



KOEI TECMO HOLDINGS CO., LTD.

**Fiscal Year Ending March 2019  
1st Half Financial Results**

# Financial Summary (FY2018 1st Half)

## Achieved all-time high in profits for the first half!

(Units: Millions of Yen)

	Term ended Sep. 2017		Term ended Sep. 2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change
Sales	<b>14,916</b>	<b>100.0%</b>	<b>17,407</b>	<b>100.0%</b>	<b>2,491</b>	<b>16.7%</b>
Operating Profit	<b>2,850</b>	<b>19.1%</b>	<b>4,684</b>	<b>26.9%</b>	<b>1,834</b>	<b>64.3%</b>
Ordinary Profit	<b>6,897</b>	<b>46.2%</b>	<b>8,587</b>	<b>49.3%</b>	<b>1,690</b>	<b>24.5%</b>
Net Income	<b>5,034</b>	<b>33.7%</b>	<b>6,290</b>	<b>36.1%</b>	<b>1,256</b>	<b>24.9%</b>

# Major Titles and Events (FY2018 1st Half)



PlayStation®4  
Nintendo Switch™  
**WARRIORS OROCHI 4**  
310K copies in  
Japan/Asia region



Nintendo Switch™  
**Hyrule Warriors:  
Definitive Edition**  
On sale worldwide



PlayStation®4 / Steam®  
**Nioh  
Complete Edition**  
Over 2 million copies!



**Nobunaga no Yabou  
Nyapuri!**  
iOS / Android

Ranked 21st on App Store  
Ranked 20th on Google Play!  
(Japan)

**新三國志**  
**Shin-Sangoku-shi**  
IP License iOS  
Android

Ranked 11th on App Store  
Ranked 10th on Google Play!  
(Japan)

**DYNASTY  
WARRIORS  
UNLEASHED**  
IP License iOS  
Android



15th Anniversary  
**金色のコルダ**  
ネオロマンスフェスタ

3Majesty x X.I.P. LIVE  
5th Anniversary Tour  
— SPECIAL SUMMER —  
**Event**  
40K Participants

# Sales and Operating Profit by Business Segment (FY2018 1st Half)

## Term ended Sep. 2018

(Units: Millions of Yen)

	Entertainment	Pachislot & Pachinko	Amusement Facilities	Real Estate	Others	Total	Corporate & Elimination	Consolidated Total
Sales	15,654	720	739	393	77	17,586	△178	17,407
Operating Profit	4,182	264	64	147	25	4,684	0	4,684

## Term ended Sep. 2017

(Units: Millions of Yen)

	Entertainment	Pachislot & Pachinko	Amusement Facilities	Real Estate	Others	Total	Corporate & Elimination	Consolidated Total
Sales	13,410	463	681	389	82	15,028	△111	14,916
Operating Profit	2,645	145	△131	168	23	2,850	0	2,850

# Net Sales by Region

(Units: Millions of Yen)

	Term ended Sep. 2017		Term ended Sep. 2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
Japan	<b>9,890</b>	<b>66.3%</b>	<b>11,479</b>	<b>65.9%</b>	<b>1,589</b>	<b>16.1%</b>
Overseas	<b>5,026</b>	<b>33.7%</b>	<b>5,928</b>	<b>34.1%</b>	<b>902</b>	<b>17.9%</b>
North America	<b>1,710</b>	<b>11.5%</b>	<b>1,714</b>	<b>9.8%</b>	<b>4</b>	<b>0.2%</b>
Europe	<b>1,208</b>	<b>8.1%</b>	<b>1,135</b>	<b>6.5%</b>	<b>△73</b>	<b>△6.0%</b>
Asia	<b>2,108</b>	<b>14.1%</b>	<b>3,080</b>	<b>17.7%</b>	<b>972</b>	<b>46.1%</b>
Total	<b>14,916</b>	<b>100.0%</b>	<b>17,407</b>	<b>100.0%</b>	<b>2,491</b>	<b>16.7%</b>

# Sales Units by Region

(Units: Thousands of Units)

