

The Greatest Leisure for All People



# Financial Presentation

for the H1 of the Year Ending March 31, 2016

**FIELDS CORPORATION**

**TSE 1st 2767**

**November 2, 2015**

- 1** **Overview**
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- Ref.** **Trends in Pachinko/Pachislot Market  
Pachinko/Pachislot Market Data**
- 3** **IP Initiatives**

# 1 Overview

## ▶ Management/Results

**H1 results: net sales of 50.25 billion yen, ordinary income of 1.93 billion yen**

- Substantial increase over previous fiscal year
- Results are generally in line with full-year forecasts

## ▶ Pachinko/ pachislot machine Sales

**Pachinko machine sales: 64,000 units, Pachislot machine sales: 69,000 units**

- 4 pachinko titles and 3 pachislot titles launched in Q2
- Total number of machines sold rose 31.7% over previous fiscal year to 134,000 units
- Launch of first pachislot machine using “HERO’S” IP, “MAJESTIC PRINCE”

## ▶ IP

**Total number of IP: 164, Number of media for IP development in year ending March 31, 2016: 107**

- While deploying “HERO’S” IP across multiple media formats, games and pachislot machines will also be developed.

# 2

## Summary of Results (Consolidated)

H1 of the Year Ending March 31, 2016

Consolidated P/L

Main pachinko/pachislot machines  
lineup

Consolidated B/S

Consolidated cash flow

# Consolidated P/L







**Significant increase over previous fiscal year;  
results are generally in line with full-year forecasts**

(Unit: Billions of yen)

	Year ended March 31, 2015		Year ending March 31, 2016		
	H1	Full-Year	H1	YoY Increase/Decrease (%)	Full-Year Forecast
Net sales	20.34 (100.0%)	99.55 (100.0%)	<b>50.25</b> (100.0%)	<b>+147.1%</b>	<b>120.00</b> (100.0%)
Gross profit	6.92 (34.0%)	28.46 (28.6%)	<b>13.84</b> (27.6%)	<b>+100.1%</b>	-
SG&A expenses	10.99 (54.1%)	23.72 (23.8%)	<b>11.96</b> (23.8%)	<b>+8.8%</b>	-
Operating income	(4.07) (-)	4.74 (4.8%)	<b>1.88</b> (3.8%)	-	<b>6.00</b> (5.0%)
Ordinary income	(4.07) (-)	5.49 (5.5%)	<b>1.93</b> (3.8%)	-	<b>6.50</b> (5.4%)
Extraordinary income (loss)	0.43 (2.1%)	0.26 (0.3%)	<b>0.05</b> (0.1%)	<b>(87.4%)</b>	-
Net income attributable to owners of parent	(2.50) (-)	3.01 (3.0%)	<b>0.70</b> (1.4%)	-	<b>3.50</b> (2.9%)

\*Figures within parentheses are the ratio to sales.

# Main Pachinko/Pachislot Machine Lineup

	Q1	Q2		Q3		H1	
Pachinko	<u>CR EVANGELION 9</u> <u>Type zero ver.</u> 	<u>CR Million</u> <u>GOD RISING</u> 	<u>CR Martian Successor</u> <u>NADESICO</u> 	<u>CR Sakigake</u> <u>Otokojuku</u> 	<u>CREVANGELION X</u> 	<u>CR Midoridon</u> <u>Hanabi DE Buon giorno</u> 	<b>64,000</b> machines  YoY 12.1% down
	<u>EVANGELION</u> <u>—Spear of Hope</u> 	<u>Resident Evil 6</u> 	<u>ASURA'S WRATH</u> 	<u>MAJESTIC</u> <u>PRINCE</u> 	<u>Oh My Goddess!</u> 	<u>EVANGELION</u> <u>—Tamashii wo Tsunagumono</u> 	<b>69,000</b> machines  YoY 146.6% up

**H1; Number of pachinko/pachislot machines sold: 134,000 (YoY 31.7% up)**

\* 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

### Decrease in notes and accounts receivable—trade and notes and accounts payable—trade related to pachinko/pachislot machines sales

(Unit: Billions of yen)

	March 31, 2015	September 30, 2015	Increase/Decrease	Main factors for increase/decrease
Current assets	71.01	<b>52.07</b>	<b>(18.94)</b>	Decrease in notes and accounts receivable—trade
Tangible fixed assets	12.19	<b>12.06</b>	<b>(0.13)</b>	
Intangible fixed assets	4.49	<b>4.29</b>	<b>(0.19)</b>	
Investments and other assets	22.61	<b>22.83</b>	<b>+0.22</b>	
Total assets	110.31	<b>91.27</b>	<b>(19.04)</b>	
Current liabilities	45.77	<b>26.73</b>	<b>(19.03)</b>	Decrease in notes and accounts payable—trade Decrease in accrued income taxes
Fixed liabilities	4.29	<b>4.75</b>	<b>+0.45</b>	
Net assets	60.24	<b>59.78</b>	<b>(0.46)</b>	Decrease in retained earnings
Total liabilities and net assets	110.31	<b>91.27</b>	<b>(19.04)</b>	

