

(Translation)
May 15, 2020

To all parties concerned:

FIELDS CORPORATION
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**Notification of Partial Revisions of Summary of Financial Information and Business Results
for the Year Ended March 31, 2019 (revision)**

FIELDS CORPORATION hereby announces that it has partially revised the *Summary of Financial Information and Business Results for the Year Ended March 31, 2019* released on May 15, 2019. The Company also hereby announces the revision of numerical data.

1. Details and reason of revision

Please refer to the *Notification Regarding Partial Revision of Summary of Financial Information and Consolidated Business Results, etc. for the Previous Fiscal Year* announced on May 15, 2020.

2. Revised parts

The whole revised sentence is attached, and the revisions are marked with underline.

Summary

(Translation)

FIELDS CORPORATION

Summary of Financial Information and Consolidated Business Results for the Year Ended March 31, 2019 (Japan GAAP)

May 15, 2019
Listed on: TSE 1st

Company Name: FIELDS CORPORATION
(URL: <https://www.fields.biz/ir/e/>)
Stock code: 2767
Representative Director: Hidetoshi Yamamoto
Chairman, President and Group CEO
Inquiries: Hideaki Hatanaka
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Planned date for Annual General Meeting of Shareholders: June 19, 2019
Planned date for start of dividend payment: June 20, 2019
Planned date for submittal of the financial statements report: June 19, 2019
Full year earnings supplementary explanatory materials: No
Full year earnings presentation: Yes (for institutional investors and security analysts)

(Rounded down to the nearest million)

1. Consolidated business results for the year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

(Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2019	50,755	(16.9)	(1,832)	—	(1,864)	—	(614)	—
Year ended March 31, 2018	61,055	(20.4)	(5,738)	—	(5,204)	—	(7,691)	—

(Note) Comprehensive income
Year ended March 31, 2019: ¥(704) million (—%)
Year ended March 31, 2018: ¥(5,049) million (—%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Year ended March 31, 2019	(18.52)	—	(1.8)	(2.7)	(3.6)
Year ended March 31, 2018	(231.77)	—	(19.9)	(6.8)	(9.4)

(Reference) Share of loss of entities accounted for using equity method
Year ended March 31, 2019: ¥(458) million
Year ended March 31, 2018: ¥306 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended March 31, 2019	67,450	34,638	50.8	1,031.63
Year ended March 31, 2018	72,336	35,509	48.4	1,054.99

(Reference) Shareholders' equity
Year ended March 31, 2019: ¥34,233 million
Year ended March 31, 2018: ¥35,008 million

(Note) The Company has applied *Partial Amendments to Accounting Standard for Tax Effect Accounting* (ASBJ Statement No. 28, February 16, 2018) and other standards from the beginning of the first quarter of FY3/2019. Regarding the figures of FY 3/2018, the Company has applied the accounting standard and modified the figures retroactively.

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	2,178	3,217	(962)	28,807
Year ended March 31, 2018	(1,094)	4,399	(2,021)	24,373

2. Dividends

	Annual dividends					Total dividend (annually)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Annual			
Year ended March 31, 2018	—	25.00	—	5.00	30.00	995	—	2.6
Year ended March 31, 2019	—	0.00	—	10.00	10.00	331	—	1.0
Year ending March 31, 2020 (Forecast)	—	0.00	—	10.00	10.00		—	

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Percentage figures denote YoY changes)

Full-year	Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
	1,500	—	1,500	—	1,000	—	30.14	

(Note) FIELDS CORPORATION discloses a full-year business forecast, as it manages its business performance on an annual basis.

A full-year forecast of net sales is not disclosed considering the current pachinko/pachislot market environment. Please refer to (1) *Operating results for the year ended March 31, 2019, 1. Overview of operating results* for details.

