(Translation)

Fields Corporation
Summary of Interim Financial Information and Business Results (Consolidated)
Year ending March 31, 2005

November 19, 2004

Company Name: Fields Corporation (Stock code: 2767)
URL: http://www.fields.biz

Representative Director: Hidetoshi Yamamoto
President, Representative Director and CEO

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Date approved by Board of Directors: November 19, 2004

US accounting standards applied (Yes/No): No

1. Summary of consolidated business results for the interim period of the year ending March 31, 2005 (April 1 to September 30, 2004)

(1) Consolidated operating results (Truncated to lower of one million)

	Net sales	Operating income	Ordinary income
	Millions of yen (% change)	Millions of yen (% change)	Millions of yen (% change)
Interim period ended September 30, 2004	30,975 (-15.3)	3,171 (- 48.1)	3,280 (- 48.8)
Interim period ended September 30, 2003	36,567 (3.4)	6,111 (38.7)	6,413 (39.8)
Year ended March 31, 2004 (Fiscal 2003)	66,211	11,866	12,209

	Net income	Net income per share	Diluted net income per share
	Millions of yen (% change)	Yen	Yen
Interim period ended September 30, 2004	1,972 (-44.0)	5,817.81	—
Interim period ended September 30, 2003	3,523 (54.7)	109,082.99	—
Year ended March 31, 2004 (Fiscal 2003)	6,620	40,465.97	—

Notes:

1. Income (loss) from investments according to equity method
   Interim period ended September 30, 2004: ¥218 million
   Interim period ended September 30, 2003: ¥268 million
   Fiscal year ended March 31, 2004: ¥292 million
2. Average number of shares (consolidated)
   Interim period ended September 30, 2004: 339,000 shares
   Interim period ended September 30, 2003: 32,300 shares
   Fiscal year ended March 31, 2004: 161,500 shares
3. Changes in accounting methods: None
4. Percentages for net sales, operating income, ordinary income, and net income for the period under review indicate an increase (decrease) compared with the same period of the previous fiscal year

(2) Consolidated financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	(%)	Yen
Interim period ended September 30, 2004	46,956	29,019	61.8	83,630.99
Interim period ended September 30, 2003	22,185	11,927	53.8	369,267.26
Year ended March 31 2004 (Fiscal 2003)	37,115	14,507	39.1	89,305.39

Note: Number of shares outstanding (consolidated) at end of interim period ended September 30, 2004: 347,000 shares;
at end of interim period ended September 30, 2003: 32,300 shares; at end of fiscal year ended March 31, 2004: 161,500 shares

(3) Summary of consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim period ended September 30, 2004	2,122	(3,056)	10,256	14,761
Interim period ended September 30, 2003	2,618	(1,218)	(323)	6,815
Year ended March 31 2004 (Fiscal 2003)	851	(3,190)	2,029	5,437

(4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 5

Unconsolidated subsidiaries accounted for under equity method:

Affiliates accounted for under equity method: 2

(5) Changes in scope of consolidation and application of equity method

Newly consolidated companies: - ; Excluded companies: - ; Newly added equity method companies: 1;

Excluded equity method companies: - .

2. Forecast earnings for the year ending March 31, 2005

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Full-year	73,700	14,000	7,600

Reference: Projected net income per share for the current fiscal year: ¥21,909.62

(Calculations are based on a total of 343,000 shares after a capital increase on June 15, 2004 through the issue of 12,000 new shares, and a 2-for-1 stock split carried out on September 3, 2004.)

1. Outline of the Fields Group

The Fields Group (the Company and its affiliates) comprises Fields Corporation ("the Company"), its seven subsidiaries and two affiliates.

The Company's main line of business is the sale of pachinko and pachislot amusement machines, and the development of amusement machine content based on marketing data accumulated nationwide.

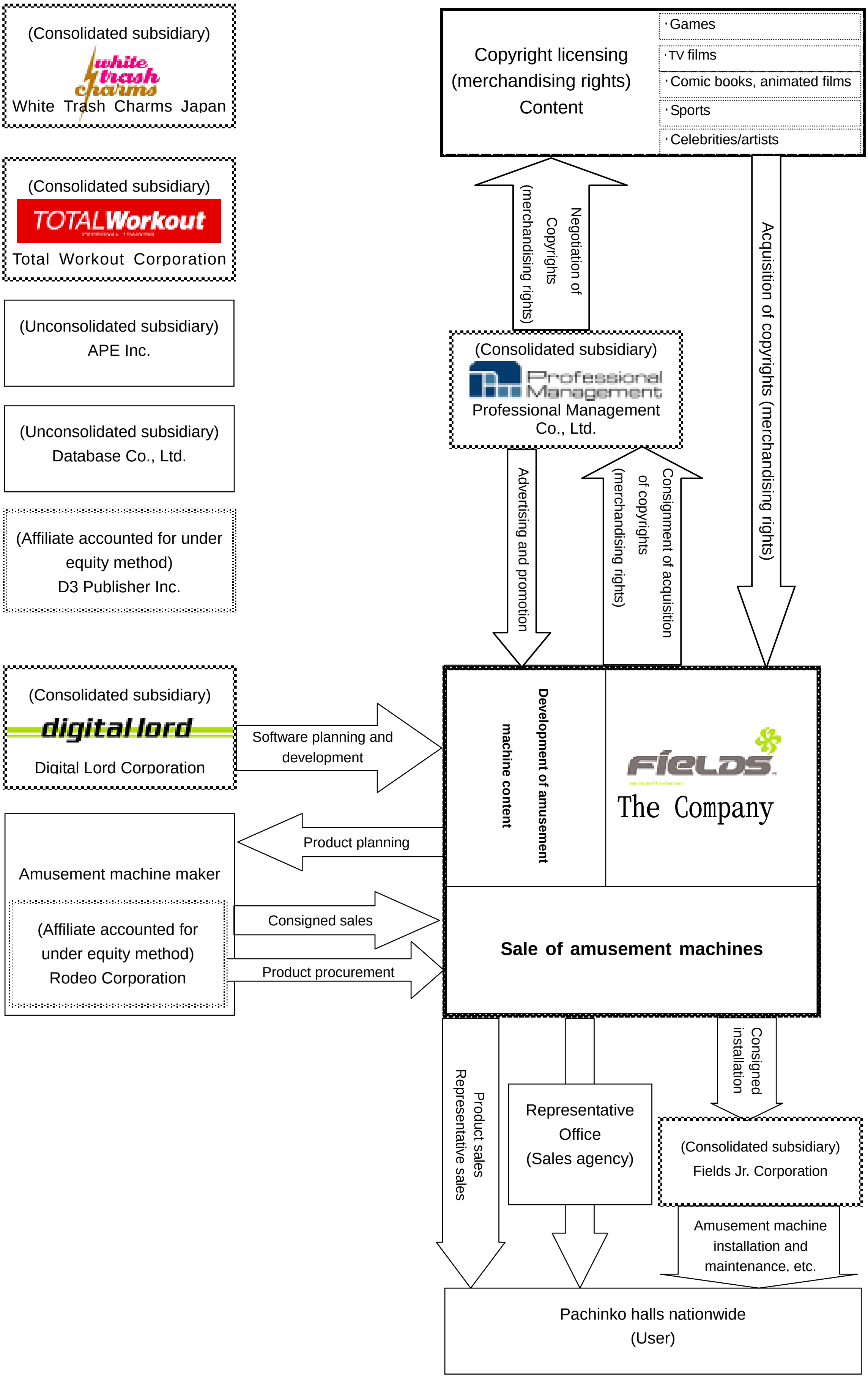
The Company sells pachinko and pachislot amusement machines directly to pachinko hall operators through the marketing efforts of its branch offices—by offices handling agency sales and offices handling distribution sales.

The amusement machine sales business accounts for more than 90% of the Company's total sales and operating profit in all segments, which means that in accordance with Article 15 Section 2 of the regulations governing reporting for consolidated financial statements Fields is not required to disclose segment information for each category of business activity.

The businesses areas of each company in the Fields Group are summarized below.

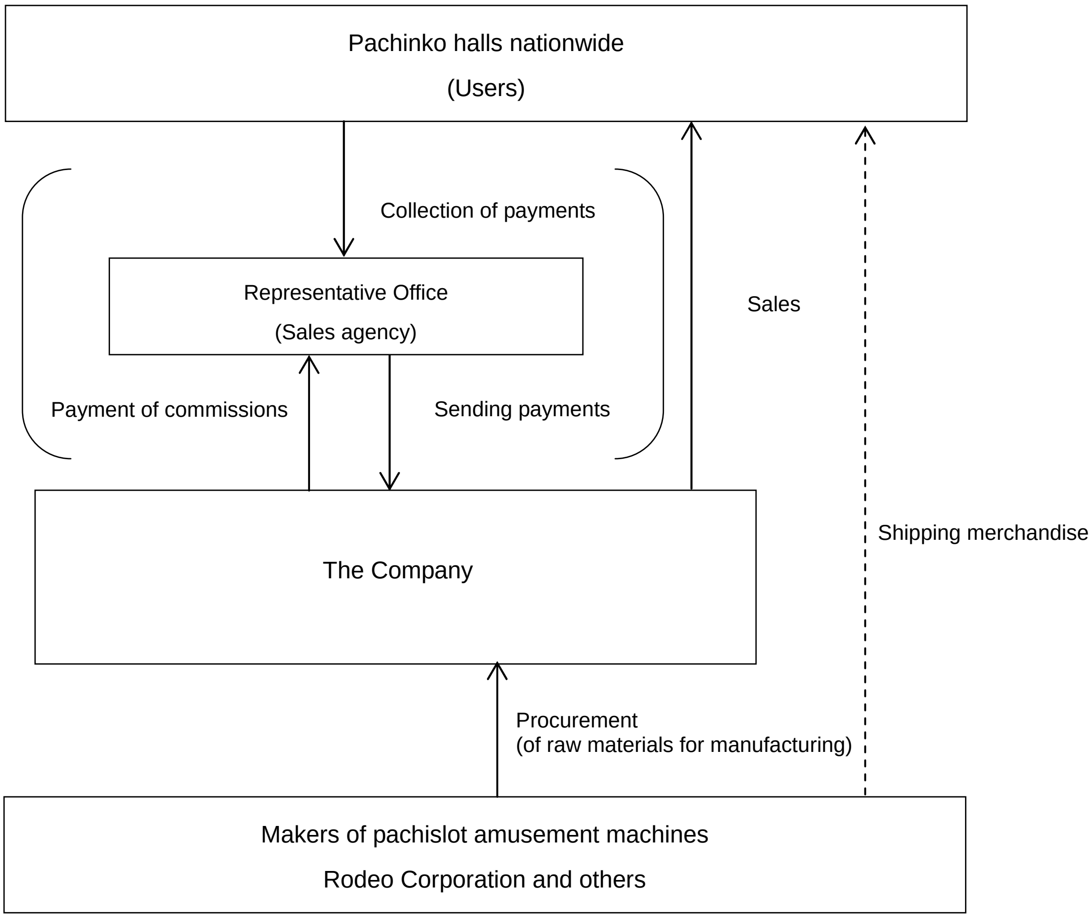
Business segment	**Description of principal business**	**Company name**
Sale of amusement machines	Sales and maintenance Purchase of amusement machines	Fields Jr. Corporation Rodeo Corporation
	Amusement machine planning and development	Digital Lord Corporation
Others	Copyright licensing (merchandising rights) Acquisition of content	Professional Management Inc. APE Inc.
		Total Workout Corporation White Trash Charms Japan Co., Ltd. Database Co., Ltd. D3 Publisher Inc.

