

Summary

(Translation)

FIELDS CORPORATION
Summary of Financial Information and Business Results
for the Year Ended March 31, 2018 (Consolidated) (Japan GAAP)

May 11, 2018
Listed on: TSE 1st

Company Name: FIELDS CORPORATION
 (URL: <http://www.fields.biz/>)
 Stock code: 2767
 Representative Director: Hidetoshi Yamamoto
 Chairman, President and Group CEO
 Inquiries: Hideaki Hatanaka
 Corporate Officer
 Tel: +81-3-5784-2111

Planned Date for Ordinary General Meeting of Shareholders: June 20, 2018
 Planned Date for Start of Dividend Payment: June 21, 2018
 Planned Date for Submittal of the Financial Statements Report: June 20, 2018
 Full year earnings supplementary explanatory materials: No
 Full year earnings presentation: Yes (For institutional investors and security analysts)

(Rounded down to the nearest million)

1. Consolidated business results for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated operating results (Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	61,055	(20.4)	(5,738)	—	(5,204)	—	(7,691)	—
Year ended March 31, 2017	76,668	(18.8)	(5,374)	—	(9,068)	—	(12,483)	—

(Note) Comprehensive income Year ended March 31, 2018: ¥(5,049) million (—%)

Year ended March 31, 2017: ¥(13,159) million (—%)

	Profit per share		Diluted profit per share		Return on equity		Ordinary profit to total assets		Operating profit margin	
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%
Year ended March 31, 2018	(231.77)	—	—	—	(19.9)	—	(6.8)	—	(9.4)	—
Year ended March 31, 2017	(376.19)	—	—	—	(25.1)	—	(10.5)	—	(7.0)	—

(Reference) Share of loss of entities accounted for using equity method Year ended March 31, 2018: ¥306 million

Year ended March 31, 2017: ¥(3,866) million

(2) Financial position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	Millions of yen	%	Millions of yen	%	Yen	%	Yen	%
Year ended March 31, 2018	72,357	—	35,509	—	48.4	—	1,054.99	—
Year ended March 31, 2017	80,397	—	43,227	—	52.5	—	1,272.48	—

(Reference) Shareholders' equity Year ended March 31, 2018: ¥35,008 million

Year ended March 31, 2017: ¥42,225 million

(3) Cash flows

	Cash flow from operating activities		Cash flow from investing activities		Cash flow from financing activities		Cash and cash equivalents at end of year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	(1,094)	—	4,399	—	(2,021)	—	24,373	—
Year ended March 31, 2017	(7,319)	—	(3,927)	—	2,136	—	23,090	—

2. Dividends

	Annual dividends					Total dividend (annually)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Annual			
Year ended March 31, 2017	—	25.00	—	25.00	50.00	1,659	—	3.3
Year ended March 31, 2018	—	25.00	—	5.00	30.00	995	—	2.6
Year ending March 31, 2019 (Forecast)	—	0.00	—	10.00	10.00		—	

3. Forecast of consolidated earnings for the year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Full-year percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	%
Full-year	95,000	55.6	2,000	—	2,500	—	1,500	—	45.20	—

(Note) FIELDS CORPORATION discloses a full-year business forecast, as it manages its business performance on an annual basis.

***Notes**

- (1) Transfer of important subsidiaries during the year under review (Transfer of specific subsidiaries that results in a change in the scope of consolidation): No
- (2) Changes in accounting principles, accounting procedures, presentation method and other factors
- 1) Changes due to the revision to the accounting standards, etc.: No
 - 2) Changes due to any reason other than those in 1) above: No
 - 3) Changes in accounting estimates: Yes
 - 4) Revisions/restatements: No

(3) Number of shares issued (common share)

1) Number of shares issued at end of year (including treasury share)

Year ended March 31, 2018	34,700,000 shares
Year ended March 31, 2017	34,700,000 shares

2) Number of shares of treasury share at end of year

Year ended March 31, 2018	1,516,300 shares
Year ended March 31, 2017	1,516,300 shares

3) Average number of shares outstanding (quarterly consolidated cumulative period)

Year ended March 31, 2018	33,183,700 shares
Year ended March 31, 2017	33,183,718 shares

(Reference) Overview of non-consolidated business results

Non-consolidated business results for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated operating results

(Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	50,570	(21.2)	(7,045)	—	(6,430)	—	(6,239)	—
Year ended March 31, 2017	64,155	(23.5)	(5,685)	—	(5,213)	—	(13,559)	—

	Profit per share	Diluted profit per share
	Yen	Yen
Year ended March 31, 2018	(188.04)	—
Year ended March 31, 2017	(408.63)	—

(Note) Certain differences have arisen between individual operating results and the results for the previous fiscal year. The reasons for these are given in (1) *Overview of operating results for the year ended March 31, 2018, 1. Overview of operating results.*

* Summaries of Financial Information and Business Results are not subject to audit.

