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Summary of Consolidated Earnings Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 7, 2025

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 Stock exchange listing: Tokyo
 Stock code: 9468 URL: <https://group.kadokawa.co.jp/global/ir/>
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	64,844	(1.5)	2,318	(61.5)	2,349	(69.5)	2,858	(17.2)
Three months ended June 30, 2024	65,860	11.9	6,029	84.5	7,699	26.2	3,454	(10.1)

(Note) Comprehensive income: 2,977 million yen (-34.8%) for the three months ended June 30, 2025
 4,568 million yen (-35.7%) for the three months ended June 30, 2024

	Earnings per share		Diluted earnings per share		EBITDA	
	Yen		Yen		Million yen	%
Three months ended June 30, 2025	19.51		18.99		4,475	(42.6)
Three months ended June 30, 2024	25.70		25.48		7,791	66.7

(Note) EBITDA = Operating profit + Depreciation + Amortization of goodwill

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2025	399,890	277,073	62.0	1,690.77
As of March 31, 2025	410,029	277,408	60.9	1,704.48

(Reference) Equity capital: As of June 30, 2025: 247,779 million yen As of June 30, 2024: 249,788 million yen

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	–	0.00	–	30.00	30.00
Year ending March 31, 2026	–				
Year ending March 31, 2026 (Forecast)		0.00	–	30.00	30.00

(Note) Revisions from dividends forecasts announced most recently: No

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share	EBITDA	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Million yen	%
Full year	291,900	5.0	16,700	0.3	18,700	5.4	11,400	54.2	77.79	25,500	2.4

(Note) Revisions from financial results forecasts announced most recently: No

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New: 1 company Edizioni BD S.r.l.

Excluded: –

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes to Quarterly Consolidated Financial Statements (Business Combinations)” on page 12 of the Attachments.

(2) Application of special accounting methods for preparing quarterly consolidated earnings statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: No

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	148,990,296 shares	As of March 31, 2025	148,990,296 shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2025	2,442,007 shares	As of March 31, 2025	2,442,006 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	146,548,289 shares	Three months ended June 30, 2024	134,446,926 shares
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* Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: No

* Proper use of forecasts of earnings results and other special matters

Earnings results forecasts and other forward-looking statements contained in this material are based on information available to the Company as of this moment and certain assumptions that are deemed to be reasonable. Therefore, actual results may differ significantly from these forward-looking statements due to various factors. For further details, please refer to “1. Overview of Operating Results and Financial Position (3) Overview Concerning Forward-Looking Information, Including Consolidated Operating Result Forecasts” on page 4 of the Attachments.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

The KADOKAWA group's corporate mission is "A Platform for Creativity." The Group advocates a "global media mix with technology" as its fundamental strategy that combines the stable creation of intellectual property (IP) consisting of a variety of portfolio content in the Publication/IP Creation, Animation/Film, Gaming, Web Services, and Education/EdTech Segments, the maximization of the LTV (life time value) of IP resulting from collaboration among business segments, and the rollout of IP on a global scale through the continual adoption of the latest technology, seeking to achieve growth and enhance corporate value over the medium to long terms.

During the first quarter under review, net sales totaled 64,844 million yen (down 1.5% year on year), with operating profit of 2,318 million yen (down 61.5%) and ordinary profit of 2,349 million yen (down 69.5%). Profit attributable to owners of parent came to 2,858 million yen (down 17.2%).

The performance of each business segment for the first quarter under review is as follows:

[Publication/IP Creation Segment]

In the Publication/IP Creation Segment, the Company publishes and sells digital and paper-based books and magazines. The Company also sells digital ads and licenses. In this segment, the Company continuously creates over 5,500 new titles a year as an essential source of its media mix strategy. A wealth of title archives accumulated in this way is a driving force of the KADOKAWA group's growth. The number of new IP created in the first quarter under review increased 9.5% year on year.