The chart below provides an overview of the businesses.

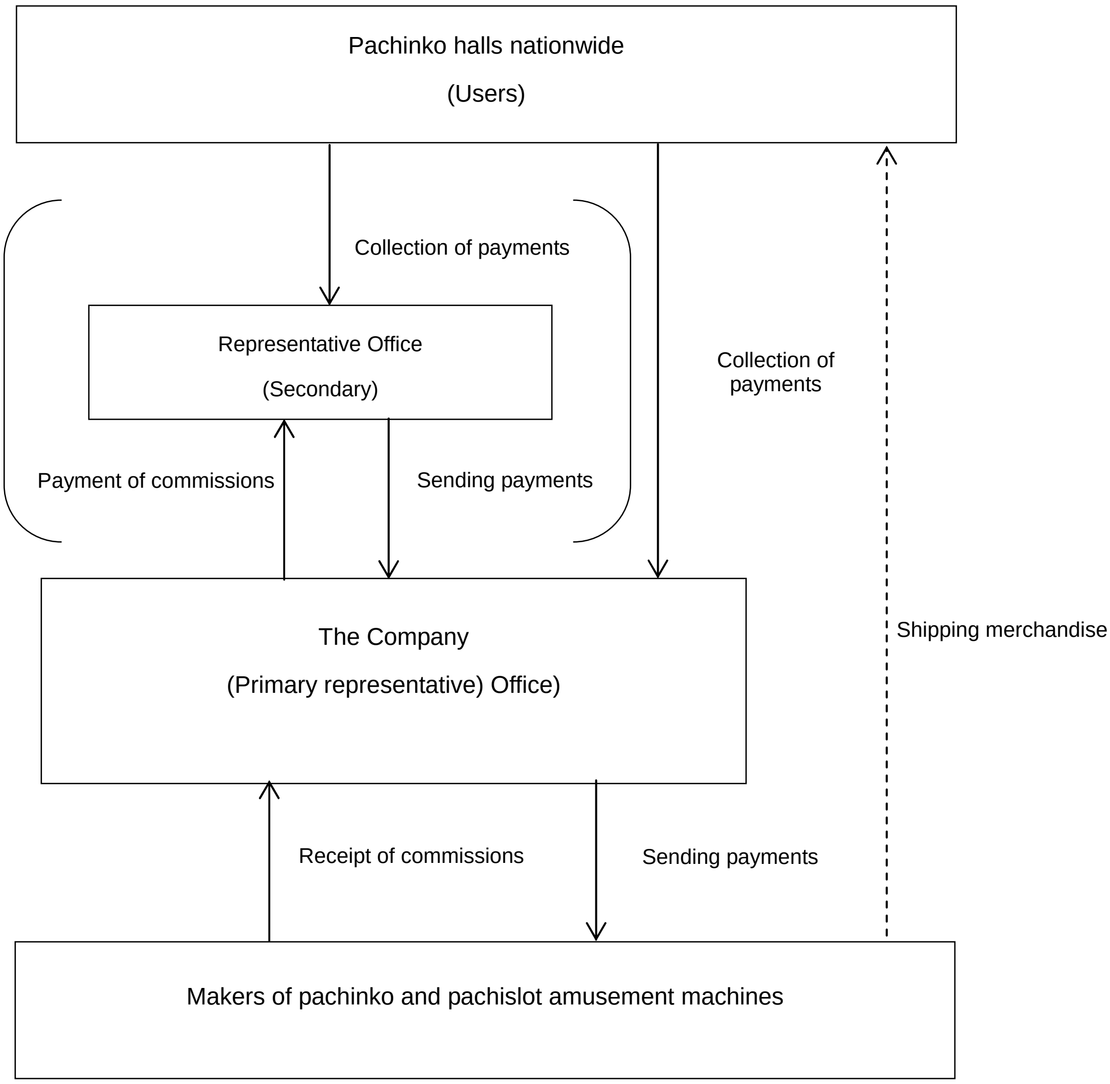


Business Organization Chart

1. Distribution sales



2. Agency sales



2. Operating Policies

1. Fundamental corporate management policy

Fields is acquiring licensing rights and building a broad range of new business platforms as it utilizes carefully designed marketing. In addition, the Company is expanding its content provider business, which involves the provision of content and product planning in a variety of fields.

The Company's management philosophy is to provide "The greatest leisure for all people." To realize this goal, the Company strives to realize Group synergies, constantly bolster its management capabilities and strengthen its competitiveness.

The twin pillars of the Company's "Shareholders first" operating policy are building corporate value and returning profits to shareholders. To do this, we seek to make optimal use of our management resources.

2. Fundamental corporate policy for distributing profits

Fields, which positions raising value for shareholders as its primary task, carries out a fundamental policy of paying dividends of an appropriate level in line with profits. Giving due consideration to business development requirements, the Company makes every effort to effectively use retained earnings to improve its financial condition and strengthen its operational base.

Reflecting this, Fields paid shareholders an interim cash dividend of ¥2,000 per share on September 30, 2004.

3. Policies for reducing the minimum investment unit and related matters

Management believes that sufficient stock liquidity—enabling a large number of investors to participate in share trading—is necessary to obtain a rational market price for the Company's stock. To this end, the Company issued 12,000 new shares on June 15, 2004, and implemented a one-for-two stock split on September 3, 2004. Management will give full consideration to market trends, investor opinions and other factors before deciding future actions to lower the minimum investment unit. In doing so, our primary perspective is to place the interest of shareholders first.

4. Challenges for the future

By adopting a strategy of providing a wide array of entertainment-related content, Fields is expanding is building a strong competitive advantage on which to base its business expansion. Currently, the range of entertainment-related content for pachinko, pachislot and other games is diversifying rapidly.

Over recent years, the pachinko and pachislot industry has maintained its status as a major leisure industry enjoying a high level of demand. Nevertheless diversifying consumer values and alternative forms of entertainment have hampered the growth of the pachinko customer base. In various areas, the end of self-regulation has triggered a series of mergers and divestments. As a consequence, a strong trend towards larger pachinko halls has developed, resulting in greater competition for customers. The pachinko and pachislot industry currently faces a variety of challenges in a business environment that is generating considerable change.

In July 2004, amendments to laws governing the entertainment industry and amusement machines came into effect. The amendments significantly altered regulations on the development and production of amusement machines. This change will cause a competitive shakeout as companies attempt to adapt to the new requirements. Fields has made concerted efforts to secure a competitive advantage in pachinko and pachislot sales by reinforcing tie-ups with the Sammy and Sankyo Groups—both major organizations. As a result, the Company was able to focus early on developing machines that meet the new regulations. This in turn will ensure that many amusement machines are approved for sale soon, putting the Company in a strong position to record solid results from the second half of the fiscal year onward.

Fields implemented a carefully planned strategy for the launch of new pachislot machines, which allowed for delays related to machine testing during the transition period. As a result, the Company now has a large number of pachislot machines that comply with the new regulations. Furthermore, it is confident that these pachislot machines will contribute to a strong performance.

The new regulations described above were introduced to keep the speculative aspect of pachinko and pachislot within acceptable limits while offering high entertainment value. As the speculative side of pachinko and pachislot is kept to a moderate level, there is increasing demand for amusement machines that are far more entertaining and fun to play than anything to date. The industry is expected to follow this trend towards greater entertainment value, with an emphasis on evaluating pachinko and pachislot machines by the content used in each game.

Fields will continue to respond effectively to the pachinko and pachislot industry's changing business environment. The Company will therefore strive hard in its content-provider operations to offer products that meet current consumer needs. To this end, it will sublicense character merchandising rights and provide the best possible product planning to tie-up manufacturers. Details of the Company's efforts in each business category are outlined below.

(1.) Pachinko

(1.) Product Planning

In November 2003, Fields formed a tie-up agreement with Bisty Co., Ltd., a wholly owned-subsidiary of Sankyo Corporation. Fields continued its full-scale collaboration with the Sankyo Group during the period under review by providing Bisty with product planning for amusement machines that meet standards set by the new regulations. The tie-up allows the Sankyo Group to promote product development by capitalizing on Fields' licensing rights and product planning. In addition, Bisty implimented an early launch of *CR Neon Genesis Evangelion*—a pachinko machine that satisfies the new standards—and is preparing to introduce a second version already approved for sale. Fields takes pride in these successes which underline the effectiveness of its collaborative efforts. Joint operations with Sammy Corporation are also making strong progress; New amusement machines produced by Sammy and designed to comply with the new regulations have also been approved. The Company can now maximize its advantage, namely a line-up of new, recently-approved machines, and can adjust the timing of product launches to achieve the best possible results.

