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Level up your happiness



September 2, 2025

Company Name:	KOEI TECMO HOLDINGS CO., LTD.
Name of representative:	Hisashi Koinuma President and CEO (Representative Director) (Securities code 3635 TSE Prime Market)
Inquiries:	Kenjiro Asano Senior Executive Officer and CFO (TEL: 045-562-8111)

Notice Regarding Disposal of Treasury Shares and Secondary Offering of Shares

KOEI TECMO HOLDINGS CO., LTD. (the “**Company**”) hereby announces as follows that it has determined regarding the disposal of treasury shares and a secondary offering of shares by a resolution of its board of directors dated today.

Purpose of Financing and Secondary Offering of Shares

Based on a spirit of “Creativity & Contribution,” the Company aims to realize its vision “To Become the World’s No.1 Digital Entertainment Company.” As a leading global company in Japan, maintaining the Company’s listing on the Prime Market, which requires the establishment of a more advanced governance system and the fulfillment of strict listing criteria, is essential for the realization of further growth and profitability. The Company believes that maintaining this listing will enable the Company to enhance its corporate value by securing market trading opportunities for investors, building a trusting relationship with stakeholders, and strengthening brand power and product competitiveness.

On July 9, 2021, the Tokyo Stock Exchange notified the Company that, as a result of the initial assessment of the Company’s status of conformity with the continued listing criteria for the new market segment, the Company satisfies the continued listing criteria for the Prime Market in terms of the items “Number of tradable shares,” “Tradable share market capitalization,” and “Trading value,” but fails to satisfy the criteria for “Tradable share ratio.”

In response to the notification above, the Company recognizes that increasing the number of tradable shares is an issue that must be addressed to satisfy the continued listing criteria for tradable share ratio. To address the issue, the Company has implemented the following series of measures (the “**Scheme**”).

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The Scheme

- (1) The Company resolved at its board of directors meeting held on December 2, 2021 to issue euro-yen denominated convertible bonds with share acquisition rights due 2024 (the “**Convertible Bonds with Share Acquisition Rights**”), the total face value of which is 46 billion yen, and issued those bonds.
- (2) The Company resolved at its board of directors meeting held on December 2, 2021 to acquire up to 9,900,100 of its own shares and conduct a tender offer to purchase up to a maximum number of 9,900,000 of its own shares, and the Company conducted a tender offer with a tender offer period from December 8, 2021 to January 6, 2022 (the “**Tender Offer**”).
- *1 The Company entered into tender offer agreements with KOYU HOLDINGS CO., LTD. (“**Koyu Holdings**”), which is the largest shareholder of the Company as of December 2, 2021, and Kankyo Kagaku Co., Ltd. (“**Kankyo Kagaku**”), which is the second largest shareholder of the Company as of December 2, 2021, under which Koyu Holdings would tender 7,736,772 shares and Kankyo Kagaku would tender 1,263,228 shares, respectively, in the Tender Offer. The Tender Offer was completed on January 6, 2022. The number of shares purchased in the Tender Offer and the class and the total number of own shares acquired were 9,000,151 shares of common stock of the Company.
- *2 The Company conducted a share split on October 1, 2022 at the ratio of two shares per share of common stock. Consequently, as of today, the number of shares tendered by Koyu Holdings and Kankyo Kagaku were 15,473,544 shares and 2,526,456 shares, respectively, and the number of shares purchased in the Tender Offer and the class and the total number of own shares acquired were 18,000,302 shares of common stock of the Company.
- (3) The Company allocated funds procured by the issuance of the Convertible Bonds with Share Acquisition Rights as described in (1) above to the purchase of shares in the Tender Offer as described in (2) above.
- (4) The Company has sought to increase the number of tradable shares by delivering its shares of common stock acquired through the Tender Offer as described in (2) above to investors holding the Convertible Bonds with Share Acquisition Rights issued as described in (1) above if those investors exercise their conversion rights for those bonds.

The Company set a basic policy to satisfy the continued listing criteria for tradable share ratio through the Scheme. However, since the Company’s share price remained below the conversion price of the Convertible Bonds with Share Acquisition Rights, the conversion rights of the Convertible Bonds with Share Acquisition Rights were not exercised during the exercise period from January 4, 2022 to December 6, 2024. As a result, the Convertible Bonds with Share Acquisition Rights were redeemed at maturity on December 20, 2024, and the Company was unable to achieve any improvement in tradable share ratio under the Scheme.

