

# TSUBURAYA FIELDS HOLDINGS

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## Summary

(Translation)  
May 15, 2023

### TSUBURAYA FIELDS HOLDINGS INC. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: TSUBURAYA FIELDS HOLDINGS INC.  
(URL: <https://www.fields.biz/ir/e/>)  
Listing: Tokyo Stock Exchange, Prime Market  
Securities code: 2767  
URL: <https://www.fields.biz/ir/e/>  
Representative: Hidetoshi Yamamoto, Chairman, President and Group CEO  
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Scheduled date of annual general meeting of shareholders: June 21, 2023  
Scheduled date to commence dividend payments: June 22, 2023  
Scheduled date to file annual securities report: June 21, 2023  
Preparation of supplementary material on financial results: Yes  
Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions)

#### 1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

##### (1) Consolidated operating results

(Percentages indicate YoY changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	117,125	23.4	10,950	217.9	11,218	208.7	8,221	232.7
March 31, 2022	94,900	144.6	3,444	-	3,634	-	2,471	-

(Notes) Comprehensive income For the fiscal year ended March 31, 2023: ¥11,207 million [267.9%]  
For the fiscal year ended March 31, 2022: ¥3,046 million [-%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	126.70	125.74	23.7	14.9	9.3
March 31, 2022	38.21	38.09	8.2	5.9	3.6

Reference: Share of profit (loss) of entities accounted for using equity method For the fiscal year ended March 31, 2023: ¥90 million  
For the fiscal year ended March 31, 2022: ¥59 million

(Notes) On March 21, 2023, we conducted a 2-for-1 stock split of our common share. For this reason, basic earnings per share and diluted earnings per share are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

##### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	80,893	41,817	48.4	598.18
March 31, 2022	70,001	31,551	43.4	469.71

Reference: Equity As of March 31, 2023: ¥39,120 million  
As of March 31, 2022: ¥30,372 million

(Notes) On March 21, 2023, we conducted a 2-for-1 stock split of our common share. For this reason, net assets per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

##### (3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	12,561	(7,642)	(725)	36,497
March 31, 2022	7,980	(1,586)	1,385	32,304

## 2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	Q1 end	Q2 end	Q3 end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	-	0.00	-	20.00	20.00	646	26.2	2.1
Fiscal year ended March 31, 2023	-	0.00	-	30.00	30.00	1,961	23.7	5.6
Fiscal year ending March 31, 2024 (forecast)	-	0.00	-	30.00	30.00		23.1	

(Notes) On March 21, 2023, we conducted a 2-for-1 stock split of common share. For the fiscal year ended March 31, 2022, the amount of dividends before the stock split is stated. Dividends for the fiscal year ended March 31, 2022, after taking into account the stock split, would be ¥10. Figures for the fiscal years ended March 31, 2023 and fiscal years ending March 31, 2024 (forecasts) are after the stock split.

## 3. Forecast of consolidated earnings for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	123,000	5.0	12,000	9.6	12,200	8.7	8,500	3.4	129.97

**\*Notes**

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes  
New consolidation: one company (company name) FIELDS CORPORATION
- (2) 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 reasons other than (i): None  
(iii) Changes in accounting estimates: Yes  
(iv) Restatement: None

## (3) Number of issued shares (common shares)

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

As of March 31, 2023	69,400,000 shares
As of March 31, 2022	69,400,000 shares

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

As of March 31, 2023	4,001,382 shares
As of March 31, 2022	4,736,600 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	64,891,355 shares
Fiscal year ended March 31, 2022	64,663,400 shares

(Notes) We conducted a 2-for-1 stock split on March 21, 2023. Therefore, the number of issued shares at the end of the period (including treasury shares), the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

**Reference: Overview of non-consolidated financial results****1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

## (1) Non-consolidated operating results

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	41,193	(50.7)	5,106	289.4	5,159	241.2	5,515	245.7
March 31, 2022	83,604	181.3	1,311	—	1,512	—	1,595	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	85.00	84.36
March 31, 2022	24.68	24.60

(Notes) 1. On October 3, 2022, we shifted to a holding company structure. As a result, the non-consolidated results for the year ended March 31, 2023 have changed significantly compared with the year ended March 2022.

2. We conducted a 2-for-1 stock split on March 21, 2023. Accordingly, basic earnings per share and diluted earnings per share are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
March 31, 2023	55,717	35,973	64.5	549.36
March 31, 2022	63,874	29,735	46.5	459.41

Reference: Equity  
As of March 31, 2023: ¥35,927 million  
As of March 31, 2022: ¥29,707 million

(Notes) We conducted a 2-for-1 stock split on March 21, 2023. Accordingly, net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

\* Financial results reports are exempt from audit conducted 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 for the fiscal year under review (1) Financial results* on page two and (2) *Outlook for the next fiscal year* on page four.

(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, May 16, 2023. Materials used at that briefing will be posted on the Company's website as soon as possible after the briefing.

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## 1. Qualitative information for the fiscal year under review

## (1) Financial results

Although uncertainty about the future of the domestic economy remains due to the prolonged situation in Ukraine, socioeconomic activities are gradually returning to pre-COVID levels due to the policy shift to “with corona.” As those forced to put up with the pandemic reaffirm the importance of leisure time, the roles we should play are also growing in importance.

