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For Immediate Release

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Notice Regarding Recognition of Income Taxes – Deferred (Losses), and Differences Between the Full-Year Consolidated Earnings Forecasts and Actual Results for Fiscal Year Ended March 31, 2026

KADOKAWA Corporation (the “Company”) hereby announces it recognized income taxes – deferred (losses) for the fiscal year from April 1, 2025, to March 31, 2026, and differences between the consolidated earnings forecasts for the fiscal year ended March 31, 2026, which were announced on November 6, 2025, and the actual results that were announced on May 14, 2026, occurred. Details are as follows.

Details

1. Recognition of Income Taxes – Deferred

Based on our results for the fiscal year ended March 31, 2026 and our future earnings outlook, the Company carefully assessed the recoverability of deferred tax assets and, as a result, recorded income taxes – deferred (losses) of 2,868 million yen for the fourth quarter of the fiscal year ended March 31, 2026.

2. Differences between consolidated earnings forecasts for the fiscal year ended March 31, 2026, and actual results

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecasts (A)	278,200	10,300	12,400	4,900	33.34
Actual results (B)	282,908	8,102	11,701	1,278	8.71
Change (B - A)	4,708	-2,197	-698	-3,621	
Change (%)	1.7	-21.3	-5.6	-73.9	
(Reference) Results for the previous fiscal year ended March 31, 2025	277,915	16,651	17,742	7,392	53.87

### 3. Reason for differences

In the consolidated earnings results for the fiscal year ended March 31, 2026, while net sales exceeded the latest consolidated earnings forecast, profit figures fell short of it.

The difference in operating profit was mainly due to the following factors: in the domestic publication business, while the business restructuring efforts yielded some results in the fourth quarter, they could not fully offset the decline in marginal profit during the third quarter; in the animation business, overall sales per title fell short of expectations, making it impossible to absorb the increase in operating expenses; and in the gaming business, while sales exceeded expectations due to strong performance of new titles, impairment losses were recognized for certain titles. On the other hand, the difference in ordinary profit was smaller than that in operating profit, primarily due to foreign exchange gains.

In addition to the factors mentioned above, profit attributable to owners of parent was significantly impacted by an increase in income taxes resulting from a reassessment of the recoverability of deferred tax assets based on the earnings forecasts for the next fiscal year.

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