

## Summary

(Translation)

### Fields Corporation Summary of First Quarter Financial Information and Business Results (Consolidated) Year Ending March 31, 2007

August 3, 2006

Company Name: Fields Corporation (JASDAQ code: 2767)  
(URL: <http://www.fields.biz>)  
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#### 1. Notes to quarterly financial information

- (1) Simplified methods applied for accounting (Yes/No): Yes  
Simplified methods were partially applied for calculating tax expense and other items.
- (2) Changes in accounting methods since the most recent fiscal year (Yes/No): No
- (3) Changes in the scope of consolidation or application of the equity method (Yes/No): Yes  
Newly consolidated companies: 1; Excluded companies: -; Newly added equity method companies: -;  
Excluded equity method companies: -

Through a corporate split on April 1, 2006, D3 Publisher Inc. changed its trade name to D3 Inc., and newly established D3 Publisher Inc.

#### 2. Summary of business results for the first quarter of the year ending March 31, 2007 (April 1 to June 30, 2006)

##### (1) Operating results

(Rounded down to nearest million)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
First quarter, year ending March 31, 2007	25,362	(3.9)	3,176	(40.7)	3,413	(28.0)	1,658	(13.2)
First quarter, year ended March 31, 2006	24,418	(43.6)	2,257	(24.1)	2,667	(42.6)	1,464	(32.2)
Year ended March 31, 2006 (For reference)	96,814		12,348		13,127		7,085	

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter, year ending March 31, 2007	4,778.88	-
First quarter, year ended March 31, 2006	4,220.52	-
Year ended March 31, 2006 (For reference)	20,118.14	-

Notes: 1. Average number of shares outstanding

First quarter of the year ending March 31, 2007: 347,000 shares

First quarter of the year ended March 31, 2006: 347,000 shares

Year ended March 31, 2006: 347,000 shares

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

## Qualitative data relating to consolidated operating results

Group business performance was generally favorable during the first quarter.

In the PS (pachinko/pachislot) Field, the pachislot machine *Ore no Sora*, on sale continuously since the previous fiscal year, won a brisk inflow of additional orders, becoming a megahit with cumulative sales that topped 120,000 units. Among new products launched during the term, *King of Mouse*, produced by Olympia Co., Ltd., was added to the lineup and attracted an increasing volume of orders to meet replacement demand, while *LOONEY TUNES: BACK IN ACTION*, which incorporates a large LCD screen and conforms with the new machine regulations, was also well received in the market.

Orders for *CR Neon Genesis Evangelion: Second Impact*, a pachinko machine on sale since the previous fiscal year, remained robust, establishing the status of this model as part of one of the Company's core series of machines. In addition, *CR Shin Sangoku Musou*, based on a popular KOEI Co., Ltd. video game, has also been very well received, boosted by the adoption of an innovative approach that includes the appearance of on-screen gimmicks.

In the Game Field, subsidiary D3 Inc. is targeting North America for the expansion of its overseas operations. During the first quarter it achieved brisk overall sales of the three full-price game software titles it is selling there, for example it achieved shipments of 140,000 units of *NARUTO*.

Domestically, seven titles in the SIMPLE series of low-priced game software were launched, achieving robust sales, particularly of titles for use in the Nintendo DS game machine. This was accompanied by a strong rise, continued from the previous fiscal year, in the number of subscribers to the SIMPLE 100 series of content for cell phones. We also launched two full-price game software titles and, continuing the success achieved by their predecessors, we shipped in excess of 150,000 units of the *Hissho Pachinko/Pachislot Koryaku Series Vol. 5: CR Neon Genesis Evangelion: Second Impact* and *Pachislot Neon Genesis Evangelion*. In ways such as these, Group synergies have been enhanced still further.

