Business Model Aimed at Realizing Enhanced IP Value Toward the Creation of Entertainment Excellence

Characters loved by all generations everywhere and stories that resonate in the heart bring smiles and enrichment to everyone's leisure time.

Fields acquires, creates and cultivates quality IP deployed through a variety of media to build a circulation "Developing Business Model" maximizing the value of IP.



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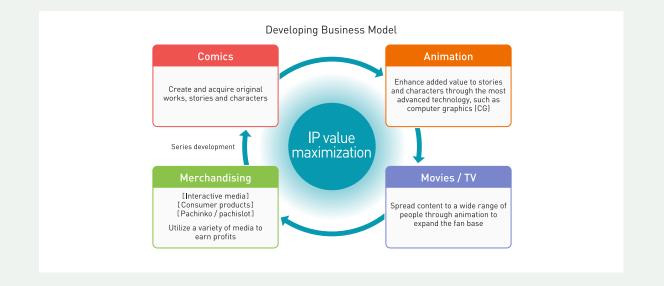
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Fields' "Developing Business Model"

IP = Intellectual Property

Fields develops a wide range of IP (intellectual property), such as characters and stories that constitute the core of entertainment, from comics, visual and games, to pachinko/pachislot machines, in an attempt to enhance the value of IP itself and maximize profitability.

Bringing all this together systematically as the core of our IP is the circulation business model "Developing Business Model".



Comics

The role of the Comics field is to create and acquire original works, stories and characters. Creation is the role of so-called "IP production bases." At the core of this effort is the *HERO'S Monthly* comic magazine focused on the creation of hero IP.

HERO'S Monthly is a comic magazine created in conjunction with a major publisher in November 2011. In the almost five years since its creation, 62 titles have been published (as of June 2016).

Fields handles numerous hero works, including *ULTRAMAN* and *Masked Rider KUUGA*, whose popularity stretches across generational segments, while at the same time we are also promoting multiple visuals projects.

Furthermore, we have also begun distributing content for e-book platforms, including 42 e-book stores in Japan and China Mobile and Kidstone in China.

New Series Productions





Main Cross-Media Development Examples



T-DRAGON ©Shu Sakuratani © ヒーローズ



VOICE CUSSION ©Namoshiro Tanahashi Yamato Koganemaru © ヒーローズ



USHIRO ©LEVEL-5 / KADOKAWA / フィールズ © ヒーローズ Monthely Comic Magazine HERO'S official website



http://www.heros-web.com/en/

TV Animation ATOM THE BEGINNING official website (Japanes language only)



http://atom-tb.com/





Infini-T Force ~ Mirai No Byosen ~ Animation project © タッノコプロ Ukyou Kodachi Tatsuma Ejiri の ヒーローズ



ATOM THE BIGINNING Animation project ©TEZUKA PRODUCTIONS Masami Yuuki Tetsuro Kasahara © ヒーローズ

Animation

The role of the animation field is to increase the added value of stories and characters using CG and other advanced technologies. With strengths as producers and production capabilities, we are engaged in added value IP through the highest class of animation quality in Japan. We also improve Fields' repetition through high added value IP, which is linked to the acquisition of new leading IP.

In October 2016, the animation movie GANTZ: 0 was released based on GANTZ, which boasts a wealth of fans in Japan and overseas (published in Young Jump Weekly from 2000 to 2013). At present, we are also moving forward with multiple IP animation production projects.





Grimgar, Live and Act ©2016 十文字青・オーバーラップ 灰と幻想のグリムガル製作委員会



Special Public Security Fifth Division Third Mobile Assault Eighth Unit © 創通・フィールズ・フライングドッグ/ ACTIVERAID PARTNERS

TV Animation ACTIVERAID Special Public Security Fifth Divison Third Mobile Assault Eighth Unit official website (Japanese language only)



http://activeraid.net/

Visuals (Movies, TV, etc.)

The role of the visual field is to expand the fan base by spreading animation content throughout the world. We are attempting to spread and enhance the value of IP through movies, TV and subscription video on demand (SVOD).

Among these, SVOD is a new visual business platform developed in line with people's lifestyles, which Fields considers to be indispensable for the spread of IP from a global perspective.