In order to realize our corporate philosophy of “The Greatest Leisure for All People,” we have long been hoping to develop a global content business to make many people happy in addition to traditional pachinko fans. Following the listing on JASDAQ market in March 2003, we moved into the content business. Through a public offering in the following year, we acquired a large number of contents. In 2005, we acquired shares in D3PUBLISHER INC., a game company, and entered the U.S. market. In 2010, we made Tsuburaya Productions Co., Ltd. (hereinafter, “TPC”) and Digital Frontier Inc. subsidiaries. In 2011, we launched *HERO'S Monthly*, a comic magazine in collaboration with Shogakukan group. We have accumulated a variety of knowledge and know-how needed to promote our global content business since listing.

At TPC, there were lawsuits involving the rights to use *Ultraman* overseas, and there were major constraints on overseas expansion. Accordingly, while working to resolve litigation issues, we have made steady progress in preparing for overseas expansion by securing excellent human resources, developing systems, and promoting the brand through exposure to *Ultraman* related works in the Chinese and ASEAN regions. Global development expanded rapidly after the winning of the lawsuit was finalized in March 2020. In the Chinese market, where we have already built a strong reputation, we have succeeded in penetrating *Ultraman* brand. In addition to building an extensive sales network for *Ultraman* goods, centered on trading cards, we opened Ultraman area in Shanghai Haichang Ocean Park in July 2022. Domestically, the movie *SHIN ULTRAMAN*, which was released in May 2022, was highly regarded for its appeal, which led to the expansion of new fans among a wide range of age groups and contributed to the penetration of *Ultraman* brand.

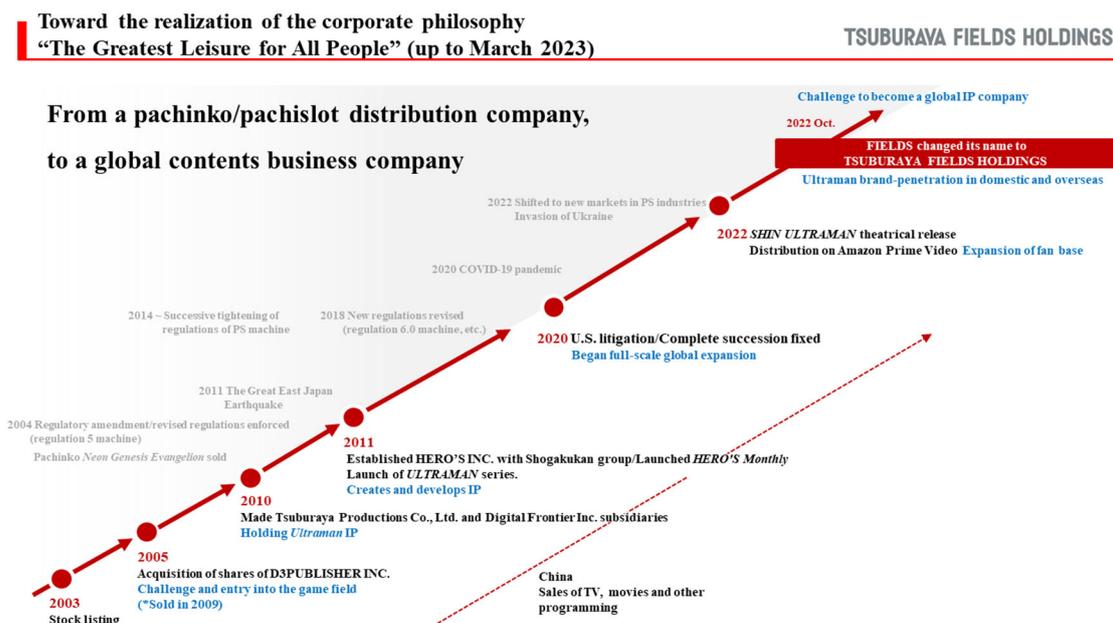
In the fiscal year under review, the global content business, which had been our desperate aspiration, began to get on track. Taking this opportunity, we made it a holding company and renamed it TSUBURAYA FIELDS HOLDINGS INC., a name that is appropriate for developing global content businesses.

In pachinko/pachislot (hereinafter, “PS”) market, the development efforts of manufacturers and the management efforts of pachinko halls resulted in the acceptance by users of PS machine for new regulation, and positive signs of market expansion began to appear in the fiscal year under review. Over the past decade, the number of manufacturers has declined due to the successive effects of regulatory amendment/revised regulations and the pandemic, and the number of pachinko halls has been decreasing due to the increasing size of pachinko halls. As a result, the competitive environment for the market as a whole will be optimized, and the market is expected to remain stable as no major regulatory amendment/revised regulations is anticipated in the future.

In the 1970s, the pachinko industry experienced a dramatic transformation from a hands-on model to an electric model. With the advent of an easy-to-handle title, however, the range of players has expanded from mainly professionals to include women and the elderly. The smart PS machine that emerged in 2022 is expected to attract a potential user base as it is a new generation of machine that is comparable to the industrial revolution since the electric power was introduced, with a high level of game function and the absence of balls and medals, leading to an improved gaming environment.

