

The Greatest Leisure for All People



# Financial Presentation

for the Nine Months Ended December 31, 2015

**FIELDS CORPORATION**

**TSE 1st 2767**

**February 1, 2016**

# **I**ndex

- 1 Overview**
- 2 Summary of Results for the Nine Months Ended December 31, 2015 (Consolidated)**
- Ref. Trends in Pachinko/Pachislot Market and Data**
- 3 IP Initiatives**

# 1 Overview

## ▶ Management/Results

**Q1-3 results: Net sales of 71.62 billion yen, Ordinary income of 2.19 billion yen**

- Net sales increased 144.3% compared to the same period in the previous fiscal year

## ▶ Pachinko/pachislot machine Sales

**Total sales: 220,000 units (Pachinko machine: 126,000 units, Pachislot machine: 93,000 units)**

- 13 titles launched (7 pachinko titles\*, 6 pachislot titles) \* Including 2 titles with different spec

## ▶ IP

**Total number of IP: 167, Number of media for IP development in year ending March 31, 2016: 96**

- Progress in cross-media expansion, including HERO'S IP

## ▶ Forecast

**Full-year : Net sales of 120 billion yen, Ordinary income 6.5 billion yen**

- In the sale of pachinko/pachislot machines, we will strive to plan, develop and sell machines which comply with the new regulations and which help to revitalize the market

# 2

## Summary of Results (Consolidated)

Nine Months Ended December 31, 2015

Consolidated P/L

Main pachinko/pachislot machines  
lineup

Consolidated B/S

Consolidated cash flow

































# Consolidated P/L

(Unit: Billions of yen)

	Year ended March 31, 2015		Year ending March 31, 2016		
	Q1-3	Full-Year	Q1-3	YoY Increase/Decrease (%)	Full-Year Forecast
Net sales	29.31 (100.0%)	99.55 (100.0%)	<b>71.62</b> (100.0%)	<b>+ 144.3%</b>	<b>120.00</b> (100.0%)
Gross profit	10.51 (35.9%)	28.46 (28.6%)	<b>20.25</b> (28.3%)	<b>+ 92.7%</b>	-
SG&A expenses	17.11 (58.4%)	23.72 (23.8%)	<b>18.09</b> (25.3%)	<b>+ 5.7%</b>	-
Operating income	(6.59) (-)	4.74 (4.8%)	<b>2.16</b> (3.0%)	-	<b>6.00</b> (5.0%)
Ordinary income	(5.63) (-)	5.49 (5.5%)	<b>2.19</b> (3.1%)	-	<b>6.50</b> (5.4%)
Extraordinary income (loss)	0.36 (1.3%)	0.26 (0.3%)	<b>0.12</b> (0.2%)	<b>(66.4%)</b>	-
Net income attributable to owners of parent	(3.21) (-)	3.01 (3.0%)	<b>0.77</b> (1.1%)	-	<b>3.50</b> (2.9%)

\*Figures within parentheses are the ratio to sales.

# Main pachinko/pachislot machine lineup

	Q1	Q2	Q3				Q1-3	Q4	
Pachinko	<u>CR EVANGELION 9</u> Type zero ver.  	<u>CR Million</u> <b>GOD RISING</b>  	<u>CR Martian Successor</u> <b>NADESICO</b>  	<u>CR Sakigake</u> <b>Otokojuku</b>  	<u>CR EVANGELION</u> <b>X</b>  	<u>CR Midoridon</u> <b>Hanabi DE</b> <b>Buon giorno</b>  	<u>CR Million</u> <b>GOD RISING</b> —ZEUS Returns  	<b>126,000</b> machines  YoY <b>7.4% up</b>	<u>CR Tengen Toppa</u> <b>Gurren Lagann</b>   <div style="border: 1px dashed gray; padding: 5px; display: inline-block;">Coming Soon ...</div>
	Pachislot	<u>EVANGELION</u> —Spear of Hope  	<u>Resident Evil 6</u>  BIOHAZARD 	<u>ASURA'S WRATH</u>  	<u>MAJESTIC</u> <b>PRINCE</b>  	<u>Oh My Goddess!</u>  	<u>EVANGELION</u> —Tamashii wo Tsunagumono  	<u>MOBILE SUIT</u> <b>GUNDAM</b> —Awakening— —Chained battle—  	<u>NINJA</u> <b>GAIDEN</b>  

**Q1-3; Number of pachinko/pachislot machines sold: 220,000 (YoY 43.7% up)**

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

©カラー ©Bisty ©UNIVERSAL ENTERTAINMENT ©ジーベック/ナデシコ製作委員会・テレビ東京 ©ジーベック/1998 NADESICO製作委員会 ©Bisty  
©宮下あきら/集英社・東映アニメーション © Sony Music Artists Inc. © イノキ・ゲノム・フェデレーション © 亀田プロモーション ©カラー ©Bisty ©SANKYO  
©CAPCOM CO., LTD. ALL RIGHTS RESERVED. ©創通・フィールズ/MJP製作委員会 ©創通・フィールズ ©ヒーローズ Produced by D-light ©藤島康介/講談社  
©GAINAX・中島かずき/アニプレックス・KONAMI・テレビ東京・電通 ©GAINAX・中島かずき/劇場版グレンラガン製作委員会 ©UNIVERSAL ENTERTAINMENT ©MIZUHO ©創通・サンライズ 製造元/株式会社ビスティ  
©コーエーテクモゲームス ©コーエーテクモウェア ©NANASHOW ©電騎士07・07th Expansion/Alchemist ©D-light

