Summary

(Translation)

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

May 9, 2012
Listed on: OSE [JASDAQ]

Company Name: Fields Corporation
(URL: http://www.fields.biz/)
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 20, 2012
Planned Date for Start of Dividend Payment: June 21, 2012
Planned Date for Submittal of the Financial Statements Report: June 20, 2012
Full year earnings supplementary explanatory materials: Yes
Full year earnings presentation: Yes (For institutional investors and security analysts)

(Rounded down to the nearest million)

1. Consolidated business results for the year ended March 31, 2012 (April 1, 2011, to March 31, 2012)

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

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2012	92,195	(11.0)	8,527	(35.1)	8,661	(36.7)
Year ended March 31, 2011	103,593	56.2	13,136	61.7	13,684	76.3

	Net income		Net income per share	Diluted net income per share
	Million yen	%	Yen	Yen
Year ended March 31, 2012	5,991	(20.3)	18,044.65	—
Year ended March 31, 2011	7,520	128.6	22,643.86	—

(Note) Comprehensive income
Year ended March 31, 2012: ¥6,162 million (-16.5%) Year ended March 31, 2011: ¥7,382 million (105.1%)

	Return on equity	Ordinary income to total assets	Operating margin
	%	%	%
Year ended March 31, 2012	12.2	10.0	9.2
Year ended March 31, 2011	17.1	17.1	12.7

(Reference) Equity in earnings of affiliates
Year ended March 31, 2012: ¥102 million Year ended March 31, 2011: ¥552 million

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 31, 2012	93,601	51,555	54.6	153,904.22
Year ended March 31, 2011	78,971	47,021	59.2	140,853.00

(Reference) Shareholders' equity
Year ended March 31, 2012: ¥51,071 million Year ended March 31, 2011: ¥46,779 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 the year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2012	10,015	(4,798)	(2,565)	18,284
Year ended March 31, 2011	8,005	(4,356)	(3,915)	15,632

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2011	—	2,500.00	—	2,500.00	5,000.00
Year ended March 31, 2012	—	2,500.00	—	2,500.00	5,000.00
Year ending March 31, 2013 (Forecast)	—	2,500.00	—	2,500.00	5,000.00

	Total dividend (annually)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	Million yen	%	%
Year ended March 31, 2011	1,660	22.1	3.8
Year ended March 31, 2012	1,659	27.7	3.4
Year ending March 31, 2013 (Forecast)		22.7	

3. Forecast earnings for the year ending March 31, 2013 (April 1, 2012, to March 31, 2013)

(Percentages denote year-on-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
Full year	115,000	24.7	14,000	64.2	14,500	67.4	7,300	21.8	21,998.69

(Note) Fields Corporation discloses a full year business forecast, as it manages its business performance on an annual basis.

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 other factors
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

(3) Number of shares issued (common stock)
1) Number of shares issued (including treasury stock)
Year ended March 31, 2012 347,000 shares
Year ended March 31, 2011 347,000 shares
2) Number of treasury stock at the end of the year
Year ended March 31, 2012 15,162 shares
Year ended March 31, 2011 14,885 shares
3) Average number of shares outstanding
Year ended March 31, 2012 332,020 shares
Year ended March 31, 2011 332,115 shares

* Presentation of implementation status for audit procedures
# The audit procedures based on the Financial Instruments and Exchange Act do not apply to this Consolidated Financial Results, and the audit procedures based on the Financial Instruments and Exchange Act have not been completed as of the release of this document.

*Explanation of the appropriate usage of forecast earnings and other specific matters
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 “[3] Forecast earnings for the year ending March 31, 2013” under “(1) Analysis of operating results” in Section 1 “Operating results” on page 2 in the attached document with regard to the cautions in using assumptions as the premise for forecast earnings and in using the forecast earnings.

#The Company is planning to hold a results briefing for analysts and institutional investors on Thursday, May 10, 2012. Materials distributed at that briefing will be posted on the Company’s website after the briefing

○ Table of Contents of Attached Document

1. Operating results

(1) Analysis of operating results

[1] Overview of operations for the year ended March 31, 2012

During the year under review, the Company saw its revenue and profit grow substantially compared to the previous year: net sales were ¥92,195 million (11.0% down year-over-year), operating income ¥8,527 million (35.1% down year-over-year), and ordinary income ¥8,661 million (36.7% down year-over-year). Net income was ¥5,991 million (20.3% down year-on-year) because income and other taxes decreased as a result of the dissolution and liquidation of subsidiaries.

The major contributing factors behind these financial results are as follows:

At the beginning of the year, taking into consideration the effects of the Great East Japan Earthquake, which occurred in March 2011, the Company laid out sales schedules for the pachinko/pachislot business emphasizing the second half of the year. Later, in response to the market environment, in which the shipments and sales of pachinko/pachislot machine manufacturers' major titles were concentrated in the second half of the year, the Company revised these schedules so that a balance was struck between supply and demand.

In accordance with this policy, the Company launched 1 pachinko machine and 2 pachislot machines during the first half of the year, and 1 pachinko machine and 4 pachislot machines during the second half. Sales largely went forward as scheduled throughout the year, but part of the orders for the pachislot machines launched during the fourth quarter was shifted to the next fiscal year. For this and other reasons, the financial results for the year ended March 31, 2012 are as described above.

The following is an overview of each business segment.

[2] Analysis of operations for the year ended March 31, 2012 by business segment

Pachinko/Pachislot (PS) Field segment

The pachinko/pachislot market's business environment underwent unprecedentedly violent changes during this fiscal year, affected as it was by the earthquake. In order to respond to the threat of widespread power shortages, pachinko halls implemented electricity-saving measures such as voluntarily reducing their business hours and rotated staged temporary closings. Pachinko/pachislot machine manufacturers, meanwhile, were forced to draw up production and sales plans with greater emphasis on the second half of the year because the earthquake had disrupted their (component) supply chains, significantly affecting their procurement of electronic components and other products.

Taking these circumstances into account, the Company limited its sales plan to launching only 1 pachinko machine and 2 pachislot machines during the first half of the year, and decided to concentrate the launch of several machines, including major titles, on the second half. The supply chains fortunately returned to normal earlier than the summer or thereafter, as had initially been predicted. Pachinko/pachislot machine manufacturers were therefore able to introduce a number of major titles in succession during the third quarter (October to December), prompting the market to surge as the year-end and New Year sales campaign approached.

As the supply of new machines was concentrated on the first 3 months of the second half of the year, the Company decided—from its standpoint as a company responsible for distribution—to focus on introducing several major titles during the fourth quarter (January to March). This was done in order to maintain market momentum from the preceding quarter. The pachinko machine "*CR Evangelion 7*", launched at the beginning of 2012 as the first of the major titles, achieved strong market support, helping attract continuous custom to pachinko halls, as had been initially intended. The Company also strove to consolidate the continuously expanding pachislot market by launching "*Evangelion—The Heartbeat of Life*" in February. This was followed in March by "*Monster Hunter*", which was developed in a tie-up with a popular game software manufacturer, and the Company also took a range of other marketing measures.

Orders for the highly popular "*Monster Hunter*" continued strong, but due to the floods in Thailand last year it became difficult to procure some of the components and materials, which delayed some of the sales until the next fiscal year. In response to the revision of industry regulations by the industry organization, 1 pachinko title scheduled to be launched under the Bisty brand during the fourth quarter will be introduced in the next fiscal year in order to enhance its appeal in terms of excitement and entertainment as a game.

As a result, the number of pachinko machines sold during the year under review was 233,223 (29,391 down year-over-year), and sales of pachislot machines were 179,167 (38,492 down year-over-year). Consequently, net sales for the Pachinko/Pachislot (PS) Field were ¥83,959 million (10.8% down year-over-year), and operating income was ¥8,664 million (32.7% down year-over-year).

