Earnings Results

The 1st Quarter Ended June 30, 2026 | August 13, 2026

KADOKAWA

Contents

Consolidated Earnings Results for the 1st Quarter of the Fiscal Year Ending March 31, 2027

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(Unit: Million JPY)	Apr.–Jun. 2025 Results	Apr.–Jun. 2026 Results	Year on year (changed amount)
Net sales	64,844	**68,252**	**+5.3%** **(+3,408)**
Operating profit	2,318	**1,264**	**-45.5%** **(-1,054)**
└ Operating margin	3.6%	**1.9%**	**-1.7pt**
Ordinary profit	2,349	**2,409**	**+2.5%** **(+59)**
Profit attributable to owners of parent	2,858	**-4,540**	**-** **(-7,399)**
EBITDA (Operating prifit + depreciation + amortization of goodwill)	4,475	**3,612**	**-19.3%** **(-863)**

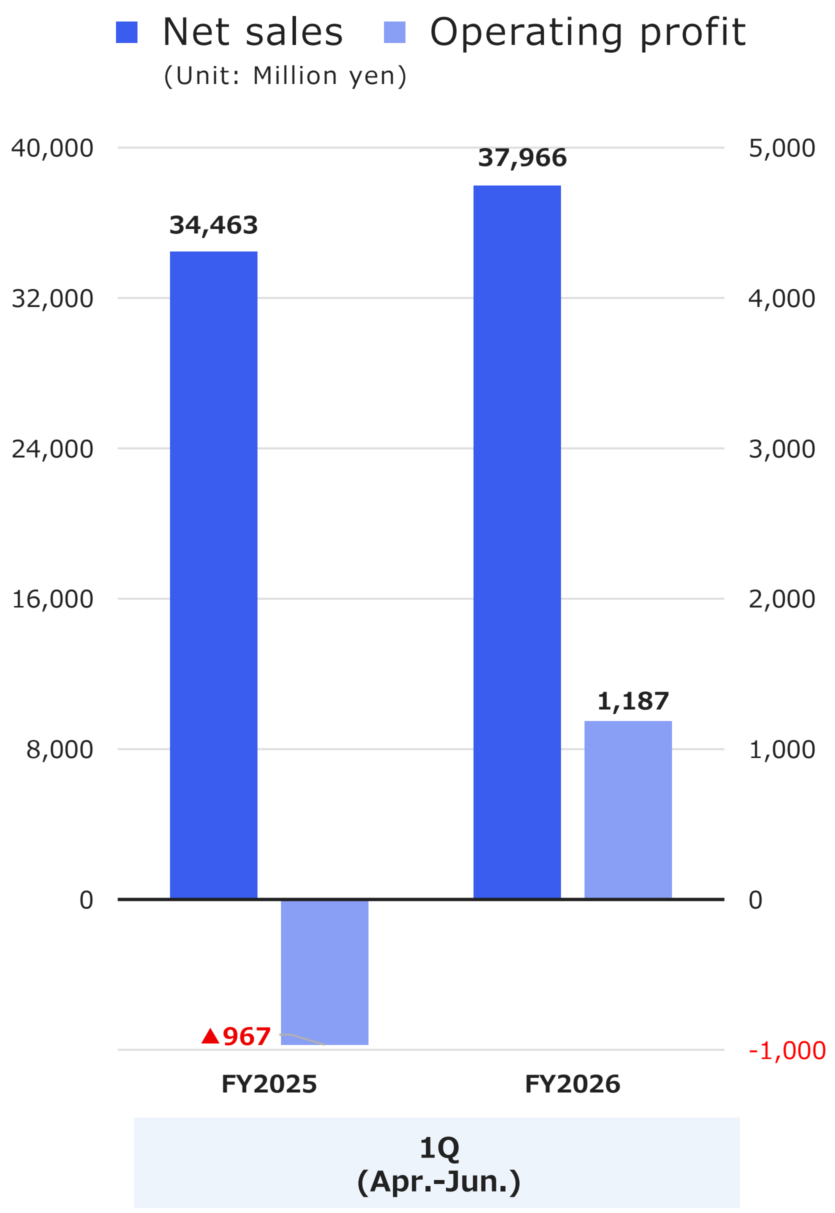
Net Sales and Operating Profit by Business Segment

(Unit: Million JPY)		Apr.—Jun. 2025 Results	Apr.—Jun. 2026 Results	Year on year (changed amount)	
Publication/ IP Creation	Net sales	34,463	**37,966**	+10.2%	(+3,503)
	Operating profit	-967	**1,187**	-	(+2,154)
Animation/Film	Net sales	9,896	**12,478**	+26.1%	(+2,581)
	Operating profit	137	**-660**	-	(-797)
Gaming	Net sales	8,655	**5,418**	-37.4%	(-3,236)
	Operating profit	3,379	**1,390**	-58.8%	(-1,988)
Web services	Net sales	5,355	**5,370**	+0.3%	(+15)
	Operating profit	690	**593**	-14.0%	(-96)
Education/EdTech	Net sales	4,388	**4,789**	+9.1%	(+401)
	Operating profit	858	**895**	+4.3%	(+36)
Others	Net sales	3,375	**3,472**	+2.9%	(+97)
	Operating profit	-1,022	**-1,107**	-	(-85)
Corporate/ Eliminations	Net sales	-1,290	**-1,244**	-	(+45)
	Operating profit	-757	**-1,034**	-	(-277)

Summary of Consolidated Earnings Results for the 1st Quarter of the Fiscal Year Ending March 31, 2027

- **Net sales: +5.3%, operating profit: -45.5%, ordinary profit: +2.5%, net profit: -7,399M**
  - In Publication/IP Creation, domestic operations saw significant growth in both sales and profit, driven not only by the results of business structural reforms, such as price revisions and improvements in return rates, but also by the contribution of hit titles. The international paper-based books business also achieved steady growth, resulting in strong sales and profit growth for the segment as a whole.
  - In Animation/Film, sales increased significantly thanks to popular series such as *Re:Zero – Starting Life in Another World* and *Classroom of the Elite*, as well as contributions from new anime titles like *The Warrior Princess and the Barbaric King*. At the same time, profits declined due to factors such as the ongoing rise in production costs for animated works.
  - In Gaming, repeat sales of titles such as *ELDEN RING* remained steady. However, both sales and profit declined compared to the same period last year, when *ELDEN RING NIGHTREIGN* contributed significantly to performance.
  - In Web Services, Niconico Chokaigi 2026 and other events drove overall segment sales growth. However, profit declined due to a year-on-year increase in IT infrastructure costs and investment expenses for creator development.
  - In Education/EdTech, student enrollment grew steadily for both Vantan and the N High School Group/ZEN University, resulting in increased sales and profit.
  - In contrast to the previous period, which saw foreign exchange losses, this period we posted foreign exchange gains, leading to an increase in ordinary profit.
  - Net profit declined significantly compared to the previous period, which saw a decrease in income taxes due to a merger between subsidiaries, in addition to an extraordinary losses of approximately 5.4 billion yen resulting from the implementation of a special early retirement program.

Business Overview – Publication/IP Creation Segment



1Q YoY Analysis

Net sales +10.2% / +3,503M

Domestic paper-based books/information media	E-books	International paper-based books	Rights licensing sales	Other subsidiaries, etc.
YoY +16.4% Composition ratio: 27%	YoY +9.4% Composition ratio: 39%	YoY +33.6% Composition ratio: 16%	YoY -6.7 % Composition ratio: 7%	YoY -11.1% Composition ratio: 11%

- **Domestic paper** Amid a continuing market contraction, sales increased thanks to the results of business structural reforms, including price revisions and improvements in return rates, as well as contributions from hit titles such as *Cosmic Princess Kaguya!*. The number of new book titles was generally in line with the plan (YoY -2.3%).
- **E-books** Amid a trend of slowing market growth, sales increased due to the results of business structural reforms and contributions from hit titles such as *Munousaijo Ha Akujo Ni Naritai*.
- **International paper** Sales increased due to the steady growth of existing bases in the US and Asia and the contributions of Edizioni (Italy), which was consolidated from 2Q of the previous fiscal year.

Operating profit: - / +2,154M

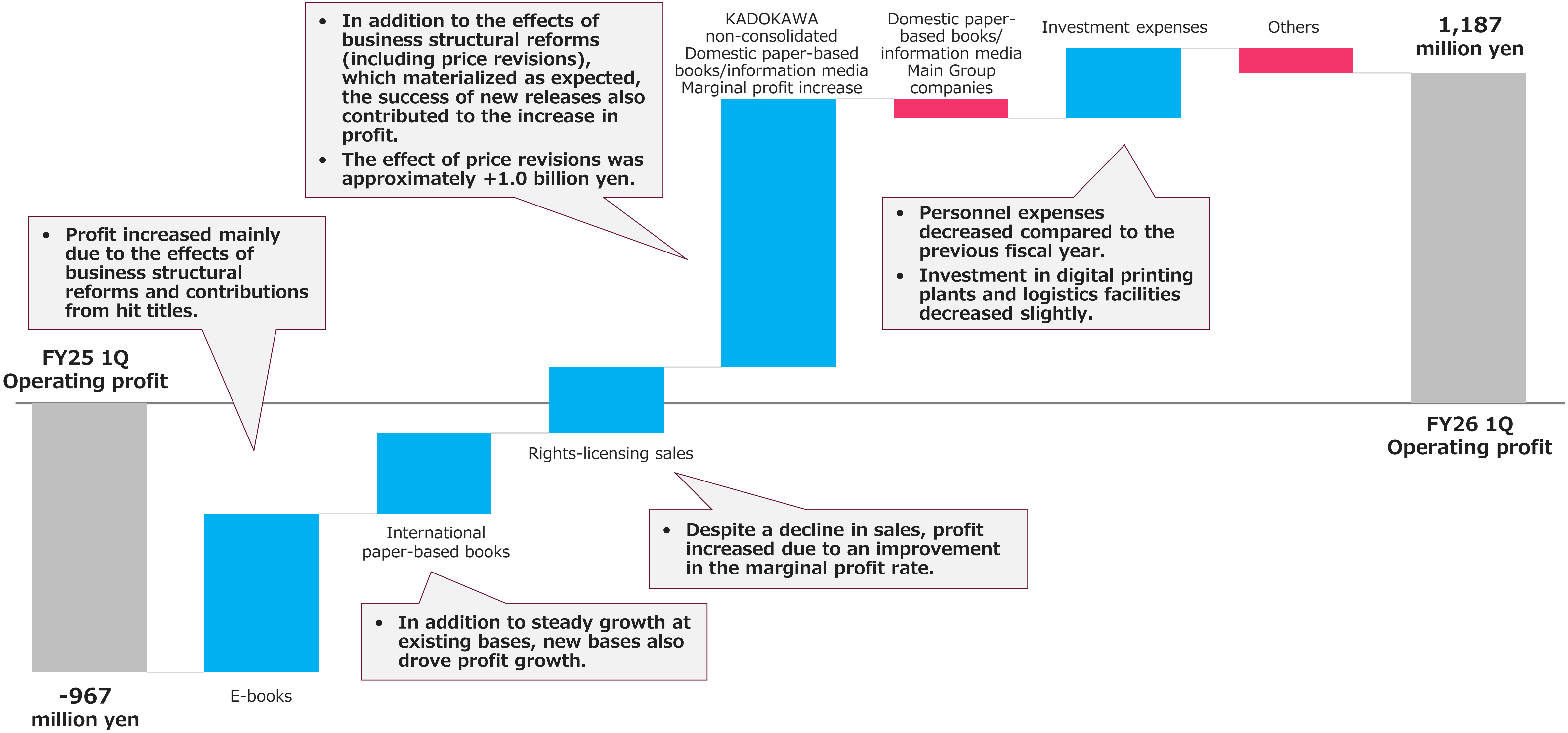
- In the domestic paper-based books and e-book businesses, the marginal profit rate improved due to the effects of price revisions and hit titles, driving an increase in profit. Personnel expenses decreased compared to the previous fiscal year.

Outlook for 2Q and Beyond

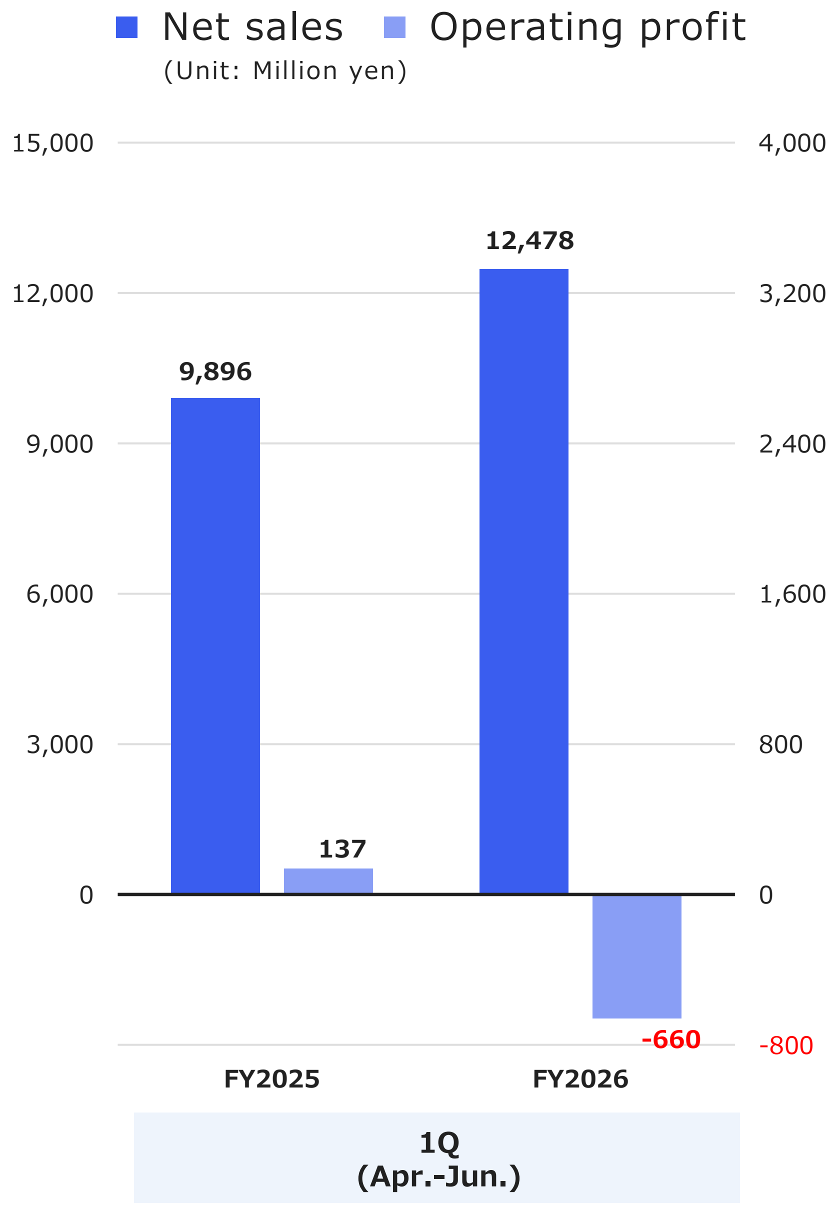
- The effects of price revisions in the domestic market will continue from 2Q onward. We are also implementing measures such as optimizing number of copies and strategic investment in advertising expenses, and expect the effects of these to materialize gradually.
- The effect of reducing fixed costs through the special early retirement program is expected to be approximately 0.8 billion yen from 2Q onward.

