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FINANCIAL INFORMATION

This section provides information for shareholders and investors including the Group's financial strategy, business results, financial position, and a stock overview.

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FINANCIAL STRATEGY

The content below describes the KADOKAWA Group's financial strategy under its new Mid-Term Plan, along with its policies regarding dividends and shareholder returns, and an overview of business results and related information.

Financial Strategy

The KADOKAWA Group's overall financial policy is to reliably secure the liquidity and sources of funding necessary to operate its businesses. The Group's fundamental approach is to use its own funds for short-term working capital, and procure funding for capital investment and long-term working capital through long-term loans from financial institutions, or through issuing stock or bonds, as appropriate. When procuring funds, the Group considers its funding needs in light of business plans, and the financing

environment in terms of interest-rate trends and other factors.

The Group's new three-year Mid-Term Plan implemented from the fiscal year ending March 31, 2023 sets out a basic financial policy of aiming, in principle, for a capital adequacy ratio of at least 50%, and a return on equity (ROE) of at least 10% in the medium to long term. Funds will be allocated according to the order of priority below.

Allocation of funds

	Each item and its priority	Specific policies
1. Investment	Investment through strategic projects contributing to the growth of key businesses and M&A activities	Invest capital in projects that are compatible with KADOKAWA's strategy and offer returns that exceed internal hurdle rates in order to improve corporate value
2. Dividends	Continued issuance of stable dividends	Target a payout ratio of at least 30% that reflects consolidated financial results based on an annual dividend of 30 yen per share

Policies regarding dividends and shareholder returns

KADOKAWA Corporation recognizes the importance of the continuous distribution of profits to its stakeholders, including shareholders, and is aware that sustainable corporate management is a necessary prerequisite for achieving this. To this end, the Company believes it is essential to strengthen its corporate structure and enhance internal reserves for future business operations.

In addition, the Company regards the return of profits to shareholders as a key issue in terms of its management. Specifically, the Company's basic

policy is to pay a stable annual dividend of 30 yen per share from the fiscal year ending March 31, 2023 onward, returning profits to shareholders with a target payout ratio of 30% or more, including return of profits based on consolidated business performance.

Furthermore, in order to improve the liquidity of the Company's stock and expand its investor base, the Company implemented a 2-for-1 stock split of its common stock on January 1, 2022.

Dialogue with shareholders and investors

The Company's basic policy is to strive to improve management transparency and earn greater trust from society by continuously conducting fair, timely, and appropriate information disclosure for shareholders, investors, and other stakeholders. It constantly improves the information disclosed by listening proactively to stakeholders' expectations and opinions and examining the need for specific types of content. The Company's IR Division plays the central role in promoting dialogue with domestic and overseas institutional investors and analysts based on close collaboration with relevant divisions.

Based on the above policy, in FY2021 the Company conducted meetings with a cumulative total of 506 institutional investors and analysts. The feedback obtained during such dialogue with stakeholders is shared with the Board of Directors and reflected in the Company's corporate activities as necessary.

The Company will continue to engage in responsible dialogue with its shareholders, investors, and other stakeholders as it strives to ensure sustained improvement of its corporate value.

OVERVIEW OF OPERATING RESULTS

Summary of Consolidated Financial Results for the Year Ended March 31, 2022

The KADOKAWA Group advocates a global media mix as its fundamental strategy that combines the stable creation of intellectual property (IP) consisting of a variety of portfolios based on books, live-action films, animation, games, and a user generated content (UGC) platform with a rollout on a global scale, seeking to achieve growth and enhance corporate value over the medium to long term.

During the consolidated fiscal year under review, net sales totaled 221,208 million yen (up 5.4% year on year), with operating profit of 18,519 million yen (up 35.9% year on year) and ordinary profit of 20,213 million yen

(up 40.7% year on year). Profit attributable to owners of parent came to 14,078 million yen (up 46.9% year on year).

Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. began to be applied from the beginning of the consolidated fiscal year under review. As a result, net sales for the consolidated fiscal year under review are 10,456 million yen less than the value calculated by applying the previous method. The impact of this change on operating profit, ordinary profit, and profit before income taxes is minor.

Overview of Financial Position for the Year Ended March 31, 2022

Total assets as of March 31, 2022 increased by 55,670 million yen from the end of the previous consolidated fiscal year to 325,319 million yen. This primarily reflects an increase in cash and deposits chiefly due to a capital increase through a third-party allotment of new shares and an increase in investment securities owing to an increase in the price of shares held.

Liabilities increased by 9,454 million yen from the end of the previous consolidated fiscal year, to 149,578 million yen. This was largely due to increases in deposits received and in notes and accounts payable - trade.

Total net assets as of March 31, 2022 increased by 46,216 million yen from the end of the previous consolidated fiscal year to 175,740 million yen. This primarily reflects an increase in shareholders' equity chiefly due to a capital increase through the recording of profit attributable to owners of parent and a third-party allotment of new shares, and a rise in the valuation difference on available-for-sale securities due to an increase in the price of shares held, which was partially offset by dividend payments.

Status of the Group's Capital Investment

In the current consolidated fiscal year, the Group's total amount of capital investment was 5,272 million yen. The main capital investments by business segment are listed below.

