

Fiscal Year March 2026 Financial Results Briefing Document

Drecom Co., Ltd.
2026 May 12



Drecom launches WEB manga site "Drecomi+" (2026 / 4 / 27)

For trends in consolidated results, cost/SG&A, and game business billing sales, / please see the fact sheet on our website. HP fact sheet.

https://drecom.co.jp/ir/factsheet_2026034Q.pdf

FY2026 / 3 Actual

- **Full-year sales hit record high. H1 OP loss of ▲ ¥570mn , but H2 saw ¥980mn OP profit**
 - Profit recovery from main title contribution and smaller losses in unprofitable titles
 - To focus mgt resources on IP production, sold 2 game sub. Extraordinary gain ¥2.57bn recorded
 - Full-year: sales revenue ¥17,547mn, operating profit ¥408mn, ordinary income ¥318mn , net income² ¥213mn
 - 4Q Results: Sales revenue ¥4,246mn, OP ¥311mn, ordinary income ¥278mn, net income¹ ¥1,955mn

Mid-term Vision (~2031)

- **"Wizardry" IP development know-how , leverage to build new IP creation framework .**
 - All functions needed for IP production in place, shifted to a company owning in-house IP "Wizardry" with economic scale of ¥10bn /year IP "Wizardry".
 - Over the next 5 years, we will expand our own IP economic scale and build a system to continuously create new IP.

FY2027 / 3 Full-year forecast

- **Using profits from main titles, IP invest in IP development, targeting full-year OP ¥1.0bn**
 - Full-year forecast: sales revenue ¥18,000mn, operating profit ¥1,000mn, ordinary income ¥900mn, net income³ ¥600mn
 - Absorb sales decline from sub sale by growth of main in-house IP titles and content business, aim for continued sales growth
 - While investing in IP creation, aim to cut costs by optimizing operating costs and reducing depreciation expenses

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

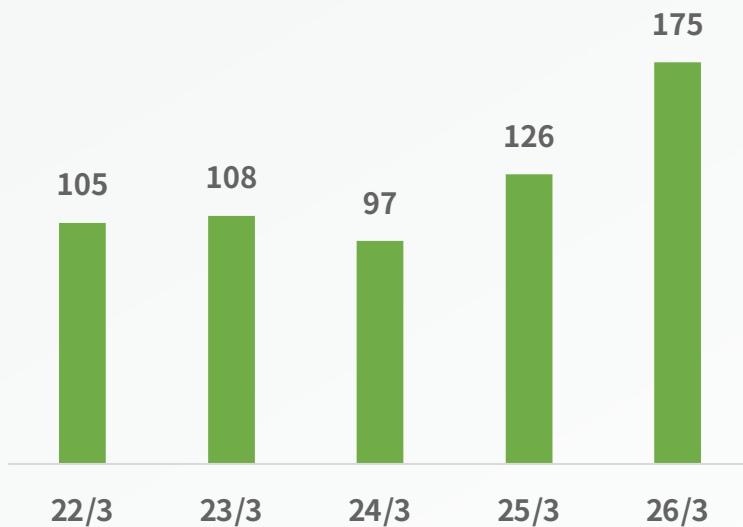
- 1. Fiscal Year 2026/3 Financial Overview**
2. Medium-term Vision (to 2031)
3. Fiscal Year 2027/3 Full-Year Earnings Forecast
4. Appendix

Fiscal Year 2026/3 Full-Year Results Highlights (1/3)

Record-high full-year sales revenue

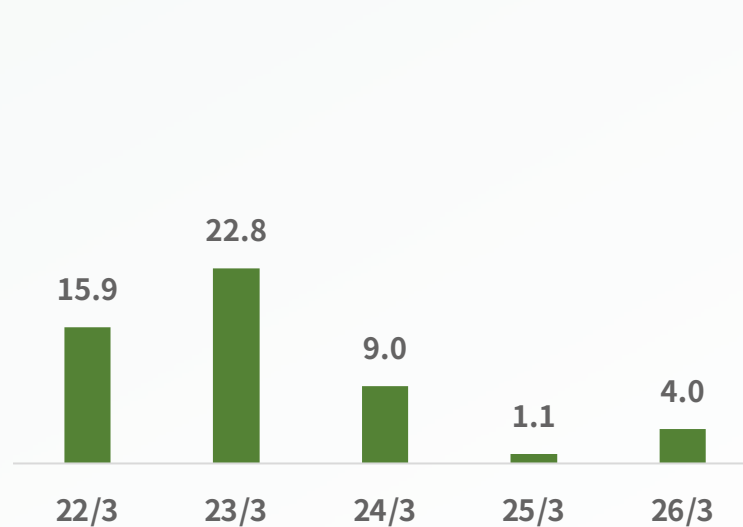
Sales revenue

¥17.5bn



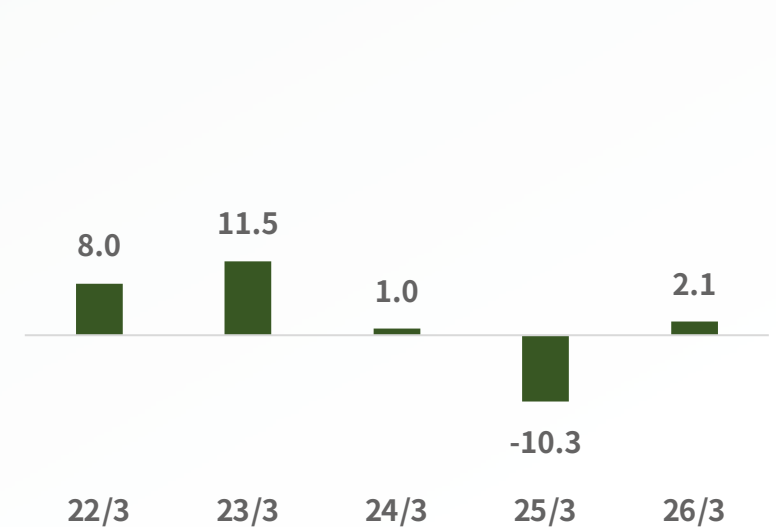
Operating profit

¥408mn



Net income

¥213mn

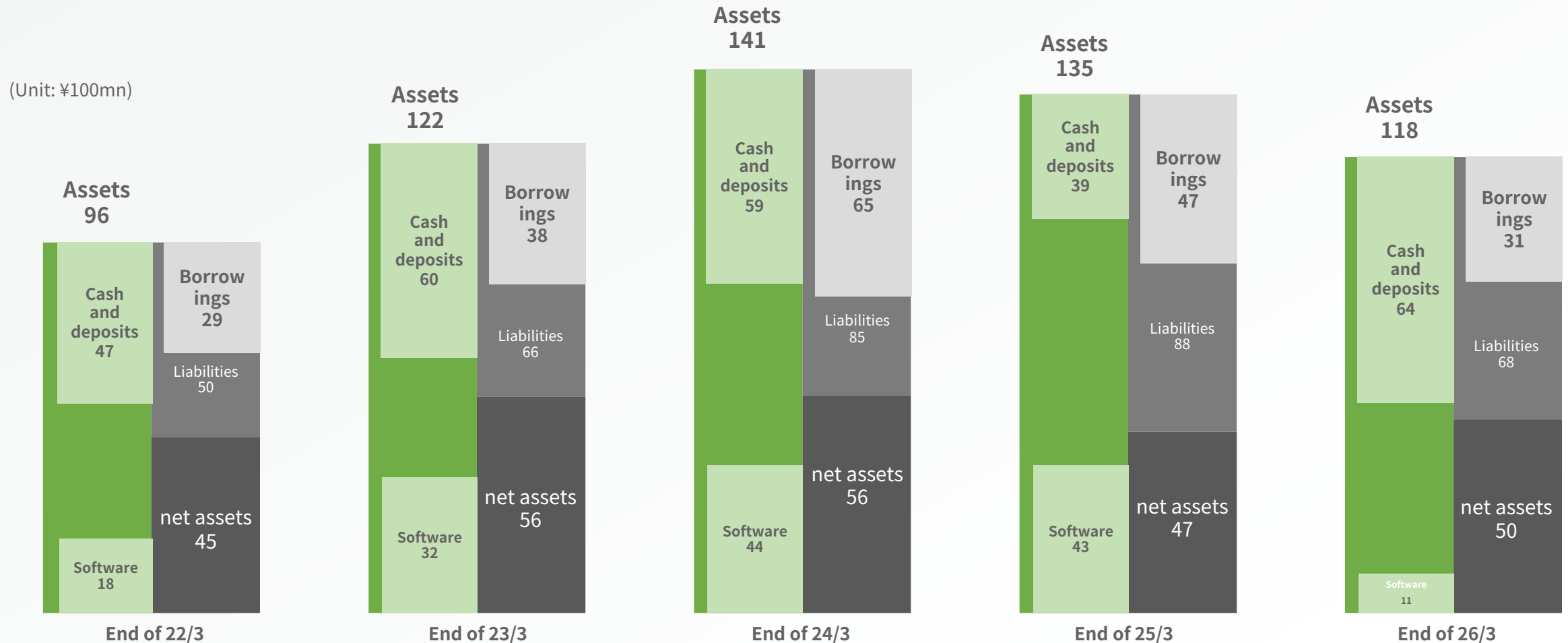


Fiscal Year 2026/3 Full-Year Results Highlights (2/3)

Software assets decreased, financial base stabilized

Going forward, we will shift from a model focused on "live-ops mobile games" where development investment accumulates as software assets,

Shift to a model focused on "IP creation & development" where investment is booked as direct cost



Wizardry Variants Daphne



In 18 months since release,

Cumulative DL Count **3M**
Achieved

Cumulative sales **14.5 bn yen**
achieved

* From Oct 15, 2024 to Mar 31, 2026 cumulative total

- Supports Japanese, English, Chinese (Traditional/Simplified), Korean, and German, acquiring users in wide regions mainly in Japan
- Additionally, 1.5 year anniversary Apr fiscal year2026 sales (preliminary) grew YoY +32 % ¥1.2bn and still growing

Fiscal Year 2026/3 4Q Results Summary

Core business drove ¥310mn OP surplus. To focus resources on IP production, sold 2 game sub.

