Corporate Governance Report

Last Update: August 13, 2026

SQUARE ENIX HOLDINGS CO., LTD.
President and Representative Director: Takashi Kiryu
Contact: Yoshihiro Taguchi, General Manager of Legal & Intellectual Property Division
+81-3-5292-8000
Securities Code: 9684
https://www.hd.square-enix.com/

The corporate governance of SQUARE ENIX HOLDINGS CO., LTD. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Views

The Company is a pure holding company governing 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 of 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 platform is a key management challenge, and the entire SQUARE ENIX Group devotes itself to that end on an ongoing basis.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company complies with all the principles of the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1.4: Cross-Shareholdings]
The Group holds publicly traded shares for purposes other than pure investment in some cases where it has determined that so doing will contribute to the enhancement of its corporate value over the medium or long term through prospective business tie-ups or transactional relationships with the relevant companies. Each year the Board of Directors reviews the status of achievement of the intended objective of the shareholding and determines whether or not to continue holding shares. In addition, the Group exercises the voting rights associated with the shares from the perspective of achieving the objective of the shareholding.

[Principle 1.7: Related Party Transactions]
The Company respects provisions of the Companies Act related to conflict-of-interest transactions between the Company and its directors, by obtaining prior Board approval and submitting a report on the transaction to the Board. The Company also requires the same procedures for transactions with non-director executive officers and those with major shareholders.

[Supplementary Principle 2.4.1: Approach to Ensuring Diversity]
Our Code of Conduct states that in pursuing our business activities, running our organization, and managing our human resources, the Group respects diversity in such forms as nationality, race, religion, thought and creed, age, gender, sexual orientation, and physical attributes. Our policy regarding all employees, including middle management and core human resources, is to hire the talent that we require for the Group's business activities regardless of their gender, their nationality, or whether they are new graduates or in the middle of their careers.

As of March 31, 2026, roughly 30% of our Group's employee body was female, roughly 16% foreign nationals, and roughly 82% midcareer hires, while around 16% of our middle management was female, around 17% foreign nationals, and around 82% midcareer hires.
We will continue to promote further diversity by hiring the human resources required for the Group's business activities irrespective of personal characteristics.
Please note that we disclose information about the development of our human resources and internal environment in our securities filings and Annual Report, which can be found on our website at:
https://www.hd.square-enix.com/jpn/ir/library/fs.html *Japanese Original Only
https://www.hd.square-enix.com/eng/ir/library/ar.html

[Principle 2.6: Role as Corporate Pension Fund Asset Owner]
The company has no corporate pension.

[Principle 3.1: Enhancement of Disclosure]
(1) Corporate Philosophy, Business Strategies, and Business Plans
The Company discloses its Purpose and Values on the Company website.
https://www.hd.square-enix.com/eng/company/purpose_values.html
The Company continuously discloses business strategies and business plans on the Company's website, in Annual Reports, Securities Reports, Notices of Convocation of the Annual Shareholders' Meeting, Earnings Summaries (*Kessan Tanshin*), financial results briefing materials, and so forth.
The Company also discloses English translations of the above business principles, business strategies and business plans on the Company's website, in Annual Reports, etc.

(2) Basic Views and Guidelines on Corporate Governance
Please refer to "1. Basic Views" in I (Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information) of this Report. The Company believes that the implementation of each principle of the Corporate Governance Code increases the Company's corporate value, and therefore complies with all the principles.

(3) Remuneration for Directors
Please refer to "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in [Remuneration for Directors] in 1 (Organizational Composition and Operation) in II (Business Management Organization and Other Corporate Governance Systems Regarding Decision Making, Execution of Business, and Oversight in Management) of this Report.

(4) Policies and Procedures for Nominating Directors
Criteria and procedures for nominating directors are as follows:

- Nomination Criteria for Directors

1. Regardless of gender, nationality, or other personal attributes, candidates shall be those who meet the following:
   (a) Candidates for directors (other than those who are members of the Audit & Supervisory Committee) shall have a wealth of experience and knowledge in corporate management, as well as a high level of expertise and insight in the strategic areas such as media entertainment or IT & technology. Candidates for directors who are members of the Audit & Supervisory Committee shall have a wide range of experience and insight in specialized fields such as finance, accounting, legal affairs, risk management and corporate management;
   (b) With full understanding and practice of our Purpose and Values, candidates shall be able to contribute to the sustainable growth and medium-to-long-term enhancement of our corporate value; and
   (c) Candidates shall be able to contribute to the reinforcement of checks and balances and monitoring functions among directors and ensuring the effectiveness of the Board of Directors
2. In order to directly reflect the interests of general shareholders to the Board of Directors, at least two independent outside directors, other than directors who are members of the Audit & Supervisory Committee, shall be elected. All directors who are members of the Audit & Supervisory Committee shall be independent outside directors, and consideration shall be given to the appointment of one or more directors who have appropriate knowledge of finance and accounting. However, this shall not apply to a substitute director who is a member of the Audit & Supervisory Committee.
3. Outside directors shall meet the requirements therefor stipulated in the Companies Act and the independence standards stipulated by the Financial Instruments Exchanges.
4. For important positions of listed companies that candidates concurrently serve, up to three companies, other than the Company, are allowed as a general guideline, and the time and effort required to properly perform their duties at the Company need to be allocated.

5. The maximum total term of office for outside directors shall, in principle, be 10 years.

- Nominations Procedures for Directors

1. The Remuneration and Nomination Committee prepares a director nominee plan to be submitted to the Board of Directors based on the nomination criteria for directors and the nomination procedures.
2. Based on the proposal from the Remuneration and Nomination Committee, the Board of Directors discusses and determines the nominee plan for directors. The nominee plan for Directors who are Audit & Supervisory Committee Members shall require the consent of the Audit & Supervisory Committee.

The following criteria serve as the basis for decision-making on dismissing a director (including dismissal without reappointment). Should any of the following apply, the Remuneration and Nomination Committee shall discuss whether dismissal is required, after which the Board of Directors shall make the final decision.

