



"Thou Shalt Love thy Unwise King" ranked No. 1 in the [New Standalone Books & Novels Category] in "This Light Novel Is Amazing! 2026" (Takarajimasha) (November 25, 2025)

For information on the consolidated performance trends, cost/selling, general and administrative expenses trends, and game business billing revenue trends, please refer to the fact sheet available on our website.

https://drecom.co.jp/ir/factsheet_2026033Q.pdf



FY03/2026 3Q Financial Results Presentation

Drecom Co., Ltd.
January 29, 2026

FY03/2026 3Q Results

- **Record-high quarterly net sales. Operating profit and ordinary profit turned positive on a cumulative basis through 3Q .**
 - 3Q results: Net sales ¥5,062 million (+34.2% QoQ), Operating profit ¥671 million (previous quarter: ¥-493 million)
EBITDA*2 ¥894 million (previous quarter: ¥-243 million)
Ordinary profit ¥657 million (previous quarter: ¥-509 million), Net profit*1 ¥621 million (previous quarter: ¥-563 million)
 - Cumulative through 3Q: Net sales ¥13,301 million, Operating profit ¥96 million, Ordinary profit ¥40 million, Net profit*1 ¥-1,741 million.

Full-year forecast

- **3Q progressed smoothly. In 4Q as well, we will continue to aim to achieve forecasts through the addition of new languages and cost optimization, among other measures.**
 - Although there were unexpected temporary expenses in the first half, progress was regained in 3Q.
 - Full-year performance forecast: Net sales of ¥ 17,500 million, Operating profit of 500 million yen, EBITDA*2 of ¥ 1,600 million, Ordinary profit of ¥ 400 million, Net profit*3 of ¥ - 1,300 million, Dividend forecast per share: Revised to 0 yen.

Medium- Term Goals

- **A company that globally provides entertainment content centered on IP and technology**
 - Publishing IP creation: DRE Novels' "Thou Shalt Love thy Unwise King" won first place in the "This Light Novel Is Amazing! 2026" category.

1. FY03/2026 3Q Financial Results Overview

2. Forecast for FY03/2026

3. Medium-Term Goals

4. Appendix

FY03/2026 3Q Financial Results Summary

Record-high sales on a quarterly basis. Operating profit and Ordinary profit turned positive in the cumulative total for 3Q.

FY03/2026					
(Unit: Million Yen)	1Q (Apr–Jun)	2Q (July–Sep)	3Q (Oct–Dec)	QoQ	Total (Apr–Sep)
Net sales	4,466	3,771	5,062	+1,290	13,301
Operating profit	▲81	▲493	671	+1,164	96
Operating profit Ratio	-	-	13.3%	-	0.7%
EBITDA*1	347	▲243	894	+1,138	997
EBITDA margin	7.8%	-	17.7%	-	7.5%
Ordinary profit	▲107	▲509	657	+1,166	40
Profit (loss) attributable to owners of parent *2	▲1,799	▲563	621	+1,184	▲1,741

FY03/2025			
3Q (Oct–Dec)	YoY	Total (Apr–Sep)	YoY (Total)
4,182	+880	8,200	+5,100
288	+383	▲26	+123
6.9%	-	-	-
434	+460	262	+735
10.4%	-	3.2%	-
275	+381	▲78	+118
198	+422	▲823	▲917

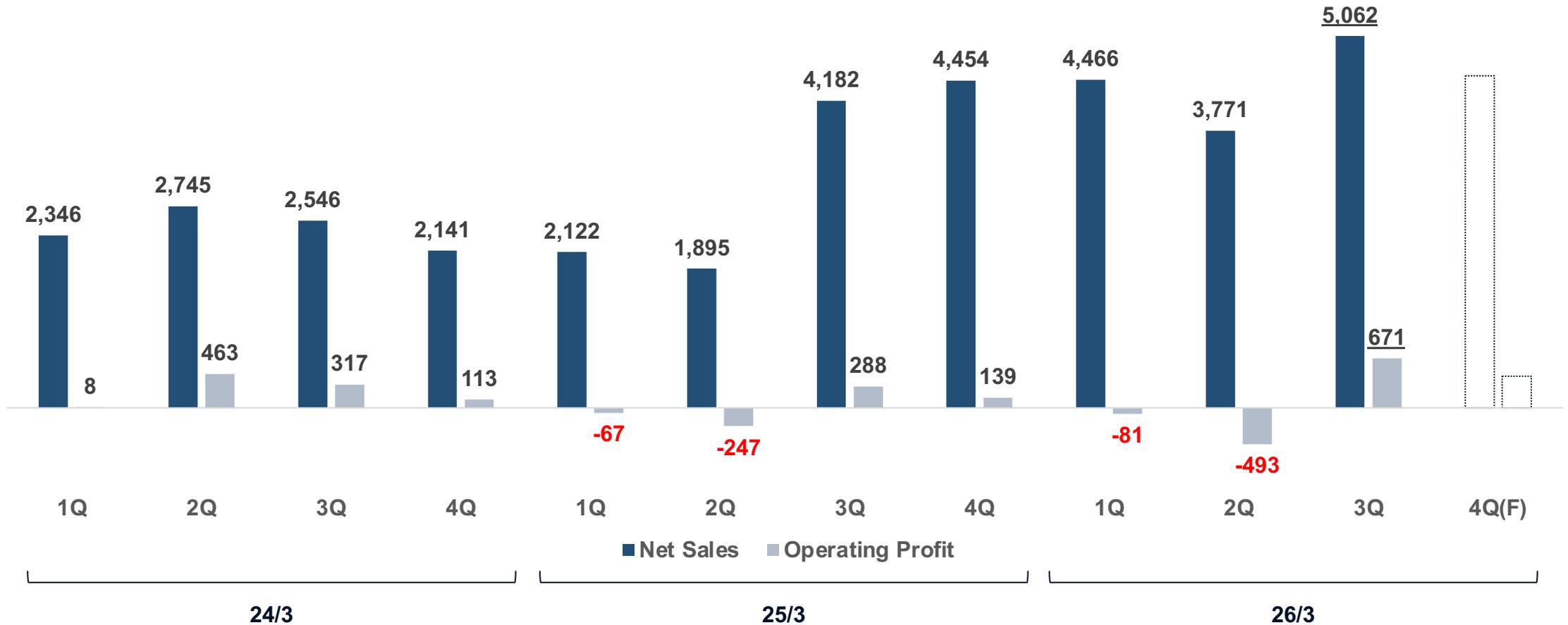
*1: EBITDA = Operating profit + Depreciation and amortization

*2: In 1Q, an impairment loss on Software of ¥1,563 million was recorded as an extraordinary loss

FY03/2026 3Q Performance Summary: Quarterly Performance Trends

"Wizardry Variants Daphne" marked its 1st anniversary, and net sales reached a record-high ¥5 billion for the quarter.

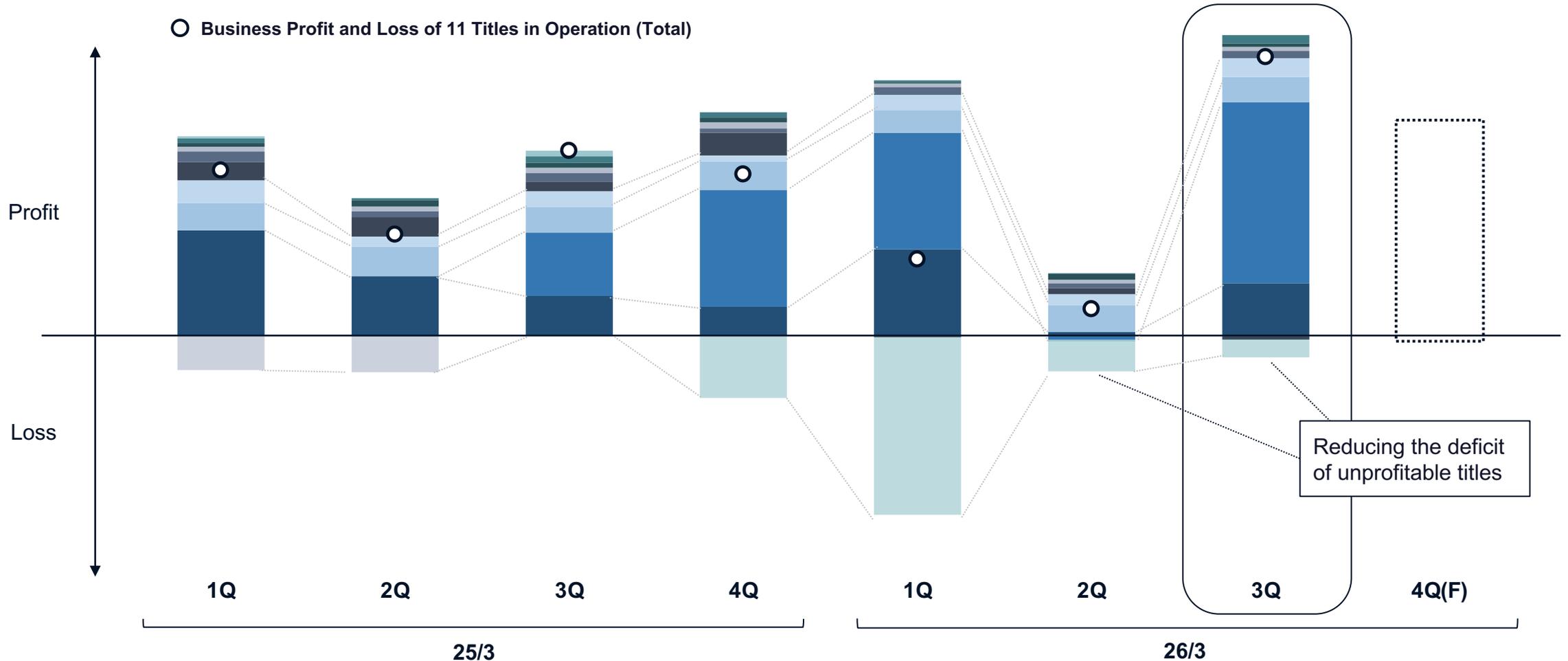
(Unit: ¥ million)



