



INTEGRATED REPORT 2022

KOEI TECMO HOLDINGS

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The universal design font used in this report was chosen to be easy to read.



KOEI TECMO Ethos

“Creativity & Contribution”

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

Vision

To Become The World’s No.1 Digital Entertainment Company

Basic Management Policies

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.

Improve Employee Welfare

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

Challenge New Business Areas

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

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Editorial Policy

The KOEI TECMO Group (KOEI TECMO HOLDINGS CO., LTD. and consolidated subsidiaries) places importance on active dialogue with stakeholders in all of its business activities.

This is the Company’s first integrated report. The purpose of this report is to provide a comprehensive understanding of the social and economic value created by our Group through reporting on our management strategy and business and ESG-related activities. In editing this report, we refer to the “International Integrated Reporting Framework” of the Value Reporting Foundation (VRF) and the “Value Co-Creation Guidance” of the Ministry of Economy, Trade and Industry (METI).

This report is unaudited.
Please also visit our website for more detailed information.

Company website:

<https://www.koeitecmo.co.jp/e/>

Period covered:

Fiscal 2021 (April 1, 2021 to March 31, 2022)
This report is written in fiscal year format.

Scope of coverage:

KOEI TECMO HOLDINGS CO., LTD. and consolidated subsidiaries

Regarding Forward-Looking Statements

The contents of this report may contain forward-looking statements, but please be aware that actual results may differ materially from these forecasts due to various factors.

Global expansion of Koei, Tecmo, and Gust's strengths



KOEI CO., LTD.

Koei was founded in July 1978 to sell dye and industrial chemicals. Yoichi Erikawa, the founder, started programming various software on a microcomputer. The mail-order sales of the entertainment software "Kawanakajima no Kassen" received a great response, prompting him to make game software development the company's main business. Since then, he has created many long-lived series of simulation games based on Japanese and Asian history that have been well received by users.



The microcomputer given to him as gift by his wife, Keiko Erikawa, who also serves as chairman.



TECMO, LTD.

Tecmo was founded in 1967. In 1970, the company opened a game center inside a bowling alley. The founder, Yoshihito Kakihara, saw a business opportunity in the popularity of video game consoles and entered the arcade game cabinet business. Tecmo later began developing its own software, entering the home video game market in 1986 with "Mighty Bomb Jack".

The company developed numerous highly acclaimed titles in the Western world, including those from the development studio Team NINJA.



KOEI TECMO HOLDINGS CO., LTD.

2009 – early 2010s

Promoting management integration and collaboration

In 2009, Koei and Tecmo merged to form KOEI TECMO HOLDINGS CO., LTD. Collaborative titles drove performance, based on the foundation of stable series titles from both Koei and Tecmo. The easy-to-enjoy "Warriors" action series created synergy with other companies' leading IPs and laid the foundation for a collaboration strategy that continues to this day.

Main titles



"DYNASTY WARRIORS 8"



"NINJA GAIDEN 3"



"Fist of the North Star: Ken's Rage"

Mid to late 2010s

Making great strides in global business and transitioning to a brand system

In 2014, KOEI TECMO released "Hyrule Warriors", which sold more than 1 million units worldwide, giving momentum to its global business. In 2016, the Company underwent reorganization and shifted to an IP-based brand system. In 2017, it released "Nioh", a title that combined Koei's Asian worldview with Tecmo's high-level action. The series received high acclaim in the Western world and has sold more than 6 million units in total as a new global IP.

Main titles



"Nioh"



"Attack on Titan"



"Hyrule Warriors"

Late 2010s – early 2020s

Success of in-house developed smartphone games and expansion of IP licensing

The Company enjoyed steady growth in the console game sector, including larger global titles and the realization of collaborative titles with leading overseas IPs. In the online and mobile sector, the Company's smartphone game "Romance of the Three Kingdoms Hadou" and the IP licensed title "Three Kingdoms Tactics" have become hits and contributed to rapid growth. Revenue from smartphone games added to that of console games, expanding the Company's performance and significantly improving profit margins.

Main titles



"Nioh 2"



"Romance of the Three Kingdoms Hadou"



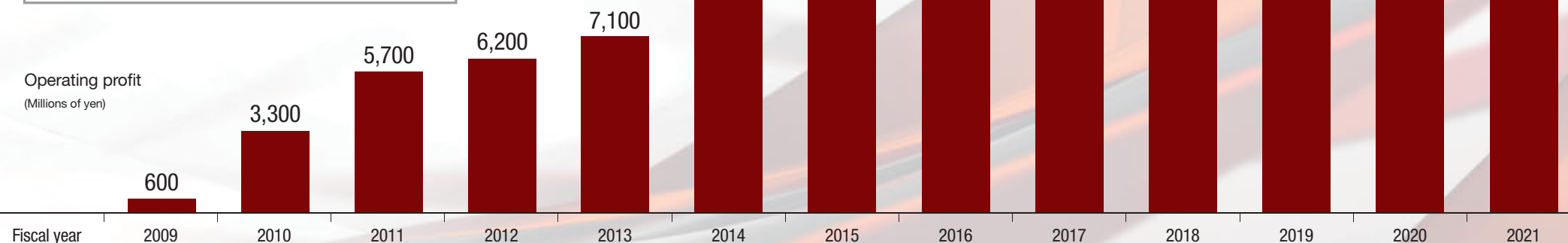
"Three Kingdoms Tactics"



GUST CO., LTD.

Founded in 1993. Created popular IPs with many fans, such as the "Atelier" series. In 2011, became a wholly owned subsidiary of KOEI TECMO HOLDINGS.

Operating profit (Millions of yen)



Overseas distribution of "Hyrule Warriors" is handled by Nintendo Co., Ltd. ©Nintendo © KOEI TECMO GAMES CO., LTD. All rights reserved. Licensed by Nintendo ©KOEI TECMO GAMES CO., LTD. All rights reserved. ©1983 Buronson & Tetsuo Hara / North Stars Pictures, Inc. Approved number KOI-001. ©2010 KOEI Co., Ltd. All rights reserved. Based on the manga "Shingeki no Kyojin" by Hajime Isayama, originally serialized in the monthly BESSATSU SHONEN magazine published by Kodansha Ltd. ©Hajime Isayama, Kodansha / "ATTACK ON TITAN" Production Committee. All Rights Reserved. ©Lingxi Games. All rights reserved. ©Shanghai TCI Network Technology

Koei Tecmo has adopted a brand system as an organizational structure based on its IPs. Under the six brands of KOU SHIBUSAWA, ω-Force, Team NINJA, Gust, Ruby Party, and midas, the Company creates and develops diverse IP and provides appealing entertainment content to customers worldwide.



KOU SHIBUSAWA

KOU SHIBUSAWA

IPs include the historically based "NOBUNAGA'S AMBITION" and "Romance of the Three Kingdoms" series, horse racing simulation "Winning Post", the Age of Exploration game "Uncharted Waters", and many more. These titles span the range of simulation games, online games, role playing games, and other genres. We have also developed collaborative titles combining games, like "Pokémon + NOBUNAGA'S AMBITION" or "Youkai Sangokushi".

- Main IPs**
- NOBUNAGA'S AMBITION
 - Romance of the Three Kingdoms
 - Winning Post
 - Uncharted Waters



Team NINJA

Team NINJA

We create action games like "Nioh", "NINJA GAIDEN", and "DEAD OR ALIVE". Additionally, we have collaborated on titles such as "Hyrule Warriors" and "DISSIDIA FINAL FANTASY".

- Main IPs**
- Nioh
 - DEAD OR ALIVE
 - NINJA GAIDEN



Ruby Party

Ruby Party

Primarily focusing on games directed at a female fan base, we handle a wide range of activities, including the planning, development, and operation of software for game consoles, production of music CDs and goods based on Koei Tecmo's popular IPs, and the planning and operation of various events.

- Main IPs**
- Angelique
 - Haruka: Beyond the Stream of Time
 - La Corda d'Oro

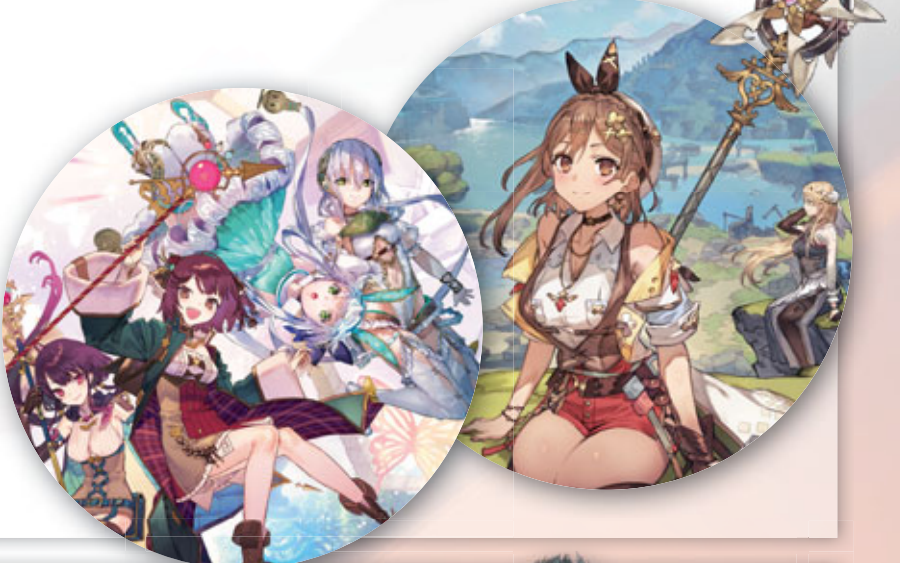


ω-Force

ω-Force

We create the Warriors series, including "DYNASTY WARRIORS" and "SAMURAI WARRIORS" and hunting action games like "Toukiden". We have also released several collaborative titles with popular IPs like "Attack on Titan".

- Main IPs**
- DYNASTY WARRIORS
 - SAMURAI WARRIORS
 - Warriors OROCHI



Gust

Gust

We are developing highly character-driven role playing games, such as titles for the Atelier series, the Nights of Azure series, and "BLUE REFLECTION".

- Main IPs**
- Atelier series
 - BLUE REFLECTION



midas

midas

midas is dedicated to the smartphone market and aims to create and develop IPs based on open and exciting ideas that transcend organizational and company boundaries.

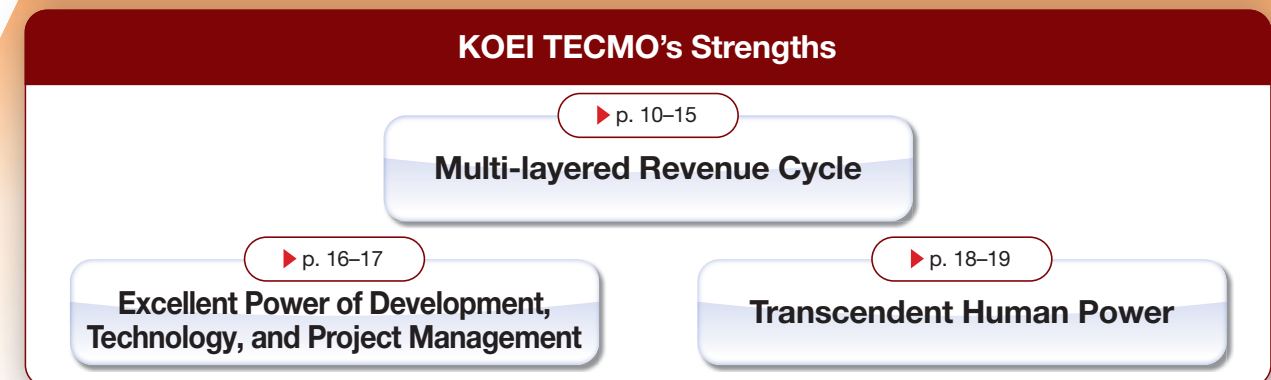
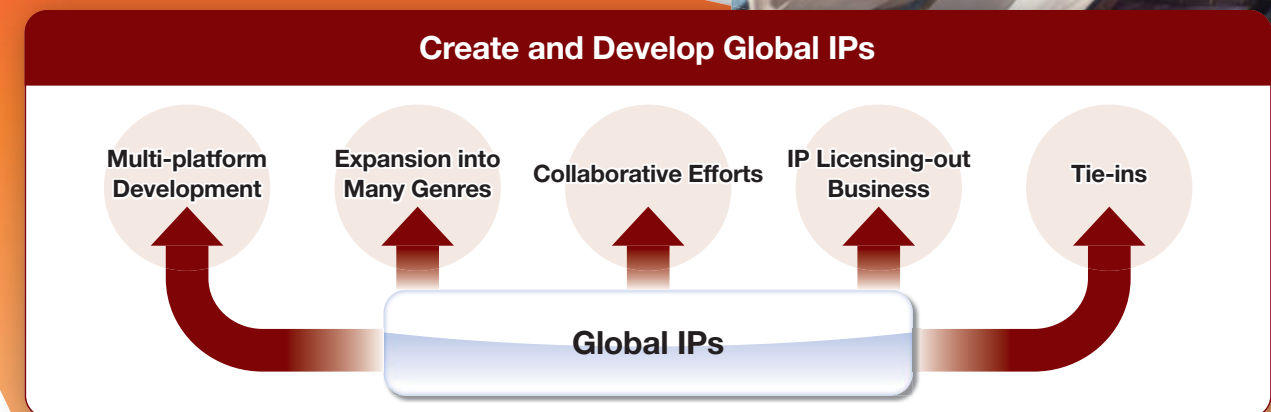
Fulfilling the expectations of game fans around the world with unprecedented fun

Long-Term Vision **The World's No.1 Digital Entertainment Company**



KOEI TECMO Ethos

“Creativity & Contribution”



KOEI TECMO Ethos: “Creativity & Contribution”

KOEI TECMO ethos is “Creativity & Contribution”, which is the core value that underlies our value creation. We aim to contribute to society through the creation of new value instilled within our products and services. KOEI TECMO’s reason for being (purpose) is to contribute to the enrichment and happiness of people around the world by creating new products and services, new technologies, new value, and new fun that has never been seen before. Each and every one of our executives and employees shares the values of “Creativity & Contribution” and strives daily to create the best content.

Basic Management Policies

We have four basic management policies based on the ethos of “Creativity & Contribution”. We provide our customers with the

most emotionally moving experiences through the creation of superior content. We will achieve continuous growth and profitability, and use those earnings to improve employee welfare, becoming a vibrant and attractive company. Through this vitality, we will take on challenges in new business areas. Challenging new business areas leads us to create the best content available. We are managing our business by largely following these four basic management policies in a cyclical manner.

The World's No.1 Digital Entertainment Company

By creating the best content available, we aim to become the world's No. 1 Digital Entertainment company that contributes to the enrichment and vitality of the hearts and minds of our customers around the world.

Management Policy: Create and Develop Global IPs

We develop games from a global perspective and expand our IP to multiple platforms, genres, collaborations, licenses and tie-ins to achieve growth and profitability. We develop IP in multiple directions to achieve growth and profitability. This management policy has driven profit growth for 12 consecutive fiscal years.

KOEI TECMO's Strengths

There are three strengths cultivated by the ethos and management policies of “Creativity & Contribution”.

The multi-layered revenue cycle is the key to KOEI TECMO’s high profitability. Our multi-layered revenue cycle allows us to achieve sustainable, stable, and high profitability in the volatile hit game business.

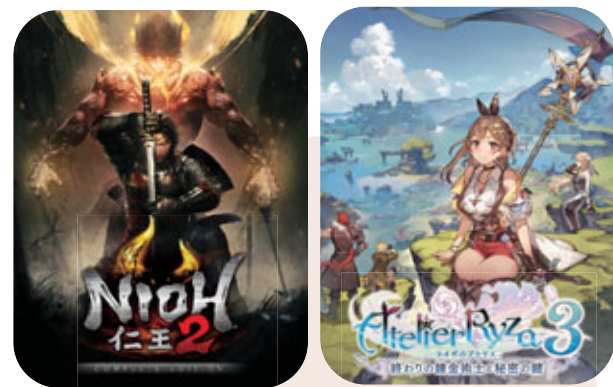
Excellent power of development, technology, and project management are core competitive advantages for a game development company. Superior management capabilities, especially, allow for high profitability and collaborative strategies.

Another of KOEI TECMO’s strengths lies in its transcendent human power. We are developing human resources who can realize both creativity and business at a high level. We have established an environment and structure that allows our people to fully demonstrate their abilities.

These three strengths give Koei Tecmo a high degree of superior in-house development competitiveness in both packaged games and smartphone games, enabling growth and profitability.

Management policy that drives profit growth for 12 consecutive fiscal years: "Create and develop global IPs"

Under our "Create and develop global IPs" management policy, we have continued to increase profits for 12 consecutive fiscal years. We will develop games from a global perspective and expand our IPs to include multiple platforms, genres, collaborations, licenses, and promotional partnerships to achieve growth and profitability.



Multi-platform Development

We develop and provide games for a variety of platforms, including game consoles, smartphones, and PCs.



Expansion into Many Genres

We increase the value of the IP by developing into various genres with it such as simulation games, RPGs, action games, and card games.



Collaborative Efforts

We will create new value by collaborating with IPs of other companies, utilizing our expertise in action games and battle systems.



IP Licensing-out Business

We license our IPs to other companies to maximize value.



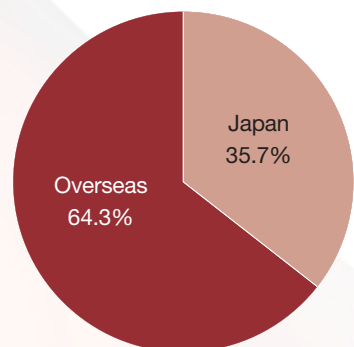
Global IPs



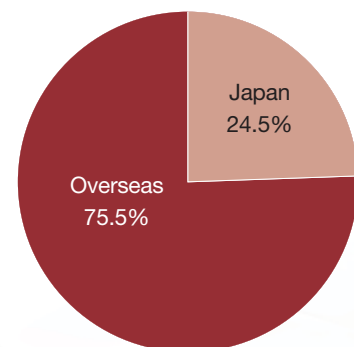
Tie-ins

We have promotional partnerships for anime, comics, food and beverage, merchandise and regional collaborations.