International sales of paper-based books and magazines increased chiefly thanks to the contributions of new bases established in the last one year in addition to continued strength in sales in Asia. Domestically, sales increased compared to the corresponding period of the preceding fiscal year, when the cyberattacks had a significant negative impact on sales, although the market continued to contract. On the other hand, sales of e-books and e-magazines decreased year on year, mainly because of the significant revenue increase effect of estimated accounting based on preliminary data for sales to other companies' stores in the same period of the previous year. In addition, rights licensing sales also declined.

Profit declined due to the impact of inventory write-downs in some regions in the international business, in addition to the significant impact of the sales decrease of e-books. Personnel expenses also increased, which resulted in a profit decrease in the overall segment.

Consequently, net sales in this segment totaled 34,463 million yen (down 3.8% year on year) with operating loss of 967 million yen (compared to operating profit of 3,028 million yen for the corresponding period of the preceding fiscal year).

[Animation/Film Segment]

The Animation/Film Segment includes the planning, production and distribution of anime and live-action films, video distribution licensing, and sales of package software.

In the Animation business, sales decreased compared to the corresponding period of the preceding fiscal year, when major titles including the latest ones in popular series drove the performance, although parts of the Company's original IP that were animated for the first time, such as *The Gorilla God's Go-To Girl* and *Once Upon a Witch's Death*, went on the air. In the Film business, sales decreased compared to the corresponding period of the preceding fiscal year, when income from distribution related to multiple movies was substantial, despite contributions of media mix titles including the new films *My Love Story with Yamada-kun at Lv999* and *The Girl Who Sees*.

Profit in this segment decreased, mainly reflecting the above factors for sales decrease.

Consequently, net sales in this segment came to 9,896 million yen (down 17.7% year on year), while the segment's operating profit declined to 137 million yen (down 92.9%).

[Gaming Segment]

The Gaming Segment includes the planning, development, sales and licensing of game software and online games.

Results in this segment exceeded the year-ago levels due to strong domestic and overseas sales of *ELDEN RING NIGHTREIGN*, a new title released by FromSoftware, Inc., in addition to the contributions of repeat sales of *ELDEN RING* and downloadable content *ELDEN RING SHADOW OF THE ERDTREE*.

Consequently, net sales in this segment came to 8,655 million yen (up 11.5% year on year) with operating profit of 3,379 million yen (up 40.4%).

[Web Services Segment]

In the Web Services Segment, the Company operates a portal Segment for a variety of streaming social network services, as well as planning and managing a variety of events, and content distribution service for mobile device users.

Sales in streaming social network services increased compared to the corresponding period of the preceding fiscal year, when there was a significant impact of cyberattacks. Sales in planning and managing events also increased mainly due to the strong performance of Niconico Chokaigi 2025.

Profit in this segment increased mainly due to a decrease in IT infrastructure expenses in addition to the effect of the sales increase described above.

Consequently, net sales in this segment totaled 5,355 million yen (up 13.3% year on year) with operating profit of 690 million yen (compared to operating loss of 397 million yen for the corresponding period of the preceding fiscal year).

[Education/EdTech Segment]

In the Education/EdTech Segment, the Company operates trade schools and provides online educational content and systems to online high schools.

At Vantan Inc., which operates vocational schools in the creative arts field, the number of students increased due to the opening of KADOKAWA SCHOOL OF ANIME in April 2024, and the expansion of the areas of operation, and sales rose as a result. In addition, DWANGO Co., Ltd. remained strong, reflecting a continued increase in student enrollment mainly due to the opening of new campuses for commuter courses of N High School, S High School, and R High School and establishment of R High School and ZEN University.

Profit in this segment increased due to the effect of the sales increase described above, although Vantan Inc. aggressively invested in advertising to boost student enrollment next fiscal year.

Consequently, net sales in this segment came to 4,388 million yen (up 10.4% year on year) with operating profit of 858 million yen (up 3.2%).

