

August 23, 2012

To all parties concerned:

Fields Corporation  
President and COO: Takashi Oya  
(JASDAQ code 2767)  
Inquiries: Hideaki Hatanaka  
Executive Officer and General Manager,  
Corporate Communications Office  
Tel.: +81-3-5784-2111

## **Notice regarding a Simplified Absorption-type Divestiture between Fields Corporation and its Subsidiary and a Special Liquidation of the Subsidiary**

Fields Corporation hereby announces that a following resolution was reached at the board meeting, held on August 23, 2011, in connection with the business reorganization (business reorganization) of Japan Sports Marketing Inc., (JSM), a consolidated subsidiary of Fields Corporation:

### **1. Overview of the business reorganization**

- (1) The fitness club business of JSM is to be divested (in a simplified absorption-type divestiture) and Fields Corporation (successor corporation) shall succeed to the business. (absorption-type divestiture)
- (2) JSM will be dissolved in a special liquidation, following the Absorption-type Divestiture.

### **2. Purpose of the business reorganization**

With “The Greatest Leisure for All People” as its corporate philosophy, the Company recognizes that the strategy of utilizing Intellectual Property (IP) for multiple purposes is the basis of its competitive edge, and is promoting diverse content businesses to produce synergistic effects through multiple use of content in a wide range of entertainment field including the pachinko/pachislot as well as mobile content, sports, image, publications, and animations.

JSM handles the sports business of Fields Group. It is engaged in the acquisition, creation and development of sport-related IP with high entertainment value through its rights business, athlete management business, and fitness club business. It has provided Fields Group with numerous sport-related IP with high entertainment values.

A resolution was passed in favor of the absorption-type divestiture, based on projections of continued growth opportunities for the company’s fitness club business, backed by the resources of Fields Corporation, as well as the great synergy between the business and Fields Group.

The decision was made to close all other JSM business upon JSM’s dissolution. This decision is based on the drastic changes in the market environment in which JSM does business. These changes are believed to greatly hinder the creation of new profit opportunities.

### **3. Schedule of the business reorganization (Absorption-type divestiture and special liquidation)**

- August 23, 2011      Passing of resolution for the business reorganization at a board meeting of Fields Corporation
- August 23, 2011      Approval of absorption-type divestiture agreement at a board meeting of Fields Corporation
- August 23, 2011      Approval of absorption-type divestiture agreement at a board meeting of JSM
- September 13, 2011   Passing of resolution for the absorption-type divestiture at an extraordinary meeting of JSM shareholders (Tentative)
- November 1, 2011      Absorption-type divestiture to come into effect (Tentative)
- November 1, 2011      Passing of resolution for the dissolution of JSM at an extraordinary meeting of shareholders (Tentative)
- November 1, 2011      Filing for special liquidation proceedings (Tentative)
- January 31, 2012      Completion of the special liquidation (Tentative)

(Note) The absorption-type divestiture constitutes a simplified absorption-type company split for Fields Corporation as per the provisions of Article 796, Paragraph 3 of the Companies Act. Consequently, Fields Corporation plans to go forward with the split without seeking the approval of the general meeting of its shareholders.

#### 4. Outline of the absorption-type divestiture

- (1) Schedule of absorption-type divestiture  
See “3. Schedule of business reorganization (Absorption-type divestiture and special liquidation).”
- (2) Method of divestiture  
In this absorption-type divestiture, JSM, a consolidated subsidiary of Fields Corporation, is the divesting company and Fields Corporation is the successor corporation. The absorption-type divestiture constitutes a simplified absorption-type divestiture for Fields Corporation as per the provisions of Article 796, paragraph 3 the companies act.
- (3) Allocations relating to the absorption-type divestiture  
No payment will be made by Fields Corporation to the divesting company in connection with the Absorption-type Divestiture, based partly on the determination that the assets and liabilities that are handed over to Fields Corporation in the absorption-type divestiture balance each other out, with the net assets therefore amounting to nil, and also based on current forecasts of the future profitability of the operation.
- (4) Treatment of stock acquisition rights and corporate bonds with stock acquisition rights of the divesting company  
There are no relevant matters to report as JSM, the divesting company, has never issued any stock acquisition rights or any corporate bonds with stock acquisition rights attached.
- (5) Changes in the amount of capital, etc. as the result of the absorption-type divestiture  
There will be no change as a result of the absorption-type divestiture in the amount of Fields Corporation’s capital or of JSM’s capital.
- (6) Rights and obligations to be succeeded to  
Effective the date of the absorption-type divestiture, Fields Corporation will succeed to the rights and obligations of the fitness club business, including its assets, liabilities and contractual positions (except for those that are otherwise provided for in the absorption-type divestiture agreement) as a result of the Absorption-type Divestiture.
- (7) Outlook for fulfillment of financial obligations  
It is expected that the financial obligations of the divesting company on or past the effective date of the absorption-type divestiture will be fulfilled without delay through the infusion of funds by Fields Corporation should the assets of the divesting company be not adequate to meet its obligations. As such, no problems regarding the fulfillment of financial obligations are anticipated. Neither are any problems anticipated in connection with the fulfillment of financial obligations by the successor corporation as its assets exceed its liabilities, even after the absorption-type divestiture.