Overview of Business Performance - Publication / IP Creation Segment (1Q Factors for Increase/Decrease in Operating Profit)

◆ **Publication / IP Creation Segment operating profit: YoY +2,154M**



Business Overview – Animation/Film Segment



1Q YoY Analysis

Net sales: +26.1% / +2,581M

Animation	Film
YoY +27.4% Composition ratio: 71%	YoY +22.8% Composition ratio: 29%

- In Animation, sales increased as net sales from Transmedia development in both domestic and international markets grew steadily, driven primarily by popular series such as *Re:Zero – Starting Life in Another World* and *Classroom of the Elite*, as well as new anime titles like *The Warrior Princess and the Barbaric King*.
- In Film, sales increased, led by the studio business, despite multiple new theatrical releases and net sales from Transmedia development in the same period of the previous year.

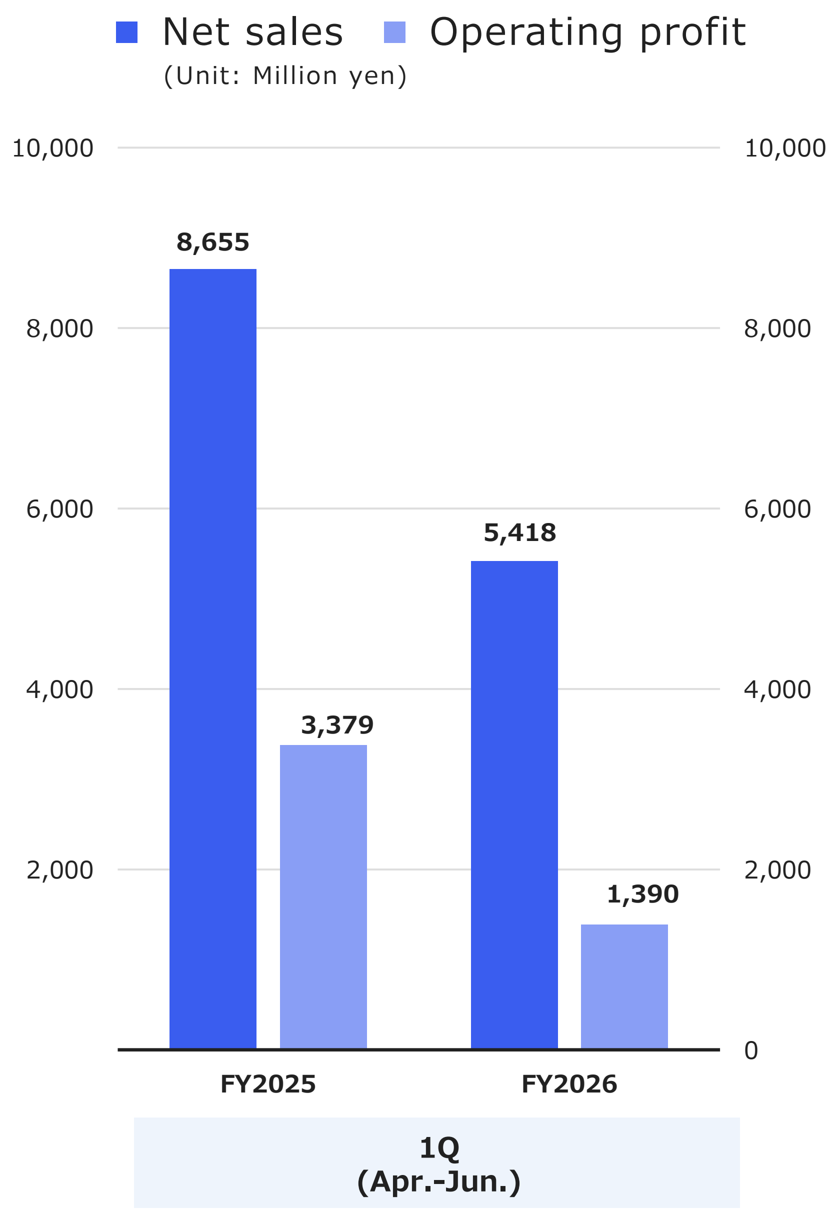
Operating profit: - / -797M

- Profit for the segment as a whole declined, largely due to the impact of the ongoing surge in animation production costs.
- While sales from Film increased significantly, profit remained flat due to factors such as a decline in sales from high-margin Transmedia development

Outlook for 2Q and Beyond

- In Animation, the number of titles for which the company serves as lead manager or co-manager is expected to increase both QoQ and YoY. Anticipating that this will lead to an expansion in sales amount, we aim to achieve its initial forecast for the fiscal year
- In Film, we aim sales and profit growth by the hits from the new theatrical releases *Matched TRUE LOVE* (September 2026) and *The Gate of Murder* (February 2027).
- The effect of reducing fixed costs through the special early retirement program is expected to be approximately 0.2 billion yen starting in 2Q.

Business Overview – Gaming Segment



1Q YoY Analysis

Net sales: -37.4% / -3,236M

For consoles and PCs New works	For consoles and PCs Repeat	For consoles and PCs Royalty	Others
YoY -95.8% Composition ratio: 2%	YoY -2.2% Composition ratio: 20%	YoY -45.5% Composition ratio: 30%	YoY +13.5% Composition ratio: 48%

- While repeat sales of titles such as *ELDEN RING* remained steady, revenue declined compared to the previous period, which saw a significant contribution from the *ELDEN RING NIGHTREIGN* (main game).

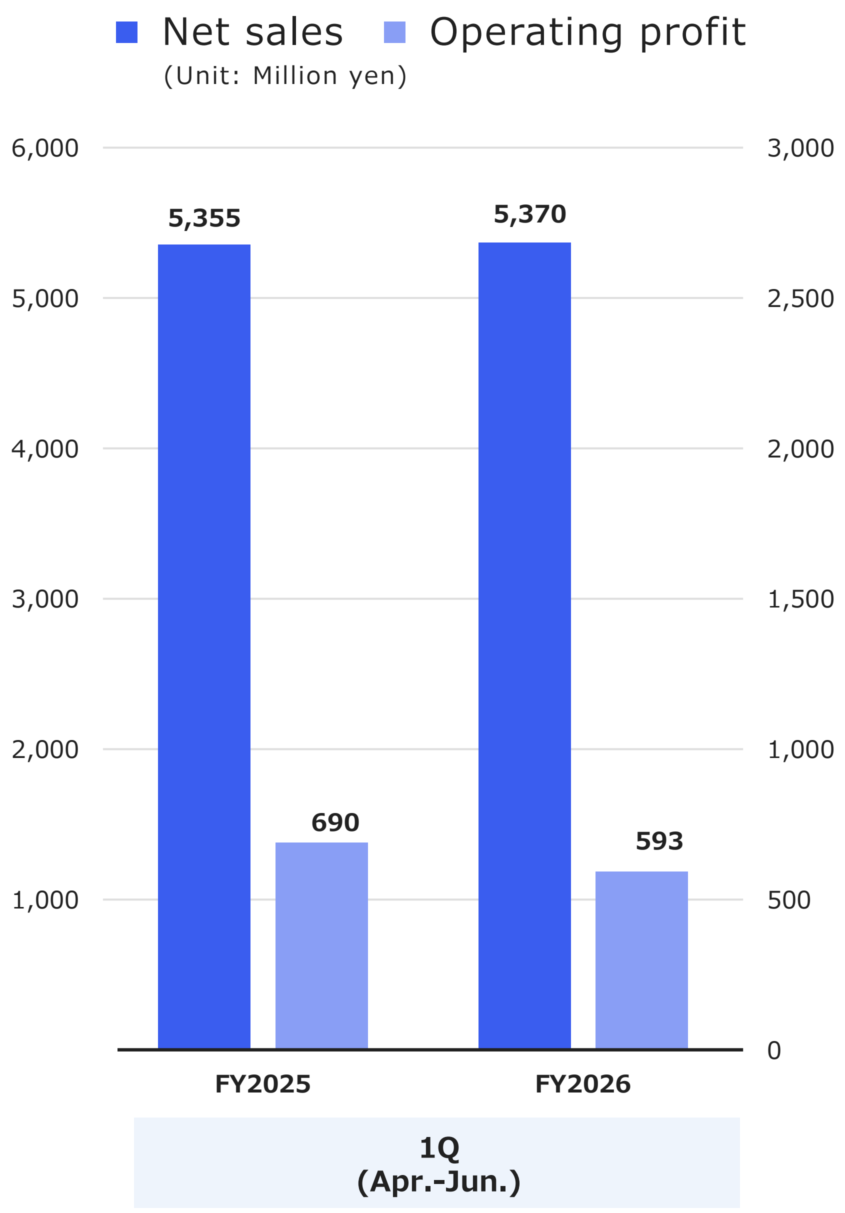
Operating profit: -58.8% / -1,988M

- Operating profit declined due to the lower sales described above.

Outlook for 2Q and Beyond

- FromSoftware will release *ELDEN RING Tarnished Edition* (August 28, 2026), as well as a completely new title *The Duskbloods* (2026). We will work to further expand the fan base globally.
- Spike Chunsoft will release multiple new titles, including *Super Danganronpa 2x2* (early 2027).
- The release of new mobile games utilizing KADOKAWA's animation IP is planned, including *KONOSUBA: God's Blessing on This Wonderful World!*

Business Overview – Web Services Segment



1Q YoY Analysis

Net sales: +0.3% / +15M

niconico	Live	Mobile
YoY +0.3%	YoY +10.4%	YoY -10.1%
Composition ratio: 83%	Composition ratio: 10%	Composition ratio: 8%

- In niconico-related businesses, although the number of paid members decreased, revenue remained flat due to factors such as an increase in visitors at Niconico Chokaigi 2026 and higher revenue from sponsored exhibits.
- In the Live business, revenue increased due to higher sales from events held under contract for other companies.
- In the mobile business, sales declined due to ongoing contraction.

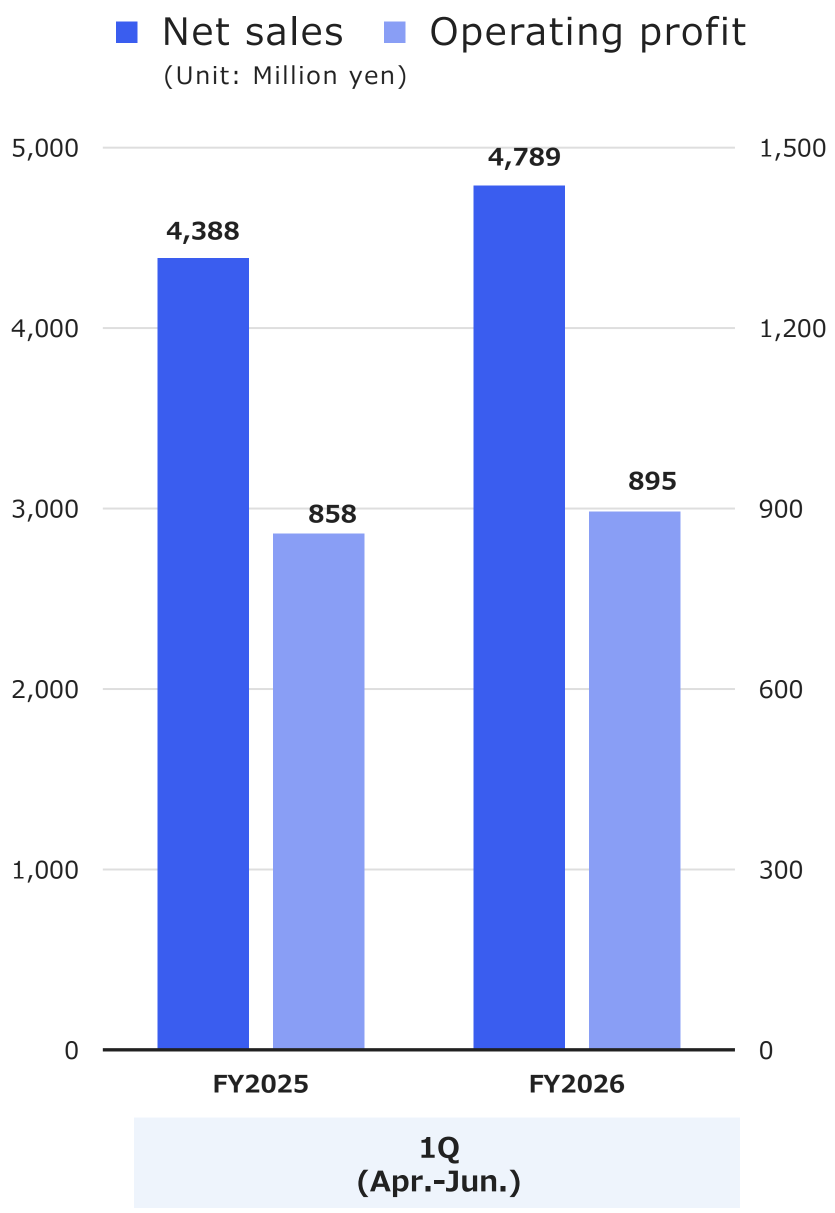
Operating profit: -14.0% / -96M

- In addition to the impact of higher IT infrastructure costs in niconico-related businesses compared to the previous period, the Live business incurred investment costs for developing creators, including music jenre, resulting in a decrease in overall segment profit. (IT infrastructure costs are expected to decrease in 2Q and for the full fiscal year.)

