

The Group aims to build good relationships with stakeholders and work to solve social issues through the co-creation of value, while at the same time achieving sustainable growth and enhancing corporate value.

Activity	Results (FY2023)
Individual meetings for domestic and overseas institutional investors	160 times
Conferences	5 times
Financial results briefings	4 times

Connecting with local communities



**Regional contribution through vocational education activities**

We conduct *Machi no Sensei* vocational education activities at local elementary and junior high schools to educate students about the work of game creators.



**Lectures by top-level management and engineers at universities**

We deliver lectures at universities on topics such as the latest technologies in game software development, AI, and game engines. We also fund courses on game studies through donations.



**Energy saving through regional heating and cooling systems**

- Energy saving through regional heating and cooling systems
- Adoption of LED lighting in offices
- Water-saving toilet and washbasin facilities



**Regional contribution through partnerships and local revitalization projects**

We participate in local development projects through tie-ups with our IP and local governments and schools, etc.

Discussion Between an Analyst and the President & CEO (Representative Director)

**Analyst** The recent situation in the video game industry has been difficult, with restructuring and titles being canceled or undergoing revision around the world. What challenges does the industry face, and what is KOEI TECMO's approach to addressing them?

**Erikawa** It is a fact that the market grew from 2020 to 2021 due to the requirement to stay at home during the pandemic. We view this as having been caused by external factors to the gaming industry. The market leveled off from 2022 to 2023, and we think that it will return to its original pace of growth from 2024 onward. Therefore, this is no longer an era of benefiting from the external environment, but an era in which the efforts of each company will be tested. Each company needs to address challenges and produce results, and I believe that we are now back in the "warring states" period of gaming.

Against this backdrop, we continue to take on the challenges of creating AAA titles on our own. In the European and North American markets, there are certain genres of games that sell well, and we have come to see that we will not be able to achieve results if we do not compete in those areas. Through the challenges we have taken on so far, we can clearly see the major obstacles we must surmount in the future. I think all that remains is for us to overcome those obstacles. I hope that everyone will look forward to our future efforts and achievements.

**Analyst** It must be quite difficult to balance creativity and business. In the entertainment industry, it is often the case that creativity takes precedence over profit, and profits decline as a result. How do you keep a good balance?

**Erikawa** I believe that since game production is a business, it is only natural that we should make a profit. We view profit as the voice of our customers' expectations, and our mission is to create titles that exceed those expectations. In light of this, we are committed to maintaining the balance between creativity and profit in every situation, and in every position within the company—from new employees to executives. To achieve this, we have firmly enrooted a culture of adhering to quality standards, delivery timelines, and budgets as a matter of course.

**Analyst** It may be a result of increased risk due to rising development costs and the search for solid hit titles, but the industry as a whole seems to be converging on particular game genres and similar-looking graphics. Don't you think that the industry is losing diversity in its output as a result of pursuing growth?

**Erikawa** I think that it will turn into competition over "play," which is the very essence of gaming. If it is an action game, then "play" is the fighting part. Game systems are important in terms of what kind of new "play" they will bring to the table. If the graphics themselves are a prerequisite for players to purchase a game, then I believe the important thing is whether or not the game can exceed customers' expectations after satisfying that prerequisite, and what kind of interest or enjoyment the new kind of "play" offered by the game can deliver.

The Group considers addressing climate change to be one of its priority sustainability issues, and has disclosed information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition to Scope 1 and 2 emissions, from FY2023 we have also begun to calculate Scope 3 emissions, and will continue making further efforts to address climate change in the future.

**■ Governance**

The Corporate Planning Department and the Sustainability Promotion Office take the lead in compiling information regarding the state of the Group’s climate change responses and initiatives. When risks and opportunities are identified as being important to the Group, they are reported to the Sustainability Committee for discussion. A report is then submitted to the Board of Directors.

**■ Strategy / Risk Management**

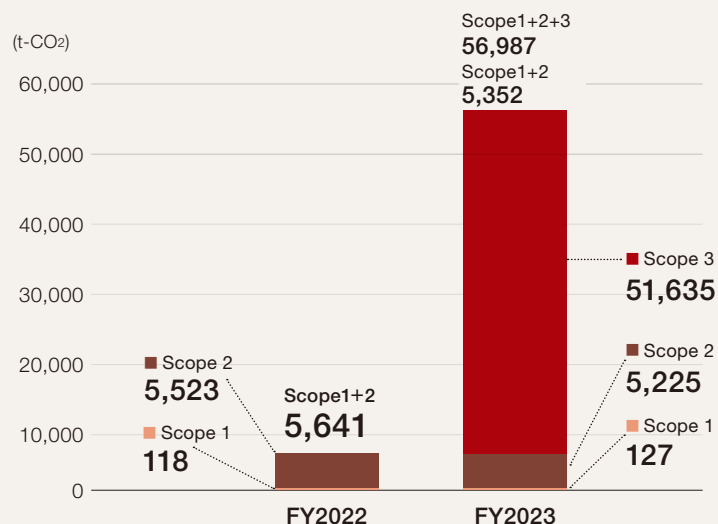
The Group currently calculates Scope 1, 2, and 3 greenhouse gas emissions and identifies risks and opportunities to understand the impact of existing climate change on its operations.

**■ Metrics & Targets**

To manage climate-related risks and opportunities, the Group has been calculating Scope 1 and 2 emissions since FY2022. From FY2023, we also calculate Scope 3 emissions, and will consider reduction targets to reduce greenhouse gas emissions.



**✔ Change in greenhouse gas emissions**



**✔ Greenhouse gases**

**Total emissions:**  
**56,987 t-CO<sub>2</sub>**  
(FY2023)

- Scope1 : 127 t-CO<sub>2</sub> (0.2%)
- Scope2 : 5,225 t-CO<sub>2</sub> (9.2%)
- Scope3 : 51,635 t-CO<sub>2</sub> (90.6%)

Scope 3 breakdown by category		Emissions
Category 1	Purchased goods and services	25,686 t-CO <sub>2</sub>
Category 2	Capital goods	4,208 t-CO <sub>2</sub>
Category 3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	1,967 t-CO <sub>2</sub>
Category 4	Upstream transportation and distribution	833 t-CO <sub>2</sub>
Category 5	Waste generated in operations	23 t-CO <sub>2</sub>
Category 6	Business travel	76 t-CO <sub>2</sub>
Category 7	Employee commuting	613 t-CO <sub>2</sub>
Category 8	Upstream leased assets	Excluded
Category 9	Downstream transportation and distribution	Excluded
Category 10	Processing of sold products	Excluded
Category 11	Use of sold products	17,445 t-CO <sub>2</sub>
Category 12	End-of-life treatment of sold products	90 t-CO <sub>2</sub>
Category 13	Downstream leased assets	694 t-CO <sub>2</sub>
Category 14	Franchises	Excluded
Category 15	Investments	Excluded

\* Scope of calculation: Domestic and overseas consolidated subsidiaries  
 \* Calculation period: April 2023 to March 2024  
 \* Calculation criteria: Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.5 Ministry of the Environment and Ministry of Economy, Trade and Industry Government of Japan)  
 \* Emission factor: For fuel and domestic electricity, we calculated by the emission factor specified in the GHG emissions accounting, reporting, and disclosure system administered by Japan’s Ministry of the Environment. For overseas electricity, we calculated by the emissions factor specified by each country’s government or IGES (Institute for Global Environmental Strategies) CDM Project Database.