

# Earnings Results

The 2nd Quarter Ended September 30, 2024 | November 7, 2024



# Agenda

- 1. System Failure Caused by Large-scale Cyberattack** ..... P2
- 2. Consolidated Earnings Forecasts  
for the Fiscal Year Ending March 31, 2025** ..... P5
- 3. Consolidated Earnings Results for the 2nd Quarter  
for the Fiscal Year Ending March 31, 2025** ..... P10
- 4. Progress on the Mid-term Management Plan** ..... P22
- 5. Appendix** ..... P32

The background features a series of light gray, three-dimensional rectangular blocks arranged in a staggered, receding pattern. Interspersed among these blocks are various horizontal bars in different colors, including blue, yellow, green, purple, orange, and red. The overall effect is a modern, geometric, and somewhat abstract digital landscape.

## System Failure Caused by Large-scale Cyberattack

# System Failure Caused by Large-scale Cyberattack: Causes, Countermeasures and the Status of Impacted Businesses

## ■ Causes and Countermeasures to Prevent Recurrence

Causes	Countermeasures
<ul style="list-style-type: none"> <li>• It is presumed that the root cause of this incident is that the account information of employees was stolen through phishing and other attacks</li> <li>• The stolen account information led to a breach of our internal network, leading to the execution of ransomware and the personal information leakage</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of measures to prevent recurrence based on advice and checks by a major outside security firm</li> <li>• The main measures have already been implemented, and other measures are being rolled out according to the plan.</li> <li>• Another outside security firm has confirmed that we have properly analyzed the causes of this incident and are appropriately introducing and promoting various countermeasures.</li> <li>• We will promote ongoing improvements to its security systems including but not limited to the action to prevent this incident from recurring</li> </ul>

## ■ Impact on Business Activities and Current Status

		Business Impacts Occurring from June 2024 Onward	Status as of November 7, 2024
Impact on Business Operations	Publication/ IP Creation	<ul style="list-style-type: none"> <li>• Shipments of domestic existing paper-based books decreased to one-third of normal levels</li> <li>• The production of domestic paper book reprints was implemented according to order of priority</li> </ul>	<ul style="list-style-type: none"> <li>• Shipments of existing paper-based books have recovered to normal levels</li> <li>• DOT* has also been restarted</li> <li>• Production of reprints has returned to normal levels</li> </ul> <p><small>* Direct Order Tablet: System to process direct orders with book stores</small></p>
	Web Services	<ul style="list-style-type: none"> <li>• General suspension of <i>Niconico Services</i></li> <li>• <i>Niconico</i> account login functions failed</li> </ul>	<ul style="list-style-type: none"> <li>• Key services have been fully restored</li> </ul>

# System Failure Caused by Large-scale Cyberattack: Status of Information Leakage and Prevention of Secondary Damage

## ■ Overview of Information Leakage

- ◆ Information confirmed to have leaked externally (as of November 1)
  - ✓ Number of pieces of information leaked (information concerning 261,956 people in total)
    - Personal information: Information related to DWANGO Co., Ltd., KADOKAWA DWANGO Educational Institute, N Progressive School, N/S High Schools
    - Corporate information: Written contracts concerning DWANGO Co., Ltd., etc.
  - ※ The number of pieces of information leaked was increased by 7,715 people from the latest announcement regarding leaked information (August 5). The additions were newly determined after conducting detailed additional checks after the leak was announced. The additional information determined to have been leaked was stolen at the time of the cyber-attacks (up to June 8), and was not newly stolen over the period from that time to the present.

## ■ Prevention of Secondary Damage Related to the Information Leaks Including Legal Measures

- ◆ Strict measures are taken to minimize all of those involved from suffering secondary damages and to ensure their rights and interests, including privacy, are protected.
  - During ongoing monitoring, the response team identified posts recognized as malicious that involved spreading information that had been disclosed by the organization alleged to have carried out the cyber-attacks on anonymous bulletin boards and social media. Requests for deletion and the disclosure of information are underway with the operators of the websites concerned
  - To preserve evidence of those who have spread the information with highly malicious intent, we are engaged in legal measures including criminal prosecution and criminal charges
    - ✓ Number of Cases of Acts of Information Dissemination Recognized as Malicious (as of November 1)
      - ✓ DWANGO Co., Ltd.: 934
      - ✓ KADOKAWA DWANGO Educational Institute: 70
    - ✓ Number of Deletion and Disclosure Requests: 385
    - ✓ Progress of Legal Measures: Legal actions in progress in cooperation with lawyers and outside experts, etc.



**Consolidated Earnings Forecasts for the Fiscal Year Ending  
March 31, 2025**

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# System Failure Caused by Large-scale Cyberattack: Impact on Business Performance

The impact of the incident on full-year business performance is expected to be less than the previous forecasts

(Unit: Million JPY)	Impact on the Full Year (Previous forecasts)	Impact on the Full Year (Revised forecasts)	Impact on 2H (Forecasts)			Difference from previous forecasts
			Impact on 1Q (Results)	Impact on 2Q (Results)	Impact on 2H (Forecasts)	
<b>Impact on Net Sales</b>	-8,400	<b>-7,700</b>	-2,600	-4,900	-200	<b>+700</b>
<b>Publication/IP Creation</b> (Domestic paper-based books)	-3,000	<b>-3,250</b>	-1,350	-1,800	-100	<b>-250</b>
<b>Web Services</b>	-5,400	<b>-3,950</b>	-1,250	-2,600	-100	<b>+1,450</b>
<b>Others</b>	-	<b>-500</b>	-	-500	-	<b>-500</b>
<b>Impact on Operating Profit</b>	-6,400	<b>-4,700</b>	-1,900	-2,750	-50	<b>+1,700</b>
<b>Publication/IP Creation</b> (Domestic paper-based books)	-1,600	<b>-1,650</b>	-800	-850	-	<b>-50</b>
<b>Web Services</b>	-4,800	<b>-2,550</b>	-1,100	-1,400	-50	<b>+2,250</b>
<b>Others</b>	-	<b>-500</b>	-	-500	-	<b>-500</b>
<b>Extraordinary Losses</b> ※ Losses related to compensation to creators on the niconico service and work to investigate the incident and restore systems	3,600	<b>2,400</b>	2,000	350	50	<b>+1,200</b>

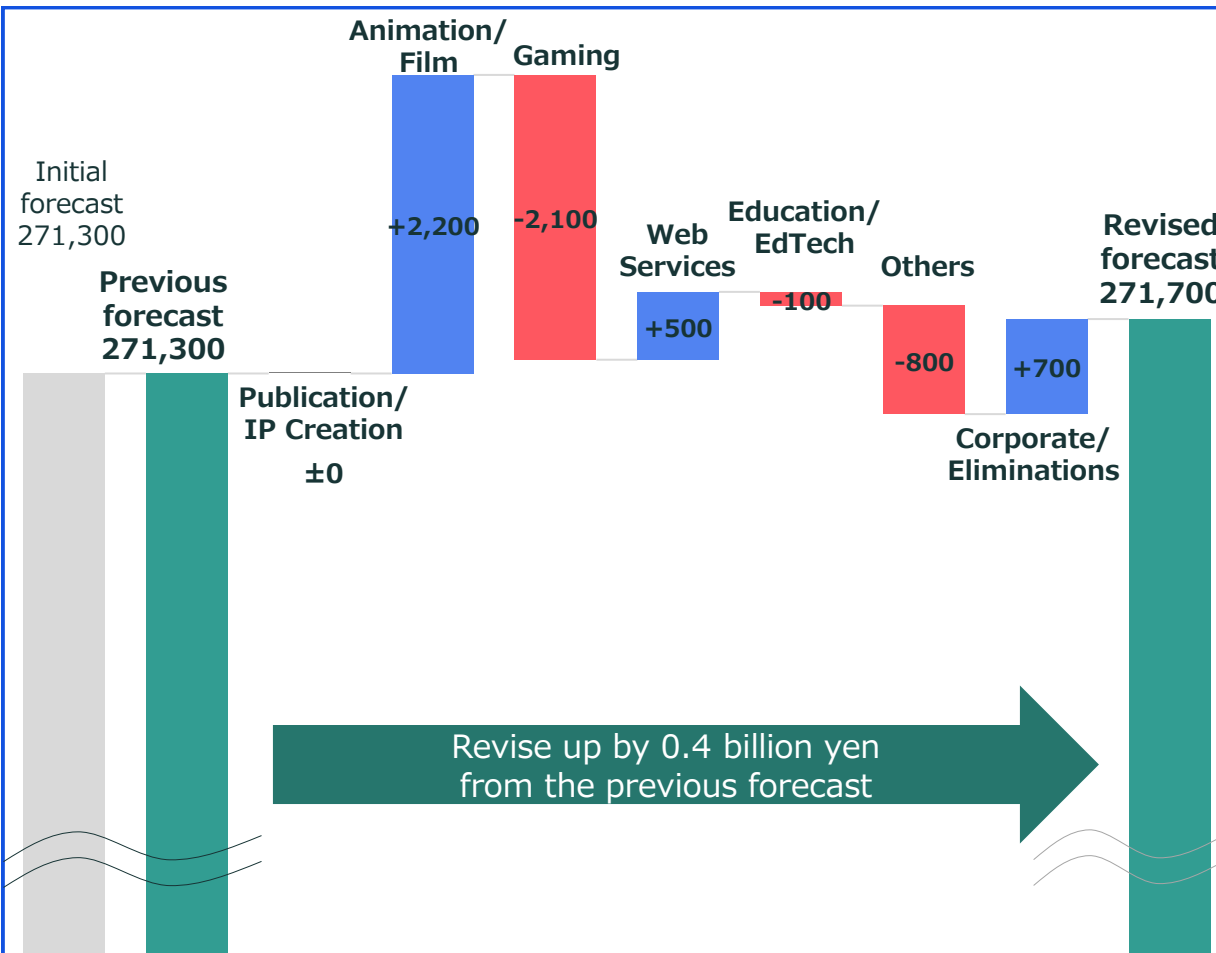


# Causes of Change to FY2024 Full-Year Net Sales and Operating Profit Forecasts (vs Previous forecasts)

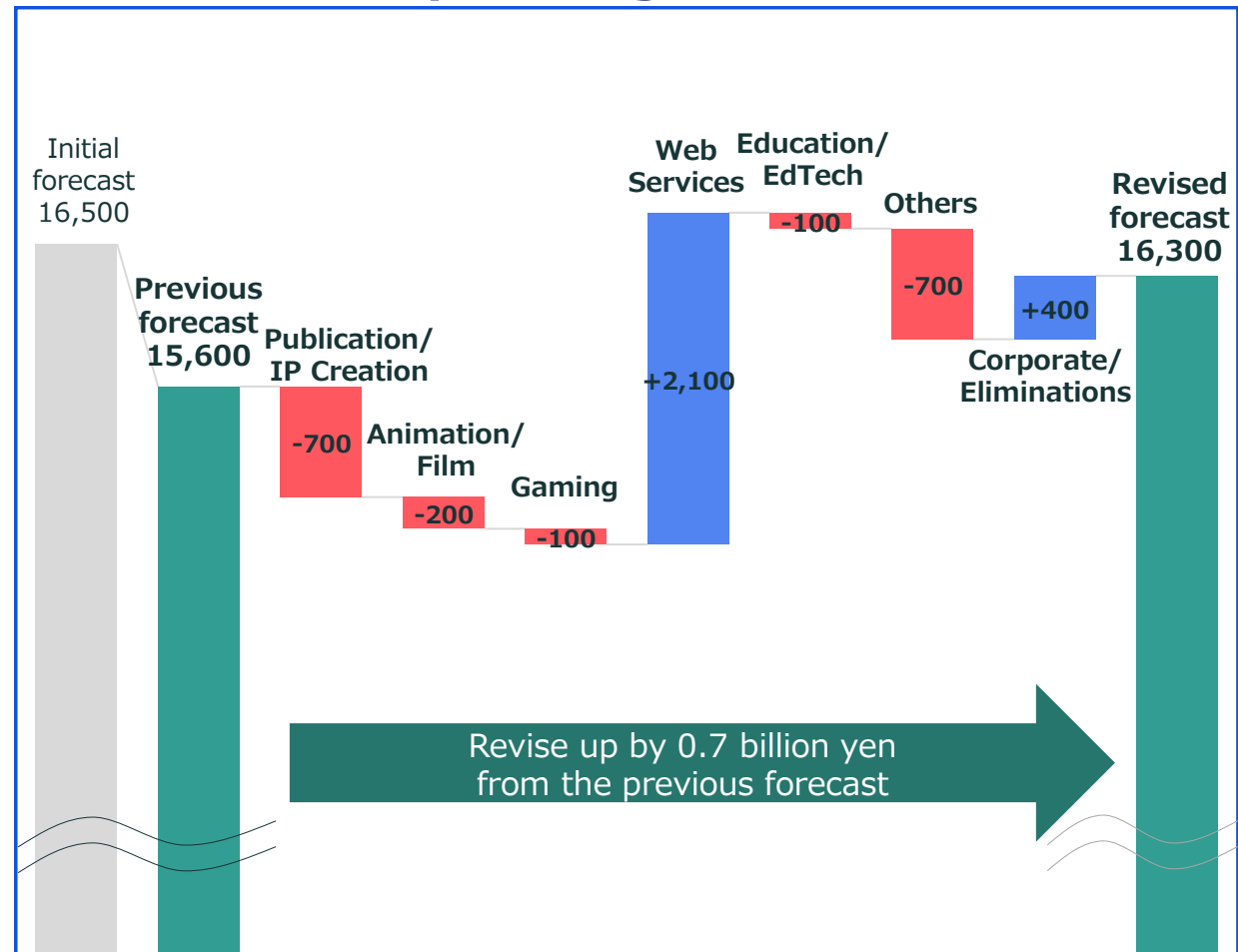
- The impact on business performances by cyberattacks have almost come out by 2Q
- Sale forecast was revised upwardly due to favorable performance in Animation and the view that the decrease in subscribers due to the cyber-attack in Web Services will be smaller than expected, despite lower-than-expected forecast in Gaming derived from revised forecast and rescheduling of release timing of some titles
- Operating profit was revised upwardly due to the factors above, although increase in some expenses are expected such as temporary personnel expense and promotion expense in Publication / IP Creation, as well as expense in Animation and Gaming

(Unit: million yen)

## Net Sales



## Operating Profit





## Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025

- Net sales: Net sales from Animation/Film will increase and the impact of the drop in profit due to the Web Services cyber-attack will decrease, despite downward revision in gaming.
- Operating profit: Though animation and gaming operating expenses will increase, the impact of the drop in profit due to the Web Services cyber-attack will decrease.
- Ordinary profit: Ordinary profit and profit attributable to owners of parent (net profit) are revised downward due to a foreign exchange loss.
- Net profit: Extraordinary losses due to cyber-attacks will be less than expected, but we revised the forecast downward due to foreign exchange losses.

(Unit: Million JPY)	Results for the fiscal year ended March 31, 2024	Previous forecasts* for the fiscal year ending March 31, 2025	Revised forecasts for the fiscal year ending March 31, 2025	Year on year (changed amount)		Previous vs. revised forecasts
Net sales	258,109	271,300	<b>271,700</b>	<b>+13,590</b>	<b>(+5.3%)</b>	<b>+400</b>
Operating profit	18,454	15,600	<b>16,300</b>	<b>-2,154</b>	<b>(-11.7%)</b>	<b>+700</b>
Ordinary profit	20,236	17,900	<b>16,200</b>	<b>-4,036</b>	<b>(-19.9%)</b>	<b>-1,700</b>
Profit attributable to owners of parent	11,384	9,700	<b>9,000</b>	<b>-2,384</b>	<b>(-20.9%)</b>	<b>-700</b>
EBITDA	25,374	23,500	<b>24,100</b>	<b>-1,274</b>	<b>(-5.0%)</b>	<b>+600</b>

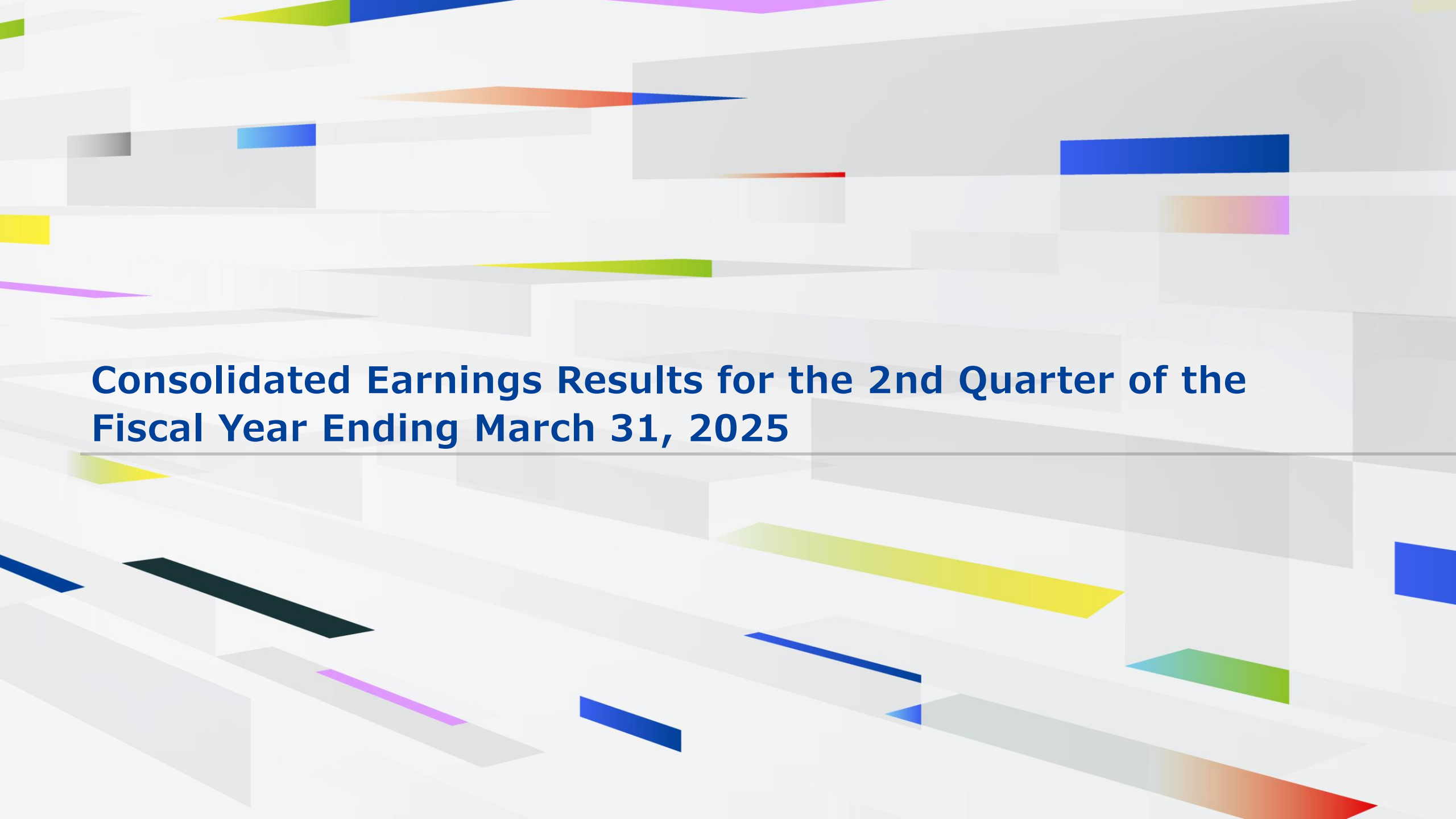
EBITDA is the total of operating profit, depreciation and amortization of goodwill.

