

The Greatest Leisure for All People

# Financial Presentation

for the Q1 of the Year Ending March 31,2016



**FIELDS CORPORATION**

TSE 1st 2767

August 3, 2015

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Pachinko/Pachislot Market Data**
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# Overview

## ▶ Management/Results

**Q1 results: net sales of 17.1 billion yen, ordinary loss of 0.86 billion yen**

- Earnings are generally in line with full-year forecasts
- SG&A expenses are primarily due to increase in sales promotion costs related to pachinko/pachislot machine sales (include those delivered in Q2)

## ▶ Pachinko/ pachislot machine Sales

**Pachinko machine sales: 15,000 units, Pachislot machine sales: 28,000 units**

- 1 pachinko title and 1 pachislot title were posted in Q1, and the total number of machines sold was generally in line with the previous fiscal year.
- Focus on sales of 5 pachinko machine titles and 2 pachislot titles, including pachinko/pachislot machines delivered in Q2.
- Two pachislot manufacturers were made subsidiaries.

## ▶ IP

**Total number of IP: 157, Number of media for IP development in Year ending March 31, 2016: 103**

- Cross-media development utilizing diverse film media is in progress

# 2

## Summary of Results (Consolidated)

Q1 of the Year Ending March 31, 2016



Consolidated P/L

Main pachinko/pachislot machines  
lineup (Results)

Consolidated B/S

Consolidated cash flow

About new consolidated subsidiaries

# Consolidated P/L

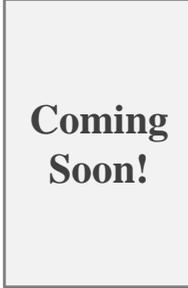
## Earnings are generally in line with full-year forecasts

(Unit: Billions of yen)

	Year ended March 31, 2015		Year ending March 31, 2016		
	Q1	Full-Year	Q1	YoY Increase/Decrease (%)	Full-Year Forecast
Net sales	7.45 (100.0%)	99.55 (100.0%)	<b>17.14</b> (100.0%)	<b>+129.8%</b>	<b>120.00</b> (100.0%)
Gross profit	2.79 (37.4%)	28.46 (28.6%)	<b>4.95</b> (28.9%)	<b>+77.4%</b>	—
SG&A expenses	5.30 (71.1%)	23.72 (23.8%)	<b>5.95</b> (34.8%)	<b>+12.4%</b>	—
Operating income	(2.50) (—)	4.74 (4.8%)	<b>(1.00)</b> (—)	—	<b>6.00</b> (5.0%)
Ordinary income	(2.25) (—)	5.49 (5.5%)	<b>(0.86)</b> (—)	—	<b>6.50</b> (5.4%)
Extraordinary income (loss)	(0.00) (—)	0.26 (0.3%)	<b>(0.01)</b> (—)	—	—
Net income attributable to owners of parent	(1.50) (—)	3.01 (3.0%)	<b>(0.86)</b> (—)	—	<b>3.50</b> (2.9%)

\*Figures within parentheses are the ratio to sales.

# Main Pachinko/Pachislot Machine Lineup

	Q1	Q2			Q3	Q1 posted
Pachinko	<u>CR EVANGELION 9</u> <u>Type zero ver.</u> 	<u>CR Million</u> <u>GOD RISING</u> 	<u>CR Martian Successor</u> <u>NADESICO</u> 	<u>CR Sakigake</u> <u>Otokojuku</u> 	<u>CR EVANGELION X</u> 	<b>15,000 machines</b> (Previous period Q1 38,000 machines)
	Pachislot	<u>EVANGELION</u> <u>—Spear of Hope</u> 	<u>Resident Evil 6</u> 	Coming Soon! 		

**Number of pachinko/pachislot machines sold: 44,000**

\* The above number of machines posted to sales includes pachinko/pachislot machines other than the titles noted here

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# Consolidated B/S

## Decrease in notes and accounts receivable—trade and notes and accounts payable—trade related to pachinko/pachislot sales

(Unit: Billions of yen)

	March 31, 2015	June 30, 2015	Increase/Decrease	Main factors for increase/decrease
Current assets	71.01	<b>50.65</b>	<b>(20.35)</b>	Decrease in notes and accounts receivable—trade
Tangible fixed assets	12.19	<b>12.25</b>	<b>+ 0.05</b>	
Intangible fixed assets	4.49	<b>4.44</b>	<b>(0.04)</b>	
Investments and other assets	22.61	<b>22.72</b>	<b>+ 0.1</b>	
Total assets	110.31	<b>90.08</b>	<b>(20.23)</b>	
Current liabilities	45.77	<b>26.88</b>	<b>(18.89)</b>	Decrease in notes and accounts payable—trade Decrease in accrued income taxes
Fixed liabilities	4.29	<b>4.89</b>	<b>+ 0.59</b>	
Net assets	60.24	<b>58.30</b>	<b>(1.94)</b>	Decrease in retained earnings
Total liabilities and net assets	110.31	<b>90.08</b>	<b>(20.23)</b>	

# Consolidated cash flow

**Cash and cash equivalents on June 30, 2015 totaled 16.0 billion yen,  
same as at the beginning of the fiscal year**

(Unit: Billions of yen)