2026年3月期						
(単位：百万円)	1Q (4-6月)	2Q (7-9月)	3Q (10-12月)	4Q (1-3月)	QoQ	通期
売上高	4,466	3,771	5,062	4,246	▲816	17,547
営業利益	▲81	▲493	671	311	▲359	408
営業利益率	-	-	13.3%	7.3%	-	2.3%
EBITDA ※	347	▲243	894	578	▲315	1,576
EBITDAマージン	7.8%	-	17.7%	13.6%	-	9.0%
経常利益	▲107	▲509	657	278	▲378	318
親会社株主に帰属する 四半期純利益又は 四半期純損失(▲)	▲1,799	▲563	621	1,955	+1,333	213

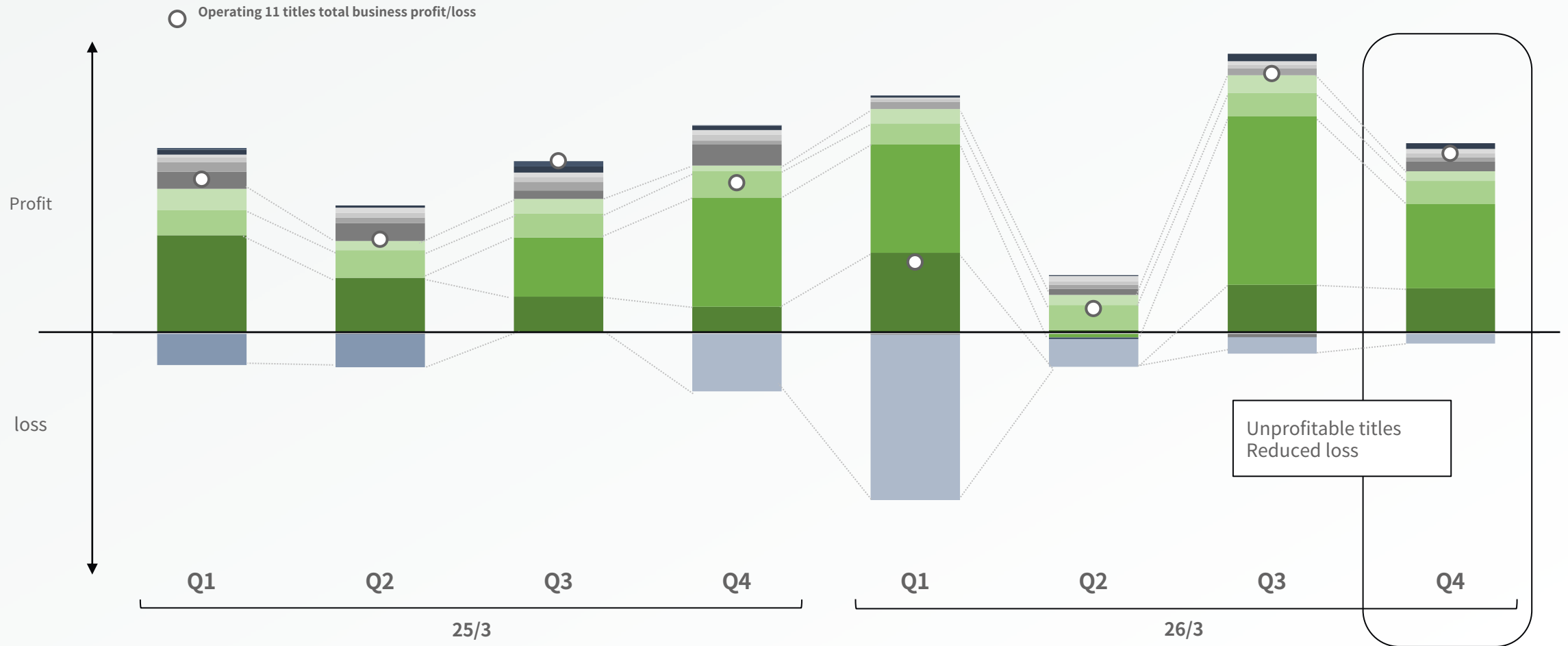
2025年3月期			
4Q (1-3月)	YoY	通期	YoY (通期)
4,454	▲207	12,655	+4,892
139	+172	112	+296
3.1%	-	0.9%	-
375	+202	638	+938
8.4%	-	5.0%	-
131	+146	53	+265
▲211	+2,166	▲1,035	+1,249

In Q1 , impairment loss ¥1,563mn . In Q4, gain on sale of affiliates ¥2,570mn and impairment loss ¥488mn recorded

* : EBITDA = operating profit + depreciation

Fiscal Year 2026/3 4Q Results Summary: profit and loss of live game titles

Q3 continued, profit up YoY from main 2 titles' contribution and smaller loss 2 titles and loss reduction drove YoY profit growth

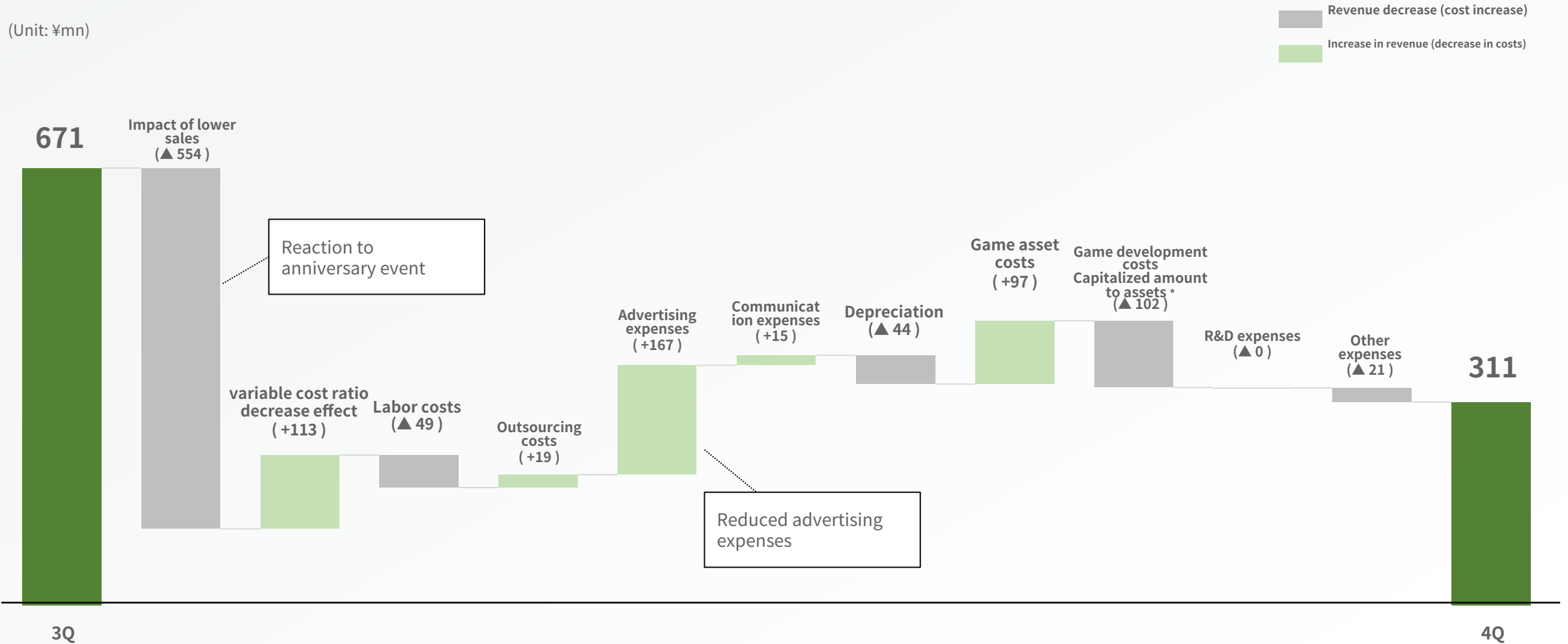


*April 2024 to March 2026 operated titles. Includes 2 enza titles and "BOKU & DRAGONS". Blockchain games not included.