<Pachinko/Pachislot machine titles distributed by wholesalers during the year under review>

Pachinko machine sales titles	Month released	
CR The story of ayumi hamasaki—introduction *CR The story of ayumi hamasaki—Light/Sweet Version*	July 2011 (November 2011)	(Bisty Co., Ltd.)
CR Evangelion 7	January 2012	(Bisty Co., Ltd.)
Total number of pachinko machines sold (machines)	233,223	

Pachislot machine sales titles	Month released	
[Still on sale from the previous period] *MOBASLO Evangelion—for your own wish*	March 2011	(Bisty Co., Ltd.)
SAMURAI 7	May 2011	(Bisty Co., Ltd.)
Kaze no Youjinbou—Memory of Butterflies	August 2011	(Rodeo Co., Ltd.)
Rahxephon	October 2011	(Rodeo Co., Ltd.)
Street Fighter IV	November 2011	(Enterrise Co., Ltd.)
Evangelion—the Heartbeat of Life	February 2012	(Bisty Co., Ltd.)
Monster Hunter	March 2012	(Rodeo Co., Ltd.)
Total number of pachislot machines sold (machines)	179,167	

(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

Both the mobile and PC Internet user environment in Japan continued to develop during the year ended March 31, 2012 backed by the offering of increasingly high-speed communications and the improvement of communication access networks. With regard to mobile communications in particular, the number of mobile phone subscribers reached 124.18 million by the end of March 2012, and the shift to third-generation phones, which enable high-speed data transmission, also progressed steadily. This data was obtained in a survey conducted by the Telecommunications Carriers Association. Along with mobile phones, the spread of high-function mobile terminals such as smart phones and tablet PCs got fully underway, and the number of smart phone subscribers reached 25.22 million at the end of March 2012. MM Research Institute, Ltd. announced that the number of smart-phone subscribers is expected to exceed 81 million in 5 years.

With the development of the mobile user environment described above, it is expected that demand for entertainment content such as social games and e-books will grow even further. In addition to expanding mobile and other online services making the most of pachinko/pachislot-related contents, which is a particular strength, the Company is striving to build up new services effectively, using the contents it possesses in other segments.

Along with reviewing existing services utilizing pachinko/pachislot-related contents in the online service field, FutureScope Corporation and IP Bros. Incorporated have made their services compatible with smart phones and built up new contents. At the same time, they have made investments to improve the quality of their services. Both companies will continue to expand pachinko/pachislot-related contents through social networking services and online services, and will furthermore also strive to increase profitability by maximizing the value of the IP the Fields Group acquires and creates.

As a result of the above, the Mobile Field segment posted net sales of ¥1,924 million (5.3% down year-over-year) and operating income of ¥11 million (95.1% down year-over-year), respectively.

Sports Entertainment Field segment

During the year ended March 31, 2012, the Company continued to strive to improve the management of sports-related business as it had done in the previous year.

In the sports field, Japan Sports Marketing Inc. underwent drastic business restructuring, as described in the "*Notice regarding a Simplified Absorption-type Divestiture between Fields Corporation and its Subsidiary and a Special Liquidation of the Subsidiary*" dated August 23, 2011, and special liquidation was completed in March 2012.

Total Workout, the fitness club business taken over by the Company, continued to steadily increase membership and personal training contracts at each outlet.

As a result, net sales and operating income for the Sports Entertainment Field segment were ¥1,945 million (down 10.4% year-over-year) and ¥7 million (¥290 million in operating loss for the previous year), respectively.

Other Field segment

In November 1, 2011, HERO’S Inc., a publishing company established jointly with Shogakukan Creative Inc., founded the comic magazine “HERO’S Monthly”. It is now in its seventh issue, dated May 1, 2012. At the same time, the publishing company is working actively to upgrade the contents of the magazine with future merchandising in mind.

In February 2012, Lucent Pictures Entertainment, Inc. released “*BERSERK I THE HIGH KINGS EGG*” nationwide. This animation, Part I of the BERSERK Series, was planned and produced as a major project since its foundation. The company has decided to release a sequel, “*BERSERK II*”, in June 2012. It plans merchandising using a range of mass media platforms.

Digital Frontier Inc. has advanced video production business in various fields, including the production of computer graphics (CG) for movies and games. In order to meet the growing demand for CG production for pachinko/pachislot machines and for the production of full-length CG works, the company is actively expanding production lines. One effort in this regard is to establish subsidiaries not only in Japan but in Taiwan and Malaysia as well.

In March 2012, Tsuburaya Productions Co., Ltd. released “*Ultraman Saga*”, the latest in the Ultraman movie series, nationwide. The movie attracted audiences from a wide range of age groups through the casting of high-profile actors and powerful 3D cinematography. The company is striving to enhance the value of the IP it offers and to bolster its merchandising foundation not only through movies but also through other mass media, including TV, which made “*Ultraman Retsuden*” (Episodes) popular.

As a result of the above, the Other Field segment posted net sales of ¥5,460 million (7.2% down year-over-year) and an operating loss of ¥139 million (¥315 million in operating income for the previous year).

Note: The net sales reported by the individual segments are gross inter-group net sales and transfers.

[3] Forecast earnings for the year ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Unit: Million yen)

	Forecast for the year ending March 31, 2013	Results for the year ended March 31, 2012	Year-over-year change
Net sales	115,000	92,195	+24.7%
Operating income	14,000	8,527	+64.2%
Ordinary income	14,500	8,661	+67.4%
Net income	7,300	5,991	+21.8%

The full-year forecast for the year ending March 31, 2013 is as follows:

As a distributor in the Pachinko/Pachislot Field, the Company will introduce exciting and highly entertaining high-quality game products in an effort to gain more fan support and to create new customers.

During the year under review, the Company expects to sell 480,000 pachinko/pachislot machines (a gain of 68,000 machines).

The Company will expand the lineup of pachinko machine products it has jointly planned and developed with existing manufacturers. The Company will work with KYORAKU SANGYO to introduce products under the new joint brand “OK” In response to the continuously expanding pachislot machine market, it will introduce major products that meet the increasingly sophisticated needs of fans, thus contributing to the further revitalization of the market.

In the overall entertainment area, the Company will gain more fans and maximize the value of its IP by circulating the IP its Group acquires, possesses, and creates through the new framework of IP value maximization it has developed (refer to “Management policies” on page 8).

For the year ending March 31, 2013, the Company will contribute to shareholder income by aiming to pay the largest-ever dividend through achievement of further growth.

(2) Analysis of financial position

[1] Assets, liabilities and net assets

(Unit: Million yen)

	Current fiscal year end (as of March 31, 2012)	Previous fiscal year end (as of March 31, 2011)	Year-over-year change
Total assets	93,601	78,971	14,630
Total liabilities	42,046	31,949	10,096
Total net assets	51,555	47,021	4,533

Assets

Current assets amounted to ¥62,811 million, up ¥11,760 million year-over-year. This was mainly attributable to an increase in notes and accounts receivable—trade.

Tangible fixed assets amounted to ¥10,980 million, up ¥890 million year-over-year.

Intangible fixed assets amounted to ¥4,372 million, down ¥697 million year-over-year.

Investments and other assets amounted to ¥15,437 million, up ¥2,677 million year-over-year. This primarily reflected purchases of investment securities.

As a result of the above, total assets amounted to ¥93,601 million, up ¥14,630 million year-over-year.

Liabilities

Current liabilities amounted to ¥37,925 million, up ¥10,338 million year-over-year. The principal factor behind this was an increase in notes and accounts payable—trade.

