



Level up your happiness

Financial Results for the Fiscal Year Ending March 2024

April 30, 2024

KOEI TECMO HOLDINGS CO., LTD.

Financial Summary

(Million Yen)

	FY22 Full Year		FY23 Full Year		Vs Previous Year	
	Amount	Ratio	Amount	Ratio	Amount	% Change
Sales	78,417	-	84,584	-	6,167	7.9%
Operating Profit	39,133	49.9%	28,494	33.7%	△ 10,639	-27.2%
Ordinary Profit	39,899	50.9%	45,741	54.1%	5,842	14.6%
Net Profit	30,935	39.4%	33,792	40.0%	2,857	9.2%

- Increase in sales due to new online/mobile titles.
- Product mix in FY23 is focused on titles published in-house.
- Employment costs and outsourcing costs increased.
Development costs covered by collaborative partners decreased.
- Advertising costs increased.

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• In terms of consolidated results for the fiscal year ending March 2024, sales reached a record high due to the contribution of our new mobile titles.

• Although operating profit decreased, non-operating income and expenses were the highest since the business integration, and net profit increased from the previous year.

• The reason for the decrease in operating profit was that, compared to the previous year where the proportion of royalty sales from collaborative titles was high, the product mix for the current fiscal year was mainly composed of titles published in-house.

• In particular, sales commissions, royalty costs, and advertising costs were higher than in the previous year due to the concentrated release of new in-house-developed mobile titles.

• In addition, fixed costs have increased overall due to rising employment costs and outsourcing costs, as well as a decrease in the amount of development costs borne by our business partners.

Cf. Financial Highlights

https://www.koeitecmo.co.jp/e/ir/docs/ir1_20240430_e.pdf



The Differences from the Plan

(Million Yen)

	FY23 Plan		FY23 Results		Vs Plan	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Sales	95,000	-	84,584	-	(10,416)	(11.0%)
Operating Profit	37,500	39.5%	28,494	33.7%	(9,006)	(24.0%)
Ordinary Profit	40,500	42.6%	45,741	54.1%	5,241	12.9%
Net Profit	31,000	32.6%	33,792	40.0%	2,792	9.0%

- The following didn't reached targets:
 - Sales of new console and mobile titles
 - Repeat sales of titles launched in FY2022
- One title had delayed to next fiscal year
- The ratio of high-margin royalty sales decreased
- Employment costs and advertising costs were generally in line with expectations
- Outsourcing costs were higher than plan
- Development costs covered by collaborative partners was within the expected range

• First, sales of console and mobile titles launched during this fiscal year were lower than expected. Sales of titles released in fiscal year 2022 were also lower than planned. And, one title has been postponed to FY24. In addition, high profit ratio royalty sales from collaborative titles were lower than planned, resulting in a significant decrease in operating profit due to the decline in sales.

• Regarding costs, overall there was no major difference from the projections in our plan, but outsourcing costs for some titles were higher than expected.

• We had made a conservative forecast for non-operating income and expenditures based on the results of fiscal year 2022, but the results far exceeded our expectations, and net profit exceeded the amount in our plan.

Results by Business Segment

		(Million Yen)		
		FY22	FY23	VS
		Full year	Full year	Previous year
Entertainment	Sales	73,917	79,486	5,569
	Operating Profit	38,475	28,304	△ 10,171
Amusement	Sales	3,388	3,918	530
	Operating Profit	594	673	79
Real Estate	Sales	1,287	1,205	△ 82
	Operating Profit	236	151	△ 85
Others	Sales	366	389	23
	Operating Profit	△ 173	△ 635	△ 462
Corporate & Elimination	Sales	△ 542	△ 415	127
	Operating Profit	-	-	-
Total	Sales	78,417	84,584	6,167
	Operating Profit	39,133	28,494	△ 10,639

- Sales and operating profit for each business segment are as shown.
- The Entertainment Segment results were explained in the consolidated results section.
- As for the Amusement Segment, the number of existing stores in amusement facilities has increased. In the Pachinko & Pachislot Business Division, sales from development consignment increased.
- In the Real Estate Department, although KT Zepp Yokohama had a high occupancy rate, there was a decrease in sales and profit due to the selling off of one real estate property.
- The other segment includes the Venture Capital Business. The management expenses for invested funds has been booked.

Results by Region

(Million Yen)

	FY22 Full Year		FY23 Full Year		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	38,437	49.0%	50,826	60.1%	12,389	32.2%
Overseas	39,980	51.0%	33,758	39.9%	△ 6,222	-15.6%
N. America	11,608	14.8%	7,781	9.2%	△ 3,827	-33.0%
Europe	3,361	4.3%	3,545	4.2%	184	5.5%
Asia	25,011	31.9%	22,432	26.5%	△ 2,579	-10.3%
Total	78,417	100.0%	84,584	100.0%	6,167	7.9%

Japan : Increase due to new mobile titles

Overseas : Decrease in sales of new console titles

- Sales by region are as shown.
 The overseas sales ratio was 39.9%.

Sales Units by Region

(1000 Copies)

	FY22 Full year		FY23 Full year		Vs Previous Year	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	2,950	30.6%	2,420	33.0%	△ 530	-18.0%
Overseas	6,690	69.4%	4,920	67.0%	△ 1,770	-26.5%
N. America	2,850	29.6%	2,180	29.7%	△ 670	-23.5%
Europe	1,570	16.3%	1,360	18.5%	△ 210	-13.4%
Asia	2,270	23.5%	1,380	18.8%	△ 890	-39.2%
Total	9,640	100.0%	7,340	100.0%	△ 2,300	-23.9%
DL Units	6,455		5,110		△ 1,345	-20.8%
DL Ratio	67.0%		69.6%		+2.6pt	

Overseas : Decrease in new titles

Digital Sales Ratio: The DL ratio of new and back catalogs increased

- The total number of units sold was 7.34 million units. The number of digital sales was 5.11 million, making the digital sales ratio 69.6% of the total.