1. Behavior that violates or that may violate laws, regulations, or the Articles of Incorporation
2. Causing the Group serious losses and significant deterioration in its earnings
3. Discovery of failure to meet the Nomination Criteria for Directors
4. Other reasons for determining a lack of compliance with the Nomination Criteria for Directors

(5) Explanation of Individual Appointments for Directors

The Company individually discloses significant factors considered in the selection of nominees, such as detailed personal histories and backgrounds of each director nominee, in the Notice of Convocation of the Annual Shareholders' Meeting. The reasons for appointing nominees for outside directors are described in [Directors] - (Outside Directors' Relationship with the Company (2)) in 1 (Organizational Composition and Operation) in II (Business Management Organization and Other Corporate Governance Systems Regarding Decision Making, Execution of Business, and Oversight in Management) of this Report.

[Supplementary Principle 3.1.3: Sustainability Initiatives]

The Group has established as its Purpose: "Creating New Worlds With Boundless Imagination to Enhance People's Lives." Guided by this Purpose, the Group is committed to realizing a future in which it can continue delivering a diverse range of content to customers around the world for the next 10 years, 20 years, and beyond, while striving to achieve sustainable growth. From the perspective of enhancing corporate value in the medium to long term, the Group recognizes the pursuit of sustainability initiatives as a key challenge.

Details of the Group's sustainability initiatives, including the impact of climate change-related risks and opportunities on its business activities and earnings, as well as investments in human capital and intellectual property, are disclosed in its securities filings and Annual Report, which can be found on its website at:

https://www.hd.square-enix.com/jpn/ir/library/fs.html *Japanese Original Only

https://www.hd.square-enix.com/eng/ir/library/ar.html

[Supplementary Principle 4.1.1: The Scope of the Delegation of Authority to the Management]

The Company's Articles of Incorporation, Board of Directors' Rules, and other internal rules set forth clearly and objectively the allocation of authority between the Board and the management, including executive directors. The Board retains the powers to resolve matters that require the Board's resolution under the Companies Act and/or other relevant laws and regulations, and any other significant management matters as set forth under the Board of Directors' Rules, including management plans, business plans, and budgets. Decision-making authority for other operational matters is delegated on an item-by-item basis to the management in accordance with internal rules.

[Principle 4.9: Independence Standards and Qualifications for Independent Directors]

It is the Company's policy to appoint independent directors who meet the independence standards prescribed by the Companies Act and the Tokyo Stock Exchange.

[Supplementary Principle 4.10.1: Voluntary Committee]

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 a Remuneration and Nomination Committee on which the majority is formed by independent outside directors and the chairperson is an independent outside director. This committee decides 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 established by the Board of Directors, decides the Guidelines on the Nomination Criteria for Directors, and also decides candidates for directors, etc. to be submitted to the Board of Directors.

[Supplementary Principle 4.11.1: Overall Balance of the Board Composition, and the Policies and Procedures for Appointment]

It is the Company's policy to maintain a Board with diversified professional expertise and knowledge in order to ensure sound and swift decision making, appropriate supervision of management, and mutual checks and balances between directors. So that the interests of general shareholders are directly represented at the Board, as regards directors (excluding Directors who are Audit & Supervisory Committee Members), at least 2 independent outside directors shall be appointed, and all Directors who are Audit & Supervisory Committee Members shall be independent outside directors.

Regarding how directors are appointed, please also refer to "(4) Policies and Procedures for Nominating Directors" in [Principle 3.1: Enhancement of Disclosure]
Regarding the skills matrix of the directors, please also refer to the last page of this report.

[Supplementary Principle 4.11.2: Concurrent Positions Held by Directors]
The Company discloses positions concurrently held by each director in the Notice of Convocation of the Annual Shareholders' Meeting.

[Supplementary Principle 4.11.3: Analysis and Evaluation of the Effectiveness of the Board of Directors]
Meetings of the Board of Directors were held in the fiscal year ended March 31, 2026 as described below. In addition, the Company conducted a survey on the effectiveness of board meetings and received positive feedback from Board members. Based on the above, 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, 2026), 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.
- Each of the directors maintains a high attendance rate (100% for 12 of the 12 directors), and sufficient time was secured for active discussions.
- The Board subjects operational execution to effective discipline, with Board discussions at times resulting in the revision or revisiting of proposed items.

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

[Supplementary Principle 4.14.2: Training Policy for Directors]
The Company takes the following measures to provide, at the Company's cost, directors with opportunities to acquire knowledge of laws and regulations as required for executing their duties and to better understand the Company's business and organization, as well as with other training opportunities.

- Explanations of each business unit's businesses and operations to newly appointed directors by the management executives of each division.
- Meetings between outside directors and management executives including one-on-one interviews.
- Providing Board members with analyst reports and other objective information regarding the Company's business on a regular basis.
- Providing Board members with opportunities to participate in trade shows and conferences hosted by industry organizations.
- Lectures by the Company's outside counsel on the latest legislative revisions and other legal issues.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]
It is the Company's policy to promote constructive dialogue with shareholders through the following mechanisms and initiatives:

- The Financial Strategy Department, which is responsible for shareholder/investor relations, is promoting dialogue with shareholders and investors under direct supervision of the President and with the cooperation of the management, accounting, corporate strategy, legal and business divisions.
- The Company strives to engage in constructive dialogues with capital markets via financial results briefing sessions held immediately after quarterly earnings announcements, individual meetings with institutional investors and analysts, and small group meetings.
- For overseas institutional investors, the Company offers individual and small group IR meetings, and also conducts overseas road shows as appropriate.

-	The Company actively discloses information to shareholders and investors in Annual Reports and on the Company's website.
-	The Company strives to provide the President and the Board with feedback based upon views and requests that have arisen from dialogues with shareholders as appropriate so that they may serve as a reference for management decision-making and be reflected in future dialogues.
-	The Company strictly controls insider information by establishing internal rules and appointing an Insider Information Management Manager.

