



Gaming and Entertainment

The Greatest Leisure for All People

Financial Presentation

for the Year Ended March 31, 2017

FIELDS CORPORATION

TSE 1st : 2767

May 10, 2017

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Overview

Summary of Results for the Year Ended
March 31, 2017

- Consolidated P/L (summary)
 - Comparisons with the revised plan
 - Comparisons with the previous period
 - Main pachinko/pachislot machines lineup
 - Consolidated B/S (summary)
 - Consolidated cash flow (summary)

Consolidated P/L (Summary)

Net sales: decrease in the number of pachinko/pachislot machines sold

Ordinary income (loss): decrease in net sales and gross profit of the game field and the consolidated subsidiaries; increase in non-operating expenses

Net income (loss) attributable to owners of parent: effect of ordinary loss; posted on extraordinary loss and income taxes-deferred

(Unit: Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017				
	Full-year	Initial plan	Revised plan (At Jan. 20, 2017)	Full-year results	YoY Increase/Decrease	Percentage change compared to revised plan
Net sales	94.4 (100.0%)	115.0 (100.0%)	73.0 (100.0%)	76.6 (100.0%)	-18.8%	+5.0%
Gross profit	25.4 (27.0%)	—	—	17.6 (23.0%)	-30.8%	—
SG&A expenses	24.0 (25.5%)	—	—	23.0 (30.0%)	-4.4%	—
Operating income (loss)	1.4 (1.5%)	2.0 (1.7%)	(6.5) (—)	(5.3) (—)	—	—
Ordinary income (loss)	1.3 (1.5%)	2.0 (1.7%)	(7.5) (—)	(9.0) (—)	—	—
Net income (loss) attributable to owners of parent	0.1 (0.1%)	1.0 (0.9%)	(8.5) (—)	(12.4) (—)	—	—

* Figures within parentheses are the ratio to net sales.

(Unit: Thousand machines)

Total sales	289 (17 titles)	350 (20 titles)	230 (14 titles)	243 (15 titles)	-15.8 %	+5.9%
Pachinko	162 (7 titles)	—	—	155 (6 titles)	-4.2%	—
Pachislot	126 (10 titles)	—	—	87 (9 titles)	-30.7%	—

* Figures have been rounded down to the nearest 100 million.