Breakdown on the Sales for Entertainment Segment

		(Million Yen)			
		FY22 Full Year	FY23 Full Year	VS Previous year	% Change
Console	Package ^[1]	16,407	13,206	△ 3,201	-19.5%
	DL ^[2]	19,380	14,060	△ 5,320	-27.5%
	DLC ^[3]	1,770	2,600	830	46.9%
		37,557	29,866	△ 7,691	-20.5%
Online/	PC Online ^[4]	810	520	△ 290	-35.8%
Mobile	Smartphone/Social ^[5]	34,290	48,200	13,910	40.6%
	Others	160	0	△ 160	-100.0%
		35,260	48,720	13,460	38.2%
Events & Goods		1,100	900	△ 200	-18.2%
Sales for Entertainment Segment		73,917	79,486	5,569	7.5%

Console: Decrease in new titles

Online/Mobile: Increase due to new titles developed in-house

[1] Including sales for packages, royalty, commission fees (incl. %-of-completion basis), and down payment
 [2] DL (download) sales: sales for digital copies via PSN/XboxLive/Switch DL/Steam

[3] DLC (Download contents): Sales for additional items and scenario via download

[4] Sales for MMORPG and some other titles (Uncharted Waters V, Uncharted Waters VI, Nobunaga's Ambition 20XX)

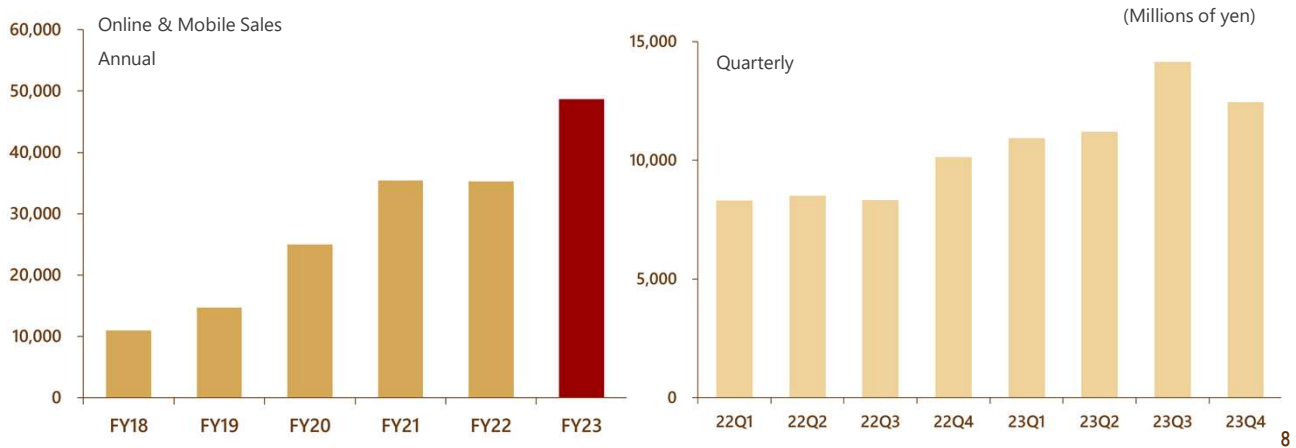
[5] Including sales for online/mobile games, social games, browser games, and royalty from IP licensing-out

• In the console sector, sales decreased due to lower sales of new titles compared to the previous year.

• In the online/mobile games sector, sales increased significantly and reached an all-time high due to new titles developed in-house and through IP licensing.

Sales Trend in Online/Mobile

- ◆ Sales in the online and mobile fields **achieved the highest ever**
- ◆ In a fiercely competitive environment, we achieved growth with in-house developed titles and established stable source of earnings



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• This shows the sales trends of the online and mobile sector.

• We set a new record high by launching multiple new mobile titles developed in-house during fiscal year 2022 and fiscal year 2023. Although the online/mobile game market is a difficult environment, we were able to establish a unique position for each title and create new sources of revenue.

• Initial costs associated with the start of new titles have been concentrated recently. But our each of our titles has high continuity, so that we will continue to work to improve profitability and make these titles contribute to profit for long-term.

Major Costs/Headcounts

		(million yen/headcounts)			
		FY22 FullYear	FY23 FullYear	Change	% Change
Employment costs	COGS	16,630	18,580	1,950	11.7%
	SGA	4,160	4,490	330	7.9%
		20,790	23,070	2,280	11.0%
Outsourcing costs	COGS	5,410	9,150	3,740	69.1%
Advertising costs	SGA	4,750	5,650	900	18.9%
Total Headcount^[1]		2,384	2,531	147	6.2%

Development costs borne by collaborative partners⁽²⁾: Decreased year-on-year

◆ Other expenses in Q4, FY23 compared to the previous quarter

- Development costs covered by collaborative partners (COGS): the same level
- Sales commissions, royalty expenses (SGA): Decrease

