Stewardship Voting Summary for KADOKAWA AGM

Decision question

Has the Board provided sufficient evidence that continuity under the same CEO is more credible than a leadership refresh after five years of deteriorating returns and missed targets?

Oasis vote request

Agenda 1, Candidate No.1

Company proposal to reappoint CEO Takeshi Natsuno as director

AGAINST

Agenda 2

Oasis shareholder proposal to dismiss CEO Takeshi Natsuno as director

FOR

Five-year results under the current CEO

FY21/3 baseline before appointment vs. FY26/3 after five fiscal years

	FY21/3	FY26/3	
Operating Income	JPY 13.6 bn	JPY 8.1 bn	▲ 40.5%
Operating Margin	6.5%	2.9%	
EPS	JPY 77.42	JPY 8.71	▲ 88.7%
ROE	8.2%	0.5%	

Board continuity case vs. Oasis accountability case

KADOKAWA asks shareholders to trust CEO Natsuno to execute a reset MTP. Oasis believes the new plan defers accountability and lacks enough measurable evidence of change

Forecast discipline

FY26/3 OP guidance cut 38.3%; then missed the lowered OP forecast by 21.3%

Accountability timing

Prior MTP withdrawn; new plan extends targets to FY32/3 under the same leadership team

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Key Issues Shareholders Should Weigh Before Voting

Core Stewardship Test:

Does the continuity case outweigh 5 years of weaker profitability, reset targets, and accumulated governance concerns?

01 Deteriorating returns and reset targets

EPS declined from JPY 77.42 to JPY 8.71 and ROE from 8.2% to 0.5%; FY26/3 guidance was cut, then missed even after the reduction

02 Failure to capture value of FromSoftware

KADOKAWA's crown-jewel gaming asset still cedes meaningful economics to external publishers, with no quantified self-publishing roadmap

03 Core IP engine under pressure

Publication / IP Creation margin fell from 13.1% to 2.6%; The prior volume-led strategy led by CEO Natsuno weakened per-title economics and scalability

04 Execution in growth and turnaround areas

Mobile games have not scaled; Niconico is losing competitiveness and paid members; Others continues to lose roughly JPY 4-5bn annually

05 Cost and capital discipline

SG&A rose from 28.6% to 31.3% of sales; HQ costs expanded, net cash remains high, and all goodwill related to Doga Kobo impaired in 12 months

06 Governance, focus, and risk controls

CEO Natsuno holds numerous outside roles; the 2024 cyberattack leaked 254,241 data records, and the JFTC warning raises compliance concerns

Vote implication:

Oasis recommends voting AGAINST CEO Natsuno's reappointment & FOR the shareholder proposal to dismiss him as director

The stewardship judgment is whether accountability and leadership renewal are now required to protect long-term value

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