Fiscal Year 2027/3 Q1 Financial Results Briefing Materials

Drecom Co., Ltd.

July 29, 2026

"Monster Master Girl" TV anime confirmed! Drecom Media Awards' first screen adaptation (July 3,2026)

For consolidated results trends, cost / SG&A trends, and game business billing sales trends, please see the fact sheet on our HP .
https://drecom.co.jp/ir/factsheet_2027031Q.pdf

Summary of this material

Fiscal year2027/3 Q1 Act.	• **Main 2 titles strong. Absorbed impact from sale of 2 subs, landed at ¥522mn in operating profit** -" Wizardry Variants Daphne" YoY +14% growth, and anniversary promos for third-party titles were strong - Sales revenue ¥4,355 mn (YoY ▲2.5%) Operating profit ¥522 mn (YoY, turned profitable) Ordinary income ¥512 mn (YoY, turned profitable) Net income *1 ¥323 mn (YoY, turned profitable)
Fiscal year2027/3 Full-year forecast	• **Q1 beat the initial plan. Full-year forecast unchanged pending assessment of business conditions from Q2 onward** - "Wizardry Variants Daphne" has collab measures in Q2 , and Q3 has 2nd anniversary measures lined up - Full-year earnings forecast (unchanged) : Sales revenue ¥18,000 mn, operating profit ¥1,000 mn , ordinary income ¥900 mn, net profit *2 ¥600 mn
Mid-term Vision (~2031) Progress	• **" Wizardry " IP expansion, and IP creation efforts** - "Wizardry" 45 th anniv.: launched measures to excite old and new fans, incl. releasing new illustrations, triggered by the launch of a special site - Founded indie game studio ‘DRECOM CREATORS STUDIO’ - The 4th Drecom Media Awards drew over 10k entries, and the 2nd ≪Grand Prize≫ winner “Monster Master Girl” TV anime confirmed

*1: quarterly net income attributable to Parent company shareholders *2: net income attributable to Parent company shareholders

1. Fiscal year 2027/3 Q1 Business Overview

2. 2027/3 Fiscal Year Full-year Earnings forecast

3. Mid-term Vision (～2031)

4. Appendix

Fiscal year 2027/3 Q1 Results Summary

DRECOM with entertainment

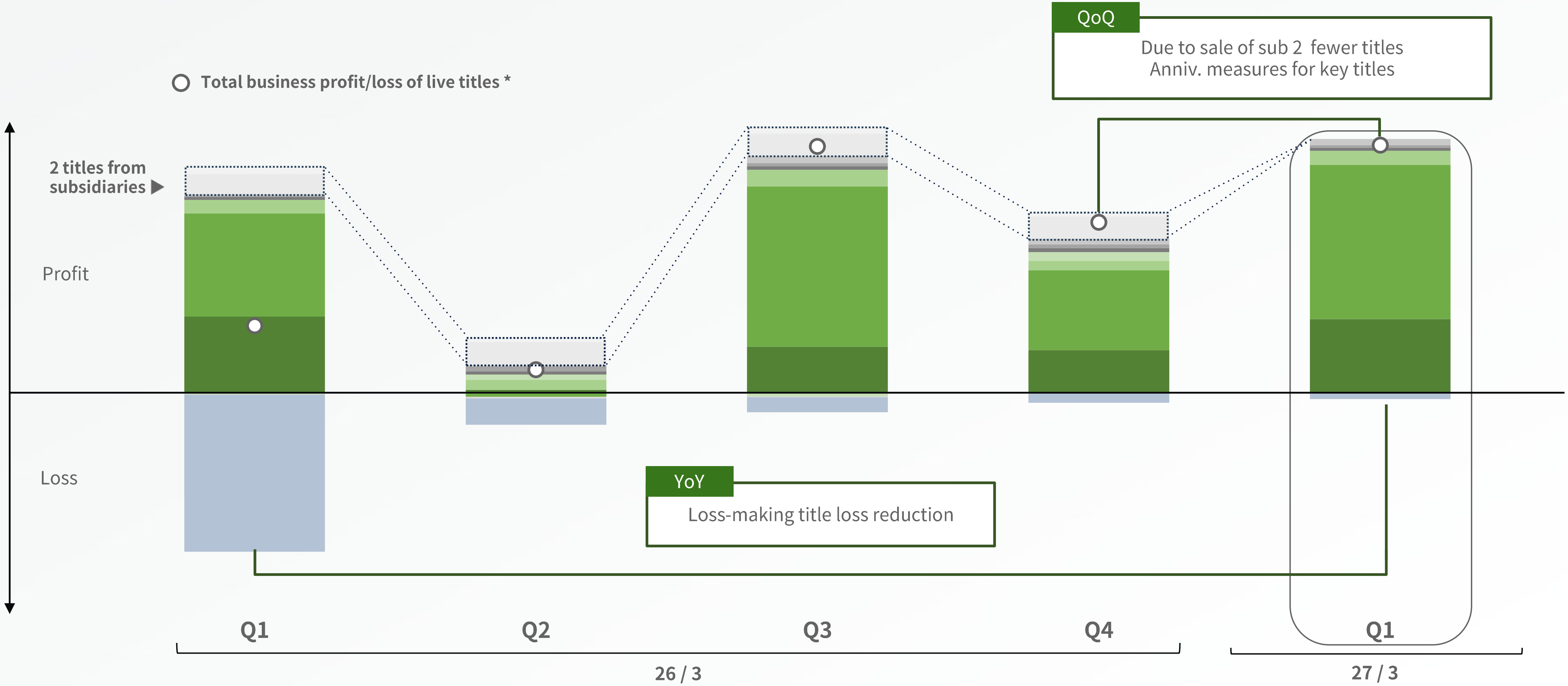
Main 2 titles' anniversary events strong. Absorbed impact from sale of 2 subs and posted OP of ¥522mn

(Unit: ¥mn)	Fiscal year2027 / 3 Q1 (April to Jun)	Fiscal year2026 / 3 Q1 (April-Jun)	YoY	Fiscal year2026 / 3 4Q (Jan-Mar)	QoQ
Sales revenue	4,355	4,466	▲111	4,246	+108
Operating profit	522	▲81	+604	311	+211
operating profit margin	12.0%	-	-	7.3%	-
EBITDA ※	786	347	+439	578	+208
EBITDA margin	18.1%	7.8%	-	13.6%	-
Ordinary income	512	▲107	+619	278	+233
attributable to Parent company shareholders Quarterly net income or Quarterly net loss (▲)	323	▲1,799	+2,122	1,955	▲1,631

※ : EBITDA = operating profit + depreciation

Fiscal year 2027/3 Q1 Earnings Summary: P/L of Live Game Titles

Vs. prev. Q1 , profit improved on narrower losses from unprofitable titles and growth of "Wizardry Variants Daphne"