※ (F) : Forecast

FY03/2026 3Q Financial Summary: Profit and Loss of Titles in Operation

Increased profit due to contributions from key titles and reduced deficits of unprofitable titles

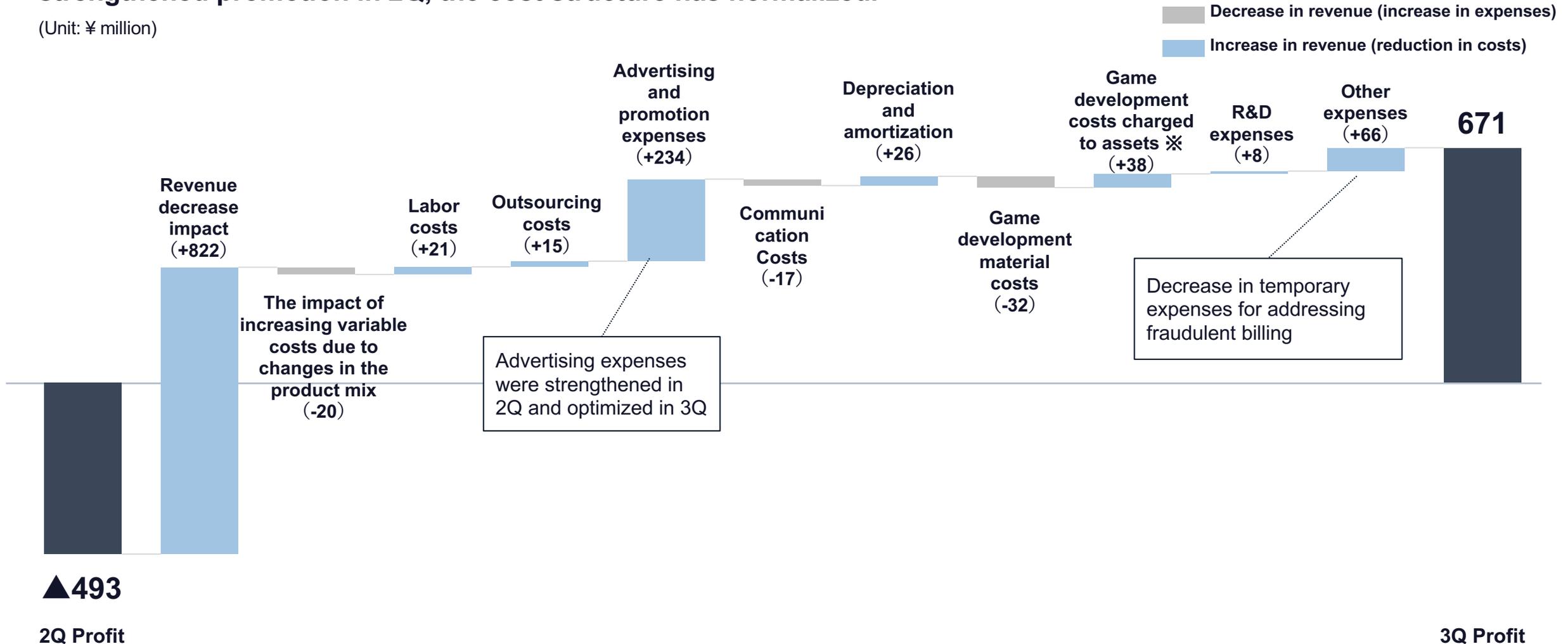


* Titles in operation from April 2024 to December 2025. includes two enza titles and "Boku to Dragon." Blockchain games are not included. (F) is a forecast.

FY03/2026 3Q Operating Profit (QoQ, by Expense Type)

With no temporary factors such as costs associated with launching new titles in 1Q or fraudulent billing and strengthened promotion in 2Q, the cost structure has normalized.

(Unit: ¥ million)



▲493

2Q Profit

3Q Profit

Copyright Drecom Co., Ltd. All Rights Reserved. ※Amount of capitalized game development costs: The amount transferred from manufacturing costs to "Software in progress" as an asset, by deducting game development costs such as labor costs and outsourcing costs.

FY03/2026 3Q: Status of each business segment

Game Business

- **"Wizardry Variants Daphne": In 3Q, initiatives were implemented to maximize the anniversary event.**
 - 3Q sales 2.16 billion yen → 4Q sales 2.48 billion yen → 1Q sales 2.30 billion yen → 2Q sales 2.05 billion yen → 3Q sales 2.97 billion yen
 - Korean language support was added in late December. Aiming for mid- to long-term operations through area expansion and media mix development.
- **Other companies' distributed titles: Operational initiatives have been progressing smoothly, resulting in an increase compared to the previous quarter.**
- **Out-app purchases: Introduced out-app purchases in multiple core titles to promote usage.**
- **New title development: Development of multiple prototypes is underway.**
 - Not expected to begin full-scale development within this fiscal year.

Content Business

- **Publication: 'Thou Shalt Love thy Unwise King' won 1st place in the "This Light Novel Is Amazing! 2026 ✖" category**
 - Will continue aiming to create/discover high-quality publishing originals and to develop them into IP, centered on anime adaptations

1. FY03/2026 3Q Financial Results Overview
- 2. Forecast for FY03/2026**
3. Medium-Term Goals
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Overview and Progress of FY03/2026 Full-Year Earnings Forecast

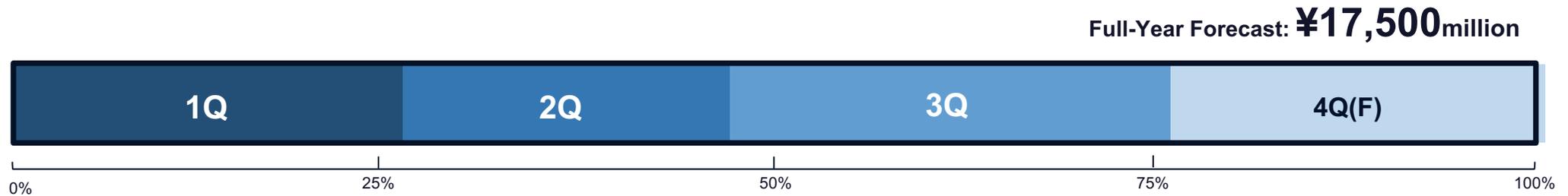
3Q proceeded smoothly. In 4Q as well, we will continue to aim to achieve forecasts through the addition of languages and cost optimization.

Forecast for FY03/2026								(Reference)
(Unit: Million Yen)	1Q (Apr–Jun)	2Q (July–Sep)	3Q (Oct–Dec)	Total (Apr–Sep)	Progress rate	Revised Full- Year Forecast	Notes	Mar 2025 Results
Net sales	4,466	3,771	5,062	13,301	76.0%	17,500	Mainly contributed by the full-year impact of "Wizardry Variants Daphne"	12,655
Variable costs	1,299	1,221	1,622	4,143	74.0%	5,600	Commission expenses for primarily in-house distributed titles	3,832
Fixed costs	3,249	3,043	2,768	9,061	79.5%	11,400	-	8,710
Advertising expenses	750	743	508	2,003	79.2%	2,530	Mainly advertising expenses for new titles	1,388
R&D Expenses	31	25	16	73	91.7%	80	Research and development primarily in the field of technology	204
Depreciation and amortization	428	249	222	901	81.9%	1,100	Amortization of new title and new PC console software	526
Game development costs charged to assets *1	-236	-231	-286	-753	88.7%	-850	Update costs for operational titles and new development costs	-1,875
Operating profit	-81	-493	671	96	19.4%	500	-	112
Operating profit ratio	-	-	13.3%	0.7%	-	2.9%	-	0.9%
EBITDA	347	-243	894	997	62.4%	1,600	EBITDA = Operating profit + Depreciation and amortization	638
EBITDA margin	7.8%	-	17.7%	7.5%	-	9.1%	-	5.0%
Ordinary profit	-107	-509	657	40	10.1%	400	-	53
Profit (loss) attributable to owners of parent	-1,799	-563	621	-1,741	-	-1,300	Impairment loss of 1,563 million yen recorded in Q1	-1,035