Capital Investment by Business Segment

Business category	Amount (million yen)	Description
Publication Business	3,637	Construction of a book production and distribution base and extension of functionality for the Company's e-book site, etc.
Video Business	349	System development for extension of functionality of Mubichike, etc.
Game Business	105	Development expenses of game applications, purchase of facilities and equipment for development, etc.
Web Service Business	0	System development, etc.
Others	1,068	Construction of school operational equipment for the education business and internal network equipment, etc.
Group Overall (in common)	110	Acquisition of land adjacent to the KADOKAWA Headquarter Building, etc.
Total	5,272	

Note: Capital investment includes value of software and software in the pipeline among intangible assets as well as property, plant and equipment.

Ongoing construction of new major facilities in the current consolidated fiscal year (as of March 31, 2022)

Of the book production and distribution factories in TOKOROZAWA SAKURA TOWN (Tokorozawa City, Saitama Prefecture), which were in the planning stage as of the end of the previous consolidated fiscal year, the production factory started partial operations during the current consolidated fiscal year, and preparations are proceeding toward the operational launch of the

distribution factory. Out of a budgeted investment of 19,100 million yen for the production and distribution factories, payment of 15,958 million yen was made, including construction work expenses for purchase of the production equipment and building, etc.

Summary of Cash Flows for the Year Ended March 31, 2022

Net cash provided by operating activities was 21,708 million yen (compared to net cash provided of 15,586 million yen in the corresponding period of the preceding fiscal year), which is mainly because of the posting of profit before income taxes.

Net cash used in investing activities was 7,940 million yen (compared to net cash used of 5,931 million yen in the corresponding period of the preceding fiscal year), primarily due to the purchase of property, plant and equipment and intangible assets and payments into time deposits.

Net cash provided by financing activities was 26,690 million yen (compared to net cash provided of 7,933 million yen in the corresponding period of the preceding fiscal year), primarily due to proceeds from the issuance of shares of 29,867 million yen, which was partially offset by dividend payments (dividend increase of 20 yen per share).

Consequently, the total provision of cash came to 41,691 million yen

(including those associated with foreign currency translation differences), leaving cash and cash equivalents at the end of consolidated fiscal year under review at 97,579 million yen.

The Group basically uses cash on hand to provide short-term working capital and raises funds for capital expenditures and long-term working capital as appropriate through long-term loans from financial institutions and the issuance of corporate bonds and shares based upon consideration of funding needs according to business plans and the financing environment including interest rate trends.

The Group has supplemented liquidity by concluding commitment line agreements totaling 15 billion yen with a number of financial institutions. The Company has no outstanding borrowings from the above agreements as of the end of the consolidated fiscal year under review.

Trends in cash flow indicators

	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Equity ratio	44.7%	42.2%	43.3%	47.2%	52.8%
Equity ratio at market value	30.0%	30.7%	34.5%	102.7%	137.8%
Interest-bearing debt to cash flow ratio	40.7years	11.2years	4.0years	4.2years	3.0years
Interest coverage ratio	16.2	59.0	167.4	161.6	211.5

(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.

Outlook

Looking at the business environment surrounding the Group, in Japan, the publication market has been growing continuously overall, mainly driven by electronic publishing. In overseas countries, meanwhile, the comic market is expanding, fueled by an increase in the anime audience as a result of the popularization of video distribution, showing the globalization of the publication business.

The environment surrounding movie theaters and events is gradually recovering from the previous year when business was severely hit by the COVID-19 pandemic, and with video distribution, online gaming and live streaming becoming more commonplace, worldwide demand for content is on the rise and the ways to enjoy engaging with others, primarily through content are expanding.

