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

November 6, 2025

Company name: KADOKAWA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9468 URL: <https://group.kadokawa.co.jp/global/ir/>
 Representative: Chief Executive Officer Takeshi Natsuno
 Inquiries: Head, Corporate Communication Tomoyuki Oue TEL 03-5216-8212
 Scheduled date to file semi-annual Securities Report: November 13, 2025
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated earnings results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2025	133,933	(1.8)	5,550	(47.8)	6,778	(30.6)	1,491	(51.8)
Six months ended September 30, 2024	136,320	9.8	10,626	23.5	9,771	4.1	3,096	(25.0)

(Note) Comprehensive income: 2,115 million yen (-62.8%) for the six months ended September 30, 2025
 5,689 million yen (-27.8%) for the six months ended September 30, 2024

	Earnings per share		Diluted earnings per share		EBITDA	
	Yen		Yen		Million yen	%
Six months ended September 30, 2025	10.17		9.36		9,976	(30.3)
Six months ended September 30, 2024	23.03		22.21		14,307	23.4

(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 September 30, 2025	384,539	276,410	64.3	1,681.45
As of March 31, 2025	410,029	277,408	60.9	1,704.48

(Reference) Equity capital: As of September 30, 2025: 247,130 million yen As of March 31, 2025: 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	–	0.00			
Year ending March 31, 2026 (Forecast)			–	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	278,200	0.1	10,300	(38.1)	12,400	(30.1)	4,900	(33.7)	33.34	19,500	(21.7)

(Note) Revisions from financial results forecasts announced most recently: Yes

For a revision of the consolidated earnings forecast, please refer to the "Notice Regarding Recognition of Extraordinary Losses (Amortization of Goodwill) and Revision of Consolidated Earnings Forecast" announced on November 6, 2025.

* Notes

(1) Significant changes to subsidiaries during the period: Yes

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

Excluded: –

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

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial 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 September 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 September 30, 2025	2,016,092 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)

Six months ended September 30, 2025	146,669,022 shares	Six months ended September 30, 2024	134,455,395 shares
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* Semi-annual earnings reports are not subject to review by certified public accountants or independent account auditors.

* 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.

○ Contents of the Attachments

1. Overview of Operating Results and Financial Position	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	4
(3) Overview Concerning Forward-Looking Information, Including Consolidated Operating Result Forecasts	4
2. Semi-annual Consolidated Financial Statements and Major Notes	5
(1) Semi-annual Consolidated Balance Sheets	5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	7
Semi-annual Consolidated Statements of Income	7
Semi-annual Consolidated Statements of Comprehensive Income	8
(3) Semi-annual Consolidated Statements of Cash Flows	9
(4) Notes on Semi-annual Consolidated Financial Statements	10
(Notes on Going Concern Assumption)	10
(Notes on Material Changes in Shareholders' Equity)	10
(Notes on Semi-annual Consolidated Statements of Income)	10
(Notes on Segment Information)	11
(Business Combinations)	12
(Significant Subsequent Events)	12

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 six months under review, net sales totaled 133,933 million yen (down 1.8% year on year), with operating profit of 5,550 million yen (down 47.8%) and ordinary profit of 6,778 million yen (down 30.6%). Profit attributable to owners of parent came to 1,491 million yen (down 51.8%).

The performance of each business segment for the first six months 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 creates approx. 6,000 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 six months under review increased 9.6% 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 in the overall segment declined due to the significant impact of the sales decrease of e-books and increased personnel expenses.

Consequently, net sales in this segment came to 72,316 million yen (down 0.2% year on year), while the segment's operating profit declined to 258 million yen (down 94.1%).

[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, a significant portion of the lineup consisted of titles animated for the first time, resulting in a decline in sales per title. As a result, overall sales fell compared to the corresponding period of the preceding fiscal year, when major titles, including the latest installments in popular series, made a substantial contribution to revenue. In the Film business, sales decreased compared to the corresponding period of the preceding fiscal year, when income from the secondary use of multiple movies that had been theatrically released 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 totaled 21,030 million yen (down 20.4% year on year) with operating loss of 895 million yen (compared to operating profit of 3,640 million yen for the corresponding period of the preceding fiscal year).