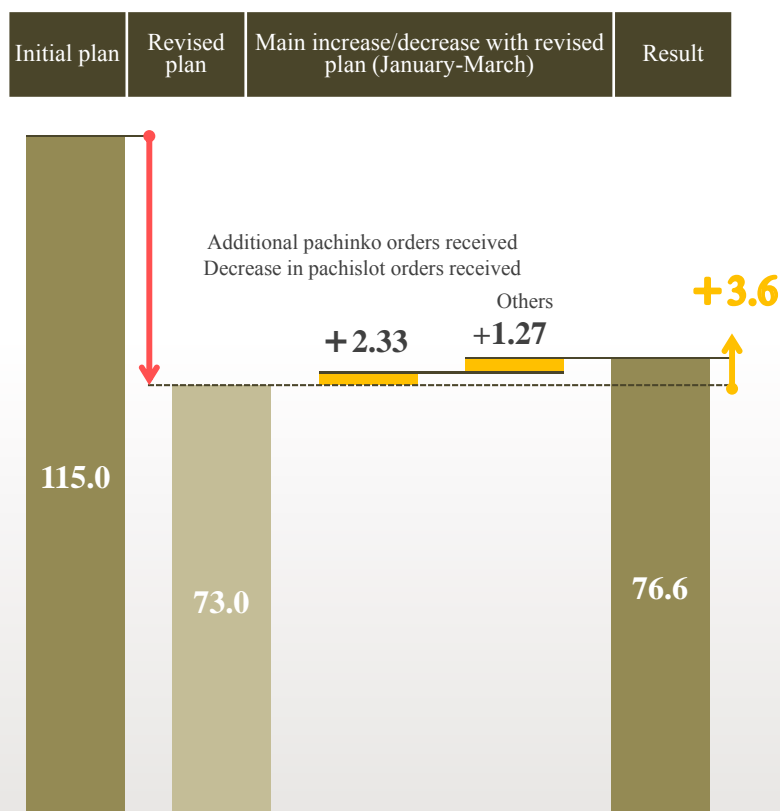
Comparisons with the revised plan

Increase factor (net sales): additional orders of pachinko machines

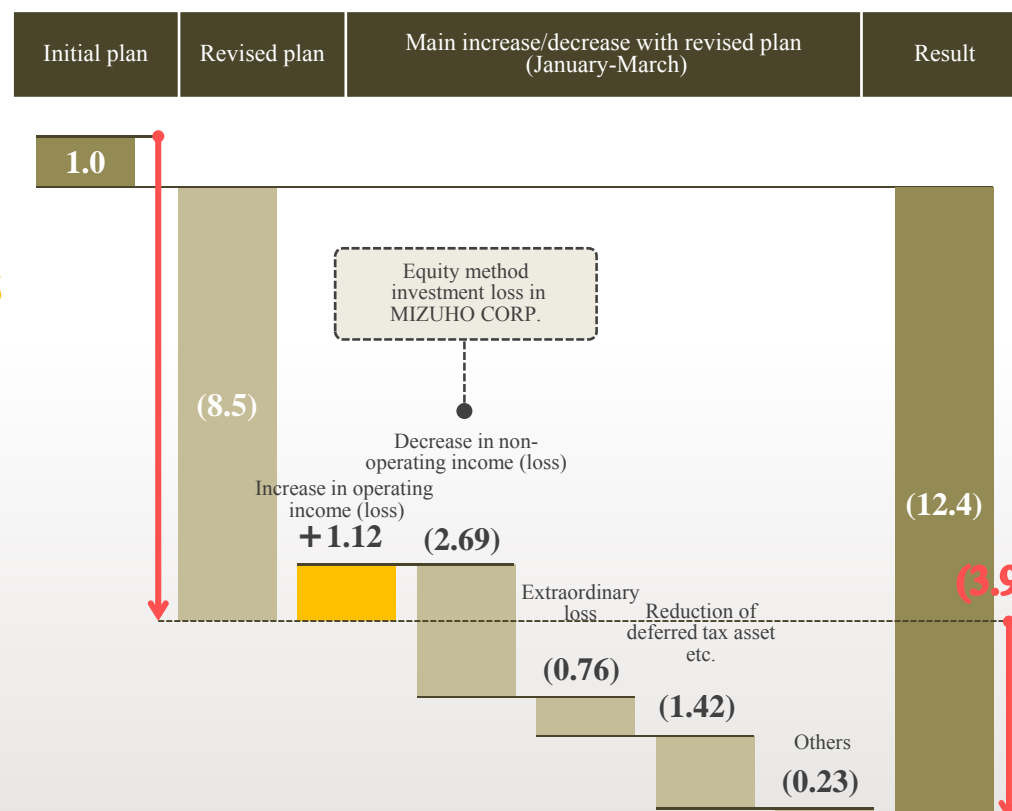
Decrease factor (net income): posted on equity method investment loss / Extraordinary loss / Income taxes-deferred with reduction of deferred tax asset

(Unit: Billions of yen)

< Net sales >



< Net income (loss) attributable to owners of parent >



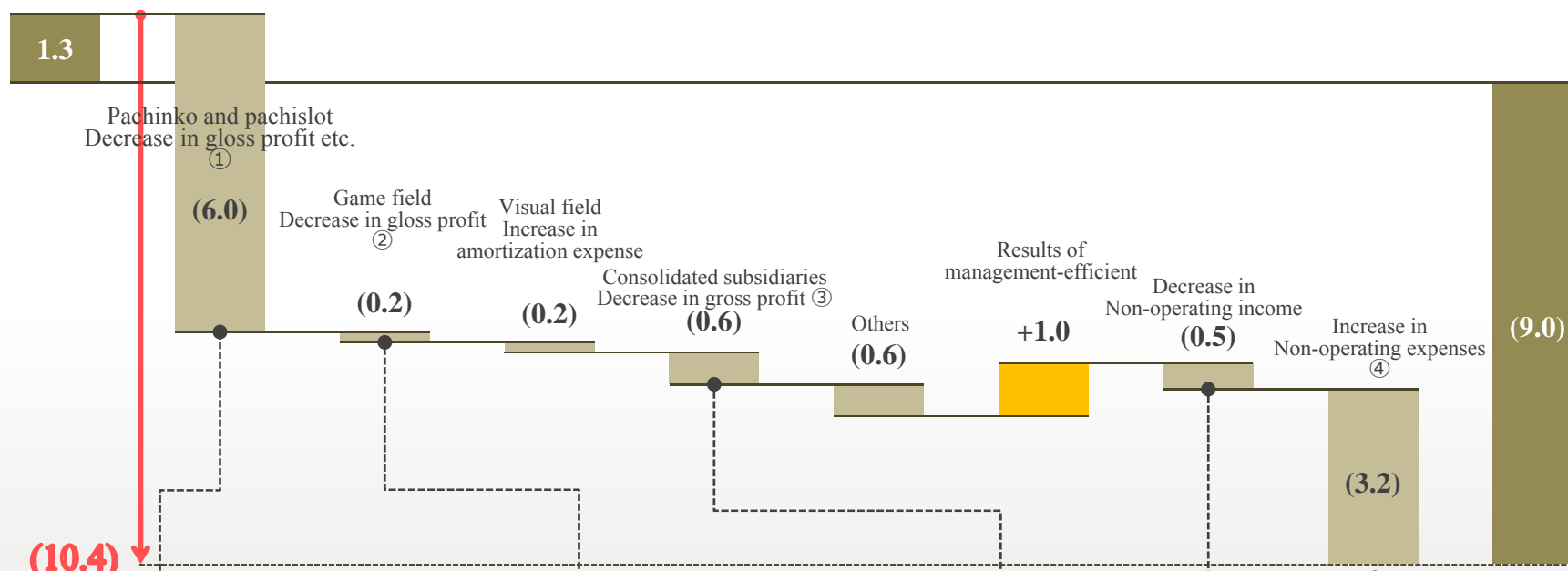
* "other" is calculated on this sheet above. Figures have been rounded down to the nearest thousand.

