



# Financial Results For the First Half of the Fiscal Year Ending March 2022

October 25, 2022

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

(Million Yen)

	FY20 1st Half		FY21 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
<b>Sales</b>	23,141	100.0%	<b>37,220</b>	100.0%	14,079	60.8%
<b>Operating Profit</b>	8,447	36.5%	<b>16,423</b>	44.1%	7,976	94.4%
<b>Ordinary Profit</b>	15,289	66.1%	<b>25,064</b>	67.3%	9,775	63.9%
<b>Net Profit</b>	11,845	51.2%	<b>18,142</b>	48.7%	6,297	53.2%

# Major Titles



PlayStation®4/Nintendo Switch™/  
Xbox One/Steam®

**SAMURAI WARRIORS 5**

410K Copies  
Worldwide



PlayStation®5/PlayStation®4  
Steam®/Epic Games Store

**Nioh 2**  
**Nioh 2 – The Complete Edition**

2 million copies Worldwide  
Over 6 million copies for  
the series!



PlayStation®5/PlayStation®4  
Nintendo Switch™  
/Steam®

**Atelier Ryza 2: Lost Legends  
& the Secret Fairy**

Over 6 million copies for the  
series!



iOS/Android

**Romance of the Three  
Kingdoms Ha-do<sup>[1]</sup>**

Now Available  
Japan/Taiwan/Hong Kong  
/Macau



IP Licensing-out

iOS/Android

**Three Kingdoms  
Tactics**

Now Available  
China/Taiwan/Korea/Japan

<sup>[1]</sup>English Names are tentative

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# Results by Business Segment



(Million Yen)

		FY20 1st Half	FY21 1st Half	Change
<b>Entertainment</b>	Sales	21,683	<b>35,245</b>	13,562
	Operating Profit	8,352	<b>16,115</b>	7,763
<b>Amusement</b>	Sales	1,185	<b>1,449</b>	264
	Operating Profit	34	<b>191</b>	157
<b>Real Estate</b>	Sales	361	<b>511</b>	150
	Operating Profit	65	<b>71</b>	6
<b>Others</b>	Sales	90	<b>184</b>	94
	Operating Profit	△ 5	<b>45</b>	50
<b>Corporate &amp; Elimination</b>	Sales	△ 179	<b>△ 170</b>	9
	Operating Profit	-	-	-
<b>Total</b>	Sales	23,141	<b>37,220</b>	14,079
	Operating Profit	8,447	<b>16,423</b>	7,976

# Sales Amounts by Region



## Consolidated Results

(Million Yen)

	FY20 1st Half		FY21 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Component Ratio
<b>Japan</b>	11,532	49.8%	<b>18,798</b>	50.5%	7,266	63.0%
<b>Overseas</b>	11,609	50.2%	<b>18,422</b>	<b>49.5%</b>	6,813	58.7%
<b>N. America</b>	2,937	12.7%	<b>4,944</b>	13.3%	2,007	68.4%
<b>Europe</b>	1,357	5.9%	<b>1,728</b>	4.6%	371	27.3%
<b>Asia</b>	7,315	31.6%	<b>11,750</b>	31.6%	4,435	60.6%
<b>Total</b>	23,141	100.0%	<b>37,220</b>	100.0%	14,079	60.8%

## Breakdown: Entertainment Segment

(Million Yen)

	FY20 1st Half		FY21 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Component Ratio
<b>Japan</b>	10,145	46.8%	<b>16,894</b>	47.9%	6,749	66.5%
<b>Overseas</b>	11,539	53.2%	<b>18,351</b>	<b>52.1%</b>	6,812	59.0%
<b>Total</b>	21,683	100.0%	<b>35,245</b>	100.0%	13,562	62.5%

# Units Sold by Region/ Number of DL



Console: units sold (1000 Copies)

	FY20 1st Half		FY21 1st Half		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Component Ratio
<b>Japan</b>	1,000	32.8%	<b>1,330</b>	36.4%	330	33.0%
<b>Overseas</b>	2,050	67.2%	<b>2,320</b>	<b>63.6%</b>	270	13.2%
<b>N. America</b>	780	25.6%	<b>1,050</b>	28.8%	270	34.6%
<b>Europe</b>	700	23.0%	<b>500</b>	13.7%	△ 200	-28.6%
<b>Asia</b>	570	18.7%	<b>770</b>	21.1%	200	35.1%
<b>Total</b>	3,050	100.0%	<b>3,650</b>	100.0%	600	19.7%
<b>DL Units</b>	1,500		<b>2,300</b>		800	53.3%
<b>DL Ratio</b>	49.2%		<b>63.0%</b>		+13.8pt	