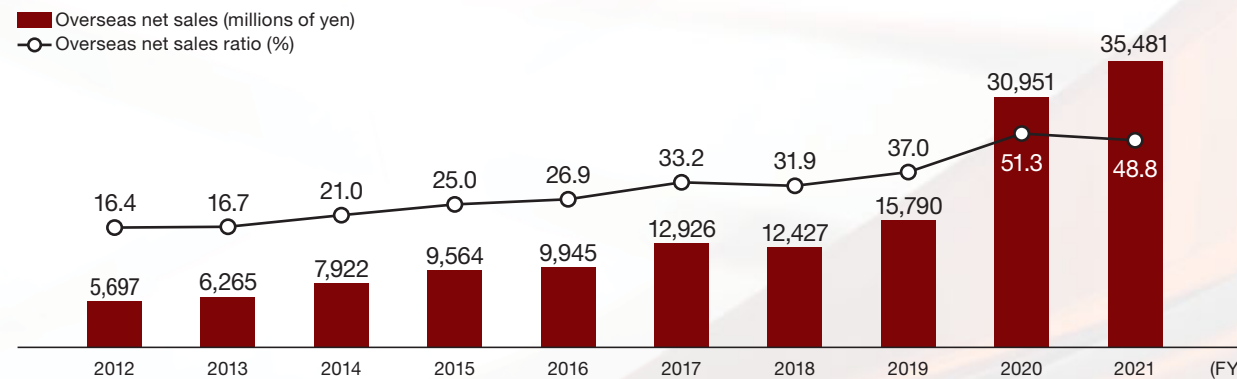
Percentage of packaged games sold (FY2021)



Ratio of cumulative online and mobile downloads (FY2021)



Overseas net sales



In fiscal 2021, 64.3% of packaged game unit sales and 75.5% of cumulative online and mobile downloads were from overseas. Overseas sales amounted to ¥35.4 billion, and the ratio of overseas sales to total sales grew to 48.8%. The Company will create entertainment content based on Asian history and culture, such as "NOBUNAGA'S AMBITION", "Romance of the Three Kingdoms", and "Nioh", to further grow in the global marketplace.

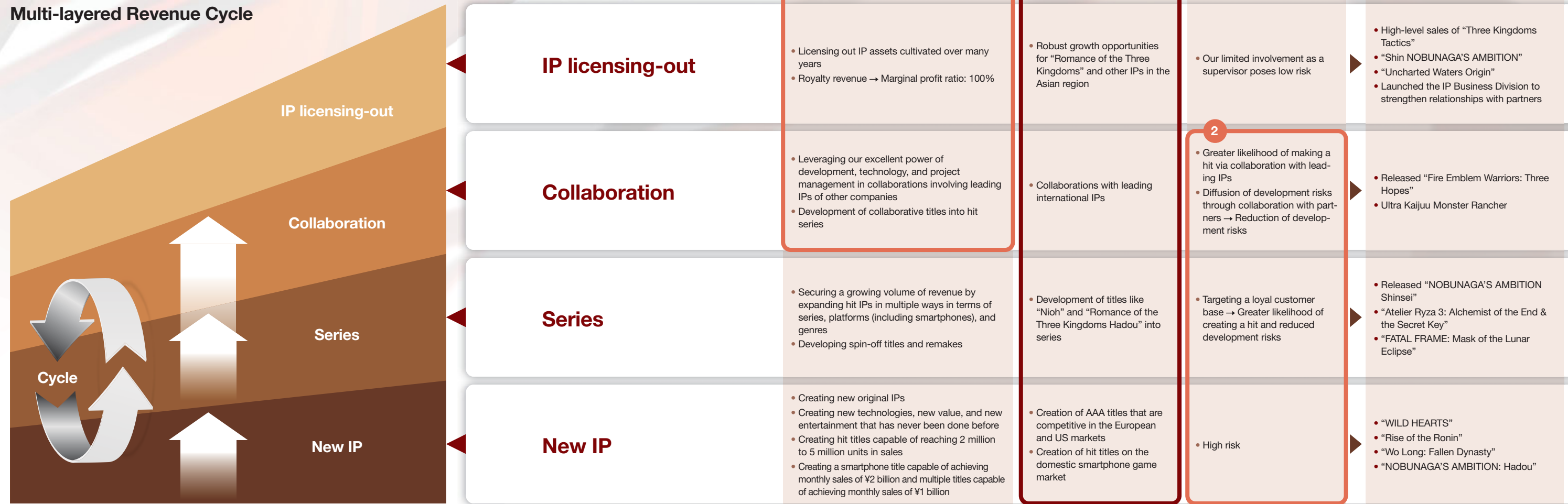
"Hyrule Warriors: Age of Calamity" and "Fire Emblem Warriors: Three Hopes" are published overseas by NINTENDO Co., Ltd. © Nintendo / INTELLIGENT SYSTEMS © KOEI TECMO GAMES All rights reserved. Licensed by Nintendo © Nintendo © KOEI TECMO GAMES All rights reserved. Licensed by Nintendo © Lingxi Games. All Rights Reserved. © Shanghai TCI Network Technology Co., Ltd. © BBGAME All rights reserved. © KOEI TECMO GAMES All rights reserved.

Our multi-layered revenue cycle ensures business sustainability and is backed by robust growth potential and profitability

- 1 Achieving growth potential: Success of "Nioh" and "Romance of the Three Kingdoms Hadou" and rapid expansion of IP licensing. → A broader range of growth opportunities in Europe, the United States, and Asia.
- 2 Achieving profitability: Improved profitability through expansion of IP licensing and collaborations, both of which yield royalty revenue. Securing stable revenue from existing series and collaborations while tackling the challenge of creating new IPs via appropriate risk-taking.

Realized sustainability in the highly volatile hit game business

Multi-layered Revenue Cycle



The KOEI TECMO Group has established a multi-layered revenue cycle by:

1. Creating new global IPs
2. Developing hit IPs into series
3. Leveraging its development capabilities to create collaborative titles
4. Licensing out IPs nurtured over the course of many years

This revenue cycle helps us secure robust, sustainable, and stable growth potential in the hit game business whose volatile conditions typically swing upon the emergence of a handful of successful titles.

1. Creating new global IPs

We create new technologies, new value, and new entertainment that has never been done before. These endeavors are essential to providing our customers with the best experience as well as securing long-term growth as a game company. As expressed in KOEI TECMO ethos, "Creativity & Contribution", we place the highest priority on creating new global IPs. Under the Medium-Term Management Plan, we are taking on the challenge of creating a console game capable of selling 5 million units, as well as a smartphone game capable of achieving monthly sales of ¥2

billion, among other targets. The creation of new IPs is, however, a high-risk endeavor. While successful new IPs position KOEI TECMO with a long-term revenue source, there have also been a number of unsuccessful attempts. Aware of this, the Company aims to achieve sustainable growth as a game company by balancing resources allocated to existing series and collaborations, as explained later, while tackling the challenge of creating new IPs within the appropriate range of risk-taking.

2. Developing hit IPs into series

Once a hit IP is created, we strive to develop it into a hit series while also developing it for multiple platforms and genres in order to secure robust revenue. Recently, the number of spin-off titles and remakes has also been growing. We aim to build on the 2017 success of "Nioh" in console games and the 2020 success of "Romance of the Three Kingdoms Hadou" in smartphone games by developing these titles into hit series while using our know-how behind their success for horizontal expansion, with the aim of increasing revenue. Our series titles are supported by customers with high loyalty. The "NOBUNAGA'S AMBITION" series, for example, has been marketed for 39 years since the 1983 release of

the first title. (Please see pages 12 to 15 for details.) Given these factors, we consider developing existing series to be a source of relatively stable revenue.

3. Leveraging our development capabilities to create collaborative titles

Taking advantage of our excellent power of development, technology, and project management, we promote collaboration strategies under which we work in tandem with external companies possessing promising IPs. We have collaborated with many leading IPs, including the development of "Fire Emblem Warriors: Three Hopes" with Nintendo Co., Ltd. Looking ahead, we believe that collaboration with leading international IPs will also provide fruitful opportunities. Collaboration can also be considered a stable source of revenue, as collaboration with leading IPs increases the certainty of success. In addition, the Company is often assigned development roles in collaborative projects. As this assignment positions us to receive royalty revenue from partners, our engagement in collaborations helps enhance our profitability.

4. Licensing out IPs nurtured over the course of many years

The economic value of the "Romance of the Three Kingdoms" IP has become apparent in China and other parts of Asia, and our business performance has expanded significantly. This is the result of 40 years of carefully nurturing the "Romance of the Three Kingdoms" IP. As revenues are royalty-based and our involvement in game development is limited to supervision, the marginal profit ratio is nearly 100%, making licensing a highly profitable business.

As described above, our revenue structure is multi-layered, with each layer supplementing another, allowing us to avoid excessive reliance on particular titles and achieve stable financial results for every fiscal year. The successes of "Nioh" and "Romance of the Three Kingdoms Hadou", along with the IP licensing business, now bring us a growing range of opportunities for growth in Europe, the United States, and Asia. Going forward, we will continue to secure stable revenue via the development of existing series and collaborations, while tackling the challenge of creating new titles through appropriate risk-taking, with the aim of continuing to achieve both growth and profitability.

NOBUNAGA'S AMBITION™

Series Development

The "NOBUNAGA'S AMBITION" series is representative of historical simulation game titles created by KOEI TECMO, based on Japan's Warring States period (15th–17th centuries). Since the 1983 release of the first title, we have created a total of 16 titles for the series in step with the popularization and advancement of high-performance PCs and other platforms. Today, the cumulative total number of units sold for this series exceeds 10 million. In the upcoming "NOBUNAGA'S AMBITION: Shinsei", a title commemorating the 40th anniversary of KOU SHIBUSAWA as a game creator, players act as warlords work closely with their vassals, who act and think autonomously, striving to unite the country under their rule.



NOBUNAGA'S AMBITION NOBUNAGA'S AMBITION: Zenkokuban NOBUNAGA'S AMBITION II NOBUNAGA'S AMBITION: Lord of Darkness NOBUNAGA'S AMBITION: Hauden NOBUNAGA'S AMBITION: Tenshouki NOBUNAGA'S AMBITION: Shouseiroku NOBUNAGA'S AMBITION: Reppuden

1983

1986

1988

1990

1992

1994

1997

1999



NOBUNAGA'S AMBITION: Ranseiki NOBUNAGA'S AMBITION: Soutenroku NOBUNAGA'S AMBITION: Rise to Power NOBUNAGA'S AMBITION: Iron Triangle NOBUNAGA'S AMBITION: Tendou NOBUNAGA'S AMBITION: Sphere of Influence NOBUNAGA'S AMBITION: Taishi NOBUNAGA'S AMBITION: Shinsei

2001

2002

2003

2005

2009

2013

2017

2022

Genre Expansion

The "NOBUNAGA'S AMBITION" series has been expanded into a variety of genres in order to provide its fans with new and exciting experiences in line with the changing times and technological advances. In 1998, we released "NOBUNAGA'S AMBITION: Internet", an online multiplayer game built on the unique gaming experience the series offers. "NOBUNAGA'S AMBITION: Online", an MMORPG that allows players to act as warlords in a network-based virtual setting of the Warring States period, has also been active since 2003. In the field of social-network games, we released "Hyakuman-nin no Nobunaga no Yabo" and "NOBUNAGA'S AMBITION: 20XX". Currently, we are developing "NOBUNAGA'S AMBITION: Hadou", a smartphone-based MMO simulation game.



"NOBUNAGA'S AMBITION"

Historical simulation game



"NOBUNAGA'S AMBITION: Internet"

Online duel game



"NOBUNAGA'S AMBITION: Online"

Sengoku online RPG



"Hyakuman-nin no Nobunaga no Yabo"

Social simulation formation battle RPGs



"NOBUNAGA'S AMBITION: 20XX"



"NOBUNAGA'S AMBITION: Hadou"

Strategy simulation MMO



NOBUNAGA'S
AMBITION™

1983

1998

2003

2010

2015

2022

Competence as a game development company built upon 40 years of experience

Power of development

- Ability to create new global IPs
- Game development know-how accumulated over the course of more than 40 years (action/simulation/RPG)
- Unique, Asian worldview that attracts players



- Recent achievements**
- Success of a new smartphone game "Romance of the Three Kingdoms Hadou"
 - Success of "Nioh" (the series has shipped more than 6 million units worldwide)
 - Success of the "Romance of the Three Kingdoms" IP in China (IP licensing)
 - Announced "WILD HEARTS" and "Rise of the Ronin"

With our titles such as "NOBUNAGA'S AMBITION", "DYNASTY WARRIORS", and "Nioh", we have created and provided new and original entertainment. Our creativity supported by a robust portfolio of new global IPs is a source of KOEI TECMO's strength.

For more than 40 years, we have developed a diverse range of game titles, from simulation games, action games, and RPGs to games specifically designed for women. Our engagement in game development encompassing an array of genres enabled us to accu-

mulate a wealth of know-how.

Entertainment content based on Asian history and culture has become the hallmark of KOEI TECMO. Our titles are known for their authentic flavor, which comes backed by robust insight into the historical and cultural context of Japan and Asia. This, in turn, lends us another distinctive strength. Today, KOEI TECMO seeks to uphold the immense expectations of game fans around the world.

Diverse game features and representative titles

Simulation	Historical simulation	"NOBUNAGA'S AMBITION" "Romance of the Three Kingdoms"
	Romance-simulation games for women	"La Corda d'Oro" "Haruka: Beyond the Stream of Time" "Angelique"
REKOEITION games		"Uncharted Waters" "Taiko-Risshiden"
Action	"Warriors" series	"DYNASTY WARRIORS" "SAMURAI WARRIORS" "Warriors Orochi"
	Fighting games	"DEAD OR ALIVE"
	Dark-taste action RPG	"Nioh" "Wo Long: Fallen Dynasty"
	Open-world action RPG	"Rise of the Ronin"
	Hunting action	"WILD HEARTS"* "Toukiden"
	Tactical hunting action	"Attack on Titan"
RPG	JRPG	"Atelier" series

* Scheduled to be released

Power of technology

- "Katana Engine™" unique game engine
- "FUTURE TECH BASE", a dedicated R&D department
- Effective and efficient promotion of multi-platform strategy



- Recent achievements**
- "Nioh 2 Complete Edition" earned an outstanding 88 points on Metacritic.com*
 - Achieved multi-platform distribution globally
 - Utilized AI in history simulation games

* Game review aggregation website

KOEI TECMO boasts the "Katana Engine™", a unique game engine it has developed in-house. A game engine is a collective term that refers to multiple software and development environments supporting game production. Most KOEI TECMO titles have been created using "Katana Engine™", which is capable of agilely accommodating new technologies and emerging developer needs. Our proprietary game engine enables development environments and workflows best suited for each title, thereby helping us realize superior development efficiency.

In addition, the Company has released titles for an increasingly diverse range of platforms, including video game consoles, smart-

phones, tablets, PCs, and Cloud. "Katana Engine™" also allows us to efficiently pursue global multi-platform distribution.

"FUTURE TECH BASE" is a dedicated R&D department tasked with developing our technological assets, including "Katana Engine™". We research cutting-edge technologies and hone our technical skills on a daily basis.



Development capabilities to create original content, technical capabilities enabling multi-platform distribution, and management capabilities that realize high-profitability businesses. Genuine abilities, backed by a track record spanning our 40 years as a game development company, now constitute KOEI TECMO's distinctive strength.

Power of project management

- Thorough project management focused on delivery time, quality, and budget
- Promotion of collaborative strategies
- Appropriate risk control



- Recent achievements**
- Raised per-unit sales while achieving higher profitability for each title
 - Collaboration titles launched every term
 - Five-year development plan management
 - Risk diffusion through collaboration with partners

KOEI TECMO is engaged in thorough project management focused on delivery time, quality, and budget. All projects are planned with a target operating profit ratio of at least 30%, and our high profitability is due to our firm management of delivery time, quality, and budget in order to achieve this target.

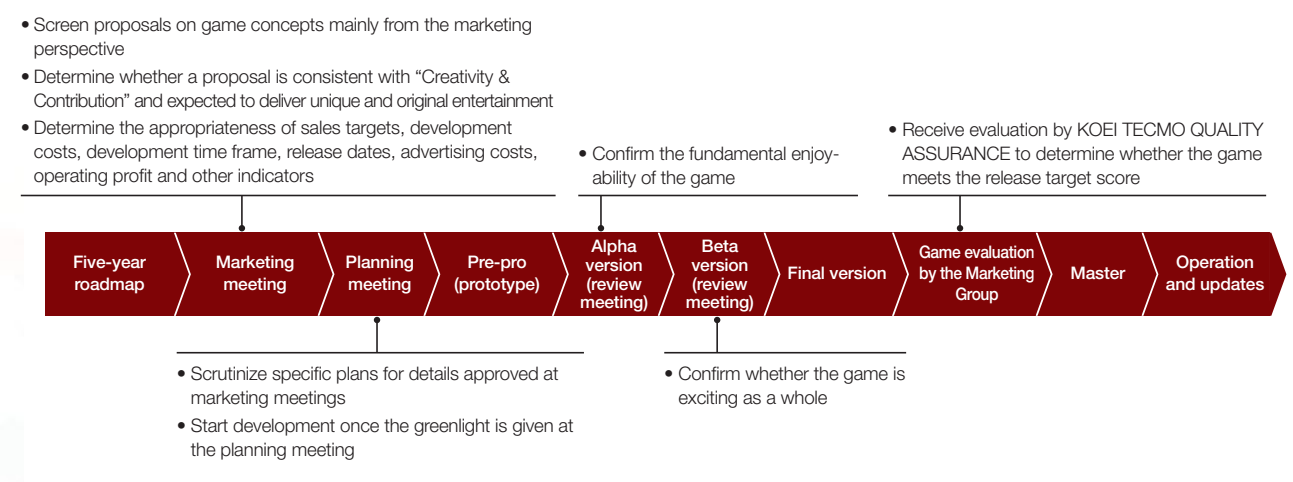
In the course of budget setting, we closely assess whether the producer has accurate foresight. Specifically, the producer formulates a draft budget by taking into account the market outlook for several years going forward and determining target indicators and quality requirements in addition to estimating development resources necessary to achieve these. The producer thus exercises his/her forecasts for conditions surrounding the game business while incorporating diverse input from relevant departments. As development progresses, we also carefully examine the status of the project and budget consumption vis-à-vis each milestone, with weekly Management Meetings tracking progress to prevent budget overruns or development delays. As for quality, employees in relevant departments

check gaming experience each time the project reaches a development milestone to determine whether the title is as exciting as expected. Moreover, a thorough debugging management by KOEI TECMO QUALITY ASSURANCE, a subsidiary responsible for quality control, ensures that high-quality, bug-free games are provided to customers.