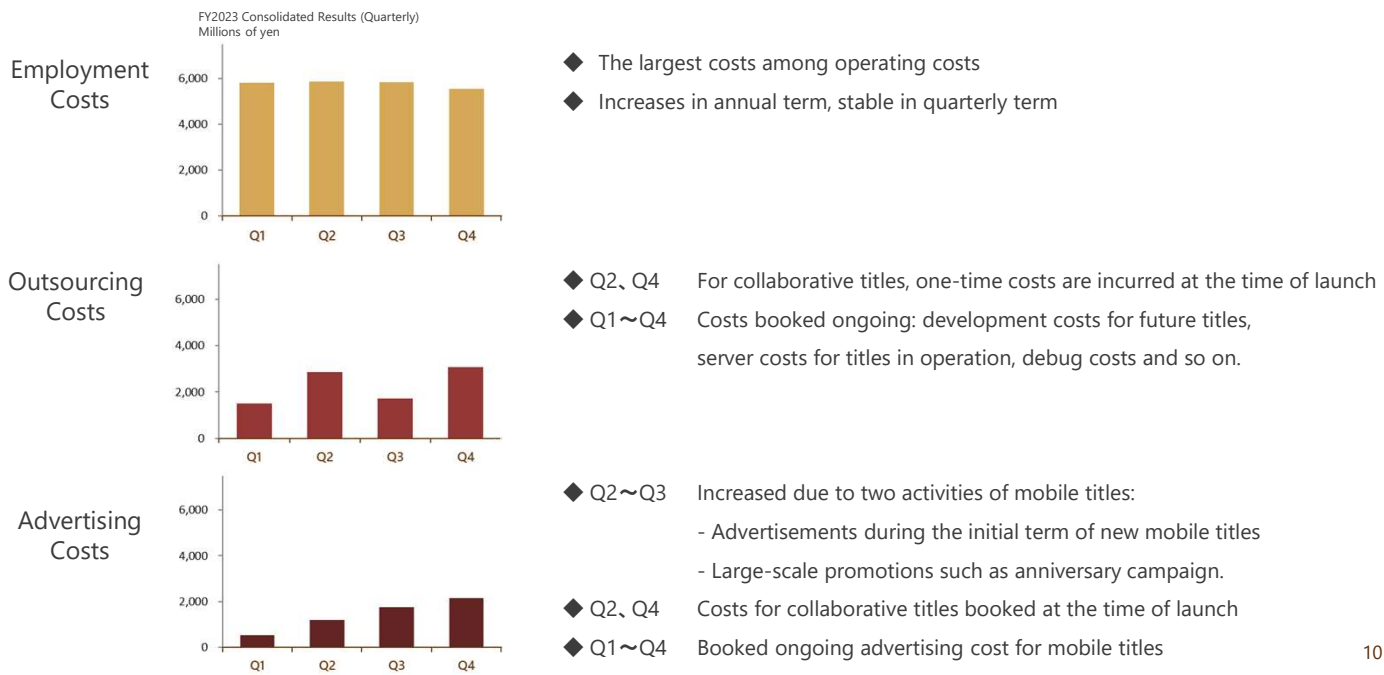
^{*1} The number of employees excludes temporary employees.
^{*2} Booked as reduction of COG

•As an investment for the further growth of the Group, we hired 158 new graduates within Japan, increased base pay, and worked to improve employee welfare, resulting in increase by 2.2 billion yen in employment costs compared to the previous year.

•Outsourcing costs in FY23 increased by one-time costs related to collaborative titles. And the cost for development investment for future, spent for server, debugging and so on have been booked.

•Advertising costs also increased due to the release of new mobile games and anniversary promotions.

Quarterly Trends in Costs



• Employment costs are booked as periodic expenses and account for a high proportion of entire operating expenses. Quarterly fluctuations were small, with increases annually due to increase in headcount, base pay and salary.

• Outsourcing costs increased due to the recording of one-time costs at the time of launch for collaborative titles during the second and fourth quarters. In addition, costs for titles set to be released in the future are booked throughout the fiscal year.

• Advertising costs increased in the second and third quarters due to the release of new mobile titles. For mobile, we focus on advertising at the start of distribution to attract users. Additionally, advertising costs related to collaborative titles were booked in the second and fourth quarters.



FY2024 Plan

Financial Summary (FY2024 Plan)

(Million Yen)

	FY23 Results		FY24 Plan		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Sales	84,584	-	90,000	-	5,416	6.4%
Operating Profit	28,494	33.7%	30,000	33.3%	1,506	5.3%
Ordinary Profit	45,741	54.1%	40,000	44.4%	(5,741)	(12.6%)
Net Profit	33,792	40.0%	30,000	33.3%	(3,792)	(11.2%)

◆ Based on the results of FY2023, the following has been formulated as a conservative plan.

- Unit Sales of Console: Repeats of titles launched in FY2022 and FY2023
- Online/Mobile : monthly sales of titles launched in FY2023
- Royalties form IP-licensing out

◆ Planned exchange rate: 145 yen/USD

* Note: exchange rate sensitivity is not disclosed.

•The full-year plan for fiscal year 2024 is as written.

•In fiscal year 2023, we did not achieve our initial plan due to the high goals we set for new major console and mobile titles. Based on these results, we have revised our plans for fiscal year 2024 and have set a conservative plan for repeat console sales, monthly sales of online/mobile games, and IP licensing royalties.

•The targets of 100 billion yen in sales, operating income of 40 billion yen, and ordinary income of 50 billion yen set forth in the 3rd Mid-Term Management Plan will be aimed for once again during the next mid-term management plan starting in fiscal year 2025.

Sales Units by Region (FY2024 Plan)

(1000 Copies)

	FY23 Full Year		FY24 Full Year (Plan)		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	2,420	33.0%	1,700	22.4%	△ 720	-29.8%
Overseas	4,920	67.0%	5,900	77.6%	980	19.9%
N. America	2,180	29.7%	2,100	27.6%	△ 80	-3.7%
Europe	1,360	18.5%	1,700	22.4%	340	25.0%
Asia	1,380	18.8%	2,100	27.6%	720	52.2%
Total	7,340	100.0%	7,600	100.0%	260	3.5%
DL units	5,110		4,400			
DL ratio	69.6%		57.9%			

- ◆ FY24 Plan includes:
 multiple new titles, repeat sales of the titles launched in 2023 and back catalogs

• The plan for sales units is 7.6 million.
 This includes multiple new titles, repeat sales of titles released in fiscal year 2023, and back catalogue sales.

Major Costs/Headcounts (FY2024 Plan)

(Million yen, Headcount)

	FY23 Results	FY24 Plan YoY Change	Trend
Employment Costs COG · SGA	23,070	Increase	Overall trend of over 10% annual increase continues
Outsourcing Costs COGS	9,150	Decrease	Gradual increase on an annual basis
Advertising Costs SGA	5,650	Decrease	Fluctuates in line with sales. Cost for mobile are concentrated before and after lanunch
Total Headcount^[1]	2,531	about +200	

Development costs covered by collaborative partners^{(*)2}: Decrease year-on-year

- Employment Costs : Maintained previous trend
- Continue to actively recruit and improve benefits as a growth investment
- Outsourcing costs : In FY 2023, amount is high due to one-time costs incurred by new titles
- Advertising Costs : Advertising costs for online/mobile games were concentrated in FY2023

*1 The number of employees excludes temporary employees

*2 Booked as reversal of COG

• Employment costs are expected to follow their current trend with no major deviations and are predicted to rise due to increases in headcount, base pay and salaries.

