

TSUBURAYA FIELDS HOLDINGS

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Summary

(Translation)
November 8, 2022

TSUBURAYA FIELDS HOLDINGS INC.

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: TSUBURAYA FIELDS HOLDINGS INC.
(URL: <https://www.tsuburaya-fields.co.jp/e/>)
Listing: Tokyo Stock Exchange, Prime Market
Securities code: 2767
URL: <https://www.tsuburaya-fields.co.jp/e/>
Representative: Hidetoshi Yamamoto, President and Group CEO
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Scheduled date to file quarterly securities report: November 9, 2022
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	42,230	13.1	3,534	885.9	3,753	528.4	2,536	702.7
September 30, 2021	37,348	252.6	358	-	597	-	315	-

(Note) Comprehensive income For the six months ended September 30, 2022: ¥ 3,326 million [528.7%]
For the six months ended September 30, 2021: ¥ 529 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	78.44	77.82
September 30, 2021	9.77	9.75

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	69,377	33,935	46.3
March 31, 2022	70,001	31,551	43.4

(Reference) Equity As of September 30, 2022: ¥ 32,129 million
As of March 31, 2022: ¥ 30,372 million

2. Cash dividends

	Annual dividends				
	Q1-end	Q2-end	Q3-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	20.00	20.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	20.00	20.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	105,000	10.6	6,000	74.2	6,000	65.1	4,000	61.9	123.72

(Note) Revision of the most recently released performance forecasts: None

***Notes**

- (1) Changes in significant subsidiaries during the period: None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons other than (3) (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2022	34,700,000 shares
As of March 31, 2022	34,700,000 shares

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

As of September 30, 2022	2,368,380 shares
As of March 31, 2022	2,368,300 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	32,331,683 shares
Six months ended September 30, 2021	32,331,700 shares

- * Quarterly financial results reports are exempt from quarterly review by certified public accountants or an audit corporation.
- * Proper use of earnings forecasts, and other special matters
The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results, etc. may differ materially from the forecasts due to various factors.
Please refer to 1. *Qualitative information on the quarterly financial results (1) Analysis of operating results* on page 2 and (2) *Consolidated earnings forecasts* on page 4.

(How to obtain supplementary materials on financial results)

The Company is planning to hold a financial briefing (online) for analysts and institutional investors on Wednesday, November 9, 2022. Materials used at that briefing will be posted on the Company's website after the briefing as soon as possible.

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1. Qualitative information on the quarterly financial results

(1) Analysis of operating results

[Overview]

Three years have passed since the pandemic and now we have learned to live with COVID-19, and the impact on the socio-economy has been minimized. Along with the restoration of normal daily lives, efforts are being made to normalize economic activities.

People always need leisure time to enrich their lives, and they have always been inventive and creative, creating a variety of new styles of leisure.

Starting with “The Greatest Leisure for All People” as our corporate philosophy, in October 2022 we integrated our group into TSUBURAYA FIELDS HOLDINGS INC. and shifted to a new structure in order to realize this philosophy.

Tsuburaya Productions Co., Ltd. (hereinafter, “TPC”), which is responsible for dynamic promotion of growth potential, has been able to strategically tackle huge markets because the strict restrictions and risks on overseas expansion to date were removed following the victory in the *Ultraman* rights lawsuit in the US in 2018.

Since 2019, we have begun building a local distribution network based on low-priced merchandise, with a focus on trading cards as a killer product. In addition to well-known stores in urban areas, which are said to have a high level of topicality and status, we have established a distribution base covering approximately 700,000 stores across China, with grocery stores, toy stores, stationery stores, and other stores closely linked to the lifestyles of the local community as touch points.

In Shanghai, the permanent *Ultraman* area opened in July 2022 at the Ocean Park, which boasts more than five million visitors a year, and has been more than expected.

At the same time, FIELDS CORPORATION, which plays a central role in profitability, is working to strengthen the product lineup of its mainstay pachinko/pachislot (hereinafter, “PS”). PS is expected to enjoy stable and sustainable growth as a reliable and healthy national entertainment after the market has been shrinking for nearly 10 years due to the long-term tightening of regulations and other factors.

As a result of these new trends, the total number of units sold in the market last fiscal year was approximately 1.8 million, the highest number in the past three years (an increase of approximately 600,000 units from the previous fiscal year). Looking ahead, the market is expected to grow steadily, albeit at a moderate pace, and is expected to recover to the high of 2 million in the next fiscal year.