The above initiatives to ensure thorough project management constitute another strength, and also help us promote collaborative strategies. Building on long-term relationships of trust with a number of business partners, we have released collaboration titles almost every year. Furthermore, thanks to the thoroughness of our project management, we are able to manage development plans spanning five years into the future.

As we take on the challenge of developing multiple major titles under our Medium-Term Management Plan, development risks are also increasing. We are working with our partners to diffuse risks and control them appropriately.

Game development process



“Transcendent human power as a source of competitiveness”

The concepts underlying KOEI TECMO's human resource management spring from Yoichi Erikawa, its founder and CEO, who also creates games under the alias of KOU SHIBUSAWA. Born in the household of a dye and industrial chemicals wholesaler, he experienced a number of hardships as a corporate manager, including the closure of his family's business. He subsequently set out as a game creator with “Kawanakajima no Kassen,” the success of which prompted him to refocus his business on game development. This is why Erikawa believes that while creativity is important in the game industry, it is also important to generate a solid profit and to make a viable business, and he wants all KOEI TECMO employees to share this philosophy. A culture and values that emphasize both creative and business qualities form the basis of the human resources that support our profitability.

Building on our strong corporate culture and values, KOEI TECMO has established a system for developing talent and innovation.

To nurture human resources capable of both exercising creativity and achieving business success, our recruitment focuses on recruiting outstanding students from all over the world as new graduates. As part of our robust personnel system, we evaluate employees based on vital indicators measuring the completeness of delivery time management, quality management, and budget management as well as the degree of business success. We return profit to employees in many ways through basic salary increases, bonuses, and other benefits, including company-owned buildings and employee housing. We appreciate high performers and reward them for their efforts through incentive programs and other means. We have thus secured a working environment that

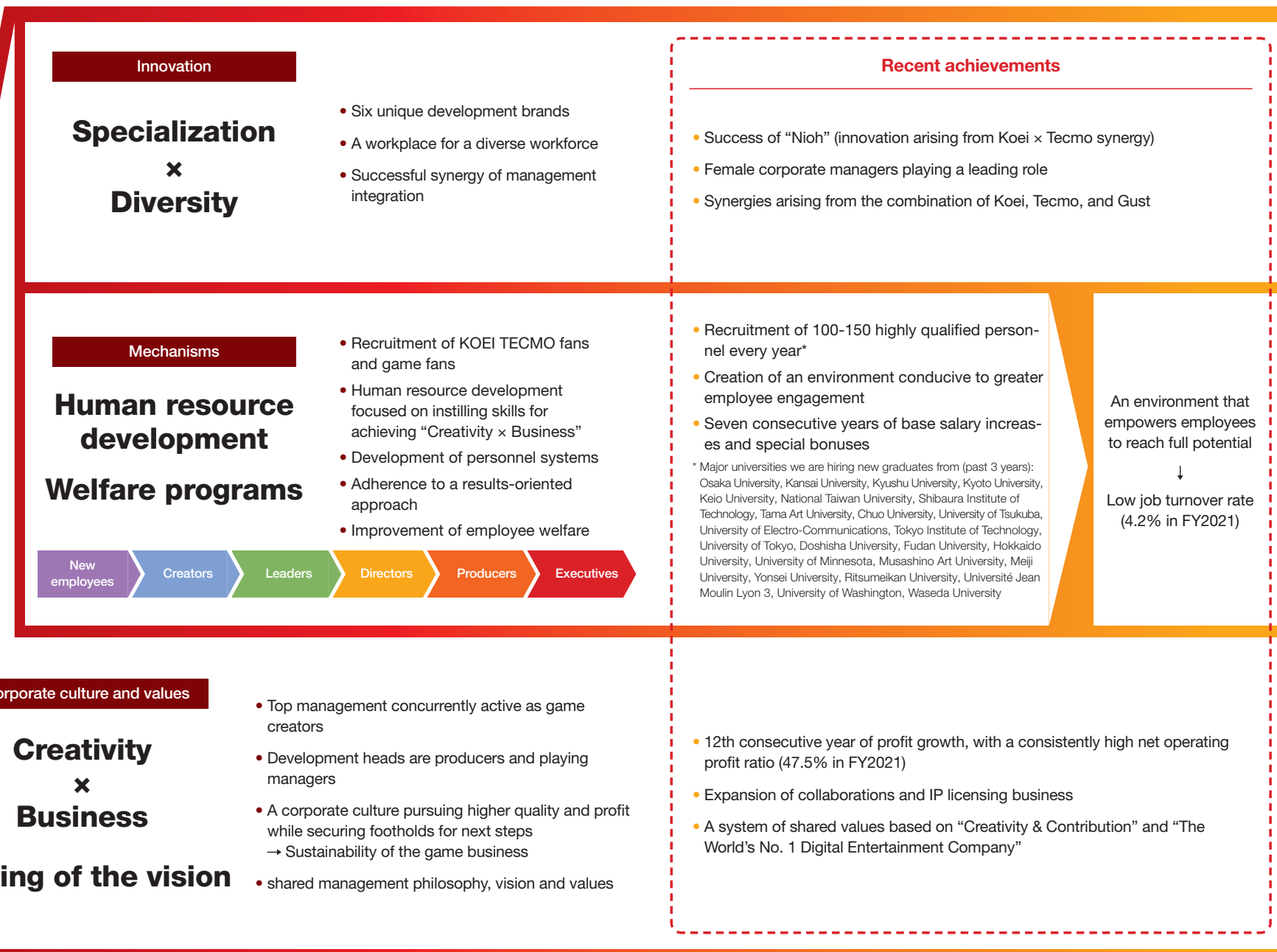
empowers employees to realize their full potential and work with confidence over the long term even as they pursue personal growth. As a result, our job turnover rate stands at just 4.2%, an extremely low level in the game industry.

We believe that an environment supportive of both specialization and diversity serves as a hotbed of innovation. The Company boasts six brands and a portfolio of titles covering an extensive range of genres and IPs. In sum, we have an environment in which diverse human resources strive to exercise their creativity and realize their unique personalities while inspiring one another to create innovation.

The Company was formed through the merger of Koei and Tecmo, with Gust subsequently joining the Group. Management quickly integrated personnel systems, including salary levels, without losing the unique

strengths and diversity of each company under our brand system, and created an environment in which human resources can work together in synergy. “Nioh”, released in 2017, is a title that combines Koei's knowledge of Japanese history and culture with Tecmo's action game production experience at a high quality level, resulting in innovation and a hit series totaling over 6 million copies sold. This is an example of successful synergy from management integration.

KOEI TECMO's transcendent human power is thus supported by employees capable of both exercising creativity and achieving business success, and the mechanisms for nurturing them and encouraging innovation. Indeed, our employees serve as the source of our competitive in-house development of both console and smartphone games.



Superior in-house development competitive edge





Yoichi Erikawa
President & CEO

We will provide our global customers with unrivalled excitement by delivering highly original content enriched by Asian history and culture, with the aim of becoming the world's No. 1 company.

KOEI TECMO Ethos

I would like to begin by expressing our sincere gratitude for your ongoing support of our operations. KOEI TECMO ethos is "Creativity & Contribution". We aim to create new value and contribute to society. More specifically, KOEI TECMO's reason for being is to contribute to the enrichment and happiness of people around the world by creating new products and services, new technologies, new value, and never-before-seen fun.

"Kawanakajima no Kassen", the first title I created, was released in 1981 and garnered highly favorable customer reviews. The simulation game was based on historical facts concerning the battle between camps of Takeda Shingen and Uesugi Kenshin. Back then, action games were considered mainstream. However, the title instead chose to deliver a novel gaming experience involving strategic thinking, and won significant customer support thanks to the unprecedented type of excitement it offered. After this success, we found ourselves receiving any number of passionate pleas from customers like, "I can't wait for the release of the next title" or "We want more games based on historical episodes". That was the moment I came to feel an immense sense of fulfillment in my job of creating new titles and contributing to society. This sense of fulfillment, in turn, has become the starting point of KOEI TECMO.

Society is currently facing an extremely challenging period. The outbreak of COVID-19 has made it hard for people to maintain face-to-face interaction, the pre-pandemic norm. Furthermore, the conventional concept of happiness is now swayed by the subsequent emergence of conflict, steep inflation and other problems. As a result, many people today seem to be experiencing a profound sense of anxiety about the future outlook as they go about their daily lives. I am convinced that in such times of turmoil, entertainment content—like our game titles—provides people with emotional support. For example, "Romance of the Three Kingdoms Hadou" is a smartphone game, involving team tactics, that offers

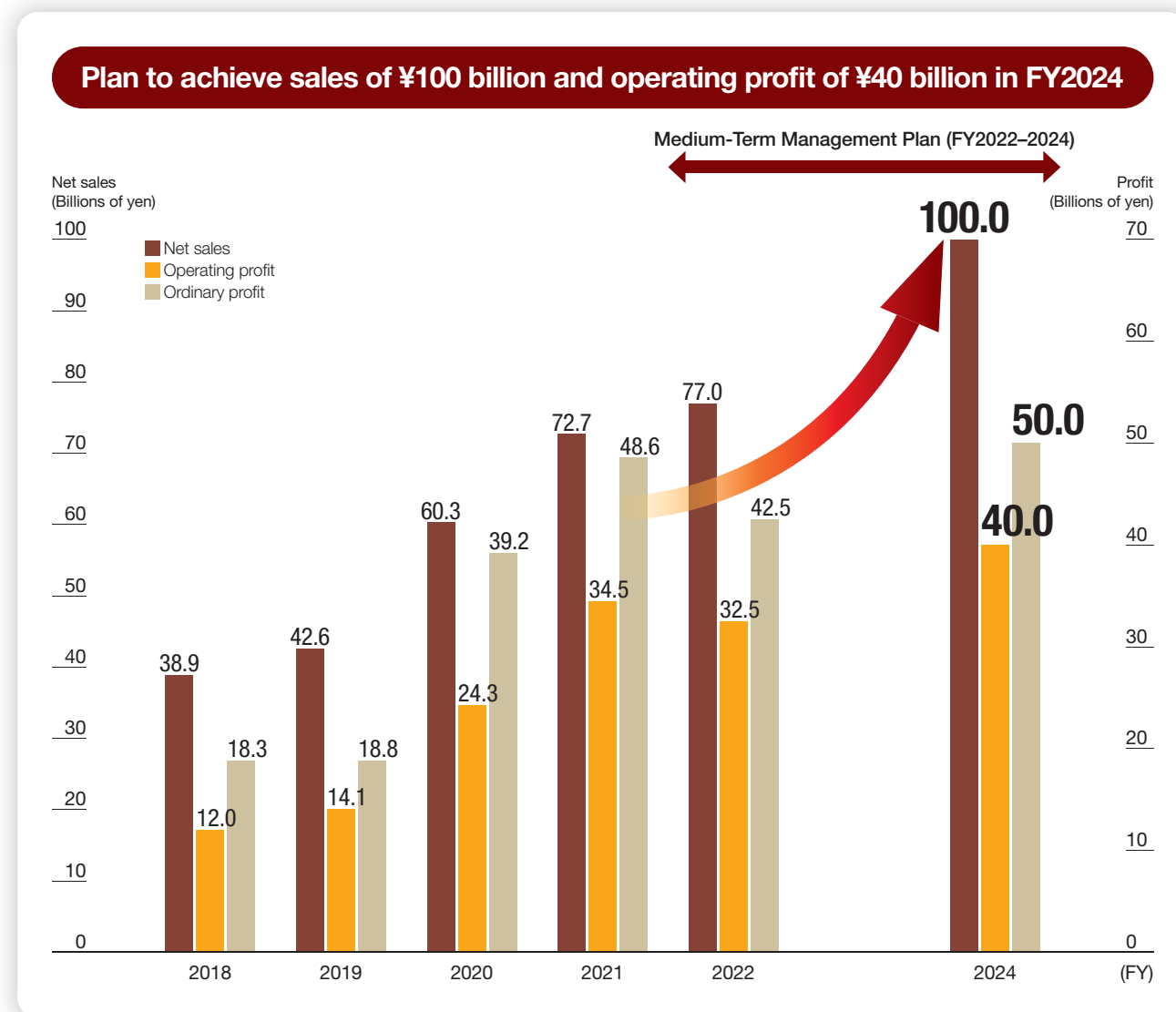
opportunities for players to connect with their peers online and pull together to win the battle. Even amidst the COVID-19 pandemic, which erected hurdles to meeting friends face-to-face, people are still able to interact through games. To date, we have been creating entertainment content with the simple hope that we help players experience emotional enrichment and enjoyment. Now, however, we sense that games are serving a much bigger purpose than we ever imagined. Remaining true to the ethos of "Creativity & Contribution", the KOEI TECMO Group will continue to create the best content and thereby contribute to the happiness of people around the world.

KOEI TECMO's Long-Term Vision

We have identified "The World's No.1 Digital Entertainment Company" as a Long-Term Vision for the Group. Specifically, we aim to become the world's No. 1 company in order to enrich the hearts of users worldwide. As part of the current Medium-Term Management Plan spanning FY2022 to FY2024, we have also set a target of securing 15th place or higher in the global ranking of listed companies in the entertainment content business field based on operating profit. According to a KOEI TECMO survey, our ranking was 20th in FY2021. In line with the Long-Term Vision, we will pursue further corporate development for the Group.

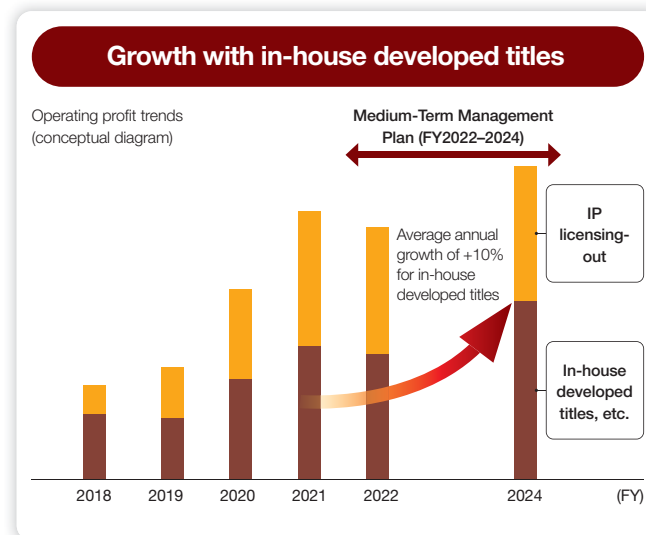
Having unveiled the detail of major titles in the process of development under the Medium-Term Management Plan (such as "Wo Long: Fallen Dynasty", "WILD HEARTS", and "Rise of the Ronin"), we feel the immense expectations of our customers around the world. In turn, this convinces us of the success of these titles. These titles are saturated with Asian worldviews, which convey the Japanese and Asian taste that underpins KOEI TECMO's unique strength. Delivering amazing content themed on history and culture, we will provide customers around the world with the best excitement and thereby become the world's No. 1 company.

Realization of AAA titles and expansion of smartphone games to the next stage of growth



In fiscal 2022, we formulated a new Medium-Term Management Plan to achieve sales of ¥100 billion, operating profit of ¥40 billion, and ordinary profit of ¥50 billion in fiscal 2024, the final year of the plan.

Under the Medium-Term Management Plan, we will achieve growth through in-house developed titles in home video games and smartphone games. In home video games, we aim to achieve stable growth by releasing titles capable of selling 2 million units each fiscal year, and we will also launch multiple 5 million unit titles over the next three years to lay the foundation for growth in the next medium-term management plan. In smartphone games, we will also strive for multiple titles with monthly sales of ¥1 billion and ¥2 billion to raise the revenue base. IP licensing revenue is planned at the fiscal 2021 profit level. Non-operating income and expenses are expected to be ¥10 billion in each fiscal year due to income from marketable securities under management.



Priority goals

- Operating profit target for FY2024: ¥40 billion
- 5-million unit level home video game (new IP)
- 2-million unit level home video game each quarter
- Smartphone title with monthly sales of ¥2 billion
- Multiple smartphone titles with monthly sales of ¥1 billion

We aim to achieve operating profit of ¥40 billion in fiscal 2024. We will achieve this growth through in-house developed home video games and smartphone games.

Moving forward, we plan to release multiple home video games that reach the 5-million unit level. Launched in 2017, the “Nioh” series has sold more than 6 million units and received high acclaim, especially in the Western world. We are aiming for our next 5-million unit level title to surpass the level of success achieved with “Nioh”, with a new original IP that fully utilizes KOEI TECMO’s strengths, such as its Asian worldview. We are passionately developing this project so that its high quality can be enjoyed by customers around the world.

We will also release 2-million unit level home video games annually, and consistently release new titles each fiscal year to achieve stable growth without overreliance on a specific title.

In smartphone games, we strive for multiple titles with monthly sales of ¥1 billion following the success of “Romance of the Three Kingdoms Hadou”, by simultaneously developing smartphone games with monthly sales of ¥2 billion. “Romance of the Three Kingdoms Hadou” was developed as a title with a monthly sales target of ¥1 billion, which we achieved. We will leverage the successful development, operation, and marketing know-how gained from “Romance of the Three Kingdoms Hadou” to reach for an even higher goal of ¥2 billion in monthly sales.

