

# TSUBURAYA FIELDS HOLDINGS

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## Summary

(Translation)  
February 13, 2023

### TSUBURAYA FIELDS HOLDINGS INC.

#### Consolidated Financial Results for the Nine Months Ended December 31, 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: February 14, 2023  
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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	89,607	23.5	9,476	300.5	9,749	276.3	5,646	215.9
December 31, 2021	72,531	148.5	2,366	-	2,590	-	1,787	-

(Note) Comprehensive income For the nine months ended December 31, 2022: ¥ 7,513 million [242.3%]  
For the nine months ended December 31, 2021: ¥ 2,194 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	174.39	172.91
December 31, 2021	55.29	55.16

##### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	95,152	38,218	37.3
March 31, 2022	70,001	31,551	43.4

(Reference) Equity As of December 31, 2022: ¥ 35,516 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)				60.00	60.00

(Note) Revisions to the forecast of cash dividends most recently announced: Yes

#### 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	117,000	23.3	10,800	213.5	11,000	202.7	8,000	223.7	246.73

(Note) Revisions to the performance forecasts most recently released: Yes

**\*Notes**

- (1) Changes in significant subsidiaries during the period: Yes  
(transfer of specific subsidiaries that results in a change in the scope of consolidation)  
New consolidation: one company (Company name) FIELDS CORPORATION
- (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 December 31, 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 December 31, 2022	2,142,991 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)

Nine months ended December 31, 2022	32,381,024 shares
Nine months ended December 31, 2022	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 Tuesday, February 14, 2023. 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

While the COVID-19 pandemic has been prolonged, restraints have been gradually relaxed, and economic activity has been normalizing with the shift to “with corona” and daily living is returning.

As the inconvenient life is coming to an end, the way people spend their leisure time has been transformed, as exemplified by the word “Stay home,” and the development of technology has supported this transformation. Leisure time is becoming more important and of higher quality because people have gone through the pandemic, a period that forced people to endure.

In this business environment, in order to realize this philosophy, “The Greatest Leisure for All People”, the Group integrated its group companies under the holding company TSUBURAYA FIELDS HOLDINGS INC., and shifted to a new structure in October 2022. The Group businesses cover a broad demographic with Tsuburaya Productions Co., Ltd. (hereinafter, “TPC”), at the core targeting a wide range of generations both domestically and overseas, with a focus on children and families, and FIELDS CORPORATION (hereinafter, “FIELDS”), targeting the adult generation. In addition, the holding company structure has enabled the Group to make flexible and agile decisions and implement management strategies.

The diversification of lifestyles such as “work-from-home” brought about by the COVID-19 pandemic is linked to the diversification of how people spend their leisure time, and this trend is expected to continue unabated.

We will continue to accurately grasp people's leisure needs, and looking ahead to the next 5 to 10 years, we will make steady progress in providing the greatest leisure for all people.

The status of each business segment for the cumulative Q3 of the current fiscal year is as follows.

As a result of the transition to a holding company structure, from the Q3 of the current fiscal year, the Company has changed its financial reporting from a single segment to two reportable segments: “Content and digital” and “PS.” In response to this change, the figures relating to business results in the financial results summary have been unified to the figures in the financial accounting. Please refer to page 13 for more details.

Content and digital segment

TPC, which is responsible for the dynamic promotion of growth potential, expanded its product lineup during the Christmas and Chinese New Year sales season by fully leveraging the effects of the expansion of its distribution network in the previous quarter. As a result, sales of low-priced merchandise related to *Ultraman* grew rapidly, and licensing revenues from China grew significantly.

On the other hand, in Japan, movie *SHIN ULTRAMAN*, which was released nationwide in May 2022 and became a record hit, has a strong reputation for its feature, and has led to the acquisition of new fans such as women. However, the start of exclusive distribution in Amazon Prime video in November 2022 has led to further expansion and retention of the fan base, including those who missed out on movie.