* Explanation of the appropriate usage of forecast earnings and other specific matters

(Disclaimer regarding forward-looking statements and projections)

This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. The actual results may differ significantly from forecast figures due to the various factors. Please refer to *Overview of operating results for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)* under 1. *Overview of operating results* on page two of the attached documents for details of assumptions for financial forecasts and other related matters.

(How to obtain Financial results briefing materials)

The Company is planning to hold a results briefing for institutional investors and analysts on Friday, May 11, 2018. Materials distributed at that briefing will be posted on the Company's website after the briefing as soon as possible.

Table of contents of Attached Document

1. Overview of operating result	2
(1) Overview of operating results for the year ended March 31, 2018	2
(2) Overview of financial position for the year ended March 31, 2018	5
(3) Cash flows	6
2. Basic Approach to Selecting Accounting Standards	6
3. Consolidated financial statements and important notes	7
(1) Consolidated balance sheets	7
(2) Consolidated statements of income and consolidated statements of comprehensive income	9
(3) Consolidated statement of change in net assets	12
(4) Consolidated statements of cash flows	14
(5) Note regarding the Consolidated Financial Statements	16
(Note regarding the operation of the company as a going concern)	16
(Changes in accounting estimates)	16
(Segment information, etc.)	16
(Per-share data)	17
(Significant subsequent events)	17

1. Overview of operating results

(1) Overview of operating results for the year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

[1] Overview

In the fiscal year under review, in the pachinko/pachislot (hereafter, PS) industry, manufacturers' development and sales schedules and the appetite for purchasing PS machines for pachinko halls were greatly affected by the *Amendment of the Regulation for Enforcement of the Amusement Businesses Law*,* which came into effect on February 1, 2018. Consequently, in the PS machines market the total sales volume of PS machines for the fiscal year amounted to 2,080,000 machines (down 400,000 YoY), according to our research.

In that market environment, results proceeded generally according to plan by the nine months ended December 31, 2017. However, as indicated in the *Notification of Revisions to Performance Forecast* dated February 20, 2018, the Group did not receive the model certification results of several titles, including large titles, and it abandoned the sale of those titles in the fourth quarter (from January to March 2018). As a result, the sales of PS machines for the fiscal year under review amounted to 190,000 machines (down 50,000 YoY).

In terms of developing and strengthening the management foundation, the Group promoted the rebuilding of cross-media business included in the Group, and the establishment of sales bases. It also promoted cost reduction policies through improvement of management efficiency, greatly reducing SG&A expenses by approximately ¥4 billion from the same period of the previous year.

As a result of the above, the Group posted net sales in the fiscal year of ¥61,055 million (down 20.4% YoY), operating loss of ¥5,738 million (increased by ¥364 million from the same period of the previous year), due to recovery in the financial position of an equity method affiliate, ordinary loss of ¥5,204 million (an improvement of ¥3,863 million from the same period of the previous year), and as extraordinary losses including loss on valuation of investment securities occurred, the Group posted a net loss for the fiscal year attributable to owners of parent of ¥7,691 million (an improvement of ¥4,792 million from the same period of the previous year).

**Regulation Partially Amending the Ordinance for Enforcement of the Act on Control and Improvement of Amusement Business, etc. and the Regulations for the Verification of Licenses, Formats and Other Aspects of Pachinko and Pachislot Machines*, coming into effect on February 1, 2018

[2] Forecast for the year ending March 31, 2019 is as follows:

(Unit: Millions of yen)

FY	3/2017	3/2018		Forecast of 3/2019	
			Change %		Change %
Net sales	76,668	61,055	(20.4)	95,000	+ 55.6
Gross profit	17,641	13,400	(24.0)	17,000	+ 26.9
SG&A expenses	23,015	19,138	(16.8)	15,000	(21.6)
Operating profit	(5,374)	(5,738)	—	2,000	—
Ordinary profit	(9,068)	(5,204)	—	2,500	—
Profit attributable to owners of parent	(12,483)	(7,691)	—	1,500	—

In the PS market, the successive tightening of regulations from 2014 calmed down with the commencement of the *Amendment of the Regulation for Enforcement of the Amusement Businesses Law* on February 1, 2018, leading to an environment in which manufacturers can focus on developing new PS machines. Going forward, it is expected that there will be a stable supply of PS machines with new game functions.