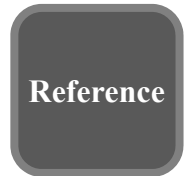
## Consolidated cash flow

**Cash and cash equivalents on September 30, 2015 totaled 27.8 billion yen, up by 12.0 billion yen from the beginning of the fiscal year**

(Unit: Billions of yen)

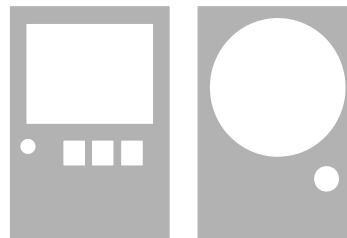
	2015.03 H1	2016.03 H1	Analysis of main factors	
Operating cash flows	(11.11)	<b>12.05</b>	Income before income taxes and minority interests	+1.98
			Decrease in notes and accounts receivable—trade	+35.43
			Decrease in notes and accounts payable—trade	(22.42)
			Income taxes paid	(2.29)
Investing cash flows	(1.09)	<b>(1.44)</b>	Expenditure for loans	(2.54)
			Proceeds from loans receivable	+1.43
Financial cash flows	(1.20)	<b>1.41</b>	Increase in short-time borrowings	+2.74
			Dividends paid	(1.16)
Cash and cash equivalents at beginning of period	29.58	<b>15.82</b>		
Cash and cash equivalents at end of period	16.17	<b>27.84</b>		





# Trends in Pachinko/Pachislot Market and Data

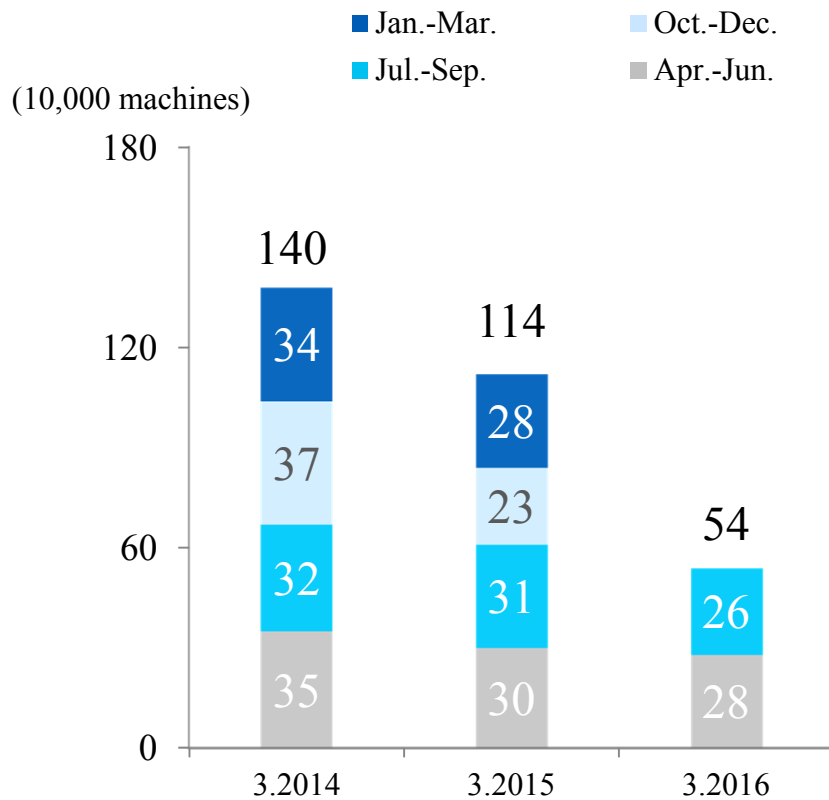
- Status of pachislot machines sales
- Status of pachislot machines installed
- Status of pachinko machines sales
- Status of pachinko machines installed
- SCA; status of implementation of model certification test



