

Opinions of the Company's Nominating Committee and the Board of Directors on Proxy Advisory Firms' Recommendation

KADOKAWA CORPORATION (the "Company") has carefully reviewed the recommendations issued by proxy advisory firms, which have been reported in the media and through other sources, and takes their views seriously.

However, following the deliberations and resolutions of the Nominating Committee, the Board of Directors has determined that supporting the Company's proposals and opposing the shareholder proposals at the 12th Ordinary General Meeting of Shareholders scheduled for June 24, 2026, is appropriate from the perspective of enhancing corporate value over the medium to long term and maximizing the common interests of shareholders.

The Company is currently in the early stages of executing its new Medium-Term Management Plan. Under this plan, the Company is pursuing the earnings structure reforms centered on its domestic publishing and animation businesses, the optimization of fixed costs, the reallocation of management resources to growth areas, the strengthening of investment discipline, and the improvement of ROE.

At this important stage, removing the CEO from the Board of Directors without presenting a specific successor, an alternative management structure, or an actionable plan to enhance corporate value in place of the announced Medium-Term Management Plan could create significant uncertainty regarding both the continuity of these reforms and the stability of the Company's management.

The Company approached Institutional Shareholder Services Inc. ("ISS") to request a meeting in order to facilitate an accurate understanding of its business and operations. However, a meeting ultimately did not take place, and ISS issued its recommendation report based on its own independent research. The Company encourages institutional investors to take this fact into consideration when reviewing ISS's recommendation report.

Under a governance structure led by independent outside directors, the Board of Directors will continue to rigorously monitor the implementation and progress of the new Medium-Term Management Plan against clearly defined KPIs.

The Company encourages shareholders to review its press release dated June 5, 2026, entitled "Opinions of the Company's Nominating Committee and the Board of Directors on Proxy Advisory Firms' Recommendations," and to consider the rationale underlying the Board of Directors' judgment.

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