*Notes

- (1) Transfer of important subsidiaries during the year under review (transfer of specific subsidiaries that results in a change in the scope of consolidation): Yes

(Transfer of specific subsidiaries that result in a change in the scope of consolidation)

New consolidation: one company (Company name) NANASHOW Corporation

- (2) Changes in accounting policies, accounting estimates, and revisions/restatements

- 1) Changes in account policies due to the revision to the accounting standards, etc.: No
- 2) Changes in accounting policies due to any reason other than those in 1) above: No
- 3) Changes in accounting estimates: No
- 4) Revisions/restatements: No

- (3) Number of shares issued (common shares)

- 1) Number of shares issued at end of year (including treasury shares)

Year ended March 31, 2019	34,700,000 shares
Year ended March 31, 2018	34,700,000 shares

- 2) Number of treasury shares at end of year

Year ended March 31, 2019	1,516,300 shares
Year ended March 31, 2018	1,516,300 shares

- 3) Average number of shares outstanding

Year ended March 31, 2019	33,183,700 shares
Year ended March 31, 2018	33,183,700 shares

(Reference) Overview of non-consolidated business results

Non-consolidated business results for the year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

Non-consolidated operating results

(Percentage figures denote YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2019	42,571	(15.8)	(3,160)	—	(2,243)	—	(2,363)	—
Year ended March 31, 2018	50,570	(21.2)	(7,045)	—	(6,430)	—	(6,239)	—

	Profit per share	Diluted profit per share
	Yen	Yen
Year ended March 31, 2019	(71.24)	—
Year ended March 31, 2018	(188.04)	—

(Note) Certain differences have arisen between non-consolidated operating results for the fiscal year ending March 31, 2019 and the results for the previous fiscal year. The reasons for these are given in (1) *Overview of operating results for the year ended March 31, 2019, 1. Overview of operating results*.

*Summaries of Financial Information and Consolidated Business Results are not subject to audit.

* Explanation of the appropriate usage of forecast earnings and other specific matters

(Disclaimer regarding forward-looking statements and projections)

This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. The actual results may differ significantly from forecast figures due to the various factors. Please refer to (1) *Overview of operating results for the year ended March 31, 2019, 1. Overview of operating results*. on page two of the attached documents for details of assumptions for financial forecasts and other related matters.

(How to obtain Financial results briefing materials)

The Company is planning to hold a results briefing for institutional investors and analysts on Thursday, May 16, 2019. Materials distributed at that briefing will be posted on the Company's website after the briefing as soon as possible.

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1. Overview of operating results

(1) Operating results for the year ended March 31, 2019

i.) Overview of consolidated business results

During the fiscal year ended March 31, 2019, the FIELDS CORPORATION Group substantially changed direction by promoting large-scale management reforms through a management structure centered on its four core companies. Accordingly, we strictly enforced a variety of policies aimed at increasing management efficiency in order to optimize management costs.

In the pachinko and pachislot (hereinafter, “PS”) business, the nucleus of which is formed by FIELDS CORPORATION, we returned to our original role as a distributor and focused on further expanding our distribution base through the enhancement of our marketing functions, which are one of its major strengths. Efforts aimed at achieving this expansion included, of course, concentration on sales of new machines and the launching of new businesses capable of responding to diverse customer needs.

In the PS market environment during the fiscal year under review, the *Amendment of the Regulation for Enforcement of the Amusement Businesses Law** went into effect on February 1, 2018. Under this market environment, manufacturers actively developed and launched PS machines that were compliant with new regulations (hereinafter, “new-regulation machines”). New-regulation pachinko machines were launched in August, followed by new-regulation pachislot machines in October. These machines, which have been well-received by both pachinko halls and PS fans alike, feature varied game functions and can be enjoyed with peace of mind while limiting spending to an appropriate amount. Against this backdrop, the market saw further increases in demand for new-regulation PS machines. In this environment, the number of manufacture applications for model certification tests increased rapidly during the second half of the fiscal year under review, rising to the point at which the very process of receiving them became difficult. This, as well as other factors, such as stagnation in the model certification test passing ratio caused by stricter standards, contributed to sluggish supply of titles to the market.

Under these conditions, we endeavored to achieve its full-year targets while holding on to several titles waiting for approval in accordance with model certification tests. However, we postponed sales for a portion of titles that required more time than anticipated between the receipt of test applications and subsequent approval. As a result, the number of PS machines sold during the fiscal year under review fell by 53,000 units YoY, to 138,000.

Tsuburaya Productions Co., Ltd. (hereinafter, “Tsuburaya Productions”), a company at the center of the IP business of the Group, promoted strategic expansion overseas through measures such as video distribution of the new animated feature *ULTRAMAN* in North America and China in an effort to become a global entertainment company grounded in its brand strategy. Accordingly, Tsuburaya Productions energetically worked to maximize its domestic monetization infrastructure and form strategic alliances.