• The decrease in outsourcing costs is due to one-time costs related to the collaborative titles released in fiscal 2023 no longer being a factor. Outsourcing costs, such as development costs for future titles, are expected to increase gradually year by year.

• Advertising costs are expected to decrease in fiscal year 2024 due to advertising associated with the release of new online/mobile games having been concentrated in fiscal year 2023.

• The amount of development costs covered by collaborative partners is expected to decrease compared to fiscal year 2023, but this may change depending on development progress and the start of development for new collaborative titles.

Shareholder Return

Basic Policy

Consolidated yearly overall payout 50% for dividends or yearly dividend of 50 yen per stock including acquisition of treasury stock

	FY21 Actual	FY22 Actual	FY23 Forecast	FY24 Plan
Dividend per share (yen)	54.0	50.0	54.0	48.0
Total return ratio	50.3%	50.9%	50.4%	50.5%

Note:
 As of April 1, 2021, we have conducted a stock split of 1.3 shares per common stock, and on October 1, 2022, we have conducted a stock split of 2 shares per common stock. The figures after the stock split adjustment are described.

•In fiscal year 2023, non-operating income and expenses reached a record high and net income exceeded the plan. Based on these results, we have decided to pay dividends of 54 yen per share, which is higher than the initial forecast of 50 yen.

•Going forward, we will continue to provide returns to our shareholders based on our basic policy of "consolidated total distribution ratio of 50% or annual dividend of 50 yen per share."

Non-Operating Income and Expenditure - Policy

Focus on soundness and continuity while responding flexibly to market trends
Support core business by solidifying financial foundation

Policy

- Stabilize the financial base and support the core business *The company's KPI is operating profit.
- Invest surplus funds after investing in the business for each fiscal year
- Aim for continuity that enables stable earnings from a medium- to long-term perspective.
- Be agile and responsive to financial market trends
- Ensuring the soundness of the balance sheet

Recent Actions

- Shift to bond-centric portfolio
- Against the backdrop of good financial conditions, we have promoted the improvement of balance sheet, unrealized profit and loss.

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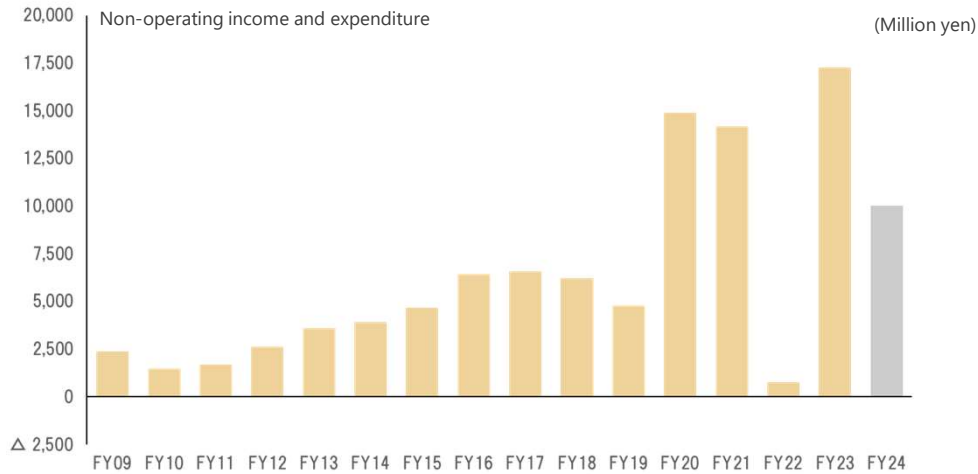
•The basic policy is as written.

•While maintaining stability and continuity from a medium to long-term perspective, we respond flexibly to uncertain market trends. We believe that this will solidify our financial base and support our core business.

•Most recently, we spent about two years reorganizing our portfolio into bond-focused one. Additionally, we have been disposing of non-performing assets in order to improve our soundness.

Non-Operating Income and Expenditure - Results

- ◆ **As a result of flexible responses to trends,
 non-operating income and expenditure have been consistently positive**
- ◆ **Return profit including non-operating income to shareholders through dividends**



• We have managed our operations based on our basic policy and have maintained a positive balance of income and expenditure. We will continue to provide returns to our shareholders while supporting our core business.

Measures to Maintain Listing on the Tokyo Stock Exchange Prime Market



In order to improve the tradable share ratio work to raise the valuation for our core business leading to a rise in stock prices

Premise

- ◆ In order to meet the criteria for listing on the TSE Prime Market, we need to meet the requirement of liquidity: tradable share ratio over 35%

Measures
(under progress)

- ◆ In December 2021, we implemented the scheme combines the following two:
 - Acquiring TOB treasury shares
 - Euro-yen convertible bonds with stock acquisition rights
Redemption date: December 2024 Conversion stock price: 2,649.4 yen*
- ▶ Promote conversion and increase the tradable share ratio

*As of 15 June 2023

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•In December 2021, we implemented a scheme combining a tender offer for treasury stock and euro-yen denominated convertible bonds with stock acquisition rights in order to meet the prime market listing requirement of tradable share ratio of over 35%.

•As the convertible bonds mature in December 2024, we will continue to improve the ratio of tradable shares by implementing initiatives that will lead to higher stock prices and encouraging conversion to stocks.

Mid to Long-Term Management Policy

KOEI TECMO HOLDINGS CO., LTD.
President & CEO (Representative Director)

Yoichi Erikawa



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The 3rd Mid-Term Management Plan(FY22-24) - Current State



Level up your happiness

The challenges in FY2022 and FY2023 fell short of the target.

