KOEI TECMO's Sustainability

KOEI TECMO has established its purpose as "Creativity & Contribution" and "Level up your happiness." Based on these two factors, we are working to link our management strategies to sustainability efforts in accordance with our Basic Policy on Sustainability. Through our sustainability activities, we will bring new entertainment value to society, thereby contributing to the realization of a richer and more sustainable society.

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 regularly deliberates and makes resolutions on sustainability policies, strategies, and initiatives at least once each quarter. The matters discussed and resolved by the Sustainability Committee are reported regularly to the Board of Directors, which supervises the Committee's activities.

Board of Directors

Reporting — Supervision

President & CEO

Control

Sustainability Committee

Chairperson	Hisashi Koinuma (President & CEO, Representative Director)
Committee members	CSuO, General Manager and Deputy General Manager of the Business Administration Division, Executive Officers, General Manager of Human Resources KOEI TECMO GAMES: General Managers of the Entertainment Division, IP Business, Entertainment Production Division, and Marketing Division; KOEI TECMO WAVE: President; KOEI TECMO NET: Managing Director; KOEI TECMO QUALITY ASSURANCE: President
Secretariat	Sustainability Promotion Office

Cooperation

The Sustainability Promotion Office takes the lead in promoting measures together with related internal divisions and group subsidiaries

Major Agenda Items in FY2024

During FY2024, the Board of Directors and the Sustainability Committee made deliberations centered on revising materiality.

Meeting body	Actual results	Major agenda items
Board of Directors	Six times in total	[Reports] ・Activity report of the Sustainability Committee for FY2023 ・Revising the Sustainability Basic Policy ・Greenhouse gas reduction targets, scenario analyses [Resolution] ・Revised materiality
Sustainability Committee	First	[Report] ・Assessment of ESG ratings providers [Resolutions] ・Disclosed sustainability items in the securities report for the fiscal year ending March 2024 ・Makeup of Sustainability Committee members
	Second	[Report] ・Reflecting on sustainability items in the securities report for the fiscal year ending March 2024 [Resolutions] ・Examined the goal of human resource ・Made progress on revising materiality
	Third	[Reports] ・Purpose of materiality, direction of revising ・Work engagement analysis results [Resolution] ・Revised the Sustainability Basic Policy
	Fourth	[Resolution] ・Examined materiality longlist
	Fifth	[Resolution] ・Identified materiality
	Sixth	[Reports] ・Results of greenhouse gas scenario analyses ・Change in Sustainability Committee members in FY2025 ・Analysis of ESG ratings providers assessment [Resolution] ・Set greenhouse gas reduction targets

TCFD Recommendations Initiatives

Within our Group, through discussions at the Sustainability Committee and the Board of Directors, we have determined that, given the industry characteristics that involve relatively limited impact from climate change, related items have not been identified as material issues. However, we remain committed to continuing disclosures in line with the TCFD recommendations. In FY2024, we formulated scenario analyses and greenhouse gas emission reduction targets.

Governance

Matters are regularly deliberated and resolved by the Sustainability Committee, then reported to the Board of Directors. Measures related to resolved matters are planned and implemented primarily by the Sustainability Promotion Office and Real Estate departments.

Board of Directors (three times in total)

● Scope 1, 2, and 3 results in FY2023 (report)
● Greenhouse gas reduction targets, scenario analyses (report)
● Results of examining climate change-related items in revising materiality (report)

Sustainability Committee (three times in total)

● Sustainability-related disclosure in the securities report for the fiscal year ending March 2024
Scope 1, 2, and 3 results (report)
● Set greenhouse gas reduction targets (resolution)
● Greenhouse gas scenario analyses (report)
● Examining climate change-related items in revising materiality

Metrics & Targets

The Group calculates Scope 1, 2, and 3 greenhouse gas emissions based on the GHG Protocol to manage the progress of climate change countermeasures. We aim to reduce Scope 1 and 2 emissions to 50% of FY2023 levels by FY2030 toward achieving net-zero by FY2050.