\* Announced on August 14, 2024

# Net Sales and Operating Profit Forecasts by Business Segment for the Fiscal Year Ending March 31, 2025

\* Announced on August 14, 2024

(Unit: Million yen)		Results for the fiscal year ended March 31, 2024	Previous forecasts* for the fiscal year ending March 31, 2025	Revised forecasts for the fiscal year ending March 31, 2025	Year on year (Changed amount)	Previous vs. revised forecasts	Assumptions of the revised forecasts
Publication/ IP Creation	Net sales	141,967	155,000	<b>155,000</b>	+9.2% (+13,032)	±0	<ul style="list-style-type: none"> <li>The impact from the cyber-attack on domestic paper-based books has occurred largely in line with expectations</li> <li>In addition to increased promotional costs to recover from the above situation, performance of the international paper-based books is expected to fall below the previous forecast</li> </ul>
	Operating profit	10,360	13,100	<b>12,400</b>	+19.7% (+2,039)	-700	
Animation/ Film	Net sales	46,060	46,800	<b>49,000</b>	+6.4% (+2,939)	+2,200	<ul style="list-style-type: none"> <li>Sales are higher than expected mainly due to strong performance in the first half</li> <li>Due to delays in broadcast and release dates in animation and film titles and increased promotional costs for Animation, operating profit will be lower than expected</li> </ul>
	Operating profit	4,574	4,900	<b>4,700</b>	+2.7% (+125)	-200	
Gaming	Net sales	25,351	29,600	<b>27,500</b>	+8.5% (+2,148)	-2,100	<ul style="list-style-type: none"> <li>Sales will be lower than expected due to forecast revisions and release delays in some titles, despite ELDEN RING DLC contributing significantly to domestic and international sales</li> <li>In addition to the fact that this fiscal year's plan is heavily weighted toward the first half, stock option expenses at FromSoftware from this fiscal year, and write-down has pushed operating profit down</li> </ul>
	Operating profit	7,950	5,700	<b>5,600</b>	-29.6% (-2,350)	-100	
Web Services	Net sales	21,399	17,500	<b>18,000</b>	-15.9% (-3,399)	+500	<ul style="list-style-type: none"> <li>As the number of premium members in niconico-related businesses has not decreased as much as expected, sales and operating profit will be higher than expected</li> <li>lower sales due to the cancellation of some events in the Live business is expected</li> </ul>
	Operating profit	362	-3,700	<b>-1,600</b>	- (-1,962)	+2,100	
Education/ EdTech	Net sales	13,390	15,100	<b>15,000</b>	+12.0% (+1,609)	-100	<ul style="list-style-type: none"> <li>The number of students in courses for working adults at Vantan is slightly below expectations</li> <li>In the second half, increased investments will be made to increase the number of students from the next year and beyond</li> </ul>
	Operating profit	1,727	2,100	<b>2,000</b>	+15.7% (+272)	-100	
Others	Net sales	20,298	19,100	<b>18,300</b>	-9.8% (-1,998)	-800	<ul style="list-style-type: none"> <li>Due to the cyber-attacks, inter-segment internal transactions were reduced at a functional subsidiary responsible for DX within the Group and sales and operating profit were revised downward</li> <li>Increased sales and operating profit in the MD business, and a continued reduction in losses in the commercial facility business are expected</li> </ul>
	Operating profit	-4,399	-3,200	<b>-3,900</b>	- (+499)	-700	
Corporate/ Eliminations	Net sales	-10,358	-11,800	<b>-11,100</b>	- (-741)	+700	—
	Operating profit	-2,120	-3,300	<b>-2,900</b>	- (-779)	+400	



**Consolidated Earnings Results for the 2nd Quarter of the  
Fiscal Year Ending March 31, 2025**

## Summary of Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2025

- **First half: net sales +9.8%, operating profit +23.5%**

**The growth of major businesses made it possible to absorb the negative impacts on sales and profit due to the cyber-attack and we achieved significant increase in sales and profit.**

- In Publication/IP Creation, the number of new IPs, which is the source of the media mix, increased (+1.0%). The impact of the cyberattack in domestic paper-based books was absorbed by growth in e-books, international paper-based books and rights-licensing sales. As a result both sales and operating profit increased for the segment.
- In Animation, progress is being made at a steady pace exceeding the previous year when record performance was achieved. In Film, rights-licensing sales for streaming has also performed well.
- In the Gaming segment, domestic and international revenue from *ELDEN RING* DLC drove high growth in the segment overall.
- In Web Services, despite the negative impact on sales and operating profit from the cyber-attack in June through August, as of the end of September, the impact decreasing the number of subscribers is smaller than previously expected.
- In the Education/EdTech segment, both sales and operating profit increased against a backdrop of steadily increasing student numbers, including a new school expected to generate synergy with the Group's businesses.

- **2nd Quarter (Jul.-Sep.): net sales +7.8%, operating profit -13.9%**

- The impact of the cyber-attack in 2Q caused a 4.9 billion yen sales decline and a 2.75 billion yen drop in operating profit, the largest such drops on a quarterly basis. The overall operating profit declined. The recovery of our business operations has progressed smoothly. In Publication/IP Creation, shipment volume for existing publications had recovered to normal levels from August onwards, and Web Services were also largely restored in September.
- In the Animation/Film, Gaming and Education/EdTech segments, performance was strong with the same factors as the year-to-date results, and sales and operating profit continued to increase. This partially offset the impact from the above cyber-attack.
- Due to foreign exchange losses (approx. -2.5 billion yen), ordinary profit and net profit saw larger decreases.

# Consolidated Earnings Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2025

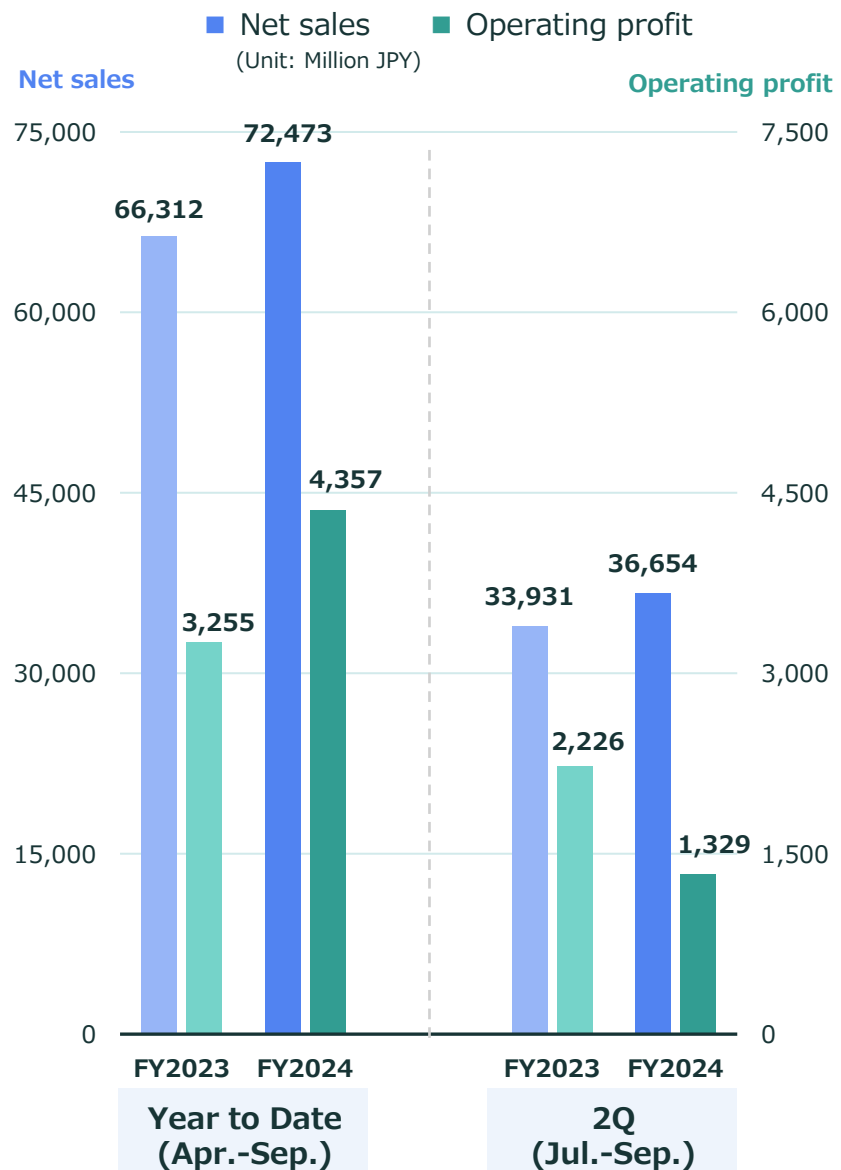
(Unit: Million JPY)	Apr.-Sep. 2023 Results	Apr.-Sep. 2024 Results	Year-over-year (changed amount)	Jul.-Sep. 2023 Results	Jul.-Sep. 2024 Results	Year on year (changed amount)
Net sales	124,207	<b>136,320</b>	+9.8% (+12,112)	65,372	<b>70,459</b>	+7.8% (+5,087)
Operating profit	8,604	<b>10,626</b>	+23.5% (+2,022)	5,336	<b>4,597</b>	-13.9% (-739)
└ Operating margin	6.9%	<b>7.8%</b>	+0.9pt	8.2%	<b>6.5%</b>	-1.6pt
Ordinary profit	9,389	<b>9,771</b>	+4.1% (+382)	3,287	<b>2,072</b>	-37.0% (-1,215)
Profit attributable to owners of parent	4,125	<b>3,096</b>	-25.0% (-1,029)	282	<b>-358</b>	- (-641)
EBITDA	11,595	<b>14,307</b>	+23.4% (+2,711)	6,922	<b>6,515</b>	-5.9% (-406)

EBITDA is the total of operating profit, depreciation and amortization of goodwill.

# Net Sales and Operating Profit by Business Segment

(Unit: Million JPY)		Apr.-Sep. 2023	Apr.-Sep. 2024	Year-over-year		Jul.-Sep. 2023	Jul.-Sep. 2024	Year on year	
		Results	Results	(changed amount)		Results	Results	(changed amount)	
Publication/ IP Creation	Net sales	66,312	<b>72,473</b>	+9.3%	(+6,160)	33,931	<b>36,654</b>	+8.0%	(+2,723)
	Operating profit	3,255	<b>4,357</b>	+33.8%	(+1,101)	2,226	<b>1,329</b>	-40.3%	(-897)
Animation/Film	Net sales	22,032	<b>26,431</b>	+20.0%	(+4,398)	11,368	<b>14,406</b>	+26.7%	(+3,037)
	Operating profit	2,504	<b>3,640</b>	+45.4%	(+1,136)	1,007	<b>1,697</b>	+68.5%	(+690)
Gaming	Net sales	13,670	<b>18,149</b>	+32.8%	(+4,479)	9,362	<b>10,385</b>	+10.9%	(+1,022)
	Operating profit	4,028	<b>6,072</b>	+50.8%	(+2,044)	2,871	<b>3,666</b>	+27.7%	(+794)
Web services	Net sales	11,000	<b>8,329</b>	-24.3%	(-2,671)	5,573	<b>3,603</b>	-35.4%	(-1,970)
	Operating profit	648	<b>-1,007</b>	-	(-1,656)	542	<b>-610</b>	-	(-1,152)
Education/EdTech	Net sales	6,702	<b>7,658</b>	+14.3%	(+955)	3,171	<b>3,683</b>	+16.1%	(+512)
	Operating profit	1,167	<b>1,447</b>	+24.0%	(+280)	398	<b>615</b>	+54.2%	(+216)
Others	Net sales	9,393	<b>7,783</b>	-17.1%	(-1,609)	4,454	<b>3,847</b>	-13.6%	(-606)
	Operating profit	-1,925	<b>-2,422</b>	-	(-497)	-1,061	<b>-1,443</b>	-	(-381)
Corporate/ Eliminations	Net sales	-4,905	<b>-4,506</b>	-	(+399)	-2,489	<b>-2,121</b>	-	(+368)
	Operating profit	-1,074	<b>-1,460</b>	-	(-386)	-649	<b>-657</b>	-	(-8)

# Business Overview – Publication/IP Creation Segment



## Factors for Increase/Decrease in the First Half

**Sales: YTD +9.3% / +6,160 M (2Q +8.0% / +2,723 M)**

**Domestic paper-based books/information media**  
YoY -6.4%  
Composition ratio: 26%

**E-books**  
YoY +16.1%  
Composition ratio: 43%

**International paper-based books**  
YoY +15.0%  
Composition ratio: 11%

**Rights-licensing**  
YoY +8.7%  
Composition ratio: 10%

**Other subsidiaries, etc.**  
YoY +27.5%  
Composition ratio: 10%

- For domestic paper-based books, sales declined due to reduced shipments of existing publications due to the cyber-attacks. Shipping volume of existing publications from August onwards recovered strongly and increased beyond normal levels. In 2Q sales turned upward
- E-books have experienced strong growth. In 2Q, sales grew at +5.0% as expected. Increase of 7.6% even when excluding the impact of the changes of revenue recognition timing for domestic sales at store of other companies.
- For international paper-based books, sales increased not only YTD but also in 2Q (+5.4%). Asia surpassed the Americas in terms of the share of sales by region, driving the overall increase in sales.
- Sales from rights-licensing sales also increased. Particularly in 2Q, sales increased significantly (+26.3%) due in part to contributions from gaming machines

**Operating profit: YTD +33.8% / +1,101 M (2Q -40.3% / -897 M)**

- E-books and rights-licensing sales drove the increase in operating profit. In 2Q, operating profit declined, in part due to a temporary increase in personnel expenses.

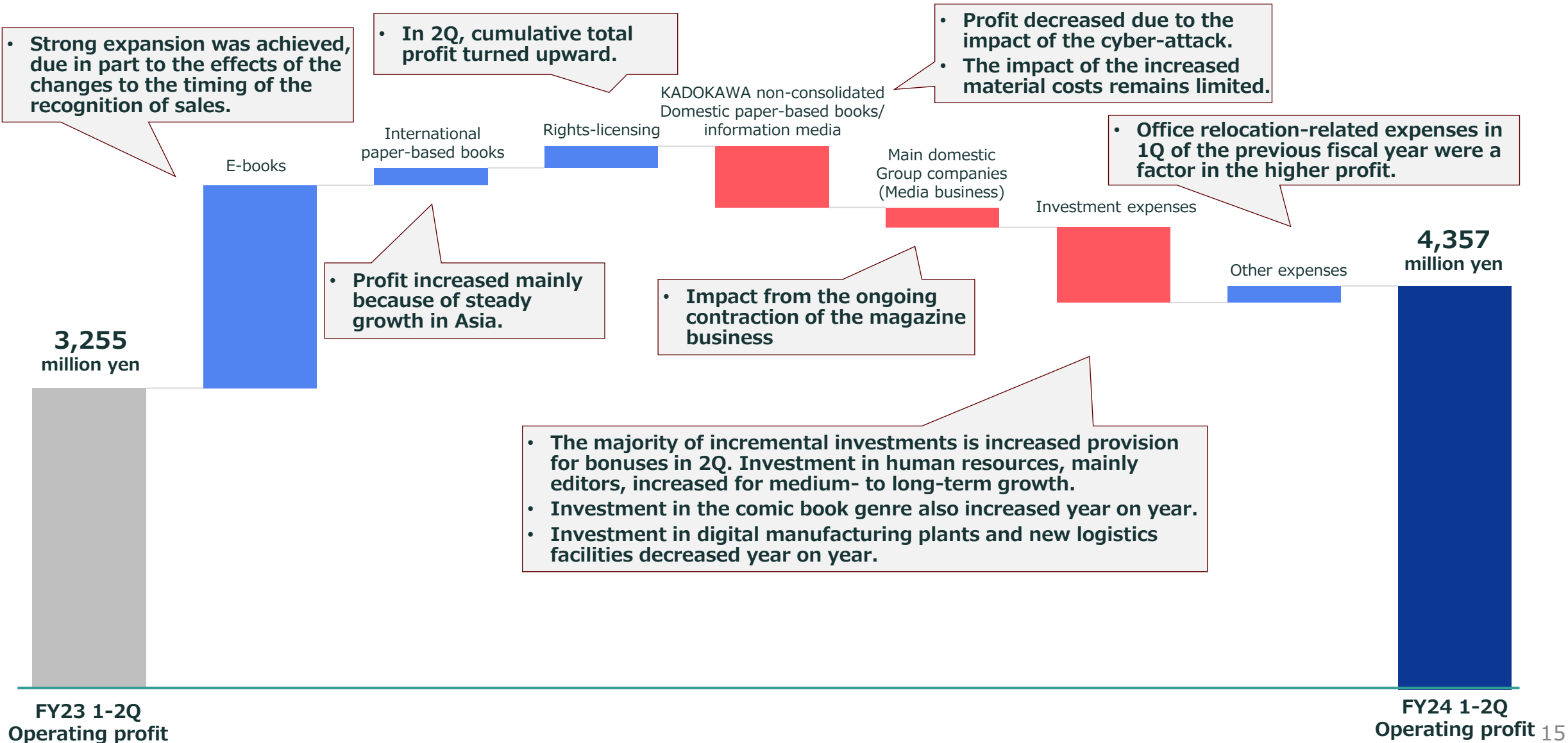
## Future outlook

- In the second half, we will work to increase the number of new IPs and enhance sales measures in the domestic paper-based books and e-books areas to recover from the effects of the cyber-attacks. International paper-based books are also expected to grow YoY, especially in Asia.
  - In the medium- to long-term, a further increase in the number of new IPs is expected as a result of human resources investments.
- We aim for solid business expansion in the segment overall, through improvement of return rates due to the digital manufacturing and logistics facility in domestic paper-based books, growth of e-books surpassing the market, gains due to an expanded operating regions and an increased number of published titles in international paper-based books, and growth of rights-licensing sales.