Fields will strive to acquire valuable licensing rights and enhance planning capabilities so that it may implement competitive pachinko and pachislot product planning.

(2.) Sales and Marketing

During the period under review, Fields, which continues to sell Sammy Group products, commenced sales of the Sankyo Group's products. This full-fledged collaboration in planning and development will bear fruit from the second half of this fiscal year onward. In preparation, Fields has increased its network of sales branches from 27 at the end of the previous fiscal year to 29 as of September 30, 2004 and enlarged its sales force to 450 employees. Furthermore, to ensure efficient sales of a large line up of products, the Company will reorganize its sales division into two sections: one for pachinko and the other for pachislot sales. Organising the sales division by product types rather than brands, will facilitate sophisticated, specialized services and innovative proposals that require a high-level of expertise in specific areas. By taking this step, the Company seeks to expand its traditional sales and consulting operations.

Fields is also striving to make its branches more convenient for customers by improving showroom facilities. As a rule, the Company's line up, which has doubled in size, will be displayed to customers in showrooms. Sales promotion costs will be drastically reduced as the Company no longer needs to display products in hotels and other venues.

(2.) Video Games

Fields aims to develop a more diverse array of business platforms to achieve the key goal of its growth strategy—promoting its content provider business. To this end, the Company established an operational tie-up with D3 Publisher Inc. in January 2004. The latter has stepped up its activities and now owns exclusive sales rights for video games using content from *Shrek 2*, an animation movie by Walt Disney Studio Entertainment and Dreamworks Animation Inc. and *The Incredibles*, an animation movie by Walt Disney Studio Entertainment and Pixar Animation Studios. In November 2004, D3 Publisher established a subsidiary in Los Angeles, thereby securing a base from which to advance into the North American market—the world's largest video game market. In addition, in December 2004, D3 Publisher plans to launch sales of *K1 Premium Dynamite*, a video game based on K-1, a kick boxing style competition, for which Fields holds comprehensive merchandising rights.

Fields will continue to channel its energies into collaborative efforts similar to the one outlined above.

(3.) Others

In July 2004, Total Workout Corporation, a consolidated subsidiary that operates gyms in Mita and Shibuya, Tokyo, opened a new gym in Ebisubashi, Osaka.

5. Corporate Governance

(1) Basic Position on Corporate Governance

The Company is fully aware of the necessity of reinforcing its corporate systems and management organization to build corporate value and realize the goal of providing the "Greatest leisure for all people." Management positions this effort among its most important tasks. The Board of Directors views its primary role as representing the interests of all shareholders. Within this, raising management efficiency is a key task. Carrying out thorough risk management policies is another. An executive officer system has been introduced to ensure that corporate policies are effectively followed. In addition, measures have been taken to enable speedy decision making by the Board. Fields is considering the merits of establishing a new system of management committees. For now, the Company will continue to work within the current framework of governance by directors and statutory auditors as it reforms its management structure and systems.

(2) Corporate Governance Measures Adopted

The Company's Board of Directors comprises six directors, including one outside director to ensure quick decision making. Regular Board meetings are held once a month and extraordinary Board meetings take place when the need arises. Measures have been taken to ensure speedy decision making by the Board, and an executive officer system has been introduced to ensure that corporate polices are effectively followed. During the period under review, Executive Officer Hirofumi Inokuma was appointed as Senior Managing Director and Shigemi Shimada became a Board Director, as the Company sought to enhance management. The Board of Auditors, which includes three outside statutory auditors, provides independent oversight of the Company's operations. As well as attending all Board of Directors meetings, the statutory auditors actively participate in other internal meetings and monitor directors' performance. The Company's Audit Office implements internal audits when required and exchanges information with the statutory auditors. In addition, the Company provides all necessary data to the BDO Sanyu & Co., an auditing firm that provides independent and reliable audits at regular intervals—not only at interim and year-end periods.

(3) Relationship Between the Company and Outside Directors and Statutory Auditors

The outside director and three outside statutory auditors have no special interests in the Company.

3. Operating Results and Financial Position

(1.) Consolidated Results for the Six Months Ended September 30, 2004

In the period under review, the Japanese economy, which bottomed out in January 2002, continued to grow. Nevertheless, rising crude oil and other commodity prices, plus the threat of global terrorism have cast a cloud of uncertainty over some areas of the economy. Consumer spending was influenced by a number of positive and negative factors in the summer of 2004, including hot temperatures, the Olympics and a series of typhoons.

The amusement machine market—the main focus of our business—was affected by legal amendments that, among other things, limit the excessively speculative aspect of amusement machines and eliminate illegally modified ones. The new regulations, which were introduced by the National Public Safety Commission and came into effect in July 2004, are also expected to lead to deregulation and greater variation of pachinko machines. At the same time, there is pressure to restrict the speculative aspect but enhance the entertainment value of pachislot machines.

Amusement machines are becoming considerably more fun to use, as companies accelerate efforts to evolve new technologies and better content in response to the legal changes. Fields seeks to transform pachinko and pachislot amusement activities into pastimes with genuine entertainment value. To this end, it will utilize larger LCD screens, better screen quality, increasingly sophisticated graphics capabilities and computing technology, as well as the full-fledged use of characters.

In this environment, the Company targeted ¥4.0 billion of consolidated operating income for period under review at, compared with ¥6.4 billion the corresponding period in the previous fiscal year. This reflects costs incurred by Fields as it made concerted efforts to expand its business. One such cost resulted from substantially enlarging its sales force, which sells products by the Sammy Group—a major tie-up partner—and other manufacturers, to 450 employees. The Company took this step, in anticipation of increased business due to the recent tie-up with the Sankyo Group and future tie-ups with other companies. Another cost pushing down ordinary income stemmed from a drive to install showroom facilities at sales branches.

Consolidated results for the interim period ended September 30, 2004 have been broken down by business category below.

(1) Pachinko

Fields sold 91,157 pachinko machines in the period under review, representing a 114% increase compared with the corresponding period a year earlier. The figure, however, was lower than originally projected, owing to delays in product development that forced the Company to reschedule the launch of one pachinko machine to the second half of the fiscal year.

(2) Pachislot

During the six months under review, Fields sold 77,550 pachislot machines, 30% less than in the same period the previous year. This was attributable to postponing sales of a new pachislot machine until the second half of the fiscal year.

(3) Copyright Licensing (Merchandising Rights)

Fields acquired 25 licensing rights for movie and video game content, showbiz celebrity images and other copyrighted material.

As a result, category sales during the interim period fell 15.3%, to ¥30,975,184 thousand. Operating income dropped 48.1%, to ¥3,171,648 thousand and ordinary income decreased 48.8%, to ¥3,280,677 thousand. Income from this category was ¥1,972,236 thousand, 44.0% lower than the corresponding period a year earlier.

During the interim period, the Company issued new stock in overseas equity markets to secure financing for an aggressive business expansion. The Company will prudently invest the ¥13,100 million raised to ensure the successful implementation of key operational strategies. At the same time, it will make strenuous efforts to improve performance, further stabilize its financial base and raise corporate value.

(2.) Financial Position

Cash and cash equivalents at the end of the interim period stood at ¥14,761,976 thousand, up ¥9,324,217 thousand from March 31, 2004. Factors contributing to this result included a 46.0% decrease in income before taxes and minority interests, to ¥3,437,118 thousand, an increase in notes and accounts receivable—trade, a decrease in accounts payable—trade, greater expenditure on establishing or relocating branch offices and increase in merchandising right advances, which were offset by proceeds from issuance of common stock in June 2004.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥2,122,270 thousand. Significant items included an ¥4,374,587 thousand increase in notes and accounts receivable—trade, a ¥831,965 thousand decrease in accounts payable—trade, a ¥1,223,978 thousand increase in merchandising right advances, a ¥1,127,033 thousand increase in deposits held and ¥3,942,241 thousand in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities came to ¥3,056,289 thousand. This was primarily attributable to purchases of property and equipment totaling ¥1,809,628 thousand—mainly relating to purchases of buildings and office moving expenses—and purchases of investment securities of ¥1,259,935 thousand.

Cash flows from financing activities

Net cash provided by financing activities was ¥10,256,323 thousand. Key items included proceeds from issuance of common stock of ¥13,150,847 thousand and decrease in short-term borrowings, net of ¥2,770,000 thousand.

	Interim period ended September 30, 2002	Fiscal year ended March 31, 2003	Interim period ended September 30, 2003	Fiscal year ended March 31, 2004	Interim period ended September 30, 2004
Equity ratio	40.2%	51.2%	53.8%	39.1%	61.8%
Equity ratio on a market value basis	-	88.8%	764.4%	491.7%	292.6%
Debt redemption years	1.8 years	-	-	3.5 years	0.4 years
Interest coverage ratio	41.6 times	68.8 times	-	271.0 times	266.3 times

1. Equity ratio: Shareholders' equity/Total assets
2. Equity ratio at market value: Share market value (based on closing price of shares at end of term)/Total assets
3. Debt redemption years: Interest bearing debt/ Net cash provided by operating activities
4. Interest coverage ratio: Net cash provided by operating activities/Interest expense

Note: The Company listed its shares on JASDAQ on March 19, 2003. Its shares did not have a market value prior to that date.

(3.) Projections for the full term

In the period under review, Fields made firm progress with its strategy to become a leading provider of content—a crucial step in its plan to increase competitiveness. A series of pachinko machines that meet the new regulations mentioned earlier are being introduced to the market and are expected to win favor with a broad spectrum of pachinko fans. Competition to develop new products will intensify as amusement machine manufacturers face a variety of R&D challenges. This is likely to stimulate the pachinko industry and ensure steady growth of the amusement machine market, particularly the pachinko machine market.

In this environment, Fields will strive to expand its business as it focuses on improving performance and achieving its goals. The full-term outlook, including business development plans, for each business category has been set out below.

