Summary

(Translation)

Fields Corporation
Summary of First Quarter Financial Information and Business Results (Consolidated)
Year Ending March 31, 2009

August 6, 2008

Company Name: Fields Corporation
(URL: http://www.fields.biz)
Listed on: JASDAQ (Stock code: 2767)
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Planned Date for Submittal of the Quarterly Report: August 12, 2008

(Rounded down to the nearest million)

1. Business results for the first quarter of the year ending March 31, 2009 (April 1, 2008, to June 30, 2008)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter, year ending March 31, 2009	7,321	—	(3,312)	—	(3,161)	—	(2,289)	—
First quarter, year ended March 31, 2008	24,234	(4.4)	2,322	(26.9)	2,627	(23.0)	1,156	(30.3)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter, year ending March 31, 2009	(6,596.99)	—
First quarter, year ended March 31, 2008	3,333.14	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First quarter, year ending March 31, 2009	64,272	43,391	65.2	120,839.58
Year ended March 31, 2008	69,168	46,331	64.3	128,201.49

(Reference) Shareholders' equity
First quarter, year ending March 31, 2009: ¥41,931 million
Year ended March 31, 2008: ¥44,485 million

2. Dividends

	Dividend per share				
(Record date)	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	—	2,000.00	—	2,500.00	4,500.00
Year ending March 31, 2009	—	—	—	—	—
Year ending March 31, 2009 (Forecast)	—	2,000.00	—	2,500.00	4,500.00

(Note) Revisions made to projections on dividends for the quarter: No

3. Forecast earnings for the year ending March 31, 2009 (April 1, 2008, to March 31, 2009)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	37,000	(42.8)	2,500	(68.0)	2,500	(66.5)	700	(77.3)	2,017.29
Full year	75,000	(26.3)	10,000	(24.0)	10,000	(14.6)	5,300	0.1	15,273.78

(Note) Revisions made to the forecast earnings for the quarter: No

4. 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): No

(2) Adoption of simplified accounting methods and special accounting methods applicable to preparation of quarterly consolidated financial statements: Yes

(Note) For details, see “4. Other” in Qualitative Information, Financial Statements and Other Data on page 8.

(3) Changes in accounting principles, accounting procedures, presentation method and others in association with the preparation of quarterly consolidated financial statements (Those which are stated in the “Basis of Presentation of the Quarterly Consolidated Financial Statements”)

1) Changes due to the revision to the accounting standards, etc.: Yes

2) Changes due to any reason other than those in 1) above: No

(Note) For details, see “4. Other” in Qualitative Information, Financial Statements and Other Data on page 8.

(4) Number of shares issued (common stock)

1) Number of shares issued (including treasury stock)

First quarter, year ending March 31, 2009 347,000 shares

Year ended March 31, 2008 347,000 shares

2) Number of treasury stock at end of year

First quarter, year ending March 31, 2009 — shares

Year ended March 31, 2008 — shares

3) Average number of shares outstanding (quarterly consolidated cumulative period)

First quarter, year ending March 31, 2009 347,000 shares

First quarter, year ended March 31, 2008 347,000 shares

*Explanation on the appropriate usage of forecast earnings and other specific matters

(1) No revisions are made to the consolidated forecast earnings as of May 14, 2008. The above forecast has been made based on information available as of the date hereof, and actual earnings may differ from the projected figures due to various factors that may occur subsequently.

(2) The Company has adopted the Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) starting from the current fiscal year. The Company has also prepared quarterly consolidated financial statements in accordance with the Regulations on Quarterly Financial Reporting.

