



# Financial Results for the First Half of the Fiscal Year Ending March 2023

October 31, 2022

**KOEI TECMO HOLDINGS CO., LTD.**

(Million Yen)

	FY21 1st Half		FY22 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
<b>Sales</b>	37,220	100.0%	<b>34,762</b>	100.0%	△ 2,458	-6.6%
<b>Operating Profit</b>	16,423	44.1%	<b>18,321</b>	52.7%	1,898	11.6%
<b>Ordinary Profit</b>	25,064	67.3%	<b>17,667</b>	50.8%	△ 7,397	-29.5%
<b>Net Profit</b>	18,142	48.7%	<b>13,648</b>	39.3%	△ 4,494	-24.8%

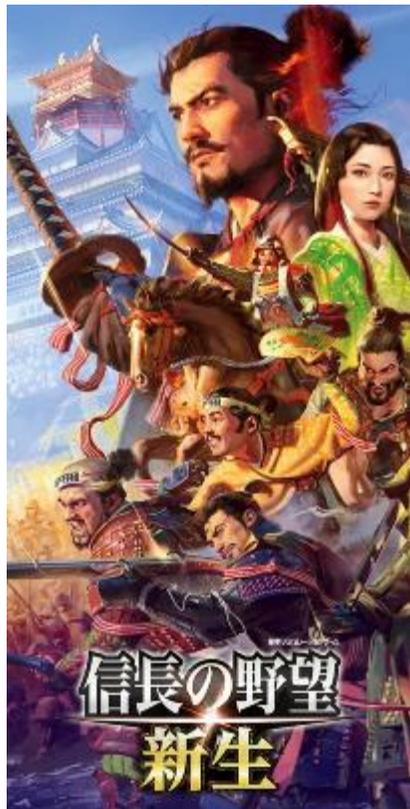
# Major Titles



Nintendo Switch™

Fire Emblem Warriors: Three Hopes  
Over 1 million copies/Worldwide

※Published overseas by Nintendo Co. Ltd.



PlayStation®4/ Nintendo Switch™ /  
Windows®

Nobunaga's Ambition: Shinsei<sup>[1]</sup>  
200,000 copies  
Japan/Asia



PlayStation®4/Nintendo Switch™  
/Windows®

Winning Post 9 2022  
100,000 copies /Japan



Nintendo Switch™ / Windows®

Taiko Risshiden V DX<sup>[1]</sup>  
180,000 copies  
Japan/Asia



iOS/Android

Romance of the Three Kingdoms Ha-do<sup>[1]</sup>  
Now Available  
Japan/Taiwan•Hong Kong•  
Macau



IP Licensing-out

iOS/Android

New Nobunaga's Ambition<sup>[1]</sup>  
Now Available  
Japan/Taiwan•Hong Kong•  
Macau



IP Licensing-out

iOS/Android

Uncharted Waters Origin<sup>[1]</sup>  
Now Available  
Korea

[1] English name is tentative

# Results by Business Segment



(Million Yen)

		FY21 1st Half	FY22 1st Half	Change
<b>Entertainment</b>	Sales	35,245	<b>32,783</b>	△ 2,462
	Operating Profit	16,115	<b>17,994</b>	1,879
<b>Amusement</b>	Sales	1,449	<b>1,471</b>	22
	Operating Profit	191	<b>236</b>	45
<b>Real Estate</b>	Sales	511	<b>611</b>	100
	Operating Profit	71	<b>182</b>	111
<b>Others</b>	Sales	184	<b>152</b>	△ 32
	Operating Profit	45	<b>△ 92</b>	△ 137
<b>Corporate &amp; Elimination</b>	Sales	△ 170	<b>△ 257</b>	△ 87
	Operating Profit	-	-	-
<b>Total</b>	Sales	37,220	<b>34,762</b>	△ 2,458
	Operating Profit	16,423	<b>18,321</b>	1,898

# Sales Amounts by Region



(Million Yen)