Online/Mobile: Cumulative Number of DL<sup>[1]</sup> (1000 DLs)

	FY20 1st Half		FY21 1st Half		Vs Previous Year	
	DL	Component Ratio	DL	Component Ratio	DL	Component Ratio
<b>Japan</b>	30,000	46.2%	<b>30,400</b>	29.4%	400	1.3%
<b>Overseas</b>	35,000	53.8%	<b>72,900</b>	<b>70.6%</b>	37,900	108.3%
<b>Total</b>	65,000	100.0%	<b>103,300</b>	100.0%	38,300	58.9%

[1]Cumulative Number of DL: the cumulative total number of DL on global basis composed of all social and smartphone games operated by KT Group (except for MMORPG) and IP licensing-out titles in service as of the end of the fiscal year

# Breakdown on the Sales for Entertainment Segment



(Million Yen)

		FY20 1st Half	FY21 1st Half	Change	% Change
<b>Console</b>	Package <sup>[1]</sup>	6,183	<b>9,535</b>	3,352	54.2%
	DL <sup>[2]</sup>	4,290	<b>6,350</b>	2,060	48.0%
	DLC <sup>[3]</sup>	1,040	<b>1,130</b>	90	8.7%
		11,513	<b>17,015</b>	5,502	47.8%
<b>Online/</b>	PC Online <sup>[4]</sup>	800	<b>490</b>	△ 310	-38.8%
<b>Mobile</b>	Smartphone/Social <sup>[5]</sup>	8,800	<b>17,250</b>	8,450	96.0%
	Others	170	<b>90</b>	△ 80	-47.1%
		9,770	<b>17,830</b>	8,060	82.5%
<b>Events &amp; Goods</b>		400	<b>400</b>	0	0.0%
<b>Sales for Entertainment Segment</b>		21,683	<b>35,245</b>	13,562	62.5%

[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 smartphone games, social games, browser games, and royalty from IP licensing-out

# Major Costs/Headcounts



(million yen/headcounts)

		FY20 1st Half	FY21 1st Half	Change	% Change
<b>Employment Cost</b>	COGS	6,270	<b>7,380</b>	1,110	17.7%
	SGA	1,690	<b>1,950</b>	260	15.4%
		7,960	<b>9,330</b>	1,370	17.2%
<b>Subcontracting Cost</b>	COGS	1,720	<b>1,760</b>	40	2.3%
<b>Advertizing/Promotional Cost</b>	SGA	400	<b>1,430</b>	1,030	257.5%
<b>Total Headcount<sup>[1]</sup></b>		2,018	<b>2,081</b>	63	3.1%

[1]Excluding temporary employees



# FY2021 Plan

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Full-Year

(Million Yen)

	FY20 Results		FY21 Plan		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
<b>Sales</b>	60,370	100.0%	<b>65,000</b>	100.0%	4,630	7.7%
<b>Operating Profit</b>	24,397	40.4%	<b>24,500</b>	37.7%	103	0.4%
<b>Ordinary Profit</b>	39,299	65.1%	<b>36,500</b>	56.2%	△ 2,799	-7.1%
<b>Net Profit</b>	29,550	48.9%	<b>26,500</b>	40.8%	△ 3,050	-10.3%

- After strictly viewing external factors, such as a decrease in sales that had increased as a result of demands to stay home,
- and in light of the upcoming releases of major console titles in the second half of the FY,
- profits from IP licensing, and uncertainties in non-operating income due to global economic trends, there will be no revisions to our full-year earnings forecast.