Outlook for 2Q and Beyond

- In the niconico-related businesses, monthly fees for premium membership (from 790 yen to 990 yen) and paid niconico channel plans were raised in August, and the effects of this increase will begin to materialize starting in 2Q. We are also continuously driving service expansion to increase the number of users and optimizing costs across the entire business.
- In the Live business, although Animelo Summer Live was held in 2Q, revenue contribution is expected to decrease year-on-year due to the temporary reduction in venue size this fiscal year.

Business Overview – Education/EdTech Segment



1Q YoY Analysis

Net sales: +9.1% / +401M

Vantan	For N High School Group/ZEN University
YoY +5.4% Composition ratio: 66%	YoY +17.3% Composition ratio: 34%

- Sales increased due to an increase in the number of students.
  - At Vantan, student numbers are showing strong growth, driven by the opening of Vantan Music Academy in April 2026, and the expansion of service areas.
  - In the N High School Group, student numbers increased by 8% due to the opening of new campuses for the Commuter Course and the ongoing expansion of educational content. The second cohort of students at ZEN University, which opened in April 2025, contributed significantly to the increase in student numbers (approximately 7,000 students as of May 2026).

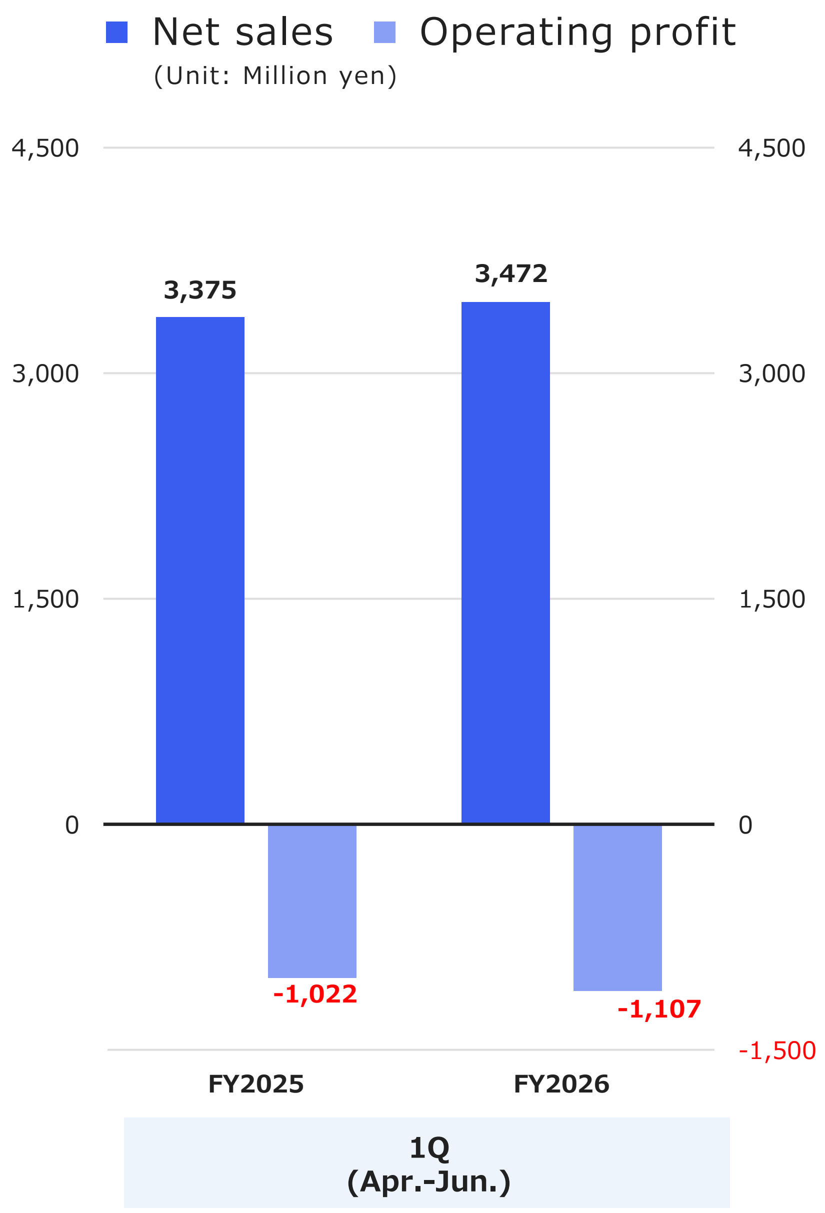
Operating profit: +4.3% / +36M

- In the N High School Group/ZEN University business, although initial costs related to setting up VR learning environments for students and advertising expenses increased compared to the previous period, overall profit rose slightly due to strong performance growth at Vantan.

Outlook for 2Q and Beyond

- Student numbers are expected to continue increasing steadily, and the business is projected to grow continuously.
  - At Vantan, increased investment is anticipated starting in 2Q, to drive student numbers growth in the next fiscal year and beyond. ZETA DIVISION GAMING ACADEMY (an e-sports school) and Vantan Foreign Language & Hotel Tourism Academy will open in April 2027.
  - In the N High School Group/ZEN University business, high growth is expected to continue due to the steady increase in student numbers.

Business Overview – Others Segment



1Q YoY Analysis

Net sales: +2.9% / +97M

MD	Recreation	Other subsidiaries, etc.
YoY -12.3%	YoY -6.9%	YoY +37.4%
Composition ratio: 33%	Composition ratio: 31%	Composition ratio: 36%

- In the MD business, sales decreased primarily due to a shift in the timing of certain products sales.
- In the Recreation business, sales decreased due to the withdrawal from unprofitable businesses in 4Q of the previous fiscal year, and the transfer of parts of the organization.
- Sales increased at other subsidiaries, etc., mainly driven by higher revenue at VirtualCast Inc., which develops VR systems, and the effects of consolidation of a subsidiary that joined the Group in the previous fiscal year.

Operating profit: - / -85M

- In the MD business, despite soaring production costs, the company maintained flat in profit through cost efficiency improvements
- In the Recreation business, the deficit narrowed due to the effects of withdrawing from unprofitable businesses and ongoing cost control.
- Despite above factors, profit for the segment as a whole decreased due to the impact of increased expenses at some subsidiaries.

Outlook for 2Q and Beyond

- In the MD business, we will also explore price adjustments in response to rising costs and striving to improve profit margin.
- In the Recreation business, we expect to improve profitability going forward through cost control and optimization of operational structures.
- The effect of reducing fixed costs through the special early retirement program is expected to be approximately 0.1 billion yen starting in 2Q.

Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027

Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027

- **In 1Q, progress in each business segment was generally smooth and in line with expectations.**
- **Net profit has been revised downward due to posting of an extraordinary losses of approximately 5.4 billion yen in 1Q in connection with the implementation of the special early retirement program. Although we expect fixed cost reductions of approximately 1.1 billion yen starting in 2Q, we maintain our forecasts for operating profit and ordinary profit at this time.**

(Unit: Million JPY)	Results for the fiscal year ended March 31, 2026	Initial forecasts for the fiscal year ending March 31, 2027	Revised forecasts for the fiscal year ending March 31, 2027	Year on year	Initial forecasts vs Revised forecasts
Net sales	282,908	300,300	300,300	+17,391 (+6.1%)	–
Operating profit	8,102	10,100	10,100	+1,997 (24.7%)	–
Ordinary profit	11,701	12,000	12,000	+298 (+2.6%)	–
Profit attributable to owners of parent	1,278	5,800	**1,000**	-278 (-21.8%)	-4,800
EBITDA (Operating profit + depreciation + amortization of goodwill)	17,600	20,100	20,100	+2,499 (+14.2%)	–

Consolidated Earnings Forecasts by Business Segment *No changes from the initial forecasts

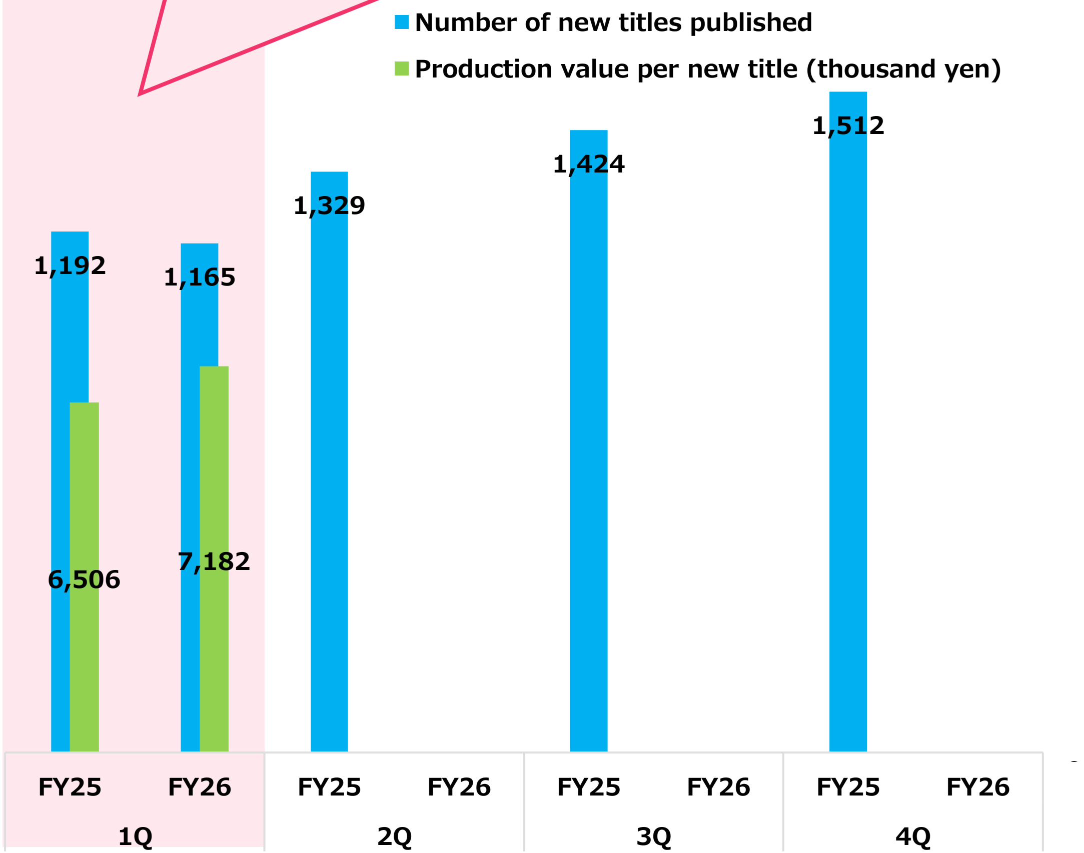
(Unit: Million JPY)		Results for the fiscal year ended March 31, 2026	Forecasts for the fiscal year ending March 31, 2027	Year on year (changed amount)	Year on year (%)
Publication/ IP Creation	Net sales	155,634	**159,300**	+3,665	+2.4%
	Operating profit	4,054	**6,800**	+2,745	+67.7%
Animation/Film	Net sales	48,256	**58,600**	+10,343	+21.4%
	Operating profit	-465	**500**	+965	-
Gaming	Net sales	29,781	**31,200**	+1,418	+4.8%
	Operating profit	7,541	**4,500**	-3,041	-40.3%
Web Services	Net sales	20,515	**20,400**	-115	-0.6%
	Operating profit	2,117	**2,000**	-117	-5.5%
Education/EdTech	Net sales	17,166	**19,600**	+2,433	+14.2%
	Operating profit	2,844	**3,200**	+355	+12.5%
Others	Net sales	17,031	**17,200**	+168	+1.0%
	Operating profit	-3,966	**-2,800**	+1,166	-
Corporate/ Eliminations	Net sales	-5,476	**-6,000**	-523	-
	Operating profit	-4,024	**-4,100**	-75	-

Major KPIs of the Mid-term Management Plan

Number of New Titles Published and Return Rate in the Domestic Publication Business: Net Sales Trends (KADOKAWA non-consolidated)

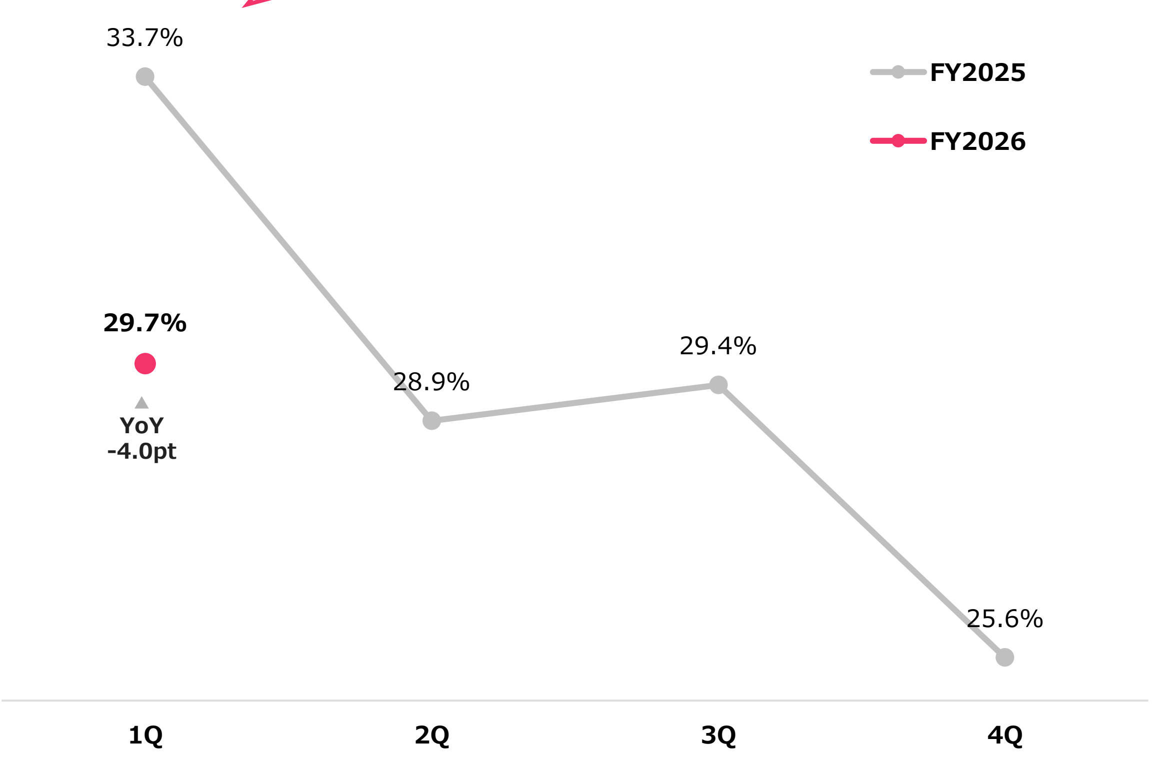
Properly controlling the number of new titles published
Plan to maintain at approx. 98% of the previous year's level from FY2026 onward

- The number of new titles published is generally in line with plan (down 2.3% YoY).
- The effects of optimizing number of copies are beginning to materialize, and output per title has increased (up 10.4% YoY).



