Summary

(Translation)

Fields Corporation
Summary of Financial Information and Business Results (Consolidated) for the Quarter Ended December 31, 2005
(Third Quarter, Year Ending March 31, 2006)

February 10, 2006

Company Name:	Fields Corporation (URL: http://www.fields.biz)
Listed on:	JASDAQ (Securities code: 2767)
Representative Director:	Hidetoshi Yamamoto President, Representative Director and CEO
Inquiries:	Hiroyuki Yamanaka General Manager, Administration Division for Board of Directors Tel: (03) 5784-2111

1. Notes to quarterly financial information

(1) Simplified methods applied for accounting (Yes/No): Yes
Simplified methods were partially applied for calculating tax expense and other items.

(2) Changes in accounting methods since the most recent fiscal year (Yes/No): No

(3) Changes in the scope of consolidation or application of the equity method (Yes/No): Yes
Newly consolidated companies: -; Excluded companies: 2; Newly added equity method companies: -;
Excluded equity method companies: -

On October 1, 2005, three consolidated subsidiaries, namely Professional Management Co., Ltd., Total Workout Corporation and J. Sakazaki Marketing Ltd. merged to form Japan Sports Marketing, Inc. As a result, the number of companies included in the scope of consolidation was reduced by two.

2. Summary of business results for the nine months ended December 31, 2005 (April 1 to December 31, 2005)

(1) Operating results （Rounded down to nearest million）

	Net sales		Operating income		Ordinary income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
Nine months ended December 31, 2005	43,957	(7.1)	1,359	(-58.1)	1,754	(-48.4)
Nine months ended December 31, 2004	41,027	(-11.2)	3,241	(-52.4)	3,401	(-52.3)
Year ended March 31, 2005	81,658		12,097		12,480	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	(% change)	Yen	Yen
Nine months ended December 31, 2005	683	(-66.2)	1,968.81	—
Nine months ended December 31, 2004	2,024	(-48.9)	5,925.30	—
Year ended March 31, 2005	6,926		19,888.61	—

Notes: 1. Average number of shares outstanding

Nine months ended December 31, 2005:	347,000
Nine months ended December 31, 2004:	341,666
Year ended March 31, 2005:	343,000

2. Percentages for net sales, operating income and other items denote changes compared with the corresponding period of the previous fiscal year.

Qualitative data relating to consolidated operating results

In line with its management philosophy of providing "the greatest leisure for all people," the Fields Group is implementing a content provider strategy aimed at supplying multi-use content not only for pachinko/pachislot machines but also a wide range of other fields. In this way it seeks to achieve the steady enhancement of corporate value and shareholder value.

In recent years the Japanese Ministry of Economy, Trade and Industry has been advocating a strategy for the creation of new industries to underpin the Japanese economy in the next generation. Within the strategy, importance is placed on efforts to nurture and expand content originated in Japan, such as animations, comic books (*manga*), movies and music. Given this, the Fields Group has positioned its content provider strategy, centered on digital content, as the driving force of its business operations. In the game field, D3 Publisher Inc. (D3P) engages in an integrated combination of content planning, development and distribution based on three pivotal bases in Japan, the U.S. and Europe. Japan Sports Marketing, Inc., a pioneer in the sphere of sports marketing in Japan, has significant influence with major Japanese and overseas sporting bodies in such sports as baseball, soccer, rugby and golf. Its diverse array of sport-related activities include not only the holding and management of sporting events and the sale of broadcasting rights but also the management of the careers of top-ranking sportsmen and women and the operation of gymnasiums to provide support for the physical training of prominent athletes. Sports are attractive by virtue of the fact that they have global content that transcends the barriers of national borders and languages, and the varied range of sports content that is generated in this field is a driving force in the development of the activities of all Group companies.

