



Financial Presentation

for the third quarter of fiscal year ending March 31, 2022

FIELDS CORPORATION

Listed on: TSE 1st (2767)

February 9, 2022

Our group's initiatives for FY2021

Promoting our business based on the the two domains of IP business and the PS business

Responding to the changes in the public's entertainment and leisure needs during and after the COVID-19 pandemic

IP Business	Tsuburaya Productions	<ul style="list-style-type: none">▶ Aggressive development of IP businesses centered on <i>Ultraman</i> IP▶ Developing large-scale new IP/shifting to digital domains/overseas expansion, mainly in China and other Asian countries, and North America
	Digital Frontier	<ul style="list-style-type: none">▶ Leveraging CG and VFX video production technologies to develop initiatives for new business domains as well as video domains
PS business	FIELDS Corp.	<ul style="list-style-type: none">▶ Leveraging our sales capabilities as the industry's largest distributor▶ Build a business foundation that can secure efficient earnings and sustained growth

Steady progress in business plans for each business domain in Q1-Q3 of FY2021

Business Results

Merchandising business, particularly in China and other Asian countries, and the domestic licensing business have been steady and contributed to earnings

New Initiatives

Video Business Domain: Promote initiatives to distribute and release the following titles

- ▶ Anime *ULTRAMAN* Season 2 (Netflix)
Distribution to be started on April 14, 2022
- ▶ Movie *SHIN ULTRAMAN* (planned and screenplayed by Hideaki Anno)
To be released on May 13, 2022

Digital Business Domain: Launch of new services

- ▶ TSUBURAYA IMAGINATION (joint business with NTT DOCOMO)
- ▶ Aggressive development of proprietary e-commerce websites
- ▶ Implementation of live attraction *INTO THE STORY*

Aggressively innovate new businesses that combine IP and digital technologies

**Immersive live attraction:
INTO THE STORY**



Online experience of interactive story development that could not be expressed in stage performance

Business Results

Continued to experience steady growth with CG video production centered on major domestic gaming companies and VFX video production with Netflix

New Initiatives

Developed *KSIN*, a remote customer service

Began working with Unicast Inc. on development of a remote customer service with high-definition 3DCG avatars.

→NEXCO East (East Nippon Expressway Company Limited) adopted for accelerator program and the service is under development for practical application

Started developing services in new business areas

KSIN image

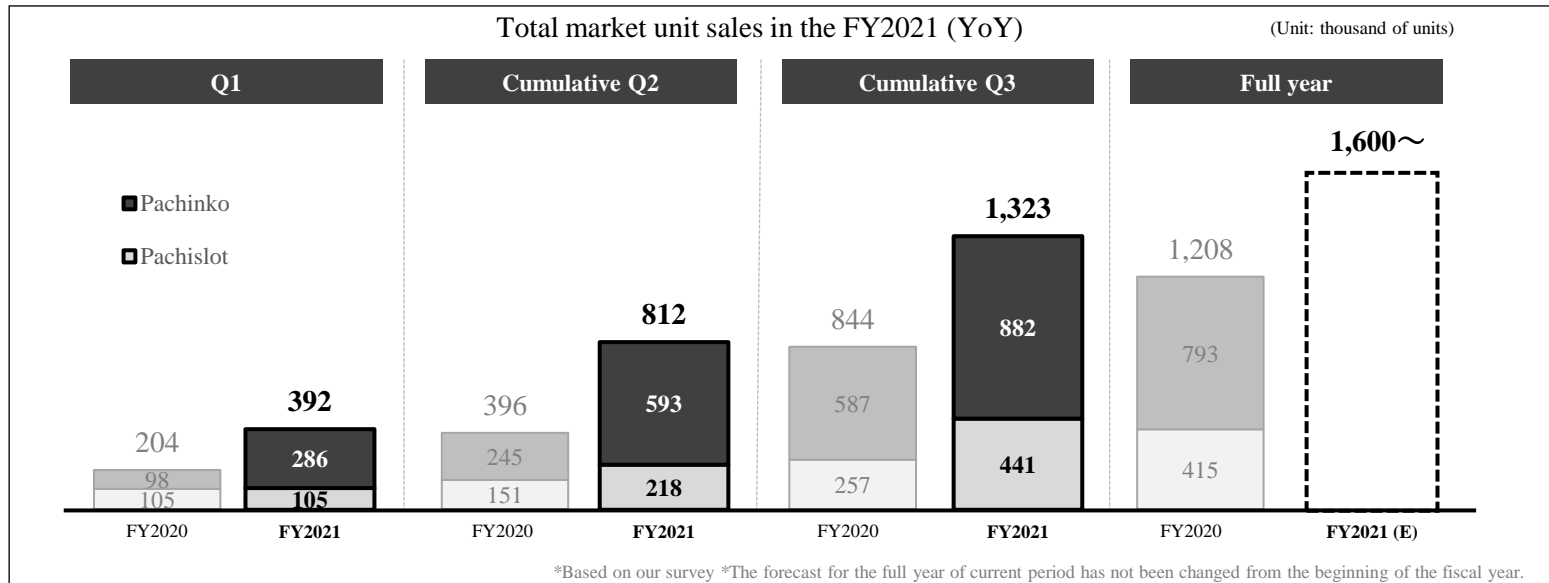


Trial acceptance has been underway since December 2021 in preparation for the release of the beta version in April 2022.