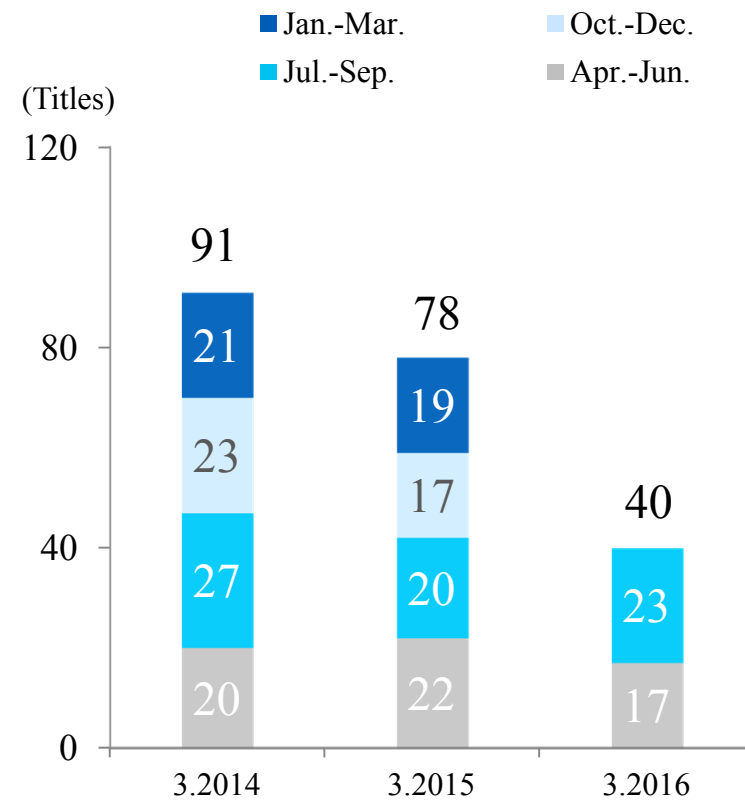
# Status of pachislot machine sales

**The number of machines sold fell in Q2 and the number of titles was on par with the previous year due to the concentration of major titles in Q3**

## Number of pachislot machines sold



## Number of pachislot titles sold



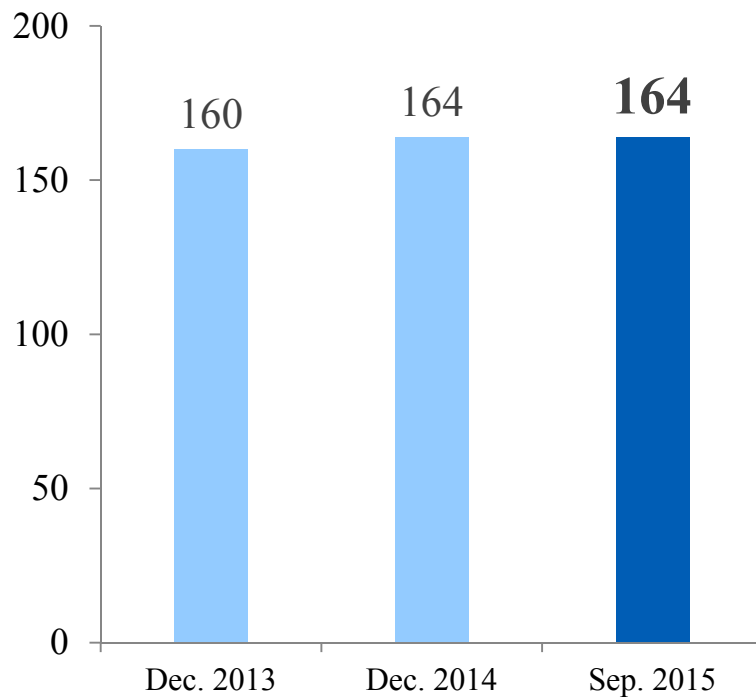
Source: Fields

# Status of pachislot machine installed

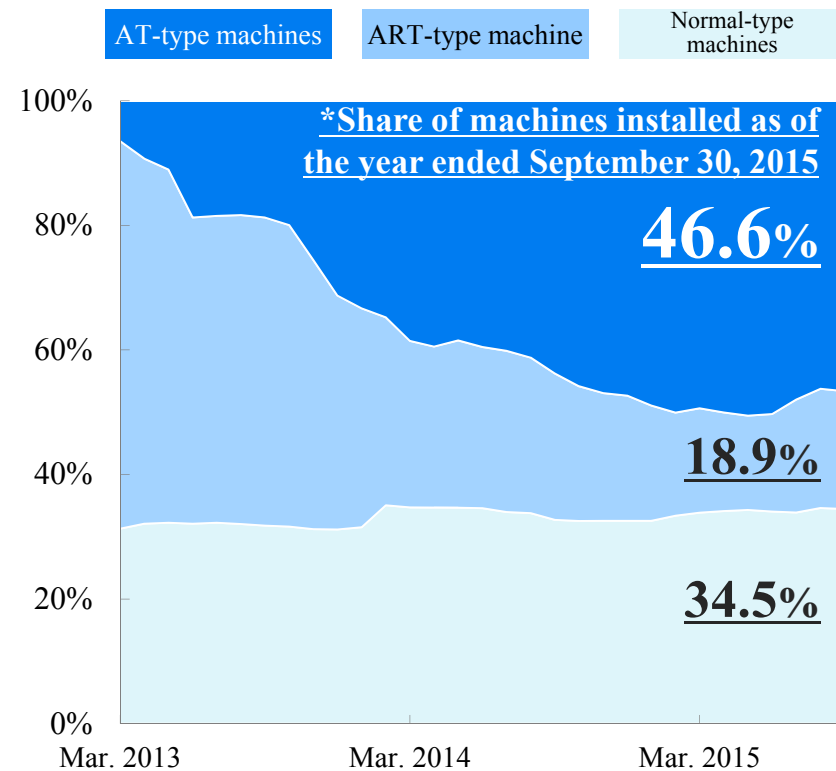
The number of machines installed was flat from the end of 2014, and the share of machines installed increased for ART/Normal-type machines after July

