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This document was created by machine translating the Japanese version.

# Financial Results for the First Half of the Fiscal Year Ending March 2025

October 28, 2024

**KOEI TECMO HOLDINGS CO., LTD.**

# Financial Summary

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KOEI TECMO HOLDINGS CO, LTD  
Director, Senior Executive Officer & CFO

**Kenjiro Asano**



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# Financial Summary(Compared to Previous Year)

(Million Yen)

	FY23 1st Half Actual		FY24 1st Half Actual		Vs Previous Year	
	Amount	Profit Ratio	Amount	Profit Ratio	Amount	Percent Change
Sales	39,722	-	35,197	-	(4,525)	-11.4%
Operating Profit	13,855	34.9%	10,651	30.3%	(3,204)	-23.1%
Ordinary Profit	23,201	58.4%	21,000	59.7%	(2,201)	-9.5%
Net Profit	16,795	42.3%	15,975	45.4%	(820)	-4.9%

## ◆Point

[Sales Console/PC] Focused on back catalog. In the previous year, three new titles were released

[Sales Mobile] Existing titles performing steadily

[Expenses] Decrease in outsourcing costs, advertising expenses, and development cost covered by partners

# Financial Summary(Compared to Initial Forecast)



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(Million Yen)

	FY24 1st Half Initial Forecast		FY24 1st Half Results		Change	
	Amount	Profit Ratio	Amount	Profit Ratio	Amount	Percent Change
<b>Sales</b>	38,000	-	<b>35,197</b>	-	△ 2,803	-7.4%
<b>Operating Profit</b>	8,000	21.1%	<b>10,651</b>	30.3%	2,651	33.1%
<b>Ordinary Profit</b>	13,000	34.2%	<b>21,000</b>	59.7%	8,000	61.5%
<b>Net Profit</b>	10,000	26.3%	<b>15,975</b>	45.4%	5,975	59.8%

## ◆Point

[Sales Console/PC]

The back catalog has exceeded expectations

[Sales Mobile]

Sales on self-published titles (launched in 2023) are weaker than expected

[Expenses]

Decrease in personnel costs, outsourcing costs and advertising expenses

Note: For the assumptions regarding the initial performance forecast, please refer to the supplementary materials (p36)

# Expenses and Personnel Count

		(million yen/person)			
		FY23 H1	FY24 H1	Change	vs Outlook Comparison [1] / Changes in Trends
Employment Costs	COGs	9,360	9,550	190	—
	SGA	2,320	2,340	20	—
		11,680	11,890	210	Decrease / No Change
Outsourcing Costs	COGs	4,360	3,210	(1,150)	Decrease / No Change
Advertisng Costs	SGA	1,730	1,240	(490)	Decrease / No Change
Headcount* <small>Excluding temporary employees</small>		2,562	2,736	174	Generally as Expected / No Change

## ◆ Other Expenses

- Development cost covered by partners <sup>[2]</sup> :  
Decreased compared to the previous year, increased compared to the previous quarter
- Sales commissions and royalty expenses (selling and administrative expenses):  
Decreased compared to the previous year and decreased compared to the previous quarter<sup>[3]</sup>

[1] For the cost outlook as of the beginning of the fiscal year, please refer to the supplementary materials (p40)

[2] The development cost burden from partners is recorded as a reduction in cost of goods sold The amount recorded, titles involved, and contract terms with partners are not disclosed

[3] Comparison of the total sales commission and royalty fees with the previous year and the previous quarter.

# Results by Segment



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		(Million Yen)			
		FY23 1st Half	FY24 1st Half	Change	Factors for Change
Entertainment	Sales	37,210	32,761	(4,449)	Decrease in sales from Console/PC and Online/Mobile
	Operating Profit	13,652	10,371	(3,281)	
Amusement	Sales	1,952	2,083	131	For SP business, a decrease in commissioned sales; For AM facility business, one new store opened and existing stores performance stable.
	Operating Profit	353	252	(101)	
Real Estate	Sales	603	600	(3)	Decrease in costs
	Operating Profit	97	145	48	
Others	Sales	174	153	(21)	-
	Operating Profit	(248)	(118)	130	
Corporate & Elimination	Sales	(217)	(402)	(185)	-
	Operating Profit	-	-	-	
Total	Sales	39,722	35,197	(4,525)	-
	Operating Profit	13,855	10,651	(3,204)	

# Sales by Region



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(Million Yen)

	FY23 1st Half		FY24 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
<b>Japan</b>	23,451	59.0%	<b>20,792</b>	59.1%	<b>(2,659)</b>	<b>-11.3%</b>
<b>Overseas</b>	16,271	41.0%	<b>14,405</b>	<b>40.9%</b>	<b>(1,866)</b>	<b>-11.5%</b>
<b>N. America</b>	3,715	9.4%	<b>4,255</b>	12.1%	<b>540</b>	<b>14.5%</b>
<b>Europe</b>	1,324	3.3%	<b>1,403</b>	4.0%	<b>79</b>	<b>5.9%</b>
<b>Asia</b>	11,232	28.3%	<b>8,747</b>	24.9%	<b>(2,485)</b>	<b>-22.1%</b>
<b>Total</b>	39,722	100.0%	<b>35,197</b>	100.0%	<b>(4,525)</b>	<b>-11.4%</b>

Note: On a consolidated basis including all business segments

# Breakdown on the Sales for Entertainment Segment



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		(Million Yen)			
		FY23 1st Half	FY23 1st Half	Change	Contents
Console/PC <sup>[1]</sup>	Package <sup>[2]</sup>	6,450	5,391	(1,059)	
	DL <sup>[2]</sup>	7,050	6,220	(830)	FY23: Release of three new titles
	DLC <sup>[3]</sup>	1,170	1,010	(160)	FY24: Focus on back catalog
		14,670	12,621	(2,049)	
Online/Mobile	Online	300	210	(90)	
	Mobile <sup>[3]</sup>	21,840	19,530	(2,310)	FY23: Three new titles FY24: Focus on existing titles, with two titles ending service
		22,140	19,740	(2,400)	
Events & Goods	400	400	0	—	
<b>Sales for Entertainment Segment</b>		<b>37,210</b>	<b>32,761</b>	<b>(4,449)</b>	

[1]Includes in-house titles and collaboration/cooperative titles Also aggregates other companies' publishing titles accounted as royalties, categorized by product type

[2]Includes not only packaged product sales but also royalties related to distribution licenses, development compensation sales, and contract fees

[3]Details of amounts and changes are not disclosed Includes royalty sales related to IP licensed titles currently in operation  
The amount and ratio of IP licensing sales are not disclosed



