

[Abridged Translation for Reference and Convenience Purposes Only]

This document is an abridged translation of the Japanese original of “Notice of Convocation of the 44th 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

May 31, 2024

To Our Shareholders:

Takashi Kiryu
President and Director
SQUARE ENIX HOLDINGS CO., LTD.
6-27-30, Shinjuku, Shinjuku-ku, Tokyo

NOTICE OF CONVOCATION OF THE 44TH ANNUAL SHAREHOLDERS' MEETING

Notice is hereby given that the 44th 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 20, 2024 (Japan Standard Time).

1. Time: 10:00 a.m., Friday, June 21, 2024 (Doors open at 9:00 a.m.)

2. Place: Century Room, B1 floor, Hyatt Regency Tokyo
2-7-2 Nishi Shinjuku, Shinjuku-ku, Tokyo

3. Meeting Agenda:

Items to be reported

1. Business Report, Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements by Accounting Auditors and by the Audit & Supervisory Committee for the 44th Term (April 1, 2023 through March 31, 2024)
2. Non-Consolidated Financial Statements for the 44th Term (April 1, 2023 through March 31, 2024)

Items to be resolved

- First Item:** Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Second Item:** Election of Three (3) Directors who are Audit & Supervisory Committee Members
- Third Item:** Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

- 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/JJK020010Action.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 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.
 - (1) Status of the Share Options etc. (Business Report)
 - (2) Notes to Consolidated Financial Statements (Consolidated Financial Statements)
 - (3) Notes to Non-consolidated Financial Statements (Non-Consolidated Financial Statements)The Accounting Auditors and the Audit & Supervisory Committee have audited all documents subject to audit, including the above items.

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 21, 2024 (Japan Standard Time).
- **Online**
Please access the voting website (<https://evote.tr.mufg.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 on to the website without a log-in ID or a temporary password by scanning the log-in QR code on the Voting Form.
The deadline for exercising your voting rights is 6:00 p.m., Thursday, June 20, 2024 (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 20, 2024 (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: 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.)

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Reference Documents for the Shareholders' Meeting

First Item: Election of Nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The term of office of all the incumbent seven (7) 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, in order to further strengthen corporate governance and increase the transparency, objectivity, and diversity of the Board of Directors, the Company proposes to increase the number of outside directors by two (2), from four (4) to six (6), for a total of nine (9) Directors.

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 at the Company	Attendance at the Board of Directors meetings in fiscal 2023
1	Takashi Kiryu (R)	M	2 years	President & Representative Director	100.0% (16/16)
2	Yoshinori Kitase (R)	M	2 years	Director	100.0% (16/16)
3	Yu Miyake (R)	M	2 years	Director	100.0% (16/16)
4	Masato Ogawa (R)(O)(I)	M	6 years	Outside Director	100.0% (16/16)
5	Mitsuko Okamoto (R)(O)(I)	F	4 years	Outside Director	100.0% (16/16)
6	Abdullah Aldawood (R)(O)(I)	M	3 years	Outside Director	93.7% (15/16)
7	Naoto Takano (R)(O)(I)	M	2 years	Outside Director	100.0% (16/16)
8	Mika Aagatsuma (N)(O)(I)	F	-	-	-
9	Tracy Fullerton (N)(O)(I)	F	-	-	-

(R) : Candidate for reappointment as Director

(N) : New candidate as Director

(O) : Candidate for Outside Director

(I) : Candidate for Independent Director

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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 2023
1	Takashi Kiryu (June 20, 1975) (R)	<p>June. 2020 General Manager Corporate Planning Division, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>Apr. 2021 Chief Strategy Officer, SQUARE ENIX HOLDINGS CO., LTD. Executive Officer, Corporate Strategy and Corporate Communications, SQUARE ENIX HOLDINGS CO., LTD. Executive Officer, SQUARE ENIX CO., LTD.</p> <p>May. 2022 Director, SQUARE ENIX CO., LTD.</p> <p>Jun. 2022 Director, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>Jul. 2022 Executive Officer, Corporate Strategy, Financial Strategy and Corporate Communications, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>May. 2023 President and Representative Director, SQUARE ENIX CO., LTD. (incumbent)</p> <p>Jun. 2023 President and Representative Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p>Oct. 2023 Executive Officer, Corporate Strategy, Financial Strategy, Investment & Business Development and Corporate Communications, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> President and Representative Director, SQUARE ENIX CO., LTD. Director, TAITO 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).</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. He has been leading the management of our Group as a Director since June 2022 and President and Representative Director since June 2023. 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>	15,376 Shares	100.0% (16/16)