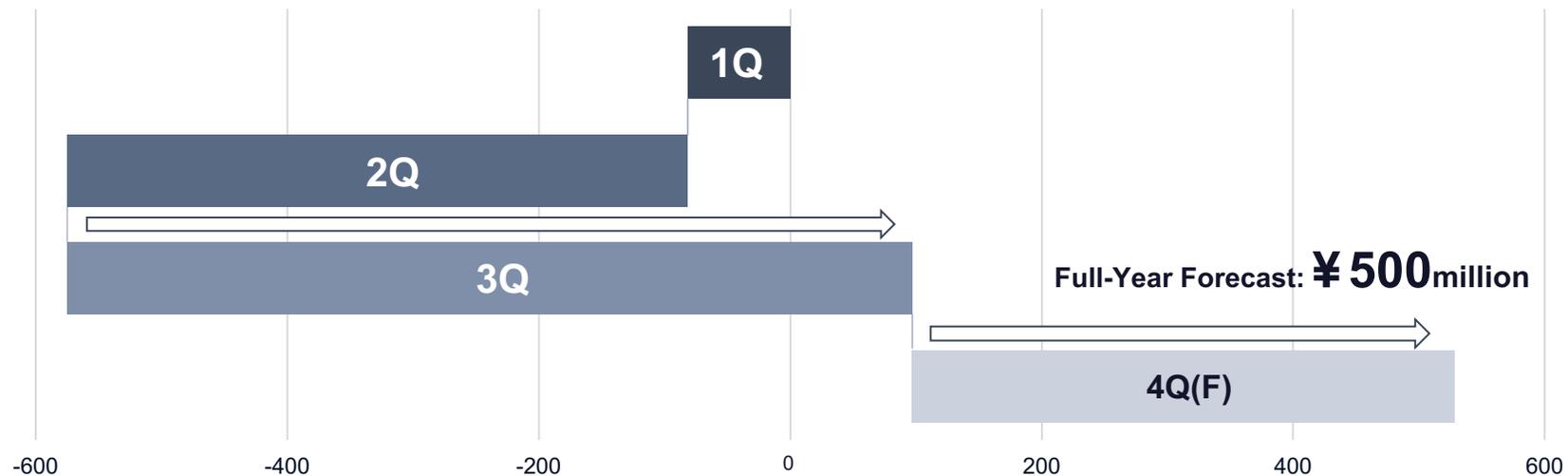
Progress Outlook from FY03/2026 4Q Onward

We aim to achieve the full-year forecast through measures such as adding new languages and collaboration events, as well as cost optimization to reduce fixed expenses.

- **Net sales** : In 4Q, further additions of supported languages and collaboration events are scheduled for "Wizardry Variants Daphne".

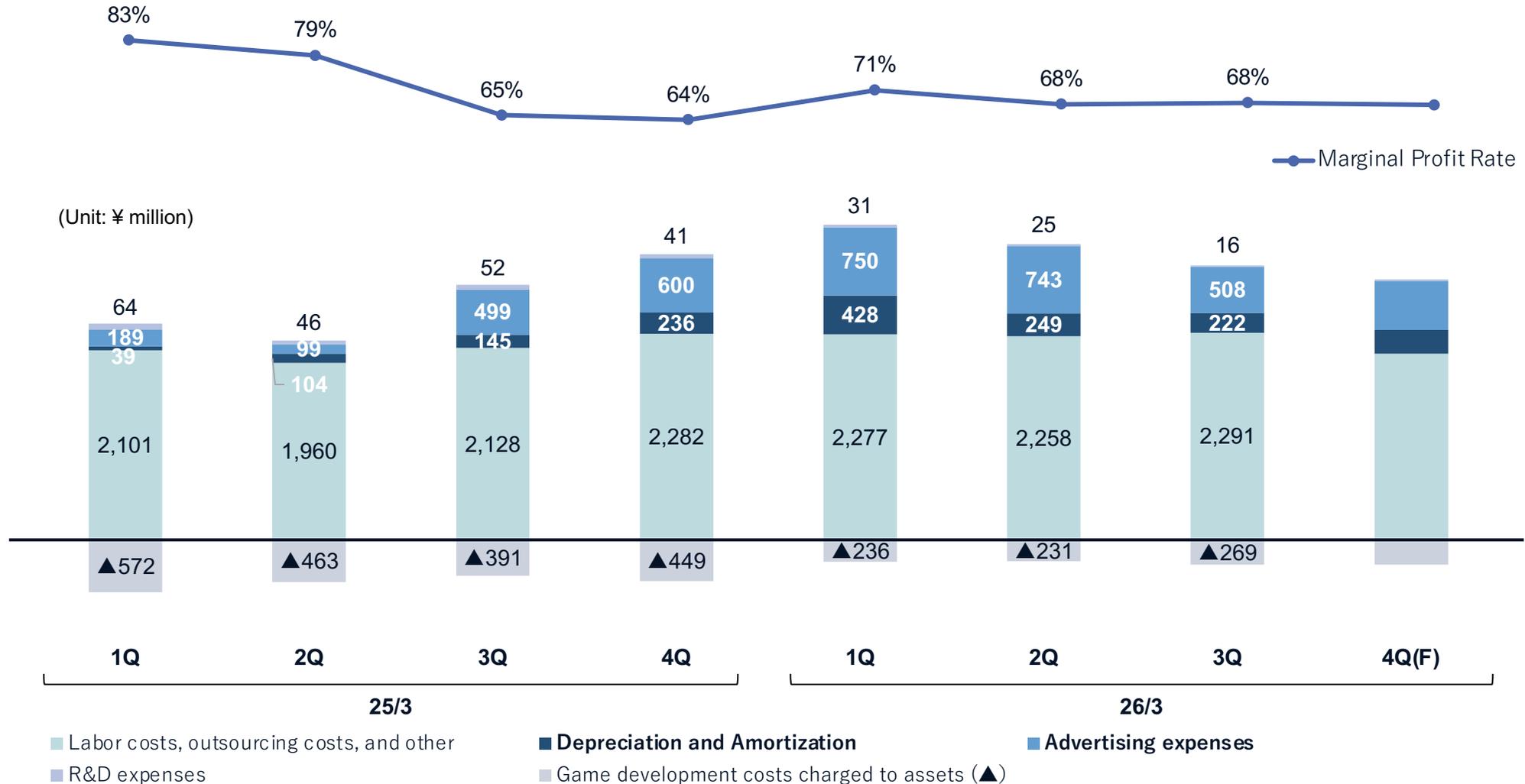


- **Operating profit** : We aim to achieve the full-year forecast through the addition of supported languages and events, as well as cost optimization and other measures to curb fixed expenses.



Fixed Cost Trends from FY03/2026 4Q Onward

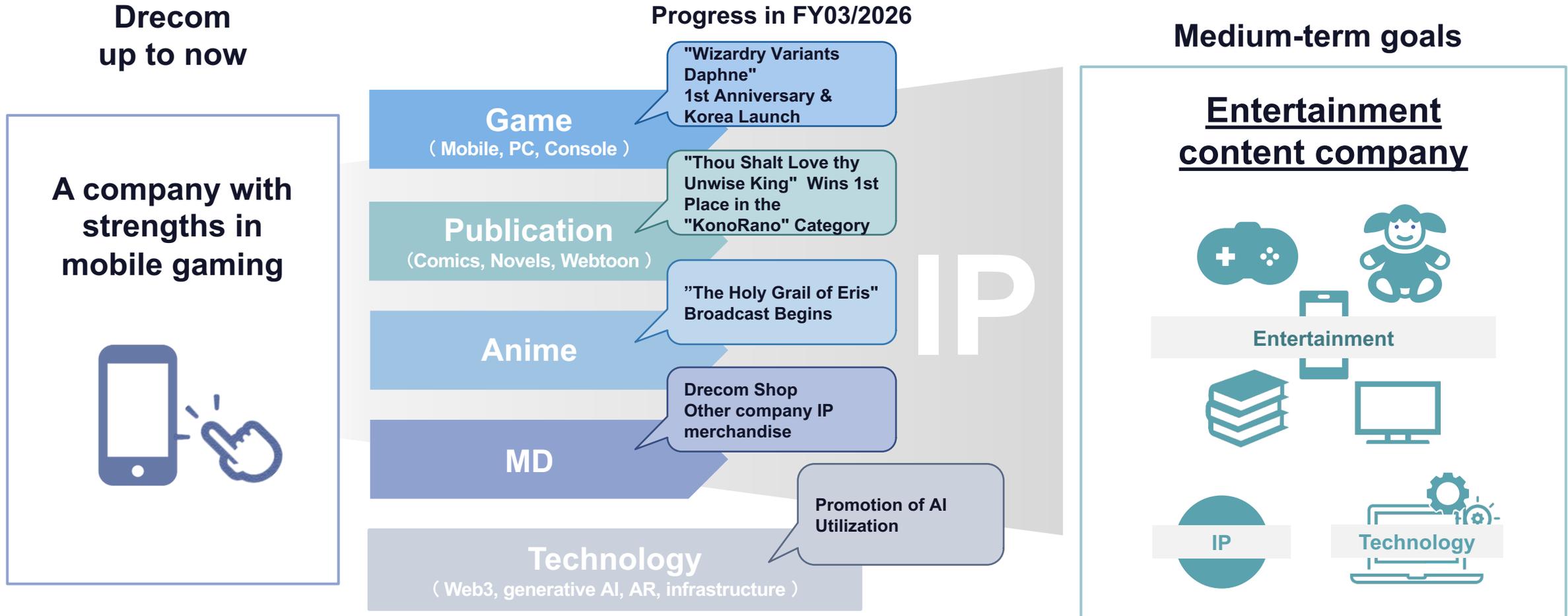
Fixed cost levels normalized in 3Q. Advertising placements will be implemented flexibly while assessing the situation and effectiveness.



