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## Summary

(Translation)  
May 13, 2021

### FIELDS CORPORATION Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Under Japanese GAAP)

Company name: FIELDS CORPORATION  
(URL: <https://www.fields.biz/ir/e/>)  
Listing: Tokyo Stock Exchange 1<sup>st</sup> section  
Securities code: 2767  
URL: <https://www.fields.biz/ir/e/>  
Representative: Hidetoshi Yamamoto, Chairman, President and Group CEO  
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Scheduled date of annual general meeting of shareholders: June 16, 2021  
Scheduled date to commence dividend payments: June 17, 2021  
Scheduled date to file annual securities report: June 16, 2021  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

#### 1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results (Percentages indicate YoY changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	38,796	(41.7)	(2,241)	—	(2,032)	—	(3,452)	—
March 31, 2020	66,587	31.2	713	—	939	—	490	—

(Notes) 1. Certain differences have arisen between the net sales of consolidated operating results for the fiscal year ended March 31, 2021 and the results for the previous fiscal year. The reasons for these are given in (1) Overview of operating results for the fiscal year under review, 1. Overview of operating results.

2. Comprehensive income For the fiscal year ended March 31, 2021: ¥(3,214) million [—%]  
For the fiscal year ended March 31, 2020: ¥(27) million [—%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2021	(105.78)	—	(10.9)	(3.5)	(5.8)
March 31, 2020	14.79	—	1.4	1.4	1.1

Reference: Share of profit (loss) of entities accounted for using equity method For the fiscal year ended March 31, 2021: ¥205 million  
For the fiscal year ended March 31, 2020: ¥(47) million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	52,370	30,443	56.9	921.80
March 31, 2020	64,317	34,279	52.6	1,018.63

Reference: Equity As of March 31, 2021: ¥29,803 million  
As of March 31, 2020: ¥33,801 million

#### (3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	3,692	(1,072)	(2,835)	24,510
March 31, 2020	(2,427)	876	(2,537)	24,725

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	Q1 end	Q2 end	Q3 end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	—	0.00	—	10.00	10.00	331	67.6	1.0
Fiscal year ended March 31, 2021	—	0.00	—	10.00	10.00	323	—	1.0
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	—	—		—	

(Note) We have yet to decide the dividend forecast for the year ending March 31, 2022.

## 3. Forecast of consolidated earnings for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

The Company will not disclose the forecast at this time, and will continue to collect rationale for calculations while assessing the impact of coronavirus disease (COVID-19), with the aim of disclosing them when it becomes possible to disclose reasonable forecasts.

**\*Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to reasons other than (2) (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	34,700,000 shares
As of March 31, 2020	34,700,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2021	2,368,300 shares
As of March 31, 2020	1,516,300 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2021	32,643,086 shares
Fiscal year ended March 31, 2020	33,183,700 shares

**Reference: Overview of non-consolidated financial results****Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)****(1) Non-consolidated operating results**

(Percentages indicate YoY changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	29,723	(48.3)	(3,468)	—	(3,497)	—	(4,120)	—
March 31, 2020	57,515	35.1	995	—	1,516	—	1,091	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	(126.21)	—
March 31, 2020	32.88	—

(Note) Certain differences have arisen between non-consolidated operating results for the fiscal year ended March 31, 2021 and the results for the previous fiscal year. The reasons for these are given in (1) *Overview of operating results for the fiscal year under review*, 1. *Overview of operating results*.

- Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

- Proper use of earnings forecasts, and other special matters

(Disclaimer regarding forward-looking statements and projections)

With regard to forecast of consolidated earnings, the Company will not disclose the forecast at this time, and will continue to collect rationale for calculations while assessing the impact of coronavirus disease (COVID-19), with the aim of disclosing them when it becomes possible to disclose reasonable forecasts. Please refer to *Forecasts for the next fiscal year* on page 3 of the attached material for the present business outlook for the next fiscal year.

(How to obtain supplementary materials on financial results)

We plan to hold a briefing for institutional investors and analysts on Friday, May 14, 2021. Materials used in this briefing will be posted on our website promptly after the briefing.

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## 1. Overview of operating results

### (1) Overview of operating results for the fiscal year under review

#### i.) Consolidated financial statement

Earnings for the fiscal year under review were largely in line with the earnings forecasts disclosed in the *Notification of Revisions to Performance Forecast* dated February 10, 2021.