**Share this experience with all of the company
and take it to the further growth**

**FY2022
and
FY2023**

- ◆ Years of aggressive challenges; 5 million-class title, mobile titles, new genres
- ◆ In FY2023 Sales and non-operating income and expenditure are at record highs
Operating income fell short of the plan.

FY2024

- ◆ Try to raise operating income to approach the MTMP target of 40 billion yen.
- ◆ Preparation for re-challenge in FY2025 and beyond.

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•Fiscal year 2022 and fiscal year 2023 were years in which our company actively took on challenges. We were able to break into and produce results in new genres like open world, location-based, and battle royale games.

•In fiscal year 2023, sales reached a record high due to the contribution of multiple mobile titles developed in-house. Operating income decreased as some titles did not reach their targets. But because we effectively managed funds while keeping a close eye on the financial market, non-operating income and expenses reached a record high, resulting in higher ordinary income and net income that exceeded our initial plan.

•We take the decline in operating income seriously, but we expect that by sharing this experience with all employees and overcoming this hardship, both the company and its employees will grow stronger. We will continue to take on positive challenges for the sake of our future success.

•During fiscal year 2024, we will work to exceed our plans through the release of new titles and repeat sales such as "Rise of the Ronin," as well as by increasing the profits of our mobile titles in operation.

The 3rd Mid-Term Management Plan(FY22-24) - Progress

● Priority goals/progress

◆ Operating income target of 40 billion yen

FY2024 plan of 30 billion yen → Continue to aim for achievement

◆ Console title with sales of 5 million copies (new IP)

2 titles launched in FY2022 and FY2023 → Continue to create AAA class titles

◆ Console title with sales of 2 million copies every fiscal year

3 titles have been launched in FY2022 and FY2023 → One title is planned for FY2024

◆ online/mobile game with monthly sales of 2 billion yen

Continue to aim for achievement

◆ Multiple online/mobile games with monthly sales of 1 billion yen

Achieved with 2 titles.

▶ We intend to announce The 4th Mid-Term Management Plan (FY2025-2027) at the beginning of FY2025

• Although we have released the titles which we put into our goals, there were some titles that did not achieve their targets for unit sales or monthly sales.

• In the new 4th Mid-Term Management Plan starting in 2025, we aim to achieve the goals from the 3rd Mid-Term Management Plan of 100 billion yen in sales, 40 billion yen in operating income, and 50 billion yen in ordinary income.

• The details of the 4th Mid-Term Management Plan will be announced at the beginning of fiscal year 2025.

The 3rd Mid-Term Management Plan(FY22-24) - Progress

- Priority goal: Console title "Rise of the Ronin"
 - AAA game with a new IP in a new genre
 - **Sales are surpassing the "Nioh" series, high valuation by players**
 - Significant step towards mid to long-term growth



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• Creating AAA-class titles is a major goal for our company. "Rise of the Ronin," which was released in March 2024, was our foray into the challenge of creating a new IP and AAA-class open world game. Sales have started to exceed those of "Nioh" and "Nioh 2." It received a user rating of 8.7 on Metacritic, a very high rating exceeding even that of the Nioh series. As this was our first attempt at an AAA-class open world, there were some challenges, but the action and battle design received high praise worldwide.

• This work is an important milestone for our company's mid to long term growth. Through the development of this title, we have taken our development capabilities to the next level, and this has become extremely meaningful as we look towards a future in which we will constantly create major hit titles on a global scale. We will build upon this experience and connect it to success in our next challenge.

Vision and Steps toward

Vision

To Become the World's No. 1 Digital Entertainment Company



Steps toward vision

- ◆ Aim to grow step-by-step
 - Increase operating profit on a mid-term basis.
 - Managing both growth potential and profitability.
- ◆ Key factor for mid to long-term growth:
Success in AAA titles, new genres and new IPs
- ◆ Build structure that allows us to consistently create large-scale hit titles in-house

Achievements during FY2023:

"Rise of the Ronin" and "NOBUNAGA'S AMBITION: Shutsujin"

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• Our vision is "To become the world's number one digital entertainment company." Being number one in the world is a lofty goal, but we will grow step by step while honing our skills.

• In our earnings structure, investment costs for future titles are incurred upfront. We will strive to achieve a steady increase in profits over the medium term while balancing stable earnings with challenges and achieving both growth and profitability.

• As an entertainment company, we believe that, taking on the challenge of new IPs and genres, and creating unprecedented entertainment are essential for mid to long term growth. We will persistently continue to take on challenges with the aim of success.

• In order to continue taking on challenges toward our major goals, we will continue to develop our human resources and build our organization to solidify our corporate structure. In the future, we aim to create a system that allows us to publish large-scale titles in-house.

• In fiscal year 2023, we were able to achieve a certain level of achievement with "Rise of the Ronin" and "NOBUNAGA'S AMBITION: Shutsujin." We will develop our next titles with the aim of achieving even greater results.

Steps toward Vision: Succession Plan



Level up your happiness

Transit gradually to the next generation of management **Solidify the foundation for long-term growth**

Implemented

- ◆ Formulation, implementation of management policies
- ◆ Entertainment and other business management
- ◆ Selection of next-generation management members and appointment of executive officers

In Progress

- ◆ Review of the governance system
- ◆ Gradual transfer of decision-making authority
- ◆ Gradual transfer of corporate management



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•For several years, we have been gradually transitioning to the next generation of younger management. The formulation and implementation of management policies and business management are handled by Executive Vice President Koinuma and Director Hayashi.

•We also proceeded with the selection and appointment of executive officers and managing executive officers, and selected members of the next generation of management.

•As a supervisor, I will continue to take the lead in maintaining our organizational structure. In fiscal year 2024, we will begin to further develop our corporate governance system. As a global company and a company listed on the prime market, we will accelerate the creation of a structure suitable for us and prepare for new KOEI TECMO led by the next generation of management.

