



Level up your happiness

Financial Results for the FY 2024 and 4th Mid-term Management Plan

KOEI TECMO HOLDINGS CO., LTD.

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Financial Summary

1. Financial Summary
2. Basic Philosophy and Management Structure
3. Fourth Medium-Term Management Plan and FY25 Forecast

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Thank you very much for taking the time to join us today for our earnings presentation.

I would like to provide an overview of the financial results.

Financial Summary

The profit exceeded both the previous year
and the performance forecast due to our new title release.

	FY24 Fullyear		Vs Previous Year		Vs Initial Forecast	
	Amount	Profit Ratio	Amount	Percent Change	Amount	Percent Change
Sales	83,150	-	(1,434)	-1.7%	(6,850)	-7.6%
Operating Profit	32,119	38.6%	3,625	12.7%	2,119	7.1%
Ordinary Profit	49,988	60.1%	4,247	9.3%	9,988	25.0%
Net Profit	37,628	45.3%	3,836	11.4%	7,628	25.4%

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In the fiscal year 2024, our profits exceeded both the previous year and our performance forecasts.

The number of new titles in our self-publishing has increased, and the download sales of back catalog titles have grown. Additionally, we have made progress in reducing costs for our operating titles.

As for non-operating income and expenses, we achieved revenue growth through agile management while closely monitoring the financial markets.

As a result of these efforts, non-operating income and expenses, ordinary profit, and net profit have all reached record highs.

Results by Business Segment

		(Million Yen)		
		FY23	FY24	Change
Entertainment	Sales	79,486	78,078	(1,408)
	Operating Profit	28,304	31,479	3,175
Amusement	Sales	3,918	4,150	232
	Operating Profit	673	500	(173)
Real Estate	Sales	1,205	1,234	29
	Operating Profit	151	304	153
Others	Sales	389	318	(71)
	Operating Profit	(635)	(164)	471
Corporate & Elimination	Sales	(415)	(630)	(215)
	Operating Profit	-	-	-
Total	Sales	84,584	83,150	(1,434)
	Operating Profit	28,494	32,119	3,625

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The sales and operating profit by segment are as follows:

Regarding the Entertainment Segment, it performed as I mentioned earlier.

For the Amusement Segment, our amusement facility business saw strong performance from existing stores, and new store openings also contributed positively. However, in the SP business, there was a decline in development contract sales.

In the Real Estate Segment, we achieved profit growth primarily due to reduced maintenance and management costs for existing properties. The live-hall KT Zepp Yokohama achieved a high occupancy rate and reached its highest sales ever.

In the Other Segment, within our venture capital business, we recorded management fees related to our invested funds.

Sales by Region

	(Million Yen)					
	FY23 Fullyear		FY24 Fullyear		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	50,826	60.1%	49,220	59.2%	(1,606)	-3.2%
Overseas	33,758	39.9%	33,930	40.8%	172	0.5%
N. America	7,781	9.2%	10,882	13.1%	3,101	39.9%
Europe	3,545	4.2%	4,032	4.8%	486	13.7%
Asia	22,432	26.5%	19,017	22.9%	(3,415)	-15.2%
Total	84,584	100.0%	83,150	100.0%	(1,434)	-1.7%

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This is the results by region.

The ratio of overseas sales revenue is 40.8%, which is on par with the previous year.

Breakdown of the Sales for Entertainment Segment

		(Million Yen)		
		FY23	FY24	Change
Console/PC ^[1]	Package ^[2]	13,206	15,540	2,334
	DL ^[2]	14,060	22,070	8,010
	DLC ^[3]	2,600	1,910	(690)
		29,866	39,520	9,654
Online/Mobile	Online	520	380	(140)
	Mobile ^[3]	48,200	37,180	(11,020)
		48,720	37,560	(11,160)
Events & Goods		900	1,000	100
Sales for Entertainment Segment		79,486	78,078	(1,408)

Please refer to the separately disclosed “data appendix”
for other disclosed figures, such as the number of units sold.

[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

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The breakdown of sales within the Entertainment Segment is as follows.

In the console and PC sector, while last year was dominated by major titles published by other companies, this year saw growth in sales driven by new titles published by our own.

In the online and mobile sector, although there was a decline in titles launched last year, "Romance of the Three Kingdoms: Hadou" and "Nobunaga's Ambition: Hadou" continued to perform steadily.

Sales Units by Region / Number of Downloads for Mobile Titles

◆ Breakdown on the Sales Units

	FY23 Fullyear		FY24 Fullyear		(1,000 Units) Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	2,420	33.0%	2,370	31.1%	(50)	-2.1%
Overseas	4,920	67.0%	5,260	68.9%	340	6.9%
N. America	2,180	29.7%	2,020	26.5%	(160)	-7.3%
Europe	1,360	18.5%	1,190	15.6%	(170)	-12.5%
Asia	1,380	18.8%	2,050	26.9%	670	48.6%
Total	7,340	100.0%	7,630	100.0%	290	4.0%
DL Units	5,110	0.0%	5,960		850	
DL Ratio	69.6%	0.0%	78.1%		+8.5pt	