	FY21 1st Half		FY22 1st Half		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Component Ratio
<b>Japan</b>	18,798	50.5%	<b>17,621</b>	50.7%	△ 1,177	-6.3%
<b>Overseas</b>	18,422	49.5%	<b>17,141</b>	<b>49.3%</b>	△ 1,281	-7.0%
<b>N. America</b>	4,944	13.3%	<b>4,230</b>	12.2%	△ 714	-14.4%
<b>Europe</b>	1,728	4.6%	<b>1,215</b>	3.5%	△ 513	-29.7%
<b>Asia</b>	11,750	31.6%	<b>11,696</b>	33.6%	△ 54	-0.5%
<b>Total</b>	37,220	100.0%	<b>34,762</b>	100.0%	△ 2,458	-6.6%

# Units Sold by Region/ Number of DL



(1000 Copies)

	FY21 1st Half		FY21 1st Half		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Component Ratio
<b>Japan</b>	1,330	36.4%	<b>1,410</b>	30.1%	80	6.0%
<b>Overseas</b>	2,320	63.6%	<b>3,270</b>	<b>69.9%</b>	950	40.9%
<b>N. America</b>	1,050	28.8%	<b>1,490</b>	31.8%	440	41.9%
<b>Europe</b>	500	13.7%	<b>760</b>	16.2%	260	52.0%
<b>Asia</b>	770	21.1%	<b>1,020</b>	21.8%	250	32.5%
<b>Total</b>	3,650	100.0%	<b>4,680</b>	100.0%	1,030	28.2%
<b>DL Units</b>	2,300		<b>3,040</b>		740	32.2%
<b>DL Ratio</b>	63.0%		<b>65.0%</b>		+2.0pt	

# Breakdown on the Sales for Entertainment Segment



(Million Yen)

		FY21 1st Half	FY22 1st Half	Change	% Change
<b>Console</b>	Package <sup>[1]</sup>	9,535	<b>7,153</b>	△ 2,382	-25.0%
	DL <sup>[2]</sup>	6,350	<b>7,480</b>	1,130	17.8%
	DLC <sup>[3]</sup>	1,130	<b>1,040</b>	△ 90	-8.0%
		17,015	<b>15,673</b>	△ 1,342	-7.9%
<b>Online/</b>	PC Online <sup>[4]</sup>	490	<b>440</b>	△ 50	-10.2%
<b>Mobile</b>	Smartphone/Social <sup>[5]</sup>	17,250	<b>16,300</b>	△ 950	-5.5%
	Others	90	<b>70</b>	△ 20	-22.2%
		17,830	<b>16,810</b>	△ 1,020	-5.7%
<b>Events &amp; Goods</b>		400	<b>300</b>	△ 100	-25.0%
<b>Sales for Entertainment Segment</b>		35,245	<b>32,783</b>	△ 2,462	-7.0%
<b>Digital Sales<sup>[6]</sup></b>		25,310	25,330	20	0.1%
<b>Digital Sales Ratio</b>		71.8%	77.3%	+5.5pt	

