

2nd quarter (2011.7 – 2011.9)

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# Financial Presentation (1st Half of the Year Ending March 31, 2012)

November 4, 2011

THE GREATEST LEISURE FOR ALL PEOPLE



FIELDS CORPORATION



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# 01. Summary

<Pachinko/Pachislot Sales> The figures in the parentheses are changes from the same period last year.

- 1 new pachinko and 2 new pachislot machines released with a focus on the release of multiple major titles during the second half of the fiscal year

Pachinko machine sales	Pachislot machine sales
89,000 machines (137,000 machines down)	61,000 machines (4,000 machines down)

<Consolidated sales for 1st half> (The figures in the parentheses are year-over-year comparisons)

Net sales	Operating income	Ordinary income	Net income
¥33.35 billion (77.5%)	¥1.58 billion (17.2%)	¥1.71 billion (18.0%)	¥2.42 billion (44.6%)

⇒ Recorded deferred tax assets in connection with the dissolution and liquidation of a subsidiary (JSM)

<Other Entertainment>

- Comic, “HERO’S Monthly” : First edition issued on Nov. 1, 2011 (Collaboration with Shogakukan Creative Inc.)
- Movie, “BERSERK” : Feb. 4, 2012 chosen as release date  
(Planned and produced by Lucent Pictures Entertainment, Inc.)
- Movie, “Ultraman Saga” : Mar. 24, 2012 chosen as release date (Tsuburaya Productions Co., Ltd.)

## 02. Consolidated P/L

Sales and income decreased on a year-over-year basis due to the Company's plan to focus on increasing sales in the pachinko/pachislot (PS) related business during the second half of the year

(Unit: Billion yen)

	Year Ended March 31, 2011				Year Ending March 31, 2012			
	Q1	Q2	H1	Full-Year	Q1	Q2	H1	YoY
Net sales	21.34	21.67	43.01	103.59	17.63	15.72	33.35	77.5%
SG&A expenses	5.31 (24.9%)	4.49 (20.7%)	9.80 (22.8%)	21.99 (21.2%)	5.30 (30.1%)	5.10 (32.4%)	10.40 (31.2%)	106.1%
Operating income	2.34 (11.0%)	6.84 (31.6%)	9.18 (21.3%)	13.13 (12.7%)	(0.22) (-1.2%)	1.80 (11.5%)	1.58 (4.7%)	17.2%
Ordinary income	2.51 (11.8%)	6.99 (32.3%)	9.50 (22.1%)	13.68 (13.2%)	(0.26) (-1.5%)	1.97 (12.5%)	1.71 (5.1%)	18.0%
Net income	1.47 (6.9%)	3.95 (18.2%)	5.42 (12.6%)	7.52 (7.3%)	(0.28) (-1.6%)	2.70 (17.2%)	2.42 (7.3%)	44.6%

\* "Q2" and "YoY" is calculated as the other items deducted from the total figure on the sheet

# 03. Pachinko/Pachislot Sales

Pachinko machine: 1 new machines released; 89,000 machines sold (down 137,000 machines year-over year)

Pachislot machine: 2 new machine released; 61,000 machines sold (down 4,000 machines year-over-year)

(Unit: 10 thousand machines)

Number of sales	Year Ended March 31, 2011		Year Ending March 31, 2012		Main titles
	H1	Full-Year	H1	Increase/decrease	
Pachinko machines	22.6 Evangelion: 205,000 machines	26.2	8.9	(13.7)	Q1 -
					Q2 CR The story of ayumi hamasaki — introduction 72,000 machines
					Q3 -
Pachislot machines	6.6	21.7	6.1	(0.4)	Q1 [Ongoing sale title from the previous fiscal year] MOBASLO Evangelion—for your own wish (Total sales: 78,000 machines) 22,000 machines
					SAMURAI 7 12,000 machines
					Q2 Kaze no Youjinbou—Memory of Butterflies 23,000 machines
					Q3 Rahxephon Street Fighter IV
Total	29.3	48.0	15.1	(14.1)	

↳ Pachislot machines: *Onimusha: Dawn of Dreams*: 36,000 machines (ongoing sales);  
*Evangelion*: 10,000 machines (ongoing sales); *Gamera*: 13,000 machines  
Pachinko machines: *CR Evangelion—Evangelical of the beginnings*: 205,000 machines

## 04. Consolidated B/S (Overview)

(Unit: Million yen)

