

Outside Directors Roundtable Discussion

Supporting Sustainable Growth through Effective Governance, Rooted in Healthy Dialogue and Transparency

Roundtable Participants



Masao Tejima
Director (Independent
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Director (Independent
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Director (Independent
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Separating Oversight and Execution; Choosing a President

— What is the goal of separating oversight from execution?

Sato On June 19, 2025, we separated oversight from execution. This was a critical step for our Group to shift into a new stage of growth. When the Board is integrated with the execution side of business, it creates a fundamental issue in governance: the more difficult the problem, the more the discussion will tilt towards the logic of the execution side, making objective oversight far more difficult. As we strive to become one of the Global Top 10 over the next ten years, I believe this organizational reform, which will help us make sound decisions both in the short- and long-term, is coming at the right moment, and is extremely significant.

Tejima I've learned from running businesses overseas that separating oversight from execution is a core tenet of

governance, one to which our Board adheres. The execution side should concentrate on driving our business forward, and the Board should focus on overseeing operations from the perspective of our shareholders and society as a whole. This clear split in duties makes management more transparent, more stable, and more expedient when making decisions. The most important thing for any company is to be run properly, and in accordance with all applicable rules and laws, such as the Companies Act. As a sitting executive at another company, I always make my voice heard when something feels off. I also push for clearer rules and more transparent disclosure of information. This will help to bolster the effectiveness of the Board.

Uenuma From the outside, our company might give the impression of being an owner-operated company, but in reality, we have lots of open discussions and are welcoming to a diversity of opinions. The corporate environment we have here is one where even outside directors can work hand in hand with management and contribute to efforts improving our corporate value.

— Could you explain the process of selecting the new president and the role of the Nomination & Remuneration Committee?

Kobayashi As chairperson of the Nomination & Remuneration Committee, I was deeply involved in the succession process. When our new president, Mr. Koinuma, became Executive Vice President (Representative Director) in 2018, we've taken advantage of our many opportunities to discuss succession at our Board meetings. After much discussion, our Committee members decided that "now is the right time", and there were no particular objections to moving forward with the succession. The fact that this process followed through to a decision reflects the strong roots of our organizational framework, where each decision is subject to careful review from external perspectives. The deliberations of the Nomination & Remuneration Committee used to be only somewhat of a formality, but when an outside director started chairing the Committee in 2022, they became even more rigorous. We don't simply vote for or against personnel proposals. We start by having the execution side lay out all of the logic behind their proposal, and if that doesn't convince us, we stop the proposal there.



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We consistently stick to this approach, too. This constructive tension, where we refuse to simply go along with any cozy arrangements, is much healthier for the Committee as a whole.

— How do the outside directors see President Koinuma's strengths?

Hayashi Yoichi Erikawa, our founder and chairman, is both a creator and a manager, a combination that has now become part of our corporate DNA. I have always believed that our next leader should be a dual spirit that embodies that ethos, and President Koinuma is exactly that. Not only is he the creative force behind some of our biggest game titles, he also has a sharp sense of profitability and a warm, welcoming personality. His new responsibilities as President allow him to further develop his potential, too. It's remarkable how he continues to grow as a business leader. His open communication style will further strengthen the unity of our creator-driven organization, one of our defining assets. From my point of view, Mr. Koinuma is the perfect person to lead our ever-evolving Group into the future. His leadership style blends business acumen with a real understanding of the creative process, and his commitment to treating everyone equally with respect shows his true character. I look forward to seeing how he will be able to leverage his skills and qualities in his new position at KOEI TECMO.



More advanced information and rich, probing dialogue promote effective decision-making

Hayashi This is my third year as an Outside Director, so I now feel like I can be more deeply involved in our discussions than ever before, and make my voice heard with a stronger sense of responsibility and ownership. Many members of the Board of Directors have experience serving as company presidents, so there's this sense of tension at every meeting, as we're all taking things very seriously. That's why I'm constantly learning and preparing for our discussions. The General Meeting of Shareholders taught me a lot, too. When I see our enthusiastic fans engaging in warm dialogue and expressing their opinions about the Company, I get a deep sense of the trust our shareholders place in us. This sincere dialogue with shareholders and the Board's acceptance of diverse opinions from both inside and outside the company are manifestations of our management's openness, and that helps build even more trust in what we do.

Kobayashi We also continuously monitor the progress of game development, sales, and other business elements in line with our Medium-Term Management Plan. If we fall short of our targets, we have the opportunity to receive a detailed explanation from management about the underlying factors and reasons that led to these shortcomings. This kind of dialogue has made the Board of Directors even more effective, especially in the last

few years. Before, materials would come out on a disjointed schedule, but now everything is shared in advance, and that has helped to dramatically improve the quality of our discussions. When we ask for more detail on something, like the progress of a major title, management responds quickly and transparently by disclosing KPIs and the latest statistics, which helps foster more constructive discussions.

Ogasawara Our Board of Directors also meets more frequently than other companies, typically twice a month. That allows us to continuously monitor projects and get rapid feedback, leading to faster, higher-quality management decisions. Getting comprehensive materials in advance and meeting frequently are both major factors that improve our governance.

Uenuma As a pretty avid gamer myself, I play a lot of our titles—which is why I always approach my oversight from the point of view as a fellow player. Looking to the year ahead, I want our Board of Directors to discuss innovative technologies, such as AI, and how we can best make use of these new resources. While AI has the potential to revolutionize game development and production, it also opens up a variety of key legal issues surrounding intellectual property and creative expression. Having previous experience with legal risks and regulatory frameworks in new innovative technologies, I believe we need perspectives that address both the technological progress and legal implications of AI to gauge how it will impact us.