## Consolidated B/S

### Notes and accounts receivable—trade, and notes and accounts payable—trade decreased with pachinko and pachislot machines sales

(Unit: Billions of yen)

	March 31, 2015	December 31, 2015	Increase/Decrease	Main factors for increase/decrease
Current assets	71.01	<b>49.04</b>	<b>(21.97)</b>	Decrease in notes and accounts receivable— trade
Tangible fixed assets	12.19	<b>11.67</b>	<b>(0.51)</b>	
Intangible fixed assets	4.49	<b>4.06</b>	<b>(0.42)</b>	
Investments and other assets	22.61	<b>24.37</b>	<b>+ 1.75</b>	Increase in Long-term loans
Total assets	110.31	<b>89.15</b>	<b>(21.15)</b>	
Current liabilities	45.77	<b>25.47</b>	<b>(20.29)</b>	Decrease in notes and accounts payable—trade Decrease in accrued income taxes
Fixed liabilities	4.29	<b>4.46</b>	<b>+ 0.16</b>	
Net assets	60.24	<b>59.21</b>	<b>(1.03)</b>	Decrease in retained earnings
Total liabilities and net assets	110.31	<b>89.15</b>	<b>(21.15)</b>	

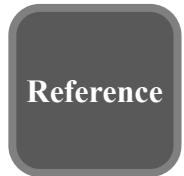
## Consolidated cash flow

**Cash and cash equivalents stood at ¥24.1 billion as of Dec. 31, 2015,  
an increase of ¥8.3 billion since the beginning of the period**

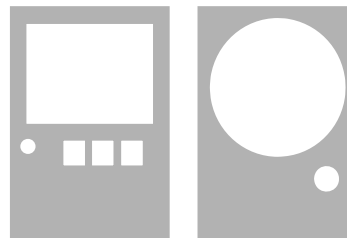
(Unit: Billions of yen)

	2015.03 Q1-3	2016.03 Q1-3	Analysis of main factors	
Operating cash flows	(12.23)	<b>8.89</b>	Income before income taxes and minority interests	+ 2.31
			Decrease in notes and accounts receivable—trade	+ 35.09
			Decrease in notes and accounts payable—trade	(25.29)
			Income taxes paid	(3.38)
Investing cash flows	(4.83)	<b>(3.22)</b>	Expenditure for loans	(4.47)
			Proceeds from loans receivable	+ 1.59
Financial cash flows	0.77	<b>2.69</b>	Proceeds from short-time borrowings	+ 4.86
			Dividends paid	(1.98)
Cash and cash equivalents at beginning of period	29.58	<b>15.82</b>		
Cash and cash equivalents at end of period	13.29	<b>24.18</b>		





# Trends in Pachinko/Pachislot Market and Data

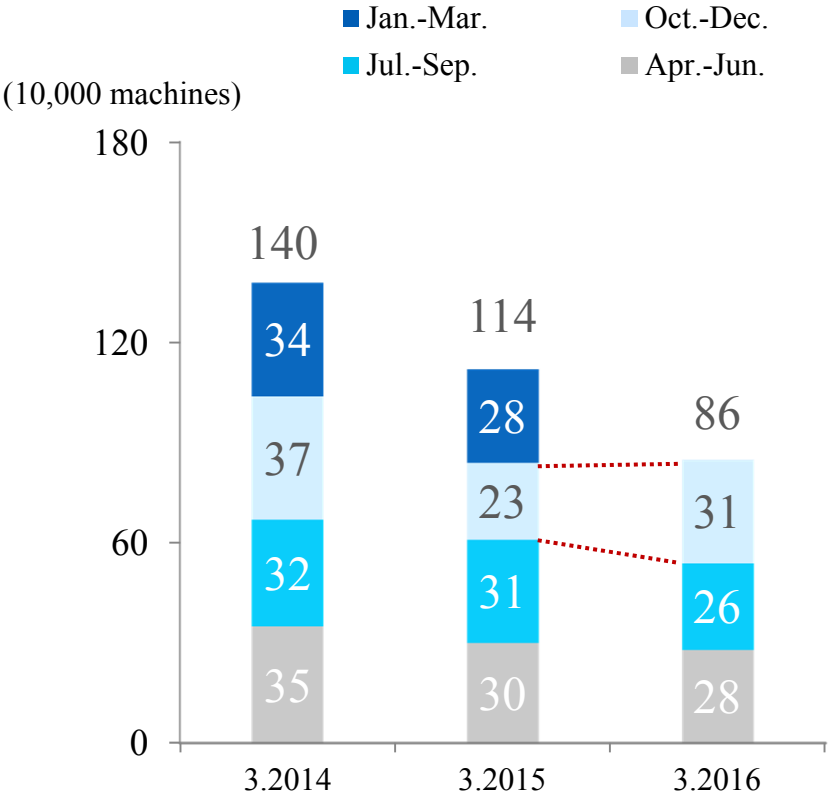


- Sales forecasts for pachislot companies
- Status of pachislot machines sales
- Status of pachislot machines installed
- Sales forecasts for pachinko companies
- Status of pachinko machines sales
- Status of pachinko machines installed
- SCA; status of implementation of model certification test
- Future pachinko/pachislot machines

