



Earnings Results

The 2nd Quarter Ended September 30, 2025 | 2025.11.6



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Summary of Consolidated Earnings Results for the 2nd Quarter and Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026

Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2026

(Unit: Million JPY)	Apr.-Sep. 2024 Results	Apr.-Sep. 2025 Results	Year on year (changed amount)	Jul.-Sep. 2024 Results	Jul.-Sep. 2025 Results	Year on year (changed amount)
Net sales	136,320	133,933	-1.8% (-2,387)	70,459	69,088	-1.9% (-1,371)
Operating profit	10,626	5,550	-47.8% (-5,076)	4,597	3,232	-29.7% (-1,365)
└ Operating margin	7.8%	4.1%	-3.7pt	6.5%	4.7%	-1.8pt
Ordinary profit	9,771	6,778	-30.6% (-2,993)	2,072	4,428	+113.7% (+2,356)
Profit attributable to owners of parent	3,096	1,491	-51.8% (-1,605)	-358	-1,367	- (-1,009)
EBITDA (Operating profit + depreciation + amortization of goodwill)	14,307	9,976	-30.3% (-4,330)	6,515	5,501	-15.6% (-1,014)

Net Sales and Operating Profit by Business Segment

(Unit: Million JPY)		Apr.-Sep. 2024 Results	Apr.-Sep. 2025 Results	Year on year (changed amount)		Jul.-Sep. 2024 Results	Jul.-Sep. 2025 Results	Year on year (changed amount)	
Publication/ IP Creation	Net sales	72,473	72,316	-0.2%	(-157)	36,654	37,852	+3.3%	(+1,198)
	Operating profit	4,357	258	-94.1%	(-4,099)	1,329	1,225	-7.8%	(-103)
Animation/Film	Net sales	26,431	21,030	-20.4%	(-5,401)	14,406	11,133	-22.7%	(-3,273)
	Operating profit	3,640	-895	-	(-4,536)	1,697	-1,032	-	(-2,730)
Gaming	Net sales	18,149	16,594	-8.6%	(-1,555)	10,385	7,939	-23.6%	(-2,446)
	Operating profit	6,072	6,662	+9.7%	(+589)	3,666	3,282	-10.5%	(-383)
Web services	Net sales	8,329	11,106	+33.3%	(+2,777)	3,603	5,751	+59.6%	(+2,147)
	Operating profit	-1,007	1,569	-	(+2,577)	-610	878	-	(+1,488)
Education/EdTech	Net sales	7,658	8,610	+12.4%	(+951)	3,683	4,221	+14.6%	(+537)
	Operating profit	1,447	1,667	+15.2%	(+219)	615	808	+31.4%	(+193)
Others	Net sales	7,783	6,928	-11.0%	(-854)	3,847	3,553	-7.6%	(-293)
	Operating profit	-2,422	-2,090	-	(+332)	-1,443	-1,068	-	(+374)
Corporate/ Eliminations	Net sales	-4,506	-2,652	-	(+1,853)	-2,121	-1,362	-	(+758)
	Operating profit	-1,460	-1,620	-	(-159)	-657	-862	-	(-204)

Summary of Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2026 (1)

- **Q2 (July-September)**

Net sales: -1.9%, operating profit: -29.7%, ordinary profit: +113.7%, net profit: -1,009M

While Publication/IP Creation saw improving trends compared with Q1, the significant decreases in sales and profit in Animation/Film, coupled with reduced Gaming sales, resulted in an overall decrease in consolidated sales and profit.

*** The impact of the cyberattack primarily affecting Publication/IP Creation and Web Services (2Q in the previous year: sales -4.9 billion yen, operating profit -2.65 billion yen) disappeared.**

- In the Animation/Film Segment, this year saw a high proportion of first-time animated adaptations. Compared to the previous year, where major animated titles contributed significantly, overall sales and profit declined, including streaming licensing and merchandise/game licensing.
- In the Gaming Segment, sales of *ELDEN RING NIGHTREIGN* remained strong following on from Q1. However, sales and operating profit declined compared to the previous year, which benefited significantly from contributions from the *ELDEN RING* DLC (international shipments in June were also recorded in Q2).
- In Publication/IP Creation, the impact of the cyberattack (2Q in the previous year: sales -1.8 billion yen, operating profit -0.85 billion yen) disappeared. E-books and international paper-based books saw increased sales and operating profit, driven by improved trends compared with Q1. On the other hand, overall segment sales increased while operating profit decreased, due to the significant impact of reduced sales of domestic paper-based books, decreased efficiency, and lower sales from high-margin rights-licensing.
- Sales and operating profit increased in Web Services, owing to the impact of the cyberattack (2Q in the previous year: sales -2.6 billion yen, operating profit -1.3 billion yen) disappeared, and Education/EdTech, which performed well against the backdrop of an increase in the number of students.
- While ordinary profit increased from the previous year, which saw significant foreign exchange losses, net profit decreased due to the posting of extraordinary losses resulting from the amortization of goodwill related to consolidated subsidiaries of 2.7 billion yen.

Summary of Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2026 (2)

- **Over the first six months,**

Net sales: -1.8%, operating profit: -47.8%, ordinary profit: -30.6%, net profit: -51.8%.

The lower sales and profit in Publication/IP Creation and Animation/Film could not be absorbed by higher profit in Gaming, and higher sales and profit in Web Services, and Education/EdTech, resulting in lower sales and profit on a consolidated basis as a whole.

*** The impact of the cyberattack primarily affecting Publication/IP Creation and Web Services (in the previous year: sales -7.5 billion yen, operating profit -4.5 billion yen) disappeared.**

- In Publication/IP Creation, the impact of the the cyberattack (previous year: sales -3.15 billion yen, operating profit -1.65 billion yen) disappeared. However, overall segment sales and operating profit decreased, mainly due to factors such as the downscaling of titles in domestic paper-based books and e-books, the effects of an increase in sales and profit in e-books from the change in sales recognition timing in the previous year (previous year: sales +2.4 billion yen, operating profit: +1.8 billion yen), a decrease in rights-licensing sales, and an increase in personnel expenses, etc.
- In Animation, sales and operating profit declined from the previous year, when primarily major titles contributed significantly to earnings. In Film, sales and operating profit declined compared to the previous year, which saw significant secondary utilization of multiple theatrically released titles.
- In Gaming, sales decreased despite the domestic and international strong performance of *ELDEN RING NIGHTREIGN*, compared to the previous year, which benefited significantly from the contributions of the *ELDEN RING* DLC. Profit increased due to a decrease in some expense items.
- Both the Web Services and Education/EdTech segments saw increases in sales and operating profit. In Web Services, they increased because the impact of the cyberattack (previous year: sales -3.85 billion yen, operating profit -2.35 billion yen) disappeared, despite a decrease in the number of premium members. In Education/EdTech, they were driven by steady increases in student numbers following the establishment of new high school and university.
- Ordinary profit declined less significantly compared to operating profit due to significant foreign exchange losses in the previous year. On the other hand, net profit showed a relatively large decrease due to the posting of extraordinary losses resulting from the amortization of goodwill related to consolidated subsidiaries of 2.7 billion yen.

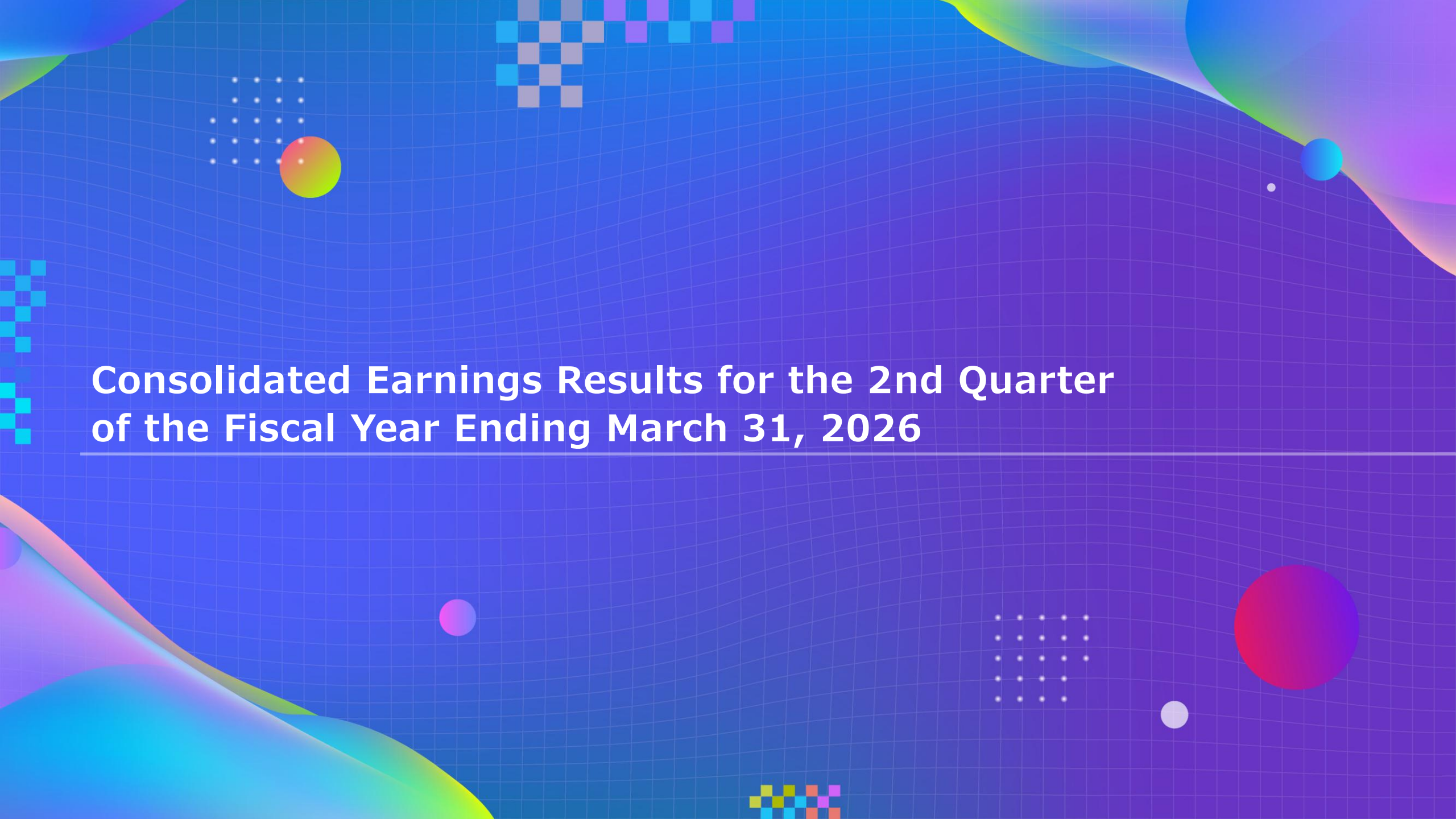
Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026

- In Publication/IP Creation and Animation/Film, figures are significantly lower than the initial forecast, mainly due to the decline in sales and operating profit due to the downsizing of titles.
Despite a significant increase in Gaming, and cost reductions in Web Services, overall consolidated sales and operating profit were both revised downward
 - ✓ In Publication/IP Creation, we will advance various measures to swiftly improve our domestic publication business (See page 14 for details), strengthen our IP strategy, and further growth in e-books and international paper-based books.
 - ✓ In Animation/Film, the first animated works of popular IPs and multiple sequels to existing hit animated series will be developed. We also aim to increase the number of episodes by expanding in-house production studios, and maximize rights-licensing sales by accelerating the global media mix.

(Unit: million JPY)	Results for the fiscal year ended March 31, 2025	Initial forecasts for the fiscal year ending March 31, 2026	Revised forecasts for the fiscal year ending March 31, 2026	Year on year	Initial forecasts vs Revised forecasts
Net sales	277,915	291,900	278,200	+0.1% (+285)	-4.7% (-13,700)
Operating profit	16,651	16,700	10,300	-38.1% (-6,351)	-38.3% (-6,400)
Ordinary profit	17,742	18,700	12,400	-30.1% (-5,343)	-33.7% (-6,300)
Profit attributable to owners of parent	7,393	11,400	4,900	-33.7% (-2,493)	-57.0% (-6,500)
EBITDA (Operating profit + depreciation + amortization of goodwill)	24,907	25,500	19,500	-21.7% (-5,407)	-23.5% (-6,000)

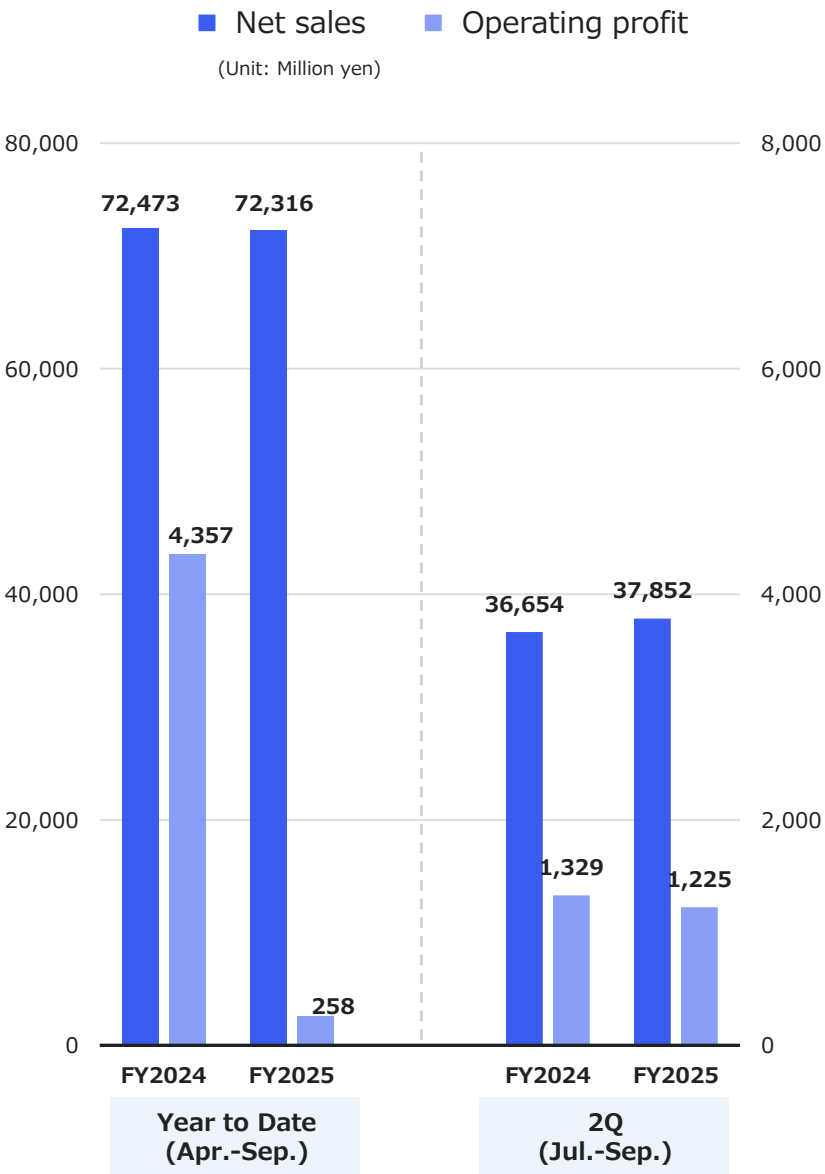
Consolidated Earnings Forecasts by Business Segment