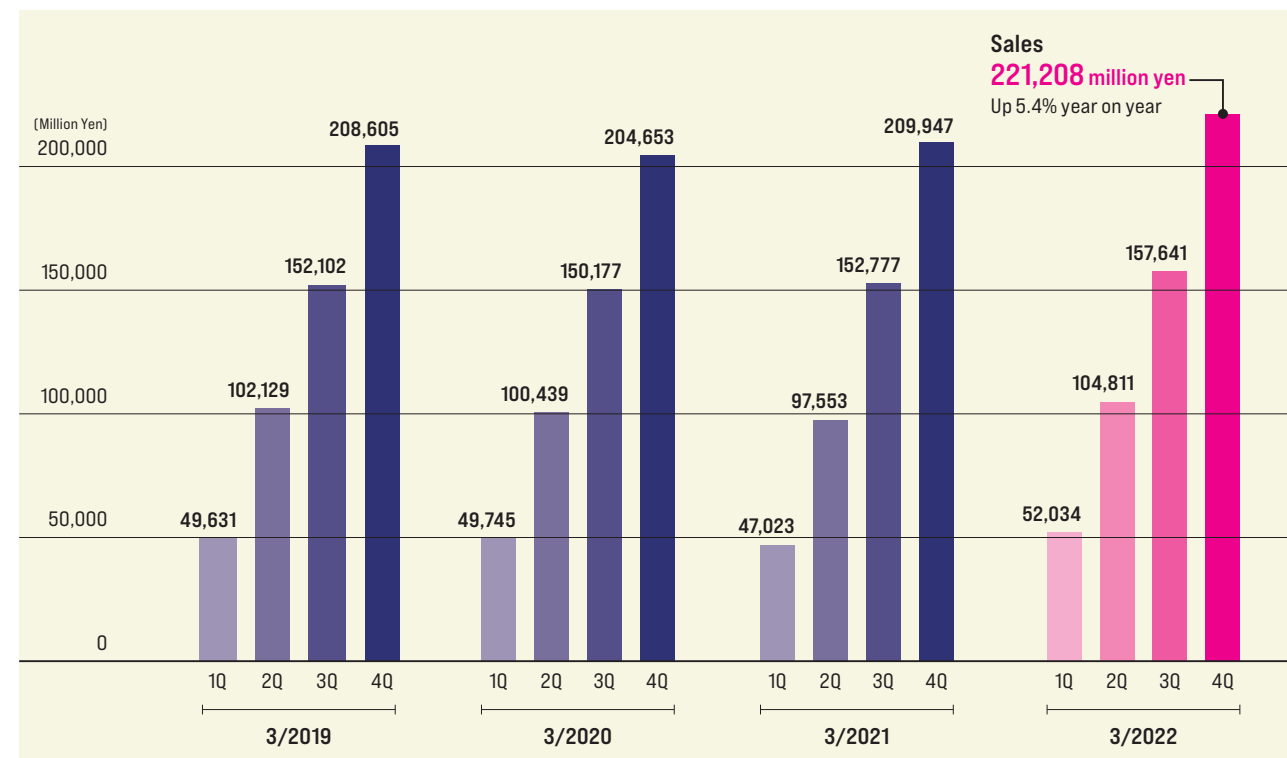
To take advantage of this business environment, the Company will continue to implement its global media mix strategy by reinforcing our efforts in the creation and worldwide rollout of IP while further accelerating a digital shift in its businesses by flexibly leveraging technological development. At the same time, by enhancing the operation of the fan community, it will strive to maximize IP value and achieve continuous growth in earnings.

In addition, under its new management structure, the Company plans to develop an internal platform where individual employees can devote themselves wholeheartedly to the things they like and fully demonstrate their creativity on the themes of creativity, technology and motivation, and to generate innovation.

FINANCIAL HIGHLIGHTS

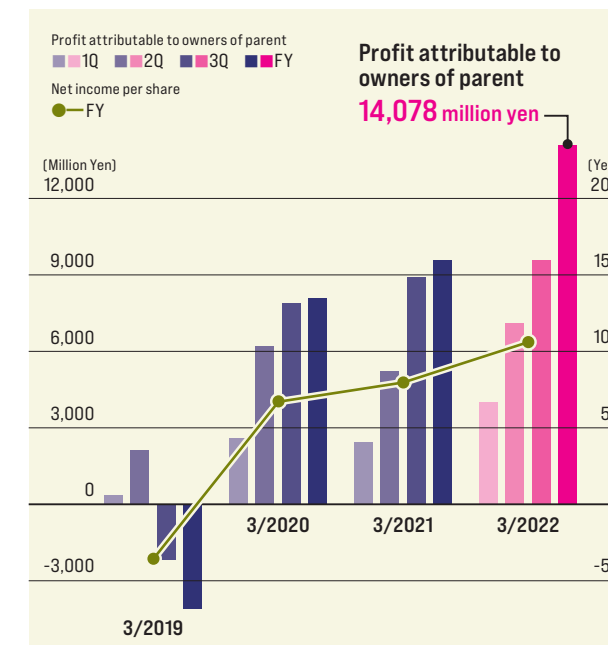
2nd Quarter represents an aggregate of the 1st to 2nd quarters.
3rd Quarter represents an aggregate of the 1st to 3rd quarters.

