



# Results in the first half of the fiscal year to March 2005

2004.11.19

**JASDAQ:2767**

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# Company information



## Company information

(30 Sep. 2004)

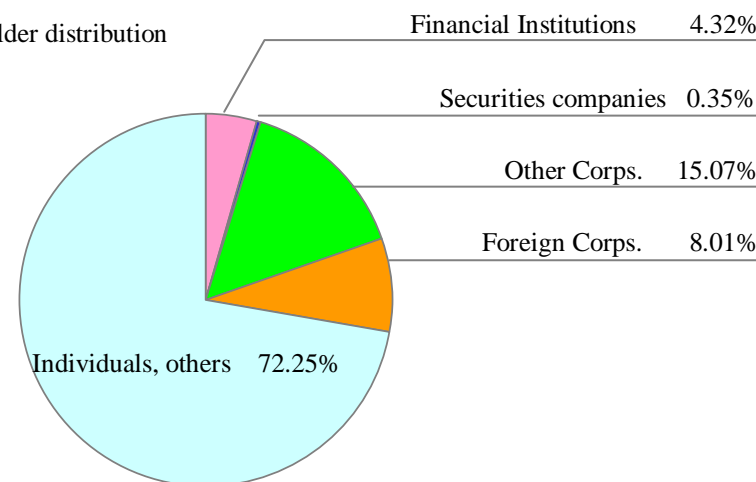
Company	FIELD'S CORPORATION http://www.fields.biz/
Setup	July, 1988 (Started business as Toyo Corp. from 1983)
Address	E Space Tower-Building 12F, 3-6 Maruyama-cho Shibuya-ku, Tokyo 150-0044 Japan
Capital	JPY 7,948,030,000
Shares	Outstanding shares 347,000 shares ※Share split 2:1 on July 2004
Employees	735 (Consolidated)
Business	Development, distribution and agency sales of pachinko & pachislot machines in Japan
Sales offices	Sapporo, Aomori, Sendai, Koriyama, Niigata, Takasaki, Utsunomiya, Tsukuba, Saitama, Chiba, Tokyo, West Tokyo, Yokohama, Shizuoka, Nagoya, Nagano, Aichi, Mie, Kanazawa, Kyoto, Osaka, Kobe, Hiroshima, Okayama, Yamaguchi, Matsuyama, Fukuoka, Saga, Kagoshima (Total 29 offices in Japan)
Consolidated subsidiaries	Professional Management Co.,Ltd Fields Jr. Corporation White Trash Charms Japan Co.,Ltd Total Workout Corporation Digital Lord Corporation
Affiliate companies	Rodeo Corporation D3 publisher Inc.

## Shareholder information

8,866 shareholders (on 30 Sep 2004)