Change in Scope 1 and 2 GHG emissions(target)

FY2023	FY2030	FY2050
5,352 t-CO2	Reduction to 50% of FY2023 levels 2,676 t-CO2	Achievement of net-zero 0
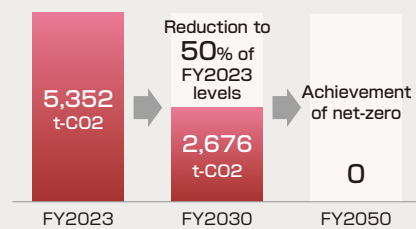
(Unit: t-CO2)

Greenhouse gas emissions of the KOEI TECMO Group (results)	Category	FY2023	FY2024
	Scope 1	127	112
	Scope 2 (market-based GHG emissions)	5,225	5,464
	Scope 3 (total)	94,861	81,200

Strategy and Risk Management

Qualitative risks and opportunities based on climate change scenarios

We analyzed the risks and opportunities that climate change poses to the Group's finances under scenarios including a world where the temperature rise is kept to 1.5℃ and one where the temperature rise is as much as 4℃ . When examining scenario analyses, we referred to scenarios established by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), which are also cited in the TCFD recommendations. Note that for examinations of climate change risks and opportunities, we classify the examination timeframe with the following definitions: "short-term (1–3 years)," "medium-term (3–10 years)," and "long-term (10–15 years)."

Quantitative risks based on climate change scenarios

We quantitatively analyzed climate change risks in respect of electricity costs for the game development business and physical damage to real estate owned by the Group. As a result of assessing the level of impact over the short and long-term using predictive models and flood risk tools offered by specialist agencies, we concluded that both risks would have a limited impact.

a. Financial impact of changes in electricity prices

We predicted future fluctuation of electricity rates based on the scenario of "countries not taking sufficient steps to combat global warming" (upwards emissions scenario) created by the Research Institute of Innovative Technology for the Earth (RITE).
We then compared this predictive data with our current electricity usage and from this, calculated how much the costs we pay would increase if electricity rates were to rise. As a result, it was determined that the increase in costs would remain at a "low" level for any period, whether short term, medium term, or long term, and would therefore have an insignificant impact on our long-term plans.

b. Financial impact of physical damage to assets

We estimated the extent of damage to our Company's offices and other buildings in the event of flooding caused by a future 4° C temperature rise. Using tools from the Japan Innovation Center of Civil Engineering (JICE) and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), we have calculated damage costs based on flood depths. As a result, assessments showed that our buildings would incur no damage, and it was thus concluded that such flooding would have no financial impact on the Company. This risk is therefore not expected to adversely affect our long-term plans.

For details, please refer to our Securities Report

▶ **Assessment of impact level in examining risks and opportunities**

Category	Area of impact	Short term	Medium term	Long term
Transition risks				
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				
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

Information Security

As a Group working to expand globally, trust-based relationships with stakeholders are an essential part of our business growth. For this reason, we are striving to strengthen information security as a high priority by setting "Protect consumers and provide them with an environment where they can safely enjoy the company's content" as one of the Group's material issues. The Group will continue to provide an environment where customers can safely enjoy our services by building a robust Group-wide security framework and ceaselessly working to protect personal information.

Governance Structure

The Group has established an escalation process for cases where it acquires risk-related information. In the event of an incident, a response system will be established under the direction of the director in charge of information security, and when required, the Risk Management Committee, chaired by the President and CEO, will be convened.
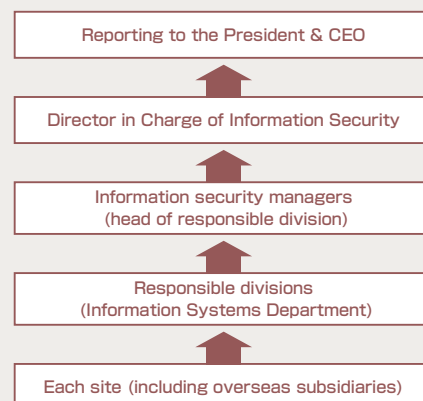
Moreover, we have created a Personal Data Handling Manual for each division and have established a system whereby, in the event of a privacy-related incident, the person in charge of handling personal data in each division promptly reports the incident to relevant parties, including responsible managers in related divisions. Additionally, reports are made to the President & CEO as appropriate.