[Actions aimed at Effecting Management that is Mindful of the Cost of Capital and the Share Price]

Disclosure	Disclosure of Initiatives (Update)
English Disclosure	Yes
Update Date	May 14, 2026

Explanation of relevant points

Progress Report on the Medium-Term Business Plan (FY2025/3-FY2027/3) posted on our website discloses measures to achieve management that takes into account capital costs and the share price.

2. Capital Structure

Percentage of Foreign Shareholders	30% or more

Status of Major Shareholders

Name / Company Name	Number of Shares Owned	Percentage (%)
Yasuhiro Fukushima	70,878,060	19.65
The Master Trust Bank of Japan, Ltd. (Trust Account)	39,936,700	11.07
JP MORGAN CHASE BANK 380752	35,430,000	9.82
Fukushima Planning Co., Ltd.	20,291,085	5.62
STATE STREET BANK AND TRUST COMPANY 505018	14,167,106	3.92
GOLDMAN, SACHS & CO. REG	12,495,529	3.46
Custody Bank of Japan, Ltd. (Trust Account)	11,531,800	3.19
3D WH OPPORTUNITY MASTER OFC - 3D WH OPPORTUNITY HOLDINGS	11,000,000	3.05
THE CHASE MANHATTAN BANK, N. A. LONDON SPECIAL ACCOUNT NO.1	8,490,426	2.35
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	7,080,892	1.96

Controlling Shareholder (Except for Parent Company)	―――
Parent Company	None

Supplementary Explanation

On March 3, 2026, 3D Investment Partners Pte. Ltd. submitted a large shareholding report (change report) to the Director-General of the Kanto Finance Bureau.
On January 9, 2026, Ayar First Investment Company submitted a large shareholding report (change report) to the Director-General of the Kanto Finance Bureau.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-end	March
Type of Business	Information & Communications
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (Consolidated) as of the End of the Previous Fiscal Year	¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems Regarding Decision Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Structure of Organization	Company with Audit & Supervisory Committee.

Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	16
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	13
Election of Outside Directors	Elected
Number of Outside Directors	10
Number of Independent Directors	10

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		A	b	c	d	e	f	g	h	i	j	k
Masato Ogawa	From Other Company											
Mitsuko Okamoto	Academic											
Abdullah Aldawood	From Other Company											
Naoto Takano	From Other Company								△			
Mika Agatsuma	From Other Company											
Tracy Fullerton	Academic											
Nobuyuki Iwamoto	From Other Company								△			
Tadao Toyoshima	CPA											

Hajime Shinji	Attorney											
Rika Nakamura	CPA											

* Categories for "Relationship with the Company":
"○" When the director currently falls or has recently fallen under the category
"△" When the director fell under the category in the past
"●" When a close relative of the director currently falls or has recently fallen under the category
"▲" When a close relative of the director fell under the category in the past
a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as a director/auditor
g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company with which the Company engages in mutual appointment of outside directors/auditors (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Masato Ogawa		○	———	He possesses abundant experience and broad-ranging insight as a corporate executive. The Company expects him to be capable of properly executing the duties of an Outside Director from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Mitsuko Okamoto		○	———	She possesses a wealth of experience and a wide range of knowledge and insight in the field of animation and other content. The Company expects her to be capable of properly executing the duties of an Outside Director by providing recommendations regarding our entertainment content businesses broadly, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated her an independent director since she has no risk of developing a conflict of interest with general shareholders.
Abdullah Aldawood		○	———	He possesses a track record as a national leader in the development of the field of

				entertainment in the Kingdom of Saudi Arabia, abundant experience in international financial institutions, and a wealth of experiences and broad-ranging insight in global corporate management. The Company expects him to be capable of properly executing the duties of an Outside Director by providing recommendations regarding our Group businesses broadly, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Naoto Takano		○	He was formerly an executive officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.), a business partner of the Company Group, but he retired from the company in March 2005. In addition, the value of transactions between said institution and the Company Group in the past three fiscal years is very small, accounting for less than 0.1% of the Bank's consolidated ordinary income.	He possesses abundant experience and broad-ranging insight as a corporate executive. The Company expects him to be capable of properly executing the duties of an Outside Director from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Mika Agatsuma		○	_____	She possesses a wealth of experience and a wide range of knowledge and insight in the field of risk management relating to IT/technology and security. The Company expects her to be capable of properly executing the duties of an Outside Director from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated her an independent director since she has no risk of developing a conflict of interest with general shareholders.
Tracy Fullerton		○	_____	She possesses a wealth of experience and a wide range of knowledge and insight in the field of games and the wider entertainment domain, as well as experience in establishing and managing game development companies. The Company expects her to be capable of properly executing the duties of an Outside Director by providing recommendations from a global standpoint regarding our entertainment content businesses broadly, as well as from the perspective of supervising and serving as a check on Directors' execution of their roles. The Company has designated her an independent director since she has no risk of developing a conflict of interest with general shareholders.

Nobuyuki Iwamoto	○	○	He previously served as Representative Director and Vice President of Daiwa Securities Co., Ltd., a business partner of the Group, but left the aforementioned firm in March 2016. In addition, annual transactions between the aforementioned firm and the Group in the past three fiscal years were insignificant, accounting for less than 0.1% of the aforementioned firm's operating revenue.	He possesses wealth of experience and breadth of insight in corporate management broadly. The Company expects him to be capable of properly executing the duties of an Outside Director who is an Audit & Supervisory Committee Member from the perspective of monitoring and auditing Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Tadao Toyoshima	○	○	———	He is a Certified Public Accountant (CPA) and possesses extensive expertise in finance- and accounting-related matters. The Company expects him to be capable of properly executing the duties of an Outside Director who is an Audit & Supervisory Committee Member from the perspective of monitoring and auditing Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Hajime Shinji	○	○	———	He possesses a wealth of experience and broad insight as exemplified by his status as a qualified attorney and the government positions he has held in the field of law. The Company expects him to be capable of properly executing the duties of an Outside Director who is an Audit & Supervisory Committee Member from the perspective of monitoring and auditing Directors' execution of their roles. The Company has designated him an independent director since he has no risk of developing a conflict of interest with general shareholders.
Rika Nakamura	○	○	———	As a Certified Public Accountant (CPA) and a Certified Public Tax Accountant (CPTA), she possesses extensive expertise in finance- and accounting-related matters. Taking into account perspectives cultivated through her experience in the management of operating companies, the Company expects her to be capable of properly executing the duties of an Outside Director who is an Audit & Supervisory Committee Member from the perspective of monitoring and auditing Directors' execution of their roles. The Company has designated her an independent director since she has no risk of developing a conflict of interest with general shareholders.