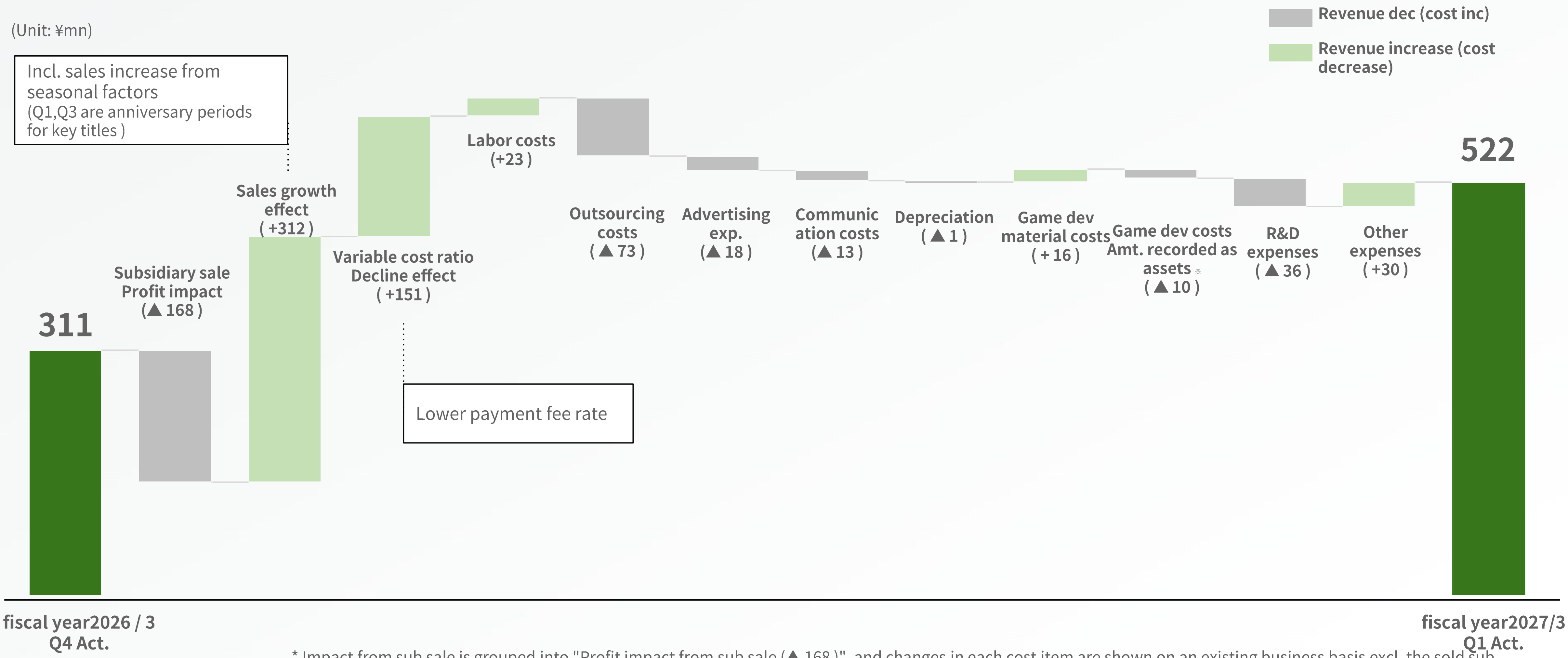


* Titles in operation from Apr 2025 to Jun 2026: 11 titles in FY2026/3, 9 titles in FY2027/3.

* For sales revenue, please see the fact sheet on our website. HP https://drecom.co.jp/ir/factsheet_2027031Q.pdf

FY2027/3 Q1 Operating Profit: QoQ Variance

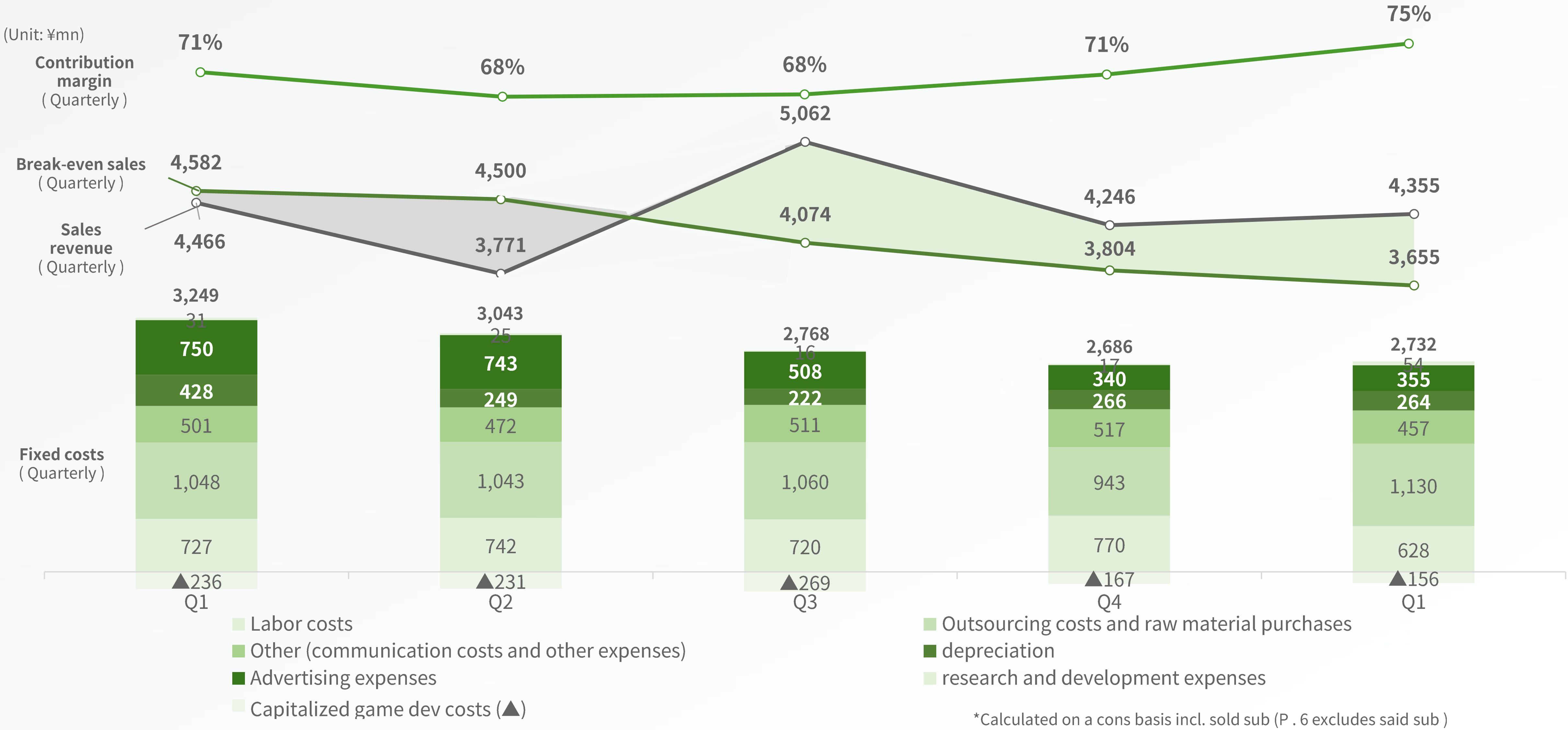
vs. prev. 4Q , profit rose mainly on higher sales from anniversary promos and a lower payment fee rate



* Impact from sub sale is grouped into "Profit impact from sub sale (▲ 168)", and changes in each cost item are shown on an existing business basis excl. the sold sub
*Capitalized game dev costs: amount reclassed from mfg costs to assets as "software in progress" by deducting game dev costs such as labor and outsourcing costs

FY2027/3 Q1 Trend in Break-even Sales, Contribution Margin, and Fixed Costs

Profitability improvement continues

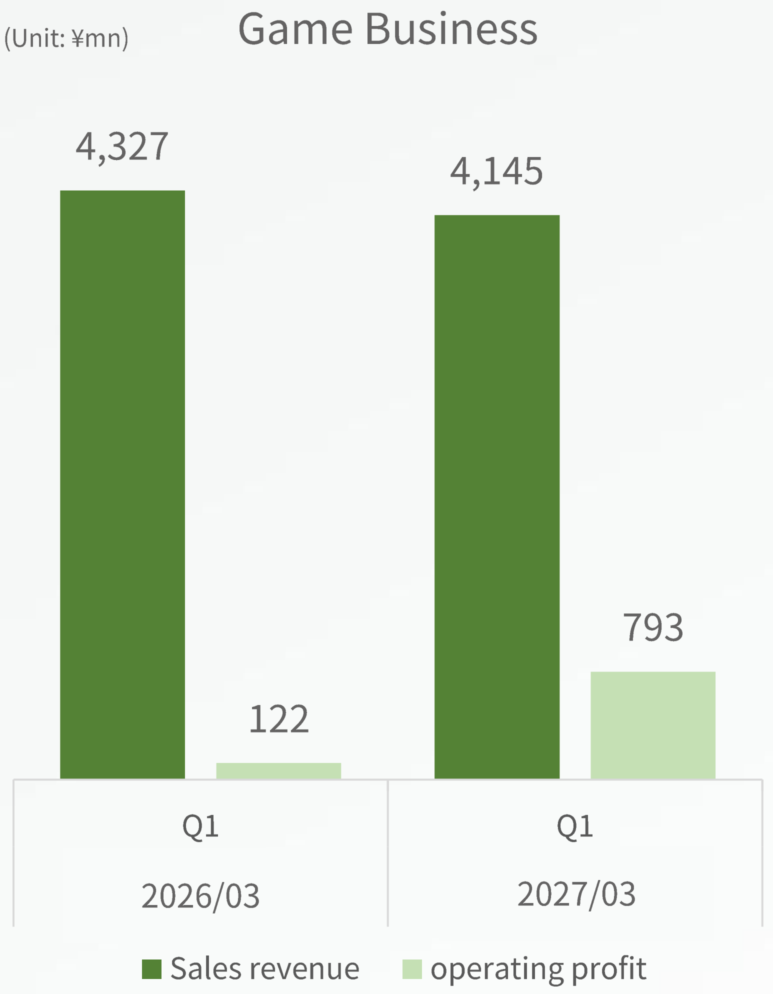


*Calculated on a cons basis incl. sold sub (P . 6 excludes said sub)

Fiscal year 2027/3 Q1 Overview : Game Business Segment

Segment profit rose on better weak titles and growth in key titles

(Unit: ¥mn)



*Fiscal year 2026/3 Q1 : cons incl. sold sub basis

Business Overview

Mobile ops

- **"Wizardry Variants Daphne" YoY +14%**
  - Sales: Q3 ¥2.16bn → Q4 ¥2.48bn → Q1 ¥2.30bn → Q2 ¥2.05bn → Q3 ¥3.08bn* → Q4 ¥2.31bn* → Q1 ¥2.62bn
  - Wider release regions and media mix rollout paid off in the 1.5-year anniversary campaign in April
  - Also diversified payment methods
- **Reduced losses from unprofitable titles**
- **3rd-party distribution: 12 th anniv. for IP titles performing well**
- (Note) Due to sale of subs, revenue fell by 2 self-published titles
  - Sales contribution from sub titles was ¥1.3bn for the previous fiscal year, and Q1 ¥320mn

Premium PC & Console

- **Started indie game studio efforts to create IP**
  - Business launch phase, costs lead due to R&D investment

* Sales figures in this material have been restated under a unified accounting standard, from ¥2.97bn in Q3 and ¥2.44bn in Q4.

