



KOEI TECMO HOLDINGS
INTEGRATED REPORT
2026





KOEI TECMO HOLDINGS

INTEGRATED REPORT 2026

Editorial Policy

The KOEI TECMO HOLDINGS INTEGRATED REPORT 2026 was prepared with reference to the IFRS Foundation's "International Integrated Reporting Framework" and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation" and takes into account the "links" between the Group's long-term vision, management strategies, and the management foundation that supports them.

This year's report focuses on the following content to provide a more concrete picture of how we are executing our strategies and strengthening our prospects for growth toward making the world's top 10, starting from the results and progress we achieved in FY2025—the first year of the Fourth Medium-Term Management Plan and our new management structure. We hope that this will help stakeholders and other readers more easily understand the Group's growth story.

1. Progress on the separation of supervision and execution (P.48-57)
2. Giving shape to the long-term vision (P.25-31, 37-40)
3. Capital policy and financial strategy (P.32-36)

Hisashi Koinuma, President & CEO (Representative Director)

About KOEI TECMO HOLDINGS

Japanese: <https://www.koeitecmo.co.jp>

English: <https://www.koeitecmo.co.jp/e>

Period covered: Fiscal 2025 (April 1, 2025, to March 31, 2026)

* Some information from April 2026 onwards is also included.

Scope of coverage: KOEI TECMO HOLDINGS CO., LTD. and consolidated subsidiaries (unless noted otherwise)

Date issued: September 2026

Regarding Forward-Looking Statements

This report contains forward-looking statements, including the Group's future plans, projections, and strategies, based on information available at the time this report was created. Actual performance may differ significantly from these projections due to a variety of factors.

1-18-12 Minowa-cho, Kouhoku-ku, Yokohama, Kanagawa, 223-8503, Japan
KOEI TECMO HOLDINGS CO., LTD.

CONTENTS

	Editorial Policy / Contents	2
	About This Report	3
	From the KOEI TECMO Group Basic Philosophy to Management Strategies	4
	At a Glance (Summary of FY2025)	5
Introduction	KOEI TECMO's Game Development System	6
	Introducing Our Main IPs	7
	Trends in Console/PC Unit Sales for Main IPs	8
	KOEI TECMO's History	9
	Long-Term Vision	10
	Message from the President	11
	Value Creation Process	15
	Materiality and Its Revision Process	16
	KOEI TECMO's Four Competitive Advantages	17
Value Creation at KOEI TECMO	Competitive Advantage (1): Multi-Layered Revenue Structure and the IP to Support It	18
	Competitive Advantage (2): Staff Who Embody Creativity & Business	21
	Competitive Advantage (3): Policy for Quality, Delivery Timeliness, and Budget Supporting High Profitability	22
	Competitive Advantage (4): KATANA ENGINE™ that Achieves Development Optimization	23
	Utilizing AI to Enhance Business Value	24
	Progress on and Outlook for the Fourth Medium-Term Management Plan	25
	Entertainment Business	26
	Amusement and Real Estate Businesses	31
	Message from the CFO	32
	Human Capital Management Supporting Sustainable Growth	37
	Human Resource Strategy (1): Secure a Diverse Pool of Talent with a Focus on New Graduates	38
Medium to Long-Term Growth Story	Human Resource Strategy (2): A Human Resource Development System Driving Growth	39
	Human Resource Strategy (3): Establish a Workplace Environment Where Employees Can Work with Peace of Mind	40
	Staff Roundtable Discussion	41
	KOEI TECMO's Sustainability	43
	Climate Change Initiatives	44
	Value Co-Creation with Stakeholders	45
	Dialogue with Institutional Investors: Our Growth Strategy in a Changing Business Environment	46
	Message from the Chairman of the Board of Directors	48
	Outside Directors Roundtable Discussion	50
	Corporate Governance	53
	The Evolution of Governance Strengthening and the Succession Process	54
	Evaluation of Effectiveness of the Board of Directors	55
Corporate Governance	Board of Directors Discussion Topics	56
	Executive Remuneration	57
	Skills Matrix	58
	Internal Control Systems	60
	Information Security Management	61
	Compliance and Risk Management	62
	Directors and Audit & Supervisory Board Members	63
	Group Companies	64
	Financial Data	65
Financial and Non-Financial Data	Non-Financial Data	68
	Company Profile and Investor Information	69

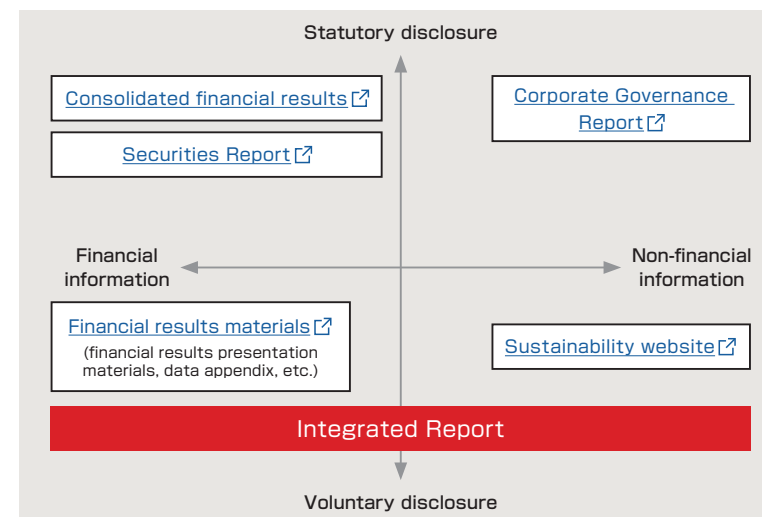
Highlights of the KOEI TECMO Integrated Report 2026

The following pages address some of the questions we most often receive from investors.

Q How will the Group progress toward making the world's top 10 in operating profit through the Fourth to Sixth Medium-Term Management Plans?	▶ Long-Term Vision P.10 ▶ Message from the President P.11 ▶ Dialogue with Institutional Investors P.46
Q How do KOEI TECMO's four unique competitive advantages support high profitability and help sustain a string of hit titles?	▶ KOEI TECMO's Four Competitive Advantages P.17 ▶ Utilizing AI to Enhance Business Value P.24
Q How is the Group strengthening in-house publishing and its overseas sales and development bases, and enhancing its global presence and IP value through the multifaceted development of its IPs?	Entertainment Business ▶ Foundation for Global Expansion P.27 ▶ Marketing Strategies and Initiatives P.28 ▶ IP Strategies P.29 ▶ Marketing and IP Strategies for Becoming the World's No.1 P.30
Q How will the Group strengthen its human capital in both quantity and quality by recruiting and developing diverse talent—and also translate those improvements into sustainable growth?	▶ Human Capital Management Supporting Sustainable Growth P.37 ▶ Human Resource Strategy (1): Secure a Diverse Pool of Talent with a Focus on New Graduates P.38 ▶ Human Resource Strategy (2): A Human Resource Development System Driving Growth P.39 ▶ Human Resource Strategy (3): Establish a Workplace Environment Where Employees Can Work with Peace of Mind P.40
Q How will the Group balance growth investment and shareholder returns to achieve sustained increases in corporate value?	▶ Message from the CFO P.32

Disclosure Framework

In addition to statutory disclosures, the Group provides information through a variety of media to help shareholders, investors, and other stakeholders deepen their understanding of the Company. The Integrated Report provides a comprehensive overview of our medium to long-term growth strategies and value-creation initiatives from both financial and non-financial perspectives. More detailed financial information is available in our financial results materials. For more non-financial information, see our Sustainability website and other resources.



Using the PDF Version

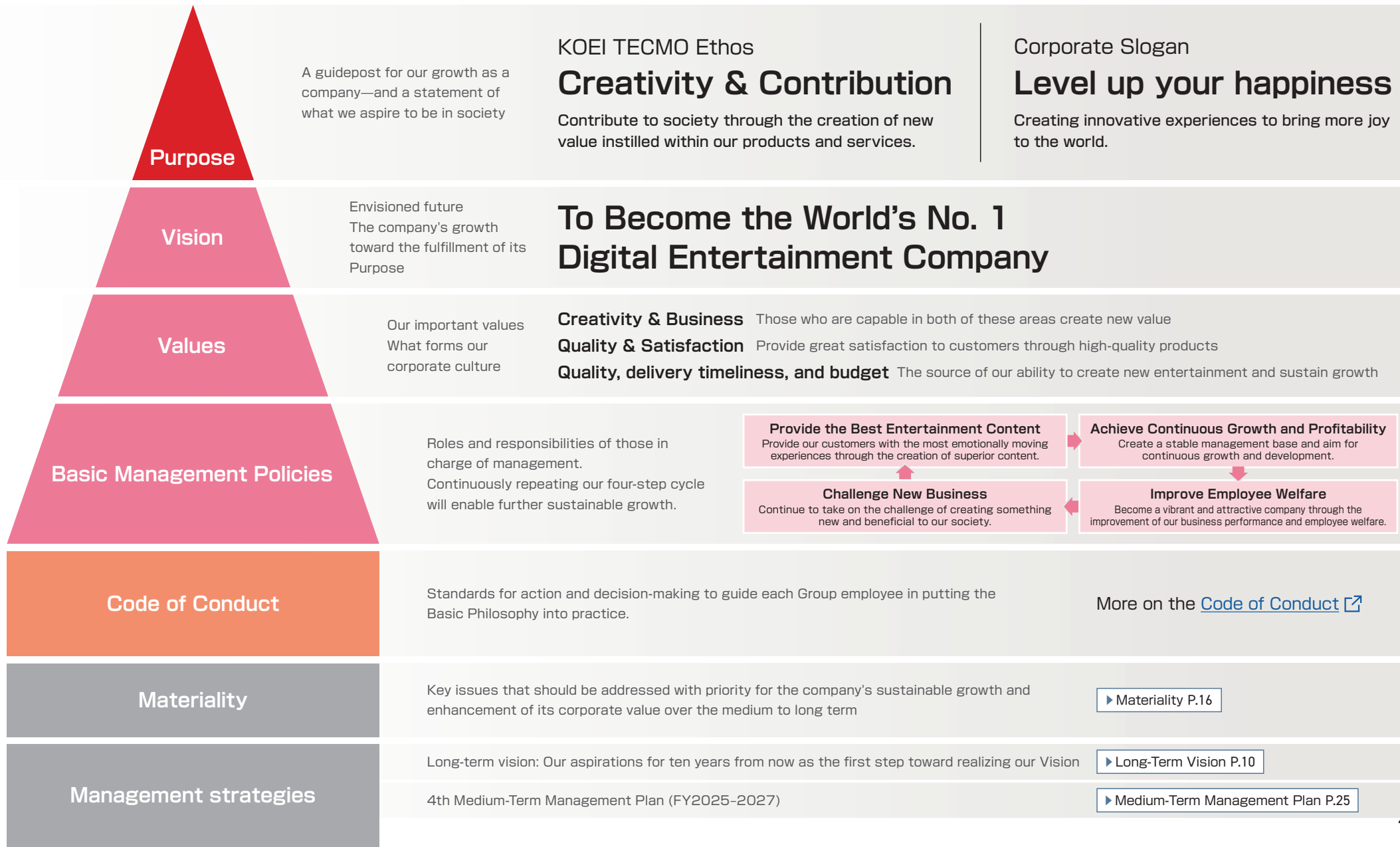
The PDF version of this Integrated Report contains links to related pages and websites. Use the links and buttons below to access the corresponding pages or websites.

- ... Use the tabs at the top of the page to navigate to other sections.
- ... A blue ▶ button indicates a link to another page in the report.
- ... Links underlined in blue are external links.

From the KOEI TECMO Group Basic Ideology to Management Strategies

The KOEI TECMO Group Basic Philosophy consists of its Purpose and the Vision, Values, and Basic Management Policies through which we put that Purpose into practice. In FY2026, we revised our Code of Conduct, which sets standards for action and decision-making in embodying the Basic Philosophy.

Rooted in our Basic Ideology, our Vision, Materiality, and Management Strategies are all connected and aligned. Materiality identifies the priority issues to address over the medium to long term, while the Management Strategies translate them into specific action.



At a Glance (Summary of FY2025)

Financial Information

Net sales

88.3 billion yen

Operating profit

37.1 billion yen

Operating profit ratio

42.0%

Exceeding 30% for nine consecutive fiscal years

Global ranking by operating profit*

16th* Global digital entertainment business rankings by operating profit
(based on the company's own research)

Business KPIs

Number of units of game software sold
annually**14.1 million units**Number of titles released annually
Console/PC**14 titles**

(including 4 major titles)

Number of titles launched annually
Online/mobile (in-house)**2 titles**

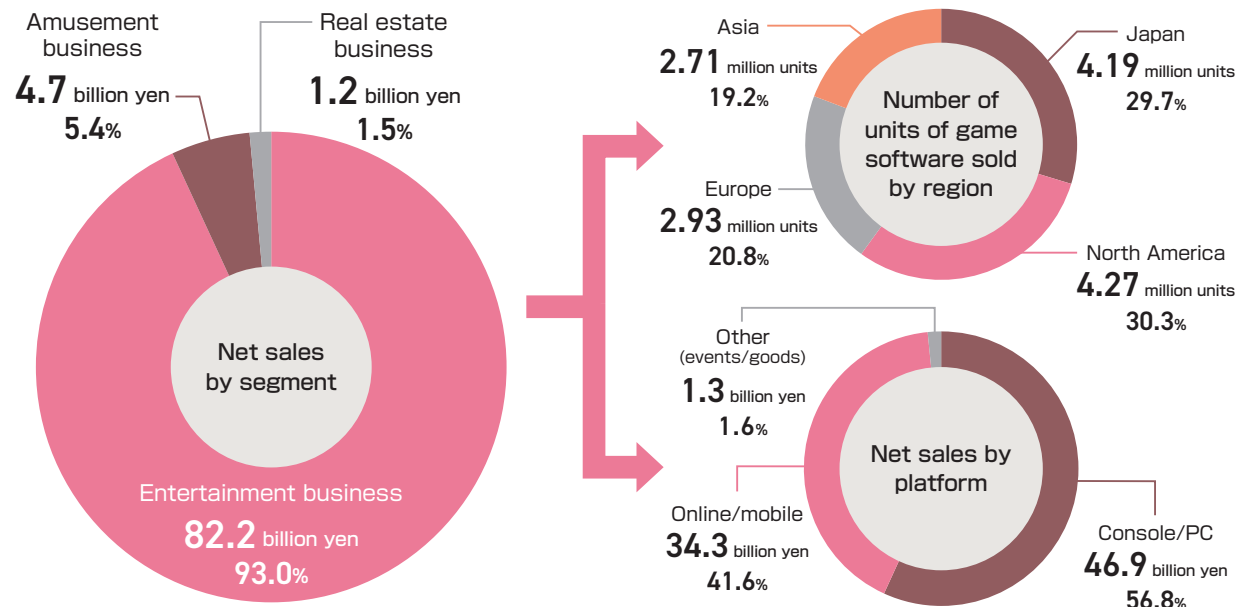
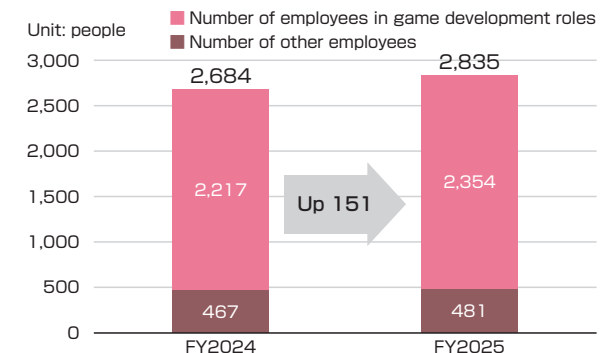
Human Capital (Development Capability)

Number of employees at
consolidated companies**2,835**Number of employees in
game development roles**2,354**Number of new graduate
employees (consolidated)**224**

(including 25 new graduates hired overseas)

Number of non-Japanese
employees**813**

Change in number of employees (consolidated)



KOEI TECMO's Game Development System

The Group's core entertainment business has incorporated a highly varied, distinctive brand system by which six brands and one studio develop content. With cross-organizational collaboration between CG, sound, and other development promotion and quality control systems supporting development across all our brands, we work to enhance the quality and efficiency of our game creation.

	 KOU SHIBUSAWA	 OMEGA FORCE Omega Force	 Team NINJA	 Gust	 Ruby Party	 midas	 AAA Games Studio
							
Main genres	History, horse racing simulation	Tactical action	Dark action Action RPG Horror adventure	JRPG	Romance games	Location-based games	AAA quality global titles
Total number of shipped units/downloads of leading IPs	Over 26 million units Over 10.5 million downloads	Over 41 million units	Over 31 million units	Over 9.5 million units	Over 2.5 million units Over 0.2 million downloads	Over 0.6 million downloads	We are diligently working on development in order to reach even more customers
Developed titles	Console/PC (major titles)	—	○	○	—	—	○
	Console/PC (mid-tier titles)	○	○	○	○	—	—
	Online/mobile	○	—	○	○	○	—
Size of planner/ programmer teams (over 1,100 total personnel)	Large	Large	Large	Large	Small	Medium	Medium

Development promotion systems for supporting brands, including CG, sound, scenarios, design, engine development: Over **1,200** people
(including over 500 people at overseas development bases in China, Vietnam, and Singapore)

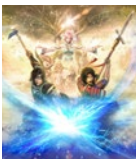
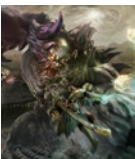
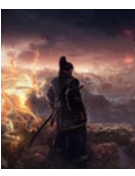
Quality control systems for enhancing quality centered on KOEI TECMO QUALITY ASSURANCE: Over **200** people
(including over 30 people at the development base in Vietnam)

Introducing Our Main IPs

For more than 40 years, the Group has created numerous character IPs and game system IPs. [▶ P.19](#)

These IPs support their brands and lie at the core of the Group, driving new IP creation, series development, collaborations, and IP licensing.

Number of abundant IP assets of the Group:
Over **200**

NOBUNAGA'S AMBITION (S) Historical simulation 1983-  	Romance of the Three Kingdoms (S) Historical simulation 1985-  	Uncharted Waters (S) Ocean adventure simulation 1990-  	Winning Post (S) Horse racing simulation 1993-  	Romance of the Three Kingdoms Hadou (T) MMO strategy simulation 2020-  	NOBUNAGA'S AMBITION: Hadou (T) MMO strategy simulation 2022-  
DYNASTY WARRIORS (S) Tactical action 2000-  	SAMURAI WARRIORS (S) Tactical action 2004-  	WARRIORS OROCHI (S) Tactical action 2007-  	Toukiden (S) Hunting action 2013-  	WILD HEARTS™ (T) Hunting action 2023-  	NOBUNAGA'S AMBITION: Shutsujin (T) Location-based mobile 2023-  
DEAD OR ALIVE (S) Competitive fighting action 1996-  	FATAL FRAME (S) Horror adventure 2001-  	NINJA GAIDEN (S) Ninja action 2004-  	Nioh (S) Dark feudal-Japan action RPG 2017-  	Wo Long (S) Dark Three Kingdoms action RPG 2023-  	Rise of the Ronin (T) Open-world action RPG set in the late Edo period 2024-  
Atelier (S) Alchemist RPG 1997-  	Nights of Azure (S) Action RPG 2015-  	BLUE REFLECTION (S) Heroic RPG 2017-  	Angelique (S) Romantic simulation 1994-  	Haruka: Beyond the Stream of Time (S) Romantic adventure 2000-  	La Corda d'Oro (S) Romantic simulation 2003-  

* (S) indicates a series name, while (T) indicates the name of an individual title.

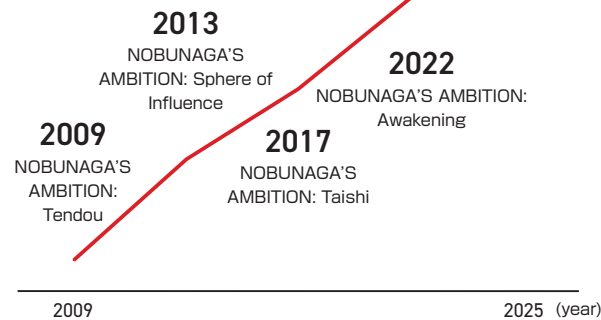
Trends in Console/PC Unit Sales for Main IPs

Long-running series and recently created titles continue to add to their unit sales, helping the Group build a stable, sustained revenue base.

NOBUNAGA'S AMBITION (S)

Released 1983

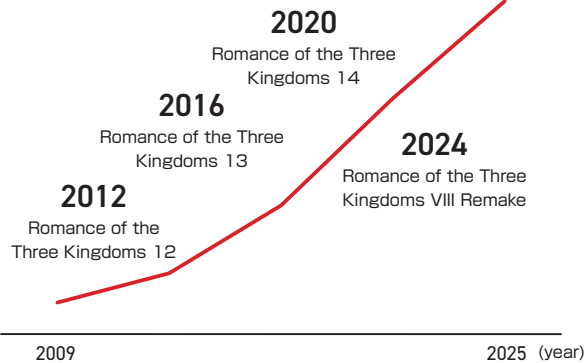
To date
Over **11** million
units



Romance of the Three Kingdoms (S)

Released 1985

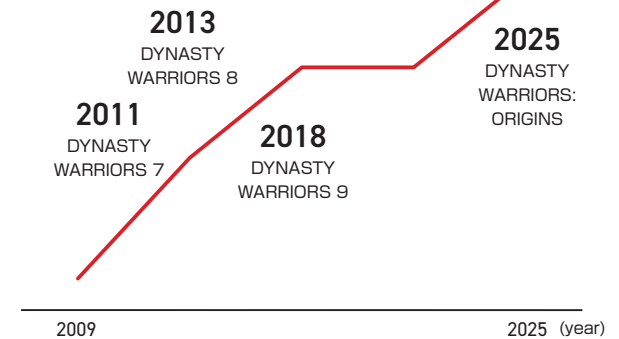
To date
Over **9.5** million
units



DYNASTY WARRIORS (S)

Released 2000

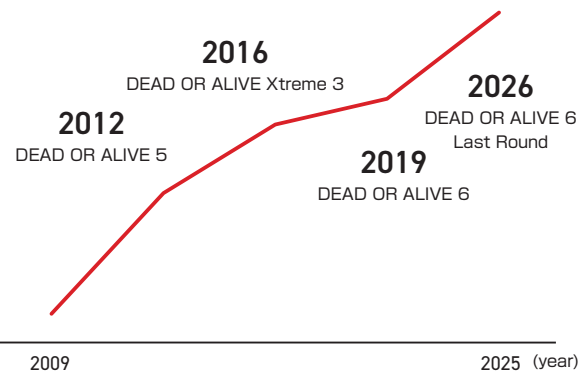
To date
Over **24** million
units



DEAD OR ALIVE (S)

Released 1996

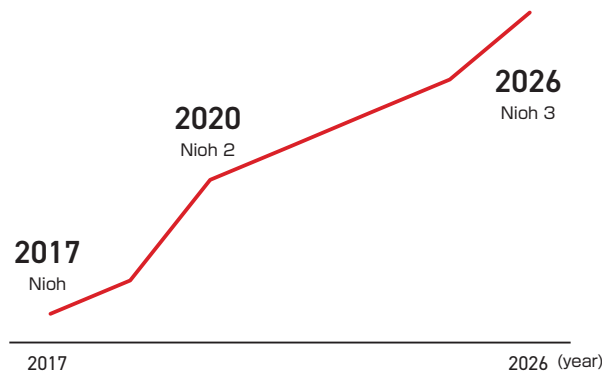
To date
Over **11** million
units



Nioh (S)

Released 2017

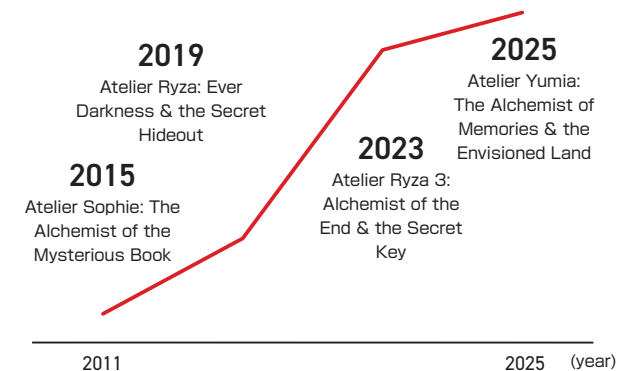
To date
Over **10** million
units



Atelier (S)

Released 1997

To date
Over **8** million
units



KOEI TECMO's History

Introduction

Value Creation
at KOEI TECMO

Medium to Long-
Term Growth Story

Corporate
Governance

Financial and
Non-Financial Data



1981
Released *Kawanakajima no Kassen*
Pioneer of historical games

1983
Released *NOBUNAGA'S AMBITION*
Launch of the world's first historical simulation game



2000
Released *DYNASTY WARRIORS*
Launched the *WARRIORS* game system



2007
Released *Dynasty Warriors: Gundam*
First collaboration title

1994
Released *Angelique*
Pioneer of romance games



1981
Released *PLEIADS*
First in-house developed amusement software

1996
Released the arcade version of *DEAD OR ALIVE*



1986
Released *Mighty BombJack*
First software title for home video game consoles



2000
Released *CR Sen-nin Paradise* (KYORAKU SANGYO Co., Ltd.)
First software title for LCD-screen pachinko machines

2009
Business merger of KOEI and TECMO



2011
Made Gust Co. Ltd. a wholly owned subsidiary

2016
Reorganized into an IP-driven brand structure

2017
Established midas brand

2020
Opened the KT Building, a new office and music hall KT Zepp Yokohama in Yokohama

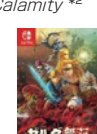
2024
Established AAA Games Studio
Transitioned to a system of six brands and one studio

- Console/PC
- Online/mobile
- Arcades/amusement

2017
Released *Nioh*
Creation of new IP



2020
Released *Hyrule Warriors: Age of Calamity* *2



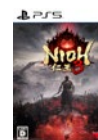
2023
Released *Wo Long: Fallen Dynasty*
Creation of new IP

2024
Released *Rise of the Ronin*
Creation of new IP

2026
Released *Pokémon Pokopia* *3



2026
Released *Nioh 3*



2016
Released collaboration title *Attack on Titan*



2019
Released *Atelier Ryza*



2014
Released *Hyrule Warriors* *2



2022
Launched mobile game *NOBUNAGA'S AMBITION: Hadou*

2020
Launched mobile game *Romance of the Three Kingdoms Hadou*

2019
Launched IP licensed title *Three Kingdoms Tactics*
Became a huge hit in mainland China

2023
Launched mobile game *NOBUNAGA'S AMBITION: Shutsujin*

2025
Released *Hyrule Warriors: Age of Imprisonment* *2

2025
Released *NINJA GAIDEN 4*

2025
Kingdom: Hadou *2
BANDAI NAMCO Co-development
Collaborative mobile title

2025
Launched *Haruka: Beyond the Stream of Time Ryugu no Miko*

Console/PC net sales

2010
Social game *100Man -nin no Nobunaga no Yabou* exceeded 1 million registered users

Online/mobile net sales

Other net sales
(events/merchandise/amusement businesses/real estate businesses)*1

*1 Due to the division-based reporting structure from FY2009 to FY2015, media/rights sales are included in other net sales.

1980

1990

2000

2010

2020

2025 (Fiscal year)

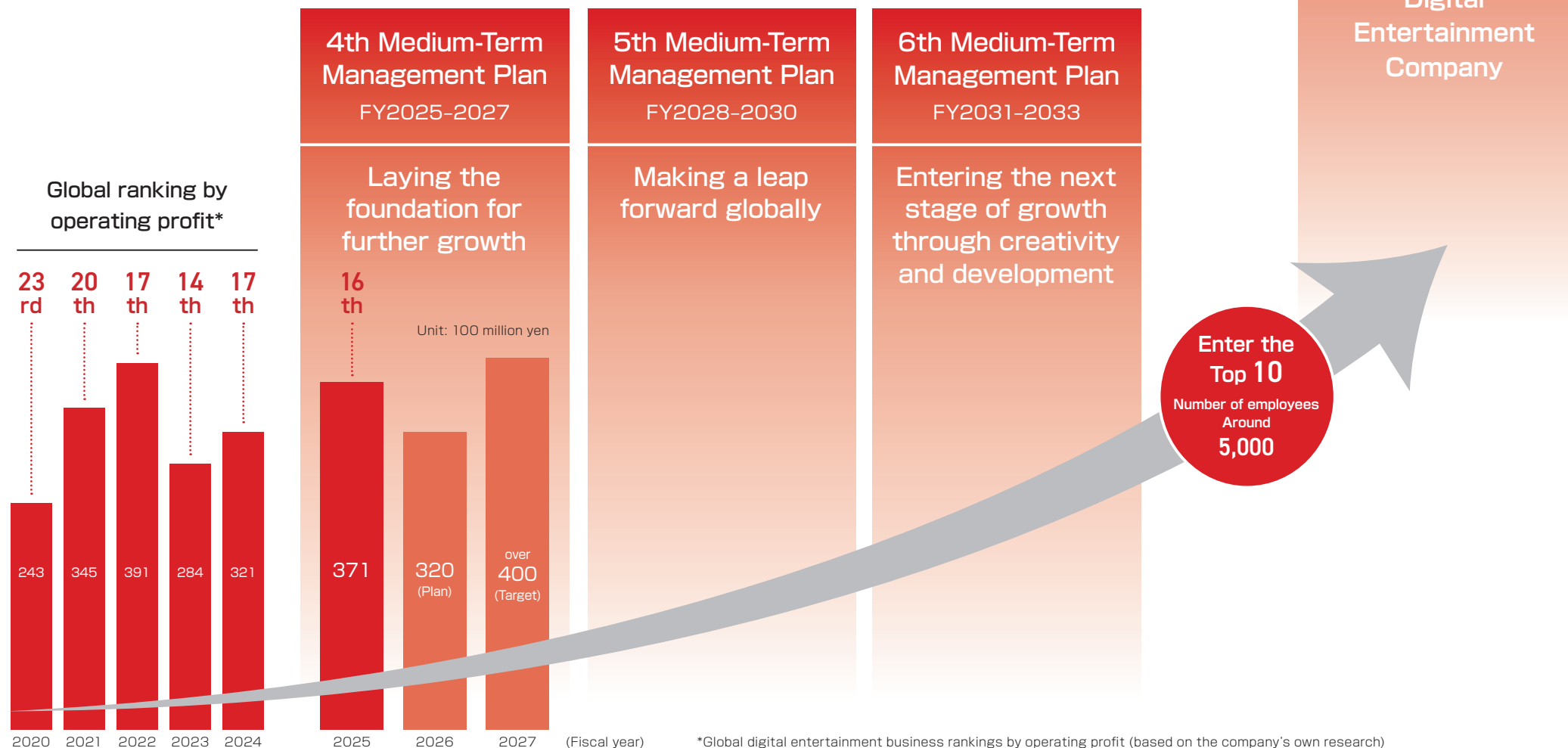
*2 The title is published overseas by Nintendo Co., Ltd. *3 Pokémon Pokopia is planned and co-developed by The Pokémon Company, GAME FREAK inc., and KOEI TECMO GAMES CO., LTD. Publisher in Japan: The Pokémon Company Publisher outside Japan: Nintendo Co., Ltd. © Nintendo © KOEI TECMO GAMES CO., LTD. All rights reserved. Licensed by Nintendo © Hajime Isayama, Kodansha/ATTACK ON TITAN Production Committee. All Rights Reserved. ©2015-2016 KOEI TECMO GAMES CO., LTD. © Lingxi Games All Rights Reserved.

Long-Term Vision

Aiming to enter the world's top 10 among digital entertainment companies*

The Group's Vision is "To Become the World's No. 1 Digital Entertainment Company." As a first step toward realizing this Vision, we aim to rank among the world's top 10 digital entertainment companies in terms of operating profit within 10 years (our Long-Term Vision). We see operating profit as a measure of customer support around the world, and we aim to enhance our corporate value by continuing to improve it.

Under the Fourth Medium-Term Management Plan (FY2025-2027), we are "laying the foundation for growth." We then aim to make a leap forward globally under the Fifth Plan and move into a further stage of growth under the Sixth, ultimately making the world's top 10 in operating profit.



Message from the President

Delivering KOEI TECMO Titles to the World While Evolving into a Strong, Worldwide Presence

HISASHI KOINUMA

Representative Director, President and CEO

Reflecting on My First Year as CEO of the Holdings Company Under the New Structure

After actually stepping into the role of President of KOEI TECMO HOLDINGS, I realized there is a significant difference between observing from the sidelines and being the one who bears responsibility. The first major issue I faced was the disposal of treasury shares and secondary offering of shares conducted last September, shortly after I took office. I had almost no prior experience engaging with investors, but this reminded me how important it is to communicate our vision and strategy to stakeholders. With events like this, the year felt fresh and interesting, but it was also filled with first-time experiences that made me acutely aware of the challenges involved. As president of the operating company, my focus had always been on how to generate profit through the business. But as president of the holdings company, my days are spent considering how to best guide the entire Group by bringing everyone together and envisioning the next ten years. It's both fascinating and demanding.