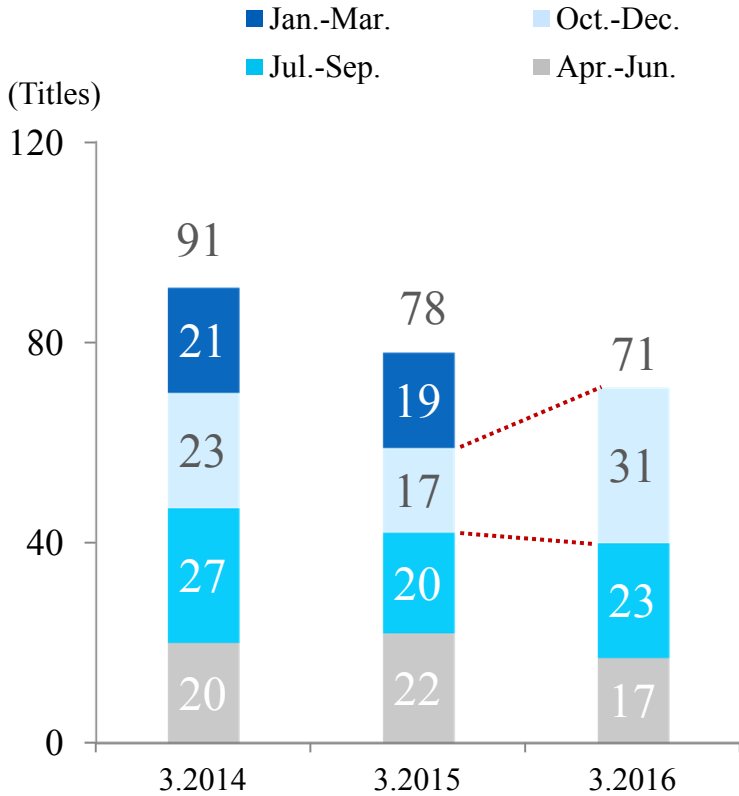
# Status of pachislot machine sales

**In 3Q, number of titles sold increased significantly, and number of machines sold also topped 300,000 for the quarter**