In addition, the number of visitors to the *Ultra Hero's EXPO 2023*, which was held in conjunction with the winter holiday, greatly exceeded last year, and sales of *Ultraman* goods were strong even during the holiday season.

[Table 1: Change in business revenues of TPC]

(Unit: Millions of yen)

	Apr.-Dec. 2021 (Previous Q1-Q3)	Apr.-Dec. 2022 (Current Q1-Q3)	YoY change
Domestic MD and license revenue	1,129	1,412	+25.0%
Overseas MD and license revenue	1,295	4,130	+218.9%
China	908	3,753	+313.0%
Total MD and license revenue	2,425	5,542	+128.6%
Imaging business revenue	1,040	1,582	+52.2%

Digital Frontier Inc. posted consolidated results for the cumulative Q3 of the fiscal year under review of ¥3,183 million in net sales (up 19.0% YoY) and ¥278 million in operating profit (up 89.6%YoY). This result reflects the continued strength in CG video production, mainly by major domestic game companies, and VFX video production with Netflix.

Consequently, the business results of the content and digital business segment for the cumulative Q3 of the fiscal year under review were net sales ¥10,665 million (up 63.5%YoY) and operating profit ¥3,805 million (up 211.8% YoY).

#### PS business segment

In PS business, the market has been shrinking for nearly a decade due to the tightening of regulations. However, as a result of the development efforts of individual manufacturers and the management efforts of pachinko parlors, pachinko/pachislot (hereinafter, “PS”) machine in response to the new regulation introduced since last year have gradually gained acceptance among customers. Particularly in the pachislot market, regulation 6.5 machine gained broad support in the market. In addition, smart pachislot (“smart slot”), which was introduced at the end of November, has been highly evaluated by users, as originally anticipated.

Following this successful smart slot, the expectations of users and pachinko halls for smart pachinko (“smart pachi”), which will be launched in the next fiscal year and beyond, are rising by the day, and we have begun to see positive signs of market expansion. Pachinko industry finally has come out of the slump, and we are confident that it will bounce back full-scale from next fiscal year.

In the Q3 of the fiscal year under review, *P Godzilla vs EVANGELION -G-cells awakening-*, which was delivered in December, created a buzz even before its introduction and recorded the largest unit sales in 2022. In addition, we increased production of *NEON GENESIS EVANGELION -Roar for tomorrow-* in response to strong demand from customers and pachinko parlors. In addition to strong sales of private brands, the effects of cost reductions contributed to the business performance.

Consequently, the business results of PS business segment for the cumulative Q3 of the fiscal year under review were net sales ¥77,619 million (up 20.6% YoY) and operating profit ¥6,062 million (up 477.0% YoY).

#### Other business segment

Other business performed strongly, resulting in net sales of ¥1,721 million and operating profit of ¥56 million for the cumulative Q3 of the fiscal year under review.

As a result of the business activities described above, the consolidated results for the cumulative Q3 under review were net sales ¥89,607 million (up 23.5% YoY), operating profit ¥9,476 million (up 300.5% YoY), ordinary profit ¥9,749 million (up 276.3% YoY), and profit attributable to owners of parent ¥5,646 million (up 215.9% YoY).

## (2) Consolidated earnings forecasts

The consolidated earnings forecast for the fiscal year ending March 31, 2023 has been revised as follows.

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

	FY2022 forecast				FY2021
	Revised forecast (Announced on February 13)	Previous forecast (Announced on October 24)	Percentage change	YoY change	
Net sales	117,000	105,000	11.4%	23.3%	94,900
Operating profit	10,800	6,000	80.0%	213.5%	3,444
Ordinary profit	11,000	6,000	83.3%	202.7%	3,634
Profit attributable to owners of parent	8,000	4,000	100.0%	223.7%	2,471

Operating profit forecasts for the year ending March 31, 2023 by business segment are as follows.

