



Earnings Results

The 3rd Quarter Ended December 31, 2025 | 2026.2.12



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Summary of Consolidated Earnings Results for the 3rd Quarter for the Fiscal Year Ending March 31, 2026

Consolidated Earnings Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2026

(Unit: Million JPY)	Apr.-Dec. 2024 Results	Apr.-Dec. 2025 Results	Year on year (changed amount)	Oct.-Dec. 2024 Results	Oct.-Dec. 2025 Results	Year on year (changed amount)
Net sales	206,587	202,991	-1.7% (-3,595)	70,267	69,058	-1.7% (-1,208)
Operating profit	15,838	6,377	-59.7% (-9,461)	5,211	826	-84.1% (-4,384)
└ Operating margin	7.7%	3.1%	-4.5pt	7.4%	1.2%	-6.2pt
Ordinary profit	17,226	9,107	-47.1% (-8,118)	7,455	2,329	-68.8% (-5,125)
Profit attributable to owners of parent	7,366	2,211	-70.0% (-5,155)	4,270	720	-83.1% (-3,550)
EBITDA (Operating profit + depreciation + amortization of goodwill)	21,534	13,144	-39.0% (-8,390)	7,227	3,167	-56.2% (-4,060)

Net Sales and Operating Profit by Business Segment

(Unit: Million JPY)		Apr.-Dec. 2024 Results	Apr.-Dec. 2025 Results	Year on year (changed amount)		Oct.-Dec. 2024 Results	Oct.-Dec. 2025 Results	Year on year (changed amount)	
Publication/ IP Creation	Net sales	111,723	111,681	-0.0%	(-42)	39,250	39,365	+0.3%	(+115)
	Operating profit	6,362	623	-90.2%	(-5,739)	2,005	365	-81.8%	(-1,639)
Animation/Film	Net sales	37,921	31,632	-16.6%	(-6,289)	11,490	10,602	-7.7%	(-888)
	Operating profit	4,705	-904	-	(-5,609)	1,064	-9	-	(-1,073)
Gaming	Net sales	26,452	23,381	-11.6%	(-3,070)	8,302	6,787	-18.2%	(-1,514)
	Operating profit	8,659	8,050	-7.0%	(-608)	2,586	1,388	-46.3%	(-1,198)
Web services	Net sales	13,369	16,249	+21.5%	(+2,880)	5,039	5,142	+2.0%	(+102)
	Operating profit	-712	2,187	-	(+2,899)	295	617	+109.0%	(+322)
Education/EdTech	Net sales	11,319	12,837	+13.4%	(+1,517)	3,661	4,227	+15.5%	(+566)
	Operating profit	2,264	2,510	+10.9%	(+246)	816	843	+3.3%	(+26)
Others	Net sales	12,570	10,949	-12.9%	(-1,621)	4,787	4,020	-16.0%	(-766)
	Operating profit	-3,212	-3,128	-	(+83)	-789	-1,038	-	(-248)
Corporate/ Eliminations	Net sales	-6,769	-3,740	-	(+3,029)	-2,263	-1,087	-	(+1,175)
	Operating profit	-2,228	-2,961	-	(-732)	-767	-1,340	-	(-573)

Summary of Consolidated Earnings Results for the 3rd Quarter (Oct.-Dec.) of the Fiscal Year Ending March 31, 2026

- **Net sales: -1.7%, operating profit: -84.1%, ordinary profit: -68.8%, net profit: -83.1%**

The decline in profit in Publication/IP Creation, and decreases in sales and profit in Animation/Film and Gaming, had major impacts, leading to overall declines in consolidated sales and profit

 - In Publication/IP Creation, sales rose slightly, benefitting from the elimination of effects from the cyber attack, and also driven by performance in international paper-based books, with sales increasing mainly in North America and new bases. Operating profit declined, mainly driven by the ongoing deterioration of marginal profit from the downscaling of titles in domestic paper-based books and e-books, higher personnel expenses, and positive effects from the change in sales recognition timing in the previous fiscal year for e-books
However, in December alone, the domestic paper-based books business performed strongly, and steady progress was made on the business reforms announced in the second quarter
 - In the Animation/Film Segment, multiple new theatrical titles and the secondary utilization of already released titles contributed to results, driving higher sales in Film. However, there was a large decline in sales and profit in Animation, where revenues mainly from major titles in the previous fiscal year had made significant contributions, and this led to a decline in sales and profit for the segment overall.
 - In the Gaming Segment, DLC for ELDEN RING NIGHTREIGN was released in December and sold well along with its original title. However, sales and operating profit declined compared with the previous year, which benefited significantly from contributions from ELDEN RING DLCs and its original title.
 - In addition to increased sales from the live business, sales and profit continued to increase in Web Services, which saw reduced costs, and in Education/EdTech, which performed strongly against a backdrop of increased student numbers
- **In 4Q, efforts will be made to recover performance in the publication and animation businesses, with the aim of attaining the full-year consolidated forecasts that was previously announced**

Future Outlook (Publication/IP Creation Segment)

- In the Publication/IP Creation, which is a priority management issue, the formulation and implementation of fundamental business reform measures is underway
For the domestic business in 4Q of this year, effects are expected to materialize due to price revisions, media mix effects and the optimization of advertising expenses and sales measures, with steady improvements to performance compared with those up to 3Q
- From the next fiscal year and beyond, by steadily implementing the following measures, efforts will be advanced to transform the segment into a leaner business structure through increased sales and improved cost efficiency

Recognition of the issues faced in the performance up to 3Q of this year

1. Increase in the number of new publications is underway
Shrinking scale of sales per title and deterioration of marginal profit
Limited media mix effects with animation, film and etc.

Measures to increase sales

2. With the scale of sales failing to grow as much as expected overall, **the number of titles published was increased, leading to higher variable and fixed costs**, leading to a deterioration in profitability

Measures to optimize expenses

Measures that we started reviewing from 3Q in light of the recognized issues (underlined measures had effects on improved performance from 4Q)

- Implementation of further price revisions
- Lineup of titles expected to produce media mix effects, with animation, film and etc.
- Improved genre-specific strategies and title development capabilities through a reorganization of the editing department
- Creation of hit titles through the selection and concentration of advertising expenses and sales measures
- Optimization of the number copies of paper-based books produced based on careful research into market needs
Reduced excess shipments and improved return rates
- Consider reorganizing genres and labels to improve efficiency
- Streamline the publication editing department organization and workflow
- Further optimization of advertising expenses and sales measures
- Downsizing and withdrawal from unprofitable operations within the publication division

Future Outlook (Animation Business)

- In 4Q, the animation business is expected to see steady improvements in performance compared with the period up to 3Q, supported by multiple strong titles such as *[Oshi no Ko]*, where rights-licensing sales from the secondary utilization have made significant contributions in addition to streaming with previous installments
- From 1Q of the next fiscal year, sequels to major animation titles that are based on original works from KADOKAWA are planned, including *Re:ZERO -Starting Life in Another World* and *Classroom of the Elite*, anticipated to increase sales and profit
- Even 2Q and beyond, the latest installments of multiple animated titles for popular series IP are also in the works, and we aim to achieve a recovery in business performance starting this fiscal year
- With production costs continuing to soar, we will continue to focus on strengthening the secondary utilization in Japan and overseas in order to expand revenue generated per title

4Q of this fiscal year



[OSHI NO KO]

©Aka Akasaka x Mengo Yokoyari/
Shueisha, "OSHI NO KO" Partners



Medalist

©TSURUMAİKADA,KODANSHA/
Medalist Partners



**Sentenced to
Be a Hero**

©2024 Rocket Shokai/
KADOKAWA/Project Sentenced to
Be a Hero

Next fiscal year



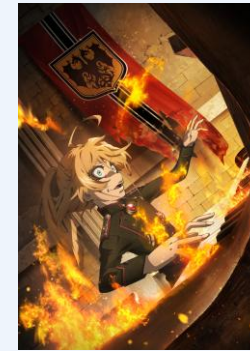
**Re:ZERO -Starting
Life in Another
World- Season 4**

©Tappei Nagatsuki,KADOKAWA/
Re:ZERO4 PARTNERS



**Classroom of the Elite
4th Season: Second
Year, First Semester**

©Syougo Kinugasa,PUBLISHED BY KADOKAWA
CORPORATION/YOUIZTSU4 PARTNERS



**Saga of Tanya
the Evil 2**

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KADOKAWA CORPORATION/Saga
of Tanya the Evil 2 PARTNERS



PANDOROBO

©Keiko
Shibata,KADOKAWA/PANDORO
BO Project

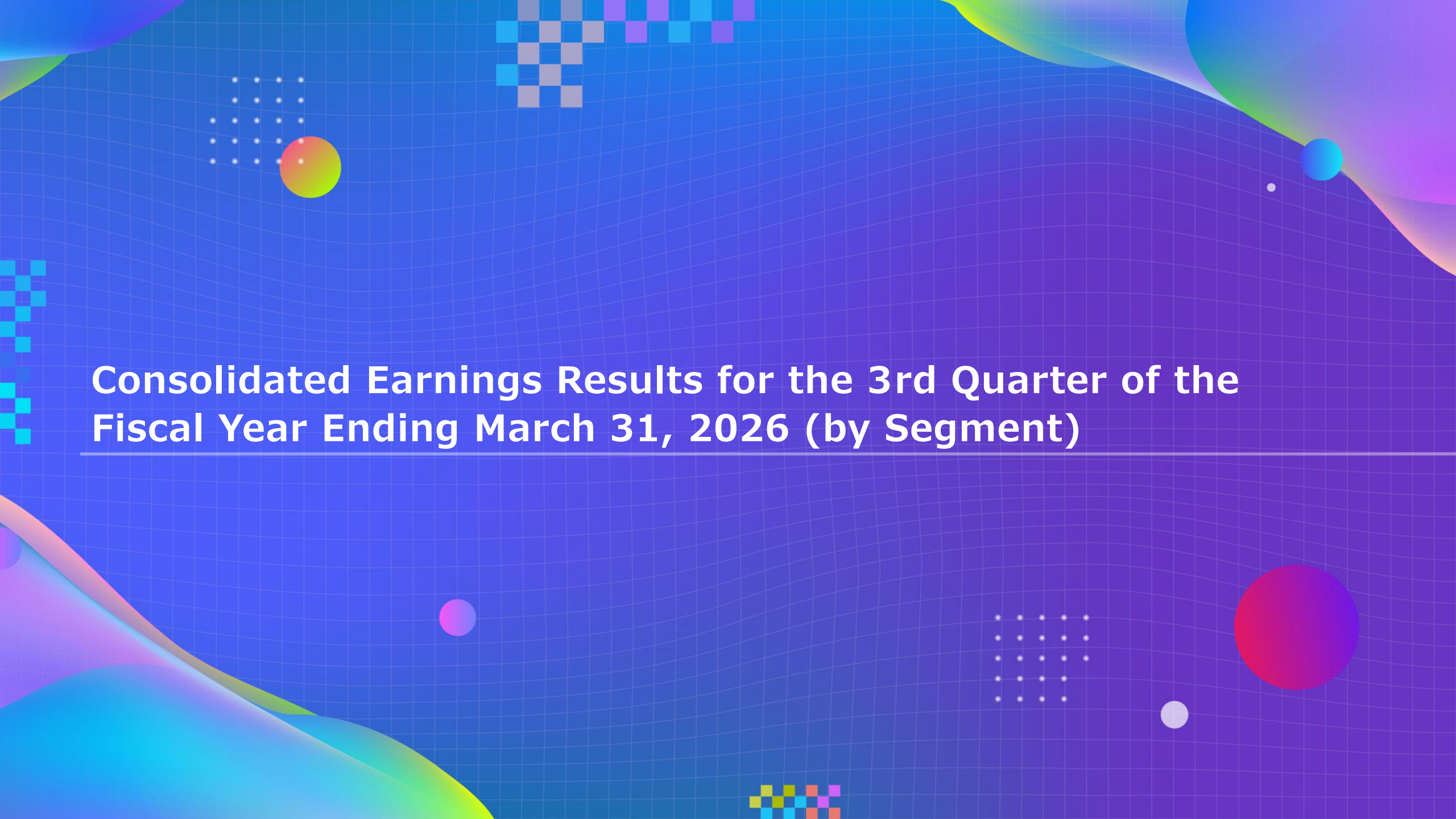
Summary of Consolidated Earnings Results for the First Nine Months (Apr.-Dec.) of the Fiscal Year Ending March 31, 2026

- **Net sales: -1.7%, operating profit: -59.7%, ordinary profit: -47.1%, net profit: -70.0%**

The decline in profit in Publication/IP Creation, and decreases in sales and profit in Animation/Film and Gaming, had major impacts, leading to overall declines in consolidated sales and profit

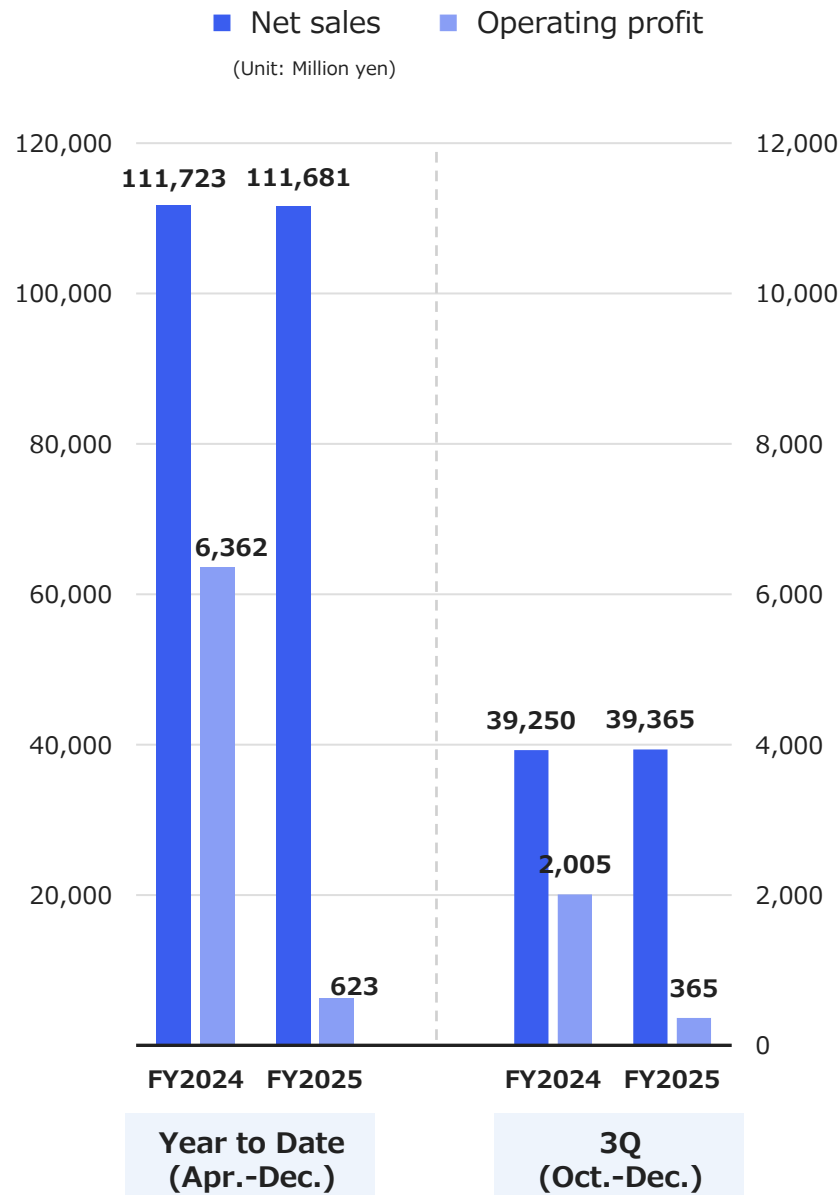
* The impact of cyberattacks primarily affecting Publication/IP Creation and Web Services (YTD in the previous year: net sales -8.2 billion yen, operating profit -4.7 billion yen) disappeared.

