

Financial results for the fiscal year ended March 31, 2022
Medium-term management plan (FY2022 - FY2024)
Briefing materials

FIELDS CORPORATION

Tokyo Stock Exchange, Prime Market
Security code: 2767

May 11, 2022

Consolidated financial results

for the fiscal year ended March 31, 2022

FY2021 [Consolidated P/L]

(Unit: billions of yen)

Consolidated P/L	FY2020	FY2021						
	Full year (A)	Q1	H2	Q1-Q3	Full year (B)	YoY Change (B-A)	Earnings forecast (As of March 22)	
Net sales	38.79	22.93	37.34	72.53	94.90	+56.1	-	
Gross profit	9.92	3.37	6.12	11.37	15.78	+5.85	-	
SG&A expenses	12.16	3.00	5.77	9.00	12.33	+0.17	-	
Operating profit	(2.24)	0.37	0.35	2.36	3.44	+5.68	3.24	
Ordinary profit	(2.03)	0.55	0.59	2.59	3.63	+5.66	3.43	
Profit attributable to owners of parent	(3.45)	0.33	0.31	1.78	2.47	+5.92	2.37	
Cash dividends	10 yen					20 yen		
Dividend payout ratio	-					26.2%		

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

* Amounts less than ¥10 million have been omitted.

FY2021 [P/L by business segment]

(Unit: billions of yen)

P/L by business segment		FY2020	FY2021	YoY (Change)
Contents and digital businesses	Operating profit	0.45	1.46	+1.01
	Ordinary profit	0.44	1.46	+1.02
	Net profit	0.18	1.06	+0.88
Tsuburaya Productions (TPC)	Operating profit	0.37	1.27	+0.90
	Ordinary profit	0.37	1.25	+0.88
	Net profit	0.16	0.92	+0.76
PS business	Operating profit	(3.53)	1.75	+5.28
	Ordinary profit	(3.89)	1.88	+5.77
	Net profit	(4.53)	1.70	+6.23

PS business

- Delivered 13 titles, a total of 191,000 units
 - Six pachinko titles 140,000 units
 - Seven pachislot titles 51,000 units

* Changes in accounting policies: the Company has applied the "Accounting Standard for Revenue Recognition# (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the first quarter of the current fiscal year.

* The results of Contents and digital and PS businesses are calculated by considering the elimination of intra-group transactions from the simple sum of the figures within the respective businesses.

* Amounts less than ¥10 million have been omitted.

FY2021 [Trends in TPC's MD license revenues]

(Unit: millions of yen)

	FY2020	FY2021	YoY change
Domestic MD and license revenue	713	1,386	+94.2%
Overseas MD and license revenue	959	2,087	+117.5%
China	524	1,547	+195.3%
Total MD and license revenue	1,673	3,473	+107.6%
Imaging business revenue	1,011	1,429	+41.4%

Strong domestic and overseas MD sales

- **Significant growth in China in particular**

* Amounts less than ¥1 million have been omitted.

FY2021 [Consolidated B/S and C/F]

(Unit: billions of yen)

Consolidated B/S	FY2020	FY2021	Change
Current assets	39.14	56.78	+17.63
Non-current assets	13.22	13.30	+0.09
Total assets	52.37	70.08	+17.71
Current liabilities	10.89	27.95	+17.05
Intangible assets	11.03	10.58	(0.44)
Total liabilities	21.92	38.53	+16.61
Total net assets	30.44	31.55	+1.10
Total liabilities and net assets	52.37	70.08	+17.71

Consolidated C/F	FY2020	FY2021	Change
Cash flows from operating activities	3.69	7.98	+4.28
Cash flows from investing activities	(1.07)	(1.58)	(0.51)
Cash flows from financing activities	(2.83)	1.38	+4.22
Net increase (decrease) in cash and cash equivalents	(0.21)	7.77	+7.99
Cash and cash equivalents at beginning of year	24.72	24.51	(0.21)
Cash and cash Equivalents of newly consolidated Subsidiaries	-	0.01	(0.01)
Cash and cash equivalents at end of year	24.51	32.30	+7.79

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FY2022 [Outlook for the next fiscal year]

(Unit: billions of yen)

Consolidated results		FY2021	FY2022 E	
		Full year	Full year	YoY change
Consolidated	Net sales	94.90	98.00	+3.3%
	Operating profit	3.44	4.00	+16.1%
	Ordinary profit	3.63	4.00	+10.1%
	Profit attributable to owners of parent	2.47	3.00	+21.4%

TPC

- Video revenue: ¥2.2 billion expected
- MD license revenue: ¥5 billion expected

PS business

- Seven pachinko titles
- Eight pachislot titles
- Total 220,000 units expected

By business segment		FY2021	FY2022 E	
		Full year	Full year	YoY change
Contents and digital business	Operating profit	1.46	2.00	+36.3%
PS business	Operating profit	1.75	2.50	+42.8%

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

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Medium-term Management Plan

FY2022 - FY2024

Management reform from FY2018 and future management

Optimizing group management

- Selection and concentration of group management
- Strengthening the product and technological capabilities of group companies
- Implementing continuous cost reduction measures

Optimizing group management
FY2018

Strengthening business infrastructure Restructuring business domains

- Shifting to “IP × digital” companies
- Building solid infrastructure for stable PS business in the mature market
- Formulation and promotion of new strategies based on the above

Formulation of new strategies
FY2021

Reforming cost structure

Creating new corporate value

- Moving to a holding company structure
- Promoting active and innovative businesses by group companies based on the mid-term plan

Growth Stage
FY2022 - FY2024

Maximizing corporate value
Period of the new mid-term plan

Basic framework of the mid-term management strategy



Group organizational restructuring

Promoting enhancement of shareholder value through double pillars
of growth and earnings capabilities

Holding company
structure
(As of October 3, 2022)

**TSUBURAYA FIELDS
HOLDINGS**

Strategic investments and
business alliances
Maximization of the group's
corporate value

