

Summary

(Translation)

Fields Corporation Summary of First Quarter Financial Statements and Business Results (Consolidated) Year Ending March 31, 2008

August 3, 2007

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(URL: <http://www.fields.biz>)
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(Rounded down to the nearest million)

1. Business results for the first quarter of the year ending March 31, 2008 (April 1, 2007, to June 30, 2007)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter, year ending March 31, 2008	24,234	(-4.4)	2,322	(-26.9)	2,627	(-23.0)
First quarter, year ended March 31, 2007	25,362	(3.9)	3,176	(40.7)	3,413	(28.0)
Year ended March 31, 2007	85,321		8,944		9,202	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First quarter, year ending March 31, 2008	1,156	(-30.3)	3,333.14	—
First quarter, year ended March 31, 2007	1,658	(13.2)	4,778.88	—
Year ended March 31, 2007	3,710		10,692.29	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At June 30, 2007	83,971	43,316	49.5	119,850.22
At June 30, 2006	63,661	41,873	63.3	120,674.06
At March 31, 2007	66,081	42,836	62.2	118,487.37

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at period-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First quarter, year ending March 31, 2008	5,411	(2,145)	(487)	20,674
First quarter, year ended March 31, 2007	(722)	(338)	(257)	14,451
Year ended March 31, 2007	5,293	(4,772)	1,488	17,819

2. Forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008) [Reference]

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	53,000	(12.5)	4,300	(-8.9)	4,200	(-15.7)
Full year	98,000	(14.9)	9,600	(7.3)	9,300	(1.1)

	Net income		Net income per share
	Millions of yen	%	Yen
First half	1,000	(-55.1)	2,881.84
Full year	3,800	(2.4)	10,951.01

3. Other Information

(1) Transfer of important subsidiaries during the period under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation): None

(2) Simplified methods applied for accounting (Yes/No): Yes

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

Note: For details, please see "Qualitative Information and Financial Statements, 4. Other" on page 8.

(Reference) **Summary of Business Results (Non-Consolidated)**

1. Business results for the first quarter of the year ending March 31, 2008 (April 1, 2007, to June 30, 2007)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter, year ending March 31, 2008	21,094	(-7.3)	2,531	(-22.8)	2,614	(-26.1)
First quarter, year ended March 31, 2007	22,756	(-2.3)	3,279	(34.0)	3,535	(31.1)
Year ended March 31, 2007	71,314		8,999		9,393	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First quarter, year ending March 31, 2008	1,397	(-28.3)	4,028.49	—
First quarter, year ended March 31, 2007	1,948	(27.9)	5,616.17	—
Year ended March 31, 2007	4,773		13,755.49	—

(2) Financial position

	Total assets	Net assets	Shareholders' Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At June 30, 2007	74,021	42,705	57.7	123,070.74
At June 30, 2006	57,842	40,390	69.8	116,398.34
At March 31, 2007	57,509	42,001	73.0	121,042.25

2. Forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008) [Reference]

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	46,000	(11.8)	4,700	(-5.6)	4,800	(-9.2)
Full year	75,000	(5.2)	8,400	(-6.7)	8,500	(-9.5)

	Net income		Net income per share
	Millions of yen	%	Yen
First half	800	(-71.5)	2,305.48
Full year	2,800	(-41.3)	8,069.16

Caution regarding forward-looking statements

The forward-looking statements made in this report such as performance perspective are based on currently available information and certain premises that are judged reasonable by management. There are many uncertain factors inherent in forecasting, and there might be cases in which actual results of future business operations and/or events differ from our forecasts depending on changes in diverse conditions. Please see "Qualitative Information and Financial Statements, 3. Qualitative Information on Projections for the Consolidated Business Results" on page 8 with regard to the cautions in using assumptions as the premise for forecast earnings.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Operating Results

The Company began disclosing segment information on its businesses in the first quarter of the year ending March 31, 2008. Therefore, there is no comparison with the first quarter of the previous fiscal year for each segment (hereinafter “Field”).

Overview of Operations for the First Quarter of the Year Ending March 31, 2008

Consolidated net sales for the first quarter of the year ended June 30, 2007, decreased 4.4% year over year to ¥24,234,564 thousand.

The PS (Pachinko and Pachislot) Field progressed favorably in general as we had projected, and **net sales in the PS Field** were ¥21,066,502 thousand. Sales of both the pachinko and pachislot machines of Fields Corporation (hereinafter “the Company”) also expanded as forecast.