# Console/PC Unit Sales



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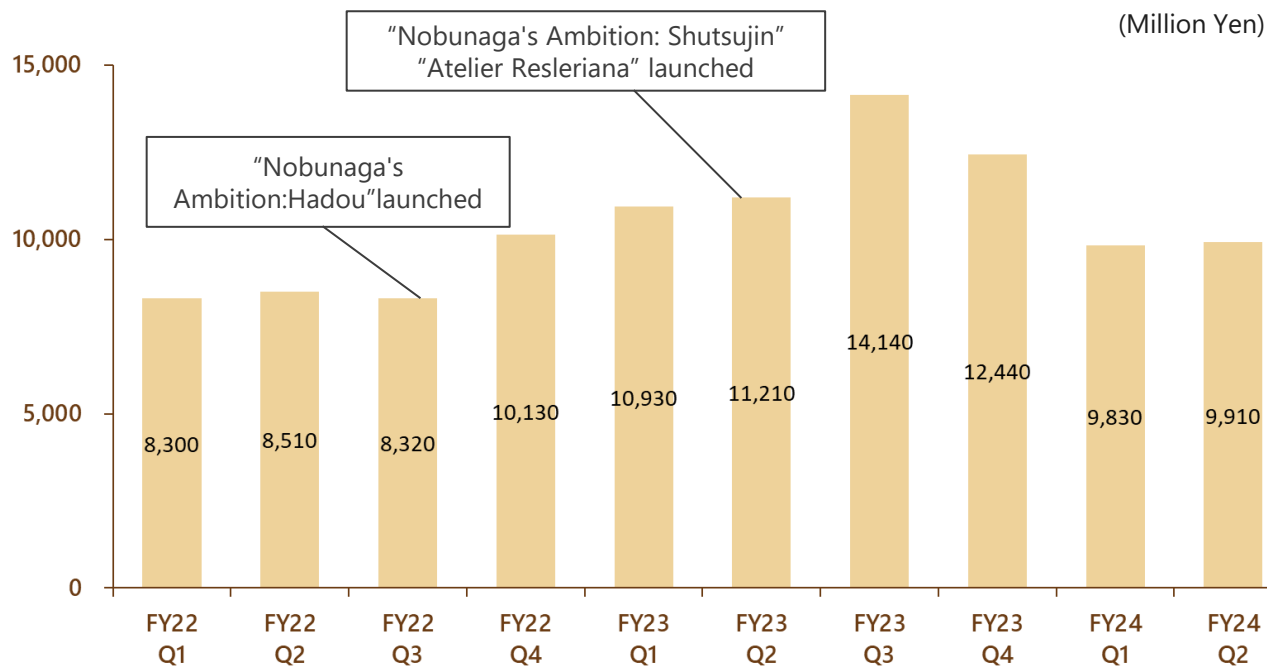
(1000 Copies)

	FY23 1st Half		FY24 1st Half		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	1,270	36.8%	900	33.8%	(370)	-29.1%
Overseas	2,180	63.2%	1,760	66.2%	(420)	-19.3%
N. America	960	27.8%	710	26.7%	(250)	-26.0%
Europe	540	15.7%	440	16.5%	(100)	-18.5%
Asia	680	19.7%	610	22.9%	(70)	-10.3%
<b>Total</b>	<b>3,450</b>	<b>100.0%</b>	<b>2,660</b>	<b>100.0%</b>	<b>(790)</b>	<b>-22.9%</b>
DL Units	2,430	0.0%	2,085		(345)	
DL Ratio	70.4%	0.0%	78.7%		+8.3pt	

## ◆ Main Content

- "Rise of the Ronin" Repeat
- Focuses on back catalog titles, primarily in-house and collaborative staple titles

Note: The sales figures for other companies' publishing titles (collaborative and cooperative), including "Rise of the Ronin", are not disclosed



◆ Point

In the fiscal year 2024, sales has been on stable trend, existing titles having shown recovery from Q1 to Q2

Note:The breakdown of sales in this area, as well as the sales, ratios, and trends of individual titles in IP licensing, are not disclosed

	FY23		FY24		Progress
	Half-year Results		Full Year Forecast		
	Amount	Ratio	Amount	Ratio	
<b>Sales</b>	35,197	-	90,000	-	39.1%
<b>Operating Profit</b>	10,651	30.3%	30,000	33.3%	35.5%
<b>Ordinary Profit</b>	21,000	59.7%	40,000	44.4%	52.5%
<b>Net Profit</b>	15,975	45.4%	30,000	33.3%	53.3%

(Million Yen)

◆ The full-year forecast remains unchanged

- There are no changes to the assumptions underlying the performance forecast
- Variable factors and risks: Sales figures for new titles (concentrated in Q3 and beyond) and sales of mobile titles
- Except business performance, no risks, such as unexpected costs, are anticipated

Note: Quarterly internal plans, planned values for each expense, and sales by sector in the entertainment business are not disclosed

Details regarding the assumptions of the initial performance forecast are provided in the supplementary materials (p 36)

# Mid to Long-Term Management Policy

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

**Yoichi Erikawa**



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# The 3rd Mid-Term Management Plan: Progress



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## ◆ **Operating income target of 40 billion yen**

Progress: The plan for FY2024 is 30 billion yen  
→ Re-challenge under the 4th Medium-Term Management Plan

## ◆ **Console titles with sales of 5 million copies (new IP)**

Progress: 2 titles during the period

## ◆ **Console titles of 2 million copies level each period**

Progress: 4 titles during the period

## ◆ **Smartphone game with monthly sales of 2 billion yen**

Continue to aim for achievement

## ◆ **Multiple smartphone games with monthly sales of 1 billion yen**

Progress: A total of 2 titles during the period

The 4th Mid-Term Management Plan would be announced at the beginning of FY2025



## The next milestone is to enter the top 10 in the world

### 3rd Mid-Term Plan (Current)

- 14th in the world as of FY2023 <sup>[1]</sup>
- Over the next three years, two AAA-class titles and multiple large-scale titles
- Incorporating collaborations and publishing with other companies even for our own titles

While making upfront investments, aim to maintain both growth potential and profitability

Target: 10% annual growth in operating profit (on a three-year average basis) with an operating profit margin of 30%

### Milestone (Long-term)

- Within the top 10 in the world<sup>[1]</sup>
- Sufficient development structure:  
Consistently launching large-scale titles every year and creating titles across diverse genres
- Self-publishing for our own titles even though large one

[1] Operating profit for digital entertainment businesses of game companies worldwide; Based on our research

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



### ◆ Steps toward vision

- 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

◆ Ranking<sup>(1)</sup> 17th in FY2022 → 14th in FY2023 → Aim for the top 10

[1] Operating profit for digital entertainment businesses of game companies worldwide; Based on our research