◆ Number of Downloads for Mobile Titles including licensed-out titles

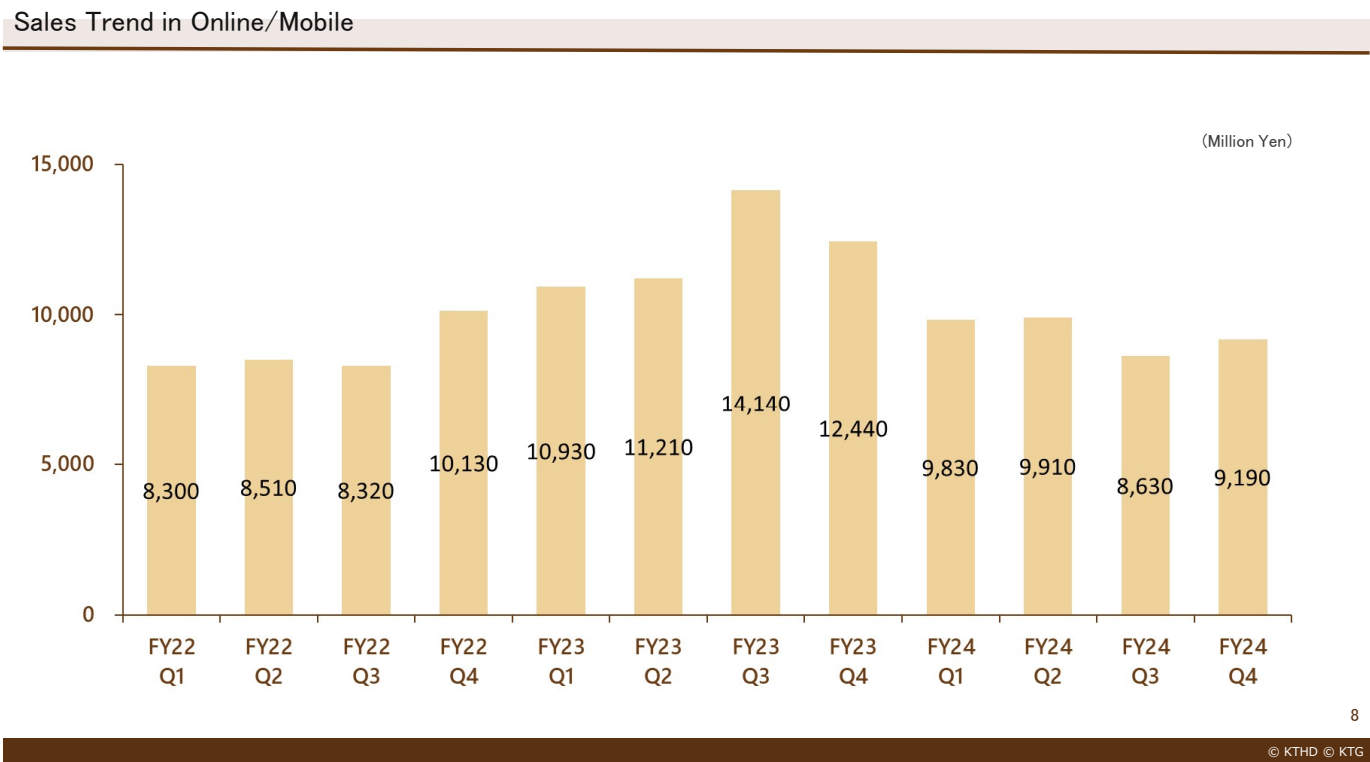
	FY23 Fullyear		FY24 Fullyear		(1,000 downloads) Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	33,700	21.6%	25,800	15.6%	(7,900)	-23.4%
Overseas	122,500	78.4%	140,000	84.4%	17,500	14.3%
Total	156,200	-	165,800	-	9,600	6.1%

Note: Download numbers represent the total global cumulative downloads of mobile titles operated by the company and licensed IP titles (those currently in service as of the end of the period).

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The total sales volume reached 7.63 million units, with an overseas ratio of 68.9%.

In the online and mobile sector, the download numbers for Koei Tecmo IP applications increased by 6.1% globally, reaching a total of 165.8 million downloads.



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This is the sales trend in the online and mobile sector.

In the fourth quarter, sales increased compared to the previous quarter due to events held for existing titles operated by the company.

Towards Compliance with the Tokyo Stock Exchange Prime Market Standards

Implement measures to meet the listing standards for the Prime Market

◆Policy

- Maintain listing on the Tokyo Stock Exchange Prime Market
- Implement measures to comply with listing standards

◆Current Situation

- Listing maintenance standard: Tradable share ratio of 35% or more
 - As of the end of March 2024, the ratio is 32.0%, requiring action
- Methods and timing are under consideration
 - Details will be disclosed promptly once decided

For reference:
Tokyo Stock Exchange Listing Maintenance Standards Transitional Measures
– Improvement period until March 2026
<https://www.jpx.co.jp/english/listing/market-alerts/improvement-period/index.html>

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Let me explain our compliance with the listing standards of the Tokyo Stock Exchange Prime Market.

Based on the decisions made by our Board of Directors, we are committed to taking necessary actions to maintain our listing on the Prime Market.

As of the end of March 2024, our stands at 32%. We are currently formulating measures to achieve 35% by March 2026, which is our planned period.

At this time, we are not disclosing specific details regarding the timing or strategies. However, we will promptly disclose any decisions once they are made.

This concludes my overview of the financial results.
Thank you for your attention.

2. Basic Philosophy and Management Structure

1. Financial Summary
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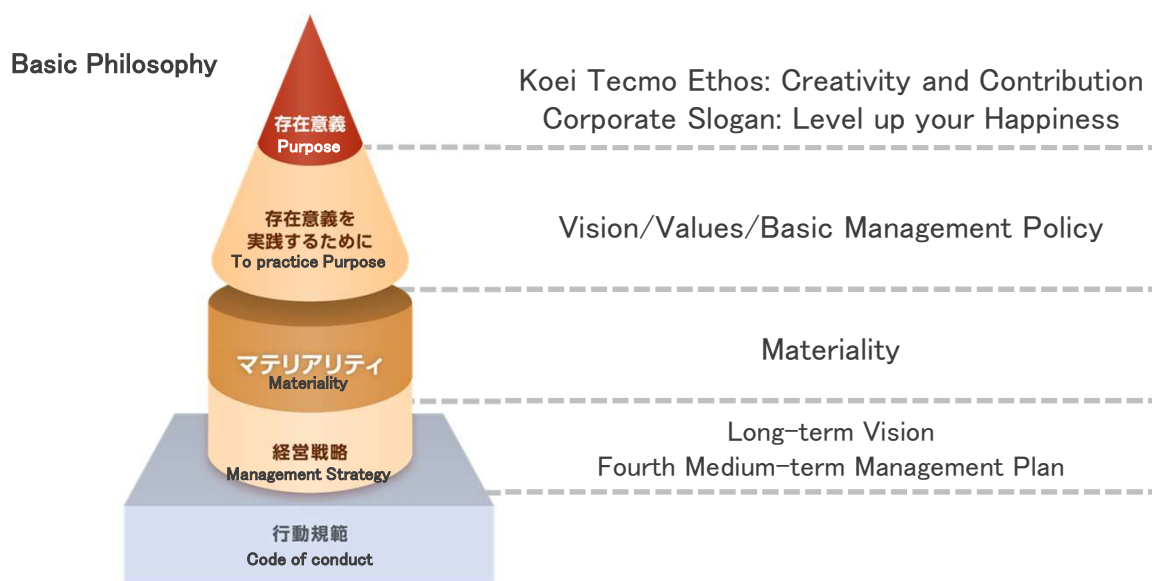
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I would like to provide an explanation of our fundamental principles and management structure.

Basic Philosophy

Position the Ethos and corporate slogan of Koei Tecmo as the "Purpose"



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With the launch of our new medium-term management plan, we have refined and structured our fundamental principles.

We have defined "Koei Tecmo Ethos: Creativity and Contribution" and our corporate slogan "Level up your Happiness" as the core of our corporate identity.

To put these into practice, we have established three guiding principles: a "Vision" that outlines our desired future state, "Values" that shape our culture, and "Basic Management Policy" that define the roles and responsibilities for those executing management.

The key challenges we must address for sustainable growth over the medium to long term are identified as our materiality. Based on this, we have developed a management strategy that includes a long-term vision and the Fourth Medium-Term Management Plan.