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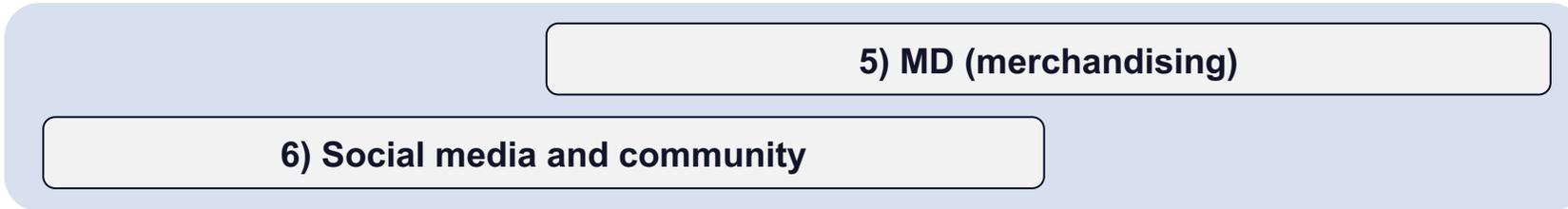
Medium-Term Goals and Progress

Progress in transforming into a company that globally provides entertainment content centered on IP and technology



The objectives and main initiatives of each business area centered on IP

The rapid realization of IP ownership, development, and monetization through collaboration across our company's various business domains.



Major Initiatives

- 1) Mobile games
 - "Wizardry Variants Daphne"
 - "Disney STEP"
- 2) PC and console games
 - "Hungry Meem"
 - "Demons' Night Fever"
 - "Tokyo Stories"

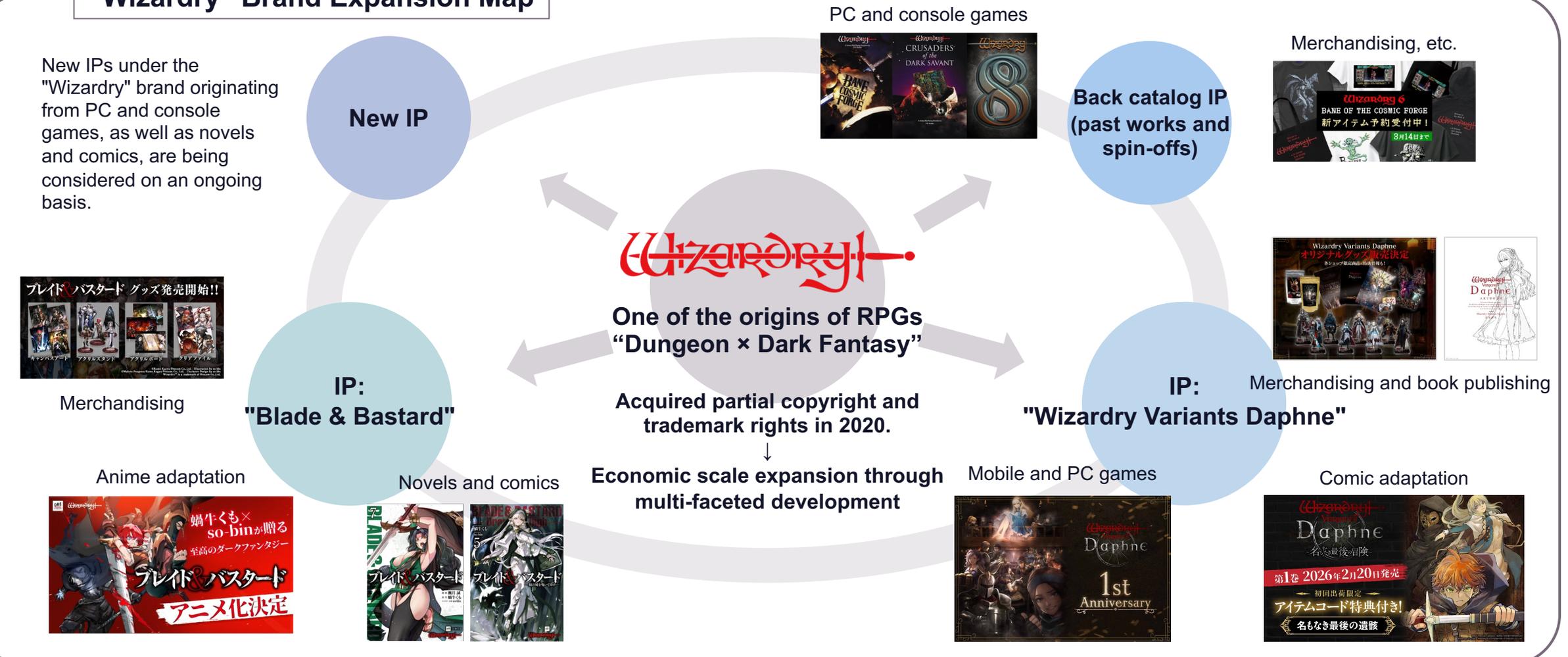
- 3) Publishing (novels, comics, webtoons)
 - "Thou Shalt Love thy Unwise King" won 1st place in the "Kono Rano" category
- 4) Anime
 - Broadcast of an anime based on an original work published by our company initiated.
 - Broadcast of 1 work based on another company's original content initiated.

- 5) MD (merchandising)
 - Merchandise rollout for the Wizardry IP
 - Hosting events for IP fans
- 6) SNS and community
 - "Devil Prince and the Puppet"

Case: IP strategy centered around the "Wizardry" brand

After acquiring partial rights to a popular work, revive dormant fans and attract new ones through various developments, expanding the economic scale.

"Wizardry" Brand Expansion Map



Case: Progress in the Publishing and Anime Business Domain

In the publishing sector, the creation of popular series is steadily advancing, and a system to seamlessly develop them into anime has been established.



Through repeated trials, we aim to create and grow IP.

Expanding IP recognition and securing revenue through the promotion of the anime business.

Number of series
(as of December 25)

Comics / webtoons:
19 series / 5 series

Novel:
50 Series

Anime :
3 In-House Works / 1 Third-Party Works



- Over 800,000 copies sold in the series "A Royal Rebound"
- Over 600,000 copies sold in the series "Blade & Bastard"
- Over 400,000 copies sold in the series "The 100th Time's the Charm"
- Over 300,000 copies sold in the series " Safe & Sound in the Arms of an Elite Knight "
- Over 150,000 copies sold in the series "Jeanette the Genius"



- Original Works: Animation adaptations of 3 titles are underway



"From Old Country Bumpkin to Master Swordsman"

(Original Work: SQEX Novel)

※Participation in production committee through game adaptation and collaboration license investment

Case: Progress in the Publishing and Anime Business Domain

Won first place in the [New Single-Volume Books / Novels Category] in “This Light Novel Is Amazing! 2026” (Takarajimasha)



Novel "Thou Shalt Love thy Unwise King"

Publication Information

Author / Kentaro Honjo Illustration / toi8

- Format / 4-6 size
- Label / DRE Novels Publisher / Drecom

▼Click here for the work introduction

<https://drecom-media.jp/drenovels/series/nanji>

- "Thou Shalt Love thy Unwise King" is the debut work of author Kentaro Honjo.
- As the first volume in DRE Novels' new series, it recorded the highest number of pre-orders to date and drew significant attention—so much so that a pre-release reprint was decided.
- Just three months after Volume 1's publication, it won first place in the [New Single-Volume Books / Novels Category] in “This Light Novel Is Amazing!”.
- This marks our first category-first-place award in the three years since entering the publishing business.

Case: Progress in the Publishing and Anime Business Domain

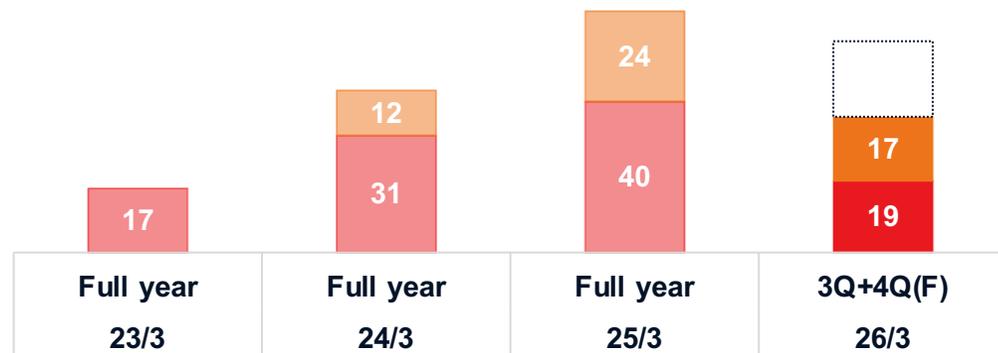
In 4Q, an anime based on an in-house published work began broadcasting. We strengthened our comic production structure and plan to increase the number of comic titles from the next fiscal year onward.

Sales Trends in Publishing and Anime Business Sector

(Unit: Million Yen)



Total number of published titles



■ Light Novels ■ Comics □ Forecast

Publication and Anime Business IP Development Schedule

<Major IP New Release Schedule>

January 2026

- Novel: "The Holy Grail of Eris Vol.6: The Whereabouts of Amethyst"
- Novel: "The Holy Grail of Eris SS Collection"

February 2026

- Comics: "Wizardry Variants Daphne: The Nameless Final Adventure 1"

March 2026

- Novel: "Blade & Bastard Vol.6: Adventurers' Triumph"
- Comics: "Blade & Bastard Vol.8"
- Comics: "The Holy Grail of Eris S Vol.3"
- Comics: "The 100th Time's the Charm Vol.6"



Successful works are considered for animation and other adaptations.



