



December 19, 2024

For Immediate Release

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Notice Concerning Capital and Business Alliance with Sony Group, Issuance of New Shares through a Third-Party Allotment, and Expected Change in Major Shareholders and Largest Major Shareholder

KADOKAWA CORPORATION (Headquarters: Chiyoda-ku, Tokyo, Chief Executive Officer: Takeshi Natsuno, hereinafter the “Company”) hereby announces that its Board of Directors has resolved at a meeting held on December 19, 2024 to enter into a capital and business alliance agreement (hereinafter the “Capital and Business Alliance Agreement”; the alliance under that agreement, hereinafter the “Capital and Business Alliance”) with Sony Group Corporation (Headquarters: Minato-ku, Tokyo, Representative Corporate Executive Officer: Kenichiro Yoshida, hereinafter “Sony”), and make an issuance of new shares to Sony by way of a third-party allotment (hereinafter the “Third-Party Allotment”).

In conjunction with the Third-Party Allotment, the Company’s major shareholders and largest major shareholder is expected to change as of January 7, 2025, the payment date of the Third-Party Allotment.

I. Capital and Business Alliance

1. Background of the Capital and Business Alliance

With its corporate mission as “A platform for Creativity” that discovers talent and brings their content to a global audience, the Company aims to achieve medium- to long-term growth and enhance its corporate value through its basic strategy of consistently producing a diverse portfolio of intellectual property (IP) in Publication/IP Creation, Animation/Film, Gaming, Web Services, Education/EdTech, and other businesses, maximizing the lifetime value (LTV) of its IP through business collaborations, and expanding its IP worldwide through constant incorporation of the latest technology (Global Media Mix with Technology). In addition, the Company has been continuously evaluating capital and business alliances and other partnerships that contribute to discontinuous growth as one measure in response to a global business environment in which IP is rapidly growing in importance.

In February 2021, the Company made a new share issuance through a third-party allotment to Sony, with the aim of strengthening the long-term relationship between the two companies. Through this third-party allotment, the Company has worked to enhance its IP “global media mix” by combining global development capabilities of Sony and its affiliates (hereinafter “Sony Group”) in animation and consumer gaming with the Company’s own content, while leveraging the strengths of both companies in terms of business and know-how. As a result of discussions with Sony, it was determined that further strengthening the capital alliance would reinforce and accelerate the “global media mix” strategy with a view to the global market including the construction of a business foundation that will create a more diverse range of IP, further strengthening of development, production and distribution of animation, video games and film, and acceleration of the Company’s ability to expand into merchandising products and music IP, and has entered into the Capital and Business Alliance Agreement with Sony.

2. Outline of the Capital and Business Alliance

(1) Details of the Capital Alliance

The Company will issue new shares through a third-party allotment (12,054,100 shares of common stock; percentage of the total number of issued shares after the Third-Party Allotment: 7.83%), and Sony will subscribe for those shares.

In addition, Sony has agreed not to transfer the common stock of the Company to any third party for a period of one year from the date the Third-Party Allotment is implemented without the Company’s prior written consent. Also, as a general rule, Sony has agreed not to transfer the common stock of the Company to any third party

engaging in publication business, animation business or gaming business (limited to the third party with which the Company group has a substantive competitive relationship) without the Company's prior written consent.

For details of the Third-Party Allotment, please see "II. Third-Party Allotment" below.

## (2) Details of the Business Alliance

The Company and Sony have agreed to discuss the following action points after the Third-Party Allotment and implement the business alliance on the matters agreed upon between both companies:

- (i) Joint investments in prime business areas in global content domains
- (ii) Discovery of new creators using UGC platforms
- (iii) Joint promotion of further media mix of both companies' IP (including publishing, animation, and commercialization)
- (iv) Global adaptations and distribution by Sony Group of the Company's IP into live-action films and drama series
- (v) Production of animated works through joint management and co-production
- (vi) Further expansion of global distribution by Sony Group of the Company's animated works and anime-related products
- (vii) Development of personnel for the promotion and dissemination of virtual production
- (viii) Further expansion of the scope of the Company's game publishing
- (ix) Distribution of the Company's publications, including manga, as e-books by the Sony Group

## 3. Outline of Partner in the Capital and Business Alliance

Please see "(1) Outline of the Allottee" in "6. Reasons for Selection of the Allottee" in "II. Third-Party Allotment" below.