	2015.03 Q1	2016.03 Q1	Analysis of main factors	
Operating cash flows	(8.93)	<b>(5.33)</b>	Decrease in notes and accounts payable—trade	(0.87)
			Decrease in notes and accounts payable—trade	+ 24.50
			Income taxes paid	(26.14)
				(2.29)
Investing cash flows	(0.54)	<b>0.07</b>	Proceeds from loans receivable	+ 1.42
			Expenditure for loans	(1.39)
Financial cash flows	(1.17)	<b>5.44</b>	Proceeds from short-time borrowings	+ 6.67
			Dividends paid	(1.10)
Cash and cash equivalents at beginning of period	29.58	<b>15.82</b>		
Cash and cash equivalents at end of period	18.93	<b>16.00</b>		

# About new consolidated subsidiaries

**Product development utilizing the hard and soft assets of  
both companies also began**

## K.K. Aristocrat Technologies

Business activities *Development, manufacturing and sales of pachislot machine, etc.*

Establish *August 17, 1994*

History

- 1994 Established Aristocrat as Japanese arm
- 1999 Joined Nichidenkyo
- 2010 Acquired 100% ownership of Spiky
- 2015 Joined FIELDS Group (100% ownership)

Release titles *42 titles 491,000 machines (Source: Fields)*

Star Of The Giants series



221,000 machines

Mach GoGoGo series



76,000 machines

TETSUYA series



35,000 machines

## K.K. Spiky

Business activities *Development, manufacturing and sales of pachislot machine, etc.*

Establish *November 16, 2001*

History

- 2001 Established as subsidiary of Kato Corp.
- 2006 Joined Nichidenkyo

Release titles *8 titles 51,000 machines (Source: Fields)*

BLACK LAGOON series



17,000 machines

Linebarrels Of Iron



14,000 machines

Revelation of school  
HIGHSCHOOL OF THE DEAD

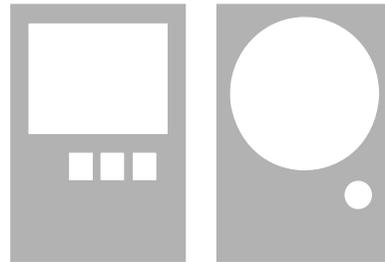


10,000 machines

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Reference

## **Trends in Pachinko/Pachislot Market and Data**



Status of pachislot machines sales

Status of pachislot machines installed

Status of pachinko machines sales

Status of pachinko machines installed

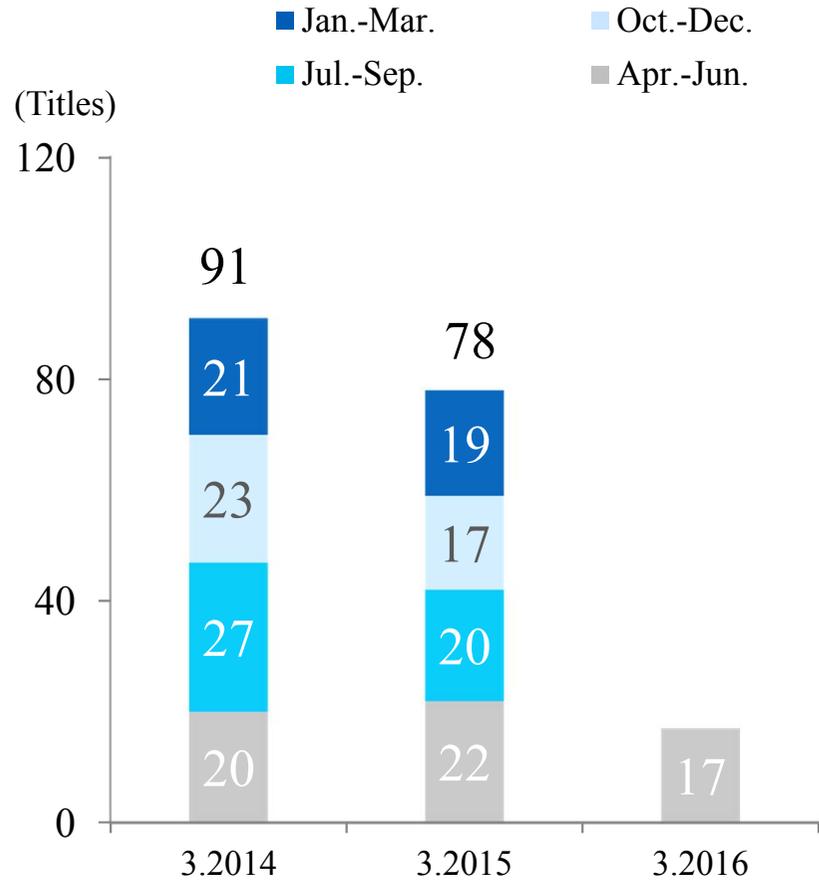
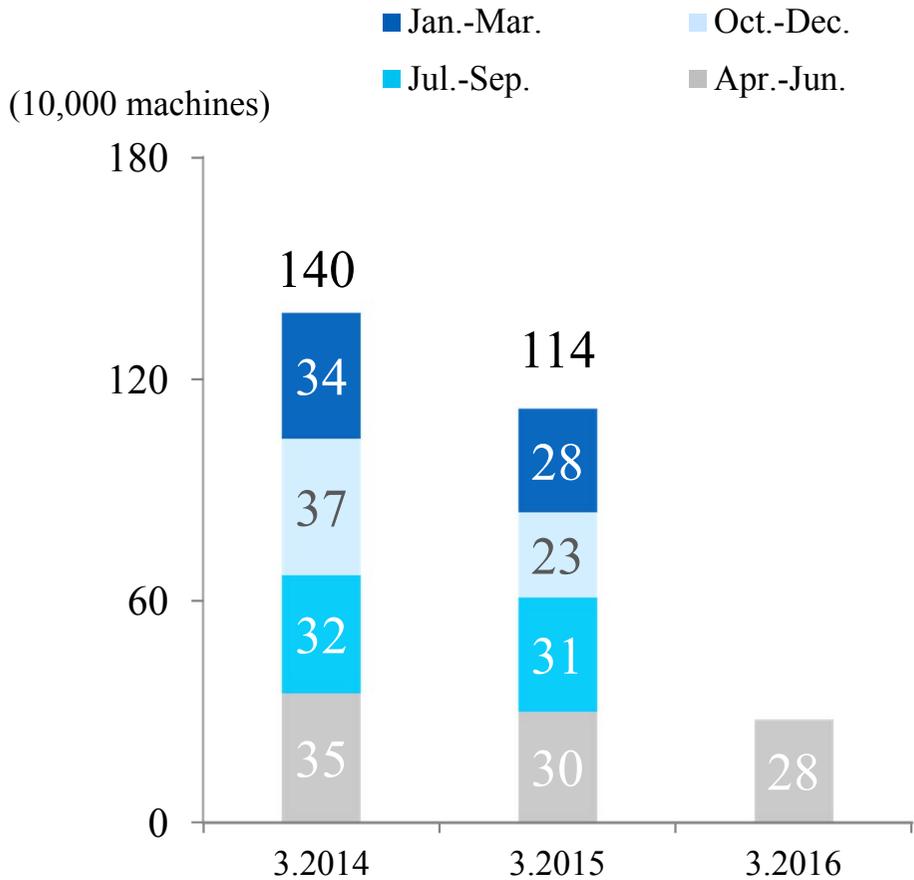
SCA; status of implementation of  
model certification test