Management Structure

Transition to a new structure from June 2025 to ensure sustainable growth

- ◆ **Separation of Management Oversight and Execution (Governance Enhancement)**
 - Chairperson Keiko Erikawa and President Yoichi Erikawa will focus on monitoring and supervising management.
 - Increase the number of outside directors.
- ◆ **Transition to Next-Generation Management (Succession Implementation)**
 - Executive Vice President Koinuma will be appointed as President, CEO, and Representative Director.

New Position Title	Name	Current Position Title
Director and Chairman Emeritus	Keiko ERIKAWA	Representative Director and Chairman
Representative Director and Chairman	Yoichi ERIKAWA	Representative Director, President and CEO
Representative Director, President and CEO	Hisashi KOINUMA	Representative Director and Executive Vice President

Note: The appointment of directors is scheduled to be formally decided at our 16th Annual General Meeting of Shareholders and the Board of Directors meeting to be held immediately after the conclusion of the same shareholders' meeting.

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Starting in June 2025, we plan to transition to a new management structure.

To strengthen governance, we will further separate management oversight from execution.

Chairperson Keiko Erikawa and CEO Yoichi Erikawa will focus on monitoring and supervising management.

Additionally, we will transition to a structure where the majority of the board consists of outside directors.

Furthermore, Koinuma, currently serving as Executive Vice President, will assume the role of Representative Director, President, and CEO.

With this transition, we will complete the gradual shift to the next generation of leadership and strive to achieve sustainable growth under the new management structure.

Management Structure

**Under the leadership embodying “Creativity & Business,”
we aim to expand globally**

◆Profile of the New President, Koinuma

April 1994: Joined Koei Co., Ltd. (now Koei Tecmo Games Co., Ltd.) as a new graduate

April 2006: Appointed as Executive Officer at the age of 34

April 2012: Became Head of the Software Division* at the age of 40

April 2015: Appointed President of Koei Tecmo Games Co., Ltd.

April 2021: Became Executive Vice President
and Representative Director of Koei Tecmo Holdings Co., Ltd.

- Served as the lead programmer for the PlayStation®2 launch title “Kessen” (in 2000)
and as a producer for the company’s first collaborative title and “Samurai Warriors” etc.
- Contributed to the development of a common library(prototype of the in-house engine)

Note : Current Entertainment Division



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Let me re-introduce Koinuma.

He joined Koei as a new graduate and gained experience as a programmer. Over the years, he has laid the foundation for our current business by launching the "Samurai Warriors" series and realizing our first collaborative titles and so on.

In the title "Kessen," where I served as producer, he was the lead programmer. Not only did he tackle the challenging 3D programming, but he also demonstrated remarkable dedication by ensuring the game reached its highest quality, even under tight schedules.

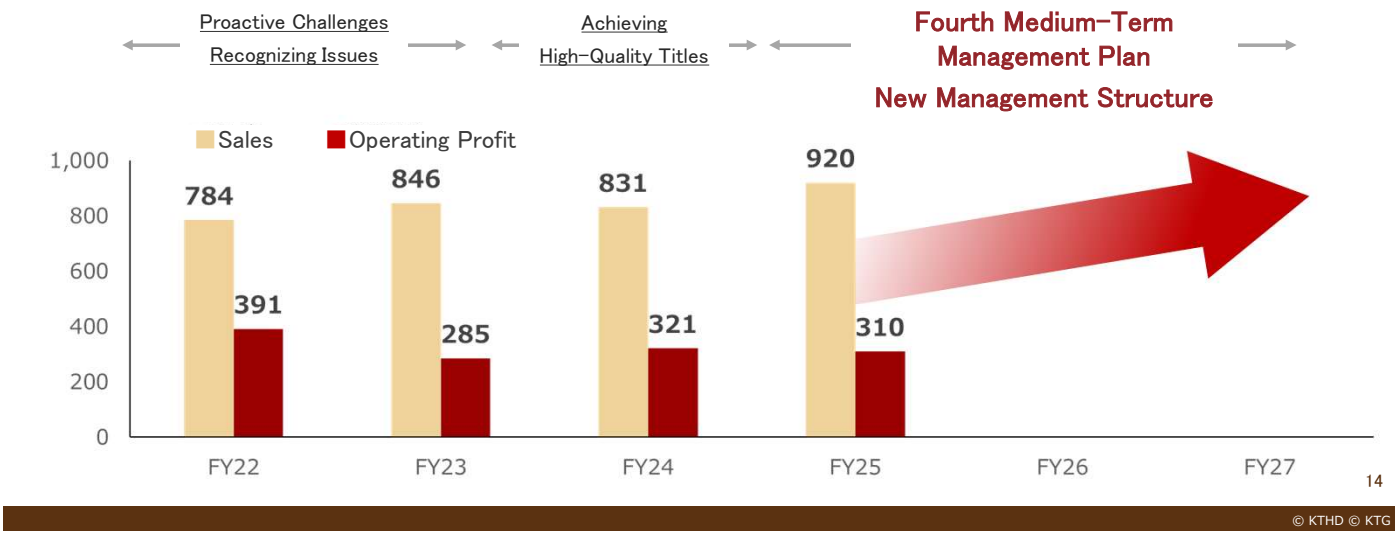
Moreover, he excels in business negotiations, and I regard his capabilities as surpassing my own.

Our company values individuals who embody both creativity and business acumen, and I am confident that he exemplifies this ideal.

Under his leadership, I have high expectations that Koei Tecmo will achieve further growth and advance towards our vision.

Current Situation and Outlook

Efforts to pave the way for the future have begun to bear fruit.
Embarking on a new start towards a growth trajectory



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Let me share our current perspective and outlook.

In our third Medium-Term Management plan, we aimed for growth through various challenges.

These challenges have clarified the issues we need to overcome. By focusing on these areas, we have begun to see promising signs. We achieved high quality in several titles released at the end of fiscal year 2024, receiving positive feedback from our customers.

In the world of entertainment, taking on new challenges to create novel experiences is essential. It is crucial, both as creators and as a management, to learn from failures and apply those lessons to future endeavors.

Starting in fiscal year 2025, under Koinuma's leadership, we will implement our fourth Medium-Term Management Plan, aiming to be among the world's top 10 in a decade. I will dedicate myself to guiding this process as a supervisory role.

We sincerely ask for your continued support and cooperation.

