

SQUARE ENIX

2022
ANNUAL REPORT

Corporate Philosophy

To spread happiness across the globe by providing unforgettable experiences

This philosophy represents our company's mission and the beliefs for which we stand.

Each of our customers has his or her own definition of happiness.

The Square Enix Group provides high-quality content, services, and products to help those customers create their own wonderful, unforgettable experiences, thereby allowing them to discover a happiness all their own.

Management Guidelines

In working to make our Corporate Philosophy a reality, we will manage our Group with the following policies as our key guidelines.

1. We will strive to be a company that delivers unparalleled entertainment.

Through our games, amusement offerings, publications, merchandising, and other contents and services, we will be steadfast in our efforts to deliver unparalleled entertainment to our customers.

2. We will value innovation and creativity.

By giving rise to new expressions and ideas and creating experiences like none ever encountered before, we will deliver contents and services that surpass the expectations of our customers. We believe that it is in our unrelenting efforts to this end that our existential value and the value of our brand lie.

3. We will respond with sensitivity and flexibility to environmental changes.

We are surrounded by an environment that is ever changing. We will stay attuned to those changes and be flexible in adapting the nature and format of our contents and services as well as our business models accordingly. In addition, we will stay at the forefront of change so that we can provide our customers with excitement and fun.

4. We will create a corporate culture that is both collaborative and competitive.

Our contents and services are born of teamwork and could never be created without the concerted efforts of a team that is fully united. At the same time, it is important that we engage in collegial competition in order to inspire one another to greater heights. We will foster a corporate culture that promotes such competitive collaboration.

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With respect to this annual report, the financial section will be provided at the link below.
<https://www.hd.square-enix.com/eng/ir/library/ar.html>

Disclaimer Regarding Forward-Looking Statements

Statements in this annual report with respect to the current plans, estimates, strategy, and beliefs of SQUARE ENIX HOLDINGS CO., LTD., and consolidated subsidiaries [collectively "SQUARE ENIX HOLDINGS"] include both historical facts and forward-looking statements concerning the future performance of SQUARE ENIX HOLDINGS.

Such information is based on management's assumptions and beliefs in light of the information currently available and, therefore, involve risks and uncertainties. Actual results may differ materially from those anticipated in these statements due to the influence of a number of important factors.

Such factors include but are not limited to: [1] general economic conditions in Japan and foreign countries, in particular levels of consumer spending; [2] fluctuations in exchange rates, in particular the exchange rate of the Japanese yen in relation to the U.S. dollar, the euro and others, which SQUARE ENIX HOLDINGS uses extensively in its overseas business; [3] the continuous introduction of new products and rapid technical innovation in the digital entertainment industry as well as SQUARE ENIX HOLDINGS's ability to continue developing products and services accepted by consumers in the intensely competitive market, which is heavily influenced by subjective and quickly changing consumer preferences.

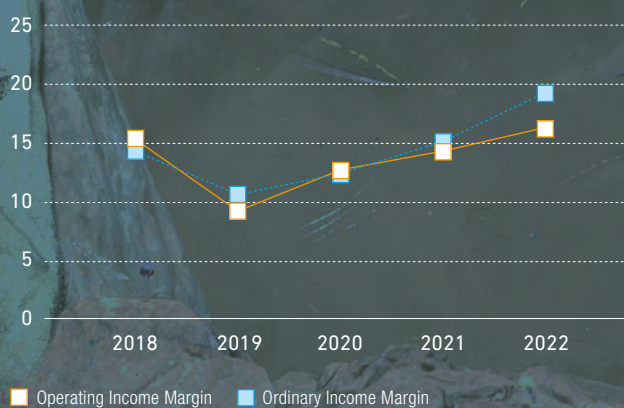
Financial Highlights

SQUARE ENIX HOLDINGS CO., LTD. and Consolidated Subsidiaries
Fiscal Years ended March 31

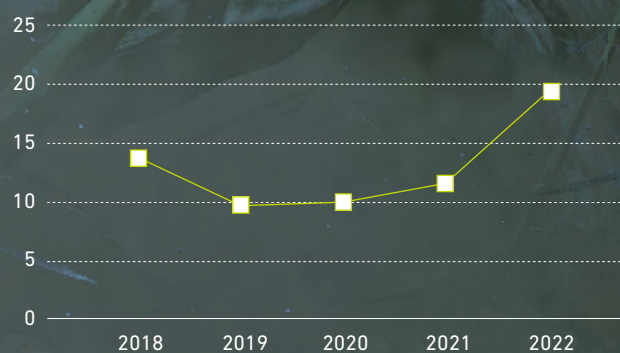
	2018	2019	2020	2021	2022	2022
					Millions of yen	Thousands of U.S. dollars
For the Year						
Net sales	¥ 250,394	¥ 271,276	¥ 260,527	¥ 332,532	¥ 365,275	\$2,984,518
Operating income	38,176	24,635	32,759	47,226	59,261	484,202
Ordinary income	36,124	28,415	32,095	49,983	70,704	577,697
Profit attributable to owners of parent	25,821	19,373	21,346	26,942	51,013	416,811
At Year-end						
Total assets	¥ 259,713	¥ 282,614	¥ 302,634	¥ 336,144	¥ 380,902	\$3,112,203
Total net assets	193,359	206,445	221,928	243,278	284,429	2,323,962
					Yen	U.S. dollars
Per Share of Common Stock						
Earnings	¥ 215.33	¥ 162.57	¥ 179.02	¥ 225.75	¥ 426.82	\$ 3.49
Total net assets	1,617.58	1,726.32	1,854.10	2,029.69	2,370.48	19.37
					%	
Key Ratios						
Operating income margin	15.2%	9.1%	12.6%	14.2%	16.2%	
Ordinary income margin	14.4	10.5	12.3	15.0	19.4	
Return on equity	13.8	9.7	10.0	11.6	19.4	
Equity ratio	74.2	72.8	73.1	72.1	74.4	

Note: For the convenience of readers, amounts in U.S. dollars have been translated using the currency exchange rate at March 31, 2022 of ¥122.39=US\$1.

Operating Income Margin/Ordinary Income Margin (%)



Return on Equity (%)



A Message to Our Shareholders



Thank you for your continued support of
the Square Enix Group.

Yosuke Matsuda
President and Representative Director

I am pleased to report that the Group set new records for full-year net sales (¥365.2 billion) and all its profit lines (operating income of ¥59.2 billion, ordinary income of ¥70.7 billion, and profit attributable to owners of parent of ¥51 billion) in the fiscal year ended March 2022, which was the first year of the Medium-Term Earnings Targets and Business Strategy that we unveiled in May 2021.

Digital Entertainment

The High-Definition (HD) Games sub-segment struggled, in part due to the challenging year-on-year comparison created by the release of multiple major titles in the fiscal year ended March

2021. However, “OUTRIDERS,” which was released in April 2021, achieved a global player base in excess of 3.5 million in its first month, becoming a new looter shooter entry in our Group’s library of game IP. In addition, “NieR Replicant ver.1.22474487139...” offered a new way to experience the origins of the NieR franchise. Players whose first contact with the NieR series had been the long-selling title “NieR:Automata” thereby gained a richer enjoyment of the NieR universe, and “NieR Replicant ver.1.22474487139...” also captured the interest of new customers, thus bringing renewed vitality to the franchise.

The Massively Multiplayer Online (MMO) game sub-segment released expansion packs for “FINAL FANTASY XIV” and



OUTRIDERS

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NieR Replicant ver.1.22474487139...

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A Message to Our Shareholders



FINAL FANTASY XIV

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DRAGON QUEST X ONLINE

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“DRAGON QUEST X Online.” “FINAL FANTASY XIV: Endwalker” was received with especially great excitement by fans around the world who had been waiting for a sequel. The expansion pack not only boosted “FINAL FANTASY XIV” to the status of the world’s top MMO games in every sense of the word, but also made a massive contribution to our Group’s business. We remain devoted to our engagement with these passionate fans and will continue to strive for even higher heights in our operation of the game.

The Games for Smart Devices/PC Browsers sub-segment underperformed our initial expectations, largely because many of

our existing titles have reached maturity and offered limited upside and because the new titles that we launched in the fiscal year ended March 2022 did not perform to the levels that we had anticipated at the outset. “DRAGON QUEST WALK” and multiple other key titles continue to deliver solid performances, but in order to return the sub-segment to a growth trajectory by generating new hit titles, we are going to start developing an organizational structure that helps enhance our development capabilities, while also working to bolster our profitability, in part by revisiting our lineup of titles.

Amusement

Conditions in the Amusement segment remain uncertain, given the continued impact of COVID-19. However, our arcade operations are showing gradual signs of recovery. Arcade traffic has picked up since the lifting of Japan's state of emergency declaration and some of its other preventative measures. Moreover, the segment's efforts to make its arcades more attractive have proven successful. These have included rolling out new prize offerings based on assessments of visitors' interests. The result of such initiatives has been steady improvement in the momentum of the business as a whole. We expect to see upside for the segment as the pandemic winds down, including from demand generated by foreign visitors returning to Japan. We will ensure that we do not let such opportunities pass us by and work to maintain and accelerate the segment's recovery.

Publication

The Publication segment saw a phase of sharp growth through the fiscal year ended March 2021. Its growth curve is now



My Dress-Up Darling
©Shinichi Fukuda/SQUARE ENIX

moderating as the segment enters a phase of stable growth. Against this backdrop, the fourth quarter of the fiscal year ended March 2022 saw a major hit from "My Dress-Up Darling." In addition, building on the positive reception of many customers in Japan, the segment began rolling out the "MANGA UP!" app to the wider world with the launch of a global version in July 2022. We will strive for further growth not only by continuing to generate the sort of content that our customers want, but also by focusing on cultivating the market in order to deliver that content to more and more customers.

Merchandising

The Merchandising segment set new records for both net sales and profits by making a marked shift to e-commerce and other digital sales as the pandemic deprived it of some of its traditional sales opportunities by forcing the cancellation or downscaling of in-person events. The crisis created by the pandemic served as an opportunity for it to diversify its sales channels through digital transformation, which is a key theme in the segment. Its success is inspiring not only for the segment itself but also for our other



**FINAL FANTASY® VII REMAKE PLAY ARTS KAI™
ACTION FIGURE TIFA LOCKHART**
FINAL FANTASY® VII REMAKE PLAY ARTS KAI™ ACTION FIGURE TIFA LOCKHART
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CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



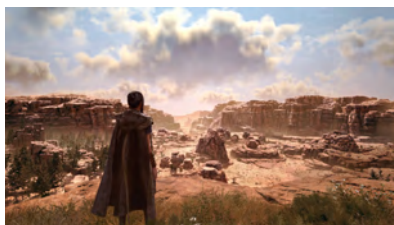
business segments, and we see this success as one of our major achievements over the past several years.

Our outlook

Based on the achievements described above, we see the fiscal year ending March 2023, which is the second year of our Medium-Term Earnings Targets and Business Strategy, as the year to lay the groundwork for the third and final year.

We will not be releasing any HD game titles from our flagship franchises until the fiscal year ending March 2024, but we intend to diversify our title portfolio by releasing mid-sized titles and new IP in the fiscal year ending March 2023.

We find ourselves somewhat treading water in terms of smartphone games partly because, as noted above, our launches during the fiscal year ended March 2022 unfortunately did not include any significant earnings drivers. However, we have already started working on our development structure, and once that



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FULLMETAL ALCHEMIST MOBILE
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CHARACTER DESIGN: TETSUYA NOMURA
CHARACTER ILLUSTRATION: LISA FUJISE

begins producing results, we hope that subsequent launches will produce the big hit that will be our next growth driver.

I will next discuss our future business strategy.

Future business strategy

Revamping our studio portfolio

On May 2, 2022, we announced that we would be selling some of our overseas studios and IP to Sweden-based Embracer Group AB. The sale covered the three studios of Crystal Dynamics, Eidos-Montréal, and Square Enix Montréal, as well as related business assets and IP. The objective of the sale was to build stronger business foundations by revamping our portfolio of titles and studios, thereby enabling us to be selective and focused in leveraging our resources, as game development efforts become more sizable and sophisticated.

Achieving major growth in the game industry is difficult now for companies that compete primarily in the Japanese market, given its graying demographics. As such, it is critical for our business that we produce hit titles that speak to the global market, which offers greater scale in terms of both customers and sales volumes. Furthermore, game development efforts are becoming more sizable and sophisticated as the result of technological advancements in the devices on which they are played, such as consoles or smart devices. The investment required to develop game titles is therefore an order of magnitude greater than in the past. In other words, the Japanese market is no longer sufficient for achieving a level of earnings that enables

us to recoup our development investment and generate a profit, and we therefore need to approach our development efforts based on the assumption that we have to succeed in the global market.

Another change is how easily accessible information on games has become for our customers. We find ourselves in a world where social media spreads information instantaneously, enabling customers the world over to simultaneously obtain the same information on games through a variety of different devices and outlets.

For our Group to better focus on developing titles for the global market in this changing environment, we need to concentrate our limited resources on the development of strong and robust titles. We need to enhance our presence in the global market by quickly establishing an organizational structure that enables us to consistently roll out high-quality content produced through selective and focused resource allocation, which requires the revamping of our title and studio portfolio.