# Business Overview – Publication/IP Creation Segment (Year to date: Major Factors for YoY Profit Change)

◆ Publication/IP Creation Segment operating profit: YoY+33.8%/+1,101M

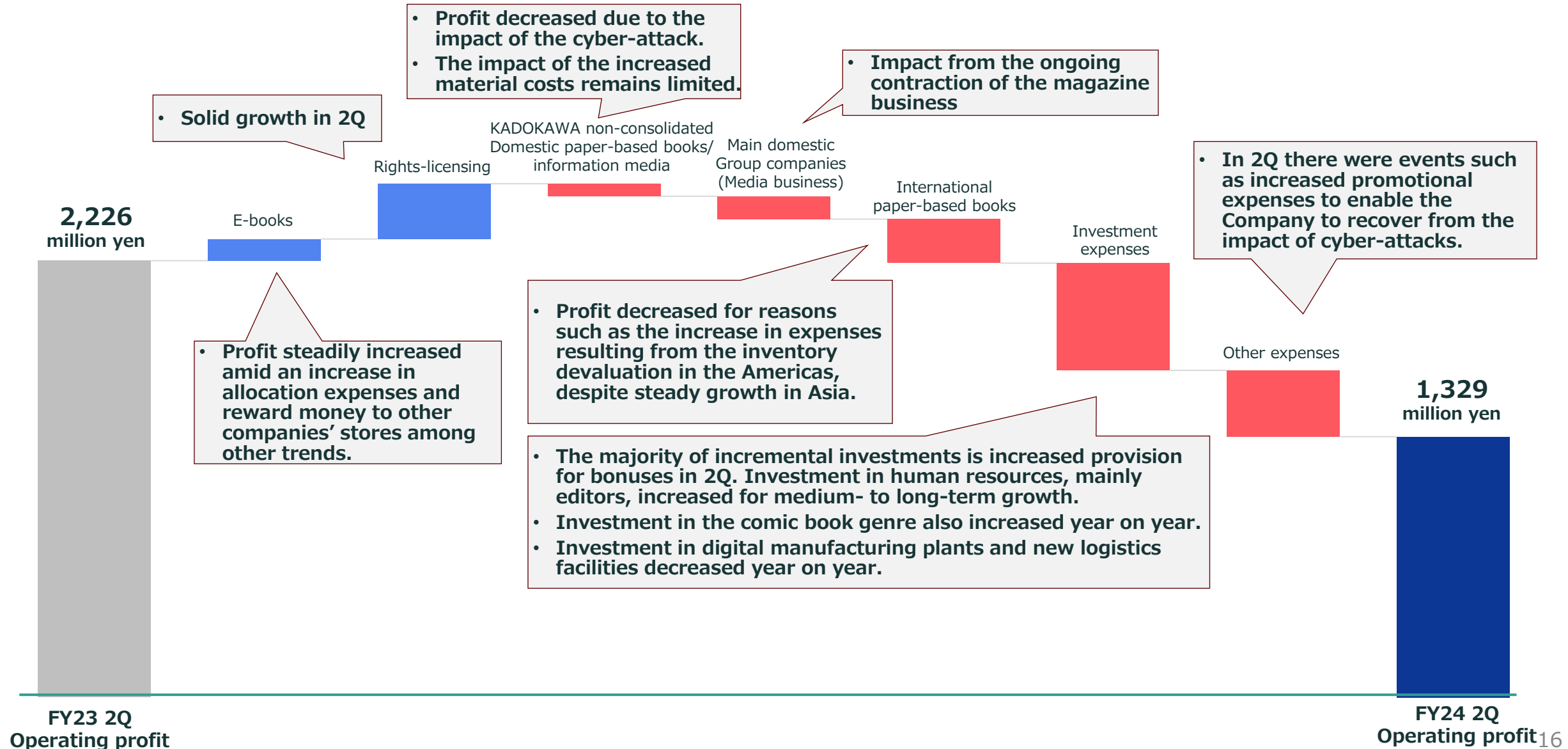


FY23 1-2Q  
Operating profit

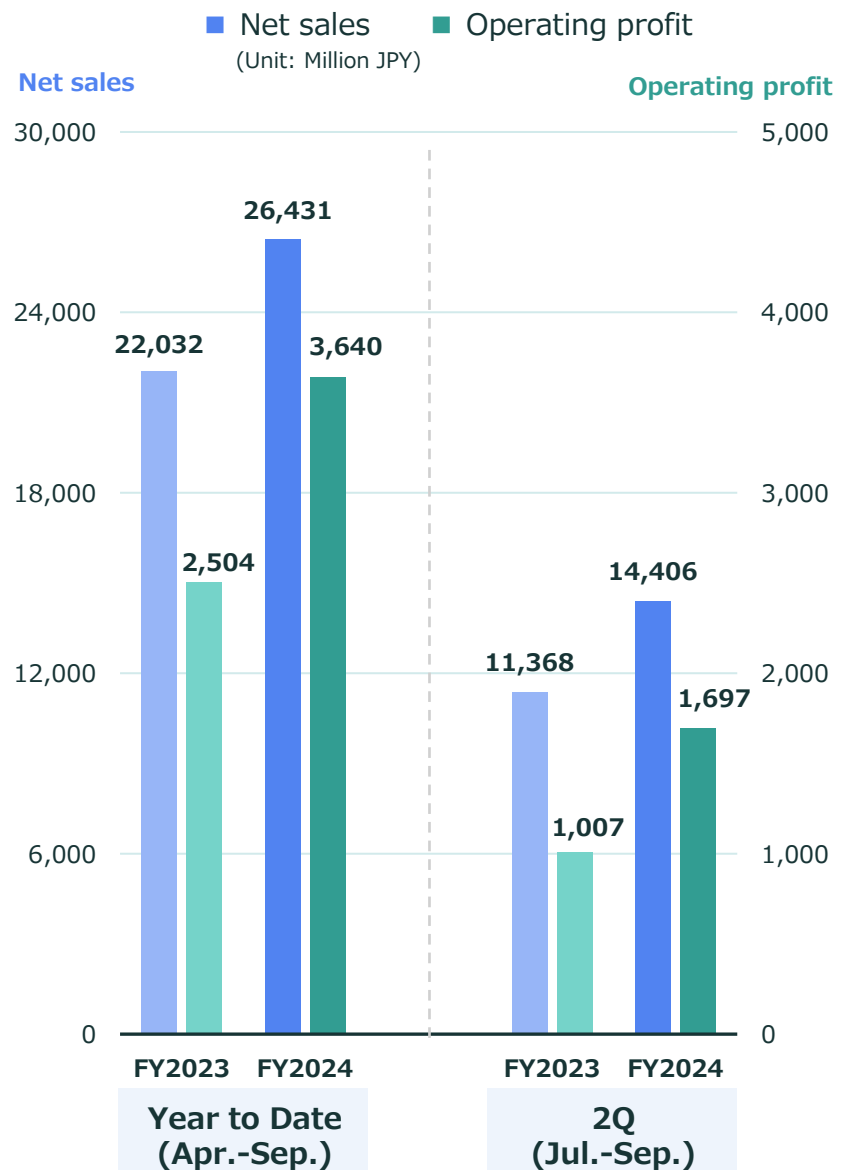
FY24 1-2Q  
Operating profit 15

# Business Overview – Publication/IP Creation Segment (2Q: Major Factors for YoY Profit Change)

◆ Publication / IP Creation Segment operating profit: YoY -40.3%/-897M



# Business Overview –Animation/Film Segment



## Factors for Increase/Decrease in the First Half

**Net sales: YTD +19.2% / +4,398M (2Q +25.3% / +3,037M)**

**Animation**  
YoY +23.6%  
Composition ratio: 73%

**Film**  
YoY +11.5%  
Composition ratio: 27%

- In Animation, powerful growth continued, driven by rights-licensing sales from popular series, both for domestic and international streaming, as well as for games and merchandise. In 2Q, further growth was achieved (+35.7%), surpassing 1Q (+10.5%) mainly due to the second season of *【Oshi no Ko】* and performance from *Alya Sometimes Hides Her Feelings in Russian*, *OVERLORD: The Sacred Kingdom*, and others.
- In Film, sales increased both in the first half and 2Q (+5.3%), in part due to contributions from rights-licensing sales for streaming of theatrical titles in the previous fiscal year.

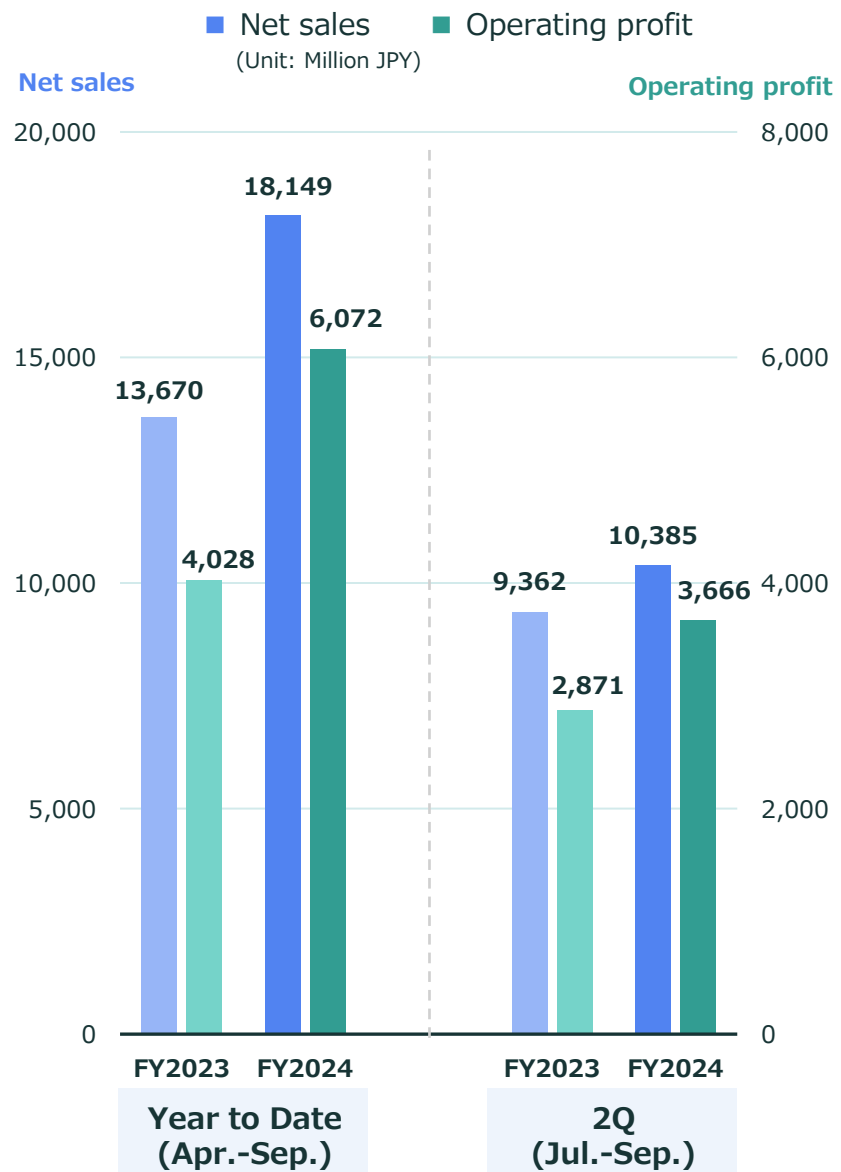
**Operating profit: YTD +45.4% / -1,136M (2Q +68.5% / +690M)**

- Due to the sales increase as mentioned above, operating profit increased in both Animation and Film.

## Future outlook

- In the second half, the multiple new animations of popular series such as *Re:Zero – Starting Life in Another World* and *My Happy Marriage* are planned to be broadcast, but the number of titles aired will decrease YoY. In Film, we expect a reactionary decrease from the previous year when multiple theatrical titles performed well.
- Towards medium to long term growth, in Animation, efforts to bring production studios in-house to improve quality and increase the number of productions are making steady progress (Doga Kobo joined the Kadokawa Group). In Film, we will strategically shift to titles that have the potential to be major hits.

# Business Overview – Gaming Segment



## Factors for Increase/Decrease in the First Half

**Net sales: YTD +32.8% / +4,479M (2Q +10.9% / +1,022M)**

**New titles for consoles and PCs**  
YoY -52.8%  
Composition ratio: 17%

**Repeat sales for consoles and PCs**  
YoY +20.3%  
Composition ratio: 11%

**Royalties for consoles and PCs**  
YoY +340.5%  
Composition ratio: 47%

**Others**  
YoY +29.4%  
Composition ratio: 25%

- Sales increased in the segment overall both YTD and in 2Q, with the significant contribution of original *ELDEN RING* and its DLC.
  - For DLC sales, in addition to domestic sales, international sales regarding actual figures based on June shipments and estimates based on July-to-September shipments were recorded in 2Q, driving increased sales in the "Royalties" category mentioned above
  - Due to DLC sales, the popularity of the original *ELDEN RING* accelerated once more, contributing to increased "Repeat" sales

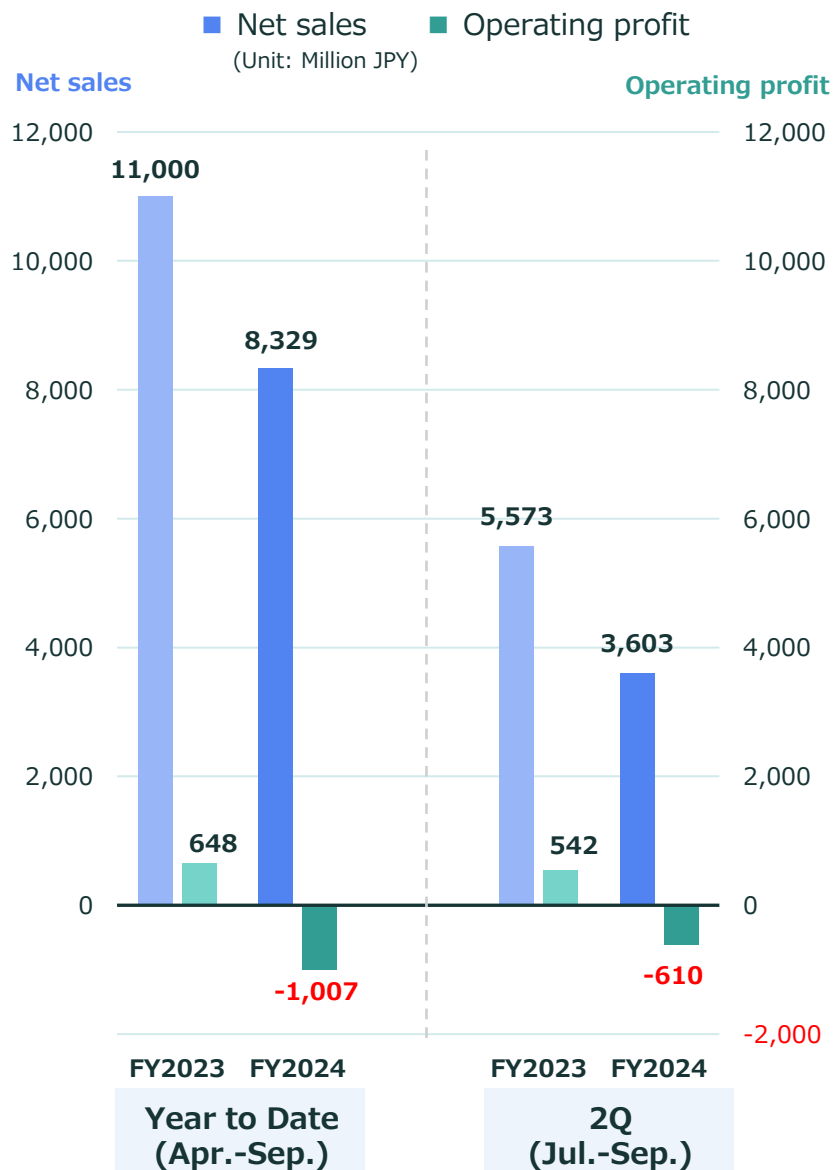
**Operating profit: YTD +50.8% / +2,044 M (2Q +27.7% / +794 M)**

- As a result of sales increase as mentioned above, operating profit increased both YTD and in 2Q.
  - In addition to stock option expenses for FromSoftware from this fiscal year, in 2Q a write-down was recorded for mobile games (around 1.7 billion yen in total of both)

## Future outlook

- We will strive to maximize the LTV of popular game titles such as *ELDEN RING*.
- For medium- to long-term growth, the development pipeline is being expanded
  - We are developing a structure to expand the scope of in-house publishing for console and PC games
  - For mobile games, we are pursuing new development studios to increase the number of titles and improve quality.

# Business Overview – Web Services Segment



## Factors for Increase/Decrease in the First Half

**Net sales: YTD -24.3% / -2,671M (Q2 -35.4% / -1,970M)**

**Niconico-related**  
YoY -30.7%  
Composition ratio: 67%

**Live**  
YoY -2.8%  
Composition ratio: 21%

**Mobile**  
YoY -13.3%  
Composition ratio: 13%

- In niconico-related business, sales significantly declined both YTD and in 2Q due to the cyber-attacks.
  - There were lost sales from June to August when services were suspended. From September sales were posted largely as normal.
  - While the number of premium membership declined, the impact of the decline in the number of subscribers due to the cyber-attack incident was below the expected level and was minimal.

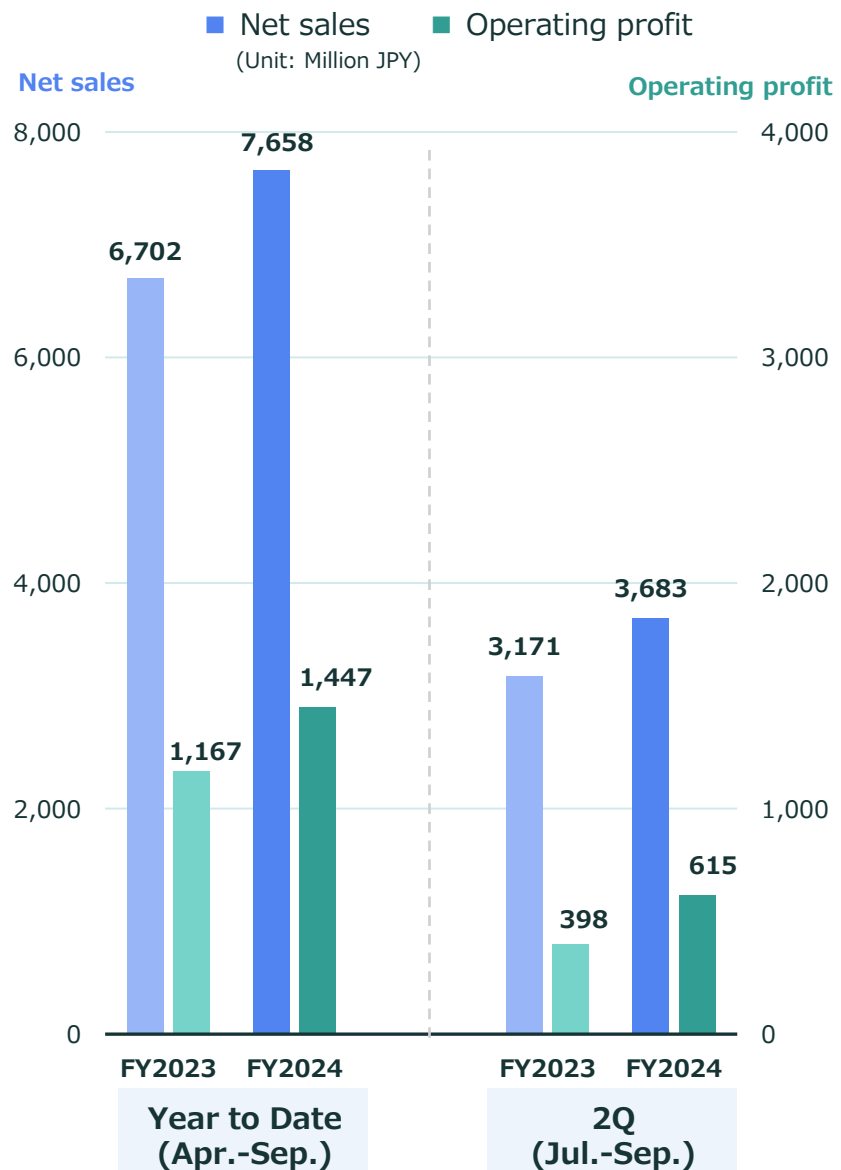
**Operating profit: YTD - / -1,656M (2Q - / +1,152M)**

- The above impact reducing sales was the main factor being lower operating profit both YTD and in 2Q

## Future outlook

- In the Web Services, profit level for the full year will be about 1.5 billion yen at its actual value, excluding temporary factors such as IT infrastructure investment and the impact from the cyber-attacks. We will redesign our strategies to resume growth in the future.
  - We consider organizational restructuring to speed up service development.
  - We actively implement programs and events, etc. to increase user activity.
  - The expenses from infrastructure investments will peak in this fiscal year, with costs expected to decline by over 500 million yen next fiscal year.
- In the medium- to long-term, we will promote the global monetizing of music and other IPs originating with niconico creators, and work to maximize rights-licensing sales.
- Leveraging the IT engineering capabilities cultivated in this business, we will aim to further accelerate DX of the Group.