Content and digital business



Tsuburaya Productions which is
responsible for dynamic
promotion of growth capability

Growth capability

PS business



Play a central role for
profitability
FIELDS CORPORATION

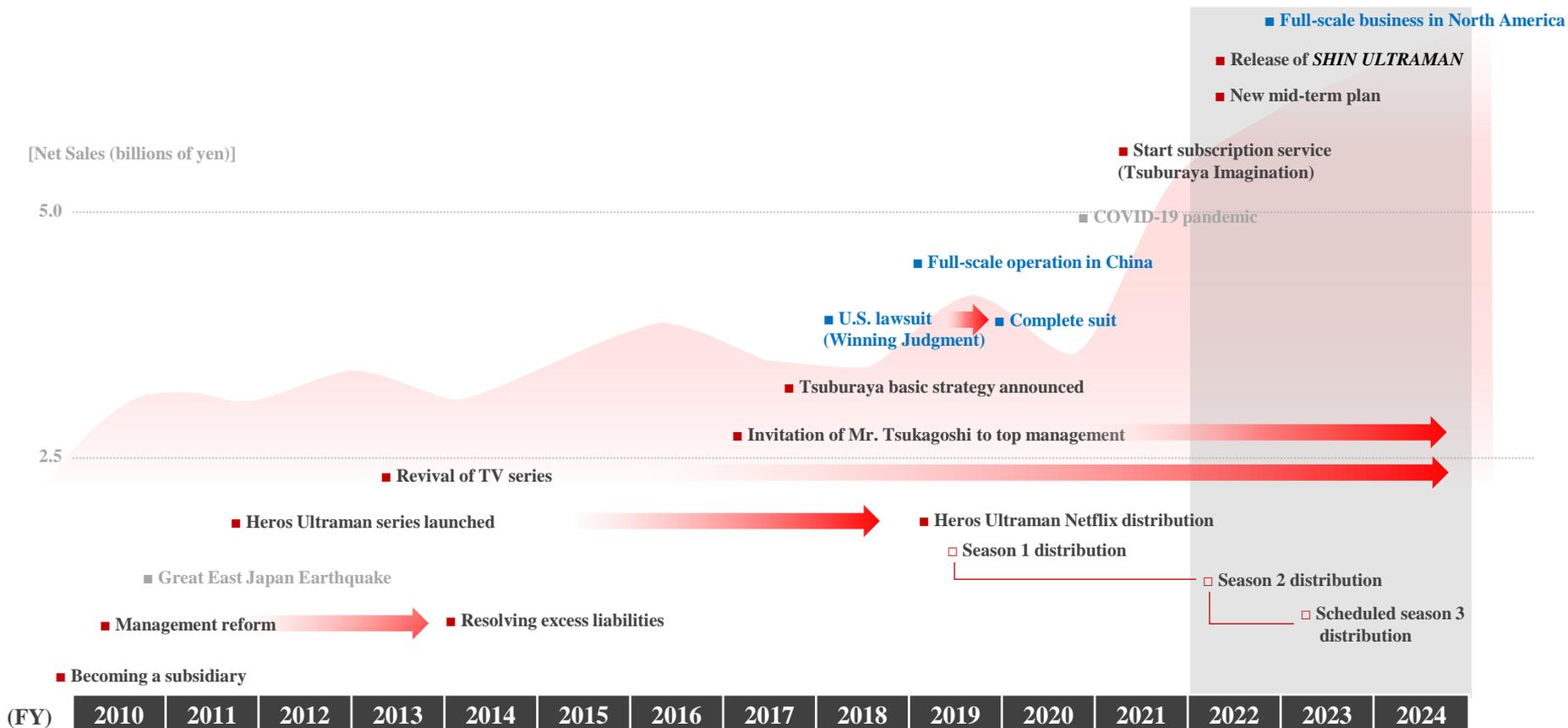
Earning capability

Medium-term Management Plan (FY2022 – FY2024)

