Summary

(Translation)

Fields Corporation
Summary of Interim Financial Statements and Business Results (Consolidated)
Year Ending March 31, 2008

November 6, 2007

Company Name:	Fields Corporation (URL: http://www.fields.biz)
Listed on:	JASDAQ (Stock code: 2767)
Representative Director:	Takashi Oya President and COO
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Planned Date for Submittal of the Interim Financial Statements: December 18, 2007
Planed Date for Start of Dividend Payment: December 7, 2007

(Rounded down to the nearest million)

1. Business results for the first half of the year ending March 31, 2008 (April 1, 2007, to September 30, 2007)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half, year ending March 31, 2008	64,648	(37.2)	7,822	(65.7)	7,464	(49.9)
First half, year ended March 31, 2007	47,122	(31.8)	4,720	(222.7)	4,980	(175.7)
Year ended March 31, 2007	85,321	—	8,944	—	9,202	—

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First half, year ending March 31, 2008	3,077	(38.3)	8,868.65	—
First half, year ended March 31, 2007	2,225	(131.6)	6,414.01	—
Year ended March 31, 2007	3,710	—	10,692.29	—

(Reference) Equity in earnings of affiliates
First half ended September 30, 2007: ¥ (386) million
First half ended September 30, 2006: ¥20 million
Year ended March 31, 2007: ¥ (92) million

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At September 30, 2007	75,255	44,798	57.5	124,705.53
At September 30, 2006	69,795	42,196	58.2	116,969.12
At March 31, 2007	66,081	42,836	62.2	118,487.37

(Reference) Shareholders' equity
First half ended September 30, 2007: ¥43,272 million
First half ended September 30, 2006: ¥— million
Year ended March 31, 2007: ¥41,115 million

(3) Cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at period-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
First half, year ending March 31, 2008	7,328	(3,824)	111	21,454
First half, year ended March 31, 2007	2,316	(1,528)	1,992	18,567
Year ended March 31, 2007	5,293	(4,772)	1,488	17,819

2. Dividends

	Dividend per share		
(Record date)	Interim	Year-end	Annual
	Yen	Yen	Yen
Year ended March 31, 2007	2,000.00	2,000.00	4,000.00
Year ending March 31, 2008 (results)	2,000.00		4,000.00
Year ending March 31, 2008 (Forecasts)		2,000.00	

3. Forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008) [Reference]

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	100,000	(17.2)	10,000	(11.8)	10,000	(8.7)

	Net income		Net income per share
	Millions of yen	%	Yen
Full year	4,200	(13.2)	12,103.74

4. Other Information

(1) Transfer of important subsidiaries during the period under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation): None

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

1. Changes due to the revision to the accounting standards, etc.: Yes
2. Changes due to any reason other than those in 1) above: None

Note: For details, see "Basis of Presentation of the Consolidated Financial Statements" on page 20.

(3) Number of shares issued (common stock)

1. Number of shares issued (including treasury stock)
   First half ended September 30, 2007: 347,000
   First half ended September 30, 2006: 347,000
   Year ended March 31, 2007: 347,000
2. Number of treasury stock at end of period
   First half ended September 30, 2007: —
   First half ended September 30, 2006: —
   Year ended March 31, 2007: —

Note: For the number of shares as the calculation basis for interim net income per share (consolidated), see the "Per-share data" on page 44.

(Reference) **Summary of Business Results (Non-Consolidated)**

1. Business results for the first half of the year ending March 31, 2008 (April 1, 2007, to September 30, 2007)

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half, year ending March 31, 2008	58,735	(42.8)	8,565	(72.1)	8,660	(63.9)
First half, year ended March 31, 2007	41,141	(24.4)	4,977	(191.6)	5,284	(166.6)
Year ended March 31, 2007	71,314		8,999		9,393	

	Net income		Net income per share
	Millions of yen	%	Yen
First half, year ending March 31, 2008	2,467	(-12.2)	7,111.08
First half, year ended March 31, 2007	2,810	(132.4)	8,100.50
Year ended March 31, 2007	4,773		13,755.49

(2) Financial position

	Total assets	Net assets	Shareholders' Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
At September 30, 2007	66,591	43,543	65.4	125,486.53
At September 30, 2006	61,279	41,003	66.9	118,165.91
At March 31, 2007	57,509	42,001	73.0	121,042.25

(Reference) Shareholders' equity
First half ended September 30, 2007: ¥ 43,543 million
First half ended September 30, 2006: ¥ — million
Year ended March 31, 2007: ¥ 42,001 million

2. Forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008) [Reference]

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	80,000	(12.2)	9,400	(4.5)	9,500	(1.1)

	Net income		Net income per share
	Millions of yen	%	Yen
Full year	2,800	(-41.3)	8,069.16

Caution regarding forward-looking statements

The forward-looking statements made in this report such as performance perspective are based on currently available information and certain premises that are judged reasonable by management. There are many uncertain factors inherent in forecasting, and there might be cases in which actual results of future business operations and/or events differ from our forecasts depending on changes in diverse conditions. Please see "Operating Results and Financial Position, 1. Analysis of Operating Results" on page 4 with regard to the cautions in using assumptions as the premise for forecast earnings.

Operating Results and Financial Position

1. Analysis of Operating Results

(1) Overview of Operations for the First Half Ended September 30, 2007

Under its management philosophy of providing “the greatest leisure for all people,” the Fields Group has long been focusing efforts on furthering its content-providing strategy—based on multiple uses for its digital content—as the foundation for enhancing its competitive advantage. During the first half under review, we made efforts to maximize the synergies among Fields Corporation (the Company) and the Group companies, realized the creation and holding of high-quality content and promoted cross-media business such as combination and multifaceted development of content. Specifically, we are reinforcing our foundation as a gaming and entertainment company by aggressive investments not only in the pachinko and pachislot fields but also in the game software, sports, mobile, movie and animation fields.

Our business results for the first half ended September 30, 2007, were as follows.

Net sales

Net sales for the first half ended September 30, 2007, increased 37.2% year over year to ¥64,648 million.

Net sales in the PS (Pachinko/Pachislot) Field increased 42.7% to ¥58,715 million, due to robust sales of pachislot machines. In the pachinko and pachislot machine sales business, we focused on sales of pachislot machines, responding to large-scale demand for replacement with the new regulation pachislot machines.

Net sales in the Game Field increased 6.7% to ¥4,140 million, due to expansion in sales of game software in Japan, North America and Europe.

Net sales in the Other Field decreased 10.6% to ¥2,144 million. The decrease was due to a delay in sales of some major rights in the sports related business.

Operating income

Operating income increased 65.7% year over year to ¥7,822 million.

Operating income of the PS Field increased 71.6% to ¥8,623 million, mainly attributable to favorable progress of the Company’s pachislot machine sales business.

An operating loss of ¥359 million was posted in the Game Field. This result was due to advance payments for advertising of major game software titles to be released in the U.S. and European markets in the second half of the fiscal year ending March 31, 2008.

An operating loss of ¥439 million was posted in the Other Field, due to prior costs required for aggressive investments toward greater Group synergies in the future.

Ordinary income

Ordinary income increased 49.9% to ¥7,464 million.

Non-operating income was ¥223 million and non-operating expenses were ¥582 million. The primary factor was an equity method investment loss.

Net income

Net income increased 38.3% to ¥3,077 million. This was mainly attributable to the posting of extraordinary items, such as a gain of ¥43 million from investment in an anonymous association and a ¥953 million impairment loss to reinforce the financial structure of some affiliates.

(2) Analysis by Business Segment

(1) PS Field

Status of pachinko machine sales

The total number of pachinko machines sold was 38,585, a decrease of 68.7% from a year earlier.

Titles of pachinko machines sold during the first half under review	Month in which release occurred	Manufacturer
CR LOONEY TUNES BIA	May 2007	Bisty Co., Ltd.
CR Sakura Taisen	September 2007	Sammy Corporation
Total number of pachinko machines sold	38,585	

Note: The total number of pachinko machines sold includes the number of machines with titles other than the above sold via agency sales.

Anticipating that a large portion of the short-term investment by pachinko halls would be used to purchase pachislot machines to address replacement in compliance with the new regulation, we introduced only two titles, listed above, during the first half under review. During this period, we reviewed all products scheduled to be released in and after the second half of the year ending March 31, 2008, and improved their quality.

Regarding *CR Sakura Taisen* by Sammy Corporation, sales commissions of machines sold (the cumulative number of machines sold was approximately 41,000) are to be accounted for during the third quarter of the year ending March 31, 2008, and only a portion of the sales was recorded for the first half under review.

Status of pachislot machine sales

The total number of pachislot machines sold was 173,503, a 62.9% increase from a year earlier.

Titles of pachislot machines sold during the first half under review	Month in which release occurred	Manufacturer
Morning Musume	June 2007	Bisty Co., Ltd.
Devil May Cry 3	June 2007	Rodeo Co., Ltd.
Neon Genesis Evangelion—'Magokoro wo Kimini'	July 2007	Bisty Co., Ltd.
Kaiketsu Harimau	July 2007	Olympia Co., Ltd.
Cream Stew	September 2007	Rodeo Co., Ltd.
The Mask of Zorro	September 2007	Rodeo Co., Ltd.
Total number of pachislot machines sold	173,503	

Note: The total number of pachislot machines sold includes the number of machines with titles other than the above sold via agency sales.

Anticipating a historic, large-scale replacement of machines in June, July and September 2007 given the deadlines stipulated for the use of old regulation machines, the Company launched the six titles above during the first half under review to respond to the needs of pachinko halls and fans. Through the stable supply of products featuring rich game content, we made groundbreaking efforts in the new-generation pachislot market.

The *Devil May Cry 3* machines by Rodeo Co., Ltd., which were successfully developed owing to full-scale cooperation with Capcom Co., Ltd., have been highly acclaimed for their innovative game play, becoming a hit with cumulative machine sales of about 49,000. *Neon Genesis Evangelion—'Magokoro wo Kimini'* by Bisty Co., Ltd., which was introduced in July 2007, has been highly evaluated in the market, becoming a hit with cumulative machine sales of about 98,000 (sales of approximately 96,000 machines were recorded in the first half under review), which leveraged our business performance.

As a result, net sales in the PS Field segment increased 42.7% year over year to ¥58,715 million and operating income jumped 71.6% to ¥8,623 million.

(Unit: million yen)

	First half ended September 30, 2007	First half ended September 30, 2006	Year-over-year change (%)	(Reference) Year ended March 31, 2007
Net sales	58,715	41,144	+42.7	71,306
Operating income (loss)	8,623	5,026	+71.6	9,073

Note: Net sales include inter-group sales and transfers.

(2) Game Field

In the Game Field, which has a highly synergetic relationship with the PS Field, we focused on the sales development of the *SIMPLE Series* for the Nintendo DS in the domestic market. In particular, we shipped more than 165,000 copies of *CR Neon Genesis Evangelion—Kiseki no Kachiwa,* which is the latest simulator software for pachinko/pachislot machines developed through synergies with our partners. Domestic sales were thus favorable.

In overseas markets, we launched two titles of global content in North America, and in Europe we focused on sales of titles supplied from North America and Japan.

An operating loss of ¥359 million was recorded in the Game Field for the first half under review that was mainly attributable to advertising expenses for the global content *darkSector,* which is to be released in the second half of the fiscal year ending March 31, 2008.

As a result, net sales in the Game Field increased 6.7% year over year to ¥4,140 million, whereas an operating loss of ¥359 million was posted.

(Unit: million yen)

	First half ended September 30, 2007	First half ended September 30, 2006	Year-over-year change (%)	Reference: Year ended March 31, 2007
Net sales	4,140	3,879	+6.7	9,946
Operating income (loss)	(359)	(81)	—	220

Note: Net sales include inter-group sales and transfers.

(3) Other Field

In the sports marketing field, which offers rich global content, the athlete management business progressed favorably. In the solution business, Total Workout reinforced its customer service. In the rights business, sales of some major rights were delayed.

In the content cross-media business, the movie and animation fields are closely related to other fields. We continued active investments in movie, animation and content funds to help the entire Group boost the creation of primary content.

In July 2007, *Watashitachi no shiawase na jikan*—the first movie developed using our movie fund—was released. In the animation field, Lucent Pictures Entertainment Inc., established to plan and produce animation, started operation. This company secures commercially valuable content and intends to make advances in the animation video industry from Group synergies through the cross-media development of content assets held by the Group.

In the mobile field, which features enhanced recognition as a new media, we have expanded the business since starting a new service to provide general entertainment information to consumers via Fields Mobile—an official NTT DoCoMo website—in February 2007. The Group expanded services to SoftBank mobile carriers in May 2007 and to au in July. The number of paying members is growing steadily, exceeding 100,000 as of June 30, 2007, and surpassing 180,000 as of September 30, 2007. In August 2007, we started offering a community service—mincle—via a mobile social networking service (SNS) to create primary content.

Consequently, net sales in the Other Field decreased 10.6% year over year to ¥2,114 million and an operating loss of ¥439 million was posted.

(Unit: million yen)

	First half ended September 30, 2007	First half ended September 30, 2006	Year-over-year change (%)	Reference: Year ended March 31, 2007
Net sales	2,144	2,398	-10.6	5,521
Operating income (loss)	(439)	(286)	—	(513)

Note: Net sales include inter-group sales and transfers.

(3) Forecast earnings for the year ending March 31, 2008 (April 1, 2007, to March 31, 2008)

The full-year forecast for the year ending March 31, 2008, is as follows:

(Unit: million yen)

	Year ending March 31, 2008 (forecast)	Year ended March 31, 2007 (result)	Year-over-year change (%)
Net sales	100,000	85,321	+17.2
Operating income	10,000	8,944	+11.8
Ordinary income	10,000	9,202	+8.7
Net income	4,200	3,710	+13.2

(1) PS Field

Replacement with the new regulation pachislot machines has been completed. Despite some uncertainty regarding the market environment for the second half of the year ending March 31, 2008, we strongly recognize the quality of content as a key to our competitive edge. To ensure its future growth, the Company thoroughly reviews planned products and reinforces planning and development capabilities.

In such circumstances, we will offer high-quality products that meet the needs of pachinko halls and fans in a timely manner during the second half of this fiscal year. Indeed, three titles that were scheduled for release during the third quarter have already been introduced in the market and we plan to launch more major titles.

In the pachislot machine sales business, we will offer the stable provision of major products featuring superior entertainment and game content to attract new tiers of fans.

Two titles are to be released in the third quarter, including Rodeo's *Virtua Fighter,* jointly developed with SEGA CORPORATION and adopts content from that popular fighting game.

(2) Game Field

In the domestic market, we intend to continue focusing on sales of products attractive to users, together with the *SIMPLE Series*, which boasts stable sales.

Overseas, we will reinforce global business development through the enhanced use of global content. Specifically, in the second half of the year ending March 31, 2008, we plan to launch *darkSector*—our original title—in North America and Europe.

(3) Other Field

The Group continues to accelerate the creation of influential primary content by actively investing in a wide variety of fields such as sports, mobile, movie and animation toward the early realization of profits.

In addition to the above business development, we reorganized our key system to achieve higher management efficiency, thereby starting the operation in October 2007 before the planned date. With such an updated system and newly formulated operational flow, we will further improve management efficiency.

2. Financial Position

(1) Assets, Liabilities and Net Assets

(Unit: million yen)

	At September 30, 2007	At September 30, 2006	Year-over-year change
Total assets	75,255	69,795	5,459
Total liabilities	30,456	27,598	2,857
Total net assets	44,798	42,196	2,602

Assets

Current assets increased ¥2,416 million to ¥54,056 million. This increase was principally attributable to an increase in cash and cash equivalents due to the collection of notes and accounts receivable (trade.)

Tangible fixed assets increased ¥2,994 million to ¥7,568 million. This increase occurred primarily because of land purchases for new branches to be constructed to reinforce sales capacity in the PS Field.

Intangible fixed assets increased ¥647 million to ¥3,997 million. This increase was mainly attributable to a decrease in goodwill and the purchase of software to reorganize our key system.

Investments and other assets decreased ¥599 million to ¥9,631 million. This decline was attributable to a decrease in investment securities.

As a result, total assets increased ¥5,459 million year over year to ¥75,255 million.

Liabilities

Current liabilities increased ¥3,674 million to ¥26,432 million. This increase was attributable to an increase of short-term borrowings and an increase of income taxes payable in association with increased profits.