# Business Overview – Education/EdTech Segment



## Factors for Increase/Decrease in the First Half

**Net sales: YTD +14.3% / +955M (2Q +16.1% / +512M)**

**Vantan**  
YoY +10.6%  
Composition ratio: 71%

**N/S high school business**  
YoY +24.2%  
Composition ratio: 29%

- The number of students increased with a high growth rate for Vantan and N/S High School, resulting in increased sales both YTD and in 2Q
  - At Vantan, new schools such as “KADOKAWA SCHOOL OF ANIME” and new sites drove growth.
  - In the N/S High School business, student enrollment has continued to increase, mainly due to the opening of new campuses for in-person courses

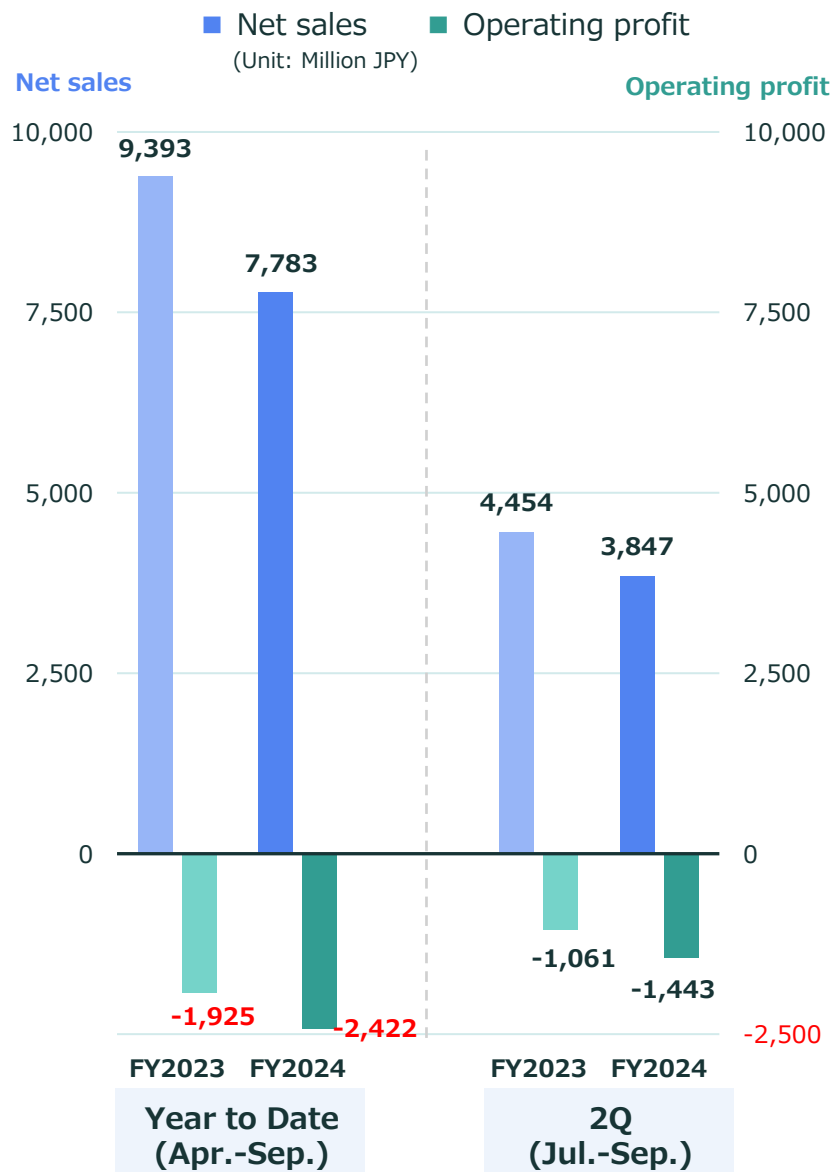
**Operating profit: YTD +24.0% / +280M (2Q +54.2% / +216M)**

- As a result of sales increase as mentioned above, operating profit increased both YTD and in 2Q.

## Future outlook

- In the second half, we expect an increase in investment to increase student enrollment in and after the next fiscal year. At Vantan and N/S High School, the trend of increasing student enrollments and increased sales will continue.
- In the medium to long term, we aim to continue the high rate of growth by expanding into new areas and opening new schools.
  - At Vantan, we will expand the regions where popular schools such as “KADOKAWA SCHOOL OF ANIME” are offered. We will also consider establishing new courses.
  - In April 2025, we will newly open “R High School\*”. Student enrollments are also expected to increase in the N/S high school business from the next fiscal year and beyond, in part due to ongoing increases in new campuses for in-person courses.
  - “ZEN University” is scheduled to open in April 2025, and we expect enrollments from N/S High School students. Cooperation with Vantan is expected to contribute to increasing the number of students.
- We will cultivate creators in-house as an essential base of talent for the content business. We will aim to strengthen the foundations for sustainable growth.

# Business Overview – Others Segment



## Factors for Increase/Decrease in the First Half

**Net sales: YTD -17.1% / -1,609M (2Q -13.6% / -606M)**

### MD

YoY -1.3%

Composition ratio: 36%

### Commercial facility

YoY -4.5%

Composition ratio: 22%

### Others

YoY -31.3%

Composition ratio: 42%

- The MD business has remained flat. In 2Q international merchandise sales grew, leading to increased sales (2Q +11.5%)
- Sales declined in the commercial facility business. IP events that have also been held outside Sakura Town have performed well.
- In other businesses, sales declined due to factors such as the withdrawal from purchase and sales business of some items considering its profitability, and a decline in inter-segment internal transactions due to the impact of the cyber-attacks at functional subsidiary promoting in-Group DX (no consolidated impact)

**Operating profit: YTD - / -497M (2Q - / -381M)**

- In MD business, operating profit declined both YTD and in 2Q due to the factors mentioned above for 2Q
- In the commercial facility business, the deficit narrowed due to the effect of lower depreciation expenses resulting from the impairment in the previous year and ongoing cost control.
- In other businesses, operating profit declined due to factors reducing sales at the functional subsidiaries mentioned above (approx. - 600 million yen). This had a big impact and operating profit declined in the segment as a whole.

## Future outlook

- In MD business, we will aim to strengthen international sales channels from the second half onwards in addition to increasing the product lineup. As a new pillar of the IP business, we will work to expand the scale of business in the medium- to long-term.
- In the commercial facility business, we will aim to improve profitability by enhancing the ability to attract visitors through site-wide measures across Sakura Town, and through the nationwide rollout of IP event planning. Ongoing cost controls will be also implemented.



The background features a series of light gray, three-dimensional rectangular blocks arranged in a staggered, stepped pattern. Interspersed among these blocks are various horizontal bars in different colors, including blue, yellow, green, red, purple, and black. The overall aesthetic is modern and geometric.

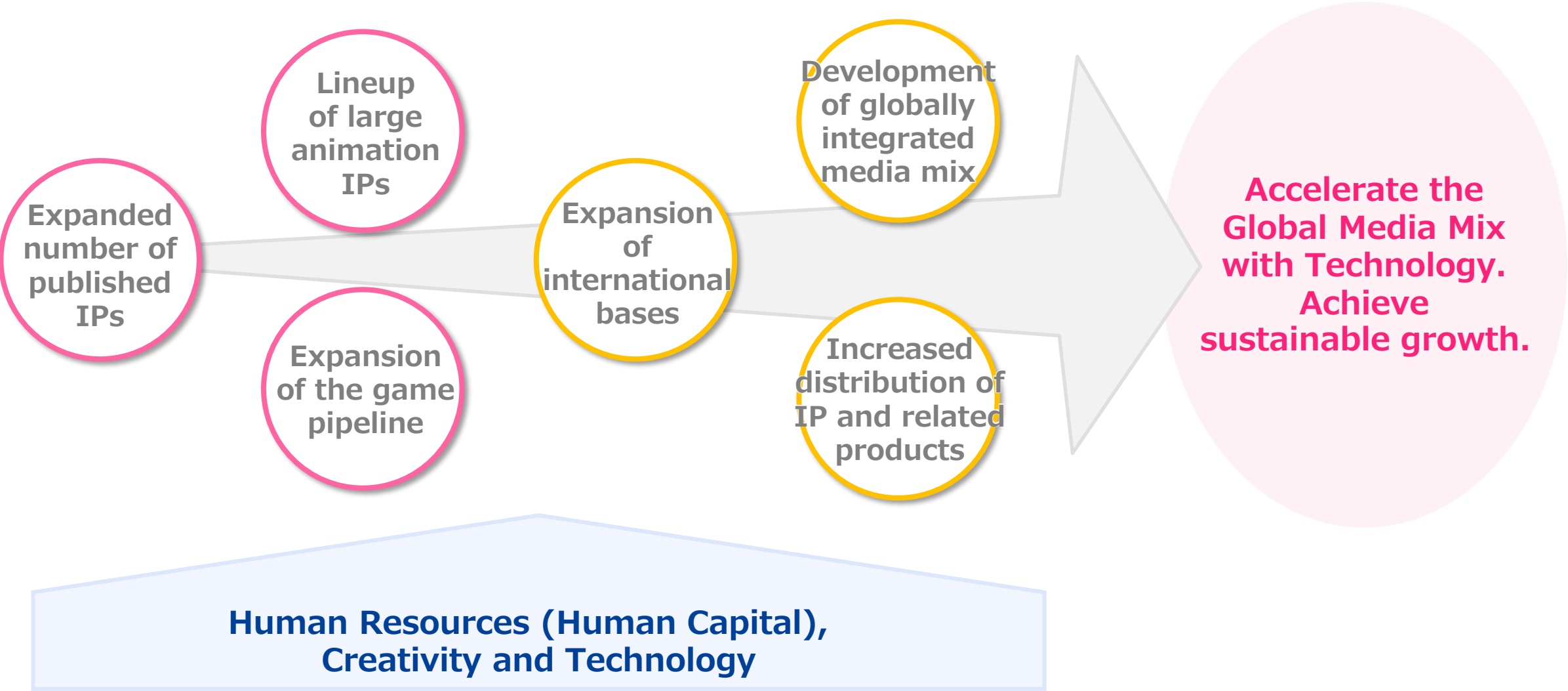
## Progress on the Mid-term Management Plan

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# Growth Story Toward Achieving the Mid-term Management Plan (Repost)

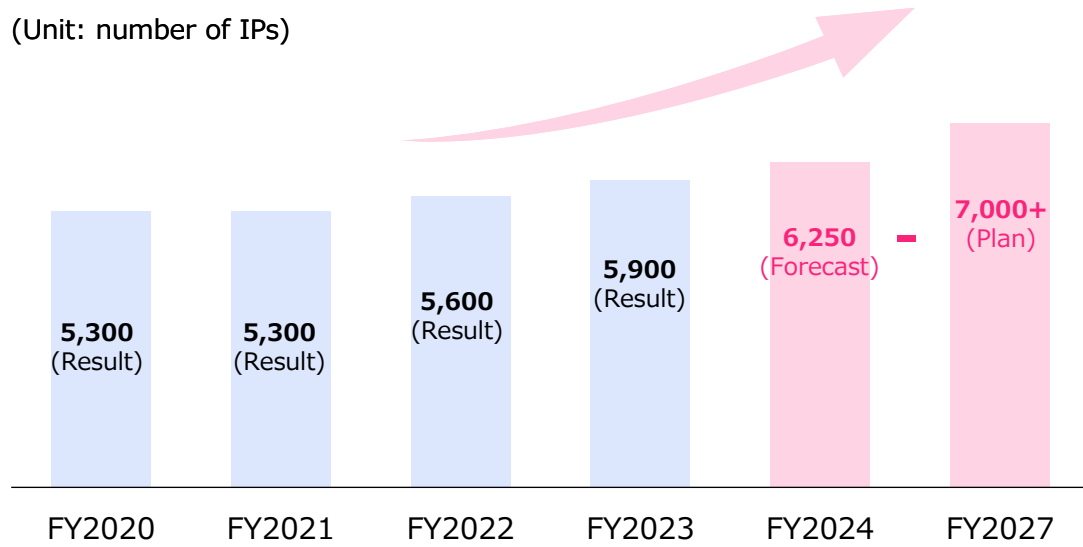
**IP creation**

**Maximizing Intellectual Properties' LTV**



## Publication IP Creation Plan

(Unit: number of IPs)



- Due to the system outage, there were some delays such as among born-digital titles, **but publication IP creation is proceeding steadily toward the FY2027 target of over 7,000 IPs**
- Ratio of Publication IP Genre Expansion (FY2020 Results → FY2024 Forecast)  
**Overall: 116.5% Comics: 146.9% Born-digital: 148.9%**

## E-book and Paper-based Book Initiatives

### Strengthening digital series



- A dedicated app for the **Kadokomi** service that distributes popular KADOKAWA comic titles was released this year
- 364 titles under 39 labels are available with daily updates, including Kadokomi's original titles started to be serialized (As of September 30, 2024)
- From August 2024 KADOKAWA started publishing Kadokomi's original titles in book form (10 titles published in the first half of the fiscal year ending March 31, 2025)

### Publication Manufacturing and Distribution DX Project



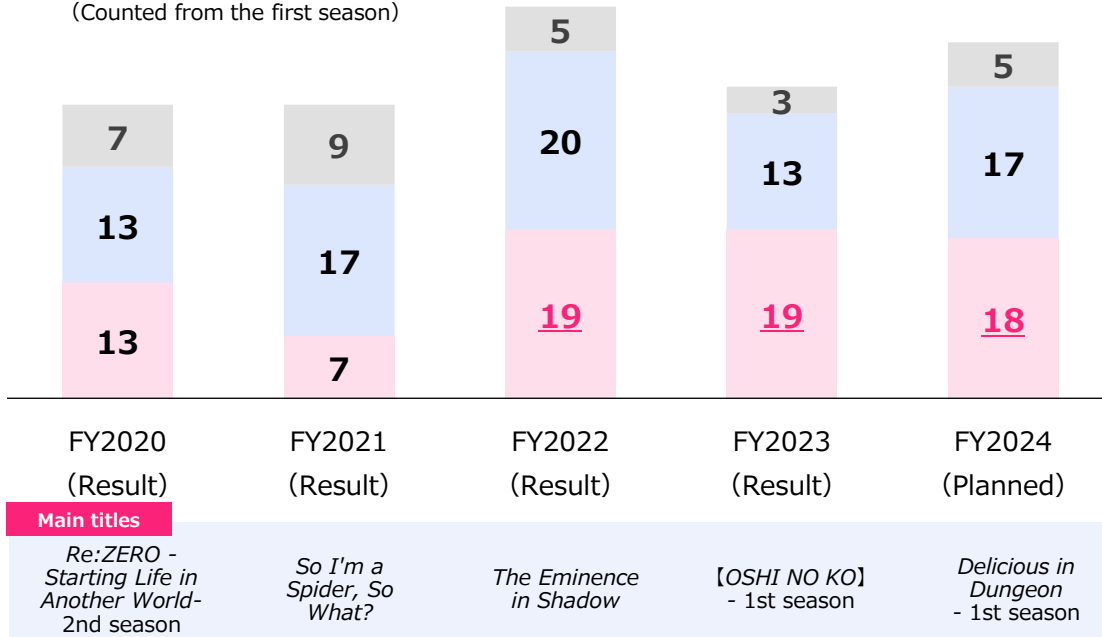
- To make the paper-based book business sustainable, **we have been driving the digital transformation of a three-fold integration of sales, production and logistics** (Return rate target for FY2027: 22.4%)
- At the digital manufacturing facility that entered full operation from 2020, the **digital manufacturing of comics is achieved**, a rarity in the world (The photo to the left)

## Increased scale and longevity of animation IP

- **The scale of animated titles increased and their longevity was extended** because more titles with multiple runs and more serialized titles were added
- **We meet a variety of needs related to creation** while retaining a diverse lineup

### Changes in the number of animation IP titles

- Movie, OVA, etc.
- Titles with a single run broadcast on TV or on the Internet
- Titles with multiple runs and serialized titles broadcast on TV or on the Internet (Counted from the first season)



## Shifted to in-Group production of animation IP

- Doga Kobo, Inc. has newly joined the Group as a subsidiary, and progress has been made in shifting to in-house production, aimed at maintaining and improving the quality of titles and the number of titles produced
- Through coordination and system standardization within the Group, efforts are underway to streamline production, boost human resource development and improve the work environment

### Animation production studios in KADOKAWA Group Toward a 5+1=6 company structure



Main titles:  
*Unnamed Memory*,  
*Medalist*

Established  
in 2018



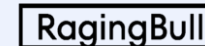
Kinema citrus Co.  
Joined the Group  
in 2019  
(Equity-method affiliated company)

Main titles:  
*My Happy Marriage*,  
*The Rising of The Shield Hero*



Production studio led  
by Hiroyuki Seshita,  
one of Japan's most  
renowned 3DCG  
animation directors

Established  
in 2021



Joined the Group  
in 2023

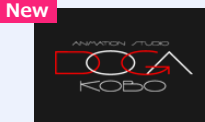
An experienced team,  
highlighted by director  
Tomoki Kyoda, has  
been brought together



BELLNOX FILMS  
Established  
in 2024

Production studio  
directed by Koji Kajita,  
who has led numerous  
titles to success

New

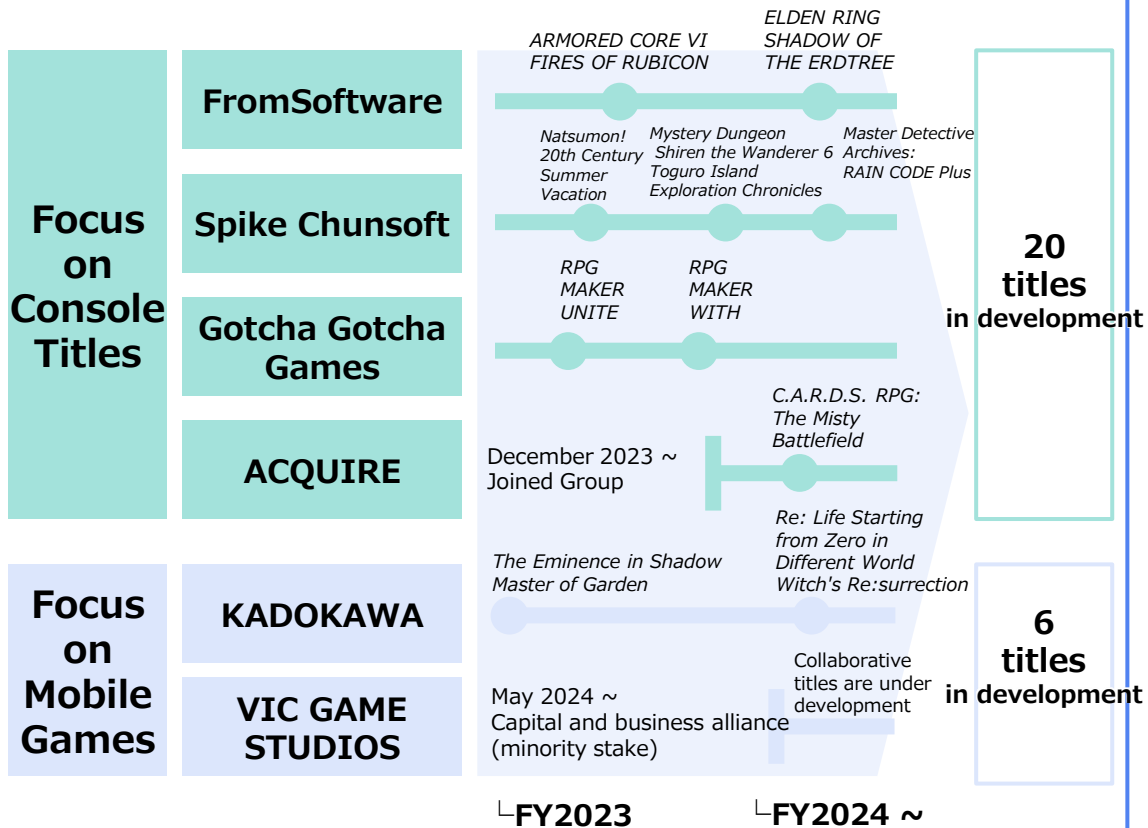


Joined the Group  
in 2024

Main titles:  
[OSHI NO KO],  
*Alya Sometimes Hides  
Her Feelings in Russian*

## Expand the game development pipeline

- Achieving a structure where the Group is able to constantly release new games by steadily expanding the development and publishing pipeline



## Improving profitability of films

- Aiming to continuously increase profitability by planning productions that become big hits centered on titles developed based on KADOKAWA's own original works



▶ The streaming drama *The Queen of Villains*, whose production was handled by KADOKAWA, has earned high praise

©2024 Netflix



6 Lying University Students: scheduled for November 2024 nationwide release  
©2024 "6 Lying University Students" Film Partners



Fushigi Dagashiya Zenitendo: scheduled for December 2024 nationwide release

©2024 映画「ふしぎ駄菓子屋 銭天堂」製作委員会



Mieruko-chan: scheduled for early summer 2025 release

©2025 「見える子ちゃん」製作委員会



# IP Creation — Discovering, Supporting and Developing Creators —

## Our commitment in the Web Services business

- Discover and produce gems through Niconico, Niconico Chokaigi and VOCALOID collection
- **Support creators' long-term activities and contribute to the growth of the Group's business through the creation of new IPs**

A series of collaborations between VOCALOID producers/singers and KADOKAWA animation



©2023 Piero Karasu, Yuri Kisaragi / KADOKAWA / TenTen Production Committee

►doriko (vocaloid producer) and HaNaTan (singer) are involved in the making of *arc-en-ciel*, the opening song for *The Magical Revolution of the Reincarnated Princess and the Genius Young Lady* (broadcast in the period starting in January 2023).

