

[Abridged Translation for Reference and Convenience Purposes Only]

This document is an abridged translation of the Japanese original of “Notice of Convocation of the 43rd Annual Shareholders’ Meeting” and “Reference Documents for the Shareholders’ Meeting” of SQUARE ENIX HOLDINGS CO., LTD. This translation is intended for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities Code: 9684

June 2, 2023

To Our Shareholders:

Yosuke Matsuda  
President and Director  
**SQUARE ENIX HOLDINGS CO.,  
LTD.**  
6-27-30, Shinjuku, Shinjuku-ku,  
Tokyo

## NOTICE OF CONVOCATION OF THE 43RD ANNUAL SHAREHOLDERS’ MEETING

Notice is hereby given that the 43rd Annual Shareholders’ Meeting of SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) will be held as described below.

For the purposes of convening this Annual Shareholders’ Meeting, the Company provides content including the Reference Documents for the Shareholders’ Meeting in electronic format (hereinafter “Information Provided Electronically”). To review this information, please access either of the following two websites.

### The Company’s official website

<https://www.hd.square-enix.com/eng/ir/stock/shareholdersmeeting.html>

### The Shareholders’ Meeting material website

<https://d.sokai.jp/9684/teiji/>

**In the event that you are unable to attend the Meeting, please examine the Reference Documents for the Shareholders’ Meeting, and you may exercise your voting rights either online or in writing (via post) no later than 6:00 p.m., Thursday, June 22, 2023 (Japan Standard Time).**

- |                             |   |
|-----------------------------|---|
| <b>1. Time:</b>             | 10:00 a.m., Friday, June 23, 2023 (Doors open at 9:00 a.m.)   |
| <b>2. Place:</b>            | Century Room, B1 floor, Hyatt Regency Tokyo<br>2-7-2 Nishi Shinjuku, Shinjuku-ku, Tokyo   |
| <b>3. Meeting Agenda:</b>   |   |
| <b>Items to be reported</b> | <ol style="list-style-type: none"><li>1. Business Report, Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements by Accounting Auditors and by the Audit &amp; Supervisory Committee for the 43rd Term (April 1, 2022 through March 31, 2023)</li><li>2. Non-Consolidated Financial Statements for the 43rd Term (April 1, 2022 through March 31, 2023)</li></ol> |
| <b>Item to be resolved</b>  | <b>Item</b> Election of Seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members)   |

- END -

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Notes:

- The Company's Information Provided Electronically can be found not only on the Company's official website and the Shareholders' Meeting material website, but also on the Tokyo Stock Exchange (TSE) website using the Listed Company Search function. Enter " SQUARE ENIX HOLDINGS" in the "Issue name (Company name)" field or "9684" in the "Code" field to search. Select "Basic Information," then "Documents for public inspection / PR information." The information will appear in "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting" section under "Filed information available for public inspection."  
<https://www2.jpx.co.jp/tseHpFront/IJK020010Action.do?Show-Show>
- When attending the meeting on the day, please submit your Voting Form to the registration staff at the venue.
- If there are revisions to the Information Provided Electronically, a notice of the revisions and the details of the information before and after the revisions will be posted on the aforementioned websites.
- The Company sends the Annual Shareholders' Meeting information, including the Information Provided Electronically, by post to those who have requested to have it thus sent. However, in accordance with the provisions of relevant laws and regulations and with Article 15 of the Company's Articles of Incorporation, the following items are not included in the printed documents delivered to the shareholders who have made such a request.
  - Status of the Share Options etc. (Business Report)
  - Notes to Consolidated Financial Statements (Consolidated Financial Statements)
  - Notes to Non-consolidated Financial Statements (Non-Consolidated Financial Statements)These items are included in the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditors and the Audit & Supervisory Committee for the purposes of drafting the Accounting Audit Reports and the Audit Reports, respectively.

### Information on Exercising Voting Rights

There are three ways to exercise your voting rights described below. Please exercise your voting rights after having reviewed the Reference Documents for the Shareholders' Meeting. The Company encourages you to exercise your voting rights either online or in writing (via post) whenever possible.

- **In person at the Annual Shareholders' Meeting**

Please submit your Voting Form to the registration staff at the venue.

The time and date of the Annual Shareholders' Meeting is 10:00 a.m., Friday, June 23, 2023 (Japan Standard Time).

- **Online**

Please access the voting website (<https://evote.tr.mufig.jp/>) and enter your approval or rejection of the agenda item. You need a log-in ID and a temporary password, which are indicated on the Voting Form. Alternatively, you can log onto the website without a log-in ID or a temporary password by scanning the QR code on the Voting Form. The deadline for exercising your voting rights is 6:00 p.m., Thursday, June 22, 2023 (Japan Standard Time).

- **In writing (via post)**

Please indicate your approval or rejection of the agenda item on the Voting Form, and return it via post. Voting Forms must arrive no later than 6:00 p.m., Thursday, June 22, 2023 (Japan Standard Time).

If there is no indication of your approval or rejection of an agenda item on the Voting Form, the Company will consider you to have approved it.

