



KOEI TECMO HOLDINGS
INTEGRATED REPORT
2025





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Editorial Policy

The KOEI TECMO HOLDINGS INTEGRATED REPORT 2025 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 "link" between sustainable improvement of the Group's corporate value and management strategies and initiatives, financial capital, and non-financial capital.

In this year's report, we have particularly focused on the following sections in order to address questions from our stakeholders. We hope that this will help stakeholders and other readers more easily understand the Group's growth story.

- (1) KOEI TECMO's four competitive advantages for realizing its long-term vision (P20-P29)
- (2) Specific long-term vision for medium to long-term growth (P9)
- (3) New management structure for strengthening Company governance (separation of supervision and execution function) and transition process (P58-P59)
- (4) Six brands and one studio representing the entertainment business, and visualizing major IPs (P5-P6)

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 2024 (April 1, 2024, to March 31, 2025)

* Some information from April 2025 onwards is also included.

Scope of coverage: KOEI TECMO HOLDINGS CO., LTD. and consolidated subsidiaries

Date issued: October 2025

Regarding Forward-Looking Statements

This report contains forward-looking statements, including the Company'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.

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KOEI TECMO HOLDINGS CO., LTD.

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According to Basic Ideology, the purposes of the KOEI TECMO Group are defined by its corporate ethos and slogan. In order to fulfill our purpose, we have established a Vision that describes our envisioned future, Values that shape our corporate culture, and Basic Management Policies that set out the roles and responsibilities of management. Furthermore, we have identified the issues that should be addressed over the medium to long term to realize the Vision as materiality, formulating our Management Strategies accordingly. Based on this Basic Philosophy, the Group will strive to become the world's No.1 digital entertainment company in a concerted effort.

Purpose

KOEI TECMO Ethos

Creativity & Contribution

Contribute to society through the creation of new value instilled within our products and services.

With the new value we create, enrich people's minds and contribute to their happiness.

Corporate slogan

Level up your happiness

Creating innovative experiences to bring more joy to the world.

The role we play in society is to make the world a happier place through new entertainment.

Vision

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

To uphold our company values while striving towards our ultimate goal.

In order to carry out
our purpose

Values

Our important values
What forms our
corporate culture

Creativity & Business

Those who are capable in both of these areas create new value

Quality & Satisfaction

Provide great satisfaction to customers through high-quality products

Quality, delivery timeliness, and budget

The source of our ability to create new entertainment and sustain growth

Basic Management Policies

Roles and responsibilities of those in charge of management.
Continuously repeating our four-step cycle will enable further sustainable growth.

Provide the Best Entertainment Content
Provide our customers with the most emotionally moving experiences through the creation of superior content.

Achieve Continuous Growth and Profitability
Create a stable management base and aim for continuous growth and development.

Challenge New Business

Continue to take on the challenge of creating something new and beneficial to our society.

Improve Employee Welfare

Become a vibrant and attractive company through the improvement of our business performance and employee welfare.

Materiality

Key issues that should be addressed with priority for the company's sustainable growth and enhancement of its enterprise value over the medium to long term

1. Provide the most emotionally moving experiences by delivering new content that exceeds expectations.
2. Create new appealing features by leveraging IPs.
3. Develop human resources capable of creating new value.
4. Provide a work environment that allows diverse human resources to perform their jobs in a vibrant manner.
5. Ensure proper distribution of economic value.
6. Enhance corporate governance.
7. Communicate the appeal of culture and history to the world.
8. Protect consumers and provide them with an environment where they can safely enjoy the company's content.
9. Contribute to the enrichment of people's minds.

Management strategies

Long-Term Vision

P.9

Medium-Term Management Plan

P.36

At a Glance (Summary of FY2024)

Financial Information

Net sales

83.1 billion yen

Operating profit

32.1 billion yen

Operating profit ratio

38.6%

Exceeding 30% for eight consecutive fiscal years

Global ranking by operating profit*

17th place

* Global digital entertainment corporation ranking by operating profit (based on the company's own research)

Human Capital (Development Capability)

Number of new graduate employees (consolidated)

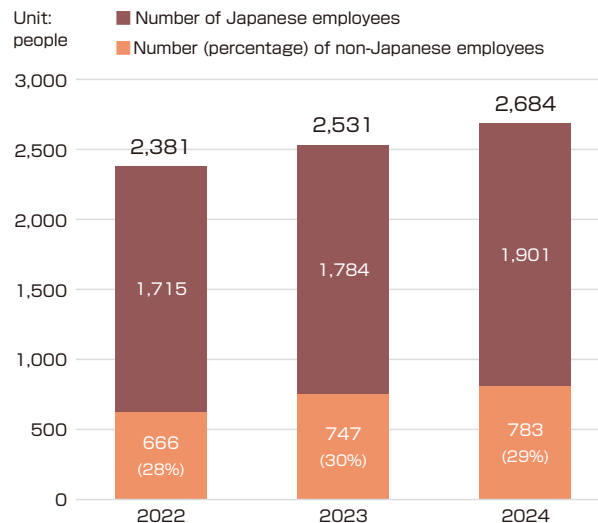
244

(Of this, 45 are non-Japanese employees)

Number of employees in game development roles (consolidated)

2,217

Change in number of employees (consolidated)



Business KPIs

Number of units of game software sold annually

7.63 million units

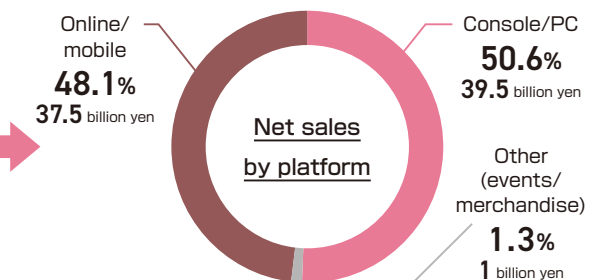
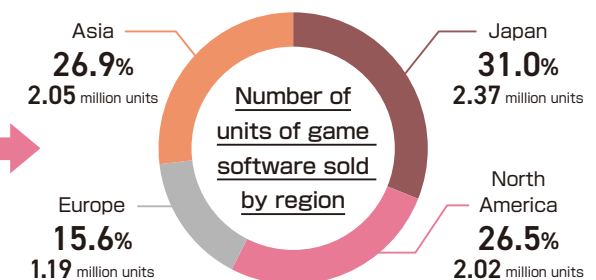
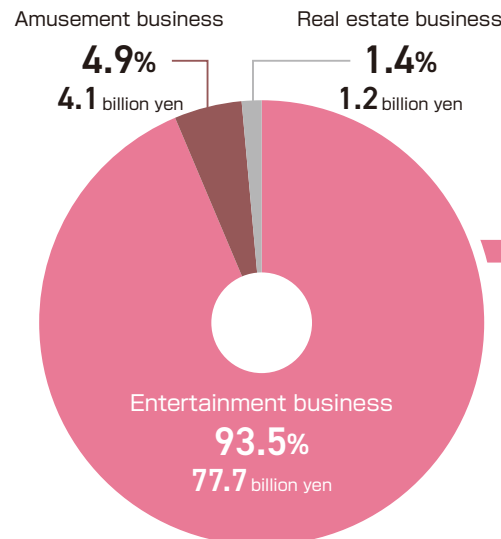
Number of abundant IP (intellectual property) assets

Over 200

Number of titles released/launched annually

9 titles

Net sales by field



KOEI TECMO's Game Development System

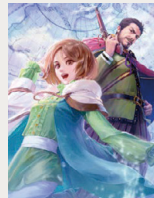
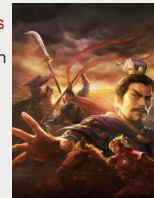
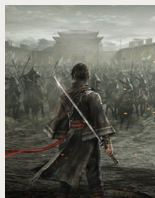
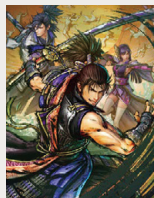
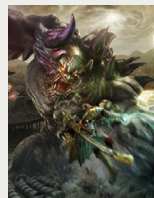
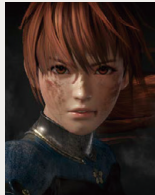
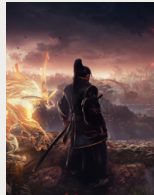
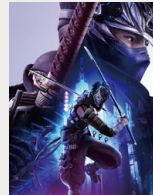
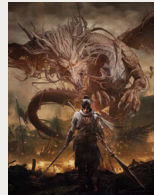
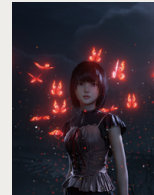
The Group's core entertainment business has incorporated a brand system by which six brands and one studio leverage their respective strengths in developing content. In terms of a framework for supporting the brand system, cross-organizational collaboration between CG, sound, and other development promotion and quality control systems enables us to work toward high-quality and efficient game creation.

		 KOU SHIBUSAWA 	 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 ▶ Introducing Our Main IPs P.6		Over 25 million units Over 9.5 million downloads	Over 40 million units	Over 30 million units	Over 9 million units	Over 2.5 million units	Over 0.5 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		Large (over 200 people)	Large (over 200 people)	Large (over 200 people)	Medium (about 100 people)	Small (under 50 people)	Medium (about 100 people)	Medium (about 100 people)
		      						
		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 20 people at the development base in Vietnam)						

Introduction of Our Main IPs (Intellectual Properties)

The KOEI TECMO Group has created numerous IPs over the last 40 years.
The IPs underpinning each of our brands are what form the core of the Group.

Number of abundant IP assets of the Group:
Over 200

NOBUNAGA'S AMBITION (S) Over 11 million units Historical simulation 1983-  	Romance of the Three Kingdoms (S) Over 9.5 million units Historical simulation 1985-  	Winning Post (S) Over 4.5 million units Horse racing simulation 1993-  	Uncharted Waters (S) Over 7 million downloads Ocean adventure simulation 1990-  	Hadou (S) Over 2.5 million downloads MMO strategy simulation 2020-  	
DYNASTY WARRIORS (S) Over 24 million units Tactical action 2000-  	SAMURAI WARRIORS (S) Over 8.5 million units Tactical action 2004-  	WARRIORS OROCHI (S) Over 5 million units Tactical action 2007-  	Toukiden (S) Over 1.5 million units Hunting action 2013-  	NOBUNAGA'S AMBITION: Shutsujin(T) Over 0.5 million downloads Location-based mobile 2023-  	
DEAD OR ALIVE (S) Over 1.1 million units Competitive fighting action 1996-  	Nioh (S) Over 8 million units Dark feudal-Japan action RPG 2017-  	NINJA GAIDEN (S) Over 7.5 million units Ninja action 2004-  	Wo Long: Fallen Dynasty (T) Cumulative number of players Over 5 million people Dark Three Kingdoms action RPG 2023-  	FATAL FRAME (S) Over 2 million units Horror adventure 2001-  	
Atelier (S) Over 8 million units Alchemist RPG 1997-  	BLUE REFLECTION (S) Over 0.4 million units Heroic RPG 2017-  	Nights of Azure (S) Over 0.4 million units Action RPG 2015-  	Haruka: Beyond the Stream of Time (S) Over 1.2 million units Romantic adventure 2000-  	Angelique (S) Over 0.9 million units Romantic simulation 1994-  	La Corda d'Oro (S) Over 0.5 million units Romantic simulation 2003-  

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

KOEI TECMO's Journey to Creating a Business Base

Introduction

Value Creation
at KOEI TECMO

Medium to Long-
Term Growth Story

Corporate
Governance

Financial and
Non-Financial Data

Pre-Integration of Management

Main milestones

▶1967

Established Nippon Yacht Corporation
(company name changed to Tehkan Electronics Corporation in 1982)

▶1978

Established KOEI Co., Ltd.



▶1985

Established Tehkan Ltd.
Changed company name to TECMO, LTD. the following year

▶1987

Merged Tehkan Electronics Corporation with TECMO, LTD.
Changed company name to TECMO, LTD.



2009

Established KOEI TECMO HOLDINGS CO., LTD. through a business merger between KOEI Co., Ltd. and TECMO, LTD. (currently, KOEI TECMO HOLDINGS CO., LTD.)

1970

1980

1990

2000

Console/PC

Arcades/
amusements

▶1970 TECMO

Built directly operated amusement facilities
Opened the first facility at a bowling alley in Anegasaki, Chiba Prefecture
Start of amusement business

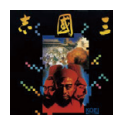
▶1981 KOEI

Released KOEI's first entertainment software, *Kawanakajima no Kassen*
Pioneer of historical games



▶1985 KOEI

Released historical simulation PC game *Romance of the Three Kingdoms*
Start of Romance of the Three Kingdoms IP



▶1989 TECMO

Released *TECMO BOWL* and *NINJA GAIDEN* in the US
Foundation for global expansion

▶1994 KOEI

Released romantic simulation game for women, *Angelique*
Pioneer of romance games



▶2000 KOEI

Released mighty warrior action game *DYNASTY WARRIORS*
Launch of Warriors game system, which embodies the multi-layered revenue structure



▶2000 KOEI

Released real-time simulation game *Kessen*
First software title for PlayStation 2



▶2003 KOEI

Began official online service, *Nobunaga's Ambition Online*
First large-scale online multiplayer RPG

▶1983 KOEI

Released *NOBUNAGA'S AMBITION*
A world first! Launch of the first historical-simulation game



▶1986年 TECMO

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



▶1981 TECMO

First in-house developed amusement software, *PLEIADS*



▶1996 TECMO

Released arcade version of *DEAD OR ALIVE*



▶2000 TECMO

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



▶2007 KOEI

Released *Dynasty Warriors: Gundam*
First collaboration title

KOEI TECMO's Journey to Creating a Business Base

Post-Integration of Management

Main milestones

▶2011

Acquired all shares of Gust Co. Ltd., making it a wholly owned subsidiary (merged with KOEI TECMO GAMES CO., LTD. in 2014)

▶2016

Reorganized organization to a brand system based on IP and established five brands, KOU SHIBUSAWA, Omega Force, Team NINJA, Gust, and Ruby Party

▶2017

Established midas brand
Transitioned to six brand system

▶2020

Opened a new office at KT Building and music hall KT Zepp Yokohama in Yokohama

▶2024

Established AAA Games Studio
Transitioned to six brand and one studio system

2010

- Console/PC
- Online/mobile

2016 – 2019 Establishment of brand system

- Console/PC net sales
- Online/mobile net sales
- Other net sales (events/merchandise)*1
- Operating profit

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

▶2010

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

100万人の
信長の野望

▶2012

Launched service for social games *Samurai Cats* and *100Man-nin no Sangokushi Special* in Taiwan, Hong Kong, and Macao

信猫之野望

▶2014

Released *The Hyrule Warriors**2

▶2017

Released *Nioh*

▶2016

Released collaboration title *Attack on Titan*



▶2018

Released IP licensed title *Shin-Sangokushi*, a huge hit in Asia, in Japan

▶2019

Developed collaboration title *Fire Emblem: Three Houses*

▶2019

Released *Atelier Ryza*

▶2019

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

2020

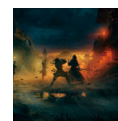
▶2020

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



▶2024

Released *Rise of the Ronin*



2020 – Expansion of company performance

Unit: 100 million yen

▶2023

Released *Wo Long: Fallen Dynasty*

▶2023

Launched mobile games *NOBUNAGA'S AMBITION: Shutsujin* and *Atelier Resleriana: Forgotten Alchemy and the Liberator of Polar Night Liberator*

▶2022

Launched mobile game *Nobunaga's Ambition Hadou*

▶2020

Launched mobile game *Romance of the Three Kingdoms Hadou*

*2 The title is published overseas by Nintendo Co., Ltd.

800

700

600

500

400

300

200

100

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 measured by operating profit. We believe this indicator as set out by our Vision is the manifestation of the financial support of our customers who enjoy playing our games. So it can also be said that becoming the world's top earner in operating profit will be a result of the largest number of customers choosing to play our games and enjoying them. As a first step toward realizing this Vision, we will aim to become ranked among the world's top 10 digital entertainment companies in terms of operating profit within the next 10 years (our long-term vision).

First, under the 4th Medium-Term Management Plan (FY 2025-2027), we will make thorough preparations over the next three years to lay the foundation for further growth and then aim to make a leap forward globally under the 5th and 6th Plans. In the long term, we will enhance our investment in human resources and technology while optimizing our global business structure to ensure that we are on the path to becoming the company that achieves the world's highest operating profit.

Global rankings by
operating profit*

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
23rd	20th	17th	14th	17th

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

**4th Medium-
Term Management Plan**
FY 2025-2027

Laying the foundation
for further growth

**5th Medium-
Term Management Plan**
FY 2028-2030

Making a leap forward
globally

**6th Medium-
Term Management Plan**
FY 2031-2033

Entering the next stage of
growth through creativity
and development

Enter into
Top 10

Vision

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

No.1



Moving Forward with the Next Generation Towards Our Goal to Be No. 1

YOICHI ERIKAWA

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

Becoming The World's No. 1 Digital Entertainment Company

My vision is for us to become the world's number one digital entertainment company. In 1988, I exhibited at the West Coast Computer Faire in San Francisco, where I watched countless game companies from around the world unveiling their sophisticated, cutting-edge games. From that moment, I had a new goal: to become the number one game developer in the industry, and create games that are loved and supported by fans all over the world. We can measure that love and support by analyzing our operating profits, which are the quantitative expression of both the value of our products and the amount of enthusiasm our fans have for them. In order to maintain that love and enthusiasm, we must continue to produce high-quality creative products without compromise.

In 1981, I began teaching myself how to program to develop the historical sim *Kawanakajima no Kassen*. I wanted to make a game that I myself would want to play, and there wasn't anything like it on the market at the time. When it was released, its players shared a similar reaction: "We've all been waiting for a game like this!" In that moment, I realized that the game I had created was meeting the needs of our community and bringing happiness to its players. Through that experience, I learned that games can move hearts and make a difference. This is directly reflected in our corporate ethos: Creativity and Contribution.

I still love to play games in my free time. Even now, I find myself getting emotional as I play: surprise, excitement, joy and fear.

This enjoyment is truly universal, and I want all of our players to experience the same emotions with the games our Group produces. To do this, we should challenge ourselves to create games that give players new and unique experiences, and bring existing IPs into fresh, innovative projects to wow our audience.

The global game industry is currently in a state of rapid expansion, growing from 20 trillion yen in 2020 to 29 trillion yen in 2023.* Fueling this growth is the widespread use of smartphones as a platform for gaming. Anyone can easily download, access, and play games on their mobile device every day. New technologies such as virtual reality (VR) and artificial intelligence (AI) are also evolving the modern gaming experience. Our Group sees this expansion and innovation as an opportunity for further growth, and we are devoted to creating new projects that meet the expectations of our diversifying player base. We will need to take on this challenge in order to achieve our vision of becoming the world's number one digital entertainment company.

* From the CESA Video Game Industry Report 2024

Overhauling and Fortifying our Management Structure for New Challenges

In June 2025, the Group transitioned to a new management structure. I have now assumed my new role as Chairman (Representative Director) and Chairman of the Board of Directors of KOEI TECMO HOLDINGS CO., LTD. President and CEO (Representative Director) Hisashi Koinuma will focus on management. While the personnel changes have been discussed

Message from the New Chairman

and deliberated upon by the Nomination and Remuneration Committee since 2019, the decision has now been officially made by the Board of Directors. This structural overhaul is the culmination of the passing of the torch to the next generation, a process I have continuously dedicated myself to since my tenure as President. At the time, I held three important roles concurrently: President of KOEI TECMO HOLDINGS, President of KOEI TECMO GAMES, and General Manager of the Software Division.* I began to transfer roles and responsibilities to Hisashi Koinuma in stages. First, he became the General Manager of the Software Division, followed by President of KOEI TECMO GAMES, then Executive Vice President of KOEI TECMO HOLDINGS. Now, he leads the entire Group.

The Group's mission is to create big hits to maximize revenue. To succeed in this mission, our senior management needs a number of exceptional skills. They must be able to manage multiple projects simultaneously at a high level while delivering on time, under budget, and at our standard of quality.

Koinuma is a rare managerial talent who has both the creative ability of a developer and the business acumen of a manager. He is also noteworthy for his level of experience with 3D technologies, and for his successful launch of the popular *Warriors* series IP. The *Warriors* series has also launched a number of hits made in collaboration with other companies' IPs. One of Koinuma's great achievements is his creation of the multi-layered revenue structure of the Group. He also expanded the potential of our IPs by incorporating a brand system into our production structure. I can say with the utmost confidence that he is well-suited to take responsibility for managing and growing the next generation of the Company.

As Chairman of the Board of Directors, my position will be to supervise the management of the Company. I will provide support to all management decisions by conducting multifaceted reviews of processes such as capital allocation, management plans, investments in development and staffing, dividend policies, and M&As. As our projects continue to grow in size, the skill to execute plans and manage our progress becomes increasingly important. I will also transfer the management of surplus funds to the next generation. I will systematize the knowledge of Chairperson Emeritus Keiko Erikawa to build a structure that can support our core business—developing great games—even after Chairperson Emeritus Erikawa retires. I believe that the

role of a director is not just to manage risks, but also to support the members of our team as they take on incredible challenges. Training good decision-makers leads to sustainable growth, and as they say, a good offense is as important as good defense. With this in mind, I hope to strengthen our management structure and take our corporate value to new heights.

*Currently the Entertainment Division

Reviewing Material Issues ▶ P.18

Our material issues are the core that directly connects our newly-established long-term goal to be ranked within the Top 10 globally with our medium- to long-term management strategies. These newly-revised material issues are linked to the 4th Medium-Term Management Plan, starting this current fiscal year, where they will act as a guiding force for continuous growth. To review these issues, we began with a discussion on the value we want to create for society in order to ensure growth in the medium- to long-term. We identified the issues that external parties expect us to address and the value we will create in the next ten years. Afterwards, we held numerous discussions with the Sustainability committee, while taking into account the opinions of our outside directors and feedback from external parties. Finally, we consolidated these topics into nine separate categories and formally named them as our material issues. Materiality is not simply an indicator of our company management; it is a commitment, and critical to formalizing the Group's goals, purpose, and growth strategy. Our material issues will continue to guide our management plans as we pursue both social and economic value.

Encouraging Our Team to Take Challenges

Our Group believes that taking challenges, without the fear of the consequences of failure, is critical to our culture; as such, we strive to support all of our employees in the challenges they take. The courage to venture into unknown territory, and having a network that supports that venture, is essential to create entertaining and innovative games. I myself have experienced more failures than anyone else at this company, and take pride in each and every one. All of those failures served as springboards

that led us to our next successes. I believe that even when faced with failure after failure, we must continue to be bold and take on even more challenges. This has always been my attitude towards game development, and it is an attitude that has taken root throughout the entire KOEI TECMO Group. Similarly, harsh evaluations and criticism also provide us with opportunities to grow. In March 2025, we launched our first-ever open-world action RPG *Rise of the Ronin*, and while it received a lot of praise, it also received some critical feedback immediately after launch. We took these comments seriously, and doing so helped us to clarify the problems we needed to address. These experiences all boost our efforts to take on further challenges with even more impetus and courage.

I also believe that close collaboration between our teams is pivotal for creative game development. Our team members all have different specialties and skills—planners, programmers, CG designers, and scenario writers, to name a few—and through daily discussion of their thoughts and ideas, they work together to shape the design of a game.

At every stage of development, we hold a number of review meetings, and use that feedback to make repeated improvements to create innovative entertainment. During these meetings, members from all types of backgrounds bring their diverse knowledge to the table to answer key questions: Is this game fun? Will this game meet the expectations of our players? This discussion process not only enhances the quality of the game itself, but also deepens every team member's expertise and broadens their creative horizons.

However, game development is not just about making something fun. If we want to achieve results on time and within budget, it is essential to approach development from both a creative and business perspective. This is why our Group is focused on developing our human resources as both creators who make innovative entertainment and business leaders who create growth and profitability. This is one of our corporate values: Creativity & Business. Not only will they have the passion and creativity to develop new ideas that our users love, they will also be able to manage business-related items such as delivery schedules, quality management, and budgeting. Our Group believes that this skill balance is essential to ensuring the success of our projects, building trust in our products, and realizing growth as a company. This careful attention to the quantitative side of development is

Message from the New Chairman

not just a business decision, but a lesson I learned early in life, when my family's business failed and went bankrupt: a company will not survive unless its numbers are carefully managed.

This lesson is one I have ingrained in our corporate culture, even now. In the early 1980s, the game industry began to take off as many amateur developers started their own small game companies. Not many of those companies have survived until now, however. Many of them focused on emphasizing creativity and free thinking, and neglected the numbers side of the business. That ignorance leads to loss and collapse. This is why we've built a culture of quantitative management, where we set business goals and strive to achieve them.

Game developers must remember to create quality games, on schedule, and within budget. That is how we create value from

artistic vision. It's a doctrine I adhere to myself, and one I have always asked my employees to keep in mind. Our investors have begun to recognize that this is one point that sets us apart from our competition, but I also feel that our long history of careful management and organizational operations have also led to increased employee trust and job satisfaction.

Even in this tough economic environment, our employee retention rate remains extremely high. Staff turnover remains in the 4% to 5% range, one of the lowest levels in the industry, and our three-year retention rate for new graduates exceeds 90%. These exceptional numbers are due to our industry-leading compensation and benefits package, as well as our thorough efforts to create a calm and stable work environment, such as development culture, office facilities, and building security. We also place a high amount of importance on the development of our human resources, and have a system that focuses on promoting internally to develop the future leaders of our company. These day-to-day operations are helping to develop the process that will allow us to hand down our unique values and knowledge to the next generation of the company.

Most important of all, our greatest strength is that each and every member of our team is passionate about games. They all share the desire to surprise our fans from around the world, and strive to tackle new challenges that will help them achieve that goal. When all of their individual experiences and ideas collide, blend, and take shape, we can truly create innovative entertainment and huge hits. I firmly believe it is my responsibility to protect and nurture this culture at our company.

Hand in Hand with the Next Generation

To date, our Group has pursued both stable growth and the raising of our corporate value. Our company has repeatedly performed stock splits, and since 2006 (when we were still KOEI Co. Ltd.), we have consistently reached a consolidated annual total dividend payout ratio of 50% or annual dividend of 50 yen per share, even after our merger in 2009. This has resulted in total dividends increasing up to 17 times their 2009 value, and up to more than 5 times over the past decade, steadily building the assets of our shareholders. This position will remain unchanged moving forward. As Chairman of the Board of Directors, I will guide management decisions while carefully

assessing our situation and maintaining a balance between dividends and growth.

While I will no longer be directly involved in the development of the KOU SHIBUSAWA brand where I got my start, I know it will continue to be one of the core representative brands of our Group. I look forward to watching the next generation inherit our legacy of innovative ideas, attention to quality, and specialized know-how that will further enhance the value of our brands.

My mission now is to ensure my experience and knowledge is passed down to this next generation. I hope to establish development forums where I can share my game development experience and managerial perspectives with these staff members. I also want to encourage discussion to better support the development of the human resources who will bring KOEI TECMO into the future.

As we move forward into that future, we will adhere to our tenets of Creativity and Contribution, while enabling sustainable growth for our company and the assets of our shareholders.

KOEI TECMO will soon take its first leap into a new world. We know our fans have great expectations for us. Together, with the next generation of management, we will aim for even higher heights. Thank you for your continued support. We look forward to sharing this future with you.



Executive Producer
KOU SHIBUSAWA

Message from the New President

Continuing to Create Innovative Entertainment and Pursuing our Goal to Become the World's No. 1 Digital Entertainment Company

HISASHI KOINUMA

President & CEO (Representative Director)

Focused on our purpose and our long-term vision

Our Group's purpose is to enrich the lives of people around the world with innovative entertainment, by following our ethos of Creativity and Contribution and our corporate slogan, "Level up your happiness." This purpose is ever-present in my heart as I assume the role of President & CEO (Representative Director) in June 2025. I pledge to apply my experience and passion to tackle difficult challenges and promote further growth.

