

1st quarter (4. 2014 – 6. 2014)

Financial Presentation  
(First Quarter of the Year Ending March 31, 2015)



**FIELDS CORPORATION**

(August 1, 2014)



# Index

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1. Summary of Results for the First Quarter of the  
Year Ending March 31, 2015 (Consolidated) P.02

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2. Key IP Initiatives P.06

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(Reference) Pachinko and Pachislot Field P.10

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3. Future IP Developments P.13

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# **1** **Summary of Results for the First Quarter of the Year Ending March 31, 2015 (Consolidated)**

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# Consolidated P/L

» Change year-over-year: **Listed titles unchanged, increase in number of listed pachinko machines (up 26,000 year-over-year)**

» Compared to forecasts: **Progress generally in line with forecasts**

(Unit: Billion yen)

	Year ended March 31, 2014		Year ending March 31, 2015		
	Q1	Full-Year	Q1	YoY	Full-Year Forecast
Net sales	5.74	114.90	<b>7.45</b>	+29.8%	100.00
Gross profit margin	2.02	33.81	<b>2.79</b>	+37.6%	-
SG&A expenses	5.85	24.02	<b>5.30</b>	(9.5) %	-
Operating income	(3.82)	9.79	<b>(2.50)</b>	-	5.00
Ordinary income	(3.75)	9.76	<b>(2.25)</b>	-	5.00
Net income	(2.29)	5.37	<b>(1.50)</b>	-	2.50

PS sales P: Pachinko S: Pachislot	P	12,000	162,000	<b>38,000</b>	+26,000	
	S	5,000	230,000	<b>5,000</b>	(0)	

## Consolidated B/S

» Down 31.38 billion yen since the end of the previous fiscal year due to a decrease in notes and accounts receivable—trade and notes and accounts payable—trade

(Unit: Billion yen)

	At March 31 2014	At June 30 2014	Increase / Decrease	Main factors for increase/decrease
Current assets	66.92	35.92	(31.00)	Decrease in notes and accounts receivable — trade
Tangible fixed assets	12.10	12.37	+0.27	Increase by purchase of land for building new branch offices
Intangible fixed assets	4.36	4.36	+0.00	
Investments and other assets	21.47	20.81	(0.66)	Decrease in investment securities
<b>Total assets</b>	<b>104.86</b>	<b>73.48</b>	<b>(31.38)</b>	
Current liabilities	41.73	13.02	(28.70)	Decrease in notes and accounts payable — trade and decrease in accrued income taxes
Fixed liabilities	4.38	4.16	(0.22)	Decrease in net defined benefit liability
Net assets	58.75	56.29	(2.45)	Decrease in retained earnings
<b>Total liabilities and net assets</b>	<b>104.86</b>	<b>73.48</b>	<b>(31.38)</b>	

# Consolidated Cash Flows

» Cash and cash equivalents decreased 10.65 billion yen over the end of the previous fiscal period due to net loss, income taxes paid and other for the quarter

(Unit: Billion yen)

	3.2014 Q1	3.2015 Q1	Analysis of main factors	
Operating cash flows	(9.35)	<b>(8.93)</b>	Loss before income taxes and minority interests	(2.26)
			Decrease in notes and accounts receivable — trade	23.51
			Decrease in notes and accounts payable — trade	(25.92)
			Income taxes paid	(1.92)
Investing cash flows	(1.09)	<b>(0.54)</b>	Expenditures for purchase of intangible fixed assets	(0.46)
			Expenditures for purchase of tangible fixed assets	(0.25)
			Proceed from payment of loans	0.55
Financial cash flows	(1.24)	<b>(1.17)</b>	Dividends payments	(0.79)
			Repayment of short-term borrowings	(0.32)
Cash and cash equivalents at beginning of period	23.30	<b>29.58</b>		
Cash and cash equivalents at end of period	11.61	<b>18.93</b>		