## 4. Timeline of the Capital and Business Alliance

|                                                  |                   |
|--------------------------------------------------|-------------------|
| (1) Date of resolution by the Board of Directors | December 19, 2024 |
| (2) Date of agreement execution                  | December 19, 2024 |
| (3) Date of share acquisition (payment date)     | January 7, 2025   |

## 5. Future Outlook

Please see "8. Future Outlook" in "II. Third-Party Allotment" below.

# II. Third-Party Allotment

## 1. Overview of Offering

|                                                    |                                                                                                                                              |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Payment date                                   | January 7, 2025                                                                                                                              |
| (2) Number of new shares to be issued              | 12,054,100 shares of common stock                                                                                                            |
| (3) Issuance price                                 | 4,146 yen per share                                                                                                                          |
| (4) Capital to be procured                         | 49,976,298,600 yen                                                                                                                           |
| (5) Method of subscription or allotment (Allottee) | Third-party allotment (Sony: 12,054,100 shares)                                                                                              |
| (6) Other                                          | Each of the above items is subject to the effectiveness of the registration pursuant to the Financial Instruments and Exchange Act of Japan. |

## 2. Purpose of and Reasons for Issuance

Please see "1. Background of the Capital and Business Alliance" in "I. Capital and Business Alliance" above.

The Company's basic strategy, set out in the medium-term management plan, is "Global Media Mix with Technology," and it is working to achieve "maximization of IP LTV" by enhancing IP creation, media mix, overseas development, and licensing development, as well as working to achieve continuous business growth through expanding the Education/EdTech business and improving fan community management. In addition, with its corporate mission of "A platform for Creativity" that discovers talent and brings their content to a global audience, and under the keywords of creativity, motivation, and technology, the Company is working to create innovation by developing internal infrastructure that allows every employee to maximize their creativity. The Company believes that an appropriate and stable financial base is essential in order to achieve sustainable growth through this "Global Media Mix with Technology."

In deliberating the Third-Party Allotment, the Company considered multiple methods of financing that would enhance corporate value, including bank loans, corporate bonds, and other debt financing, and determined that the

optimal method would be a combination of the share issuance through the Third-Party Allotment and the cancellation of a portion of its treasury shares, as this would enable the Company to strengthen its relationship with Sony Group.

Through the Third-Party Allotment, the Company aims to achieve sustainable enhancement of its corporate value by expanding its equity capital and reinforcing its financial base and by promoting collaborations with the strategic partners such as Sony.

For details of the Capital and Business Alliance and the cancellation of treasury shares, please see “I. Capital and Business Alliance” above and the “Notice of Cancellation of Treasury Stock” disclosed today.

### 3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure

#### (1) Amount of Capital to be Procured

|                                 |                    |
|---------------------------------|--------------------|
| (i) Aggregate amount to be paid | 49,976,298,600 yen |
| (ii) Estimated cost of issuance | 230,000,000 yen    |
| (iii) Estimated proceeds        | 49,746,298,600 yen |

Notes: 1. Estimated cost of issuance does not include consumption tax, etc.

2. Estimated cost of issuance includes items such as registration related fees, cost of preparing the registration statement, legal fees, legal scrivener fees, advisory fees for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., and other expenses.

#### (2) Specific Use of Procured Capital

| Specific Use of Capital                             | Expected Amount  | Expected Timing of Expenditure  |
|-----------------------------------------------------|------------------|---------------------------------|
| (i) Creation, development and acquisition of new IP | 20.0 billion yen | From January 2025 to March 2030 |
| (ii) Enhancement of global IP distribution          | 29.7 billion yen | From January 2025 to March 2030 |

Note: Pending actual disbursement of the proceeds to be raised, such proceeds will be managed in bank deposits, etc.