We want to become the World's No. 1 Digital Entertainment Company. To take the first step towards realizing that vision, we have set forth on a long-term journey to rank among the top 10 global digital entertainment companies in operating profit.*¹ Continuing to create products that delight our users is essential to achieving this goal. Currently, we are advancing initiatives for a development structure that will enable us to release at least one major title every fiscal year. When our titles are highly rated and well-loved by our players, we generate further operating profit. This is precisely why the Group has set goals based on operating profit: we consider it as tangible proof of our customers' support, and a method to measure what we are capable of as a company.

*¹ Based on the company's own research

KOEI TECMO's growth strategies and the development and expansion of IP

When I joined KOEI Co. Ltd. in 1994, the Company was mainly focused on historical simulation games. Considering that, I began to explore new possibilities in the action genre, and in 2004, we released *SAMURAI WARRIORS*, with myself at the helm as director. The core of the game system is the exhilarating feeling of mowing down hordes of enemies developed in the *DYNASTY WARRIORS* series. When combined with the unique drama of the Warring States period, we created a new gaming experience that went beyond conventional boundaries.

This successful experience taught us that combining game system IPs with creative setting IPs and other character IPs can create something completely new and unique. This led us to establish our collaborative business model, in which we combine our own unique game system IP with another company's IP while sharing development costs and outcomes. This model dramatically increases our potential to develop new products for a wider market by diversifying our development risks and fully utilizing the strengths of both companies involved. Now, this collaborative business model has become a strong pillar supporting the Group's multi-layered revenue structure.



Message from the New President

Of particular note are our titles collaborating with popular IPs, such as *Dynasty Warriors: Gundam*, *Hyrule Warriors*, and *One Piece: Pirate Warriors*. These games have delivered new, exciting experiences to fans of each franchise, and garnered their wide support. In *Dynasty Warriors: Gundam*, we created a new gameplay experience by merging the stylistic traits of Gundam, where robots fight with laser rifles, and KOEI TECMO'S close-combat action, where heroes slash at enemies with blades.

As this model expands and we strike new collaborations with other diverse IPs, I realized it was essential for us to reform our organizational structure as well. This led me to introduce the brand system in 2016, the year after I assumed the role of President of KOEI TECMO GAMES. I radically revised our organizational structure, moving away from the platform-based

system to instead focus on each IP. This does more than just reorganizing responsibilities: it also contributes to the vertical integration of development capabilities and knowledge in order to maximize the value of our IPs. Currently, the Group is comprised of six brands and one studio. Each specializes in their own genre: simulation, casual action, dark action, JRPGs, games for female audience, and GPS games. Each one of these brands can develop the unique skills and knowledge for their specific genre, strengthening them further. Through this deeper understanding, each brand becomes more adaptable, furthering their ability to propose new methods of development and creative expression that levels up each game's potential. The brand system both ensures the quality and completeness of each title and also builds more trust with our fans and

collaborators.

Our Group is also rolling out multifaceted growth strategies centered around our IPs. In addition to our collaborative business model, we are establishing a new revenue stream through operations that grant IP licenses to external companies in order to outsource development, operation, and sales. One prime example of this model is Three Kingdoms Tactics, which was a huge success in the Asian market. With this model, we are able to expand upon the value of our IPs in a global market without directly investing our Group's development resources.

Supporting these IP strategies are our proprietary game engine, KATANA ENGINE™, and our subsidiary company specializing in quality control, KOEI TECMO QUALITY ASSURANCE (KTQA). Our KATANA ENGINE™ dramatically increases development efficiency and facilitates multiplatform distribution, allowing our teams to develop high-quality games for a global market even faster than before. As a third party, KTQA can scrutinize the quality of our games more critically, further strengthening our brand value and profitability.

The growth of our Group is not dependent on a single model of success; it has only been achieved through our complex, multi-layered strategies, such as our IP-centered brand system and external collaboration and licensing, and supporting those strategies with advanced technology and quality assurance management. We are confident that these synergized strategies will be the driving force that enables us to break into new markets and create new corporate value.

Lessons learned from the 3rd Medium-Term Management Plan

For the 3rd Medium-Term Management Plan (FY2022-2024), we set out towards multiple goals, one being a new large-scale IP. Although some of our initiatives did not proceed as planned, we gained valuable experience and reflections that will contribute to the Group's decisions as we move into our next growth stage.

Rise of the Ronin, released in March 2024 to high user reviews, was the Group's first ever full-scale attempt at an open-world*2 action RPG. With *NOBUNAGA'S AMBITION: Shutsujin*, we challenged ourselves to develop a GPS mobile



Message from the New President

game, which broadened the horizons of the genre and helped us to gain further experience. We believe that the learnings from each of these challenges will help future development titles, improving our competitiveness in the market.

In particular, developing a AAA-title^{*3} has highlighted issues in our technological capabilities and management structure, such as our development process, decision-making modalities, and collaboration between departments. Though these gains may not be reflected in the numbers, I believe the knowledge gained from these challenges and the strengthening of our organizational structure will form a solid foundation for creating future successes.

This experience will help us continue taking new challenges when developing major flagship titles, while concurrently building a stable and flexible pipeline through a balanced mix of small- and medium-sized titles. We aim to maximize profitability and creativity while diversifying development risks, leading to sustainable growth.

^{*2} Open world: A genre of game where the player can freely travel across vast virtual spaces as they progress through the story.

^{*3} AAA (Triple-A) title: A major game featuring high-end graphics, detailed storytelling, and large-scale production, which is in turn highly anticipated by users and the market.

The 4th Medium-Term Management Plan and further growth initiatives

The 4th Medium-Term Management Plan (FY2025-2027) will focus on laying a strong foundation for future growth to realize the Company's long-term vision of a top 10 global position.

Specifically, our goal is to achieve a cumulative operating profit of at least 100 billion yen over three years, with the challenge of reaching a single-year operating profit of 40 billion yen. To achieve this goal, we will pursue four growth objectives: growth in the number of pipelines, growth in the quality of pipelines, growth in our sales force, and growth in our cost efficiency. We will focus on three initiatives: strengthening our management foundation, building business strategies, and refining cash allocation.

Reinforcing the skills of our human resources and governance will build the strength of our management foundation. We will secure essential development sources and level up the skills

of each of our teams so we can continuously release major titles every fiscal year. To increase the effectiveness of our governance, we will transition to a new management structure.

The goal of our business strategies is to expand our pipelines and improve the quality of our titles. Building upon the knowledge and reflections obtained from the 3rd Medium-Term Management Plan, we aim to increase the odds of creating a hit product and diversify risk by optimizing the balance of our entire portfolio and improving the quality of each individual project. To further stabilize our revenue base, we will expand our product lineup by utilizing diverse IPs in the mobile game space. We will continue to bolster our sales system and help it evolve. Additionally, we will accelerate our expansion into emerging markets, such as India and Southeast Asia. We will

develop our overseas teams, who have previously focused only on distribution, into full-fledged bases equipped to market, promote, and localize our products, and we will develop flexible strategies tailored to the market and users of each country and region. We hope to deepen our global strategy and improve our competitiveness in growing markets by strengthening collaboration with local partners, expanding our multilingual support, and creating a sales system optimized for each region.

For cash allocation, we place emphasis on balancing growth investments with shareholder returns. We will maintain our basic dividend policy and provide stable and continuous returns to our shareholders, all while continuing to invest in human resources, development environments and facilities, and sales capabilities.



Message from the New President

In the 4th Medium-Term Management Plan, we will improve our business performance and organizational structure over the next three years. In the 5th and 6th Medium-Term Management Plans, our goal will be to achieve further growth and realize our long-term vision. Our motivating philosophy—to bring more happiness to people all over the world through innovative entertainment—will drive us to realize steady, sustainable growth and further increase our corporate value.

An employee development strategy that fearlessly evolves our company culture

As we embark with our new structure, our top priority is to inherit the values and culture built up by our Group, then to implement the changes required for our next stage of growth without fear or worry. This inheritance and transformation will be realized by the power of our human resources—our most valuable asset. Our products are a product of the creative abilities and efforts of each and every one of our employees. The scale of an organization is the depth of its human resources, and it is the broadening of this depth that will be the source of our future competitiveness. Currently, our structure consists of approximately 2,600 employees, but we plan to hire over 200 additional employees each year, primarily new graduates, with the aim of eventually reaching a total headcount of 5,000 employees.

To strengthen our human resources, we are not only focusing on recruitment, but also training and development of our existing resources and the workplace environment in the long-term. We offer our youngest employees diverse opportunities to build up their practical experience in the early stages of their careers. We also have an in-house recruitment system that increases the mobility of our human resources across brands, allowing employees to broaden their skills and perspectives in areas that suit their own aspirations. We also aim to improve our employee retention rates by expanding upon systems that support the basic needs of our employees, such as company dormitories, company housing, and student loan repayment support programs, as well as working to achieve a balance between employee job satisfaction and a comfortable work environment.

We will strive to build a team of innovative creators and

growth-minded business people who will pave the way to the future of our Group.

The key to successful inheritance and transformation will be to understand the ethos and essence of KOEI TECMO and adapt it to our current environment. We will preserve the vitality of our organization through modernization, and turn change into growth. This is the resolve that will guide my leadership.

Governance and Decision-Making Structure

When we transitioned to our new management structure in 2025, we wanted to strengthen the supervisory function of our Board of Directors, so we increased the number of external directors to constitute a majority of the board, and modified our structure to clearly separate supervisory duties from management duties. These changes will help us make timely and accurate management decisions while increasing the transparency and soundness of these decisions. Governance does not only call for the management of our internal systems; it also requires those systems to operate efficiently. Our Board of Directors oversees our growth progress from a medium- to long-term perspective, and constantly evaluates the appropriateness of each decision and how we respond to risks. When we make bold investment decisions that are essential for our Company growth, we incorporate multifaceted oversight from multiple perspectives to ensure we take the best possible action.

We must also update our governance-strengthening initiatives to keep up with current standards. We will continue to verify the effectiveness of our strategies under this new management structure and revise them as necessary to continue improving the quality of our management.

Hand in hand with our supporters

With technology continuing to evolve, the diversification of values, and structural changes in the global market, the world of entertainment is changing at an unprecedented rate. Despite these dramatic changes, the KOEI TECMO Group continues to value the ethos of Creativity & Contribution inherited from Chairman Erikawa and our dedication to creating innovative entertainment. With these philosophies in mind,

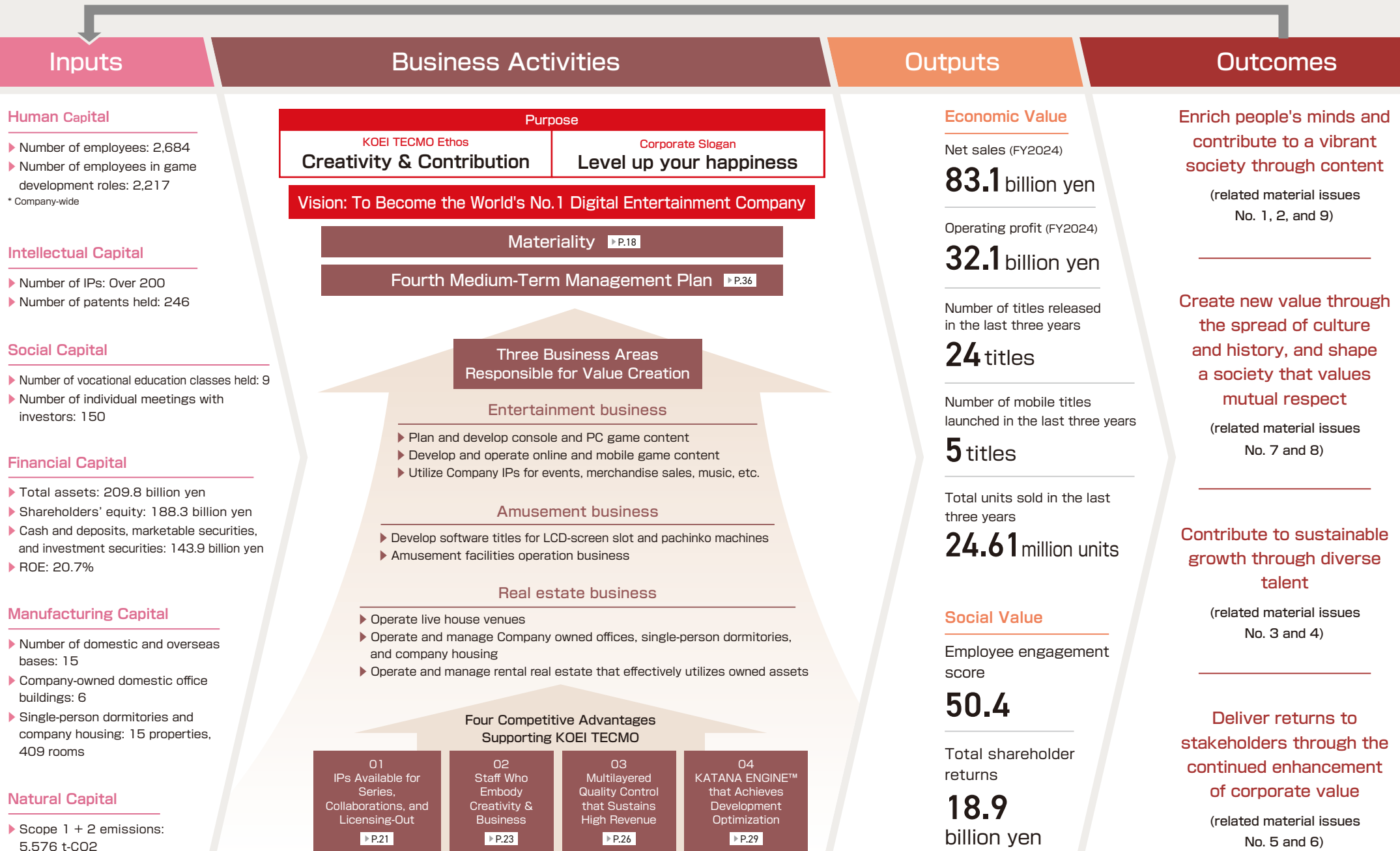
the Group now embarks towards our next stage. We will not merely be satisfied with our past successes; we will continue to question ourselves, accept change without fear, and constantly be on the lookout for our next move. It is precisely this attitude that will give our company the strength to forge a path into a future where there are no right answers.

Moving forward, we will boldly step foot into new, broader areas of entertainment, beyond just gaming. Utilizing our myriad IPs, we will explore new, innovative experiences by networking with our communities and collaborators, and look to combine them with new technologies such as generative AI, all with the goal of creating future projects that exceed all expectations. To meet these challenges head-on, we must place the highest amount of value on our people. People create content, deliver content, and experience our content. The extraordinary power of entertainment comes from the ability for people to imagine, love, and understand. This is the belief that will propel us forward. People are at the center of our world -- not just our employees and users, but our shareholders and investors. We will continue to build trust with our stakeholders while tackling new challenges to achieve sustainable growth and a brighter future.

The KOEI TECMO Group will strengthen our cycle of value creation: where the titles we create are enjoyed by people of all ages and cultures, generating profits that help us produce our next innovative creation. This cycle allows us to achieve our ethos of Creativity and Contribution, and will lead to further growth of our corporate value.



Value Creation Process



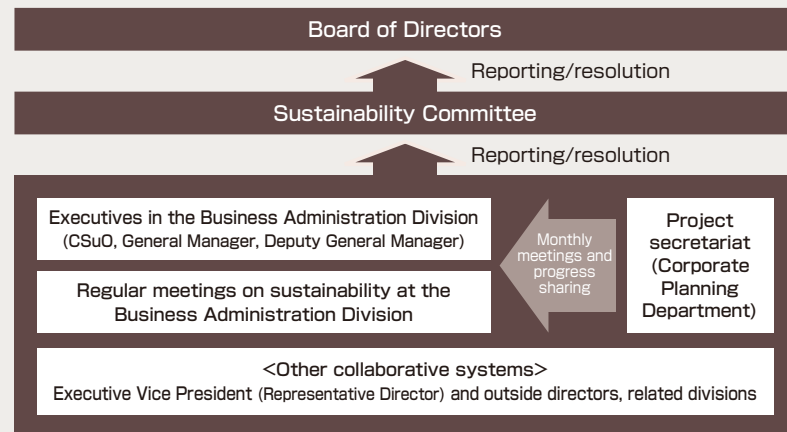
Revising Materiality

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
● Vision ● Basic Management Policies ● Medium-Term Management Plan and other factors used as a basis for the 7 offense issues	● 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.

KOEI TECMO's Four Competitive Advantages

The unique expertise developed by KOEI TECMO Group over the last 40 years has served as a source for achieving sustained growth and high profitability within the rapidly changing entertainment industry. The following four competitive advantages underpinning the value creation cycle at KOEI TECMO interact together to create a solid foundation for the Group's businesses.

Four Competitive Advantages

01

IPs Available for Series, Collaborations, and Licensing-Out

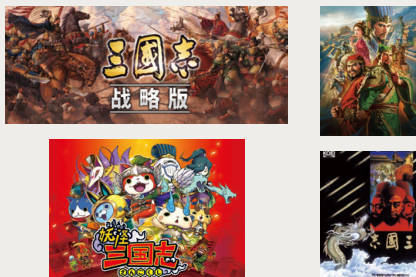
▶ P.21

▶ Multi-layered revenue structure that leverages IPs

By building a multi-layered revenue structure, we ensure sustainable and stable revenue and expand the areas where IPs can be used, thereby increasing their value and potential.

▶ Two different unique IP types

The Group has two different unique IP types. We are not only using IPs as "character IP", but also rolling out IPs as "game system IP". In particular, we are not just expanding the "game system IP" using our own IPs, but are also actively collaborating with partner companies to create new forms of entertainment with their IPs.



02

Staff Who Embody Creativity & Business

▶ P.23

▶ Highly experienced management team and brand heads

As game creators who have experience developing successful game titles, executive management and brand heads directly leverage their expertise and experience in developing business strategies.

▶ Capability to produce global IPs

Interview with Yosuke Hayashi, Executive Vice President of KOEI TECMO GAMES

▶ Capability to launch IPs for the mobile sector

Interview with Yukinori Ito, Senior Executive Officer of KOEI TECMO GAMES



03

Multilayered Quality Control that Sustains High Revenue

▶ P.26

▶ Strict control of quality, delivery, and budget

From the planning stages to post-release, we conduct strict checks based on a management framework to ensure quality and control delivery and budget.

▶ Quality assurance by specialist organizations

Checks by KOEI TECMO QUALITY ASSURANCE is combined with those conducted by external partners to ensure quality from multiple perspectives.

Development team

Collaboration
to improve
quality

Quality control

04

KATANA ENGINE™ that Achieves Development Optimization

▶ P.29

▶ Speedy platform compatibility

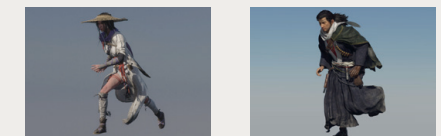
We roll out titles across multiple platforms (consoles, mobile, PC, etc.) over a short period of time while achieving both high efficiency and high-quality game play.

▶ Improved development and cost efficiency through AI utilization

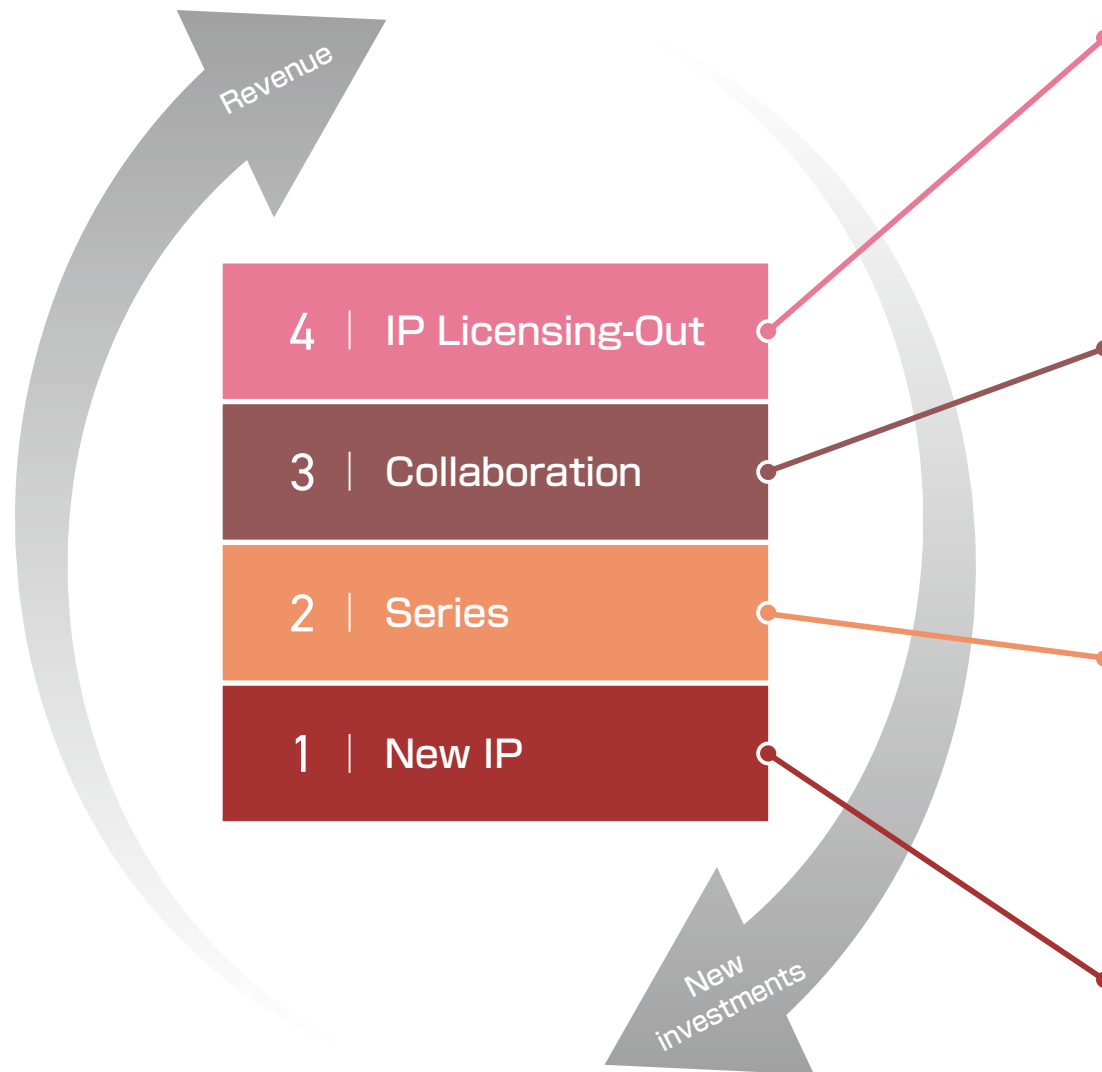
We proactively incorporate the latest technologies to improve development efficiency and deepen players' gaming experiences. AI utilization has also enabled us to improve development efficiency and game play.

▶ Horizontal expansion of development technologies and production functions

By accumulating and sharing knowledge on game development in the game engine, we encourage collaboration among development teams, which allows us to build a highly efficient, high-quality game production system.



KOEI TECMO achieves sustainable growth through a “multi-layered revenue structure”. From creating proprietary IPs to collaborating with other companies and offering licensing-out agreements, we have created several revenue streams through a multifaceted approach in our efforts to build a robust foundation within the rapidly changing entertainment market.



4 | IP Licensing-out

To maximize the value of proprietary IPs, we are developing a “royalty business” through which IPs are licensed out to other companies. Other companies are using our IPs to develop games, which creates opportunities for high profitability (marginal profit rate of 100%) in new markets. In the Asian market in particular, the *Romance of the Three Kingdoms* series has seen a significant level of success, which has established new revenue streams on top of those from in-house development.

Multi-layered revenue structure seen in the *Romance of the Three Kingdoms* series



Three Kingdoms Tactics

Smartphone game developed by Lingxi Games using our IP

3 | Collaboration between both our and other companies' IPs

We are also expanding collaborations that combine our leading IPs with those of other companies. With this kind of collaboration, new value for IPs is generated and brand-new experiences are created while development costs and outcomes are shared with partners.



Yo-kai Sangokushi

Game made in collaboration with LEVEL5 Inc.

2 | Series development of successful IP

Successful new IP contributes to stable revenue while at the same time satisfying fans' expectations through series development and rollout across different platforms, such as online and mobile games. By adopting new technologies and forms of game play, we continually evolve, offering new forms of entertainment and experiences.

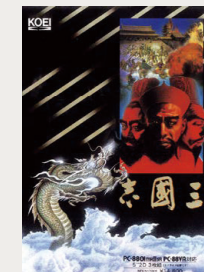


Romance of the Three Kingdoms VIII Remake

Romance of the Three Kingdoms series. Game titles in this series surpassed a total of 9.5 million units sold worldwide (as of FY2024)

1 | Creation of new IP

KOEI TECMO actively takes on the challenge of creating new IPs as the base for revenue generated through series development, collaboration, and licensing-out. While the creation of new IPs is a challenge for us to generate new revenue streams, it also leads to us providing “New forms of entertainment no one has experienced before to people around the world”. Since a certain amount of time and variability in results are inevitable before a newly created IP contributes to revenue, we are working on creating new IPs while taking care to balance this with other stable revenue streams.

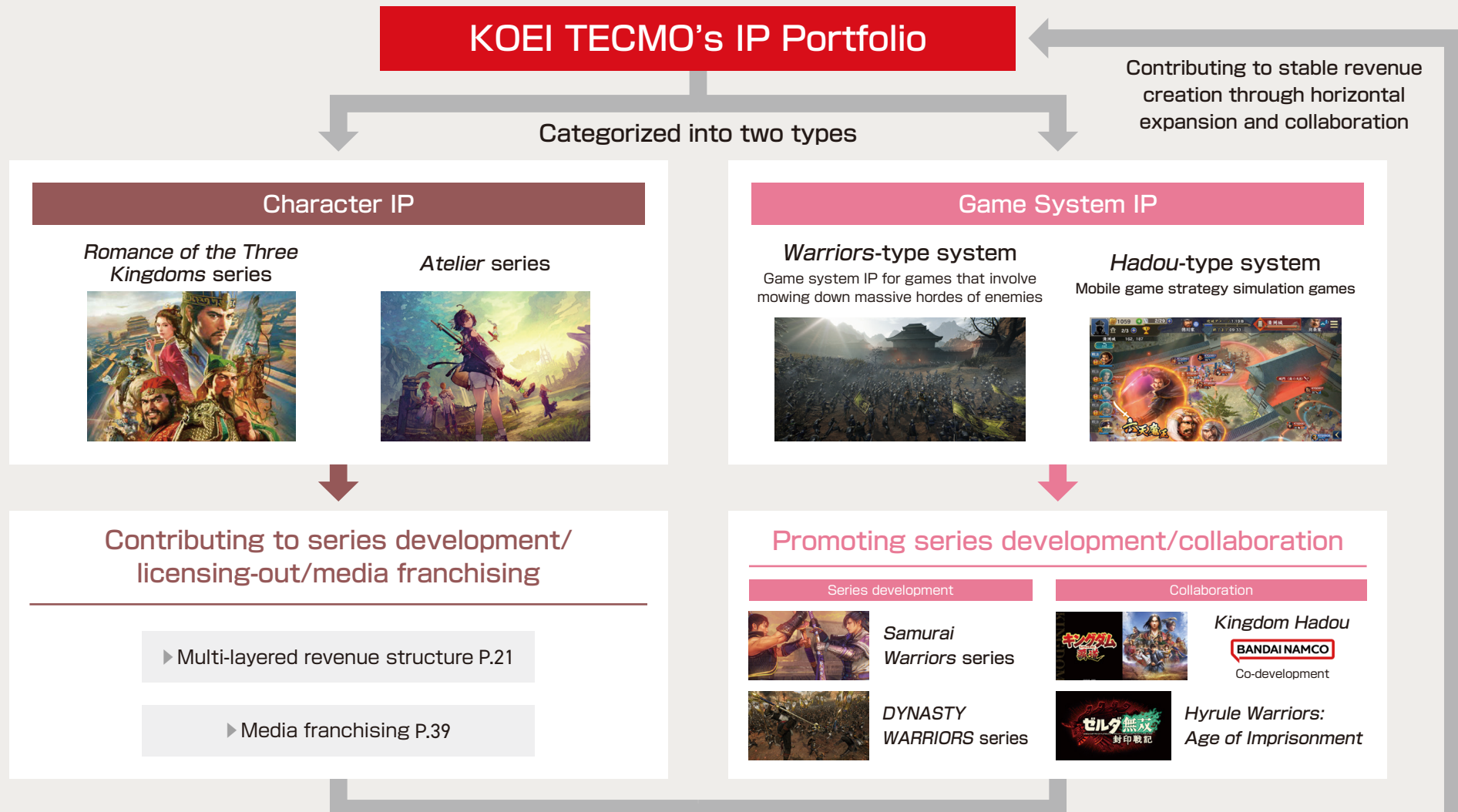


Romance of the Three Kingdoms
Romance of the Three Kingdoms, a historical simulation game set in mainland China that was released in 1985

Two Different Unique IP Types

IPs in KOEI TECMO'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 media (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, generating new value for other companies' IPs and forming our unique business model.



