

May 18, 2022

To all parties concerned:

FIELDS CORPORATION
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Notice of Corporate Split and Partial Amendment to Articles of Incorporation Due to Transition to Holding Company Structure

In the *Notice of Commencement of Consideration on Transition to a Holding Company Structure* dated March 22, 2022, FIELDS CORPORATION announced that it will transition to a holding company structure by October 3, 2022.

At the board of directors meeting held today, the Company resolved to implement a corporate split through an incorporation-type demerger (the “spin-off”) and partially amend the articles of incorporation with the aim of transitioning to a holding company structure on October 3, 2022.

The transition to a holding company structure and partial amendments to the articles of incorporation will be implemented subject to approval of the related agenda at our Annual General Meeting of Shareholders to be held on June 22, 2022.

Please note that the disclosures and details are partially omitted due to the spin-off being a sole incorporation-type demerger.

I. Spin-off of the company for transition to a holding company structure

1. Background and objectives of the transition to a holding company structure

Since its foundation, FIELDS Corp. has adopted a management policy based on our corporate philosophy of “The Greatest Leisure for All People” placing the content business as a pillar of our growth strategy. In 2010, we acquired Tsuburaya Productions Co., Ltd. (hereinafter, “TPC”), which owns a large number of Intellectual Property (IP), including *Ultraman*, and Digital Frontier Inc., which engages in one of the largest CG/VFX video businesses in Japan. We strategically invested in the creation and development of globally-competitive IP and in digital businesses.

TPC’s *Ultraman* IP business is growing not only domestically but also in the Asian region, where royalty income has almost tripled compared to the previous year. In response to the strong performance of Japanese IP merchandising in the North American market, TPC will aggressively develop *Ultraman* IP worldwide from now on.

Furthermore, with the advancement of digital technologies, it is anticipated that businesses utilizing metaverse and other virtual spaces and NFT will become mainstream in the future. Under these conditions, our group, which is a leading IP holder and possesses the know-how of digital video production, will shift to a holding company structure in order to position the “IP × Digital” business as a pillar of our growth strategy and to proactively and innovatively evolve its business.

With the business climate expected to further increase the value of IP in the future, we will make the pachinko/pachislot (hereafter “PS”) machine business that we are responsible for a subsidiary of the holding company through a corporate split, creating an organizational structure alongside the “IP × Digital” business group. The holding company will be mainly responsible for the following roles.

i. Strategic investments and business alliances

We will strategically invest in creating and developing globally-competitive IP and in digital businesses and other areas. In addition, the holding company will take on the role of promoting business and capital alliance with companies and other entities that are expected to generate synergies.

ii. Maximization of the group's corporate value

In the holding company, we plan and promote aggressive and innovative management strategies, and under those strategies we support each operating company and encourage the creation and expansion of group synergies. Through these efforts, we will maximize the group's corporate value.

2. Method of transition to a holding company structure

(1) Schedule

May 18, 2022 (today) Meeting of the board of directors to approve the plan for incorporation-type demerger

Jun. 22, 2022 (scheduled) Annual General Meeting of Shareholders to approve the plan for incorporation-type demerger

Oct. 3, 2022 (scheduled) Transition to a holding company structure (effective date of incorporation-type demerger)

(2) Corporate split

We will conduct an incorporation-type demerger in which the Company will be the split company and the newly established FIELDS CORPORATION will be the successor company. The Company plans to transition to a holding company on October 3, 2022 (planned) and change its name to TSUBURAYA FIELDS HOLDINGS INC.

(3) Allotment of shares

At the time of the spin-off, all 1,000 shares of common stock issued by the newly established company "FIELDS CORPORATION" will be allocated to the Company, the split company.

(4) Handling of share acquisition rights and bonds with share acquisition rights

Not applicable.

(5) Share capital, etc. increased by the spin-off

There is no increase or decrease in our share capital due to the spin-off.

(6) Rights and obligations to be succeeded to by the newly established company

Upon the spin-off, the newly established company shall succeed to the rights and duties of assets, liabilities, and the employment contract and the others as of the effective date of the split which we have in connection with the split business in accordance with the provisions of the incorporation-type demerger plan. With respect to any debt succeeded from the Company to the newly established company, we will assume the debt in a cumulative manner together with the newly established company.

(7) Forecast for obligations

The Company and the newly established company have sufficient assets to secure the performance of the obligations to be satisfied after the effective date of the spin-off, and we have determined that there are no particular issues with respect to the prospects of satisfying the obligations to be incurred by the Company and the newly established company.

3. Overview of the Company involved in the split

	Split company (As of Mar. 31, 2022)	Newly established company (To be established on Oct. 3, 2022)
(1) Company name	FIELDS CORPORATION (Planned to change its name to TSUBURAYA FIELDS HOLDINGS INC. on Oct. 3, 2022)	FIELDS CORPORATION
(2) Address	16-17, Nampeidai-cho, Shibuya-ku, Tokyo	16-17, Nampeidai-cho, Shibuya-ku, Tokyo
(3) Title/ name of representative	Chairman, President and Group CEO Hidetoshi Yamamoto	President Hidetoshi Yamamoto