##### (i) Creation, development and acquisition of new IP

Of the funds to be procured through the Third-Party Allotment, 20 billion yen will be allocated to creating, developing, and acquiring new IP. In addition to planning and development of large-scale animated series and films, live-action films, drama series, and video games for the global market, and discovery of new creators through expansion of user-generated content (UGC) platforms, the Company also envisages acquiring the content holders including publishers, anime production companies, and game companies in Japan and overseas. At any rate, the Company may pursue multiple deals at the same time, allocating capital of anywhere from under 100 million yen to over 5 billion yen to each transaction, while also anticipating the possibility of engaging in collaborations with Sony Group. The Company believes it is necessary to raise the capital to provide strong financial backing to the IP creation capabilities of the Company which stem from its track record of creating an enriched and unique IPs comprising a diversified portfolio of books, films, anime, games and UGC platforms, and to ensure that it does not miss out on potential investment opportunities. Accordingly, the Company has concluded that, between now and the end of March 2030, it will need to spend capital of 20 billion yen for the creation, development and acquisition of new IP. The Company will disclose more information regarding the specific use of capital once the details are finalized.

##### (ii) Enhancement of global IP distribution

Of the funds to be procured through the Third-Party Allotment, 29.7 billion yen will be allocated to the enhancement of global IP distribution. In order to globally distribute more of its abundant IP, including the new IP created through (i) above, and various media mix products developed based on that IP, especially in the large English-speaking and Chinese-speaking markets, the Company envisions developing overseas bases for manufacturing, distribution, and sales and making corporate acquisitions. In addition to this, the Company will work to build a foundation to expand the scope of video game publishing. At any rate, the Company may pursue multiple deals at the same time, allocating capital of anywhere from under 100 million yen to over 5 billion yen to each transaction, while also anticipating the possibility of using platforms owned by Sony Group. The Company believes it is necessary to raise the capital to provide strong financial backing to the IP creation capabilities of the Company which stem from its track record of multimedia deployment since the 1970s originating from its book-to-film adaptations and to ensure that it does not miss out on potential investment opportunities. Accordingly, the Company has concluded that, between now and the end of March 2030, it will need to spend capital of 29.7 billion yen to enhance global distribution of its IP. The Company will disclose more information regarding the specific use of capital once the details are finalized.

### 4. Rationale for Use of Capital

Appropriation of the funds procured through the Third-Party Allotment for the purposes stated in “(2) Specific Use of Procured Capital” in “3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure” above would contribute to increasing the Company’s corporate value, and ultimately increase interests of its existing shareholders, and therefore has been determined to be reasonable.

## 5. Rationale for Terms of Issuance

### (1) Basis for Calculation and Specific Details for the Amount to be Paid

The issuance price for the Third-Party Allotment of 4,146 yen is equivalent to 95.20% of the closing price of Company’s common stock on the Tokyo Stock Exchange on the trading day (December 18, 2024) immediately preceding the date of the resolution of the Company’s Board of Directors relating to the Third-Party Allotment, taking recent price movements into consideration. The price was determined after discussions with Sony as well as comprehensive consideration of factors such as the dilution that would occur as a result of the Third-Party Allotment, and the fact that the medium- to long-term corporate value and shareholder value are expected to increase as a result of the Third-Party Allotment and the Capital and Business Alliance.

Moreover, the price represents (i) 94.92% (a discount of 5.08%) of the simple average closing price of 4,368 yen (rounded to the nearest yen) of the Company’s common stock on the Tokyo Stock Exchange for the one-month period (from November 19, 2024 to December 18, 2024) immediately preceding the board resolution date, (ii) 114.50% (a premium of 14.50%) of the simple average closing price of 3,621 yen (rounded to the nearest yen) for the three-month period (from September 19, 2024 to December 18, 2024) immediately preceding the board resolution date, and (iii) 128.84% (a premium of 28.84%) of the simple average closing price of 3,218 yen (rounded to the nearest yen) for the six-month period (from June 19, 2024 to December 18, 2024) immediately preceding the board resolution date, and has been determined not to constitute favorable discounted pricing.

