

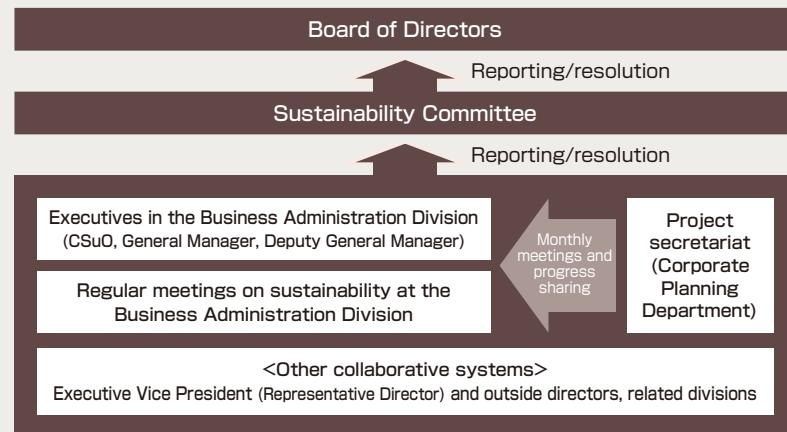
Revising Materiality

The KOEI TECMO Group reviewed its materiality in FY2024. As a way of further clarifying the priorities and importance of the most pressing challenges that should be addressed over the next decade toward our long-term vision of “aiming for a top 10 global position,” we identified these challenges through the following process after consolidating external requests and internal feedback, including input from outside directors.

STEP01 ▶ Purpose of Revising Materiality/Establishing Framework

We previously identified materiality by focusing on the perspective of social contribution. However, with changes in the business environment and shifting social demands, we have decided to review materiality by identifying issues from the viewpoint of social challenges to be addressed through our core businesses and the social value that we will offer. Meanwhile, the Sustainability Committee has taken the lead in setting the ideal direction and definition for the Group.

▶ Process up to identification



STEP02 ▶ Preparing a List of Potential Material Issues

After clarifying the relationship between our business areas and social challenges, we identified value creation areas that contributed to medium to long-term growth from an “offense” perspective, and social challenges to be addressed in order to build positive relationships with a variety of stakeholders from a “defense” perspective. We then created a list of 37 potential material issues from these perspectives.

Offense perspective	Defense perspective
<ul style="list-style-type: none"> ● Vision ● Basic Management Policies ● Medium-Term Management Plan and other factors used as a basis for the 7 offense issues	<ul style="list-style-type: none"> ● International guidance ● Guidelines (ISO 26000, GRI Standards, ESRS (CSRD), and SASB Standards) ● Industry guidelines (CESA) and other factors used as a basis for the 30 defense issues

37 issues

STEP
01

STEP
02

STEP
03

STEP
04

▶ Identifying materiality P.19

STEP03 ▶ Narrowing Down/Drafting Material Issues

Each issue was evaluated in terms of both risk and opportunity. Their importance to stakeholders was then analyzed through reviews and discussions by the following groups in reference to assessment criteria laid out by ESG ratings providers (FTSE Russell, MSCI, and CSA) and SASB.

- 1 Sustainability Committee
- 2 Group interviews with all five outside directors
- 3 Individual interviews with the President & CEO and Executive Vice President

As a result, we narrowed down the list to the 26 most important issues by examining what value they would provide to society considering the relevance to our business characteristics and the other issues.

Among these, we held multiple discussions on the environment, with comments such as, “businesses that develop software like ours have a relatively low impact on climate change” and “there are limited opportunities for us to contribute directly through our businesses.” While we will continue to address matters requiring a response as a corporation, we have determined that the environment has a lower priority in terms of materiality at this time.

▶ Discussion on Environmental Categories

Category	Issue	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 adaption	▶ TCFD P.49

STEP04 ▶ Finalizing through Management Discussions

In addition to the Sustainability Committee, composed of business division heads and other executives, the Executive Vice President (current Representative Director, President & CEO) also participated in evaluating the importance of potential material issues.

Several discussions were held from the perspective of “issues particularly requiring focused attention in order to achieve sustainable growth and improve corporate value,” with a great deal of feedback given that particularly concerned value provided to customers and talent essential for company growth. As a result, we consolidated issues whose meanings overlapped and extracted key aspects, selecting 9 issues from the 26 previously selected. The material issues selected through this process were deliberated on and approved by the Board of Directors.

Revising Materiality

The Group's materiality refers to issues particularly requiring focused attention in order to achieve sustainable growth and improve corporate value over the medium to long term toward our vision to become "The World's No. 1 Digital Entertainment Company," based on "Creativity & Contribution." The identified material issues are linked to the future value creation of the KOEI TECMO Group, and we will tackle them in conjunction with the Fourth to Sixth Medium-Term Management Plans.

	Materiality	Details
01	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.
02	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.
03	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.
04	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.
05	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.
06	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.
07	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.
08	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.
09	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.