Contents and digital business

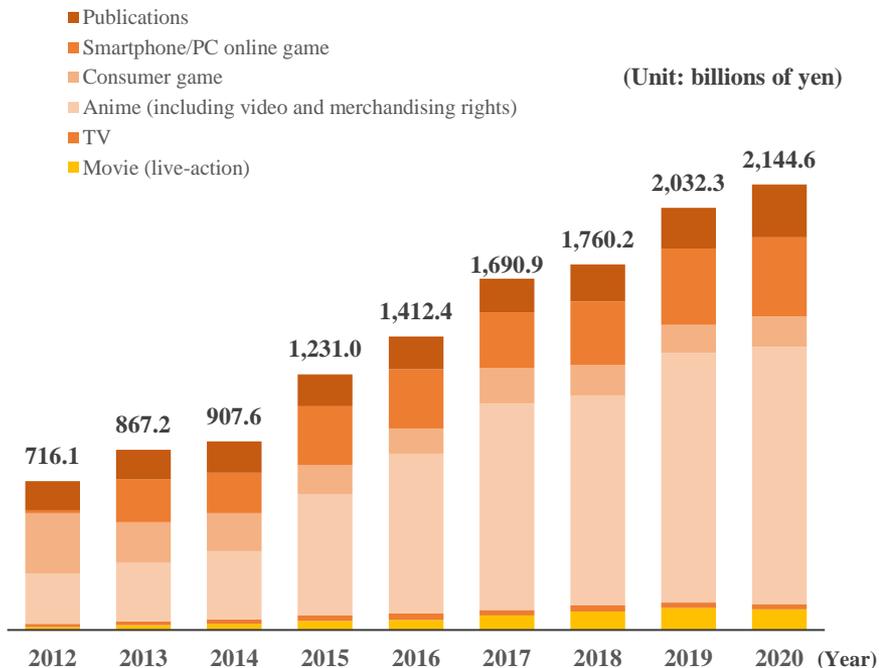
Tsuburaya Productions
Digital Frontier

History of TPC since joining the FIELDS group

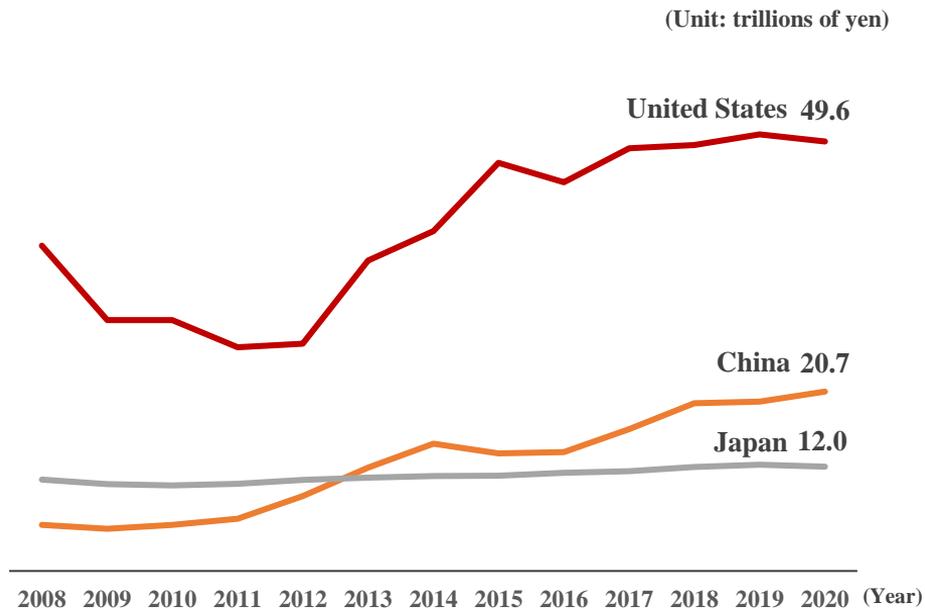


TPC's IP business with growth opportunities in the global content market

Change in scale of domestic contents in overseas market

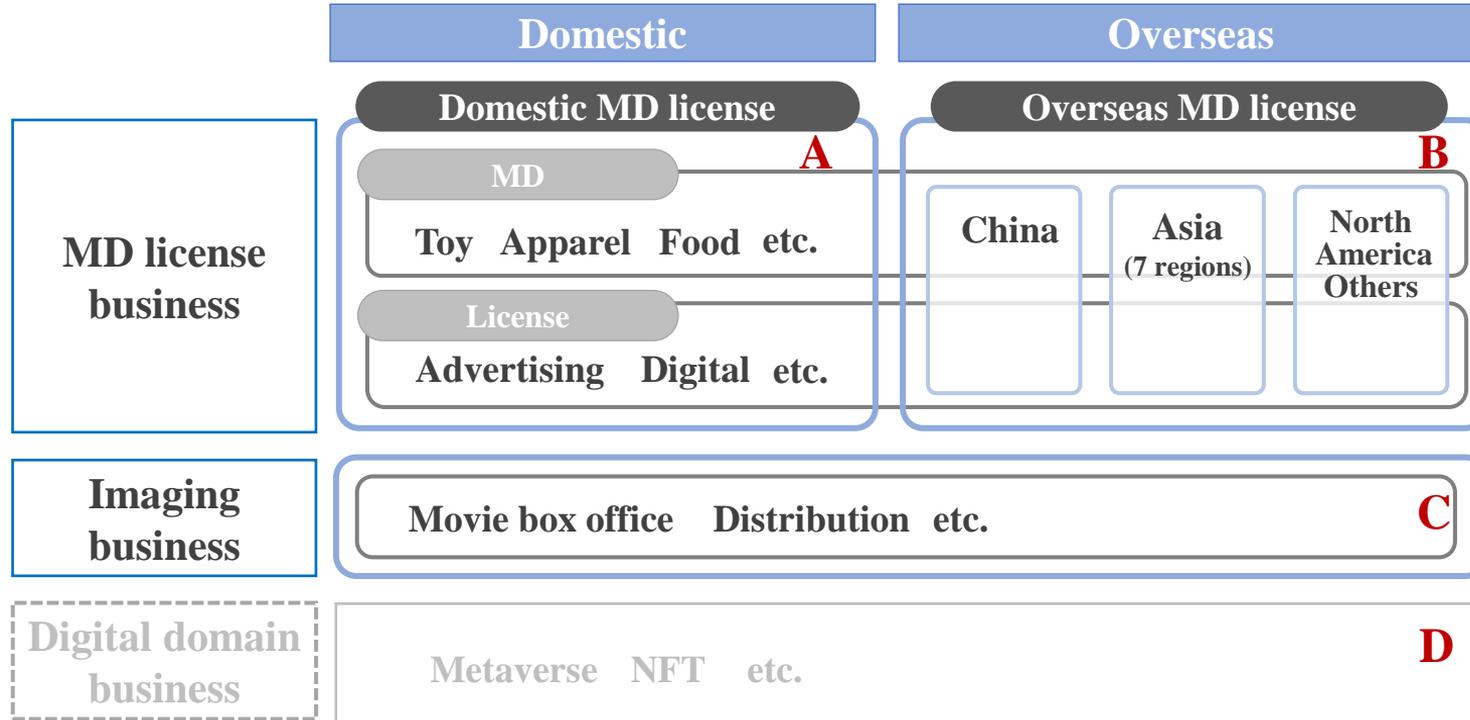


Trends in content market size in three major countries

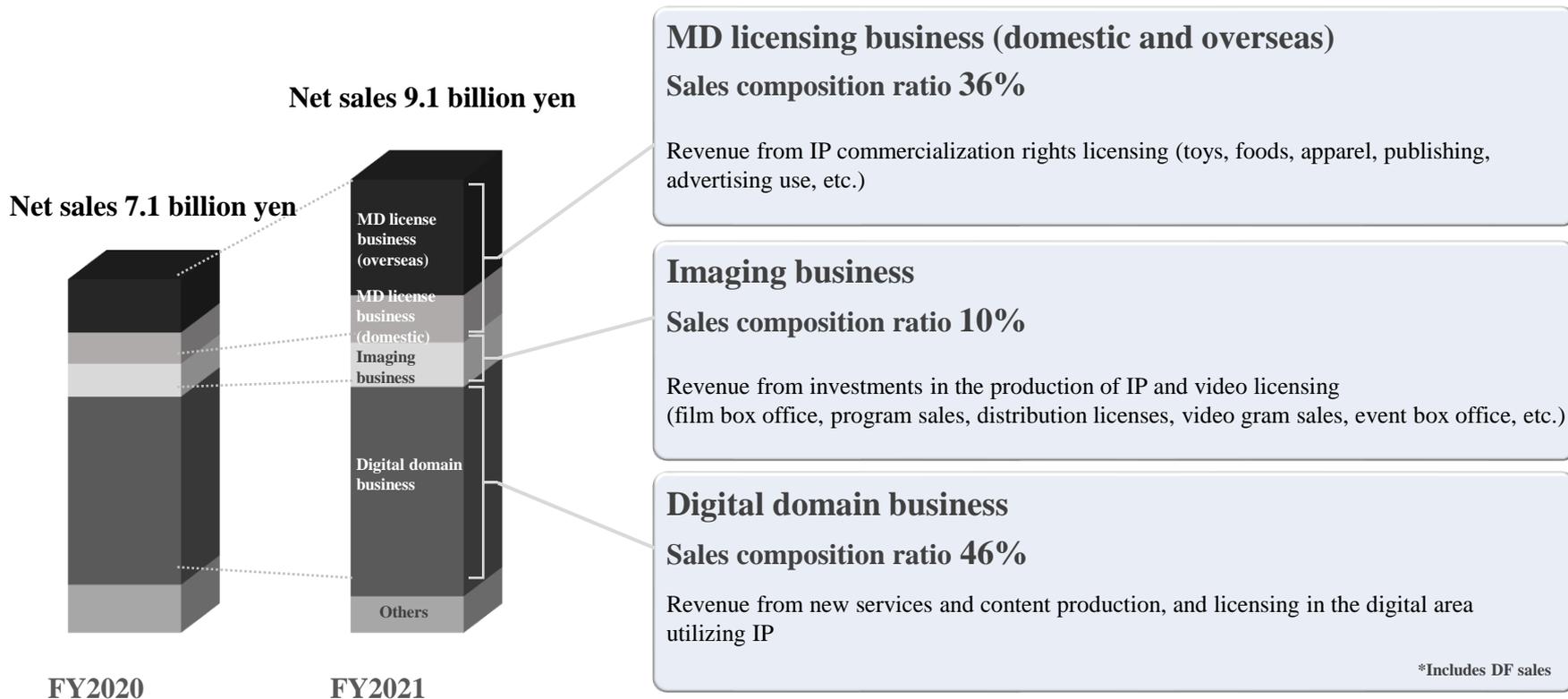


*Source: Market Data Base on Japanese and Worldwide Media × Content Vol.15 (flash report) 2022 by HUMANMEDIA INC

TPC's revenue model



Major sources of revenue in the contents and digital business



A. MD licensing business (domestic)

As a result of strengthening IP planning and expanding exposure, domestic MD license sales have been firm in recent years

Growth is expected mainly in the family segment by continuing to strengthen the expansion of Ultraman exposure

Broadcasting area expansion



Strengthening exposure in owned media



Strengthening tie-up promotions



Strengthening store (retail) measures



FY2020 - FY2024