# Sales and Operating Profit by Business Segment (FY2021 Plan)



Full-Year		(Million Yen)		
		FY20	FY21 (Plan)	Change
<b>Entertainment</b>	Sales	56,808	<b>60,575</b>	3,767
	Operating Profit	23,974	<b>23,615</b>	△ 359
<b>Amusement</b>	Sales	2,977	<b>3,400</b>	423
	Operating Profit	368	<b>730</b>	362
<b>Real Estate</b>	Sales	789	<b>775</b>	△ 14
	Operating Profit	99	<b>25</b>	△ 74
<b>Others</b>	Sales	240	<b>380</b>	140
	Operating Profit	△ 44	<b>130</b>	174
<b>Corporate &amp; Elimination</b>	Sales	△ 445	△ <b>130</b>	315
	Operating Profit	0	<b>0</b>	0
<b>Total</b>	Sales	60,370	<b>65,000</b>	4,630
	Operating Profit	24,397	<b>24,500</b>	103

# Net Sales by Region (FY2021 Plan)



## Consolidated: Full-Year

	FY20		FY21 (Plan)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	29,419	48.7%	<b>38,500</b>	59.2%	9,081	30.9%
Overseas	30,951	51.3%	<b>26,500</b>	<b>40.8%</b>	△ 4,451	-14.4%
N. America	9,456	15.7%	<b>6,700</b>	10.3%	△ 2,756	-29.1%
Europe	4,423	7.3%	<b>3,800</b>	5.8%	△ 623	-14.1%
Asia	17,072	28.3%	<b>16,000</b>	24.6%	△ 1,072	-6.3%
Total	60,370	100.0%	<b>65,000</b>	100.0%	4,630	7.7%

## Breakdown: Entertainment Segment

	FY20		FY21 (Plan)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	25,994	45.8%	<b>34,211</b>	56.5%	8,217	31.6%
Overseas	30,814	54.2%	<b>26,364</b>	<b>43.5%</b>	△ 4,450	-14.4%
Total	56,808	100.0%	<b>60,575</b>	100.0%	3,767	6.6%

# Sales Units by Region/ Number of DL (FY2021 Plan)



## Console: units sold (full-year)

	FY20		FY21 (Plan)		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	2,110	20.9%	<b>2,700</b>	28.7%	590	28.0%
Overseas	8,000	79.1%	<b>6,700</b>	<b>71.3%</b>	△ 1,300	-16.3%
N. America	3,920	38.8%	<b>3,350</b>	35.6%	△ 570	-14.5%
Europe	2,410	23.8%	<b>1,950</b>	20.7%	△ 460	-19.1%
Asia	1,670	16.5%	<b>1,400</b>	14.9%	△ 270	-16.2%
Total	10,110	100.0%	<b>9,400</b>	100.0%	△ 710	-7.0%

## Online/Mobile: Cumulative Number of DL<sup>[1]</sup>

	FY20		FY21 (Plan)		Vs Previous Year	
	DL	Component Ratio	DL	Component Ratio	DL	Percent Change
Japan	29,700	30.0%	<b>34,100</b>	30.1%	4,400	14.8%
Overseas	69,300	70.0%	<b>79,300</b>	<b>69.9%</b>	10,000	14.4%
Total	99,000	100.0%	<b>113,400</b>	100.0%	14,400	14.5%

<sup>[1]</sup>Cumulative Number of DL: the cumulative total number of DL on global basis composed of all social and smartphone games operated by KT Group (except for MMORPG) and IP licensing-out titles in service as of the end of the fiscal year

# Capital Expenditure and Depreciation Expenses (FY2021 Plan)



Full-Year		(Million Yen)			
		FY18	FY19	FY20	<b>FY21 (Plan)</b>
<b>Investment</b>	Real Estate	0	14,254	965	<b>800</b>
	Equipment	240	376	583	<b>700</b>
<b>Depreciation Cost</b>		738	765	1,626	<b>1,700</b>