If you exercise your voting rights both online and in writing (via post), only the former will be valid, and if you exercise your voting rights online more than once, only the last vote will be counted.

(Note: Online voting is not available to non-resident shareholders.)

(Note: Nominal shareholders such as trust banks [including custodians] who apply in advance to use the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ, Inc. may use the platform to exercise their voting rights electronically, as provided for in the Companies Act.)

### Electronic Provision of the Annual Shareholders' Meeting Information

A system has been implemented for providing Annual Shareholders' Meeting information in electronic format in keeping with the amended Companies Act enacted on September 1, 2022. Please note that the Company sends the Annual Shareholders' Meeting information by post only to those who have requested by March 31, 2023 for it to be thus sent. The Company appreciates your understanding.

For those who want to obtain the information for future Annual Shareholders' Meetings by post, please submit a request to your broker or Mitsubishi UFJ Trust and Banking Corporation. If you have questions regarding the system, please call 0120-696-505. This toll-free service is available between 9:00 a.m. and 5:00 p.m. Monday through Friday (Japan Standard Time), excluding holidays.

## [Abridged Translation for Reference and Convenience Purposes Only]

### Reference Documents for the Shareholders' Meeting

#### Item: Election of Seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The term of office of all the incumbent ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this item) will expire at the close of this Annual Shareholders' Meeting.

Therefore, the Company proposes to decrease the number of directors by three (3) from ten (10) to seven (7) and elect seven (7) Directors in order to revamp the Company's management.

The Audit & Supervisory Committee has expressed the opinion that this proposal has been properly submitted in accordance with the predetermined criteria and procedures for nominating Director candidates.

The proposed candidates are as follows:

No.	Name	Gender	Tenure (at the conclusion of this Annual Shareholders' Meeting)	Current position and responsibilities at the Company	Attendance at the Board of Directors meetings in fiscal 2022
1	*1 Takashi Kiryu (R)	M	1 year	Director Chief Strategy Officer and Executive Officer	100.0% (13/13) *2
2	Yoshinori Kitase (R)	M	1 year	Director	100.0% (13/13) *2
3	Yu Miyake (R)	M	1 year	Director	92.3% (12/13) *2
4	Masato Ogawa (R)(O)(I)	M	5 years	Outside Director	100.0% (17/17)
5	Mitsuko Okamoto (R)(O)(I)	F	3 years	Outside Director	100.0% (17/17)
6	Abdullah Aldawood (R)(O)(I)	M	2 years	Outside Director	94.1% (16/17)
7	Naoto Takano (R)(O)(I)	M	1 year	Outside Director	100.0% (13/13) *2

(R) : Candidate for reappointment as Director (O) : Candidate for Outside Director

(I) : Candidate for Independent Director

#### (Notes)

- \*1 This candidate is scheduled to be appointed as President and Representative Director at the Board of Directors meeting, which will be held after this Annual Shareholders' Meeting if this item is approved.
- \*2 The number of times that Takashi Kiryu, Yoshinori Kitase, Yu Miyake and Naoto Takano have attended as Directors since the 42nd Annual Shareholders' Meeting held on June 23, 2022, when they became Directors.

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
1	Takashi Kiryu (June 20, 1975) (R)	<p>June. 2020 <i>General Manager Corporate Planning Division, SQUARE ENIX HOLDINGS CO., LTD.</i></p> <p>Apr. 2021 <i>Chief Strategy Officer and Executive Officer, Corporate Strategy and Corporate Communications, SQUARE ENIX HOLDINGS CO., LTD. Executive Officer, SQUARE ENIX CO., LTD.</i></p> <p>Jan. 2022 <i>Chairman of the Board, SQUARE ENIX (China) CO., LTD. (the Group's operating company in China). (incumbent)</i></p> <p>May. 2022 <i>Director, SQUARE ENIX CO., LTD.</i></p> <p>Jun. 2022 <i>Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p>Jul. 2022 <i>Chief Strategy Officer and Executive Officer, Corporate Strategy, Financial Strategy and Corporate Communications, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p>May. 2023 <i>President and Representative Director, SQUARE ENIX CO., LTD. (incumbent) President and Director, SQUARE ENIX OF AMERICA HOLDINGS, INC. (the Group's intermediate holding company in the Americas) (incumbent) Director, SQUARE ENIX LTD. (the Group's operating and intermediate holding company in Europe and other regions) (incumbent)</i></p> <p><u>Significant positions concurrently held</u>  <i>President and Representative Director, SQUARE ENIX CO., LTD. President and Director, SQUARE ENIX OF AMERICA HOLDINGS, INC. (the Group's intermediate holding company in the Americas) Director, SQUARE ENIX LTD. (the Group's operating and intermediate holding company in Europe and other regions) Chairman of the Board, SQUARE ENIX (China) CO., LTD. (the Group's operating company in China).</i></p> <p><u>Reasons for the nomination of the candidate as Director</u>            Since his appointment as Executive Officer and Chief Strategy Officer of the Company in April 2021, he has assisted the President and Representative Director in formulating and executing management strategies. Since June 2022, he has been leading the management of our Group as a Director. The Company has appointed him with the expectation that he will be able to appropriately execute his duties for the development of our Group and further enhancement of corporate value.</p> <p>*Should he be re-elected, he is scheduled to be appointed as President and Representative Director at the Board of Directors meeting, which will be held after this Annual Shareholders' Meeting.</p> <p>*The number of times he has attended the Board of Directors meeting as a Director since the 42nd Annual Shareholders' Meeting held on June 23, 2022, when he became a Director.</p>	1,471 Shares	100.0% (13/13) *