In addition, Digital Frontier Inc. (hereinafter, “Digital Frontier”), which operates the Group’s video business, focused on the production of new video titles, such as the original TV anime *The Magnificent Kotobuki*, which was developed jointly with partnering companies. It also promoted the acceptance of video production orders globally, primarily in China.

The consolidated operating performance for the fiscal year under review included net sales of ¥50,755 million (down ¥10,300 million YoY), an operating loss of ¥1,832 million (a YoY improvement of ¥3,906 million), and an ordinary loss of ¥1,864 million (a YoY improvement of ¥3,339 million). Additionally, the Company posted ¥614 million in loss attributable to owners of parent, an improvement of ¥7,076 million YoY that was due to the recording of extraordinary income such as gains on sales of shares of subsidiaries and associates and gains on step acquisitions.

The consolidated business results detailed above have been impacted by the Group’s decision to record licensing royalty revenues of about ¥1,600 million, which were projected for the fiscal year under review, in April 2019 and after when fees corresponding to these sales are collected. More details can be found in the *Notification of differences between the consolidated performance forecast and actual results for the year ended March 31, 2019, and differences between the non-consolidated results for the year ended March 31, 2019 and the results for the previous fiscal year*, dated May 15, 2019.

* Regulation Partially Amending the Ordinance for Enforcement of the Act on Control and Improvement of Amusement Business and the Regulations for the Verification of Licenses, Formats and Other Aspects of Pachinko and Pachislot Machines, which were enforced on February 1, 2018.

ii.) Forecast for the year ending March 31, 2020

Profit plan for the year ending March 31, 2020

(Unit: Millions of yen)

	Results of FY3/2018	Results of FY3/2019		Forecast of FY3/2020	
			Change		Change
Operating profit (loss)	(5,738)	<u>(1,832)</u>	<u>+3,906</u>	1,500	<u>+3,332</u>
Ordinary profit (loss)	(5,204)	<u>(1,864)</u>	<u>+3,339</u>	1,500	<u>+3,364</u>
Profit (loss) attributable to owners of parent	(7,691)	<u>(614)</u>	<u>+7,076</u>	1,000	<u>+1,614</u>

The FIELDS CORPORATION Group considers focus on its core PS business and the growth of Tsuburaya Productions to be its most important issues in terms of business promotion during the fiscal year ending March 31, 2020.

In the PS business, at the center of which is FIELDS CORPORATION, we will demonstrate the results of our thorough product analysis and marketing. We will also focus on the planning, development and sale of optimal products that will entertain fans and make welcome additions to pachinko halls.

On the other hand, we have taken great care to ensure the careful and precise inclusion of possible impact from lead times between receipt of applications for model certification tests mandated by the Security Communications Association and subsequent model approvals in our earnings forecasts for the PS business in the fiscal year ending March 31, 2020.

In terms of product development, we will improve our grasp of market needs by raising the precision of our marketing technology while continuously working to optimize, and maximize the size of, the market and aiming for growth in sales of new machines.

Tsuburaya Productions, as the key to business growth of the Group, will use all of the Group's collective strength to promote business expansion both inside and outside Japan. Tsuburaya Productions will focus on achieving three main points during the fiscal year ending March 31, 2020: raising the profitability of movies; promoting monetization and raising the brand value of IPs through measures such as active tie-ups with other companies; and accelerating global expansion, primarily in North America and China.

Digital Frontier will aim for further earnings expansion by continuing to conduct video production and accept orders for video development in Japan. It will also pursue this goal through work on high-quality video titles produced with its superior 3DCG technology and strategies such as the promotion of global expansion, primarily in China.

Our profit forecasts for the fiscal year ending March 31, 2020 have been disclosed in the table above. We have refrained from disclosing a forecast for net sales, as we expect the volatilities of net sales result from the flexible products mix*.

In accordance with the factors above, we forecast operating profit of ¥1,500 million (a YoY improvement of ¥3,332 million), ordinary profit of ¥1,500 million (a YoY improvement of ¥3,364 million), and profit attributable to owners of parent of ¥1,000 million (a YoY improvement of ¥1,614 million) in the fiscal year ending March 31, 2020.