**Number of pachislot machines sold**



**Number of pachislot titles sold**

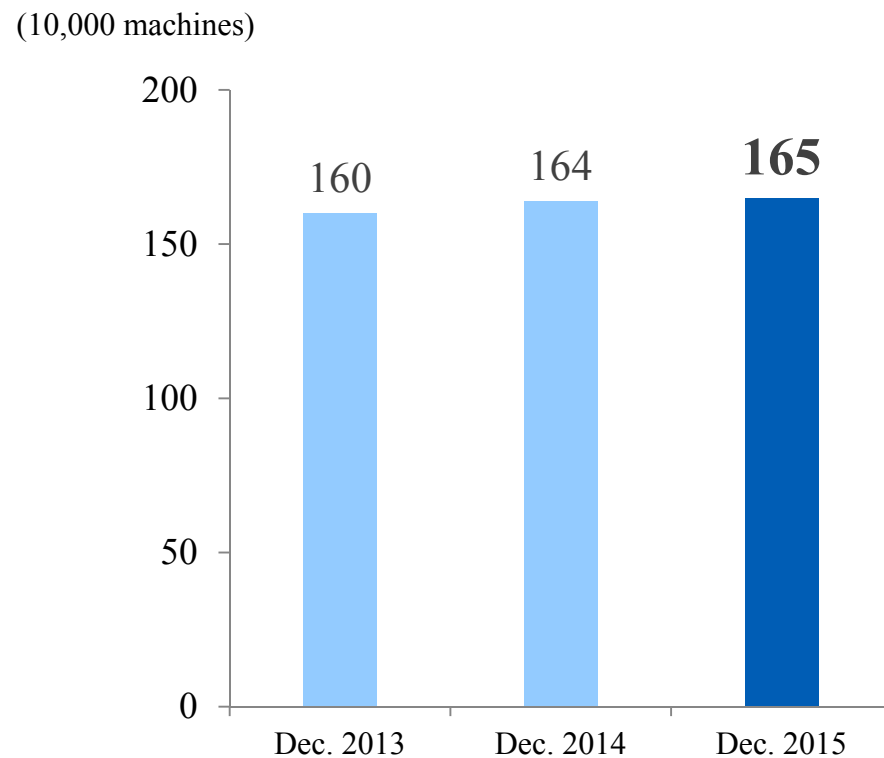


Source: Fields

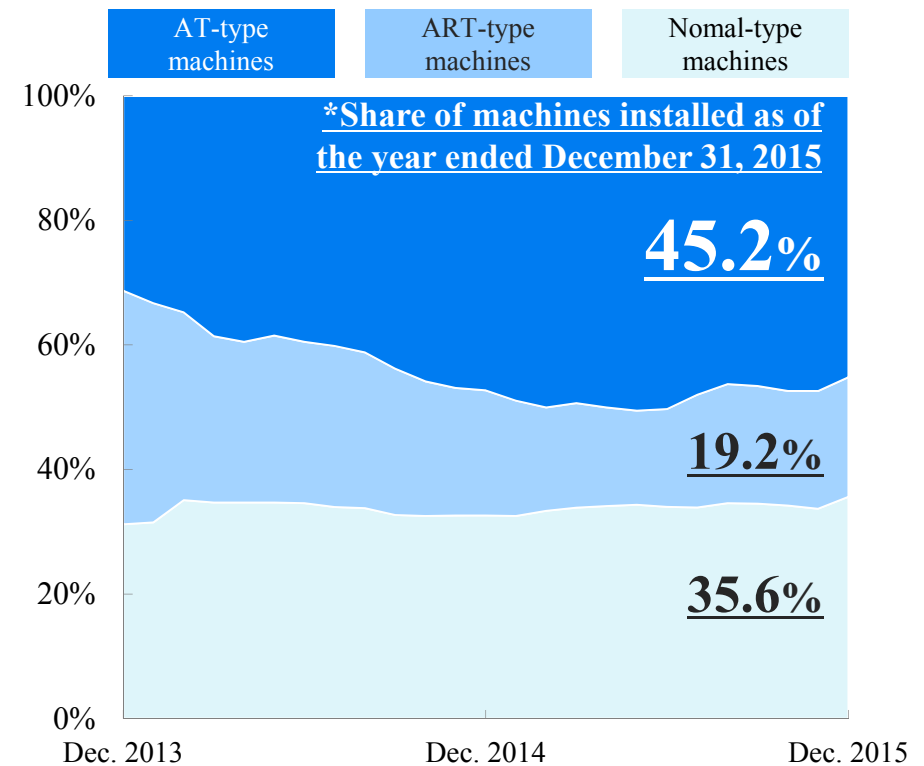
# Status of pachislot machine installed

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

## Number of pachislot machines installed



## Share of pachislot machines installed

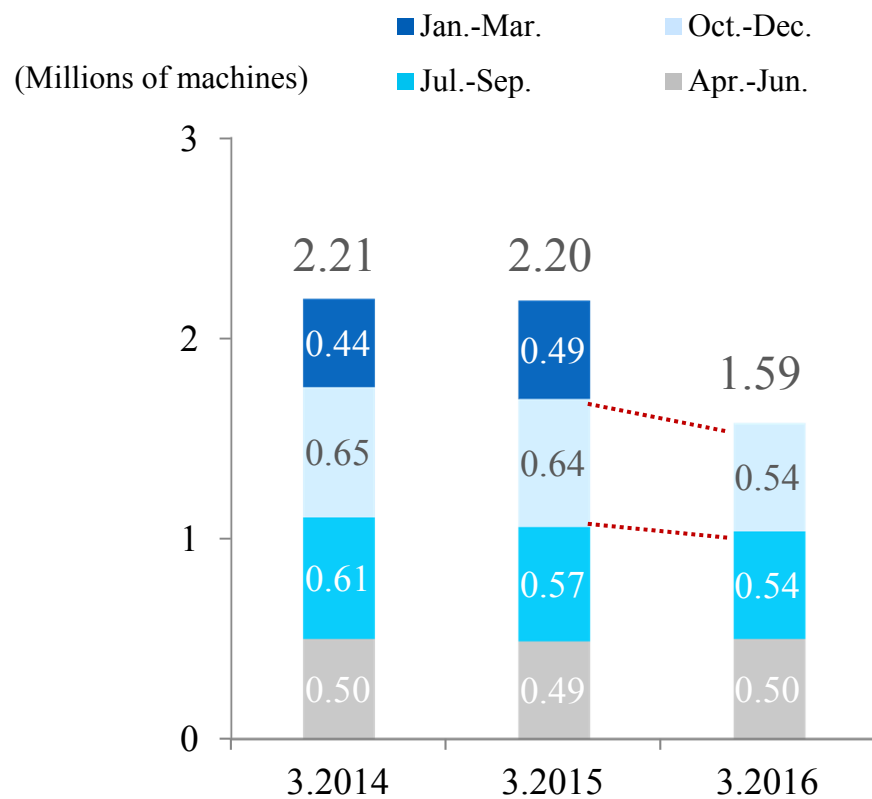


Source: The number of machines installed in December 2013 and 2014 are statistics from the National Police Agency, and the figure for December 2015 was calculated by the Company based on data released by the Zennichiyuren. The share of machines installed is based on the Company's research.