* For sales revenue, please see the fact sheet on our website. HP https://drecom.co.jp/ir/factsheet_2026034Q.pdf

Fiscal Year 2026/3 4Q Operating Profit QoQ Variance

Despite a post-anniversary event decline, profit secured by controlling ad expenses vs. anniversary period



* Capitalized game development costs: Amount transferred to assets as "software in progress" by deducting labor costs, outsourcing fees, etc. for game development from manufacturing costs

Game Business

- **Wizardry Variants Daphne : 4Q collaboration held. Sales stayed flat YoY**
 - Sales : Q3 ¥2.16bn → 4Q ¥2.48bn → Q1 ¥2.30bn → Q2 ¥2.05bn → Q3 ¥2.97bn → 4Q ¥2.44bn
 - 2 German to be added in mid-Feb. Targeting mid- to long-term operation via area expansion and media mix.
- **New titles: Multiple projects under planning and prototyping**
 - Live ops: hit third-party IP titles using our game engine, etc.
 - One-time sales: IP Small to mid-size PC/console titles developed with external creators to generate IP, etc. ~ mid-size PC /console titles, etc.
- **Sold 2 game segment subs at fiscal year2026/3 year-end. Recorded ¥2.57bn in special gains**
 - IP Focus management resources on IP production and shift to a company with strengths in each area

Content business

- **Publishing/Anime: TV anime ' The Holy Grail of Eris ' will air in Jan. to Mar. 2026, now streaming**
 - Anime production costs are recorded as intangible fixed assets "content assets" and amortized over 1 year from broadcast
 - Sales include revenue from distribution contracts and licensing income such as merchandising, recognized over the long term (5 years ~).
- **Technology Utilization: Location-based Walking Point App “ ChokoDori! ” Released**
 - Providing gamification using the map service for app development, AROW .

1. Fiscal Year 2026/3 Performance Overview

2. Mid-term Vision (to 2031)

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Prepared for shift to content company, but performance fluctuated due to hit-or-miss new titles over several years

Issues

- Mobile game market matured, as development investment per title increased, focus on growth from new mobile game hits led to multiple titles closed within 1 year of release, resulting in losses.

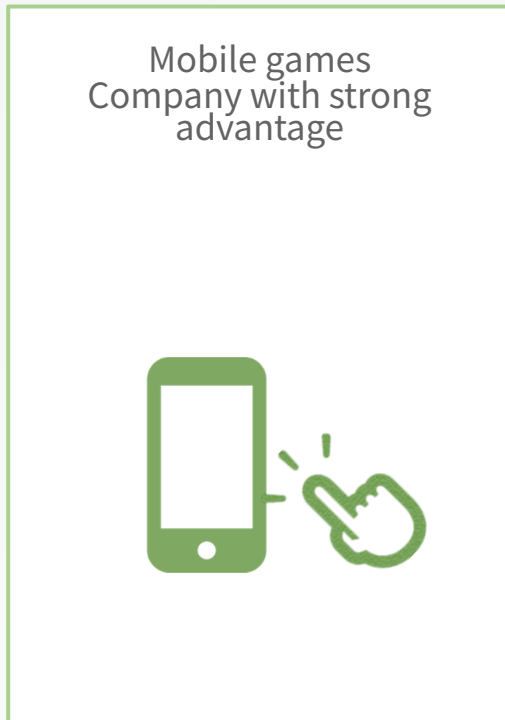
Results

- " Wizardry " IP developed as a multi-faceted media mix. Hit live-service games created synergy, IP economic scale grew rapidly to approx. ¥10bn / year .
- About 3 years after launching the publishing business, ranked No. 1 in the category of KonoLano 2026.
Also, anime adaptation announced for 3 titles.

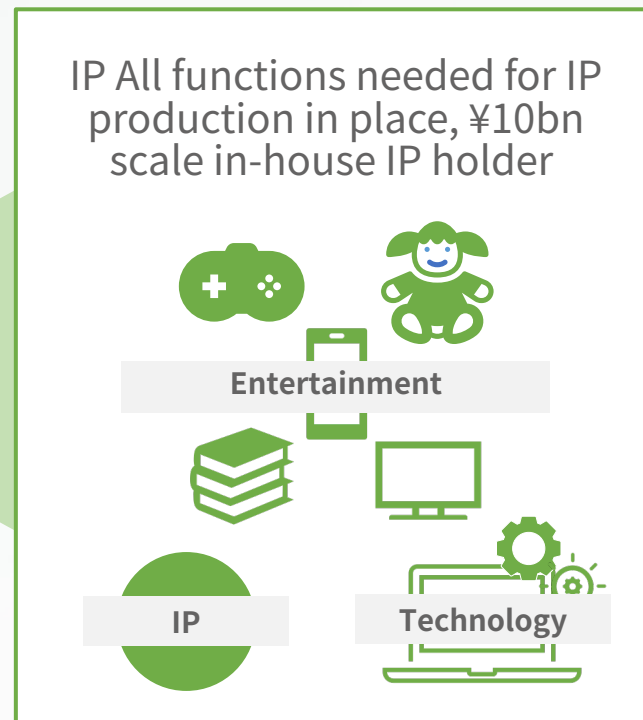
Mid-term Vision (to 2031)

Over the next 5 years, shift away from dependence on new hit titles and build a system for continuous IP creation and development

Around fiscal year 2021/3
Drecom up to now



fiscal year 2026/3 year-end
Drecom



5 years
Strengthen each function & systemization

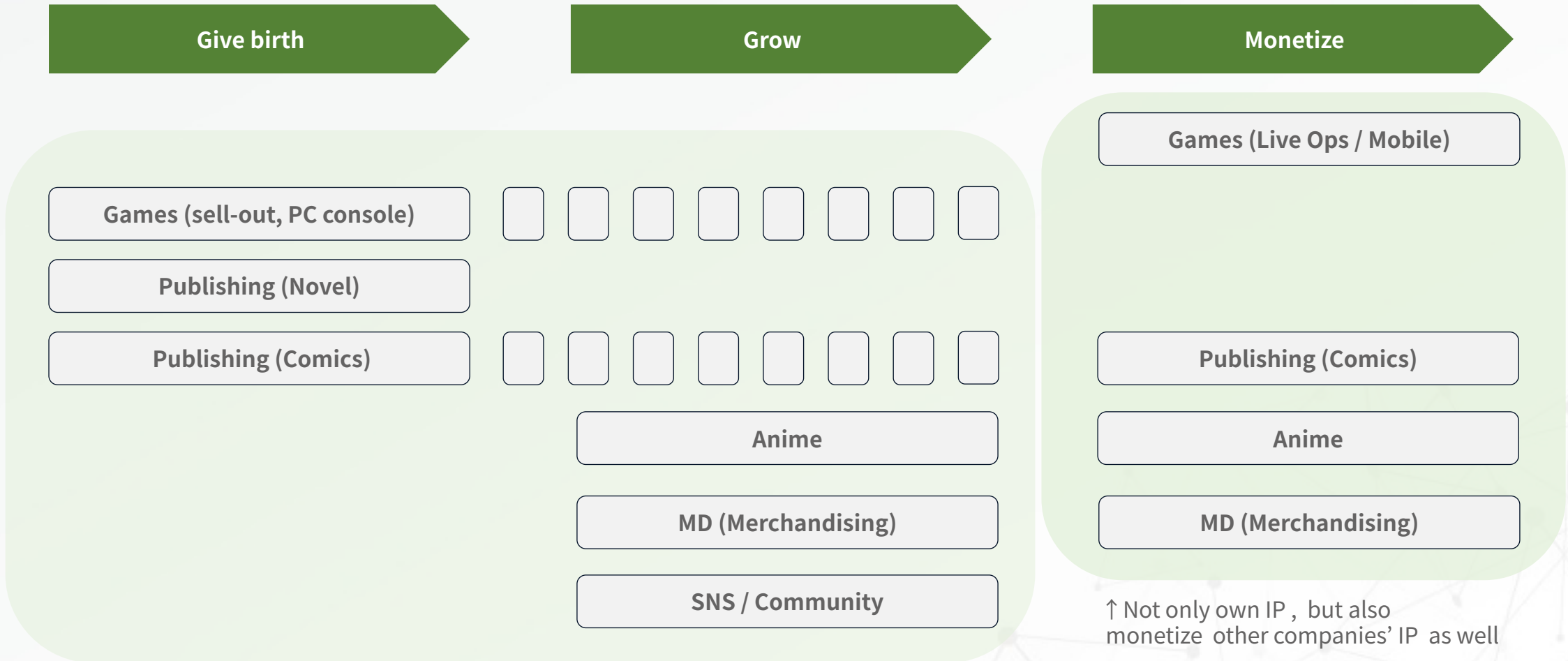
fiscal year 2031/3 by

**Expanding our IP economic scale,
Continuously IP creation and development
Build a system**



IP Value Chain and Our Business Portfolio

Clarify roles in the IP value chain of each entertainment/content area and strengthen key areas for our company



↑ Create own IP and grow to a certain scale

↑ Not only own IP, but also monetize other companies' IP as well

Mainly in games and publishing, we discover and collaborate with external creators, creating IP through many small challenges IP creation

Give birth

Games: Create IP from packaged PC /console titles

“ Hungry Meem ” (Jun. 2025)



- Anime Japan 2026 Most Wanted for Anime Adaptation
Indie Game Ranked 10th

Upcoming titles



• In this area, we are also considering small- to mid-scale projects in collaboration with external creators, in addition to the titles listed on the left. ~ mid-scale projects are also under consideration

Publishing: From comics & novels to IP creation

“ Thou Shalt Love thy Unwise King ” (Aug. 2025)



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

Novel Contest



Original Comic Label



- Ongoing novel contests, and started IP creation from original comics

Grow in-house created IP by seamless media mix & global rollout

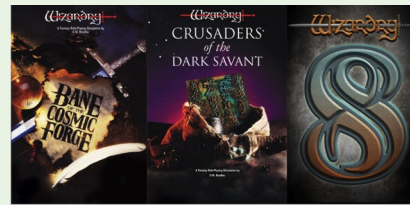
Grow

Game-originated IP : built through series, expanded to comics, anime, and merchandise

Wizardry

- In 2020 , acquired Wizardry trademark rights and copyrights for some titles

“Wizardry 6,7,8” (June 2024)
(Numbered port)