3. Fourth Medium-Term Management Plan and FY25 Forecast

1. Financial Summary
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 - Review of the Third Medium-Term Management Plan
 - Fourth Medium-Term Management Plan: Summary/ Goals /Quantitative Targets / Qualitative Targets
 - Three Pillars: Strengthening the Management Foundation/Business Strategy/Cash Allocation
 - FY25 Forecast

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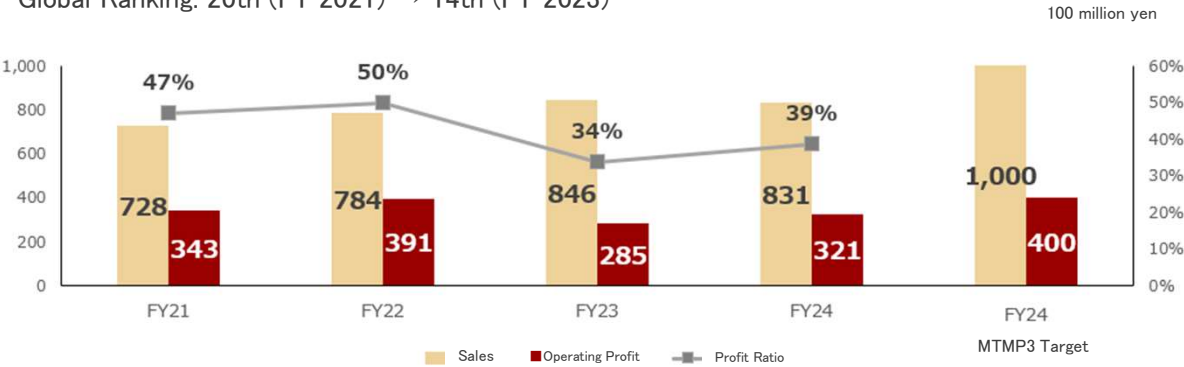
I will explain the Fourth Medium-Term Management Plan, which we will undertake over three years starting from the fiscal year 2025.

Review of the MTMP3: Performance

Although we did not meet our performance targets,
we were able to achieve certain results.

◆Performance

Sales: Achieved a record high in the fiscal year 2023
Operating Profit: Although the target of 40 billion yen was not met, the profit margin remains high
Global Ranking: 20th (FY 2021) → 14th (FY 2023)



Note: The ranking is based on the operating profit of global digital entertainment companies (according to our research). The same applies to the following pages.

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First, a review of the Third Medium-Term Management Plan.

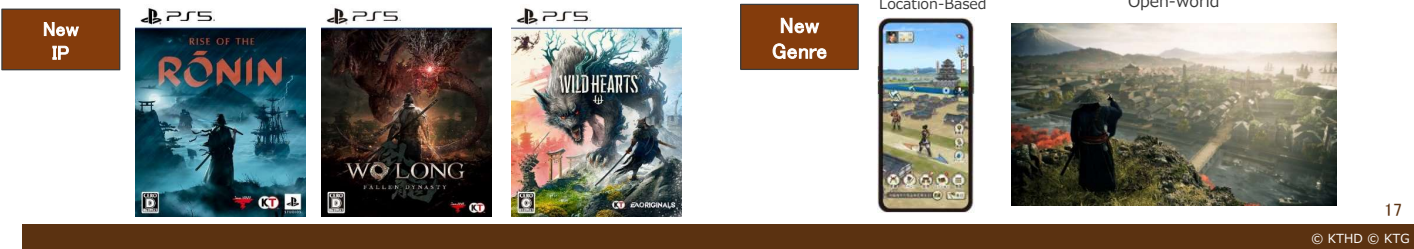
Although the performance targets of the Third Medium-Term Management Plan were not fully met, certain achievements were realized, including an expansion in sales.

In a rapidly changing market environment,
the ranking of operating profit in the global digital entertainment industry
has risen, achieving 14th place in FY2023, up from 20th place in FY2021.

Review of the MTMP3: Priority Goals

We actively took on challenges with the aim of creating hit titles

Priority Goals		Results
Performance	Operation Profit 40 billion	Operating profit for FY24 is 32.1 billion yen.
Console/PC	Launch several 5M units-class titles(New IP)	Two titles were released. Although the targets for the period were not met, they received high ratings.
	Launch 2M units-class titles each fiscal year	A total of four titles over the period, achieving a high Metacritic score.
Mobile	Launch title with monthly sales 2B yen	The two planned titles were realized, but monthly sales did not meet expectations.
	Launch several titles with monthly sales 1B yen	Achieved monthly sales of 1 billion yen with two titles.



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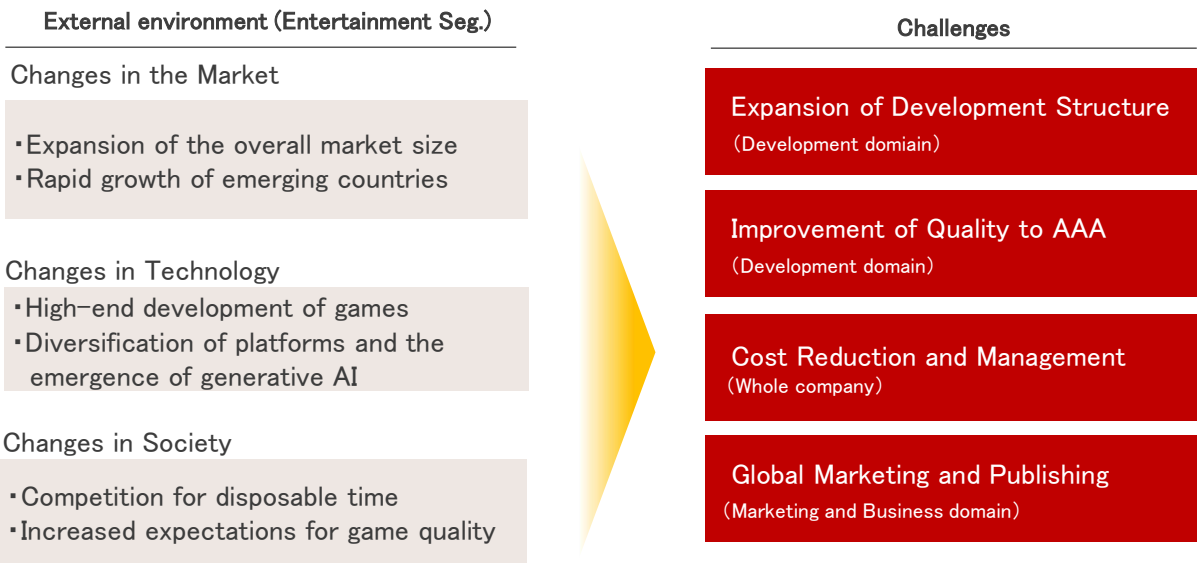
As a key objective, we actively pursued challenges in the console•PC and mobile sectors to create major titles and hits in new genres.

Although all targeted titles were launched, some did not meet the anticipated performance.

On the other hand, through these challenges, we were able to clearly identify challenges related to global expansion and advance the accumulation of development expertise.