The Company focused on sales of pachislot machines responding to large-scale demand for replacement with the new regulation machines during June and July. As a result, the number of pachislot machines sold during the first quarter of the year ending March 31, 2008, decreased 2.2%, remaining almost unchanged from a year earlier. Sales of pachinko machines decreased 57.6% year over year, since we will focus on those machines in the second half of the year under review in accordance with our strategic plan. Therefore, we introduced only one model in the first quarter. This decrease was factored into our plan, and our business is progressing in accordance with it.

Net sales in the Game Field were ¥2,195,976 thousand, primarily as the result of game software sales by D3 Inc. in North America progressing steadily, with those in Europe going full-scale.

Net sales in the Other Field were ¥972,085 thousand mainly due to the fact that FutureScope fully implemented the provision of pachinko information to consumers via mobile sites.

Revenue and profit for the first quarter of the year ended June 30, 2007, were as follows:

Operating income for the first quarter ended June 30, 2007, decreased 26.9% to ¥2,322,818 thousand.

Operating income in the PS Field was ¥2,540,074 thousand. Although the number of pachinko machines sold during the quarter under review decreased from a year earlier, reduction of expenses for sales promotion contributed to a steady increase in operating income.

Operating income in the Game Field was ¥12,997 thousand, mainly as the result of game software sales by D3 Inc. progressing steadily in Japan.

Operating income in the Other Field was decreased ¥228,640 thousand, mainly due to the fact that performance of Japan Sports Marketing Inc. was sluggish.

Ordinary income decreased 23.0% to ¥2,627,373 thousand.

Non-operating income was ¥352,883 thousand, mainly due to an increase in an equity method investment gain at Rodeo Co., Ltd., our equity-method affiliate.

Consequently, **net income for the first quarter of the year ended June 30, 2007**, decreased 30.3% to ¥1,156,602 thousand.

Analysis by Business Segment

(1) PS Field

The business environment surrounding pachinko halls is currently at a significant turning point.

To restrain obsessive gambling, new regulation pachislot machines (so-called regulation five) were introduced, and the full-scale shift to regulation five machines is under way. Last summer through last fall, popular models were withdrawn and the number of active pachislot machines has been decreasing. However, the pachislot market will consist only of new regulation machines by fall of this year. By then, the use of pachislot machines should recover. Also in the market for regulation five machines, pachinko halls are becoming more discerning and have started separating the machines which sell well from those which do not. There are high expectations for manufacturers to develop highly entertaining, quality pachislot machines instead of machines for gambling.

Influenced by the decrease in the number of active pachislot machines, which were previously a large source of revenue, pachinko halls are also increasingly particular in choosing pachinko machines. In contrast to extremely successful machines with highly entertaining features that attract many customers, sales of products with weaker features tend to be sluggish. Such a phenomenon is increasingly evident. To cope with such difficulties, major manufacturers have started to take a different approach. They have begun to decrease the number of machines developed, thereby providing the funding and time to create machines with high product performance—a new trend. At the same time, development of low-priced machines is ongoing, thereby keeping total replacement costs to a minimum, and they are expected to contribute to the well-balanced operation of pachinko halls.

The operating environment surrounding the pachinko industry remains unavoidably difficult for the time being. However, outstanding machines with a strong capacity to both attract customers and offer high profitability are emerging, and product lineups that maintain total cost balance are in the pipeline. Pachinko machines are evolving, and we believe the new machines will boost profitability and lead to a sound overall recovery.

Given such conditions, the results for businesses in the PS Field were as follows:

Pachinko machine sales business

Anticipating that a large portion of the short-term investment by pachinko halls will be used to purchase pachislot machines to address replacement in compliance with regulation five, we do not plan to introduce many pachinko machines in the first half of the year ending March 31, 2008. During the first quarter of the year ended June 30, 2007, we introduced one model, *CR LOONEY TUNES BIA*, by Bisty Co., Ltd. For the second quarter ending September 30, 2007, we will introduce only one model again, *CR Sakura Taisen* by Sammy Corporation, which we have already announced, receiving a higher-than-anticipated number of orders.

The Company will take advantage of this period to review all its products scheduled for release and improve quality. Following such improvements, we will launch more than five models in the second half of the year ending March 31, 2008.

Consequently, during the first quarter of the year ended June 30, 2007, only one model was launched and the number of pachinko machines sold was 27,774, down 57.6% compared with 65,637 for the same period a year earlier.

The machines sold in the first quarter included some of the *CR Neon Genesis Evangelion—Kiseki no Kachiwa* machines. Sales of *CR Neon Genesis Evangelion—Kiseki no Kachiwa* started in the previous fiscal year.

Pachislot machine sales business

Pachinko halls must address a historic, large-scale replacement of machines in June, July and September 2007 given the deadlines stipulated for the use of old regulation machines. To address this shift, we planned the launch of two models in June, two models in July and two or three models in September.