Sales

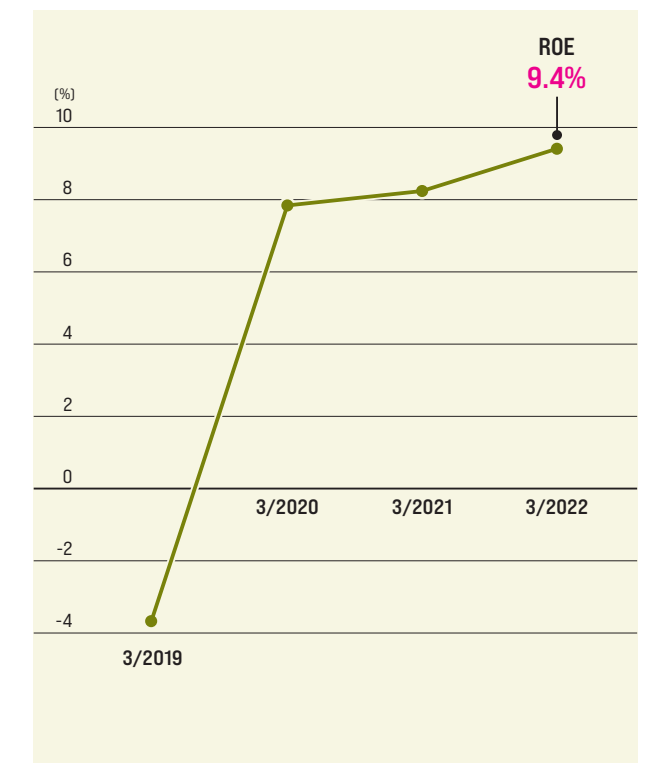


Profit attributable to owners of parent Net income per share

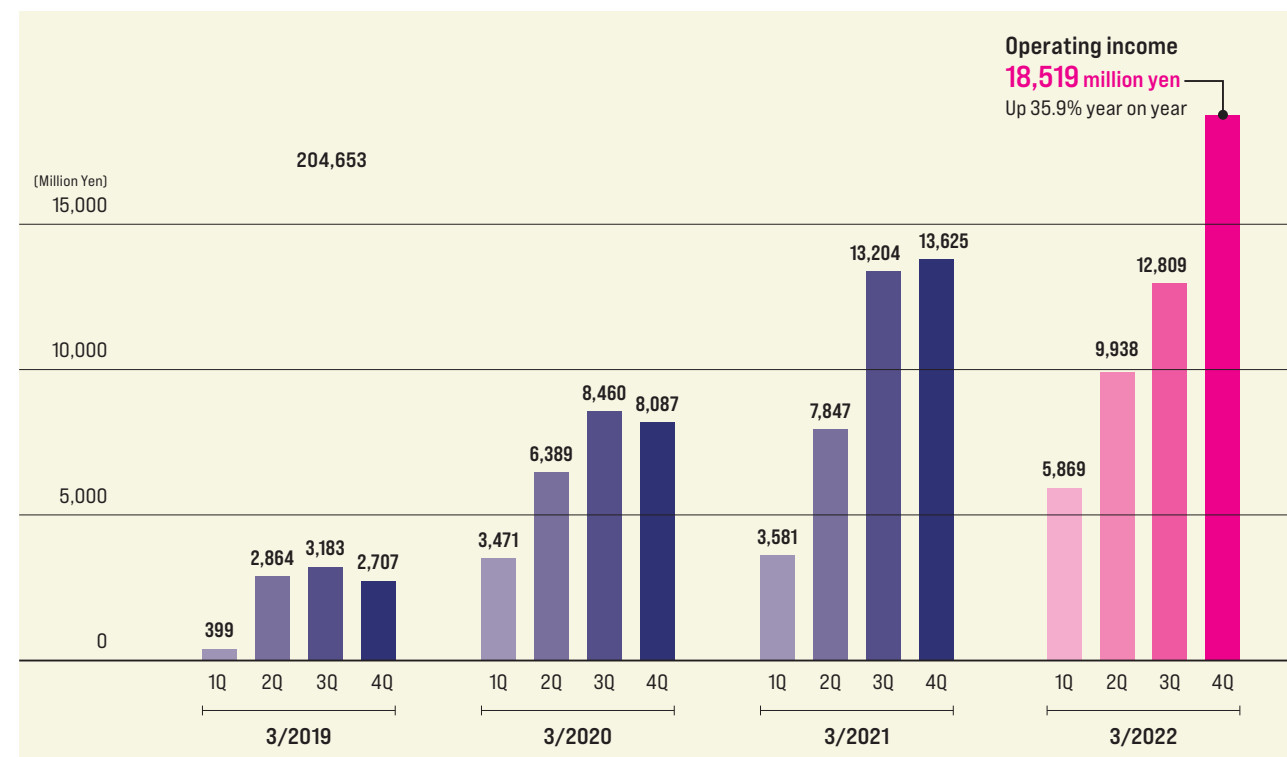
On January 1, 2022, the Company split its common stock at a ratio of 2-for-1. Earnings (loss) per share have been calculated under the assumption that this share split was conducted at the beginning of the fiscal year ended March 31, 2019.



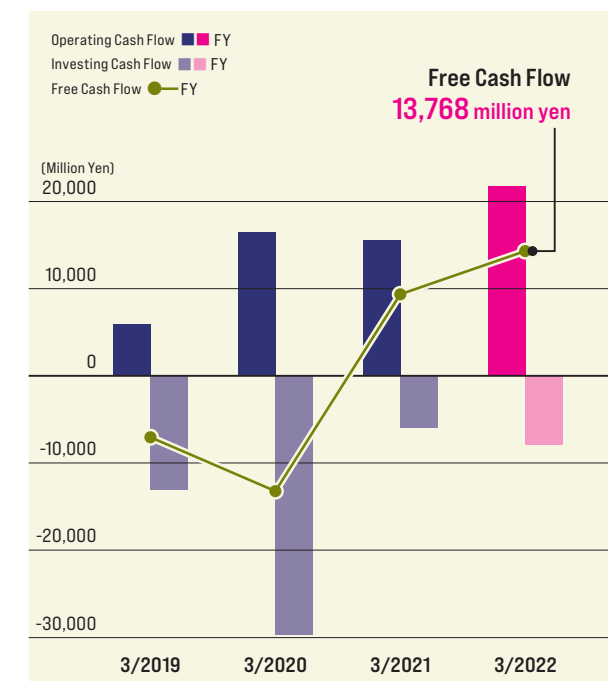
Return on equity (ROE)