Fixed liabilities amounted to ¥4,121 million, down ¥241 million year-over-year. This was mainly attributable to the redemption of corporate bonds.

As a result of the above, total liabilities amounted to ¥42,046 million, up ¥10,096 million year-over-year.

Net assets

Net assets amounted to ¥51,555 million, up ¥4,533 million year-over-year. This primarily reflected an increase in retained earnings.

[2] Cash flows

During the year under review, cash and cash equivalents (hereinafter referred to as “cash”) increased by ¥2,652 million year-over-year and amounted to ¥18,284 million at the end of the year ended March 31, 2012.

Cash flow for the year ended March 31, 2012 and contributing factors are as follows:

(Unit: Million yen)

	Current fiscal year (Year ended March 31, 2012)	Previous fiscal year (Year ended March 31, 2011)	Year-over-year change
Cash flows from operating activities	10,015	8,005	2,010
Cash flows from investing activities	(4,798)	(4,356)	(441)
Cash flows from financing activities	(2,565)	(3,915)	1,349

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥10,015 million (¥8,005 million of income in the previous year). This was mainly attributable to income before income taxes and minority interests of ¥8,265 million, an increase of ¥5,194 million in notes and accounts receivable—trade, an increase of ¥11,048 million in notes and accounts payable—trade, income taxes paid totaling ¥7,112 million, etc.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥4,798 million (¥4,356 million of expenditure in the previous year). This was mainly attributable to expenditure for purchases of tangible fixed assets totaling ¥1,355 million, expenditure for purchases of intangible fixed assets totaling ¥1,065 million, expenditure for purchases of shares in affiliates totaling ¥1,021 million, etc.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,565 million (¥3,915 million of expenditure in the previous year). This was mainly attributable to dividends paid totaling ¥1,659 million, redemption of corporate bonds totaling ¥748 million, and reduction of short-term borrowings totaling ¥152 million, etc.

(Reference) Trends of cash flow indicators

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity ratio (%)	64.3	75.8	50.5	59.2	54.6
Shareholders' equity ratio at market value (%)	68.7	90.8	44.4	59.9	48.6
Interest-bearing debt/cash flow ratio (years)	0.4	0.7	0.2	0.2	0.2
Interest coverage ratio (times)	145.7	36.0	310.5	311.7	556.2

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 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, 2012, the Company paid an interim dividend of ¥2,500 per share to shareholders and intends to distribute a year-end dividend of ¥2,500 per share (¥5,000 for the whole year). As a result, this fiscal year's consolidated payout ratio will be 27.7%.

With regard to the year ending March 31, 2013, taking forecasts of profit growth into account, the Company also intends to distribute an annual dividend per share of ¥5,000 (an interim dividend of ¥2,500 and a year-end dividend of ¥2,500).

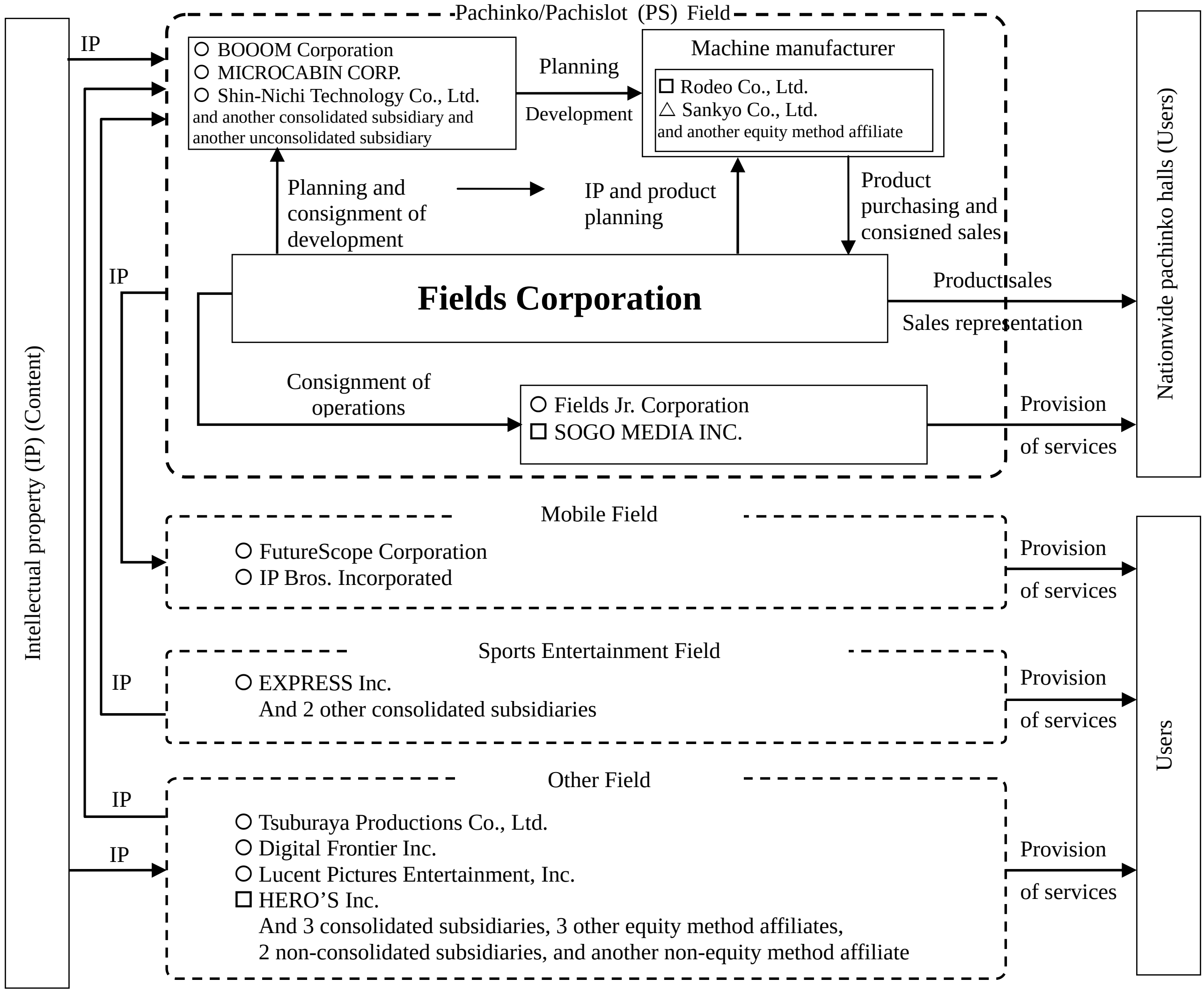
2. Outline of the Fields Group

The Fields Group (parent company and associated companies) comprises Fields Corporation ("the Company"), 19 subsidiaries, 8 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, purchasing of pachinko/pachislot machines, as well as planning and development of software for pachinko/pachislot machines	Fields Corporation Fields Jr. Corporation BOOOM Corporation MICROCABIN CORP. Shin-Nichi Technology Co., Ltd. SOGO MEDIA INC. Rodeo Co., Ltd. Sankyo Co., Ltd. (and 3 other companies)
Mobile Field	Mobile content business	FutureScope Corporation IP Bros. Incorporated
Sports Entertainment Field	Management of sports gym	EXPRESS Inc. (and 2 other companies)
Other Field	Planning and production of movies and TV programs Planning, manufacture, sales, etc. of character goods	Tsuburaya Productions Co., Ltd. Digital Frontier Inc. Lucent Pictures Entertainment, Inc. HERO'S Inc. (and 9 other companies)

The following chart summarizes our business organization.