Growth strategy

- Realize 5-million unit level titles and establish 2-million unit level or more titles each fiscal year
- Realize a smartphone title with monthly sales of ¥2 billion
- Release the next smartphone title service with monthly sales of ¥1 billion
- Horizontal expansion of successful titles (“Nioh”, “Romance of the Three Kingdoms Hadou”)
- Globalization of historical simulation games alongside the “Atelier” and “Warriors” series
- Development and expansion of IPs
- Tackle growing genres (location-based games, battle royale)

We will seek growth by leveraging know-how gained from successful titles such as “Nioh” and “Romance of the Three Kingdoms Hadou” and engage in horizontal development. In the past, we have expanded on the success of “NOBUNAGA’S AMBITION” into “Romance of the Three Kingdoms” and leveraged the success of “DYNASTY WARRIORS” into “SAMURAI WARRIORS” and other collaborative titles. During the period of the Medium-Term Management Plan, we will continue to create new hit titles with a higher probability of success by leveraging the know-how gained through the success of “Nioh” and “Romance of the Three Kingdoms Hadou”. Currently, we are developing “Wo Long: Fallen Dynasty” by utilizing our success with “Nioh” and utilizing our know-how with “Romance of the Three Kingdoms Hadou” to develop “NOBUNAGA’S AMBITION Hadou”.

As the next part of our strategy, we will further globalize the “Atelier” and “Warriors” series in addition to historical simulation games. We will also create world-class content from long-lasting IPs, increase overseas sales, and increase the number of units sold per title.

The Katana Engine™, which enables the growth of our titles, will be further enhanced to quality worthwhile of a global title. One parameter for measuring this quality is achieving a score of 90 or

higher on Metacritic.

With KOEI TECMO’s diverse portfolio of IPs, we have the ability to develop titles in a variety of genres and game styles. For a game development company to continue to grow sustainably over the long term, it is important to create and cultivate new IPs, and furthermore, to take on the challenge of new genres and styles of gameplay. Under the Medium-Term Management Plan, we will nurture and develop IPs, and also challenge ourselves in growing genres such as location-based and battle royale games.

In the IP business, KOEI TECMO GAMES established a new IP Business Division in April 2022, and will strive for further growth. To further boost our steadily growing IP business, we will actively engage in sales activities for IP licensing and collaboration with partners, as well as physical store operations for the official shop, KOEI TECMO SPOT. We also have plans to establish a new company in Shanghai, China. The IP Business Division will conduct sales activities at the new base in China and expand business there over the medium to long term.

We will strengthen our efforts to realize the SDGs and aim to achieve them over the long term.

▶ For details about the SDGs and our ESG initiatives, please see pages 28-39.

Our purpose is to contribute to the fulfillment and enjoyment of people around the world through the creation of new value instilled within our products and services under the ethos of “Creativity & Contribution”.

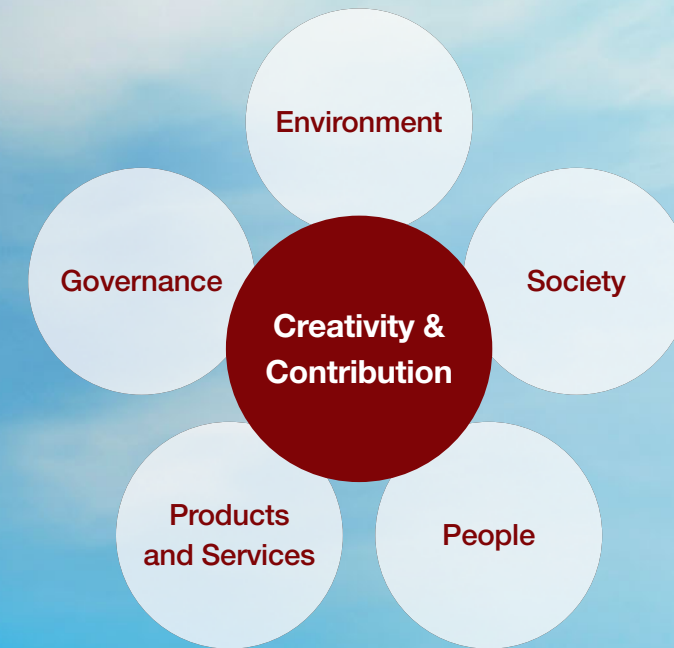
At the KOEI TECMO Group, our corporate objective is to actively incorporate ESG criteria in our management to accomplish the SDGs over the long term.



Establishing Our Materiality Matrix

We have established 5 key issues that we will advance to contribute to the realization of a sustainable society and enhance our corporate value.

KOEI TECMO Group Materiality





Environment

Protecting the environment for future generations

Our goal is to promote the conservation of energy and resources and conduct efficient, environmentally friendly business management.



Sustainability of the KT Building

In January 2020, the new main office of KOEI TECMO GAMES, the KT Building, was completed in Minatomirai, Yokohama. This building is designed with the active pursuit of sustainability in mind. We will use the know-how we accumulated from this KT Building to increase the sustainability of our other office buildings, bringing about energy-efficient office environments for our entire Group.

Introduction of energy-saving equipment

We have implemented LED lighting for the office and water-conservative equipment for toilets and sinks.

Energy conservation through district heating and cooling systems

The Yokohama Minatomirai district promotes energy-saving and environmentally friendly urban development by introducing a district heating and cooling system in which cold water and steam used for heating, cooling, and hot water supply are centrally produced at an energy plant and supplied to facilities in the area. Through the implementation of this district air conditioning system, energy-efficient city development has been able to proceed with a low impact on the environment. At the KT Building, we combine this system with under-floor air conditioning that pushes air upward across the entire floor to implement even more energy-efficient and effective air conditioning.



Cold water and steam produced at energy plants are supplied to various facilities through underground piping.



Methods

- Energy-efficient office environment
- Greening of Company buildings
- Improving Company cafeteria, dormitories, housing, and recreational facilities
- Monitoring power consumption

Electricity conservation through server virtualization and systemization

- Contribution to decarbonization and CO₂ reduction through the introduction of high efficiency IT equipment and power saving
- Paperless internal meetings
- Digitization of game manuals
- Further paper conservation through DX
- Donating, investing, and supporting environment-related projects
- Expanding Cool Biz and Warm Biz
- Information disclosure of climate change-related risks and earning opportunities based on the TCFD Recommendations, etc.

FY2021 Results

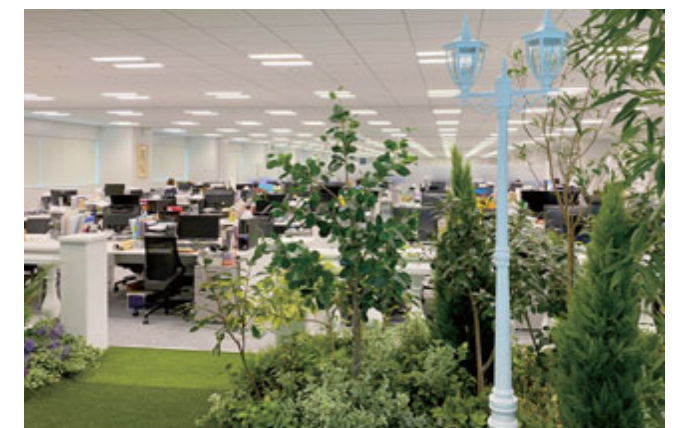
- Implementation of district-based air conditioning system (KT Building)
- Introducing plants at the Hiyoshi main office (2nd office after KT Building)
- Construction of 2 new Company housing buildings (69 units)
- Conducted electricity consumption monitoring at the four main offices (Hiyoshi Main Office, Building 2, Gemini Building, and KT Building)
- Developed and implemented original communication tools and game development support systems that provide workflow support while maintaining a high level of security (over 80 environments)
- Transitioned game development support tools from physical servers to virtual environments (over 10 environments)
- Integrated and virtualized outdated physical servers, moving to a cloud environment
- Discontinued, reorganized, and relocated systems running on outdated equipment and reduced the number of physical servers by over 30 units
- Board of Directors meetings and management meetings are now paperless (equivalent to saving approximately 1,303 kilograms of A4-size paper per year)
- Completed transition to electronic manuals (equivalent to 49 tons, based on 8.13 million units sold in fiscal 2021, with 6 grams per paper manual)
- Implemented an invoice system (digitalization rate: 94%)
- Implemented a digital contract system (over 1,000 contracts annually)
- Conversion to a paperless workflow for game monitoring process (100%)
- Donations were made to Yamashina Institute for Ornithology and Keidanren Nature Conservation Fund
- Adopted a year-round no-necktie policy
- Currently gathering the necessary information for disclosure

Greening Initiatives

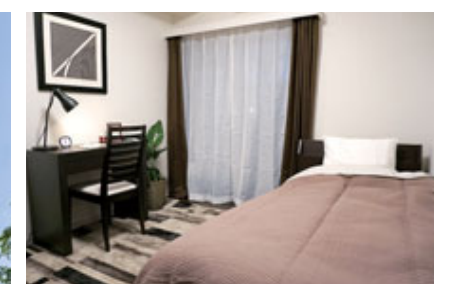
We have added a variety of greenery to the outer walls and exterior grounds to create vibrant and environmentally friendly city scenery. Inside the office, indoor gardens with live plants have been placed on each floor to create a comfortable and creative work environment.

Improvement of employee welfare through Company housing

Improvement of employee welfare is one of the basic management policies of the KOEI TECMO Group. As part of this effort, we own our own offices, dormitories, Company housing, and recreational facilities. Owning our buildings allows us to provide a comfortable office environment and welfare facilities for our employees through careful maintenance, management, and continuous improvement. The Group's dedicated Real Estate Department is responsible for domestic and overseas real estate operations and facility management of properties used by the Company. Following the completion of the KT Building in 2020, we also constructed two more Company-owned dormitories in 2021 in Higashi Kanagawa, providing a total of 360 rooms for dormitory and Company housing.



We also have a green area inside the office.



Completed the 9th and 10th Company dormitories in Higashi Kanagawa.



Society

What we can do

As a member of society, we are committed to academic promotion, regional and social contributions, and disaster relief.



Promotion of learning

It is essential to develop the human resources that will lead the next generation in the entertainment industry. The KOEI TECMO Group continuously participates in activities to promote learning, such as providing training in game software development and cutting-edge techniques as well as supporting research in simulation & gaming.

Contributing to the community through vocational education activities

Every year, we send lecturers to elementary and middle schools as a part of the “Machi no Sensei” initiative to deepen students’ understanding of the work of game creators. In 2021, “Machi no Sensei” activities were held at Lifelong Learning Center in Ashikaga, Minowa Elementary School and Hiyoshidai Junior High School in Yokohama.



“Machi no Sensei” has received excellent reviews from those who participated.



Methods

FY2021 Results

- Adherence to industry guidelines and ratings**
 - All of our game software was rated by the relevant rating organizations (CERO, ESRB, PEGI, and so on) both in Japan and overseas
- Addressing gaming addiction and gacha issues**
 - Our microtransaction system follows the guidelines provided by the Computer Entertainment Supplier’s Association (CESA). Our Quality Assurance Division has also implemented gacha restrictions based on the same guidelines
 - Our website, GAMECITY, hosts links to the CESA site and to an educational video about how to safely enjoy video games endorsed by four game-related groups
- Raising the social quality of our products**
 - A dedicated usability team has been established within our Quality Assurance Division. In addition, we have assembled a database of QA knowledge featuring everything from functional bugs to local culture and social issues
- Continuing academic promotion, regional and social contributions, and disaster relief activities**
 - Conducted vocational education activities (“Machi no Sensei”) at local elementary and junior high schools to educate students about the work of game creators
 - Conducted lectures by top management and engineers to promote the development of future talent in the field of game software development (a total of 6 lectures at 3 universities)
 - Contributed to Keio University’s endowed lecture “Hiyoshigaku” and the Global Passport Program
 - Supported research activities in the simulation & gaming field through aid to the Japan Association of Simulation And Gaming (JASAG) and the Foundation for the Fusion Of Science and Technology (FOST)
- Activities for disaster relief**
 - Donated over ¥1 million for the torrential rain disasters in July and August 2021
 - Donated approximately \$500,000 for humanitarian aid to Ukraine
 - Donated a total of ¥100 million to the “Akai Hane Earthquake Volunteer and NPO Support Fund” for the 2011 Tōhoku earthquake (2011, 2012)
 - Contributed medical supplies equivalent to ¥100 million to Yokohama City for use in countermeasures against the COVID-19 pandemic (2020)
 - Donated ¥30 million to Kyoto’s “Kyoto City Cultural Arts Activity Emergency Incentive Grant” in response to the COVID-19 pandemic (2020)

University lectures and presentations

We hold lectures at universities on the latest technologies in game software development, AI, game engines, and other topics. Lectures have been held in the University of Tokyo, Keio University, Kyoto University, Waseda University, and the Tokyo Institute of Technology.



In 2021, we held online lectures from our Company studio.

Lectures held in FY2021

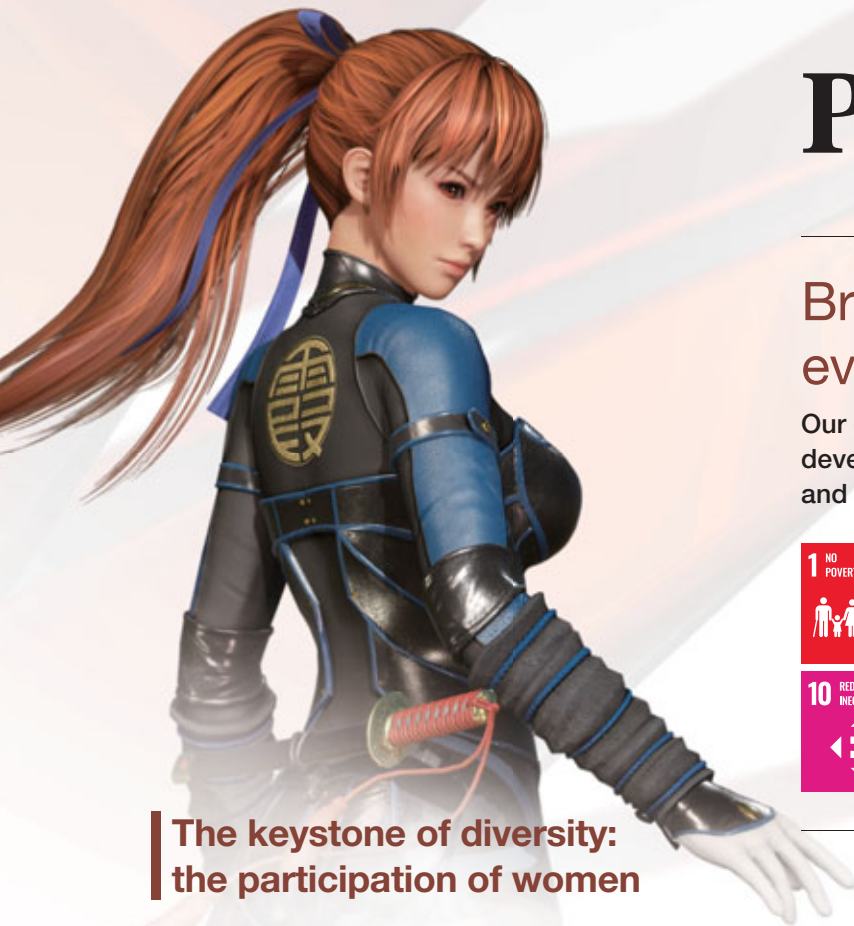
- “KOU SHIBUSAWA’s Game Development”**
 Yoichi Erikawa
 (President & CEO of KOEI TECMO HOLDINGS CO., LTD.)
- “Game Engine Design”**
 Hirosato Mishima
 (Executive Officer & FUTURE TECH BASE Manager of KOEI TECMO GAMES CO., LTD.)

Supporting research activities in the fields of simulation and gaming

By introducing simulation and gaming to the education and academic fields, we seek to create a society where scientific technology and human culture merge together. We support the Japan Association of Simulation And Gaming (JASAG) and the Foundation for the Fusion Of Science and Technology (FOST). Mr. Yoichi Erikawa, President & CEO of the Company, serves as the Board Chairman at FOST. Since 2007, the foundation has held the FOST Awards to recognize the best researchers in the simulation and gaming field. The 15th FOST Awards ceremony was held in March 2022.



The FOST Awards ceremony held online. Starting from the upper left, moving clockwise, is FOST Board Chairman Yoichi Erikawa, Newcomer Award winner Miki Yokoyama, Chief Examiner Rei Shiratori, FOST Award and Society Contribution Award dual-winner Kengo Suzuki.



People

Bringing smiles to everyone's faces

Our goal is to create a rewarding workplace by developing human resources, improving welfare, and promoting diversity.



The keystone of diversity: the participation of women

Role of female managers

Chairman and Representative Director Keiko Erikawa is involved in management as a co-founder with her husband, Yoichi Erikawa. She also participates in CG design, finance, welfare, human resources, and other areas while maintaining her household. She has broken through various social barriers by creating the world's first game for women and establishing the Ruby Party with a multimedia approach. Chairman Erikawa is the driving force behind the women supporting the Company. She has been a long-time proponent of copyright protection for game software and contributed greatly to the international expansion of the gaming industry. With her achievements in having helped establish seven corporations, she received the Medal with Blue Ribbon in 2015. She continues to broaden her range of activities, being appointed as an External Board Director for the SoftBank Group in 2021, as well as being listed in Forbes "Asia's Power Businesswomen 2021" and "50 Over 50: Asia 2022".

Maintaining a work-life balance

The Company has established a system to support women's careers and a positive work-life balance. The system accounts for childcare and childbirth leaves of absence. The Company also provides support for employees to return to work, fostering a corporate culture that encourages both men and women to take these leaves of absence. We also provide a childbirth bonus and activities for the community of working mothers and fathers, "Penguin no Kai", a part of the employee's co-op organization "KT Kai".