[Gaming Segment]

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

Results in this segment declined compared to the preceding fiscal year, which saw strong sales of *ELDEN RING SHADOW OF THE ERDTREE* and repeat sales of *ELDEN RING*, despite strong domestic and overseas sales of *ELDEN RING NIGHTREIGN*, a new title released by FromSoftware, Inc.

Profit in this segment increased due to a decrease in certain expenses.

Consequently, net sales in this segment came to 16,594 million yen (down 8.6% year on year), while the segment's operating profit declined to 6,662 million yen (up 9.7%).

[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 and Animelo Summer Live2025.

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 11,106 million yen (up 33.3% year on year) with operating profit of 1,569 million yen (compared to operating loss of 1,007 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.

Operating profit in this segment increased, mainly reflecting the increase in sales.

Consequently, net sales in this segment came to 8,610 million yen (up 12.4% year on year) with operating profit of 1,667 million yen (up 15.2%).

[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 declined due to the presence of certain hit products in the previous fiscal year. Sales in the recreation business increased, chiefly reflecting strong performance of IP events that were held in major cities across the country. In other businesses, the position of KADOKAWA Connected Inc., which drove digital transformation within the KADOKAWA Group, changed after it was absorbed by DWANGO Co., Ltd. This absorption had a significant negative impact, resulting in a decline in sales for this segment. However, because most of KADOKAWA Connect's sales were conducted within the Group, the impact of the sales decline on the consolidated results was minor and insignificant.

Profit remained flat in the recreation business, while it decreased in the MD business due to the effect of sales decrease described above. However, profit in this segment increased compared with the previous fiscal year, when KADOKAWA Connected was negatively affected by a cyberattack.

Consequently, net sales in this segment totaled 6,928 million yen (down 11.0% year on year), with an operating loss of 2,090 million yen (compared to operating loss of 2,422 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 the end of the first six months of the fiscal year under review decreased by 25,490 million yen from the end of the previous fiscal year to 384,539 million yen. This chiefly reflected a decrease in cash and deposits due to repayments of long-term borrowings, and an increase in inventories.

Total liabilities as of September 30, 2025 decreased by 24,491 million yen from the end of the previous fiscal year to 108,129 million yen. This was largely due to a decrease in long-term borrowings, accounts payable-other and contract liabilities.

Total net assets as of June 30, 2025 decreased by 998 million yen from the end of the previous fiscal year to 276,410 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 by operating activities was 3,570 million yen (compared to net cash used of 2,765 million yen in the corresponding period of the preceding fiscal year) because of an increase in inventories, income taxes paid and other cash outflows, which was partially offset by the posting of profit before income taxes and other cash inflows.

Net cash used in investing activities was 10,640 million yen (compared to net cash provided of 2,847 million yen in the corresponding period of the preceding fiscal year), primarily due to the purchase of property, plant and equipment and intangible assets and payments into time deposits.

Net cash used in financing activities was 21,082 million yen (compared to net cash used of 4,849 million yen in the corresponding period of the preceding fiscal year), primarily due to repayments of long-term borrowings, dividend payments.

Consequently, the total use of cash came to 35,641 million yen (including those associated with foreign currency translation differences), leaving cash and cash equivalents at end of period at 94,032 million yen.

The Group's basic policy is to maintain sufficient liquidity and capital resources for business operations. It maintains working capital of approx. 2.5 times monthly sales as on-hand liquidity and determines a certain amount of on-hand liquidity plus future funding needs as the required level of cash and deposits.

As part of the mid-term management plan leading up to the fiscal year ending March 31, 2028, the Group has set a basic financial policy that aims to maintain an appropriate equity ratio between 50% and 60% to remain financially sound and pursue capital efficiency. The Group sets a medium to long-term goal of achieving a return on equity (ROE) of 12% or more.