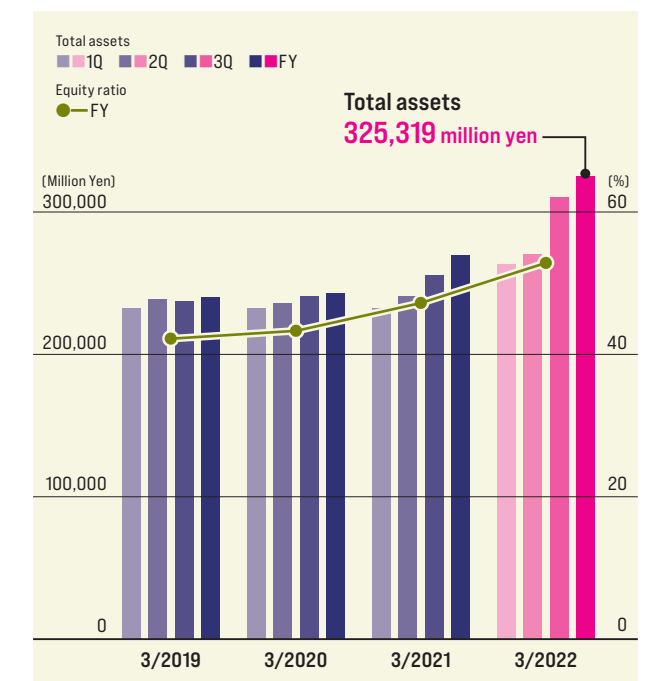
Operating income



Cash flow



Total assets and equity ratio



CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INFORMATION

1. Consolidated Balance Sheets

	Previous Fiscal Year	Fiscal Year under Review
	March 31, 2021	March 31, 2022
Assets		
Current assets		
Cash and deposits	79,042	123,931
Notes and accounts receivable - trade	42,648	—
Notes receivable - trade	—	2,119
Accounts receivable - trade	—	41,063
Contract assets	—	401
Inventories	20,757	23,921
Prepaid expenses	1,385	1,853
Deposits paid	4,129	4,491
Other	6,739	8,220
Allowance for doubtful accounts	(799)	(388)
Total current assets	153,904	205,613
Non-current assets		
Property, plant, and equipment		
Buildings and structures	37,213	40,478
Accumulated depreciation	(7,358)	(9,423)
Buildings and structures, net	29,854	31,055
Machinery and equipment	2,728	2,897
Accumulated depreciation	(1,844)	(1,709)
Machinery and equipment, net	884	1,188
Tools, furniture, and fixtures	9,689	9,317
Accumulated depreciation	(7,088)	(6,448)
Tools, furniture and fixtures, net	2,600	2,868
Land	26,011	26,088
Construction in progress	12,571	9,880
Other	755	914
Accumulated depreciation	(515)	(459)
Other, net	240	455
Total property, plant, and equipment	72,161	71,538
Intangible assets		
Software	5,161	5,489
Goodwill	362	429
Other	1,447	1,362
Total intangible assets	6,971	7,280
Investments and other assets		
Investment securities	29,671	33,957
Retirement benefit asset	47	63
Deferred tax assets	1,204	1,011
Insurance funds	2,139	2,464
Guarantee deposits	3,016	2,968
Other	822	703
Allowance for doubtful accounts	(290)	(283)
Total investments and other assets	36,610	40,886
Total non-current assets	115,744	119,705
Total assets	269,648	325,319

(Unit: Million yen)

	Previous Fiscal Year	Fiscal Year under Review
	March 31, 2021	March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	25,266	26,635
Short-term borrowings	459	283
Current portion of long-term borrowings	10,000	—
Accounts payable - other	9,676	10,294
Income taxes payable	3,173	2,366
Advances received	11,362	—
Contract liabilities	—	12,890
Deposits received	3,832	7,171
Provision for bonuses	4,154	4,810
Provision for point card certificates	268	—
Provision for sales returns	6,490	—
Refund liabilities	—	5,730
Provision for share-based remuneration	312	485
Provision for share-based remuneration for directors (and other officers)	522	313
Other	3,826	6,904
Total current liabilities	79,347	77,885
Non-current liabilities		
Long-term borrowings	55,000	65,000
Deferred tax liabilities	615	1,149
Retirement benefit liability	3,686	3,855
Other	1,474	1,688
Total non-current liabilities	60,776	71,693
Total liabilities	140,123	149,578

Net assets		
Shareholders' equity		
Share capital	25,624	40,624
Capital surplus	44,821	53,324
Retained earnings	56,215	67,015
Treasury shares	(8,943)	(1,928)
Total shareholders' equity	117,719	159,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,751	11,138
Foreign currency translation adjustment	445	1,396
Remeasurements of defined benefit plans	425	328
Total accumulated other comprehensive income	9,622	12,863
Non-controlling interests	2,182	3,840
Total net assets	129,524	175,740
Total liabilities and net assets	269,648	325,319

(Unit: Million yen)

2. Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

	Previous Fiscal Year	Fiscal Year under Review
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022
Net sales	209,947	221,208
Cost of sales	136,256	145,621
Gross profit	73,690	75,587
Selling, general and administrative expenses	60,065	57,067
Operating profit	13,625	18,519
Non-operating income		
Interest income	154	89
Dividend income	443	423
Share of profit of entities accounted for using equity method	—	463
Foreign exchange gains	19	1,339
Gain on sales of goods	60	75
Other	319	604
Total non-operating income	997	2,994
Non-operating expenses		
Interest expenses	103	100
Share of loss of entities accounted for using equity method	86	—
Share issuance costs	44	131
Donations	—	1,000
Other	19	67
Total non-operating expenses	252	1,300
Ordinary profit	14,369	20,213
Extraordinary income		
Gain on change in equity	14	—
Gain on sales of non-current assets	184	57
Gain on sales of investment securities	11	29
Gain on sales of shares of subsidiaries and associates	—	100
Gain on sales of investments in capital of subsidiaries and associates	695	—
Other	—	2
Total extraordinary income	905	190
Extraordinary losses		
Impairment loss	30	71
Loss on retirement of non-current assets	186	—
Loss on valuation of investment securities	233	142
Business restructuring expenses	544	705
Other	24	26
Total extraordinary losses	1,018	945
Profit before income taxes	14,256	19,458
Income taxes – current	4,859	4,651
Income taxes – deferred	(113)	(254)
Total income taxes	4,745	4,396
Profit	9,511	15,061
Profit (loss) attributable to non-controlling interests	(73)	983
Profit attributable to owners of parent	9,584	14,078

(Unit: Million yen)

(Consolidated Statements of Comprehensive Income)

	Previous Fiscal Year	Fiscal Year under Review
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022
Profit	9,511	15,061
Other comprehensive income		
Valuation difference on available-for-sale securities	4,737	2,386
Foreign currency translation adjustment	(286)	1,082
Remeasurements of defined benefit plans, net of tax	(256)	(96)
Share of other comprehensive income of entities accounted for using equity method	(3)	62
Total other comprehensive income	4,191	3,435
Comprehensive income	13,702	18,497
Comprehensive income attributable to owners of parent	13,803	17,319
Comprehensive income attributable to non-controlling interests	(101)	1,178

(Unit: Million yen)

3. Consolidated Statements of Cash Flows

	Previous Fiscal Year	Fiscal Year under Review
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022
Cash flows from operating activities		
Profit before income taxes	14,256	19,458
Depreciation	4,461	5,723
Amortization of goodwill	68	379
Increase (decrease) in retirement benefit liability	391	14
Increase (decrease) in provision for sales returns	(114)	—
Increase (decrease) in refund liabilities	—	(822)
Increase (decrease) in provision for bonuses	927	655
Interest and dividend income	(597)	(512)
Share of loss (profit) of entities accounted for using equity method	86	(463)
Loss (gain) on sales of investments in capital of subsidiaries and associates	(695)	—
Decrease (increase) in trade receivables	(3,522)	—
Decrease (increase) in trade receivables and contract assets	—	(569)
Decrease (increase) in inventories	(1,818)	(2,785)
Increase (decrease) in trade payables	707	1,161
Increase (decrease) in advances received	1,793	—
Increase (decrease) in contract liabilities	—	1,169
Other, net	2,747	3,122
Subtotal	18,691	26,532
Interest and dividends received	838	766
Interest paid	(96)	(102)
Income taxes paid	(3,847)	(5,488)
Net cash provided by (used in) operating activities	15,586	21,708
Cash flows from investing activities		
Net decrease (increase) in time deposits	13,893	(1,585)
Purchase of property, plant, and equipment	(17,030)	(2,211)
Purchase of intangible assets	(3,259)	(3,043)
Purchase of investment securities	(885)	(743)
Proceeds from sales of investment securities	150	149
Proceeds from sales of investments in capital of subsidiaries and associates	691	—
Purchase of shares of subsidiaries resulting in a change in scope of consolidation	—	(184)
Other, net	509	(322)
Net cash provided by (used in) investing activities	(5,931)	(7,940)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(39)	(218)
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	—	(10,000)
Proceeds from issuance of shares	9,955	29,867
Proceeds from share issuance to non-controlling shareholders	50	504
Dividends paid	(1,888)	(3,289)
Other, net	(144)	(173)
Net cash provided by (used in) financing activities	7,933	26,690
Effect of exchange rate change on cash and cash equivalents	(98)	1,232
Increase (decrease) in cash and cash equivalents	17,490	41,691
Cash and cash equivalents at the beginning of period	38,151	55,887
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	245	—
Cash and cash equivalents at the end of period	55,887	97,579

(Unit: Million yen)

Status of Shares

Basic information (as of April 2022)

Securities code	9468
Issue	KADOKAWA CORPORATION
Share trading unit	100
Listed stock exchange	Tokyo Stock Exchange Prime Market

Overview of shareholding matters

Closing date	March 31 of each year
General Meeting of Shareholders	June of each year
Record date of year-end dividends	March 31 of each year In any other cases where it is necessary, a provisional record date will be determined after public notice is given in advance
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Office for handling business	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Mailing address	Post Office Box 29, Shin-Tokyo Post Office, 137-8081 Japan

- [Notes]

1. Following the share certificate dematerialization, any procedures such as changing a shareholder's address or making a purchase request should be, in principle, carried out with the account management institution (securities company, etc.) where the shareholder has an account.
Shareholders are asked to contact the securities company, etc., where they have an account.
Please be aware that the shareholder registry administrator (Mitsubishi UFJ Trust and Banking Corporation) will not be able to handle these procedures.
2. For the various procedures related to shares recorded in a special account, as Mitsubishi UFJ Trust and Banking Corporation is the account management institution, please use its contact information.
Guidance is also provided on the following website.
<https://www.tr.mufg.jp/daikou/>
Brokerage services are also carried out at all domestic branches of Mitsubishi UFJ Trust and Banking Corporation.