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. In our rapidly-changing industry, our dual-skilled team culture is what makes the KOEI TECMO Group such a strong competitor.

A management team of highly experienced game creators

Director and
Chairman Emeritus
Keiko Erikawa



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



President & CEO
(Representative
Director)
Hisashi Koinuma



Ruby Party
Managing Director
& CSuO
Ruby Party Brand Head
Mei Erikawa



Signature work
Neo Romance series

Signature work
NOBUNAGA'S AMBITION series
Romance of the Three Kingdoms series

Over **20** million units sold

Signature work
SAMURAI WARRIORS series
and collaborations
(*Attack on Titan series*, *Dynasty Warriors: Gundam series*,
ONE PIECE: Pirate Warriors series, etc.)

Over **21** million units sold

Signature work
La Corda series
Haruka series
*Buddy Mission Bond**
Touken Ranbu Warriors

Next-generation leaders creating hit games

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



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



KOU SHIBUSAWA
Brand Head of
KOU SHIBUSAWA
Keisuke Sawada



OMEGA FORCE
Brand Head of
Omega Force
Tomohiko Sho



Team NINJA
Brand Head of
Team NINJA
Fumihiko Yasuda



GUST
Brand Head of
Gust
Junzo Hosoi



Midas
Brand Head of
midas
Keisuke Kikuchi



Signature work
Nihon series

Signature work
Hadou series

Signature work
Romance of the Three Kingdoms Hadou

Signature work
DYNASTY WARRIORS series

Signature work
NINJA GAIDEN series

Signature work
Atelier series

Signature work
NOBUNAGA'S AMBITION: Shutsujin

*Sold by Nintendo Co., Ltd.



East Asian culture and technological innovations to expand potential in the global market

The global market for mobile, console, and PC games has continued to hold strong in recent years, and will continue to grow over the next decade. In Western markets, game content based on East Asian culture has flourished, and in the East and Southeast Asian Markets, there is significant potential for growth in the mobile and PC gaming markets. KOEI TECMO's favored themes, once considered niche, are increasingly gaining global dominance. This is no more apparent than in the success and positive response to the *Nioh* series released in 2017, and the Edo-based *Rise of the Ronin*, released in 2024.

In console and PC game development, advancements in network connectivity and improved hardware capabilities are gradually eliminating platform limitations and opening the world to our developers. This gives our developers greater creative freedom and the ability to reach more users worldwide, and also increases the importance of polishing our game concepts and communicating them to audiences as simply as possible. Our development capabilities will be put to the test in this incoming era.

Increased development of global IPs displaying East Asia's unique culture and history to increase our global market presence

YOSUKE HAYASHI

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

What Makes Us Unique: Developing games based on East Asian history and culture

Given current market trends, the KOEI TECMO Group global strategy will be to foster the development of game titles and global IPs inspired by East Asian history and culture. The challenge will be how to convey its entertainment value to our international users. We must develop strategies to communicate the appeal of East Asian history and culture clearly and confidently, with a touch of mystery when it would appeal to our player base. Taking a creative approach to this communication will spark a desire to explore the story of the game, even in users with no prior knowledge of East Asian history or culture. We also hope to draw in users who want to travel back in time and experience life in that era of history.

One of the KOEI TECMO Group's greatest strengths is its enormous IP portfolio. For example, the series for *NOBUNAGA'S AMBITION*, *Samurai Warriors*, and *Nioh* are all set in the Warring States period, but unfold from different perspectives. Each series is now a well-established KOEI TECMO IP. Though different, they all share the Group's core values. We also have IPs that we have built up for over more than 40 years, which have instilled trust in our users that becomes a foundation for us to introduce new IPs.

Before, IPs based in East Asian history and culture were once viewed as niche, but now, their unique appeal has begun to trend in the industry. If we are to establish a significant presence in the industry amidst this trend, it is critical for us to build a distinct and unique position that embodies our strength and knowledge we have cultivated throughout the years. Bringing our well-polished East Asian global IPs to the world will further bolster our

Group's growth and forge a path to success in the global market.

We hope to further strengthen our portfolio of IPs by developing new ideas fueled by our years of experience.

AAA Game Studio: Leveraging Technical Prowess to Improve Brands and Studios

One of our Group's unique strengths is our continued evolution of development and technological capabilities. Instead of creating an engine or tool for a single title and only using it once, we revise and rework it to use it again in the next title or new IP project. This interconnected use of internal technology helps to further elevate our development processes. We always look to the long term: linking and reutilizing technology and knowledge from one project to the next across all of our brands and studios.

In 2024, we established AAA Games Studio, specifically to leverage that culture and accelerate our approach to challenges across our Group. The "AAA" in the title does not mean massive budgets, but signifies our determination to create AAA-quality games that appeal to large audiences. Instead of investing large sums of money for huge external development teams or massive-scale games, we invest in our top-notch in-house staff that already possess a wealth of technical skill and knowledge. If we fully leverage this investment in our human resources and development technology, we believe we can create AAA-quality games. We thank you for your continued support of the KOEI TECMO Group as we strive to deliver AAA-quality titles that entertain more players and help the Group to grow even further.

*Indicates AAA titles (triple A titles) and generally refers to games with large budgets and development teams.



Online/mobile strategies chart a greater growth curve

Our Group has a two-pronged business strategy, one focused on console and PC titles, the other on online and mobile titles. We develop games without limiting ourselves to specific platforms to open our titles to an even wider player base.

In the mobile games space, the market is more competitive than ever, with many developers now investing large sums of money in marketing and development. However, we believe we can not only survive, but thrive in this new market, building our own opportunities for growth by evaluating the mobile games space and adopting strategies that make the most of our Group's unique advantages. The first step to establishing a strong presence in the online and mobile world is not resource allocation, but a deep understanding of the value of our IPs and focused development that targets our existing fanbase.

A competitive edge born from strong IP assets and a wealth of experience

Underpinning this strategy are our IPs with an existing passionate fanbase. *NOBUNAGA'S AMBITION*, *Romance of the Three Kingdoms*, and *Atelier* are all long-running series that see consistent growth in their player bases. These IPs provide us with an ample amount of competitive advantage within this challenging market environment.

Aiming for the Top 10 in operating Profit: Leveraging Strong IPs and Operational Expertise in Online & Mobile Games

YUKINORI ITO

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

We also have over 25 years of experience when it comes to developing IP for the online and mobile sectors, starting with *NOBUNAGA'S AMBITION Internet* in 1998 and continuing through major projects such as the 2010 game *One Million People's Romance of the Three Kingdoms*. Thanks to this experience, we can quickly respond to user feedback and leverage our wealth of knowledge in development and operations.

For the online and mobile sector, we will strive to create games that continuously level up upon our past titles, and develop at least one title for each brand to expand our mobile game portfolio.

Leveling Up Play with IPs—Ideas for the Hadou Series

The *Hadou* series is one of our major mobile titles, and we focus our efforts on designs that leverage the unique nature of each of our IPs. For example, *Romance of the Three Kingdoms Hadou* is a character-focused game that centers on each character's unique move sets. In stark contrast, *NOBUNAGA'S AMBITION Hadou* is a map-based game built around conquering and ruling territories. These games do not simply expand the *Hadou* series onto a mobile platform; they understand each IP's unique characteristics, appeal, and player base, then incorporate that knowledge into the game's design. We also pay close attention to detail in each project, such as polishing character personalities and historical strategies that meet our fans' high expectations for each IP.

For mobile games in particular, it's important to design the game to allow for extended play sessions without boring the player. The *Hadou* series implements a seasonal system that changes the rules and maps about every three months to provide fresh experiences, all while protecting the items and resources the player

has already built. We have also built a community around the game thanks to group-vs.-group (GVP) game modes. This community extends into real-life encounters and relationships, adding massive value to the game that goes beyond the screen.

Building trust by always prioritizing users

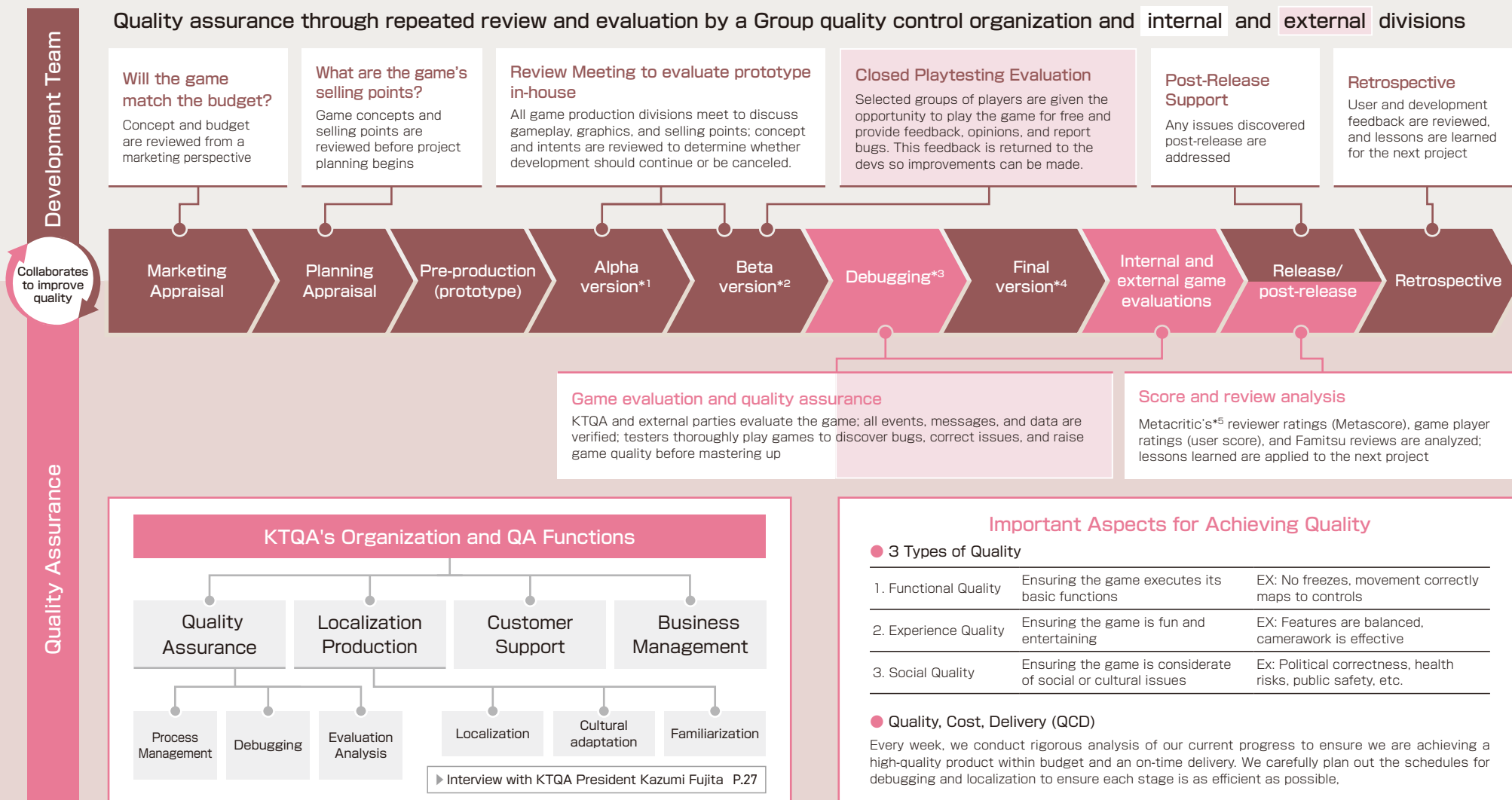
Our highest priority is our users; that's why we take a user-first approach in development and operation in all sectors (console, PC, online, mobile). Long-term play leads to steady securement of active users, especially for mobile games, which is why instead of focusing on microtransactions, we consistently discuss what we can do to ensure our players keep coming back to our games.

Not only that, but when players report issues or make requests, we appreciate their feedback and respond quickly. Early reports of issues within a title can be swiftly remedied, and if not, then we can immediately notify our players of the issue. We also provide updates on the situation and solutions as needed. This communication helps to gain our customers' trust. We also seek out our players' unfiltered opinions, for example, by watching livestreams or having developers directly contacting users for their feedback. This combination of efforts allows us to review our user's responses and continue making improvements to our titles.

Building on the success of the *Hadou* series, we are currently collaborating with the large-scale IP, *Kingdom* (distributed by Bandai Namco Entertainment Inc.) Our objective is to develop the next key pillar for the KOEI TECMO Group by establishing highly profitable operating models, while maintaining quality that meets user expectations. In addition, we will create even more revenue sources and continue along the path toward our long-term vision of ranking among the world's top 10 in operating profit.

The KOEI TECMO Group aims for an operating profit margin of 30% (for consolidated groups). To achieve this goal, we thoroughly manage rigorous quality, delivery timeliness, and budget in each project phase. KOEI TECMO QUALITY ASSURANCE CO., LTD. (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, and increased profitability.

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



*1 Alpha version: Early development, basic elements 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.

The Final Safeguard Before We Take the Ultimate Experience to Customers Worldwide Rationality and Passion: Achieving a Global Standard of Quality

KAZUMI FUJITA

President of KOEI TECMO QUALITY ASSURANCE CO., LTD.

The importance of a specialized subsidiary for quality assurance

Why we are an independent subsidiary?

When the game industry was young, games were developed in six months by small teams of 5 to 10 people. Now, major titles evolve into giant projects developed by hundreds of team members for years at a time. This means the cost of quality assurance as a percentage of development budget is also on the rise. The market is changing, too: customers pay more attention to social media posts and reviews published immediately after release. This means that guaranteeing game quality in the initial release is essential to protecting our corporate image.

With these reasons in mind, the Quality Assurance division of KOEI TECMO GAMES CO., LTD was made independent in 2020, becoming the functional subsidiary KOEI TECMO QUALITY ASSURANCE CO., LTD (KTQA^{*1}). KTQA specializes in quality assurance, localization production, and customer support. Our biggest role is to independently and objectively review and assess our projects to guarantee they are of the highest quality possible when they are released into the world.

The KTQA quality assurance workflow has established checkpoints (called 'gates') for each milestone to ensure quality at every stage of development. Adhering to the Group's system of integrating production with marketability, we closely coordinate with development teams while maintaining our independence. This system gives us a competitive edge, and shows just how determined our management team is to produce new, innovative content and further level up as a company.

^{*1} The abbreviation of KOEI TECMO QUALITY ASSURANCE CO., LTD.

Data-driven management helps us deliver quality, delivery timeliness, and budget

We adhere to the KOEI TECMO Group's dedication to delivering quality games on time and within budget. To achieve this, KTQA is committed to rational management based on objective data. Usually, quality assurance (QA) is thought to be nothing more than bug checking; however, we approach QA from three different perspectives: functional quality, experience quality, and social quality, and work to improve all three in tandem. Functional quality refers to the basic requirements for stable operation, such as a lack of freezes or crashes, and correct mapping of user inputs to movement. Experience quality refers to the elements that create entertainment, such as game balance and user friendliness, which leads to improved user experience and better reviews. Social quality refers to a broad spectrum of aspects that includes accessibility, health risks, and political correctness. While certain home consoles have their own published guidelines, due to the variability of the PC platform, its standards are virtually nonexistent; therefore, we have developed our own internal standards for PC development.

We carefully consider each title's platform, target audience, genre, and scale to craft a unique testing plan that addresses all concerns. For example, we have a quality control (QC) gate between the alpha and beta versions of development, and use pre-established quality KPIs, such as implementation rate and number of bugs in the submitted game data (ROM), to determine whether to begin the full QA process. This completely eliminates the need to backtrack, reducing overhead costs.

Furthermore, KTQA has a specialized evaluation team that assesses each game's entertainment value from an objective



perspective. This team analyzes dozens of titles each year, both our own titles and our competitors', and creates reports that verify user ratings and predict Metascore^{*1}. These evaluations are shared with the development team and upper management, and are used to make improvements and other decisions that consider objective market evaluations.

Directors, leaders, and other key members of the QA team constantly analyze QCD (quality, cost, and delivery timeliness) through three perspectives: quality vs. cost, quality vs. delivery timelines, and cost vs. delivery timelines. They manage progress on a weekly basis with the producers, directors, and project managers on the development team, then report to me, the head of KTQA.

This allows us to more objectively judge the feasibility of a development plan and identify potential risks far in advance. Towards the end of a project, I receive daily reports, and if necessary, speak directly to the KOEI TECMO GAMES CO., LTD. Management team and brand head to devise on-the-spot solutions. With this system, the top management executives are personally responsible for the quality of our projects, and work together with development to make swift decisions.

^{*1} Metascore: An assessment score given by game critics and fans on Metacritic, a review aggregation website for games, movies, etc.



Our Localization Philosophy: Think Global

In the past, the typical approach to localization was to "port" a completed product to a foreign market. Today, however, simultaneous global releases have become the standard. As such, it's more important than ever to adhere to a localization plan that ensures we can release games simultaneously worldwide without harming the value of the game. To do this, we have shifted to beginning localization efforts in parallel with quality assurance from the early stages of development. KTQA does not simply switch one language for another, but crafts quality localizations with the following three elements in mind:

1. Translation

We eliminate mistranslations and unnatural expressions to craft accurate, easy-to-read translations.

2. Cultural Adaptation

We evaluate each game according to the culture, ethics, and regulations of each release country and make any necessary changes. We work closely with local investigative bodies and strive to create natural-sounding localizations.

3. Familiarization

We review and polish the terminology and personality of each series' title to ensure they remain consistent in tone and style. We also maintain extensive glossaries for each series.

While we are currently using AI assistance for our localization, all text is reviewed by a human translator that refines the translations to understand context and character. We strive to create localizations that make the story come alive -- that's our core philosophy.

Future Challenges: Automation & AI, improving the verification process, and looking globally

KTQA's slogan for three years has been "greater quality with shorter timelines, higher efficiency, and lower budgets". To achieve this, we wish to utilize new technologies and bolster our current systems. We have already automated approximately 80%

of our customer support, and are aiming to automate 50% of our quality assurance work in the next five years as we continue investing in research on AI and other tools.

We are also investing in diversified environments to prepare for further global expansion. In particular, the PC game market is flourishing, not just in major markets such as Japan and the West, but also in China and emerging nations, resulting in a much wider variety of expected user environments. In order to provide enjoyable play experiences across a wide range of technical specifications, we are actively investing in establishing dedicating testing rooms and building systems that can handle a variety of test environments. This way, we can create a system supporting high-quality user experiences across a broad range of regions, including China and emerging markets in India, the Middle East, and Southeast Asia.

Building trust through an uncompromising commitment to quality

While we have the utmost respect for the passion and creativity of our developers, KTQA's mission is to lead projects to success through calm, constructive dialogue founded on objective information from the perspective of quality assurance. We use quantifiable, concrete data to support our arguments. We believe this forms the foundation of constructive discussions and trusting relationships.

While the balance of Quality, Delivery Timeline, and Budget is always at the forefront of the development team's mind, we strive to find solutions that can maintain quality without excess compromise. During the development process, the teams responsible for development, marketing, and quality assurance meet frequently to review the project plan and make decisions with which everyone is aligned. Instead of leaving problems to each respective team, top management immediately receives reports and works together with teams to find solutions. It is this culture of open communication that forms the backbone of the KOEI TECMO Group.

We want our players to enjoy their experience with our games. To create that ultimate experience, we vow to never compromise on quality. KTQA is the final line of defense for the games created by the KOEI TECMO Group. We will continue to earn the trust of our customers and meet the expectations of players around the world.

Introducing the development-optimizing KATANA ENGINE™

KATANA ENGINE™ is a one-of-a-kind game engine that enables high-quality game prediction. This continuously-developed engine optimizes our development processes and addresses a diverse number of needs.

What is a game engine?

A game engine is a comprehensive development environment that contains all the tools a developer needs to make a game, from graphics and audio to any specialized tools a unique project may need. By sharing an engine across multiple games, we no longer need to start from scratch on every project, boosting development speed on higher-quality games.

What is KATANA ENGINE™?

KATANA ENGINE™ is KOEI TECMO's unique game engine that integrates the tools and libraries our developers need to create our games. It is constantly being updated with new tools such as AI, improved sound and graphic engines, and upgraded network capabilities, all so we can respond to the changing market and demands of our customers. 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.

Knowledge and experience from each project are collected and shared across departments. With the KATANA ENGINE™, our developers can quickly and freely bring their ideas to life, all while curbing production costs and project risks.



As we overcome each title's unique challenges, the KATANA ENGINE™ continues to be optimized and improved. We look forward to seeing how this pinnacle of technology and creativity encourages further growth and maximizes return on investment.

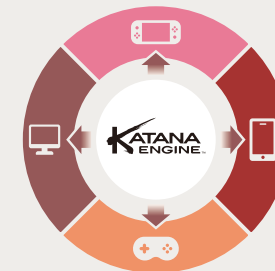
HIROSATO MISHIMA, Executive Officer
Deputy General Manager of the Entertainment Production Division
Head of FUTURE TECH BASE, KOEI TECMO GAMES CO., LTD.



3 Competitive Advantages produced by KATANA ENGINE™

01 Faster Multi-Platform Development

Developing for multiple platforms can be a time-consuming process, but with the KATANA ENGINE™, we can simultaneously develop for the varied needs 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 the risks incurred by staggered schedules, so we can focus on polishing the quality of our products.



02 AI-Powered Boosts to Efficiency



DYNASTY WARRIORS: ORIGINS utilizing crowd AI technology

The KATANA ENGINE™ is equipped with AI technology to further optimize development processes and enable a broad range of creative expression. Our in-house AI trained on proprietary content can adjust game balance and generate automatic play logs, reducing developer workload. The KATANA ENGINE™ can also assist with CG animation, such as automatically generating facial expressions and converting live video to 3D animation.

03 Cross-Functional Deployment

Any functions or AI tools created during the development of one project are reincorporated into the engine, allowing developers to reuse these tools on other projects in-house, boosting productivity and overall quality. This ongoing optimization creates an even stronger foundation for game development that balances creativity and efficiency.



In Wo Long: Fallen Dynasty and Rise of the Ronin, different costume design with the same clothing physics

Item	KATANA ENGINE™	Generic engines
01 Faster Multi-Platform Development	○	△
02 AI-Powered Boosts to Efficiency	○	△
03 Cross-Functional Deployment	○	—

Message from the CFO

Building a Foundation for Sustainable Growth Based on Our Portfolio Strategy and Financial Security

KENJIRO ASANO

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

Review of the 3rd Medium-Term Management Plan and the final fiscal year of the plan (FY2024) Structural factors behind profit growth

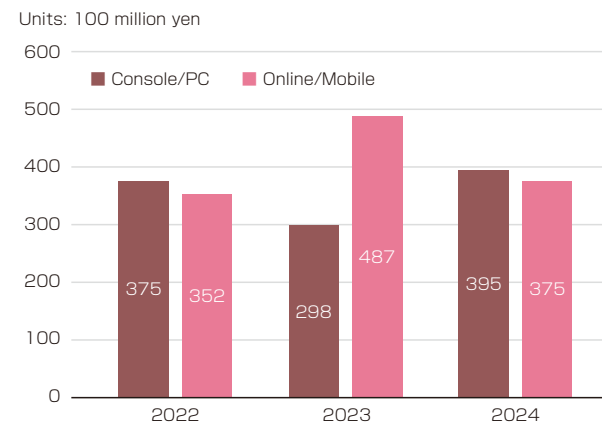
► Results of the 3rd Medium-Term Management Plan and implications for strategies in the next fiscal year

The first Medium-Term Management Plan was commenced in FY2018, with the second plan following in FY2021 and the third as a three-year plan starting in FY2022. The results for the last year of the 3rd plan, FY2024 (ending in March 2025), were net sales of 83.1 billion yen (down 1.7% year-on-year) and operating profit of 32.1 billion yen (up 12.7% year-on-year). We achieved a certain level of growth in profits, but had limited expansion of sales.

There are several factors influencing the results of the 3rd Medium-Term Management Plan. First, in the console and PC markets, we achieved the planned releases of our flagship titles during the plan period, and we achieved a certain level of success thanks to our collaborative development and the stability of existing IPs. However, we fell short of our target for new IP titles selling in the 5-million-unit range, and overall sales were slightly less than planned. As development projects became larger-scale and longer-term, we saw a tendency for development resources to be concentrated on major titles, resulting in a lack of resources allocated to small- and medium-sized titles. This is a significant issue for our future development structure, and we have already begun working on solutions.

Then, in the online and mobile markets, while we were able to achieve monthly sales of around 1 billion yen with multiple titles, we were unable to create a hit title that reached 2 billion yen in monthly sales. Mobile titles are characterized by stable and continuous monthly revenue generation, whereas sales fluctuate depending on user retention and monetization trends, so there is a tendency for discrepancies to emerge between plans and actual results in the early stages of launch. We recognize that efforts to achieve more accurate revenue forecasts will be a challenge we must undertake in the future.

Change in the 3-year net sales of console/ PC and online/mobile



Message from the CFO

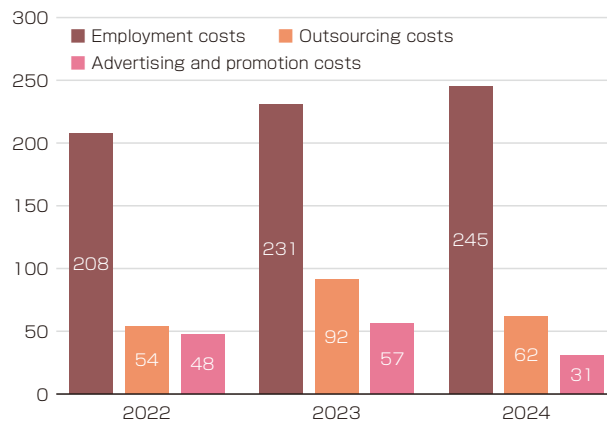
Despite these challenges, we kept our expenses under control. Even as we continue to hire more than 200 new graduate employees every year, both domestically and overseas, we have dedicated ourselves to maintaining the profit rate through comprehensive cost management, particularly with outsourcing, advertising, and promotion, therefore securing a modest level of operating profit with respect to our initial plan.

The 3rd Medium-Term Management Plan both achieved a certain amount of success and highlighted issues that will affect our future growth. With these issues in consideration, in the next Medium-Term Management Plan, we will work to rebuild our management foundation and financial strategy from a medium- to long-term perspective.

► Review of the Medium-Term Management Plan P.35

Change in full-year expenses over three years

Unit: 100 million yen



Overview of the Fourth Medium-Term Management Plan

Strengthening our portfolio and rebuilding our sales capability

► Four priority goals and our quantitative revenue goals

The 4th Medium-Term Management Plan, which began in

FY2025, is positioned as a three-year period focused on 'building a solid foundation' as the first step towards our long-term vision for the next ten years. Based on our growth and reflections to date, we have delineated our priority issues and quantitative goals in order to establish a sustainable revenue creation structure.

Main points in the Fourth Medium-Term Management Plan

Qualitative Goals

- 01 Quantitative growth of the pipeline
- 02 Qualitative growth of the pipeline
- 03 Growth in sales capability
- 04 Growth in cost efficiency

Quantitative goals

Three-year cumulative	Operating profit exceeding 100 billion yen (Operating profit ratio exceeding 30%)
Single-year	Operating profit of 40 billion yen (Operating profit ratio exceeding 30%)
Console/PC	Three-year cumulative sales exceeding 30 million
Online/Mobile	Sales to grow in stages over three years

► A balanced portfolio and stable revenue structure supporting management

In recent years, game development has become increasingly time-consuming and expensive, resulting in bigger financial burdens and uncertainties. Technology and market trends change rapidly, so development planned around a more distant future entails greater risks.