The Company's alliance with Kadokawa Haruki Corporation, an equity method affiliate, is progressing well. That company's theater production of *Otokotachi no Yamato*, launched at the end of 2005, has been a major hit and has been producing a powerful media mix of spin-offs in the spheres of movies, publishing and music. All Group companies will be implementing further multi-use applications of Kadokawa Haruki Corporation content.

In our core field, the pachinko/pachislot business, the industry has been maturing progressively, led by its upstream component. This has been reflected in the listing of the shares of leading manufacturers, and this maturation has become more marked by developments such as the filing of listing applications, at the end of last year, by pachinko hall management companies. We believe that the industry's maturing in this way will give impetus to the shift towards a sounder and more sophisticated market. We also expect that in the development of pachinko/pachislot machines this trend will bring about a major change in which the degree of dependence on the speculative aspect of machines will decline significantly, and importance will instead be given to highly entertainment-oriented content that appeals to a broader range of people. This trend can also be expected to act as a catalyst that will stimulate major companies in other industries to enter the pachinko field, creating an opportunity for strong progress in the pachinko market over the medium term. Fields regards such a change in the structure of the industry as offering a major business opportunity, and all Group companies will work in unison to step up their implementation of the content provider strategy.

Amid this environment, in order to ensure ongoing strong progress Fields has given the 2005 fiscal year the status of a term for the inspection, verification and improvement from every possible angle in each of its business activities, and has been addressing an array of issues that include the strengthening of its compliance and corporate governance systems. As a result, considerable progress has been made in enhancing relationships with the manufacturers with which the Company has alliances in the pachinko/pachislot business, and it has established a structure that will ensure the prompt placement on the market of pachinko/pachislot machines of the kind it wants, namely those that place emphasis on entertainment-rich content.

Amid these steps to create a new environment, in the field of pachinko machines the first nine months of the fiscal year (April 1 to December 31, 2005) saw the launch of the *CR Marilyn Monroe* in October 2005 and the *CR Ashita ga Arusa Yoshimoto World* in December. The first of these features the world-famous film star while the second, which appeared under a large-scale tie-up with the full cooperation of Yoshimoto Kogyo Co., Ltd., features 10 leading comedy stars. Both were developed with the objective of widening the base of pachinko fans by appealing to broad consumer segments, and have had an excellent reception in halls nationwide.

In the field of pachislot machines the *Neon Genesis Evangelion*, launched in September 2005 as the first machine in the industry to conform with the new industry regulations, continued to sell well through the third quarter. To date it has maintained the largest share, in terms of both sales and installations, of the market for machines that conform with the new regulations. With respect to machines conforming with the old industry regulations the Company has been monitoring how the market is likely to move in the future, and it has been devoting efforts to boosting sales of machines sold through the agency model, under which it mediates sales as an agent.

A consequence of marketing efforts such as those described above was that in the Company's consolidated results there were increases in both net sales and SG&A expenses, owing to the change of D3P's status from that of equity-method affiliate to consolidated subsidiary during the year under review. During the year, D3P has been implementing active strategic capital measures, including a shift to holding-company status, and in its fiscal year ended October 2005 it posted record-high ordinary income. Other consolidated subsidiaries have been performing in accordance with projections.

In respect of non-consolidated results, in the field of pachislot machines, as a result of monitoring market movements closely, we have postponed until the fourth quarter and beyond the launch of machines that conform with the old industry regulations and are sold under the distribution model, in which we purchase machines from their manufacturers and sell them to pachinko hall operators, and then report the full sales amount for the machines sold. Since emphasis has been placed on sales of machines sold through the agency model where only the sales commissions paid by the manufacturers are reported, net sales fell by ¥1,523,901 thousand or 3.8% year-on-year. Gross profit declined by ¥711,488 thousand or 6.0%, primarily because of increased procurement costs necessitated by the high-performance components and materials required for *Onimusha 3*, which has continued to sell well since the previous year. In addition, SG&A expenses rose by ¥1,454,248 thousand or 17.0%. This is attributable to two factors: first, an increase in personnel, primarily in the Product Development Division and Marketing Office relating to the development of the Company's planning and development structure, which handles an integrated series of activities ranging from the acquisition of copyrights (merchandising rights) to product planning and the development of image and LCD units, and second, active investment in information technology for the purpose of enhancing business efficiency, principally in mission-critical systems, in preparation for the future expansion of the sales network.