Blade & Bastard (Dec. 2022 ~)
(Novel, Comic, Anime)



“Wizardry” SHOP
(Merchandising)



Publishing-origin IP : Focus on anime adaptation, building series, and expanding to goods/games (collab, etc.) expansion

Novel
“The Holy Grail of Eris”
(From Nov. 2024~)



Comics
“The Holy Grail of Eris S”
(From Mar. 2025~)



TV Anime
“The Holy Grail of Eris”
(From Jan. 2026~)



Merchandising



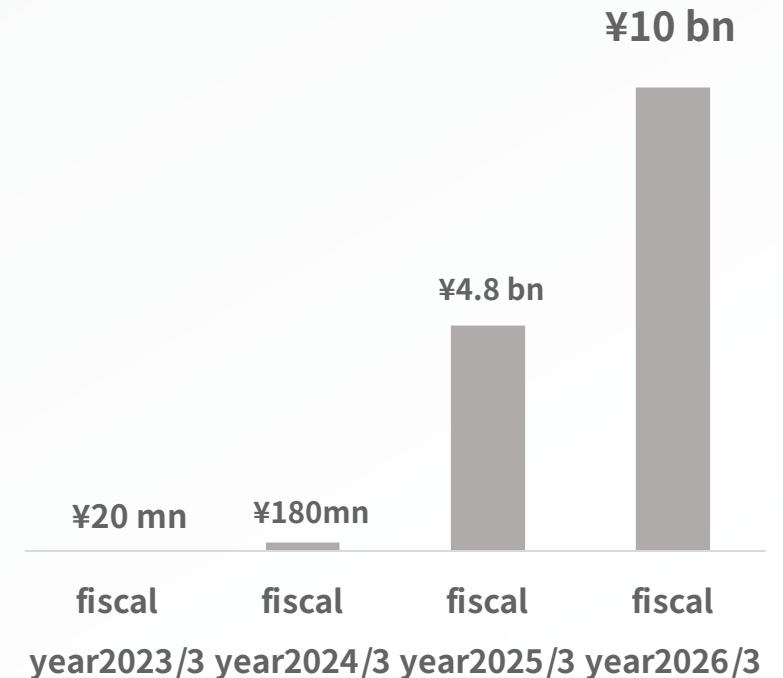
Case: Wizardry Brand-centered IP Strategy

Product development that maximizes IP appeal and cross-business collaboration drive mutual customer traffic, making "Wizardry" -related sales reach ¥10bn scale.

Going forward, 5 years, ¥10bn ad spend, etc. to expand economic scale



Our "Wizardry" -related sales revenue

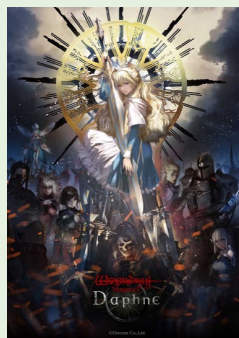


* Our company holds the copyright for "Wizardry" series, including " Wizardry 6", "Wizardry 7", "Wizardry 8", "Wizardry Gold". and holds domestic and overseas trademark rights for Wizardry , and manages the brand of the "Wizardry" IP.

Monetize in-house developed IP and maximize value of third-party popular IP mainly through games and MD businesses

Monetization

Game: IP Leverage expertise in IP title development and operation IP production



Wizardry Variants Daphne
(Oct 2024~)

- DLs : Over 3mn DLs worldwide
- Highest sales ranking: 9th
- Cumulative sales : 14.5 bn yen+

“ONE PIECE Treasure Cruise”
(May 2014-)

Distributed by BANDAI NAMCO Entertainment Inc.

- DLs : Over 100mn DLs worldwide
- No.1 in sales ranking

* In addition, 7 titles in operation

MD (Merchandising): IP production combining digital strengths and real-world events IP production

Online shop



Event held



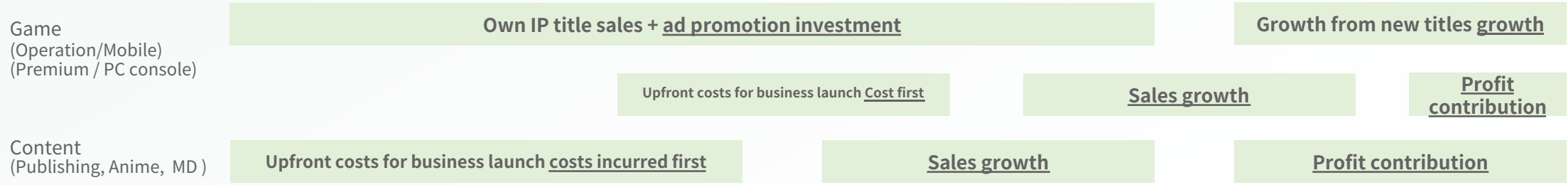
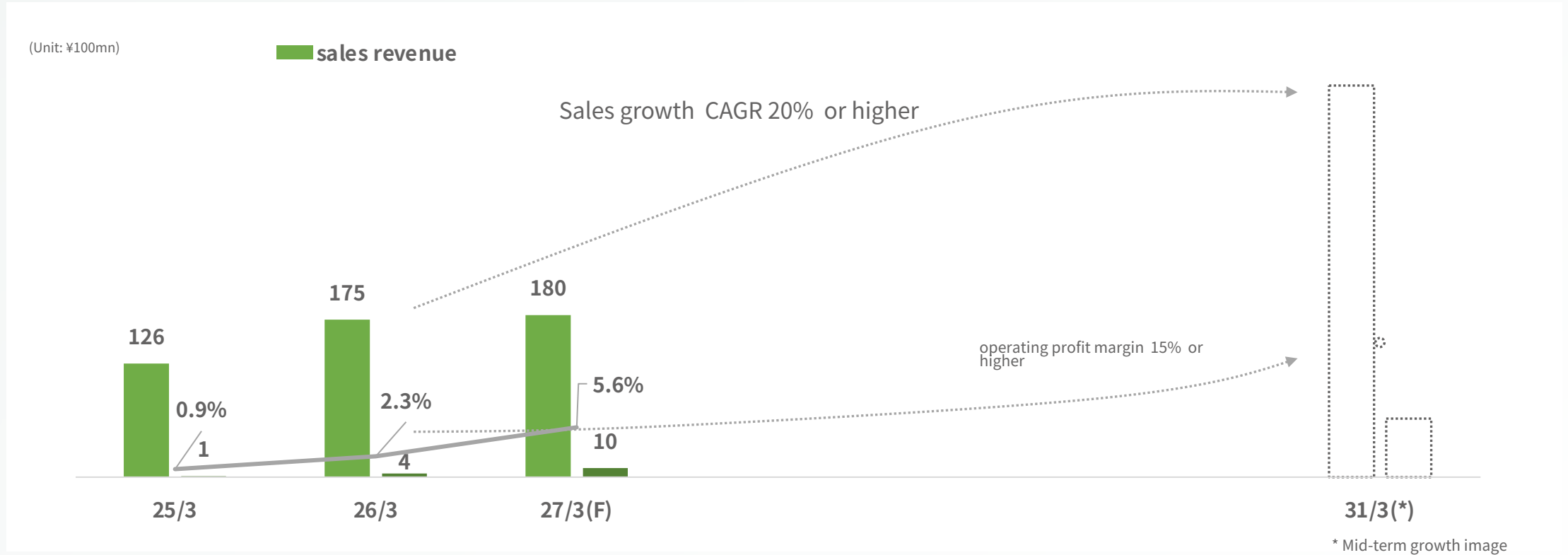
Popup



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Mid-term growth target and Fiscal Year 2027/3 Progress Image

Aiming for scale expansion through sustainable sales growth, improving profitability by streamlining existing businesses, and investing in necessary areas



Fiscal Year 2027/3 Full-year earnings forecast summary

Focus on continued sales growth, use profits from main titles, IP invest in IP development

2027年3月期 通期業績予想				(参考)26年3月期
(単位：百万円)	通期予想	前期比	備考	通期実績(連結)
売上高	18,000	+2.6%	-	17,547
変動費	5,500	+2.0%	主に自社配信タイトルの支払手数料	5,391
固定費	11,500	▲2.1%	-	11,835
広告宣伝費	2,600	+10.9%	主に運用中ゲームの広告費	2,344
研究開発費	400	+340.0%	主にテクノロジー領域の研究開発	90
減価償却費	950	▲18.7%	主にゲーム事業のソフトウェア償却費	1,167
ゲーム開発費の資産への計上額※	▲1,300	+43.7%	主に運用中タイトルのアップデート費用	▲904
営業利益	1,000	+144.7%	-	408
営業利益率	5.6%	-	-	2.3%
EBITDA	1,950	+23.7%	EBITDA=営業利益+減価償却費	1,576
EBITDAマージン	10.8%	-	-	9.0%
経常利益	900	+182.2%	-	318
親会社株主に帰属する 当期純利益	600	+180.8%	-	213

* Capitalized game development costs: Amount transferred to assets as "software in progress" by deducting labor and outsourcing costs, etc. for game development from manufacturing costs