- In Publication/IP Creation, the effects of the cyberattacks (YTD in the previous year: net sales -3.65 billion yen, operating profit -1.9 billion yen) disappeared, existing bases in North America and Asia performed strongly in international paper-based books, and new overseas bases also contributed to sales. However, for domestic paper-based books and e-books, the scale of titles decreased and the sales recognition timing for e-books changed (YTD in the previous year: net sales approx. +2.6 billion yen, operating profit approx. +2.0 billion yen), and personnel expenses increased. As a result of these key factors, sales remained flat and operating profit declined for the segment overall.
- In the Animation/Film Segment, sales and profit declined for both Animation and Film, following strong performance from the previous year, including significant contributions to profit mainly from major titles in Animation, and a major expansion of secondary utilization related to multiple film titles that had completed theatrical runs in Film.
- In the Gaming Segment, sales of ELDEN RING NIGHTREIGN and its DLC performed strong. However, sales and profit declined from the previous year, when the ELDEN RING DLC and the main game contributed significantly.
- Sales and operating profit increased in Web Services, owing to the removal of the impact of cyberattacks (YTD in the previous year: net sales -3.9 billion yen, operating profit -2.15 billion yen), and Education/EdTech, which performed well against the backdrop of an increase in the number of students.



Consolidated Earnings Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2026 (by Segment)

Business Overview – Publication/IP Creation Segment



Factors for Increase/Decrease in the First Nine Months

Net sales: -0.0% / -42M (3Q +0.3% / +115M)

Domestic paper-based books/information media

YoY -1.8%
Composition ratio: 27%

E-books

YoY -5.6%
Composition ratio: 40%

International paper-based books

YoY +18.0%
Composition ratio: 14%

Rights licensing sales

YoY -12.7%
Composition ratio: 8%

Other subsidiaries, etc.

YoY +17.8%
Composition ratio: 12%

- The number of new IPs, the foundation of the media mix strategy, increased by +9.4% year on year (3Q: +8.8%).
- **Domestic paper** Sales decreased in 3Q (-5.7%) and on a YTD basis due to the downscaling of titles overall, despite the absence of the impact of the cyberattacks (YTD in the previous year: -3.65 billion yen, 3Q: -0.5 billion yen).
- **E-books** Sales declined in 3Q (-3.3%) and on a YTD basis. Both the lack of hit titles in 1Q and 3Q and the impact of increased sales due to the change in sales recognition timing in the previous year (YTD in the previous year: approx. +2.6 billion yen, 3Q: approx. +0.3 billion yen) had an effect.
- **International paper** Sales increased in 3Q (+20.1%) and on a YTD basis, primarily due to the steady growth of existing bases in America and Asia and the contributions of new bases.

Operating profit: -90.2% / -5,739M (3Q -81.8% / -1,639M)

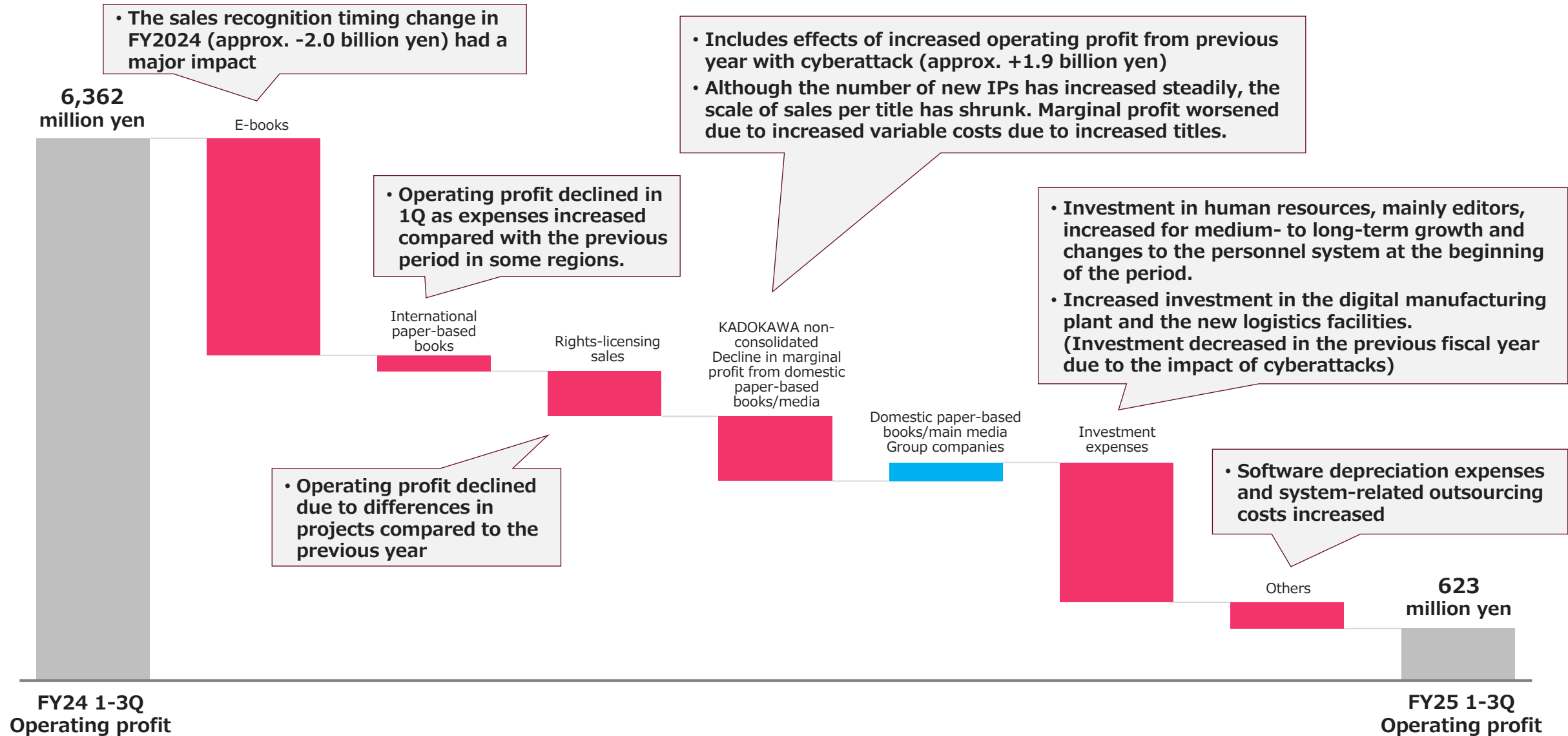
- Operating profit declined in both 3Q and on a YTD basis, primarily due to the effects of lower sales from the downscaling of titles in the domestic paper-based books and e-book businesses, and increased personnel expenses (see pages 12-13 for details)

Future outlook

- From 4Q, the effects of further price revisions, optimization of advertising expenses and sales measures in the domestic paper-based books and e-books are expected to materialize. The formulation and implementation of productivity improvement measures, including optimization of the number of copies of paper-based books produced, reorganization of genres and labels, and organizational streamlining, is underway.
- Overseas, solid growth is expected going forward.

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

◆ Publication/IP Creation Segment operating profit: YoY -90.2%/-5,739M



Overview of Business Performance - Publication/IP Creation Segment (3Q Factors for Increase/Decrease in Operating Profit)

◆ Publication/IP Creation Segment operating profit: YoY -81.8%/-1,639M

• Operating profit declined, mainly due to a decline in sales from fewer hit titles being released, and the change in the sales recognition timing in FY2024 (approx. -0.2 billion yen)

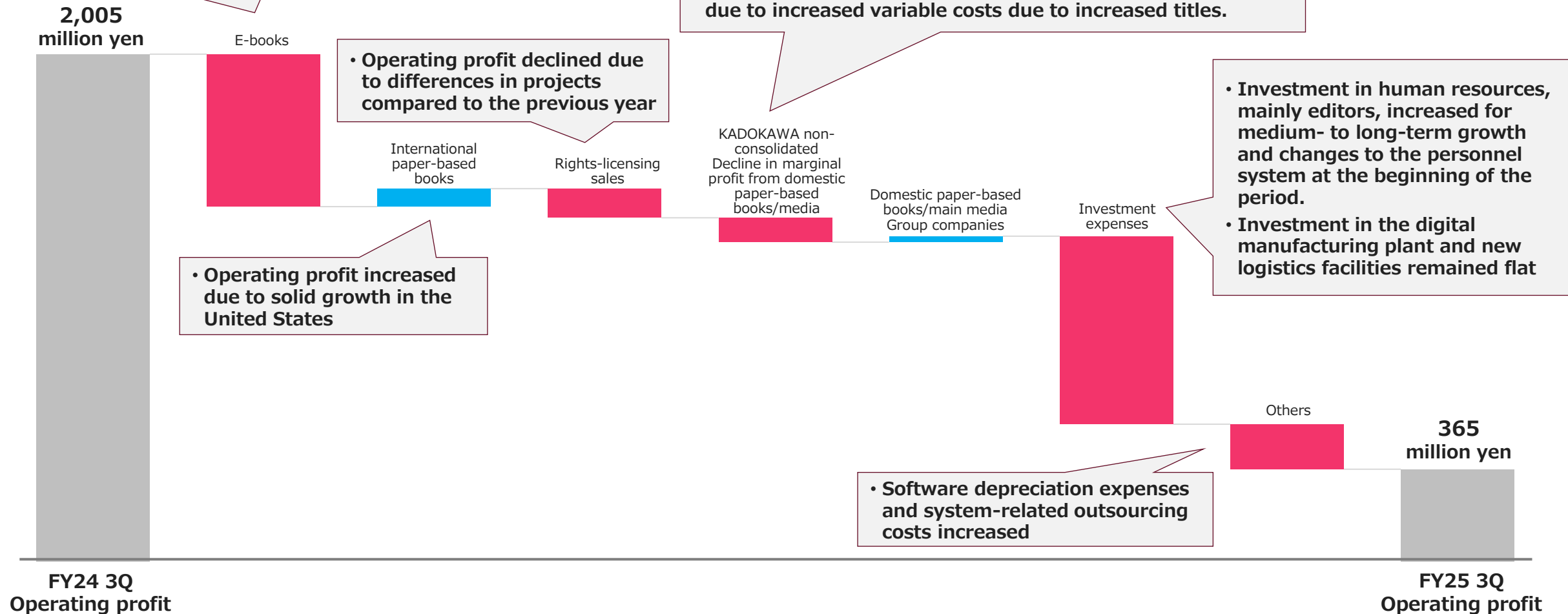
• Includes effects of increased operating profit from previous year with cyberattack (approx. +2.5 billion yen)
• Although the number of new IPs has increased steadily, the scale of sales per title has shrunk. Marginal profit worsened due to increased variable costs due to increased titles.

