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Summary of Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 2026

Company name: KADOKAWA CORPORATION
 Stock code: 9468 URL <https://group.kadokawa.co.jp/global/ir/>
 Representative: Chief Executive Officer
 Inquiries: Chief Operating Officer
 Scheduled date of ordinary general meeting of shareholders: June 24, 2026
 Scheduled date to commence dividend payments: June 25, 2026
 Scheduled date to file Securities Report: June 23, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

Stock exchange listing: Tokyo

Takeshi Natsuno

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(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	%
Year ended March 31, 2026	282,908	1.8	8,102	(51.3)	11,701	(34.1)	1,278	(82.7)
Year ended March 31, 2025	277,915	7.7	16,651	(9.8)	17,742	(12.3)	7,392	(35.1)

(Note) Comprehensive income: 1,320 million yen (-92.0%) for the year ended March 31, 2026

16,441 million yen (25.3%) for the year ended March 31, 2025

	Earnings per share	Diluted earnings per share	EBITDA		Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	Million yen	%	%	%	%
Year ended March 31, 2026	8.71	7.86	17,600	(29.3)	0.5	2.9	2.9
Year ended March 31, 2025	53.87	52.47	24,907	(1.8)	3.4	4.7	6.0

(Reference) Share of loss (profit) of entities accounted for using equity method: 918 million yen for the year ended March 31, 2026

725 million yen for the year ended March 31, 2025

(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 March 31, 2026	394,864	276,747	62.0	1,667.01
As of March 31, 2025	410,029	277,408	60.9	1,704.48

(Reference) Equity capital: As of March 31, 2026: 245,004 million yen As of March 31, 2025: 249,788 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2026	3,424	(21,042)	(22,425)	90,774
Year ended March 31, 2025	13,841	(8,440)	44,117	129,674

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Year ended March 31, 2025	–	0.00	–	30.00	30.00	4,428	55.7	1.9
Year ended March 31, 2026	–	0.00	–	30.00	30.00	4,462	344.5	1.8
Year ending March 31, 2027 (Forecast)	–	0.00	–	30.00	30.00		76.0	

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	300,300	6.1	10,100	24.7	12,000	2.6	5,800	353.7	39.46	20,100	14.2

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
 New: 2 companies Edizioni BD S.r.l. and SOZO Pte. Ltd. Excluded: –
 (Note) For details, please refer to “4. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Business Combinations)” on page 18 of the Attachments.

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	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 March 31, 2026	2,017,413 shares	As of March 31, 2025	2,442,006 shares
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(iii) Average number of shares during the period

Year ended March 31, 2026	146,820,494 shares	Year ended March 31, 2025	137,236,309 shares
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(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2026	132,304	(5.2)	(9,565)	–	(6,403)	–	(9,376)	–
Year ended March 31, 2025	139,543	0.6	1,230	(67.3)	4,014	(55.8)	3,873	(43.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2026	(63.86)		–	
Year ended March 31, 2025	28.23		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%	Yen		
As of March 31, 2026	327,109		148,753		45.5	1,012.11		
As of March 31, 2025	346,196		166,032		48.0	1,132.95		

(Reference) Equity capital: As of March 31, 2026: 148,753 million yen As of March 31, 2025: 166,032 million yen

* The summary of consolidated financial results is not subject to audits by a certified public accountant or an auditing firm.

* 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 (4) Outlook” on page 4 of the Attachments.
- The Company will hold a results briefing on May 14, 2026. The material used at the briefing will be posted on the Company’s website before the briefing takes place.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Period under Review

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 consolidated fiscal year under review, net sales totaled 282,908 million yen (up 1.8% year on year), with operating profit of 8,102 million yen (down 51.3%) and ordinary profit of 11,701 million yen (down 34.1%). Profit attributable to owners of parent came to 1,278 million yen (down 82.7%).

The performance of each business segment for the consolidated fiscal year 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 over 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 fiscal year under review increased 9.3% year on year. International sales of paper-based books and magazines increased chiefly thanks to the contributions of new bases established in recent years, in addition to steady growth in sales in Americas and Asia. Domestically, while sales per title declined overall, total sales increased primarily because the sales decline caused by the cyberattack that occurred in the last fiscal year had disappeared, and some of the results of our business structural reforms became apparent in the fourth quarter. Sales of e-books and e-magazines decreased year on year, mainly due to a lack of smash-hit titles and the significant revenue-increasing effect that estimated accounting based on preliminary data for sales to other companies' stores had 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 profit decrease in domestic paper-based books and e-books, as well as increased personnel expenses.

Consequently, net sales in this segment came to 155,634 million yen (up 2.8% year on year), while the segment's operating profit declined to 4,054 million yen (down 51.6%).

[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 new anime titles, 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 the contributions of new media-mix films.

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

Consequently, net sales in this segment totaled 48,256 million yen (down 5.6% year on year) with an operating loss of 465 million yen (compared to operating profit of 4,729 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 corresponding period of 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 decreased, mainly reflecting the above factors for sales decrease.

Consequently, net sales in this segment totaled 29,781 million yen (down 11.4% year on year), with the segment's operating profit of 7,541 million yen (down 20.9%).

[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 20,515 million yen (up 13.7% year on year) with operating profit of 2,117 million yen (compared to an operating loss of 998 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 new schools, including KADOKAWA SCHOOL OF ANIME, which opened 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 17,166 million yen (up 13.5% year on year) with operating profit of 2,844 million yen (up 19.4%).

[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 in the recreation business decreased compared to the corresponding period of the preceding fiscal year due to the large-scale highly profitable events and merchandise sales in that period. Profit also decreased in the MD business due to the effect of the sales decrease described above. However, profit in this segment increased compared with the corresponding period of the preceding fiscal year, which was impacted by cyberattacks.

Consequently, net sales in this segment totaled 17,031 million yen (down 4.7% year on year), with an operating loss of 3,966 million yen (compared to an operating loss of 4,204 million yen for the corresponding period of the preceding fiscal year).

(2) Overview of Financial Position for the Period under Review

Total assets as of March 31, 2026 decreased by 15,164 million yen from the end of the previous fiscal year to 394,864 million yen. This chiefly reflected a decrease in cash and deposits due to repayments of long-term borrowings, and increases in accounts receivable – trade and inventories.

Total liabilities as of March 31, 2026 decreased by 14,504 million yen from the end of the previous fiscal year to 118,116 million yen. This is chiefly due to the repayment of long-term borrowings.