(1.) Pachinko

The CR Neon Genesis Evangelion pachinko machine, the first project of a full-scale tie-up with Bisty met with strong market approval. As of September 30, 2004, Fields has received orders from its customers for approximately 100,000 units of this machine and has already ordered 70,000 units from the manufacturers. In the second half of the fiscal year, the Company intends to launch six new pachinko machines that comply with the new regulations—an increase on the three machines introduced to the market in the first half.

(2.) Pachislot

Following on from the launch of two pachislot machines in the period under review, Fields plans to launch three more in the second half of the fiscal year.

(3) Copyright Licensing (Merchandising Rights)

Fields will continue capitalizing on integrated Group capabilities and maintain its aggressive drive to acquire licensing rights for the expansion of its content provider business.

(4) Video Games

In the first half of the fiscal year, Fields obtained the sales rights for a video game based on *The Incredibles*, a highly anticipated animation movie by Walt Disney Studio Entertainment and Pixar Animation Studios—creators of several Academy Award winning movies. Equity-method affiliate D3 Publisher will begin sales of the video game soon after the movie is first shown. D3 Publisher will also launch *K-1 Premium Dynamite*, a video game based on K-1, a kick boxing-style fight competition for which Fields has licensing rights. Fields will continue channeling its efforts into video game development that maximizes synergies with D3 Publishing.

In light of these efforts to expand business, full-term consolidated net sales is expected to rise 11.3%, compared with the previous fiscal year, to ¥73,700 million. Fields is also targeting consolidated ordinary income of ¥14,000 million, up 14.7% and net income of ¥7,600 million, up 14.8%.

4. Interim Consolidated Financial Statements and Other Data

Consolidated Financial Statements

(1). Consolidated Balance Sheets

(Thousands of yen, %)

Item / Period	At end of previous interim period As of September 30, 2003		At end of current interim period As of September 30, 2004		At end of previous fiscal year (summary) As of March 31, 2004	
	Amount	% total	Amount	% total	Amount	% total
Assets						
I. Current assets						
1. Cash and cash equivalents	6,815,269		14,761,976		5,437,758	
2. Notes and accounts receivable—trade	6,768,242		14,492,133		18,865,138	
3. Marketable securities	—		5,000		—	
4. Inventories	189,416		376,094		256,541	
5. Merchandising right advances	—		2,944,054		1,720,076	
6. Deferred tax assets	254,239		—		—	
7. Other current assets	1,910,705		2,899,075		1,960,042	
Allowance for doubtful accounts	(26,351)		(43,821)		(86,953)	
Total current assets	15,911,521	71.7	35,434,514	75.5	28,152,604	75.9
II. Fixed assets						
1. Tangible fixed assets *1	—	—	4,678,929	10.0	3,351,355	9.0
(1) Land	1,212,201		—		—	
(2) Others *1	1,092,657		—		—	
Tangible fixed assets total	2,304,858	10.4	—	—	—	—
2. Intangible fixed assets	222,546	1.0	543,148	1.1	384,585	1.0
3. Investments and other assets						
(1) Investment securities	1,693,827		3,982,153		2,824,195	
(2) Deposits	1,188,092		—		—	
(3) Deferred tax assets	294,424		—		—	
(4) Others	642,498		2,410,288		2,495,364	
Allowance for doubtful accounts	(72,446)		(92,955)		(92,265)	
Total investment and other assets	3,746,397	16.9	6,299,486	13.4	5,227,294	14.1
Total fixed assets	6,273,802	28.3	11,521,564	24.5	8,963,234	24.1
Total assets	22,185,323	100.0	46,956,078	100.0	37,115,839	100.0

(Thousands of yen, %)

Item / Period	At end of previous interim period As of September 30, 2003		At end of current interim period As of September 30, 2004		At end of previous fiscal year (summary) As of March 31, 2004	
	Amount	% total	Amount	% total	Amount	% total
Liabilities						
I. Current liabilities						
1. Accounts payable—trade	3,669,386		11,909,550		11,645,579	
2. Short-term borrowings	—		230,000		3,000,000	
3. Current portion of long-term debt	—		81,000		—	
4. Accrued income taxes	2,937,348		—		—	
5. Accrued bonuses	19,000		19,300		18,600	
6. Other current liabilities	1,689,085		2,261,857		5,890,658	
Total current liabilities	8,314,820	37.5	14,501,708	30.9	20,554,837	55.4
II. Long-term liabilities						
1. Long-term debt	—		439,000		—	
2. Retirement benefit provisions	114,823		120,569		120,815	
3. Reserve for directors' retirement bonuses	670,900		537,700		699,800	
4. Deposits received	1,087,034		—		—	
5. Excess of net assets acquired over cost	2,342		—		—	
6. Other liabilities	65,477		2,321,001		1,214,589	
Total long-term liabilities	1,940,578	8.7	3,418,271	7.3	2,035,204	5.5
Total liabilities	10,255,399	46.2	17,919,980	38.2	22,590,042	60.9
(Minority interest)						
Minority interest in consolidated subsidiaries	2,591	0.0	16,144	0.0	17,976	0.0
Shareholders' equity						
I. Common stock	1,295,500	5.8	7,948,036	16.9	1,295,500	3.5
II. Capital surplus	1,342,429	6.1	7,994,953	17.0	1,342,429	3.6
III. Retained earnings	9,184,115	41.4	12,872,932	27.4	11,631,695	31.3
IV. Unrealized holding gain on available-for-sale securities	105,287	0.5	204,032	0.5	238,194	0.7
Total shareholders' equity	11,927,332	53.8	29,019,954	61.8	14,507,820	39.1
Total liabilities, minority interest and shareholders' equity	22,185,323	100.0	46,956,078	100.0	37,115,839	100.0

(2). Consolidated Statements of Income

(Thousands of yen, %)

Item / Period	Previous interim period April 1 – September 30, 2003			Current interim period April 1 – September 30, 2004			Previous fiscal year (summary) April 1, 2003 – March 31, 2004		
	Amount		% sales	Amount		% sales	Amount		% sales
I. Net sales		36,567,055	100.0		30,975,184	100.0		66,211,589	100.0
II. Cost of sales		26,059,047	71.3		21,989,176	71.0		44,633,469	67.4
Gross profit		10,508,008	28.7		8,986,007	29.0		21,578,120	32.6
III. Selling, general and administrative expenses *1		4,396,450	12.0		5,814,359	18.8		9,711,541	14.7
Operating income		6,111,557	16.7		3,171,648	10.2		11,866,578	17.9
IV. Non-operating income									
1. Interest received	2,298			4,073			6,060		
2. Dividends received	3,815			6,364			6,280		
3. Discounts on purchases	—			83,168			—		
4. Lease income	17,030			—			—		
5. Equity in earnings of affiliates	268,330			218,969			292,330		
6 Others	19,617	311,091	0.8	32,932	345,508	1.1	65,114	369,784	0.6
V. Non-operating costs									
1. Interest expense	—			8,419			2,197		
2. Issuance of new stock	—			83,219			2,290		
3. Capital increase-related expense	—			112,494			—		
4. Lease expenses	8,568			—			—		
5. Others	284	8,853	0.0	32,346	236,480	0.7	22,365	26,853	0.1
Ordinary income		6,413,795	17.5		3,280,677	10.6		12,209,509	18.4
VI. Extraordinary income									
1. Gain from liquidation of guarantees	—			2,600			17,400		
2. Gain on sales of investment securities	—			162,685			—		
3. Gain from sale of fixed assets	—			—			6,447		
4. Reversal of allowance for doubtful receivables	2,831			34,721			—		
5. Gain from investment in anonymous association	7,753			19,879			22,166		
6. Reversal of reserve for retirement benefits for directors and statutory auditors	—	10,584	0.1	162,100	381,987	1.2	—	46,014	0.1
VII. Extraordinary losses									
1. Loss on disposal of fixed-assets *2	9,344			59,068			23,735		
2. Loss on valuation on equity investment	—			166,477			—		
3. Valuation loss on investment securities	52,041	61,386	0.2	—	225,545	0.7	42,587	66,322	0.1
Income before income taxes and minority interest		6,362,994	17.4		3,437,118	11.1		12,189,200	18.4
Current income taxes	2,911,242			1,125,441			5,768,861		
Deferred income taxes	(74,219)	2,837,022	7.8	341,273	1,466,714	4.7	(211,184)	5,557,676	8.4
Minority Interest		2,591	0.0		(1,832)	(0.0)		11,269	0.0
Net income		3,523,380	9.6		1,972,236	6.4		6,620,253	10.0

(3). Consolidated Statements of Shareholders' Equity

(Thousands of yen)

Category / Period	Previous interim period April 1 – September 30, 2003		Current interim period April 1 – September 30, 2004		Previous fiscal year April 1, 2003 – March 31, 2004	
(Capital surplus)						
I. Capital surplus at beginning of term		1,342,429		1,342,429		1,342,429
II. Increase in capital surplus						
1. Capital increase from issue of new stock	—	—	6,652,524	6,652,524	—	—
III. Balance of capital surplus at end of interim period		1,342,429		7,994,953		1,342,429
(Retained earnings)						
I. Retained earnings at beginning of term		6,060,735		11,631,695		6,060,735
II. Increase in retained earnings						
Net income for interim period	3,523,380	3,523,380	1,972,236	1,972,236	6,620,253	6,620,253
III. Reduction in retained earnings						
1. Cash dividends paid	323,000		646,000		969,000	
2. Directors' bonuses	77,000		85,000		77,000	
3. Decrease through newly consolidated subsidiaries	—	400,000	—	731,000	3,293	1,049,293
IV. Retained earnings at end of interim period		9,184,115		12,872,932		11,631,695

(4). Consolidated Statements of Cash Flow

(Thousands of yen)