With regard to trends in pachinko halls, as shown in Figure 1, over a period of 20 years there has been a progressive reduction in small halls, and the number of halls has decreased by 40.4% from 17,773 in 1997 to 10,596 in 2017. At the same time, as shown in Figure 2, the number of installed PS machines has remained stable, decreasing by 6.9% from 4.763 million machines in 1997 to 4.436 million machines in 2017, according to research by the National Police Agency. This indicates that halls are increasing in size, and it is expected that the trend towards more comfortable PS spaces and environments will continue.

Figure [1]

Change in the number of pachinko halls

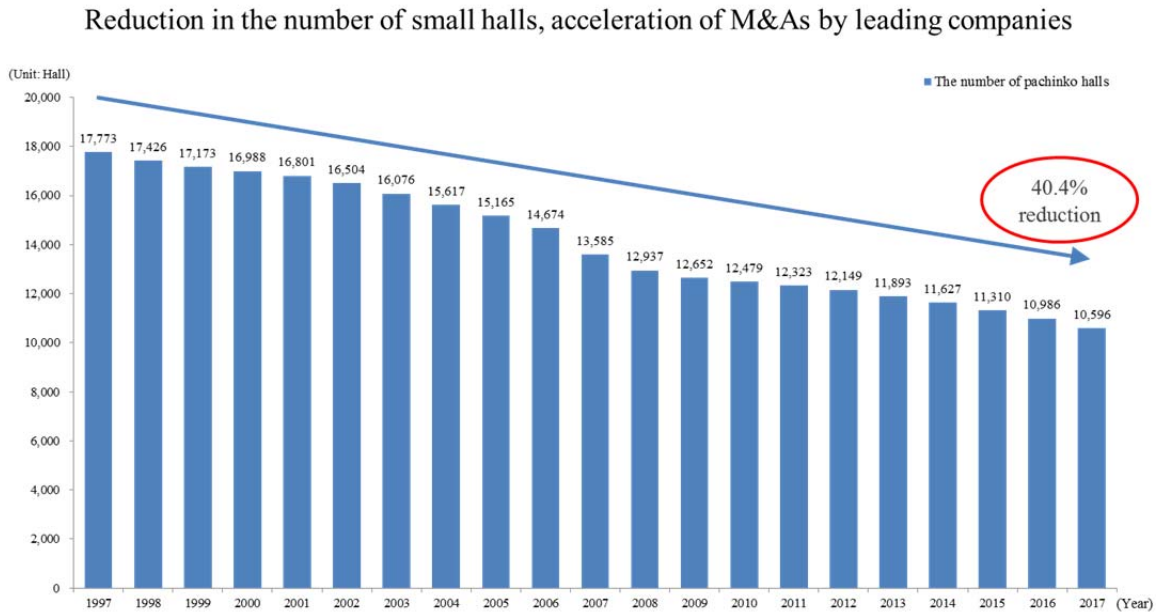
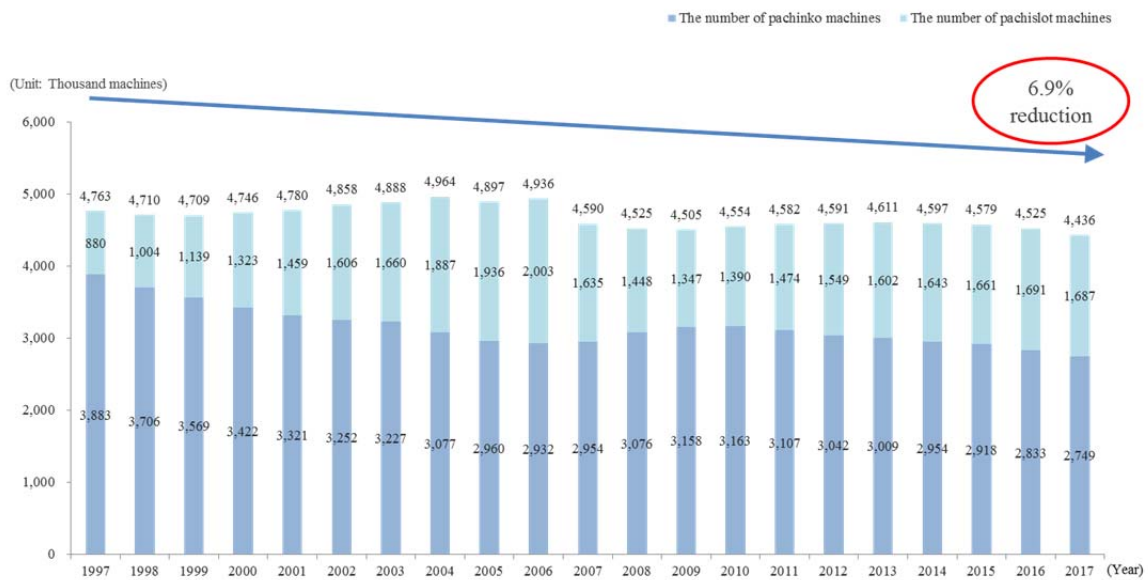