• Qualitative Information, Financial Statements and Other Data

1. Qualitative Information Regarding Consolidated Operating Results

(1) Overview of Operations for the First Quarter of the Year Ending March 31, 2009 (hereinafter referred to as the "first quarter of the current year")

Anticipating changes in the market environment, the Company has consistently focused itself on planning and developing merchandise rich in gaming and entertainment elements, by virtue of the marketing prowess a leading independent distributor enjoys and the planning savvy a fabless vendor has accumulated. In particular, the Company recognizes the importance of digital content as it forms the foundation on which the Company establishes its competitive edge. Acting on this, the Company has expanded into diverse fields of entertainment with a view to acquiring, creating and developing copyrights (merchandising rights) that offer superior entertainment features applicable in the field of pachinko/pachislot machines, and contents that open up new customer segments.

Building on this commitment, the Company has initiated its medium-term management plan, commencing with the current fiscal year ending March 31, 2009 (hereinafter referred to as the "current year"), which is designed to achieve the vision of what the Company should be ten years hence and to ensure its sustainable growth. According to this plan, the Company now promotes the strategic and aggressive development and expansion of business possibilities in the specific fields.

In game, sports, movie, animation, mobile and other fields where the Company seeks to generate maximum synergies with the pachinko/pachislot business, during the first quarter of the current year the Company stepped up efforts to acquire and create high-visibility, high-quality content for commercial application in pachinko/pachislot machines. Furthermore, the Company carried out programs aimed at achieving its business plans designed to culminate during the second half of the current year, and generally made almost as good progress as projected.

In the pachinko/pachislot business, the size of the market for pachislot machines shrank following increased replacement demand last year arising from the industry's complete shift to pachislot machines compliant with the new regulations. Moreover, between June and mid-July this year the industry voluntarily refrained from the replacement of machines in connection with the country's hosting of the G8 Summit at Lake Toya. Especially because of these, the Company initially expected the first quarter of the current year to be extremely challenging, but its performance results proved slightly stronger than projected.

The Company plans to introduce its first additional innovative title, *CR Seven Samurai*, in the pachinko machine market, and *Neon Genesis Evangelion—That time has come, now they're waiting for us*, the newest edition of the hugely popular big-seller series, in the pachislot machine market, both during the second quarter of the current year (July–September). During the first quarter of the current year the Company geared up efforts to prepare for the rollout of these major products.

As a result of these above, during the first quarter of the current year, on a consolidated basis the Company posted net sales of ¥7,321 million, operating loss of ¥3,312 million, ordinary loss of ¥3,161 million, and net loss of ¥2,289 million.

During the first quarter of the current year, the Company included ¥95 million in extraordinary income to recognize gains on investment in an anonymous association and others and included ¥107 million in extraordinary losses to account for losses resulting from a warehouse fire suffered by a subsidiary, etc.

(2) Analysis of First-Quarter Operations by Business Segment

1) PS Field

The pachinko/pachislot machine industry faces a major change in its market environment. Last year at pachinko halls nationwide, all installed pachislot machines compliant with the old regulations were replaced completely with pachislot machines compliant with the new regulations. As a consequence of this, the operators of pachinko halls have begun placing greater emphasis on pachinko machines.

In such circumstances, hall operators have implemented a variety of business efforts to seek out new fan segments. These include the adoption of pachinko machines rich in entertainment elements, a market approach of

reducing the lease fee for pachinko balls, and a fuller array of premiums they offer. At the same time, they have become exacting in evaluating and selecting the pachinko machines they adopt. A remarkable trend is that large orders are limited to pachinko machines with high quality content and it is these machines that are becoming their primary earner.
Manufacturers have shifted away from their previous strategy of supplying a great assortment of machine brands in favor of limiting their variety and investing time into planning and development to supply exquisitely created machines. This has led to a climate where the acquisition of high-potential content and the enhancement of planning and development capabilities decide who wins and who loses.