Total net assets as of March 31, 2026 decreased by 660 million yen from the end of the previous fiscal year to 276,747 million yen. This was primarily due to a decrease in valuation difference on available-for-sale securities resulting from a decline in the stock prices of shares held.

(3) Summary of Cash Flows for the Fiscal Year under Review

Net cash provided by operating activities was 3,424 million yen (compared to net cash provided of 13,841 million yen in the corresponding period of the preceding fiscal year) mainly because of the posting of profit before income taxes, which was partially offset by income taxes, among other payments.

Net cash used in investing activities was 21,042 million yen (compared to net cash used of 8,440 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 22,425 million yen (compared to net cash provided of 44,117 million yen in the corresponding period of the preceding fiscal year), primarily due to repayments of long-term borrowings.

Consequently, the total use of cash came to 38,944 million yen (including those associated with foreign currency translation differences, etc.), leaving cash and cash equivalents at end of period at 90,774 million yen.

The Group's basic policy is to maintain sufficient liquidity and capital resources for business operations. With regard to liquidity, the Group has set target levels for cash and deposits based on the Group's overall working capital requirements and future funding needs.

As its basic financial policy under the new Mid-term Management Plan through the fiscal year ending March 2032, the Group aims to maintain an appropriate level of equity ratio and to achieve a return on equity (ROE) of 9.4% in the final year of the plan. In the medium to long-term, we aim to achieve a return on equity of 12% or more and a total return ratio of 50% or more.

(Reference) Trends in cash flow indicators

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Equity ratio	52.8%	52.9%	56.0%	60.9%	62.0%
Equity ratio at market value	137.8%	102.8%	104.8%	127.0%	141.3%
Interest-bearing debt to cash flow ratio	3.0 years	3.8 years	3.1 years	2.0 years	3.5 years
Interest coverage ratio	211.5	139.5	118.1	186.9	44.0

(Notes) 1. The indicators are calculated by the following formulas.

Equity ratio = Equity capital / Total assets

Equity ratio at market value = Total market capitalization / Total assets

Interest-bearing debt to cash flow ratio = Interest-bearing debt / Operating cash flow

Interest coverage ratio = Operating cash flow / Interest paid

2. The indicators are calculated using consolidated financial figures.

3. Total market capitalization is calculated on the basis of the total number of shares outstanding excluding treasury shares.

4. Interest-bearing debt denotes all liabilities recorded on the Consolidated Balance Sheets for which interests are paid.

5. Operating cash flow refers to cash flows from operating activities on the Consolidated Statements of Cash Flows. Interest paid refers to interest paid on the Consolidated Statements of Cash Flows.

(4) Outlook

Looking at the business environment surrounding the Group, domestic printed book publication has declined in the publishing market, and raw materials and logistics expenses are continuing to increase. The growth of domestic e-book publishing has become slower than before. The overseas market for comics originating in Japan is on a long-term growth track.

In the film market, domestically the Japanese film market has continued to expand. In parallel with these developments, the video streaming market has continued to grow at a global scale, and with high demand for Japanese animation, the animation market overseas has continued to enjoy growth. While demand for anime grows, production costs are increasing sharply due to a shortage of skilled anime creators in Japan.

In the video gaming market, both console and smartphone games are growing in both international and domestic markets. Console games are becoming more dynamic due to the emergence of new platforms and the replacement of top-tier titles, while there is a trend in smartphone games towards a limited selection of top-performing titles.

To take advantage of this business environment, the Group will continue the "Global Media Mix with Technology" basic policy

in its new Mid-term Management Plan through the fiscal year ending March 2032, announced today (May 14, 2026). The Group will endeavor to maximize the LTV (Life Time Value) of IP through a transformation into more profitable structure by business structural reforms, strategic investment in IP and expansion of overseas bases.

The status and issues to be addressed of each business are as follows.

[Publication/IP Creation Segment]

The Company will continue to work to create strong IP and expand its global distribution of titles.

In the domestic publishing business, the Company plans to implement structural reforms and evolve into an organization capable of swift decision-making and effective execution. Under this organization, the Company plans to optimize the number of intellectual properties and focus on enhancing the quality of its titles by promoting new tailored strategies for each category such as comics and light novels. The Company is implementing rationalization of organization and reduction of indirect costs through the improvement of its business processes. Additionally, the Company focuses on selection and concentration to reduce and withdraw from unprofitable businesses.

Other initiatives to enhance profitability and create quality titles include improving the return rate through manufacturing and logistics reforms and increasing the standards for the number of first-edition copies, as well as developing high-priced products and implementing aggressive pricing strategies.

In IP creation, the Company will continue to develop titles submitted online through its Kaku Yomu novel submission site in Japan and its Taiwanese equivalent, KadoKado. Additionally, the Company will continue to develop new comic books via the manga app KadoComi. It will also focus on discovering original works, enhancing its sales promotions, and joint demonstration and study on the development of a new AI-based data distribution model through its partnership with note inc. The Company will collaborate with overseas subsidiaries, especially Edizioni BD S.r.l., an Italian company that joined the Group in May 2025, to advance the development of titles with global perspectives.

In terms of the global distribution of titles, the Company continues to invest in the production of multilingual content and expand simultaneous distribution for e-books and distribution for paper-based books. In February 2026, the Company established KADOKAWA Retail Ventures, LLC and transferred the “Manga Spot” chain of company-operated book and merchandise stores in North America from KADOKAWA WORLD ENTERTAINMENT, INC., our North American holding company. The Company views “Manga Spot,” which currently operates 10 stores, as a key hub for our global media mix strategy, will expand the store network and work to maximize group synergies.

In the media business, we will work to improve profitability by implementing a digital shift with a focus on Internet media. In the e-book business, we will continue to enhance our operation of the BOOK☆WALKER e-book distribution platform.

In addition, as part of our efforts to discover global talent, we have launched “KADOKAWA WORLD MANGA ATELIER,” a project designed to support overseas manga creators in their creative endeavors. In addition to launching an online submission site for manga works, we will hold workshops around the world to provide on-site feedback. We will continue to hold the existing “KADOKAWA WORLD MANGA CONTEST.” By accepting not only standard manga but also wordless works, we aim to break free from language barriers. Furthermore, by providing direct feedback from professional editors, we plan to broadly discover talent from around the world and continuously offer winners opportunities for growth, challenges, and developmental support to help them make their professional debut. We are committed to fostering the creation of new hit works that transcend national borders.