In addition, the Company’s Audit Committee (comprised of three outside directors) expressed the opinion that the issuance price is based on the market price, which objectively represents the value of the Company’s common stock, and complies with the “Rules Concerning Handling of Allotment of New Shares to Third Party, Etc.” issued by the Japan Securities Dealers Association, and does not constitute favorable discounted pricing.

### (2) Rationale for Issuance Quantity and Dilution

The number of shares of the Company to be issued through the Third-Party Allotment is 12,054,100 shares (number of voting rights: 120,541), which is equivalent to 8.50% of the total 141,784,120 issued shares of common stock of the Company as of September 30, 2024 (8.91% of the total 1,352,559 voting rights; rounded off to two decimal places), which will result in a certain degree of dilution.

However, based on the expected increase in growth and profitability through the appropriation of the capital procured through the Third-Party Allotment as described in “(2) Specific Use of Procured Capital” in “3. Amount of Capital to be Procured, Use of Capital, and Expected Timing of Expenditure” above, and the expected increase in the Company’s corporate value through strengthening the Company’s collaboration with Sony Group as described in “2. Purpose of and Reasons for Issuance” above, the Company has determined that the issuance quantity and dilution are reasonable.

## 6. Reasons for Selection of the Allottee

### (1) Outline of the Allottee

|                                                                                  |                                                                                                                                                                                            |        |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| (1) Name                                                                         | Sony Group Corporation                                                                                                                                                                     |        |
| (2) Location                                                                     | 1-7-1 Konan, Minato-ku, Tokyo                                                                                                                                                              |        |
| (3) Title/name of representative                                                 | Kenichiro Yoshida, Representative Corporate Executive Officer                                                                                                                              |        |
| (4) Description of business                                                      | Game & network services business, music business, movie business, electronics products business, imaging and sensing solutions business, financial services business, and other businesses |        |
| (5) Capital                                                                      | 881,357 million yen (as of September 30, 2024)                                                                                                                                             |        |
| (6) Date of establishment                                                        | May 7, 1946                                                                                                                                                                                |        |
| (7) Number of issued shares                                                      | 6,243,097,945 shares (as of November 14, 2024)                                                                                                                                             |        |
| (8) Fiscal year-end                                                              | March                                                                                                                                                                                      |        |
| (9) Number of employees                                                          | (Consolidated) 113,000 (as of March 31, 2024)                                                                                                                                              |        |
| (10) Main customers                                                              | —                                                                                                                                                                                          |        |
| (11) Main banks                                                                  | —                                                                                                                                                                                          |        |
| (12) Major shareholders and their shareholding ratios (as of September 30, 2024) | The Master Trust Bank of Japan, Ltd. (Trust Account)                                                                                                                                       | 18.72% |
|                                                                                  | CITIBANK AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS                                                                                                                                 | 8.88%  |
|                                                                                  | (Standing proxy: MUFG Bank, Ltd.)                                                                                                                                                          |        |
|                                                                                  | Custody Bank of Japan, Ltd. (Trust Account)                                                                                                                                                | 7.24%  |