Figure [2]

Change in the number of installed PS machines



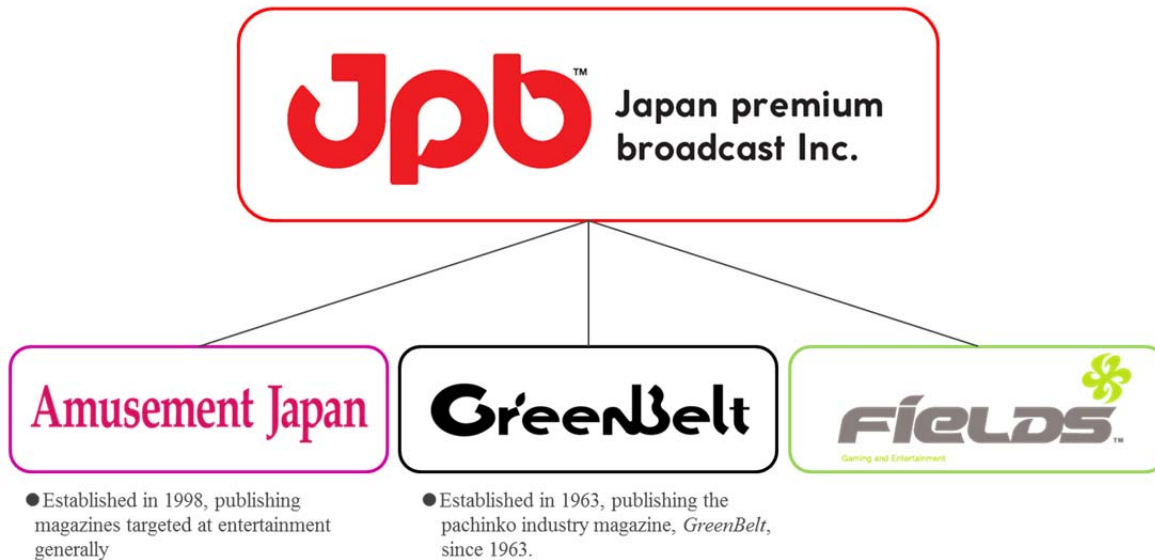
As can be seen from the above, in the PS industry, in order to develop and expand the PS business, the time has arrived when revolutionary change to unite pachinko halls and manufacturers is needed.

Under such circumstances, the Company has decided to strengthen its functioning by returning to an intermediary role between pachinko halls and manufacturers. It will seek to expand its sales bases and strengthen its functioning to provide smoother services to halls and a more stable supply of PS machines. In addition, as shown in Figure 3, through Japan Premium Broadcast Inc., which was formed by collaboration between the Company and two major industry publishing companies, we plan to commence provision of a service distributing video information on PS machines, etc. from the third quarter. We view this time, when revolutionary change is needed in the PS business, as a business opportunity and will contribute to shareholder returns through a variety of new initiatives as a distribution company.

Figure [3]

New service of video information distribution

Established a video distribution company with two major media companies in industry
in February 2018/ Official start from Q3, FY3/2019



In addition to strengthening this distribution business, as Group business, the Group will promote the PS machines development business centered on BOOOM Corporation and the contents and visuals business centered on Tsuburaya Productions Co., Ltd. and Digital Frontier Inc. It will also continue to promote greater management efficiency.