[Business results for the Q2]Content and digital business segment

Business revenues of TPC are shown in Table 1 below.

[Table 1: Change in business revenues of TPC]

(Unit: Millions of yen)

	Apr.-Sep. 2021 (Previous H1)	Apr.-Sep. 2022 (Current H1)	YoY change
Domestic MD and license revenue	737	1,009	+36.8%
Overseas MD and license revenue	672	1,294	+92.6%
China	447	1,026	+129.5%
Total MD and license revenue	1,409	2,304	+63.4%
Imaging business revenue	751	1,299	+72.8%

TPC enjoyed strong domestic and international merchandising (MD). Growth in the Chinese and other Asian MD such as trading cards has been particularly remarkable, creating conditions in which further growth can be expected.

Digital Frontier Inc. (hereinafter, “DF”) posted net sales of ¥2,257 million (up 25.0% YoY) and operating profit of ¥216 million (up 56.3% YoY), reflecting continued steady performance in CG video production, mainly by major domestic gaming companies, and VFX video production with Netflix.

As a consequence of the above, the Q2 results of this business segment grew to net sales ¥6,046 million (up 44.8% YoY) and

operating profit ¥1,623 million (up 112.8% YoY).

PS business segment

In the Q2, sales of PS increased steadily to 84,000 units (up 8.3% YoY), and other PS business also performed steadily.

As a consequence of the above, the Q2 results of this business segment were net sales ¥35,334 million (up 10.0% YoY) and operating profit ¥1,933 million (operating loss of ¥469 million in the same period of the previous fiscal year).

Other business

Other business also performed steadily.

As a result of the above business activities, the consolidated results for the Q2 of the fiscal year under review were net sales ¥42,230 million (up 13.1% YoY), operating profit ¥3,534 million (up 885.9% YoY), ordinary profit ¥3,753 million (up 528.4% YoY), and profit attributable to owners of the parent ¥2,536 million (up 702.7% YoY).

(2) Consolidated earnings forecasts

The consolidated earnings forecasts for the year ending March 31, 2023 were revised as of October 24, 2022 as follows:

[Table 2: Forecast of consolidated financial results for the FY2022] (Unit: Millions of yen)

	FY2022			FY2021	
	Revised forecast (Announced on October 24)	Previous forecast (Announced on May 10)	Percentage change	Results	YoY change
Net sales	105,000	98,000	7.1%	94,900	10.6%
Operating profit	6,000	4,000	50.0%	3,444	74.2%
Ordinary profit	6,000	4,000	50.0%	3,634	65.1%
Profit attributable to owners of parent	4,000	3,000	33.3%	2,471	61.9%

Full-year forecasts for each business segment are as follows.

Content and digital business segment

In response to the growing awareness of *Ultraman* brand, we will develop the knowledge we have acquired in China, focusing on Asian markets such as ASEAN10 countries and regions, with an emphasis on localization that considers the characteristics of each country's market.

Furthermore, in the North American market, we will first strive to steadily improve our brand power by making every effort to get them to see and know the attractiveness of *Ultraman* by, for example, enhancing collaboration with DF and Netflix in order to raise awareness of merchandise brand. We will also aim to further enhance our growth potential by developing market-oriented products and diversifying them.

DF and other business are also performing well, and the targets for the current fiscal year are progressing steadily.

As a result of the above, the forecast for full-year operating profit in the contents and digital business segment is ¥3 billion (up 104.5% YoY).

PS business segment

Having already gained extensive market acceptance by regulation 6.5 machine, the pachislot has a solid presence as a widely recognized product category for pachinko halls and fans.

Pachinko is expected to show a gradual growth curve to recover, as many PS machine have appeared since the end of last year to meet the expectations of fans and have gained a certain reputation.

In addition, smart pachinko and smart pachislot ("smart pachi" and "smart slot") machines, long-awaited as the next generation of PS machines, are expected to meet the needs of both smart and non-smart pachi and slot products for the time being, due to individual PS machines and units being supplied. In the current and next fiscal years, we will aim for a balanced product lineup that meets the needs of fans and pachinko hall.

In light of the above conditions, the titles which are scheduled to be delivered in the Q3, have already been sold in the current fiscal year, and sales of other products are progressing steadily. As a result, the forecast for full-year operating profit in PS business segment is ¥3 billion (up 71.4% YoY).