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2	Yoshinori Kitase (September 23, 1966) (R)	<p>Sep. 2006 <i>Corporate Executive, SQUARE ENIX CO., LTD.</i></p> <p>Apr. 2015 <i>Executive Officer, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Apr. 2018 <i>Director, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Apr. 2019 <i>Vice President, Creative Business Unit I, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Jun. 2022 <i>Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p><u>Significant positions concurrently held</u> <i>Director, SQUARE ENIX CO., LTD.</i></p> <p><u>Reasons for the nomination of the candidate as Director</u> Since assuming the position of Director of SQUARE ENIX CO., LTD. in April 2018, he has participated in the management of the company and led the business as Vice President of Business Unit, Head of Game Development, Producer, and Executive Officer in charge of Final Fantasy Brand Management. Since June 2022, he has been involved in the management of the Company. The Company has appointed him as an Executive Director with the expectation that he will be able to appropriately execute his duties for the development of our Group and further enhancement of corporate value.</p> <p>*The number of times he has attended the Board of Directors meeting as a Director since the 42nd Annual Shareholders' Meeting held on June 23, 2022, when he became a Director.</p>	2,373 Shares	100.0% (13/13) *

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
3	Yu Miyake (September 1, 1967) (R)	<p>Feb. 2011 <i>Corporate Executive, SQUARE ENIX CO., LTD.</i></p> <p>Apr. 2015 <i>Executive Officer, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Apr. 2018 <i>Director, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Apr. 2019 <i>Vice President, Creative Business Unit II, SQUARE ENIX CO., LTD. (incumbent)</i></p> <p>Jun. 2022 <i>Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p><u>Significant positions concurrently held</u> <i>Director, SQUARE ENIX CO., LTD</i></p> <p><u>Reasons for the nomination of the candidate as Director</u> Since assuming the position of Director of SQUARE ENIX CO., LTD. in April 2018, he has participated in the management of the company and led the business as Vice President of Business Unit, Head of Game Development, Producer, and Executive Officer in charge of Dragon Quest Brand Management. Since June 2022, he has been involved in the management of the Company. The Company has appointed him as an Executive Director with the expectation that he will be able to appropriately execute his duties for the development of our Group and further enhancement of corporate value.</p> <p>*The number of times he has attended the Board of Directors meeting as a Director since the 42nd Annual Shareholders' Meeting held on June 23, 2022, when he became a Director.</p>	7,323 Shares	92.3% (12/13) *

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
4	Masato Ogawa (December 7, 1954) (R)(O)(I)	<p>Apr. 2009 <i>Corporate Executive Officer, Senior Vice President, Marketing &amp; Planning, ALL Nippon Airways Co., LTD. (currently ANA HOLDINGS INC.)</i></p> <p>Jun. 2011 <i>Senior Vice President, General Manager, Nagoya Region, Chubu Sales Headquarters, ALL Nippon Airways Co., LTD.</i></p> <p>Apr. 2015 <i>Executive Vice President and COO, ANA Strategic Research Institute Co., Ltd.</i></p> <p>Apr. 2017 <i>Chairman of the Board, ANA Strategic Research Institute Co., Ltd.</i></p> <p>Jun. 2018 <i>Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p>Apr. 2019 <i>President, ONSEN &amp; Gastronomy Tourism Association (incumbent)</i></p> <p>Apr. 2021 <i>President, Tokyo Hotel • Tourism &amp; Hospitality College (incumbent)</i></p> <p><u>Significant position concurrently held</u>  <i>President, ONSEN &amp; Gastronomy Tourism Association</i>  <i>President, Tokyo Hotel • Tourism &amp; Hospitality College</i></p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u>                      He possesses abundant experience and broad-ranging insight as a corporate executive. The Company expects him to be capable of properly executing the duties of an Outside Director from the perspective of supervising and serving as a check on Directors' execution of their roles. Should he be re-elected, the Company plans to have him continue to be involved from an objective and neutral position in the decision-making process for such matters as the selection of Director candidates and the determination of Director remuneration as a chairperson of the Remuneration and Nomination Committee that the Company has established at its discretion.</p>	1,051 Shares	100.0% (17/17)