It is our Group’s social mission to provide higher-quality leisure time to people living in a mature society of the 21st century. While accurately grasping the leisure needs of people who are changing with the times, we will continue to take on the challenge of creating next-generation entertainment by aggressively investing management resources in growth areas under the holding company structure to create businesses.

(Figure 1) Toward the realization of the corporate philosophy “The Greatest Leisure for All People” (up to March 2023)



Results for the fiscal year under review were as follows.

Content and digital segment

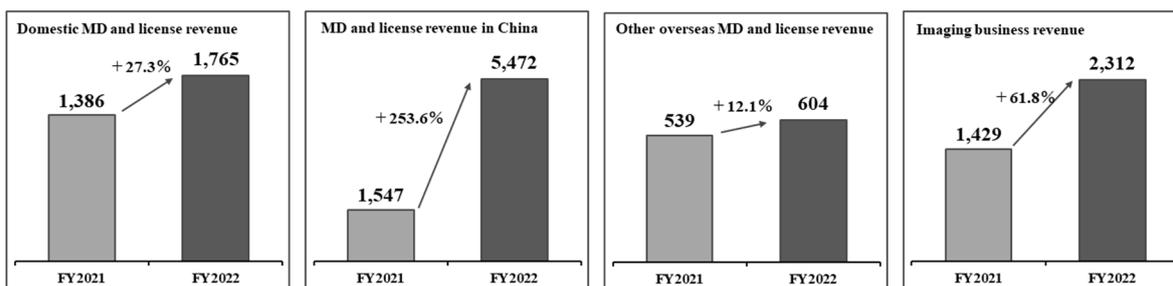
In TPC, which is responsible for the dynamic promotion of growth potential, sales of *Ultraman* related low-priced merchandise grew rapidly on the back of its popularity in China, and licensing revenue from China grew significantly.

In Japan, the movie *SHIN ULTRAMAN*, which was released in theaters in May 2022, was launched exclusively on Amazon Prime Videos in November, contributing to the acquisition of a new fan base throughout the full fiscal year. The number of visitors to the Ultra Hero’s EXPO held during the summer and winter holidays greatly exceeded last year. In February 2023, the release of a movie titled *Ultraman Decker Finale: Journey to Beyond* also contributed to strong sales of *Ultraman* goods.

In addition, the inclusion of *GRIDMAN UNIVERSE*, a movie released in March, contributed to a significant increase in the enrollment of *TSUBURAYA IMAGINATION*, an owned media.

(Figure 2) Business revenues of TPC

(Unit: millions of yen)



Consequently, the content and digital segment posted YoY increases of 59.6% in net sales and 198.8% in operating profit to 14,532 million and 4,378 million, respectively.

PS business segment

The advent of smart PS is an industrial revolution for the industry, and we see it as an opportunity to acquire new users. Smart pachislot (“smart slot”), introduced in November 2022, remains strong, and there are high hopes for smart pachinko (“smart pachi”) to be introduced in April 2023 and beyond, and the industry is entering a period of stable growth.

FIELDS CORPORATION (hereinafter, “FIELDS”), which plays a central role in profitability, sold seven pachinko titles, six pachislot titles and total 219,000 units during the fiscal year under review. We were able to sell a number of hit merchandise, led by *P Godzilla vs EVANGELION -G-cells awakening-*, which was the industry’s largest unit sales throughout

the year. In addition, high-margin private brands, including *PACHISLOT INUYASHA*, performed well, contributing to results.

Consequently, PS business segment posted a net sales of ¥100,808 million, up 20.4%, and an operating profit of ¥7,714 million, up 340.7%.

#### Other segment

Other business performed well, resulting in net sales of ¥2,305 million and operating profit of ¥75 million for the fiscal year under review.

As a result of the above business activities, the consolidated results for the fiscal year under review were net sales ¥117,125 million (up 23.4% YoY), operating profit ¥10,950 million (up 217.9% YoY), ordinary profit ¥11,218 million (up 208.7% YoY), and profit attributable to owners of parent ¥8,221 million (up 232.7% YoY), partly due to the recording ¥859 million of income taxes - deferred based on tax-effect accounting.

## (2) Outlook for the next fiscal year

### Content and digital segment

In order to establish the brand of TPC globally and aim for lasting growth, we will first establish a solid *Ultraman* brand in China/ASEAN. To this end, we will implement the following specific measures.

In China, *Ultraman* has gained acceptance in a wide range of age groups as a result of continued exposure of video products for more than a decade, and our survey shows that its favorability and recognition far exceeds that of other IP. Following on from Ultraman area in Shanghai Haichang Ocean Park, which boasts overwhelming customer drawing power, in May 2023, Ultraman area was opened in Dalian Discovery Kingdom theme park, and several other theme parks are scheduled to open in Ultraman area. Against the backdrop of the popularity of *Ultraman*, we expect trading cards to continue to grow. We will also work to expand our non-toy merchandise by leveraging our extensive distribution network built throughout China. The Chinese population is more than 11 times larger than the Japanese population, the national land is 25 times larger, and GDP is more than four times larger. We have just begun to cultivate the Chinese market, and we will work to further develop the market.