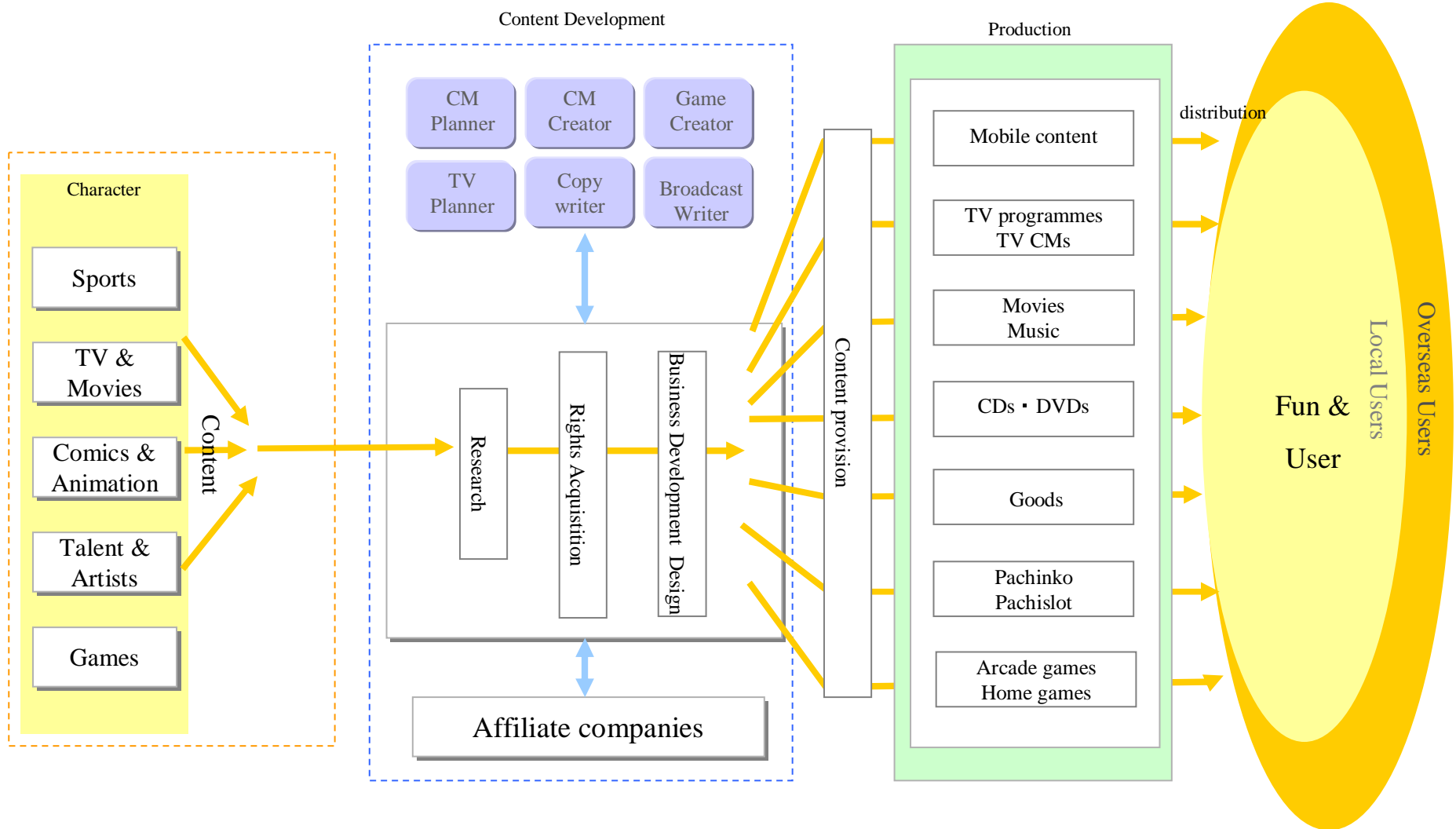
Shareholder name	%
Yamamoto Hidetoshi (CEO)	32.33%
Yamamoto Takeshi	11.52%
Yamamoto Yoko	10.08%
Sammy Corp.	7.92%
Mint YK	4.61%
Morgan Stanley & Company International Ltd.	3.02%
Fields E.S.O.P	2.73%
Yamamoto Yuki	1.44%
Master Trust	1.37%
Japan Trustee	1.18%

Shareholder distribution



# Content provider fields

《The greatest leisure for all people》



# Market for Content

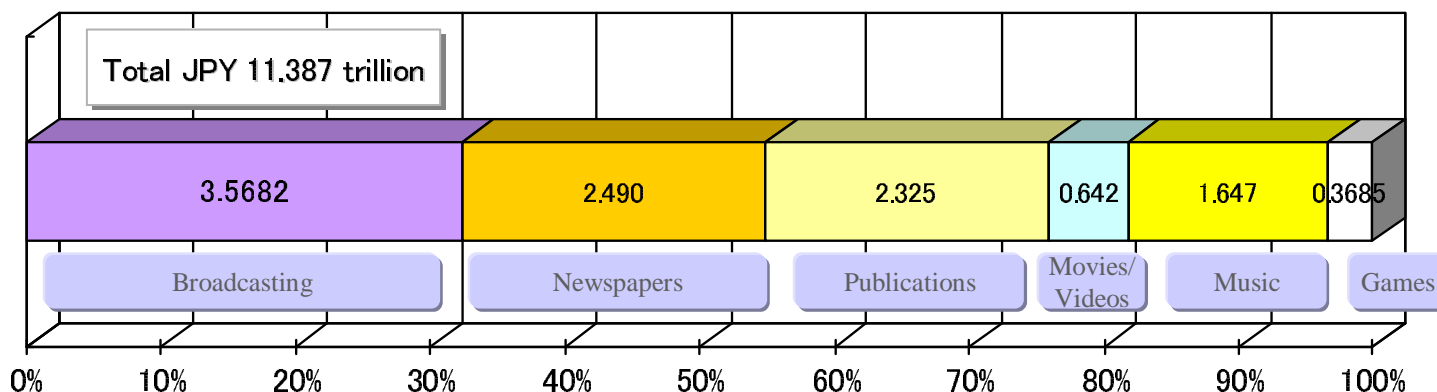


Creation of content industry led by the government

<i>Target</i>	<i>2001</i>	<i>2010</i>
<i>Size of Japanese market for content</i>	<i>JPY 11 trillion</i>	<i>JPY 15 trillion</i>
<i>(Japanese market for digital content)</i>	<i>JPY 1.9 trillion</i>	<i>JPY 6.3 trillion</i>
<i>Export and license market</i>	<i>JPY 0.3 trillion</i>	<i>JPY 1.5 trillion</i>