Item / Period	Previous interim period April 1 – September 30, 2003 Amount	Current interim period April 1 – September 30, 2004 Amount	Previous fiscal year (summary) April 1, 2003 – March 31, 2004 Amount
I Cash flows from operating activities			
1. Income before income taxes and minority interest	6,362,994	3,437,118	12,189,200
2. Depreciation and amortization	138,546	244,637	317,565
3. Amortization of excess of net assets acquired over cost	(740)	(740)	(1,481)
4. Increase (decrease) in allowance for doubtful accounts	(15,881)	(42,442)	64,540
5. Accrued bonuses	1,000	700	600
6. Increase (decrease) in retirement benefit provisions	8,824	(245)	14,816
7. Increase (decrease) in reserve for retirement benefits for directors and statutory auditors	101,900	(162,100)	130,800
8. Interest and dividend income	(6,113)	(10,350)	(12,340)
9. Equity in earnings of affiliates	(268,330)	(218,969)	(292,330)
10. Interest expense	—	8,419	2,197
11. Stock issuance expense	—	61,397	—
12. Capital increase-related expense	—	92,815	—
13. Loss on disposal of fixed-assets	9,344	59,068	23,735
14. Gain on sale of investment securities	—	(162,685)	—
15. Loss on valuation of investment securities	—	166,477	—
16. Gain from investment in anonymous association	(7,753)	(19,879)	(22,166)
17. Valuation loss on equity investment	52,041	—	42,587
18. Decrease (increase) in notes and accounts receivable—trade	(2,299,628)	4,374,587	(14,546,569)
19. Decrease (increase) in inventories	70,845	(124,031)	7,919
20. Decrease (increase) in merchandising right advances	—	(1,223,978)	(1,457,951)
21. Decrease (increase) in advance payments	(44,784)	(14,282)	(72,860)
22. Decrease (increase) in notes held	(4,567)	179,648	4,168
23. Decrease (increase) in non-operating notes received	(190,959)	(212,887)	(318,724)
24. Increase (decrease) in accounts payable—trade	736,129	(831,965)	8,823,448
25. Increase (decrease) in unpaid consumption tax	63,264	(473,593)	219,056
26. Increase (decrease) in short-term borrowings	132,231	(309,905)	83,971
27. Increase (decrease) in deposits held	223,226	1,127,033	298,114
28. Payments of bonuses to directors and statutory auditors	(77,000)	(85,000)	(77,000)
29. Others	187,126	183,147	(185,971)
Total	5,171,716	6,041,992	5,235,325
30. Interest and dividends received	26,568	30,487	33,319
31. Interest paid	—	(7,968)	(3,140)
32. Income taxes paid	(2,579,333)	(3,942,241)	(4,414,311)
Cash flows from operating activities	2,618,951	2,122,270	851,192

(Thousands of yen)

Item / Period	Previous interim period April 1 - September 30, 2003 Amount	Current interim period April 1 - September 30, 2004 Amount	Previous fiscal year (summary) April 1, 2003 – March 31, 2004 Amount
II Cash flows from investing activities			
1. Purchases of property and equipment	(552,416)	(1,809,628)	(1,520,955)
2. Purchases of intangible assets	(89,040)	(202,058)	(287,452)
3. Purchases of investment securities	(364,414)	(1,259,935)	(1,356,059)
4. Maturity of debt securities	100,700	238,024	200,700
5. Expenditures for capital procurement	(1,050)	—	(1,050)
6. Expenditures for loans	(309,850)	(24,000)	(461,020)
7. Proceeds from repayment of loans	9,531	69,218	108,250
8. Payment for long-term expenses	(9,092)	(21,062)	(65,304)
9. Payments to life insurance reserve	(546)	(546)	(1,092)
10. Other	(2,588)	(46,300)	193,788
Net cash used in investing activities	(1,218,767)	(3,056,289)	(3,190,193)
III Cash flows from financing activities			
1. Increase (decreases) in short-term borrowings, net	—	(2,770,000)	3,000,000
2. Proceeds from long-term borrowings	—	520,000	—
3. Proceeds from issuance of common stock	—	13,150,847	—
4. Payment of long-term borrowings	(976)	—	(3,790)
5. Cash dividends paid	(323,000)	(644,523)	(966,210)
Net cash (used in) provided by financing activities	(323,976)	10,256,323	2,029,999
IV Effect of exchange rate changes on cash and cash equivalents	—	1,912	(1,892)
V Increase (decrease) in cash and cash equivalents	1,076,207	9,324,217	(310,893)
VI Cash and cash equivalents at beginning of period	5,739,061	5,437,758	5,739,061
VII Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	—	—	9,590
VII Cash and cash equivalents at end of period	6,815,269	14,761,976	5,437,758

Material items affecting the operation of the Company as a going concern

Previous interim period (April 1, 2003 to September 30, 2003):

No relevant items

Current interim period (April 1, 2004 to September 30, 2004):

No relevant items

Previous fiscal year (April 1, 2003 to March 31, 2004):

No relevant items

Significant accounting policies for the preparation of interim consolidated financial statements

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 4 Names of consolidated subsidiaries: Professional Management Inc. Fields Jr. Corporation Total Workout Corporation White Trash Charms Japan Co., Ltd. (2) Names of significant non-consolidated subsidiaries: Database Co., Ltd. APE Inc. Digital Lord Corporation Reason for non-consolidation: Non-consolidated subsidiaries have been left out of consolidation due to their small size, with none of total assets, net sale, net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held), etc., having a material effect on the consolidated financial statements.	(1) Number of consolidated subsidiaries: 5 Names of consolidated subsidiaries: Professional Management Inc. Fields Jr. Corporation Total Workout Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation (2) Names of significant non-consolidated subsidiaries: Database Co., Ltd. APE Inc. Reason for non-consolidation: (Same as left)	(1) Number of consolidated subsidiaries: 5 Names of consolidated subsidiaries: Professional Management Inc. Fields Jr. Corporation Total Workout Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation Note that, in light of its significance, Digital Lord Corporation has been included in the consolidation beginning with this fiscal year. (2) Names of principal non-consolidated subsidiaries: Database Co., Ltd. APE Inc. Reason for non-consolidation: Non-consolidated subsidiaries have been left out of consolidation due to their small size, with none of total assets, net sale, net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held), etc., having a material effect on the consolidated financial statements.
2. Application of equity method	(1) Number of equity-method affiliates: 1 Rodeo Corporation	(1) Number of equity-method affiliates: 2 Rodeo Corporation D3 Publisher Inc. Note that, in light of its significance, D3 Publisher Inc. is accounted for under the equity method beginning this period.	(1) Number of equity-method affiliates: 1 Rodeo Corporation

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
	(2) Name of significant non-consolidated subsidiaries and affiliated companies not accounted for under the equity method: Database Co., Ltd. APE Inc. Digital Lord Corporation Reason for non-application of the equity method: Application of the equity method has been omitted in respect of entities having negligible effect on net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held) and bearing overall no significance.	(2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for under the equity method: Database Co., Ltd. APE Inc. Reason for non-application of the equity method: (Same as left)	(2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for under the equity method: Database Co., Ltd. APE Inc. D3Publisher Inc. Reason for non-application of the equity method: Application of the equity method has been omitted in respect of entities having negligible effect on net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held) etc., and overall bearing no significance.
3. Account settlement dates	Interim account settlement dates of consolidated subsidiaries are identical with the consolidated account settlement date.	(Same as left)	Account settlement dates of consolidated subsidiaries are identical with the consolidated account settlement date.

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
4. Accounting standards (1) Valuation standards and valuation methods for important assets	(1) Marketable securities Other marketable securities Those with market value Based on market value, etc., as of the account settlement date (valuation differences are reconciled in the full amounts through direct entry in shareholders' equity, with cost of securities sold determined by moving-average method). Those with no market value Stated at cost determined by moving average method (2) Inventories ・Merchandise Used amusement machines At cost determined by the specific identification method Others: Stated at cost determined by moving average method Consolidated affiliates: Determined by the average-cost method. ・Supplies At cost determined by the last purchase price method	(1) Marketable securities Other marketable securities Those with market value (Same as left) Those with no market value (Same as left) (2) Inventories ・Merchandise Used amusement machines (Same as left) Others (Same as left) Consolidated affiliates (Same as left) ・Material in process Consolidated affiliates At cost determined by the specific identification method ・Supplies (Same as left)	(1) Marketable securities Other marketable securities Those with market value Based on market value, etc., as of the account settlement date (valuation differences are reconciled in the full amounts through direct entry in shareholders' equity, with cost of securities sold determined by the moving-average method). Those with no market value (Same as left) (2) Inventories ・Merchandise Used amusement machines (Same as left) Others: (Same as left) Consolidated affiliates (Same as left) ・Material in process Consolidated affiliates (Same as left) ・Supplies (Same as left)

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
(2) Depreciation method of important depreciable assets	(1) Tangible fixed assets Declining-balance method However, straight-line method is applied to buildings (excluding building fixtures) acquired after April 1, 1998. The estimated useful lives of depreciable assets are as follows: Buildings 6–50 years Structures 10–27 years Vehicles 4–6 years Tools and equipment 3–20 years (2) Intangible fixed assets Straight-line method The straight-line method is applied to software for company use, based on the useful life of the software (five years). (3) Prepayment of long-term expenses Straight-line method	(1) Tangible fixed assets Declining-balance method However, straight-line method is applied to buildings (excluding building fixtures) acquired after April 1, 1998. The estimated useful lives of depreciable assets are as follows: Buildings 6–50 years Structures 10–45 years Vehicles 4–6 years Tools and equipment 3–20 years (2) Intangible fixed assets (Same as left) (3) Prepayment of long-term expenses (Same as left)	(1) Tangible fixed assets Declining-balance method However, straight-line method is applied to buildings (excluding building fixtures) acquired after April 1, 1998. The estimated useful lives of depreciable assets are as follows: Buildings 15–50 years Structures 10–27 years Vehicles 4–6 years Tools and equipment 3–20 years (2) Intangible fixed assets (Same as left) (3) Prepayment of long-term expenses (Same as left)

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
(3) Treatment of important deferred charges		New stock issuance expenses Full charge is made at the time expense is incurred. The issuance of 12,000 new shares of common stock on June 15, 2004 through public subscription was carried out by the under-writing companies purchasing and underwriting the shares at ¥1,108,755 per share, which differed from the share issue price of ¥1,161,000—the offering price paid by ordinary investors. The “gross spread” or differential between the two prices was, in this case, ¥626,940 thousand—the defacto underwriting commission. If, as was previously the case, the underwriting and share issue prices had been the same, the underwriting commission would have been charged as a new stock issuance expense. Consequently, compared to the previous method of accounting for underwriting commission, new stock issuance expense and the total of capital stock and capital surplus are each reduced by ¥626,940 thousand, while ordinary income and income before income taxes and minority interests for the interim period are each increased by the same amount.	New stock issuance expenses Full charge is made at the time expense is incurred.
(4) Standards for important provisions	(1) Allowance for doubtful accounts To provide for losses from doubtful accounts, a rate is applied based on past collection experience for ordinary receivables, and specific debts considered doubtful are accounted for by calculating amounts for which there is a possibility of recovery and recording the remainder deemed uncollectible. (2) Accrued bonuses To provide for employee bonuses, out of projected bonus payments, the Company recognizes amounts allocable to the period.	(1) Allowance for doubtful accounts (Same as left) (2) Accrued bonuses (Same as left)	(1) Allowance for doubtful accounts (Same as left) (2) Accrued bonuses To provide for employee bonuses, out of projected bonus payments, the Company recognizes amounts allocable to the fiscal year.

