

OASIS

Oasis Calls on KADOKAWA Investors to Vote AGAINST CEO Takeshi Natsuno at 2026 AGM (Securities Code: 9468 JT)

**KADOKAWA performance has deteriorated significantly under CEO Natsuno:
EPS is down 89% during his tenure, ROE is down from 8.2% to 0.5%*

** KADOKAWA fails to capture FromSoftware's full value,
ceding economics to external partners*

**Management's "quantity over quality" strategy for core
Publication / IP Creation business has weakened profitability*

**Execution failures have accumulated, while CEO Natsuno's multiple outside roles,
the 2024 cyberattack, and the JFTC's subcontracting warning
raise serious governance concerns*

**It is time for accountability and management refresh*

More information is available at www.abetterkadokawa.com

May 21, 2026, Hong Kong - Oasis Management Company Ltd. ("Oasis"), the investment manager to private funds that own approximately 13.76% of the shares in KADOKAWA CORPORATION ("KADOKAWA" or the "Company"), today announced the launch of its "A Better KADOKAWA" campaign.

At KADOKAWA's upcoming AGM scheduled for June 24, 2026, Oasis is calling on fellow shareholders to:

- Vote **AGAINST** the Company's proposal to reappoint CEO Natsuno as a director; and
- Vote **FOR** Oasis's shareholder proposal to dismiss CEO Takeshi Natsuno as a director.

To make its case directly to fellow shareholders, employees, creators, business partners and other stakeholders, Oasis has launched the campaign website www.abetterkadokawa.com, where it has published a detailed presentation setting out the case for leadership change.

KADOKAWA's Board has asked shareholders to again trust CEO Natsuno to maximize long-term corporate value despite the current leadership's track record of materially weaker earnings, missed targets, deferred accountability and accumulated governance concerns.

Five Years of Deteriorating Performance Under CEO Takeshi Natsuno

Since Takeshi Natsuno was appointed Chief Executive Officer in June 2021, KADOKAWA has materially underperformed despite industry tailwinds from government policy support and growing global demand for Japanese content. The Company's results show that, between FY21/3, the fiscal year before CEO Natsuno's appointment, and FY26/3, his fifth fiscal year as CEO:

- Operating profit declined from JPY 13.6 billion to JPY 8.1 billion;
- Operating margin compressed from 6.5% to 2.9%;
- Basic EPS fell from JPY 77.42 to JPY 8.71; and
- ROE deteriorated from 8.2% to 0.5%.

In November 2025, KADOKAWA cut FY26/3 operating profit guidance by 38.3% and net income guidance by 57.0%. In May 2026, the Company then missed even the lowered operating profit forecast by 21.3%. Shortly before the June 2026 AGM, the Company withdrew its prior five-year mid-term management plan ("MTP") and replaced it with a new plan that pushes financial targets out to FY32/3. Even after this six-year extension, KADOKAWA does not expect to achieve the operating margin or ROE targets it previously presented to shareholders.

CEO Natsuno himself stated in a press conference in February 2023 that "if the expansion of our business does not go well, then naturally my resignation would also come into view." By his own standard, and after five years of continued deterioration, the time for change has arrived.

Six Reasons Shareholders Should Vote Against CEO Natsuno's Reappointment

Oasis's "A Better KADOKAWA" campaign sets out six core reasons why CEO Natsuno is no longer the right leader for the Company:

1. **Poor performance and deferred accountability.** EPS and ROE have fallen sharply under CEO Natsuno's five-year tenure, core segment profitability has deteriorated, and the Company has missed even lowered forecasts. Rather than holding management accountable for failing to deliver the prior MTP, KADOKAWA has replaced it with a six-year plan that delays any meaningful assessment until FY32/3.
2. **Continued value leakage from KADOKAWA's key gaming subsidiary, FromSoftware.** FromSoftware is KADOKAWA's crown-jewel asset and has produced global blockbuster titles such as ELDEN RING. Yet despite repeated shareholder calls to bring more publishing economics in-house, CEO Natsuno has recently backtracked on the Company's self-publishing commitments, allowing third-party publishers to continue capturing meaningful economics.