Asia Creators Cross, a Niconico Chokaigi program for supporting creators, starts

Niconico  
Chokaigi



Anime Festival  
Asia (AFA)  
(Hosted by SOZO)

►Creators who performed or exhibited at Niconico Chokaigi 2025, the first program, are entitled to perform or exhibit at AFA which is the largest animation event in Southeast Asia.

## Our commitment in the Education/EdTech business

- **Develop and produce many different human resources including people with creative skills** through highly specialized educational programs
- **Develop the next generation of creators** with practical curricula maximizing the Group's knowledge and expertise

In the N High School Group, extracurricular lessons provided by professionals, available both online and face-to-face

KADOKAWA School powered by Vantan is also well-received



►The lecture video by celebrated voice actors and actresses is popular. The extracurricular classes cover many different subjects other than creation-related subject, such as preparation for university entrance exams and programming.

KADOKAWA アニメ・声優アカデミー  
POWERED BY VANTAN

KADOKAWA マンガアカデミー  
POWERED BY VANTAN

►Founded in April 2024, KADOKAWA School has been well-received and a school **will open in Nagoya in April 2025**, following on the schools in Tokyo and Osaka.

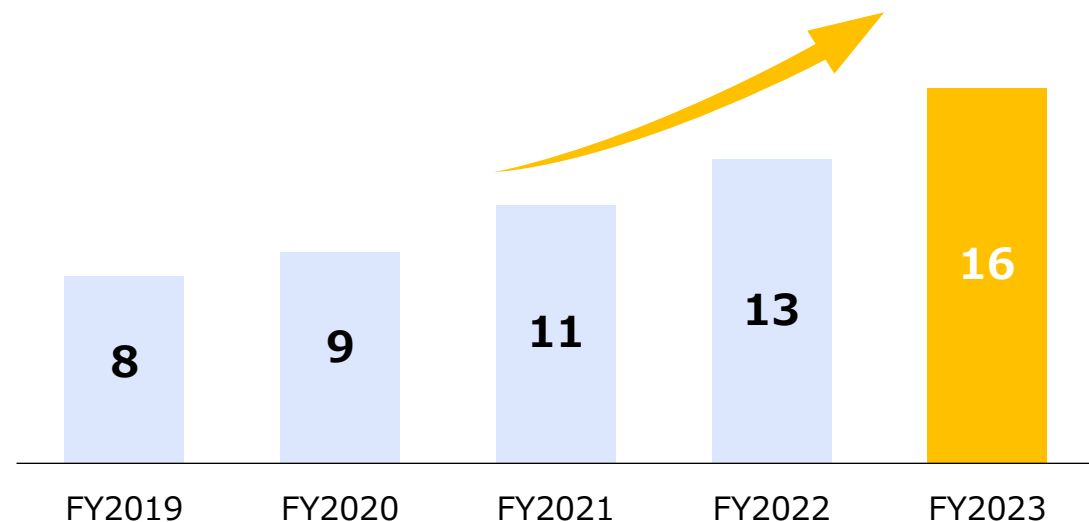
# Maximization of LTV through deployment of Media Mix

## Progress on Scaling Up IPs

- **Steady progress has been made scaling up IPs** thanks to the growing popularity of titles worldwide
- The Group will make united efforts to push a global media mix to ensure that each title can reach even more fans around the world

### Change in Number of Major IPs

Number of IPs contributing over 1 billion yen a year to KADOKAWA (non-consolidated) net sales



## Initiatives to Extend the Life of IPs

- **Working to extend the life of IPs through a diverse media mix**

**Example: *Sgt. Frog***  
(25th anniversary since launch of the series)

### Original comic

Series length  
1999 to present



©Mine Yoshizaki

### Animated adaptation

**Launched in 2004**

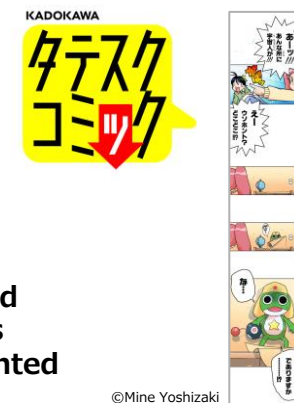
Airing of animated TV series (2004 to 2011) and release of theatrical animated features (5 titles)



©2010 Mine Yoshizaki / Kadokawa Publishing, Kadokawa Pictures, Sunrise, NTT Docomo, TV TOKYO, NAS

### Vertically scrolling comic adaptation

Distribution period  
2024~



©Mine Yoshizaki

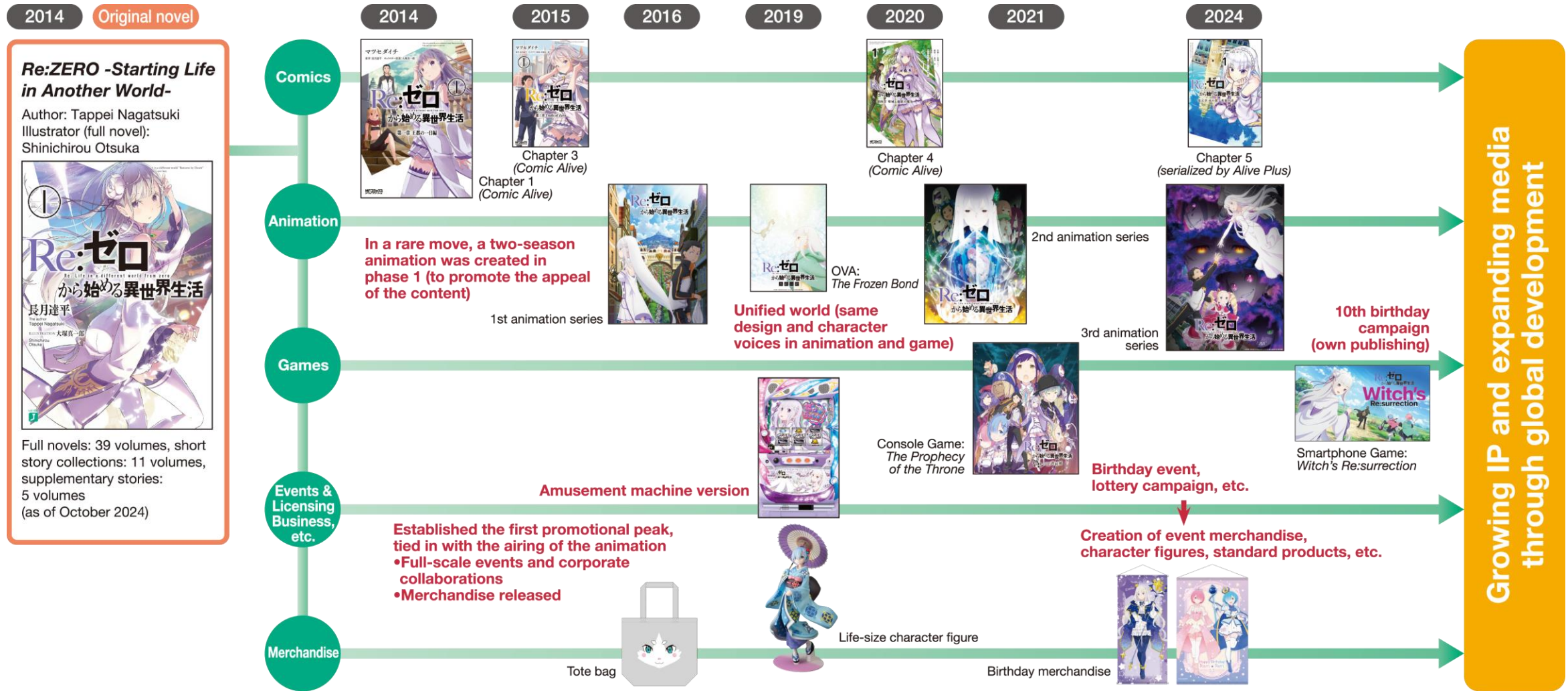
### Events

**Many exhibitions and collaboration events have been implemented up to this day**



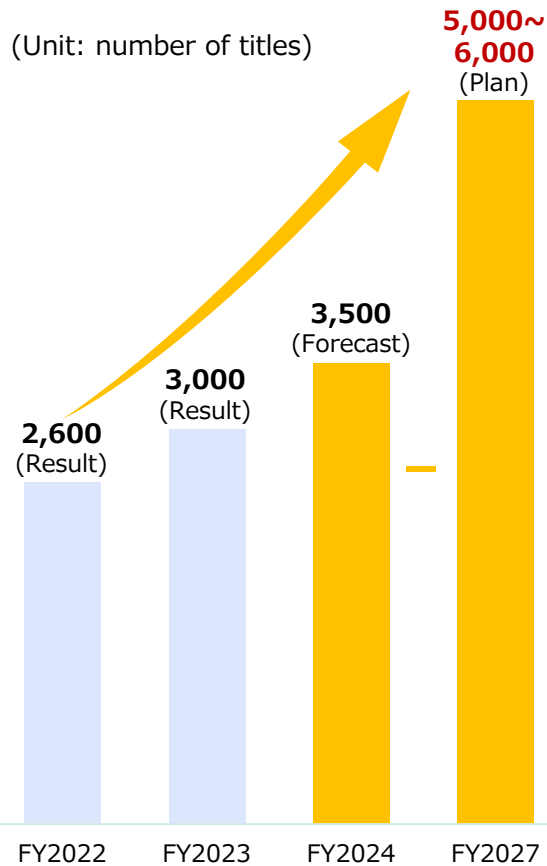
# Maximizing LTV: Rolling Out a Global Media Mix Strategy to Maximize IP Value

**Example of Re:ZERO -Starting Life in Another World (Re:ZERO):** The web-published novel was adapted into a light novel, and then expanded into various media formats including comics, animation, games and merchandise. The synergistic effects of this media mix strategy made it an extremely popular title, and even now in 2024 when it observed its 10th anniversary, it continues to earn new fans, establishing a model for long-term development (maximizing LTV)



# Maximizing LTV: International Business

## Increase in the number of titles published by international subsidiaries



\* Number of new titles published by international subsidiaries  
When the same title is launched in a different country or region, it is counted as "2"  
If the same title gets a release of both paper-based and electronic versions, it is counted as "1"

## Establishment of international subsidiaries to increase the number of IPs

<p><b>FIRST PAGE</b> Thailand-based company that joined the Group in January 2024</p>	<p>Expand the number of titles published by First Page Pro and KADOKAWA AMARIN annually in Thailand from 480 in 2024 to 1,000 in 2027</p>	<p><b>O'FAN HOUSE</b> South Korean-based company established in May 2024</p>	<p>In addition to Japanese novels and non-fiction books, the translation and publishing of light novels has begun. There is also a focus on the development of IPs originating in South Korea</p>	<p>Lee Mi-ye Break Room ©lee mi ye</p>
<p><b>PHOENIX GRAMEDIA</b> Indonesia-based company established in April 2024</p>	<p>Steady increase in sales channels along with number of titles published, driven by setup of corners in Indonesia's largest book store and the launch of an e-commerce store</p>	<p><b>VEGA</b> France-based company established in October 2024</p>	<p>Translation and publishing of comics and light novels originating in Japan and South Korea to cater to the global French-speaking market</p>	

## Strengthening the Global Media Mix

<p><b>ELDEN RING</b> Become Lord</p> <p><small>ELDEN RING Become Lord ©KADOKAWA QINGYU (Shanghai) Culture &amp; Creation Co., Ltd. ©Bandai Namco Entertainment, Inc. / ©2024 FromSoftware, Inc.</small></p>	<p>A vertical scrolling title based on <i>ELDEN RING</i> (game) has been produced by KADOKAWA QINGYU (SHANGHAI) CULTURE &amp; CREATION, with the series launching globally</p>		<p>A pop-up store for the popular IP <i>Siamese Cat Azuki-san</i> in China was operated, and involved games and Vtuber collaborations</p>
	<p>The expansion of Manga Spot is stepped up in North America. Manga Spot is our chain of company-operated stores specialized in Japanese manga. Four Manga Spot stores will open before the end of 2024, including the first shop opened in New York City. We will seek to open more stores</p>	<p><b>LK School Daze</b></p> <p><small>©2023 Kadokawa Gempak Starz Sdn Bhd and Lil Critter Workshop Sdn Bhd. All Rights Reserved.</small></p>	<p>Animated adaptation of <i>Lawak Kampus</i>, an original IP from KADOKAWA GEMPAK STARZ (Malaysia). (Subscribers to the YouTube channel reached 1.9 million)</p>

## Diversity and Inclusion

### Win Graffiti, which develops “Hakoniwa Tamago(eggs)”, joined the KADOKAWA Group

- In April 2024, **Win Graffiti Co., Ltd.**, which is involved in welfare businesses such as continuous employment support and an egg production business, **joined the KADOKAWA Group**
- **The company achieves sustainable employment for people with disabilities by conducting activities that can be viable as businesses** through the sale of high-quality eggs such as “Hakoniwa Tamago Akane” produced at Hakoniwa Farm, which they operate



## Strengthening Human Resource Development in Japan and Abroad

### Enhancing hiring activities

- **Strengthening mid-career hiring in various ways including a referral system based on employee referrals**
- **Enhanced worldwide hiring activities and internships**

## Enhance personnel systems that improve motivation

### Enhancing systems to support each employee's career

- **Respecting employees' intentions and placing the right people in the right places**
- **Contribute to business growth by encouraging each employee to demonstrate their creativity**

#### ■ In-house free agent system

Ability to transfer to a desired department or different job type

▶ Revitalized the organization  
Number of employees who have applied  
FY2023: 128

#### ■ Incentive system for obtaining public qualifications

The system enables self-directed career development through reskilling

▶ Around **5%** of all KADOKAWA employees (non-consolidated) utilize the system

#### ■ Side job system

Expanding work options and supporting voluntary career development

#### ■ Project Open Call

Employees themselves propose challenging, medium- to long-term and cross-departmental projects

▶ Example: Achievement of virtual orchestra development project for classical music

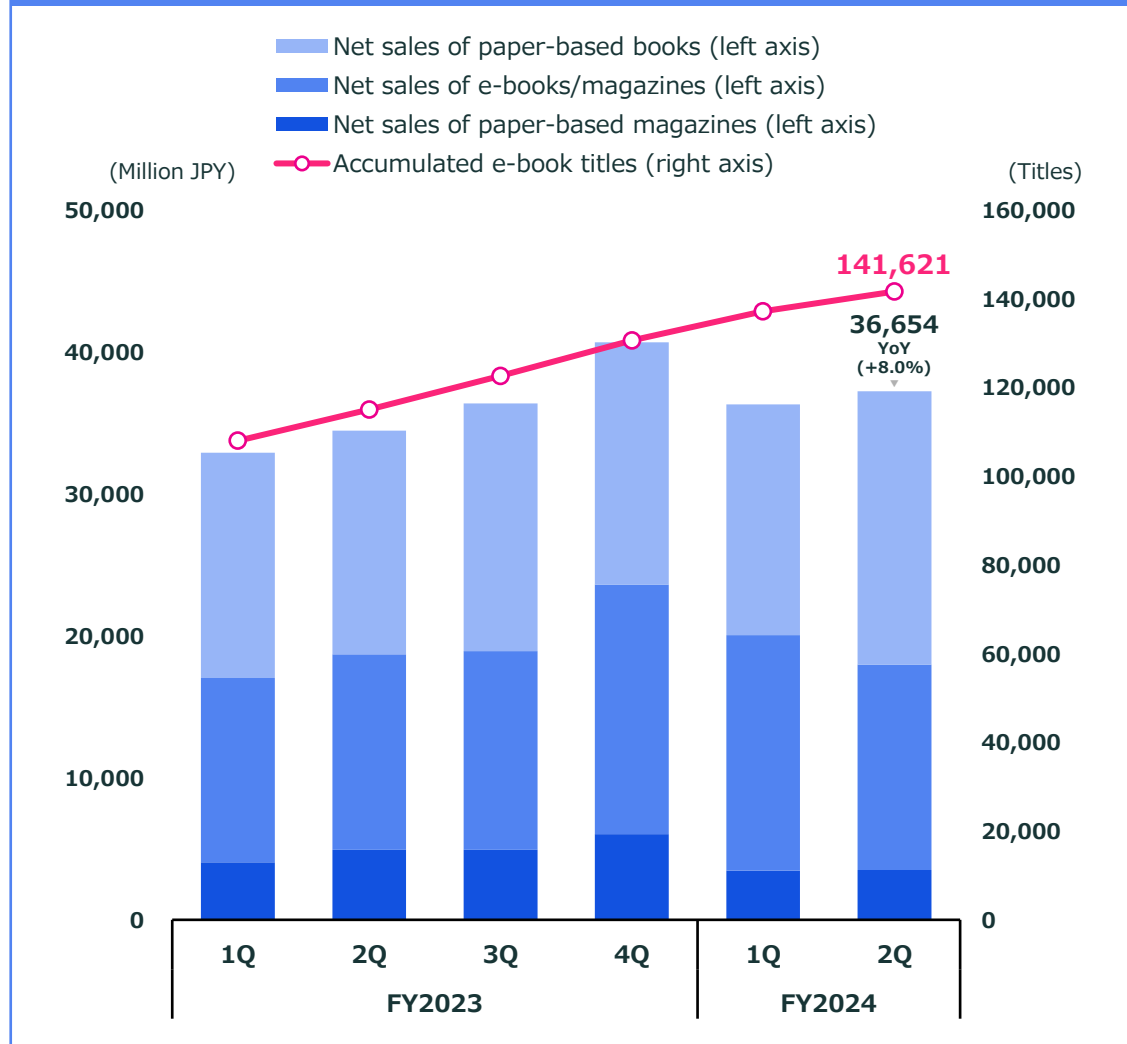


# Appendix

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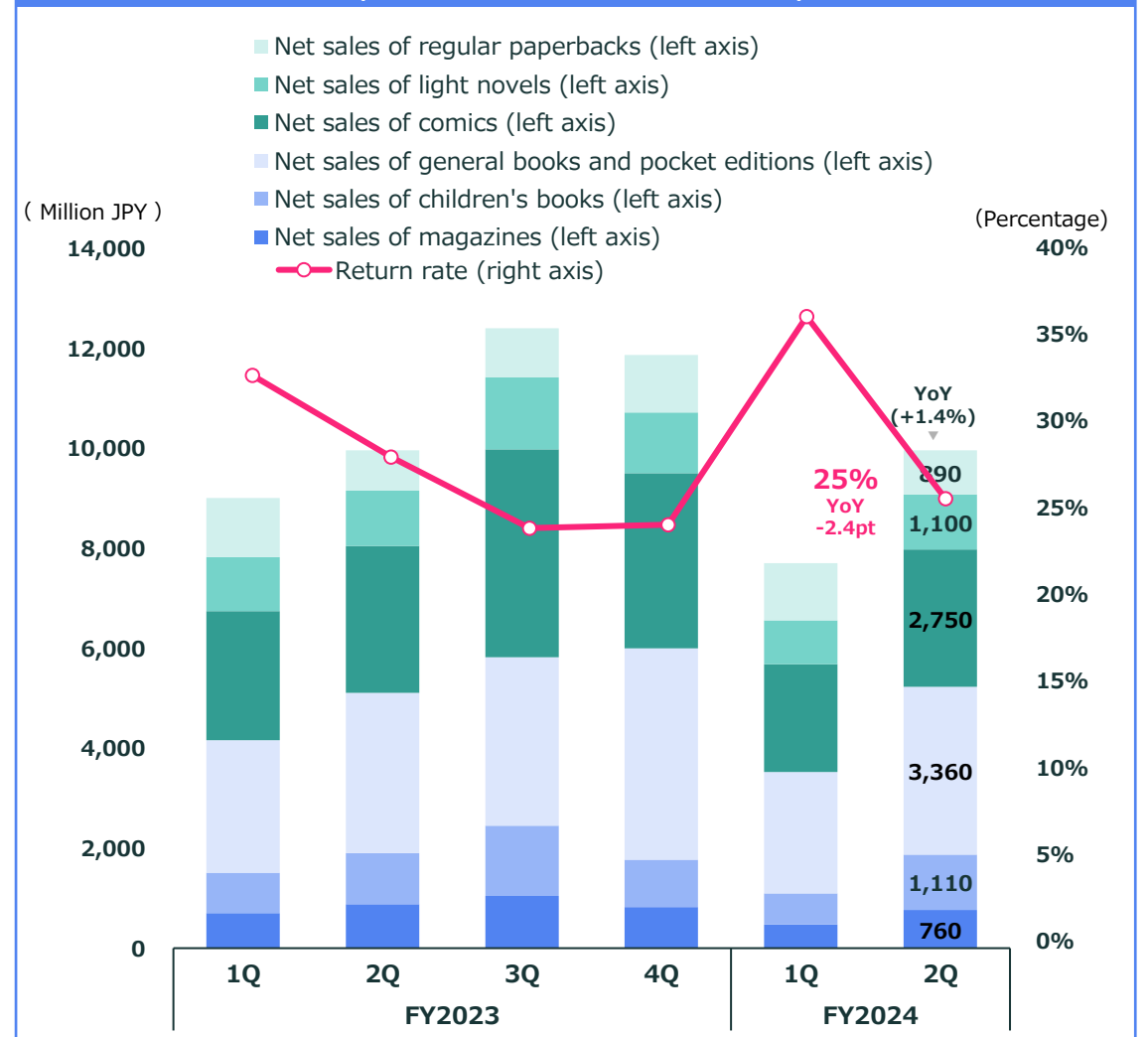
# Publication/IP Creation Segment