*The accounting method of our PS machine has two different ways of distribution sales and agency sales. There is a possibility that some machines have a large impact on net sales. Please refer to "Our Market" (URL: <https://www.fields.biz/ir/e/about/market/>) on our website for details.

iii.) Basic policy for profit distribution, dividends for the fiscal year under review and the fiscal year ending March 31, 2020

The Company considers increasing corporate value to be a crucial management issue and follows a basic policy of paying appropriate dividends commensurate with profits realized. On the other hand, we consider that, due to the rapid changes of the market environment, stabilizing the financial capacity in medium- and long-term perspectives to give the priority to secure funds for investment toward expansion of profits will lead to the maximum return to shareholders which includes the future increase in corporate value.

In terms of specific figures, we have decided to propose a year-end dividend of ¥10 per share for the fiscal year ended March 31, 2019. This matter will be on the agenda at the 31st Annual General Meeting of Shareholders to be held on June 19, 2019. The dividends for the next fiscal year are to be ¥10 per share as well.

(2) Overview of financial position for the year ended March 31, 2019

(Unit: Millions of yen)

	Current fiscal year (Year ended March 31, 2019)	Previous fiscal year (Year ended March 31, 2018)	YoY change
Total assets	<u>67,450</u>	72,336	<u>(4,886)</u>
Total liabilities	<u>32,811</u>	36,827	<u>(4,015)</u>
Total net assets	<u>34,638</u>	35,509	<u>(870)</u>

(Assets)

Current assets amounted to ¥47,385 million, up ¥5,209 million YoY. The principal factors behind this were increase in cash and deposits, raw materials and supplies, and work in process.

Property, plant and equipment amounted to ¥6,165 million, up ¥885 million YoY. The principal factor behind this was an increase in tools, furniture and fixtures.

Intangible assets amounted to ¥3,170 million, up ¥1,785 million YoY. The principal factor behind this was an increase in goodwill.

Investments and other assets amounted to ¥10,728 million, down ¥12,767 million YoY. The principal factor behind this was a decrease in long-term loans receivable.

As a result of the above, total assets amounted to ¥67,450 million, down ¥4,886 million YoY.

(Liabilities)

Current liabilities amounted to ¥21,474 million, down ¥1,006 million YoY. The principal factor behind this was an increase in short-term loans payable and a decrease in notes and accounts payable-trade.

Non-current liabilities amounted to ¥11,337 million, down ¥3,009 million YoY. The principal factor behind this was a decrease in long-term loans payable.

As a result of the above, total liabilities amounted to ¥32,811 million, down ¥4,015 million YoY.

(Net assets)

Net assets amounted to ¥34,638 million, down ¥870 million YoY. The principal factor behind this was a decrease in retained earnings.

(3) Overview of cash flows for the year ended March 31, 2019

During the fiscal year under review, cash and cash equivalents (hereinafter, “cash”) increased by ¥4,434 million YoY, amounting to ¥28,807 million at the end of the year ended March 31, 2019.

Cash flow for the year ended March 31, 2019 and contributing factors are as follows:

(Unit: Millions of yen)

	Current fiscal year (Year ended March 31, 2019)	Previous fiscal year (Year ended March 31, 2018)	YoY change
Cash flows from operating activities	2,178	(1,094)	3,273
Cash flows from investing activities	3,217	4,399	(1,181)
Cash flows from financing activities	(962)	(2,021)	1,059

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,178 million (¥1,094 million of expenditure for the same period of the previous fiscal year). This was mainly due to a loss before income taxes of ¥494 million, a decrease in notes and accounts payable-trade of ¥2,944 million, a decrease in notes and accounts receivable-trade of ¥2,768 million, loss (gain) on sales of shares of subsidiaries and associates of ¥1,348 million, depreciation of ¥1,239 million, amortization of equity investment of ¥979 million, a decrease in inventories of ¥279 million, and share of profit (loss) of entities accounted for using equity method of ¥458 million.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥3,217 million (¥4,399 million of revenue for the same period of the previous fiscal year). This was mainly due to proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation totaling ¥2,818 million, proceeds from sales of shares of subsidiaries and associates totaling ¥1,800 million, and purchase of non-current assets totaling ¥1,391 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥962 million (¥2,021 million of expenditure for the same period of the previous fiscal year). This was mainly due to repayments of long-term loans payable totaling ¥2,580 million, an increase in short-term loans payable totaling ¥1,809 million, and dividends paid totaling ¥169 million.