Comparisons with the previous period (based on ordinary income)

Increase factor: results of management-efficient

Decrease factors: decrease in sales volume of pachinko/pachislot machines / decrease in gross profit of consolidated subsidiaries, visual field and game field / increase in non-operating expenses (Unit: Billions of yen)

Year ended March 31, 2016	Main factors for difference (April-March)	Year ended March 31, 2017
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Category	Main difference factors ①
Lower demand	Sluggish growth in demand for pachislot in Q4
Postponed sales	Release of 6 titles that were scheduled for this period have been postponed until next period or later

Category	Main difference factors ②
Existing titles	Measures aimed at boosting membership failed to achieve projected results
New titles	Major titles with leading IP postponed to next term
Other	development suspended for some consumer game titles

Category	Main difference factors ③
Tsuburaya production	Increase in royalty gross profit from licensing
Visual production contracting	Increase in production expenses for certain large projects
PS development contracting	Decrease in demand of PS machines sales market Decrease in revenue due to effect of adjourned sale
















Category	Main difference factors ④
Non-operating income	Decrease in discounts on purchases
Non-operating expenses	Posted on equity method investment loss

* "other" is calculated on this sheet above. Figures have been rounded down to the nearest billion.

Main pachinko/pachislot machines lineup

Sales of 2 major titles in the New Year holiday shopping season were steady
Additional orders for GANTZ received immediately after installation

Time limit for removal and callback of pachinko/pachislot machines with possible performance variance from test machines

	Q1	Q2	Q3	Q4	Cumulative total					
Pachinko	CR The Amazing Spider-Man 	CR MAJESTIC PRINCE 	CR TEKKEN 2 Toushin ver. 	CR EVANGELION - Time to Rise 	Pachinko GANTZ 	6 titles				
				THE GENIE FAMILY 						
Pachislot	Super Street Fighter IV 	Pachislot GARGANTIA ON THE VERDUROUS PLANET 	Pachislot ALIEN BALTAN 	Pachislot DEVIL MAY CRY X 	Pachislot LOAD of VERMILION 	Pachislot INUYASHA 	Monster Hunter Kyoryu Sensen 	EVANGELION - WISH OF VICTORY 	PACHI-SLOT MOBILE SUIT Z GUNDAM 	9 titles
	36,000 units P: 24,000 S: 12,000	36,000 units P: 20,000 S: 16,000	57,000 units P: 33,000 S: 24,000	112,000 units P: 77,000 S: 35,000	243,000 units P: 155,000 S: 87,000					

*The above number of machines posted to sales includes pachinko/pachislot machines other than the titles noted here.

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Consolidated B/S (summary)

In the assets section: decreases in cash and cash equivalents

In the liabilities section: decreases in short-term borrowing and increase in long-term loans,
decreases in retained earnings

(Unit: Billions of yen)

	March 31, 2016	March 31, 2017	Increase/Decrease	Main factors for increase/decrease
Current assets	52.9	45.8	-7.0	Decrease in cash and cash equivalents
(Cash and cash equivalents)	32.2	23.1	-9.0	
Tangible fixed assets	11.4	10.3	-1.0	
Intangible fixed assets	3.7	2.4	-1.2	
Investments and other assets	24.3	21.7	-2.6	
Total assets	92.4	80.3	-12.0	
Current liabilities	29.8	20.4	-9.3	Decrease in short-term borrowing
Fixed liabilities	4.3	16.6	+12.3	Increase in long-term loans
				} Financing in a way suited to business
Net assets	58.2	43.2	-15.0	Decrease in retained earnings
Total liabilities and net assets	92.4	80.3	-12.0	

* Figures have been rounded down to the nearest 100 million.

Consolidated cash flow (summary)

Cash and cash equivalents increase/decrease: decreased ¥9.1 billion as of the end of the year ended March 31, 2017 from the beginning of the year due to Income (loss) before income taxes and minority interests etc.

(Unit: Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Main factors for increase/decrease	
Operating cash flows	13.3	(7.3)	Income (loss) before income taxes and minority interests	- 10.5
			Increase in notes and accounts receivable—trade	- 5.2
			Decrease in inventories (increase)	+ 1.5
			Equity in net income of affiliates (gain)	+ 3.8
Investing cash flows	(2.1)	(3.9)	Expenditure for loans	- 4.6
			Proceeds from loans receivable	+ 2.0
Financial cash flows	5.2	2.1	Decrease in short-time borrowings	- 11.1
			Proceeds from long-term loans	+ 15.5
			Dividends paid	- 1.6
Net increase(decrease) in cash and cash equivalents	16.3	(9.1)		
Cash and cash equivalents at beginning of period	15.8	32.2		
Cash and cash equivalents at end of period	32.2	23.0		

* Figures have been rounded down to the nearest 100 million.