Since our acquisition of Eidos in 2009, the three studios included in the recent sale made major tangible and intangible contributions to our Group as our core overseas studios. However, their portfolios were focused on the development of major titles, which presented the risk of a serious cannibalization of our Group's financial resources over the medium to long term. We therefore decided to divest the studios in order to achieve further growth through the optimal allocation of our resources and the creation of a more robust product pipeline. We look forward to seeing Crystal Dynamics, Eidos-Montréal, and Square Enix Montréal further develop through their new partnership with Embracer Group AB.

A Message to Our Shareholders

The initiative described above represents the first stage of our studio portfolio strategy. For the second stage, we are exploring the question of how to diversify the capital structure of our studios, as detailed below.

Diversifying capital structure of our studios

Our studio portfolio strategy has basically been for the Group to own its studios outright. Our 2005 acquisition of TAITO and 2009 acquisition of Eidos were in keeping with this view. Full ownership meant that since we bore all the development costs, we would stand to receive the entirety of the financial returns. At the same time, however, it also meant that we were exposed to the entirety of the downside risk. In the days before game development efforts reached their present massive scale, this strategy proved very effective because our Group was amply capable of absorbing any volatility on its own, as well as of generating returns that outstripped any risk.

However, as the investment required for development efforts has grown, this strategy has begun to produce side effects of a scale that we cannot ignore. It is now more important than ever that we manage financial volatility and the impact that it has on our accounting because, while development investments fuel our Group's future growth, we must also recognize those investments in the form of our content production account. How to exercise appropriate control over volatility and strike a balance between risk and return when making growth investments are the key questions that we must ask ourselves as we manage our games business going forward, and I believe that the answer lies in a more diversified capital structure of our studios.

By “a more diversified capital structure of our studios,” I refer to not fixating on full ownership and instead making various patterns of the studios' capital structure that enables sharing development risk with partners. Such a strategy would allow us to grow our studio portfolio as a whole while exposing ourselves to less risk. Specifically, we would diversify the capital structure of our studios by not only owning some studios outright, but also by welcoming third parties to take stakes in some of our studios or by our taking stakes in studios outside the Group. In this way, we would create a studio portfolio that spans a continuum from studios that we own outright to those that are equity-method affiliates or less. Under such a strategy, we would also engage in M&A activities, for example, and work to achieve a balance between growth and financial stability.

I will next discuss the blockchain entertainment domain, which is to play a key part in our strategy for future growth.

Blockchain entertainment domain

We have identified AI, the cloud, and blockchain as focus investment areas under our Medium-Term Earnings Targets and Business Strategy. At present, we are positioning the blockchain domain as our most important focus and approaching our investment and business development initiatives accordingly. Leveraging AI and the cloud in game development primarily involves incorporating new technological advancements into the gaming experience. By contrast, the uniqueness of blockchain is not purely technological. It lies more in its philosophical aspects as represented by the concept of decentralization that underlies the blockchain model.



As I stated in my 2022 new year's letter, under the traditional model, game developers have provided gaming experiences that represent a completed product. Players enjoy the gaming experience within the confines controlled by the supplier of the game. It is fair to refer to these as "centralized games."

Blockchain games, on the other hand, involve the participation of players with a variety of motivations. They exercise their own agency in creating and running the world of the game. As such, it is fair to refer to these as "decentralized games." Going forward, we may see the concept of decentralized gaming take off and a proliferation of token economies, which are mechanisms for incentivizing players to take part in decentralized games in various ways. If this leads to the creation of self-sustaining worlds with even greater scalability, I believe that we will see new types of games produced unlike any anyone has ever seen before.

This field is only in its infancy, and we have yet to see any

games providing the type of excitement only possible with blockchain technology. We also acknowledge that some view the very concept of blockchain gaming with suspicion due to what appears to be a bubble in NFT asset sales, the incredible volatility of crypto assets, and the fact that laws, accounting practices, and tax codes are still being established or formalized.

However, I believe that blockchain gaming holds the potential to create new forms of gaming content, and that it represents a new business domain worth our Group addressing alongside traditional games.

Based on this belief, we created a Blockchain Entertainment Business Division in February 2022, marking the meaningful start of our efforts in this field. We have also been ramping up our investments in a variety of both internal and external projects. Rather than limiting ourselves solely to blockchain games, we

A Message to Our Shareholders

intend to pursue a wide range of new types of entertainment under the banner of “blockchain entertainment.” We are a content company. As such, our mission is to create new excitement of a sort never seen before using new technologies and new ways of thinking. Blockchain technology presents us with the challenge of seeing what sort of new excitement we can create with it. We will remain aggressive in taking on this new field.

This concludes my review of our earnings for the year ended March 2022 and my update on our Medium-Term Earnings Targets and Business Strategy, as well as a discussion of our future business strategy with a focus on our studio portfolio strategy, focus investment areas, and our progress in the blockchain entertainment business in particular.

I will close by discussing the new composition of our board of directors and our shareholder return policy.

Our governance apparatus and shareholder return

As of June 23, 2022, we added three new executive officers to our Board of Directors. With this change to our governance apparatus, we will maintain the supervisory capabilities made

possible by a majority of outside directors, while also creating a board that is more balanced in its composition between execution and supervisory functions, thereby driving greater corporate value. In regards to our shareholder return policy, we will maintain our guideline of a consolidated dividend payout ratio of 30%, while working to return profits in a way that is optimally balanced in terms of both reflecting our financial performance and ensuring the stability of rewards.

The environment in which our Group finds itself is at a more significant inflection point than any preceding it, especially with regard to the digital entertainment industry. We will work to achieve greater growth by further fortifying the foundations of our existing businesses and taking on new business domains. We look forward to your continued support to that end.



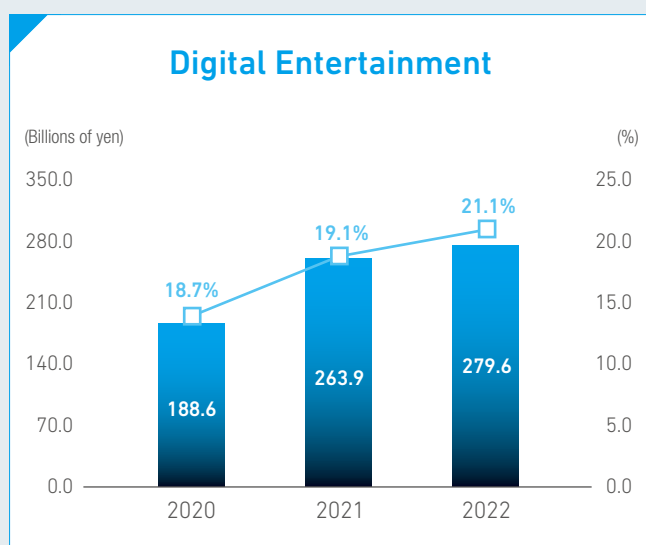
Yosuke Matsuda

President and Representative Director

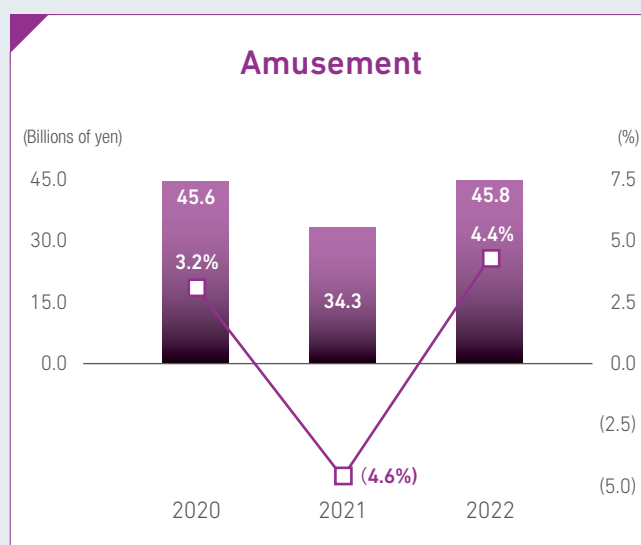
Review of Operations

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.

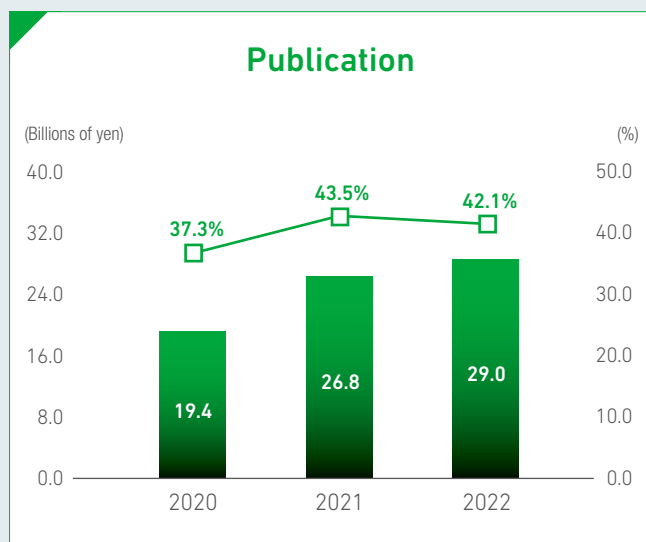
Net sales for the fiscal year ended March 31, 2022 totaled ¥365,275 million (an increase of 9.8% from the prior fiscal year) and operating income amounted to ¥59,261 million (an increase of 25.5% from the prior fiscal year). In foreign exchange rates, the weakness of the Japanese yen compared to the rate as of the end of the prior fiscal year resulted in the booking of a foreign exchange gain amounting to ¥10,489 million. As a result, ordinary income amounted to ¥70,704 million (an increase of 41.5% from the prior fiscal year) and profit attributable to owners of parent amounted to ¥51,013 million (an increase of 89.3% from the prior fiscal year).



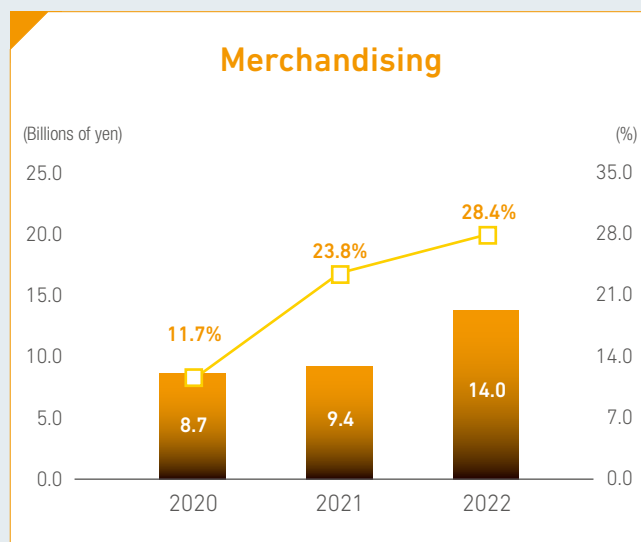
■ Net Sales (left axis) □ Operating Income Margin (right axis)



■ Net Sales (left axis) □ Operating Income Margin (right axis)

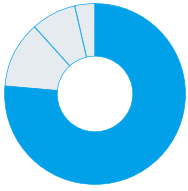


■ Net Sales (left axis) □ Operating Income Margin (right axis)



■ Net Sales (left axis) □ Operating Income Margin (right axis)

Digital Entertainment



Share of Net Sales (FY ended March 2022)

76.6%

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of games. 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) Game sub-segment, the fiscal year ended March 31, 2022 saw the release of such titles as “OUTRIDERS,” “NieR Replicant ver.1.22474487139...,” and “Marvel’s Guardians of the Galaxy,” but net sales declined versus the previous year, which had seen the launch of such titles as “FINAL FANTASY VII REMAKE” and “Marvel’s Avengers.”

Net sales rose year on year in the MMO (Massively Multiplayer Online) Game sub-segment due not only to a sharp rise in the number of monthly paying subscribers for “FINAL FANTASY XIV,” but also to the release of an expansion pack for the title.

The Games for Smart Devices/PC Browser sub-segment saw somewhat weak performances from existing titles, but its net sales rose compared to the previous fiscal year due to the application of revised revenue recognition standards.

Net sales and operating income in the Digital Entertainment segment totaled ¥279,679 million (an increase of 6.0% from the prior fiscal year), and ¥58,960 million (an increase of 16.7% from the prior fiscal year), respectively.

OUTRIDERS



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MARVEL GUARDIANS OF THE GALAXY



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ENDWALKER FINAL FANTASY XIV



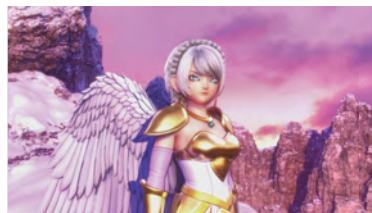
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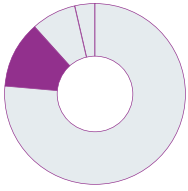


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Amusement



Share of Net Sales (FY ended March 2022)

12.0%

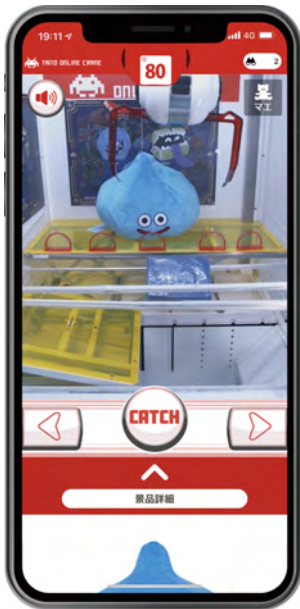
The Amusement segment consists of the operation of amusement facilities and planning, development, and distribution of arcade game machines and related products for amusement facilities.