■ Number of pachislot machines installed

(10,000 machines)



■ Share of pachislot machines installed

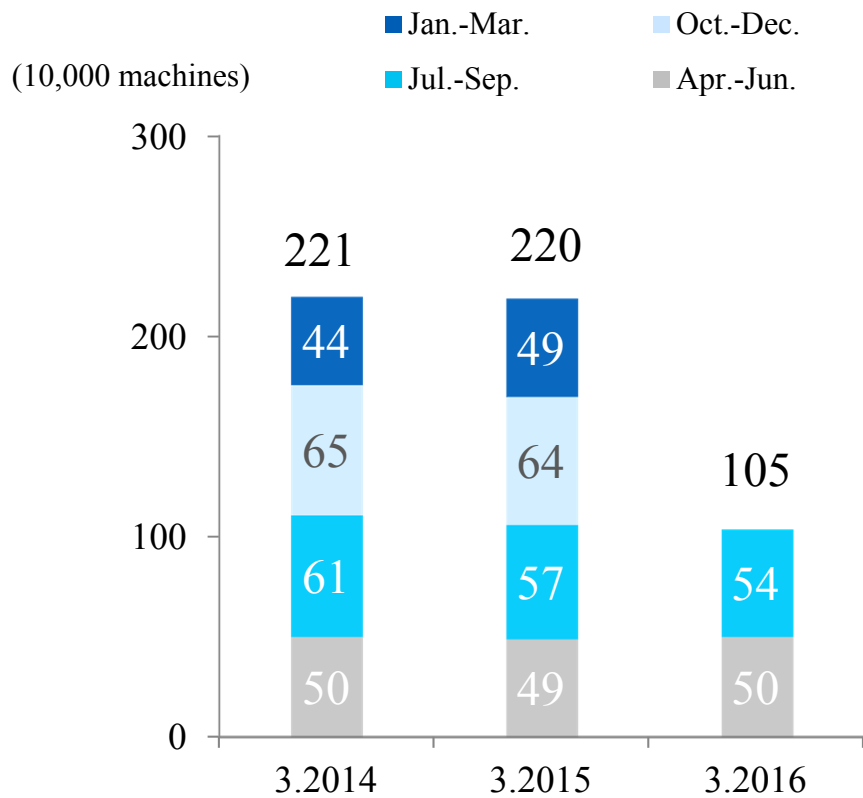


Source: The number of machines installed in December 2013 and 2014 are statistics from the National Police Agency, and the figure for September 2015 was calculated by the Company based on data released by the Zennichiyuren. The share of machines installed is based on the Company's research.