As CFO, I place importance on ensuring the quality and reproducibility of profits over the medium- to long-term, rather than reacting prematurely to single-year figures.

More specifically, the Group is working to strengthen its

internal systems for developing high-quality titles in the shortest possible time, while also placing emphasis on quality, delivery timeliness, and budget. By optimizing project management to guarantee development speed and flexibility, and by promoting efficiency through the use of cutting-edge technologies such as AI, we aim to create an organization that can respond quickly to the rapidly-changing market. Additionally, to mitigate the risk of relying too heavily on major titles, we will build a diverse pipeline that includes small and medium-sized titles, and design a portfolio that generates stable earnings overall, rather than on an individual title basis.

We also aim to generate high profits across the entire business by focusing on a multi-layered revenue structure utilizing multiple development titles. For example, for titles that are developed and published in-house, we can secure sales, but must shoulder all the costs, such as staffing and outsourcing expenses, server costs, and advertising and marketing costs, which leads to relatively lower profit margins if our sales numbers fall short of what we planned. On the other hand, joint development (collaboration) with business partners is a model in which both revenues and expenses are shared, which reduces risk while generating profits. With licensing (royalty income), it's difficult to forecast sales independently, but with extremely high marginal profit, the revenue model makes a large contribution to overall profits. By combining these various types of sales in a well-balanced manner, we aim to achieve levels of profit that are both high and increasingly stable. It is precisely because of this revenue structure that we are able to proactively take on the challenge of developing new titles.

By strengthening our portfolio through this diverse pipeline and multilayered revenue structure, we will manage our business so that we can maintain an operating profit ratio of 30% or more at all times, and will work to ensure profitability and build a reproducible management foundation.

► Strengthening of sales capability and presence in overseas markets

Meanwhile, strengthening our sales capabilities is also a key priority in the 4th Medium-Term Management Plan. The Group aims to appropriately increase or in-house sales ratio while building more flexible sales channels, all with an eye toward expanding our in-house publishing structure in the future. We will

Message from the CFO

seek to improve profitability by exploring sales modalities that are suitable for each title and by coordinating with internal and external structures.

Strengthening our capacity to respond to the global market is also essential. In recent years, rather than using labor-intensive tactics that require an increase in sales headcount, it's become more mainstream to opt for flexible marketing utilizing existing networks. The Company is advancing with the creation of a sales structure that is more in line with this trend. We will work to strengthen the appeal of titles throughout their entire lifecycle; for example, by raising awareness through pre-launch promotional videos and trial versions, ratings on review sites, and forming and fostering player communities. As part of this effort, we are gradually rolling out measures to strengthen our localization capabilities, expand our digital sales channels, and rebuild our collaborative structure with local partners.

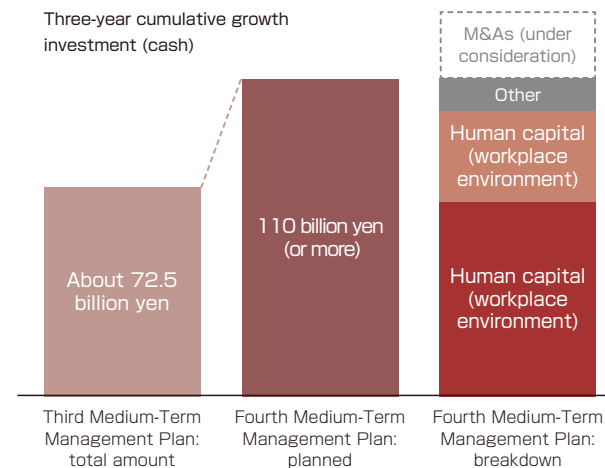
For future growth, it is essential for us to adapt an integrated strategy that includes not only development, but sales and user follow-up. We believe that the three years of the 4th Medium-Term Management Plan will be an important time for us to begin these structural reforms.

Basic policy for a financial strategy based on reinvestment in the business

► Cash allocation policy and execution

The basic policy for cash allocation in the 4th Medium-Term Management Plan is to achieve balanced capital allocation with a focus on reinvestment in the business. More specifically, we are prioritizing investments in areas that will generate future profit growth, such as (1) recruiting and training staff to strengthen development capabilities; (2) improving the workplace environment as exemplified by the acquisition of a new office, and (3) investing in development for creating IPs for the medium-to long-term and strengthening our sales capabilities, primarily overseas. Additionally, we are actively considering M&As for appealing IPs or opportunities for synergy, and are focusing on the diversification of our growth drivers.

Cash allocation



Investment in human capital, a sustainable development structure supporting quantity and quality

► Expansion of human capital and retraining of key skills

One of the major themes of the 4th Medium-Term Management Plan is our investment in human capital. People are truly the source of our growth. The games industry is labor-intensive, and relies on its developers and the quality and quantity of its human resources to drive profitability and competitiveness.

In recent years, our Group has continued to hire more than 200 new graduates every year both domestically and internationally; as of March 2025, the Group will have 2,684 employees, of which approximately 2,200 were working as developers.

The depth and breadth of our human resources is the foundation of our development infrastructure that enables us to consistently produce titles of all sizes. We hope to increase our total headcount to 5,000 employees in the long term. As General Manager of the Business Administration Division, where I am in charge of personnel management, I recognize that qualitative growth is just as important as the quantitative expansion of human resources. Particularly, the larger a project is, the more important it is to have good middle management driving the project forward. In

today's increasingly specialized world, young people have fewer opportunities to experience the full development process, making it difficult to attain the environment for training and growth that existed back in the day, when a small, elite team went through all stages of the development process together. This is why we recognize an urgent need to systematically and deliberately develop our management teams.

In this context, the Group has long built up a system for developing young leaders, primarily through in-house on-the-job training (OJT). The company also proactively shares knowledge through on-site initiatives, such as new function training systems by Future Tech Base (FTB), who is responsible for the company's in-house engine, KATANA ENGINE™, and independent study sessions on project management. These sessions have mainly been voluntary up until now, but moving forward, we will need to systematically organize these efforts and roll them out across the Company as a system for re-education and skill development. In addition, in preparation for accelerating investment in human capital, in FY2023, we began tracking training hours across the Company and worked to visualize qualitative improvements. In conjunction with this effort, we have begun setting future training hour goals and are putting in place a system to support the growth of our human resources in both quantity and quality.

Additionally, through the 4th Medium-Term Management Plan, we will work on investing in retraining for specialized skills such as global response and AI utilization, thereby raising the overall level of our human capital.

► Human capital overview P.41

► Strengthening of our human capital and maximization of our organizational capacity through investment in our development environment

In May 2025, our Group announced the acquisition of a new office in the Minato Mirai 21 district of Yokohama in Kanagawa Prefecture, with the objective of expanding our development environment in response to an increase in employee headcount. The total investment, including building acquisition costs and interior construction costs, is expected to be approximately 25 billion yen (including planned investments). We view this as a proactive investment for the future expansion of our human capital and medium- to long-term business growth.

Message from the CFO

The new office was designed to support the creativity and productivity of our development teams, with a floor layout that ensures ample personal space and encourages collaboration between departments. With the COVID-19 pandemic subsiding, and employees now required to come into the office, there is a growing awareness of the importance of creating a comfortable working environment for our employees. The engagement survey conducted in FY2023 also revealed needs for comfort in office spaces and the workplace environment.

In response to that feedback, we are working to develop a new work environment that is both efficient and comfortable for our team. For our Group, investing in human capital is not just the cost of doing business, but a strategic investment that will lead to future profits. How can we increase the value of these intangible assets, which are difficult to show on our balance sheets, and link them to sustainable growth and the creation of corporate value? This is a theme that, as CFO, I believe should be placed at the core of our company-wide strategy.

Surplus funds and governance

Working towards financial soundness and transparency

► Strengthening governance of asset management and implementing predictable financial operation

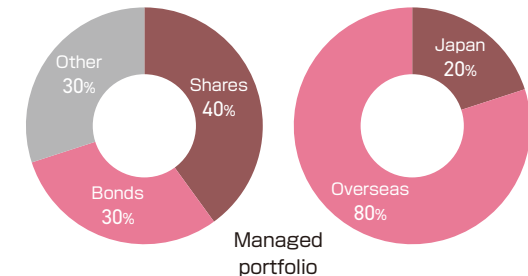
KOEI TECMO GAMES CO., LTD. has been responsible for managing the Group's surplus funds up until now, but as we restructure our management, we have consolidated fund management and investment responsibilities into the newly-established KOEI TECMO CORPORATE FINANCE CO., LTD. Director and Chairman Emeritus Keiko Erikawa, who has been leading asset management for many years, has assumed the role of President of this new company, so there will be no major changes to our management policy. We will continue to ensure control and monitoring within the Group and conduct integrated cash management and asset management through KOEI TECMO CORPORATE FINANCE CO., LTD.

This change in structure reflects our determination to position KOEI TECMO GAMES as a company focused on the realm of entertainment, and to clarify the execution of our business. At the same time, for Group governance, we have further clarified the

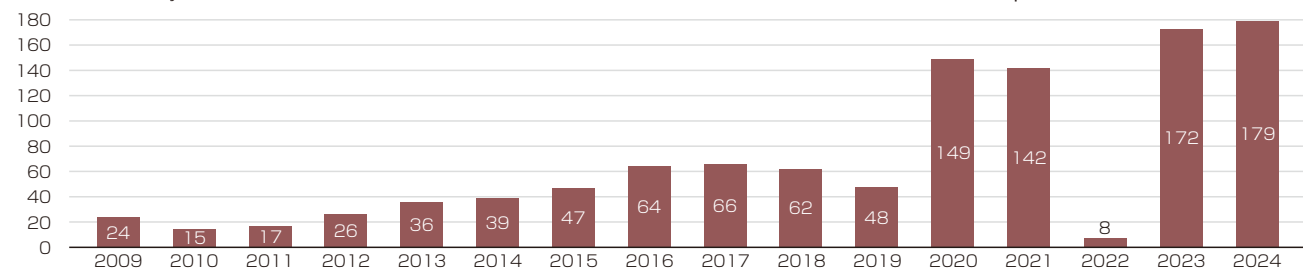
Non-operating revenue and funds investment policies and results

Management purposes and policies

- Stabilize the financial base and support our core business
- Manage surplus funds from each fiscal year after investing in the business
- Aim for continuity that enables stable earnings from a medium- to long-term perspective
- Be agile and responsive to financial market trends
- Ensuring the soundness of the balance sheet



Units: 100 million yen



division of roles between execution and supervision by separating fund management and investment from business divisions.

Under this new structure, new President Hisashi Koinuma will be in charge of business management, while new Director and Chairman Emeritus Keiko Erikawa and new Chairman Yoichi Erikawa have transitioned from supervisory roles to management roles.

Our investment policy emphasizes stable continuity, flexibility, and soundness while building a flexible investment structure that can respond appropriately to fluctuations in financial markets. Going forward, we will continue to consider modalities for a next-generation asset management system from a long-term perspective, and aim to further improve the safety and transparency of our corporate finances.

A capital policy that lives up to trust and the power of dialogue to connect to the future

► Maintaining a Prime Market listing and our shareholder's trust

As a company listed on the Prime Market of the Tokyo Stock

Exchange, in order to satisfy the continued listing criteria of a tradable share ratio of 35% or higher, in December 2021, the Group used TOBs to acquire approximately 18 million shares (converted into the current number of shares) from our largest shareholders as treasury stock, then used the treasury stock as seed shares to issue convertible bonds (CB) with stock acquisition rights. Initially, the plan was to increase the tradable share ratio by converting these CBs into shares, but these CBs are now due for redemption. In September 2025, we disposed of 18 million shares of treasury stock and offered an additional 7 million shares from major shareholders, bringing the total number of tradable shares to a maximum of 25 million. In this disposal and sale of treasury stock, we allocated 70% to general investors, primarily individuals, with the intention of ensuring that individual investors who are also fans of our games will hold the majority of shares. We intend to reconsider and improve how we present our business performance and financial information, as well as our IR activities, so that new shareholders, including institutional investors, can gain a deeper understanding of our Company. We will continue to build trusting relationships through transparent capital policies and strive to create even greater corporate value.

Message from the CFO

► Execution of sustainable returns based on dividends and shareholders' equity

The Group regards the return of profit to shareholders as one of our most important policies, and we are continuing with a stable return policy of a consolidated annual total dividend payout ratio of 50% or an annual dividend of 50 yen per share. We provided returns at the same level in FY2024, endeavoring to achieve both corporate growth and shareholder returns while balancing this with ROE. Furthermore, the total annual dividends of the Group have increased approximately 16-fold since the management integration (FY2009: 1.16 billion yen to FY2024: 18.9 billion yen), and the figures clearly demonstrate that we have continued to provide stable shareholder returns linked to our profit levels.

We will also pursue balanced management, paying close attention to maintaining an appropriate level of shareholder equity to prevent excessive accumulation of retained earnings.

► Sustainably enhancing ROE with an awareness of capital costs

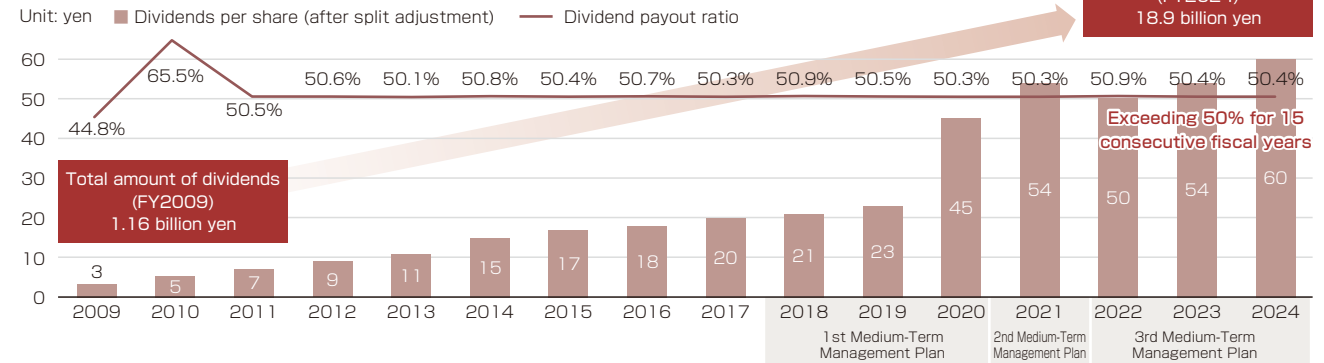
In the 4th Medium-Term Management Plan, we will continue to be conscious of capital costs while maintaining ROE at 20% or more.

From a long-term perspective, as equity capital increases with the accumulation of retained earnings, it will be difficult to maintain a high level of ROE unless profits grow at a similar pace. The Group recognizes this as an important issue for our financial strategy. To address it, the Group has established a basic policy of returning 50% of profits to shareholders as dividends, and has established guidelines in advance to prevent excessive accumulation of retained earnings.

Meanwhile, revenue, the numerator for calculating ROE, includes non-operating income in addition to operating income, but the Group places importance on operating income obtained from our core business of game development and sales. We are also aware of other indicators, such as the ratio of operating income to equity (operating income-based ROE) as an option for future financial management.

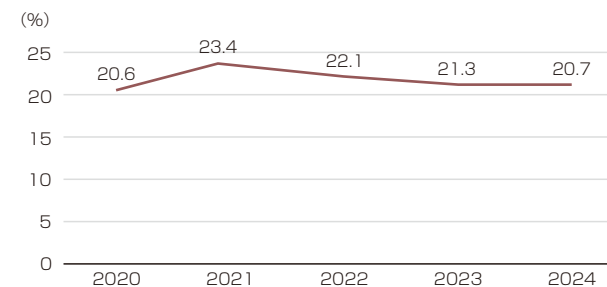
In the last few years, revenue has been supported by non-operating income and expenses such as asset management, which has helped to boost ROE. However, asset management is influenced by fluctuations in financial markets. We aim to

Change in dividends after the management integration



achieve a healthy and sustainable ROE by focusing our efforts on increasing operating profit without relying excessively on these fluctuations. We plan to proceed with a policy of stably ensuring a certain level of non-operating revenue.

Change in ROE



► My responsibility to communicate the “meaning” of financials

As CFO, it's my responsibility to not only produce the numbers, but to communicate the *meaning* of the numbers. It's a responsibility I take very seriously, which is why I will strive to provide honest and transparent information to our shareholders and other stakeholders, continue to implement a sound capital policy, and uphold accountability. I believe it is our responsibility not only to support financial sustainability, but also to build trust in our company and achieve an increase in corporate value into the future.

Expenses accounting policy for development costs Placing importance on transparency and stability without recording assets

In the game industry, accounting policies for development costs may differ from company to company, with each company handling them in accordance with their business and accounting strategies. Many companies record development costs that are expected to generate future sales as assets, and amortize them over a fixed period after release (capitalization). While this can help avoid the pressures of short-term expenses, it also carries the risk of titles becoming non-performing assets if sales fall short of plans, and in some cases, issues remain regarding financial transparency and consistency.

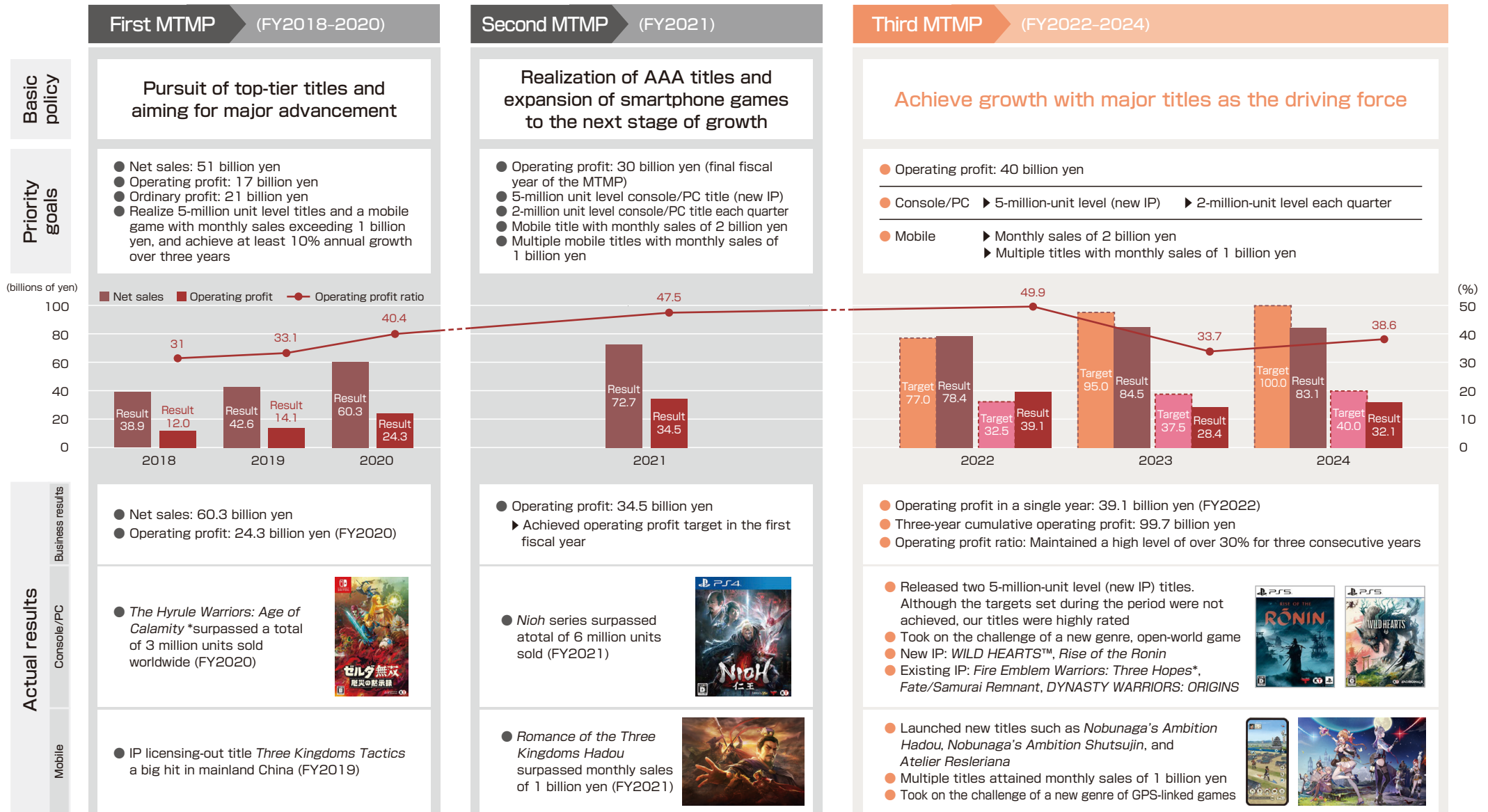
On the other hand, the Group does not record development costs as assets in anticipation of future sales, but rather adopts a policy of treating development costs as expenses incurred for that period. This clarifies the relationship between the income statement and cash flow, and also curbs excessive bloating of our balance sheet. As a result, sound and conservative business management incorporating the risk of future earnings fluctuations becomes more possible.

While this accounting policy may have the effect of pushing down profits in the short term, I believe it will contribute to improving our long-term corporate value by increasing the transparency of our revenue structure and strengthening the conservatism and predictability of our finances.

Review of the Medium-Term Management Plan

The Group has achieved sustainable growth by addressing the ever-changing market environment. Beginning with the First Medium-Term Management Plan launched in FY2018, we have steadily produced results, including achieving the Second Management Plan's target operating profit of 30 billion yen ahead of schedule. During the term of the Third Medium-Term Management Plan starting in FY2022, we took on numerous challenges toward our aim of further growth. Leveraging the knowledge we have accumulated to date, we successfully developed our first open-world gaming title as the Group using our in-house developed game engine, KATANA ENGINE™. This technology will be a key advantage in terms of future title development, as well as serving as the foundation for the next phase of growth.

We also focused on enhancing brand recognition in global markets. Promotional activities for *DYNASTY WARRIORS: ORIGINS* included direct engagement with Western media, which helped the *DYNASTY WARRIORS* series, previously centered in East Asia, gain significant attention in the West.



4th Medium-Term Management Plan

Basic policy

Laying the foundation for further growth

Qualitative goals

01 Quantitative growth of the pipeline

We will strive to continuously enhance our development structure with an aim to increase earning opportunities and lay the foundation for sustainable growth, while constantly balancing the pipeline between major and middle-class titles.

02 Qualitative growth of the pipeline

We will strive to enhance quality control across our entire portfolio and for each title, raising their quality to AAA standards and improving their competitiveness and brand value.

03 Growth in sales capability

We will conduct effective marketing campaigns with an eye on the global market to maximize the revenue generated by each title.

04 Growth in cost efficiency

We will enhance cost efficiency through the development structure optimization and the use of generative AI. By making effective use of resources, we will pursue higher profit margins and greater management stability.

Quantitative goals

Three-year cumulative

Operating profit exceeding
100 billion yen
(operating profit ratio exceeding 30%)

Single-year

Operating profit of **40 billion yen**
(operating profit ratio exceeding 30%)

Console/PC

Three-year cumulative sales
exceeding 30 million units

Online/mobile

Net sales
Sales to grow in stages over three years

Three pillars

01 Strengthening the management foundation

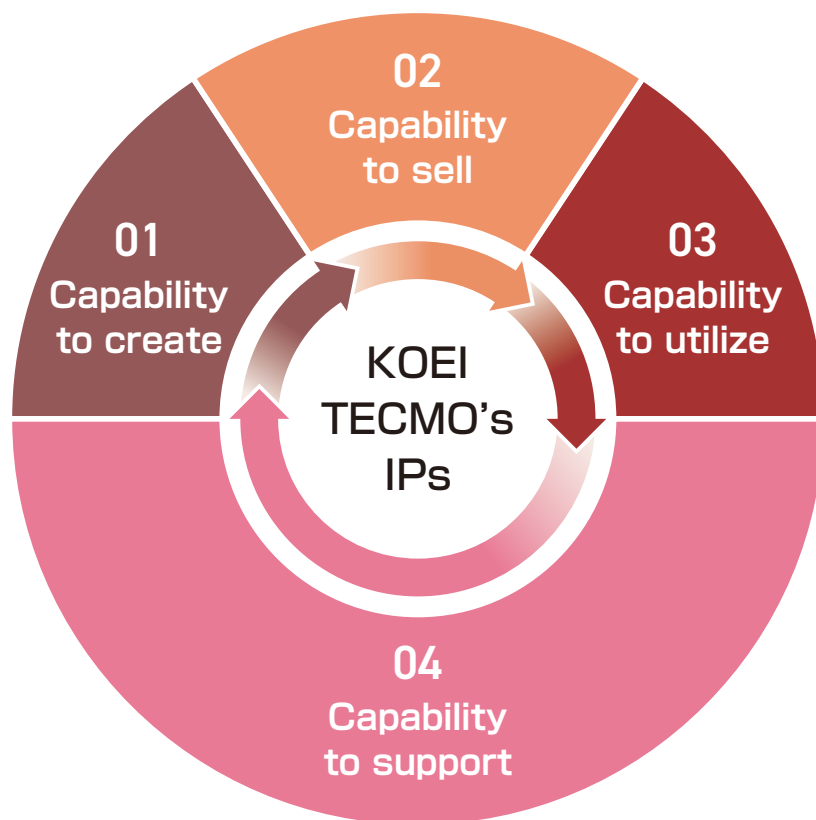
02 Business strategies

03 Cash allocation

▶ P.32

Business strategies

Business segment	Field	Position	Direction
Entertainment business	Console/PC Online/mobile	Growth driver + stable revenue	Enhance capability to create engaging IPs and maximize revenue and value ▶ Business strategies P.37 ▶ Global expansion P.38
	IPs (proprietary/ joint project)	Growth	Apply IPs across a wide range of fields to increase their value ▶ Expansion of IPs P.39
	IPs (operation and licensing-out)	Stable revenue	
Amusement business	Slot and pachinko Amusement facilities	Stable revenue	Achieve 10% growth in mature markets through improvements to existing businesses and new measures, etc. ▶ Amusement and real estate businesses P.40
Real estate business	—		Supporting the Group



4th Medium-Term Management

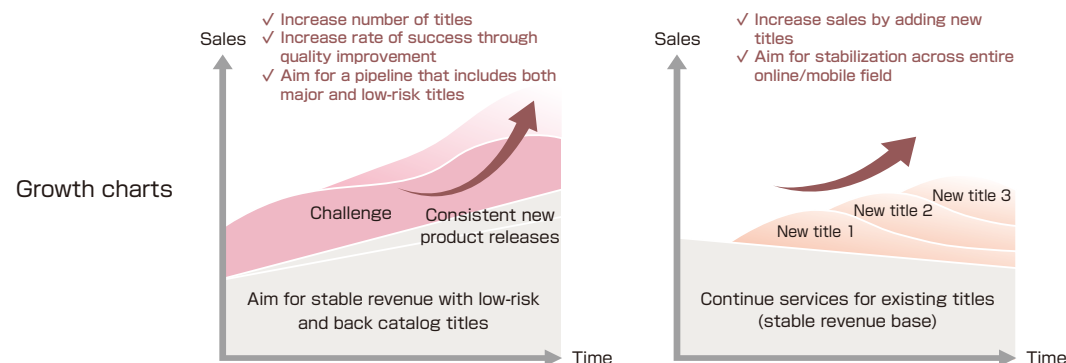
- Base development on platform compatibility
- Reconsider degree of risk-taking after reflecting on the 3rd Medium-Term Management Plan
- Organize product lineup in consideration of balance between major and middle-class titles

Capabilities to be enhanced	Related qualitative goals	Initiatives
Capability to create	Qualitative growth of the pipeline	● Market-driven planning and development ● Capability to create new games utilizing major IPs + capability to create future core IPs
Capability to sell	Growth in sales capability	● 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

Allocating Investment for Game Development

We will further strengthen both console/PC and online/mobile fields as pillars of revenue with the aim of achieving sustainable growth in the entertainment business. Accordingly, we will promote investment in each segment to achieve further growth.