[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

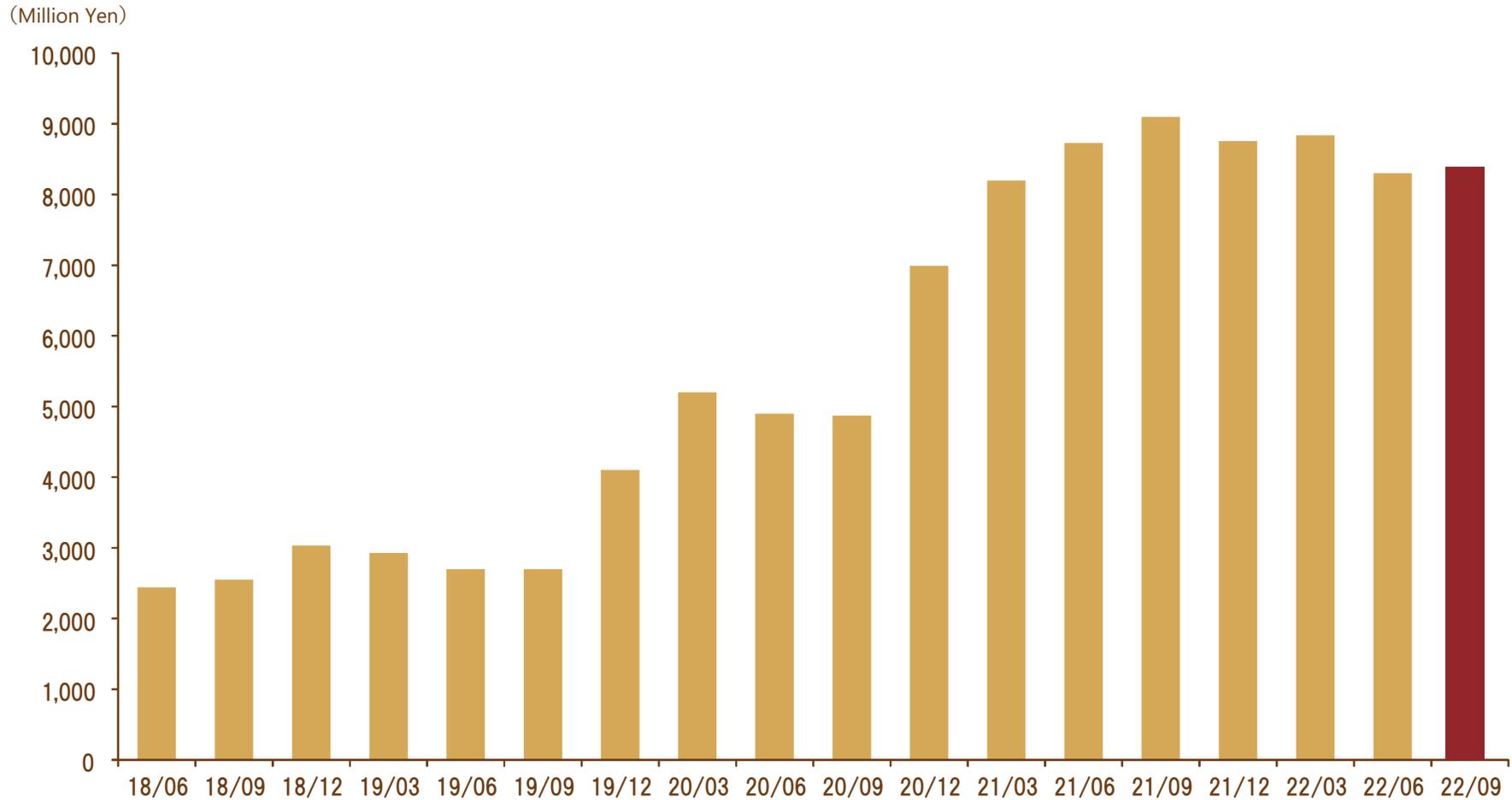
[3]DLC (Download contents): Sales for additional items and scenario via download

[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



# Major Costs/Headcounts



(million yen/headcounts)

		FY21 1st Half	FY22 1st Half	Change	% Change
<b>Employment Cost</b>	COGS	7,380	<b>8,260</b>	880	11.9%
	SGA	1,950	<b>2,150</b>	200	10.3%
		9,330	<b>10,410</b>	1,080	11.6%
<b>Subcontracting Cost</b>	COGS	1,760	<b>2,000</b>	240	13.6%
<b>Advertizing/Promotional Cost</b>	SGA	1,430	<b>1,040</b>	△ 390	-27.3%
<b>Total Headcount<sup>[1]</sup></b>		2,081	<b>2,408</b>	327	15.7%

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

# FY2022 Plan

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(Million Yen)

	FY21 Results		FY22 Plan		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
<b>Sales</b>	72,759	100.0%	<b>77,000</b>	100.0%	4,241	5.8%
<b>Operating Profit</b>	34,527	47.5%	<b>32,500</b>	42.2%	△ 2,027	-5.9%
<b>Ordinary Profit</b>	48,696	66.9%	<b>42,500</b>	55.2%	△ 6,196	-12.7%
<b>Net Profit</b>	35,359	48.6%	<b>31,500</b>	40.9%	△ 3,859	-10.9%

- In view of sales trends of new titles from the third quarter onward, royalties from IP licensing, and the uncertainty of non-operating income due to shifts in the world economy, no revisions have been made to the yearly earnings forecast.
- FY2022 will mark the first year of our three-year medium-term management plan, for which we are expecting a simultaneous increase in revenues and decrease in profits due to the planned long-term development of multiple major titles and a conservative outlook on IP licensing revenues. However, this step will help us achieve our profit targets (sales of 100 billion yen, operating profit of 40 billion yen, and ordinary profit of 50 billion yen) by the final year of the management plan, FY2024.