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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 2023
2	Yoshinori Kitase (September 23, 1966) (R)	<p>Sep. 2006 Corporate Executive, SQUARE ENIX CO., LTD. Apr. 2015 Executive Officer, SQUARE ENIX CO., LTD. (incumbent) Apr. 2018 Director, SQUARE ENIX CO., LTD. (incumbent) Jun. 2022 Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> Director, SQUARE ENIX CO., LTD.</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>	6,964 Shares	100.0% (16/16)

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 2023
3	Yu Miyake (September 1, 1967) (R)	<p>Feb. 2011 Corporate Executive, SQUARE ENIX CO., LTD. Apr. 2015 Executive Officer, SQUARE ENIX CO., LTD. (incumbent) Apr. 2018 Director, SQUARE ENIX CO., LTD. (incumbent) Jun. 2022 Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> Director, SQUARE ENIX CO., LTD.</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, and Executive Officer of Sales and Marketing. 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>	11,614 Shares	100.0% (16/16)

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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 2023
4	Masato Ogawa (December 7, 1954) (R)(O)(I)	<p>Apr. 2009 Corporate Executive Officer, Senior Vice President, Marketing & Planning, ALL Nippon Airways Co., LTD. (currently ANA HOLDINGS INC.)</p> <p>Jun. 2011 Senior Vice President, General Manager, Nagoya Region, Chubu Sales Headquarters, ALL Nippon Airways Co., LTD.</p> <p>Apr. 2015 Executive Vice President and COO, ANA Strategic Research Institute Co., Ltd.</p> <p>Apr. 2017 Chairman of the Board, ANA Strategic Research Institute Co., Ltd.</p> <p>Jun. 2018 Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p>Apr. 2019 President, ONSEN & Gastronomy Tourism Association (incumbent)</p> <p>Apr. 2021 President, Tokyo Hotel• Tourism & Hospitality College (incumbent)</p> <p><u>Significant position concurrently held</u> President, ONSEN & Gastronomy Tourism Association President, Tokyo Hotel• Tourism & Hospitality College</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>	1,469 Shares	100.0% (16/16)

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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 2023
5	Mitsuko Okamoto (August 5, 1964) (R)(O)(I)	<p>Apr. 1987 Joined NHK (Japan Broadcasting Corporation)</p> <p>Apr. 2008 Professor, Graduate School of Film and New Media, Tokyo University of the Arts (incumbent)</p> <p>Mar. 2010 Chief Producer, ETV “2355” and “0655” (incumbent)</p> <p>Apr. 2013 Dean , Graduate School of Film and New Media, Tokyo University of the Arts</p> <p>Oct. 2016 Executive Assistant to the President (Campus Diversity) , Tokyo University of the Arts</p> <p>Apr. 2017 Vice President (International Affairs and Campus Diversity) , Director, Global Support Center, Director, Office for Diversity & Inclusion, Tokyo University of the Arts</p> <p>Jun. 2020 Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p>Apr. 2022 Vice President (Digital Promotion) , Tokyo University of the Arts (incumbent)</p> <p><u>Significant position concurrently held</u> Chief Producer, ETV “2355” and “0655” Vice President (Digital Promotion), Tokyo University of the Arts</p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u> Although she does not have experience in corporate management other than in her role as Outside Officer at the Company, she has a wealth of experience and a wide range of knowledge and insight in the field of content, including animation. 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>	1,469 Shares	100.0% (16/16)

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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 2023
6	Abdullah Aldawood (December 17, 1981) (R)(O)(I)	<p>Jul. 2007 Vice President for Investment Banking Services, Deutsche Bank in the Middle East and North Africa region</p> <p>Nov. 2013 Founder and Chairman, Al-Raedah Finance Company (incumbent)</p> <p>Jan. 2015 CEO and Board of Directors, Seera Holding Group</p> <p>Dec. 2016 Board Member, Rou'a Al Madinah Holding Company</p> <p>Mar. 2018 Executive Chairman, Saudi Entertainment Ventures Company (incumbent)</p> <p>Sep. 2018 Board Member, Saudi Stock Exchange Company (Tadawul)</p> <p>Dec. 2020 Board Member, Hotel Management Company (incumbent)</p> <p>Apr. 2021 Managing Director and Board of Directors, Seera Holding Group (incumbent) Managing Director, Qiddiya Investments (incumbent)</p> <p>Jun. 2021 Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> Founder and Chairman, Al-Raedah Finance Company Executive Chairman, Saudi Entertainment Ventures Company Board Member, Hotel Management Company Managing Director and Board of Directors, Seera Holding Group Managing Director, 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	93.7% (15/16)