*Ultraman* brand has begun to penetrate other ASEAN countries. In Indonesia, Malaysia, and Thailand, in particular, *Ultraman* is highly recognized, so we will horizontally develop a successful business model in China. We will work with local companies etc. to manufacture and develop trading cards and new merchandise, as well as build an extensive sales network. We plan to establish a base in Singapore to cover ASEAN within the fiscal year, and gradually establish a base in the above three countries.

“ULTRAMAN BLAZAR,” a TV program that will start in July 2023, will be the first video product distributed by simul in China and ASEAN regions.

In Japan, the “ULTRAMAN” Final season will be distributed on Netflix exclusively worldwide from May 2023. In early summer 2023, *Ultraman the Ride*, a ride attraction, is scheduled to open at Seibuen Amusement Park. We are considering holding *Ultraman* related attractions and *Ultraman* shows at other theme parks, while also anticipating the inbound tourism market. Through these measures, we will further expand our fan base by increasing *Ultraman* exposure in Japan.

In North America, Netflix production of *Ultraman*'s anime film is scheduled to global simultaneous distribution in 2024. Prior to its release, the Company will establish a subsidiary in Los Angeles, United States. and move forward with more specific initiatives.

At the same time, we will focus on utilizing IP that we own in TPC and creating new IP that are in line with the times.

We will continue to actively recruit talented personnel, such as holding briefings for new graduates and mid-career hires in May 2023, in order to ensure the execution of our growth-oriented strategies through overseas expansion and IP creation.

Consequently, for the next fiscal year's content and digital business segment, we forecast a 23.9% YoY increase in net sales

to 18,000 million and a 37.0% increase in operating profit to 6,000 million.

#### PS business segment

The pachinko industry is expected to drive the market in the coming fiscal year as demand for smart slot continues to be strong. In addition, although the market launch of smart pachi lagged behind that of smart slot, we expect it to fully penetrate the market from the second half of the fiscal year.

FIELDS is building a system that can sell 12 titles of pachinko and pachislot each per year. However, within the industry, there is still some uncertainty regarding the procurement of parts and materials. For the next fiscal year, as the main title, we are planning to sell seven titles of pachinko, nine titles of pachislot, and 260,000 total units per year. By investing attractive merchandise, we will meet the expectations of halls and fans.

Consequently, for the next fiscal year, PS business segment is forecast to record a 3.2% YoY increase in net sales to ¥104,000 million and a 3.7% increase in operating profit to ¥8,000 million.

For the fiscal year ending March 2024, we forecast consolidated earnings of net sales of ¥123,000 million (up 5.0% YoY), operating profit of ¥12,000 million (up 9.6% YoY), ordinary profit of ¥12,200 million (up 8.7% YoY), and profit attributable to owners of parent of ¥8,500 million (up 3.4% YoY).

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

2. Merchandise names in this report are trademarks or registered trademarks of each company.

#### (3) Basic policy on profit distribution and dividends for the current and next fiscal year

We regard the improvement of corporate value as an important management issue and have adopted a basic policy of paying dividends in line with profits. At the same time, as market conditions change dramatically, we believe that prioritizing securing investment funds to expand earnings by stabilizing our financial base from a medium-to-long-term perspective will lead to the greatest shareholder return, including future increases in corporate value.

A year-end dividend for the current fiscal year will be ¥30 per share and will be discussed at the 35th Annual General Meeting of Shareholders to be held on June 21, 2023.

For the next fiscal year, we plan to pay a year-end dividend of ¥30 per share.

## (4) Overview of financial position for the fiscal year under review

	End of the previous fiscal year (As of the end of March 2022)	End of current fiscal year (As of the end of March 2023)	YoY change
Total assets	¥70,001 million	¥80,893 million	¥10,891 million
Total liabilities	¥38,449 million	¥39,075 million	¥626 million
Total net assets	¥31,551 million	¥41,817 million	¥10,265 million

## (Assets)

Current assets increased by ¥2,170 million from the end of the previous fiscal year to ¥58,868 million. This was mainly due to an increase in cash and deposits.

Property, plant and equipment increased by ¥756 million from the end of the previous fiscal year to ¥5,295 million. This was mainly due to an increase in construction in progress.

Intangible assets increased by ¥405 million from the end of the previous fiscal year to ¥2,888 million. This was mainly due to an increase in software.

Investments and other assets increased by ¥7,558 million from the end of the previous fiscal year to ¥13,841 million. This was mainly due to an increase in investment securities.

Consequently, assets increased by ¥10,891 million from the end of the previous fiscal year to ¥80,893 million.

## (Liabilities)

Current liabilities increased by ¥2,625 million from the end of the previous fiscal year to ¥30,489 million. This was mainly due to an increase in short-term borrowings.

Non-current liabilities decreased by ¥1,999 million from the end of the previous fiscal year to ¥8,585 million. This was mainly due to a decrease in long-term borrowings.

Consequently, liabilities increased by ¥626 million from the end of the previous fiscal year to ¥39,075 million.

## (Net assets)

Net assets increased by ¥10,265 million from the end of the previous fiscal year to ¥41,817 million. This was mainly due to an increase in retained earnings.