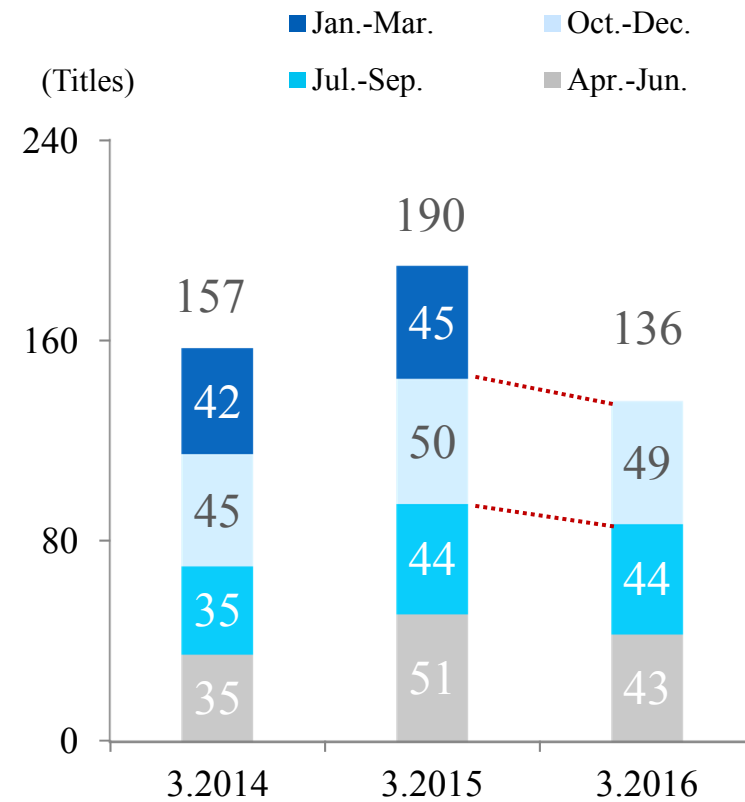
# Status of pachinko machine sales

**Intensive sales during Oct. and released no big titles between Nov.-Dec., resulting in decreases in both the number of titles and the number of machines sold during the Q3**

## Number of pachinko machines sold



## Number of pachinko titles sold



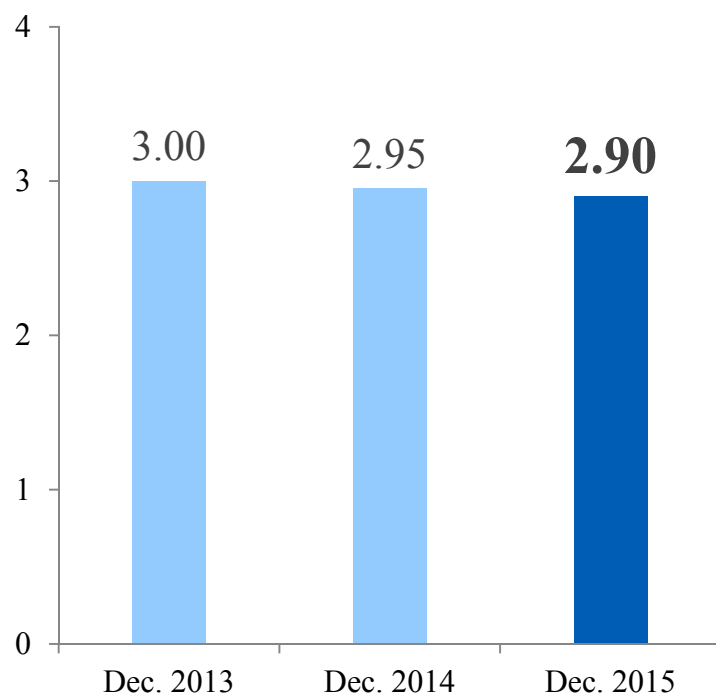
Source: Fields

# Status of pachinko machines installed

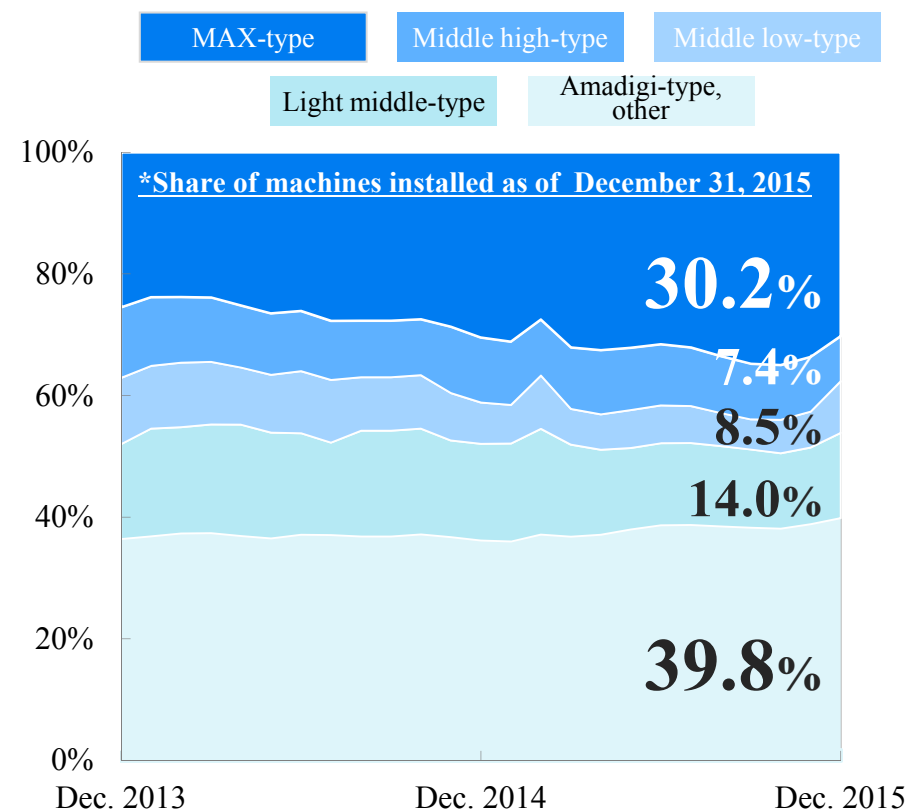
Number of machines installed has been trending downward, and the share of machines installed since Nov. has increased for middle low and light middle-type machines