As a result, in the period under review net sales increased 7.1% year-on-year, to ¥43,957,425 thousand, operating income declined 58.1%, to ¥1,359,330 thousand, ordinary income fell 48.4%, to ¥1,754,203 thousand, and net income was down 66.2%, to ¥683,178 thousand.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At December 31, 2005	47,558	33,317	70.0	96,014.71
At December 31, 2004	40,254	28,378	70.5	81,781.54
At March 31, 2005	72,584	33,426	46.0	96,026.73

Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at period-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nine months ended December 31, 2005	5,836	(2,423)	(1,145)	15,603
Nine months ended December 31, 2004	(4,149)	(3,578)	9,629	7,340
Year ended March 31, 2005	2,965	(5,257)	10,177	13,326

Qualitative data relating to changes in consolidated financial position

Cash and cash equivalents at the end of the nine-month period ended December 31, 2005, stood at ¥15,603,915 thousand, representing an increase of ¥2,277,658 thousand from March 31, 2005, with income before income taxes and minority interests of ¥1,709,068 thousand. This was attributable primarily to decreases in notes and accounts receivable – trade and accounts payable – trade, and increased expenditure for such purposes as the relocation of branch offices.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥5,836,825 thousand. The principal components of this were a decline of ¥31,986,304 thousand in notes and accounts receivable – trade and of ¥22,734,796 thousand in notes and accounts payable – trade, and income taxes paid of ¥5,521,396 thousand.

Cash flows from investing activities

Net cash used in investing activities totaled ¥2,423,936 thousand. The principal factors in this were purchases of property and equipment totaling ¥690,405 thousand (primarily purchases of property arising as a result of branch relocations), and the acquisition of shares of an affiliate totaling ¥962,560 thousand.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,145,001 thousand. This was attributable primarily to repayments of short-term borrowings totaling ¥220,200 thousand, repayments of long-term borrowings of ¥262,201 thousand, and dividend payments totaling ¥1,284,808 thousand.

3. Forecast earnings for the year ending March 31, 2006 (April 1, 2005, to March 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full year	91,753	11,127	5,793

Reference: Projected net income per share for the year ending March 31, 2006: ¥16,391.93

The enhancement of relationships with allied manufacturers referred to above has been markedly successful in the fourth quarter, building a solid mechanism for product planning, development and supply. In consequence, the Company has positioned itself to bring a succession of highly competitive products to the market and has progressed with preparations to introduce, during the fourth quarter, three pachislot machines compliant with the old regulations that it is currently holding, five pachislot machines that conform with the new regulations, and five pachinko machines.

CR Sakigake!! Otoko Juku, launched in January 2006, has enjoyed a favorable reception, and it is being followed by *CR Neon Genesis Evangelion: Second Impact*, which has been attracting a better-than-expected inflow of orders. In addition, *Ore no Sora*, a pachislot machine compliant with the old regulations that has been launched in the fourth quarter, is attracting an increasing volume of orders backed by strong support from client halls throughout Japan. In consequence, the Company is forecasting that results for the full year will be favorable and in line with projections. With respect to future product launches the Company will monitor trends among client pachinko halls, pachinko fans and elsewhere, and will issue announcements promptly whenever a decision has been made. In respect of the results forecasts for consolidated subsidiaries, their overall performance is proceeding according to plan.

Forecast earnings for the year ending March 31, 2006, are unchanged from the Announcement of Revisions to Forecast Earnings issued on August 26, 2005.