(Reference) Trends of cash flow indicators

	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019
Shareholders' equity ratio (%)	53.9	62.0	52.5	48.4	<u>50.8</u>
Shareholders' equity ratio at market value (%)	55.0	67.4	47.7	53.4	<u>35.6</u>
Interest-bearing debt/cash flow ratio (years)	—	0.9	—	—	7.1
Interest coverage ratio (times)	—	439.0	—	—	28.6

- Shareholders' equity ratio: Shareholders' equity/Total assets
- Shareholders' equity ratio at market value: Aggregate market value (based on the closing stock price at the end of the fiscal year)/Total assets
- Interest-bearing debt/cash flow ratio: Interest-bearing debt/Operating cash flow
- Interest coverage ratio: Operating cash flow/Interest expense

- (Notes) 1. All of the above indicators are calculated for their respective values on a consolidated basis.
 2. Aggregate market value is calculated based on the number of shares issued excluding treasury shares.
 3. Interest-bearing debt indicates all the liabilities for which interest is paid posted in the consolidated balance sheets.
 4. Interest-bearing debt/cash flow ratio and interest coverage ratio are not stated in the case of negative operating cash flows.

2. Basic Approach to Selecting Accounting Standards

The Group has determined that financial statements prepared according to Japanese standards are appropriate in light of current business conditions. We plan to appropriately address the adoption of IFRS after considering conditions in Japan and overseas.

3. Consolidated financial statements and important notes

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (As of March 31, 2018)	Fiscal year ended March 31, 2019 (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	24,473	28,907
Notes and accounts receivable-trade	7,019	<u>6,157</u>
Electronically recorded monetary claims-operating	1,097	1,070
Merchandise and finished goods	1,206	750
Work in process	2,804	<u>5,130</u>
Raw materials and supplies	83	2,229
Merchandising rights advances	1,468	1,711
Other	4,084	<u>1,536</u>
Allowance for doubtful accounts	(61)	(108)
Total current assets	42,175	<u>47,385</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,662	5,592
Accumulated depreciation	(2,926)	(2,963)
Buildings and structures, net	2,735	2,628
Machinery, equipment and vehicles	86	117
Accumulated depreciation	(55)	(87)
Machinery, equipment and vehicles, net	30	30
Tools, furniture and fixtures	4,037	5,622
Accumulated depreciation	(3,473)	(3,875)
Tools, furniture and fixtures, net	564	1,746
Land	1,873	1,676
Construction in progress	75	82
Total property, plant and equipment	5,279	6,165
Intangible assets		
Goodwill	662	2,715
Other	723	455
Total intangible assets	1,385	3,170
Investments and other assets		
Investment securities	6,773	5,785
Long-term loans receivable	11,781	1,738
Deferred tax assets	659	608
Other	4,838	<u>4,284</u>
Allowance for doubtful accounts	(556)	(1,689)
Total investments and other assets	23,495	<u>10,728</u>
Total non-current assets	30,160	<u>20,064</u>
Total assets	72,336	<u>67,450</u>

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (As of March 31, 2018)	Fiscal year ended March 31, 2019 (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,358	<u>8,160</u>
Short-term loans payable	4,151	5,960
Current portion of long-term loans payable	2,580	2,580
Income taxes payable	171	<u>120</u>
Provision for bonuses	288	249
Provision for directors' bonuses	9	10
Provision for sales returns	6	—
Other	3,914	<u>4,391</u>
Total current liabilities	22,480	<u>21,474</u>
Non-current liabilities		
Long-term loans payable	9,427	6,847
Net defined benefit liability	660	628
Asset retirement obligations	879	903
Other	3,378	2,957
Total non-current liabilities	14,346	11,337
Total liabilities	36,827	<u>32,811</u>
Net assets		
Shareholders' equity		
Capital stock	7,948	7,948
Capital surplus	7,579	7,579
Retained earnings	20,684	<u>19,904</u>
Treasury shares	(1,821)	(1,821)
Total shareholders' equity	34,391	<u>33,610</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	669	598
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans	(53)	23
Total accumulated other comprehensive income	617	622
Non-controlling interest	500	<u>404</u>
Total net assets	35,509	<u>34,638</u>
Total liabilities and net assets	72,336	<u>67,450</u>