Long-term liabilities decreased ¥817 million to ¥4,023 million. This decrease was principally attributable to a decrease in long-term borrowings and the redemption of corporate bonds.

As a result, total liabilities increased ¥2,857 million year over year to ¥30,456 million.

Net assets

Net assets increased ¥2,602 million year over year to ¥44,798 million. This increase was mainly attributable to an increase in retained earnings.

(2) Cash flows

Cash and cash equivalents at the end of the first half amounted to ¥21,454 million.

Cash flows for the first half ended September 30, 2007, were as follows:

(Unit: million yen)

	First half ended September 30, 2007	First half ended September 30, 2006	Year-over-year change
Cash flows from operating activities	7,328	2,316	5,011
Cash flows from investing activities	111	1,992	(1,881)
Cash flows from financing activities	(3,824)	(1,528)	(2,296)

Cash flows from operating activities

Net cash provided by operating activities increased ¥5,011 million to ¥7,328 million. The principal components of this were an increase of ¥2,648 million in notes and accounts receivable (trade,) an increase of ¥1,066 million in inventories, an increase of ¥4,932 million in notes and accounts payable (trade) and ¥1,985 million in income taxes paid.

Cash flows from investing activities

Net cash used in investing activities increased ¥2,296 million to ¥3,824 million. The principal factors in this increase were purchases of tangible fixed assets totaling ¥3,052 million and purchases of intangible fixed assets totaling ¥360 million.

Cash flows from financing activities

Net cash provided by financing activities amounted to ¥111 million as a result of a ¥1,881 million increase in net cash used in financing activities. The principal components of this were an increase of ¥1,457 million in short-term borrowings, the repayment of ¥467 million in long-term borrowings and cash dividends paid totaling ¥696 million.

Reference: Trends of Cash Flow Indicators

	First half ended September 30, 2005	Fiscal year ended March 31, 2006	First half ended September 30, 2006	Fiscal year ended March 31, 2007	First half ended September 30, 2007
Equity ratio (%)	67.0	45.0	58.2	62.2	57.5
Equity ratio at market value (%)	204.6	145.8	173.5	99.8	71.9
Debt/cash flow ratio (years)	0.3	0.3	2.1	0.9	0.8
Interest coverage ratio (times)	446.1	256.6	97.9	83.7	175.4

- Equity ratio: Shareholders' equity/Total assets
- Equity ratio at market value: Market capitalization (based on closing stock price at end of the year)/Total assets
- Debt/cash flow ratio: Interest-bearing debt/Operating cash flow
- Interest coverage ratio: Operating cash flow/Interest expense

Notes:

1. All of the above indicators are calculated for their respective values on a consolidated basis.
2. Interest-bearing debt indicates the liabilities for which interest is paid on all the liabilities posted in the consolidated balance sheets.

3. Fundamental Corporate Policy for Distributing Profits and Dividends for the Current Year

The Company regards the enhancement of corporate value as a principal management task, and its fundamental policy is therefore to pay dividends at an appropriate level that correspond with profits. Specifically, dividends are determined on the basis of such factors as operating revenue and cash flow conditions, and we aim to achieve a consolidated payout ratio of 20% or more.

The Company makes every effort to effectively use retained earnings to enhance its financial condition and strengthen the foundations of its operations while giving due consideration to business development requirements and securing an ongoing competitive edge.

Given these factors for the first half under review, the Company intends to pay an first half cash dividend of ¥2,000 per share to shareholders of record as of September 30, 2007.

Outline of the Fields Group

The Fields Group (parent company and associated companies) comprises Fields Corporation ("the Company"), 17 subsidiaries and four affiliated companies.

The Group's principal business activities are the sale of pachinko/pachislot machines and the planning and development of digital content based on the copyrights created by the Group itself or acquired for secondary use in other media.

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

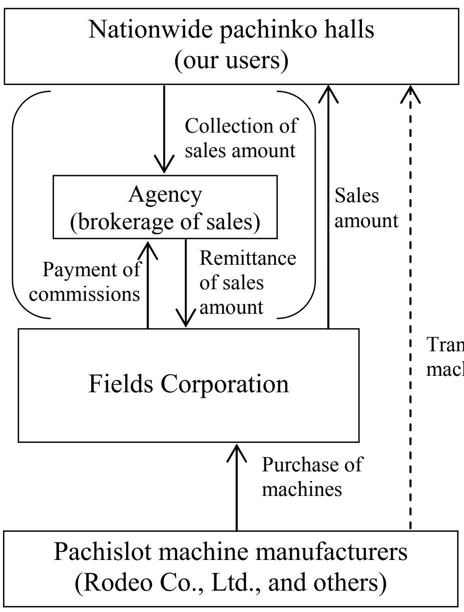
Business segment	Description of principal business	Company name
PS (Pachinko/Pachislot) Field	Planning, development, sales and maintenance of pachinko/pachislot machines, as well as the purchase of pachinko/pachislot machines	Fields Corporation Fields Jr. Corporation Rodeo Co., Ltd.
	Planning and development of pachinko/pachislot machine software	Digital Lord Corporation[1] Ildel Corporation
Game Field	Planning, development and sales of home-use game software, etc.	D3 Inc. D3 Publisher Inc. Entertainment Software Publishing Inc. D3Publisher of America, Inc.[2] D3Publisher of Europe Ltd.[2] D3DB S.r.l.[2] Vicious Cycle Software, Inc.[2] thinkArts Co., Ltd.
Other Field	Sports marketing and content business, etc.	Japan Sports Marketing Inc. JSM HAWAII, LLC[2] Kadokawa Haruki Corporation White Trash Charms Japan Co., Ltd. Fields Pictures Corporation FutureScope Corporation G&E Corporation APE Inc. YMO Inc.

1. The name of this company was changed to Lucent Pictures Entertainment Inc. as of October 1, 2007.
2. Located overseas.

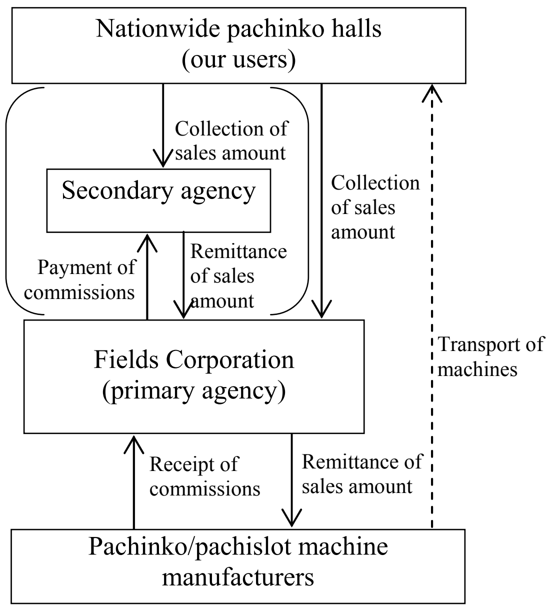
Business Organization Chart

We have two sales channels for pachinko/pachislot machines: direct sales to pachinko halls through sales activities by our branches (distribution model) and sales by an intermediary of an agency service (agency model).

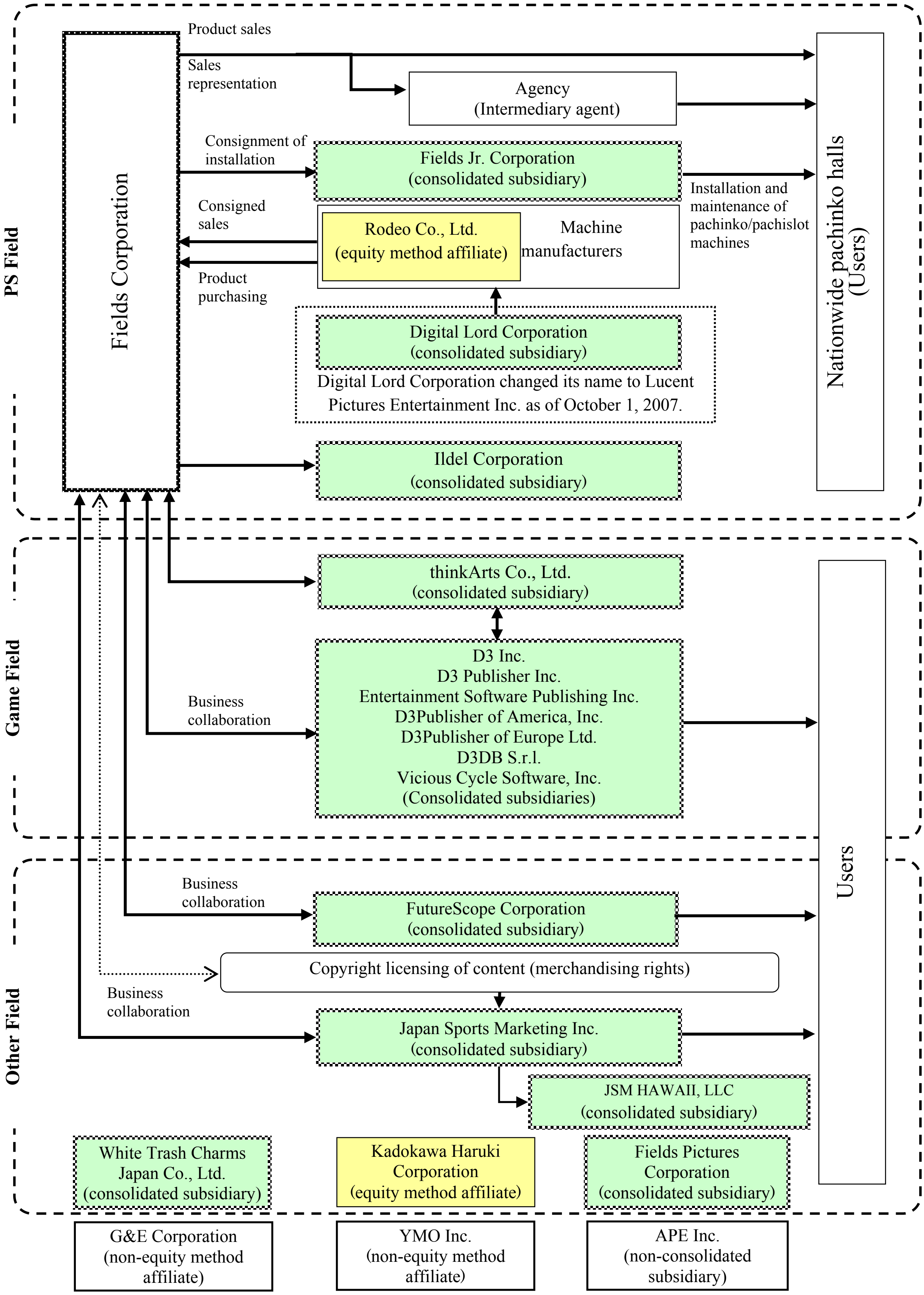
Distribution model



Agency model



Overview of Group Businesses



Operating Policies

(1) Fundamental Corporate Management Policy; (2) Targeted Management Indicators; (3) Management Strategies for the Medium to Long Term; (4) Challenges for the Future; and (5) Streamlining of the Internal Control System and Its Operational Status.

We have omitted the above information since there have been no significant changes from those disclosed in the Summary of Financial Statements and Business Results as of May 14, 2007, which is posted on the Web site below:

The Company's Web site
http://www.fields.biz/ir/j/index.html
Web site of Jasdaq Security Exchange, Inc. (JDS search site)
http://jds.jasdaq.co.jp/tekiji/

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: thousand yen)

Item / Period		First half ended September 30, 2006 (As of September 30, 2006)		First half ended September 30, 2007 (As of September 30, 2007)		Fiscal year ended March 31, 2007 (summary) (As of March 31, 2007)	
		Amount	% total	Amount	% total	Amount	% total
Assets			%		%		%
Ⅰ Current assets							
1. Cash and cash equivalents	*2	18,568,634		21,667,917		17,902,518	
2. Notes and accounts receivable—trade	*5	24,111,565		20,891,307		18,523,292	
3. Inventories		2,844,322		4,035,304		2,972,540	
4. Other current assets	*5	6,165,173		7,599,837		6,803,929	
Allowance for doubtful accounts		(49,530)		(137,464)		(57,592)	
Total current assets		51,640,164	74.0	54,056,902	71.8	46,144,689	69.8
Ⅱ Fixed assets							
1. Tangible fixed assets	*1	4,574,305	6.5	7,568,907	10.1	5,756,417	8.7
2. Intangible fixed assets							
(1) Goodwill		1,626,741		831,308		1,405,855	
(2) Other intangible fixed assets		1,723,324		3,166,548		2,630,323	
Total intangible fixed assets		3,350,065	4.8	3,997,857	5.3	4,036,178	6.1
3. Investments and other assets							
(1) Investment securities	*3	6,618,605		5,298,569		6,216,967	
(2) Other assets		3,768,839		4,718,867		4,199,585	
Allowance for doubtful accounts		(156,677)		(385,955)		(272,280)	
Total investments and other assets		10,230,767	14.7	9,631,480	12.8	10,144,272	15.4
Total fixed assets		18,155,138	26.0	21,198,245	28.2	19,936,868	30.2
Total Assets		69,795,303	100.0	75,255,148	100.0	66,081,557	100.0

(Unit: thousand yen)

Item \ Period	First half ended September 30, 2006 (As of September 30, 2006)		First half ended September 30, 2007 (As of September 30, 2007)		Fiscal year ended March 31, 2007 (summary) (As of March 31, 2007)	
	Amount	% total	Amount	% total	Amount	% total
Liabilities		%		%		%
Ⅰ Current liabilities						
1. Accounts payable—trade	14,835,970		14,290,663		9,094,526	
2. Short-term borrowings	1,634,200		3,688,000		2,230,000	
3. Current portion of long-term borrowings	935,722		854,036		917,750	
4. Corporate bonds redeemable within 1 year	120,000		120,000		120,000	
5. Accrued income taxes	—		3,833,626		2,032,419	
6. Accrued bonuses	25,000		17,400		25,000	
7. Accrued bonuses to directors and auditors	50,000		64,000		98,000	
8. Allowance for losses on order receiving	—		17,826		—	
9. Other current liabilities	5,157,097		3,547,319		4,347,473	
Total current liabilities	22,757,990	32.6	26,432,871	35.1	18,865,169	28.6
Ⅱ Fixed liabilities						
1. Corporate bonds	430,000		310,000		370,000	
2. Long-term borrowings	1,688,816		834,780		1,238,852	
3. Retirement benefit provisions	179,376		199,539		195,112	
4. Other long-term liabilities	2,542,789		2,679,194		2,575,731	
Total long-term liabilities	4,840,981	6.9	4,023,513	5.4	4,379,696	6.6
Total liabilities	27,598,972	39.5	30,456,384	40.5	23,244,865	35.2
Net assets						
Ⅰ Shareholders' equity						
1. Common stock	7,948,036		7,948,036		7,948,036	
2. Capital surplus	7,994,953		7,994,953		7,994,953	
3. Retained earnings	24,153,131		27,327,030		24,943,694	
Total shareholders' equity	40,096,121	57.5	43,270,020	57.5	40,886,683	61.9
Ⅱ Valuation and translation differences						
1. Unrealized holding gain on available-for-sale securities	485,012		(16,558)		214,822	
2. Foreign currency translation adjustment	7,150		19,358		13,609	
Total valuation and translation differences	492,162	0.7	2,799	0.0	228,431	0.3
Ⅲ Stock acquisition rights	—	—	26,905	0.0	15,907	0.0
Ⅳ Minority interest	1,608,047	2.3	1,499,038	2.0	1,705,668	2.6
Total net assets	42,196,331	60.5	44,798,764	59.5	42,836,691	64.8
Total Liabilities and Net Assets	69,795,303	100.0	75,255,148	100.0	66,081,557	100.0

(2) Consolidated Statements of Income

(Unit: thousand yen)