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
5	Mitsuko Okamoto (August 5, 1964) (R)(O)(I)	<p>Apr. 1987     <i>Joined NHK (Japan Broadcasting Corporation)</i></p> <p>Apr. 2008     <i>Professor, Graduate School of Film and New Media, Tokyo University of the Arts (incumbent)</i></p> <p>Mar. 2010     <i>Chief Producer, NHK Educational Television (ETV) "2355" and "0655" (incumbent)</i></p> <p>Apr. 2013     <i>Dean, Graduate School of Film and New Media, Tokyo University of the Arts</i></p> <p>Oct. 2016     <i>Executive Assistant to the President (Campus Diversity), Tokyo University of the Arts</i></p> <p>Apr. 2017     <i>Vice President (International Affairs and Campus Diversity), Director, Global Support Center, Director, Office for Diversity &amp; Inclusion, Tokyo University of the Arts</i></p> <p>Jun. 2020     <i>Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p>Apr. 2022     <i>Vice President (Digital Promotion), Tokyo University of the Arts (incumbent)</i></p> <p><u>Significant position concurrently held</u>  <i>Chief Producer, NHK Educational Television (ETV) "2355" and "0655"</i>  <i>Vice President (Digital Promotion), Tokyo University of the Arts</i></p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u>            Although she does not possess previous corporate management experience, she has a wealth of experience and a wide range of knowledge and insight in the field of animation and other content. The Company expects her to be capable of properly executing the duties of an Outside Director by providing recommendations regarding its entertainment and content businesses on the whole, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles. Should she be re-elected, the Company plans to have her continue to be involved from an objective and neutral position in the decision-making process for such matters as the selection of Director candidates and the determination of Director remuneration as a member of the Remuneration and Nomination Committee that the Company has established at its discretion.</p>	1,051 Shares	100.0% (17/17)



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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
6	Abdullah Aldawood (December 17, 1981) (R)(O)(I)	<p>Jul. 2007 <i>Vice President</i> for Investment Banking Services, Deutsche Bank in the Middle East and North Africa region</p> <p>Nov. 2013 <i>Founder and Chairman</i>, Al-Raedah Finance Company (incumbent)</p> <p>Jan. 2015 <i>CEO and Board of Directors</i>, Seera Holding Group</p> <p>Dec. 2016 <i>Board Member</i>, Rou'a Al Madinah Holding Company</p> <p>Mar. 2018 <i>Executive Chairman</i>, Saudi Entertainment Ventures Company (incumbent)</p> <p>Sep. 2018 <i>Board Member</i>, Saudi Stock Exchange Company (Tadawul)</p> <p>Dec. 2020 <i>Board Member</i>, Hotel Management Company (incumbent)</p> <p>Apr. 2021 <i>Managing Director and Board of Directors</i>, Seera Holding Group (incumbent) <i>Managing Director</i>, Qiddiya Investments (incumbent)</p> <p>Jun. 2021 <i>Outside Director</i>, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> <i>Founder and Chairman</i>, Al-Raedah Finance Company <i>Executive Chairman</i>, Saudi Entertainment Ventures Company <i>Board Member</i>, Hotel Management Company <i>Managing Director and Board of Directors</i>, Seera Holding Group <i>Managing Director</i>, Qiddiya Investments</p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u> He possesses a track record as a national leader in the development of the field of entertainment in the Kingdom of Saudi Arabia, abundant experience in international financial institutions, and a wealth of experiences and broad-ranging insight in global corporate management. The Company expects him to be capable of properly executing the duties of an Outside Director by providing recommendations regarding its entertainment and content businesses on the whole, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles.</p>	None	94.1% (16/17)

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No.	Name (Date of Birth)	Brief Personal History, Positions and Assignments in the Company, and Significant Positions Concurrently Held	Number of the Company's Shares Held	Attendance at the Board of Directors meetings in fiscal 2022
7	Naoto Takano (July 31, 1951) (R)(O)(I)	<p>Apr. 1998     <i>International Management Division, Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)</i></p> <p>Apr. 2004     <i>Executive Vice President, CIT, U.S.A. Executive Officer, General Manager, Americas Business Dept. I, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</i></p> <p>Apr. 2005     <i>Managing Executive Officer, Mizuho Securities Co., Ltd.</i></p> <p>Sep. 2005     <i>Managing Director, Head of International Business Promotion Group, Mizuho Securities Co., Ltd.</i></p> <p>Mar. 2006     <i>Senior Managing Director, Mizuho Capital Co., Ltd.</i></p> <p>Jun. 2010     <i>Representative Director and Chairman, Fujitsu Leasing Co., Ltd. (currently FLCS Corporation)</i></p> <p>Nov. 2014     <i>President and Representative Director, Lakewood Corporation.</i></p> <p>Feb. 2022     <i>Director, Nikko Country Club (General Incorporated Association) (incumbent)</i></p> <p>Jun. 2022     <i>Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</i></p> <p><u>Significant positions concurrently held</u>  <i>Director, Nikko Country Club (General Incorporated Association).</i></p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u>  He possesses abundant experience and broad-ranging insight as a corporate executive. The Company expects him to be capable of properly executing the duties of an Outside Director from the perspective of supervising and serving as a check on Directors' execution of their roles. Should he be re-elected, the Company plans to have him continue to be involved from an objective and neutral position in the decision-making process for such matters as the selection of Director candidates and the determination of Director remuneration as a member of the Remuneration and Nomination Committee that the Company has established at its discretion.</p> <p>*The number of times he has attended the Board of Directors meeting as a Director since the 42nd Annual Shareholders' Meeting held on June 23, 2022, when he became a Director.</p>	502 Shares	100.0% (13/13) *