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

3. Management policies

(1) Fundamental corporate management policy

With "The Greatest Leisure for All People" as its corporate philosophy, the Fields Group acquires and creates high value-added intellectual property (IP) and develops it in multiple ways, thus producing contents with high commercial value. It also strives to expand its business domains in the entertainment area with IP as its pivotal resource, and in each domain strives to provide consumers with products and services that enrich their lives.

Along with this development of its business, the Company steadfastly maintains a stance of emphasizing shareholders as its basic management policy, and aims to allocate its managerial resources in an optimal way in order to enhance its corporate value and to return profits to shareholders.

(2) Issues to address

Since 2002, the Ministry of Economy, Trade and Industry has encouraged the creation of game, animation and movie contents in order to enrich the lifestyles of the Japanese people as a whole. Aiming to expand and develop such contents as a major business, the Ministry has viewed this sector as one of Japan's key industries for the next generation. In addition, the Ministry published the report "Summary of the Report by the Study Group the Content Industry's Growth Strategy" in May 2010 as a roadmap for the industry, which is expected to drive the country's economic growth. In the report, the Ministry referred to the economic growth that will be brought about by the globalization of relevant contents, particularly animations, comics, and movies, and placed great expectations on the growth and development of the game, animation and movie industry.

Developing its intellectual property business, including character creation, is a key management task for the Fields Group. The Group will encourage its growth in a stable and ongoing way in order to meet these expectations, contribute to Japan's economic growth, and enrich the lives of the people in the future. In recent years, however, the diversification of media, the proliferation of individual preferences and other factors have prevented appealing new characters from being easily created. As a result, there is concern about the exhaustion of superior IP, and the Fields Group recognizes the creation of new characters and IP as an urgent mission.

(3) Management strategies for the medium to long term

～Character business and other target IP business models for the Fields Group～

In the medium-to-long run, Fields and the Fields Group are taking on the challenge of drastically transforming themselves from a distributor in the Pachinko/Pachislot Field to a group of IP-based companies.

Figure 1: The Business Models We Have Developed Since Listing

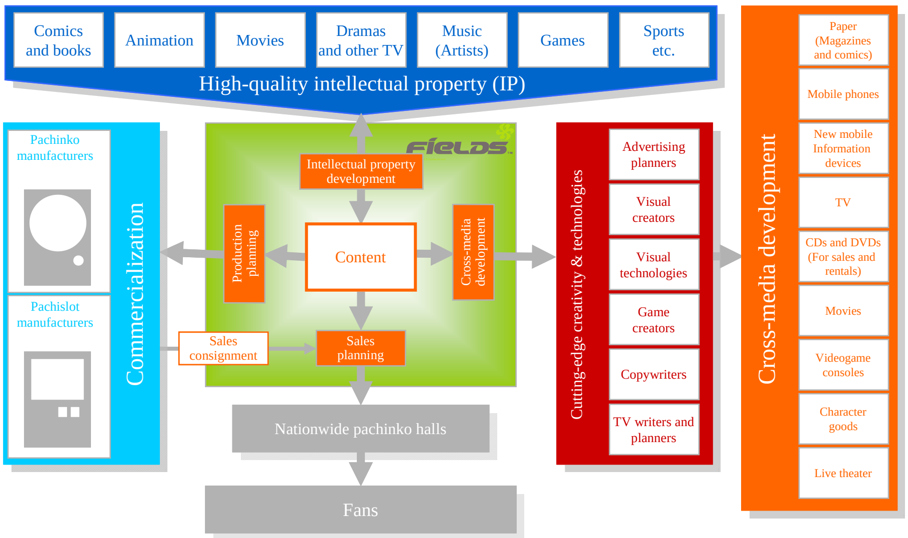
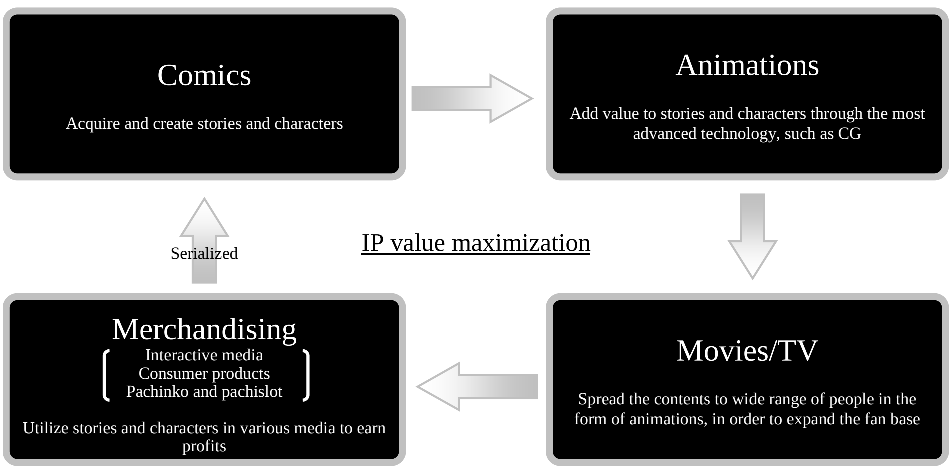


Figure 2: Developing Business Models



＜Business models the Company has built since its listing＞

The Company went public in March 2003. At that time, it announced a multifaceted strategy of developing IP, the basis for its competitive advantage, and has since concentrated on implementing the strategy (see Figure 1).

The acquisition of IP constitutes the core of the strategy, and the Company has focused on obtaining many rights to develop superior IP into products from companies that possess such IP in such areas as comics, animations, movies, TV drama, music, games, and sports.

The Company has utilized the most of the merchandising rights thus obtained in order to bring highly entertaining pachinko/pachislot machines into the Pachinko/Pachislot field, thus contributing to stabilizing and vitalizing the Pachinko/Pachislot market. At that time, with IP-based pachinko/pachislot machines in short supply, the key to success was that the Company embraced PS as a media comparable to animation, movies, and TV earlier than any other company and developed highly entertaining Pachinko/Pachislot machines.

In addition, the Company has continued to take on the challenge of working with outstanding creative production companies and to collaborate with partners who have the talented personnel and cutting-edge technology required to develop the merchandising rights it has obtained in media other than Pachinko/Pachislot.

Through these initiatives, the Fields Group has expanded its business domains to cover diverse entertainment areas. During this period, it has not only acquired IP but also placed Tsuburaya Productions Co., Ltd. and other companies owning superior IP under its umbrella. It has also built networks with leading businesses in each field and has linked up with outstanding business partners in order to increase the value of its IP; the Fields Group included in its group companies that cover particular fields of expertise such as comics, animations, and videos.

As a result, the Fields Group has become capable of continuously developing and marketing attractive pachinko/pachislot machines, bringing substantial results in the PS Field. Furthermore, it has launched new initiatives aimed at IP creation in earnest in an effort to not only utilize its existing IP for future growth but also to stop the progressive exhaustion of superior IP.

＜Developing business models＞

For several years, in order to achieve medium- to long-term growth, the Fields Group has striven to shift its strategy from the PS-based business model, which it had followed since it went public, to an IP core business model.

As the 10th year since its listing and the 25th anniversary of its establishment approach, the Group is analyzing its current strategy and building a new business development model based on its prognosis of how developments will unfold over the next quarter century. The Group will strive to achieve further growth based on the new business model (see Figure 2).

The business development model, which basically consists of 4 frameworks, aims at a virtuous cycle of success through circular business development based on interaction between the frameworks.

1) Comics: A source of IP creation

The Company will acquire and create attractive stories and characters. It has already created characters, particularly heroes, by publishing “HERO’S Monthly” magazine jointly with Shogakukan Creative Inc. In the future, it will create IP by taking various approaches such as developing comics through cooperation and networking with partner companies.