Audit & Supervisory Committee

Committee's Composition and Type of Chairperson

	Audit & Supervisory Committee
Total Committee Members	4
Full-time Members	1
Directors	0
Outside Directors	4
Chairperson	Outside Director

Directors and employees who support the execution of duties by the Audit & Supervisory Committee	Assigned

Matters regarding the Independence of Relevant Directors and Employees from Executive Officers

The Company designates persons belonging to the Internal Audit Office as the employees that are to assist with the duties of the Audit & Supervisory Committee. In order to ensure the aforementioned employees' independence from directors involved in operational execution, the Company specifies that persons belonging to the Internal Audit Office are to follow only the instructions and orders of the Audit & Supervisory Committee when providing assistance with its duties, and that decisions on personnel matters concerning the head of the Internal Audit Office, including but not limited to the appointment, transfer, and disciplining thereof, shall require the consent of the Audit & Supervisory Committee.

Cooperation between the Audit & Supervisory Committee, Accounting Auditors, and Internal Audit Office

Coordination between Audit & Supervisory Committee and Accounting Auditors
The Audit & Supervisory Committee and Accounting Auditors meet coinciding with quarterly and full-year results (i.e., a total of 4 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.
Coordination between Audit & Supervisory Committee, Accounting Auditors, and Internal Audit Office
While sharing information with the Audit & Supervisory Committee and Accounting Auditors, the Internal Audit Office takes significance and risk into consideration as it regularly checks and studies/evaluates (i.e., performs internal evaluations on) the internal management structure and operational processes, including at Group companies.
In addition, the Internal Audit Office regularly reports to the Audit & Supervisory Committee regarding operational audits, and, on an ongoing basis, incorporates the results of such discussions into the performance of its auditing duties.

Voluntary Committee

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee Name	Remuneration and Nomination Committee	Remuneration and Nomination Committee
All Committee Members	5	5

Full-time Members	0	0
Directors	1	1
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

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 a Remuneration and Nomination Committee, of which the majority is formed by independent outside directors and the chairperson is an independent outside director. This committee decides 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 established by the Board of Directors, decides the Guidelines on the Nomination Criteria for Directors, and also decides candidates for directors, etc. to be submitted to the Board of Directors.
The members of the Remuneration and Nomination Committee are appointed by the Board of Directors as follows, and the committee is convened as needed.
- Chairperson: Masato Ogawa (Outside Director)
- Member: Takashi Kiryu (President and Representative Director)
- Member: Mitsuko Okamoto (Outside Director)
- Member: Naoto Takano (Outside Director)
- Member: Nobuyuki Iwamoto (Outside Director, Standing Audit & Supervisory Committee Member)

Independent Directors

Number of Independent Directors	10

Matters Relating to Independent Directors

The Company designates as independent directors all outside directors that fulfill the independent director criteria.

Incentives

Incentive Policies for Directors	Performance-linked remuneration, stock options, and others

Supplementary Explanation

Details are described in [Remuneration for Directors] in 1 (Organizational Composition and Operation) in II (Business Management Organization and Other Corporate Governance Systems Regarding Decision Making, Execution of Business, and Oversight in Management) of this Report.

Recipients of Stock Options	Directors, Outside Directors, Employees, Subsidiaries' Directors and Subsidiaries' Employees

Supplementary Explanation

The number of persons granted share options and the number of shares granted as of May 31, 2026 are as follows.
-Compensation-type stock options (share options): the Company had granted 30 stock options (9,000 shares) to 2 directors (excluding Directors who are Audit & Supervisory Committee Members).
-Stock options (share options): the Company had granted 2,628 stock options (788,400 shares) to 25 persons, including but not limited to persons who are employees of the Company and directors and employees of the Company's subsidiaries.

In addition, since the compensation pool for compensation-type stock options (share options) was abolished following a resolution at the 41st Annual Shareholders' Meeting held on June 25, 2021, no compensation-type stock options (share options) will be issued from that date onward. Stock options that have already been granted as compensation-type stock options (share options) remain in effect.

Remuneration for Directors

Disclosure of Individual Directors' Remuneration	Partial Disclosure

Supplementary Explanation

Director remuneration was as follows in the fiscal year ended March 31, 2026.

	Total	Fixed	Performance-linked	Restricted Stock
-8 Directors (excl. Audit & Supervisory Committee)	¥618mn	¥253mn	¥221mn	¥144mn
(of which, 5 Outside Directors)	(¥75mn)	(¥63mn)	(N/A)	(¥12mn)
-3 Audit & Supervisory Committee Members	¥60mn	¥60mn	N/A	N/A
(of which, 3 Outside Directors)	(¥60mn)	(¥60mn)	(N/A)	(N/A)

President and Representative Director Takashi Kiryu was the only executive who received total consolidated remuneration of ¥100 million or more. His total remuneration was ¥387 million (fixed remuneration of ¥100 million, performance-linked remuneration of ¥177 million, and ¥110 million in restricted stock remuneration).