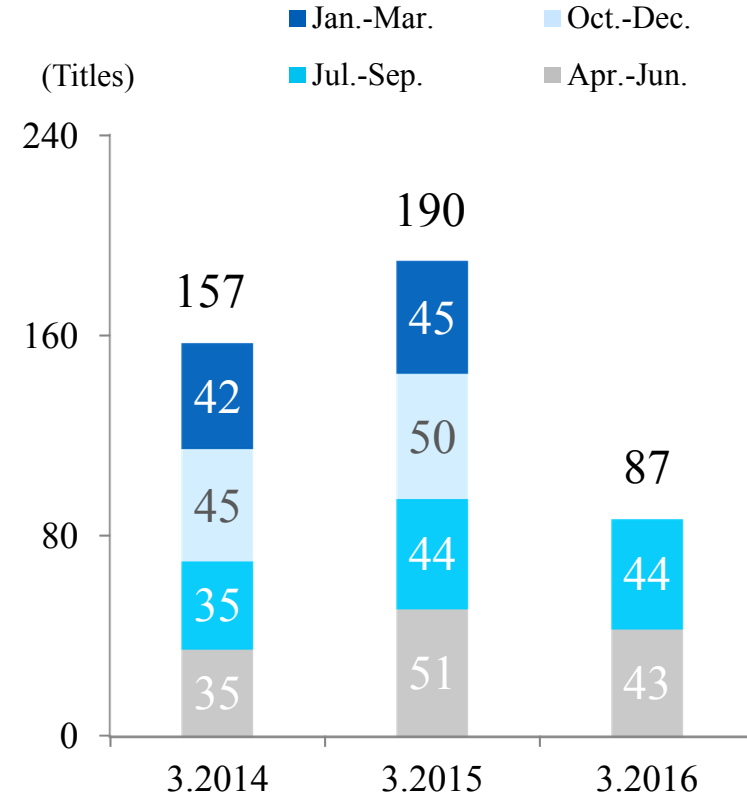
# Status of pachinko machine sales

Companies focused on mainstay titles ahead of October 2015; the number of pachinko/pachislot machines sold and the number of titles sold were in line with the previous fiscal year in Q2

## Number of pachinko machines sold



## Number of pachinko titles sold



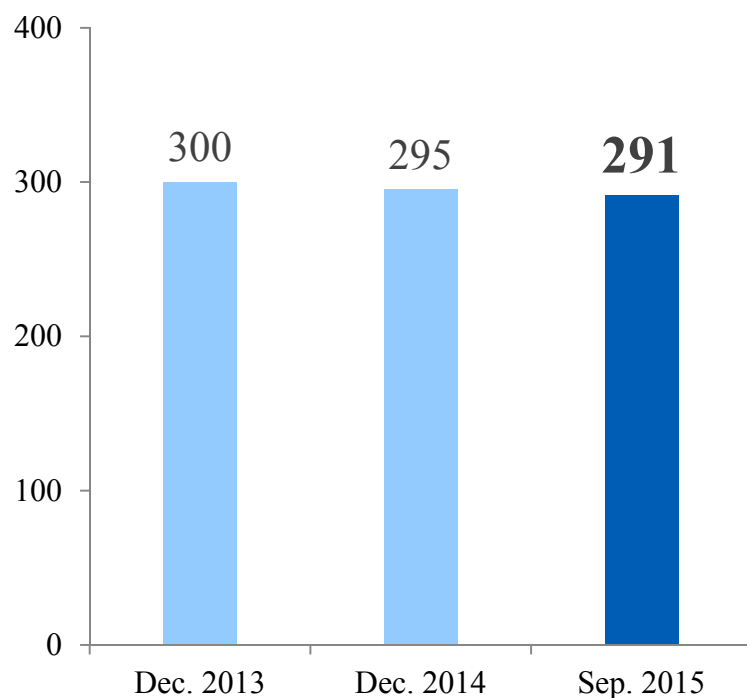
Source: Fields

# Status of pachinko machines installed

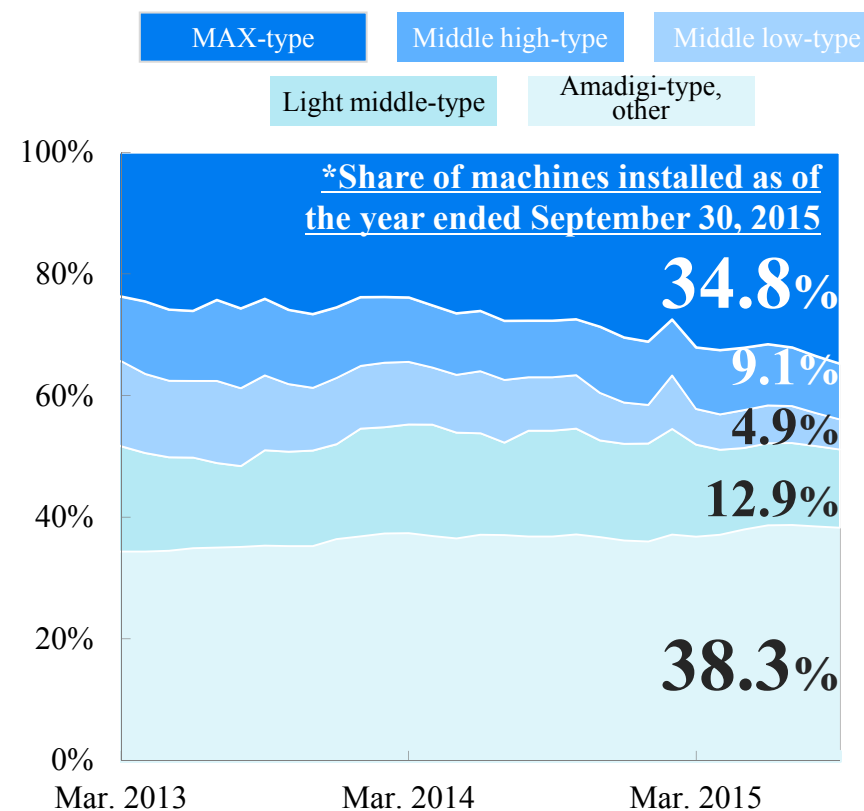
The number of machines installed entered a downturn from the end of 2014, and the share of machines installed increased for the MAX-type after September