In the Other Field segment, Japan Sports Marketing, Inc., which was formed in October 2005 through the merger of three subsidiaries, made sound progress towards the realization of its comprehensive sports and entertainment business model. Additionally, Kadokawa Haruki Corporation, an equity-method affiliate, has provided the original script and chairs the production committee for the blockbuster movie *Aoki Okami (The Blue Wolf: To the Ends of the Earth and Sea)*, and started location shooting in Mongolia. Excellent progress with the filming is being made, aiming for the planned release of the movie in cinemas on March 3, 2007.

As a result of the developments described above, for the quarter the Company posted net sales of ¥25,362 million, up by 3.9% year-on-year, operating income of ¥3,176 million, up by 40.7%, ordinary income of ¥3,413 million, up by 28.0%, and net income of ¥1,658 million, up by 13.2%. Among the reasons why the rates of increase in operating income and ordinary income were substantially above the rate of growth in net sales was the fact that sales of pachinko machines accounted for a large proportion of unit sales of pachinko/pachislot machines in the first quarter. Pachislot machines are purchased for resale, whereas sales commissions for pachinko machines are posted as sales.

### (2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
At June 30, 2006	63,661	41,873	63.3	120,674.06
At June 30, 2005	47,967	34,094	71.1	98,255.94
At March 31, 2006 (For reference)	87,556	39,411	45.0	113,275.37

### Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at period-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First quarter, year ending March 31, 2007	(722)	(338)	(257)	14,451
First quarter, year ended March 31, 2006	(1,977)	(1,006)	(956)	9,396
Year ended March 31, 2006 (For reference)	6,164	(2,224)	(1,540)	15,777

### Qualitative data relating to changes in consolidated financial position

Cash and cash equivalents for the first quarter of the year ending March 31, 2007, decreased ¥1,325,667,000 from March 31, 2006, to ¥14,451,646,000. This is attributable primarily to income before income taxes and minority interest of ¥3,400,656,000, up by 23.9% year-on-year, a decrease in notes and accounts receivable – trade, a decrease in accounts payable – trade, and an increase in income taxes paid.

#### *Cash flows from operating activities*

Net cash used in operating activities was ¥722,066,000. Significant items included income before income taxes and minority interest of ¥3,400,656,000, a ¥23,375,678,000 decrease in notes and accounts receivable – trade, a ¥23,312,910,000 decrease in accounts payable – trade, a ¥665,773,000 increase in inventories, and ¥3,727,047,000 in income taxes paid.

#### *Cash flows from investing activities*

Net cash used in investing activities totaled ¥338,218,000. This is attributable primarily to purchases of securities and investment securities totaling ¥199,915,000 and ¥487,541,000 respectively, and to sales of investment securities totaling ¥500,000,000.

#### *Cash flows from financing activities*

Net cash used in financing activities totaled ¥257,221,000. The principal components of this included an increase of ¥400,000,000 in short-term borrowings, and the payment of ¥613,554,000 in cash dividends.

### 3. Forecast earnings for the year ending March 31, 2007 (April 1, 2006, to March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
First half	40,640	3,160	1,270
Full year	106,960	14,070	7,400

Reference: Projected net income per share for the year ending March 31, 2007: ¥21,325.64

### Qualitative data relating to forecast earnings

Forecast earnings for the year ending March 31, 2007, have been as projected for the most part through the first quarter. As such, for the time being there are no changes to the forecast earnings announced on May 15, 2006, in the Summary of Financial Statements and Business Results (Consolidated) – Year ended March 31, 2006, and the Summary of Financial Statements and Business Results (Non-Consolidated) – Year ended March 31, 2006.