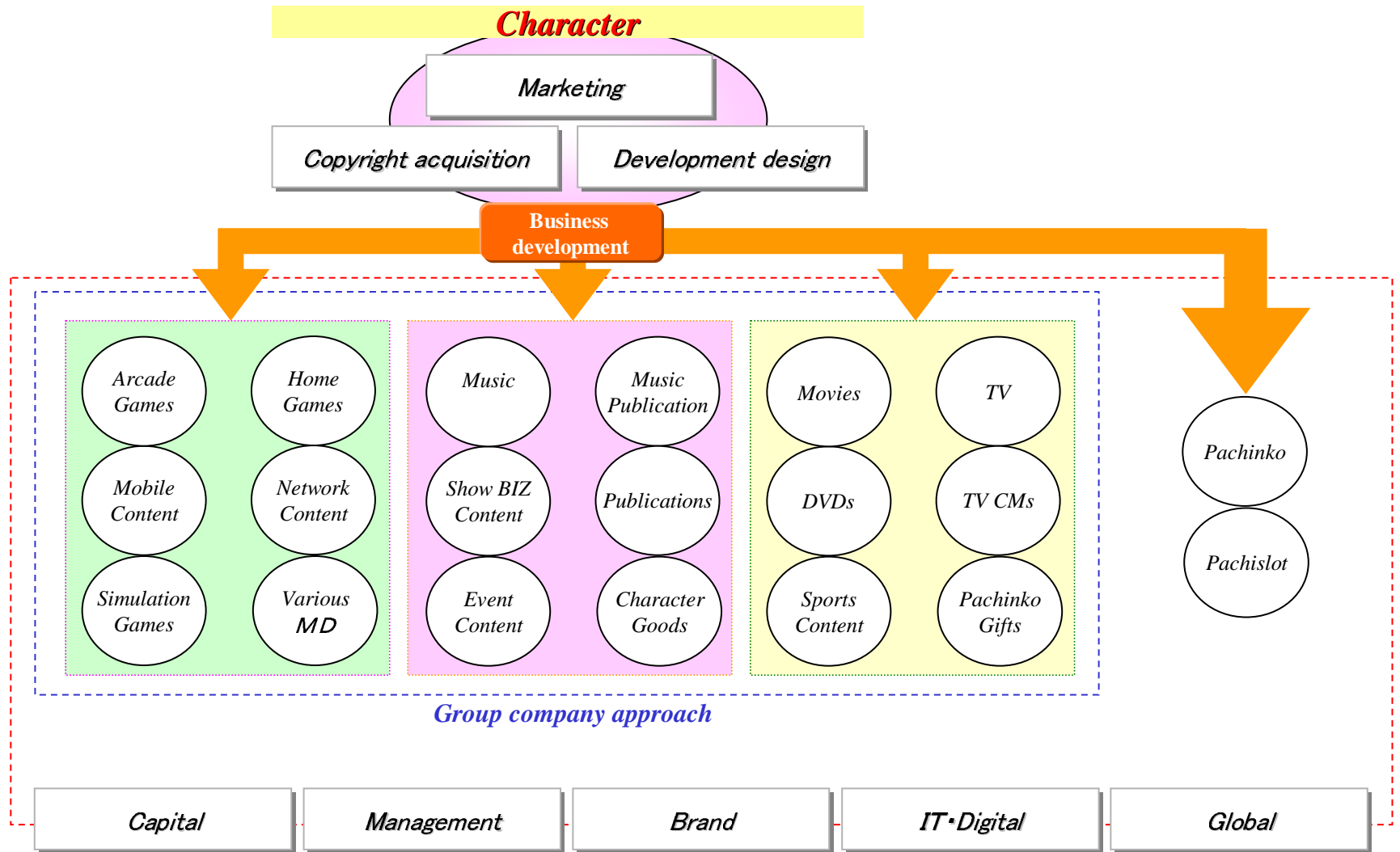
(Source: "New industrial creation strategy" The Ministry of Economy, Trade and Industry May 2005)