## Sales trend of Publication/IP Creation Segment



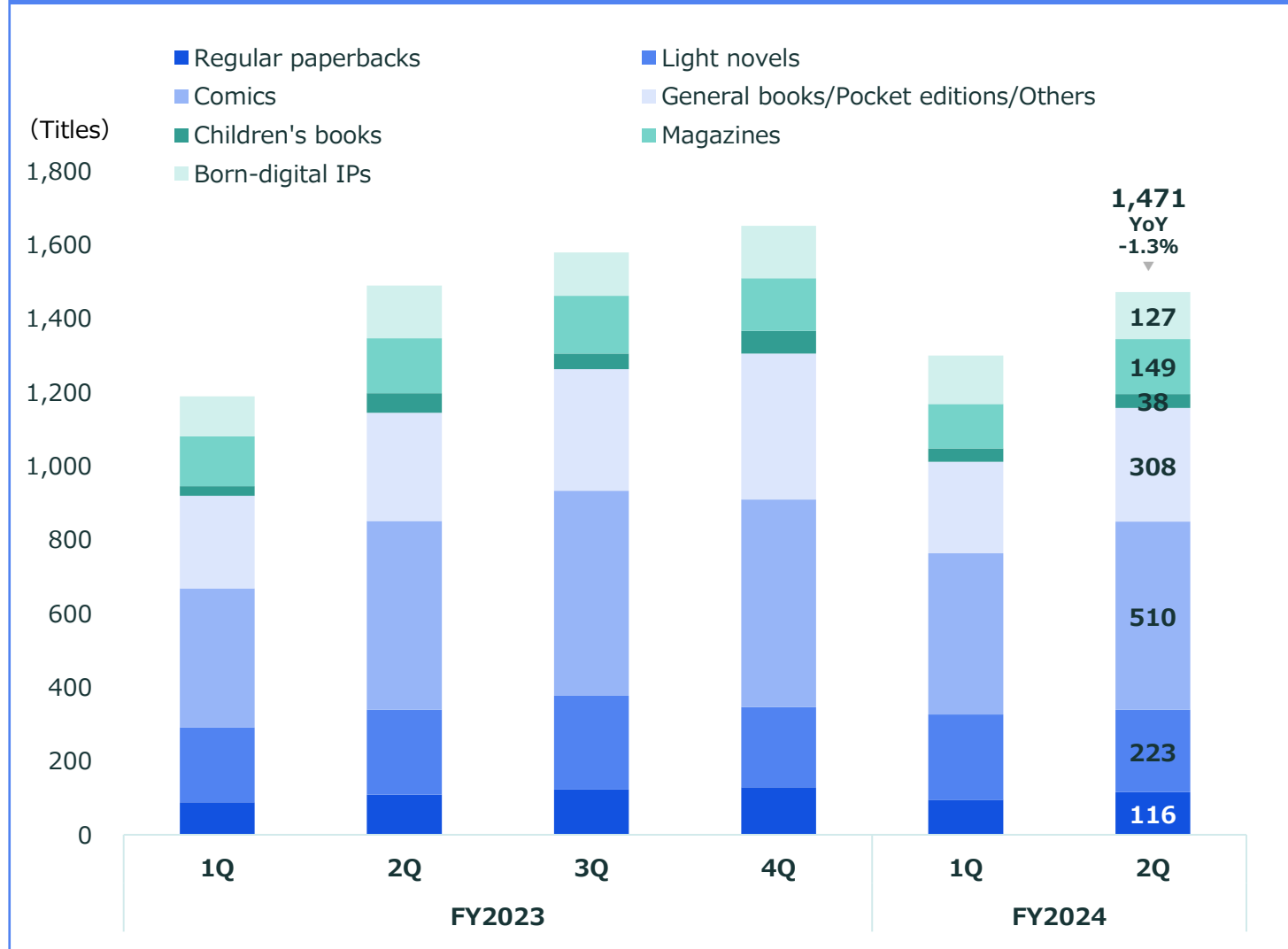
\*Accumulated e-book titles include the number of distribution by chapter

## Sales trend of paper-based books/magazines and returns rate (KADOKAWA Non-consolidated)



# Publication/IP Creation Segment

## Number of new IPs of paper-based books and magazines by genre (Actual)



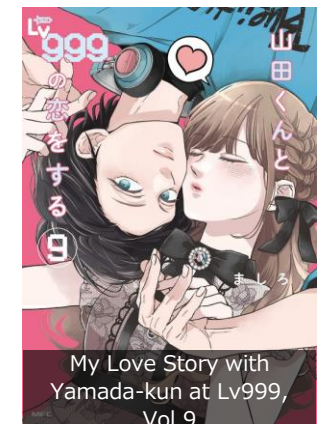
## Titles contributing to sales



(C)Ichinose Kaoru 2024 (C)Sheena Saera 2024



(C)Iroto Tsumugi (C)Kori Hisakawa (C)Airumu / KADOKAWA CORPORATION

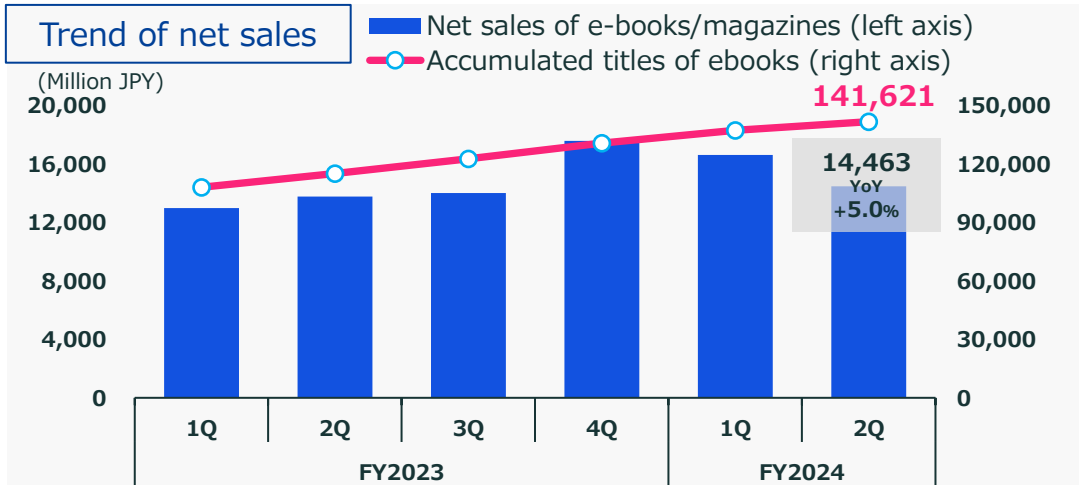


©MASHIRO/COMICSMART INC.

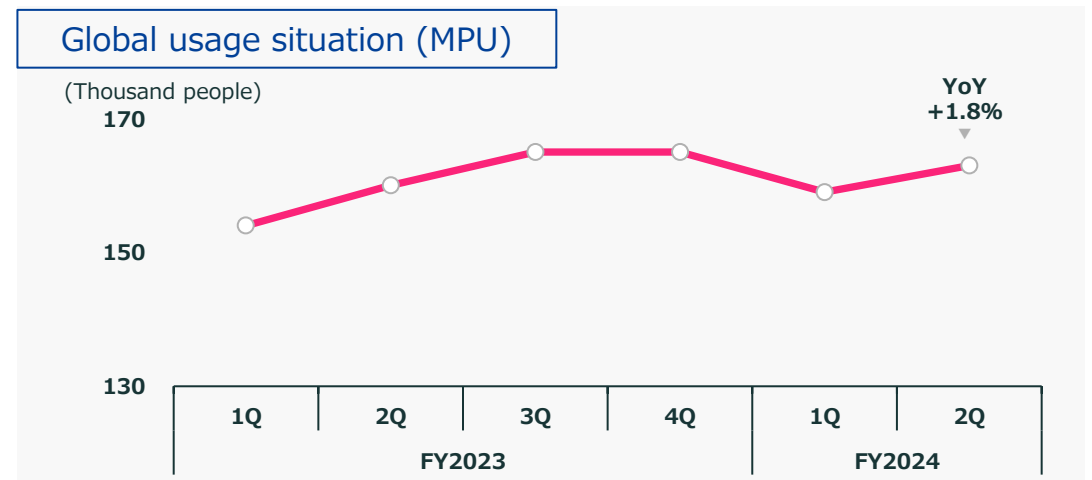
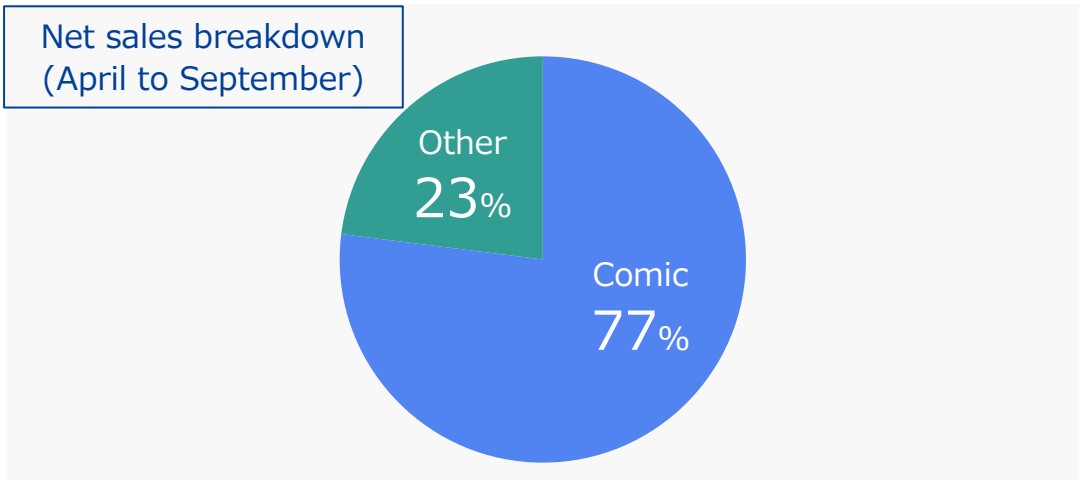
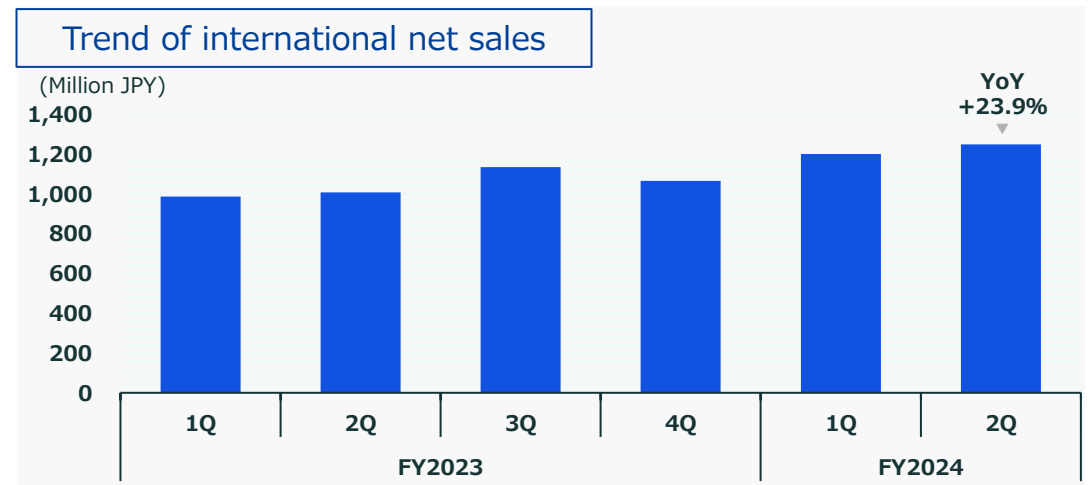
\* Total of IPs including Group companies' and born-digital titles in addition to KADOKAWA non-consolidated paper-based books

# E-book Business

## E-books/magazines



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

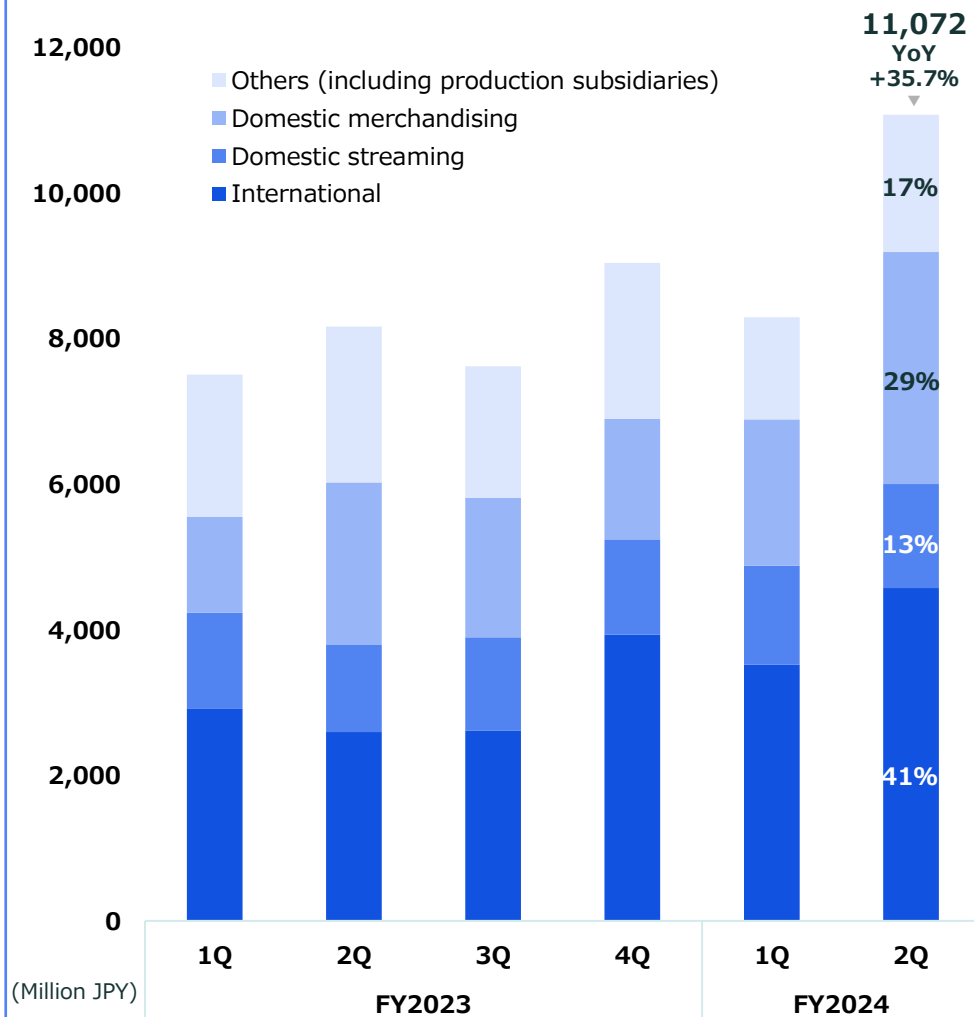


\*MPU (Monthly Paid User)