To this end, we are presently engaged in the rapid creation of cooperative structures with SVOD providers in the United States and China as well as leading companies in the entertainment industry to promote the global deployment of IP, including the Ultraman series and BERSERK.



© 円谷ブロ

Major Broadcasts / Releases



© 円谷プロ ©ウルトラマンオーブ製作委員会・テレビ東京



Ultraman X official website

Ultraman ORB official website



http://m-78.ip/orb/

Merchandising

The role of the merchandising field is to utilize and monetize IP in a variety of media including interactive media, consumer products, pachinko/pachislot machines and other media.

In games, in addition to the IP development of AKB48, we are promoting measures to expand the fan base for original titles through improved monetization and game characteristics.

In terms of live entertainment, we have developed live entertainment shows in Japan and overseas mainly utilizing the *Ultraman* series.

With regard to licensing, we are promoting the deployment of A MAN of ULTRA conceptual licensing aimed at establishing new licensing businesses and expanding IP business domains.

In pachinko/pachislot machines, we handle merchandise lines with strong game and entertainment characteristics using HERO'S IP as well as leading IP from other companies. Also, we are promoting various measures to improve product appeal, enhance services as a trading company and expand the number of players amid overall market invigoration.

Title Examples



©Fields



AKB48 Stage Fighter ©AKS ©GREE, Inc



AKB48 Official Music Game ©AKS ©S&P



http://tawapri.jp/

ULTRA HEROS THE LIVE ACROBATTLE CHRONICLE







© 円谷プロ・フィールズ



ULTRA HEROS THE LIVE ACROBATTLE CHRONICLE official website (Japanese language only)

http://m-78.jp/acrobattle/

License brand "A MAN of ULTRA"







©A MAN of ULTRA ©TSUBURAYA PROD.



A MAN of ULTRA official website (Japanese language only)

http://aman-u.jp/

Major Pachinko/Pachislot titles



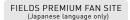
CR MAJESTIC PRINCE



EVANGELION -Tamashii wo Tsunagumono



Resident Evil 6





http://www.fields.biz/products/ps/

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Fields' Cross-Media Strategy

To realize a cyclical business model centered on IP, Fields develops leading IP, including the *Ultraman* series owned by Group company Tsuburaya Productions Co., Ltd., dark fantasy hit title *BERSERK* borrowed from the rights holder and *MAJESTIC PRINCE*, produced in conjunction with SOTSU CO., LTD., for multiple media vehicles such as comics, visual, games, pachinko/pachislot machines.

Fields promotes cross-media developments that interact with each other in an attempt to invigorate and expand IP fan bases.

At present, we are promoting two strategies focused on investment in major IP enabling cross-media development while at the same time creating low-risk, high-return businesses and strengthening our global network centered on major IP while simultaneously implementing product development maximizing use of *Ultraman* and other distribution channels.

IP Cross-media development Example

Ultraman Series

In April 2010, the Company acquired as a subsidiary Tsuburaya Productions Co., Ltd., which owns the *Ultra-man* Series.

Since 2012, we have made an effort towards TV series renewals and domestic marketing enhancements, and since 2014, we have accelerated global development focused on Southeast Asia.

Current, we are collaborating with partners in Japan to promote the cross-media development of comics, visual, games, live entertainment, licensing, pachinko/ pachislot machines.





Initiatives in the Fiscal Year Ending March 31, 2017

	June 2016	Conceptual licensing: A MAN of ULTRA	License
		Participating companies: 55 (brands)	
		Won Japan Brand Licensing Grand Prize at Grand Prix awards	
	July 2016	HERO'S Comic ULTRAMAN Volume 8 sales exceeded 2.2 million copies	Comic
		Ultraman ORB TV broadcast launched On TV Tokyo network, Saturdays at 9:00 a.m.	Visual
		Ultraman Festival 2016	Live entertainment
		<i>Ultraman × Monster Strike</i> (Mixi, Inc.) collaboration	License
	September 2016	ULTRA HEROES THE LIVE ACROBATTLE CHRONICLE 2016 in Osaka	Live entertainment
	December 2016	ULTRA HEROES THE LIVE ACROBATTLE CHRONICLE 2016 in Nagoya	Live entertainment
	January 2017	ULTRA HEROES THE LIVE ACROBATTLE CHRONICLE 2016 in Tokyo	Live entertainment
	July 2016	Ultraman ORB distribution launched	Visual
Overseas		Global: Crunchy Roll China: IQIYI, LeTV, Tencent, Youku	

BERSERK

BERSERK is an IP whose visual rights were acquired by the Group from the rights holder. The original story began in 1989 as a comic series, which sold a total of more than 40 million copies around the world.