	Term ended Sep. 2017		Term ended Sep. 2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
Japan	<b>785</b>	<b>30.7%</b>	<b>670</b>	<b>28.0%</b>	<b>△115</b>	<b>△14.6%</b>
Overseas	<b>1,775</b>	<b>69.3%</b>	<b>1,720</b>	<b>72.0%</b>	<b>△55</b>	<b>△3.1%</b>
North America	<b>860</b>	<b>33.6%</b>	<b>840</b>	<b>35.1%</b>	<b>△20</b>	<b>△2.3%</b>
Europe	<b>595</b>	<b>23.2%</b>	<b>560</b>	<b>23.4%</b>	<b>△35</b>	<b>△5.9%</b>
Asia	<b>320</b>	<b>12.5%</b>	<b>320</b>	<b>13.4%</b>	<b>0</b>	<b>0.0%</b>
Total	<b>2,560</b>	<b>100.0%</b>	<b>2,390</b>	<b>100.0%</b>	<b>△170</b>	<b>△6.6%</b>

Note: Includes downloadable versions and royalties

**KOEI TECMO HOLDINGS CO., LTD.**  
**Consolidated Plan**  
**(Fiscal Year Ending March 31, 2019)**



# Financial Summary (Plan FY2018)

(Units: Millions of Yen)

	FY2017		FY2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of change
Sales	<b>38,926</b>	<b>100.0%</b>	<b>41,000</b>	<b>100.0%</b>	<b>2,074</b>	<b>5.3%</b>
Operating Profit	<b>11,711</b>	<b>30.1%</b>	<b>12,000</b>	<b>29.3%</b>	<b>289</b>	<b>2.5%</b>
Ordinary Profit	<b>18,293</b>	<b>47.0%</b>	<b>17,500</b>	<b>42.7%</b>	<b>△793</b>	<b>△4.3%</b>
Net Income	<b>13,017</b>	<b>33.4%</b>	<b>12,500</b>	<b>30.5%</b>	<b>△517</b>	<b>△4.0%</b>

# Sales and Operating Profit by Business Segment (Plan FY2018)

## FY2018

(Units: Millions of Yen)

	Entertainment	Pachislot & Pachinko	Amusement Facilities	Real Estate	Others	Total	Corporate & Elimination	Consolidated Total
Sales	37,200	1,500	1,500	800	150	41,150	△150	41,000
Operating Profit	11,000	500	100	350	50	12,000	0	12,000

## FY2017

(Units: Millions of Yen)

	Entertainment	Pachislot & Pachinko	Amusement Facilities	Real Estate	Others	Total	Corporate & Elimination	Consolidated Total
Sales	35,389	945	1,536	784	584	39,240	△313	38,926
Operating Profit	10,938	289	△362	348	496	11,711	0	11,711

# Net Sales by Region (Plan FY2018)

(Units: Millions of Yen)

	FY2017		FY2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
Japan	<b>26,000</b>	<b>66.8%</b>	<b>27,500</b>	<b>67.1%</b>	<b>1,500</b>	<b>5.8%</b>
Overseas	<b>12,926</b>	<b>33.2%</b>	<b>13,500</b>	<b>32.9%</b>	<b>574</b>	<b>4.4%</b>
North America	<b>4,419</b>	<b>11.4%</b>	<b>5,000</b>	<b>12.2%</b>	<b>581</b>	<b>13.1%</b>
Europe	<b>3,334</b>	<b>8.6%</b>	<b>3,700</b>	<b>9.0%</b>	<b>366</b>	<b>11.0%</b>
Asia	<b>5,172</b>	<b>13.3%</b>	<b>4,800</b>	<b>11.7%</b>	<b>△372</b>	<b>△7.2%</b>
Total	<b>38,926</b>	<b>100.0%</b>	<b>41,000</b>	<b>100.0%</b>	<b>2,074</b>	<b>5.3%</b>

# Sales Units by Region (Plan FY2018)

(Units: Thousands of Units)