## Number of pachinko machines sold

(Millions of 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 December 2015 was calculated by the

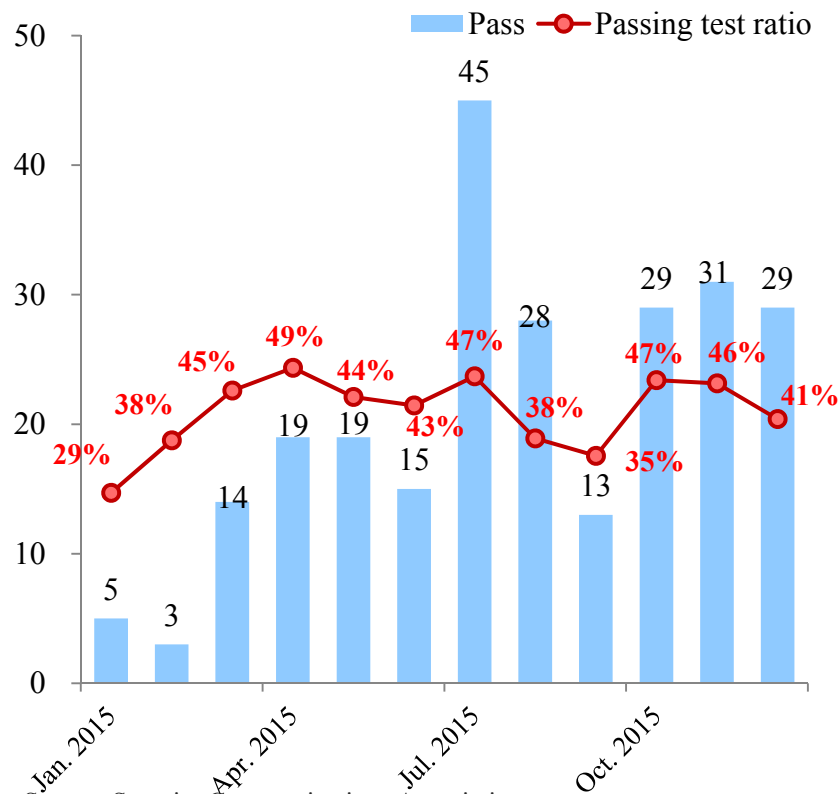
Company based on data released by the Zennichiyauren. The share of machines installed is based on the Company's research.

# SCA; status of implementation of model certification test

**Ratio of pachislot machines passing test ratio has hovered around 40%, whereas the ratio for pachinko machines dip below 60% in December**

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

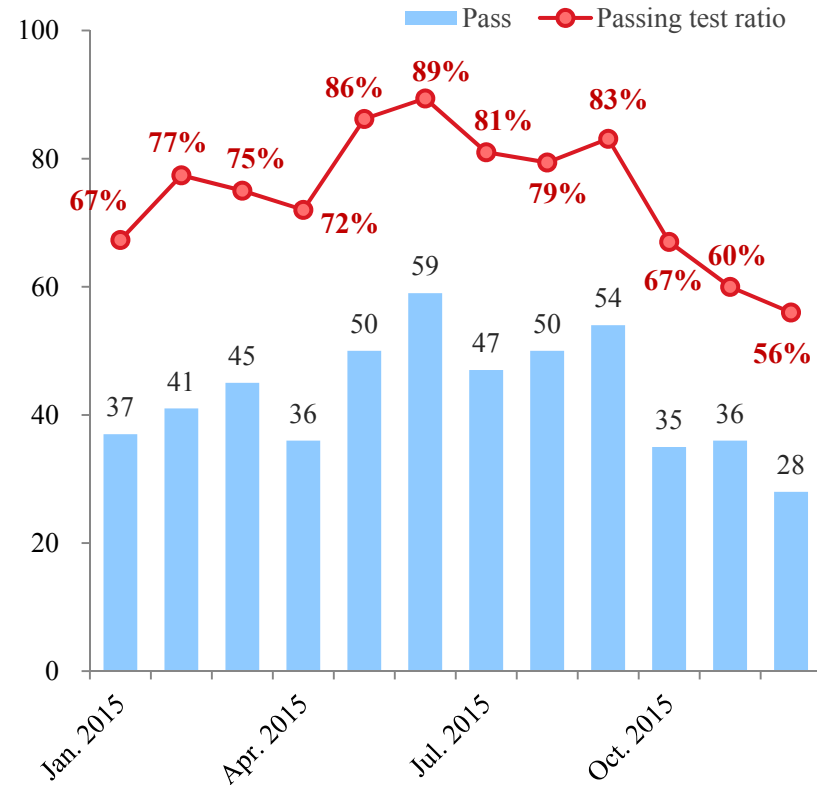
(model type)