Forecast

Full-year performance forecast for the year
ending March 31, 2018

 Full-year performance forecast

Full-year performance forecast

The next fiscal year is the first year of the 3-year mid-term management plan. First, various measures will be implemented to achieve recovery of short-term performance. Group will also continue to implement selection and concentration while increasing business efficiency with a mid-term view

(Unit: Billions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017	Year ending March 31, 2018		
	Full-year results	Full-year results	Full-year forecast	YoY change (%)	YoY Increase/Decrease
Net sales	94.4 (100.0%)	76.6 (100.0%)	82.0~85.0 (100.0%)	+ 7.0%~ + 10.9%	+ 5.3~ + 8.3
Operating income (loss)	1.4 (1.5%)	(5.3) (-)	1.0~2.0 (1.2%~2.4%)	-	+ 6.3~ + 7.3
Ordinary income (loss)	1.3 (1.5%)	(9.0) (-)	0~2.0 (0~2.4%)	-	+ 9.0~ + 11.0
Net income (loss) attributable to owners of parent	0.1 (0.1%)	(12.4) (-)	0~1.0 (0~1.2%)	-	+ 12.4~ + 13.4

* Figures within parentheses are the ratio to sales.

Annual dividend per share	50 yen	50 yen	50 yen	
Consolidated payout ratio	1,398.1%	-	-	

* Figures have been rounded down to the nearest 100 million.

Appendix

Reference: Overview of initiatives in IP circulation business

Initiatives in the year ended March 31, 2017

Total number of IP / Number of development media

- **Comic field**
- **Visual field**
- **Tsuburaya Productions Co., Ltd.**
- **Game/ License field**
- **Pachinko/Pachislot field**

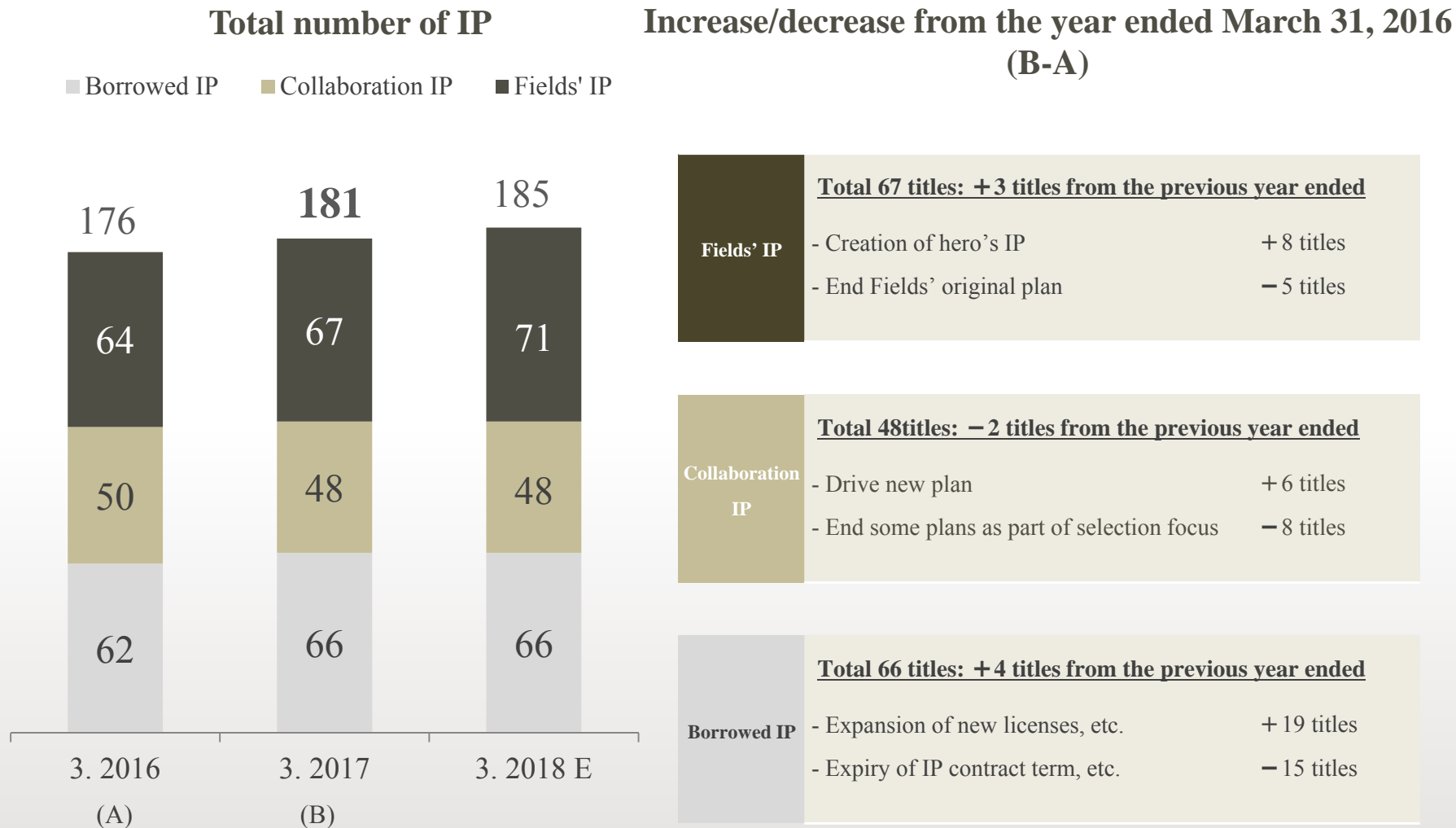
Initiatives in the year ended March 31, 2017