Aim to increase sales of the original publications during the anime broadcast timing.

<Anime Schedule>

From January 2026

- "The Holy Grail of Eris"
- Nationwide broadcast on 28 TBS-affiliated stations and BS11

Date not announced

- "Blade & Bastard"
- "The 100th Time's the Charm"

* "The Holy Grail of Eris" is a work transferred from another company. A new edition will be published by DRE Novels in November 2024.

Case: Progress in the Publishing and Anime Business Domain

The TV anime "The Holy Grail of Eris" will begin nationwide broadcast from January 2026 on 28 TBS-affiliated stations and BS11.

- "The Holy Grail of Eris" is a smash-hit suspense fantasy about a noble young lady, with the series' cumulative circulation surpassing 1.5 million copies.
- In addition to our position as the original publisher, we participate in the production committee as the rights window for domestic automatic public transmission and game adaptations, among others (including joint windows).



TV Anime "The Holy Grail of Eris" Overview

<Broadcast Information>

The TV anime "The Holy Grail of Eris" will begin nationwide broadcast from January 2026 on 28 TBS-affiliated stations and BS11.

<Cast>

Constance Grail: Kana Ichinose
Scarlet Castiel: Sayumi Suzushiro
Randolph Alster: Yohei Azakami
Lily Oramunde: M・A・O

<Staff>

Original Work: Kujira Tokiwa (DRE Novels / Published by Drecom)
Original Character Design: Yu-nagi
Director: Morita to Junpei
Series Composition/Script: Kenichi Yamashita
Character Design: Chie Kawaguchi
Sub-Character Design: Jun Yukawa
Art Director: Nobuto Sue (Kusanagi)
Color Design: Aiko Yamagami (T.D.I.)
Director of Photography: Yuko Kamahara (T.D.F.)
Editing: Yuriko Sano (T.A.P.)
Sound Director: Yuichi Morita
Production: Good Smile Film / DRE Pictures
Animation Production: Ashi Production

TV Anime Official Site: <https://eris-seihai.com/>

Original Work Special Site: <https://drecom-media.jp/drenovels/series/eris>
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Mid-term growth outlook

Returning to the growth trajectory, continuing and expanding investments for the next stage of growth, aiming for a positive cycle that balances growth and profitability.

FY03/2025

Sales: ¥12.6 billion
 Operating profit: ¥110 million
 Operating profit margin: 0.9%

+38% increase

FY03/2026 (Forecast)

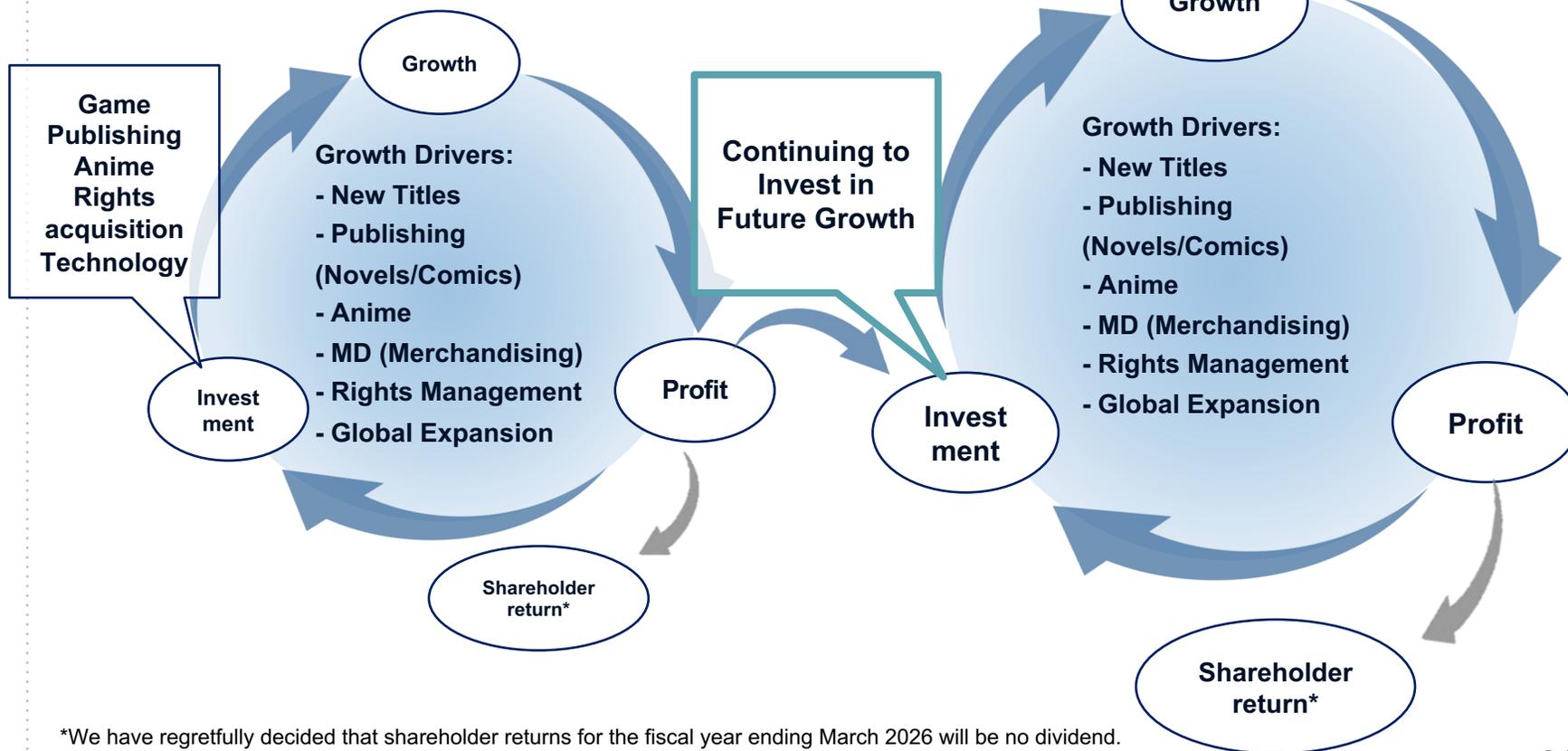
Sales: ¥17.5 billion
 Operating profit: ¥500 million
 Operating profit margin: 2.9%

FY03/2027 to FY03/2028

Sales: CAGR over 20%
 Operating profit margin: Over 15%

Returning to a growth trajectory after restructuring.

- New titles released
 - New business area expansion
- Revenue increased by 29% compared to the previous period.



*We have regrettably decided that shareholder returns for the fiscal year ending March 2026 will be no dividend. For details, please refer to today's announcement, "Notice Regarding Revision of Dividend Forecast (No Dividend)."

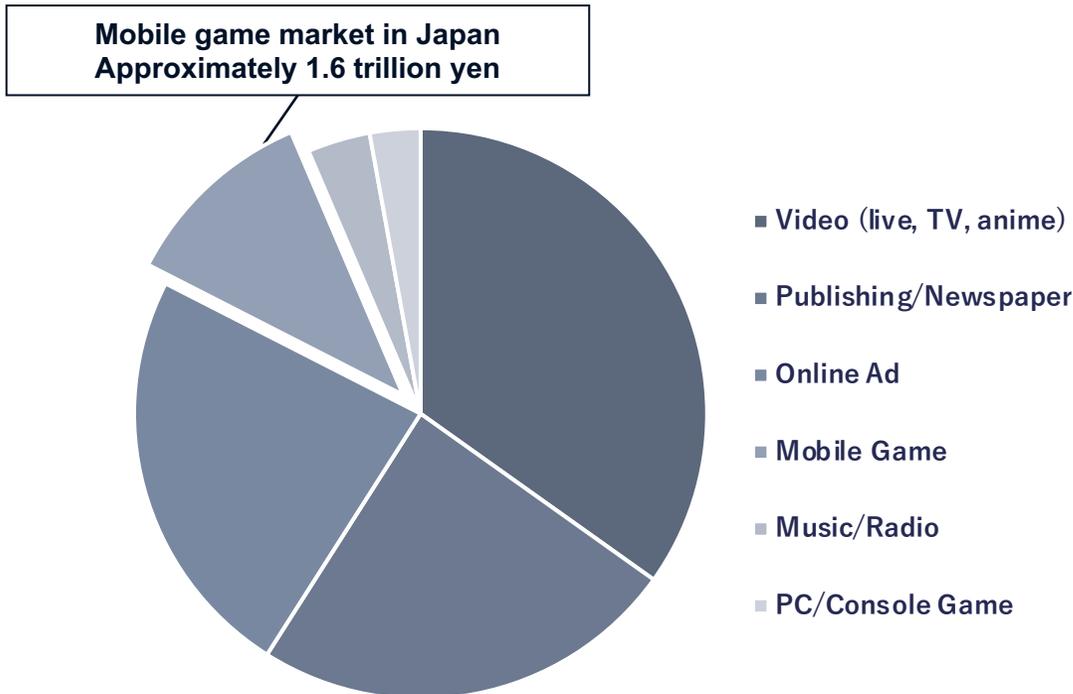
1. 2026年3月期 第3四半期 業績概況
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- 4. Appendix**

Entertainment Content Market Status (Japan/International)