[Animation/Film Segment]

In our Animation/Film Segment, we will focus on the medium- to long-term expansion of the global video market with the aim of maximizing profits.

In the animation business, we will build a long-term, multi-layered portfolio of hit series while enhancing the production capabilities of our Group’s animation studios.

On the production front, we will establish a new animation production hub, “Studio One Base,” in Ikebukuro to consolidate the Group’s animation production studios. This will allow us to improve operational efficiency and elevate the quality of our works, while building a structure capable of responding flexibly to the production of sequels for hit series. Additionally, in March 2026, we established KADOKAWA Creators Co., Ltd., a new animation studio dedicated to training and production that focuses specifically on young talent, with the aim of stabilizing our production infrastructure, improving quality, and fostering long-term talent development.

In terms of planning, we will strategically invest in potential series based on influential source material from both within and outside the company, while simultaneously increasing the proportion of in-house production to build a system capable of

continuously generating hit IPs. By building a multi-layered portfolio of works, we aim to maximize profits over the medium to long term.

In terms of distribution and sales, we established Animec Co., Ltd., a domestic distribution company of theatrical version of animation jointly funded with Aniplex Co., Ltd., in March 2026. While maximizing the appeal of our works through optimal domestic release strategies to lay the foundation for the success of our theatrical animation films, we will strengthen our marketing efforts, particularly in North America, and work to raise awareness of our works through collaboration with overseas offices and partner companies. We will also focus on rights sales and video distribution businesses in both domestic and overseas markets.

Regarding the film business, we will continue to scale up projects based primarily on our original works and strengthen development for global distribution. Furthermore, in Kadokawa Daiei Studio Co., Ltd.'s virtual production business, we will promote the development of new production workflows that leverage our long-standing art production capabilities and cutting-edge technology, simultaneously realizing new forms of visual expression and production processes that are low-cost and have a low environmental impact.

[Gaming Segment]

In the Gaming Segment, the Company will strive to further enhance profitability through a media mix based on its original anime IPs for smartphone games.

In games for PCs and consoles, the Company is planning to expand its production pipeline by introducing new titles, including THE DUSKBLOODS and Danganronpa 2×2, which are scheduled for release in 2026. This expansion leverages the strong brand power and development capabilities cultivated through hit titles, such as ELDEN RING and the Danganronpa series. The Company will continue to develop the Group's series titles and new titles, and it will engage in contract development for other companies.

[Web Services Segment]

In the Web Services Segment, the Group has consolidated its engineers within DWANGO Inc. They are focused on enhancing the customer experience provided by the Group's web services and furthering the Group's digital transformation. In its niconico-related businesses, the Company aims to maximize its creator economy by connecting creators and IPs originating from niconico with fans in various ways. Going forward, the Company will promote the further diversification of its earnings portfolio and pursue continuous sales growth.

In the planning and running of various events, over two days from April 25 to April 26, 2026 the Company held Niconico Chokaigi, one of Japan's largest user participation events. The number of visitors to the Makuhari Messe venue increased by 4.2% from the previous year to 138,228 people. Niconico Chokaigi, Animelo Summer Live, and other major events enhance users' sense of community and satisfaction. We aim to encourage users to post comments and view videos on the website, providing them with more opportunities to participate. Meanwhile, we will narrow our event focus to improve profitability.

[Education/EdTech Segment]

In the Education/EdTech Segment, there has been a steady increase in the number of students enrolling in N High School, S High School, and R High School, which are all internet correspondence high schools. Additionally, N Junior High School has been expanding. Consequently, the business of providing educational content to these schools has also been growing. In addition, the business of providing educational systems and content to ZEN University, an online university, has grown. We aim to expand earnings by continuing to provide high-added-value content. Vantan Inc. is broadening educational opportunities. It plans to expand operations into new regions, expand its college courses, and provide operational support to educational corporations. Vantan has developed manga and animation courses leveraging synergies within the Group. In April 2026, it began nurturing creators in the music industry. Vantan aims to continuously expand the courses it offers.

[Others Segment]

In the Others Segment, the Company has been working to shift to a sustainable business by rationalizing costs in connection with the commercial facility business, including TOKOROZAWA SAKURA TOWN, which includes the Kadokawa Culture Museum, event spaces, restaurants, and other retail facilities. At TOKOROZAWA SAKURA TOWN, we strive to create more

attractive facilities that cater to the needs of the local community. We will continue to pursue higher profitability by adopting an operational style that involves co-creation with diverse expert partners.

In the event business, in November 2025, the Company acquired SOZO Pte. Ltd., making it a subsidiary. SOZO plans and organizes events, including the Anime Festival Asia (AFA), one of the largest anime events in Southeast Asia, as well as overseas live events featuring top J-POP artists. We aim to enhance our presence in the anime and music event sectors in Southeast Asia by implementing a comprehensive media mix strategy.

Taking the above initiatives into account, for the fiscal year ending March 31, 2027, the Company forecasts net sales of 300.3 billion yen, operating profit of 10.1 billion yen, ordinary profit of 12.0 billion yen, profit attributable to owners of parent of 5.8 billion yen, and EBITDA of 20.1 billion yen. For further details, please refer to the INVESTOR RELATIONS section of the Company's website.

(5) Basic policy for profit distribution and dividends for fiscal year ended March 2026 and fiscal year ending March 2027

The Company believes that it is important to continue to distribute profits to shareholders and other stakeholders and that sustainable corporate management is necessary for that. For sustainable corporate management, we require internal reserves to the extent sufficient for the strengthening of our corporate structure and future business development.

We also recognize shareholder returns as an important managerial issue. Based on a stable annual dividend of 30 yen per share, our basic policy is to provide shareholder return with a target dividend payout ratio of at least 30%, including profit sharing based on consolidated financial results.

The Company's Articles of Incorporation stipulate that dividends of surplus shall be paid once a year, at the end of the fiscal year and that matters relating to the dividends of surplus shall be determined according to resolutions passed at meetings of the Board of Directors, unless otherwise specified statutorily. In addition, the Company's Articles of Incorporation stipulates that it may pay interim dividends to shareholders with the record date of September 30 each year, upon a resolution by the Board of Directors.

The Company has decided to pay a dividend of 30 yen per share for the fiscal year ended March 31, 2026. The dividend forecast for the fiscal year ending March 31, 2027 is 30 yen per share.