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)			First half ended September 30, 2007 (April 1, 2007–September 30, 2007)			Fiscal year ended March 31, 2007 (summary) (April 1, 2006–March 31, 2007)		
	Amount		% sales	Amount		% sales	Amount		% sales
			%			%			%
Ⅰ Net sales		47,122,183	100.0		64,648,654	100.0		85,321,144	100.0
Ⅱ Cost of sales		33,071,677	70.2		47,203,972	73.0		56,072,618	65.7
Gross profit		14,050,506	29.8		17,444,682	27.0		29,248,525	34.3
Ⅲ Selling, general and administrative expenses *1		9,329,941	19.8		9,621,694	14.9		20,303,549	23.8
Operating income		4,720,564	10.0		7,822,987	12.1		8,944,975	10.5
Ⅳ Non-operating income									
1. Interest income	26,061			47,017			59,261		
2. Dividend income	13,763			13,764			27,515		
3. Discounts on purchases	187,320			86,226			215,522		
4. Equity method investment gain	20,057			—			—		
5. Reconciliation money	—			27,195			—		
6. Others	45,068	292,271	0.6	49,600	223,803	0.3	136,708	439,008	0.5
Ⅴ Non-operating expenses									
1. Interest expense	20,746			41,771			58,538		
2. Equity method investment loss	—			386,859			92,953		
3. Loss on management of investment securities	—			45,900			—		
4. Amortization of equity investment	—			80,483			7,182		
5. Loss on cancellation of time deposits	6,918			—			6,918		
6. Others	4,487	32,152	0.0	27,718	582,732	0.9	15,853	181,446	0.2
Ordinary income		4,980,682	10.6		7,464,058	11.5		9,202,537	10.8
Ⅵ Extraordinary income									
1. Reversal of allowance for doubtful accounts	91,754			—			3,319		
2. Gain on investment in anonymous association	37,808			43,913			79,218		
3. Others	—	129,563	0.3	3,060	46,974	0.1	27,989	110,527	0.1
Ⅶ Extraordinary losses									
1. Loss on disposal of fixed assets *2	6,065			110,007			743,948		
2. Impairment loss *3	44,345			760,413			214,809		
3. Valuation loss on investment securities	—			80,012			—		
4. Loss on business liquidation	19,380			—			20,791		
5. Loss on suspended production	11,422			—			13,329		
6. Others	2,878	84,092	0.2	3,071	953,504	1.5	93,192	1,086,070	1.3
Income before income taxes and minority interest		5,026,154	10.7		6,557,528	10.1		8,226,994	9.6
Current income taxes	2,578,204			3,704,711			5,058,713		
Deferred income taxes	220,714	2,798,919	6.0	(8,972)	3,695,738	5.7	(625,331)	4,433,381	5.2
Minority interests (loss)		1,572	0.0		(215,632)	(0.4)		83,388	0.1
Net income		2,225,661	4.7		3,077,421	4.8		3,710,224	4.3

(3) Consolidated Statement of Change in Net Assets

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

(Unit: thousand yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at March 31, 2006	7,948,036	7,994,953	22,726,469	38,669,459
Amount of changes during the period				
Dividends from surplus	—	—	(694,000)	(694,000)
Bonuses to directors and auditors	—	—	(105,000)	(105,000)
Net income	—	—	2,225,661	2,225,661
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—
Total amount of changes during the period	—	—	1,426,661	1,426,661
Balance at September 30, 2006	7,948,036	7,994,953	24,153,131	40,096,121

	Valuation and translation differences			Minority interest	Total net assets
	Unrealized holding gain on available-for-sale securities	Foreign currency translation adjustment	Total valuation and translation differences		
Balance at March 31, 2006	735,622	6,470	742,093	1,610,739	41,022,292
Amount of changes during the period					
Dividends from surplus	—	—	—	—	(694,000)
Bonuses to directors and auditors	—	—	—	—	(105,000)
Net income	—	—	—	—	2,225,661
Net amount of changes in items not included in shareholders' equity during the period	(250,610)	680	(249,930)	(2,692)	(252,623)
Total amount of changes during the period	(250,610)	680	(249,930)	(2,692)	1,174,038
Balance at September 30, 2006	485,012	7,150	492,162	1,608,047	42,196,331

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

(Unit: thousand yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at March 31, 2007	7,948,036	7,994,953	24,943,694	40,886,683
Amount of changes during the period				
Dividends from surplus	—	—	(694,000)	(694,000)
Net income	—	—	3,077,421	3,077,421
Changes in the scope of consolidation	—	—	(85)	(85)
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—
Total amount of changes during the period	—	—	2,383,336	2,383,336
Balance at September 30, 2007	7,948,036	7,994,953	27,327,030	43,270,020

	Valuation and translation differences			Stock acquisition rights	Minority interest	Total net assets
	Unrealized holding gain on available-for-sale securities	Foreign currency translation adjustment	Total valuation and translation differences			
Balance at March 31, 2007	214,822	13,609	228,431	15,907	1,705,668	42,836,691
Amount of changes during the period						
Dividends from surplus	—	—	—	—	—	(694,000)
Net income	—	—	—	—	—	3,077,421
Changes in the scope of consolidation	—	—	—	—	—	(85)
Net amount of changes in items not included in shareholders' equity during the period	(231,381)	5,748	(225,632)	10,998	(206,629)	(421,263)
Total amount of changes during the period	(231,381)	5,748	(225,632)	10,998	(206,629)	1,962,072
Balance at September 30, 2007	(16,558)	19,358	2,799	26,905	1,499,038	44,798,764

Year ended March 31, 2007 (April 1, 2006–March 31, 2007)

(Unit: thousand yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at March 31, 2006	7,948,036	7,994,953	22,726,469	38,669,459
Amount of changes during the period				
Dividends from surplus	—	—	(1,388,000)	(1,388,000)
Bonuses to directors and auditors	—	—	(105,000)	(105,000)
Net income	—	—	3,710,224	3,710,224
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—
Total amount of changes during the period	—	—	2,217,224	2,217,224
Balance at September 30, 2007	7,948,036	7,994,953	24,943,694	40,886,683

	Valuation and translation differences			Stock acquisition rights	Minority interest	Total net assets
	Unrealized holding gain on available-for-sale securities	Foreign currency translation adjustment	Total Valuation and translation differences			
Balance at March 31, 2006	735,622	6,470	742,093	—	1,610,739	41,022,292
Amount of changes during the period						
Dividends from surplus	—	—	—	—	—	(1,388,000)
Bonuses to directors and auditors	—	—	—	—	—	(105,000)
Net income	—	—	—	—	—	3,710,224
Net amount of changes in items not included in shareholders' equity during the period	(520,800)	7,138	(513,661)	15,907	94,928	(402,825)
Total amount of changes during the period	(520,800)	7,138	(513,661)	15,907	94,928	1,814,399
Balance at September 30, 2007	214,822	13,609	228,431	15,907	1,705,668	42,836,691

(4) Consolidated Statements of Cash Flows

(Unit: thousand yen)

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (summary) (April 1, 2006–March 31, 2007)
	Amount	Amount	Amount
I Cash flows from operating activities			
1. Income before income taxes and minority interests	5,026,154	6,557,528	8,226,994
2. Depreciation and amortization	430,973	385,918	817,867
3. Impairment loss	44,345	760,413	214,809
4. Amortization of goodwill	214,817	223,386	429,602
5. Increase (decrease) in allowance for doubtful accounts	(99,824)	193,547	26,186
6. Increase (decrease) in accrued bonuses to directors and auditors	50,000	(34,000)	98,000
7. Increase (decrease) in allowance for losses on order receiving	—	17,826	—
8. Increase (decrease) in retirement benefit provisions	16,727	4,426	32,464
9. Increase (decrease) in reserve for retirement benefits for directors and auditors	(607,100)	—	(607,100)
10. Interest and dividend income	(39,824)	(60,781)	(86,777)
11. Equity method investment loss (gain)	(20,057)	386,859	92,953
12. Interest expense	20,746	41,771	58,538
13. Gain on investment in anonymous association	(37,808)	(43,913)	(79,218)
14. Loss on disposal of fixed assets	6,065	110,007	743,948
15. Loss on management of investment securities	—	45,900	—
16. Decrease (increase) in notes and accounts receivable—trade	22,329,363	(2,648,284)	28,719,949
17. Decrease (increase) in inventories	(1,197,859)	(1,066,115)	(1,341,601)
18. Decrease (increase) in merchandising right advances	387,775	(686,589)	944,467
19. Decrease (increase) in prepaid expenses	(5,266)	(362,155)	331,993
20. Decrease (increase) in advance payments	74,457	122,491	52,457
21. Decrease (increase) in notes held	73,596	147,930	(37,764)
22. Decrease (increase) in non-operating notes receivable	427,432	139,792	(175,764)
23. Decrease (increase) in deposits as security for dealing	20,000	(100,000)	20,000
24. Increase (decrease) in notes and accounts payable—trade	(20,589,584)	4,932,796	(26,297,458)
25. Increase (decrease) in accrued consumption taxes	(1,110)	173,411	(152,127)
26. Increase (decrease) in deposits received	(251,078)	(894,392)	530,005
27. Increase (decrease) in guarantee deposits held	161,803	(79,391)	190,937
28. Payment of bonuses to directors and auditors	(105,000)	—	(105,000)
29. Others	(320,713)	1,010,558	(537,075)
Subtotal	6,009,029	9,278,941	12,111,288
30. Interest and dividends received	68,178	77,137	132,979
31. Interest paid	(23,676)	(41,792)	(63,241)
32. Income taxes paid	(3,736,777)	(1,985,577)	(6,887,285)
Net cash provided by operating activities	2,316,755	7,328,708	5,293,740

(Unit: thousand yen)

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006) Amount	First half ended September 30, 2007 (April 1, 2007–September 30, 2007) Amount	Fiscal year ended March 31, 2007 (summary) (April 1, 2006–March 31, 2007) Amount
II Cash flows from investing activities			
1. Increase in time deposits	(1,400)	—	(2,600)
2. Proceeds from cancellation of time deposits	93,081	1,200	98,081
3. Purchases of property and equipment	(275,169)	(3,052,293)	(1,113,515)
4. Proceeds from sale of property and equipment	2,891	—	16,535
5. Purchases of intangible fixed assets	(602,125)	(360,368)	(2,425,998)
6. Purchases of investment securities	(570,058)	(434,198)	(1,050,850)
7. Proceeds from sale and redemption of investment securities	529,328	429,457	758,657
8. Proceeds from liquidation of investment securities	—	35,821	—
9. Expenditure for acquiring shares in affiliates	(50,000)	—	(16,000)
10. Proceeds from (expenditure for) acquiring newly consolidated subsidiaries	(9,065)	(284,711)	(9,065)
11. Expenditure for equity investment	(126,000)	(218,240)	(596,221)
12. Expenditure for loans	(13,998)	(1,000)	(23,998)
13. Collection on loans	30,013	4,482	40,421
14. Payments for deposits and guarantees	(261,049)	(15,804)	(363,421)
15. Proceeds from cancellation of deposits and guarantees	34,079	76,188	136,506
16. Payments for long-term prepaid expenses	(8,272)	(4,496)	(8,934)
17. Payments for insurance reserve	(546)	(546)	(1,092)
18. Others	(299,999)	211	(211,218)
Net cash used in investing activities	(1,528,289)	(3,824,298)	(4,772,711)
III Cash flows from financing activities			
1. Increase (decrease) in short-term borrowings	881,364	1,457,550	1,477,164
2. Proceeds from long-term borrowings	2,000,000	—	2,000,000
3. Repayment of long-term borrowings	(143,012)	(467,786)	(418,091)
4. Redemption of corporate bonds	(50,000)	(60,000)	(110,000)
5. Provision of collateral goods	—	(129,259)	(81,390)
6. Proceeds from issuance of new stock	—	7,551	944
7. Cash dividends paid	(695,810)	(696,774)	(1,389,956)
8. Others	—	—	10,000
Net cash provided by financing activities	1,992,541	111,281	1,488,670
IV Effect of exchange rate changes on cash and cash equivalents	9,125	8,435	32,727
V Increase in cash and cash equivalents	2,790,132	3,624,127	2,042,426
VI Cash and cash equivalents at beginning of period	15,777,313	17,819,928	15,777,313
VII Increase in cash and cash equivalents due to change in scope of consolidation	188	10,322	188
VIII Cash and cash equivalents at end of the first half	18,567,634	21,454,378	17,819,928

(5) Significant Event or Situation that May Affect the Premises of the Company's Operation as a going concern

First half ended September 30, 2006 (April 1, 2006, to September 30, 2006): No relevant items

First half ended September 30, 2007 (April 1, 2007, to September 30, 2007): No relevant items

Fiscal year ended March 31, 2007 (April 1, 2006, to March 31, 2007): No relevant items

Basis of Presentation of the Consolidated Financial Statements

Item / Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
1 Scope of consolidation	(1) Number of consolidated subsidiaries: 12 Names of consolidated subsidiaries: Fields Jr. Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation thinkArts Co., Ltd. Fields Pictures Corporation. Japan Sports Marketing, Inc. D3 Inc. D3 Publisher Inc. Entertainment Software Publishing Inc. D3Publisher of America, Inc. D3Publisher of Europe Ltd. D3DB S.r.l. Given its significance, Fields Pictures Corporation., which was a non-consolidated subsidiary until the previous fiscal year, was included within the scope of consolidation in the current first half. E-Active Co., Ltd. changed its trade name to Fields Pictures Corporation. as of June 19, 2006. thinkArts Co., Ltd. has also been included within the scope of consolidation as a result of the acquisition of its shares in the current first half. D3 Publisher Inc. was included in the scope of consolidation because it changed its trade name to D3 Inc. and newly established D3 Publisher Inc. as a result of the corporate divesture as of April 1, 2006. (2) Names of significant non-consolidated subsidiaries: Ildel Corporation Database Co., Ltd. APE Inc.	(1) Number of consolidated subsidiaries: 16 Names of consolidated subsidiaries: Fields Jr. Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation thinkArts Co., Ltd. Fields Pictures Corporation. FutureScope Corporation Japan Sports Marketing, Inc. Ildel Corporation JSM HAWAII, LLC D3 Inc. D3 Publisher Inc. Entertainment Software Publishing Inc. D3Publisher of America, Inc. D3Publisher of Europe Ltd. D3DB S.r.l. Vicious Cycle Software, Inc. Given its significance, Ildel Corporation., which was a non-consolidated subsidiary until the previous fiscal year, was included within the scope of consolidation in the current first half. Vicious Cycle Software, Inc., has also been included within the scope of consolidation as a result of the acquisition of its shares by D3Publisher of America, Inc., in the current first half. (2) Names of significant non-consolidated subsidiaries: APE Inc.	(1)Number of consolidated subsidiaries: 14 Names of consolidated subsidiaries: Fields Jr. Corporation White Trash Charms Japan Co., Ltd. Digital Lord Corporation thinkArts Co., Ltd. Fields Pictures Corporation. FutureScope Corporation Japan Sports Marketing, Inc. JSM HAWAII, LLC D3 Inc. D3 Publisher Inc. Entertainment Software Publishing Inc. D3Publisher of America, Inc. D3Publisher of Europe Ltd. D3DB S.r.l. Given its significance, Fields Pictures Corporation., which was a non-consolidated subsidiary until the previous fiscal year, was included within the scope of consolidation in the current fiscal year. E-Active Co., Ltd. changed its trade name to Fields Pictures Corporation. as of June 19, 2006. thinkArts Co., Ltd. has been included within the scope of consolidation as a result of the acquisition of its shares by the Company in the current fiscal year. FutureScope Corporation was established during the fiscal year under review and was therefore included in the scope of consolidation. JSM HAWAII, LLC was established during the fiscal year under review, and was therefore included in the scope of consolidation. D3 Publisher Inc. was included in the scope of consolidation because it changed its trade name to D3 Inc. and newly established D3 Publisher Inc. as a result of the corporate divesture as of April 1, 2006. (2) Names of significant non-consolidated subsidiaries: Ildel Corporation APE Inc.

