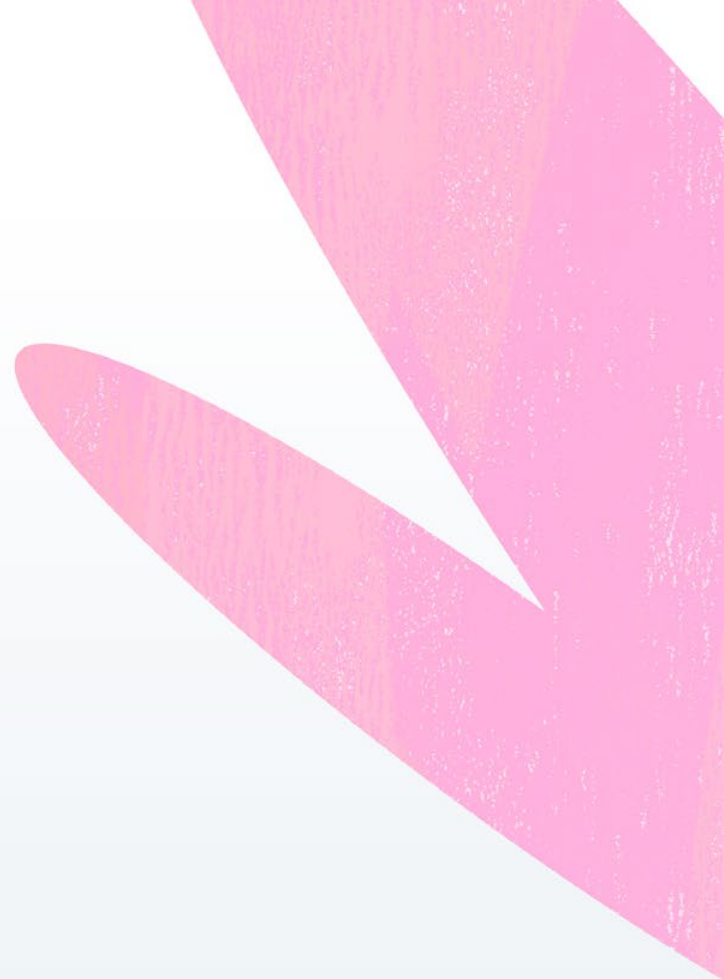


# Game

**Growth Strategy**



# Create a Steady Stream of High-Quality Hit Games

**Koki Ukita**

Managing Executive Officer

**Yusuke Hidaka**

Director, Executive Vice President

Since its 2009 entry into the market, CyberAgent's Game Business has grown in parallel with the growth of the smartphone game market. We spoke with Yusuke Hidaka, Director, Executive Vice President, and Koki Ukita, Managing Executive Officer, about the events of the past few years that have brought about major changes in the environment, such as the impact of COVID and the full reopening, as well as CyberAgent's current competitive advantages in the gaming business and future prospects.



“ We believe it is critical to strengthen our company's collective capabilities in order to consistently create hit titles. (Hidaka) ”

## Leveraging Our Collective Capabilities to Compete in a Highly Competitive Environment

— What is happening in the smartphone game market in Japan now?

**Hidaka:** The domestic smartphone game market has changed dramatically in recent years, as the gaming population has grown in response to demand from the home-nesting that took root during the COVID pandemic. The market's current size is around 1,212.9 billion yen\*, placing Japan third in the world after China and the United States.

"Umamusume: Pretty Derby"\*2, released in February 2021, became a massive hit for our company, indicating a significant transition period.

The smartphone gaming market has been growing steadily. However, growth is slowing, partly due to the impact of the reopening of COVID.

We expect competition to intensify further as the market matures and more foreign companies enter. As consumers demand higher quality, we believe it is critical to strengthen our company's collective capabilities to consistently create hit games.

## Pursuing a "AAA Strategy" with Japan's Largest Development System

— What is your long-term business strategy?

**Hidaka:** In our game business, our strategy leverages the strengths of each of our 10 game-centric subsidiaries to engage in ongoing game development.

