previous fiscal year.

(Liabilities)

Current liabilities amounted to ¥19,667 million, down ¥7,920 million since the end of the previous fiscal year. The principal factors behind this were a decrease in notes and accounts payable—trade and a decrease in accrued income taxes.

Fixed liabilities amounted to ¥4,131 million, down ¥231 million since the end of the previous fiscal year. This was mainly attributable to a decrease in redemption of corporate bonds.

As a result of the above, total liabilities amounted to ¥23,798 million, down ¥8,151 million since the end of the previous fiscal year.

(Net assets)

Net assets amounted to ¥45,877 million, down ¥1,144 million since the end of the previous fiscal year. This primarily reflected a decrease in retained earnings.

(Analysis of cash flows)

Cash and cash equivalents (hereinafter referred to as "cash") increased by ¥6,159 million since the end of the previous fiscal year and amounted to ¥21,791 million at the end of the first quarter of the year ending March 31, 2012.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥8,173 million (¥1,698 million of expenditure in the previous year).

This was mainly attributable to a decrease of ¥16,744 million in notes and accounts receivable—trade, a decrease of ¥4,257 million in notes and accounts payable—trade, and income taxes paid of ¥4,156 million, etc.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥931 million (¥2,478 million of expenditure in the previous year). This was mainly attributable to expenditure for acquiring shares in subsidiaries totaling ¥400 million, expenditure for purchases of intangible fixed assets totaling ¥213 million, expenditure for purchases of tangible fixed assets totaling ¥136 million, etc.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,080 million (¥2,318 million of expenditure in the previous year). This was mainly attributable to dividends paid totaling ¥755 million, and redemption of corporate bonds totaling ¥300 million, etc.

(3) Qualitative information on projections for the consolidated business results

(Unit: Million yen)

	Forecast for the year ending March 31, 2012	Results for the year ended March 31, 2011	Year-over-year change
Net sales	100,000	103,593	(3.5%)
Operating income	14,000	13,136	6.6%
Ordinary income	14,000	13,684	2.3%
Net income	8,000	7,520	6.4%

The projections for the consolidated business results remain unchanged from those stated in the Summary of Financial Information and Business Results (Consolidated) for the Year Ended March 31, 2011, released on May 12, 2011.

Taking into account shortages in electronic components due to the effects of the Great Eastern Japan Earthquake, which occurred in March 2011, the Company plans at the beginning of the fiscal year to focus on increasing the sales of pachinko/pachislot (PS) machines during the second half of this fiscal.

In accordance with the plan, a number of new machines will be released during the second quarter of the fiscal year. However, since the number of orders for the *SAMURAI 7* pachislot machine released during the first quarter under review and the *CR The story of ayumi hamasaki —introduction* pachinko machine released during the second quarter remains at a satisfactory level, and as other new machines will be released, such as *Kaze no Youjinbou—Memory of Butterflies* (the fourth new pachislot machine launched to commemorate Rodeo's 10th anniversary series), it is expected that the sales of new machines will continue to be strong.

In the second half of the fiscal year, in which the Company plans to focus on increasing the sales of pachinko/pachislot (PS) machines, with multiple major titles scheduled to be released, the Company will actively strive to increase sales.

With regard to the projections for the consolidated business results for the year, it is expected that performance this year will continue to be steady because the results for the first quarter have been as expected at the beginning of the period and also because preparation for the release of new machines during the second quarter onward is underway as planned.

2. Summary information (other)**(1) Transfer of important subsidiaries during the year under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation)**

None

(2) Application of the accounting method specific to quarterly consolidated financial statements

Assessment of tax expenses

The Company applies the method that reasonably estimates an effective tax rate to be assessed on income before income taxes for the year ending March 31, 2012 after accounting for the tax effects of temporary differences and multiplies income before income taxes during the first quarter of the year ending March 31, 2012 by such estimated effective tax rate.

(3) Changes in accounting principles and accounting estimates, and revisions/restatements