Reducing the return rate by optimizing number of copies, etc.
Target return rate: Reduce to 25% by FY2031

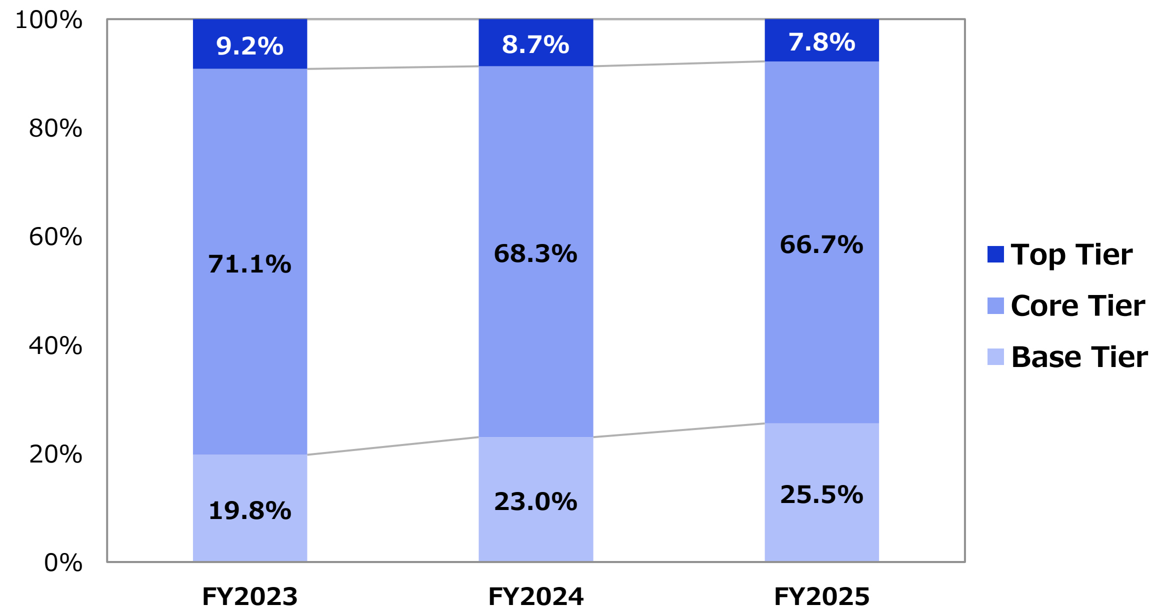
The quarter-on-quarter decline in 1Q was due to seasonal factors.
Steady year-on-year improvement mainly driven by strong shipments and optimized number of copies.



Domestic Publication Business Title Portfolio (KADOKAWA non-consolidated)

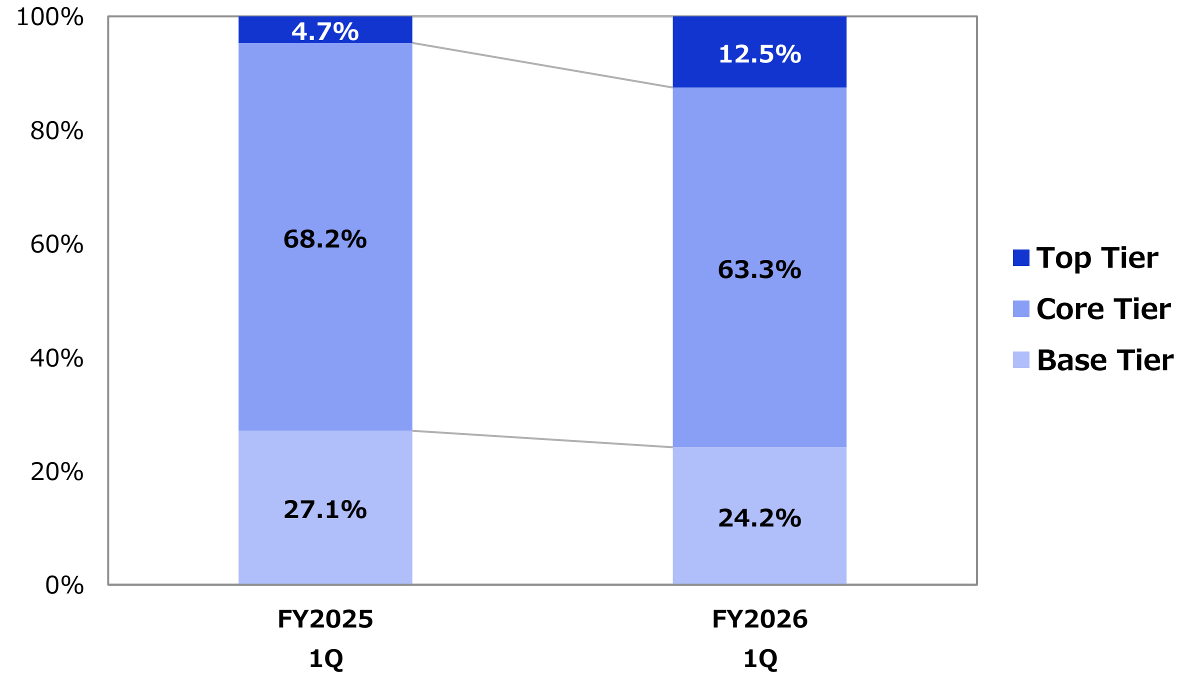
Increase the ratio of "Top Tier" and "Core Tier" titles

Tier trends from FY2023-2025



- Over the past three years, **Top Tier and Core Tier works have decreased,** while **Base Tier works have increased.**
- During this period, the Publication/IP Creation segment's operating profit also declined.
- In response to this, under the new mid-term management plan, **we will continue to take on challenges while thoroughly managing profitability to curb the Base Tier** and further strengthen the work portfolio. At the same time, **we will strategically develop and nurture Core Tier works to increase the number of Top Tier works** in the future.

FY2026 Q1 tier results



- In Q1 of FY2026, **the proportion of Top Tier works increased.**
- **The Core Tier,** representing the volume zone, **was maintained.**
- **The Base Tier was curbed.**

Initiatives to Improve the In-house Production Rate in the Animation Business

In-house production and production efficiency improvements at Group studios, creation of high-quality works, and enhancement of studio brands

In-house production rate target: increase to 50% by FY2031

(FY2026 forecast: Approximately 19%)

Animation HR development system

- Combines the latest facilities and a step-by-step learning curriculum, **supporting efficient and systematic skill development and driving original research and development related to production.**

KADOKAWA CREATORS

Collaboration

VANTAN

N高等学校
S高等学校
R高等学校

ZEN大学
ZEN University

Other various educational institutions

Orders production work

Produce human resources

- Simultaneously develops human resources and strengthens the production capabilities of the entire Group. **Contributes to higher in-house animation production rate, stable production infrastructure, and higher quality**

Establish the Group's own unique, integrated HR development ecosystem

Group studios

- **Implementing the Studio One Base project to consolidate five Group studios and accelerate the streamlining of back-office functions and operations** (scheduled for fall 2026)

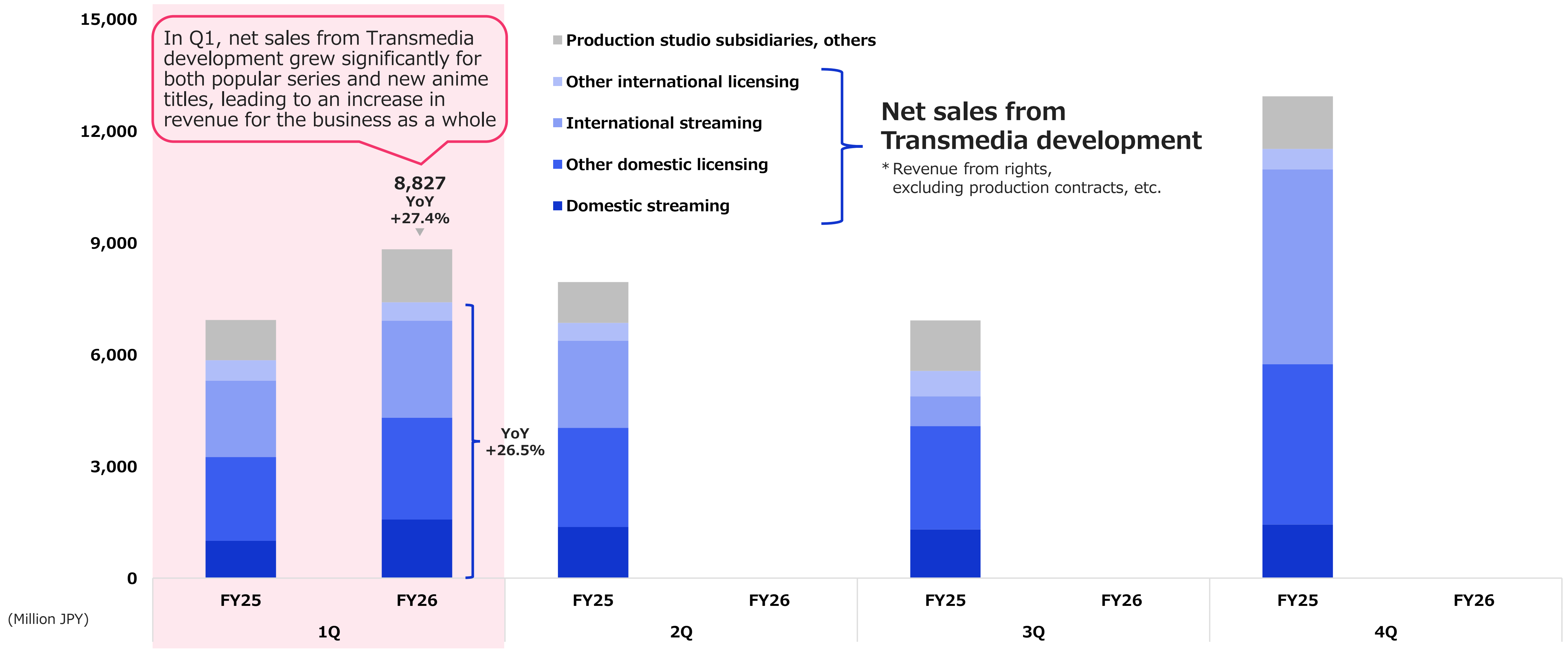
ENGI
BELLNOX FILMS
StudioKADAN
RagingBull
chiptune.

ANIMATION STUDIO DOGA KOBO

Kinema citrus Co.

Trends in Animation Business Net Sales (Net Sales from Transmedia Development)

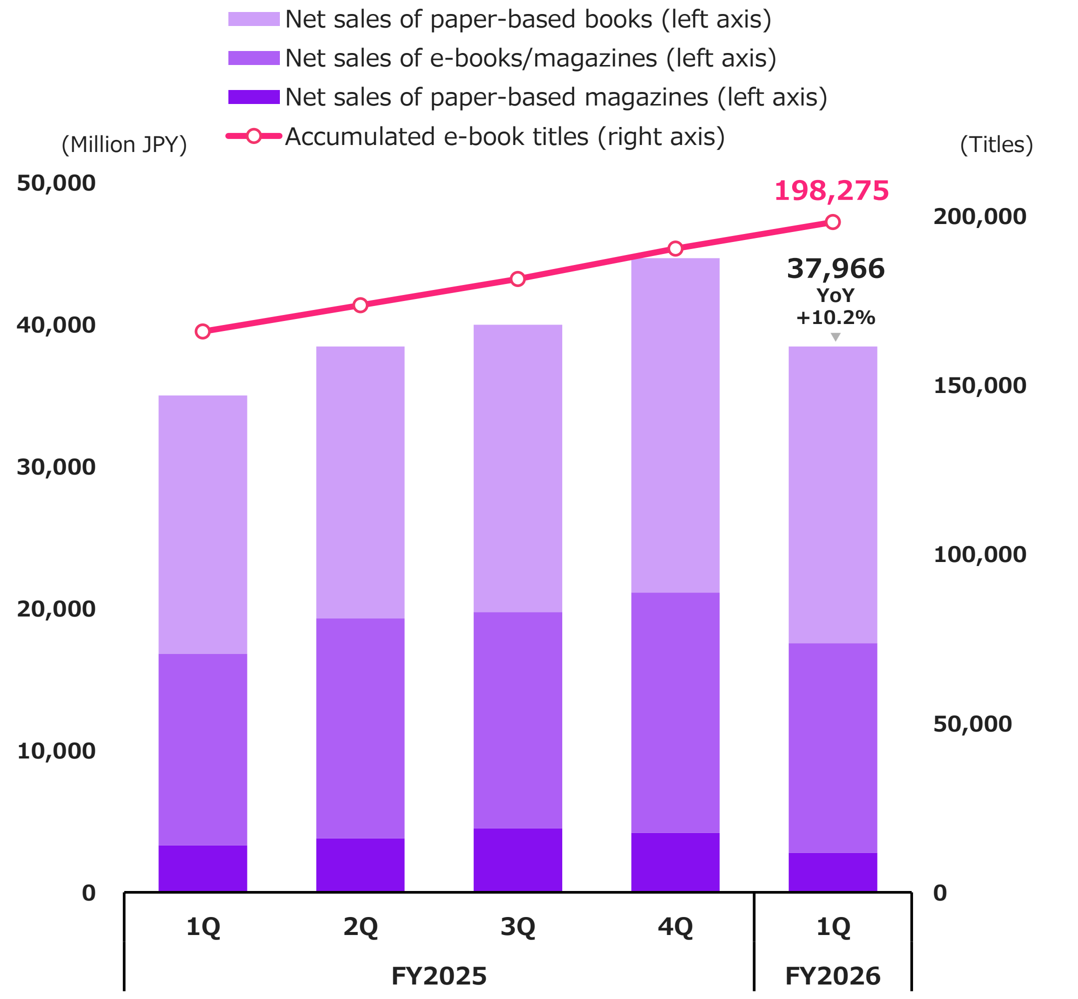
Establishing and strengthening diversified revenue sources and maximizing IP value
Target for net sales from Transmedia development: Expand 1.9x from FY2025 to FY2031