In the pachinko/pachislot machine sales business during the first quarter of the current year, the industry voluntarily refrained from the replacement of machines out of consideration for the country’s hosting of the G8 Summit at Lake Toya in July 2008. Still, the pachinko machine sales business continued to do well and sold a total of 53,237 machines. In particular, *CR Neon Genesis Evangelion—The Angels Are Back Again*, introduced in the previous fiscal year ended March 31, 2008 (hereinafter referred to as the “previous year”), achieved high utilization rates, and its sales continued into part of the first quarter of the current year. Also, *CRA Neon Genesis Evangelion Premium Model*, launched in May, received high acclaim in the marketplace, and its total sales exceeded 50,000 machines, a major hit by the standards of the market for machines designed less for gambling than for playing for fun (so-called “yu-pachi”). Furthermore, during the first quarter of the current year, the Company geared up efforts to prepare for the introduction during the second quarter of the current year of its first additional innovative title, *CR Seven Samurai*.
The pachislot machine sales business sold a total of 5,360 machines, since *Sonic Live* hit the market in May, in addition to extended sales into the first quarter of *Tenka Muteki! Salaryman Kintaro,* launched the previous year.

As a result of the above, the PS Field segment posted net sales of ¥4,197 million and operating loss of ¥1,562 million.

2) Game Field
In the Game Field, which shares strong synergies with the PS Field, the Company operates on a global scale, with the D3 group leading the way, in pursuit of not only expanding revenues and earnings within the field, but also acquiring and creating new content for application in pachinko/pachislot machines. During the previous year, remarkably, D3 Inc. launched its first original content title, *darkSector*, worldwide, in its current vigorous drive to promote the multi-use and global roll-out of content.

Sales of *darkSector* suffered from a major foreign manufacturer’s release of a competing title and have slowed down since the beginning of the first quarter. Because of this, the Company allocated the estimated cost of implementing a price protection program (see Note below) during the first quarter of the current year. Still, a high-end game software rendition of *CR Neon Genesis Evangelion—The Angels Are Back Again*, a mainstay title of the PS Field, recorded continued strong sales, along with sales of the *NARUTO* Series and *Ben10: Protector of Earth* which continued to do well overseas.

As a result of the above, the Game Field posted net sales of ¥1,904 million and operating loss of ¥1,112 million.
(Note) Price protection: An expense to support sales efforts that reduce retail prices allocated by deducting from net sales.

3) Sports Field
In the Sports Field, which has access to a wealth of content at home and abroad, the Company operates aggressively, with Japan Sports Marketing Inc. leading the way, in accordance with its strategy that identifies B to C and B to B businesses in the field of sports as forming its two pillars. The Company invests in the rights business, the athlete management business, and the solution business in search of acquiring content of global standing. The athlete management business in particular promises to generate synergies with diverse businesses

across the Group because athletes constitute an extremely important source of content themselves, so the Company is now in the midst of stepping up efforts to prepare for its expansion.

During the first quarter of the current year, the rights business reported continued strong sales of sponsorships for a variety of sports activities, and the athlete management business reported continued strong results benefiting particularly from outstanding showings by athletes under contract. The Total Workout operation, which is central to the solution business, inaugurated a branch in Fukuoka in April, its fourth bearing the brand name, under its initiative to expand into cities outside of the major urban areas in Japan, and sought to increase the number of its members.

As a result of the above, the Sports Field segment posted net sales of ¥961 million and operating loss of ¥169 million.

4) Movies Field

The Company has consistently given priority to the Movies Field over the other fields in the determination of investments in pursuit of commercializing movie content for application in pachinko/pachislot machines. In this segment, the Company has continued to invest aggressively in movies and content funds and more, in order to lead the drive across the Group to create primary content. *CR Seven Samurai*, a pachinko machine title scheduled to be released soon, is an embodiment of efforts to generate synergies based on know-how and other assets in such video fields, which has pioneered a new frontier of entertainment.

During the first quarter of the current year, two movies in whose production the Company has invested hit the screen.
THE PUZZLE OF GOD, a film released in June in which the Company invested through the Haruki Fields Cinema Fund, suffered a quite lackluster performance at the box office, and accordingly the Company has written off the investment.