Fiscal Year 2027/3 Full-Year Earnings Forecast YoY comparison

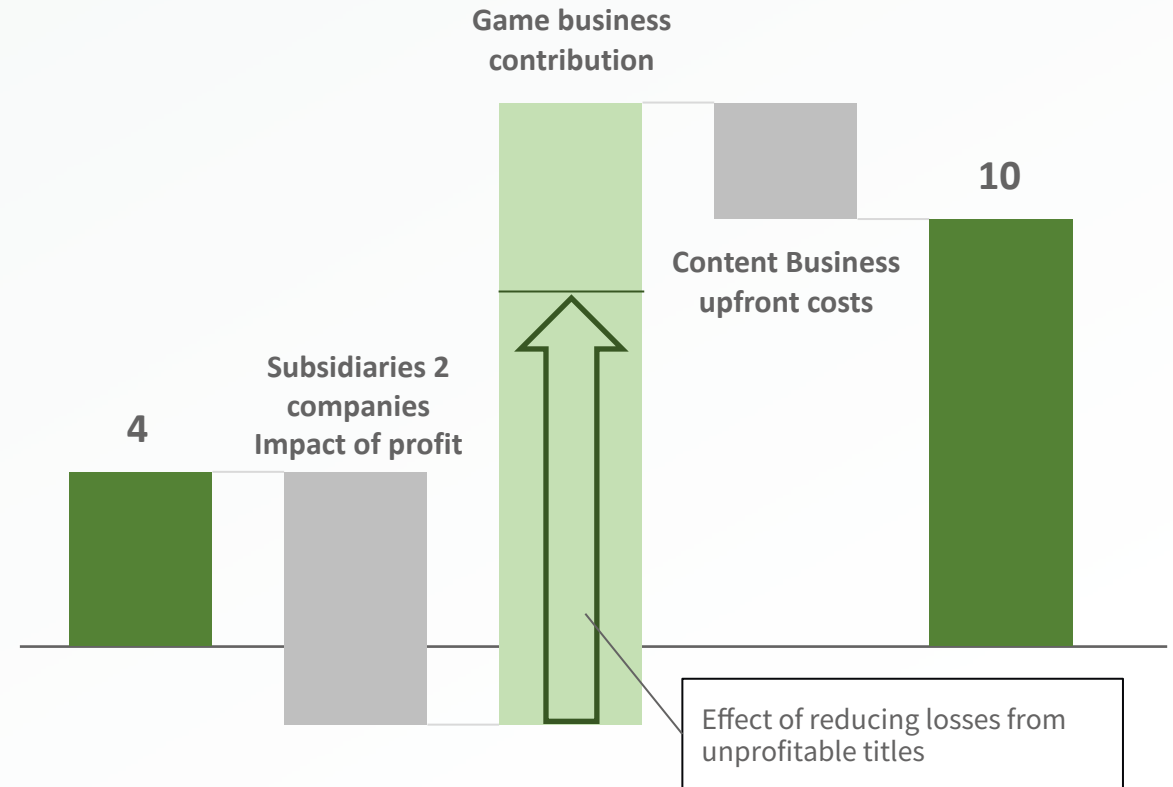
Game business: profit improved as loss-making titles ended last term. Content business: continued investment for mid-term growth.

Sales revenue

(Unit: ¥100mn)



Operating profit

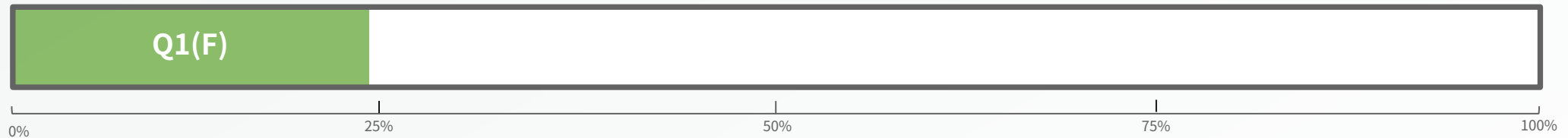


Fiscal Year 2027/3 Q1 Progress Image

Q1 held Wizardry Variants Daphne 1.5 year anniversary event. Major ad spend, etc. planned from Q2

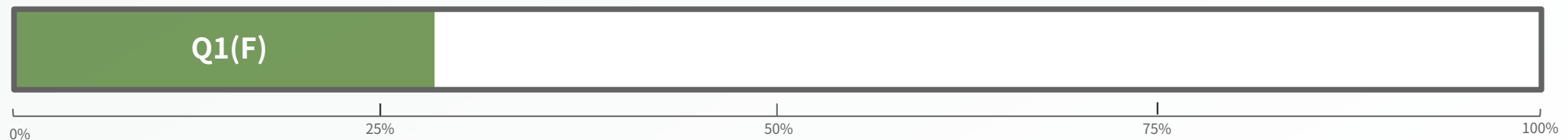
Sales revenue

Full-year forecast: **18 bn yen**



Operating profit

Full-year forecast: **1bn yen**



Decided to acquire treasury shares for stock compensation to "talent" supporting mid- to long-term growth

Reason for acquisition of own shares

- Through business structure transformation, with stabilized financial base and current stock price level considered, to improve capital efficiency and strengthen HR investment, decided to acquire treasury shares.
- We see "talent" as the key asset to keep creating value beyond expectations and producing new IPs, IP . Acquired treasury shares will be used for stock compensation to secure top talent and boost employee engagement for future growth.

Matters related to acquisition

項目	内容
(1) 取得対象株式の種類	当社普通株式
(2) 取得し得る株式の総数	1,524,000株 (上限) (発行済株式総数 (自己株式を除く) に対する割合5.3%)
(3) 株式の取得価額の総額	500百万円 (上限)
(4) 取得期間	2026年5月13日～2027年5月12日 (1年間)
(5) 取得方法	東京証券取引所における市場買付け

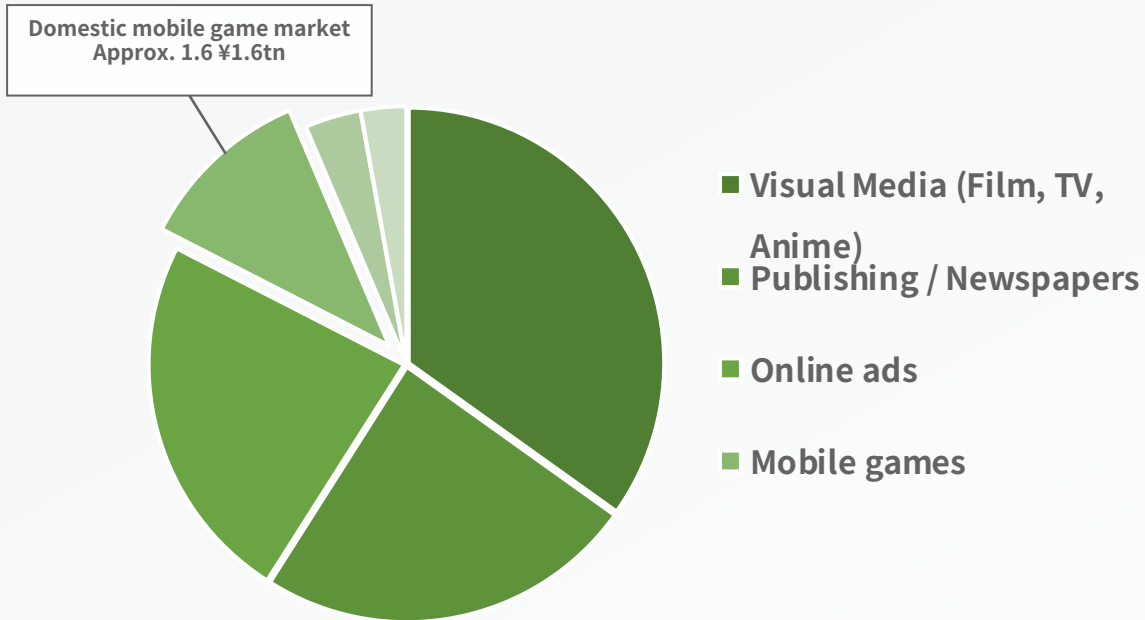
* Note: Depending on market trends, some or all acquisitions may not be executed.

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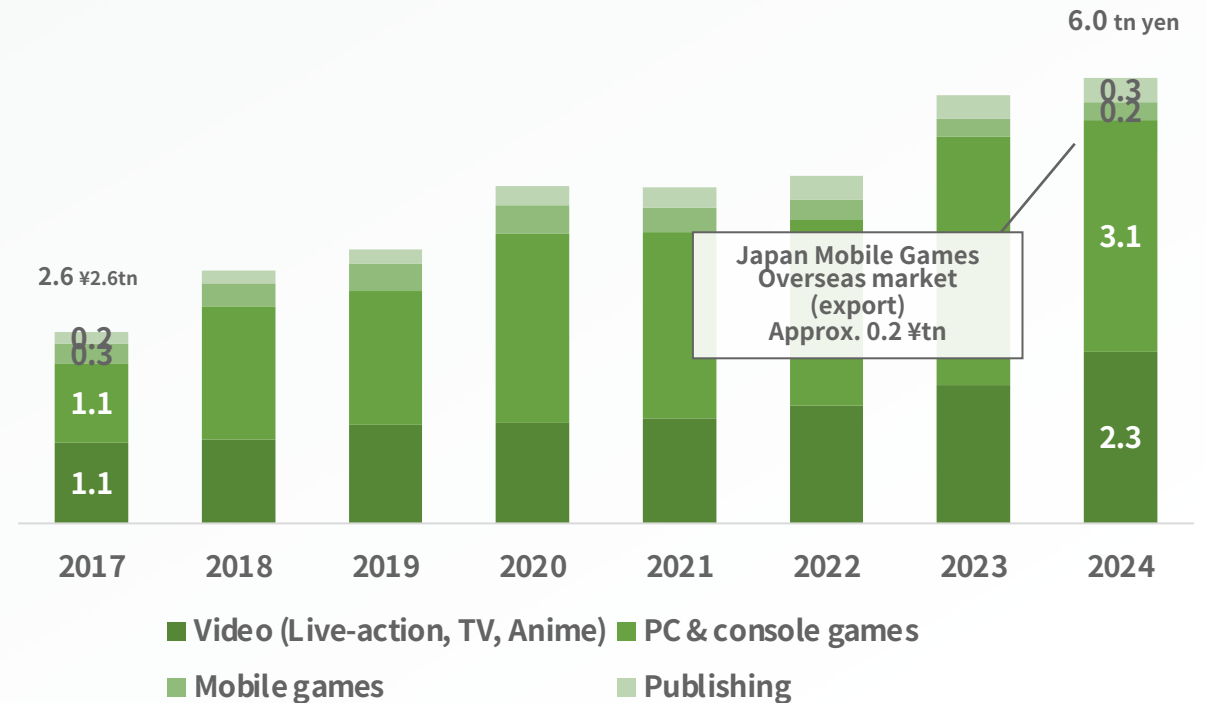
Overview of the entertainment content market

With the spread of video streaming services and digital sales,
Anime , PC / console games —Japanese content is gaining real global traction.
 The Japanese content market size exceeds that of the semiconductor industry, making it a core industry in Japan.

