

Financial Presentation

for the Q3 of the Year Ending March 31, 2019

February 8, 2019

FIELDS CORPORATION

Consolidated P/L(summary)

(Unit: Billions of yen)

	FY3/2018		FY3/2019					Full-year (plan)
	Q1-Q3	Full-year	Q1	Q2	Q3	Q1-Q3	YoY change	
Net sales	45.26	61.05	8.93	9.11	19.57	37.61	(7.65)	95.00
Gross profit	10.71	13.40	1.42	2.43	6.32	10.17	(0.54)	17.00
SG&A expenses	14.33	19.13	4.15	3.60	3.67	11.43	(2.89)	15.00
Operating profit (loss)	(3.61)	(5.73)	(2.73)	(1.17)	2.64	(1.26)	2.35	2.00
Ordinary profit (loss)	(3.85)	(5.20)	(2.75)	(1.30)	2.74	(1.31)	2.54	2.50
Profit (loss) attributable to owners of parent	(4.13)	(7.69)	(2.95)	(0.29)	3.23	(0.01)	4.11	1.50

* The figures have been rounded down to the nearest million.

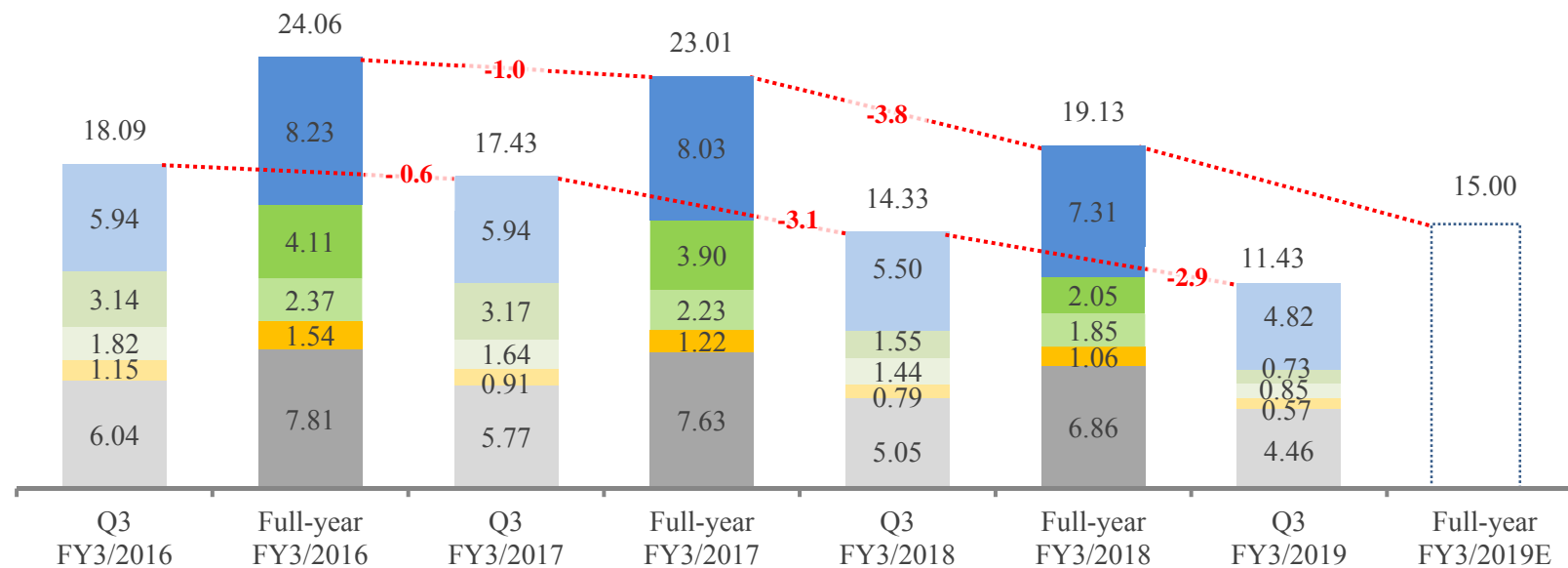
FY3/2019 Q3

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Change in SG&A expenses

**SG&A decreased 2.8 billion yen compared to same period of last fiscal year
by cutting costs through efficient management**

■ Personnel expenses ■ Advertising expenses ■ Business consignment expenses ■ Depreciation ■ Other (Unit: Billions of yen)



(Reference: number of employee)

(Unit: People)

Consolidated	1,830	1,845	1,751	1,713	1,552	1,514	1,361	
Nonconsolidated	854	835	806	784	724	728	555	

* "Other" is calculated on this sheet above. The figures have been rounded down to the nearest million.