|                                                                                                |                         |                                                                                                                               |                                 |                                 |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
|                                                                                                |                         | STATE STREET BANK AND TRUST COMPANY 505001<br>(Standing proxy: Mizuho Bank, Ltd.)                                             | 2.69%                           |                                 |
|                                                                                                |                         | STATE STREET BANK WEST CLIENT - TREATY 505234<br>(Standing proxy: Mizuho Bank, Ltd.)                                          | 2.27%                           |                                 |
|                                                                                                |                         | GOVERNMENT OF NORWAY<br>(Standing proxy: Citibank N.A., Tokyo Branch)                                                         | 1.92%                           |                                 |
|                                                                                                |                         | JP MORGAN CHASE BANK 385781<br>(Standing proxy: Mizuho Bank, Ltd.)                                                            | 1.45%                           |                                 |
|                                                                                                |                         | JP MORGAN CHASE BANK 385632<br>(Standing proxy: Mizuho Bank, Ltd.)                                                            | 1.42%                           |                                 |
|                                                                                                |                         | BNYM AS AGT/CLTS NON TREATY JASDEC<br>(Standing proxy: MUFG Bank, Ltd.)                                                       | 1.32%                           |                                 |
|                                                                                                |                         | THE BANK OF NEW YORK MELLON 140042<br>(Standing proxy: Mizuho Bank, Ltd.)                                                     | 1.24%                           |                                 |
|                                                                                                |                         | (13)                                                                                                                          | Relationship with the Company   |                                 |
|                                                                                                | Capital relationships   | The Company holds 129,000 shares of the common stock of Sony. Sony holds 2,844,950 shares of the common stock of the Company. |                                 |                                 |
|                                                                                                | Personnel relationships | Not applicable.                                                                                                               |                                 |                                 |
|                                                                                                | Business relationships  | The Company engages in transactions such as the sale and purchase of finished products and services with Sony Group.          |                                 |                                 |
|                                                                                                | Status as related party | Not applicable.                                                                                                               |                                 |                                 |
| (14) Consolidated operating performance and financial position for the last three years (IFRS) |                         |                                                                                                                               |                                 |                                 |
| Fiscal year                                                                                    |                         | Fiscal year ended<br>March 2022                                                                                               | Fiscal year ended<br>March 2023 | Fiscal year ended<br>March 2024 |
| Equity attributable to shareholders of the company                                             |                         | 7,144,471<br>million yen                                                                                                      | 6,598,537<br>million yen        | 7,587,177<br>million yen        |
| Total assets                                                                                   |                         | 30,480,967<br>million yen                                                                                                     | 31,154,095<br>million yen       | 34,107,490<br>million yen       |
| Equity per share attributable to shareholders of the company                                   |                         | 5,775.63 yen                                                                                                                  | 5,345.12 yen                    | 6,221.62 yen                    |
| Net sales and financial business income                                                        |                         | 9,921,513<br>million yen                                                                                                      | 10,974,373<br>million yen       | 13,020,768<br>million yen       |
| Operating profit                                                                               |                         | 1,202,339<br>million yen                                                                                                      | 1,302,389<br>million yen        | 1,208,831<br>million yen        |
| Profit before tax                                                                              |                         | 1,117,503<br>million yen                                                                                                      | 1,274,496<br>million yen        | 1,268,662<br>million yen        |
| Profit attributable to shareholders of the company                                             |                         | 882,178<br>million yen                                                                                                        | 1,005,277<br>million yen        | 970,573<br>million yen          |
| Diluted net profit per share attributable to shareholders of the company                       |                         | 705.16 yen                                                                                                                    | 809.85 yen                      | 785.68 yen                      |
| Dividend per share                                                                             |                         | 65.00 yen                                                                                                                     | 75.00 yen                       | 85.00 yen                       |

Note: Sony has represented and warranted in the Capital and Business Alliance Agreement that it has no relationship with antisocial forces. Furthermore, Sony is listed on the Tokyo Stock Exchange, and confirming Sony's basic stance for the elimination of antisocial forces and establishment of relevant systems therefor, which were referred to as matters concerning the internal control systems in its Corporate Governance Report submitted to the Tokyo Stock Exchange on November 29, 2024, the Company has determined that Sony and its officers had no connection whatsoever with antisocial forces.

(2) Reasons for Selection of the Allottee

As described in "2. Purpose of and Reasons for Issuance" above.