Improving Management Quality Through Separation of Oversight and Execution

In terms of governance, this was a year in which we advanced the separation of oversight and execution. Chairman Yoichi Erikawa, who had long led the company's execution, shifted his focus to oversight, while I assumed responsibility

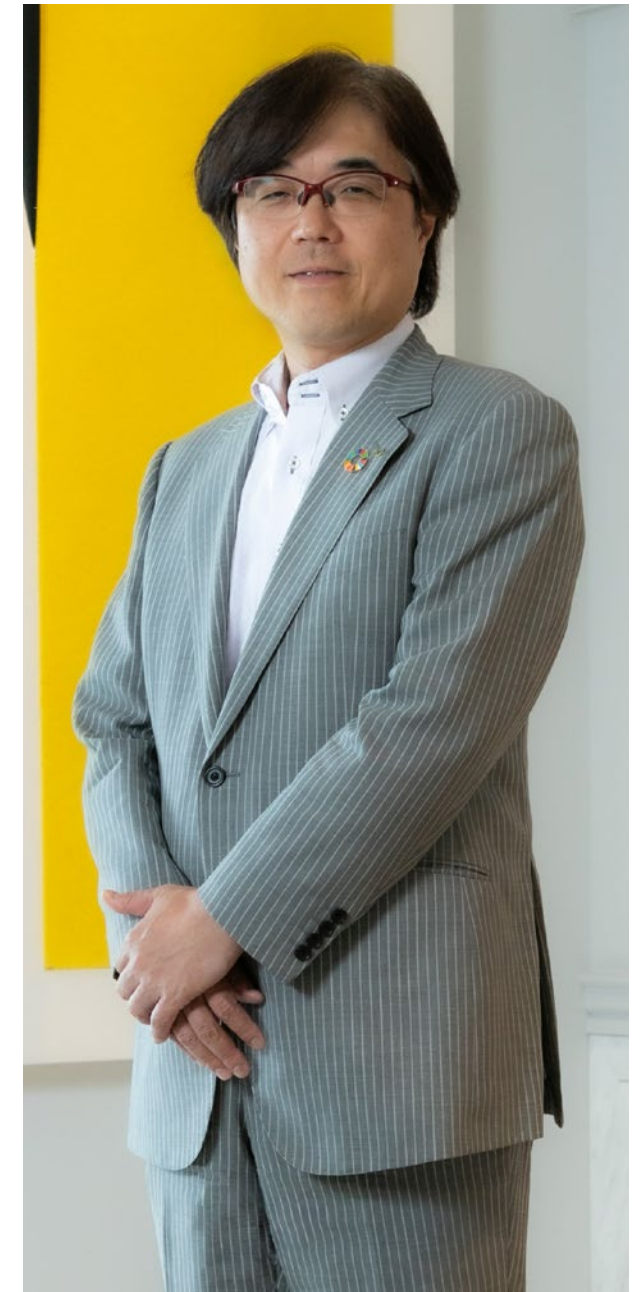
for execution. Since becoming president, I have been able to make decisions and carry out operations myself, allowing Chairman Erikawa to concentrate on running the Board of Directors and overseeing execution. The Board of Directors has shifted toward a structure centered on oversight.

Under the new structure, we now receive more candid and multifaceted input from outside directors, and I have become much more conscious of stakeholder perspectives, particularly those of shareholders and investors. For example, we must explain the basis for our sales forecasts, the reasons behind changes to development schedules, and how we identify risks and apply those learnings. These were things that could be understood implicitly within an operating company, but now the execution side must explain them clearly and objectively to the Board of Directors focused on oversight.

I believe that the separation of oversight and execution is now functioning well both structurally and in practice, marking a major step forward for our company. We will continue strengthening governance effectiveness and management transparency, building a structure that supports sustainable growth.

From Succession to Evolution

Our company has grown under the strong leadership of its founder, but I am what you might call a "salaryman president." I believe the company's future lies in a management structure where officers and employees think for themselves, voice their ideas, take responsibility for execution, and aim higher.



Message from the President

This past year was also a time of finding the entry point for transformation. After joining KOEI (now KOEI TECMO GAMES) as a new graduate and spending many years in the field, I'm convinced that the front lines are where many issues and ideas for improvement emerge through daily work. As president of the holdings company, I've made a point of engaging more deeply with executives, department heads, and managers across the Group in order to gather their insightful ideas and proposals for company growth.

For true transformation, it's not enough for just me to change; officers and employees must also build experience in thinking independently and expressing their views. Based on the issues that have surfaced through these efforts, we will gradually review our organizational structure and role distribution, creating a management system where the entire organization can take responsibility and execute effectively.

Honing Our Strengths to Compete in Growth Markets

The global entertainment market can broadly be divided into mature markets like North America, Europe, and Japan,



and emerging markets like India and Southeast Asia with significant room for growth.

Among them, games are a growth industry with enormous potential. Like other forms of entertainment, games become part of everyday life as economies develop and people seek more time for leisure and enjoyment. Advances in new devices and communication environments are also key factors for the gaming market. Just as smartphones dramatically expanded the gaming market, further development of devices like smart glasses and technologies such as VR, AR, and MR may one day become everyday tools, triggering the next wave of growth.

While the gaming market is attracting attention as a growth sector, competition is intensifying. Recently, not only game companies but also publishers, film studios, and anime companies have entered the gaming business. In a market that is expanding and becoming more competitive, we must clearly understand our strengths and aggressively pursue business expansion. We also need to invest in areas with growth potential and reassess those with limited market prospects at the right time.

Through many years in the entertainment industry, we have continually refined our strengths. Our greatest strength is our unwavering commitment to creating amazing games that players genuinely enjoy. This foundation is built on our development capabilities, expertise, IPs, and dedication to quality. We have systems that do not rely solely on individual creators' ideas but review products from multiple angles to improve both quality and commercial viability. We will continue strengthening these capabilities, and by expanding our lineup and delivering high-quality titles, we aim to compete successfully in the global market and achieve even more growth.

Leveraging AI to Enhance Creativity and Efficiency

Some view advances in AI as a threat to the content industry, but I believe AI complements human creativity and expands the possibilities of creation. What matters is how we use AI to create more engaging content.

We cannot simply have AI automatically create an entire game for us. Creators design game mechanics and systems

with the goal of shaping how they want players to play and enjoy the game. The essence of game development lies in crafting experiences that players naturally find enjoyable. I believe people will continue to play this creative role and take responsibility for ensuring the final quality of our products.

On the other hand, tasks that don't require human involvement should be delegated to AI for efficiency. This allows creators to spend more time on the creative work they should be focusing on. AI may also allow us to pursue new forms of expression and levels of quality that would be difficult to achieve through human effort alone.

AI can also be used for internal knowledge sharing and training. Each of our brands develops with its own strengths and identity, but game development requires cross-organizational sharing of knowledge, including successes, failures, and production know-how. As we expand our workforce, especially with new graduates, the number of creators with limited development experience is increasing, making this knowledge-sharing more important than ever. In training, we are already building systems such as AI chatbots that allow quick access to necessary information and past examples. We will continue improving learning efficiency in development teams and use the organization's collective knowledge to enhance the quality of future titles.

For us, the purpose of using AI is not to reduce staff or cut costs but to increase both the volume and quality of our pipeline. By leveraging AI, we aim to significantly enhance creativity and efficiency and steadily expand our growth opportunities.

Preparing for the 5th Medium-Term Management Plan: Making a Leap Forward Globally

As president, I set a long-term vision of placing our company among the top ten entertainment companies worldwide in operating profit within the next ten years. The 4th Medium-Term Management Plan (FY2025–2027), which covers the first three years toward that goal, is positioned as a period for laying the foundation for further growth. We have set a target of more than 100 billion yen in cumulative operating profit over

Message from the President

three years and will promote development investment focused on human capital to achieve it.

In the first year, FY2025, we launched sixteen titles across the console/PC and online/mobile sectors. Some titles delivered results beyond expectations, while others fell short and highlighted areas for improvement. It reminded me how difficult it is to create winning titles and release them on schedule.

For our upcoming 5th Medium-Term Management Plan (FY2028-2030), we will build a structure that allows us to consistently deliver titles in the console/PC sector with the scale and quality needed to compete globally. That is why we are expanding our development pipeline. In the online and mobile sector, competition is intense, but we aim to steadily grow revenue in this large market.

To reach the global top ten, we will assess profitability and market potential, establish our winning strategies, and then work to strengthen them further.

Building a Stronger Global Presence to Boost KOEI TECMO Brand Value

One key theme for accelerating global growth is strengthening our own publishing and overseas promotion.

Until now, we often relied on external partners for sales and promotional activities of major titles overseas. As a result, consumers overseas did not sufficiently associate our name with our titles, which was particularly frustrating for us as the company that created the content.

Enhancing our global presence is not just about creating products that sell overseas; it is about becoming a name that game fans around the world immediately recognize when they hear "KOEI TECMO." We will focus on strengthening our sales and promotional capabilities so we can release titles under the KOEI TECMO brand not only in Japan but overseas as well.

Achieving this will require upfront investment. In addition to clarifying the roles of our overseas offices and hiring the talent we need, we will also invest in event participation and promotional activities. While these investments may lead to upfront costs in the short term, we will continue making sustained efforts to build awareness of the KOEI TECMO brand.

Strengthening our in-house promotional capabilities will

directly support the expansion of our IP into new areas.

In East Asia, we have built a structure that connects game promotion to merchandise and licensing, but our efforts in other regions have not been sufficient. Going forward, we will take the lead in bringing our titles to markets outside East Asia and leverage the awareness they generate to expand into merchandising and licensing.

Europe and North America, in particular, are large markets where we have yet to gain sufficient market share, giving us significant room for growth. By strengthening our publishing capabilities and taking calculated risks in overseas markets, we will build the value of the KOEI TECMO brand.

Identifying Growth Potential in Emerging Markets to Capture Further Growth Opportunities

Early engagement with emerging markets is essential for global success. This requires building user touchpoints from the earliest stages of market formation.

We experienced firsthand how quickly the mobile market can take off in China. Based on this experience, we are already researching and preparing for markets that could change dramatically due to large populations or improvements in communication infrastructure. In emerging markets, smartphones serve as both essential daily tools and primary gaming devices. With future growth markets in mind, we view early entry as an important strategy for competing globally.

Continuing the Challenge of Creating Globally Competitive IPs

Many global content companies grow by building around powerful IPs. A strong IP can expand beyond games into films, anime, merchandise, licensing, and many other businesses. To succeed in the content industry, it is essential to broaden the value of strong IPs across multiple avenues.

We have IPs that have been popular for many years, but to become a global top-10 company, we need to create new IPs that are recognized and loved by audiences around the world.

Our development structure that is capable of continuously

producing new titles supports us as we take on this challenge.

To use a baseball analogy, you cannot get a hit unless you step up to the plate. By increasing our at-bats and improving our batting average through learning from successes and failures, we will continue striving to create new IPs with the potential to be global hits.

Expanding Growth: Strengthening Our IPs, Collaborating with External IPs, and Creating New IPs

Of course, to manage business risk, it is important to leverage the strengths we have built over the years while steadily broadening our foundation for growth. Our strengths lie in our ability to refine our own IPs and our development capabilities, which enable us to turn external IPs into compelling game experiences.



We have grown by refining the game systems themselves and applying these strengths to co-developed titles. Examples include the strategic appeal of *NOBUNAGA'S AMBITION* and *ROMANCE OF THE THREE KINGDOMS*, as well as the exhilarating one-versus-thousands action of *DYNASTY WARRIORS*. Recently, *Pokémon Pokopia* became a major hit. The recognition of our development capabilities and ability to leverage IP has been key to making these collaborations with major IPs possible. Our ability to turn IPs from new partners and new areas into games that users enjoy is a competitive advantage unique to our company.

Strengthening revenue stability through these advantages is also crucial for continuing to take on new IP challenges. We will continue to create globally competitive titles by combining new IP creation, development of our own IP, and collaboration with external IPs.



Investing in Growth with a Focus on Human Capital

True value in the entertainment industry is created by people, which is why investment in human capital is at the heart of our growth strategy. Talented individuals expressing their creativity are key to strengthening our competitiveness. We currently hire around 200 people each year and are strengthening our structure with a medium- to long-term outlook toward a workforce of 5,000.

It is the company's role to provide training systems and comfortable office environments that help talented employees improve their abilities and perform at their best. To create enjoyable products, we believe that creators themselves must work in an enjoyable and creative environment. Game development can involve crunch time and other demanding periods, but we strive to provide a work environment where employees can stay motivated and engaged.

Compensation is also considered an important investment in human capital, and we are continuously reviewing starting salaries and average pay. We are establishing incentive programs that reflect contributions to hit titles and corporate value in compensation.

We believe these efforts are reflected in our low turnover rate of less than 5% and rising employee engagement. Investing in human capital raises motivation and enables employees to contribute over the long term, which enhances the quality of our work and increases corporate value.

Expanding Growth Opportunities Through M&A and Partnerships

Growth opportunities through external collaboration, such as M&A, capital alliances, and partnerships, are also options. We want to broadly explore possibilities not only with game companies but also with publishers, film companies, and others that hold attractive IPs. In addition to our traditional approach of pursuing integration based on cultural compatibility, we will explore diverse forms of collaboration and partnership. These may include maintaining separate companies to leverage their respective strengths, as well as forming joint ventures, thereby expanding growth opportunities that capitalize on our IP capabilities.

Delivering on Capital Market Expectations Through Strong Results

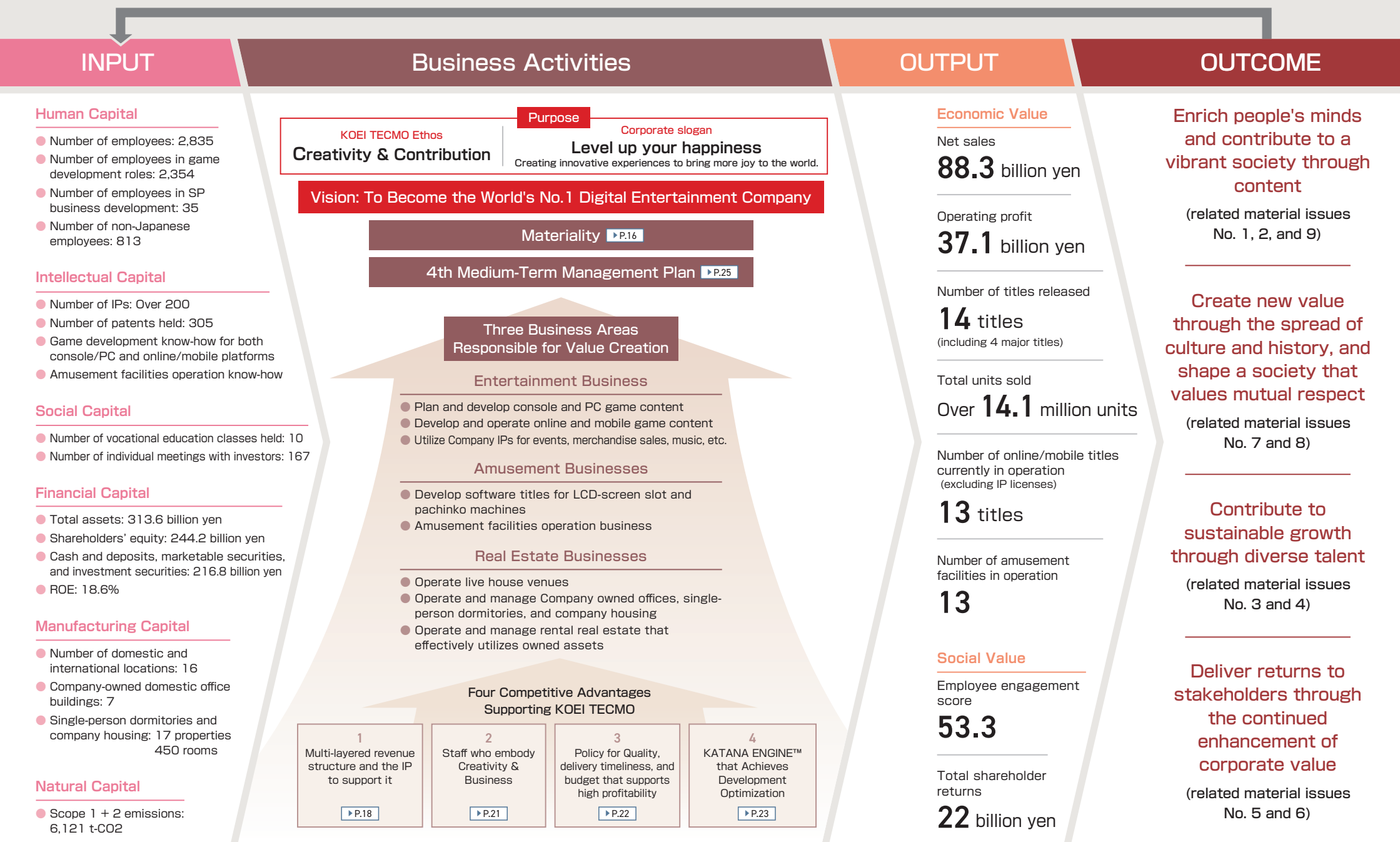
Since becoming president of the holdings company, I have had many opportunities to engage in dialogue with investors and have come to appreciate their strong expectations for our future growth. My mission is to steadily implement each initiative set out in the 4th Medium-Term Management Plan, build a track record of results, and drive the Company's further growth.

We aim to firmly establish KOEI TECMO as a globally recognized company known for creating hit titles and engaging games. To achieve this, we will strategically implement a range of initiatives. These include expanding our development pipeline, improving efficiency through AI, strengthening our overseas self-publishing and promotional capabilities, expanding our IPs, entering emerging markets, and investing in human capital. While some initiatives may not deliver immediate results, continued investment will build the foundation for future revenue growth.

Above all, solid results are essential to meeting capital market expectations. By building a track record of results, we will demonstrate our growth potential and corporate value to investors and work tirelessly to earn their confidence in our future growth.

By increasing the number of opportunities we have to develop games and improving our hit rate, we will create titles and IPs that can compete on the global stage. We will maximize the value of our IPs and actively expand them into new markets. Through these efforts, we will evolve KOEI TECMO into a company with a strong and lasting presence on the global stage.

Hisashi Koinuma



Materialities and Revision Process

Guided by our ethos of “Creativity & Contribution,” the Group revised our materiality criteria in fiscal year 2024 as part of our efforts to realize our vision “to become the World’s No. 1 Digital Entertainment Company.” To achieve medium to long-term growth and enhance corporate value, we have identified nine key priorities. For fiscal year 2026, we are developing KPIs (key performance indicators) to measure and manage progress on initiatives aimed at addressing these material issues.

Materiality	Details
1 Provide the most emotionally moving experiences by delivering new content that exceeds expectations.	Continuously creating new content is the foundation of our sustainable growth, and by consistently providing the greatest excitement to people, we aim to contribute to a vibrant society.
2 Create new appealing features by leveraging IPs.	By developing and utilizing our IPs across a diverse range of entertainment content and creating new appeal, we offer new excitement to people.
3 Develop human resources capable of creating new value.	Through the development of talent with creativity and technical skills, we generate new value and contribute to the growth of the Company and the realization of a better society.
4 Provide a work environment that allows diverse human resources to perform their jobs in a vibrant manner.	By respecting the diverse values of employees and creating a vibrant environment, we enhance engagement and maintain high levels of motivation, thereby improving the Company’s level of competitiveness.
5 Ensure proper distribution of economic value.	We return profits generated through our business activities to stakeholders as appropriate, including shareholders, employees, and local communities, and maintain sustainable growth through contributions to society.
6 Enhance corporate governance.	We prioritize transparency and fairness to achieve sustainable growth and improve corporate value. Additionally, we work to prevent corruption and bribery, including among business partners, to increase trust from stakeholders.
7 Communicate the appeal of culture and history to the world.	Through our content, we pay homage to history and culture from Japan, Asia, and further afield, while also promoting their appeal to the world. With this, we aim to deepen understanding of different cultures and create a society that values mutual respect.
8 Protect consumers and provide them with an environment where they can safely enjoy the Company’s content.	In consideration of consumer protection, cultural adaptation, information security, and similar factors, we create a safe and enjoyable environment for customers all around the world to play games, thereby enhancing trust with our customers.
9 Contribute to the enrichment of people’s minds.	Through new experiences and excitement, we enrich our customers’ minds and build communities. As a member of society, we actively participate in our local communities and academic activities to contribute to the realization of a better society.

Materiality Revision Process (FY2024)

To determine the priority and significance of the key issues we must address over the next 10 years in pursuit of our long-term vision, we identified our materiality through the following process.

* Details on [Steps for Materiality](#) [Revision here](#)

STEP 1

Organizing a Purpose/ Framework of the Revision

Set the ideal direction and definition for the Group.

To reevaluate our approach from the perspective of addressing social issues and creating social value through our core business, we established a task force led by the Sustainability Committee and comprising the CSuO, the presidents of our operating companies, and outside directors.

STEP 2

Preparing a List of Potential Material Issues

Organize candidates from the defensive perspective for the social issues we should be addressing.

We identified potential candidate issues from both offensive perspectives, such as our vision, basic management policies, and medium-term management plan, and defensive perspectives, such as international guidelines and evaluation criteria.

STEP 3

Narrowing Down Options and Creating a Draft

Examine the value we provide to society and narrow down the options to those with the highest importance.

We evaluated candidate items from the perspectives of both risks and opportunities, and assessed their importance based on internal and external viewpoints. Following extensive discussions, including interviews with members of the Sustainability Committee and outside directors, we drafted a preliminary list of priority issues to address. While we will continue to address environmental issues that we should tackle as a company, we have determined that they have a lower priority in terms of materiality.

Category	Item	Additional description
Environment	Biodiversity conservation	At the present time, we believe that the relationship between our businesses and biodiversity conservation is not readily apparent, and thus this issue is lower in importance.
	Efficient energy use	Our businesses have a minimal impact on greenhouse gas emissions and climate change, and while we continue working to address climate change, we consider this a low priority issue not requiring focused attention at the present time.
	Climate change mitigation	
	Climate change adaptation	
▶ Climate change initiatives P.44		

STEP 4

Finalizing through Management Discussions

Evaluate the importance of the materiality candidates, deliberate on their significance, and approve the final materiality.

In addition to members of the Sustainability Committee, the presidents of the operating companies also participated in assessing the importance of the candidate material issues. Following deliberation by the Board of Directors, nine materiality criteria were ultimately approved.

KOEI TECMO's Four Competitive Advantages

The unique expertise that the KOEI TECMO Group has cultivated over more than 40 years serves as the foundation for achieving sustainable growth and high profitability in the rapidly changing entertainment industry. The following four competitive advantages which underpin KOEI TECMO's value creation cycle work in tandem to ensure the Group's business

1

Multi-layered revenue structure and the IPs to support it [▶ P.18](#)

- Multi-layered revenue structure that leverages IPs

We are expanding revenue opportunities across multiple levels, from the creation of new IP to the development of series, collaborations, and IP licensing.



- IPs that create business synergy

We create and enhance "character IP" and "game system IP", leading to various expansions such as series developments and collaborations.



- "The source of sustainable development capabilities that bring new value to the world."

[▶ Interview with ω -Force Brand Head Tomohiko Sho P.20](#)

2

Staff who embody Creativity & Business [▶ P.21](#)

- A management team who are also experienced game creators.

Drawing on our experience in creating major series and collaborative titles, we apply this expertise to management decisions and business strategies, overseeing the Group's management from both a creative and business perspective.



- Next-generation leaders creating hit games

Drawing on the expertise we've cultivated as producers and directors, we lead each brand and drive the development of titles that reflect their unique identities and strengths.



Four Competitive Advantages

3

Policy for Quality, delivery timeliness, and budget that supports high profitability [▶ P.22](#)

- Strict control of quality, delivery timeliness, and budget

We strictly manage quality, delivery timeliness, and budgets from the planning stage through post-release. Through repeated evaluations, we identify and address issues early on to consistently produce high-quality titles.

- Quality assurance by specialist organizations

Our group company, KOEI TECMO QUALITY ASSURANCE, evaluates games from a third-party perspective and analyzes scores and reviews. They work closely with the development team to identify potential issues and risks, leading to an improvement in quality.

Development Team



Quality Assurance

4

KATANA ENGINE™ that Achieves Development Optimization [▶ P.23](#)

- Improved development and cost efficiency through AI utilization

We leverage AI technology in game development to improve development efficiency, cost-effectiveness, and expressive capabilities.

- Speedy platform compatibility

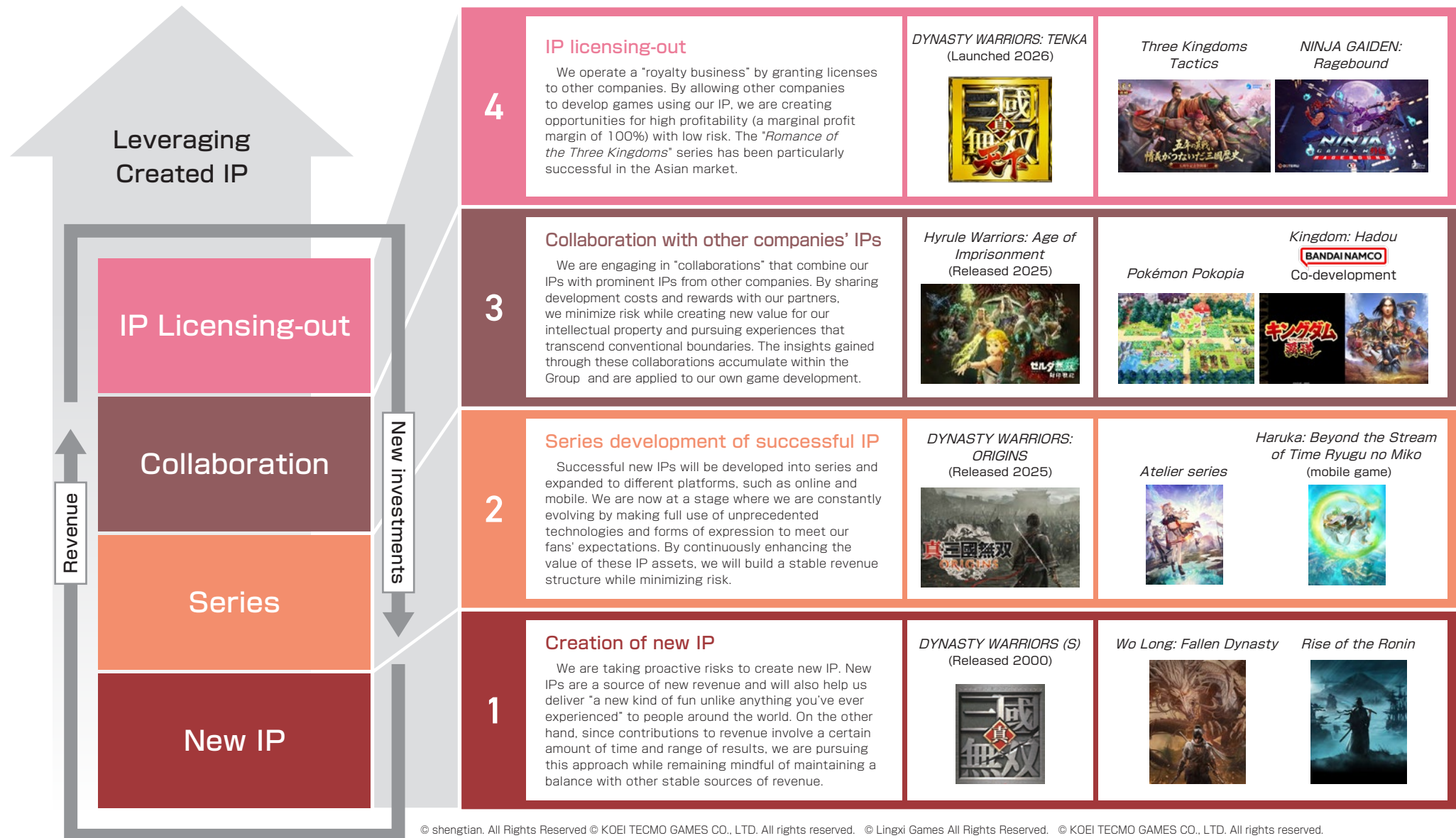
We roll out titles across multiple platforms (consoles, mobile, PC, etc.) over a short period of time while achieving both high efficiency and high-quality game play.

- Horizontal expansion of development technologies and production functions

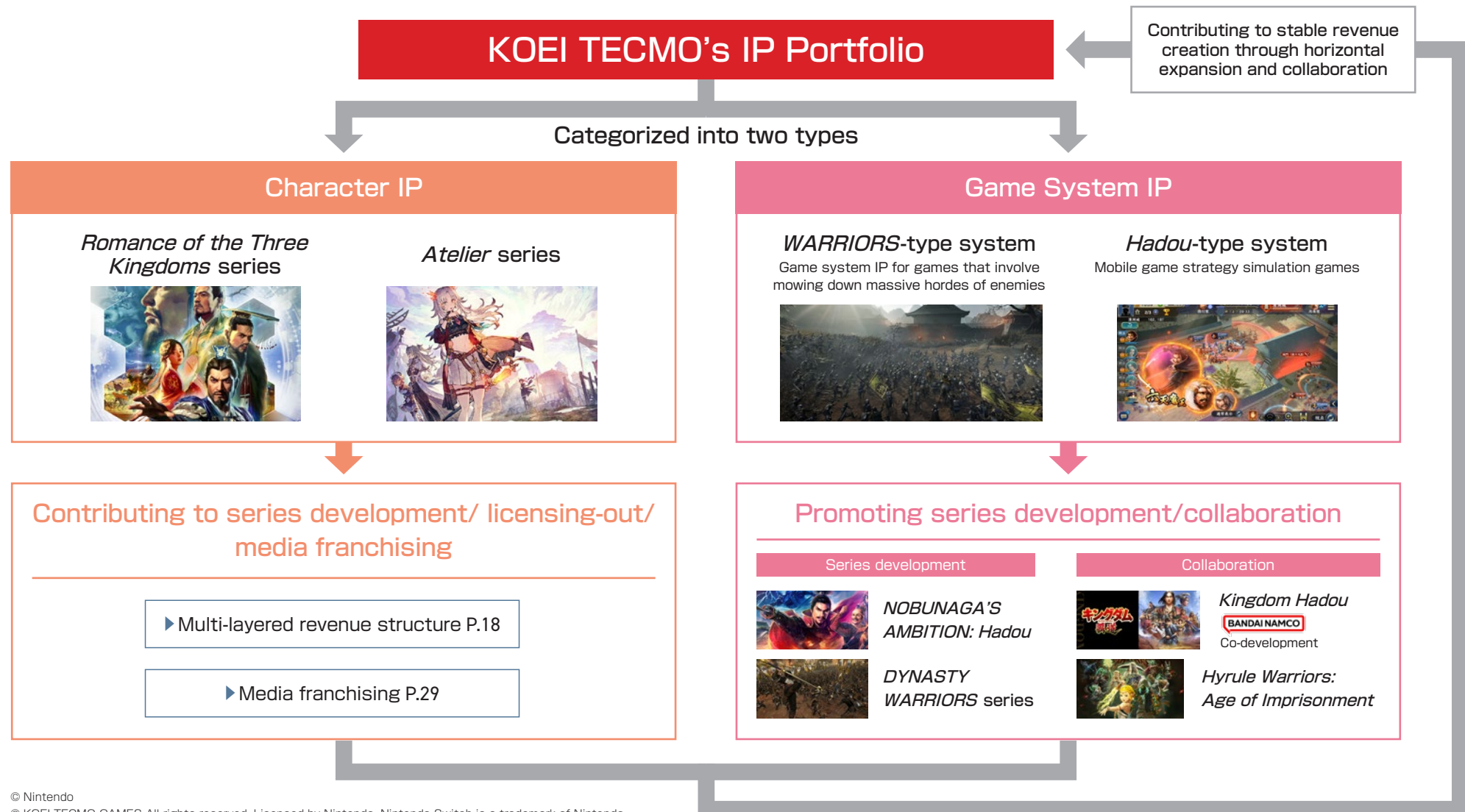
We streamline development by incorporating our game development know-how into our engines and applying it across the company.



Starting with the creation of new IPs, the Group is building a multi-layered revenue structure that will lead to series expansions, collaborations, and IP licensing. We ensure the stability of our revenue through risk diversification and increase our sustainability by investing the revenue we generate into the creation of new intellectual property.



IPs in KOEI TECMO Group's abundant IP portfolio can be categorized into two types in line with their characteristics: "character IP" and "game system IP." The "character IP," such as the Romance of the Three Kingdoms and Atelier series, has compelling characters and worldviews at its core. These character IPs are not only being used in games, but also gaining new fan bases through their expansion across different projects (media franchising), including animations, stage productions, and merchandise, thereby expanding revenue opportunities. Meanwhile, the "game system IP," represented by the WARRIORS and Hadou series, refers to the unique gaming experience itself. Our game system IPs are being actively utilized in collaborations with partners and generating new value for other companies' IPs.



Delivering New Value to the World Through Our Ability to Create Lasting Value

TOMOHIKO SHO

Managing Executive Officer and Head of the OMEGA FORCE brand, KOEI TECMO GAMES CO., LTD.