	Console/PC field	Online/mobile field
Policy	Drive growth	Stable revenue
Percentage of development investment*	About 65%	About 35% (of this, existing titles: about 15% / new titles: about 20%)



*Development investment: Calculated from the total amount of major development costs. Head office and other expenses are not included. The percentages are the approximate proportion of investment across the entire game development.

In the 4th Medium-Term Management Plan, we will leverage our overseas bases in strengthening global marketing initiatives. Recognizing the significant potential for further expansion in the European and American markets, we will enhance our marketing and sales strategies primarily at our European and US bases. Each regional base will take the lead in robustly promoting sales strategies centered on region-specific promotion.

Furthermore, we will also actively enter emerging markets with an eye toward future growth. Our development base in Singapore and other teams will conduct detailed research into markets in India and Southeast Asia, as well as strengthening content development optimized to local needs to gain new user bases. The release of several successful PC games in China and other markets has led to greater business opportunities; therefore we will also focus on strengthening in-house publishing systems, for simultaneous multi-platform deployment. We will also establish a mechanism through which sales and development bases collaborate closely to quickly incorporate regional trends, aiming to create titles that gain broad market support.



Media event for *Atelier Yumia: The Alchemist of Memories & the Envisioned Land* in Europe



Autograph signing event for *Romance of the Three Kingdoms 8 Remake* in China



Scene from a Chinese Game Expo



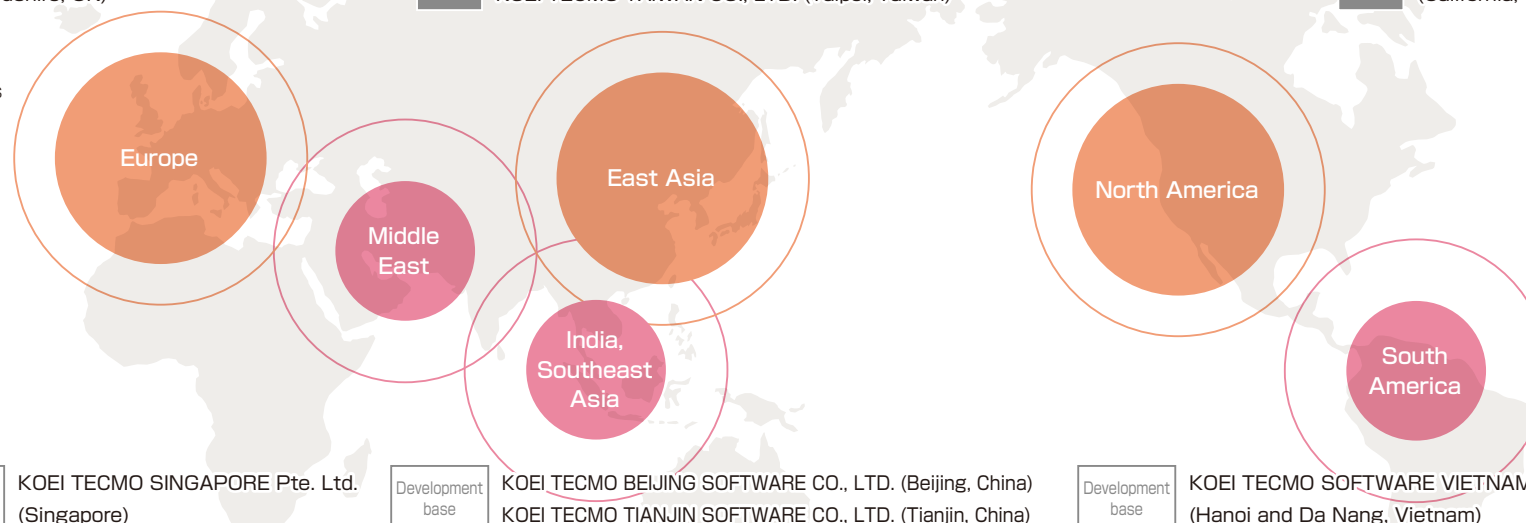
Media event for *DYNASTY WARRIORS: ORIGINS* in the US

Sales base KOEI TECMO EUROPE LIMITED
(Hertfordshire, UK)

Sales base KOEI TECMO SHANGHAI ENTERTAINMENT CO., LTD. (Shanghai, China)
KOEI TECMO TAIWAN CO., LTD. (Taipei, Taiwan)

Sales base KOEI TECMO AMERICA Corporation
(California, US)

● Existing markets
● Emerging markets



Development base KOEI TECMO SINGAPORE Pte. Ltd.
(Singapore)

Development base KOEI TECMO BEIJING SOFTWARE CO., LTD. (Beijing, China)
KOEI TECMO TIANJIN SOFTWARE CO., LTD. (Tianjin, China)

Development base KOEI TECMO SOFTWARE VIETNAM CO., LTD.
(Hanoi and Da Nang, Vietnam)



KOEI TECMO SINGAPORE Pte. Ltd. office



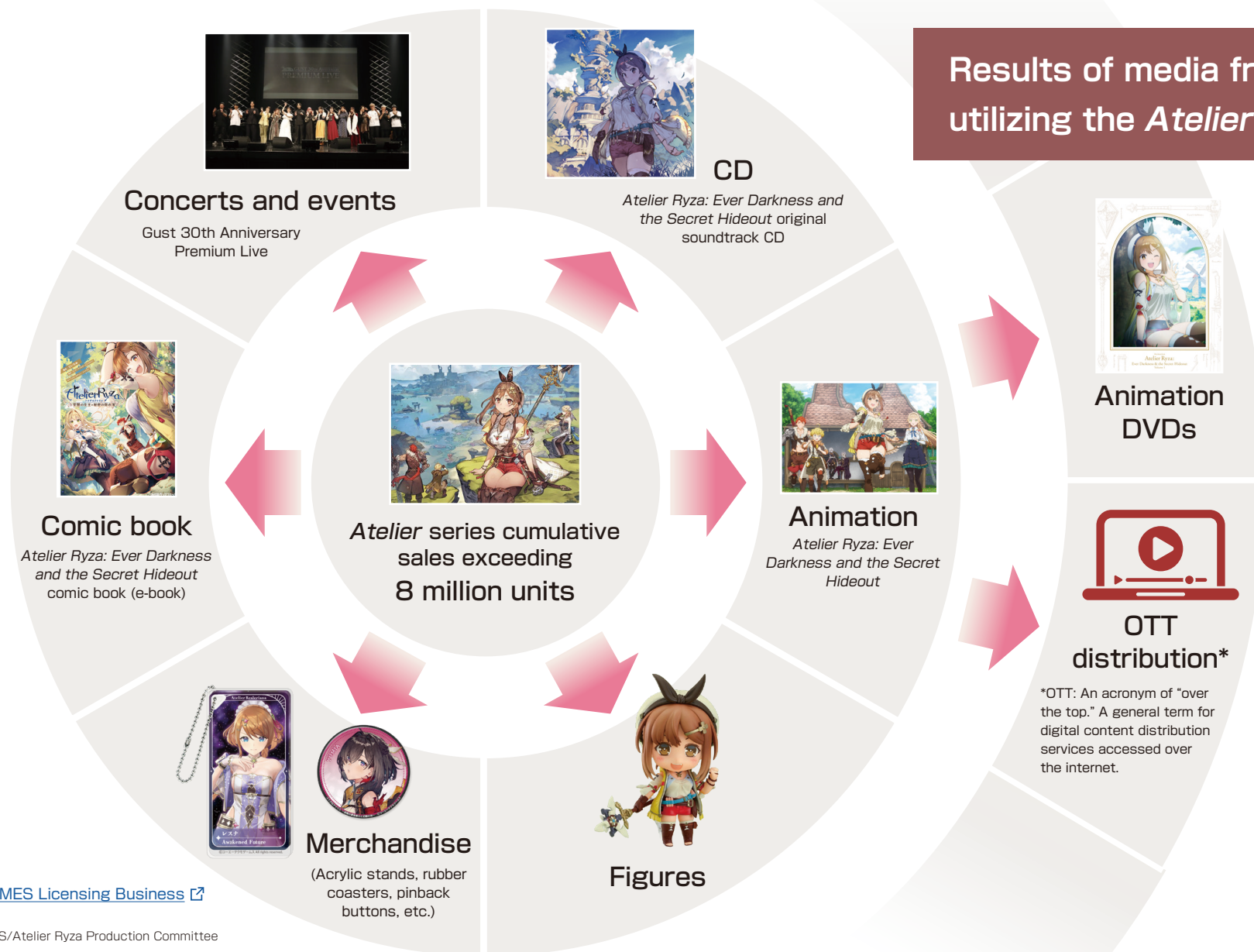
KOEI TECMO BEIJING SOFTWARE CO., LTD. office



KOEI TECMO SOFTWARE VIETNAM CO., LTD. office



One of our key strategies in the 4th Medium-Term Management Plan is the “capability to utilize,” which involves applying IPs across a diverse range of areas outside of gaming. With this strategy, we aim to transcend the boundaries of gaming, maximizing the value of our IPs while at the same time creating new revenue opportunities. Specifically, we are actively promoting media franchising across a varied range of media using the characters and worlds of popular IPs. These include animation and comic book adaptations, stage productions, tourism campaigns, and collaborations with cafes and restaurants. This will increase opportunities for customers to engage with our IPs, deepen existing fan bases, and create chances for people so far unfamiliar with our games to learn about our IPs.



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 in mature markets through improvements to existing businesses and new measures, etc.

Amusement Businesses

Slot and pachinko business

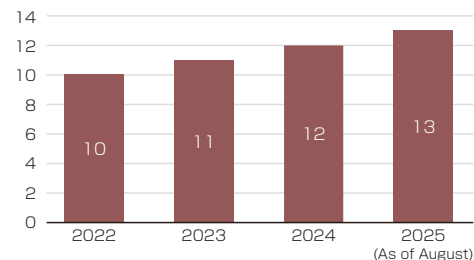
We aim to maximize the use of powerful IPs and CG production capabilities developed by the entertainment business to stabilize the business and further enhance the value of IPs. The Group's leading IPs are widely recognized even by non-gamers; we will leverage this recognition and brand power in growing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



Amusement facilities operation business

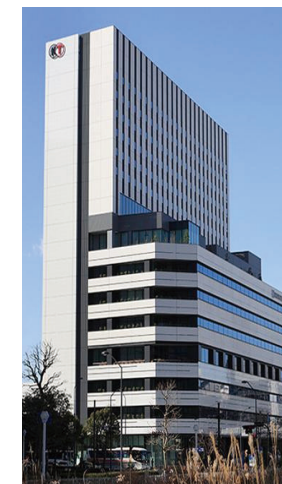
We aim to increase sales by accelerating facility openings. In addition to making improvements to existing operations, we will expand the business by actively opening new facilities. We will also seek to increase profitability through operational efficiency and energy saving initiatives at facilities,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

Change in number of facilities

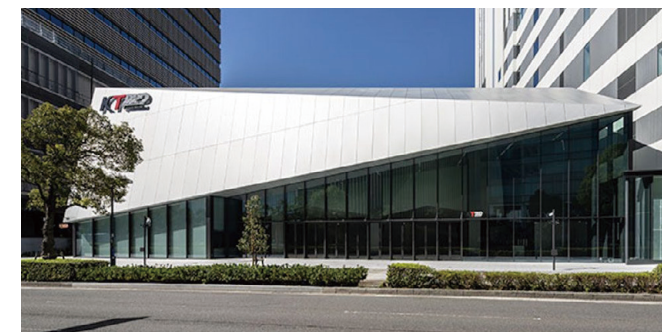


Real Estate Businesses

The 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 expansion, including the KT Building in Yokohama, Kanagawa. 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.

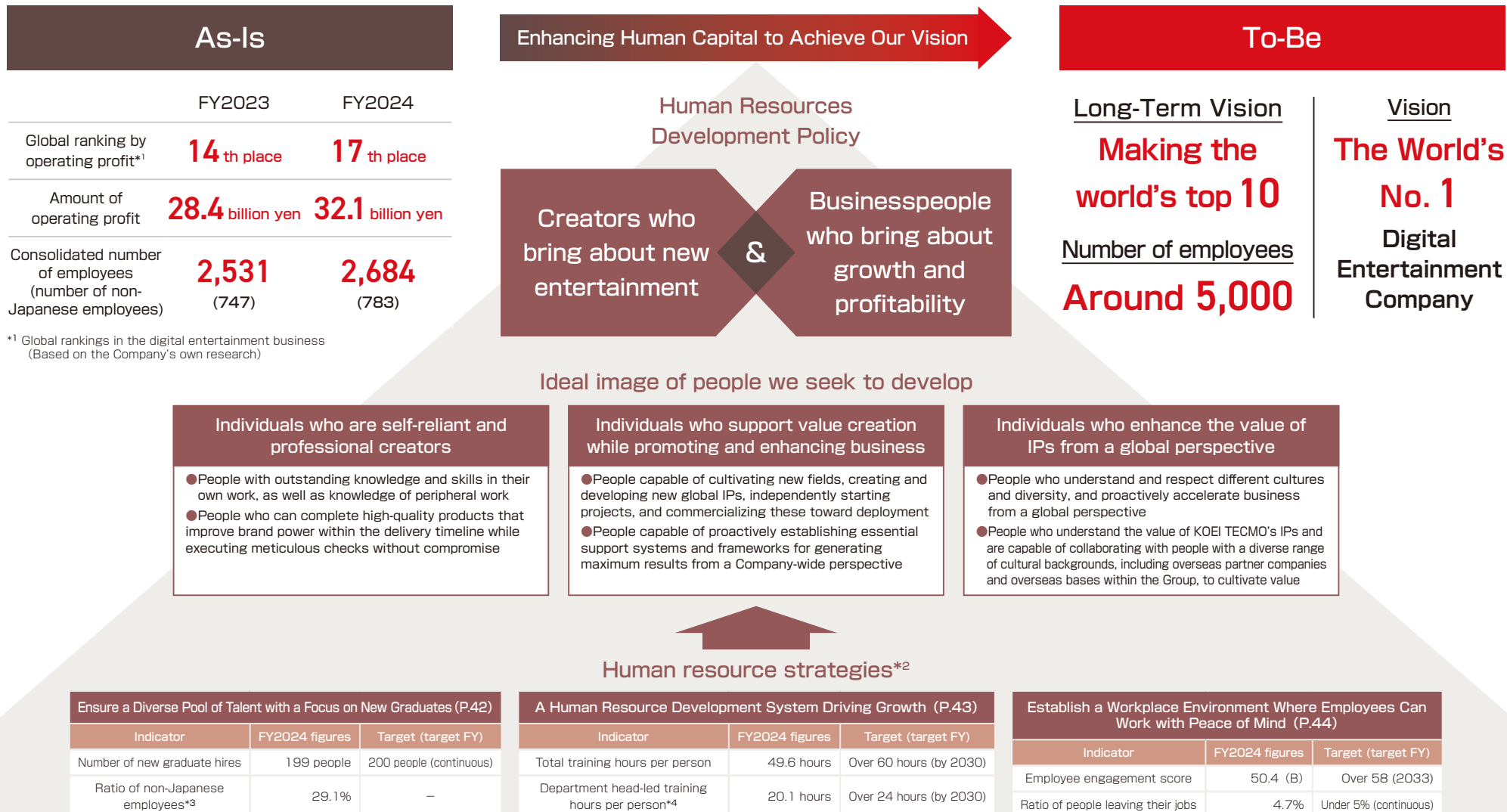


KT Building in Yokohama's Minato Mirai 21 (Block 47)



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

Human Capital Management Supporting Sustainable Growth



*2 Each item is aggregated from domestic Group companies *3 Consolidated only for the ratio of non-Japanese employees *4 Voluntary training sessions led by department heads involving employees taking on the role of instructor at their respective departments and teaching one another essential skills



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

Ensure a Diverse Pool of Talent with a Focus on New Graduates

Believing that people are its 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. In particular, positioning new graduate recruitment as a key part of our growth strategy and having talented individuals with diverse backgrounds join the Company has supported our growth. We are also actively recruiting non-Japanese employees as part of our efforts to pursue growth in global markets. Moreover, we are also committed to establishing environments where each and every employee can utilize their abilities to the fullest and to promoting active roles for women.

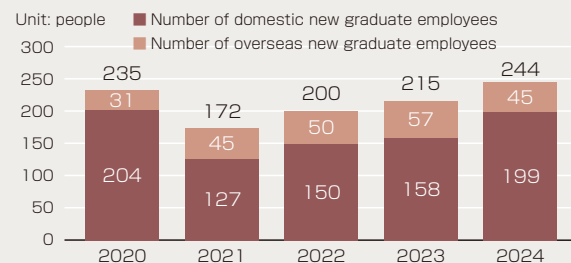
New Graduate Recruitment

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, 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.

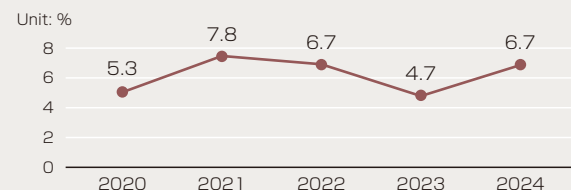
▶ Internships

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)



▶ Change in ratio of people resigning within three years after joining as a new graduate (company-wide)

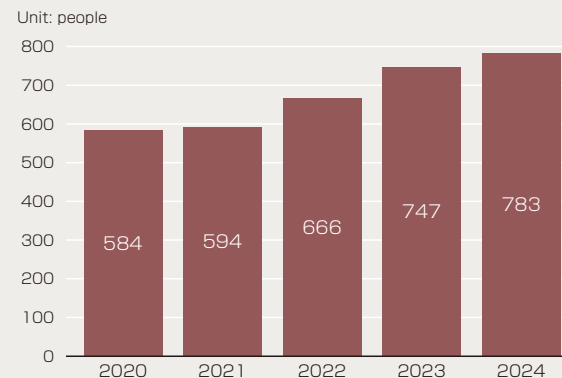


Recruiting Non-Japanese Employees and Encouraging Them to Play Active Roles

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.

With the increase in non-Japanese employees, the number of talented individuals playing an active role as managers and leaders is also growing steadily. This enables 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. 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.

▶ 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

The Group is concentrating on 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.

Training for New Hires

▶ New employee training

For a period of about one and a half months after joining, employees acquire fundamental business skills required for working professionals, in addition to knowledge and skills necessary for game production. After assignment, employees are supported in their development by the mentor system, through which a senior colleague offers guidance and arranges meetings over the course of a year. We also carefully monitor how new employees are getting on through annual interviews with HR personnel, along with additional interviews as necessary. Moreover, we also conduct year-end “follow-up training,” and have established a support system that enables new employees to work with peace of mind and develop steadily.

Rank-Specific Training

▶ Rank-specific training

In order to promote employee development tailored to their respective career stage, we provide rank-specific training programs every year for promoted employees and mid-career hires. Based on our Human Resources Development Policy, participants gain the knowledge and skills required for each stage through a two- to three-day intensive program. For example, we provide opportunities for creators to gain a more business-minded perspective, such as having employees in developer roles learn the fundamentals of management accounting. We aim to develop practical skills among employees through specialized curricula designed to cover the required responsibilities at each stage, thereby promoting the development of personnel that can deepen their understanding of their roles and responsibilities and contribute to improving overall organizational performance.

▶ Manager training

We provide training for newly promoted managers on goal management and evaluation, instructing subordinates, and managing overtime work, giving them systematic opportunities to acquire the skills required for managerial roles. We also provide training aimed at continuous skill development for existing managers after a certain amount of time has passed since they assumed a leadership or managerial role. This enables us to maintain and improve the management capabilities of managers at all levels, thereby enhancing our capabilities as an organization.

Skill Development Training

▶ Reskilling

The Group supports employees in gaining new skills as a way of addressing the rapidly changing business environment. As part of this reskilling initiative, we provide opportunities for employees to consider reskilling by offering career stage training to employees with a certain level of experience and encouraging them to review their career and life plan. In FY2024, 92 employees participated in this training, redefining their expertise and becoming more motivated to acquire new skills. Through this, we are building a framework that enables employees to develop their careers with a long-term perspective and contribute to the sustainable growth of the Company.

▶ External seminars

To encourage employees to take a proactive approach to their learning, we offer guidance on appropriate external seminars and correspondence courses, along with subsidizing a portion of the costs. Correspondence courses related to game engines and CG production are especially popular. From FY2024, the program for subsidizing language exam fees has been expanded to cover both English and Chinese language exam fees. We are committed to encouraging motivated employees to improve their foreign language skills as a way of developing human resources that can support global business expansion.

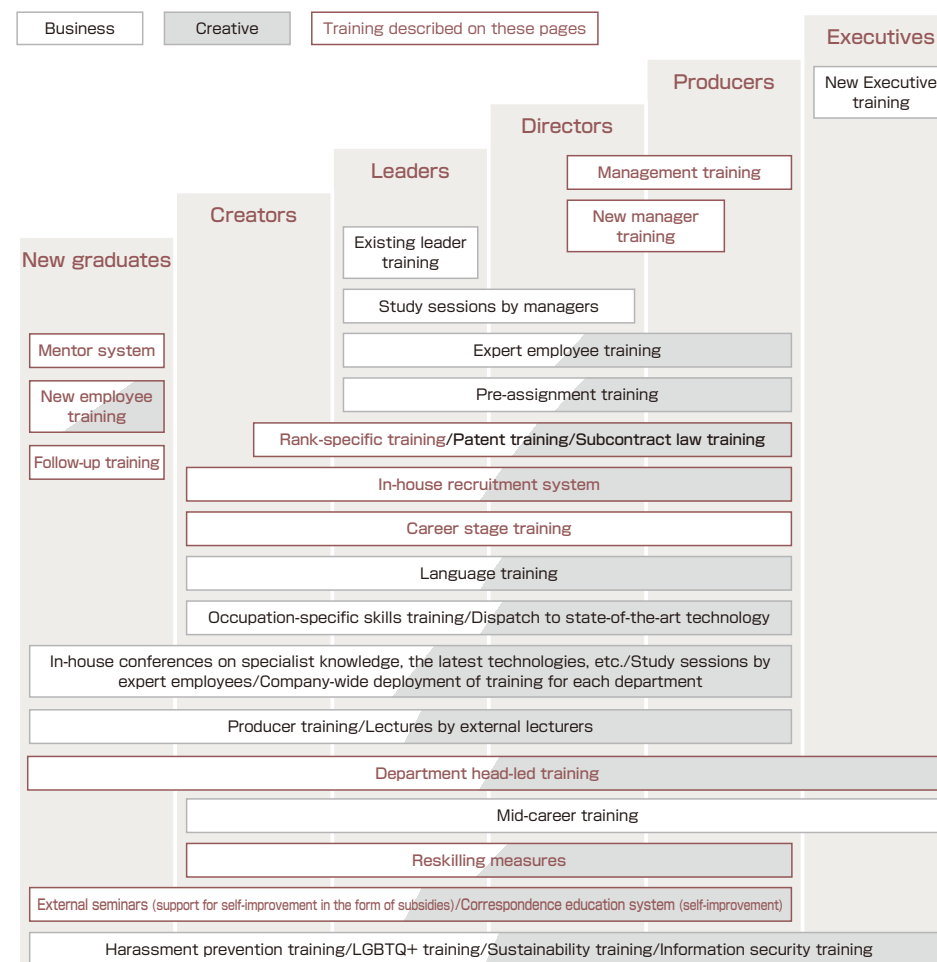
In-house recruitment system

We have established an in-house recruitment system to support employees in developing their careers independently. By recognizing and visualizing an ideal vision of their future selves and what would be expected of them, employees get an opportunity to think deeply about their own careers and develop the necessary skills and experience. This system has led to many employees voluntarily transferring within the Company and playing an active role with a high level of motivation.

Department head-led training

Starting in FY2024, department and brand-specific training and study session materials are being published on the company intranet to promote knowledge-sharing across different departments. We are working to improve the quality of on-the-job training, share expertise, develop the skills of all employees, and increase productivity. For example, brands hold monthly retrospective meetings or lectures, etc. on how to use the KATANA ENGINE™ as necessary. Standardizing the fundamentals and specifications of creating games allows us to raise knowledge levels and develop high-quality games.

Framework for Generating Transcendent Human Power



The Group is focused on establishing a working environment where each and every employee can fully exercise their capabilities and play an active role over the long term with peace of mind. By establishing such workplaces, we improve employee engagement and health and maximize individual performance, thereby ensuring both employee welfare and the sustainable growth of the Group.

Working Toward Enhancing Engagement

The Group actively strives to enhance employee engagement with the aim of achieving a balance between job satisfaction and a comfortable working environment for employees. To provide even more entertainment to our customers, it is crucial for employees to share the Company's vision and work with a sense of mission. Accordingly, we visualize challenges across the entire Group and prioritize efforts to steadily work toward improvement. We introduced an employee engagement survey in FY2023. Reflecting employee feedback in management operations allows us to identify organizational issues and examine and implement continuous improvement measures.

► Engagement survey results

	Score	Targets	Respondents	Response rate
FY2024	50.4	2,016	1,798	89.2%
FY2023	50.4	1,890	1,587	84.0%

► Issues requiring improvement and measures

Issue	Measures
Facility environments (improve work environment)	● Acquire new office space ● Introduce tea dispensers and lunch box ordering service
Succession activities (share knowledge and expertise)	● Study sessions for junior developers ● Coordinate and roll out departmental training
Systems and benefits	● Enhance benefits (accumulated paid leave system, sabbatical leave system, childbirth leave for spouses, etc.)
Reform activities (Company-wide improvement activities)	● Have top management share employee engagement results with the entire Company ● Share best practices across departments

Health and Productivity Management Initiatives

The Group believes it essential above all else to ensure that employees stay healthy both physically and mentally and deliver a high level of performance in order to contribute to the enrichment of customers' minds worldwide. 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 so that employees can develop fulfilling careers while staying healthy over the long term. We have also been certified as a "2025 Outstanding Organization of KENKO Investment for Health (large enterprise category)" by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. Specific measures include recognizing attendance of health seminars held by Company public health nurses as work-related activities and subsidizing fees incurred by individuals taking tests for unusual results detected during health checkups.

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

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



Practical Establishment of Workplaces Where People Shine

► Supporting stable lifestyles

We provide a variety of programs and environments to support employees' lives in order that each individual can work with peace of mind. We support the establishment of stable life infrastructure for a wide range of employees, including new graduates and non-Japanese employees, such as scholarship repayment support and welfare fund loan programs, increased base pay after 10 consecutive years, and the provision of single-person dormitories and company housing (15 properties and 409 individual rooms). Through these initiatives, we are establishing workplace environments that fully draw out employees' capabilities and individuality and enable them to play an active role.

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

In addition to the flextime system, we have also adopted systems for both shorter working hours and staggered working hours (sliding attendance). In April 2025, we increased the number of hours by which employees using the shorter working hours system could reduce their working hours from 3 to 3.5 hours. Moreover, we also improved the shorter working hours and staggered working hours systems used for childcare purposes by raising the age cutoff for eligible children from third grade to sixth grade. Through these efforts, we are establishing workplace environments where employees can play an active role while balancing childcare and work. We are supporting employees in balancing childcare and work through childcare leave, too, achieving high childcare leave uptake rates for both women (100%) and men (80%) in FY2024.

► Enhanced evaluation and remuneration systems

The Group has introduced a fair evaluation system based on merit for appropriately rewarding the efforts and achievements of its employees. 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. Furthermore, we raise motivation among employees and inspire them to take on further challenges through awards programs linked to the sales performance of individual game titles, along with incentive programs and celebratory parties. These systems are crucial in enabling employees to fully recognize their own growth and in pushing them to strive toward ambitious goals.

► Promoting diversity

We conduct training to raise awareness of diversity, LGBTQ+, and similar matters with the aim of creating an organization in which diverse personnel can respect each other and play active roles. In 2025, we established a new childbirth support leave for spouses that enables employees to take up to three days' leave after the birth of their child. We also began providing sanitary products in women's restrooms. We will continue to establish environments where all employees can work with peace of mind.

Other initiatives are published on our [corporate website](#). [🔗](#)

Staff Roundtable Discussion

It Takes Passion and Courage to Become the World's No. 1!

