

FIELDS CORPORATION



Financial Presentation

for the second quarter of fiscal year ending March 31, 2022

FIELDS CORPORATION

Listed on: TSE 1st (2767)

Overview of Q2 for the FY2021

Renovation of management structure in April 2018

Implementation of various management reform aimed at achieving sustainable growth

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- I. Group management focus on selection and specializing**
- FIELDS now specializing in distribution field for pachinko business
 - Consolidated IP business in Tsuburaya Productions/ Digital Frontier
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- II. Strengthen product and technological capabilities at group companies**
- To develop businesses that reflect future markets and customer preferences
- Measures to strengthen the products, services, and technological capabilities of each group company
 - Strengthening of in-house coordination among the Group
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- III. Implementing continuous cost reduction measures**
- Improving trend after peaking in FY2015
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I. Group management focus on selection and specializing

Concentrating the IP business, which is a driver of future growth, in Tsuburaya Productions and Digital Frontier

Tsuburaya Productions

Expansion of digital services

- *TSUBURAYA IMAGINATION* (joint business with NTT DOCOMO, INC.)
- E-commerce website *TSUBURAYA STORE ONLINE*
- Live distribution

Film business

- *SHIN ULTRAMAN* (devised and written by Hideaki Anno)
release date TBD

Global expansion

- Joint IP planning and development with Netflix, Marvel, etc.
- Growth in merchandising in Asia, particularly China

Digital Frontier

Japan's top-class CG Video and VFX technology

- CG video production centered on major domestic game companies
- VFX video production with Netflix and others

Other group businesses

- Remain steady

II. Strengthen product and technological capabilities at group companies

■ Strengthen product appeal in the PS business

1. Prioritize the strengthening of product planning and development capabilities to ensure a stable supply of “quality products”

Quality products are defined as products that are both profitable for pachinko halls and meet PS fans expectations while satisfying the needs of leisure in a mature society (moderate time and monetary consumption)

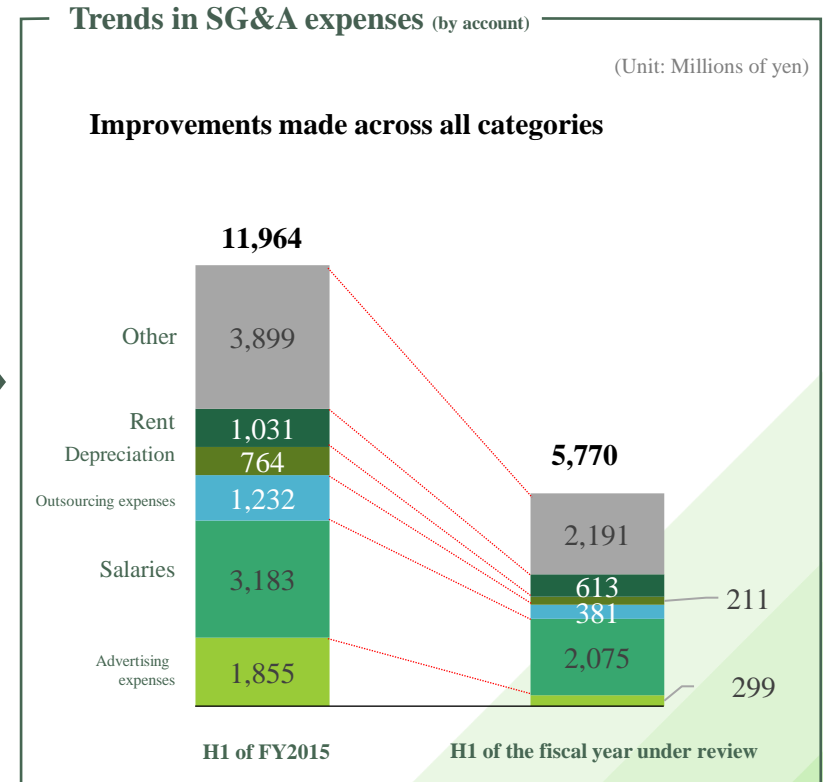
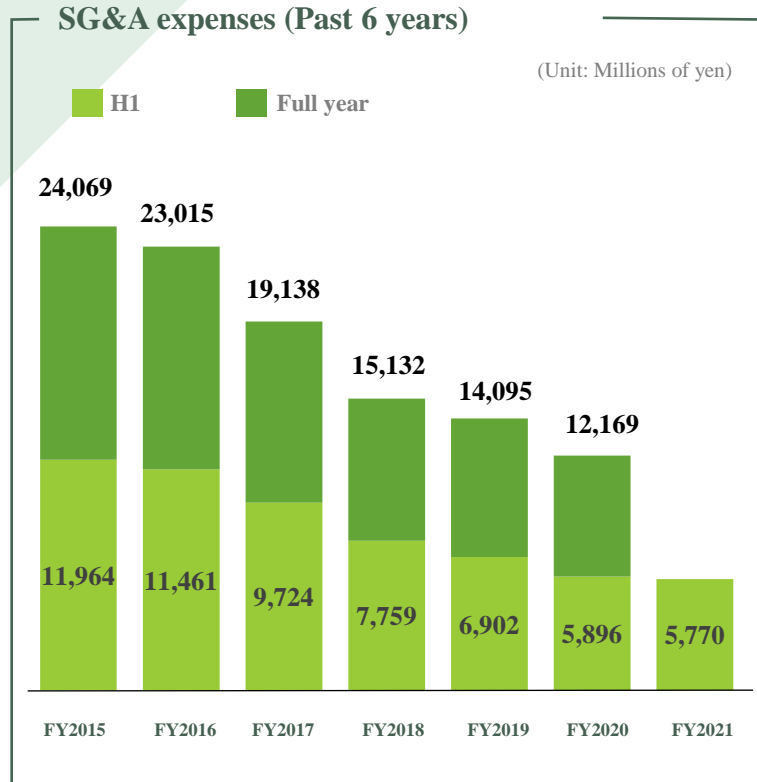
2. Drastically restructuring processes to build an organization that integrates sales and development