In June, we released the *Morning Musume* and the *Devil May Cry 3* machines, the latter of which was jointly developed with Capcom. *Devil May Cry 3*, which is dramatically rendered with exquisitely beautiful artwork and features innovative game play, has been highly acclaimed and, despite limited sales, became a hit through cumulative machine sales of about 49,000, including approximately 41,000 sold during the first quarter.

As a result, for the first quarter we launched two models and the number of pachislot machines sold declined 2.2% from 58,637 from the same period last year to 57,375, including some of the new regulation pachislot machines that were introduced in the previous fiscal year.

For the second quarter, we launched two models including *Neon Genesis Evangelion—'Magokoro wo Kimini'* by Bisty Co., Ltd. This title continues to gain in popularity among pachinko halls and fans, and the number of orders received is steadily expanding as a result. Sales of this title will be recorded in the second quarter and are not included in the first-quarter results.

In September, the replacement of major, old regulation pachislot machines, such as *Ore-no-Sora*, is scheduled. Focusing on major products, we plan to launch two or three models.

Changes of representative performance indicators in the PS Field segment

(Thousands of yen)

	Fiscal year ended March 31, 2006	First half ended September 30, 2006	Fiscal year ended March 31, 2007	First quarter ended June 30, 2007
Net sales	88,168,782	40,966,146	71,064,425	21,066,502
Operating income (loss)	12,711,000	5,026,461	9,073,848	2,540,074

(2) Game Field

D3 Inc., which mainly focuses on the sales development of the *SIMPLE Series* for Nintendo DS, steadily expanded its domestic sales of low-priced software. In regards to full priced game software, D3 shipped more than 160,000 copies of *Winning Pachinko★Pachislot Series Vol. 10 CR Neon Genesis Evangelion—Kiseki no Kachiwa*, which is the latest simulator software for pachinko/pachislot machines developed through synergies with the Company. In overseas markets, D3 released one low-priced software title and three full-priced titles in North America and Europe focused on sales of titles supplied from North America and Japan.

D3 reviewed delivery schedules for rich game content for mobile phones. The number of paying members for low-priced game content and ladies' content sites based on the rich game content exceeded 960,000, which is a stable revenue source.

ThinkArts Co., Ltd. is strengthening business tie-ups with the Fields Group companies such as D3 Inc. and Fields Pictures Corporation, and aggressively developing game software using rights to well-known copyrighted characters acquired by the Fields Group.

Changes of representative performance indicators in the Game Field segment

(Thousands of yen)

	Fiscal year ended March 31, 2006	First half ended September 30, 2006	Fiscal year ended March 31, 2007	First quarter ended June 30, 2007
Net sales	5,042,102	3,878,951	9,847,658	2,195,976
Operating income (loss)	277,681	(81,446)	220,149	12,997

(3) Other Field

In the Other Field segment, in February 2007, FutureScope Corporation started a new service for providing general entertainment information to consumers on the mobile website Fields Mobile, an official NTT DoCoMo website, and expanded services to SoftBank mobile carriers in May 2007 and to au in July of the same year. As of June 30, 2007, the number of paying members exceeded 100,000.

Fields Pictures Corporation continued investments in movie, animation and content funds to help the entire Group boost the creation of primary content.

Although the performance of Japan Sports Marketing Inc. lags slightly behind the business plan, it continued to review and reorganize each of its three mainstay businesses: the rights-related sports business, the athlete management business and the solution business.

Changes of representative performance indicators in the Other Field segment

(Thousands of yen)

	Fiscal year ended March 31, 2006	First half ended September 30, 2006	Fiscal year ended March 31, 2007	First quarter ended June 30, 2007
Net sales	3,603,479	2,277,085	4,409,061	972,085
Operating income (loss)	(655,529)	(286,925)	(513,444)	(228,640)

2. Qualitative Information on the Consolidated Financial Position

Balance Sheet Analysis

Assets, Liabilities and Net Assets

Total assets increased 27.1% year over year to ¥83,971,520 thousand.

Current assets increased 35.3% to ¥62,450,324 thousand.

Increased net sales included increases totaling ¥4,520,315 thousand in cash, cash equivalents, notes and accounts receivable—trade. An increase of ¥10,623,100 thousand in inventories was mainly attributable to the inclusion of some of the newly manufactured new regulation machines, known as *Neon Genesis Evangelion—‘Magokoro wo Kimini.’* They were manufactured before the scheduled delivery in July to cope with quick-turnaround/large-scale replacement responding to new regulations introduced in the PS Field.

Tangible fixed assets increased 13.6% to ¥6,539,336 thousand.

This increase was attributable to an increase in construction in progress mainly due to the moving of branch offices in the PS Field.

