

August 28, 2013

Press Release

Company Name: KADOKAWA CORPORATION
Representative: Tatsuo Sato, Representative Director and President
(Code Number 9477, First Section of Tokyo Stock Exchange)
Contact: Masaki Matsubara, Managing Director
(TEL. +81-3-3238-8412)

Notice of Overseas Secondary Offering of Shares in KADOKAWA

KADOKAWA CORPORATION (the “Company”) hereby announces that at a meeting of the Board of Directors held on August 28, 2013, the Company resolved to carry out an overseas secondary offering of shares in the Company. Details are as follows:

With the rapidly increasing penetration rates of smartphones and tablet computers and the full-scale growth of the market for electronic books, all manner of digitized content can now be distributed via the Internet. In response to the development of infrastructure, the KADOKAWA Group is proceeding with reforms to its business structure to accelerate the development of new businesses.

On October 1, 2013, the Company will merge with its nine consolidated subsidiaries and will become an operating company undertaking publishing, visual, copyright, and digital content businesses. Harnessing the outstanding ability to produce content and the brands developed by each of the operating companies, the Company will respond promptly and dynamically to rapid changes in the external environment by launching new Internet services, expanding overseas operations, and attempting to create intellectual property (content) that is recognized worldwide.

The purpose of the overseas secondary offering of shares is to enhance the liquidity of the Company’s shares on the stock market and to increase the number of overseas investors. The Company aims to create mega content that is recognized worldwide under the corporate brand “KADOKAWA” and to evolve from a Japanese publisher to a comprehensive media company that operates globally.

1.	Type and number of shares offered	Common stock	3,094,600
2.	Shareholder and number of shares offered	Tsuguhiko Kadokawa Kadokawa Culture Promotion Foundation Asuka Investment	1,240,400 1,254,200 600,000
3.	Offer price	To be determined (The Company will decide on a secondary offer price on a day from Wednesday, August 28, 2013, to Friday, August 30, 2013 (London time; hereinafter “the Offer Price Determination Date”), taking into consideration the market price of the Company’s stock and demand trends.)	
4.	Offering method	Daiwa Securities Co. Ltd. (hereinafter “the Underwriter”) will purchase all the shares to be offered and will offer the shares on overseas markets (excluding those in the United States and Canada), primarily in Europe, through securities dealers overseas associated with the Underwriter.	
5.	Offering period	From the Offer Price Determination Date to 8 a.m. (Japan time) on the next business day	
6.	Delivery date	Three business days after the Offer Price Determination Date (Japan time)	

Note: This document is a press release for announcing the overseas secondary offering of shares in the Company and is not intended for investment solicitation. This document is not an offer or solicitation to conduct investment business or financial sales as defined by the U.K. Financial Services and Markets Act 2000. This document is not part of any public issue of securities in the United States either. Unless securities are registered or exempt from registration under the Securities Act of 1933, no public issue or sales of securities are allowed in the United States. No public issue of securities will be conducted in the United States in associated with this secondary offering.

7. All other matters that need to be determined in association with the overseas secondary offering of shares shall be left to the discretion of the Company's president. There will be no stabilizing transactions for the overseas secondary offering.

(For reference)

Lockup

In association with the overseas secondary offering, the offering shareholder Tsuguhiko Kadokawa has agreed with the Underwriter that he will not sell any shares in the Company, securities that can be converted into or exchanged for shares in the Company, or securities representing the right to acquire or receive shares in the Company without the prior written consent of the Underwriter from the Offer Price Determination Date to 180 days after the delivery date for the overseas secondary offering (hereinafter "the Lockup Period") (except for the overseas secondary offering, among other transactions).

The Company has agreed with the Underwriter that it will not issue any shares in the Company, securities that can be converted into or exchanged for shares in the Company, or securities representing the right to acquire or receive shares in the Company without the prior written consent of the Underwriter during the Lockup Period (except for sales of shares in the Company at the request of holders of shares of less than one unit and the issuance of new shares associated with stock splits and the exercise of subscription rights to shares, among other issuance).

The Underwriter has the right to cancel part or the whole of either of the agreements above even during the Lockup Period at its discretion.

Note: This document is a press release for announcing the overseas secondary offering of shares in the Company and is not intended for investment solicitation. This document is not an offer or solicitation to conduct investment business or financial sales as defined by the U.K. Financial Services and Markets Act 2000. This document is not part of any public issue of securities in the United States either. Unless securities are registered or exempt from registration under the Securities Act of 1933, no public issue or sales of securities are allowed in the United States. No public issue of securities will be conducted in the United States in associated with this secondary offering.