

Kato.8 Studios — Business Strategy

Prepared For: Internal strategic planning

Mission Statement:

Kato.8 Studios is committed to reviving hearts in gaming. We create meaningful, human-centered experiences while building a studio where developers are seen, heard, and never disposable.

Our worlds are crafted with authenticity, creativity, and genuine passion.

1. Executive Summary

Kato.8 Studios is an emerging mid-sized indie game studio focused on creating modern games with retro-inspired aesthetics, mechanics, and emotional engagement. The studio's initial strategy is to launch with a lightweight revenue-share development model, publishing a small game on Steam and itch.io to generate early revenue. This revenue will then be used to formally establish the studio structure, form the LLC in California, and fund early operational costs.

After this foundation is established, the studio will focus on building a polished demo for **Last Light**, a larger-scale commercial title intended for publisher and investor pitches. Kato.8 aims to secure external funding to grow into a stable, multi-project indie studio.

2. Studio Vision

Vision (2–3 Years)

Kato.8 Studios aims to become a mid-sized indie game studio known for:

- Creative games mixing retro and modern in both gameplay and aesthetics
- Tight, highly engaging gameplay loops
- Strong concepts backed by thoughtful, marketable execution
- Cross-genre exploration (RPG, simulator, survival, action)

The studio will evolve from a remote-first model into a hybrid structure with a central location once funding is secured.

3. Studio Identity

Core Creative Identity

Kato.8 Studios will be recognized for:

- Blending retro and modern aesthetics
- Hybrid genre gameplay
- Strong, clever mechanics
- Accessibility combined with depth
- Emotionally engaging worlds with personality

Mission statement: To be defined later
(Tagline also TBD)

4. Studio Structure and Formation Strategy

Phase 1 – Pre-LLC (Current Phase)

- Operate under founder structure
- Revenue-share agreements with contributors
- Minimal overhead
- Development of first commercial title **Hotdog Hustler**
- Set aside 50% of launch revenue for formation of the LLC

Phase 2 – Official Formation of Kato.8 Studios LLC

Location: California

Includes:

- LLC registration
- Operating Agreement
- EIN
- Business bank account
- Accounting setup

- Contract templates (NDA, work-for-hire, revenue share)
- Studio email domain + security policies
- Trademark research
- Website legal pages

Phase 3 – Structuring for Growth

Once the LLC is funded:

- Move from revenue-share to mixed compensation model
 - Establish official roles
 - Begin recruiting for demo production
 - Establish long-term collaboration tools
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5. Revenue-Share Game Strategy: Hotdog Hustler

Title: Hotdog Hustler

Budget: Revenue-share only

Team (3 roles):

- 2D Artist
- Programmer
- Sound Designer

Founder retains: 50%

Team splits remaining: 50%

Scope: 2-month development

Platforms: Steam + itch.io

Price: \$1

Purpose:

- Generate revenue for LLC formation
- Build team chemistry
- Create a portfolio-ready release
- Demonstrate ability to ship
- Begin community/social presence

Revenue Allocation:

- 50% → Kato.8
- 50% → Team

Revenue Scenarios:

- 1,000 units → \$350 to Kato.8
 - 5,000 units → \$1,750 to Kato.8
 - 10,000 units → \$3,500 to Kato.8
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6. Phase 2: Demo Development for Last Light

Goal: Produce a high-quality vertical slice for **Last Light**.

Demo Milestones:

1. New GDD
2. Core mechanics identification
3. Core loop prototype
4. Art direction pass
5. Vertical slice build
6. Pitch materials
7. Publisher submissions

Purpose:

- Validate core loop
 - Demonstrate capability
 - Build publisher confidence
 - Secure funding
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7. Publishing & Investor Strategy

- One publisher already showing interest
- Focus is on **Last Light** or future IPs

Pitch Flow:

1. Introduce Kato.8
 2. Showcase Hotdog Hustler
 3. Show Last Light demo
 4. Present timeline/budget
 5. Present pipeline
 6. Risks
 7. Financial projections
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8. Financial Model

Platform Cuts:

- Steam: 30%
- itch.io: 10%

Cash Flow Targets:

- \$700–\$1,500 for LLC formation + tools
- \$5,000–\$15,000 for demo support

Phase 2 Funding Strategy:

- Demo built lean
 - Used to pitch for full funding
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9. Growth Roadmap

Phase 1: 0 to LLC

Phase 2: Demo Development

Phase 3: Growth

Phase 4: Mid-Sized Studio

10. Risk Assessment & Mitigation

Risks:

- Revenue-share burnout
- Low sales
- Demo delays
- Overscope
- Funding risk

Mitigation:

- Keep scope small
 - Maintain strict timelines
 - Clear milestones
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11. Tools & Operations

Tools:

Unity, GitHub, Trello/Jira/Notion, Discord, Figma, Google Workspace

Legal Tools:

LLC, Operating Agreement, Contracts, Accounting

12. Deliverables Needed Next

- New GDD for Last Light
 - Pitch Deck
 - Financial spreadsheet
 - Contracts
 - Mission statement & tagline
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13. Financial & Studio Setup Requirements

(New Section — Verified from Uploaded Documents Only)

Studio Formation Costs (California):

- LLC Filing Fee: ~\$70
- Statement of Information: ~\$20
- Registered Agent (optional): \$0–\$300
- EIN Registration: Free
- Operating Agreement: Free
- Business Bank Account: Free

Studio Setup Total (from documents): \$800–\$3,000

Tools & Systems Required:

- Unity
 - GitHub repository + version control
 - ClickUp (free tier)
 - Google Workspace (optional)
 - Steam Partner Fee: \$100
 - itch.io: free
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Hotdog Hustler Release Costs:

- Cash cost: \$100 Steam fee
 - Art & sound handled via rev-share (no cash cost)
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Last Light Demo Budget (from Funding Roadmap):

- Demo Development: \$2,500–\$6,000
- Art: \$1,000–\$3,000
- Sound: \$300–\$1,000
- QA: \$200–\$600

Total Demo Cost: \$4,000–\$10,600

Combined Studio + Demo Cost Range:

\$4,800–\$15,600

Revenue Strategy (from Strategic Overview + Roadmap):

- Hotdog Hustler priced at \$1
- 50% of revenue funds studio + demo

Unit Targets:

- 1,500–4,000 units @ \$4.99 equivalent
 - 7,000–22,000 units @ \$1
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Logistics for Studio Operation:

- NDA, Revenue-share agreements, Work-for-Hire contracts
- GitHub pipeline
- Unity project standards
- Website legal pages
- Accounting setup
- Studio email + security
- Build/version management