• Operating profit declined due to differences in projects compared to the previous year

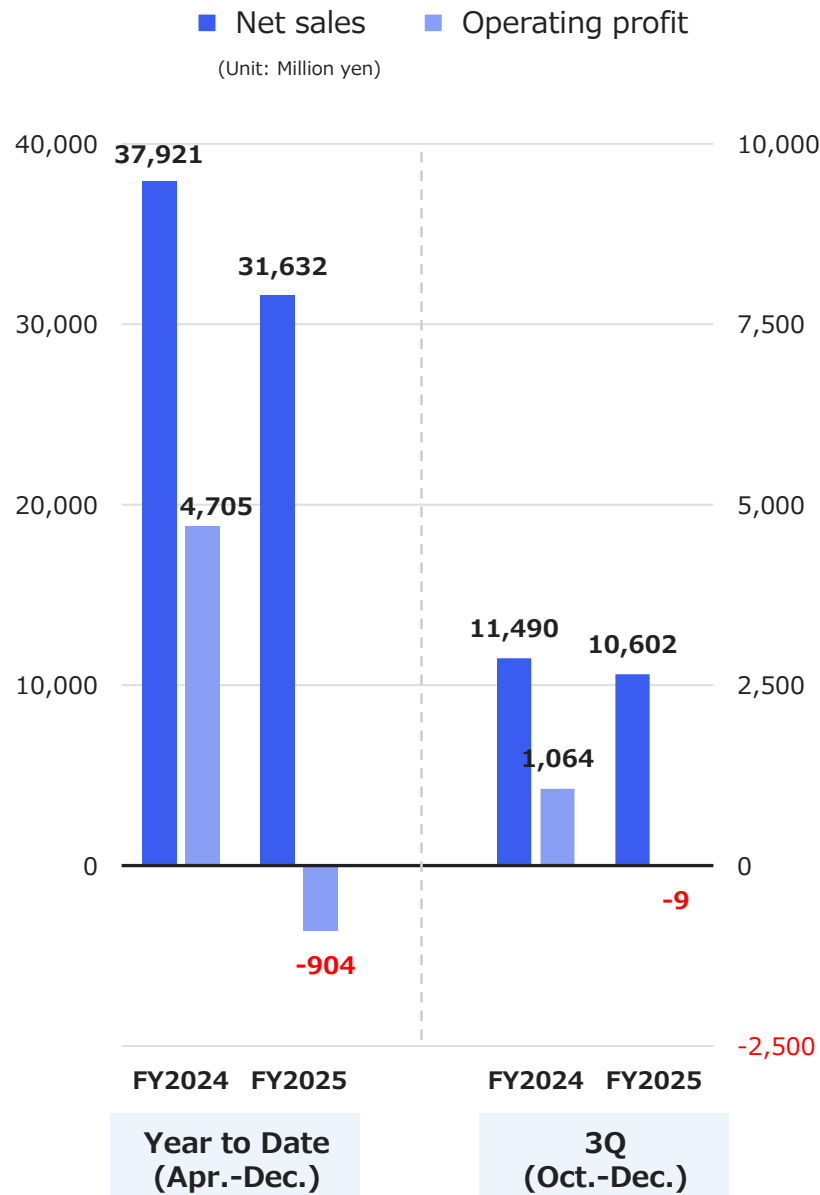
• Investment in human resources, mainly editors, increased for medium- to long-term growth and changes to the personnel system at the beginning of the period.
• Investment in the digital manufacturing plant and new logistics facilities remained flat

• Operating profit increased due to solid growth in the United States

• Software depreciation expenses and system-related outsourcing costs increased



Business Overview – Animation/Film Segment



Factors for Increase/Decrease in the First Nine Months

Net sales: -16.6% / -6,289M (3Q -7.7% / -888M)

Animation

YoY -21.4%
Composition ratio: 69%

Film

YoY -4.4%
Composition ratio: 31%

- Our animation lineup featured a high proportion of first-time animated film adaptations aimed at developing new popular series. Sales decreased both in 3Q 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 Film, sales declined on a YTD basis compared to the previous year, which saw significant secondary utilization of multiple theatrically released titles. In 3Q, sales increased due to the expansion of secondary usage of titles released in the first half of the year, in addition to solid performance from new theatrical titles

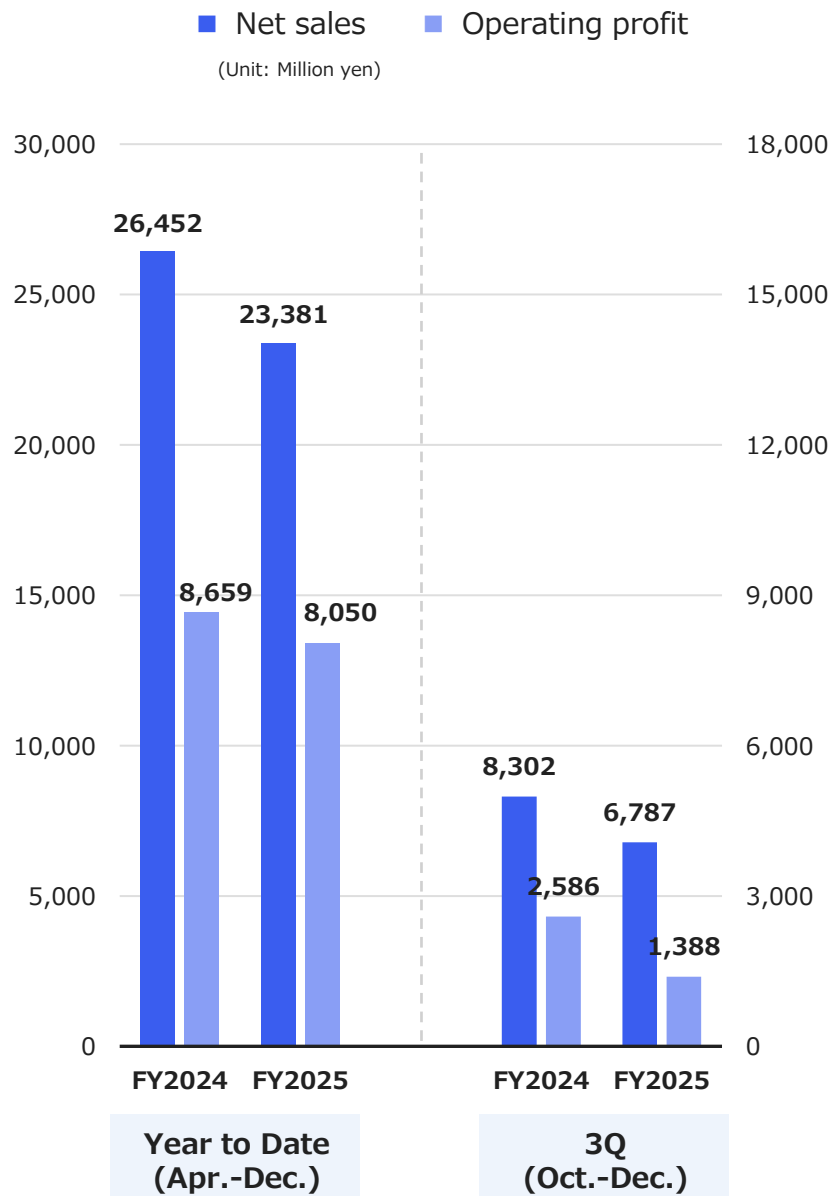
Operating profit: - / -5,609M (3Q - / -1,073M)

- In Animation, the segment as a whole saw decreased profits in both 3Q and on a YTD basis, mainly due to significant declines in sales revenue from profitable domestic and overseas streaming licensing, as well as licensing for merchandise and game adaptations.

Future outlook

- In the animation business, in 4Q and the next fiscal year we have a lineup of the latest animated series of popular IP set to release, and we will work to return to a growth trend
- Steady progress has been made with the development of in-house animation studios within the Group. We will continue to promote resource sharing, including recruitment activities, pursuing efficiency improvements. Additionally, in Film, we will strengthen coordination with the Sony Group in the area of virtual production technologies.

Business Overview – Gaming Segment



Factors for Increase/Decrease in the First Nine Months

Net sales: -11.6% / -3,070M (3Q -18.2% / -1,514M)

New titles for consoles and PCs

YoY +16.9%
Composition ratio: 17%

Repeat sales for consoles and PCs

YoY +1.7%
Composition ratio: 15%

Royalties for consoles and PCs

YoY -31.3%
Composition ratio: 37%

Others

YoY +3.1%
Composition ratio: 31%

- In addition to the *ELDEN RING NIGHTREIGN* main game released in May, in 3Q DLC for the title was released in December, with sales performing above expectations. However, sales declined in both 3Q and on a YTD basis compared with the previous year, with the *ELDEN RING* main game and its DLC contributing significantly to performance.

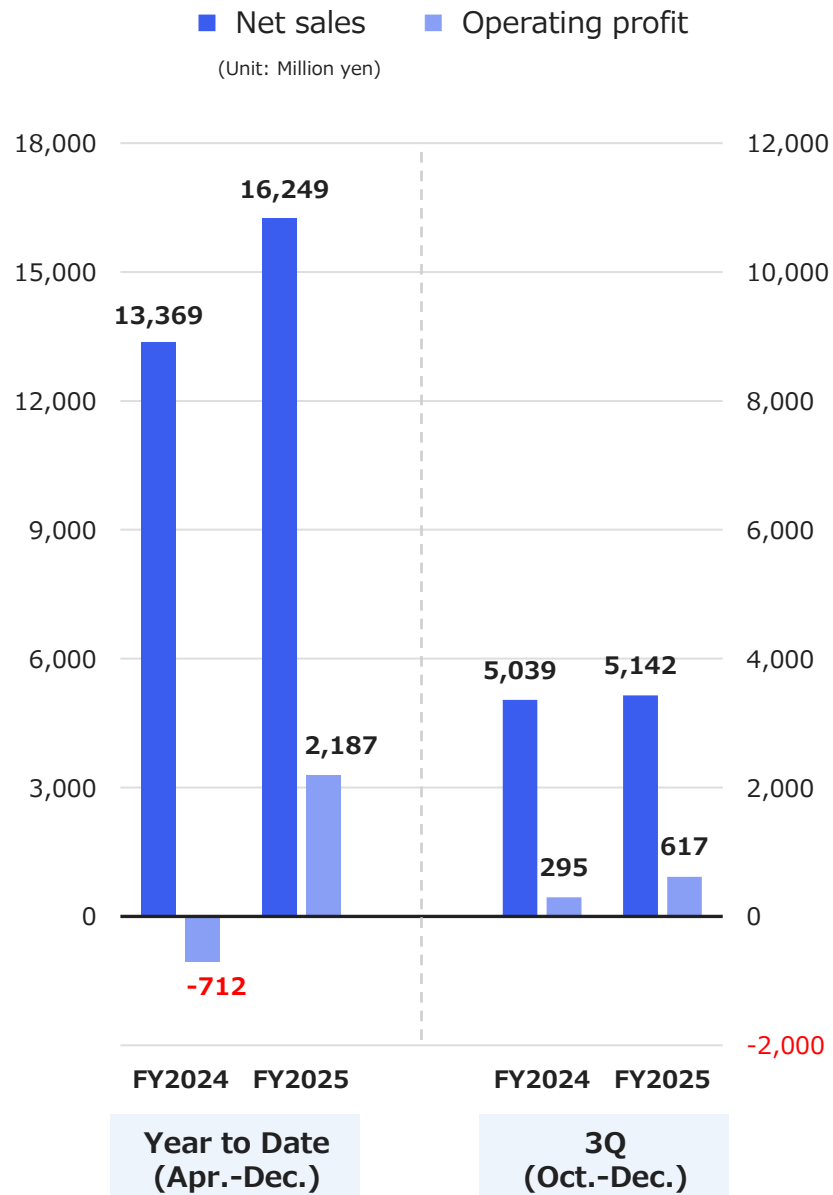
Operating profit: -7.0% / -608M (3Q -46.3% / -1,198M)

- Operating profit declined in both 3Q and on a YTD basis due to the above factors that reduced sales

Future outlook

- We have multiple game titles in the development pipeline, both for consoles and mobile platforms
 - FromSoftware currently has multiple titles in the development pipeline, including *ELDEN RING Tarnished Edition* and *The Duskbloods* (both slated for a 2026 release for Nintendo Switch 2)
 - Spike Chunsoft plans to release a new title in the *Danganronpa* series in 2026
 - In addition to *[Oshi no Ko]* (scheduled for release in 2026), multiple mobile games based on popular KADOKAWA IPs, including *KONOSUBA: God's Blessing on This Wonderful World!* and *The Rising of the Shield Hero*, are under development.
- We are also making steady progress considering schemes to expand the scope of our own publishing.

Business Overview – Web Services Segment



Factors for Increase/Decrease in the First Nine Months

Net sales: +21.5% / +2,880M (3Q +2.0% / +102M)

Niconico-related

YoY +22.1%
Composition ratio: 72%

Live

YoY +41.9%
Composition ratio: 19%

Mobile

YoY -10.8%
Composition ratio: 8%

- Sales increased in both 3Q and on a YTD basis.
 - In niconico-related businesses, sales increased on a YTD basis due to the impact of the cyberattacks (YTD in the previous year: -3.9 billion yen, 3Q: -0.05 billion yen) disappearing. In 3Q, sales declined due to a decline in the number of premium memberships, among other factors.
 - Sales from the live business increased in both 3Q and on a YTD basis. Animelo Summer Live, which was held in 2Q, and event contracts carried out in 3Q contributed to the results.
 - In the mobile business, sales declined due to ongoing contraction.

Operating profit: - / +2,899M (3Q +109.0% / +322M)

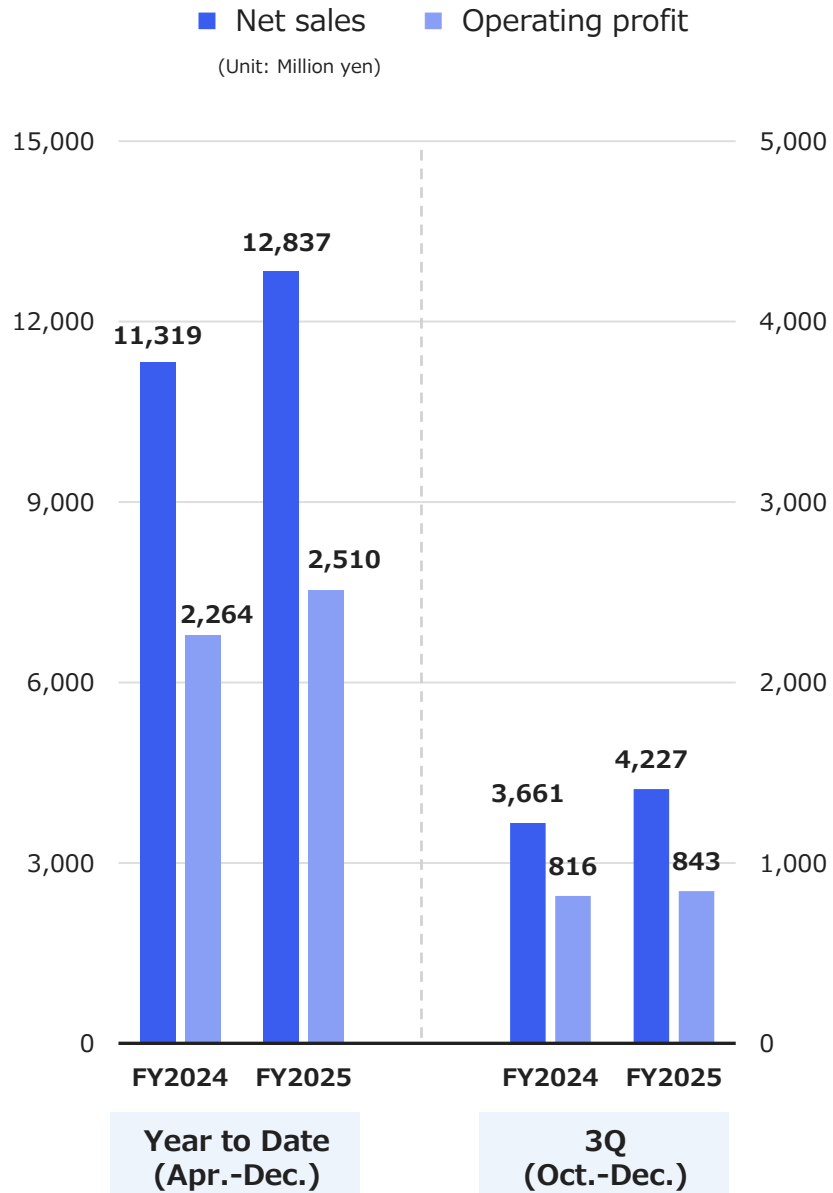
- The impact of the cyberattacks (YTD in the previous year: -2.15 billion yen, 3Q: +0.2 billion yen) disappeared. Operating profit increased in both 3Q and on a YTD basis due to this, combined with reductions in infrastructure expenses and other costs.