Domestic content industry market size (2024)
 Approx. 13.7 ¥13.7tn



Overseas market (export) size of Japanese content (2024)
 Approx. 6.0 ¥6.0tn



Source: Published by Human Media Inc., "Japan and World Media × Content Market Database"

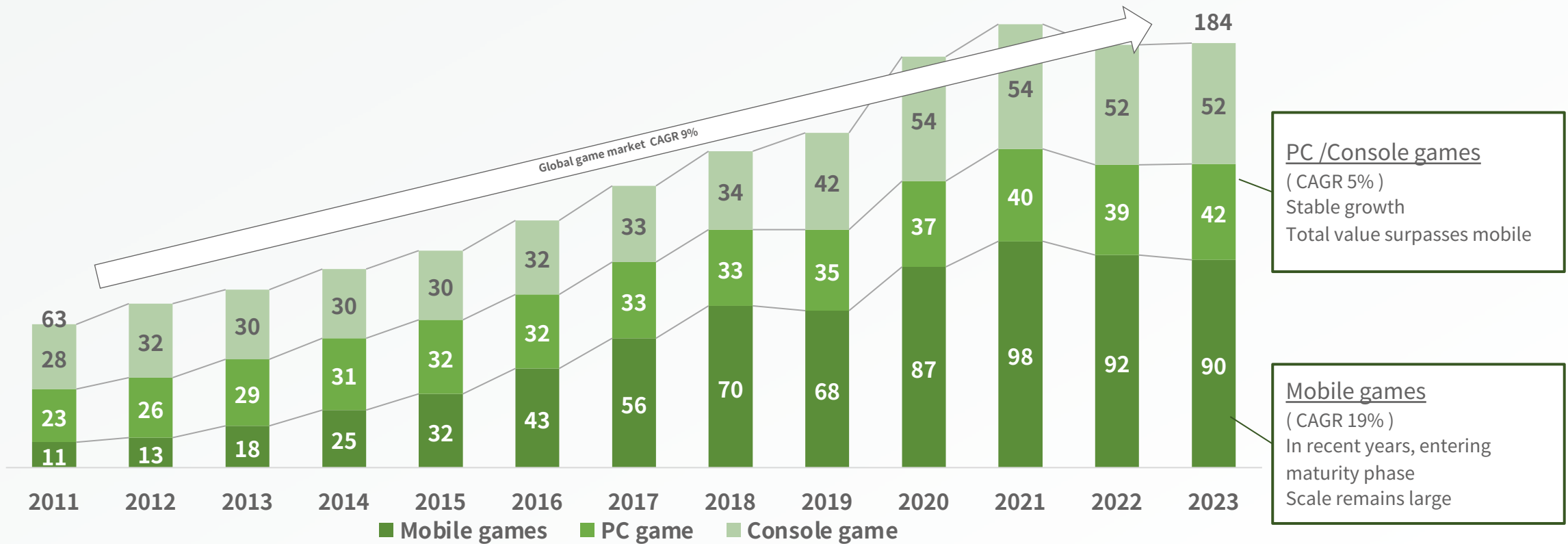
Game Market Overview (Global)

Global game market 2011 to 2023 CAGR 9% growth

PC /console game market growing steadily, mobile game market entering mature phase

We are expanding not only in the mobile game market, PC and console, but across the entire game market

Global game market size trends (2011-2023) (bn USD)

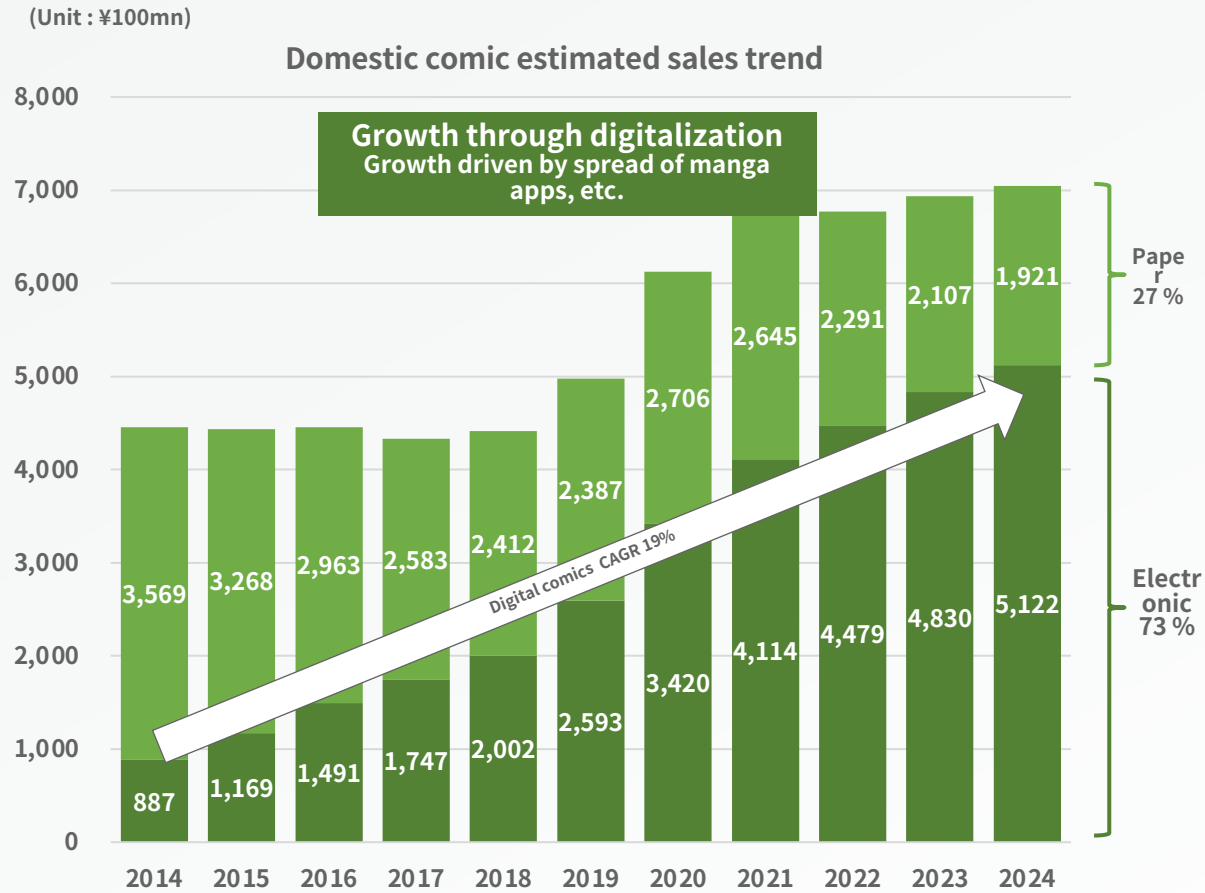


* Source: Newzoo " Global Games Market Report " Ministry of Economy, Trade and Industry "2nd Entertainment & Creative Industry Policy Study Group 2 nd Entertainment & Creative Industry Policy Study Group Industry Status and Action Plan (Draft) [Game] "

Comic market overview and our strengths/advantages

The comic market grew rapidly with digital adoption. We launched our business early, led by industry veterans.

