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To all parties concerned:

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## Plan for Compliance with the Continued Listing Criteria for the New Market Segments

FIELDS CORPORATION submitted an application form today to select the prime market for the review of the market classification of the Tokyo Stock Exchange, scheduled for April 2022. As of the base date for transition (June 30, 2021), we have not met the continued listing criteria of the “market value of tradable shares” in the prime market. Therefore, we have prepared a plan to meet the continued listing criteria of the new market segments as described below.

### 1. The Company’s conformance status with the continued listing criteria and target period

#### (1) The Company’s conformance status with the continued listing criteria

Our conformance status with the continued listing criteria of the prime market as of base date for transition does not meet for the “market value of tradable shares” as described below.

	Number of shareholders	Number of tradable shares	Market value of tradable shares	Tradable shares ratio	Daily average trading value
Our situation (as of the base date for transition)	9,091	175,677 units	¥8,750 million	50.6%	¥110 million
Continued listing criteria (prime market)	800	20,000 units	¥10,000 million	35.0%	¥20 million
Items listed in the plan			○		

\* The Company’s conformance status was calculated based on the condition of distribution of our stock certificates, etc. as known by the Tokyo Stock Exchange as of the base date.

\* The ○ mark indicates items that did not meet the criteria.

#### (2) Target period

We will pursue various initiatives to meet the continued listing criteria for the “market value of tradable shares” by the fiscal year ending March 31, 2025.

### 2. Basic policies, issues, and initiatives for compliance with the continued listing criteria

#### (1) Basic Policies

“Market value of tradable shares”, which is the continued listing criteria of the prime market, consists of “Tradable shares ratio” and “market value.” As shown in the table above, we have met the criteria for the “tradable shares ratio”, and we recognize the improvement of “market value”, namely, “corporate value” and “share price,” is the issue. Accordingly, we will strive to achieve the continued listing criteria of the prime market by implementing various measures based on the following three basic policies.

- i. We and our group will quickly and decisively promote measures that will contribute to sustainable growth and medium-to-long-term enhancement of corporate value.
- ii. We will strive to secure a stable management base and enhance shareholder returns through an appropriate level of dividends to our shareholders.
- iii. We will enhance and strengthen corporate governance required of prime market listed companies.

## (2) Initiatives

### (i) Toward sustainable growth and medium-to-long-term enhancement of corporate value

In FY2018, we and our group revamped our management structure and have continued to implement various management reforms aimed at achieving sustainable growth \*1. Specifically, we have been implementing the following three measures.

#### I. Group management focus on selection and specializing

Since FY2018, group management has focused on selection and concentration, as part of the management reforms. We have selected the distribution field of the pachinko business to specialize in, and have concentrated the IP business, a driver of future growth, in Tsuburaya Productions Co., Ltd. and Digital Frontier Inc.

#### II. Strengthen product and technological capabilities at group companies

As part of the group management strategy focused on selection and concentration, we are strengthening the products, services, and technological capabilities of each group company to develop highly profitable businesses that meet the expectations of future markets and customer preferences. At the same time, we are strengthening collaboration across human resources and organizations among the group companies.

In particular, with regard to enhancing product appeal in the pachinko business, in response to the enforcement of new regulations in February 2018, we have prioritized strengthening our product planning and development capabilities, and drastically reformed process to build an organization that integrates sales and development. This enables us to provide a stable supply of what we define as “quality products”: products that are both profitable for pachinko halls and meet the expectations of PS fans while satisfying the needs of leisure in a mature society such as Japan (i.e. moderate time and monetary consumption).

#### III. Implementing continuous cost reduction measures

Our group has long reviewed and reduced the costs of all businesses and operations with the aim of creating a strong management structure capable of achieving sustainable growth even in the event of a significant change in the market environment surrounding each business field.

The benefits of these group-wide management reforms are steadily appearing. Furthermore, from this fiscal year, we have restructured our business domains into two major pillars, PS \*2 business and IP \*3 business, and have been strongly and swiftly advancing them under the goals of “building a foundation for a stable PS business in a mature market” and “shifting to an IP company”.

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

In IP business, we focus on fostering the two companies of Tsuburaya Productions and Digital Frontier as global IP companies. In particular, Tsuburaya Productions has been “progressing in developing large-scale new IP”, “shifting to digital domains”, and “expanding overseas, mainly in China, other Asian countries, and North America.” We are focused on developing Tsuburaya Productions’ 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.

To further expand our business and improve our corporate value through those efforts, we and our group are currently formulating a three-year medium-term management plan (hereinafter, the “mid-term plan”) in the period from March 2023 to March 2025, based on the ideal form of the entertainment during and after the COVID-19 pandemic. We intend to increase earnings and corporate value by steadily implementing various strategies and measures based on the mid-term plan. The mid-term plan is scheduled to be announced in May 2022. We also plan to revise this plan as soon as this mid-term plan is announced, reflecting more specific initiatives, performance plan figures, and other factors.

\*1 For details, please refer to “Consolidated Financial Results for the Six Months Ended September 30, 2021” dated November 11, 2021.

[https://www.fields.biz/ir/j/files/press/2021/press\\_20211111ae.pdf](https://www.fields.biz/ir/j/files/press/2021/press_20211111ae.pdf)

\*2 PS: pachinko/pachislot

\*3 IP: Intellectual Property

(ii) Enhance shareholder returns

Our basic policy on dividends (profit distribution) is to position the improvement of corporate value as an important management issue, and to pay appropriate dividends in line with profits.

We will retain internal reserves for the timely and appropriate implementation of business investment aimed at business expansion. At the same time, we will consider raising the dividend payout ratio and the dividend per share each time in line with the progress of improving business performance.

(iii) Enhance and strengthen corporate governance

The Tokyo Stock Exchange defines the prime market as “a market for companies that have appropriate levels of market capitalization (liquidity) to be investment instruments for many institutional investors, keep a higher quality of corporate governance, and commit to sustainable growth and improvement of medium-to-long-term corporate value, putting constructive dialogue with investors at the center.”

We understand this definition and will continue our efforts to put it into practice. In particular, in order to keep a higher quality of corporate governance, we will work toward implementation of the principles only applied to the prime market or weighted to the prime market in the Corporate Governance Code, which was revised in June 2021. For more information, please refer to the Corporate Governance Report\* on our IR website.

\* CSR Initiatives section of our IR website: <https://www.fields.biz/ir/e/csr/governance/outline/>

(NOTE)The forward-looking statements disclosed herein have been prepared based on information available as of the date of publication of this document, it may differ depending on various factors in the future.

**For inquiries or further information please contact**

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