Other business

Other business also performed steadily.

(Note 1) All figures in this report are based on our estimates.

(Note 2) Product names in this report are trademarks or registered trademarks of each company.

(Note 3) The results of contents and digital and PS business segments are calculated by considering the elimination of intra-group transactions from the simple sum of the figures within the respective businesses.

(3) Overview of financial position

(Assets)

Current assets decreased by ¥1,271 million from the end of the previous fiscal year to ¥55,427 million. This was mainly due to a decrease in cash and deposits.

Property, plant and equipment increased by ¥141 million from the end of the previous fiscal year to ¥4,679 million. This was mainly due to an increase in construction in progress.

Intangible assets decreased by ¥112 million from the end of the previous fiscal year to ¥2,370 million. This was mainly due to a decrease in goodwill.

Investments and other assets increased by ¥618 million from the end of the previous fiscal year to ¥6,900 million. This was mainly due to an increase in investment securities.

Consequently, assets decreased by ¥623 million from the end of the previous fiscal year to ¥69,377 million.

(Liabilities)

Current liabilities decreased by ¥1,540 million from the end of the previous fiscal year to ¥26,323 million. This was mainly due to a decrease in borrowings.

Non-current liabilities decreased ¥1,465 million from the end of the previous fiscal year to ¥9,119 million. This was mainly due to a decrease in long-term borrowings.

Consequently, liabilities decreased by ¥3,006 million from the end of the previous fiscal year to ¥35,442 million.

(Net assets)

Net assets increased by ¥2,383 million from the end of the previous fiscal year to ¥33,935 million. This was mainly due to an increase in retained earnings.

(Analysis of cash flows)

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of Q2 of the fiscal year under review decreased by ¥7,836 million from the end of the previous fiscal year to ¥24,467 million.

(Cash flows from operating activities)

Net cash used in operating activities was ¥2,083 million (¥1,006 million provided in the same period of the previous fiscal year). This was mainly attributable to profit before income taxes of ¥3,747 million, an increase in trade receivables of ¥5,377 million, an increase in trade payables of ¥2,721 million, an increase in accounts receivable - other of ¥850 million, a decrease in liabilities related to payable-based payment transactions of ¥697 million, and income taxes payments of ¥581 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,462 million (¥493 million used in the same period of the previous fiscal year). This was mainly due to purchase of non-current assets of ¥555 million, payments for investments in capital of ¥528 million, and purchase of investment securities of ¥380 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥4,291 million (¥2,214 million used in the same period of the previous fiscal year). This was mainly due to repayments of long-term borrowings of ¥2,508 million, a decrease in short-term borrowings of ¥818 million and dividends paid of ¥645 million.

2. Quarterly consolidated financial statements and important notes

(1) Quarterly consolidated balance sheets

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Q2 of current consolidated fiscal year (as of September 30, 2022)
Assets		
Current assets		
Cash and deposits	32,404	24,567
Notes and accounts receivable - trade, and contract assets	12,690	17,606
Electronically recorded monetary claims - operating	708	1,169
Merchandise and finished goods	388	543
Work in process	2,874	3,025
Raw materials and supplies	1,831	2,084
Merchandise rights	3,207	2,491
Other	2,615	3,962
Allowance for doubtful accounts	(23)	(24)
Total current assets	56,698	55,427
Non-current assets		
Property, plant and equipment		
Land	1,922	1,922
Other	2,615	2,757
Total property, plant and equipment	4,538	4,679
Intangible assets		
Goodwill	1,623	1,496
Other	859	873
Total intangible assets	2,482	2,370
Investments and other assets		
Investment securities	1,429	1,954
Long-term loans receivable	215	236
Other	4,965	5,040
Allowance for doubtful accounts	(328)	(331)
Total investments and other assets	6,282	6,900
Total non-current assets	13,303	13,950
Total assets	70,001	69,377
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,128	15,791
Short-term borrowings	1,202	381
Current portion of long-term borrowings	5,030	4,040
Income taxes payable	608	373
Provision for bonuses	291	303
Provision for bonuses for directors (and other officers)	46	-
Other	7,556	5,433
Total current liabilities	27,864	26,323
Non-current liabilities		
Long-term borrowings	6,530	5,012
Retirement benefit liability	809	839
Asset retirement obligations	800	799
Other	2,444	2,467
Total non-current liabilities	10,584	9,119
Total liabilities	38,449	35,442

