March 6, 2019

To all parties concerned:

FIELDS CORPORATION
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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, 2018" published on May 11, 2018 based on recent changes in our results.

1. Revisions to the consolidated performance forecast for the year ending March 31, 2019

(1) Forecast for the full year (April 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previous forecast (A)	95,000	2,000	2,500	1,500	45.20 yen
YoY (%)	55.6	–	–	–	–
Revised forecast (B)	53,000	0	0	700	21.09 yen
YoY (%)	(13.2)	–	–	–	–
Amount changed (B-A)	(42,000)	(2,000)	(2,500)	(800)	–
Change (%)	(44.2)	–	–	(53.3)	–
(Reference) Results for the previous fiscal year (ended March 31, 2018)	61,055	(5,738)	(5,204)	(7,691)	(231.77) yen

(2) Main reasons for the revisions

Conditions through the third quarter

Given the market situation, we positioned the first half of the fiscal year (April to September) as a period for the PS distribution unit, which spearheads the FIELDS CORPORATION Group, to focus efforts on developing PS machines that comply with the new regulation, and we took measures to sell PS machines under the old regulation (so-called regulation 5.9 machines) and later-remodeled machines. These efforts were the main reasons for consolidated net sales of ¥18.0 billion and a consolidated operating loss of ¥3.9 billion in the first half.

In the third quarter (October to December), we concentrated on sales of main title machines including new-regulation machines. As a result, consolidated net sales were ¥19.5 billion, and we returned to profitability with consolidated operating profit of ¥2.6 billion in the third quarter.

As a result of these activities, during the first nine months of the fiscal year (April to December), consolidated net sales were ¥37.6 billion, while consolidated operating loss improved to ¥1.2 billion.

Conditions in the fourth quarter (January to March)

Under the plan for the fourth quarter (January to March), we strived to achieve the results for the fiscal year while holding multiple pachinko and pachislot machines including machines awaiting approval.

With regard to pachinko, we are selling *Pachinko EVANGELION 13* and *Pachinko GEKIJOUREI* machines.

However, *Pachinko GANTZ:2*, which sales started from the end of February, took longer than anticipated for approval, and as a result of serious consideration, the delivery period has been postponed to before the Golden Week holiday when an unusual substantial peak in replacement demand in preparation for the self-imposed replacement control period (planned for about one month starting in late May) due to the G20 Osaka Summit is expected.

With regard to pachislot, we sold *Pachislot Evangelion AT777*. This machine was well received immediately after its introduction, and we are currently receiving additional orders. In addition, in consideration of expanding sales opportunities, we decided to sell an unreleased title that has been approved in next fiscal year as demand increases.

As a result of these factors, we project that consolidated net sales will be approximately ¥15.0 billion and consolidated operating profit will be approximately ¥1.2 billion in the fourth quarter (January to March).

<u>Outlook for the fiscal year</u>

As a result of the above developments, the outlook for the fiscal year is as follows: consolidated net sales of ¥53.0 billion (down ¥42.0 billion from the plan), consolidated operating profit of ¥0 billion (down ¥2.0 billion from the plan), and consolidated ordinary profit of ¥0 billion (down ¥2.5 billion from the plan). Thus, results are expected to fall below the initial plan.

The main factors affecting net sales are as follows. Initially, we planned to release four pachinko machine titles including titles that are awaiting approval. Of these, we released two titles as discussed above, but one main title included in the plan was not approved, with a projected impact of a ¥14.5 billion reduction in net sales. In addition, the postponement of the sales period for *Pachinko GANTZ:2* and an unannounced pachislot machine title as indicated above is expected to result in an approximately ¥25.5 billion decrease in net sales.

The main factors affecting operating profit are the factors causing the decrease in net sales discussed above. Measures to improve management efficiency with regard to SG&A expenses are proceeding generally in line with plans.

The main factors affecting ordinary profit are the reporting of non-operating loss greater than planned in addition to the reduction in operating profit.

During the first nine months of the fiscal year, we reported extraordinary income from sales of shares of affiliated companies, and we forecast that profit attributable to owners of the parent will be ¥700 million (down ¥800 million from the plan).

Our forecast for the term-end dividend remains unchanged from the most recent announcement.

We plan to release our forecast of consolidated financial results for the fiscal year ending March 2020 at the time of announcement of financial results for the fiscal year ending March 2019, following careful review of forecasts and the above circumstances.

*The number of pachinko/pachislot machine titles on this material does not include the later-remodeled machines such as amadigi-type.

*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.

<u>For inquiries or further information please contact</u>

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