

To all parties concerned:

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Notification of variance between consolidated performance forecast for the year ending March 31, 2017 and the results, and the accrual of losses on equity method investments

FIELDS CORPORATION hereby announces that the following variance has arisen between the consolidated performance forecast for the year ending March 31, 2017 published on January 20, 2017 and the results published today. In addition, we also hereby announce the accrual of losses on equity method investments.

1. Variance between consolidated performance forecast for the year ending March 31, 2017 and the results
(1) Variance between consolidated performance forecast for the year ending March 31, 2017 and the results
(April 1, 2016 – March 31, 2017)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecast (A)	73,000	(6,500)	(7,500)	(8,500)	Yen (256.15)
YoY (%)	(22.7)	—	—	—	—
Results for the current fiscal year (B)	76,668	(5,374)	(9,068)	(12,483)	(376.18)
YoY (%)	(18.8)	—	—	—	—
Amount changed (B-A)	3,668	1,125	(1,568)	(3,983)	—
Change (%)	5.0	—	—	—	—
(Reference) Results for the Previous fiscal year (ended March 31, 2016)	94,476	1,411	1,380	118	3.58

(2) Reason for the variance

The consolidated results for the fiscal year are shown in table (1) above. In relation to the variance with the forecast announced previously, although net sales, and operating profit and loss exceeded the forecasts, they were generally within the anticipated range.

Regarding operating profit and loss, as described below in 2., we accrued losses of 2 billion yen on equity method investments and so on, resulting in losses of 9 billion yen, 1.5 billion yen lower than the forecast announced previously.

Regarding net profit and loss attributable to owners of parent company for the year ended March 31, 2017, business selection and focus and optimization of operations resulted in new extraordinary losses of 700 million yen. In addition, through the withdrawal of individual deferred tax assets, we accrued a corporation tax adjustment valued at 1.4 billion yen. As a result, we accrued losses of 12.4 billion yen, 3.9 billion yen lower than the forecast announced previously.

2. Accrual of losses on equity method investments

As a result of comprehensive consideration of the business environment of MIZUHO CORP., a company with which FIELDS CORPORATION has an equity method relationship, and the company's asset situation, etc., we accrued allowance for doubtful accounts for the company, and loss from revaluation of stock, etc. of 2 billion yen as losses on equity method investment.

FIELDS CORPORATION is continuing to hold discussions with parties involved in joint businesses regarding the manufacture and sales of its pachinko/pachislot machines.

For inquiries or further information, please contact:

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