

## **Opinions of the Company's Nominating Committee and the Board of Directors on Proxy Advisory Firm's Recommendation**

KADOKAWA CORPORATION (the "Company") has confirmed that Institutional Shareholder Services Inc. ("ISS"), a proxy advisory firm, issued a report recommending, with regard to the proposals for the 12th Annual General Shareholders Meeting of the Company ("General Shareholders Meeting") to be held on June 24, 2026, that shareholders vote in favor of the shareholder proposal and that shareholders vote against the company proposal to elect director candidates Takeshi Natsuno and Hiroo Unoura.

The Company takes the views of the proxy advisory firm very seriously. At the same time, the Company's Board of Directors, having carefully considered the proposals for the Annual General Shareholders Meeting in light of the deliberation and resolution of the Nominating Committee, has determined that having shareholders approve the company proposal and oppose the shareholder proposal would be appropriate from the perspective of enhancing the Company's medium- to long-term corporate value and maximizing the shareholders' common interests, and thus holds a view different from that expressed in the recommendation made by ISS.

The Company has changed its corporate governance structure to that of a company with a nominating committee, and pursuant to its independence criteria, it has appointed a total of 12 directors, seven of whom are independent outside directors. The Company's view has been unanimously approved by the Company's Board of Directors, including these independent outside directors.

We ask our shareholders to please review the opinion of the Company's Nominating Committee and the Board of Directors as stated below, and exercise their voting rights in favor of the company proposal and against the shareholder proposal.

### **1. Dismissing the Company's CEO During the Initial Execution Phase of the New Mid-term Management Plan Could Damage the Continuity of Reforms and the Stability of Management**

As announced in our "Mid-term Management Plan: FY2026—FY2031" dated May 14, 2026 (the "New Mid-term Management Plan") and the "Supplementary Document of the Company's Initiatives to Enhance Corporate Value and the Shareholder Proposal" dated May 28, 2026, the Company is already advancing initiatives, including revenue structure reforms, fixed costs optimization, and redistribution of management resources in growing areas, with a primary focus on the domestic publication business and the animation business, as well as strengthened investment discipline, and an improving ROE.

This plan is currently in the initial execution phase, and under the guidance of Director Natsuno, with the knowledge and leadership skills he has cultivated through his management experience at a highly volatile IT company, the Company has already begun steadily implementing concrete policy measures in the publication business, such as by optimizing the number of titles published, improving its portfolio of titles, and reducing the rate of sales returns, as well as in the animation business, including by strengthening group studios, improving its rate of in-house production, and expanding sales from secondary development.

Dismissing Takeshi Natsuno, CEO, from his position as director during this critical execution phase — even if, under the legal system, this would not automatically mean that he would lose his status as CEO — could in fact result in serious uncertainties into the Company's management structure, collaborations with business managers, trusted relationships with external and internal stakeholders, and dialogues with investors, as well as the execution of the New Mid-term Management Plan.

The Company's Board of Directors has determined that, at the present time, steadily executing the New Mid-term Management Plan that has already been announced and continuing to demonstrate the progress and results of the plan to our shareholders, rather than taking actions that could give rise to any uncertainties, would contribute to enhancing the Company's medium- to long-term corporate value.

## **2. The Shareholder Proposal Offers No Specific Successors, Alternative Management Structures, or Alternative Strategies**

The shareholder proposal calls for the dismissal of Takeshi Natsuno from his position as director, but it offers no specific successor candidates who could replace him, no alternative management structures, and no actionable measures for enhancing corporate value in place of the New Mid-term Management Plan announced by the Company, and even the report by ISS indicated that finding a replacement might take some time.

The Company's business is centered on IP creation starting with publication, as well as on a core strategy of developing such IPs into animation, live-action productions, games, MD, events, and overseas rollout, dubbed "Global Media Mix with Technology." Reforming this business model will require management decisions that cut across publication, animation, games, overseas business, technology, and capital policies. A certain degree of continuity will be needed as well.

We believe that without a specific successor, an alternative management structure, and alternative strategies being offered, dismissing the CEO from his position as director at this initial reform execution stage would not contribute to enhancing the Company's medium- to long-term corporate value.