As a result of the above, the Movies Field posted net sales of ¥26 million and operating loss of ¥488 million.

5) Other Field

In the field of mobile content, which has gained in prominence and importance as it provides a new media avenue, the Company seeks to provide content capable of generating synergies with the PS Field in pursuit of cultivating new pachinko/pachislot fans. In conjunction with this, the Company has initiated efforts aimed at developing new business opportunities by developing a fuller array of diverse content assets. Moreover, the Company has invested aggressively in the field of animation in order to lead the drive across the Group to create primary content.

During the first quarter of the current year, the Fields Mobile mobile-phone Web site operated by FutureScope Corporation, which provides comprehensive entertainment information, continued to fare well with the number of paying members exceeding 380,000. In other mobile content areas as well, a new service was launched in June. Furthermore, Lucent Pictures Entertainment, Inc., which engages in the planning and production of animation, with a view to achieving profitability in the fiscal year ending in March 2010, commenced the full-scale planning and development of animation content for cross-media application across the media of movies, videos, TV and so forth.

As a result of the above, the Other Field segment posted net sales of ¥394 million and operating income of ¥65 million.

(Note) Net sales reported by the individual segments are gross of inter-group sales or transfers.

2. Qualitative Information on the Consolidated Financial Position

(1) Assets, Liabilities and Net Assets

(Assets)

Current assets amounted to ¥30,038 million, down ¥9,520 million since the end of the previous year. This primarily reflected decreases in notes and accounts receivable—trade and cash and cash equivalents.

Tangible fixed assets amounted to ¥11,833 million, up ¥3,739 million since the end of the previous year. This primarily reflected the purchase of land scheduled for the construction of branch office premises to enforce sales capabilities in the PS Field.

Intangible fixed assets amounted to ¥3,908 million, down ¥28 million since the end of the previous year.

Investments and other assets amounted to ¥18,492 million, up ¥913 million since the end of the previous year. This primarily reflected an increase in net unrealized holding gain on investment securities.

As a result of the above, total assets amounted to ¥64,272 million, down ¥4,896 million since the end of the previous year.

(Liabilities)

Current liabilities amounted to ¥15,200 million, down ¥4,122 million since the end of the previous year. This primarily reflected a decrease in notes and accounts payable—trade, an increase in short-term borrowings, and a decrease in accrued income taxes.

Fixed liabilities amounted to ¥5,680 million, up ¥2,166 million since the end of the previous year. This primarily reflected an increase in corporate bonds payable.

As a result of the above, total liabilities amounted to ¥20,881 million, down ¥1,955 million since the end of the previous year.

(Net assets)

Net assets amounted to ¥43,391 million, down ¥2,940 million since the end of the previous year. This primarily reflected a decrease in retained earnings.

(2) Cash Flows

During the first quarter of the current fiscal year ending March 31, 2009 (hereinafter referred to as the "first quarter of the current year"), cash and cash equivalents (hereinafter referred to as "cash") decreased ¥3,355 million since the end of the previous year and amounted to ¥9,338 million at the end of the first quarter of the current year.

(Cash flows from operating activities)

Operating activities during the first quarter of the current year resulted in a net decrease in cash of ¥3,730 million, due primarily to a decrease in notes and accounts payable—trade and to income taxes paid, despite a decrease in notes and accounts receivable—trade.

(Cash flows from investing activities)

Investing activities during the first quarter of the current year resulted in a net decrease in cash of ¥4,846 million, due primarily to purchases of tangible fixed assets.

(Cash flows from financing activities)

Financing activities during the first quarter of the current year resulted in a net increase in cash of ¥5,093 million, due primarily to an increase in short-term borrowings and proceeds from issuance of corporate bonds.

3. Qualitative Information on Projections for the Consolidated Business Results

The Company and the individual companies that comprise the Group have generally made almost as good progress as expected in the business performance projections for the current fiscal year that the Company disclosed on May 14, 2008. Accordingly the consolidated business performance projections for the first half and the full year ending March 31, 2009 remain unchanged.