# Sales and Operating Profit by Business Segment (FY2022 Plan)



(Million Yen)

		FY21 Full Year	<b>FY22 Full Year (Plan)</b>	Change
<b>Entertainment</b>	Sales	68,801	<b>72,870</b>	4,069
	Operating Profit	33,827	<b>32,025</b>	△ 1,802
<b>Amusement</b>	Sales	2,800	<b>2,970</b>	170
	Operating Profit	281	<b>400</b>	119
<b>Real Estate</b>	Sales	1,061	<b>1,050</b>	△ 11
	Operating Profit	224	<b>150</b>	△ 74
<b>Others</b>	Sales	477	<b>250</b>	△ 227
	Operating Profit	193	<b>△ 75</b>	△ 268
<b>Corporate &amp; Elimination</b>	Sales	△ 382	<b>△ 140</b>	242
	Operating Profit	-	-	-
<b>Total</b>	Sales	72,759	<b>77,000</b>	4,241
	Operating Profit	34,527	<b>32,500</b>	△ 2,027

# Net Sales by Region (FY2022 Plan)



(Million Yen)

	FY21		FY22 (Plan)		Vs Previous Year	
	Amount	Component Ratio	Amount	Component Ratio	Amount	Percent Change
Japan	37,278	51.2%	<b>43,400</b>	56.4%	6,122	16.4%
Overseas	35,481	48.8%	<b>33,600</b>	<b>43.6%</b>	△ 1,881	-5.3%
N. America	9,103	12.5%	<b>5,900</b>	7.7%	△ 3,203	-35.2%
Europe	3,155	4.3%	<b>3,700</b>	4.8%	545	17.3%
Asia	23,223	31.9%	<b>24,000</b>	31.2%	777	3.3%
Total	72,759	100.0%	<b>77,000</b>	100.0%	4,241	5.8%

# Sales Units by Region/ Number of DL (FY2022 Plan)



(1000 Copies)

	FY21 Full Year		FY22 Full Year (Plan)		Vs Previous Year	
	Units	Component Ratio	Units	Component Ratio	Units	Percent Change
Japan	2,900	35.7%	<b>2,700</b>	28.7%	△ 200	-6.9%
Overseas	5,230	64.3%	<b>6,700</b>	<b>71.3%</b>	1,470	28.1%
N. America	2,430	29.9%	<b>3,000</b>	31.9%	570	23.5%
Europe	1,250	15.4%	<b>2,200</b>	23.4%	950	76.0%
Asia	1,550	19.1%	<b>1,500</b>	16.0%	△ 50	-3.2%
Total	8,130	100.0%	<b>9,400</b>	100.0%	1,270	15.6%

# Capital Expenditure and Depreciation Expenses (FY2022 Plan)



(Million Yen)

		FY19	FY20	FY21	<b>FY22 (Plan)</b>
<b>Investment</b>	Real Estate	14,254	965	909	<b>700</b>
	Equipment	376	577	467	<b>550</b>
<b>Depreciation Cost</b>		765	1,542	1,571	<b>1,600</b>

# Management Policy

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**Koei Tecmo Holdings Co., Ltd.**  
**President & CEO (Representative Director)**