Future outlook

- In niconico-related businesses, we will continue to enhance new services and functions such as short videos going forward. We aim to increase users and to maintain and expand gross merchandise value (GMV). We will also optimize the organizational structure and personnel assignments in an effort to improve business efficiency.
- We are also exploring the creation of new businesses designed to diversify income streams, such as expanding monetization opportunities for music IP such as VOCALOID*.

* VOCALOID is a registered trademark of Yamaha Corporation. 16

Business Overview – Education/EdTech Segment



Factors for Increase/Decrease in the First Nine Months

Net sales: +13.4% / +1,517M (3Q +15.5% / +566M)

Vantan
YoY +5.8%
Composition ratio: 66%

For N High School Group/ZEN University
YoY +31.7%
Composition ratio: 34%

- Sales increased both in 3Q 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 overall (+10%) due to the newly built commuter course campus for the N High School Group as well as the opening this year of R High School. In addition to this, the opening of ZEN University also contributed to increasing the number of students (over 4,200 students including October enrollments)

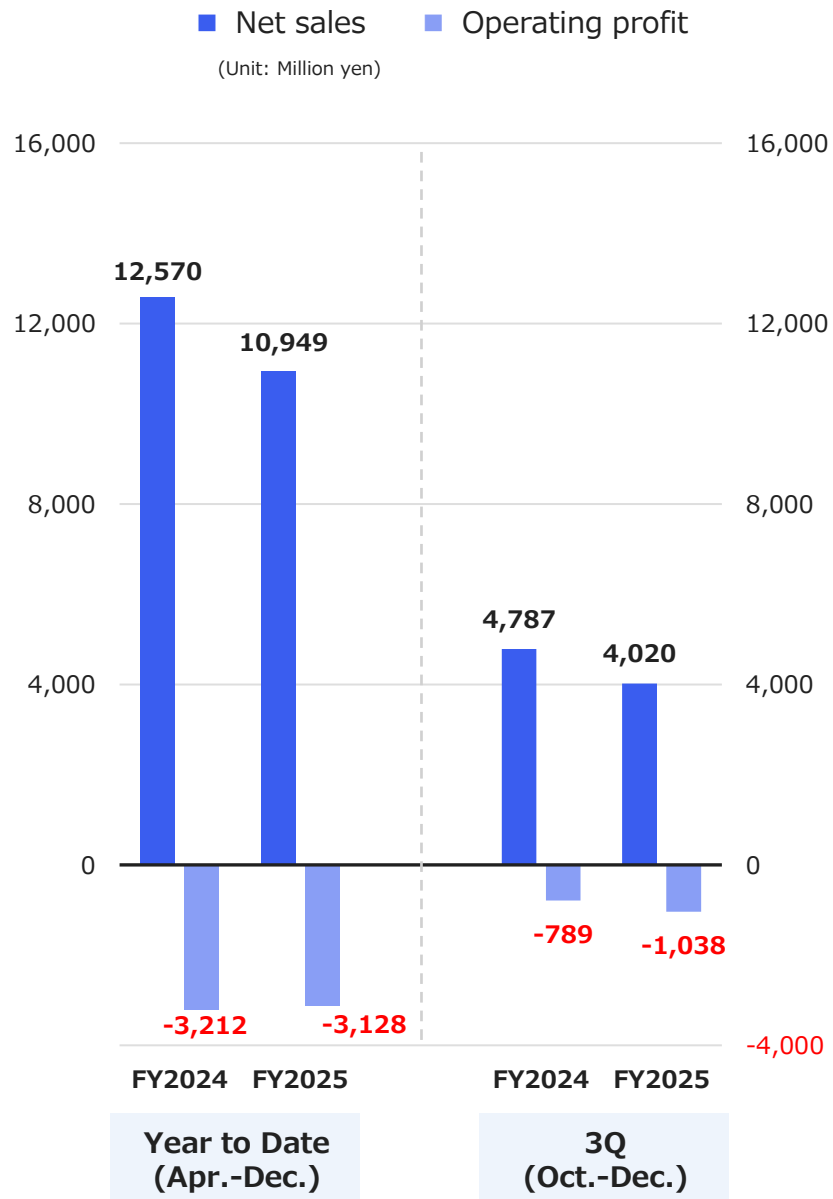
Operating profit: +10.9% / +246M (3Q +3.3% / +26M)

- On a YTD basis, overall profits increased significantly due to increased sales from the N High School Group and ZEN University, offsetting flat profits due to Vantan's aggressive advertising spending in anticipation of increased student enrollment in the next year and beyond. In 3Q, profits increased due to the revenue growth impact from both Vantan and the N High School Group / ZEN University businesses.

Future outlook

- Looking ahead, we expect the high rate of growth to continue, with student numbers increasing.
 - Vantan will continue to establish new courses and expand its operating regions to further strengthen operating foundations. The Vantan Music Academy is scheduled to open in April 2026, followed by Vantan Foreign Language & Hotel Tourism Academy in April 2027. We will also develop new business models, including operational support for school corporations.
 - 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 Nine Months

Net sales: -12.9% / -1,621M (3Q -16.0% / -766M)

MD	Recreation	Other
YoY -9.3%	YoY +10.2%	YoY -36.0%
Composition ratio: 36%	Composition ratio: 38%	Composition ratio: 26%

- In MD, sales declined both in 3Q and on a YTD basis in comparison to the previous year, which had specific hit products.
- In the Recreation, sales increased on a YTD basis due to steady performance from IP events held nationwide, including those showcasing popular KADOKAWA IP, including *PANDOROBO* and *Delicious in Dungeon*. Sales declined in 3Q.
- * 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 (-2.4 billion yen, no impact on a consolidated basis including profits).

Operating profit: - / +83M (3Q - / -248M)

- In MD, operating profit declined in both 3Q and on a YTD basis due to the impact of lower sales described above.
- In Recreation, operating profit remained steady on a YTD basis but declined in 3Q.
- * In other businesses, the impact of cyberattacks (Q2 in the previous year: -500 million) has disappeared.

Future outlook

- In MD, we will work to expand highly profitable online raffle services while stepping up overseas expansion, including the use of overseas publishing sites to promote business expansion.
- In Recreation, we will streamline some of the businesses operating within SAKURA TOWN during the current fiscal year. In the medium- to long-term, we will continue working to optimize operating costs while running more effective IP events with the aim of improving performance

Appendix

Strengthening Coordination With the Sony Group in the Area of Film

- In November 2025, Virtual Production Boost 2025 (organizing committee: Sony Group / KADOKAWA DAIEI STUDIO CO., LTD.) was held as a forum providing opportunities to share case studies and knowledge while helping to build networks related to LED-based virtual production (VP), whose use has rapidly expanded in the area of film, including movies, television drama and advertising. More than 200 creators attended the event over two days.
- The event was held as part of "developing human resources to promote and expand VP," one of the stated areas of cooperation under the capital and business alliance between KADOKAWA and Sony, and was the first joint event to be held since the alliance was formed
- Going forward, the two companies will aim to further realize technical innovation and expand the scope of utilization through improved coordination



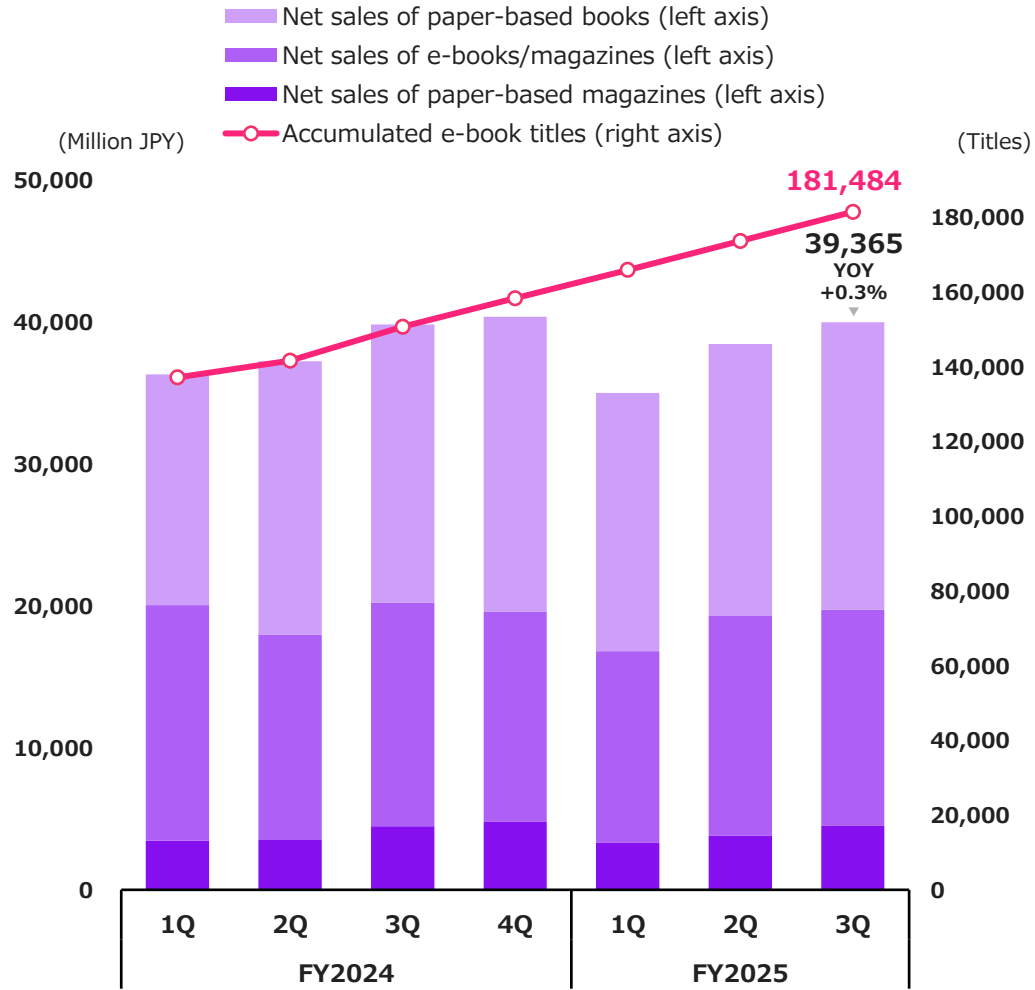
▲ On November 13, a seminar was held at the head office of Sony PCL. Entertainment companies and creators were gathered under one roof for a seminar showcasing examples of film production utilizing Sony's latest VP technologies.



▲ On November 15, at a workshop held in the Sea Infinity virtual production studio at KADOKAWA DAIEI STUDIO CO., LTD., part of a shooting set was recreated specifically for the workshop, referencing the VP scenes filmed for *Anpan*, NHK's serial television drama that aired during the first half of 2025. One of the key features of KADOKAWA DAIEI STUDIO CO., LTD., and something that is unique within Japan, is that it maintains its own art department inside the studio. By preparing a filming environment that combines real sets created by the in-house art team with VP, expressions with a high degree of freedom and quality can be developed.