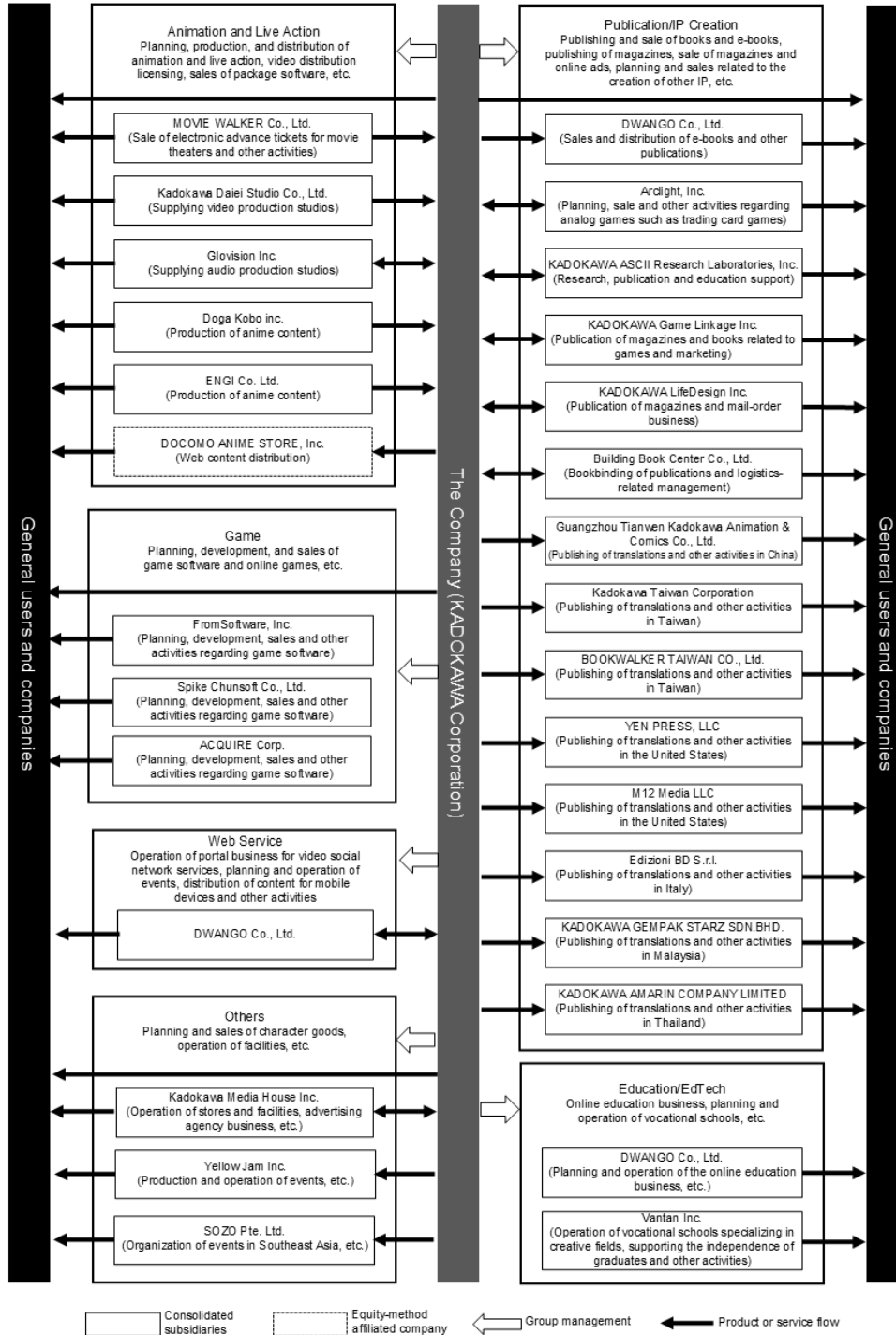
The Company will appropriate internal reserves for strategic investment for future business development and will strive to improve results.

2. Group Overview

The KADOKAWA Group consists of the Company, 57 subsidiaries and 11 equity method affiliates. The Group has the Publication/IP Creation Segment, Animation/Film Segment, Gaming Segment, Web Services Segment, Education/EdTech Segment and Others Segment.

The chart below shows the Company and major Group companies' business activities and business categories.

As of March 31, 2026



- (Notes) 1. Effective April 1, 2025, DWANGO Co., Ltd., BOOK WALKER Co., Ltd., and KADOKAWA Connected Inc. merged via an absorption-type merger, with DWANGO Co., Ltd. as the surviving company.
2. On May 23, 2025, the Company acquired 70% of the shares of Edizioni BD S.r.l., making it a consolidated subsidiary.
3. On November 14, 2025, the Company acquired 80% of the shares of SOZO Pte. Ltd., making it a consolidated subsidiary.

The Company and Group companies

Business Category	Main Business Activities	Major Companies
Publication/IP Creation Segment	Publishing and sales of books, etc.	KADOKAWA Corporation, Building Book Center Co., Ltd., GUANGZHOU TIANWEN KADOKAWA ANIMATION & COMICS CO., LTD., KADOKAWA TAIWAN CORPORATION, YEN PRESS, LLC, Edizioni BD S.r.l., KADOKAWA GEMPAK STARZ SDN.BHD., KADOKAWA AMARIN COMPANY LIMITED
	Publishing and sales of e-books and e-magazines, etc.	KADOKAWA Corporation, DWANGO Co., Ltd., BOOKWALKER TAIWAN CO., Ltd., M12 Media LLC
	Publishing and sales of magazines, sales of online ads, etc.	KADOKAWA Corporation, KADOKAWA ASCII Research Laboratories, Inc., KADOKAWA Game Linkage Inc., KADOKAWA LifeDesign Inc.
	Planning and sales related to IP creation besides above	Arclight, Inc.
Animation/Film Segment	Planning, production, and distribution of animation and live action, video distribution licensing, sales of package software, etc.	KADOKAWA Corporation, MOVIE WALKER Co., Ltd., KADOKAWA DAIEI STUDIO CO., LTD., Glovision Inc., Doga Kobo inc., ENGI Co. Ltd., DOCOMO ANIME STORE, inc.*
Gaming Segment	Planning, development, and sales of game software and online games, etc.	KADOKAWA Corporation, FromSoftware, Inc., Spike Chunsoft, Co., Ltd., ACQUIRE Corp.
Web Services Segment	Providing video social network services, etc.	DWANGO Co., Ltd.
	Planning and managing a variety of events, etc.	DWANGO Co., Ltd.
	Distribution of mobile content, etc.	DWANGO Co., Ltd.
Education/EdTech Segment	Online education business, planning and operation of vocational schools, etc.	DWANGO Co., Ltd., Vantan Inc.
Others	Planning and sales of animation character merchandise, etc.	KADOKAWA Corporation
	Operation of facilities, etc.	KADOKAWA Corporation
	Operation of stores and facilities, advertising agency business, etc.	Kadokawa Media House Inc.
	Production, operation, holding of events, etc.	Yellow Jam Inc., SOZO Pte. Ltd.