## Number of pachinko machines sold

(10,000 machines)



## Number of pachinko titles sold

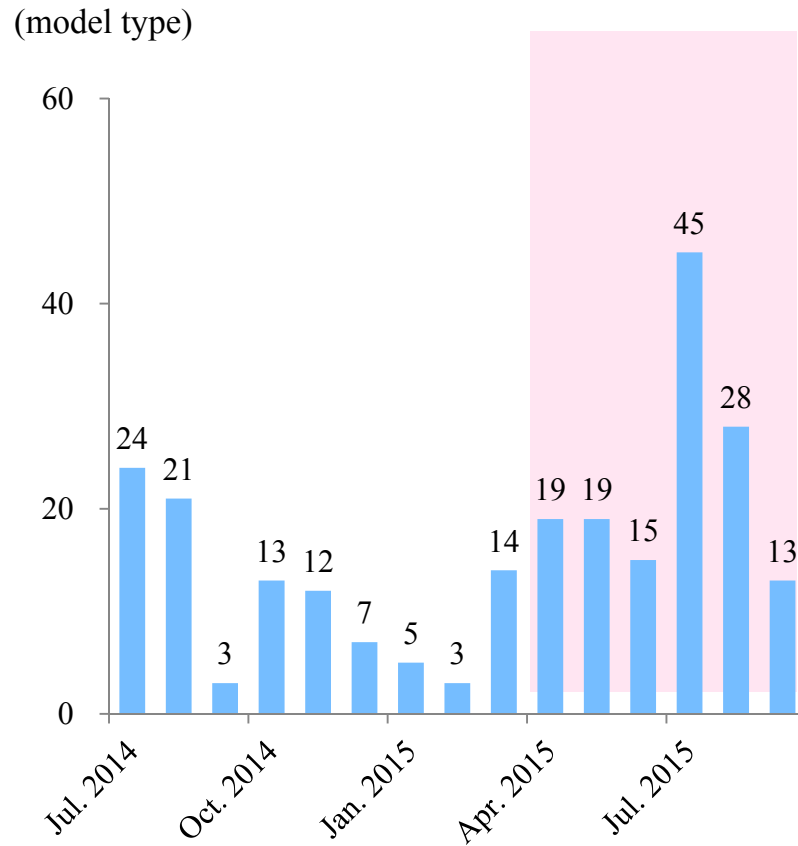


Source: The number of machines installed in December 2013 and 2014 are statistics from the National Police Agency, and the figure for June 2015 was calculated by the Company based on data released by the Zennichiyauren. The share of machines installed is based on the Company's research.

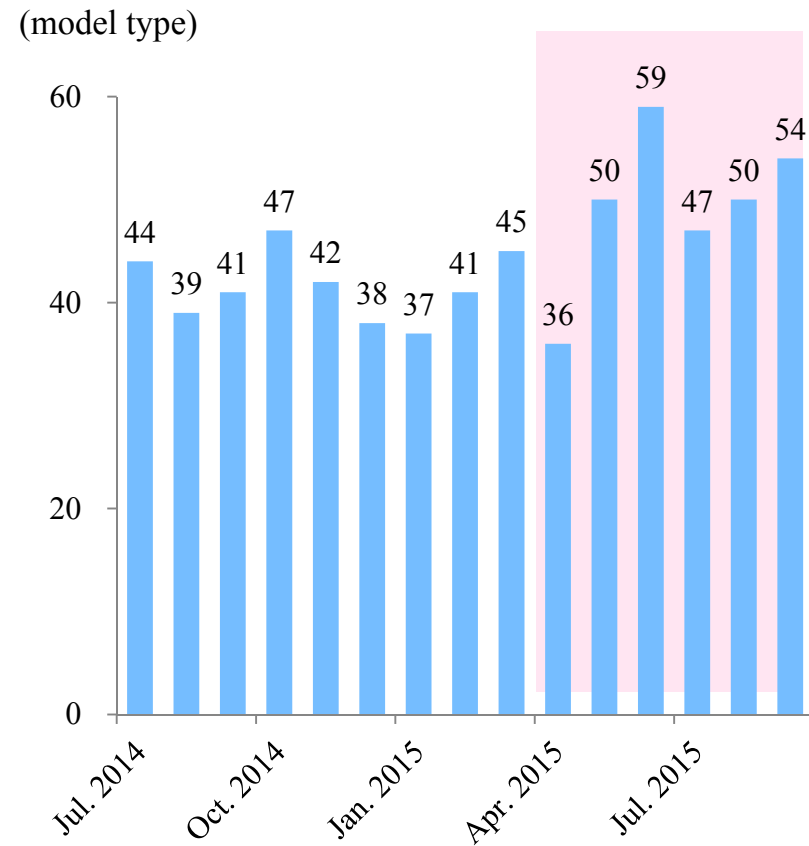
# SCA; status of implementation of model certification test