(Reference data)



※Source: CESA Game white paper, Recording Industry Association of Japan, Karaoke white paper, White Paper on Leisure, Movie Producers Association of Japan, Japan Video Software Association, The Ministry of Public Management, Home Affairs, Posts and Telecommunications communication industry investigation of actual conditions, Publication guidance annual report, The Japan Newspaper Publishers and Editors Association

# Content Provision Strategy



**Mid-term results & forecasts for the full year**



**Year to March 2005**

**Mid-term results**

## Mid-term results (Non-consolidated)

[compared with the same period the previous year]

<i>Item (JPYMM)</i>	<i>Comparison</i>		
	<i>March 2004 Mid-term result</i>	<i>March 2005 Mid-term result</i>	<i>Relative to previous year (%)</i>
<i>Sales</i>	36,042	30,265	84.0%
<i>Gross profit</i>	10,319	8,727	84.6%
<i>SG&amp;A</i>	4,226	5,398	127.7%
<i>Operating income</i>	6,092	3,328	54.6%
<i>Ordinary income</i>	6,161	3,265	53.0%
<i>Net income</i>	3,312	1,992	60.1%

## Company's original forecasts of mid-term results (Non-consolidated)



<i>Item (JPYMM)</i>	<i>Comparison</i>		
	<i>March 2004 Mid-term results</i>	<i>March 2005 Mid-term forecasts</i>	<i>Forecasts rel to previous year (%)</i>
<i>Sales</i>	36,042	31,200	86.6%
<i>Gross profit</i>	10,319	10,055	97.4%
<i>SG&amp;A</i>	4,226	6,020	142.5%
<i>Operating income</i>	6,092	4,035	66.2%
<i>Ordinary income</i>	6,161	4,100	66.5%
<i>Net income</i>	3,312	2,190	66.1%

### Mid-term results

- Company's original forecast of mid-term ordinary income was Y2.1bn smaller than ordinary income in the first half of last fiscal year because:
  - The company increased the number of sales people to 450 in the latest interim term
    - ⇒The goal was to increase sales to the Sammy group, the SANKYO group and other makers with which Fields concluded initial business agreements
  - The company increased the number of sales offices equipped with showrooms to sell a larger number of models
  - The forecasts were based on the assumption that costs would increase due to aggressive business expansion

## Mid-term results (Non-consolidated)



<i>Item (JPYMM)</i>	<i>Comparison</i>		
	<i>March 2005 mid-term Forecast</i>	<i>March 2005 mid-term Result</i>	<i>Result relative to forecast (%)</i>
<i>Sales</i>	31,200	30,265	97.0%
<i>Gross profit</i>	10,055	8,727	86.8%
<i>SG&amp;A</i>	6,020	5,398	89.7%
<i>Operating income</i>	4,035	3,328	82.5%
<i>Ordinary income</i>	4,100	3,265	79.6%
<i>Net income</i>	2,190	1,992	91.0%

### March 2005 mid-term results

Ordinary income Y3.3bn, 79.6% of original forecast.

Profit fell short of the company forecast mainly because the sale of one pachinko machine model and one pachislot machine model was delayed until the second half of the fiscal year

## Mid-term results (Consolidated)



<i>Item (JPYMM)</i>	<i>Comparison</i>				
	<i>March 2004</i>	<i>March 2005 Forecast</i>	<i>March 2005 Result</i>	<i>Rel. to 2004 (%)</i>	<i>Rel. to forecast (%)</i>
<i>Sales</i>	36,567	32,237	30,975	84.7%	96.1%
<i>Gross profit</i>	10,508	10,455	8,986	85.5%	85.9%
<i>SG&amp;A</i>	4,396	6,492	5,814	132.2%	89.6%
<i>Operating income</i>	6,111	3,963	3,171	51.9%	80.0%
<i>Ordinary income</i>	6,413	4,117	3,280	51.1%	79.7%
<i>Net income</i>	3,523	2,187	1,972	56.0%	90.2%

### March 2005 Mid-term results (consolidated)

Consolidated sales were 1.02 times non-consolidated sales, while consolidated net income was 0.99 times non-consolidated net income

Consolidated subsidiary Total Work-out opened its third branch office in July 2004, in Osaka.