# Management Policy

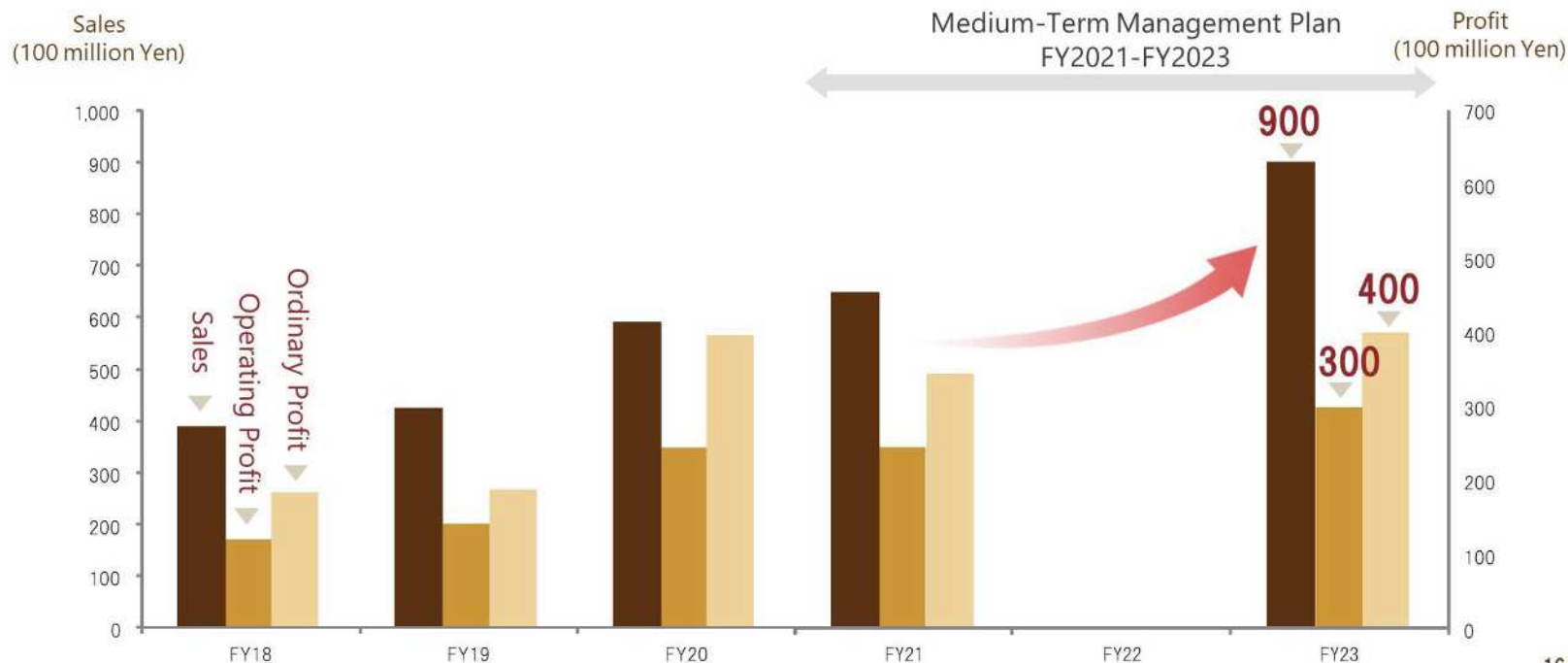
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Koei Tecmo Holdings Co., Ltd.  
President & CEO (Representative Director)

**Yoichi Erikawa**



## Sales of 90 billion yen and operating income of 30 billion in FY2023 Plan





## Priority Goals

- Operating profit target of 30 billion yen in FY2023
- 5 million copies class console title (new IP)
- 2 million copies class console title every year
- Smartphone title
  - with monthly sales of 2 billion yen
- Smartphone titles
  - with monthly sales of 1 billion yen



# Medium-Term Management Plan (FY2021-FY2023)



## Growth Strategy

- Realization of 5 million copies class console title and yearly launch of 2 million copies class console title
- Realization of smartphone title with monthly sales of 2 billion yen
- Releasing our next smartphone title with monthly sales of 1 billion yen
- Utilize the know-how from our successful titles in expansion of other IP (Nioh, Romance of the Three Kingdoms Ha-do)
- Globalization of Atlier, SLG, and Warriors IP
- Development and expansion of new IP
- Entering into growing genres
- Expansion of Global Business
- Efforts to realize SDGs



## Create and develop global IPs



# Management Strategy

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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**



# Highlights on FY2021 1st Half



Achieved record results for the first half of the fiscal year!

Due to the growth in our online and mobile sectors, quarterly operating income has also improved.

## Console

- New titles published in-house, such as "SAMURAI WARRIORS 5" and "NINJA GAIDEN: Master Collection", have been successful.
- Repeat sales of titles such as "Nioh 2 - The Complete Edition" have also had steady growth.

## Online/ Mobile

- "ROMANCE OF THE THREE KINGDOMS Ha-do" continues to perform well. Deploying the title to Taiwan/Hong Kong/Macau led to a substantial increase in sales compared with the previous year.
- "Three Kingdoms Tactics" continues to perform exceedingly well. Regional expansion is also progressing.

## Overall

- Non-operating income: Gains on sales of securities ahead of schedule
- Impact of China's tightened regulations: No impact.