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As of March 31, 2025, the Company's status of conformity with the continued listing criteria for the Prime Market is as shown in the table below, and the Company has not satisfied the criteria for tradable share ratio.

		Number of shareholders (persons)	Number of tradable shares (units)	Tradable share market capitalization (billions of yen)	Tradable share ratio (%)
Company's status of conformity (*3)	As of March 31, 2025	22,374	1,007,467	198.3	29.9
Continued listing criteria		800	20,000	10	35.0
Period of plan (Improvement period)		-	-	-	Until March 31, 2026

*3 The Company's status of conformity is calculated based on the distribution status of its shares and other securities confirmed by the Tokyo Stock Exchange as of the record date.

Therefore, the Company examined increasing the number of tradable shares and procuring funds for growth by disposing of the Company's shares of common stock that it holds as treasury shares to satisfy the tradable share ratio that does not conform to the criteria.

Since the disposal of treasury shares would result in a dilution of basic earnings per share (EPS), the Company proceeded with deliberations based on the number of own shares acquired through the Tender Offer as the maximum number of treasury shares to be disposed of, because existing shareholders would likely accept that number of shares from the perspective of consistency with the Scheme, and the Company anticipated that disposal of that number of treasury shares would enable the tradable share ratio to exceed 35%, thereby satisfying the continued listing criteria. At the same time, through discussions with numerous investors, the Company has recognized that low liquidity is an issue and that the limited number of tradable shares of its common stock is one of the causes of that issue.

Under these circumstances, the Company made contact with Koyu Holdings, which is the largest shareholder of the Company as of March 31, 2025, and Kankyo Kagaku, which is the third largest shareholder of the Company as of March 31, 2025, both of which are shareholders holding shares that are considered to be shares held by "special stakeholders other than officers." The purpose of that contact was to confirm whether Koyu Holdings and Kankyo Kagaku would, in order to improve liquidity as a result of increasing the number of tradable shares by selling shares of common stock of the Company held by them, be willing to sell shares of common stock of the Company held by them, in conjunction with the disposal of the Company's treasury shares. As a result of that contact, the Company confirmed Koyu Holdings' and Kankyo Kagaku's intention to sell a portion of the Company's shares they respectively hold.

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By conducting this secondary offering in conjunction with the disposal of the Company's treasury shares, the Company believes that this will contribute to an improvement in liquidity, expansion and diversification of the Company's shareholders centered on individual investors, and appropriate stock price formation.

Furthermore, since shares of common stock of the Company held by Koyu Holdings and Kankyo Kagaku will be excluded from tradable shares in the calculation of the Company's tradable share ratio (*4), the sale of shares of common stock of the Company by Koyu Holdings and Kankyo Kagaku will also contribute to a further improvement in the tradable share ratio of shares of common stock of the Company. This is expected to enable the Company to satisfy the continued listing criteria for tradable share ratio with a certain degree of leeway.

*4 "Special stakeholders other than officers" include companies in which officers hold a majority of the voting rights. Koyu Holdings and Kankyo Kagaku are companies in which the Company's officers hold a majority of the voting rights and are therefore included in "special stakeholders other than officers." As a result, shares of common stock of the Company held by Koyu Holdings and Kankyo Kagaku will be excluded from tradable shares in the calculation of the Company's tradable share ratio.

The Company formulated its Fourth Medium-Term Management Plan in June 2025. The three years under the Fourth Medium-Term Management Plan (FY 2025 to FY 2027) are defined as a period for "laying the foundation for further growth" in order to make a leap forward globally. The Company has set four qualitative goals, namely "quantitative growth of the pipeline," "qualitative growth of the pipeline," "growth in sales capabilities," and "growth in cost efficiency," and will work to establish a foundation for sustainable growth with a focus on the Fifth and Sixth Medium-Term Management Plans.

Reflecting on the issues identified under the Third Medium-Term Management Plan, the Company will aim to achieve stable earnings growth by creating attractive, high-quality IPs and applying them in a wide range of fields, while optimizing our pipeline in terms of balance between major and middle-class titles.

As one of the Company's initiatives for achieving the goals set in Management Plans above, the Company will focus on "strengthening the management base (enhancement of human capital and governance)." The Company believes that human capital is the foundation that supports the Company Group in its sustainable growth trajectory. Based on the Company's human resource development policy, "Creators who bring about new entertainment & Businesspeople who bring about growth and profitability," the Company will promote the growth of each and every employee and enhance the competitiveness of the entire organization by formulating and systematically carrying out the three components of the Company's human resource strategy (ensuring a diverse pool of talent with a focus on new graduates; implementing a human resource development system that drives growth; and establishing a workplace environment where employees can work with peace of mind over the long term).