# Mid-term sales of pachinko machines



## Pachinko machine model

Maker	Model name	Number sold in interim term	Total number sold
Sammy	CR Rikidozan	* 22,427	40,710
Bisty	CR Fever Kung-fu girl	* 10,594	14,712
Sammy	CR Super Song Pachinko Linda	25,795	
Bisty	CR Fever Twins	8,324	
Sammy	CR Bakufu no Kaze	13,176	
Other makers		10,841	
Mid-term	Total	91,157	
3Q	Bisty	CR Circuit e Iko!	* Sales for 3Q
	Bisty	CR Neon Genesis Evangelion	Now on sale!

\* Sales of Sammy's CR Rikidozan and Bisty's CR Fever Kung-fu Girl started in February 2004, so most agency sales of these models were counted in 1Q 2005. The numbers shown are for the interim term only

\*Since sales of Bisty's CR Circuit e Iko! started in September 2004, they are counted in 3Q 2005.

## Models



### CR Super Song Pachinko Linda

- Character based on a famous singer, Linda Yamamoto
- Advanced game character sings, dances, talks like a real person

(c)LMO/GD (c)Sammy



### CR Fever Twins

- 1 of 2 screens can be selected with one button
- Thus, two "worlds" appear on 1 machine

(c)Bisty



### CR Bakufu no Kaze

- Uses popular 'Shinsengumi' as motive
- Based on Sammy's traditional mission approach

(c)Sammy



### CR Circuit e Iko!

- First machine to use 'GT time' (time limited mission)
- Characters based on famous racers 'Mr Hiromi' 'Mr Hosaka' and captures the exciting atmosphere of a racing track



### CR Neon Genesis Evangelion

- New machine built to conform to new regulations. Full model change machine
- Uses popular comic characters from TV, videos and animations

(C) GAINAX/ProjectEva\*TV Tokyo

# Mid-term sales of pachislot machines



## Pachislot model

Maker	Model Name	Number sold in interim term	Total number sold
Rodeo	Gamera High Grade Vision	* 31,118	61,126
Bisty	Fever Summer Festival	5,924	
Rodeo	Ume-matsu Dynamite Wave	*35,795	36,541
Other makers		4,713	
Mid-term	Total	77,550	
3Q	Rodeo Kaiji	*On sale	

\*Sales of Gamera High Grade Vision were begun last fiscal year.

\*Total sales of Ume-matsu Dynamite Wave include sales to date in 3Q 2005.

## Models



### Gamera High Grade Vision [LCD]

· The first pachislot machine with a 20-inch LCD screen, it offers doughnut vision. Full model change machine.

©Kadogawa Daie©1999 Kadogawa Daie TNH



### Fever Summer Festival [LCD]

· Use characters from SANKYO's popular pachinko machine, CR Summer Festival

©Kadogawa Daie©1999 Kadogawa Daie TNH



### Ume-matsu Dynamite Wave [LCD]

· Designed in collaboration with famous actors, Mr Umemiya and Mr Matsukata

©NP/GD/PKL © PC/BP



### Kaiji [LCD]

· First machine with 13-inch, full-color LCD screen  
· Story and characters from the comic 'Kaiji'. Shows gamblers' exciting pastime

©Fukumoto Nobuyuki/Kodansha

## Number of pachinko & pachislot machines sold



<i>Consolidated (JPY 000)</i>	2001	2002	2003		2004			2005			
	Full-year	Full-year	1 <sup>st</sup> half	2 <sup>nd</sup> half	Total	1 <sup>st</sup> half	2 <sup>nd</sup> half	Total	1 <sup>st</sup> half	2 <sup>nd</sup> half	Total
<i>Operating profit</i>	1,700,893	5,730,688	4,406,268	2,374,928	6,781,196	6,111,557	5,755,021	11,866,578	3,171,648		
<i>Ordinary profit</i>	1,681,106	5,664,866	4,589,086	2,432,962	7,022,048	6,413,795	5,795,714	12,209,509	3,280,677		
<i>Net profit</i>	583,081	3,041,486	2,278,072	1,246,300	3,524,372	3,523,380	3,096,873	6,620,253	1,972,236		
<b>Number of Machines Sold (Units)</b>											
<i>Pachinko/Pachislot Total</i>	166,339	222,660	133,448	126,365	259,813	153,254	170,683	323,937	168,707		
<b>Breakdown</b>											
<i>Pachinko (units)</i>		62,809	34,823	43,876	78,699	42,575	102,456	145,031	91,157		
		28.20%	26.09%	34.72%	30.29%	27.78%	60.03%	44.77%	54.03%		
<i>Pachislot (units)</i>		159,851	98,625	82,489	181,114	110,679	68,227	178,906	77,550		
		71.80%	73.91%	65.28%	69.71%	72.22%	39.97%	55.23%	45.97%		
<b>Wholesales/Agency sales</b>											
<i>Wholesales (units)</i>		151,423	36,840	46,569	83,409	45,892	105,718	151,610	92,584		
		68.01%	27.61%	36.85%	32.11%	29.95%	61.96%	46.81%	54.87%		
<i>Agency sales (units)</i>		71,237	96,608	79,796	176,404	107,362	64,965	172,327	76,123		
		31.99%	72.39%	63.15%	67.89%	70.05%	38.04%	53.19%	45.13%		
<b>Direct sales/Indirect sales</b>											
<i>Direct sales (units)</i>		129,020	79,859	82,989	162,848	98,305	128,291	226,596	123,338		
		57.94	59.84%	65.67%	62.78%	64.15%	75.16%	69.95%	73.10%		
<i>Indirect sales (units)</i>		93,640	53,589	43,376	96,965	54,949	42,392	97,341	45,369		
		42.06	40.16%	34.33%	37.32%	35.85%	24.84%	30.05%	26.90%		