(Unit: million JPY)		Results for the fiscal year ended March 31, 2025	Initial forecasts for the fiscal year ending March 31, 2026	Revised forecasts for the fiscal year ending March 31, 2026	YoY	Initial forecasts vs Revised forecasts	Background for the forecast revision
Publication/ IP Creation	Net sales	151,367	167,900	157,800	+4.2% (+6,432)	-6.0% (-10,100)	- In domestic paper-based books and e-books, sales decreased, mainly due to the decline in earnings and decreased efficiency due to the downsizing of titles. Rights licensing sales also fell short of the initial plan. - In the second half of the fiscal year, although some recovery due to price revisions and large-scale campaigns will be factored in, the full-scale effects are expected to manifest in the next fiscal year.
	Operating profit	8,372	11,500	5,300	-36.7% (-3,073)	-53.9% (-6,200)	
Animation/ Film	Net sales	51,092	55,400	48,200	-5.7% (-2,893)	-13.0% (-7,200)	In Animation, first-time animated adaptations occupied the animated title lineup, and revenue per title was lower than expected. In the second half of the fiscal year, major titles are planned to contribute in Q4, but there are also multiple titles that are scheduled to be delayed to the next fiscal year, making sales significantly lower than the initial forecast.
	Operating profit	4,729	5,000	200	-95.8% (-4,530)	-96.0% (-4,800)	
Gaming	Net sales	33,597	26,000	28,000	-16.7% (-5,598)	+7.7% (+2,000)	- FromSoftware's <i>ELDEN RING NIGHTREIGN</i> has performed well beyond initial expectations. - Spike Chunsoft and Acquire are also progressing smoothly.
	Operating profit	9,538	3,800	8,400	-11.9% (-1,138)	+121.1% (+4,600)	
Web Services	Net sales	18,038	20,800	20,400	+13.1% (+2,362)	-1.9% (-400)	- Business itself is generally as expected for both niconico-related businesses and the live business. - On the other hand, costs such as personnel expenses and costs for securing content are expected to be lower than planned, and operating profit is expected to be higher than initial forecasts.
	Operating profit	-998	500	2,000	- (+2,998)	+300.0% (+1,500)	
Education/ EdTech	Net sales	15,119	17,600	17,200	+13.8% (+2,081)	-2.3% (-400)	Results have overall been broadly in line with the forecasts.
	Operating profit	2,382	2,400	2,400	+0.7% (+18)	±0% (±0)	
Others	Net sales	17,881	16,800	15,500	-13.3% (-2,381)	-7.7% (-1,300)	- In the MD business, both sales and operating profit declined due to postponement of the release of some products and an increase in manufacturing unit costs. - The Recreation business will not reach the same level as the initial plan.
	Operating profit	-4,204	-2,700	-3,600	- (+605)	- (-900)	
Corporate/ Eliminate	Net sales	-9,181	-12,600	-8,900	- (+282)	- (+3,700)	—
	Operating profit	-3,169	-3,800	-4,400	- (-1,231)	- (-600)	



Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2026

Business Overview – Publication/IP Creation Segment



Factors for Increase/Decrease in the First Half

Net sales: -0.2% / -157M (2Q +3.3% / +1,198M)

Domestic paper-based books/information media YoY +0.5% Composition ratio: 26%	E-books YoY -6.7% Composition ratio: 40%	International paper-based books YoY +16.8% Composition ratio: 13%	Rights-licensing sales YoY -15.2% Composition ratio: 8%	Other subsidiaries, etc. YoY +20.1% Composition ratio: 12%
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- The number of new IPs, the foundation of the media mix strategy, increased by 9.6% year on year (2Q: +9.5%).
- Domestic paper** Although on a YTD basis, sales increased due to the disappearance of the impact of the cyberattack (YTD in the previous year: -3.15 billion yen, 2Q: -1.8 billion yen), sales decreased in terms of actual performance. While 2Q had major titles such as *The Summer Hikaru Died*, in addition to the disappearance of the impact of the cyberattack, sales declined due to downscaling of titles overall.
- E-books** On a YTD basis, sales decreased with fewer hit titles in Q1 and the significant impact on sales due to the change of sales recognition timing in the previous year (YTD in the previous year: approx. +2.4 billion yen). Q2 sales increased (+7.0%), driven by the strong performance of media mix titles.
- International paper** Sales increased in Q2 and on a YTD basis, primarily due to the steady growth of existing bases in Asia and the contributions of new bases. In Americas, sales declined on a YTD basis but turned to growth in Q2.

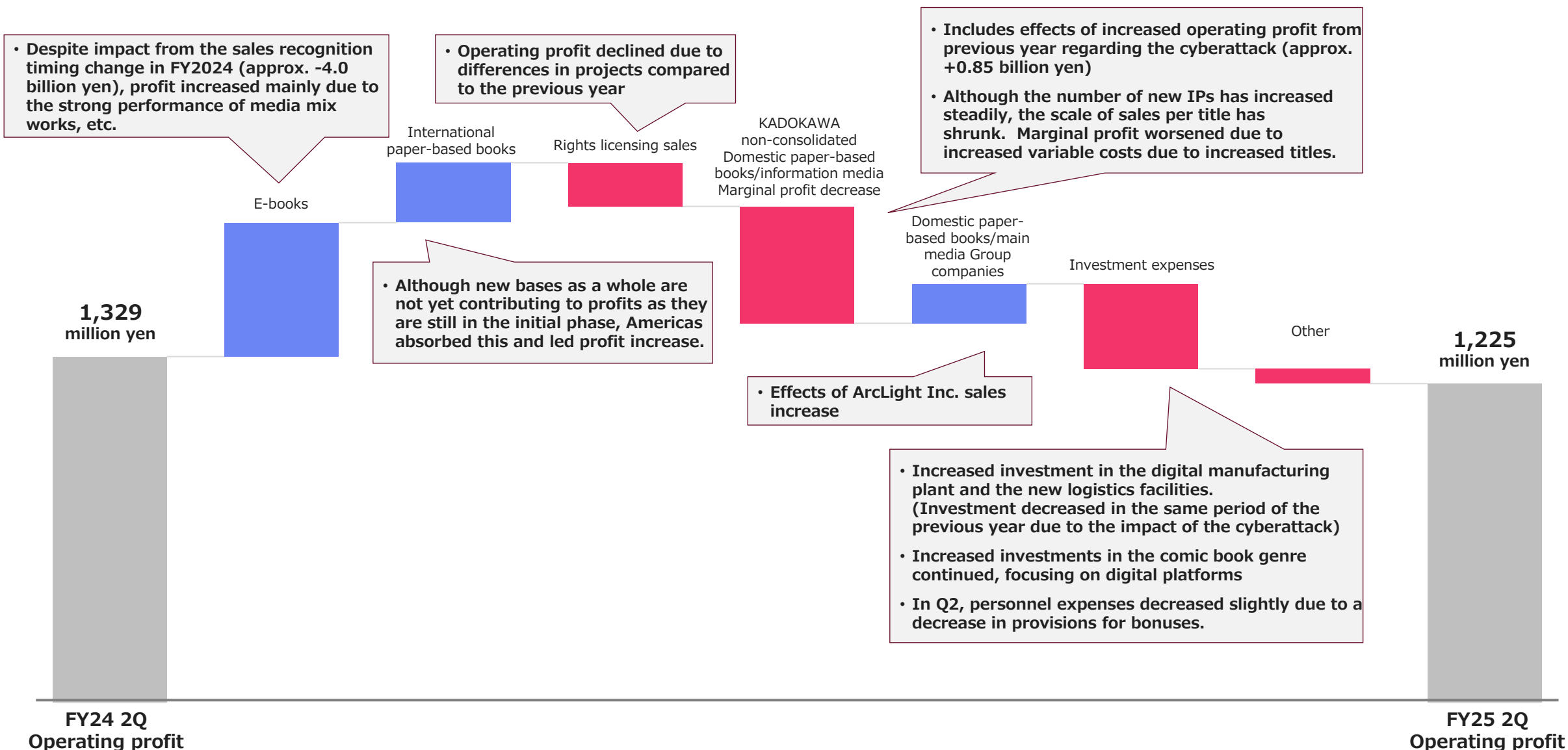
Operating profit: -94.1% / -4,099M (2Q -7.8% / -103M)

- On a YTD basis, the decline in sales of e-books in Q1 and the decrease in marginal profit from domestic paper-based books had a significant impact, driving down operating profit. In Q2, while e-books and international paper-based books saw increased profits, overall profits declined due to decreased profits from domestic paper-based books (see pages 12-13 for details).

Future outlook (please refer to page 14)

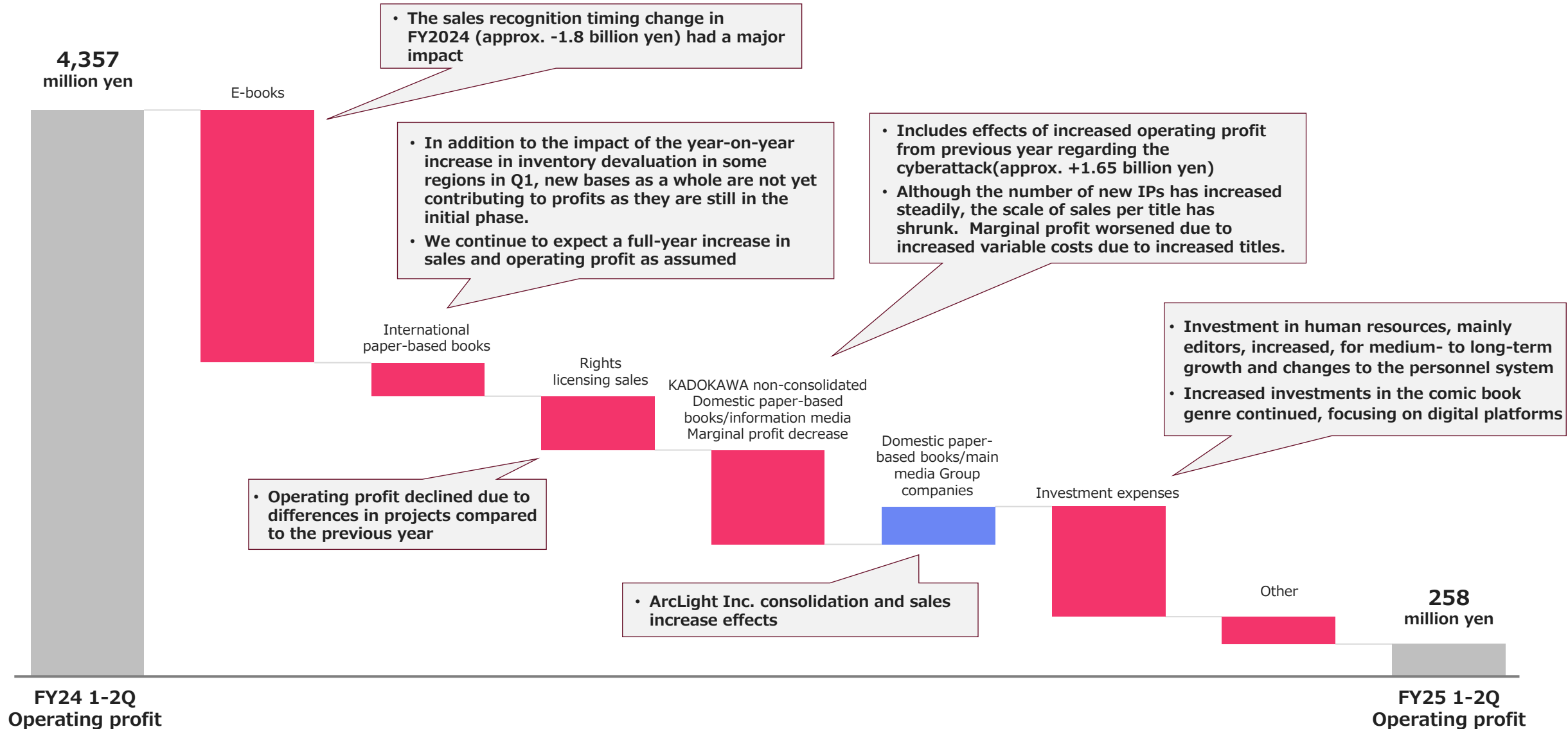
Overview of Business Performance - Publication/IP Creation Segment (2Q Factors for Increase/Decrease in Operating Profit)

◆ Publication / IP Creation Segment operating profit: YoY -7.8%/-103M



Overview of Business Performance - Publication/IP Creation Segment (Six Months Factors for Increase/Decrease in Operating Profit)

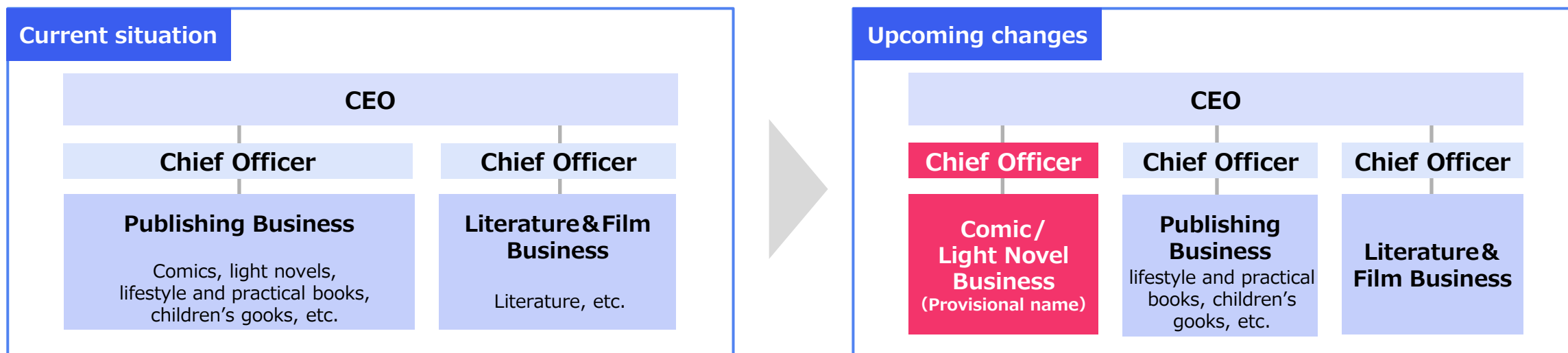
◆ Publication/IP Creation Segment operating profit: YoY-94.1%/-4,099M



Publication/IP Creation Segment: Future measures based on first-half results

- To swiftly improve our domestic publication business and strengthen our IP strategy, we plan to reorganize our structure as follows

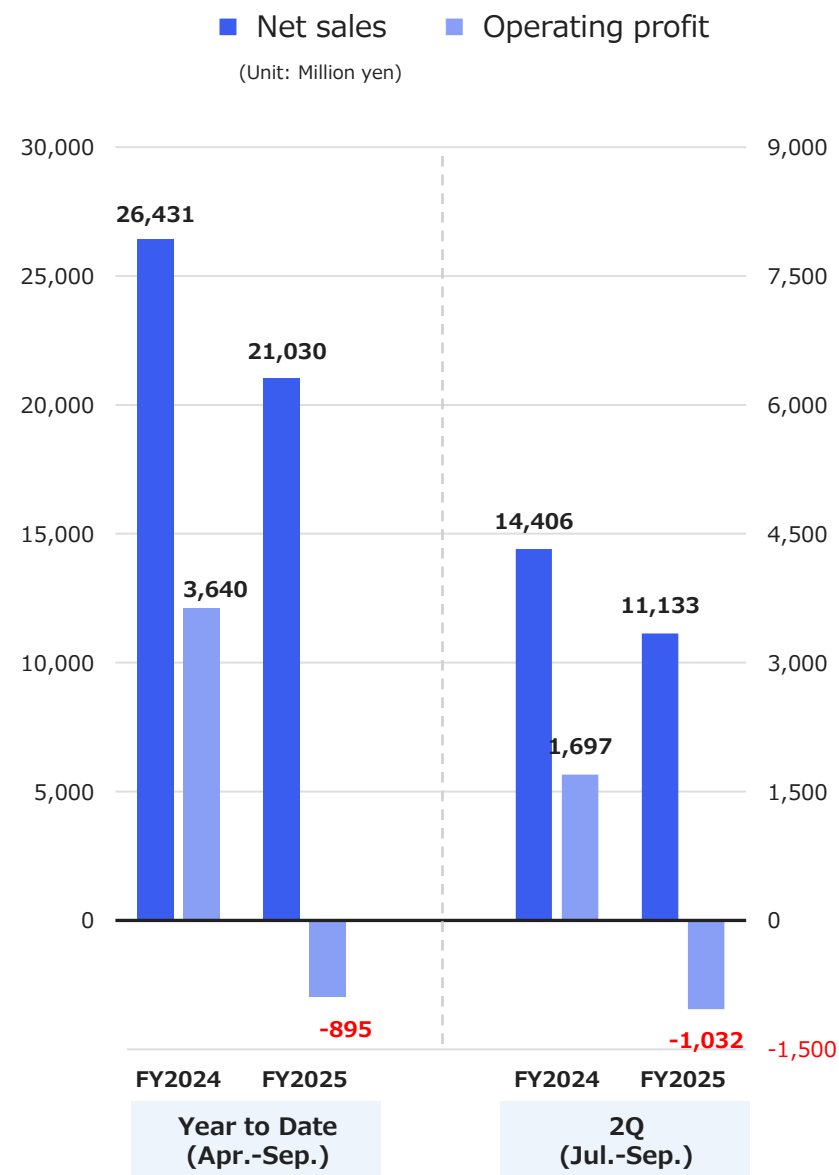
We will continue to actively develop comics and light novels, which are the source of media mix. In other genres, we will proceed with cost optimization.