Fiscal year 2027/3 Q1 Overview : Game Business Segment

DRECOM with entertainment

"Wizardry Variants Daphne"

Q1 : 1.5 Anniv.

1.5 anniv. marked April to June 2026 sales,

YoY +14 % ¥2.62bn still growing

Q2 : " FINAL FANTASY XI " Collab

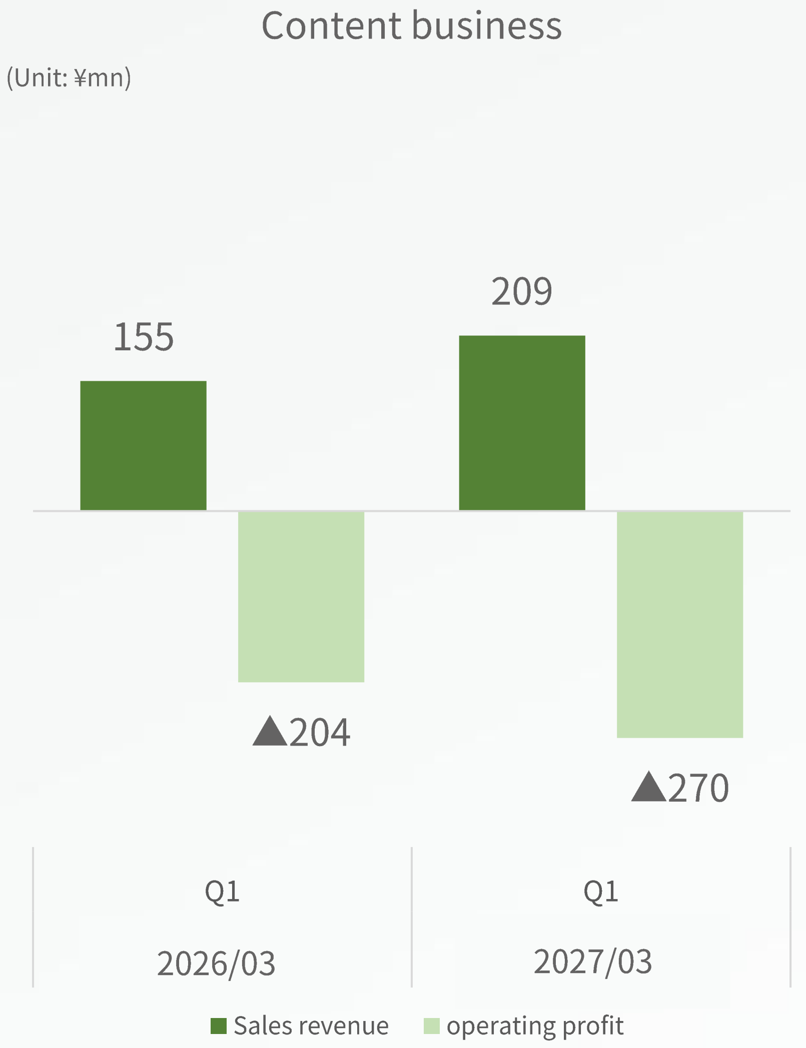
© Drecom Co., Ltd. © SQUARE ENIX

From late Jul, first external IP collab.

For further growth, plan active ad investment

Fiscal year 2027/3 Q1 Overview : Content Business Segment

Revenue rose on more titles published. IP creation costs to expand the base ran ahead, widening losses



Business Overview

Publishing & Anime Business

- **Q1 : 14 titles published (Comics 10 , Novels 4)**
  - vs. Q1 10 titles (comic 4 , novel 6), up mainly in comics
  - Stronger editorial setup drove more titles incl. original comics
- **Many new series launched, costs led**
  - Q1 launched comic 7 titles, novel 2 titles of new series published
  - New series require upfront production costs at launch, and monetization takes time
- **Popular backlist series support earnings**
  - " The Royal Rebound " comic Vol. 5 was published in May 2026, Series cum. 1mn copies sold

Other

- **MD(Merchandising) :** Mainly third-party IP goods planning and sales
- **Technology utilization:** Run a walking points app

1. Fiscal year 2027/3 Q1 Business Overview

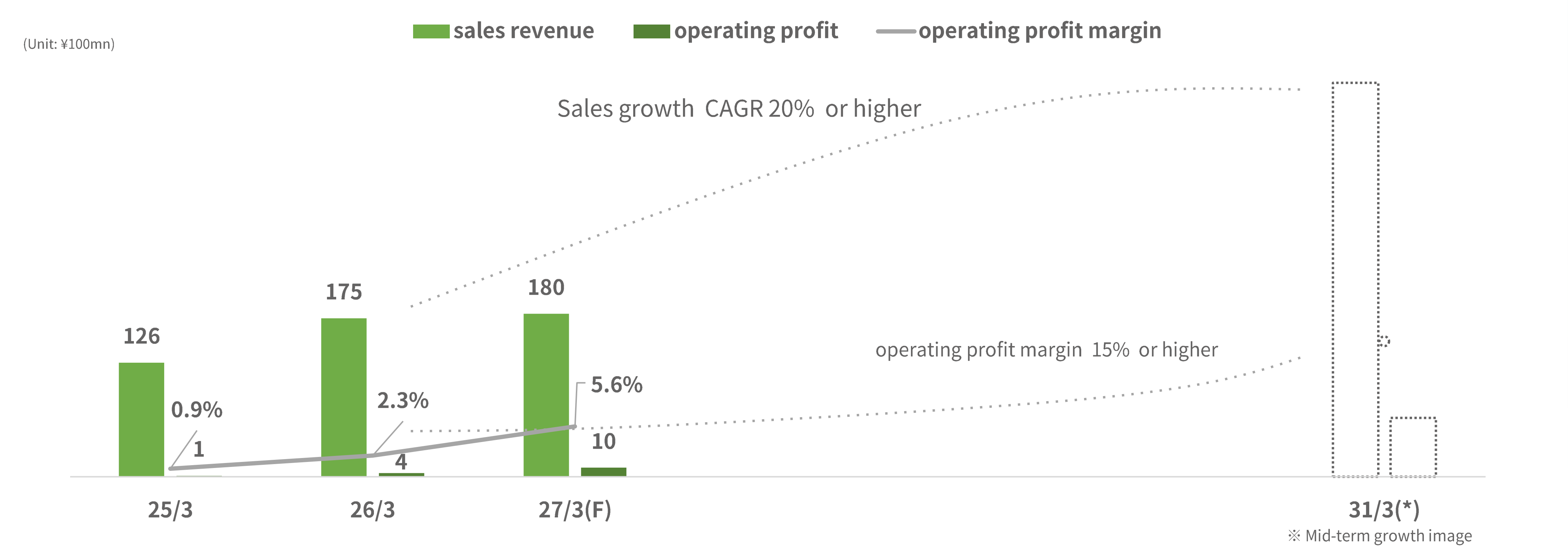
2. 2027/3 Fiscal Year Full-year Earnings Forecast

3. Mid-term Vision (～2031)

4. Appendix

Mid-term growth target and 2027/3 progress image

Aim for scale via sustained sales growth, boost profitability by streamlining existing businesses, and invest in needed areas



Games (Ops / Mobile)	Own IP title sales + ad spend			Growth from new titles growth
(Indie game)		Upfront costs for biz launch ahead of revenue	Sales growth	Profit contribution
Content (Publishing, Anime, and MD)	Upfront costs for business launch ahead of revenue		Sales growth	Profit contribution