Appendix

Publication/IP Creation Segment

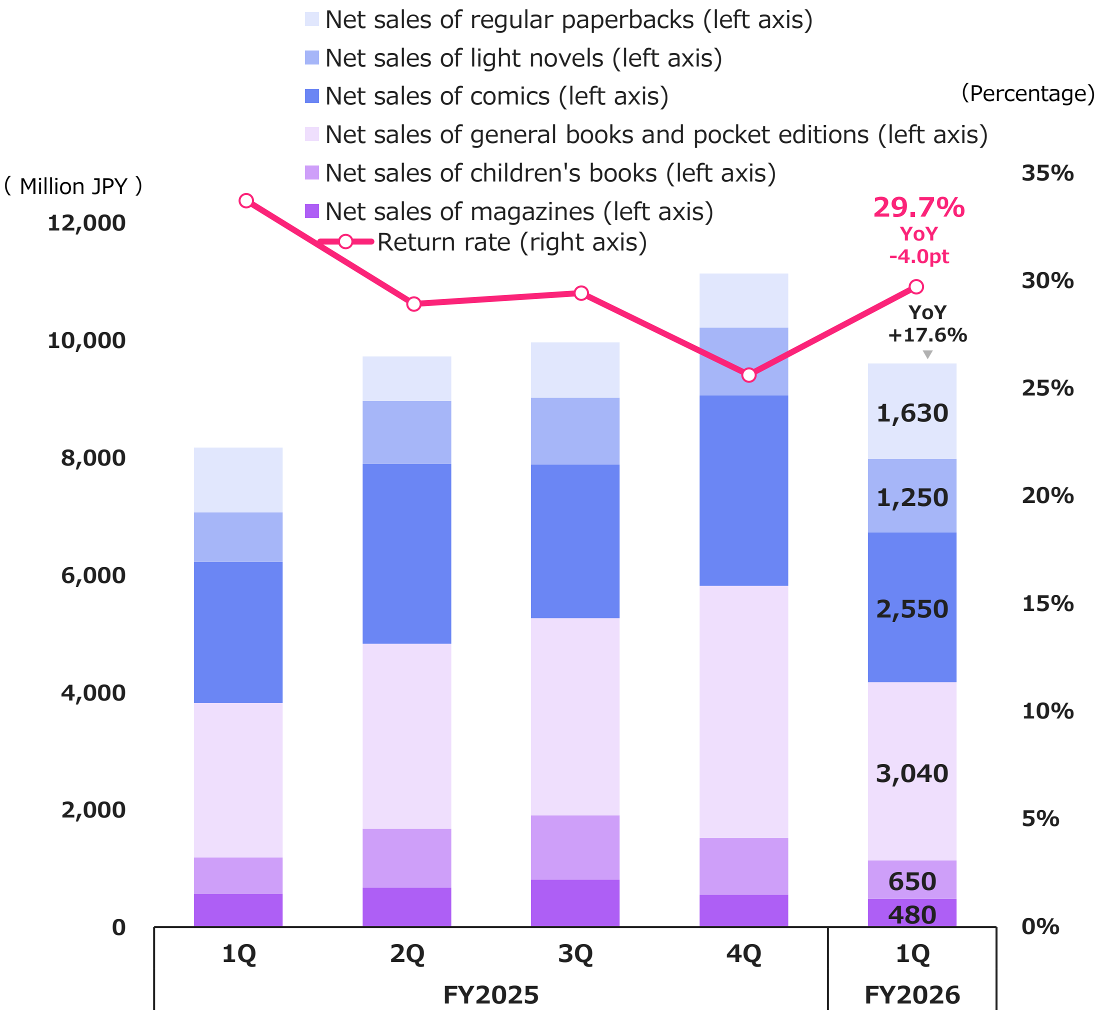
Sales trend of Publication/IP Creation Segment



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

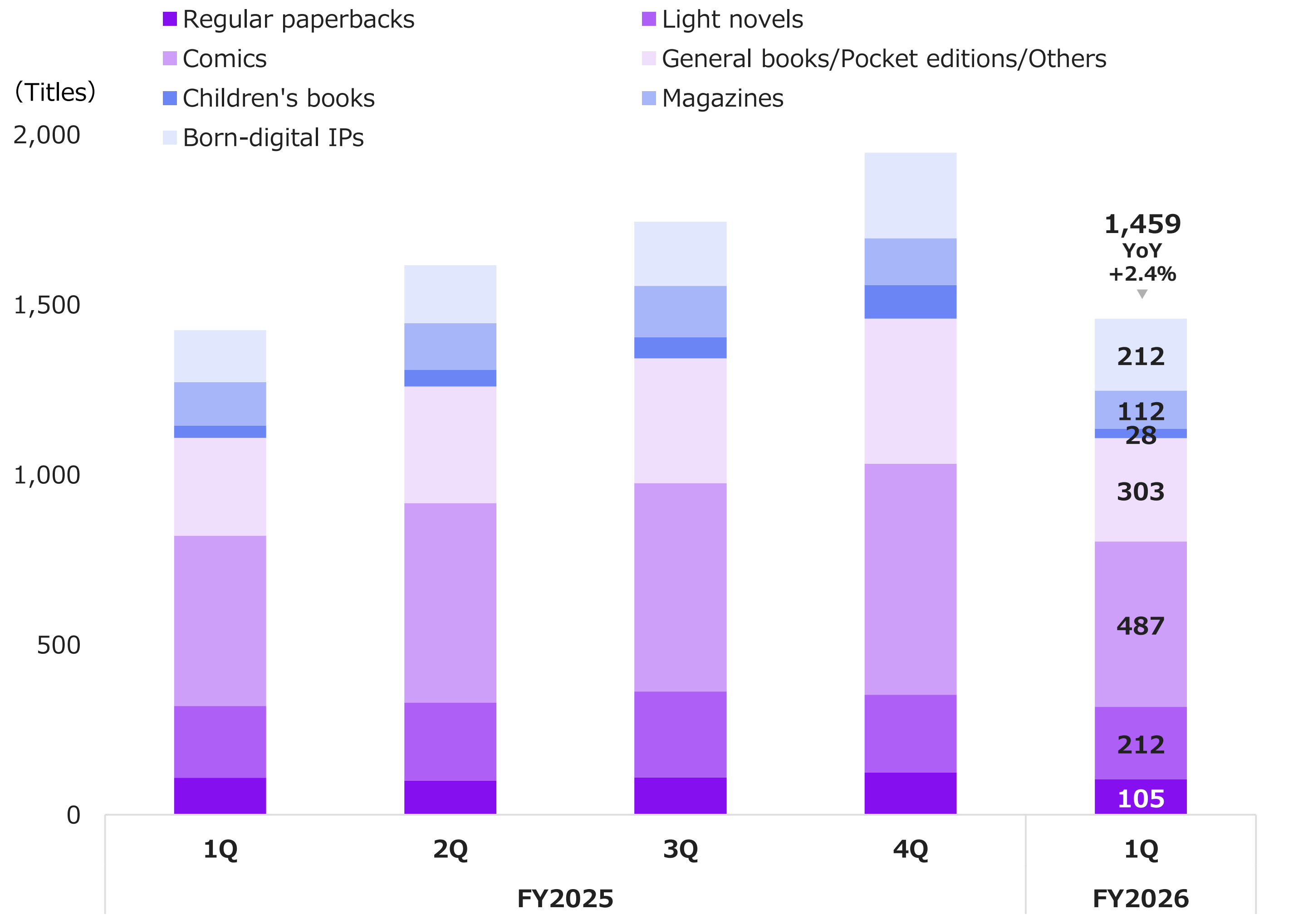
Sales trend of paper-based books/magazines and returns rate

(KADOKAWA Non-consolidated)



Publication/IP Creation Segment

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

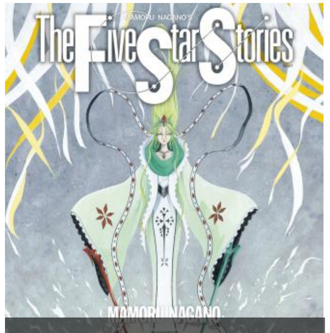


* Total of IPs including Group companies' and born-digital titles in addition to KADOKAWA non-consolidated paper-based books

Titles contributing to sales


Cosmic Princess Kaguya!