The Group has initiated its five-year medium-term management plan, commencing with the current year, which is designed to achieve the vision of what the Group should be ten years hence and to ensure its sustainable growth. This medium-term management plan identifies the Group's basic policy for growth as comprising "the provision of merchandise that contribute to expanding and enhancing the size and soundness of the pachinko/pachislot market" and "the exploration, development and utilization of quality content." This underlies the Group's ongoing strategic and aggressive development and expansion of business possibilities in the specific segments where the Group operates.

During the second quarter of the current year, in the pachinko/pachislot machine sales business the Group already plans to release *CR Seven Samurai*, its additional innovative pachinko machine title, and *Neon Genesis Evangelion—That time has come, now they're waiting for us*, of the hugely popular pachislot machine series.
CR Seven Samurai, the Group's first additional innovative title, is an achievement in creating and realizing a new video entertainment possibility. This experiment is unprecedented because it has re-filmed the immortal cinematic masterpiece, The Seven Samurai by director Akira Kurosawa, all on location, to create content exclusively for use in pachinko machines. This is a machine title planned and developed for full enjoyment of not only pachinko fans, but also a wider spectrum of people eager for a totally new entertainment experience. The product has received great critical acclaim from the market, for which the Company has begun taking orders, scheduled for shipment in August.
Likewise, during the second quarter of the current year, in the pachislot machine sales business the Company has started marketing *Neon Genesis Evangelion—That time has come, now they're waiting for us*, the newest edition of the *Neo Genesis Evangelion* pachislot machine series, the shipment of which is scheduled for September. The previous edition, *Neon Genesis Evangelion—'Magokoro wo Kimini'* (which debuted in July 2007 and sold a total of approximately 100,000 machines), has proven itself by capturing the interest of many fans and contributing to an extended period of service for the benefit of pachinko halls. The newest edition, *Neon Genesis Evangelion—That time has come, now they're waiting for us*, has already created much resonance in the marketplace.
Meanwhile, the introduction of *CR Virtua Fighter*, originally scheduled during the second quarter of the current year, has been postponed following the detection of a defect in the liquid crystal reported by the manufacturer. The Company has acted quickly to arrange for an additional shipment of *CRA Morning Musume* by way of a stopgap as well as for a rescheduled introduction of that product during the third quarter of the current year at the earliest.

The Group companies are committed to their business plans that are designed to culminate in and after the third quarter of the current year. The Company seeks to enhance synergies across the Group in order to aid the individual companies in achieving stronger revenues and earnings.

4. Other

(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) Adoption of simplified accounting methods and special accounting methods applicable to preparation of quarterly consolidated financial statements

1) Method for estimation of general loan losses

Because it was observed at the end of the first quarter of the current year that no significant change has occurred in the Company's historical loan loss ratio, etc. since the end of the previous year, the Company determines an estimate of loan losses by employing the historical loan loss and other ratios computed at the end of the previous year.

2) Method for valuation of inventories

For the purpose of valuing inventories at the end of the first quarter of the current year, the Company dispenses with physical inventorying and applies a reasonable valuation method on the basis of the value of inventories physically verified at the end of the previous year.

For reducing the book value of inventories, the Company applies the method that estimates the net selling price of inventories only where a clear decline is observed in their profitability and reduces their book value accordingly.

3) Method for determination of income and other taxes and of deferred tax assets and deferred tax liabilities

For determining income and other tax assessments payable, the Company applies the method that limits addition and subtraction items that must be factored in and tax exemption items only to those that are significant.

For evaluating deferred tax assets for recoverability, because it has been observed that no significant change has occurred in the Company's business environment and other conditions or the occurrence of temporary and other differences since the end of the previous year, the Company applies the method that employs the same future business performance projections and tax planning that were used at the end of the previous year.

