



Drecom (3793)

Flash comment

GIR View

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DRECOM
with entertainment

Entry into Web3 Business Announced

- Drecom (3793) announced its entry into the Web3 business after the close of business on Friday, March 18.
- Web3, also known as Web 3.0, is gaining attention as a concept that follows web1.0, in which information providers unilaterally convey information to viewers via websites, and web2.0, in which information providers and viewers communicate interactively via SNS. The company defines Web3 as "an Internet distribution service realized via tokens."
- This release states that the company has decided to enter the GameFi domain, where it can take full advantage of its strengths, as an offshoot of its Web3 initiatives. GameFi is a word created by combining the words "Game" and "Decentralized Finance (DeFi)."

- Specifically, the company has signed a basic agreement with the Thirdverse Group, which its strength lays in the blockchain domain. Under the agreement, Thirdverse Group will act as the publisher and Drecom will develop and operate blockchain games on behalf of the Thirdverse Group. The company plans to produce two games for overseas markets, the first of which will be an alpha version of a game licensed from *Wizardry*, an IP owned by the company, to be released between winter 2022 and spring 2023.
- GameFi holds enormous potential, that at one point a GameFi called *Axie Infinity* in Vietnam had 1 million DAUs and monthly sales of \$342 million (¥40.6 billion). Depending on future developments, this could become a gamechanger. GameFi is the first step in the company's Web3 initiative, and the company plans to consider and implement business development not only for GameFi, but for a wide range of other businesses as well.

In-house IP Blockchain Contracted to develop and operate games

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Mission and mid-term goals Development consistent with

- Entertainment has a history of growing along with the development of technology. Drecom believes that as the technology continues to emerge in Web3, more new developments is expected in the entertainment field over the medium term span. The company's decision to enter the GameFi market was based on the belief that these technology trend would contribute greatly to the realization of the company's mission and vision.

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Integrity & Sustainability

Mission and mid-term
goals
Development consistent
with
(cont.)

- The company's mid-term goal is "to become a comprehensive entertainment company that provides a wide variety of digital entertainment content globally with focus on IP." In addition to the already announced launch of its publishing business, the aforementioned entry into the GameFi business is also a positive step toward achieving this mid-term goal.



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