- We will take various measures to improve business efficiency and focus on further growth in domestic publication

- ✓ Further implementation of price revisions
- ✓ Optimizing advertising strategies and costs
- ✓ Strategic review of low-volume titles
- ✓ Focus on the comic and light novel genres and maximizing profits, including organizational restructuring

Business Overview –Animation/Film Segment



Factors for Increase/Decrease in the First Half

Net sales: -20.4% / -5,401M (2Q -22.7% / -3,273M)

Animation

YoY -23.2%
Composition ratio: 71%

Film

YoY -13.2%
Composition ratio: 30%

- Our animation lineup featured a high proportion of first-time animated film adaptations aimed at developing new popular series, and sales decreased both in Q2 and on a YTD basis compared to the previous year, which saw strong contributions from the latest titles in popular series and other major titles. In Q2, multiple major broadcast and streaming titles experienced timing shifts with sales being recognized in Q3 or later.
- In Film, sales declined both in Q2 and on a YTD basis compared to the previous year, which saw significant secondary utilization of multiple theatrically released titles.

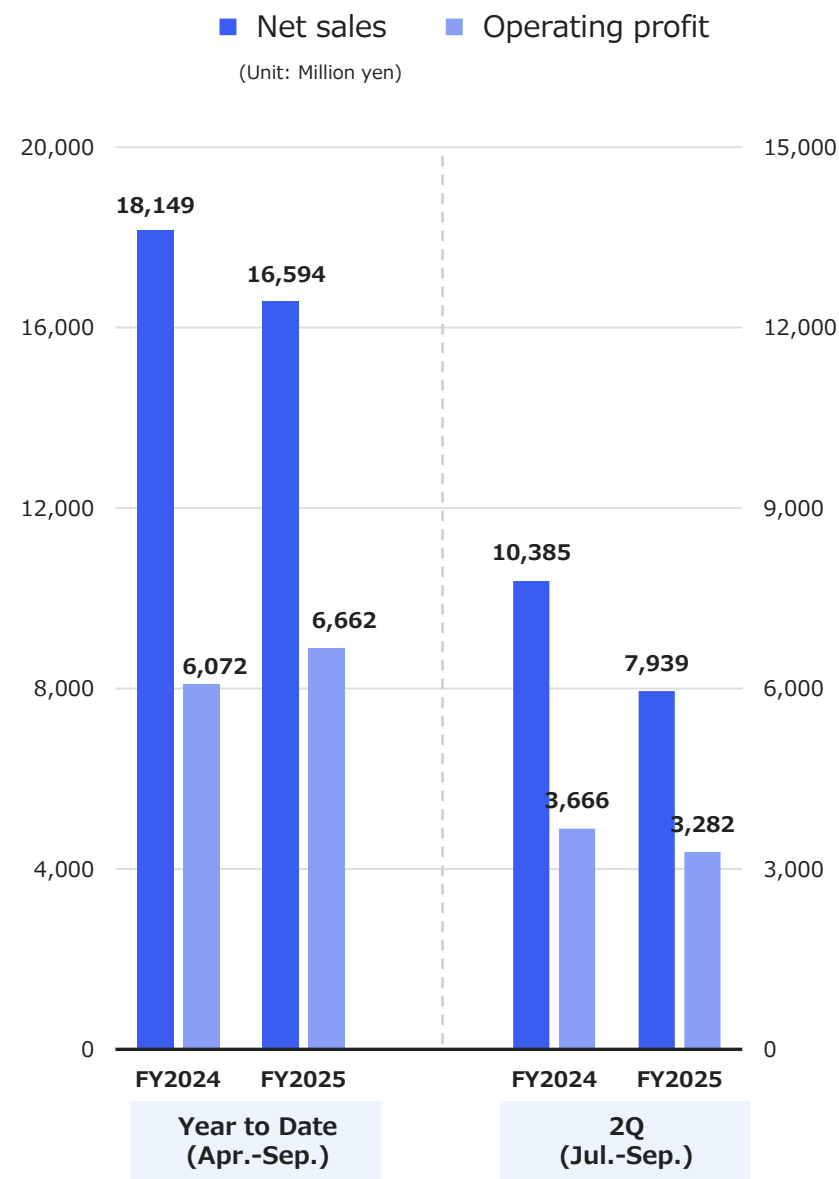
Operating profit: -/-4,536M (2Q - / -2,730M)

- The segment as a whole saw decreased profits in both Q2 and on a YTD basis, mainly due to significant declines in sales from profitable domestic and international streaming licensing, as well as licensing for merchandise and game adaptations in Animation.

Future outlook

- In Animation for the second half of the year, in addition to the aforementioned timing differences in accounting, we anticipate contributions from major titles scheduled for broadcast and streaming in Q4, including *Sentenced to Be a Hero*, the third season of *【Oshi no Ko】*, and the second season of *Medalist*.
- In Animation, in the med- to long- term, we will launch animated adaptations of popular IPs within our group, including the original game *SEKIRO* and the children's book *Pan Dorobou*, alongside multiple sequels to existing hit series. We aim to further strengthen our revenue base through maximizing rights-licensing sales by accelerating global media mix initiatives, including not only distribution licensing but also merchandise and game adaptations.

Business Overview – Gaming Segment



Factors for Increase/Decrease in the First Half

Net sales: -8.6% / -1,555M (2Q -23.6% / -2,446M)

New titles for consoles and PCs

YoY +1.5%
Composition ratio: 19%

Repeat sales for consoles and PCs

YoY +7.3%
Composition ratio: 13%

Royalties for consoles and PCs

YoY -22.9%
Composition ratio: 40%

Others

YoY +4.6%
Composition ratio: 29%

- Sales of the new title *ELDEN RING NIGHTREIGN* (released in May) remained strong following on from Q1. However, sales declined both in Q2 and on a YTD basis compared to the previous year, which benefited significantly from contributions from original *ELDEN RING* game and its DLC.

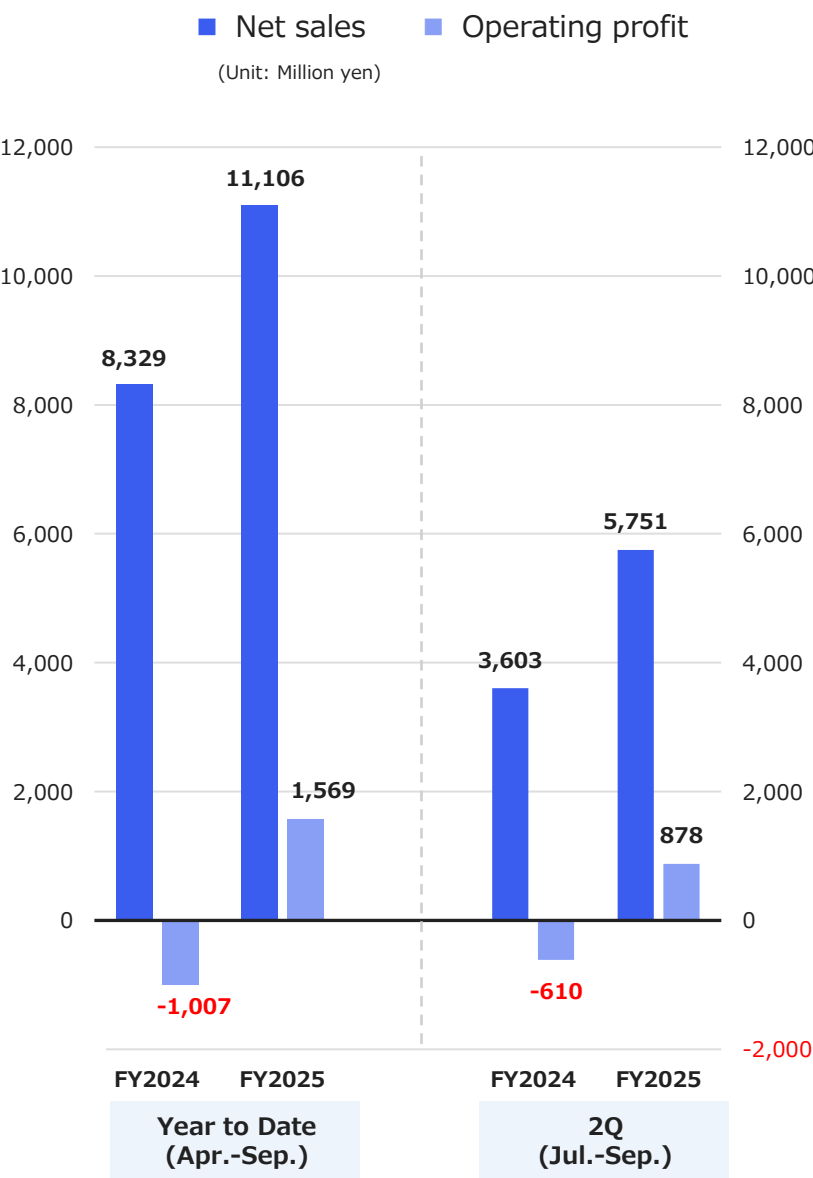
Operating profit: +9.7% / +589M (2Q -10.5% / -383M)

- YTD profit increased due to a decrease in some expense items. Q2 profit declined due to the above factors that reduced net sales

Future outlook

- We are aiming for further sales growth for *ELDEN RING NIGHTREIGN*, original *ELDEN RING*, and its DLC
- We have multiple game titles in the development pipeline, both for consoles and mobile platforms
 - FromSoftware is currently developing *ELDEN RING NIGHTREIGN* DLC (planned for release in FY2025), *ELDEN RING Tarnished Edition* (planned for release in 2026 for Nintendo Switch 2), and *The Duskbloods* (planned for release in 2026)
 - A mobile game for *[Oshi no Ko]* is under development.(Distribution is planned to begin in 2026)

Business Overview – Web Services Segment



Factors for Increase/Decrease in the First Half

Net sales: +33.3% / +2,777M (2Q +59.6% / +2,147M)

Niconico-related

YoY +45.9%
Composition ratio: 73%

Live

YoY +21.5%
Composition ratio: 19%

Mobile

YoY -13.0%
Composition ratio: 8%

- Sales from the niconico-related business increased in the first six months and in 2Q.
 - Although the impact of the cyberattack (YTD in the previous year: -3.85 billion yen, 2Q: -2.6 billion yen) disappeared, sales declined in real terms, mainly due to a decrease in premium members. Premium membership saw a moderation in the rate of decline due to the success of measures to attract customers, such as the granting of privileges.
- Sales growth in the live business was significantly boosted by Animelo Summer Live, held in Q2, which achieved record attendance.
- In the mobile business, sales declined due to ongoing contraction

Operating profit: -/ +2,577M (2Q - / +1,488M)

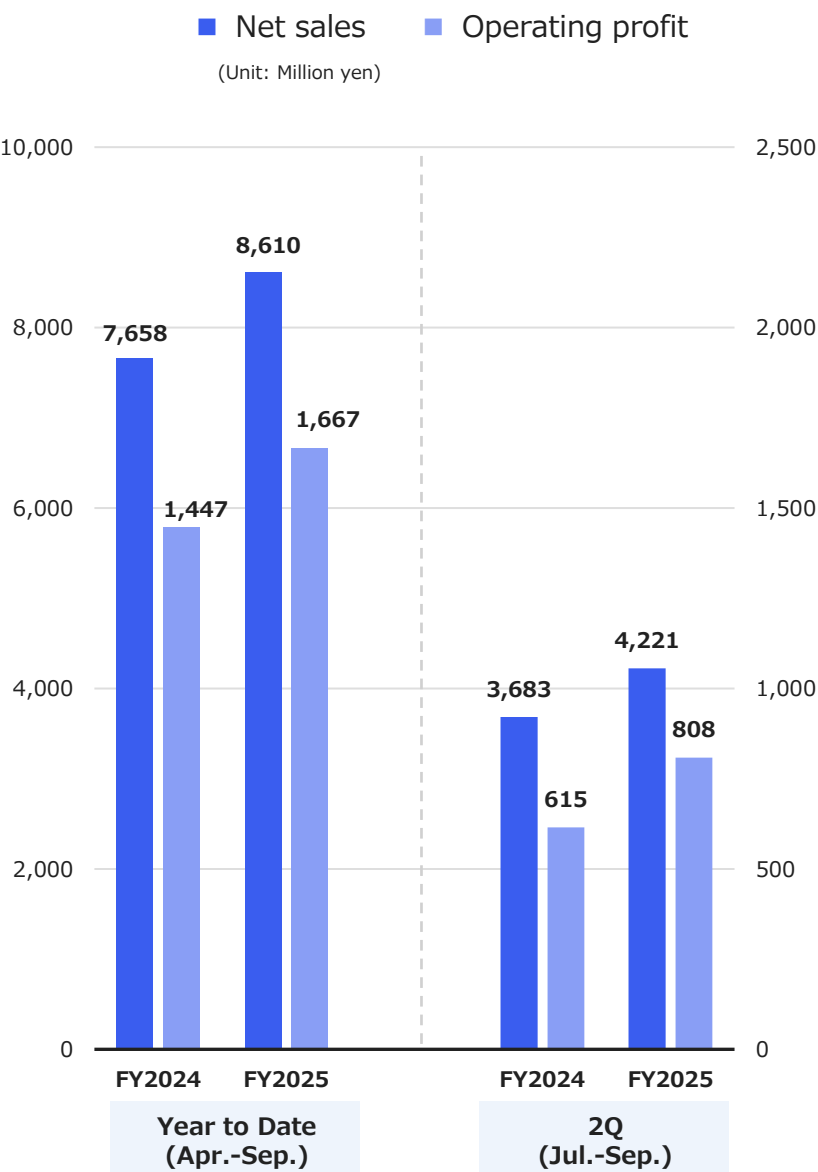
- Profit increased both in Q2 and on a YTD basis, primarily due to the disappearance of the impact of the cyberattack (YTD in the previous year: -2.35 billion, Q2: -1.3 billion) and events like Animelo Summer Live in Q2.

Future outlook

- In niconico-related business, we aim to increase users, and to maintain and expand gross merchandise value (GMV) by constantly expanding services. We will continue to explore opportunities to expand monetization opportunities for music IPs such as VOCALOID*, which are growing in popularity worldwide. We are also looking to optimize costs overall.

* VOCALOID is a registered trademark of Yamaha Corporation.

Business Overview – Education/EdTech Segment



Factors for Increase/Decrease in the First Half

Net sales: +12.4% / +951M (2Q +14.6% / +537M)

Vantan
YoY +6.1%
Composition ratio: 67%

For N High School Group/ZEN University
YoY +27.8%
Composition ratio: 33%

- Sales increased both in 2Q and on a YTD basis due to an increase in the number of students.
 - At Vantan, the number of students increased due to the opening of the KADOKAWA SCHOOL OF ANIME in the previous year and other new schools, as well as expansion into new regions
 - The number of students increased (+11%) due to the newly built commuter course campus for the N High School Group, and R High School, which opened this year. The opening of ZEN University also contributed to increasing the number of students.