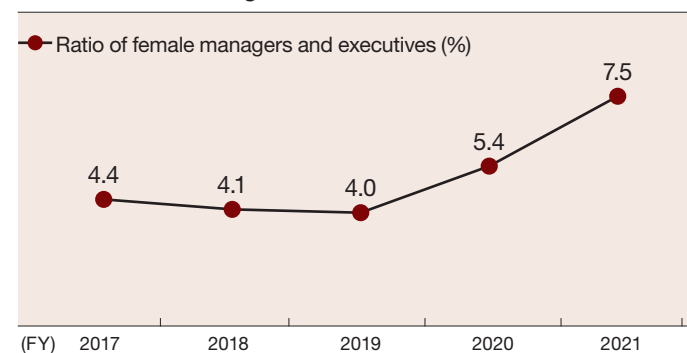
Improvements in the ratio of female managers and executives

We are committed to fair evaluation and treatment of employees and ensure equal, merit-based opportunities for promotion and advancement. In addition to a comfortable work environment, we will strive to increase the ratio of female managers and executives by supporting career promotion.



▲ Keiko Erikawa, Chairman and Representative Director
Mei Erikawa, Director ▶
3 of the 13 current Board members are female.

Ratio of female managers and executives



Methods

- **Comprehensive employee training**
- **Environment and systems that enable diverse workstyles**
- **Establishing a workplace supporting long-term employment**
- **Work-life balance through the promotion of work efficiency**
- **Promoting multiple career paths**
- **Training for personnel for overseas development subsidiaries**
- **Improving the female managers and executives ratio**
- **Expanding employment of personnel with foreign citizenship**
- **Compensation and incentives**
- **Support system for employees**
- **Promoting health management**
- **Childbirth bonus policy**

FY2021 Results

- Training implementation: new employee training, table manners training, follow-up training, "brother" system, mid-career training, rank-specific training, management training, and producer training
- Introduction of a variety of learning opportunities: lectures by external lecturers, internal lectures and study sessions on expert knowledge and latest technology, external seminars, English lessons, and online education
- Compliance training: harassment training, intellectual property (trademarks and patents) training, contracts, and legal training
- Participation in meetings on cutting-edge technology: CEDEC, overseas auditing (SIGGRAPH, GDC, etc.)
- Remote work environment tools: SSL-VPN, communication tools and video conferencing system, high-speed communication lines, and security measures
- Hybrid work system efficiently combining working from home/office to counter the COVID-19 pandemic: implemented a flex-time system without core time, reduced work time, and provided an allowance for working from home
- Actively promoting childcare and childbirth leave
Return rate from childbirth leave: 100.0% | Rate of leave takers: 82.9% (men 80.8%, women 88.9%) | Return rate from childcare leave: 100.0% (men 100.0%, women 100.0%)
- Rate of paid leave usage: 73.3%
- Work opportunities available until age 70
- FY2021 job turnover rate: 4.2% (average over past 3 years: 4.0%)
Reference: Turnover rates, "Summary Report of the Survey on Employment Trends in 2021," Ministry of Health, Labour and Welfare
All industries: 13.9% Information and communication industry: 9.1%
- Reducing working hours by introducing a hybrid work system, improving operational efficiency, promoting DX, and providing labor management support systems
- Promoting the advancement of personnel with advanced expertise, skills, and work experience as a group of experts and establishing a system to enhance their expertise and encourage their activities
- Established a new company, KOEI TECMO QUALITY ASSURANCE, and developed a system for promoting and rewarding employees (QA specialists) and new career paths for game developers in the expanding need for quality assurance (QA) work
- Implemented training for QA staff and new employee training
- Established an in-house recruitment policy
- Held career stage training for employees in their fifties
- Promoting CG production through active recruitment and human resource development at overseas development subsidiaries and technical guidance from the Headquarters
- Of 1,489 game development employees (programmers, planners, and CG designers) in our Group, 405 (27.2%) are employed at overseas development subsidiaries (as of March 2022)
- Female Board members: 16.7% (as of March 2022)
- Female managers: 7.5% (as of March 2022)
- Female leaders in the CG division: 32.7% (as of March 2022)
- Foreign citizens among newly employed personnel:
2019: 15.6% | 2020: 15.8% | 2021: 16.0%
- Achieved seven consecutive years of base salary increase
- Provided awards and bonuses for outstanding developers and projects
- Hosted free lunches for all employees to celebrate hit titles
- Operated a support program for repaying student loans
- Increased base salary by an average of 23%, raised the starting salary for new graduates to ¥290,000, and provided special bonuses
- Offered easier access to the harassment consulting service by setting up additional communication tools and groupware
- Implemented counseling service via e-mail and online
- Carried out three workplace COVID-19 vaccination sessions (for employees and their family members) as well as influenza vaccinations (subsidized by the Company)
- Payments:
First child (¥100,000): 18 births | Second child (¥200,000): 14 births |
Third child (¥2 million): 2 births



Products and Services

Delivering excitement to the world

We value intellectual properties and provide original products and services that leverage our strengths.



Invitation to knowledge, gateway to learning

October 2021 marks the 40th anniversary of “Kawanakajima no Kassen”, the first game created by President & CEO Yoichi Erikawa under the alias of KOU SHIBUSAWA. Over the decades since, we have expanded into a variety of genres, including historical simulation games such as “NOBUNAGA’S AMBITION” and “Romance of the Three Kingdoms”, action games such as “DYNASTY WARRIORS” and “Nioh”, role-playing games such as “Atelier Ryza”, games for women such as “La Corda d’Oro”, and more. In the 2022 NHK drama, “Kamakura-dono no 13-nin (The 13 Lords of the Shogun)”, KOU SHIBUSAWA is participating as a supervisor of 3DCG maps, using the expertise accumulated through game development. We will continue to contribute to society by creating entertainment content based on Asian history and culture.



[Above] Origin of historical simulation: “Kawanakajima no Kassen”

[Right] New release: “NOBUNAGA’S AMBITION: Shinsei”

Promotion of partnerships and collaborations

To strengthen our global partnerships, we will continue to advance our plans for widespread collaborations on movies, TV dramas, plays, and events. The internationally produced movie “DYNASTY WARRIORS” was recently released in China, Hong Kong, Taiwan, and Japan.



Methods

FY2021 Results

- Tie-ins for regional contributions and area revitalization projects**
 - Cooperated with regional public awareness campaigns (fire prevention, anti-violence, traffic safety)
 - Promoted tie-ins based on the needs of each area
- Promotion of collaboration strategies**
 - Formed partnerships in various fields such as movies, TV dramas, theater, events, etc.
- Pursuing specialized skills (CG production)**
 - From photorealistic to toon shading, we support all types of CG tastes and pursue a variety of visual expression
 - Created a team/unit-based structure to share knowledge and formulate long-term plans for each specialized function
 - We utilize the latest software tools, generic textures, and 3D models
- Making use of our proprietary game engine, the Katana Engine™**
 - The Company’s proprietary game engine, the Katana Engine™, enables us to develop AAA-quality games with CG graphics and AI, making an efficient production environment that enables high profitability and multi-platform development
- Cultural diversity through cooperation with external creators**
 - We have established a framework for achieving AAA-quality in game development by employing renowned visual directors, action directors, sculptors, concept designers, lighting directors, and others
- Strengthening risk management for our intellectual properties**
 - Maintained Company rights through acquiring patents and copyrights
 - Made use of the copyright system in China
 - Performed internal training on intellectual properties
- Emphasizing respect for intellectual property, both our own and others**
 - Created a database and investigative reports regarding patents
- Upholding our strict policy against copyright infringements**
 - Requested removal of apps that infringed upon our copyright
 - Monitored and requested the removal of copyright infringements on all media
 - Improved our litigation response

Collaborations for regional contributions and area revitalization projects

We are actively engaged in regional contribution and area revitalization projects by using our IP in collaboration with local governments, schools, public transportation systems, and companies and products that represent regions.



Examples of educational posters created in cooperation with the local government using our IP

Activities held in FY2021

- “Romance of the Three Kingdoms Hadou”**
 - Created anti-gang violence posters in collaboration with the Kanagawa Prefecture Center for the Elimination of Violence and the Kanagawa Prefectural Police Department
 - Held the “Romance of the Three Kingdoms Hadou Digital Stamp Rally in Yokohama” in cooperation with the Yokohama City Transportation Bureau and the Yokohama Chinatown District
- “NOBUNAGA’S AMBITION: Shinsei”**
 - Created traffic safety posters in cooperation with Ashikaga City in Tochigi
 - Held the “NOBUNAGA’S AMBITION: Shinsei Stamp Rally in Gifu/Shiga”, a smartphone stamp rally in conjunction with Sekigahara Memorial’s event “MEET Mitsunari in Sekigahara 2021”
- “SAMURAI WARRIORS 5”**
 - Created posters promoting fire safety in cooperation with the Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications
 - Held the “SAMURAI WARRIORS 5 and Sengoku Shimazu” collaboration event at the Shimazu clan residence, Sengan-en, listed as a World Heritage site
- “La Corda d’Oro Starlight Orchestra”**
 - Held the “Yokohama x La Corda d’Oro Starlight Orchestra Anniversary Campaign”



Governance

Shared resolution

We will improve our corporate value by strengthening our corporate governance and IR.



Corporate governance compatible with the Prime Market

The Company was listed on the Prime Market in accordance with the 2022 revision of the market classifications of the Tokyo Stock Exchange. In line with this, we aim to enhance corporate value through constructive dialogue with global investors and the establishment of a more sophisticated governance structure. We will proceed towards achieving the SDGs, respecting the diversity of our employees, and creating a satisfying work environment. We will create products based on Asian history and culture and communicate this to society. As one of Japan's leading global companies, we will continue to pursue our long-term vision of becoming "The World's No.1 Digital Entertainment Company" under the ethos of "Creativity & Contribution".

Following the Corporate Governance Code

In FY2021, we assigned one new outside director, formulated a skill matrix for our Board members, and set up a Special Committee. In addition, as a listed company on the Prime Market, we will continue to strengthen our governance system in accordance with the Corporate Governance Code.

Governance improvement through outside directors

Five of the thirteen members of the Company's Board of Directors are independent outside directors (as of June 16, 2022). We are a listed company with a controlling shareholder (KOYU HOLDINGS CO., LTD.). By setting up a Nomination & Remuneration Committee and a Special Committee, we have strengthened our supervisory stance using outside directors and established governance that safeguards the profits of our minority shareholders.

Improvement plan for tradable shares ratio

In order to meet the listing maintenance criteria (35% or more) for the Prime Market's tradable share ratio, we made a tender offer and issued Zero Coupon Convertible Bonds in December 2021. This hybrid approach was the first in Japan and received a high evaluation from capital markets. In particular, we won a "Special Prize" in the convertible bond category at the Capital Eye Awards - BEST DEALS OF 2021 presented by Capital Eye Limited.

Methods

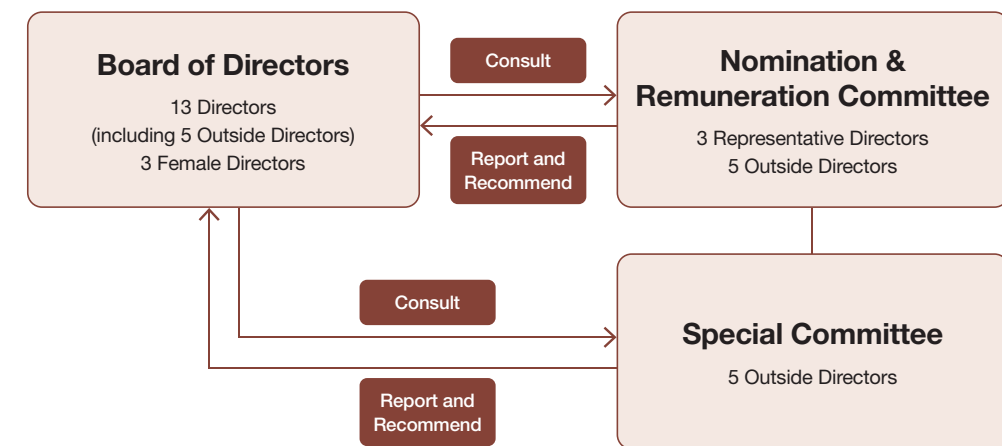
- Developing a corporate governance structure in accordance with Prime Market guidelines
- Following the Corporate Governance Code
- Improved functions of the Board of Directors
- Visibility and documentation of the management policies and strategies
- Dialogues with shareholders and investors regarding IR activities
- Internal evaluations and improvements on our corporate and IR websites

FY2021 Results

- Initiated measures to improve the tradable share ratio with a tender offer and Zero Coupon Convertible Bonds
- Formulated a skill matrix for directors
- Established a special committee comprised exclusively of independent outside directors to appropriately monitor and supervise deals with the controlling shareholder
- Began activities of a Nomination & Remuneration Committee, comprised of representative directors and independent outside directors, to handle executive nominations and remuneration
- Added outside director (5 out of 13 are outside directors)
- Continuous improvement through self-evaluation of the effectiveness of the Board of Directors
- Formulated a medium-term management plan and announced it internally and externally
- To ensure the transparency of our basic principles and management plan, we distribute a video message from the top management to Group executives and employees once a month
- Per the decision of the Board, a management meeting to discuss and decide general management issues, such as the progress of management plans, is held once a week
- Disclosure of SDGs and ESG initiatives is presented at financial results briefings
- Held individual meetings (including conferences) with institutional investors and analysts to promote understanding of our management plan, performance, and value creation model
- Financial results briefings by top management (interim and year-end) and financial results meetings by the CFO and Corporate Planning Department (Q1, Q3) were held in the form of interactive webinars
- Ranked 5th in the advertising, media, and entertainment industry category in the disclosure rating by the Securities Analysts Association of Japan
- Underwent evaluation by an external evaluation company and revised internal evaluation criteria

Diagram of Governance

(As of July 25, 2022)



Nomination & Remuneration Committee

Comprised of representative directors and independent outside directors. Upon consultation by the Board of Directors, they report regarding appointments and payment for Group executives.

Special Committee

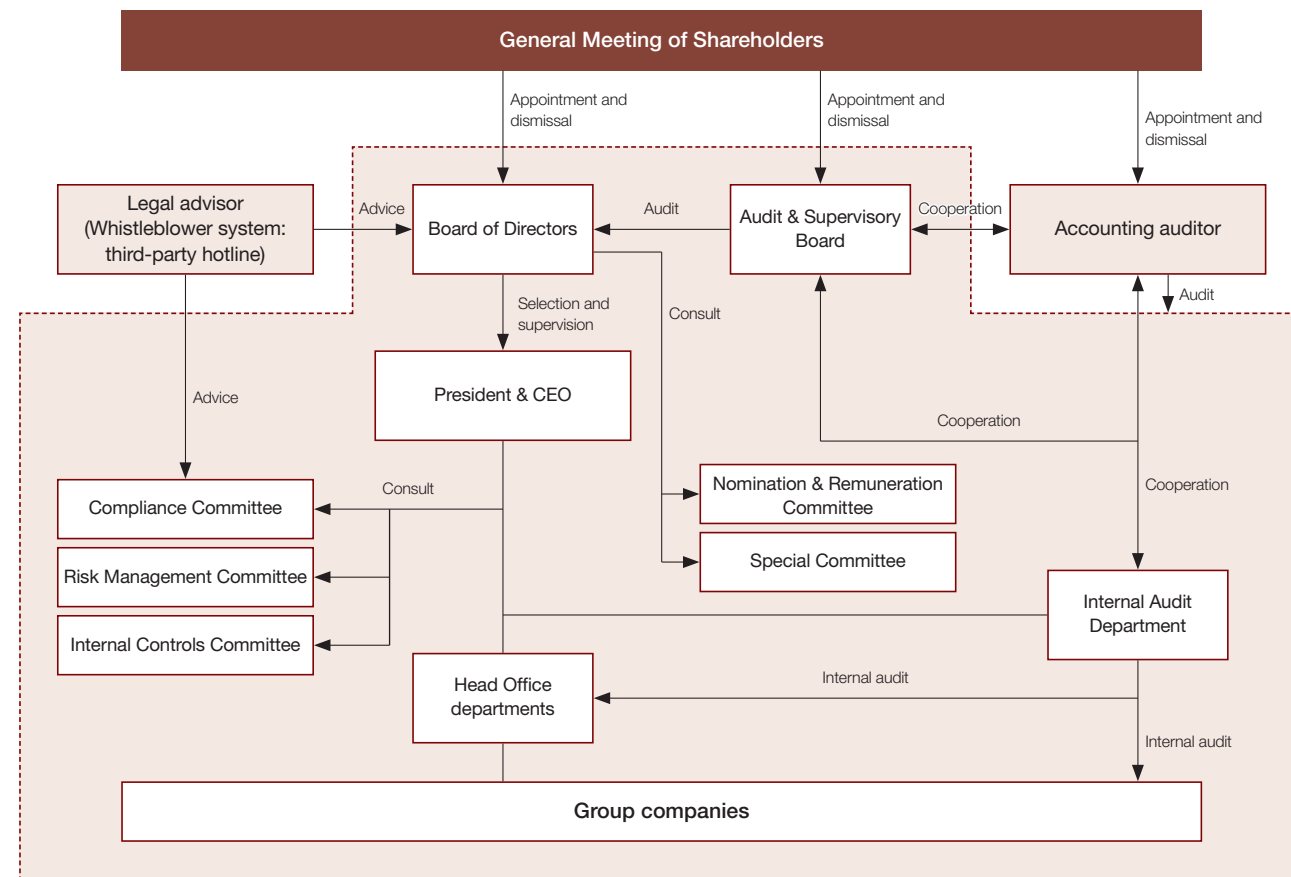
Comprised entirely of independent outside directors. Upon consultation by the Board of Directors, they monitor and supervise transactions with the controlling shareholder.