## (5) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter, "cash") at the end of the fiscal year under review increased by ¥4,193 million from the end of the previous fiscal year to ¥36,497 million.

Cash flows for the fiscal year under review are summarized as follows:

	Previous period (Year ended March 31, 2022)	Current period (Year ended March 31, 2023)	YoY change
Cash flows from operating activities	¥7,980 million	¥12,561 million	¥4,580 million
Cash flows from investing activities	¥ (1,586) million	¥ (7,642) million	¥ (6,056) million
Cash flows from financing activities	¥1,385 million	¥ (725) million	¥ (2,110) million

## (Cash flows from operating activities)

Net cash provided by operating activities was ¥12,561 million (¥7,980 million provided in the same period of the previous fiscal year). This was mainly attributable to a profit before income taxes of ¥11,127 million, a decrease in inventories of ¥2,330 million, income taxes paid of ¥1,213 million, and a decrease in liabilities relating to paid-in transactions of ¥1,105 million.

## (Cash flows from investing activities)

Net cash used in investing activities was ¥7,642 million (¥1,586 million used in the same period of the previous fiscal year). This was mainly due to purchase of investment securities of ¥5,126 million, purchase of non-current assets of ¥1,344 million, and payments for investments in capital of ¥1,012 million.

## (Cash flows from financing activities)

Net cash used in financing activities was ¥725 million (¥1,385 million used in the same period of the previous fiscal year). This was mainly due to net increase (decrease) in short-term borrowings of ¥5,349 million, repayments of long-term borrowings of ¥5,051 million, cash dividends paid of ¥645 million and purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥486 million.

## (Reference) Trends in cash flow-related indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Shareholders' equity ratio	50.8%	52.6%	56.9%	43.4%	48.4%
Shareholders' equity ratio based on market value	35.6%	14.7%	35.6%	41.6%	167.3%
Cash flow to interest-bearing liabilities ratio	7.1 years	-	3.0 years	1.6 years	1.1 years
Interest coverage ratio	28.6 times	-	40.7 times	102.5 times	157.3 times

Shareholders' equity ratio: shareholders' equity/ total assets

Shareholders' equity ratio based on market value: market capitalization (closing share price at the end of the period)/ total assets

Cash flow to interest-bearing liabilities ratio: interest-bearing liabilities/ operating cash flow

Interest coverage ratio: operating cash flow/ interest expenses

(Notes) 1. All figures are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.

3. Interest-bearing liabilities covers all liabilities that pay interest out of liabilities recorded in the consolidated balance sheet.

4. Cash flow to interest-bearing liabilities ratio and interest coverage ratio are not stated when operating cash flow is negative.

## 2. Basic policy regarding selection of accounting standards

The Group considers the financial statements prepared in accordance with Japanese GAAP to be appropriate for the purpose of presenting the status of the Company's current business. With regard to the application of IFRS, we intend to respond appropriately, taking into account various domestic and overseas circumstances.

## 3. Consolidated financial statements and important notes

## (1) Consolidated balance sheets

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2022)	Current consolidated fiscal year (As of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	32,404	36,597
Notes receivable – trade	881	1,733
Accounts receivable – trade	11,334	8,878
Contract assets	474	324
Electronically recorded monetary claims – operating	708	1,957
Merchandise and finished goods	388	339
Work in process	2,874	1,902
Raw materials and supplies	1,831	1,997
Merchandise rights	3,207	1,734
Other	2,615	3,441
Allowance for doubtful accounts	(23)	(37)
Total current assets	56,698	58,868
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,137	5,479
Accumulated depreciation	(3,264)	(3,387)
Buildings and structures, net	1,872	2,091
Machinery, equipment and vehicles	90	96
Accumulated depreciation	(70)	(73)
Machinery, equipment and vehicles, net	20	22
Tools, furniture and fixtures	3,722	3,703
Accumulated depreciation	(3,233)	(3,245)
Tools, furniture and fixtures, net	489	457
Land	1,922	1,929
Construction in progress	233	793
Total property, plant and equipment	4,538	5,295
Intangible assets		
Goodwill	1,623	1,677
Other	859	1,210
Total intangible assets	2,482	2,888
Investments and other assets		
Investment securities	1,429	7,959
Long-term loans receivable	215	681
Deferred tax assets	529	962
Leasehold and guarantee deposits	2,226	2,247
Other	2,210	2,197
Allowance for doubtful accounts	(328)	(207)
Total investments and other assets	6,282	13,841
Total non-current assets	13,303	22,024
Total assets	70,001	80,893

(Unit: millions of yen)