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

During the first six months under review, the new title *ELDEN RING NIGHTREIGN*, released in May 2025, exceeded sales expectations both domestically and internationally. At the same time, the number of new IP titles steadily increased in the Publication/IP Creation Segment, but sales did not grow as expected because individual IP titles generated relatively low sales. Additionally, expenses rose due to the growing number of titles, which led to a decline in profitability. In the Animation/Film Segment, a significant portion of the lineup consisted of titles that were animated for the first time in the Animation business. Consequently, the revenue per title, which including revenue from the secondary use, fell short of expectations. Overall, the results in these segments were lower than forecast. In addition, an amortization of goodwill of 2,700 million yen, related to a consolidated subsidiary, was recorded as an extraordinary loss.

The Company will revise its sales, operating profit, ordinary profit, profit attributable to owners of parent, and EBITDA forecasts for the fiscal year ending March 31, 2026, which were announced on May 8, 2025, based on its performance in the first six months under review, which is described above, and the latest forecasts for the third quarter and further in the future.

For more information, please refer to the "Notice Regarding Recognition of Extraordinary Losses (Amortization of Goodwill) and Revision of Consolidated Earnings Forecasts" published on November 6, 2025.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(Unit: Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	145,494	113,876
Notes receivable - trade	1,785	1,373
Accounts receivable - trade	67,800	69,302
Contract assets	1,671	2,631
Securities	808	753
Inventories	34,757	38,165
Prepaid expenses	3,695	4,914
Deposits paid	4,088	289
Other	12,558	13,828
Allowance for doubtful accounts	(211)	(272)
Total current assets	272,447	244,862
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,355	48,431
Accumulated depreciation	(15,762)	(16,705)
Buildings and structures, net	31,592	31,726
Machinery and equipment	7,609	7,682
Accumulated depreciation	(3,654)	(4,007)
Machinery and equipment, net	3,955	3,675
Tools, furniture and fixtures	9,232	8,788
Accumulated depreciation	(6,817)	(6,307)
Tools, furniture and fixtures, net	2,415	2,481
Land	28,250	28,375
Construction in progress	24	59
Other	1,268	1,738
Accumulated depreciation	(584)	(689)
Other, net	684	1,048
Total property, plant and equipment	66,922	67,367
Intangible assets		
Software	11,021	13,051
Goodwill	5,333	4,493
Other	4,149	2,842
Total intangible assets	20,504	20,387
Investments and other assets		
Investment securities	38,397	37,290
Retirement benefit asset	—	7
Deferred tax assets	3,713	5,839
Insurance funds	1,727	1,909
Guarantee deposits	4,183	4,510
Other	2,366	2,585
Allowance for doubtful accounts	(233)	(220)
Total investments and other assets	50,154	51,922
Total non-current assets	137,581	139,676
Total assets	410,029	384,539

(Unit: Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,411	34,695
Short-term borrowings	451	477
Current portion of long-term borrowings	15,292	10,192
Accounts payable - other	14,976	10,278
Income taxes payable	4,631	3,435
Contract liabilities	16,647	13,638
Deposits received	8,774	11,337
Provision for bonuses	6,106	4,952
Refund liabilities	6,685	6,025
Provision for share-based remuneration	261	113
Provision for share-based remuneration for directors (and other officers)	1,103	1,062
Other	6,691	5,763
Total current liabilities	117,033	101,971
Non-current liabilities		
Long-term borrowings	10,946	728
Deferred tax liabilities	637	574
Retirement benefit liability	2,368	2,145
Other	1,634	2,708
Total non-current liabilities	15,587	6,157
Total liabilities	132,621	108,129
Net assets		
Shareholders' equity		
Share capital	65,613	65,613
Capital surplus	85,223	85,388
Retained earnings	85,913	82,975
Treasury shares	(5,619)	(4,793)
Total shareholders' equity	231,130	229,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,042	13,776
Foreign currency translation adjustment	4,222	3,815
Remeasurements of defined benefit plans	392	354
Total accumulated other comprehensive income	18,658	17,946
Share acquisition rights	2,426	2,286
Non-controlling interests	25,192	26,992
Total net assets	277,408	276,410
Total liabilities and net assets	410,029	384,539