## Koei Tecmo is a company that practices "Creation and Contribution"

### Creation

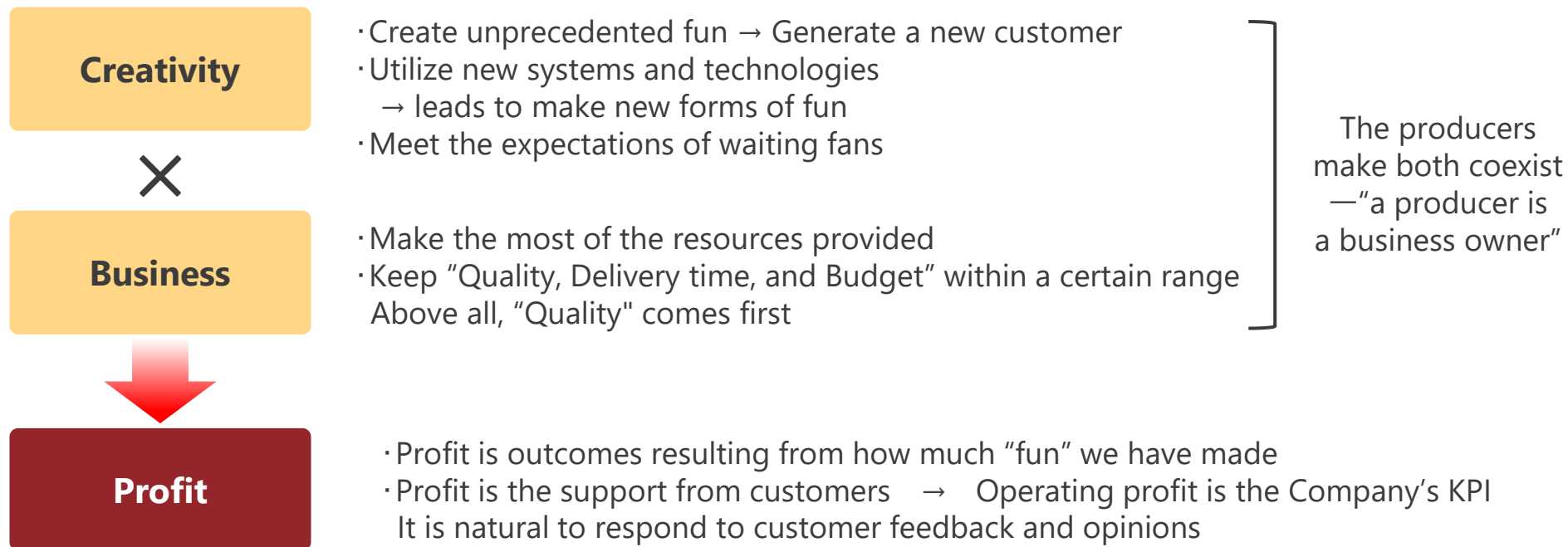
- Create new and unprecedented fun (from 0 to 1)
- Add new value to stable fun (from 1 to 2, 3...)

### Contribution

- Provide enjoyment to customers, generating joy and vitality
- Customer satisfaction leads to sense of purpose for creators



## Profit is a reflection of Customer's Expectations and Support



# Business Highlights

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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 on FY2024 1<sup>st</sup> Half



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Segment	Title/Platform	Launch	Region	Publisher
Console	Rise of the Ronin	Mar.2024	Global	Sony Interactive Entertainment
PC	PlayStation®5 → Plan to support PlayStation®5 Pro			
	Romance of the Three Kingdoms:Hadou iOS/Android/PC(Steam)	Sep.2020	Japan/Asia	KOEI TECMO GAMES
	Nobunaga's Ambition: Hadou iOS/Android/PC(Steam)	Dec.2023	Japan	KOEI TECMO GAMES
	Nobunaga's Ambition: Shutsujin iOS/Android	Aug..2023	Japan/Asia	KOEI TECMO GAMES
	Atelier Resleriana: Forgotten Alchemy and the Polar Night Liberator iOS/Android/PC(Steam)	Sep.2023	Japan/Global	KOEI TECMO GAMES

## ◆Other Factors

- [Business Environment] No significant changes in the short term
- [Console/PC] The common titles in back-catalogue contributed (in-house and collaborations)
- [Online & Mobile] The "Hadou" series continues shows stable revenue over the long term

Segment	Title/Platform	Launch	Region	Publisher
Console PC	ROMANCE OF THE THREE KINGDOMS 8 REMAKE PlayStation®5/PlayStation®4/Nintendo Switch™/Windows(Steam)	Oct.2024	Global	KOEI TECMO GAMES
	FAIRY TAIL 2 PlayStation®5/PlayStation®4/Nintendo Switch™/Windows(Steam)	Dec.2024	Global	KOEI TECMO GAMES
	DYNASTY WARRIORS: ORIGINS <span style="background-color: #f4a460; padding: 2px;">Major Title</span> PlayStation®5/Xbox Series X S/Windows(Steam)	Jan.2025	Global	KOEI TECMO GAMES
	Atelier Yumia: The Alchemist of Memories & the Envisioned Land PlayStation®5/PlayStation®4/Nintendo Switch™/Windows(Steam)	Mar.2025	Global	KOEI TECMO GAMES
	Venus Vacation PRISM - DEAD OR ALIVE Xtreme - PlayStation®5/PlayStation®4/Windows(DMM GAMES、Steam)	Early 2025	Japan/Asia	KOEI TECMO GAMES
	Atelier Resleriana: The Red Alchemist & the White Guardian PlayStation®5/PlayStation®4/Nintendo Switch™/Windows(Steam)	2025	Japan	KOEI TECMO GAMES

► In addition, several unannounced titles (up to mid-tier) are scheduled for release within the fiscal year

# Pipeline – Policy for Mid-term

- **Many titles are already in development for the fourth medium-term plan period**
- **The overall of the new title portfolio is expected to be on par with the third medium-term plan**
  - Aiming for a good balance across four revenue layers<sup>[1]</sup>
  - In light of reflections from the third medium-term plan, the risk balance is being reassessed

Number of Launched Titles on Third Medium-Term Management Plan (FY2022–2024) -

Sector	Category		FY22	FY23	FY24 <sup>(※2)</sup>	Total
Console PC	Major	AAA Class	1	1	-	6
		Others	2	1	1	
	up to Mid Tier <sup>[3]</sup>		8	3	4~	15~
Online Mobile	In-house		1	3	-	4
	IP Licensing-out		3	1	-	4

[1] Four revenue layers: New IP, Series, Collaboration, IP Licensing (Supplementary Material p 46)