	Previous consolidated fiscal year (As of March 31, 2022)	Current consolidated fiscal year (As of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	13,128	12,402
Short-term borrowings	1,202	6,549
Current portion of long-term borrowings	5,030	2,794
Income taxes payable	608	1,358
Contract liabilities	1,464	1,029
Provision for bonuses	291	273
Provision for bonuses for directors (and other officers)	46	159
Other	6,092	5,923
<b>Total current liabilities</b>	<b>27,864</b>	<b>30,489</b>
Non-current liabilities		
Long-term borrowings	6,530	3,994
Retirement benefit liability	809	862
Asset retirement obligations	800	1,213
Other	2,444	2,515
<b>Total non-current liabilities</b>	<b>10,584</b>	<b>8,585</b>
<b>Total liabilities</b>	<b>38,449</b>	<b>39,075</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,576	7,390
Retained earnings	16,771	24,217
Treasury shares	(1,946)	(1,644)
<b>Total shareholders' equity</b>	<b>30,349</b>	<b>37,912</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	1,194
Foreign currency translation adjustment	1	1
Remeasurements of defined benefit plans	3	12
<b>Total accumulated other comprehensive income</b>	<b>23</b>	<b>1,208</b>
Share acquisition rights	28	45
Non-controlling interests	1,150	2,651
<b>Total net assets</b>	<b>31,551</b>	<b>41,817</b>
<b>Total liabilities and net assets</b>	<b>70,001</b>	<b>80,893</b>

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

## Consolidated statements of income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
Net sales	94,900	117,125
Cost of sales	79,116	91,799
Gross profit	15,784	25,326
Selling, general and administrative expenses		
Advertising expenses	1,021	1,191
Salaries	4,103	4,379
Provision for bonuses	135	200
Retirement benefit expenses	64	68
Outsourcing expenses	828	1,465
Travel and transportation expenses	258	312
Depreciation	415	415
Rent expenses on land and buildings	1,199	1,202
Provision of allowance for doubtful accounts	15	(63)
Amortization of goodwill	252	260
Provision for bonuses for directors (and other officers)	46	159
Other	3,998	4,784
Total selling, general and administrative expenses	12,339	14,376
Operating profit (loss)	3,444	10,950
Non-operating income		
Interest income	2	4
Dividend income	1	5
Purchase discounts	157	129
Share of profit of entities accounted for using equity method	59	90
Distributions from investments	33	21
Other	110	133
Total non-operating income	365	385
Non-operating expenses		
Interest expenses	77	79
Financing expenses	67	4
Provision of allowance for doubtful accounts for subsidiaries and associates	17	6
Other	13	27
Total non-operating expenses	176	116
Ordinary profit (loss)	3,634	11,218

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
<b>Extraordinary income</b>		
Gain on sale of shares of subsidiaries and associates	304	-
Gain on sale of non-current assets	2	1
Gain on sale of investment securities	231	-
Other	2	0
Total extraordinary income	541	1
<b>Extraordinary losses</b>		
Loss on sale of shares of subsidiaries and associates	-	38
Loss on retirement of non-current assets	56	46
Loss on sale of membership	-	7
Loss on litigation	24	-
Losses from coronavirus disease (COVID-19)	46	-
Loss on liquidation of business	105	-
Other	3	0
Total extraordinary losses	234	91
Profit (loss) before income taxes	3,941	11,127
Income taxes – current	698	1,963
Income taxes – deferred	104	(859)
Total income taxes	803	1,103
Profit (loss)	3,137	10,024
Profit attributable to non-controlling interests	666	1,802
Profit attributable to owners of parent	2,471	8,221

## Consolidated statement of comprehensive income

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
Profit (loss)	3,137	10,024
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	1,174
Foreign currency translation adjustment	0	0
Remeasurements of defined benefit plans, net of tax	3	8
Total other comprehensive income	(91)	1,183
Comprehensive income	3,046	11,207
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,377	9,406
Comprehensive income attributable to non-controlling interests	669	1,801

## (3) Consolidated statement of change in equity

Previous fiscal year (April 1, 2021 to March 31, 2022)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,948	7,579	16,104	(1,946)	29,686
Cumulative effects of changes in accounting policies			(1,441)		(1,441)
Restated balance	7,948	7,579	14,663	(1,946)	28,245
Changes during period					
Dividends of surplus			(323)		(323)
Profit (loss) attributable to owners of parent			2,471		2,471
Purchase of treasury shares					-
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries		(3)			(3)
Change in scope of consolidation			(39)		(39)
Change due to new consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(3)	2,107	-	2,104
Balance at end of period	7,948	7,576	16,771	(1,946)	30,349

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	116	1	(0)	117	7	632	30,443
Cumulative effects of changes in accounting policies						(146)	(1,587)
Restated balance	116	1	(0)	117	7	486	28,856
Changes during period							
Dividends of surplus							(323)
Profit (loss) attributable to owners of parent							2,471
Purchase of treasury shares							-
Disposal of treasury shares							-
Purchase of shares of consolidated subsidiaries							(3)
Change in scope of consolidation							(39)
Change due to new consolidation							-
Net changes in items other than shareholders' equity	(98)	0	3	(93)	21	663	591
Total changes during period	(98)	0	3	(93)	21	663	2,695
Balance at end of period	18	1	3	23	28	1,150	31,551

Current consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,948	7,576	16,771	(1,946)	30,349
Cumulative effects of changes in accounting policies					-
Restated balance	7,948	7,576	16,771	(1,946)	30,349
Changes during period					
Dividends of surplus			(646)		(646)
Profit (loss) attributable to owners of parent			8,221		8,221
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(128)	302	173
Purchase of shares of consolidated subsidiaries		(191)			(191)
Change in scope of consolidation					-
Change due to new consolidation		5			5
Net changes in items other than shareholders' equity					
Total changes during period	-	(185)	7,446	301	7,562
Balance at end of period	7,948	7,390	24,217	(1,644)	37,912