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Unit: Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	136,320	133,933
Cost of sales	86,038	86,469
Gross profit	50,281	47,464
Selling, general and administrative expenses	39,654	41,913
Operating profit	10,626	5,550
Non-operating income		
Interest income	867	553
Dividend income	379	381
Share of profit of entities accounted for using equity method	364	489
Gain on sale of goods	35	39
Other	83	478
Total non-operating income	1,731	1,942
Non-operating expenses		
Interest expenses	38	37
Foreign exchange losses	2,533	620
Other	14	55
Total non-operating expenses	2,586	714
Ordinary profit	9,771	6,778
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	2,660	768
Other	3	—
Total extraordinary income	2,664	773
Extraordinary losses		
Expenses for dealing with system failure	*1 2,332	—
Loss on retirement of non-current assets	87	89
Loss on valuation of investment securities	221	70
Amortization of goodwill	—	*2 2,700
Extra retirement payments	553	—
Other	5	291
Total extraordinary losses	3,200	3,152
Profit before income taxes	9,235	4,399
Income taxes	4,583	1,220
Profit	4,652	3,179
Profit attributable to non-controlling interests	1,556	1,687
Profit attributable to owners of parent	3,096	1,491

Semi-annual Consolidated Statements of Comprehensive Income

(Unit: Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	4,652	3,179
Other comprehensive income		
Valuation difference on available-for-sale securities	(86)	(266)
Foreign currency translation adjustment	1,159	(749)
Remeasurements of defined benefit plans, net of tax	(65)	(40)
Share of other comprehensive income of entities accounted for using equity method	29	(7)
Total other comprehensive income	1,037	(1,063)
Comprehensive income	5,689	2,115
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,592	779
Comprehensive income attributable to non-controlling interests	2,096	1,336

(3) Semi-annual Consolidated Statements of Cash Flows

(Unit: Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	9,235	4,399
Depreciation	3,483	4,049
Amortization of goodwill	196	3,077
Share-based payment expenses	1,186	1,124
Expenses for dealing with system failure	2,332	—
Loss (gain) on sale of investment securities	(2,660)	(768)
Loss (gain) on valuation of investment securities	221	70
Loss on retirement of non-current assets	87	89
Increase (decrease) in retirement benefit liability	(140)	(315)
Increase (decrease) in refund liabilities	(1,041)	(810)
Increase (decrease) in provision for bonuses	891	(1,154)
Interest and dividend income	(1,247)	(935)
Foreign exchange losses (gains)	2,309	573
Share of loss (profit) of entities accounted for using equity method	(364)	(489)
Decrease (increase) in trade receivables and contract assets	(613)	(1,727)
Decrease (increase) in inventories	(3,561)	(3,282)
Increase (decrease) in trade payables	(1,216)	(994)
Increase (decrease) in contract liabilities	(2,479)	(2,991)
Other, net	(5,514)	(1,327)
Subtotal	1,104	(1,414)
Interest and dividends received	2,108	1,579
Interest paid	(36)	(33)
Expenses paid to address system failures	(1,640)	—
Income taxes paid	(4,301)	(3,701)
Net cash provided by (used in) operating activities	(2,765)	(3,570)
Cash flows from investing activities		
Net decrease (increase) in time deposits	8,031	(4,628)
Purchase of property, plant and equipment	(1,789)	(1,395)
Purchase of intangible assets	(3,218)	(3,563)
Purchase of investment securities	(2,886)	—
Proceeds from sale of investment securities	3,870	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	(796)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	57	—
Other, net	(421)	(107)
Net cash provided by (used in) investing activities	2,847	(10,640)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	26
Repayments of long-term borrowings	(276)	(15,331)
Proceeds from share issuance to non-controlling shareholders	73	—
Purchase of treasury share acquisition rights	—	(1,179)
Dividends paid	(4,065)	(4,428)
Other, net	(580)	(169)
Net cash provided by (used in) financing activities	(4,849)	(21,082)
Effect of exchange rate change on cash and cash equivalents	(681)	(348)
Net increase (decrease) in cash and cash equivalents	(5,448)	(35,641)
Cash and cash equivalents at beginning of period	79,841	129,674
Cash and cash equivalents at the end of period	74,392	94,032