Since 2012, the Fields Group has engaged in cross-media development including the release of three animated movies, games and pachinko/pachislot machines.

We are also promoting the creation of a new animated series, which will begin development through TV and SVOD in 2016.

TV animation BERSERK official website (Japanese language only)

http://www.berserk-anime.com/



ー © 三浦建太郎(スタジオ我画)・白泉社/ ベルセルク製作委員会

Initiatives in the Fiscal Year Ending March 31, 2017

	July 2016 Anime <i>BERSERK</i> begins TV broadcast in the MBS etc. Animeism slot, WOWOW					
	October 2016	Berserk and the Band of the Hawk (Koei Tecmo Games Co., Ltd.) sales launched	Game			
Overseas	July 2016	Anime BERSERK begins global distribution on Crunchy Roll etc.	Visual			

MAJESTIC PRINCE

The IP *MAJESTIC PRINCE* is an original work co-created by Fields and SOTSU CO., LTD.

Starting as a series in the comic magazine *HERO'S Monthly* in November 2011, the story began broadcast as an animation program in April 2013. Furthermore, in conjunction with our partners, we have engaged in cross-media development of this IP in social media games, merchandise and pachinko/pachislot machines. In fall 2016, we plan to release a movie version of this IP.

Anime MAJESTIC PRINCE official website (Japanese language only)



http://mjp-anime.jp/tv/introduction/

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Initiatives in the Fiscal Year Ending March 31, 2017

In Japan July 2016 All 24 TV animation episodes and 25 new episodes began broadcast on BS11 Visual November 2016 Theatrical production: *MAJESTIC PRINCE THE MOVIE* will be released Visual

Fields Advances

From 1988 Seeking to Create New Entertainment That Enriches People's Lives -

As entertainment in Japan entered a new era in the 1980s, we saw a business opportunity in the growing leisure time available to people. This marked the beginning of our move to create entertainment that would enrich people's lives.

In 1988, Fields' forerunner, Toyo Shoji Co., Ltd. was established. The company focused first on revitalizing the pachinko industry and making it sounder, with the aim of making it easier for many more people to enjoy the inherent entertainment value of pachinko machines as an ordinary part of life.

After that, the scale of Japan's pachinko/pachislot market expanded to ¥30 trillion. We also grew into the industry's largest distributor with a nationwide sales network, as we continued to anticipate and meet the diverse needs of pachinko halls and fans.

Fiel	ds Transitions	Entertainment & Pachinko/Pachislot History • Entertainment • Pachinko/Pachislot		
• 1983	Toyo Shoji founded	 1983 Tokyo Disneyland opened The home video game console Family Computer System released 1984 JUNET, Japan's first Internet service, launched 1985 Shoulder Phone, Japan's first mobile phone, launched 1985 New "Rules on Approval of Pachinko/Pachislot Machines and Certification of Models" enacted (Security Communications Association started formal testing) 		
• 1987	Construction of the Head Office building completed; Embarked on surveys and research into entertain- ment in general and computer management systems for pachinko and pachislot halls	 1987 Japan's first direct-to-home satellite broadcasting service launched 		
• 1988	Toyo Shoji Co., Ltd. (currently FIELDS CORPORATION) established, marking full-scale launch of the pachinko/pachislot machine sales and hall produc- tion business	 1988 Tokyo Dome opens 1989 Japan's first direct-to-home Communications Satellite (CS) broadcasting service launched 1990 Pachinko and pachislot machine regulations revised (Launch of CR pachinko machine) 1991 Pachinko machines mounted with color LCD screens launched 		
• 1992	 Leisure Nippon News Company acquired; Formulation of a vision for the pachinko industry began Cutting-edge information service launched 1992 Hall TV, a pachinko hall management support system, launched 1994 Pachinko Information Station, a direct-to- hall communications satellite broadcast for the pachinko industry, launched Regional and branch offices throughout Japan were expanded to establish our foundation as a distributor 1992 Businesses in Tokyo and Kyushu region were expanded 	1002 First signma complex in Japan apons		
	 1995 Businesses in Tohoku, Chugoku and Kansai regions were expanded 2000 Nationwide sales network was established 	 1993 First cinema complex in Japan opens 1994 The pachinko/pachislot expands to a ¥30 trillion market 1995 Regulations for restricting the gambling aspect of pachinko machines strengthened 1996 Number of pachinko machines installed reaches a record high 3.9 million 		