Through the above initiatives, in the next fiscal year the Company plans to achieve net sales of ¥95,000 million (up 55.6% YoY), operating profit of ¥2,000 million (increase of ¥7,738 million YoY), ordinary profit of ¥2,500 million (increase of ¥7,704 million YoY and profit attributable to owners of parent of ¥1,500 million (increase of ¥9,191 million YoY).

[3] Fundamental corporate policy for distributing profits and dividends for the current and next fiscal years

The Company regards the enhancement of corporate value as a principal management issue, and its fundamental policy is to pay dividends at an appropriate level that corresponds with profits.

However, due to the rapid changes that have occurred recently in the internal and external business environments, it has decided that seeking to stabilize its financial base from the medium- to long-term perspective and giving priority to securing investment funds for the expansion of profits will contribute to the maximization of general shareholder returns, including future increases in corporate value.

With respect to dividends, it is with regret that we have revised down our year-end dividend forecast for the fiscal year ended March 31, 2018 from ¥25 per share to ¥5. Similarly, the planned year-end dividend for the next fiscal year will be ¥10 per share.

- 1) Year ended March 31, 2018: Interim dividend of ¥25 (implemented)/ Year-end dividend of ¥5 (planned)/ Annual dividend of ¥30 (planned)
- 2) Year ending March 31, 2019: Year-end dividend of ¥10 (planned)

(2) Overview of financial position for the year ended March 31, 2018

(Unit: Millions of yen)

	Current fiscal year (Year ended March 31, 2018)	Previous fiscal year (Year ended March 31, 2017)	YoY change
Total assets	72,357	80,397	(8,040)
Total liabilities	36,847	37,170	(322)
Total net assets	35,509	43,227	(7,718)

(Assets)

Current assets amounted to ¥42,651 million, down ¥3,205 million YoY. The principal factor behind this was a decrease in notes and accounts receivable - trade.

Property, plant and equipment amounted to ¥5,279 million, down ¥5,086 million YoY. The principal factors behind this was a decreases in idle assets (land).

Intangible assets amounted to ¥1,385 million, down ¥1,084 million YoY. The principal factors behind this was a decreases in software.

Investments and other assets amounted to ¥23,041 million, up ¥1,336 million YoY. This was mainly due to an increases in long-term loans receivable.

As a result of the above, total assets amounted to ¥72,357 million, down ¥8,040 million YoY.

(Liabilities)

Current liabilities amounted to ¥22,480 million, up ¥2,005 million YoY. This was mainly due to an increase in short-term payable.

Non-current liabilities amounted to ¥14,367 million, down ¥2,327 million YoY. The principal factor behind this was a decrease in long-term payable.

As a result of the above, total liabilities amounted to ¥36,847 million, down ¥322 million YoY.

(Net assets)

Net assets amounted to ¥35,509 million, down ¥7,718 million YoY. This primarily reflected a decrease in retained earnings.

(3) Cash flows

During the fiscal year under review, cash and cash equivalents (hereinafter referred to as “cash”) increased by ¥1,282 million YoY, amounting to ¥24,373 million at the end of the year ended March 31, 2018.

Cash flow for the year ended March 31, 2018 and contributing factors are as follows:

(Unit: Millions of yen)

	Current fiscal year (Year ended March 31, 2018)	Previous fiscal year (Year ended March 31, 2017)	YoY change
Cash flows from operating activities	(1,094)	(7,319)	6,224
Cash flows from investing activities	4,399	(3,927)	8,326
Cash flows from financing activities	(2,021)	2,136	(4,157)

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥1,094 million (¥7,319 million of expenditure for the same period of the previous fiscal year). This was mainly due to a loss before income taxes of ¥7,386 million, a decrease in notes and accounts receivable - trade of ¥6,715 million, a decrease in notes and accounts payable - trade of ¥1,640 million, an increase in inventories of ¥3,393 million, and a loss on valuation of investment securities of ¥2,185 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥4,399 million (¥3,927 million of expenditure for the same period of the previous fiscal year). This was mainly due to proceeds from sales of property, plant and equipment totaling ¥6,250 million, payments of loans receivable totaling ¥4,520 million, collection of loans receivable totaling ¥2,574, and proceeds from sales of shares of subsidiaries and associates totaling ¥2,202 million.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥2,021 million (¥2,136 million of revenue for the same period of the previous fiscal year). This was mainly attributable to an increase in short-term loans payable totaling ¥3,869 million, repayments of long-term loans payable totaling ¥3,200 million, dividends paid totaling ¥1,659 million, and payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation totaling ¥955 million.