An average of 23 pachislot titles a month and an average of 49 pachinko titles a month were compatible in Q1-Q2

**Number of pachislot machines passing model certification test**



**Number of pachinko machines passing model certification test**



Source: Security Communications Association

# 3

## IP Initiatives

Status of IP development

Status of IP creation

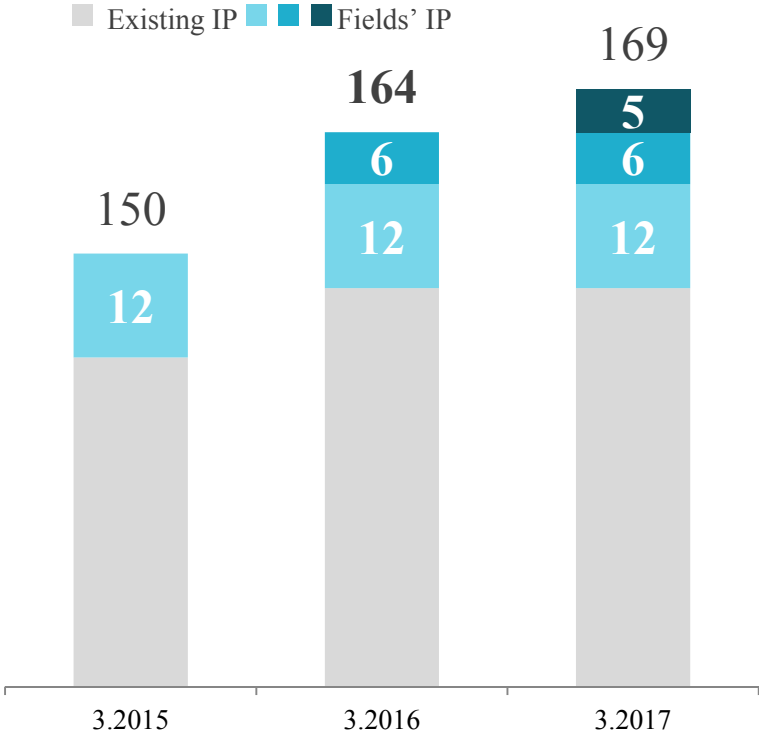
Status of IP film development

Status of IP merchandising

# Status of IP development

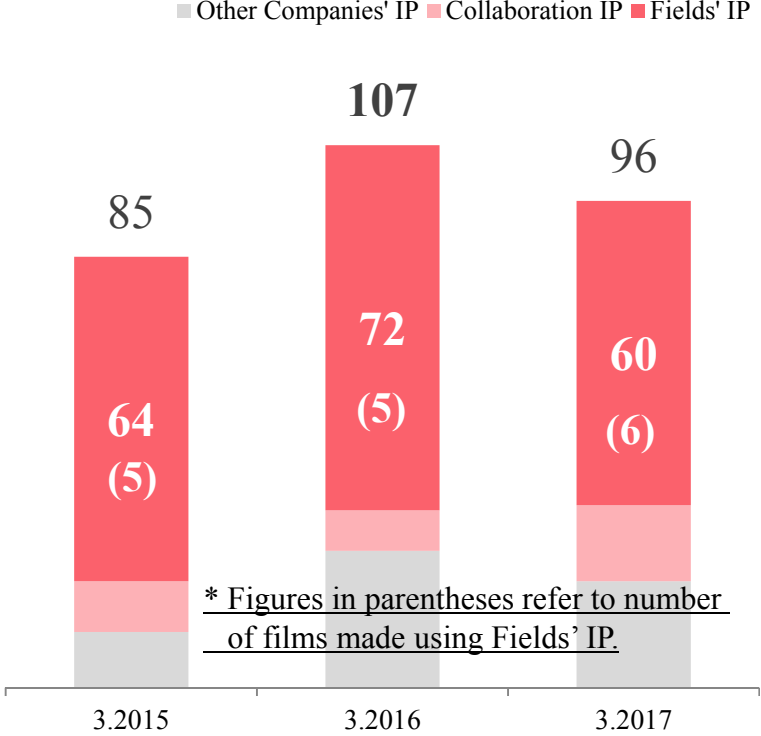
**Total number of IP: 164 titles**  
**Plans to develop in 107 media in Year ending March 31, 2016**

**Total IP**



**Number of media for IP development**

(Number of media developments finalized as of September 30, 2015)



\* Figures in parentheses refer to number of films made using Fields' IP.