3. **A misguided “quantity over quality” IP strategy has weakened the core IP engine.** The pursuit of more than 7,000 new IPs per year has diluted management attention, weakened per-title economics and undermined productivity. KADOKAWA’s new MTP now implicitly validates Oasis’s criticism by shifting toward volume control, but management has not provided credible metrics, definitions or accountability for restoring Publication / IP Creation profitability.
4. **Poor execution across growth and turnaround areas.** Despite the scale of the mobile gaming market and KADOKAWA’s deep IP library, the Company has repeatedly failed to monetize key IP in games. Niconico continues to lose competitiveness, and the Others segment continues to generate JPY 4-5 billion of annual losses with no credible turnaround plan.
5. **Poor capital allocation and lack of cost discipline.** SG&A and headquarters costs have expanded materially under CEO Natsuno, while KADOKAWA has built and continues to maintain a large net cash position without a clear capital allocation framework. External capital deployment has also shown poor discipline, as demonstrated by repeated impairments and the JPY 2.7 billion impairment related to the animation studio, Doga Kobo, only 12 months after its acquisition, equivalent to approximately 90% of the original acquisition price.
6. **Inadequate governance and management accountability.** CEO Natsuno’s numerous outside roles, frequent media appearances and prior public controversies raise serious concerns about his focus and judgment. These concerns are compounded by recent governance failures, including the 2024 cyberattack, which leaked 254,241 personal data records and caused significant financial harm, and the JFTC’s corrective recommendation and warning regarding subcontracting violations.

Comments from Seth Fischer, Founder and Chief Investment Officer of Oasis

“KADOKAWA owns truly world-class assets: FromSoftware, a vast and beloved library of original IP, and an enviable position at the center of Japan’s globally ascendant content industry. Since the beginning of our engagement in 2020, Oasis has persistently encouraged the Company to maximize the value of the world-class IP that it owns. Yet under CEO Natsuno’s leadership, shareholders have endured five years of underperformance, broken promises, and deferred accountability while the global market for Japanese content has continued to expand.

Shareholders cannot afford to wait another six years for a turnaround under the same leadership team that delivered today’s outcomes. CEO Natsuno himself acknowledged in

2023 that failure to deliver business growth should put his resignation into view. By his own standard, that moment has arrived.

Oasis urges all fellow shareholders to vote FOR our proposal to dismiss CEO Natsuno as a director and AGAINST his reappointment at June 2026 AGM. KADOKAWA - and the creators, employees, partners and shareholders who depend on it - deserve better.”

A Constructive Path Forward

Oasis has been and remains a long-term shareholder of KADOKAWA and continues to support the Company’s ambition to become a truly global IP-driven media company. Oasis stands ready to work constructively with the Board to identify and appoint world-class leadership capable of restoring operational discipline, capturing more value from FromSoftware and KADOKAWA’s broader IP, strengthening governance, and delivering superior outcomes for all stakeholders, including shareholders, creators, employees and business partners.

Vote AGAINST CEO Takeshi Natsuno at 2026 AGM

To hold management accountable for the deteriorated performance over CEO Natsuno’s tenure over the last five years, Oasis calls on other shareholders to vote AGAINST CEO Takeshi Natsuno’s reappointment at the upcoming AGM on June 24, 2026. In addition, consistent with its large shareholding report disclosures, Oasis has submitted a formal shareholder proposal to the company for voting at the Company’s AGM on June 24 to dismiss CEO Takeshi Natsuno as a director.

For Oasis’s full campaign presentation, “A Better KADOKAWA”, and additional information regarding the June 2026 AGM, please visit www.abetterkadokawa.com. Oasis welcomes input from all stakeholders at info@abetterkadokawa.com.

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