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- Notes:
1. There are no special interests between any candidate and the Company.
  2. The candidates Masato Ogawa, Mitsuko Okamoto, Abdullah Aldawood, and Naoto Takano are nominated as Outside Directors.
  3. The Company has entered into respective liability limitation agreements with Masato Ogawa, Mitsuko Okamoto, Abdullah Aldawood, and Naoto Takano that limit their liability to a maximum of ¥10 million or the amount prescribed by law, whichever is greater. If they are re-elected, the Company intends to extend the term of their liability limitation agreements.
  4. The Company has entered into an executive liability insurance policy with an insurer under Article 430 - 3, Paragraph 1 of the Companies Act. A summary of the terms and conditions of such insurance agreement is set forth in the Business Report. Should the Director candidates named herein be approved, they would each be covered under the aforementioned insurance policy. In addition, at the next renewal timing for the aforementioned insurance policy, the Company intends to renew it with the same terms.
  5. The Company has notified the Tokyo Stock Exchange (TSE) of Masato Ogawa, Mitsuko Okamoto, Abdullah Aldawood, and Naoto Takano's status as Independent Executives. If they are re-elected, the Company intends to continue to recognize them as Independent Executives.

Mitsuko Okamoto is the Vice President of Tokyo University of the Arts, and the Company Group sends employees to the university as instructors as part of a collaborative initiative with the university, but no compensation is involved.

Abudullah Aldawood is the Executive Chairman of Saudi Entertainment Ventures Company, an entity owned by the Public Investment Fund, which is one of the Company's shareholders. According to a report on large shareholdings dated December 28, 2020, the Public Investment Fund and Ayar First Investment Company, which is an entity owned by the Public Investment Fund, hold 11,745,300 shares (a 9.59% stake) in the Company.

Naoto Takano was formerly an executive officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), a business partner of the Company, but he retired from the company in March 2005. In addition, the amount of transactions between said institution and the Company in the past three fiscal years has accounted for less than 1% of the consolidated net sales (or consolidated ordinary income) of either the Company or said institution and was insignificant at less than ¥10 million. Therefore, the Company has determined that his independence as an Outside Director is not affected, even based on the independence standards of the TSE.

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[Skills Matrix for Directors after the Annual Shareholders' Meeting]

Name	Role (including planned roles)	Corporate mgt/ global mgt	Media entertain ment	IT/ technology	Legal/risk management	Finance/ accounting	Organizational/ talent development
Takashi Kiryu	President & Representative Director	○	○			○	○
Yoshinori Kitase	Director	○	○				○
Yu Miyake	Director	○	○				○
Masato Ogawa	Outside Director	○			○		○
Mitsuko Okamoto	Outside Director		○				○
Abdullah Aldawood	Outside Director	○	○	○		○	
Naoto Takano	Outside Director	○				○	○
Nobuyuki Iwamoto	Outside Director (Standing Audit & Supervisory Committee Member)	○				○	○
Tadao Toyoshima	Outside Director (Audit & Supervisory Committee Member)				○	○	
Hajime Shinji	Outside Director (Audit & Supervisory Committee Member)				○	○	

- END -

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(Excerpts from Business Report for the 43rd Term)

### Operating Highlights of the Fiscal Year Ended March 31, 2023

The Square Enix group (the “Group”) is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising.

Net sales for the fiscal year ended March 31, 2023 totaled ¥343,267 million (a decrease of 6.0% from the prior fiscal year), operating income amounted to ¥44,331 million (a decrease of 25.2% from the prior fiscal year). In foreign exchange rates, the weakness of Japanese yen compared to the rate as of the end of last fiscal year has resulted in the booking of a foreign exchange gain amounting to ¥10,365 million. As a result, ordinary income amounted to ¥54,709 million (a decrease of 22.6% from the prior fiscal year). In addition, the execution of a share transfer agreement concerning the divestiture of select Group overseas studios and intellectual property resulted in ¥9,465 million in gains on the sales of affiliate shares. The Company also booked ¥6,303 million in extraordinary losses, partly associated with the disposal of a portion of its content production account undertaken to optimize the business structure of its domestic studios and enhance its internal development capabilities. These and other factors resulted in profit attributable to owners of parent of ¥49,264 million (a decrease of 3.4% from the prior fiscal year).

A discussion of results by segment for the fiscal year ended March 31, 2023 follows.

### Operating Results by Business Segment

#### 1. Digital Entertainment

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of game. Digital entertainment content is offered to meet customer lifestyles across a variety of usage environments such as consumer game consoles (including handheld game machines), personal computers and smart devices.

At the HD (High-Definition) Game sub-segment, the fiscal year ended March 31, 2023 saw the release of “CRISIS CORE -FINAL FANTASY VII- REUNION,” “FORSPOKEN,” and “OCTOPATH TRAVELER II.” However, because new titles generated fewer earnings than in the previous year, which had seen the launch of “OUTRIDERS,” “NieR Replicant ver.1.22474487139...,” and “Marvel’s Guardians of the Galaxy,” the sub-segment’s net sales declined versus the previous fiscal year.

