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For Immediate Release

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Notice Regarding Recognition of Extraordinary Losses (Amortization of Goodwill)
and Revision of Consolidated Earnings Forecast

The Company hereby announces that it recorded an extraordinary losses (amortization of goodwill) as follows during the interim consolidated accounting period for the fiscal year ending March 2026 (April 1, 2025 to September 30, 2025), and that we revised the full-year consolidated earnings forecast announced on May 8, 2025 based on recent performance trends and other factors.

1. Extraordinary losses (Amortization of goodwill)

In light of interim earnings results and future outlook of our subsidiary company Douga Kobo inc. (planning, production, and sales of animation), we recorded 2,992 million yen of loss on valuation of shares of subsidiaries and associates in our non-consolidated financial statements. Consequently, we recorded 2,700 million yen of amortization of goodwill related to Doga Kobo in our consolidated financial statements.

2. Revision of the consolidated earnings forecast

(1) Revision to the consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Earnings per share | EBITDA |
|---|----------------------------|---------------------------|---------------------------|---|--------------------|---------------------------|
| Previously announced forecast (A) | Millions of yen 291,900 | Millions of yen 16,700 | Millions of yen 18,700 | Millions of yen 11,400 | Yen 77.79 | Millions of yen 25,500 |
| Revised forecast (B) | 278,200 | 10,300 | 12,400 | 4,900 | 33.34 | 19,500 |
| Change (B - A) | -13,700 | -6,400 | -6,300 | -6,500 | | -6,000 |
| Change (%) | -4.7 | -38.3 | -33.7 | -57.0 | | -23.5 |
| (Reference) Results for the previous fiscal year ended March 31, 2025 | 277,915 | 16,651 | 17,772 | 7,393 | 53.87 | 24,907 |

(2) Reason for the revision to consolidated results forecast

During the current interim consolidated accounting period, domestic and international sales of the new title *ELDEN RING NIGHTREIGN* released in May 2025 in the Gaming Segment exceeded expectations. On the other hand, though the number of new IPs increased steadily, sales did not grow as expected due to the downsizing of titles and efficiency declined in the Publication/IP Creation Segment due to increased costs associated with the rise in titles. In the Animation/Film Segment, where the first animation adaptation dominated the lineup, revenue per title fell below

expectations. Both segments performed below projections. Additionally, as written in “1. Extraordinary losses (Amortization of goodwill)”, we recorded extraordinary losses of 2,700 million yen.

In addition to the progress made during the interim period described above, based on the latest outlook for the third quarter and beyond, we have revised our full-year consolidated earnings forecast for the fiscal year ending March 31, 2026. The revisions to net sales, operating profit, ordinary profit, net profit attributable to owners of the parent, and EBITDA are as stated above. Please note that the above full-year consolidated earnings forecast is based on information available as of the date of this document's release. Actual results may differ from the forecast due to various factors that may arise in the future.

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