Summary Consolidated Balance Sheets

(Thousands of yen, %)

Item \ Period	(Third quarter ended December 31, 2004) As of December 31, 2004		(Third quarter ended December 31, 2005) As of December 31, 2005		(Fiscal year ended March 31, 2005) As of March 31, 2005	
	Amount	% total	Amount	% total	Amount	% total
Assets						
I Current assets						
1. Cash and cash equivalents	7,340,906		15,603,915		13,326,256	
2. Notes and accounts receivable–trade	13,187,648		5,616,662		37,667,536	
3. Marketable securities	5,000		—		5,000	
4. Inventories	407,035		346,441		480,171	
5. Merchandising right advances	3,014,829		3,743,765		—	
6. Other current assets	4,327,986		4,541,973		5,608,882	
7. Allowance for doubtful accounts	(44,471)		(33,533)		(87,140)	
Total current assets	28,238,934	70.2	29,819,225	62.7	57,000,705	78.5
II Fixed assets						
1. Tangible fixed assets	4,712,988	11.7	4,729,105	9.9	4,857,578	6.7
2. Intangible fixed assets	896,796	2.2	3,340,306	7.0	1,706,367	2.4
3. Investments and other assets						
(1) Investment securities	3,975,325		6,380,470		5,545,899	
(2) Others	2,524,156		3,512,173		3,653,004	
(3) Allowance for doubtful accounts	(93,680)		(222,554)		(179,008)	
Total investments and other assets	6,405,801	15.9	9,670,089	20.4	9,019,895	12.4
Total fixed assets	12,015,586	29.8	17,739,501	37.3	15,583,841	21.5
Total assets	40,254,520	100.0	47,558,726	100.0	72,584,547	100.0

(Thousands of yen, %)

Item \ Period	(Third quarter ended December 31, 2004) As of December 31, 2004		(Third quarter ended December 31, 2005) As of December 31, 2005		(Fiscal year ended March 31, 2005) As of March 31, 2005	
	Amount	% total	Amount	% total	Amount	% total
Liabilities						
I Current liabilities						
1. Accounts payable–trade	6,315,675		5,143,660		27,479,525	
2. Short-term borrowings	230,000		430,000		656,600	
3. Current portion of long-term debt	81,000		232,068		341,768	
4. Corporate bonds redeemable within 1 year	—		50,000		—	
5. Accrued bonuses	5,000		9,652		20,000	
6. Other current liabilities	1,792,394		2,527,664		4,812,214	
Total current liabilities	8,424,069	20.9	8,393,046	17.7	33,310,107	45.9
II Long-term liabilities						
1. Corporate bonds	—		550,000		500,000	
2. Long-term debt	439,000		430,664		593,165	
3. Retirement benefit provisions	124,265		165,242		139,140	
4. Reserve for retirement benefits for directors and statutory auditors	549,500		592,200		568,700	
5. Other long-term liabilities	2,313,912		2,350,866		2,384,503	
Total long-term liabilities	3,426,678	8.5	4,088,973	8.6	4,185,508	5.8
Total liabilities	11,850,748	29.4	12,482,019	26.3	37,495,616	51.7
Minority interests						
Minority interests in consolidated subsidiaries	25,579	0.1	1,759,601	3.7	1,662,657	2.3
Shareholders' equity						
I Common stock	7,948,036	19.7	7,948,036	16.7	7,948,036	10.9
II Capital surplus	7,994,953	19.9	7,994,953	16.8	7,994,953	11.0
III Retained earnings	12,231,171	30.4	16,716,385	35.1	17,133,487	23.6
IV Unrealized holding gain on available-for-sale securities	204,032	0.5	648,455	1.4	349,796	0.5
V Foreign currency translation adjustment	—	—	9,276	0.0	—	—
Total shareholders' equity	28,378,193	70.5	33,317,106	70.0	33,426,273	46.0
Total liabilities, minority interests and shareholders' equity	40,254,520	100.0	47,558,726	100.0	72,584,547	100.0

Summary Consolidated Statements of Income

(Thousands of yen, %)