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

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

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

・Basic Policy on the Executive Remuneration System

1. Directors (excluding Directors who are Audit & Supervisory Committee Members):
   -Remuneration for Executive Directors shall comprise fixed remuneration (monetary), performance-linked remuneration (monetary), and restricted stock remuneration. Remuneration for the President and Representative Director shall be evenly split between each category (however, performance-linked remuneration [monetary] will vary depending on performance). For other executive directors, the ratio shall be determined on an individual basis, taking into account earnings performance and other achievements in the director's realm of responsibility. Directors that additionally serve in such roles as directors of subsidiaries may also receive remuneration from the relevant subsidiary.

   -Remuneration for Non-Executive Directors shall comprise fixed remuneration (monetary) and restricted stock remuneration. The ratio shall be determined on an individual basis, taking into account where the director is domiciled among other factors.

-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, performance-linked remuneration (monetary) shall consist of a portion linked to companywide performance and another portion linked to individual performance calculated based on metrics pre-determined by the Remuneration and Nomination Committee. The amount of remuneration linked to companywide performance shall be 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 shall be obtained by applying to the basic remuneration for companywide performance a multiple determined by the degree of deviation from a base amount, and then multiplying the result by a coefficient determined by the growth rate of the Company relative to the peer group. The amount of remuneration linked to individual performance shall be obtained by applying to the basic remuneration for individual performance a multiple determined by an evaluation of the President and Representative Director's performance by the Remuneration and Nomination Committee. Performance-linked remuneration (monetary) shall be paid once a year after the business results for each fiscal year are determined.

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

2. Directors who are Audit & Supervisory Committee Members:
-In consideration of independence from management, only monetary remuneration shall be made.
-Fixed remuneration (monetary) shall be determined based upon role, remuneration in past years, the need to retain talented human resources, research by specialized third-party organizations, remuneration trends at comparable companies, and economic conditions. Fixed remuneration (monetary) shall be paid monthly.

・Director Remuneration Determination Process

1. Individual amounts and the nature of remuneration for directors (excluding directors who are Audit & Supervisory Committee Members) shall be determined by the Remuneration and Nomination Committee based on the Basic Policy on the Executive Remuneration System established by the Board of Directors.
2. Individual amounts and the nature of remuneration for directors who are Audit & Supervisory Committee Members shall be determined via discussions by the directors who are Audit & Supervisory Committee Members, with reference made to the basic policy determined by the Board of Directors.
3. Individual amounts and the nature of remuneration shall be set within the confines of the remuneration allocation approved at the General Shareholders' Meeting and shall be determined based upon a comprehensive consideration of annual earnings and each director's performance in his/her role and contribution to corporate earnings, remuneration in past years, the need to retain talented human resources, research by specialized third-party organizations, remuneration trends at comparable companies, and economic conditions.

Support System for Outside Directors

The President and Representative Director makes reports as appropriate to the outside directors on key corporate matters and exchanges views with them. The President and Representative Director also arranges opportunities as appropriate for the outside directors to exchange information and views with the executive management.
Business-line managers also at appropriate times make reports to and exchange views with the outside directors.
The full-time Audit & Supervisory Committee Member makes reports as appropriate to the outside directors who are Audit & Supervisory Committee Members on key corporate matters and exchanges views with them.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination, and Remuneration Decisions

(Overview of Current Corporate Governance System)

(1) 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 an 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 will strengthen 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 9 directors (excluding those who are members of the Audit & Supervisory Committee), 6 of which are outside directors, and 4 directors who are members of the Audit & Supervisory Committee, all of which are outside directors, with 1 being full-time. The Company designates all of its outside directors as independent directors as defined by the Tokyo Stock Exchange.
As a general rule, 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 checking and balancing function that directors play for one another.
Meetings of the Board of Directors were held 16 times in the fiscal year ended in March 2026, and attendance by the individual directors was as follows:

-Takashi Kiryu (President and Representative Director):	100.0% (16/16)
-Yoshinori Kitase (Director):	100.0% (16/16)
-Yu Miyake (Director):	100.0% (16/16)
-Masato Ogawa (Outside Director):	100.0% (16/16)
-Mitsuko Okamoto (Outside Director):	100.0% (16/16)
-Abdullah Aldawood (Outside Director):	100.0% (16/16)
-Naoto Takano (Outside Director):	100.0% (16/16)
-Mika Agatsuma (Outside Director):	100.0% (16/16)
-Tracy Fullerton (Outside Director):	100.0% (16/16)
-Nobuyuki Iwamoto (Outside Director, full-time Audit & Supervisory Committee Member):	100.0% (16/16)
-Tadao Toyoshima (Outside Director, Audit & Supervisory Committee Member):	100.0% (16/16)
-Hajime Shinji (Outside Director, Audit & Supervisory Committee Member):	100.0% (16/16)

(2) As a general rule, 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 audit functions. Some Audit & Supervisory Committee Members have considerable knowledge of finance and accounting. In addition, full-time Audit & Supervisory Committee Members attend important meetings other than those of the Board of Directors, such as those of the Remuneration and Nomination Committee and the Internal Control Committee, and they share information that they have obtained by reviewing minutes of key meetings, contracts, approval requests, and accounting data with other Audit & Supervisory Committee Members.
Meetings of the Audit & Supervisory Committee were held 21 times in the fiscal year ended in March 2026, and attendance by the individual Audit & Supervisory Committee Members was as follows:

-Nobuyuki Iwamoto (full-time Audit & Supervisory Committee Member):	100.0% (21/21)
-Tadao Toyoshima (Audit & Supervisory Committee Member):	100.0% (21/21)
-Hajime Shinji (Audit & Supervisory Committee Member):	100.0% (21/21)

The Company has employed Ernst & Young ShinNihon LLC as its accounting auditor for 20 consecutive years. The following certified public accountants are responsible for the current fiscal year.

- Names of responsible certified public accountants
  Designated Limited Liability Partners, Business Execution Partners: Hirofumi Harashina (5 consecutive years), Taro Kuramochi (4 years).
- Support team for accounting audit duties
  14 certified public accountants; 34 others

The Audit & Supervisory Committee and auditing firm meet coinciding with quarterly and full-year earnings (i.e., a total of 4 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.