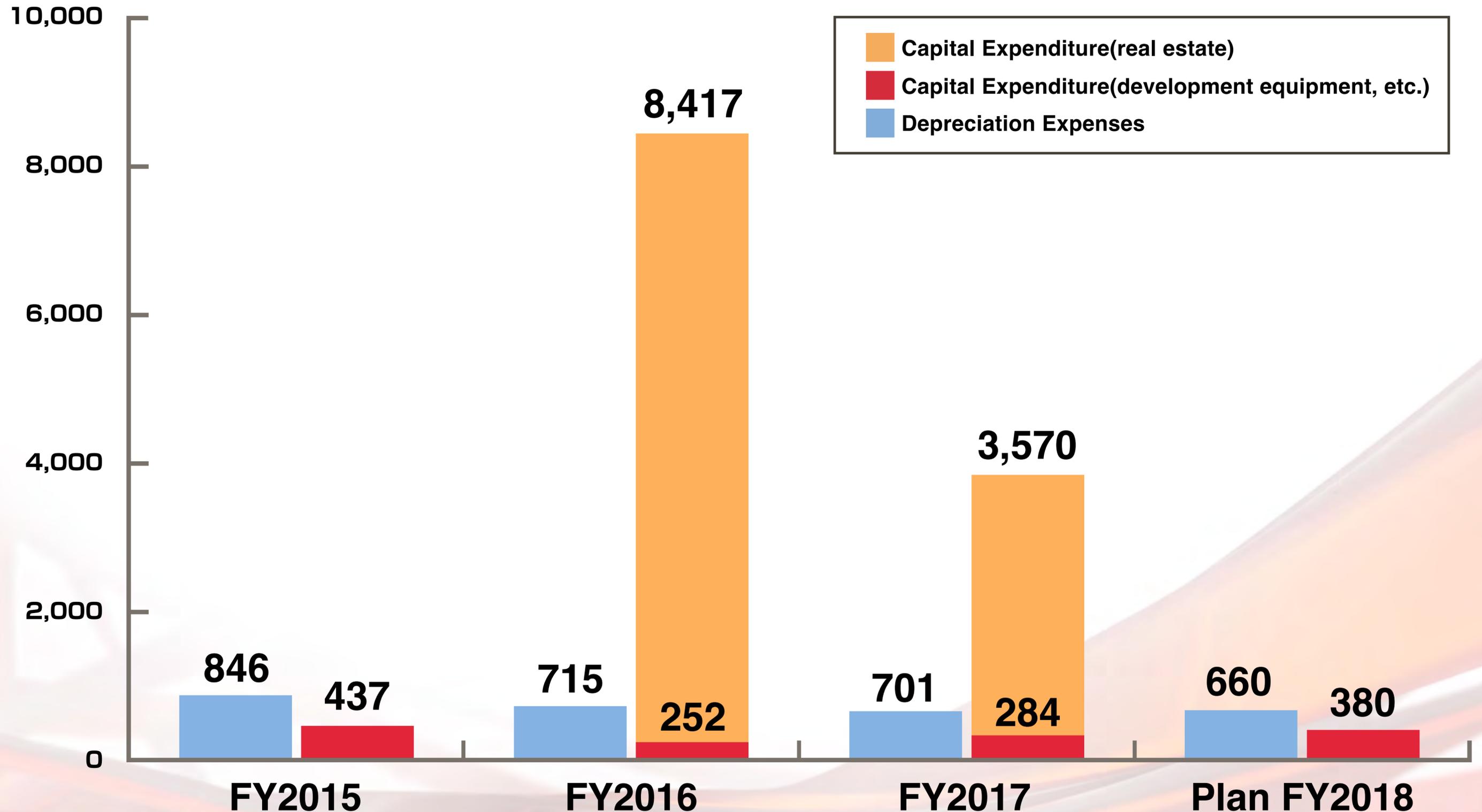
	FY2017		FY2018		YoY Change	
	Amount	Ratio	Amount	Ratio	Amount	Rate of Change
Japan	<b>2,250</b>	<b>31.1%</b>	<b>2,300</b>	<b>31.5%</b>	<b>50</b>	<b>2.2%</b>
Overseas	<b>4,990</b>	<b>68.9%</b>	<b>5,000</b>	<b>68.5%</b>	<b>10</b>	<b>0.2%</b>
North America	<b>2,120</b>	<b>29.3%</b>	<b>2,250</b>	<b>30.8%</b>	<b>130</b>	<b>6.1%</b>
Europe	<b>1,670</b>	<b>23.1%</b>	<b>1,850</b>	<b>25.3%</b>	<b>180</b>	<b>10.8%</b>
Asia	<b>1,200</b>	<b>16.6%</b>	<b>900</b>	<b>12.3%</b>	<b>△300</b>	<b>△25.0%</b>
Total	<b>7,240</b>	<b>100.0%</b>	<b>7,300</b>	<b>100.0%</b>	<b>60</b>	<b>0.8%</b>