In the fiscal year under review, the global socio-economic environment was characterized by the severe impact of coronavirus disease (COVID-19), which had far reaching effects on the economy as a whole and on the livelihoods of individuals. Economic activities stagnated as many countries implemented lockdowns to prevent the spread of infection, and the world GDP growth rate in 2020 was -3.3%, the worst recession since the Great Depression of the 1930s. On the other hand, stock prices rose in countries around the world as governments worked to support the economy through fiscal stimulus measures and monetary easing. In 2020 (January to December), NASDAQ Composite Index rose +43.6%, and the market capitalization of listed companies worldwide increased significantly.

In Japan, the impact of COVID-19 has been equally significant, and the business climate remains uncertain. In conjunction with this, according to the *Family Income and Expenditure Survey* by Statistics Bureau, Ministry of Internal Affairs and Communications, consumer spending by general consumers stagnated significantly, with -6.5% YoY decrease in 2020 in total household expenditure, and -33.1% YoY decrease in the area of culture and recreation services. On the other hand, lifestyles have changed dramatically, as telecommuting, online shopping, and the spread of contactless payments made remarkable progress. In the industrial sector, polarization has progressed between industries that benefited from lifestyle changes caused by the pandemic and those that were hit directly.

In the pachinko industry, in response to the Japanese government's declaration of the state of emergency, pachinko halls were forced to suspend or refrain from business operations. Since then, however, they have taken all possible measures to combat the spread of the diseases and have continued operations, and the industry as a whole has not experienced a cluster outbreak. In addition, while the number of gaming opportunities for the elderly has decreased, the number of gaming opportunities for the younger generation has increased, and pachinko and pachislot (hereinafter, "PS") machines suitable for the younger generation have tended to penetrate the market. However, while consumer spending remained stagnant, the impact on merchandise sales was significant. At the end of the fiscal year, the number of pachinko halls was 8,063 (down 647 YoY), the total number of machines installed in the market was 3.6 million units (down 220,000 units YoY), the total market sales was 810,000 pachinko machines (down 350,000 units YoY), 430,000 pachislot machines (down 140,000 units YoY), and 1.25 million total PS machines (down 490,000 units YoY).

Under these circumstances, in the pachinko and pachislot business (hereinafter, "PS business"), which is the Group's mainstay business, we focused on sales of merchandise to meet the needs of pachinko halls while thoroughly implementing preventive measures against COVID-19, such as introducing telecommuting in compliance with governmental policies. However, PS sales totaled 95,000 units (191,000 units in the previous fiscal year) due to sluggish unit sales and the postponement of merchandise sales scheduling as a result of declining purchasing sentiment in the market and repeated state of emergency declarations.

With regard to IP business, based on the Group's medium-term business strategy, our plan has been to first develop the two companies, Tsuburaya Productions Co., Ltd. (hereinafter, "TPC") and Digital Frontier Inc. (hereinafter, "DF") as global IP companies, and then expand and horizontally deploy the knowledge and systems gained there. The strategic initiatives that had been underway at both companies produced tangible results in FY2020.

TPC, which is responsible for IP business as a driver of the Group's growth, is pursuing a medium-term business strategy in which it will expand its *Ultraman* fans by providing live-action and anime products suitable for the domestic and overseas fan base, through movies, television, distribution, etc., to generate revenue in both the video and licensing businesses. In the video business, a promotional trailer and special visuals have been released for the movie *SHIN ULTRAMAN*, directed by Shinji Higuchi with production and screenplay by Hideaki Anno, and a new release date is currently being deliberated. In addition to launching TPC's official subscription-based digital platform service, *TSUBURAYA IMAGINATION*, in collaboration with NTT DOCOMO, the licensing business area saw new partnerships domestically with major companies in areas such as apparel and food, while overseas, we also made a significant contribution to profits, particularly in the Chinese market, and domestic and overseas sales were steady.

DF, the core company of PS and IP businesses in the CG video field, continued to support CG video production, mainly by domestic game companies, and VFX video production from both domestic and overseas. In addition, we entered into a business alliance with Netflix, one of the world's largest streaming services, to provide video production resources for VFX production and virtual production over a multi-year period for Netflix original titles. This is the first of its kind in a domestic company.