# Sales forecasts for second half and full fiscal year



Half year result (Consolidated)	2004		2005		Full-year Estimate
	2004 1 <sup>st</sup> half Actual	2004 2 <sup>nd</sup> half Actual	2005 1 <sup>st</sup> half Actual	2005 2 <sup>nd</sup> half Estimate	2005 Full-year Estimate
<i>(JPY mn)</i>					
Sales	36,567	29,644	30,975	42,725	73,700
Gross profit	10,508	11,070	8,986	17,614	26,640
SG&A	4,396	5,315	5,814	7,086	12,900
Operating profit	6,111	5,755	3,171	10,529	13,700
Ordinary profit	6,413	5,796	3,280	10,720	14,000
Net profit	3,523	3,096	1,972	5,628	7,600
Number of models of pachinko machines sold that were jointly developed	1	4	3	6	9
Number of models of pachislot machines sold that were jointly developed	4	3	2	3	5

## 2005 Full-year forecast

- Sales of jointly developed pachinko machines
  - ⇒ Start receiving orders for "CR Neon Genesis Evangelion" in the second half of the year, the first machine from the alliance with Bisty .
  - Already received orders for about 100,000 units and ordered 70,000 to manufacturer
  - ⇒ Expecting to sell 6 models of jointly developed pachinko machines in 2<sup>nd</sup> half, compared to only 3 in 1<sup>st</sup> half
- Sales of jointly developed pachislot machines
  - ⇒ Expecting to sell 3 models in 2<sup>nd</sup> half compared to 2 in 1<sup>st</sup> half

## 2005 Full-year forecast

- Estimating JPY 7 bn of SG&A costs in second half compared to 5.8 bn in 1<sup>st</sup> half
  - ⇒ due partly to postponement of sale of one model each of pachinko and pachislot machine
  - ⇒ Some advertising costs planned for the first half will be borne in the second half of the term

# Introduction of our WEB page



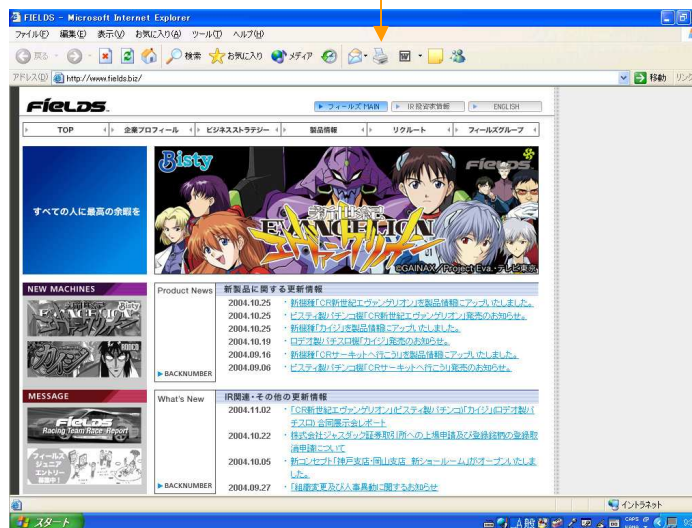
## Fields—IR page



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- Recruiting information
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  - White Trash Charms Japan Co., Ltd.
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  - Fields Jr. Corporation
- TOPIX                    ... etc.

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- Share information

→ Various IR information is offered. Please use it.

...e.tc

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

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