Source: Security Communications Association

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

(model type)



# 3

## IP Initiatives

Status of IP development

Status of IP creation

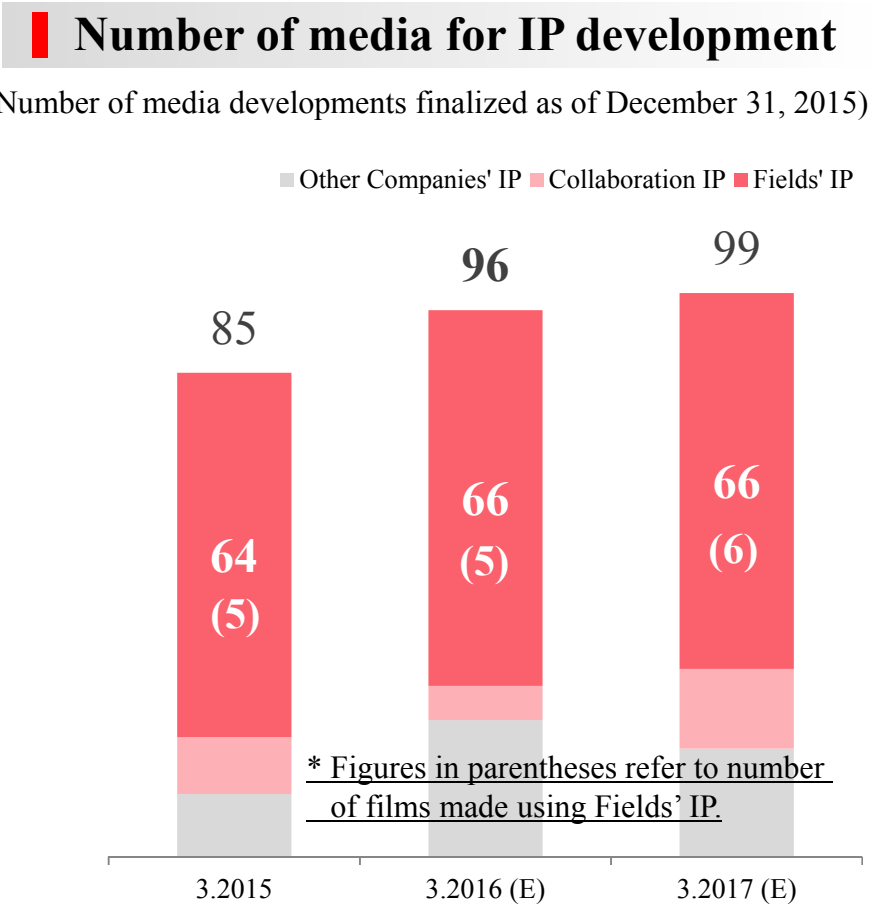
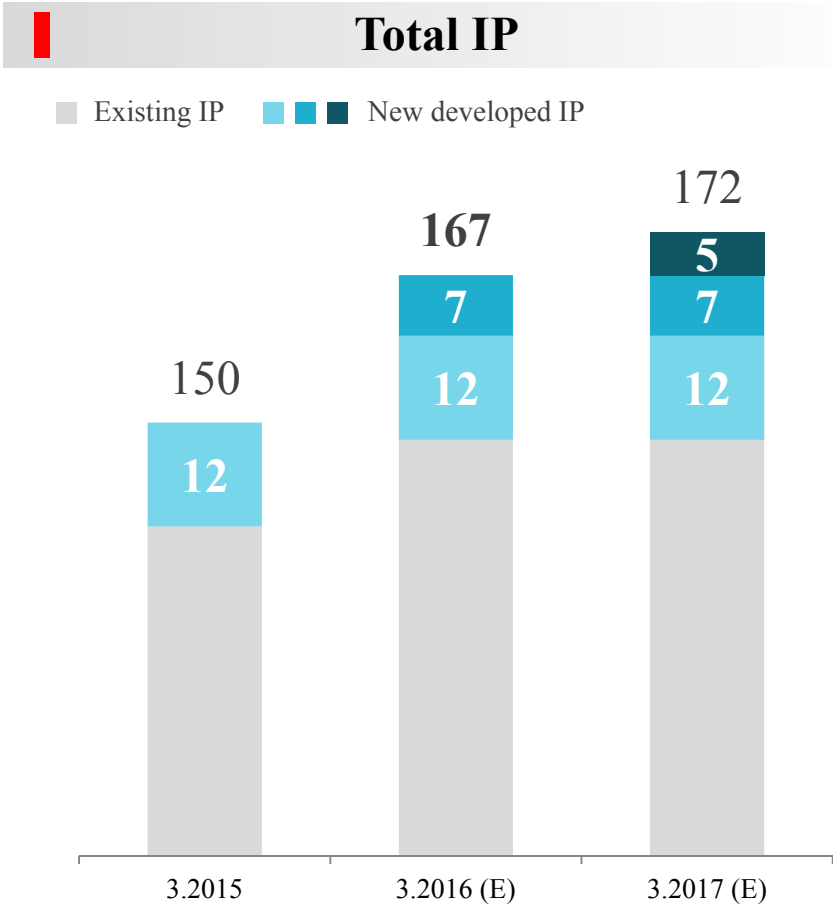
Visual distribution of IP