Creating New Value: Lessons from Our Highly Acclaimed Titles

Released at the end of fiscal 2024, *DYNASTY WARRIORS: ORIGINS*, the latest installment in the *DYNASTY WARRIORS* series, exceeded our initial targets. In addition to strong sales, it earned high praise both in Japan and overseas. We believe this success came from creating new value by building on the unique gameplay that defines the *WARRIORS* series. We delivered an action experience and story that appeals not only to longtime fans but also to players in North America, Europe and other regions who may have been unfamiliar with the Three Kingdoms. We kept the core appeal of the *WARRIORS* series—the thrill of battling massive armies and the exhilarating one-versus-thousands action—and brought it to life by fully leveraging current-generation hardware. At the same time, we added depth with more tense and demanding combat. We also narrowed the focus to a specific historical period and cast of characters, so that players can enjoy the characters and story even without prior knowledge of the Three Kingdoms. These elements have been embraced with even greater breadth and depth in East Asia and have drawn in new audiences elsewhere, allowing players around the world to enjoy the title.

In addition, *Pokémon Pokopia*, a title co-developed by our company, which has already sold more than five million copies worldwide in its first four months, brings together the IP's inherent appeal with a fusion of slow-life and sandbox elements. While the Pokémon series is built around battles between Pokémon, this title was highly praised for offering a new kind of enjoyment in an unprecedented way. By eliminating combat entirely, it brings out the unique personality and charm of each character to the fullest.

I believe both titles became hits because they embody the "creation of new value" that we value so highly.

Our Development Approach: Delivering New Value to Our Customers

Since President and CEO Koinuma launched our collaborative projects with other companies, we have created many titles that combine our game system IPs, like the *WARRIORS* series, with other companies' character IPs. Through years of collaboration, we have built a structure that can create synergies with IPs from around the world by leveraging each brand's expertise in specific genres and game systems. We believe this is a unique strength of the KOEI TECMO Group. I have personally been involved in the development of several such collaborative titles.

The fundamentals of our development approach are the same whether we are working with our own IP or with another company's IP. First, we consider how to leverage KOEI TECMO's strengths to bring out the full appeal of the IP. In doing so, it is important to balance two perspectives: genuine passion for the IP and a level-headed, objective approach to product analysis. It is precisely because we respect the IP that we can create something that resonates with its fans. However, the more popular an IP is, the more varied fan expectations become. Focusing only on the fans' point of view can easily result in a self-indulgent approach. We carefully analyze the essence of the IP and the elements that resonate most with the majority of its fans. Based on that, we decide at the very start of planning what to include and what not to include in order to create a compelling game as a single piece of entertainment, and we keep those decisions in mind throughout the development process.

When making a game, the first question we ask is, "What will make customers happy?" I believe many of our titles are born from thinking carefully and logically about how to leverage our strengths to answer that question.

We can never be certain a title will be a hit until it launches, but going through this process helps improve our odds and



ensures we finish the game confident that, as its creators, we are delivering something that offers new value. Producers especially need to have a business mindset, so they must first consider whether there is a market for the game. The entire development team must also understand who will be playing the game and design it with those players in mind. I believe the key to increasing the chances of a hit is to bring together people who are passionate about delivering new and surprising experiences and who continuously hone their skills, and to have them complete the game together.

Striving to Create New Value That Captivates the World

To create hit titles, we need to make games with a unique appeal that only we can create, and keep taking on that challenge. Just as the success of *DYNASTY WARRIORS: ORIGINS* has opened up new possibilities for the future, our Group's strengths in character IPs and game system IPs can serve as a launchpad for other new series and collaborations. I believe that continuing to take on the challenge of creating and strengthening these IPs is our mission for future growth.

New IPs do not just pop into existence. They emerge from sustained, ongoing effort. Going forward, whether it is our own IP or another company's, we will continue to challenge ourselves to create and strengthen character IPs and game-system IPs. By delivering new value, we will continue our journey to become the World's No.1 Digital Entertainment Company.

A Highly Experienced Management Team and Brand Heads

Our incredible teams have both the creativity to build new worlds and the business acumen to drive projects towards success. They form the bedrock of the KOEI TECMO Group's high profitability and sustained growth. Our highly-experienced management team and brand heads have built a culture where all employees consider every part of a project, from the planning stage to the profit review stage, all while delivering high-quality projects on time and under budget.

A management team of highly experienced game creators



President & CEO (Representative Director)

Hisashi Koinuma

Signature work

SAMURAI WARRIORS series
Attack on Titan series
Dynasty Warriors: Gundam series
Multiple collaborations



Chairman (Representative Director) & Chairman of the Board of Directors

Yoichi Erikawa

Signature work

NOBUNAGA'S AMBITION series
Romance of the Three Kingdoms series
Winning Post series
Nioh series



Director and Chairman Emeritus

Keiko Erikawa

Signature work

Neo Romance series
Chief Visual Director

Next-generation leaders creating hit games



KOEI TECMO GAMES CO., LTD.
Director & Executive Vice President
Representative of AAA Games Studio
Yosuke Hayashi

Signature work

Director, *Nioh*
Producer, *Hyrule Warriors: Age of Imprisonment*
2021: KOEI TECMO GAMES CO., LTD.
Director & Executive Vice President.
2024: Representative of AAA Games Studio



KOEI TECMO GAMES CO., LTD.
Executive Officer
Brand Head of KOU SHIBUSAWA
Keisuke Sawada

Signature work

Director, *Romance of the Three Kingdoms Hadou*
Producer, *Romance of the Three Kingdoms Hadou*
2025: Brand Head of KOU SHIBUSAWA



KOEI TECMO GAMES CO., LTD.
Managing Executive Officer
Brand Head of Team NINJA
Fumihiko Yasuda

Signature work

Development Producer/Director, *Rise of the Ronin*
Producer, *NINJA GAIDEN 4*
General Producer, *Nioh 3*
2020: Brand Head of Team NINJA



Managing Director & CSuO
Brand Head of Ruby Party
Mei Erikawa

Signature work

Producer, *Buddy Mission BOND**1
General Producer, *Haruka: Beyond the Stream of Time*
Ryugu no Miko
2016: Brand Head of Ruby Party
2025: Managing Director & CSuO



KOEI TECMO GAMES CO., LTD.
Senior Executive Officer
General Manager of Entertainment Division
Yukinori Ito

Signature work

Director, *Yo-kai Sangokushi*
General Producer, *Romance of the Three Kingdoms Hadou*
2021: Brand Head of KOU SHIBUSAWA
2025: General Manager of Entertainment Division



KOEI TECMO GAMES CO., LTD.
Managing Executive Officer
Brand Head of Omega Force
Tomohiko Sho

Signature work

Director, *DYNASTY WARRIORS 6*
Producer, *DYNASTY WARRIORS: ORIGINS*
Development Producer, *Pokémon Pokopia*
2021: Brand Head of Omega Force



KOEI TECMO GAMES CO., LTD.
Managing Executive Officer
Brand Head of Gust
Junzo Hosoi

Signature work

Producer, *Atelier Ryza: Ever Darkness and the Secret Hideout*
Producer, *BLUE REFLECTION*
Producer, *Atelier Yumia: The Alchemist of Memories & the Envisioned Land*
2020: Brand Head of Gust



KOEI TECMO GAMES CO., LTD.
Executive Officer
Brand Head of midas
Keisuke Kikuchi

Signature work

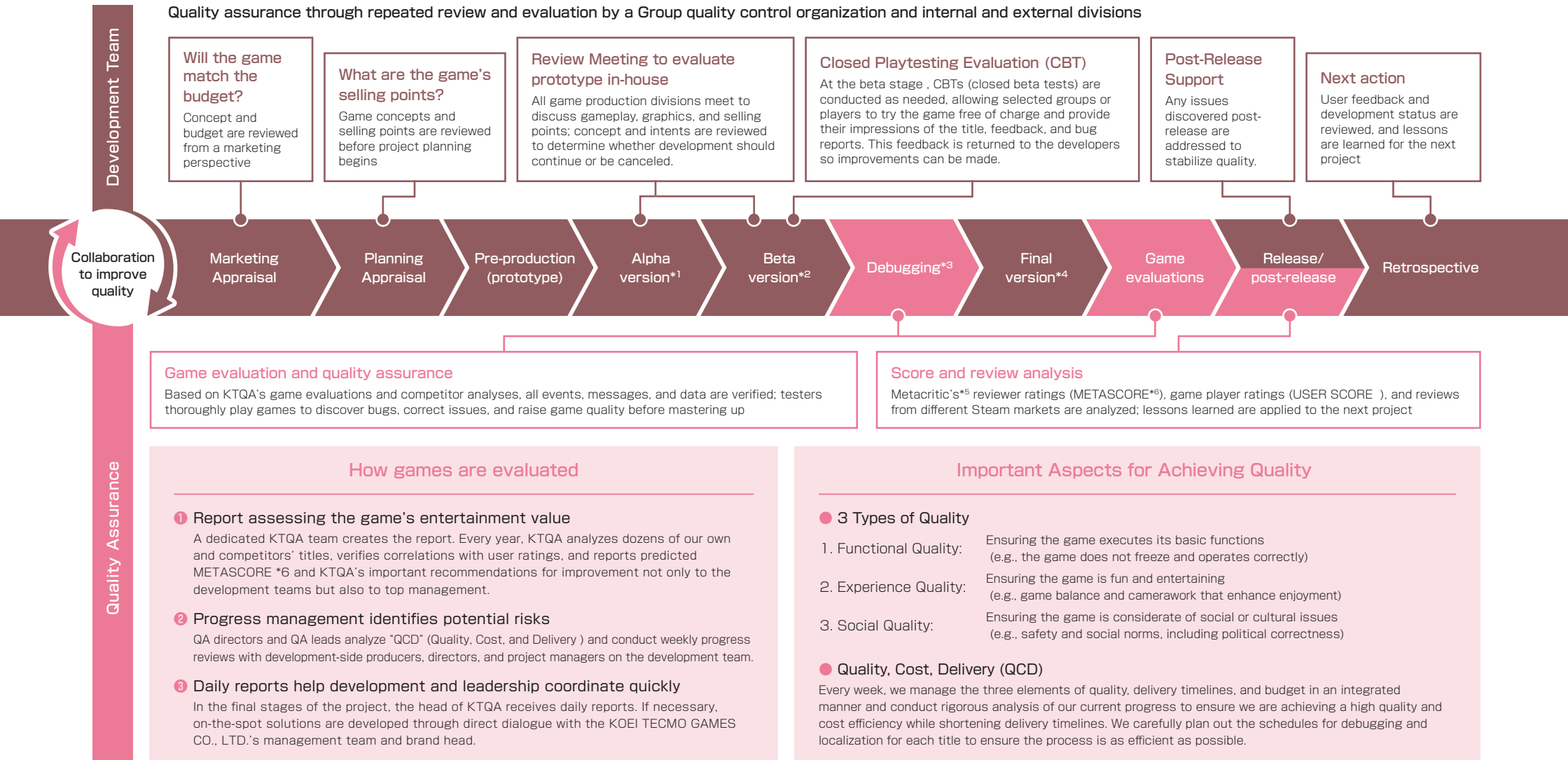
Development Producer, *NOBUNAGA'S AMBITION: Shutsujin*
Producer, *FATAL FRAME*
Development Producer, *Nights of Azure*
2021: Brand Head of midas

Management Framework and Quality Control System

To achieve project operating profit ratios of 30% or higher, the Group thoroughly maintains rigorous control over quality, delivery timeliness, and budget in each phase. KOEI TECMO QUALITY ASSURANCE (KTQA), a specialized subsidiary for quality control, takes a third-party perspective in managing the quality of our content. Building this multi-layered, multifaceted evaluation system allows us to continue to create titles of high quality, supporting high profitability.

A Management Framework that Strictly Adheres to Quality, Delivery Timeliness, and Budget

Quality assurance through repeated review and evaluation by a Group quality control organization and internal and external divisions



*¹ Alpha version: Early in development, basic elements of the game are completed. *² Beta version: Most major components of the game have been implemented. *³ Debugging: Checking for defects or bugs in the game programming before release.

*⁴ Final version: All game elements are implemented, and the game is mostly completed. *⁵ Metacritic: A review aggregation website for games, movies, etc. that provides two types of quantified evaluation, i.e., the USER SCORE based on user reviews, and the METAScore based on game critics' reviews. *⁶ METAScore: An assessment score given by game critics on Metacritic, a review aggregation website for games, movies, etc.

At KOEI TECMO, we use our proprietary game engine, KATANA ENGINE™, which enables high-quality game production, to provide a development environment where creators can quickly and freely bring their ideas to life.

What is the KATANA ENGINE™ ?

KATANA ENGINE™ is KOEI TECMO's one-of-a-kind game engine that enables high-quality game production. The engine integrates the tools, libraries, and data management functions our developers need to create our games. We develop a wide range of functions in-house, including AI, graphics, simulations for secondary-motion elements such as cloth and strings, physics simulations, sound, and networking, allowing us to respond flexibly to changing times, customer needs, and advances in technology. This engine, which undergoes continual updates, optimizes our development processes and addresses a diverse range of needs.

With the KATANA ENGINE™, our developers can quickly and freely bring their ideas to life, all while achieving both greater efficiency and higher quality, as well as curbing production costs and project risks.

What is Game Engine?

An integrated development environment that brings together the functions required for game development. It combines a wide range of elements, from graphics and sound to specialized features tailored to the development of individual games. This eliminates the need to build everything from scratch, speeding up development and enabling higher-quality games to be created in a shorter period.

Benefits of Using Our Proprietary Game Engine

● Title-specific optimization

While generic engines have functional constraints and must cater to the needs of other companies, the KATANA ENGINE™ is highly scalable and customizable, allowing further optimization on each of our game titles.

● Support for engine users

We hold ongoing internal workshops and provide other support to help developers take full advantage of the engine's capabilities, aiming to improve the quality of titles using KATANA ENGINE™ and make development more efficient.

*1 An editor for creating a wide range of character-related data, including textures, secondary-motion elements, and actions.

*2 An editor with tools based on video-production techniques and procedural animation, making it possible to produce high-quality dialogue scenes with natural animation and camerawork at extremely low cost.

Three Competitive Advantages produced by KATANA ENGINE™

① AI-Powered Boosts to Efficiency

The KATANA ENGINE™ is equipped with AI technology, with the aim of further optimize development processes and enable a broad range of creative expression. We are also developing an environment that helps game developers focus on creative work including proprietary reinforcement-learning tools for game-balance adjustment, CG-production support features such as converting video into animation, and as well as building a development environment that enables developers to use AI agents.

② Faster Multi-Platform Development

Developing for multiple platforms can be a time-consuming process, but with the KATANA ENGINE™, we can simultaneously address the platform-specific requirements of consoles, PCs, and mobile devices. And because this is all done in-house, we can optimize our development timelines and reduce marketing costs, avoiding missed opportunities caused by staggered schedules, while also achieving a high standard of creative expression.

③ Cross-Functional Deployment

We continually incorporate new functions and AI tools developed for a specific game into the engine so they can also be used in other titles in development across the Group. Thanks to that expansion, every new game we develop feeds a virtuous cycle that boosts both productivity and quality. This ongoing optimization supports a strong foundation for game development that balances creativity and efficiency.



Character editor*1



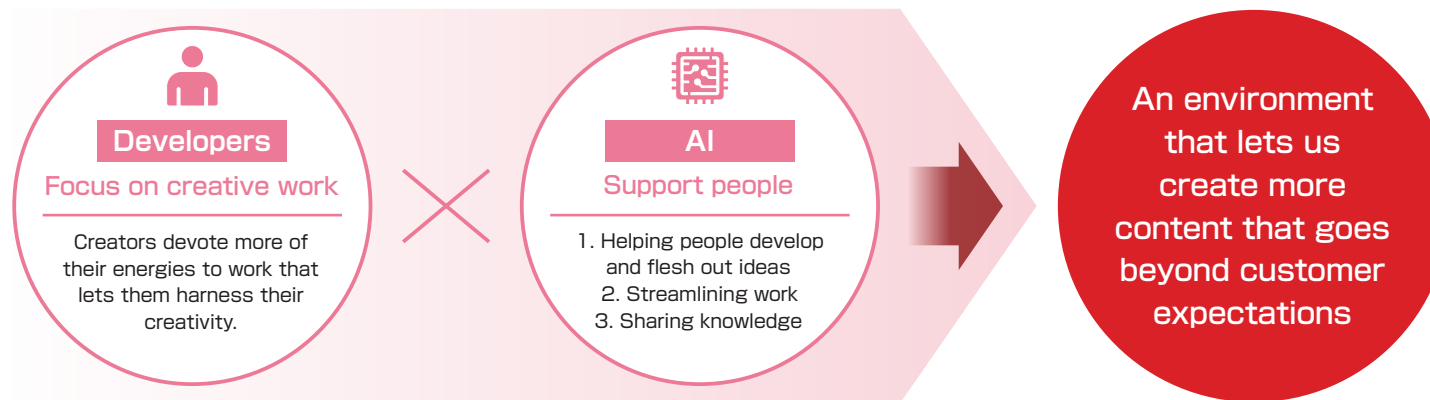
Timeline-based sequence editor*2

Item	KATANA ENGINE™	Generic engines
① AI-Powered Boosts to Efficiency	○	△
② Faster Multi-Platform Development	○	△
③ Cross-Functional Deployment	○	—

Utilizing AI to Enhance Business Value

The Group positions AI as a tool that supports people. By using AI to supplement ideation, streamline work, and share knowledge, people can pour more of their energies into creative work. Utilizing AI in the proper way will help us increase both the quantity and quality of our development and create content that goes beyond customer expectations.

Game Development Using AI



Current Utilization of AI

Initiatives on the quantity side

● Reducing debugging workload

AI analyzes records of human gameplay to generate play data, helping automate testing work.

● Streamlining multilingual translation and using AI translation systems

AI is trained on the characteristics of characters and IPs to generate translation suggestions suited to each game.

Initiatives on the quality side

● Improving the quality of internal communication

Meeting speech-translation tools facilitate communication across languages.

● Game balance adjustments

Proprietary reinforcement learning supports game-balance adjustments.

● CG production support

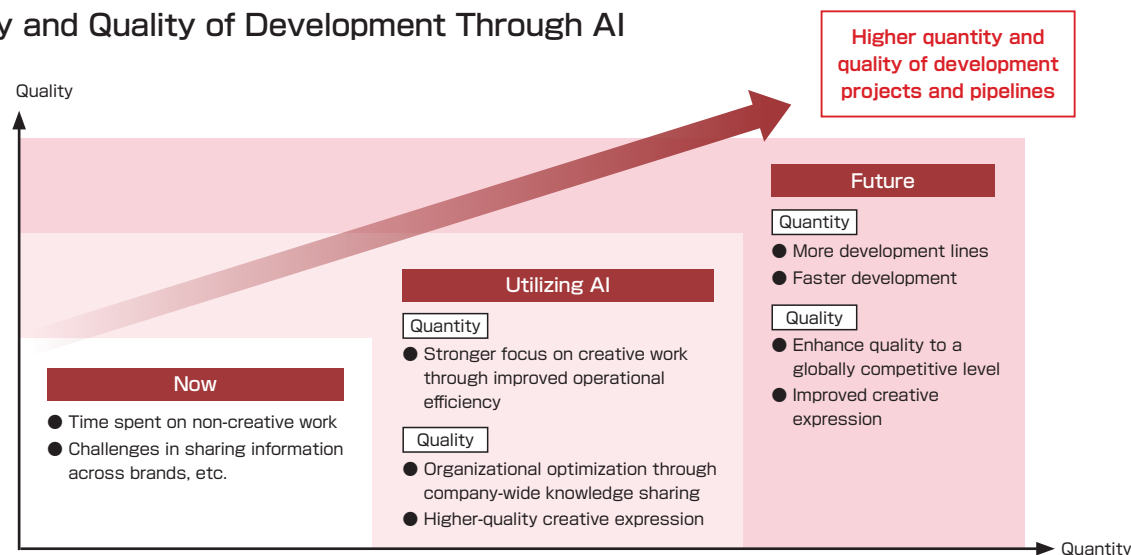
Production support, such as converting video into animation

Improving the Quantity and Quality of Development Through AI

Through the use of AI, the Group aims to improve both the quantity and quality of game development.

On the quantity side, we will reduce the burden of non-creative work and create an environment where developers can focus on creative tasks, helping us increase the number of development lines, accelerate development, and schedule releases more evenly.

On the quality side, we will promote cross-brand information sharing and further improve our creative expression.



Progress on and Outlook for the 4th Medium-Term Management Plan

In FY2025, the first year of the 4th Medium-Term Management Plan, we implemented a range of initiatives under the theme of “laying the foundation for further growth” as we prepare for a medium- to long-term leap forward. As a result, the Group achieved record highs in net sales, ordinary profit, and profit attributable to owners of parent in FY2025. Although we plan to release several new titles in FY2026, we are taking a conservative approach to development and selling expenses while we expand investment in human capital. For the year, we forecast net sales of 90 billion yen and operating profit of 32 billion yen. In FY2027, the final year of the plan, we aim to achieve operating profit of 40 billion yen.

4th Medium-Term Management Plan “Laying the foundation for further growth”

Qualitative goals

- ① Quantitative growth of the pipeline
- ② Qualitative growth of the pipeline
- ③ Growth in sales capability
- ④ Growth in cost efficiency

Quantitative goals

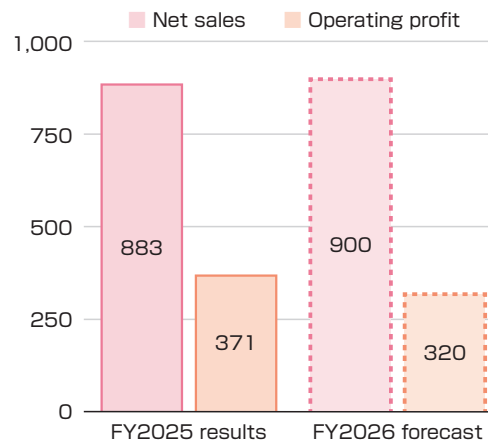
- Three-year cumulative operating profit: 100 billion yen or more
- Another attempt to achieve operating profit of 40 billion yen in a single fiscal year
- Operating profit ratio: 30% or higher

Three pillars

- ① Strengthening the management foundation
Enhance human capital and the governance structure
- ② Business strategies
Strengthen our capabilities to create, sell, utilize, and support IP, with the entertainment business serving as a growth driver
- ③ Cash allocation
Make growth investments centered on human capital and deliver shareholder returns

Results and Outlook

(Unit: 100 million yen)



(Unit: 100 million yen)

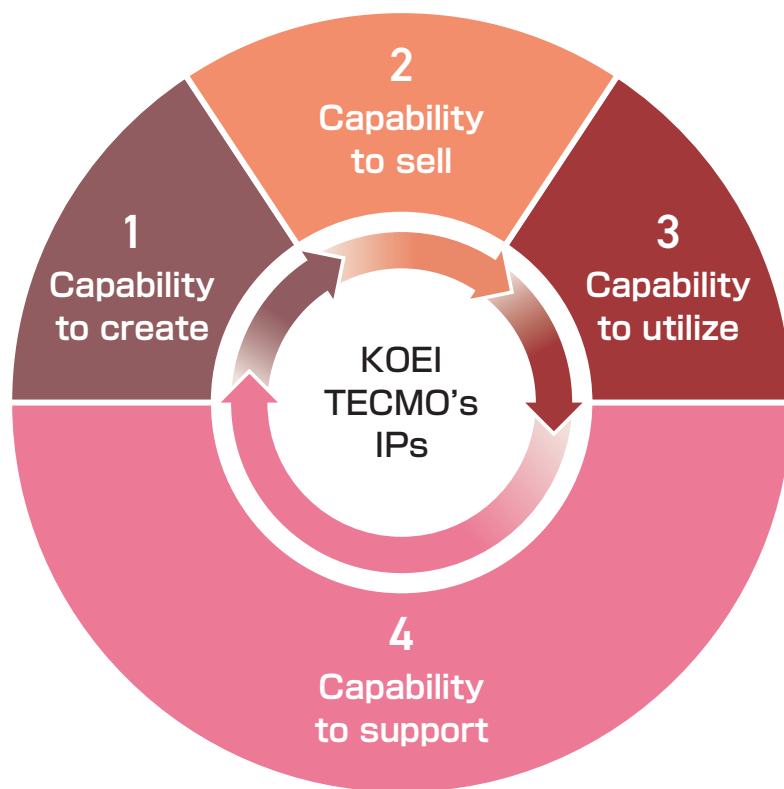
Key indicator	FY2025 results	FY2026 performance forecast	YoY change	% change
Net sales	883	900	16	1.8%
Operating profit	371	320	△51	-13.9%
Operating profit ratio	42.0%	35.6%	—	-13.9%
Ordinary profit	570	420	△150	-26.3%
Net profit	428	310	△118	-27.6%
Dividend per share (yen)	66	48	△18	-27.3%
Dividend payout ratio	50.1%	50.3%	+0.2pt	—

Development Pipeline Results (FY2025)

	Number of titles	Major titles released
Console/PC (major titles* ¹)	4	<i>Nioh 3</i> <i>NINJA GAIDEN 4</i> <i>Hyrule Warriors: Age of Imprisonment</i> * ² <i>Pokémon Pokopia</i>
Console/PC (mid-tier)	10	<i>Atelier Ryza Secret Trilogy Deluxe Pack</i> <i>FATAL FRAME II: Crimson Butterfly REMAKE</i> , etc.
Mobile	2 (Licensing-out: 5)	<i>Kingdom Hadou</i> <i>Haruka: Beyond the Stream of Time</i> <i>Ryugu no Miko</i>

*¹ Titles targeting sales of 1 million+ units *² The title is published overseas by Nintendo Co., Ltd.

	FY2025	YoY change (%)
Units sold	14.1 million units	84.8%
Cumulative mobile downloads	171.4 million downloads	3.4%



Capability to strengthen IPs	Related qualitative goals	Initiatives
Capability to create	Qualitative growth of the pipeline	- Engage in market-driven planning and development - Strengthen our capability to create new games utilizing major IPs + capability to create future core IPs
Capability to sell	Growth in sales capabilities	- Improve marketing and sales strategies - Enter emerging markets at an early stage
Capability to utilize	Qualitative growth of the pipeline	- Promote wide application of IPs, build business models - Maximize value of IPs through media franchising
Capability to support	Quantitative growth of the pipeline Growth in cost efficiency	- Enhance development structure, improve creator capabilities - Innovate production processes utilizing new technologies including AI

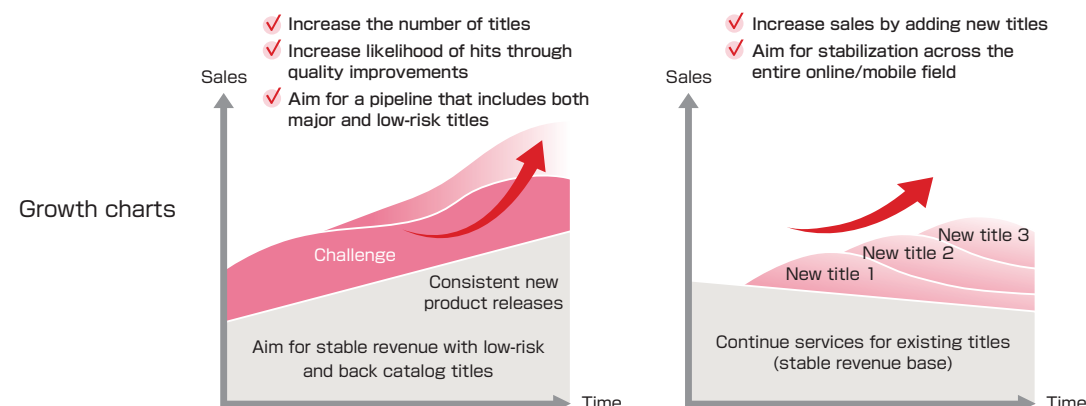
Growth Strategies by Game Development Field

Positioning console/PC as a growth driver, we will expand the pipeline with a solid mix of titles. On the online/mobile side, we will both build on existing titles and add new releases to accumulate revenue.

	Console/PC field	Online/mobile field
Policy	Drive growth	Stable revenue

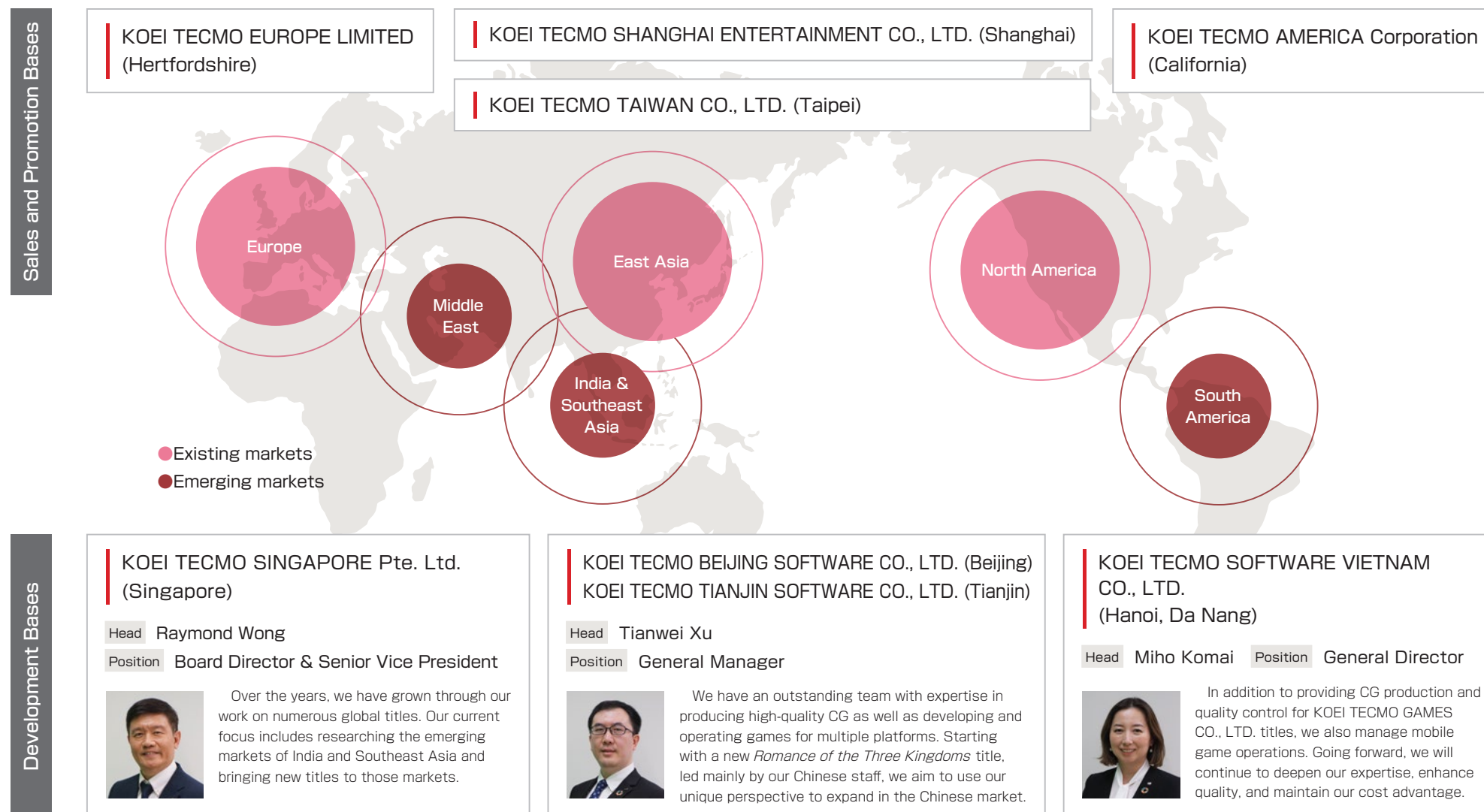
4th Medium-Term Management Plan: Pipeline Policy

- Base development on platform compatibility
- Reconsider degree of risk-taking after reflecting on the 3rd Medium-Term Management Plan
- Organize product lineup in consideration of balance between major and middle-class titles



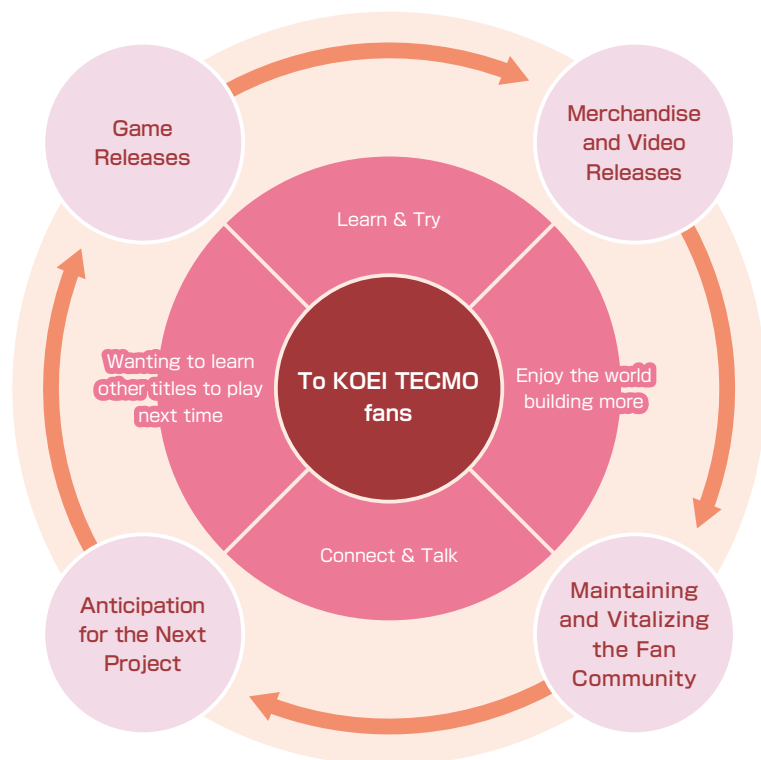
The Group has sales and promotion bases in Europe, North America, and East Asia and development bases in Singapore, China, and Vietnam. Each location works in coordination with the others, drawing on regional knowledge and strengths to develop and sell content for customers around the world.