## 1. Summary Consolidated Balance Sheets

(Thousands of yen, %)

Item	Period		(First quarter ended June 30, 2005)		(First quarter ended June 30, 2006)		(Fiscal year ended March 31, 2006)	
	As of June 30, 2005		As of June 30, 2006		As of June 30, 2006		As of March 31, 2006	
	Amount	% total	Amount	% total	Amount	% total		
<b>Assets</b>		%		%		%		%
I. Current assets								
1. Cash and cash equivalents	9,396,682		14,451,646		15,777,313			
2. Notes and accounts receivable—trade	16,397,138		23,497,489		46,385,995			
3. Marketable securities	5,000		199,915		-			
4. Inventories	453,716		2,171,879		1,568,986			
5. Merchandising rights advances	3,496,795		3,224,237		-			
6. Other current assets	2,181,444		2,782,496		6,296,702			
7. Allowance for doubtful accounts	(87,111)		(149,225)		(149,225)			
Total current assets	31,843,665	66.4	46,178,439	72.5	69,879,772	79.8		
II. Fixed assets								
1. Tangible fixed assets	4,927,657	10.3	4,673,247	7.4	4,689,155	5.4		
2. Intangible fixed assets	1,838,463	3.8	2,738,582	4.3	2,752,383	3.1		
3. Investments and other assets								
(1) Investment securities	5,866,238		7,005,629		6,991,655			
(2) Others	3,669,575		3,219,449		3,398,027			
(3) Allowance for doubtful accounts	(178,328)		(153,555)		(154,461)			
Total investments and other assets	9,357,485	19.5	10,071,523	15.8	10,235,222	11.7		
Total fixed assets	16,123,605	33.6	17,483,352	27.5	17,676,761	20.2		
Total deferred assets	340	0.0	-	-	-	-		
Total assets	47,967,611	100.0	63,661,791	100.0	87,556,534	100.0		

(Thousands of yen, %)

Item	Period	(First quarter ended June 30, 2005)		(First quarter ended June 30, 2006)		(Fiscal year ended March 31, 2006)	
		As of June 30, 2005		As of June 30, 2006		As of March 31, 2006	
		Amount	% total	Amount	% total	Amount	% total
<b>Liabilities</b>			%		%		%
<b>I. Current liabilities</b>							
1. Accounts payable—trade		4,052,219		11,324,585		34,869,095	
2. Short-term borrowings		437,000		1,130,000		730,000	
3. Current portion of long-term debt		265,268		204,668		214,668	
4. Corporate bonds redeemable within 1 year		-		110,000		110,000	
5. Accrued bonuses		35,300		54,331		25,000	
6. Other current liabilities		3,225,390		5,459,547		6,577,747	
Total current liabilities		8,015,177	16.7	18,283,132	28.7	42,526,511	48.6
<b>II. Long-term liabilities</b>							
1. Corporate bonds		500,000		490,000		490,000	
2. Long-term debt		537,998		333,330		366,997	
3. Retirement benefit provisions		148,045		169,445		162,648	
4. Reserve for retirement benefits for directors and statutory auditors		561,740		-		607,100	
5. Other long-term liabilities		2,446,645		2,511,983		2,380,985	
Total long-term liabilities		4,194,428	8.7	3,504,759	5.5	4,007,730	4.6
Total liabilities		12,209,606	25.4	21,787,891	34.2	46,534,242	53.2
<b>Minority interest</b>							
Minority interest in consolidated subsidiaries		1,663,193	3.5	-	-	1,610,739	1.8
<b>Shareholders' equity</b>							
<b>I. Common stock</b>		7,948,036	16.6	-	-	7,948,036	9.1
<b>II. Capital surplus</b>		7,995,458	16.7	-	-	7,994,953	9.1
<b>III. Retained earnings</b>		17,799,007	37.1	-	-	22,726,469	26.0
<b>IV. Unrealized holding gain on available-for-sale securities</b>		349,796	0.7	-	-	735,622	0.8
<b>V. Foreign currency translation adjustment</b>		2,513	0.0	-	-	6,470	0.0
Total shareholders' equity		34,094,812	71.1	-	-	39,411,552	45.0
Total liabilities, minority interest and shareholders' equity		47,967,611	100.0	-	-	87,556,534	100.0
<b>Net assets</b>							
<b>I. Owners' equity</b>							
1. Common stock		-	-	7,948,036	12.5	-	-
2. Capital surplus		-	-	7,994,953	12.6	-	-
3. Retained earnings		-	-	23,577,354	37.0	-	-
Total owners' equity		-	-	39,520,344	62.1	-	-
<b>II. Valuation and translation differences</b>							
1. Unrealized holding gain on available-for-sale securities		-	-	733,725	1.2	-	-
2. Foreign currency translation adjustment		-	-	7,547	0.0	-	-
Total valuation and translation differences		-	-	741,273	1.2	-	-
<b>III. Minority interest</b>		-	-	1,612,283	2.5	-	-
Total net assets		-	-	41,873,900	65.8	-	-
Total liabilities and net assets		-	-	63,661,791	100.0	-	-