4) Assessment of tax expenses

The Company applies the method that reasonably estimates an effective tax rate to be assessed on income before income taxes for the current year after accounting for the tax effects of temporary differences and multiplies income before income taxes during the first quarter of the current year by such estimated effective tax rate.

(3) Changes in accounting principles, accounting procedures, presentation method, etc. in association with the preparation of quarterly consolidated financial statements

1) The Company has adopted the Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance (ASBJ Statement No. 12, issued by the Accounting Standards Board of Japan on March 14, 2007) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14, issued by the Accounting Standards Board of Japan on March 14, 2007) starting from the first quarter of the current year. The Company has also prepared quarterly consolidated financial statements in accordance with the Regulations on Quarterly Financial Reporting.

2) Adoption of accounting standards pertaining to valuation of inventories

Effective with the first quarter of the current year, the Company adopts the Accounting Standard for Valuation of Inventories (ASBJ Statement No. 9, issued by the Accounting Standards Board of Japan on July 5, 2006) and changes its valuation policy from the cost method to a cost basis (which reduces the book value of assets whose profitability is diminished). This change has no effect on income.

3) Adoption of tentative treatments applicable to accounting for foreign subsidiaries in preparation of consolidated financial statements
   Effective with the first quarter of the current year, the Company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, issued by the Accounting Standards Board of Japan on May 17, 2006) and performs required reconciliations in the consolidation accounting process. This application has no effect on income.

4) Adoption of accounting and other standards pertaining to lease transactions
   The Company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, issued by the Accounting Standards Board of Japan on June 17, 1993 and last revised on March 30, 2007) and the Implementation Guidance for Accounting Standard for Lease Transactions (ASBJ Guidance No. 16, issued by the Accounting Standards Board of Japan on January 18, 1994 and last revised on March 30, 2007) early, effective with the first quarter of the current year. In respect of finance lease transactions other than those where ownership is transferred, the Company changes accounting methods from the method that applies to ordinary lease transactions to the method that applies to ordinary buying and selling transactions, and includes the assets involved in lease assets.
   The Company depreciates the cost of lease assets by applying the method that assumes the lease period to be the useful life and the residual value to be zero.
   With regard to non-ownership-transferred finance lease transactions whose effective date precedes the commencement of the initial fiscal year that the standard is adopted, the Company continues to apply the method that it uses to account for ordinary lease transactions. This has no effect on income.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

	End of first quarter of current year (June 30, 2008)	Condensed consolidated balance sheet at end of previous year (March 31, 2008)
Assets		
Current assets		
Cash and cash equivalents	9,495	12,841
Notes and accounts receivable—trade	5,713	12,354
Inventories	4,048	4,013
Other current assets	10,843	10,442
Allowance for doubtful accounts	(62)	(92)
Total current assets	30,038	39,559
Fixed assets		
Tangible fixed assets	11,833	8,093
Intangible fixed assets		
Goodwill	1,060	1,057
Other intangible fixed assets	2,848	2,880
Total intangible fixed assets	3,908	3,937
Investments and other assets		
Investment securities	14,369	13,212
Other assets	4,462	4,721
Allowance for doubtful accounts	(339)	(355)
Total investments and other assets	18,492	17,578
Total fixed assets	34,234	29,609
Total Assets	64,272	69,168
Liabilities		
Current liabilities		
Notes and accounts payable—trade	1,910	5,954
Short-term borrowings	6,497	3,398
Corporate bonds redeemable within 1 year	720	120
Current portion of long-term borrowings	800	804
Accrued income taxes	244	3,743
Accrued bonuses	18	174
Accrued bonuses to directors and auditors	62	128
Allowance for losses on order receiving	41	49
Other current liabilities	4,904	4,948
Total current liabilities	15,200	19,322
Fixed liabilities		
Corporate bonds	2,650	250
Long-term borrowings	234	434
Retirement benefit provisions	217	211
Other fixed liabilities	2,578	2,618
Total fixed liabilities	5,680	3,514
Total Liabilities	20,881	22,836

