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Financial Results for the Third Quarter of the Fiscal Year Ending March 2023

January 30, 2023

KOEI TECMO HOLDINGS CO., LTD.

Performance

- Sales for the packaged games sector and the online/mobile games sector have generally progressed as planned.
- We saw a YoY decrease in sales and profits, as last year we had multiple new releases for the packaged games sector.
- Regarding non-operating income and expenses, despite our strategic reorganization of our portfolio, loss on valuation of derivatives were recorded due to severe changes in the financial environment.
- Yearly earnings forecast revised.

Topics

- "Nobunaga's Ambition: Ha-do^[1]" is off to a good start after it's release in December.
- Major titles such as "WILD HEARTS" and "Wo Long: Fallen Dynasty" will be released in the fourth quarter.

[1]English name is tentative

(Million Yen)

	FY21 Q3 (YTD)		FY22 Q3 (YTD)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Sales	55,327	-	49,439	-	△ 5,888	-10.6%
Operating Profit	27,127	49.0%	22,994	46.5%	△ 4,133	-15.2%
Ordinary Profit	38,761	70.1%	16,880	34.1%	△ 21,881	-56.5%
Net Profit	28,293	51.1%	13,477	27.3%	△ 14,816	-52.4%

			Q3 (Oct. 2022-Dec. 2022)
Console	New!	Ultra Kaiju Monster Rancher(Development) Nintendo Switch™	Now on Sale Japan/Asia/North America
Online/ Mobile	New!	Nobunaga's Ambition: Ha-do ^[1] iOS/Android	Released in December Japan
	Region Expansion	Romance of the Three Kingdoms Ha-do ^[1] iOS/Android	Released in Korea, October Japan/Taiwan▪ Hong Kong▪ Macau/Korea

[1] English name is tentative

Results by Business Segment



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		(Million Yen)		
		FY21 Q3 (YTD)	FY22 Q3 (YTD)	Change
Entertainment	Sales	52,357	46,298	△ 6,059
	Operating Profit	26,583	22,456	△ 4,127
Amusement	Sales	1,983	2,265	282
	Operating Profit	163	396	233
Real Estate	Sales	786	946	160
	Operating Profit	125	231	106
Others	Sales	453	276	△ 177
	Operating Profit	254	△ 89	△ 343
Corporate & Elimination	Sales	△ 253	△ 348	△ 95
	Operating Profit	-	-	-
Total	Sales	55,327	49,439	△ 5,888
	Operating Profit	27,127	22,994	△ 4,133

Sales Amounts by Region



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(Million Yen)

	FY21 Q3 (YTD)		FY22 Q3 (YTD)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Component Ratio
Japan	27,617	49.9%	25,511	51.6%	△ 2,106	-7.6%
Overseas	27,710	50.1%	23,928	48.4%	△ 3,782	-13.6%
N. America	7,118	12.9%	5,317	10.8%	△ 1,801	-25.3%
Europe	2,394	4.3%	1,683	3.4%	△ 711	-29.7%
Asia	18,198	32.9%	16,928	34.2%	△ 1,270	-7.0%
Total	55,327	100.0%	49,439	100.0%	△ 5,888	-10.6%

Units Sold by Region/ Number of DL



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(1000 Copies)

	FY21 Q3 (YTD)		FY22 Q3 (YTD)		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Component Ratio
Japan	2,030	35.6%	1,890	31.6%	△ 140	-6.9%
Overseas	3,670	64.4%	4,090	68.4%	420	11.4%
N. America	1,610	28.2%	1,860	31.1%	250	15.5%
Europe	810	14.2%	980	16.4%	170	21.0%
Asia	1,250	21.9%	1,250	20.9%	0	0.0%
Total	5,700	100.0%	5,980	100.0%	280	4.9%
DL Units	3,600		4,020		420	11.7%
DL Ratio	63.2%		67.2%		+4.0pt	

Breakdown on the Sales for Entertainment Segment



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(Million Yen)