Note: Includes downloadable versions and royalties

# Capital Expenditure and Depreciation Expenses (Plan FY2018)

## Capital Expenditure and Depreciation Expenses

(Units: Millions of Yen)



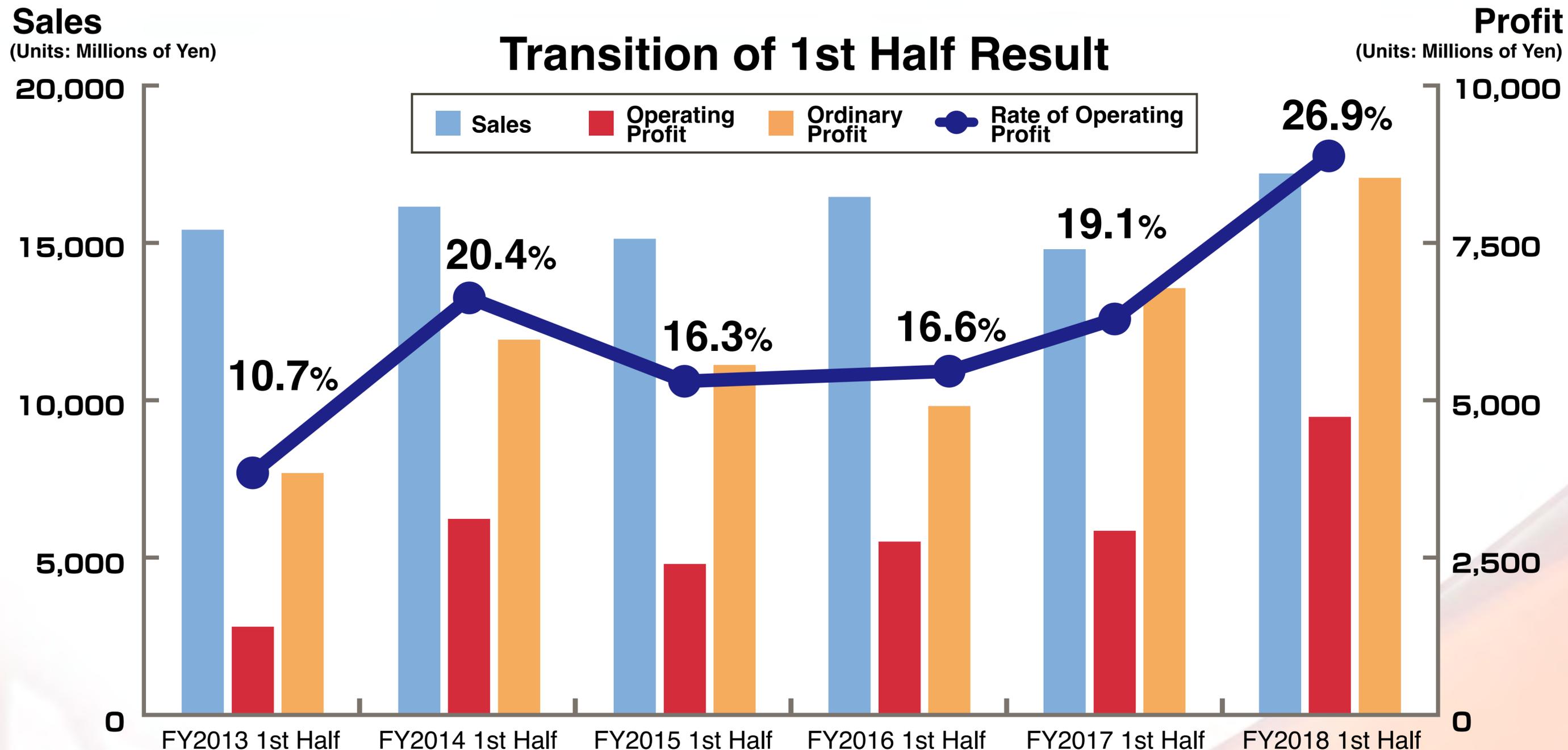
# **KOEI TECMO Group Management Policy**