KOEI TECMO's strength lies in the professionalism and passion for games that our employees display every day. We gathered four members actively involved in development to discuss their day-to-day work, personal goals, and the challenges they face in their pursuit of becoming the World's No. 1.

Roundtable Participants



Developer A

Joined in 2016
AAA Studio Development
Planner



Developer T

Joined in 2014
Team NINJA
Development Planner



CG T

Joined in 2019
Entertainment Production Division
CG Designer



Marketer K

Joined in 2017
Marketing Division

A deep love for gaming and a determination to make games players love

Developer A I joined KOEI TECMO because I love games and wanted to develop PC and console games. My happiest moments are the ones where I see our players enjoying our games and having the experiences and emotions we were hoping to give them when developing the game. It's extremely rewarding to read the positive comments made by people who play games I've worked on, such as *Persona 5 Strikers* and *Stranger of Paradise: Final Fantasy Origin*. How about everyone else? What are your happiest moments in development?

Marketer K I'm there with you. Player reactions are so rewarding! I remember when we unveiled a teaser for the new *Warriors Orochi* series at the Omega Force 20th Anniversary concert, and the audience gave us a standing ovation. I even saw some of them with tears in their eyes! That moment will stay with me forever. Whenever I hit a wall, I can remember these moments and the goals I'm striving for: to reach even more people about the games I love.

Developer T I enjoy how all of our colleagues share a common goal, to challenge ourselves to create the best entertainment content available. It's one of our Basic Management Policies, too. The first game I ever bought after saving up my allowance was

KOEI's *Nobunaga's Ambition: Soutenroku*. The *Nobunaga's Ambition* series was my entry into the gaming world, and now that I'm often working on the series myself, that history sometimes makes me put more pressure on myself. But by developing new games and sequels that become successes, I feel I've fulfilled my responsibility to the series. Despite the challenges that crop up during development, it's only by overcoming them that I feel this much satisfaction when seeing players enjoying the final product. It also reminds me how grateful I am for the fans of the games we create.

CG T I'm originally from China, but I love Japanese games; the first game I ever played was KOEI TECMO's *Haruka: Beyond the Stream of Time* series. This game was what originally drew me to Japanese culture, and eventually to move to Japan. It's so fulfilling

to know that I get to play a role in making games at the company that made my favorite series. I'm currently working in CG design, and I'm always thinking about how fans will react to everything, even when I'm working on the tiniest character animations.

Developer T I agree, it's important to see things from the perspective of our fans. After a game launches, I check social media, review sites, and sales rankings at local stores. That gives me a better idea of how our players are responding to our projects. I believe all of our colleagues want to provide exciting player experiences, just like the ones we've all had ourselves.

It's not just about fun—it's also about sales. Discussions shape creativity and business perspectives

Developer A Another thing we share is our commitment to the business end of development. For example, even before our dev planning meetings (P.26), our marketing team meets to discuss how viable the game will be, sales-wise. The project has to get approved at that stage before we can start diving into development. As a group, we all agree that achieving business goals and making profit is what gives us the ability to bring our next title to our fans. Once the game passes our marketing appraisal meeting, we move into development planning in



Staff Roundtable Discussion

earnest. All the members participating in the meeting come with feedback from junior employees in their department, which helps them get a handle on how to evaluate projects from a business perspective early in their careers.

Marketer K Our Marketing Department also gets involved with these dev planning meetings to discuss topics revolving around cost, such as target demographics, the number of units, or the price of the game. You can see our commitment to business planning here, too.



Developer T Yes indeed. After the planning stage, we hold review meetings to share our ideas and opinions about prototypes that are in development. During these meetings, all staff members, regardless of seniority or responsibility, are encouraged to bounce opinions off one another as they, as gamers, explore how our fans might engage with the product. While we developers tend to focus on the production process, this stage is extremely important for receiving objective feedback from other teams on the emotional experience and the meaning fans might take from our games. This system is great, not only for getting to the crux of the challenges we're facing, but also because it helps us get a sort of "fan feedback" early in development, while also cultivating ideas that align with both creative vision and the business aspect of our work.

Healthy Discussions Backed by Mutual Respect

Developer T One thing I love about KOEI TECMO is that everyone can speak up with their opinion, no matter their role or tenure at

the company, and it doesn't negatively impact our relationships with one another. We all understand that we want to make any course corrections at the earliest possible stage of the project. Sure, it can feel a little intimidating, but brainstorming together helps us to create higher-quality games for our players. My supervisor encourages me to share my own answer, even if it's different from what the rest of the team has already said. At first it was tough, but now I realize it's a critical part of the production process. We are all creatives with our own experience. That's why it's important to fully explore all of our thoughts and opinions, so each member of the team can contribute to the project.

CG T As a CG Director, I get a wide range of requests from our development teams. While I always try to accommodate their requests, I'm also prepared to have discussions about them, and see if we can explore better options or come to different agreements. It might sound unnecessary or like a waste of time, but in the end, it's the fastest way to create the highest-quality content for our users.

Developer A The advice we get from the CG Department is really helpful. For example, they've suggested changes to movement or animation to better convey our creative intent to our players. Not only do they carefully read our requests, they're proactive about opening discussions, for example, by setting up meetings to discuss specific points with our team. This collaborative attitude and back-and-forth directly leads to the creation of high-quality content.

Developer T You're right. Healthy discussion between all parties



helps us create great games. We actually get excited to have these debates! Considering the Company has made so many historical games over the years, I know we have a deep respect for our culture and history, as well as respect for historical IP. It goes to show how seriously we take our jobs as developers, and how much respect we have for the diverse professionals working throughout the Company. We also have many opportunities to learn about other brands, whether it's their goals or how they create their content. Not only do these lessons foster a mutual respect between our brands, they help us recognize the uniqueness of our own brand, too.



Learn to Grow, Grow to Learn.

A system of education and support that helps junior employees learn from their mistakes

Developer A KOEI TECMO's culture of learning together is also reflected in our approach to game development. I love how we dive into case studies reviewing our brands and the content created by other brands. It's yet another opportunity to learn together. I've also enjoyed many opportunities to develop my business skills, such as team management and meeting presentation techniques, at external training sessions with other colleagues in our industry.

Developer T Team NINJA holds a monthly forum for team leaders to come together and share updates about the challenges they're tackling on their projects. This forum not only meets the needs of

Staff Roundtable Discussion

our developers, who all want to learn about their colleague's work and experience, but also our management, who want to resolve tough issues and promote education amongst their teams, junior employees in particular. There's so much we can learn from the challenges our colleagues are tackling, and we can apply those learnings directly to our own projects.

Marketer K You mentioned junior employees; they have so many opportunities for growth there. In the Marketing Division, new graduates are given the opportunity to create proposals for producers by the end of their first year with the company, and in their second year, they already expect to be drafting proposals for the division head. Because they get so many opportunities to plan proposals and present them to management, our employees learn from their failures and gain experience, improving their business acumen. This is an extraordinary amount of training for junior employees that quickly gives them the skills to create proposals that are aligned with our business mindsets.

CG T We also have great support outside of work, too. The senior members in my department looked after me like older brothers and sisters (P.43). I moved here from another country, and when I first started, I would often get tripped up by cultural differences, but my mentors were always by my side to help me get back up again.

Developer T I love our mentor system. It's a great opportunity to learn not only about standard work tasks, but also the mindset we need to succeed here, what points are important to specific departments and brands, and so much more. Senior employees give junior employees the support they need to try again after they fail. I also believe that through teaching others, we can learn new things about ourselves and strengthen our skills, too. It's all about learning and growing together.

CG T I liked that I was able to live in the company dorm. After coming here from China, I got to spend my days in a shared living space with a senior employee from Taiwan and other colleagues that joined around the same time I did. We played table tennis and baseball together, which helped us make friends across our respective departments. Dorm life also encourages cross-cultural exchange, so I highly recommend it for any employees who are moving here from abroad.

Climbing towards No. 1 by thinking globally and developing our human resources

CG T I strongly believe that international employees will help accelerate the growth of our Company and speed us towards reaching the coveted No. 1 spot in the global entertainment market. For example, in my homeland, China, technology is changing at a rapid pace, and there are new trends in our domestic gaming market. Incorporating both of these ideas can help us create even better games. Right now, we're discussing how we can add new, fresh appeal to the deep worldview we've woven through our many series and our long history of game development.

Marketer K Like T said, we focus on the major appeal of our games: being immersed in a world that's based on our historical reality. As we move forward, we want to catch up with the new trends and needs of the gaming community while also creating games that can be marketed globally. We've started to create a project planning framework for developing globally-oriented games, but we still have a ways to go before it's ready. As a leader in the Marketing Department, I want to strengthen our international partnerships and implement region-specific

strategies. I also think it's important for the Company to keep acquiring talent from outside Japan. Building trust and influence both inside and outside the company will boost our efforts to expand into the global market.

Developer T Our company vision is to become the World's No. 1 Digital Entertainment company, so it's crucial that we create games worthy of the title of "Number 1 in the World". One of my personal goals is to work on a game that can earn the coveted title of Game of the Year*. But game development at KOEI TECMO is a team effort. The most important part of development is the people who make games. A huge number of our employees are in their 20s and 30s, too, with about 200 young new employees joining us every year. We hope to develop this next generation of game makers into leaders that can achieve our vision and boost our Company's ability to take on challenges and make great games. I'm going to keep polishing my own skills, too. If we can build and grow our own skills alongside the Company's medium-to-long-term growth, I believe we can achieve our goal of providing the best entertainment in the world, both for our own careers and for the Company.

*An award given to the 'best' game software released that year, selected and awarded by many different media outlets and industry organizations worldwide, as well as the collective term for such awards.



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.



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

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)

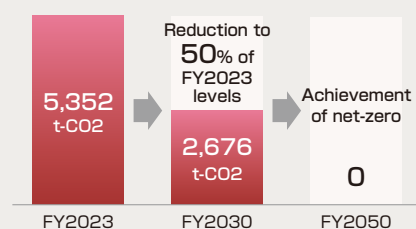
Sustainability Committee (three times in total)

- 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)



(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°C and one where the temperature rise is as much as 4°C. 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

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				
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.

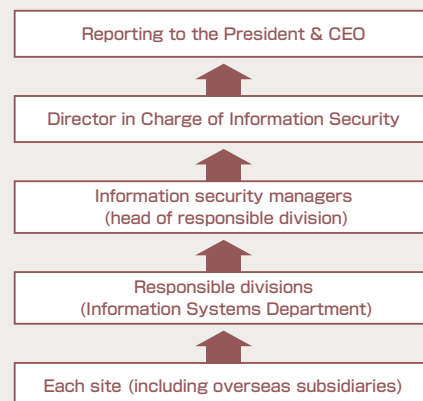
Moreover, we have created a Personal Data Handling Manual for each division and have established a system whereby, in the event of a privacy-related incident, the person in charge of handling personal data in each division promptly reports the incident to relevant parties, including responsible managers 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



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
- Information leaks due to the removal of important information
- Increased costs and procedures associated with compliance with relevant laws and regulations
- Liability for lawsuits, fines, or damages arising from information security incidents
- Decline in social trust due to information security incidents

Value Creation with Stakeholders

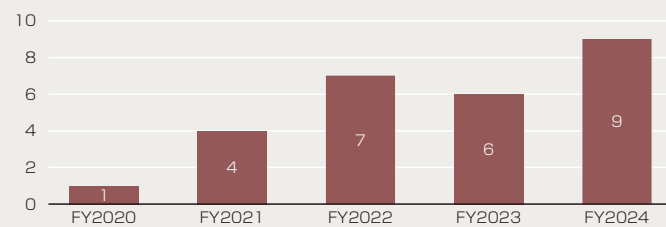
To achieve one of the Group's nine material issues, "Contribute to the enrichment of people's minds," we collaborate with local governments and communities to implement initiatives through hosting events and supporting education. The Group aims to create a sustainable and better society through its businesses 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.

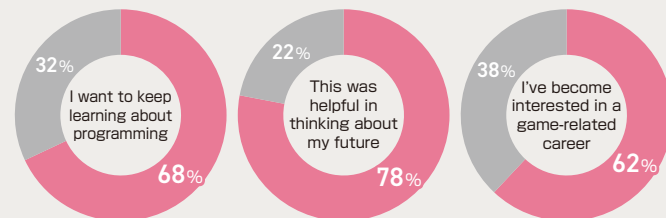
Events held

Unit: event



Results of survey for students taking part in *Machi no Sensei*

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



Class at Yokohama Municipal Nishimae Elementary School



Class at Yokohama Municipal Karujawa 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

Communication with Institutional Investors

Talking with Analysts about Management Strategy and Improving Corporate Value

We brought together a group of analysts to discuss the KOEI TECMO Group's management strategy for the sustainable growth of our group. Chairman Erikawa and President & CEO Koinuma sat down to exchange their honest ideas and opinions on corporate ideology, long-term vision, IP strategy, and the future of our industry.

Participants

- Joji Kido, Asset Management One Co., Ltd.
- Kohei Oba, Nomura Asset Management Co., Ltd.
- Akio Otani, Tokio Marine Asset Management Co., Ltd., and 2 others
- KOEI TECMO: Yoichi Erikawa, Chairman (Representative Director) & Chairman of the Board of Directors; Hisashi Koinuma, President & CEO (Representative Director)

Value Creation Unique to KOEI TECMO: A DNA that strives for entertainment value and purpose

Q. Analyst A

The global game market continues to expand, and now, with the arrival of generative AI, we've reached a moment where anyone can create content, further intensifying your competition. How do you intend to set KOEI TECMO apart from the rest and achieve your own identity?



A. Chairman Erikawa

KOEI TECMO Ethos is "Creativity and Contribution". No matter the market or moment, we always want to create new, innovative entertainment. These recent market trends are to our advantage. More specifically, the Asia market for console and PC action games is growing at a rapid pace, and a TV show based on a Japanese period drama achieved high acclaim and won a prestigious industry award in the United States. Global interest in the history and culture of Japan and the East has never been higher, and considering our 44 years of experience in developing historically-oriented games, there's no better time for us to take action to expand globally.

Q. Analyst A

Not to get philosophical, but I'd like to ask you to elaborate on your corporate slogan, "Level up your

happiness". I remember playing *Romance of the Three Kingdoms* when I was still a university student. When I beat the game, I remember the message that appeared on screen: "Thanks to you, we were able to unify our country. You've grown, and I know you will do well in the future." I felt accomplished for finishing the game, but the message made me feel confident and encouraged, too. Many entertainment companies say they want to make their customers happy, but perhaps KOEI TECMO is unique in that it wants to create the feeling of "leveling up".



A. Chairman Erikawa

Looking back on our company roots, we once called ourselves the "E&E Division"—short for Entertainment & Education. We wanted to create games that have both entertainment value along with a separate purpose. Since the 1980s, we have continued to create games that are not only fun but encouraging. That DNA has been passed down to our current management team and staff. We want everyone to feel like they're growing: both our players, and our developers, who see their own talents and skills improve. We want both sides to feel the happiness of leveling up—hence, *Level up your happiness*.



A. President Koinuma

I would say everyone in the company shares that joy, just to know our players are happily leveling up.

The Challenge of Ranking in the Global Top 10: Strategies for Expansion

Q. Analyst B

This is the first time you have presented a long-term vision. What should you be focusing on right now to achieve the long-term vision of ranking among the world's top 10 in operating profit?



A. President Koinuma

Our biggest focus is, as always, our human resources. We're committed to the growth and education of our workforce. Now is the perfect time for us to reassess how we share our collective knowledge, the experiences and learnings we've gained from our successes and failures. One of our priorities is to make this knowledge clearer and more accessible, and level up our organization's ability to make high-quality games. Once we accomplish that, we can start to focus on our promotional and sales strategies.

Q. Analyst C

One of KOEI TECMO's key strengths is its unique company culture. With one of your goals being to grow the organization to 5,000 employees, are you worried about the risk of diluting or affecting that culture?



A. President Koinuma

You bring up a great point. From our past experiences, we know that maintaining a balanced and diverse portfolio, with both small and large titles, is the best way to expand while maintaining the quality of our organization. We also believe that on-the-job education is important, and that experiencing the full timeline of a game's development from creation to sale and post-mortem review is essential for our developers to grow. During the 3rd Medium-Term Management Plan, we focused on major titles, thinking we could use AAA titles to drive an increase in revenue. However, we've learned that each title has its own appropriately-sized market, and trying to force it to expand throws things out of balance. With this in mind, I believe that while we continue to create major AAA titles, we will also keep making smaller titles on the scale of 100,000 to 200,000 units that are their own stable business, just as we've done in the past. From a management perspective, it may seem easier to scale everything upwards, but doing so would mean losing the ability to maintain our current level of quality.

Q. Analyst D

Changing topics from development: what are some challenges you anticipate the Company will face when expanding globally?



A. President Koinuma

To be honest, we have little experience developing major console or PC titles for a global audience solely, and the same goes for our presence in North America and Europe. One of the major themes of the 4th Medium-Term Management Plan is to focus on promotion and marketing efforts to create a foundation upon which we can build future sales efforts. For example, the main promotional entity for the last two *Nioh* games was not the KOEI TECMO GROUP, but for the upcoming *Nioh 3*, we are planning to handle all of the promotional work ourselves.

Q. Analyst B

Amidst ongoing restructuring in the industry, what is KOEI TECMO's philosophy on M&A?



A. Chairman Erikawa

It all boils down to whether a company has intellectual property (IP) that is attractive—whether it is succeeding and expected to grow and develop further. We must be able to recreate the same spirit and ethos of that IP with the fans we have in-house, even if a specific creator departs. For example, with *Gust*, the company had extremely great characters. When we acquired them, the *Atelier* series was selling around 100,000 units per year, but it has since grown and matured into an IP that sells over 1 million units per year.

Through Dialogue: The future of KOEI TECMO

Analyst E

Thank you for today's discussion—you shared many things we wouldn't have known from our external perspectives. One point I took particular notice of was what President Koinuma mentioned about your portfolio strategy to mix small, medium, and large titles to maintain quality while training your employees. When I heard you were aiming to increase headcount to 5,000, I envisioned that meant we would see double the number of AAA titles, but today's talk reminded me that your strategy is much different from other companies on the market.

Analyst B

Within the industry, your Group particularly excels at working and collaborating with other companies. I think investors will find it easier to understand this if you demonstrate your hybrid strategy of building stable foundations through collaborations and established series to take on the risk of developing new IP. Disclosing your plan to increase headcount and your game pipeline strategy will also help to clarify what sets KOEI TECMO apart from other companies in the industry.



Outside Directors Roundtable Discussion

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

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)



Fumiko Hayashi
Director (Independent
Outside Director)



Shino Uenuma
Director (Independent
Outside Director)

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.



Outside Directors Roundtable Discussion

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.



Outside Directors Roundtable Discussion



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.

Outside Directors Roundtable Discussion

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.



Succession Process for Top Management

The Group is systematically promoting the development of next-generation management and the smooth transfer of authority with a view to enhancing corporate value over the medium to long term. Hisashi Koinuma was appointed President & CEO (Representative Director) in June 2025, but we had been transferring authority to him from his predecessor, Yoichi Erikawa, since Koinuma was appointed President (Representative Director) (COO) of KOEI TECMO GAMES CO., LTD. in April 2015.

Process for Appointing President

The Group's succession plan has been put into practice while maintaining transparency, fairness, and objectivity since the integration of management in 2009. The succession of Hisashi Koinuma as president involved consultation with the Nomination & Remuneration Committee, followed by deliberation by the Board of Directors, and decided on the next president at a General Meeting of Shareholders.

STEP01 ▶ Candidate selection and monitoring

The Board of Directors evaluates potential candidates for president from among members of senior management from multiple perspectives and continuously monitors their activities. Evaluation criteria include the capability to both generate successful products and systemize their creation, along with leadership capabilities as managers.

STEP02 ▶ Discussion and deliberation by the Nomination & Remuneration Committee

The Nomination & Remuneration Committee carefully deliberates on each candidate's eligibility as president. Candidates are assessed on their past achievements and the management and leadership skills demonstrated through these achievements. Following discussions on whether the candidates possess the necessary qualities for driving the Group's future growth strategies, one candidate is proposed as the next president to the Board of Directors.

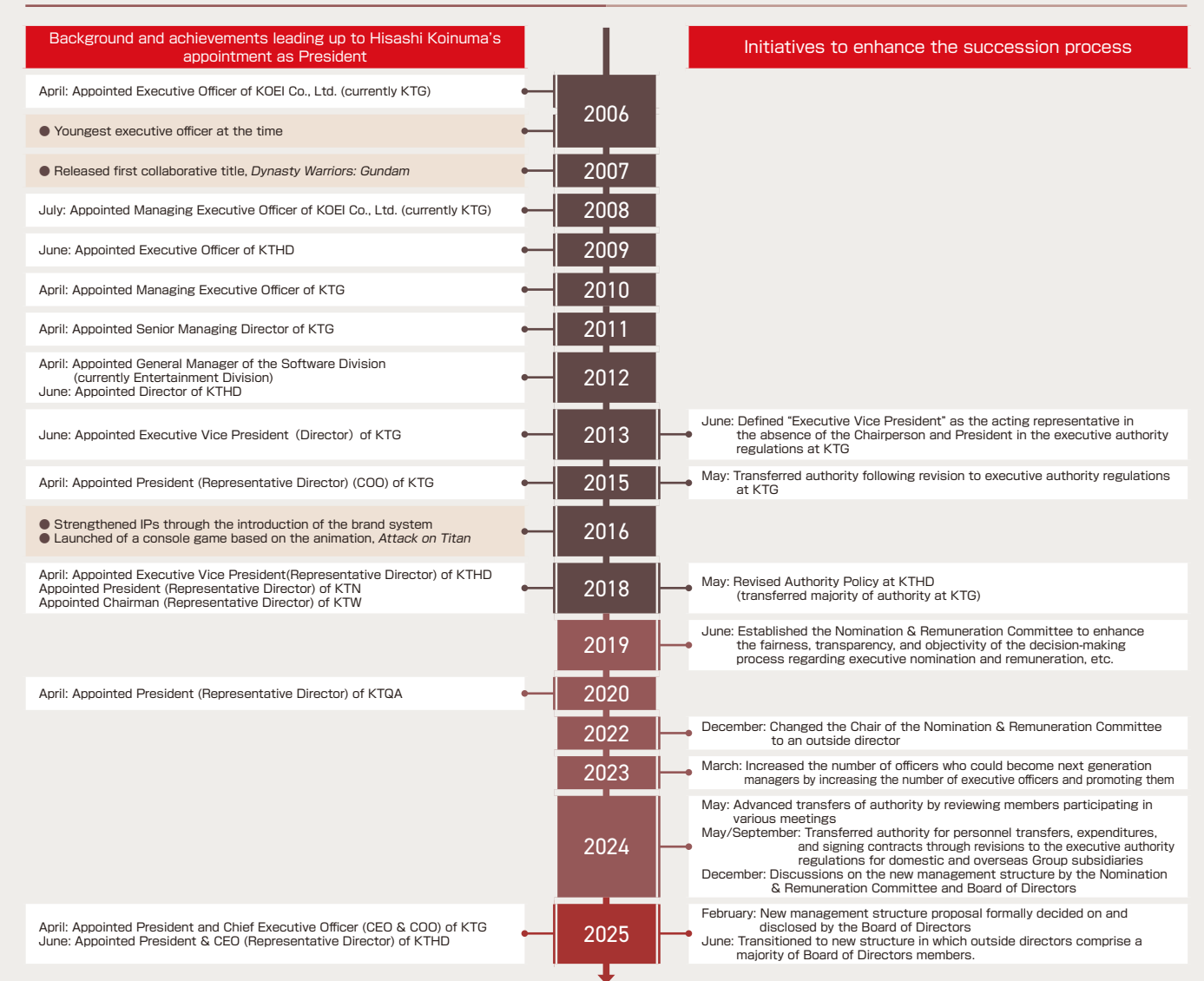
STEP03 ▶ Resolution by the Board of Directors

After receiving the recommendation from the Nomination & Remuneration Committee, the Board of Directors deliberates on the selected candidate for president, then makes a resolution.

STEP04 ▶ Appointment

Following discussion at a General Meeting of Shareholders, the president is confirmed by the Board of Directors.

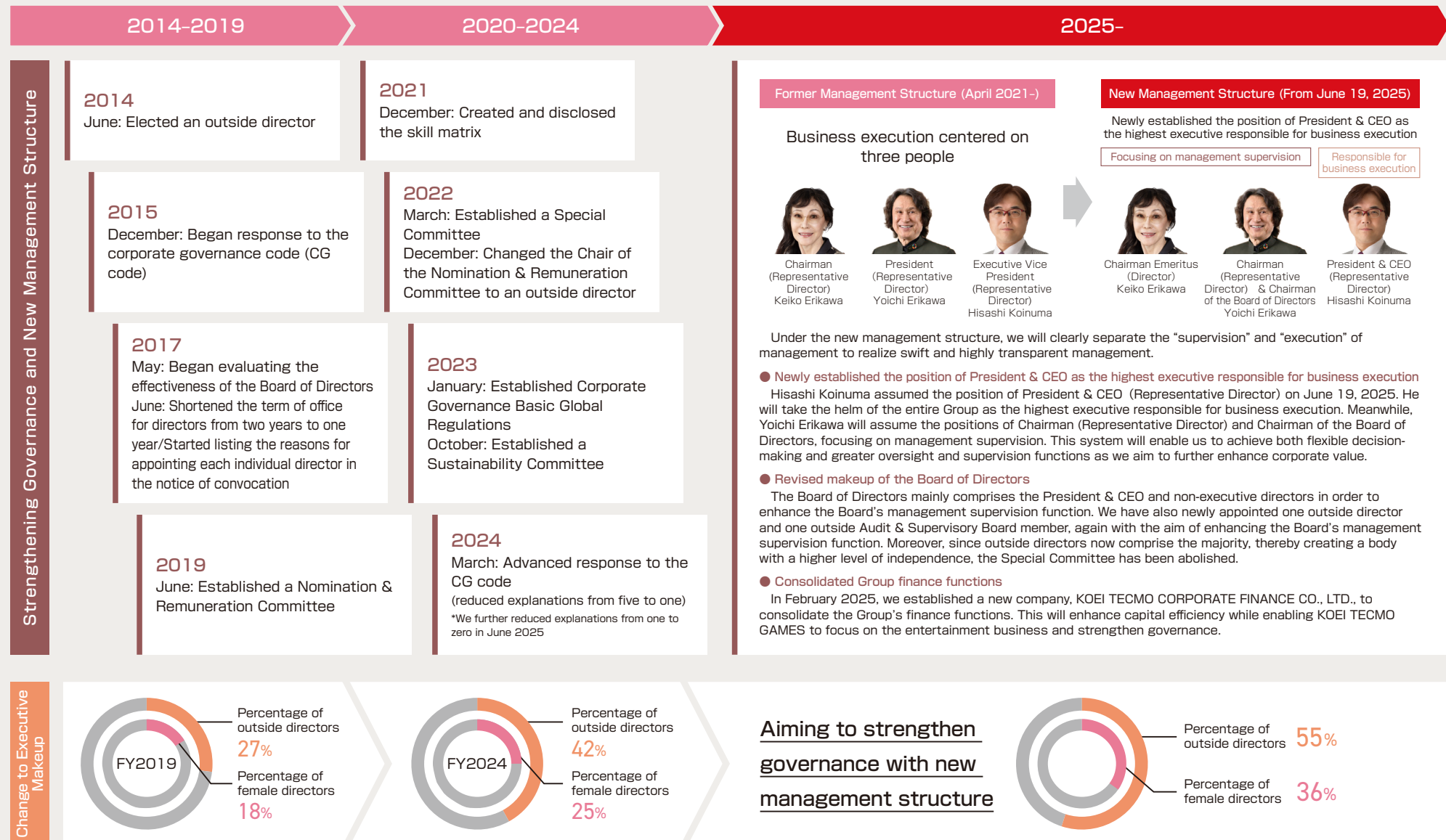
Succession Process Toward a New Structure



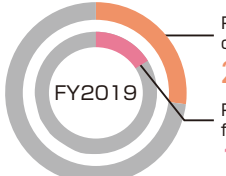
*KTG: KOEI TECMO GAMES *KTHD: KOEI TECMO HOLDINGS *KTN: KOEI TECMO NET *KTW: KOEI TECMO WAVE *KTQA: KOEI TECMO QUALITY ASSURANCE

Initiatives to Strengthen Governance and New Management Structure

The Group has been promoting measures to strengthen governance, aiming for more rapid decision-making while ensuring transparency and fairness. We have recently transitioned to a new management structure to further advance the separation of supervisory and executive functions. This will enable the Board of Directors to focus on management supervision and the executive divisions to concentrate on operations, which will in turn allow us to resolutely push forward with the 4th Medium-Term Management Plan and strive toward enhancing corporate value.