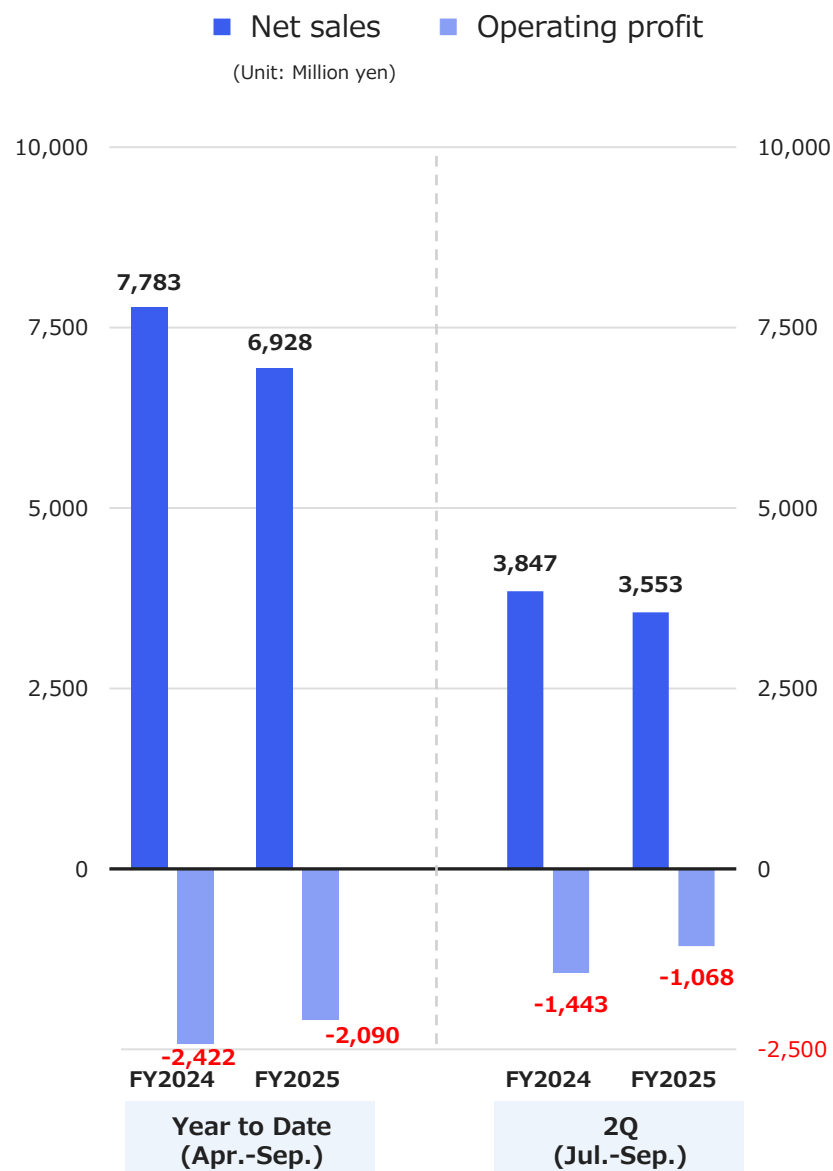
Operating profit: +15.2% / +219M (2Q +31.4% / +193M)

- YTD, though profits decreased due to aggressive advertising spending in Q1 to prepare for increased student enrollment in the next year and beyond in Vantan, overall profit increased due to strong sales growth from the N High School Group / ZEN University businesses. In Q2, profits increased due to the sales growth impact from both Vantan and the N High School Group / ZEN University businesses.

Future outlook

- Student enrollment will increase and the business will see continued growth
 - At Vantan, we are considering the continuous establishment of new courses and plans to expand its regional presence, focusing on the provision of popular courses. The Vantan Music Academy is scheduled to open in April 2026.
 - In the N High School Group business, we anticipate continued growth in student enrollment. In the ZEN University business, we expect the second cohort of students to contribute to a net increase in enrollment, further improving profitability.
- Efforts to train creators will be further strengthened across the entire Group, together with accelerated collaboration between schools

Business Overview – Others Segment



Factors for Increase/Decrease in the First Half

Net sales: -11.0% / -854M (2Q -7.6% / -293M)

MD

YoY -11.0%
Composition ratio: 36%

Recreation

YoY +22.1%
Composition ratio: 39%

Other

YoY -37.2%
Composition ratio: 25%

- In MD, sales declined both in Q2 and on a YTD basis in comparison to the previous year, which had specific hit products.
- In Recreation, sales increased both in 2Q and on a YTD basis. Strong performance of IP events across Japan continued, including popular IPs such as *Pan Dorobou* and *Delicious in Dungeon*
- ※ The overall decrease in segment sales reflects a change in positioning of a group subsidiary promoting digital transformations following an absorption-type merger by DWANGO (-1.4 billion yen, no impact on a consolidated basis including profits)

Operating profit: - / +332M (2Q - / +374M)

- In MD, profit declined due to the aforementioned impact of lower sales. Recreation remained flat.
- In other businesses, the impact of the cyberattack (Q2 in the previous year: -500 million yen) has disappeared.

Future outlook

- In MD, we plan to offer a strong product lineup and strengthen event merchandise sales, expanding earnings for the second half of the year. In the medium to long term, we will bolster our global expansion and strengthen our major IP merchandise to drive business expansion.
- In Recreation, we will further rationalize each business operating within SAKURA TOWN. In the medium-to-long term, we aim to maintain the trend of improved performance by optimizing operating costs and expanding IP events, including globally.



Appendix

KADOKAWA Group IP Strategy

- Accelerate Global Media Mix with Technology to achieve sustainable growth

→
Main media mix process

Maximize LTV for publication-based IPs

Create new IPs that are the basis of the Group's media mix strategy
Strengthen comic genres, including born-digital

Publication/IP Creation Segment

- Improve profitability in domestic paper-based books by improving return rate
- Increase the proportion of highly profitable e-books
- Expand the international paper-based book business by expanding territories

Create videos from publication IPs

Create books from video IPs

Create merchandise from video IPs
Event planning and hosting, licensing out

Create merchandise from publication IPs
Event planning and hosting, licensing out

Animation/Film Segment

- Increase production volume (expand studio capacity)
- Serialize popular works and cultivate completely new works
- Strengthen relationships with distribution companies
- Maximize profits by increasing investment ratio

Others Segment (MD, IP events) License out to other companies

- Scale up the MD business, including expansion of overseas sales channels
- Increase revenue by expanding the number of IP events held and the number of event venues
- Maximize rights-licensing sales from IPs by deepening the level of collaboration with other companies

Maximize LTV for game-based IPs

Develop high-quality original game IPs

Create books from game IPs

Create videos from game IPs

Create games from video IPs

Create merchandise from game IPs
Event planning and hosting, licensing out

Gaming Segment

- Maximize LTV for popular titles
- Maximize profits by reconsidering business schemes

Publication IPs from other companies

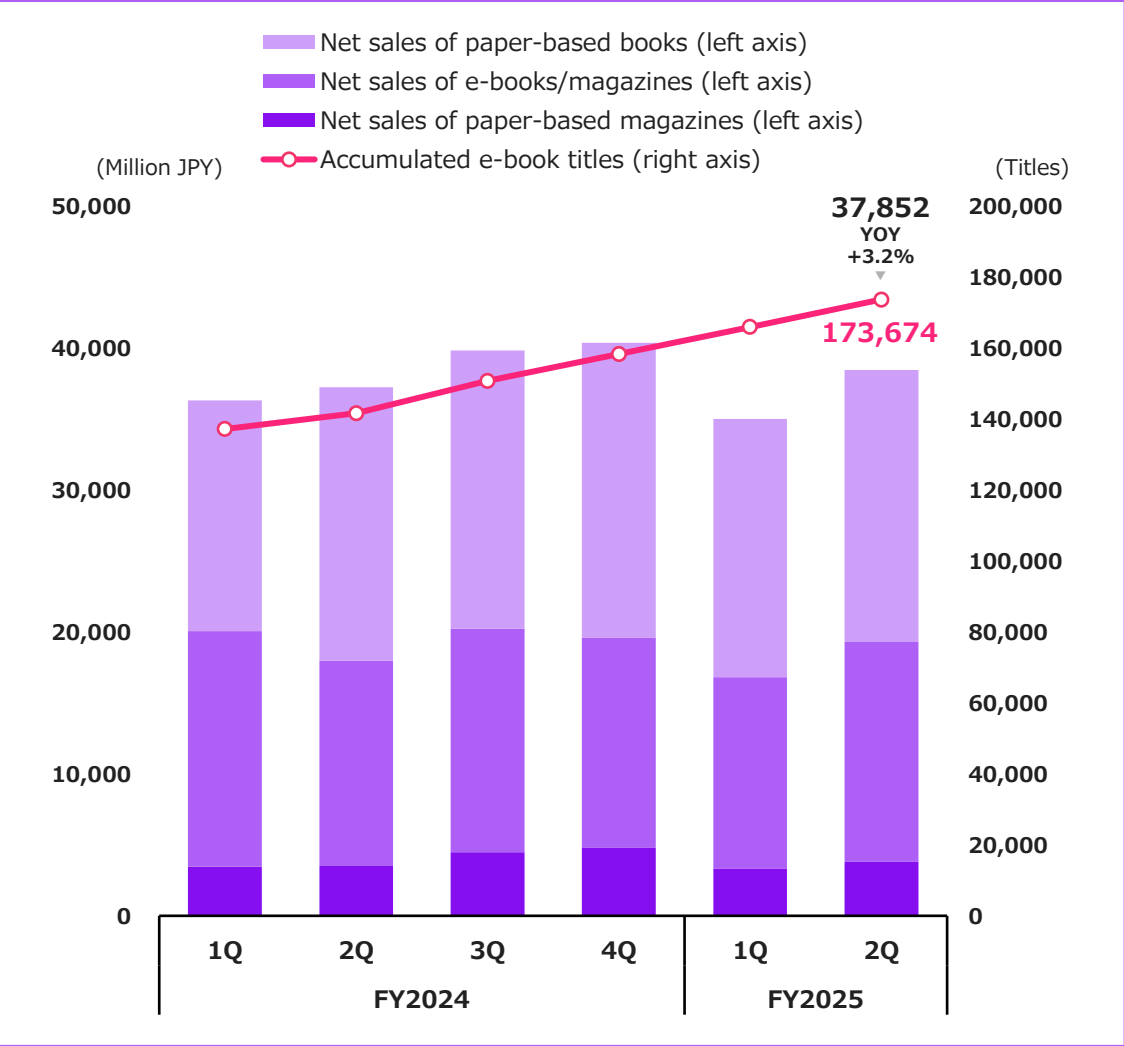
- Actively license in other companies' IPs

Developing creators (Education/EdTech, and Web Services segments)

- Develop human resources such as manga artists, animators, and game creators, who are highly compatible with our business
- Discover distributors of music IPs, etc. on UGC platforms
- In addition to addressing industry issues such as the shortage of animators, we also expect to return human resources to the Group and contribute to profits in the future.

