(Translation)

Fields Corporation
Summary of Financial Statements (Consolidated)
Year Ended March 31, 2005

May 13, 2005

Company Name:	Fields Corporation (URL: http://www.fields.biz)
Listed on:	JASDAQ (Stock code: 2767)
Head Office:	Tokyo
Representative Director:	Hidetoshi Yamamoto President, Representative Director and CEO
Inquiries:	Hiroyuki Yamanaka General Manager, Administration Division for Board of Directors Tel: 81-3-5784-2111
Date Approved by Board of Directors:	May 13, 2005
U.S. Accounting Standards Applied (Yes/No):	No

1. Business results for the year ended March 31, 2005 (April 1, 2004, to March 31, 2005)

(1) Operating results (Rounded down to nearest million)

	Net sales		Operating income		Ordinary income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
Year ended March 31, 2005	81,658	(23.3)	12,097	(1.9)	12,480	(2.2)
Year ended March 31, 2004	66,211	(7.0)	11,866	(75.0)	12,209	(73.9)

	Net income		Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	(% change)	Yen	Yen	%	%	%
Year ended March 31, 2005	6,926	(4.6)	19,888.61	–	28.9	22.8	15.3
Year ended March 31, 2004	6,620	(87.8)	40,465.97	–	56.9	45.0	18.4

Notes:
1. Equity in earnings of affiliates
   Year ended March 31, 2005: ¥421 million
   Year ended March 31, 2004: ¥292 million
2. Average number of shares outstanding (consolidated)
   Year ended March 31, 2005: 343,000
   Year ended March 31, 2004: 161,500
3. Changes in accounting methods (Yes/No): No
4. Percentages for net sales, operating income, ordinary income and net income denote changes compared with the previous fiscal year.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2005	72,584	33,426	46.0	96,026.73
Year ended March 31, 2004	37,115	14,507	39.1	89,305.39

Note: Number of shares outstanding at year-end (consolidated)
Year ended March 31, 2005: 347,000
Year ended March 31, 2004: 161,500

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2005	2,965	(5,257)	10,177	13,326
Year ended March 31, 2004	851	(3,190)	2,029	5,437

(4) Scope of consolidation and application of equity method
Number of consolidated subsidiaries: 9
Non-consolidated subsidiaries accounted for under equity method: -
Affiliates accounted for under equity method: 3

(5) Changes in scope of consolidation and application of equity method
Newly consolidated companies: 4
Excluded companies: -
Newly added equity method companies: 2
Excluded equity method companies: -

2. Forecast earnings for the year ending March 31, 2006 (April 1, 2005, to March 31, 2006)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	38,500	5,200	2,700
Full year	94,900	14,700	7,700

Reference: Projected net income per share for the year ending March 31, 2006: ¥21,887.61

1. Outline of Fields Group

The Fields Group (the Company and its affiliates) comprises Fields Corporation (“the Company”), its 12 subsidiaries, and 3 affiliates.

The Fields Group’s main lines of business are the sales of pachinko/pachislot machines and the development of pachinko/pachislot machine content based on the marketing data accumulated nationwide.

The Company sells pachinko/pachislot machines through a distribution model and an agency model. Under the distribution model, it sells the machines directly to pachinko hall operators through the marketing efforts of its branch offices; while under the agency model, it mediates sales of the machines as an agent.

The pachinko/pachislot machine sales business accounts for more than 90% of the Fields Group’s total net sales and operating income in all segments, which means that, in accordance with Article 15-2 of the Regulations on Consolidated Financial Statements, the Company is not required to disclose segment information for each business category.

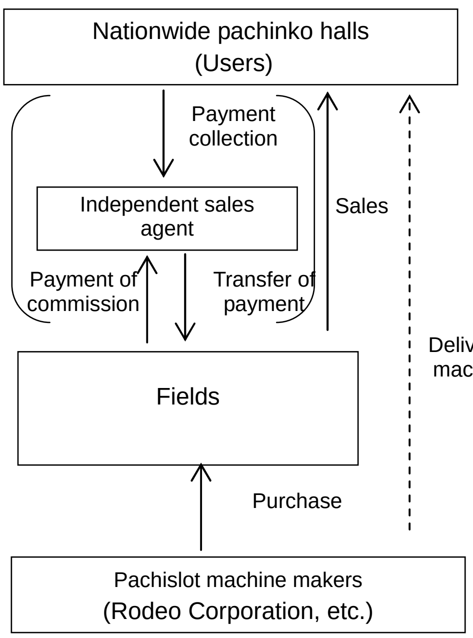
The business areas of each company in the Fields Group are summarized below.

Business segment	Principal business	Company name
Sales of pachinko/pachislot machines	Sales and maintenance Purchase of pachinko/pachislot machines	Fields Jr. Corporation Rodeo Corporation
	Planning and development of pachinko/pachislot machine software	Digital Lord Corporation
Others	Copyright licensing (merchandizing rights) Acquisition of content	Professional Management Co., Ltd. APE Inc.
		Total Workout Corporation White Trash Charms Japan Co., Ltd. Database Co., Ltd. D3 Publisher Inc. Kadokawa Haruki Corporation Heart-line Inc. Entertainment Software Publishing Inc. D3 Publisher of America, Inc.* 3D-AGES Inc. D3DB S.r.l.*

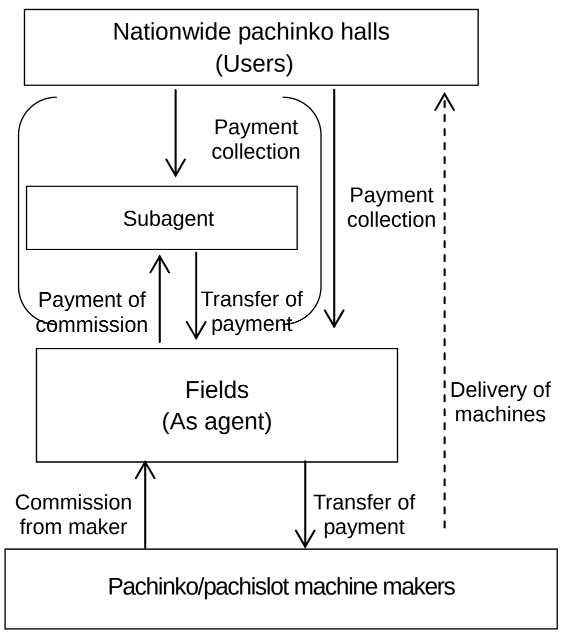
(Note) D3 Publisher of America, Inc. and D3DB S.r.l. are located overseas.

[Business Organization Chart]

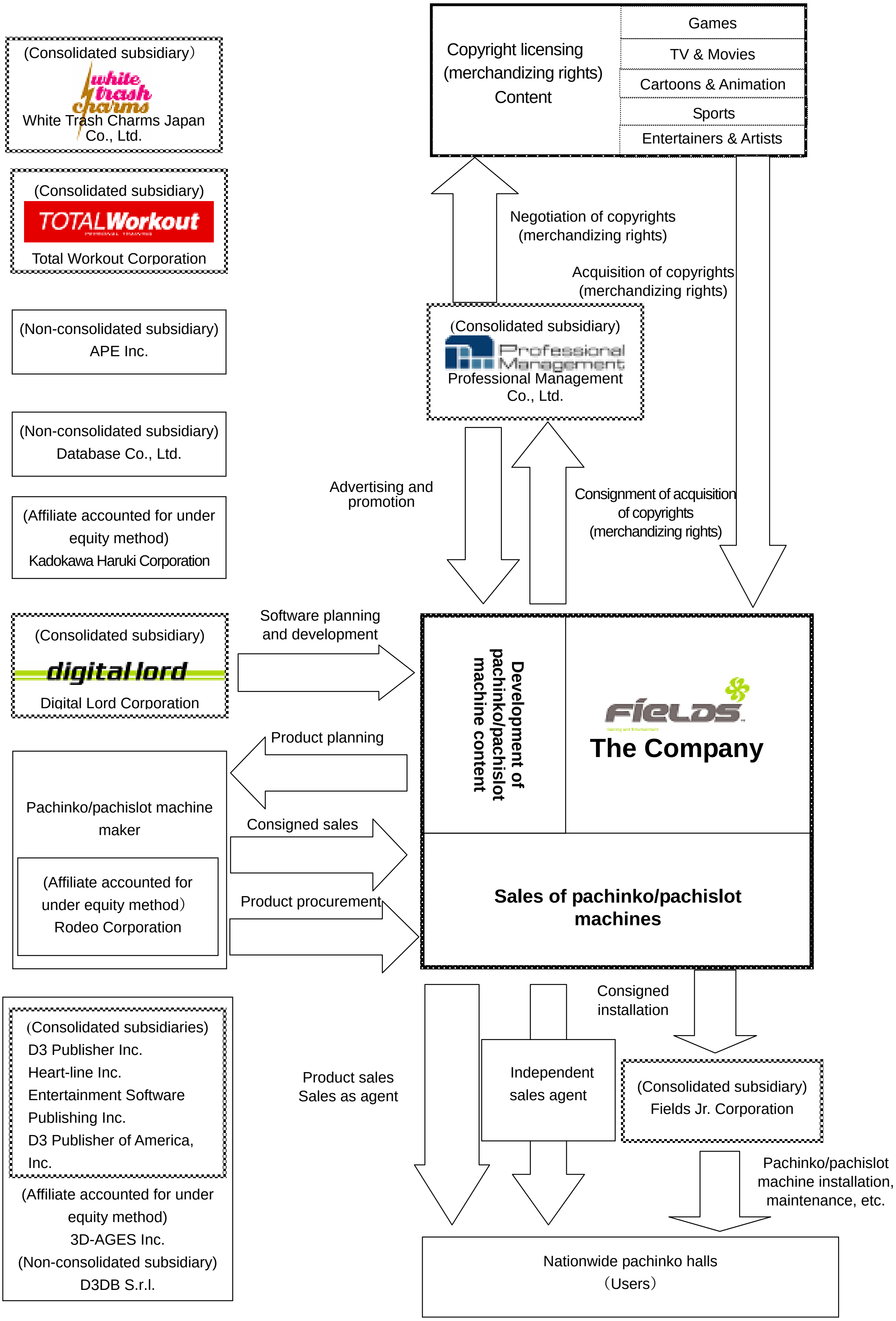
Distribution model



Agency model



The chart below provides an overview of the businesses.



2. Operating Policies

1. Fundamental corporate management policy

The Company's management philosophy is to provide "the greatest leisure for all people." Based on this, the Company, taking the pachinko and pachislot field as its starting point, has been expanding its business domain in various entertainment fields. It has been acquiring copyrights aimed at creating content and providing secondary use materials by capitalizing on the total strength of the group companies, and providing content derived from planning and development activities in line with detailed project design based on strategic marketing.

The Company's fundamental corporate management policy is to place "shareholders first," the twin pillars of which are to enhance corporate value and to return profits to shareholders. To do this, we will seek to make optimal use of our management resources.

2. Fundamental corporate policy for profit distribution

The Company, which views raising shareholder value as its primary task, carries out a fundamental policy of paying dividends at an appropriate level in line with profit.

For the fiscal year ended March 2005, the Company paid ¥2,000 per share for the interim dividend, and expects to pay ¥2,000 for the year-end dividend. As a result, our dividend payout ratio is expected to be 20.7%.

Given due consideration to business development requirements, the Company will make every effort to effectively use retained earnings to improve its financial condition and strengthen its operational base.

3. Positions and policies for reducing the minimum investment unit

Management believes that sufficient stock liquidity, which requires 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 implemented a 2-for-1 stock split on September 3, 2004. Management will give full consideration to market trends, investor opinions, and other factors before deciding future measures to lower the minimum investment unit. In doing so, our primary perspective is to place the interest of shareholders first.

4. Management strategies for the medium to long term

Under the management philosophy of providing "the greatest leisure for all people," the Company is positioning the development of a wide range of content businesses within the entertainment fields as the foundation for enhancing its competitive advantages.

The Company has determined that the essence of the content business lies in a diverse range of applications of content. With the aim of securing diverse distribution channels for the wide range of applications of content, the Company has set the "content provider" strategy at the core and has proceeded speedily to secure content distribution channels. For instance, in the pachinko and pachislot field, we entered a business alliance with Bisty Co., Ltd., part of the SANKYO Group, in addition to the Sammy Group with whom we have worked as an alliance partner, and in the game business field we made D3 Publisher Inc. into a subsidiary. In the fiscal year under review, we quickly achieved positive effects from the alliances through hit products, including the *CR Neon Genesis Evangelion* pachinko machine and the *Onimusha 3* pachislot machine.

However, our success in the content business hinges not only on securing the channels, but also on extending the lifetime value of the content. We will proceed with our "content integrator" strategy based on management and producing capabilities, so that one content can provide success in one field, and also extend greater value through development into a wider range of fields, thereby securing our competitive advantages.

According to the New Industry Promotion Strategy as laid down by the Ministry of Economy, Trade and Industry, the content industry in Japan comprises mostly micro content producers, so they lack the management capabilities to expand into different fields by capitalizing on their content rights, and the producing capabilities to increase their earnings. Therefore, the basic framework for the industrial structure, in which circulated earnings bring about expansion and reproduction, has yet to be established.

Targeting a further expansion in the content business, we will accelerate the execution of our "content provider" strategy to secure content distribution channels, and promote a framework for seamlessly managing the life cycle of content and producing it. As a result, a content cycle going beyond the boundaries between fields will be formed and we will be able to build a content production and reproduction structure, enabling us both to contribute to the development of the content industry, upon which great hopes are pinned in Japan, and to advance toward the realization of our corporate philosophy of providing "the greatest leisure for all people."

5. Challenges for the future

(1) Pachinko/pachislot machine sales business

[1] Product planning and development system

For product planning and development, we have built a system with the aim of implementing a "content integrator" business model.

The copyright division has continued with activities to respond to copyright needs, primarily in collaboration with affiliated manufacturers, with the aim of acquiring copyrights through a wide variety of channels. The current pachinko/pachislot machine development period, including the planning stage, is considered to be one to two years. In fact, it is necessary to have at least a two year stock of character copyrights, and our ability to provide copyrights of both high quality and quantity has further enhanced our presence with each stakeholder. Hereafter, we will invest our energies into acquiring superior copyrights overseas through collaboration with our subsidiary, D3 Publisher Inc., which has bases in the U.S. and Europe.

The product planning division has been active in aiming to create a new world perspective that will evoke sympathy from many people, based on an understanding of the substance of the character copyrights. As a result, hit products like *CR Neon Genesis Evangelion* and *CR Ore no Sora* were born. Also, in *CR Kahara Tomomi to Minashigo Hatchi*, we were highly appreciated for creating a new world perspective through featuring a top artist and a famous animation character together. At the Company, we assess product planning in three stages from the viewpoint of secondary utilization of the content. The first is a faithful reproduction of the original, the second is the addition of new value through another or a new interpretation, and the third is creating a new world view that has the appeal of the original yet goes beyond it. Hereafter, by focusing on the second and third stages of planning, we will strive to amplify value in content and enhance its lifetime value. We are targeting a continual spiral upward in new value successively generated through this process.

