

## 38th Annual Shareholders' Meeting (June 22, 2018): Summary Report



The following is a summary of the Company's 38th Annual Shareholders' Meeting.

\*This document has been prepared to summarize the proceedings of the Company's 38th Annual Shareholders' Meeting for presentation on the Company's website and is different from the legally mandated minutes of the meeting.

**Date and time:** June 22, 2018 (Fri), 10:00 - 11:02 a.m.

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

**Number of shareholders present:** 519

### Meeting Agenda

#### <Reports>

1. Business Report, Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements by Accounting Auditors and by the Audit & Supervisory Board for the 38th term (April 1, 2017 through March 31, 2018)
2. Non-Consolidated Financial Statements for the 38th term (April 1, 2017 through March 31, 2018)

### <Voting items>

- First Item:** Partial Amendments to the Articles of Incorporation
- Second Item:** Election of Five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Third Item:** Election of Three (3) Directors who are Audit & Supervisory Committee Members
- Fourth Item:** Election of One (1) Substitute Director who is an Audit & Supervisory Committee Member
- Fifth Item:** Determination of the remuneration pool for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Sixth Item:** Determination of the amount of remuneration and details regarding the Stock Acquisition Rights related to Stock Option Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Seventh Item:** Determination of the remuneration pool for Directors who are Audit & Supervisory Committee Members

All of the items were approved as originally proposed.

### Summary of Questions and Answers:

Q1.

Your board will be composed of outside directors except for Messrs. Matsuda and Chida. What is your policy on executive appointment going forward?

A1.

Once the first item (partial amendments to the Articles of the Incorporation) is approved, the Company will transition to the Audit & Supervisory Committee system of governance. In order to strengthen the monitoring function of the board, we have decided to have outside directors account for a majority of the board. We emphasize business experience and insight when nominating directors so that the board is composed of right members.

Q2.

What is the intent behind introducing new elements in the PlayStation 4 version of “Dragon Quest Heroes II” and “Dragon Quest Builders” that are not included in their Nintendo Switch versions?

A2.

Since each platform has a different user base, we have offered contents that we can market to the target user.

Q3.

It seems that some “Dragon Quest X” players are violating the EULA. What is the operation team’s policy on cracking down on such violations?

A3.

Our operations team monitors constantly for any EULA violations and properly addresses such issues in a timely manner. If you find a case we may have missed, please contact our customer support center so that we take the proper measures to resolve the situation.

Q4.

I understand that you are licensing some of Square Enix's intellectual properties (IP) for use in pachislot machines. What will your licensing policy be for this area going forward? Also, do you plan to enter the casino business?

A4.

We are taking a cautious approach to granting licenses for pachislot machines on a title-by-title basis, giving careful consideration to customer preferences. We have no plan to enter the casino business.

Q5.

Do you plan to bolster your Amusement business by utilizing Square Enix's popular IP?

A5.

We intend to utilize our popular IP if we see an opportunity for creating new gaming experiences rather than simply porting over our console games.

Q6.

How will you go about increasing full-game download sales in Japan going forward?

A6.

We look for download sales to also become commonplace in Japan because of the greater convenience they offer users as compared to packaged products. The Group will promote download sales by updating our sales website and offering an app version of the service.

Q7.

I have the impression that the Company is slow to revise its guidance.

A7.

Our guidance is heavily influenced by market conditions, including the release schedules of our competitors, on which we do not have a good view until the fiscal year-end. We therefore make a decision at the fiscal year-end as to whether we should revise our guidance.

Q8.

How are you approaching e-sports?

A8.

We see e-sports as an opportunity to energize our user communities.

Q9.

What is your basic approach to the appointment and promotion of female personnel?

A9.

We employ a significant number of female creators in our development studios, and many of them play a key role on various projects. We are also actively engaged in promoting diversity in forms other than gender in our employee body, and we intend to continue to hire the right talent for the right positions.

---

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.