Fiscal year 2027/3 Full-year earnings forecast overview and progress

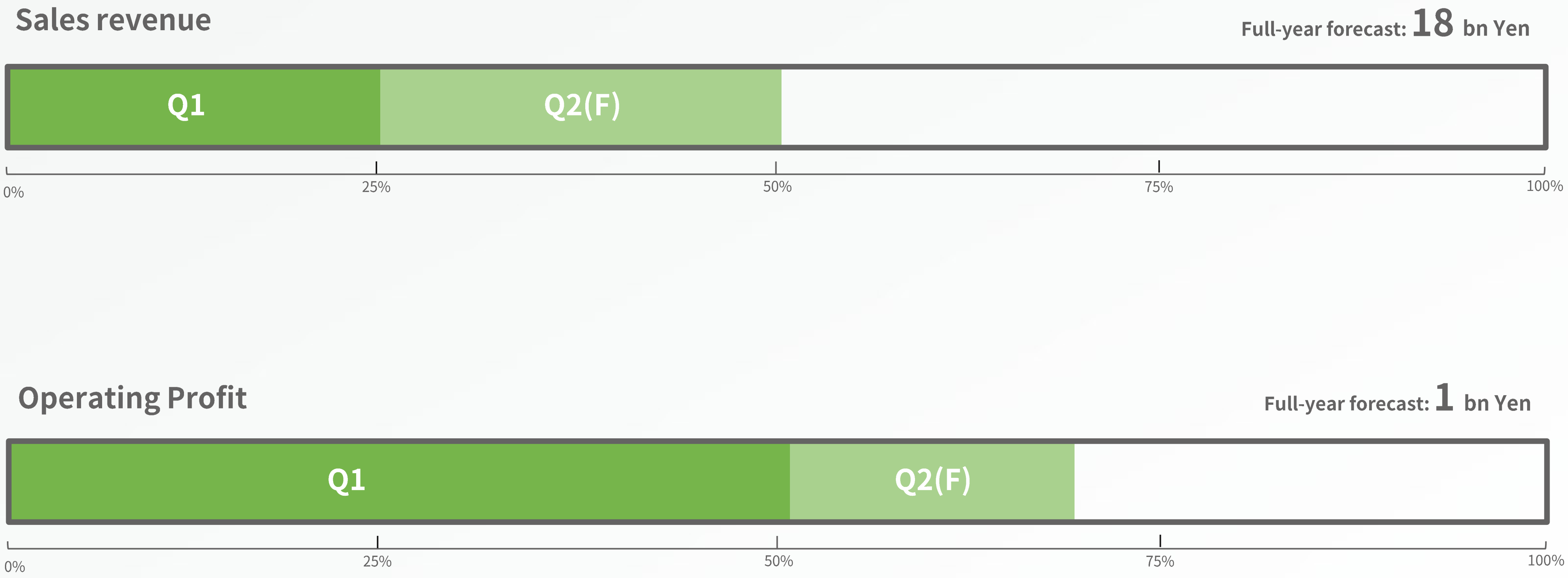
Q1 saw core 2 titles perform well, beating plan. Full-year guidance unchanged pending review of business trends from Q2 onward

(Unit: ¥mn)	Fiscal year2027/3 full-year earnings forecast Q1 (April to Jun) Act.	Progress rate	Full-year forecast	Notes	(Ref.) FY2026/3 Full-year Act. (cons)
Sales revenue	4,355	24.2%	18,000	-	17,547
Variable costs	1,099	20.0%	5,500	Mainly payment fees for self-published titles	5,391
Fixed costs	2,732	23.8%	11,500	-	11,747
Advertising exp.	355	13.7%	2,600	Mainly ad spend for live games Q2 to increase from then on	2,344
R&D expenses	54	13.5%	400	Technology area and R&D in indie games dev.	90
Depreciation	264	27.8%	950	Mainly software amortization in the game business	1,167
Game dev costs Amt. capitalized as assets ※	▲156	12.0%	▲1,300	Mainly from live titles Update cost	▲904
Operating profit	522	52.3%	1,000	-	408
operating profit margin	12.0%	-	5.6%	-	2.3 %
EBITDA	786	40.4%	1,950	EBITDA = operating profit + depreciation	1,576
EBITDA margin	18.1%	-	10.8%	-	9.0 %
Ordinary income	512	56.9%	900	-	318
attributable to Parent company shareholders net income	323	53.9%	600	-	213

※ Capitalized game dev costs : Amount reclassed from production costs to assets as "Software in progress" after deducting game dev costs such as labor and outsourcing

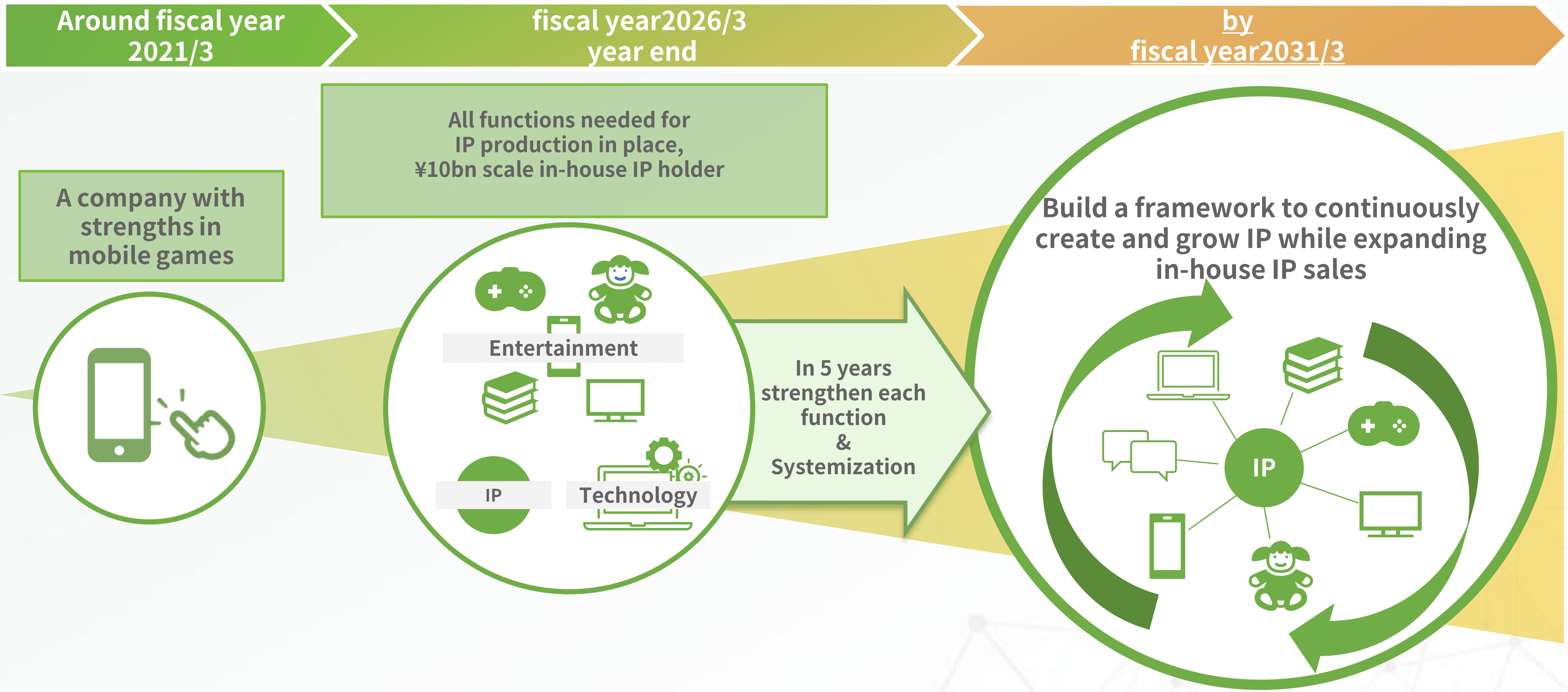
Fiscal year 2027/3 Q2 Progress image

"Wizardry Variants Daphne" will run a collaboration with an external IP, with increased advertising to broaden "Wizardry" awareness



Mid-term Vision (～2031)

Over the next 5 years, break free from reliance on hits from new titles and build a system to continuously create and grow IPs



KPIs for Mid-term Growth

For mid- to long-term growth, IP creation and 1IP sales growth per title are key KPI s