**Yoichi Erikawa**



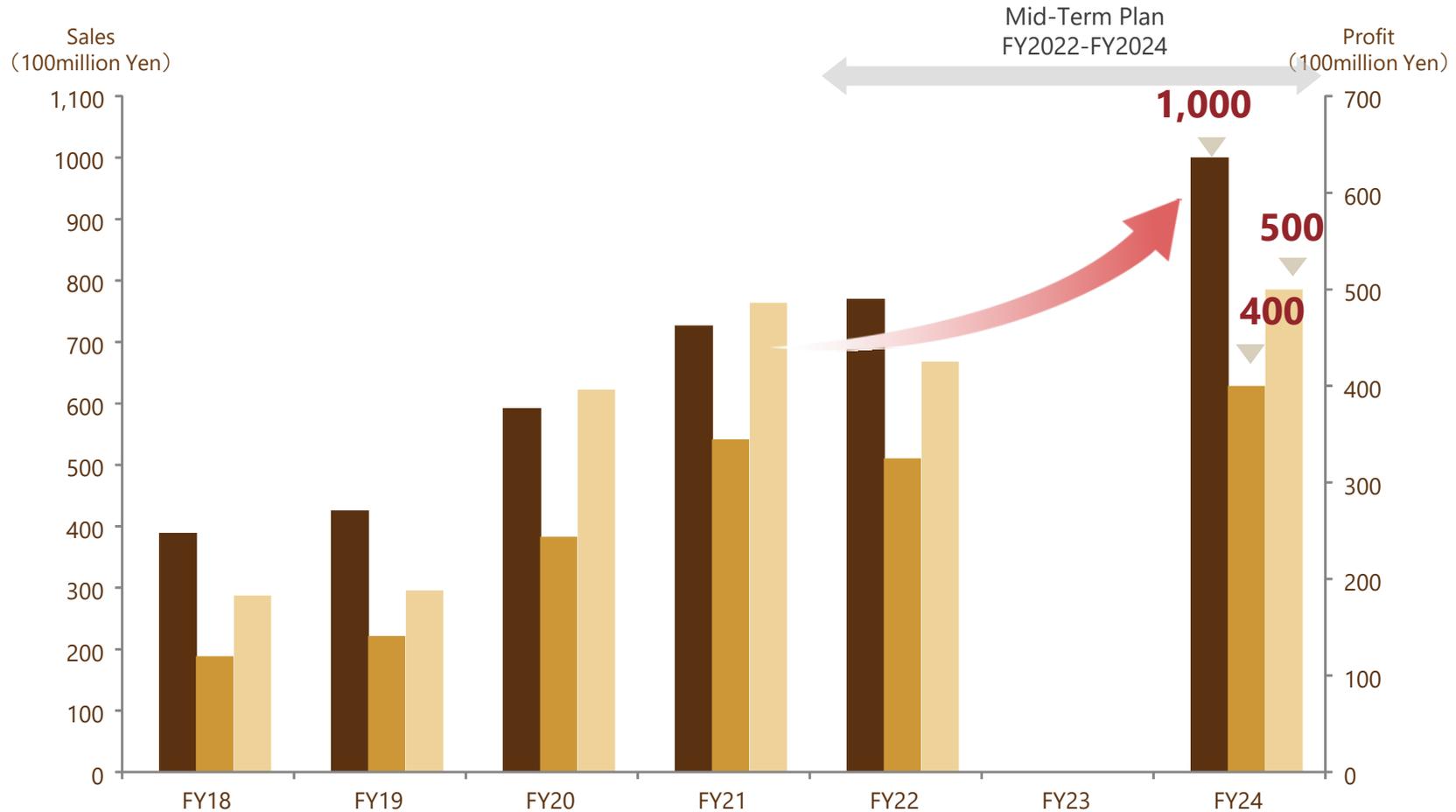
## Create and develop global IPs



# Medium-Term Management Plan (FY2022-FY2024)



Sales of 100 billion yen and operating profit of 40 billion yen are projected for FY2024



## Priority Goals

- Operation profit target of 40 billion yen in FY2024
- 5 million copies class console title (new IP)
- 2 million copies class console title every year
- Smartphone title
  - with monthly sales of 2 billion yen
- Smartphone titles
  - with monthly sales of 1 billion yen



## Growth Strategy

- Realization of 5 million copies class console title and yearly launch of 2 million copies class console title
- Realization of smartphone title with monthly sales of 2 billion yen
- Releasing our next smartphone title with monthly sales of 1 billion yen
- Utilize the know-how from our successful titles in expansion of other IP (Nioh, Romance of the Three Kingdoms Ha-do)
- Globalization of Atlier, Historical SLG, and Warriors IP
- Development and expansion of IP
- Entering into growing genres (GPS, Battle royale)



## Expansion of Global Business

- Quality improvement on global titles
    - Enhancement of the Katana Engine
  - Expanding business in Europe and North America
  - Expanding business in China
    - Establishment of operations in Shanghai
- Establishment of a new  
IP Business Division
- Efforts to realize SDGs