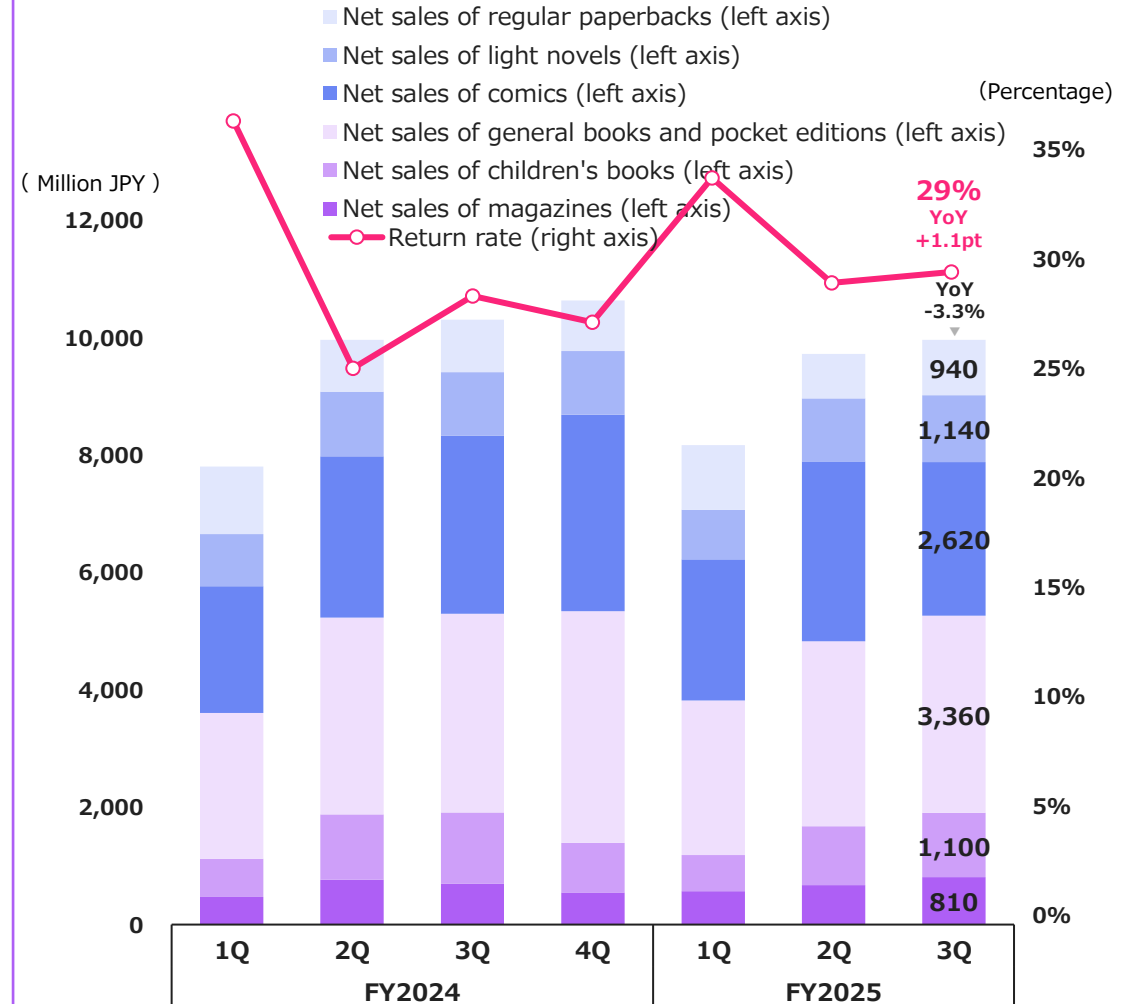
Publication/IP Creation Segment

Sales trend of Publication/IP Creation Segment



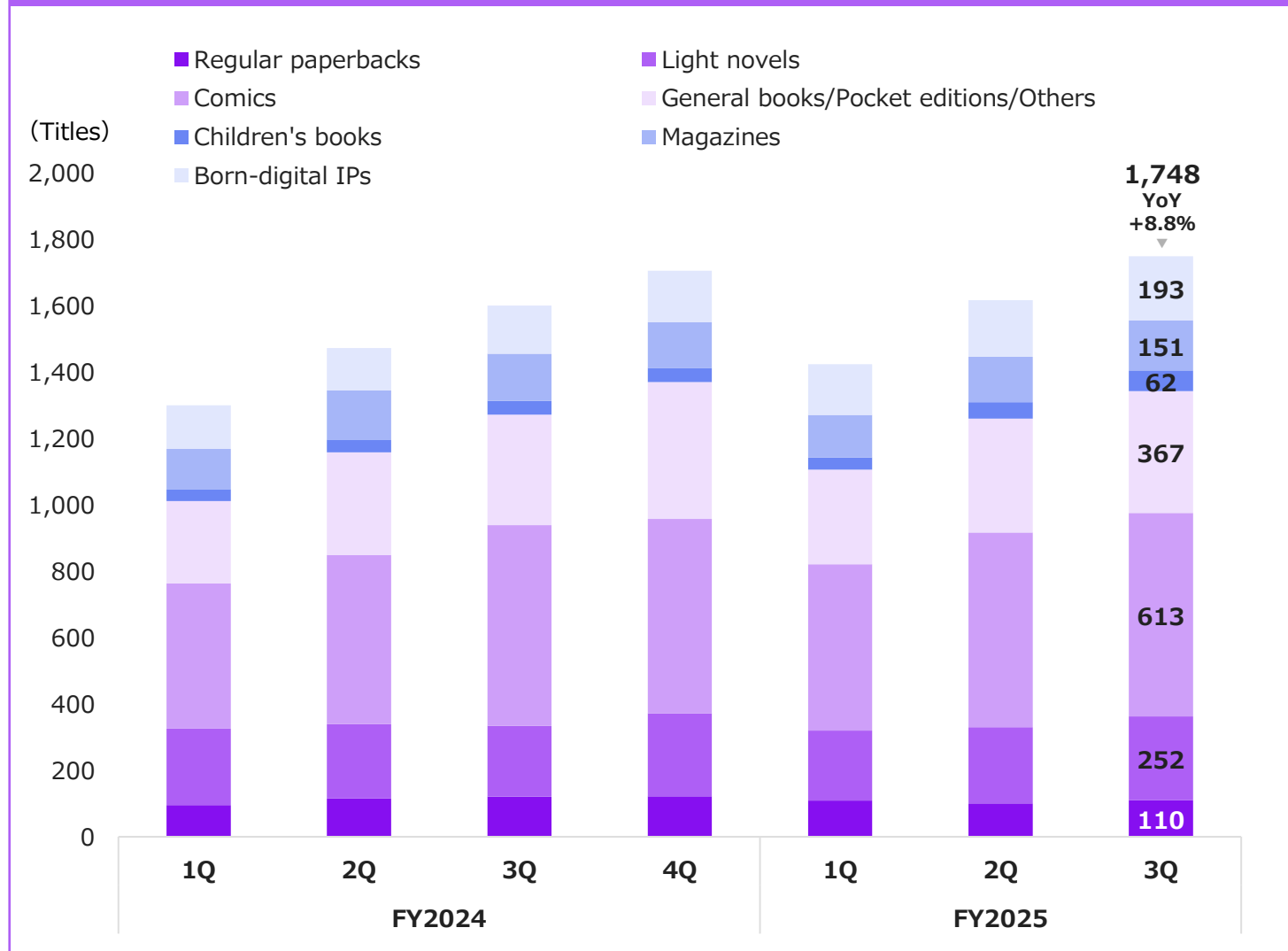
*Accumulated e-book titles include the number of distribution by chapter

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



Publication/IP Creation Segment

Number of new IPs of paper-based books and magazines by genre (Actual)



Titles contributing to sales



The Secret of Secrets



The Eminence in Shadow, Vol.17

©Anri Sakano 2025 ©Daisuke Aizawa 2025 ©Touzai 2025



OTHERWORLDLY IZAKAYA [NOBU], Vol.21

©Virginia-Nitouhei 2025 ©Natsuya Semikawa, Kururi/TAKARAJIMASHA



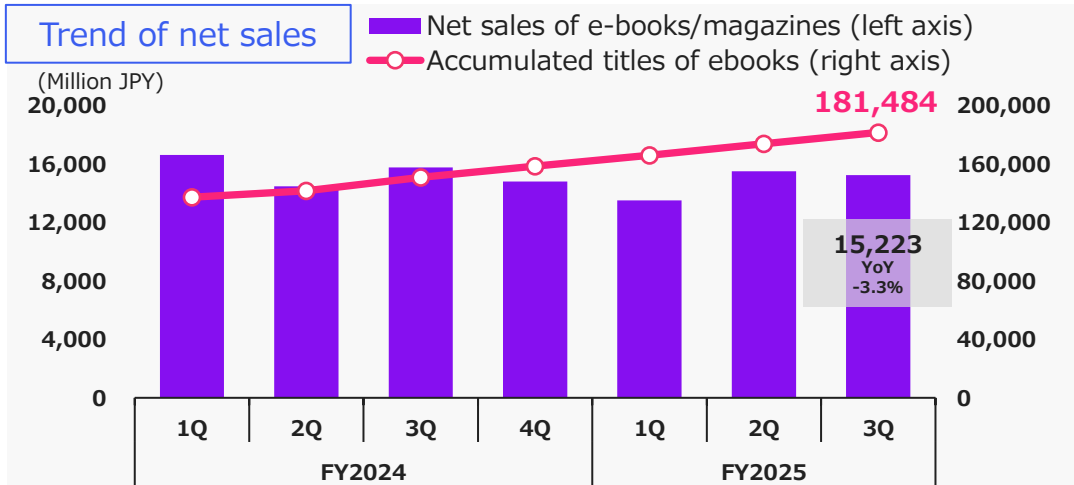
Human Specimen

©Kanae Minato 2023, 2025

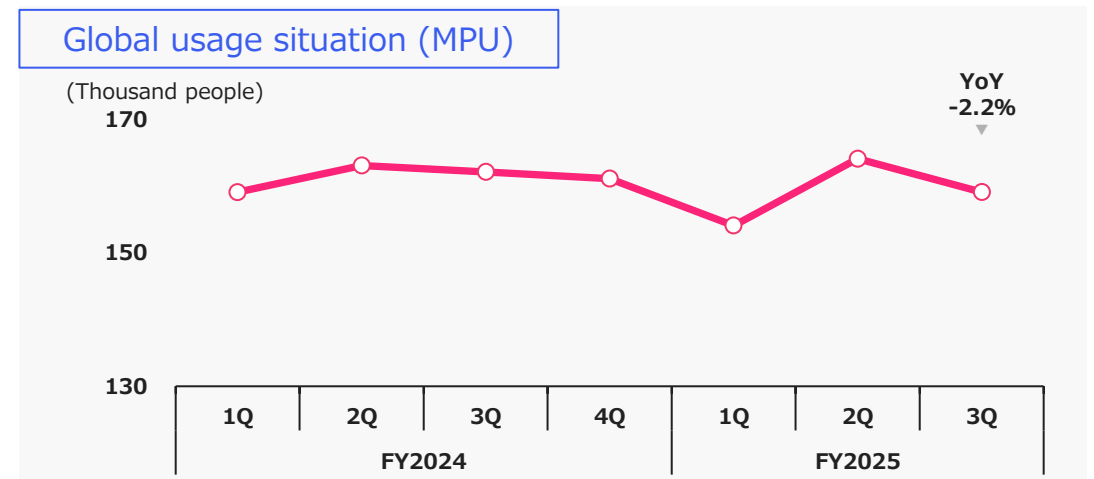
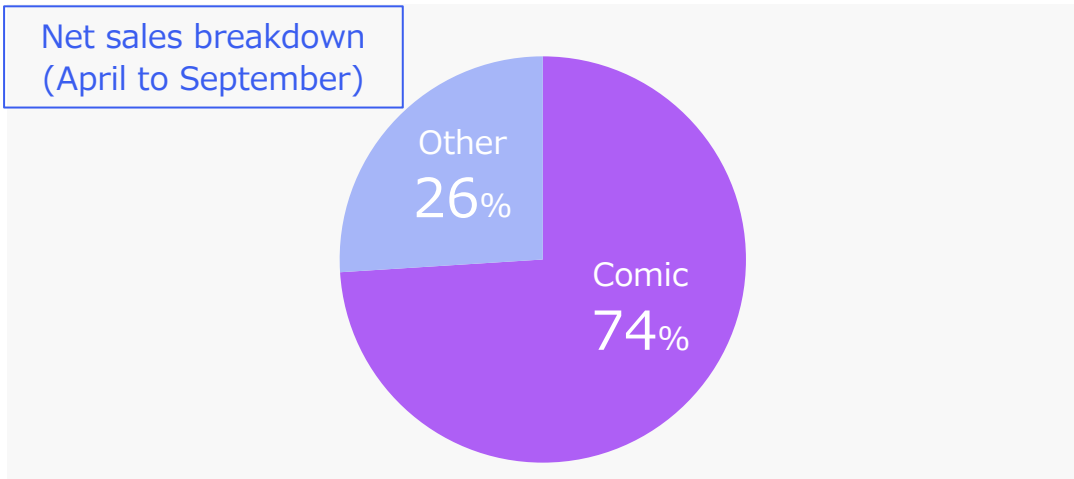
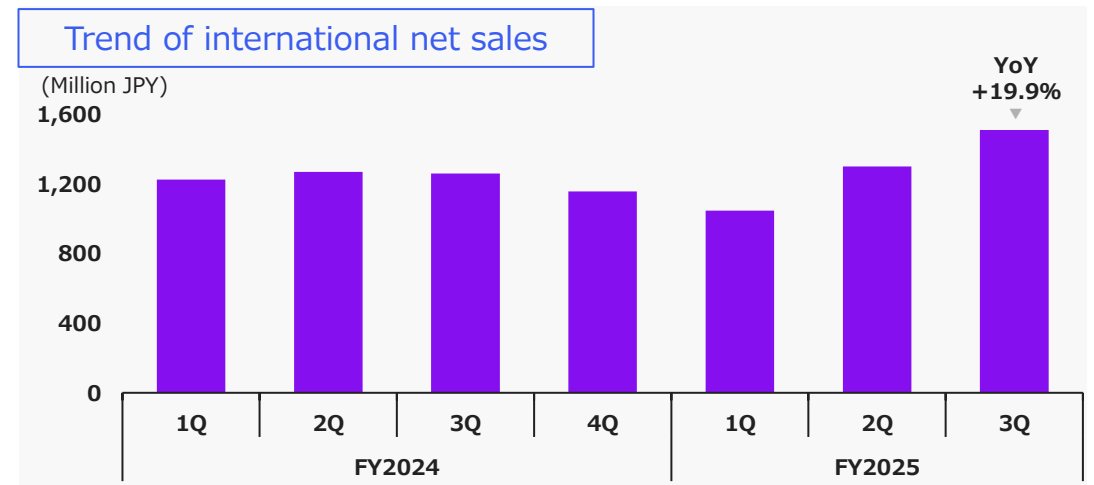
* Total of IPs including Group companies' and born-digital titles in addition to KADOKAWA non-consolidated paper-based books