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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 2023
7	Naoto Takano (July 31, 1951) (R)(O)(I)	<p>Apr. 1998 International Management Division, Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) Executive Vice President, CIT, U.S.A.</p> <p>Apr. 2004 Executive Officer, General Manager, Americas Business Dept. I, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2005 Managing Executive Officer, Mizuho Securities Co., Ltd.</p> <p>Sep. 2005 Managing Director, Head of International Business Promotion Group, Mizuho Securities Co., Ltd.</p> <p>Mar. 2006 Senior Managing Director, Mizuho Capital Co., Ltd.</p> <p>Jun. 2010 Representative Director and Chairman, Fujitsu Leasing Co., Ltd. (currently FLCS Corporation)</p> <p>Nov. 2014 President and Representative Director, Lakewood Corporation.</p> <p>Feb. 2022 Director, Nikko Country Club (General Incorporated Association) (incumbent)</p> <p>Jun. 2022 Outside Director, SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> Director, Nikko Country Club (General Incorporated Association).</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>	920 Shares	100.0% (16/16)

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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 2023
8	Mika Aagatsuma (June 8, 1964) (N)(O)(I)	<p>Jan. 2008 General Manager, Business Operations Information Security Promotion Department, IBM Japan, Ltd.</p> <p>Feb. 2008 Chief Security Officer, IBM Business Consulting Services KK (currently IBM Japan, Ltd.)</p> <p>Aug. 2017 Executive Officer, Global Business Services Division Cloud Application Innovation, IBM Japan, Ltd.</p> <p>Nov. 2019 Special Appointment professor, Faculty of Engineering, Nagoya Institute of Technology</p> <p>Oct. 2022 Managing Executive Officer, Hybrid Cloud Service, IBM Consulting Division, IBM Japan, Ltd.</p> <p>Jun. 2023 Managing Executive Officer, Hybrid Cloud Platform, IBM Consulting Division, IBM Japan, Ltd.</p> <p>Apr. 2024 Visiting Professor, Faculty of Engineering, Nagoya Institute of Technology (incumbent)</p> <p><u>Significant position concurrently held</u> Visiting Professor, Faculty of Engineering, Nagoya Institute of Technology</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 IT/technology, and security-related risk management. The Company expects her 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.</p>	None	-

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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 2023
9	Tracy Fullerton (June 21, 1965) (N)(O)(I)	<p>Sep. 1998 President, Co-Founder and Creative Director, Spiderdance, Inc.</p> <p>Aug. 2008 Associate Professor, Interactive Media Division, School of Cinematic Arts, University of Southern California</p> <p>Dec. 2008 Director, USC Game Innovation Lab. (incumbent)</p> <p>Jan. 2010 Chair, Interactive Media & Games Division, School of Cinematic Arts, University of Southern California</p> <p>May. 2014 Founding Director, USC Games</p> <p>Aug. 2015 Full Professor, Interactive Media & Games Division, School of Cinematic Arts, University of Southern California (incumbent)</p> <p><u>Significant positions concurrently held</u> Director, USC Game Innovation Lab. Full Professor, Interactive Media & Games Division, School of Cinematic Arts, University of Southern California</p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u> She has a wealth of experience and a wide range of knowledge and insight in the field of entertainment, including games, as well as extensive knowledge, insight, and experience in establishing and managing game development companies. 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 from a global perspective on the whole, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles.</p>	None	-

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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, Naoto Takano, Mika Aagatsuma, and Tracy Fullerton 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. Furthermore, if Mika Aagatsuma and Tracy Fullerton assumes the position of Director, the Company will enter into a liability limitation agreement with them that limits them liability to a maximum of ¥10 million or the amount prescribed by law, whichever is greater.
 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 said 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. In addition, should Mika Aagatsuma and Tracy Fullerton be elected, the Company intends to notify the TSE of their status as an Independent Executive.

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 June 23, 2023, the Public Investment Fund and Ayar First Investment Company, which is an entity owned by the Public Investment Fund, hold 11,810,000 shares (a 9.64% 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 Group, but he retired from the company in March 2005. In addition, the value of transactions between said institution and the Company Group in the past three fiscal years is very small, accounting for less than 0.1% of either the Company's consolidated net sales or the Bank's consolidated ordinary income. Therefore, the Company has determined that his independence as an Outside Director is not affected, even based on the independence standards of the TSE.