Period Item	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
	(3) Provisions for pension payments To provide for employees' pensions, the Company recognizes on the basis of projected pension payment obligations as of the end of the period pension cost amounts accrued as of the end of the period. Additionally, actuarial differences are amortized proportionately over a fixed number of years (five years) according to the straight-line method within the average remaining period of service of employees as of the time of origination of such differences. Amortization amounts are expensed beginning with the fiscal year following that in which the difference originated. (4) Provisions for directors' retirement bonuses To provide for directors' retirement bonuses, the Company, in accordance with internal regulations, recognizes required amounts at the end of the period.	(3) Provisions for pension payments (Same as left) (4) Provisions for directors' retirement bonus (Same as left)	(3) Provisions for pension payments To provide for employees' pensions, the Company recognizes amounts based on projected pension obligations as of the end of the fiscal year. Additionally, actuarial differences are amortized proportionately over a fixed number of years (five years) according to the straight-line method within the average remaining period of service of employees as of the time of origination of such differences. Amortization amounts are expensed beginning with the fiscal year following that in which the difference originated. (4) Provisions for directors' retirement bonus To provide for directors' retirement bonuses, the Company, in accordance with internal regulations, recognizes required amounts at the end of the fiscal year.
(5) Important leases	Finance lease transactions other than leases deemed to transfer ownership of leased property are accounted for as ordinary operating lease transactions.	(Same as left)	(Same as left)
(6) Other significant standards in the preparation of financial statements	Accounting for consumption taxes Consumption tax is accounted for by deducting payment of the tax.	Accounting for consumption taxes (Same as left)	Accounting for consumption taxes (Same as left)
5. Scope of funds of consolidated statements of cash flows	Funds include cash on hand, demand deposits, and investments maturing or redeemable within three months after acquisition that are highly liquid, easy to convert into cash, and exposed to low price risk.	(Same as left)	(Same as left)

Changes in accounting treatment

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
(Change in recording of net sales and cost of sales) In connection with agency sales of amusement machines, recognition previously followed upon delivery to users and completion of installation. Beginning this period, this method has been changed to the effect that recognition follows upon shipment. This change became possible because the delivery of machines to users is stated as the time of shipment in the sales agreements, and because shipping data can be rapidly grasped due to improvements in computer systems. Compared with the previous method, this change caused an increase of ¥339,391 thousand in net sales, an increase of ¥253,026 thousand in cost of sales, and increases of ¥86,365 thousand each in operating income, ordinary income and income before income taxes and minority interest.	―――――――	(Change in recording of net sales and cost of sales) In connection with agency sales of amusement machines, recognition previously followed upon delivery to users and completion of installation. Beginning this period, this method has been changed to the effect that recognition follows upon shipment. This change became possible because the delivery of machines to users is stated as the time of shipment in the sales agreements, and because shipping data can be rapidly grasped due to improvements in computer systems. Compared with the previous method, this change caused an increase of ¥5,956,372 thousand in net sales, an increase of ¥3,916,219 thousand in cost of sales, and increases of ¥2,040,152 thousand each in operating income, ordinary income and income before income taxes and minority interest.

Changes in statement methods

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004
(Consolidated balance sheets) At the end of the previous interim period, land was included among tangible fixed assets, but it is now stated on a segregated basis due to the fact that its value has exceeded 5% of total assets as of the end of this period. The value of land recorded in the previous interim period was ¥360,049 thousand.	(Consolidated balance sheets) 1. Until the end of the previous interim period, merchandising right advances was included within other current assets. Owing to this item exceeding 5% of total assets, it is now presented as a separate item. As of September 30, 2003, merchandising right advances amounted to ¥322,859 thousand. 2. Until the end of the previous interim period, deferred tax assets was presented as a separate item under current assets. Owing to this item falling to below 5% of total assets, it is now included within other current assets. As of September 30, 2004, deferred tax assets amounted to ¥99,006 thousand. 3. Until the end of the previous interim period, land was presented as a separate item under tangible fixed assets. Owing to this item falling to below 5% of total assets, it is now included within tangible fixed assets. As of September 30, 2004, deferred tax assets amounted to ¥1,547,993 thousand. 4. Until the end of the previous interim period, deposits and deferred tax assets were presented as separate items under investments and other assets. Owing to these items falling to below 5% of total assets, they are now included within others under investments and other assets. As of September 30, 2004, deposits amounted to ¥1,692,385 thousand and deferred tax assets amounted to ¥176,979 thousand. 5. Until the end of the previous interim period, accrued income taxes was presented as a separate item under current liabilities. Owing to this item falling to below 5% of total liabilities, minority interest and shareholders' equity, it is now included within other current liabilities. As of September 30, 2004, accrued income taxes amounted to ¥1,183,219 thousand.

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004
	6. Until the end of the previous interim period, deposits received and excess of net assets acquired over cost were presented as separate items under long-term liabilities. Owing to these items falling to below 5% of total liabilities, minority interest and shareholders' equity, they are now included under long-term liabilities within other liabilities. As of September 30, 2004, deposits received amounted to ¥2,288,955 and excess of net assets acquired over cost amounted to ¥861 thousand. (Consolidated statements of income) 1. Until the end of the previous interim period, lease income was presented as a separate item under non-operating income. Owing to this item falling to below 10% of non-operating income, it is now included under non-operating income within others. During the interim period ended September 30, 2004, lease income amounted to ¥19,491 thousand. 2. Until the end of the previous interim period, lease expenses was presented as a separate item under non-operating costs. Owing to this item falling to below 10% of non-operating costs, it is now included under non-operating costs within others. During the interim period ended September 30, 2004, lease expenses amounted to ¥8,495 thousand. (Consolidated statements of cash flow) Until the end of the previous interim period, decrease (increase) in merchandising right advances was included in increase (decrease) in accounts payable—trade under cash flows from operating activities. Owing to an increase in the importance of this item, it is now presented as a separate item. During the interim period ended September 30, 2003, decrease (increase) in merchandising right advances amounted to ¥(1,223,978) thousand.

Additional information

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
________________	Accompanying the introduction of the pro forma standard taxation system, which was announced through partial revisions to the local tax laws on March 31, 2003 and which applies to fiscal periods commencing on or after April 1, 2004, from this interim fiscal period, the Company includes charges for the value-added and capital portions of corporate tax in selling, general and administrative expenses in accordance with Accounting Practices Report No. 12 (February 13, 2004) by the Accounting Standards Board of Japan. As a result, SG&A expenses increased by ¥40,486 thousand, and operating income, ordinary income and income before income taxes and minority interest decreased ¥40,486 thousand.	______________

Notes

(Consolidated Balance Sheets)

At end of previous interim period (As of September 30, 2003)	At end of current accounting period (As of September 30, 2004)	End of the previous fiscal year (As of March 31, 2004)
*1. Accumulated depreciation of tangible fixed assets ¥571,629 thousand	*1. Accumulated depreciation of tangible fixed assets ¥775,056 thousand	*1. Accumulated depreciation of tangible fixed assets ¥681,909 thousand
2. Contingent liabilities The Company provides payment guarantees for sales of pachislot and pachinko machines to pachinko halls on an agency basis for pachislot and pachinko machine makers. K.K. Sunvic ¥77,017 thousand K.K. Gunkei Amusement ¥60,831 thousand Y.K. Daiko ¥55,215 thousand Daiei Kanko K.K. ¥50,465 thousand Asahi Shoji K.K. ¥43,271 thousand Meiplanet K.K. ¥42,787 thousand K.K. Corona ¥36,414 thousand K.K. Gaia ¥32,423 thousand Y.K. Niimi ¥30,327 thousand K.K. Toei Kanko ¥27,201 thousand Others 354 items ¥1,161,618 thousand Total ¥1,617,573 thousand	2. Contingent liabilities The Company provides payment guarantees for sales of pachislot and pachinko machines to pachinko halls on an agency basis for pachislot and pachinko machine makers. Daiei Kanko K.K. ¥38,529 thousand K.K. Corona ¥31,686 thousand Asahi Shoji K.K. ¥30,937 thousand Y.K. Niimi ¥28,897 thousand Meiplanet K.K. ¥20,969 thousand K.K. Sunvic ¥20,574 thousand Otsuka Shoji K.K. ¥20,040 thousand Y.K. Daitaku ¥15,171 thousand Y.K. Daiko ¥14,682 thousand K.K. Toei Kanko ¥13,468 thousand Others 194 items ¥431,030 thousand Total ¥665,987 thousand	2. Contingent liabilities The Company provides payment guarantees for sales of pachislot and pachinko machines to pachinko halls on an agency basis for pachislot and pachinko machine makers. K.K. Gaia ¥28,059 thousand K.K. Sunvic ¥26,264 thousand Asahi Shoji K.K. ¥24,688 thousand Y.K. Sanei ¥22,194 thousand K.K. Gunkei ¥21,429 thousand Sankei Shoji K.K. ¥20,848 thousand K.K. Vivre ¥16,121 thousand K.K. Toei Kanko ¥15,910 thousand Meihou Jitsugyo K.K. ¥15,821 thousand Matsuoka Shoji K.K. ¥15,435 thousand Others 222 items ¥537,721 thousand Total ¥744,496 thousand
3. Notes receivable endorsed ¥6,593,294 thousand	3. Notes receivable endorsed —	3. Notes receivable endorsed ¥591,657 thousand
*4. —	*4. Securitization of receivables Accompanying the securitization of receivables, at the end of the current interim period, ¥767,000 thousand in notes receivable—trade were removed from the consolidated balance sheets. Accompanying the securitization of receivables, at the end of the current interim period, beneficial trust rights held by the Company included ¥510,498 thousand in notes receivable—trade.	*4. —
5. Lending commitments To efficiently raise working capital, the Company has concluded lending commitment agreements with four banks. As of the end of the period, unutilized balances under these agreements were as follows. Total amount of lending commitments ¥2,000,000 thousand Borrowings outstanding — Difference ¥2,000,000 thousand	5. Overdraft agreements To efficiently raise working capital, the Company has concluded overdraft agreements with three banks. As of the end of the period, unutilized balances under these agreements were as follows. Overdraft limit ¥3,230,000 thousand Borrowings outstanding ¥230,000 thousand Difference ¥3,000,000 thousand	5. Overdraft agreements and lending commitments To efficiently raise working capital, the Company has concluded overdraft and lending commitment agreements with six banks. As of the end of the fiscal year, unutilized amounts under these agreements were as follows. Overdraft limit plus total amount of lending commitments ¥6,000,000 thousand Borrowings outstanding ¥3,000,000 thousand Difference ¥3,000,000 thousand