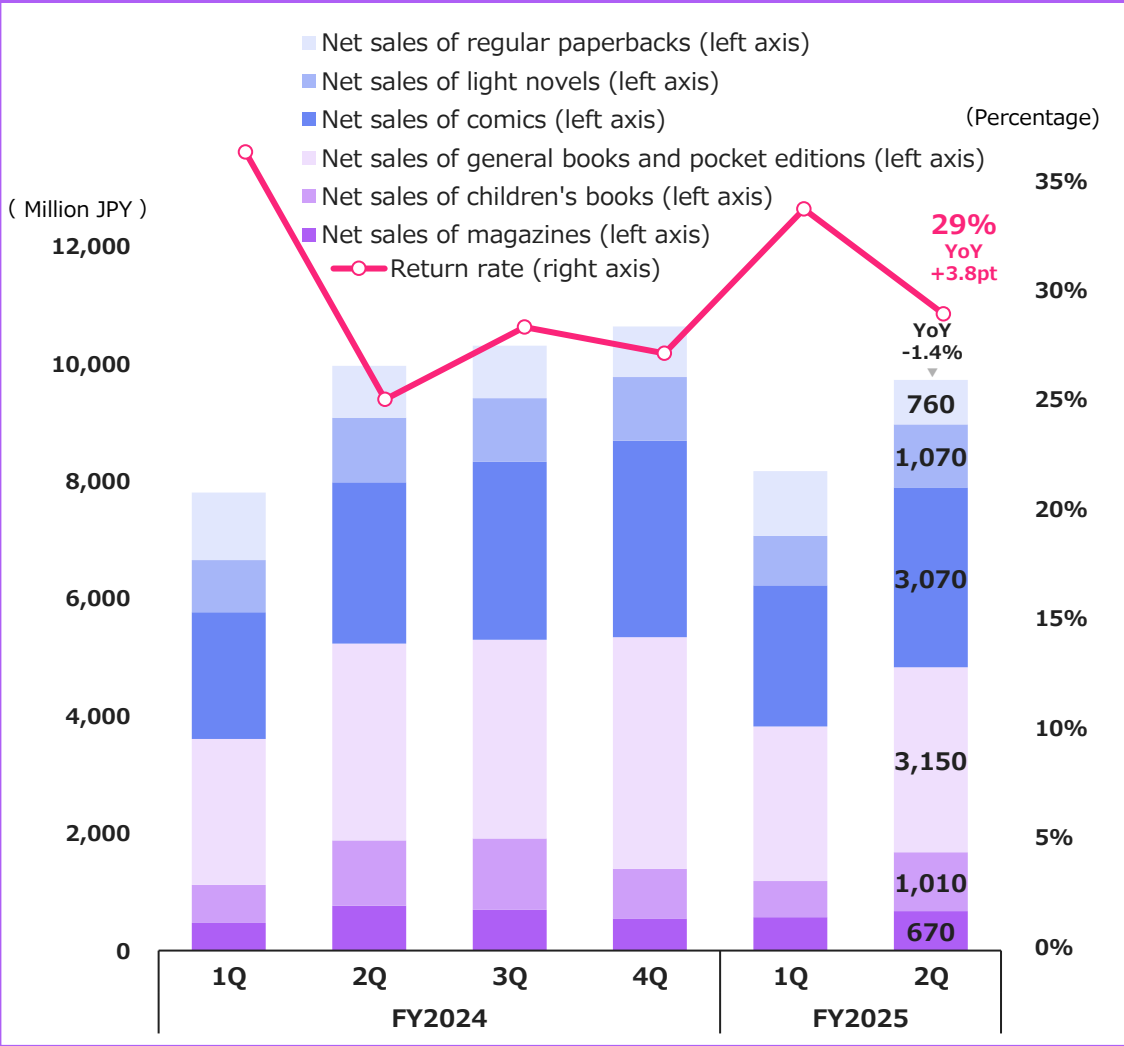
Publication/IP Creation Segment

Sales trend of Publication/IP Creation Segment

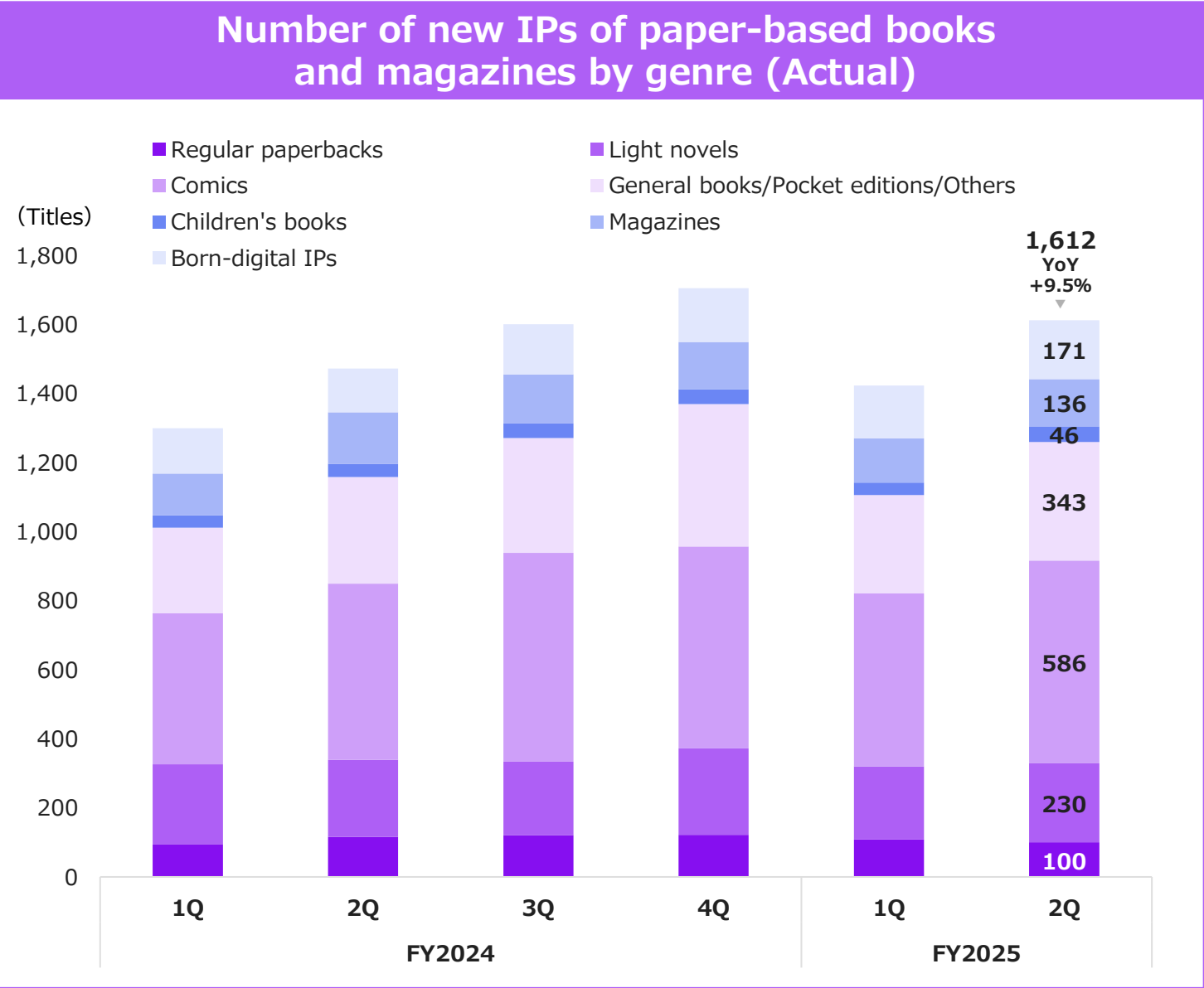


*Accumulated e-book titles include the number of distribution by chapter

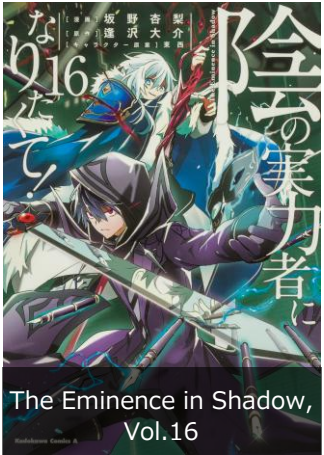
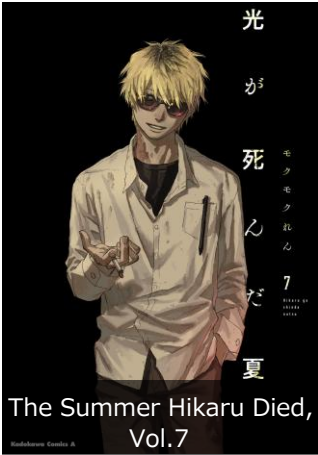
Sales trend of paper-based books/magazines and returns rate (KADOKAWA Non-consolidated)



Publication/IP Creation Segment



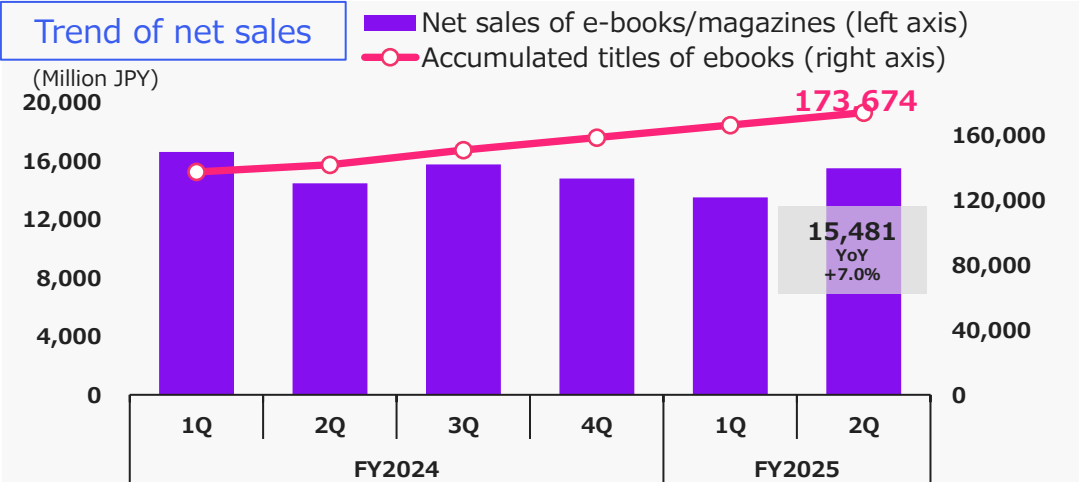
Titles contributing to sales



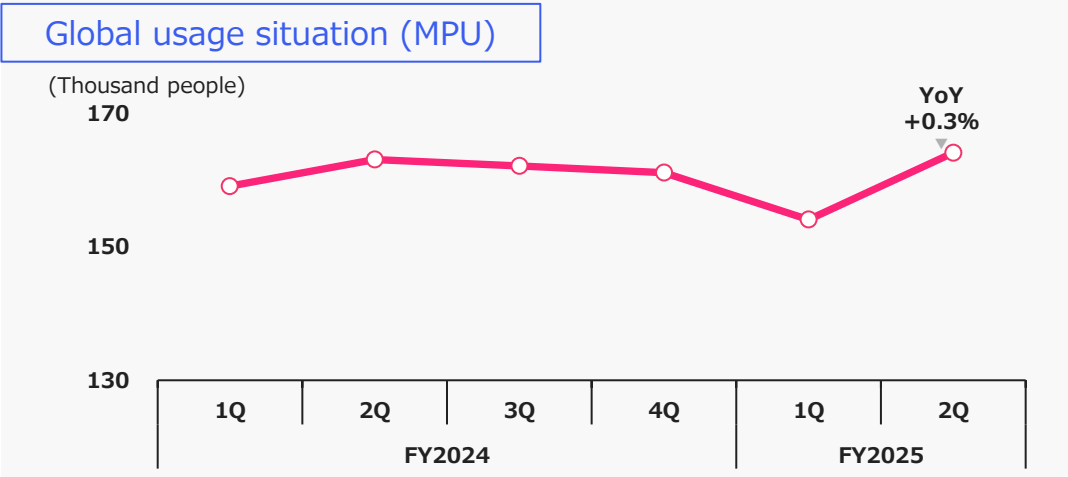
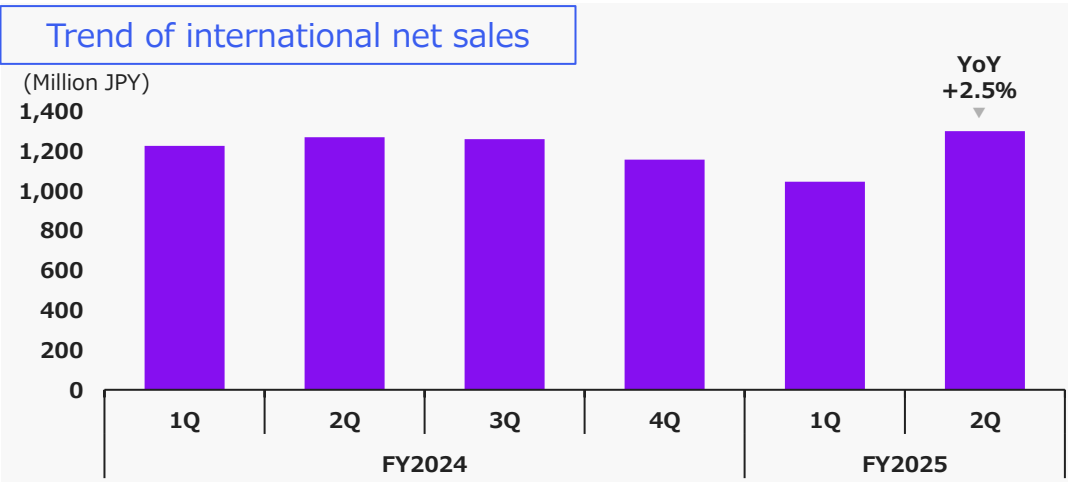
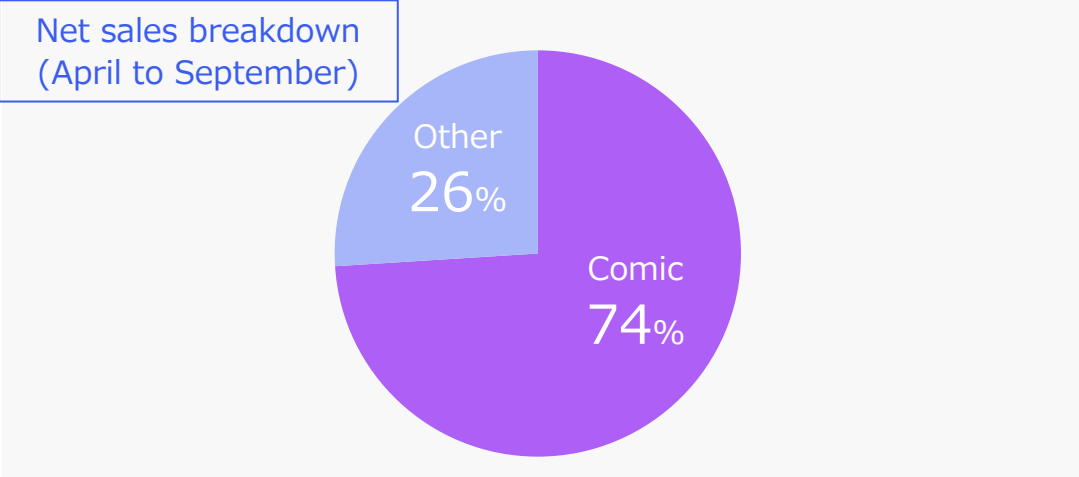
* Total of IPs including Group companies' and born-digital titles in addition to KADOKAWA non-consolidated paper-based books

Publication/IP Creation Segment

E-books/magazines



*Accumulated titles of ebooks include the number of distribution by chapter

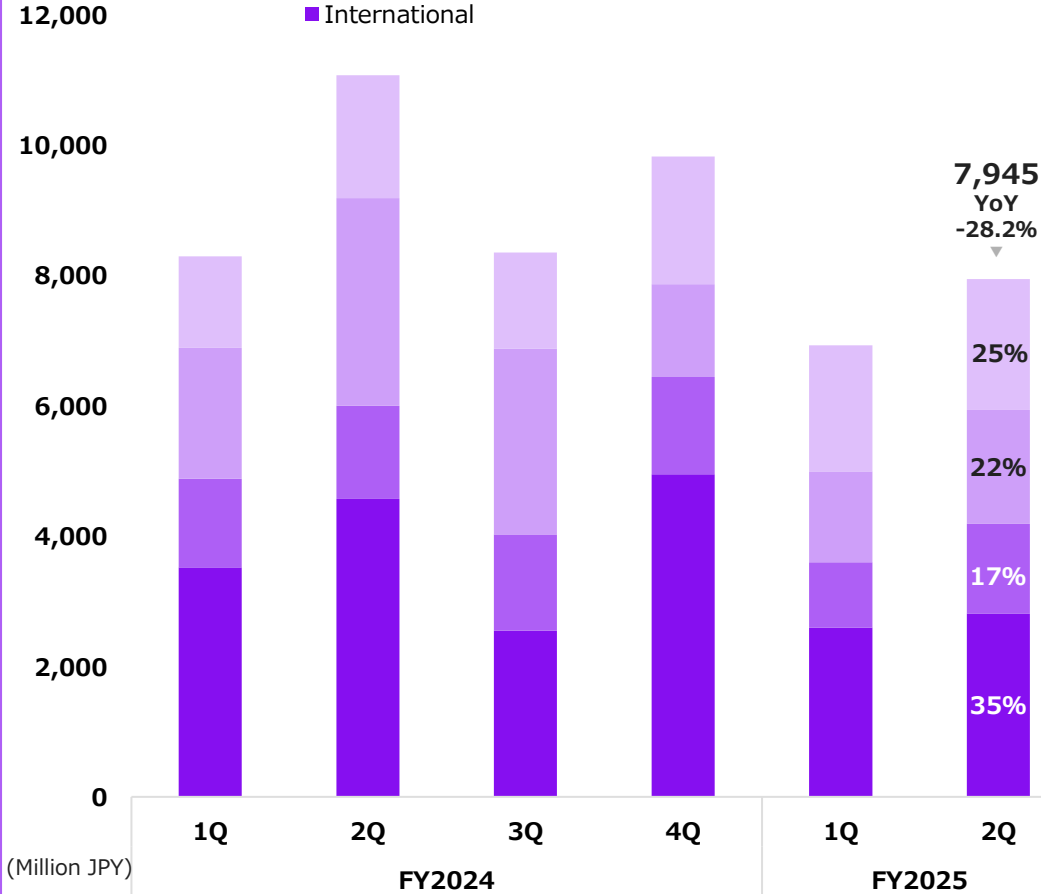


*MPU (Monthly Paid User)

Animation/Film Segment

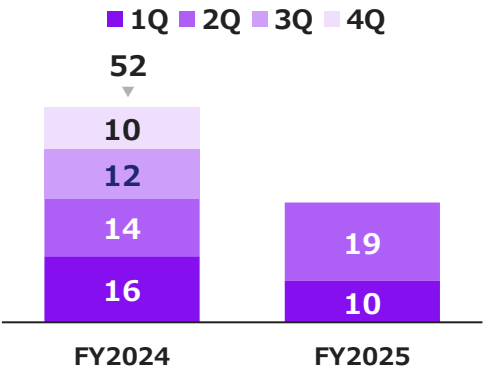
Net sales of animation business

- Others (including production subsidiaries)
- Domestic merchandising
- Domestic streaming
- International



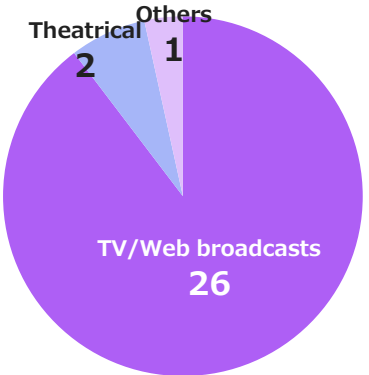
The number of animation titles

Number of new titles



* Including minor investment titles and titles of which KADOKAWA has certain rights

Breakdown by media in Apr. to Sep.