Consequently, the Group's consolidated results for the fiscal year under review were net sales ¥38,796 million (down 58.3%YoY), an operating loss of ¥2,241 million (an operating profit of ¥713 million in the same period of the previous fiscal year), an ordinary loss of ¥2,032 million (an ordinary loss of ¥939 million in the same period of the previous fiscal year), and a loss attributable to owners of parent of ¥3,452 million (a loss of ¥490 million in the same period of the previous fiscal year).

ii.) Forecasts for the next fiscal year

[Future business development]

In the pachinko industry, about three and a half years have passed since regulatory amendment in 2018, and a number of PS machines with new game functions have now been launched in the market. PS machines that are easy to play while also having a variety of game functions within a moderate amount of consumption have been rated highly by halls and fans. In the industry, changes to internal regulation have created an environment in which pachinko machines can be sold from 30,000 to 50,000 units per title, and in the pachislot market, measures such as reviewing self-regulation have made it possible to develop pachislot machines that are inexpensive and easy for fans to enjoy. These trends are expected to stimulate the market in the future.

In addition, the global situation surrounding the coronavirus pandemic is changing with the rapid spread of vaccination, particularly in the United Kingdom, the United States, and other developed countries, leading to reduced restrictions, such as lift of lockdowns. As a result, not only online entertainment, which grew during the pandemic, but also conventional entertainment, is experiencing a positive future for regrowth in line with new lifestyles.

Based on this understanding, we are taking a positive view of the changes in the public's entertainment and leisure needs during and after the COVID-19 pandemic, and will restructure our business domains into two major pillars, the PS business and IP business, under our corporate philosophy of *The Greatest Leisure for All People*. In addition, we are constructing a new medium-term business strategy that will strongly and speedily promote "building a foundation for a stable PS business in a mature market" and "shifting to an IP company."

In the PS business, we will conduct a fundamental review of our activity processes, from merchandise planning and development to marketing promotions, sales and maintenance, in line with future environmental changes. By converting this process into a digital transformation (DX), we will efficiently secure earnings even in mature markets and build a business foundation that can achieve sustainable growth.

In IP business, we will continue to focus on fostering the two companies of TPC and DF as global IP companies based on our medium-term business strategy. In particular, TPC has been "developing and franchising large-scale new IP," "shifting to digital domains," and "expanding overseas, mainly in China, other Asian countries, and North America" in accordance with its medium-term business strategy (from 2018).

We are focused on developing TPC's IP, which are in demand worldwide and have considerable growth potential, through the implementation of new business models, and by expanding and horizontally deploying the knowledge and mechanisms gained from these new models, we are looking to shift the Group to an IP company.

## [Q1 results]

In the first-quarter PS business, sales of the two pachinko titles, *PACHINKO GANTZ KIWAMI* and *PACHINKO ULTRAMAN TARO 2*, which were delivered in April when the pandemic had stabilized, totaled approximately 35,000 units, showing steady growth. In addition to continuing sales of pachinko one title and pachislot one title at present, we announced yesterday (May 12) the Pachinko *P Uchū Senkan Yamato 2202 Ai no Senshi-tachi* for delivery in the second quarter.

In IP business, both TPC and DF performed well. With TPC in particular, we are planning to release projects that will realize “global expansion” in the near future.

## [Outlook for the next fiscal year and the announcement of the medium-term management plan]

The Japanese government declared a third state of emergency from April 25 to May 31 in six prefectures, including Tokyo, and has required eight prefectures to implement tighter COVID-19 measures. In addition, many local governments are implementing their own emergency measures, which has hindered the operations of pachinko halls. Furthermore, the outlook is expected to remain difficult for the foreseeable future due to factors such as mutations of COVID-19 and resulting variant strains, the maintenance and enhancement of the medical system, whether the Olympic and Paralympic Games will be held, the situation of infections around January next year after extensive vaccination, and the associated changes in the social environment.

Under these circumstances, it is difficult to reasonably calculate the Group’s business activities and operating results. Therefore, at this point in time, the Company has decided to set the forecast for the next fiscal year as “undetermined” and announce it promptly when it becomes possible to make reasonable calculations. Similarly, the announcement of the medium-term management plan that incorporates concrete strategies for “building a foundation for a stable PS business in a mature market” and “shifting to an IP company” will also be made when we are able to announce results forecasts for the next fiscal year.