## **3. The Company's Board of Directors Will Strictly Monitor the Progress of the New Mid-term Management Plan in View of KPIs**

The Company's Board of Directors takes very seriously its performance results for fiscal year 2025 and the fact that the former Mid-term Management Plan failed to meet expectations. The reelection of Takeshi Natsuno does not mean the unconditional ratification of the underachievement of past

performance results or management issues.

The New Mid-term Management Plan was also formulated after the Company's Board of Directors had concluded, in light of these past performance results and management issues, that the timeline for the Company to reach its targets needed to be revised and a radical restructuring was necessary in order to promote reforms more aggressively.

In addition, in keeping with the Board of Directors' organizational structure, which is centered on independent outside directors, the Board of Directors will be strictly and continuously monitoring the progress of the New Mid-term Management Plan in view of KPIs.

Specifically, the Board of Directors will make regular progress reviews for the domestic publication business with regard to improving the portfolio of titles, optimizing the number of published titles, and reducing the rate of sales returns, as well as for the animation business with regard to improving the ratio of in-house production, expanding sales from secondary development, ROE, operating margin, EPS, investment discipline, shareholder returns, etc.

If there are any progress delays, the causes will be analyzed and any necessary response measures will be taken, including implementing additional measures, revising investment distribution, and overhauling the Company's business management structure. Consideration will also be given to the management structure as needed.

The Company's Board of Directors has determined that, rather than dismissing the CEO from his position as director at the present time, the alternative of implementing the New Mid-term Management Plan under the strict supervision of the Board of Directors and providing shareholders with the results would contribute to enhancing the Company's medium- to long-term corporate value.

#### **4. Hiroo Unoura's Independence and His Role in the Board of Directors and the Nominating Committee**

ISS has also recommended that shareholders vote to oppose the election of Hiroo Unoura, who is a director candidate, in accordance with ISS's own independence criteria.

In light of the independence standards specified by Tokyo Stock Exchange, Inc. (TSE) and the Company's independence criteria for outside officers, the Company has registered Hiroo Unoura as an independent outside director and has determined that he meets the Company's criteria for independence.

As Chairperson of the Board of Directors and Chairperson of the Nominating Committee, Hiroo Unoura has led the operation of the Board of Directors and the deliberations of the Nominating Committee from a position independent of executive functions. In addition, through actions including personally engaging in dialogue with institutional investor shareholders, he has been entrusted by shareholders with conducting management supervision from the perspective of achieving sustainable growth for the Company and enhancing its medium- to long-term corporate value.

As a company with a nominating committee, and in keeping with its supervision framework centered on independent outside directors, the Company will continue going forward to strictly monitor the progress of the New Mid-term Management Plan and to promote initiatives aimed at enhancing the Company's corporate value.

## 5. Request to Shareholders

As described above, the Company's Board of Directors takes the opinions it has received from shareholders very seriously. Yet we have determined that dismissing Takeshi Natsuno, CEO, from his position as director at the present time, and opposing the proposed reelection of Hiroo Unoura as a Member of the Board, Independent, would be inappropriate from the perspective of executing the New Mid-term Management Plan, the continuity of reforms, the stability of management, the effectiveness of governance, and in turn, the shareholders' common interests.

We therefore ask shareholders to review the NOTICE OF THE 12TH GENERAL MEETING OF SHAREHOLDERS, the New Mid-term Management Plan as set forth on the Company's IR website, and the Supplementary Document dated May 28, 2026, and then to refer to the opinion of the Company's Board of Directors in voting in favor of the company proposal, and in voting against the shareholder proposal.

### ■About KADOKAWA CORPORATION

KADOKAWA CORPORATION, a comprehensive entertainment company, develops a wide range of businesses such as Publication, Animation and Live-Action Productions, Gaming, Web services, Education/EdTech. We discover talent globally, create diverse IP (Intellectual property), and deliver it through various media. We maximize the value of IP under our strategy "Global Media Mix with Technology," which refers to global rollouts of created IP by utilizing technology.

<https://group.kadokawa.co.jp/global/>

End of document

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.
---

---

For inquiries, please contact  
Public Relations Department, KADOKAWA CORPORATION  
E-mail: [pr-dept@kadokawa.jp](mailto:pr-dept@kadokawa.jp)