Review of the MTMP3: Issue Recognition

Recognize global challenges based on environmental changes and the results of challenges



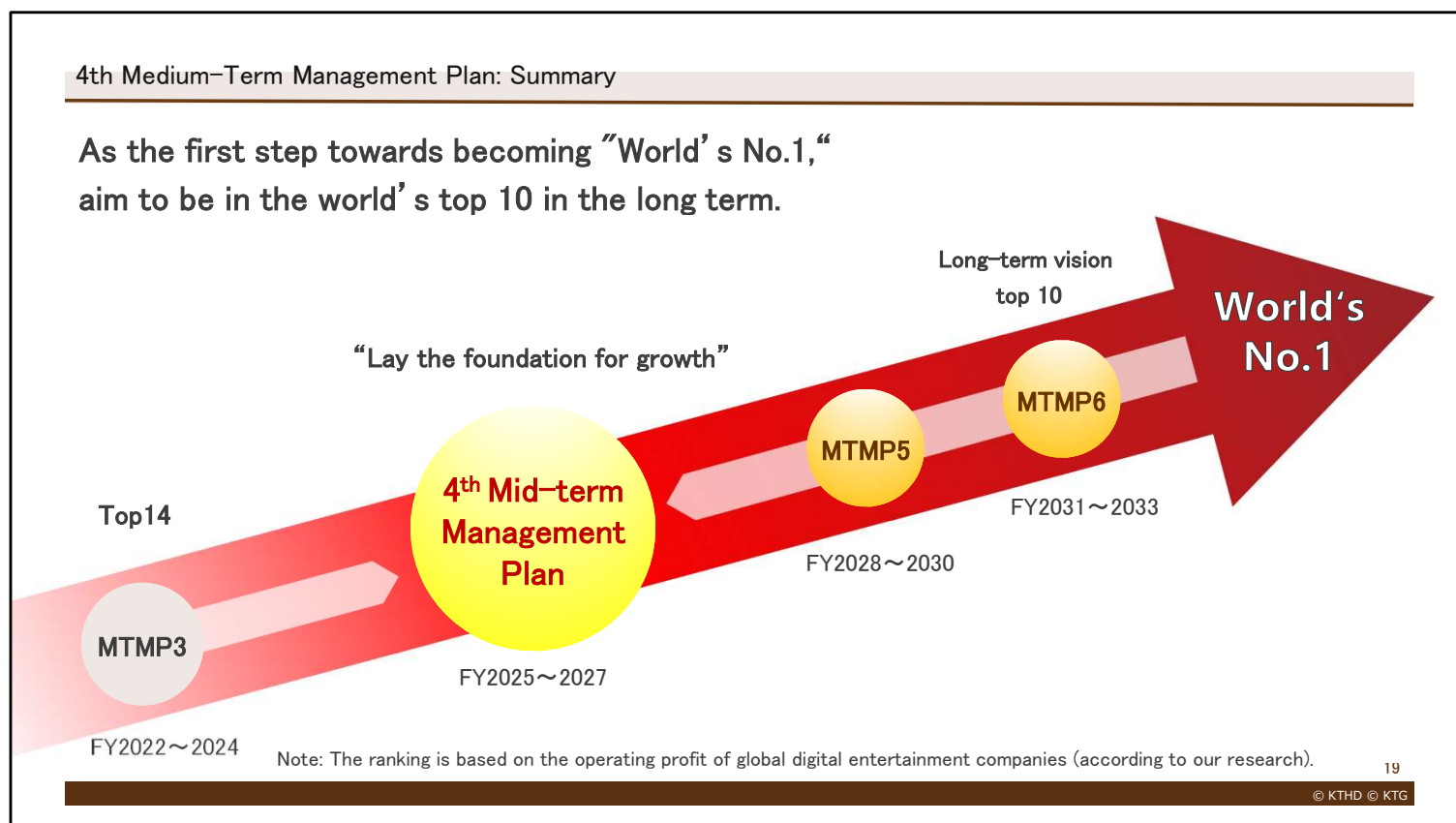
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The specific challenges we have identified are outlined as follows.

In terms of the market environment, there is ongoing expansion, particularly in emerging countries, along with increased opportunities due to the diversification of platforms and the emergence of generative AI.

Conversely, the advancement of high-end gaming has raised customer’s expectations, leading to a trend of rising costs.

Our recognition of challenges in this environment is summarized in the four points listed.
Our approach to addressing these challenges is incorporated into the Fourth Medium-Term Management Plan.



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Next, I will explain the contents of the Fourth Medium-Term Management Plan, covering the fiscal years 2025 to 2027.

The Fourth Medium-Term Management Plan has been developed by considering both the ongoing initiatives aimed at resolving the challenges identified in the Third Medium-Term Management Plan and a back cast from the our long-term vision.

As the first step towards becoming the world's No.1, we have set a long-term vision spanning about ten years, aiming to rank within the top 10 globally in terms of operating profit among digital entertainment companies.

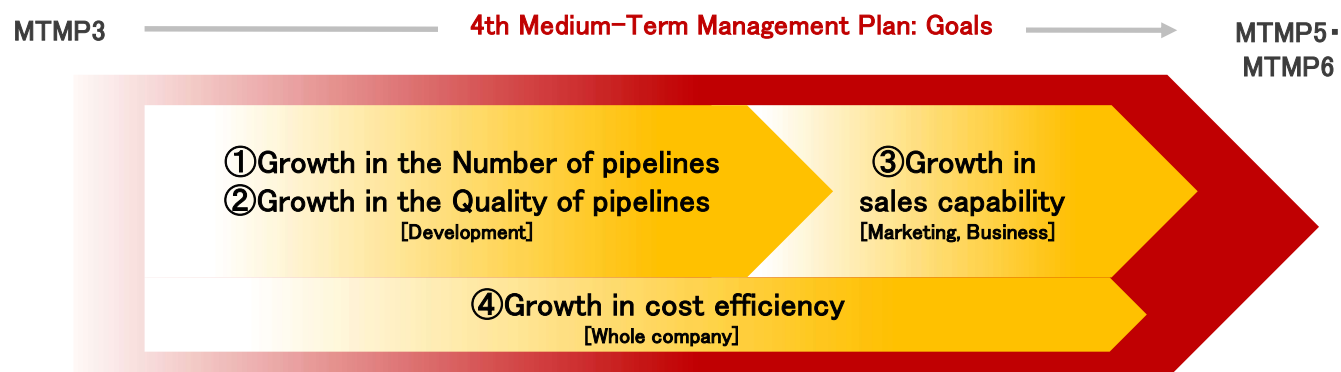
The role of the Fourth Medium-Term Management Plan is to "lay the foundation for growth."

Over the next three years, we will thoroughly prepare to make a global leap in the Fifth and Sixth Medium-Term Management Plans.

Given the lengthening of development periods, we will adopt a cycle of planning and execution over a three-year unit.
Our goal is to achieve phased growth in performance on a cumulative three-year basis.

4th Medium-Term Management Plan: Goals

Four goals to “Lay the foundation for growth”



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We have set the following four goals for the Medium-Term Management Plan:

- Growth in the Number of pipelines
- Growth in the Quality of pipelines
- Growth in sales capability
- Growth in cost efficiency

To achieve growth in game development, expanding the number of pipelines is fundamental.