Annual growth rates

35%

B. MD licensing business (China)

Further strengthening MD licensing, which accounts for approximately 80% of sales in China

Continuous exposure and increased awareness of the works has created a virtuous cycle leading to an increase in fans and licensees

Cycle of strong business in China

Continued exposure of the works

Approx. **120 billion**
times or more in total

Delivered about 60 titles to a total of 10 companies, including four major distribution platforms
(FIELDS estimate)



Expansion of licensees

UP **50** companies/ year

YoY change in new licensees
UP 50 companies

FY2020 - FY2024
Annual growth rates

55%

B. MD licensing business (other Asian regions)

As a result of strengthening SNS,
the popularity of *Ultraman* in Asian areas other than China is expanding

Creating influential touch-point by multi-lingual video support and strengthening marketing

➔ Further support for licensees and expand



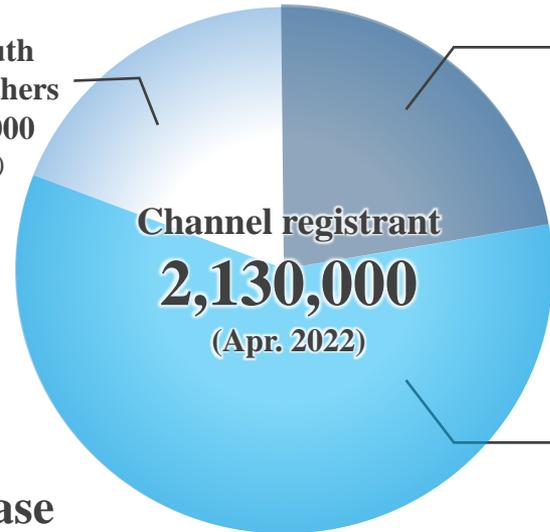
YouTube *Ultraman*
Official channel



Development phase



North and South
America and Others
Approx. 460,000
(Approx. 22%)