# The World's #1 Digital Entertainment Company



# Management Strategy

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KOEI TECMO HOLDINGS CO., LTD.  
Executive Vice President (Representative Director)  
KOEI TECMO GAMES CO., LTD.  
President & COO (Representative Director)

**Hisashi Koinuma**



## Record High in Operating Profit for First Half of Year

### Performance

- In terms of packaged games, we released "Fire Emblem Warriors: Three Hopes."
- We have continued to maintain high standards in the online and mobile games sector.
- While we face increasing risks as we tackle the large-scale titles outlined in the medium-term business plan, we control these risks through actions such as collaborations with partners.

### Topics

- No revisions to the yearly earnings forecast
- Gradual release of promising new titles



PlayStation®5/Xbox Series X|S/PC(Origin/Steam®/Epic Game Store)

『WILD HEARTS』

Scheduled Release: February 17, 2023



PlayStation®5/ PlayStation®4/Xbox Series X|S/Xbox One/Xbox Game Pass/Steam®/Windows®

## 『Wo Long: Fallen Dynasty』

Scheduled Release: March 3, 2023



PlayStation®5

## 『Rise of the Ronin』

Scheduled Release: 2024

Development



※Published by: Bandai Namco Entertainment Inc.

Nintendo Switch™

## Ultra Kaiju Monster Rancher<sup>[1]</sup>

Released October 20, 2022



PlayStation®5/PlayStation®4/Nintendo Switch™/Steam®

## Atelier Ryza 3: Alchemist of the End & the Secret Key

Scheduled Release: February 22, 2023



Nintendo Switch™/PlayStation®5/PlayStation®4/Xbox Series X|S/Xbox One/Steam®

## FATAL FRAME: Mask of the Lunar Eclipse

Scheduled Release: Beginning of 2023

[1] English name is tentative



iOS/Android

Nobunaga's Ambition: Ha-do<sup>[1]</sup>

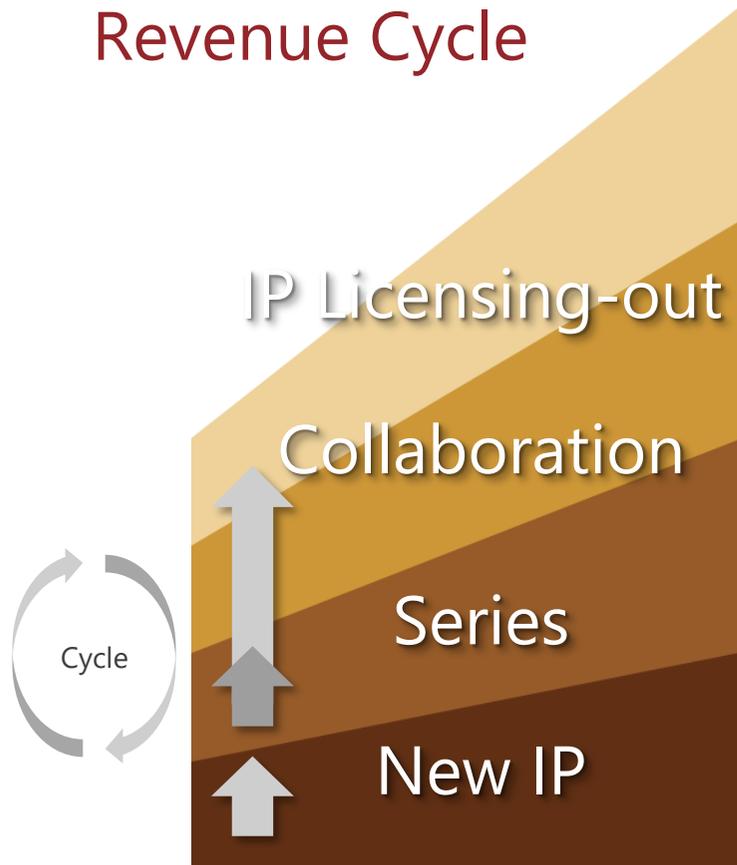
1. Multi-layered Revenue Cycle
2. Excellent Power of Development, Technology, and Project Management
3. Transcendent Human Power