Additionally, to increase the likelihood of success, we will maintain strong control over the overall portfolio and the quality of individual titles.

To maximize the revenue of each titles, we will enhance sales through effective marketing while controlling costs through high efficiency.

Achieving high efficiency will also contribute to further improvements in both the number and quality of the pipeline.

Through these initiatives, we aim to complete the foundation for growth.

4th Medium-Term Management Plan: Quantitative Targets

Aim for a cumulative operating profit of over 100 billion yen

◆ Operating Profit Targets (Main Targets)

- Cumulative operating profit of more than 100 billion yen over three years*
- Re-challenge to achieve an annual operating profit of 40 billion yen
- Operating profit margin of 30% or more (both annually and cumulatively over three years)

◆ Related Targets

- Sales of over 300 billion yen cumulatively over three years
- Console/PC sector: cumulative sales of more than 30 million units over three years
- Online/mobile sector: sales to grow gradually over three years

Note: Assumptions

- Growth centered on in-house developed titles. Licensing revenue is incorporated at the same level as the fiscal year 2024, maintaining approximately the same level over the three years of the 4th Medium-Term Management Plan.
- Of the operating profit, the proportion of operating profit from in-house titles, excluding licensing revenue, is 65% or more.

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As quantitative targets, we have set a cumulative operating profit of over 100 billion yen for the three-year period and an annual operating profit of 40 billion yen during this time.

We aim to achieve steady growth through our in-house developed titles in both the console•PC and online•mobile sectors. The entire company will work together to exceed these performance targets.

4th Medium-Term Management Plan: Three Pillars

Strengthening the management foundation, business strategy, and cash allocation



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I will explain the three pillars of the Fourth Medium-Term Management Plan.

To achieve the four goals previously outlined, we will focus on strengthening the management foundation, business strategy, and cash allocation.

First Pillar: Strengthening the Management Foundation (Human Capital)

Realizing the vision through the development of “Creativity & Business” talent

Achieving the vision of “To become the World’s No.1 Digital Entertainment Company”



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Regarding the strengthening of the management foundation, the focus will be on human capital management.

Our talent development policy is set as "Creativity & Business."

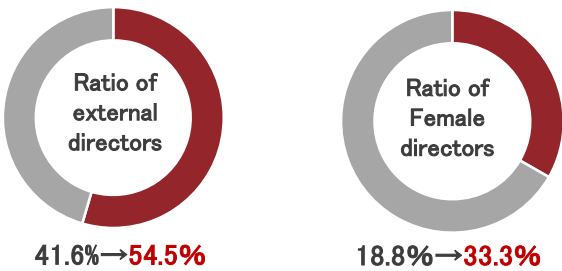
We aim to develop individuals who possess both the creativity to realize new forms of entertainment and the business acumen to achieve growth and profitability. We will execute strategies to nurture such talent.

First Pillar: Strengthening the Management Foundation (Governance)

Transition to a New Structure from 2025, Strengthening Governance

- ◆ **Promote the Separation of Management Supervision and Execution**
 - The Board of Directors will be composed mainly of the President and CEO, and non-executive directors
 - Established Koei Tecmo Corporate Finance Inc. to consolidate finance functions.
- ◆ **Transit to a Structure with Over 50% External Directors and Over 30% Female Executives**
 - Newly appoint one external director and one external auditor*

<Structure of the Board of Directors after changes>



This is scheduled to be formally decided at the 16th Annual General Meeting of Shareholders and the Board of Directors meeting held after the conclusion of the same.

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Next, governance.

As previously explained, to strengthen governance as a prime-listed company, we will advance the separation of oversight and execution.

In the Board of Directors, we aim to have a majority of outside directors, achieving an outside director ratio of 54% and a female director ratio of 33% in June 2025.

Additionally, we will consolidate asset management, which was previously dispersed across group companies, into a single entity. This will lead to enhance the oversight function of the Board of Directors against asset management.

Second Pillar: Business Strategy

Execute business strategies tailored to the roles and conditions of each business sector

Positioning and Direction for Each Business and Sector

Segment	Sector	Positioning	Direction
Entertainment	Console/PC Online/Mobile	Growth driver + Stable revenue	Enhance the ability to create attractive IP and maximize revenue and value.
	IP Business by our own /with joint project	Aim to grow	Expand game IP across multiple platforms to further enhance its value
	IP Licensing-out	Stable revenue	
Amusement	SP Amusement Facilities	Stable revenue	Achieve growth in a mature market through improvements in existing businesses and initiatives such as new store openings.
Real Estate	—	Stable revenue	Support the group

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The second pillar is business strategy.

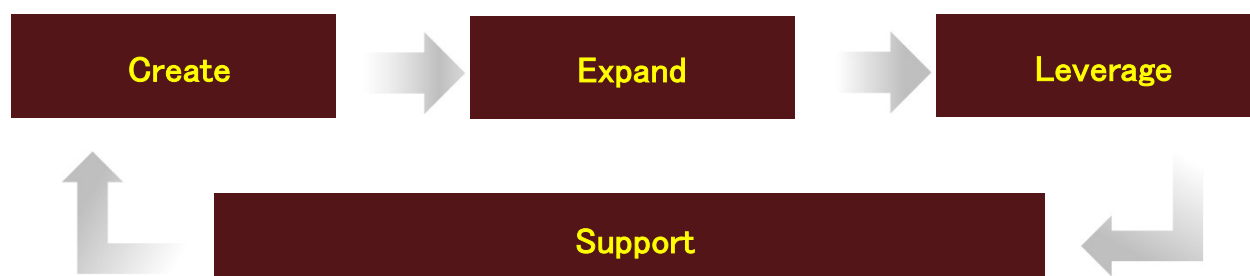
We aim for stable growth by executing strategies tailored to the conditions of each business and sector.

Here, I will provide an overview of the strategy for the entertainment business.

Second Pillar: Business Strategy – Entertainment Seg.

Enhance the Capabilities
to create attractive IP and maximize revenue and value

Enhance Capabilities to *Create, Expand, Leverage and Support* our IPs



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In the entertainment business, we will strengthen our IP capabilities in the following areas: "create," "Expand," "Leverage," and "Support."

By planning with consideration of market and creating appealing global IPs, we will enhance our "create" capabilities, leading to growth in the quality of our pipeline.

We will strengthen our "Expand" capabilities through improved marketing and sales strategies. By aiming for early entry into emerging markets, including India and Southeast Asia, we will drive growth in our sales capabilities.

By expanding global IPs into areas beyond gaming and advancing monetization, we will enhance our "Leverage" capabilities.

Supporting all these efforts, we will expand our development framework as a "support" capability, contributing to growth in the number of pipelines and cost efficiency.