[2] For FY2024, titles disclosed as of September 30, 2024

[3] Mid-tier: Titles with initial sales figures in the hundreds of thousands

# Strategy & Challenges

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

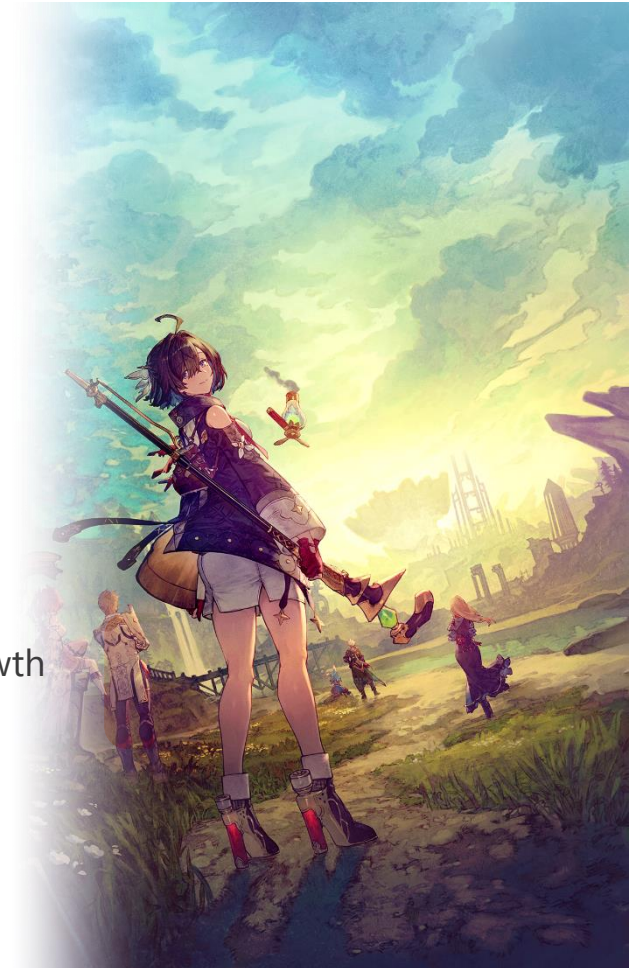
**Hisashi Koinuma**



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## "Creation of IP" and "Enhancement of Development Capabilities" as Sources of Long-Term Growth

- ◆ "Creation of Global IP" as an Important Challenge
  - New IP is essential for the group's medium- to long-term growth
  - Continue to take on challenges, not only for large titles
- ◆ Active Investment in Strengthening Development Structure Leads to Future Growth
  - Expand development capacity both vertically and horizontally
  - Develop content meticulously and ensure it is completed to the highest standard



## Title Development Leveraging the Strengths of Each Studios

- Our Advantage Lies in Developing a Diverse Genre of Titles with High Quality
- By strengthening our development structure, we can further enhance the strengths of each brand

Koei Tecmo Games Development Structure							
Overview of the System	Brand leaders are responsible for the P&L and the growth of their departments. •Development Department Structure: There are seven development departments (six brands plus one studio system). Each department has divisions with heads •Operational Execution: Each brand is responsible for formulating development roadmaps and business plans, managing budget performance and rolling forecasts, and allocating human resources.						
Features							
Name	KouShibusawa	ω-Force	Team NINJA	GUST	RubyParty	midas	AAA Studio
Console (Large)	-	○	○	-	-	-	○
Console (to Mid-sized)	○	○	○	○	-	-	-
Online/Mobile	○	○	○	○	○	○	-
Studio Scale	Large	Large	Large	Middle	Small	Small	-
Key Genres	Simulation	Action (Casual)	Action (Core)	JRPG	Female-oriented	Mobile	-

\*As of end of Sep, 2024

\*AAA Studio: Development titles and release dates are not disclosed



**Console  
PC**

Positioning:

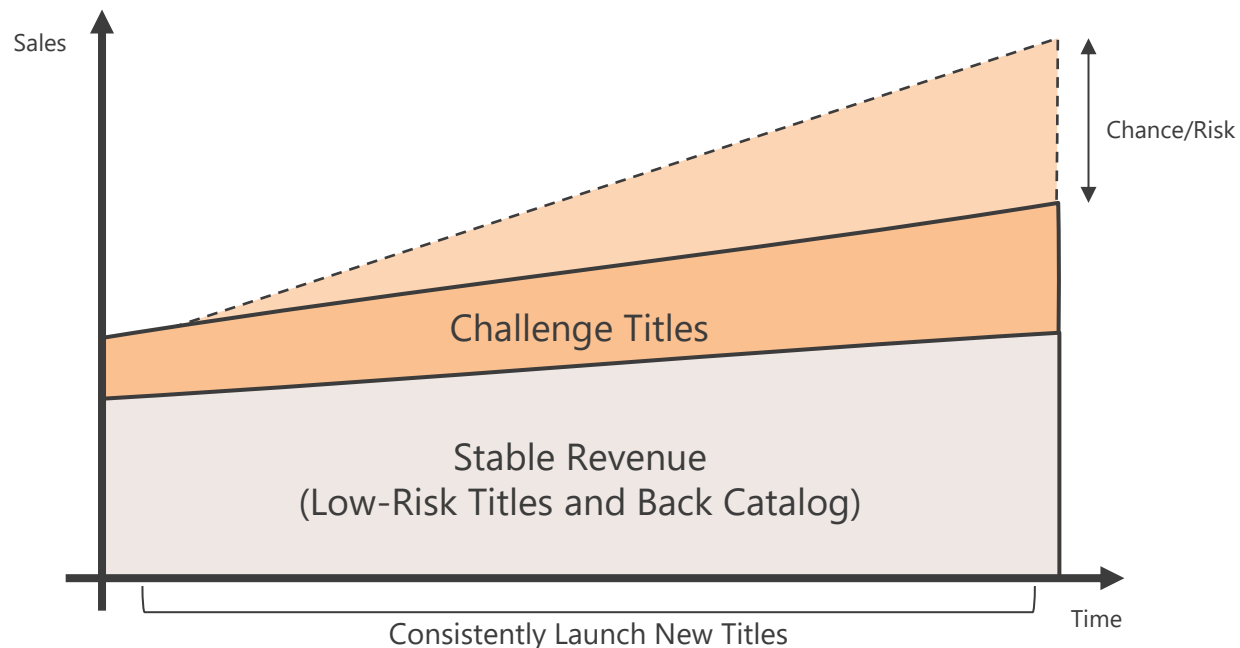
Increase growth rate through two axes:

Challenge titles (investments) and stable revenue growth

Growth strategy:

Expand development structure to increase the number of new titles and sales units

- While challenges come with risks, successful hits can lead to upside potential and create additional revenue opportunities for long-term



## Online Mobile

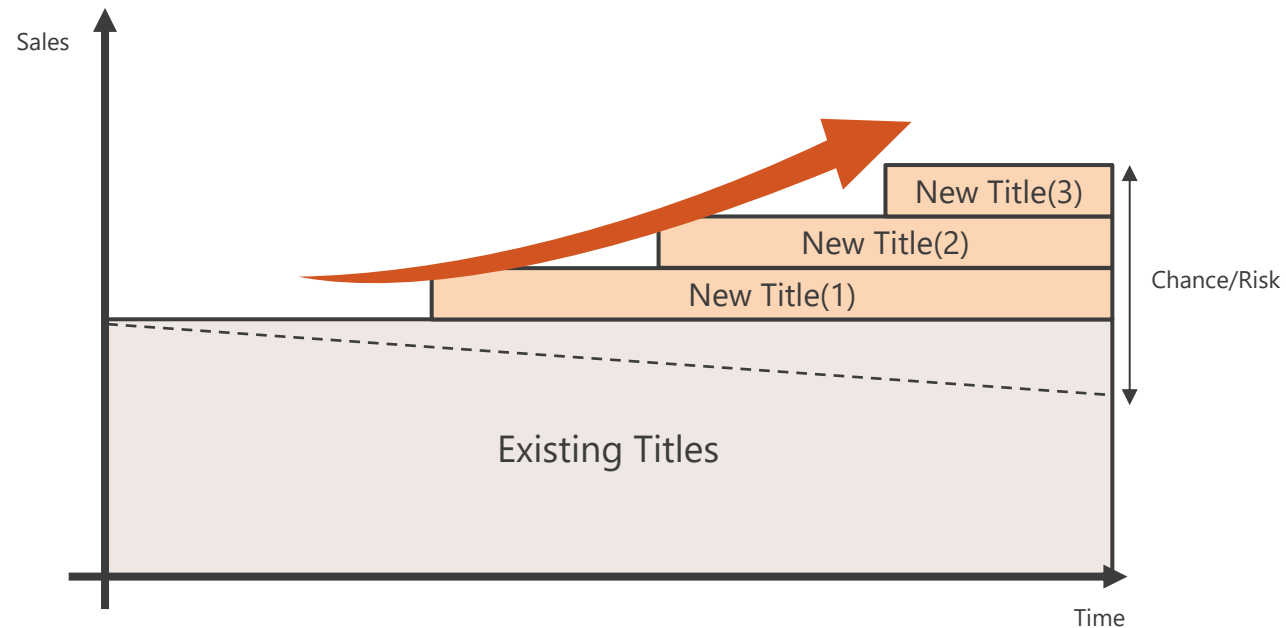
Positioning:

Generate Stable Revenue (Cash Flow)

Growth Strategy:

Build up gradually for steady growth Create new titles that contribute over multiple years

-In response to the decline of existing titles, add new releases to increase sales in the sector

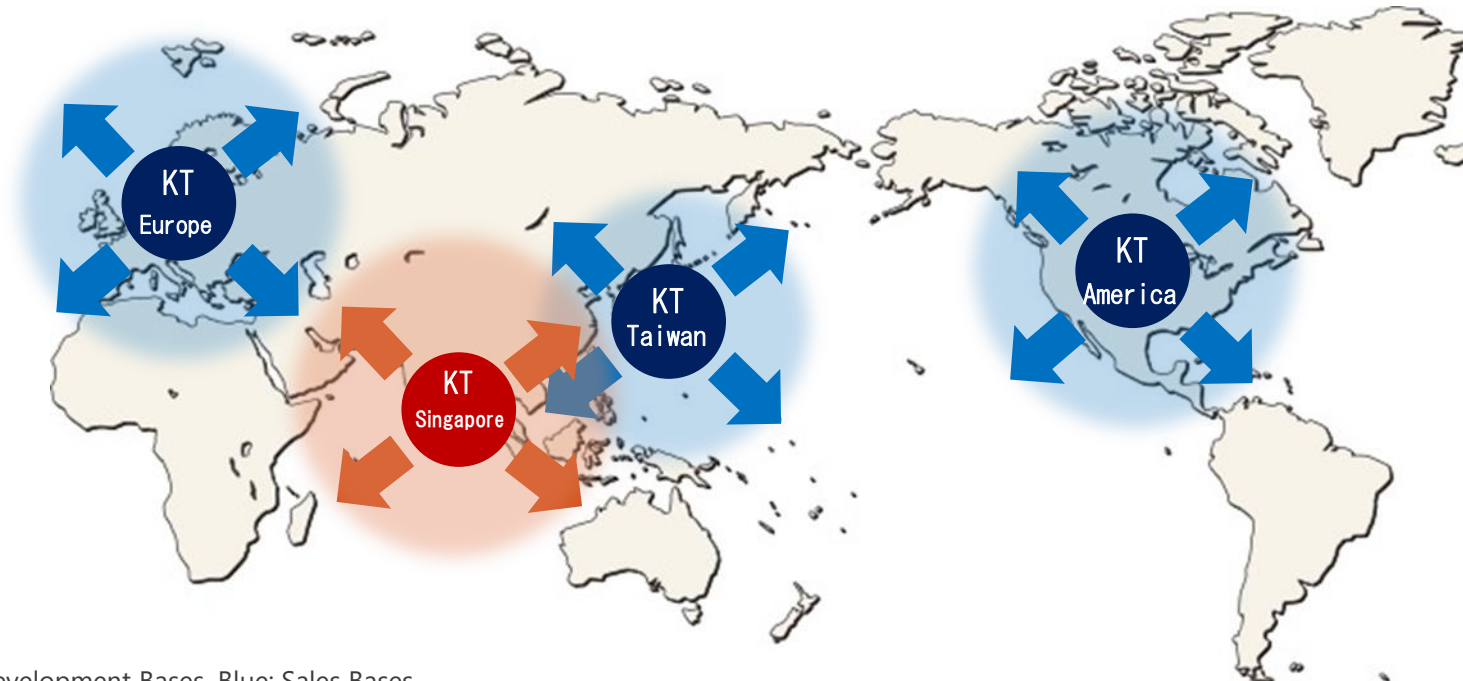


## Key Regions by Sector

Console/PC: Strengthening the structure for North America, Europe, and China/Asia regions

Online/Mobile: Focus on Japan and neighboring regions for while, with plans for global expansion

▶ Looking ahead, develop markets such as in India and Southeast Asia, centered around Singapore\*



Red: Development Bases, Blue: Sales Bases

Note: Koei Tecmo Singapore (KTS) is a development base of the Koei Tecmo Group It is involved in title development, operations, and CG production

# Development Challenges and Initiatives



Challenges	Initiatives	Detail/Plan
1 Expansion of development system	Hiring Over 200 People for FY2024 (Mainly New Graduates) <sup>[1]</sup>	Plan to Maintain Equivalent Pace in the Medium Term: → Assignments will focus on various development departments and CG.
	Establishment of AAA Studio	-
2 Improve Quality to AAA level	Improvement Graphic Technology of KATANA ENGINE	High-Speed Processing Technology and Lighting Technology :Currently being developed for FY25. → Function development will continue in the medium term.
	Utilization of other General-Purpose Engine	Used in the Development of Titles would be Released This Fiscal Year → Continuation planned for the following fiscal year and beyond (to be used in conjunction with the Katana Engine, with decisions made on a title-by-title basis).
	New operation verification process for PC	Newly Established This Fiscal Year and Integrated into the Development Process →Already been implemented for FY24 titles.
3 Costs Reduction and management	KATANA ENGINE Automation Technology <sup>[2]</sup>	Progressing Automation Features for Asset Production <sup>[3]</sup> and Library Expansion →Ongoing over a medium-term span.
	Utilization of AI	Introduction of AI Functions for Debugging and Balance Adjustment →Currently researching applications in improving efficiency
	Budget Management	Subdivision of Development Milestones for Major Titles →Increasing the number of milestone review meetings.
4 Marketing directly leads to purchase	Expansion of Global Publishing Structure	Building a Structure Over the Long Term
	Raising Title Evaluation	Engaging in Review Research and Knowledge Building

Note 1: 199 new graduates were hired in Japan Additionally, mid-career hiring in Japan and new graduate hiring overseas were conducted

Note 2: Refers to procedural production technology Procedural: A method of automatically generating data or content based on algorithms or rules (procedures)