(Reference) Future of IP visual development

Status of IP merchandising

# Status of IP development

**Total number of IP: 167 titles**  
**Plans to develop in 96 media in Year ending March 31, 2016**



\* 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.



# Status of IP creation

## Progress in cross-media expansion of HERO'S IP

### Status of IP development

- **56 titles** created (from November 2011)
- Level-5 Inc.'s original "USHIRO" launched with January 2016 volume



### Status of cross-media development

- 7 IP currently being developed for visual
- 7th volume of "ULTRAMAN" published, with cumulative copies sold surpassing 2 million
- Development of "Tengen Toppa Gurren Lagann" pachinko machines as part of the cross-media expansion
- Decision made for distribution of digital comics to China



Published from Dec. 2015    Installation from Feb. 2016

©Eiichi Shimizu Tomohiro Shimoguchi ©円谷プロ ©ヒーローズ

©GAINAX・中島かずき/アニプレックス・KONAMI・テレビ東京・電通 ©GAINAX・中島かずき/劇場版グレンラガン製作委員会 ©UNIVERSAL ENTERTAINMENT ©MIZUHO

# Visual distribution of IP

## Merchandising of IP through various media, starting with visualizing

### Ultraman X

- Decision made for theater release in March 2016
- Simultaneous distribution overseas exceeded 390 million views
- Ramped up advertising and product development in Japan and overseas (\*See p.19 for details)



©2016「劇場版 ウルトラマンX」製作委員会  
 ©創通・フィールズ・フライングドッグ/ACTIVERAID PARTNERS  
 ©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

### Active Raid/Grimgar, Live and Act

- Commenced TV broadcasts in January 2016
- Plans in place for IP merchandising, including games and pachinko/pachislot



Began adapting into comic form in Jan. 2016



Decision made by GREE, Inc. to adapt into social game

# Status of IP merchandising (Social game)

## Continued to concentrate on enhancing profitability and game function

(As of December 31, 2015)

### Actual status

- **8 titles** currently in service  
Of these, 2 titles distributed in December
- Cumulative total of 8.43 million people registered for “AKB48” series

#### Social game titles in service

Title	Release
AKB48 Stage Fighter	Oct. 2011
AKB48's Ambition	Jan. 2013
AKB48 Group Official Music Game	May 2014
Freezing Vibration	Dec.
ANIMAL × MONSTER	Mar. 2015
the TOWER of PRINCESS	Aug.
the SOUL of SEVENS	Dec.
GUARDIANS VIOLATION	Dec.

\* The social game titles listed in the table above include license development.

### Forecast

- **1 title** scheduled for release in 4Q
- Concentrate on enhancing profitability and game function of existing 8 titles

#### Release titles in the year ending March 31, 2016



©Fields



©Fields/PG Universe



©Fields



# Status of IP merchandising (License)

## Expanding the world of Ultraman to diverse customer groups

(As of December 31, 2015)

### Ultraman Series

- Ramped up product development in Japan and overseas
- **36 advertising campaigns** during year ending Mar. 31, 2016  
32 in Japan and 4 overseas

Example of advertising campaign (FamilyMart / Amu Plaza / BOLT!)



©円谷プロ ©TSUBURAYA PROD. ©A MAN of ULTRA

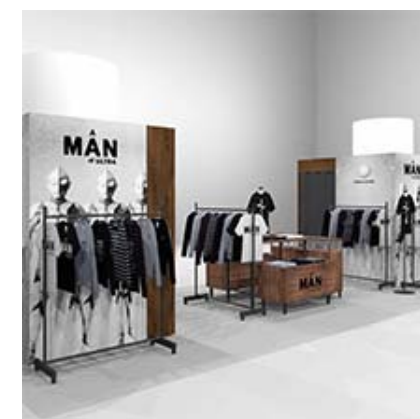
### A MAN of ULTRA

- Expansion into apparel and other product lines
- Licensed companies: **39 (41 Brands)**
- Decision made for several pop-up shops in popular department stores throughout Japan

Pop-up shop to open at Ginza Mitsukoshi in February



< Limited original mark >



< Shop image >

# 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.



**FIELDS CORPORATION**  
**Corporate Communications Office**  
**TEL : +81-3-5784-2109    E-mail : [ir@fields.biz](mailto:ir@fields.biz)**