[Others Segment]

In the Others Segment, the Company operates the MD business, which plans and sells character goods and other products, and recreation business, which includes operation of TOKOROZAWA SAKURA TOWN and planning of events.

Sales in the MD business increased due to the strong performance in online raffle and expansion of the lineup of collectible figures. In addition, sales in the recreation business also increased, chiefly reflecting strong performance of IP events that were held in major cities across the country. On the other hand, in other businesses, effect of sales increase described above was exceeded by the impact of the change in the position of DWANGO Co., Ltd., a subsidiary driving DX within the Group, which resulted from an absorption-type merger by this company. Consequently, sales in the overall segment decreased.

Profit in this segment decreased due to a slight decrease in profit reflecting the impact of a change in product mix in the MD business while profit in the recreation business remained flat.

Consequently, net sales in this segment totaled 3,375 million yen (down 14.3% year on year), with an operating loss of 1,022 million yen (compared to operating loss of 979 million yen for the corresponding period of the preceding fiscal year).

(2) Overview of Financial Position

(i) Analysis of assets, liabilities and net assets

Total assets as of June 30, 2025 decreased by 10,139 million yen from the end of the previous fiscal year to 399,890 million yen. This chiefly reflected decreases in cash and deposits and accounts receivable - trade and an increase in inventories.

Total liabilities as of June 30, 2025 decreased by 9,803 million yen from the end of the previous fiscal year to 122,817 million yen. This is chiefly due to decreases in accounts payable - other, provision for bonuses, and income taxes payable, partially offset by an increase in deposits received.

Total net assets as of June 30, 2025 decreased by 335 million yen from the end of the previous fiscal year to 277,073 million yen. This was primarily due to a decrease in retained earnings, which resulted from payment of dividends, while non-controlling interests increased.

(ii) Analysis of cash flows

Net cash used in operating activities was 1,952 million yen (compared to net cash used of 1,218 million yen in the corresponding period of the preceding fiscal year) mainly because of the payment of bonuses and income taxes, which was partially offset by proceeds from decreases in trade receivables and contract assets.

Net cash used in investing activities was 10,107 million yen (compared to net cash used of 197 million yen in the corresponding period of the preceding fiscal year), primarily due to payments into time deposits, the purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities was 4,656 million yen (compared to net cash used of 4,125 million yen in the corresponding period of the preceding fiscal year), primarily due to dividend payments.

Consequently, the total use of cash came to 17,385 million yen (including those associated with foreign currency translation differences), leaving cash and cash equivalents at end of period at 112,288 million yen.

(3) Overview Concerning Forward-Looking Information, Including Consolidated Operating Result Forecasts

The Company made no change to consolidated operating result forecasts for the fiscal year ending March 31, 2026 it had announced on May 8, 2025.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	145,494	133,399
Notes receivable - trade	1,785	1,526
Accounts receivable - trade	67,800	63,645
Contract assets	1,671	1,565
Securities	808	771
Inventories	34,757	37,174
Prepaid expenses	3,695	4,784
Deposits paid	4,088	532
Other	12,558	14,877
Allowance for doubtful accounts	(211)	(231)
Total current assets	272,447	258,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,355	48,377
Accumulated depreciation	(15,762)	(16,432)
Buildings and structures, net	31,592	31,945
Machinery and equipment	7,609	7,634
Accumulated depreciation	(3,654)	(3,824)
Machinery and equipment, net	3,955	3,810
Tools, furniture and fixtures	9,232	9,048
Accumulated depreciation	(6,817)	(6,530)
Tools, furniture and fixtures, net	2,415	2,518
Land	28,250	28,249
Construction in progress	24	64
Other	1,268	1,268
Accumulated depreciation	(584)	(618)
Other, net	684	650
Total property, plant and equipment	66,922	67,238
Intangible assets		
Software	11,021	12,905
Goodwill	5,333	7,539
Other	4,149	2,743
Total intangible assets	20,504	23,189
Investments and other assets		
Investment securities	38,397	37,860
Deferred tax assets	3,713	5,590
Insurance funds	1,727	1,861
Guarantee deposits	4,183	4,152
Other	2,366	2,182
Allowance for doubtful accounts	(233)	(231)
Total investments and other assets	50,154	51,416
Total non-current assets	137,581	141,844
Total assets	410,029	399,890