(Unit: Million yen)

	End of first quarter of current year (June 30, 2008)	Condensed consolidated balance sheet at end of previous year (March 31, 2008)
Net assets		
Shareholders' equity		
Common stock	7,948	7,948
Capital surplus	7,994	7,994
Retained earnings	25,695	28,852
Total shareholders' equity	41,638	44,795
Valuation and translation differences		
Unrealized holding gain on available-for-sale securities	334	(249)
Foreign currency translation adjustment	(41)	(59)
Total valuation and translation differences	292	(309)
Stock acquisition rights	53	43
Minority interest	1,406	1,802
Total net assets	43,391	46,331
Total Liabilities and Net Assets	64,272	69,168

(2) Quarterly Consolidated Statement of Income

(Unit: Million yen)

	First quarter of current year (April 1, 2008–June 30, 2008)
Net sales	7,321
Cost of sales	5,206
Gross profit	2,114
Selling, general and administrative expenses	5,426
Operating income (loss)	(3,312)
Non-operating income	
Interest income	12
Dividend income	8
Foreign exchange gain	252
Others	111
Total non-operating income	384
Non-operating expenses	
Interest expense	29
Corporate bond issuance expenses	51
Equity method investment loss	71
Amortization of equity investment	67
Others	14
Total non-operating expenses	234
Ordinary income (loss)	(3,161)
Extraordinary income	
Gain on investment in anonymous association	48
Reversal of allowance for doubtful accounts	45
Others	0
Total extraordinary income	95
Extraordinary losses	
Loss on sale of fixed assets	0
Loss due to disaster	99
Others	7
Total extraordinary losses	107
Income (loss) before income taxes and minority interest	(3,174)
Current income taxes	(501)
Minority interest	(383)
Net income (loss)	(2,289)

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	First quarter of current year (April 1, 2008–June 30, 2008)
Cash flows from operating activities	
Income (loss) before income taxes and minority interest	(3,174)
Depreciation and amortization	418
Amortization of goodwill	74
Increase (decrease) in allowance for doubtful accounts	(45)
Increase (decrease) in accrued bonuses	(156)
Increase (decrease) in accrued bonuses to directors and auditors	(65)
Increase (decrease) in retirement benefit provisions	6
Interest and dividend income	(20)
Discounts on purchases	(21)
Equity method investment loss (gain)	71
Interest expense	29
Decrease (increase) in notes and accounts receivable—trade	7,015
Decrease (increase) in inventories	(11)
Decrease (increase) in merchandising right advances	170
Increase (decrease) in notes and accounts payable—trade	(3,965)
Increase (decrease) in accrued consumption taxes	(369)
Others	72
Sub total	28
Interest and dividends received	31
Interest paid	(21)
Income taxes paid	(3,768)
Net cash provided by (used in) operating activities	(3,730)
Cash flows from investing activities	
Purchases of tangible fixed assets	(4,409)
Purchases of intangible fixed assets	(140)
Purchases of investment securities	(166)
Expenditure for equity investment	(39)
Others	(90)
Net cash provided by (used in) investing activities	(4,846)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	3,099
Repayment of long-term borrowings	(203)
Proceeds from issuance of corporate bonds	2,948
Cash dividends paid	(727)
Cash dividends paid to minority shareholders	(22)
Others	0
Net cash provided by (used in) financing activities	5,093
Effect of exchange rate changes on cash and cash equivalents	127
Increase (decrease) in cash and cash equivalents	(3,355)
Cash and cash equivalents at beginning of period	12,693
Cash and cash equivalents at end of period	9,338

Explanatory note

The Company has adopted the Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) starting from the current fiscal year. The Company has also prepared quarterly consolidated financial statements in accordance with the Regulations on Quarterly Financial Reporting.