At present, in the pachinko and pachislot sector, creative talent is strongly sought after, including the ability to plan in image expressions, as a result of the widespread penetration of larger sized liquid crystal display and character machines. Following the amendments to the laws governing the entertainment industry in July 2004, there was an easing of type testing for pachinko machines, and consequently each maker has been launching various types of machines. We assume it will not be long before the same thing happens with pachislot machines. In view of the trends within the industry, we believe that an integrated system of copyright acquisition, product planning and image development will be necessary to adequately respond to these broader needs. To that end, the Company is establishing an image development and production division in-house, and also actively promoting the image development business, by fully capitalizing on the resources of subsidiaries such as Digital Lord Corporation and D3 Publisher Inc. At the same time, with the integrated system from copyright acquisition through to image development, the Company will strive to ensure a higher profitability commensurate with the added value.

[2] Pachinko/pachislot machine sales system

We have thoroughly reviewed the way the sales system should be to realize synergies from the alliances with Bisty Co., Ltd., part of the SANKYO Group, following the existing alliance with the Sammy Group, and to prepare to enter new alliances. Strengthening our sales force in response to the increase in products is a part of that. Also, in order to assure the success of the first attempt within the industry to concurrently release several products from different makers, we have radically reformed our show rooms nationwide, shifting emphasis from the product displays themselves, which tend to give priority to the seller's needs, to higher customer satisfaction.

Hereafter, with the aim of expanding our market share in the pachinko and pachislot business, we will strive to raise earnings further in our alliance brands and to expand new alliance brands. At the same time, in preparedness for that, in order to realize efficient sales activities, we will constantly review our sales channels and invest in training for sales personnel. We will educate the employees to make them experts who have superior specialist knowledge in pachinko/pachislot machines, and understand deeply about hall management. In addition, we aim to further enhance the information content provided at show rooms to fulfill customer needs, and thereby to raise our presence as a sales organization that earns the great trust of its client halls.

(2) Other businesses

We are making progress in the collaboration with D3 Publisher Inc., which has established local subsidiaries in the target markets: the U.S. and European games and licensing markets. We and D3 Publisher entered business alliances, including a capital alliance, in January 2004, and have further deepened our relationship by making D3 Publisher into a consolidated subsidiary in January 2005. In the fiscal year under review, we launched the home video game *K-1 Premium 2004 Dynamite!!*, under the comprehensive agreement for K-1 merchandizing rights which we reached in the process of entering a business alliance with FEG Inc., the operating company for K-1.

Also, we started the development of simulator software for pachinko and pachislot hit products launched through our copyright acquisition and product planning.

Hereafter, we will focus on the development of games that can be accepted worldwide through the local subsidiaries in the U.S. and Europe, and enter collaboration in a wide range of fields, including enhancing synergy effects within the image development field mentioned earlier.

Through the collaboration with our subsidiaries Professional Management Co., Ltd., and Total Workout Corporation, in April this year, FEG Inc. set up a K-1 official gym within Roppongi Hills (a new fashionable office and residential complex in central Tokyo), and established K-1 Dojo, which aims to support the healthy physical and mental development of children, and K-1 EX, a new type of exercise gym that targets women. We believe such event-oriented media will be places where a wide variety of content may be conceived.

In March this year, the Company acquired a 30% stake in Kadokawa Haruki Corporation. At present, with a view to a future business alliance between the two companies, collaboration has started in utilizing the abundant original content assets of Kadokawa Haruki Corporation, and a state-of-the-art media mix strategy for the next generation.

In order to enhance synergy effects with each of the subsidiaries, we have newly established a planning and production division dealing with content outside the pachinko and pachislot field within the product planning division, and are actively seeking to turn a profit on games, publications, movies, animations, music, character goods, etc.

6. Corporate Governance

(1) Basic position on corporate governance

With the fundamental philosophy of providing “the greatest leisure for all people” as its mission, the Company is continually enhancing corporate value and in turn raising shareholder value as its fundamental management policy. Accordingly, to ensure that the corporate governance system functions effectively, the development of an organizational structure and framework for management and implementation of the necessary measures are top priority issues for the Company.

(2) Corporate governance measures adopted

[1] Details of system within company

Based on the principle that the Board of Directors represents the interests of shareholders, the Company ensures appropriate and speedy decision-making by the Board, and has introduced an executive officer system for efficient business execution. Also, in order to ensure fairness and impartiality, and rigorous risk control required for business operations, a statutory auditor system has been adopted.

The Company’s Board of Directors comprises seven directors, including one outside director. Regular Board meetings are held once a month, while extraordinary Board meetings are held as required, so a system is in place to ensure speedy management decisions. In Board meetings, important matters are put on the agenda, progress in performance is discussed, and measures are considered. Further, a system has been established to enable the seven executive officers to carry out efficient business execution, based on the appropriate and speedy decision-making of the Board.

While measures to enhance the corporate governance system are continually considered, modifications to the management structure and system will be further implemented within the framework of governance by directors and statutory auditors as up to now.

[2] Internal control system and its operational status

An internal control system has been established covering the various regulations stretching across all internal operations. Based on clearly stated rules, operations are accomplished through definite authority and responsibility borne by employees at all levels, and monitoring is effected through internal audits.

Also, in order to expand the functions of the internal control system for the Company and the group overall, the auditing company was called on as a consultant, and an internal control system seminar was held for employees in managerial positions in corporate divisions.

As measures to deal with the Law concerning the Protection of Personal Information, which was fully enacted on April 1, 2005, we established regulations governing security of personal information and aim to further strengthen the information control system through employee training.

[3] Status of risk management system

An advisory lawyer attends Board meetings in order to give advice and guidance as appropriate regarding the legal aspects of matters related to management decisions. Also, through the strict and appropriate operation of a checking system through internal audits, audits by statutory auditors and audits by independent auditors, we believe that it is possible to eliminate risks in advance.

Regarding the management of legal risks, all contracts are managed by the legal section of the General Affairs and Personnel Department. Regarding important contracts, legal checks are, in principle, all made by the advisory lawyer, and we strive to avoid unforeseen risks.

[4] Status of internal audits, audits by statutory auditors, and audits by individual auditors

Regarding internal audits, the corporate auditors under the direct control of the president regularly carry out internal audits regarding the business activities of the Company and subsidiaries overall based on the internal audit schedule set at the start of the fiscal year, and provide advice and recommendations for the improvement of business operations in consideration of the audit results.

As for audits by statutory auditors, a system that allows the statutory auditors to inspect the status of business execution by the directors is adopted. The statutory auditors attend Board meetings and other important meetings to state their opinions, and implement audits through hearings with each division and inspections of approved documents.

Regarding the collaboration between the Board of Statutory Auditors and the corporate auditors, the corporate auditors attend meetings of the Board of Statutory Auditors held every month, and make reports and exchange views with each other on the results of the audits. In addition, the Board of Statutory Auditors and the corporate auditors hold a session for exchanging views with the Company's independent auditors every quarter, and attend interim and year-end audits by the individual auditors. In this manner, the three parties conduct audits through mutual collaboration.

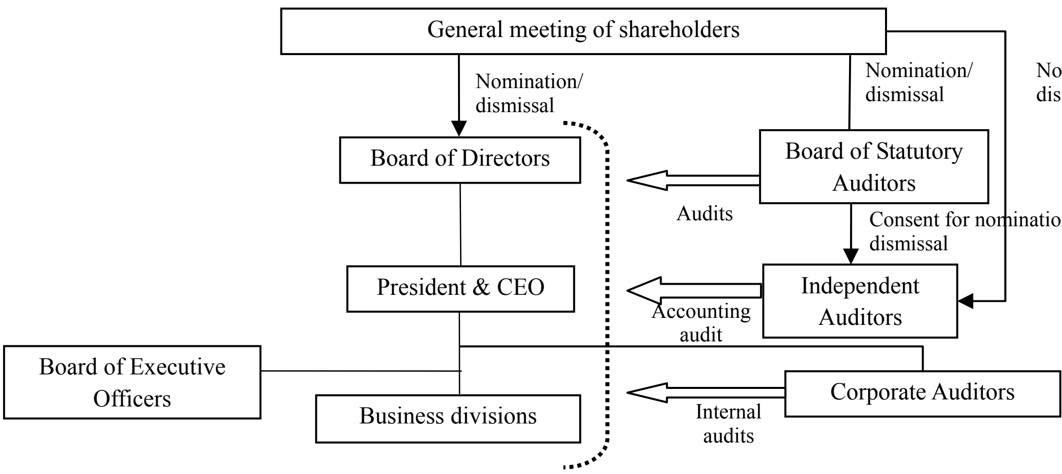
The Company has nominated BDO Sanyu & Co. as the auditing company to provide certified public accountants. The Company provides all the necessary information to the auditing company, which conducts reliable audits at regular intervals, not only for the interim and year-end periods.

Name of accountant that performs audits	Auditing company
Jun Sugita	BDO Sanyu & Co.
Masatoshi Kobayashi	BDO Sanyu & Co.

(Note) The numbers of years of continuous auditing service are omitted, as all members are within seven years in service.

The composition of assistants involved in auditing is decided based on the nomination criteria of the auditing company. Specifically, there shall be three public certified accountants and two assistant accountants as main members as well as other assistants, including a specialist in systems.

An outline of the Company's management organization and corporate governance system is given below.



[5] Details of remuneration of directors and statutory auditors

Category	Directors		Statutory auditors		Total	
	No. of people to be paid	Amount	No. of people to be paid	Amount	No. of people to be paid	Amount
		Thousands of yen		Thousands of yen		Thousands of yen
Remuneration based on Articles of Incorporation or resolution of shareholders' meeting	7	255,050	3	14,400	10	269,450
Bonuses by appropriation of retained earnings	5	83,000	3	2,000	8	85,000
Retirement benefits based on resolution of shareholders' meeting	–	–	–	–	–	–
Total		338,050		16,400		354,450

(Note) The number of directors as of the end of the fiscal year was seven.

[6] Details of remuneration for audits

Remuneration paid to independent auditors

a) Aggregate amount of remuneration to be paid by the Company and its subsidiaries, etc., to independent auditors ¥29,398 thousand

b) Of the total in a), the aggregate amount of remuneration to be paid as consideration for audit certification ¥21,400 thousand

c) Of the total in b), the amount of remuneration to be paid by the Company as auditors' fees to independent auditors ¥21,400 thousand

(Note) Under the auditing contract between the Company and its independent auditors, the amount of remuneration for audits pursuant to the Law for Special Exceptions to the Commercial Code concerning Audit, etc., of Joint Stock Corporations and the amounts of remuneration for audits pursuant to the Securities and Exchange Law are not demarcated and cannot practically be demarcated. Therefore, the amount in c) above is the aggregate of these amounts.

(3) Outline of personnel relationships, capital relationships, business relationships or other relationships of beneficial interest between the Company and outside directors and outside statutory auditors

The one outside director held 800 shares in the Company as of the end of the fiscal year under review, while the one outside statutory auditor held 50 shares. There are no relationships of beneficial interest between these two and the Company.

7. Matters relating to relationships with related parties (parent company, etc.)

Not applicable, because there is no company with a majority stake in the Company, including the parent company.

8. Other important matters for company management

Not applicable.

3. Operating Results and Financial Position

1. Operating results

(1) Consolidated results for the fiscal year ended March 31, 2005

During the fiscal year, the Japanese economy, which bottomed out in January 2002, continued to grow. Nevertheless, rising crude oil and other commodity prices, plus global concerns about terrorism, have cast a cloud of uncertainty over some areas of the economy. Also, the hotter than normal summer in 2004, the frequent typhoons and the major earthquakes that struck Niigata dampened personal consumption in various ways.

In our main business sector of pachinko/pachislot machines, some regulations governing pachinko/pachislot machines were amended, concurrent with the amendments to the laws governing the entertainment industry in July 2004.

As a result of the new regulations, it became possible to provide many different types of pachinko/pachislot machines within the pachinko segment. Following this, since early November last year, each maker has launched machines with larger liquid crystal and better quality displays, which aggressively incorporate advanced technologies, and those with high entertainment value featuring popular characters to respond to the needs of pachinko fans, thereby leading to a favorable reception by users.

As for pachislot machines, as of May 12, 2005, there are no new machines conforming to the new regulations that passed the type approval tests by the Security Electronics and Communications Technology Association. However, for the time being, as each maker has many machine types that can be sold conforming to the old regulations, it is deemed that, through efficient use of them, makers and hall operators can maintain stable pachislot business. Pachislot machines have more freedom in their casing design, as there are no physical restrictions in terms of pin alignment like in pachinko machines, and are expected to have larger liquid crystal displays and better quality screens, and to push the entertainment forward by adopting famous characters to respond to the strict regulations limiting speculative aspects. As a result, we believe it is inevitable that pachinko and pachislot will undergo unprecedented entertainment competition.

In such an environment, as far as pachinko machine sales are concerned, *CR Neon Genesis Evangelion*, the first machine to come out of the full-fledged collaboration with Bisty Co., Ltd., has attracted animation fans as the new pachinko fans, and has gained a warm reception from the market, enjoying an exceptionally long run. With regard to pachislot machine sales, *Onimusha 3*, which is highly popular as a new technology machine, set an all-time record for orders. However, a portion of the delivery has been carried over to the fiscal year ending March 2006, as some materials could not be procured in time.

As a result, net sales rose by 23.3% year-on-year to ¥81,658,011 thousand, operating profit increased by 2.2% to ¥12,480,571 thousand, and net income was up 4.6% to ¥6,926,791 thousand.

(2) Outline by business segment

In the fiscal year under review, sales of pachinko/pachislot machines rose by 27.2% year-on-year to ¥78,336,175 thousand, and sales of other incidental businesses fell by 28.3% to ¥3,321,835 thousand.

(3) Forecasts for the fiscal year ending March 31, 2006

The “content provider” strategy, a core competitive strategy of the Company, made steady progress in the year under review. We will put greater emphasis on this strategy for greater profit in a bigger market. To that end, we will accelerate the groundwork for evolving this strategy into the “content integrator” strategy, the strengthening of internal systems, and the forming of business alliances, including M&A.

For next fiscal year, we will position the “content integrator” strategy that covers the “content provider” strategy at the core for strengthening our competitiveness, and strive to improve performance, raise corporate value, and increase shareholder value.

In light of these efforts to expand business, for the fiscal year ending March 2006, net sales are expected to rise 16.2% year-on-year to ¥94,900 million. The Company also forecast an operating profit of ¥14,700 million, up 17.8%, and net income of ¥7,700 million, up 11.2%.

