

April 25, 2013

Press Release

Company Name: KADOKAWA GROUP HOLDINGS, INC.
Name of Representative: Tatsuo Sato, Representative Director and President
(Code Number 9477, First Section of Tokyo Stock Exchange)
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Notice of Extraordinary Gains on Absorption-Type Merger of Subsidiary (gain on cancellation of shares due to absorption of subsidiaries)

KADOKAWA GROUP HOLDINGS, INC. (the "Group") merged with Kadokawa Group Publishing Co., Ltd. on April 1, 2013, as announced in the "Notice of Absorption-Type Merger of Kadokawa Group Publishing Co., Ltd., a Wholly Owned Subsidiary of KADOKAWA GROUP HOLDINGS, INC." dated January 9, 2013.

The Group hereby announces that as a result of this merger, the amount of an extraordinary gain on the merger of the subsidiary (gain on cancellation of shares due to absorption of subsidiaries) has been determined and recorded in the non-consolidated accounts, as follows.

Details

1. Description

The difference between the value of the net assets of the absorbed company (Kadokawa Group Publishing Co., Ltd.) obtained by the Group on the effective date of the merger (April 1, 2013) and the book value of the shares of the absorbed company held by the Group shall be recorded as an extraordinary gain on the merger of the subsidiary (gain on cancellation of shares due to absorption of subsidiaries).

(1) Amount of the extraordinary gain: 3,662 million yen (gain on cancellation of shares due to absorption of subsidiaries)

(2) Record date: April 1, 2013

2. Effects on results for the fiscal year ending March 2014

(1) Non-consolidated accounts: An extraordinary gain on the merger of the subsidiary (gain on cancellation of shares due to absorption of subsidiaries) of 3,662 million yen shall be recorded.

(2) Consolidated accounts: As Kadokawa Group Publishing Co., Ltd. was a wholly owned subsidiary of the Group, there will be no impact on the consolidated accounts.

End of notice.