# Status of pachislot machine sales

**Decrease in number of machines and titles sold in Q1 as a result of changes in model certification test methods in September 2014**

**Number of pachislot machines sold**

**Number of pachislot titles sold**



Source: Fields

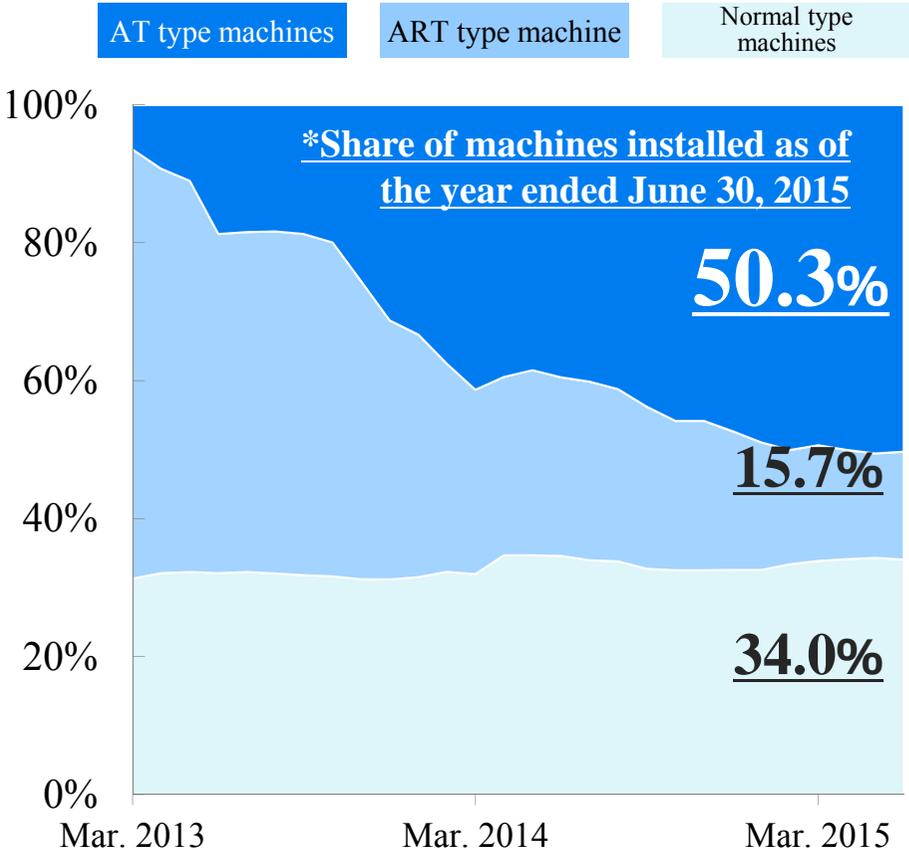
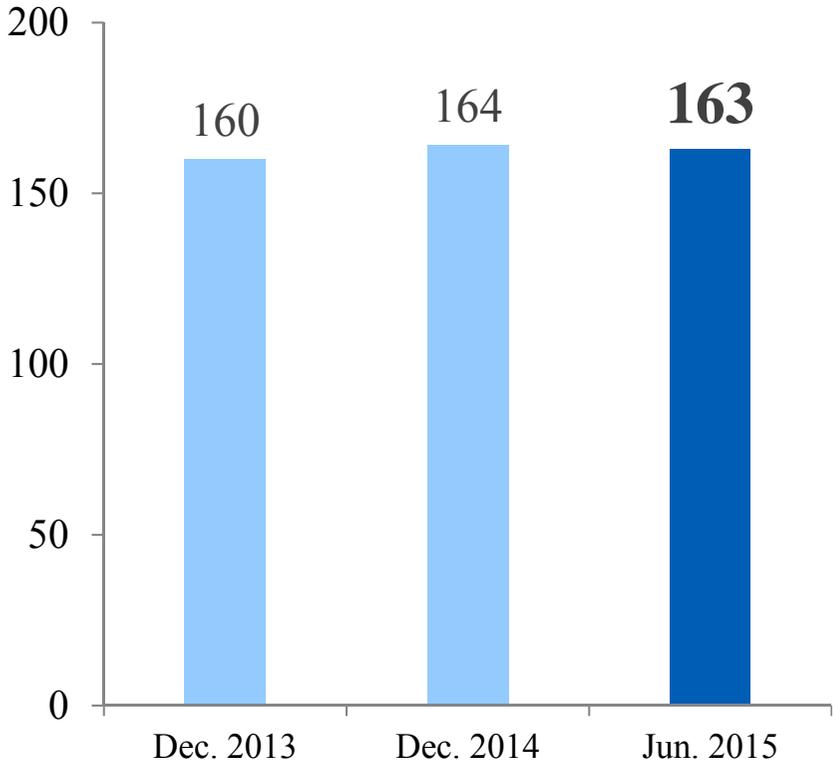
# Status of pachislot machine installed

