

Financial Briefing Material

for the H1 of the Year Ending March 31, 2021



FIELDS CORPORATION

Listed on: TSE 1st (2767)

November 16, 2020

Changes in market environments (effects of coronavirus disease (COVID-19))

<Changes in total pachinko/pachislot (PS) machines sales>

<Forecast before corona epidemic>

2.5 million units

1.75 million units

Removal of old regulation machines
2.3 million units

Effects of the spread of COVID-19

- Self-restraint and suspension of operations at pachinko halls
 - Delays in the procurement of manufacturing materials
 - Extension of the due date for removal of the old regulation machines by 1 year
- ⇒ Total unit sales remained sluggish at 0.4 million units

See page 7 for the H2

0.4 million units

FY2019

FY2020
Initial forecast

H1 FY2020

* FIELDS estimates

PS sales in H1 of the FY2020

- Revised sales timelines due to the impact of COVID-19
- Launched 3 pachislot titles in Q2

	Q1	Q2	H1 of the FY2020 Total of units posted
Pachinko	—	—	4,000 units
Pachislot	—	3 titles <i>BLACK LAGOON4</i> <i>Pachislot for CHAR AZNABLE -RED COMET's Counterattack-</i> <i>PACHISLOT Ring-ni-kakero1 -World champion carnival version-</i>	12,000 units
Total	3,000 units	13,000 units	16,000 units

Consolidated P/L (summary)

(Unit: 100 millions of yen)

	FY2019		FY2020			Remarks
	H1	Full year	H1	YoY change	YoY change (%)	
Net sales	277.7	665.8	105.9	(171.8)	(61.9%)	
Gross profit	41.5	148.0	25.6	(15.8)	(38.1%)	
SG&A expenses	69.0	140.9	58.9	(10.0)	(14.6%)	
Operating profit (loss)	(27.5)	7.1	(33.2)	(5.7)	-	
Ordinary profit (loss)	(25.3)	9.3	(32.4)	(7.1)	-	
Profit (loss)	(27.5)	4.9	(39.2)	(11.6)	-	
Pachinko sales (units)	55,906	136,452	4,071	(51,835)	(92.7%)	
Pachislot sales (units)	8,655	54,883	12,430	+3,775	+43.6%	
Total (units)	64,561	191,335	16,501	(48,060)	(74.4%)	
Number of employees (people)	1,352	1,341	1,285	(67)	(5.0%)	

* Amounts have been rounded down to the ¥10 million.

Consolidated B/S (summary)

(Unit: 100 million yen)

	End of Mar. 2020	End of Sep. 2020	Increase (decrease)	Main change factors
Current assets	505.8	369.2	(136.5)	Decrease in trade receivable
Non-current assets	137.3	136.8	(0.4)	
Total assets	643.1	506.1	(137.0)	
Current liabilities	179.9	106.8	(73.0)	Decrease in trade payable
Non-current liabilities	120.4	101.8	(18.5)	Decrease in long-term borrowings
Total liabilities	300.3	208.7	(91.6)	
Total net assets	342.7	297.4	(45.3)	
Total liabilities and net assets	643.1	506.1	(137.0)	

* Amounts have been rounded down to the ¥10 million.

Status of the PS business in H2

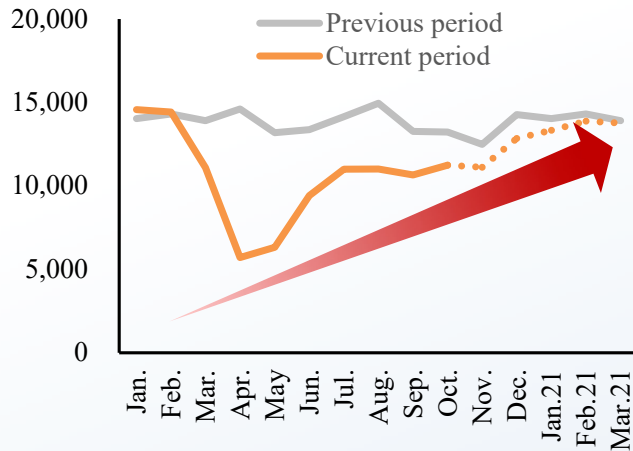
Forecast of PS market in H2

Demand for more than 1 million units for new machines forecasted

- Recovering of pachinko halls' operations
- Emergence of PS machine with new game function ⇒ highly reputation by pachinko halls/fans
- Approx. 0.9 million old regulation machines are scheduled to be removed during the H2

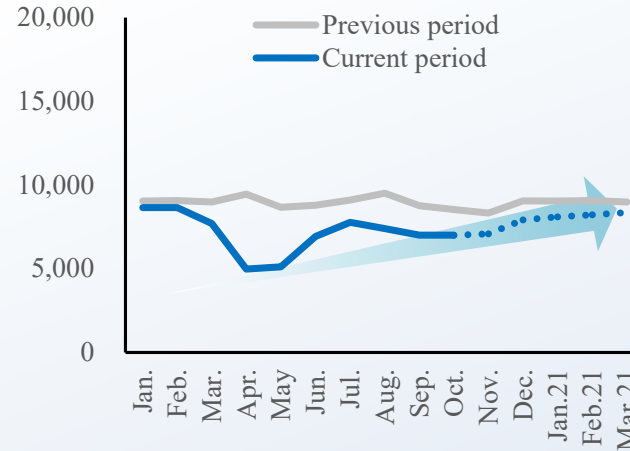
Operation of pachinko

(Unit: balls)