Based on the aforementioned human resource strategy, the Company will, as an investment in

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the human capital of the Company Group's entertainment business, allocate to personnel expenses the funds procured by the public offering of the Company's treasury shares in order to maintain and expand the sustainable development structure for new titles.

As explained above, the Company believes that the disposal of its treasury shares and the implementation of this secondary offering will enable the Company to satisfy the continued listing criteria of the Prime Market and simultaneously procure funds for growth, thereby contributing to the achievement of the goals set in the Fourth Medium-Term Management Plan and the sustainable enhancement of the corporate value of the Company.

1. Disposal of treasury shares by way of public offering (public offering)

- | | | |
|--|--|-------------------|
| 1. Class and number of shares to be offered | Shares of common stock of the Company | 14,740,000 shares |
| 2. Method of determination of amount to be paid-in | The amount to be paid in will be determined on a date falling during the period from September 10, 2025 (Wed) to September 16, 2025 (Tue) (the " Pricing Date ") by the method set out in Article 25 of the Rules Concerning Underwriting, Etc. of Securities established by the Japan Securities Dealers Association. | |
| 3. Method of offering | <p>The offering will be a public offering, and the underwriter (the "Underwriter") will purchase and underwrite all of the shares.</p> <p>The disposal price (offering price) in the public offering will be determined in accordance with the method set out in Article 25 of the Rules Concerning Underwriting, Etc. of Securities established by the Japan Securities Dealers Association on the presumption that price is equal to the closing price for regular transactions of shares of common stock of the Company on Tokyo Stock Exchange, Inc. as of the Pricing Date (or, if no closing price is quoted, the closing price as of the date immediately preceding the Pricing Date) multiplied by a figure between 0.90 and 1.00 (any fraction less than 0.5 yen will be rounded off) taking into consideration demand and other similar factors.</p> <p>In the disposal of treasury shares through public offering, a portion of the shares to be offered may be sold to foreign investors in overseas markets, mainly in Europe and Asia (but excluding the United States and Canada).</p> | |
| 4. Consideration for Underwriter | The Company will not pay any underwriting commissions to the Underwriter. Instead, the following will constitute proceeds for the Underwriter: the aggregate amount of the difference between (i) the disposal price (offering price) and (ii) the amount to be paid to the Company by the Underwriter in the public offering. | |
| 5. Payment date | A date falling during the period from September 17, 2025 (Wed) to September 22, 2025 (Mon); however, that date must be the fourth business day following the Pricing Date | |

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6. Decisions regarding the amount to be paid in and any other matters necessary for the disposal of treasury shares by way of this public offering will be delegated to Hisashi Koinuma, President and CEO (Representative Director) or Kenjiro Asano, Senior Executive Officer and CFO of the Company.
 7. Each of the above items are conditioned on the registration under the Financial Instruments and Exchange Act of Japan becoming effective.
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2. Secondary offering of shares (secondary offering through purchase and underwriting by Underwriter)
 1. Class and number of shares to be sold Shares of common stock of the Company 7,000,000 shares
 2. Selling Shareholders KOYU HOLDINGS CO., LTD. 6,053,500 shares
 Kankyo Kagaku Co., Ltd. 946,500 shares
 3. Selling price The selling price will be determined in accordance with the method set out in Article 25 of the Rules Concerning Underwriting, Etc. of Securities established by the Japan Securities Dealers Association on the presumption that price is equal to the closing price for regular transactions of shares of common stock of the Company on Tokyo Stock Exchange, Inc. as of the Pricing Date (or, if no closing price is quoted, the closing price as of the date immediately preceding the Pricing Date) multiplied by a figure between 0.90 and 1.00 (any fraction less than 0.5 yen will be rounded off) taking into consideration demand and other similar factors. The selling price will be the same as the disposal price (offering price) in the public offering.
 4. Method of secondary offering The Underwriter will purchase and underwrite all of the shares in the secondary offering. Consideration for the Underwriter in the secondary offering will be the aggregate amount of the selling price less the subscription price that is the amount paid to the sellers by the Underwriter.
 5. Delivery date The delivery date will be the business day immediately following the payment date of the public offering.
 6. Decisions regarding the selling price and any other matters necessary for this secondary offering of shares will be delegated to Hisashi Koinuma, President and CEO (Representative Director) or Kenjiro Asano, Senior Executive Officer and CFO of the Company.
 7. Each of the above items are conditioned on the registration under the Financial Instruments and Exchange Act of Japan becoming effective.