The number of machines installed decreased slightly from end of 2014 with AT type accounting for half of all machines installed

■ Number of pachislot machines installed

■ Share of pachislot machines installed

(10,000 machines)

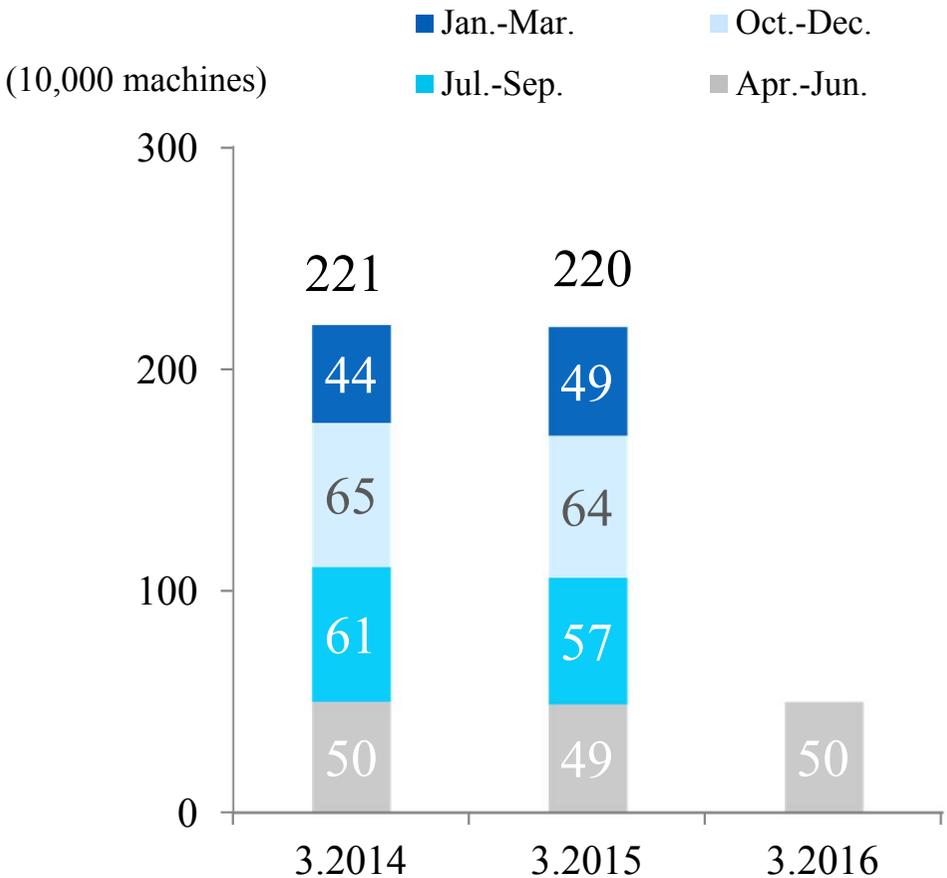


Source: The number of machines installed in December 2013 and 2014 are statistics from the National Police Agency, and the figure for June 2015 was calculated by the Company based on data released by the Zennichiuren. The share of machines installed is based on the Company's research.