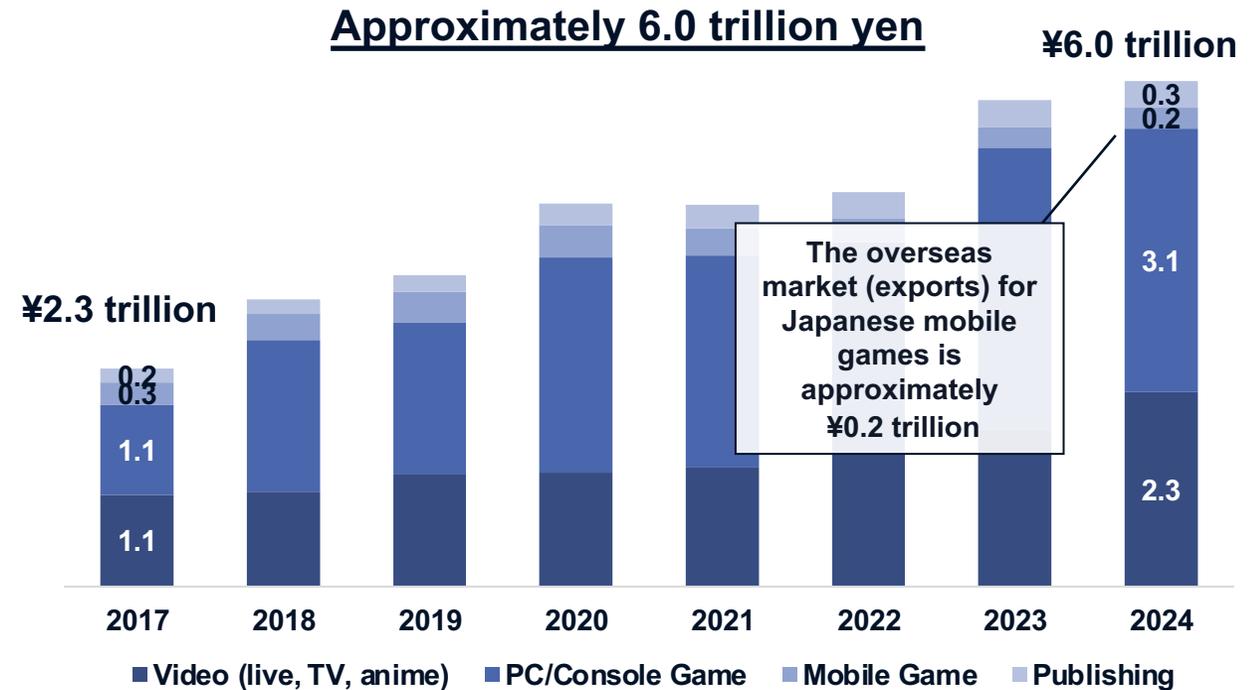
The spread of video streaming services and digital distribution has led to a significant global increase in the popularity of Japanese content, particularly anime and PC/console games.

The market size of Japanese content has surpassed that of the semiconductor industry, establishing it as a core industry for Japan.

Content Industry Market Size in Japan (2024)
Approximately 13.7 trillion yen



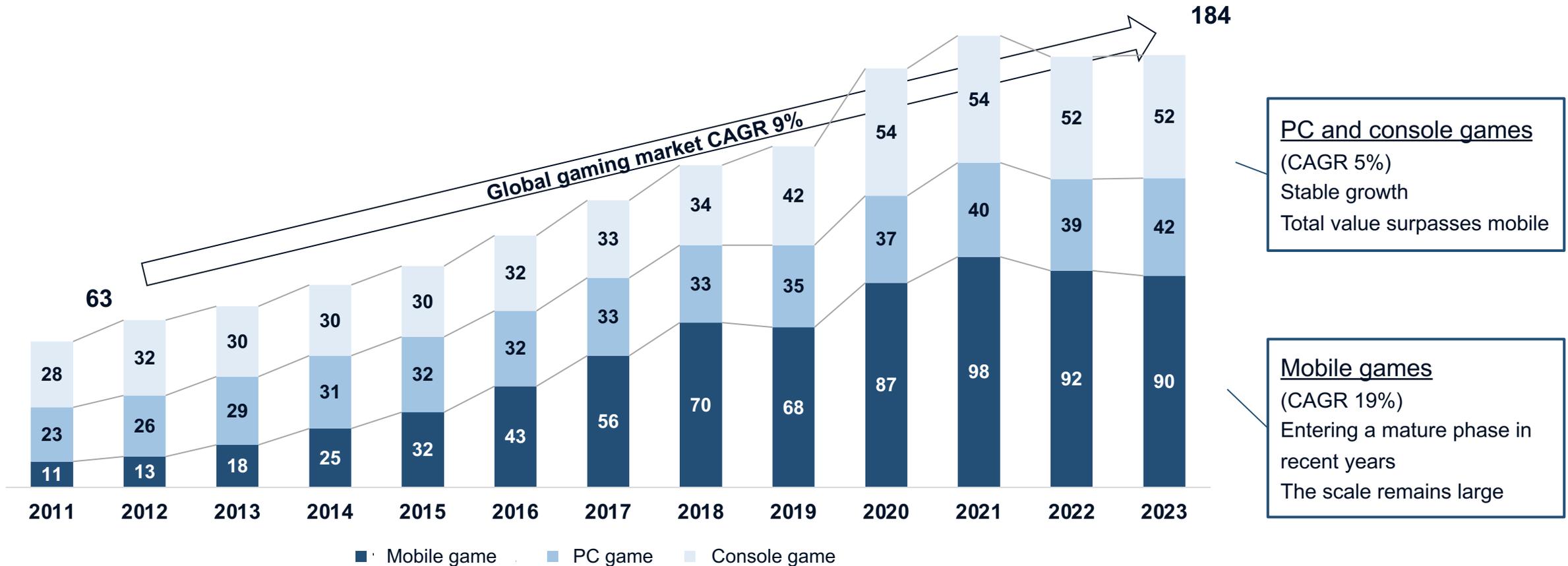
The overseas market (export) size of Japanese content (2024)
Approximately 6.0 trillion yen



Global Gaming Market Overview

The global game market grew at a CAGR of 9% from 2011 to 2023. The PC and console game markets are growing steadily, while the mobile game market has entered a mature phase. We are expanding not only in the mobile game market but also across the entire game market, including PC and console.

Global Game Market Size Trends (2011–2023)



* Source: Newzoo "Global Games Market Report"

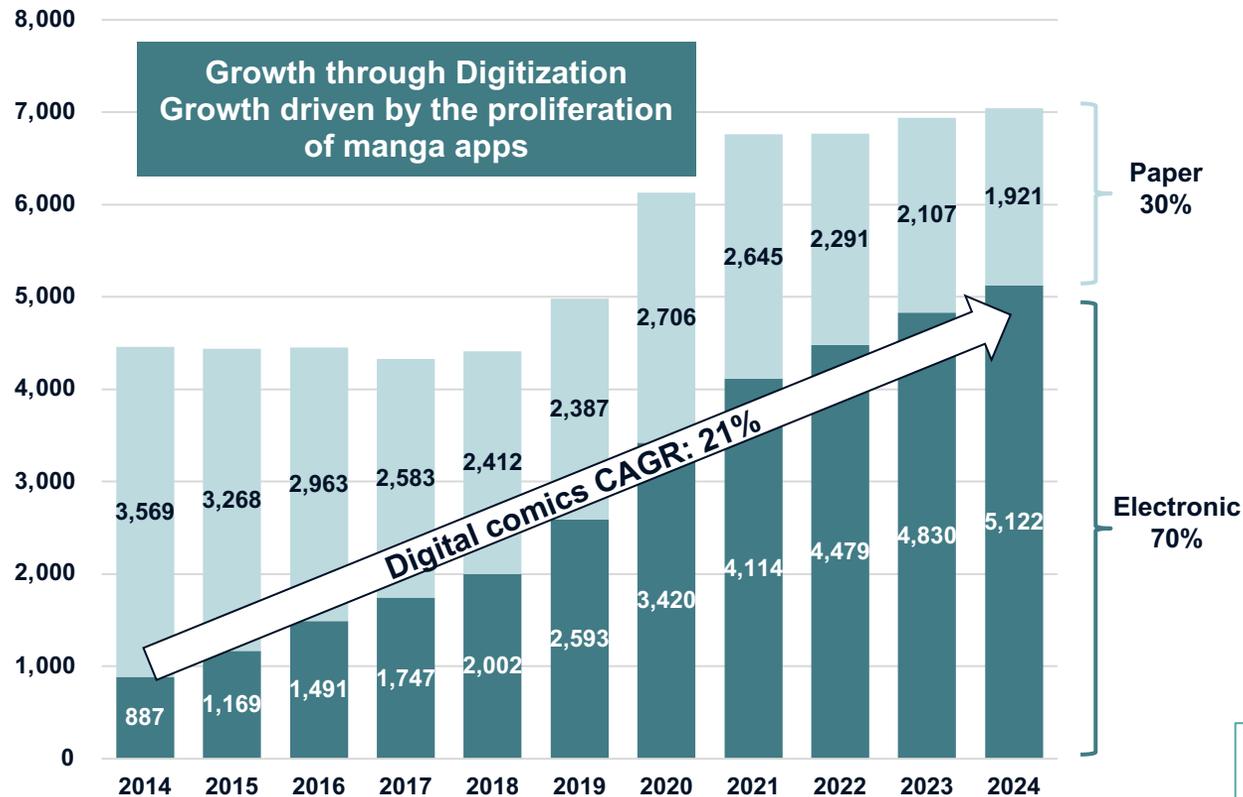
Overview of the Comic Market and Our Characteristics/Strengths

The comic market has significantly grown due to the spread of digital formats. Our company achieved an early business launch, led primarily by industry experts.

