



June 26, 2025

For Immediate Release

Company: KADOKAWA CORPORATION  
Representative: Takeshi Natsuno, Chief Executive Officer  
(Stock Code: 9468, TSE Prime Market)  
Contact: Tomoyuki Oue, Head, Corporate Communication  
(TEL: 03-5216-8212)

### Notice of Disposal of Treasury Shares as Restricted Stock Compensation

KADOKAWA Corporation (the "Company") hereby announces that a meeting of the Board of Directors held on June 26, 2025 passed a resolution regarding disposal of the Company's treasury shares for restricted stock compensation (the "Disposal of Treasury Shares"). Details are as follows.

#### Details

##### 1. Overview of the disposal

(1)	Payment date	July 25, 2025
(2)	Type and number of shares to be disposed of	The Company's common shares 204,576 shares
(3)	Disposal value	4,028 yen per share
(4)	Total disposal value	824,032,128 yen
(5)	Persons eligible for share allocation, number of persons, and number of shares to be allocated	Three Directors (excluding Outside Directors): 59,850 shares, four Chief Officers: 45,704 shares, fourteen Corporate Officers: 99,022 shares

##### 2. Purpose of and reason for the Disposal of Treasury Shares

The Company passed a resolution at the meeting of the Remuneration Committee held on May 23, 2024 to introduce a restricted stock compensation plan (the "Plan") for the purpose of giving incentives to directors (excluding Outside Directors), executives, and executive officers who satisfy the Company's criteria ("eligible officers") to work for the sustained improvement of the Company's corporate value and facilitating their sense of sharing value with shareholders.

This time, it was resolved to grant 824,032,128 yen in total as monetary remuneration claims to three Directors (excluding Outside Directors), four Chief Officers and fourteen Corporate Officers (the "Eligible Officers") of the Company on the condition that the said amount be paid as contribution in kind in relation to the Disposal of Treasury Shares, in light of the purpose of the Plan, the Company's operating results, the scope of job responsibilities of each eligible officer and various other factors, and to implement the Disposal of Treasury Shares for the Eligible Officers. At the meeting of Remuneration Committee held on May 21, 2025, it was determined that the transfer restriction period of restricted stock under the Plan be revised to the period between the payment date and a date determined by the Remuneration Committee and that the transfer restriction period be terminated on March 31, 2028, as described in 3 below, with the aim of providing an incentive toward achieving a sustained improvement in corporate value, which is the purpose of the introduction of the Plan, and to achieve a sharing of shareholder value.

##### 3. Outline of the restricted share allotment agreement

The Company will conclude an agreement on the allotment of restricted shares with Eligible Officers (the "Allotment Agreement"). An outline of the Allotment Agreement is as follows.

(1) [Transfer restriction period] July, 2025 to March 31, 2028

During the above period, Eligible Officers shall not transfer, establish a security interest on or otherwise dispose of the allotted Company's Common Shares (the "Allotted Shares").

(2) Lifting the transfer restrictions

On the condition that the Eligible Officers have continuously held the position of director, executive or executive officer of the Company during the restriction period, the Company shall, upon expiration of the restriction period, cancel the restriction on transfer of all of the Allotted Shares held by the Eligible Officers as of such time. However, if the Eligible Officers resign from any of the positions of director, executive or executive officer of the Company before the expiration of the restriction period due to death or other reasons deemed justifiable by the Remuneration Committee of the Company, the restriction on transfer of all of the Allotted Shares shall be cancelled as of the time immediately following such resignation.

(3) Acquisition by the Company for no consideration

The Company shall automatically acquire without consideration all of the Allotted Shares on which the transfer restrictions are not yet lifted as of expiration of the transfer restriction period at the time immediately after such time.

In addition, if, during the transfer restriction period, an event of gratuitous acquisition stipulated in the Allotment Agreement occurs, such as the death of the Eligible Officers or other reasons other than those deemed justifiable by the Remuneration Committee of the Company, the Company shall naturally acquire the number of the Allotted Shares stipulated in the said agreement without consideration.

(4) Management of shares

The Allotted Shares shall be managed in dedicated accounts opened by Eligible Officers with a securities firm designated by the Company to prevent the transfer, establishment of security interest on, or other disposal thereof. The securities company is scheduled to be Daiwa Securities Co.

(5) Measures to be taken in relation to organizational restructuring, etc.

During the transfer restriction period, the general shareholders meeting of the Company approves a merger agreement under which the Company will become a non-surviving company, a share exchange agreement or a share transfer plan based on which the Company will become a wholly owned subsidiary or other matters regarding organizational restructuring, etc. (or the Remuneration Committee adopts a resolution regarding such organizational restructuring, etc., if the approval of the general meeting of shareholders is not required), the transfer restriction on all the Allotted Shares will be removed prior to the effective date of the organizational restructuring, etc.

4. Calculation basis of payment amounts and relevant details

To eliminate arbitrariness in the disposal value of the subject shares for Disposal of Treasury Shares to allottees, the Company decided to adopt 4,028 yen, which was the closing price on the business day immediately preceding the day of the resolution of the Board of Directors. The Company believes the said disposal value for Disposal of Treasury Shares is reasonable because it is not particularly advantageous to allottees.

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