Intangible fixed assets increased 15.4% to ¥4,658,520 thousand.

This increase was attributable mainly to an increase in goodwill in the Game Field.

Investments and other assets increased 1.8% to ¥10,323,338 thousand.

This increase was mainly attributable to increases in equity investment and claims in bankruptcy, which offset a decrease of ¥114,440 thousand in investment securities in the PS Field.

Total liabilities increased 74.9% year over year to ¥40,655,257 thousand.

Current liabilities increased 92.6% to ¥36,329,374 thousand.

This increase was attributable to an increase in accounts payable—trade due to the accounting for inventories of the *Neon Genesis Evangelion—‘Magokoro wo Kimini’* new regulation machines in the PS Field (as explained in relation with current assets above), an increase in short-term borrowings and a decrease in income taxes payable.

Long-term liabilities decreased 1.2% to ¥4,325,883 thousand.

This decrease was principally attributable to decreases in long-term guarantee deposits received, long-term borrowings and an increase in the retirement benefits provisions.

Net assets increased 1.1% year over year to ¥43,316,262 thousand.

This increase was mainly attributable to increases in retained earnings and foreign currency translation adjustment.

Cash Flow Analysis

Cash flows

Cash and cash equivalents for the first quarter of the fiscal year ended June 30, 2007, increased ¥2,854,323 thousand from the same period last year to ¥20,674,252 thousand, after taking into account net cash provided by operating activities of ¥5,411,415 thousand, ¥2,145,358 thousand in net cash used by financing activities and ¥487,109 thousand in net cash used in investing activities.

Cash flows from operating activities

Net cash provided by operating activities totaled ¥5,411,415 thousand. The principal components of this were income before income taxes of ¥2,572,144 thousand, an increase of ¥926,615 thousand in accounts receivable—trade, an increase of ¥10,595,374 thousand in inventories, an increase of ¥16,865,501 thousand in notes and accounts payable—trade and ¥1,942,554 thousand in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities totaled ¥2,145,358 thousand. The principal factors in this were purchases of tangible fixed assets totaling ¥1,826,798 thousand, purchases of intangible fixed assets totaling ¥238,227 thousand and proceeds from sales of investment securities totaling ¥400,000 thousand.

Cash flows from financing activities

Net cash used by financing activities amounted to ¥487,109 thousand. This was primarily attributable to an increase in short-term borrowings totaling ¥424,000 thousand, payments for long-term borrowings totaling ¥223,968 thousand and cash dividends paid totaling ¥583,977 thousand.

3. Qualitative Information on Projections for the Consolidated Business Results

Regarding the projections for consolidated business results for the fiscal year ending March 31, 2008, our performance during the first quarter was almost as projected. Therefore, at present, there is no change in the forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008) in the Summary of Financial Statements and Business Results (Consolidated) for the Year Ended March 31, 2007, which were announced as of May 14, 2007.

4. Other

(1) Significant change in subsidiaries during the first quarter (Change of particular subsidiaries resulting in a change in the scope of consolidation):

None applicable

(2) Adoption of simplified accounting method:

In computation of part of expenses for taxes, we adopt a simplified method.

(3) Change in accounting methods in preparation of consolidated financial statements:

None applicable

5. Consolidated Financial Statements (Condensed)**(1) Consolidated Balance Sheets (Condensed)**

(Thousands of yen)

Item	The first quarter ended June 30, 2006		The first quarter ended June 30, 2007		(Reference) Fiscal year ended March 31, 2007	
	(As of June 30, 2006)		(As of June 30, 2007)		(As of March 31, 2007)	
	Amount	% total	Amount	% total	Amount	% total
Assets		%		%		%
I Current assets						
1. Cash and cash equivalents	14,451,646		20,859,706		17,902,518	
2. Notes and accounts receivable—trade	23,497,489		20,086,421		18,523,292	
3. Marketable securities	199,915		—		—	
4. Inventories	2,171,879		13,595,641		2,972,540	
5. Merchandising rights advances	3,224,237		—		—	
6. Other current assets	2,782,496		7,966,343		6,803,929	
7. Allowance for doubtful accounts	(149,225)		(57,787)		(57,592)	
Total current assets	46,178,439	72.5	62,450,324	74.4	46,144,689	69.8
II Fixed assets						
1. Tangible fixed assets	4,673,247	7.4	6,539,336	7.8	5,756,417	8.7
2. Intangible fixed assets	2,738,582	4.3	—	—	—	—
(1) Goodwill	—		1,799,152		1,405,855	
(2) Other intangible fixed assets	—		2,859,367		2,630,323	
Total intangible fixed assets	—	—	4,658,520	5.5	4,036,178	6.1
3. Investments and other assets						
(1) Investment securities	7,005,629		6,102,527		6,216,967	
(2) Other assets	3,219,449		4,477,013		4,199,585	
(3) Allowance for doubtful accounts	(153,555)		(256,203)		(272,280)	
Total investments and other assets	10,071,523	15.8	10,323,338	12.3	10,144,272	15.4
Total fixed assets	17,483,352	27.5	21,521,195	25.6	19,936,868	30.2
Total Assets	63,661,791	100.0	83,971,520	100.0	66,081,557	100.0