2. Financial position

Cash flows

At the end of the fiscal year under review, cash and cash equivalents amounted to ¥13,326,256 thousand, a year-on-year increase by ¥7,888,497 thousand. Factors contributing to this result included a 3% increase in income before income taxes and minority interest to ¥12,560,847 thousand, and proceeds from the issuance of common stock in June 2004, which offset an increase in notes and accounts receivable-trade, a decrease in notes and accounts payable-trade, expenditure on establishing or relocating branch offices, and an increase in expenses related to merchandizing rights (copyrights).

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥2,965,857 thousand. Significant items included an increase in income before income taxes and minority interest to ¥12,560,847 thousand, a ¥18,363,214 thousand increase in notes and accounts receivable-trade, a ¥15,920,750 thousand decrease in notes and accounts payable–trade, a ¥1,592,677 thousand increase in merchandizing right advances, a ¥1,216,687 thousand increase in deposits held, and income taxes paid of ¥6,829,288 thousand.

Cash flows from investing activities

Net cash used in investing activities came to ¥5,257,154 thousand. This was mainly due to purchases of property and equipment totaling ¥2,245,700 thousand, particularly purchases of land and buildings as well as expenditure for moving the head office and branches, and purchases of investment securities of ¥3,182,935 thousand.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥10,177,881 thousand. This was primarily attributable to proceeds from issuance of common stock of ¥13,100,659 thousand, and a net decrease in short-term borrowings of ¥2,570,000 thousand.

	Year ended March 31, 2002 (Fiscal 2001)	Year ended March 31, 2003 (Fiscal 2002)	Year ended March 31, 2004 (Fiscal 2003)	Year ended March 31, 2005 (Fiscal 2004)
Equity ratio	20.8%	51.2%	39.1%	46.0%
Equity ratio at market value	–	88.8%	491.7%	250.5%
Debt redemption years	0.9 years	–	3.5 years	0.7 years
Interest coverage ratio	53.6 times	68.8 times	271.0 times	210.3 times

1. Equity ratio: Shareholders’ equity/Total assets
2. Equity ratio at market value: Market capitalization (based on closing share price at end of fiscal year)/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) 1. Consolidated financial statements have been prepared since fiscal 2002 (ended March 31, 2003). For fiscal 2002, 2003 and 2004, calculations are based on the figures from the consolidated financial statements. For fiscal 2001, calculations are based on the figures from the non-consolidated financial statements.

2. The Company listed its shares on the JASDAQ market on March 19, 2003, so the shares had no market value prior to that date.

4. Planned and actual application of funds raised through public share offering at market price

The plan for utilizing funds, totaling ¥13,100 million, raised through a public share offering at market price conducted on June 15, 2004, shall extend over two fiscal years: fiscal 2004 (ended March 31, 2005) through fiscal 2005 (ending March 31, 2006). It is planned to apply those funds as follows: ¥6,000 million for the purchase of merchandizing rights (copyrights), ¥4,000 million for capital spending, and the remainder for investments into subsidiaries and other applications.

Utilization of funds during fiscal 2004 proceeded in line with the plan.

5. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Thousands of yen, %)

Item \ Period	Fiscal year ended March 31, 2004 (As of March 31, 2004)			Fiscal year ended March 31, 2005 (As of March 31, 2005)			Year-on-year change
	Amount		% total	Amount		% total	Amount
Assets							
I. Current assets							
Cash and cash equivalents		5,437,758			13,326,256		7,888,497
Notes and accounts receivable - trade		18,865,138			37,667,536		18,802,397
Marketable securities		–			5,000		5,000
Inventories		256,541			480,171		223,629
Deferred tax assets		371,033			267,886		(103,147)
Other current assets		3,309,085			5,340,996		2,031,911
Allowance for doubtful accounts		(86,953)			(87,140)		(187)
Total current assets		28,152,604	75.9		57,000,705	78.5	28,848,101
II. Fixed assets							
1. Tangible fixed assets							
Buildings and structures	1,227,337			2,803,718			
Accumulated depreciation	(309,116)	918,221		(416,997)	2,386,720		1,468,499
Vehicles	71,385			73,791			
Accumulated depreciation	(47,744)	23,641		(44,284)	29,506		5,865
Tools, furniture and fixtures	850,804			1,473,323			
Accumulated depreciation	(325,049)	525,754		(630,319)	843,004		317,249
Land		1,547,993			1,547,993		–
Construction in progress		335,744			50,353		(285,390)
Total tangible fixed assets		3,351,355	9.0		4,857,578	6.7	1,506,223
2. Intangible fixed assets							
Software		236,838			353,136		116,298
Excess of net assets acquired over cost		–			666,791		666,791
Other intangible fixed assets		147,746			686,438		538,692
Total intangible fixed assets		384,585	1.0		1,706,367	2.4	1,321,782
3. Investments and other assets							
Investment securities *1		2,824,195			5,545,899		2,721,703
Long-term loan receivables		107,599			382,300		274,700
Deposits		1,661,745			2,201,142		539,397
Others		503,240			568,889		65,649
Deferred tax assets		222,779			500,672		277,893
Allowance for doubtful accounts		(92,265)			(179,008)		(86,742)
Total investments and other assets		5,227,294	14.1		9,019,895	12.4	3,792,601
Total fixed assets		8,963,234	24.1		15,583,841	21.5	6,620,606
Total assets		37,115,839	100.0		72,584,547	100.0	35,468,708

(Thousands of yen, %)

Item \ Period	Fiscal year ended March 31, 2004 (As of March 31, 2004)			Fiscal year ended March 31, 2005 (As of March 31, 2005)			Year-on-year change
	Amount		% total	Amount		% total	Amount
Liabilities							
I. Current liabilities							
Accounts payable - trade		11,645,579			27,479,525		15,833,946
Short-term borrowings		3,000,000			656,600		(2,343,400)
Current portion of long-term debt		–			341,768		341,768
Accrued income taxes		3,960,019			2,685,881		(1,274,137)
Accrued bonuses		18,600			20,000		1,400
Other current liabilities		1,930,638			2,126,332		195,694
Total current liabilities		20,554,837	55.4		33,310,107	45.9	12,755,270
II. Long-term liabilities							
Corporate bonds		–			500,000		500,000
Long-term borrowings		–			593,165		593,165
Retirement benefit provisions		120,815			139,140		18,325
Reserve for retirement benefits for directors and statutory auditors		699,800			568,700		(131,100)
Deposits received		1,161,922			2,378,609		1,216,687
Excess of net assets acquired over cost		1,602			–		(1,602)
Other long-term liabilities		51,065			5,893		(45,171)
Total long-term liabilities		2,035,204	5.5		4,185,508	5.8	2,150,304
Total liabilities		22,590,042	60.9		37,495,616	51.7	14,905,574
Minority interest							
Minority interest in consolidated subsidiaries		17,976	0.0		1,662,657	2.3	1,644,680
Shareholders' equity							
I. Common stock *2		1,295,500	3.5		7,948,036	10.9	6,652,536
II. Capital surplus		1,342,429	3.6		7,994,953	11.0	6,652,524
III. Retained earnings		11,631,695	31.3		17,133,487	23.6	5,501,791
IV. Unrealized holding gain on available-for-sale securities		238,194	0.7		349,796	0.5	111,601
Total shareholders' equity		14,507,820	39.1		33,426,273	46.0	18,918,453
Total liabilities, minority interest, and shareholders' equity		37,115,839	100.0		72,584,547	100.0	35,468,708

2. Consolidated Statements of Income

(Thousands of yen, %)

Item / Period	Fiscal year ended March 31, 2004 (April 1, 2003− March 31, 2004) Amount		% sales	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005) Amount		% sales	Year-on-year change Amount
I. Net sales		66,211,589	100.0		81,658,011	100.0	15,446,422
II. Cost of sales		44,633,469	67.4		56,905,614	69.7	12,272,145
Gross profit		21,578,120	32.6		24,752,397	30.3	3,174,277
III. Selling, general and administrative expenses							
Advertising expenses	1,422,609			2,873,523			
Salaries	2,759,504			3,535,458			
Provision for accrued bonuses	18,600			20,000			
Outsourcing expenses	495,431			745,562			
Travel expenses	463,518			503,664			
Depreciation and amortization	257,393			468,471			
Rents	666,555			835,296			
Retirement benefit expenses	20,249			26,668			
Provision to reserve for retirement benefits for directors and statutory auditors	148,500			−			
Provision to allowance for doubtful accounts	79,093			20,268			
Others	3,380,085	9,711,541	14.7	3,626,259	12,655,173	15.5	2,943,631
Operating income		11,866,578	17.9		12,097,224	14.8	230,645
IV. Non-operating income							
Interest income	6,060			7,135			
Dividend income	6,280			10,021			
Discounts on purchases	−			159,760			
Lease income	34,908			38,079			
Amortization of excess of net assets acquired over cost	1,481			1,481			
Equity in earnings of affiliates	292,330			421,667			
Others	28,723	369,784	0.6	17,804	655,950	0.8	286,166
V. Non-operating costs							
Interest expense	2,197			14,783			
Issuance of corporate bonds	−			10,750			
Issuance of new stock	2,290			91,906			
Capital increase-related expense	−			112,494			
Lease expenses	17,137			16,848			
Others	5,228	26,853	0.0	25,819	272,602	0.3	245,749
Ordinary income		12,209,509	18.4		12,480,571	15.3	271,062
VI. Extraordinary income							
Gain from liquidation of guarantees	17,400			2,600			
Gain on sale of investment securities	−			162,685			
Gain on sale of fixed assets *1	6,447			4,726			
Gain from investment in anonymous association	22,166			45,171			
Reversal of reserve for retirement benefits for directors and statutory auditors	−			131,100			
Gain from changes in equity of affiliates	−	46,014	0.1	610	346,893	0.4	300,879
VII. Extraordinary loss							
Loss on sale of fixed-assets *2	−			1,666			
Loss on disposal of fixed-assets *3	23,735			89,416			
Valuation loss on investment securities	−			175,534			
Valuation loss on equity investment	42,587	66,322	0.1	−	266,618	0.3	200,295
Income before income taxes and minority interest		12,189,200	18.4		12,560,847	15.4	371,647
Current income taxes	5,768,861			5,403,841			
Deferred income taxes	(211,184)	5,557,676	8.4	217,712	5,621,553	6.9	63,876
Minority interest		11,269	0.0		12,502	0.0	1,232
Net income		6,620,253	10.0		6,926,791	8.5	306,537

3. Consolidated Statements of Shareholders' Equity

(Thousands of yen)

Item \ Period	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)		Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)	
	Amount		Amount	
Capital surplus				
I. Capital surplus at beginning of period		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 period		1,342,429		7,994,953
Retained earnings				
I. Retained earnings at beginning of period		6,060,735		11,631,695
II. Increase in retained earnings				
Net income	6,620,253	6,620,253	6,926,791	6,926,791
III. Decrease in retained earnings				
1. Cash dividends paid	969,000		1,340,000	
2. Bonuses to directors and statutory auditors	77,000		85,000	
3. Decrease due to newly consolidated subsidiaries	3,293	1,049,293	−	1,425,000
IV. Retained earnings at end of period		11,631,695		17,133,487

4. Consolidated Statements of Cash Flows

(Thousands of yen)

Item / Period	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)	Year-on-year change
	Amount	Amount	Amount
I. Cash flows from operating activities			
1. Income before income taxes and minority interest	12,189,200	12,560,847	371,647
2. Depreciation and amortization	317,565	568,604	251,039
3. Amortization of excess of net assets acquired over cost	(1,481)	(1,481)	0
4. Increase (decrease) in allowance for doubtful accounts	64,540	2,729	(61,810)
5. Increase (decrease) in accrued bonuses	600	1,400	800
6. Increase (decrease) in retirement benefit provisions	14,816	9,110	(5,705)
7. Increase (decrease) in reserve for retirement benefits for directors and statutory auditors	130,800	(131,100)	(261,900)
8. Interest and dividend income	(12,340)	(17,157)	(4,817)
9. Discounts on purchases	−	(159,760)	(159,760)
10. Equity in earnings of affiliates	(292,330)	(421,667)	(129,337)
11. Interest expense	2,197	14,783	12,586
12. Corporate bond issuance expense	−	10,750	10,750
13. Stock issuance expense	−	91,906	91,906
14. Capital increase-related expense	−	112,494	112,494
15. Gain on sale of investment securities	−	(162,685)	(162,685)
16. Gain on sale of fixed assets	−	(4,726)	(4,726)
17. Gain from investment in anonymous association	(22,166)	(45,171)	(23,005)
18. Loss on changes in equity of affiliates	−	(610)	(610)
19. Loss on sale of fixed assets	−	1,666	1,666
20. Loss on disposal of fixed assets	23,735	89,416	65,680
21. Valuation loss on investment securities	−	175,534	175,534
22. Valuation loss on equity investment	42,587	−	(42,587)
23. Decrease (increase) in notes and accounts receivable - trade	(14,546,569)	(18,363,214)	(3,816,645)
24. Decrease (increase) in inventories	7,919	(54,621)	(62,540)
25. Decrease (increase) in merchandizing right advances	(1,457,951)	(1,592,677)	(134,726)
26. Decrease (increase) in prepaid expenses	(55,300)	34,850	90,151
27. Decrease (increase) in advance payments	(72,860)	(74,885)	(2,025)
28. Decrease (increase) in notes held	4,168	122,482	118,314
29. Decrease (increase) in non-operating notes receivable	(318,724)	(415,283)	(96,558)
30. Decrease (increase) in deposits as security for dealing	(265,576)	(10,000)	255,576
31. Increase (decrease) in notes and accounts payable	8,823,448	15,920,750	7,097,302
32. Increase (decrease) in unpaid consumption tax	219,056	(269,189)	(488,245)
33. Increase (decrease) in deposits received	83,971	3,529	(80,441)
34. Increase (decrease) in deposits held	298,114	1,216,687	918,573
35. Payments of bonuses to directors and statutory auditors	(77,000)	(85,000)	(8,000)
36. Others	134,904	641,685	506,781
Total	5,235,325	9,769,999	4,534,674
37. Interest and dividends received	33,319	39,248	5,929
38. Interest paid	(3,140)	(14,103)	(10,962)
39. Income taxes paid	(4,414,311)	(6,829,288)	(2,414,976)
Net cash provided by (used in) operating activities	851,192	2,965,857	2,114,664

(Thousands of yen)