(4) Note Regarding the Operation of the Company as a Going Concern

First quarter of current year (April 1, 2008–June 30, 2008)

No relevant items

(5) Segment Information

[Segment information by business category]

First quarter of current year (April 1, 2008–June 30, 2008)

	PS Field (Millions of yen)	Game Field (Millions of yen)	Sports Field (Millions of yen)	Movies Field (Millions of yen)	Other Field (Millions of yen)	Total (Millions of yen)	Elimination or incorporation (Millions of yen)	Consolidated (Millions of yen)
Net Sales								
(1) Sales to third parties	4,052	1,904	946	26	391	7,321	—	7,321
(2) Inter-group sales or transfers	145	0	15	—	3	163	(163)	—
Total	4,197	1,904	961	26	394	7,485	(163)	7,321
Operating income (loss)	(1,562)	(1,112)	(169)	(488)	65	(3,267)	(44)	(3,312)

(Notes)

1. Based on the proximity of products or services, etc. provided, the Company's businesses are segmented into PS Field, Game Field, Sports Field, Movies Field and Other Field.
2. The major products or services in each segment are as follows:
   (1) PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
   (2) Game Field: Planning, development, sales, etc. of packaged software, such as game software
   (3) Sports Field: Sports management and related activities
   (4) Movies Field: Movie production, digital content creation and copyright acquisition
   (5) Other Field: Planning, production, etc. of animation
3. Resegmentation of operations
   In previous years, the sports management business and the movie business have been included in the Other Field segment. Because these businesses are now significant in value, the Company resegmented its operations to separate and disclose these businesses in segments called the Sports Field and Movies Field, respectively, effective with the first quarter of the current year.
   This has no impact on segment information.

[Segment information by region]

First quarter of current year (April 1, 2008–June 30, 2008)

	Japan (Millions of yen)	Other Regions (Millions of yen)	Total (Millions of yen)	Elimination or incorporation (Millions of yen)	Consolidated (Millions of yen)
Net Sales					
(1) Sales to third parties	6,523	798	7,321	—	7,321
(2) Inter-group sales or transfers	233	157	391	(391)	—
Total	6,757	955	7,712	(391)	7,321
Operating income (loss)	(2,347)	(845)	(3,193)	(119)	(3,312)

(Notes)
1. Countries or regions are segmented according to their geographic proximity.
2. The major countries or regions grouped into the Other Regions segment: North America, Europe and others
3. Resegmentation of operations
   In previous years, segment information by region has been omitted, since Japan has accounted for more than 90% of total net sales across all segments. Because that proportion is now less than 90%, effective with the first quarter of the current year, the Company resegmented its operations into separate geographic segments called Japan and Other Regions.

[Overseas sales]

First quarter of current year (April 1, 2008–June 30, 2008)

	Other Regions	Total
I Overseas sales (millions of yen)	853	853
II Consolidated net sales (millions of yen)	—	7,321
III Overseas sales as a percentage of consolidated net sales (%)	11.7	11.7

(Notes)
1. Countries or regions are segmented according to their geographic proximity.
2. Because no one of the individual countries or regions outside Japan in which the Group operates accounts for a significant amount of consolidated net sales, they are combined for disclosure purposes into Other Regions.
3. The major countries or regions grouped into the Other Regions segment: North America, Europe and others
4. Overseas sales comprise the sales that the Company and its consolidated subsidiaries generate in countries or regions outside Japan.
5. Resegmentation of operations
   In previous years, information on overseas sales has been omitted, since they have accounted for less than 10% of consolidated net sales. Because that proportion is now more than 10%, effective with the first quarter of the current year, the Company resegmented its operations to separate and disclose overseas sales in a segment called Other Regions.

(6) Note Regarding Occurrence of Significant Change in Amount of Shareholders' Equity

First quarter of current year (April 1, 2008–June 30, 2008)

No relevant items

6. Other Information

There is no information that requires particular description.