Focused investment in IP expected to become major and serial products, with aim of accelerating expansion in Japan and globally

Mid- and long-term strategies	Initiatives in the year ended March 31, 2017
Acquisition and creation of leading IP	<p>With cross-media strategy as the pivot, we acquire and create IP and enhance the value of IP in cooperation with each media partners.</p> <p>Comic : Focus on creation of hero's IP through "HERO'S Monthly"</p>
Expansion of IP platforms, maximization of value	<p>We provide IP to diversifying platforms and increase profits with our partners.</p> <p>Comic : Promote diversification of distribution methods in e-book platform Visual : Visual contents development of 7 titles (IP) / Progression in several film projects Game : Selection and concentration of titles / Increase titles utilizing leading IP Live : Pro-actively expand live entertainment shows focusing on major cities Focus on created new genre live entertainment featuring "AKB48" License : Collaboration with influential companies to expand IP business field and establish new license business PS : Promote a variety of measures to strengthen product appeal, improve services as a distributor and trading company, and expand the fan base</p>
Expansion of market (Global development)	<p>We promote partnership-building with an eye toward expansion to the global market and promote overseas development in cooperation with SVOD operators in the United States and China.</p> <p>Comic : Build new partnership with overseas distributors in e-book platform etc. Visual : Cooperate with SVOD operators in the United States and China, focusing on film production with an eye on global expansion Game : Plan and drive overseas expansion of existing titles, and expansion in Japan of leading overseas titles Live : Drive planning and development of overseas expansion focused on Southeast Asia and East Asia License : Build partnerships focused on Asia to develop cultivate overseas markets</p>

Total number of IP

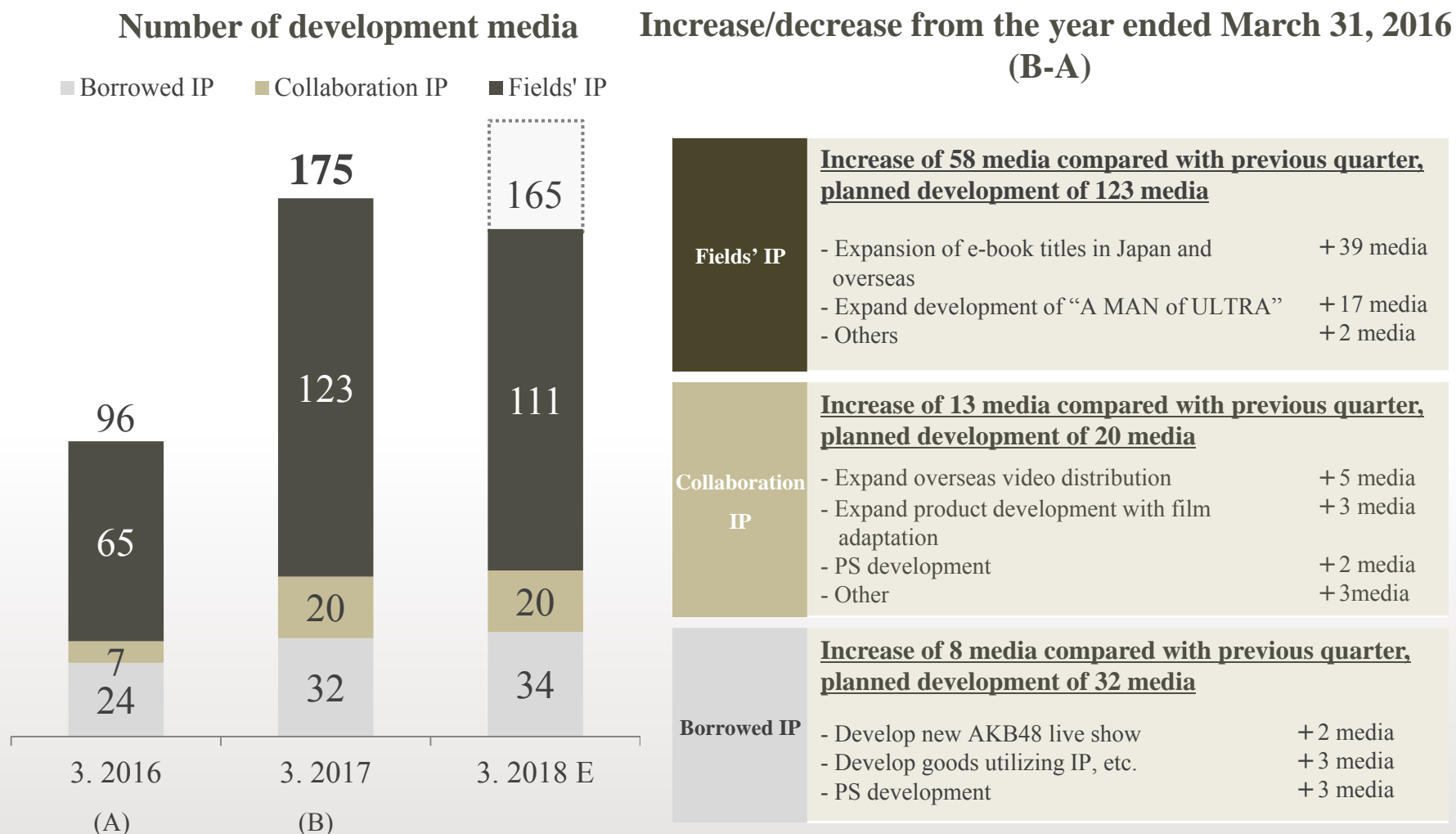
Total number of IP for the year ended March 31, 2017: 181 titles (+ 5 titles for the previous year ended)



* The creation of our own IP refers primarily to the number of new works published in "HERO'S" Monthly.