Item / Period	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004) Amount	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005) Amount	Year-on-year change Amount
II. Cash flows from investing activities			
1. Purchases of property and equipment	(1,520,955)	(2,245,700)	(724,745)
2. Sale of property and equipment	6,964	38,761	31,797
3. Purchases of intangible fixed assets	(287,452)	(629,298)	(341,846)
4. Purchases of investment securities	(1,356,059)	(3,182,935)	(1,826,876)
5. Sale of investment securities	−	238,024	238,024
6. Redemption of investment securities	200,700	−	(200,700)
7. Expenditures for acquiring shares in affiliates	−	(10,000)	(10,000)
8. Expenditures for capital procurement	(1,050)	−	1,050
9. Proceeds from acquiring newly consolidated subsidiaries *2	−	896,150	896,150
10. Expenditure for loans	(461,020)	(24,000)	437,020
11. Proceeds from repayment of loans	108,250	83,158	(25,092)
12. Refund of deposits and guarantees	74,495	103,463	28,968
13. Payment of deposits and guarantees	(278,753)	(466,414)	(187,660)
14. Payment for long-term prepaid expenses	(65,304)	(33,727)	31,576
15. Cancellation of insurance policies	422,076	−	(422,076)
16. Payments to insurance reserve	(1,092)	(1,092)	−
17. Other	(30,993)	(23,543)	7,450
Net cash provided by (used in) investing activities	(3,190,193)	(5,257,154)	(2,066,961)
III. Cash flows from financing activities			
1. Increase (decrease) in short-term borrowings	3,000,000	(2,570,000)	(5,570,000)
2. Proceeds from long-term borrowings	−	520,000	520,000
3. Repayment of long-term borrowings	−	(27,000)	(27,000)
4. Proceeds from issuance of corporate bonds	−	489,250	489,250
5. Payment of long-term borrowings	(3,790)	−	3,790
6. Proceeds from issuance of new stock	−	13,100,659	13,100,659
7. Cash dividends paid	(966,210)	(1,335,027)	(368,817)
Net cash provided by (used in) financing activities	2,029,999	10,177,881	8,147,881
IV. Effect of exchange rate changes on cash and cash equivalents	(1,892)	1,913	3,806
V. Increase (decrease) in cash and cash equivalents	(310,893)	7,888,497	8,199,390
VI. Cash and cash equivalents at beginning of period	5,739,061	5,437,758	(301,303)
VII. Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	9,590	−	(9,590)
VIII. Cash and cash equivalents at end of period	5,437,758	13,326,256	7,888,497

Significant Accounting Policies for the Preparation of Consolidated Financial Statements

Item	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 5 Names of consolidated subsidiaries: Professional Management Co., Ltd. Fields Jr. Corporation Total Workout Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation Note that, given its significance, Digital Lord Corporation has been consolidated, beginning with this fiscal year.	(1) Number of consolidated subsidiaries: 9 Names of consolidated subsidiaries: Professional Management Co., Ltd. Fields Jr. Corporation Total Workout Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation D3 Publisher Inc. Heart-line Inc. Entertainment Software Publishing Inc. D3 Publisher of America, Inc. D3 Publisher Inc., which was an affiliate not accounted for under the equity method, has been consolidated, as a result of the Company's acquiring additional shares in D3 Publisher. Concurrently, Heart-line Inc., Entertainment Software Publishing Inc., and D3 Publisher of America, Inc., all consolidated subsidiaries of D3 Publisher Inc., have been consolidated. Since D3 Publisher Inc., Heart-line Inc., Entertainment Software Publishing Inc., and D3 Publisher of America, Inc. are deemed to have come under the control of the Company at the end of the current fiscal year, they are consolidated only in the balance sheet. Meanwhile, given its significance, D3 Publisher Inc., which was an affiliate not accounted for under the equity method in the previous fiscal year, became an equity-method affiliate in this fiscal year, and the Company's equity in earnings of D3 Publisher is reflected in the consolidated financial statements.
	(2) Names of significant non-consolidated subsidiaries: Database Co., Ltd. APE Inc. Reason for exclusion from the scope of consolidation: Non-consolidated subsidiaries have been left out of consolidation due to their small size, with none of their total assets, net sales, net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held) having a material effect on the consolidated financial statements.	(2) Names of significant non-consolidated subsidiaries: Database Co., Ltd. APE Inc. D3DB S.r.l. Reason for exclusion from the scope of consolidation: Non-consolidated subsidiaries have been left out of consolidation due to their small size, with none of their total assets, net sales, net income (proportionate to the equity stakes held) and retained earnings (proportionate to equity stakes held) 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: 3 Rodeo Corporation Kadokawa Haruki Corporation 3D-AGES Inc. As a result of acquiring additional shares in D3 Publisher Inc. and converting it into a subsidiary in the current fiscal year, 3D-AGES Inc., an affiliate of D3 Publisher Inc., has become an equity-method affiliate.

	Previous fiscal year (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
2. Application of equity method	(2)Names of non-consolidated subsidiaries and affiliates not accounted for under the equity method: Database Co., Ltd. APE Inc. D3 Publisher Inc. Reason for non-application of the equity method: These companies have a negligible impact on net income (proportionate to equity stakes held) and retained earnings (proportionate to the equity stakes held) and have no significance as a whole, so have been excluded from the application of the equity method.	(2) Names of non-consolidated subsidiaries and affiliates not accounted for under the equity method: Database Co., Ltd. APE Inc. D3DB S.r.l. Reason for non-application of the equity method: These companies have a negligible impact on net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held) and have no significance as a whole, so have been excluded from the application of the equity method.
3. Balance sheet dates of consolidated subsidiaries	The year-end balance sheet dates of consolidated subsidiaries are identical with the consolidated year-end balance sheet date.	Of the consolidated subsidiaries, D3 Publisher Inc., Heart-line Inc., Entertainment Software Publishing Inc., and D3 Publisher of America, Inc., have October 31 as their year-end balance sheet date. The financial statements based on the provisional settlement on March 31 are used in the preparation of consolidated financial statements.
4. Accounting standards 1) Valuation standards and methods for important assets	(1) Marketable securities Other marketable securities Those with market value: Stated at market value based on market price as of the balance sheet date (unrealized gains or losses are directly charged or credited to shareholders' equity, with the cost of securities sold determined by the moving-average method). Those with no market value: Stated at cost determined by the moving-average method. (2) Inventories Merchandize Fields Corporation: Used pachinko/pachislot machines Stated at cost determined by the specific identification method. Others Stated at cost determined by the moving-average method. Consolidated subsidiaries: Stated at cost determined by the average-cost method. ―――――― Material in process Consolidated subsidiaries: Stated at cost determined by the specific identification method. Supplies Stated 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 Merchandize Fields Corporation: Used pachinko/pachislot machines Same as left Others Same as left Consolidated subsidiaries: Same as left Products Consolidated subsidiaries: Stated at cost determined by the first-in first-out method. Material in process Consolidated subsidiaries: Same as left Supplies Same as left
2) Depreciation methods for important depreciable assets	(1) Tangible fixed assets Declining-balance method However, the 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	(1) Tangible fixed assets Declining-balance method However, the 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: 10-50 years Vehicles: 4-6 years Tools and equipment: 3-20 years

	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
2) Depreciation methods for important depreciable assets	(2) Intangible fixed assets Straight-line method The straight-line method is applied to software for company use, based on its useful life within the company (five years).	(2) Intangible fixed assets Straight-line method The straight-line method is applied to software for company use, based on its useful life within the company (five years). Software for sale by consolidated subsidiaries is depreciated at the depreciation rate determined by the Company over the estimated payback period (12 months for games software, 36 months for others).
	(3) Long-term prepaid expenses Straight-line method	(3) Long-term prepaid expenses Same as left
3) Treatment of important deferred charges	(1) New stock issuance expenses These expenses are charged in full at the time they are incurred.	(1) New stock issuance expenses These expenses are charged in full at the time they are incurred. The issuance of 12,000 new shares of common stock on June 15, 2004, through public offering was carried out by the underwriting 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 de facto underwriting commission. If, as was previously the case, the underwriting and share issue prices were the same, the underwriting commission would have been charged as new stock issuance expenses. Consequently, compared to the previous method of accounting for underwriting commission, new stock issuance expenses and the total of common stock and capital surplus are each reduced by ¥626,940 thousand, while ordinary income and income before income taxes and minority interest are each increased by the same amount.
	(2) ――――――	(2) Corporate bond issuance expenses These expenses are charged in full at the time they are incurred.
4) Accounting standards for important reserves	(1) Allowance for doubtful accounts To provide for losses from doubtful accounts, allowances for ordinary receivables are provided using a rate determined by past collection experience, and allowances for specific debts considered doubtful are accounted for by calculating the estimated amounts deemed uncollectible after individually reviewing collectibility of the debts.	(1) Allowance for doubtful accounts Same as left
	(2) Accrued bonuses To provide for employee bonuses, the Company recognizes the amounts out of the projected bonus payments to be allocated to the fiscal year.	(2) Accrued bonuses Same as left

	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
4) Accounting standards for important reserves	(3) Retirement benefit provisions To provide for employees' retirement benefits, the Company, on the basis of projected benefit obligations as of the end of the fiscal year, recognizes benefit obligations accrued as of the end of fiscal year. Also, actuarial differences are proportionately amortized by the straight-line method over a fixed number of years (five years) 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) Reserve for retirement benefits for directors and statutory auditors To provide for directors' retirement bonuses, the Company, in accordance with the internal regulations, recognizes the amounts to be paid at the end of the fiscal year.	(3) Retirement benefit provisions To provide for employees' retirement benefits, the Company and some of the consolidated subsidiaries, on the basis of projected benefit obligations as of the end of the fiscal year, recognize benefit obligations accrued as of the end of the fiscal year. Also, actuarial differences are proportionately amortized by the straight-line method over a fixed number of years (five years) 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) Reserve for retirement benefits for directors and statutory auditors Same as left
5) Translation of important foreign- currency-denominated assets and liabilities into Japanese yen	————	Foreign currency receivables and payables are translated into Japanese yen using the spot currency exchange rate on the balance sheet date, and translation differences are recorded as gains or losses.
6) Treatment of important lease transactions	Finance lease transactions, other than those where the ownership of the leased assets is deemed to be transferred to the lessee, are accounted for as ordinary operating lease transactions.	Same as left
7) Important hedge accounting methods	————	(1) Method for hedge accounting Special accounting methods are adopted for interest rate swaps that satisfy the requirements for hedge accounting at some of the consolidated subsidiaries. (2) Means and scope of hedging Means of hedging Interest rate swap transactions Scope of hedging Interest on borrowings (3) Hedge policy At some of the consolidated subsidiaries, a hedge policy is implemented to avoid any impact of fluctuations in market interest rates on fund raising costs (interest expense). (4) Method for assessing hedging effectiveness As the interest rate swap transactions are deemed to come under the requirements for special accounting methods, that becomes the criterion for assessing the hedging as effective. (5) Other risk management methods The management division bears the responsibility for concluding contracts relating to hedge accounting at some of the consolidated subsidiaries. There are no particular stipulations relating to such transactions, but these are controlled in accordance with the office regulations concerning authority.
8) Other significant standards for financial statements	Accounting for consumption tax Consumption tax is accounted for by the tax-excluded method.	Accounting for consumption tax Same as left
5. Valuation of assets and liabilities of consolidated subsidiaries	The full fair value method is adopted to value assets and liabilities of consolidated subsidiaries.	Same as left
6. Amortization of excess of net assets acquired over cost	Excess of net assets acquired over cost is amortized evenly over five years.	Same as left

	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
7. Treatment of items for appropriation of retained earnings	The methods of appropriation of retained earnings and loss disposition are determined in accordance with the appropriation of retained earnings determined during the consolidated fiscal year.	Same as left
8. Scope of funds in consolidated statements of cash flows	Funds include cash on hand, demand deposits, and investments maturing within three months from acquisition that are highly liquid, easy to convert into cash, and exposed to low price risk.	Same as left

Changes in accounting treatment

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
(Change in accounting policies for sales and cost of sales) For distribution sales of pachinko/pachislot machines, accounting recognition previously followed delivery to users and completion of installation. Beginning this fiscal year, this method has been changed to the effect that accounting recognition follows 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 quickly grasped due to improvements in computer systems. Compared with the previous method, the change resulted in an increase of ¥5,956,372 thousand in net sales, an increase of ¥3,916,219 thousand in cost of sales, and an increase of ¥2,040,152 thousand each in operating income, ordinary income, and income before income taxes and minority interest.	――――

Change in disclosure methods

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
(Consolidated statements of cash flows) Until the end of the previous fiscal year, decrease (increase) in merchandizing right advances was included in “increase (decrease) in accounts payable-trade” under cash flows from operating activities. Owing to an increase in the financial importance of this item, it is now presented as a separate item. For the previous fiscal year, the increase in merchandizing right advances amounted to ¥262,125 thousand.	――――

Additional information

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
――――	Accompanying the promulgation of the Law for Partial Amendment to the Local Tax Law, etc. (Law No. 9 of 2003) on March 31, 2003, and the consequent introduction of the pro forma standard taxation system, which applies to fiscal years commencing on or after April 1, 2004, from the current fiscal year, the Company includes charges for the value-added and capital portions of corporate enterprise tax in selling, general and administrative expenses in accordance with the Practical Procedures for Indication of Pro Forma Taxation in Income Statement concerning Corporate Enterprise Tax (Accounting Standards Board of Japan, Accounting Practices Report No. 12 dated February 13, 2004). As a result, SG&A expenses increased by ¥108,422 thousand, and operating income, ordinary income, and income before income taxes and minority interest decreased by ¥108,422 thousand.