- **Enhancing Market Cap**
  - **Profit growth・Net assets increase**
    - **Sales growth** (CAGR20% or more)
      - **IP Creation** → Create through many small challenges
      - **Revenue growth per IP** → Invest in key IPs to expand sales scale
    - **Margin improvement** (OPM 15% or more)
      - **Improvement in upfront costs in investment areas** → Profit improvement from more hit titles and media adaptations
      - **Cost efficiency of existing live titles** → Optimize ad spend → Narrower losses on unprofitable titles
  - **Fair valuation from the stock market**
    - **Sincere dialogue with shareholders and investors; IR activities**
    - **Non-financial info, etc. Enhanced disclosure**

KPIs for Mid-term Growth – Number of IP Titles Created

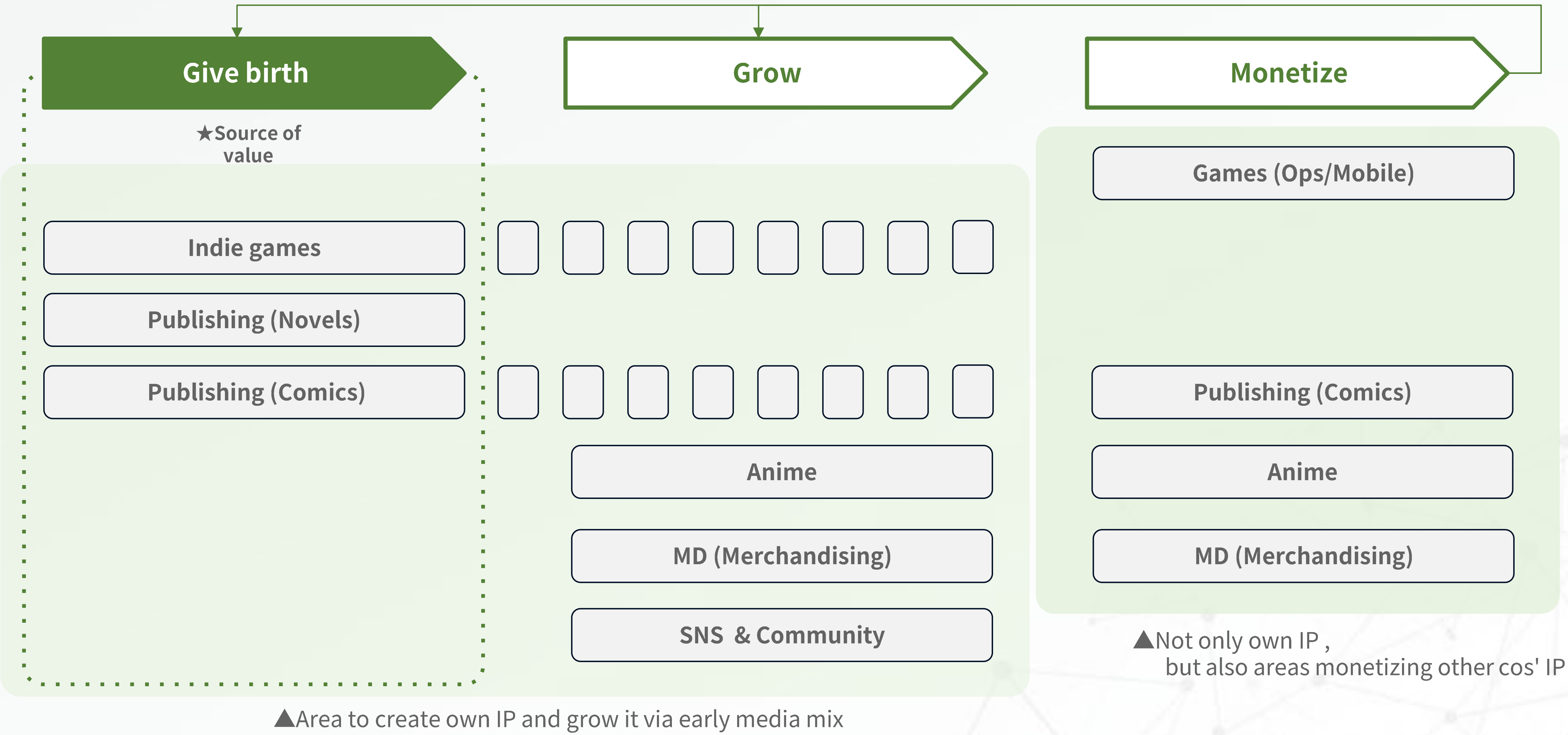
Area	Item	Fiscal year26/3 Year-end	Progress of cumulative figures →	Fiscal year27/3 Q1 end	Fiscal year27/3 year-end target
Indie Games	Units Released	1 title	+0 titles	1 title	3 titles
	Titles in development	2 titles	+0 titles	2 titles	5 titles
	(Ref.) Investment amount		+¥39mn		+¥295mn
Novel	No. of series titles = No. of Vol. 1 titles published	51 Series	+2 series	53 Series	74 Series
	(Ref.) Investment amount		+¥18mn		+¥119mn
Comics	No. of series titles = No. of Vol. 1 titles published	23 Series	+7 series	30 Series	52 Series
	(Ref.) Investment amount		+¥ 61mn		+¥490mn

※ Indie games include small- to mid-scale developed or premium(one-time purchase) PC / console titles co-developed with outside creators

※ Indie game investment is R&D expenses; novel/comic investment includes production costs for published titles incl. sequels (amount recorded as work in process)

IP Value Chain and Our Business Portfolio

Clarify roles on the IP value chain in each entertainment/content area, and strengthen areas needed in-house



IP Value Chain: About Creation

Mainly from game and publishing areas, create IP through many small challenges

Give birth

IP Creation

Quickly assess based on market response

Creators and many challenges

Games : Create IP from indie games

" Hungry Meem " (June 2025)

- Ranked No. 10 in AnimeJapan 2026's "Indie Games Fans Most Want to See Animated"

Upcoming titles

© SuperNiche LLC / Drecom Co., Ltd. / ARC SYSTEM WORKS

© Drecom Co., Ltd. All Rights Reserved. Published by Happinet.

Indie game studio
(launched May 2026)

DRECOM CREATORS STUDIO

あなたの種が、世界に根を張り、花を咲かせる。

Publishing : Create IP from comics & novels

" Thou Shalt Love thy Unwise King "
(2025 / 8)

- Ranked No. 1 in its category in "Kono Light Novel ga Sugoi! 2026"

Novel Contest

Original Comic Label

WEB Manga Site

- Continued novel contests and also started creating IP from original comics

Progress in creation: Indie game studio

Not only in-house dev, but also working with outside creators, taking on many challenges with speed

New indie game studio established

- **Announced establishment in May , and began accepting submissions**
- End-to-end support from development to long-term IP expansion

Exhibited at " Bitsummit "

- Exhibited at Bitsummit held in Kyoto in late May
- Set up demo booths for 4 titles we support

Progress in creation: PC /console game titles in dev.

As efforts to create IP, 2 titles in progress

" Demons' Night Fever "

- Publisher Arc System Works Co., Ltd. announced details and released a new PV in June

Release : 2026 Planned for release
Platform: PlayStation®5, Nintendo Switch™, Steam®

"Tokyo Stories"

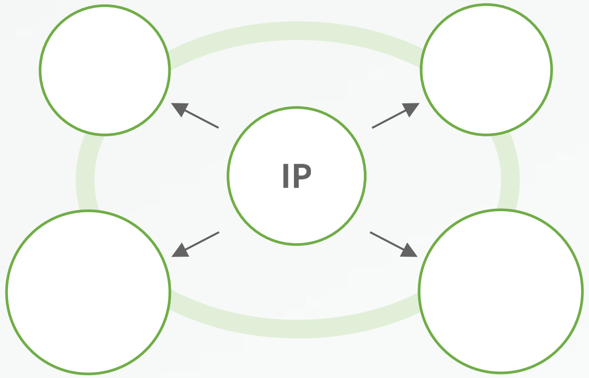
- Confirmed for publication under HAPPINET CORPORATION's game label "Happinet Indie Collection“
- Exhibited at " Bitsummit " held in Kyoto in late May
  Demo play area for the latest version, events to enjoy the title's world held
- Also exhibited at " G-FUSION GAME FEST Shenzhen" held in China in late June

IP Value Chain: About Development

Grow in-house IP via end-to-end media mix & global rollout

Grow

IP s
Early media mix rollout

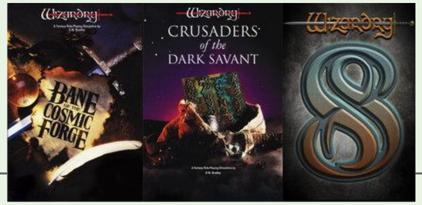


<u>Game-born IP</u> : Build series and expand into comics, anime, and merch

"Wizardry 6,7,8" (Jun 2024)
(Numbered title porting)

Blade & Bastard (December 2022-)
(Novel, Comic, Anime)

- Acquired in 2020 Wizardry trademark rights and copyrights for some titles



<u>Publishing-origin IP</u> : Build series value via anime adaptation, and expand into merch and games (collabs, etc.)