## iii.) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

We regard the enhancement of corporate value as an important management issue, and our basic policy is to pay dividends in an appropriate manner in line with profits. On the other hand, we believe that stabilizing our financial base from a medium-to-long-term perspective in response to rapid changes in the marketplace and prioritizing securing investment funds to increase earnings will lead to the greatest possible return for shareholders, including future increases in corporate value. Specifically, the year-end dividend for the year ended March 31, 2021 will be ¥10 per share. This will be discussed at the 33rd Annual General Meeting of Shareholders, which is scheduled to be held on June 16, 2021.

The dividend forecast for the next fiscal year will be announced promptly when it becomes possible to disclose the consolidated earnings forecast.

(Notes) 1. All figures in this report are based on each company or each organization or our estimates.

2. Merchandise names in this report are trademarks or registered trademarks of each company.

## (2) Overview of financial position for the fiscal year under review

	End of current fiscal year (As of the end of March 2021)	End of the previous fiscal year (As of the end of March 2020)	YoY change
Total assets	¥52,370 million	¥64,317 million	¥ (11,946) million
Total liabilities	¥21,927 million	¥30,037 million	¥ (8,110) million
Total net assets	¥30,443 million	¥34,279 million	¥ (3,836) million

## (Assets)

Current assets decreased by ¥11,433 million from the end of the previous fiscal year to ¥39,147 million. This was mainly due to a decrease in trade receivables and a decrease in work in process.

Property, plant and equipment decreased by ¥462 million from the end of the previous fiscal year to ¥4,272 million. This was mainly due to a decrease in buildings and structures.

Intangible assets decreased by ¥364 million from the end of the previous fiscal year to ¥2,628 million. This was mainly due to a decrease in goodwill.

Investments and other assets increased by ¥313 million from the end of the previous fiscal year to ¥6,322 million. This was mainly due to an increase in investment securities.

Consequently, assets decreased by ¥11,946 million from the end of the previous fiscal year to ¥52,370 million.

## (Liabilities)

Current liabilities decreased by ¥7,101 million from the end of the previous fiscal year to ¥10,895 million. This was mainly due to a decrease in trade payables.

Non-current liabilities decreased by ¥1,009 million from the end of the previous fiscal year to ¥11,031 million. This was mainly due to a decrease in long-term borrowings.

Consequently, liabilities decreased by ¥8,110 million from the end of the previous fiscal year to ¥21,927 million.

## (Net assets)

Net assets decreased by ¥3,836 million from the end of the previous fiscal year to ¥30,443 million. This was mainly due to a decrease in retained earnings.

## (3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review decreased by ¥215 million from the end of the previous fiscal year to ¥24,510 million.

Cash flows for the fiscal year under review are summarized as follows:

	Current period (Year ended March 31, 2021)	Previous period (Year ended March 31, 2020)	YoY change
Cash flows from operating activities	¥3,692 million	¥ (2,427) million	¥6,119 million
Cash flows from investing activities	¥ (1,072) million	¥876 million	¥ (1,949) million
Cash flows from financing activities	¥ (2,835) million	¥ (2,537) billion	¥ (297) million

## (Cash flows from operating activities)

Net cash provided by operating activities was ¥3,692 million (¥2,427 million used in the same period of the previous fiscal year). This was mainly due to a loss before income taxes of ¥2,908 million, a decrease in trade receivables of ¥10,239 million, a decrease in trade payables of ¥6,003 million, a decrease in inventory of ¥1,569 million, a decrease in depreciation of ¥873 million, and a decrease/increase in consumption taxes receivable/payable of ¥701 million.

## (Cash flows from investing activities)

Net cash used in investing activities was ¥1,072 million (¥876 million provided in the same period of the previous fiscal year). This was mainly due to purchase of non-current assets of ¥586 million and payments for investments in capital of ¥260 million.

## (Cash flows from financing activities)

Net cash used in financing activities was ¥2,835 million (¥2,537 million used in the same period of the previous fiscal year). This was mainly due to repayments of long-term borrowings payments of ¥5,329 million, proceeds from long-term borrowings payments of ¥2,990 million, purchase of treasury shares payments of ¥365 million and dividends of ¥331 million.