Notes

(Consolidated Balance Sheets)

Fiscal year ended March 31, 2004 (As of March 31, 2004)	Fiscal year ended March 31, 2005 (As of March 31, 2005)
*1. Items for non-consolidated subsidiaries and affiliates are as follows. Investment securities (shares) ¥2,069,975 thousand *2. Number of shares outstanding 161,500 shares 3. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine makers. Gaia Co., Ltd. ¥28,059 thousand K.K. Sunvic ¥26,264 thousand Asahi Shoji K.K. ¥24,688 thousand Y.K. Sanei ¥22,194 thousand Gunkay Co., Ltd. ¥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 ¥537,721 thousand Total ¥744,496 thousand 4. Notes receivable endorsed ¥591,657 thousand 5. Overdraft agreements and loan commitments To efficiently raise working capital, the Company has concluded overdraft and loan 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 loan commitments ¥6,000,000 thousand Borrowings outstanding ¥3,000,000 thousand Difference ¥3,000,000 thousand	*1. Items for non-consolidated subsidiaries and affiliates are as follows. Investment securities (shares) ¥3,554,981 thousand *2. Number of shares outstanding 347,000 shares 3. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine makers. Asahi Shoji K.K. ¥59,985 thousand Daiei Kanko K.K. ¥58,480 thousand Meiplanet K.K. ¥33,698 thousand Kouki Co., Ltd. ¥30,571 thousand Iwamoto Development Co., Ltd. ¥28,551 thousand BOSS Co., Ltd. ¥24,910 thousand Niimi Co., Ltd. ¥23,739 thousand Y.K. Daiko ¥23,293 thousand The City Co., Ltd ¥19,622 thousand K.K. Toei Kanko ¥18,677 thousand Others 176 ¥475,519 thousand Total ¥797,050 thousand 4. ―――――― 5. Overdraft agreements and loan commitments To efficiently raise working capital, the Company has concluded overdraft and loan commitment agreements with three banks. As of the end of the fiscal year, unutilized amounts under these agreements were as follows: Overdraft limit plus total amount of loan commitments ¥4,310,000 thousand Borrowings outstanding ¥630,000 thousand Difference ¥3,680,000 thousand

(Consolidated Statements of Income)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
*1. Gain on sale of fixed assets arose from sale of land. *2. ―――――― *3. Details of loss on disposal of fixed assets are as follows: Buildings and structures ¥6,422 thousand Vehicles ¥2,680 thousand Tools, furniture and fixtures ¥13,855 thousand Long-term prepaid expenses ¥777 thousand Total ¥23,735 thousand	*1. Gain on sale of fixed assets arose from sale of vehicles. *2. Loss on sale of fixed assets arose from sale of tools, furniture and fixtures. *3. Details of loss on disposal of fixed assets are as follows: Buildings and structures ¥54,837 thousand Vehicles ¥29 thousand Tools, furniture and fixtures ¥20,961 thousand Long-term prepaid expenses ¥361 thousand Software ¥13,151 thousand Other intangible fixed assets ¥74 thousand Total ¥89,416 thousand

(Consolidated Statements of Cash Flows)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
1. Relationship 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 *2. ――――――	1. Relationship 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, 2005) Cash and deposit accounts ¥13,326,256 thousand Cash and cash equivalents ¥13,326,256 thousand *2. Details of assets and liabilities of companies that have been newly consolidated through an acquisition of shares Details of the assets and liabilities at the time when consolidation started concurrent with coming under the scope of consolidation through the additional acquisition of shares, and the relationship between the acquisition cost of the shares and the income from acquisition (net amount) are as follows. D3 Publisher Inc. and its three subsidiaries (As of March 31, 2005) Current assets ¥3,715,900 thousand Fixed assets ¥1,113,546 thousand Excess of net assets acquired over cost ¥446,834 thousand Current liabilities (¥784,740 thousand) Long-term liabilities (¥217,380 thousand yen) Minority interest in consolidated subsidiaries (¥1,632,177 thousand) Acquisition cost ¥2,641,982 thousand Book value after application of equity method at end of fiscal year ¥854,882 thousand Less: acquisition cost for current fiscal year ¥1,787,100 thousand Cash and cash equivalents (¥2,683,250 thousand) Less: income from acquisition (net amount) (¥896,150 thousand)

(Leases)

Fiscal year ended March 31, 2004
(April 1, 2003 − March 31, 2004)

1. Finance lease transactions other than those where the ownership of the leased assets is deemed to be transferred to the lessee

(1) Acquisition cost, accumulated depreciation, and net book value of leased assets at the end of the fiscal year

(Thousands of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Tools, furniture and fixtures	219,370	121,037	98,333
Software	18,851	15,275	3,575
Total	238,222	136,313	101,908

Note that acquisition cost has been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥52,170 thousand
Due after one year	¥49,738 thousand
Total	¥101,908 thousand

Note that future minimum lease payments at the end of the fiscal year have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥58,378 thousand
Depreciation	¥58,378 thousand

(4) Calculation method for depreciation

Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

2. Operating lease transactions

Future minimum lease payments

Due within one year	¥1,644 thousand
Due after one year	¥2,466 thousand
Total	¥4,110 thousand

Fiscal year ended March 31, 2005
(April 1, 2004 − March 31, 2005)

1. Finance lease transactions other than those where the ownership of the leased assets is deemed to be transferred to the lessee

(1) Acquisition cost, accumulated depreciation, and net book value of leased assets at the end of the fiscal year

(Thousands of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Tools, furniture and fixtures	216,628	158,948	57,680
Software	39,710	1,441	38,269
Total	256,339	160,389	95,949

Note that acquisition cost has been calculated by the interest-inclusive method since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥41,005 thousand
Due after one year	¥54,944 thousand
Total	¥95,949 thousand

Note that future minimum lease payments at the end of the fiscal year have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥50,540 thousand
Depreciation	¥50,540 thousand

(4) Calculation method for depreciation

Depreciation is base on the straight-line method over the lease term of the leased assets with no residual value.

2. ―――

(Marketable Securities)

1. Other marketable securities with market value

(Thousands of yen)

Category	Fiscal year ended March 31, 2004 (As of March 31, 2004)			Fiscal year ended March 31, 2005 (As of March 31, 2005)		
	Acquisition cost	Carrying value on consolidated balance sheet at balance sheet date	Difference	Acquisition cost	Carrying value on consolidated balance sheet at balance sheet date	Difference
Securities whose carrying value exceeds their acquisition cost						
(i) Shares	88,419	538,464	450,044	773,307	1,363,984	590,676
(ii) Bonds	–	–	–	–	–	–
(iii) Others	–	–	–	–	–	–
Sub total	88,419	538,464	450,044	773,307	1,363,984	590,676
Securities whose carrying value does not exceed their acquisition cost						
(i) Shares	234,952	186,584	(48,367)	734,952	558,616	(176,335)
(ii) Bonds	–	–	–	–	–	–
(iii) Others	–	–	–	–	–	–
Sub total	234,952	186,584	(48,367)	734,952	558,616	(176,335)
Total	323,371	725,048	401,677	1,508,259	1,922,600	414,340

(Note) The book values after write-downs are taken as the acquisition costs. The amount for write-downs in the fiscal year ended March 31, 2005, was ¥175,534 thousand.

2. Other marketable securities sold during the fiscal year under review

(Thousands of yen)

Category	Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)
Proceeds from sales	–	238,024
Gains on sales	–	162,685
Losses on sales	–	–

3. Major securities with no available market value

(Thousands of yen)

Category	Fiscal year ended March 31, 2004 (As of March 31, 2004)	Fiscal year ended March 31, 2005 (As of March 31, 2005)
	Carrying value on consolidated balance sheet	Carrying value on consolidated balance sheet
1. Shares of subsidiaries and affiliates		
Shares of subsidiaries	100,000	100,000
Shares of affiliates	1,969,975	3,454,981
2. Other securities		
Unlisted shares (excluding shares traded over the counter)	23,880	68,317
Unlisted corporate bonds	5,000	5,000
Unlisted securities with stock acquisition rights	291	–

4. Redemption schedule of other securities with maturities and bonds classified as held-to-maturity

Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)

(Thousands of yen)

	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
1. Bonds				
(1) Japanese government and local government bonds	–	–	–	–
(2) Japanese corporate bonds	–	5,000	–	–
(3) Others	–	–	–	–
2. Others	–	–	–	–
Total	–	5,000	–	–

Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)

(Thousands of yen)

	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
1. Bonds				
(1)Japanese government and local government bonds	–	–	–	–
(2)Japanese corporate bonds	5,000	–	–	–
(3)Others	–	–	–	–
2. Others	–	–	–	–
Total	5,000	–	–	–

(Derivative Transactions)

1. Matters relating to transaction status

Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)
As the Company does not enter into any derivative transactions, no pertinent disclosures have been made.	(1) Description of transactions Derivative transactions entered into by some of the consolidated subsidiaries are interest rate swaps. (2) Policy for transactions Derivative transactions entered into by some of the consolidated subsidiaries are aimed at reducing the risks from interest rate fluctuations, and it is our policy that they are not for speculative purposes. (3) Purposes of transactions Derivative transactions entered into by some of the consolidated subsidiaries are aimed at reducing their exposure to interest rate fluctuations on borrowings. Hedge accounting is carried out using derivative transactions. Method for hedge accounting Special accounting methods are adopted for interest rate swaps that satisfy the requirements for hedge accounting. Means and scope of hedging Means of hedging: Interest rate swap transactions Scope of hedging: Interest on borrowings Hedge policy At some of the consolidated subsidiaries, a hedge policy is implemented to mitigate the interest rate risks and improve the financial account balance, and hedging is carried out within the scope of the relevant debt. Method for assessing hedging effectiveness As the interest rate swap transactions are deemed to come under the requirements for special accounting methods, that becomes the criterion for assessing the hedging as effective. (4) Details of risk relating to transactions Interest rate swap transactions entered into by some of the consolidated subsidiaries have risks from fluctuations in the market interest rates. (5) Risk management system relating to transactions The management division bears the responsibility for concluding contracts relating to hedge accounting at some of the consolidated subsidiaries. There are no particular stipulations relating to such transactions, but these are controlled in accordance with the office regulations concerning authority. (6) Supplementary explanation on matters relating to market value of transactions As all derivative transactions entered into by some of the consolidated subsidiaries are subject to hedge accounting, a supplementary explanation has been omitted.

2. Matters relating to market value of transactions

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
As the Company does not enter into any derivative transactions, no pertinent disclosures have been made.	As all derivatives transactions entered into by some of the consolidated subsidiaries are subject to hedge accounting, these matters have been omitted.

(Deferred Tax Accounting)

Fiscal year ended March 31, 2004 (As of March 31, 2004)

1. Main components of deferred tax assets and deferred tax liabilities

(Deferred tax assets)	
Unrecognized reserve for retirement benefits for directors and statutory auditors	¥284,818 thousand
Unrecognized accrued enterprise taxes	¥323,159 thousand
Excess reserve for retirement benefits	¥47,392 thousand
Excess allowance for doubtful accounts	¥23,354 thousand
Excess reserve for accrued bonuses	¥7,570 thousand
Operating loss carryforwards of subsidiaries	¥255,026 thousand
Others	¥88,285 thousand
Sub total deferred tax assets	¥1,029,607 thousand
Valuation allowance	(¥272,311 thousand)
Total deferred tax assets	¥757,295 thousand
(Deferred tax liabilities)	
Unrealized gains (losses) on other marketable securities	(¥163,482 thousand)
Total deferred tax liabilities	(¥163,482 thousand)
Net deferred tax assets	¥593,812 thousand

2. Breakdown of main items causing differences between the statutory tax rate and the effective rate for income taxes after applying deferred tax accounting

Statutory tax rate	42.0 %
(Adjustments)	
Accumulated earnings tax	3.0 %
Per capita levy of local resident income tax	0.2 %
Entertainment expenses not deductible for tax purposes	0.5 %
Non-taxable dividend income	(0.1 %)
Tax deductions	(0.2 %)
Others	0.2 %
Effective income tax rate after application of deferred tax accounting	45.6 %

Fiscal year ended March 31, 2005 (As of March 31, 2005)

1. Main components of deferred tax assets and deferred tax liabilities

(Deferred tax assets)	
Unrecognized reserve for retirement benefits for directors and statutory auditors	¥231,460 thousand
Unrecognized accrued enterprise taxes	¥161,041 thousand
Excess reserve for retirement benefits	¥55,593 thousand
Excess allowance for doubtful accounts	¥55,763 thousand
Excess reserve for accrued bonuses	¥9,096 thousand
Operating loss carryforwards for subsidiaries	¥524,700 thousand
Unrecognized excess depreciation of software	¥118,720 thousand
Excess amortization of royalty	¥268,125 thousand
Unrecognized valuation loss on investment securities	¥45,195 thousand
Unrecognized valuation loss on merchandize	¥40,608 thousand
Others	¥63,261 thousand
Sub total deferred tax assets	¥1,573,566 thousand
Valuation allowance	(¥564,928 thousand)
Total deferred tax assets	¥1,008,637 thousand
(Deferred tax liabilities)	
Unrealized gains (losses) on other marketable securities	(¥240,079 thousand)
Total deferred tax liabilities	(¥240,079 thousand)
Net deferred tax assets	¥768,558 thousand

2. Breakdown of main items causing differences between the statutory tax rate and the effective rate for income taxes after applying deferred tax accounting

Statutory tax rate	40.7 %
(Adjustments)	
Accumulated earnings tax	2.4 %
Per capita levy of local resident income tax	0.3 %
Entertainment expenses not deductible for tax purposes	0.8 %
Non-taxable dividend income	(0.1 %)
Tax deductions	(0.1 %)
Others	0.8 %
Effective income tax rate after application of deferred tax accounting	44.8 %

(Retirement Benefit Provisions)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
1. Outline of retirement benefit system adopted The Company has adopted a defined benefit plan consisting of a lump-sum retirement payment.	1. Outline of retirement benefit system adopted The Company has adopted a defined benefit plan consisting of a lump-sum retirement payment.
2. Details of retirement benefit obligations Projected benefit obligations (¥ 123,506 thousand) Unrecognized net actuarial loss ¥ 2,691 thousand Retirement benefit provisions (¥ 120,815 thousand)	2. Details of retirement benefit obligations Projected benefit obligations (¥ 145,040 thousand) Unrecognized net actuarial loss ¥ 5,899 thousand Retirement benefit provisions (¥ 139,140 thousand)
3. Details of retirement benefit expenses Retirement benefit expenses Service cost ¥ 17,166 thousand Interest cost ¥ 2,232 thousand Amortization of net actuarial loss ¥ 851 thousand ¥ 20,249 thousand	3. Details of retirement benefit expenses Retirement benefit expenses Service cost ¥ 23,904 thousand Interest cost ¥ 2,470 thousand Amortization of net actuarial loss ¥ 293 thousand ¥ 26,668 thousand
4. Basis for calculation of retirement benefit obligation Discount rate: 2.0 % Periodic allocation method for projected benefits: Straight-line standard Years over which actuarial gains or losses are amortized: Five years from the fiscal year after the year of occurrence	4. Basis for calculation of retirement benefit obligation Discount rate: 2.0 % Periodic allocation method for projected benefits: Straight-line standard Years over which actuarial gains or losses are amortized: Five years from the fiscal year after the year of occurrence

(Segment Information)

1. Segment information by business category

   Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)

   Since sales of pachinko/pachislot machines account for over 90% of net sales and operating income of all segments, no pertinent disclosures have been made.

   Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)

   Since sales of pachinko/pachislot machines account for over 90% of net sales and operating income of all segments, no pertinent disclosures have been made.

2. Segment information by region

   Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)

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

   Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)

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

3. Overseas sales

   Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)

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

   Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)

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

(Transactions with Related Parties)

Fiscal year ended March 31, 2004(April 1, 2003 – March 31, 2004)

1. Directors and major individual shareholders

(Thousands of yen)

Attribute	Name	Location	Capital	Business or occupation	Voting rights holding (held)	Relationship		Transaction details	Transaction amount	Account item	Balance at year-end
						Concurrent posts of directors	Business relationship				
Directors and their close relatives	Hiroyuki Yamanaka	–	–	Director, Executive Officer, General Manager of Accounting Division Fields Corporation Director Database Co., Ltd. Statutory Auditor Professional Management Co., Ltd. Total Workout Corporation White Trash Charms Japan Co., Ltd. Fields Jr. Corporation Digital Lord Corporation	(Held) direct 0.2%	–	–	Corporate housing rent	1,170	–	–

(Notes) 1. The above transaction amounts are net of consumption tax.
2. Transaction conditions and principles of the decision
(1) Corporate housing rent is the amount borne by individuals as rent of the leased corporate housing. 50% of the total rent is borne.