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

**President & CEO**

**Yoichi Erikawa**

# FY2018 1st Half Result



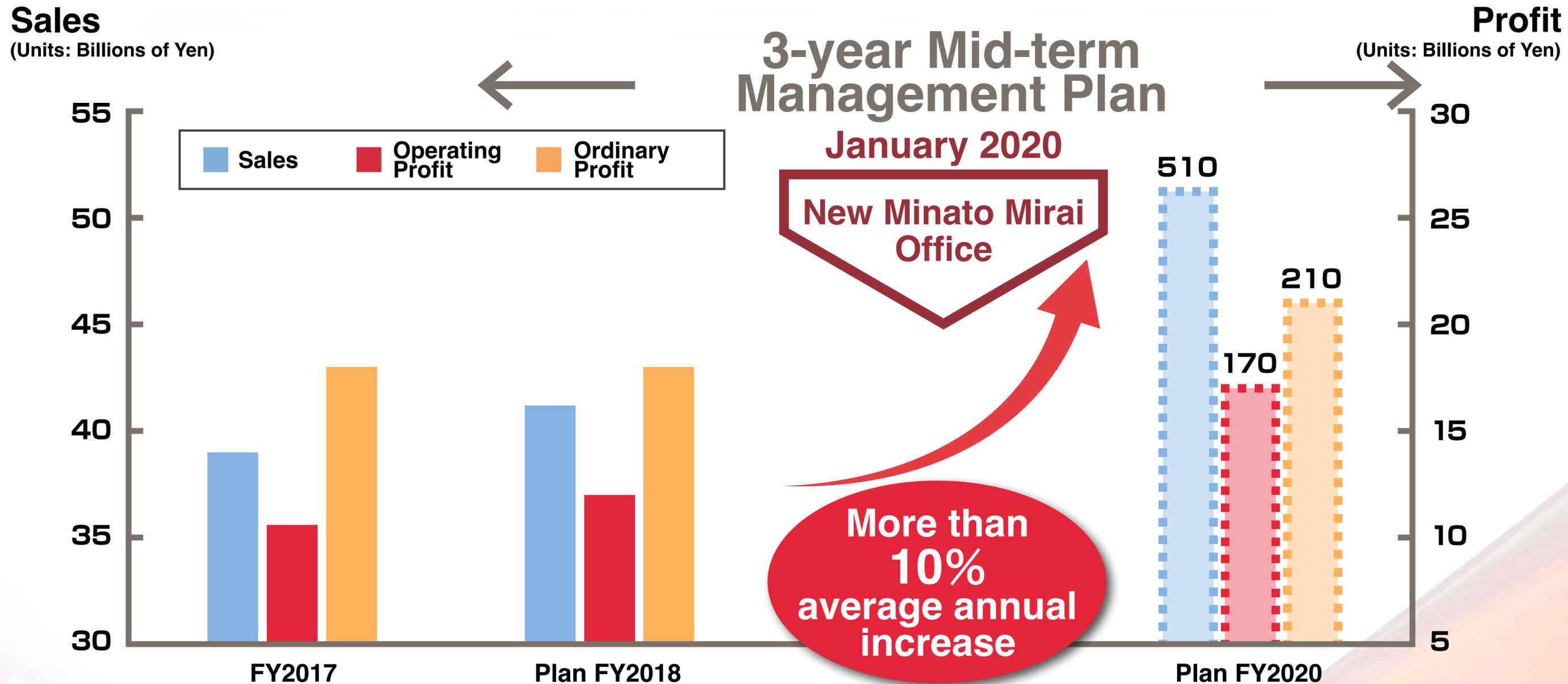
- **Achieved all-time high in profits for the first half!**
- **Improved profitability by increasing royalty income and further expanding into the smartphone game sector, and achieved an operating profit ratio of 26.9%.**
- **Aim to achieve the highest profit possible by releasing major titles in the 2nd half.**