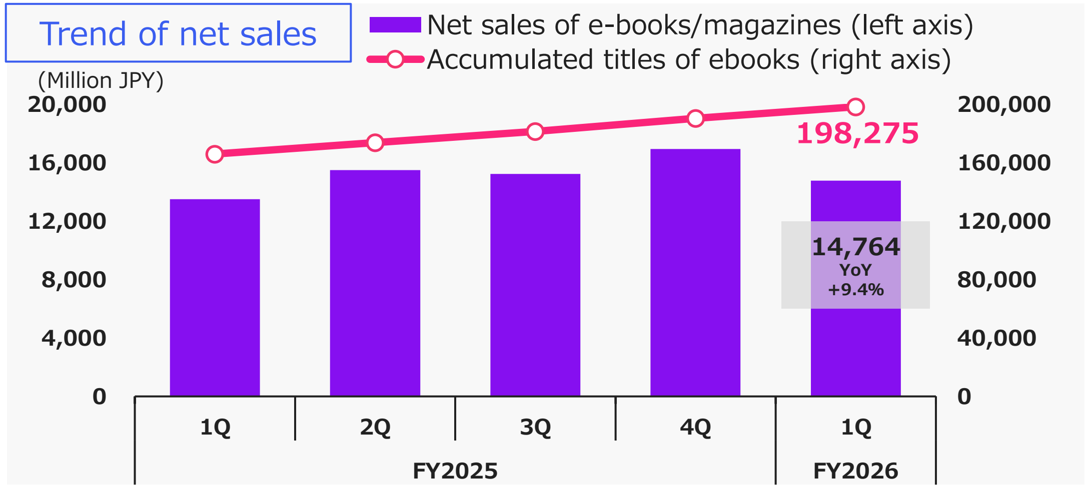

Books Galore, Vol.3


The Five Star Stories, Vol.19

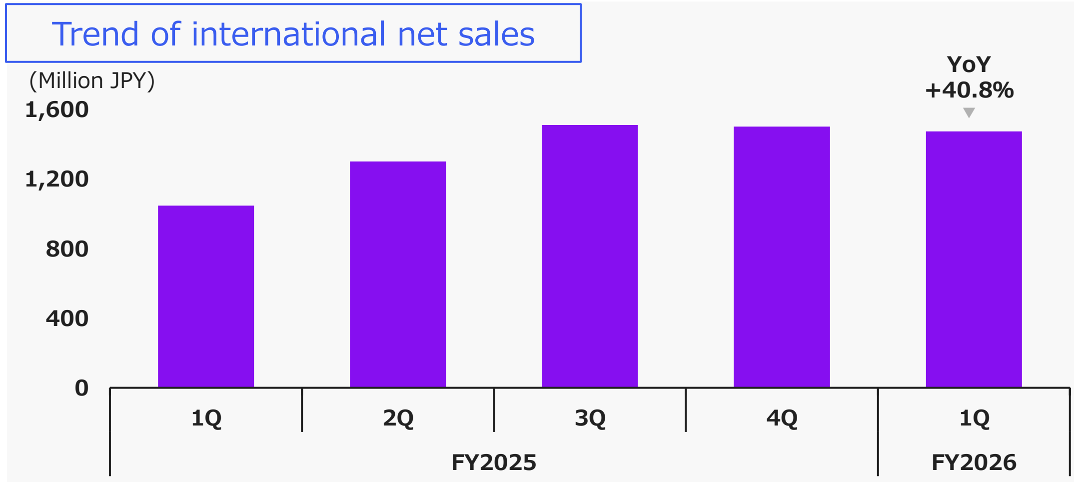

Munousaijo Ha Akujo Ni Naritai, Vol.4

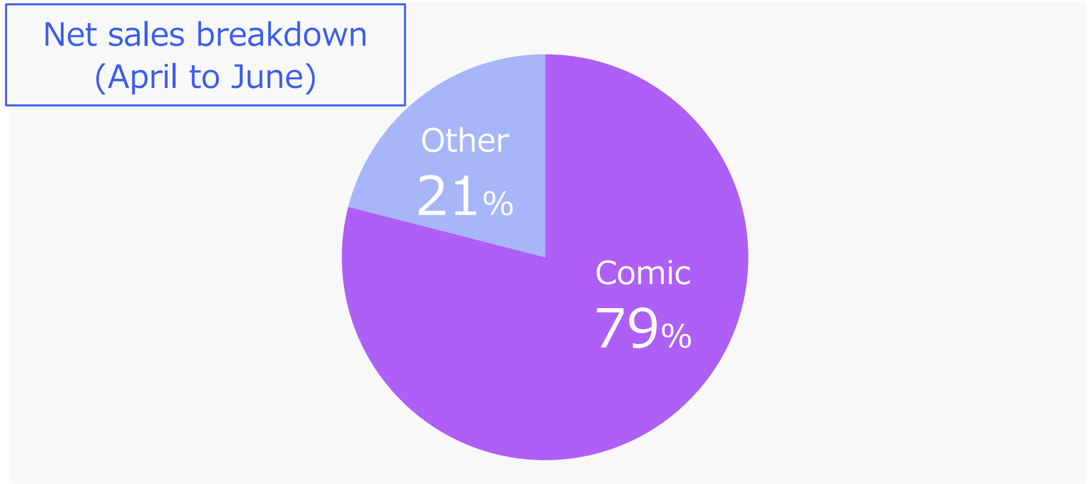
Publication/IP Creation Segment

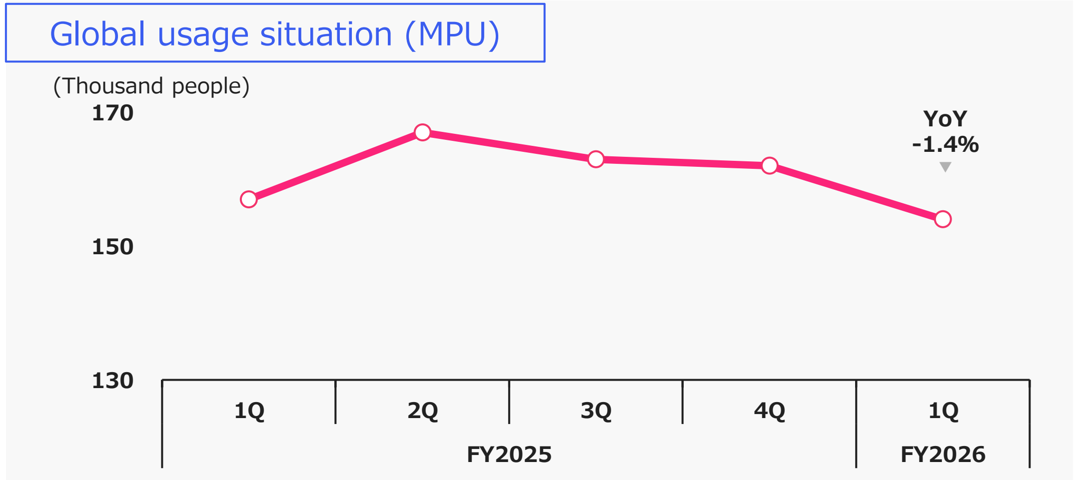
E-books/magazines



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



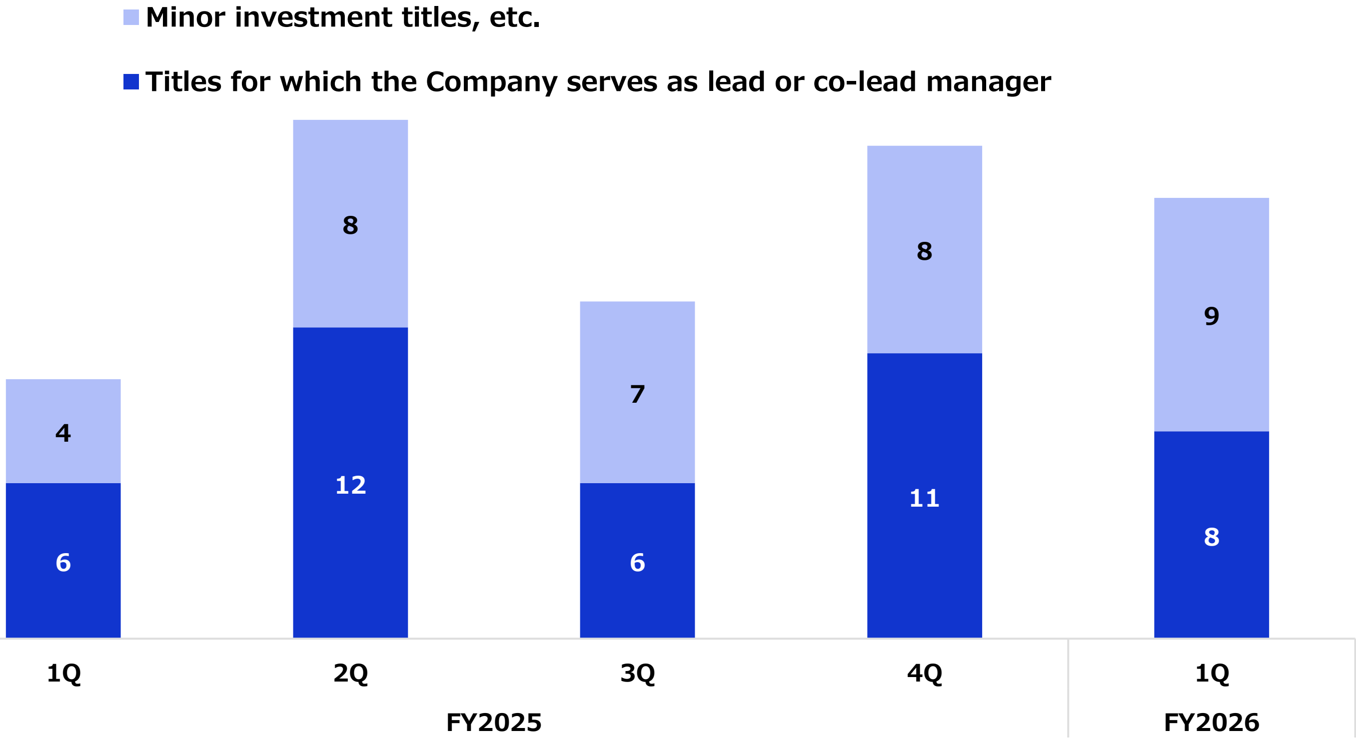




*MPU (Monthly Paid User)

Animation/Film Segment

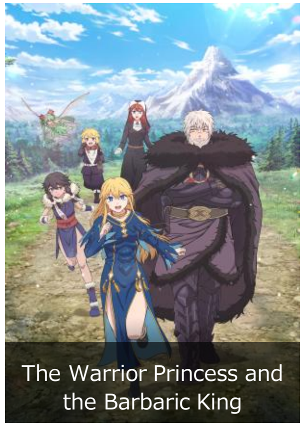
The number of animation titles



Breakdown by media

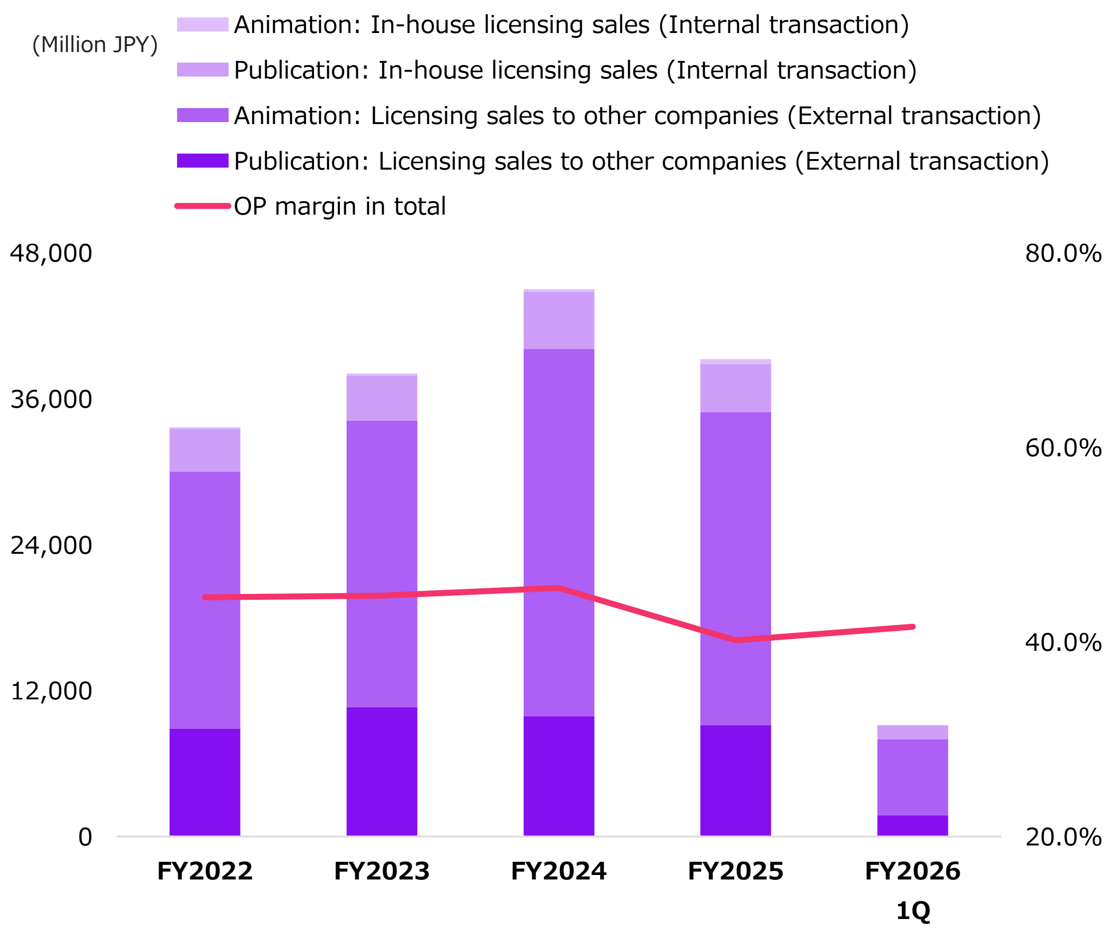
	FY2025 1Q	FY2025 2Q	FY2025 3Q	FY2025 4Q	FY2026 1Q
TV	10	18	7	16	14
Theater	-	2	4	3	2
Others	-	-	2	-	1

Titles contributing to sales

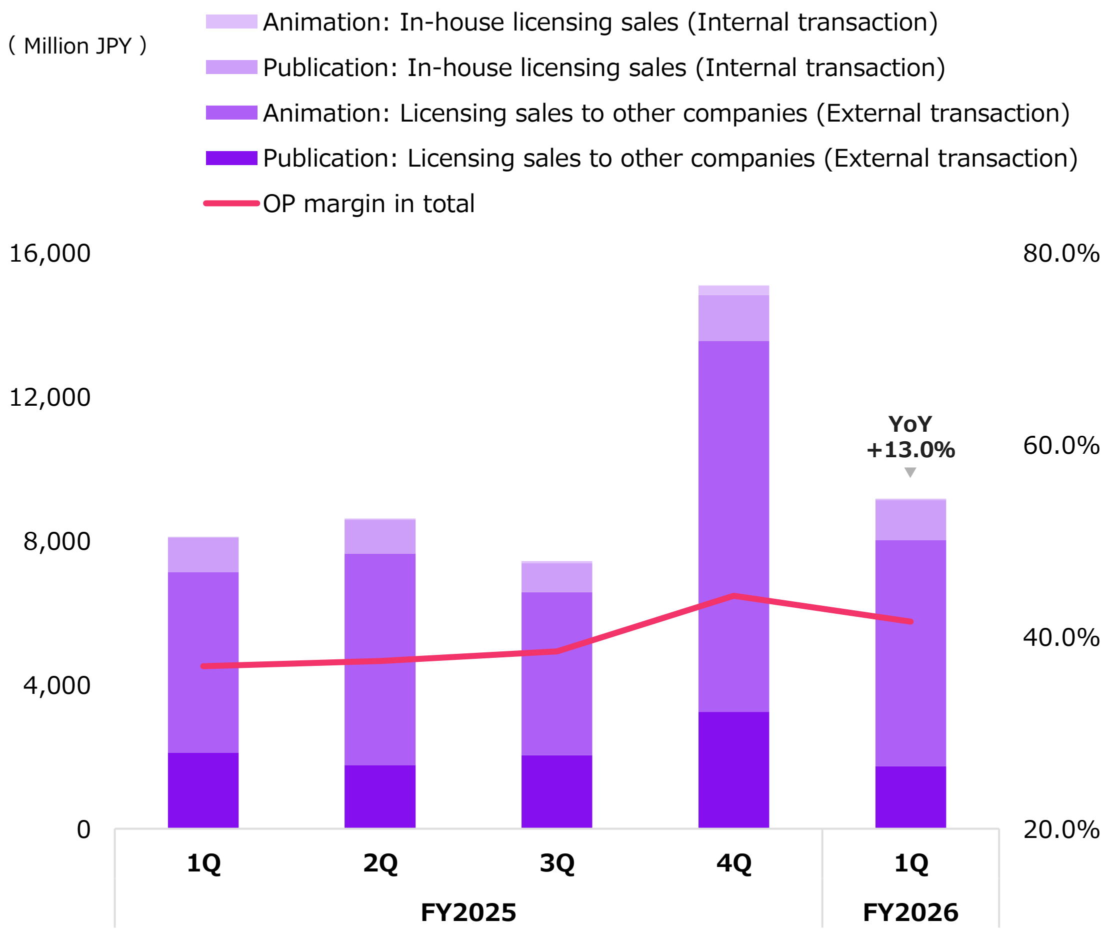


Sales and Operating Margin of Rights-Licensing in Publication and Animation Businesses
（KADOKAWA Non-consolidated）

Yearly basis

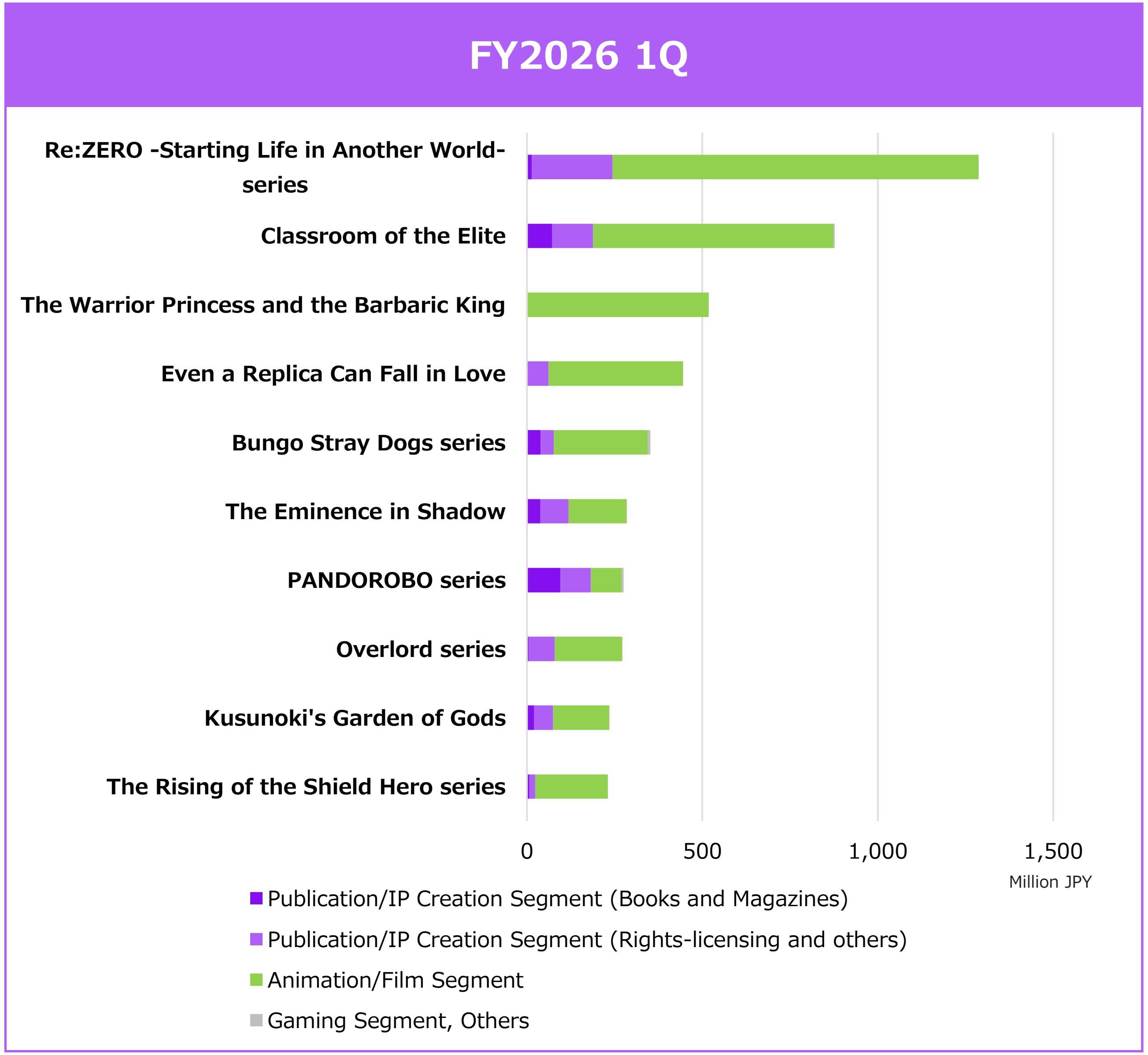


Quarterly basis



* 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	Re:ZERO -Starting Life in Another World- series	2014
2	Cosmic Princess Kaguya!	2026
3	Pan Dorobou series	2020
4	The Five Star Stories	1987
5	Sword Art Online series	2009
6	KADOKAWA Manga Gakushu Series	2015
7	Fate series	2004
8	Project Love Live!	2012
9	Delicious in Dungeon	2015
10	The Eminence in Shadow	2018