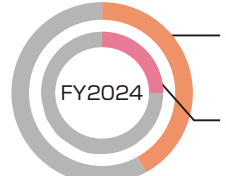
Change to Executive Makeup



FY2019

Percentage of outside directors **27%**

Percentage of female directors **18%**

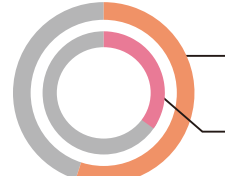


FY2024

Percentage of outside directors **42%**

Percentage of female directors **25%**

Aiming to strengthen governance with new management structure



Percentage of outside directors **55%**

Percentage of female directors **36%**

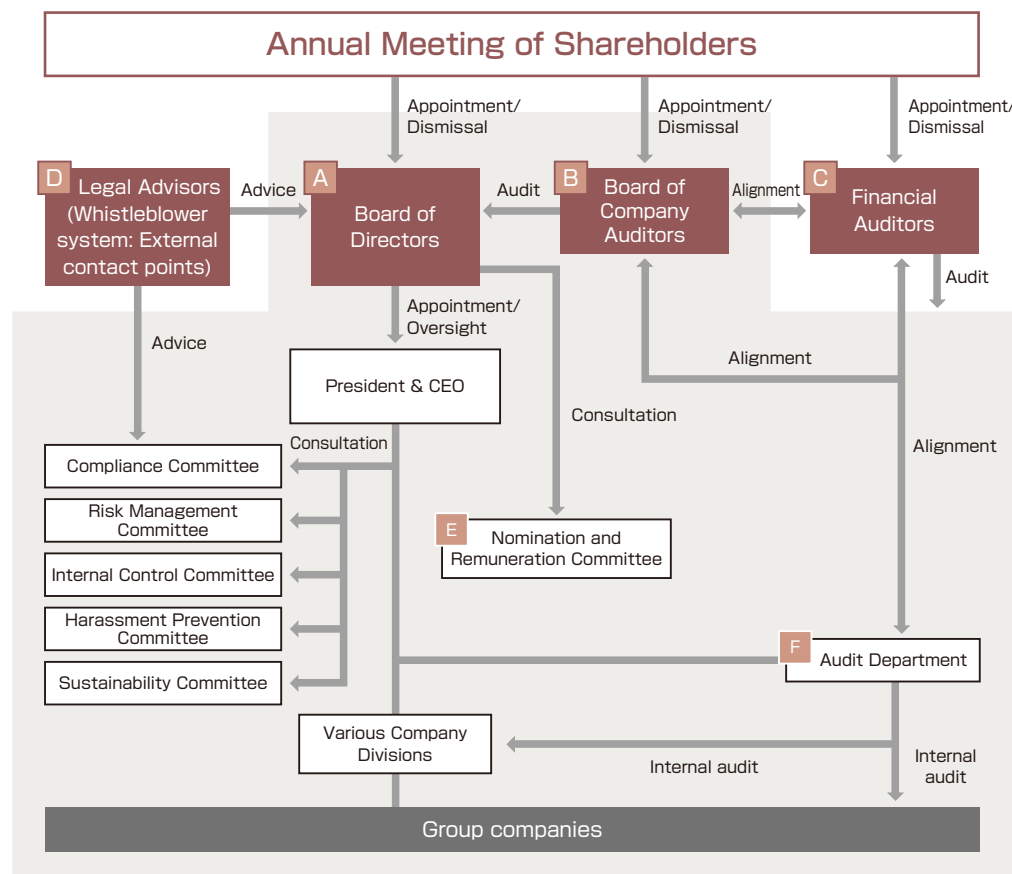
Basic Stance on Corporate Governance

With the vision “To Become the World’s No.1 Digital Entertainment Company,” we aim to become the world’s No.1 company for contributing to enriching the minds of customers around the world and creating vitality by establishing a structure that maximizes new value creation through the effective utilization of the Group’s management resources and knowledge, the integration of planning and development capabilities, and other efforts. To this end, the Company recognizes that the important management issue of strengthening corporate governance is essential for sustainably enhancing corporate value over the long term.

The Group is organized with a holding company structure, under which its operating companies conduct business. The center of the Group’s unified governance is the Company, which is committed to maximizing corporate value for all stakeholders by planning, operating, and managing the entire Group to optimize it in its entirety, as well as by overseeing the management of the Group as a whole.

Corporate Governance Structure (As of September 30, 2025)

As a holding company, the Company is responsible for formulating management policies and monitoring each business and support function of the Group, while each operating subsidiary is responsible for formulating business policies and executing these policies. In order to maintain this system and optimize the entire Group, we have adopted the following structure.



A Board of Directors

Taking into account the scale and other aspects of the Company, the Board of Directors comprises 11 directors (including six outside directors and four female directors) and makes decisions on management policies and important business strategies, along with supervising the execution of directors’ duties.

B Board of Company Auditors

The Board of Company Auditors comprises four Corporate Auditors (including three Outside Corporate Auditors, two Full-Time Corporate Auditors, and one female Corporate Auditor) and audits the legality of business execution based on the audit regulations, audit plan, and division of duties established by the Audit & Supervisory Board.

C Financial Auditors

The Company has engaged Ernst & Young ShinNihon LLC to conduct accounting audits. By providing accurate and timely management information, we strive to maintain an environment where audits are conducted from an impartial and unbiased standpoint.

Following the resolution of the proposal to appoint an accounting auditor at the 16th Annual Meeting of Shareholders held on June 19, 2025, the financial auditor was changed from KPMG AZSA LLC to Ernst & Young ShinNihon LLC as of the same date. By entering into an audit agreement with this firm, we expect that audits will be conducted from a fresh perspective and tailored to the scale of our business operations.

D Legal Advisors

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

E Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises a majority of independent 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.

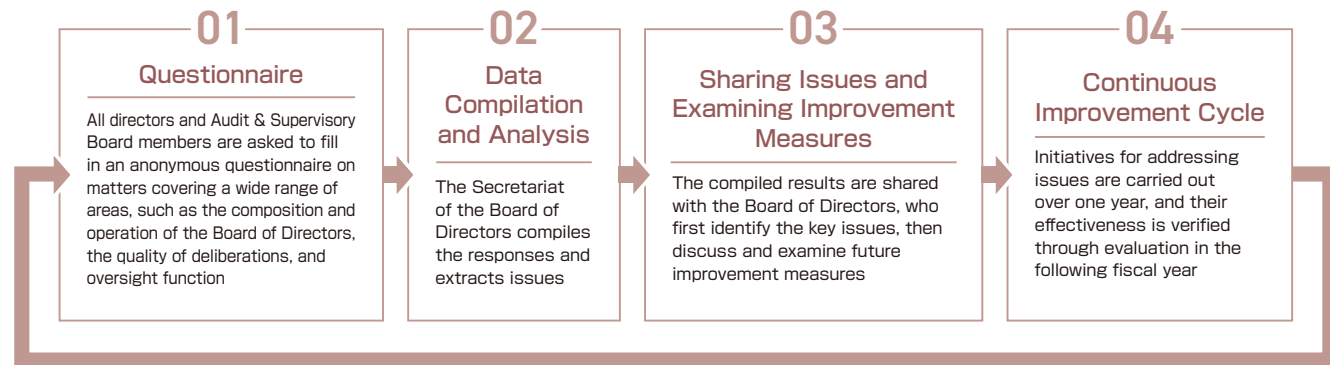
Evaluation of Effectiveness of the Board of Directors

The Group evaluates the effectiveness of the Board of Directors each year with the aim of enhancing corporate governance. The Group is working to make improvements based on the results of the effectiveness evaluation to establish a sound and highly transparent governance system. An overview of the FY2024 evaluation results is as follows.

Evaluation items	
Matters regarding the Board of Directors	Composition of the Board of Directors (9 questions)
	Operation of the Board of Directors (7 questions)
	Role 1: Indication of overall direction (2 questions)
	Role 2: Framework for supporting management (2 questions)
	Role 3: Management supervision (8 questions)
Self-evaluation, etc.	Framework for supporting directors and Audit & Supervisory Board members (1 question)
	Self-evaluation (8 questions)
	Self-evaluation of the Board of Directors (1 question)

Process for Improving Evaluation of Effectiveness

Evaluation is conducted in line with the following process.



Evaluation of Effectiveness of the Board of Directors in FY2024

► Overview

We have confirmed that the effectiveness of the Board of Directors has been ensured in FY2024.

Questionnaire Results

- The number of “(1) I agree” responses was less than the previous year.
- On the other hand, the majority of responses were “(1) I agree.”

*The figures in parentheses indicate the percentage of total responses

Response	Fiscal year ending March 2024	Fiscal year ending March 2025
(1) I agree	571 (95.5%)	562 (94.0%)
(2) I can't say either way	27 (4.5%)	32 (5.3%)
(3) I disagree	0 (0%)	4 (0.7%)
Total	598	598

► Items Requiring Improvement and Future Response

Items requiring improvement	Key points of evaluation results* ¹	Future response
Number/ratio of outside directors	Five out of 12 members are outside directors, a minority	Following the Annual Meeting of Shareholders on June 19, 2025, outside directors were made the majority (six out of 11 members), improving the situation
Cooperation between company auditors and outside directors	Few opportunities to interact with one another	Examined introduction of new opportunities to interact with one another
Training for directors and company auditors	Training is not held often enough	Examined increasing training* ²

*¹ This column outlines the matters requiring improvement indicated through the Board of Directors evaluation and reasons for this.

*² We examined implementing training programs for directors on key themes necessary for fulfilling their duties.

Board of Directors Discussion Topics

As the highest decision-making body for management and the body responsible for oversight functions, the Company's Board of Directors engages in multiple discussions to both strengthen corporate competitiveness and enhance governance.

Annual Meeting Overview

During FY2024, the Board of Directors conducted highly effective discussions focused primarily on key issues directly linked to the direction of management and strengthening the management foundation. The Board spends a sufficient amount of time deliberating on a wide range of topics, including management strategy, financial affairs, and governance, toward making decisions that support management from a medium- to long-term perspective.

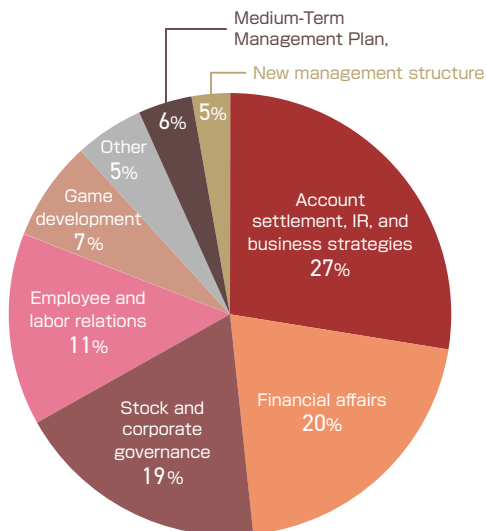
► Status of Board meetings

Item	FY2024
Number of meetings held	21
Number of agenda items for the year	178
Average number of agenda items	8.5
Average duration of meetings	84 mins
Average deliberation time per agenda item	10 mins

► Main agenda items

At FY2024 Board of Directors meetings, discussions were focused on key topics underpinning Group management. Proposals related to account settlement, IR, and business strategies (27%), financial affairs (20%), and stock and corporate governance (19%) in particular appeared often, accounting for the majority of all proposals for the year. This demonstrates that the Board of Directors is deeply involved in the direction of our businesses and the strengthening the management foundation, which are at the heart of enhancing corporate value.

► Composition of Board agenda items by topic



Topic	Number of agenda items
Account settlement, IR, and business strategies	49
Financial affairs	35
Stock and corporate governance	34
Employee and labor relations	19
Game development	12
Other	10
Medium-Term Management Plan, sustainability	10
New management structure	9

Efforts to Ensure Transparency for Enhanced Oversight Functions

The Group is carrying out initiatives to enhance the transparency of the Board of Directors and improve the quality of its decision-making, while at the same time eliminating information asymmetry so that all members, including outside directors, can gain a deep understanding of management and carry out effective oversight.

Initiatives	Details
Explanations of titles in development at Board of Directors meetings	Among revisions to plans, budgets, and other matters related to game titles in development, detailed explanations of important issues concerning management of the entire Group are provided at Board of Directors meetings when necessary.
Earlier distribution of Board of Directors meeting materials	Board of Directors meeting materials are being distributed one business day earlier in FY2024 onward, allowing executives more time prior to the meeting to review them.
Expanded management meetings	Executives voluntarily participate in quarterly expanded management meetings and share related materials. At expanded management meetings, business division heads report on any revised plans or targets on a quarterly basis.
Creating an environment that facilitates attendance at Board of Directors meetings	We have created an environment that facilitates attendance by outside directors at Board of Directors meetings through the use of an online conferencing system.
Providing industry-related information	We invite outside directors to the Tokyo Game Show as an opportunity for them to deepen their understanding of the game industry.
Interactions outside of meetings	We hold a lunch meeting where Company directors can socialize with outside directors before or after every Board of Directors meeting. We also invite outside directors to various company events, such as welcome parties for new employees, creating opportunities for them to interact outside of meetings.

Executive Remuneration

Executive remuneration is determined through a fair and transparent process under the supervision of the Board of Directors. The Nomination & Remuneration Committee, composed of a majority of independent outside directors, deliberates on the types and amounts of remuneration, while the Board of Directors resolves based on the Committee's recommendations. This enables us to achieve a remuneration structure that earns the trust of shareholders while appropriately reflecting the operational environment and the Company's circumstances.

Basic Policy

The Company'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 Company 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 Executive Remuneration

► Basic remuneration (monthly remuneration)

Basic remuneration (monthly remuneration) is positioned as fixed monthly remuneration for executives. Full-time directors of the Company receive a fixed monthly remuneration deliberated by the Nomination & Remuneration Committee according to the base monthly amount set by the Board of Directors for the director's position and responsibilities and the evaluation of each full-time director by Chairman (Representative Director) within the range set by the Board. The Board of Directors then makes a decision based on the Committee's recommendations. Part-time directors of the Company receive a fixed monthly remuneration determined by the Board of Directors in a manner that is balanced with the remuneration levels of full-time directors. Remuneration levels are also set using companies of a comparable size and from the same industry as benchmarks. Total remuneration appropriately reflects the responsibilities required for each position through a structure in which the proportion of performance-linked and non-monetary remuneration grows the higher the position.

► Performance-linked remuneration (bonuses)

Performance-linked remuneration (bonuses) for full-time directors is designed as monetary remuneration reflecting the Group's key performance indicators (KPIs). Specifically, performance-linked remuneration is calculated based on the level of achievement of targets for consolidated operating profit, consolidated ordinary profit, or consolidated net income for each fiscal year. This amount is then combined with an incentive that is determined based on the operating profit of the games sector, etc. in accordance with the incentive payment standards. The total amount is paid at a certain time each year based on a resolution of the Board of Directors. Meanwhile, bonuses are paid to part-time directors as monetary remuneration. Each year, the Board of Directors determines whether to pay bonuses based on revenues, with the amount determined based on the basic remuneration (monthly remuneration).

► Stock-based remuneration (non-monetary remuneration, etc.)

Non-monetary remuneration for Group directors is stock-based remuneration granted to directors as stock options (subscription rights to shares). Such remuneration is granted around every two years based on a decision by the Board of Directors. The number of shares granted to full-time directors is determined based on each director's position and performance, while for part-time directors, the number is determined based on each director's position. Through this, we align the interests of shareholders and executives, thereby strengthening their commitment to enhancing corporate value over the medium to long term.

► Total remuneration, etc. for FY2024

(Millions of yen)

Category	No. of personnel paid (people)	Total amount of remuneration, etc. by type				Amount paid
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	Other	
Directors	12	551	387	19	1	960
(of these, outside directors)	(5)	(40)	(3)	(5)	(0)	(50)
Audit & Supervisory Board members	4	29	2	—	0	31
(of these, outside Audit & Supervisory Board members)	(2)	(14)	(1)	(—)	(0)	(15)
Total	16	580	390	19	1	992
(of these, Outside Officers)	(7)	(55)	(4)	(5)	(0)	(66)

Matters Concerning the Determination of Details of Executive Remuneration, etc.

The individual details and amounts of remuneration, etc. for executives of the Group are ultimately determined by a resolution of the Board of Directors. The Nomination & Remuneration Committee, comprising a majority of independent outside directors, deliberates on matters inquired by the Board of Directors, then offers recommendations and proposals. The Board of Directors determines the details of remuneration for directors in accordance with their respective duties and responsibilities based on these recommendations. We have also established a policy for determining executive remuneration, which was resolved at the Board of Directors meeting on June 19, 2025, and verify that remuneration is consistent with the policy each year.

Directors and Audit & Supervisory Board Members

Chairperson Emeritus (Director)

Keiko Erikawa

3-Jan-1949



July 1978 Senior Managing Director, KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.)
 June 2001 KOEI Corporation (currently KOEI TECMO AMERICA Corporation) Board Director Chairman and CEO
 April 2009 Director, the Company
 June 2014 TECMO KOEI EUROPE LIMITED (currently KOEI TECMO EUROPE LIMITED) Board Director
 April 2015 Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD.
 June 2021 Outside Director, SoftBank Group Corp. (current position)
 June 2022 Board Director, Game Art Museum Co., Ltd. (current position)
 February 2025 President (Representative Director), KOEI TECMO CORPORATE FINANCE CO., LTD. (current position)
 April 2025 Chairman Emeritus (Director), KOYU HOLDINGS CO., LTD. (current position)
 Chairman Emeritus (Director), KOYU CO., LTD. (current position)
 June 2025 Chairman Emeritus (Director), the Company (current position)

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

Yoichi Erikawa

26-Oct-1950



July 1978 Established KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.)
 President (Representative Director)
 April 2009 Director, the Company
 April 2020 KOEI TECMO AMERICA Corporation Board Director Chairman and CEO KOEI TECMO EUROPE LIMITED Board Director Chairman and CEO
 April 2021 Chairman (Representative Director) (CEO), KOEI TECMO GAMES CO., LTD.
 June 2022 Board Director, Game Art Museum Co., Ltd. (current position)
 April 2025 Chairman (Representative Director), KOYU HOLDINGS CO., LTD. (current position)
 Chairman (Representative Director), KOYU CO., LTD. (current position)
 June 2025 Chairman (Representative Director) & Chairman of the Board of Directors (current position)

President & CEO (Representative Director)

Hisashi Koinuma

2-Oct-1971



April 1994 Joined KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.)
 June 2009 Executive Officer, the Company
 April 2015 President (Representative Director) (COO), KOEI TECMO GAMES CO., LTD.
 April 2018 Chairman (Representative Director), KOEI TECMO WAVE CO., LTD. (current position)
 President (Representative Director), KOEI TECMO NET CO., LTD. (current position)
 April 2020 Board Director & President and COO, KOEI TECMO AMERICA Corporation (current position)
 KOEI TECMO EUROPE LIMITED Board Director
 President and COO (current position)
 April 2025 President (Representative Director) & CEO & COO, KOEI TECMO GAMES CO., LTD. (current position)
 June 2025 President & CEO (Representative Director), the Company (current position)

Managing Director & CSuO

Mei Erikawa

30-Apr-1976



June 2010 Audit & Supervisory Board Member, KOEI TECMO GAMES CO., LTD.
 July 2013 Director, KOEI TECMO GAMES CO., LTD.
 June 2015 Director, the Company
 June 2022 Representative Director, Game Art Museum Co., Ltd. (current position)
 October 2023 Director, Managing Executive Officer, KOEI TECMO GAMES CO., LTD. (current position)
 February 2025 Director, KOEI TECMO CORPORATE FINANCE CO., LTD. (current position)
 April 2025 Managing Director & CSuO, the Company (current position)
 President (Representative Director), KOYU HOLDINGS CO., LTD. (current position)
 President (Representative Director), KOYU CO., LTD. (current position)

Director & Advisor

Yasuharu Kakihara

30-Dec-1970



June 2001 Audit & Supervisory Board Member, TECMO, Ltd.
 March 2007 Chairman (Representative Director), TECMO, Ltd.
 April 2009 Chairman (Representative Director), the Company
 June 2013 Director & Advisor, KOEI TECMO GAMES CO., LTD.
 Director & Advisor, the Company (current position)

Director (Independent Outside Director)

Masao Tejima

18-Nov-1957



April 1982 Joined Hakuodo Inc.
 February 2001 President (Representative Director) & CEO, T&T Corporation (current position)
 January 2008 Representative Director, Sports for Life Japan General Incorporated Association (current position)
 June 2014 Outside Director, the Company (current position)
 November 2015 Outside Director, Pit Design Co., Ltd. (current position)
 July 2017 Outside Director, LIVNEX CO., LTD. (current position)
 May 2022 Director, zetton Inc.

Director (Independent Outside Director)

Hiroshi Kobayashi

5-Apr-1957



April 1980 Joined Nomura Securities Co., Ltd.
 April 1991 Director, SQUARE CO., LTD. (currently SQUARE ENIX CO., LTD.)
 September 2000 President (Representative Director), DWANGO Co., Ltd.
 June 2015 Outside Director, the Company (current position)
 February 2025 Director (non-executive), KOEI TECMO CORPORATE FINANCE CO., LTD. (current position)

Director (Independent Outside Director)

Tatsuo Sato

18-Sep-1952



May 1986 Director, Kadokawa Media Office K.K.
 October 2014 President (Representative Director), KADOKAWA DWANGO CORPORATION (currently KADOKAWA CORPORATION)
 June 2015 Chairman (Representative Director), KADOKAWA DWANGO CORPORATION (currently KADOKAWA CORPORATION)
 April 2016 President, KADOKAWA DWANGO Educational Institute
 June 2018 Outside Director, the Company (current position)

Director (Independent Outside Director)

Michiaki Ogasawara

29-Jan-1954



April 1976 Joined Ministry of Posts and Telecommunications (currently Ministry of Internal Affairs and Communications)
 September 2012 Vice-Minister for Internal Affairs and Communications
 June 2015 Outside Director, Daiwa Securities Group Inc.
 June 2021 Outside Director, the Company (current position)
 June 2022 Chairman of the Board, The Yu-cho Foundation (current position)
 November 2024 Outside Director, BICCAMERA INC. (current position)

Director (Independent Outside Director)

Fumiko Hayashi

5-May-1946



February 1999 President (Representative Director), Fahren Tokyo K.K.
 August 2003 President (Representative Director), BMW Tokyo Corp.
 May 2005 Chairman (Representative Director) and CEO, The Dai-ichi, Inc.
 June 2008 President (Representative Director), Tokyo Nissan Auto Sales Co., Ltd. (currently Nissan Tokyo Sales Co., Ltd.)
 August 2009 Mayor of the City of Yokohama
 April 2014 President, Mayors Association of Designated Cities
 June 2022 Outside Director, the Company (current position)
 Outside Director, Nojima Corporation (current position)
 September 2022 Outside Director, TAIYO CONSTRUCTION CO., LTD. (current position)

Director (Independent Outside Director)

Shino Uenuma

28-Jan-1967



April 1997 Registered as an attorney
 Joined Okamoto, Suzuki & Takamatsu Law Office (currently Hayabusa Asuka Law Offices)
 September 2002 Joined Toranomon Minami Law Office (currently STL Law Offices) (current position)
 October 2006 Registered as an attorney in the state of New York
 October 2011 Visiting Associate Professor, Institute of Information Security
 April 2012 Criminal Defense Professor, Supreme Court Legal Research and Training Institute
 April 2015 Visiting Professor, Institute of Information Security (current position)
 April 2016 Member of Civil Mediation Committee, Tokyo Summary Court (current position)
 March 2022 Outside Auditor, GMD MakeShop Co., Ltd. (current position)
 January 2023 Member of Strategy Headquarters, National center of Incident readiness and Strategy for Cybersecurity (current position)
 June 2025 Outside Director, the Company (current position)

For details, see here [Directors & Officers](#)

Directors and Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Member

Seinosuke Fukui

10-Nov-1953



June 1988 Joined KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.)
June 2009 Executive Officer, the Company
June 2017 Full-time Audit & Supervisory Board Member, the Company (current position)
Audit & Supervisory Board Member, KOEI TECMO GAMES CO., LTD. (current position)
Audit & Supervisory Board Member, KOEI TECMO WAVE CO., LTD. (current position)
Audit & Supervisory Board Member, KOEI TECMO NET CO., LTD. (current position)
February 2025 Audit & Supervisory Board Member, KOEI TECMO CORPORATE FINANCE CO., LTD. (current position)

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

Masaki Kimura

1-Dec-1958



February 1988 Joined the Bank of Yokohama, Ltd.
June 2014 Full-time Audit & Supervisory Board Member (outside), the Company (current position)
June 2023 Audit & Supervisory Board Member, KOEI TECMO GAMES CO., LTD. (current position)
Audit & Supervisory Board Member, KOEI TECMO WAVE CO., LTD. (current position)
Audit & Supervisory Board Member, KOEI TECMO NET CO., LTD. (current position)
February 2025 Audit & Supervisory Board Member, KOEI TECMO CORPORATE FINANCE CO., LTD. (current position)

Audit & Supervisory Board Member (Independent Outside Director)

Kengo Takano

10-Aug-1957



April 1980 Joined the Bank of Yokohama, Ltd.
June 2019 Outside Audit & Supervisory Board Member, YOKOHAMA GYORUI CO., LTD.
Outside Audit & Supervisory Board Member, ATSUGI CO., LTD.
June 2021 Outside Audit & Supervisory Board Member, the Company (current position)

Audit & Supervisory Board Member (Independent Outside Director)

Chihiro Kawai

14-Jun-1973



October 1994 Joined Asahi Audit Corporation (currently KPMG AZSA LLC)
April 1997 Registered as a certified public accountant
July 2006 Registered as a tax attorney
Opened Chihiro Kawai Certified Public Accountant and Tax Accountant Office (currently Bayside Partners Accounting Office)
Representative (current position)
June 2016 Established Bayside Partners Co., Ltd.
Representative Director (current position)
December 2018 Member of the Evaluation Committee for Yokohama City Public University Corporation Evaluation Committee
June 2021 Outside Auditor, Utoc Corporation
June 2024 Outside Auditor, OSAKI ELECTRIC CO., LTD. (current position)
June 2025 Outside Audit & Supervisory Board Member, the Company (current position)

► Skills matrix of directors and Audit & Supervisory Board members

Name	Position	Independence (term of office)	Gender	Term of office	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Nomination & Remuneration Committee	Key experience and expertise							
								Corporate management	Governance/ risk management	Finance/ accounting	SDGs/ sustainability/ diversity	Entertainment business		Amusement business	Real estate business
												Creation of IPs	Expansion of IPs	Amusement facilities/ Pachinko & Pachislot	Real estate management/ operation
Keiko Erikawa	Chairperson Emeritus (Director)	—	Female	—	20/21 times	—	—	●	●	●	●	●	●	—	●
Yoichi Erikawa	Chairman (Representative Director) & Chairman of the Board of Directors	—	Male	—	20/21 times	—	○	●	●	●	●	●	●	—	●
Hisashi Koinuma	President & CEO (Representative Director)	—	Male	—	21/21 times	—	○	●	●	—	●	●	●	●	—
Mei Erikawa	Managing Director & CSuO	—	Female	—	21/21 times	—	—	●	●	—	●	●	●	—	●
Yasuharu Kakiyama	Director & Advisor	—	Male	—	21/21 times	—	—	●	●	—	●	—	—	—	—
Masao Tejima	Director	Independent	Male	11years	21/21 times	—	○	●	●	—	●	—	—	—	—
Hiroshi Kobayashi	Director	Independent	Male	10years	21/21 times	—	○ (Chair)	●	●	—	●	—	—	—	—
Tatsuo Sato	Director	Independent	Male	7years	21/21 times	—	○	●	●	—	●	—	—	—	—
Michiaki Ogasawara	Director	Independent	Male	4years	21/21 times	—	○	—	●	—	●	—	—	—	—
Fumiko Hayashi	Director	Independent	Female	3years	20/21 times	—	○	●	●	—	●	—	—	—	—
Shino Uenuma	Director	Independent	Female	New	—	—	○	—	●	—	●	—	—	—	—
Seinosuke Fukui	Full-Time Audit & Supervisory Board Member	—	Male	—	21/21 times	7/7 times	—	●	●	—	●	—	—	—	—
Masaki Kimura	Full-Time Audit & Supervisory Board Member	Independent	Male	11years	21/21 times	7/7 times	—	—	●	●	●	—	—	—	—
Kengo Takano	Audit & Supervisory Board Member	Independent	Male	4years	21/21 times	7/7 times	—	●	●	●	—	—	—	—	—
Chihiro Kawai	Audit & Supervisory Board Member	Independent	Female	New	—	—	—	—	●	●	●	—	—	—	—

Group Companies



KOEI TECMO
HOLDINGS CO., LTD.