Item / Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
	Reason for exclusion from the scope of consolidation: Non-consolidated subsidiaries have been excluded from the consolidation owing to their small size and the fact that in no case do their aggregate total assets, net sales, first-half net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held), etc., have a material impact on the first-half consolidated financial statements.	Reason for exclusion from the scope of consolidation: Same as at left	Reason for exclusion from the scope of consolidation: Non-consolidated subsidiaries have been excluded from consolidation owing to their small size and the fact that in no case do their aggregate total assets, net sales, net income (proportionate to equity stakes held) and retained earnings (proportionate to equity stakes held), etc., have a material impact on the consolidated financial statements.
2. Application of equity method	(1) Number of equity-method affiliates: 2 Rodeo Co., Ltd. Kadokawa Haruki Corporation (2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: Database Co., Ltd. APE Inc. G&E Corporation Reason for non-application of the equity method: These companies have a negligible impact on first-half 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) Matters requiring clarification concerning procedures for application of the equity method: With regard to companies accounted for by the equity method whose first-half accounts settlement dates differ from the settlement date of the first-half consolidated accounts, the first-half financial statements relating to those companies' semiannual periods are utilized.	(1) Number of equity-method affiliates: 2 Rodeo Co., Ltd. Kadokawa Haruki Corporation (2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: APE Inc. G&E Corporation YMO Inc. Reason for non-application of the equity method: Same as at left (3) Matters requiring clarification concerning procedures for application of the equity method: Same as at left	(1) Number of equity-method affiliates: 2 Rodeo Co., Ltd. Kadokawa Haruki Corporation (2) Names of significant non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: Ildel Corporation APE Inc. G&E Corporation YMO 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 equity stakes held) and have no significance as a whole, so have been excluded from the application of the equity method. (3) Matters requiring clarification concerning procedures for application of the equity method: With regard to companies accounted for by the equity method whose year-end settlement dates differ from that for consolidated accounts, the financial statements relating to those companies' fiscal years are utilized.
3. Accounts settlement dates of consolidated subsidiaries	Of the consolidated subsidiaries, May 31 is the first-half accounts settlement date of thinkArts Co., Ltd. The first-half financial statements based on provisional accounts settlements on September 30 are used in the preparation of the first-half consolidated financial statements.	Of the consolidated subsidiaries, June 30 is the first-half accounts settlement date of JSM HAWAII, LLC and Vicious Cycle Software, Inc. The first-half financial statements based on provisional accounts settlements on September 30 are used in the preparation of the first-half consolidated financial statements.	Of the consolidated subsidiaries, the year-end balance sheet date of JSM HAWAII, LLC is December 31. In preparing the consolidated financial statements, its financial statements as of March 31 through the temporary settlement of accounts are used. Effective from the current fiscal year, thinkArts Co., Ltd. has changed its year-end balance sheet date from the previous November 30 to March 31.

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
4. Accounting standards (1) Valuation standards and methods for important assets	(1) Marketable securities ―――――― Other marketable securities Securities with market prices: Stated at market value based on market price as of the first-half consolidated balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving-average method). Securities without market prices: Stated at cost determined by the moving-average method. (2) Inventories 1) Merchandise Fields Corporation: Used pachinko/pachislot machines At cost determined by the specific identification method Others At cost determined by the moving average method Consolidated subsidiaries: At cost determined by the periodic average method 2) Products Consolidated subsidiaries: At cost determined by the first-in first-out method 3) Work in process, content Consolidated subsidiaries: At cost determined by the specific identification method 4) Supplies At cost determined by the last purchase price method	(1) Marketable securities Held-to-maturity bonds: Carried at amortized cost (straight-line method) Other marketable securities Securities with market prices: Same as at left Securities without market prices: Same as at left (2) Inventories 1) Merchandise Fields Corporation: Used pachinko/pachislot machines Same as at left Others Same as at left Consolidated subsidiaries: Same as at left 2) Products Consolidated subsidiaries: Same as at left 3) Work in process, content Consolidated subsidiaries: Same as at left 4) Supplies Same as at left	(1) Marketable securities Same as at left Other marketable securities Securities with market prices: Stated at market value based on market price as of the consolidated balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving-average method). Securities without market prices: Same as at left (2) Inventories 1) Merchandise Fields Corporation: Used pachinko/pachislot machines Same as at left Others Same as at left Consolidated subsidiaries: Same as at left 2) Products Consolidated subsidiaries: Same as at left 3) Work in process, content Consolidated subsidiaries: Same as at left 4) Supplies Same as at left

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
(2) Depreciation methods for important depreciable assets	(1) Tangible fixed assets Declining-balance method for the Company and domestic consolidated subsidiaries However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. Straight-line method for overseas consolidated subsidiaries. The estimated useful lives of depreciable assets are as follows. Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years	(1) Tangible fixed assets 1) Buildings (excluding building fixtures) Former declining-balance method is applied for buildings acquired before April 1, 1998. Former straight-line method is applied for buildings acquired from April 1, 1998, to March 31, 2007. Revised straight-line method is applied to buildings acquired on and after April 1, 2007. 2) Other than buildings Former declining-balance method for tangible fixed assets other than buildings acquired before April 1, 2007 Revised declining-balance method for tangible fixed assets other than buildings acquired on and after April 1, 2007 Revised straight-line method for overseas consolidated subsidiaries. The estimated useful lives of depreciable assets are as follows. Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years	(1) Tangible fixed assets Declining-balance method for the Company and domestic consolidated subsidiaries However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. Straight-line method for overseas consolidated subsidiaries. The estimated useful lives of depreciable assets are as follows. Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years
	(2) Intangible fixed assets Straight-line method 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 game software; 36 months for other software).	(2) Intangible fixed assets Straight-line method Straight-line method is applied to software for company use, based on its useful life within the Company (within five years).	(2) Intangible fixed assets Straight-line method 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 game software; 36 months for other software).
	(3) Long-term prepaid expenses Straight-line method	(3) Long-term prepaid expenses Same as at left	(3) Long-term prepaid expenses Same as at left
(3) Treatment of important deferred charges	(1) ——	(1) Stock issuance expense The expense is charged in full at the time it is incurred.	(1) Stock issuance expense Same as at left
(4) Accounting standards for important reserves	(1) Allowance for doubtful accounts To provide against 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 collectability of the debts.	(1) Allowance for doubtful accounts Same as at left	(1) Allowance for doubtful accounts Same as at left

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
	(2) Accrued bonuses To provide for employee bonuses, the Company recognizes the amounts out of the projected bonus payments to be allocated to the first half. (3) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the current first half based on the projected bonus payments. (Change in Accounting Treatment) As of this half, the Company has adopted the Accounting Standards Board of Japan Statement No. 4, "Accounting Standard for Directors' Bonuses," issued on November 29, 2005. As a result, operating income, ordinary income, and income before income taxes decreased ¥50 million, respectively. The impacts on segment information are stated at the relevant points in the Segment Information. (4) Retirement benefit provisions To provide for employees' retirement benefits, the Company and some consolidated subsidiaries recognize, on the basis of projected benefit obligations as of the end of the fiscal year, benefit obligations deemed to arise as of the end of the first half. Actuarial differences are amortized proportionately 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 such differences arise. Amortization amounts are expensed beginning with the fiscal year following that in which the differences arise. (5) ____________	(2) Accrued bonuses Same as at left (3) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the current first half based on the projected bonus payments.. (4) Retirement benefit provisions Same as at left (5) Allowance for losses on order receiving To provide against losses from receiving orders, allowances for losses on order receiving are provided at some consolidated subsidiaries with regard to order receiving operations bearing a high possibility of incurring losses that at the same time can be estimated rationally.	(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. (3) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts corresponding to the current fiscal year based on the projected bonus payments. (Change in Accounting Treatment) As of this half, the Company has adopted the Accounting Standards Board of Japan Statement No. 4, "Accounting Standard for Directors' Bonuses," issued on November 29, 2005. As a result, operating income, ordinary income, and income before income taxes decreased ¥98 million, respectively. The impacts on segment information are stated at the relevant points in the Segment Information. (4) Retirement benefit provisions To provide for employees' retirement benefits, the Company and some consolidated subsidiaries recognize, on the basis of projected benefit obligations as of the end of the fiscal year, benefit obligations accrued as of the end of the fiscal year. Actuarial differences are amortized proportionately 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 such differences arise. Amortization amounts are expensed beginning with the fiscal year following that in which the differences arise. (5) ____________

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
(5) Translation of important foreign-currency-denominated assets and liabilities into yen	Foreign currency receivables and payables are translated into yen using the spot currency exchange rate on the first-half consolidated balance sheet date, and translation differences are recorded as gains or losses. The assets and liabilities of overseas subsidiaries are translated into yen using the spot currency exchange rate on the first-half consolidated balance sheet date, and income and expenses are translated into yen using the average exchange rate during the period, translation differences being stated as part of the foreign currency translation adjustment in the net assets section of the balance sheet.	Same as at left	Foreign currency receivables and payables are translated into yen using the spot currency exchange rate on the consolidated balance sheet date, and translation differences are recorded as gains or losses. The assets and liabilities of overseas subsidiaries are translated into yen using the spot currency exchange rate on the consolidated balance sheet date, and income and expenses are translated into yen using the average exchange rate during the period, translation differences being stated as part of the foreign currency translation adjustment and minority interest in the net assets section of the balance sheet.
(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 at left	Same as at left
(7) Important hedge accounting methods	(1)Hedge accounting methods At certain consolidated subsidiaries, special treatment is used in the case of interest rate swaps that satisfy the criteria for hedge accounting. (2) Method and scope of hedging Hedging method Interest rate swap transactions Scope of hedging Interest on borrowings (3) Hedging policy At certain consolidated subsidiaries a hedging 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 Interest rate swap transactions are deemed to qualify for special accounting treatment, and therefore it is on this basis that judgments as to effectiveness are made. (5) Other risk management The management division has responsibility for the conclusion of contracts relating to hedge accounting at certain consolidated subsidiaries. No particular stipulations relating to such transactions have been laid down, but they are administered in accordance with regulations governing the scope of authority.	(1) Hedge accounting methods Same as at left (2) Method and scope of hedging Same as at left (3) Hedging policy Same as at left (4) Method for assessing hedging effectiveness Same as at left (5) Other risk management Same as at left	(1) Hedge accounting methods Same as at left (2) Method and scope of hedging Same as at left (3) Hedging policy Same as at left (4) Method for assessing hedging effectiveness Same as at left (5) Other risk management Same as at left

Item / Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
(8) Other significant standards for the preparation of consolidated financial statements	Accounting for consumption taxes Consumption tax is accounted for by the tax-excluded method.	Accounting for consumption taxes Same as at left	Accounting for consumption taxes Same as at left
5. Scope of funds in consolidated statements of cash flows	Funds include cash on hand, demand deposits, and short-term investments maturing or redeemable within three months after acquisition that are highly liquid, easily convertible into cash, and exposed to low price fluctuation risk.	Same as at left	Same as at left

Changes in accounting treatment

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Accounting standard for the presentation of net assets in balance sheets Effective from this half, the Company has adopted the Accounting Standard for the Presentation of Net Assets in Balance Sheets (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidanceon Accounting Standard for Presentation of Net Assets in Balance Sheets (ASBJ Guidance No. 8 issued on December 9, 2005). The amount conventionally recorded in “Shareholders’ equity” was ¥40,588,283 thousand. Due to the revision to the regulations regarding first-half consolidated financial statements, the “Net assets” section of the first-half consolidated balance sheets for the first half ended September 30, 2006 has been prepared according to the revised regulations for the consolidated financial statements.	———	**Accounting standard for the presentation of net assets in balance sheets** Effective from the current fiscal year, the Company has adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheets (ASBJ Guidance No. 8 issued on December 9, 2005). The amount conventionally recorded in “Shareholders’ equity” was ¥41,115,115 thousand. Due to the revision to the regulations regarding consolidated financial statements, the “Net assets” section of the consolidated balance sheets for the current fiscal year ended March 31, 2007, has been prepared according to the revised regulations for the consolidated financial statements.
Accounting standard for business combinations Effective from current first half, the Company has adopted the Accounting Standard for Business Combinations (issued on October 31, 2003 by Business Accounting Deliberation Council), Accounting Standard for Business Divestures (ASBJ Statement No. 7 issued on December 27, 2005) and the related Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Implementation Guidance No. 10 issued on December 27, 2005).	———	**Accounting standard for business combinations** Effective from the current fiscal year, the Company has adopted the Accounting Standard for Business Combinations (issued on October 31, 2003 by Business Accounting Deliberation Council), Accounting Standard for Business Divestures (ASBJ Statement No. 7 issued on December 27, 2005) and the related Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Implementation Guidance No. 10, last revised on December 22, 2006).
———	———	**Accounting standard for share-based payment including stock options** Effective from the current fiscal year, the Company has adopted the Accounting Standard for Share-Based Payment (ASBJ Statement No. 8 issued by the ASBJ on December 27, 2005) and the Implementation Guidance on Accounting Standard for Share-Based Payment (ASBJ Implementation Guidance No. 11 issued by the ASBJ on May 31, 2006). As a result, operating income, ordinary income and income before income taxes and minority interest each decreased ¥15,877 thousand, compared with the previous accounting method. The impacts on segment information are stated at the relevant points in the Segment Information.

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
———	———	**Tentative treatment of the accounting for deferred charges** Effective from the current fiscal year, the Company has adopted the Tentative Solution on Accounting for Deferred Assets (Practical solutions—PITF No. 19 issued by ASBJ on August 11, 2006). As a result, “Stock issuance expense,” which was included in “Non-operating expenses” in the previous fiscal year, has been treated as “Stock delivery expense” effective from the current fiscal year. This change has no significant effect on the consolidated statement of income.
———	**Change in the method of depreciation of tangible fixed assets** Pursuant to the revisions to the Income Tax Law (Law Concerning Special Exceptions to the Income Tax Law and Related Laws, Law No. 6, on March 30, 2007, and the Ordinance Concerning Special Exceptions to the Enforcement Rules of the Statute for Income Tax Law, Ordinance No. 83, on March 30, 2007), the Company and its domestic consolidated subsidiaries changed the method of depreciation of tangible fixed assets and use a method based on the revised Income Tax Law with regard to those acquired on and after April 1, 2007. The impacts on segment information are stated at the relevant points in the Segment Information. The impact that this change has on the consolidated statement of income is immaterial.	———

Changes in method of presentation

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)
Consolidated Balance Sheets 1. As "merchandising right advances," which was separately presented under current liabilities until the end of the previous first half, accounted for not more than 5/100 of total assets, it has been included in "Other current assets" under current assets. The "merchandising right advances" as of September 31, 2006, was ¥3,128,708 thousand. 2. Pursuant to the revision to the regulations of first-half consolidated financial statements, the consolidation account adjustment (¥1,600,689 thousand for the corresponding previous first half), which was included in "Intangible fixed assets" until the end of the previous first half, has been separately presented as "Goodwill." **Consolidated Statements of Cash Flows** Pursuant to the revision to the regulations of first-half consolidated financial statements, "Amortization of excess of net assets acquired over cost" in the cash flows from operating activities is presented as "Amortization of goodwill."	**Consolidated Balance Sheets** 1. As "accrued income taxes," which were included in "Other current liabilities" until the end of the previous first half, accounted for more than 5/100 of "Total Liabilities and Net Assets," the line item has been separately presented. "Accrued income taxes" as of September 31, 2006, were ¥2,634,636 thousand. ――――― ―――――

Additional information

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Retirement benefits of directors and auditors The Company reviewed the remuneration payment system for directors and auditors, which is not linked to actual performance and may be considered deferred remuneration. As a result, the retirement benefit system for directors and auditors was abolished as of the closing of the 18th Ordinary General Meeting of Shareholders held on June 28, 2006. Accordingly, pursuant to the resolution adopted by the Meeting, accrued retirement benefits as of the closing of said Meeting were paid to the directors and auditors then in office at the Meeting for their services corresponding to the tenure of respective directors and auditors until the closing of the Meeting. ―――――	――――― **Method of depreciation of tangible fixed assets** Beginning with the consolidated first half ended September 30, 2007, at the Company and its domestic subsidiaries, tangible fixed assets acquired before April 1, 2007, are equally amortized over five (5) years from a year following the year when depreciation was completed up to the limit of the depreciation. The impacts on segment information are stated at the relevant points in the Segment Information. The impact that this change has on the consolidated statements of income is immaterial.	**Retirement benefits of directors and auditors** The Company reviewed the remuneration payment system for directors and auditors, which is not linked to actual performance and may be considered deferred remuneration. As a result, the retirement benefit system for directors and auditors was abolished as of the closing of the 18th Ordinary General Meeting of Shareholders held on June 28, 2006. Accordingly, pursuant to the resolution adopted by the Meeting, accrued retirement benefits as of the closing of said Meeting were paid to the directors and auditors then in office at the Meeting for their services corresponding to the tenure of respective directors and auditors until the closing of the Meeting. ―――――