(Consolidated statements of income)

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
*1. Main items in SG&A expenses: Advertising expenditures ¥606,903 thousand Salaries and allowances ¥1,245,672 thousand Provision for bonuses ¥19,000 thousand Outsourcing expenses ¥219,106 thousand Travel & transport expenses ¥212,926 thousand Depreciation costs ¥112,234 thousand Rents ¥315,063 thousand Pension costs ¥10,131 thousand Directors' retirement bonus res. ¥119,600 thousand *2. Details of fixed-asset disposal loss: Buildings and structures ¥1,408 thousand Tools, furniture and fixtures ¥7,158 thousand Long-term prepaid expenses ¥777 thousand Total ¥9,344 thousand	*1. Main items in SG&A expenses: Advertising expenditures ¥1,049,368 thousand Salaries and allowances ¥1,750,640 thousand Provision for bonuses ¥19,300 thousand Outsourcing expenses ¥303,907 thousand Travel & transport expenses ¥247,386 thousand Depreciation costs ¥200,209 thousand Rents ¥408,649 thousand Pension costs ¥13,346 thousand *2. Details of fixed-asset disposal loss: Buildings and structures ¥41,347 thousand Tools, furniture and fixtures ¥17,646 thousand Intangible fixed assets ¥74 thousand Total ¥59,068 thousand	*1. Main items in SG&A expenses: Advertising expenditures ¥1,422,609 thousand Salaries and allowances ¥2,759,504 thousand Provision for bonuses ¥18,600 thousand Outsourcing expenses ¥495,431 thousand Travel and transportation ¥463,518 thousand Depreciation costs ¥257,393 thousand Rents ¥666,555 thousand Pension costs ¥20,249 thousand Directors' retirement bonus res. ¥148,500 thousand *2. Details of fixed-asset disposal loss: Buildings and structures ¥6,422 thousand Vehicles & transport equip. ¥2,680 thousand Tools, furniture and fixtures ¥13,855 thousand Long-term prepaid expenses ¥777 thousand Total ¥23,735 thousand

(Consolidated Statements of Cash Flows)

Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
Relation between cash and cash equivalents as of the end of the period and cash amounts stated on the consolidated balance sheets (As of September 30, 2003) Cash and deposit accounts ¥6,815,269 thousand Cash and cash equivalents ¥6,815,269 thousand	Relation between cash and cash equivalents as of the end of the period and cash amounts stated on the consolidated balance sheets (As of September 30, 2004) Cash and deposit accounts ¥14,761,976 thousand Cash and cash equivalents ¥14,761,976 thousand	Relation between cash and cash equivalents as of the end of the fiscal year and cash amounts stated on the consolidated balance sheets (As of March 31, 2004) Cash and deposit accounts ¥5,437,758 thousand Cash and cash equivalents ¥5,437,758 thousand

(Leases)

Previous interim period
Ended September 30, 2003

1. Finance lease transactions other than those that stipulate transfer of ownership of the lease property to the lessee.

(1) Equivalents of lease property acquisition prices, accumulated depreciation, and outstanding balances as of the end of the period.

Unit: Thousand yen

	Acquisition cost Equivalent	Depreciation Accumulated depreciation Equivalent	End of interim period Outstanding balances
Vehicles/ transport equip.	9,300	8,680	620
Tools/furniture/fixtures	265,177	141,444	123,733
Software	20,779	15,318	5,461
Total	295,257	165,442	129,814

Note that equivalents of acquisition prices have been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the period.

(2) Outstanding lease rents from continuing lease contracts at the end of the period.

Within one year ¥54,350 thousand
Over one year ¥75,464 thousand
Total ¥129,814 thousand

Note that equivalents of outstanding lease rents from continuing lease contracts at the end of the period been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the period.

(3) Payable lease rents and depreciation equivalents
Payable lease rents ¥31,691 thousand
Depreciation equivalent ¥31,691 thousand

(4) Calculation method for depreciation equivalents
According to the straight-line method, with the lease term as useful economic life and zero as residual value.

2. Operating leases
Outstanding lease rents from continuing contracts
Within one year ¥822 thousand
Over one year ¥4,110 thousand
Total ¥4,932 thousand

Current interim period
Ended September 30, 2004

1. Finance lease transactions other than those that stipulate transfer of ownership of the lease property to the lessee.

(1) Equivalents of lease property acquisition prices, accumulated depreciation, and outstanding balances as of the end of the period.

Unit: Thousand yen

	Acquisition cost Equivalent	Depreciation Accumulated depreciation Equivalent	End of interim period Outstanding balances
Tools/furniture/fixtures	214,041	138,209	75,832
Software	8,524	6,989	1,535
Total	222,566	145,198	77,367

Note that equivalents of acquisition prices have been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the period.

(2) Outstanding lease rents from continuing lease contracts at the end of the period.

Within one year ¥45,343 thousand
Over one year ¥32,024 thousand
Total ¥77,367 thousand

Note that equivalents of outstanding lease rents from continuing lease contracts at the end of the period been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the period.

(3) Payable lease rents and depreciation equivalents
Payable lease rents ¥25,302 thousand
Depreciation equivalent ¥25,302 thousand

(4) Calculation method for depreciation equivalents
According to the straight-line method, with the lease term as useful economic life and zero as residual value.

2. Operating leases
Outstanding lease rents from continuing contracts
Within one year ¥1,644 thousand
Over one year ¥1,644 thousand
Total ¥3,288 thousand

Previous fiscal year
Ended March 31, 2004

1. Finance lease transactions other than those that stipulate transfer of ownership of the lease property to the lessee.

(1) Equivalents of lease property acquisition prices, accumulated depreciation, and balances as of the end of the fiscal year.

Unit: Thousand yen

	Acquisition cost Equivalent	Depreciation Accumulated depreciation Equivalent	End of interim period Outstanding balances
Tools/furniture/fixtures	219,370	121,037	98,333
Software	18,851	15,275	3,575
Total	238,222	136,313	101,908

Note that equivalents of acquisition prices have been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the fiscal year.

(2) Equivalents of outstanding lease rents from continuing lease contracts at the end of the fiscal year.
Within one year ¥52,170 thousand
Over one year ¥49,738 thousand
Total ¥101,908 thousand

Note that equivalents of outstanding lease rents from continuing lease contracts at the end of the fiscal year have been calculated inclusive of payable interest given that lease rents from continuing contracts have a low weighting relative to fixed tangible assets as of the end of the fiscal year.

(3) Payable lease rents and depreciation equivalents
Payable lease rents ¥58,378 thousand
Depreciation equivalent ¥58,378 thousand

(4) Calculation method for depreciation equivalents
According to the straight-line method, with the lease term as useful economic life and zero as residual value.

2. Operating leases
Outstanding lease rents from continuing contracts
Within one year ¥1,644 thousand
Over one year ¥2,466 thousand
Total ¥4,110 thousand

(Marketable securities)

End of the previous interim period (September 30, 2003)

1. Other marketable securities with market value

Unit: Thousand yen

Category	Acquisition cost	Carrying value on consolidated balance sheets	Difference
Other marketable securities			
(i) Shares	316,726	493,680	176,953
(ii) Bonds	—	—	—
(iii) Other	—	—	—
Total	316,726	493,680	176,953

2 Principal holdings of marketable securities not valued at market prices

Unit: Thousand yen

Content	Carrying value on consolidated balance sheets
Other marketable securities	
(i) Unlisted marketable securities (Excluding shares traded over-the-counter)	21,880
(ii) Unlisted bonds	5,000
(iii) Unlisted share subscription warrants	291
Total	27,171

End of current interim period (As of September 30, 2004)

1. Other marketable securities with market values

Unit: Thousand yen

Category	Acquisition cost	Carrying value on consolidated balance sheets	Difference
Other marketable securities			
(i) Shares	1,008,259	1,185,849	177,590
(ii) Bonds	—	—	—
(iii) Other	500,000	500,000	—
Total	1,508,259	1,685,849	177,590

2 Principal holdings of marketable securities not valued at market prices

Unit: Thousand yen

Content	Carrying value on consolidated balance sheets
Other marketable securities	
(i) Unlisted marketable securities (Excluding shares traded over-the-counter)	23,880
(ii) Unlisted bonds	5,000
Total	28,880

End of previous fiscal year (March 31, 2004)

1. Other marketable securities with market values

Unit: Thousand yen

Category	Acquisition cost	Consolidated balance sheets	Difference
Other marketable securities			
(i) Shares	323,371	725,048	401,677
(ii) Bonds	—	—	—
(iii) Other	—	—	—
Total	323,371	725,048	401,677

2 Principal holdings of marketable securities not valued at market prices

Unit: Thousand yen

Category	Carrying value on consolidated balance sheets
Other marketable securities	
(i) Unlisted marketable securities (Excluding shares traded over-the-counter)	23,880
(ii) Unlisted bonds	5,000
(iii) Unlisted share subscription warrants	291
Total	29,171

(Derivatives)

End of previous interim period (September 30, 2003)

As the Company does not conduct transactions in derivative financial instruments, no pertinent disclosures have been made.