(Reference) Trends of cash flow indicators

FY	3/2014	3/2015	3/2016	3/2017	3/2018
Shareholders' equity ratio (%)	55.6	53.9	62.0	52.5	48.4
Shareholders' equity ratio at market value (%)	47.4	55.0	67.4	47.7	53.4
Interest-bearing debt/cash flow ratio (years)	0.0	—	0.9	—	—
Interest coverage ratio (times)	1,490.4	—	439.0	—	—

Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio at market value: Aggregate market value (based on the closing stock price at the end of the year)/Total assets

Interest-bearing debt/cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest expense

- (Notes)
- All of the above indicators are calculated for their respective values on a consolidated basis.
 - Aggregate market value is calculated based on the number of shares issued excluding treasury share.
 - Interest-bearing debt indicates all the liabilities for which interest is paid posted in the consolidated balance sheets.
 - Interest-bearing debt/cash flow ratio and interest coverage ratio are not stated in the case of negative operating cash flows.

2. Basic Approach to Selecting Accounting Standards

The Group has determined that financial statements prepared according to Japanese standards are appropriate in light of current business conditions. We plan to appropriately address the adoption of IFRS after considering conditions in Japan and overseas.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheets

	(Unit: Millions of yen)	
	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	23,190	24,473
Notes and accounts receivable - trade	12,727	7,019
Electronically recorded monetary claims - operating	2,108	1,097
Merchandise and finished goods	650	1,206
Work in process	686	2,804
Raw materials and supplies	87	83
Merchandising rights advances	2,398	1,468
Deferred tax assets	136	475
Other	3,943	4,084
Allowance for doubtful accounts	(73)	(61)
Total current assets	45,856	42,651
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,282	5,662
Accumulated depreciation	(2,929)	(2,926)
Buildings and structures, net	2,352	2,735
Machinery, equipment and vehicles	85	86
Accumulated depreciation	(41)	(55)
Machinery, equipment and vehicles, net	43	30
Tools, furniture and fixtures	4,094	4,037
Accumulated depreciation	(3,458)	(3,473)
Tools, furniture and fixtures, net	636	564
Land	7,206	1,873
Construction in progress	127	75
Total property, plant and equipment	10,366	5,279
Intangible assets		
Goodwill	1,007	662
Other	1,461	723
Total intangible assets	2,469	1,385
Investments and other assets		
Investment securities	8,223	6,773
Long-term loans receivable	8,156	11,781
Deferred tax assets	496	204
Other	4,972	4,838
Allowance for doubtful accounts	(144)	(556)
Total investments and other assets	21,705	23,041
Total non-current assets	34,540	29,706
Total assets	80,397	72,357

(Unit: Millions of yen)

	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,792	11,358
Short-term loans payable	281	4,151
Current portion of long-term loans payable	2,600	2,580
Income taxes payable	126	171
Provision for bonuses	357	288
Provision for directors' bonuses	—	9
Provision for sales returns	22	6
Other	4,295	3,914
Total current liabilities	20,475	22,480
Non-current liabilities		
Long-term loans payable	12,607	9,427
Net defined benefit liability	615	660
Other	3,471	4,279
Total non-current liabilities	16,694	14,367
Total liabilities	37,170	36,847
Net assets		
Shareholders' equity		
Capital stock	7,948	7,948
Capital surplus	7,994	7,579
Retained earnings	30,035	20,684
Treasury shares	(1,821)	(1,821)
Total shareholders' equity	44,156	34,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,836)	669
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans	(94)	(53)
Total accumulated other comprehensive income	(1,930)	617
Non-controlling interest	1,002	500
Total net assets	43,227	35,509
Total liabilities and net assets	80,397	72,357

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Net sales	76,668	61,055
Cost of sales	59,027	47,655
Gross profit	17,641	13,400
Selling, general and administrative expenses		
Advertising expenses	3,904	2,059
Salaries	6,033	5,639
Provision for bonuses	222	137
Retirement benefit expenses	149	132
Business consignment expenses	2,232	1,851
Traveling and transportation expenses	542	520
Depreciation	1,221	1,060
Rents	1,981	1,793
Provision of allowance for doubtful accounts	42	236
Amortization of goodwill	322	322
Provision for directors' bonuses	—	9
Other	6,362	5,376
Total selling, general and administrative expenses	23,015	19,138
Operating profit (loss)	(5,374)	(5,738)
Non-operating income		
Interest income	88	115
Dividend income	182	175
Purchase discounts	159	129
Rent income	65	1
Gain on management of investment securities	0	—
Share of profit of entities accounted for using equity method	—	306
Distributions from investments	67	186
Other	208	116
Total non-operating income	774	1,030
Non-operating expenses		
Interest expenses	41	81
Share of loss of entities accounted for using equity method	3,866	—
Amortization of equity investment	158	191
Financing expenses	252	5
Provision of allowance for doubtful accounts for subsidiaries and associates	30	163
Other	119	53
Total non-operating expenses	4,468	496
Ordinary profit (loss)	(9,068)	(5,204)