Publication/IP Creation Segment

E-books/magazines



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

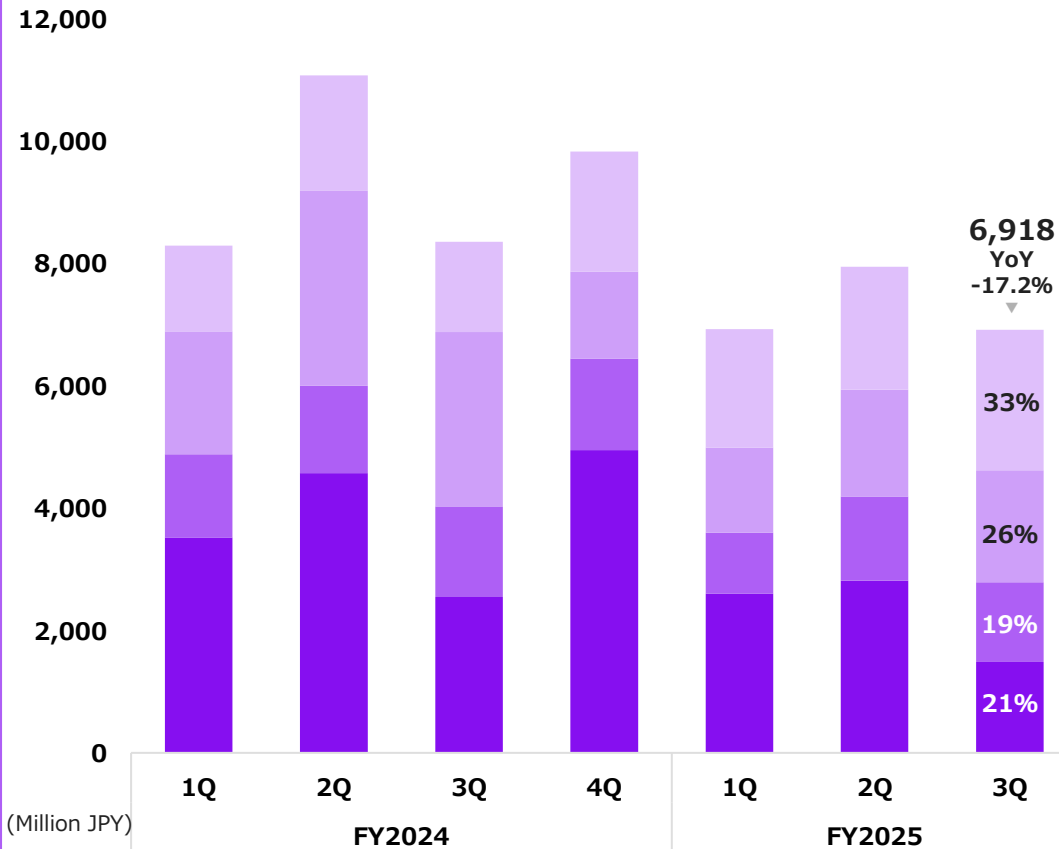


*MPU (Monthly Paid User)

Animation/Film Segment

Net sales of animation business

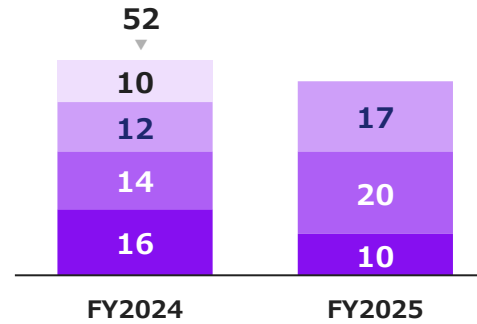
- Others (including production subsidiaries)
- Domestic merchandising
- Domestic streaming
- International



The number of animation titles

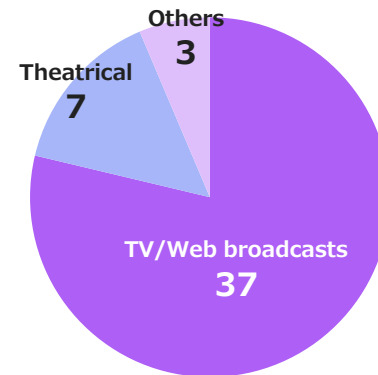
Number of new titles

■ 1Q ■ 2Q ■ 3Q ■ 4Q



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

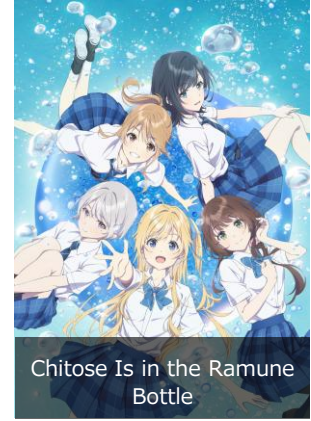
Breakdown by media in Apr. to Dec.



Titles contributing to sales



©Mokumokuren/KADOKAWA/The Summer Hikaru Died Partners



©Hiromu/Shogakukan/Chiramune Partners



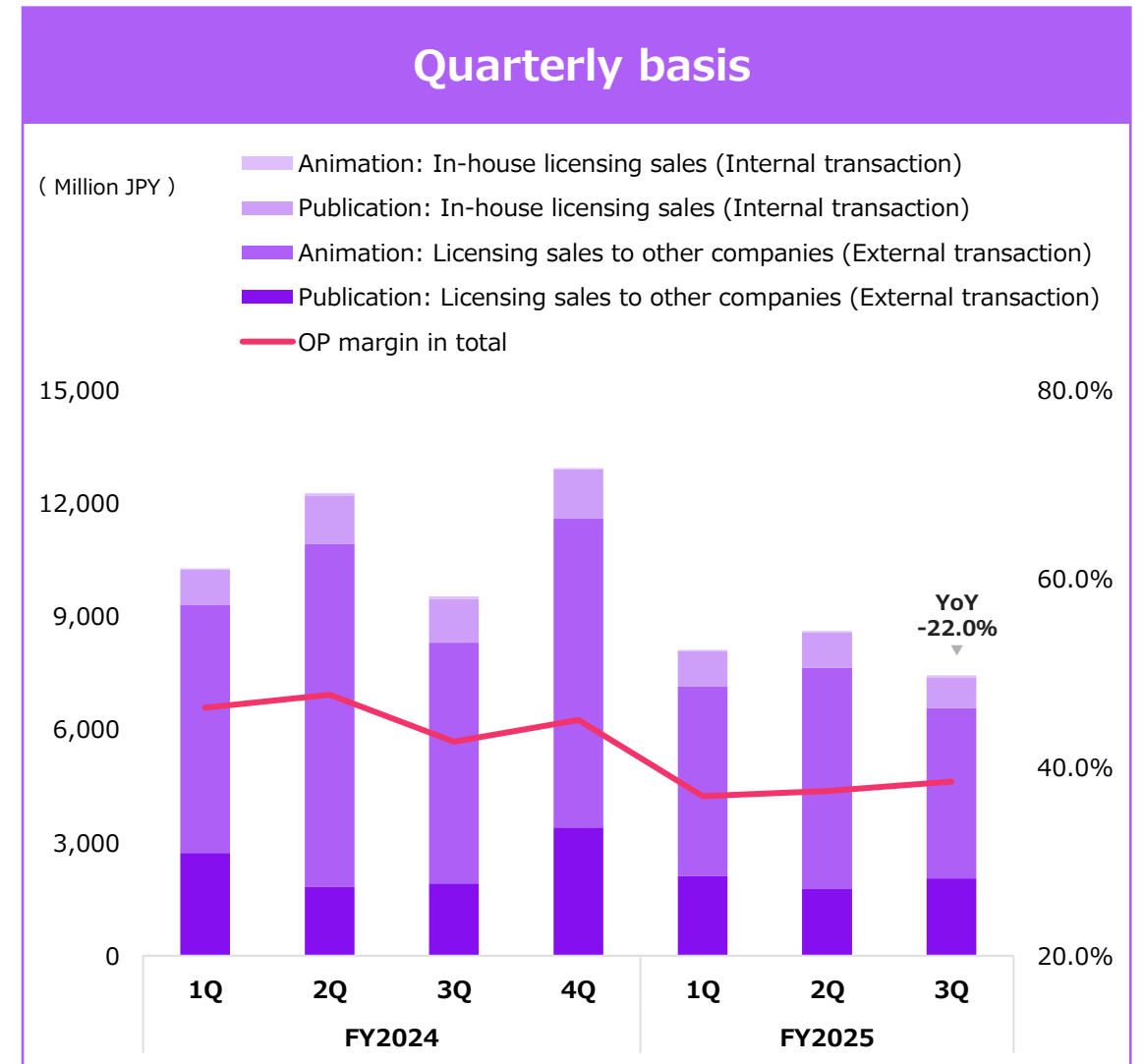
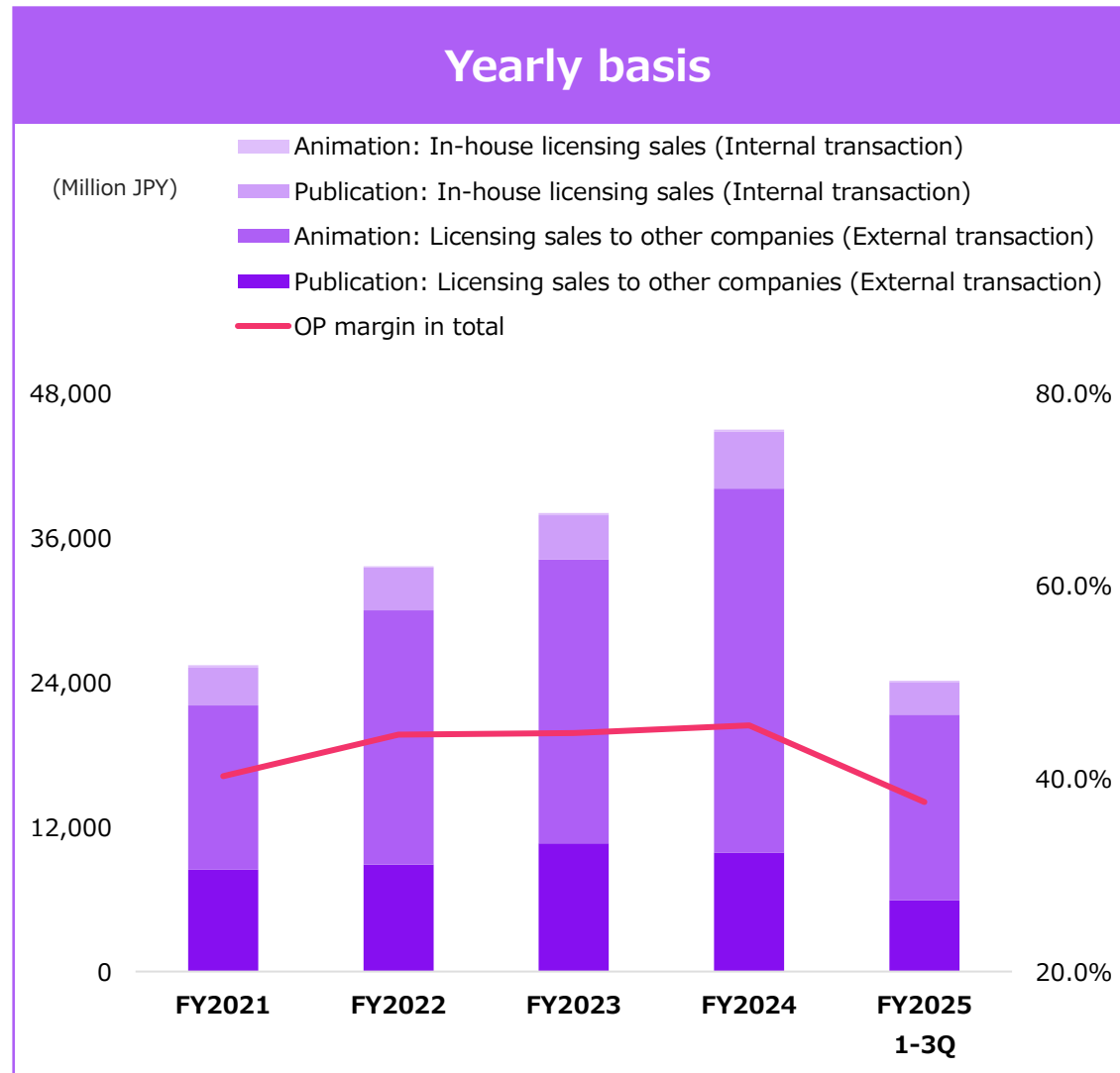
©Tappei Nagatsuki,KADOKAWA/Re:ZERO4 PARTNERS



©KAMITSUBAKI STUDIO/SINKA ANIMATION PROJECT

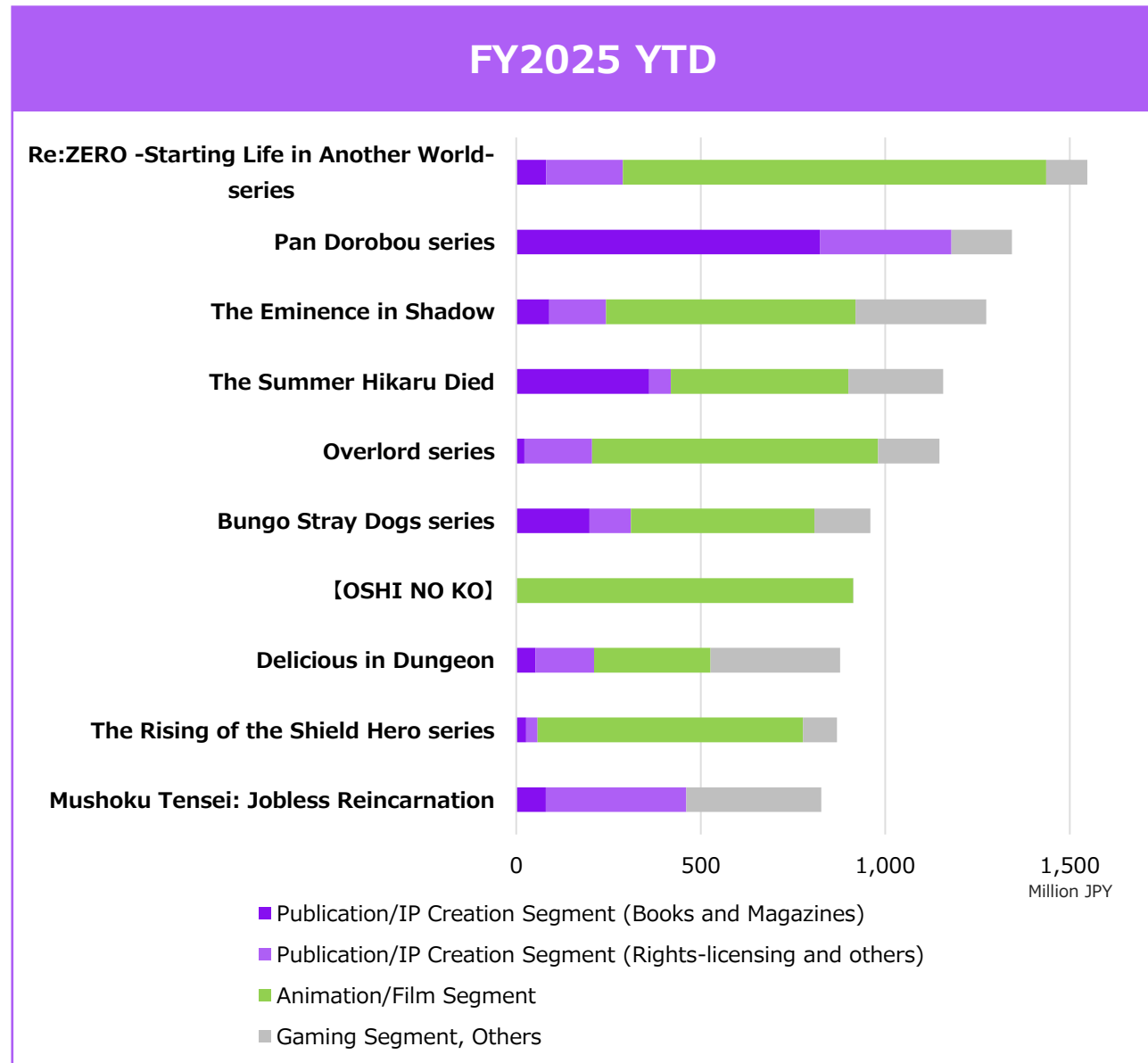
Sales and Operating Margin of Rights-Licensing in Publication and Animation Businesses