End of current interim period (September 30, 2004)

As the Company does not conduct transactions in derivative financial instruments, no pertinent disclosures have been made.

End of previous fiscal year (March 31, 2004)

As the Company does not conduct transactions in derivative financial instruments, no pertinent disclosures have been made.

(Segment information)

1 Segment information by type of operation

End of previous interim period, End of current interim period, End of previous fiscal year

As sales of pachislot and pachinko machines account for over 90% of net sales and operating income of all segments, disclosure of segment information by type of operation has been omitted.

2. Segment information by region

End of previous interim period, End of current interim period, End of previous fiscal year

Since no branch offices and consolidated affiliates exist in jurisdictions or regions outside Japan, no pertinent disclosures have been made.

3 Overseas sales

End of previous interim period, End of current interim period, End of previous fiscal year

Since no overseas sales exist, no pertinent disclosures have been made.

(Per-share data)

<table>
<tr><th>Previous interim period
Ended September 30, 2003</th><th>Current interim period
Ended September 30, 2004</th><th>Previous fiscal year
Ended March 31, 2004</th></tr>
<tr>
<td>Book value per share 369,267.26 yen
Net income per share 109,082.99 yen

Since no latent shares exist, diluted net income per share is not stated.

(Supplemental information)
On October 10, 2002, the Company implemented a stock split at a ratio of 1:10. Had the stock split been implemented at the beginning of the previous period, per-share data for the previous interim period would have been as follows.

Book value per share 199,376.75 yen
Net income per share 77,749.90 yen

Since no latent shares exist, diluted net income per share is not stated.</td>
<td>Book value per share 83,630.99 yen
Net income per share 5,817.81 yen

Since no dilutive latent shares exist, diluted net income per share is not stated.

(Supplemental information)
On September 3, 2004 the Company implemented a stock split at a ratio of 1:2, and, on November 20, 2003 the Company implemented a stock split at a ratio of 1:5. Had these stock splits been implemented at the beginning of the previous period, per-share data for the previous interim period would have been as follows.

<table><tr><th>End of previous interim period:
(September 30, 2003)</th><th>End of previous fiscal year:
(March 31, 2004)</th></tr><tr><td>Book value per share
36,926.73 yen
Net income per share
10,908.30 yen</td><td>Book value per share
44,652.69 yen
Net income per share
20,232.98 yen</td></tr></table>
Since no dilutive latent shares exist, diluted net income per share is not stated.</td>
<td>Book value per share 89,305.39 yen
Net income per share 40,465.97 yen

Since no latent shares exist, diluted net income per share is not stated.

(Supplemental information)
On November 20, 2003 the Company implemented a stock split at a ratio of 1:5. Had the stock split been implemented at the beginning of the previous fiscal year, per-share data for the previous fiscal year would have been as follows.

Book value per share 53,720.11 yen
Net income per share 23,446.73 yen

Since no latent shares exist, diluted net income per share is not stated.</td>
</tr>
</table>

Note: The calculation basis for net income per share for the interim period under review is as follows.

(Unit: ¥thousand)

	Previous interim period Ended September 30, 2003	Current interim period Ended September 30, 2004	Previous fiscal year Ended March 31, 2004
Net income	3,523,380	1,972,236	6,620,253
Amount not allocable to common shares (of which, directors' bonuses out of profit distribution)	— (—)	— (—)	85,000 (85,000)
Net income allocable to common shares	3,523,380	1,972,236	6,535,253
Average number of shares of common stock outstanding	32,300	339,000	161,500

(Subsequent events)

Previous interim period (Ended September 30, 2003)
The following stock split was implemented pursuant to a resolution by the Board of Directors on July 22, 2003. (i) Method of stock split: The stock split was implemented on November 20, 2003 at a ratio of 1:5 with respect to the number of shares held by shareholders noted or registered in the final shareholder' register or effective shareholders' register as of September 30 (Tuesday), 2003. (ii) Increase in the number of common shares due to the stock split: 129,200 shares (iii) Eligible for dividends beginning October 1, 2004 The following respective per-share data would have resulted for the previous interim period and for the previous fiscal year had the stock split been implemented at the beginning of the previous period, and for the interim period just ended had the stock split been implemented at the beginning of the period.

Previous interim period	Current interim period	Previous fiscal year
Book value per share 39,875.35 yen	Book value per share 73,853.45 yen	Book value per share 53,720.11 yen
Net income per share 15,549.98 yen	Net income per share 21,816.60 yen	Net income per share 23,466.73 yen
Since no latent shares exist, diluted net income per share is not stated.	Since no latent shares exist, diluted net income per share is not stated.	Since no latent shares exist, diluted net income per share is not stated.

Current interim period (Ended September 30, 2004)
――――

Previous fiscal year (Ended March 31, 2004)
Stock option resolution Pursuant to a resolution by the Board of Directors on April 14, 2004, in accordance with the provisions of Article 280-20 and Article 280-21 of the Commercial Code and resolution by the 15th Ordinary General Meeting of Shareholders on June 27, 2003, terms and conditions of issuance of warrants as stock options have been determined as follows. 1. Issue date of warrants April 14, 2004 2. Number of warrants to be issued 681(5 shares per warrant) 3. Warrant issue price Gratis 4. Classes and number of shares under the warrants Common shares of the Company 3,405 shares 5. Amount payable at exercise of warrants ¥1,520,000 per share 6. Warrant exercise period From July 1, 2005 To June 30, 2008 7. Number of persons eligible for warrant allotment Directors, auditors, and employees of the Company Total 115 Stock split (gratis) resolution On May 25, 2004, the Board of Directors passed a resolution authorizing a stock split (gratis). Stock split (gratis) 1. On September 3, 2004, the Company implemented a 2-for-1 split of shares of common stock. (i) Increase in shares outstanding resulting from the stock split: The increase was equal to the number of common shares outstanding as of the end of July 15, 2004. (ii) Split method: Shareholders appearing on the Company's share register as of the end of July 15, 2004, were eligible to receive the stock split, and shares held by those shareholders were split on a 2-for-1 ratio. 2. Ex dividend date April 1, 2004 The following respective per-share data would have resulted for the previous fiscal year and for the fiscal year under review had the stock split been implemented at the beginning of the previous period.

Previous fiscal year	Fiscal year under review
Book value per share 26,860.06 yen	Book value per share 44,652.69 yen
Net income per share 11,723.36 yen	Net income per share 20,232.98 yen
Since no latent shares exist, diluted net income per share is not stated.	Since no latent shares exist, diluted net income per share is not stated.

Resolution to issue new shares in overseas markets

On May 25, 2004, the Board of Directors passed a resolution authorizing the issuance of new shares in overseas markets.
1. Number of shares issued
12,000 shares of common stock

2. Share issue price
1,108,755 yen

3. Amount added to paid-in capital (per share)
554,378 yen

Previous fiscal year (Ended March 31, 2004)
4. Issue date June 15, 2004 5. Method of issuance HSBC Bank plc acted as lead manager of an underwriting syndicate, which purchased the shares from the Company. Shares were sold mainly in Europe through public offering (but only to qualifying institutional investors in the United states). 6. Ex dividend date April 1, 2004 7. Use of funds Of the approximate ¥13,100,000 thousand raised through the issue of new stock, ¥4,000,000 thousand was used to expand and upgrade the Company’s sales network and internal sales management systems. Approximately ¥6,000,000 thousand was used in the acquisition of and investment in merchandising rights. The remainder was used for investments and loans to subsidiaries.

5. Production, orders and sales

(1) Production

Since the Company is mainly a seller of pachinko and pachislot machines, no disclosures have been made regarding production.

(2) Procurement (Thousands of yen)

Item	Previous interim period Ended September 30, 2003		Current interim period Ended September 30, 2004		Previous fiscal year Ended March 31, 2004	
	Value	Change index (previous interim period=100)	Value	Change index (previous interim period=100)	Value	Change index (previous fiscal year=100)
Pachinko and pachislot machines	21,969,989	101.8	18,941,149	86.2	37,064,637	98.1
Others	299,225	17.0	552,685	184.7	1,614,927	73.0
Total	22,269,214	95.4	19,493,834	87.5	38,679,564	96.7

Notes 1. Amounts are based on procurement prices.

2. Above-noted amounts are net of consumption taxes.

(3) Orders

No pertinent items exist.

(4) Sales (Thousands of yen)

Item	Previous interim period Ended September 30, 2003		Current interim period Ended September 30, 2004		Previous fiscal year Ended March 31, 2004	
	Value	Change index (previous interim period=100)	Value	Change index (previous interim period=100)	Value	Change index (previous fiscal year=100)
Pachinko and pachislot machines	35,794,249	107.6	29,591,975	82.7	61,579,192	104.7
Others	772,805	36.6	1,383,209	179.0	4,632,396	151.5
Total	36,567,055	103.4	30,975,184	84.7	66,211,589	107.0

Notes 1. “Others” includes pachinko and pachislot machine parts as well as used pachinko and pachislot machines.

2. Above-noted amounts are net of consumption taxes.