# Management Policy for FY2018

- 1. Create and develop global IPs**
- 2. Effectively expand global business**



# 3-year Mid-term Management Plan



- Aim to increase sales and profit rates yearly by at least 10%, and achieve sales of 51 billion yen, operating profit of 17 billion yen, and ordinary profit of 21 billion yen by the end of FY2020.
- Create and release titles with sales of at least 5 million copies, and smartphone titles that generate 1 billion yen sales monthly.
- The sales of some licensed titles exceeded 2 billion yen in a month.

# **Future Business Deployment**

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

**Vice President**

**Hisashi Koinuma**

# Creation and development global IPs.



- Release numbered titles in the fighting entertainment genre that target the global market!
- Set to be available in arcades
- Our main e-Sports title
- Plans to release downloadable content

# Creation and development global IPs.



**NOBUNAGA'S AMBITION: Taishi with Power-Up Kit**

PlayStation®4 / Nintendo Switch™ / Windows®



PlayStation®4 / PlayStation®Vita / Nintendo Switch™

# Creation and development global IPs.

## Development



Japan  
Game Awards  
2018  
Future Division  
Award

ドラゴンクエストビルダーズ2

●破壊神シドーとからっぽの島●

# Creation and development global IPs.



- "Nioh 2", the sequel to "Nioh", which has sold over 2 million copies, is under development.

# Creation and development global IPs.

## IP License



Ranked 21st on App Store  
Ranked 20th on Google Play!  
(Japan)

**Shin-Sangoku-shi**

iOS / Android

## IP License



Ranked 11th on App Store  
Ranked 10th on Google Play!  
(Japan)

iOS / Android

## IP License



Ranked 20th on App Store  
Ranked 13th on Google Play!  
(Japan)