•We have had difficult results in both the previous and this fiscal year, which have caused concern to our shareholders and investors, but the entire company is working together to overcome these challenges and head for mid to long term growth.

Highlights on FY2023

KOEI TECMO HOLDINGS CO., LTD.
Executive Vice President (Representative Director)
KOEI TECMO GAMES CO., LTD.
President & COO (Representative Director)

Hisashi Koinuma



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Major Titles(FY2023)

Segment	Title	Launch date		Sales Units
Console	Atelier Marie Remake: The Alchemist of Salburg PlayStation®5/PlayStation®4/Nintendo Switch™/Steam	23.7.13	-	120K Global
	NOBUNAGA'S AMBITION: AWAKENING PlayStation®5/PlayStation®4/Nintendo Switch™/Steam	23.7.20	-	180K Global
	Fate/Samurai Remnant PlayStation®5/PlayStation®4/Nintendo Switch™/Steam	23.9.29	Co-develop with TYPE-MOON, production- corporation with ANIPLEX	410K Global
	Wo Long: Fallen Dynasty Complete Edition PlayStation®5/ PlayStation®4/Xbox Series X S/Xbox One/Steam/Windows Digital Only	24.2.7	-	over 5M players* Global
	Rise of the Ronin PlayStation®5	24.3.22	Published by Sony Interactive Entertainment	Available now Global
	Winning Post 10 2024 PlayStation®5/PlayStation®4/Nintendo Switch™/Steam	24.3.28	-	60 K Japan
	Online	Nobunaga's Ambition: Hadou	22.12.1	-
Mobile	Nobunaga's Ambition: Shutsujin iOS/Android	23.8.31	-	Available now Japan
	Atelier Resleriana: Forgotten Alchemy and the Polar Night Liberator iOS/Android/Steam	23.9.23	Co-develop with Akatsuki Games	Available now Global

* cumulative number of players from the initial launch of "Wo Long: Fallen Dynasty", including Xbox Game Pass.

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•Our main titles for fiscal year 2023 are as listed.
For consoles, we released two major titles and several series titles. For online and mobile, we launched several new products that were developed in-house.

<Cf. Trailers of the titles in this slide>

“Nobunaga's Ambition: Awakening” Overview Trailer

<https://youtu.be/BAvirHy3p24>

“Fate/Samurai Remnant” Launch Trailer

<https://youtu.be/jZcqjEm0c3I>

“Wo Long: Fallen Dynasty Complete Edition” Launch Trailer

<https://youtu.be/IqDPpJHizrI>

“Atelier Resleriana” Official Promotional Video

<https://youtu.be/A503Tr-TB-I>

Highlights on FY2023



New titles have not reached their targets Existing titles contribute as a stable revenue stream

Console

- ◆ Two new major titles and titles launched in 2022 → Target not achieved
- ◆ The new titles of “series” are generally as expected.
- ◆ Back catalogs are stable

Online Mobile

- ◆ Launched 3 new titles
→ Although the target of each is not achieved, **segment sales are the highest ever**
- ◆ Existing titles remained stable
“NOBUNAGA’S AMBITION: Hadou” strong performance.

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•In fiscal year 2023, sales were the highest since our business integration. On the other hand, operating income results were not as expected.

•In terms of consoles, sales for two major titles and repeat sales of title released in fiscal year 2022 fell short.

On the other hand, new titles launched this year in existing series sold generally as expected. Additionally, sales of our back catalogue of games, including the Nioh series, were strong.

•As for online and mobile games, we launched three new titles. Although we fell short of the high targets set in our plans, overall sales in the online and mobile games sector grew to achieve record highs.

Major existing titles had stable performance. In particular, "NOBUNAGA'S AMBITION: Hadou" performed well, achieving the high monthly sales.

<Cf.“NOBUNAGA'S AMBITION: Hadou” Introduction Trailer (in Japanese) >
<https://youtu.be/4KAOK0qeoAQ>

Try to AAA-class: "Rise of the Ronin" Launched

- ◆ **Our first AAA-class open-world action RPG**
- ◆ **The culmination of KOEI TECMO's game creation and action game development by Team NINJA**
- ◆ **This title raised the level of our development, technology, and management**



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• "Rise of the Ronin" was released in March. This is our first AAA-class open world action RPG. Players freely explore the three cities of Edo, Yokohama, and Kyoto while surviving the turbulent end of the Edo period as a nameless "ronin," wandering warrior. A feature of the game is that the fate of the characters changes depending on the player's choices and actions as they interact with historical figures, such as Ryoma Sakamoto.

• As an action game, this title is a culmination of the experience and know-how of the Team NINJA brand. While carrying over and evolving the systems of "Nioh" and "Wo Long: Fallen Dynasty," we have also created content that can be played by a wide range of users. This is a game that follows our company's creative style, offering a rewarding experience set in an adventure-filled historical world.

• This title was developed with three challenges in mind: "AAA-class titles," "growing genres," and "new IPs." As this was a large-scale project that lasted for a long period of time, development required a higher level of technology as well as the human resources and support system needed to achieve that. Through the development of "Rise of the Ronin," we faced various challenges and made various improvements, and we feel that we have leveled up our capabilities.

Try to AAA-class: Current status of "Rise of the Ronin"

Our recognition

- ◆ METASCORE is "Generally Favorable" with a rating of 76 *¹
- ◆ **USER SCORE is very high, with a rating of 8.7** *¹
- ◆ Sales start that goes beyond the "Nioh" series("Nioh" and "Nioh2")

External Evaluation *₂

Highly acclaimed

- ◆ Action and combat
- ◆ Story and game experience
- ◆ Description of landscape and settings of Japan at end of Edo period

Challenges points

- ◆ Novelty as an open world
- ◆ Quality of Graphics

*¹ Score on Metacritic as of 26th April

*² External evaluation: referred from reviews by major gaming media



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• This is our perspective on the performance of "Rise of the Ronin."