Note 3: Graphics materials such as CG models used in games

# Notice: "Integrated Report 2024"



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## Scheduled for Release: November 2024 (Japanese Version)

### ◆ "Integrated Report 2024"

#### New contents

- Key IP Introduction
- List of Titles from the Past Three Years, etc

#### Expanded Content

- Executive Interviews
- Human Capital Management
- Value Co-Creation with Stakeholders, etc

Note: The English version will be released at a later date





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## Disclaimer

This document may contain forward-looking statements Please be aware that actual performance may differ significantly from these projections due to various factors

# Supplementary Materials



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# Supplementary explanation:FAQ(during Q2)



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Questions and Comments	Answer
<p>Q. Regarding the earnings forecast for the fiscal year 2024, it appears that sales and operating profit are heavily weighted towards the second half of the year. What are the expectations for increasing the level of profitability?</p>	<p>A. In the first half of the year, the focus was primarily on back catalog titles; however, we plan to release several new console titles in the second half (refer to page 20 of the presentation materials). There are also multiple unannounced titles in the pipeline at this time.</p>
<p>Q. What are the assumptions behind the initial earnings forecast for the fiscal year 2024? What are the planned figures for the console and mobile sectors? How much fluctuation do you anticipate in IP licensing royalties compared to the previous year?</p>	<ul style="list-style-type: none"><li>•The assumptions behind the earnings forecast have been explained at the beginning (see supplementary materials, p. 36).</li><li>•While we do not disclose specific sales plans for the console and mobile sectors, we anticipate that the sales volume in the console sector will increase compared to the previous year, as indicated (see supplementary materials, p.36).</li><li>•Regarding IP licensing royalties, our forecast is conservative compared to the 2023 fiscal year results and is not directly linked to the performance of specific titles. The exact amount remains undisclosed.</li></ul>
<p>Q. Regarding the fiscal year 2024 performance, the medium-term target was an operating profit of 40 billion yen, but the earnings forecast has been revised down to 30 billion yen. Is this reduction due to the cancellation or reassessment of titles?</p>	<ul style="list-style-type: none"><li>•We have not experienced such events. Many titles are currently in development for the fiscal year 2024 and beyond, and we have not disclosed any cancellations or reassessments.</li><li>•The reason for the earnings forecast being below the medium-term target is due to adjustments in the expected number of titles launched and their projected sales up to the fiscal year 2023 (see supplementary materials, p. 36).</li></ul>
<p>Q. Given the ongoing volatility in exchange rates, how much impact has this had on your performance?</p>	<ul style="list-style-type: none"><li>•The sensitivity to exchange rates is not disclosed.</li><li>•In our entertainment business, since a significant portion of sales comes from overseas, a weaker yen has a positive impact on our performance.</li></ul>



# Supplementary explanation: FAQ (during Q2)



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Questions and Comments	Answer
<p>Q. Considering the current competitive environment, there is a need to further increase development investment per title. However, Koei Tecmo seems to have a low willingness to increase this investment, which appears to be counterproductive.</p>	<ul style="list-style-type: none"><li>• We think development costs for titles should be controlled at an appropriate level. Given the current market environment, we recognize that cost management is more important.</li><li>• Even for larger-scale titles, we aim to achieve high quality while appropriately restraining the rise in development costs. By consistently developing new titles, we accumulate experience and enhance our capabilities to achieve high quality relative to costs.</li></ul>
<p>Q. Are collaboration titles included in the earnings forecast for the fiscal year 2024? Are they intentionally excluded from the forecast? How long is the development cycle for collaboration series titles?</p>	<p><b><u>• We have not disclosed any information regarding collaboration titles.</u></b></p> <ul style="list-style-type: none"><li>• For the fiscal year 2024, as well as for any titles scheduled for release in that year, all are incorporated into the earnings forecast.</li><li>• When the collaboration titles would be developed and released is based on discussions with our partners, so they do not follow a specific cycle for development and release.</li></ul>
<p>Q. You mentioned a challenge to achieve AAA class titles and the establishment of an in-house publishing system. However, will this not lead to an increase in costs beyond what has been seen so far?</p>	<ul style="list-style-type: none"><li>• This is a long-term initiative, and we do not anticipate incurring special costs specifically for the development of large titles or the establishment of a publishing system.</li><li>• In terms of cost growth, we expect personnel expenses to increase at a rate of approximately 10% per year, while outsourcing costs are also expected to rise gradually on an annual basis (see supplementary materials, p. 40).</li></ul>
<p>Q. Is there a plan to release company shares in order to comply with the Prime Market listing standards? What is the expected timing for this action?</p>	<p>Under the current scheme involving convertible bonds with stock acquisition rights, if the stock price reaches the conversion price, the shares held as treasury stock will be allocated and become tradable shares.</p> <p>As for the response in case this scheme is not achieved, it is currently undecided.</p>

Console  
PC

## ◆ **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

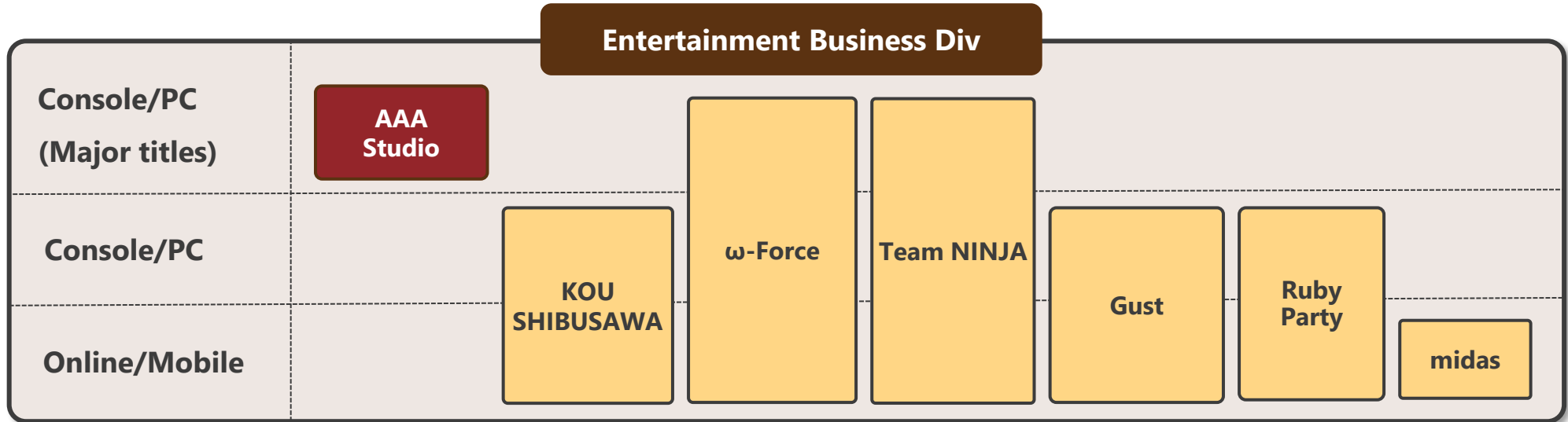
# Launch of "AAA Studio"