The Amusement segment was substantially impacted in the fiscal year ended March 31, 2021 by the temporary closure of amusement facilities in Japan, a move undertaken to combat the spread of COVID-19 in response to the Japanese government's declaration of a state of emergency. As such, the segment's net sales were higher in the fiscal year ended March 31, 2022, and it turned to profitability at the operating income line.

Net sales and operating income in the Amusement segment totaled ¥45,882 million (an increase of 33.6% from the prior fiscal year), and ¥2,003 million (operating loss of ¥1,568 million in the prior fiscal year).



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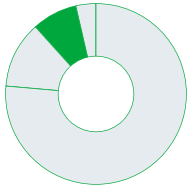
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Publication



Share of Net Sales (FY ended March 2022)

7.9%

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

Net sales and operating income rose year on year in the Publication segment, which saw not only brisk digital sales, but also a solid trend in print media sales, owing in part to the significant popularity of “My Dress-Up Darling.”

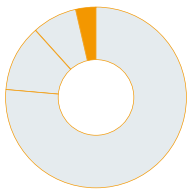
Net sales and operating income in the Publication segment totaled ¥29,032 million (an increase of 8.2% from the prior fiscal year), and ¥12,222 million (an increase of 4.6% from the prior fiscal year), respectively.



Monthly Shonen GANGAN
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GANGAN ONLINE
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MANGA UP!
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Vermeil in Gold
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The Maid I Hired Recently Is Mysterious
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Chocobo and the Airship: A Final Fantasy Picture Book
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Merchandising



Share of Net Sales (FY ended March 2022)

3.5%

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

In the Merchandising segment, brisk sales of new character merchandise based on the Group’s own content resulted in higher net sales and operating income in the fiscal year ended March 31, 2022 than in the previous fiscal year.

Net sales and operating income in the Merchandising segment totaled ¥14,002 million (an increase of 48.1% from the prior fiscal year), and ¥3,980 million (an increase of 76.9% from the prior fiscal year), respectively.



FINAL FANTASY® VII REMAKE PLAY ARTS KAI™ ACTION FIGURE TIFA LOCKHART
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CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



FINAL FANTASY XIV: Endwalker Collector's Edition
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SQUARE ENIX MASTERLINE NieR:Automata 1/4 Scale Deluxe Ver.
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SQUARE ENIX CAFE
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DELIVERING UNFORGETTABLE EXPERIENCES

FINAL FANTASY

Over 173 million units in global package shipments and digital sales

(as of the end of March 2022)



“FINAL FANTASY” Series

A Japan original. Since the release of the first title in 1987, this role-playing game franchise has been lauded by customers the world over for its use of cutting-edge visual technologies, the distinctive look and feel of its universe, and its rich stories. Thanks in part to our commitment to bringing “FINAL FANTASY” to the Western markets as well, cumulative global physical and digital sales have topped 173 million units.

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Platforms: PlayStation®5
Launch: Summer 2023 (tentative)





FINAL FANTASY VII 25th ANNIVERSARY



“FINAL FANTASY VII”

Since the release in 1997, this game franchise has attracted many players with its epic and touching stories, fascinating characters, and its use of cutting-edge visual technologies of the time. Physical and digital sales have topped 13.9 million units to date.

FINAL FANTASY VII REBIRTH

Platforms: PlayStation®5
Launch: Next winter (tentative)

© SQUARE ENIX CO., LTD. All Rights Reserved.
CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI
LOGO ILLUSTRATION: ©1997 YOSHITAKA AMANO



© 2007, 2008, 2022 SQUARE ENIX CO., LTD. All Rights Reserved. CHARACTER DESIGN: TETSUYA NOMURA

CRISIS CORE FINAL FANTASY VII REUNION

Platforms: PlayStation®5/PlayStation®4/Nintendo Switch™/Xbox Series XIS/
Xbox One/Steam®
Launch: December 13, 2022 (tentative)



FINAL FANTASY VII EVERCRISIS

Platforms: iOS/Android
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Powered by Applibot, Inc.
CHARACTER DESIGN: TETSUYA NOMURA
CHARACTER ILLUSTRATION: LISA FUJISE





ENDWALKER

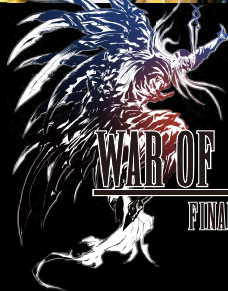
FINAL FANTASY XIV
ONLINE



Platforms: PlayStation®5/PlayStation®4/Windows®/Mac/Steam®
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Platforms: iOS/Android
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 Developed by gumi Inc.
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WAR OF THE VISIONS

FINAL FANTASY BRAVE EXVIUS

Platforms: iOS/Android
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 Co-Developed by gumi Inc.
 LOGO ILLUSTRATION:
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Over 85 million units in global package shipments and digital sales

(as of the end of March 2022)

“DRAGON QUEST” Series

In 2021, the “DRAGON QUEST” series celebrated its 35th anniversary. This series of popular roleplaying games has sold a total of over 85 million units worldwide since the launch of “DRAGON QUEST” for the Nintendo Entertainment System in 1986. The series keeps creating new gaming experiences by actively utilizing advanced technologies such as 3D maps, StreetPass wireless communication, and cloud gaming.



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Platforms: PlayStation®5/PlayStation®4/Nintendo Switch™/Steam®

Launch: September 15, 2022

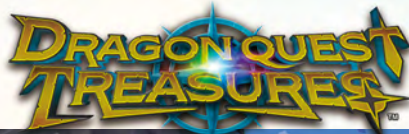
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Platforms: Nintendo Switch™

Launch: December 9, 2022 (tentative)

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Platforms: PlayStation®5/PlayStation®4/

Nintendo Switch™/Steam®

Launch: TBD



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Erik

Well, we're not going home until we've grabbed every last piece we can find!

DRAGON QUEST WALK!

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DRAGON QUEST TACT

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Developed by Aiming Inc.



DRAGON QUEST THE ADVENTURE of DAI A Hero's Bonds

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DRAGON QUEST THE ADVENTURE of DAI A Hero's Bonds

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Over 36 million units in global package shipments and digital sales

(as of the end of March 2022)

About the KINGDOM HEARTS Series

KINGDOM HEARTS is a series of role-playing games created through the collaboration of Disney and Square Enix. Since the first KINGDOM HEARTS was released in March 2002 for the PlayStation®2 computer entertainment system, the series has expanded with several additional entries. The series is celebrating its 20th anniversary this year and has shipped over 36 million units worldwide.



Platforms, Launch: TBD
© Disney. Developed by SQUARE ENIX



Platforms: iOS/Android
© Disney. Developed by SQUARE ENIX





FORSPOKEN



“FORSPOKEN”

“FORSPOKEN” is an action role-playing game originally unveiled in June 2020 under the working title “PROJECT ATHIA.” The game is a thrilling story-led, action-packed adventure in which a young woman named Frey Holland finds herself thrust from our world into the beautiful but forbidding land of Athia, whose mysteries she must unlock by harnessing magical abilities.

The title takes maximum advantage of the PlayStation®5’s features and embodies Luminous Productions’ vision, namely “to create games unlike anything experienced before, fusing the world’s latest technologies with art.”

Platforms: PlayStation®5/PC

Launch: January 24, 2023 (tentative)

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OUTRIDERS WORLDSLAYER © 2022 SQUARE ENIX LTD.
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PEOPLE CAN FLY and the PEOPLE CAN FLY logo are registered
trademarks, all used courtesy of PCF Group S.A.

OUTRIDERS[®] WORLDSLAYER

“OUTRIDERS WORLDSLAYER”

OUTRIDERS WORLDSLAYER is a brutal 1-3 player co-op looter shooter set in an original, dark sci-fi universe.

Create your own Outrider from one of four powerful classes and begin with the original OUTRIDERS campaign or use the all-new Level 30 Boost to jump straight into the WORLDSLAYER content with a fully geared up Outrider, and journey across the diverse and deadly planet of Enoch.

Here you will face off against the most deadly Altered ever encountered, Ereshkigal, in humanity's last fight for survival. Beyond her, even greater horrors exist in the ultimate endgame experience, taking place in the ancient ruins of Tarya Gratar. Combining aggressive gunplay with violent powers and an arsenal of increasingly twisted customizable weaponry and gear-sets, OUTRIDERS WORLDSLAYER offers countless hours of visceral gameplay from one of the finest shooter developers in the industry — People Can Fly.

Platforms: PlayStation[®]5/PlayStation[®]4/Xbox Series X|S/Xbox One/Windows PC (Steam[®] • EPIC GAMES STORE/STADIA*)

Launch: July 1, 2022 (Japan), June 30, 2022 (overseas)

*To be provided when STADIA is available in Japan



OUTRIDERS



STAR OCEAN THE DIVINE FORCE

スターオーシャン6

Platforms: PlayStation®5/PlayStation®4/Xbox Series XIS/Xbox One/Steam®
Launch: October 27, 2022 (tentative)

© 2022 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by tri-Ace Inc. CHARACTER DESIGN: akiman



Platforms: PlayStation®5/PlayStation®4
Launch: September 29, 2022
Platforms: Steam®
Launch: November 12, 2022 (tentative)

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Platforms: PlayStation®5/PlayStation®4/Nintendo Switch™/Xbox Series XIS/Xbox One/Windows10/Steam®
Launch: July 15, 2022

*To release PlayStation®5/PlayStation®4/Nintendo Switch™ soon.

POWERWASH SIMULATOR © 2021, 2022 FuturLab Limited. Published by Square Enix Ltd.
Developed by FuturLab Limited.



©Hiromu Arakawa/SQUARE ENIX



©Imari Arita/SQUARE ENIX



Platforms: iOS/Android
Launch: August 4, 2022

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Environment, Social and Governance

Sustainability Initiatives

Impact of climate change-related risks and earnings opportunities on business activities and earnings

Organizational Governance Relating to Climate-Related Risks and Opportunities

- The Board of Directors will evaluate and monitor climate change-related risks and executive management's measures to counter them based on reports provided as appropriate by the President and Representative Director.
- The President and Representative Director will analyze the risks according to the scope of our Group business activities, formulate and execute requisite measures, and report regularly to the Board of Directors.

Strategies

Risks and their impact

- Rise in business costs with future introduction of policies such as carbon taxes
- Rise in cost of materials, production and procurement costs with restrictions on use of plastic
- Disruptions to business continuity, physical damage, and impact on employee workstyles and lifestyles from natural disasters and global warming

Opportunities and their impact

- Carbon tax reduction via shift to renewable energy
- Reduced costs such as for plastic with increased shift to digital

Addressing the risks and opportunities for the Group

- We recognize that switching our source of electricity to renewable energy would be an effective and feasible method of limiting our Group greenhouse gas emissions. We have plans to switch each of our Japanese offices and data centers to renewable energy, and will further consider our handling of emissions from other facilities.

Risk Management

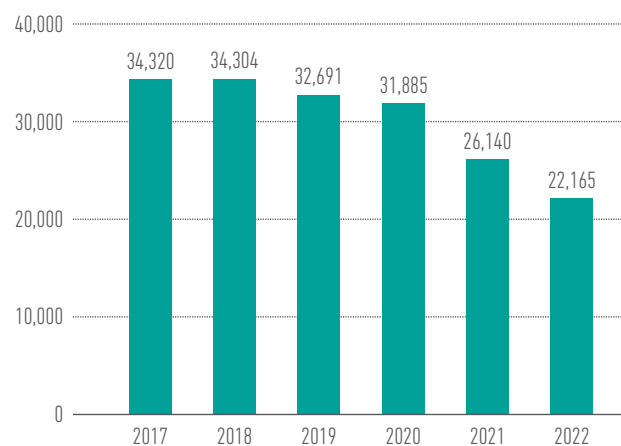
- The President and Representative Director will appoint an executive officer to take responsibility for the implementation of necessary measures in relevant departments associated with the risks in question.
- We will calculate the level of CO₂ emissions pertaining to electricity usage at facilities used by our Group and track our progress relative to our reduction targets.

Metrics and Targets

- Our quantitative metric is the amount of CO₂ emitted by Japanese offices, data centers, and amusement facilities through the use of electricity. We target virtually zero emissions from offices and data centers by 2030. We aim to reduce emissions from amusement facilities by 50% by 2050.

CO₂ emissions from electricity use

(tCO₂) *Figures include some approximations and interim figures.



Environmental and Social Initiatives

Through its environmental and social initiatives, the Group works to bolster our corporate value and create sustainable growth.