PS business for Q1-Q3 of FY2021: Market trends

Total market new pachinko/pachislot units sold 1,320,000 in Apr.-Dec. 2021(Approx. 1.6x YoY)

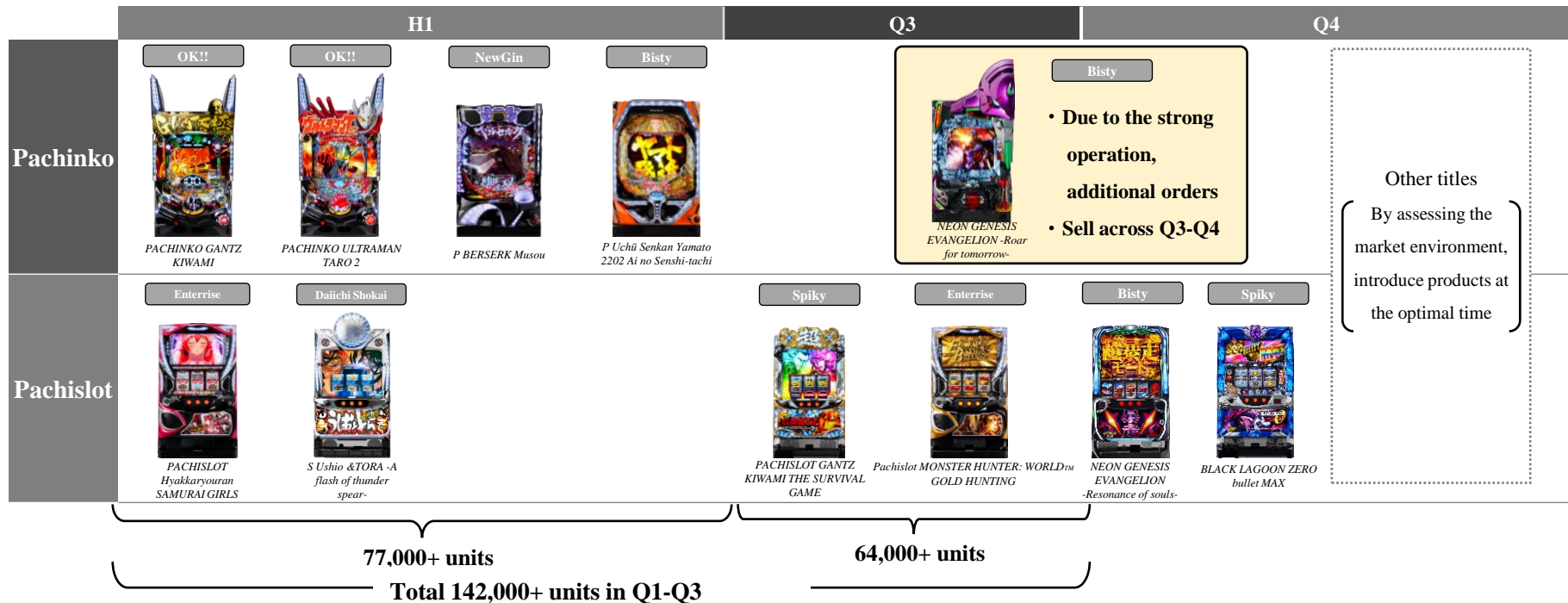
- ▶ Manufactures continued to provide pachinko/pachislot machines combining a variety of game functions with enjoyment at moderate expenditure.
⇒ Earned favorable reviews from pachinko halls and fans to lead operations
- ▶ Replaced of old regulation machines with new machines, etc. ahead of removal deadline (end of January 2022)



PS business for Q1-Q3 of FY2021: Sales situation of FIELDS Corp.

Strong sales and high level of operation of the Bisty-brand *NEON GENESIS EVANGELION -Roar for tomorrow-*

Pachinko 1 title + Pachislot 2 titles = 64,000 units in total in Q3 (142,000+ units in total in Q1-Q3)



*Amounts less than thousands of units have been omitted.

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Consolidated P/L for Q1-Q3 of FY2021 (summary)

(Unit: billions of yen)

	FY2020		FY2021			YoY change (B-A)
	Q1-Q3 (A)	Full year	Q1	H1	Q1-Q3 (B)	
Net sales	29.18	38.79	22.93	37.34	72.53	43.34
Gross profit	7.15	9.92	3.37	6.12	11.37	4.22
SG&A expenses	9.01	12.16	3.00	5.77	9.00	(0.01)
Operating profit (loss)	(1.86)	(2.24)	0.37	0.35	2.36	4.23
Ordinary profit (loss)	(1.69)	(2.03)	0.55	0.59	2.59	4.28
Profit attributable to owners of parent	(2.67)	(3.45)	0.33	0.31	1.78	4.46
Pachinko sales (units)	30,657	50,124	43,947	65,199	110,547	79,890
Pachislot sales (units)	37,997	45,787	6,474	12,719	31,710	(6,287)
Total	68,654	95,911	50,421	77,918	142,257	73,603

*Changes in accounting policy: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, Mar. 31, 2020) and other standards from the beginning of the Q1 of the current fiscal year.