# 2 **Key IP Initiatives**

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# Key IP Initiatives

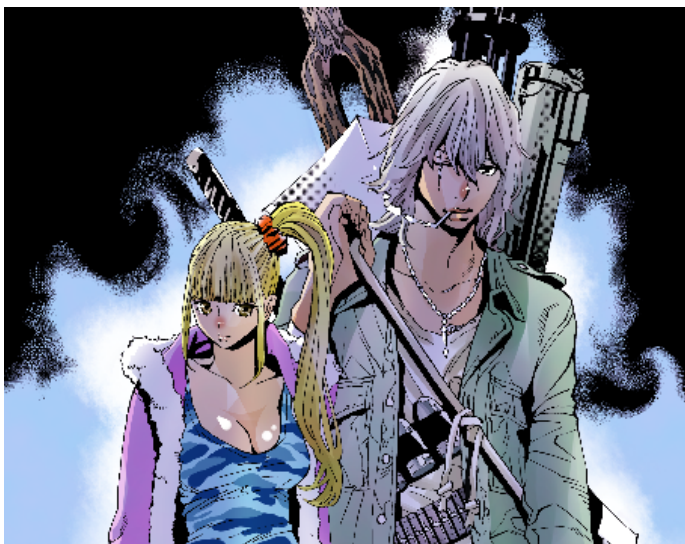
## » Promote cultivating and commercialization of IP acquired, owned and created

	IP	Main initiatives	Remarks
Created	“HERO’S” IP	• 5 new works published	
		• 9 works published as comic books	
Screen version	“HERO’S” IP		
	MJP	• Rebroadcasts begun	July 2014 –
	Sailor Zombie	• TV drama of “HERO’S Monthly” broadcast in conjunction with an arcade game	April 2014 –
	Other	• 5 works to be brought to the screen	
	Ultraman series	• Start of broadcast of “Ultraman Ginga S”	July 2014 –
	Tsuburaya IP	• Cross-media development underway, including screen versions	
	Other	• Planning and production of “Appleseed Alpha”	July 2014 – (release in North America)
Merchandising	AKB48	• Release of “AKB48MusicGame”	May 2014 – (cumulative total of 1 million DL)
	Other	• Acquisition of licensing agent rights for “Uglydoll”	July 2014



## Topics (1): SOUL ReVIVER

» Start of Hollywood project to make a live action film from “SOUL ReVIVER,” which runs in “HERO’S Monthly”



### ■ Overview of live action film project

- Fields, All Nippon Entertainment Works, Inc. (ANEW) and Bedford Falls Productions have begun joint script development with the aim of producing a live action film.
- ANEW, which is promoting the Hollywood expansion of Japanese content, provides support for this joint script planning and development from the perspective of both the Japan and US sides.

### ■ Script

- Collaboration by Marshall Herskovitz and Edward Zwick
- \* SOUL ReVIVER  
A fantasy action comic with writing, configuration and character design by Tohru Fujisawa, original author of “GTO,” and drawing by Manabu Akishige.
- \* All Nippon Entertainment Works, Inc. (ANEW)  
A company that was established with the aim of working cooperatively with holders of Japanese content and Hollywood studios and global film companies and jointly producing entertainment targeting a global market.
- \* Bedford Falls Productions  
A Hollywood film production company run by Marshall Herskovitz and Edward Zwick and known for the films “The Last Samurai” and “Blood Diamond”.

## Topics (2): New IP developments

### ■ Links between comics, film and games



#### Sailor Zombie

- Pop horror works for young people
- Cross-media development beginning in April 2014 in “HERO'S Monthly” and as a TV drama and an arcade game

### ■ Planning and production of animation



#### Appleaseed Alpha

- SF action adventure movie
- Planning and production in cooperation with US Sony Pictures
- Film released in North America in July 2014

### ■ Ongoing expansion with TV/film as starting point



#### Ultraman Ginga S

- Second new TV series, following Ultraman Ginga
- Broadcast from July 2014 every Tuesday at 6:00 pm on TV Tokyo network 6 channels as part of “New Ultraman Retsuden”.
- Goods also being developed by BANDAI Co., Ltd.