[Table 3: Forecast of operating profit by business segment] (Unit: Millions of yen)

	FY2022 forecast				FY2021
	Revised forecast (Announced on February 13)	Previous forecast (Announced on October 24)	Percentage change	YoY change	
Content and digital segment	4,100	3,000	36.7%	179.8%	1,465
PS business segment	7,600	3,900	94.9%	334.1%	1,750
Other	70	70	-	(24.0)%	92
Adjusted amount	(970)	(970)	-	-	136

\* In the forecast for the fiscal year ending March 2023, a portion of the expenses of PS business is separately accounted for as “Adjusted amount” in accordance with the change to a holding company.

In Table 3, from the viewpoint of comparability, the figures in the previous forecast have been adjusted based on the same standard for simplicity.

#### Content and digital segment

TPC has been implementing measures for more than 10 years to expand the exposure and recognition of its *Ultraman* titles in the Chinese market in order to promote *Ultraman* brand. As a result, TPC was able to create a virtuous circle in which the expansion of fans led to the expansion of licensees, which led to the growth of our business in China in the fiscal year ending March 2023. In particular, in July 2022, *Ultraman* area opened in Shanghai’s Ocean Park, which boasts more than five million visitors a year, becoming popular, spurring further penetration of *Ultraman* brand. As a result of the expansion of sales channels on the back of this momentum, royalty income from China grew significantly in the Q3, as mentioned above.

In Japan, in addition to the expansion of the fan base through the movie *SHIN ULTRAMAN*, the movie *Ultraman Decker Finale: Journey to Beyond*, cinematized version of the TV series, will premiere from February 23, 2023, and sales of related goods are expected.

With regard to the expansion of our *Ultraman* brands into other regions, we have positioned Southeast Asia, centered on ASEAN, which has a large population and already gained a certain level of recognition, as our most important region. We will also focus on localization, such as by becoming familiar with the cultures and characteristics of the region and collaborating with trustworthy local companies. In North America as well, we will implement more specific initiatives to raise awareness of *Ultraman* brand.

#### PS business segment

In response to the new regulations, FIELDS have been working on the development of machines with excellent gameplay. In

addition to *NEON GENESIS EVANGELION -Roar for tomorrow-* sold from FY2021, our first private brand title and regulation 6.5 machine, *PACHISLOT INUYASHA* was highly rated by the market, leaving a demand for increased production. In the Q3 cumulatively, the results greatly exceeded the expected results.

In the fiscal year ending March 31, 2023, we plan to sell seven pachinko titles and six pachislot titles for the full year. One of the pachislot titles initially planned for sale in the Q4 will be sold strategically in the next fiscal year based on the trends of other companies.

From the next fiscal year onward, expectations for smart pachis are rising in the marketplace, and we expect the arrival of the “smart pachis and slot” era. On the other hand, we assume that there is also a need for non-smart pachis and slot from the perspective of the supply format, including units. We aim to accurately grasp the needs of the market and create a well-balanced merchandise lineup that meets the needs of customers and pachinko parlors.

(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.

## (3) Overview of financial position

## (Assets)

Current assets increased by ¥23,197 million from the end of the previous fiscal year to ¥79,896 million. This was mainly due to an increase in trade receivables.

Property, plant and equipment increased by ¥216 million from the end of the previous fiscal year to ¥4,754 million. This was mainly due to an increase in construction in progress.

Intangible assets increased by ¥152 million from the end of the previous fiscal year to ¥2,634 million. This was mainly due to an increase in goodwill.

Investments and other assets increased by ¥1,584 million from the end of the previous fiscal year to ¥7,867 million. This was mainly due to an increase in investment securities.

Consequently, assets increased by ¥25,151 million from the end of the previous fiscal year to ¥95,152 million.

## (Liabilities)

Current liabilities increased by ¥20,100 million from the end of the previous fiscal year to ¥47,965 million. This was mainly due to an increase in trade payables.

Non-current liabilities decreased by ¥1,615 million from the end of the previous fiscal year to ¥8,969 million. This was mainly due to a decrease in long-term borrowings.

Consequently, liabilities increased by ¥18,484 million from the end of the previous fiscal year to ¥56,934 million.