⇒These initiatives lead to improved unit sales

PS units sold	FY2018	FY2019	FY2020	FY2021
H1 results	43,026 units	64,561 units	16,501 units	77,918 units
Full-year results	138,023 units	191,335 units	95,911 units	

III. Implementing continuous cost reduction measures

■ Improvement in SG&A expenses



Consolidated P/L for the H1 of the FY2021 (summary)

In the H1 of the fiscal year under review, operating profit improved from a loss of ¥ 3,320 million in the same period of the previous fiscal year to a profit of ¥350 million.

	Previous period		Current period		YoY Change (Unit: billions of yen)
	H1	Full year	H1		
Net sales	10.59	38.79	37.34		26.75
Gross profit	2.56	9.92	6.12		3.55
SG&A expenses	5.89	12.16	5.77		(0.12)
Operating profit (loss)	(3.32)	(2.24)	0.35		3.68
Ordinary profit (loss)	(3.24)	(2.03)	0.59		3.84
Profit (loss) attributable to owners of parent	(3.92)	(3.45)	0.31		4.23
Pachinko sales (units)	4,071	50,124	65,199		61,128
Pachislot sales (units)	12,430	45,787	12,719		289
Total	16,501	95,911	77,918		61,417

*Changes in accounting policy: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, Mar. 31, 2020) and other standards from the beginning of the Q1 of the current fiscal year.

*Amounts less than ¥10 million have been omitted.

Consolidated B/S for the H1 of FY2021 (end of Sep. 2021) (summary)

	End of Mar. 2021	End of Sep. 2021	Change	Main change factors
Current assets	39.14	41.69	2.54	Increase in trade receivables
Non-current assets	13.22	13.42	0.20	
Total assets	52.37	55.12	2.75	
Current liabilities	10.89	16.79	5.89	Increase in liabilities related to payable transactions and trade payables
Non-current liabilities	11.03	9.29	(1.73)	Decrease in long-term borrowings
Total liabilities	21.92	26.09	4.16	
Total net assets	30.44	29.03	(1.41)	
Total liabilities and net assets	52.37	55.12	2.75	

(Unit: billions of yen)

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Consolidated C/F for the H1 of the FY2021 (summary)

	FY2020		FY2021	Major components of the H1	
	H1	Full-year	H1	(Unit: billions of yen)	
Cash flows from operating activities	1.03	3.69	1.00	Profit before income taxes	+0.78
				Increase in trade payables	+1.64
				Increase in inventories	(1.00)
				Increase in trade receivables	(0.74)
				Depreciation	+0.34
Cash flows from investing activities	(0.66)	(1.07)	(0.49)	Payments for investments in capital	(0.55)
				Proceeds from sales of investment securities	+0.46
				Purchase of non-current assets	(0.41)
Cash flows from financing activities	(3.05)	(2.83)	(2.21)	Repayments of long-term borrowings	(2.04)
				Cash dividends paid	(0.32)
				Proceeds from long-term borrowings	+0.20
Net increase (decrease) in cash and cash equivalents	(2.68)	(0.21)	(1.70)		
Cash and cash equivalents at beginning of period	24.72	24.72	24.51		
Cash and cash equivalents at end of period	22.04	24.51	22.82		

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Forecast for the current fiscal year

Q3

●PS business



●Other group businesses

Steady growth in other group companies, including Tsuburaya Productions and Digital Frontier

The forecasts for Q4 and the full-year are “undecided” as stated in the summary of financial results.

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