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Q2 of current consolidated fiscal year (as of September 30, 2022)
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,576	7,429
Retained earnings	16,771	18,660
Treasury shares	(1,946)	(1,946)
Total shareholders' equity	30,349	32,092
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	32
Foreign currency translation adjustment	1	2
Remeasurements of defined benefit plans	3	2
Total accumulated other comprehensive income	23	37
Share acquisition rights	28	38
Non-controlling interests	1,150	1,766
Total net assets	31,551	33,935
Total liabilities and net assets	70,001	69,377

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

H1 of the year ending March 31, 2023

(Unit: Millions of yen)

	H1 of previous consolidated fiscal year (April 1, 2021 to September 30, 2021)	H1 of current consolidated fiscal year (April 1, 2022 to September 30, 2022)
Net sales	37,348	42,230
Cost of sales	31,219	32,542
Gross profit	6,128	9,687
Selling, general and administrative expenses	5,770	6,153
Operating profit (loss)	358	3,534
Non-operating income		
Interest income	1	1
Dividend income	1	2
Purchase discounts	141	58
Share of profit of entities accounted for using equity method	78	114
Distributions from investments	13	10
Other	69	105
Total non-operating income	306	292
Non-operating expenses		
Interest expenses	42	44
Provision of allowance for doubtful accounts	17	6
Financing expenses	-	2
Other	7	20
Total non-operating expenses	67	72
Ordinary profit (loss)	597	3,753
Extraordinary income		
Gain on sale of non-current assets	-	1
Gain on sale of investment securities	231	-
Other	2	-
Total extraordinary income	234	1
Extraordinary losses		
Loss on retirement of non-current assets	13	0
Loss on sale of membership	-	7
Loss on litigation	11	-
Losses from coronavirus disease (COVID-19)	19	-
Total extraordinary losses	43	7
Profit (loss) before income taxes	788	3,747
Income taxes	176	435
Profit (loss)	612	3,311
Profit (loss) attributable to non-controlling interests	296	775
Profit (loss) attributable to owners of parent	315	2,536

Quarterly consolidated statements of comprehensive income

H1 of the year ending March 31, 2022

(Unit: Millions of yen)

	H1 of previous consolidated fiscal year (April 1, 2021 to September 30, 2021)	H1 of current consolidated fiscal year (April 1, 2022 to September 30, 2022)
Profit (loss)	612	3,311
Other comprehensive income		
Valuation difference on available-for-sale securities	(79)	14
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	(4)	(1)
Total other comprehensive income	(82)	14
Comprehensive income	529	3,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	232	2,550
Comprehensive income attributable to non-controlling interests	296	775

(3) Quarterly consolidated statements of cash flows

	(Unit: Millions of yen)	
	H1 of previous consolidated fiscal year	H1 of current consolidated fiscal year
	(April 1, 2021 to September 30, 2021)	(April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	788	3,747
Depreciation	346	363
Amortization of goodwill	126	126
Increase (decrease) in allowance for doubtful accounts	11	3
Increase (decrease) in provision for bonuses	(11)	11
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	(46)
Increase (decrease) in retirement benefit liability	16	28
Interest and dividend income	(3)	(3)
Share of loss (profit) of entities accounted for using equity method	(78)	(114)
Interest expenses	42	44
Decrease (increase) in trade receivables	(749)	(5,377)
Decrease (increase) in inventories	(521)	158
Decrease (increase) in accounts receivable - other	(678)	(850)
Increase (decrease) in trade payables	1,643	2,721
Increase (decrease) in liabilities related to payable transactions	(72)	(697)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	89	46
Other, net	145	(1,622)
Subtotal	1,083	(1,460)
Interest and dividends received	3	3
Interest paid	(42)	(44)
Income taxes refund (paid)	(38)	(581)
Net cash provided by (used in) operating activities	1,006	(2,083)
Cash flows from investing activities		
Purchase of property, plant and equipment	(303)	(439)
Proceeds from sale of property, plant and equipment	-	4
Purchase of intangible assets	(114)	(115)
Proceeds from redemption of investment securities	109	-
Purchase of investment securities	(43)	(380)
Proceeds from sale of investment securities	463	23
Proceeds from sale of shares of subsidiaries and associates	17	-
Payments for investments in capital	(558)	(528)
Loan advances	(0)	(33)
Proceeds from collection of loans receivable	25	13
Other, net	(88)	(7)
Net cash provided by (used in) investing activities	(493)	(1,462)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(40)	(818)
Proceeds from long-term borrowings	200	-
Repayments of long-term borrowings	(2,041)	(2,508)
Purchase of treasury shares	-	(0)
Dividends paid	(322)	(645)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(306)
Other, net	(10)	(12)
Net cash provided by (used in) financing activities	(2,214)	(4,291)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(1,701)	(7,836)
Cash and cash equivalents at beginning of year	24,510	32,304
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	14	-
Cash and cash equivalents at end of period	22,822	24,467