Basic stance on corporate governance

With the vision of becoming “The World’s No.1 Digital Entertainment Company”, we aim to contribute to the enrichment of the lives of people around the world by establishing a structure that maximizes the creation of new value through effective utilization of the Group’s management resources and know-how, the integration of planning and development capabilities, and other efforts. To this end, we recognize that the important management issue of strengthening corporate governance is essential to sustainably maximizing corporate value over the long term.

The Group is organized with a holding company structure, under which its operating companies conduct business. The Company is at the center of the Group’s unified governance. We are 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



Outline of the corporate governance system and reasons for its adoption

As a holding company, we are responsible for formulating management policies and monitoring each business and support function, 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. In addition, equivalent management systems have been established at the operating companies under close guidance from the Company to further strengthen the management system of the entire Group.

Board of Directors

Taking into account the scale of the Company, important emphasis is placed on maneuverability.

The Board of Directors consists of 13 directors (including 5 outside directors) and makes decisions on management policies and important business strategies, and supervises the execution of the directors’ duties.

Masao Tejima, Hiroshi Kobayashi, Tatsuo Sato, Michiaki Ogasawara and Fumiko Hayashi are outside directors.

Audit & Supervisory Board

The Audit & Supervisory Board consists of four members, including two full-time auditors (one outside) and two auditors (one outside), that hold regular meetings.

Internal audits

The Internal Audit Department has been established as the internal audit division to check the business activities of the entire Group, and to exercise an internal check and balance function.

Accounting auditor

The Company has engaged KPMG AZSA LLC, an accounting auditor, to conduct accounting audits which are fair and appropriate. The Company also strives to maintain an environment in which audits are conducted from a fair and unbiased standpoint by providing management information accurately and promptly.

The Audit & Supervisory Board and the accounting auditor mutually exchange information and opinions as necessary to enhance and improve the audit system.

Executive Officer System

The Company has introduced an Executive Officer system and is working to ensure that it enables prompt management decisions and appropriate execution of duties.

Attorneys

The Company receives advice on legal issues from time to time based on a legal advisory contract with its legal advisor.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee, which maintains a majority of independent outside directors, deliberates on matters submitted by the Board of Directors regarding the nomination and compensation of the Group’s directors and executive officers; and also submits reports and proposals to the Board of Directors.

Special Committee

The Special Committee, comprised of independent outside directors, deliberates on matters related to important transactions with controlling shareholders or their subsidiaries, as well as other important governance matters that the Board of Directors deems necessary for consultation.

Officer remuneration

The Company has a policy regarding the determination of the amount of remuneration, etc. for directors and corporate auditors and the method of calculation thereof, which is as follows.

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 compensation (monthly remuneration); performance-linked remuneration, etc. (bonuses); and stock-based remuneration.

Policy for determining the amount of individual base (monthly) remuneration (including policy for determining the timing or conditions of granting remuneration, etc.)

The basic monthly remuneration for full-time directors of the Company shall be a monthly fixed remuneration, which shall be determined by the Board of Directors according to the base monthly amount it sets for the director's position and responsibilities, and the evaluation of each full-time director by the President & CEO within the range determined by the Board of Directors.

The basic monthly remuneration of non-executive directors of the Company shall be a fixed monthly remuneration, which shall be determined by the Board of Directors in a manner that is balanced with the remuneration of full-time directors.

Policy for determining the details and calculation method of the amount of performance-linked and non-monetary compensation, etc. (including policy for determining the timing or conditions of granting compensation, etc.)

Performance-linked remuneration, etc. (such as bonuses) for full-time directors of the Company shall be monetary remuneration reflecting the key performance indicators (KPI) of the Group in order to raise awareness of the need to improve the performance of the Company for each fiscal year. The total amount calculated in accordance with the degree of achievement of

consolidated operating profit, consolidated ordinary profit, or consolidated net income targets for each fiscal year, and an incentive amount determined in accordance with the incentive payment standards and based on operating profit of games and other products, shall be paid at a certain time each year, based on a resolution of the Board of Directors.

Non-monetary compensation for directors of the Company shall consist of share subscription rights as stock options, and shall be paid approximately once every two years by decision of the Board of Directors. Non-monetary remuneration, etc. for full-time directors shall be determined in consideration of their positions and performance. Non-monetary remuneration, etc. for part-time directors shall be determined based on their positions.

Policy on determining the ratio of the amount of base remuneration, performance-linked remuneration, or non-monetary remuneration, etc. for individual directors

The percentage of remuneration for each type of director shall be determined based on the base remuneration, using the remuneration levels of companies of a similar business size and in a related industry or business category to the Company as a reference. In addition, full-time directors will be paid performance-linked compensation (bonuses) to reinforce the relationship between corporate value and compensation, and the ratio of compensation other than base remuneration will increase for higher positions.

Determination of the details of remuneration, etc. for individual directors

The details and amount of individual remuneration shall be determined by a resolution of the Board of Directors. The Nomination & Remuneration Committee, of which at least half of the members are independent outside directors, shall deliberate on the matters submitted by the Board of Directors, and make reports and submit proposals to the Board of Directors. Finally, based on the reports and proposals of the Nomination & Remuneration

Committee, the Board of Directors shall determine the individual remuneration of each director in accordance with their duties and responsibilities.

The method of determining such remuneration is based on the Group's internal regulations regarding the treatment of directors and executive officers, within the limit of the amount of remuneration resolved at the General Meeting of Shareholders, and monthly remuneration and bonuses are calculated based on annual performance evaluations. The Nomination & Remuneration Committee, at least half of whose members are independent outside directors, then deliberates on matters

referred by the Board of Directors and reports and submits proposals to the Board of Directors. Finally, based on the Nomination & Remuneration Committee's report and recommendations, the Board of Directors determines the remuneration of each director in accordance with their individual duties and responsibilities.

The date of resolution of the General Meeting of Shareholders regarding remuneration, etc. of directors and Audit & Supervisory Board members of the Company was June 17, 2021. This resolution set the maximum amount of remuneration for directors at ¥1,100 million per year (including ¥100 million for outside directors, excluding salaries for employees).

Total amount of remuneration by officer category, total amount by type of remuneration, and number of eligible officers

Classification	Position	Total amount of remuneration by type (millions of yen)					Number of eligible Directors and Audit & Supervisory Board members
		Basic remuneration	Stock options	Bonuses	Others	Non-monetary compensation, etc.	
Directors (excluding outside directors)	787	393	17	375	0	17	8
Audit & Supervisory Board members (excluding Outside Audit & Supervisory Board members)	12	11	—	1	0	—	2
Outside officers	44	35	4	3	0	4	7

Notes: 1 There are no directors who concurrently serve as employees.

2 The total amount of non-monetary compensation to directors (excluding outside directors) consists of stock options of ¥17 million.

3 The total amount of non-monetary compensation to outside directors and corporate auditors consists of ¥4 million in stock options.

4 The above includes one Outside Audit & Supervisory Board member who retired at the conclusion of the 12th Ordinary General Meeting of Shareholders held on June 17, 2021.

Total amount of remuneration, etc. of persons whose total amount is ¥100 million or more

Name	Executive classification	Company Classification	Amount of remuneration, etc. by type (millions of yen)					Total amount of remuneration, etc. (millions of yen)
			Basic remuneration	Stock options	Bonuses	Others	Non-monetary compensation, etc.	
Keiko Erikawa	Director	Reporting company	75	2	96	0	2	175
Yoichi Erikawa	Director	Reporting company	85	3	108	0	3	197
Hisashi Koinuma	Director	Reporting company	74	2	93	0	2	170

Notes: 1 The total amount of non-monetary compensation to Keiko Erikawa is ¥2 million in stock options.

2 The total amount of non-monetary compensation to Yoichi Erikawa is ¥3 million in stock options.

3 The total amount of non-monetary compensation to Hisashi Koinuma is ¥2 million in stock options.

Status of internal control systems

The Group has established and documented a comprehensive set of rules and regulations covering all aspects of its business operations, under which each director, officer, and employee performs his or her duties with authority and responsibility.

In addition, the Board of Directors has resolved the following basic policy for the “systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of operations of the stock company”, as stipulated in Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act, and is working to improve the internal control system.

1. System to ensure that the execution of duties by officers and employees of the Group is in compliance with laws and regulations and the Articles of Incorporation
2. System for the storage and management of information related to the execution of duties by the Company's directors
3. Regulations and other systems for managing the risk of loss of the Group
4. System to ensure the efficient execution of duties by directors and other officers of each Group company
5. System for reporting to the Company concerning the execution of duties by directors, etc. of the Company's subsidiaries
6. System to ensure the appropriateness of Group business operations
7. Matters concerning employees who are requested by the Company's Audit & Supervisory Board to assist them in their duties, matters concerning the independence of such employees from directors of the Company, and matters concerning the effectiveness of instructions given to such employees
8. System for Group officers and employees to report to the Audit & Supervisory Board members and other systems for such reporting
9. System to ensure that a person who makes a report to the members of the Audit & Supervisory Board of the Company will not be treated disadvantageously as a result of such report
10. Matters concerning procedures for prepayment or reimbursement of expenses incurred in the performance of duties by the members of the Audit & Supervisory Board of the Company and other matters concerning policies for the treatment of expenses or liabilities incurred in the performance of such duties
11. Other systems to ensure that the Company's Audit & Supervisory Board audits are conducted effectively
12. Basic policy on elimination of antisocial forces and improvement status

Status of risk management system

The Company has appointed the director in charge of compliance as the person in overall charge of risk management, and has also established a Risk Management Committee to centrally manage risks throughout the Company, 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 regular meetings, and upon determining whether the

reported matters and information may have a significant impact on the Company's survival, a task force is established as necessary to investigate, respond to, and consider and implement necessary 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.

Business risks

Matters that may have a significant effect on investors' decisions include the following. Forward-looking statements in the text are based on the judgment of the Group as of the end of the consolidated fiscal year under review.

The Group's policy is to recognize the possibility that these risks may occur and to endeavor to avoid their occurrence and to respond to them if they do occur. However, investment decisions concerning the Company should be made after careful consideration of this section and other items mentioned herein. Please note that the following description is not an exhaustive list of all the risks associated with an investment in the Company.

(1) Changes in the market environment

In the game industry, the platforms that provide content are becoming more diverse and sophisticated, while technological innovation and user preferences are rapidly changing, and new products and services are being introduced in response to these changes. In recent years, competition with other entertainment businesses, including those based around the Internet, has intensified. The Group's policy is to differentiate itself from its competitors and ensure stable profitability by flexibly responding to rapid technological innovation and developing and selling highly original, high-quality content in a timely manner. However, inadequate response to changes in the market environment could affect the Group's operating results and business development.

(2) Short-term fluctuations in operating results due to timing of product launches

The Group strives to achieve its annual performance targets by reducing its dependence on specific titles through the creation of new titles and by thoroughly managing its development schedule with an eye to optimal product launch timing. However, natural disasters, market trends, or unavoidable changes in development schedules could affect the Group's business performance and financial position due to fluctuations in the timing of product launches.

(3) Overseas business expansion

The Group is actively pursuing business development overseas, and thus the occurrence of risks due to laws and regulations, political and social conditions, and exchange rate fluctuations in each country may affect the Group's business performance and financial position.

(4) Management of personal information

The Group acquires personal information related to users and strictly manages such information. However, issues such as leakage of personal information may affect the Group's business performance and financial position.

(5) Intellectual property rights

The Group endeavors to protect the intellectual property rights it holds from infringement by others, and takes sufficient care to ensure that its products and services do not infringe on the intellectual property rights of others. However, if any doubt or dispute arises with a third party regarding the possibility of infringement, the Group's business performance and financial position may be affected.

(6) Legal regulations

The Amusement Segment is regulated by the Act on Control and Improvement of Amusement Business and related government ordinances and regulations.

In the future, if these laws and regulations are significantly revised or abolished, or if new laws and regulations are enacted or enforced, the Group's business performance may be affected.

(7) Holding of marketable securities

The Group holds cash and cash equivalents and marketable securities with high liquidity in order to invest in the Entertainment Segment and other development and business investments. These assets are invested in domestic and foreign stocks and bonds to ensure safe and efficient fund management. Investment decisions and portfolio settings are made in accordance with internal rules based on internal controls to manage risk. In the event of sudden fluctuations in the stock and bond markets, foreign exchange rates, or economic conditions, impairment or valuation losses on marketable securities held by the Group may occur, which may affect the Group's business performance and financial position.

(8) Information systems

The Group is committed to the proper management and efficient operation of the information systems necessary for its business operations. The inability of information systems to function due to unexpected computer viruses, cyberattacks, software or hardware failures, or disasters could affect the Group's business performance.

Directors



Chairman (Representative Director)
Keiko Erikawa
January 3, 1949

- July 1978 Senior Executive Director, KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)
- April 2009 Director, the Company
- June 2013 Chairman (Representative Director), the Company (current position)
- June 2014 Board Director, TECMO KOEI EUROPE LIMITED (currently known as KOEI TECMO EUROPE LIMITED) (current position)
- April 2015 Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (current position)
- April 2020 Chairman (Representative Director), KOYU HOLDINGS CO., LTD. (current position)
- January 2021 Chairman Emeritus (Director), KOEI TECMO WAVE CO., LTD. (current position)
- Chairman Emeritus (Director), KOEI TECMO NET CO., LTD. (current position)
- June 2021 Outside Director, SoftBank Group Corp. (current position)



President & CEO (Representative Director)
Yoichi Erikawa
October 26, 1950

- July 1978 President (Representative Director), Established KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)
- April 2009 Director, the Company
- November 2010 President & CEO (Representative Director), the Company (current position)
- November 2015 President (Representative Director), KOYU HOLDINGS CO., LTD. (current position)
- April 2018 Chairman Emeritus (Director), KOEI TECMO WAVE CO., LTD. (current position)
- Chairman (Representative Director), KOEI TECMO NET CO., LTD. (current position)
- April 2020 Board Director Chairman and CEO, KOEI TECMO AMERICA Corporation (current position)
- Board Director Chairman and CEO, KOEI TECMO EUROPE LIMITED (current position)
- April 2021 Chairman (Representative Director) (CEO), KOEI TECMO GAMES CO., LTD. (current position)



Executive Vice President (Representative Director)
Hisashi Koinuma
October 2, 1971

- April 1994 Joined KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)
- June 2009 Executive Officer, the Company
- 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)
- Board Director President and COO, KOEI TECMO EUROPE LIMITED (current position)
- April 2021 Executive Vice President (Representative Director), the Company (current position)
- President (Representative Director) (COO), KOEI TECMO GAMES CO., LTD. (current position)



Director
Yosuke Hayashi
February 9, 1979

- April 2001 Joined TECMO, Ltd.
- June 2018 Director, the Company (current position)
- April 2021 Executive Vice President (Director), KOEI TECMO GAMES CO., LTD. (current position)



Director, Executive Officer and CFO, General Manager of Business Administration Division
Kenjiro Asano
July 24, 1960

- May 2002 Joined KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.) Executive Officer, KOEI Co., Ltd.
- January 2008 Board Director, KOEI Corporation (currently known as KOEI TECMO AMERICA Corporation) (current position)
- April 2009 Executive Officer and CFO, the Company
- April 2017 Director, KOEI TECMO GAMES CO., LTD. (current position)
- June 2018 Director, Senior Executive Officer and CFO, General Manager of Business Administration Division, the Company (current position)



Director
Kazuyoshi Sakaguchi
February 20, 1958

- March 2003 Director, TECMO WAVE CO., LTD. (currently known as KOEI TECMO WAVE CO., LTD.)
- January 2006 President (Representative Director), TECMO WAVE CO., LTD. (current position)
- April 2009 Director, the Company (current position)
- Director, KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.) (current position)



Director
Mei Erikawa
April 30, 1976

- June 2010 Audit & Supervisory Board Member, KOEI TECMO GAMES CO., LTD.
- July 2013 Director, KOEI TECMO GAMES CO., LTD. (current position)
- June 2015 Director, the Company (current position)
- April 2020 Senior Director, KOYU HOLDINGS CO., LTD. (current position)



Director & Advisor
Yasuharu Kakihara
December 30, 1970

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



Director
Masao Tejima
November 18, 1957

- April 1982 Joined Hakuho Inc.
- February 2001 President (Representative Director) CEO, T&T Corporation (current position)
- June 2014 Outside Director, the Company (current position)
- May 2015 Outside Director, zetton Inc. (current position)
- July 2017 Outside Director, LIVNEX CO., LTD. (current position)



Director
Hiroshi Kobayashi
April 5, 1957

- April 1980 Joined Nomura Securities Co., Ltd.
- April 1991 Director, SQUARE CO., LTD. (currently known as SQUARE ENIX, INC.)
- September 2000 President, DWANGO Co., Ltd.
- June 2015 Outside Director, the Company (current position)



Director
Tatsuo Sato
September 18, 1952

- May 1986 Director, Kadokawa Media Office K.K.
- October 2014 Representative Director and President, KADOKAWA DWANGO CORPORATION (currently known as KADOKAWA CORPORATION)
- June 2015 Representative Director and Chairman, KADOKAWA DWANGO CORPORATION
- June 2018 Outside Director, the Company (current position)



Director
Michiaki Ogasawara
January 29, 1954

- April 1976 Joined Ministry of Posts and Telecommunications (currently known as Ministry of Internal Affairs and Communications)
- September 2012 Vice-Minister for Internal Affairs and Communications
- June 2015 Outside Director, Daiwa Securities Group Inc. (current position)
- June 2021 Outside Director, the Company (current position)



Director
Fumiko Hayashi
May 5, 1946

- February 1999 President (Representative Director), Fahren Tokyo K.K. (currently Volkswagen Japan Sales K.K.)
- August 2003 President, BMW Tokyo Corp.
- May 2005 Chairman 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)

Audit & Supervisory Board Member

Audit & Supervisory Board Member (Full-time)

Seinosuke Fukui November 10, 1953

- June 1988 Joined KOEI Co., Ltd. (currently known as 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 NET CO., LTD. (current position)
- Audit & Supervisory Board Member, KOEI TECMO WAVE CO., LTD. (current position)