Second Pillar: Business Strategy – Entertainment Seg. Pipeline Policy

The number and scale of new titles
will be refined based on the 3rd Medium–Term Management Plan

◆4th Medium–Term Management Plan: Pipeline Policy

- Maintain multi-platform strategy
- Reconsider the degree of risk-taking based on reflections from the 3rd Medium–Term Management Plan
- Organize the lineup with a balance between large-scale and mid-class titles

Number of Titles Achieved in the 3rd Medium–Term Management

Sector	Category	FY22	FY23	FY24	Total
Console PC	Major	3	2	1	6
	Other	8	3	8	19
Online mobile	operated by our own	2	3	–	5

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I will explain the pipeline policy for the Fourth Medium-Term Management Plan.

The slide shows the actual numbers of the Third Medium-Term Management Plan.

For the Fourth MTMP, please consider that the scale and number of titles have been refined based on the Third MTMP.

Over the three years, we have adequately scheduled major titles. However, to address the issue of title concentration identified in the Third MTMP, we will enhance risk management across the entire portfolio by balancing these with lower-risk titles.

Second Pillar: Business Strategy – Entertainment Seg. Pipeline Announced

Plan to launch a substantial number of new titles during the 4th Medium–Term Management Plan period.

Segment	Title/Platform*	Publisher	Publisher
Console PC	NOBUNAGA'S AMBITION: Awakening Complete Edition Nintendo Switch 2 /PlayStation®5	KOEI TECMO GAMES	KOEI TECMO GAMES
	WILD HEARTS S Nintendo Switch 2	KOEI TECMO GAMES	KOEI TECMO GAMES
	NINJA GAIDEN: Ragebound (IP License) PlayStation®5/PlayStation®4/Nintendo Switch™/Xbox SeriesX S/Xbox one/Windows(Steam)	The Game Kitchen	Dotemu
	NINJA GAIDEN 4 Xbox Series X S/Xbox Game Pass/Windows(MS Store、Steam)/PlayStation®5	PlatinumGames KOEI TECMO GAMES	Xbox Game Studios
	Hyrule Warriors: Age of Imprisonment Nintendo Switch 2	KOEI TECMO GAMES	Japan:KOEI TECMO GAMES Overseas:Nintendo
	Atelier Resleriana: The Red Alchemist & the White Guardian PlayStation®5/PlayStation®4/Nintendo Switch™/Windows(Steam)	KOEI TECMO GAMES	KOEI TECMO GAMES
Online mobile	Kingdom: Hadou iOS/Android	Bandai Namco Entertainment KOEI TECMO GAMES (Co-development)	Bandai Namco Entertainment
	Nubunaga's Ambition:Tenka heno Michi(IP License) iOS/Android	TENDA Games Kingnet	GRAVITY GAME ARISE

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The disclosed pipeline is as listed.

For the fiscal year 2025, we have prepared a lineup that surpasses last year's, including several major titles in the console PC sectors. There are also titles in development for the online and mobile sectors.

In addition to the listed titles, we plan to release several undisclosed titles within the fiscal year 2025.

Over the three years of the Fourth Medium-Term Management Plan, we plan to launch a substantial number of new titles.

Second Pillar: Business Strategy – Entertainment Seg. Pipeline for Nintendo Switch 2

Decided to supply 3 titles. Preparing additional titles for the future.



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We have announced three titles for the Nintendo Switch 2 , which will be released in June.

As a launch title, we will release the "NOBUNAGA'S AMBITION: Awakening Complete Edition."

Additionally, "Hyrule Warriors: Age of Imprisonment," developed by AAA Games studio, is scheduled for release this winter.

We plan to continue releasing new titles compatible with Switch 2 in succession.

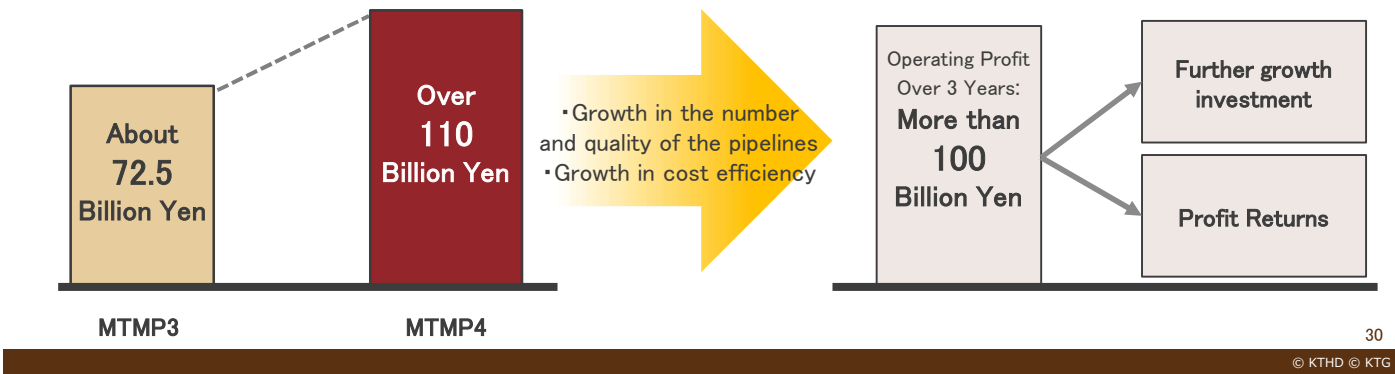
We anticipate that the release of Switch 2 will further invigorate the gaming market.

Third Pillar: Cash Allocation (Growth Investment)

Expansion of growth investments centered on human capital

◆Growth Investment

- Actively invest funds for growth, focusing on human capital.
- Human capital (talent development, establishment of a comfortable work environment)
 - Development infrastructure and facilities
 - M&A



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The third pillar is cash allocation.

As part of our growth investments, the Fourth Medium-Term Management Plan will expand investments in human capital. We will also adequately invest in the workplace environment and development infrastructure that support human capital.

This approach will drive growth in the number and quality of our pipeline, as well as in cost efficiency, supporting the achievement of our cumulative three-year operating profit target.

The profits generated will be allocated to further growth investments for the Fifth MTMP and beyond, as well as to return profits to our shareholders.