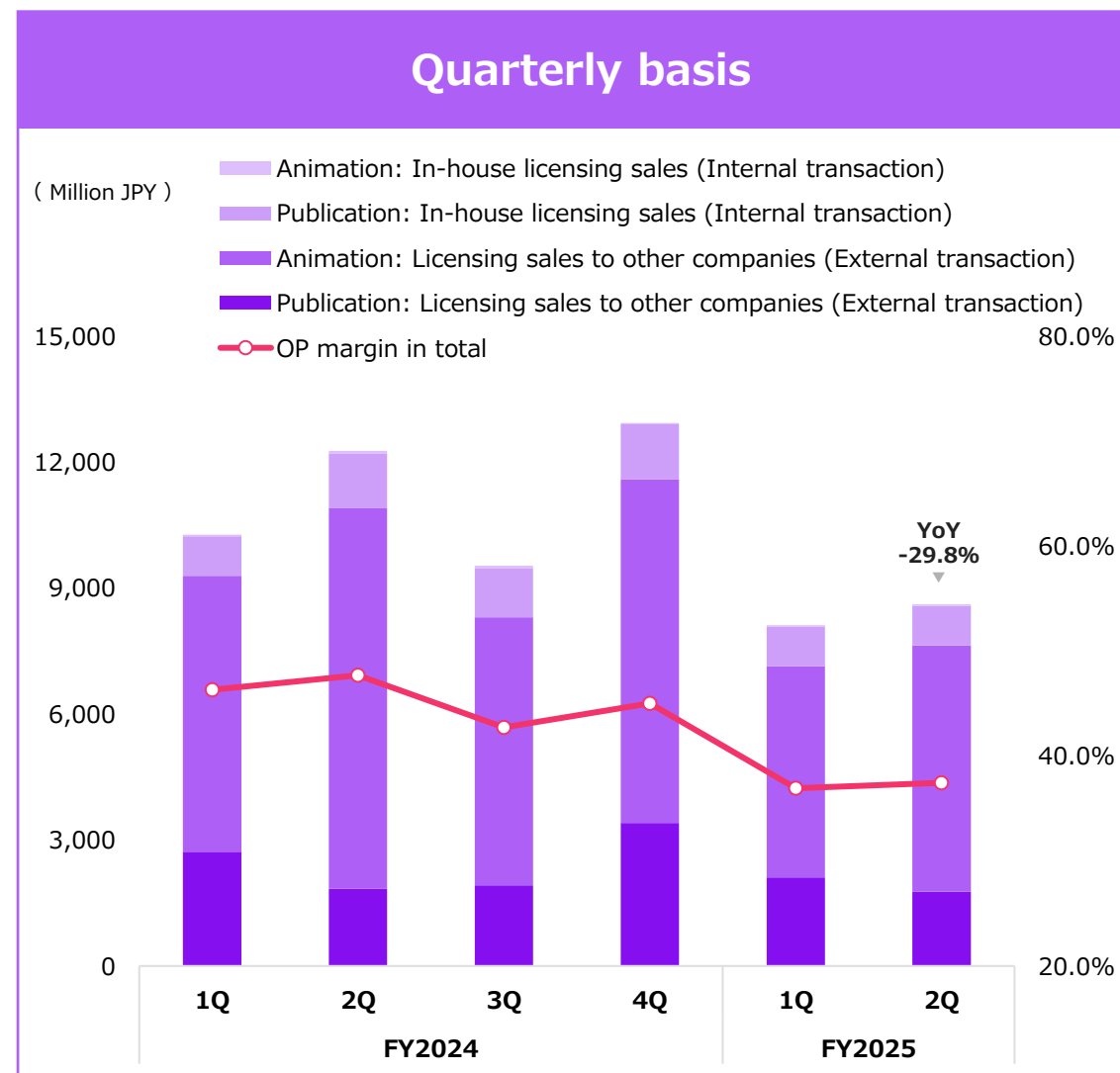
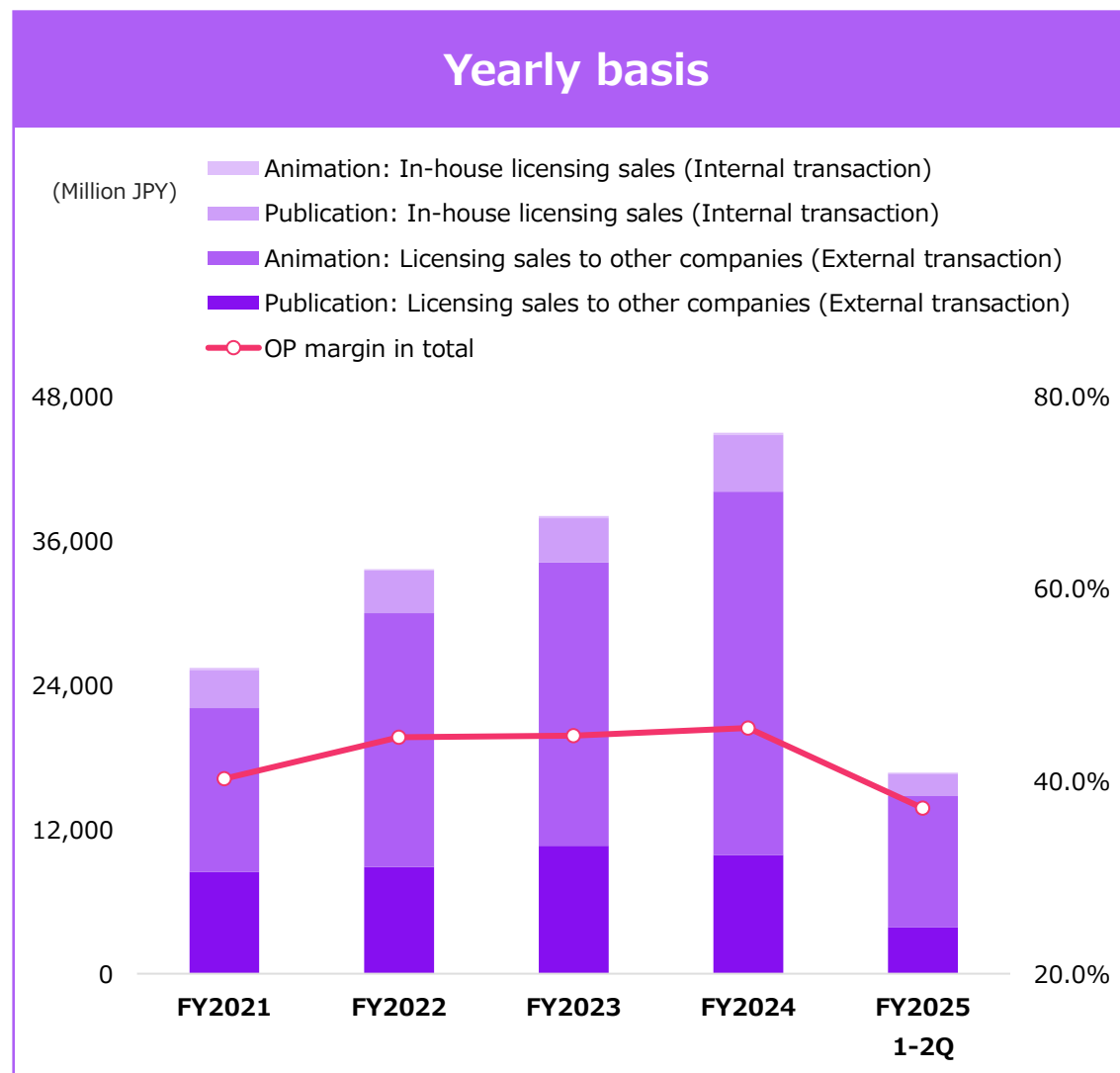


Titles contributing to sales



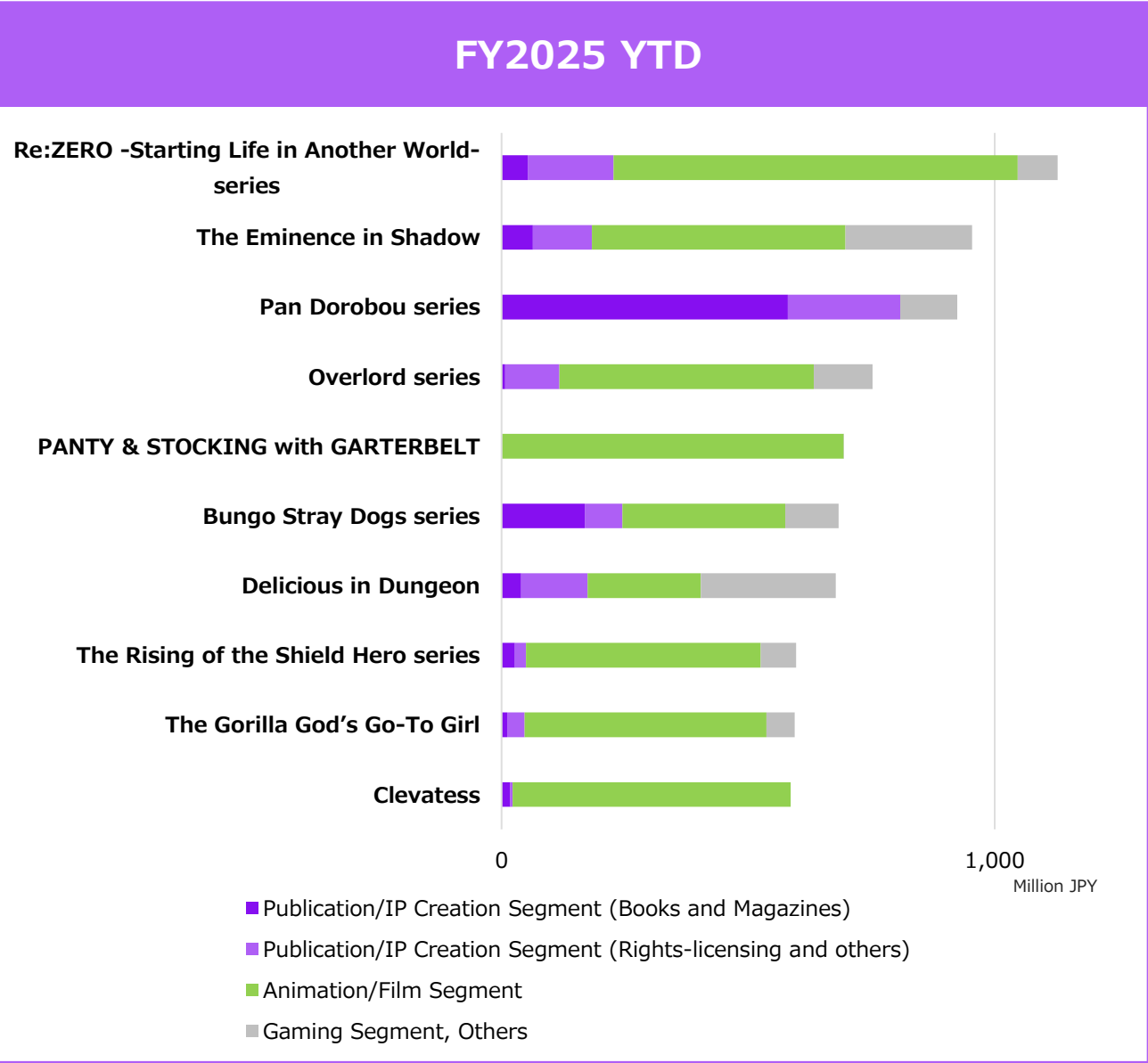
Sales and Operating Margin of Rights-Licensing in Publication and Animation Businesses

(KADOKAWA Non-consolidated)



* The operating margin related to rights-licensing sales is a managerial accounting figure estimated based on certain definitions. This figure is higher than actual because many expenses are not taken into account, such as costs related to IP creation and costs from back-office departments.

Net Sales of the Top Ten Best-Selling Titles (including sales from rights-licensing, KADOKAWA Non-consolidated)



Publication/IP Creation		* Applies to entire series from starting year of publication to the latest release
Rank	Title Name (Series)	Year First Published
1	Pan Dorobou series	2020
2	Sword Art Online series	2009
3	KADOKAWA Manga Gakushu Series	2015
4	Mushoku Tensei: Jobless Reincarnation	2014
5	Toaru Project	2004
6	The Summer Hikaru Died	2022
7	Project Love Live!	2012
8	Revenge in a Pure White Wedding Dress	2024
9	Bungo Stray Dogs series	2013
10	Re:ZERO -Starting Life in Another World-series	2014

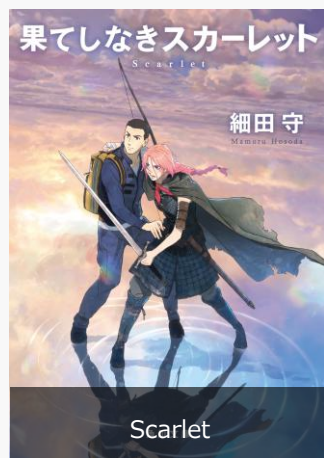
Animation/Film		* Applies to all titles from starting year of broadcast to the latest airing
Rank	Title Name (Series)	Year First Aired
1	Re:ZERO -Starting Life in Another World-series	2016
2	PANTY & STOCKING with GARTERBELT	2010
3	Clevatess	2025
4	Please Put Them On, Takamine-San	2025
5	The Eminence in Shadow	2022
6	Overlord series	2015
7	【OSHI NO KO】	2023
8	The Gorilla God's Go-To Girl	2025
9	The Risig of the Shield Hero series	2019
10	The Shiunji Family Children	2025

Eagerly Awaited Upcoming Titles

Books



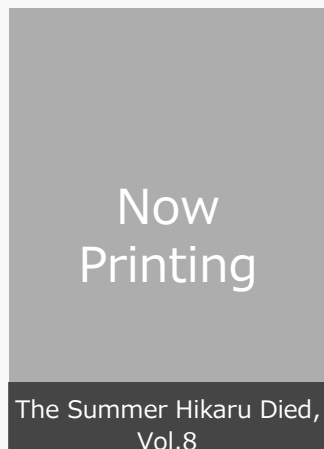
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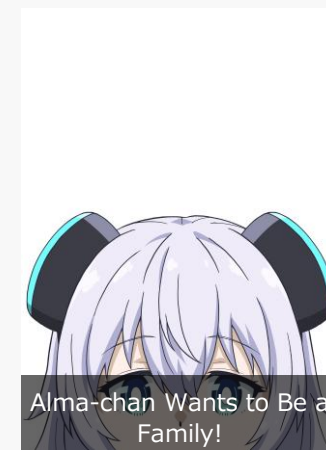


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Animation



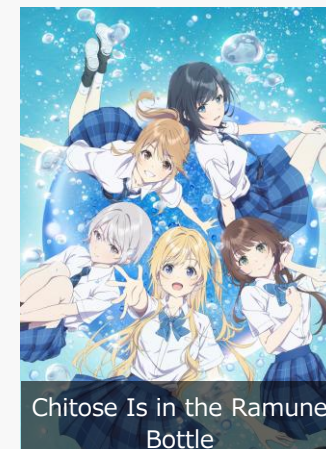
©Isekai Quartet The Movie/KADOKAWA



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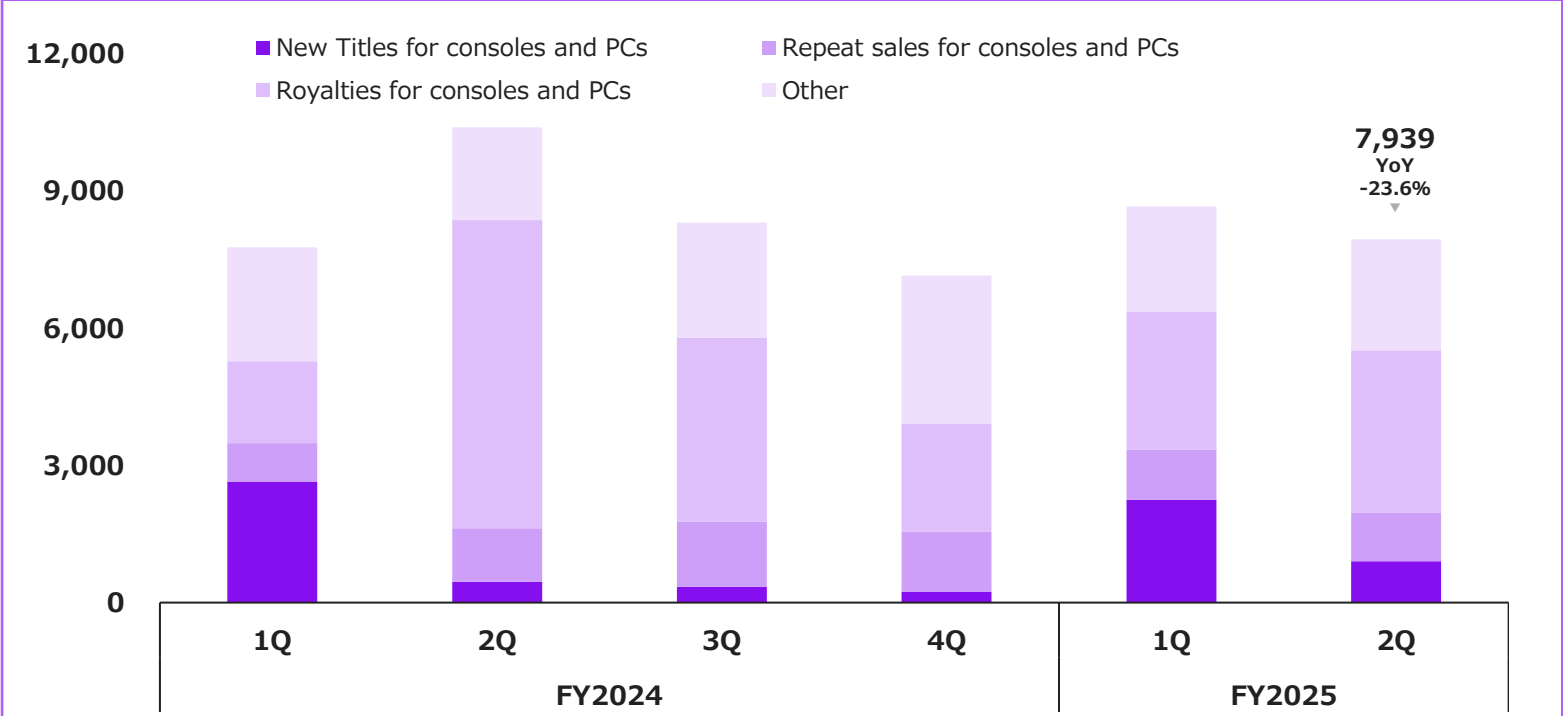
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Gaming Segment

Trend of sales of Gaming segment



	FY2024				FY2025	
	1Q	2Q	3Q	4Q	1Q	2Q
Number of newly released titles for consoles and PCs	5	1	1	1	2	5
Total number of copies sold (million copies)	1.33	0.93	1.88	1.89	1.81	1.48

※Total number of titles and copies sold by Group Companies themselves in any region

Titles contributing to sales



“ELDEN RING NIGHTREIGN”

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“ELDEN RING”

©Bandai Namco Entertainment Inc. /
©2022 FromSoftware, Inc.