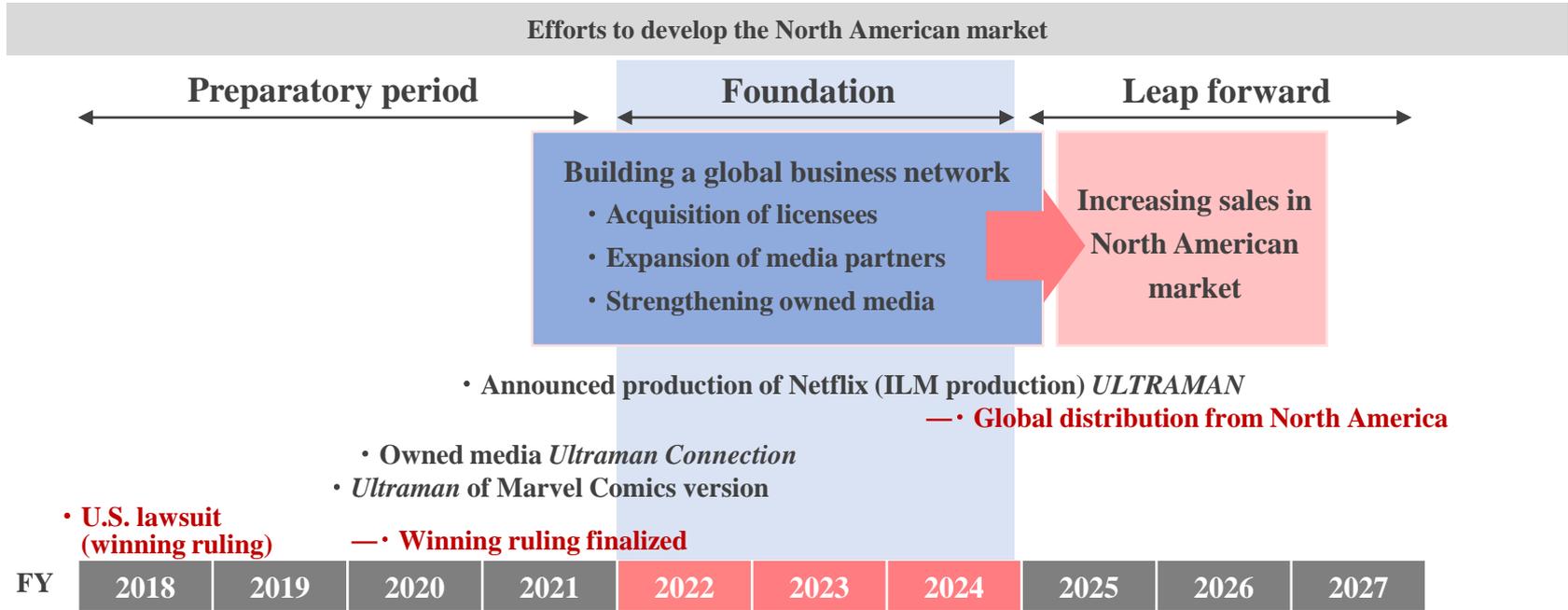
Japan
Approx. 500,000
(Approx. 24%)

Asian region
Approx. 1,140,000
(Approx. 54%)

Indonesia
Malaysia
Thailand
Singapore
Vietnam
Taiwan
Hong Kong

B. MD licensing business (North America)

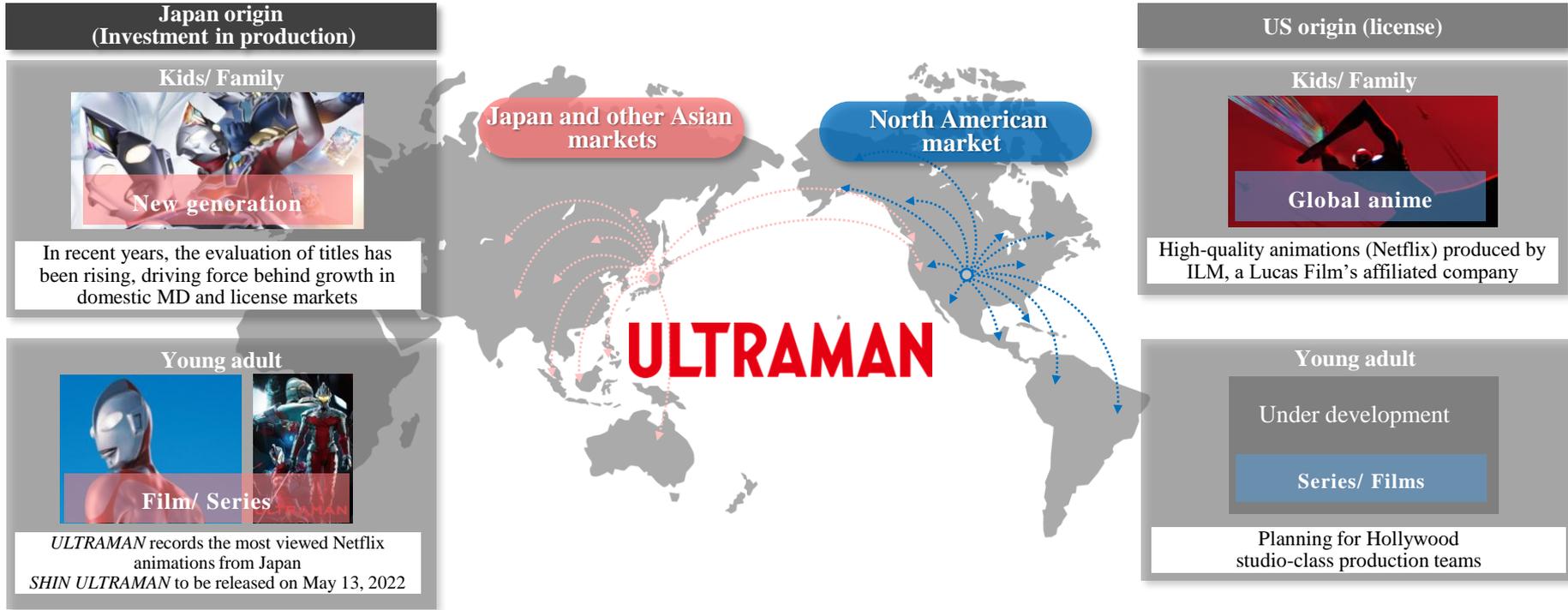
The 2018 U.S. lawsuit winning ruling (finalized in 2020) triggered an opportunity to enter the market



Throughout the period of this plan, we will build a full-fledged foundation for cultivating the North American market.