• The Metascore was "Generally favorable" level, and the user score on Metacritic was extremely high compared to other titles. Although the number of units sold did not reach the plan, as of the end of March, 10 days after its release, it had surpassed the start of "Nioh" series. Based on the high ratings received from players, we believe it is entirely possible to achieve the goals set forth for this title.

• The external evaluation is as written. We received high praise for the action, which we put it selling point of the title. On the other hand, the novelty as the open world game and the graphics quality, which we had taken on as challenges, fell short of expectations for a AAA title.

• We will further analyze the evaluations and issues regarding this title and utilize them in future development. We will do our best to create AAA-class titles that exceed our users' expectations.

<Cf."Rise of the Ronin" Accolade Trailer>

<https://youtu.be/s3k3pw4gD8s>

Efforts into new genres: “NOBUNAGA’S AMBITION: Shutsujin”

- ◆ Walk-game “NOBUNAGA’S AMBITION: Shutsujin” is try into new genre for our company
- ◆ Although our first title to utilize GPS, achieved stable operation and good profitability
- ◆ Due to Title’s high affinity with historical sites and local events, proactively promoted tie-ins

That led the title function as an entry point for both the IP and brand

Major tie-up measures

Time	Tie-up with	Region
Sep-23	Event	Kanagawa
Oct-23	Local Event	Gifu
Oct-23	Local Event	Yamanashi
Nov/Dec-23	Rail transport	Tokyo-Osaka
Nov/Dec-23	Local Event	Osaka
Dec-23	Event	Kanagawa
Feb/Mar-24	Event	Tokyo
Mar-24	Event	Aichi
Mar-24	Historic site	Gifu,Fukui,Shiga
May-24	Traditional festival	Fukushima
May-24	TBA	-
May-24	TBA	-



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• “NOBUNAGA’S AMBITION: Shutsujin” was a foray into a new genre for our company: location-based games that utilize GPS.

• Although this title involved new technical challenges, such as the use of map information, it has achieved stable operations and profitability. Because this game's subject matter has a high affinity with history and tourism, we are actively collaborating with historical sites and events across the country. Through in-game content distribution, exhibitions at real events, and so on, we are also increasing the opportunities for this title to serve as an entry point to the NOBUNAGA’S AMBITION series and the KOU SHIBUSAWA brand. We will continue to aim for higher profitability and continuity in fiscal year 2024.

<Cf. “NOBUNAGA’S AMBITION: Shutsujin” Introduction Trailer (in Japanese)>
<https://youtu.be/-ht5g9RY7u0>

FY2024 Management Policy Priority Goals



Level up your happiness

Create and develop global IPs



•Our management policy for fiscal year 2024 is to continue our "creation and development of global IPs." We will develop IPs from a global perspective and deploy them in multiple fields to achieve growth and profitability.

FY2024 Management Policy/Priority Goals

◆ Growth Strategies

- Challenging growth genres (**open world**) <Updated>
- **Innovation in the production process**
using new technologies such as **generative AI** <added>

◆ Expansion of Global Business

◆ Sustainability initiatives (SDGs and ESG)

◆ Realization of stable investment income

◆ **Formulate the 4th Mid-Term Management Plan** <added>

Marked in red: Changes in FY2024

Matters not listed in this section will remain unchanged from FY2023.



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•Our priority goals are as written. Changes are shown in red.

•In terms of “Challenging growing genres,” we have created titles in the location-based and battle royale genres during last two years. We have decided to continue taking on the challenge of creating an open world from fiscal year 2024.

•We also aim to utilize new technology and bring about innovation in the production process. In addition, we are considering and researching generative AI, which would produce highly effective results into the production process.

•Additionally, we will proceed with the formulation of the Fourth Medium-Term Management Plan starting in fiscal year 2025.

Development Challenges

< Challenges >

< Countermeasures >

Expansion of development system	<ul style="list-style-type: none"> ◆ Actively recruit and train new graduates ◆ Implement a system and development management that corresponds to the AAA level
Improve Quality to AAA level	<ul style="list-style-type: none"> ◆ Promote the development of games that are highly acclaimed by users and the media ◆ Rebuild the internal quality control and review system. ◆ Katana Engine™ and R&D department will enhance development support to raise the technical standard of each title
Costs Reduction and management	<ul style="list-style-type: none"> ◆ Streamline the CG production environment and check system and use AI in some development processes. ◆ Automate debugging and quality control
Marketing directly leads to purchase	<ul style="list-style-type: none"> ◆ Form and expand a community and strengthen “spread” capabilities. ◆ Establish a global marketing setup

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•In order to realize our vision “To become the world's No. 1 digital entertainment company,” we will continue to upgrade our development structure to one that can produce major titles every fiscal year while building portfolio balanced between major titles and other title. In particular, we will focus on the four points listed.

•First, we will continue to expand our development system to strengthen our lineup. As in the past, our recruitment policy has emphasis on actively recruiting and training new graduates. At the same time, we are also building an organization and development management system that can support AAA-class development.

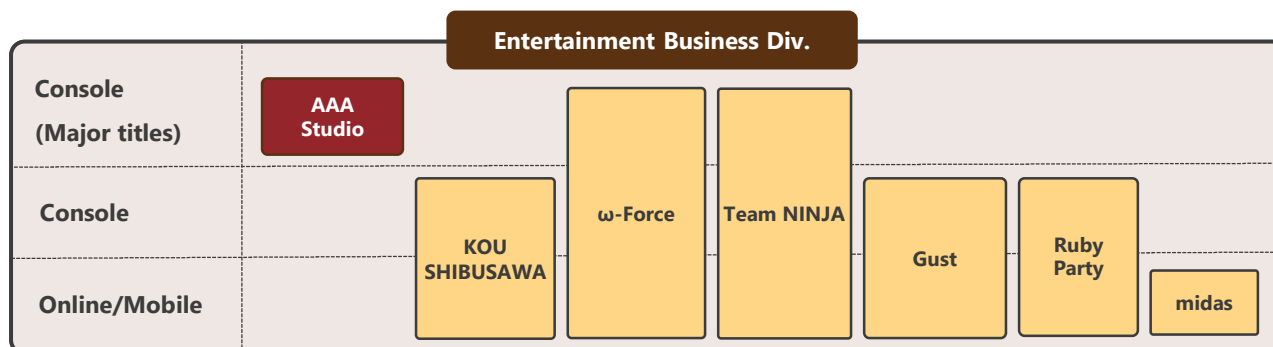
•In order to improve quality, we will promote projects and review systems that can earn high evaluations. We will strengthen development support through the Katana Engine and the R&D department and aim for an even higher level of technology.