Downloadable Content
“SHADOW OF THE ERDTREE”
for “ELDEN RING”

©Bandai Namco Entertainment Inc. /
©2024 FromSoftware, Inc.

Eagerly awaited upcoming titles



“The Duskbloods”
Releasing Worldwide in 2026

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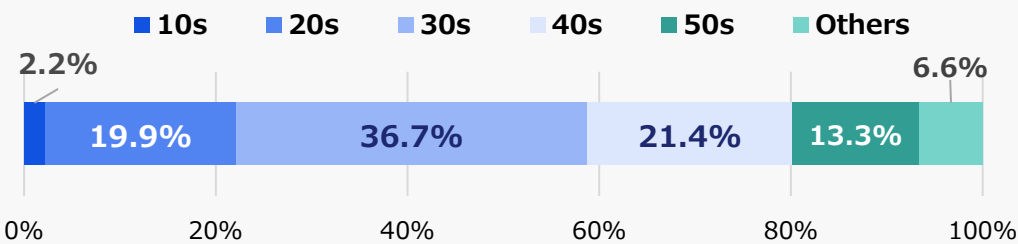
Community Platform Related Business (Niconico and Fan-community Business)

Niconico user data * As of September 30, 2025

Regular members (Million) 107.03

Premium members (Thousand) 973

Age * As of September 30, 2025



Niconico Chokaigi 2025

Visitors (Thousand) 132

Niconico Channel user data * As of September 30, 2025

Number of channels 11,733

Number of channels with monthly fee 2,539

Dues-paied members (Million) 1.12

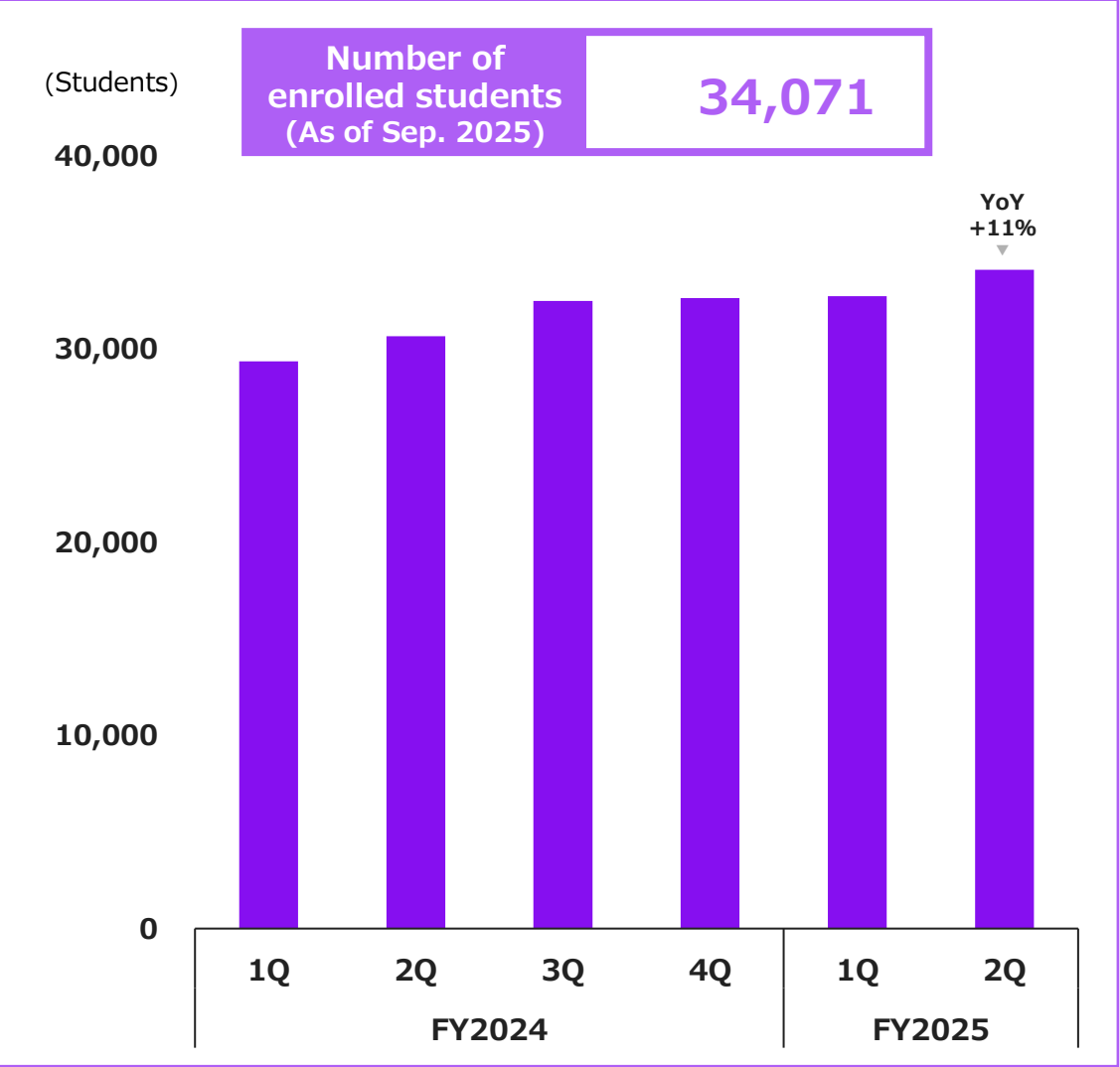
Fan-community service 「sheeta」 * As of September 30, 2025