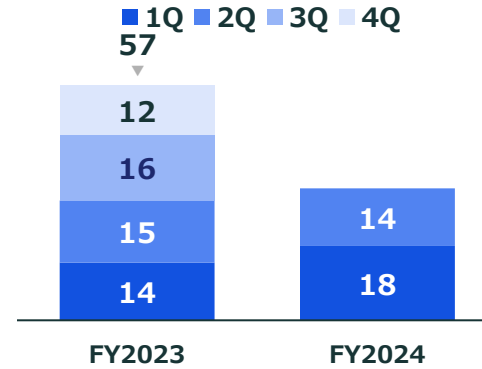
# Animation/Film Segment

## Net sales of animation business



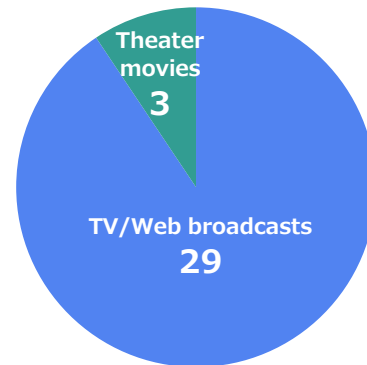
## The number of animation titles

### Number of new titles



\*Number of titles including minor investment

### Breakdown by media in Apr. to Sep.



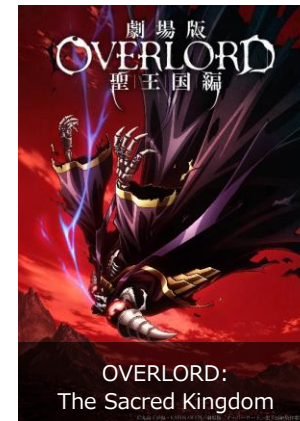
## Titles contributing to sales



©Aka Akasaka x Mengo Yokoyari/Shueisha, "OSHI NO KO" Partners



©Sunsunsun,Momoco/KADOKAWA/Alya-san Partners



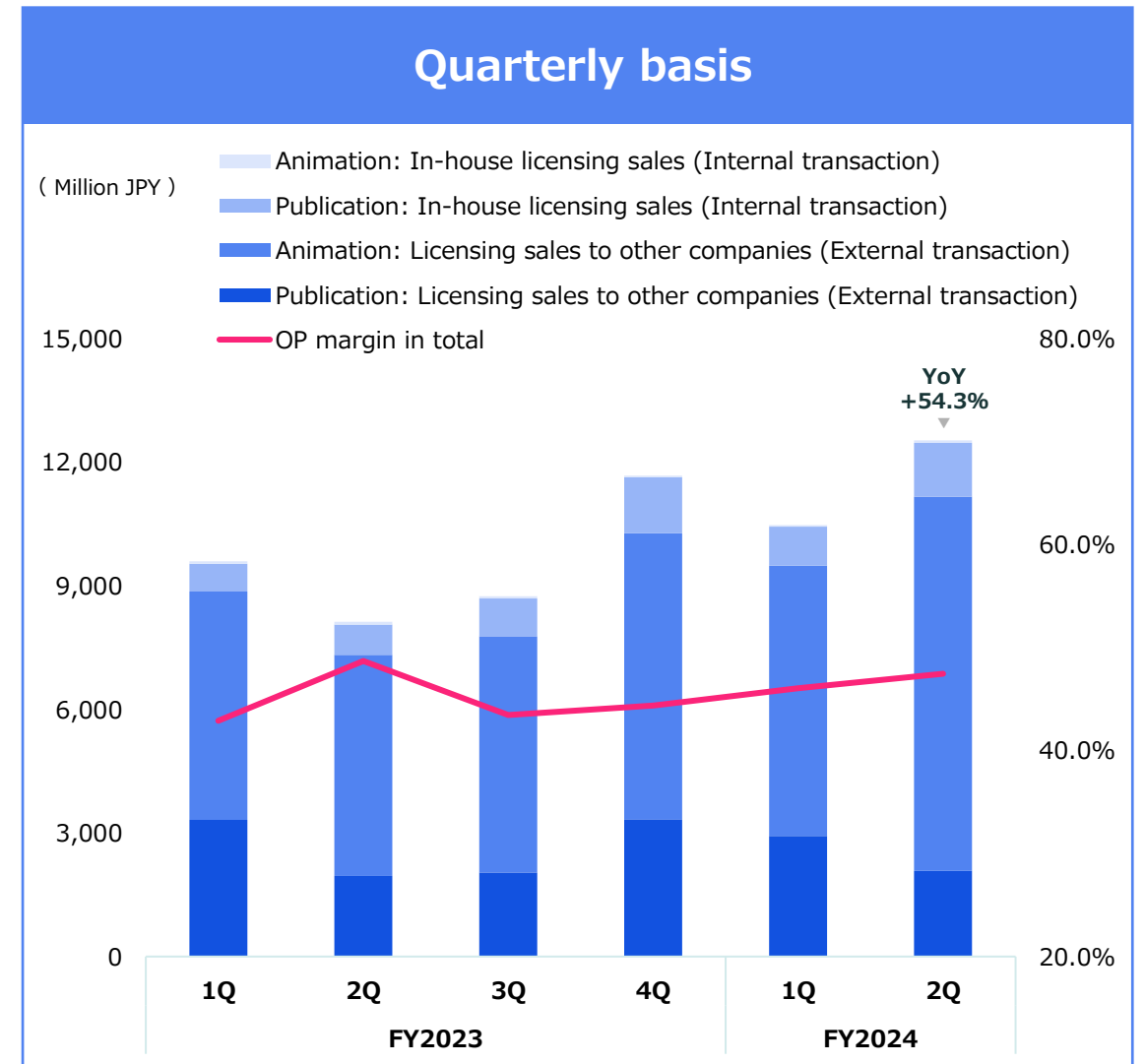
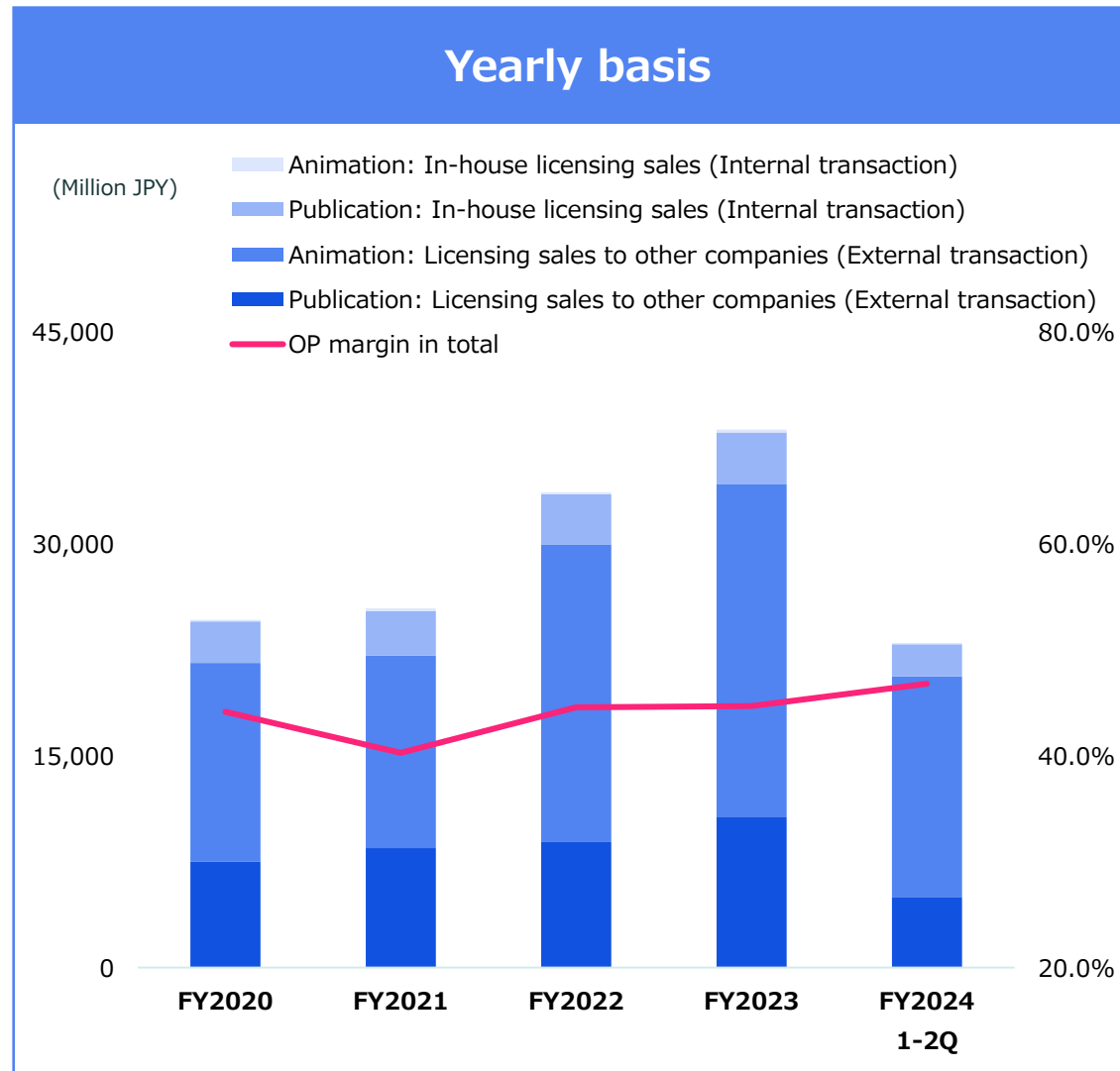
©Kugane Maruyama,PUBLISHED BY KADOKAWA CORPORATION/OVERLORD:The Sacred Kingdom Movie Partners



©Hiroshi Noda, Takahiro Wakamatsu, Shogakukan/No Longer Allowed in Another World Partners

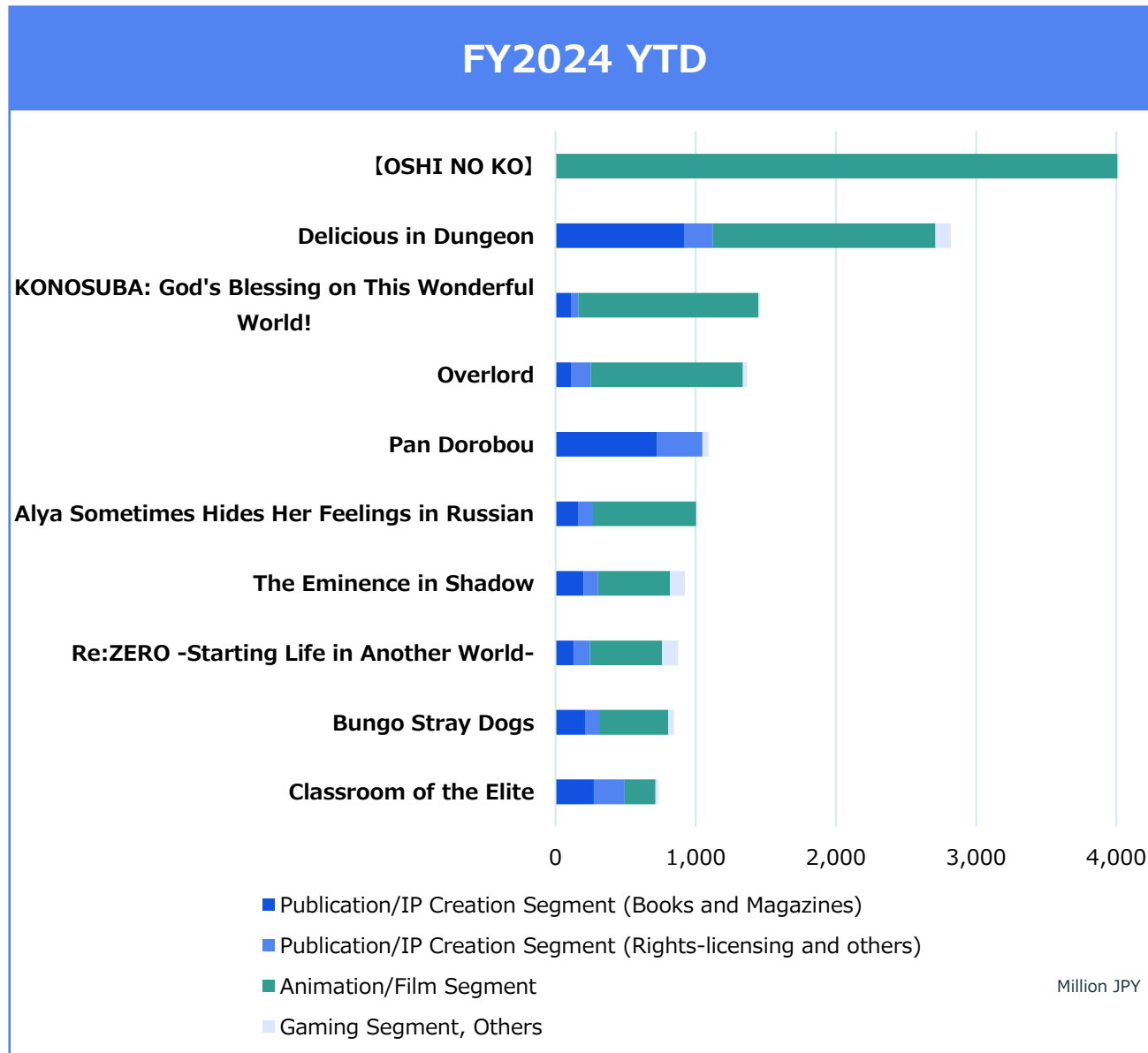
# Sales and Operating Margin of Rights-Licensing in Publication and Animation Businesses

(KADOKAWA Non-consolidated)



\* The operating margin related to rights-licensing sales is a managerial accounting figure estimated based on certain definitions. This figure is higher than actual because many expenses are not taken into account, such as costs related to IP creation and costs from back-office departments.

# Net Sales of the Top Ten Best-Selling Titles (including sales from rights-licensing, KADOKAWA Non-consolidated)



## Publication/IP Creation

\* Applies to entire series from starting year of publication to the latest release

Rank	Title Name (Series)	Year First Published
1	Delicious in Dungeon	2015
2	Pan Dorobou	2020
3	Mushoku Tensei: Jobless Reincarnation	2014
4	Sword Art Online	2009
5	Spice and Wolf	2006
6	The Irregular At Magic High School	2011
7	Rascal Does Not Dream	2014
8	Bungo Stray Dogs	2013
9	My Love Story with Yamada-kun at Lv999	2020
10	The Eminence in Shadow	2018

## Animation/Film

\* Applies to all titles from starting year of broadcast to the latest airing

Rank	Title Name (Series)	Year First Aired
1	[OSHI NO KO]	2023
2	Delicious in Dungeon	2023
3	KONOSUBA: God's Blessing on This Wonderful World!	2016
4	Overlord	2015
5	Alya Sometimes Hides Her Feelings in Russian	2024
6	Unnamed Memory	2024
7	The Eminence in Shadow	2022
8	Re:ZERO -Starting Life in Another World-	2016
9	Gods' Games We Play	2024
10	Bungo Stray Dogs	2016

# Eagerly Awaited Upcoming Titles

## Books



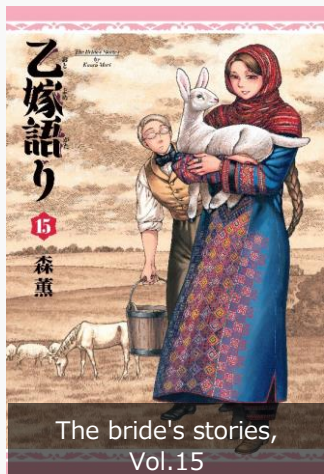
The Theater of Haruhi Suzumiya

©Nagaru Tanigawa, Noizi Ito/KADOKAWA



My Love Story with Yamada-kun at Lv999, Vol.10

©MASHIRO/COMICSMART INC.



The bride's stories, Vol.15

(C) Kaoru Mori 2024



The Summer Hikaru Died, Vol.6

(C)Mokumokuren

## Animation/Film



Re:ZERO - Starting Life in Another World - Season 3

©Tappei Nagatsuki,KADOKAWA/ Re:ZERO3 PARTNERS



TRILLION GAME

©Riichiro Inagami, Ryoichi Ikegami/ Shogakukan/Anime Trillion Game Partners



Ron Kamonohashi's Forbidden Deductions 2nd Season

©Akira Amano / SHUEISHA, Ron Kamonohashi's Forbidden Deductions Partners



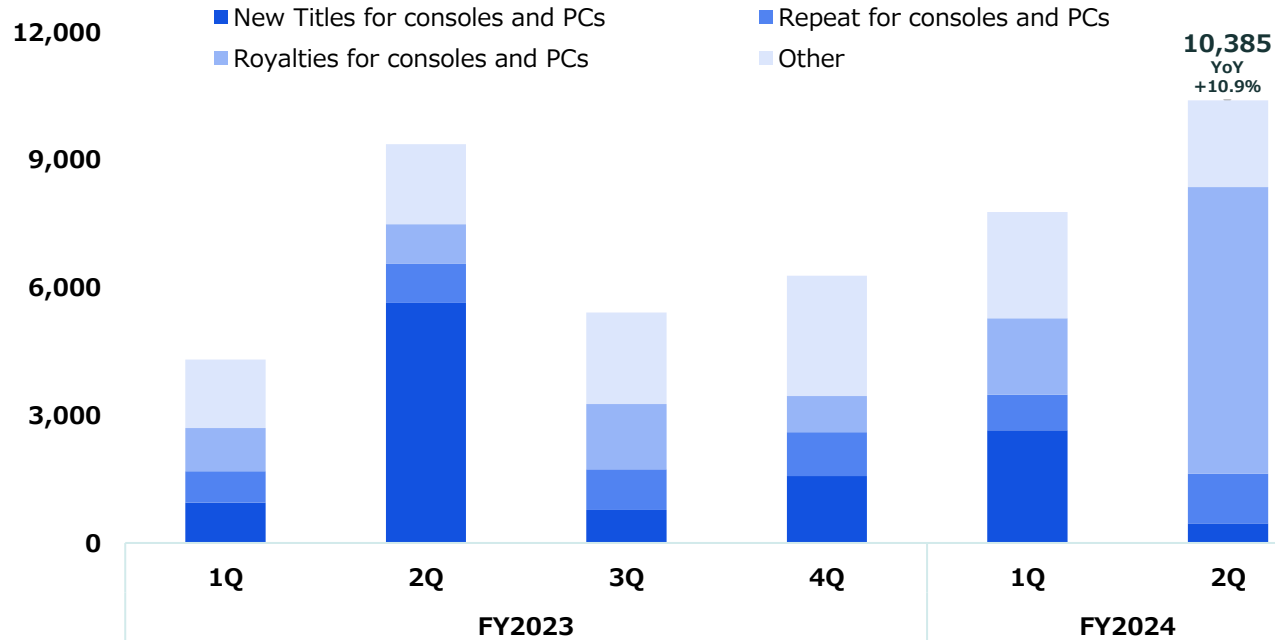
6 Lying University Students

© 2024 "6 Lying University Students" Film Partners



# Gaming Segment

## Trend of sales of Gaming segment



### Titles contributing to sales



**ELDEN RING**

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### Eagerly awaited upcoming titles



**Kamaitachi no Yoru x3**

©Spike Chunsoft/我孫子武丸/田中啓文/牧野修

	FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q
Number of newly released titles for consoles and PCs	2	3	1	3	5	1
Total number of copies sold (million copies)	0.98	1.80	0.87	1.10	1.33	0.93



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

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# Niconico-Related Business



## Niconico user data

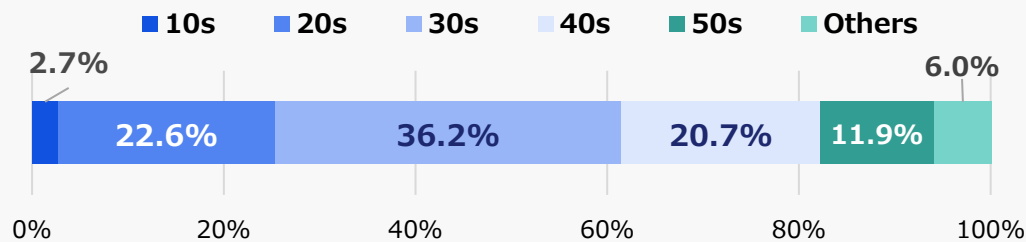
\* As of September 30, 2024

Regular members (Million) **101.64**

Premium members (Million) **1.08**

## Age

\* As of September 30, 2024



## Niconico Chokaigi 2024

Visitors (Thousand) **125**

## Niconico Channel user data

\* As of September 30, 2024

Number of channels **11,201**

Number of channels with monthly fee **2,380**

Dues-paid members (Million) **1.24**

## Niconico usage data

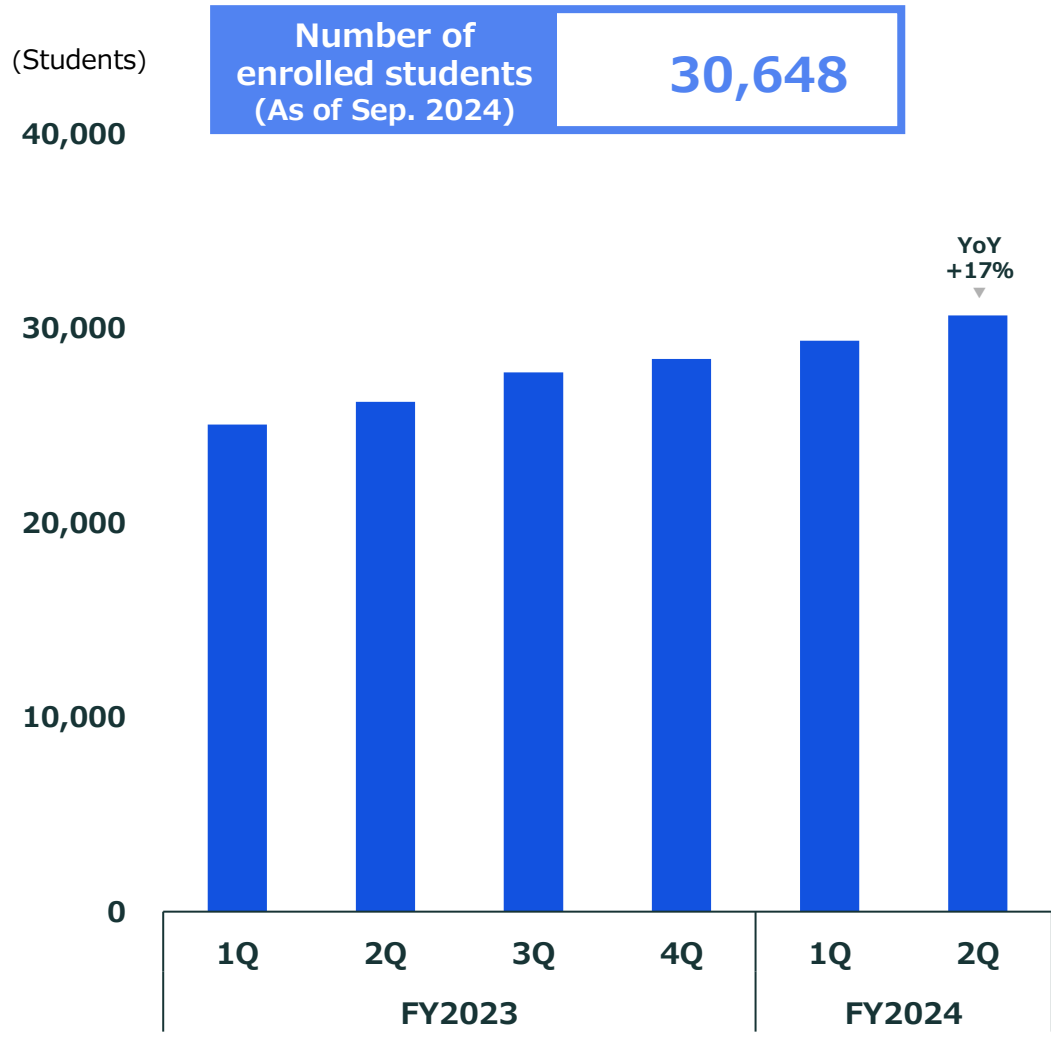
\* Usage for July-September 2024 cannot be disclosed because of difficulty in calculating data due to the system failure.