### ■ Development of new character goods



#### Uglydoll

- Character marketed in 23 countries around the world and particularly popular in the US.
- Won the Specialty “Toy of the Year” award in 2006 that is prestigious in the US toy industry
- Merchandising rights obtained for Japan in July 2014

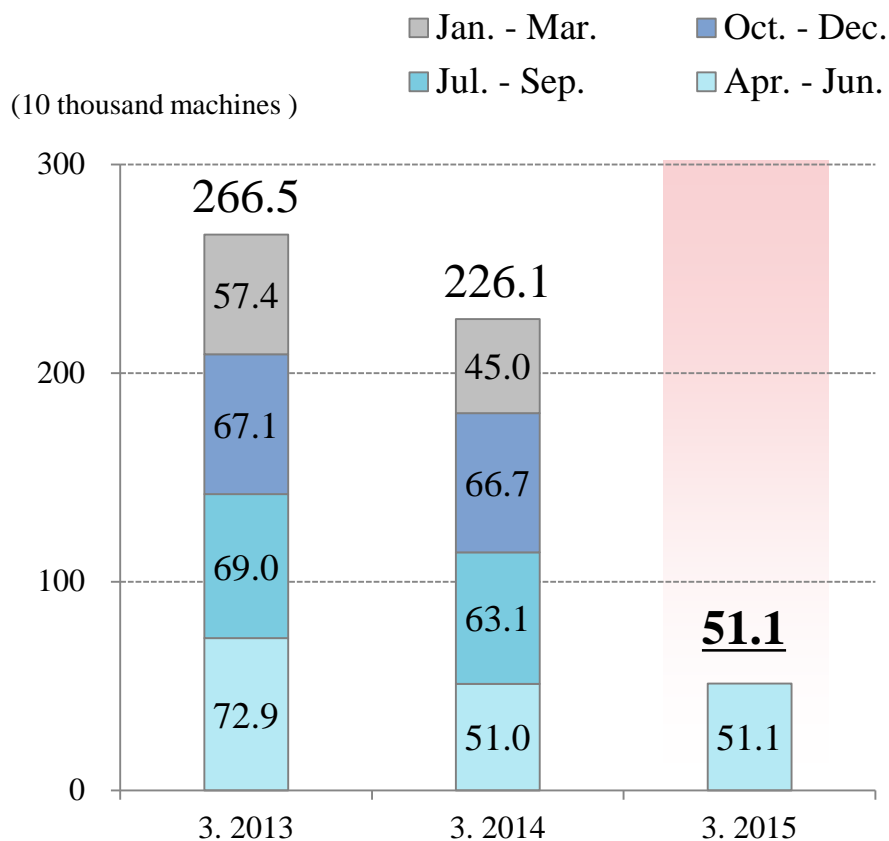
# **(Reference) Pachinko and Pachislot Field**