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3. Secondary offering of shares (secondary offering by way of over-allotment) (see “1.” in “Reference” below)
 1. Class and number of shares to be sold Shares of common stock of the Company 3,260,000 shares
The above figure represents the maximum number of shares to be sold, and the actual number of shares to be sold might decrease depending on demand or other similar factors or the secondary offering by way of over-allotment might not be carried out at all. The actual number of shares to be sold will be determined on the Pricing Date, taking into consideration demand for the public offering and the secondary offering through purchase and underwriting by the Underwriter and other similar factors.
 2. Selling Shareholder The Underwriter
 3. Selling price Undetermined (The selling price will be determined on the Pricing Date. The selling price will be the same as that in the secondary offering through purchase and underwriting by the Underwriter.)
 4. Method of secondary offering The Underwriter will carry out a secondary offering of up to 3,260,000 shares of common stock of the Company to be borrowed from shareholders of the Company, taking into consideration demand for the public offering and the secondary offering through purchase and underwriting by the Underwriter and other similar factors.
 5. Delivery date The delivery date will be the same as that in the secondary offering through purchase and underwriting by the Underwriter.
 6. Decisions regarding the selling price and any other matters necessary for this secondary offering of shares will be delegated to Hisashi Koinuma, President and CEO (Representative Director) or Kenjiro Asano, Senior Executive Officer and CFO of the Company.
 7. Each of the above items are conditioned on the registration under the Financial Instruments and Exchange Act of Japan becoming effective.
4. Disposal of treasury shares through third-party allotment (see “1.” in “Reference” below)
 1. Class and number of shares to be offered Shares of common stock of the Company 3,260,000 shares
 2. Method of determination of amount to be paid-in The amount to be paid in will be determined on the Pricing Date. The amount to be paid in will be the same as that in the public offering.
 3. Allottee The Underwriter
 4. Subscription date September 29, 2025 (Mon)
 5. Payment date September 30, 2025 (Tue)

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6. Shares not subscribed for by the subscription date set out in 4. above will not be disposed of.
7. Decisions regarding the amount to be paid in and any other matters necessary for the disposal of treasury shares by way of this third-party allotment will be delegated to Hisashi Koinuma, President and CEO (Representative Director) or Kenjiro Asano, Senior Executive Officer and CFO of the Company.
8. In the case where the aggregate amount to be paid in for the disposal of treasury shares through this third-party allotment will be 100 million yen or more, each of the above items are conditioned on the registration under the Financial Instruments and Exchange Act of Japan becoming effective.

Reference

1. Secondary offering by way of over-allotment, etc.

The secondary offering by way of over-allotment as described in “3. Secondary offering of shares (secondary offering by way of over-allotment)” above is a secondary offering of up to 3,260,000 shares of common stock of the Company to be borrowed by the Underwriter from the Company’s shareholders (the “**Borrowed Shares**”), taking into consideration demand and other similar factors as described in “1. Disposal of treasury shares by way of public offering (public offering)” above and the secondary offering through purchase and underwriting by the Underwriter as described in “2. Secondary offering of shares (secondary offering through purchase and underwriting by Underwriter)” above. The number of shares to be sold in the secondary offering by way of over-allotment stated is the maximum number of shares to be sold, and the actual number of shares to be sold might decrease depending on demand or other similar factors or the secondary offering by way of over-allotment might not be carried out at all.

In connection with the secondary offering by way of over-allotment, the Company has determined by a resolution of its board of directors meeting held on September 2, 2025 (Tue) to conduct a disposal of its treasury shares through a third-party allotment in which 3,260,000 shares of common stock of the Company will be allotted to the allottee the Underwriter (the “**Third-Party Allotment**”) with a payment date of September 30, 2025 (Tue).

The Underwriter might carry out stabilizing transactions of shares of common stock of the Company during the subscription period of the public offering, secondary offering through purchase and underwriting by the Underwriter, and the secondary offering by way of over-allotment (the “**Subscription Period**”), in which case the shares purchased through such stabilizing transactions might wholly or partially be used for the purpose of returning the

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Borrowed Shares.