Operation of pachislot

(Units: medals)

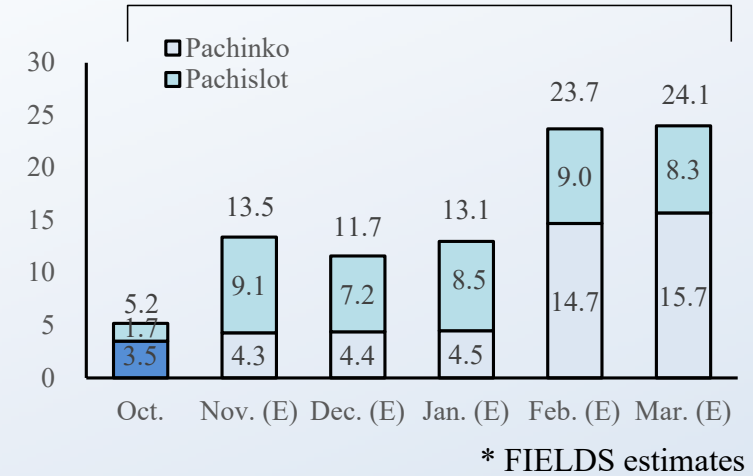


Estimated number of removed

PS machines in H2

(Unit: 10 thousands of units)

H2 915,000 units



PS sales titles for the FY2020 (scheduled)

	H1	Q3	Q4
Pachinko	—	2 titles <i>NEON GENESIS EVANGELION Decisive Battle -Crimson-</i> <i>Pachinko ULTRASEVEN Cho Rambu</i>	<ul style="list-style-type: none"> • <i>P CODE GEASS Lelouch of the Rebellion</i> • <i>Pachinko GANTZ:2 Sweet ver.</i>
Pachislot	3 titles	3 titles <i>AKAME GA KILL!</i> <i>Pachislot MONSTER HUNTER: WORLD</i> <i>PACHISLOT TETSUYA -Destiny and real ability-</i>	Preparing for sale
Number of title	3 titles	5 titles (on sale)	2 titles + multiple titles

Status of group companies

Tsuburaya Productions

States in H1

[Q1]

Directly affected by the spread of COVID-19

- Discontinuation/scale back of events and live shows
- Postponed release of films due to production delays

[Q2]

- Strong domestic and Chinese merchandising



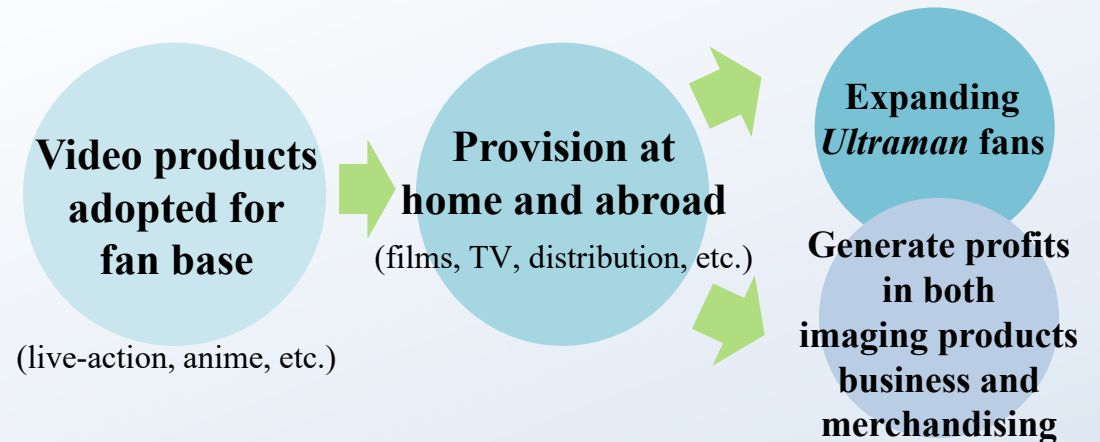
**Higher-than-expected recovery
from the harsh H1 forecast**

Trends in H2

[Topics]

- Movie *SHIN ULTRAMAN* to be released in early summer 2021
- Expansion of domestic licensees (foodstuffs, apparel, watches, etc.)
- Growth in merchandising in China and other Asian countries

[Medium-term business strategy]



Digital Frontier

Situation in H1

Strong performance due to consumption from staying at home

- Orders of CG video production from domestic game companies



Continued high demand

Infiltration of telecommuting

- More than half of engineers work at home
- Cost reduction effect of office shrinkage



Continuously respond

Commencement of VIRTUAL LINE STUDIO operations

- Joint venture with Nikkatsu and AOI TYO Holdings

VFX video production

Increase in domestic and overseas orders

Consolidated business results and dividend forecasts

Consolidated business results and dividend forecasts

Forecast for consolidated business results

(Unit: Millions of yen)

	FY2019	Forecast for FY2020	
	Full year	Full year	YoY change
Operating profit	713	1,200	+68.1%
Ordinary profit	939	1,200	+27.7%
Profit attributable to owners of parent	490	350	(28.7%)

* Amounts have been rounded down to the million.

Dividend forecast

	End of Q2	Year-end	Total
Previous results	-	¥10	¥10
Forecast	-	¥10	¥10

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.