2) Animations: Revitalizing IP through digitization

The Company will work to produce video versions of leading comics, making the best of the most advanced technology. In producing such video versions, it will revitalize its IP by using effects that highlight the stories and characters, including those realized in the movie *Berserk*.

3) Movies/TV: Spreading IP and maximizing its value

The Company will raise the level of recognition for its works through movies and TV and maximize their value. The Company aims to expand its fan base by carrying out effective promotion activities such as news tie-ins for new releases and successfully using 3D cinematography as it did for the movie “*Ultraman Saga*”.

4) Multimedia merchandising: Multiple IP development

The Company will increase profits through merchandising, using interactive media such as games, mobile terminals, and social network services (SNS), consumer products and pachinko/pachislot machines.

In the future, the Fields Group will continue to aim at establishing its character business using its advantages as a PS distributor, and will strive to bolster its systems to manage such business with the establishment of a holding company in mind.

(4) Targeted management indicators

The managerial goal of the Fields Group is to increase its corporate value by achieving greater operational efficiency and continuous business expansion. It places emphasis on management indicators such as return on equity, operating income, and cash flow from operating activities.

(5) 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, 2011 (as of March 31, 2011)	Fiscal year ended March 31, 2012 (as of March 31, 2012)
Assets		
Current assets		
Cash and cash equivalents	*1 15,873	*1 18,344
Notes and accounts receivable—trade	27,948	*4 34,402
Merchandise and products	300	386
Work in process	826	2,493
Raw materials and supplies	231	255
Deferred tax assets	1,249	609
Merchandising rights advances	2,067	1,840
Other current assets	2,755	*4 4,580
Allowance for doubtful accounts	(200)	(101)
Total current assets	51,051	62,811
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,478	6,078
Accumulated depreciation	(2,430)	(2,815)
Net amount of buildings and structures	3,048	3,263
Machinery, equipment and vehicles	92	96
Accumulated depreciation	(65)	(75)
Net amount of machinery, equipment and vehicles	27	21
Tools, furniture and fixtures	3,097	3,450
Accumulated depreciation	(2,442)	(2,682)
Net amount of tools, furniture and fixtures	654	768
Land	6,324	6,642
Construction in progress	34	285
Total tangible fixed assets	10,089	10,980
Intangible fixed assets		
Goodwill	2,801	2,498
Other intangible fixed assets	2,268	1,874
Total intangible fixed assets	5,070	4,372
Investments and other assets		
Investment securities	*2 8,466	*2 10,241
Long-term loans	417	407
Deferred tax assets	942	909
Other assets	3,409	4,410
Allowance for doubtful accounts	(475)	(531)
Total investments and other assets	12,760	15,437
Total fixed assets	27,920	30,790
Total assets	78,971	93,601

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (as of March 31, 2011)	Fiscal year ended March 31, 2012 (as of March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	17,939	29,100
Corporate bonds redeemable within 1 year	*1 740	*1 618
Short-term borrowings	85	450
Current portion of long-term borrowings	*1 44	*1 153
Accrued income taxes	4,217	184
Accrued bonuses	312	315
Accrued bonuses to directors and auditors	220	240
Reserve for returned goods unsold	-	10
Other current liabilities	4,028	6,852
Total current liabilities	27,587	37,925
Fixed liabilities		
Corporate bonds	900	300
Long-term borrowings	65	139
Retirement benefit provisions	339	455
Other fixed liabilities	3,058	3,226
Total fixed liabilities	4,362	4,121
Total liabilities	31,949	42,046
Net assets		
Shareholders' equity		
Common stock	7,948	7,948
Capital surplus	7,994	7,994
Retained earnings	33,443	37,774
Treasury stock	(1,785)	(1,821)
Total shareholders' equity	47,601	51,895
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities	(822)	(824)
Foreign currency translation adjustment	0	(0)
Total accumulated other comprehensive income	(821)	(824)
Minority interest	242	483
Total net assets	47,021	51,555
Total liabilities and net assets	78,971	93,601

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

Consolidated statements of income

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Net sales	103,593	92,195
Cost of sales	68,464	60,865
Gross profit	35,129	31,330
Selling, general and administrative expenses		
Advertising expenditures	4,006	3,644
Salaries	5,527	5,728
Provision for accrued bonuses	290	246
Provision for accrued bonuses to directors and auditors	220	240
Outsourcing expenses	1,553	2,373
Travel and transport expenses	551	542
Depreciation and amortization	1,393	1,431
Rents	1,654	1,749
Provision to allowance for doubtful accounts	-	(52)
Retirement benefit expenses	76	86
Amortization of goodwill	366	333
Others	6,353	6,479
Total selling, general and administrative expenses	21,993	22,803
Operating income	13,136	8,527
Non-operating income		
Interest income	13	5
Dividend income	166	169
Equity method investment gain	552	102
Discounts on purchases	199	33
Lease income	33	41
Others	170	221
Total non-operating income	1,136	574
Non-operating expenses		
Interest expense	20	17
Provision to allowance for doubtful accounts	345	-
Amortization of equity investment	61	289
Loss on management of investment securities	95	-
Foreign exchange loss	18	-
Disaster-related support expenses	-	84
Others	47	48
Total non-operating expenses	588	440
Ordinary income	13,684	8,661
Extraordinary income		
Gain on sale of shares in affiliates	-	7
Reversal of allowance for doubtful accounts	162	-
Reversal of provision for bonuses	37	-
Others	14	0
Total extraordinary income	215	8

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Extraordinary losses		
Loss on disposal of fixed assets	*1 39	*1 83
Impairment loss	*2 44	*2 197
Amortization of goodwill	141	-
Provision to allowance for doubtful accounts	-	45
Loss on adjustment for changes of accounting standards for asset retirement obligations	142	-
Others	120	78
Total extraordinary losses	488	404
Income before income taxes and minority interests	13,410	8,265
Current income taxes	5,933	1,450
Deferred income taxes	(49)	649
Total income taxes	5,883	2,099
Income before minority interests	7,527	6,165
Minority interests	6	174
Net income	7,520	5,991

Consolidated statements of comprehensive income

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Income before minority interests	7,527	6,165
Other comprehensive income		
Unrealized holding gain on available-for-sale securities	(145)	(1)
Foreign currency translation adjustment	0	(0)
Share of other comprehensive income of associates accounted for using equity method	0	-
Total other comprehensive income	(144)	* (2)
Comprehensive income	7,382	6,162
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,375	5,988
Comprehensive income attributable to minority interests	6	173

(3) Consolidated statement of change in net assets

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Shareholders' equity		
Common stock		
Balance at beginning of the year	7,948	7,948
Amount of changes during the year		
Total amount of changes during the year	-	-
Balance at end of the year	7,948	7,948
Capital surplus		
Balance at beginning of the year	7,994	7,994
Amount of changes during the year		
Total amount of changes during the year	-	-
Balance at end of the year	7,994	7,994
Retained earnings		
Balance at beginning of the year	27,583	33,443
Amount of changes during the year		
Dividends from surplus	(1,660)	(1,660)
Net income	7,520	5,991
Total amount of changes during the year	5,859	4,330
Balance at end of the year	33,443	37,774
Treasury stock		
Balance at beginning of the year	(1,785)	(1,785)
Amount of changes during the year		
Purchase of treasury stock	-	(36)
Total amount of changes during the year	-	(36)
Balance at end of the year	(1,785)	(1,821)
Total shareholders' equity		
Balance at beginning of the year	41,741	47,601
Amount of changes during the year		
Dividends from surplus	(1,660)	(1,660)
Net income	7,520	5,991
Purchase of treasury stock	-	(36)
Total amount of changes during the year	5,859	4,294
Balance at end of the year	47,601	51,895
Accumulated other comprehensive income		
Unrealized holding gain on available-for-sale securities		
Balance at beginning of the year	(676)	(822)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(145)	(1)
Total amount of changes during the year	(145)	(1)
Balance at end of the year	(822)	(824)
Foreign currency translation adjustment		
Balance at beginning of the year	0	0
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	0	(0)
Total amount of changes during the year	0	(0)
Balance at end of the year	0	(0)