(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	Mushoku Tensei: Jobless Reincarnation	2014
3	KADOKAWA Manga Gakushu Series	2015
4	Sword Art Online series	2009
5	The Summer Hikaru Died	2022
6	Toaru Project	2004
7	The Eminence in Shadow	2018
8	Project Love Live!	2012
9	Delicious in Dungeon	2015
10	Re:ZERO -Starting Life in Another World-series	2014

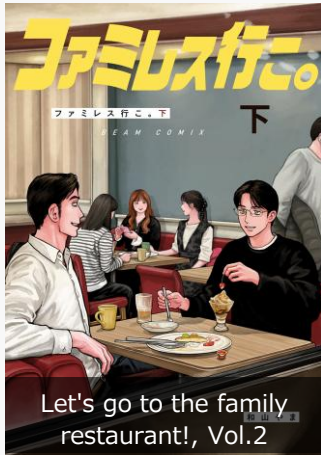
Animation/Film

* 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	[OSHI NO KO]	2023
3	PANTY & STOCKING with GARTERBELT	2010
4	Overlord series	2015
5	The Rising of the Shield Hero series	2019
6	The Eminence in Shadow	2022
7	Clevatess	2025
8	KAMITSUBAKI CITY UNDER CONSTRUCTION	2025
9	KONOSUBA: God's Blessing on This Wonderful World!	2016
10	Please Put Them On, Takamine-San	2025

Eagerly Awaited Upcoming Titles

Books



©Yama Wayama 2026



©Akumi Agitogi-Tsukiho Tsukioka



©Fujiazuki 2026 ©Yuka Tachibana,Yasuyuki Syuri 2026

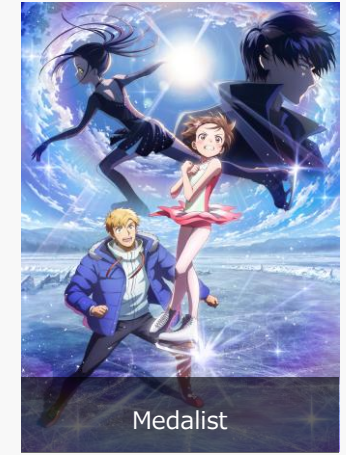


©Tsuyoshi Kounoike

Animation



©Aka Akasaka x Mengo Yokoyari/Shueisha, "OSHI NO KO" Partners



©TSURUMAİKADA,KODANSHA/Medalist Partners



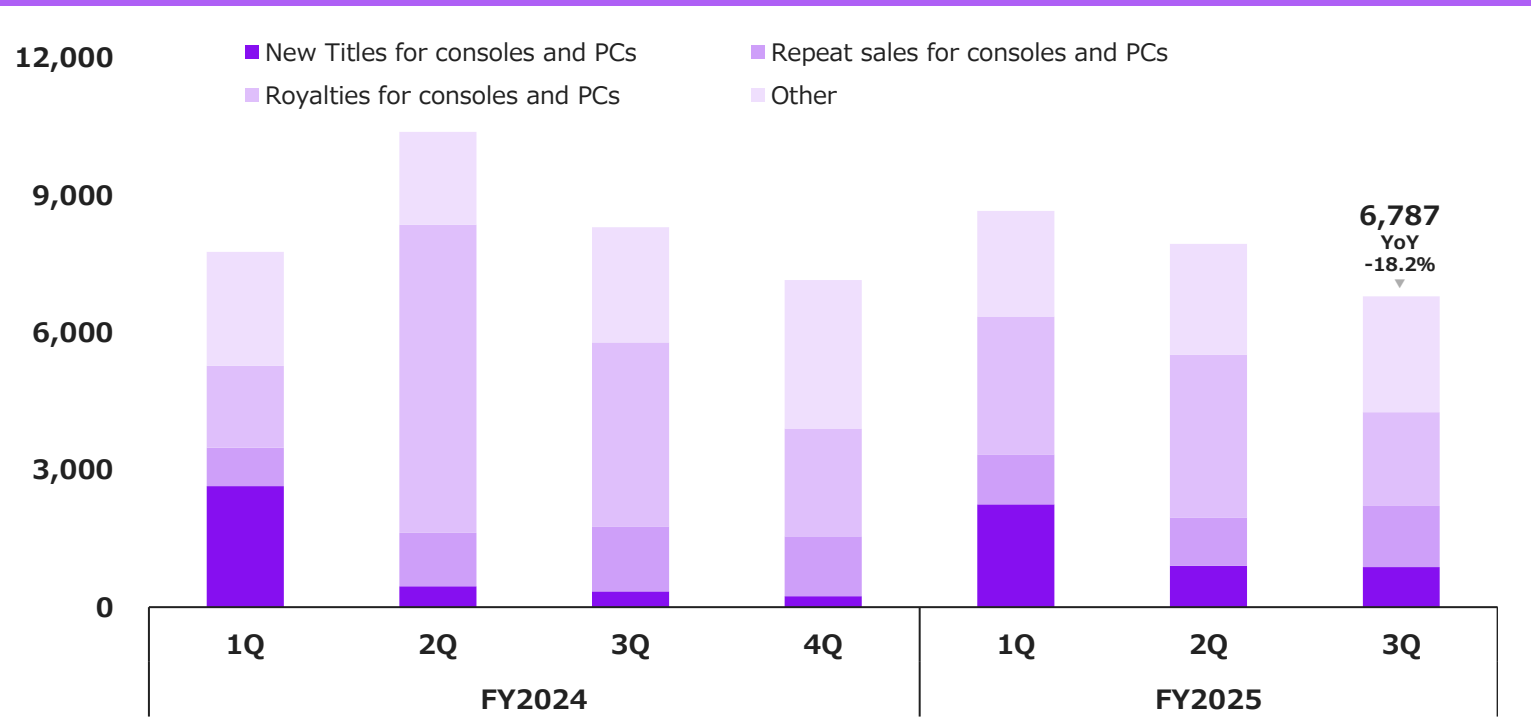
©2024 Rocket Shokai/KADOKAWA/Project Sentenced to Be a Hero



©Yushi Ukai,NekometarU/KADOKAWA/Playing Death Games to Put Food on the Table Partners

Gaming Segment

Trend of sales of Gaming segment



	FY2024				FY2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Number of newly released titles for consoles and PCs	5	1	1	1	2	5	1
Total number of copies sold (million copies)	1.33	0.93	1.88	1.89	1.81	1.48	2.50

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

Titles contributing to sales



“ELDEN RING NIGHTREIGN”

©Bandai Namco Entertainment Inc. / ©2025 FromSoftware, Inc.