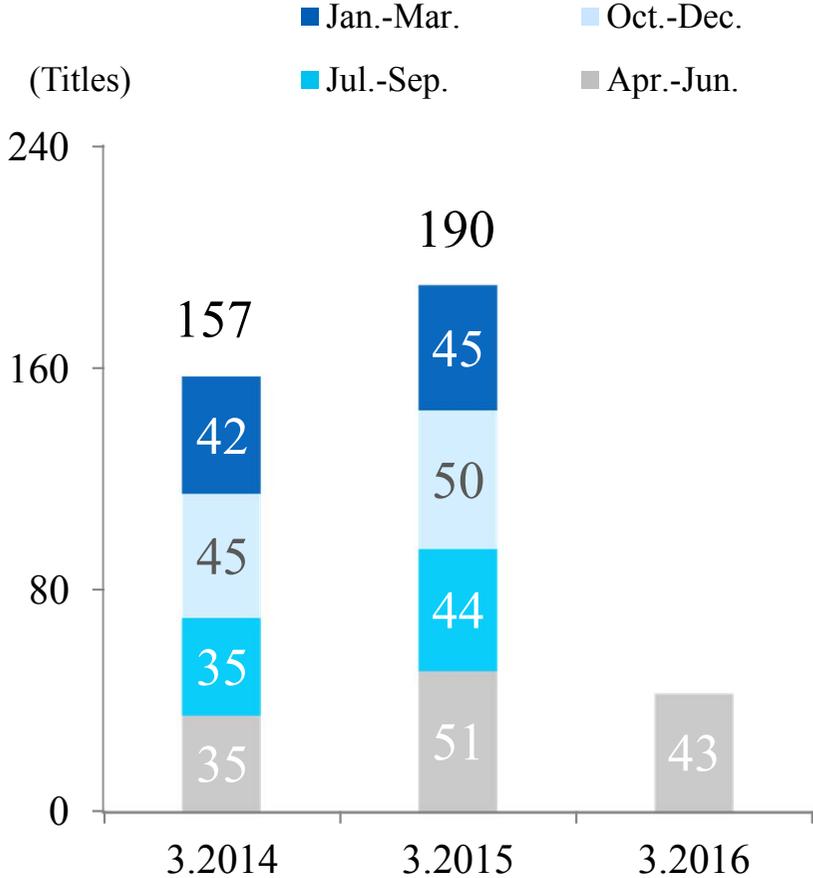
# Status of pachinko machine sales

**Despite decline in number of titles in Q1, the number of machines sold was flat**

**Number of pachinko machines sold**



**Number of pachinko titles sold**



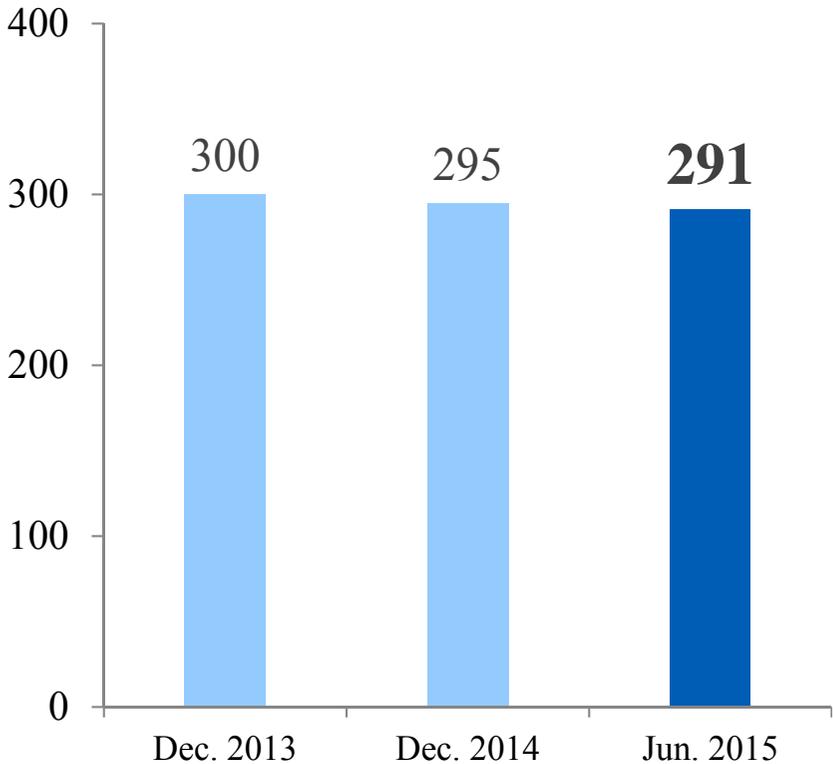
Source: Fields

# Status of pachinko machines installed

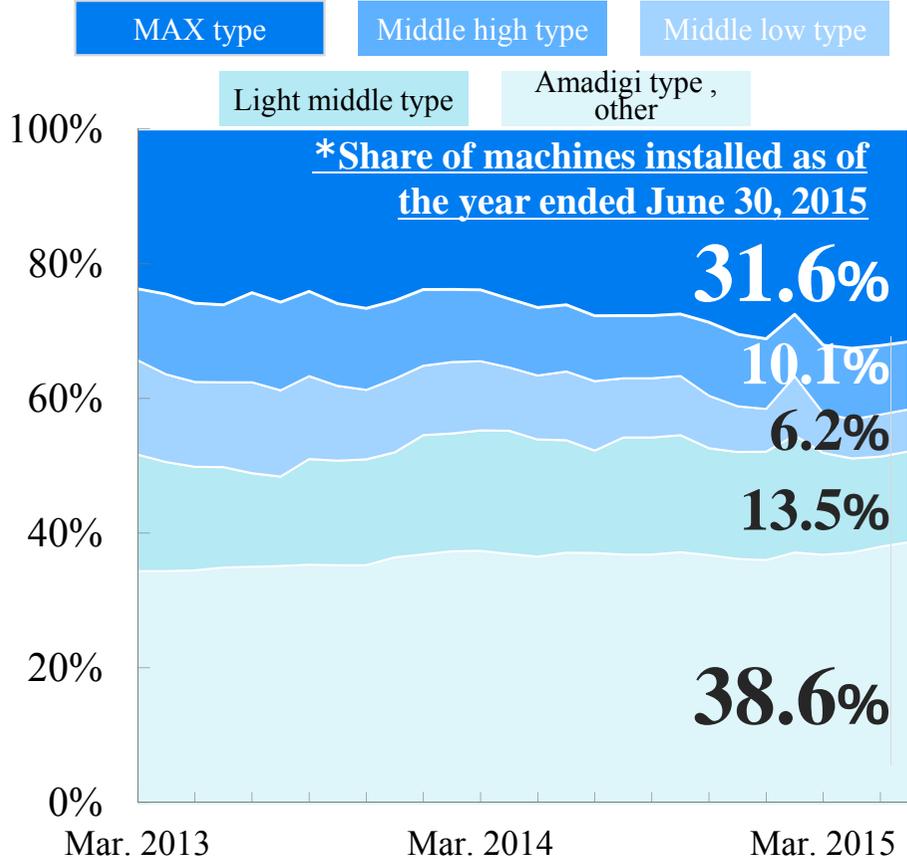
The number of machines installed fell from end of 2014, and the share of machines installed increased for Amadigi type (Low Spec)