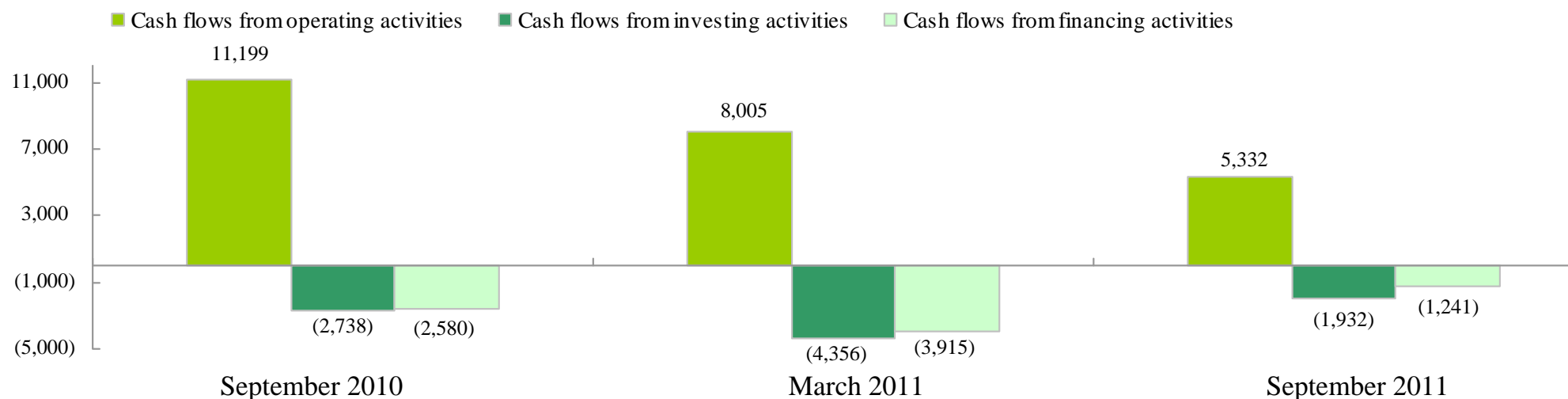
	End of September 2010	End of March 2011 (I)	End of September 2011 (II)	Increase/ Decrease (II-I)	Main factors causing the increase/decrease (II) – (I)
Total current assets	39,514	51,051	32,250	(18,801)	Decrease in notes and accounts receivable— trade from pachinko/pachislot machine sales
(Cash and cash equivalents)	21,832	15,873	18,065	2,192	Increase from pachinko/pachislot machine sales
(Inventories)	1,948	1,358	2,502	1,144	
Total fixed assets	27,750	27,920	30,851	2,931	
(Total tangible fixed assets)	9,921	10,089	10,596	507	
(Total intangible fixed assets)	4,844	5,070	4,857	(213)	
(Total investments and other assets)	12,984	12,760	15,397	2,637	Increase in deferred tax assets
Total assets	67,265	78,971	63,102	(15,869)	

Total current liabilities	17,028	27,587	10,205	(17,382)	Decrease in notes and accounts payable— trade from pachinko/pachislot machine sales Decrease in accrued income taxes, etc.
(Short-term borrowings)	-	85	85	0	
Total fixed liabilities	4,526	4,362	4,211	(151)	Redemption of corporate bonds
Total liabilities	21,555	31,949	14,417	(17,532)	
Total net assets	45,709	47,021	48,685	1,664	Increase in retained earnings
Total liabilities and net assets	67,265	78,971	63,102	(15,869)	

# 05. Consolidated Statement of Cash Flows (Overview)

(Unit: Million yen)

	Year Ended March 31, 2011		Year Ending March 31, 2012		
	H1	Full-Year	H1	Factors	
Cash flows from operating activities	11,199	8,005	5,332	Decrease in notes and accounts receivable—trade	24,829
				Decrease in notes and accounts payable—trade	(14,678)
				Income taxes paid	(4,142)
Cash flows from investing activities	(2,738)	(4,356)	(1,932)	Purchases of tangible fixed assets	(816)
				Purchases of intangible fixed assets	(531)
				Purchases of investment securities	(400)
Cash flows from financing activities	(2,580)	(3,915)	(1,241)	Dividends paid	(829)
				Redemption of corporate bonds	(370)
Effect of exchange rate changes on cash and cash equivalents	(4)	(7)	(5)		
Increase (decrease) in cash and cash equivalents	5,875	(274)	2,153		
Cash and cash equivalents at beginning of period	15,906	15,906	15,632		
Cash and cash equivalents at end of period	21,782	15,632	17,785		