## (Net assets)

Net assets increased by ¥6,666 million from the end of the previous fiscal year to ¥38,218 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 the third quarter of the current fiscal year decreased by ¥6,288 million from the end of the previous fiscal year to ¥26,015 million.

## (Cash flows from operating activities)

Net cash provided by operating activities was ¥1,068 million, compared with net cash provided by operating activities of ¥4,176 million in the same period of the previous fiscal year. This was mainly attributable to quarterly profit before income taxes of ¥9,738 million, an increase in trade receivables of ¥23,934 million, an increase in trade payables of ¥20,072 million, and an increase in accounts receivable - other of ¥4,734 million.

## (Cash flows from investing activities)

Net cash used in investing activities was ¥3,050 million, compared with net cash used of ¥1,218 million in the same period of the previous fiscal year. This was mainly due to purchase of investment securities of ¥1,167 million, purchase of non-current assets of ¥843 million, and payments for investments in capital of ¥764 million.

## (Cash flows from financing activities)

Net cash used in financing activities was ¥4,306 million, compared with net cash used of ¥2,083 million in the same period of the previous fiscal year. This was mainly due to repayments of long-term borrowings of ¥3,762 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)	Q3 of current consolidated fiscal year (as of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	32,404	26,115
Notes and accounts receivable - trade, and contract assets	12,690	35,542
Electronically recorded monetary claims - operating	708	1,837
Merchandise and finished goods	388	316
Work in process	2,874	3,388
Raw materials and supplies	1,831	2,128
Merchandise rights	3,207	2,349
Other	2,615	8,240
Allowance for doubtful accounts	(23)	(22)
Total current assets	56,698	79,896
Non-current assets		
Property, plant and equipment		
Land	1,922	1,929
Other	2,615	2,825
Total property, plant and equipment	4,538	4,754
Intangible assets		
Goodwill	1,623	1,748
Other	859	885
Total intangible assets	2,482	2,634
Investments and other assets		
Investment securities	1,429	2,912
Long-term loans receivable	215	233
Other	4,965	4,998
Allowance for doubtful accounts	(328)	(276)
Total investments and other assets	6,282	7,867
Total non-current assets	13,303	15,256
Total assets	70,001	95,152
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,128	33,106
Short-term borrowings	1,202	1,549
Current portion of long-term borrowings	5,030	3,397
Income taxes payable	608	1,753
Provision for bonuses	291	155
Provision for bonuses for directors (and other officers)	46	-
Other	7,556	8,002
Total current liabilities	27,864	47,965
Non-current liabilities		
Long-term borrowings	6,530	4,680
Retirement benefit liability	809	915
Asset retirement obligations	800	811
Other	2,444	2,561
Total non-current liabilities	10,584	8,969
Total liabilities	38,449	56,934

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2022)	Q3 of current consolidated fiscal year (as of December 31, 2022)
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,576	7,356
Retained earnings	16,771	21,771
Treasury shares	(1,946)	(1,761)
Total shareholders' equity	30,349	35,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	198
Foreign currency translation adjustment	1	1
Remeasurements of defined benefit plans	3	1
Total accumulated other comprehensive income	23	201
Share acquisition rights	28	29
Non-controlling interests	1,150	2,672
Total net assets	31,551	38,218
Total liabilities and net assets	70,001	95,152