(4) Notes on Semi-annual Consolidated Financial Statements
(Notes on Going Concern Assumption)

Not applicable.

(Notes on Material Changes in Shareholders' Equity)

Not applicable.

(Notes on Semi-annual 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.

*2 Amortization of goodwill

The amortization of goodwill recorded as an extraordinary loss refers to the amortization of goodwill related to an impairment loss on shares in a consolidated subsidiary in accordance with paragraph 32 of the Practical Guidelines on the Capital Consolidation Procedure in Consolidated Financial Statements (ASBJ Transferred Guidance No. 4, July 1, 2024).

3 The Group applies paragraph 7 of the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ PITF No. 46, March 22, 2024) and has not recorded any income taxes for global minimum tax in the consolidated financial statements for the relevant fiscal year including the first six months under review.

(Notes on Segment Information)

First Six Months of Previous Fiscal Year (April 1, 2024 to September 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 Semi-annual Consolidated Statements of Income (Note 3)
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	71,050	25,884	18,059	8,150	7,657	5,518	136,320	—	136,320
Inter-segment net sales or transfers	1,422	547	90	179	1	2,265	4,506	(4,506)	—
Total	72,473	26,431	18,149	8,329	7,658	7,783	140,826	(4,506)	136,320
Segment profit (loss)	4,357	3,640	6,072	(1,007)	1,447	(2,422)	12,087	(1,460)	10,626

- (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 (1,460) million yen for segment profit (loss) was the result of 5 million yen for inter-segment eliminations and non-allocable corporate expenses of (1,466) million yen.
3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statements of income.
4. Information by geographical segment

Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
105,213	18,054	9,411	3,640	136,320

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

First Six Months of Fiscal Year Under Review (April 1, 2025 to September 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 Semi-annual Consolidated Statements of Income (Note 3)
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	71,308	20,515	16,510	10,908	8,607	6,082	133,933	—	133,933
Inter-segment net sales or transfers	1,007	514	84	198	2	846	2,652	(2,652)	—
Total	72,316	21,030	16,594	11,106	8,610	6,928	136,586	(2,652)	133,933
Segment profit (loss)	258	(895)	6,662	1,569	1,667	(2,090)	7,170	(1,620)	5,550

- (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 (1,620) million yen for segment profit (loss) was the result of 5 million yen for inter-segment eliminations and non-allocable corporate expenses of (1,630) million yen.
3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statements of income.
4. Information by geographical segment

Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
106,953	14,563	9,114	3,301	133,933

(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. (Italy) and included it in the scope of consolidation during the first six months 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 six months under review.

In the Animation/Film Segment, goodwill was amortized due to an impairment loss recognized on shares in a consolidated subsidiary. Consequently, goodwill decreased by 2,700 million yen.

(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. (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 the operating results of the acquired company included in the semi-annual consolidated statement of income

The acquisition date is deemed to be May 31, 2025. Furthermore, since the difference between the consolidated closing dates for the first six months of the Company and the acquired company does not exceed three months, the consolidated statement of income includes results for the period from June 1, 2025 to June 30, 2025.

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
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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 six months 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

Amortization over a 11 years period on a straight-line basis

(Significant Subsequent Events)

Not applicable.