(Unit: Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	20	0
Gain on sales of non-current assets	27	939
Gain on liquidation of subsidiaries and associates	19	—
Other	0	2
Total extraordinary income	68	941
Extraordinary losses		
Loss on litigation	352	400
Loss on retirement of non-current assets	239	117
Impairment loss	620	334
Loss on valuation of investment securities	—	2,185
Loss on valuation of investments in capital	78	—
Loss on waiver of receivables from affiliates	16	—
Loss on valuation of shares of subsidiaries and associates	8	7
Provision for loss on liquidation of subsidiaries and associates	54	—
Other	148	78
Total extraordinary losses	1,517	3,123
Profit (loss) before income taxes	(10,517)	(7,386)
Income taxes - current	437	266
Income taxes - deferred	1,269	(55)
Total income taxes	1,707	211
Profit (loss)	(12,225)	(7,597)
Profit attributable to non-controlling interests	257	93
Profit (loss) attributable to owners of parent	(12,483)	(7,691)

Consolidated statements of comprehensive income

	(Unit: Millions of yen)	
	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Profit (loss)	(12,225)	(7,597)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(972)	2,506
Foreign currency translation adjustment	2	0
Remeasurements of defined benefit plans	35	40
Total other comprehensive income	(933)	2,548
Comprehensive income	(13,159)	(5,049)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(13,419)	(5,143)
Comprehensive income attributable to non-controlling interests	260	93

(3) Consolidated statement of change in net assets

Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,948	7,994	44,177	(1,821)	58,298
Amount of changes during period					
Dividends of surplus			(1,659)		(1,659)
Profit (loss) attributable to owners of parent			(12,483)		(12,483)
Purchase of treasury shares				(0)	(0)
Change in equity by purchase of treasury shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					—
Total amount of changes during period	—	—	(14,142)	(0)	(14,142)
Balance at end of current period	7,948	7,994	30,035	(1,821)	44,156

	Total accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(862)	(2)	(130)	(994)	987	58,291
Amount of changes during period						
Dividends of surplus						(1,659)
Profit (loss) attributable to owners of parent						(12,483)
Purchase of treasury shares						(0)
Change in equity by purchase of treasury shares of consolidated subsidiaries						—
Net changes of items other than shareholders' equity	(974)	2	35	(936)	14	(921)
Total amount of changes during period	(974)	2	35	(936)	14	(15,064)
Balance at end of current period	(1,836)	0	(94)	(1,930)	1,002	43,227

Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,948	7,994	30,035	(1,821)	44,156
Amount of changes during period					
Dividends of surplus			(1,659)		(1,659)
Profit (loss) attributable to owners of parent			(7,691)		(7,691)
Purchase of treasury shares					—
Change in equity by purchase of treasury shares of consolidated subsidiaries		(414)			(414)
Net changes of items other than shareholders' equity					
Total amount of changes during period	—	(414)	(9,350)	—	(9,764)
Balance at end of current period	7,948	7,579	20,684	(1,821)	34,391

	Total accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	(1,836)	0	(94)	(1,930)	1,002	43,227
Amount of changes during period						
Dividends of surplus						(1,659)
Profit (loss) attributable to owners of parent						(7,691)
Purchase of treasury shares						—
Change in equity by purchase of treasury shares of consolidated subsidiaries						(414)
Net changes of items other than shareholders' equity	2,506	0	40	2,547	(501)	2,046
Total amount of changes during period	2,506	0	40	2,547	(501)	(7,718)
Balance at end of current period	669	0	(53)	617	500	35,509