“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

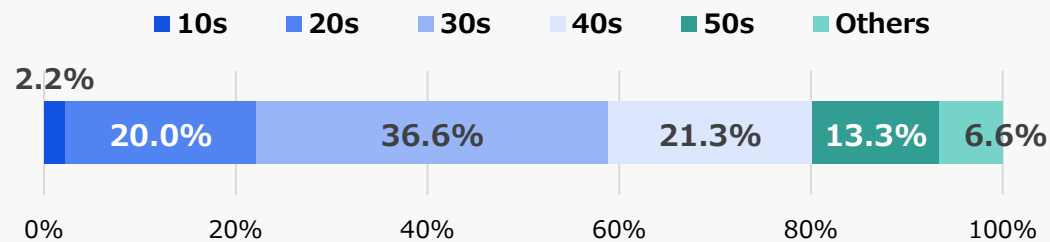
* As of December 31, 2025

Regular members (Million) **107.94**

Premium members (Thousand) **954**

Age

* As of December 31, 2025



Niconico Chokaigi 2025

Visitors (Thousand) **132**

Niconico Channel user data

* As of December 31, 2025

Number of channels **11,897**

Number of channels with monthly fee **2,580**

Dues-paid members (Million) **1.08**

Fan-community service 「sheeta」

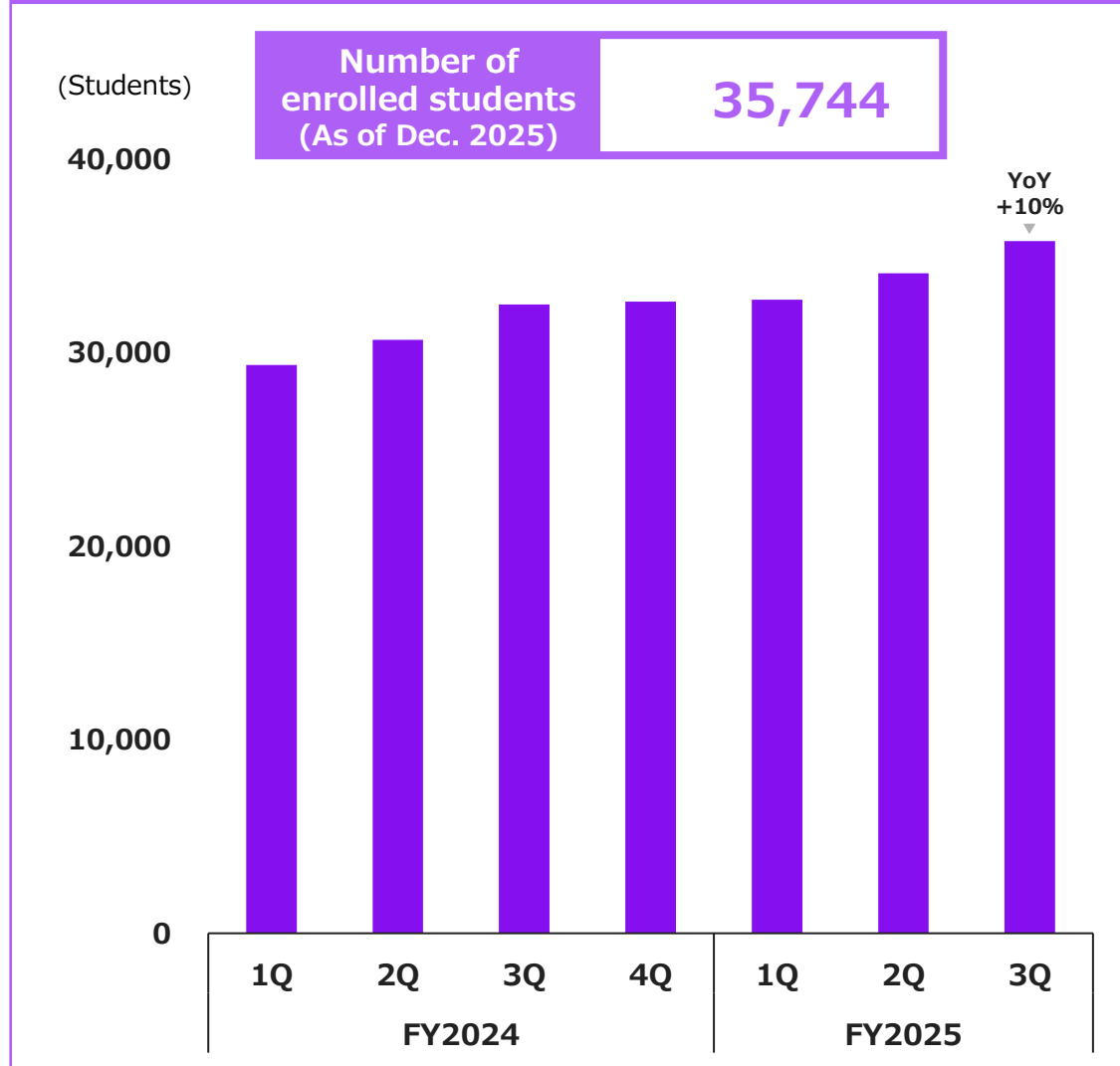
* As of December 31, 2025

Number of channels with monthly fee **186**

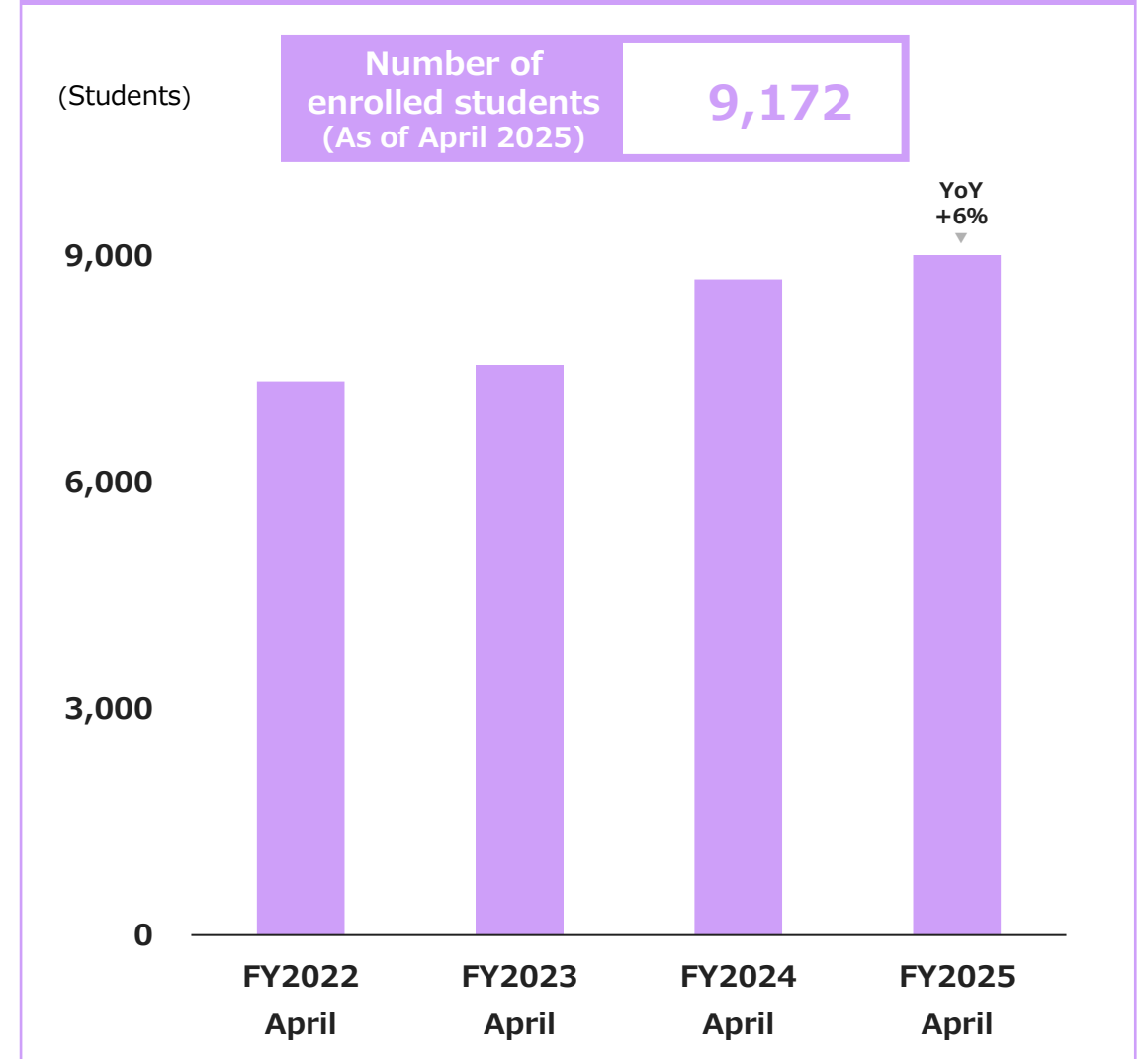
Dues-paid members (Thousand) **288**

Education/EdTech Segment

Trend of Number of N High School Group Students

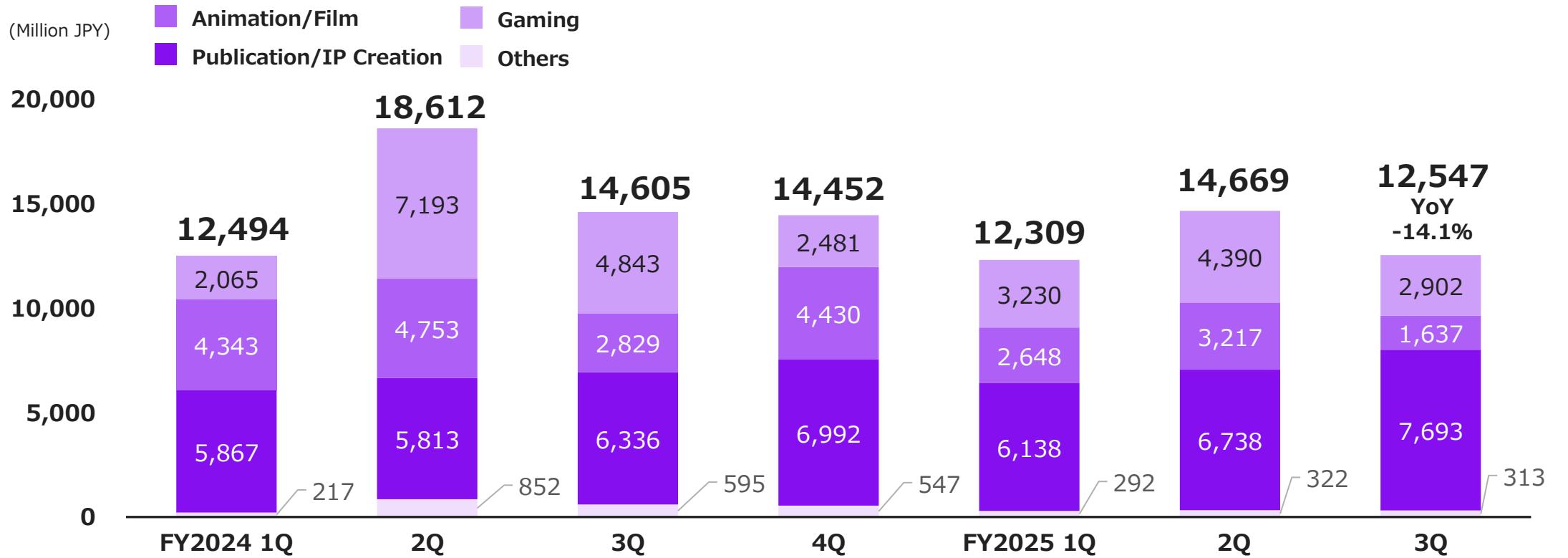


Trend of Number of Vantan Students



International Net Sales

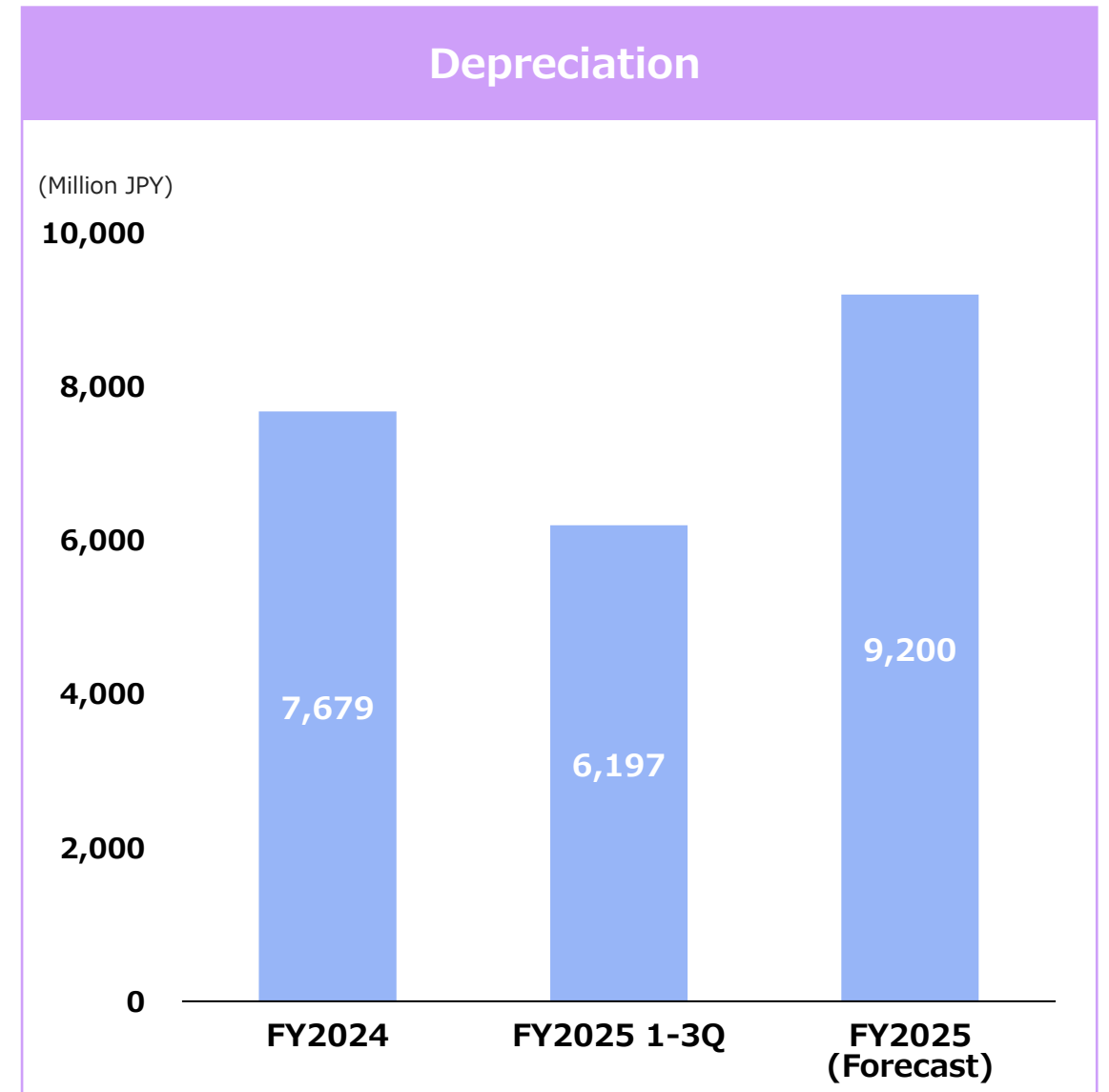
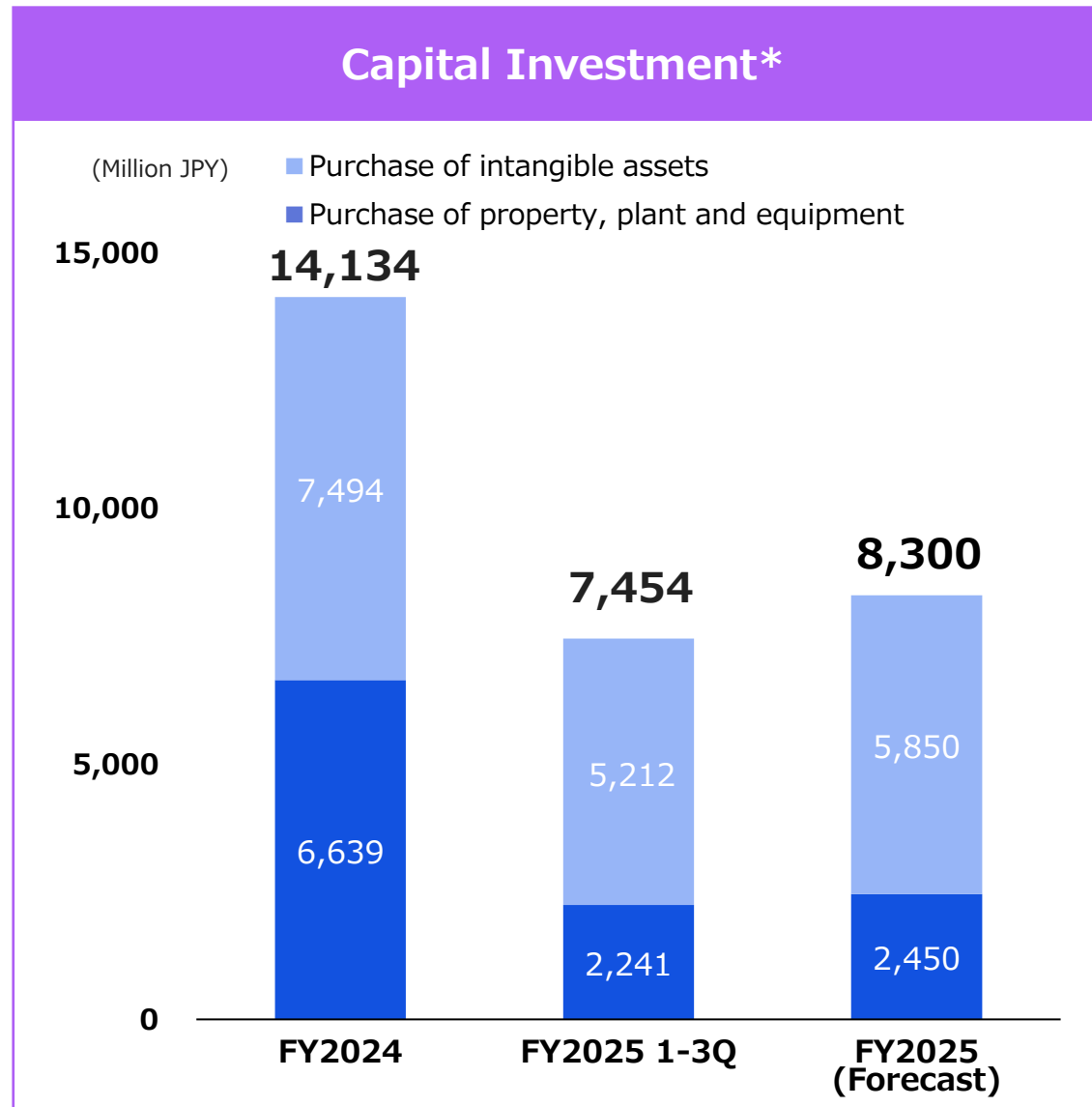
Breakdown of International Net Sales by Segment



Breakdown by region	Americas	58.4%	57.8%	53.5%	50.6%	52.9%	54.9%	45.6%
	Asia	32.8%	28.5%	36.4%	39.7%	36.0%	31.9%	39.3%
	Others	8.7%	13.7%	10.1%	9.7%	11.1%	13.2%	15.2%

* 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).

FAQ

Q01

What was the impact of foreign exchange rates from April to December, and October to December 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 -0.8 billion JPY) was -1.3% in the April to December period. In the October to December period, the growth rate of sales excluding the impact of foreign exchange (approximately +0.1 billion JPY) was -1.9%.

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.

Q02

What was the impact of foreign exchange rates on the paper -based book businesses of international subsidiaries from April to December, and October to December 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 December was about -0.2 billion yen, and excluding this, the sales growth rate was about +19.3%. In the October to December period, the foreign exchange impact on sales was about +20 million yen, and excluding this, the sales growth rate was about +19.7%.

Q03

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.

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 December, and from October to December, 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 4.0% (BOOK☆WALKER) and -8.4% (other companies' stores) from April to December. From October to December, the ratio of sales was 1:3, and the growth rates of them are 5.9% and -8.7% each.

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

A | Share by genre: Comics 29%, general books and pocket editions 33%, light novels 11%, paperback books 10%, children's books 10%, magazines 7%

Growth rate by genre: comics +2.1%, general books and pocket editions -0.3%, light novels 0.0%, paperback books -4.4%, children's books -8.0%, magazines +6.2% (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 December?

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 December, 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 23% in the Animation/Film Segment.

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

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 December 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.