C. Imaging products business

Strategically strengthening *Ultraman* into a global brand



C. Imaging products business

Ultraman and other lineup plans (main titles)

		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
ULTRAMAN Young adult (all target)	Films originated		Distribution MD development		Movie (planned)	Distribution MD development	Movie (planned)	Distribution MD development
	Japan originated series		MD development					
	NETFLIX			MD development				
ULTRAMAN Kids/ Family	US originated anime series				MD development			
	NETFLIX							
TSUBURAYA Young	Works other than Ultraman							
		→ GRIDMAN new theatrical edition			← TOEI ANIMATION co-production KAIJU DECODE			

D. Digital domain

Initiatives in the digital domain business

TPC × DF

Integration of IP, technology, know-how, customers, etc.

Future challenges

Business development topics

- Providing services on metaverse
- Sales and in-service use of NFT items
- Integrated Digital & Real attraction

Already challenged and done



NTT DOCOMO XR World
(Examples of initiatives)



Video viewing

Online events



Linked to corporate campaigns

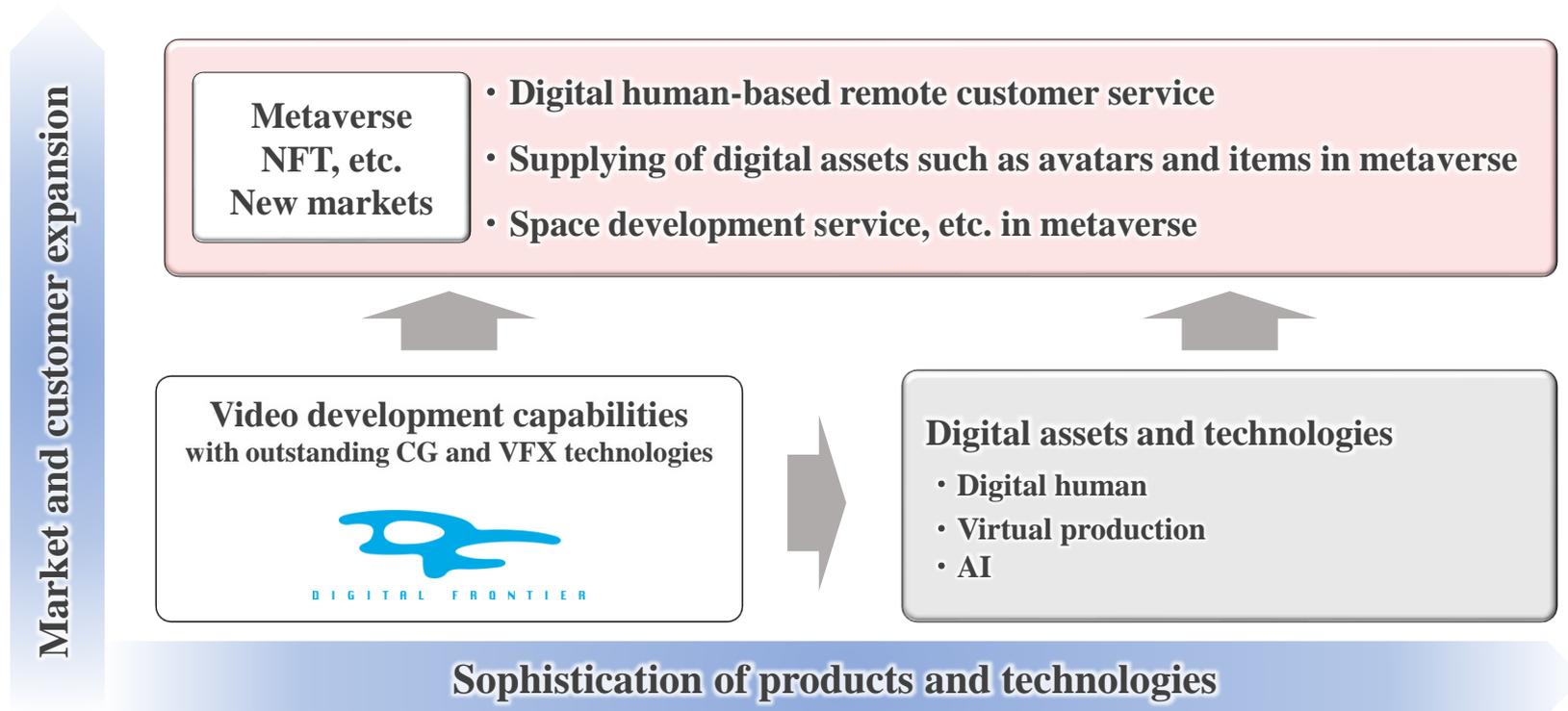
EC

Ticket tracking

TSUBURAYA customers data

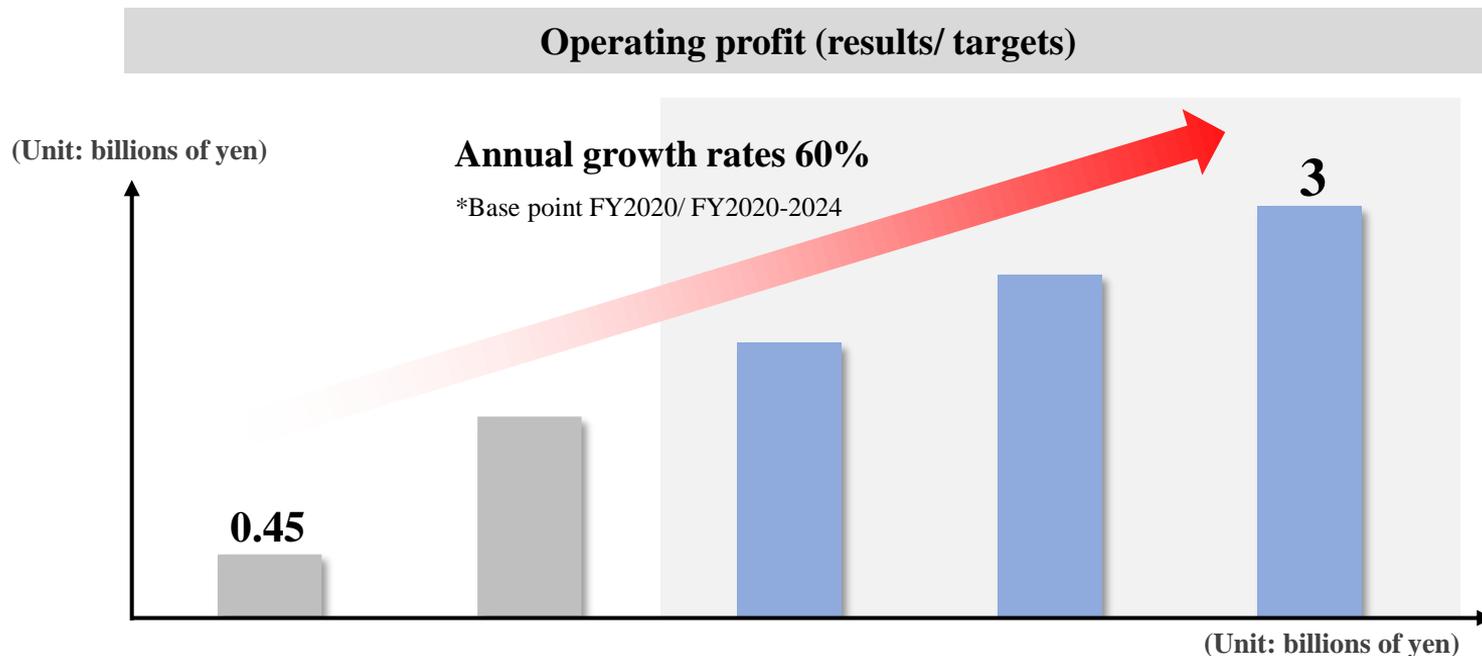