# 06. Segment Information

Sales and operating income for each Group company were broadly as expected

(Unit: Million yen)

		Pachinko Pachislot	(I)	(II)	(III)	Sum of segments (I), (II) and (III)	Adjustment	Consolidated	Non- consolidated	Consoli- dated/ Non-con- solidated ratio
			Mobile	Sports Entertainment	Others					
H1 of the Year Ending March 31, 2012	Net sales	29,568	1,149	1,031	2,299	4,479	(696)	33,352	28,481	1.2
	Operating income	1,711	62	(34)	(139)	(111)	(18)	1,582	1,858	0.9
H1 of the Year Ended March 31, 2011	Net sales	38,499	1,059	1,082	2,615	4,756	(243)	43,012	37,005	1.2
	Operating income	9,109	199	(140)	58	117	(44)	9,182	9,196	1.0
Increase/ Decrease	Net sales	(8,931)	90	(51)	(316)	(277)	(453)	(9,660)	(8,524)	-
	Operating income	(7,398)	(137)	106	(197)	(228)	26	(7,600)	(7,338)	-



## Entertainment Business (Fields Group Business)

## 07. Profit Earning Capacity of Entertainment Business (Fields Group Business)

Some mobile related companies have invested in the business.

Each Group company aims to contribute to improved results by raising its actual profitability.

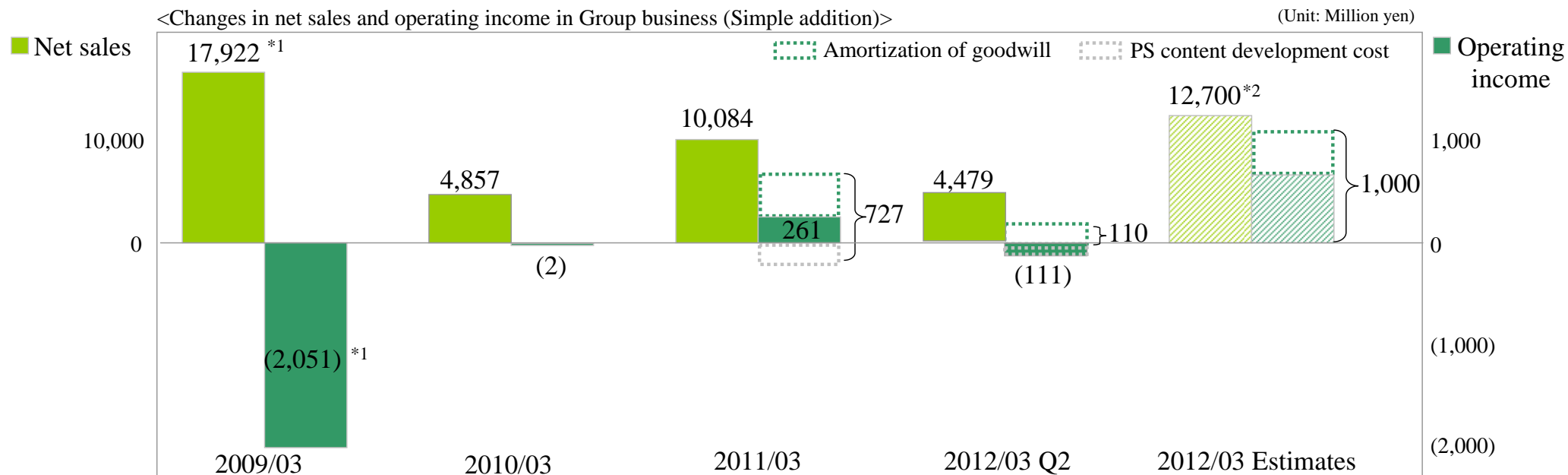
(Unit: Million yen)

H1 of the Year Ending March 31, 2012	Pachinko Pachislot	Group business's earning capacity by segment			Total
		Mobile	Sports Entertainment	Others	
Net sales	29,568	1,149	1,031	2,299	4,479
Operating income (I)	1,711	62	(34)	(139)	(111)
Amortization of goodwill*		-	-	136	136
Development investment cost for content share by the Group		-	-	85	85
Sub total (II)		-	-	221	221
Group business earning capacity (I) + (II)		62	(34)	82	110

Source: Fields

\* The figures are calculated based on the straight-line method.