Mika Aagatsuma is employed by IBM Japan, Ltd., a business partner of the Company Group, but she is scheduled to retire from that firm in June 2024. In addition, the value of transactions between the aforementioned firm and the Company Group in the past three fiscal years is very small, accounting for less than 0.1% of either the Company's consolidated net sales or the net sales of the aforementioned firm. Therefore, the Company has determined that her independence as an Outside Director is not affected, even based on the independence standards of the TSE.

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Second Item: Election of Three (3) Directors who are Audit & Supervisory Committee Members

The term of office of all the incumbent Directors who are Audit & Supervisory Committee Member will expire at the close of this Annual Shareholders' Meeting.

Accordingly, the Company proposes to elect three (3) Directors who will be Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has given consent to the proposal of this item.

The proposed candidates for the positions of Directors who will be Audit & Supervisory Committee Members are as follows:

No.	Name	Gender	Tenure (at the conclusion of this Annual Shareholders' Meeting)	Current position at the Company	Attendance at the Board of Directors meetings in fiscal 2023	Attendance at the Audit & Supervisory Committee in fiscal 2023
1	Nobuyuki Iwamoto (R)(O)(I)	M	2 years	Outside Director (Standing Audit & Supervisory Committee Member)	100.0% (16/16)	100.0% (21/21)
2	Tadao Toyoshima (R)(O)(I)	M	6 years	Outside Director (Audit & Supervisory Committee Member)	100.0% (16/16)	100.0% (21/21)
3	Hajime Shinji (R)(O)(I)	M	4 years	Outside Director (Audit & Supervisory Committee Member)	100.0% (16/16)	95.2% (20/21)

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

(I) : Candidate for Independent Director

* Tadao Toyoshima served as Audit & Supervisory Board Member for one year prior to his appointment as Director who is an Audit & Supervisory Committee Member.

[Abridged Translation for Reference and Convenience Purposes Only]

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 2023
1	Nobuyuki Iwamoto (June 14, 1956) (R) (O)(I)	<p>Apr. 2005 CFO and Deputy Head of Planning, Daiwa Securities Group Inc.</p> <p>Jun. 2006 Director and Corporate Executive Office, Daiwa Securities Group Inc.</p> <p>Apr. 2008 Director and Executive Managing Director, Daiwa Securities Group Inc.</p> <p>Apr. 2009 Director, Senior Executive Managing Director, CFO, and Head of Planning and Personnel, Daiwa Securities Group Inc.</p> <p>Apr. 2011 Director, Representative Corporate Executive Officer, Deputy President, COO, CFO, and Head of Planning and Personnel, Daiwa Securities Group Inc.</p> <p>Deputy President and Member of the Board, Daiwa Securities Capital Markets Co. Ltd. (currently Daiwa Securities Co., Ltd.)</p> <p>Apr. 2012 COO, CFO, and Head of Personnel and Overseas, Daiwa Securities Group Inc.</p> <p>Deputy President and Member of the Board, Daiwa Securities Co., Ltd.</p> <p>Apr. 2016 Director, Deputy President, and Head of Asset Management, Daiwa Securities Group Inc.</p> <p>President & Representative Director, Daiwa Asset Management Co., Ltd.</p> <p>Jun. 2016 Deputy President, Daiwa Securities Group Inc.</p> <p>Jun. 2022 Outside Director (Standing Audit & Supervisory Committee Member), SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p> <p>Corporate Auditor, SQUARE ENIX CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> Corporate Auditor, SQUARE ENIX CO., LTD.</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 in finance and accounting as a corporate executive. The Company judges that he is capable of properly executing duties as an Outside Director of Company who will be an Audit & Supervisory Committee Member by taking on the functions of monitoring and inspecting executive Directors' execution of operations. 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>	None	<p>Attendance at the Board of Directors meetings in fiscal 2023</p> <p>100.0% (16/16)</p> <p>Attendance at the Audit & Supervisory Committee in fiscal 2023</p> <p>100.0% (21/21)</p>

[Abridged Translation for Reference and Convenience Purposes Only]