(Unit: Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,411	36,716
Short-term borrowings	451	400
Current portion of long-term borrowings	15,292	25,299
Accounts payable - other	14,976	9,539
Income taxes payable	4,631	1,638
Contract liabilities	16,647	14,281
Deposits received	8,774	11,823
Provision for bonuses	6,106	2,932
Refund liabilities	6,685	6,229
Provision for share-based remuneration	261	261
Provision for share-based remuneration for directors (and other officers)	1,103	1,103
Other	6,691	6,907
Total current liabilities	117,033	117,134
Non-current liabilities		
Long-term borrowings	10,946	878
Deferred tax liabilities	637	458
Retirement benefit liability	2,368	2,252
Other	1,634	2,093
Total non-current liabilities	15,587	5,682
Total liabilities	132,621	122,817
Net assets		
Shareholders' equity		
Share capital	65,613	65,613
Capital surplus	85,223	85,223
Retained earnings	85,913	84,343
Treasury shares	(5,619)	(5,619)
Total shareholders' equity	231,130	229,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,042	14,347
Foreign currency translation adjustment	4,222	3,497
Remeasurements of defined benefit plans	392	373
Total accumulated other comprehensive income	18,658	18,219
Share acquisition rights	2,426	3,083
Non-controlling interests	25,192	26,210
Total net assets	277,408	277,073
Total liabilities and net assets	410,029	399,890

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(Unit: Million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	65,860	64,844
Cost of sales	40,604	41,401
Gross profit	25,255	23,442
Selling, general and administrative expenses	19,225	21,124
Operating profit	6,029	2,318
Non-operating income		
Interest income	421	251
Dividend income	379	367
Share of profit of entities accounted for using equity method	168	228
Foreign exchange gains	676	—
Gain on sale of goods	22	19
Other	22	213
Total non-operating income	1,690	1,079
Non-operating expenses		
Interest expenses	12	21
Foreign exchange losses	—	1,007
Other	8	20
Total non-operating expenses	20	1,048
Ordinary profit	7,699	2,349
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	2,356	768
Total extraordinary income	2,356	770
Extraordinary losses		
Expenses for dealing with system failure	*1 1,987	—
Loss on valuation of investment securities	81	68
Extra retirement payments	553	—
Other	5	0
Total extraordinary losses	2,627	68
Profit before income taxes	7,428	3,051
Income taxes	3,362	(657)
Profit	4,065	3,708
Profit attributable to non-controlling interests	611	850
Profit attributable to owners of parent	3,454	2,858

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	4,065	3,708
Other comprehensive income		
Valuation difference on available-for-sale securities	(384)	304
Foreign currency translation adjustment	905	(994)
Remeasurements of defined benefit plans, net of tax	(31)	(20)
Share of other comprehensive income of entities accounted for using equity method	12	(21)
Total other comprehensive income	502	(730)
Comprehensive income	4,568	2,977
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,731	2,419
Comprehensive income attributable to non-controlling interests	836	558