# 08. Entertainment Business (Fields Group Business) Summary



## Summary for 1st half under review

### <Entertainment Business Topics>

#### [Mobile and on-line service fields]

- Enhance services using pachinko/pachislot (PS) related contents
- R&D and investment have been made in non-PS fields

#### [Sports field]

- Business reorganization: JSM was divested in a simplified absorption-type divestiture and dissolved in a special liquidation.

#### [IP development and creation]

- Monthly comic, “HERO’S”: First edition issued
- Animation movie, “BERSERK”: Decision to release made
- Movie, “Ultraman Saga”: Decision to release made

# 09. Entertainment Business – Mobile and On-line Service Field

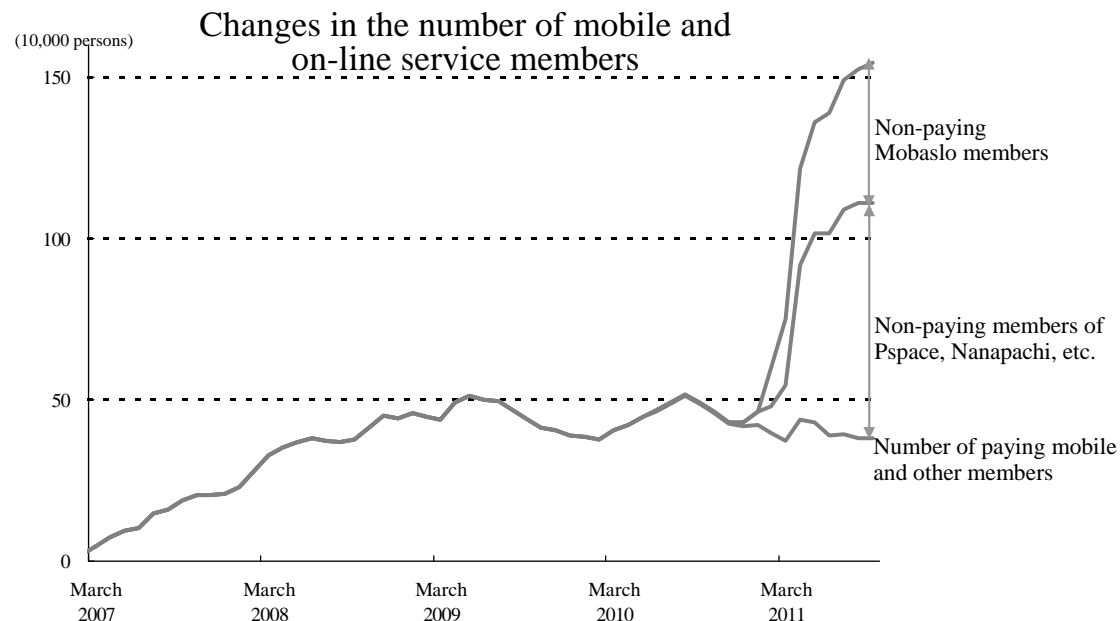
Mobile related business: FutureScope Corporation and IP Bros. Incorporated continue to aggressively invest in services with the aim of increasing the number of paying members

### <Pachinko/Pachislot (PS) related contents>

- Invested in various services
- Took a variety of measures with the aim of increasing the number of paying members

### <Non-Pachinko/Pachislot contents>

- Conducted research and development by using content assets held by the Fields Group companies
- Committed to increasing profitability in the on-line service field



April

May

June

September



Launch of Nanapachi: Line up consists of a total of 21 machine models as of September 2011



Enhancement of Evangelion content: Titles in the Evangelion series were released during 3 successive months through to May 2011.