Notes to the Consolidated Financial Statements

Consolidated Balance Sheets

First half ended September 30, 2006 (As of September 30, 2006)	First half ended September 30, 2007 (As of September 30, 2007)	Fiscal year ended March 31, 2007 (As of March 31, 2007)
*1. Accumulated depreciation of tangible fixed assets ¥ 1,746,906 thousand	*1. Accumulated depreciation of tangible fixed assets ¥ 2,105,544 thousand	*1. Accumulated depreciation of tangible fixed assets ¥ 1,729,021 thousand
*2. ――――	*2. Assets held as collateral Time deposits ¥213,539 thousand They are held as collateral to guarantee the transactions with banks.	*2. Assets held as collateral Time deposits ¥81,390 thousand They are held as collateral to guarantee the transactions with banks.
*3. Investment securities include the money paid for new shares amounting to ¥50,000 thousand to a subsidiary established on October 2, 2006.	*3. ――――	*3. ――――
4. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. Sankei Shoji Co., Ltd. ¥44,027 thousand Asahi Shoji K.K. ¥37,669 thousand Niimi Co., Ltd. ¥31,813 thousand K.K. Toei Kanko ¥30,092 thousand LiNE Company ¥22,612 thousand K.K. Bishop ¥22,275 thousand Y.K. Daiko ¥19,447 thousand Meiplanet K.K. ¥15,462 thousand Rocky Industries ¥15,443 thousand BOSS Co., Ltd. ¥14,629 thousand Others (187) ¥458,245 thousand Total ¥711,720 thousand	4. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. K.K. Bishop ¥58,588 thousand Y.K. Daiko ¥57,774 thousand Niimi Co., Ltd. ¥53,438 thousand K.K. Taisei Kanko ¥42,355 thousand Asahi Shoji K.K. ¥36,259 thousand Meiplanet K.K. ¥26,172 thousand Iwamoto Development Co., Ltd. ¥25,965 thousand BIG SHOT ¥24,589 thousand Sankei Shoji Co., Ltd. ¥23,091 thousand BEAM ¥19,270 thousand Others (219) ¥620,018 thousand Total ¥987,523 thousand	4. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. Y.K. Daiko ¥72,057 thousand Meiplanet K.K ¥51,717 thousand Asahi Shoji K.K. ¥44,898 thousand Niimi Co., Ltd. ¥41,271 thousand K.K. Taisei Kanko ¥37,147 thousand Sankei Shoji Co., Ltd. ¥31,558 thousand K.K. Toei Kanko ¥28,935 thousand K.K. New Asahi ¥26,829 thousand K.K. Corona ¥21,727 thousand Narita Kogyo K.K. ¥20,434 thousand Others (218) ¥540,743 thousand Total ¥917,322 thousand
*5. Notes due as of the closing date The notes of the Company maturing at September 30, 2006 are settled on a bill clearing date. As the balance-sheet date for the year under review was a bank holiday, the following notes matured are included in the balance as of September 30, 2006. Notes receivable ¥3,440,455 thousand Non-operating notes receivable ¥7,603 thousand	*5. Notes due as of the closing date The notes of the Company maturing at September 30, 2007 are settled on a bill clearing date. As the balance-sheet date for the year under review was a bank holiday, the following notes matured are included in the balance as of September 30, 2007. Notes receivable ¥3,510,704 thousand Non-operating notes receivable ¥18,162 thousand	*5. Notes due as of the closing date The notes of the Company maturing at the end of the year are settled on a bill clearing date. As the balance-sheet date for the year under review was a bank holiday, the following notes matured are included in the balance as of March 31, 2007. Notes receivable ¥1,299,860 thousand Non-operating notes receivable ¥431,719 thousand
6. Overdraft agreements To raise working capital efficiently, the Fields Group has concluded an overdraft agreement with six banks. As of the end of the first half, unutilized balances under these agreements were as follows. Overdraft limit ¥5,310,000 thousand Borrowings outstanding ¥1,630,000 thousand Difference ¥3,680,000 thousand	6. Overdraft agreements and loan commitments To raise working capital efficiently, the Fields Group has concluded overdraft and loan commitment agreements with five banks. As of the end of the first half, unutilized balances under these agreements were as follows. Overdraft limit plus total amount of loan commitments ¥6,165,000 thousand Borrowings outstanding ¥1,853,000 thousand Difference ¥4,312,000 thousand	6. Overdraft agreements To raise working capital efficiently, the Fields Group has concluded an overdraft agreement with five banks. As of March 31, 2007, unutilized balances under these agreements were as follows. Overdraft limit ¥4,500,000 thousand Borrowings outstanding ¥1,400,000 thousand Difference ¥3,100,000 thousand

First half ended September 30, 2006 (As of September 30, 2006)	First half ended September 30, 2007 (As of September 30, 2007)	Fiscal year ended March 31, 2007 (As of March 31, 2007)
	Of the above loan commitments, the syndicate loan of D3 Inc., our consolidated subsidiary (with a borrowing limit of ¥1,800,000 thousand and borrowings outstanding of ¥1,188,000 thousand), included the following financial restriction codes: (1) Shareholders' equity in the consolidated balance sheets as of each balance sheet date (the amount after deducting stock acquisition rights, minority interest and deferred hedge income or loss from Total net assets) must be maintained at ¥2,889,000 thousand or more. (2) In the consolidated statements of income as of the balance sheet date, operating income must be posted (a loss is not allowed). Of the above loan commitments, the loan commitment agreement (with a borrowing limit of ¥1,000,000 thousand and borrowings outstanding of ¥300,000 thousand) included the following financial restriction codes: (1) In the consolidated and non-consolidated balance sheets at each balance sheet date including the ends of the first-half periods after the date when the contract is concluded, Net assets must be maintained at 75% or more of that of a year earlier. (2) In the consolidated and non-consolidated statements of income at each balance sheet date including the ends of first half periods after the date when the contract is concluded, an operating loss must not be posted in two consecutive periods.	

Consolidated Statements of Income

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
*1. Main components of SG&A expenses Advertising expenditures ¥2,128,367 thousand Salaries and allowances ¥2,571,950 thousand Provision for accrued bonuses ¥25,000 thousand Outsourcing expenses ¥648,079 thousand Travel and transport expenses ¥333,320 thousand Depreciation and amortization ¥290,023 thousand Rents ¥593,041 thousand Retirement benefit expenses ¥25,071 thousand Provision for accrued bonuses to directors and auditors ¥50,000 thousand	*1. Main components of SG&A expenses Advertising expenditures ¥1,461,070 thousand Salaries and allowances ¥2,694,784 thousand Provision for accrued bonuses ¥17,400 thousand Outsourcing expenses ¥639,738 thousand Travel and transport expenses ¥354,679 thousand Depreciation and amortization ¥333,907 thousand Rents ¥685,729 thousand Retirement benefit expenses ¥34,501 thousand Provision to allowance for doubtful accounts ¥222,176 thousand Provision for accrued bonuses to directors and auditors ¥64,000 thousand	*1.Main components of SG&A expenses Advertising expenditures ¥5,561,034 thousand Salaries and allowances ¥5,246,298 thousand Provision for accrued bonuses ¥25,000 thousand Outsourcing expenses ¥1,180,975 thousand Travel and transport expenses ¥660,420 thousand Depreciation and amortization ¥622,410 thousand Rents ¥1,244,377 thousand Retirement benefit expenses ¥51,571 thousand Provision to allowance for doubtful accounts ¥71,901 thousand Provision for accrued bonuses to directors and auditors ¥98,000 thousand
*2. Details of loss on disposal of fixed assets Buildings and structures ¥1,525 thousand Tools, furniture and fixtures ¥55 thousand Long-term prepaid expenses ¥260 thousand Software ¥4,224 thousand Total ¥6,065 thousand	*2. Details of loss on disposal of fixed assets Buildings and structures ¥83,878 thousand Tools, furniture and fixtures ¥7,687 thousand Software ¥18,441 thousand Total ¥110,007 thousand	*2. Details of loss on disposal of fixed assets Buildings and structures ¥82,531 thousand Tools, furniture and fixtures ¥13,172 thousand Long-term prepaid expenses ¥260 thousand Software ¥24,861 thousand Software under development ¥623,122 thousand Total ¥743,948 thousand

<table>
<tr><th>First half ended September 30, 2006
(April 1, 2006–September 30, 2006)</th><th>First half ended September 30, 2007
(April 1, 2007–September 30, 2007)</th><th>Fiscal year ended March 31, 2007
(April 1, 2006–March 31, 2007)</th></tr>
<tr>
<td>*3. Impairment loss
The Fields Group has stated an impairment loss for the asset set out below.
<table>
<tr><td>Usage</td><td>Miscellaneous business</td></tr>
<tr><td>Type</td><td>Buildings, tools, furniture and fixtures</td></tr>
<tr><td>Location</td><td>Minato-ku, Tokyo</td></tr>
<tr><td>Amount</td><td>¥44,345 thousand</td></tr>
</table>
When grouping its assets, the Fields Group adopts the method of grouping primarily by business category in accordance with management accounting practice. With regard to a property in Minato-ku used for miscellaneous business, since there is no prospect of a recovery in operating income from the property, a loss has been recognized, composed of ¥38,346 thousand on the buildings and ¥5,998 thousand on the tools, furniture and fixtures.
The recoverable value of this property has been calculated on the basis of the value in use. However, it is assessed as zero, because the future cash flows are negative.</td>
<td>*3. Impairment loss
The Fields Group has stated an impairment loss for the asset set out below.
<table>
<tr><td>Usage</td><td>Miscellaneous business-related assets</td><td>—</td></tr>
<tr><td>Type</td><td>Buildings, tools, furniture and fixtures</td><td>Goodwill</td></tr>
<tr><td>Location</td><td>Osaka-shi, Osaka</td><td>—</td></tr>
<tr><td>Amount</td><td>¥42,583 thousand</td><td>¥717,829 thousand</td></tr>
</table>
When grouping its assets, the Fields Group adopts the method of grouping primarily by business category in accordance with management accounting practice. With regard to a property in Osaka used for miscellaneous business, since there is no prospect of a recovery in operating income from the property, a loss has been recognized, composed of ¥35,707 thousand on the buildings and ¥6,875 thousand on the tools, furniture and fixtures.
On the other hand, with regard to the goodwill, the Group has recognized a loss because the initially anticipated income has become impossible in the business plan which had been studied when the relevant shares were acquired. It is composed of ¥717,829 thousand in goodwill.
The recoverable value of this property has been calculated on the basis of the value in use. However, it is assessed as zero, because the future cash flows are negative.</td>
<td>*3. Impairment loss
The Fields Group has stated an impairment loss for the asset set out below.
<table>
<tr><td>Usage</td><td>Miscellaneous business-related assets</td><td>—</td></tr>
<tr><td>Type</td><td>Buildings, tools, furniture and fixtures and trademark rights</td><td>Goodwill</td></tr>
<tr><td>Location</td><td>Minato-ku, Tokyo
Shibuya, Tokyo
Osaka-shi, Osaka</td><td>—</td></tr>
<tr><td>Amount</td><td>¥208,809 thousand</td><td>¥6,000 thousand</td></tr>
</table>
When grouping its assets, the Fields Group adopts the method of grouping primarily by business category in accordance with management accounting practice. With regard to the properties in Minato-ku, Shibuya-ku and Osaka used for miscellaneous business, the Group has recognized losses, which are composed of ¥120,596 thousand on the building, ¥2,231 thousand on the tools, furniture and fixtures and ¥85,881 thousand on the trademark rights because there is no prospect of a recovery in operating income from these properties.
On the other hand, with regard to the goodwill, the Group has recognized a loss because the initially anticipated income has become impossible in the business plan which had been studied when the relevant shares were acquired. It is composed of ¥6,000 thousand in goodwill.
The recoverable value of these properties has been calculated on the basis of use value in use, with such recoverable value appraised zero, because future cash flows are negative.</td>
</tr>
</table>

Consolidated Statements of Changes in Net Asset

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

1. Shares issued

Type	As of March 31, 2006	Increase	Decrease	As of September 30, 2006
Common stock	347,000	—	—	347,000

2. Treasury stock

None applicable.

3. Stock acquisition rights

None applicable.

4. Dividends

(1) Dividends paid

Resolution	Nature of shares	Total dividends (¥ thousand)	Amount of dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of shareholders on June 28, 2006	Common stock	694,000	2,000	March 31, 2006	June 29, 2006

(2) Dividends for which the cut-off date came during the first half ended on September 30, 2006, but the effective date will come during the first half ending on September 30, 2007 or thereafter

Resolution expected	Nature of shares	Source for payment of dividends	Total dividends (¥ thousand)	Amount of dividends per share (yen)	Cut-off date	Effective date
Meeting of the Board of Directors on November 6, 2006	Common stock	Retained earnings	694,000	2,000	September 30, 2006	December 8, 2006

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

1. Shares issued

Type	As of March 31, 2007	Increase	Decrease	As of September 30, 2007
Common stock	347,000	—	—	347,000

2. Treasury stock

None applicable

3. Stock acquisition rights

Company Name	Description	Nature of shares to be issued	Number of shares to be issued				Balance at September 30, 2007 (¥ thousand)
			As of March 31, 2007	Increase	Decrease	As of September 30, 2007	
The Company	The 1st stock acquisition rights	Common stock	5,640	—	360	5,280	—
	The 2nd stock acquisition rights	Common stock	1,360	—	520	840	—
Consolidated subsidiaries			—	—	—	—	26,905
		Total	7,000	—	880	6,120	—

Notes: 1. The number of shares to be issued is the number of shares to which acquisition rights can be exercised.

2. The reason for the changes in the number of shares to be issued is as follows.

The decrease during the first half ended September 30, 2007 reflects expiration of some of the rights.

4. Dividends

(1) Dividends paid

Resolution	Nature of shares	Total dividends (¥ thousand)	Amount of dividends per share (yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 27, 2007	Common stock	694,000	2,000	March 31, 2007	June 28, 2007

(2) Dividends for which the cut-off date came during the first half ended on September 30, 2007, but the effective date will come during the first half ending on September 30, 2008 or thereafter

Resolution	Nature of shares	Source for payment of dividends	Total dividends (¥ thousand)	Amount of dividends per share (yen)	Cut-off date	Effective date
Meeting of the Board of Directors on November 6, 2007	Common stock	Retained earnings	694,000	2,000	September 30, 2007	December 7, 2007

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

1. Shares issued

Type	As of March 31, 2006	Increase	Decrease	As of March 31, 2007
Common stock (shares)	347,000	—	—	347,000

2. Treasury stock

None applicable.

3. Stock acquisition rights

Company Name	Description	Nature of shares to be issued	Number of shares to be issued				Balance at As of March 31, 2007 (¥ thousand)
			As of March 31, 2006	Increase	Decrease	As of March 31, 2007	
The Company	The 1st stock acquisition rights	Common stock	6,040	—	400	5,640	—
	The 2nd stock acquisition rights	Common stock	1,610	—	250	1,360	—
Consolidated subsidiaries		—	—	—	—	—	15,907
		Total	7,650	—	650	7,000	15,907

Notes: 1. The number of shares to be issued is the number of shares to which acquisition rights can be exercised.
2. The reason for the changes in the number of shares to be issued is as follows. The decrease during the year ended March 31, 2007 reflects expiration of some of the rights.
3. Stock acquisition rights held by the Company's consolidated subsidiaries have not expired as of March 31, 2007.

4. Dividends

(1) Dividends paid

Resolution	Nature of shares	Total dividends (¥ thousand)	Amount of dividends per share (yen)	Cut-off date	Effective date
Annual general meeting of shareholders on June 28, 2006	Common stock	694,000	2,000	March 31, 2006	June 29, 2006
Meeting of the Board of Directors on November 6, 2006	Common stock	694,000	2,000	September 30, 2006	December 8, 2006

(2) Dividends for which the cut-off date came during the fiscal year ended on March 31, 2007, but the effective date will come during the fiscal year ending on March 31, 2008.

Resolution	Nature of shares	Total dividends (¥ thousand)	Source for payment of dividends	Amount of dividends per share (yen)	Cut-off date	Effective date
Ordinary general meeting of shareholders on June 27, 2007	Common stock	694,000	Retained earnings	2,000	March 31, 2007	June 28, 2007

Consolidated Statements of Cash Flows

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
1.Relationship between cash and cash equivalents as of the end of the first half and cash amounts stated on the consolidated balance sheets (As of September 30, 2006) Cash and deposit accounts ¥18,568,634 thousand Time deposits of which depositing period exceeds three months ¥1,000 thousand Cash and cash equivalents ¥18,567,634 thousand	1.Relationship between cash and cash equivalents as of the end of the first half and cash amounts stated on the consolidated balance sheets (As of September 30, 2007) Cash and deposit accounts ¥21,667,917 thousand Deposits supplied as collateral ¥213,539 thousand Cash and cash equivalents ¥21,454,378 thousand	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, 2007) Cash and deposit accounts ¥17,902,518 thousand Time deposits of which depositing period exceeds three months ¥(1,200) thousand Deposits supplied as collateral ¥(81,390) thousand Cash and cash equivalents 17,819,928 thousand

Stock Options

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

None applicable.

