

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 30, 2023

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: February 13, 2023  
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	49,439	(10.6)	22,994	(15.2)	16,880	(56.5)	13,477	(52.4)
Nine months ended December 31, 2021	55,327	25.9	27,127	40.1	38,761	29.7	28,293	27.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	42.78		39.22	
Nine months ended December 31, 2021	85.10		84.47	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	189,092	121,637	64.0	384.30
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	34,000	(1.5)	31,000	(36.3)	23,500	(33.5)	74.60

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	20,991,926 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)

Nine months ended December 31, 2022	314,998,021 shares	Nine months ended December 31, 2021	332,470,940 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	20,235	12,813
accounts receivable - trade, and contract assets	13,072	11,227
Securities	25,185	7,903
Merchandise and finished goods	38	90
Work in process	112	33
Raw materials and supplies	77	86
Other	13,365	5,502
Allowance for doubtful accounts	(11)	(10)
Total current assets	72,075	37,646
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,270	21,522
Land	14,093	13,974
Construction in progress	82	34
Other, net	1,399	1,440
Total property, plant and equipment	37,846	36,971
Intangible assets		
Other	275	246
Total intangible assets	275	246
Investments and other assets		
Investment securities	102,940	101,486
Deferred tax assets	881	6,543
Retirement benefit asset	1,824	2,251
Other	4,749	4,802
Allowance for doubtful accounts	(790)	(857)
Total investments and other assets	109,605	114,227
Total non-current assets	147,727	151,445
Total assets	219,803	189,092

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	520	1,091
Short-term borrowings	–	9,000
Accounts payable - other	9,646	2,513
Income taxes payable	6,470	742
Provision for bonuses	1,928	873
Provision for bonuses for directors (and other officers)	389	307
Other	13,660	4,527
Total current liabilities	32,616	19,056
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	48,146	47,542
Deferred tax liabilities	156	96
Other	782	758
Total non-current liabilities	49,085	48,397
Total liabilities	81,701	67,454
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	28,006	27,931
Retained earnings	130,954	127,589
Treasury shares	(39,393)	(39,132)
Total shareholders' equity	134,567	131,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,548	(10,167)
Revaluation reserve for land	(3,115)	(3,115)
Foreign currency translation adjustment	2,418	2,737
Remeasurements of defined benefit plans	271	251
Total accumulated other comprehensive income	3,122	(10,294)
Share acquisition rights	411	543
Total net assets	138,101	121,637
Total liabilities and net assets	219,803	189,092

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	55,327	49,439
Cost of sales	16,372	15,467
Gross profit	38,955	33,971
Selling, general and administrative expenses	11,827	10,976
Operating profit	27,127	22,994
Non-operating income		
Interest income	4,300	10,107
Dividend income	845	565
Gain on sale of investment securities	15,091	1,701
Foreign exchange gains	187	408
Gain on valuation of derivatives	936	4,216
Other	1,362	727
Total non-operating income	22,723	17,727
Non-operating expenses		
Loss on valuation of investment securities	2,709	934
Loss on sale of investment securities	1,939	2,759
Loss on redemption of securities	–	7,373
Loss on valuation of derivatives	6,369	12,626
Other	71	148
Total non-operating expenses	11,089	23,842
Ordinary profit	38,761	16,880
Profit before income taxes	38,761	16,880
Income taxes - current	10,172	3,084
Income taxes - deferred	295	318
Total income taxes	10,468	3,403
Profit	28,293	13,477
Profit attributable to owners of parent	28,293	13,477

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	28,293	13,477
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,410)	(13,715)
Foreign currency translation adjustment	511	318
Remeasurements of defined benefit plans, net of tax	(21)	(20)
Total other comprehensive income	(920)	(13,417)
Comprehensive income	27,372	59
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,372	59