Consolidated B/S (summary)



(Unit: Billions of yen)

	End of Mar. 2018	End of Dec. 2018	Change	Main factors for increase/decrease
Current assets	42.17	47.03	4.86	Increase in cash and deposits Increase in inventories
(Cash and deposits)	24.47	27.13	2.66	
Property, plant and equipment	5.27	5.10	(0.17)	
Intangible assets	1.38	3.28	1.89	Increase in goodwill
Investments and other assets	23.49	10.94	(12.54)	Decrease in sales of investment securities Decrease in long-term loans receivable
Total assets	72.33	66.37	(5.95)	
Current liabilities	22.48	19.01	(3.46)	Decrease in notes and accounts payable-trade
Non-current liabilities	14.34	12.10	(2.23)	Decrease in long-term loans payable
Net assets	35.50	35.25	(0.25)	
Total liabilities and net assets	72.33	66.37	(5.95)	

* The figures have been rounded down to the nearest million.

Consolidated Cash flow (summary)



(Unit: Billions of yen)

	FY3/2018		FY3/2019	Factors
	Q1-Q3	Full-year	Q1-Q3	
Cash flows from operating activities	(2.53)	(1.09)	(0.38)	Profit before income taxes +0.16 Decrease in notes and accounts payable-trade (4.41) Loss on sales of shares of subsidiaries and associates (1.34) Decrease in notes and accounts receivable-trade +1.34 Depreciation +0.84 Decrease in accounts receivable-other +0.74 Amortization of equity investment +0.69 Increase in accrued consumption taxes +0.53
Cash flows from investing activities	3.34	4.39	3.85	Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation +2.81 Proceeds from sales of shares of subsidiaries and associates +1.80 Proceeds from sales of investment securities +0.52
Cash flows from financing activities	(1.00)	(2.02)	(0.81)	Increase in short-term loans payable +1.30 Repayments of long-term loans payable (1.93)
Net increase (decrease) in cash and cash equivalents	(0.18)	1.28	2.66	
Cash and cash equivalents at beginning of period	23.09	23.09	24.37	
Cash and cash equivalents at end of period	22.90	24.37	27.03	

* The figures have been rounded down to the nearest million.

FY3/2019 Q3

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PS distribution unit

Business results for the H1, FY3/2019 (review)

● PS market environment

Amendment of the Regulation for Enforcement of the Amusement

Businesses Law revised/enforced for the first time in 14 years (Feb. 1, 2018)

➔ Expectation for market revitalization by introduction of new-regulation machines

Internal regulation (pachinko) partly changed (Oct. 1, 2018)

● FIELDS' PS business

Remade PS machines for adaptation for new regulation

Mainly sold old regulation/later remodeled machines

➔ Pachinko unit sales: 33,000 units + Pachislot units sales: 10,000 units

= 43,000 units in total (down 56,000 units YoY)

Operating loss

Q1 (¥-2.7 billion) + Q2 (¥-1.1 billion)

= ¥-3.9 billion

Overview of Q3(Oct. – Dec.)

● Sold mainly new-regulation machines in sales of new machines

Sales of new-regulation machines including main-title machines

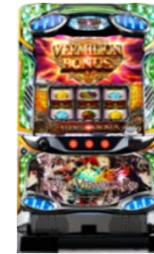
Pachinko 2 titles 37,000 units

Pachislot 3 titles 9,000 units

= Total 47,000 units (YoY 47,000 units)



Pachinko
Onimusha: Dawn of Dreams
Super Souken



Pachislot
LORD of VERMILION Re:

● Started a full-scale distribution unit functions by promoting new business

Secure and expand new revenue base though new business

● Cost reduction measures through transition to four units system

(Promotion of various management measures)