## (Reference) Trends in cash flow-related indicators

	FY2016	FY2017	FY2018	FY2019	FY2020
Shareholders' equity ratio	52.5%	48.4%	50.8%	52.6%	56.9%
Shareholders' equity ratio based on market value	47.7%	53.4%	35.6%	14.7%	35.6%
Cash flow to interest-bearing liabilities ratio	-	-	7.1 years	-	3.0 years
Interest coverage ratio	-	-	28.6 times	-	40.7 times

Shareholders' equity ratio: shareholders' equity/total assets

Shareholders' equity ratio based on market value: market capitalization (closing share price at the end of the period)/total assets

Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities/operating cash flow

Interest coverage ratio: operating cash flow/interest expenses

(Notes) 1. All figures are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

3. Interest-bearing liabilities covers all liabilities that pay interest out of liabilities recorded in the consolidated balance sheet.

4. Cash flow to interest-bearing liabilities ratio and interest coverage ratio are not stated when operating cash flow is negative.

## 2. Basic policy regarding selection of accounting standards

The Group considers the financial statements prepared in accordance with Japanese GAAP to be appropriate for the purpose of presenting the status of the Company's current business. With regard to the application of IFRS, we intend to respond appropriately, taking into account various domestic and overseas circumstances.

## 3. Consolidated financial statements and important notes

## (1) Consolidated balance sheets

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Current consolidated fiscal year (As of March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	24,825	24,610
Notes and accounts receivable-trade	14,171	5,325
Electronically recorded monetary claims-operating	1,087	67
Merchandise and finished goods	446	700
Work in process	4,852	3,589
Raw materials and supplies	2,574	1,901
Merchandising rights advances	1,687	1,451
Other	964	1,572
Allowance for doubtful accounts	(29)	(71)
Total current assets	50,580	39,147
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,377	5,355
Accumulated depreciation	(3,022)	(3,245)
Buildings and structures, net	2,354	2,109
Machinery, equipment and vehicles	115	77
Accumulated depreciation	(93)	(64)
Machinery, equipment and vehicles, net	21	12
Tools, furniture and fixtures	4,010	3,579
Accumulated depreciation	(3,422)	(3,123)
Tools, furniture and fixtures, net	587	455
Land	1,644	1,645
Construction in progress	126	49
Total property, plant and equipment	4,734	4,272
Intangible assets		
Goodwill	2,156	1,875
Other	836	752
Total intangible assets	2,992	2,628
Investments and other assets		
Investment securities	1,325	1,803
Long-term loans receivable	373	457
Deferred tax assets	695	496
Leasehold and guarantee deposits	2,799	2,859
Other	1,187	1,113
Allowance for doubtful accounts	(373)	(408)
Total investments and other assets	6,008	6,322
Total non-current assets	13,736	13,223
Total assets	64,317	52,370

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Current consolidated fiscal year (As of March 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	9,336	3,610
Short-term borrowings	200	253
Current portion of long-term borrowings	5,329	3,863
Income taxes payable	127	100
Provision for bonuses	251	288
Provision for bonuses for directors (and other officers)	14	14
Other	2,736	2,764
Total current liabilities	17,996	10,895
Non-current liabilities		
Long-term borrowings	7,691	6,837
Retirement benefit liability	674	770
Asset retirement obligations	889	861
Other	2,784	2,561
Total non-current liabilities	12,040	11,031
Total liabilities	30,037	21,927
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,579	7,579
Retained earnings	20,060	16,104
Treasury shares	(1,821)	(1,946)
Total shareholders' equity	33,767	29,686
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	116
Foreign currency translation adjustment	0	1
Remeasurements of defined benefit plans	22	(0)
Total accumulated other comprehensive income	34	117
Share acquisition rights	-	7
Non-controlling interests	477	632
Total net assets	34,279	30,443
Total liabilities and net assets	64,317	52,370

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

## Consolidated statements of income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
Net sales	66,587	38,796
Cost of sales	51,777	28,869
Gross profit	14,809	9,927
Selling, general and administrative expenses		
Advertising expenses	1,233	940
Salaries	4,486	3,978
Provision for bonuses	139	165
Retirement benefit expenses	76	73
Outsourcing expenses	1,162	946
Travel and transportation expenses	364	247
Depreciation	595	554
Rent expenses on land and buildings	1,318	1,247
Provision of allowance for doubtful accounts	(68)	47
Amortization of goodwill	559	280
Provision for bonuses for directors (and other officers)	14	14
Other	4,211	3,672
Total selling, general and administrative expenses	14,095	12,169
Operating profit (loss)	713	(2,241)
Non-operating income		
Interest income	18	6
Dividend income	85	8
Purchase discounts	224	35
Share of profit of entities accounted for using equity method	-	205
Distributions from investments	21	17
Other	87	114
Total non-operating income	437	386
Non-operating expenses		
Interest expenses	59	90
Share of loss of entities accounted for using equity method	47	-
Financing expenses	25	22
Provision of allowance for doubtful accounts for subsidiaries and associates	31	20
Other	48	44
Total non-operating expenses	211	178
Ordinary profit (loss)	939	(2,032)