Item \ Period	Nine months ended December 31, 2004 (April 1–December 31, 2004)		Nine months ended December 31, 2005 (April 1–December 31, 2005)		Fiscal year ended March 31, 2005 (April 1, 2004–March 31, 2005)	
	Amount	% total	Amount	% total	Amount	% total
I Net sales	41,027,860	100.0	43,957,425	100.0	81,658,011	100.0
II Cost of sales	28,661,968	69.9	30,255,387	68.8	56,905,614	69.7
Gross profit	12,365,891	30.1	13,702,037	31.2	24,752,397	30.3
III Selling, general and administrative expenses	9,124,873	22.2	12,342,707	28.1	12,655,173	15.5
Operating income	3,241,017	7.9	1,359,330	3.1	12,097,224	14.8
IV Non-operating income	402,372	1.0	428,075	1.0	655,950	0.8
V Non-operating expenses	242,112	0.6	33,203	0.1	272,602	0.3
Ordinary income	3,401,278	8.3	1,754,203	4.0	12,480,571	15.3
VI Extraordinary income	384,145	0.9	162,809	0.4	346,893	0.4
VII Extraordinary losses	227,983	0.6	207,943	0.5	266,618	0.3
Income before income taxes and minority interests	3,557,440	8.6	1,709,068	3.9	12,560,847	15.4
Current income taxes	1,184,648	2.9	1,176,107	2.7	5,403,841	6.6
Deferred income taxes	340,713	0.8	(147,447)	(0.3)	217,712	0.3
Minority interests	7,602	0.0	(2,769)	0.0	12,502	0.0
Net income	2,024,475	4.9	683,178	1.5	6,926,791	8.5

Summary Consolidated Statements of Cash Flows

(Thousands of yen)

Item \ Period	Nine months ended December 31, 2004 (April 1–December 31, 2004) Amount	Nine months ended December 31, 2005 (April 1–December 31, 2005) Amount	Fiscal year ended March 31, 2005 (April 1, 2004–March 31, 2005) Amount
I Cash flows from operating activities			
1. Income before income taxes and minority interests	3,557,440	1,709,068	12,560,847
2. Depreciation and amortization	394,505	897,002	568,604
3. Amortization of excess of net assets acquired over cost	(1,111)	106,761	(1,481)
4. Increase (decrease) in allowance for doubtful accounts	(41,066)	(36,443)	2,729
5. Increase (decrease) in accrued bonuses	(13,600)	(10,347)	1,400
6. Increase (decrease) in retirement benefit provisions	3,450	26,102	9,110
7. Increase (decrease) in reserve for retirement benefits for directors and statutory auditors	(150,300)	23,500	(131,100)
8. Interest and dividend income	(15,367)	(35,532)	(17,157)
9. Equity in earnings of affiliates	(211,114)	(77,154)	(421,667)
10. Interest expense	12,098	17,102	14,783
11. Stock issuance expense	61,397	803	91,906
12. Corporate bond issuance expense	—	2,400	10,750
13. Capital increase-related expense	92,815	—	112,494
14. Gain on sale of fixed assets	—	(125,462)	—
15. Gain on sale of investment securities	(162,685)	—	(162,685)
16. Gain on investment in anonymous association	—	(29,728)	(45,171)
17. Loss on disposal of fixed assets	61,431	106,899	89,416
18. Impairment loss	—	56,819	—
19. Valuation loss on investment securities	166,477	4,320	175,534
20. Loss on sale of investment securities	—	5,748	—
21. Valuation loss on equity investment	—	22,609	—
22. Decrease (increase) in notes and accounts receivable–trade	5,703,879	31,986,304	(18,363,214)
23. Decrease (increase) in inventories	(155,998)	81,044	(54,621)
24. Decrease (increase) in merchandising right advances	(1,294,753)	(431,011)	(1,592,677)
25. Decrease (increase) in prepaid expenses	182,401	(598,429)	34,850
26. Decrease (increase) in advance payments	(373,168)	(2,345)	(74,885)
27. Decrease (increase) in notes held	158,822	46,198	122,482
28. Decrease (increase) in non-operating notes receivable	(275,116)	699,831	(415,283)
29. Increase (decrease) in deposits as security for dealing	—	(96,993)	(10,000)
30. Increase (decrease) in notes and accounts payable–trade	(5,956,166)	(22,734,796)	15,760,989
31. Increase (decrease) in accrued consumption tax	(531,908)	(311,615)	(269,189)
32. Increase (decrease) in deposits received	(191,799)	104,898	3,529
33. Increase (decrease) in deposits held	1,120,314	(27,743)	1,216,687
34. Payments of bonuses to directors and statutory auditors	(85,000)	(105,000)	(85,000)
35. Others	(1,057,885)	30,290	638,018
Total	997,990	11,305,101	9,769,999
36. Interest and dividends received	34,974	69,365	39,248
37. Interest paid	(12,104)	(16,244)	(14,103)
38. Income taxes paid	(5,170,206)	(5,521,396)	(6,829,288)
Net cash provided by (used in) operating activities	(4,149,346)	5,836,825	2,965,857