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

1. Stock option-related expenses and the accounting items for which expenses were made for the first half ended September 30, 2007

Equity compensation expense included in Selling, general and administrative expenses ¥12,799 thousand
Gain on reversal of stock acquisition rights ¥1,814 thousand

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

1. Stock option–related expense and the accounting item for which expenses were made for the fiscal year ended March 31, 2007

Equity compensation expense included in Selling, general and administrative expenses ¥15,877 thousand

2. Outline of stock options for the year ending March 31, 2008

	2003 Stock Option	2005 Stock Option
Issuer	The Company	The Company
Scope and number of grantees	Directors and auditors of the Company: 7 persons Employees of the Company: 100 persons	Directors of the Company: 1 person Employees of the Company: 44 persons
Type and number of stock options (Note)	Common stock: 6,810 shares	Common stock: 1,610 shares
Granting date	April 14, 2004	June 29, 2005
Right-ascertaining conditions	The grantee shall continue to work as an employee of the Company or its subsidiaries until such time as he/she exercises the option, provided that the right can be exercised within one year after the date of such retirement or leaving in case there is a reason such as retirement due to expiration of the term of office or transfer to another company ordered by the Company or its subsidiaries that can be identified as reasonable by the Company,	Same as at left
Service period required for qualification	No provision that specifies the service period required for qualification.	Same as at left
Exercise period of the options	From July 1, 2005 to June 30, 2008	From August 1, 2005 to June 30, 2008
Option exercise price (yen)	760,000	760,000
Fair unit price evaluated (on the granting date) (Yen)	—	—

	First 2000 Stock Option	Second 2000 Stock Option	2001 Stock Option
Issuer	D3 Inc.	D3 Inc.	D3 Inc.
Scope and number of grantees	Directors of the Company: 3 persons Employees of the Company: 8 persons	Outside cooperators: 12 persons	Employees of the Company: 3 persons
Type and number of stock options (Note)	Common stock: 102 shares	Common stock: 76 shares	Common stock: 28 shares
Granting date	September 22, 2000	September 22, 2000	January 31, 2001
Right-ascertaining conditions	No provision that specifies the right-ascertaining conditions.	Same as at left	To continue to work as employee until the time when he/she exercises the option.
Service period required for qualification	No provision that specifies the service period required for qualification.	Same as at left	Same as at left
Exercise period of the options	From November 1, 2002, to September 28, 2007	From November 1, 2001, to September 28, 2007	From April 1, 2003, to September 28, 2007
Option exercise price (Yen)	250,000	250,000	250,000
Fair unit price evaluated (on the granting date) (Yen)	—	—	—

	2003 Stock Option	2005 Stock Option	First 2006 Stock Option
Issuer	D3 Inc.	D3 Inc.	D3 Inc.
Scope and number of grantees	Directors and auditors of the Company: 7 persons Directors of the Company's subsidiaries: 1 person Employees of the Company: 18 persons Employees of subsidiaries: 4 persons Outside cooperators: 16 persons	Directors and auditors of the Company: 8 persons Directors of the Company's subsidiaries: 1 person Employees of the Company: 5 persons Employees of subsidiaries: 5 persons	Directors of the Company: 6 persons Employees of the Company: 10 persons Employees of subsidiaries: 11 persons
Type and number of stock options (Note)	Common stock: 594 shares	Common stock: 350 shares	Common stock: 500 shares
Granting date	March 3, 2003	March 15, 2005	March 15, 2006
Right-ascertaining conditions	As for the directors, auditors and employees of the Company, the grantee shall continue to work as such until the time when each of them exercises the option. As for the outside cooperators, the grantee shall lose option rights if the corporation he/she serves at becomes a subsidiary or an affiliated company of another company that is competitive against the Company.	To continue to work as employee until the time when he/she exercises the option.	Same as at left
Service period required for qualification	No provision that specifies the service period required for qualification.	Same as at left	Same as at left
Exercise period of the options	From February 1, 2005, to January 29, 2010	From February 1, 2007, to January 31, 2012	From February 1, 2008, to January 31, 2013
Option exercise price (yen)	168,210	335,000	379,005
Fair unit price evaluated (on the granting date) (Yen)	—	—	—

	Second 2006 Stock Option	Third 2006 Stock Option	2005 Stock Option
Issuer	D3 Inc.	D3 Inc.	D3Publisher of America, Inc.
Scope and number of grantees	Directors of the Company: 5 persons	Directors of the subsidiaries: 3 persons Employees of the Company: 3 persons Employees of subsidiaries: 17 persons	Directors of the Company: 3 persons Directors of the Company and its subsidiaries: 1 person Employees of the Company: 2 persons Employees of subsidiaries: 9 persons
Type and number of stock options (Note)	Common stock: 110 shares	Common stock: 280 shares	Common stock: 1,527,900 shares
Granting date	October 17, 2006	October 17, 2006	November 1, 2005
Right-ascertaining conditions	To continue to work as employee until the time when he/she exercises the option.	Same as at left	Same as at left
Service period required for qualification	No provision that specifies the service period required for qualification.	Same as at left	Same as at left
Exercise period of the options	From October 18, 2008, to October 17, 2013	From June 23, 2008, May 31, 2013	From November 1, 2007, to October 31, 2013
Option exercise price	¥320,650	¥320,650	$0.10
Fair unit price evaluated (on the granting date)	¥123,564	¥119,064	$0.06

Notes:
1. The number of stock options is stated in terms of the number of the subjected shares.
2. The Company conducted a two-for-one stock split as of September 3, 2004. The number of shares relating to the 2003 Stock Option is listed for the number of shares after adjusting the number of shares due to the stock split.
3. D3 Inc. conducted a two-for-one stock split as of October 18, 2002. The number of shares relating to the 2000 Stock Options and the 2001 Stock Option is respectively listed for the number of shares after adjusting the number of shares due to the stock split.

Business Combinations
None applicable

Leases

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

1. Finance lease transactions other than those in which 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 first half

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	15,548	2,130	13,418
Tools, furniture and fixtures	88,436	74,416	14,020
Software	38,757	12,273	26,483
Total	142,741	88,819	53,922

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 and intangible fixed assets at the end of the first half.

(2) Future minimum lease payments

Due within one year	¥20,713 thousand
Due after one year	¥33,208 thousand
Total	¥53,922 thousand

Future minimum lease payments at the end of the first half have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible and intangible fixed assets at the end of the first half.

(3) Lease payments and depreciation

Lease payments	¥16,328 thousand
Depreciation	¥16,328 thousand

(4) Calculation method for depreciation

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

2. ―――――――――

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

1. Finance lease transactions other than those in which 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 first half

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	27,590	7,879	19,711
Tools, furniture and fixtures	24,582	15,754	8,827
Software	38,757	20,024	18,732
Total	90,929	43,658	47,270

Same as at left

(2) Future minimum lease payments

Due within one year	¥19,812 thousand
Due after one year	¥27,458 thousand
Total	¥47,270 thousand

Same as at left

(3) Lease payments and depreciation

Lease payments	¥10,634 thousand
Depreciation	¥10,634 thousand

(4) Calculation method for depreciation

Same as at left

2. Operating lease transactions

Due within one year	¥1,318 thousand
Due after one year	¥879 thousand
Total	¥2,198 thousand

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

1. Finance lease transactions other than those in which 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

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	18,252	3,139	15,112
Tools, furniture and fixtures	27,912	16,015	11,896
Software	38,757	16,148	22,608
Total	84,921	35,304	49,616

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 and intangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥18,416 thousand
Due after one year	¥31,200 thousand
Total	¥49,616 thousand

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 and intangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥27,844 thousand
Depreciation	¥27,844 thousand

(4) Calculation method for depreciation

Same as at left

2. Operating lease transactions

Due within one year	¥1,318 thousand
Due after one year	¥1,538 thousand
Total	¥2,857 thousand

Marketable Securities

First half ended September 30, 2006 (As of September 30, 2006)

1. Other securities at fair value

(Unit: thousand yen)

	Acquisition cost	Carrying value on consolidated balance sheets	Difference
Other marketable securities			
(1) Shares	832,724	1,652,960	820,235
(2) Bonds	200,000	197,660	(2,340)
(3) Others	—	—	—
Total	1,032,724	1,850,620	817,895

Note: The book values after write-downs are taken as the acquisition costs. There were no write-downs on other marketable securities at fair value in the current first half.

2. Principal holdings of securities not valued at fair value

(Unit: thousand yen)

Content	Carrying value on consolidated balance sheets
Other marketable securities	
(1) Unlisted securities	122,118
(2) Unlisted bonds	—
(3) Others	546,796
Total	668,915

First half ended September 30, 2007 (As of September 30, 2007)

1. Held-to-maturity bonds at fair value

(Unit: thousand yen)

Category	Carrying value on consolidated balance sheets	Fair value	Difference
Held-to-maturity bonds			
(1) Shares	—	—	—
(2) Bonds	400,000	350,310	(49,690)
(3) Others	—	—	—
Total	400,000	350,310	(49,690)

2. Other marketable securities at fair value

(Unit: thousand yen)

Category	Acquisition cost	Carrying value on consolidated balance sheets	Difference
Other marketable securities			
(1) Shares	844,604	816,680	(27,923)
(2) Bonds	457,750	411,850	(45,900)
(3) Others	—	—	—
Total	1,302,354	1,228,530	(73,823)

Note: The book values after write-downs are taken as the acquisition costs. There were no write-downs on other marketable securities at fair value in the current first half.

3. Principal holdings of securities not valued at fair value

(Unit: thousand yen)

Content	Carrying value on consolidated balance sheets
Other marketable securities	
(1) Unlisted securities	129,166
(2) Unlisted bonds	—
(3) Others	92,454
Total	221,620

Fiscal year ended March 31, 2007 (As of March31, 2007)

1. Held-to-maturity bonds at fair value

(Unit: thousand yen)

Category	Carrying value on consolidated balance sheets	Fair value	Difference
Held-to-maturity bonds			
(1) Shares	—	—	—
(2) Bonds	800,000	758,256	(41,744)
(3) Others	—	—	—
Total	800,000	758,256	(41,744)

2. Other marketable securities at fair value

(Unit: thousand yen)

Category	Acquisition cost	Carrying value on consolidated balance sheets	Difference
Other marketable securities			
(1) Shares	832,724	1,193,713	360,989
(2) Bonds	157,650	158,925	1,275
(3) Others	—	—	—
Total	990,374	1,352,638	362,264

3. Principal holdings of securities not valued at fair value

(Unit: thousand yen)

Category	Carrying value on consolidated balance sheets
Shares of subsidiaries and affiliates	
(1) Shares of subsidiaries	16,000
(2) Shares of affiliates	3,844,546
Total	3,860,546
Other marketable securities	
(1) Unlisted securities	122,118
(2) Unlisted bonds	—
(3) Others	81,664
Total	203,783

Derivatives

First half ended September 30, 2006 (As of September 30, 2006)

As all derivative transactions entered into by some consolidated subsidiaries are subject to hedge accounting, mention of them here has been omitted.

First half ended September 30, 2007 (As of September 30, 2007)

As interest rate swap transactions are subject to hedge accounting, mention of them here has been omitted.

Derivatives transactions are as follows:

(Unit: thousand yen)

Type	Contract amount	Contract amount due after one year	Fair value	Valuation gain/loss
Transactions conducted outside the market Compound financial instruments	457,750	457,750	411,850	(45,900)
Total	457,750	457,750	411,850	(45,900)

Notes: 1. Fair value was presented by the financial institution with which we conduct transactions.

2. As fair values of embedded derivatives cannot be measured by reasonable categorization, compound financial instruments were evaluated at fair value with the valuation difference included in income and loss.

3. As contract amounts, the book value of the compound financial instrument at the beginning of the period is presented.

Fiscal year ended March 31, 2007 (As of March31, 2007)

As all derivative transactions entered into by some consolidated subsidiaries are subject to hedge accounting, mention of them here has been omitted.

Segment Information

1. Segment information by business category

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

(Unit: thousand yen)

	PS Field	Game Field	Other Field	Total	Eliminations or incorporation	Consolidated
I. Net Sales and Operating Income or Loss						
Net Sales:						
(1) Sales to third parties	40,966,146	3,878,951	2,277,085	47,122,183	—	47,122,183
(2) Inter-group sales or transfers	178,010	850	121,140	300,000	(300,000)	—
Total	41,144,156	3,879,801	2,398,225	47,422,184	(300,000)	47,122,183
Operating expenses	36,117,695	3,961,248	2,685,151	42,764,094	(362,475)	42,401,619
Operating income (loss)	5,026,461	(81,446)	(286,925)	4,658,089	62,474	4,720,564

Notes: 1. Based on the proximity of services or others provided, the Fields Corporation's businesses are segmented into PS Field, Game Field and Other Field.
2. The major products or services in each segment are as follows:
(1) PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
(2) Game Field: Planning, development and sales of packaged software, such as game software
(3) Other Field: Sports management and others.
3. All operating expenses are allocated among the three business segments.
4. As stated in the Basis of Presentation of the Consolidated Financial Statements, directors' bonuses are accounted for as an expense of the accounting period in which such bonuses are accrued by adopting the Accounting Standard for Directors' Bonus (issued by Accounting Standards Board of Japan on November 29, 2005: ASBJ Statement No. 4) effective from the first half period ended September 30, 2006. This resulted in an increase of ¥50,000 thousand in the operating expenses and an decrease of the same amount in the operating income for the PS Field segment.

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

(Unit: thousand yen)

	PS Field	Game Field	Other Field	Total	Eliminations or incorporation	Consolidated
I. Net Sales and Operating Income or Loss						
Net Sales:						
(1) Sales to third parties	58,534,202	4,003,868	2,110,583	64,648,654	—	64,648,654
(2) Inter-group sales or transfers	181,772	136,712	33,516	352,001	(352,001)	—
Total	58,715,975	4,140,580	2,144,100	65,000,655	(352,001)	64,648,654
Operating expenses	50,092,123	4,500,207	2,583,533	57,175,864	(350,197)	56,825,666
Operating income (loss)	8,623,851	(359,627)	(439,433)	7,824,791	(1,803)	7,822,987

Notes: 1. Based on the proximity of services or others provided, the Fields Corporation's businesses are segmented into PS Field, Game Field and Other Field.
2. The major products or services in each segment are as follows:
(1) PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
(2) Game Field: Planning, development and sales of packaged software, such as game software
(3) Other Field: Sports management and others.
3. All operating expenses can be allocated among the three business segments.
4. As indicated in Changes in Accounting Treatment and Additional Information, Fields Corporation and its domestic consolidated subsidiaries changed the method of depreciation of tangible fixed assets. The impact of this change on the operating income and loss in each segment is immaterial.

Fiscal year ended March 31, 2007 (April 1, 2006—March 31, 2007)

(Unit: thousand yen)

	PS Field	Game Field	Other Field	Total	Eliminations or incorporation	Consolidated
I. Net Sales and Operating Income or Loss						
Net Sales:						
(1) Sales to third parties	71,064,425	9,847,658	4,409,061	85,321,144	—	85,321,144
(2) Inter-group sales or transfers	242,429	99,175	1,112,150	1,453,756	(1,453,756)	—
Total	71,306,854	9,946,833	5,521,211	86,774,900	(1,453,756)	85,321,144
Operating expenses	62,233,005	9,726,684	6,034,656	77,994,347	(1,618,178)	76,376,168
Operating income (loss)	9,073,848	220,149	(513,444)	8,780,553	164,422	8,944,975

Notes: 1. Based on the proximity of services or others provided, the Fields Corporation's businesses are segmented into PS Field, Game Field and Other Field.

2. The major products or services in each segment are as follows:
   (1) PS Field: Purchasing, sales, planning and development of pachinko/pachislot machines and related services
   (2) Game Field: Planning, development and sales of packaged software, such as game software
   (3) Other Field: Sports management and others.