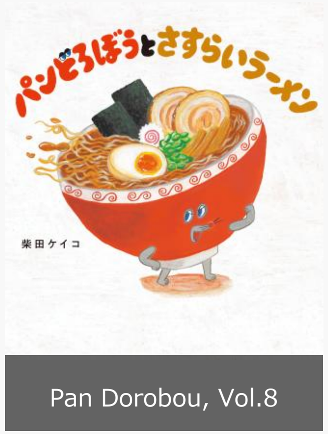
Animation/Film

＊ 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	Classroom of the Elite	2016
3	The Warrior Princess and the Barbaric King	2026
4	Even a Replica Can Fall in Love	2026
5	Bungo Stray Dogs series	2016
6	The Risig of the Shield Hero series	2019
7	Overlord series	2015
8	【OSHI NO KO】	2023
9	A Hundred Scenes of AWAJIMA	2026
10	The Eminence in Shadow	2022

Eagerly Awaited Upcoming Titles

Books



Pan Dorobou, Vol.8

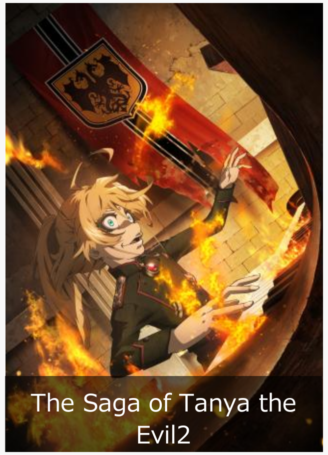
Bride of the Barrier Master, Vol.8

OTHERWORLDLY IZAKAYA「NOBU」, Vol.22

Four Child Life Vol.23 Big Trouble!? A Heart-Pounding Open Class Day

Animation


Sekiro: No Defeat

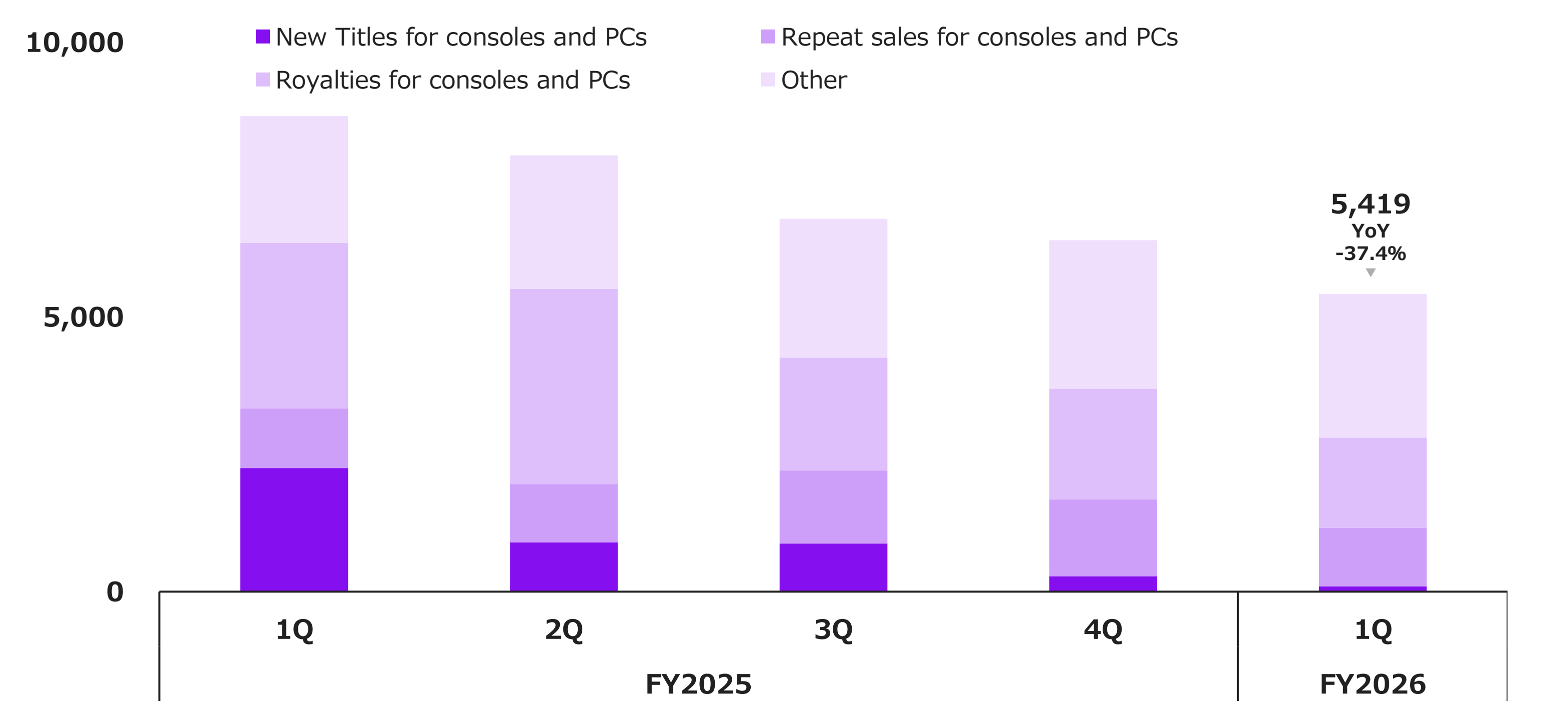

The Saga of Tanya the Evil2

CLEVATESS Ⅱ

Young Ladies Don't Play Fighting Games

Gaming Segment

Trend of sales of Gaming segment



	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Number of newly released titles for consoles and PCs	2	5	1	0	4
Total number of copies sold (million copies)	1.81	1.48	2.50	2.17	1.09

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

Titles contributing to sales

"ELDEN RING NIGHTREIGN"

"ELDEN RING"

Downloadable Content "SHADOW OF THE ERDTREE" for "ELDEN RING"

Eagerly awaited upcoming titles

"The Duskbloods" Releasing Worldwide in 2026

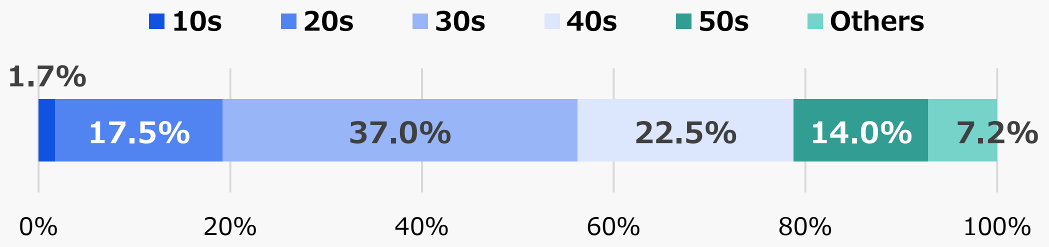
"Danganronpa 2×2"

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

Niconico user data
*As of June 30, 2026

Regular members (Million)	109.78
Premium members (Thousand)	893

Age
*As of June 30, 2026



Niconico Chokaigi 2026

Visitors (Thousand)	138

Niconico Channel user data
*As of June 30, 2026

Number of channels	11,972
Number of channels with monthly fee	2,574
Dues-paid members (Thousand)	982

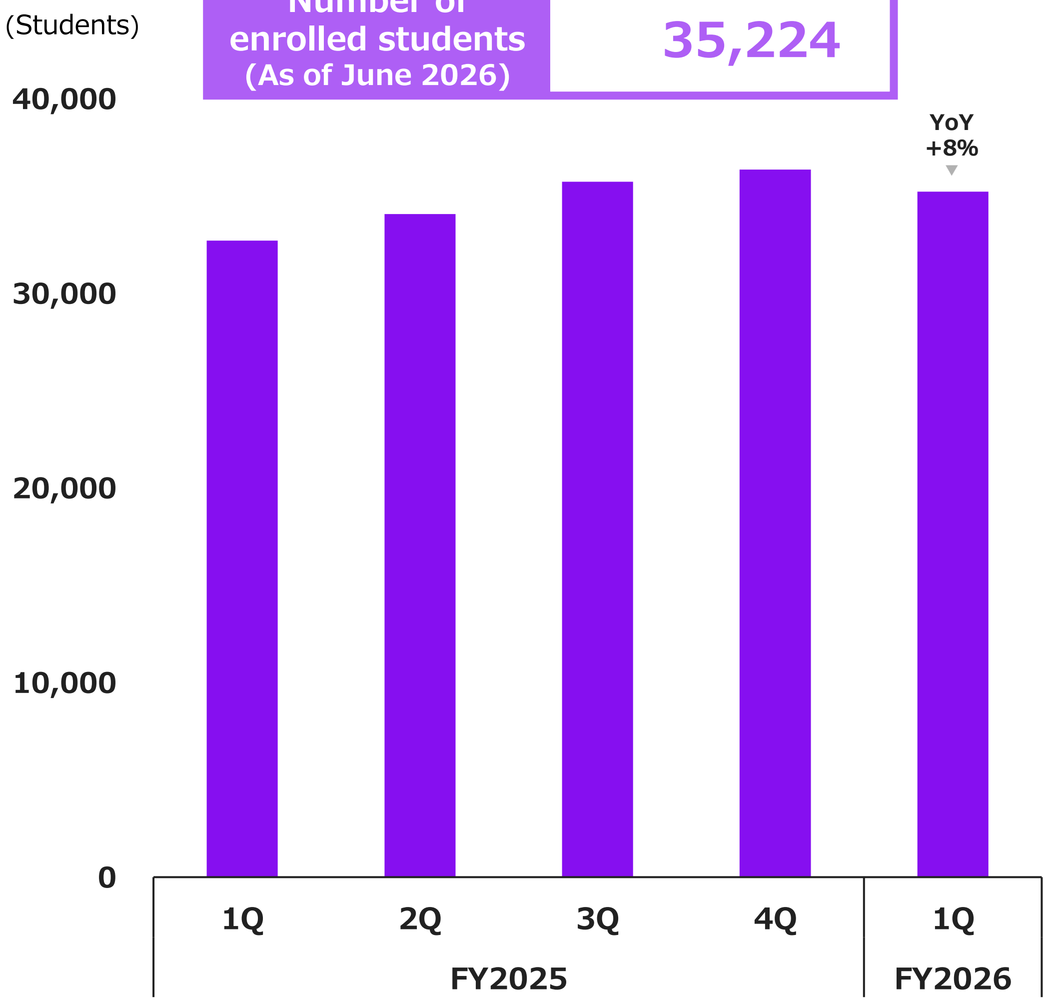
Fan-community service「sheeta」
*As of June 30, 2026

Number of channels with monthly fee	280
Dues-paid members (Thousand)	304

Education/EdTech Segment

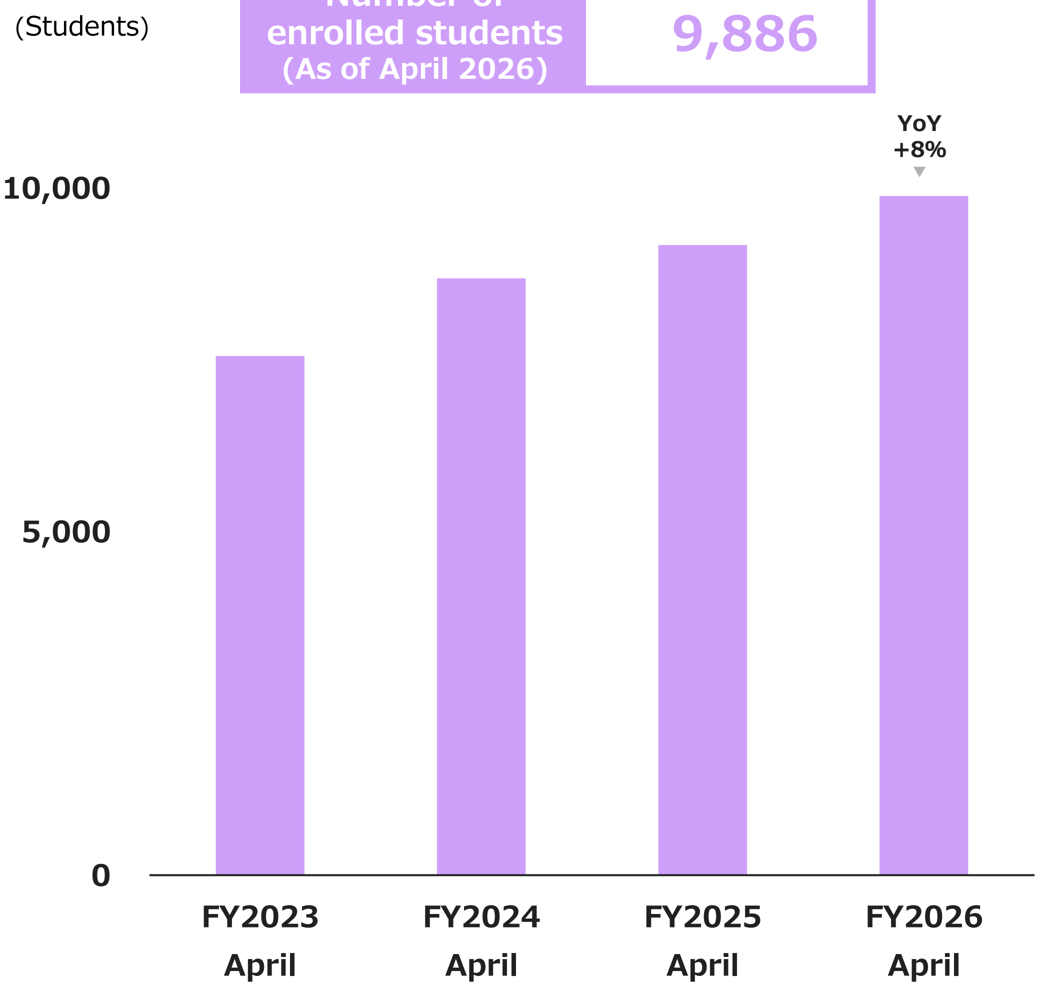
Trend of Number of N High School Group Students