(3) Shareholding Policy of the Allottee

The investment by Sony, as the allottee, in the Company by way of the Third-Party Allotment is made as part of an effort to strengthen the collaborative relationship between Sony Group and the Company and improve the effectiveness of the business alliance. It has been confirmed that Sony has decided to hold the Company's common shares issued through the Third-Party Allotment from a medium to long-term perspective. Additionally, Sony has agreed in the Capital and Business Alliance Agreement not to transfer the common stock of the Company to any

third party for a period of one year from the date the Third-Party Allotment is implemented without the Company's prior written consent.

The Company will obtain a written pledge from Sony to the effect that if Sony transfers, within two years of the payment date, all or part of common shares of the Company issued to Sony through the Third-Party Allotment, (i) Sony shall report the details of that transfer to the Company in writing, (ii) the Company will report those details to the Tokyo Stock Exchange, and (iii) those reported details will be made available for public inspection.

(4) Confirmation of Assets Required for Payment by the Allottee

The Company has confirmed that Sony owned cash and deposits required for payment pertaining to the Third-Party Allotment based on the status of cash and cash equivalents (1,728,710 million yen) in the condensed semi-annual consolidated statement of financial position in the semi-annual securities report for FY2024 that Sony had submitted on November 14, 2024.

7. Major Shareholders and Shareholding Ratios after the Third-Party Allotment

| Before the Third-Party Allotment<br>(as of September 30, 2024)                                                            |        | After the Third-Party Allotment                                                                                           |        |
|---------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------------|--------|
| KOREA SECURITIES DEPOSITORY – SAMSUNG (Standing proxy: Citibank, N.A., Tokyo Branch)                                      | 10.86% | KOREA SECURITIES DEPOSITORY – SAMSUNG (Standing proxy: Citibank, N.A., Tokyo Branch)                                      | 10.01% |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                                                                      | 10.59% | The Master Trust Bank of Japan, Ltd. (Trust Account)                                                                      | 9.76%  |
| GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)                                               | 7.95%  | Sony Group Corporation                                                                                                    | 9.68%  |
| Custody Bank of Japan, Ltd. (Trust Account)                                                                               | 6.06%  | GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN CO., LTD.)                                               | 7.33%  |
| Nobuo Kawakami                                                                                                            | 4.78%  | Custody Bank of Japan, Ltd. (Trust Account)                                                                               | 5.58%  |
| NIPPON TELEGRAPH AND TELEPHONE CORPORATION                                                                                | 2.88%  | Nobuo Kawakami                                                                                                            | 4.41%  |
| Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)                                      | 2.42%  | NIPPON TELEGRAPH AND TELEPHONE CORPORATION                                                                                | 2.65%  |
| STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 2.31%  | Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)                                      | 2.23%  |
| BANDAI NAMCO Holdings Inc.                                                                                                | 2.16%  | STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.) | 2.13%  |
| CyberAgent, Inc.                                                                                                          | 2.01%  | BANDAI NAMCO Holdings Inc.                                                                                                | 1.99%  |
| Sony Group Corporation                                                                                                    | 2.01%  | CyberAgent, Inc.                                                                                                          | 1.85%  |

- Notes:
1. The shareholding ratios before the Third-Party Allotment are presented based on the shareholder register as of September 30, 2024.
  2. The shareholding ratios are presented as percentages of the total number of outstanding shares, rounded to the second decimal place.
  3. The shareholding ratios after the Third-Party Allotment are presented as percentages of 153,838,220 shares, reflecting an increase of 12,054,100 shares due to the Third-Party Allotment which was added to the total number of outstanding shares (141,784,120 shares) as of December 19, 2024.

8. Future Outlook

The impact of the issuance through the Third-Party Allotment on the Company's consolidated financial results for the fiscal year ending March 31, 2025 is expected to be minor.