		FY21 Q3 (YTD)	FY22 Q3 (YTD)	Change	% Change
Console	Package ^[1]	13,837	9,438	△ 4,399	-31.8%
	DL ^[2]	9,880	9,930	50	0.5%
	DLC ^[3]	1,350	1,400	50	3.7%
		25,067	20,768	△ 4,299	-17.2%
Online/	PC Online ^[4]	720	640	△ 80	-11.1%
Mobile	Smartphone/Social ^[5]	25,740	24,370	△ 1,370	-5.3%
	Others	130	120	△ 10	-7.7%
		26,590	25,130	△ 1,460	-5.5%
Events & Goods		700	400	△ 300	-42.9%
Sales for Entertainment Segment		52,357	46,298	△ 6,059	-11.6%
Digital Sales^[6]		37,820	36,460	△ 1,360	-3.6%
Digital Sales Ratio		72.2%	78.8%	+6.6pt	

[1]Including sales for packages, royalty, commission fees (incl. %-of-completion basis), and down payment

[2]DL (download) sales: sales for digital copies via PSN/XboxLive/Switch DL/Steam

[3]DLC (Download contents): Sales for additional items and scenario via download

[4]Sales for MMORPG and some other titles(Uncharted Waters V, Uncharted Waters VI, Nobunaga's Ambition 20XX)

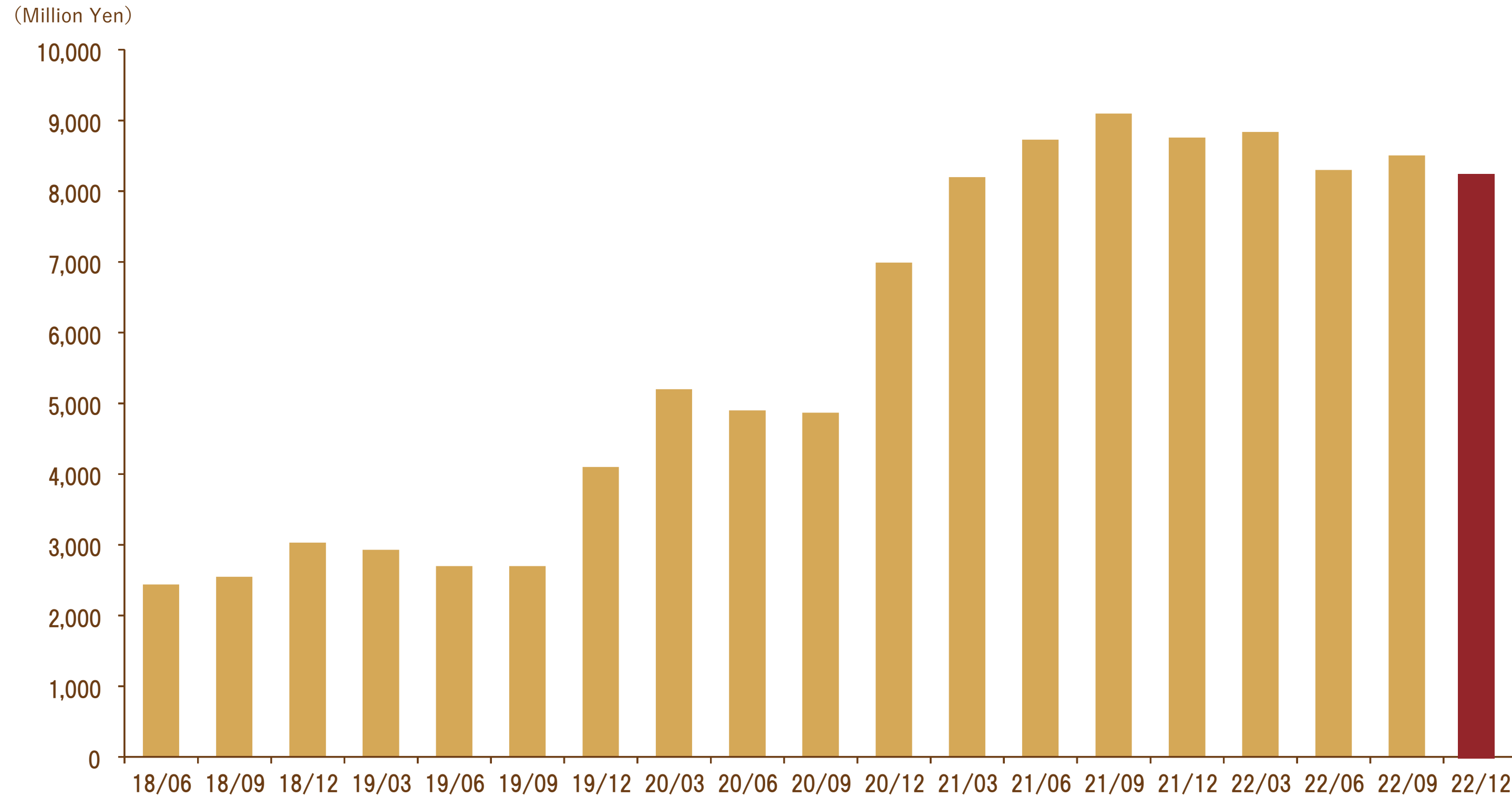
[5]Including sales for smartphone games, social games, browser games, and royalty from IP licensing-out