D. Potential of DF

- Leading domestic CG and VFX video technology group, highly trusted by major game companies and movie and distribution companies
- Developing new businesses by expanding digital assets and video development technologies



Setting targets for content and digital business in the mid-term plan

Targeting operating profit of ¥3 billion in FY2024 (CAGR of 60%)



	FY2020	FY2021	FY2022	FY2023	FY2024
Operating profit	0.45	1.46	2.00	2.50	3.00

Medium-term management plan (FY2022 – FY2024)

PS business

FIELDS CORPORATION

Market environment

[Forecast of future changes in the PS markets]

Sales of new machines
market scale
662.1 billion yen
(1,826,000 units)

Pachislot
Approx. 242.3
billion yen
(665,000 units)

Pachinko
Approx. 419.7
billion yen
(1,161,000 units)

FY2022

Beginning of new market
under new regulations
⇒ Stable development environment
is expected for 10 years

Spring*

FY2023-

Expectations for revitalization of the
market through full-scale launch of
smart pachinko and pachislot

Spring*

Summer*

FY2027-

Inbound demand
due to the opening of IR
⇒ Positive impact on the PS industry

Summer*

FY2021

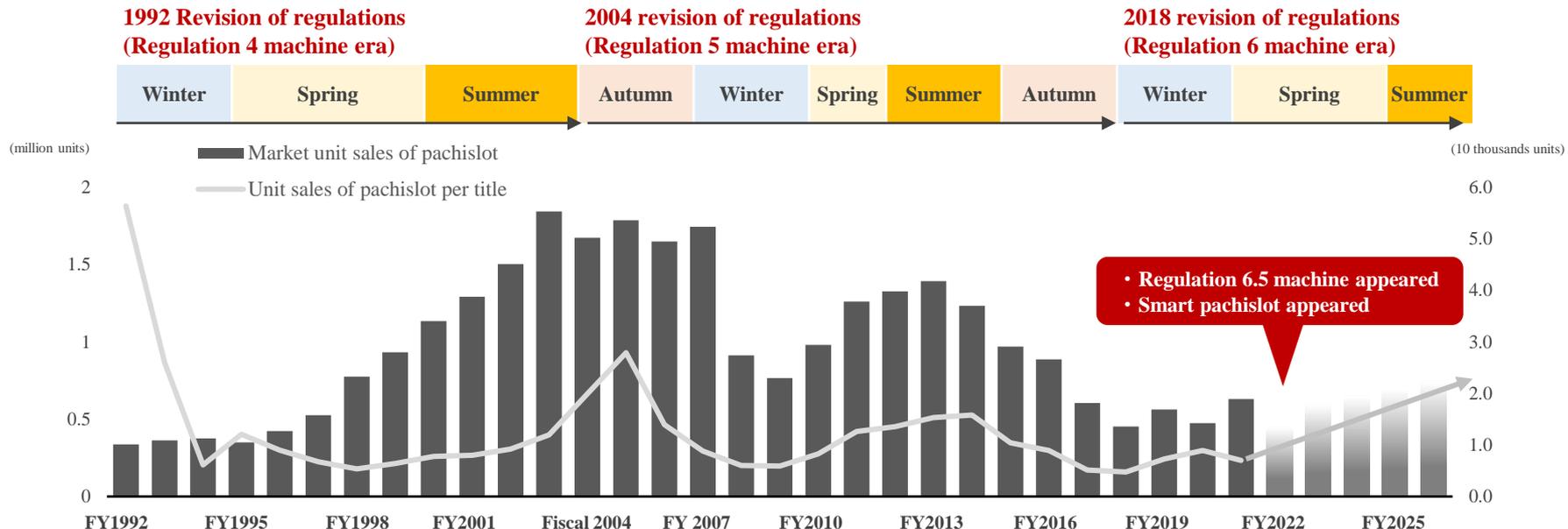
*PS four season theory will be explained in the next page.