3. Unreceived dividends will be paid at the main office and branches of Mitsubishi UFJ Trust and Banking Corporation.

Stock Price Chart



[Note] Closing stock price chart of the Company from October 1, 2014 to June 1, 2022

Details of Shares and Major Shareholders (as of March 31, 2022)

① Number of shares authorized to be issued by the Company
.....520,000,000 shares

[Note]
By resolution of a meeting of the Board of Directors held on October 29, 2021, the Articles of Incorporation were amended on January 1, 2022 in connection with a stock split, increasing the number of shares authorized to be issued by the Company by 260,000,000 shares.

② Number of shares authorized to be issued by the Company
.....141,784,120 shares
(including 465,808 treasury shares)

- [Notes]
1. Third-party allocation was conducted on November 15, 2021 by resolution of a meeting of the Board of Directors held on October 29, 2021. As a result, the total number of issued shares has increased by 4,862,200 shares.
2. Retirement of treasury shares was conducted on November 15, 2021 by resolution of a meeting of the Board of Directors held on October 29, 2021. As a result, the total number of issued shares has decreased by 4,862,200 shares.
3. A stock split at a ratio of 2-for-1 was conducted on January 1, 2022 by resolution of a meeting of the Board of Directors held on October 29, 2021. As a result, the total number of issued shares has increased by 70,892,060 shares.

③ Number of shareholders:
.....31,838 persons

④ Major shareholders (top eleven)

Name	Number of shared held (thousand shares)	Ratio of equity participation (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,925	11.98
KSD-NH (Permanent Agent: Citibank, N.A. Tokyo Branch Securities Operations)	12,587	8.91
Goldman Sachs International (Permanent Agent: Goldman Sachs Japan Co., Ltd.)	10,303	7.29
Custody Bank of Japan, Ltd. (Trust Account)	8,300	5.87
Nobuo Kawakami	8,193	5.80
Nippon Telegraph and Telephone Corporation	4,080	2.89
Nippon Life Insurance Co. (Permanent Agent: The Master Trust Bank of Japan, Ltd.)	3,428	2.43
Bandai Namco Holdings Inc.	3,060	2.17
Tsuguhiko Kadokawa	2,920	2.07
CyberAgent, Inc.	2,844	2.01
Sony Group Corporation	2,844	2.01

- [Notes]
1. The Company holds 465 thousand treasury shares. These 465 thousand treasury shares do not include the 69 thousand shares held by Sumitomo Mitsui Trust Bank, Limited (Trust Account E) as trust assets of the share-based compensation plan for directors of the Company and its consolidated subsidiaries, as well as the ESOP for the employees. These treasury shares also do not include the 1,996 thousand shares held by Custody Bank of Japan, Ltd. (Trust Account).
2. The treasury shares are excluded in the calculation of the ratio of equity participation shown above.

Enhancement of Returns to Shareholders – Increase of Dividends

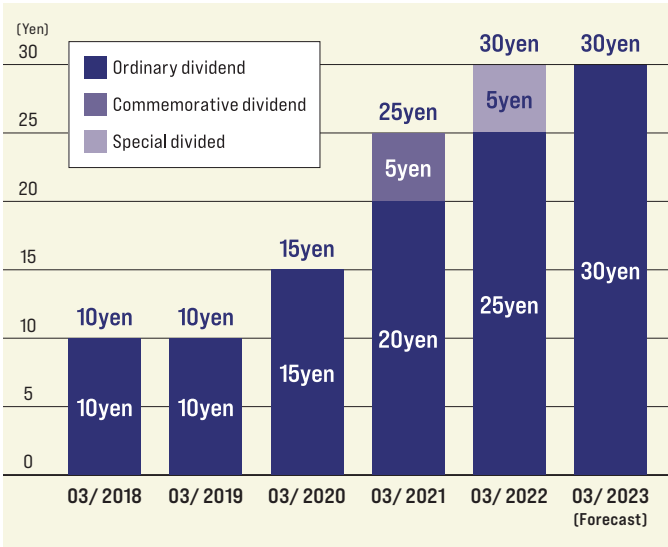
Basic Shareholder Returns Policy

Basic Policy

The Company continues to distribute profits stably to shareholders after securing internal reserves sufficient for the strengthening of our corporate structure, which will be a precondition for sustainable corporate management, contingency preparation, and future business development.

Additional Policy from the Year ending March 31, 2023

The Company will pay a stable annual dividend of 30 yen per share, returning profits to shareholders with a target payout ratio of 30% or more, including return of profits based on consolidated business performance.