Trends in the Comic Market Size

(Unit: ¥100 million yen)

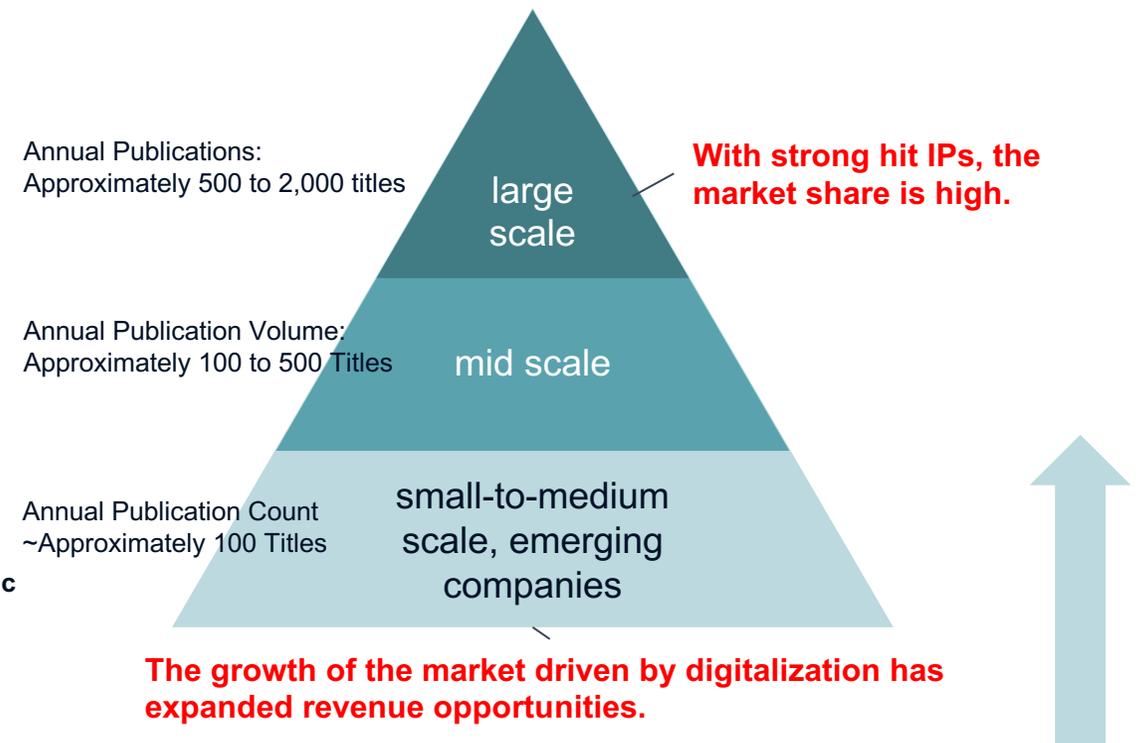
Estimated Domestic Comic Sales Trend



Source: Monthly Publishing Report by the Research Institute for Publications, Japan Publishing Organization; competitive environment is estimated by our company.

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Competitive Environment of the Comics Market



The characteristics of our publishing business

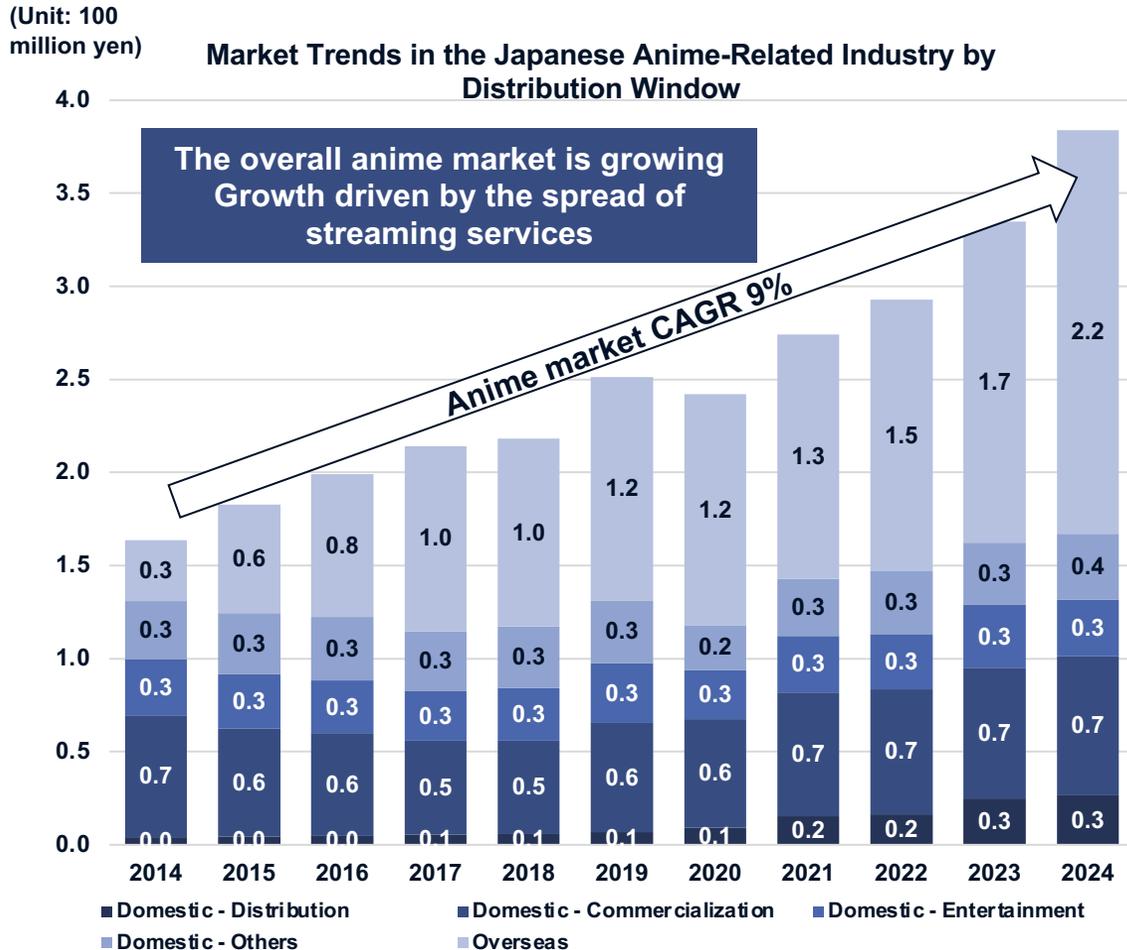
Our company was established as an emerging publisher, primarily by individuals with backgrounds in publishing and distribution. Leveraging a structure that enables active media mix strategies, we aim to expand our business scale through an increase in publication titles and the creation of hits.



Overview of the Anime Market and the Company's Features and Strengths

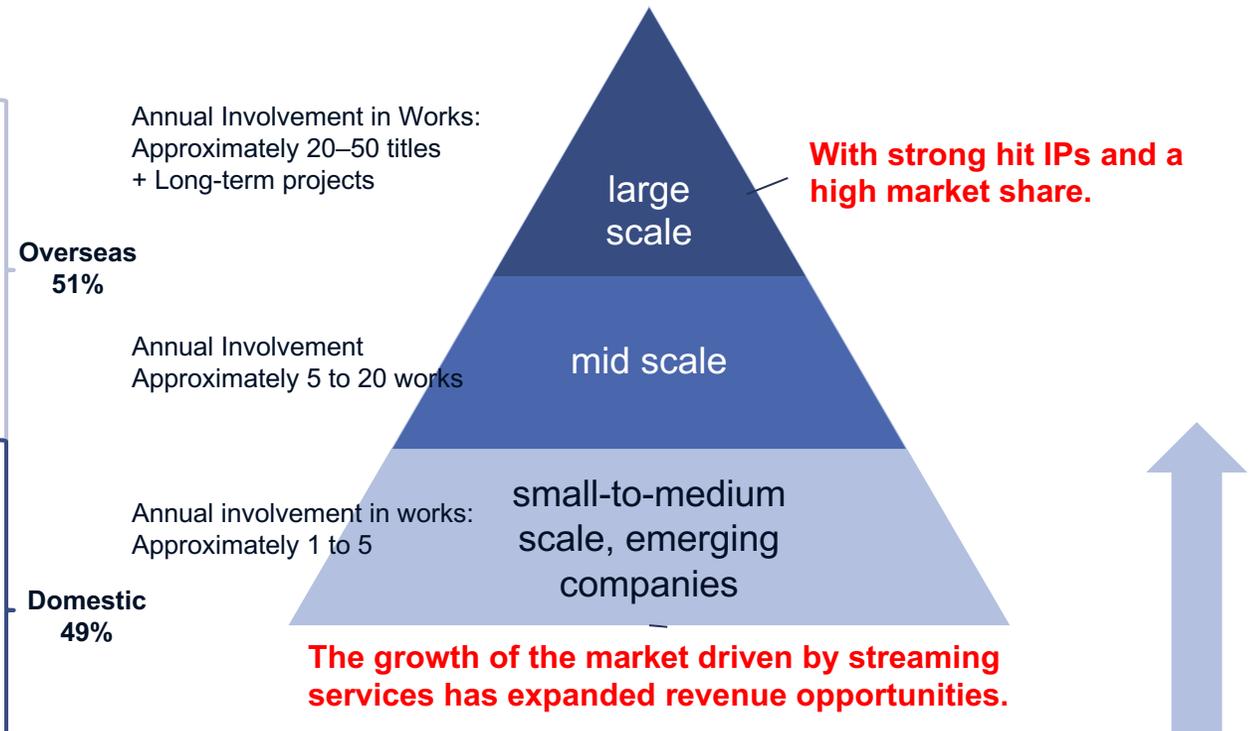
The anime market has grown, driven primarily by overseas sales due to the spread of streaming services. Our company's strength lies in diverse monetization through media mix strategies.