None

3. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (March 31, 2011)	Three months ended June 30, 2011 (June 30, 2011)
Assets		
Current assets		
Cash and cash equivalents	15,873	22,032
Notes and accounts receivable—trade	27,948	11,905
Merchandise and products	300	242
Work in process	826	1,528
Raw materials and supplies	231	228
Other current assets	6,071	5,125
Allowance for doubtful accounts	(200)	(117)
Total current assets	51,051	40,946
Fixed assets		
Tangible fixed assets		
Land	6,324	6,324
Other tangible fixed assets	3,765	3,775
Total tangible fixed assets	10,089	10,099
Intangible fixed assets		
Goodwill	2,801	2,723
Other intangible fixed assets	2,268	2,305
Total intangible fixed assets	5,070	5,029
Investments and other assets		
Investment securities	8,466	8,738
Other assets	4,769	5,350
Allowance for doubtful accounts	(475)	(488)
Total investments and other assets	12,760	13,600
Total fixed assets	27,920	28,729
Total assets	78,971	69,675
Liabilities		
Current liabilities		
Notes and accounts payable—trade	17,939	13,063
Corporate bonds redeemable within 1 year	740	740
Short-term borrowings	85	85
Current portion of long-term borrowings	44	29
Accrued income taxes	4,217	22
Accrued bonuses	312	45
Accrued bonuses to directors and auditors	220	60
Allowance for losses on relocation of offices	—	41
Other current liabilities	4,028	5,579
Total current liabilities	27,587	19,667
Fixed liabilities		
Corporate bonds	900	600
Long-term borrowings	65	61
Retirement benefit provisions	339	357
Other fixed liabilities	3,058	3,111
Total fixed liabilities	4,362	4,131
Total Liabilities	31,949	23,798

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (March 31, 2011)	Three months ended June 30, 2011 (June 30, 2011)
Net assets		
Shareholders' equity		
Common stock	7,948	7,948
Capital surplus	7,994	7,994
Retained earnings	33,443	32,328
Treasury stock	(1,785)	(1,785)
Total shareholders' equity	47,601	46,486
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	(822)	(845)
Foreign currency translation adjustment	0	0
Total accumulated other comprehensive income	(821)	(845)
Minority interest	242	236
Total net assets	47,021	45,877
Total liabilities and net assets	78,971	69,675

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statement of income

[First quarter of the year ending March 31, 2012]

(Unit: Million yen)

	Three months ended June 30, 2010 (April 1, 2010–June 30, 2010)	Three months ended June 30, 2011 (April 1, 2011–June 30, 2011)
Net sales	21,344	17,635
Cost of sales	13,680	12,558
Gross profit	7,663	5,076
Selling, general and administrative expenses	5,314	5,302
Operating income (loss)	2,348	(225)
Non-operating income		
Interest income	2	1
Dividend income	82	85
Equity method investment gain	98	—
Others	89	61
Total non-operating income	272	147
Non-operating expenses		
Interest expense	6	3
Equity method investment loss	—	42
Loss on management of investment securities	57	12
Amortization of equity investment	10	38
Disaster relief expenses	—	82
Others	29	10
Total non-operating expenses	103	189
Ordinary income (loss)	2,518	(266)
Extraordinary income		
Gain on sale of fixed assets	—	0
Gain on sale of shares in affiliates	126	—
Reversal of allowance for doubtful accounts	115	—
Others	45	—
Total extraordinary income	288	0
Extraordinary losses		
Loss on disposal of fixed assets	0	9
Impairment loss	—	22
Loss on adjustment for changes of accounting standards for asset retirement obligations	142	—
Provision of allowance for loss on relocation of offices	—	41
Others	16	13
Total extraordinary losses	159	87
Income (loss) before income taxes and minority interest	2,647	(353)
Current income taxes	1,159	(68)
Income (loss) before minority interests	1,488	(285)
Minority interests (loss)	10	(0)
Net income (loss)	1,477	(284)

Quarterly consolidated statements of comprehensive income
 [First quarter of the year ending March 31, 2012]

(Unit: Million yen)

	Three months ended June 30, 2010 (April 1, 2010–June 30, 2010)	Three months ended June 30, 2011 (April 1, 2011–June 30, 2011)
Income (loss) before income taxes and minority interest	1,488	(285)
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	(365)	(23)
Foreign currency translation adjustment	0	—
Share of other comprehensive income of associates accounted for using equity method	—	—
Total other comprehensive income	(365)	(23)
Comprehensive income	1,122	(309)
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,111	(308)
Comprehensive income attributable to minority interests	10	(0)

(3) Quarterly consolidated statement of cash flows

(Unit: Million yen)