Global Bases and Key Markets



To achieve further growth in the global market, we are working to enhance the value of the KOEI TECMO brand and increase its recognition by expanding our fan community and tapping into emerging markets. We are expanding our customer engagement through promotions and events in various regions, and are strengthening our sales structure by establishing new overseas sales bases.

Company Branding to Grow the KOEI TECMO Fan Base



Key Initiatives for Sales and Global Marketing

1. Increasing the Value and Spreading Awareness of the KOEI TECMO Brand

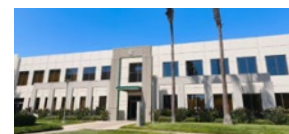
- Strengthening marketing capabilities and enhancing brand value by establishing an in-house publishing system for major titles
- “Strengthening cooperation with overseas sales subsidiaries,” “building organizational structures,” and “enhancing information gathering” with global expansion in mind.

2. Expanding the Fan Community

- Improving user satisfaction with the company, brand, and titles, and acquiring new fans through the strategic release of owned media and events.

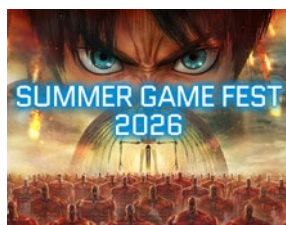
3. Pioneering Emerging Markets and Creating New Partnerships

- Research for pioneering emerging markets
- Continually creating opportunities for large-scale collaborations and partnerships



The KOEI TECMO AMERICA Corporation established a new office in Los Angeles in September 2026.

Recent Exhibitions and Events



Summer Game Fest 2026

(Los Angeles, USA / June 2026)
Attack on Titan 3 made its world premiere at “Summer Game Fest,” one of the world’s leading gaming events. It garnered a tremendous response from gamers and the media around the world, leading to increased global recognition.



Anime Expo 2026

(Los Angeles, USA / July 2026)
The largest Japanese IP event in North America, “Anime Expo,” featured *Attack on Titan 3* and *Atelier Karia*. In addition to spreading awareness, we promoted outreach to local media.



Bilibili World 2026

(Shanghai, China / July 2026)
We exhibited *Wo Long 2* and *DYNASTY WARRIORS 3: Complete Edition Remastered* at “Bilibili World,” one of China’s largest ACGN* events. Spreading awareness among young people, the media, and influencers has been promoted.

* A general term in Chinese for Japan’s 2D culture. (From the initials for Anime, Comic, Game, and Novel)

Based on the manga “Shingeki no Kyojin” by Hajime Isayama originally serialized in the monthly BESSATSU SHONEN MAGAZINE published by KODANSHA Ltd. ©Hajime Isayama, KODANSHA/“ATTACK ON TITAN” The Final Season Production Committee. ©2026 KOEI TECMO GAMES CO., LTD.

One of our key strategies in the 4th Medium-Term Management Plan is the “ability to leverage” our intellectual property (IP) across a wide range of fields beyond gaming. Through adaptations into films, anime, and comic books, as well as merchandising and collaborations with restaurants and events, we will expand engagement with our IPs, create new revenue opportunities, and simultaneously contribute to raising awareness of our IPs and deepening our connection with our existing fan base.

Key Initiatives for the IP Business

1. Globalization

- Promote bulk licensing and commercialization to overseas licensors.
- Promote both B2B and B2C through event participation.

2. Alignment with IP Value Maximization & Utilization of Past Assets

- Expanding our content and broadening our partnerships through IP licensing.

3. Event Business

- Bolster the lineup of merchandise, such as event merchandise and video products.

Overview of IP-Related Events

- Opened the KOEI TECMO POP-UP-SHOP KOREA inside the MARIO OUTLET, a large shopping mall in Seoul, South Korea.
- Made our debut at Licensing Expo 2026, one of the world’s largest international trade shows dedicated to licensing.



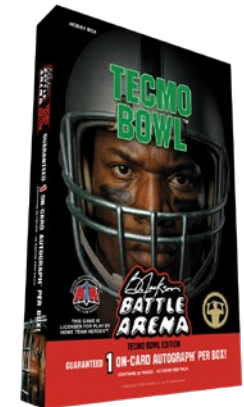
Examples of IP Expansions



Revoltech Amazing
Yamaguchi Ryu Hayabusa
Ninja Gaiden



TENITOL BIG Noodle
Stopper Figure:
Reisalin Stout



Bo Jackson Battle Arena
× TECMO BOWL
(Trading Card Game)
© 2026 Bo Jackson Battle Arena, Inc.
All rights reserved.



SMART PACHINKO
e Atelier Ryza: Ever Darkness & the Secret Hideout
© KOEI TECMO GAMES/ Atelier Ryza Production Committee © KYORAKU



Neo Romance♡Festa: Haruka Festival 2026
(Anniversary Event for Our Own IP)

Turning Title Fans into KOEI TECMO Fans

— Making KOEI TECMO a Global Entertainment Brand of Choice

NAOTO HIRAOKA

Managing Executive Officer, General Manager of the Global IP Business Division and Head of Global Marketing, KOEI TECMO GAMES CO., LTD.

KOEI TECMO's Strengths and Challenges in Overseas Markets

KOEI TECMO's strength in overseas markets lies in our IPs centered on historical and East Asian themes. Japanese and East Asian cultures, in particular, offer overseas users something fresh and outside of their everyday experience. No other game company matches our ability to preserve this distinctive identity while developing games across action, simulation, RPG, and other genres. Another strength of our Group is our track record of collaborations, through which we have turned a wide range of third-party IPs into compelling games.

KOEI TECMO's games enjoy a certain level of recognition in Japan and Asia and consistently earn high ratings from Metacritic*¹ and Famitsu*². In North America and Europe, however, while individual games are well-known and recognized, their association with the KOEI TECMO name remains limited. In the United States in particular, while we are typically recognized as the company behind *DYNASTY WARRIORS*, there is still limited awareness of the many other popular IPs and titles offered by KOEI TECMO.

One reason our corporate brand has not gained broader recognition is that we have traditionally relied on external partners to publish major titles overseas. While publishing through other companies allows our games to reach a large number of users, it makes it more difficult for individual titles to be associated with KOEI TECMO as a company, and therefore has not helped us build a fan base for the KOEI TECMO brand.

Building the KOEI TECMO Brand to Grow Our Fan Base

For *Nioh 3*, released in February 2026, we handled overseas publishing ourselves for the first time in the series. Being able to

deliver the title directly to customers and receive direct feedback on our marketing, branding, and game content was a valuable experience and a significant achievement. At the same time, this experience revealed a challenge. Our publishing efforts have tended to end with short-term promotions around release, without building ongoing relationships through regular communication that keeps users engaged and eager for what comes next. In Europe and North America, many publishers build anticipation well before release by sharing parts of the development or promotional process and by providing spaces for users to engage in discussions on social media. These experiences convinced me that strengthening our ability to build and nurture fan communities ourselves is essential.

By nurturing fan communities and helping fans of individual titles become aware of the KOEI TECMO corporate brand, we can lay the foundation for stronger, lasting connections with our audience. We can also further increase touchpoints by expanding our IP through licensing and other initiatives. This can create broader awareness that KOEI TECMO is behind both *Pokémon Pokopia* and *Hyrule Warriors*, helping us grow our corporate brand fan base.

One goal of corporate branding is to turn fans of individual titles into loyal users who want to play any game from KOEI TECMO. Ideally, someone who enjoys the *Nioh* series would then discover other KOEI TECMO titles, such as *NINJA GAIDEN* or the *Atelier* series, and choose to play them as well. That is the kind of ecosystem we want to create. As corporate branding takes hold, we can create a strong progression from title fans to corporate brand fans and eventually to loyal users. This is why we need not only product-focused marketing, but also corporate branding and an IP licensing strategy that increases customer touchpoints.

Enhancing Licensing Operations to Build an Even Stronger Presence

Expanding opportunities to engage with our IP beyond games



through soundtracks, merchandise, films, and other content, and deepening fans' attachment to our IP, will further strengthen our corporate brand. To increase customer touchpoints, we have begun taking steps to make it standard practice to negotiate and prepare for licensing several years before a game's release and to launch merchandise and other products in conjunction with the release. We have already begun putting this approach in place for titles scheduled for release from next year onward.

How Marketing and IP Drive Rapid Growth on the Global Stage

While some game companies build their business around a single blockbuster title, our Group has a rich portfolio of multiple strong titles. This is why connecting these strengths across our portfolio and raising the overall brand can be an effective strategy.

We will use the 4th Medium-Term Management Plan to steadily build our foundation, and then turn that foundation into tangible global growth from the 5th Medium-Term Management Plan onward. Our first priority is to strengthen our presence in North America, one of the world's largest markets. North America offers significant room for the Group to expand. After strengthening our foundation in North America, we plan to expand into Europe and steadily strengthen our presence there as well.

To strengthen the corporate brand and close the gap between our title brands and the corporate brand, we will increase customer touchpoints through global marketing and our IP licensing business. During our 5th and 6th Medium-Term Management Plans, we will work to expand the global fan base for the KOEI TECMO corporate brand, which will in turn contribute to further revenue growth.

*1 Metacritic: A review website covering games, movies, and other media. It assigns numerical scores based on the USER SCORE from users and the METAScore from professional critics.

*2 Famitsu: A Japanese game magazine. Its "Cross Review" has four editors rate new titles on a 10-point scale, for a maximum combined score of 40 points.

Amusement and Real Estate Businesses

In the 4th Medium-Term Management Plan, we also aim for growth in our amusement and real estate businesses, both of which sustain stable earnings. In the amusement business, we will achieve 10% growth every year in mature markets through improvements to existing businesses and new measures, etc. We view the real estate business as one of the foundations supporting the Group's overall business activities.

Amusement Business

Slot and pachinko business

We aim to maximize the use of powerful IPs and CG production capabilities developed by the entertainment business to stabilize the business and further enhance the value of IPs. The Group's leading IPs are widely recognized even by non-gamers; we will leverage this recognition and brand power in growing our market presence. Even in mature markets, we will pursue new revenue opportunities by creating synergies with our gaming business.



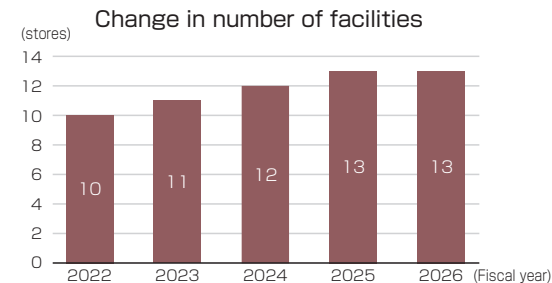
Smart Pachislot
Super Rio Ace 2
(This character also appears
in our title *Warriors All-Stars*)



Dekasta P Sengoku Musou
100ver.
(Based on our *Samurai
Warriors* IP)

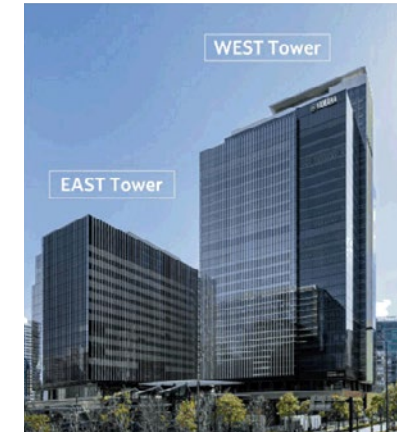
Amusement facilities operation business

We aim to increase sales by accelerating facility openings. In addition to making improvements to existing operations, we will expand the business by actively opening new facilities. We will also seek to increase profitability through operational efficiency and energy saving initiatives at facilities, along with improving our cost structure.



Real Estate Business

The real estate business involves managing the live music venue KT Zepp Yokohama and operating and managing rental real estate properties. We are also building offices to support the Group's business expansions, including the KT Building and YOKOHAMA SYMPHOSTAGE in Yokohama. The business also enables us to enhance the management of employee dormitories and company housing and establish comfortable working environments for employees, while at the same time supporting management from a real estate perspective.



Yokohama's Minato Mirai 21 District
(Block 53)
YOKOHAMA SYMPHOSTAGE
(EAST Tower floors 5 - 9)



KT Zepp Yokohama, operated in partnership with Zepp Hall Network Inc.

Message from the CFO

Balancing Growth in Operating Profit with Financial Discipline Supporting Ongoing Efforts to Reach the World's Top 10

KENJIRO ASANO

Senior Executive Officer and CFO and General Manager of Business Administration Division

1. Review of FY2025

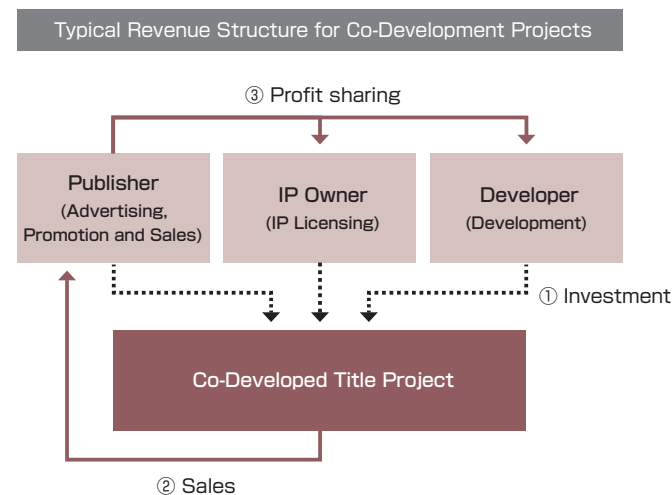
Q In FY2025, net sales, ordinary income, and net income all reached record highs, while operating profit also exceeded our earnings forecast, coming in at 37.0 billion yen. What do you see as the key factors behind these strong results?

A The strong results were driven by a number of successful hit titles. Compared to our forecast, net sales fell short, but operating profit exceeded expectations. This was due to a difference between the actual mix of in-house and collaboration titles and what we had planned. For titles we develop and publish ourselves, we record the full sales amount. For co-developed titles where another company handles publishing, we record only our share of revenue after deducting costs such as sales and marketing. In our earnings forecast, we had budgeted more aggressively for in-house titles and more conservatively for co-developed titles, which resulted in this performance.

Q What do you see as the benefits of co-developed titles?

A Co-developed titles allow us to collaborate with other companies and gain their support in development and sales. This gives us valuable opportunities to tackle genres and game systems that would involve significant risk and be difficult for us to pursue alone. The knowledge and development expertise gained from these new opportunities are important assets

that strengthen our development capabilities and lead to the creation of new IP. We view co-developed titles as one of the strengths of our multilayered revenue structure and as part of the growth platform that underpins our medium- to long-term growth. In FY2025, we released *Pokémon Pokopia*, a slow-life sandbox game. This title was made possible by the know-how we accumulated from past craft-genre projects, and it exemplifies how collaborative challenges can broaden our development genres.



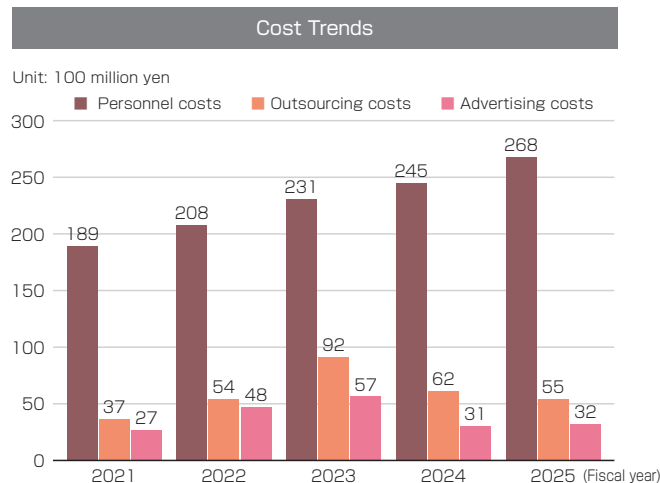
Message from the CFO

Q Could you tell us about your cost situation?

A Because we develop games in-house, our largest expense—and a key growth investment—is personnel costs. We expect personnel costs to increase by around 10% annually, driven by a combination of workforce growth through new graduate hiring and higher per-employee salaries from improved compensation and base-pay increases.

Recruitment is progressing smoothly in line with our plans, both in Japan and overseas. For FY2025, we initially budgeted approximately 27.0 billion yen in personnel costs, and we kept within that range.

For FY2026, we expect personnel costs to reach around 30.0 billion yen.



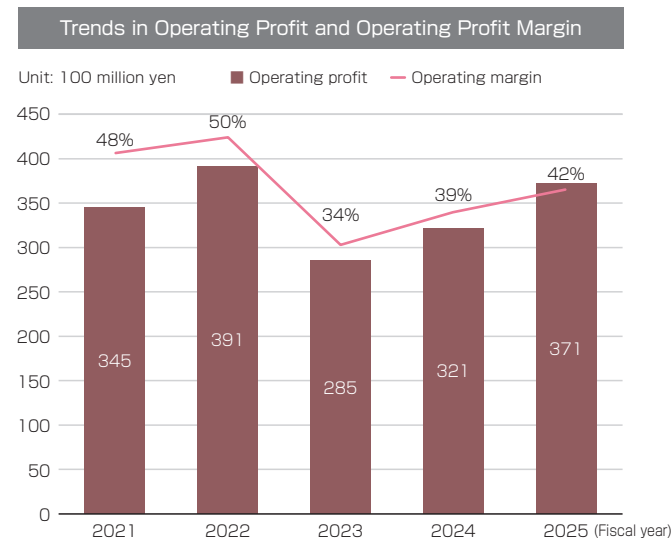
We formulate our plans on the assumption that our workforce will increase steadily each year while focusing on long-term growth. By ensuring that our management of development costs and other expenses functions effectively, we will work to prevent any financial concerns or issues from arising.

We are also actively conducting trials and studying use cases for introducing AI. These initiatives are being carried out strictly within the scope of our fixed overhead costs for our R&D division, information systems division, and quality management division—which handles localization and debugging. As a result, they have not created any significant new expenses.

2. Approach to Growth and Financial Discipline

Q Could you share your thinking on your recent operating margin and operating profit?

A From a financial standpoint, the basic premise is to ensure efficiency of output relative to input for growth investment. However, to achieve our goal of breaking into the global top 10 as a digital entertainment company within 10 years, we are prioritizing growth in operating profit itself, not just efficiency as measured by operating margin. At the same time, we consider achieving an operating profit margin of 30% to be a must-achieve target.



If we focus too much on efficiency, we could fall into a downward spiral of avoiding risks and new challenges simply because a stable business already secures a healthy margin. That would not lead to significant growth. To use a baseball analogy, it would be like saying, "If I get a hit in each of my first three at-bats, I should sit out my fourth so I don't lower my batting average." Of course, stepping up to the plate carries the risk of striking out, but if you get a hit, you can score even more runs.

Looking at the global game market, we still have significant room for growth. Even when risks are involved, our policy is to actively pursue challenges and make investments that increase profits. From a financial perspective too, we will continue to allocate sufficient resources to new challenges and pursue opportunities to create new forms of entertainment.

Q What is an appropriate level of surplus funds in your view?

A Large-scale game development is said to take three to five years or more. To ensure we can invest in development with confidence despite these lengthy cycles, we believe we need to maintain enough surplus funds to cover personnel costs for at least the length of a development cycle, or roughly five years. For example, if we had only 10 billion yen in surplus funds and invested 10 billion yen in development, a failure would leave us unable to pursue our next title. Rather than withdrawing after a single failure, we believe it is important to be prepared to try again two or three times. To give our employees the confidence to focus on development, our policy is to keep enough cash on hand to cover personnel costs for the duration of development.

In addition, we still have many opportunities for growth, including through M&A and the creation of new IP. A company with opportunities for growth should maintain sufficient resources to take on challenges. To pursue growth investment aggressively, a thicker financial cushion is essential, and we also need a certain amount of funds that we can deploy flexibly. We therefore do not see our current level of surplus funds as excessive.

Q What's your approach to managing projects?

A We monitor individual titles through weekly group management meetings, a project budget-to-actual management system, and alpha and beta review meetings. By closely tracking development costs and progress, we ensure that not only the project team but also management can see whether it is safe to continue a project as is or whether action is needed. Extended development periods pose a major risk for both project operations and project management, so this monitoring is extremely important. Conversely, if development progresses according to plan, we can not only keep unnecessary costs down but also reduce risks such as obsolescence from shifts in market trends or technology. Through this framework, we constantly check not only title quality but also the balance with deadlines and budgets.

Message from the CFO

Q Could you tell us about the profitability of your projects?

A Our profitability benchmark is a project operating profit margin of at least 30%. Under our management accounting system, we allocate head office and administrative costs to individual projects and target a project operating profit margin of 30%. While this is a demanding target for our development teams, linking individual project profitability to the company-wide operating profit margin through this system gives us highly transparent management.

Q What initiatives are you taking to ensure stable earnings for the company as a whole?

A Beyond managing the progress and profitability of individual projects, it is essential to assess the overall risk of our title portfolio. To do this, we build buffers into our plans that account for performance variability between titles. While setting high targets for our development teams and encouraging them to take on challenges, management takes a conservative approach to planning. This allows us to manage risk appropriately across the company.

Under our 3rd Medium-Term Management Plan, we were overly concentrated on large-scale titles, which resulted in greater earnings fluctuations. Learning from that experience, we are now working to build a well-balanced portfolio of large, medium, and small titles. However, since our development structure is centered on in-house production, it is difficult to expand development capacity rapidly. We therefore intend to gradually achieve the right balance over time while recruiting and developing talent.

Q Could you explain the timing of accounting expenses and revenue recognition?

A A key feature of our accounting is our accrual-based approach. Development costs are recognized as expenses when incurred during the development period, while sales are recognized when the products are sold. At many other companies, development costs during production are capitalized as software assets, and as revenue is recognized, the corresponding asset balance is written down as an expense. Because our accounting inherently creates a time lag between expenses and revenue, our income statement records sales from products released in the current

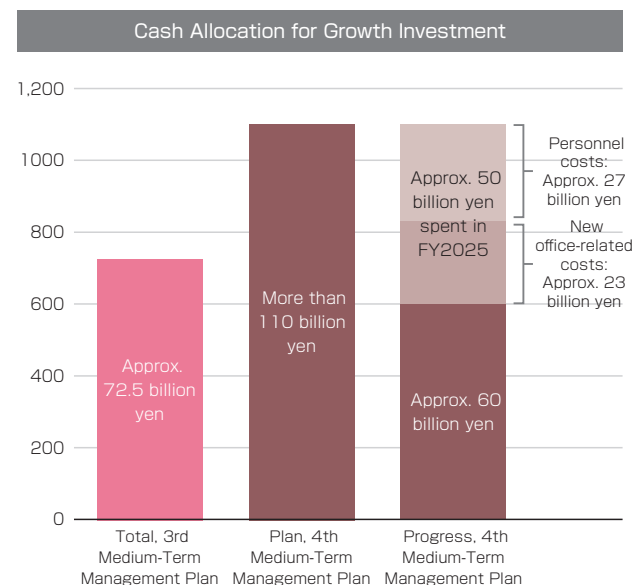
period while also recording development costs for products scheduled for future release as expenses.

This accrual-based approach makes the relationship between the income statement and cash flow clear and supports sound, conservative management. Although our balance sheet may appear smaller than the actual scale of our business, our conservative accounting recognizes expenses ahead of revenue. This approach enables us to consistently achieve a high operating profit margin.

3. Growth Investment

Q Could you update us on the progress of the 110 billion yen in growth investments set out in the 4th Medium-Term Management Plan?

A First, the breakdown of the 110 billion yen in growth investments is centered on personnel expenses and capital investment to improve the workplace environment. In FY2025, we recorded just under 27 billion yen in personnel expenses and over 23 billion yen for Yokohama Symphostage, our new office, including land, building, and interior fit-out. This brings total spending already recognized to around 50 billion yen.

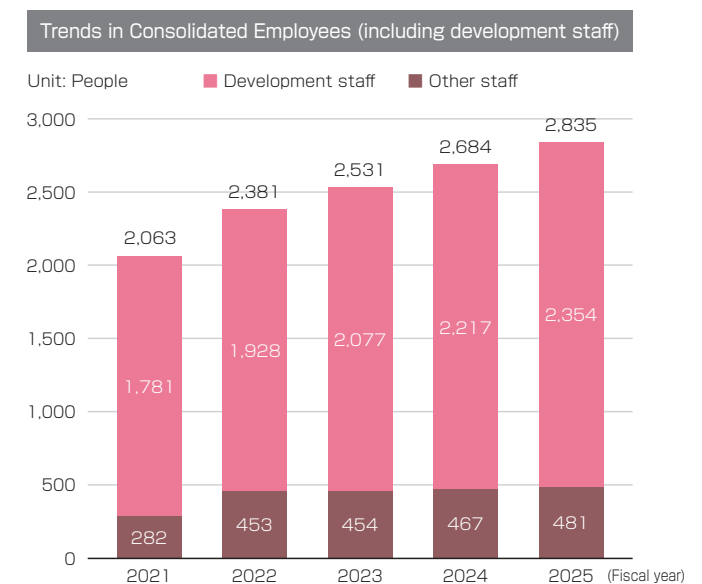


The remaining roughly 60 billion yen will mainly go toward personnel expenses for FY2026 and FY2027, so it will be spent as planned over the three-year period of the 4th Medium-Term Management Plan.

We are constantly looking for M&A and other investment opportunities, and we maintain sufficient cash to respond quickly and flexibly when they arise. However, because we cannot determine at this point when an acquisition might take place or its potential size, M&A and similar investments are not included in the 110-billion-yen framework.

Q Could you share your thinking on your human resources strategy and specific initiatives for talent development?

A To develop a well-balanced mix of large, medium, and small titles and build a stable portfolio, expanding development capacity is essential. We believe we will eventually need a development structure of around 5,000 people. Our consolidated workforce grew from 1,570 employees in the fiscal year ending March 2016 to 2,835 in the fiscal year ending March 2026, an increase of more than 1,200 over the past 10 years. We are currently growing at a pace of 150 to 200 people per year, so the quantitative expansion of our workforce is progressing steadily.



Message from the CFO

In addition to the quantity of our talent, it is essential to ensure quality—in other words, an effective training system. By strengthening both the quality and quantity of our talent, we aim to maximize our company's overall output.

We currently hire around 200 new graduates per year in Japan, and we have a system in place to develop this many new hires. After completing their initial training, new employees are assigned to their teams and participate in our "Brother System," under which a more senior employee of similar age serves as their mentor for one year. Given the number of employees available to provide training and mentoring, we believe our current hiring pace is appropriate.

The KOEI TECMO Group also tracks training hours per employee as a key metric. Within the Group, we primarily share knowledge through on-the-job training and in-house study sessions. Training can also be measured by external training expenses, but we believe the key to talent development is not how much we spend, but how much time we devote to it.

More recently, projects for medium-sized and smaller titles, including remakes and remasters, have provided valuable opportunities for younger employees who will go on to become directors and producers to gain experience. On large-scale titles involving hundreds of people, it can be difficult to see how your role fits into the bigger picture. On titles with several dozen people, however, each person's role is clearer, making it easier to grasp the game as a whole.

Because we have established a system for nurturing new graduates and younger employees within the company, we believe this has contributed to our high employee retention, with our turnover rate remaining in the 4% range.

Q What is your policy on M&A?

A As a company with a development-oriented culture, we primarily consider M&A candidates that own attractive game IPs, have the potential to create synergies with our IP, or own IPs with strong affinity for games.

IPs that have already achieved global success tends to command a high price. From an investment efficiency perspective, we are therefore constantly looking for opportunities to acquire promising IPs at an earlier stage of their growth, and we have a financial structure in place that allows us to respond quickly and flexibly when opportunities arise.

4. Management of Surplus Funds

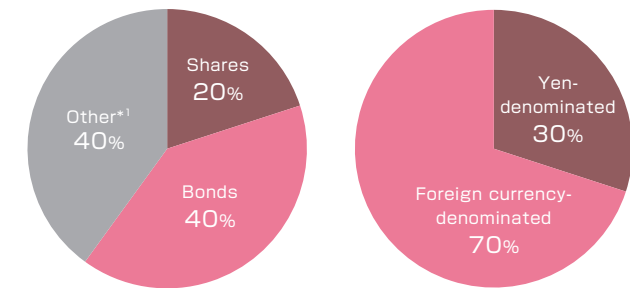
Q Could you tell us about your policy for managing surplus funds and how you manage the associated risks?

A The management of surplus funds is ultimately intended to support our core business of game development. Non-operating income and expenditure has performed extremely well in recent years, thanks in part to favorable conditions. However, we do not assume this will continue, and we do not take excessive risks in pursuit of high returns. In managing surplus funds, we place particular importance on three aspects of financial discipline: sustainability, which means generating stable returns on an ongoing basis; flexibility, which means responding quickly to changes in financial markets; and soundness, which means maintaining a sound asset portfolio.

For risk management, we use a matrix of financial instruments and currencies to review our portfolio monthly. While we do make some risk-taking investments, we limit them to investments where the source of risk is clearly identifiable, and only handle short-term instruments of one year or less. We strictly adhere to a rule of investing only in highly transparent instruments where we ourselves can understand both the risk and the impact when indicators change.

The soundness of our investment assets has also improved significantly over the past year. By closely monitoring financial market conditions and reviewing our portfolio through actions such as selling financial instruments with unrealized losses, we have further strengthened our financial base. Sound asset composition is the foundation that supports stable management over the medium to long term.

Investment Portfolio Breakdown (As of March 31, 2026)



*1 "Other" includes cash and cash equivalents on hand

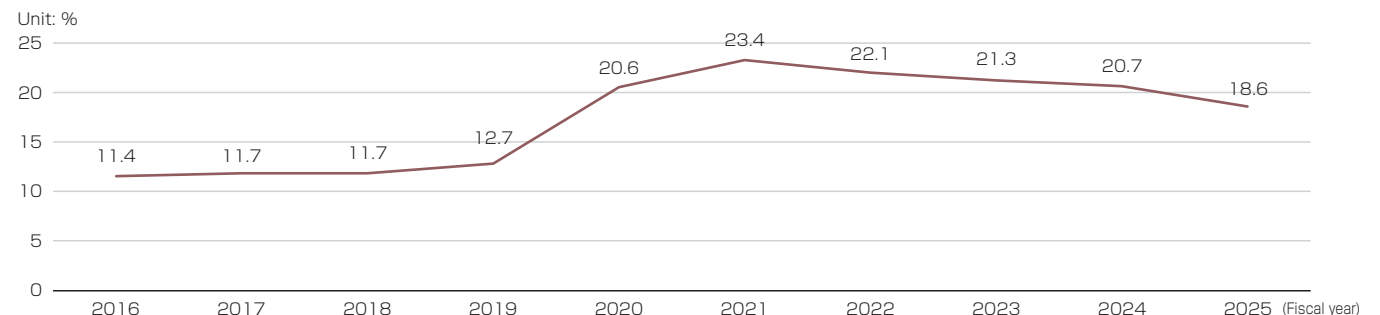
5. Enhancing Corporate Value and Returning Profits to Shareholders

Q How do you view the current level of ROE and its future outlook?

A While we regard operating profit as our most important KPI for growth, from a financial standpoint, we also consider it essential to maintain an ROE that exceeds our cost of capital.

In the growing digital entertainment market, we see ourselves on a growth trajectory toward becoming one of the world's top 10 companies, and we place a strong emphasis on expanding operating profit. While maintaining sufficient resources to fund growth investments, we will also remain mindful of efficiency.

ROE Trends



Message from the CFO

We expect ROE to decline toward the fiscal year ending March 2027. This is because shareholders' equity, which serves as the denominator of ROE, is expected to increase significantly. This increase is driven by the disposal of treasury stock carried out to meet the Prime Market's listing maintenance criteria, the accumulation of net income, and higher unrealized gains on investment securities held. Even so, we believe we will maintain ROE above our estimated cost of capital. Going forward, we aim to achieve ROE above our cost of capital on this larger equity base. To achieve this, we will work to generate profits above our published earnings forecasts and use that to enhance corporate value.

Q What is your policy on shareholder returns?

A With regard to shareholder returns, we will maintain our profit distribution policy: a consolidated annual total payout ratio of 50%, or an annual dividend of 50 yen per share (whichever is higher). Since the management integration in FY2009, total annual dividends have increased approximately 16-fold, demonstrating our track record of steadily increasing shareholder returns in line with profit growth. Going forward, our basic policy will remain to return profits through dividends, aiming to increase total dividends through operating profit growth.

We believe a strong financial foundation is essential to continue making higher-risk growth investments and to capture further business opportunities, including the creation of new IP. We therefore believe our current shareholder return policy is appropriate in this respect as well.