#### 5. Overview of the Parties to the Divestiture

- (1) Overview of the divesting company

Description	Divesting company
(1) Company name	Japan Sports Marketing Inc.
(2) Business activities	Management of athletes, etc. Management of fitness gyms. Planning and organizing sporting events; sale of broadcasting rights and licenses, etc.
(3) Establishment	July 25, 1989 (Company name was changed on October 1, 2005)
(4) Location of head office	3-6 Maruyama-cho, Shibuya-ku, Tokyo
(5) Representative	Nobuyuki Kikuchi, Representative Director/President
(6) Paid-in capital	200 million yen
(7) Fiscal year end	March 31
(8) Total outstanding shares	27,280 shares
(9) Net assets	(2,127 million yen)
(10) Total assets	664 million yen
(11) Major shareholders and Shareholding ratio	Fields Corporation (61.77%) Jack Kazunori Sakazaki (20.63%) Kevin Yamazaki (17.60%)

(Note) The figures for net assets and total assets are as of March 31, 2011.

Business results of the divesting company over the three most recent fiscal years

(Unit: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Net sales	3,500	2,219	1,920
Operating income	(156)	(122)	(203)
Ordinary income	(390)	(351)	(221)
Net income	(684)	(397)	(227)
Net assets	(1,502)	(1,900)	(2,127)
Total assets	1,285	761	664

(1) Overview of the successor corporation

Description	Successor corporation
(1) Company name	Fields Corporation
(2) Business activities	Planning, development and sale of pachinko/pachislot machines. Contents planning and development, and acquisition of commercial rights to contents.
(3) Establishment	June 10, 1988
(4) Location of head office	3-6 Maruyama-cho, Shibuya-ku, Tokyo
(5) Representative	Takashi Oya, President and COO
(6) Paid-in capital	7,948 million yen
(7) Fiscal year end	March 31
(8) Total outstanding shares	347,000 shares
(9) Net assets	47,021 million yen
(10) Total assets	78,971 million yen
(11) Major Shareholders and Shareholding ratio	Hidetoshi Yamamoto (25.00%) SANKYO CO., LTD. (15.00%) Takeshi Yamamoto (10.41%)

(Note) The figures for net assets and total assets are as of March 31, 2011.

Business results of the successor corporation over the three most recent fiscal years

(Unit: Million yen)

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Net sales	73,035	66,342	103,593
Operating income	1,960	8,124	13,136
Ordinary income	991	7,761	13,684
Net income	(1,481)	3,289	7,520
Net assets	39,496	41,187	47,021
Total assets	52,064	81,329	78,971

**6. Overview of the business segment succeeded to by Fields Corporation**

- (1) Business segment to be succeeded to  
Fitness club business (business relating to management of fitness gyms)

- (2) Business results of the segment to be succeeded to

(Unit: Million yen)

	Divested segment (A) (Year ended March 31, 2011)	Divesting company (Pre-divestiture)(B) (Year ended March 31, 2011)	Ratio (A/B)
Net sales	1,481	1,920	77.1%

- (3) Asset and liability accounts and the amounts thereof to be succeeded to

(Unit: Million yen)

Assets		Liabilities	
Account	Book value	Account	Book value
Current assets	101	Current liabilities	430
Fixed assets	363	Fixed liabilities	34
Total	464	Total	464

(Note) The asset and liability figures are as of March 31, 2011.

## 7. Overview of the subsidiary after the absorption-type divestiture and that of the subsidiary to be dissolved

Description	Divesting company
(1) Company name	Japan Sports Marketing Inc.
(2) Business activities	Management of athletes, etc. Planning and organizing sporting events; sale of broadcasting rights and licenses, etc.
(3) Establishment	July 25, 1989 (Company name was changed on October 1, 2005)
(4) Location of head office	3-6 Maruyama-cho, Shibuya-ku, Tokyo
(5) Representative	Nobuyuki Kikuchi, Representative Director/President
(6) Paid-in capital	200 million yen
(7) Fiscal year end	March 31
(8) Total outstanding shares	27,280 shares
(9) Net assets	(2,127 million yen)
(10) Total assets	200 million yen
(11) Major shareholders and Shareholding ratio	Fields Corporation (61.77%) Jack Kazunori Sakazaki (20.63%) Kevin Yamazaki (17.60%)

(Note) The asset and liability figures are as of March 31, 2011.

## 8. Overview of Fields Corporation after the absorption-type divestiture

- The absorption-type divestiture will not result in any changes to Fields Corporation's Company name, Business activities, Location of head office, representative, Paid-in capital, Fiscal year end, Total outstanding shares, Major shareholders and Shareholding ratio as the result.
- The absorption-type divestiture will have only minor impact on the net asset amount and the total asset amount.

## 9. Impact on business results and outlook for the future

The impact of the business reorganization on Fields Corporation and Fields Group is being studied. Projections of future results will be released as soon as they become available.

◆For inquiries or further information please contact:◆

Corporate Communications Office, Fields Corporation  
E Space Tower, 3-6 Maruyama-cho, Shibuya-ku, Tokyo 150-0044  
Tel.: +81-3-5784-2109 Fax: +81-3-5784-2119