Business Model > Fields Advances

From **1998**

Focusing on Developing Machines That Provide Greater Entertainment Value -

In the 1990s pachinko/pachislot machines mounted with LCD screens brought the same appeal to these machines as media such as movies and television. The advent of larger LCD screens with higher resolutions, meanwhile, led to the emergence of a host of original intellectual property (IP) unique to the industry.

Viewing pachinko/pachislot machines as media in their own right, we moved to create more fans of the genre. To this end, we used our nationwide sales network to identify needs, and began taking steps to create pachinko/pachislot machines that utilize outstanding IP known widely throughout the public domain.

Together with building a structure for acquiring IP and relationships with talented planners, we entered a business alliance with machine manufacturer Sammy Corporation. These and other efforts formed our single-minded focus on measures to enhance both the gaming and entertainment value of pachinko/pachislot machines.

In 1998, the number of pachislot machines installed, which had stalled in the several hundred thousands, broke the one million machine mark.

We recognized this milestone would change pachinko and pachislot, and transform entertainment in Japan. This was the start of our full-scale shift toward IP.

-ields	s Transitio	ons	En	tertainment & Pachinko/Pachislot History • Entertainment • Pachinko/Pachislot
			• 1998	Windows 98 released
			• 1998	Opening of large-scale halls by leading pachinko hall operators accelerate
				Number of pachislot machines installed exceeds one million
1999		certification (Sales Division) obtained to provide operational quality to customers	• 1999	<i>i-mode</i> proprietary Internet service for mobile phones launched
			• 1999	Pachislot machines mounted with color LCD screens launched
				Major pachinko/pachislot machine manufacturers launched a number of titles featuring original IP
2001	Company name changed from Toyo Shoji Co., Ltd. to FIELDS CORPORATION Forms alliances with leading manufacturers to develop pachinko and pachislot machines that leverage IP		• 2001	<i>Universal Studios Japan</i> opened <i>Tokyo DisneySea</i> opened
				Feature-length animation film <i>Spirited Away (Sen to</i> <i>Chihiro no Kamikakushi</i>) released
	• 2001	Alliance with Sammy Corporation formed; Exclusive sales of Rodeo brand machines began		
	• 2003	Alliance with SANKYO CO., LTD. formed; Exclusive sales of Bisty brand machines began		
	• 2008	Alliance with KYORAKU SANGYO formed; Exclusive sales of OK!! brand machines began		
	• 2009	Alliance with Enterrise Co., Ltd (CAPCOM CO., LTD. subsidiary) formed; Exclusive sales of its brand machines began		
	• 2012	Formed alliance with Universal Entertainment Corporation		
	• 2013	Formed alliance with D-light Co., Ltd.		
	• 2014	Formed alliance with NANASHOW Corporation		
	• 2015	Aristocrat Technologies (now CROSSALPHA) became a subsidiary		
		Spiky Corporation became a subsidiary (100% wholly owned subsidiary of Aristocrat Technologies (now CROSSALPHA))		
		Formed alliance with Daiichi Shokai Co., Ltd.		
	Sports er	ntertainment field entered		
	• 2001	Total Workout Corporation established to provide high-quality sports gyms		
	• 2011	Total Workout premium management Inc. established		
	• 2014	Opened TOTAL FOODS food and beverage facility produced by Total Workout		

From 2003

Toward the Multifaceted Development of IP -

Amid diversifying media formats and growth in individual preferences, we strove to establish IP-driven business models to realize "The Greatest Leisure for All People."