Q How do you view the current share price, and what are your expectations going forward?

A We take seriously the fact that our PBR (price-to-book ratio) is currently depressed, as this indicates that market expectations for our future growth have weakened. PBR will not improve unless we generate positive expectations for our growth. We believe the best way to improve our stock market valuation, even if only incrementally, is to steadily deliver results across our businesses and increase operating profit.

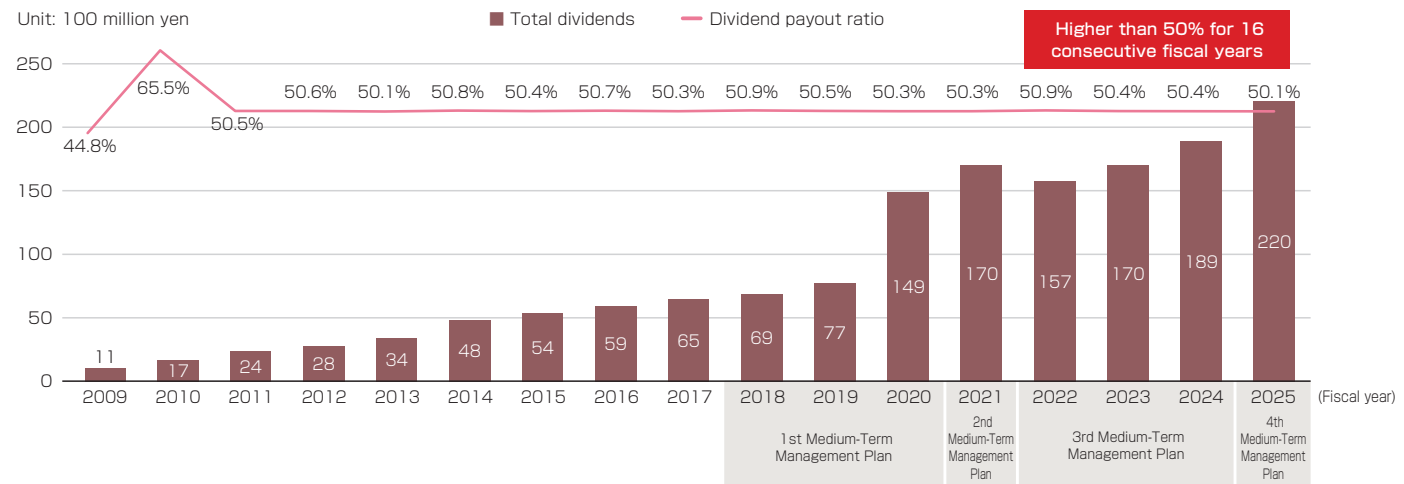
We also feel that excessive concerns over the advancement of generative AI are one factor behind the recent decline in share prices across the gaming sector. Some argue that if generative

AI makes it possible for anyone to create games, the value of major game companies that invest significant human resources in development could disappear. Nonetheless, there is also high-quality, professionally produced content that only major game companies can create. By continuing to deliver solid, valuable content to our customers, we believe we can further grow our business in the years ahead.

We have established a system to ensure that feedback

and requests from investors received through IR activities and other channels are properly communicated and reported to management and the Board of Directors. We will continue strengthening investor dialogue and our management structure so that stakeholders recognize our steady progress toward our long-term vision of becoming a global top-10 company and view us as a business with strong investment efficiency and growth potential.

Trends in Total Dividends and Payout Ratio



One-year Share-price Trend



Human Capital Management Supporting Sustainable Growth

The Group considers strengthening our human capital to be a key priority for medium to long-term growth. To realize our long-term vision, we have established a talent development policy and defined the ideal profile of employees we aim to cultivate. Aligning these with our materiality, we are working to improve both the quantity and quality of our workforce through three talent strategies: "Ensuring a Diverse Workforce," "Human Resources Development Policies," and "Establishing a Workplace Environment where Employees Can Work with Peace of Mind."

Long-Term Vision

Making the World's Top 10,
Becoming a Company with a Workforce of 5,000

Vision

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

"The Ideal
Organizational
Structure" for
Making the World's
Top 10



To achieve a spot among the world's top 10, it is essential to both secure the talent needed to support business expansion and provide training to enhance the capabilities of each individual. Under our "Creativity & Business" talent development policy, we have defined three ideal employee profiles. By strengthening the alignment between our business strategy and talent strategy, we will enhance our human capital in terms of both quantity and quality, and build an organizational foundation that supports sustainable growth.

Human Resources Development Policy

- Creators who bring about new entertainment
- Businesspeople who bring about growth and profitability

Ideal Image of People We Seek to Develop

Individuals who are self-reliant and professional creators

Enhance expertise in assigned duties and proactively create value

Individuals who support value creation while promoting and enhancing business

Create value and drive business growth from a market and customer-centric perspective

Individuals who enhance the value of IPs from a global perspective

Understand diverse cultures and expand globally

We will implement the following human resources strategies with the goal of improving both quantity and quality of employees

Human Resource Strategy

- Ensure a Diverse Pool of Talent with a Focus on New Graduates [▶ P.38](#)
- A Human Resource Development System Driving Growth [▶ P.39](#)
- Establish a Workplace Environment where Employees Can Work with Peace of Mind [▶ P.40](#)

Linked

Materiality

- Develop human resources capable of creating new value.
- Provide a work environment that allows diverse human resources to perform their jobs in a vibrant manner.

Believing that people are their greatest asset, the Group is committed to securing talented individuals with diverse capabilities and values in order to achieve sustainable growth and enhance its global competitiveness. While we focus primarily on hiring new graduates, we also place strong emphasis on recruiting experienced professionals. Our growth is supported by a diverse workforce with a wide range of backgrounds and expertise. Furthermore, we are working to create an environment where talented individuals regardless of nationality or gender can thrive, and to promote the active participation of women in the workforce. This expansion of our talent base will contribute to achieving the "growth in the number of pipelines" outlined in our Fourth Medium-Term Management Plan.

New Graduate and Experienced Professional Hiring Initiatives

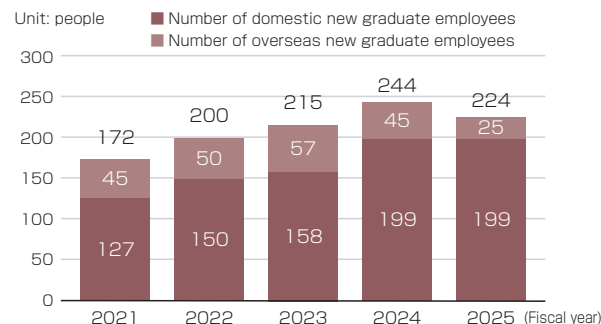
The Group is focused on new graduate recruitment toward achieving sustainable growth. By establishing environments and systems that enable employees to work with peace of mind over the long term, such as employee dormitories and the mentor system (P.43), we are fostering an ecosystem where creativity can be unleashed. We will maintain a high level of motivation among our game-loving employees and create new value through interactions between diverse personnel, thereby enhancing our competitiveness.

We are also focusing on hiring experienced professionals, recruiting individuals with specialized skills and extensive experience to drive sustainable growth and strengthen our global competitiveness.

● Internships

The Group strives to reduce the number of people resigning early through pre-screening internships that give potential employees a better understanding of what the job actually entails, thereby reducing the gap between expectations and reality. Having candidates learn how to create proposals directly from development leads and try out advanced level programming using our in-house developed game engine, KATANA ENGINE™ leads to strengthening recruitment of highly motivated and talented individuals who would be a great fit for the Company.

Change in number of new graduate employees (company-wide)

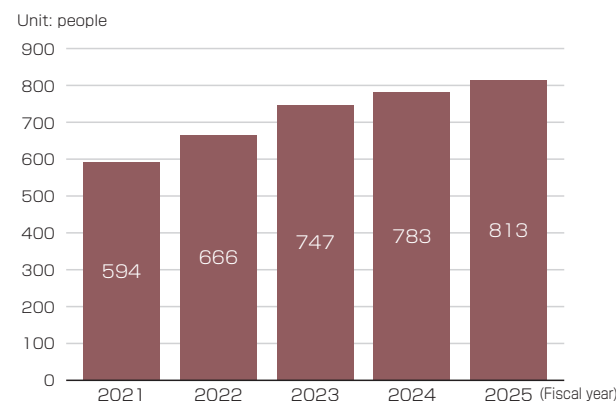


Recruiting and Empowering Non-Japanese Employees

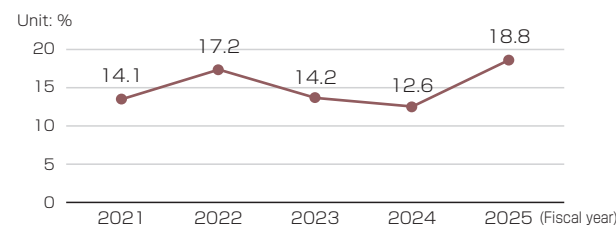
With an eye toward growth in the global market, the Group is promoting the creation of an organization that respects talented individuals with diverse backgrounds and values. As part of this effort, we are actively recruiting non-Japanese employees.

The number of non-Japanese employees in managerial and leadership roles is also growing steadily, enabling the Company to evolve into an organization where diverse individuals can fully exercise their skills. The active participation of such diverse individuals is a key factor behind enhancing the competitiveness of the Group and creating new value.

Change in number of non-Japanese employees (company-wide)



Change in ratio of non-Japanese employees through regular recruitment (domestic Group companies)

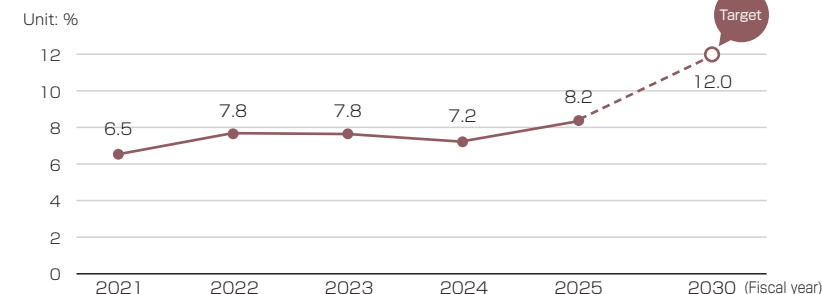


Promoting Active Roles for Women

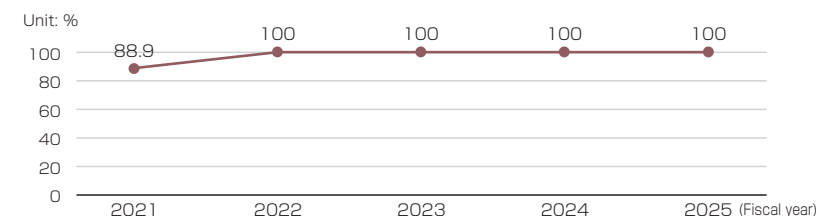
The Group is committed to promoting active roles for women as a way of realizing game development that incorporates diverse perspectives and values. Domestic Group companies offer career development support and training programs for female leaders on an ongoing basis toward achieving the goal of 12.0% female managers by FY2030.

We are also focusing our efforts on creating comfortable workplace environments for employees. This involves enhancing systems for supporting employees in balancing childbirth and childcare with work, such as providing a monetary gift to new parents, facilitating back-to-work arrangements following childcare leave, and expanding the shorter working hours system for childcare to cover children up to sixth grade. Furthermore, in fiscal year 2025, we took steps to create a more supportive work environment for women, such as providing free menstrual products and renaming "menstrual leave" to "medical leave." We are creating an ecosystem where employees of all genders can exercise their capabilities with the belief that the growth of each and every individual is linked to enhancing the competitiveness of the Company. The targets and trends for the percentage of female managers are as follows.

Change in ratio of female managers and target (domestic Group companies)



Change in percentage of female employees taking childcare leave (domestic Group companies)



A Human Resource Development System Driving Growth

We place a high priority on employee development to achieve the “Qualitative growth of the pipeline” goal set forth in our Fourth Medium-Term Management Plan. We are concentrating our efforts based on our policy of developing talented individuals who can take on both aspects of “creators who bring about new entertainment” and “businesspeople who bring about growth and profitability” in order that each employee can embody “Creativity & Business,” one of our core values.

Rank-Specific Training

● New employee training

For a training period of about one and a half months after joining, employees acquire fundamental skills required for working professionals, in addition to knowledge and skills necessary for game production. After being assigned to a department, employees receive mentorship from a senior colleague through our year-long Mentor System. They also participate in annual meetings with HR staff and follow-up training at the end of the fiscal year, helping them adapt to their roles and continue to grow steadily.

● Rank-specific training

Every year, we conduct rank-specific training programs for employees who have been promoted and mid-career hires, where they learn the knowledge and skills required for their respective levels over a period of two to three days. We are developing talent who can contribute to improving organizational performance by deepening their understanding of their roles and responsibilities through initiatives such as teaching creative developers the fundamentals of management accounting to help them develop a broader business perspective.

● Manager training

We conduct training programs for newly appointed managers to systematically teach them essential management skills, such as goal setting and performance evaluation, supervising subordinates, and managing overtime work. We also provide ongoing training to leaders and managers who have been in their positions for a certain period of time, with the aim of improving the management skills of the entire management team and strengthening the organization's capabilities.

Skill Development Training

● Reskilling

To adapt to the rapidly changing business environment, we conduct career stage training as part of our reskilling support efforts, providing employees with an opportunity to reassess their career and life plans. By enabling employees to redefine their areas of expertise and fostering a desire to acquire new skills, we are building a framework that supports long-term career development and enables employees to contribute to the company's sustainable growth.

● External seminars

To support employees' independent learning, we provide full or partial reimbursement for the costs of external training and distance learning courses. We also send employees to conferences for game developers both in Japan and abroad, and provide subsidies for English and Chinese language test fees.

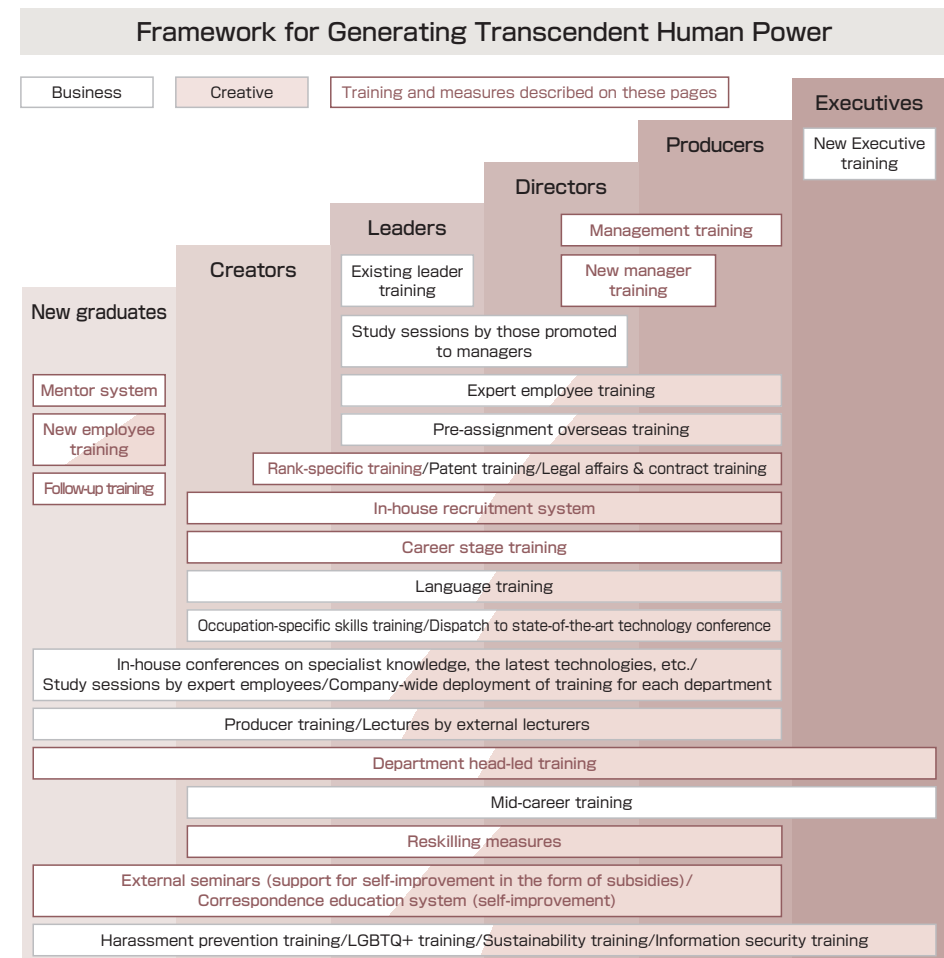
FY	No. of participants
2023	376
2024	515
2025	472

In-House Recruitment System

We have established an in-house recruitment system to support employees in developing their careers independently. We help employees visualize their ideal selves and the roles expected of them, and connect them with opportunities to hone the necessary skills and experience. In fact, many employees have voluntarily transferred to other departments and are excelling in their new roles.

Department Head-Led Training

We hold brand-wide review sessions and workshops designed to improve proficiency with the “KATANA ENGINE™,” which helps enhance our knowledge and leads to high-quality game development. Department and brand-specific training and study session materials are being published on the company intranet to improve productivity through knowledge-sharing across different departments.



We are focusing on creating a comfortable work environment where employees can work with peace of mind to support “quantitative growth” and promote “qualitative growth.” A stable work environment enhances employee engagement and well-being, maximizes individual performance, and ultimately supports both employee welfare and the Group’s sustainable growth.

Working Toward Enhancing Engagement

The Group is working to improve engagement with the goal of balancing “job satisfaction” and “work-life balance” for our employees by identifying organizational challenges, developing and implementing improvement measures, and incorporating employee feedback into management decisions. The engagement score for fiscal year 2025 rose by 2.9 points compared to the previous fiscal year, demonstrating that our efforts to date are steadily yielding results. We will continue to foster an environment where employees can work with enthusiasm and remain engaged, while striving to maintain and improve our employee engagement scores.

Engagement survey results

	FY2023	FY2024	FY2025
Score	50.4	50.4	53.3
Targets	1,890	2,016	2,141
Respondents	1,587	1,798	1,951
Response rate	84.00%	89.20%	91.10%

Issues requiring improvement and measures

Issue	Measures
Facility environments (improve work environment)	● Launched the new office ● Opened a cafeteria at the new office
Succession activities (share knowledge and expertise)	● Study sessions for junior developers ● Coordinated and rolled out departmental training ➡ Items related to knowledge-sharing rose by 0.2 points compared to the previous fiscal year
Systems and benefits	● Interval Between Shifts Policy ➡ Items related to work styles rose by 0.2 points compared to the previous fiscal year

* Survey results from “Motivation Cloud Engagement”

Health and Productivity Management Initiatives

The Group places a high priority on creating a supportive work environment that enables employees to maintain their physical and mental well-being and perform at their best, allowing them to contribute to enriching the lives of customers around the world. For the gaming industry in particular, employees’ creativity and concentration underpin the foundation of the business; therefore managing their physical and mental health is of utmost importance. In light of chronic overworking specific to the industry, along with changes in the distribution of employees’ ages, we are actively working to promote health initiatives under our health and productivity management promotion system to ensure that employees can build healthy and fulfilling careers over the long term. In 2026, we have been certified as an “Outstanding Organization of KENKO Investment for Health (large enterprise category)” for the second consecutive year. In addition, in response to the growing number of employees who are not getting sufficient sleep, we have introduced a system requiring a nine-hour interval between shifts. This helps ensure that employees receive a minimum amount of rest, even during peak seasons.

Health and productivity management promotion indicators	FY2024 figures	FY2025 figures	Targets (for 2026)
(1) Presenteeism (SPQ survey)	75.1	75.6	80
(2) Attendance rate of seminars held by public health nurses	80.0%	87.3%	80%
(3) Satisfaction level with seminars held by public health nurses	90.1%	93.6%	90%
(4) Health checkup repeat testing uptake rate	44.3%	50.2%	60%

Other health-related information	FY2024 figures	FY2025 figures
(1) Absenteeism (days absent due to injury or illness)	10.5 days	9.3 days
(2) Stress check uptake rate	84.7%	84.6%
(3) Health checkup uptake rate	100%	100%
(4) Rate of unusual results in health checkups	31.3%	30.7%



Practical Establishment of Workplaces Where People Shine

● Supporting stable lifestyles

We provide programs and environments so that each employee can work with peace of mind. We support employees in establishing a stable foundation for their lives through initiatives such as scholarship repayment assistance, welfare loans, discounts on babysitting services, base pay increases for 11 consecutive years, and access to single-occupancy dormitories and company housing comprising 17 buildings and 450 rooms. Through these initiatives, we are establishing workplace environments that fully draw out diverse range of employees’ capabilities and individuality and enable them to play an active role regardless of gender, nationality, or other factors.

● Establishing working arrangements that enable employees to balance childcare and work

We have implemented a flex-time system, reduced working hours, and staggered work schedules. In April 2025, we extended the maximum reduction in working hours from three hours to three and a half hours and expanded eligibility for childcare-related reduced working hours to employees with children through sixth grade, thereby creating a workplace environment where employees can successfully balance childcare and work. We have achieved high rates of parental leave utilization, with 100% for women and 105.9% for men (FY2025).

● Enhanced evaluation and remuneration systems

We have implemented a fair evaluation system based on merit for appropriately rewarding the individual efforts and achievements of each employee. We have also established a framework in which employee contribution is reflected directly in remuneration through the provision of bonuses linked to performance evaluations and financial results from the previous fiscal year. Additionally, we have established an awards and bonus system, as well as celebratory events, based on the performance of each title, to boost employee motivation and encourage them to take on new challenges and continue growing.

● Promoting diversity

We conduct training to raise awareness of diversity, LGBTQ+, and similar matters with the aim of creating a work environment in which diverse personnel can respect each other and play active roles. In 2025, we focused on content that deepens understanding of health issues and concerns that are not readily apparent to others. We also offer “spousal childbirth support leave,” which allows employees to take up to three days off when their child is born.

Staff Roundtable Discussion

KOEI TECMO's Unique Appeal and Diversity: The Driving Force Behind World-Class Entertainment

This roundtable discussion brings together employees from diverse cultural backgrounds who draw on their different perspectives and experiences to deliver new entertainment experiences to players around the world. Joining this roundtable are three employees from overseas who contribute to KOEI TECMO's appeal and world-class game development, discussing what makes working at KOEI TECMO so rewarding.

Roundtable Participants



Planner M
KOEI TECMO SINGAPORE Pte. Ltd.
Joined the company in 2011
Planner
Director
Birthplace: Jinan City



CG H
KOEI TECMO SOFTWARE VIETNAM CO., LTD.
Joined the company in 2014
CG Department/CG Designer/
2D Animation
Team Leader
Birthplace: Bac Ninh City



Marketing S
KOEI TECMO GAMES CO., LTD. (KTG)
Joined the company in 2020
Global Marketing Division/Marketing Department
In charge of overseas marketing for *Nioh 3*
Birthplace: Taipei City

What Led Them to Choose KOEI TECMO From Their Home Countries

Planner M I'm from Jinan City and joined the company in 2011. In mainland China, *ROMANCE OF THE THREE KINGDOMS* and *Uncharted Waters* series are wildly popular with many fans. I was no exception. I was totally hooked on them as a student, and what really grabbed me was that rich sense of history that is a hallmark of KOEI TECMO games. I joined KOEI TECMO with the dream of working in game development someday, and honestly, that excitement hasn't faded one bit. I started out as a programmer, but after going through training in Japan, I made the switch to game planning. That was partly because it aligned with my own interests, and partly because the company encouraged me to go that direction. Since then, I've worked on a number of titles, including *Samurai Cats*, *Uncharted Waters VI*, and *Romance of the Three Kingdoms Hadou*. And right now, I'm involved in a brand-new title that's still in development.

CG H I'm from Bac Ninh City, and I joined the company right out of college in 2014. Back when I was job hunting, Vietnam's game market wasn't nearly as large as it is now. That's when I came across a job opening at KOEI TECMO SOFTWARE VIETNAM (KTV). I knew KOEI TECMO was behind some huge global titles, had top-tier tech, and was steadily growing. So, I immediately knew that I wanted to work there.

I'm currently responsible for 2D animation on *Romance of the Three Kingdoms Hadou*. I also lead KTV's 2D animation team, overseeing the overall quality of our work. Most recently, I've been working on titles such as *Haruka: Beyond the Stream of Time Ryugu no Miko*, *NOBUNAGA'S AMBITION: Shutsujin*, and *Romance of the Three Kingdoms Hadou*.

Marketing S I'm from Taipei City, and I joined as a fresh graduate in 2020. In Taiwan, KOEI TECMO is widely known for its historical and action games. What really stands out to me is how many of KOEI TECMO's history-based games are crafted so that you naturally pick up historical knowledge just by playing. I believe games can be a gateway to learning, so I was drawn to the idea of creating games that offer that kind of experience, and that led me to pursue a job at the company.

I currently work in the marketing department, where I'm responsible for promoting console and PC titles such as *Wo Long 2: Wings of Ember*.

A Corporate Culture that Turns Fun into a Successful Business

Marketing S KOEI TECMO is a long-established Japanese game company, so before I joined, I expected a pretty stiff corporate culture. But it wasn't like how I expected at all, and I mean that in a good way. I feel that the company never rests on its past

successes and is always pushing itself to create something new. And I think part of the reason the company has been able to keep growing on such a stable business footing is that the culture here values not only making things fun and high-quality, but also whether they actually work as a business. How do you all feel about this?

Planner M I agree. I think the company really has a strong business mindset. When I first joined, I tended to think about game specs and features mostly from the user's point of view, asking myself whether they'd be fun to play. But as I had more discussions with my senior colleagues back then, I learned that it's not just about fun. You also have to look at the bigger picture, like development costs and budget constraints, and ask whether the whole thing actually works as a business.

CG H I think that's the result of all those efforts coming together. But if I had to name one thing that really stands out to me as part of our company culture, it's the drive to keep improving our products so we can deliver better experiences. With each new entry in a series, there's always an expectation that it will surpass the previous one. In internal reviews held after a title is released, people don't just point out problems. They also offer concrete suggestions on how to improve the quality even more next time. I truly get the sense that this is a place where we're constantly encouraged to learn and refine our work, with everyone pulling in the same direction to make better games.

Staff Roundtable Discussion

Coming Together as One Team Across Languages and Distance

Planner M I've also been impressed by how much our IT environment has improved since I first joined, especially when it comes to supporting communication across different languages. Nowadays, we can translate internal chat messages with just one click. That's made a huge difference in smoothing out conversations between people who aren't as comfortable in Japanese and those who aren't as confident in English.

CG H I also had the chance to travel from Vietnam to Japan for training, and that helped me pick up enough Japanese to handle basic communication. The training gave me a much better sense of why things are done a certain way in Japan and what the thinking is behind different instructions. Now I'm able to explain that context to my colleagues back in Vietnam. I think it's really helped us understand each other better, brought us closer to the Japan team, and made everything run more smoothly since then.

Marketing S Another thing I appreciate is that the company actually supports language learning. There's support available with online courses and language exams, so if you ever want to grow your skills, there's always a way to learn. And it's not just languages. The online courses also have a lot of content that's useful for everyday work, which really helps with professional development.

Creating Games That Resonate Worldwide: Bridging Cultures Through Nuanced Localization

Planner M For KOEI TECMO, which has its sights set on becoming The World's No. 1 Digital Entertainment Company, having employees from diverse countries and cultural backgrounds is absolutely essential. Take historical games, for instance. Even when we're marketing the same title, which historical figures we choose to highlight can change depending on the country or region. Zheng Chenggong, who appears in *Romance of the Three Kingdoms Hadou*, is quite popular in Taiwan, isn't he, S-san?

Marketing S That's right. Zheng Chenggong is a very well-known historical figure in Taiwan. In fact, when he was introduced in the Traditional Chinese version of the mobile game *Romance of the Three Kingdoms Hadou*, we announced him as a newly added popular character. That drew a lot of attention from local players and was very well received.

On the other hand, we faced the opposite situation when promoting *Nioh 3*, an action game based on Japanese history, in Europe and North America. Characters like Takeda Shingen just aren't that well known over there, so mentioning his name alone doesn't mean much to players. That's why we tailor our messaging to each region's historical knowledge and cultural context. For instance, we might add a little extra description, like "a Sengoku-period warlord who left his mark on Japanese history."

CG H That kind of approach also extends to the internal guidelines we've been developing, where we've been putting more thought into understanding different countries and regions. One example is hand gestures, where the position or shape of the hands and fingers can convey different meanings. There was one case where a character's dance moves unintentionally included a hand gesture that has an inappropriate meaning in some countries. At that point, KTV consulted with the development team in Japan, and we decided not to use it. Understanding these cultural differences is essential to ensuring that users around the world can enjoy our games with confidence.

Using Your Background to Thrive in a Global Environment

CG H Sometime in the future, I'd like to take on the challenge of becoming a CG director, with the goal of creating even higher-quality CG work. I also hope that our Vietnam studio can become an essential part of KOEI TECMO's game development. Vietnam's gaming industry is growing rapidly, and when I tell people I work at KTV, they often say, "Really? How can I join?" At the end of the day, I just want to keep making better games together with colleagues who love games as much as I do, no matter what country they're from.

Planner M Even when people play the same game, what they find fun—and what feels off to them—can vary widely from person to person. So, if KOEI TECMO wants to reach more players around the world and give them a great experience, I think it's important to value the perspectives of employees with diverse backgrounds. That's another reason why I want to keep learning about different cultures and how they differ. Ultimately, I want to contribute to the company's growth by delivering content that more and more players around the world can truly enjoy.

Marketing S I'd also like to make more use of my skills and background in work aimed at overseas markets. For example, I'd love to try creating new touchpoints with users, like holding in-person events in regions where we haven't had many opportunities in the past. I feel that the local perspective you naturally have from being from a different place can be a real strength.



Online roundtable discussion

Guided by our corporate mission of “Creativity & Contribution” and “Level up your happiness,” we are working to integrate our business strategy with sustainability initiatives. In fiscal year 2025, we assessed the current status and formulated policies in the areas of human capital, climate change, and information security, with a focus on compliance with the Sustainability Disclosure Standards (SSBJ Standards).

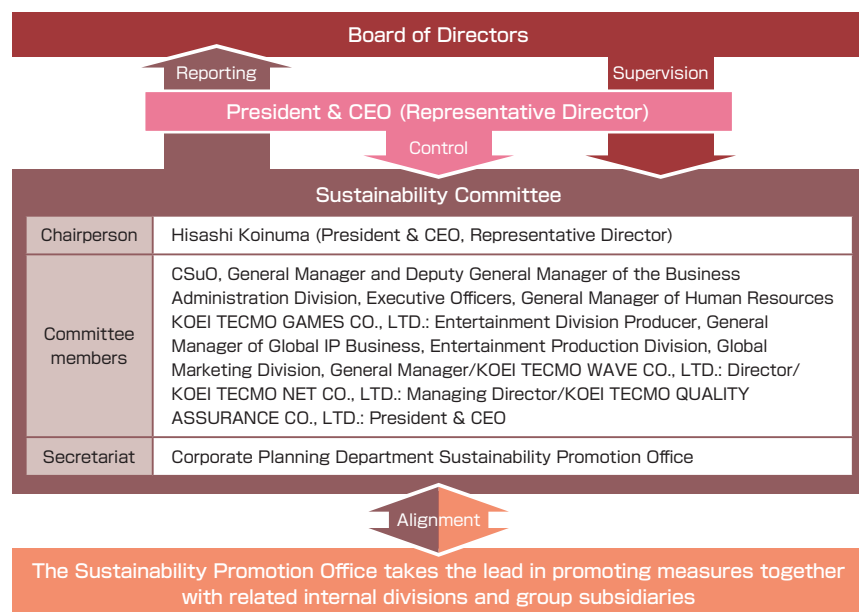
Sustainability Basic Policy

At the KOEI TECMO Group, our purpose is to contribute to the fulfillment and enjoyment of people around the world through our ethos of “Creativity & Contribution” and the creation of new excitement. In order to fulfill the expectations of the many stakeholders who support us, we will actively work to solve societal issues, placing people at the center of all we do as we aim to enhance our corporate value and achieve a sustainable society.

Sustainability Management Structure

The Sustainability Committee is chaired by the President of the Company, members include the Chief Sustainability Officer (CSuO) as well as the heads of each business division, headquarters of the Company and its domestic group subsidiaries.

The Sustainability Committee meets at least once every quarter to deliberate on and adopt resolutions concerning sustainability policies, strategies, and initiatives. The matters discussed and resolved by the Sustainability Committee are reported regularly to the Board of Directors, which supervises the Committee’s activities.



Major Agenda Items in FY2025

Meeting body	Frequency	Major agenda items
Board of Directors	Once	Reported on the Sustainability Committee's activities in FY2024 and the policy for sustainability disclosures in the securities report.
Sustainability Committee	Four times	Following deliberations at four meetings, resolutions were adopted on the following matters, among others: revisions to the "Ideal image of people we seek to develop"; human capital metrics and targets; the Information Security Basic Policy; and areas of overlap between the SSBJ Standards and materiality factors.