Number of enrolled students (As of June 2026): **35,224**



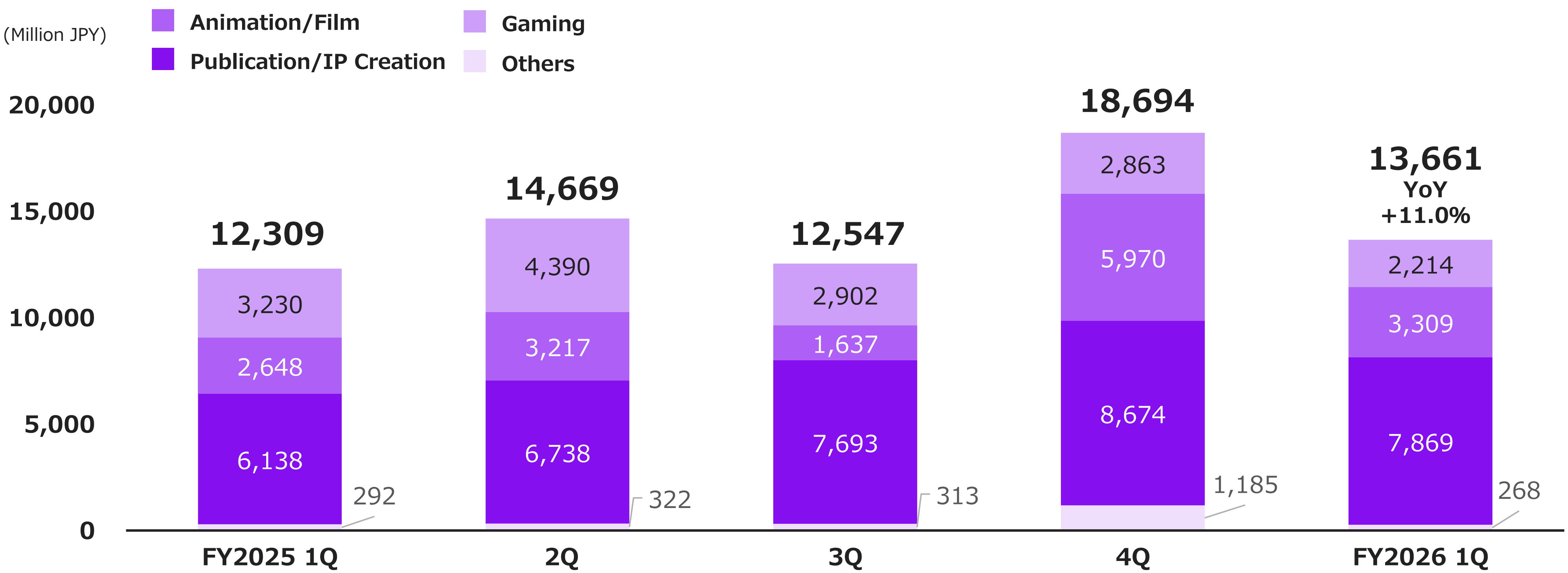
Trend of Number of Vantan Students

Number of enrolled students (As of April 2026): **9,886**



International Net Sales

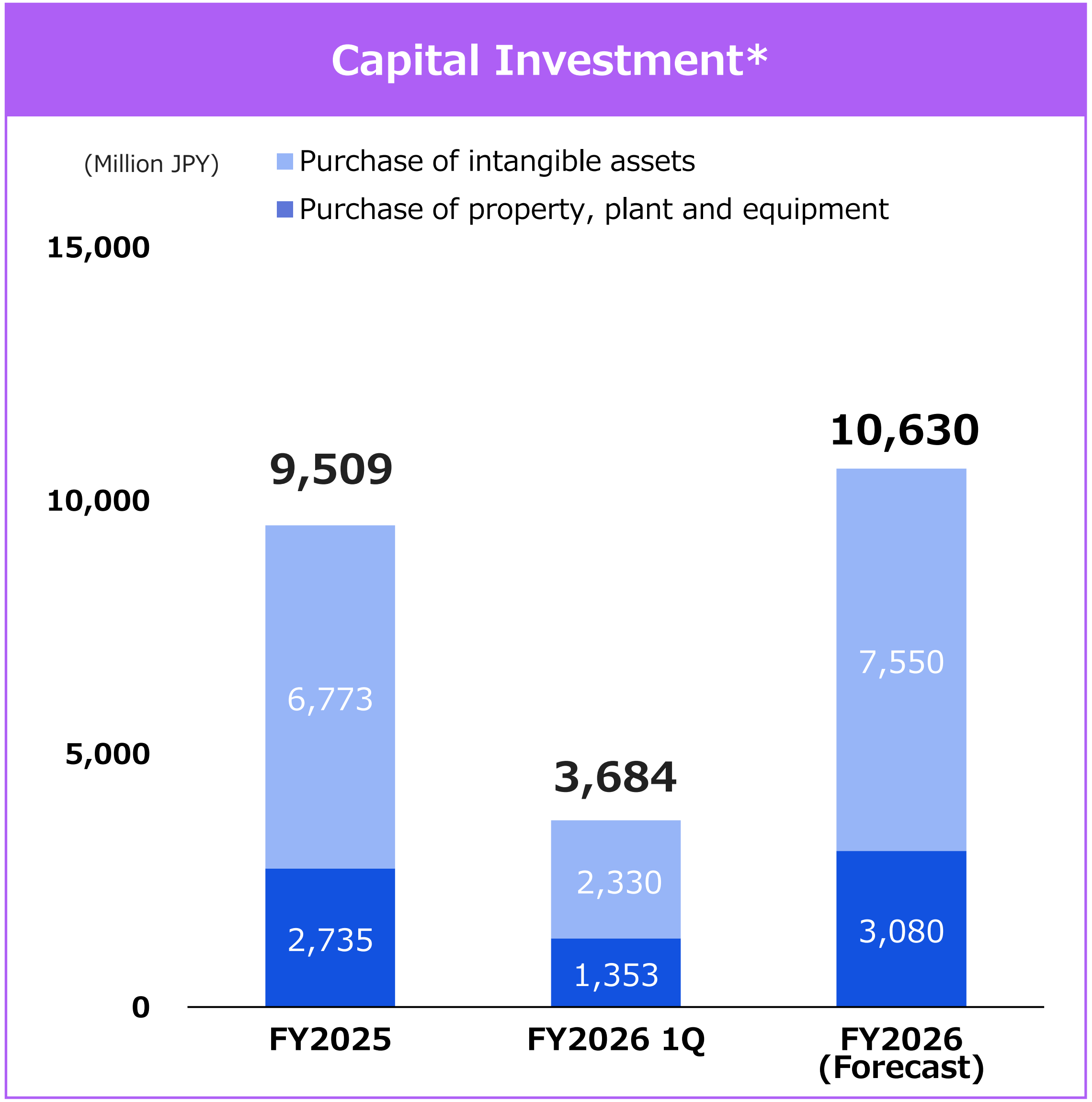
Breakdown of International Net Sales by Segment

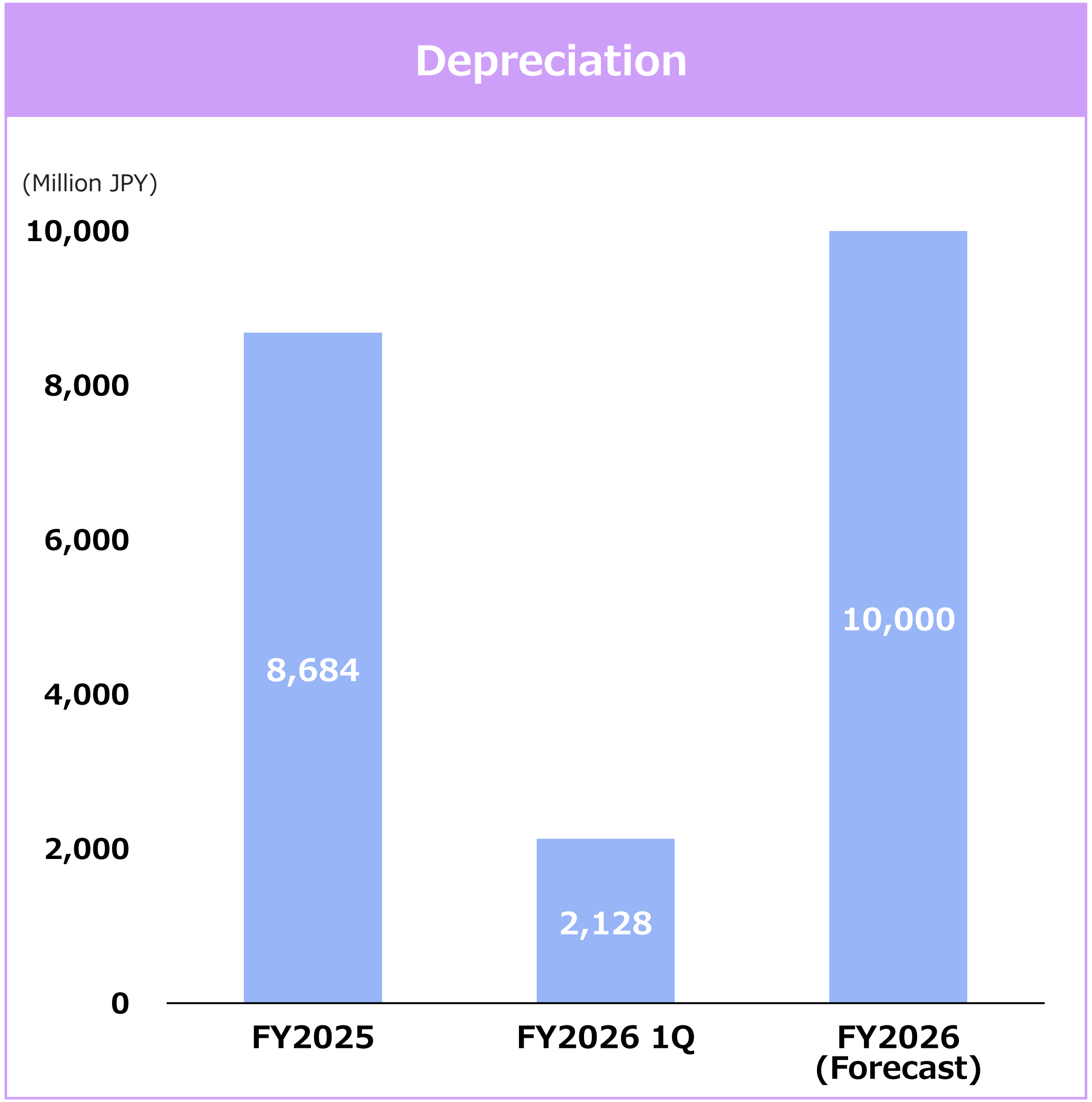


Breakdown by region		FY2025 1Q	2Q	3Q	4Q	FY2026 1Q
	Americas	52.9%	54.9%	45.6%	53.7%	50.1%
	Asia	36.0%	31.9%	39.3%	35.7%	35.8%
	Others	11.1%	13.2%	15.2%	10.6%	14.1%

* 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 June 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 +1.1 billion JPY) was +3.6% in the April to June period.

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 June 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 June was about +0.4 billion yen, and excluding this, the sales growth rate was about +25.1%.

Q03 What were the results of the special early retirement program announced in May 2026, and what was its impact on consolidated financial results?

A We received 154 applications for the program and recorded an extraordinary losses of approximately 5.4 billion yen in 1Q of the fiscal year ending March 31, 2027.

We expect this to result in annual personnel expenses savings of approximately 1.7 billion yen going forward. For the fiscal year ending March 31, 2027, we forecast cost savings of approximately 1.1 billion yen over the eight months starting in August (approximately 0.8 billion yen in the Publishing/IP Creation segment, approximately 0.2 billion yen in the Animation/Film segment, and approximately 0.1 billion yen in the Others segment).

FAQ

Q04 From April to June, what were the shares and growth rates for paper-based books and information media sales by genre?

A Share by genre: Comics 27%, general books and pocket editions 32%, light novels 13%, paperback books 17%, children's books 7%, magazines 5%

Growth rate by genre: comics +5.9%, general books and pocket editions +15.5%, light novels +48.4%, paperback books +48.2%, children's books +6.3%, magazines -15.6% (KADOKAWA non-consolidated basis).

Q05 What were the ratio of paper-based books and e-books in the international sales of the Publication/IP Creation Segment from April to June?

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.

Q06 From April to June, 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 4% in the Publication/IP Creation Segment and 30% in the Animation/Film Segment.

FAQ

Q07 When is the release date for ELDEN RING Tarnished Edition? Is it included in the outlook for the fiscal year ending March 31, 2027?

A It will be released on August 28, 2026. We do not disclose forecasts regarding sales or number of copies sold for individual titles.

Q08 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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