(Thousands of yen)

Item	The first quarter ended June 30, 2006		The first quarter ended June 30, 2007		(Reference) Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)	
	(As of June 30, 2006)		(As of June 30, 2007)		(April 1, 2006–March 31, 2007)	
	Amount	% total	Amount	% total	Amount	% total
Liabilities		%		%		%
I Current liabilities						
1. Accounts payable—trade	11,324,585		27,061,147		9,094,526	
2. Short-term borrowings	1,130,000		2,611,499		2,230,000	
3. Current portion of long-term borrowings	204,668		931,606		917,750	
4. Corporate bonds redeemable within 1 year	110,000		120,000		120,000	
5. Accrued bonuses	54,331		36,800		25,000	
6. Accrued bonuses to directors and auditors	—		98,000		98,000	
7. Other current liabilities	5,459,547		5,470,320		6,379,893	
Total current liabilities	18,283,132	28.7	36,329,374	43.3	18,865,169	28.6
II Fixed liabilities						
1. Corporate bonds	490,000		370,000		370,000	
2. Long-term borrowings	333,330		1,043,528		1,238,852	
3. Retirement benefit provisions	169,445		206,972		195,112	
4. Other long-term liabilities	2,511,983		2,705,383		2,575,731	
Total long-term liabilities	3,504,759	5.5	4,325,883	5.1	4,379,696	6.6
Total liabilities	21,787,891	34.2	40,655,257	48.4	23,244,865	35.2
Net assets						
I Shareholders' equity						
1. Common stock	7,948,036	12.5	7,948,036		7,948,036	
2. Capital surplus	7,994,953	12.6	7,994,953		7,994,953	
3. Retained earnings	23,577,354	37.0	25,406,309		24,943,694	
Total shareholders' equity	39,520,344	62.1	41,349,299	49.2	40,886,683	61.9
II Valuation and translation differences						
1. Unrealized holding gain on available-for-sale securities	733,725		214,822		214,822	
2. Foreign currency translation adjustment	7,547		23,907		13,609	
Total valuation and translation differences	741,273	1.2	238,729	0.3	228,431	0.3
III Stock acquisition rights	—		20,472	0.0	15,907	0.0
IV Minority interest	1,612,283	2.5	1,707,761	2.1	1,705,668	2.6
Total net assets	41,873,900	65.8	43,316,262	51.6	42,836,691	64.8
Total Liabilities and Net Assets	63,661,791	100.0	83,971,520	100.0	66,081,557	100.0

(2) Consolidated Statements of Income (Condensed)

(Thousands of yen)

Item	The first quarter ended June 30, 2006		The first quarter ended June 30, 2007		(Reference) Fiscal year ended March 31, 2007	
	(April 1, 2006–June 30, 2006)		(April 1, 2007–June 30, 2007)		(April 1, 2006–March 31, 2007)	
	Amount	% total	Amount	% total	Amount	% total
I Net sales	25,362,998	100.0	24,234,564	100.0	85,321,144	100.0
II Cost of sales	17,792,660	70.2	17,470,847	72.1	56,072,618	65.7
Gross profit	7,570,338	29.8	6,763,717	27.9	29,248,525	34.3
III Selling, general and administrative expenses	4,393,466	17.3	4,440,899	18.3	20,303,549	23.8
Operating income	3,176,872	12.5	2,322,818	9.6	8,944,975	10.5
IV Non-operating income	268,069	1.1	352,883	1.4	439,008	0.5
V Non-operating expenses	31,441	0.1	48,328	0.2	181,446	0.2
Ordinary income	3,413,500	13.5	2,627,373	10.8	9,202,537	10.8
VI Extraordinary income	905	0.0	3,617	0.0	110,527	0.1
VII Extraordinary losses	13,749	0.1	58,845	0.2	1,086,070	1.3
Income before income taxes and minority interest	3,400,656	13.4	2,572,144	10.6	8,226,994	9.6
Current income taxes	1,742,854	6.9	1,415,542	5.8	4,433,381	5.2
Minority interest	(469)	0.0	—	—	83,388	0.1
Net income	1,658,271	6.5	1,156,602	4.8	3,710,224	4.3