<u>Novel</u>
" The Holy Grail of Eris "
(Nov 2024~)

<u>Comics</u>
" The Holy Grail of Eris S "
(Mar 2025~)

<u>TV Anime</u>
" The Holy Grail of Eris "
(Jan 2026~)

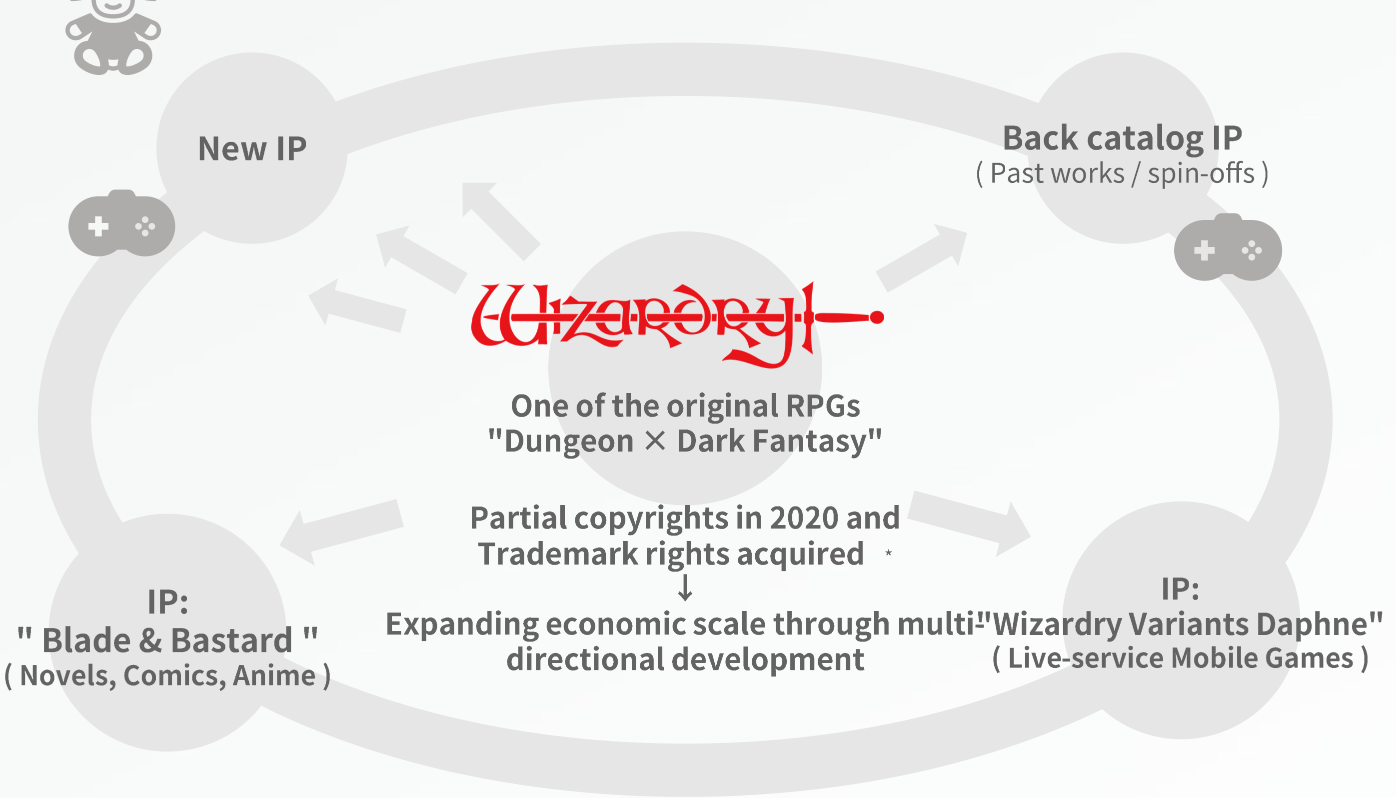
Merchandising

Progress in development: On the Wizardry -centered IP strategy

DRECOM with entertainment

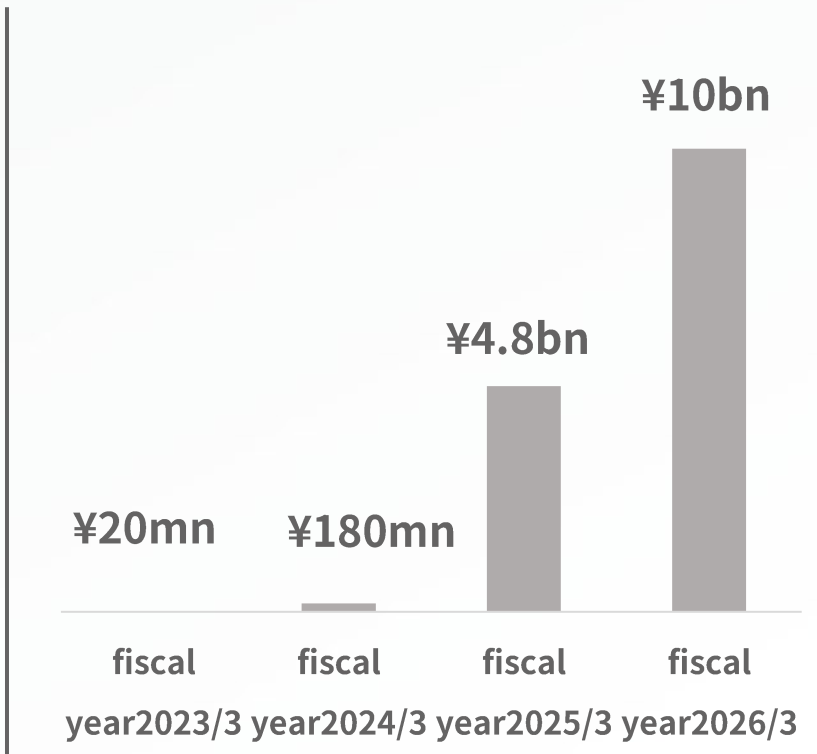
IP Product rollout that brings out its appeal, plus cross-traffic via inter-business ties, drove “ Wizardry ” related sales to around ¥10bn scale.
Going forward, 5 years, ¥10bn ad spend, etc. to expand economic scale

" Wizardry " Brand Rollout Map



* Our company holds the copyright for "Wizardry" series, including " Wizardry 6" , "Wizardry 7" , "Wizardry 8" , "Wizardry Gold" . and holds domestic and overseas trademark rights for Wizardry, and manages the brand of the "Wizardry" IP.

Our " Wizardry "-related sales revenue



* " Wizardry "-related sales are total Co. sales tied to the " Wizardry " series. Specifically, this includes the mobile game " Wizardry Variants Daphne ", the novel/comic "Blade & Bastard," and goods/licensing sales of the " Wizardry " series, etc.

Progress in development: " Wizardry " IP roadmap

April 2026

June 2026

2026 Summer～

2027 onward

"Wizardry Variants Daphne"
1.5 Anniv.

Comic "Wizardry Variants Daphne
: The Final Nameless Adventure"

© Drecom Co., Ltd. © SQUARE ENIX

"Wizardry Variants Daphne"
" FINAL FANTASY XI " Collab

Wizardry 45th Anniversary Special Site Launch

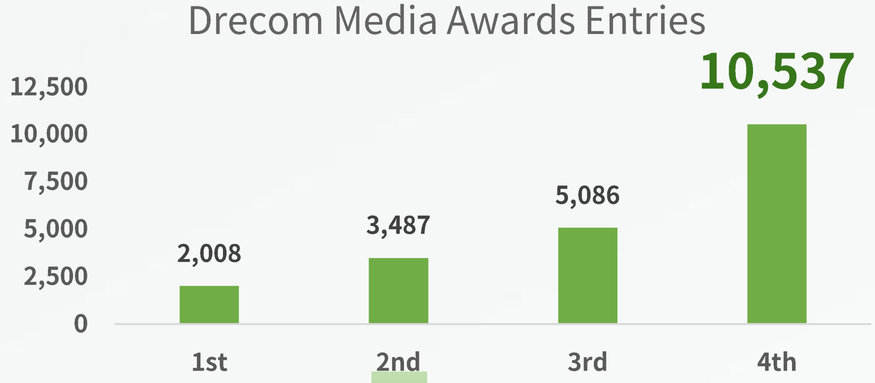
" Blade & Bastard " Anime Adaptation

Novel/Comic " Blade & Bastard "