Audit & Supervisory Board Member (Full-time) (Outside)

Masaki Kimura December 1, 1958

- February 1988 Joined The Bank of Yokohama, Ltd.
- June 2014 Audit & Supervisory Board Member (Full-time), the Company (current position)

Audit & Supervisory Board Member

Satoru Morishima January 2, 1947

- December 2000 Joined KOEI Co., Ltd. (currently known as KOEI TECMO GAMES CO., LTD.)
- April 2009 Audit & Supervisory Board Member (Full-time), the Company
- June 2017 Audit & Supervisory Board Member, the Company (current position)

Audit & Supervisory Board Member

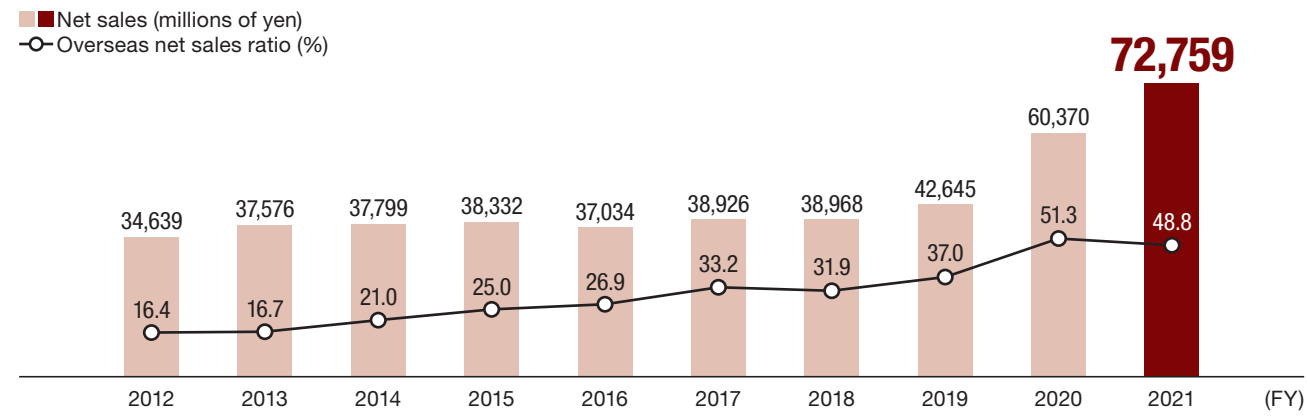
Kengo Takano August 10, 1957

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

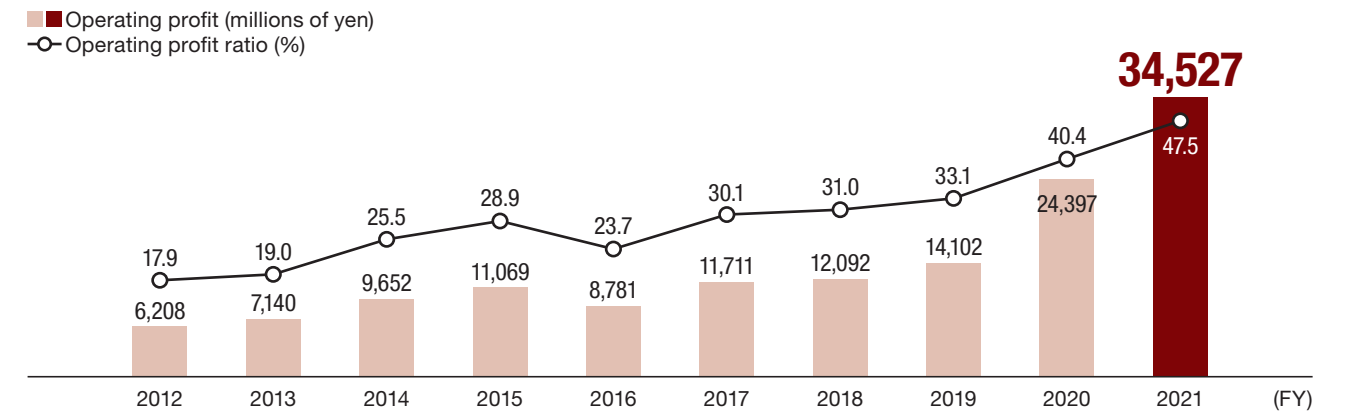
Skill matrix of each officer

Name	Position	Key experience and expertise							
		Corporate management	Governance/ risk management	Finance/ accounting	SDGs/ sustainability/ diversity	Entertainment business		Amusement business	Real estate business
						Creation of IP	Expansion of IP	Amusement facilities/ Pachinko & pachislot	Real estate management/ operation
Keiko Erikawa	Chairman (Representative Director)	●	●	●	●	●	●	●	●
Yoichi Erikawa	President & CEO (Representative Director)	●	●	●	●	●	●	●	●
Hisashi Koinuma	Executive Vice President (Representative Director)	●	●			●	●	●	
Yosuke Hayashi	Director	●	●			●	●		
Kenjiro Asano	Director (Executive Officer and CFO)	●	●	●	●				●
Kazuyoshi Sakaguchi	Director	●	●					●	
Mei Erikawa	Director	●			●	●	●		●
Yasuharu Kakihara	Director & Advisor	●	●		●				
Masao Tejima	Outside Director (independent)	●			●				
Hiroshi Kobayashi	Outside Director (independent)	●	●						
Tatsuo Sato	Outside Director (independent)	●	●		●				
Michiaki Ogasawara	Outside Director (independent)		●		●				
Fumiko Hayashi	Outside Director (independent)	●	●		●				

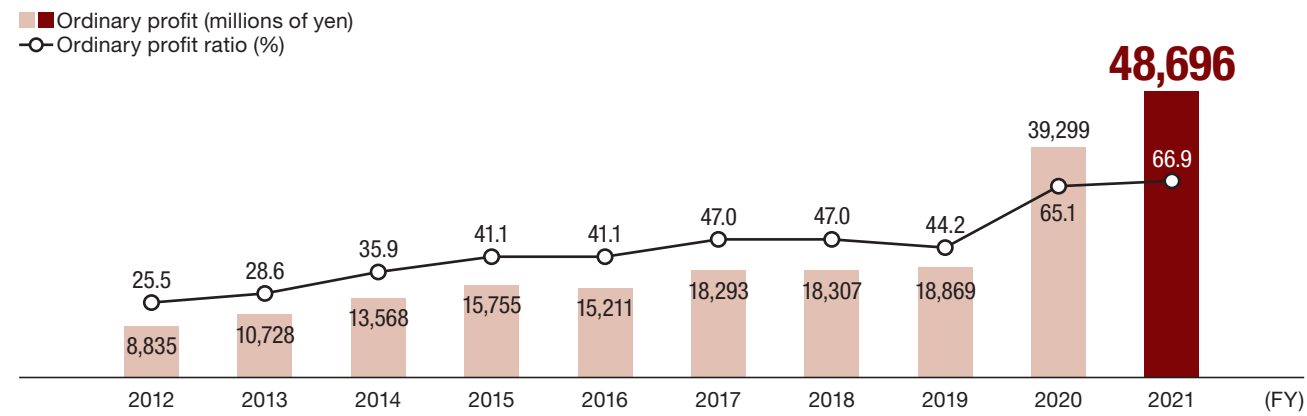
Net sales



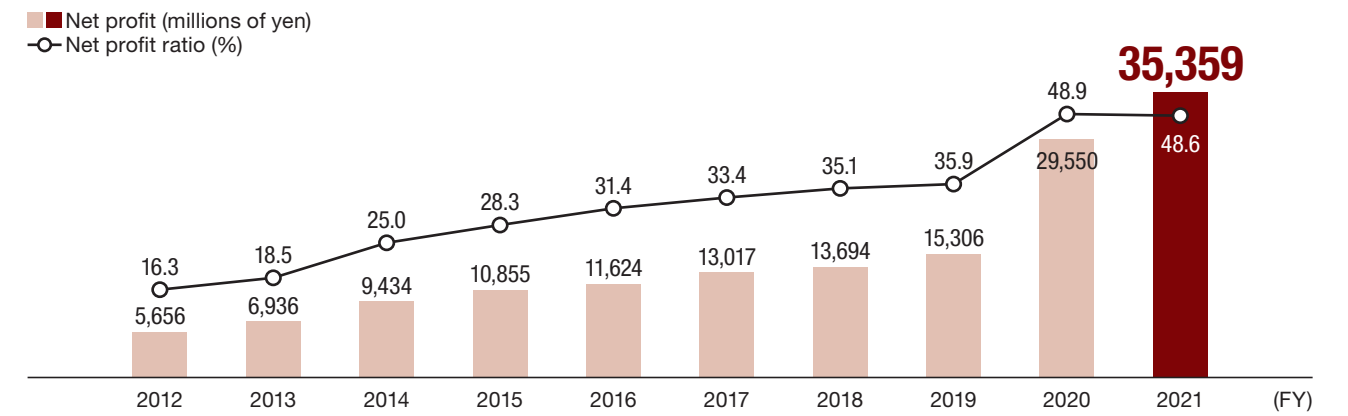
Operating profit



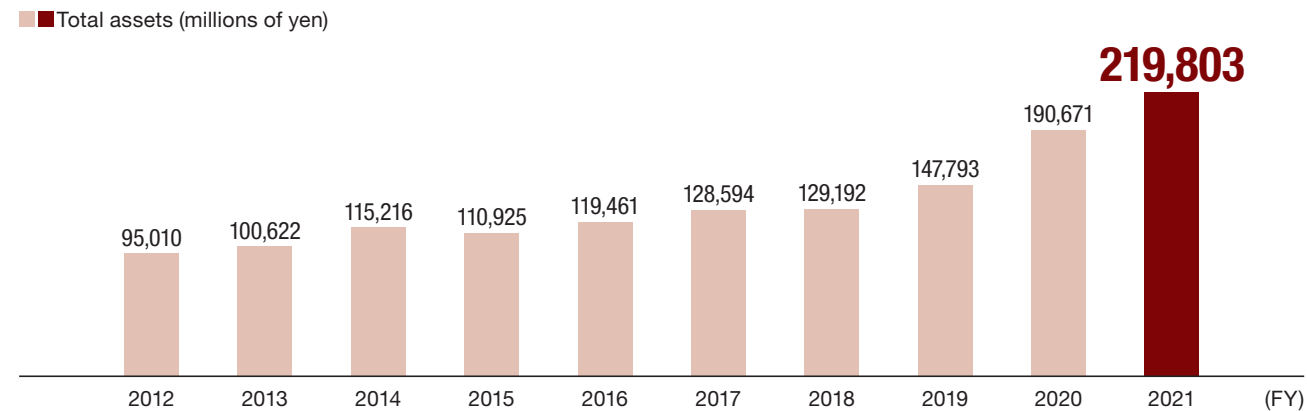
Ordinary profit



Profit attributable to owners of parent



Total assets



(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Fiscal year										
Net sales	34,639	37,576	37,799	38,332	37,034	38,926	38,968	42,645	60,370	72,759
Operating profit	6,208	7,140	9,652	11,069	8,781	11,711	12,092	14,102	24,397	34,527
Ordinary profit	8,835	10,728	13,568	15,755	15,211	18,293	18,307	18,869	39,299	48,696
Profit before income taxes	8,779	10,691	13,715	15,573	15,211	18,293	18,307	20,247	39,174	48,638
Profit attributable to owners of parent	5,656	6,936	9,434	10,855	11,624	13,017	13,694	15,306	29,550	35,359
Capital investment	292	1,862	4,858	432	8,669	3,853	240	14,630	1,542	1,375
Depreciation and amortization expenses	930	894	921	846	714	701	734	752	1,547	1,555
R&D expenses	671	550	639	650	728	962	780	1,026	1,171	759

End of fiscal year

Total assets	95,010	100,622	115,216	110,925	119,461	128,594	129,192	147,793	190,671	219,803
Net assets	81,623	88,788	100,672	98,706	106,516	116,242	119,284	122,346	165,129	138,101

Cash flows

Cash flows from operating activities	12,170	7,265	10,357	10,935	9,890	10,389	9,597	9,748	29,726	24,819
Cash flows from investing activities	(2,079)	(8,585)	(7,579)	(6,138)	(3,935)	(9,984)	(1,496)	(10,496)	(12,291)	(13,168)
Cash flows from financing activities	(1,994)	(2,787)	(3,045)	(4,746)	(5,082)	(5,533)	(7,730)	6,906	(19,396)	(4,561)
Free cash flows	10,091	(1,320)	2,778	4,797	5,955	405	8,101	(748)	17,435	11,651
Cash and cash equivalents at end of period	15,107	11,764	11,874	11,270	11,745	6,540	6,968	12,803	11,439	19,503

Per share information

Net profit per share (yen)	34.85	42.66	57.88	66.20	70.81	79.00	83.08	92.96	178.68	214.56
Net assets per share (yen)	501.88	545.24	613.84	600.45	645.70	702.26	723.39	738.67	992.30	874.33
Dividends per share (yen)	33.00	40.00	55.00	52.00	56.00	62.00	55.00	61.00	117.00	108.00
Dividends per share (after stock split adjustment)	17.63	21.37	29.40	33.36	35.90	39.74	42.29	46.94	89.88	108.00
Dividend payout ratio (%)	50.6	50.1	50.8	50.4	50.7	50.3	50.9	50.5	50.3	50.3

Note: The Company implemented a 1.2-for-1 stock split on October 1, 2015, a 1.2-for-1 common stock split on October 1, 2018, and a 1.3-for-1 common stock split on April 1, 2021.
Net profit per share, net assets per share, and dividends per share (after stock split adjustment) are calculated on the assumption that the said stock split was implemented in fiscal 2012.

Other indicators

Operating profit ratio (%)	17.9	19.0	25.5	28.9	23.7	30.1	31.0	33.1	40.4	47.5
ROE (%)	7.4	8.1	10.0	10.9	11.4	11.7	11.7	12.7	20.6	23.4
ROA (%)	10.1	11.0	12.6	13.9	13.2	14.8	14.2	13.6	23.2	23.7
Equity ratio (%)	85.9	88.2	87.3	88.8	89.0	90.1	92.0	82.5	86.4	62.6
Number of employees (average number of temporary staff)	1,413 (314)	1,455 (285)	1,497 (308)	1,570 (305)	1,654 (309)	1,737 (310)	1,757 (330)	1,835 (369)	1,983 (458)	2,063 (446)

Consolidated balance sheets

(Millions of yen)

As of March 31, 2021 As of March 31, 2022

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,995	20,235
Notes and accounts receivable—trade	11,253	—
Accounts receivable and contract assets	—	13,072
Securities	5,238	25,185
Merchandise and finished goods	161	38
Work in process	113	112
Raw materials and supplies	70	77
Other	4,916	13,365
Allowance for doubtful accounts	(9)	(11)
Total current assets	33,739	72,075
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,409	22,270
Land	14,930	14,093
Construction in progress	42	82
Other, net	1,399	1,399
Total property, plant and equipment	40,781	37,846
Intangible assets		
Other	240	275
Total intangible assets	240	275
Investments and other assets		
Investment securities	113,176	102,940
Deferred tax assets	212	881
Retirement benefit asset	1,228	1,824
Other	1,291	4,749
Allowance for doubtful accounts	—	(790)
Total investments and other assets	115,909	109,605
Total non-current assets	156,931	147,727
Total assets	190,671	219,803

(Millions of yen)

As of March 31, 2021 As of March 31, 2022

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable—trade	300	520
Accounts payable—other	5,388	9,646
Income taxes payable	6,332	6,470
Provision for bonuses	1,633	1,928
Provision for bonuses for directors (and other officers)	318	389
Provision for sales returns	0	—
Allowance for sales discount	117	—
Provision for point card certificates	0	—
Provision for loss on orders received	35	—
Other	6,894	13,660
Total current liabilities	21,022	32,616
Non-current liabilities		
Convertible bonds with share acquisition rights	—	48,146
Deferred tax liabilities	3,808	156
Other	710	782
Total non-current liabilities	4,519	49,085
Total liabilities	25,541	81,701
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	27,833	28,006
Retained earnings	110,529	130,954
Treasury shares	(1,364)	(39,393)
Total shareholders' equity	151,999	134,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,596	3,548
Revaluation reserve for land	(3,115)	(3,115)
Foreign currency translation adjustment	1,174	2,418
Remeasurements of defined benefit plans	171	271
Total accumulated other comprehensive income	12,827	3,122
Share acquisition rights	303	411
Total net assets	165,129	138,101
Total liabilities and net assets	190,671	219,803

Consolidated statements of income

Fiscal year ended March 31	(Millions of yen)	
	2021	2022
Net sales	60,370	72,759
Cost of sales	21,298	22,156
Gross profit	39,071	50,602
Selling, general and administrative expenses	14,673	16,075
Operating profit	24,397	34,527
Non-operating income		
Interest income	4,955	5,606
Dividend income	1,166	981
Gain on sale of investment securities	10,649	23,471
Foreign exchange gains	236	393
Gain on redemption of securities	76	1,230
Gain on valuation of derivatives	1,792	1,869
Other	526	399
Total non-operating income	19,403	33,952
Non-operating expenses		
Loss on valuation of investment securities	48	469
Loss on sale of investment securities	2,453	6,378
Loss on redemption of securities	560	3,004
Loss on valuation of derivatives	1,297	8,920
Other	142	1,009
Total non-operating expenses	4,502	19,783
Ordinary profit	39,299	48,696
Extraordinary income		
Subsidy income	—	2,949
Total extraordinary income	—	2,949
Extraordinary losses		
Impairment losses	—	146
Loss on tax purpose reduction entry of non-current assets	—	2,860
Loss on COVID-19	124	—
Total extraordinary losses	124	3,007
Profit before income taxes	39,174	48,638
Income taxes—current	9,865	12,723
Income taxes—deferred	(241)	555
Total income taxes	9,624	13,279
Net profit	29,550	35,359
Profit attributable to owners of parent	29,550	35,359