Comic market size trend



Competitive landscape of the comic market



Features of our publishing business

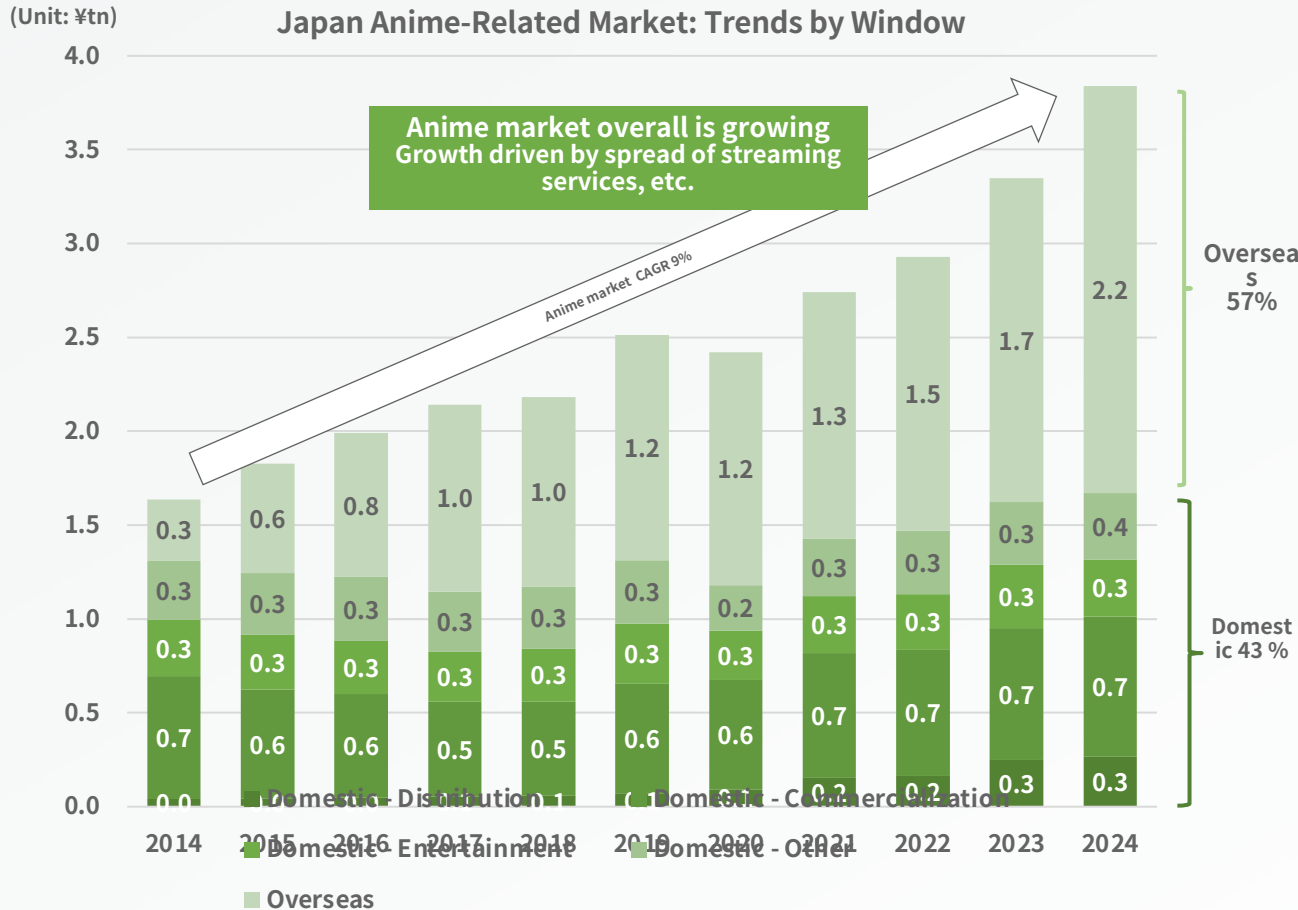
As an emerging publisher,
 Founded mainly by people from publishing and distribution industries.
 Strong in enabling aggressive media mix strategy,
 Aim to expand business scale by increasing publications and creating hits.

Source: Japan Publishing Organization, Institute for Publishing Science "Publishing Monthly Report", competitive environment estimated by the company

Anime market overview and our strengths/advantages

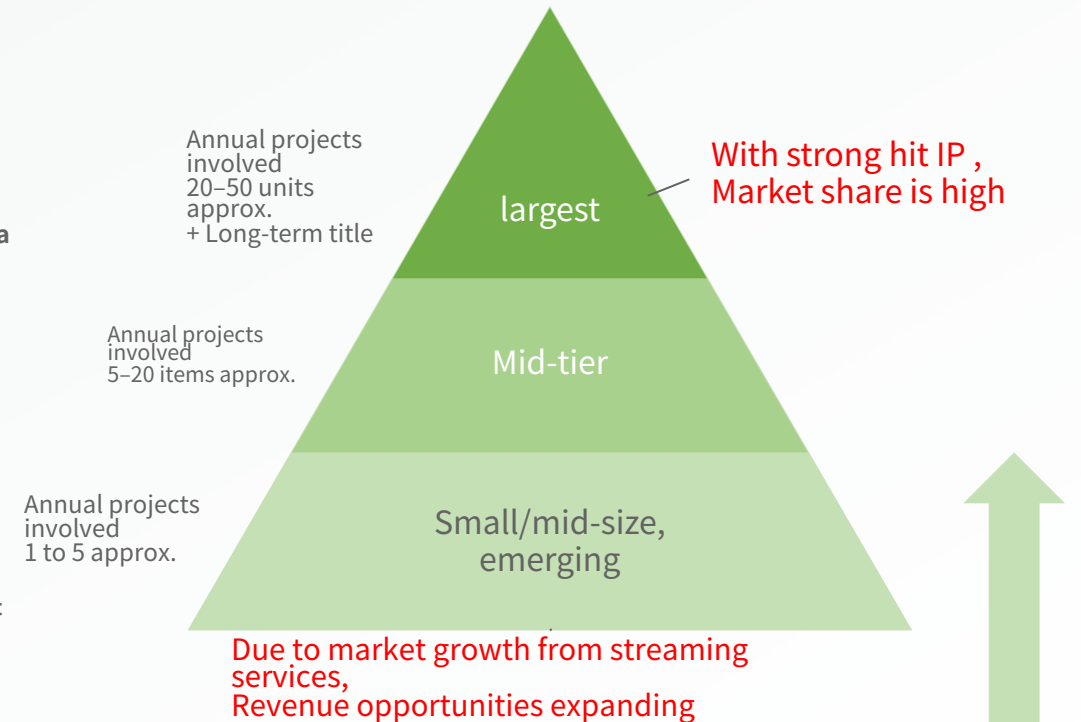
Anime market grows mainly overseas due to streaming expansion. Our strength is diverse monetization via media mix.

Anime Market Size Trend



Competitive landscape of the anime market

(* Anime planning / Production)



Key features of our anime business

We started our business mainly with people from the anime industry, Expertise in production committee investment and window operations. Own publishing business and more titles from anime industry network drive hit creation and aim for business scale expansion.

Source: The Association of Japanese Animations "Anime Industry Report 2025", competitive environment estimated by the company

In the expanding entertainment content market with growing opportunities,
Seize opportunities as a latecomer, leverage strengths to enter, aim for sustainable growth and higher corporate value

Strengths 1

■ New experiences / markets / Tech to create new opportunities

- Quickly catch and use new tech trends

Blogs, online ads, social games, AR , blockchain, AI etc.

2

■ IP content business 10 + years of experience

- Understand IP appeal and develop content business for IP fans IP fan-focused content business development

Developed and operated many mobile games based on popular IP and long-established IP for the long term

3

■ Management policy focused on continuous challenge

- Organizational knowledge from many challenges and failures since founding

Value taking on challenges without fear of failure, and quickly getting back up if you stumble

Mainly popular IP titles, IP with 9 titles in operation. 9 titles in operation. PC and console game development also underway

Operation
Title
9 units

Distributed by BANDAI NAMCO Entertainment Inc.

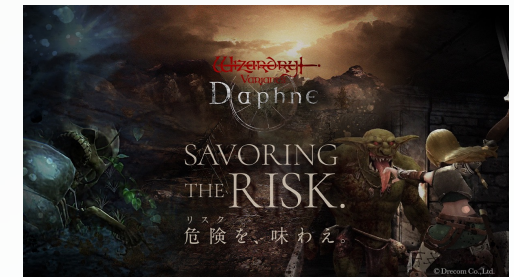
- ONE PIECE Treasure Cruise (2014 / 5)
- "THE IDOLM@STER SHINYCOLORS" (Apr. 2018)
- Super Robot Wars DD' (2019 / 8)

ANIPIXEL Inc. Distribution

- 『Everybody's Golf』 (2017 / 7)

Drecom Co., Ltd. Distribution

- "Chocotto Farm" (2011 / 1)
- "Derby Stallion Masters" (2016 Nov)
- DISGAEA RPG' (2019 / 11)
- Wizardry Variants Daphne (October 2024)
- "Disney STEP" (Mar. 2025)



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

PC
Console
3 units

- "Hungry Meem" (fiscal year 2025/6)
- "Tokyo Stories"
- "Demons' Night Fever"



Game Business: pipeline of live and in-development titles

Number of projects by status and trend

Business	Status	Definition	Number of projects / Details		
Game Business	Live Titles	For mobile devices centered on Live-operated titles	9	<ul style="list-style-type: none"> ☐ Third-party distribution: 4 titles ☐ Self-published: 5 titles 	
	Released Titles	Sold-out type already released PC /console Title	1	<ul style="list-style-type: none"> ☐ " Hungry Meem " 	
	Development	This development	Buy-to-own PC /console titles in development for release Titles for	2	<ul style="list-style-type: none"> • Tokyo Stories (Publisher: Happinet) • " Demons' Night Fever " (Publisher: Arc System Works)
		Proto Type	At pre-development stage Title (managed, one-time sale)	Multiple	<ul style="list-style-type: none"> ☐ Multiple projects under planning/prototyping <ul style="list-style-type: none"> → 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 titles are counted as 1 title each

Game Business: Revenue Trends of Live Titles (by Release Period)

- fiscal year2011/3
- fiscal year2014/3
- fiscal year2015/3
- fiscal year2016/3
- fiscal year2017/3
- fiscal year2018/3
- fiscal year2019/3
- fiscal year2020/3
- fiscal year2022/3
- fiscal year2023/3
- fiscal year2024/3
- fiscal year2025/3