# Impact of China's tightened regulations



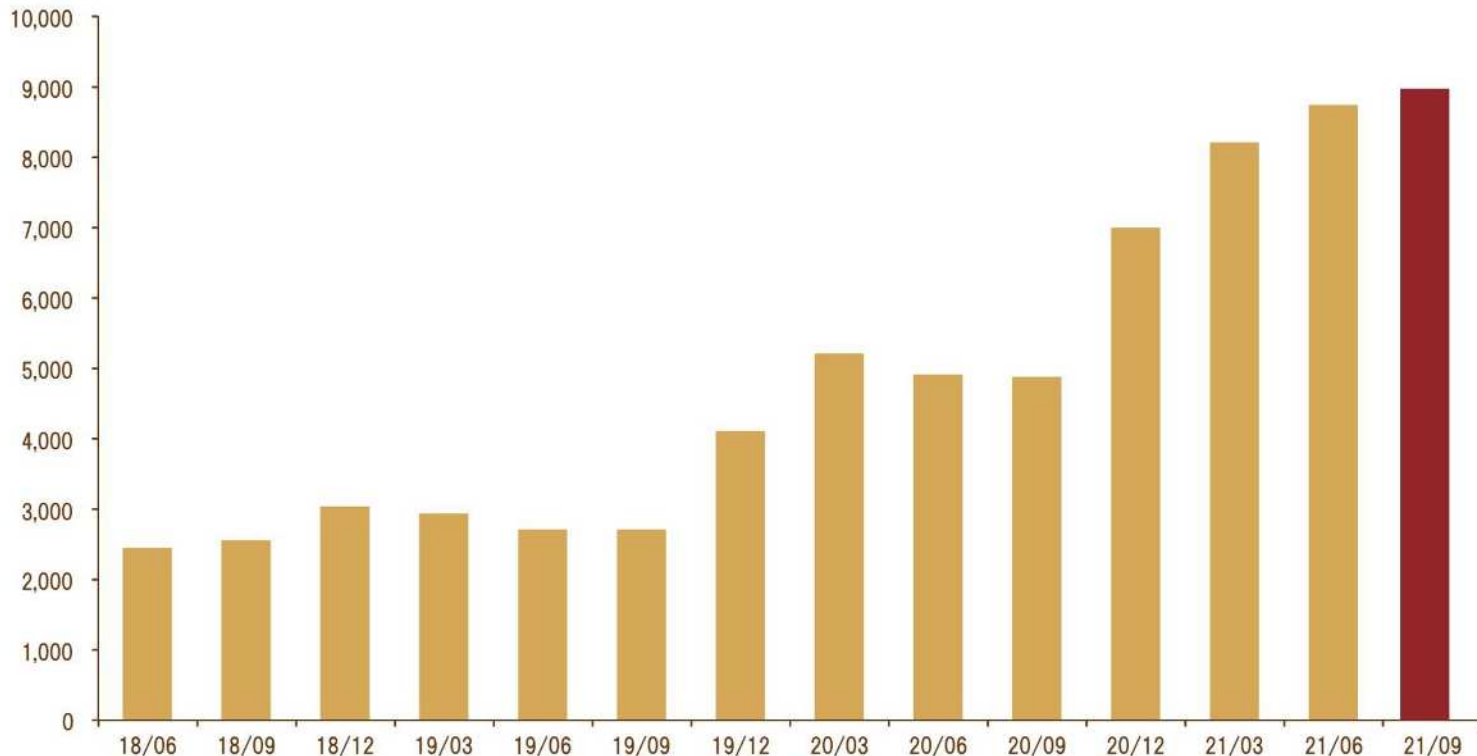
For content of our company such as "ROMANCE OF THE THREE KINGDOMS", the percentage of sales from minors is small, so there will not be an impact. As for our historical content, our policy will be to continue to develop appropriate games.



# Sales Trend in Online/Mobile



(Million Yen)



## Major Titles (Console)



PS5™/PS4™/  
Nintendo Switch™/Xbox One/  
Xbox Series X|S/Steam®

**DYNASTY WARRIORS 9 Empires**

Launch on Dec 23 2021



**Nobunaga's Ambition: Shinsei** <sup>[1]</sup>

Early 2022

<sup>[1]</sup>English titles are tentative

<sup>[2]</sup>Launch dates in Japan

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## Major Titles (Console)