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Net sales	61,055	<u>50,755</u>
Cost of sales	47,655	<u>37,454</u>
Gross profit	13,400	<u>13,300</u>
Selling, general and administrative expenses		
Advertising expenses	2,059	1,034
Salaries	5,639	4,900
Provision for bonuses	137	118
Retirement benefit expenses	132	135
Business consignment expenses	1,851	1,108
Traveling and transportation expenses	520	432
Depreciation	1,060	761
Rents	1,793	1,494
Provision of allowance for doubtful accounts	236	47
Amortization of goodwill	322	435
Provision for directors' bonuses	9	10
Other	5,376	4,653
Total selling, general and administrative expenses	19,138	15,132
Operating profit (loss)	(5,738)	<u>(1,832)</u>
Non-operating income		
Interest income	115	95
Dividend income	175	163
Purchase discounts	129	92
Rent income	1	1
Gain on management of investment securities	—	25
Share of profit of entities accounted for using equity method	306	—
Distributions from investments	186	96
Other	116	96
Total non-operating income	1,030	571
Non-operating expenses		
Interest expenses	81	76
Share of loss of entities accounted for using equity method	—	458
Amortization of equity investment	191	13
Financing expenses	5	3
Provision of allowance for doubtful accounts for subsidiaries and associates	163	16
Other	53	35
Total non-operating expenses	496	604
Ordinary profit (loss)	(5,204)	<u>(1,864)</u>

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	0	1,400
Gain on sales of non-current assets	939	29
Gain on sales of investment securities	—	361
Gain on step acquisitions	—	748
Other	2	—
Total extraordinary income	941	2,539
Extraordinary losses		
Loss on retirement of non-current assets	117	57
Impairment loss	334	278
Loss on valuation of investment securities	2,185	—
Loss on valuation of shares of subsidiaries and associates	7	—
Loss on business restructuring	—	472
Loss on litigation	400	167
Other	78	193
Total extraordinary losses	3,123	1,169
Profit (loss) before income taxes	(7,386)	(494)
Income taxes - current	266	172
Income taxes - deferred	(55)	47
Total income taxes	211	219
Profit (loss)	(7,597)	(714)
Profit attributable to non-controlling interests	93	(99)
Profit (loss) attributable to owners of parent	(7,691)	(614)

Consolidated statements of comprehensive income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Profit (loss)	(7,597)	<u>(714)</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,506	(67)
Foreign currency translation adjustment	0	(0)
Remeasurements of defined benefit plans	40	76
Total other comprehensive income	2,548	9
Comprehensive income	<u>(5,049)</u>	<u>(704)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,143)	<u>(609)</u>
Comprehensive income attributable to non-controlling interests	93	<u>(95)</u>

(3) Consolidated statement of change in equity

Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	7,948	7,994	30,035	(1,821)	44,156
Changes of items during period					
Dividends of surplus			(1,659)		(1,659)
Profit (loss) attributable to owners of parent			(7,691)		(7,691)
Change in equity by purchase of treasury shares of consolidated subsidiaries		(414)			(414)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(414)	(9,350)	—	(9,764)
Balance at end of current period	7,948	7,579	20,684	(1,821)	34,391

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	(1,836)	0	(94)	(1,930)	1,002	43,227
Changes of items during period						
Dividends of surplus						(1,659)
Profit (loss) attributable to owners of parent						(7,691)
Change in equity by purchase of treasury shares of consolidated subsidiaries						(414)
Net changes of items other than shareholders' equity	2,506	0	40	2,547	(501)	2,046
Total changes of items during period	2,506	0	40	2,547	(501)	(7,718)
Balance at end of current period	669	0	(53)	617	500	35,509

Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	7,948	7,579	20,684	(1,821)	34,391
Changes of items during period					
Dividends of surplus			(165)		(165)
Profit (loss) attributable to owners of parent			(614)		(614)
Change in equity by purchase of treasury shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(780)	—	(780)
Balance at end of current period	7,948	7,579	19,904	(1,821)	33,610

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the period	669	0	(53)	617	500	35,509
Changes of items during period						
Dividends of surplus						(165)
Profit (loss) attributable to owners of parent						(614)
Change in equity by purchase of treasury shares of consolidated subsidiaries						—
Net changes of items other than shareholders' equity	(71)	(0)	76	5	(95)	(90)
Total changes of items during period	(71)	(0)	76	5	(95)	(870)
Balance at end of current period	598	0	23	622	404	34,638