KOEI TECMO GAMES CO., LTD.

President & CEO & COO Hisashi Koinuma
Director & Executive Vice President Yosuke Hayashi
Director & Managing Executive Officer Mei Erikawa

► Main business activities
Planning, development, and operation of software titles for console and PC games
Planning, development, and operation of online and mobile games

KOEI TECMO WAVE CO., LTD.

President Kazunori Hatsumi

► Main business activities
Contracted development of software titles for LCD development slot, pachinko machines and the collection of related royalties
Planning and development, operation, and management of amusement facilities

KOEI TECMO NET CO., LTD.

President Hisashi Koinuma
Managing Director Kenji Hashimoto

► Main business activities
Distribution, wholesale, and online sales of PC software, console game, and peripheral devices

KOEI TECMO CORPORATE FINANCE CO., LTD.

Representative Director and President Keiko Erikawa

► Main business activities
Fund management, lending, and borrowing related to Group companies, as well as the holding, managing, and investing in securities, etc.

KOEI TECMO LIV CO., LTD.

► Main business activities
Management, purchase and sales, and leasing of real estate, as well as related brokerage services

KOEI TECMO MUSIC CO., LTD.

► Main business activities
Management of copyrights for recorded media and neighboring rights, as well as music copyrights

KOEI TECMO CAPITAL CO., LTD.

► Main business activities
Venture capital business

KOEI TECMO QUALITY ASSURANCE CO., LTD.

President Kazumi Fujita

► Main business activities
Inspection of entertainment contents
Quality Assurance and Service functions
Translation and international review of Contents
Voice recording work for international markets
Support for service operations
User support for all services

Overseas Development Subsidiaries

KOEI TECMO
SINGAPORE Pte. Ltd.
(Singapore)

KOEI TECMO TIANJIN
SOFTWARE CO., LTD.
(Tianjin)

KOEI TECMO BEIJING
SOFTWARE CO., LTD.
(Beijing)

KOEI TECMO SOFTWARE
VIETNAM CO., LTD.
(Hanoi, Da Nang)

Overseas Sales Subsidiaries

KOEI TECMO
AMERICA Corporation
(California)

KOEI TECMO
EUROPE LIMITED
(Hertfordshire)

KOEI TECMO TAIWAN CO., LTD.
(Taipei)

KOEI TECMO SHANGHAI
ENTERTAINMENT CO., LTD.
(Shanghai)

Internal Control Systems

The Group 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.

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 President & CEO (Representative Director) as the Chair in order to strengthen 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 provided 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 Company and requiring that important matters have approval from the Board.

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 who are requested by the Company's Audit & Supervisory Board members to assist them in their duties, 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, after stating their reason, request modifications to such personnel changes.

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. If an officer or employee discovers a legal matter or other 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 Company 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 report

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 performance 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.

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

Compliance and Risk Management

Internal Systems Related to Compliance

The Group has established and operates internal control systems to ensure the proper execution of the duties of the Board of Directors based on the Companies Act and the Ordinance for Enforcement of the Companies Act.

► Establishing a system for compliance with laws and regulations

The Board of Directors of 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 Group has clarified our social responsibilities through our management philosophy and Basic Management Policies to ensure that all officers and employees are fully aware of them. Through this, we have established compliance with laws, regulations, and social ethics as a fundamental premise for our corporate activities.

► Compliance promotion structure

The Group has appointed the Company's President & CEO (Representative Director) as the officer in charge of compliance and established a Compliance Committee to promote the development of a cross-functional Group-wide framework for compliance and the identification of issues across the entire Group. Furthermore, we have established a mechanism by which officers and employees promptly make a report to the director responsible should they discover any potential violations of laws, regulations, or company rules.

► Compliance Committee

The Group has established a Compliance Committee as an organization for promoting compliance along with receiving reports, consultations, and tips from employees or other parties and conducting relevant investigations. The Group has established Group-wide compliance systems to ensure that duties are executed in compliance with laws, regulations, the Articles of Incorporation, and internal rules. We have also established a system for making a prompt report to the Compliance Committee if any issues are discovered.

► Management status

The Representative Director ensures that the management philosophy, Global Compliance Regulations, and Code of Conduct are thoroughly instilled in all employees. Moreover, we have established a system for officers and employees to report issues promptly and appropriately through whistleblower desks, which are staffed by various professionals including auditors and external law firms. This ensures thorough compliance with laws and regulations and the upholding of corporate ethics.

Initiatives Related to Respecting Human Rights

The Group respects the human rights of each and every employee as a fundamental principle of our business activities and clearly outlines its policy on human rights in its Code of Conduct. Additionally, in FY2016, we published a statement based on the UK Modern Slavery Act 2015, which we update every year.

► Respecting and upholding human rights

We respect and uphold the internationally declared fundamental human rights guaranteed in each country, and we do not violate fundamental human rights. Moreover, we do not engage in any acts of discrimination or harassment based on nationality, race, ideology or beliefs, age, gender, sexual orientation, physical condition, or other factors. We take every precaution to ensure that individual dignity is not compromised.

► Preventing harassment

We believe that preventing harassment is an essential part of our efforts to respect human rights. The Group

promotes various measures to create safe and comfortable workplace environments, including establishing global rules for preventing harassment and providing training to employees. In addition, to ensure that we respond promptly and appropriately to consultations and tips related to harassment, we have established multiple consultation channels and a Harassment Prevention Committee, and we handle all incidences with the utmost consideration for privacy. We will strive to improve workplace environments from the perspective of respecting human rights, including preventing harassment, and further strengthen human rights-related initiatives going forward.

► Response to the UK Modern Slavery Act

The Group has a zero-tolerance policy toward human rights violations, including slave labor and human trafficking, in its global operations and supply chains across multiple countries and is committed to preventing such violations. Specifically, we have published a statement outlining our policy and initiatives for preventing forced labor and exploitation based on Section 54 of the Modern Slavery Act enacted in the UK in March 2015.

Establishing a Risk Management System

The Group has appointed the President & CEO (Representative Director) as the person in overall charge of risk management and has also established a Risk Management Committee to centrally manage risks throughout Group companies, thereby ensuring information exchange, mutual cooperation, accurate judgments, and prompt responses among related departments.

Specifically, matters and information related to business execution risks are reported at regularly held meetings. After determining whether the reported matters and information could have a significant impact on the Company's survival, a task force is established as necessary to carry out the necessary investigations, 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 instruct internal and external parties to take necessary actions, report to relevant organizations, and promptly disclose information. Furthermore, we are promoting the establishment of risk response systems and striving to enhance the effectiveness of Company-wide risk management by appropriately instructing and training employees.

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

BCP Measures

The Group has established a Business Continuity Plan (BCP) as part of its internal rules. The plan outlines the temporary chain of command and organizational structure in the event of a management crisis, which includes all types of risks that could jeopardize business continuity, such as major disasters, outbreaks of serious infectious diseases, and terrorist attacks, as well as the process for deciding on company policies centered on the Management Crisis Response Headquarters. With regard to infectious disease risks in particular, we have established internal rules that function as guidelines for each overseas company based on our efforts, innovations, and knowledge related to preventing the spread of infectious diseases. This enables us to flexibly adapt to the laws and governmental policies of each country.

In terms of disaster-related risks, in light of the fact that officers and employees may be prevented from returning home due to a major earthquake or similar event, we have established a scheme for stockpiling disaster supplies, including food and blankets, at each workplace, as well as for regularly reviewing the quantities and types of supplies.

Main Financial Data

(Millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	2021 年度	FY2022	FY2023	FY2024
Net sales	37,799	38,332	37,034	38,926	38,968	42,645	60,370	72,759	78,417	84,584	83,150
Operating profit	9,652	11,069	8,781	11,711	12,092	14,102	24,397	34,527	39,133	28,494	32,119
Ordinary profit	13,568	15,755	15,211	18,293	18,307	18,869	39,299	48,696	39,899	45,741	49,988
Profit before income taxes	13,715	15,573	15,211	18,293	18,307	20,247	39,174	48,638	39,963	45,330	49,988
Profit attributable to owners of parent	9,434	10,855	11,624	13,017	13,694	15,306	29,550	35,359	30,935	33,792	37,628
Employment costs	11,948	12,279	12,854	12,646	13,680	14,710	16,840	18,940	20,790	23,070	24,500
Outsourcing costs	2,915	2,776	3,311	3,255	3,544	4,340	3,980	3,650	5,410	9,150	6,180
Research and development expenses *1	4,882	5,891	6,081	4,705	4,813	5,492	7,628	4,839	7,421	7,996	11,090
Capital expenditures	4,858	432	8,669	3,853	240	14,630	1,542	1,375	802	1,967	1,852
Depreciation	921	846	714	701	734	752	1,615	1,571	1,643	1,813	1,914
End of fiscal year ended											
Total assets	115,216	110,925	119,461	128,594	129,192	147,793	190,671	219,803	210,889	245,802	209,828
Net assets	100,672	98,706	106,516	116,242	119,284	122,346	165,129	138,101	142,684	175,552	189,421
Statement of cash flows											
Cash flows from operating activities	10,357	10,935	9,890	10,389	9,597	9,748	29,726	24,819	29,692	36,603	34,369
Cash flows from investing activities	△ 7,579	△ 6,138	△ 3,935	△ 9,984	△ 1,496	△ 10,496	△ 12,291	△ 13,168	△ 21,394	△ 24,859	40,973
Cash flows from financing activities	△ 3,045	△ 4,746	△ 5,082	△ 5,533	△ 7,730	6,906	△ 19,396	△ 4,561	△ 16,588	△ 15,475	△ 63,175
Free cash flows	2,777	4,797	5,955	405	8,101	△ 747	17,434	11,650	8,298	11,743	75,342
Cash and cash equivalents at end of period	11,874	11,270	11,745	6,540	6,968	12,803	11,439	19,503	11,733	10,452	22,552
Per share information											
Basic earnings per share (yen)	28.94	33.10	35.41	39.50	41.54	46.48	89.34	107.28	98.20	107.06	119.14
Net assets per share (yen)	306.92	300.22	322.85	351.13	361.70	369.33	496.15	437.16	450.72	553.59	596.95
Dividend paid per share (before stock split adjustment) (yen)	55	52	56	62	55	61	117	108	50	54	60
Dividend paid per share (after stock split adjustment) (yen)	14	16	17	19	21	23	45	54	50	54	60
Payout ratio (%)	50.8	50.4	50.7	50.3	50.9	50.5	50.3	50.3	50.9	50.4	50.4
Other indicators											
Operating profit to net sales ratio (%)	25.5	28.9	23.7	30.1	31.0	33.1	40.4	47.5	49.9	33.7	38.6
ROE (%)	10.0	10.9	11.4	11.7	11.7	12.7	20.6	23.4	22.1	21.3	20.7
ROA (%)	12.6	13.9	13.2	14.8	14.2	13.6	23.2	23.7	18.5	20.0	21.9
Capital adequacy ratio (%)	87.3	88.8	89.0	90.1	92.0	82.5	86.4	62.6	67.4	71.1	89.9
Price-earnings ratio (times)	16.47	16.68	19.13	16.86	19.76	23.05	27.79	18.71	24.32	15.13	16.51
PBR (times)	1.55	1.84	2.1	1.9	2.27	2.9	5	4.59	5.3	2.93	3.3
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
Online/mobile	—	—	6,585	8,600	10,950	14,800	24,960	35,430	35,260	48,720	37,560
Other (events/merchandise)	—	—	1,770	1,684	1,450	900	1,100	900	1,100	900	1,000
Net sales by region											
Japan	29,877	28,768	27,089	26,000	26,541	26,855	29,419	37,278	38,437	50,826	49,220
North America	3,728	3,404	4,411	4,419	3,926	4,099	9,456	9,103	11,608	7,781	10,882
Europe	2,431	2,108	2,159	3,334	2,074	1,920	4,423	3,155	3,361	3,545	4,032
Asia	1,763	4,052	3,375	5,172	6,427	9,771	17,072	23,223	25,011	22,432	19,017

*1 Research and development expenses: Starting from the 1st quarter of FY2023, we have reviewed the scope of R&D expenses included in general and administrative expenses and manufacturing expenses for the current period. From FY2014, the amounts shown reflect the retroactive application of this revision. A portion of employment costs and outsourcing costs are included in R&D expenses.

*2 In FY2014-2015, which was prior to the adoption of the brand system, net sales by platform were aggregated differently, so we have indicated the missing data with a dash.

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,702	24,034
Accounts receivable - trade, and contract assets	15,041	15,123
Securities	58,393	20,454
Merchandise and finished goods	50	37
Work in process	104	8
Raw materials and supplies	100	132
Other	7,561	1,696
Allowance for doubtful accounts	△ 1	△ 3
Total current assets	92,951	61,484
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,760	20,079
Land	14,624	14,615
Construction in progress	366	71
Other, net	1,725	1,742
Total property, plant and equipment	36,477	36,509
Intangible assets		
Other	231	187
Total intangible assets	231	187
Investments and other assets		
Investment securities	106,590	99,409
Deferred tax assets	933	4,119
Retirement benefit asset	4,466	4,431
Other	4,833	3,685
Allowance for doubtful accounts	△ 681	-
Total investments and other assets	116,141	111,646
Total non-current assets	152,851	148,343
Total assets	245,802	209,828

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,046	1,238
Current portion of convertible-bond-type bonds with share acquisition rights	46,536	-
Accounts payable - other	7,459	3,798
Income taxes payable	6,538	6,795
Provision for bonuses	1,730	2,047
Provision for bonuses for directors (and other officers)	259	425
Other	5,358	4,610
Total current liabilities	68,928	18,914
Non-current liabilities		
Deferred tax liabilities	391	535
Other	930	957
Total non-current liabilities	1,322	1,492
Total liabilities	70,250	20,407
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	27,428	27,435
Retained earnings	163,070	183,630
Treasury shares	△ 37,765	△ 37,740
Total shareholders' equity	167,733	188,324
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,157	△ 1,928
Revaluation reserve for land	△ 3,115	△ 3,101
Foreign currency translation adjustment	4,792	4,583
Remeasurements of defined benefit plans	1,275	669
Total accumulated other comprehensive income	7,110	222
Share acquisition rights	707	873
Total net assets	175,552	189,421
Total liabilities and net assets	245,802	209,828

Consolidated Statement of Income

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net sales	84,584	83,150
Cost of sales	29,289	30,760
Gross profit	55,294	52,390
Selling, general and administrative expenses	26,799	20,270
Operating profit	28,494	32,119
Non-operating income		
Interest income	14,592	15,641
Dividend income	725	649
Gain on sale of investment securities	9,885	4,444
Foreign exchange gains	736	1,090
Gain on redemption of securities	655	3,304
Gain on valuation of derivatives	8,908	1,042
Other	222	263
Total non-operating income	35,726	26,436
Non-operating expenses		
Loss on valuation of investment securities	91	864
Loss on sale of investment securities	8,962	0
Loss on redemption of securities	6,342	3,272
Loss on valuation of derivatives	1,042	4,079
Other	2,041	351
Total non-operating expenses	18,479	8,567
Ordinary profit	45,741	49,988
Extraordinary losses		
Impairment losses	411	-
Total extraordinary losses	411	-
Profit before income taxes	45,330	49,988
Income taxes - current	11,887	12,906
Income taxes - deferred	△ 349	△ 546
Total income taxes	11,537	12,360
Profit	33,792	37,628
Profit attributable to owners of parent	33,792	37,628

Consolidated Statement of Comprehensive Income

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Profit	33,792	37,628
Other comprehensive income		
Valuation difference on available-for-sale securities	11,027	△ 6,086
Revaluation reserve for land	-	13
Foreign currency translation adjustment	1,758	△ 209
Remeasurements of defined benefit plans, net of tax	1,433	△ 606
Total other comprehensive income	14,218	△ 6,887
Comprehensive income	48,011	30,740
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	48,011	30,740

Consolidated Statement of Cash Flows

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Cash flows from operating activities		
Profit before income taxes	45,330	49,988
Depreciation	1,813	1,914
Impairment losses	411	-
Increase (decrease) in allowance for doubtful accounts	△ 16	2
Increase (decrease) in provision for bonuses for directors (and other officers)	△ 85	166
Increase (decrease) in provision for bonuses	18	321
Interest and dividend income	△ 15,318	△ 16,290
Loss (gain) on valuation of investment securities	91	864
Loss (gain) on sale of investment securities	△ 922	△ 4,444
Loss (gain) on redemption of securities	5,686	△ 32
Loss (gain) on valuation of derivatives	△ 7,866	3,037
Loss (gain) on sale of property, plant and equipment	△ 7	△ 14
Foreign exchange losses (gains)	△ 895	△ 1,226
Decrease (increase) in trade receivables	6,794	△ 138
Decrease (increase) in inventories	△ 59	75
Decrease (increase) in accounts receivable - other	936	1,457
Increase (decrease) in trade payables	△ 179	210
Increase (decrease) in accounts payable - other	550	△ 1,490
Increase (decrease) in accrued consumption taxes	227	△ 342
Increase (decrease) in deposits received	172	△ 126
Other, net	2,247	326
Subtotal	38,928	34,256
Interest and dividends received	8,270	12,672
Interest paid	△ 10	△ 39
Income taxes refund	2,742	222
Income taxes paid	△ 13,327	△ 12,742
Net cash provided by (used in) operating activities	36,603	34,369
Cash flows from investing activities		
Payments into time deposits	△ 2,227	△ 2,884
Proceeds from withdrawal of time deposits	1,845	2,630
Purchase of short-term and long-term investment securities	△ 121,564	△ 78,007
Proceeds from sale and redemption of short-term and long-term investment securities	98,241	120,835
Purchase of property, plant and equipment	△ 1,789	△ 1,553
Proceeds from sale of property, plant and equipment	782	33
Purchase of intangible assets	△ 16	△ 51
Subsidies received	294	294
Other	△ 426	△ 330
Net cash provided by (used in) investing activities	△ 24,859	40,973
Cash flows from financing activities		
Proceeds from short-term borrowings	15,000	9,000
Repayments of short-term borrowings	△ 15,000	△ 9,000
Proceeds from disposal of treasury shares	409	30
Purchase of treasury shares	△ 4	△ 4
Redemption of convertible bond-type bonds with share acquisition rights	-	△ 46,000
Dividends paid	△ 15,749	△ 17,027
Other	△ 130	△ 174
Net cash provided by (used in) financing activities	△ 15,475	△ 63,175
Effect of exchange rate change on cash and cash equivalents	2,450	△ 67
Net increase (decrease) in cash and cash equivalents	△ 1,281	12,100
Cash and cash equivalents at beginning of period	11,733	10,452
Cash and cash equivalents at end of period	10,452	22,552

Non-Financial Data

	Unit	Range	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees at consolidated companies	People	Companywide	1,497	1,570	1,654	1,738	1,757	1,835	1,983	2,063	2,381	2,531	2,684
Average age	Years	Japan	35.8	36.0	36.2	36.2	36.3	36.4	35.8	35.9	35.8	35.8	35.7
Number of employees in game development roles	People	Japan	927	965	1,020	1,089	1,144	1,180	1,298	1,339	1,449	1,538	1,664
	People	Companywide	1,266	1,335	1,448	1,513	1,565	1,635	1,741	1,781	1,928	2,077	2,217
Number of non-Japanese employees	People	Japan	12	20	17	23	37	47	77	91	120	140	159
	People	Companywide	372	423	498	513	522	562	584	594	666	747	783
Ratio of non-Japanese employees hired through regular recruitment	%	Japan	2.4	2.3	2.0	7.1	11.4	11.4	15.9	14.1	17.2	14.2	12.6
Percentage of female employees	%	Japan	21.3	22.3	21.7	22.1	21.7	21.8	21.5	21.4	21.7	22.8	23.0
Ratio of female managers	%	Japan	3.6	3.5	4.3	4.4	4.1	4.0	5.4	6.5	7.8	7.8	7.2
	%	Companywide	7.8	7.6	8.3	8.4	8.4	8.1	8.9	10.6	13.3	14.6	14.3
Number of new graduate hires	People	Japan	61	61	78	91	80	93	204	127	150	158	199
	People	Companywide	110	121	185	149	127	143	235	172	200	215	244
Percentage of female new graduate hires	%	Japan	21.3	26.2	30.8	28.6	21.3	22.6	19.1	18.1	24.0	33.5	28.1
Ratio of people leaving their jobs	%	Japan	4.5	3.9	4.5	5.4	5.6	4.9	3.1	4.2	4.6	5.1	4.7
Ratio of people leaving their jobs three years after joining as new graduate hires	%	Japan	7.1	6.3	3.5	5.2	7.7	12.1	8.8	3.1	5.4	4.8	5.9
	%	Companywide	8.0	8.8	7.0	11.0	13.7	10.5	5.3	7.8	6.7	4.7	6.7
Ratio of mid-career recruitment	%	Japan	29.9	37.8	27.1	30.5	30.7	26.7	13.9	23.0	21.9	21.0	18.4
Average statutory overtime work	Hours	Japan	20.7	18.6	17.1	12.6	12.3	11.2	12.7	13.8	12.9	9.6	9.3
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
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
Percentage of female employees taking childcare leave	%	Japan	100.0	100.0	100.0	71.4	100.0	100.0	85.7	88.9	100.0	100.0	100.0
Percentage of male employees taking childcare leave	%	Japan	12.5	11.6	21.1	23.3	37.5	50.0	41.9	80.8	66.7	64.9	80.0
Percentage of employees returning from childcare leave	%	Japan	100.0	100.0	90.9	91.7	100.0	72.7	100.0	100.0	100.0	100.0	100.0
Engagement score	Score	Japan	-	-	-	-	-	-	-	-	-	50.4	50.4
Total training hours per employee	Hours	Japan	-	-	-	-	-	-	-	-	-	-	49.6
Department head-led training hours per employee	Hours	Japan	-	-	-	-	-	-	-	-	-	-	20.1
Usage rate of correspondence education system	%	Japan	19.8	20.9	21.9	21.8	24.2	25.1	21.2	21.3	22.2	19.6	25.4
Uptake rate of regular health checkups	%	Japan	-	-	-	-	-	-	-	-	-	-	100.0
Uptake rate of detailed examinations following regular health checkups	%	Japan	-	-	-	-	-	-	-	-	-	-	42.1
Attendance rate of harassment prevention training	%	Japan	-	-	-	-	-	-	-	99.7	96.7	99.5	100.0
Number of patents held	Patents	Companywide	-	-	-	-	10	39	67	87	141	205	246

Company Profile and Investor Information

Company Profile

Trade name	KOEI TECMO HOLDINGS CO., LTD.
Capital	15 billion yen
Address	Hiyoshi Offices: 1-18-12 Minowa-cho, Kouhoku-ku, Yokohama, Kanagawa, 223-8503, Japan
Date of establishment	1-Apr-09
Number of employees	2,684 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).

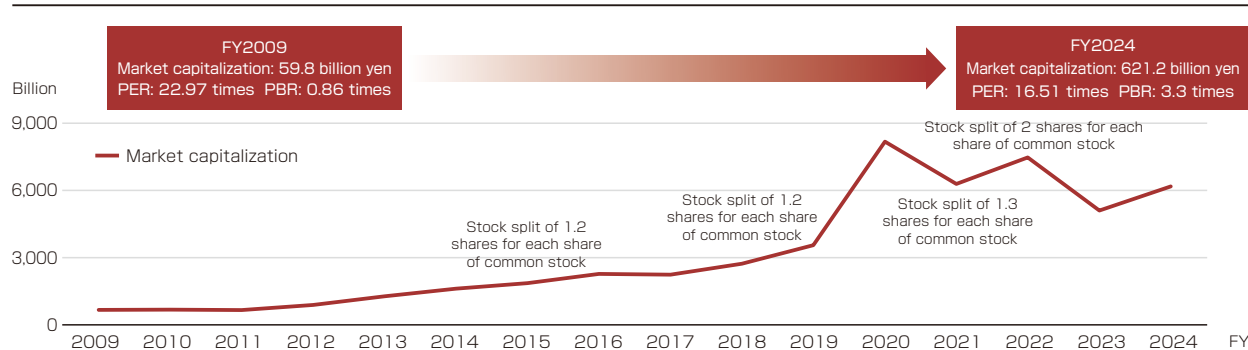
Investor Information (As of September 30, 2025)

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	32,941 (As of September 30, 2025)
Securities code	3635 (Tokyo Stock Exchange, Prime Market)
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

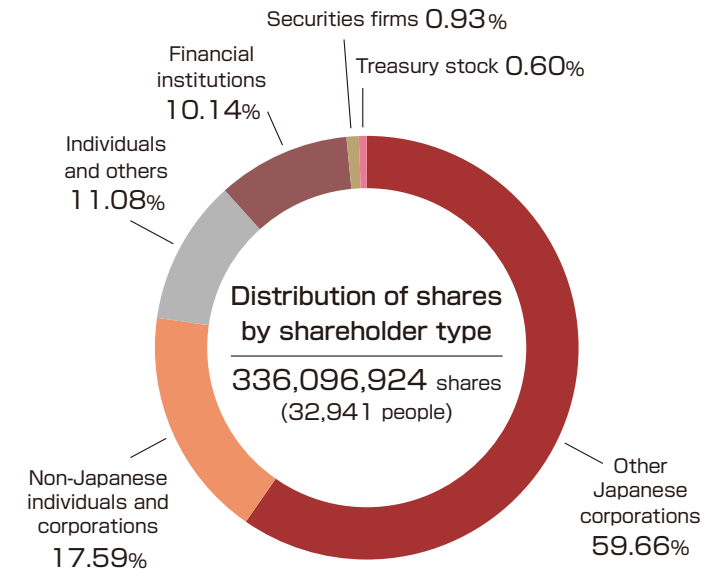
Basic policy for shareholder returns

The Company regards the return of profit to shareholders as one of its most important management policies, and its basic policy for returning profit to shareholders is a consolidated annual total distribution ratio of 50%, which includes share buybacks, or an annual dividend of 50 yen per share.

Change in Market Capitalization and Change in PER and PBR



Shareholding Ratio by Shareholder Type (As of September 30, 2025)



Principal shareholders

Name or designation	Number of shares held (shares)	Ratio (%)
KOYU HOLDINGS CO., LTD.	173,166,186	51.83
JP MORGAN CHASE BANK 380815	31,267,360	9.36
The Master Trust Bank of Japan, Ltd. (trust account)	23,185,700	6.94
Kankyo Kagaku Co., Ltd.	21,650,070	6.48
Custody Bank of Japan, Ltd. (trust account)	8,225,600	2.46
STATE STREET BANK AND TRUST COMPANY 505001	2,557,766	0.77
Mei Erikawa	2,004,420	0.60
Ai Erikawa	2,000,000	0.60
GOVERNMENT OF NORWAY	1,881,822	0.56
Kakihara Kagaku Gijutsu Kenkyu Zaidan, Public Interest Incorporated Foundation	1,684,800	0.50
Total	267,623,724	80.11

1. The Company holds 2,010,014 shares of treasury stock that are excluded from the above list of principal shareholders.

2. Shareholding ratio is calculated with treasury stock excluded.