•Regarding cost management and reduction, we will create a more efficient environment especially for CG production, which requires large-scale mass production and is costly. We will also move forward in automation with the use of AI in some development processes and debugging.

•Furthermore, we will strengthen marketing that is directly linked to purchasing behavior. Currently, for global AAA titles, we sometimes collaborate with partners but in the future we aim to create a system where we can conduct marketing and publishing ourselves.

Enhancement of development system: Launch of "AAA Studio"

- ◆ Established a new organization, "AAA Studio," to consistently launch major titles in the future
- ◆ "AAA Studio" has already started a project, transcends the framework of the brand system



Note: for now we are unable to disclose what titles this studio develop and when the title would be launched.

• In order for our company to grow over the mid to long term, we must constantly create new major AAA-class titles, which are the key to long-term growth, while also building a well-balanced portfolio. As a means of increasing the number of titles we can produce, we established "AAA Studio" in April.

• Managed by KOEI TECMO Games Vice President Yosuke Hayashi, who has brought success to games such as "Nioh," AAA Studio will specialize in large-scale projects without being bound by the framework of our "brand" system. We have already started work on the studio's first title.

• Led by launching AAA Games Studio, we are working to create a system that allows us to consistently release major titles.

Policy for Pipeline

Console

◆ **Constantly launch new titles**

Maintain and improve the numbers of title launch per year, scale of each title and development term by expanding development capacity

◆ **Build multi-layered and stable portfolio**

A well-balanced combination of many IPs, title scales and business models

Online
Mobile

◆ **Carefully select titles**

Utilize success stories and know-how to ensure the success of the title

◆ **Revitalize and extend the longevity of existing titles**

Improve profitability by carefully examining operating costs

• This is our policy for pipeline now.

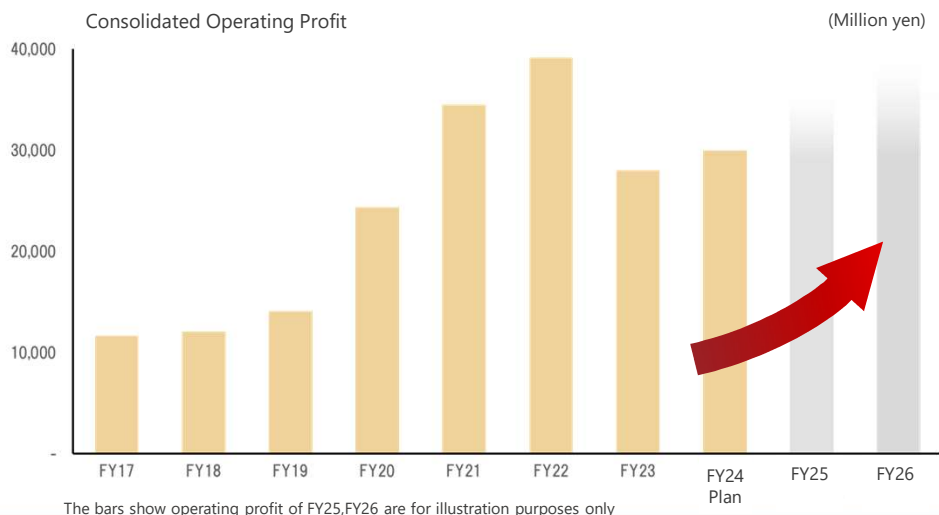
• First of all, regarding consoles, we will continue to constantly introduce new titles every year. Our policy is to make and maintain a balanced portfolio, which has multi-layered and stable revenue sources. This means we don't intend depending on specific IP or major title to generate stable revenue.

• Next, regarding online/mobile titles, we will carefully select titles with a high probability of success and then utilize our experience to develop unique titles. For titles that have already been released and in operation, we aim to achieve even higher profitability and continuity by reducing costs.

Direction of Performance and Pipeline

Intend Operating profit to be increasing trend from FY2024

- ▶ To achieve this, we plan to launch enough new titles, including several major titles
The titles are under development now



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- Based on the policy mentioned earlier, we are developing multiple new titles, including major titles, so that operating profit would be once again in increase trend from fiscal year 2024.

- Furthermore, we are putting in place a development system that will allow us to continue to create titles in fiscal years 2025, 2026, and beyond.

To All Stakeholders

- ◆ We've grown through success and failure. We'll try higher again and again.
- ◆ Recognize and thorough our basics again "Quality, Delivery time, and Budget"

▶ **Grow into a company at the top level globally**



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•Here's Message to the all stakeholders:

In fiscal year 2024, we are in a very difficult situation. We achieved some success as a result of placing our full efforts into reaching toward our high goals; however, the results did not meet expectations. I believe that the key to success is applying that these experience to our next endeavors, never giving up, and continuing to challenge ourselves to reach new heights.

The younger generation is growing through their experiences thus far. The members who will become the next generation of management are also employees who have achieved high results while experiencing repeated successes and failures. We will continue to manage operations in a way that strikes a good balance between leadership from management and bottom-up efforts from employees.

When producing titles, we will proceed with development while taking into account recent reflections and figuring out the appropriate market size for each title. At the same time, the entire group and all employees will once again go back to the basics and thoroughly enforce "strict adherence to quality, delivery time, and budget" that we have always cherished. In order to grow into the top level in the global game market, we will do our best to create entertainment that exceeds our users' expectations.

We appreciate continued support from you all.



Level up your happiness

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