## Number of pachinko machines sold

(10,000 machines)



## Number of pachinko titles sold

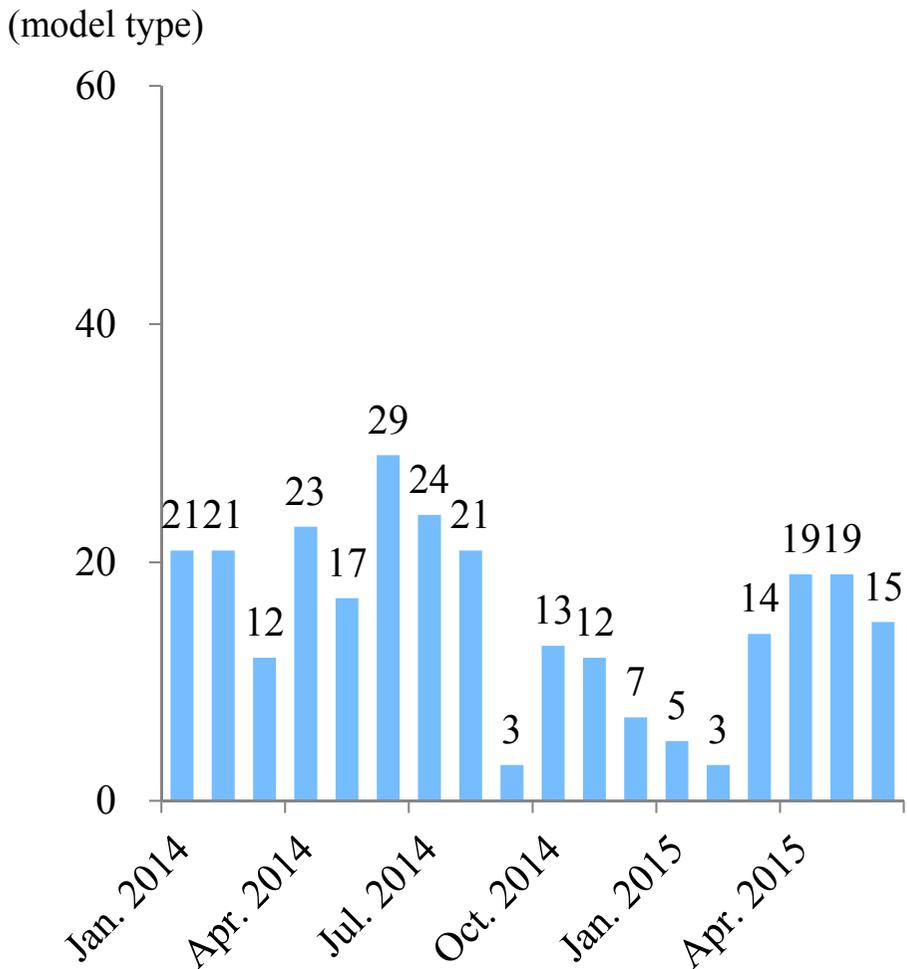


Source: The number of machines installed in December 2013 and 2014 are statistics from the National Police Agency, and the figure for June 2015 was calculated by the Company based on data released by the Zennichiuren. The share of machines installed is based on the Company's research.

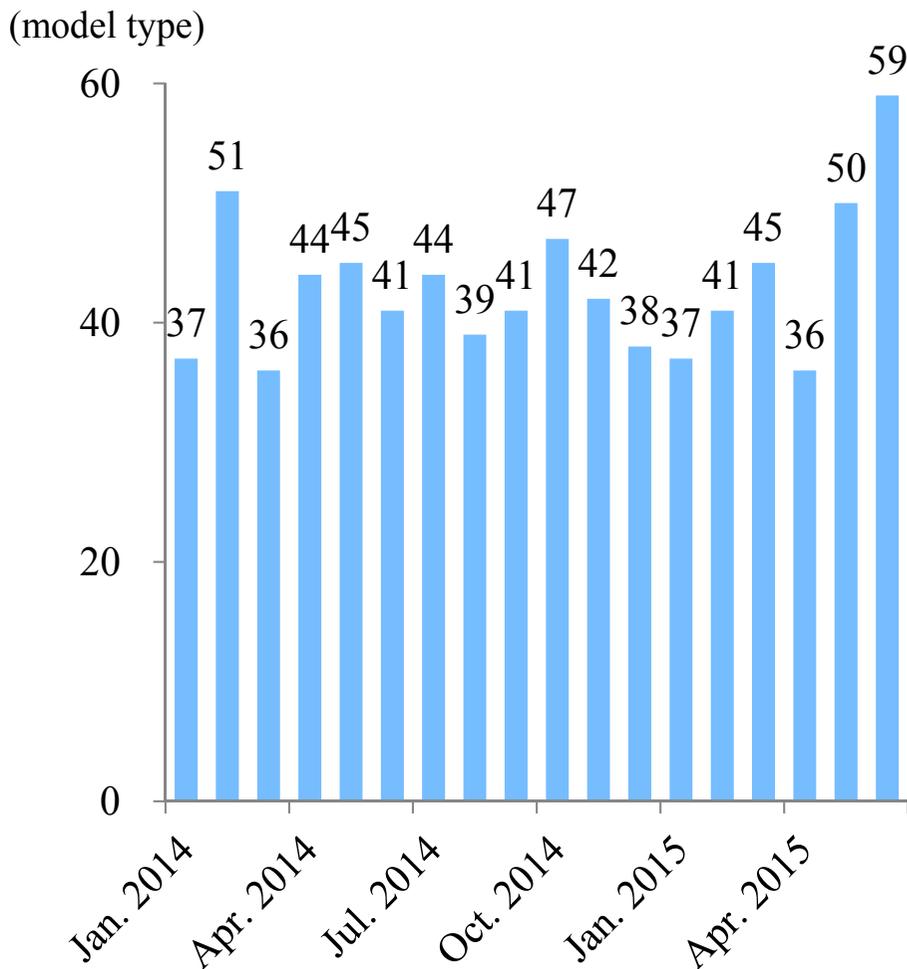
# SCA; status of implementation of model certification test