Number of development media

Number of development media for the year ended March 31, 2017: developed in 175 media (YoY +79 media)



*Media development is mainly comics, visual and merchandising (social game, goods and pachinko/pachislot) etc.

Initiatives in Comic field

Market environment

While publication markets contract, e-books market is expected to expand as e-book usage takes root amid growing popularity of all-you-can-read fixed-price subscriptions and other services using electronic devices

*Market scale forecast in Japan: 158.4 billion yen in FY2015 → 300.0 billion yen in FY2020

(Source: Impress Corporation)

HERO'S

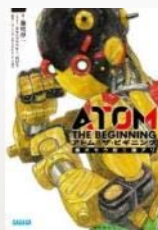
- Focused on creating hero's IP / Creating total 71 titles
 - 11 new works published in this period (includes complete works)
Comic books 21 works and 40 volumes / 1.51 million copies published
 - “ATOM THE BEGINNING”
Promoted measures to grow sales of comics ahead of anime broadcast

< ATOM THE BEGINNING: Main activities >

< Event >



< Novelization >



< MIRAIYA SHOTEN CO., LTD. with cafe >
Collaboration
～ “coaster” “marshmallow” ～



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Electronic Book

- Stepped up diversification of distribution methods in the e-book platform
Development e-books and comic books in 24 countries and regions in 11 languages
 - Japan: Distributed on 50 e-book shops
 - Overseas: Distributed on e-book shops in North/South America, Europe, china and Korea
Published comic books in North/South America, Europe and Asia

< Status of development e-books and comic books in overseas >

Regions	Method	Main partners	Works
North/South America	Distribution Comic book	VIZ media, others	2 languages 3 works
Europe	Distribution Comic book	UniversPoche Carlsen Starcomics Milkeyway, others	4 languages 14 works
Asia (Except China and Korea)	Comic book	Culturecom Holdings Limited, Tongli Publishing Co., Ltd., others	2 languages 17 works
China	Distribution	China Mobile, Kidstone, Yingqi,	1 language 28 works
Korea	Distribution	Naver Books, others	1 language 16 works

Initiatives in Visual field

Market environment

With the creation of new platforms such as Subscription Video On Demand (SVOD), it is predicted that the market scale will expand dramatically within and outside of Japan

*SVOD market scale forecast in Japan: 160.5 billion yen in 2015 → 253.1 billion yen in 2020

(Source: GEM Partners)

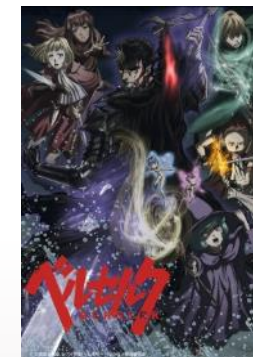
HERO'S IP

- Visual released of 1 title (IP) in this period
 - “MAJESTIC PRINCE THE MOVIE”
Released on November 2016
- Proceeding with film adaptation projects of 6 titles (IP)
 - “ATOM THE BEGINNING”
Broadcasting on NHK from April 2017
 - “Infini-T Force”
*Reboot work of Tatsunoko Production Co., Ltd.
Scheduled to release on October 2017



Collaboration IP

- Visual released of 5 titles (IP) in this period
 - “GANTZ:O”
Development pachinko machine and VR along with released film on October 2016
 - Promoting various activities for the next series broadcast
 - TV anime “BERSERK” (the 2nd series)
Broadcasting on MBS etc. Animeism, WOWOW from April 2017
 - “HURRICANE POLIMAR”
Scheduled to release theatrical film on May 2017



Main visual works for the year ended March 31, 2017

Main visual works	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Ultraman Series (Ultraman Orb)				Broadcast on affiliated to Television Tokyo						Distributed on Amazon Prime Video		Film released
NINJA SLAYER FROM ANIMATION	Broadcast on TOKYO MX etc.											
BERSERK				Broadcast on MBS etc. Animeism, WOWOW								
ACTIVERAID - Special Public Security Fifth Division Third Mobile Assault Eighth Unit -				Broadcast on TOKYO MX etc.								
GANTZ:O							Film released					
MAJESTIC PRINCE THE MOVIE							Film released					
Saimdang, Light's Diary										Broadcast on KNTV etc.		

Initiatives in Tsuburaya Productions Co., Ltd.

Ultraman Orb etc.