Progress in creation and development : Drecom Media Awards title TV anime adaptation

The 4th Drecom Media Awards drew over 10,000 entries, first-ever TV anime adaptation from a winning title

Drecom Media Award



- Announcement of the 4th Drecom Media Awards Total entries : over **10,000**
- 2nd Drecom Media Awards 《Grand Prize》 "Monster Master Girl" **TV Anime** Confirmed

Anime

(Broadcast timing TBD)
"Monster Master Girl" TV Anime Confirmed

Novel

October 2024
"Monster Master Girl"
Released

July 2026
"Monster Master Girl 3“
on sale

Comics

From September 2026
"Monster Master Girl" Manga Serialization Starts

Progress in creation/development : Publishing & Anime Business

DRECOM with entertainment

In publishing, hit series creation is steadily progressing. Built a setup to expand seamlessly through anime

Give birth → **Develop** → **Monetize**

- Give birth: Publishing (Comics/Novels)
- Develop: Anime
- Monetize: Publishing (Comics) / Anime

Accumulate trials with the aim of creating and growing IP

Expand IP awareness and secure earnings via anime business promotion

No. of series titles (As of Jun 2026)	Comics : 30 Series	Novel : 53 Series

Anime : Own IP 4 titles / Third-party IP 2 titles

- **Series total 1mn copies sold** ' The Royal Rebound '
- **Series total 700k copies sold** " Blade & Bastard "
- **Series total 400k copies sold** "The 100th Time's the Charm"
- **Series total 300k copies sold** ' Safe & Sound in the Arms of an Elite Knight '
- **Series total 200k copies sold** " Jeanette the Genius "

- **In-house originals: 1 title already aired as anime, 3 titles in anime adaptation**

NEW

- **Third-party original: " From Old Country Bumpkin to Master Swordsman " Season 1 and 2nd Season** (Original : SQEX Novel)

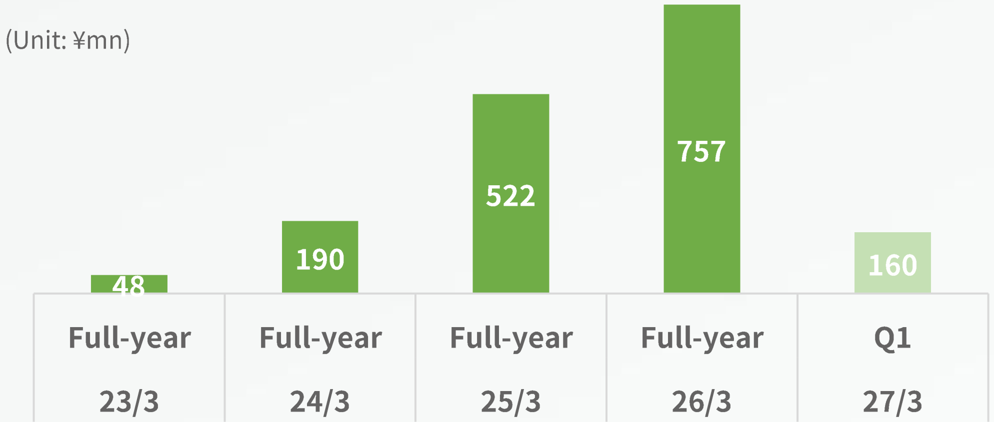
* Participated in production committee via investment in game adaptation/collab license window

Progress in creation/development: Publishing & Anime Business

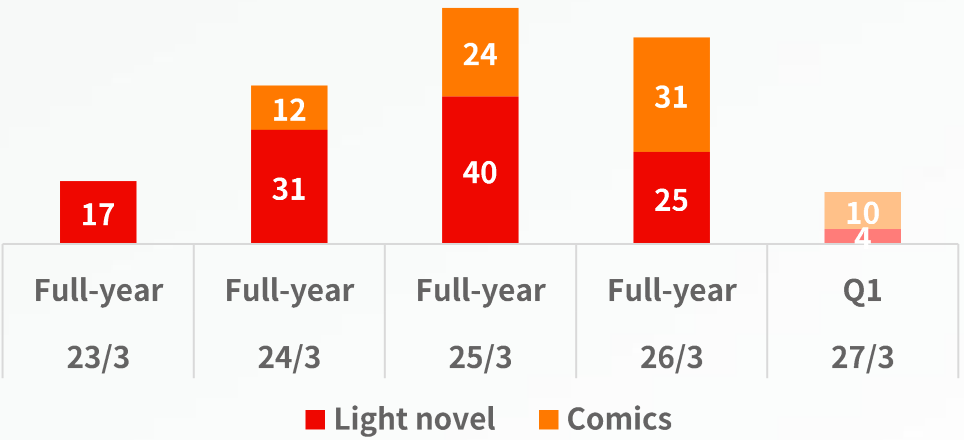
DRECOM with entertainment

Launch of original comic "DreComi" as a new source for anime adaptation

Publishing & Anime Segment Sales Trend



Annual title releases trend



Publishing & Anime BU IP Rollout Schedule

<Key IP Pub. Schedule>

July 2026

- DRE Novels " Monster Master Girl 3 "

September 2026

- DRE Novels " Thou Shalt Love thy Unwise King 4"

Strong titles Considering anime adaptation, etc.

At anime airing timing Aim to boost sales of related publications

<Anime Schedule >

Aired

- " The Holy Grail of Eris "

2027 Planned

- " Blade & Bastard "

Timing TBD

- " The 100th Time's the Charm "
- "Monster Master Girl"

* "Holy Grail of Eris" was transferred from another publisher. DRE Novels published a new edition in November 2024.

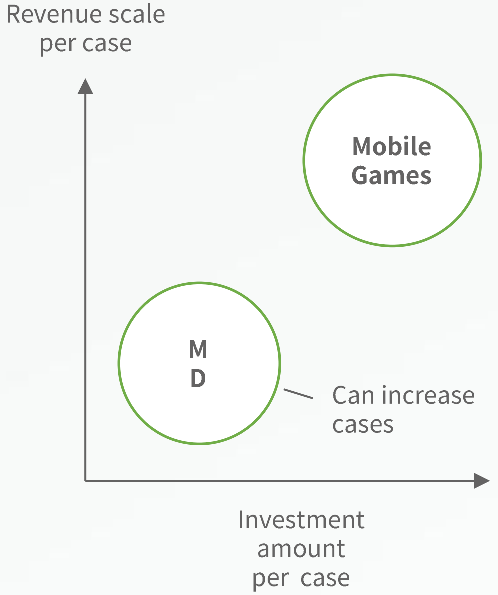
IP Value Chain: Monetization

Monetize IP grown in-house, and unlock value from popular third-party IP , mainly in games and MD areas

Monetization

IP Monetization Portfolio
By expanding beyond games,
Monetize own IP and 3rd-party IP broadly

Positioning of monetization business



Games : IP Produce IP, leveraging know-how in developing and operating title IP

"Wizardry Variants Daphne"
(October 2024-)

- **DLs : Surpassed 3mn downloads worldwide**
- **Peak sales rank: No. 9**
- **Cum. sales : ¥17bn+**

" ONE PIECE Treasure Cruise "
(May 2014-)
Distributed by BANDAI NAMCO Entertainment Inc.

- **DLs : Surpassed 100mn downloads worldwide**
- **Peak Sales Rank: No.1**

* Also, 7 titles in operation

MD (Merchandising) :IP production that fuses digital strengths with real-world experiences

Online shop

Event held

Pop-up

Toward mid-term growth: Shift to an AI -based org structure

As an entertainment and content company, leveraging org redesign on an AI-first basis to speed up growth

Accelerate growth by increasing the volume and quality of "decision-making" and "creative work" that only humans can do

Focus on decision-making, speed up creation .

AI handles research, analysis, and organizing information, while people spend their time on decisions and judgment.
This speeds up development, planning, and decision-making.

Focus on creativity, create better content .

AI supports creators. By streamlining peripheral tasks, creators can focus on creation

Strengthen hiring of talent who can leverage AI, aiming for greater output.