	Three months ended June 30, 2010 (April 1, 2010–June 30, 2010)	Three months ended June 30, 2011 (April 1, 2011–June 30, 2011)
Cash flows from operating activities		
Income before income taxes and minority interest	2,647	(353)
Depreciation and amortization	528	428
Impairment loss	—	22
Amortization of goodwill	87	78
Increase (decrease) in allowance for doubtful accounts	(123)	(68)
Increase (decrease) in accrued bonuses	(236)	(267)
Increase (decrease) in accrued bonuses to directors and auditors	(75)	(160)
Increase (decrease) in retirement benefit provisions	16	18
Increase (decrease) in allowance for losses on relocation of offices	—	41
Interest and dividend income	(85)	(86)
Discounts on purchases	(51)	(0)
Equity method investment loss (gain)	(98)	42
Interest expense	6	3
Loss (gain) on sale of shares in affiliates	(126)	—
Loss on adjustment for changes of accounting standards for asset retirement obligations	142	—
Decrease (increase) in notes and accounts receivable—trade	10,803	16,744
Decrease (increase) in inventories	78	(639)
Decrease (increase) in merchandising rights advances	(25)	409
Increase (decrease) in notes and accounts payable—trade	(12,079)	(4,257)
Increase (decrease) in accrued consumption taxes	(172)	(455)
Increase (decrease) in deposits received	635	849
Others	(174)	(134)
Sub total	1,696	12,214
Interest and dividends received	90	122
Interest paid	(12)	(6)
Income taxes paid	(3,473)	(4,156)
Net cash provided by (used in) operating activities	(1,698)	8,173
Cash flows from investing activities		
Purchases of tangible fixed assets	(134)	(136)
Proceeds from sale of tangible fixed assets	1	2
Purchases of intangible fixed assets	(186)	(213)
Purchases of investment securities	(366)	(400)
Expenditure for equity investment	(51)	(3)
Expenditure for loans	(242)	(1)
Expenditure for acquiring shares in subsidiaries which involved change in the scope of consolidation	(1,649)	—
Expenditure for acquiring shares in affiliates	(115)	—
Proceeds from sale of shares in affiliates	200	—
Others	66	(179)
Net cash provided by (used in) investing activities	(2,478)	(931)

(Unit: Million yen)

	Three months ended June 30, 2010 (April 1, 2010–June 30, 2010)	Three months ended June 30, 2011 (April 1, 2011–June 30, 2011)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,209)	—
Repayment of long-term borrowings	(15)	(18)
Redemption of corporate bonds	(300)	(300)
Dividends paid	(738)	(755)
Others	(55)	(5)
Net cash provided by (used in) financing activities	(2,318)	(1,080)
Effect of exchange rate changes on cash and cash equivalents	(3)	(1)
Increase (decrease) in cash and cash equivalents	(6,498)	6,159
Cash and cash equivalents at beginning of period	15,906	15,632
Cash and cash equivalents at end of period	9,407	21,791

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

Three months ended June 30, 2011 (April 1, 2011 to June 30, 2011)

No relevant items

(5) Segment information

I. Three months ended June 30, 2010 (April 1, 2010 to June 30, 2010)

1. Information on net sales and income (loss) by reportable segment

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total	Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
Net sales							
Sales to third parties	19,135	494	546	1,167	21,344	—	21,344
Inter-group net sales or transfers	66	0	1	5	74	(74)	—
Total	19,201	495	548	1,173	21,418	(74)	21,344
Segment income (loss)	2,343	99	(64)	(55)	2,322	26	2,348

(Notes) 1. Adjustment of segment income (¥26 million) has been derived from the elimination of inter-group transactions.

2. Segment income (loss) is adjusted on operating income on the quarterly consolidated statement of income.

2. Information on impairment loss on fixed assets, goodwill, etc. by reportable segment

(Significant impairment loss on fixed assets)

No relevant items

(Significant changes in the amount of goodwill)

In the Other Field segment, the Company acquired shares of Tsuburaya Productions Co., Ltd. and Digital Frontier Inc. as the Company's consolidated subsidiaries.

As a result of this event, goodwill increased by ¥2,732 million during the first quarter of the year ended March 31, 2010.

(Significant income related to negative goodwill)

No relevant items

II. Three months ended June 30, 2011 (April 1, 2011 to June 30, 2011)

1. Information on net sales and income (loss) by reportable segment

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total	Adjustment (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
Net sales							
Sales to third parties	15,916	501	521	695	17,635	—	17,635
Inter-group net sales or transfers	62	117	2	224	406	(406)	—
Total	15,979	618	524	920	18,041	(406)	17,635
Segment income (loss)	(140)	26	(34)	(78)	(226)	1	(225)

(Notes) 1. Adjustment of segment income (¥1 million) has been derived from the elimination of inter-group transactions.

2. Segment income (loss) is adjusted on operating income on the quarterly consolidated statement of income.

2. Information on impairment loss on fixed assets, goodwill, etc. by reportable segment

No relevant items

(6) Note regarding occurrence of significant change in amount of shareholders' equity

No relevant items