**An average of 17 pachislot titles a month and an average of 48 pachinko titles a month were compatible in Q1**

**Number of pachislot machines passing model certification test**



**Number of pachinko machines passing model certification test**



Source: Security Communications Association

# 3

## IP Initiatives

Status of IP development

Status of IP creation

Status of IP film development

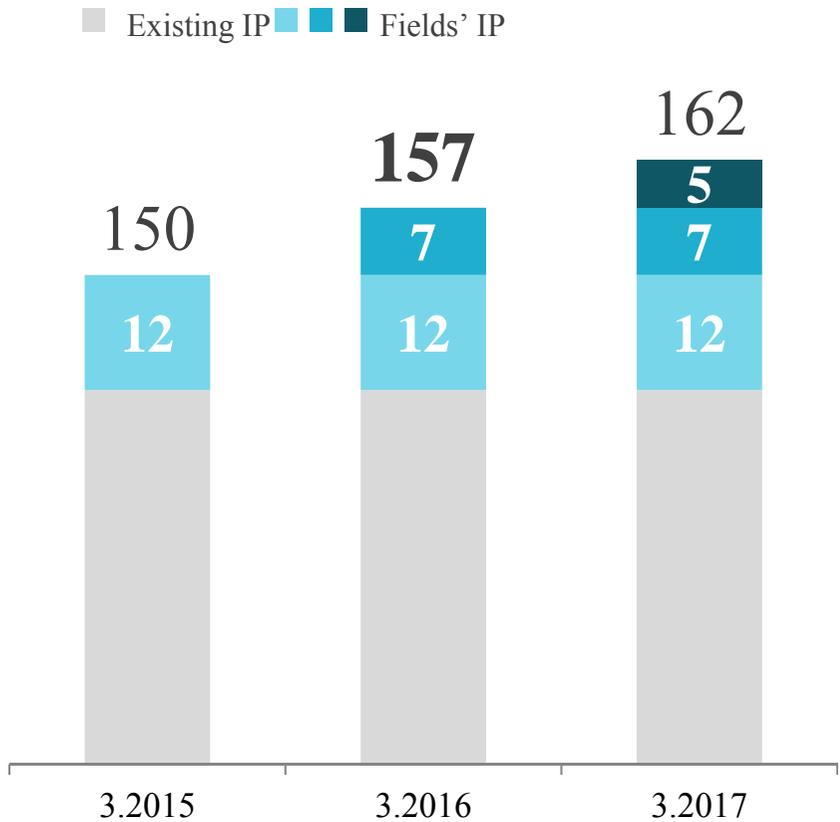
Status of IP merchandising



# Status of IP development

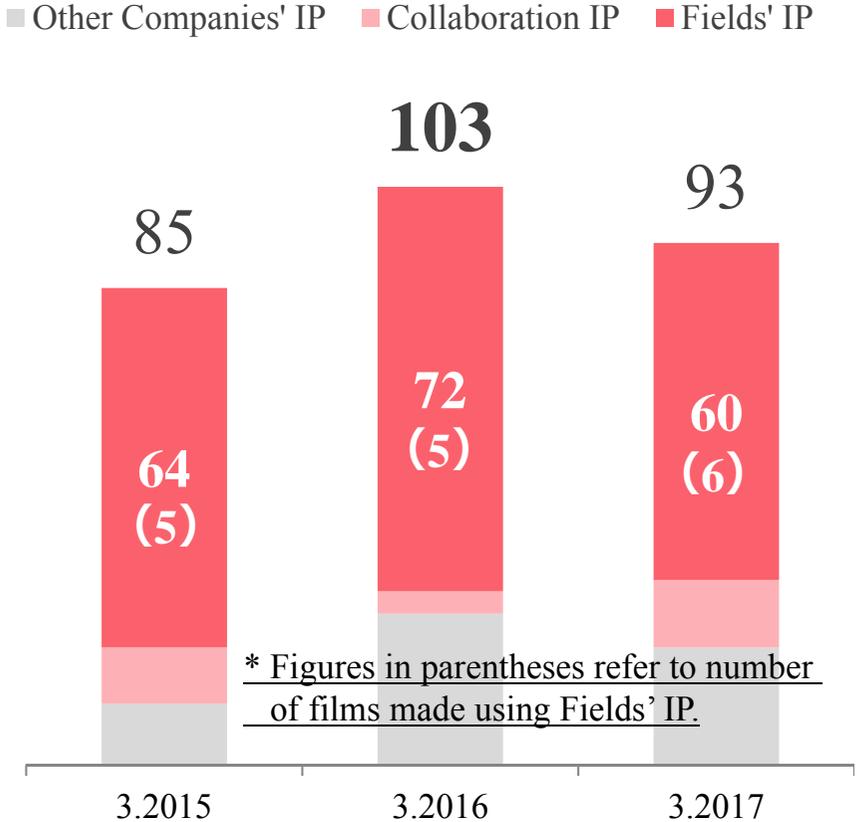
**Total number of IP: 157 titles**  
**Plans to develop in 103 media in Year ending March 31, 2016**