* Equity method companies

3. Basic Approach to Selection of Accounting Standards

The Group has established a policy of preparing consolidated financial statements according to Japanese GAAP for the time being, taking into account the comparability of periods across consolidated financial statements, international comparability of financial statements in capital markets, trends in the percentage of non-Japanese shareholders, business expansion overseas, and other factors.

4. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	145,494	116,001
Notes receivable - trade	1,785	1,632
Accounts receivable - trade	67,800	75,995
Contract assets	1,671	3,181
Securities	808	829
Inventories	34,757	41,939
Prepaid expenses	3,695	4,064
Deposits paid	4,088	284
Other	12,558	14,866
Allowance for doubtful accounts	(211)	(350)
Total current assets	272,447	258,445
Non-current assets		
Property, plant and equipment		
Buildings and structures	47,355	50,104
Accumulated depreciation	(15,762)	(18,117)
Buildings and structures, net	31,592	31,987
Machinery and equipment	7,609	7,755
Accumulated depreciation	(3,654)	(4,297)
Machinery and equipment, net	3,955	3,458
Tools, furniture and fixtures	9,232	7,969
Accumulated depreciation	(6,817)	(5,477)
Tools, furniture and fixtures, net	2,415	2,492
Land	28,250	28,375
Construction in progress	24	348
Other	1,268	1,882
Accumulated depreciation	(584)	(795)
Other, net	684	1,087
Total property, plant and equipment	66,922	67,748
Intangible assets		
Software	11,021	12,953
Goodwill	5,333	5,930
Other	4,149	4,536
Total intangible assets	20,504	23,421
Investments and other assets		
Investment securities	38,397	30,615
Retirement benefit asset	–	924
Deferred tax assets	3,713	4,927
Insurance funds	1,727	1,982
Guarantee deposits	4,183	4,499
Other	2,366	2,408
Allowance for doubtful accounts	(233)	(107)
Total investments and other assets	50,154	45,249
Total non-current assets	137,581	136,418
Total assets	410,029	394,864

(Unit: Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	35,411	37,586
Short-term borrowings	451	115
Current portion of long-term borrowings	15,292	10,153
Accounts payable - other	14,976	13,035
Income taxes payable	4,631	1,704
Contract liabilities	16,647	17,800
Deposits received	8,774	10,663
Provision for bonuses	6,106	6,182
Refund liabilities	6,685	6,673
Provision for share-based remuneration	261	100
Provision for share-based remuneration for directors (and other officers)	1,103	1,060
Other	6,691	6,566
Total current liabilities	117,033	111,641
Non-current liabilities		
Long-term borrowings	10,946	658
Deferred tax liabilities	637	1,021
Retirement benefit liability	2,368	1,807
Other	1,634	2,987
Total non-current liabilities	15,587	6,475
Total liabilities	132,621	118,116
Net assets		
Shareholders' equity		
Share capital	65,613	65,613
Capital surplus	85,223	85,734
Retained earnings	85,913	82,763
Treasury shares	(5,619)	(4,838)
Total shareholders' equity	231,130	229,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,042	9,556
Foreign currency translation adjustment	4,222	5,174
Remeasurements of defined benefit plans	392	1,002
Total accumulated other comprehensive income	18,658	15,732
Share acquisition rights	2,426	3,035
Non-controlling interests	25,192	28,707
Total net assets	277,408	276,747
Total liabilities and net assets	410,029	394,864

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

(Unit: Million yen)

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Net sales	277,915	282,908
Cost of sales	178,840	186,155
Gross profit	99,075	96,753
Selling, general and administrative expenses	82,423	88,651
Operating profit	16,651	8,102
Non-operating income		
Interest income	1,521	1,099
Dividend income	485	524
Share of profit of entities accounted for using equity method	725	918
Foreign exchange gains	–	588
Gain on sale of goods	114	100
Other	421	589
Total non-operating income	3,269	3,820
Non-operating expenses		
Interest expenses	80	84
Share issuance costs	275	–
Foreign exchange losses	1,794	–
Loss on extinguishment of share-based payment expenses	–	45
Other	27	91
Total non-operating expenses	2,178	222
Ordinary profit	17,742	11,701
Extraordinary income		
Gain on sale of non-current assets	2	5
Gain on sale of investment securities	2,861	1,890
Gain on liquidation of subsidiaries and associates	166	–
Other	–	57
Total extraordinary income	3,031	1,953
Extraordinary losses		
Expenses for dealing with system failure	*1 2,413	–
Loss on retirement of non-current assets	203	203
Loss on valuation of investment securities	258	261
Amortization of goodwill	–	*2 2,700
Extra retirement payments	549	77
Other	157	494
Total extraordinary losses	3,581	3,737
Profit before income taxes	17,192	9,916
Income taxes - current	7,862	5,012
Income taxes - deferred	(608)	843
Total income taxes	7,253	5,855
Profit	9,938	4,060
Profit attributable to non-controlling interests	2,545	2,782
Profit attributable to owners of parent	7,392	1,278

(Consolidated Statements of Comprehensive Income)

(Unit: Million yen)

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Profit	9,938	4,060
Other comprehensive income		
Valuation difference on available-for-sale securities	5,280	(4,486)
Foreign currency translation adjustment	1,058	1,103
Remeasurements of defined benefit plans, net of tax	141	636
Share of other comprehensive income of entities accounted for using equity method	23	6
Total other comprehensive income	6,503	(2,740)
Comprehensive income	16,441	1,320
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,422	(1,647)
Comprehensive income attributable to non-controlling interests	3,019	2,967