(4) Consolidated statements of cash flows

	(Unit: Millions of yen)	
	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Cash flows from operating activities		
Profit (loss) before income taxes	(10,517)	(7,386)
Depreciation	1,760	1,457
Impairment loss	620	334
Amortization of goodwill	322	322
Increase (decrease) in allowance for doubtful accounts	72	400
Increase (decrease) in provision for bonuses	(17)	(68)
Increase (decrease) in provision for directors' bonuses	(214)	9
Increase (decrease) in net defined benefit liability	64	86
Interest and dividend income	(271)	(290)
Purchase discounts	(159)	(129)
Share of (profit) loss of entities accounted for using equity method	3,866	(306)
Interest expenses	41	81
Loss (gain) on valuation of investment securities	—	2,185
Amortization of equity investment	616	751
Decrease (increase) in notes and accounts receivable - trade	(5,249)	6,715
Decrease (increase) in inventories	1,533	(3,393)
Decrease (increase) in merchandising right advances	(276)	929
Loss (gain) on sales of non-current assets	(27)	(939)
Decrease (increase) in prepaid expenses	426	254
Decrease (increase) in advances paid	(565)	475
Increase (decrease) in notes and accounts payable - trade	(93)	(1,640)
Increase (decrease) in accounts payable - other	(53)	(360)
Increase (decrease) in accrued consumption taxes	(235)	53
Increase (decrease) in deposits received	(57)	239
Other, net	1,583	(583)
Subtotal	(6,831)	(801)
Interest and dividend income received	260	310
Interest expenses paid	(41)	(81)
Income taxes (paid) refund	(706)	(521)
Net cash provided by (used in) operating activities	(7,319)	(1,094)
Cash flows from investing activities		
Purchase of property, plant and equipment	(559)	(862)
Proceeds from sales of property, plant and equipment	643	6,250
Purchase of intangible assets	(370)	(267)
Proceeds from sales of investment securities	—	13
Purchase of shares of subsidiaries and associates	(7)	(200)
Proceeds from sales of shares of subsidiaries and associates	1	2,202
Payments for investments in capital of subsidiaries and associates	(969)	(582)
Payments of loans receivable	(4,640)	(4,520)
Collection of loans receivable	2,037	2,574
Payments for lease and guarantee deposits	(41)	(90)
Proceeds from collection of lease and guarantee deposits	355	307
Other, net	(377)	(423)
Net cash provided by (used in) investing activities	(3,927)	4,399

(Unit: Millions of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Cash flows from financing activities		
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(955)
Net increase (decrease) in short-term loans payable	(11,133)	3,869
Proceeds from long-term loans payable	15,500	—
Repayments of long-term loans payable	(300)	(3,200)
Cash dividends paid	(1,659)	(1,659)
Other, net	(269)	(76)
Net cash provided by (used in) financing activities	2,136	(2,021)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(9,109)	1,282
Cash and cash equivalents at beginning of period	32,200	23,090
Cash and cash equivalents at end of period	23,090	24,373

(5) Note regarding the Consolidated Financial Statements

(Note regarding the operation of the company as a going concern)

No relevant items

(Changes in accounting estimates)

(Changes in asset retirement obligations estimate)

During the consolidated fiscal year under review, the estimate with respect to asset retirement obligations recorded as restoration obligations associated with real estate leases, was changed when new information was obtained in relation to the restoration costs necessary at the time of withdrawal from the leases. Due to the changing of the estimate, an additional amount of ¥638 million has been added to the asset retirement obligations balance prior to the change.

As the change in the estimate occurred in the consolidated fiscal year under review, it will have no impact on income for that fiscal year.

(Segment information, etc.)

[Segment information]

This statement is omitted as the Group engages in a single segment.

[Related information]

Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales in each region has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales in each region has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

[Information relating to impairment loss of non-current assets by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to amortization of goodwill and unamortized balance by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to gain on bargain purchase by reportable segment]

No relevant items

(Per-share data)

(Unit: Yen)

Item	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Net assets per share	1,272.48	1,054.99
Profit (loss) per share	(376.19)	(231.77)

(Notes) 1. The amount of diluted profit per share for the previous consolidated fiscal year and the fiscal year under review is not stated because there is a loss per share and no latent shares exist.

2. The basis for calculation of the amount of profit per share is as follows:

Item	Fiscal year ended March 31, 2017 (April 1, 2016–March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)
Profit (loss) attributable to owners of parent (millions of yen)	(12,483)	(7,691)
Amount not allocable to common stockholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares income (millions of yen)	(12,483)	(7,691)
Average number of shares of common stock outstanding (shares)	33,183,718	33,183,700
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	—	—

(Significant subsequent events)

No relevant items