2. Subsidiaries, etc.

(Thousands of yen)

Attribute	Name of company	Location	Capital	Business or occupation	Voting rights holding (held)	Relationship		Transaction details	Transaction amount	Account item	Balance at year-end
						Concurrent posts of directors	Business relationship				
Affiliate	Rodeo Corporation	Toshima ward, Tokyo	100,000	Development and manufacture of pachinko/pachislot machines	Holding, direct 35.0%	–	Development and manufacture of pachinko/ pachislot machines	Sale of used pachinko/ pachislot machines	2,364,855	Accounts receivable - trade	2,479,632
								Purchase of pachinko/ pachislot machines	33,103,396	Accounts payable -trade	7,957,693
								Provision of guarantee deposits	–	Deposits	500,000

(Notes) 1. The above transaction amounts are net of consumption tax, but the balance at year-end is inclusive of consumption tax.
2. Transaction conditions and principles of the decision
(1) For the sale of used pachinko/pachislot machines and the purchase of merchandize, the transaction conditions are determined in the same manner as those generally applied.

Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)

1. Directors and major individual shareholders

(Thousands of yen)

Attribute	Name	Location	Capital	Business or occupation	Voting rights holding (held)	Relationship		Transaction details	Transaction amount	Account item	Balance at yearend
						Concurrent posts of directors	Business relationship				
Directors and their close relatives	Hiroyuki Yamanaka	–	–	Vice President, General Manager, of Administrative Management Division Fields Corporation Director Database Co., Ltd. Statutory Auditor Professional Management Co., Ltd. Total Workout Corporation White Trash Charms Japan Co., Ltd. Fields Jr. Corporation Digital Lord Corporation	(Held) direct 0.1%	–	–	Corporate housing rent (Notes 1,2)	2,953	–	–
	Shigemi Shimada	–	–	Vice President, General Manager of Product Development Division Fields Corporation	(Held) direct 0.1%	–	–	Corporate housing rent (Notes 1,2)	1,430	–	–

(Notes) 1. The above transaction amounts are net of consumption tax.
2. Transaction conditions and principles of the decision
(1) Corporate housing rent is the amount borne by individuals as rent of the leased corporate housing. Until December 2004, 50% of the total rent was borne, but from January 2005 the system was changed so that individuals bear the full amount. The corporate housing rent was terminated on April 1, 2005.

2. Subsidiaries, etc.

(Thousands of yen)

Attribute	Name of company	Location	Capital	Business or occupation	Voting rights holding (held)	Relationship		Transaction details	Transaction amount	Account item	Balance at year-end
						Concurrent posts of directors	Business relationship				
Subsidiary	D3 Publisher Inc.	Shibuya ward, Tokyo	833,240	Design and sale of games software and packaged software	Holding, direct 57.3%	Concurrent post, 1 person	Acquisition of shares	Subscription of new shares privately allocated (Notes 1,2)	1,787,100	–	–
Affiliate	Rodeo Corporation	Toshima ward, Tokyo	100,000	Development and manufacture of pachinko/ pachislot machines	Holding, direct 35.0%	–	Development and manufacture of pachinko/ pachislot machines	Purchase of machines (Notes 1,2)	44,579,677	Accounts payable -trade	22,637,049

(Notes) 1. The above transaction amounts are net of consumption tax, but the balance at year-end is inclusive of consumption tax.
2. Transaction conditions and principles of the decision
(1) The number of shares issued was 7,000, and the issue value was set at ¥255,300, the average of closing prices in ordinary trading for the most recent three months up to the day before the resolution of the Board of Directors (November 15, 2004, to February 14, 2005), disclosed by Jasdaq Securities Exchange, Inc. (during the period from November 15, 2004, to December 10, 2004, disclosed by the Japan Securities Dealers Association).
(2) For the purchase of machines, the transaction conditions are determined in the same manner as those generally applied.

(Per Share Data)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Book value per share ¥ 89,305.39 Net income per share ¥ 40,465.97 Since no latent shares exist, diluted net income per share is not stated. The Company implemented a 5-for-1 stock split on November 20, 2003. Per share data for the previous fiscal year assuming the stock split was implemented at the beginning of the previous fiscal year are given below. Book value per share ¥ 53,720.11 Net income per share ¥ 23,446.73 Since no latent shares exist, diluted net income per share is not stated.	Book value per share ¥ 96,026.73 Net income per share ¥ 19,888.61 Since no latent shares with dilution effects exist, diluted net income per share is not stated. The Company implemented a 2-for-1 stock split on September 3, 2004. Per share data for the previous fiscal year assuming the stock split was implemented at the beginning of the previous fiscal year are given below. Book value per share ¥ 44,652.69 Net income per share ¥ 20,233.98 Since no latent shares exist, diluted net income per share is not stated.

(Note) The calculation basis for net income per share is as follows.

	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Net income	¥ 6,620,253 thousand	¥6,926,791 thousand
Amount not allocable to common shareholders (Of which, directors' bonuses by appropriation of retained earnings)	¥ 85,000 thousand (¥ 85,000 thousand)	¥105,000 thousand (¥105,000 thousand)
Net income allocable to common shares	¥ 6,535,253 thousand	¥6,821,791 thousand
Average number of shares of common stock outstanding	161,500 shares	343,000 shares
Outline of latent shares not reflected in the calculation of diluted net income per share since there are no dilution effects from them	―――	Stock acquisition rights Resolution on June 27, 2003 Number of latent shares 3,180 shares

(Assumption of a Going Concern)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)

Not applicable.

Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)

Not applicable.

(Subsequent Events)

<table>
<tr><th>Fiscal year ended March 31, 2004
(April 1, 2003 − March 31, 2004)</th><th>Fiscal year ended March 31, 2005
(April 1, 2004 − March 31, 2005)</th></tr>
<tr><td>
Resolution for stock options

The Board of Directors, at the meeting on April 14, 2004, resolved the following details regarding the issuance of stock acquisition rights as stock options pursuant to the provisions of Articles 280-20 and 280-21 of the Commercial Code, and based on the resolution of the 15th ordinary general meeting of shareholders on June 27, 2003.

1. Issue date of stock acquisition rights — April 14, 2004
2. Number of stock acquisition rights to be issued — 681 rights (five shares per stock acquisition right)
3. Issue value of stock acquisition rights — Gratis
4. Class and number of shares for which stock acquisition rights are to be issued — 3,405 shares of common stock
5. Amount to be paid upon exercise of stock acquisition rights — ¥1,520,000 per share
6. Exercise period for stock acquisition rights — From July 1, 2005, to June 30, 2008
7. Number of persons eligible for stock acquisition rights allotment — Directors, statutory auditors and employees of the Company Total of 115 people

Resolution for stock split (gratis issue)

On May 25, 2004, the Board of Directors passed a resolution authorizing a stock split (gratis issue).
Stock split (gratis issue)
1. A 2-for-1 common stock split will be implemented as follows on September 3, 2004.
(i) Number of shares to be increased through the stock split
As common stock, the number of shares to be increased will be the same as the number of shares outstanding as of July 15, 2004.
(ii) Split method
Common stock held by shareholders recorded or registered in the shareholder register or the effective shareholder register as of July 15, 2004, will be split on a 2-for-1 ratio.
2. Dividend reckoning date April 1, 2004

Per share data for the previous fiscal year and the current fiscal year, assuming such a stock split was implemented at the beginning of the each fiscal year, are as follows.
<table>
<tr><th>Previous fiscal year</th><th>Current fiscal year</th></tr>
<tr><td>Book value per share
¥26,860.06
Net income per share
¥11,723.36
Since no latent shares exist, diluted net income per share is not stated.</td><td>Book value per share
¥44,652.69
Net income per share
¥20,232.98
Since no latent shares exist, diluted net income per share is not stated.</td></tr>
</table>
</td><td>―――――</td></tr>
</table>

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Resolution for issuance of 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 to be issued 12,000 shares of common stock (2) Issue value ¥1,108,755 (3) Amount transferred to paid-in capital (per share) ¥554,378 (4) Issue date June 15, 2004 (5) Method of issuance HSBC Bank plc will act as lead manager of an underwriting syndicate, which will purchase the shares from the Company. Shares will be sold mainly in Europe through public offering (but only to qualifying institutional investors in the United States). (6) Dividend reckoning date April 1, 2004 (7) Use of funds raised Of the approximately ¥13.1 billion raised through the issue of new shares, ¥4 billion will be used to expand and upgrade the Company's sales network and internal sales management systems; ¥6 billion will be used for acquiring and investing in merchandizing rights; and the remainder will be used for investments and loans to subsidiaries, etc.	

6. Production, Orders Received and Sales

(1) Production

Not applicable.

(2) Procurement

Products purchased by item in the fiscal year under review are as follows.

(Thousands of yen)

Item	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Pachinko/pachislot machines	37,064,637	49,064,230
Others	1,614,927	1,127,785
Total	38,679,564	50,192,015

(Notes) 1. The above amounts are based on the procurement prices.
2. The above amounts are net of consumption tax.

(3) Orders received

Not applicable.

(4) Sales

Sales by item in the fiscal year under review are as follows.

(Thousands of yen)

Item	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Pachinko/pachislot machines	61,579,192	78,336,175
Others	4,632,396	3,321,835
Total	66,211,589	81,658,011

(Note) 1. "Others" includes pachinko/pachislot machine parts as well as used pachinko/pachislot machines.
2. The above amounts are net of consumption tax.

(Translation)

Fields Corporation
Summary of Financial Statements (Non-Consolidated)
Year Ended March 31, 2005

May 13, 2005

Company Name:	Fields Corporation
	(URL: http://www.fields.biz)
Listed on:	JASDAQ (Stock code: 2767)
Head Office:	Tokyo
Representative Director:	Hidetoshi Yamamoto
	President, Representative Director and CEO
Inquiries:	Hiroyuki Yamanaka
	General Manager, Administration Division for Board of Directors
	Tel: 81-3-5784-2111
Date Approved by Board of Directors:	May 13, 2005
Interim Dividend System (Yes/No):	Yes
Date of Commencement of Dividend Payment:	June 30, 2005
Ordinary General Meeting of Shareholders:	June 29, 2005
Unit Stock System (Yes/No):	No

1. Business results for the year ended March 31, 2005 (April 1, 2004, to March 31, 2005)

(1) Operating results (Rounded down to nearest million)

	Net sales		Operating income		Ordinary income	
	Millions of yen	(% change)	Millions of yen	(% change)	Millions of yen	(% change)
Year ended March 31, 2005	79,970	(22.8)	12,275	(2.7)	12,312	(2.1)
Year ended March 31, 2004	65,140	(6.7)	11,951	(65.1)	12,054	(65.5)

	Net income		Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	Millions of yen	(% change)	Yen	Yen	%	%	%
Year ended March 31, 2005	6,721	(3.1)	19,289.46	—	27.9	23.3	15.4
Year ended March 31, 2004	6,520	(72.2)	39,846.27	—	54.9	44.3	18.5

Notes: 1. Average number of shares outstanding
Year ended March 31, 2005: 343,000
Year ended March 31, 2004: 161,500
2. 12,000 new shares were issued through book building process on June 15, 2004.
3. Shares increased by 173,500 through a 2-for-1 stock split carried out on September 3, 2004.
4. Changes in accounting methods (Yes/No): No
5. Percentages for net sales, operating income, ordinary income and net income denote changes compared with the previous fiscal year.

(2) Dividend information

	Annual dividend per share			Annual dividend paid	Payout ratio	Dividend as percentage of shareholders' equity
		Interim	Year-end			
	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2005	4,000.00	2,000.00	2,000.00	1,388	20.7	4.2
Year ended March 31, 2004	24,000.00	20,000.00	4,000.00	1,292	20.1	8.8

(3) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2005	68,354	33,414	48.9	95,993.86
Year ended March 31, 2004	37,114	14,701	39.6	90,507.27

Notes:
1. Number of shares outstanding at year-end
   Year ended March 31, 2005: 347,000
   Year ended March 31, 2004: 161,500
2. 12,000 new shares were issued through book building process on June 15, 2004.
3. Shares increased by 173,500 through a 2-for-1 stock split carried out on September 3, 2004.
4. Treasury stock at year-end
   Year ended March 31, 2005: -
   Year ended March 31, 2004: -

2. Forecast earnings for the year ending March 31, 2006 (April 1, 2005, to March 31, 2006)

	Net sales	Ordinary income	Net income	Annual dividend per share		
				Interim	Year-end	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Interim	34,500	5,100	2,700	2,000.00	—	—
Full year	85,800	14,000	7,400	—	2,000.00	4,000.00

Reference: Projected net income per share for the year ending March 31, 2006: ¥21,023.05

7. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Thousands of yen, %)

Item \ Period		Fiscal year ended March 31, 2004 (As of March 31, 2004)			Fiscal year ended March 31, 2005 (As of March 31, 2005)			Year-on-year change
		Amount		% total	Amount		% total	Amount
Assets								
I. Current assets								
Cash and cash equivalents			4,865,913			9,872,987		5,007,073
Notes receivable - trade			1,596,052			3,232,572		1,636,519
Accounts receivable - trade	*1		17,236,355			34,061,850		16,825,495
Marketable securities			–			5,000		5,000
Merchandise			76,591			146,691		70,099
Supplies			23,524			99,779		76,255
Advances			2,105			32,371		30,266
Merchandizing right advances	*1		1,720,076			3,384,063		1,663,987
Prepaid expenses			203,116			214,699		11,582
Deferred tax assets			350,606			200,372		(150,233)
Other accounts receivable	*1		12,578			11,220		(1,357)
Advance payments	*1		135,391			209,866		74,475
Notes held			214,418			91,936		(122,482)
Non-operating notes receivable			463,050			878,333		415,283
Other current assets	*1		420,340			205,095		(215,244)
Allowance for doubtful accounts			(86,800)			(84,300)		2,500
Total current assets			27,233,322	73.4		52,562,541	76.9	25,329,219
II. Fixed assets								
1. Tangible fixed assets								
Buildings		989,024			2,347,171			
Accumulated depreciation		(256,437)	732,586		(315,720)	2,031,450		1,298,864
Structures		19,245			65,794			
Accumulated depreciation		(11,673)	7,572		(17,792)	48,002		40,430
Vehicles		41,775			27,128			
Accumulated depreciation		(25,550)	16,224		(16,548)	10,579		(5,645)
Tools, furniture and fixtures		704,018			1,106,171			
Accumulated depreciation		(255,878)	448,139		(419,139)	687,032		238,893
Land			1,547,993			1,547,993		–
Construction in progress			243,251			–		(243,251)
Total tangible fixed assets			2,995,767	8.0		4,325,058	6.3	1,329,290
2. Intangible fixed assets								
Software			218,228			260,219		41,991
Software under development			9,075			442,446		433,371
Telephone subscription rights			18,437			18,539		102
Others			–			56,700		56,700
Total intangible fixed assets			245,740	0.7		777,906	1.2	532,166
3. Investments and other assets								
Investment securities			754,220			1,946,480		1,192,260
Investments in subsidiaries and affiliates			1,790,450			5,510,550		3,720,100
Equity investment			24,286			22,830		(1,456)
Long-term loans receivable			104,404			103,804		(600)
Long-term loans receivable from shareholders, directors or employees			2,111			539		(1,571)
Long-term loans receivable from affiliates			2,150,000			1,222,856		(927,143)
Claims in bankruptcy			98,194			102,952		4,757
Long-term prepaid expenses			63,198			34,699		(28,499)
Deferred tax assets			222,813			174,587		(48,225)
Deposits	*1		1,463,804			1,774,978		311,174
Others			60,393			86,486		26,092
Allowance for doubtful accounts			(93,901)			(97,206)		(3,304)
Allowance for investment losses			–			(195,000)		(195,000)
Total investments and other assets			6,639,975	17.9		10,688,559	15.6	4,048,583
Total fixed assets			9,881,483	26.6		15,791,524	23.1	5,910,040
Total assets			37,114,805	100.0		68,354,065	100.0	31,239,259