(3) Consolidated Statements of Changes in Equity
 Previous Fiscal Year (April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	40,624	76,028	82,586	(21,276)	177,964
Changes during period					
Issuance of new shares	24,988	24,988			49,976
Dividends of surplus			(4,065)		(4,065)
Profit attributable to owners of parent			7,392		7,392
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(15,498)		15,498	–
Disposal of treasury shares		0		158	159
Change in ownership interest of parent due to transactions with non-controlling interests		(298)			(298)
Other		2			2
Net changes in items other than shareholders' equity					
Total changes during period	24,988	9,194	3,326	15,656	53,166
Balance at end of period	65,613	85,223	85,913	(5,619)	231,130

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,762	3,597	269	12,629	–	21,973	212,566
Changes during period							
Issuance of new shares							49,976
Dividends of surplus							(4,065)
Profit attributable to owners of parent							7,392
Purchase of treasury shares							(0)
Cancellation of treasury shares							–
Disposal of treasury shares							159
Change in ownership interest of parent due to transactions with non-controlling interests							(298)
Other							2
Net changes in items other than shareholders' equity	5,279	625	123	6,029	2,426	3,219	11,675
Total changes during period	5,279	625	123	6,029	2,426	3,219	64,841
Balance at end of period	14,042	4,222	392	18,658	2,426	25,192	277,408

Fiscal Year under Review (April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	65,613	85,223	85,913	(5,619)	231,130
Changes during period					
Dividends of surplus			(4,428)		(4,428)
Profit attributable to owners of parent			1,278		1,278
Purchase of treasury shares				(2,936)	(2,936)
Disposal of treasury shares		235		3,717	3,952
Change in ownership interest of parent due to transactions with non-controlling interests		280			280
Capital increase of consolidated subsidiaries		(4)			(4)
Net changes in items other than shareholders' equity					
Total changes during period	-	511	(3,150)	780	(1,858)
Balance at end of period	65,613	85,734	82,763	(4,838)	229,271

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	14,042	4,222	392	18,658	2,426	25,192	277,408
Changes during period							
Dividends of surplus							(4,428)
Profit attributable to owners of parent							1,278
Purchase of treasury shares							(2,936)
Disposal of treasury shares							3,952
Change in ownership interest of parent due to transactions with non-controlling interests							280
Capital increase of consolidated subsidiaries							(4)
Net changes in items other than shareholders' equity	(4,486)	951	609	(2,925)	608	3,515	1,197
Total changes during period	(4,486)	951	609	(2,925)	608	3,515	(660)
Balance at end of period	9,556	5,174	1,002	15,732	3,035	28,707	276,747

(4) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	17,192	9,916
Depreciation	7,679	8,684
Amortization of goodwill	576	3,514
Share-based payment expenses	2,443	2,030
Share issuance costs	275	–
Expenses for dealing with system failure	2,413	–
Loss (gain) on sale of investment securities	(2,861)	(1,866)
Loss (gain) on valuation of investment securities	258	261
Loss on retirement of non-current assets	203	203
Increase (decrease) in retirement benefit liability	(540)	(587)
Increase (decrease) in refund liabilities	3	(151)
Increase (decrease) in provision for bonuses	467	76
Interest and dividend income	(2,007)	(1,624)
Foreign exchange losses (gains)	1,670	(23)
Share of loss (profit) of entities accounted for using equity method	(725)	(918)
Decrease (increase) in trade receivables and contract assets	(4,697)	(8,269)
Decrease (increase) in inventories	(2,643)	(6,520)
Increase (decrease) in trade payables	537	1,440
Increase (decrease) in contract liabilities	1,182	808
Other, net	107	1,794
Subtotal	21,535	8,769
Interest and dividends received	2,957	2,476
Interest paid	(74)	(77)
Expenses paid to address system failures	(2,349)	–
Income taxes paid	(8,227)	(7,744)
Net cash provided by (used in) operating activities	13,841	3,424

(Unit: Million yen)

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Net decrease (increase) in time deposits	6,777	(9,983)
Purchase of property, plant and equipment	(6,639)	(2,735)
Purchase of intangible assets	(7,494)	(6,773)
Purchase of investment securities	(2,886)	–
Proceeds from sale of investment securities	4,397	3,105
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	(3,353)	(1,780)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	213	–
Other, net	545	(692)
Net cash provided by (used in) investing activities	(8,440)	(21,042)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	32	(336)
Repayments of long-term borrowings	(426)	(15,472)
Proceeds from issuance of shares	49,700	–
Proceeds from share issuance to non-controlling shareholders	73	86
Purchase of treasury shares	(0)	(2,936)
Proceeds from sale of treasury shares	–	2,935
Purchase of treasury share acquisition rights	–	(1,179)
Dividends paid	(4,065)	(4,428)
Other, net	(1,194)	(1,093)
Net cash provided by (used in) financing activities	44,117	(22,425)
Effect of exchange rate change on cash and cash equivalents	313	1,099
Net increase (decrease) in cash and cash equivalents	49,832	(38,944)
Cash and cash equivalents at beginning of period	79,841	129,674
Increase in cash and cash equivalents resulting from merger	–	44
Cash and cash equivalents at the end of period	129,674	90,774

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on 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).

(Business Combinations)

Business combination through acquisition

(Acquisition of Shares in Edizioni BD S.r.l., Making It a Subsidiary)

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 the 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 consolidated financial statements

The deemed acquisition date is May 31, 2025. The difference between the ends of the consolidated fiscal years of the Company and the acquired company is less than three months, so the results of the acquired company from June 1 to December 31, 2025 are included in the consolidated statements of income.

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

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

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

(1) Amount of goodwill

2,328 million yen

(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 an 11-year period on a straight-line basis

5. Amounts of assets accepted and liabilities assumed on the date of business combination, and a breakdown of their main components

Current assets	2,040 million yen
Non-current assets	402 million yen
<hr/>	
Total assets	2,442 million yen
<hr/>	
Current liabilities	659 million yen
Non-current liabilities	26 million yen
<hr/>	
Total liabilities	685 million yen

6. Estimated monetary impact on the consolidated statement of income for the consolidated fiscal year under review assuming that the business combination was completed on the first day of the consolidated fiscal year, and the method of calculation

Description is omitted from a viewpoint of materiality.