## 2. Summary Consolidated Statements of Income

(Thousands of yen, %)

Item	First quarter ended June 30, 2005 (April 1– June 30, 2005)		First quarter ended June 30, 2006 (April 1– June 30, 2006)		Fiscal year ended March 31, 2006 (April 1, 2005–March 31, 2006)	
	Amount	% sales	Amount	% sales	Amount	% sales
I. Net sales	24,418,808	100.0	25,362,998	100.0	96,814,364	100.0
II. Cost of sales	18,493,354	75.7	17,792,660	70.2	67,077,197	69.3
Gross profit	5,925,454	24.3	7,570,338	29.8	29,737,167	30.7
III. Selling, general and administrative expenses	3,667,544	15.0	4,393,466	17.3	17,389,011	17.9
Operating income	2,257,910	9.3	3,176,872	12.5	12,348,156	12.8
IV. Non-operating income	421,723	1.7	268,069	1.1	828,495	0.9
V. Non-operating expenses	12,182	0.1	31,441	0.1	48,966	0.1
Ordinary income	2,667,452	10.9	3,413,500	13.5	13,127,685	13.6
VI. Extraordinary income	143,813	0.6	905	0.0	218,451	0.2
VII. Extraordinary losses	67,314	0.3	13,749	0.1	311,254	0.3
Income before income taxes and minority interests	2,743,950	11.2	3,400,656	13.4	13,034,882	13.5
Current income taxes	1,280,105	5.2	1,742,854	6.9	6,204,823	6.4
Minority interest	(674)	0.0	(469)	0.0	(255,935)	(0.2)
Net income	1,464,520	6.0	1,658,271	6.5	7,085,994	7.3

### 3. Summary Consolidated Statements of Cash Flows

(Thousands of yen)