Utilizing funds from our public offering and other opportunities afforded by our 2003 stock market listing, we focused on obtaining many merchandising rights to develop high-quality IP into products from companies that possess such IP in areas such as comics, animations, movies, TV dramas, music, games, and sports.

In addition, we formed alliances with outstanding creative production companies and companies with the talented human resources and cutting-edge technology, taking new steps to develop the merchandising rights we obtained in pachinko/pachislot and other media as well.

The start of the 21st century saw the use of characters and other IP across the full spectrum of media formats. For pachinko machines, roughly 70 percent featured IP of some kind. Recognizing that this trend could lead to IP exhaustion in the future, we made it our mission to eliminate this looming concern.

Fiel	ds Tran	sitions	E	Entertainment & Pachinko/Pachislot History • Entertainment • Pachinko/Pachislot
• 2003		isted on the JASDAQ market driven business model announced		
• 2004	IP devel • 2004 • 2009	Pachinko/pachislot machine simulator software launched, following investment in D3 Publisher Inc. D3 Inc. shares sold to NAMCO BANDAI Games Inc.; Relationship with NAMCO BANDAI Games strengthened	20042004	Social networking service <i>Facebook</i> started Pachinko/pachislot machine regulations revised Pachinko machine regulations relaxed Regulations to restrict the gambling aspect of pachislot machines further strengthened <i>CR Neon Genesis Evangelion</i> , pachinko machine based on new regulations, launched Major machine manufacturers release a host of
• 2005		rie field entered to acquire IP and promote eted IP development Planning and production of many movies for the theater began, following investment in Kadokawa Haruki Corporation Investment in SPO Inc. (management company of movie theaters)		machines featuring IP
• 2006			1seg mobile digital terrestrial broadcasting launched	
	• 2010 • 2015	IP Bros. Incorporated jointly established with NHN Japan Corporation; Pachinko/ pachislot-related site Nanapachi developed IP Bros. Inc. absorbed into FutureScope		
	• 2013	Corp. Smartphone app ANIMAL×MONSTER distributed Smartphone app the TOWER of PRINCESS distributed Smartphone app the SOUL of SEVENS distributed		
• 2007	The anin • 2007	nation field entered to acquire and cultivate IP Lucent Pictures Entertainment, Inc., starts up, movie animation <i>BERSERK THE</i> <i>GOLDEN AGE ARC</i> trilogy planning and production commences	20072007	<i>Kindle</i> e-reader equipped with communication functions launched Pachislot machines transition smoothly to machines compatible with new regulations

From 2008 Eyeing the Continuous Acquisition, Creation and Cultivation of IP -

From our beginnings as an independent distributor of pachinko/pachislot machines, we have now achieved substantial growth in the Pachinko/Pachislot field driven by IP.

Along the way, we have brought companies with high-quality IP rights like Tsuburaya Productions Co., Ltd. under our umbrella, and sought out higher-added value for our IP by building a more robust network of prominent companies and talented partners in every field. In parallel, the Fields Group has also welcomed companies skilled in comics, animation, visual and other specialized field.

During this time, the exhaustion of characters and other high-quality IP in the pachinko/pachislot industry worsened. In light of the situation, we opted to make a strategic shift to a collective of business models centered on the continuous acquisition, creation and cultivation of IP.