Third Pillar: Cash Allocation (Profit Returns)

Committed to providing high returns to shareholders
through sustainable and stable dividends

Positioning of
Profit
Distribution

- The most important management policy
- Share the results that delight customers
with internal and external stakeholders to enhance corporate value

Basic Policy on
Profit Returns

Consolidated annual total payout ratio of 50%, or an annual dividend of 50 yen per share

*The total payout ratio includes dividends and share buybacks. The dividend amount per share is a guideline

Policy during
MTMP 4

- Profit returns are primarily through dividends.
- Aim for stable dividends and seek to increase the total dividend amount
through operating profit growth

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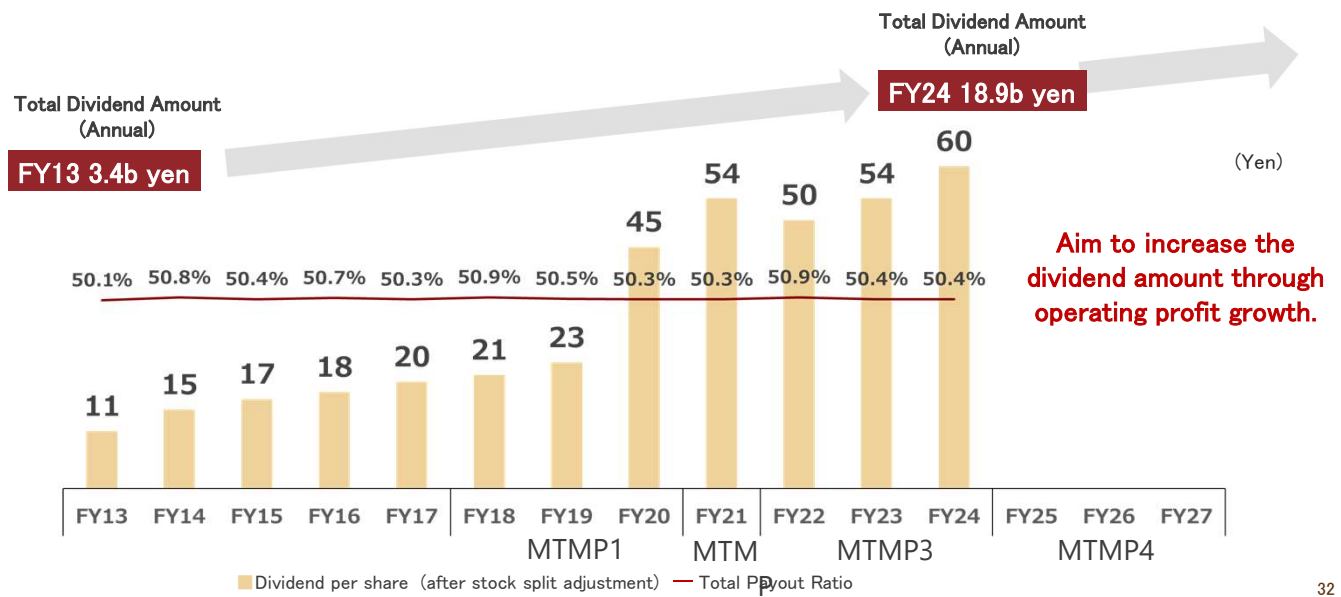
Next, regarding profit distribution.

Profit distribution is a top priority in our management policy.
Our basic policy is as follows: consolidated total payout ratio of 50%, which
includes dividends and share buybacks, or an annual dividend of 50 yen per
share.

For the Fourth Medium-Term Management Plan, the focus will be on
distribution through dividends

Third Pillar: Cash Allocation (Returns)

Aim to expand further returns through business growth.



Note: The dividend per share is adjusted for stock splits

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Until now, we have distributed profits in line with our performance growth.

In the Fourth Medium-Term Management Plan, we aim to achieve a high level of returns by increasing the total dividend amount through business growth.

FY2025 Forecast : Financial Summary

Plan for operating profit to be at the same level as fiscal year 2024.

	FY24 Results		FY25 Forecast		VS Previous Year	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Sales	83,150	-	92,000	-	8,850	10.6%
Operating Profit	32,119	38.6%	31,000	33.7%	(1,119)	-3.5%
Ordinary Profit	49,988	60.1%	37,000	40.2%	(12,988)	-26.0%
Net Profit	37,628	45.3%	27,000	29.3%	(10,628)	-28.2%
Dividend per Share _(Yen)	60	-	43	-	(17)	-28.3%
Payout Ratio	50.4%	-	50.3%	-	(0.1pt)	-

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For more details, please refer to the supplementary materials on page 49.

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I would like to explain the initial performance forecast for FY2025.

The current global situation presents various concerns, including U.S. policy trends, geopolitical risks in Europe and the Middle East, and fluctuations in the financial capital markets, making it very difficult to predict the outlook.

The initial performance forecast for the fiscal year 2025 has been formulated at a conservative level, taking these circumstances into account.

While we plan to release multiple new titles, we are considering that development investments for the medium to long term will take precedence over sales and operating profit.

The forecast for non-operating income and expenditure is also based on the recent conditions of the financial markets, and we plan to maintain a bond-focused portfolio while conducting flexible management. The dividend forecast is set at 43 yen per share, based on the fundamental policy of a total payout ratio of 50%.

FY2025 Forecast by Segment

		(Million Yen)		
		FY24 Actual	FY25 Forecast	Change
Entertainment	Sales	78,078	86,100	8,022
	Operating Profit	31,479	30,600	(879)
Amusement	Sales	4,150	4,700	550
	Operating Profit	500	700	200
Real Estate	Sales	1,234	1,100	(134)
	Operating Profit	304	100	(204)
Others	Sales	318	200	(118)
	Operating Profit	(164)	(400)	(236)
Corporate & Elimination	Sales	(630)	(100)	530
	Operating Profit	-	-	-
Total	Sales	83,150	92,000	8,850
	Operating Profit	32,119	31,000	(1,119)

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The plans by segment are as shown.

FY2025 Forecast : Sales by Region

(Million Yen)

	FY24 Actual		FY25 Forecast		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	49,220	59.2%	49,500	53.8%	280	0.6%
Overseas	33,930	40.8%	42,500	46.2%	8,570	25.3%
N. America	10,882	13.1%	16,000	17.4%	5,118	47.0%
Europe	4,032	4.8%	7,500	8.2%	3,468	86.0%
Asia	19,017	22.9%	19,000	20.7%	(17)	-0.1%
Total	83,150	100.0%	92,000	100.0%	8,850	10.6%

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The plan for sales revenue by region is as stated.
The overseas ratio is planned at 46.2%.

FY2025 Forecast :Sales Units by Region

	FY24 Actual		FY25 Forecast		(1,000 Units) Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	2,370	31.1%	2,300	25.6%	(70)	-3.0%
Overseas	5,260	68.9%	6,700	74.4%	1,440	27.4%
N. America	2,020	26.5%	2,800	31.1%	780	38.6%
Europe	1,190	15.6%	1,900	21.1%	710	59.7%
Asia	2,050	26.9%	2,000	22.2%	(50)	-2.4%
Total	7,630	100.0%	9,000	100.0%	1,370	18.0%
DL Units	5,960	0.0%	4,500		(1,460)	
DL Ratio	78.1%	0.0%	50.0%		(28.1pt)	

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The sales volume plan for the console/PC sector is set at 9 million units. We plan for the overseas ratio to be 74.4%. This includes multiple new releases, repeats of titles launched in FY2024, and contributions from the back catalog.

For FY2025, we are committed to achieving the initial performance forecast and will work together as a company to exceed this target in terms of performance and profit returns.

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