(Thousands of yen)

Item \ Period	Nine months ended December 31, 2004 (April 1–December 31, 2004)	Nine months ended December 31, 2005 (April 1–December 31, 2005)	Fiscal year ended March 31, 2005 (April 1, 2004–March 31, 2005)
	Amount	Amount	Amount
II Cash flows from investing activities			
1. Sale of marketable securities	—	5,000	—
2. Purchases of property and equipment	(1,999,320)	(690,405)	(2,245,700)
3. Sale of property and equipment	—	361,069	38,761
4. Purchases of intangible fixed assets	(543,676)	(617,316)	(629,298)
5. Purchases of investment securities	(1,259,935)	(720,000)	(3,182,935)
6. Sale of investment securities	—	—	238,024
7. Expenditure for acquiring shares in affiliates	—	(300,000)	(10,000)
8. Proceeds (expenditure) on acquiring newly consolidated subsidiaries	—	(662,560)	896,150
9. Sale of shares of subsidiaries on change to scope of consolidation	—	8,914	—
10. Expenditure for loans	(24,000)	(209,450)	(24,000)
11. Proceeds from repayment of loans	71,983	220,198	83,158
12. Refund of deposits and guarantees	91,330	241,931	103,463
13. Payment of deposits and guarantees	(130,563)	(14,074)	(466,414)
14. Payment for long-term prepaid expenses	(23,048)	(46,616)	(33,727)
15. Payments to insurance reserve	(819)	(683)	(1,092)
16. Other	239,480	56	(23,543)
Net cash provided by (used in) investing activities	(3,578,570)	(2,423,936)	(5,257,154)
III Cash flows from financing activities			
1. Increase (decrease) in short-term borrowings	(2,770,000)	(220,200)	(2,570,000)
2. Proceeds from long-term borrowings	520,000	—	520,000
3. Repayment of long-term borrowings	—	262,201	(27,000)
4. Proceeds from issuance of corporate bonds	—	97,600	489,250
5. Proceeds from issuance of new stock	13,150,847	—	13,100,659
6. Proceeds from payments by minority shareholders	—	206	—
7. Cash dividends paid	(1,271,695)	(1,284,808)	(1,335,027)
Net cash provided by (used in) financing activities	9,629,151	(1,145,001)	10,177,881
IV Effect of exchange rate changes on cash and cash equivalents	1,912	8,383	1,913
V Increase (decrease) in cash and cash equivalents	1,903,147	2,276,270	7,888,497
VI Cash and cash equivalents at beginning of period	5,437,758	13,326,256	5,437,758
VII Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	—	1,388	—
VIII Cash and cash equivalents at end of period	7,340,906	15,603,915	13,326,256