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 2023
2	Tadao Toyoshima (April 23, 1955) (R)(O)(I)	<p>Mar. 1979 Joined Pricewaterhouse Sep. 1987 Joined Asahi Shinwa & Co. (currently, KPMG AZSA LLC.)</p> <p>Oct. 1987 Registration of Certified Public Accountant Jun. 2004 Representative Partner, AZSA & Co. (currently, KPMG AZSA LLC.)</p> <p>Jul. 2010 Partner, KPMG AZSA LLC. May. 2014 Outside Corporate Auditor, CAREERLINK CO., LTD.</p> <p>May. 2015 Full-Time Outside Corporate Auditor, CAREERLINK CO., LTD.</p> <p>Mar. 2016 Supervisory Director, Mitsui Fudosan Logistics Park Inc.</p> <p>Jun. 2017 Outside Corporate Auditor, SQUARE ENIX HOLDINGS CO., LTD.</p> <p>Jun. 2018 Outside Director (Audit & Supervisory Committee Member), SQUARE ENIX HOLDINGS CO., LTD. (incumbent)</p>	None	100.0% (16/16)
		<p><u>Significant positions concurrently held</u> None</p> <p><u>Reasons for the nomination of the candidate as Outside Director and overview of expected roles</u> Although he does not have experience in corporate management other than in Outside Officer roles at several companies, he was nominated as an Outside Director of Company who is an Audit & Supervisory Committee Member based on his qualifications as a Certified Public Accountant (CPA) as well as his extensive expertise in finance and accounting-related matters. He also has a track record of performing monitoring and auditing functions with respect to the execution of duties by Directors. The Company judges that he is capable of properly executing duties as an Outside Director of Company who will be an Audit & Supervisory Committee Member by taking on the functions of monitoring and inspecting executive Directors' execution of operations.</p>		Attendance at the Audit & Supervisory Committee in fiscal 2023
		100.0% (21/21)		

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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 2023
3	Hajime Shinji (February 16, 1964) (R)(O)(I)	Apr. 1993 Certified as Attorney Joined Itoh & Matsuda Law Office. (currently, City-Yuwa Partners)	None	100.0% (16/16)
		Apr. 1996 Lecturer, Tokai University Jan. 2001 Partner, Itoh & Matsuda Law Office. (currently, City-Yuwa Partners)		
		Jan. 2004 Joined Shinozaki & Shinji Law Firm Nov. 2007 Examiner for New Bar Examination Jan. 2008 Partner, Shinozaki & Shinji Law Firm May. 2010 Outside Director, KANA E CAPITAL Inc. Jun. 2012 Outside Director, FX PRIME Corporation (currently, GMO Coin, Inc.) Apr. 2013 Instructor, Legal Training and Research Institute of Japan, Supreme Court of Japan Jul. 2019 Outside Corporate Auditor, VISCAS Co., Ltd. (incumbent) Jun. 2020 Outside Director (Audit & Supervisory Committee Member), SQUARE ENIX HOLDINGS CO., LTD. (incumbent) Tokyo Musashi Agricultural Cooperative Association (JA Tokyo Musashi) non-member auditor (incumbent) Jan. 2023 Director, Shinozaki & Shinji Law Firm (incumbent) Apr. 2023 Part-time Lecturer, The School of Law, The University of Tokyo (incumbent)		Attendance at the Audit & Supervisory Committee in fiscal 2023
		<p><u>Significant positions concurrently held</u> Director, Shinozaki & Shinji Law Firm Outside Corporate Auditor, VISCAS Co., Ltd. Tokyo Musashi Agricultural Cooperative Association (JA Tokyo Musashi) non-member auditor Part-time Lecturer, The School of Law, The University of Tokyo</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.</p>	95.2% (20/21)	

- Notes:
- There are no special interests between any candidate and the Company.
 - The candidates Nobuyuki Iwamoto, Tadao Toyoshima, and Hajime Shinji are nominated as Outside Directors.
 - The Company has entered into respective liability limitation agreements with Nobuyuki Iwamoto, Tadao Toyoshima, and Hajime Shinji 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.
 - 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 said 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.
 - The Company has notified the Tokyo Stock Exchange (TSE) of Nobuyuki Iwamoto, Tadao Toyoshima and Hajime Shinji's status as Independent Executives. If they are re-elected, the Company intends to continue to recognize them as Independent Executives.
Nobuyuki Iwamoto was formerly a deputy president and member of the board of Daiwa Securities Co., Ltd., a business partner of the Company Group, but he retired from the company in March 2016. In addition, the amount of transactions between said institution and the Company Group in the past three fiscal years is very small, accounted for less than 0.1% of the Company consolidated net sales and the company operating revenue of either the Company or said institution. 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)	Gender	Corporate mgt/global mgt	Media entertainment	IT/ technology	Legal/risk management	Finance/ accounting	Organization al/talent development
Takashi Kiryu	President & Representative Director	M	○	○			○	○
Yoshinori Kitase	Director	M	○	○				○
Yu Miyake	Director	M	○	○				○
Masato Ogawa	Outside Director	M	○			○		○
Mitsuko Okamoto	Outside Director	F		○				○
Abdullah Aldawood	Outside Director	M	○	○	○		○	
Naoto Takano	Outside Director	M	○				○	○
Mika Aagatsuma	Outside Director	F			○	○		○
Tracy Fullerton	Outside Director	F	○	○	○			○
Nobuyuki Iwamoto	Outside Director (Standing Audit & Supervisory Committee Member)	M	○				○	○
Tadao Toyoshima	Outside Director (Audit & Supervisory Committee Member)	M				○	○	
Hajime Shinji	Outside Director (Audit & Supervisory Committee Member)	M				○	○	