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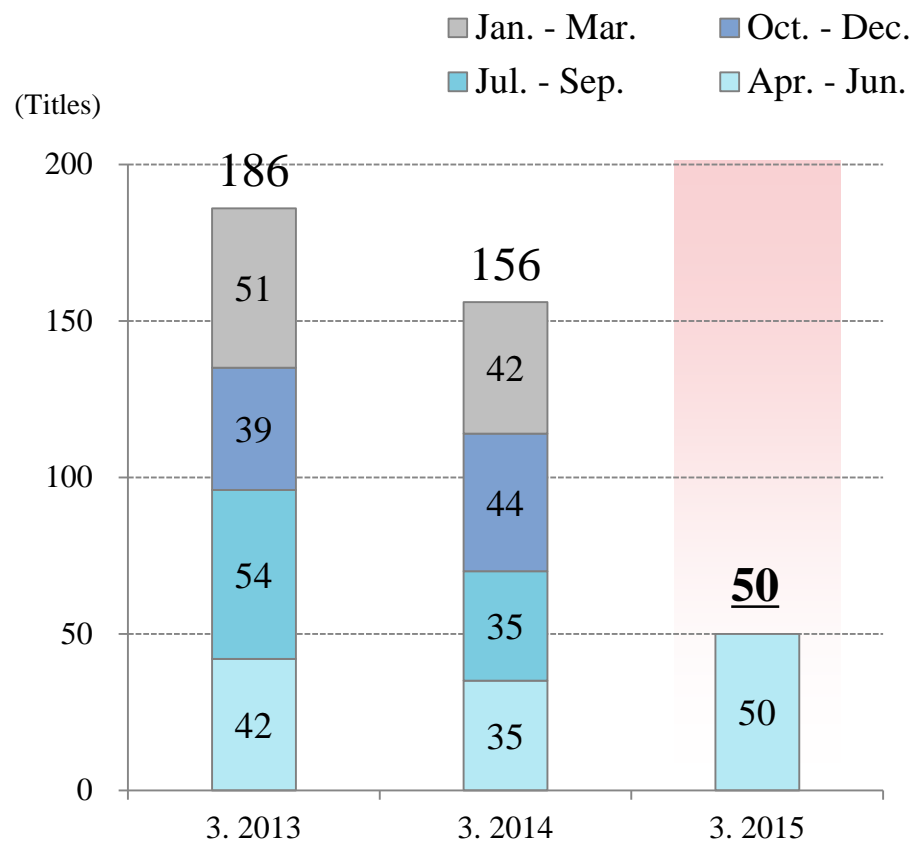
# Conditions in pachinko market

» Although no new titles in major series were released, units sold were in line with the previous year