9. Matters Regarding Procedures within the Scope of the Code of Corporate Conduct

Given that (i) the dilution rate is less than 25% and (ii) there will be no change in controlling shareholder following the Third-Party Allotment, the Company is not required to implement procedures to obtain the opinion of any independent third-party, or to confirm the intentions of the shareholders, as provided by Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

#### 10. Operating Results and Status of Equity Financing over the Last Three Years

##### (1) Operating Results over the Last Three Years (Consolidated)

|                                         | Fiscal year ended<br>March 2022 | Fiscal year ended<br>March 2023 | Fiscal year ended<br>March 2024 |
|-----------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Net sales                               | 221,208 million yen             | 255,429 million yen             | 258,109 million yen             |
| Ordinary profit                         | 20,213 million yen              | 26,669 million yen              | 20,236 million yen              |
| Profit attributable to owners of parent | 14,078 million yen              | 12,679 million yen              | 11,384 million yen              |
| Earnings per share                      | 105.96 yen                      | 90.91 yen                       | 83.42 yen                       |
| Dividend per share                      | 30.00 yen                       | 30.00 yen                       | 30.00 yen                       |
| Net assets per share                    | 1,234.46 yen                    | 1,450.27 yen                    | 1,417.63 yen                    |

Note: The Company conducted a 2-for-1 stock split of its common stock on January 1, 2022. Earnings per share, dividend per share, and net assets per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

##### (2) Number of Shares Outstanding and Potentially Dilutive Shares (as of December 19, 2024)

|                                                                                              | Number of shares   | Proportion to the number of<br>shares outstanding |
|----------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------|
| Number of issued shares                                                                      | 141,784,120 shares | 100%                                              |
| Number of potentially dilutive shares based on a conversion price (exercise price) as of now | —                  | —                                                 |

##### (3) Recent Changes in Share Price

###### (i) Changes over the Last Three Years

|               | Fiscal year ended<br>March 2022 | Fiscal year ended<br>March 2023 | Fiscal year ended<br>March 2024 |
|---------------|---------------------------------|---------------------------------|---------------------------------|
| Opening price | 2,147.5 yen                     | 3,210 yen                       | 2,826 yen                       |
| Highest price | 3,335 yen                       | 3,370 yen                       | 3,587 yen                       |
| Lowest price  | 2,026 yen                       | 2,287 yen                       | 2,506.5 yen                     |
| Closing price | 3,220 yen                       | 2,818 yen                       | 2,652 yen                       |

Note: The Company conducted a 2-for-1 stock split of its common stock on January 1, 2022. Figures for the fiscal year ended March 31, 2022 reflect that stock split.

###### (ii) Changes over the Last Six Months

|               | 2024<br>July | August      | September   | October   | November    | December  |
|---------------|--------------|-------------|-------------|-----------|-------------|-----------|
| Opening price | 2,590 yen    | 2,770 yen   | 2,901.5 yen | 3,164 yen | 3,300 yen   | 4,350 yen |
| Highest price | 2,919 yen    | 3,062 yen   | 3,283 yen   | 3,447 yen | 4,518 yen   | 4,552 yen |
| Lowest price  | 2,557 yen    | 2,246.5 yen | 2,856 yen   | 3,140 yen | 2,860.5 yen | 4,317 yen |
| Closing price | 2,784 yen    | 2,907.5 yen | 3,194 yen   | 3,343 yen | 4,335 yen   | 4,355 yen |

Note: The share price as of December 18, 2024 is presented as the share price for December 2024.

###### (iii) Share Price as of the Day Before the Resolution of Issuance

|               | December 18, 2024 |
|---------------|-------------------|
| Opening price | 4,423 yen         |
| Highest price | 4,442 yen         |
| Lowest price  | 4,346 yen         |
| Closing price | 4,355 yen         |