Transition of the Anime Market Size



Competitive Landscape of the Anime Market

(Note: Anime Planning/Production)



The characteristics of our animation business

Our company was established primarily by individuals from the anime industry and possesses expertise in production committee investments and management. By leveraging our in-house publishing business and the growth in the number of works and hits generated through our anime industry network, we aim to expand our business scale.



Source: The Association of Japanese Animations, "Anime Industry Report 2024"; Competitive environment estimated by the company.

Our Strengths and Competitive Advantages

In the expanding entertainment content market presenting increased opportunities, we aim to enter the field by leveraging our strengths, despite being a latecomer, and pursue sustainable growth and enhancement of corporate value.

Strength 1

- **Utilizing technology to create new experiences, markets, and opportunities**
 - Quick adaptation to and utilization of new technology trends: blogs, online advertising, social games, AR, blockchain, AI, etc.

2

- **Over 10 years of experience in the IP content business.**
 - Understanding the appeal of IP and developing content business tailored for IP fansDevelopment and long-term operation of numerous mobile games based on popular or historically established IPs

3

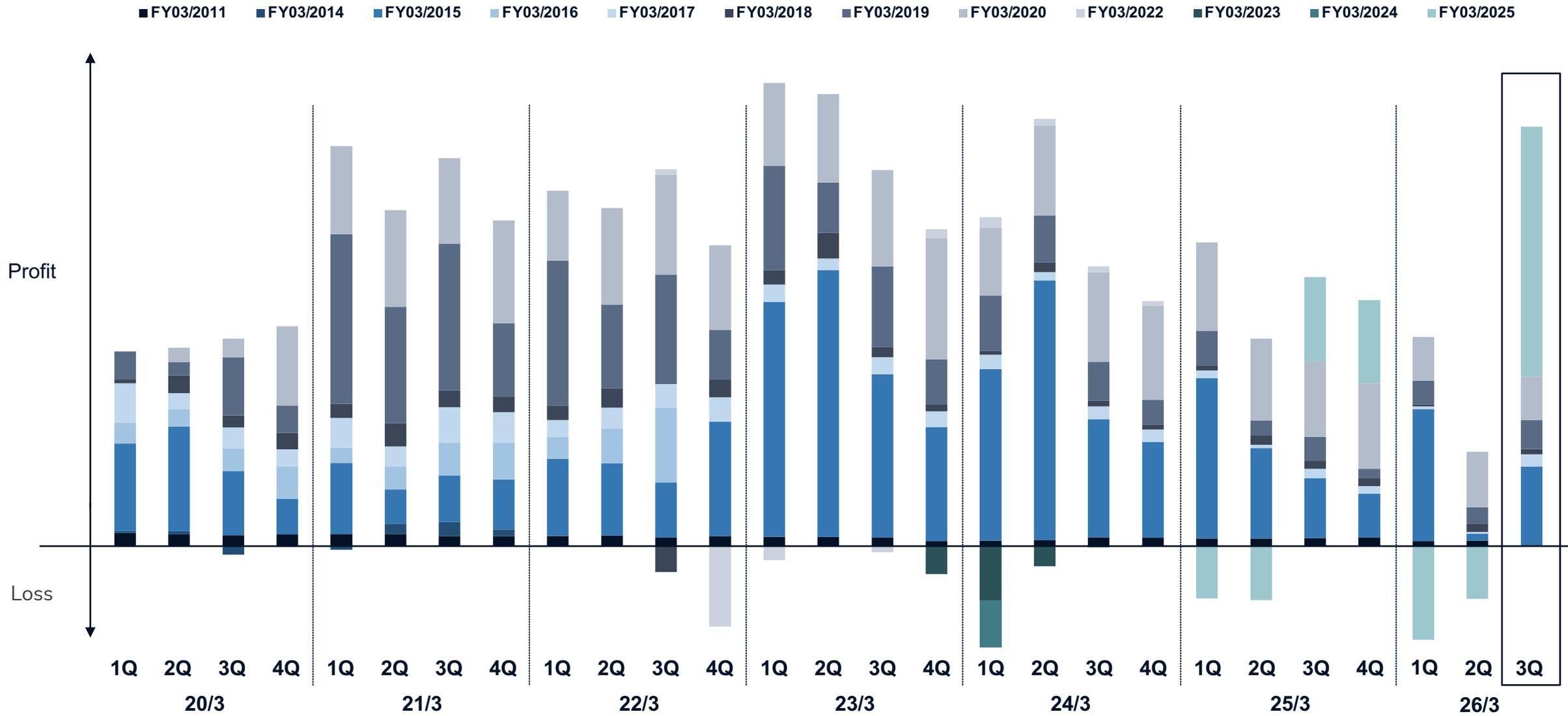
- **Management policy emphasizing the importance of continued challenges**
 - The knowledge gained by the organization through numerous challenges and failures since its founding.Focus on taking risks without fear of failure, and quickly recovering after setbacks.

Gaming Business: Pipeline of Operated Titles and Titles in Development

Number of projects by status and trends

Business	Status	Definition	Number of Projects • Details		
Game Business	Existing Operational Titles	Operational titles under long-term stable management	9	<ul style="list-style-type: none"> ➤ Other company's distribution: 4 titles ➤ Our company's distribution: 5 titles 	
	New Operational Titles	Release titles in operation within 2 years	2	<ul style="list-style-type: none"> ➤ In-house distribution: 2 titles → <u>Aim to maximize revenue and transition to stable operation.</u> 	
	Released Titles	Titles released for PC and console	1	<ul style="list-style-type: none"> ➤ "Hungry Meem" 	
	Development	Full-scale development	PC and console titles under development with a release in sight.	2	<ul style="list-style-type: none"> • "Tokyo Stories -working title-" • "Demons' Night Fever" (Publisher: Arc System Works)
		Prototype	Titles in the development stage prior to Full-scale development (Mobile games, PC/Console)	Multiple	<ul style="list-style-type: none"> ➤ Multiple projects are underway Titles utilizing the game engine of existing mobile games, etc.

Game Business: Revenue trends of titles in operation (by release period)



Gaming Business: Key Services

Operating 11 mobile games, primarily featuring popular IP titles. Also engaged in PC and console game development.

Operation
Titles
11

Published by BANDAI NAMCO Entertainment Inc.

- "ONE PIECE Treasure Cruise" (May 2014)
- "THE IDOLM@STER SHINYCOLORS" (April 2018)
- "Super Robot Wars DD" (August 2019)

Published by Aniplex Inc.

- "Everybody's Golf" (July 2017)

Published by Drecom Co., Ltd.

- "Chocotto Farm" (January 2011)
- "Derby Stallion Masters" (November 2016)
- "DISGAEA RPG" (November 2019)
- "Wizardry Variants Daphne" (October 2024)
- "Disney STEP" (March 2025)

Published by studiorex Co., Ltd.(Group Company)

- "BOKU & DRAGONS"
(February 2015, managed by our company since March 2020)
- "NEKO & DRAGONS"
(April 2019, managed by our company since March 2020)

PC
Console
Titles
3

- "Hungry Meem" (June 2025)
- "Tokyo Stories"
- "Demons' Night Fever"



※ "Derby Stallion Masters" is developed and distributed by our company under license from ParityBit Co., Ltd.
 ※ "DISGAEA RPG" is developed and distributed by our company under license from Nippon Ichi Software, Inc. and Aniplex Inc.
 ※ "Disney STEP" is developed and distributed by our company in collaboration with Walt Disney Japan Co., Ltd.



Content Business: Main Services

Established publishing, anime, and MD businesses with the aim of owning and developing IP. Invested in the creation of new businesses.

Publishing Business

Comic · Novel



MD (Merchandising) Business

Merchandizing



Event Hosting



Anime Business



Utilization of Technology

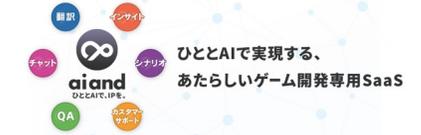
Location Information



Marketing



AI Utilization



Web3



For details on trends in consolidated performance, cost and SG&A expenses, and billing revenue for the game business, please refer to the fact sheet available on our website.

https://drecom.co.jp/ir/factsheet_2026033Q.pdf



The perspectives, strategies, and plans outlined in this document are forward-looking statements rather than historical facts and contain elements of uncertainty. Actual results may vary significantly from these projections due to various factors. Key factors that may impact business performance include, but are not limited to, economic conditions affecting our industry, social trends, and shifts in competitiveness driven by changes in demand for our services.