The Board of Directors and Internal Control Committee are provided with reports on such audits as appropriate.
The Company has 10 outside directors. No special interests exist between the Company and its outside directors.
Reporting and exchanges of views regarding coordination between outside directors and the Internal Audit Office and auditing firm take place as appropriate at meetings of the Board of Directors, the Audit & Supervisory Committee, Internal Control Committee, and other relevant bodies.

(3) 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 a Remuneration and Nomination Committee on which the majority is formed by independent outside directors and the chairperson is an independent outside director. This committee decides 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 Officer Remuneration System, decides the Guidelines on the Nomination Criteria for Directors, and also decides candidates for directors, etc. to be submitted to the Board of Directors.

(4) Based on the stipulations of Article 427(1) of the Companies Act, the Company has entered into an agreement with its outside directors limiting liability for damages as defined under Article 423(1) of the same act. Under the aforementioned agreement, liability for damages is capped at the higher of ¥10 million or the amount dictated by the relevant laws and regulations.

(5) 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.

3. Reasons for Adoption of Current Corporate Governance System

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 an 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 will strengthen 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.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Revitalize the Annual Shareholders' Meeting and Facilitate the Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of Annual Shareholders' Meeting	In order to respond to investor needs, the Company mails notifications of Annual Shareholders' Meetings approximately three weeks in advance of the meetings rather than the two weeks required by law.
Scheduling Annual Shareholders' Meeting to Avoid the Peak Time	In addition to fulfilling its legal requirements, the Company endeavors to finalize the agenda of the Annual Shareholders' Meeting and coordinate the timing of the meeting as quickly as possible, thus enabling it to hold its meeting ahead of the peak days.
Allowing the Electronic Exercise of Voting Rights	The Company accepts online voting. It also participates in the Electronic Voting Platform.
Participation in Electronic Voting Platform	The Company participates in the Electronic Voting Platform.

Providing Convocation Notice in English	The Company provides on its website abridged English translations of the key portions of the convocation notice, Annual Shareholders' Meeting reference materials, business reports, and calculation documents.
Other	The Company posted a convocation notice on its website quickly after the Board of Directors had voted to convene the Annual Shareholders' Meeting and prior to mailing convocation notices.

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company publishes its information disclosure policy on its website.
Regular Investor Briefings for Analysts and Institutional Investors	Briefing sessions are held immediately after the announcement of quarterly earnings results, with the President and Representative Director primarily providing the briefing.
Regular Investor Briefings for Overseas Investors	The Company conducts overseas road shows as appropriate, with the President and Representative Director primarily providing briefings.
Posting of IR Materials on Website	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, Annual Shareholders' Meeting overviews (e.g., Q&A content), voting results, etc. on its website.
Establishment of Department and/or Manager in Charge of IR	The Financial Strategy Department is responsible for IR.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company establishes a Code of Conduct, IR Policy and Information Disclosure Policy and posts them on its website.
Promotion of environmental protection activities and CSR activities	The company strives to improve its corporate value and achieve sustainable growth by contributing to society through its ESG (Environmental Protection, Social Responsibility, and Corporate Governance) initiatives. As part of its efforts to protect our environment, the Company promotes the sale of video games via digital downloads rather than in packages, thus reducing the gas emissions that result from transporting packaged products and saving resources by digitizing manuals and game packages. Even when selling packaged products, the Company works to minimize the environmental impact of its business activities by using recyclable materials, for example. As part of its social responsibility initiatives, the Company complies with the rating systems of the relevant country or region when selling its console game software in Japan or abroad so that customers can play its games with a sense of security. The rating system, which is operated by the Computer Entertainment Rating Organization (CERO), designates age appropriateness based upon game contents. The Company also complies with the Operational Guidelines for the Provision of Random Items in Networked Games established by the Computer Entertainment Suppliers' Association (CESA), an industry organization of which the Company is a member. In accordance with the guidelines, the Company provides information on all in-game items provided via paid loot boxes (a method by which randomized virtual items are provided in direct exchange for money or for virtual currency that can be purchased with money), as well as on the frequency with which such items are provided in order to help customers decide whether to purchase them. As the above illustrates, the Company complies with legal regulations as well as industry guidelines in order to provide its customers with a safer, more comfortable game play environment and services.
Formulation of policies and others concerning information provision to stakeholders	The Company establishes an IR Policy and Information Disclosure Policy and posts them on its website.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

By maintaining and promoting the Guidelines on the Development of an Internal Control System, which were passed by the Board of Directors, the Company works to establish comprehensive reach for its auditing and supervisory functions and to ensure that its operations are executed in accordance with laws and regulations as well as its Articles of Incorporation.

Guidelines on the Development of an Internal Control System

1. System for ensuring that the duties of directors and employees of the Company and of the employees, directors, etc. of its subsidiaries are executed in accordance with laws and regulations as well as the Company's Articles of Incorporation

(1) In order to put into action the Purpose of the Company and its subsidiaries (hereinafter "Subsidiaries;" the Company and Subsidiaries will collectively be referred to hereinafter as the "Group"), the Company creates the Code of Conduct as the guideline to complying with laws and regulations, the Articles of Incorporation, social norms, corporate ethics, etc., and familiarizes its executive officers and employees with it.

(2) The Company and the primary Subsidiaries establish an Internal Control Committee to provide oversight of legal and regulatory compliance as well as risk management. The Company's Internal Control Committee provides cross-cut oversight of initiatives within the Group aimed at legal and regulatory compliance as well as risk management.

(3) The Company and the primary Subsidiaries establish Internal Audit Offices independent of operational execution organizations in order to implement internal audits in coordination with the legal departments and other functions.

(4) The Company and the primary Subsidiaries establish whistle-blowing systems in order to enable the early discovery, reporting, and prevention of improper activities.

2. System for storing and managing information related to the execution of the duties of the Company's directors

(1) The Company sets forth rules on document management, rules on trade secret management, and rules on information systems in order to ensure the proper storage and management of the minutes of Board of Director and other meetings, approval requests, and other documents related to the execution of duties (including electronic records).