Field	s Trans	sitions	E	Intertainment & Pachinko/Pachislot History • Entertainment • Pachinko/Pachislot
• 2008	entertair • 2008 • 2009 • 2011 • 2013 The digit	o development field entered to enhance the ment offered by pachinko and pachislot Shin-Nichi Technology Co., Ltd. established F Corporation (currently BOOOM Corporation) established MICROCABIN CORP. made a subsidiary NEX ENTERTAINMENT CO., LTD. made a subsidiary Established F Corporation (now XAAX Inc.) al comics fields entered as part of eted IP development efforts Digital comics distribution began, following investment in Bbmf Magazine, Inc.	20082008	<i>iPhone 3G</i> launched in Japan Pachinko/pachislot halls operating at low playing cost expand in response to diversifying needs of fans Pachislot machines utilizing high-quality IP revitalize the pachinko/pachislot market Pachinko machines linked with other media, including movies, TV, mobile and live theater, launched
• 2010	 2010 2011 2012 Tsuburay Ultraman subsidian The movi cultivate 2010 2011 	ics field entered to create IP. Publishing company HERO'S Inc. jointly established with Shogakukan Creative Inc. Publishing of HERO'S Monthly magazine began HERO'S Comics launched va Productions Co., Ltd., owner of the n series and other high-quality IP, made a ry ie production field entered to acquire and IP Digital Frontier Inc. made a subsidiary; Provision of high-quality video technology began Made Digital Frontier (Taiwan), Inc. and Fly Studio SDN. BHD. (Malaysia) subsidiaries of Digital Frontier to expand our video technology line overseas	• 2010 • 2011	Box-office earnings in Japan reach record levels due to the rising popularity of 3D in movies Conversion of <i>Mobage</i> and <i>GREE</i> to open platform "Cool Japan Office" established in Ministry of Economy, Trade and Industry Manufacturing Industries Bureau Analog terrestrial broadcasting discontinued and transferred completely to digital terrestrial broadcasting (excluding three prefectures affected by the Great East Japan Earthquake)
• 2012		ed "Developing Business Model" aimed at ing value centered on IP of characters and	20122012	<i>iPhone 5</i> goes on sale, 4G LTE service commences Achievement of record-breaking hit by <i>Pazdra (PUZZLE & DRAGONS)</i> Shares of major pachinko hall operator listed on the Hong Kong Exchanges and Clearing

From 2013 To

Toward the Maximization of IP Value

Since 2012, the spread of smartphones, tablets and other digital devices, along with high-speed internet and devices with greater storage capacity have enabled the casual enjoyment of comics, visual and games without dependence on a specific platform, leading to diversification in the way people spend their leisure time.

Also, with the advent of new fixed price services for visual, books, music and other content, we have entered an age in which contents are in demand on a global basis.

In anticipation of these trends, Fields has promoted the cross-media development of IP through the acquisition, creation and cultivation of IP focused on the Japanese and global markets.

In an effort to plan, develop and provide products and services providing people of the world with personal fulfillment, Fields will continue striving toward the realization of its corporate philosophy "The Greatest Leisure for All People."

Fields Transitions				Entertainment & Pachinko/Pachislot History • Entertainment • Pachinko/Pachislot		
	Strength enhance • 2012 • 2015 • 2016	ened cross-media development to realize d value Collaborated with SOTSU CO., LTD and Toho Co., Ltd. to launch cross-media development of <i>MAJESTIC PRINCE</i> Collaborative development of various projects and brands through conceptual licensing of <i>A MAN of ULTRA</i> Awarded Japan Brand and Licensing Grand Prize for <i>A MAN of ULTRA</i> at	• 2013	Tokyo is selected as host city for the 2020 Olympic and Paralympic Games		
• 2014	Accelera 2014 	Character & Brand of the Year 2016 ted global development of IP Created animation version of <i>APPLESEED</i> <i>ALPHA</i> in conjunction with Sony Pictures Entertainment (U.S.) released in the United States and Japan	• 2014	Implementation of voluntary regulations by industry bodies for both pachinko/pachislot machines		
	• 2015 • 2015	Global distribution of <i>NINJA SLAYER</i> <i>FROM ANIMATION</i> Global distribution of <i>Ultraman X</i> via Crunchy Roll, Tencent and other SVOD services	• 2015	Scale of market for theme parks and amusement parks grows to largest ever Netflix Japan video streaming service commences operations Amazon Prime video streaming services commence operations		
	• 2016	Began distribution of e-books <i>HERO'S</i> works through collaboration with China Mobile and Kidstone in China	• 2016	' National Police Agency announces list of machines to be recalled related to the pachinko/pachislot nail problem and demands for removal within the current year		
	• 2016 Global distribution of animation program ACTIVERAID: Special Public Security Fifth Division Third Mobile Assault Eighth Unit					
	• 2016	Global distribution of <i>Ultraman ORB</i> via Crunchy Roll, Tencent and other SVOD services				