# 1. Multi-layered Revenue Cycle



## Multi-layered Revenue Cycle



### IP Licensing-out

- Utilizing IP assets cultivated over many years

### Collaboration

- Leveraging development capabilities to collaborate with leading global IP
- Making collaboration titles into series

### Series

- Expansion of spin-off titles derived from existing series
- Smartphone titles derived from console IP

### New IP

- Creation of a title with sales of 5 million copies
- 2 million copies class console title every year
- Smartphone title with monthly sales of 2 billion yen
- Smartphone titles with monthly sales of 1 billion yen

### Recent Performance

- Three Kingdoms Tactics continues to perform exceedingly well
- New Nobunaga's Ambition<sup>[1]</sup>
- Uncharted Water Origin<sup>[1]</sup>

- Fire Emblem Warriors: Three Hopes
- Ultra Kaiju Monster Rancher<sup>[1]</sup>

- Nobunaga's Ambition: Shinsei<sup>[1]</sup>
- Atelier Ryza 3: Alchemist of the End & the Secret Key
- FATAL FRAME: Mask of the Lunar Eclipse

- WILD HEARTS
- Wo Long: Fallen Dynasty
- Rise of the Ronin
- Nobunaga's Ambition: Ha-do<sup>[1]</sup>

[1] English Names are tentative 31

### Recent Performance

#### Power of Development

- Creation of new IPs
- Know-how gathered through over **40 years of game development** (Action/ Simulation/ RPG)
- **Oriental Worldview**

#### Power of Technology

- Developing high-quality AAA titles using KT's proprietary game engine, **Katana Engine™**
- Promoting a multi-platform strategy

#### Power of Project Management

- Strong control over **Delivery Time, Quality and Budget**
- Promotion of the collaboration strategy
- Appropriate risk control

- Success of Nioh
- Success of Romance of the Three Kingdoms Ha-do
- Success of Romance of the Three Kingdoms IP in China (IP licensing-out)
- **Announced "WILD HEARTS""Wo Long: Fallen Dynasty" and "Rise of the Ronin"**

- Received a high score of 88 for "Nioh 2 – The Complete Edition" on Metacritic<sup>[1]</sup>
- Achieved global and multiplatform capabilities
- Made use of AI in historical simulation games

[1] North American game review site

- Improved profitability of each title
- Released collaboration titles every year
- Successfully managing 5-year development plan
- **Mitigated risks through collaboration with partners**

# 3. Transcendent Human Power



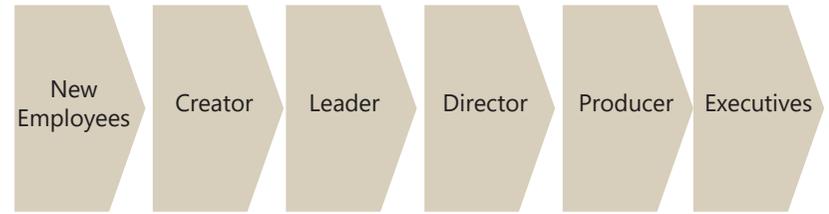
## Recent Performance

**Innovation**  
**Specialization and Diversification**

- 6 distinctive brands
- Successful synergy from business integration

**Structure**  
**Employee Welfare**  
**Personnel Training**

- Improvement of employee welfare
- Hiring KT fans and game enthusiasts
- Head of Development is a producer and playing manager



**Culture and Values**  
**Creativity and Business**  
**Shared Vision**

- Achieving a high level of creativity and business
- Shared management philosophy, vision, and values

- Success of "Nioh"
- Synergy between KOEI, TECMO, and Gust

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- Creation of an environment that increases employee engagement

An environment which allows employees to excel has resulted in a low turnover rate

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- Newcomers grow and progress while gaining field experience

This leads to better performance

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- Profit growth and high profitability for 12 consecutive fiscal years
- Expand collaborations and IP licensing business

**Competitiveness of outstanding in-house development**

\*Job Turnover Rate in FY21: 4.2% (Reference: Ministry of Health, Labor, and Welfare. 2021. "Summary of Survey on Employment Trends, 2021." Job Turnover Rate for All Industries: 13.9%, Telecommunications Industry: 9.1%)



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