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Total accumulated other comprehensive income		
Balance at beginning of the year	(676)	(821)
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	(145)	(2)
Total amount of changes during the year	(145)	(2)
Balance at end of the year	(821)	(824)
Minority interest		
Balance at beginning of the year	122	242
Amount of changes during the year		
Net amount of changes in items not included in shareholders' equity during the year	119	241
Total amount of changes during the year	119	241
Balance at end of the year	242	483
Total net assets		
Balance at beginning of the year	41,187	47,021
Amount of changes during the year		
Dividends from surplus	(1,660)	(1,660)
Net income	7,520	5,991
Purchase of treasury stock	-	(36)
Net amount of changes in items not included in shareholders' equity during the year	(25)	238
Total amount of changes during the year	5,834	4,533
Balance at end of the year	47,021	51,555

(4) Consolidated statements of cash flows

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Cash flows from operating activities		
Income before income taxes and minority interests	13,410	8,265
Depreciation and amortization	1,734	1,962
Impairment loss	44	197
Amortization of goodwill	507	333
Increase (decrease) in allowance for doubtful accounts	118	(38)
Increase (decrease) in accrued bonuses	33	(30)
Increase (decrease) in accrued bonuses to directors and auditors	85	20
Increase (decrease) in retirement benefit provisions	64	78
Increase (decrease) in allowance for losses on order receiving	(11)	-
Interest and dividend income	(180)	(175)
Discounts on purchases	(199)	(33)
Equity method investment loss (gain)	(552)	(102)
Interest expense	20	17
Loss on adjustment for changes of accounting standard for asset retirement obligations	142	-
Loss on management of investment securities	95	-
Amortization of equity investment	98	356
Decrease (increase) in notes and accounts receivable—trade	4,907	(5,194)
Decrease (increase) in inventories	628	(572)
Decrease (increase) in merchandising right advances	771	226
Decrease (increase) in prepaid expenses	153	(214)
Decrease (increase) in advance payments	(289)	200
Increase (decrease) in notes and accounts payable—trade	(9,155)	11,048
Increase (decrease) in other accounts payable	(414)	805
Increase (decrease) in accrued consumption taxes	145	(266)
Increase (decrease) in deposits received	(76)	563
Others	1,021	(513)
Subtotal	13,102	16,933
Interest and dividends received	186	212
Interest paid	(25)	(18)
Income taxes paid	(5,258)	(7,112)
Net cash provided by (used in) operating activities	8,005	10,015

(Unit: Million yen)

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Cash flows from investing activities		
Purchase of marketable securities	-	(503)
Proceeds from redemption of marketable securities	-	531
Purchases of tangible fixed assets	(482)	(1,355)
Purchases of intangible fixed assets	(1,008)	(1,065)
Purchases of investment securities	(366)	(400)
Expenditure for acquiring shares in affiliates	(315)	(1,021)
Proceeds from sales of shares in affiliates	200	7
Expenditure for acquiring shares in subsidiaries which involved change in the scope of consolidation	(2,191)	(172)
Expenditure for equity investment	(155)	(572)
Expenditure for loans	(243)	(354)
Collection on loans	113	263
Payments for deposits and guarantees	(132)	(572)
Proceeds from cancellation of deposits and guarantees	16	129
Others	208	287
Cash flows from investing activities	(4,356)	(4,798)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,209)	(152)
Repayment of long-term borrowings	(63)	(61)
Redemption of corporate bonds	(877)	(748)
Dividends paid	(1,657)	(1,659)
Others	(108)	55
Net cash provided by (used in) financing activities	(3,915)	(2,565)
Effect of exchange rate changes on cash and cash equivalents	(7)	0
Increase (decrease) in cash and cash equivalents	(274)	2,652
Cash and cash equivalents at beginning of year	15,906	15,632
Cash and cash equivalents at end of the year	* 15,632	* 18,284

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

No relevant items

(6) Basis of presentation of the consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 16

Names of consolidated subsidiaries:

Fields Jr. Corporation

Shin-Nichi Technology Co., Ltd.

Total Workout premium management Inc.

Lucent Pictures Entertainment, Inc.

Digital Frontier Inc.

K-1 INTERNATIONAL Corporation

MICROCABIN CORP.

IP Bros. Incorporated

FutureScope Corporation

EXPRESS Inc.

GEMBA Inc.

Digital Frontier (Taiwan) Inc.

Fly Studio SDN, BHD

NEX ENTERTAINMENT CO., LTD.

BOOOM Corporation

Tsuburaya Productions Co., Ltd.

During the year under review, the liquidation of JSM Hawaii, LLC and Japan Sports Marketing Inc. were completed, and therefore, these companies have been excluded from the scope of consolidated accounting.

Total Workout premium management Inc. and Digital Frontier (Taiwan) Inc., newly established during the year under review, are now included in the scope of consolidated accounting.

Since the Company newly acquired shares in NEX ENTERTAINMENT CO., LTD. and Fly Studio SDN, BHD during the year under review, it now includes these companies in its scope of consolidated accounting.

F Corporation changed its trade name to BOOOM Corporation during the year under review.

(2) Names of significant non-consolidated subsidiaries:

HERO’S Properties Inc.

APE Inc.

NEX Future Production Co., Ltd.

Reason for excluding 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. Application of equity method

(1) Number of affiliates accounted for using the equity method: 7

Mizuho Corp.

HERO'S Inc.

Rodeo Co., Ltd.

SOGO MEDIA INC.

Bbmf Magazine, Inc.

SPO Inc.

Kadokawa Haruki Corporation

Since the Company acquired shares in Mizuho Corp. during the year under review, it newly applies the equity method to the company.

(2) Names of non-consolidated subsidiaries and affiliates not accounted for using the equity method:

HERO'S Properties Inc.

APE Inc.

NEX Future Production Co., Ltd.

G&E Corporation

Reason for not applying 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 date differs from that for consolidated accounts, the financial statements relating to those companies' fiscal years are utilized.

3. Business years of consolidated subsidiaries

The accounts settlement dates of consolidated subsidiaries correspond with the Company's consolidated accounts settlement date of the Company.

4. Accounting standards

(1) Valuation standards and methods for important assets

[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.

[2] Derivatives:

Stated at market value

[3] Inventories

Inventories held for purposes of ordinary sales

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).

a. Merchandise

Fields Corporation:

Used pachinko/pachislot machines

Specific identification method

Others

Moving average method

Consolidated subsidiaries:

Periodic average method

b. Work in process

Consolidated subsidiaries:

Specific identification method

c. Raw materials

The Company and its consolidated subsidiaries

Moving average method

d. Supplies

Last purchase price method

(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 and structures	3–50 years
Machines and conveyors	2–12 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 (5 years).

[3] Long-term prepaid expenses

Straight-line method

(3) 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 during the year under review.

[3] Accrued bonuses to directors and auditors

To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the year under review based on the projected bonus payments.

[4] 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 year under review, benefit obligations accrued as of the end of the year.

Actuarial differences are amortized proportionately by the straight-line method over a fixed number of years (5 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] Provision for sales returns

To provide against losses in future sales returns, some of the subsidiary companies factor in the projected amount of losses from such returns in advance.