(3) Consolidated Statements of Cash Flows (Condensed)

(Thousands of yen)

Item	Period	The first quarter ended June 30, 2006	The first quarter ended June 30, 2007	(Reference) Fiscal year ended March 31, 2007
		(April 1, 2006–June 30, 2006)	(April 1, 2007–June 30, 2007)	(April 1, 2006–March 31, 2007)
		Amount	Amount	Amount
I Cash flows from operating activities				
1. Income before income taxes and minority interest		3,400,656	2,572,144	8,226,994
2. Depreciation and amortization		196,667	176,512	817,867
3. Amortization of excess of net assets acquired over cost		96,495	—	—
4. Amortization of goodwill		—	106,922	429,602
5. Increase (decrease) in allowance for doubtful accounts		(894)	(15,881)	26,186
6. Increase (decrease) in accrued bonuses		29,331	11,800	—
7. Increase (decrease) in retirement benefit provisions		6,797	11,859	32,464
8. Increase (decrease) in reserve for retirement benefits for directors and auditors		(607,100)	—	(607,100)
9. Interest and dividend income		(25,930)	(35,754)	(86,777)
10. Discounts on purchases		(201,904)	(21,938)	(215,522)
11. Equity method investment gain (loss)		(59,065)	(170,801)	92,953
12. Interest expense		6,541	20,420	58,538
13. Loss on disposal of fixed assets		1,580	57,057	743,948
14. Decrease (increase) in notes and accounts receivable—trade		23,375,678	(926,615)	28,719,949
15. Decrease (increase) in inventories		(665,773)	(10,595,374)	(1,341,601)
16. Decrease (increase) in merchandising right advances		292,245	(245,811)	944,467
17. Decrease (increase) in prepaid expenses		318,691	(5,780)	331,993
18. Decrease (increase) in advance payments		120,996	73,509	52,457
19. Decrease (increase) in notes held		14,187	114,186	(37,764)
20. Decrease (increase) in non-operating notes receivable		410,247	289,224	(175,764)
21. Decrease (increase) in deposits as security for dealing		20,000	(100,000)	20,000
22. Increase (decrease) in notes and accounts payable—trade		(23,312,910)	16,865,501	(26,297,458)
23. Increase (decrease) in accrued consumption taxes		(81,110)	(190,418)	(152,127)
24. Increase (decrease) in deposits received		317,853	(739,129)	530,005
25. Increase (decrease) in guaranty deposits held		130,997	(65,788)	190,937
26. Payments of bonuses to directors and auditors		(105,000)	—	(105,000)
27. Others		(739,357)	131,643	(87,962)
Subtotal		2,939,920	7,317,488	12,111,288
28. Interest and dividends received		71,672	55,834	132,979
29. Interest paid		(6,612)	(19,353)	(63,241)
30. Income taxes paid		(3,727,047)	(1,942,554)	(6,887,285)
Net cash provided by (used in) operating activities		(722,066)	5,411,415	5,293,740

(Thousands of yen)

Item	Period	The first quarter ended June 30, 2006	The first quarter ended June 30, 2007	(Reference) Fiscal year ended March 31, 2007
		(April 1, 2006–June 30, 2006)	(April 1, 2007–June 30, 2007)	(April 1, 2006–March 31, 2007)
		Amount	Amount	Amount
II Cash flows from investing activities				
1. Purchases of investment securities		(199,915)	—	—
2. Purchases of tangible fixed assets		(82,073)	(1,826,798)	(1,113,515)
3. Purchases of intangible fixed assets		(30,921)	(238,227)	(2,425,998)
4. Purchases of investment securities		(487,541)	(136,899)	(1,050,850)
5. Proceeds from sale of investment securities		500,000	400,000	758,657
6. Expenditure for acquiring shares in affiliates		(15,000)	—	(16,000)
7. Expenditure for loans		(143,398)	(25,000)	(23,998)
8. Collection on loans		15,841	4,053	40,421
9. Payment for deposits and guarantees		(8,384)	(4,697)	(363,421)
10. Proceeds from cancellation of deposits and guarantees		13,533	77,604	136,506
11. Payment for long-term prepaid expenses		—	(2,942)	(8,934)
12. Others		99,639	(392,450)	(705,580)
Net cash used in investing activities		(338,218)	(2,145,358)	(4,772,711)
III Cash flows from financing activities				
1. Increase (decrease) in short-term borrowings		400,000	424,000	1,477,164
2. Repayment of long-term borrowings		(43,667)	(223,968)	(418,091)
3. Cash dividends paid		(613,554)	(583,077)	(1,389,956)
4. Others		—	(104,063)	1,819,554
Net cash provided by (used in) financing activities		(257,221)	(487,109)	1,488,670
IV Effect of exchange rate changes on cash and cash equivalents		(8,160)	75,376	32,727
V Increase (decrease) in cash and cash equivalents		(1,325,667)	2,854,323	2,042,426
VI Cash and cash equivalents at beginning of year		15,777,313	17,819,928	15,777,313
VII Increase in cash and cash equivalents due to change in scope of consolidation		—	—	188
VIII Cash and cash equivalents at end of the first quarter		14,451,646	20,674,252	17,819,928