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	18	1	3	23	28	1,150	31,551
Cumulative effects of changes in accounting policies							-
Restated balance	18	1	3	23	28	1,150	31,551
Changes during period							
Dividends of surplus							(646)
Profit (loss) attributable to owners of parent							8,221
Purchase of treasury shares							(0)
Disposal of treasury shares							173
Purchase of shares of consolidated subsidiaries							(191)
Change in scope of consolidation							-
Change due to new consolidation							5
Net changes in items other than shareholders' equity	1,175	(0)	8	1,184	17	1,500	2,702
Total changes during period	1,175	(0)	8	1,184	17	1,500	10,265
Balance at end of period	1,194	1	12	1,208	45	2,651	41,817

## (4) Consolidated statements of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	3,941	11,127
Depreciation	737	781
Amortization of goodwill	252	260
Increase (decrease) in allowance for doubtful accounts	18	(106)
Increase (decrease) in provision for bonuses	3	(18)
Increase (decrease) in provision for bonuses for directors (and other officers)	31	113
Increase (decrease) in retirement benefit liability	41	(19)
Interest and dividend income	(4)	(9)
Purchase discounts	(157)	(129)
Share of loss (profit) of entities accounted for using equity method	(59)	(90)
Interest expenses	77	79
Investments in capital depreciation	361	797
Loss (gain) on sale of shares of subsidiaries and associates	(304)	38
Loss (gain) on sale of investment securities	(231)	-
Decrease (increase) in trade receivables	(7,644)	551
Decrease (increase) in inventories	666	2,330
Loss (gain) on sale of non-current assets	(2)	(1)
Decrease (increase) in accounts receivable - other	(585)	(229)
Decrease (increase) in prepaid expenses	55	(3)
Decrease (increase) in advances paid	3	(90)
Increase (decrease) in trade payables	9,433	(631)
Increase (decrease) in relating to paid-in transactions	(170)	(1,105)
Increase (decrease) in accounts payable - other	240	676
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	486	797
Increase (decrease) in deposits received	602	(640)
Other, net	526	(632)
Subtotal	8,321	13,844
Interest and dividends received	5	9
Interest paid	(77)	(79)
Income taxes refund (paid)	(268)	(1,213)
Net cash provided by (used in) operating activities	7,980	12,561

(Unit: millions of yen)

	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(943)	(812)
Proceeds from sale of property, plant and equipment	2	4
Purchase of intangible assets	(243)	(531)
Purchase of investment securities	(70)	(5,126)
Proceeds from sale of investment securities	492	79
Proceeds from redemption of investment securities	109	-
Purchase of shares of subsidiaries and associates	(10)	-
Proceeds from sale of shares of subsidiaries and associates	502	273
Payments for investments in capital	(1,475)	(1,012)
Loan advances	(0)	(483)
Proceeds from collection of loans receivable	56	18
Payments of leasehold and guarantee deposits	(0)	(25)
Proceeds from refund of leasehold and guarantee deposits	109	14
Other, net	(113)	(42)
Net cash provided by (used in) investing activities	(1,586)	(7,642)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	946	5,349
Repayments of long-term borrowings	(4,063)	(5,051)
Proceeds from long-term borrowings	4,858	-
Dividends paid	(322)	(645)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9)	(486)
Other, net	(24)	109
Net cash provided by (used in) financing activities	1,385	(725)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	7,779	4,193
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	32,304	36,497

## (5) Note regarding the consolidated financial statements

(Notes regarding the operation of the company as a going concern)

Not applicable.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) etc. from the beginning 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 consolidated financial statements.

(Changes in presentation method)

(Consolidated statement of cash flows)

“Decrease (increase) in accounts receivable – other” and “Increase (decrease) in relating to paid-in transactions” which were included in “Other, net” under “Cash flows from operating activities” in the previous fiscal year have been presented separately from the current fiscal year due to an increase in their monetary materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

Consequently, in statement of cash flows for the previous fiscal year, ¥(230) million of presented in “Other, net” under “Cash flows from operating activities” has been reclassified as ¥(585) million of “Decrease (increase) in accounts receivable – other,” ¥(170) million of “Increase (decrease) in liabilities relating to paid-in transactions” and ¥526 million of “Other, net.”

“Purchase of shares of subsidiaries not resulting in change in scope of consolidation”, which was included in “Other, net” under “Cash flows from investing activities” in the previous fiscal year, has been presented separately from the current fiscal year due to an increase in its monetary materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

Accordingly, ¥(33) million, which was included in “Other, net” under “Cash flows from financing activities” in statement of cash flows for the previous fiscal year, has been reclassified as ¥(9) million for “Purchase of shares of subsidiaries not resulting in change in scope of consolidation” and ¥(24) million for “Other, net.”

(Changes in accounting estimates)

During the fiscal year under review, estimates of asset retirement obligations, which are recorded as an obligation to restore properties to their original condition associated with real estate lease contracts, were revised as new information on the costs of restoring properties to their original condition was obtained. The increased amount of ¥412 million due to the change in estimate has been added to asset retirement obligations balance prior to the change.