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Third Item: Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member

In preparation for such a situation whereby the Company fails to meet the minimum number of Directors of the Company who will be Audit & Supervisory Committee Members under the relevant laws and regulations, the Company proposes to elect one (1) Substitute Director of the Company who will be an Audit & Supervisory Committee Member.

The election of the Substitute Audit & Supervisory Committee Member may be cancelled by resolution of the Board of Directors' Meeting with the consent of the Audit & Supervisory Committee, provided that the party elected to assume the office has yet to do so.

The Audit & Supervisory Committee has given consent to the proposal of this item.

The proposed candidate for Substitute Director who is an Audit & Supervisory Committee Member is as follows:

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
Satoshi Shinohara (July 13, 1967) (R)	<p>Mar. 2016 General Manager, Legal and Intellectual Property Division, SQUARE ENIX CO., LTD.</p> <p>Apr. 2020 General Manager, Legal and Intellectual Property Division, SQUARE ENIX HOLDINGS CO., LTD. Executive Officer, SQUARE ENIX CO., LTD.</p> <p>Jul. 2022 General Manager, Internal Audit Office, SQUARE ENIX HOLDINGS CO., LTD. (incumbent) General Manager, Internal Audit Office, SQUARE ENIX CO., LTD. (incumbent)</p> <p><u>Significant positions concurrently held</u> General Manager, Internal Audit Office, SQUARE ENIX CO., LTD.</p> <p><u>Reasons for the nomination of the candidate as Substitute Director who is an Audit & Supervisory Committee Member</u> The Company proposes to elect the candidate as Substitute Director of the Company who will be an Audit & Supervisory Committee Member since he has abundant expertise and experience in the area of corporate legal affairs and internal audits. The Company judges that he is capable of properly executing duties as an Outside Director of the Company who will be an Audit & Supervisory Committee Member by taking on the functions of monitoring and inspecting executive Directors' execution of operations if he assumes the position as the result of a vacancy.</p> <p>*The number of the Company's shares includes his shares with the Company's employee shareholding association.</p>	549 Shares*

- Notes: 1. There is no special interests between any candidate and the Company.
2. 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 said insurance agreement is set forth in the Business Report. Should the candidate be approved and assume the office of Director who is an Audit and Supervisory Committee Member, he would 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.

- END -

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(Excerpts from Business Report for the 44th Term)

Operating Highlights of the Fiscal Year Ended March 31, 2024

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, 2024 totaled ¥356,344 million (an increase of 3.8% from the prior fiscal year), operating income amounted to ¥32,558 million (a decrease of 26.6% 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 ¥9,304 million. As a result, ordinary income amounted to ¥41,541 million (a decrease of 24.1% from the prior fiscal year). Profit attributable to owners of the parent amounted to ¥14,912 million (a decrease of 69.7% from the prior fiscal year), partly due to the recognition of ¥22,087 million in losses on disposal of content as an extraordinary loss. These losses stemmed from the termination of development efforts for some key pieces of content in the Digital Entertainment segment. A project-by-project review of continued development feasibility found these particular efforts to be incompatible with the Group’s revised approach to the development of highdefinition HD) games, which reflects such objectives as multiplatform development and the strengthening of internal development capabilities.

A discussion of results by segment for the fiscal year ended March 31, 2024 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. In the HD (High-Definition) sub-segment, consolidated net sales for the fiscal year ended March 31, 2024 increased compared with the previous fiscal year due to the release of titles including “FINAL FANTASY XVI,” “FINAL FANTASY PIXEL REMASTER,” “DRAGON QUEST MONSTERS: The Dark Prince,” and “FINAL FANTASY VII REBIRTH.” However, operating losses grew due to higher development cost amortization and advertising expenses, as well as higher content valuation losses versus the previous fiscal year.