(4) Segment Information

1. Segment information by business category

First quarter ended June 30, 2007 (April 1, 2007– June 30, 2007)

(Thousands of yen)

	PS Field	Game Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net Sales and Operating Income or Loss						
Net Sales:						
(1) Sales to third parties	21,066,502	2,195,976	972,085	24,234,564	—	24,234,564
(2) Inter-group sales or transfers	27,413	27,150	17,477	72,041	(72,041)	—
Total	21,093,915	2,223,126	989,563	24,306,606	(72,041)	24,234,564
Operating expenses	18,553,841	2,210,129	1,218,204	21,982,175	(70,428)	21,911,746
Operating income (loss)	2,540,074	12,997	(228,640)	2,324,431	(1,612)	2,322,818

Notes:

- Based on the proximity of services or others provided, the Company's businesses are segmented into PS Field, Game Field and Other Field.
- The major products or services in each segment are as follows:
 - PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
 - Game Field: Planning, development and sales of packaged software, such as game software
 - Other Field: Sports management and others
- All operating expenses are allocated to individual segments, and thus none remain unallocated.

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

(Thousands of yen)

	PS Field	Game Field	Other Field	Total	Elimination or incorporation	Consolidated
I. Net Sales and Operating Income or Loss						
Net Sales:						
(1) Sales to third parties	71,064,425	9,847,658	4,409,061	85,321,144	—	85,321,144
(2) Inter-group sales or transfers	242,429	99,175	1,112,150	1,453,756	(1,453,756)	—
Total	71,306,854	9,946,833	5,521,211	86,774,900	(1,453,756)	85,321,144
Operating expenses	62,233,005	9,726,684	6,034,656	77,994,347	(1,618,178)	76,376,168
Operating income (loss)	9,073,848	220,149	(513,444)	8,780,553	164,422	8,944,975

Notes:

- Based on the proximity of services or others provided, the Company's businesses are segmented into PS Field, Game Field and Other Field.
- The major products or services in each segment are as follows:
 - PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
 - Game Field: Planning, development and sales of packaged software, such as game software
 - Other Field: Sports management and others
- All operating expenses are allocated to individual segments, and thus none remain unallocated.

2. Segment information by region

First quarter ended June 30, 2007 (April 1, 2007– June 30, 2007)

Since Japan accounts for more than 90% of total sales and of total assets in all segments, the Company does not disclose segment information by region.

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

Since Japan accounts for more than 90% of total sales and of total assets in all segments, the Company does not disclose segment information by region.

3. Overseas sales

First quarter ended June 30, 2007 (April 1, 2007– June 30, 2007)

Since overseas sales account for less than 10% of consolidated net sales, the Company does not disclose overseas sales.

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

Since overseas sales account for less than 10% of consolidated net sales, the Company does not disclose overseas sales.

6. Non-Consolidated Financial Statements (Condensed)**(1) Non-Consolidated Balance Sheets (Condensed)**

(Thousands of yen)

Item	Period	The first quarter ended June 30, 2006 (As of June 30, 2006)		The first quarter ended June 30, 2007 (As of June 30, 2007)		(Reference) Fiscal year ended March 31, 2007 (As of March 31, 2007)	
		Amount	% total	Amount	% total	Amount	% total
Assets			%		%		%
I Current assets							
1. Cash and cash equivalents		12,030,858		17,917,022		14,083,737	
2. Notes receivable—trade		13,827,069		3,302,154		3,346,712	
3. Accounts receivable—trade		8,547,081		15,153,239		13,152,225	
4. Marketable securities		199,915		—		—	
5. Inventories		482,803		10,127,407		358,410	
6. Merchandising rights advances		3,305,204		—		—	
7. Deferred tax assets		463,003		—		—	
8. Other current assets		1,056,409		5,440,779		5,362,172	
9. Allowance for doubtful accounts		(141,000)		(50,200)		(50,200)	
Total current assets		39,771,346	68.8	51,890,403	70.1	36,253,059	63.0
II Fixed assets							
1. Tangible fixed assets		3,918,630	6.7	6,038,556	8.2	5,245,492	9.1
2. Intangible fixed assets		1,034,735	1.8	2,779,003	3.7	2,576,733	4.5
3. Investments and other assets							
(1) Investment securities		2,842,744		2,086,560		2,351,362	
(2) Investments in subsidiaries and affiliates		7,330,550		7,876,550		7,876,550	
(3) Other current assets		3,575,740		3,875,192		3,745,827	
(4) Allowance for doubtful accounts		(611,571)		(524,411)		(539,704)	
(5) Allowance for investment losses		(20,000)		—		—	
Total investments and other assets		13,117,464	22.7	13,313,891	18.0	13,434,034	23.4
Total fixed assets		18,070,829	31.2	22,131,451	29.9	21,256,261	37.0
Total Assets		57,842,175	100.0	74,021,854	100.0	57,509,320	100.0