Message from the CSuO

To contribute to the realization of a sustainable society, the Group is implementing medium to long-term management strategies based on sustainability principles. Based on the materiality factors identified for fiscal year 2024, we are currently developing KPIs for each materiality factor with the goal of balancing business growth with the resolution of social issues.

People are at the heart of our value creation, including our sustainability initiatives. We believe that nurturing people who create new value and fostering an environment where a diverse workforce can thrive will not only drive business growth but also enhance the value we provide to society.

We will continue to actively pursue sustainability initiatives in order to achieve steady growth for the KOEI TECMO Group.



Managing Director & CSuO
Mei Erikawa

Climate Change Initiatives

The KOEI TECMO Group fully grasps the impact of climate change on its business and is advancing disclosure efforts based on the TCFD recommendations. The Group reviewed its materiality in FY2024 and after comprehensively evaluating factors such as its degree of importance concluded that climate change issues do not qualify in terms of materiality at this time. Furthermore, the scenario analysis showed that both quantitative risks and short-term qualitative risks were generally low. At the same time, we recognize that addressing climate change requires a medium to long-term approach, and we will continue to take proactive measures in this area.

Governance

We recognize climate change as a key environmental challenge for the Group and regularly deliberate on and report related matters to the Sustainability Committee before presenting them to the Board of Directors. The Real Estate Department leads efforts in alignment with the relevant departments to review and implement measures based on the resolutions and decisions adopted.

Matters for Deliberation and Reporting on Climate Change

Board of Directors

- Regarding Scope 1, 2, and 3 results as part of the Sustainability Committee's activity report for FY2024

Sustainability Committee

- Regarding Scope 1, 2, and 3 results for sustainability-related disclosures in the Securities Report for the Fiscal Year Ending March 2024
- Report on current greenhouse gas emissions
- Comparison of other companies' measures to reduce greenhouse gas emissions and our future action plan

Strategy and Risk Management

In fiscal year 2024, to assess the impact of climate change on our business and finances, we are analyzing transition risks, physical risks, and opportunities over the short, medium, and long term based on 1.5° C and 4° C scenarios.

Transition Risks and Physical Risks

With regard to transition risks, we analyzed the potential impact on procurement and sales arising from factors such as stricter regulations. For physical risks, we assessed the potential impact on suppliers and assets arising from natural disasters and other events. Based on the results of these quantitative assessments, we determined that the financial impact is expected to be limited.

Opportunities

In addition to expanding the adoption of energy-efficient equipment and renewable energy and improving productivity through the digitization of operations, we see the growing demand for products and services that reduce environmental impact as a business opportunity. While taking into account changes in the business environment, we will leverage these opportunities to drive business growth and enhance corporate value.

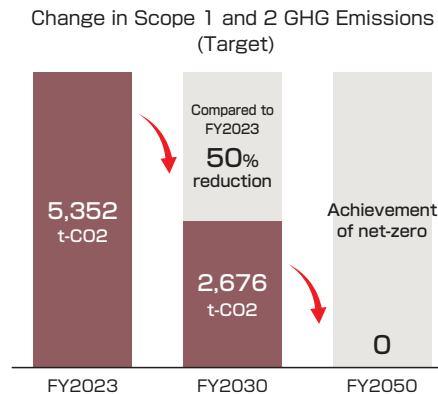
Transition risks				
Category	Area of impact	Short term	Medium term	Long term
Current regulations	Supply	Medium	High	High
	Sales	Low	Medium	High
New regulations	Supply	High	High	High
	Sales	Low	High	High
Legal regulations	Supply	Medium	High	High
	Sales	Low	Low	High
Technical risks	Supply	Medium	High	Medium
	Sales	Low	High	Medium
Market risks	Supply	Medium	Medium	Medium
	Sales	Low	Medium	Medium
Reputational risks	Supply	Low	Medium	Medium
	Sales	Low	High	Medium

Physical risks				
Category	Area of impact	Short term	Medium term	Long term
Acute risks	Supply	Medium	Medium	Medium
	Sales	Low	Low	Medium
Chronic risks	Supply	Low	Medium	Medium
	Sales	Low	Low	Medium
Opportunities				
Markets	Supply	Low	High	Medium
	Sales	Low	Low	Low
Resilience	Supply	Medium	High	Medium
	Sales	Medium	Medium	Low
Resource efficiency	Supply	Low	Medium	Medium
	Sales	Low	High	Medium
Energy sources	Supply	Medium	Medium	Medium
	Sales	Low	High	Medium
Products and services	Supply	Low	High	High
	Sales	Low	High	High

Further details are disclosed on the ["Sustainability"](#) page of our corporate website.

Metrics & Targets

We have established GHG emissions as an indicator for addressing climate-related risks and opportunities. For our Scope 1 and 2 emissions, we aim to achieve a 50% reduction by FY2030 from FY2023 levels and reach net zero by FY2050. To achieve these targets, we will continue to implement energy-saving measures and procure renewable energy.



Greenhouse Gas Emissions (Actual)
(Unit: t-CO2)

Category/ FY	2023	2024	2025
Scope 1	127	112	122
Scope 2 (Market GHG Emissions)	5,225	5,464	5,999
Scope 3 (Total)	94,861	81,200	108,179

Breakdown of Scope 3 by Category

(Unit: t-CO2)

Category/FY	2023	2024	2025
Category 1: Purchased Products and Services	69,500	55,411	54,619
Category 2: Capital Goods	4,208	3,634	25,044
Category 3: Fuel and Energy Activities Not Included in Scopes 1 and 2	1,309	1,337	1,610
Category 4: Transportation and Distribution (Upstream)	833	1,131	925
Category 5: Waste Generated by Business Operations	93	123	31
Category 6: Business Trips	76	101	295
Category 7: Employees' Commutes	613	671	693
Category 11: Use of Sold Products	17,445	18,029	24,059
Category 12: Disposal of Sold Products	90	70	210
Category 13: Leased Assets (Downstream)	694	693	693

Value Co-Creation with Stakeholders

The Group enhances management transparency through constructive dialogue with shareholders and investors, and incorporates their feedback into our management decisions. Furthermore, to advance our materiality themes of “Develop human resources capable of creating new value.” and “Contribute to the enrichment of people's minds.” we will provide vocational education, deliver lectures at universities, and undertake community contribution and regional revitalization initiatives that leverage our intellectual properties, with the aim of co-creating value with a diverse range of stakeholders.

Connections with the Local Community

Contributing to the Community Through Vocational Education Activities

We dispatch leading creators to local elementary and middle schools as lecturers under the program titled “Community Teachers” to introduce students to careers in game development through career education activities. They showcase how people in a variety of roles, such as programmers and planners, work behind the scenes and collaborate to bring games to life. In Singapore, our local subsidiary is collaborating with the Infocomm Media Development Authority of Singapore on its educational programs to conduct classes for students.



Infocomm Media Development Authority of Singapore's educational programs



Classes at Hiyoshidai Junior High School

University Lectures by Top Executives and Engineers

We give lectures at universities to share the Group's insights on a wide range of topics, from specialized fields such as game software development and cutting-edge technologies including AI and game engines, to trends in the gaming industry and corporate management. In addition, we also offer endowed courses at universities with the aim of fostering talent who will contribute to society in the future.



Lecture by Chairperson Erikawa at Waseda University



Lecture by an executive at Institute of Science Tokyo

Community Contribution and Regional Revitalization Initiatives Through Partnerships

We collaborate with local governments and public organizations on a variety of awareness campaigns, including health promotion, traffic safety initiatives, and efforts to promote cybersecurity. We contribute to local communities and support regional revitalization initiatives through collaborations featuring our IPs, such as local mascots incorporating our popular RPG characters or depictions of Sengoku-era warlords.



Poster on preventing pre-disease conditions, created in collaboration with the Kanagawa Prefecture HEALTH AND MEDICAL SERVICES BUREAU



A poster for “Games and Art,” created in collaboration with the Tochigi Prefectural Museum of Art



A Cybersecurity Awareness Month poster created in collaboration with the Kanagawa Prefectural Police

Communication with Shareholders and Investors

IR Activities Policy

Overall communication with shareholders is handled primarily by the Representative Director, President and CEO, as well as the CFO. The Corporate Planning Department serves as the administrative office for institutional investors and analysts, while the General Affairs Department serves as the administrative office for individual shareholders. Both departments facilitate dialogue between shareholders and management. When we engage in dialogue with shareholders, we regularly report the results to the Board of Directors and other relevant bodies and incorporate their feedback.

Major IR Activities (FY2025)

Activities	Result
Individual Meetings for Analysts and Institutional Investors	167
Financial Results Briefings	4
Small Meetings	3
Conferences Hosted by a Brokerage Firm	3
Business Briefings for Shareholders	1

Main Topics of Discussion

- Financial Results Overview
(Summary, Trends and Receptions of Released Titles, Deviations from Earnings Forecasts)
- Outlook for Future Financial Results
(Performance Forecasts and Upcoming Titles)
- Goals and Strategies of the Fourth Medium-Term Management Plan
- Long-Term Vision, Medium to Long-Term Growth Strategy
- Trends and Observations in the Gaming Market
- Our Business Model and Competitive Advantages
- Capital Policy Direction
- Sustainability (ESG) Initiatives
- The Impact of Generative AI on the Gaming Industry

A dialogue was held with analysts and institutional investors to explore the current business environment and KOEI TECMO's growth strategy going forward. A wide range of topics were discussed, including the impact of generative AI on game development and profitability, the role of people in creating engaging experiences, talent development, overseas market expansion, user base growth, and the company's approach to medium- to long-term growth.

Participants

- Kido, Asset Management One Co., Ltd.
- Komuro, Invesco Asset Management (Japan) Limited
- Namekawa, Schroder Investment Management (Japan) Limited
- Otani, Tokio Marine Asset Management Co., Ltd.
- Satake, Nissay Asset Management Corporation
- Oba, Nomura Asset Management Co., Ltd.
- Yamazaki, Sumitomo Mitsui Trust Asset Management Co., Ltd.
- One other person
- KOEI TECMO: Hisashi Koinuma, Representative Director, President and CEO

Generative AI

Q. Analyst A

Since 2026, some in the stock market have raised concerns that if generative AI makes game development easier, more companies may enter the market, making it harder for the industry to remain profitable. Given this, should generative AI be viewed as a threat to game companies?



A. Koinuma

At our Group, we intend to actively use generative AI by clearly distinguishing between areas of the development process that require human involvement and those that can be handled by generative AI. For processes such as debugging that can function without human intervention, we've been using generative AI to streamline efficiency, which has already led to efficiency improvements.

Q. Analyst A

What are some examples of areas where human judgment is indispensable?

A. Koinuma

One example of something that requires human judgment is determining the hit detection of an attack in a game. The human eye does not always perceive situations exactly as the underlying numerical values suggest. As a result, even when an attack technically connects according to the parameters, we may deliberately adjust the game so that it is not registered as a hit. In other words, this means deliberately overriding the system's judgment. Technical accuracy is not what makes games fun. Games are crafted by exploring what makes them strategically engaging, and that is why I believe judging and adjusting the line where a game feels enjoyable is a task only humans can perform.

Talent Development

Q. Analyst B

At some companies, the benefits of generative AI may be reflected in lower costs. At KOEI TECMO, do you plan to use those efficiency gains to increase the number of game concepts handled per person or the number of games in development? And over what kind of time frame would you expect these benefits to emerge?

A. Koinuma

We expect the productivity gains from generative AI to eventually allow us to increase the number of development lines. To achieve this, it is essential to develop producers who can launch projects. A producer's role is not only to oversee development, but also to consider how the game will generate revenue. We believe it takes approximately 10 to 15 years to develop producers. Experience with hit titles is also important for developing a feel for how to sell a game, so producing successful games is itself an important part of developing talent.

Q. Analyst C

As games have grown larger in scale, development processes and roles have become increasingly specialized. How has this change affected the development of producers?

A. Koinuma

It is certainly more difficult than before for one person to gain experience across a wide range of development processes. However, because our Group develops not only major titles but also smaller titles, remakes, and ports, we are well positioned to create opportunities for producers to understand the full development cycle and see a project through from start to finish. This is also valuable from the perspective of nurturing producer talent.

Overseas Expansion

Q. Analyst D

Could you tell us about your future plans regarding global publishing?

A. Koinuma

We sometimes have other companies publish titles we have developed, but in such cases, there is limited awareness that the titles were developed by KOEI TECMO. To raise awareness of the KOEI TECMO brand overseas, we are not only increasing the number of global titles we publish ourselves, but also using our overseas marketing offices to promote our games to local media and build fan communities through social media. From here forward, we plan to take an even more proactive approach to promotion and marketing.

Q. Analyst E

Over what kind of time frame do you envision developing this strategy?

A. Koinuma

Drawing on examples from overseas, we plan to develop this strategy over the next two to three years. We also believe it is important to build a track record. We aim to create a brand that inspires confidence and to raise the value of individual titles, the corporate brand, and each of our sub-brands.

Content

Q. Analyst F

I imagine content is valued differently from region to region, but is there something universal about what makes content entertaining?

A. Koinuma

Yes. We believe there are universal elements to what makes a game enjoyable. However, appropriate localization is necessary to ensure that our games can be understood and enjoyed by people from different cultural backgrounds. Localization can place a significant burden on the development process, but within the Group, KOEI TECMO Quality Assurance handles localization to ensure it is done properly. We plan to continue to strengthen our localization and culturalization efforts while expanding into emerging markets.

Q. Analyst C

As short-form content continues to spread, how do you see the role of games changing within the broader entertainment landscape?

A. Koinuma

Now that people spend much of their free time on smartphones, we are competing with other content, such as short-form videos, for the time users are willing to devote to games. I believe the key will be whether we can create games that fit users' lifestyles.

Q. Analyst C

When developing new installments in existing series, do you also take steps to attract new users?

A. Koinuma

We strive to make games easy to get into when players first experience them, although the approach differs by genre. Even within action games, some titles are highly challenging while others are relatively accessible, so we make sure there is an approachable entry point suited to each target audience.

Future Outlook

Q. Analyst B

What information do you use internally to forecast future growth and formulate plans?

A. Koinuma

We currently formulate plans based on a title lineup that covers roughly the next five years, and we set profitability and growth-rate targets for each brand. Their growth trajectories vary, but we have significantly increased both our development workforce and the number of titles in development.

Going forward, we plan to steadily expand the number of IPs we own, although our plans will naturally change if a major hit emerges or a new IP takes off. We will also coordinate our efforts across the Group toward entering the world's top ten by creating new IPs that can place us on a distinct growth trajectory.

Message from the Chairman of the Board of Directors

Enhancing the Effectiveness of the Board of Directors to Support Our Journey Toward Becoming No. 1 in the World

YOICHI ERIKAWA

Chairman (Representative Director) & Chairman of the Board of Directors

A Year of Rethinking My Role as Founder

It has now been one year since we transitioned to a new management structure, with oversight separated from execution and Hisashi Koinuma serving as president and CEO. In FY2025, we posted record-high net sales, ordinary income, and net income, while operating income also exceeded our initial forecast. Looking back on this first year, my honest assessment is that President Koinuma has delivered results beyond my expectations.

One of the most significant changes this past year is the emergence of a structure where the next generation of leaders, guided by President Koinuma, now works together to handle execution. Our executive officers in their 40s are also playing an increasingly active role, helping the Group move into a new phase of growth. To ensure this transition takes root, I have intentionally kept my involvement in day-to-day execution to a minimum. For example, the new management team now discusses and builds the management plan on its own, considering how to strengthen both growth and profitability. I have stepped back from business execution, receiving explanations of the plan from management at the Board of Directors meetings and focusing exclusively on oversight.

In my previous role as president, my priorities were developing great games and improving financial performance. Since relinquishing operational responsibility, however, I have become increasingly conscious of my identity as a shareholder. The Board of Directors is the body entrusted by shareholders to make decisions on the Company's most important matters. I intend to use my position as founder, major shareholder, and Chairman of the Board of Directors to contribute meaningfully to all stakeholders.

Deepening Discussion to Achieve a More Effective Board of Directors

In running the Board of Directors, we have consistently aimed for fewer agenda items and more substantial discussion. When the management integration occurred in 2009, we emphasized speed in decision-making. We held weekly Board of Directors meetings and addressed many execution-related matters. After several rounds of review, Board of Directors meetings are now held no more than twice a month, and execution-related matters are delegated to the business units whenever possible. At each meeting, we continually discuss which matters should be resolved by the Board of Directors and which should simply be reported.

We have also taken steps to encourage discussion, including setting aside time after deliberating all agenda items for directors to exchange views freely. This has led to some tangible suggestions, including ideas for improving the report format. Since I took on a dedicated supervisory role, outside directors have become far more vocal, and I can already see a tangible boost in the Board of Directors' overall effectiveness.

We were able to dive deep into the key issues for this fiscal year as well. In securing sufficient liquidity to maintain our Prime Market listing, for example, we carefully considered the impact on minority shareholders when making decisions involving a substantial transfer of shares. As we work toward becoming "The World's No. 1 Digital Entertainment Company," it has been essential to secure liquidity appropriate for a Prime Market-listed company and to respond to the trust placed in us by the capital markets. The diverse perspectives offered by our outside directors were extremely valuable when making these important decisions.



Message from the Chairman of the Board of Directors

Discussions on our new executive compensation system, which includes restricted stock compensation, also went deeper than ever, covering everything from the necessity of the system, to examples at other companies, to the specific amounts and design for each role. If I were still involved on the execution side and making proposals on executive compensation and appointments, there would always be a risk of the system being designed to benefit management. This is why it is essential to keep oversight and execution clearly separated and have the Nomination & Remuneration Committee discuss these matters with objectivity and transparency.

To further strengthen effectiveness, we improved our skills matrix by adding clearer definitions for each skill and explaining why each one was selected. Taking shareholder input and external evaluations into account, we will continue to strive to make the Board even more effective.

Taking Our First Step Toward the World's Top 10

One of the Board of Directors' key responsibilities is to approve the management plan and oversee its execution. Through this, we confirm whether we are genuinely moving closer to our vision of becoming "The World's No. 1 Digital Entertainment Company". As a first step, we have set a goal of becoming one of the world's top 10 companies within 10 years. As Chair, my role is to keep asking how we can turn this vision into reality.

The Board of Directors monitors progress under the Medium-Term Management Plan through monthly financial reports and quarterly rolling updates. Among these, the indicator we place the greatest emphasis on is operating income. To become "The World's No. 1 Digital Entertainment Company"—meaning No. 1 in operating income worldwide—staying on our present course alone will not suffice. To be among the world's top 10 in 10 years, I believe that operating income needs to be two to three times its current level. We may achieve strong results in ordinary income when financial markets and foreign exchange rates are favorable, but what I want investors to focus on is the growth of operating income, which reflects the performance of our core business. I believe the corporate value we seek to create ultimately means increasing our market capitalization, the overall value calculated by multiplying our share price by the number of shares outstanding. We also need to aim for market capitalization of approximately ¥1.5 trillion, about three times our current level.

Oversight by the Board of Directors involves more than just monitoring progress against the plan. It also requires understanding shifts in the game market, recognizing what global gamers expect in terms of entertainment, and judging the direction management should take. For major projects involving substantial development investments, for example, we monitor development status and continuously follow up on project progress each month. To further strengthen the Board of Directors' effectiveness, we are also working to provide outside directors with feedback on the results of major projects, deviations from plans, their causes, and lessons learned, so that we can better incorporate their insights.

Investing in Growth Through Global Business Expansion

Overseas markets are the key to our future growth. Although the global game market is worth approximately ¥31 trillion, Japan currently accounts for only about 8% of that market. We cannot achieve meaningful growth without succeeding in overseas markets. During my time as president, we struggled to achieve success in overseas markets. That is why I have high expectations that President Koinuma will pursue overseas opportunities aggressively, including through M&A.

From my own experience, I can say that trying to imitate games that succeed overseas does not lead to success. When we developed games for the North American and European markets, we tried to make titles similar to those that were popular overseas. Looking back, that was a major mistake. In fact, titles like *Nioh*, which put Japanese culture and history front and center and delivered new forms of entertainment that overseas studios cannot replicate, have resonated deeply with global audiences.

Going forward, in addition to nurturing our own IPs, it will be important to work with leading overseas companies and create new IP and game systems for the global market. We have grown by creating new forms of entertainment and expanding them across our lineup, from the territory-conquering gameplay of NOBUNAGA'S AMBITION and ROMANCE OF THE THREE KINGDOMS to the exhilarating 1 vs. 1,000 action of DYNASTY WARRIORS. I believe our ability to create such innovative gaming mechanics will continue to be fundamental to our business.

People are what drive business growth. To become one of the world's leading game companies, we will continue to actively invest in human capital by continually developing

and implementing highly competitive compensation, benefits, and personnel systems.

Supporting Management in Meeting New Challenges

I am very optimistic about the future of the game market. Even at 75 years old, I still enjoy playing a wide variety of games, both our own and those made by other companies. Considering that the generation that grew up with the NES will continue playing games into their 60s and 70s, we are likely entering an era when people of all ages enjoy games. As the age range of players expands, games with stronger artistic, narrative, and literary depth will become increasingly important. By creating compelling stories and characters rooted in the history and cultures we know well, I believe we have significant potential for further growth.

I am very pleased that our first year under the new management structure delivered such strong results. When things are going smoothly, I believe management should be able to handle things on its own; it is when achieving our goals becomes difficult that the Board of Directors' role is truly put to the test. In those moments, as Chair, I want to support the new management team by drawing on the diverse expertise of our outside directors, as well as my own 45 years of experience as a game developer and business leader.

Going forward, we will continue to enhance the Board of Directors' effectiveness and contribute to increasing corporate value, to ensure that we fully live up to the expectations of all our stakeholders.



Outside Directors Roundtable Discussion

Building a Governance Structure That Empowers Taking on Challenges and Delivers Corporate Value

Roundtable Participants



Masao Tejima
Director (Independent
Outside Director)



Hiroshi Kobayashi
Director (Independent
Outside Director)



Tatsuo Sato
Director (Independent
Outside Director)



Michiaki Ogasawara
Director (Independent
Outside Director)



Shino Uenuma
Director (Independent
Outside Director)

Succession, HR, and Compensation Reform Under the New Leadership

— Changes in governance one year after the transition

Kobayashi It has been one year since the new leadership team led by President Koinuma took charge. For us outside directors, our role on the Board of Directors itself has not changed significantly through this transition. On the executive side, however, I have seen a clear shift. Since Chairman Erikawa moved to a supervisory role, President Koinuma and other leaders responsible for execution and development have shown a stronger sense of ownership, with a clearer awareness that they are now at the forefront of the company. Now that they're taking tough questions directly from us, I feel a noticeable increase in their sense of responsibility.

Sato This was not an abrupt leadership change, but the result of a succession plan that had been carefully developed over a long period of time. With Koinuma-san becoming CEO, I see this as a fresh start for succession planning itself. Although this may be getting a little ahead of things, I look forward to overseeing the executive side in my role as an outside director now that a new era has begun under the management team.

— Reforming HR and compensation with global standards in mind

Tejima To compete on the world stage, we must attract and retain highly skilled engineers and producers. To achieve that, I believe we also need to discuss HR and compensation systems with global standards in mind. When we considered introducing Restricted Stock (RS) compensation as a new incentive, I noticed we were only benchmarking against domestic peers. But if we are serious about breaking into the global top ten,

we need to constantly benchmark ourselves against overseas competitors and design our compensation system with a global perspective.

Sato Over the past year, the role of our overseas offices has also started to change significantly. They are moving beyond serving as simple sales or development outposts to become hubs that create new content and drive their own promotion and sales initiatives. As the entire company globalizes, separating oversight and execution at the Board of Directors level is part of aligning with global standards. I believe we also need to extend that same effort to our HR and compensation systems.

Ogasawara On incentives such as equity compensation, I want to continue the discussion beyond top management to include executive officers, which is critical for talent retention.

Effective Oversight That Develops the Next Generation of Leaders

— Evolving how the Board of Directors operates

Kobayashi Every year, we had flagged the lack of legal expertise on the Board of Directors as an issue. Given that, it was a real positive for the Board of Directors when Director Uenuma, who is both a legal expert and an avid gamer, joined last year.

Uenuma The skills matrix was revised this time to reflect the expertise expected of Board members. This clarifies what the company currently prioritizes and communicates it to the market. As the business environment grows more complex, we select expertise aligned with our core purpose of overseeing key business strategies. Personally, I see rapidly evolving technology and human capital as particularly critical. We are entering an era where AI can handle foundational tasks that people once had to learn and build from the ground up. Against this backdrop, the challenge is shifting to developing people who can do more than AI, which makes talent development increasingly important.

Outside Directors Roundtable Discussion

Kobayashi The operations of the Board of Directors have been steadily improving. Board materials are now shared earlier, allowing us to prepare for key issues in advance and come to meetings ready for discussion.

Ogasawara Our Board of Directors used to meet weekly, but now meets once or twice a month. Going forward, we should further separate oversight from execution and delegate more authority to the executive team, enabling them to make decisions and act more quickly. It is important to strengthen a structure where the Board of Directors focuses on oversight, including appointing and removing executive officers, while the executive team takes full responsibility for delivering on the mandate entrusted to it.

Tejima The discussions have also become more substantive. Under the previous structure, Koinuma-san, as head of the development teams, was the one explaining products and development investments. Now, the executive in charge of each product explains that product directly, and the heads of corporate planning and finance explain their own areas, with President Koinuma adding supplementary comments. I hope that by experiencing the tension of the Board of Directors firsthand, these leaders will develop a stronger management perspective and a deeper sense of responsibility.

— The benefits of evaluating every success and failure

Uenuma We get detailed figures for each title, but numbers alone do not tell the whole story, which is why Director Tejima has consistently asked for an explanation of what those numbers actually mean.

Tejima We approve the start of development and its budget. However, once we've given that approval, if a title does not sell as expected and shareholders ask why we approved it, we would be failing in our duty if we could not answer. We need to have thorough enough discussions to be able to answer those questions properly. That is part of our accountability to shareholders for the decisions we approve at the Board of Directors. What did we forecast and report in the business plan, and what were the actual results? If they go beyond simply reporting numbers and explain why the gap occurred, it helps us learn and sharpens our judgment for future decisions.

Kobayashi This is a tough ask for developers and marketers. Sometimes highly acclaimed titles don't sell, and sometimes the reverse is true. Having worked in entertainment myself, I tended to assume I could tell which titles wouldn't sell despite strong reviews, and I'd often stop asking questions at that point. But when someone less familiar with games asks why it did not sell, you have to think it through seriously until you can provide an explanation that satisfies them. This does place an extra burden on developers, who are not used to attending Board meetings, but I think it has pushed them to think more critically than before.

Sato The ability to explain logically why something succeeded or failed is essential for development leaders. Without it, you cannot lead an organization. Persistently asking these questions should contribute significantly to developing the next generation of producers and directors.

Ogasawara I am not a games expert, but I do try to check whether we have mechanisms in place to ensure that lessons from both successes and failures, especially failures, are carried forward to the next project. I see this as a key part of an outside director's oversight role, not just at this company but in general.

A Growth Strategy to Become No. 1 in the World, Supported by Outside Directors Who Back Bold Challenges

— Assessment of year one of the 4th Medium-Term Management Plan

Sato The dream Chairman Erikawa had in the 1980s, to become the world's No. 1 digital entertainment company, has now become our corporate vision. In the 4th Medium-Term Management Plan that started last fiscal year, this vision was for the first time translated into a specific goal: to rank among the global top 10 by operating profit within around 10 years. This is backed by both the expanding global games market and years of steady effort to strengthen our development and sales capabilities. With the 4th Medium-Term Management Plan, Board of Directors reforms, and succession advancing as one integrated effort, I feel we have reached the point where

we can lay out a concrete path to becoming number one in the world. In fact, last fiscal year we posted record highs for net sales, ordinary profit, and net income. These results reflect not only quantitative expansion, such as growing our development workforce, but also qualitative improvements, such as building AAA-level development capabilities and a global sales network. I see this as a strong start.

— Supporting the next leap forward

Sato This company excels at long-term strategy, including resource allocation and building layered revenue structures—much like managing territories in our *NOBUNAGA's AMBITION* game. At the same time, to look beyond the global top 10, a bold leap is also required. We have now reached a stage where we should seriously consider the M&A of companies with attractive IPs and expansion into adjacent businesses. In my Q&A sessions with management, I feel the leadership team is thinking more deeply about these opportunities, and we are now able to have substantive discussions that include specific deals under consideration. I will continue to make recommendations that encourage the executive team to take risks.

Tejima Our role is not to build a company that avoids failure, but to build together a company that embraces bold challenges. That is the role we defined last year when the new structure was introduced, and we outside directors met alone to discuss how to support the new executive team. This company is exceptionally good at carefully solving problems once they are defined. The next step is to build the insight to identify challenges, the planning ability to shape them into concrete initiatives, and the ability to evaluate results. We will continue to make recommendations to foster a culture across the company where nothing is truly a failure, but rather an experience that leads to success, and to support an environment where the next generation can take on challenges with courage.

Uenuma I hope to contribute through my specialties: legal affairs and cybersecurity. With the growing importance of cybersecurity, I'd like to recommend setting up an annual review of measures in place and other risk management that supports taking on bold challenges. I believe such safeguards are essential to give shareholders and investors confidence in evaluating our company from a long-term perspective.

Outside Directors Roundtable Discussion

The Role of Outside Directors in Sustaining and Enhancing Corporate Value on the Stock Market

— Market valuation and the role of outside directors

Kobayashi While valuations across the games industry are not necessarily rising, we need to look seriously at why our valuation remains where it is despite strong performance. One factor is the change in our shareholder base after last fiscal year's disposal and secondary offering of treasury shares. We have more new retail shareholders, and many more investors trading in small lots. Alongside reviewing our disclosure practices, we need to shift from thinking about getting investors to hold for the long term to first getting them to choose us as an investment.

Ogasawara Feedback from discussions between the CFO and IR team and analysts and investors is regularly reported to the Board of Directors and reflected in management discussions. To earn a favorable market valuation, the first priority is to show with numbers that we are delivering on the targets in the medium-term plan, and then clearly lay out the growth story for reaching the global top 10. Strong development capabilities are one of our strengths, but going forward, a key question will be how effectively we can use AI to create a wide range of new entertainment. From there, our options range from emphasizing stable returns through progressive dividends to pursuing further growth through more aggressive investment. We will continue deepening discussions with management on how we should position ourselves in relation to the market.

Sato To be valued by the market, what we need to provide is not short-term gains, but confidence that this company will continue to grow over the long term. I believe it is important to keep demonstrating the foundations of our growth, including our AAA development capabilities, investment in talent, and global expansion.

Tejima What investors look for is actually quite clear: a company that creates compelling value and properly returns profits to shareholders. While we cannot directly move the



share price, there are still clear actions within our control. Our job, together with management, is to chart not only how we will achieve the targets in the medium-term plan, but what kind of future this company will pursue, and to communicate that vision to the market. As outside directors, we will continue to fulfill our duties to ensure that KOEI TECMO can continue taking on challenges and delivering the returns of those efforts to shareholders.

Message from Newly Appointed Director Osanai



I believe entertainment, including games, has the power to bring people together across generations and encourage a positive outlook.

KOEI TECMO's spirit of Creativity and Contribution drives the company to refine the quality and artistry of its entertainment and to keep taking on new challenges in Japan and overseas. Drawing on my experience in Human Resources and General Affairs, I will offer guidance grounded in fairness and consideration for others, including developing evaluation systems employees can trust, improving compensation and working conditions, and strengthening employee benefits. To enhance the company's value, I am committed to strong governance to ensure that trust is maintained through sufficient communication with frontline teams and that governance is prioritized and responses are carried out with integrity.

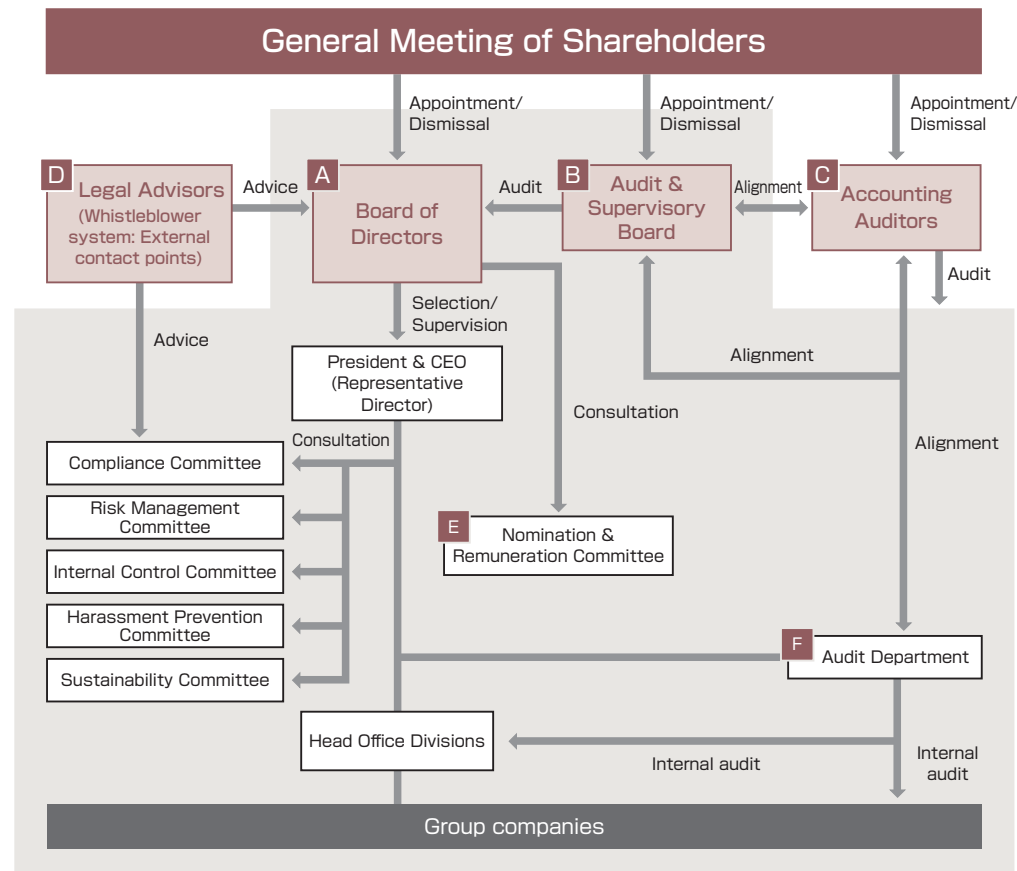
Corporate Governance

Basic Stance on Corporate Governance

The Group has set our sights on becoming the “world’s No. 1 digital entertainment Group,” and we recognize that strengthening corporate governance is a critical management priority for achieving the long-term, sustainable growth necessary to realize this vision. As a holding Group, we oversee operating companies under our umbrella, taking charge of the planning, operations, and management of the entire Group and exercising overall management control. Through this approach, we strive to effectively utilize management resources and expertise, create new value, and maximize corporate value for all stakeholders.