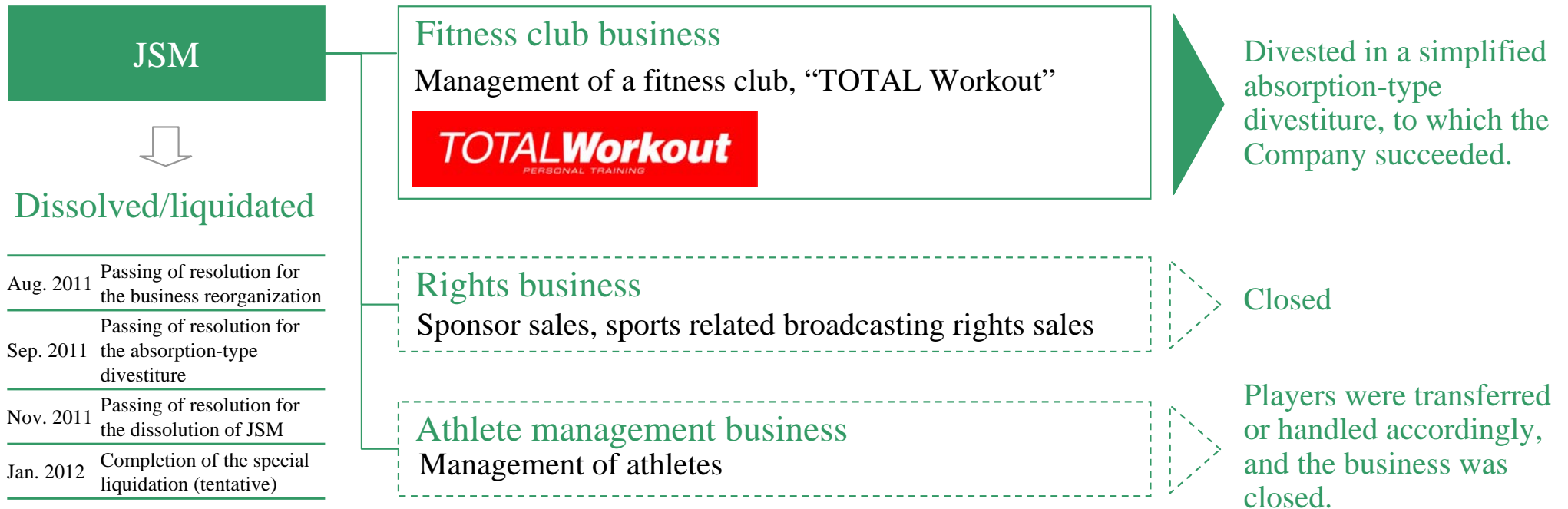
Support for smartphones began in June. Apps became available on September 2011. Aiming at expanding the number of registered members.



Launched a virtual pachinko hall, called "Fiepara" in the Fields Mobile site.

# 10. Entertainment Business – Business Reorganization in Sports Field

The sports field was drastically reorganized. Japan Sports Marketing Inc. (JSM) was divested in a simplified absorption-type divestiture and dissolved in a special liquidation.



## Impact on P/L for 1st half

- Deferred tax assets were recorded in connection with the dissolution and liquidation of JSM

# 11. Entertainment Business – The Premier Issue of “HERO’S Monthly”

Content development related fields (IP development and creation):  
 HERO’S Inc. has issued the first edition of a futuristic comic, “HERO’S Monthly”



## <Background to the issue of “HERO’S Monthly” >

- Pachinko/pachislot (PS) related IP with high quality have been used up, creating the need for new IP to be provided.
- Jointly established HERO’S Inc. with Shogakukan Creative Inc., a Shogakukan Group company, in April 2010.
- “HERO’S Monthly” was first issued on November 1, 2011 (to be issued on the first day of each month).

## <Concept/Characteristics>

- Concept: Aim to create an international comic that is successful throughout the world, not only in Japan.
- Establish it as a major manga comic.
- Build a unique distribution network for it.

## <Future development>

- A series of new content will be added.
- Cross-media development will be accelerated in a variety of media, including Pachinko/Pachislot.



## 12. Entertainment Business – The Release of “BERSERK” has been Decided

Video related field (animation field): Lucent Pictures Entertainment, Inc. has decided to release an animated movie, “BERSERK I THE HIGH KING’S EGG”

### BERSERK I THE HIGH KING’S EGG



- Original author: Kentaro Miura
- Director: Toshiyuki Kubooka
- Planning and Produce:  
Lucent Pictures Entertainment, Inc.
- Production: STUDIO 4°C
- Distributor: Warner Bros.

(Titles omitted)

### <Background to the release of BERSERK>

- This is a large project that Lucent Pictures Entertainment, Inc., which is engaged in the animation/3D business, has been planning and producing since its establishment.
- The first series will be premiered in February 2012.