[6]Sum total for packaged DL and DLC, online, and mobile sales.

Sales Trend in Online/Mobile



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Major Costs/Headcounts



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		(million yen/headcounts)			
		FY21 Q3 (YTD)	FY22 Q3 (YTD)	Change	% Change
Employment Cost	COGS	10,980	12,420	1,440	13.1%
	SGA	2,920	3,190	270	9.2%
		13,900	15,610	1,710	12.3%
Subcontracting Cost	COGS	2,840	3,400	560	19.7%
Advertizing/Promotional Cost	SGA	1,780	1,810	30	1.7%
Total Headcount^[1]		2,075	2,400	325	15.7%

[1]Excluding temporary employees. From FY22, includes KOEI TECMO VIETNAM.

Revision on Full-Year Earnings Estimate



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(Million Yen)

	FY21 Results		FY22 Plan		Vs Previous Year		FY22 Plan (as of Apr 25)		Vs Plan	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change	Amount	Component Ratio	Amount	Percent Change
Sales	72,759	-	77,000	-	4,241	5.8%	77,000	-	-	-
Operating Profit	34,527	47.5%	34,000	44.2%	△ 527	-1.5%	32,500	42.2%	1,500	4.6%
Ordinary Profit	48,696	66.9%	31,000	40.3%	△ 17,696	-36.3%	42,500	55.2%	△ 11,500	-27.1%
Net Profit	35,359	48.6%	23,500	30.5%	△ 11,859	-33.5%	31,500	40.9%	△ 8,000	-25.4%

- Operating profit revised upward
- Regarding non-operating income and expenses, loss on valuation of derivatives were recorded due to severe changes in the financial environment.

Title Lineup



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			Launch date/ Area
Console	New!	WILD HEARTS PlayStation®5/Xbox Series X S/PC(Origin/Steam®/Epic Game Store)	Feb.17.2023 Worldwide
	New!	Wo Long: Fallen Dynasty PlayStation®5/PlayStation®4/Xbox Series X S/Xbox One/Xbox Game Pass/Steam®/Windows®	Mar.3.2023 Worldwide
	New!	FATAL FRAME: Mask of the Lunar Eclipse Nintendo Switch™/PlayStation®5/PlayStation®4/Xbox Series X S/Xbox One/Steam®	Mar.9.2023 Worldwide
	New!	Atelier Ryza 3: Alchemist of the End & the Secret Key PlayStation®5/PlayStation®4/Nintendo Switch™/Steam®	Mar.23.2023^[1] Worldwide
	New!	Winning Post 10 PlayStation®5/PlayStation®4/Nintendo Switch™/Steam®/Windows®	Mar.30.2023 Japan
	New!	Fate/Samurai Remnant PlayStation®5/PlayStation®4/Nintendo Switch™/Steam®	Scheduled Release: 2023
	New!	Rise of the Ronin PlayStation®5	Scheduled Release: 2024
Online/ Mobile	New!	BLUE REFLECTION SUN iOS/Android/DMM GAMES	Pre-registrating Japan
	New!	LINE: Monster Firm(IP Licensing-out) iOS/Android	Pre-registrating Japan
	New!	"DRAGON QUEST CHAMPIONS(Publisher; SQUARE ENIX CO., LTD.)"(Developer/Operator) iOS/Android	In Production Japan

[1] Steam® version and North America, Europe region are scheduled to release in Mar.24.2023



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