

May 17, 2018

Company: SQUARE ENIX HOLDINGS CO., LTD.
(Code: 9684, Tokyo Stock Exchange)
Representative: Yosuke Matsuda, President and Representative Director
Contact: Michihiro Sasaki, General Manager, Corporate Planning

Tel (03) 5292-8000

NOTICE OF ORGANISATIONAL TRANSITION TO A COMPANY WITH AUDIT & SUPERVISORY COMMITTEE AND PARTIAL AMENDMENTS TO THE ARTICLES OF INCORPORATION

At the meeting held on May 17, 2018, the Board of Directors of SQUARE ENIX HOLDINGS CO., LTD. (the "Company") has resolved to make a transition from a Company with Audit & Supervisory Board to a Company with Audit & Supervisory Committee, and to propose partial amendments to the Company's Articles of Incorporation at the 38th Annual Shareholders' Meeting to be held on June 22, 2018.

1. The Organisational Transition to a Company with Audit & Supervisory Committee

(1) Reason for Transition

To further enhance corporate governance.

(2) Time of Transition

At the close of the 38th Annual Shareholders' Meeting to be held on June 22, 2018.

2. The Partial Amendments to the Articles of Incorporation

(1) Reason for Amendment

In order to enable the transition to a Company with Audit & Supervisory Committee, the Company's Articles of Incorporation should be amended accordingly, such as adding new provisions for the Audit & Supervisory Committee and the Committee members, and deleting provisions for the Corporate Auditors and the Audit & Supervisory Board.

(2) Details of Amendment

As shown in the attachment.

(3) Schedule of Amendment

Annual Shareholders' Meeting: June 22, 2018(Scheduled)

Effective date of amendments: June 22, 2018 (In case where the amendments are approved)

(EOF)

Attachment

(The amended parts are underlined.)

Current Articles	Proposed Amendment
<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p>	<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p>
<p>Article 1. - Article 3. (Omitted)</p>	<p>Article 1. - Article 3. (Unchanged)</p>
<p>(Organizations)</p>	<p>(Organizations)</p>
<p>Article 4. The Company shall have the following organizations in addition to Shareholders' Meeting and Directors:</p>	<p>Article 4. The Company shall have the following organizations in addition to its Shareholders' Meeting and Directors:</p>
<p>(1) Board of Directors;</p>	<p>(1) Board of Directors;</p>
<p>(2) <u>Corporate Auditors;</u></p>	<p>(2) <u>Audit & Supervisory Committee; and</u></p>
<p>(3) <u>Audit & Supervisory Board; and</u></p>	<p>(Deleted)</p>
<p>(4) Accounting Auditor.</p>	<p>(3) Accounting Auditor.</p>
<p>Article 5. - Article 17. (Omitted)</p>	<p>Article 5. - Article 17. (Unchanged)</p>
<p>CHAPTER IV. DIRECTORS</p>	<p>CHAPTER IV. DIRECTORS</p>
<p>(Number)</p>	<p>(Number)</p>
<p>Article 18. The number of Directors of the Company shall not exceed twelve (12).</p>	<p>Article 18. The number of Directors of the Company <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall not exceed twelve (12).</p>
<p>(New)</p>	<p><u>2) The number of Directors who are Audit & Supervisory Committee Members shall not exceed four (4).</u></p>
<p>(Election)</p>	<p>(Election)</p>
<p>Article 19. Directors shall be elected at the Shareholders' Meeting.</p>	<p>Article 19. Directors shall be elected at the Shareholders' Meeting <u>by distinguishing Directors who are Audit & Supervisory Committee Members and other Directors.</u></p>
<p>2) - 3) (Omitted)</p>	<p>2) - 3) (Unchanged)</p>
<p>(Term)</p>	<p>(Term)</p>
<p>Article 20. The term of office of Directors shall expire upon conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within one (1) year from their election to office.</p>	<p>Article 20. The term of office of Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> shall expire upon conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within one (1) year from their election to office.</p>
<p>(New)</p>	<p><u>2) The term of office of Directors who are Audit & Supervisory Committee Members shall expire upon conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within two (2) years from their election to office.</u></p>
<p><u>2) The term of office of Directors elected to fill a vacancy or in addition to those already in office shall be the same as the remaining term of office of other directors in office at that time.</u></p>	<p><u>3) The term of office of Directors (excluding Directors who are Audit & Supervisory Committee Members) elected to fill a vacancy or in addition to those already in office shall be the same as the remaining term of office of other directors (excluding Directors who are Audit & Supervisory Committee Members) in office at that time.</u></p>
<p>(New)</p>	<p><u>4) The term of office of a Director who is an Audit & Supervisory Committee Member elected to fill a vacancy caused by the retirement of a Director who is an Audit & Supervisory Committee Member prior to the expiry of his/her term of office shall be the same as the remaining term of office of the retired Director who is an Audit & Supervisory Committee Member, provided, however, that this term shall not exceed the conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within two (2) years from the Substitute's election to office.</u></p>