In the MMO (Massively Multiplayer Online) Game sub-segment, net sales and profits declined compared with the previous year. In the Games for Smart Devices/PC Browser sub-segment, net sales and profits declined compared with the previous fiscal year as the June 2023 launch of “Dragon Quest Champions” and the September 2023 launch of “FINAL FANTASY VII EVER CRISIS” were unable to compensate for factors including weak performances by existing titles.

Net sales and operating income in the Digital Entertainment segment totaled ¥248,109 million (an increase of 1.0% from the prior fiscal year), and ¥25,468 million (a decrease of 38.3% 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.

In the fiscal year ended March 31, 2024, net sales and profits increased compared with the previous fiscal year reflecting year-on-year growth in sales at existing arcades.

Net sales and operating income in the Amusement segment totaled ¥61,569 million (an increase of 9.2% from the prior fiscal year), and ¥7,566 million (an increase of 43.2% from the prior fiscal year).

3. Publication

The Publication segment consists of publication and licensing of comic magazines, comic books, and gamerelated books.

Net sales and profits increased in the fiscal year ended March 31, 2024 compared with the previous fiscal year due to year-on-year growth in both print and digital sales mainly due to the hugely popular anime television adaptation of “The Apothecary Diaries,” which debuted in October 2023.

Net sales and operating income in the Publication segment totaled ¥31,089 million (an increase of 6.6% from the prior fiscal year), and ¥11,984 million (an increase of 2.9% from the prior fiscal year), respectively.

4. Merchandising

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

Net sales and profits increased in the fiscal year ended March 31, 2024 compared with the previous fiscal year largely due to brisk

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sales of new character merchandise from key IP franchises.

Net sales and operating income in the Merchandising segment totaled ¥18,924 million (an increase of 20.8% from the prior fiscal year), and ¥5,658 million (an increase of 52.0% from the prior fiscal year), respectively.

Capital Expenditures

During this Fiscal Year, capital expenditures totaled ¥12,763 million, consisting mainly of capital investment for the opening of a Shibuya office, 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 has formulated a new medium-term business plan (covering the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2027) entitled “Square Enix Reboots and Awakens – 3-years of Foundation-Laying for Long-term Growth –.”

The period covered by its previous medium-term business plan (the fiscal year ended March 31, 2022 through the fiscal year ended March 31, 2024) saw some achievements, including a streamlined portfolio enabled by the divestiture of three overseas studios and select IP, the expansion of the MMO sub-segment as part of the Group’s earnings base, the Publication segment’s transition to a phase of stable growth, the Amusement segment’s V-shaped recovery, and the Merchandising segment’s expansion. Meanwhile, the period also highlighted some major challenges, including low profitability at the HD Games subsegment, a slowdown in the Games for Smart Devices/PC Browser sub-segment, insufficient franchise-by-franchise portfolio management, and some gaps in the Group’s management infrastructure.

With the goal of overcoming these challenges and achieving powerful profit creation and further growth from a long-term perspective, the Group positions the three years of its new medium-term business plan as “3-years of Foundation-Laying for Long-term Growth” and intends to execute the following four strategies:

- (1) Enhance productivity by optimizing the development footprint in the Digital Entertainment segment
- (2) Diversify earnings opportunities by strengthening customer contact points
- (3) Roll out initiatives to create additional foundational stability
- (4) Allocate capital giving consideration to the balance between growth investments and shareholder returns

*The details of the new medium-term business plan are posted on the Company's website.

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.

-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

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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 the program 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 parties insured under said insurance policy are directors and employees, etc., of the Company and its subsidiaries.

The insurance premium is paid entirely by the Company.

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Basic Policy for Profit Distribution and Dividends

The Company recognizes the enhancement of corporate value and distribution of profits to shareholders as key management undertakings. The Company determines the level of dividends according to its basic 30% payout ratio policy, as well as by taking into consideration the balance between growth investment and shareholder returns.

Also, as part of its new medium-term business plan, the Company revisited its existing approach to capital allocation and earmarked up to 20 billion yen to enable flexible share repurchases between May 14, 2024 and May 13, 2025, subject to the Company's consideration of a comprehensive array of factors, including but not limited to strategic investment opportunities, the Company's financial position, and the price of its common stock. In addition, the Company also revised the split of its per-share dividends between the interim dividend and year-end dividend.

[Distribution of Surplus for the Fiscal Year Ended March 31, 2024]

The Company has decided to distribute dividends from surplus at a rate of 28 yen per share of common stock by the resolution of the Board of Directors' Meeting held on May 17, 2024.