➔ **Operating loss +¥2.6 billion**

Pachinko/pachislot sales market trends

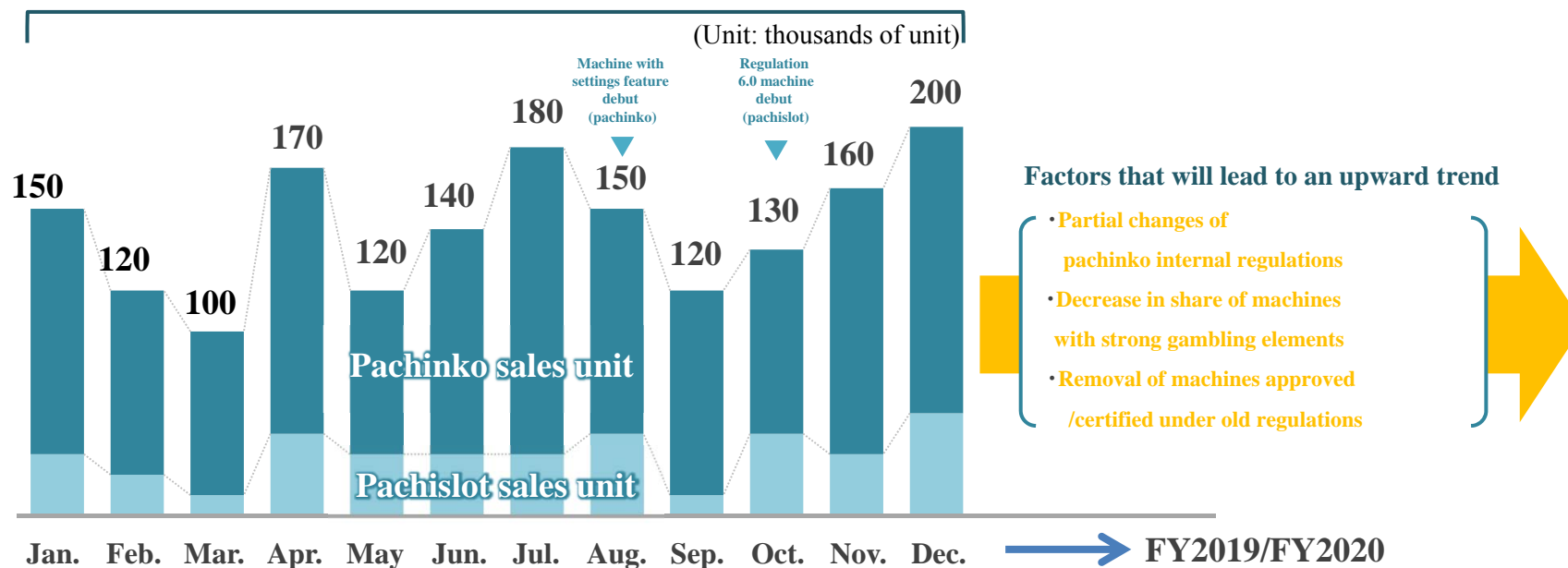


Pachinko/pachislot sales were both down in 2018

From 2019, an upward trend is forecast toward complete transition to new-regulation machines

2018 (Jan.–Dec.)

Pachinko/pachislot unit sales: 1,800 thousands of units
(down 360 thousands of units YoY)