Item	Period	First quarter ended June 30, 2005	First quarter ended June 30, 2006	Fiscal year ended March 31, 2006
		(April 1– June 30, 2005)	(April 1– June 30, 2006)	(April 1, 2005–March 31, 2006)
		Amount	Amount	Amount
I. Cash flows from operating activities				
1. Income before income taxes and minority interest		2,743,950	3,400,656	13,034,882
2. Depreciation and amortization		261,055	196,667	1,237,274
3. Amortization of excess of net assets acquired over cost		38,774	96,495	261,807
4. Increase (decrease) in allowance for doubtful accounts		(680)	(894)	(55,454)
5. Increase (decrease) in accrued bonuses		15,300	29,331	2,688
6. Increase (decrease) in retirement benefit provisions		8,905	6,797	(3,100)
7. Increase (decrease) in reserve for retirement benefits for directors and statutory auditors		(6,960)	(607,100)	38,400
8. Interest and dividend income		(16,620)	(25,930)	(42,219)
9. Purchasing discounts		(189,495)	(201,904)	(201,904)
10. Equity in earnings of affiliates		(201,095)	(59,065)	(429,179)
11. Interest expense		5,577	6,541	23,875
12. Stock issuance expense		803	-	872
13. Gain on sale of property and equipment		(124,941)	-	(147,314)
14. Loss on disposal of fixed assets		-	1,580	115,194
15. Valuation loss on equity investment		10,495	-	-
16. Gain on sale of affiliates		(18,871)	-	-
17. Decrease (increase) in notes and accounts receivable–trade		21,149,888	23,375,678	(9,135,880)
18. Decrease (increase) in inventories		26,664	(665,773)	(1,085,496)
19. Decrease (increase) in merchandising rights advances		(184,041)	292,245	(203,728)
20. Decrease (increase) in prepaid expenses		6,277	318,691	147,235
21. Decrease (increase) in advance payments		79,429	120,996	5,838
22. Decrease (increase) in notes held		45,230	14,187	(19,670)
23. Decrease (increase) in non-operating notes receivable		481,815	410,247	377,620
24. Decrease (increase) in deposits as security for dealing		-	20,000	(30,832)
25. Increase (decrease) in notes and accounts payable–trade		(23,237,416)	(23,312,910)	7,492,695
26. Increase (decrease) in accrued consumption tax		50,777	(81,110)	177,473
27. Increase (decrease) in deposits received		(226,733)	317,853	(55,878)
28. Increase (decrease) in deposits held		62,141	130,997	2,375
29. Payments of bonuses to directors and statutory auditors		-	(105,000)	(105,000)
30. Others		(207,140)	(739,357)	873,971
Subtotal		573,091	2,939,920	12,276,545
31. Interest and dividends received		51,512	71,672	74,320
32. Interest paid		(6,131)	(6,612)	(24,024)
33. Income taxes paid		(2,595,953)	(3,727,047)	(6,162,055)
Net cash provided by (used in) operating activities		(1,977,481)	(722,066)	6,164,786

(Thousands of yen)

Item	Period	First quarter ended June 30, 2005	First quarter ended June 30, 2006	Fiscal year ended March 31, 2006
		(April 1– June 30, 2005)	(April 1– June 30, 2006)	(April 1, 2005–March 31, 2006)
		Amount	Amount	Amount
II. Cash flows from investing activities				
1. Purchases of marketable securities		-	(199,915)	-
2. Purchases of property and equipment		(465,720)	(82,073)	(784,621)
3. Purchases of intangible fixed assets		(285,930)	(30,921)	(702,484)
4. Purchases of investment securities		(150,000)	(487,541)	(920,000)
5. Sale of investment securities		-	500,000	551,585
6. Purchases of shares in affiliates		-	(15,000)	(300,000)
7. Expenditure for loans		(11,450)	(143,398)	(215,650)
8. Proceeds from repayment of loans		5,966	15,841	303,461
9. Refund of deposits and guarantees		22,571	13,533	259,448
10. Payment of deposits and guarantees		(105,672)	(8,384)	(304,686)
11. Payment for long-term prepaid expenses		(36,802)	-	(48,271)
12. Other		20,879	99,639	(63,394)
Net cash provided by (used in) investing activities		(1,006,158)	(338,218)	(2,224,610)
III. Cash flows from financing activities				
1. Increase (decrease) in short-term borrowings		(213,200)	400,000	79,800
2. Repayment of long-term borrowings		(120,167)	(43,667)	(343,268)
3. Proceeds from issuance of corporate bonds		-	-	97,600
4. Proceeds from payments by minority shareholders		206	-	10,319
5. Cash dividends paid		(623,839)	(613,554)	(1,384,996)
Net cash provided by (used in) financing activities		(956,999)	(257,221)	(1,540,544)
IV. Effect of exchange rate changes on cash and cash equivalents		9,672	(8,160)	50,037
V. Increase (decrease) in cash and cash equivalents		(3,930,967)	(1,325,667)	2,449,668
VI. Cash and cash equivalents at beginning of period		13,326,256	15,777,313	13,326,256
VII. Increase (decrease) in cash and cash equivalents due to change in scope of consolidation		1,394	-	1,388
VIII. Cash and cash equivalents at end of period		9,396,682	14,451,646	15,777,313