The aggregate amount of annual dividends is 38 yen per share (including the interim dividend of 10 yen per share paid in December 2023).

The Company will begin paying dividends on June 3, 2024. Please receive the aforementioned dividends by using the dividends receipt during the payment period (from June 3, 2024 through July 31, 2024).

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

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Consolidated Balance Sheets

As of March 31, 2024

(Millions of Yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	339,219	Current liabilities	81,559
Cash and deposits	225,901	Notes and accounts payable-trade	24,384
Notes and accounts receivable-trade	44,683	Income taxes payable	6,978
Merchandise and finished goods	4,684	Provision for bonuses	5,345
Raw materials and supplies	1,033	Refund liabilities	4,410
Content production account	48,577	Asset retirement obligations	9
Other	14,561	Other	40,431
Allowance for doubtful accounts	(221)	Non-current liabilities	12,187
Non-current assets	71,656	Net defined benefit liability	4,311
Property, plant and equipment	23,075	Deferred tax liabilities	1
Buildings and structures	4,462	Asset retirement obligations	4,902
Tools, furniture and fixtures	6,099	Provision for office relocation	883
Amusement equipment	2,166	Other	2,089
Land	3,782	Total liabilities	93,747
Construction in progress	4,695	(NET ASSETS)	
Other	1,869	Shareholders' equity	325,272
Intangible assets	5,881	Capital stock	24,039
Investments and other assets	42,698	Capital surplus	54,368
Investment securities	4,731	Retained earnings	254,741
Guarantee deposits	13,168	Treasury stock	(7,876)
Net defined benefit asset	1,573	Accumulated other comprehensive income	(8,776)
Deferred tax assets	18,687	Valuation difference on available-for-sale securities	(305)
Other	4,568	Foreign currency translation adjustment	(9,038)
Allowance for doubtful accounts	(30)	Remeasurements of defined benefit plans	566
		Subscription rights to shares	378
		Non-controlling interests	255
		Total net assets	317,129
Total assets	410,876	Total liabilities and net assets	410,876

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

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Consolidated Income Statements

From April 1, 2023 to March 31, 2024

(Millions of Yen)

Items	Amount	
Net sales		356,344
Cost of sales		188,975
Gross profit		167,369
Selling, general and administrative expenses		134,810
Operating income		32,558
Non-operating income		
Interest income	1,550	
Dividend income	0	
Foreign exchange gains	9,304	
Rent income	47	
Gain on sale of crypto assets	341	
Miscellaneous income	487	11,731
Non-operating expenses		
Interest expenses	187	
Commission fee	452	
Office transfer related expenses	1,017	
Provision for office relocation expenses	883	
Miscellaneous loss	208	2,748
Ordinary income		41,541
Extraordinary income		
Gain on sale of investment securities	8	
Gain on reversal of subscription rights to shares	8	16
Extraordinary losses		
Loss on sale of non-current assets	47	
Loss on retirement of non-current assets	110	
Impairment loss	5	
Loss on valuation of investment securities	150	
Loss on valuation of shares of subsidiaries and associates	1,216	
Loss on disposal of content	22,087	
Other	5	23,622
Profit before income taxes		17,935
Income taxes-current	10,597	
Income taxes-deferred	(7,595)	3,001
Profit		14,933
Profit attributable to non-controlling interests		21
Profit attributable to owners of parent		14,912

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

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Consolidated Statements of Changes in Net Assets

From April 1, 2023 to March 31, 2024

(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	54,142	255,151	(8,587)	324,745
Changes during the period					
Dividends from retained earnings			(14,848)		(14,848)
Profit attributable to owners of parent			14,912		14,912
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		226		714	940
Change in mergers between consolidated and non-consolidated subsidiaries			(473)		(473)
Net changes of items other than shareholders' equity					
Total changes during the period	-	226	(409)	710	526
Balance at the end of current period	24,039	54,368	254,741	(7,876)	325,272

	Accumulated other comprehensive income				Subscription 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	2	(8,765)	308	(8,454)	752	222	317,266
Changes during the period							
Dividends from retained earnings							(14,848)
Profit attributable to owners of parent							14,912
Purchase of treasury stock							(3)
Disposal of treasury stock							940
Change in mergers between consolidated and non-consolidated subsidiaries							(473)
Net changes of items other than shareholders' equity	(307)	(272)	258	(321)	(374)	32	(663)
Total changes during the period	(307)	(272)	258	(321)	(374)	32	(136)
Balance at the end of current period	(305)	(9,038)	566	(8,776)	378	255	317,129

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