Environmental Protection Initiatives

By its nature, our core Digital Entertainment segment has a relatively small environmental footprint. The Group nonetheless strives to run its operations mindful of the need for even greater environmental protection. Game contents can be sold either by recording them on optical disks that are packaged and delivered to our customers via physical distribution channels or by having our customers download them from servers directly to their game consoles, computers, or other devices. Promoting digital downloads is one way we work to protect the environment. It enables us to reduce the emissions that result from transporting physical products and to conserve the resources that are used to make them. We also use recyclable materials in the production of our physical products and otherwise strive to operate with a minimum environmental footprint.

Social Contribution Initiatives

Providing a safer, more comfortable game-play environment

As part of our social responsibility initiatives, we label the consumer games our Group sells in regions such as Japan, North America, and Europe with age suitability and other information as dictated by the ratings systems of the applicable countries*1. For the mobile games we provide in Japan, we comply with the “Operating Guidelines for Random Item Distribution in Network Games”*2 established by the Computer Entertainment Supplier’s Association (CESA) and indicate the odds associated with all in-game items for which users pay. In this way, we provide our customers with a safer and securer game-play environment.

*1 Under Japan’s rating system, which is controlled by the Computer Entertainment Rating Organization (CERO), we label our games to indicate the age group for which the game contents are suitable.

*2 In order to help our customers make purchase decisions, we list all the in-game items provided via fee-based “Gacha” or loot boxes (a method of providing random in-game items in direct exchange for money or for virtual currency that can be purchased with real money) and the odds of obtaining them.

Collaborations with academia to support the development of society and our industry

Our Group actively engages in joint initiatives with academia in an effort to pursue new possibilities in expression and to further the development and messaging power of the content industry.

In 2017, we asked ourselves, “What would it be like if there were a Department of Games at the Tokyo University of the Arts?” To answer that question, we created just such a department for a limited time with the help of the university’s Graduate School of Film and New Media and its Center of Innovation. We held an exhibition in each of the next two years that showcased works from a variety of projects under the mentorship of creators from our Group company Luminous Productions Co., Ltd. These initiatives paved the way for the creation in the fiscal year ended March 2020 of the Game Course at the Graduate School of Film and New Media at the Tokyo University of the Arts. We will continue to collaborate with the university in its efforts to expand both the potential of games, which it views as a form of art, and the field of filmmaking expression.

In 2018, we signed a collaborative agreement with Chuo University to enable the exchange and leveraging of human and intellectual resources. Under this agreement, we are working with the university’s Faculty of Global Informatics to hold a series of special lectures on game planning from 2021 until the second semester of 2022. In addition to the programming and graphics skills required to develop a game, employees from our Group company Square Enix Co., Ltd. have covered a wide variety of topics in the lectures, including translation, artificial intelligence, and visual art direction.

From the second semester of 2021, we are also collaborating with the Matsuo Lab at the University of Tokyo’s School of Engineering to provide a sponsored course on world models and simulators. We are offering lectures focused on simulations and deep learning with the cooperation and supervision of our Group company SQUARE ENIX AI & ARTS Alchemy. We will continue to collaborate with the Matsuo Lab, which is a leader in the field of deep learning in Japan, in an effort to further enhance the technology for constructing simulations for games and other digital content and to pursue potential applications for that technology.

Human Resources Initiatives

“To spread happiness across the globe by providing unforgettable experiences.” That is the Group’s corporate philosophy, and the Group works to provide an environment that consistently embodies it. An internal environment in which all employees can fully demonstrate their potential is one that gives rise to creative and innovative ideas. The Group provides that sort of corporate culture and workplace environment, while also establishing human resource programs that support a diversity of working styles. The following programs implemented by SQUARE ENIX CO., LTD. (“Square Enix”) are prime examples of the Group’s human resource initiatives.

Human Resource Training

Helping all employees grow and maximizing their individual manifest abilities while also ensuring they can bring those attributes to bear in the best way possible serves as a major driver of sustainable growth for the Group. Square Enix proactively engages in human resource training through a variety of opportunities.

New employee onboarding: “GAME DEV BOOT CAMP”

New employees are divided into teams and experience a mock game development effort that starts with planning and continues all



the way through to launch. They acquire basic job skills and experience the importance of working collaboratively with teammates firsthand. In addition, the process inspires participants to tackle new challenges without fear of failure. Once employees are assigned to their respective workplaces, they receive on-the-job training that emphasizes their own agency by encouraging them to think, decide, and act on their own.

Compliance training

Square Enix provides compliance training primarily to managerial employees to ensure that they have an accurate understanding of the regulatory environment as it relates to Square Enix’s businesses and use that understanding to inform their daily business activities. Focuses

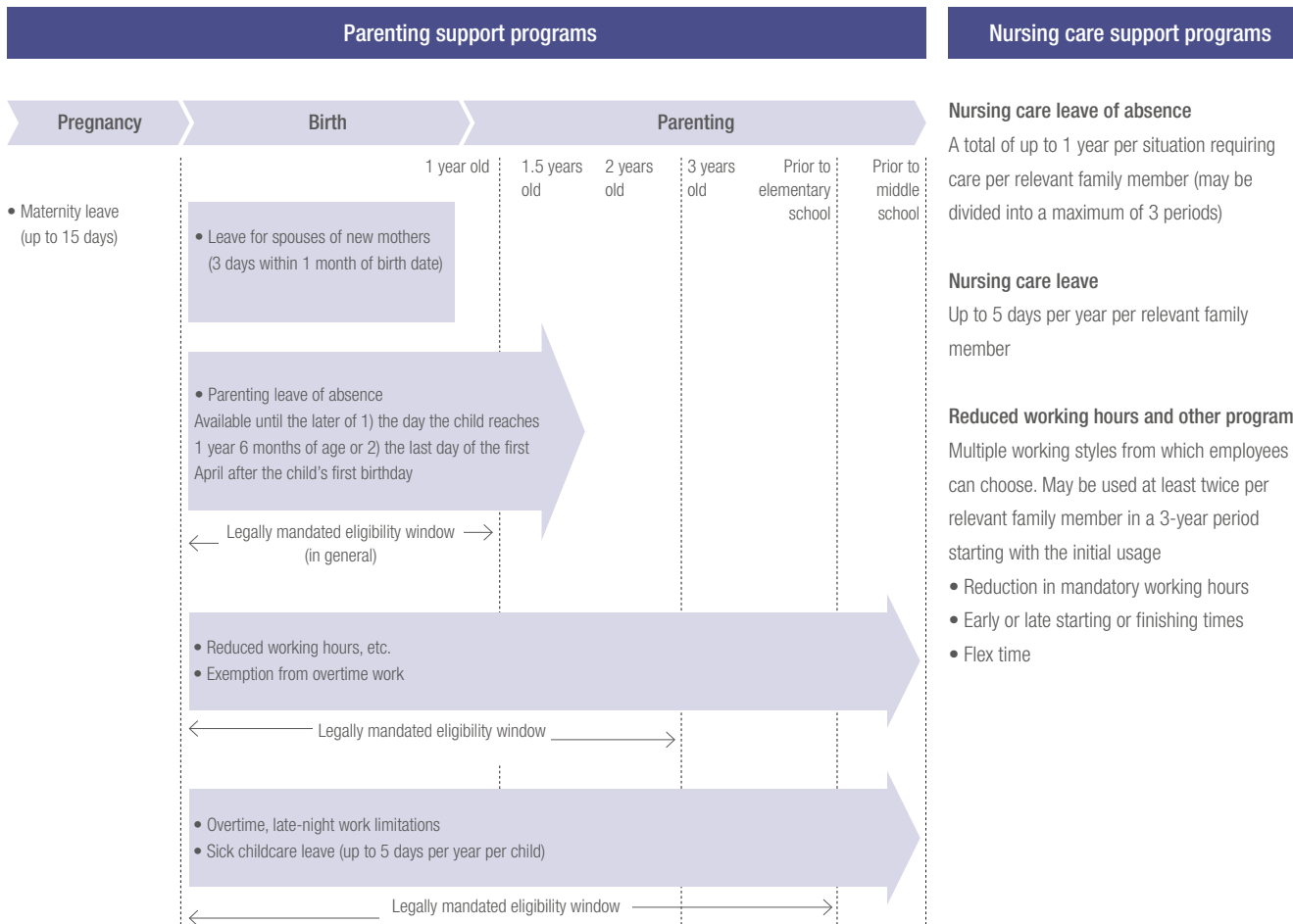
include Japan’s Labor Standards Act, Copyright Act, Payment Services Act, and Act against Unjustifiable Premiums and Misleading Representations. Square Enix also undertakes informational and awareness initiatives targeting the entire employee body in order to ensure that employees gain a better understanding of compliance topics and to further raise compliance consciousness companywide.

Global resource training

With employees encountering more and more opportunities for global communication, the demand for English skills is greater than ever. Square Enix helps non-English speaking employees enhance their language skills, including by offering English classes at the office and online.

Cutting-edge technology training and in-house development knowledge workshops

In order to enhance the technological literacy of Square Enix’s employees regarding cutting-edge technologies such as AI (artificial intelligence) and blockchain and to leverage such technologies in its



content development efforts, Square Enix regularly holds information-sharing meetings and internal seminars, and also promotes the sharing and self-study of information on cutting-edge technologies using our online resources. Additionally, Square Enix provides numerous opportunities for sharing actual content development knowledge across divisions and projects to encourage efficient and

high-quality content development. Furthermore, to address the lack of communication resulting from employees working from home, we are promoting various revitalization measures through the exchange of technology centered on these themes of cutting-edge technology and in-house knowledge.

Working Style Diversification

Employees view their work through the lens of an increasingly diverse range of values, and their needs change as they progress through different stages of life. In order to accommodate such diversity and change, Square Enix has introduced working options and unique benefit programs that go above and beyond legal requirements in order to help its employees enjoy an optimal work-life balance.

“Daycare concierge service”

Employees have access to a third-party “daycare concierge service.” Experts share know-how, information, and advice to help new parents efficiently identify the best daycare option for them and make a smooth transition back to the workplace after the birth of a child.

Work-from-home program

We officially institutionalized our work-from-home program as of December 1, 2020, with the goals of creating a flexible and diverse working environment, further enhancing productivity, and achieving the optimal work-life balance. The program is available to all executive

officers and employees of all job types. At present, approximately 80% of our employees work from home.

The program gives employees more options about how they work and enables us to attract diverse human resources. We will also build the capacity to respond to unexpected situations such as disasters and changes in employment models. We will work to further enhance our corporate value by providing our employees with new ways of working for a new world so that they can be even more creative and continue to deliver content and services that meet the expectations of our customers around the globe.

Creative Business Unit II



Hiroshi Iwai

I took about six months of parenting leave in conjunction with the birth of our second child. I am extremely grateful for my workplace which accommodated me and provided cooperation so that I could take my leave with peace of mind by setting up the necessary system and handing over my work prior to going on leave.

Moreover, with the backup of everyone around me, I was able to smoothly ease back to work. While on leave, I shared parenting and household chores with my wife, which made me aware of the immense work involved as well as allowed me to spend precious time with my family.

Creative Business Unit I



Mai Okauchi

While I was on parenting leave, I used the “daycare concierge service” to efficiently gather information on daycare services.

After returning to work, I have been working under our reduced hour flex and work-from-home programs. By using these programs, I find it comfortable to work because they give me the flexibility to deal with unexpected situations such as my child’s illnesses. I am also grateful to my workplace for allowing me the flexibility to choose my workstyle in line with my lifestyle. Although there are many obstacles to balancing parenting and work, I can continue to work with peace of mind.

Health and Productivity Management

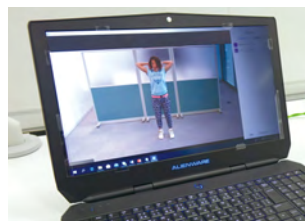
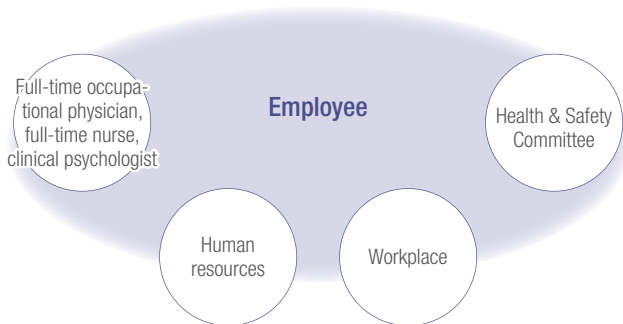
In order to provide its customers with the best products and services, employees have to be healthy. Having employees that are mentally and physically healthy and helping them improve upon that health is therefore a key priority for Square Enix. As such, it undertakes a variety of initiatives to communicate the importance of daily health management and regular exercise in order to promote a corporate culture where all employees are mindful of and take good care of their health.

Support for physical exercise regardless of workstyles

As workstyles based on work-from-home become the norm, we are providing monthly online health initiatives that employees can participate in from home, including stretch programs by professional instructors and yoga lessons. Additionally, walking events to improve employee health as well as encourage in-house communications are

held twice a year, in spring and fall, where employees team up and using pedometer apps, aim for the targeted number of steps while taking on various game challenges on the way. In addition to these efforts, we will continue to proactively provide measures to improve the health of our employees.