Nintendo Switch™/DMM GAMES

***Touken Ranbu Musou***<sup>[1]</sup>

Launch on Feb 17 2022



PlayStation®5/PlayStation®4  
Xbox Series X|S/Xbox One/Epic Games Store

***STRANGER OF PARADISE  
FINAL FANTASY ORIGIN***

Launch on Mar 18 2022

<sup>[1]</sup>English titles are tentative

<sup>[2]</sup>Launch dates in Japan 25

## Project BLUE REFLECTION



Animation

Console Game

For Smartphone/PC

BLUE REFLECTION RAY  
ブルーリフレクション レイ

BLUE REFLECTION TIE  
ブルーリフレクション タイ

BLUE REFLECTION SUN  
ブルーリフレクション サン

### **BLUE REFLECTION RAY**

On the air in MBS/TBS/BS-TBS Anime-ism slot  
Streaming on d-Anime Store

### **BLUE REFLECTION TIE**

PS4™/Nintendo Switch™/Steam®  
Launch on Oct 21 2021  
Steam launch on Nov 9

### **BLUE REFLECTION SUN**

in production now

1. Excellent Powers of Development, Technology, and Project Management
2. Multi-layered Revenue Cycle



# 1. Excellent Powers of Development, Technology, and Project Management

## Recent Performance

### Power of Development

- Creation of new IPs
- Know-how gathered through over **40 years of game development** (Action/ Simulation/ RPG)
- **Oriental Worldview**

### Power of Technology

- Our original game engine **Katana Engine™**
- Effective and efficient multi-platform strategy

### Power of Project Management

- Strong control over **Delivery Time, Quality and Budget**
- Promotion of the collaboration strategy

- Success of Nioh
- Success of Romance of the Three Kingdoms Ha-do
- Success of Romance of the Three Kingdoms IP in China (IP licensing-out)

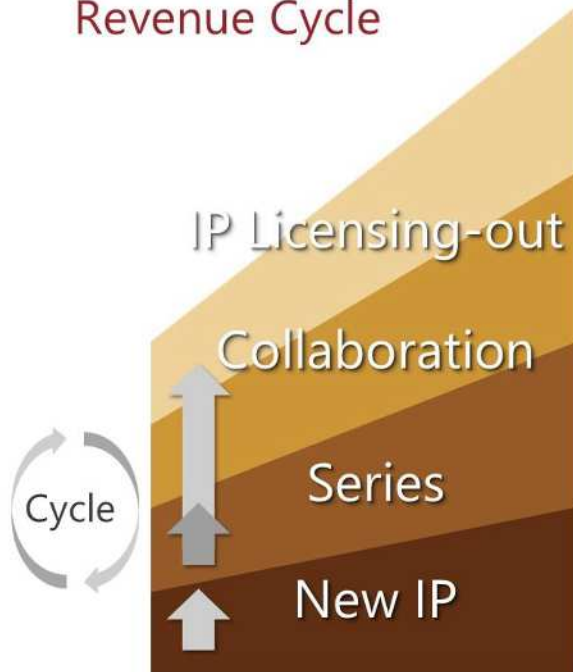
- Globally promoting multi-platform access to our games
- Utilization of AI in historical simulation games

- Strong control over **Delivery Time, Quality and Budget**
- Successfully managing 5-year development plan

## 2. Multi-layered Revenue Cycle



### Multi-layered Revenue Cycle



#### IP Licensing-out

- Utilizing IP assets cultivated over many years

#### Collaboration

- Leveraging development capabilities to collaborate with leading global IP
- Making collaboration titles into series

#### Series

- Expansion of spin-off titles derived from existing series
- Smartphone titles derived from console IP

#### New IP

- Creation of a title with sales of 5 million copies
- 2 million copies class console title every year
- Smartphone title with monthly sales of 2 billion yen
- Smartphone titles with monthly sales of 1 billion yen

#### Recent Performance

- Three Kingdoms Tactics continues to perform exceedingly well
- Dynasty Warriors Ha <sup>[1]</sup> has been started
- negotiating for future pipeline

- Touken Ranbu Musou<sup>[1]</sup>
- STRANGER OR PARADISE  
FINAL FANTASY ORIGIN

- SAMURAI WARRIORS 5
- DYNASTY WARRIORS 9 Empires
- Nobunaga's Ambition: Shinsei <sup>[1]</sup>
- Atelier Sophie 2 ~The Alchemist of the Mysterious Dream~

- Under development

<sup>[1]</sup>English titles are tentative 29



株式会社コーエーテックモホールディングス

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