(2) The Company's directors can access such information as necessary.

3. Rules and other systems regarding the management of risk of losses at the Company and Subsidiaries

(1) The Company sets forth rules on crisis management in order to enact comprehensive risk management focused on the prevention of crises at the Group, while also clarifying how information would be communicated and the system by which a crisis would be dealt with in the unlikely event that one should arise.

(2) The company's Internal Audit Office assesses the implementation of risk management at the Company and primary Subsidiaries and reports the results to the Company's Internal Control Committee.

4. System for ensuring that the duties of the Company's directors and those of the directors, etc. of Subsidiaries are executed efficiently

(1) In order to establish a clear division between management and execution, the Company concentrates operational execution authority in the Representative Director based on the criteria defined in the Board of Directors' Rules and other internal rules. By so doing, the Company enables both appropriate management decision-making and efficient operational execution.

(2) The Company's Board of Directors are to focus on managing the Company and on its functions of managing and supervising Subsidiaries. From the perspective of enabling the more efficient and timely management of Subsidiaries, the Company's Board of Directors delegates to the Boards of Directors of Subsidiaries a certain amount of authority regarding decision-making concerning operational execution. The decision-making authority to be delegated is clearly defined in the Board of Directors' Rules and other internal rules.

(3) The Company establishes an Information Systems Operations Committee to control information systems on the whole. The Company also sets forth the rules on information systems, which clearly define the methods by which information systems are managed and operated in the Group in order to ensure the efficiency of duties executed using information systems.

5. System for reporting to the Company on matters related to the execution of the duties of the directors, etc. of Group companies and other systems for ensuring appropriate operations within the corporate group comprising the Company and its Subsidiaries

(1) The Company sets forth rules on affiliate company management and engages in the management and supervision of Subsidiaries in a manner befitting the scale of said companies and their importance to the Group.
(2) 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.

6. Matters related to employees who should assist with the Audit & Supervisory Committee duties
The Company designates those persons belonging to the Internal Audit Office as the employees that should assist with Audit & Supervisory Committee duties.

7. Matters concerning the ensuring of the independence of the employees mentioned in 6 above from the Company's directors who are not Audit & Supervisory Committee Members and the enforcement of the Company's Audit & Supervisory Committee's instructions to the aforementioned employees
(1) Those persons belonging to the Internal Audit Office shall follow only the directions and orders of the Audit & Supervisory Committee when assisting with the Audit & Supervisory Committee' duties.
(2) Decisions on personnel matters concerning the head of the Internal Audit Office, including but not limited to the appointment, transfer, and disciplining thereof, shall require the consent of the Audit & Supervisory Committee.

8. System concerning reporting to the Company's Audit & Supervisory Committee
(1) If requested by the Company's Audit & Supervisory Committee to report on the status of the execution of operations, the Group's executive officers and employees shall report to the Company's Audit & Supervisory Committee without delay. Moreover, if the same persons should discover facts that have resulted in significant damage to the Group or facts that risk resulting in the same, the aforementioned persons shall immediately make a report to the Audit & Supervisory Committee.
(2) The Company's Internal Audit Office shall report to the company's Audit & Supervisory Committee in a timely fashion on the results of audits of the Company and primary Subsidiaries.
(3) The Company establishes a whistle-blowing system for which the point of contact is either the Standing Audit & Supervisory Committee Member, the Internal Audit Office or an external law office in order to ensure that the executive officers and employees of the Group have the opportunity to report directly to the Standing Audit & Supervisory Committee Member. Whistle-blowing information will be conveyed in a timely manner to the Audit & Supervisory Committee.
(4) The Company will not unfairly treat Group executive officers or employees that have engaged in such whistle-blowing on the grounds that they have made such reports.

9. Other systems for ensuring that the audits of the Audit & Supervisory Committee are conducted effectively
(1) The Company ensures that the Standing Audit & Supervisory Committee Member has regular opportunities to exchange views with the directors and employees by attending meetings of the Board of Directors and other important meetings.
(2) The Company establishes a system by which the Audit & Supervisory Committee Members can access the minutes of important meetings, contracts, approval requests, accounting information, etc. as needed.
(3) When an Audit & Supervisory Committee Member has requested that the Company in advance or in the form of a reimbursement bear expenses related to the execution of the Audit & Supervisory Committee Member's duties, the Company shall bear the costs or debts except in such cases where the costs or debts have been determined to be unnecessary to the execution of the relevant Audit & Supervisory Committee Member's duties.

2. Basic Views on Eliminating Anti-social Forces

The Company has always designated a department responsible for dealing with antisocial forces and has as an organization taken a resolute stance in dealing with the same and eliminating any and all relations with the same. In order to ensure the independence of its business partners, the Company includes in its contracts with business partners a clause requiring the relevant business partner to vow to have no relations with antisocial forces.