Enhancing occupational health and safety



Live online stretching class



PC wallpaper designed by a Square Enix employee promoting the walking event

Corporate Governance

1. Overview of Corporate Governance

(1) Basic views on corporate governance

The Company is a pure holding company governing the Square Enix Group, which develops a wide range of content and services. The Company believes that it is essential for the achievement of the Group's continuous growth and the maximization of its corporate value in the medium and long term to respect the interests of all the Company's stakeholders such as shareholders, customers, business partners, employees, and society, and to maintain good relationships with them under an agile, transparent, and sound management system. As such, the Company recognizes that the enrichment and enhancement of its corporate governance is a key management challenge, and the entire Group devotes itself to that end on an ongoing basis.

(2) Overview of corporate governance system and objectives

In an effort to enhance its corporate governance, the Company transitioned to a company with an Audit & Supervisory Committee as of June 22, 2018. The establishment of the Audit & Supervisory Committee comprising only outside directors works to strengthen the Company's auditing and supervisory functions over its management.

Moreover, in order to clarify the separation between management and execution, the Company has strengthened the monitoring functions of the Board of Directors by staffing it primarily with outside directors. Meanwhile, the Company has established an organization to increase the efficiency and speed of operational execution by dictating in its Articles of Incorporation that the Board of Directors can empower directors to make decisions regarding the execution of key operational matters.

The Company has 10 directors (excluding those who are members of the Audit & Supervisory Committee), six of which are outside directors, and three directors who are members of the Audit & Supervisory Committee, all of which are outside directors, with one being full time. The Company designates all of its outside directors as independent directors as defined by the Tokyo Stock Exchange rule.

As a general principle, meetings of the Board of Directors are convened once a month, and deliberations and exchanges of opinions between the individual directors bring greater vitality to the management of the Company while also serving to sufficiently enhance the mutual check and balance between directors. Furthermore, in order to ensure the objectivity and transparency of decisions made regarding executive remuneration and candidates for director positions, the Company has at its discretion established the Remuneration & Nomination Committee on which the majority is formed by independent outside directors and the chairperson is an independent outside director. This committee determines the individual amounts and the nature of remuneration for directors

(excluding directors who are Audit & Supervisory Committee members) based on the basic policy on the executive remuneration system set forth by the Board of Directors, determines the nomination criteria for directors, and also determines candidates for directors, etc., to be submitted to the Board of Directors.

As a general principle, the Audit & Supervisory Committee meets once a month and based on the Audit & Supervisory Committee Standards, and in light of the status of the development and operation of internal control systems, audits the legality and appropriateness of directors' execution of their duties, in coordination with the internal control functions. A member of the Audit & Supervisory Committee possesses extensive expertise in finance and accounting matters.

In the interest of executing and advancing management initiatives, the Company has established the role of executive officer in order to clearly identify the party responsible for operational execution in each domain and to strengthen cross-functional ties. This report includes a list of the Company's incumbent executive officers.

The Board of Directors has passed a resolution establishing the Company's Guidelines on the Development of an Internal Control System. By maintaining and promoting these guidelines, the Company works to ensure that auditing and supervisory functions are robust, to confirm that all business activities comply with all relevant laws and regulations and the Company's Articles of Incorporation, and to enhance the efficiency of the directors' exercise of duties.

Moreover, the Company clearly specifies the importance of compliance in the Code of Conduct in order to ensure a rigorous compliance system. The Company has established the Internal Control Committee and whistle-blowing systems, through which Company-wide compliance measures are integrated across organizational reporting lines. With regard to the management and operation of the Company's information systems, which form the foundation of IT controls and efficient operational functions, the Company has established the Information System Management Committee to oversee information systems on a Company-wide basis.

In addition, to ensure the maintenance of a robust risk management system, Company-wide risk management measures are integrated across organizational reporting lines. This is achieved through the reinforcement of relevant internal control divisions, and the establishment of the Internal Control Committee and whistle-blowing systems.

To ensure its subsidiaries properly execute business activities, the Company has set forth the Affiliate Company Management Rules and engages in the management and supervision of subsidiaries in a manner befitting the scale of said companies and their importance to the Group.

Based on the aforementioned rules, the Company requests reports regarding the running of subsidiaries and other important information, and by employing methods such as holding monthly and ad hoc

briefings, the primary subsidiaries make it possible for the Company to assess the status of the running of subsidiaries in a timely fashion as well as to take necessary measures in a timely and accurate fashion.

The members of the main meeting bodies are as follows:

◎: Chairman or Committee chairperson

Position	Name	Board of Directors	Audit & Supervisory Committee	Remuneration & Nomination Committee	Internal Control Committee
President and Representative Director	Yosuke Matsuda	◎		○	◎
Director Chief Strategy Officer	Takashi Kiryu	○			○
Director	Yoshinori Kitase	○			
Director	Yu Miyake	○			
Outside Director	Yukihiro Yamamura	○		○	
Outside Director	Yuji Nishiura	○		○	
Outside Director	Masato Ogawa	○		◎	
Outside Director	Mitsuko Okamoto	○			
Outside Director	Abdullah Aldawood	○			
Outside Director	Naoto Takano	○			
Outside Director (Standing Audit & Supervisory Committee Member)	Nobuyuki Iwamoto	○	◎	○	○
Outside Director (Audit & Supervisory Committee Member)	Tadao Toyoshima	○	○		
Outside Director (Audit & Supervisory Committee Member)	Hajime Shinji	○	○		
Chief Accounting Officer	Atsushi Matsuda				○
Chief Legal Officer	Hajime Seki				○
General Manager of Internal Audit Office	Satoshi Shinohara				○

(3) Overview of liability limitation agreements

The Company has liability limitation agreements in place with its outside directors in accordance with Article 427, Paragraph 1 of the Companies Act to limit liabilities provided under Article 423, Paragraph 1 of the Companies Act. These agreements limit the liability of each outside director to ¥10 million or the legally specified amount, whichever is greater.

(4) Overview of the executive liability insurance policy

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 premiums are paid entirely by the Company.

(5) Prescribed number of directors

The Company's Articles of Incorporation stipulate that the number of directors (excluding directors who are Audit & Supervisory Committee members) shall not exceed 12 and the number of directors who are Audit & Supervisory Committee members shall not exceed four.

(6) Resolution requirements for the election of directors

The Company's Articles of Incorporation stipulate that resolutions for the election of directors shall not be made by cumulative voting, but by a majority of affirmative votes of shareholders exercising their voting rights at the General Shareholders' Meeting where shareholders in attendance hold one-third or more of outstanding voting rights.

(7) Bodies able to determine dividends paid from retained earnings

The Company's Articles of Incorporation stipulate that matters provided under Article 459, Paragraph 1 of the Companies Act may be determined by the Board of Directors unless legally stipulated otherwise. The objective of this provision is to expand flexibility in execution of capital policies.

(8) Exemption of directors' liability

Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that directors (including former directors) may be exempted from liability for actions related to Article 423, Paragraph 1 of the Companies Act, up to the limit provided by law, through a resolution passed by the Board of Directors. The objective of this provision is to ensure the maintenance of an environment in which directors may execute their duties to the maximum of their abilities and are able to fulfill the roles expected of them.

(9) Matters requiring special resolutions at the General Shareholders' Meeting

The Company's Articles of Incorporation stipulate that the special resolutions provided under Article 309, Paragraph 2 of the Companies Act may be passed by two-thirds or more of affirmative votes of shareholders exercising their voting rights at the General Shareholders' Meeting where shareholders in attendance hold one-third or more of outstanding voting rights. The objective of this provision is to ensure smooth proceedings of the General Shareholders' Meeting by relaxing the special resolution requirements.

(10) Status of attendance of Board of Directors meetings

Name (Position)	Status of attendance of Board of Directors meetings for the fiscal year ended March 31, 2022
Yosuke Matsuda (President and Representative Director)	100.0% (16 out of 16 meetings)
Yukihiro Yamamura (Outside Director)	100.0% (16 out of 16 meetings)
Yuji Nishiura (Outside Director)	100.0% (16 out of 16 meetings)
Masato Ogawa (Outside Director)	100.0% (16 out of 16 meetings)
Mitsuko Okamoto (Outside Director)	100.0% (16 out of 16 meetings)
Abdullah Aldawood (Outside Director)	92.3% (12 out of 13 meetings)
Ryoichi Kobayashi (Outside Director (Standing Audit & Supervisory Committee Member))	100.0% (16 out of 16 meetings)
Tadao Toyoshima (Outside Director (Audit & Supervisory Committee Member))	100.0% (16 out of 16 meetings)
Hajime Shinji (Outside Director (Audit & Supervisory Committee Member))	100.0% (16 out of 16 meetings)

*Ryoichi Kobayashi has retired as of June 23, 2022.

The number of times Abdullah Aldawood has attended Board of Directors meetings represents the status of his attendance since the 41st Annual Shareholders' Meeting held on June 25, 2021, when he became an outside director.

(11) Status of outside directors

(i) Personal, financial, business or other relationships constituting conflicts of interest with the Company

The Company has nine outside directors, and no conflict-of-interest relationships exist between the Company and its outside directors.

(ii) Functions and roles under the Company's corporate governance structure

Yukihiro Yamamura, Yuji Nishiura, Masato Ogawa, and Naoto Takano possess abundant experience and broad-ranging insight as corporate executives. While having had no previous involvement with corporate management, Mitsuko Okamoto possesses abundant experience and broad-ranging knowledge and insight in the field of animation and other content. Abdullah Aldawood 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 experience and broad-ranging insight in global corporate management. Based on these attributes, each of them has, since assuming the role of outside director, supervised and served as a check on directors in the execution of their roles. In addition, at Board of Directors meetings, they have provided comments from an independent perspective with the goals of enabling the sustained growth of the Group, bolstering its corporate value over the medium and long term, and further enhancing its corporate governance capabilities.

The functions and roles of Nobuyuki Iwamoto, Tadao Toyoshima, and Hajime Shinji under the Company's corporate governance structure are described in (1) Status of audits by Audit & Supervisory Committee under 2. Status of Audits below.

(iii) Standards and policy on independence from the Company in the appointment of outside directors

The Company has not established any particular provisions regarding independence in appointing outside directors but selects individuals who can be expected to execute their duties appropriately and from an objective and independent perspective; to support corporate governance based on specialized expertise in such areas as finance, accounting, and internal controls; and who are unlikely to have any conflicts of interest with general shareholders.

The maximum total term of office for outside directors shall be 10 years.

The Company has notified the Tokyo Stock Exchange that Yukihiro Yamamura, Yuji Nishiura, Masato Ogawa, Mitsuko Okamoto, Abdullah Aldawood, Naoto Takano, Nobuyuki Iwamoto, Tadao Toyoshima, and Hajime Shinji are designated as independent directors pursuant to the rules established by the stock exchange.

(12) Mutual cooperation between supervision and audits by outside directors and internal audits, audits by Audit & Supervisory Committee, and audits by the audit firm, and relationship with the internal control unit

The outside directors promote mutual cooperation with the Internal Audit Department, Audit & Supervisory Committee, and the Company's audit

firm. The situation of such mutual cooperation is reported to and discussed by the Board of Directors, Audit & Supervisory Committee, Internal Control Committee, and other corporate forums as appropriate.

(13) Analysis and evaluation of the effectiveness of the Board of Directors

The way in which meetings of the Board of Directors were held in the fiscal year ended March 31, 2022 is described below. Moreover, the Company conducted a survey on the effectiveness of Board meetings and received positive feedback on the effectiveness of the meetings from the Board members. Based on these factors, the Company confirms that the Board is functioning in an effective manner.

- In principle, Board meetings are held once a month (16 meetings were held in the fiscal year ended March 31, 2022), whereupon the Board engages in discussions and makes decisions on matters that require the Board's resolution in a timely manner, while also receiving reports on the Group's businesses and providing supervision over operational execution.
- All directors had high rates of attendance (100% for eight of the nine, 92.3% for the remaining director), and sufficient time was secured for active discussions at the Board meetings.
- The Board subjects operational execution to effective discipline, with the Board at times deciding as the result of discussions to revise or revisit proposed items.

The Company will continue to make efforts to improve the effectiveness of the Board meetings by soliciting feedback from Board members in a timely manner.

2. Status of Audits

(1) Status of audits by Audit & Supervisory Committee

Audits by the Audit & Supervisory Committee are carried out by three Audit & Supervisory Committee members, all of whom are outside directors. The Committee also requests regular reports from the Internal Audit Department on operational audits, while instructing the division to assist the Committee's duties, as necessary.

The Audit & Supervisory Committee convened a total of 21 times during the fiscal year ended March 31, 2022, and attendance by the committee members was as follows:

Name (Position)	Status of attendance of Audit & Supervisory Committee meetings for the fiscal year ended March 31, 2022
Ryoichi Kobayashi* (Standing Audit & Supervisory Committee Member)	100.0% (21 out of 21 meetings)
Tadao Toyoshima (Audit & Supervisory Committee Member)	100.0% (21 out of 21 meetings)
Hajime Shinji (Audit & Supervisory Committee Member)	100.0% (21 out of 21 meetings)

*Retired as of June 23, 2022

Key matters deliberated upon by the Audit & Supervisory Committee include the drafting of audit policies and plans, the status of the execution of directors' duties, the status of the development and operation of internal control systems, the status of audits at subsidiaries,

coordination with the Internal Audit Department and the development of the auditing environment, the nomination of directors who are Audit & Supervisory Committee members, and the nomination and remuneration of directors (excluding those who are members of the Audit & Supervisory Committee).