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

## Quarterly consolidated statements of income

Nine months ended December 31, 2022

	(Unit: Millions of yen)	
	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Net sales	72,531	89,607
Cost of sales	61,155	70,508
Gross profit	11,375	19,099
Selling, general and administrative expenses	9,009	9,622
Operating profit (loss)	2,366	9,476
Non-operating income		
Interest income	2	2
Dividend income	1	5
Purchase discounts	154	129
Share of profit of entities accounted for using equity method	42	90
Share of profits on investments in capital	20	15
Other	91	128
Total non-operating income	312	372
Non-operating expenses		
Interest expenses	61	62
Provision of allowance for doubtful accounts	17	6
Other	9	32
Total non-operating expenses	87	100
Ordinary profit (loss)	2,590	9,749
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	231	-
Gain on sale of shares of subsidiaries and associates	121	-
Other	1	-
Total extraordinary income	356	1
Extraordinary losses		
Loss on retirement of non-current assets	20	4
Loss on sale of membership	-	7
Loss on litigation	18	-
Losses from coronavirus disease (COVID-19)	43	-
Other	1	0
Total extraordinary losses	84	11
Profit (loss) before income taxes	2,863	9,738
Income taxes	585	2,401
Profit (loss)	2,277	7,336
Profit (loss) attributable to non-controlling interests	489	1,689
Profit (loss) attributable to owners of parent	1,787	5,646

## Quarterly consolidated statements of comprehensive income

Nine months ended December 31, 2022

(Unit: Millions of yen)

	Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)
Profit (loss)	2,277	7,336
Other comprehensive income		
Valuation difference on available-for-sale securities	(77)	179
Foreign currency translation adjustment	0	(0)
Remeasurements of defined benefit plans	(6)	(2)
Total other comprehensive income	(82)	176
Comprehensive income	2,194	7,513
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,703	5,825
Comprehensive income attributable to non-controlling interests	491	1,687

## (3) Quarterly consolidated statements of cash flows

	(Unit: Millions of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	(April 1, 2021 to December 31, 2021)	(April 1, 2022 to December 31, 2022)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	2,863	9,738
Depreciation	526	564
Amortization of goodwill	189	189
Increase (decrease) in allowance for doubtful accounts	18	(53)
Increase (decrease) in provision for bonuses	(151)	(136)
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	(46)
Increase (decrease) in retirement benefit liability	32	22
Interest and dividend income	(4)	(7)
Share of loss (profit) of entities accounted for using equity method	(42)	(90)
Interest expenses	61	62
Decrease (increase) in trade receivables	(20,450)	(23,934)
Decrease (increase) in inventories	884	120
Decrease (increase) in accounts receivable - other	(2,723)	(4,734)
Increase (decrease) in trade payables	22,333	20,072
Increase (decrease) in liabilities related to payable transactions	(179)	(561)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	402	544
Depreciation of investments in capital	189	550
Other, net	536	5
Subtotal	4,481	2,306
Interest and dividends received	4	7
Interest paid	(61)	(62)
Income taxes refund (paid)	(247)	(1,183)
Net cash provided by (used in) operating activities	4,176	1,068
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(719)	(657)
Proceeds from sale of property, plant and equipment	0	4
Purchase of intangible assets	(191)	(185)
Proceeds from redemption of securities	109	-
Purchase of investment securities	(65)	(1,167)
Proceeds from sale of investment securities	488	45
Purchase of shares of subsidiaries and associates	(10)	-
Proceeds from sale of shares of subsidiaries and associates	319	-
Payments for investments in capital	(1,199)	(764)
Loan advances	(0)	(333)
Proceeds from collection of loans receivable	34	16
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	3
Other, net	16	(12)
Net cash provided by (used in) investing activities	(1,218)	(3,050)

	(Unit: Millions of yen)	
	Nine months ended December 31, 2021 <small>(April 1, 2021 to December 31, 2021)</small>	Nine months ended December 31, 2022 <small>(April 1, 2022 to December 31, 2022)</small>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,210	349
Proceeds from long-term borrowings	200	-
Repayments of long-term borrowings	(3,150)	(3,762)
Proceeds from exercise of employee share options	-	82
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	(21)	(23)
Net cash provided by (used in) financing activities	(2,083)	(4,306)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	875	(6,288)
Cash and cash equivalents at beginning of period	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	25,400	26,015

## (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 Q3 under review, and multiplying profit 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.