### <Concept/Characteristics>

- “BERSERK,” a timeless masterpiece providing a grand view of the world, has been made into a complete movie.
- The “BERSERK” manga is a tremendous work, with a total of over 30 million copies sold not only in Japan but also around the rest of the world including the U.S., Russia, France, Germany and Italy.
- Produced by STUDIO 4°C, an animation studio with the most advanced technology in Japan.

### <Future development>

- A trilogy of films that will be successively released.
- Plans for tie-ups in a variety of media are being promoted.

## Forecast for the Full Year Ending March 31, 2012



# 13. Forecast for Full Year (Consolidated Basis)

The forecast for the full year ending March 31, 2012 remains the same.  
Multiple major titles are scheduled to be released in the second half of the fiscal.

(Unit: Billion yen)

	Year Ended March 31, 2011		Year Ending March 31, 2012				Overview
	H1	Full-Year	H1	Full-Year Forecast	YoY	Progress rate	
Net sales	43.01	103.59	33.35	100.00	96.5%	33.4%	<ul style="list-style-type: none"> <li>■ Multiple major pachinko and pachislot titles that can drive market revitalization are scheduled to be released in the 2nd half of the year.</li> <li>■ Full year forecast: No change</li> <li>■ Interim dividend : ¥2,500 Year-end dividend: ¥2,500</li> </ul>
SG&A expenses	9.80 (22.8%)	21.99 (21.2%)	10.40 (31.2%)	24.00 (24.0%)	109.1%	43.3%	
Operating income	9.18 (21.3%)	13.13 (12.7%)	1.58 (4.7%)	14.00 (14.0%)	106.6%	11.3%	
Ordinary income	9.50 (22.1%)	13.68 (13.2%)	1.71 (5.1%)	14.00 (14.0%)	102.3%	12.2%	
Net income	5.42 (12.6%)	7.52 (7.3%)	2.42 (7.3%)	8.00 (8.0%)	106.4%	30.3%	

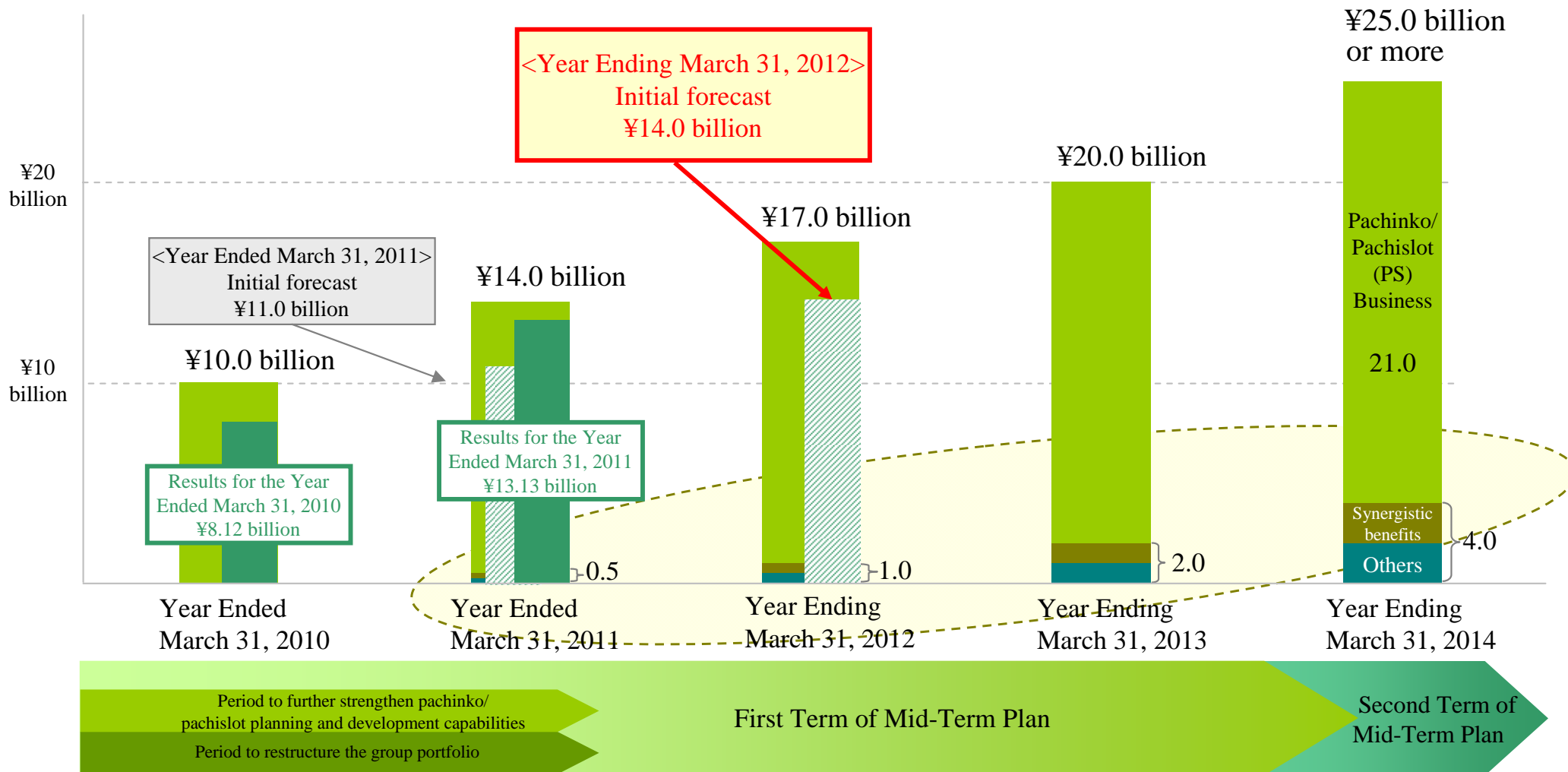
\* “YoY” is calculated as the other items deducted from the total figure on the sheet