In addition, the Audit & Supervisory Committee confirmed the status of the execution of the duties of the Accounting Auditor and assessed the validity of the audit methods and results of the Accounting Auditor. It also deliberated matters regarding the appointment, dismissal, or non-reappointment of the Accounting Auditor, as well as the remuneration of the Accounting Auditor.

Each member of the Audit & Supervisory Committee, based on his or her wealth of experience and deep insight, offered opinions at the meetings of the Board of Directors from an independent standpoint in order to create sustainable growth for the Group, bolster corporate value in the medium and long term, and further enhance the corporate governance system.

Nobuyuki Iwamoto has supervised and served as a check on directors' execution of their duties as an outside director who is an Audit & Supervisory Committee member based on his abundant experience and broad-ranging insight in such areas as finance and accounting, as a corporate executive. In addition, in his role as a standing member of the Audit & Supervisory Committee, he has shared with other Audit & Supervisory Committee members information he has obtained by attending key meetings other than those of the Board of Directors (e.g., the Remuneration & Nomination Committee, the Internal Control Committee, and the Information System Management Committee) and by reviewing the minutes of key meetings, contracts, internal decision-making records, and financial data.

Tadao Toyoshima does not have experience in corporate management excluding previous instances of serving as an outside director. However, he holds a qualification as a certified public accountant (CPA) and since assuming the role of outside director who is an Audit & Supervisory Committee member, he has supervised and served as a check on directors' execution of their duties based on his insight into financial and accounting matters.

Hajime Shinji does not have experience in corporate management excluding previous instances of serving as an outside director. However, he is a qualified attorney and since assuming the role of outside director who is an Audit & Supervisory Committee member, he has supervised and served as a check on directors' execution of their duties based on his abundant experience and broad-ranging insight in the field of law.

(2) Status of internal audit

Internal audits are carried out by the Internal Audit Office, which reports directly to the President. The Internal Audit Office performs regular

monitoring, reviews and evaluations (internal evaluations) of internal control systems and operational processes, including those of Group companies, taking into account the relative importance of and risk inherent in each part of the organization, and provides reports and recommendations to the President. The Internal Audit Office's functions are carried out while sharing information with the Audit & Supervisory Committee and the Accounting Auditor.

The Audit & Supervisory Committee and the audit firm meet at the timing of quarterly and full-year earnings (i.e., a total of four times per annum) to report and exchange views. In addition, they arrange forums for exchanging views as appropriate, and incorporate the results of such discussions into the performance of their auditing duties.

Furthermore, the Board of Directors and Internal Control Committee are provided with reports on such audits as appropriate.

(3) Status of audits by Accounting Auditor

(i) Name of the Accounting Auditor

Ernst & Young ShinNihon LLC

(ii) Consecutive duration of audit service

16 years

(iii) Names of responsible certified public accountants

Hirofumi Harashina, Designated Limited Liability Partners, Business Execution Partners

(Consecutive years of audit service: 1)

Miyuki Nakamura, Designated Limited Liability Partners, Business Execution Partners

(Consecutive years of audit service: 3)

(iv) Support team for accounting audit duties

17 certified public accountants and 44 others

(v) Policies and reasons for selection of Accounting Auditor

When selecting an audit firm as its Accounting Auditor, the Company comprehensively considers whether it has a system for centralized auditing of the Company's international business activities, in addition to whether it has the expertise, independence, suitability and quality control/screening systems necessary for an Accounting Auditor. Accordingly, Ernst & Young ShinNihon has been determined to be qualified.

Furthermore, in the case of dismissal of the Accounting Auditor by the Audit & Supervisory Committee as provided for under Article 340 of the Companies Act or other cases where it is found to be difficult for an audit firm to perform its duties as Accounting Auditor appropriately, the Company shall, in principle, submit a proposal to the General Shareholders' Meeting regarding the dismissal or non-reappointment of the Accounting

Auditor, after the passage of a resolution by the Audit & Supervisory Committee.

(vi) Evaluation of the Accounting Auditor by the Audit & Supervisory Committee

After having evaluated, in accordance with the Accounting Auditor Selection and Evaluation Standards determined by the Audit & Supervisory Committee, the quality control status of the audit firm, the expertise, independence and system for the execution of duties of the audit team, and the Group audits conducted in cooperation with overseas network firms, the Company has determined that there is no problem in any of the above.

(4) Compensation to audit firm

(i) Compensation paid to the audit firm

(Millions of yen)

Category	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
	Compensation for statutory audit operations	Compensation for non-audit operations	Compensation for statutory audit operations	Compensation for non-audit operations
The company	75	1	56	1
Consolidated subsidiaries	40	—	73	—
Total	116	1	129	1

The non-audit operations provided by the audit firm for which the Company paid compensation in both the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2022 were guidance and advice regarding the preparation of English financial statements.

There was no compensation for non-audit operations at consolidated subsidiaries in either the fiscal year ended March 31, 2021 or the fiscal year ended March 31, 2022.

(ii) Compensation paid to organizations belonging to the international auditing network of the Ernst & Young Group, with which the audit firm is affiliated (excluding (i))

(Millions of yen)

Category	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022	
	Compensation for statutory audit operations	Compensation for non-audit operations	Compensation for statutory audit operations	Compensation for non-audit operations
The company	—	—	—	—
Consolidated subsidiaries	107	10	127	37
Total	107	10	127	37

There was no compensation for non-audit operations at the Company in either the fiscal year ended March 31, 2021 or the fiscal year ended March 31, 2022.

The non-audit operations at consolidated subsidiaries were tax advisory services in both the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2022.

(iii) Compensation for other key audit certification work (Fiscal year ended March 31, 2021)

None.

(Fiscal year ended March 31, 2022)

None.

(iv) Policy on determining audit compensation

The Company's policy on determining compensation for audits conducted by the audit firm as Accounting Auditor takes into account such factors as the scale of the Company's business operations, number of days required to conduct audits, and the characteristics of the services provided.

(v) Reason for the Audit & Supervisory Committee's consent to Accounting Auditor compensation

The reason why the Company's Audit & Supervisory Committee gave consent provided under Article 399, Paragraph 1 of the Companies Act to compensation paid to the Accounting Auditor is that audit hours and compensation in the fiscal year ended March 31, 2022 were judged to be appropriate as a result of comparisons with audit hours and compensation in the previous fiscal year and comparisons with the audit compensation of companies of the same scale and companies in the same industry.

3. Executive Remuneration

(1) Matters regarding policies on determination of the amount or calculation method of executive remuneration

The Company's basic policy and determination process regarding the 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 & Nomination Committee, of which the majority is formed by independent outside directors and the chairperson is an independent outside director. The 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

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 President and Representative Director 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 who additionally serve in such roles as directors of subsidiaries may also receive remuneration from the relevant subsidiary.
- Remuneration for Non-Executive Directors and outside directors shall comprise fixed remuneration (monetary) and restricted stock remuneration. The ratio shall 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 President and Representative Director, 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 & 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 & 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 to 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.

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

- Individual amounts and the nature of remuneration for directors (excluding directors who are Audit & Supervisory Committee members) shall be determined by the Remuneration & Nomination Committee based on the Basic Policy on the Executive Remuneration System established by the Board of Directors.
- 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.
- Individual amounts and the nature of remuneration shall be set within the confines of the remuneration allocation approved at the General Shareholders' Meeting and shall be determined based upon a comprehensive consideration of annual earnings and each director's

performance in his or 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.

(2) Total remuneration paid to directors, total remuneration for each category of directors, and the total number of directors

Executive category	Total remuneration (Millions of yen)	Remuneration breakdown (Millions of yen)			Number of individuals
		Fixed remuneration	Performance-linked remuneration	Restricted stock remuneration	
Directors (excluding Audit & Supervisory Committee Members) (Outside Directors)	506 (59)	151 (48)	243 (—)	111 (11)	6 (4)
Directors (Audit & Supervisory Committee Members) (Outside Directors)	48 (48)	48 (48)	— (—)	— (—)	3 (3)
Total (Outside Directors)	554 (107)	199 (96)	243 (—)	111 (11)	9 (7)

Notes: 1. It was approved at the 38th Annual Shareholders' Meeting held on June 22, 2018 that the monetary remuneration limit for directors (excluding directors who are Audit & Supervisory Committee members) for the fiscal year ended March 31, 2022 shall be no more than ¥600 million per year (of which ¥48 million is earmarked for outside directors). There were five directors (excluding directors who are Audit & Supervisory Committee members) at the conclusion of the 38th Annual Shareholders' Meeting (of whom three were outside directors). Additionally, the monetary remuneration limit for directors (excluding directors who are Audit & Supervisory Committee members) has been revised to no more than ¥1,200 million per year (of which ¥96 million is earmarked for outside directors) at the 42nd Annual Shareholders' Meeting held on June 23, 2022. There were 10 directors (excluding directors who are Audit & Supervisory Committee members) at the conclusion of the 42nd Annual Shareholders' Meeting (of whom six were outside directors).

2. It was approved at the 41st Annual Shareholders' Meeting held on June 25, 2021 that the limit for remuneration as restricted stock remuneration for directors (excluding directors who are Audit & Supervisory Committee members) for the fiscal year ended March 31, 2022 shall be no more than ¥400 million per year (of which ¥32 million is earmarked for outside directors). There were six directors (excluding directors who are Audit & Supervisory Committee members) at the conclusion of the 41st Annual Shareholders' Meeting (of whom five were outside directors). In addition, the limit for remuneration as restricted stock remuneration for directors (excluding directors who are Audit & Supervisory Committee members) has been revised to no more than ¥800 million per year (of which ¥64 million is earmarked for outside directors) at the 42nd Annual Shareholders' Meeting held on June 23, 2022. There were 10 directors (excluding directors who are Audit & Supervisory Committee members) at the conclusion of the 42nd Annual Shareholders' Meeting (of whom six were outside directors).

3. It was approved at the 38th Annual Shareholders' Meeting held on June 22, 2018 that the remuneration limit for directors who are Audit & Supervisory Committee members shall be no more than ¥80 million per year. As of the conclusion of the 38th Annual Shareholders' Meeting, the number of directors who are Audit & Supervisory Committee members was three.

4. The above includes one director (who is not an Audit & Supervisory Committee member) who retired as of the conclusion of the 41st Annual Shareholders' Meeting held on June 25, 2021.

5. It was approved at the 28th Annual Shareholders' Meeting held on June 21, 2008 to abolish the retirement allowance plan for directors and corporate auditors and to pay the directors and corporate auditors, who continued to be in office after the conclusion of the said shareholders' meeting, a retirement allowance corresponding to their terms of office until the abolishment of the retirement allowance plan at the time of retirement of each director and corporate auditor. Based on this resolution, ¥32 million in retirement allowance was paid to one director (who is not an Audit & Supervisory Committee member) who retired during the fiscal year ended March 31, 2022, in addition to the above remuneration, etc.

(3) Total amount, etc., of total consolidated remuneration of executives who received ¥100 million or more

Name	Total consolidated remuneration (Millions of yen)	Executive category	Company category	Consolidated total remuneration breakdown (Millions of yen)		
				Fixed remuneration	Performance-linked remuneration	Restricted stock remuneration
Yosuke Matsuda	443	Director	The Company	100	243	99

4. Matters Relating to the Company's Holdings of Shares

(1) Standards and concepts for categorizing investments in shares

The Group's policy is to categorize shares acquired for the purpose of profiting from value fluctuations or associated dividends as shares held for purely investment purposes and those acquired for the purposes of business alliances or trade relationships as shares held for purposes other than purely investment purposes.

(2) Status of shareholdings at Square Enix Co., Ltd.

As of March 31, 2022, the status of shareholdings by Square Enix Co., Ltd., which has the largest amount of investment securities on its

balance sheet within the Group, is as follows:

- a. Investments in shares for purposes other than purely investment purposes
 - (i) Shareholding policy, method of assessing rationale of shareholdings, and nature of Board of Directors' assessment of appropriateness of holding individual issues

The Company's basic policy is to hold publicly traded shares for the purpose of strengthening business alliances or trade relationships in instances where doing so will contribute to the enhancement of its

corporate value over the medium or long term. Each year the Board of Directors and other bodies validate the rationale for holding listed shares by reviewing the status of achievement of the intended objective of the holdings and determining whether to continue holding the shares. The approach to assessing the appropriateness of holding individual issues is holistic, involving the performance of quantitative reviews of current and future earnings conditions and qualitative reviews on the status of achieving the intended purpose.

(ii) Number of issues and balance sheet value

Category	Companies in which shares are held	Total amount presented on balance sheets (Millions of yen)
Unlisted shares	2	0
Shares other than those above	1	174

(Issues for which the number of shares held increased in the fiscal year ended March 31, 2022)

Category	Companies in which shares are held	Total acquisition cost related to increase in shareholdings (Millions of yen)	Reason for increase in shareholdings
Unlisted shares	1	87	To obtain blockchain technology and expertise for operating UGC (User Generated Content) games
Shares other than those above	—	—	—

(Issues for which the number of shares held declined in the fiscal year ended March 31, 2022)

None.

