

Summary of the 37th Annual Shareholders' Meeting held on June 23, 2017



The following is an outline of the Company's 37th Annual Shareholders' Meeting.

*This document is prepared to provide a summary report on the Company's 37th Annual Shareholders' Meeting, which differs from the statutory minutes of the meeting.

Date and time: June 23, 2017 (Friday), 10:00 - 11:00 a.m.

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

Number of shareholders: 549

Meeting Agenda

<Reports>

- 1 . Business Report, Consolidated Financial Statements and Audit Reports on the Consolidated Financial Statements by the Accounting Auditors and by the Audit & Supervisory Board for the 37th term (April 1, 2016 through March 31, 2017)
- 2 . Non-Consolidated Financial Statements for the 37th term (April 1, 2016 through March 31, 2017)

<Items for Resolution>

First Item: Election of Six (6) Directors

Second Item: Election of One (1) Audit & Supervisory Board Member

Third Item: Election of One (1) Substitute Audit & Supervisory Board Member

All of the items were approved as originally proposed.

Summary of Questions and Answers:

Q1.

With regards to your explanation about the digital sales enhancement (download sales of main game), do you have an idea to introduce a limited edition with extra items for digital games as a sales promotion in the same way as for packaged games?

A1.

We will consider introducing such limited edition as a part of our sales promotion activities.

Q2.

Please launch “DRAGON QUEST XI” on the Nintendo Switch platform in addition to PlayStation4 and Nintendo 3DS. Please also take some measures that encourage the young generation to play the “DRAGON QUEST” series.

A2.

Please look forward to our future initiatives in both areas you pointed out.

Q3.

Why did you grant a license of one or two of your intellectual properties (“IP”) to pachinko and pachislot machines? Is this because you are planning to enter into the casino business?

A3.

First of all, we have no plan to enter into the casino business. We are expecting our customers to enjoy our IP as pure game content. The license to pachinko and pachislot machines is granted on a case-by-case basis, if needed.

Q4.

What type of arcade games are you envisioning as you mentioned regarding the promotion of arcade game streaming services?

A4.

We would like to deliver various types of arcade game content for that purpose. We are open to a choice of amusement machines or genre.

Q5.

Please expand the business opportunity by applying virtual reality (“VR”) and augmented reality (“AR”) technologies to the existing titles in the amusement segment, which can provide people with unique game experiences that are not available at home.

A5.

We have are interested in VR/AR technologies as we see plenty of potential. We unveiled an experimental VR product at the Tokyo Game Show 2016, which will be commercialized in the near future. We’ll differentiate ourselves from our competitors by adopting such an original approach.

Q6.

Could you narrow the gap between interim and year-end dividend amounts, which is widening? (FY2017/3: interim 10 yen / year-end: 40 yen)

A6.

Due to the rapid changes in our business environment, it is difficult to estimate the full year results at the end of the interim period. Therefore, we need to maintain the current dividend policy under which the interim dividend amount is kept at JPY 10 yen per share and the year-end dividend is adjusted based on the full year financial results. However, we might review the dividend policy in the future if our earnings performance is more stabilized through the fiscal year.

Q7.

Please give us the detail of impairment loss due to the withdrawal from the business of IO INTERACTIVE A/S ("IOI"), a wholly-owned Danish subsidiary.

A7.

IOI is a long established studio that has been developing the "HITMAN" series and others by utilizing their strong technologies. However, we need to have more selected and concentrated development resources to survive the increasingly fierce competition in the world games market, we therefore decided to withdraw from the business of IOI, and as a result, we booked the related expenses as impairment loss in FY2017/3. For your reference, IOI's management has successfully completed an MBO to become an independent company.

Q8.

Please let us know how you intend to dispose of the own-shares acquired through the recent tender offer for own-share repurchase.

A8.

We purchased approximately 3 million own-shares as a result of the tender offer for own-share repurchase from May 25, 2017 to June 21, 2017. We have no plan to dispose of these shares for now, and we will consider how to make use of them.

Q9.

Please let us know your basic policy for the service period of F2P (free to play) games such as online and smartphone games, which are now a significant source of your earnings, while some of them were terminated in a short period of service.

A9.

Our basic policy is that we develop and operate F2P games to be enjoyed by our customers as long as possible. We think such longevity and sustainability is important for customers, and we will maintain that policy.

Statements made in this document with respect to the plans, estimates, strategies and beliefs, including any forecasts or projections, of SQUARE ENIX HOLDINGS CO., LTD. or its consolidated subsidiaries (together, "SQUARE ENIX HOLDINGS") are forward-looking statements about the future performance of SQUARE ENIX HOLDINGS.

These statements are based on management's assumptions and beliefs in light of information available to it at the time of annual general meeting of shareholders and as such readers should not place undue reliance on them. Further, readers should not assume that statements made in this document will remain accurate or operative at a later time.

A number of factors could cause actual results to be materially different from or worse than those discussed in forward-looking statements. Such factors include, but are not limited to:

1. Changes in economic conditions affecting our operations;
2. Fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the euro;
3. Our ability to continue to win acceptance of our products and services, which are offered in highly competitive markets characterized by the continuous introduction of new products and services, rapid developments in technology, and subjective and changing consumer preferences;
4. Our ability to successfully expand internationally with a focus on our digital content business, online game business and mobile phone content business; and
5. Regulatory developments and changes and our ability to respond and adapt to those changes.

The forward-looking statements regarding earnings contained in these materials were valid at the time of the annual general meeting of shareholders. SQUARE ENIX HOLDINGS assumes no obligation to update or revise any forward-looking statements, including forecasts or projections, whether as a result of new information, subsequent events or otherwise.

The financial information presented in this document is prepared according to generally accepted accounting principles in Japan.