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.

Currently, the Deputy General Manager of the Business Administration Division serves as the officer in charge of information security for the Group.

Escalation System

Reporting to the President & CEO
↑
Director in Charge of Information Security
↑
Information security managers (head of responsible division)
↑
Responsible divisions (Information Systems Department)
↑
Each site (including overseas subsidiaries)

Strategies

Risk Control

a. Unauthorized access and malware* countermeasures
We implement integrated and effective measures that incorporate a multi-layered defense against unauthorized access and other risks, while also preparing for external attacks. We have also added multi-factor authentication (MFA) for access to information systems and cloud service, combining multiple types of authentications to reduce the risk of unauthorized access. We constantly collect information on new standards and trends and update our security management information to ensure that we can implement optimal countermeasures, while assessing the need for them.
*A general term for malicious software such as computer viruses, worms, and ransomware. These aim to infiltrate systems, steal information, or cause destruction.

b. Information leak risk countermeasures
To reduce the risk of information leaks, we encrypt files containing personal or confidential information using information protection tools. We have also taken measures to protect content so that, even in the event of a data leak, nobody but relevant personnel can access the contents. In addition to strengthening the management of information taken outside the company by employees, we also collect operation logs to help prevent information leaks from within the organization.

c. Natural disaster risk countermeasures
To increase business continuity, we promote the use of cloud platform environments in compliance with international standards to prevent the shutdown of mission-critical systems due to major earthquakes and other natural disasters, along with cyber-attacks. We are also strengthening backup networks between each base within the Group, as well as eliminating single points of failure and adding redundancy to each base's network, thereby reinforcing backup networks.

Employee Education

We regularly conduct information security training and targeted attack email drills to enhance employee awareness and skills. Specifically, we provide information security training via e-learning for all employees including those at domestic and overseas Group subsidiaries and have achieved a 100% completion rate. The Group also implements targeted attack email drills, sending simulated attack emails to employees to teach them the appropriate response, thereby enhancing their awareness and ability to respond to attacks. As a result of training, the Group demonstrated a higher level of responsiveness than the average across domestic Japanese companies for both email opening rate and reporting rate. Furthermore, improvements could be seen in FY2024 compared to FY2023, confirming the continual effectiveness of training.

Management of domestic and overseas Group subsidiaries

By centralizing management of Group-wide internal information infrastructure within the Information Systems Department and clarifying responsibilities and standardizing operations, the Group has strengthened our management framework and improved operational efficiency. Furthermore, by centralizing the management of the Company's internal information infrastructure, the Group has established a unified security operation framework that enables prompt responses to potential threats and reduces the risk of information leaks, thereby ensuring the security of information assets across the entire Group. Through these initiatives, the Group strives to maintain stable operations and a high level of security.

Establishment of 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 to respond to the incident in accordance with the escalation process outlined in the Group's governance structure.

▶ BCP measures
As part of our BCP measures, the BCP Basic Global Regulations stipulate that incidents impacting business continuity beyond the scope of "risk incidents" defined in the Risk Management Global Regulations be classified as "business crisis incidents." In such cases, we will establish a Business Crisis Response Headquarters. In respect of the headquarters, the rules (1) grant it temporary authority beyond that granted by regulations during normal times, and (2) enable it to omit or simplify certain internal procedures.

Risks

The Group considers the following to be business risks related to information security:
● System outages, or data leaks, loss, or tampering due to unauthorized access or cyberattacks
● Increased costs and procedures associated with compliance with relevant laws and regulations
● Decline in social trust due to information security incidents
● Information leaks due to the removal of important information
● Liability for lawsuits, fines, or damages arising from information security incidents

Value Creation with Stakeholders

To achieve one of the Group's nine material issues, "Contribute to the enrichment of people's minds," we collaborate with local governments and communities to implement initiatives through hosting events and supporting education. The Group aims to create a sustainable and better society through its businesses by providing new valuable experiences and excitement, nurturing communities, and being a part of local communities and academic activities.