Corporate Governance Structure (As of June 19th, 2026)

We strive to optimize the Group as a whole by establishing management policies and monitoring each business and support function, while each operating subsidiary is responsible for developing its own business policies and implementing the necessary measures.



A Board of Directors

Six of the 11 directors of the board are outside directors and make decisions on management policies and important business strategies, along with supervising the execution of directors' duties. The Representative Director and Chairman, who maintains a certain degree of distance from day-to-day operations, serves as the chair of the board and focuses on overseeing management. By ensuring that a majority of the board members are outside directors, the Group ensures the independence of its management oversight.

B Audit & Supervisory Board

Three of the four members of the Audit & Supervisory Board are outside auditors, and the Board meets regularly. External auditors utilize their expertise and extensive experience in finance, accounting, and financial matters to audit the directors' performance of their duties from an independent standpoint.

C Accounting Auditors

We have engaged EY ShinNihon LLC to conduct our financial audits. The Group also strives to provide accurate and timely management information and to foster an environment in which audits are conducted from a fair and impartial standpoint. In addition, the Audit & Supervisory Board and the independent accounting auditors exchange information and opinions as necessary to enhance and improve the audit system.

D Legal Advisors

The Group has entered into a legal advisory agreement with a legal advisor and receives advice on important matters requiring legal judgment when appropriate.

E Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of eight directors (of which six are outside directors), with an independent outside director serving as the chair. The Committee deliberates on matters submitted by the Board of Directors regarding the nomination and remuneration, etc. of the Group's directors and executive officers, along with submitting recommendations and proposals to the Board of Directors.

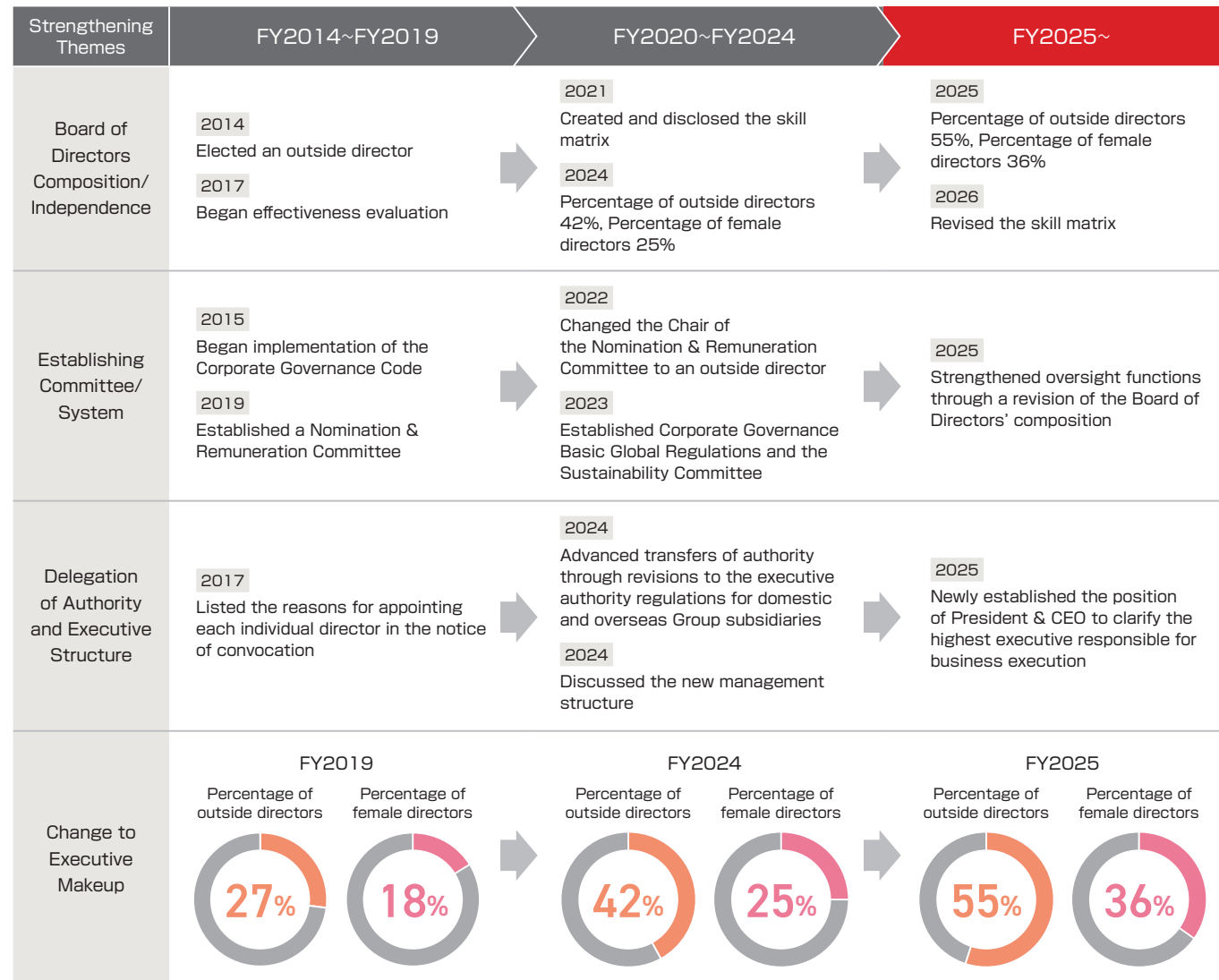
F Audit Department

The Audit Department has been established as an internal audit division for checking the business activities of the entire Group and exercising an internal check and balance function.

The Evolution of Governance Strengthening and the Succession Process

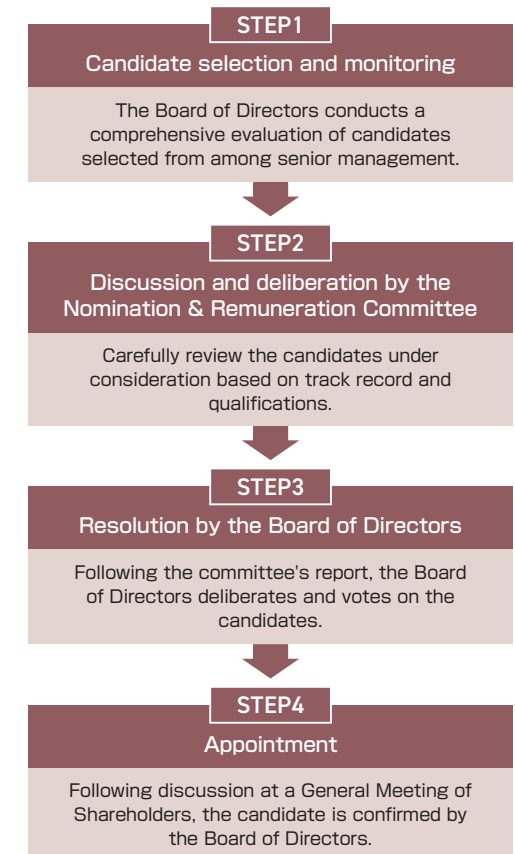
With the aim of continuously enhancing corporate value, we have been progressively implementing measures to ensure the independence and diversity of the Board of Directors, establish committees, delegate authority, and strengthen our executive structure. In June 2025, we transitioned to a new management structure that more clearly separates the roles of oversight and execution. We will continue to strengthen the Board of Directors' oversight functions and establish an effective governance structure.

The Evolution of Governance Strengthening



Succession Process for Top Management and Executive Leadership

The Group is conducting discussions within the Nomination & Remuneration Committee and the Board of Directors to ensure the succession of executive leadership and top management remains transparent, fair, and objective.



* For details on the CEO succession process, please refer to the ["FY 2025 Integrated Report."](#)

Evaluation of Effectiveness of the Board of Directors

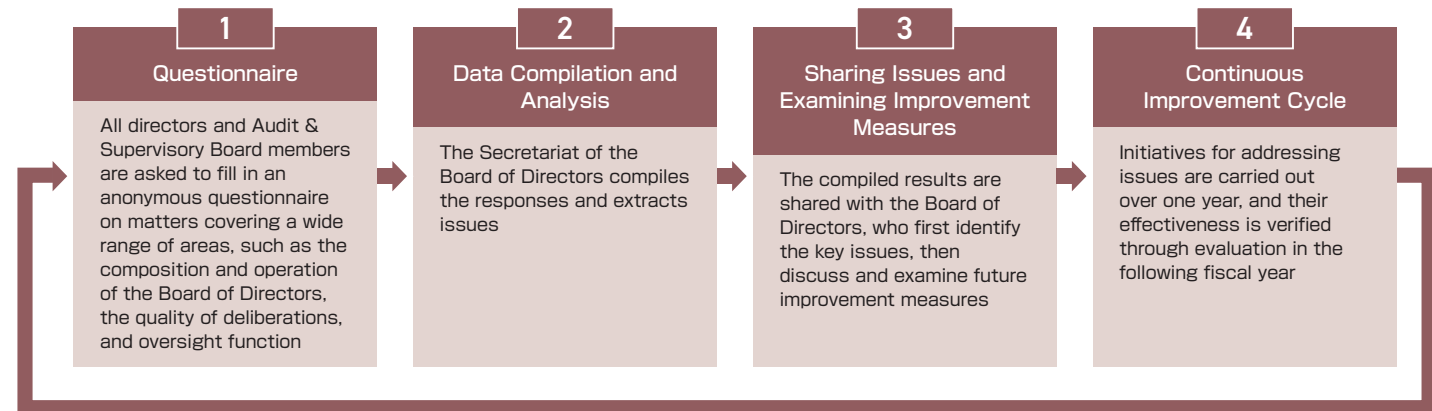
The Company conducts an annual Evaluation of Effectiveness of our directors and auditors to identify issues related to the composition, operations, roles, and support systems of our Board of Directors and to drive continuous improvement. We are leveraging the results of the effectiveness evaluation to strengthen a sound and highly transparent governance system and improve the operations of the Board of Directors.

Evaluation Items

Evaluation Items	Number of Questions
Composition of the Board of Directors	9
Operation of the Board of Directors	7
Role 1: Indication of overall direction	2
Role 2: Framework for supporting management	2
Role 3: Management supervision	8
Framework for supporting directors and Audit & Supervisory Board members	1
Self-evaluation	7
Regarding Evaluation of Effectiveness	1
Total	37

Process for Improving Evaluation of Effectiveness

Evaluation is conducted in line with the following process.



Evaluation of Effectiveness of the Board of Directors in FY2025

Summary and Aggregated Results

The percentage of respondents who answered "I agree" across all questions averaged 87.2 percent. Although this was a 6.7-point decrease from the previous year, it still accounted for the vast majority of responses. On the other hand, the percentage of respondents who answered "I disagree" was 0.4 percent, a decrease of 0.3 percentage points from the previous year.

Response	FY2024	FY2025	Differences
(1) I agree	93.9%	87.2%	▲ 6.7pt
(2) I can't say either way	5.4%	12.4%	+7.0pt
(3) I disagree	0.7%	0.4%	▲ 0.3pt

Challenges and Future Responses

Improvement Themes	Challenges	Future Responses
Operation of the Board of Directors	Frequency and time of meetings, agenda items, and preparation of materials	Revise agenda items, ensure strict adherence to deadlines for submitting materials, and promote the streamlining of materials and the inclusion of summaries to facilitate discussion
Cooperation between Company auditors and outside directors	Strengthening communication through discussion sessions between outside directors and auditors	Examine holding discussion sessions that include internal auditors
Executive training	Strengthening training programs, including both pre- and post-appointment training	Examine ways to increase opportunities for executive training

Board of Directors Discussion Topics

The Board of Directors makes decisions on important management matters and oversees business execution. In FY2025, the Board discussed a wide range of topics, including the Medium-Term Management Plan, financial performance, governance, capital policy, and development and investment projects. Drawing on the diverse knowledge and experience of the independent outside directors, the Board held extensive discussions aimed at sustainable growth and enhancing corporate value over the medium to long term.

Annual Meeting Overview

In FY2025, the Board of Directors held 20 regular meetings and adopted one written resolution. The Board handled 163 agenda items over the course of the year, comprising 74 resolutions and 89 reports, for an average of 8.2 items per meeting. The Board's deliberations and oversight covered a broad range of matters from multiple perspectives, including progress under the Medium-Term Management Plan and annual management plan, business execution by each division, capital policy, governance, and development and investment projects.

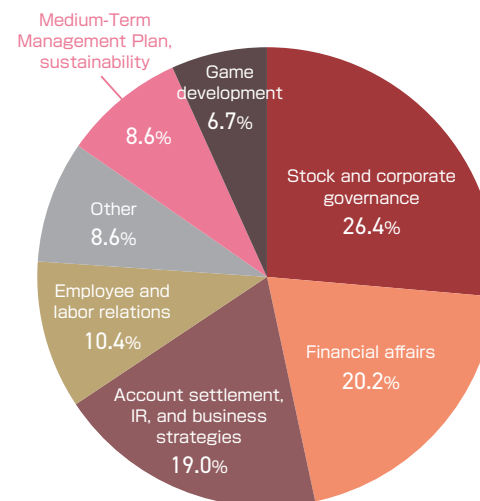
Status of Board meetings	
Item	FY2025
Number of regular meetings held	20
Resolutions in writing	1
Number of agenda items for the year	163
Resolutions	74
Reports	89
Average number of agenda items	8.2

Main agenda items

In FY2025, stock and corporate governance accounted for the largest number of agenda items, at 43. Financial affairs came next, totaling 33 items, and account settlement, IR, and business strategies at 31. Stock and corporate governance matters included the establishment, revision, and abolition of important internal regulations, the General Meeting of Shareholders, related-party transactions, and evaluations of the effectiveness of the Board of Directors. Financial affairs included deliberations and reports on securities trading and investment performance, real estate acquisitions and sales, and bank borrowings. In terms of account settlement, IR, and business strategies, the Board reviewed quarterly and year-end financial results, IR activities, and information disclosure. Discussions of the Medium-Term Management Plan and sustainability covered the plan, performance forecasts, and sustainability-related matters. The Board also continued to deliberate on and receive reports about personnel and labor matters, game development, audits, and other topics.

Agenda item	Number
Stock and corporate governance	43
Financial affairs	33
Account settlement, IR, and business strategies	31
Employee and labor relations	17
Other	14
Medium-Term Management Plan, sustainability	14
Game development	11

Breakdown of agenda items



Examples of Discussions

At meetings of the Board of Directors and the Nomination & Remuneration Committee, directors, including independent outside directors, review proposals and reports from management, drawing on their respective experience and expertise. The Board regularly discusses the Medium-Term Management Plan, division-by-division business execution, governance, and personnel systems, among other matters. It makes decisions on important issues and oversees the status of business execution. The Nomination & Remuneration Committee, whose deliberations include the nomination of directors and executive officers and the design of remuneration systems, submits recommendations and proposals to the Board of Directors.

The examples here highlight key points and discussions in the context of management strategy and personnel systems.

Example 1 4th Medium-Term Management Plan

Based on reports from the executive divisions, the Board discussed progress under the 4th Medium-Term Management Plan. In particular, directors exchanged views on the progress of human resource development, the Group's growth and human resource strategies, and the development of diverse capabilities. The Board and management also held active discussions about the initiatives, human resource strategies, and organizational structure that the Group will need to join the ranks of the world's top 10 digital entertainment companies by operating profit in 10 years.

Example 2 Modifications to the remuneration system

The executive divisions submitted a proposal to the Nomination & Remuneration Committee to increase the proportion of stock-based remuneration in executive remuneration. As deliberations progressed, the review expanded beyond executive remuneration to the remuneration system as a whole. The Committee also held extensive discussions on how the overall system should be designed and administered in the future. After several rounds of discussion by the Nomination & Remuneration Committee, the Board of Directors approved the proposal.

Executive Remuneration

Under the supervision of the Board of Directors, we design executive remuneration to help enhance corporate value in a sustainable way and bring the interests of executives and shareholders into alignment. We determine appropriate remuneration levels based on individual directors' duties and responsibilities, taking into account the deliberations and recommendations of the Nomination & Remuneration Committee. We also work to ensure fairness and transparency.

Basic Policy

The Group's basic policy is to link the remuneration, etc. of the Company's directors to the interests of shareholders so that it will function as an incentive for the Group to continuously increase its corporate value and to set the remuneration, etc. of individual directors at an appropriate level based on the responsibilities of their respective positions. Specifically, the Company's basic policy is to structure the remuneration as follows: basic remuneration (monthly remuneration); performance-linked remuneration, etc. (bonuses); and stock-based remuneration.

Structure of Remuneration

Basic remuneration (monthly remuneration)

Full-time directors receive a fixed monthly remuneration calculated based on the base monthly amount for their position and responsibilities and their performance evaluation. After considering the deliberations and recommendations of the Nomination & Remuneration Committee, the Board of Directors makes the final decision. We determine remuneration for part-time directors in consideration of the remuneration levels of full-time directors.

Performance-linked remuneration (bonuses)

Performance-linked remuneration for full-time directors is calculated based on the achievement of targets for consolidated operating profit, consolidated ordinary profit, or consolidated net income, together with incentive payments based on operating profit from games and other businesses. For part-time directors, the Company determines whether to pay bonuses and what amounts the bonuses should be based on overall earnings performance.

Stock-based remuneration (stock options)

The Board of Directors generally grants stock options to directors in the form of share acquisition rights approximately once every two years, based on a Board resolution. For full-time directors, the Company considers factors such as their respective positions and the Company's financial and business conditions. The amounts for part-time directors, meanwhile, are based on their respective positions.

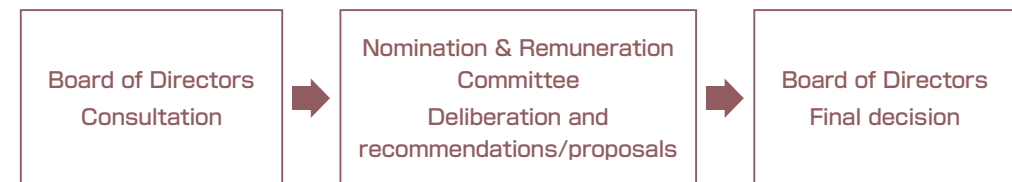
Stock-based remuneration (restricted stock)

The Board of Directors generally grants restricted stock remuneration to directors approximately once a year, based on a Board resolution. In principle, restrictions on transfers and other disposals remain in effect until the director leaves office or retires. For full-time directors, the Company considers factors such as their respective positions and the Company's financial and business conditions. The amounts for part-time directors, meanwhile, are based on their respective positions.

New

Process for Determining Executive Remuneration, etc.

Remuneration, etc. for directors is calculated within the limits approved by the General Meeting of Shareholders. The Nomination & Remuneration Committee deliberates on matters referred by the Board of Directors and submits its recommendations. Based on these recommendations, the Board determines remuneration for each director in accordance with their duties and responsibilities.



Total remuneration, etc. for FY2025

(Millions of yen)

Category	No. of personnel paid	Basic remuneration	Performance linked remuneration, etc.	Non-monetary remuneration, etc.	Other	Amount paid
Directors	13	492	408	16	0	918
(Outside directors)	6	48	4	5	0	58
Audit & Supervisory Board Members	5	30	2	-	0	32
(of these, outside corporate auditors)	3	19	1	-	0	20
Total	18	523	410	16	1	951
(Outside officers)	9	67	5	5	0	78

Skills Matrix: Definitions of Skills and Reasons for Selection

In FY2026, as part of our efforts to achieve our Long-Term Vision and the 4th Medium-Term Management Plan, we reviewed each skill in light of the knowledge and experience needed to sustain growth over the medium to long term and enhance corporate value. We also articulated definitions and reasons for selecting each skill.

Skill	Definition	Reason for Selection
Corporate Management	Skills to supervise and promote accurate strategies in management strategy formulation, business operations, and governance to achieve increased corporate value through sustainable growth.	Since it is required to comprehensively supervise management, it is important and necessary for the experience and knowledge of the top management and governance of the company.
Technology/ Development/Research	Skills to supervise and promote accurate strategies that lead to corporate growth based on experience and knowledge in the field of R&D that led to increased added value of products.	Our company, which has a vision of being "To Become the World's No.1 Digital Entertainment Company", is based on game development, digital technology, research and development, etc., and its experience and knowledge are important.
Legal/Risk Management	Skills to oversee and promote accurate strategies to achieve sustainable corporate value enhancement through legal affairs including IP and patents and risk management including compliance and internal controls	to enhance corporate value sustainably through legal affairs (including IP and patents) and risk management (including compliance and internal controls)
Marketing	Skills to supervise and promote precise strategies for value enhancement centered on IP to accelerate the growth of key businesses	In order to contribute to people's happiness through IP and content, it is necessary to have practical experience in marketing, sales, etc., as well as a wide range of knowledge, and to grow based on management strategies from a medium- to long-term perspective.
Global	Experience and knowledge for accurate decision-making to expand business globally based on diverse values and cultures	Because global experience and knowledge are important for business development in the global market and content business including IP
Human Resources/ Human Resource Development/Labor	Skills to supervise and promote accurate strategies to improve and maximize the capabilities of diverse human resources	Strengthening human capital is a driving force for increasing corporate value and is essential for sustainable growth.
Finance/Accounting	Skills to supervise and promote strategies for corporate financial soundness and sustainable growth based on specialized knowledge and experience in finance, accounting, and taxation	Necessary for appropriate supervision of financial strategy, accounting treatment, etc. in order to maximize corporate value
Sustainability/ESG	Possess knowledge and experience in sustainability management and ESG, and have the skills to accurately supervise and promote	It is necessary to enhance our sustainability, improve corporate value, and aim for a sustainable society.
Industry Insights	Specialized knowledge and practical experience in each of the Company's business segments, and the skills to supervise and promote appropriate strategies	Because the experience and knowledge of each business or related industries in the Group's business segments are necessary for the growth of the company.
Public Welfare	Skills to supervise and promote a broad perspective to ensure that it is an accurate strategy with public interest that can have a positive impact on society.	Because it is also important to supervise from the perspective of public interest to increase the acceptance of digital entertainment in society, especially games.

Skills Matrix

The Company's directors and Audit & Supervisory Board members possess the knowledge and experience needed for sustainable growth and enhanced corporate value, enabling the Board as a whole to exercise effective oversight.

Name	Position	Independence	Gender	Nomination & Remuneration Committee	Key experience and expertise									
					Corporate Management	Technology/ Development/ Research	Legal/Risk Management	Marketing	Global	Human Resources/ Human Resource Development/ Labor	Finance/ Accounting	Sustainability/ ESG	Industry Insights	Public Welfare
Keiko Erikawa	Chairman Emeritus(Director)	—	Female	—	●		●			●	●	●	●	
Yoichi Erikawa	Chairman (Representative Director) & Chairman of the Board of Directors	—	Male	○	●	●	●		●	●	●	●	●	
Hisashi Koinuma	President & CEO (Representative Director)	—	Male	○	●	●	●	●	●	●		●	●	
Mei Erikawa	Managing Director & CSuO	—	Female	—	●			●		●		●	●	
Yasuharu Kakiyama	Director & Advisor	—	Male	—	●		●					●	●	
Masao Tejima	Director	Independent	Male	○	●		●	●	●			●	●	
Hiroshi Kobayashi	Director	Independent	Male	○ (Chair)	●		●				●	●	●	
Tatsuo Sato	Director	Independent	Male	○	●		●			●		●	●	
Michiaki Ogasawara	Director	Independent	Male	○			●					●		●
Shino Uenuma	Director	Independent	Female	○			●					●		
Izumi Osanai	Director	Independent	Female	○			●			●		●		●
Seinosuke Fukui	Full-Time Audit & Supervisory Board Member	—	Male	—	●		●	●	●				●	
Masaki Kimura	Full-Time Audit & Supervisory Board Member	Independent	Male	—			●		●		●	●		
Kengo Takano	Audit & Supervisory Board Member	Independent	Male	—	●		●				●	●		
Chihiro Kawai	Audit & Supervisory Board Member	Independent	Female	—			●				●	●		

The Company has established a Basic Policy on the Internal Control System* through a resolution by the Board of Directors to ensure the appropriateness of business operations and enhance corporate value. Based on this policy, we have developed and operate various internal control systems, including those listed below.

*For details on the [Basic Policy on the Internal Control System](#) please refer to the Group's website.

Overview of Basic Policy on Internal Control Systems

1. Systems to ensure that the execution of duties by officers and employees of the Group complies with laws and regulations and the Articles of Incorporation

The Board of Directors of each Group company has established internal rules such as the Board of Directors Regulations and the Authority Regulations, and the officers and employees of Group companies execute their duties in accordance with these rules. The Representative Director has established a management philosophy and compliance policy to ensure thorough observance of laws, regulations, and social ethics across the entire Group. Moreover, the Company has established a Compliance Committee and appointed its President & CEO (Representative Director) as the Chair in order to strengthen a cross-functional structure across the Group, and a system has been established to ensure that any compliance issues are promptly reported at the time of discovery.

2. Systems for preserving and managing information related to the execution of duties by the Company's directors

Information related to the execution of duties by directors is recorded and stored in accordance with the Group's document management regulations, and a system has been established to ensure that directors and Audit & Supervisory Board members can access this information at any time.

3. Regulations and systems for managing the risk of loss of the Group

The Company's President & CEO (Representative Director) is appointed the person in overall charge of risk management, and a Risk Management Committee is established to centrally manage risks across the entire Group. A system has been established in which each department formulates risk countermeasures, implements training, and creates manuals, enabling information sharing and prompt responses among relevant departments.

4. System to ensure the efficient execution of duties by directors and other officers of each Group company

The Company has established rules for decision-making through internal regulations and other policies, and under these rules, the Board of Directors determines management plans, sets performance targets and budgets for each corporation, and manages performance on a monthly and quarterly basis.

5. System for reporting to the Company concerning the execution of duties by directors, etc. of the Company's subsidiaries

The Company has established regulations for managing affiliate companies, and a system has been established obligating directors and other executives at subsidiaries to report to the Board of Directors of the and obtain its approval for important matters.

6. System to ensure the appropriateness of Group business operations

Through internal regulations such as the Global Basic Internal Control Regulations, the Company has established a framework for ensuring the appropriateness of operations. The Internal Control Committee provides guidance and support to Group companies, and a dedicated internal control department has also been established. In addition, supervisory departments have been established for the Compliance Committee and Risk Management Committee to support the appropriateness of operations across the entire Group. The Internal Audit Department conducts audits of each Group company, reports the results to the relevant departments and personnel responsible at each Group company, and provides guidance, support, and advice on improvement measures.

7. Matters concerning employees appointed to assist the Company's Audit & Supervisory Board members in their duties at their request, matters concerning the independence of such employees from directors of the Company, and matters concerning ensuring the effectiveness of instructions given to such employees

The Company assigns employees to assist Audit & Supervisory Board members in their duties when they deem it necessary. The Audit & Supervisory Board receives reports regarding personnel changes of assigned employees from the directors in advance, and when necessary, may request modifications to such personnel changes, stating its reasons.

8. System for Group officers and employees to report to the Audit & Supervisory Board of the Company and other systems for such reporting

Directors and other executives at subsidiaries report the status of execution of their assigned duties at Board of Directors meetings and other meetings attended by Audit & Supervisory Board members. In addition to matters required by law, if an officer or employee discovers a fact that would have a major impact on the Group, they promptly report the matter to the Audit & Supervisory Board either directly or through a report to the Company. The Board may request reports from the Group at any time.

9. System to ensure that a person who makes a report to the Audit & Supervisory Board of the Company will not be treated disadvantageously as a result of such reporting

The Company prohibits any disadvantageous treatment to officers or employees who make a report to the Audit & Supervisory Board due to such reporting and has thoroughly instilled this policy Group-wide.

10. Matters concerning procedures for prepayment or reimbursement of expenses incurred in the execution of duties by members of the Audit & Supervisory Board of the Company and other matters concerning policies for the treatment of expenses or liabilities incurred in the execution of such duties

When an Audit & Supervisory Board member requests the prepayment or reimbursement of expenses required for the execution of their duties based on laws and regulations, the Company promptly handles such requests as long as such expenses are deemed necessary.

11. Other systems to ensure that the Company's Audit & Supervisory Board audits are conducted effectively

The Company guarantees Audit & Supervisory Board members the opportunity to freely receive advice from lawyers, certified public accountants, tax accountants, and other specialists as necessary.

12. Basic policy and framework for the elimination of antisocial forces

The Company takes a firm stance against antisocial forces and organizations and resolutely rejects any relationships with such forces while not giving in to any unjust or illegal demands. The General Affairs Department functions as our internal countermeasure division, and a system has been established that enables intelligence gathering and an organizational response in collaboration with police forces, related organizations, lawyers, and others.

Information Security

As it expands its business globally, the Group regards earning the trust of stakeholders as an important management priority. Under the Information Security Basic Policy that we established in FY2025, we comply with applicable laws and regulations, manage information assets and data appropriately, provide safe and secure services, safeguard personal information, and continually improve our information security framework.

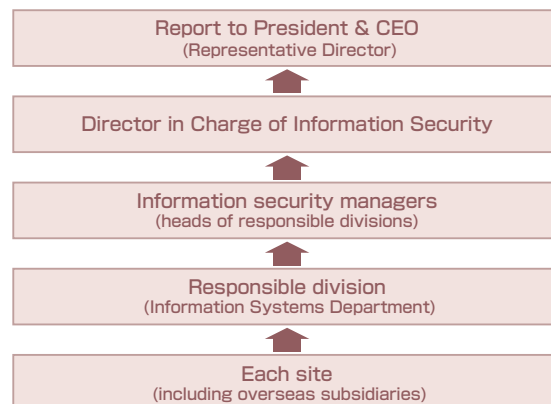
Governance Structure

The Group has established an escalation process for cases involving the acquisition of risk-related information. In the event of an incident, a response will be implemented under the direction of the Director in Charge of Information Security, and when required, the Risk Management Committee, chaired by the President & CEO (Representative Director), will be convened. Moreover, we have created a Personal Data Handling Manual for each division and have established a system whereby, in the event of a privacy-related incident, the person in charge of handling personal data promptly reports the incident to relevant parties, including responsible managers in related divisions. Depending on the situation, the incident is also reported to the President & CEO (Representative Director).

Director in Charge of Information Security

The Group has designated the officer in charge of information systems as the Director in Charge of Information Security. When an incident occurs, the Director in Charge of Information Security directs the response in coordination with the relevant divisions.

Escalation System



Information Security Basic Policy

The KOEI TECMO Group places great importance on earning the trust of stakeholders, including customers and business partners, in order to create new value through digital entertainment and contributes to the development of society. The Group complies with applicable laws, regulations, standards, and contractual requirements and manages information assets and data appropriately. In doing so, we aim to provide safe and secure services while continually improving our information security management system.

Strategies

Risk Control

The Group holds personal information about users and confidential information about content under development and recognizes threats such as cyberattacks as significant risks. Unauthorized access, malware, information leaks, and cyberattacks could cause system failures or expose information, potentially affecting our financial performance and reputation. To address these risks, we use a multilayered defense to protect against external attacks. We have also introduced multi-factor authentication (MFA) for access to information systems and cloud services. We collect information on new standards and trends and update our security management practices, keeping a close eye on what changes are necessary. We manage files containing personal or confidential information that employees take outside the Group and collect operation logs to help prevent information leaks from within the Group. We also encrypt these files with information protection tools so that, even if a data leak does occur, unauthorized parties do not gain access to the data. To strengthen business continuity, we are promoting the use of cloud environments that comply with international standards to help prevent mission-critical systems from shutting down during natural disasters or cyberattacks. We are also strengthening backup networks between our bases and adding redundancy to protect information assets and maintain stable operations.