Current Articles	Proposed Amendment
<p style="text-align: center;">(New)</p> <p>(Directors with Titles and Representative Directors) Article 21. The Board of Directors may appoint one (1) Chairman of the Board of Director, one (1) Vice Chairman, one (1) President , several Vice Presidents, Executive Directors, and Managing Directors from among the Directors by resolution.</p> <p>2) – 3) (Omitted)</p> <p>(Remuneration) Article 22. <u>The following matters with respect to the financial benefits received from the Company such as remunerations, bonuses, and other consideration for the execution of duties (“Remunerations”) of Directors shall be determined by resolution in a Shareholders’ Meeting.</u></p> <p>CHAPTER V. BOARD OF DIRECTORS</p> <p>(<u>Authority of Board of Directors</u>)</p> <p>Article 23. <u>Matters important to the execution of the Company’s operations shall be made by resolution of the Board of Directors.</u></p> <p>(Notice of Convocation of the Board of Directors) Article 24. (Omitted) 2) Notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and Corporate Auditor</u> at least three (3) days prior to each meeting; provided, however, that in the event of urgency, such period may be shortened. 3) If the prior consent of all Directors <u>and Corporate Auditors</u> is obtained, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.</p> <p>(Resolutions of the Board of Directors) Article 25. Resolutions of the Board of Directors shall be adopted by a majority <u>of the Directors present given that the attending Directors shall constitute in number a majority of the total number of Directors.</u></p> <p>2) In case of a Director submits a proposal for a matter that is to be resolved at the meeting of the Board of Directors in accordance with Article 370 of the Companies Act, the proposal shall be deemed to have been resolved for adoption thereof at the meeting of the Board of Directors, if all the Directors who are entitled to participate in</p>	<p><u>(The validity period of the election of a substitute Director who is an Audit & Supervisory Committee Member)</u> <u>Article 21. The validity period of the election of a substitute Director who is an Audit & Supervisory Committee Member shall expire upon initiation of the Annual Shareholders’ Meeting held with respect to the last fiscal year ending within two (2) years after such resolution.</u></p> <p>(Directors with Titles and Representative Directors) Article 22. The Board of Directors may appoint one (1) Chairman of the Board of Director, one (1) Vice Chairman , one (1) President, several Vice Presidents, Executive Directors, and Managing Directors from among the Directors <u>(excluding Directors who are Audit & Supervisory Committee Members)</u> by resolution.</p> <p>2) – 3) (Unchanged)</p> <p>(Remuneration) Article 23. The financial benefits received from the Company such as remunerations, bonuses, and other consideration for the execution of duties shall be determined by resolution in a Shareholders’ Meeting <u>by distinguishing Directors who are Audit & Supervisory Committee Members and other Directors.</u></p> <p>CHAPTER V. BOARD OF DIRECTORS</p> <p>(<u>Delegation of Decisions of Execution of Important Operations</u>) Article 24. <u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or a part of decisions of execution of important operations (excluding matters listed in items of Article 399-13, Paragraph 5 of the Companies Act) to Directors by resolution of the Board of Directors.</u></p> <p>(Notice of Convocation of the Board of Directors) Article 25. (Unchanged) 2) Notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three (3) days prior to each meeting, provided, however, that in the event of urgency, such period may be shortened. 3) If the prior consent of all Directors is obtained, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.</p> <p>(Resolutions of the Board of Directors) Article 26. Resolutions of the Board of Directors shall be adopted by a majority <u>vote of the Directors present, provided that the attending Directors who are entitled to vote for the resolutions shall constitute in number a majority of the total number of Directors.</u></p> <p>2) In case of a Director submits a proposal for a matter that is to be resolved at the meeting of the Board of Directors in accordance with Article 370 of the Companies Act, the proposal shall be deemed to have been resolved for adoption thereof at the meeting of the Board of Directors, if all the Directors who are entitled to participate in voting</p>