##### (4) Status of Equity Financing over the Last Three Years

###### Disposition of treasury shares through third-party allotment

|                         |                   |
|-------------------------|-------------------|
| Date of disposition     | March 10, 2023    |
| Total disposition price | 1,299,661,000 yen |

|                                                        |                                                                                                                   |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Disposition price                                      | 2,783 yen                                                                                                         |
| Number of issued shares at the time of the disposition | 141,784,120 shares                                                                                                |
| Number of shares disposed of                           | 467,000 shares                                                                                                    |
| Total number of issued shares after the disposition    | 141,784,120 shares                                                                                                |
| Recipient                                              | Sumitomo Mitsui Trust Bank, Limited (Trust Account)<br>(Sub-Trustee: Custody Bank of Japan, Ltd. (Trust Account)) |
| Purpose of the disposition                             | Continuation of employee incentive plan                                                                           |
| Scheduled timing of expenditure for disposition        | In and after March 2023                                                                                           |
| Status of appropriations                               | Appropriations have been made as originally planned.                                                              |

#### 11. Terms of Issue

|                                                              |                                                                                                                                              |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Number of shares offered                                 | 12,054,100 shares of common stock                                                                                                            |
| (2) Amount to be paid in                                     | 4,146 yen                                                                                                                                    |
| (3) Total amount to be paid in                               | 49,976,298,600 yen                                                                                                                           |
| (4) Amount of increase in stated capital and capital reserve | Amount of increase in stated capital: 24,988,149,300 yen<br>Amount of increase in capital reserve: 24,988,149,300 yen                        |
| (5) Offering method                                          | Third-party allotment                                                                                                                        |
| (6) Application deadline                                     | January 7, 2025                                                                                                                              |
| (7) Payment date                                             | January 7, 2025                                                                                                                              |
| (8) Allottees and number of shares to be allotted            | Sony Group Corporation: 12,054,100 shares                                                                                                    |
| (9) Other                                                    | Each of the above items is subject to the effectiveness of the registration pursuant to the Financial Instruments and Exchange Act of Japan. |

### III. Expected Change in Major Shareholders and Largest Major Shareholder

#### 1. Background to the Change

The Third-Party Allotment is expected to result in Sony becoming a major shareholder, and the largest major shareholder, of the Company.

#### 2. Outline of the Affected Shareholder

For an outline of the affected shareholder, please see “(1) Outline of the Allottee” in “6. Reasons for Selection of the Allottee” in “II. Third-Party Allotment” above.

#### 3. Number of Voting Rights (Number of Shares) Held by the Affected Shareholder and Percentage of the Number of Voting Rights Held by All Shareholders

|                                                 | Total Number of Voting Rights<br>(Number of Shares Held) | Percentage of the Number of Voting Rights Held by All Shareholders | Shareholder Ranking |
|-------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------------|---------------------|
| Before the Change<br>(as of September 30, 2024) | 28,449<br>(2,844,950 shares)                             | 2.10%                                                              | 11                  |
| After the Change                                | 148,990<br>(14,899,050 shares)                           | 10.11%                                                             | 3                   |

- Note: 1. The percentage of the number of voting rights held by all shareholders before the change is calculated based on the total number of voting rights held by all shareholders as of September 30, 2024 (1,352,559 voting rights).
2. The percentage of the number of voting rights held by all shareholders after the change is calculated based on the number of voting rights held by all shareholders (1,473,100), which is equal to the sum of the number of voting rights held by all shareholders as of September 30, 2024 (1,352,559) plus the number of voting rights to be added in the Third-Party Allotment (120,541).
3. The percentage of the number of voting rights held by all shareholders is rounded to the second decimal place.
4. The shareholder ranking is based on the register of shareholders as of September 30, 2024.
5. KOREA SECURITIES DEPOSITORY – SAMSUNG and The Master Trust Bank of Japan, Ltd. (Trust Account), although ranked first and second, respectively, in the ranking of shareholders after

the Third-Party Allotment, are both trust business operators holding the shares as trust property, and so it has been determined that they do not constitute major shareholders or the largest major shareholder.

4. Date of Change

January 7, 2025 (expected)

5. Future Outlook

Please see “8. Future Outlook” in “II. Third-Party Allotment” above.

End of document

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