Nurturing the Future with *Machi no Sensei*

The Group is providing *Machi no Sensei* vocational education activities at local elementary and junior high schools. We communicate the appeal of the gaming industry and the many diverse careers available, thereby supporting the career development of children, who are responsible for the future. By nurturing children's intellectual curiosity and aspirations for the future, we will contribute to realizing a sustainable society.
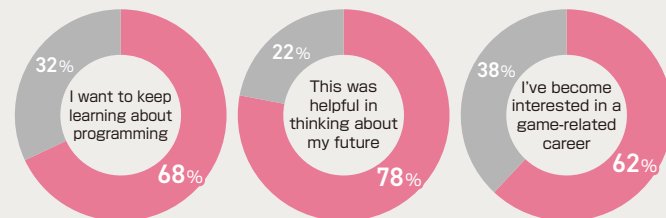
▶ Events held

Unit: event

FY2020	FY2021	FY2022	FY2023	FY2024
1	4	7	6	9
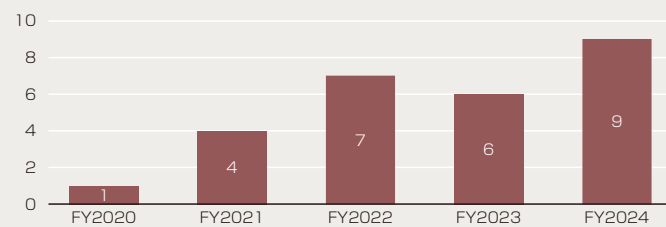
▶ Results of survey for students taking part in *Machi no Sensei*

■ Agree or strongly agree   ■ Can't say either way, disagree, or strongly disagree

I want to keep learning about programming
32% / 68%

This was helpful in thinking about my future
22% / 78%

I've become interested in a game-related career
38% / 62%

Class at Yokohama Municipal Nishimae Elementary School

Class at Yokohama Municipal Karuijawa Junior High School

Collaboration with Local Communities

The Group has been working to revitalize local communities in collaboration with local governments, NPOs, elementary schools, and other organizations since FY2021. In FY2024, we organized an independent research project using worksheets themed on the Feudal-Japan walking game *NOBUNAGA'S AMBITION: Shutsujin*. Through this, we hoped to spark an interest in history among elementary and junior high school students. Furthermore, in 2025, *NOBUNAGA'S AMBITION: Shutsujin* featured a collaboration with the Yonezawa Uesugi Festival in Yonezawa, Yamagata Prefecture with an in-game event encouraging players to visit the festival locations. We also collaborated with the Public Interest Incorporated Foundation Shiga Prefecture Center for Promoting the Elimination of Organized Crime to produce anti-organized crime awareness posters and carry out related activities. Utilizing our content offers opportunities for us to deepen our connection with local communities, while also contributing to the development of future generations and the realization of a better society.

Collaborating through Yonezawa Uesugi Festival in Yonezawa city

Anti-organized crime awareness posters produced in collaboration with the Public Interest Incorporated Foundation Shiga Prefecture Center for Promoting the Elimination of Organized Crime

NOBUNAGA'S AMBITION: Shutsujin worksheets for research project at school

University Lectures

The Group takes part in lectures and endowed courses by management and engineers with the aim of providing practical education for students responsible for the future and developing the next generation. We share insights on the latest technologies in game development, AI, game engines, and similar areas, as well as communicating the roles that games play in society, such as passing down stories, originating IPs, and propelling cutting-edge technology. We provide an opportunity to deeply examine the social impact and potential of games for students aspiring to enter the game industry or take on gaming-related research.

Lecture by Chairperson Erikawa at Waseda University

Lecture by Chairperson Erikawa at Institute of Science Tokyo

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