Number of channels with monthly fee 169

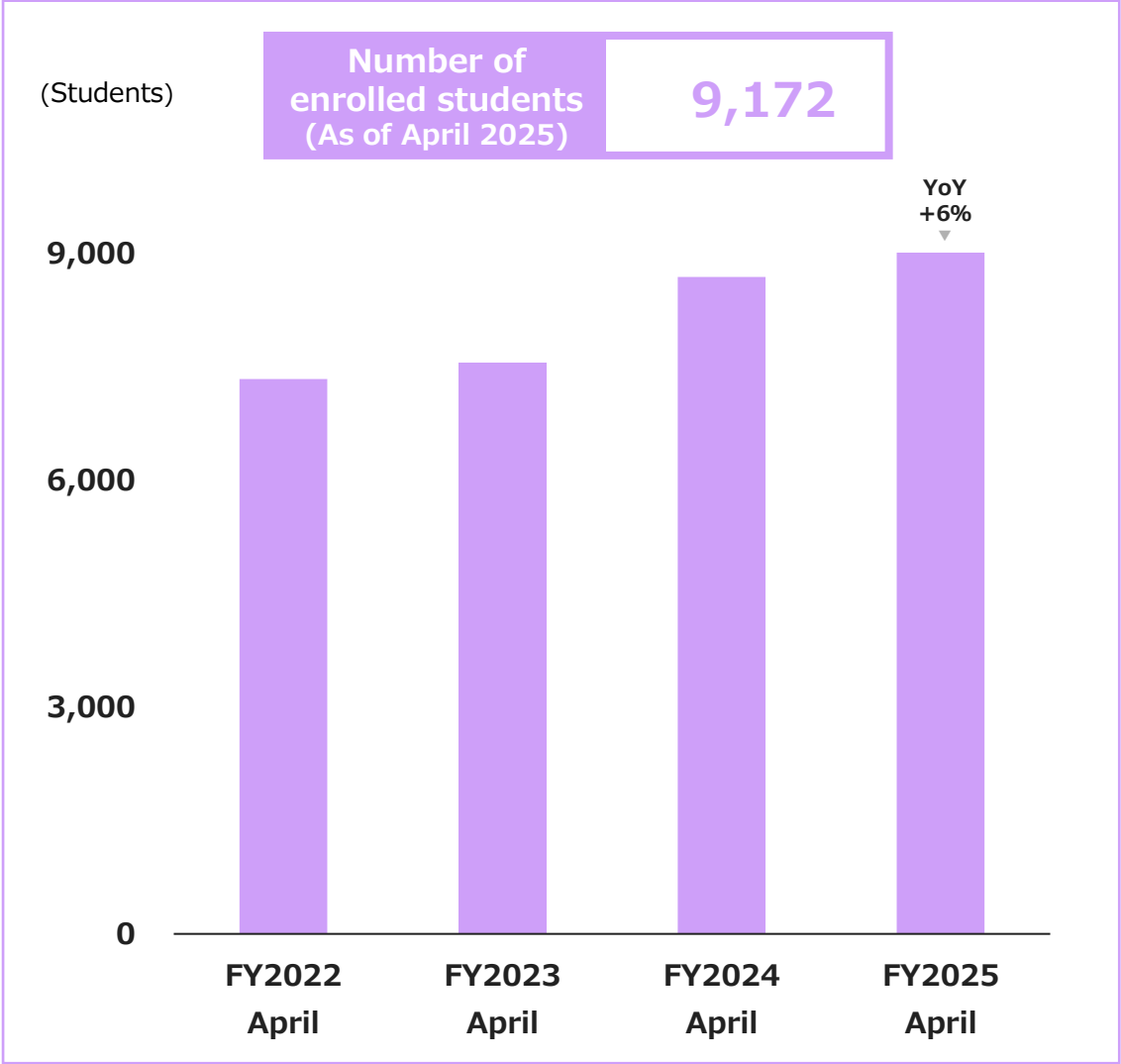
Dues-paied members (Thousand) 270

Education/EdTech Segment

Trend of Number of N High School Group Students

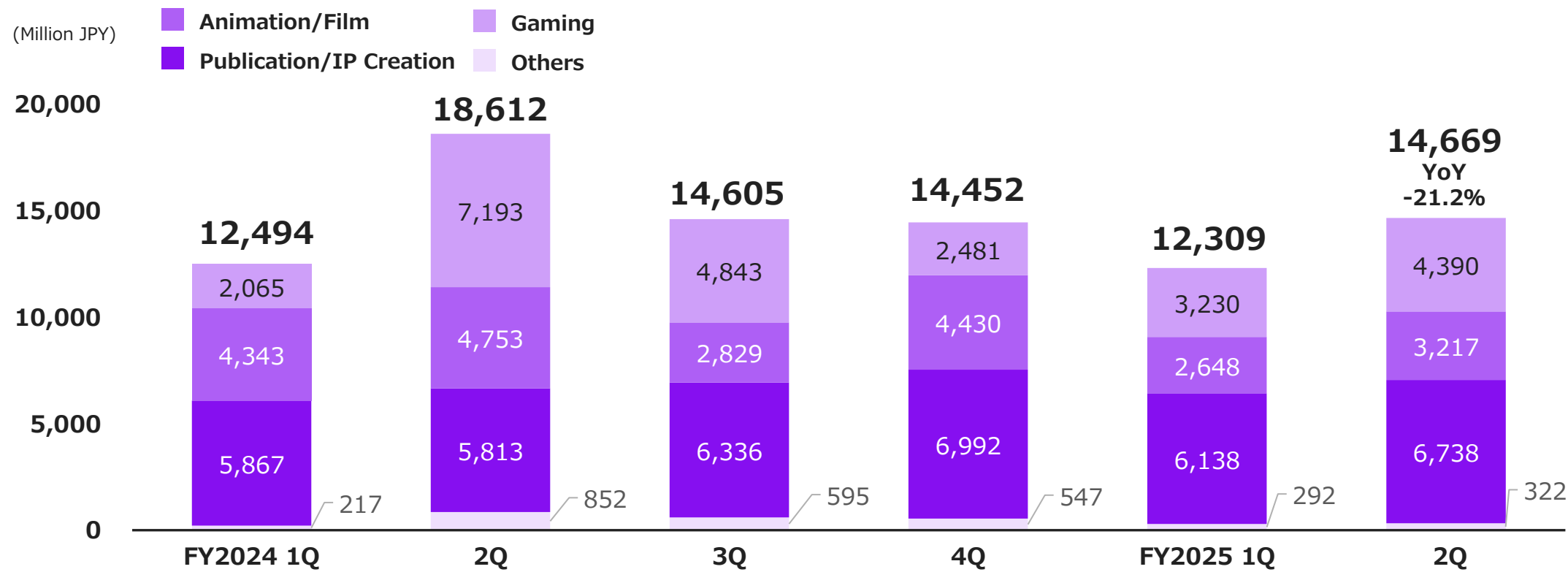


Trend of Number of Vantan Students



International Net Sales

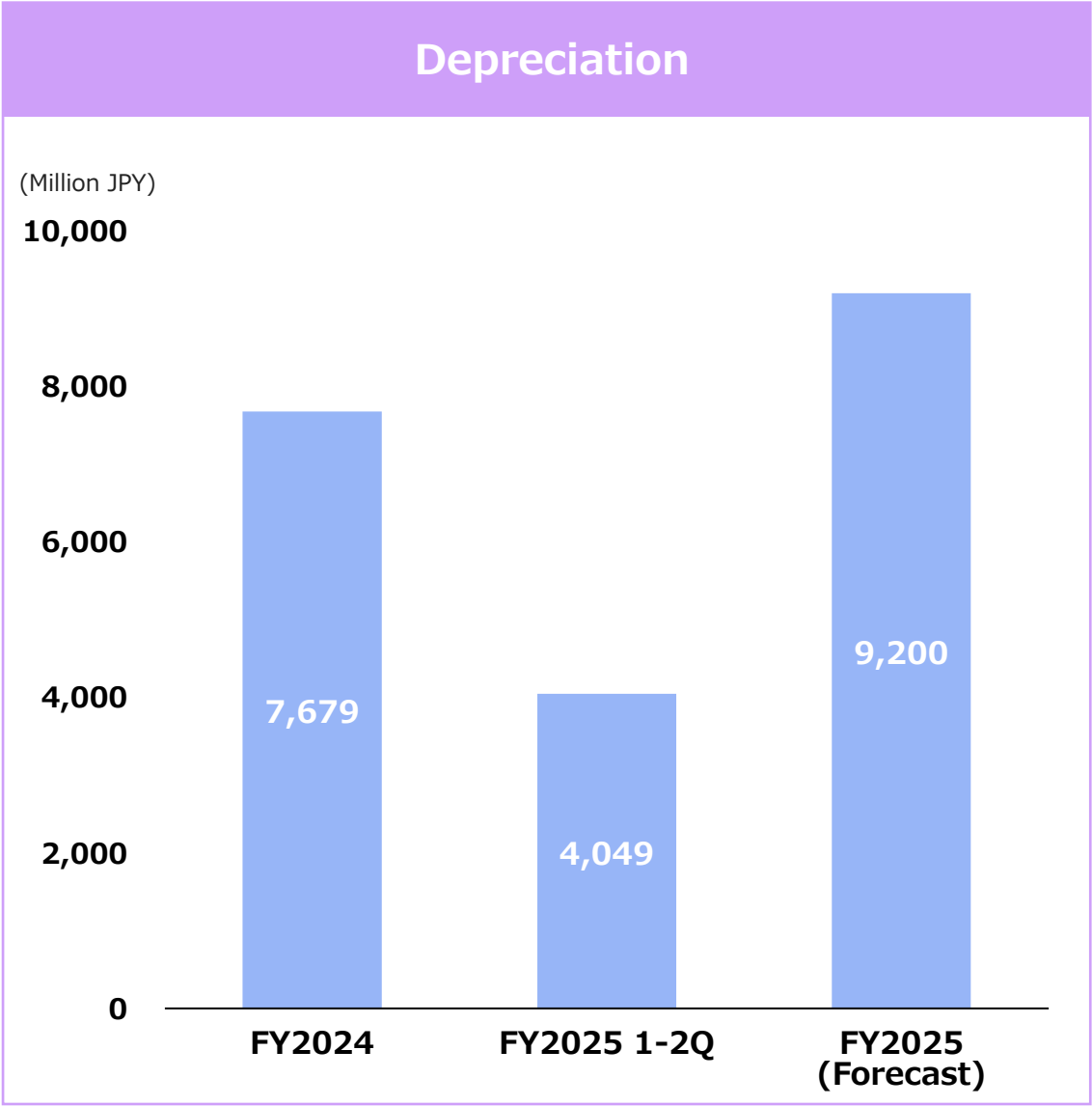
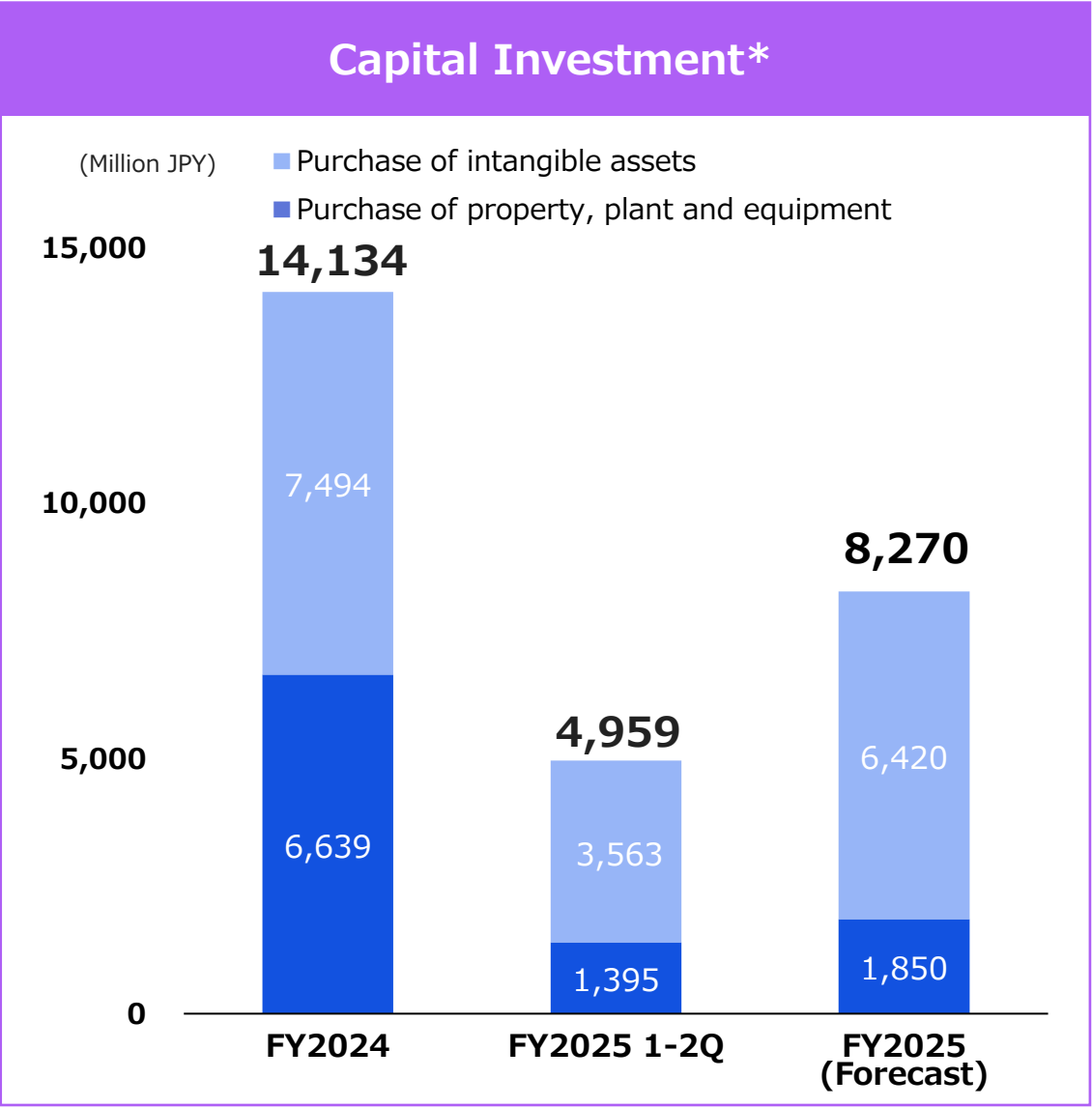
Breakdown of International Net Sales by Segment



Breakdown by region	Americas	58.4%	57.8%	53.5%	50.6%	52.9%	54.9%
	Asia	32.8%	28.5%	36.4%	39.7%	36.0%	31.9%
	Others	8.7%	13.7%	10.1%	9.7%	11.1%	13.2%

* Business results for international subsidiaries are reflected in KADOKAWA's consolidated financial results on a three-month delay.

Capital Investment and Depreciation

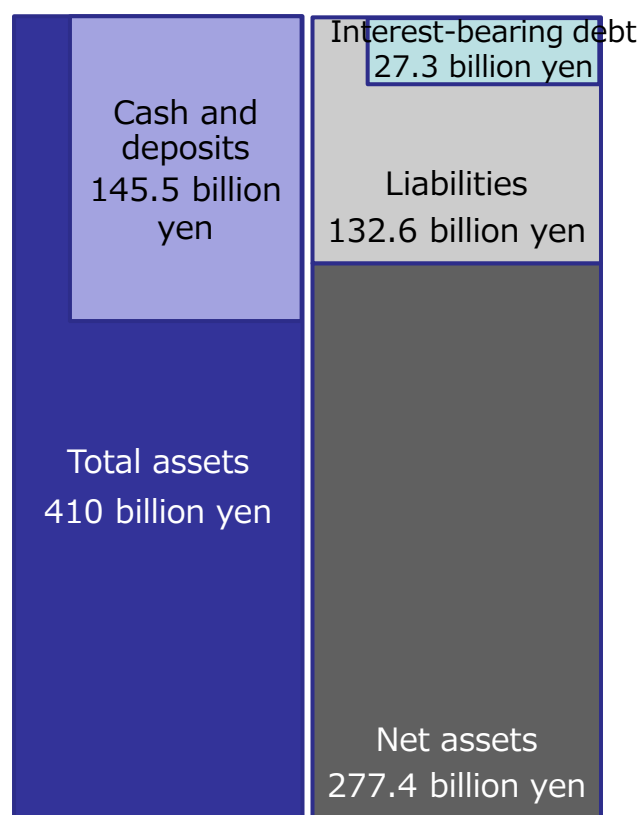


* "Capital investment" is a cash-based amount. It is the total of "purchase of property, plant and equipment" and "purchase of intangible assets" listed in the consolidated statement of cash flows, and includes consideration for non-current assets acquired in the previous fiscal year (Fiscal Year n-1) for which expenditures were made in the current fiscal year (Fiscal Year n).

Balance Sheet Situation

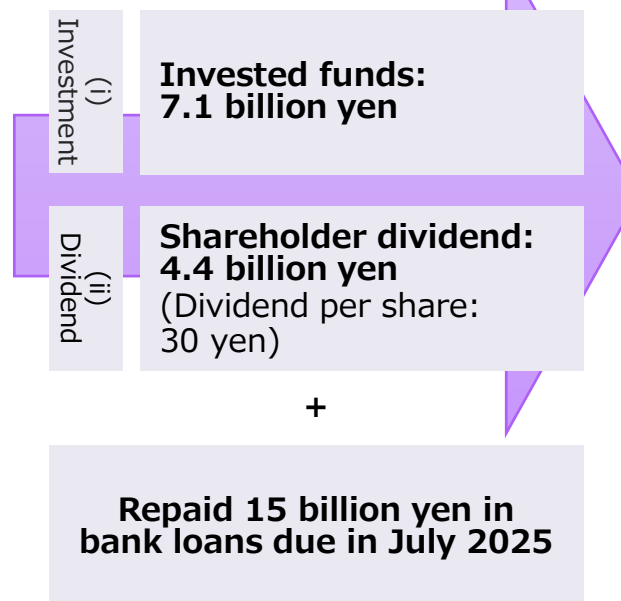
- Repaid 15 billion yen in bank loans in July 2025. We will continue to maintain a sound financial base while maintaining adequate borrowing capacity.
- There are no changes to our basic financial policies.

As of March 31, 2025

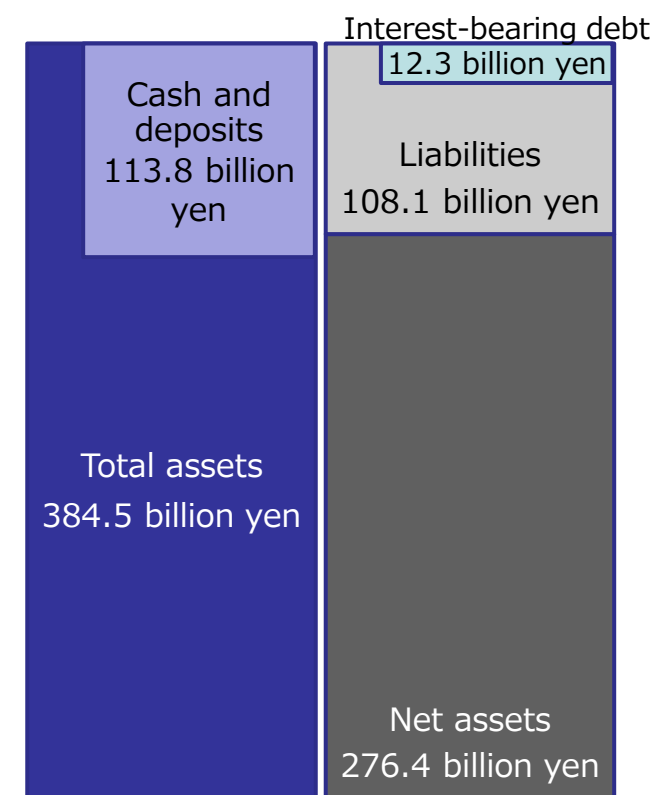


Equity ratio: 60.9%
Net Cash: 118.2 billion yen

Capital Allocation in the First Half of FY2025



As of September 30, 2025



Equity ratio: 64.3%
Net Cash: 101.4 billion yen

FAQ

Q01 | What will be the impact of US tariff measures on your business operations and financial results?

A | Among the Group's overseas sales, only a small amount involve the physical export of actual goods to the United States, and from that perspective we currently believe that any impact on our financial performance will be minor. At this point we do not plan on making any changes to our future plans due to this impact, but we will carefully monitor how conditions develop going forward.

Q02 | What was the impact of foreign exchange rates from April to September, and July to September of the current fiscal year? Additionally, what was the growth rate for sales and operating profit excluding the foreign exchange impact?

A | The growth rate of sales excluding the impact of foreign exchange (approximately -0.9 billion JPY) was -1.1% in the April to September period. In the July to September period, the growth rate of sales excluding the impact of foreign exchange (approximately -0.5 billion JPY) was -1.3%.

As sales from rights-licensing (royalties) accounts for a certain percentage of international sales, we believe that costs affected by foreign exchange rates are limited, but since it is difficult to identify these costs accurately, we have not estimated their impact on profit.

Q03 | What was the impact of foreign exchange rates on the paper-based book businesses of international subsidiaries from April to March, and January to March of the current fiscal year? And what is the growth rate of sales excluding the effect of exchange rates?

A | The foreign exchange impact on sales in the paper-based book businesses of international subsidiaries from April to September was about -0.2 billion yen, and excluding this, the sales growth rate was about +19.1%. In the July to September period, the foreign exchange impact on sales was about -0.3 billion yen, and excluding this, the sales growth rate was about +24.6%.

FAQ

Q04 What were the changes of revenue recognition timing for domestic sales at store of other companies in the e-book business?

A Domestic sales from stores of other companies was previously recorded based on final reports received from each store, but starting from the fourth quarter of the fiscal year ended March 31, 2024, we changed to also recording estimates based on preliminary data received from some stores of other companies. Sales that were previously recorded in the following month or later are now estimated and recorded in advance. The above impact also occurred by 3Q of FY2024

Q05 For sales amounts of e-books from April to September, and from July to September, what was the ratio of sales from the Company's own store to those of other companies, and what were the growth rates of each?

A The ratio of sales at the Company's own stores (BOOK☆WALKER) to stores of other companies was 1:3, and the growth rates are 3.0% (BOOK☆WALKER) and -8.2% (other companies' stores) from April to September. From July to September, the ratio of sales was 1:4, and the growth rates of them are 3.9% and 9.0% each.

Q06 From April to September, what were the shares and growth rates for paper-based books and information media sales by genre?

A Share by genre: Comics 31%, general books and pocket editions 32%, light novels 11%, paperback books 10%, children's books 9%, magazines 7%

Growth rate by genre: comics +12%, general books and pocket editions -0.1%, light novels -3%, paperback books -9%, children's books -7%, magazines +0.4% (KADOKAWA non-consolidated basis).

FAQ

Q07 | What were the ratio of paper-based books and e-books in the international sales of the Publication/IP Creation Segment from April to September?

A | Sales of paper-based books were approximately 80% and sales of e-books were approximately 20% of the total international sales of the publication segment.

Q08 | From April to September, what were the sales shares of the top 10 best-selling titles in the Publication/IP Creation Segment and the Animation/Film Segment?

A | The shares for the top 10 best sellers consisted of 5% in the Publication/IP Creation Segment and 26% in the Animation/Film Segment.

Q09 | What are the actual sales of original ELDEN RING and its DLC from April to September?

A | We do not disclose sales results for individual titles.

Q10 | What are the actual and projected sales and number of copies sold from April to September for ELDEN RING NIGHTREIGN?

A | We do not disclose results and forecasts regarding sales or number of copies sold for individual titles.

FAQ

Q11 | When is the release date for ELDEN RING Tarnished Edition? Is it included in the outlook for the fiscal year ending March 31, 2026?

A | At this point we have yet to announce a specific release date. Therefore, we have not disclosed whether it will be included in the outlook for the fiscal year ending March 31, 2026.

Q12 | Regarding Duskbloods, which is slated for a 2026 release:
(1) What is the specific release date? (2) What is the sales scheme in Japan and overseas?
(3) What platforms will be supported? (4) How many copies do you expect to sell?

A | (1) At this point we have yet to announce a specific release date.
(2) It will be sold on a joint basis with Nintendo Co., Ltd., with sales responsibilities divided by region.
(3) The title will only be available for the Nintendo Switch 2.
(4) We do not disclose forecasts regarding number of copies shipped for individual titles.



KADOKAWA

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- The forward-looking statements include various uncertainties, and actual results may differ from these values. Please refrain from making investment judgments, etc. by relying entirely on these values.