(Segment information)

[Segment information]

## 1. Information on net sales and profit (loss) by reportable segment

Cumulative Q3 of the previous fiscal year (from April 1, 2021 to December 31, 2021)

(Unit: millions of yen)

	Reportable segments			Other (NOTE1)	Total	Adjusted amount (NOTE2)	Quarterly consolidated statement of income amount recorded (NOTE3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	6,357	64,356	70,714	1,817	72,531	—	72,531
Intersegment net sales or transfers	165	—	165	0	166	(166)	—
Total	6,522	64,356	70,879	1,818	72,697	(166)	72,531
Segment profit	1,220	1,050	2,271	102	2,373	(7)	2,366

(NOTE)1. "Other" is a business segment that is not included in reportable segments and includes fitness business, etc.

2. Adjusted amount of ¥(7) million in segment profit includes elimination of intersegment transactions of ¥(7) million.

3. Segment profit is adjusted with the operating profit of the quarterly consolidated statement of profit.

Cumulative Q3 of the current fiscal year (from April 1, 2022 to December 31, 2022)

(Unit: millions of yen)

	Reportable segments			Other (NOTE1)	Total	Adjusted amount (NOTE2)	Quarterly consolidated statement of income amount recorded (NOTE3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	10,278	77,616	87,895	1,712	89,607	—	89,607
Intersegment net sales or transfers	386	2	389	8	397	(397)	—
Total	10,665	77,619	88,284	1,721	90,005	(397)	89,607
Segment profit	3,805	6,062	9,868	56	9,925	(448)	9,476

(NOTE)1. "Other" is a business segment that is not included in reportable segments and includes fitness business, etc.

2. Adjusted amount of ¥(448) million in segment profit includes elimination of intersegment transactions of ¥(58) million and corporate expenses of ¥(389) million that are not allocated to individual reportable segments.
3. Segment profit is adjusted with the operating profit of the quarterly consolidated statement of profit.

## 2. Changes in reportable segments

As a result of the transition to a holding company structure implemented on October 3, 2022, from the third quarter of the current fiscal year, we have changed from a single segment to two reportable segments: content and digital and PS.

Segment information for the third quarter of the previous fiscal year has been prepared based on the classification of reportable segments for the third quarter of the fiscal year under review.

(Business combinations)

(Transactions under common control)

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

Based on the resolution of director meeting held on May 18, 2022 and the 34th annual general meeting of shareholders held on June 22, 2022, we implemented an incorporation-type company split with an effective date of October 3, 2022. Accordingly, our corporate name was changed to "TSUBURAYA FIELDS HOLDINGS INC." on the same date.

### (1) Summary of transactions

- I. Name of the subject business and the content of the business  
Name and description of business: PS machine planning/development/sales business (including ancillary business)
- II. Date of business combination  
October 3, 2022
- III. Statutory form of business combination  
New incorporation-type company split in which we became a spin-off company and the newly established "FIELDS CORPORATION" as a successor company
- IV. Name following business combination  
FIELDS CORPORATION (our consolidated affiliate)
- V. Summary of other transactions  
In October 2022, we integrated our group companies under the holding company TSUBURAYA FIELDS HOLDINGS INC. and shifted to a new structure to realize our corporate philosophy of *The Greatest Leisure for All People*.

In an environment where the value of IP is expected to increase further in the future, under the holding company structure, we have revised the single segment centered on Intellectual Property (IP) and established a business structure with two core business segments: the content and digital business segment, which is responsible for the dynamic promotion of growth potential, and PS business segment, which is responsible for profitability.

The establishment of a holding company structure has also made it possible for the group to implement flexible decision-making and management strategies. The holding company plays mainly the following roles.

i. Strategic investments and business alliances

We will strategically invest in businesses such as digital businesses and create and nurture globally competitive IP. The holding company is also responsible for promoting business alliances and capital tie-ups with companies that seek to generate synergies.

ii. Maximization of the group's corporate value

The holding company will formulate and promote aggressive and innovative management strategies, and support each operating company under these strategies to encourage the creation and expansion of group synergies. Through these efforts, we will strive to maximize the group's corporate value.

(2) 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).