Number of machines sold



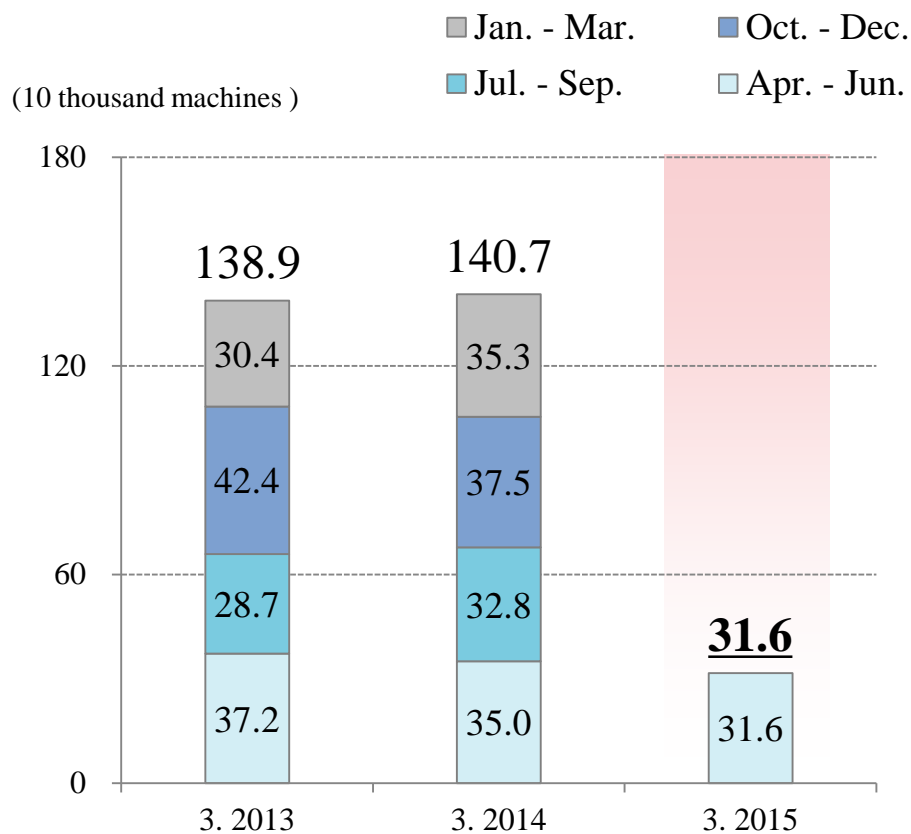
Number of titles sold



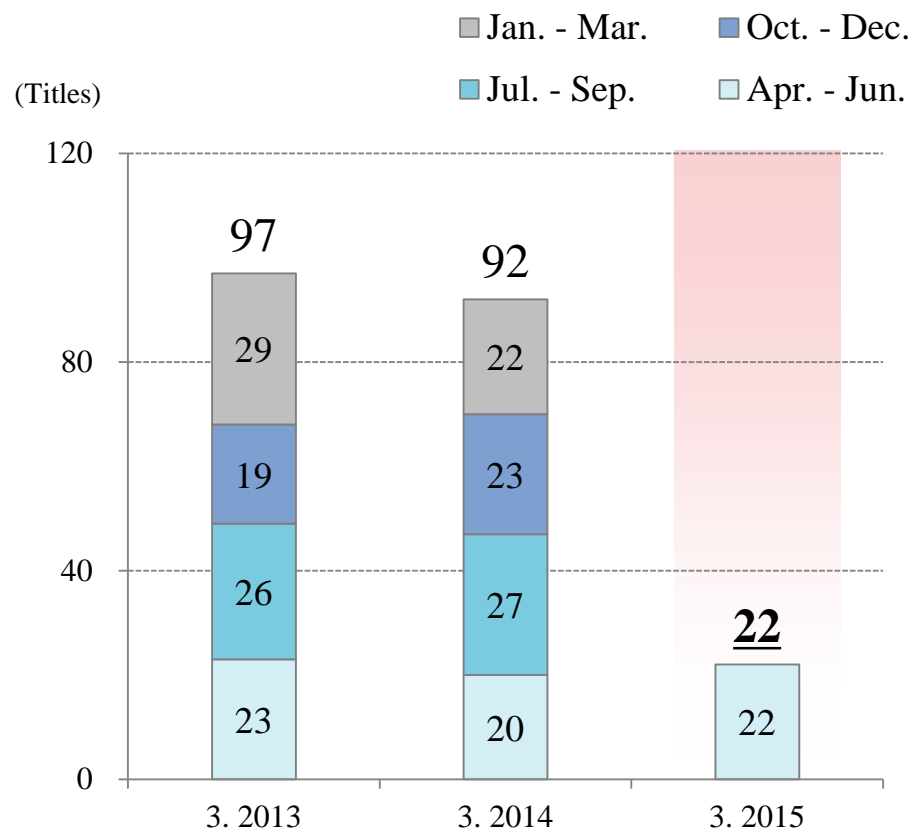
# Conditions in pachislot market

➤ Sales centered on machines that were part of series. Total units sold decreased 9.7% year-over-year