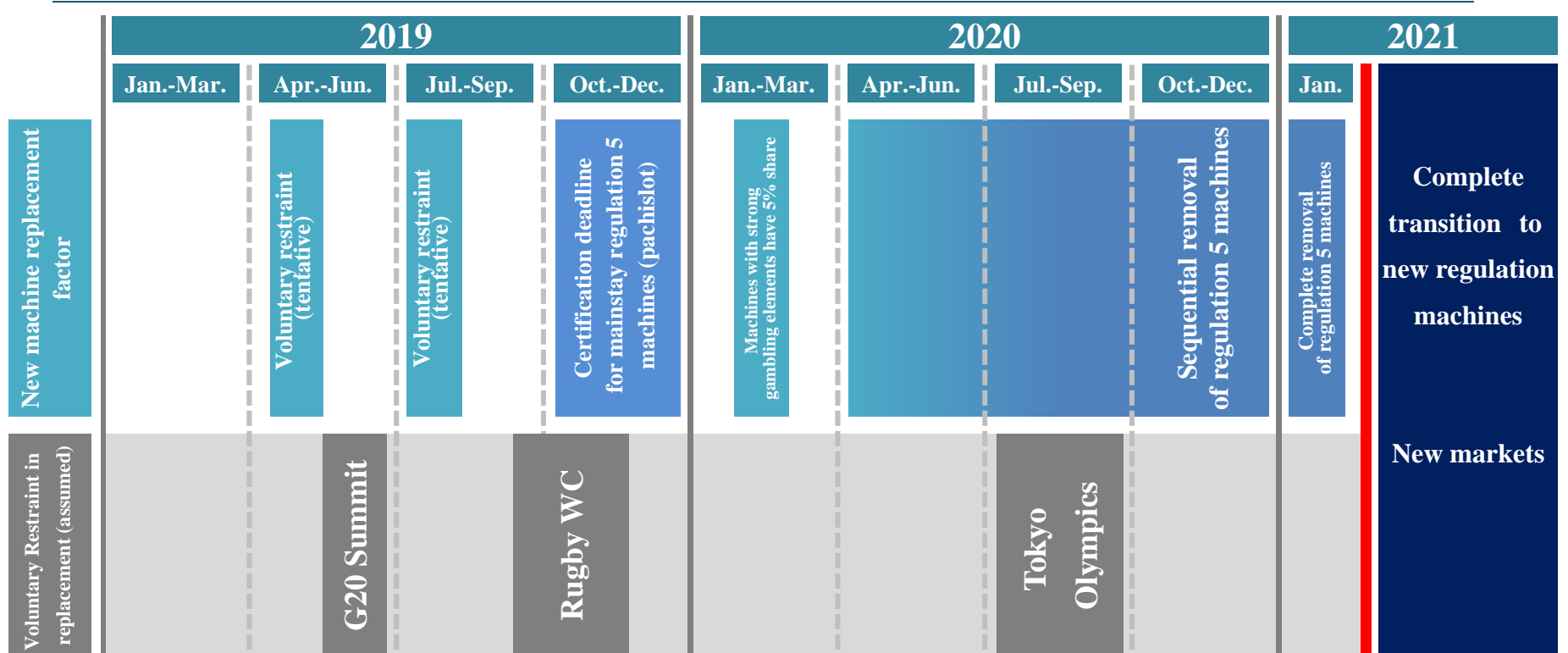


*Source: FIELDS/ number of units are rounded down to the nearest 10,000.
FY3/2019 Q3

Pachinko/pachislot sales market trends




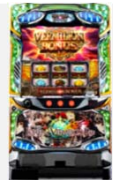


Multiple occurrences of replacements



*Source: FIELDS
FY3/2019 Q3

Main PS product lineup Q1-Q4



	Pachinko	Pachislot
Q1	<p>Old regulation</p> <p>CR INUYASHA JUDGEMENT∞(infinity)</p>	<p>Regulation 5.9</p> <p>PACHISLOT Tengen Toppa Gurren Lagann -KIWAME-</p> <p>Regulation 5.9</p> <p>Pachislot Okami</p>
Q2	<p>Old regulation</p> <p>CR Drum ☆ EVANGELION PINK</p> <p>.....</p> <p>+ 4 later-remodeled machines</p>	<p>Regulation 5.9</p> <p>STREET FIGHTER V PACHISLOT EDITION</p> <p>Regulation 5.9</p> <p>Pachislot Hananchu</p> <p>Regulation 5.9</p> <p>PACHISLOT ROCKMAN Ability</p>
Q3	<p>Old regulation</p> <p>CR ULTIMATE JUDGEMENT</p> <p>New regulation</p> <p>Pachinko Onimusha: Dawn of Dreams Super Souken</p> 	<p>Regulation 5.9</p> <p>Resident Evil INTO THE PANIC</p> <p>Regulation 5.9</p> <p>Pachislot Mach GoGoGo</p> <p>Regulation 6.0</p> <p>Pachislot LORD of VERMILION Re:</p> 
Q4	<p>Now on sale</p> <p>New regulation</p> <p>Pachinko GEKIJOUREI</p> <p>New regulation</p> <p>Mode Pachinko EVANGELION –Super awakening–</p> <p>New regulation</p> <p>EVANGELION –Super berserk–</p> <p>.....</p> <p>+ 2 later-remodeled machines</p>  <p>Sold two specs</p>	<p>Regulation 5.9</p> <p>Pachislot Sengoku BASARA HEROES PARTY</p> <p>Regulation 6.0</p> <p>Pachislot Evangelion AT777</p> <p>.....</p> <p>+ α, a few titles</p> 

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New business fields



EC business

● Promoting the sale of smoking booths in Q3 toward complete ban on smoking in 2020

- Improvement of distribution base for development of used machine distribution service
- Promotion of merchandising sales that contributes to hall management



Sound distribution business

● Responding to all types of replacement operation work in addition to installation/inspection work

- Launch of incidental services:
⇒ Handling the halls' operation at the time of grand opening, renewals, etc.

Mobile/targeting ads

● Optimization of halls' SG&A expenses by measuring the effect of advertising

- Number of contracted halls: 800 or more (1,500 units)
- Promote service expansion and expansion of the number of halls where introduced



Convey accurate information, leaving nothing out
when it comes to selecting the best model
for each pachinko hall



Pachinko Pachislot Information Station

Strengthen distribution function



IP&MD unit

- Development of IP brand strategy
Strive to promote mid- to long-term growth plan with global perspective

..... **Topics**

Anime *SSSS.GRIDMAN*

Anime *ULTRAMAN*

Video production unit

- Collaboration with PS development unit
- Focus on IP planning/development and consigned video work

..... **Topics**

Anime *The Magnificent KOTOBUKI*

Disclaimer

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 PS market in which the Company operates, market competition and the products handled by the Company.