Net sales declined versus the previous fiscal year in the MMO (Massively Multiplayer Online) Game sub-segment, in part because of the lack of any expansion pack launches for “FINAL FANTASY XIV.”

The Games for Smart Devices/PC Browser sub-segment saw a decline in net sales versus the previous fiscal year because of weak performances by existing titles.

Net sales and operating income in the Digital Entertainment segment totaled ¥245,548 million (a decrease of 12.2% from the prior fiscal year), and ¥41,253 million (a decrease of 30.0% from the prior fiscal year), respectively.

#### 2. Amusement

The Amusement segment consists of the operation of amusement facilities and planning, development, and distribution of arcade game machines and related products for amusement facilities.

Net sales and operating income for the fiscal year ended March 31, 2023 rose versus the previous year because of sharp year-on-year increase in same-store sales.

Net sales and operating income in the Amusement segment totaled ¥56,376 million (an increase of 22.9% from the prior fiscal year), and ¥5,285 million (an increase of 163.9% from the prior fiscal year), respectively.

#### 3. Publication

The Publication segment consists of publication and licensing of comic magazines, comic books, and game-related books.

Sales of both digital and print media were solid in the fiscal year ended March 31, 2023, but higher prices on printing paper and other inputs led to higher costs. This, combined with other factors such as increased advertising expenses led to a year-on-year decline in operating income.

Net sales and operating income in the Publication segment totaled ¥29,164 million (an increase of 0.5% from the prior fiscal year), and ¥11,641 million (a decrease of 4.8% from the prior fiscal year), respectively.

## [Abridged Translation for Reference and Convenience Purposes Only]

### 4. Merchandising

The Merchandising segment consists of planning, production, distribution, and licensing of derivative products of IPs owned by the Group.

The fiscal year ended March 31, 2023 saw brisk sales of products including new character merchandise based on major intellectual properties. However, while net sales rose versus the previous fiscal year, operating income declined, partly due to changes in the sales mix by product.

Net sales and operating income in the Merchandising segment totaled ¥15,664 million (an increase of 11.9% from the prior fiscal year), and ¥3,723 million (a decrease of 6.5% from the prior fiscal year), respectively.

## Capital Expenditures

During this Fiscal Year, capital expenditures totaled ¥9,695 million, consisting mainly of investments in arcade game machines in the Amusement segment, as well as game development tools and networking equipment for data centers in the Digital Entertainment segment.

## Issues Facing Management

The Group recognizes the need to prioritize the expansion of stable recurring income as a means of creating sustained earnings growth. As the digital entertainment industry undergoes significant structural changes, the Group is being called upon to develop and distribute new content designed to suit diverse customer needs and content distribution methods, which requires significant investment. To date, the Group has primarily worked to stabilize earnings by expanding stable recurring income from massively multiplayer online games (MMOs), games for smart devices/PC browsers, the Amusement segment, and the Publication segment. Going forward it will further bolster these efforts while also expanding them to other businesses. Establishing a stable base of recurring income will enable continued investment in content with a focus on the development of HD games. The recurring income generated from that content will expand the Group's overall earnings, thereby allowing the Group to achieve sustained earnings growth. On the distribution front, streaming may accelerate the transition from sales of traditional disks to digital sales, and business models may change through the offering of subscription services, for example. In addition, the overall gaming market may grow as it becomes possible to provide content to emerging regions where traditional home game consoles have not been widely adopted. The Group will respond flexibly to these changes and work to translate them into future growth. It has identified AI, the cloud, and blockchain games as focus investment areas under its business strategy and will engage in aggressive research and development efforts and investment in these areas.

## Policy for Determining the Remuneration, etc., of Individual Directors (May 19, 2022 Board of Directors Resolution)

The Company's basic policy and determination process regarding its executive remuneration system is as described below.

In order to ensure the objectivity and transparency of the Executive Remuneration System, the Company has, at its discretion, established a Remuneration and Nomination Committee, of which the majority is formed by independent outside directors and the chairperson is an independent outside director. This Board of Directors establishes the Basic Policy on the Executive Remuneration System based on consultation with this committee, and the committee decides the individual amounts and the nature of remuneration for directors (excluding Directors who are Audit & Supervisory Committee Members) in accordance with the Basic Policy on the Executive Remuneration System established by the Board of Directors, based on the authority granted to it by the Board of Directors.

### • Basic Policy on the Executive Remuneration System

#### 1. Directors (excluding Directors who are Audit & Supervisory Committee Members):

-Remuneration for Executive Directors shall comprise fixed remuneration (monetary), performance-linked remuneration (monetary), and restricted stock remuneration. The ratio for the Representative Director (President) shall be approximately 10:9 (base remuneration amount, which varies depending on performance):10. For other executive directors, the ratio shall be determined on an individual basis, taking into account earnings performance and other achievements in the director's realm of responsibility. Directors that additionally serve in such roles as directors of subsidiaries may also receive remuneration from the relevant subsidiary.