Number of machines sold



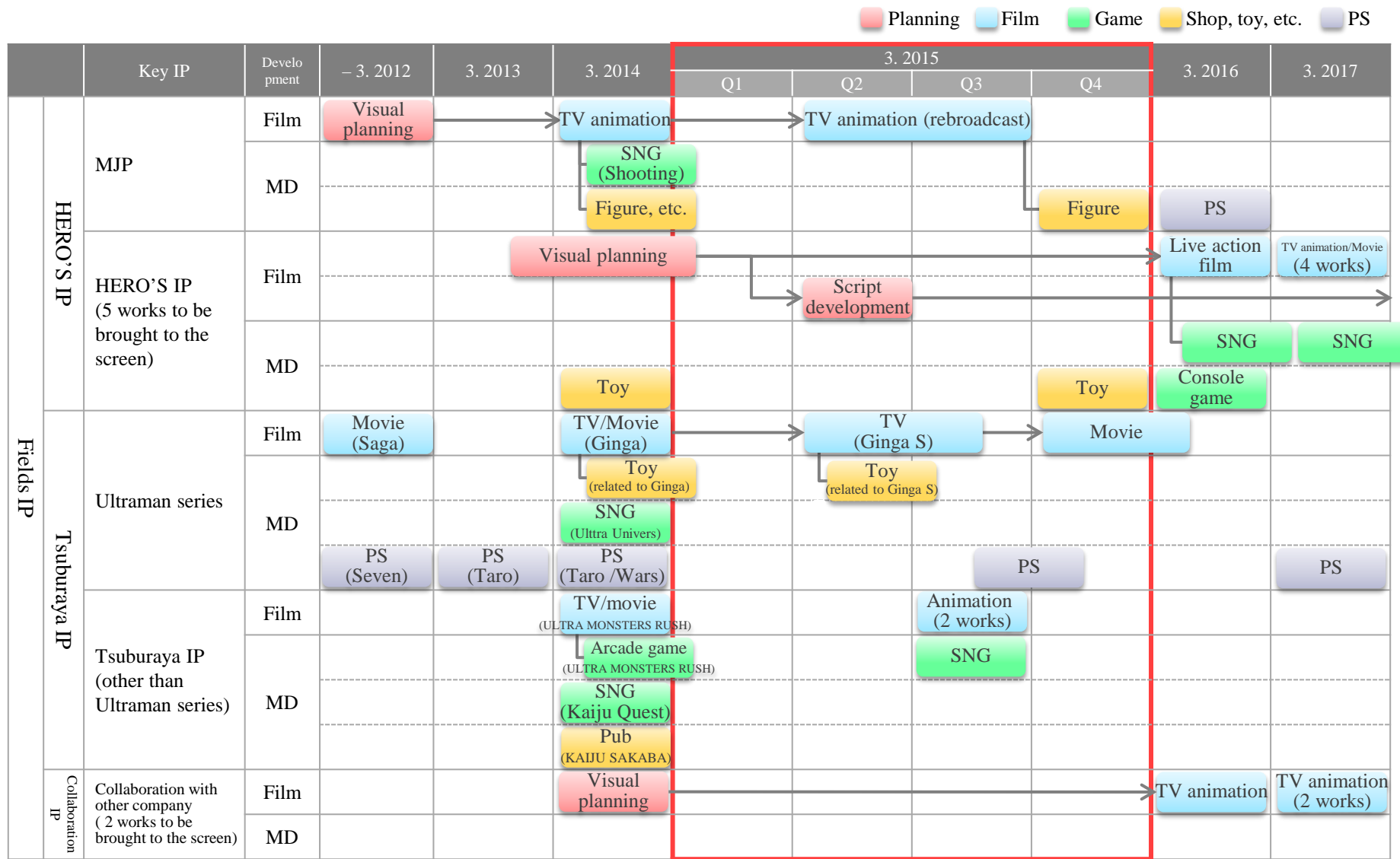
Number of titles sold



# 3 **Future IP Developments**

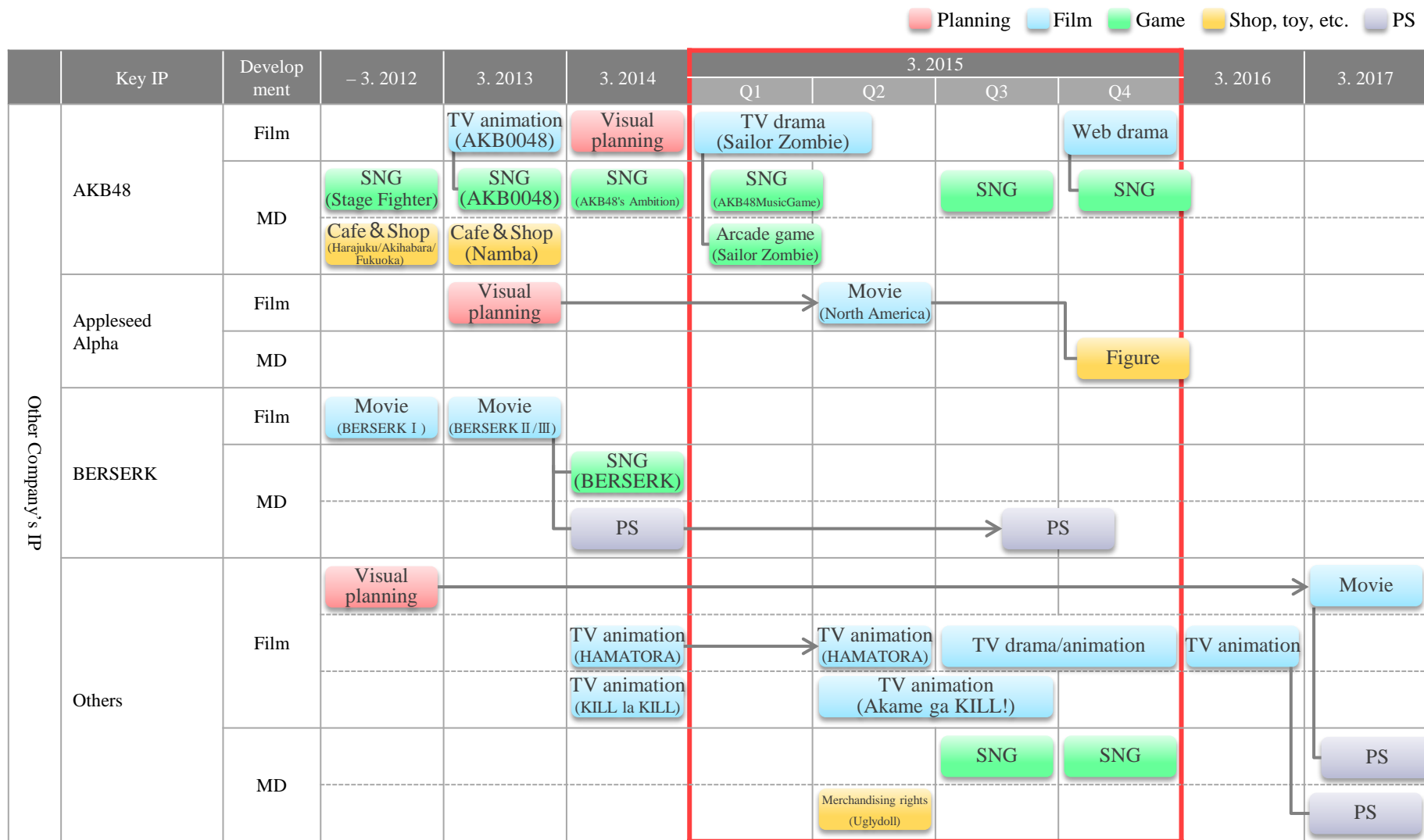
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# Image of future IP developments —Fields IP



\* MD: Merchandising SNG: Social Game PS: Pachinko/Pachislot

# Image of future IP developments — Other Company's IP



\* MD: Merchandising SNG: Social Game PS: Pachinko/Pachislot





Gaming and Entertainment

**The plans, strategies and estimates of the Company indicated in these documents, other than actual results and established facts, include potential risks and uncertainties and cannot be guaranteed.**

**Potential risks and uncertainties include, but are not limited to, the economic environment of the pachinko/pachislot market in which the Company mainly operates, market competition and the products handled by the Company.**

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