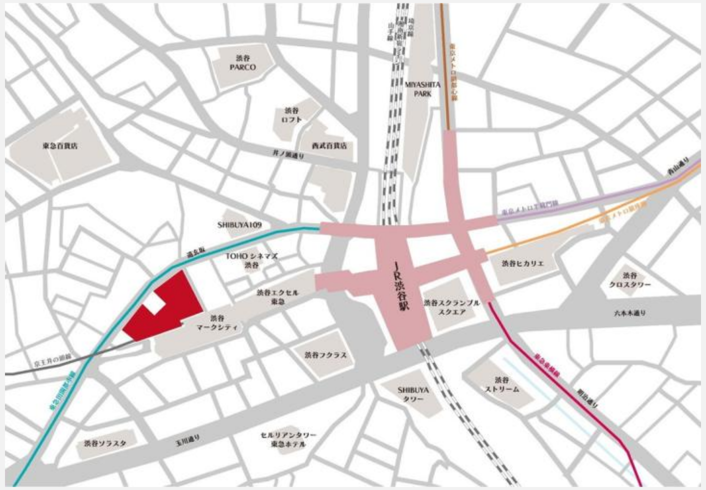
When 1 person can deliver 10 results, do not cut headcount; 10 people should aim for 100 results, and 100 people for 1,000 results

Toward mid-term growth: office relocation plan

As we transform into an IP production company, we are planning to relocate to Shibuya, one of Japan's key entertainment hubs

Purpose	• Based in **Shibuya**, Japan's entertainment hub, our office brings together people, things, and info from inside and outside the Co., aiming to keep creating new inventions through exchange • Remote work to continue, **office space cut by about half**, and raise communication density when in office

Timing of relocation	New Location	Access
Planned for 2028	**(Tentative name) Shibuya-ku Dogenzaka 2-chome Project** planned - Office building connected to Shibuya Mark City	Directly connected to "Shibuya Station"(Keio Inokashira Line) JR Lines, Ginza Line, Hanzomon Line, Fukutoshin Line 2-min walk from Shibuya Station



*Details will be announced once decided.
*This will be submitted as a proposal to partially amend the Articles of Incorporation at the annual general meeting of shareholders scheduled for June 2027.

1. Fiscal year 2027/3 Q1 Business Overview

2. 2027/3 Fiscal year Full-Year Earnings Forecast

3. Mid-term Vision (~2031)

4. Appendix

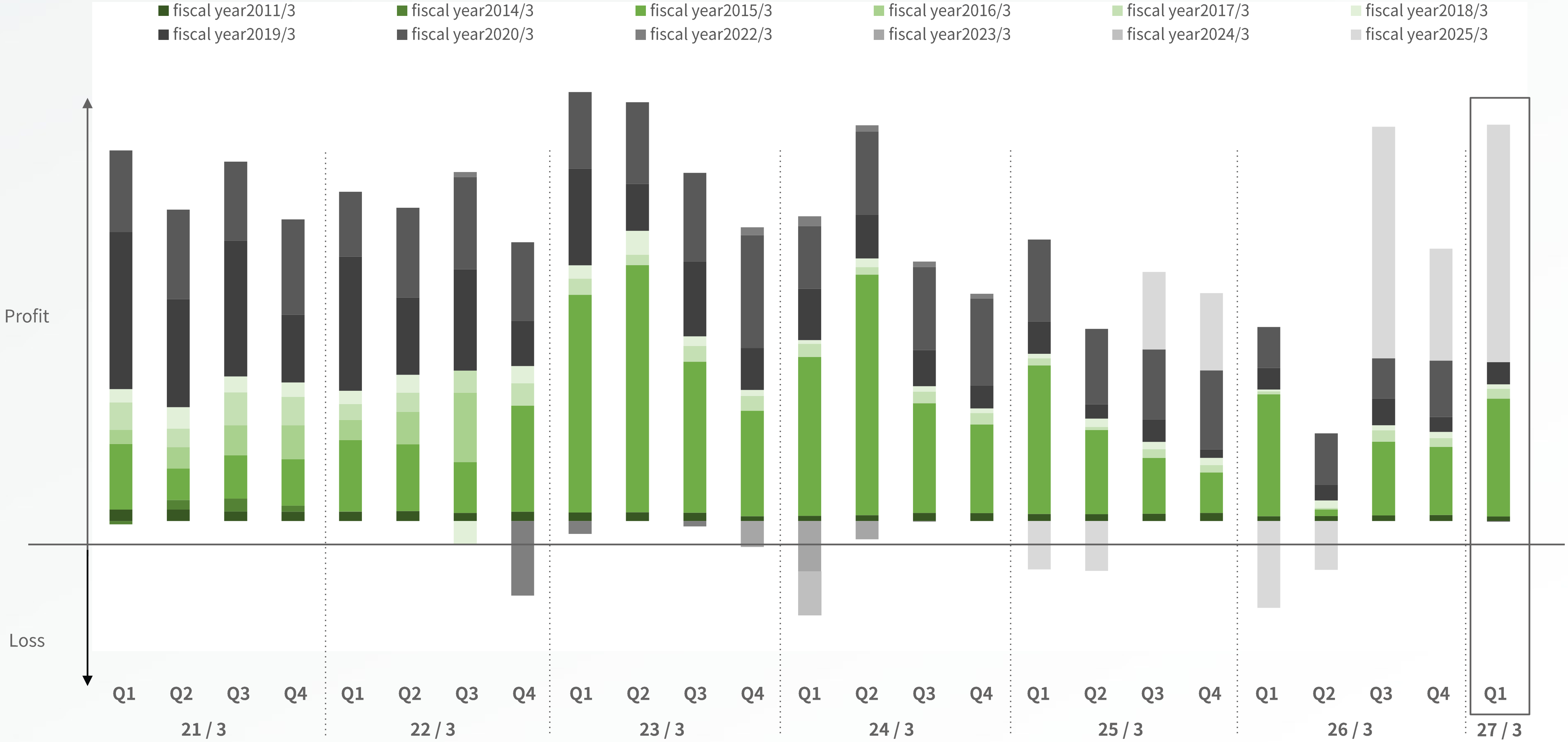
Game Business: Pipeline of Live Ops Titles and Dev Titles

Projects by status and trend

Business	Status		Definition	No. of Projects / Details	
Games Business	Managed Titles		For mobile devices centered on Live-service titles	9	➢ 3rd-party distribution: 4 titles ➢ In-house publishing: 5 titles
	Released Titles		Already released Indie games Title	1	➢ " Hungry Meem "
	Development	Full development	With release in sight Development progresses Indie games Title	2	• "Tokyo Stories" (Publisher: Happinet) • " Demons' Night Fever " (Publisher: Arc System Works)
		Prototype	At pre-development stage Title (managed, one-time sale)	Multiple	➢ Multiple projects under review at planning/proto stage →Live ops: Using other companies' IP × existing game engines for new titles, etc. →Premium: IP creation with external creators for small to mid-size titles, etc.

* Series titles and overseas rollout titles are counted as 1 title

Game Business: Trend in Revenue of Live Titles (by Release Timing)



※ For sales revenue trends, please see the fact sheet on our HP . https://drecom.co.jp/ir/factsheet_2027031Q.pdf

Game Business: Key Services

Operating IP -led hit titles, 9 titles now live. PC /console game dev also underway

Operation Title 9 titles

Distributed by BANDAI NAMCO Entertainment Inc.
- "ONE PIECE Treasure Cruise " (May 2014)
- " THE IDOLM@STER SHINYCOLORS " (April 2018)
- " Super Robot Wars DD" (August 2019)

Distributed by Aniplex Inc.
- " Everybody's Golf " (July 2017)

Distributed by Drecom Co., Ltd.
- " Chocotto Farm " (January 2011)
- " Derby Stallion Masters " (November 2016)
- " DISGAEA RPG " (November 2019)
- " Wizardry Variants Daphne " (October 2024)
- " Disney STEP " (March 2025)

PC Console 3 titles

- " Hungry Meem " (June 2025)
- " Tokyo Stories "
- " Demons' Night Fever "

*Derby Stallion Masters is developed and distributed by us under license from ParityBit Co., Ltd.
* DISGAEA RPG is developed and distributed by us under license from Nippon Ichi Software, Inc. and Aniplex Inc.
* "Disney STEP" is developed and distributed by us with the cooperation of Walt Disney Japan Co., Ltd.

Content Business: Key services

Launched publishing, anime, and MD businesses to own and grow IP

Publishing Business

Comics / Novels


MD (Merchandising) Business

Merchandising

Events

Anime Business


Technology utilization

Location info

AROW

AI Use

Web3

For consolidated results trends, cost / SG&A trends, and game business billing sales trends, please see the fact sheet on our HP.
https://drecom.co.jp/ir/factsheet_2027031Q.pdf

The views stated in this material, strategies, plans, etc., include outlooks that are not historical facts and involve uncertainties. Please note that actual results may differ materially from these outlooks due to various factors. Key factors that may affect actual results include, economic conditions surrounding our business, social trends, and changes in relative competitiveness due to demand trends for our services, etc. Note that, key factors that may affect results are not limited to these.