(iii) Number of shares, balance sheet value, and other information on “specified investment equity securities held” or “deemed holdings of equity securities” by issue

“Specified investment equity securities held”

Companies in which shares are held	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Purpose of holdings, quantitative benefits of holdings & reason for increase in shareholdings	Square Enix Holdings shareholders
	Number of shares	Number of shares		
	379,784	379,784	To maintain and enhance the business partnership involving the “MANGA UP!” manga app	None
and factory, inc	174	273		

Note: Describing the benefits of shareholdings in quantitative terms is difficult. The Board of Directors validates the rationale for the holdings annually by reviewing the status of achieving the intended purpose and determining whether to maintain the holdings.

“Deemed holdings of equity securities”

None.

b. Investments in shares for purely investment purposes

None.

(3) Status of the Company’s shareholdings

a. Investments in shares for purposes other than purely investment purposes

(i) Shareholding policy, method of assessing rationale of shareholdings, and nature of Board of Directors’ assessment of appropriateness of holding individual issues

The Company’s basic policy is to hold publicly traded shares for the purpose of strengthening business alliances or trade relationships in instances where doing so will contribute to the enhancement of its corporate value over the medium or long term. Each year the Board of Directors and other bodies validate the rationale for holding listed shares by reviewing the status of achievement of the intended objective of the holdings and determining whether to continue holding the shares. The approach to assessing the appropriateness of holding individual issues is holistic, involving the performance of quantitative reviews of current and future earnings conditions and qualitative reviews on the status of achieving the intended purpose.

(ii) Number of issues and balance sheet value

Category	Companies in which shares are held	Total amount presented on balance sheets (Millions of yen)
Unlisted shares	1	28
Shares other than those above	—	—

(Issues for which the number of shares held increased in the fiscal year ended March 31, 2022)

None.

(Issues for which the number of shares held declined in the fiscal year ended March 31, 2022)

None.

(iii) Number of shares, balance sheet value, and other information on “specified investment equity securities held” or “deemed holdings of equity securities” by issue

“Specified investment equity securities held”

None.

“Deemed holdings of equity securities”

None.

b. Investments in shares for purely investment purposes

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
	Companies in which shares are held	Total amount presented on balance sheets (Millions of yen)	Companies in which shares are held	Total amount presented on balance sheets (Millions of yen)
Unlisted shares	4	0	4	0
Shares other than those above	2	54	2	75

Category	Fiscal year ended March 31, 2022		
	Total dividends received	Total gain on sale of shares	Total gain on revaluation of shares
Unlisted shares	—	—	Note 1
Shares other than those above	0	—	41 (—)

Notes: 1. No total valuation gain/loss figure is provided for non-listed shares as they have no market prices.
2. Figures denoted with parentheses under “Total valuation gain/loss” indicate impairment losses for the fiscal year in question.

5. IR Activities

The Company's basic policy is to disclose information in a timely and appropriate manner in order to deliver useful information to its investors. In particular, the Company discloses in a timely fashion information with significant impact on investment decisions in accordance with the Timely Disclosure Rules set forth under the Financial Instruments and Exchange Act and by the Tokyo Stock Exchange, and proactively discloses other information determined to be useful to promoting understanding of the Company. The Company's general principles of IR activities are as follows.

Briefing sessions are held quarterly for institutional investors and analysts, with the President and Representative Director and Chief Strategy Officer or Chief Accounting Officer providing the briefings.

The Company conducts overseas roadshows for foreign investors three times a year where the President and Representative Director and Chief Strategy Officer provide briefings. Moreover, the Company strives to engage in constructive dialogues with capital markets via individual meetings and small group meetings.

The Company hosts an IR conference after the Annual Shareholders' Meeting for individual investors. The briefing is delivered by the President and Representative Director and subsidiary executives.

The Company posts earnings summaries, financial results briefing materials (including the briefing by the President and Representative Director), securities filings, annual reports, Annual Shareholders' Meeting convocation notices, and other items on its website.

Executive Members

As of July 31, 2022



Yosuke Matsuda
President and Representative
Director
Shares owned: 35,238 shares



Takashi Kiryu
Director
Shares owned: 1,871 shares



Yoshinori Kitase
Director
Shares owned: 1,973 shares



Yu Miyake
Director
Shares owned: 5,023 shares



Yukihiro Yamamura
Director*
Shares owned: 1,051 shares



Yuji Nishiura
Director*
Shares owned: 1,051 shares



Masato Ogawa
Director*
Shares owned: 1,051 shares



Mitsuko Okamoto
Director*
Shares owned: 1,051 shares



Abdullah Aldawood
Director*



Naoto Takano
Director*
Shares owned: 502 shares



Nobuyuki Iwamoto
Director
(Standing Audit & Supervisory
Committee Member)*



Tadao Toyoshima
Director
(Audit & Supervisory
Committee Member)*



Hajime Shinji
Director
(Audit & Supervisory
Committee Member)*

Executive Officers

Takashi Kiryu	Chief Strategy Officer
Atsushi Matsuda	Chief Accounting Officer
Hajime Seki	Chief Legal Officer
Tsuneto Okuno	Chief Human Resources Officer
Hideaki Sato	Chief Information Officer
John Heinecke	Chief Publishing Officer (EMEA, Americas and Oceania)
Tomoyoshi Osaki	Chief Publishing Officer (Japan and Asia)

Yasuhiro Fukushima
Honorary Chairman

*Outside Directors as defined in Article 2-15 of Japan's Companies Act

Skills Matrix for Directors

Name	Role	Corporate mgt/ global mgt	Media entertainment	IT/ technology	Legal/risk management	Finance/ accounting	Organizational/ talent development
Yosuke Matsuda	President and Representative Director	●	●			●	●
Takashi Kiryu	Director Chief Strategy Officer Executive Officer	●	●			●	●
Yoshinori Kitase	Director	●	●				●
Yu Miyake	Director	●	●				●
Yukihiro Yamamura	Outside Director	●	●	●			●
Yuji Nishiura	Outside 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)				●	●	

Words from Our New Directors



Takashi Kiryu
Director

The Square Enix Group creates a wide range of content and provides it to customers all over the world. Increasingly sophisticated technologies, devices, and infrastructure are producing dramatic changes to the Group's business environment. Armed with passion, professionalism, and creativity, each and every one of its employees is working on the front lines of that change, devoting themselves to the creative process as they strive to deliver exciting content that meets or exceeds customer's expectations.

I also count myself among the Group's customers. From my childhood to this very day, engaging with the Group's content has often excited and moved me in ways that nothing else can. I have also on numerous occasions seen people who do not share a common language or culture open up to one another because they have shared some content-based experience. I firmly believe that superior content has the power to create bonds across national borders and generations, leading society in a positive direction.

I never want to lose sight of the customer's perspective. I will devote myself to the development of an environment that allows us to continue to create excitement and contribute to society, as well as to ensuring that we get even more customers to look forward to engaging with our content because they know it will provide them with an experience that enriches their lives.

I studied filmmaking for a time in university. In those days, cinema was considered a composite art form because it included everything from music to painting and architecture to dance. I see what the Square Enix Group creates as content that goes beyond a composite art form because it also involves the element of interactivity.

The environment in which the Group finds itself is undergoing dramatic change. This is marked by advances in hardware such as CPUs and GPUs, the increased availability of network infrastructure such as 5G and the cloud, the rise of business models such as free-to-play and subscriptions, and technological innovations such as AI and blockchain. These environmental changes do not exist apart from the content itself but are rather key elements that are incorporated into content design and thereby spur further evolution.

The Square Enix Group is home to individuals who possess talents covering a wide expanse of domains, ranging from the artistic to cutting-edge technologies. The Group derives its strength from the environment it has created that allows those talents to connect organically. As someone who has been involved in game development for 32 years, I want to remind myself of that strength and continue contributing to the Group's development by leveraging my perspective from the inside of content production.



Yoshinori Kitase
Director

I joined Enix as a part-timer in 1989. I started out in the Dragon Quest section, handling publication sales and advertising work related to Dragon Quest books and the launch of the *Monthly Shonen Gangan* manga magazine. Then, in 1997, I was transferred to the production department for game software. Since then, I have spent more than two decades involved in game production, with a focus on Dragon Quest titles.

The game industry has evolved dramatically over the past 30 years or so. This evolution has naturally involved technological progress, but also changes in business models, as well as growth in the number of media outlets, the customer base, and geographic sales coverage. During that time, the Square Enix Group has kept abreast of those environmental changes, staying half a step ahead of its customers' expectations so that it could consistently produce content that we ourselves find seriously exciting.

In my view, the strengths that have enabled the Square Enix Group to do that lie in a free corporate culture allowing new ideas and exciting experiments, as well as in its talented employees who bring those to life as content. I will leverage the frontline experiences and knowledge I have gained in over three decades in the game entertainment industry and devote my utmost to ensuring that the Square Enix Group can continue to produce content that is even fresher and more exciting than ever before as it addresses an evolving, changing, growing market.



Yu Miyake
Director



Naoto Takano
Outside Director

I believe that the history of the Square Enix Group has been carved by innovation—innovation that has grown along with its people and always put the Group at the forefront of its times.

We now find ourselves in a world of greatly changing economic and social dynamics.

People's lifestyles have also changed significantly over the past several years. The cultural environment and our infrastructure have also undergone substantial change.

Against this backdrop, I believe that as a provider of entertainment content, the Square Enix Group needs more than ever before to equip itself with a management style and corporate culture that enables it to continue to take on new fields and domains, while staying rooted in its history and traditions. Possessing a diversity of values, ideas, and technical abilities like none ever seen before is of growing importance.

I have a broad range of experience in the fields of finance and corporate management. I am confident that my experience in banking, securities/leasing/investment banking, and venture investments in Western markets, and my management experience at US firms in particular, will add diversity to the management of Square Enix Holdings and contribute to the development of its business strategy. I thank you all in advance for your support.

As a longtime fan of Dragon Quest and Final Fantasy, I have been extremely interested in the Square Enix Group since my twenties. I had also respected it as a company that provides superb and highly creative entertainment.

I could not be more honored by having the opportunity to take part in the management of such an amazingly creative company as an outside director and its Audit & Supervisory Committee Member.

For many years, I worked in various aspects of the financial industry, including funding and investment management. In addition, I have executive management experience involving HR, finance, corporate planning, and overseas entities.

This means that my work experience has been in completely different fields, but I believe that much of that experience will prove relevant from the perspective of corporate management.

I will work to ensure that I can contribute to the global growth of the Square Enix Group by leveraging my many years of experience in corporate management.

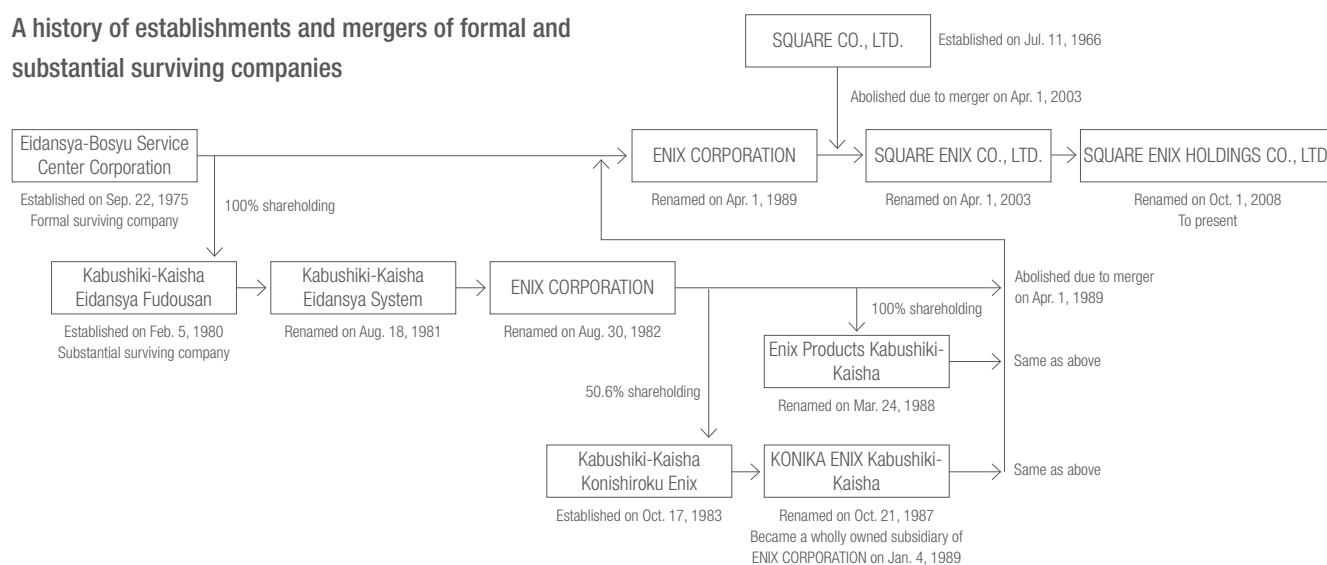


Nobuyuki Iwamoto
Outside Director (Standing Audit
& Supervisory Committee
Member)