Employee Education

We regularly conduct information security training and targeted attack email drills to enhance employee awareness and response capabilities. Our e-learning program covers all employees of domestic and overseas Group companies, including contract, temporary, and part-time employees. We achieved a 100% completion rate for the second consecutive year. We also implement targeted attack email drills, sending simulated attack emails to employees to help them learn how to respond appropriately. The drills in FY2025 focused on improving the reporting rate, which was higher than in the previous fiscal year.

Management of Domestic and Overseas Group Companies

We are centralizing the management of each Group company's internal information infrastructure in the Company's Information Systems Department, clarifying responsibilities, and standardizing operations. By managing its internal information infrastructure centrally, the Group has a unified security operation framework. We also work to ensure the security of information assets across the entire Group by implementing prompt responses to potential threats and reducing the risk of information leaks. Through these initiatives, we strive to protect information assets throughout the Group, including our domestic and overseas companies, while maintaining stable operations and a high level of security.

Action Plan (BCP Measures)

The Group has established an action plan that outlines specific procedures for detection, initial response, triage, and resolution for each type of information security incident in order to ensure preparedness for emergencies. As a result, the Group has established a system that enables a swift and appropriate response even in emergencies. In the event of an incident, related divisions will work together under the direction of the Director in Charge of Information Security to respond to the incident in accordance with the prescribed escalation process.

Internal Systems Related to Compliance

The Group maintains internal control systems to ensure proper business operations in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act. Business execution in accordance with internal regulations and a Group-wide framework help ensure that officers and employees carry out their duties in compliance with laws, regulations, the Articles of Incorporation, and social ethics.

Establishing a system for compliance with laws and regulations

Each company has established regulations for the Board of Directors, executive authority regulations, and other regulations, and the officers and employees of Group companies execute their duties in accordance with these internal regulations. The Representative Director establishes the management philosophy and compliance policy, making compliance with laws, regulations, and social ethics a fundamental premise of our corporate activities.

Compliance promotion structure

The Group has established a Compliance Committee, with the President & CEO (Representative Director) serving as chair, to strengthen its group-wide framework and identify compliance issues. We have also established procedures for promptly reporting to the Committee on any issues that come to light.

Initiatives to Respect Human Rights

Respecting and upholding fundamental human rights as recognized internationally and guaranteed in each country, the Group respects the human rights of everyone involved in its business activities. The Code of Conduct, which we revised in FY2026, sets out specific policies on respect for human rights.

* More on the [Code of Conduct](#) 

Respecting and upholding human rights

We do not engage in discrimination or harassment based on nationality, race, beliefs, age, gender, sexual orientation, physical conditions, or other characteristics, and we take due care to ensure that we respect every individual's dignity.

Preventing harassment

We have established global rules on preventing harassment, we provide employee training to ensure that harassment does not occur. We have also established multiple consultation and reporting channels and a Harassment Prevention Committee to respond appropriately to concerns and reports.

Response to the UK Modern Slavery Act

In FY2016, we published a statement based on the UK Modern Slavery Act 2015, which we update every year. We work to prevent human rights violations in our business operations and supply chain.

Risk Management System

The President & CEO (Representative Director) oversees risk management, and the Group has established a Risk Management Committee. We manage risks centrally across the Group and promote information sharing, mutual cooperation, sound decision-making, and prompt responses among the relevant divisions. Risk information arising from business execution is reported at regular meetings, which assess whether the issues could seriously affect the Group's survival. When necessary, we establish a task force to investigate, respond, and consider and implement measures to prevent recurrence. These matters are reported to and approved by the Board of Directors, and a system is in place to promptly give instructions to internal and external parties, report to relevant organizations, and disclose information. We also assign a responsible division to each category of business risk and develop response measures, conduct training, and prepare manuals.

Risks for the Entire Group

- Talent acquisition and development
- Intellectual property rights
- Security of personal information and other assets
- Protection of human rights and fair business practices
- Holdings of securities

Business- Specific Risks

Entertainment business

- Ethical considerations in content expression
- Changes in the market environment
- Prolonged development periods, release timing, and sales plans
- Quality control
- Overseas business expansion

Amusement business

- Legal restrictions

* For details on [Assumed Business and Other Risks](#),  see here.

BCP

The Group has established a Business Continuity Plan (BCP) as part of its internal rules to address all types of risks that could jeopardize business continuity, such as major disasters, outbreaks of serious infectious diseases, and terrorist attacks. The plan outlines the temporary chain of command and organizational structure in the event of a management crisis, as well as the process centered on the Management Crisis Response Headquarters for deciding on company policies. For information security risks, we have established action plans for different types of incidents. We also promote the use of cloud environments that comply with international standards, strengthen backup networks between our bases, and add redundancy to help prevent mission-critical systems from shutting down. To prepare for major earthquakes and other disasters that may prevent officers and employees from returning home, we stockpile food, blankets, and other emergency supplies at each workplace. We also regularly review the quantities and types of supplies.

Directors and Audit & Supervisory Board Members



Director

Keiko Erikawa

Director and Chairman
Emeritus

Date of Birth: January 3, 1949
Director & Chairman Emeritus, the Company
(current position)
President (Representative Director), KOEI TECMO
CORPORATE FINANCE CO., LTD. (current position)
Attendance at FY2025 Board of Directors meetings: 20/20



Director

Yoichi Erikawa

Chairman (Representative Director)
& Chairman of the Board of Directors

Date of Birth: October 26, 1950
Chairman (Representative Director) & Chairman of the
Board of Directors, the Company (current position)
Attendance at FY2025 Board of Directors meetings: 20/20



Director

Hisashi Koinuma

President & CEO
(Representative Director)

Date of Birth: October 2, 1971
President & CEO (Representative Director),
the Company (current position)
President (Representative Director) & CEO & COO,
KOEI TECMO GAMES CO., LTD. (current position)
Attendance at FY2025 Board of Directors meetings: 19/20



Director

Mei Erikawa

Managing Director & CSuO

Date of Birth: April 30, 1976
Managing Director & CSuO, the Company
(current position)
Director, Managing Executive Officer, KOEI TECMO
GAMES CO., LTD. (current position)
Attendance at FY2025 Board of Directors meetings: 20/20



Director

Yasuharu Kakiyama

Director & Advisor

Date of Birth: December 30, 1970
Director & Advisor, the Company (current position)
Attendance at FY2025 Board of Directors meetings: 20/20



Outside Director

Masao Tejima

Director
(Independent Outside Director)

Date of Birth: November 18, 1957
Outside Director, the Company (current position)
President (Representative Director) & CEO,
T&T Corporation (current position)
Attendance at FY2025 Board of Directors meetings: 18/20
Term of office: 12 Years



Outside Director

Hiroshi Kobayashi

Director
(Independent Outside Director)

Date of Birth: April 5, 1957
Outside Director, the Company (current position)
Director (non-executive), KOEI TECMO CORPORATE
FINANCE CO., LTD. (current position)
Attendance at FY2025 Board of Directors meetings: 20/20
Term of office: 11 Years



Outside Director

Tatsuo Sato

Director
(Independent Outside Director)

Date of Birth: September 18, 1952
Outside Director, the Company (current position)
Attendance at FY2025 Board of Directors meetings: 20/20
Term of office: 8 Years



Outside Director

Michiaki Ogasawara

Director
(Independent Outside Director)

Date of Birth: January 29, 1954
Outside Director, the Company (current position)
Outside Director, BICCAMEA INC. (current position)
Attendance at FY2025 Board of Directors meetings: 20/20
Term of office: 5 Years



Outside Director

Shino Uenuma

Director
(Independent Outside Director)

Date of Birth: January 28, 1967
Outside Director, the Company (current position)
Attorney at STLM Law Offices (current position)
Attendance at FY2025 Board of Directors meetings: 15/15
*Since appointment
Term of office: 1 Year



Newly Appointed

Outside Director

Izumi Osanai

Director
(Independent Outside Director)

Date of Birth: January 30, 1959
Outside Director, the Company (current position)
Secretary General, Momonokai Social Welfare
Corporation (current position)
Term of office: Less than 1 Year (Appointed June, 2026)



Audit & Supervisory Board Member

Seinosuke Fukui

Full-Time Audit & Supervisory
Board Member

Date of Birth: November 10, 1953
Full-time Audit & Supervisory Board Member,
the Company (current position)
Attendance at FY2025 Audit & Supervisory Board meetings: 7/7



Outside Audit & Supervisory Board Member

Masaki Kimura

Full-Time Audit & Supervisory Board Member
(Independent Outside Director)

Date of Birth: December 1, 1958
Full-time Audit & Supervisory Board Member (outside),
the Company (current position)
Attendance at FY2025 Audit & Supervisory Board
meetings: 7/7
Term of office: 12 Years



Outside Audit & Supervisory Board Member

Kengo Takano

Audit & Supervisory Board Member
(Independent Outside Director)

Date of Birth: August 10, 1957
Outside Audit & Supervisory Board Member, the Company
(current position)
Attendance at FY2025 Audit & Supervisory Board
meetings: 7/7
Term of office: 5 Years

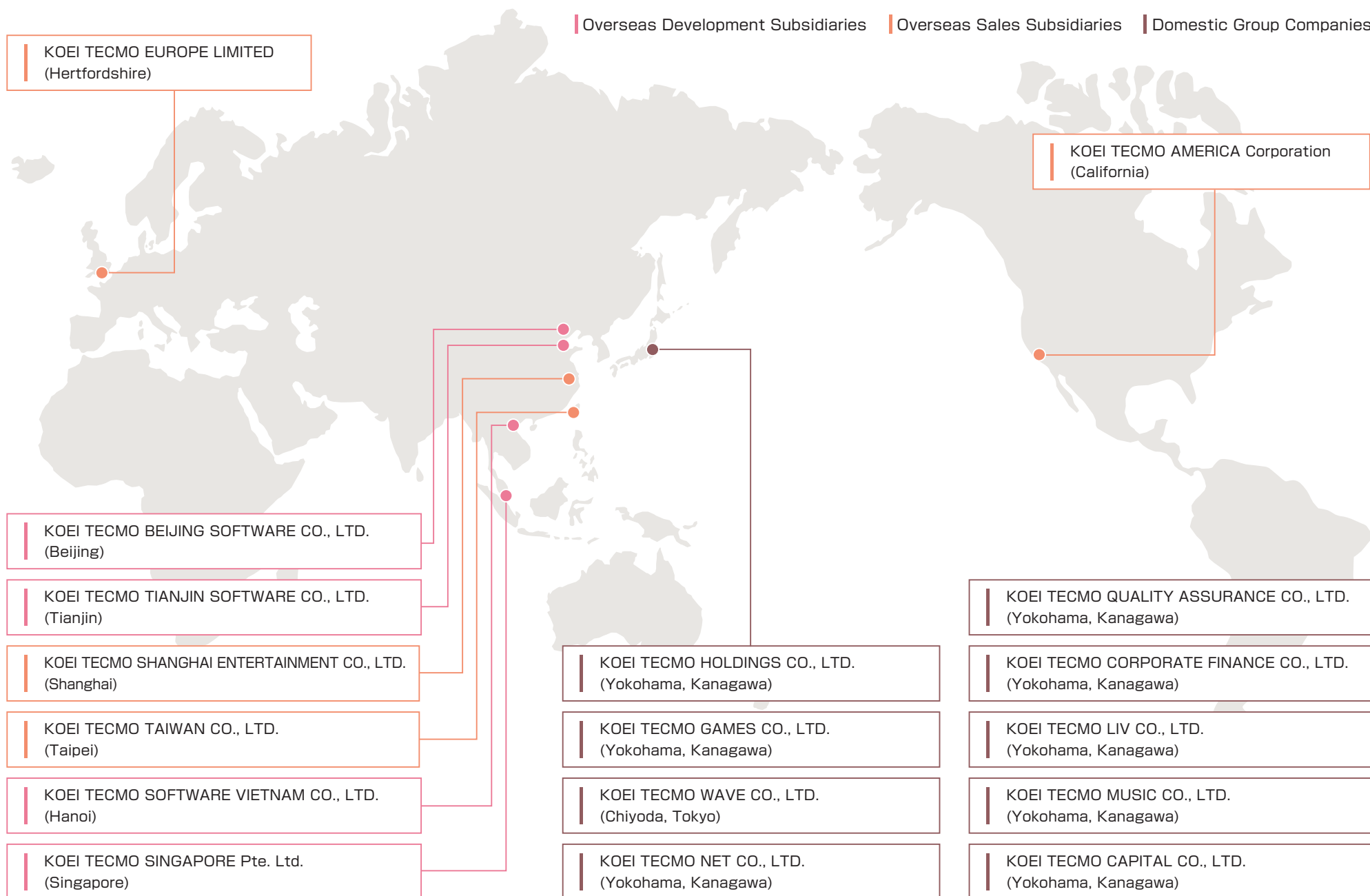


Outside Audit & Supervisory Board Member

Chihiro Kawai

Audit & Supervisory Board Member
(Independent Outside Director)

Date of Birth: June 14, 1973
Outside Audit & Supervisory Board Member, the Company (current position)
Representative Director, Bayside Partners Co., Ltd. (current position)
Attendance at FY2025 Audit & Supervisory Board meetings: 5/5
*Since appointment
Term of office: 1 Year



Main Financial Data

(Unit: Millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	38,332	37,034	38,926	38,968	42,645	60,370	72,759	78,417	84,584	83,150	88,393
Operating profit	11,069	8,781	11,711	12,092	14,102	24,397	34,527	39,133	28,494	32,119	37,168
Ordinary profit	15,755	15,211	18,293	18,307	18,869	39,299	48,696	39,899	45,741	49,988	57,000
Profit before income taxes	15,573	15,211	18,293	18,307	20,247	39,174	48,638	39,963	45,330	49,988	57,000
Profit attributable to owners of parent company	10,855	11,624	13,017	13,694	15,306	29,550	35,359	30,935	33,792	37,628	42,830
Employment cost	12,279	12,854	12,646	13,680	14,710	16,840	18,940	20,790	23,070	24,500	26,800
Outsourcing cost	2,776	3,311	3,255	3,544	4,340	3,980	3,650	5,410	9,150	6,180	5,470
Research and development expenses *1	5,891	6,081	4,705	4,813	5,492	7,628	4,839	7,421	7,996	11,090	11,578
Capital expenditures	432	8,669	3,853	240	14,630	1,542	1,375	802	1,967	1,852	24,555
Depreciation expense	846	714	701	734	752	1,615	1,571	1,643	1,813	1,914	1,999
Fiscal year-end											
Total assets	110,925	119,461	128,594	129,192	147,793	190,671	219,803	210,889	245,802	209,828	313,662
Net assets	98,706	106,516	116,242	119,284	122,346	165,129	138,101	142,684	175,552	189,421	272,536
Statement of cash flows											
Cash flows from operating activities	10,935	9,890	10,389	9,597	9,748	29,726	24,819	29,692	36,603	34,369	33,010
Cash flows from investing activities	△ 6,138	△ 3,935	△ 9,984	△ 1,496	△ 10,496	△ 12,291	△ 13,168	△ 21,394	△ 24,859	40,973	△ 12,080
Cash flows from financing activities	△ 4,746	△ 5,082	△ 5,533	△ 7,730	6,906	△ 19,396	△ 4,561	△ 16,588	△ 15,475	△ 63,175	12,869
Free cash flows	4,797	5,955	405	8,101	△ 747	17,434	11,650	8,298	11,743	75,342	20,930
Cash and cash equivalents at end of period	11,270	11,745	6,540	6,968	12,803	11,439	19,503	11,733	10,452	22,552	59,334
Per share information											
Net assets per share (yen)	300.22	322.85	351.13	361.70	369.33	496.15	437.16	450.72	553.59	596.95	813.60
Basic earnings per share (yen)	33.10	35.41	39.50	41.54	46.48	89.34	107.28	98.20	107.06	119.14	131.77
Dividend paid per share (yen) (before stock split adjustment)	52	56	62	55	61	117	108	50	54	60	66
Dividend paid per share (yen) (after stock split adjustment)	16	17	19	21	23	45	54	50	54	60	66
Dividend payout ratio (%)	50.4	50.7	50.3	50.9	50.5	50.3	50.3	50.9	50.4	50.4	50.1
Other indicators											
Operating profit to net sales ratio (%)	28.9	23.7	30.1	31.0	33.1	40.4	47.5	49.9	33.7	38.6	42.0
ROE (%)	10.9	11.4	11.7	11.7	12.7	20.6	23.4	22.1	21.3	20.7	18.6
ROA (%)	13.9	13.2	14.8	14.2	13.6	23.2	23.7	18.5	20.0	21.9	21.8
Capital adequacy ratio (%)	88.8	89.0	90.1	92.0	82.5	86.4	62.6	67.4	71.1	89.9	86.7
Price-earnings ratio (times)	16.7	19.1	16.9	19.8	23.1	27.8	18.7	24.3	15.1	16.5	12.2
Price-to-book ratio (times)	1.84	2.10	1.90	2.27	2.90	5.00	4.59	5.30	2.93	3.30	1.98
Net sales by platform *2											
Console/PC	-	24,670	25,105	22,720	23,406	30,748	32,471	37,557	29,866	39,520	46,910
Online/mobile	-	6,585	8,600	10,950	14,800	24,960	35,430	35,260	48,720	37,560	34,330
Other (events/merchandise)	-	1,770	1,684	1,450	900	1,100	900	1,100	900	1,000	1,300
Net sales by region											
Japan	28,582	27,089	26,000	26,540	26,854	29,419	37,276	38,436	50,824	49,220	49,083
North America	3,408	4,411	4,419	3,926	4,099	9,456	9,103	11,608	7,781	10,881	11,571
Europe	2,108	2,159	3,333	2,074	1,920	4,423	3,155	3,361	3,545	4,031	7,281
Asia and others	4,233	3,374	5,172	6,427	9,771	17,072	23,223	25,011	22,432	19,017	20,457

*1 R&D expenses: Starting in the first quarter of FY2023, we have revised the scope of R&D expenses included in general and administrative expenses as well as manufacturing costs for the current period. For FY2015 and beyond, the amounts shown reflect the figures after retroactive application of the relevant revisions. Research and development expenditures include a portion of employment and outsourcing costs.

*2 In FY2015, which was prior to the adoption of the brand system, net sales by platform were aggregated differently, so we have indicated the relevant entries with dashes.

Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2024	FY2025
Assets		
Current assets		
Cash and deposits	24,034	61,275
Accounts receivable - trade, and contract assets	15,123	20,871
Securities	20,454	53,882
Merchandise and finished goods	37	149
Work in process	8	25
Raw materials and supplies	132	158
Other	1,696	3,246
Allowance for doubtful accounts	△ 3	△ 2
Total current assets	61,484	139,608
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	20,079	27,556
Land	14,615	27,964
Construction in progress	71	1,773
Other (net)	1,742	1,921
Total property, plant and equipment	36,509	59,216
Intangible assets		
Other	187	191
Total intangible assets	187	191
Investments and other assets		
Investment securities	99,409	101,687
Retirement benefit asset	4,431	7,482
Deferred tax assets	4,119	2,490
Other	3,685	2,985
Total investments and other assets	111,646	114,645
Total non-current assets	148,343	174,054
Total assets	209,828	313,662

(Unit: Millions of yen)

	FY2024	FY2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,238	1,068
Accounts payable - other	3,798	8,480
Income taxes payable	6,795	11,684
Provision for bonuses	2,047	2,299
Provision for bonuses for directors (and other officers)	425	448
Other	4,610	6,368
Total current liabilities	18,914	30,349
Non-current liabilities		
Deferred tax liabilities	535	9,955
Other	957	820
Total non-current liabilities	1,492	10,776
Total liabilities	20,407	41,125
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	27,435	25,699
Retained earnings	183,630	207,329
Treasury shares	△ 37,740	△ 3,747
Total shareholders' equity	188,324	244,281
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 1,928	21,910
Revaluation reserve for land	△ 3,101	△ 3,101
Foreign currency translation adjustment	4,583	6,521
Remeasurements of defined benefit plans	669	2,200
Total accumulated other comprehensive income	222	27,532
Share acquisition rights	873	722
Total net assets	189,421	272,536
Total liabilities and net assets	209,828	313,662

Consolidated Statement of Income

(Unit: Millions of yen)

	FY2024	FY2025
Net sales	83,150	88,393
Cost of sales	30,760	31,331
Gross profit	52,390	57,062
Selling, general and administrative expenses	20,270	19,894
Operating profit	32,119	37,168
Non-operating income		
Interest income	15,641	12,268
Dividend income	649	574
Gain on sale of investment securities	4,444	18,644
Gain on redemption of securities	3,304	917
Foreign exchange gains	1,090	1,485
Gain on valuation of derivatives	1,042	5,377
Other	263	656
Total non-operating income	26,436	39,923
Non-operating expenses		
Loss on valuation of investment securities	864	-
Loss on sale of investment securities	0	17,830
Loss on redemption of securities	3,272	1,902
Loss on valuation of derivatives	4,079	75
Other	351	282
Total non-operating expenses	8,567	20,091
Ordinary profit	49,988	57,000
Profit before income taxes	49,988	57,000
Income taxes - current	12,906	14,702
Income taxes - deferred	△ 546	△ 532
Total income taxes	12,360	14,170
Profit	37,628	42,830
Profit attributable to owners of parent company	37,628	42,830

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	FY2024	FY2025
Net profit for the period	37,628	42,830
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 6,086	23,839
Revaluation reserve for land	13	-
Foreign currency translation adjustment	△ 209	1,938
Remeasurements of defined benefit plans	△ 606	1,531
Total other comprehensive income	△ 6,887	27,309
Comprehensive income	30,740	70,139
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	30,740	70,139

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2024	FY2025
Cash flows from operating activities		
Profit before income taxes	49,988	57,000
Depreciation	1,914	1,999
Increase (decrease) in allowance for doubtful accounts	2	△ 1
Increase (decrease) in provision for bonuses for directors (and other officers)	166	23
Increase (decrease) in provision for bonuses	321	233
Interest and dividend income	△ 16,290	△ 12,842
Loss (gain) on valuation of investment securities	864	-
Loss (gain) on sale of investment securities	△ 4,444	△ 813
Loss (gain) on redemption of securities	△ 32	985
Loss (gain) on valuation of derivatives	3,037	△ 5,302
Loss (gain) on sale of property, plant and equipment	△ 14	△ 1
Foreign exchange losses (gains)	△ 1,226	△ 1,157
Decrease (increase) in trade receivables	△ 138	△ 5,449
Decrease (increase) in inventories	75	△ 146
Decrease (increase) in accounts receivable - other	1,457	△ 612
Increase (decrease) in trade payables	210	△ 212
Increase (decrease) in accounts payable - other	△ 1,490	△ 1,618
Increase (decrease) in accrued consumption taxes	△ 342	526
Increase (decrease) in deposits received	△ 126	3
Other	326	1,163
Subtotal	34,256	33,776
Interest and dividends received	12,672	9,674
Interest paid	△ 39	△ 129
Income taxes refund	222	138
Income taxes paid	△ 12,742	△ 10,449
Cash flows from operating activities	34,369	33,010
Cash flows from investing activities		
Payments into time deposits	△ 2,884	△ 4,332
Proceeds from withdrawal of time deposits	2,630	4,078
Purchase of short-term and long-term investment securities	△ 78,007	△ 89,789
Proceeds from sale and redemption of short-term and long-term investment securities	120,835	101,916
Purchase of property, plant and equipment	△ 1,553	△ 24,023
Proceeds from sale of property, plant and equipment	33	3
Purchase of intangible assets	△ 51	△ 37
Subsidies received 294 294	294	294
Other	△ 330	△ 190
Cash flows from investing activities	40,973	△ 12,080
Cash flows from financing activities		
Proceeds from short-term borrowings	9,000	35,000
Repayments of short-term borrowings	△ 9,000	△ 35,000
Proceeds from disposal of treasury shares	30	31,995
Purchase of treasury shares	△ 4	△ 1
Redemption of convertible bond-type bonds with share acquisition rights	△ 46,000	-
Dividends paid	△ 17,027	△ 18,927
Other	△ 174	△ 196
Cash flows from financing activities	△ 63,175	12,869
Effect of exchange rate change on cash and cash equivalents	△ 67	2,981
Net increase (decrease) in cash and cash equivalents	12,100	36,781
Cash and cash equivalents at beginning of period	10,452	22,552
Cash and cash equivalents at end of period	22,552	59,334

Non-Financial Data

Introduction

Value Creation
at KOEI TECMO

Medium to Long-
Term Growth Story

Corporate
Governance

Financial and
Non-Financial Data

	Unit		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees at consolidated companies	People	Consolidated	1,570	1,654	1,738	1,757	1,835	1,983	2,063	2,381	2,531	2,684	2,835
Average age	Years	Japan	36.0	36.2	36.2	36.3	36.4	35.8	35.9	35.8	35.8	35.7	35.7
Number of employees in game development roles	People	Japan	965	1,020	1,089	1,144	1,180	1,298	1,339	1,449	1,538	1,664	1,793
	People	Companywide	1,335	1,448	1,513	1,565	1,635	1,741	1,781	1,928	2,077	2,217	2,354
Number of non-Japanese employees	People	Japan	20	17	23	37	47	77	91	120	140	159	168
	People	Companywide	423	498	513	522	562	584	594	666	747	783	813
Ratio of non-Japanese employees hired through regular recruitment	%	Japan	2.3	2.0	7.1	11.4	11.4	15.9	14.1	17.2	14.2	12.6	18.8
Percentage of female employees	%	Japan	22.3	21.7	22.1	21.7	21.8	21.5	21.4	21.7	22.8	23.0	22.7
Ratio of female managers	%	Japan	3.5	4.3	4.4	4.1	4.0	5.4	6.5	7.8	7.8	7.2	8.2
	%	Companywide	7.6	8.3	8.4	8.4	8.1	8.9	10.6	13.3	14.6	14.3	15.2
Number of new graduate hires	People	Japan	61	78	91	80	93	204	127	150	158	199	199
	People	Companywide	121	185	149	127	143	235	172	200	215	244	224
Percentage of female new graduate hires	%	Japan	26.2	30.8	28.6	21.3	22.6	19.1	18.1	24.0	33.5	28.1	21.6
Percentage of people leaving their jobs	%	Japan	3.9	4.5	5.4	5.6	4.9	3.1	4.2	4.6	5.1	4.7	4.3
Ratio of mid-career recruitment	%	Japan	37.8	27.1	30.5	30.7	26.7	13.9	23.0	21.9	21.0	18.4	13.1
Average statutory overtime work	Hours	Japan	18.6	17.1	12.6	12.3	11.2	12.7	13.8	12.9	9.6	9.3	10.1
Ratio of days taken as paid annual leave	%	Japan	-	-	72.5	73.5	81.4	56.9	73.2	85.4	84.9	81.8	79.4
Number of days taken as paid annual leave per person	Days	Japan	-	-	12.2	12.6	13.7	13.5	18.1	21.2	20.7	18.6	17.9
Percentage of female employees taking childcare leave	%	Japan	100.0	100.0	71.4	100.0	100.0	85.7	88.9	100.0	100.0	100.0	100.0
Percentage of male employees taking childcare leave	%	Japan	11.6	21.1	23.3	37.5	50.0	41.9	80.8	66.7	64.9	80.0	105.9
Percentage of employees returning from childcare leave	%	Japan	100.0	90.9	91.7	100.0	72.7	100.0	100.0	100.0	100.0	100.0	100.0
Engagement score	Score	Japan	-	-	-	-	-	-	-	-	50.4	50.4	53.3
Total training hours per employee	Hours	Japan	-	-	-	-	-	-	-	-	-	49.6	52.8
Department head-led training hours per employee	Hours	Japan	-	-	-	-	-	-	-	-	-	20.1	24.8
Usage rate of correspondence education system	%	Japan	20.9	21.9	21.8	24.2	25.1	21.2	21.3	22.2	19.6	25.4	21.8
Uptake rate of regular health checkups	%	Japan	-	-	-	-	-	-	-	99.7	100.0	100.0	100.0
Uptake rate of detailed examinations following regular health checkups	%	Japan	-	-	-	-	-	-	-	41.9	29.8	44.3	50.2
Attendance rate of harassment prevention training	%	Japan	-	-	-	-	-	-	99.7	96.7	99.5	100.0	100.0
Number of patents held	Patents	Companywide	-	-	-	10	39	67	87	141	205	246	305

Company Profile and Investor Information

Company Profile

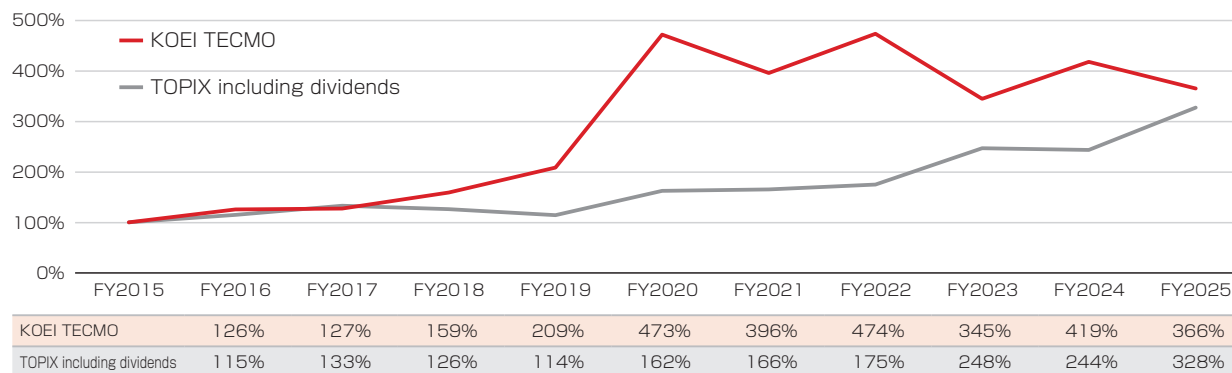
Trade Name	KOEI TECMO HOLDINGS CO., LTD.
Share capital	15 billion yen
Location	Hiyoshi Offices: 1-18-12 Minowa-cho, Kouhoku-ku, Yokohama, Kanagawa, 223-8503, Japan
Date of incorporation	April 1, 2009
Number of employees	2,835 consolidated ^{*1}
Business overview	Group management

^{*1} This is the number of full-time employees (excluding employees transferred outside the Group and including employees transferred to the Group).

Investor Information (As of March 31, 2026)

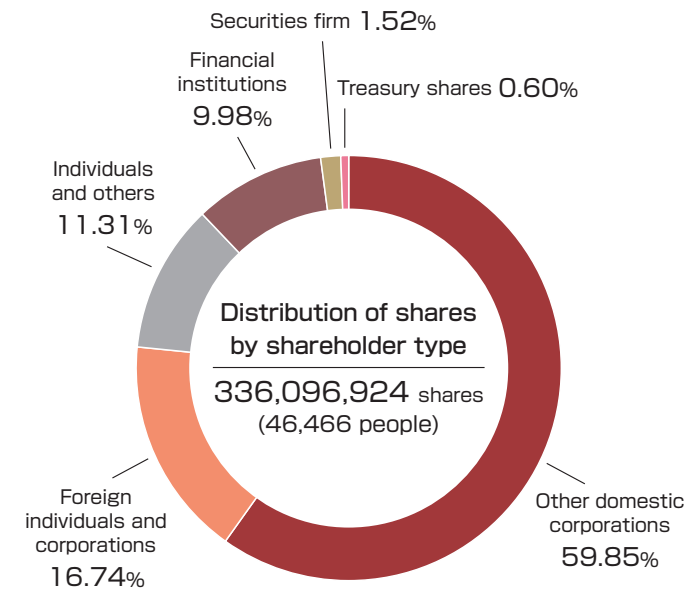
Total number of authorized shares	Common stock: 700,000,000 shares
Total number of shares issued	Common stock: 336,096,924 shares (including treasury stock)
Fiscal year	April 1 to March 31 of the following year
Number of shareholders	46,466
Securities code	3635 (TSE Prime)
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 1-chōme-4-1 Marunouchi, Chiyoda City, Tokyo
Basic policy for shareholder returns	A consolidated annual total payout ratio of 50 percent, comprising dividends and share buybacks, or an annual dividend of 50 yen per share

Changes in KOEI TECMO's Total Shareholder Return (TSR)



^{*The graph is calculated using month-end relative stock price values, including dividends, with the closing price at the end of March 2015 set at 1.}

Shareholding Ratio by Shareholder Type (As of March 31, 2026)



Principal shareholders

Name or designation	Number of shares held (shares)	Percentage (%)
KOYU HOLDINGS CO., LTD.	173,166,186	51.83
JP MORGAN CHASE BANK 380815	31,267,360	9.36
Kankyo Kagaku Co., Ltd.	21,650,070	6.48
The Master Trust Bank of Japan, Ltd. (trust account)	21,133,078	6.33
Custody Bank of Japan, Ltd. (trust account)	9,569,900	2.86
STATE STREET BANK AND TRUST COMPANY 505001	2,378,625	0.71
Mei Erikawa	2,004,420	0.60
Ai Erikawa	2,000,000	0.60
JP MORGAN CHASE BANK 385781	1,895,487	0.57
Kakihara Kagaku Gijutsu Kenkyu Zaidan, Public Interest Incorporated Foundation	1,684,800	0.50
Total	266,749,926	79.84

^{*1} The Company holds 2,010,124 shares of treasury stock that are excluded from the above list of principal shareholders.

^{*2} Shareholding ratio is calculated with treasury stock excluded.