3. All operating expenses are allocated among the three business segments.

4. As stated in the "Basis of Presentation of the Consolidated Financial Statements; 4. Accounting standards; (4) Accounting standards for important reserves (3) Accrued bonuses to directors and auditors (Change in Accounting Principle)," effective from the current fiscal year, the Company has adopted the ASBJ Statement No. 4, "Accounting Standard for Directors' Bonuses," issued on November 29, 2005. As a result, operating expenses in the "PS Field" segment increased ¥98,000 thousand, whereas operating income decreased the same amount for the current fiscal year ended March 31, 2007.

5. As stated in the "Change in the Basis of Presentation of the Consolidated Financial Statements," effective from the current fiscal year, the Company has adopted the "Accounting Standards for Share-Based Payment" (ASBJ Statement No. 8 issued by the ASBJ on December 27, 2005) and the "Implementation Guidance on Accounting Standards for Share-Based Payment" (ASBJ Implementation Guidance No. 11 issued by the ASBJ on May 31, 2006).
   As a result, operating expenses in the "Game Field" segment increased ¥15,877 thousand, whereas operating income decreased the same amount for the current fiscal year ended March 31, 2007.

2. Segment information by region

First half ended September 30, 2006 (April 1, 2006–September 30, 2006), First half ended September 30, 2007 (April 1, 2007–September 30, 2007), and Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

Since Japan accounts for more than 90% of total sales in all segments, the Company does not disclose segment information by region.

3. Overseas sales

First half ended September 30, 2006 (April 1, 2006–September 30, 2006), First half ended September 30, 2007 (April 1, 2007–September 30, 2007), and Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

Since overseas sales account for less than 10% of consolidated net sales, the Company does not disclose overseas sales.

Per-share Data

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March31, 2007)
Net assets per share ¥116,969.12 Net income per share ¥6,414.01 Since no dilutive latent shares exist, diluted net income per share is not stated.	Net assets per share ¥124,705.53 Net income per share ¥8,868.65 Same as at left	Net assets per share ¥118,487.37 Net income per share ¥10,692.29 Since no dilutive latent shares exist, diluted net income per share is not stated.

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

	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Net income (¥ thousands)	2,225,661	3,077,421	3,710,224
Net income allocable to common shares	2,225,661	3,077,421	3,710,224
Average number of shares of common stock outstanding	347,000	347,000	347,000
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	Number of the 1st stock Acquisition rights:578 Number of the 2nd stock acquisition rights: 1,460	Number of the 1st stock acquisition rights: 528 Number of the 2nd stock acquisition rights: 840	Number of the 1st stock acquisition rights: 564 Number of the 2nd stock acquisition rights: 1,360

Significant Subsequent Events

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
―――	―――	―――

Non-Consolidated Financial Statements and Other Data

Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: thousand yen)

Item / Period		First half ended September 30, 2006 (As of September 30, 2006)		First half ended September 30, 2007 (As of September 30, 2007)		Fiscal year ended March 31, 2007 (Summary) (As of March 31, 2007)	
		Amount	% total	Amount	% total	Amount	% total
Assets							
Ⅰ Current assets							
1. Cash and cash equivalents		14,880,380		18,350,505		14,083,737	
2. Notes receivable—trade	*4	7,155,243		17,110,341		3,346,712	
3. Accounts receivable—trade		15,410,986		2,119,283		13,152,225	
4. Inventories		321,409		149,367		358,410	
5. Merchandising right advances		3,211,666		3,321,146		2,626,684	
6. Other current assets	*4	1,161,765		4,283,989		2,735,488	
7. Allowance for doubtful accounts		(41,000)		(120,000)		(50,200)	
Total current assets		42,100,451	68.7	45,214,633	67.9	36,253,059	63.0
Ⅱ Fixed assets							
1. Tangible fixed assets	*1	3,880,056	6.3				
(1) Land				3,645,273		1,760,985	
(2) Other tangible fixed assets				3,445,657		3,484,507	
Total tangible fixed assets				7,090,930	10.7	5,245,492	9.1
2. Intangible fixed assets		1,597,873	2.6	2,941,194	4.4	2,576,733	4.5
3. Investments and other assets:							
(1) Investment securities		2,431,767		1,746,151		2,351,362	
(2) Investments in subsidiaries and affiliates		7,980,550		4,878,550		7,876,550	
(3) Other assets		3,923,648		5,809,334		3,745,827	
(4) Allowance for doubtful accounts		(614,568)		(1,089,714)		(539,704)	
(5) Allowance for investment losses		(20,000)		—		—	
Total investments and other assets		13,701,398	22.4	11,344,320	17.0	13,434,034	23.4
Total fixed assets		19,179,327	31.3	21,376,445	32.1	21,256,261	37.0
Total assets		61,279,779	100.0	66,591,078	100.0	57,509,320	100.0

(Unit: thousand yen)

Item / Period	First half ended September 30, 2006 (As of September 30, 2006)		First half ended September 30, 2007 (As of September 30, 2007)		Fiscal year ended March 31, 2007 (Summary) (As of March 31, 2007)	
	Amount	% total	Amount	% total	Amount	% total
Liabilities						
I Current liabilities						
1. Accounts receivable—trade	13,649,844		13,600,495		8,199,531	
2. Accrued income taxes	—		3,537,000		1,242,000	
3. Accrued bonuses	25,000		17,400		25,000	
4. Accrued bonuses to directors and auditors	50,000		64,000		98,000	
5. Reserve for loss on guarantee liability *2	—		830,000		—	
6. Other current liabilities *3	3,844,449		2,326,790		3,193,515	
Total current liabilities	17,569,294	28.7	20,375,686	30.6	12,758,046	22.2
II Fixed liabilities						
1. Retirement benefit provisions	160,314		175,224		173,879	
2. Guaranty deposits received	2,546,598		2,496,340		2,575,731	
Total fixed liabilities	2,706,912	4.4	2,671,564	4.0	2,749,611	4.8
Total liabilities	20,276,206	33.1	23,047,251	34.6	15,507,658	27.0
Net assets						
I Shareholders' equity						
1. Common stock	7,948,036	13.0	7,948,036	11.9	7,948,036	13.8
2. Capital surplus						
(1) Additional paid-in capital	7,994,953		7,994,953		7,994,953	
Total capital surplus	7,994,953	13.0	7,994,953	12.0	7,994,953	13.9
3. Retained earnings						
(1) Legal reserve	9,580		9,580		9,580	
(2) Other retained earnings						
General reserve	20,000,000		20,000,000		20,000,000	
Retained earnings brought forward	4,565,990		7,607,816		5,834,270	
Total retained earnings	24,575,570	40.1	27,617,396	41.5	25,843,850	44.9
Total shareholders' equity	40,518,560	66.1	43,560,386	65.4	41,786,839	72.6
II Valuation and translation differences						
1. Unrealized holding gain (loss) on available-for-sale securities	485,012		(16,558)		214,822	
Total valuation and translation differences	485,012	0.8	(16,558)	(0.0)	214,822	0.4
Total net assets	41,003,572	66.9	43,543,827	65.4	42,001,662	73.0
Total liabilities and net assets	61,279,779	100.0	66,591,078	100.0	57,509,320	100.0

(2) Non-Consolidated Statements of Income

(Unit: thousand yen)

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)		First half ended September 30, 2007 (April 1, 2007–September 30, 2007)		Fiscal year ended March 31, 2007 (Summary) (April 1, 2006–March 31, 2007)	
	Amount	% sales	Amount	% sales	Amount	% sales
Ⅰ Net sales	41,141,324	100.0	58,735,503	100.0	71,314,702	100.0
Ⅱ Cost of sales	28,789,862	70.0	43,164,951	73.5	46,164,048	64.7
Gross profit	12,351,462	30.0	15,570,552	26.5	25,150,654	35.3
Ⅲ Selling, general and administrative expenses	7,373,800	17.9	7,005,497	11.9	16,150,772	22.7
Operating income	4,977,661	12.1	8,565,054	14.6	8,999,882	12.6
Ⅳ Non-operating income *1	309,193	0.7	223,205	0.3	407,792	0.6
Ⅴ Non-operating expenses *2	2,244	0.0	128,110	0.2	13,990	0.0
Ordinary income	5,284,610	12.8	8,660,148	14.7	9,393,684	13.2
Ⅵ Extraordinary income *3	132,351	0.3	43,913	0.1	89,824	0.1
Ⅶ Extraordinary losses *4	7,363	0.0	4,459,587	7.6	749,299	1.1
Income before income taxes	5,409,598	13.1	4,244,474	7.2	8,734,209	12.2
Income taxes: current	2,296,389	5.6	3,457,314	5.9	4,272,116	6.0
Income taxes: deferred	302,334	0.7	(1,680,387)	(2.9)	(311,061)	(0.5)
Net income	2,810,874	6.8	2,467,546	4.2	4,773,154	6.7

(3) Non-Consolidated Statements of Change in Shareholders' Equity
First half ended September 30, 2006 (April 1, 2006−September 30, 2006)

(Unit: thousand yen)

	Shareholders' Equity							
		Capital surplus		Retained earnings				Total Share holders' Equity
					Other retained earnings			
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	General reserve	Retained earnings brought forward	Total retained earnings	
Balance at March 31, 2006	7,948,036	7,994,953	7,994,953	9,580	15,000,000	7,554,115	22,563,695	38,506,685
Amount of changes during the period								
Dividends from surplus	—	—	—	—	—	(694,000)	(694,000)	(694,000)
Bonuses to directors and auditors	—	—	—	—	—	(105,000)	(105,000)	(105,000)
General reserve	—	—	—	—	5,000,000	(5,000,000)	—	—
Net income	—	—	—	—	—	2,810,874	2,810,874	2,810,874
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—	—	—	—	—
Total amount of changes during the period	—	—	—	—	5,000,000	(2,988,125)	2,011,874	2,011,874
Balance at September 30, 2006	7,948,036	7,994,953	7,994,953	9,580	20,000,000	4,565,990	24,575,570	40,518,560

	Valuation and translation differences		Total net assets
	Unrealized holding gain (loss) on available-for-sale securities	Total valuation and translation differences	
Balance at March 31, 2006	735,622	735,622	39,242,308
Amount of changes during the period			
Dividends from surplus	—	—	(694,000)
Bonuses to directors and auditors	—	—	(105,000)
General reserve	—	—	—
Net income	—	—	2,810,874
Net amount of changes in items not included in shareholders' equity during the period	(250,610)	(250,610)	(250,610)
Total amount of changes during the period	(250,610)	(250,610)	1,761,263
Balance at September 30, 2006	485,012	485,012	41,003,572

First half ended September 30, 2007 (April 1, 2007−September 30, 2007)

(Unit: thousand yen)

	Shareholders' Equity							
	Common stock	Capital surplus		Retained earnings				Total Share holders' Equity
		Additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings	
					General reserve	Retained earnings brought forward		
Balance at March 31, 2007	7,948,036	7,994,953	7,994,953	9,580	20,000,000	5,834,270	25,843,850	41,786,839
Amount of changes during the period								
Dividends from surplus	—	—	—	—	—	(694,000)	(694,000)	(694,000)
General reserve	—	—	—	—	—	—	—	—
Net income	—	—	—	—	—	2,467,546	2,467,546	2,467,546
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—	—	—	—	—
Total amount of changes during the period	—	—	—	—	—	1,773,546	1,773,546	1,773,546
Balance at September 30, 2007	7,948,036	7,994,953	7,994,953	9,580	20,000,000	7,607,816	27,617,396	43,560,386

	Valuation and translation differences		Total net assets
	Unrealized holding gain (loss) on available-for–sale securities	Total valuation and translation differences	
Balance at March 31, 2007	214,822	214,822	42,001,662
Amount of changes during the period			
Dividends from surplus	—	—	(694,000)
General reserve	—	—	—
Net income	—	—	2,467,546
Net amount of changes in items not included in shareholders' equity during the period	(231,381)	(231,381)	(231,381)
Total amount of changes during the period	(231,381)	(231,381)	1,542,165
Balance at September 30, 2007	(16,558)	(16,558)	43,543,827

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

(Unit: thousand yen)

	Shareholders' Equity							
	Common stock	Capital surplus		Retained earnings				Total Share holders' Equity
		Additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings	
					General reserve	Retained earnings brought forward		
Balance at March 31, 2006	7,948,036	7,994,953	7,994,953	9,580	15,000,000	7,554,115	22,563,695	38,506,685
Amount of changes during the fiscal year								
Dividends from surplus	—	—	—	—	—	(1,388,000)	(1,388,000)	(1,388,000)
Bonuses to directors and auditors	—	—	—	—	—	(105,000)	(105,000)	(105,000)
General reserve	—	—	—	—	5,000,000	(5,000,000)	—	—
Net income	—	—	—	—	—	4,773,154	4,773,154	4,773,154
Net amount of changes in items not included in shareholders' equity during the period	—	—	—	—	—	—	—	—
Total amount of changes during the fiscal year	—	—	—	—	5,000,000	(1,719,845)	3,280,154	3,280,154
Balance at March 31, 2007	7,948,036	7,994,953	7,994,953	9,580	20,000,000	5,834,270	25,843,850	41,786,839

	Valuation and translation differences		Total net assets
	Unrealized holding gain (loss) on available-for–sale securities	Total valuation and translation differences	
Balance at March 31, 2006	735,622	735,622	39,242,308
Amount of changes during the fiscal year			
Dividends from surplus	—	—	(1,388,000)
Bonuses to directors and auditors	—	—	(105,000)
General reserve	—	—	—
Net income	—	—	4,773,154
Net amount of changes in items not included in shareholders' equity during the period	(520,800)	(520,800)	(520,800)
Total amount of changes during the fiscal year	(520,800)	(520,800)	2,759,353
Balance at March 31, 2007	214,822	214,822	42,001,662

Significant Event or Situation that May Affect the Premises of the Company's Operation as a going concern
First half ended September 30, 2006 (April 1, 2006, to September 30, 2006): No relevant items
First half ended September 30, 2007 (April 1, 2007, to September 30, 2007): No relevant items
Fiscal year ended March 31, 2007 (April 1, 2006, to March 31, 2007): No relevant items

Basis of Presentation of the Non-Consolidated Financial Statements

Period Item	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
1. Asset valuation standards and methods	(1) Marketable securities 1) ― 2) Shares in subsidiaries and affiliates: Stated at cost determined by the moving average method. 3) Other marketable securities Securities with market prices: Stated at market value based on market price as of the first half balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving-average method). Securities without market prices: Stated at cost determined by the moving average method. (2) Inventories 1) Merchandise Used pachinko/pachislot machines At cost determined by the specific identification method Others At cost determined by the moving-average method 2) Supplies At cost determined by the last purchase price method	(1) Marketable securities 1) Held-to-maturity bonds: Carried at amortized cost (straight-line method) 2) Shares in subsidiaries and affiliates: Same as at left 3) Other marketable securities Securities with market prices: Same as at left Securities without market prices: Same as at left (2) Inventories 1) Merchandise Used pachinko/pachislot machines Same as at left Others Same as at left 2) Supplies Same as at left	(1) Marketable securities 1) Held-to-maturity bonds: Same as at left 2) Shares in subsidiaries and affiliates: Same as at left 3) Other marketable securities Securities with market prices: Stated at market value based on market price as of the balance sheet date (unrealized gains or losses are charged or credited directly to net assets, with the cost of securities sold determined by the moving-average method). Securities without market prices: Same as at left (2) Inventories 1) Merchandise Used pachinko/pachislot machines Same as at left Others Same as at left 2) Supplies Same as at left
2. 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 on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years	(1) Tangible fixed assets 1) Buildings (excluding building fixtures) Former declining-balance method is applied for buildings acquired before April 1, 1998. Former straight-line method is applied for buildings acquired from April 1, 1998, to March 31, 2007. Revised straight-line method is applied to buildings acquired on and after April 1, 2007. 2) Other than buildings Former declining-balance method for tangible fixed assets other than buildings acquired before April 1, 2007 Revised declining-balance method for tangible fixed assets other than buildings acquired on and after April 1, 2007 The estimated useful lives of depreciable assets are as follows. Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years	(1) Tangible fixed assets Declining-balance method However, the straight-line method is applied to buildings (excluding building fixtures) acquired on and after April 1, 1998. The estimated useful lives of depreciable assets are as follows Buildings: 4-50 years Structures: 10-50 years Vehicles: 2-6 years Tools, furniture and fixtures: 3-20 years

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
	(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	(2) Intangible fixed assets Same as at left (3) Long-term prepaid expenses Same as at left	(2) Intangible fixed assets Same as at left (3) Long-term prepaid expenses Same as at left
3. Accounting standards for reserves	(1) Allowance for doubtful accounts To provide against 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) Allowance for investment losses To provide against losses from investments in affiliates, an allowance for investment losses is provided taking into account the financial situation of such companies. (3) Accrued bonuses To provide for employee bonuses, the Company recognizes the amounts out of the projected bonus payments to be allocated to the first half. (4) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts out of the projected bonus payments to be allocated to the first half. (Change in Accounting Principle) Effective from this half, the Company has adopted the Accounting Standards Board of Japan (ASBJ) Statement No. 4, Accounting Standard for Bonuses to Directors and Auditors (issued on November 29, 2005). As a result, operating income, ordinary income, and income before income taxes and minority interest each decreased ¥50,000 thousand.	(1) Allowance for doubtful accounts Same as at left (2) ―――――― (3) Accrued bonuses Same as at left (4) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts out of the projected bonus payments to be allocated to the first half.	(1) Allowance for doubtful accounts Same as at left (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) Accrued bonuses to directors and auditors To provide for bonuses to directors and auditors, the Company recognizes the amounts out of the projected bonus payments to be allocated to the fiscal year. (Change in Accounting Principle) Effective from the current fiscal year, the Company has adopted the Accounting Standards Board of Japan (ASBJ) Statement No. 4, Accounting Standard for Bonuses to Directors and Auditors (issued on November 29, 2005). As a result, operating income, ordinary income, and income before income taxes each decreased ¥98,000 thousand.