*Our survey

Market environment

[four seasons theory based on the cycle of regulatory revisions]

The cyclical change of the pachislot market is often compared to seasonal change



PS business [future titles of our sales]

<Evaluation of our sold titles based on sales results (units)>

▶ Enforcement of revision of regulations ▶ COVID-19 pandemic ▶ Introduction of regulation 6.5 machine / smart PS



Number of manufacturers
 Expansion of the number of partner manufacturers
 ×
Number of titles
 To secure a stable number of titles
 ×
Quality
 Leading IP contents titles

Digital communications business to support the PS machine industry

Supporting for all types of communications revitalization in the PS industry with digital technologies, etc.

→ Developing into a growing business

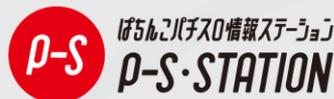
Manufacturer

Hall

Fans

Existing services

Media for halls



Registered accounts: 10,000 (actual) → 22,000 (target)

Media for fans



MAU: over 220,000 (actual) → 1,240,000 (target)

Web advertising distribution service
to help pachinko halls attract customers



Number of deals closed: over 2,000 (actual) → over 4,000 (target)

Installation and inspection services
Contacts for parts replacement

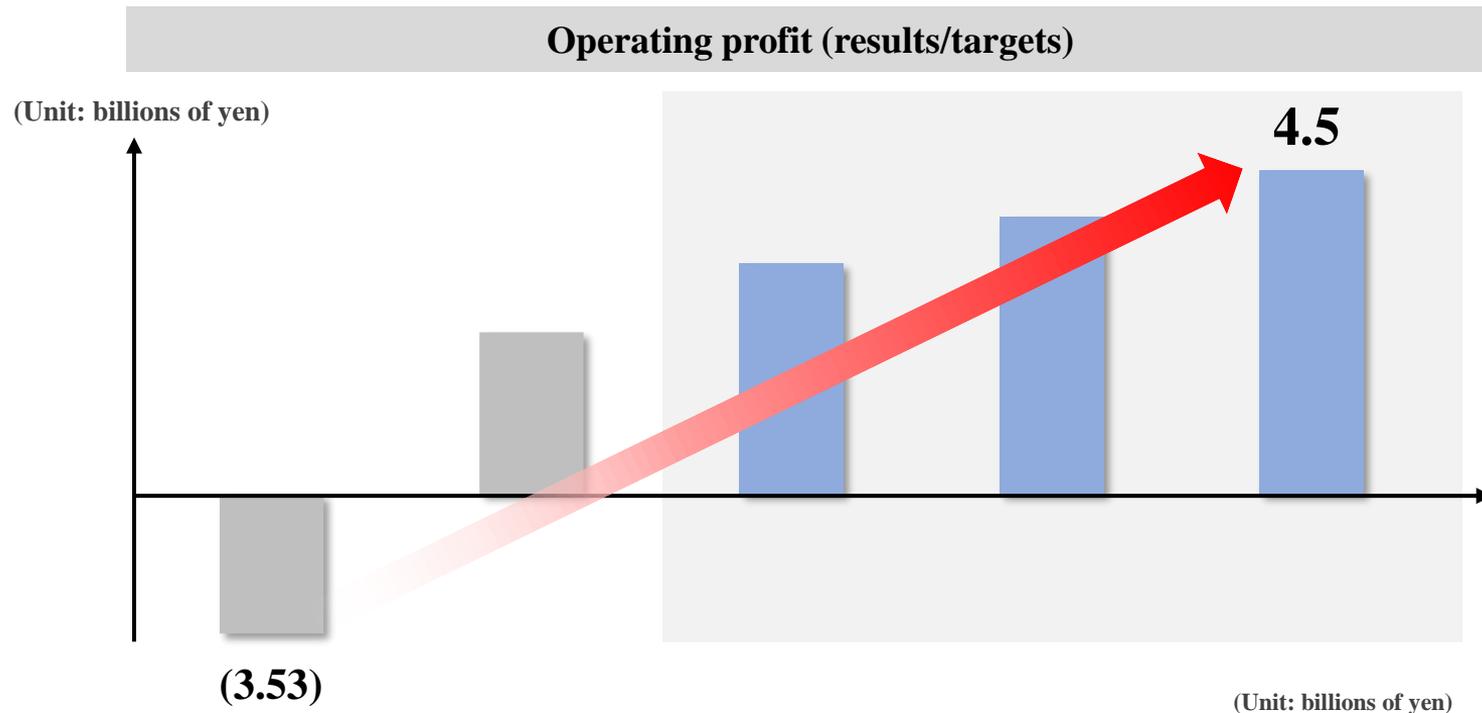
New services

Media for PS operators from August 2022



PS machine secondary
distribution promotion site
for revitalizing the PS market

PS business [Target]



	FY2020	FY2021	FY2022	FY2023	FY2024
Operating profit	(3.53)	1.75	2.50	3.00	4.50
Unit sales forecast	95,000 units	191,000 units	220,000 units	—	

Medium-term management plan (FY2022 – FY2024)

Quantitative target

3-year business operation plan

(Unit: billions of yen)

		FY2021 results	FY2022 plan	FY2023 plan	FY2024 plan
Group consolidation	Net sales	94.90	98.00	102.00	113.00
	Operating profit	3.44	4.00	5.00	7.00

TSUBURAYA FIELDS

HOLDINGS

Coming soon!