\* The creation of our own IP refers primarily to the number of new works published in "HERO'S" Monthly. /Merchandising refers primarily to the total number of social games, PS and publications in book format.



# IP creation

## Focus on IP development with a view of cross-media development

### Status of IP development

- 52 titles created in four years since publication began
- Works from TATSUNOKO PRODUCTION to begin running in magazine from November 2015



**キリングバイツ**  
KILLING BITES



PS 4

PS Vita

Installment from Nov. 2015

Available in spring 2016

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# Visual distribution of IP (oversea)

## Expand visual distribution overseas and ramp up cross-media development

(As of October 30, 2015)

### Status of visual distribution

- Simultaneous broadcasting<sup>(\*)</sup> of “Ultraman X” overseas
- Total number of views exceed 250 million
- Plans for new product development in regions with high numbers for viewing times

◇ Status of visual distribution overseas (Stories 1-14)

Country	Visual distribution	Total number of views
China	iQIYI LeTV Tencent SOHU	<b>250 million</b>
America (other than Asia)	Crunchyroll	90 thousand
Overseas <sup>(*)</sup>	Ultra Channel	1,440 thousand

\*1 The simultaneous distribution of the TV broadcast via the Internet is referred to as “simultaneous distribution” in these documents.

\*2 The Ultra channel can be viewed in any country that has Internet access.

### Status of cross-media development

- Performances of ACROBATTLE CHRONICLE (live entertainment) to begin in Macao in December, following performances in Hong Kong
- Live shows in Thailand attracted audiences of 27,000 people
- Increase in advertising contracts in south-east Asia



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# Status of IP merchandising (social game)

Reinforce earning potential of social games, augment foundations for IP development

(As of October 30, 2015)

## Status of social games

- Improve game function of 6 existing titles
- Gradually launch 4 native apps from November
- Expand Ultraman IP to other companies' games

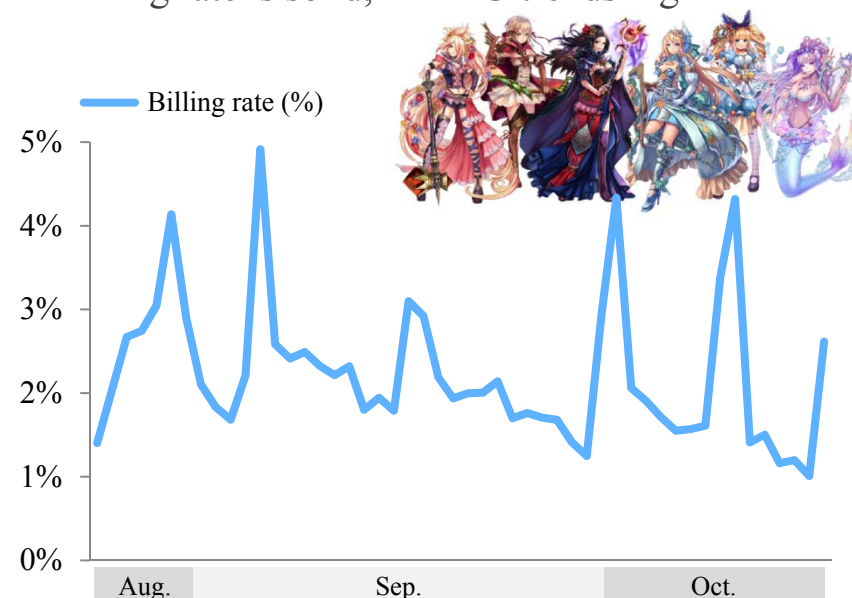
◇ Ultraman × Pocoron dungeons (until the end of Sep.)



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## TOPICS: the TOWER of PRINCESS

- August release, with over 400,000 downloads
- Profit posted for September as a single month (including advertising costs)
- Billing rate is solid, ARPPU trends high





# Status of IP merchandising (License/goods)

## Diverse product expansion together with partner companies

(As of October 30, 2015)

### Status of commercialization (Fields/partner companies' IP)

#### ◇ NINJA SLAYER FROM ANIMATION

- Total number of viewers on NICONICODOUGA exceeds 11 million
- Licensed companies: 28
- Broadcasts of the TV series will begin in Spring 2016.
- Expansion into figures and social games

#### ◇ A MAN of ULTRA

- Licensed companies: 33
- Products expansion into a general life-style field

-Opening the first limited time shop at Omotesando Hills-



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### Collaboration with other companies' IP

#### ◇ UGLYDOLL

- Collaboration with Sanrio to develop licenses
- Licensed companies: about 20
- Expansion from spring 2016 (provisional)

#### ◇ TALKING PUMP (Bottles with characters' voices)

- Development of new IP deployment targets for characters
- Sales in drugstores and toy stores etc.
- Patent-pending for part of pump



# Disclaimer/Contact Information

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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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