V. Other

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not Adopted

Supplementary Explanation

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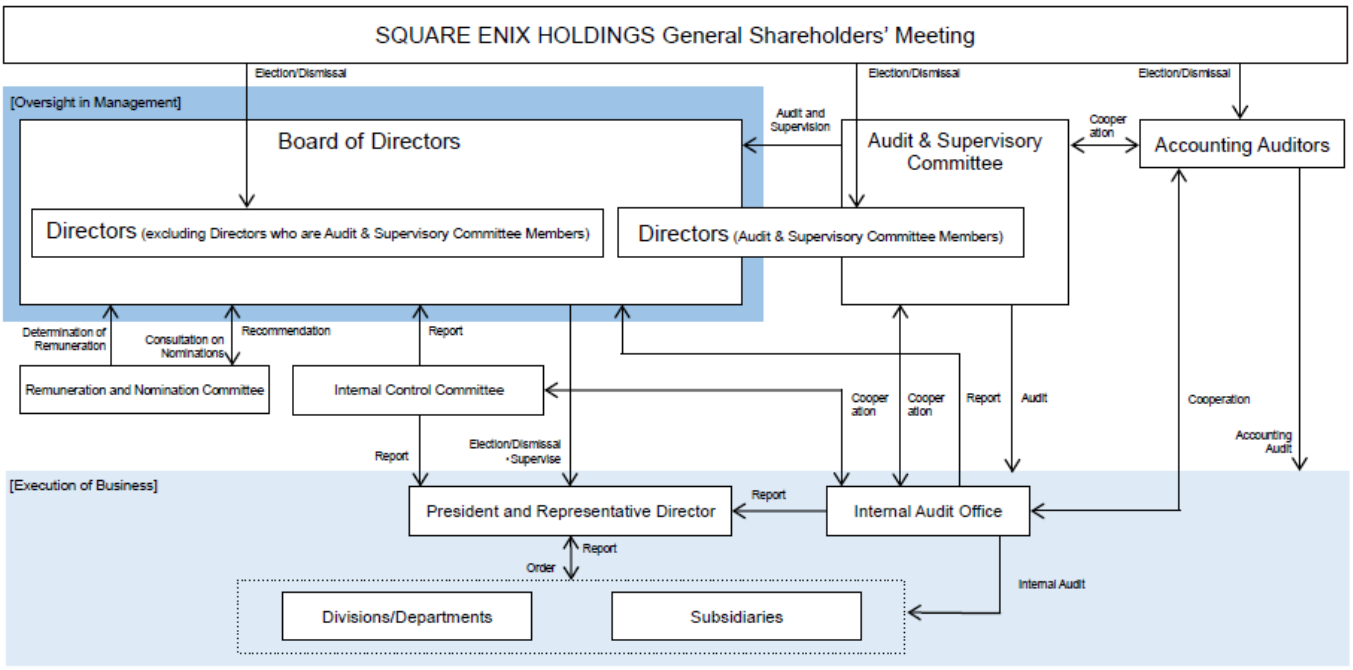
2. Other Matters Concerning the Corporate Governance System

The status of the Company's current internal system concerning timely disclosures is described below.

- The Company's guideline is to disclose information in a timely and appropriate fashion in order to deliver useful information to its investors. Specifically, 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 for understanding the Company.
- In order to obtain understanding regarding the Group's earnings and future potential, the Company is proactive in disclosing information in a timely and appropriate fashion via direct communications by the President. Specifically, the President serves as a speaker in order to proactively disseminate information at events such as the financial results briefing sessions held immediately after quarterly earnings announcements and on domestic and overseas IR road shows.
- The primary departments involved in timely disclosure are the Accounting and Finance Division, which engages in duties associated with financial results, budget control, capital management, etc.; the Legal Division, which engages in duties associated with organizing key meetings, managing rules, and equity procedures, etc.; the Corporate Strategy Division, which engages in duties associated with drafting corporate plans, budgeting, organizing key meetings, etc.; and the Financial Strategy Department, which engages in duties associated with Investment Planning and Management, Capital Management, IR/SR, managing affiliate companies, etc. The generation and publication of disclosure documentation is subject to audits by the Internal Audit Office, which provides regular assessments of their legal compliance and appropriateness.
- The Accounting and Finance Division is responsible for generating and submitting securities filings and calculation documents set forth by the Companies Act, while the Financial Strategy Department is responsible for generating and submitting disclosure documentation to the Tokyo Stock Exchange.
  The aforementioned responsible departments collect drafts that have been drawn up and checked by the relevant teams, organize them into disclosure documentation, and submit them. Once the documentation drafts have been generated and repeatedly checked by the relevant teams, they are submitted to the Board of Directors for approval. After financial result figures have been approved by the Board of Directors, they are immediately disclosed in a timely fashion on the order of the leader responsible for the handling of information.
- The Financial Strategy Department conducts the timely disclosure of decisions and incidents in cooperation with the accounting and financial department.
  Decisions are those that have been passed or approved by the designated decision-making body or approver in accordance with the approval authorities prescribed by internal rules.
  The head of the Financial Strategy Department engages in discussions with the head of the Corporate Strategy Division and the leader responsible for handling information, regarding decisions that have passed through the aforementioned processes to consider whether, based on the Timely Disclosure Rules set forth by the Tokyo Stock Exchange, said decisions need to be subject to timely disclosure and if so, by what means.
  If the decisions require timely disclosure, the head of the Financial Strategy Department will order the relevant teams to generate disclosure documentation. The disclosure documentation generated will be finalized after having been subject to multiple reviews, and only then be subject to timely disclosure on the order of the head of the Corporate Strategy Division.
  Furthermore, in the event that a significant incident should be identified in an internal department, the head of the department that has identified said incident shall immediately report the same to the President and the head of the Financial Strategy Department. The head of the Financial Strategy Department shall, after engaging in discussion with the President, the head of the Corporate Strategy Division and the leader responsible for handling information, consider whether, based on the Timely Disclosure Rules set forth by the Tokyo Stock Exchange, said decisions are subject to timely disclosure and if so, by what means.
  Going forward, rapid expansion in the scale and scope of the Company's businesses is likely to result in a greater diversity of decisions and incidents. As such, the Company will work to revisit its decision-making processes and system of checks on an ongoing basis in order to maintain appropriate timely disclosures.

[Corporate Governance System]



[Skills Matrix for Directors]

Name	Role	Corporate mgt/ global mgt	Media entertainment	IT/ technology	Legal/risk management	Finance/ accounting	Organizational/ talent development
Takashi Kiryu	President & Representative Director	○	○			○	○
Yoshinori Kitase	Director	○	○				○
Yu Miyake	Director	○	○				○
Masato Ogawa	Outside Director	○			○		○
Mitsuko Okamoto	Outside Director		○	○			○
Abdullah Aldawood	Outside Director	○	○	○		○	
Naoto Takano	Outside Director	○				○	○
Mika Agatsuma	Outside Director			○	○		○
Tracy Fullerton	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)				○	○	
Rika Nakamura	Outside Director (Audit & Supervisory Committee Member)	○			○	○	