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Sato Technology changes at lightning speed in our industry, constantly creating both new business opportunities and harmful risks. In this ever-changing environment, one key to effective governance is eliminating the information asymmetry that often arises between execution and oversight. At our Board of Directors meetings, management briefs us on the latest industry trends and quarterly analysis of competitors. We also have Q&A sessions on emerging technology, such as AI. Two-way communication is encouraged by timely updates from management and proactive, constructive questions from outside directors. This sustained dialogue steadily reduces the information gaps between us, creating a structure within which we can engage in high-quality discussions with a well-informed command of a rapidly-changing business environment.

Fortifying our human resource strategies through medium- to long-term investments and multifaceted monitoring

Kobayashi At the end of the day, the source of our corporate value is our people. That's why our discussions are about more than just selecting the CEO and executive suite—we want to

invest in our human resources by developing the next generation of leaders, improving our evaluation systems, and honing our recruitment strategies. One thing that stands out in particular is the Group's steady intake of around 200 new graduates every year. In a time when hiring work-ready personnel is often the norm, it strikes me as relatively rare, and valuable, that the Company is so determined to invest in talent in the long-term.

Uenuma While continuing to hire new graduates en masse, the Company also sets a high bar for expertise in areas such as technology and security. That balance is one of our strengths. These technological skills can extend beyond the gaming sphere into education and security, too.

Tejima For me, the Group's sustainable growth is all about its investment in people. You can have all the advanced equipment and high-performance tools you want, but they're meaningless if you don't have the personnel who know how to use them properly. This is why people are at the heart of management. This is the premise that drives us to invest resources first and foremost into our personnel, and will spur our growth over the next ten years.

Ogasawara In FY2024, when the Company reviewed its material



issues—the issues most critical to enhancing corporate value—it interviewed us outside directors to get our honest feedback on what really matters for future growth. From that feedback, we gained a new appreciation for the importance of people within our organization, but also moved to adopt a quantitative goal of becoming one of the global top 10. That gave the Group's basic management policy a clear and logical foundation, and having this common ground is a massive step forward for the Group. I hope the Board of Directors continues to make careful, thorough assessments of both our qualitative and quantitative priorities, and provide support towards achieving our long-term goals.

Promoting long-term IP development and global expansion

Ogasawara The fact that game fans from around the world support our cultural and historical content is a true testament to the strength of KOEI TECMO's IPs. But developing and expanding an IP is never easy. That is where we come in: to monitor and provide that process with the support and care it needs. IP drives medium- to long-term corporate competitiveness, so decisions on nurturing and deploying an IP need to be grounded in those medium- and long-term perspectives, from a diverse range of viewpoints. KOEI TECMO makes games, which, fundamentally, means we are a manufacturer of sorts. We have a commitment to upholding key elements for manufacturing success: quality, timeliness, and budget. This is why our fans trust us, and why our employees take so much pride in our work. I also think the Company's management practices are appropriate for achieving sustainable growth, especially with the consideration given to employee benefits and the working environment.

Sato While our business is currently focused on games, an important theme for us will be deciding in which fields we want to develop our IPs outside of gaming; for example, media franchising for anime, manga, movies, and more. As an Outside Director, I will oversee how our IPs will be developed and expanded and provide information and feedback that will help the Company with their IP-based strategies and further their growth.

Ogasawara To reach the global top 10, we will track progress step-by-step and provide any necessary feedback to help sustain the Company's long-term growth.

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Healthy dialogue and a culture of sincerity and integrity drive trust-based growth

— What is your message to shareholders?

Kobayashi Our mission as outside directors is to ensure that the vision set forth by management correctly matches the way the organization is run and how employees work. We will monitor and assess any factors directly related to corporate value, such as management decisions, employee motivation, and relationships with our fans, and offer ideas when necessary. This blend of careful oversight and informed advice builds trust over time.

Sato In that sense, the real question is how do we respond to shareholders who support the Company over not just short-term profits, but medium- to long-term. We believe that individual investors with long-term perspectives will appreciate our growth strategies and approach to shareholder returns. We hope our shareholders will maintain their stakes in KOEI TECMO for the long term and continue to support our further growth.

Uenuma Entertainment is not a vital necessity. As such, the true measure of an entertainment company's worth is the value it provides to people on a deeper, emotional level. As a gamer myself, I took on the role of outside director with a commitment to keep the gamer's perspective in mind, and the Company's philosophy and approach still strike a strong chord with me.

Tejima We want our shareholders to be proud to own stock in the Company— that, I believe, is the corporate value we should strive to achieve. And the most important way to achieve that is through full transparency. What is the Board of Directors discussing? How does it make decisions? Sharing that process with our shareholders is the first step to forging a strong sense of trust. If we continue to make good products, run the business with sincerity and integrity, and remain open about our decisions, I know that we can become the kind of company that shareholders will be proud to continue supporting.

Hayashi To me, KOEI TECMO is the model of a reputable company. At its core is a corporate culture of integrity that strives to uphold governance and compliance. When every employee can

take pride in their work, our investors and customers can trust us even more. I bear witness to this positive cycle of pride and trust every day in our Board of Directors meetings.

Ogasawara Through my involvement as an Outside Director, I've seen how KOEI TECMO strives for steady, well-rounded growth while also taking on bold challenges for their future. No matter the situation, we believe in the path we've chosen, and we communicate this clearly both with our employees and our external partners. Although outside directors have limited opportunities to discuss opinions directly with our shareholders, if they were interested in more dialogue, I would jump at the chance to speak with them. That willingness to engage with others is key to building trust with all of our stakeholders. All of us on the Board of Directors will continue to maintain a high degree of independence and diverse perspectives, working to provide sound management oversight and firmly support the Company on its path towards sustainable growth.