These changes in estimates were made at the end of the fiscal year under review, so there was no impact on the Company’s earnings for 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 Intellectual Property (IP) is expected to increase further in the future, under the holding company structure, we have revised the single segment centered on 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).

(Segment information, etc.)

[Segment information]

## 1. The outline of any reporting segment

The reporting segments of the Company are components of the Group for which separate financial data is available and which are regularly reviewed by board of directors to determine resource allocation and assess performance.

Our group comprises segments by products and services handled by the operating companies. We have two reportable segments: content and digital, and PS.

The content and digital business segment plans, produces, and distributes visual products and engages in merchandise and advertising licensing. PS segment plans, develops, manufactures, and sells PS machine.

In each business, the company which serves as the business controlling company is the center of planning and promoting business strategies in Japan and overseas.

## 2. Methods of measuring net sales, profit (loss) and assets etc. of reporting segments

The accounting method for the reporting segments is the same as the accounting method used in the preparation of the consolidated financial statements.

Income of reporting segments is based on operating profit.

## 3. Information on net sales and profit (loss) and assets etc. by reporting segment

Previous fiscal year (April 1, 2021, to March 31, 2022)

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	8,851	83,715	92,567	2,333	94,900	—	94,900
Intersegment net sales or transfers	254	—	254	1	255	(255)	—
Total	9,105	83,715	92,821	2,335	95,156	(255)	94,900
Segment profit	1,465	1,750	3,216	92	3,308	136	3,444
Segment assets	8,160	62,564	70,725	2,030	72,755	(2,754)	70,001
Other items							
Depreciation	246	391	638	99	737	—	737
Amortized amount of goodwill	—	252	252	—	252	—	252
Investment amount to equity-method affiliates	—	33	33	681	715	—	715
Increase in property, plant and equipment and intangible assets additions	938	302	1,240	8	1,249	—	1,249

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

2. Adjusted amounts are as follows.

(1) ¥136 million for adjustment to segment profit includes ¥136 million for the elimination of intersegment transactions.

(2) ¥(2,754) million for adjustment to segment assets includes ¥(2,754) million for the elimination of intersegment transactions.

3. Segment profit is adjusted with operating profit of consolidated statement of income.

Current fiscal year (April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	14,029	100,805	114,835	2,290	117,125	—	117,125
Intersegment net sales or transfers	503	3	506	14	521	(521)	—
Total	14,532	100,808	115,341	2,305	117,646	(521)	117,125
Segment profit	4,378	7,714	12,092	75	12,168	(1,218)	10,950
Segment assets	13,019	44,835	57,854	1,416	59,271	21,621	80,893
Other items							
Depreciation	343	359	703	32	735	45	781
Amortized amount of goodwill	—	260	260	—	260	—	260
Investment amount to equity-method affiliates	—	36	36	454	491	—	491
Increase in property, plant and equipment and intangible assets additions	867	344	1,211	9	1,220	305	1,526

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

2. Adjusted amounts are as follows.

- (1) ¥(1,218) million for adjustment to segment profit includes ¥(26) million for the elimination of intersegment transactions and ¥(1,191) million for corporate expenses that are not allocated to individual reporting segments.
- (2) ¥21,621 million for adjustment to segment assets includes ¥(8,693) million for the elimination of intersegment transactions and ¥30,315 million for corporate assets not allocated to the respective reporting segments.
- (3) ¥45 million for adjusted amount of depreciation is depreciation related to corporate assets not allocated to reporting segments.
- (4) ¥305 million for adjusted amount to the increase in property, plant and equipment and intangible assets relates to corporate assets that is not allocated to reporting segments

3. Segment profit is adjusted with operating profit of consolidated statement of income.

## 4. Changes in reporting segments

As a result of the transition to a holding company structure implemented on October 3, 2022, we have changed from the previous a single segment to two reporting segments, the contents and digital business and PS business, from the third quarter of the fiscal year under review.

Segment information for the previous fiscal year is prepared based on the classification of reporting segments for the current fiscal year.

(Per share information)

Item	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
Net assets per share	¥469.71	¥598.18
Profit (loss) per share	¥38.21	¥126.70
Diluted profit (loss) per share	¥38.09	¥125.74

(Note) 1. On March 21, 2023, we conducted a 2-for-1 stock split of our common share. Accordingly, per share information is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

2. The basis for calculating profit per share or loss per share is as follows:

Item	Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (April 1, 2022 to March 31, 2023)
Profit per share or loss per share		

Profit (loss) attributable to owners of parent (millions of yen)	2,471	8,221
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit (loss) attributable to owners of parent attributable to common share (millions of yen)	2,471	8,221
Average number of shares of common stock outstanding during the period (shares)	64,663,400	64,891,355
Diluted profit (loss) per share		
Adjustment of profit attributable to owners of parent (millions of yen)	—	—
Increase in common share (shares)	209,120	497,578
Outline of dilutive shares not included in the calculation of diluted profit per share because they have no dilutive effect	—	—

(Significant subsequent events)

Not applicable.