Cygames, which specializes in original IP, has already produced several hit games. Even after the 9th anniversary, "Granblue Fantasy"\*3, one of its flagship titles, remains a mainstay title for the company, with console games scheduled for release in December 2023 and February 2024.

For "Umamusume: Pretty Derby"\*2, we are currently striving to create a title that users will love for years through a multimedia franchise that will expand the title beyond the scope of a smartphone game to include the production of TV anime and comic series.

**Ukita:** At another one of our game subsidiaries, SGE (Smartphone Game Entertainment Division), we have established a "AAA (Triple-A) Strategy," with the goal of producing global hits with powerful IPs.

A good example of this is "FINAL FANTASY VII EVER CRISIS"\*4



**Yusuke Hidaka**  
Director,  
Executive Vice President

Mar. 1998 Established CyberAgent, Inc.  
and was appointed as Managing Director.  
Oct. 2010 Director and Vice President of CyberAgent (current position)  
May. 2011 Director, Cygames, Inc. (current position)  
Oct. 2020 Executive Officer, CyberAgent, Inc. (current position)

\*1 Kadokawa Ascii Research Institute, "Famitsu Mobile Game White Paper 2023" (March 2023)



**Koki Ukita**  
Managing Executive  
Officer

2011 Joined CyberAgent, Inc.  
2014 President, Applibot, Inc. (current position)  
2018 Director, Colorful Palette Inc. (current position)  
2020 Managing Executive Officer, CyberAgent, Inc. (current position)

“ To develop hits in the face of fierce competition, we must have a solid development system, technological capabilities, a commitment to pursuing quality, and operational capabilities. (Ukita) ”

which was released in September 2023. Without altering the beloved world and lore of the highly popular FINAL FANTASY VII<sup>5</sup> series, we hope to not only satisfy existing fans but also expand our new fan base through smartphone games.

— What are your competitive edges?

**Ukita:** I believe we have the largest smartphone game development organization and operational capabilities in Japan. To develop hit games in the face of fierce competition, we must have a solid development system, technological capabilities, a commitment to pursuing quality, and operational capabilities. Although the development time for each title is longer than in the past, each member has worked with great enthusiasm, which has helped to further increase confidence in the quality of CyberAgent, and we have recently received more and more inquiries from prominent IP content holders.

Another advantage is the flexible collaboration between subsidiaries, each with its own strengths, and the flexible movement of personnel.

Throughout the game industry, information is actively exchanged between offices from the development stage, in addition to pre-launch tests performed by top management team.

By maximizing group synergies without organizational boundaries

between subsidiaries, we are now able to produce high-quality titles regardless of which company is working on them.

### Production Team's Passion is Essential for Games to Become Timeless Classics

— Game business consists of several subsidiaries, but do they all follow the same HR strategy?

**Hidaka:** The major titles we are currently working on take at least three years to develop and require around-the-clock work even after release. Titles that are destined to become timeless classics are born not only from a high level of technical skill but also from the passion of developers, who must thoroughly consider the user's perspective and whether they will truly find the game entertaining.

**Ukita:** In this regard, I feel that every member of the production team has a deep passion for their project.

It has been six years since we launched the "AAA Strategy," and the titles that core members have experience working on are now in their third round, which creates a virtuous cycle. I feel that the organization has become stronger by having more

experienced staff, and we anticipate that their knowledge-sharing and training will accelerate in the future.

**Hidaka:** The CyberAgent Group, which launched its game business in 2009, is now one of the largest companies in the smartphone game market in Japan. We also have the most modern development facilities, and I believe we have an environment that allows our talent to maximize their abilities. By implementing a variety of approaches that leverage the strengths of each subsidiary, we will continue to develop titles of the highest quality that are universally popular around the world.

\*2 "Umamusume: Pretty Derby," © Cygames, Inc.

\*3 "Granblue Fantasy," © Cygames, Inc.

\*4 "FINAL FANTASY VII EVER CRISIS," © SQUARE ENIX  
Powered by Applibot, Inc. CHARACTER DESIGN: TETSUYA NOMURA /  
CHARACTER ILLUSTRATION: LISA FUJISE

\*5 "FINAL FANTASY VII," © SQUARE ENIX





FINAL FANTASY VII™  
EVERCRISIS™