[Note] On January 1, 2022, the Company split its common stock at a ratio of 2-for-1. The dividends for the fiscal year ended March 31, 2022 and earlier are dividend amounts in consideration of the said stock split.

Dividends

Dividends for the year ended March 31, 2022
Increase to a dividend of 30 yen per share (ordinary dividend of 25 yen per share plus a special dividend of 5 yen to reflect its strong full-year consolidated performance)

Dividends for the year ending March 31, 2023
The Company forecasts payment of an ordinary dividend of 30 yen per share according to the above additional policy

Shareholder Benefit Program

For details of our shareholder benefit program, please refer to the following website.

<https://group.kadokawa.co.jp/ir/stock.html>

KEY PERFORMANCE INDICATORS, ETC. (CONSOLIDATED)

FINANCIAL INFORMATION

- (Notes)
1. The first fiscal year is six months from October 1, 2014 to March 31, 2015.
 2. In the calculation of net assets from the 2nd year onward, the shares in the Company held by the stock acquisition, management and delivery trust are included in the treasury stock. The said shares are included in the treasury stock that is deducted in the calculation of the average number of shares during the fiscal year to calculate earnings (loss) per share and diluted earnings per share. In addition, the said shares are included in treasury stock that is deducted in the calculation of the number of shares at the end of the fiscal year to calculate net assets per share.
 3. On January 1, 2022, the Company implemented a split at a ratio of 2-for-1. Net assets per share, basic earnings (loss) per share, and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the 1st fiscal year.
 4. Diluted earnings per share from the 2nd fiscal year to the 7th fiscal year are not stated because there was no potential dilution.
 5. Return on equity and price-earnings ratio for the 5th fiscal year are not stated since there is recorded loss attributable to owners of parent.
 6. Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the 5th fiscal year, and main consolidated financial indicators, etc. for the 4th fiscal year are indicators, etc. after the said accounting standard is retroactively applied.
 7. Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the beginning of the 8th fiscal year.
 8. The number of employees is the number of full-time employees excluding employees loaned outside of the Group (including employees concurrently loaned outside of the Group) and including loaned employees to the Company and Corporate Officers. The number of employees in the brackets [] is the average number of temporary employees per year (limited-term employees and temporary staff members from staffing agencies).

Fiscal Year	1st Fiscal Year	2nd Fiscal Year	3rd Fiscal Year		4th Fiscal Year	5th Fiscal Year	6th Fiscal Year	7th Fiscal Year	8th Fiscal Year
Closing date	March 2015	March 2016	March 2017		March 2018	March 2019	March 2020	March 2021	March 2022
Sales (Million Yen)	100,566	200,945	205,717		206,785	208,605	204,653	209,947	221,208
Ordinary profit (Million Yen)	2,472	10,189	7,407		3,716	4,205	8,787	14,369	20,213
Profit (loss) attributable to owners of parent (Million Yen)	14,055	6,845	5,767		1,038	(4,085)	8,098	9,584	14,078
Comprehensive income (Million Yen)	15,205	6,704	7,560		1,316	(1,604)	7,878	13,702	18,497
Net assets (Million Yen)	104,248	104,526	111,724		109,128	103,411	107,375	129,524	175,740
Total assets (Million Yen)	205,673	201,609	246,949		239,881	240,072	242,995	269,648	325,319
Net assets per share (Yen)	728.91	764.72	810.05		814.69	801.04	855.77	987.83	1,234.46
Net income (loss) per share (Yen)	100.01	49.56	42.52		7.76	(31.97)	65.06	77.42	105.96
Diluted earnings per share (Yen)	99.60	—	—		—	—	—	—	105.96
Equity ratio (%)	50.2	51.4	44.5		44.7	42.2	43.3	47.2	52.8
Return on equity (ROE) (%)	22.5	6.6	5.4		1.0	—	7.8	8.2	9.4
Price-earnings ratio	9.42	17.50	18.77		71.43	—	10.47	27.74	30.39
Operating Cash Flow (Million Yen)	7,765	6,733	11,968		1,608	5,864	16,516	15,586	21,708
Investing Cash Flow (Million Yen)	(9,049)	(4,673)	(10,394)		(18,765)	(13,058)	(29,908)	(5,931)	(7,940)
Cash flows from financing activities (Million Yen)	24,385	(8,775)	37,200		(6,421)	(4,236)	(4,359)	7,933	26,690
Cash and cash equivalents at the end of period (Million Yen)	59,201	52,175	91,140		67,407	56,123	38,151	55,887	97,579
Number of employees [Number of temporary employees on average (Not included above)]	3,857 [1,834]	3,984 [1,915]	4,179 [2,012]		4,330 [2,046]	4,546 [2,141]	4,492 [2,097]	4,910 [2,162]	5,349 [2,229]

COMPANY PROFILE [as of March 31, 2022]

Corporate Name	KADOKAWA CORPORATION
Head Office	2-13-3 Fujimi, Chiyoda-ku, Tokyo 102-8177 JAPAN
Website	https://group.kadokawa.co.jp/global/
Date of Establishment	October 1, 2014
Common Stock	¥40.6 Billion
Number of employees	2,259 (KADOKAWA) / 6,645 (CONSOLIDATED SUBSIDIARIES)

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