## Reference

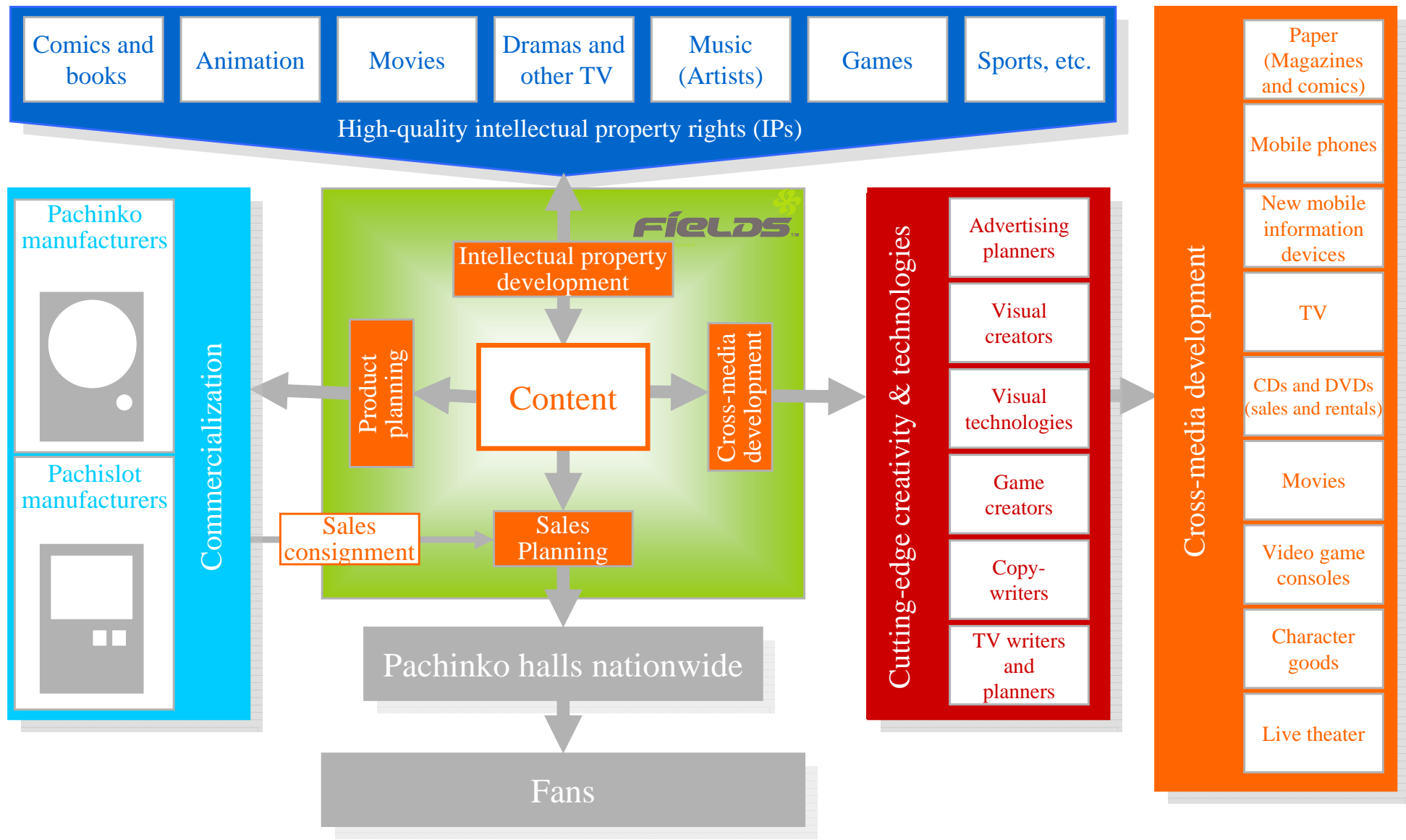
# 14. Progress of the Mid-Term Management Plan