## [Abridged Translation for Reference and Convenience Purposes Only]

-Remuneration for Non-Executive Directors shall comprise fixed remuneration (monetary) and restricted stock remuneration. The ratio should be approximately 4:1.

-Fixed remuneration (monetary) shall be determined based upon role, remuneration in past years, the company performance to date, the need to retain talented human resources, research by specialized third-party organizations, remuneration trends at comparable companies, and economic conditions. Fixed remuneration (monetary) shall be paid monthly.

-For the Representative Director (President), the amount of performance-linked remuneration (monetary) is calculated using consolidated net sales and consolidated operating income as metrics, in order to strive for growth that strikes a balance between scale and profitability. Specifically, the amount of performance-linked remuneration is obtained by multiplying the basic remuneration amount (¥90 million) by a multiple (no greater than 400% and no less than 0%) that is pre-determined according to the degree of deviation from the base amount determined by the Remuneration and Nomination Committee, and then multiplying the result by a pre-determined coefficient (no greater than 1.5 and no less than 0.5) in accordance with the relative growth rate of the Company in the peer group determined by the Remuneration and Nomination Committee. Performance-linked remuneration (monetary) shall be paid once a year after the business results for each fiscal year are determined.

- The Company offers restricted stock remuneration in order to provide a long-term incentive for directors (excluding directors who are Audit & Supervisory Committee Members) to work to achieve sustained growth and to enhance corporate value, as well as to encourage them to have an even greater sense of shared value with shareholders. Such a program is offered because it provides a sustained incentive to bolster the share price when it is down and because it serves as a replacement for the discontinued retirement allowance for directors. The Remuneration & Nomination Committee determines the remuneration value of the restricted stock, taking into account the balance with the monetary remuneration. The restricted stock is granted once annually during the second quarter.

### 2. Directors who are Audit & Supervisory Committee Members:

-In consideration of independence from management, only monetary remuneration shall be made.

-Fixed remuneration (monetary) shall be determined based upon role, remuneration in past years, the need to retain talented human resources, research by specialized third-party organizations, remuneration trends at comparable companies, and economic conditions. Fixed remuneration (monetary) shall be paid monthly.

### • Director Remuneration Determination Process

1. Individual amounts and the nature of remuneration for directors (excluding directors who are Audit & Supervisory Committee Members) shall be determined by the Remuneration and Nomination Committee based on the Basic Policy on the Executive Remuneration System established by the Board of Directors.

2. Individual amounts and the nature of remuneration for directors who are Audit & Supervisory Committee Members shall be determined via discussions by the directors who are Audit & Supervisory Committee Members, with reference made to the basic policy determined by the Board of Directors.

3. Individual amounts and the nature of remuneration shall be set within the confines of the remuneration allocation approved at the Annual Shareholders' Meeting and shall be determined based upon a comprehensive consideration of annual earnings and each director's performance in his/her role and contribution to corporate earnings, remuneration in past years, the need to retain talented human resources, research by specialized third-party organizations, remuneration trends at comparable companies, and economic conditions.

## Executive Liability Insurance

The Company has entered into an executive liability insurance policy with an insurer in order to offset damages that the insured parties may incur arising from accepting liability involving the execution of their duties or being subject to claims associated with efforts to hold them liable for reasons involving the execution of their duties (provided, however, that the damages in question are not the result of willful misconduct or gross negligence).

The insured parties under such insurance policy are directors and employees, etc., of the Company and its subsidiaries. The insurance premium is paid entirely by the Company.

## **[Abridged Translation for Reference and Convenience Purposes Only]**

### **Basic Policy for Profit Distribution and Dividends**

The Group strives to enhance its corporate value through sustained growth achieved by undertaking investments in game development and other efforts funded by securing an appropriate level of retained earnings. At the same time, one of management's key policies is to return profits to shareholders. By rewarding shareholders primarily with dividends, the Group works to return profits in a way that strikes the optimal balance between recognizing the level of earnings achieved and providing stable rewards. In determining the amount of its dividend, the Group references a consolidated dividend payout ratio of 30%, making its final decision based upon comprehensive considerations of the balance between investment needs and the distribution of profits.

### **[Distribution of Surplus for the Fiscal Year Ended March 31, 2023]**

The Company has decided to distribute dividends from surplus at a rate of 114 yen per share of common stock by the resolution of the Board of Directors' Meeting held on May 18, 2023.

The aggregate amount of annual dividends is 124 yen per share (including the interim dividend of 10 yen per share paid in December 2022).

The Company will begin paying dividends on June 5, 2023. Please receive the aforementioned dividends by using the dividends receipt during the payment period (from June 5, 2023 through July 31, 2023).

For shareholders who have designated a payment method, the Company has arranged payment accordingly.