(4) Main business	Content-related business Planning, development, and sales of PS machine	Planning, development, and sales of PS machine		
(5) Share capital	¥7,948 million	¥100 million		
(6) Establishment	Jun. 1988	Oct. 31, 2022 (planned)		
(7) Number of shares issued and outstanding	34,700,000 shares	1,000 shares		
(8) Fiscal year end	End of March	End of March		
(9) Major shareholders and percentage of total shares held * Percentage of total shares held is calculated as the ratio of shares held to the total number of shares outstanding	Hidetoshi Yamamoto	25.58%	TSUBURAYA FIELDS HOLDINGS INC. (planned)	100%
	Takashi Yamamoto	10.41%		
	Master Trust Bank of Japan, Ltd. (Trust Account)	6.41%		
	Mint Co.	4.61%		
	Custody Bank of Japan, Ltd. (Trust Account)	2.97%		
	JPMorgan Securities Japan Co., Ltd.	1.92%		
	Hideyuki Kayamori	1.45%		
	Shogo Kayamori	1.44%		
	Ayane Kayamori	1.44%		
	MSCO CUSTOMER SECURITIES	1.23%		

* Split company's financial position and operating results over the last three years (consolidated)

Fiscal year end	FY 2019	FY 2020	FY 2021
Total assets (millions of yen)	64,317	52,370	70,001
Net assets (millions of yen)	34,279	30,443	31,551
Net assets per share (yen)	1,018.63	921.80	939.42
Net sales (millions of yen)	66,587	38,796	94,900
Operating profit (millions of yen)	713	(2,241)	3,444
Ordinary profit (millions of yen)	939	(2,032)	3,634
Profit attributable to owners of parent (millions of yen)	490	(3,452)	2,471
Basic earnings per share (yen)	14.79	(105.78)	76.43

4. Overview of business units to be split

(1) Business outline of the business units to be split

Planning, development, and sales of PS machine (including ancillary businesses)

(2) Operating results of the business units to be split for the year ended March 31, 2022

(Unit: millions of yen)

	Spin-off business units (a)	FIELDS Corp. (pre-split) (b)	Ratio (a/b)
Net sales	83,604	83,604	100%

(3) Items and amounts of assets and liabilities to be split (as of March 31, 2022)

Assets and liabilities belonging to the units will be transferred to the newly established company. The amount has not been determined at this time. We will announce as soon as it is finalized.

5. Status after the company split

	Split company	Newly established company
(1) Company name	TSUBURAYA FIELDS HOLDINGS INC. (planned)	FIELDS CORPORATION
(2) Address	16-17, Nampeidai-cho, Shibuya-ku, Tokyo	16-17, Nampeidai-cho, Shibuya-ku, Tokyo
(3) Title/ name of representative	President and CEO Hidetoshi Yamamoto	President Hidetoshi Yamamoto
(4) Main Business	Group business management	Planning, development, and sales of PS machine
(5) Share capital	¥7,948 million	¥100 million
(6) Fiscal year end	End of March	End of March

6. Future outlook

The newly established company, which will succeed to the business as a result of the split, is a 100% subsidiary of the split company, and therefore there is no direct impact on consolidated results.

II. Partial amendment of the articles of incorporation

1. Reason for amendment of the articles of incorporation

The Company will change its company name and objectives in accordance with the transition to a holding company structure. In addition, the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Law for Partial Amendment of the Corporate Law” (Law No. 70 of 2019) will come into effect on September 1, 2022, and the articles of incorporation will be amended in order to prepare for the introduction of the electronic provision system of reference documents for General Meetings of Shareholders. However, the matters have been omitted from below.

2. Amendments to the articles of incorporation

(Amended parts are underlined.)

Current articles of incorporation	Proposed change
(Company name) Article 1 The Company is referred to as フィールズ株式会社 and, in English, as FIELDS CORPORATION.	(Company name) Article 1 The Company is referred to as <u>円谷フィールズホールディングス株式会社</u> and, in English, <u>TSUBURAYA FIELDS HOLDINGS INC.</u>
(Purpose) Article 2 The purpose of the Company is to engage in the following businesses:	(Purpose) Article 2 The purpose of the Company is <u>to control and manage the business activities of the companies by operating the following businesses and by holding shares or equity in the companies (including foreign companies) or others, operate the following businesses, and to engage in any and all businesses related thereto or incidental thereto.</u>
(1)-(24) (Omitted)	(1)-(24) (same as the current version)
Articles 3 to 40 (Omitted)	Articles 3 to 40 (Omitted)
(Newly established)	Supplementary Provisions Article 41 <u>The changes in Article 1 (Company name).</u>

<p>(Newly established)</p>	<p><u>and Article 2 (Purpose) shall become effective as of the effective date of the incorporation-type demerger provided that the “approval of the incorporation-type demerger plan” to be submitted to the 34th Annual General Meeting of Shareholders to be held on June 22, 2022, shall be approved and passed as originally proposed and the incorporation-type demerger based on said incorporation-type demerger plan shall become effective as of the effective date of said incorporation-type demerger.</u></p> <p><u>2. This article shall be deleted after the effective date of the incorporation-type demerger provided for in the preceding paragraph.</u></p> <p>Article 42 (Omitted)</p>
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3. Future outlook

June 2022, 2022 (scheduled) General Meeting of Shareholders to amend the articles of incorporation

October 3, 2022 (scheduled) Effective date of the amendment to the articles of incorporation

Company name and purpose

For inquiries or further information please contact

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