History

Feb. 1980	Established a real estate sales and brokerage company Kabushiki-Kaisha Eidansya Fudousan (common stock: ¥5 million; 3-18-12, Toranomon, Minato-ku, Tokyo, Japan) as a wholly owned subsidiary of Eidansya-Bosyu Service Center Corporation.
Aug. 1981	Changed company name to Kabushiki-Kaisha Eidansya System. Moved the headquarters to 7-15-10, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan.
Aug. 1982	Changed company name to ENIX CORPORATION.
Oct. 1983	Established Kabushiki-Kaisha Konishiroku Enix jointly with Konishiroku Photo Industry Co., Ltd. and other companies. (common stock: ¥60 million; Kita-ku, Tokyo, Japan; shareholding of ENIX CORPORATION was 50.6% at the time of the establishment and decreased to 49% from June 1984. Kabushiki-Kaisha Konishiroku Enix was renamed KONIKA ENIX Kabushiki-Kaisha in October 1987.)
Jan. 1984	Moved the headquarters to 7-1-8, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan.
Apr. 1986	Moved the headquarters to 8-20-2, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan.
Mar. 1988	Established Enix Products Kabushiki-Kaisha, a company developing and selling publications and character goods. (common stock: ¥30 million; a wholly owned subsidiary of ENIX CORPORATION; Shinjuku-ku, Tokyo, Japan)
Apr. 1989	ENIX CORPORATION, Eidansya-Bosyu Service Center Corporation, KONIKA ENIX Kabushiki-Kaisha, Enix Products Kabushiki-Kaisha merged and renamed as ENIX CORPORATION. Moved the headquarters to 7-5-25, Nishi-shinjuku, Shinjuku-ku, Tokyo, Japan.
Feb. 1991	ENIX CORPORATION stock was registered with the Japan Securities Dealers Association (presently Jasadq Securities Exchange, Inc.) for over-the-counter trading.
Aug. 1996	Moved the headquarters to 4-31-8, Yoyogi, Shibuya-ku, Tokyo, Japan.
Aug. 1999	ENIX CORPORATION was listed on the First Section of the Tokyo Stock Exchange.
Apr. 2003	ENIX CORPORATION and SQUARE CO., LTD. merged and the new company was subsequently renamed SQUARE ENIX CO., LTD.
Aug. 2003	Moved the headquarters to 3-22-7, Yoyogi, Shibuya-ku, Tokyo, Japan.
Jul. 2004	Applied new management systems to subsidiaries in North America and Europe and renamed them SQUARE ENIX, INC. and SQUARE ENIX LTD. to unify corporate brand names in the global market.
Jan. 2005	Established SQUARE ENIX (China) CO., LTD. (Beijing, China) as a wholly owned subsidiary.
Sep. 2005	Acquired TAITO CORPORATION as a consolidated subsidiary (TAITO became a wholly owned subsidiary in March 2006).
Nov. 2006	Established SQUARE ENIX OF AMERICA HOLDINGS, INC. (Los Angeles, California, U.S.A.) as a holding company to control management and operations of the Company's subsidiaries in North America.
Oct. 2008	Applied a pure holding company system and subsequently renamed the Company SQUARE ENIX HOLDINGS CO., LTD.
Apr. 2009	Acquired EIDOS PLC. as a wholly owned subsidiary.
Oct. 2012	Moved the headquarters to 6-27-30, Shinjuku, Shinjuku-ku, Tokyo, Japan.
Jun. 2018	Transitioned to a Company with an Audit & Supervisory Committee.
Apr. 2022	Transitioned from the First Section to the Prime Market of the Tokyo Stock Exchange in conjunction with the revision of the market categories by the Tokyo Stock Exchange.

A history of establishments and mergers of formal and substantial surviving companies



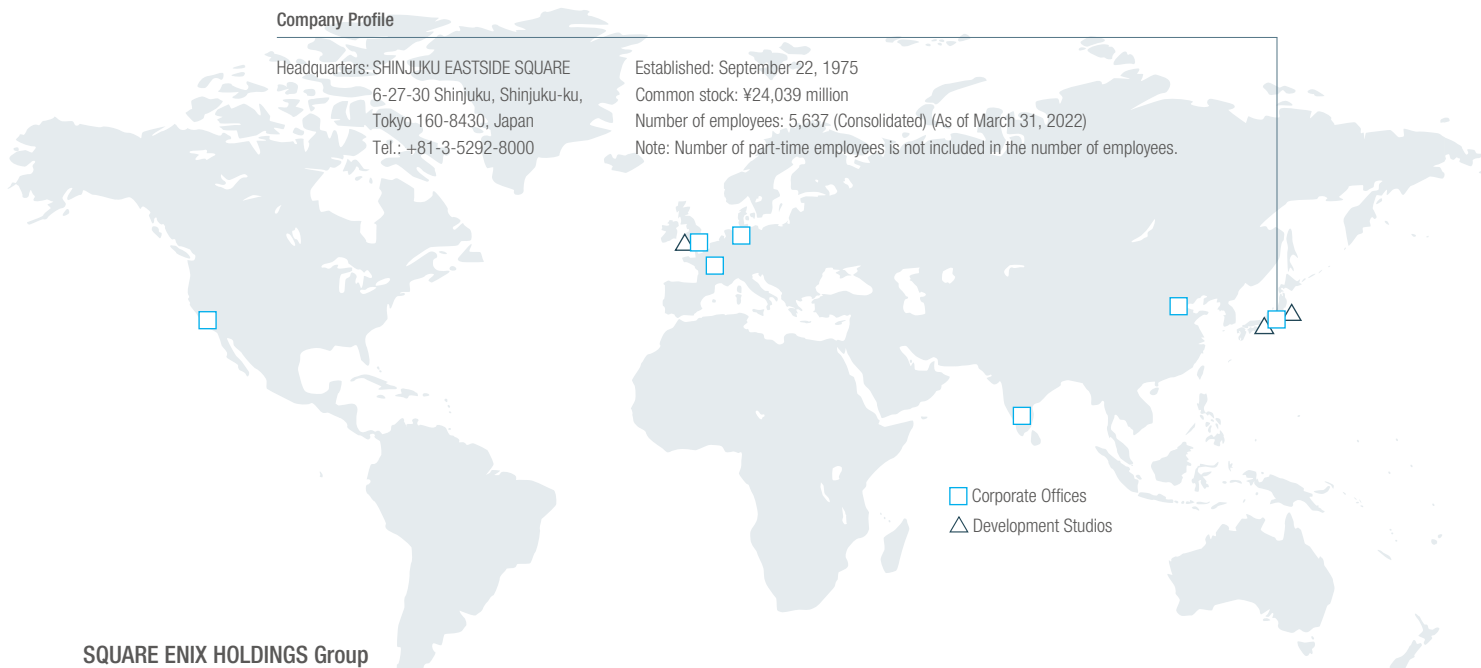
Corporate Data

As of August 31, 2022

Company Profile

Headquarters: SHINJUKU EASTSIDE SQUARE
6-27-30 Shinjuku, Shinjuku-ku,
Tokyo 160-8430, Japan
Tel.: +81-3-5292-8000

Established: September 22, 1975
Common stock: ¥24,039 million
Number of employees: 5,637 (Consolidated) (As of March 31, 2022)
Note: Number of part-time employees is not included in the number of employees.



□ Corporate Offices
△ Development Studios

SQUARE ENIX HOLDINGS Group

Company Name	Established	Fiscal Year-End	Common Stock	Percentage of Voting Rights	Principal Lines of Business
Major Group Companies					
Japan					
SQUARE ENIX CO., LTD.	October 2008	March	¥1,500 million	100.0%	Digital entertainment, amusement, publication, merchandising
TAITO CORPORATION	June 2009	March	¥50 million	100.0%	Digital entertainment, amusement, merchandising
Luminous Productions Co., Ltd.	July 2018	March	¥5 million	100.0%	Planning and development of entertainment products and services such as games
SQUARE ENIX AI & ARTS Alchemy Co., Ltd.	March 2020	March	¥10 million	100.0%	R&D/business involving products that combine AI, computer graphics, and art
North America					
SQUARE ENIX OF AMERICA HOLDINGS, INC.	November 2006	March	US\$1	100.0%	Holding of shares in and business management of Square Enix Group companies located in the Americas
SQUARE ENIX, INC.	March 1989	March	US\$10 million	100.0% (100.0%)	Digital entertainment, publication, merchandising in the North American market
Europe					
SQUARE ENIX LTD.	December 1998	March	GB£145 million	100.0%	Holding of shares in and business management of Square Enix Group companies located in Europe and digital entertainment, publication and merchandising in Europe
Asia					
SQUARE ENIX (China) CO., LTD.	January 2005	December	US\$12 million	100.0%	Digital entertainment in China
HUANG LONG CO., LTD.	August 2005	December	10 million yuan RMB	[100.0%]	Sale and management of online games in Asia
SQUARE ENIX PVT. LTD.	September 2012	March	199,900 thousand INR	100.0%	Promotion, planning and publishing of entertainment products and services in India

Note: In the Percentage of Voting Rights column, numbers in parentheses () represent the percentage of indirect holdings and are included in the total percentage of voting rights held by the Company. Numbers in brackets [] represent the percentage of holdings of closely related parties and parties of the same interest and are excluded from the total percentage of voting rights held by the Company.

Investor Information

As of March 31, 2022

Share Information

Number of shares issued: 122,531,596

Number of shareholders: 24,528

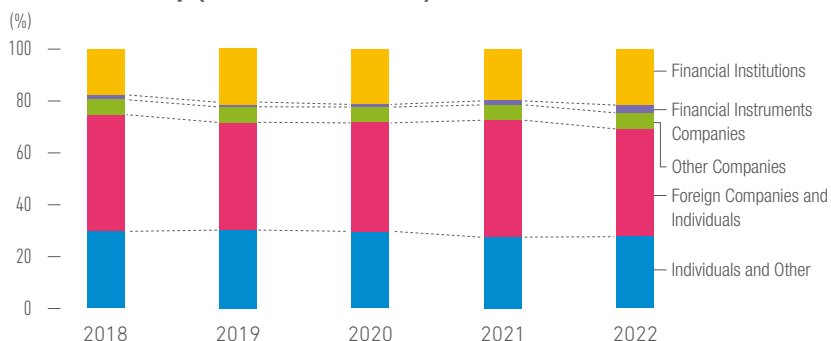
Principal Shareholders

Rank	Shareholder	Investment in Square Enix	
		(Thousands of shares)	(%)
1	Yasuhiro Fukushima	23,626	19.75
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	17,857	14.93
3	Fukushima Planning Co., Ltd.	6,763	5.65
4	JP MORGAN CHASE BANK 380752	6,448	5.39
5	Custody Bank of Japan, Ltd. (Trust Account)	5,735	4.79
6	JP MORGAN CHASE BANK 380815	5,361	4.48
7	THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED 131800	2,511	2.09
8	STATE STREET BANK WEST CLIENT - TREATY 505234	1,412	1.18
9	STATE STREET BANK AND TRUST COMPANY 505001	1,316	1.10
10	Michiko Fukushima	1,243	1.03

Notes: 1. The Company holds 2,927,330 shares of treasury stock, which are excluded from the above table.

2. The holding ratio is calculated without the treasury shares (2,927,330).

Share Ownership (Thousands of shares)



	2018		2019		2020		2021		2022	
Financial Institutions	21,626	(17.7%)	26,562	(21.7%)	26,065	(21.3%)	24,395	(19.9%)	26,224	(21.4%)
Financial Instruments Companies	2,037	(1.7%)	1,390	(1.1%)	1,076	(0.9%)	1,951	(1.6%)	4,000	(3.3%)
Other Companies	7,409	(6.0%)	7,373	(6.0%)	7,352	(6.0%)	7,272	(5.9%)	7,310	(6.0%)
Foreign Companies and Individuals	54,920	(44.9%)	50,459	(41.2%)	52,087	(42.5%)	55,273	(45.1%)	51,033	(41.6%)
Individuals and Other	36,404	(29.7%)	36,745	(30.0%)	35,948	(29.3%)	33,638	(27.5%)	33,962	(27.7%)
Total	122,398	(100.0%)	122,531	(100.0%)	122,531	(100.0%)	122,531	(100.0%)	122,531	(100.0%)

Shareholders' Memo

- Fiscal year:
April 1 to March 31
- Record dates for dividends from retained earnings:
September 30 (Record date for interim dividend)
March 31 (Record date for year-end dividend)
- Annual General Meeting of Shareholders:
June
- Administrator of the register of shareholders:
Mitsubishi UFJ Trust and Banking Corporation
- Inquiries and mailing address:
Securities Agency Division
Mitsubishi UFJ Trust and Banking Corporation
Shin-Tokyo Post Office Post-office Box No. 29,
137-8081
TEL.: 0120-232-711
(Toll-free number within Japan)
- Listed on:
Tokyo Stock Exchange
- Securities code:
9684
- Trading unit:
100 shares
- Public notices:
URL:
<https://www.pronexus.co.jp/koukoku/9684/9684.html>
(Japanese)

(Public notices will be announced in the Nikkei, a Japanese-language newspaper, in case an electronic notice is not possible due to accident or other unavoidable reason.)

SQUARE ENIX HOLDINGS CO., LTD.

www.hd.square-enix.com/

