

To all parties concerned:

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Notification of Revisions to Performance Forecast

FIELDS CORPORATION hereby announces that we have revised the forecast given in the “Summary of Financial Information and Business Results for the Year Ended March 31, 2017” published on May 9, 2017 based on recent changes in our results. The revised details are given below.

1. Revisions to the consolidated performance forecast for the year ending March 31, 2018

(1) Forecast for the full year (April 1, 2017 to March 31, 2018)

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previous forecast (A)	82,000—85,000	1,000—2,000	0—2,000	0—1,000	0—30.14 yen
YoY (%)	7.0—10.9	—	—	—	—
Revised forecast (B)	62,500	(6,000)	(6,000)	(6,600)	(198.89) yen
YoY (%)	(18.5)	—	—	—	—
Amount changed (B-A)	(19,500)—(22,500)	(7,000)—(8,000)	(6,000)—(8,000)	(6,600)—(7,600)	—
Change (%)	(23.8)—(26.5)	—	—	—	—
(Reference) Results for the previous fiscal year (ended March 31, 2017)	76,668	(5,374)	(9,068)	(12,483)	(376.19) yen

(2) Main reasons for the revisions

With regard to the pachinko and pachislot (PS) sales market, the *Revision of Ordinance for Enforcement of the Act on Control and Improvement of Amusement Business, etc.*^{*1} has been promulgated and enforced, which has had a large impact on the development, manufacturing and sale of PS machines in the second half (from October to March) and the subsequent periods. The model certification test of the former regulation machines by Security Communications Associations^{*2} (application due was January 31, 2018) has been extended for a long period of time.

The Group's PS business proceeded according to the plan by the nine months ended December 31, 2017. However, in the fourth quarter (from January to March), due to the above-mentioned factors, the Group has not received the model certification test's results of several titles including large titles which were originally planned to be sold. The Group has recognized that it would be difficult to sell or calculate sales for these titles during the current term. As a result, the full-year sales plan has been revised from 270,000 machines to 190,000 machines.

Accordingly, the net sales and sales revenue are expected to fall below the initial plan.

While the SG&A expenses have significantly improved due to our management efficiency initiatives, operating profit is also expected to fall below the initial plan.

We deeply apologize to our shareholders, investors, partner companies, and all other stakeholders for great anxiety that this revision may cause.

The Group recognizes that our business forecast was revised mainly due to the above-mentioned external factors in PS business. Meanwhile, our initiatives based on the Medium-term Management Plan including value chain rebuilding and improvements of management efficiency have been steadily progress. Going forward, we will continue to work together to achieve the Medium-term Management Plan, which still has two years remaining.

Our forecast for term-end dividends has not changed from the recently announced value.

- *1. *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. The Security Communications Association has been designated by the National Public Safety Commission as a testing institution that conducts model certification tests of PS machines

The above forecast relies on judgments and assumptions based on information available as of the date of announcement of this material, and is subject to changes in risks, uncertainties, and economy, and other factors that could cause actual results to be materially different from expectations.

For inquiries or further information please contact

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