(4) Amortization method for goodwill and the amortization period

Goodwill is amortized equally for a reasonable number of years within 10 years, estimating the period when its effect is generated.

(5) Scope of funds in consolidated statements of cash flows

Funds include cash on hand, demand deposits, and short-term investments maturing or redeemable within 3 months after acquisition that are highly liquid, easily convertible into cash, and exposed to low price fluctuation risk.

(6) Other significant matters in the preparation of the consolidated financial statements

Accounting for consumption taxes

Consumption tax is accounted for by the tax-excluded method.

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

Changes in presentation methods

Consolidated statements of income

Because the rubric "Loss on disposal of fixed assets," which had been included in "Others" under extraordinary loss in the previous fiscal year, accounted for more than 10% of total extraordinary losses, it is presented separately in the current fiscal year. The consolidated balance sheet for the previous fiscal year has been rearranged to reflect this presentation method.

As a result, the sum of ¥159 million which had been included in "Others" under extraordinary loss in the consolidated statements of income for the previous fiscal year has been divided in two: ¥39 million is reported as loss on disposal of fixed assets and ¥120 million as "Others."

Consolidated cash flow statement

The rubric "Proceeds from payments by minority shareholders," which had been presented separately under the cash flow from financing activities until last fiscal year, is included in "Others" in the section concerning cash flows from financing activities, because the amount has been reduced to an insignificant level. The consolidated balance sheet for the previous fiscal year has been rearranged to reflect this presentation method.

As a result, the ¥22 million in proceeds from payments by minority shareholders in the consolidated statement of cash flows for last fiscal year and the ¥(130) million in "Others" in the cash flow from financing activities have been combined, and ¥(108) million of the cash flow from financing activities is reported as "Others." The amount of proceeds from payments by minority shareholders in the current fiscal year is ¥2 million.

Additional information

Due to the accounting changes and past error corrections that have been made since the beginning of the current fiscal year, the Company has applied the Accounting Standards for Accounting Changes and Error Corrections (ASBJ Statement No. 24, issued on December 4, 2009) and the Guidance for the Application of the Accounting Standards for Accounting Changes and Error Corrections (ASBJ Guidance No. 24, issued on December 4, 2009).

(8) Notes to the consolidated financial statements

Consolidated balance sheets

*1 Assets provided as security

Assets provided as security

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Time deposits	¥40 million	¥- million

Secured debts

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Corporate bonds redeemable within 1 year	¥10 million	¥- million
Current portion of long-term borrowings within 1 year	¥30 million	¥- million

*2 Related to non-consolidated subsidiaries and affiliates

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Investment securities (shares)	¥2,208 million	¥3,553 million

3. Contingent liabilities

The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls from pachinko/pachislot machine manufacturers when acting as a representative in such sales.

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Niimi Co., Ltd.	¥47 million	¥88 million
Nobuta Enterprise Co., Ltd.	¥- million	¥86 million
K.K. Corona	¥5 million	¥84 million
K.K. Ichiroku Shoji	¥31 million	¥55 million
K's corporation	¥13 million	¥49 million
Gaia Co., Ltd.	¥3 million	¥45 million
Asahi Shoji Co., Ltd.	¥0 million	¥24 million
K. K. Taisei Kanko	¥30 million	¥21 million
K. K. The City	¥21 million	¥21 million
Y. K. Big Shot	¥15 million	¥19 million
Others	¥655 million	¥828 million
Total	¥824 million	¥1,324 million

*4 Notes maturing at the end of the fiscal year

The accounting of notes maturing at the end of the fiscal year is based on the day when they are cleared.

Since the last day of the fiscal year fell on a holiday, the below-listed notes maturing on the day are included in the balance of notes receivable at the end of the fiscal year.

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Notes receivable	-	¥420 million
Non-operating notes receivable	-	¥1 million

5. Overdraft agreements

To raise working capital efficiently, the Fields Group has concluded an overdraft agreement with banks. Unutilized balances under these agreements as of March 31, 2012, were as follows:

	Fiscal year ended March 2011 (as of March 31, 2011)	Fiscal year ended March 2012 (as of March 31, 2012)
Overdraft limit	¥17,100 million	¥17,400 million
Borrowings outstanding	¥85 million	¥400 million
Difference	¥17,015 million	¥17,000 million

Consolidated statements of income

*1 Loss on disposal of fixed assets:

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Buildings and structures	¥3 million	¥4 million
Tools, furniture and fixtures	¥7 million	¥9 million
Software	¥28 million	¥69 million
Telephone subscription rights	¥- million	¥1 million
Total	¥39 million	¥83 million

*2 Impairment loss

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

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

Usage	Miscellaneous business-related assets
Type	Buildings and structures Tools, furniture and fixtures
Location	Setagaya-ku, Tokyo and other places
Amount	¥44 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 Company has recognized losses due to the earlier disposal of assets than initially projected in office relocation plans it could not expect to recover at book value. Such losses consist of ¥38 million on the buildings and structures and ¥6 million on tools, furniture, and fixtures.

The recoverable value of these properties has been calculated on the basis of value in use because net selling prices are not available, but such recoverable value is appraised at 0 because no future cash flow is expected.

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

Usage	Mobile business-related assets	Miscellaneous business-related assets
Type	Software	Buildings and structures
Location	Shibuya-ku, Tokyo	Minato-ku, Tokyo
Amount	¥173 million	¥23 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 practices.

With regard to mobile business-related assets, the Company has recognized losses consisting of ¥173 million on the software, because it could not expect to recover fixed assets at book value due to lower profitability.

The recoverable value of these properties has been calculated on the basis of value in use because net selling prices are not available, but such recoverable value is appraised at 0 because no future cash flow is expected.

With regard to miscellaneous business-related assets, the Group has recognized losses, which consist of ¥23 million on buildings and structures, because it planned to relocate its offices and disposed of the assets earlier than initially planned, and as a result, it could not expect to recover their book value.

The recoverable value of these properties has been calculated on the basis of value in use because net selling prices are not available, but such recoverable value is appraised at 0 because no future cash flow is expected.

Consolidated statements of comprehensive income

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

* Recycling and tax effects related to other overall income

Unrealized holding gain on available-for-sale securities	
Differences that arose during the current fiscal year	¥105 million
Amount of recycling	¥- million
Pre-tax adjustments	¥105 million
Amount of tax effects	¥107 million
Unrealized holding gain on available-for-sale securities	¥(1) million
Foreign currency translation adjustment	
Differences that arose during the current fiscal year	¥(0) million
Amount of recycling	¥- million
Pre-tax adjustments	¥(0) million
Amount of tax effects	¥- million
Foreign currency translation adjustment	¥(0) million
Share of other comprehensive income of associates accounted for using equity method	
Differences that arose during the current fiscal year	¥- million
Total other comprehensive income	¥(2) million

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

1 Shares issued

Type	As of April 1, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	347,000	-	-	347,000

2 Treasury shares

Type	As of April 1, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	14,885	-	-	14,885

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 23, 2010	Common stock	830	2,500	March 31, 2010	June 24, 2010
Meeting of the Board of Directors on November 4, 2010	Common stock	830	2,500	September 30, 2010	December 3, 2010

(2) Dividends for which the cut-off date came during the fiscal year ended March 31, 2011, but the effective date will come during the fiscal year ended March 31, 2012 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 22, 2011	Common stock	830	Retained earnings	2,500	March 31, 2011	June 23, 2011

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

1 Shares issued

Type	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock (shares)	347,000	-	-	347,000

2 Treasury shares

Type	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock (shares)	14,885	277	-	15,162

Outline of the reason for change

Increase due to requests for purchase made in accordance with Paragraph 1, Article 797 of the Companies Act: 277 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 22, 2011	Common stock	830	2,500	March 31, 2011	June 23, 2011
Meeting of the Board of Directors on November 2, 2011	Common stock	830	2,500	September 30, 2011	December 2, 2011

(2) Dividends for which the cut-off date came during the fiscal year ended March 31, 2012 but the effective date will come during the fiscal year ending March 31, 2013 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 20, 2012	Common stock	829	Retained earnings	2,500	March 31, 2012	June 21, 2012

Consolidated statements of cash flows

* Relationship between cash and cash equivalents as of the end of the fiscal year and cash amounts stated on the consolidated balance sheets

	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Cash and deposit accounts	¥15,873 million	¥18,344 million
Time deposits of which depositing period exceeds 3 months	¥(200) million	¥(60) million
Deposits provided as security	¥(40) million	¥- million
Cash and cash equivalents	¥15,632 million	¥18,284 million

Segment information

1 General information about reportable segment

The reportable segments of the Company are business units of the Fields Group for which the Company is able to obtain individual financial information separately in order for the board of directors to conduct periodic investigation to determine distribution of management resources and evaluate their business performance.