* For sales revenue trends, please see the fact sheet on our website. HP https://drecom.co.jp/ir/factsheet_2026034Q.pdf

IP ownership and development: launched publishing, anime, MD businesses

Publishing Business

Comics / Novels



MD (Merchandising) Business

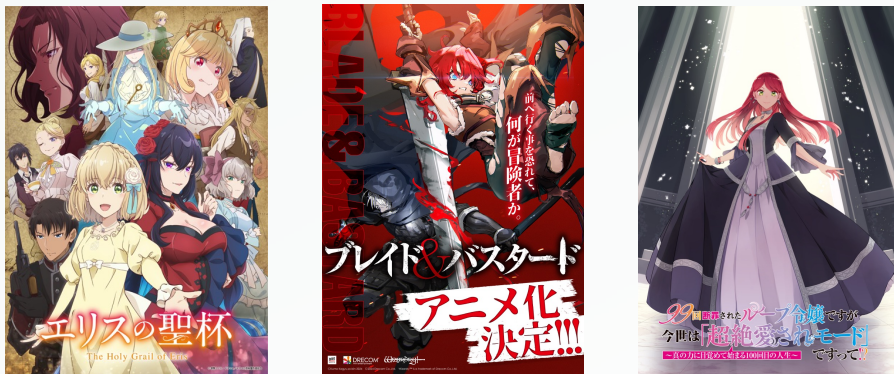
Merchandising



Event held



Anime business



Use of technology

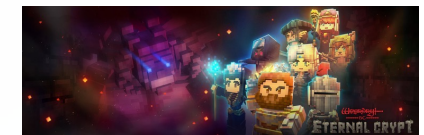
Location info



AI Utilization

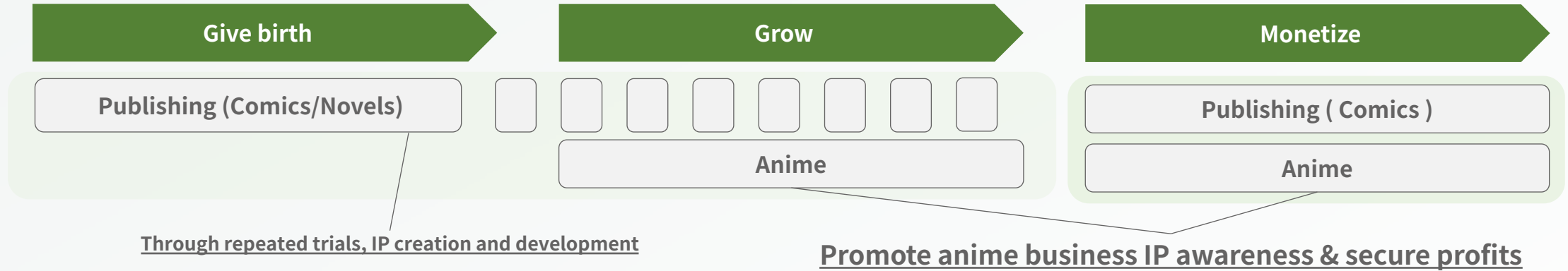


Web3



Content Business: Progress in Publishing and Anime Business Areas

In publishing, hit series creation is steadily progressing. Built a system for seamless rollout through to anime.



Through repeated trials, IP creation and development

Promote anime business IP awareness & secure profits

Number of series titles
(As of Mar. 2026)

Comics :
23 series

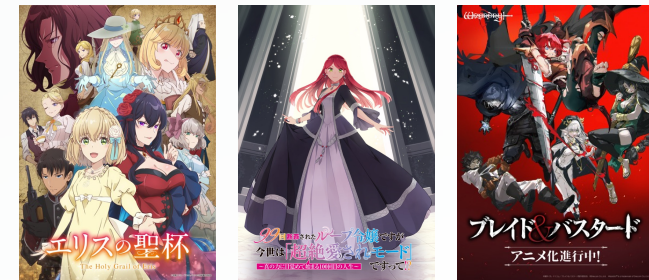
Novel :
51 series

Anime :
Own IP **3** titles / Third-party IP **1** title

- Total series sales 800k copies sold 'The Royal Rebound'
- Total series sales 700k copies sold "Blade & Bastard"
- Total series sales 400k copies sold The 100th Time's the Charm: She Was Executed 99 Times, So How Did She Unlock "Super Love" Mode?
- Total series sales exceed 300k copies "Safe & Sound in the Arms of an Elite Knight"
- Total series sales exceed 200k copies "Jeanette the Genius: Defying My Evil Stepmother by Starting a Business with My Ride-or-Die Fiancé!"



- Original IP: 3 titles being adapted into anime

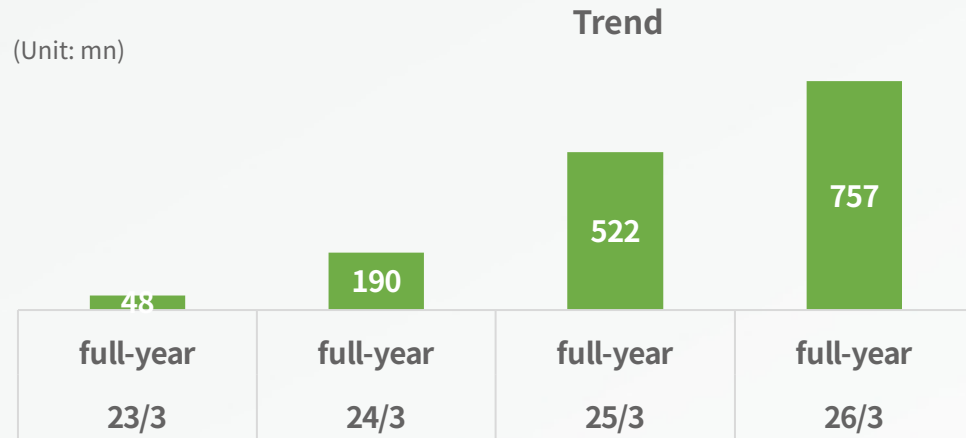


- Original work by third party: 『An Old Man from the Countryside Becomes a Sword Saint』 (Original: SQEX Novel)
* Participated in production committee via investment in game adaptation/collab license window

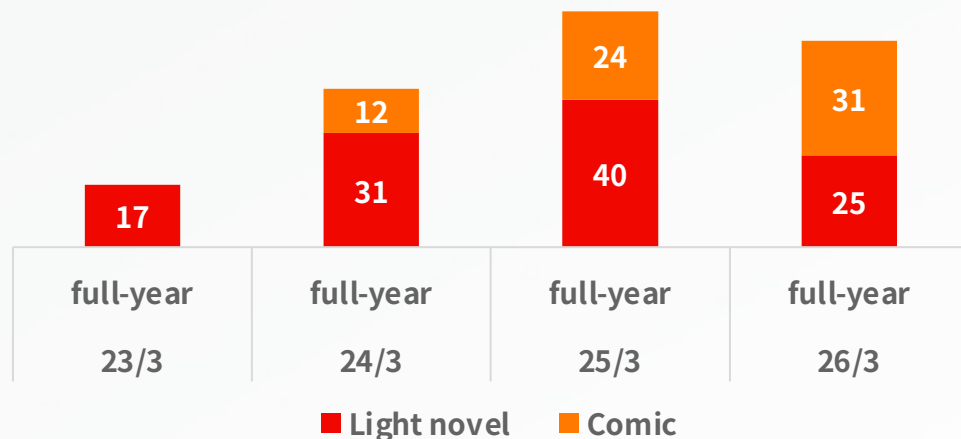
Content Business: Progress in Publishing & Anime Business Areas

4Q will see the broadcast of anime based on our published works. fiscal year 2027/3 will mark the launch of original comic "Drecomi"

Publishing & Animation Business Segment Sales



Annual number of publications trend



Publishing & Anime Business IP rollout schedule

<Main IP Publication Schedule>

April 2026

- DRE Novels 『Thou Shalt Love thy Unwise King 3』

May 2026

- DRE Comics F ' A Royal Rebound: Forget My Ex-Fiancé, I'm Being Pampered by the Prince! 5'

<Drecom Publication Schedule>

April 2026

- " This Succubus Is Kind of Chubby. 1 "
- " Usui-kun wa Shinobinai Vol.1 "

May 2026

- " Goodbye Heisei Old Man "

June 2026

- " Key to the Kingdom -Tale of the Missing Princess-"

Strong titles
Considering anime
adaptation, etc.

At the timing of anime broadcast
Aim to increase sales of related
publications

<Anime Schedule>

January 2026 ~

- 『The Holy Grail of Eris』
→ TBS Network 28 stations / BS11 nationwide broadcast / Now streaming on all platforms

Timing not announced

- " Blade & Bastard "
- The 100th Time's the Charm: She Was Executed 99 Times, So How Did She Unlock "Super Love" Mode? '

* "The Holy Grail of Eris" is a transferred title from another company. The Holy Grail of Eris " will be re-released as a new edition by DRE Novels. DRE Novels will publish the new edition in 2024 Nov. issue

For consolidated results trends, cost/SG&A trends, and game business billing sales trends,
please see the fact sheet on our website.
https://drecom.co.jp/ir/factsheet_2026034Q.pdf

The outlooks among the views, strategies, and plans in this material are not historical facts and include uncertainties. , strategies , and plans , Actual results may differ greatly from outlooks due to various factors. Key factors that may affect actual results include , economic conditions around our business , social trends , and changes in relative competitiveness due to demand trends for our services. Also, , key factors affecting results are not limited to these.