(4) Consolidated statements of cash flows

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Cash flows from operating activities		
Profit (loss) before income taxes	(7,386)	(494)
Depreciation	1,457	1,239
Impairment loss	334	278
Amortization of goodwill	322	435
Increase (decrease) in allowance for doubtful accounts	400	(17)
Increase (decrease) in provision for bonuses	(68)	(63)
Increase (decrease) in provision for directors' bonuses	9	1
Increase (decrease) in net defined benefit liability	86	35
Interest and dividend income	(290)	(259)
Purchase discounts	(129)	(92)
Share of (profit) loss of entities accounted for using equity method	(306)	458
Interest expenses	81	76
Loss (gain) on valuation of investment securities	2,185	—
Amortization of equity investment	751	979
Loss (gain) on sales of investment securities	—	(361)
Loss (gain) on step acquisitions	—	(748)
Decrease (increase) in notes and accounts receivable-trade	6,715	2,768
Decrease (increase) in inventories	(3,393)	279
Decrease (increase) in merchandising right advances	929	(242)
Loss (gain) on sales of shares of subsidiaries and associates	(0)	(1,348)
Loss (gain) on sales of non-current assets	(939)	(28)
Decrease (increase) in prepaid expenses	254	317
Decrease (increase) in advances paid	475	(101)
Increase (decrease) in notes and accounts payable-trade	(1,640)	(2,944)
Increase (decrease) in accounts payable-other	(360)	(0)
Increase (decrease) in accrued consumption taxes	53	312
Increase (decrease) in deposits received	239	(151)
Other, net	(583)	1,334
Subtotal	(801)	1,662
Interest and dividend income received	310	267
Interest expenses paid	(81)	(76)
Income taxes (paid) refund	(521)	325
Net cash provided by (used in) operating activities	(1,094)	2,178
Cash flows from investing activities		
Purchase of property, plant and equipment	(862)	(1,246)
Proceeds from sales of property, plant and equipment	6,250	225
Purchase of intangible assets	(267)	(144)
Proceeds from sales of investment securities	13	528
Purchase of shares of subsidiaries and associates	(200)	—
Proceeds from sales of shares of subsidiaries and associates	2,202	1,800
Payments for investments in capital	(582)	(943)
Payments of loans receivable	(4,520)	(179)
Collection of loans receivable	2,574	68
Payments for lease and guarantee deposits	(90)	(31)
Proceeds from collection of lease and guarantee deposits	307	452
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	2,818
Other, net	(423)	(129)
Net cash provided by (used in) investing activities	4,399	3,217

(Unit: Millions of yen)

	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Cash flows from financing activities		
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(955)	—
Net increase (decrease) in short-term loans payable	3,869	1,809
Repayments of long-term loans payable	(3,200)	(2,580)
Cash dividends paid	(1,659)	(169)
Other, net	(76)	(22)
Net cash provided by (used in) financing activities	(2,021)	(962)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	1,282	4,434
Cash and cash equivalents at beginning of period	23,090	24,373
Cash and cash equivalents at end of period	24,373	28,807

(5) Note regarding the consolidated financial statements

(Note regarding the operation of the company as a going concern)

No relevant items

(Change in indication method)

(Related consolidated balance sheet)

Effective from the beginning of the first quarter of the fiscal year ended March 31, 2019, the Company has applied *Partial Amendments to Accounting Standard for Tax Effect Accounting* (ASBJ Statement No. 28, February 16, 2018) and other standards. Accordingly deferred tax assets are presented under investments and other assets, deferred tax liabilities are presented under non-current liabilities.

As a result, the ¥475 million that was stated as “Deferred tax assets” under “Current assets” and the ¥20 million that was stated as “Deferred tax liabilities” under “Other” of “Non-current liabilities” reclassified to be stated as the ¥659 million for “Deferred tax assets” under “Investments and other assets” in the consolidated balance sheet of the fiscal year ended March 31, 2018.

(Additional information)

Financial restrictions clause

In order to efficiently raise operating funds, FIELDS has contracts with its main banks for bank overdrafts, loan commitment, and term loans, each of which has the following financial restrictions clauses (the clauses for each contract differs but the major items are listed below).

- (1) The total value of net assets in the consolidated and non-consolidated balance sheets on the last day of each consolidated fiscal year shall be maintained at 75% or more of the value on the last day of the accounting period prior to the subject accounting period, or the value as of March 31, 2017, whichever is larger.
- (2) The operating profit and loss on the consolidated and unconsolidated profit and loss statements on the last day of each consolidated fiscal year must not show a loss for two consecutive fiscal periods.