Consolidated statements of comprehensive income

Fiscal year ended March 31	(Millions of yen)	
	2021	2022
Net profit	29,550	35,359
Other comprehensive income		
Valuation difference on available-for-sale securities	17,655	(11,047)
Foreign currency translation adjustment	1,043	1,243
Remeasurements of defined benefit plans, net of tax	757	100
Total other comprehensive income	19,456	(9,704)
Comprehensive income	49,007	25,655
Comprehensive income attributable to owners of parent	49,007	25,655

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,000	26,881	88,758	(2,036)	128,602	(3,058)	(3,115)	130	(586)	(6,629)	373	122,346
Cumulative effects of changes in accounting policies												—
Restated balance	15,000	26,881	88,758	(2,036)	128,602	(3,058)	(3,115)	130	(586)	(6,629)	373	122,346
Changes during period												
Dividends of surplus			(7,748)		(7,748)							(7,748)
Profit attributable to owners of parent			29,550		29,550							29,550
Purchase of treasury shares				(16)	(16)							(16)
Disposal of treasury shares		952		688	1,641							1,641
Effect of change in closing dates of consolidated subsidiaries			(31)		(31)							(31)
Net changes in items other than shareholders' equity						17,655		1,043	757	19,456	(69)	19,386
Total changes during period	—	952	21,770	672	23,396	17,655	—	1,043	757	19,456	(69)	42,783
Balance at end of period	15,000	27,833	110,529	(1,364)	151,999	14,596	(3,115)	1,174	171	12,827	303	165,129

Fiscal year ended March 31, 2022	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,000	27,833	110,529	(1,364)	151,999	14,596	(3,115)	1,174	171	12,827	303	165,129
Cumulative effects of changes in accounting policies			15		15							15
Restated balance	15,000	27,833	110,544	(1,364)	152,014	14,596	(3,115)	1,174	171	12,827	303	165,145
Changes during period												
Dividends of surplus			(14,949)		(14,949)							(14,949)
Profit attributable to owners of parent			35,359		35,359							35,359
Purchase of treasury shares				(38,529)	(38,529)							(38,529)
Disposal of treasury shares		172		499	672							672
Effect of change in closing dates of consolidated subsidiaries												—
Net changes in items other than shareholders' equity						(11,047)	—	1,243	100	(9,704)	107	(9,596)
Total changes during period	—	172	20,409	(38,029)	(17,446)	(11,047)	—	1,243	100	(9,704)	107	(27,043)
Balance at end of period	15,000	28,006	130,954	(39,393)	134,567	3,548	(3,115)	2,418	271	3,122	411	138,101

Consolidated statements of cash flows

Fiscal year ended March 31

(Millions of yen)

	2021	2022
Cash flows from operating activities		
Profit before income taxes	39,174	48,638
Depreciation	1,547	1,555
Impairment losses	—	146
Increase (decrease) in provision for loss on orders received	35	(35)
Increase (decrease) in allowance for doubtful accounts	4	(1)
Increase (decrease) in provision for bonuses for directors (and other officers)	91	71
Increase (decrease) in provision for bonuses	438	284
Increase (decrease) in provision for loss on litigation	(181)	—
Interest and dividend income	(6,122)	(6,588)
Subsidy income	—	(2,949)
Loss on tax purpose reduction entry of non-current assets	—	2,860
Loss (gain) on valuation of investment securities	48	469
Loss (gain) on sale of investment securities	(8,195)	(17,092)
Loss (gain) on redemption of securities	483	1,774
Loss (gain) on valuation of derivatives	(495)	7,051
Loss (gain) on sale of property, plant and equipment	(50)	(4)
Foreign exchange losses (gains)	(31)	(64)
Loss on COVID-19	124	—
Decrease (increase) in trade receivables	792	(1,690)
Decrease (increase) in inventories	(187)	118
Increase (decrease) in trade payables	(1,398)	155
Increase (decrease) in accounts payable—other	2,463	(1,641)
Decrease (increase) in consumption taxes refund receivable	681	—
Increase (decrease) in accrued consumption taxes	2,024	(1,224)
Other, net	1,773	745
Subtotal	33,021	32,579
Interest and dividends received	5,420	5,246
Interest paid	(3)	(0)
Payments for loss on COVID-19	(56)	—
Income taxes refund	1,424	3,044
Income taxes paid	(10,080)	(16,050)
Net cash provided by (used in) operating activities	29,726	24,819
Cash flows from investing activities		
Payments into time deposits	(956)	(1,169)
Proceeds from withdrawal of time deposits	531	1,081
Purchase of short-term and long-term investment securities	(84,175)	(146,630)
Proceeds from sale and redemption of short-term and long-term investment securities	73,883	134,709
Purchase of property, plant and equipment	(1,520)	(1,300)
Purchase of intangible assets	(71)	(51)
Proceeds from sale of property, plant and equipment	97	5
Subsidies received	—	294
Other, net	(79)	(108)
Net cash provided by (used in) investing activities	(12,291)	(13,168)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	13,500
Repayments of short-term borrowings	(13,000)	(13,500)
Proceeds from disposal of treasury shares	1,406	543
Purchase of treasury shares	(16)	(38,535)
Proceeds from issuance of convertible bonds with subscription rights	—	48,415
Dividends paid	(7,738)	(14,929)
Other, net	(48)	(54)
Net cash provided by (used in) financing activities	(19,396)	(4,561)
Effect of exchange rate changes on cash and cash equivalents	634	974
Net increase (decrease) in cash and cash equivalents	(1,327)	8,063
Cash and cash equivalents at beginning of period	12,803	11,439
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	(36)	—
Cash and cash equivalents at end of period	11,439	19,503

Non-Financial Data

Non-Financial Data

Average years of service and average age

Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021
Average years of service (years)	10.1	10.2	10.4	10.7	10.9
Average age (years)	36.2	36.3	36.4	35.8	35.9

Turnover rate

Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021
Rate (%)	5.4	5.6	4.9	3.1	4.2

Salary increase

Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021
Increase (%)	0.3	1.7	1.7	0.9	1.7

* Figures exclude contract employees.

Percentage of female employees and managers

Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021
Percentage of female employees (%)	22.1	21.7	21.8	21.5	21.6
Percentage of female managers (%)	4.4	4.1	4.0	5.4	7.5

Percentage of employees taking childcare leave

Fiscal year	FY2017	FY2018	FY2019	FY2020	FY2021
Women (%)	71.4	100.0	100.0	85.7	88.9
Men (%)	23.3	37.5	50.0	50.0	80.8

* Figures exclude contract employees.

* Scope: Permanent and contract employees of 6 domestic Group companies (KOEI TECMO HOLDINGS CO., LTD., KOEI TECMO GAMES CO., LTD., KOEI TECMO QUALITY ASSURANCE CO., LTD., KOEI TECMO WAVE CO., LTD., KOEI TECMO NET CO., LTD., CWS Brains, LTD.)

Company profile

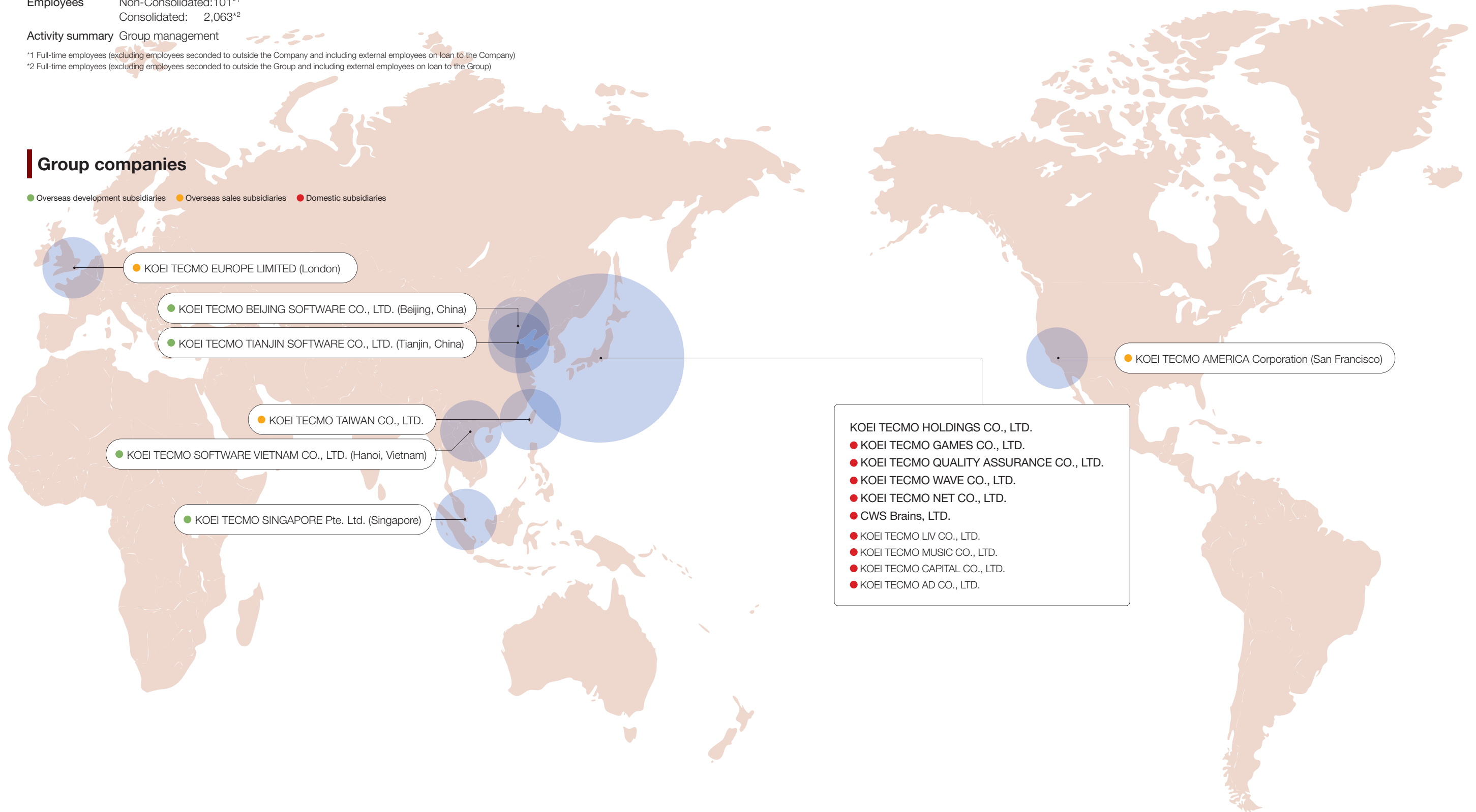
Trade name KOEI TECMO HOLDINGS CO., LTD.
 Capital ¥15 billion
 Address Hiyoshi Offices 1-18-12 Minowa-cho, Kouhoku-ku, Yokohama-shi, Kanagawa, 223-8503, Japan
 Establishment April 1, 2009
 Employees Non-Consolidated: 101*¹
 Consolidated: 2,063*²

Activity summary Group management

*1 Full-time employees (excluding employees seconded to outside the Company and including external employees on loan to the Company)
 *2 Full-time employees (excluding employees seconded to outside the Group and including external employees on loan to the Group)

Group companies

● Overseas development subsidiaries ● Overseas sales subsidiaries ● Domestic subsidiaries



Investor information

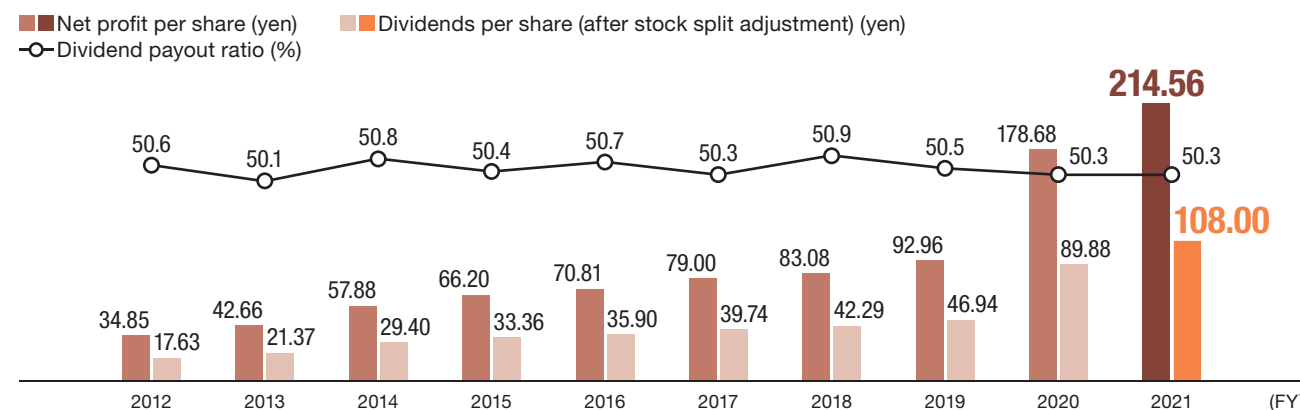
Basic information

Total number of authorized shares	Common stock: 350,000,000
Total number of shares issued	Common stock: 168,048,462 shares (including treasury stock as of March 31, 2022)
Fiscal year	April 1 to March 31 of the following year
Number of shareholders	17,225 (as of March 31, 2022)
Securities code	3635 (Tokyo Stock Exchange, Prime Market)
Administrator of shareholder registry	4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan Sumitomo Mitsui Trust Bank, Limited

Basic policy for shareholder returns

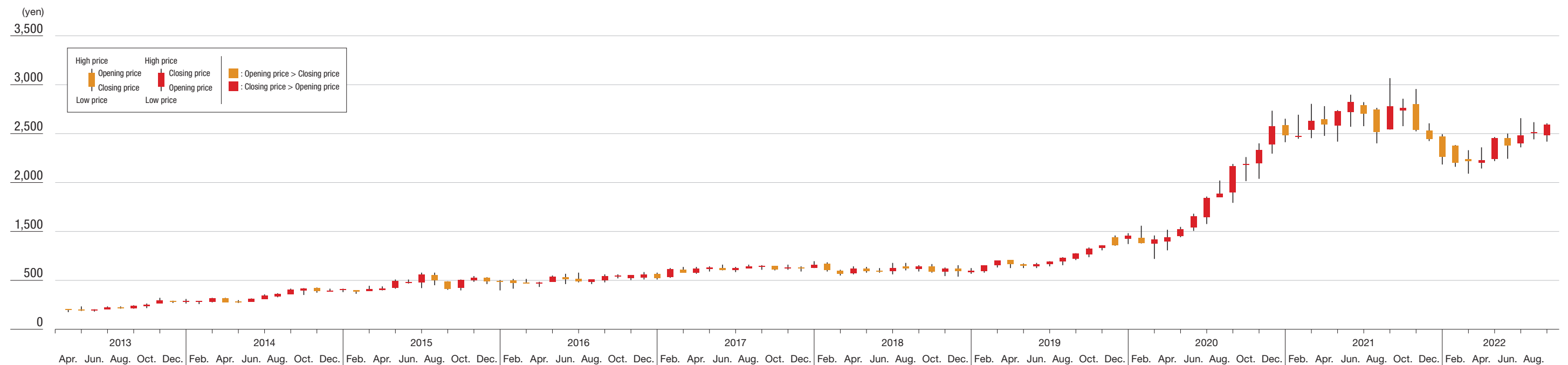
The Company regards the return of profit to shareholders as one of its most important management policies, and its basic policy for returning profit to shareholders is a consolidated annual total distribution ratio of 50%, which includes share buybacks, or an annual dividend of 50 yen per share.

Dividend per share (after stock split adjustment) and net profit per share

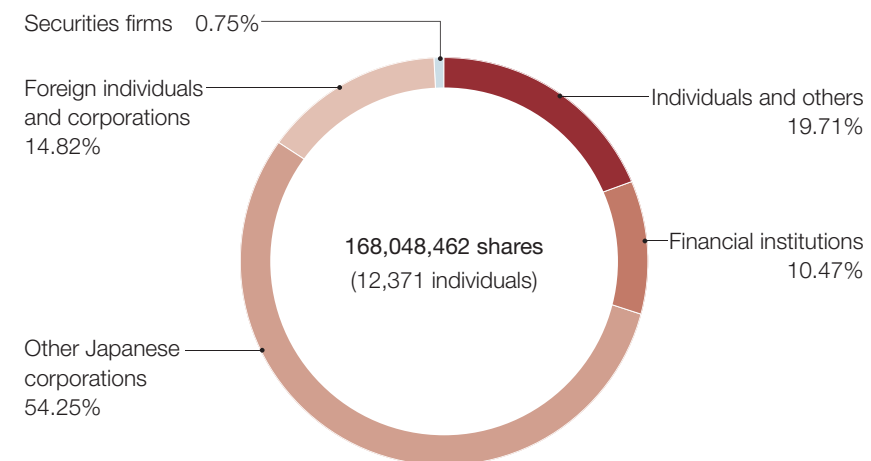


Note: The Company implemented a 1.2-for-1 stock split on October 1, 2015, a 1.2-for-1 common stock split on October 1, 2018, and a 1.3-for-1 common stock split on April 1, 2021. Net profit per share, net assets per share, and dividends per share (after stock split adjustment) are calculated on the assumption that the said stock split was implemented in fiscal 2012.

Stock price



Distribution of shares by type of shareholder



Principal shareholders

Name or designation	Number of shares held	Ratio of shares held to total number of shares issued and outstanding (excluding treasury stock) (%)
KOYU HOLDINGS CO., LTD.	76,877,995	48.82
The Master Trust Bank of Japan	12,909,200	8.20
Kankyo Kagaku Co., Ltd.	11,298,285	7.17
JP MORGAN CHASE BANK 380815 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	8,989,830	5.71
Yoichi Erikawa	3,579,117	2.27
Keiko Erikawa	3,464,675	2.20
Custody Bank of Japan, Ltd. (Trust Account)	3,065,500	1.95
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	2,587,558	1.64
Mei Erikawa	2,060,448	1.31
Ai Erikawa	2,032,992	1.29

* The Company holds 10,566,507 shares of treasury stock that is excluded from the above list of major shareholders.