The Company's reportable business segments are based on groups of similar products, services, etc., which are segmented into Pachinko/Pachislot (PS) Field, Mobile Field, Sports Entertainment Field and Other Field.

Major operations covered by each reportable segment include the purchase and sale, planning, and development of pachinko/pachislot machines, as well as related operations incidental thereto for the Pachinko/Pachislot (PS) Field, mobile content, etc. for the Mobile Field, sports management and related activities for the Sports Entertainment field, and planning and production of videos such as movies and TV programs, as well as planning, production, sale, etc. of character goods in the Other field.

2 Method for calculating the amount of net sales, income or loss, assets, liabilities, and other items in each reportable segment

In general, the method for the accounting of reportable business segments is the same as that described in the "Basis of presentation of the consolidated financial statements."

3 Information on the amount of net sales, income or loss, assets, liabilities, and other items in each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total	Adjustment (Note 1)	Amount in the consolidated statement of income (Note 2)
Net sales							
Net sales to third parties	93,880	1,990	2,143	5,578	103,593	-	103,593
Inter-group net sales or transfers	234	41	27	303	606	(606)	-
Total	94,115	2,032	2,171	5,881	104,200	(606)	103,593
Segment income (loss)	12,866	236	(290)	315	13,127	8	13,136
Segment assets	75,210	1,422	904	6,128	83,667	(4,695)	78,971
Other items							
Depreciation and amortization	1,290	179	96	171	1,738	(4)	1,734
Impairment loss	9	4	2	28	44	-	44
Investments in companies to which the equity method applies	598	-	-	1,398	1,996	-	1,996
Amortization of goodwill	24	-	212	270	507	-	507
Increase (decrease) in tangible fixed assets and intangible fixed assets	1,144	498	52	2,973	4,669	(14)	4,655

(Note) 1. The adjustments for segment income (¥8 million), segment assets (-¥4,695 million), depreciation and amortization (-¥4 million), and increase in tangible and intangible fixed assets are due to the write-off of intersegment transactions.

2. The segment income is adjusted with operating income in the consolidated statement of income.

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total	Adjustment (Note 1)	Amount in the consolidated statement of income (Note 2)
Net sales							
Net sales to third parties	83,780	1,741	1,938	4,734	92,195	-	92,195
Inter-group net sales or transfers	178	182	6	725	1,093	(1,093)	-
Total	83,959	1,924	1,945	5,460	93,288	(1,093)	92,195
Segment income (loss)	8,664	11	7	(139)	8,544	(16)	8,527
Segment assets	87,233	1,294	1,426	6,181	96,135	(2,533)	93,601
Other items							
Depreciation and amortization	1,376	348	55	186	1,967	(4)	1,962
Impairment loss	-	173	-	23	197	-	197
Investments in companies to which the equity method applies	1,597	-	-	1,398	2,995	-	2,995
Amortization of goodwill	54	1	-	277	333	-	333
Increase (decrease) in tangible fixed assets and intangible fixed assets	2,075	418	27	345	2,866	(21)	2,845

(Note) 1. The adjustments for segment income (-¥16 million), segment assets (−¥2,533 million), depreciation and amortization (-¥4 million), and increase (decrease) in tangible fixed assets and intangible fixed assets (-¥21 million) are due to the write-off of intersegment transactions.

2. The segment income is adjusted with operating income in the consolidated statement of income.

Related information

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

1 Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2 Information on each region

(1) Net sales

Information on net sales in each region has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Tangible fixed assets

Not applicable because the Company does not have tangible fixed assets outside Japan.

3 Information on each major customer

(Unit: Million yen)

Customer name	Net sales	Name of the related segment
Bisty Co., Ltd.	13,350	Pachinko/Pachislot (PS) Field

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

1 Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2 Information on each region

(1) Net sales

Information on net sales in each region has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Tangible fixed assets

Information on the amount of tangible fixed assets in each region has been omitted because the amount of tangible fixed assets in Japan accounted for more than 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3 Information on each major customer

(Unit: Million yen)

Customer name	Net sales	Name of the related segment
Bisty Co., Ltd.	11,255	Pachinko/Pachislot (PS) Field

Information on impairment loss for fixed assets in each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total
Impairment loss	9	4	2	28	44

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total
Impairment loss	-	173	-	23	197

Information on the amount of amortization of goodwill and balance in each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total
Amortization for the year ended March 31, 2011	24	-	212	270	507
Balance at the end of the year ended March 31, 2011	340	-	-	2,461	2,801

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

(Unit: Million yen)

	Pachinko/ Pachislot (PS) Field	Mobile Field	Sports Entertainment Field	Other Field	Total
Amortization for the year ended March 31, 2012	54	1	-	277	333
Balance at the end of the year ended March 31, 2012	309	-	-	2,188	2,498

Information on gain on negative goodwill in each reportable segment

Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)

No relevant items

Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)

No relevant items

Per-share data

Item	Fiscal year ended March 31, 2011 (as of March 31, 2011)	Fiscal year ended March 31, 2012 (as of March 31, 2012)
Net assets per share (yen)	140,853.00	153,904.22
Amount of net income per share (yen)	22,643.86	18,044.65

(Note) 1. Since no latent share exists, the amount of diluted net income per share is not stated.
2. The amount of net income per share and the basis for calculation is as follows:

Item	Fiscal year ended March 31, 2011 (April 1, 2010–March 31, 2011)	Fiscal year ended March 31, 2012 (April 1, 2011–March 31, 2012)
Net income (million yen)	7,520	5,991
Amount not allocable to common shares	-	-
Net income allocable to common shares (million yen)	7,520	5,991
Average number of shares of common stock outstanding (shares)	332,115	332,020
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	―――	―――

Significant subsequent events

No relevant items

5. Others

(1) Personnel change in officers

[1] Change of representatives of the Company

No relevant items

[2] Change of other officers

The nomination of candidates for auditors is as follows:

Each candidate will be elected auditor at the 24th General Meeting of Shareholders to be held on June 20, 2012.

Candidates for auditors

Name	
Kenichi Ikezawa	(new)
Tadao Koike	*
Yoshika Furuta	(reelected)
Koichiro Nakamoto	(reelected)

(Notes) Mr. Kenichi Ikezawa, a candidate for auditor, is an outside auditor as stipulated in Item 16, Article 2 of the Companies Act.

Mr. Shigeru Matsushita, one of the current auditors, is scheduled to resign with the expiration of his term of office.

* Mr. Tadao Koike, who is currently serving as auditor, will not be included in the auditor-related resolution at the General Meeting of Shareholders.