[Abridged Translation for Reference and Convenience Purposes Only]

**Consolidated Balance Sheets**

As of March 31, 2023

(Millions of Yen)

Items	Amount	Items	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>342,258</b>	<b>Current liabilities</b>	<b>71,704</b>
Cash and deposits	193,501	Notes and accounts payable-trade	23,558
Notes and accounts receivable-trade	39,908	Income taxes payable	3,452
Merchandise and finished goods	4,872	Provision for bonuses	4,532
Raw materials and supplies	827	Refund liabilities	5,186
Content production account	87,217	Other	34,974
Other	16,185	<b>Non-current liabilities</b>	<b>10,663</b>
Allowance for doubtful accounts	(255)	Provision for directors' retirement benefits	7
<b>Non-current assets</b>	<b>57,376</b>	Net defined benefit liability	3,908
<b>Property, plant and equipment</b>	<b>17,743</b>	Deferred tax liabilities	0
Buildings and structures	4,303	Asset retirement obligations	4,424
Tools, furniture and fixtures	3,990	Other	2,322
Amusement equipment	2,023	<b>Total liabilities</b>	<b>82,368</b>
Land	3,782	<b>(NET ASSETS)</b>	
Construction in progress	1,815	<b>Shareholders' equity</b>	<b>324,745</b>
Other	1,826	<b>Capital stock</b>	<b>24,039</b>
<b>Intangible assets</b>	<b>5,856</b>	<b>Capital surplus</b>	<b>54,142</b>
<b>Investments and other assets</b>	<b>33,775</b>	<b>Retained earnings</b>	<b>221,316</b>
Investment securities	4,629	<b>Treasury stock</b>	<b>(8,587)</b>
Guarantee deposits	11,074	<b>Accumulated other comprehensive income</b>	<b>(8,454)</b>
Net defined benefit asset	795	Valuation difference on available-for-sale securities	2
Deferred tax assets	11,027	Foreign currency translation adjustment	(8,765)
Other	6,279	Remeasurements of defined benefit plans	308
Allowance for doubtful accounts	(30)	<b>Subscription rights to shares</b>	<b>752</b>
		<b>Non-controlling interests</b>	<b>222</b>
		<b>Total net assets</b>	<b>317,266</b>
<b>Total assets</b>	<b>399,634</b>	<b>Total liabilities and net assets</b>	<b>399,634</b>

(Note: Amounts are rounded down to the nearest million yen.)

[Abridged Translation for Reference and Convenience Purposes Only]

**Consolidated Income Statements**

From April 1, 2022 to March 31, 2023

(Millions of Yen)

Items	Amount	
<b>Net sales</b>		<b>343,267</b>
<b>Cost of sales</b>		<b>167,377</b>
<b>Gross profit</b>		<b>175,889</b>
Selling, general and administrative expenses		131,557
<b>Operating income</b>		<b>44,331</b>
<b>Non-operating income</b>		
Interest income	714	
Dividend income	0	
Foreign exchange gains	10,365	
Rent income	38	
Gain on sale of crypto assets	1,358	
Revenue from business held for sale	4,051	
Miscellaneous income	411	16,940
<b>Non-operating expenses</b>		
Interest expenses	72	
Commission fee	1,249	
Expenses from business held for sale	5,191	
Miscellaneous loss	48	6,562
<b>Ordinary income</b>		<b>54,709</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	826	
Gain on sales of registered trademarks	680	
Gain on reversal of subscription rights to shares	4	
Subsidy income related to COVID-19	11	
Gain on sale of shares of subsidiaries and associates	9,465	
Other	46	11,033
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	112	
Impairment loss	73	
Loss on valuation of investment securities	162	
Loss on valuation of shares of subsidiaries and associates	498	
Loss on disposal of content	6,303	
Other	161	7,312
<b>Profit before income taxes</b>		<b>58,431</b>
Income taxes-current	11,060	
Income taxes-deferred	(1,916)	9,143
<b>Profit</b>		<b>49,287</b>
<b>Profit attributable to non-controlling interests</b>		<b>22</b>
<b>Profit attributable to owners of parent</b>		<b>49,264</b>

(Note: Amounts are rounded down to the nearest million yen.)

[Abridged Translation for Reference and Convenience Purposes Only]

**Consolidated Statements of Changes in Net Assets**

From April 1, 2022 to March 31, 2023

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	24,039	53,880	221,316	(8,964)	290,272
Changes during the period					
Dividends from retained earnings			(15,430)		(15,430)
Profit attributable to owners of parent			49,264		49,264
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		261		382	644
Net changes of items other than shareholders' equity					
Total changes during the period	—	261	33,834	376	34,473
Balance at the end of current period	24,039	54,142	255,151	(8,587)	324,745

	Accumulated other comprehensive income				Subscripti on rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available -for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(24)	(6,844)	116	(6,752)	718	191	284,429
Changes during the period							
Dividends from retained earnings							(15,430)
Profit attributable to owners of parent							49,264
Purchase of treasury stock							(5)
Disposal of treasury stock							644
Net changes of items other than shareholders' equity	27	(1,921)	191	(1,702)	33	31	(1,636)
Total changes during the period	27	(1,921)	191	(1,702)	33	31	32,836
Balance at the end of current period	2	(8,765)	308	(8,454)	752	222	317,266

(Note: Amounts are rounded down to the nearest million yen.)