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
<b>Extraordinary income</b>		
Gain on sale of non-current assets	16	0
Gain on sale of investment securities	-	16
Gain on liquidation of subsidiaries and associates	17	-
Other	0	1
Total extraordinary income	35	18
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	8	60
Impairment losses	-	174
Loss on sale of investment securities	212	-
Loss on litigation	75	34
Losses from coronavirus disease (COVID-19)	-	601
Other	10	22
Total extraordinary losses	307	893
Profit (loss) before income taxes	667	(2,908)
Income taxes - current	175	191
Income taxes - deferred	(69)	199
Total income taxes	106	391
Profit (loss)	560	(3,299)
Profit attributable to non-controlling interests	70	153
Profit (loss) attributable to owners of parent	490	(3,452)

## Consolidated statement of comprehensive income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
Profit (loss)	560	(3,299)
Other comprehensive income		
Valuation difference on available-for-sale securities	(587)	107
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	(0)	(22)
Total other comprehensive income	(588)	84
Comprehensive income	(27)	(3,214)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(97)	(3,369)
Comprehensive income attributable to non-controlling interests	70	155

## (3) Consolidated statement of change in equity

Previous fiscal year (April 1, 2019 to March 31, 2020)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Opening balance	7,948	7,579	19,904	(1,821)	33,610
Changes during period					
Dividends of surplus			(331)		(331)
Profit (loss) attributable to owners of parent			490		490
Purchase of treasury shares					-
Disposal of treasury shares					-
Increase (decrease) in sales of shares of consolidated subsidiaries		0			0
Change in scope of consolidation			(2)		(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	156	-	156
Ending Balance	7,948	7,579	20,060	(1,821)	33,767

	Accumulated other comprehensive income				Share acquisition rights	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			
Opening balance	598	0	23	622	-	404	34,638
Changes during period							
Dividends of surplus							(331)
Profit (loss) attributable to owners of parent							490
Purchase of treasury shares							-
Disposal of treasury shares							-
Increase (decrease) in sales of shares of consolidated subsidiaries							0
Change in scope of consolidation							(2)
Net changes in items other than shareholders' equity	(587)	0	(0)	(588)	-	72	(515)
Total changes during period	(587)	0	(0)	(588)	-	72	(358)
Ending Balance	10	0	22	34	-	477	34,279

Current consolidated fiscal year (April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	7,948	7,579	20,060	(1,821)	33,767
Changes during period					
Dividends of surplus			(331)		(331)
Profit (loss) attributable to owners of parent			(3,452)		(3,452)
Purchase of treasury shares				(365)	(365)
Disposal of treasury shares			(171)	240	68
Increase (decrease) in sales of shares of consolidated subsidiaries					-
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(3,956)	(124)	(4,081)
Ending Balance	7,948	7,579	16,104	(1,946)	29,686

	Accumulated other comprehensive income				Share acquisition rights	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			
Opening balance	10	0	22	34	-	477	34,279
Changes during period							
Dividends of surplus							(331)
Profit (loss) attributable to owners of parent							(3,452)
Purchase of treasury shares							(365)
Disposal of treasury shares							68
Increase (decrease) in sales of shares of consolidated subsidiaries							-
Change in scope of consolidation							-
Net changes in items other than shareholders' equity	105	0	(22)	82	7	155	245
Total changes during period	105	0	(22)	82	7	155	(3,836)
Ending Balance	116	1	(0)	117	7	632	30,443