## Total IP



## Number of media for IP development

(Number of media developments finalized as of July 31, 2015)



\* Figures in parentheses refer to number of films made using Fields' IP.

\* The creation of our own IP refers primarily to the number of new works published in "HERO'S" Monthly. /Merchandising refers primarily to the total number of social games, PS and publications in book format.

# Status of IP creation

The Company will continue to focus on IP development,  
primarily “HERO’S” Monthly

November 2011 – June 2015

**52 works created**



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## Status of IP development

- Began to run 2 works in Q1
- New IP developed ahead of 4th anniversary of founding
- Began to select and focus our resources on titles

## Status of cross media development

- Sixth volume of “ULTRAMAN” published, reaching a cumulative 1.7 million copies
- 7 IP currently being developed for film
- Development as game and pachinko/pachislot machines: 9 IP selected  
Sequential launch to begin from year ending March 31, 2016

# Status of IP film development

Cross-media development utilizing diverse film media is in progress

## Ultraman X

- Broadcasts of the TV series will begin in July.
- Sales of related goods are steady



## KAIJU RESTAURANT

- Concepts were illustrated in the content.
- Renovation of Kawasaki-store / Opening of Osaka-store in April



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# Status of IP merchandising (social game)

Selected and Focused of resources on existing titles,  
further improvements to game function

## Existing titles

- Focus on improving game function of 5 existing titles
  - "ANIMAL × MONSTER"
- Large-scale updates and Ultraman collaborations



## New titles

- 5 native applications to be launched in Year ending March 31, 2016
- One browser planned at the start of the fiscal year was canceled
- Advance registration of "the TOWER of PRINCESS" began



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# Status of IP merchandising (commercialization of goods etc.)

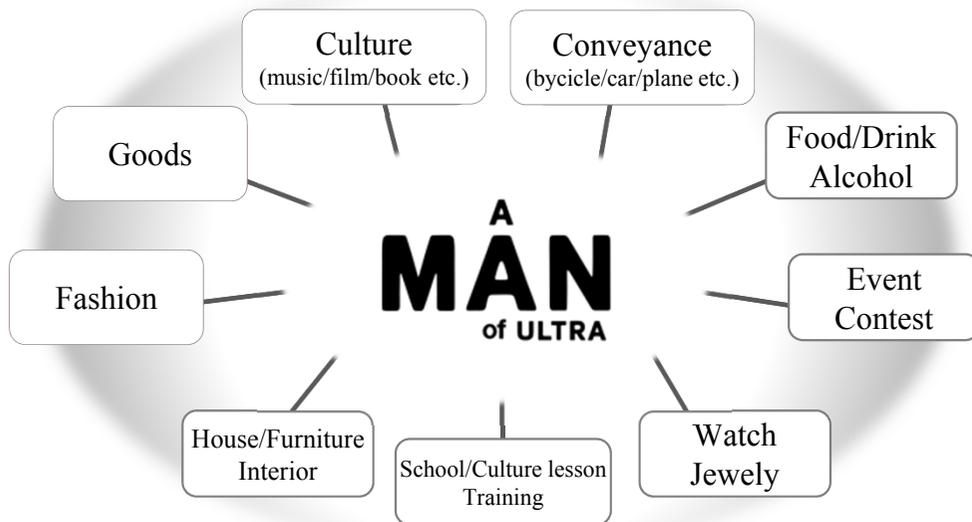
## Product development tailored to wide range of customers

( As of June 30, 2015 )

### ■ A MAN of ULTRA

- License brands putting concepts into concrete shape
- Licensed companies: 27

◇ Examples of license development covering all lifestyles



### ■ NINJA SLAYER FROM ANIMATION

- Total audience: over 8 million (Episodes 1-15)
- Licensed companies: 28

◇ Examples of future product development

Category	Commercial goods	Release date
Digital sundries	• Official voice app.	Aug. 2015
Overseas broadcast syndication	• Concept curry • Revenue from overseas broadcast syndication	
	• LINE stamp	Oct. 2015
Apparel	• T-shirt and other	May 2015
Social game	• RPG	Oct. 2015
Toy's etc.	• Capsule toy • Figure	Sep. 2015

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# Status of IP merchandising (live entertainment)

Utilize Ultraman IP to build up base from which to develop IP with live media

## ULTRA HEROES THE LIVE ACROBATTLE CHRONICLE



- Domestic: Start in Tokyo, followed by expansion to Osaka and Fukuoka
- Overseas: Shows in Hong Kong in July 2015;  
plans to expand to Taiwan, Macao and China etc. in this fiscal year

### ◇ Overview of shows in Hong Kong

- July 9-12, 2015
- Halls with capacity of 2,800 people  
+ Exhibit hall
- More than 62,000 guests over four days



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# Disclaimer/Contact Information

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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 operates, market competition and the products handled by the Company.



Gaming and Entertainment

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