- “Ultraman Orb”
 - Broadcast on TV Tokyo’s network (Sat. 9:00-) on Jul.-Dec. 2016 (Total 25 stories)
 - Up to all episodes distributed worldwide, played 800 million times/ YoY + 100 %
 - Toys (transformation items etc.) / YoY + 30%
 - Movie (Released on March 2017) / audience YoY + 30%
 - “ULTRAMAN ORB THE ORIGIN SAGA” distributed on Amazon Prime Video
- “Ultraman Xead” (new TV series)
 - Scheduled to broadcast on TV Tokyo’s network (Sat. 9:00-) from Jul. 2017

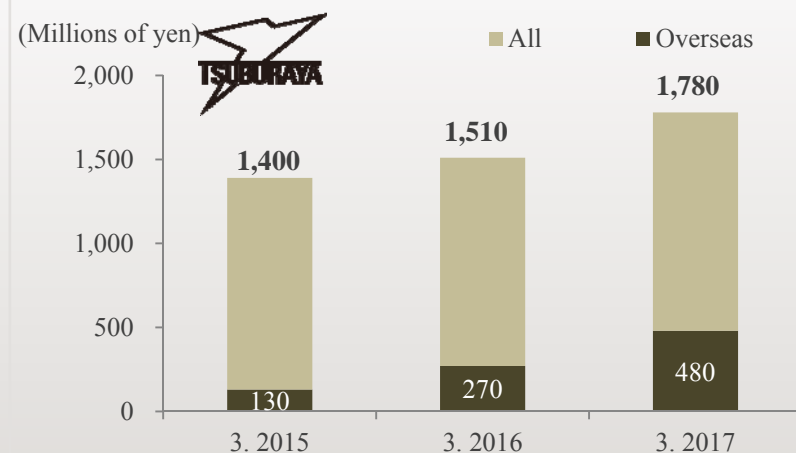


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Other business activities

- Live entertainment shows
 - Ultraman Festival/ audience YoY + 11%
 - Ultra hero’s EXPO 2017/ audience YoY + 31%
 - ACROBATTLE CHRONICLE/ Performance at the three main cities in Japan
 - Live shows held in Genting (40 days), Taiwan (a year and a half)
- Other
 - Screening “ULTRAMAN ZERO-Another Battle” with the 4D VR theater system

< Tsuburaya Productions: change in gross profit (image) >



Initiatives in Game/ License field

Game

Market environment

In the social game market, there has been a conspicuous slowdown in growth and increase in competition, and development costs continue upward due mainly to an increase in titles utilizing IP and the increased functionality of smartphones

- Selection and concentration of titles
 - The service of the three game titles end and development of one title suspended
 - “THE TOWER OF PRINCESS” expansion continue membership 2,200,000/ YoY +1,030,000 DL
- Leading IP titles
 - “AKB48 related business” continually contributed revenue
 - Scheduled to distribute “AKB48 Stage Fighter 2 Battle festival” in 2017



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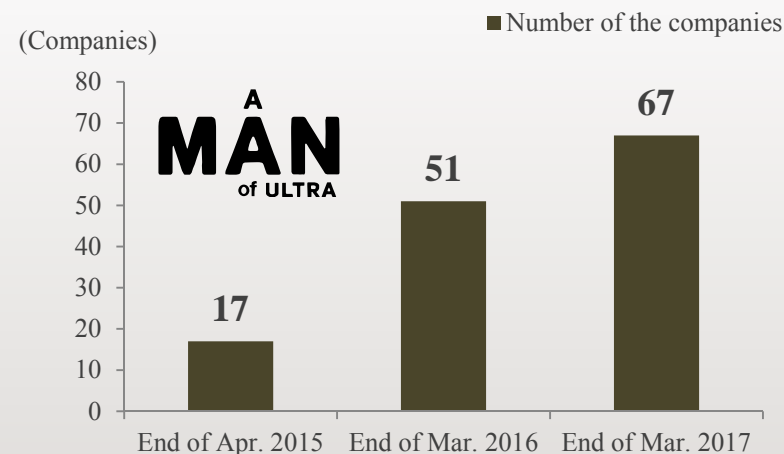
License

Market environment

License field is activation move toward new markets in Japan and overseas including newly utilizing the classic character and license deployment to the adult clothing etc.

- Expanded business domain of IP business, strengthening of partnership with leading companies for established new license business
 - “A MAN of ULTRA”
 - Licensed to 67 companies (YoY+16 companies)
 - Pop-up shops had held at 18 locations in this period

< A MAN of ULTRA: change in the number of license companies >



©A MAN of ULTRA ©TSUBURAYA PROD.