(Thousands of yen, %)

Item \ Period		Fiscal year ended March 31, 2004 (As of March 31, 2004)			Fiscal year ended March 31, 2005 (As of March 31, 2005)			Year-on-year change
		Amount		% total	Amount		% total	Amount
Liabilities								
I. Current liabilities								
Accounts payable - trade	*1		11,551,154			27,479,545		15,928,391
Short-term borrowings			3,000,000			−		(3,000,000)
Other accounts payable			970,717			981,274		10,557
Accrued expenses			2,000			2,200		200
Accrued income taxes			3,925,000			2,609,000		(1,316,000)
Unpaid consumption tax			381,391			132,032		(249,359)
Advances received			14,188			123,314		109,125
Deposits			474,373			477,574		3,201
Accrued bonuses			18,600			20,000		1,400
Other current liabilities			10,727			−		(10,727)
Total current liabilities			20,348,153	54.8		31,824,942	46.6	11,476,788
II. Long-term liabilities								
Retirement benefit provisions			120,815			129,925		9,110
Reserve for retirement benefits to directors and statutory auditors			699,800			568,700		(131,100)
Deposits received			1,193,049			2,409,736		1,216,687
Other long-term liabilities			51,065			5,893		(45,171)
Total long-term liabilities			2,064,729	5.6		3,114,255	4.5	1,049,525
Total liabilities			22,412,882	60.4		34,939,197	51.1	12,526,314
Shareholders' equity								
I. Common stock	*2		1,295,500	3.5		7,948,036	11.6	6,652,536
II. Capital surplus								
Additional paid-in capital		1,342,429			7,994,953			
Capital surplus total			1,342,429	3.6		7,994,953	11.7	6,652,524
III. Retained earnings								
Legal reserve		9,580			9,580			
Voluntary reserve								
General reserve		5,000,000			10,000,000			
Unappropriated retained earnings		6,816,219			7,112,502			
Total retained earnings			11,825,799	31.9		17,122,082	25.1	5,296,283
IV. Unrealized holding gain on available-for-sale securities			238,194	0.6		349,796	0.5	111,601
Total shareholders' equity			14,701,923	39.6		33,414,868	48.9	18,712,944
Total liabilities and shareholders' equity			37,114,805	100.0		68,354,065	100.0	31,239,259

2. Non-consolidated Statements of Income

(Thousands of yen, %)

Item \ Period		Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)			Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)			Year-on-year change
		Amount		% sales	Amount		% sales	Amount
I. Net sales			65,140,732	100.0		79,970,015	100.0	14,829,283
II. Cost of sales	*1		43,975,843	67.5		55,787,766	69.8	11,811,923
Gross profit			21,164,888	32.5		24,182,248	30.2	3,017,359
III. Selling, general and administrative expenses								
Advertising expenses		1,428,615			2,722,140			
Remuneration of directors and statutory auditors		258,710			269,450			
Salaries		2,656,545			3,365,690			
Bonuses		36,483			38,846			
Provision for accrued bonuses		18,600			20,000			
Legal welfare expenses		305,922			390,424			
Other welfare expenses		34,867			44,272			
Outsourcing expenses		547,998			756,856			
Travel expenses		445,075			436,646			
Depreciation and amortization		232,425			448,930			
Rents		606,381			790,199			
Recruitment and training expenses		468,067			332,716			
Provision to allowance for doubtful accounts		69,977			18,343			
Retirement benefit expenses		20,249			26,668			
Provision to reserve for retirement benefits for directors and statutory auditors		148,500			–			
Others		1,934,882	9,213,303	14.1	2,245,171	11,906,358	14.9	2,693,055
Operating income			11,951,585	18.4		12,275,890	15.3	324,304
IV. Non-operating income								
Interest income	*1	33,496			34,926			
Interest on securities		1,513			175			
Dividend income	*1	27,280			33,021			
Discounts on purchases	*1	–			159,760			
Lease income	*1	34,908			38,079			
Administrative services fees received	*1	13,440			–			
Others	*1	18,234	128,873	0.2	23,686	289,650	0.4	160,777
V. Non-operating costs								
Interest expense		2,197			7,351			
Issuance of new stock		2,290			91,906			
Capital increase-related expense		–			112,494			
Lease expenses		17,137			16,848			
Others		4,272	25,897	0.1	24,354	252,956	0.3	227,058
Ordinary income			12,054,561	18.5		12,312,584	15.4	258,022

(Thousands of yen, %)

Item / Period	Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)			Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)			Year-on-year change
	Amount		% sales	Amount		% sales	Amount
VI. Extraordinary income							
Gain from sale of fixed assets *2	6,447			4,726			
Gain from investment in anonymous association	22,166			45,171			
Gain from liquidation of guarantee liabilities	17,400			2,600			
Gain on sale of investment securities	–			162,685			
Reversal of reserve for retirement benefits for directors and statutory auditors	–	46,014	0.1	131,100	346,283	0.4	300,269
VII. Extraordinary loss							
Loss on sale of fixed assets *3	–			1,666			
Loss on disposal of fixed assets *4	17,638			89,039			
Valuation loss on investment securities	–			175,534			
Valuation loss on equity investment	42,587			–			
Provision to reserve for investment losses	–	60,225	0.1	195,000	461,240	0.6	401,015
Income before income taxes		12,040,349	18.5		12,197,626	15.2	157,276
Current income taxes	5,733,846			5,354,480			
Deferred income taxes	(213,669)	5,520,177	8.5	121,863	5,476,343	6.8	(43,833)
Net income		6,520,172	10.0		6,721,283	8.4	201,110
Earnings carried over from previous period		942,046			1,085,219		143,172
Interim dividends paid		646,000			694,000		48,000
Unappropriated retained earnings		6,816,219			7,112,502		296,283

Appropriation Statement (Tentative)

(Thousands of yen)

Item / Period	Fiscal year ended March 31, 2004 (June 29, 2004)		Fiscal year ended March 31, 2005 (June 29, 2005)	
I. Unappropriated retained earnings at end of current fiscal year		6,816,219		7,112,502
II. Appropriation amount				
1. Dividends	646,000		694,000	
2. Bonuses to directors and statutory auditors	85,000		105,000	
(Of which, to statutory auditors)	(2,000)		(3,000)	
3. Voluntary reserve				
(1) General reserve	5,000,000	5,731,000	5,000,000	5,799,000
III. Earnings carried over to next fiscal year		1,085,219		1,313,502

(Note) Dates within parentheses under the period are the scheduled dates for approval at the general meeting of shareholders.

(Note) Details of dividends per share

	Fiscal year ended March 31, 2004			Fiscal year ended March 31, 2005		
	Full year	Interim	Year-end	Full year	Interim	Year-end
Common stock	Yen	Yen	Yen	Yen	Yen	Yen
(details)						
Ordinary dividend	14,000	10,000	4,000	4,000	2,000	2,000
Commemorative dividend	10,000	10,000	–	–	–	–

Significant Accounting Policies for the Preparation of Non-consolidated Financial Statements

Significant Accounting Policies

Item	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
1. Valuation standards and methods for marketable securities	(1) Shares of subsidiaries and affiliates Stated at cost determined by the moving-average method. (2) Other marketable securities Those with market value: Stated at market value based on market price as of the balance sheet date (unrealized gains or losses are directly charged or credited to shareholders' equity, with the cost of securities sold determined by the moving-average method). Those with no market value: Stated at cost determined by the moving-average method.	(1) Shares of subsidiaries and affiliates Same as left (2) Other marketable securities Those with market value: Same as left Those with no market value: Same as left
2. Valuation standards and methods for inventories	(1) Merchandize Used pachinko/pachislot machines Stated at cost determined by the specific identification method. Others Stated at cost determined by the moving-average method. (2) Supplies Stated at cost determined by the last purchase price method	(1) Merchandize Used pachinko/pachislot machines Same as left Others Same as left (2) Supplies Same as left
3. Depreciation methods for fixed assets	(1) Tangible fixed assets Declining-balance method However, the 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 its useful life within the Company (five years). (3) Long-term prepaid expenses Straight-line method	(1) Tangible fixed assets Declining-balance method However, the 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: 10-50 years Vehicles: 4-6 years Tools and equipment: 3-20 years (2) Intangible fixed assets Same as left (3) Long-term prepaid expenses Same as left
4. Treatment of deferred charges	New stock issuance expenses These expenses are charged in full at the time they are incurred.	New stock issuance expenses These expenses are charged in full at the time they are incurred. The issuance of 12,000 new shares of common stock on June 15, 2004, through public offering was carried out by underwriting 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 de facto underwriting commission. If, as was preciously the case, the underwriting and share issue prices were the same, the underwriting commission would have been charged as new stock issuance expenses. Consequently, compared to the previous method of accounting for underwriting commission, new stock issuance expenses and the total of common stock and capital surplus are each reduced by ¥626,940 thousand, while ordinary income and income before income taxes are each increased by the same amount.

Category	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
5. Accounting standards for reserves	(1) Allowance for doubtful accounts To provide for losses from doubtful accounts, allowances for ordinary receivables are provided using a rate determined by past collection experience, and allowances for specific debts considered doubtful are accounted for by calculating the estimated amounts deemed uncollectible after individually reviewing collectibility of the debts. (2) ――――― (3) Accrued bonuses To provide for employee bonuses, the Company recognizes the amounts out of the projected bonus payments to be allocated to the fiscal year. (4) Retirement benefit provisions To provide for employees' retirement benefits, the Company, on the basis of projected benefit obligations as of the end of the fiscal year, recognizes benefit obligations accrued as of the end of the fiscal year. Also, actuarial differences are proportionately amortized by the straight-line method over a fixed number of years (five years) 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. (5) Reserve for retirement benefits for directors and statutory auditors To provide for directors' retirement bonuses, the Company, in accordance with the internal regulations, recognizes the amounts to be paid at the end of the fiscal year.	(1) Allowance for doubtful accounts Same as left (2) Reserve for investment losses To provide for possible losses from investments into affiliates, this reserve is provided in consideration of the financial conditions of the affiliates. (3) Accrued bonuses Same as left (4) Retirement benefit provisions Same as left (5) Reserve for retirement benefits for directors and statutory auditors Same as left
6. Accounting standards for revenues and expenses	Accounting standards for sales and cost of sales Distribution sales These are recognized at the time of shipment of pachinko/pachislot machines. (Changes in accounting methods) Accounting recognition previously followed delivery to users and completion of installation. Beginning this fiscal year, this method has been changed to the effect that accounting recognition follows 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 quickly grasped due to improvements in computer systems. Compared with the previous method, the change resulted in an increase of ¥5,956,372 thousand in net sales, an increase of ¥3,916,219 thousand in cost of sales, and an increase of ¥2,040,152 thousand each in operating income, ordinary income, and income before income taxes. Agency sales These are recognized when the pachinko/pachislot machines are delivered to users, and the payments for the machines are made to the machine makers.	For agency sales, when the pachinko/pachislot machines are delivered to users, and the payments for the machines are made to the machine makers, these are recognized as commission income and commission cost.

Category	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
7. Treatment of lease transactions	Finance lease transactions, other than those where the ownership of the leased assets is deemed to be transferred to the lessee, are accounted for as ordinary operating lease transactions.	Same as left
8. Other significant standards fundamental to the preparation of financial statements	(1) Accounting for consumption tax Consumption tax is accounted for by the tax-excluded method.	(1) Accounting for consumption tax Same as left

Change in disclosure methods

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
(Non-consolidated balance sheets) Until the previous fiscal year, merchandizing right advances was included in “advances” under current assets. Owing to an increase in the financial importance of this item, it is now presented as a separate item. For the previous fiscal year, merchandizing right advances amounted to ¥262,125 thousand. Until the previous fiscal year, insurance reserve was presented as a separate item (the balance at the end of the current fiscal year was ¥14,801 thousand). Owing to the item falling to below 1% of total assets, it is now included in “others” under fixed assets.	―――
(Non-consolidated statements of income) Until the previous fiscal year, outsourcing expenses and recruitment and training expenses were included in “others” under sales, general and administrative expenses. Owing to this item exceeding 5% of SG&A expenses, it is now presented as a separate item. Outsourcing expenses and recruitment and training expenses for the previous fiscal year amounted to ¥340,493 thousand and ¥206,313 thousand, respectively.	(Non-consolidated statements of income) Until the previous fiscal year, administrative services fees received was stated as a separate item under non-operating income. Owing to this item falling below 10% of non-operating income, it is now included in “others” under non-operating income. Administrative services fees received in the current fiscal year amounted to ¥15,452 thousand.

Additional information

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
―――	Accompanying the promulgation of the Law for Partial Amendment to the Local Tax Law, etc. (Law No. 9 of 2003) on March 31, 2003, and the consequent introduction of the pro forma standard taxation system, which applies to fiscal years commencing on or after April 1, 2004, from the current fiscal year, the Company includes charges for the value-added and capital portions of corporate enterprise tax in selling, general and administrative expenses in accordance with the Practical Procedures for Indication of Pro Forma Taxation in Income Statement concerning Corporate Enterprise Tax (Accounting Standards Board of Japan, Accounting Practices Report No. 12 dated February 13, 2004) . As a result, SG&A expenses increased by ¥107,461 thousand, and operating income, ordinary income, and income before income taxes decreased by ¥107,461 thousand.