Disclosed  
at the beginning of the fiscal year



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- ◆ 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

# Financial Summary (FY2024 Plan)

Disclosed  
at the beginning of the fiscal year



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(Million Yen)

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

# Business Segment(Plan)

Disclosed  
at the beginning of the fiscal year



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(Million Yen)

		FY23 Full Year	FY24 Full Year (Plan)	Change
<b>Entertainment</b>	Sales	79,486	<b>84,400</b>	4,914
	Operating Profit	28,304	<b>29,600</b>	1,296
<b>Amusement</b>	Sales	3,918	<b>4,400</b>	482
	Operating Profit	673	<b>600</b>	△ 73
<b>Real Estate</b>	Sales	1,205	<b>1,100</b>	△ 105
	Operating Profit	151	<b>200</b>	49
<b>Others</b>	Sales	389	<b>200</b>	△ 189
	Operating Profit	△ 635	<b>△ 400</b>	235
<b>Corporate &amp; Elimination</b>	Sales	△ 415	<b>△ 100</b>	315
	Operating Profit	-	-	-
<b>Total</b>	Sales	84,584	<b>90,000</b>	5,416
	Operating Profit	28,494	<b>30,000</b>	1,506

# Sales by Region(FY2024 Plan)

Disclosed  
at the beginning of the fiscal year



(Million Yen)

	FY23		FY24 (Plan)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	50,826	60.1%	49,200	54.7%	△ 1,626	-3.2%
Overseas	33,758	39.9%	40,800	45.3%	7,042	20.9%
N. America	7,781	9.2%	12,000	13.3%	4,219	54.2%
Europe	3,545	4.2%	7,300	8.1%	3,755	105.9%
Asia	22,432	26.5%	21,500	23.9%	△ 932	-4.2%
<b>Total</b>	<b>84,584</b>	<b>100.0%</b>	<b>90,000</b>	<b>100.0%</b>	<b>5,416</b>	<b>6.4%</b>

# Sales Units by Region (FY2024 Plan)

Disclosed  
at the beginning of the fiscal year



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(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%
<b>Total</b>	<b>7,340</b>	<b>100.0%</b>	<b>7,600</b>	<b>100.0%</b>	<b>260</b>	<b>3.5%</b>
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

# Major Costs/Headcounts (FY2024 Plan)

Disclosed  
at the beginning of the fiscal year



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(Million yen, Headcount)

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

Development costs covered by collaborative partners<sup>(\*)</sup>: 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



# Capital Expenditure, Depreciation and Amortization

Disclosed  
at the beginning of the fiscal year



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(Million Yen)

	FY20	FY21	FY22	FY23	FY24 (Plan)
Investment Real Estate	965	909	526	1,631	540
Equipment	577	467	263	336	380
Depreciation Cost	1,542	1,571	1,612	1,776	1,880

- ◆ FY2023 Acquisition of New housings for employees, repair of existing real estate
- ◆ FY2024 Acquisition of new real estate, company office, is under consideration\*

\*New real estate is not included in the capital investment plan described above

## 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 Actual	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 13 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.

## 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

## 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: 2,6900 yen\*
- ▶ Promote conversion and increase the tradable share ratio

\*As of 20 June 2024

## 1 Multi-Layered Revenue Cycle

Build a sustainable and stable portfolio to achieve both growth and profitability

## 2 Excellent Capability of Development

Development and management that achieves "Quality, Delivery time, and Budget" at a high level