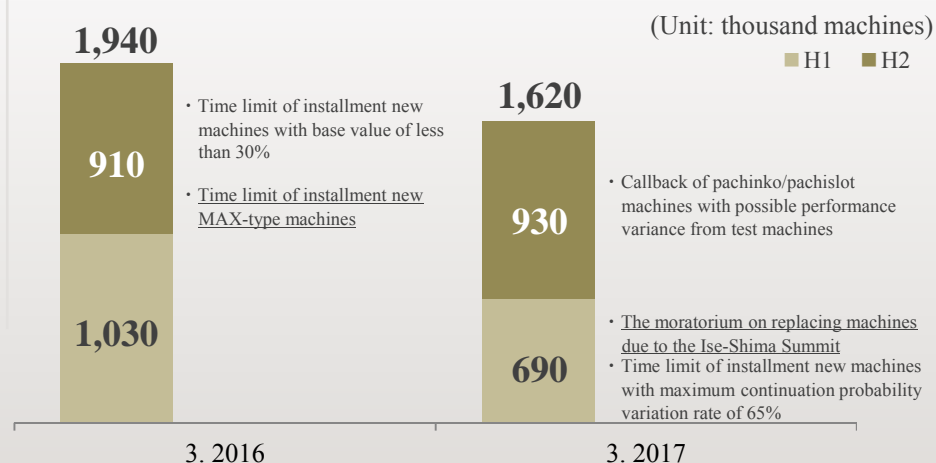
Initiatives in Pachinko/Pachislot field

Market environment for the year ended March 31, 2017

Pachinko Market

- Main regulations etc. (Apr. 2016- Dec. 2016)
 1. Apr.: Time limit of installment new machines with maximum continuation probability variation rate of 65%
 2. May: The moratorium on replacing machines due to the Ise-Shima Summit
 3. Dec.: Callback of pachinko/pachislot machines with possible performance variance from test machines
- Sales Market (Apr. 2016- Mar. 2017)
 - In H1, the number of machines sold fell YoY due to regulations and voluntary restraint on replacement of machines during G7 Summit
 - In H2, the number of machines sold was steady YoY, as a result of demand for replacement picking up in Oct-Dec due to removal of machines, and despite the downturn in demand in Jan-Mar

* Machines sales in the market: FY03/2016 – FY03/2017

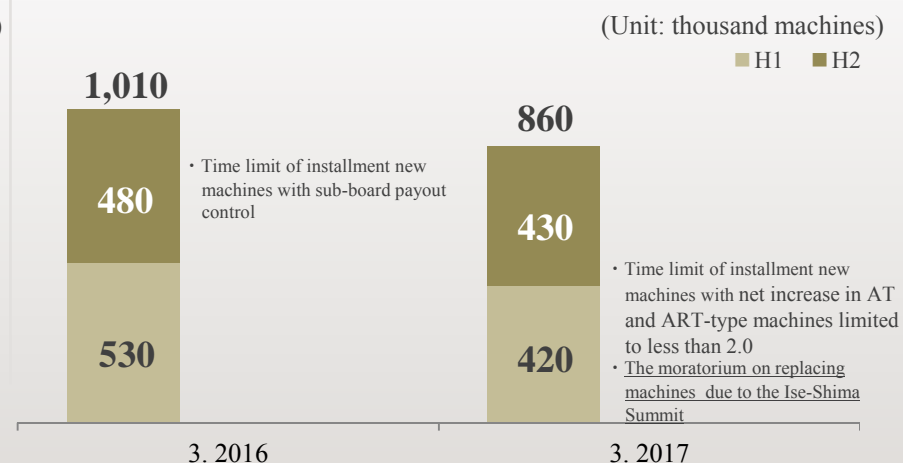


* Source of sales volume on the graph and in graphs: FIELDS CORPORATION

Pachislot Market

- Main regulations etc. (May. 2016- Sep. 2017)
 1. May: The moratorium on replacing machines due to the Ise-Shima Summit
 2. Aug.: Time limit of installment new machines with net increase in AT and ART-type machines limited to less than 2.0
 3. Sep. 2017: Time limit of new machines installment of existing machine (5.5 regulation machines)
- Sales Market (Apr. 2016- Mar. 2017)
 - In H1, the number of machines sold fell YoY due to regulations and voluntary restraint on replacement of machines during G7 Summit
 - In H2, amid a situation where many old regulation machines were still installed, the number of machines sold continued to be down YoY

* Machines sales in the market: FY03/2016 – FY03/2017



Initiatives in Pachinko/Pachislot field

Fields' Sales Condition

Sales Condition for the year ended March 31, 2017

Pachinko and pachislot machines 15 titles/ 243,000 machines sold

- Concentrated the release of major titles in the pachinko/pachislot field in the New Year holiday shopping season, when demand is anticipated to grow
- Sales of the major 2 titles in the New Year holiday shopping season were steady
 - ⇒ CR EVANGELION: 57,000 machines / Monster Hunter Kyoryu Sensen: 37,000 machines
- Additional orders for Pachinko GANTZ (released Jan) received immediately after installation, partly due to links with creative + visual field
- Average number of machines sold per title for this period remained above the market average
 - ⇒ Pachinko: Market average 9,000 machines / Fields average 25,000 machines
 - Pachislot: Market average 8,000 machines / Fields average 9,000 machines
- Actual sales decreased approximately 110,000 machines, compared to initial forecast of 350,000 machines
- Orders were sluggish for some pachislot titles released in Jan-Mar due to slump in demand
- Release of 6 titles that were scheduled for this period have been postponed until next period or later

Forecast for the year ending March 31, 2018

Pachinko/Pachislot 23 titles + more/ 270,000 machines + more (Planned)

*Please refer to the medium-term management plan presentation for more details on sales strategy and sales plan

Disclaimer/Contact Information

The plans, strategies and estimates of the Company indicated in these documents, other than actual results and established facts, include potential risks and uncertainties and cannot be guaranteed.

Potential risks and uncertainties include, but are not limited to, the economic environment of the pachinko/pachislot market in which the Company operates, market competition and the products handled by the Company.

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