The balance of loans executed as of the last day of the current consolidated fiscal year in accordance with the subject contract is given below:

	Fiscal year ended March 31, 2018 (March 31, 2018)	Fiscal year ended March 31, 2019 (March 31, 2019)
Total amount of bank overdraft limit, loan commitment, and term loans	¥30,000 million	¥30,000 million
Balance of loans executed	¥12,040 million	¥11,760 million

With regard to (2) above, FIELDS reported consolidated ordinary losses for two consecutive fiscal periods, and as a result, during the consolidated fiscal year under review, the company was in violation of the financial restriction conditions set in loan agreements. Nonetheless, we believe that we will be able to continue to receive the support of our main banks in the future as we maintain close relationships with them and continue to periodically engage in constructive discussions. Furthermore, the company has adequate funds on hand and our current capital situation is expected to remain stable.

(Segment information, etc.)

[Segment information]

This statement is omitted as the Group engages in a single segment.

[Related information]

Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)

1. Information on each product and service

Information on each product and service has been omitted because net sales to external customers in a single product or service category accounted for more than 90% of net sales in the consolidated statement of income.

2. Information on each region

(1) Net sales

Information on net sales in Japan has been omitted because net sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

Information on the amount of property, plant and equipment in Japan has been omitted because the amount of property, plant and equipment in Japan accounted for more than 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information on each major customer

Information on major customers has been omitted because there is no external customer for which net sales represents 10% of net sales of the consolidated statements of income.

[Information relating to impairment loss of non-current assets by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to amortization of goodwill and unamortized balance by reportable segment]

This information has been omitted because the Group has only one segment.

[Information relating to gain on bargain purchase by reportable segment]

No relevant items

(Per-share data)

Item	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Net assets per share	1,054.99	<u>1,031.63</u>
Profit (loss) per share	(231.77)	<u>(18.52)</u>

(Notes) 1. The amount of diluted profit per share for the previous consolidated fiscal year and the current fiscal year is not stated because there is a loss per share and no latent shares exist.

2. The basis for calculation of the amount of profit per share is as follows:

Item	Fiscal year ended March 31, 2018 (April 1, 2017–March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018–March 31, 2019)
Profit (loss) attributable to owners of parent (millions of yen)	(7,691)	<u>(614)</u>
Amount not allocable to common shareholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares income (millions of yen)	(7,691)	<u>(614)</u>
Average number of shares of common share outstanding (shares)	33,183,700	33,183,700
Outline of latent shares not reflected in the calculation of diluted net income per share since they have no dilutive effect	—	—

(Significant subsequent events)

No relevant items

4. Others

(1) Personnel change in officers

(i) Change in representatives of the Company

No relevant items

(ii) Change in other (scheduled as of June 19, 2019)

The nomination of candidates for Directors is as follows:

Each candidate will be elected at the 31st Annual General Meeting of Shareholders to be held on June 19, 2019

<Candidates for Directors>

Director	Hidetoshi Yamamoto	Reappointment
Director	Ei Yoshida	Reappointment
Director	Masakazu Kurihara	Reappointment
Director	Kenichi Ozawa	Reappointment
Director	Hiroyuki Yamanaka	Reappointment
Director	Kenkichi Yoshida	Reappointment
Outside Director	Shigesato Itoi	Reappointment

*Reference: the management structure after the 31st Annual General Meeting of Shareholders

New management structure will be determined at the Board of Directors meeting and Board of Auditors meeting as follows after the 31st Annual General Meeting of Shareholders.

(1) Directors

Chairman, President and Group CEO	Hidetoshi Yamamoto
Senior Managing Director	Ei Yoshida
Director	Masakazu Kurihara
Director	Kenichi Ozawa
Director	Hiroyuki Yamanaka
Director	Kenkichi Yoshida
Outside Director	Shigesato Itoi

(2) Auditors

Standing Auditor	Keinichi Ikezawa
Auditor	Yoshika Furuta
Auditor	Yoriko Aelvoet

(3) Corporate Officers

Corporate Officer	Teruo Fujishima
Corporate Officer	Hideaki Hatanaka
Corporate Officer	Yosuke Ozawa
Corporate Officer	Tadamasa Oshio