Also, the Underwriter might purchase on Tokyo Stock Exchange, Inc. shares of common stock of the Company up to the number of shares in the secondary offering by way of over-allotment (a “**Syndicate Covering Transaction**”) during the period beginning on the day immediately following the last day of the Subscription Period and ending on September 26, 2025 (Fri) (the “**Syndicate Covering Transaction Period**”), and all shares purchased through Syndicate Covering Transactions will be used for the purpose of returning the Borrowed Shares. During the Syndicate Covering Transaction Period, the Underwriter might decide not to carry out any Syndicate Covering Transactions or to cease conducting Syndicate Covering Transactions before the number of shares purchased reaches the number of shares in the secondary offering by way of over-allotment.

The Underwriter will accept allotment through the Third-Party Allotment in relation to a number of shares calculated based on the number of shares in the secondary offering by way of over-allotment minus the number of shares used for the purpose of returning the Borrowed Shares acquired through the stabilizing transactions and the Syndicate Covering Transactions mentioned above.

As a result, all or a part of the shares to be disposed of through the Third-Party Allotment might not be subscribed for, which might, due to forfeiture of the right to dispose such shares, result in either (a) a decrease in the final number of shares to be disposed of through the Third-Party Allotment to the extent of those unsubscribed shares or (b) the cancellation of the entire disposal.

2. Number of treasury shares before and after the disposal of treasury shares
- | | | |
|-----|--|---|
| (1) | Current number of treasury shares | 20,051,708 shares (as of August 31, 2025) |
| (2) | Number of shares to be disposed of through public offering | 14,740,000 shares |
| (3) | Number of treasury shares after the public offering | 5,311,708 shares |
| (4) | Number of shares to be disposed of through third-party allotment | 3,260,000 shares (Note) |
| (5) | Number of treasury shares after the third-party allotment | 2,051,708 shares (Note) |

Note: The number of shares described above are based on the assumption that all of the shares to be offered set forth in “4. Disposal of treasury shares through third-party allotment” above are subscribed for by the Underwriter and the shares of common stock of the

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Company are disposed of.

3. Use of procured funds

(1) Use of funds procured through this public offering and the Third-Party Allotment

With respect to the estimated net proceeds from the public offerings and the Third Party Allotment, in the aggregate amount of up to 34,458,880,000 yen, the Company will, as an investment in the human capital of the Company Group's entertainment business, allocate that entire amount to personnel expenses to maintain and expand the sustainable development structure for new titles through investments and loans to the Company's subsidiary, KOEI TECMO GAMES CO., LTD., by the end of March 2028.

Until the time when the above proceeds are actually allocated for that purpose, the Company plans to invest those proceeds in highly secure financial instruments and the like.

(2) Change in use of previously procured funds

Not applicable

(3) Impact on the Company's performance results

There is no change to the projected performance for this fiscal year.

4. Lock up

In connection with the public offering and the secondary offering through purchase and underwriting by the Underwriter, the sellers, KOYU HOLDINGS CO., LTD. and Kankyo Kagaku Co., Ltd., have agreed with the Underwriter not, without the prior written consent of the Underwriter to sell shares of the Company, securities convertible into or exchangeable for shares of the Company, or securities representing the right to acquire or receive shares of the Company or to take other similar actions during the period commencing on the disposal price determination date and ending on the 180th day calculated from the delivery date of the public offering and the secondary offering through purchase and underwriting by the Underwriter (the "Lockup Period").

Also, the Company has agreed with the Underwriter not, without the prior written consent of the Underwriter to issue shares of the Company, securities convertible into or exchangeable for shares of the Company, or securities representing the right to acquire or

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receive shares of the Company or to take other similar actions during the Lockup Period (but excluding the following: a public offering; disposal of treasury shares through the Third-Party Allotment; issuance of new shares by way of share split; delivery of treasury shares in response to a demand for the sale of shares less than one unit; issuance or delivery of shares of common stock of the Company due to the exercise of stock options that remain in effect as at the disposal price determination date; granting of stock options or share acquisition rights to employees or directors of the Company, its subsidiaries, or its affiliates based on the Company's stock option plan or incentive plan; and issuance or delivery and share split of shares of common stock of the Company due to the exercise of such stock options or share acquisition rights, etc.).

In any of the above cases, the Underwriter is authorized to terminate the agreement in question in whole or in part at its discretion even during the Lockup Period.

End

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