

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

Company name: KOEI TECMO HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 3635 URL <https://www.koeitecmo.co.jp/>
 Representative: President & CEO (Representative Director) Yoichi Erikawa
 Inquiries: Director, Senior Executive Officer & CFO Kenjiro Asano TEL 045-562-8111
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-----------------|-------|------------------|------|-----------------|--------|---|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2022 | 34,762 | (6.6) | 18,321 | 11.6 | 17,667 | (29.5) | 13,648 | (24.8) |
| Six months ended September 30, 2021 | 37,220 | 60.8 | 16,423 | 94.4 | 25,064 | 63.9 | 18,142 | 53.2 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2022 | 43.33 | | 40.15 | |
| Six months ended September 30, 2021 | 54.59 | | 54.38 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2022 | 206,489 | 125,924 | 60.7 | 398.13 |
| As of March 31, 2022 | 219,803 | 138,101 | 62.6 | 437.16 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|--------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | | | | |
| Year ended March 31, 2022 | – | 0.00 | – | 108.00 | 108.00 |
| Year ending March 31, 2023 | – | 0.00 | | | |
| Year ending March 31, 2023 (Forecast) | | | – | 48.00 | 48.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|-----|------------------|-------|-----------------|--------|---|--------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 77,000 | 5.8 | 32,500 | (5.9) | 42,500 | (12.7) | 31,500 | (10.9) | 95.57 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|--------------------------|--------------------|----------------------|--------------------|
| As of September 30, 2022 | 336,096,924 shares | As of March 31, 2022 | 336,096,924 shares |
|--------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|-------------------|----------------------|-------------------|
| As of September 30, 2022 | 21,071,303 shares | As of March 31, 2022 | 21,133,014 shares |
|--------------------------|-------------------|----------------------|-------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Six months ended September 30, 2022 | 314,977,627 shares | Six months ended September 30, 2021 | 332,329,308 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 20,235 | 30,200 |
| accounts receivable - trade, and contract assets | 13,072 | 10,208 |
| Securities | 25,185 | 16,923 |
| Merchandise and finished goods | 38 | 133 |
| Work in process | 112 | 252 |
| Raw materials and supplies | 77 | 67 |
| Other | 13,365 | 4,460 |
| Allowance for doubtful accounts | (11) | (10) |
| Total current assets | 72,075 | 62,236 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 22,270 | 21,838 |
| Land | 14,093 | 14,019 |
| Construction in progress | 82 | 1 |
| Other, net | 1,399 | 1,507 |
| Total property, plant and equipment | 37,846 | 37,366 |
| Intangible assets | | |
| Other | 275 | 260 |
| Total intangible assets | 275 | 260 |
| Investments and other assets | | |
| Investment securities | 102,940 | 95,323 |
| Deferred tax assets | 881 | 5,156 |
| Retirement benefit asset | 1,824 | 2,107 |
| Other | 4,749 | 4,973 |
| Allowance for doubtful accounts | (790) | (935) |
| Total investments and other assets | 109,605 | 106,625 |
| Total non-current assets | 147,727 | 144,253 |
| Total assets | 219,803 | 206,489 |

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 520 | 762 |
| Short-term borrowings | – | 22,000 |
| Accounts payable - other | 9,646 | 1,433 |
| Income taxes payable | 6,470 | 2,608 |
| Provision for bonuses | 1,928 | 1,884 |
| Provision for bonuses for directors (and other officers) | 389 | 204 |
| Other | 13,660 | 3,049 |
| Total current liabilities | 32,616 | 31,943 |
| Non-current liabilities | | |
| Convertible-bond-type bonds with share acquisition rights | 48,146 | 47,744 |
| Deferred tax liabilities | 156 | 81 |
| Other | 782 | 795 |
| Total non-current liabilities | 49,085 | 48,621 |
| Total liabilities | 81,701 | 80,565 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 15,000 | 15,000 |
| Capital surplus | 28,006 | 27,943 |
| Retained earnings | 130,954 | 127,760 |
| Treasury shares | (39,393) | (39,279) |
| Total shareholders' equity | 134,567 | 131,424 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,548 | (6,456) |
| Revaluation reserve for land | (3,115) | (3,115) |
| Foreign currency translation adjustment | 2,418 | 3,309 |
| Remeasurements of defined benefit plans | 271 | 257 |
| Total accumulated other comprehensive income | 3,122 | (6,003) |
| Share acquisition rights | 411 | 503 |
| Total net assets | 138,101 | 125,924 |
| Total liabilities and net assets | 219,803 | 206,489 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Net sales | 37,220 | 34,762 |
| Cost of sales | 12,758 | 9,182 |
| Gross profit | 24,461 | 25,579 |
| Selling, general and administrative expenses | 8,038 | 7,258 |
| Operating profit | 16,423 | 18,321 |
| Non-operating income | | |
| Interest income | 2,911 | 6,548 |
| Dividend income | 581 | 397 |
| Gain on sale of investment securities | 8,111 | 1,701 |
| Gain on valuation of derivatives | 1,053 | 2,366 |
| Foreign exchange gains | – | 1,248 |
| Other | 737 | 666 |
| Total non-operating income | 13,394 | 12,929 |
| Non-operating expenses | | |
| Loss on valuation of investment securities | 244 | – |
| Loss on sale of investment securities | 1,149 | 2,759 |
| Loss on redemption of securities | – | 3,267 |
| Foreign exchange losses | 95 | – |
| Loss on valuation of derivatives | 3,235 | 7,462 |
| Other | 28 | 94 |
| Total non-operating expenses | 4,752 | 13,583 |
| Ordinary profit | 25,064 | 17,667 |
| Profit before income taxes | 25,064 | 17,667 |
| Income taxes - current | 6,360 | 3,916 |
| Income taxes - deferred | 561 | 102 |
| Total income taxes | 6,921 | 4,019 |
| Profit | 18,142 | 13,648 |
| Profit attributable to owners of parent | 18,142 | 13,648 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Profit | 18,142 | 13,648 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (3,850) | (10,004) |
| Foreign currency translation adjustment | 83 | 891 |
| Remeasurements of defined benefit plans, net of tax | (14) | (13) |
| Total other comprehensive income | (3,781) | (9,126) |
| Comprehensive income | 14,361 | 4,521 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 14,361 | 4,521 |