	MAU (Million)	DAU (Million)
Logged In Unique Users + Unique Video Viewers Not Logged In	—	—
Logged In Unique Users	—	—
Google Analytics-based Unique Users	—	—

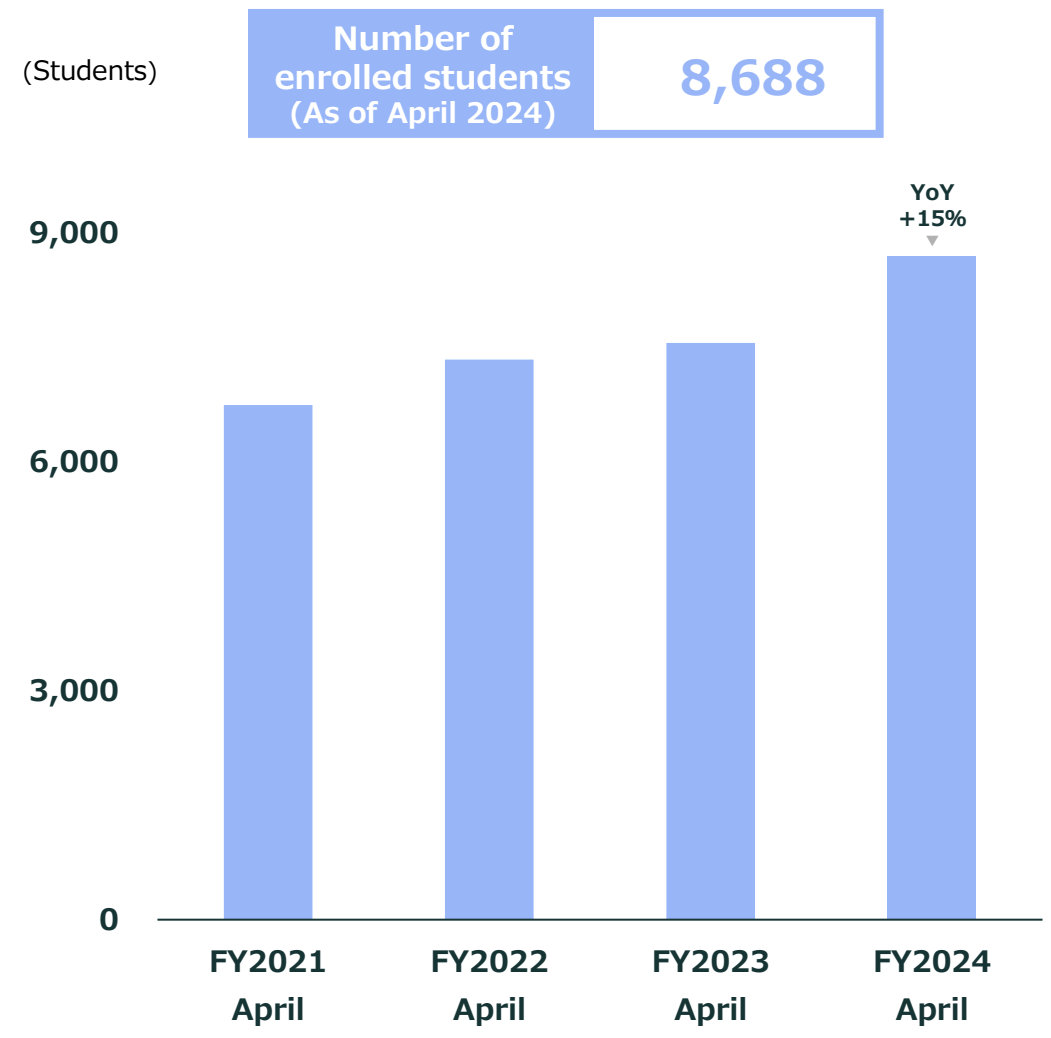


# Education/EdTech Segment

## Trend of Number of N & S High School Students

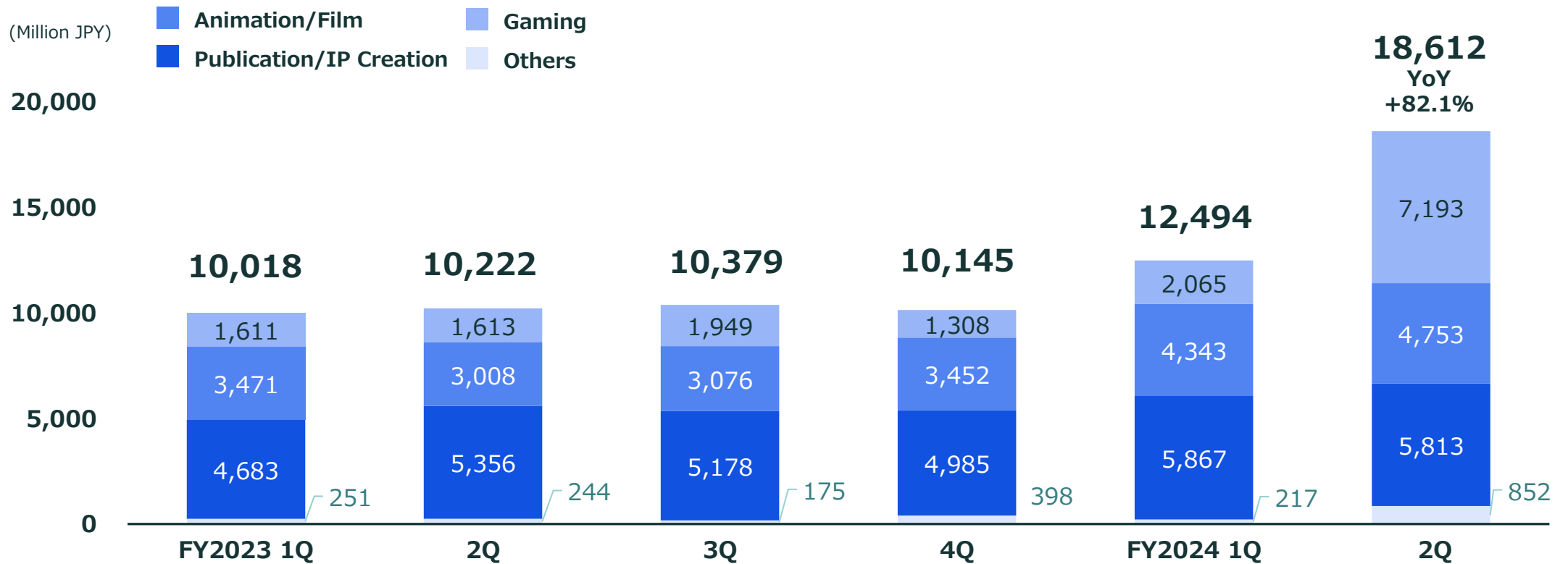


## Trend of Number of Vantan Students



# International Net Sales

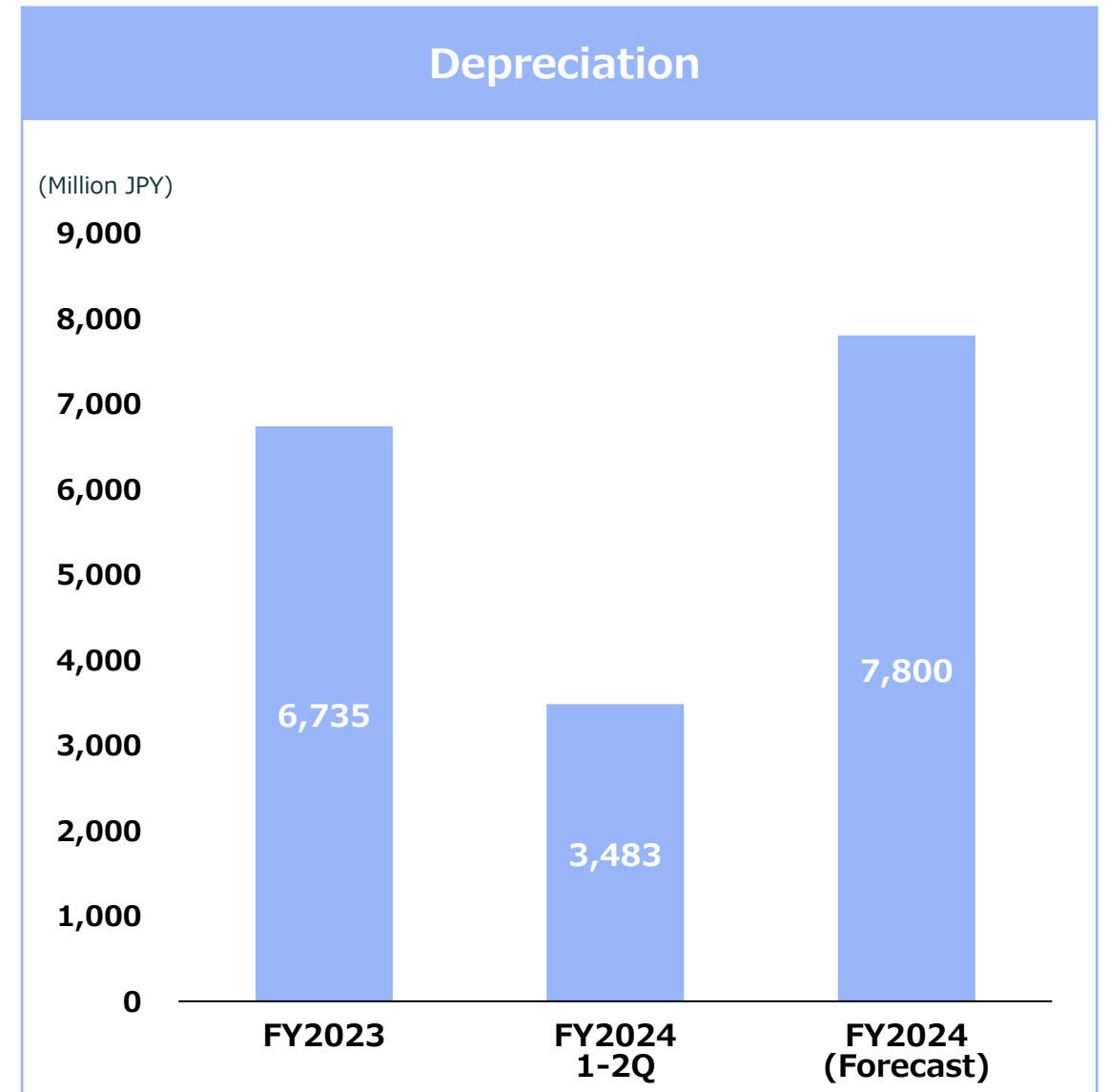
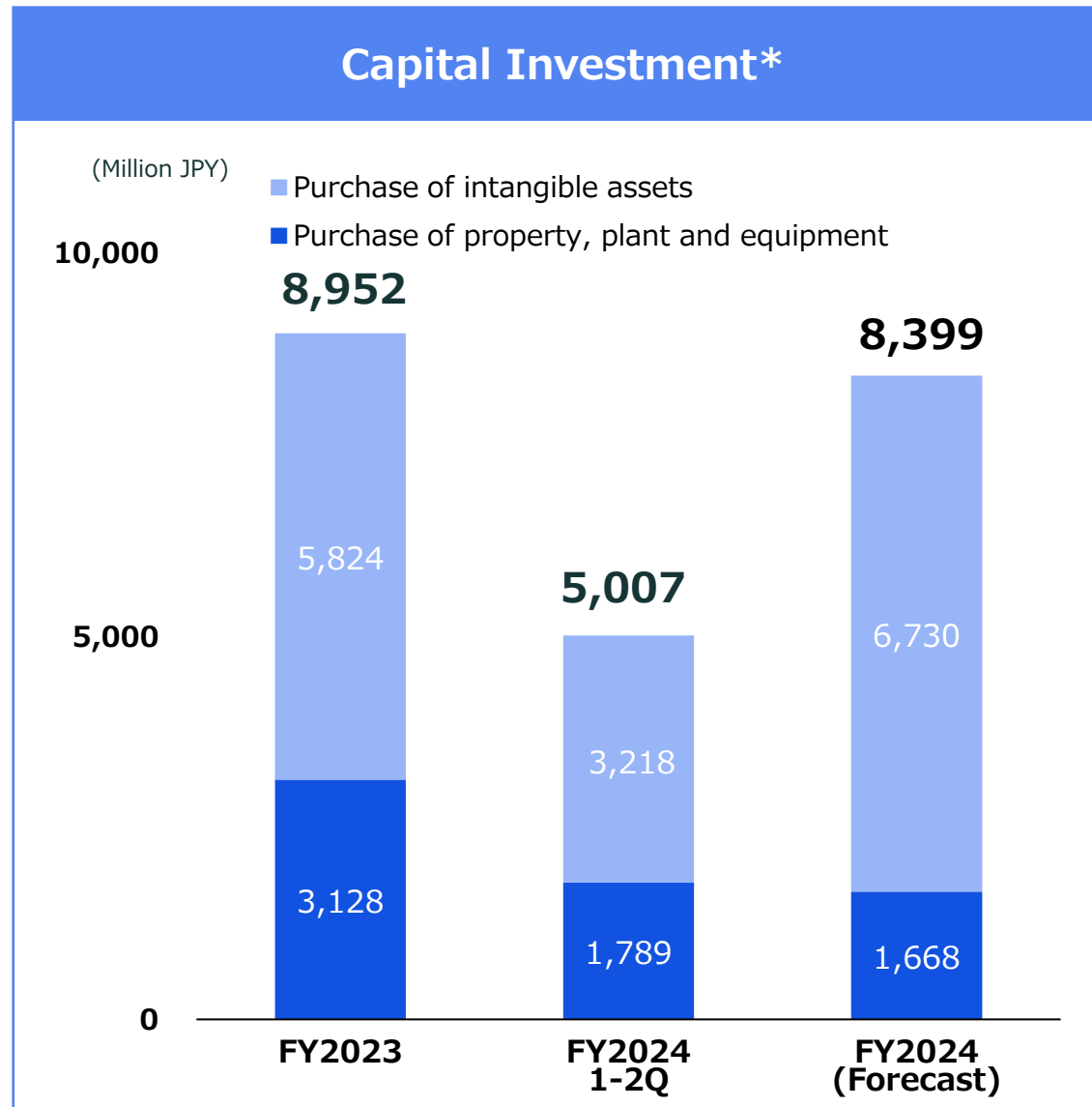
## Breakdown of International Net Sales by Segment



Breakdown by region	Americas	58.6%	56.2%	51.3%	51.6%	58.4%	57.8%
	Asia	32.6%	34.7%	37.9%	40.3%	32.8%	28.5%
	Others	8.8%	9.1%	10.8%	8.1%	8.7%	13.7%

\* Business results for international subsidiaries are reflected in KADOKAWA's consolidated financial results on a three-month delay.

# Capital Investment and Depreciation



\* "Capital investment" is a cash-based amount. It is the total of "purchase of property, plant and equipment" and "purchase of intangible assets" listed in the consolidated statement of cash flows, and includes consideration for non-current assets acquired in the previous fiscal year (Fiscal Year n-1) for which expenditures were made in the current fiscal year (Fiscal Year n).

## FAQ

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**Q01** | What were the changes of revenue recognition timing for domestic sales at store of other companies in the e-book business?

**A** | Domestic sales from stores of other companies was previously recorded based on final reports received from each store, but starting from the fourth quarter of the fiscal year ended March 31, 2024, we changed to also recording estimates based on preliminary data received from some stores of other companies. Sales that were previously recorded in the following month or later are now estimated and recorded in advance. The above impact also occurred in 1H of the fiscal year ending March 31, 2025. The impact in 2Q was smaller than that in 1Q.

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**Q02** | What was the impact of foreign exchange rates from April to September, and July to September of the current fiscal year? Additionally, what was the growth rate for sales and operating profit excluding the foreign exchange impact?

**A** | The growth rate of sales excluding the impact of foreign exchange (approximately +2.3 billion JPY) was +7.9% in the April to September period. In the July to September period, the growth rate of sales excluding the impact of foreign exchange (approximately +0.9 billion JPY) was +6.3%.

As sales from rights-licensing (royalties) accounts for a certain percentage of international sales, we believe that costs affected by foreign exchange rates are limited, but since it is difficult to identify these costs accurately, we have not estimated their impact on profit.

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**Q03** | What was the impact of foreign exchange rates on the paper-based book businesses of international subsidiaries from April to September, and July to September of the current fiscal year? And what is the growth rate of sales excluding the effect of exchange rates?

**A** | The foreign exchange impact on sales in the paper-based book businesses of international subsidiaries from April to September was about +0.7 billion yen, and excluding this, the sales growth rate was about +4.7%. In the July to September period, the foreign exchange impact on sales was about +0.4 billion yen, and excluding this, the sales growth rate was about -4.3%.

## FAQ

**Q04** For sales amounts of e-books from April to September, and from July to September, what was the ratio of sales from the Company's own store to those of other companies, and what were the growth rates of each?

**A** The ratio of sales at the Company's own stores (BOOK☆WALKER) to stores of other companies was 1:4, and the growth rates are 4.3% (BOOK☆WALKER) and 23.9% (other companies' stores) from April to September. From July to September, the ratio of sales was 1:3, and the growth rates of them are 0.5% and 8.8% each. The growth rate for sales in stores of other companies includes the impact of the change in sales recognition timing described in Q01, and the growth rate excluding this impact is +12.0% in the April to September period.

**Q05** From April to September, what were the shares and growth rates for paper-based books and information media sales by genre?

**A** Share by genre: Comics 28%, general books and pocket editions 33%, light novels 11%, paperback books 12%, children's books 10%, magazines 7%

Growth rate by genre: comics -11%, general books and pocket editions -1%, light novels -10%, paperback books +2%, children's books -6%, magazines -6% (KADOKAWA non-consolidated basis). The above results include the impact of the cyberattack.

**Q06** What were the ratio of paper-based books and e-books in the international sales of the Publication/IP Creation Segment from April to September?

**A** Sales of paper-based books were approximately 80% and sales of e-books were approximately 20% of the total international sales of the publication segment.

**Q07** From April to September, what were the sales shares of the top 10 best sellers in the Publication/IP Creation Segment and the Animation/Film Segment?

**A** The shares for the top 10 best sellers consisted of 8% in the Publication/IP Creation Segment and 42% in the Animation/Film Segment.

## FAQ

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**Q08** | What are the actual and projected sales of the DLC for ELDEN RING in this fiscal year?

**A** | We do not disclose sales results and forecasts for individual titles.

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**Q09** | What are Tokorozawa project's depreciation for the fiscal year ended March 31, 2025 and in the future? (Digital manufacturing plants, new logistics facilities, commercial facilities, office etc.)

**A** | Depreciation of the project is expected to be 2.0 billion yen for the fiscal year ending March 31, 2025 and 2.0-2.2 billion yen in the fiscal year ending March 31, 2026 and subsequent years. Note that these monetary figures reflect the impact of the impairment loss associated with partial business restructuring in the commercial facility business that was carried out in the fourth quarter of the year ended March 31, 2024.





# KADOKAWA

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