(Thousands of yen)

Item	Period	The first quarter ended June 30, 2006		The first quarter ended June 30, 2007		(Reference) Fiscal year ended March 31, 2007	
		(As of June 30, 2006)		(As of June 30, 2007)		(As of March 31, 2007)	
		Amount	% total	Amount	% total	Amount	% total
Liabilities			%		%		%
I Current liabilities							
1. Accounts payable—trade		10,854,903		25,174,108		8,199,531	
2. Accrued bonuses		44,500		36,800		25,000	
3. Accrued bonuses to directors and auditors		—		98,000		98,000	
4. Other current liabilities		3,885,090		3,313,637		4,435,515	
Total current liabilities		14,784,494	25.6	28,622,545	38.7	12,758,046	22.2
II Fixed liabilities							
1. Retirement benefit provisions		151,665		183,633		173,879	
2. Guarantee deposits held		2,515,792		2,510,125		2,575,731	
Total fixed liabilities		2,667,458	4.6	2,693,759	3.6	2,749,611	4.8
Total liabilities		17,451,952	30.2	31,316,305	42.3	15,507,658	27.0
Net Assets							
I Shareholders' equity							
1. Common stock		7,948,036	13.7	7,948,036	10.7	7,948,036	13.8
2. Capital surplus							
(1) Additional paid-in capital		7,994,953		7,994,953		7,994,953	
Total capital surplus		7,994,953	13.8	7,994,953	10.8	7,994,953	13.9
3. Retained earnings							
(1) Legal reserve		9,580		9,580		9,580	
(2) Other retained earnings							
General reserve		20,000,000		20,000,000		20,000,000	
Retained earnings carried forward		3,703,928		6,538,156		5,834,270	
Total retained earnings		23,713,508	41.0	26,547,736	35.9	25,843,850	44.9
Total shareholders' equity		39,656,497	68.5	42,490,726	57.4	41,786,839	72.6
II Valuation and translation differences							
1. Unrealized holding gain on available-for-sale securities		733,725		214,822		214,822	
Total valuation and translation differences		733,725	1.3	214,822	0.3	214,822	0.4
Total net assets		40,390,223	69.8	42,705,548	57.7	42,001,662	73.0
Total Liabilities and Net Assets		57,842,175	100.0	74,021,854	100.0	57,509,320	100.0

(2) Non-Consolidated Statements of Income (Condensed)

(Thousands of yen)

Item	Period	The first quarter ended June 30, 2006 (April 1, 2006–June 30, 2006)		The first quarter ended June 30, 2007 (April 1, 2007–June 30, 2007)		(Reference) Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)	
		Amount	% total	Amount	% total	Amount	% total
			%		%		%
I	Net sales	22,756,001	100.0	21,094,322	100.0	71,314,702	100.0
II	Cost of sales	16,035,199	70.5	15,336,356	72.7	46,164,048	64.7
	Gross profit	6,720,801	29.5	5,757,966	27.3	25,150,654	35.3
III	Selling, general and administrative expenses	3,441,548	15.1	3,226,881	15.3	16,150,772	22.7
	Operating income	3,279,252	14.4	2,531,085	12.0	8,999,882	12.6
IV	Non-operating income	256,895	1.1	104,041	0.5	407,792	0.6
V	Non-operating expenses	189	0.0	21,099	0.1	13,990	0.0
	Ordinary income	3,535,958	15.5	2,614,027	12.4	9,393,684	13.2
VI	Extraordinary income	905	0.0	1,757	0.0	89,824	0.1
VII	Extraordinary losses	—	—	55,553	0.3	749,299	1.1
	Income before income taxes	3,536,864	15.5	2,560,231	12.1	8,734,209	12.2
	Current income taxes	1,588,052	7.0	1,162,345	5.5	3,961,054	5.5
	Net income	1,948,812	8.5	1,397,886	6.6	4,773,154	6.7