(4) Notes regarding the quarterly consolidated financial statements

(Notes regarding the operation of the company as a going concern)
Not applicable.

(Notes regarding occurrence of significant change in amount of shareholders' equity)
Not applicable.

(Application of the accounting method specific to quarterly consolidated financial statements)
Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to profit before income taxes for the consolidated fiscal year including the Q2 under review, and multiplying before income taxes by this estimated effective tax rate.

(Changes in accounting policies)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the Q1 of the current fiscal year and will apply the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Fair Value Measurement in accordance with the transitional treatment stipulated in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement in the future. There is no impact on the quarterly consolidated financial statements.

(Significant subsequent events)

(Transition to a holding company structure through an incorporation-type company split)

Based on the resolutions of director meeting held on May 18, 2022 and the 34th Annual General Meeting of Shareholders held on June 22, 2022, we conducted a corporate split (the "Spin-off") through an incorporation-type company split effective on October 3, 2022, and accordingly, we changed our corporate name to "TSUBURAYA FIELDS HOLDINGS INC."

1. Outline of corporate separation

(1) Schedule of the Spin-off

May 18, 2022 Approved by director meeting of the plan for incorporation type Spin-off

June 22, 2022 Approved general meeting of shareholders of the Plan for incorporation type Spin-off

October 3, 2022 Transition to a holding company structure (effective date of the incorporation-type Spin-off)

(2) Corporate Spin-off

This is an incorporation-type Spin-off in which we will be a spin-off company and the newly established FIELDS CORPORATION will be the successor company. On October 3, 2022, we converted to a holding company and changed our name to "TSUBURAYA FIELDS HOLDINGS INC."

(3) Allotment of shares

At the time of the Spin-off, all 1,000 shares of common share issued by the newly established company "FIELDS CORPORATION" were allocated to us, the Spin-off company.

(4) Our handling of share acquisition rights and bonds with share acquisition rights

Not applicable.

(5) Our share capital, etc. increased by the Spin-off

There is no increase or decrease in our share capital due to the Spin-off.

(6) Rights and obligations to be succeeded to by the newly established company

Upon the Spin-off, the incorporation-type Spin-off succeeded to the rights and duties of assets, liabilities, the employment contract and other as of the effective date of the Spin-off which we have in connection with the split business in accordance with the provisions of the plan for incorporation type Spin-off. With respect to all liabilities assumed by us and by the newly established company, we, together with the newly established company, assume liabilities in a cumulative manner.

(7) Forecast for obligations

We and the newly established company have sufficient assets to secure the performance of the obligations to be satisfied after the effective date of the Spin-off, and we have determined that there are no particular issues regarding the prospects of satisfying the obligations to be incurred by us and the newly established company.

2. Outline of the company involved in the Spin-off

	Spin-off company	Newly established company
(1) Trade name	TSUBURAYA FIELDS HOLDINGS INC. (formerly called FIELDS CORPORATION)	FIELDS CORPORATION
(2) Address	16-17, Nanpeidaicho, Shibuya-ku, Tokyo	16-17, Nanpeidaicho, Shibuya-ku, Tokyo
(3) Representative title and name	President and group CEO Hidetoshi Yamamoto	President and COO Ei Yoshida
(4) Main business	<ul style="list-style-type: none"> • Drafting and executing the Group's medium-term management plan • Overseeing group management and business activities, etc. 	Planning, development, and sales of PS machine
(5) Share capital	¥7,948 million	¥100 million
(6) Fiscal year end	End of March	End of March

3. Accounting method

The transaction is accounted for as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019), “Accounting Standard for Business Divestitures”(ASBJ Statement No. 7, September 13, 2013) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).