(Acquisition of Shares in SOZO Pte. Ltd., Making It a Subsidiary)

1. Outline of the business combination

(1) Name and business of acquired company

Name of the acquired company: SOZO Pte. Ltd. (Singapore; hereinafter "SOZO")

Business: Hosting large events featuring anime, comic books, games, and music in Southeast Asia, organizing concerts for Japanese artists in the region, holding exhibitions of intellectual property, and selling merchandise

(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.

SOZO is a leading company in Southeast Asia in the promotion of Japanese entertainment content and platforms. SOZO's core business is planning and managing large-scale events, including Anime Festival Asia ("AFA"), one of the largest animation events in Southeast Asia. The company operates in various sectors of the entertainment industry. Its activities include the production of performances by top Japanese artists in Southeast Asia, the hosting of exhibitions and events that showcase popular anime and other works, and the development and distribution of related merchandise. SOZO's integration as a subsidiary of the Group enhances the Group's ability to host large-scale animation events, such as AFA, and organize various live events, including concerts and performances featuring songs from anime and IP events. Additionally, the Group plans to develop D2C (Direct to Consumer) business models. Through these initiatives, the Group aims to increase recognition of its intellectual property, increase revenue by establishing a comprehensive

media mix, and improve communication capabilities for the promotion of Japanese content, including the Company's content. The Group will also focus on initiatives to promote diverse talent in the Asian market by encouraging creators and artists associated with the streaming social network service niconico to perform internationally and participate in large-scale events.

(3) Date of business combination

November 14, 2025 (deemed acquisition date: October 31, 2025)

(4) Legal form of business combination

Acquisition of shares in exchange for cash

(5) Name of the company after business combination

No change

(6) Percentage share of voting rights acquired

80%

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

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

2. Period of financial results of the acquired company included in the consolidated financial statements

The deemed acquisition date is October 31, 2025. The difference between the ends of the consolidated fiscal years of the Company and the acquired company is less than three months, so the results of the acquired company from November 1 to December 31, 2025 are included in the consolidated statements of income.

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

Consideration: Cash	2,299 million yen
Acquisition cost	2,299 million yen

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

(1) Amount of goodwill

1,233 million yen

(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 an eight-year period on a straight-line basis

5. Amounts of assets accepted and liabilities assumed on the date of business combination, and a breakdown of their main components

Current assets	1,307 million yen
Non-current assets	954 million yen
Total assets	2,262 million yen
Current liabilities	768 million yen
Non-current liabilities	161 million yen
Total liabilities	929 million yen

6. The contingent consideration stipulated in the business combination agreement and accounting policies for the consolidated fiscal year under review and beyond

(1) Details of contingent consideration

The agreement includes a clause for additional payments linked to the performance of the acquired company after the acquisition.

(2) Future accounting policies

If any additional acquisition payment is required, the acquisition cost will be adjusted as if the additional amount had been paid at the time of acquisition. Goodwill and amortization of goodwill will also be adjusted accordingly.

7. Amount allocated for intangible assets other than goodwill, breakdown by main asset category, and weighted average amortization period by main category

(1) Amount allocated to intangible assets and breakdown by main asset category

Trademark right 949 million yen

(2) Weighted average amortization period for the entirety thereof and that by major type

Trademark right 20 years

8. Estimated monetary impact on the consolidated statement of income for the consolidated fiscal year under review, assuming that the business combination was completed on the first day of the consolidated fiscal year, and the method of calculation

Description is omitted from a viewpoint of materiality.

(Notes on Segment Information)

Segment information

1. Overview of Reportable Segments

The reportable segments of the Company are the units for which separate financial information can be obtained among the constituent units of the Company and for which the Board of Directors of the Company regularly carries out examinations to determine the allocation of management resources and assess the business performance.

The Group has divisions and subsidiaries that provide different categories of goods and services. Each develops comprehensive strategies about the goods and services they provide and develops business activities accordingly.

The Company's business is thus divided into segments based on divisions and subsidiaries, according to the goods and services that they provide, and the Company has five reportable business segments: "Publication/IP Creation," "Animation/Film," "Gaming," "Web Services" and "Education/EdTech."

Publication/IP Creation Segment	Publishing and sales of books, etc. Publishing and sales of e-books and e-magazines, etc. Publishing and sales of magazines, sales of online ads, etc. Planning and sales related to the development of other IPs, etc.
Animation/Film Segment	Planning, production, and distribution of animation and live action, video distribution licensing, sales of package software, etc.
Gaming Segment	Planning, development, and sales of game software and online games, etc.
Web Services Segment	Providing video social network services, etc. Planning and managing a variety of events, etc. Distribution of mobile content, etc.
Education/EdTech Segment	Online education business, planning and operation of vocational schools, etc.

2. Calculation Method for Net Sales, Profit (Loss), Assets and Other Items by Reportable Segment

The accounting method of the reported business segments is almost the same as the accounting method used to prepare the consolidated financial statements. Profit in the reportable segments is operating profit. Inter-segment net sales and transfers are based on market prices.

3. Information on Net Sales, Profit (Loss), Assets and Other Items by Reportable Segment
Previous Fiscal Year (April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Reportable Segments					Others (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements (Note 3)
	Publication/ IP Creation	Animation/F ilm	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	148,713	49,983	33,366	17,719	15,114	13,018	277,915	–	277,915
Inter-segment net sales or transfers	2,654	1,108	231	318	5	4,862	9,181	(9,181)	–
Total	151,367	51,092	33,597	18,038	15,119	17,881	287,096	(9,181)	277,915
Segment profit (loss)	8,372	4,729	9,538	(998)	2,382	(4,204)	19,820	(3,169)	16,651
Segment assets	97,970	66,038	41,367	6,549	14,538	9,585	236,049	173,979	410,029
Other items									
Depreciation	4,269	522	449	42	398	567	6,249	1,429	7,679
Amortization of goodwill	342	106	127	–	–	–	576	–	576
Investment in equity method affiliates	743	3,814	–	–	–	153	4,711	–	4,711
Increase in property, plant and equipment and intangible assets (Note 4)	5,208	1,515	251	509	2,653	1,534	11,673	3,105	14,778