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Million yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	7,428	3,051
Depreciation	1,688	1,976
Amortization of goodwill	73	180
Share-based payment expenses	558	661
Expenses for dealing with system failure	1,987	—
Loss (gain) on sale of investment securities	(2,356)	(768)
Increase (decrease) in retirement benefit liability	(66)	(170)
Increase (decrease) in refund liabilities	(1,136)	(601)
Increase (decrease) in provision for bonuses	(2,717)	(3,173)
Interest and dividend income	(801)	(618)
Foreign exchange losses (gains)	(353)	833
Share of loss (profit) of entities accounted for using equity method	(168)	(228)
Decrease (increase) in trade receivables and contract assets	3,745	4,828
Decrease (increase) in inventories	(2,810)	(2,307)
Increase (decrease) in trade payables	88	1,096
Increase (decrease) in contract liabilities	(1,397)	(2,357)
Other, net	(2,283)	(1,663)
Subtotal	1,478	736
Interest and dividends received	1,477	1,308
Interest paid	(8)	(15)
Income taxes paid	(4,165)	(3,983)
Net cash provided by (used in) operating activities	(1,218)	(1,952)
Cash flows from investing activities		
Net decrease (increase) in time deposits	3,180	(6,023)
Purchase of property, plant and equipment	(1,299)	(1,043)
Purchase of intangible assets	(1,928)	(2,014)
Purchase of investment securities	(2,886)	—
Proceeds from sale of investment securities	3,564	1,237
Purchase of membership interest of subsidiaries resulting in a change in scope of consolidation	—	(2,183)
Purchase of shares of subsidiaries resulting in a change in scope of consolidation	(799)	—
Other, net	(28)	(80)
Net cash provided by (used in) investing activities	(197)	(10,107)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(51)
Repayments of long-term borrowings	(60)	(73)
Proceeds from share issuance to non-controlling shareholders	73	—
Dividends paid	(4,065)	(4,428)
Other, net	(72)	(103)
Net cash provided by (used in) financing activities	(4,125)	(4,656)
Effect of exchange rate change on cash and cash equivalents	1,395	(669)
Net increase (decrease) in cash and cash equivalents	(4,145)	(17,385)
Cash and cash equivalents at beginning of period	79,841	129,674
Cash and cash equivalents at end of period	75,695	112,288

(4) Notes to Quarterly Consolidated Financial Statements
(Notes on Going Concern Assumption)

Not applicable.

(Notes on Material Changes in Shareholders' Equity)

Not applicable.

(Notes on Quarterly Consolidated Statements of Income)

*1 Expenses for dealing with system failure

The expenses for dealing with system failure recorded in extraordinary losses are compensation expenses for creators of the Niconico services and expenses related to investigation and restoration, etc. in connection to the cyberattack on servers in the Group's data center.

(Notes on Segment Information)

First Quarter of Previous Fiscal Year (April 1, 2024 to June 30, 2024)

Information on Net Sales and Profit (Loss) by Reportable Segment

(Unit: Million yen)

	Reportable Segments					Others (Note 1)	Total	Adjustments (Note 2)	Amount on Quarterly Consolidated Statements of Income (Note 3)
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	35,258	11,741	7,720	4,620	3,973	2,545	65,860	–	65,860
Inter-segment net sales or transfers	560	282	43	106	1	1,390	2,384	(2,384)	–
Total	35,818	12,024	7,764	4,726	3,974	3,936	68,245	(2,384)	65,860
Segment profit (loss)	3,028	1,943	2,406	(397)	832	(979)	6,831	(802)	6,029

- (Notes) 1. "Others" refers to non-reportable business segments, including the planning and sales, etc. of character goods and other products, and the operation of facilities.
2. Adjustments of (802) million yen for segment profit (loss) was the result of 1 million yen for inter-segment eliminations and non-allocable corporate expenses of (804) million yen.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
4. Information by geographical segment

Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
53,365	7,301	4,103	1,089	65,860

(Note) Net sales are based on the geographical area of the customers and categorized by country or region.