**Target operating income for the year ending March 31, 2014 of ¥25 billion or more**

Target contribution by Group companies: 20%



# 15. Business Scheme



# 16. Social Contribution Activities

## The Ultraman Foundation has been established to implement support activities for children



FOUNDATION FOR CHILDREN, NOW AND THE FUTURE

ウルトラマン基金 ULTRAMAN FOUNDATION

<http://www.ultraman-kikin.jp/>

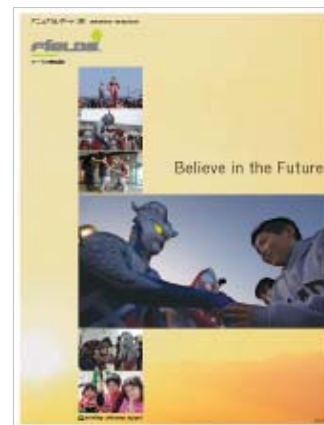
In the immediate aftermath of the Great East Japan Earthquake, the Fields Group, together with Tsuburaya Productions Co., Ltd. and all other participating Group companies, came together to establish the Ultraman Foundation. In seeking to offer our heartfelt encouragement to those most impacted by the disaster, especially to the children who are our hope and are essential to creating a new future in the region, we channeled our aspirations for the future, and initiated support activities from the Ultraman Foundation that will last well into the future.

On April 10, 2011, we provided relief supplies to Ishinomaki City, Minamisanriku Town, and Kesennuma City in Miyagi Prefecture, and held an Ultraman show there to bring smiles back to the faces of children. Then, we expanded the scope of our activities to perform similar activities in Chiba, Fukushima, and Iwate Prefectures.

The Ultraman Foundation will, not only giving donations, but also continue to carry out support activities in all kinds of ways for the welfare and well being of those who were affected by the tragedy.

### Main activities of Ultraman Foundation

Apr. 10	Visited Ishinomaki city, Minamisanriku Town, and Kesennuma city in Miyagi for support
May 19	Donated 30 million yen to Miyagi
May 29	Visited Asahi city, Chiba for support
Jul. 9	Donated 20 million yen to Fukushima, and visited Sukagawa city in Fukushima for support
Jul. 10	Visited Big Palette Fukushima in Koriyama city in Fukushima for support
Aug. 5	Visited Ishinomaki city in Miyagi for support
Sep. 16	Donated 20 million yen and microbus to Iwate
Sep. 17	Visited Miyako city and Otsuchi town in Iwate for support



### <Fields Group's CSR Activities>

For details about Fields Group's CSR activities, please refer to the following pages in our

“ANNUAL REPORT 2011.”

P. 14,

“Feature: The Great East Japan Earthquake – Impact and Recovery”

P. 28,

“Fulfilling Our Responsibility to Society”

▼ ANNUAL REPORT 2011 (Fields' IR pages)

[http://www.fields.biz/ir/e/library/annual\\_report/](http://www.fields.biz/ir/e/library/annual_report/)

The plans, strategies and estimates of the Company indicated in these documents, other than actual results and established facts, include potential risks and uncertainties and cannot be guaranteed.

Potential risks and uncertainties include, but are not limited to, the economic environment of the pachinko/pachislot market in which the Company operates, market competition and the products handled by the Company.

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