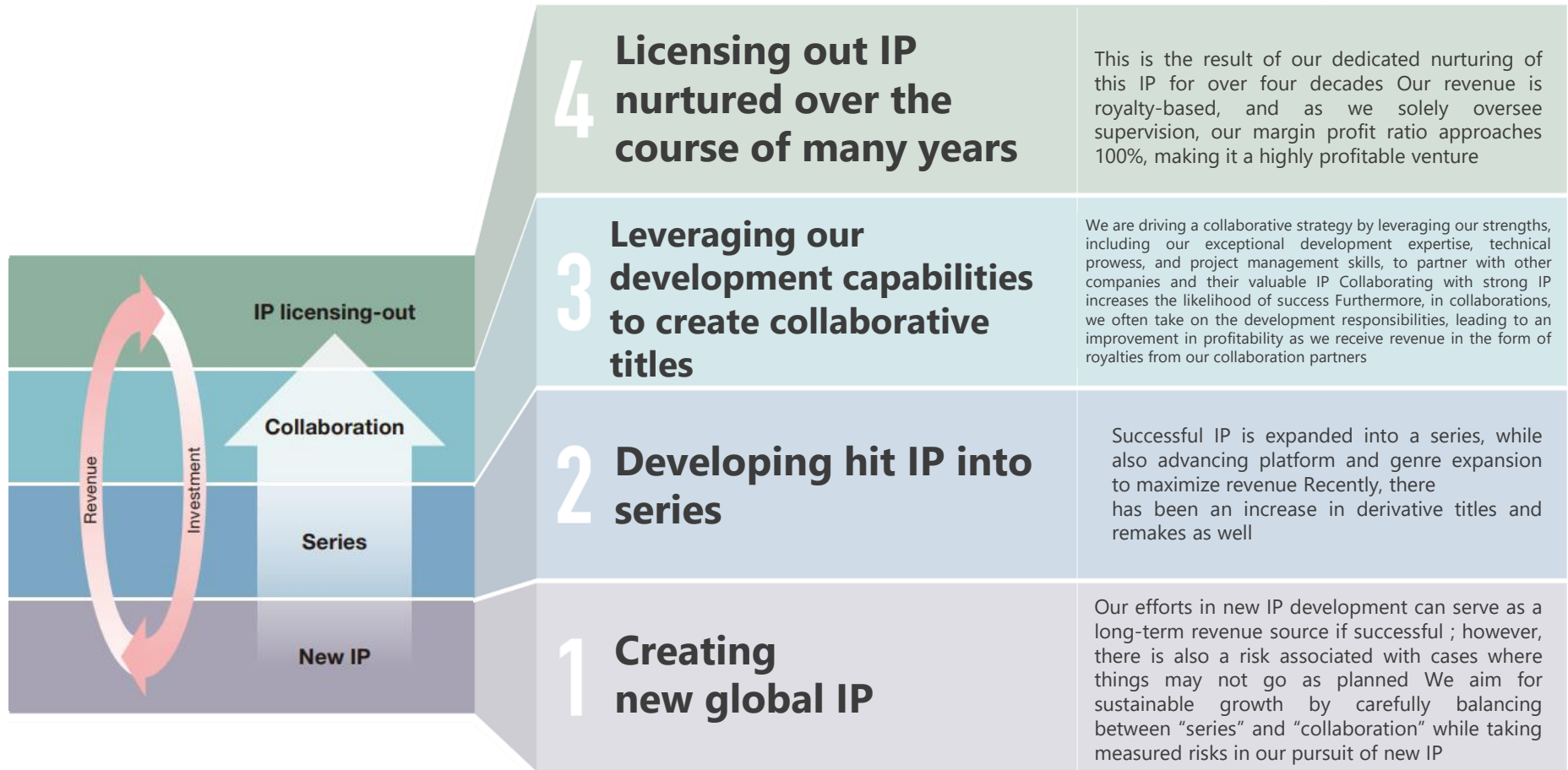
## 3 Transcendent Human Power

Long-term development of human resources who can balance creativity and business

# 1 Multi-Layered Revenue Cycle



Level up your happiness



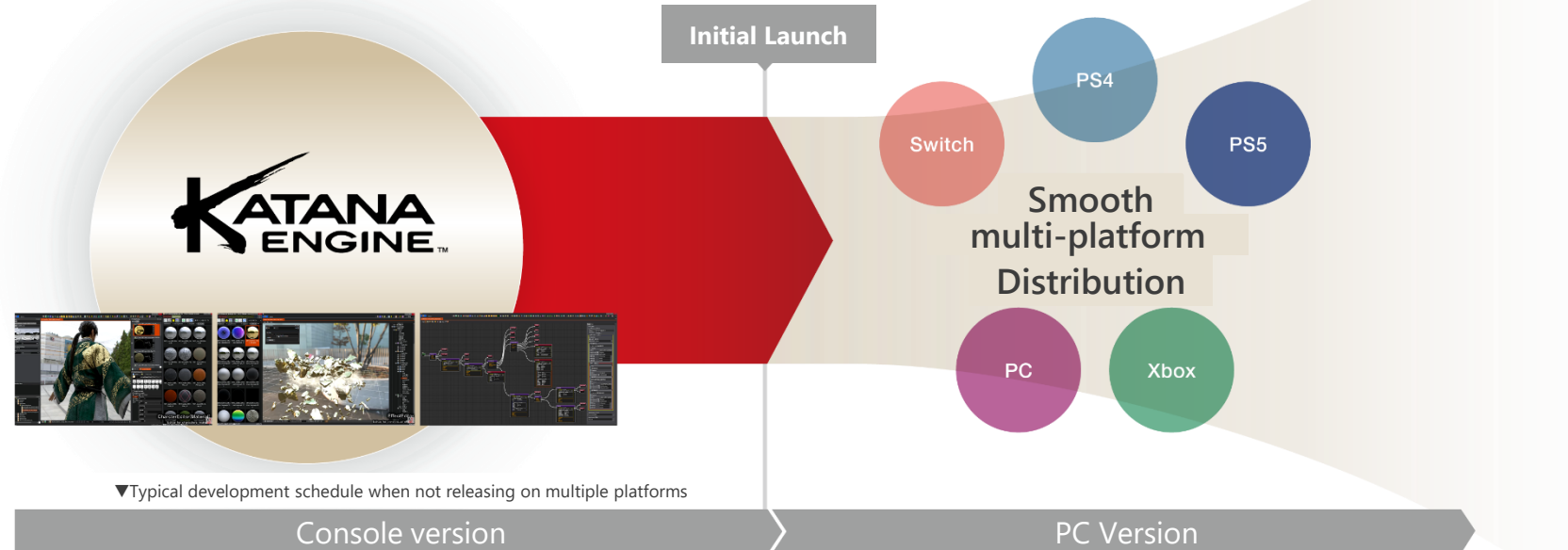
# Variety of Genres

- ◆ Know-how to develop games in a wide range of genres accumulated through more than 40 years of development experience  
**“Warriors” Action/High-difficulty Action/Simulation/Open-world etc**
- ◆ Worldview originated from Asian culture and history



# Technology

- ◆ In-house developed proprietary game engine, "KATANA ENGINE"
  - Providing a comprehensive and convenient development environment and toolset
  - Sharing experience and assets related to title development across the entire company
  - High efficiency** → Low cost, short development time, **multi-platform parallel development**
- ◆ Dedicated R&D Department "FUTURE TECH BASE"
  - Engine, CG, AI, and server technology development, development infrastructure maintenance , advanced technology research

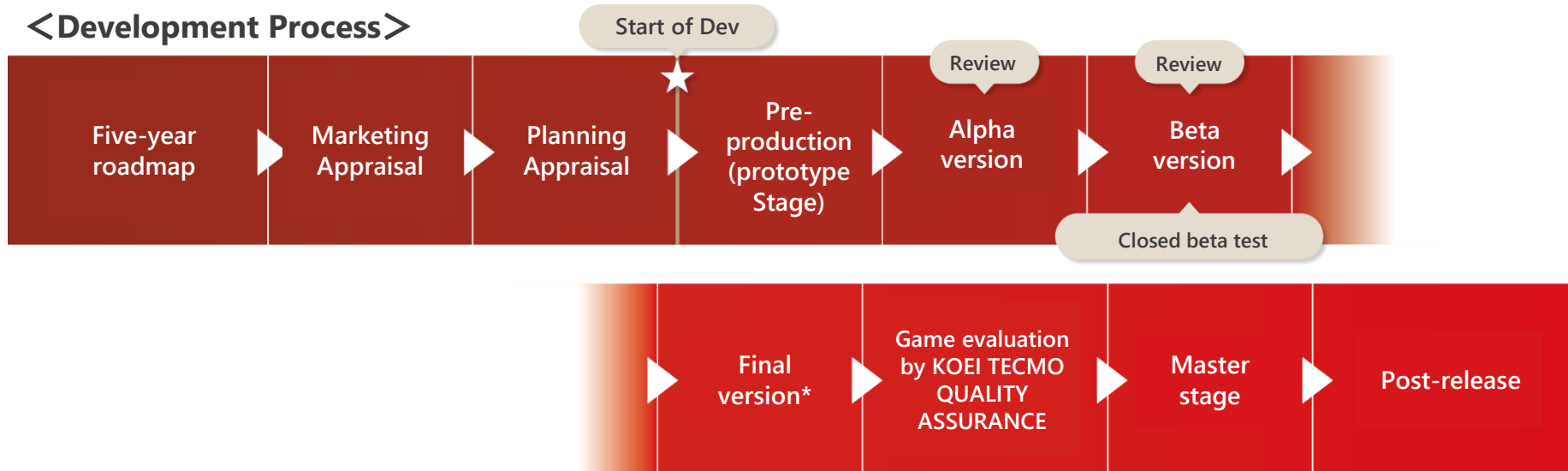




# Project Management

- ◆ Strong control over “Quality, Delivery time, Budget”
- ◆ All projects target operating profit ratio over 30%
- ◆ Hold several “Milestone Review” in development process
  - asses “Quality, Delivery time, Budget” through company-wide at each stage of the development

### <Development Process>



## Excellent in-house development competitiveness

- ◆ Synergy of Integration: Koei, Tecmo, and Gust
- ◆ Creation of a workplace environment increases employee engagement
- ◆ New graduates gain experience and step up in the long term
- ◆ 8 consecutive years of base salary increase, industry-leading starting salary

**Nurture employees who joined as new graduates from a long-term perspective and train them into personnel who can realize creativity and business at a high level**





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