First Quarter of Fiscal Year Under Review (April 1, 2025 to June 30, 2025)

1. Information on Net Sales and Profit (Loss) by Reportable Segment

(Unit: Million yen)

	Reportable Segments					Others (Note 1)	Total	Adjustments (Note 2)	Amount on Quarterly Consolidated Statements of Income (Note 3)
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	34,007	9,600	8,602	5,227	4,386	3,019	64,844	–	64,844
Inter-segment net sales or transfers	455	296	52	128	2	355	1,290	(1,290)	–
Total	34,463	9,896	8,655	5,355	4,388	3,375	66,134	(1,290)	64,844
Segment profit (loss)	(967)	137	3,379	690	858	(1,022)	3,076	(757)	2,318

- (Notes) 1. "Others" refers to non-reportable business segments, including the planning and sales, etc. of character goods and other products, and the operation of facilities.
2. Adjustments of (757) million yen for segment profit (loss) was the result of 2 million yen for inter-segment eliminations and non-allocable corporate expenses of (761) million yen.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
4. Information by geographical segment

Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
52,534	6,515	4,428	1,365	64,844

(Note) Net sales are based on the geographical area of the customers and categorized by country or region.

2. Information on Impairment Loss of Non-current Assets and Goodwill by Reportable Segment

(Significant changes in amount of goodwill)

In the Publication/IP Creation Segment, the Company acquired an equity in Edizioni BD S.r.l. and included it in the scope of consolidation in the first quarter under review. This resulted in a 2,427 million yen increase in the amount of goodwill.

The amount of goodwill is a provisional amount because acquisition cost allocation was not completed at the end of the first quarter under review.

(Business Combinations)

Business combination through acquisition

1. Outline of the business combination

(1) Name and business of acquired company

Name of the acquired company: Edizioni BD S.r.l. (Italy, hereinafter "Edizioni BD")

Business description: Translation and publication of manga, light novels, etc. (Label name: J-POP)

(2) Main reasons for the business combination

The Group has been strengthening and expanding the business foundations of its overseas bases under its fundamental strategy of enhancing its global media mix with technology, primarily by consistently creating a diverse portfolio of intellectual property (IP) and rolling it out globally.

Established in 2005, Edizioni BD operates a business of translating manga and light novels into Italian and publishing them in Milan, Italy. At present, it publishes nearly 500 book titles a year and locally has a solid base of fans of Japanese content.

Moving forward, via Edizioni BD, the Company will focus on translating and publishing a wide range of Japanese manga titles, which are not limited to its own titles, and work proactively on provision of novels, including untapped Japanese light novels, and related products. In addition, the Company will expand its business in Europe overall by strengthening cooperation with the Group's other overseas bases, including those in France as a neighboring country.

(3) Date of business combination

May 23, 2025 (deemed acquisition date: May 31, 2025)

(4) Legal form of business combination

Acquisition of equity interests in consideration for cash

(5) Name of the company after business combination

No change

(6) Percentage share of voting rights acquired

70%

(7) Main reason for the decision to acquire the company

Availability to the Company of the method of equity acquisition in exchange for cash.

2. Period of financial results of the acquired company included in the quarterly consolidated statement of income for the three months under review

The deemed acquisition date is May 31, 2025, and only the balance sheet has been consolidated because the interval between the quarterly consolidated closing date of the Company and that of the acquired company does not exceed three months. Accordingly, financial results of the acquired company are not included in the quarterly consolidated statement of income for the first quarter under review.

3. Costs of the acquisition of acquired company and breakdown by type of consideration

Consideration: Cash	3,152 million yen
Accounts payable - other	67
Long-term accounts payable - other	338
Acquisition cost	3,558

4. Goodwill arising from the business combination, reason for the goodwill, and method and period of amortization

(1) Amount of goodwill

2,427 million yen

The amount of goodwill is a provisional amount because acquisition cost allocation was not completed at the end of the first quarter under review.

(2) Reason for the goodwill

The reason is future additional earnings power that is expected from future business development.

(3) Method and period of amortization

The Company will amortize goodwill on a straight-line basis over the period in which the effects of the additional earnings power will be produced.

The period of amortization is being determined.

(Significant Subsequent Events)

Not applicable.