*Amounts less than ¥10 million have been omitted.

*The numbers in parentheses represents negative.

(Reference information) Non-consolidated and consolidated P/L for Q1-Q3 of FY2021 (summary)

(Unit: billion of yen)

	Tsuburaya Productions		FIELDS Corp.		Consolidated Results		
		YoY change		YoY change (Amount)		YoY change (Amount)	
Net sales	3.84	49.1%	64.29	177.3%	Net sales	72.53	148.5%
Operating profit	1.07	220.4%	1.00	+3.48	Operating profit	2.36	+4.23
Ordinary profit	1.08	213.8%	1.21	+3.38	Ordinary profit	2.59	+4.28
Profit	0.91	408.6%	1.26	+4.01	Profit attributable to owners of parent	1.78	+4.46

*Changes in accounting policy: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, Mar. 31, 2020) and other standards from the beginning of the Q1 of the current fiscal year.

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Consolidated B/S for Q3 of FY2021 (end of Dec. 2021) (summary)

(Unit: billions of yen)

	End of Mar. 2021	End of Dec. 2021	Change	Main change factors
Current assets	39.14	64.53	25.38	Increase in trade receivables
Non-current assets	13.22	13.83	0.61	
Total assets	52.37	78.36	25.99	
Current liabilities	10.89	39.34	28.44	Increase in trade payables
Non-current liabilities	11.03	8.32	(2.70)	Decrease in long-term borrowings
Total liabilities	21.92	47.66	25.73	
Total net assets	30.44	30.70	0.26	
Total liabilities and net assets	52.37	78.36	25.99	

*Changes in accounting policy: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, Mar. 31, 2020) and other standards from the beginning of the Q1 of the current fiscal year.

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Consolidated C/F for Q1-Q3 of the FY2021 (summary)

(Unit: billion of yen)

	FY2020		FY2021	Major components of Q1-Q3 of the FY2021
	Q1-Q3	Full year	Q1-Q3	
Cash flows from operating activities	4.86	3.69	4.17	Profit before income taxes 2.86 Increase in trade payable 22.33 Increase in trade receivables (20.45)
Cash flows from investing activities	(0.91)	(1.07)	(1.21)	Payments for investments in capital (1.19) Purchase of non-current assets (0.91) Proceeds from sale of investment securities 0.48 Proceeds from sale of shares of subsidiaries and associates 0.31
Cash flows from financing activities	(3.74)	(2.83)	(2.08)	Repayments of long-term borrowings (3.15) Increase in short-term borrowings 1.21 Cash dividends paid (0.32)
Net increase (decrease) in cash and cash equivalents	0.19	(0.21)	0.87	
Cash and cash equivalents at beginning of period	24.72	24.72	24.51	
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	-	0.01	
Cash and cash equivalents at end of period	24.92	24.51	25.40	

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*The numbers in parentheses represents negative.

Q4 for FY2021 (Jan.-Mar.) and full year outlook

Q4: Expect steady progress in both IP and PS business in Q4

IP Business	Tsuburaya Productions	<ul style="list-style-type: none">▶ Expected to show steady growth in the domestic and overseas merchandising businesses▶ Strategically promote metaverse-related business research and initiatives<ul style="list-style-type: none">→ Employing <i>Ultraman</i> for demonstration contents of NTT DOCOMO's VR-advanced technologies→ Provide TPC's content to Rakuten Group's NFT marketplace, etc.
	Digital Frontier	<ul style="list-style-type: none">▶ Video production of CGs, VFX and others are expected to be strong▶ Considering the use of technology in digital virtual space businesses, such as metaverse
PS business	FIELDS Corp.	<ul style="list-style-type: none">▶ Additional orders of <i>NEON GENESIS EVANGELION -Roar for tomorrow-</i> under high level of operation▶ The two pachislot titles are on sale and other scheduled machines have already reached compliance with model certification test. Plan to introduce products at the optimum time by assessing the market environment

Full-year forecast

We have not determined the forecast for the fiscal year ending March 31, 2022 at this time in order to identify the impact on the market of the recent rapid expansion of COVID-19 variants. We will continue to collect rationale for calculations while reviewing the market environment, and disclose the forecast as soon as it becomes possible.

We selected the prime market as of December 21, 2021.

To achieve the continued listing criteria:

We aim to meet the standard increasing market value, specifically by increasing corporate value and share price.

Basic Policies

- I. Swiftly and decisively promote measures that contribute to sustainable growth and medium-to-long-term enhancement of corporate value
- II. Strive to secure a stable management base and enhance shareholder returns through an appropriate level of dividends
- III. Enhance and strengthen corporate governance required for prime market companies



The new mid-term management plan is to be announced in May 2022.

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.