Notes

(Non-consolidated Balance Sheets)

Fiscal year ended March 31, 2004 (As of March 31, 2004)	Fiscal year ended March 31, 2005 (As of March 31, 2005)
*1. Assets and liabilities for affiliates Other than the items separately stated, the followings are included. Accounts receivable - trade ¥2,480,033 thousand Deposits ¥550,355 thousand Accounts payable – trade ¥8,057,909 thousand	*1. Assets and liabilities for affiliates Other than the items separately stated, the followings are included. Other assets ¥858,911 thousand Accounts payable – trade ¥22,794,079 thousand
*2. Number of authorized and outstanding shares Authorized shares Common stock 586,000 shares Outstanding shares Common stock 161,500 shares	*2. Number of authorized and outstanding shares Authorized shares Common stock 586,000 shares Outstanding shares Common stock 347,000 shares
3. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine makers. Gaia Co., Ltd. ¥28,059 thousand K.K. Sunvic ¥26,264 thousand Asahi Shoji K.K. ¥24,688 thousand Y.K. Sanei ¥22,194 thousand Gunkay Co., Ltd. ¥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 ¥537,721 thousand Total ¥744,496 thousand	3. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine makers. Asahi Shoji K.K. ¥59,985 thousand Daiei Kanko K.K. ¥58,480 thousand Meiplanet K.K. ¥33,698 thousand Kouki Co., Ltd. ¥30,571 thousand Iwamoto Development Co., Ltd. ¥28,551 thousand BOSS Co., Ltd. ¥24,910 thousand Niimi Co., Ltd. ¥23,739 thousand Y.K. Daiko ¥23,293 thousand The City Co., Ltd ¥19,622 thousand K.K. Toei Kanko ¥18,677 thousand Others 176 ¥475,519 thousand Total ¥797,050 thousand
4. Notes receivable endorsed ¥591,657 thousand	4. ――――
5. Dividend restrictions As a result of mark-to-market valuation of securities, net assets increased by ¥238,194 thousand. However, the Company is prohibited from utilizing the said amount for dividend payment in accordance with Article 124-3 of the Commercial Code Enforcement Regulations.	5. Dividend restrictions As a result of mark-to-market valuation of securities, net assets increased by ¥349,796 thousand. However, the Company is prohibited from utilizing the said amount for dividend payment in accordance with Article 124-3 of the Commercial Code Enforcement Regulations.
6. Overdraft agreements and loan commitments To efficiently raise working capital, the Company has concluded overdraft and loan 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 loan commitments ¥6,000,000 thousand Borrowings outstanding ¥3,000,000 thousand Difference ¥3,000,000 thousand	6. Overdraft agreements To efficiently raise working capital, the Company has concluded overdraft agreements with three banks. As of the end of the fiscal year, unutilized amounts under these agreements were as follows: Overdraft limit ¥3,000,000 thousand Borrowings outstanding - Difference ¥3,000,000 thousand

(Non-consolidated Statements of Income)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
*1. Items for affiliates that are included in the statements of income are as follows: Purchases ¥33,508,152 thousand Interest income ¥29,858 thousand Dividend income ¥21,000 thousand Administrative services fees received ¥13,440 thousand	*1. Items for affiliates that are included in the statements of income are as follows: Purchases ¥45,095,320 thousand Interest income ¥30,986 thousand Discounts on purchases ¥159,668 thousand Other non-operating income ¥39,052 thousand
*2. Gain on sale of fixed assets arose from sale of land.	*2. Gain on sale of fixed assets arose from sale of vehicles.
*3. ――――――	*3. Loss on sale of fixed assets arose from sale of tools, furniture and fixtures.
*4. Details of loss on disposal of fixed assets are as follows: Buildings ¥3,442 thousand Structures ¥1,488 thousand Vehicles ¥2,680 thousand Tools, furniture and fixtures ¥10,027 thousand Total ¥17,638 thousand	*4. Details of loss on disposal of fixed assets are as follows: Buildings ¥54,837 thousand Vehicles ¥29 thousand Tools, furniture and fixtures ¥20,659 thousand Long-term prepaid expenses ¥361 thousand Software ¥13,151 thousand Total ¥89,039 thousand

(Leases)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)

1. Finance lease transactions other than those where the ownership of the leased assets is deemed to be transferred to the lessee

(1) Acquisition cost, accumulated depreciation, and net book value of leased assets at the end of the fiscal year

(Thousands of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Tools, furniture and fixtures	107,055	71,431	35,623
Software	18,851	15,275	3,575
Total	125,907	86,707	39,199

Note that acquisition cost has been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥24,091 thousand
Due after one year	¥15,107 thousand
Total	¥39,199 thousand

Note that future minimum lease payments at the end of the fiscal year have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥30,170 thousand
Depreciation	¥30,170 thousand

(4) Calculation method for depreciation

Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)

1. Finance lease transactions other than those where the ownership of the leased assets is deemed to be transferred to the lessee

(1) Acquisition cost, accumulated depreciation, and net book value of leased assets at the end of the fiscal year

(Thousands of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Tools, furniture and fixtures	104,314	81,264	23,049
Software	39,710	1,441	38,269
Total	144,025	82,705	61,319

Note that acquisition cost has been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥18,568 thousand
Due after one year	¥42,751 thousand
Total	¥61,319 thousand

Note that future minimum lease payments at the end of the fiscal year have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥22,462 thousand
Depreciation	¥22,462 thousand

(4) Calculation method for depreciation

Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

(Marketable Securities)

Fiscal year ended March 31, 2004 (As of March 31, 2004)

Shares of subsidiaries and affiliates with market values are as follows.

(Thousands of yen)

Category	Carrying value on non-consolidated balance sheet	Market value	Difference
Shares of affiliates	883,000	1,585,000	702,000

Fiscal year ended March 31, 2005(As of March 31, 2005)

Shares of subsidiaries and affiliates with market values are as follows.

(Thousands of yen)

Category	Carrying value on non-consolidated balance sheet	Market value	Difference
Shares of subsidiaries	2,670,100	3,276,000	605,900

(Deferred Tax Accounting)

Fiscal year ended March 31, 2004 (As of March 31, 2004)		Fiscal year ended March 31, 2005 (As of March 31, 2005)	
1. Main components of deferred tax assets and deferred tax liabilities		1. Main components of deferred tax assets and deferred tax liabilities	
(Deferred tax assets)		(Deferred tax assets)	
Unrecognized reserve for retirement benefits for directors and statutory auditors	¥284,818 thousand	Unrecognized reserve for retirement benefits for directors and statutory auditors	¥231,460 thousand
Unrecognized accrued enterprise taxes	¥320,659 thousand	Unrecognized accrued enterprise taxes	¥155,664 thousand
Excess reserve for retirement benefits	¥47,392 thousand	Excess reserve for retirement benefits	¥51,989 thousand
Excess allowance for doubtful accounts	¥24,187 thousand	Excess allowance for doubtful accounts	¥40,502 thousand
Excess reserve for accrued bonuses	¥7,570 thousand	Excess reserve for accrued bonuses	¥8,140 thousand
Others	¥52,275 thousand	Unrecognized allowance for investment losses	¥79,365 thousand
		Others	¥47,916 thousand
Total deferred tax assets	¥736,903 thousand	Total deferred tax assets	¥615,039 thousand
(Deferred tax liabilities)		(Deferred tax liabilities)	
Unrealized gains (losses) on other marketable securities	(¥163,482 thousand)	Unrealized gains (losses) on other marketable securities	(¥240,079 thousand)
Total deferred tax liabilities	(¥163,482 thousand)	Total deferred tax liabilities	(¥240,079 thousand)
Net deferred tax assets	¥573,420 thousand	Net deferred tax assets	¥347,960 thousand
2. Breakdown of main items causing differences between the statutory tax rate and the effective rate for income taxes after applying deferred tax accounting		2. Breakdown of main items causing differences between the statutory tax rate and the effective rate for income taxes after applying deferred tax accounting	
Statutory tax rate	42.0 %	Statutory tax rate	40.7 %
(Adjustments)		(Adjustments)	
Accumulated earnings tax	3.0 %	Accumulated earnings tax	2.5 %
Per capita levy of local resident income tax	0.2 %	Per capita levy of local residential income tax	0.3 %
Entertainment expenses not deductible for tax purposes	0.5 %	Entertainment expenses not deductible for tax purposes	0.8 %
Non-taxable dividend income	(0.1) %	Non-taxable dividend income	(0.1) %
Others	0.2 %	Tax deductions	(0.1) %
Effective income tax rate after application of deferred tax accounting	45.8 %	Others	0.8 %
		Effective income tax rate after application of deferred tax accounting	44.9 %

Details of Increases in Number of Shares Outstanding during the Fiscal Year under Review

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Stock split Issuance of new shares through a stock split on November 20, 2003 Stock split ratio 5-for-1 Number of shares issued 129,200 shares	Issuance of new shares through book building process Issuance of new shares through book building process on June 15, 2004 Number of shares issued 12,000 shares Issue price ¥1,161,000 Issue value ¥1,108,755 Amount transferred to paid-in-capital ¥554,378 Stock split Issuance of new shares through a stock split on September 3, 2004 Stock split ratio 2-for-1 Number of shares issued 173,500 shares

(Per Share Data)

Fiscal year ended March 31, 2004 (April 1, 2003 − March 31 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Book value per share ¥90,507.27 Net income per share ¥39,846.27 Since no latent shares exist, diluted net income per share is not stated. The Company implemented a 5-for-1 stock split on November 20, 2003. Per share data for the previous fiscal year assuming the stock split was implemented at the beginning of the previous fiscal year are given below. Book value per share ¥55,521.29 Net income per share ¥25,229.18 Since no latent shares exist, diluted net income per share is not stated.	Book value per share ¥95,993.86 Net income per share ¥19,289.46 Since no latent shares with dilution effects exist, diluted net income per share is not stated. The Company implemented a 2-for-1 stock split on September 3, 2004. Per share data for the previous fiscal year assuming the stock split was implemented at the beginning of the previous fiscal year are given below. Book value per share ¥45,253.63 Net income per share ¥19,923.14 Since no latent shares exist, diluted net income per share is not stated.

(Note) The calculation basis for net income per share is as below.

	Fiscal year ended March 31, 2004 (April 1, 2003 − March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 − March 31, 2005)
Net income	¥6,520,172 thousand	¥6,721,283 thousand
Amount not allocable to common shareholders (Of which, bonuses to directors and statutory auditors by appropriation of retained earnings)	¥85,000 thousand (¥85,000 thousand)	¥105,000 thousand (¥105,000 thousand)
Net income allocable to common shares	¥6,435,172 thousand	¥6,616,283 thousand
Average number of shares of common stock outstanding	161,500 shares	343,000 shares
Outline of latent shares not reflected in the calculation of diluted net income per share since there are no dilution effects from them	――	Stock acquisition rights Resolution on June 27, 2003 Number of latent shares 3,180 shares

Per share data adjusted retroactively

Per-share data stated in the summary of financial statements, based on data for the fiscal year ended March 31, 2005, have been adjusted for dilution from the stock splits implemented to date as follows.

	Fiscal year ended March 31, 2004		Fiscal year ended March 31, 2005	
	Interim	Year-end	Interim	Year-end
	Yen	Yen	Yen	Yen
Net income per share	10,256.18	19,923.14	5,876.37	19,289.46
Dividend per share				
Ordinary	1,000.00	2,000.00	2,000.00	2,000.00
Commemorative	1,000.00	−	−	−
Shareholders' equity per share	37,175.20	45,253.63	84,247.58	95,993.86

(Note) A 2- for-1 stock split was implemented on September 3, 2004.

(Subsequent Events)

<table>
<tr><th>Fiscal year ended March 31, 2004
(April 1, 2003 − March 31, 2004)</th><th>Fiscal year ended March 31, 2005
(April 1, 2004 − March 31, 2005)</th></tr>
<tr><td>
Resolution for stock options
The Board of Directors, at the meeting on April 14, 2004, resolved the following details regarding the issuance of stock acquisition rights as stock options pursuant to the provisions of Articles 280-20 and 280-21 of the Commercial Code, and based on the resolution of the 15th ordinary general meeting of shareholders on June 27, 2003.

1. Issue date of stock acquisition rights: April 14, 2004
2. Number of stock acquisition rights to be issued: 681 rights (five shares per stock acquisition right)
3. Issue value of stock acquisition rights: Gratis
4. Class and number of shares for which stock acquisition rights are to be issued: 3,405 shares of common stock
5. Amount to be paid upon exercise of stock acquisition rights: ¥1,520,000 per share
6. Exercise period for stock acquisition rights: From July 1, 2005, to June 30, 2008
7. Number of persons eligible for stock acquisition rights allotment: Directors, statutory auditors and employees of the Company Total of 115 people

Resolution for stock split (gratis issue)
On May 25, 2004, the Board of Directors passed a resolution authorizing a stock split (gratis issue).
Stock split (gratis issue)
1. A 2-for-1 common stock split will be implemented as follows on September 3, 2004.
(i) Number of shares to be increased through the stock split
As common stocks, the number of shares to be increased will be the same as the number of shares outstanding as of July 15, 2004.
(ii) Split method
Common stock held by shareholders recorded or registered in the shareholder register or the effective shareholder register as of July 15, 2004, will be split on a 2-for-1 ratio.
2. Dividend reckoning date April 1, 2004
Per share data for the previous fiscal year and the current fiscal year, assuming such a stock split was implemented at the beginning of the each fiscal year, are as follows.
<table>
<tr><th>Previous fiscal year</th><th>Current fiscal year</th></tr>
<tr><td>Book value per share
¥27,760.65
Net income per share
¥12,614.59
Since no latent shares exist, diluted net income per share is not stated.</td><td>Book value per share
¥45,253.63
Net income per share
¥19,923.14
Since no latent shares exist, diluted net income per share is not stated.</td></tr>
</table>
</td><td>―</td></tr>
</table>

Fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)	Fiscal year ended March 31, 2005 (April 1, 2004 – March 31, 2005)
Resolution for issuance of 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 to be issued 12,000 shares of common stock (2) Issue value ¥1,108,755 (3) Amount transferred to paid-in capital ¥554,378 (4) Issue date June 15, 2004 (5) Method of issuance HSBC Bank plc will act as lead manager of an underwriting syndicate, which will purchase the shares from the Company. Shares will be sold mainly in Europe through public offering (but only to qualifying institutional investors in the United States). (6) Dividend reckoning date April 1, 2004 (7) Use of funds raised Of the approximately ¥13.1 billion raised through the issue of new shares, ¥4 billion will be used to expand and upgrade the Company's sales network and internal sales management systems; ¥6 billion will be used for acquiring and investing in merchandizing rights; and the remainder will be used for investments and loans to subsidiaries, etc.	

8. Changes in Directors

Changes are as yet undecided. However, any changes in directors will be decided at the meeting of the Board of Directors to be held in May 2005, and will be notified separately.