## (4) Consolidated statements of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	667	(2,908)
Depreciation	1,346	873
Impairment losses	-	174
Amortization of goodwill	559	280
Increase (decrease) in allowance for doubtful accounts	(84)	76
Increase (decrease) in provision for bonuses	1	37
Increase (decrease) in provision for bonuses for directors (and other officers)	4	-
Increase (decrease) in retirement benefit liability	46	73
Interest and dividend income	(104)	(14)
Purchase discounts	(224)	(35)
Share of loss (profit) of entities accounted for using equity method	47	(205)
Interest expenses	59	90
Investments in capital depreciation	774	305
Loss (gain) on sale of investment securities	212	(16)
Decrease (increase) in trade receivables	(8,537)	10,239
Increase (decrease) in inventory	237	1,569
Decrease (increase) in merchandising rights advances	23	236
Loss (gain) on sale of non-current assets	(15)	(0)
Decrease (increase) in prepaid expenses	(166)	289
Decrease (increase) in advances paid	234	12
Increase (decrease) in trade payables	1,402	(6,003)
Increase (decrease) in accounts payable-other	(444)	(29)
Decrease/increase in consumption taxes receivable/payable	832	(701)
Increase (decrease) in deposits received	(195)	(27)
Other, net	995	(355)
<b>Subtotal</b>	<b>(2,328)</b>	<b>3,960</b>
Interest and dividends received	104	13
Interest paid	(59)	(90)
Income taxes refund (paid)	(143)	(190)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,427)</b>	<b>3,692</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,723)	(353)
Proceeds from sale of property, plant and equipment	48	6
Purchase of intangible assets	(553)	(233)
Purchase of investment securities	(256)	(47)
Proceeds from sale of investment securities	3,623	85
Proceeds from redemption of investment securities	200	-
Purchase of shares of subsidiaries and associates	(10)	(99)
Payments for investments in capital	(267)	(260)
Loan advances	(30)	(87)
Proceeds from collection of loans receivable	54	38
Payments of leasehold and guarantee deposits	(66)	(80)
Proceeds from refund of leasehold and guarantee deposits	43	23
Other, net	(187)	(64)
<b>Net cash provided by (used in) investing activities</b>	<b>876</b>	<b>(1,072)</b>

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(5,760)	53
Repayments of long-term borrowings	(4,656)	(5,329)
Proceeds from long-term borrowings	8,250	2,990
Dividends paid	(331)	(331)
Purchase of treasury shares	-	(365)
Other, net	(39)	147
Net cash provided by (used in) financing activities	(2,537)	(2,835)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(4,088)	(215)
Cash and cash equivalents at beginning of year	28,807	24,725
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	6	-
Cash and cash equivalents at end of year	24,725	24,510

(5) Note regarding the consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Segment information, etc.)

Segment information

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

Related information

Previous fiscal year (April 1, 2019 to March 31, 2020)

1. Information on each product and service

Disclosure is omitted because net sales of a single finished goods service category to external customers exceeds 90% of net sales of the consolidated statement of income.

2. Information for each region

(1) Net sales

This information is omitted because net sales to external customers in Japan accounts for more than 90% of net sales of consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount in the consolidated balance sheet.

3. Information for each major customer

This information is omitted because there are no external customers that account for 10% of net sales of consolidated statement of income.

Current fiscal year (April 1, 2020 to March 31, 2021)

1. Information on each product and service

Disclosure is omitted because net sales of a single finished goods and service category to external customers exceeds 90% of net sales of the consolidated statement of income.

2. Information for each region

(1) Net sales

This information is omitted because net sales to external customers in Japan accounts for more than 90% of net sales of consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of balance sheet on a consolidated basis.

3. Information for each major customer

This information is omitted because there are no external customers that account for 10% of net sales of consolidated statement of income.

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

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

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

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

Information relating to gain on bargain purchase by reportable segment

Not applicable.

(Per share information)

Item	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
Net assets per share	¥1,018.63	¥921.80
Profit (loss) per share	¥14.79	¥ (105.78)

(Notes) 1. Diluted profit (loss) per share for the previous fiscal year is not presented because there were no dilutive shares.

Diluted profit (loss) per share for the fiscal year under review is not presented because the Company posted a loss per share despite the existence of dilutive shares.

2. The basis for calculating profit per share or loss per share is as follows:

Item	Previous consolidated fiscal year (April 1, 2019 to March 31, 2020)	Current consolidated fiscal year (April 1, 2020 to March 31, 2021)
Profit (loss) attributable to owners of parent (millions of yen)	490	(3,452)
Amounts not attributable to common shareholders (millions of yen)	-	-
Profit (loss) attributable to owners of parent attributable to common stock (millions of yen)	490	(3,452)
Average number of shares of common stock outstanding during the period (shares)	33,183,700	32,643,086
Outline of dilutive shares not included in the calculation of diluted profit per share because they have no dilutive effect	-	-

(Significant subsequent events)

Not applicable.