**Atelier Online**

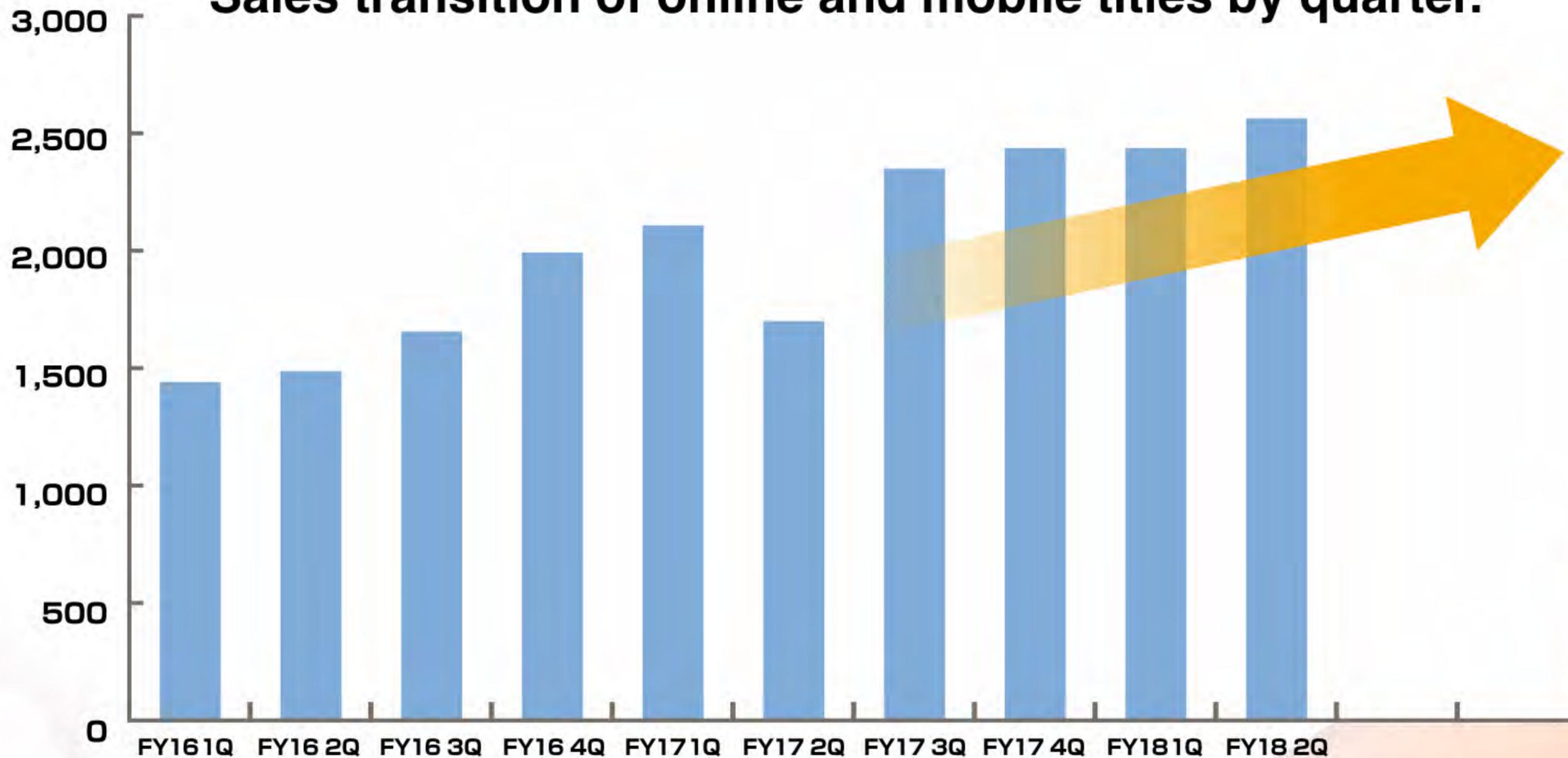
iOS / Android

- "Shin-Sangoku-shi" and "DYNASTY WARRIORS: UNLEASHED": Licensed titles that were major hits in Asia have also been released in Japan!
- "Atelier Online": Licensed titled of the Atelier IP.

# Creation and development global IPs.

(Units: Millions of Yen)

## Sales transition of online and mobile titles by quarter.



Note: The total amount for online PC, social (including smartphone), and other mobile titles.

- The sales and profitability of the online and mobile sectors have been able to grow due to royalty income from both titles that are managed and developed by our company, as well as titles from licensed IPs.

# Effectively expanding global business.

<b>Goal</b>	<b>Progress</b>
<b>Reevaluate the roles of our global offices.</b>	<ul style="list-style-type: none"><li>• Recruit the human resources of digital marketing at overseas subsidiaries.</li><li>• Enhance both local human resources and support from Headquarter</li><li>• Overseas development subsidiary has shown results in global smartphone game service. (such as service of the global version of "DISSIDIA FINAL FANTASY OPERA OMNIA").</li></ul>
<b>Cultivate personnel for global business expansion</b>	<ul style="list-style-type: none"><li>• Develop our current workforce while also hiring new employees.</li></ul>
<b>Full-scale entry into Chinese market.</b>	<ul style="list-style-type: none"><li>• Negotiating with business partner.</li><li>• Estimated conservatively in mid-term plan.</li></ul>

# Progress of the mid-term plan and other goals

<b>Goal</b>	<b>Progress</b>
<b>Create and release titles with sales of at least 5 million copies</b>	<ul style="list-style-type: none"><li>• Began planning the title.</li><li>• By expanding upon the success of "Nioh", we intend to be a group that produce AAA titles.</li></ul>
<b>Create and release smartphone titles generate sales of 1 billion yen monthly.</b>	<ul style="list-style-type: none"><li>• Project is underway.</li><li>• The "midas" brand has re-established its overall concept and has begun challenging new goals.</li><li>• Take advantage of the success of licensed titles when developing our own titles.</li></ul>
<b>Collaborations with leading overseas IPs.</b>	<ul style="list-style-type: none"><li>• Title under development.</li></ul>



**This document contains statements regarding future objectives, beliefs and current expectations of KOEI TECMO HOLDINGS CO., LTD. with respect to its financial results. Such statements imply risks uncertainties and no guarantee of future performance**