- (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 are as follows.
- (1) Adjustments of (3,169) million yen for segment profit (loss) was the result of 10 million yen for inter-segment eliminations and non-allocable corporate expenses of (3,180) million yen.
 - (2) Adjustments of 173,979 million yen for segment assets included inter-segment eliminations of (2,157) million yen and non-allocable corporate assets of 176,137 million yen. Non-allocable corporate assets are primarily cash and deposits that do not belong to any particular reportable segments and assets related to the administrative division.
 - (3) Adjustments of 3,105 million yen for increase in property, plant and equipment and intangible assets were an increase in non-allocable corporate assets that are not distributed to the reportable segments.
3. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.
4. The increase in property, plant and equipment and intangible assets in the Publication/IP Creation Segment does not include an increase of 1,239 million yen resulting from business combinations, including the business combination with ARCLIGHT, Inc. The increase in property, plant and equipment and intangible assets in the Animation/Film Segment does not include an increase of 3,129 million yen resulting from business combinations, including the business combination with Doga Kobo inc.
5. Information by geographical segment
- Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
217,750	33,184	20,462	6,517	277,915

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

Fiscal Year under Review (April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Reportable Segments					Others (Note 1)	Total	Adjustments (Note 2)	Amount in consolidated financial statements (Note 3)
	Publication/ IP Creation	Animation/F ilm	Gaming	Web Services	Education/ EdTech				
Net sales									
Third party net sales	153,646	47,218	29,636	20,196	17,162	15,048	282,908	–	282,908
Inter-segment net sales or transfers	1,987	1,038	144	318	3	1,983	5,476	(5,476)	–
Total	155,634	48,256	29,781	20,515	17,166	17,031	288,385	(5,476)	282,908
Segment profit (loss)	4,054	(465)	7,541	2,117	2,844	(3,966)	12,126	(4,024)	8,102
Segment assets	103,636	74,989	42,052	4,019	13,189	15,686	253,574	141,289	394,864
Other items									
Depreciation	4,583	707	403	56	1,029	802	7,582	1,101	8,684
Amortization of goodwill (Note 4)	469	162	127	–	–	54	813	–	813
Investment in equity method affiliates	897	3,864	–	–	–	194	4,956	–	4,956
Increase in property, plant and equipment and intangible assets (Note 5)	4,043	669	1,457	93	2,364	1,240	9,869	304	10,173

- (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 are as follows.
- (1) Adjustments of (4,024) million yen for segment profit (loss) were the result of 16 million yen for inter-segment eliminations and non-allocable corporate expenses of (4,048) million yen.
 - (2) Adjustments of 141,289 million yen for segment assets included inter-segment eliminations of (2,468) million yen and non-allocable corporate assets of 143,758 million yen. Non-allocable corporate assets are primarily cash and deposits that do not belong to any particular reportable segments and assets related to the administrative division.
 - (3) Adjustments of 304 million yen for increase in property, plant and equipment and intangible assets were an increase in non-allocable corporate assets that are not distributed to the reportable segments.
3. Segment profit (loss) is adjusted with operating profit in the consolidated financial statements.
4. “Amortization of goodwill” attributable to the Animation/Film Segment does not include the amortization of goodwill of 2,700 million yen as an extraordinary loss.
5. The increase in property, plant, and equipment and intangible assets in the Publication/IP Creation Segment does not include the 2,633 million yen increase resulting from the business combination with Edizioni BD S.r.l. (Italy). In addition, the increase in property, plant, and equipment and intangible assets in the Others Segment does not include the 2,774 million yen increase resulting from the business combination of SOZO Pte. Ltd. (Singapore) and others.
6. Information by geographical segment
- Net sales

(Unit: Million yen)

Japan	Americas	Asia	Others	Total
224,686	30,325	20,711	7,184	282,908

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

Information on loss on impairment of non-current assets in each reportable segment

Previous Fiscal Year (April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Reportable Segments					Others	Corporate / Eliminations	Total
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech			
Impairment losses	63	–	–	–	–	–	–	63

Fiscal Year under Review (April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Reportable Segments					Others	Corporate / Eliminations	Total
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech			
Impairment losses	371	–	–	–	–	–	–	371

Information on amortization of goodwill and unamortized balance in each reportable segment

Previous Fiscal Year (April 1, 2024 to March 31, 2025)

(Unit: Million yen)

	Reportable Segments					Others	Corporate / Eliminations	Total
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech			
Balance at end of period	1,386	3,011	935	–	–	–	–	5,333

(Note) Information on amortization of goodwill is omitted because similar information is disclosed in the segment information.

Fiscal Year under Review (April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Reportable Segments					Others	Corporate / Eliminations	Total
	Publication/ IP Creation	Animation/ Film	Gaming	Web Services	Education/ EdTech			
Goodwill amortized in the fiscal year under review	469	2,863	127	–	–	54	–	3,514
Balance at end of period	3,180	148	808	–	–	1,793	–	5,930

(Notes) 1. Goodwill amortized in the fiscal year under review includes Amortization of goodwill in an extraordinary loss.

For details, please refer to Amortization of goodwill in “4. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Notes on Consolidated Statements of Income)”.

2. “Others” relates to the event business and others.

Information on gain on bargain purchase in each reportable segment

Not applicable.

(Notes on Per-share Information)

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Net assets per share	1,704.48	1,667.01
Earnings per share	53.87	8.71
Diluted earnings per share	52.47	7.86

(Notes) 1. The treasury shares held by the stock purchase, management, and delivery trust are included in the treasury shares that are deducted in the calculation of the number of shares at the end of the fiscal year, which is used in the calculation of net assets per share (1,083 thousand shares in the previous fiscal year and 1,764 thousand shares in the fiscal year under review).

They are included in the treasury shares that are deducted in the calculation of the average number of shares during the fiscal year, which is used in the calculation of earnings per share and diluted earnings per share (1,083 thousand shares in the previous fiscal year and 1,054 thousand shares in the fiscal year under review).

2. The following is the basis for calculating earnings per share and diluted earnings per share.

	Previous Fiscal Year (April 1, 2024 to March 31, 2025)	Fiscal Year under Review (April 1, 2025 to March 31, 2026)
Earnings per share		
Profit attributable to owners of parent (million yen)	7,392	1,278
Amount that is not attributable to common shareholders (million yen)	–	
Profit attributable to owners of parent for common stock (million yen)	7,392	1,278
Average number of common stock during the fiscal year (thousand shares)	137,236	146,820
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (million yen)	(191)	(124)
(Adjustment for potential dilution from subsidiaries (million yen))	((191))	((124))
Increase in the number of common stock (thousand shares)	–	
Overview of dilutive shares not included in the calculation of the amount of fully diluted earnings per share due to absence of dilutive effect	–	–

(Notes on Significant Subsequent Events)

Not applicable