Item \ Period	First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
	(5) Retirement benefit provisions To provide for employees' retirement benefits, the Company recognizes, on the basis of projected benefit obligations as of the end of the fiscal year, benefit obligations accrued as of the end of the first half. Actuarial differences are amortized proportionately 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 such differences arise. Amortization amounts are expensed beginning with the period following that in which the differences arise. (6) ____________	(5) Retirement benefit provisions Same as at left (6) Reserve for loss on guarantee liability To provide against losses from a guarantee for liabilities of affiliates, a reserve for loss on guarantee liability is provided taking into account the financial situation of such affiliates.	(5) Retirement benefit provisions To provide for employees' retirement benefits, the Company recognizes, on the basis of projected benefit obligations as of the end of the fiscal year. Actuarial differences are amortized proportionately 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 such differences arise. Amortization amounts are expensed beginning with the fiscal year following that in which the differences arise. (6) ____________
4. 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 at left	Same as at left
5. Other significant standards for the preparation of financial statements	Accounting for consumption Taxes Consumption tax is accounted for by the tax-excluded method.	Accounting for consumption taxes Same as at left	Accounting for consumption taxes Same as at left

Changes in accounting treatment

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Accounting standard for the presentation of net assets in balance sheets Effective from this first half, the Company has adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005). The amount conventionally recorded in "Shareholders' equity" was ¥41,003,572 thousand. Due to the revision to the regulations regarding financial statements, the balance sheets for the current first half ended September 30, 2007, have been prepared according to the revised regulations for the first half financial statements.	―――――	**Accounting standard for the presentation of net assets in balance sheets** Effective from the current fiscal year, the Company has adopted the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005). The amount conventionally recorded in "Shareholders' equity" was ¥42,001,662 thousand. Due to the revision to the regulations regarding financial statements, the balance sheets for the current fiscal year ended March 31, 2007, have been prepared according to the revised regulations for the first-half financial statements.
―――――	**Change in the method of depreciation of tangible fixed assets** Pursuant to the revisions to the Income Tax Law (Law Concerning Special Exceptions to the Income Tax Law and Related Laws, Law No. 6, on March 30, 2007, and the Ordinance Concerning Special Exceptions to the Enforcement Rules of the Statute for Income Tax Law, Ordinance No. 83, on March 30, 2007), the Company changed the method of depreciation of tangible fixed assets and use a method based on the revised Income Tax Law with regard to those acquired on and after April 1, 2007. The impact that this change has on the statement of income is immaterial.	―――――

Changes in method of presentation

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)
――――― ―――――	**Non-consolidated Balance Sheets** 1."Land," which had been included in tangible fixed assets until the previous first half, has been separately presented because it accounted for more than 5/100 of total assets. The "Land" as of September 30, 2006, was ¥1,370,827 thousand. 2."Accrued income taxes," previously included in Others in Current liabilities until September 30, 2006, has been separately presented because it accounted for more than 5/100 of Total liabilities and net assets. The "Accrued income taxes" as of September 30, 2006, was ¥2,344,000 thousand.

Additional information

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
Retirement benefits of directors and auditors The Company reviewed the remuneration payment system for directors and auditors, which is not linked to actual performance and may be considered deferred remuneration. As a result, the retirement benefit system for directors and auditors was abolished as of the closing of the 18th Ordinary General Meeting of Shareholders held on June 28, 2006. Accordingly, pursuant to the resolution adopted by the Meeting, accrued retirement benefits as of the closing of said Meeting were paid to the directors and auditors then in office at the Meeting for their services corresponding to the tenure of respective directors and auditors until the closing of the Meeting.	———	**Retirement benefits of directors and auditors** The Company reviewed the remuneration payment system for directors and auditors, which is not linked to actual performance and may be considered deferred remuneration. As a result, the retirement benefit system for directors and auditors was abolished as of the closing of the 18th Ordinary General Meeting of Shareholders held on June 28, 2006. Accordingly, pursuant to the resolution adopted by the Meeting, accrued retirement benefits as of the closing of said Meeting were paid to the directors and auditors then in office at the Meeting for their services corresponding to the tenure of respective directors and auditors until the closing of the Meeting.
———	**Depreciation method of tangible fixed assets** Effective for this first half, tangible fixed assets acquired before April 1, 2007, have been equally amortized for five (5) years beginning in the year following that in which the depreciation reached the limit. The impact of this change on income and losses is immaterial.	———

Notes to the Non-Consolidated Financial Statements

Non-Consolidated Balance Sheets

First half ended September 30, 2006 (As of September 30, 2006)	First half ended September 30, 2007 (As of September 30, 2007)	Fiscal year ended March 31, 2007 (As of March 31, 2007)
*1. Accumulated depreciation of tangible fixed assets ¥1,082,182 thousand	*1. Accumulated depreciation of tangible fixed assets ¥1,360,736 thousand	*1. Accumulated depreciation of tangible fixed assets ¥1,260,879 thousand
*2. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. Sankei Shoji Co., Ltd. ¥44,027 thousand Asahi Shoji K.K. ¥37,669 thousand Niimi Co., Ltd. ¥31,813 thousand K.K. Toei Kanko ¥30,092 thousand LiNE Company ¥22,612 thousand K.K. Bishop ¥22,275 thousand Y.K. Daiko ¥19,447 thousand Meiplanet K.K. ¥15,462 thousand Rocky Industries ¥15,443 thousand BOSS Co., Ltd. ¥14,629 thousand Others (187) ¥458,245 thousand Total ¥711,720 thousand	*2. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. K.K. Bishop ¥58,588 thousand Y.K. Daiko ¥57,774 thousand Niimi Co., Ltd. ¥53,438 thousand K.K. Taisei Kanko ¥42,355 thousand Asahi Shoji K.K. ¥36,259 thousand Meiplanet K.K. ¥26,172 thousand Iwamoto Development Co., Ltd. ¥25,965 thousand BIG SHOT ¥24,589 thousand Sankei Shoji Co., Ltd. ¥23,091 thousand BEAM ¥19,270 thousand Others (219) ¥620,018 thousand Total ¥987,523 thousand The Company guarantees the liability for the following company's borrowing from a financial institution, as follows: Japan Sports Marketing Inc. ¥830,000 thousand Reserve for loss on guarantee liability ¥(830,000) thousand Difference — thousand	*2. Contingent liabilities The Company provides payment guarantees for sales of pachinko/pachislot machines to pachinko halls on an agency basis for pachinko/pachislot machine manufacturers. Y.K. Daiko ¥72,057 thousand Meiplanet K.K ¥51,717 thousand Asahi Shoji K.K. ¥44,898 thousand Niimi Co., Ltd. ¥41,271 thousand K.K. Taisei Kanko ¥37,147 thousand Sankei Shoji Co., Ltd. ¥31,558 thousand K.K. Toei Kanko ¥28,935 thousand K.K. New Asahi ¥26,829 thousand K.K. Corona ¥21,727 thousand Narita Kogyo K.K. ¥20,434 thousand Others (218) ¥540,743 thousand Total ¥917,322 thousand The Company guarantees the liability for the following company's borrowing from a financial institution, as follows: Japan Sports Marketing Inc. ¥830,000 thousand
*3. Treatment of consumption taxes, etc. Temporarily paid consumption taxes and temporarily received consumption taxes are offset by each other. The difference is immaterial and therefore included in Other under Current liabilities.	*3, Treatment of consumption taxes, etc. Same as at left	*3. ――――
*4. Notes due as of the balance-sheet date The notes of the Company maturing at September 30, 2006 are settled on a bill clearing date. As the balance-sheet date for the first half under review was a bank holiday, the following notes matured are included in the balance sheet as of September 30, 2006. Notes receivable ¥3,440,455 thousand Non-operating notes receivable ¥7,603 thousand	*4. Notes due as of the balance-sheet date The notes of the Company maturing at September 30, 2007 are settled on a bill clearing date. As the balance-sheet date for the first half under review was a bank holiday, the following notes matured are included in the balance sheet as of September 30, 2007. Notes receivable ¥3,510,704 thousand Non-operating notes receivable ¥18,162 thousand	*4. Notes due as of the balance-sheet date The notes of the Company maturing at the end of the year are settled on a bill clearing date. As the balance-sheet date for the year under review was a bank holiday, the following notes matured are included in the balance sheet as of March 31, 2007. Notes receivable ¥1,299,860 thousand Non-operating notes receivable ¥431,719 thousand
5. Overdraft agreements To raise working capital efficiently, the Company has concluded an overdraft agreement with three banks. As of the end of the first half, unutilized balance under these agreements was as follows. Overdraft limit ¥3,500,000 thousand Borrowings outstanding — thousand Difference ¥3,500,000 thousand	5. Overdraft agreements To raise working capital efficiently, the Company has concluded an overdraft agreement with two banks. As of the end of the first half, unutilized balance under these agreements was as follows. Overdraft limit ¥3,000,000 thousand Borrowings outstanding — thousand Difference ¥3,000,000 thousand	5. Overdraft agreements To raise working capital efficiently, the Company has concluded an overdraft agreement with two banks. As of March 31, 2007, unutilized balance under these agreements was as follows. Overdraft limit ¥3,000,000 thousand Borrowings outstanding — thousand Difference ¥3,000,000 thousand

Non-Consolidated Statements of Income

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
*1. Main components of non-operating income Discounts on purchases ¥187,320 thousand Interest income ¥12,577 thousand Dividend income ¥64,062 thousand	*1. Main components of non-operating income Discounts on purchases ¥86,226 thousand Interest income ¥16,211 thousand Dividend income ¥38,462 thousand	*1. Main components of non-operating income Discounts on purchases ¥215,522 thousand Interest income ¥24,800 thousand Dividend income ¥77,814 thousand
*2. ――――	*2. Main components of non-operating expenses Amortization of equity investments ¥80,483 thousand Loss on management of investment securities ¥45,900 thousand	*2. ――――
*3. Main components of extraordinary income Gain on investment in anonymous association ¥37,808 thousand Reversal of allowance for doubtful accounts ¥94,542 thousand	*3. Main components of extraordinary income Gain on investment in anonymous association ¥43,913 thousand	*3. Main components of extraordinary income Gain on investment in anonymous association ¥79,218 thousand
*4. ――――	*4. Main components of extraordinary losses Loss on sale of fixed assets ¥108,503 thousand Valuation loss on shares in affiliates ¥2,997,999 thousand Provision to allowance for doubtful accounts ¥440,000 thousand Provision to reserve for loss on guarantee liability ¥830,000 thousand	*4. Main components of extraordinary losses Loss on sale of fixed assets ¥651,215 thousand
5. Actual depreciation and amortization Tangible fixed assets ¥171,291 thousand Intangible fixed assets ¥67,062 thousand	5. Actual depreciation and amortization Tangible fixed assets ¥211,771 thousand Intangible fixed assets ¥66,880 thousand	5.Actual depreciation and amortization Tangible fixed assets ¥372,347 thousand Intangible fixed assets ¥140,172 thousand

Non-Consolidated Statements of Changes in Net Asset

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

Treasury shares

None applicable

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

Treasury shares

None applicable

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

Treasury shares

None applicable

Leases

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)

1. Finance lease transactions other than those in which 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 first half

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	¥3,956	¥439	¥3,516
Tools, furniture and fixtures	¥23,406	¥13,450	¥9,955
Software	¥38,757	¥12,273	¥26,483
Total	¥66,119	¥26,162	¥39,956

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 and intangible fixed assets at the end of the first half.

(2) Future minimum lease payments

Due within one year	¥13,751	thousand
Due after one year	¥26,205	thousand
Total	¥39,956	thousand

Future minimum lease payments at the end of the first half have been calculated by the interest-inclusive method, since the balance of future minimum lease payments accounts for a minimal portion of tangible and intangible fixed assets at the end of the first half.

(3) Lease payments and depreciation

Lease payments	¥6,751	thousand
Depreciation	¥6,751	thousand

(4) Calculation method for depreciation

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

____________ 2.

First half ended September 30, 2007 (April 1, 2007–September 30, 2007)

1. Finance lease transactions other than those in which 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 first half

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	¥15,998	¥3,290	¥12,707
Tools, furniture and fixtures	¥20,076	¥15,078	¥4,997
Software	¥38,757	¥20,024	¥18,732
Total	¥74,831	¥38,394	¥36,437

Same as at left

(2) Future minimum lease payments

Due within one year	¥16,013	thousand
Due after one year	¥20,423	thousand
Total	¥36,437	thousand

Same as at left

(3) Lease payments and depreciation

Lease payments	¥8,734	thousand
Depreciation	¥8,734	thousand

(4) Calculation method for depreciation

Same as at left

2. Operating lease transactions

Due within one year	¥1,318	thousand
Due after one year	¥879	thousand
Total	¥2,198	thousand

Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)

1. Finance lease transactions other than those in which 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

(Unit: thousand yen)

	Acquisition cost	Accumulated depreciation	Net book value
Vehicles	¥6,660	—	¥6,660
Tools, furniture and fixtures	¥23,406	¥15,790	¥7,615
Software	¥38,757	¥16,148	¥22,608
Total	¥68,823	¥31,939	¥36,883

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 and intangible fixed assets at the end of the fiscal year.

(2) Future minimum lease payments

Due within one year	¥14,617	thousand
Due after one year	¥22,266	thousand
Total	¥36,883	thousand

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 and intangible fixed assets at the end of the fiscal year.

(3) Lease payments and depreciation

Lease payments	¥12,527	thousand
Depreciation	¥12,527	thousand

(4) Calculation method for depreciation

Same as at left

2. Operating lease transactions

Due within one year	¥1,318	thousand
Due after one year	¥1,538	thousand
Total	¥2,857	thousand

Marketable Securities

First half ended September 30, 2006 (As of September 30, 2006)

Shares of subsidiaries and affiliates at fair value

(Thousands of yen)

Category	Carrying value on non-consolidated balance sheets	Fair value	Difference
Shares of subsidiaries	2,670,100	3,696,000	1,025,900

First half ended September 30, 2007 (As of September 30, 2007)

Shares of subsidiaries and affiliates at fair value

(Thousands of yen)

Category	Carrying value on consolidated balance sheets	Fair value	Difference
Shares of subsidiaries	2,670,100	3,600,000	929,900

Fiscal year ended March 31, 2007 (As of March 31, 2007)

Shares of subsidiaries and affiliates at fair value

(Thousands of yen)

Category	Carrying value on consolidated balance sheets	Fair value	Difference
Shares of subsidiaries	2,670,100	3,420,000	749,900

Per-share Data

Information is omitted here because per-share data is indicated in the First Half Consolidated Financial Statements

Significant Subsequent Events

First half ended September 30, 2006 (April 1, 2006–September 30, 2006)	First half ended September 30, 2007 (April 1, 2007–September 30, 2007)	Fiscal year ended March 31, 2007 (April 1, 2006–March 31, 2007)
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