Current Articles	Proposed Amendment
<p>voting with respect to such a proposal have declared their intention to consent on such a proposal in writing or via electronic record, <u>provided, however, that this shall not apply if there are any objections from a Corporate Auditor.</u></p>	<p>with respect to such a proposal have declared their intention to consent on such a proposal in writing or via electronic record.</p>
<p>(Minutes of the Board of Directors)</p>	<p>(Minutes of the Board of Directors)</p>
<p>Article <u>26</u>. The substance and the results of the proceedings at a meeting of the Board of Directors shall be entered or recorded in the minutes, and the Chairperson, as well as the Directors <u>and Corporate Auditors</u> present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>	<p>Article <u>27</u>. The substance and the results of the proceedings at a meeting of the Board of Directors shall be entered or recorded in the minutes, and the Chairperson, as well as the Directors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</p>
<p>2) (Omitted)</p>	<p>2) (Unchanged)</p>
<p>Article <u>27</u>. - Article <u>29</u>. (Omitted)</p>	<p>Article <u>28</u>. - Article <u>30</u>. (Unchanged)</p>
<p>CHAPTER VI. <u>CORPORATE AUDITORS</u></p>	<p>CHAPTER VI. <u>AUDIT & SUPERVISORY COMMITTEE</u></p>
<p>(Number)</p>	<p>(Deleted)</p>
<p>Article <u>30</u>. The number of Corporate Auditors of the Company shall not exceed four (4).</p>	
<p>(Election)</p>	<p>(Deleted)</p>
<p>Article <u>31</u>. Corporate Auditors shall be elected at the Shareholders' Meeting.</p>	
<p>2) Resolutions for the election of Corporate Auditors in Paragraph 1 shall be adopted by a majority vote of <u>shareholders present who must hold in the aggregate one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise voting rights.</u></p>	
<p>(Term)</p>	<p>(Deleted)</p>
<p>Article <u>32</u>. The term of office of Corporate Auditors shall <u>expire upon conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within four (4) years from their election to office.</u></p>	
<p>2) The validity period of the election of a substitute Corporate Auditor under Article 329, Paragraph 2 of the Companies Act shall expire upon initiation of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within four (4) years after the Substitute's election.</p>	
<p>3) The term of office of Corporate Auditors elected to fill a vacancy shall be the same as the remaining term of office of the retired Corporate Auditor, provided, however, that this term shall not exceed the conclusion of the Annual Shareholders' Meeting held with respect to the last fiscal year ending within four (4) years after the Substitute's election to office.</p>	
<p>(Full-Time Corporate Auditors)</p>	<p>(Deleted)</p>
<p>Article <u>33</u>. The Audit & Supervisory Board shall appoint by resolution one or more Full-time Corporate Auditors.</p>	
<p>(Remuneration)</p>	<p>(Deleted)</p>
<p>Article <u>34</u>. The remuneration of Corporate Auditors shall be determined by resolution of the Shareholders' Meeting.</p>	
<p>CHAPTER VII. <u>AUDIT & SUPERVISORY BOARD</u></p>	<p>(Deleted)</p>

Current Articles	Proposed Amendment
<p><u>(Notice of Convocation of the Audit & Supervisory Board)</u> <u>Article 35. Any Corporate Auditor can convene meetings of the Audit & Supervisory.</u> <u>2) Notices of convocation of a meeting of the Audit & Supervisory Board shall be sent to each Corporate Auditor at least three (3) days prior to each meeting, provided, however, that in the event of urgency, such period may be shortened.</u> <u>3) If the prior consent of all Corporate Auditors is obtained, a meeting of the Audit & Supervisory Board may be held without following the procedures for convening a meeting.</u></p>	<p>(Deleted)</p>
<p><u>(Resolutions of the Audit & Supervisory Board)</u> <u>Article 36. Except as otherwise provided for by laws and regulations, resolutions of the Audit & Supervisory Board of the Company shall be adopted by a majority of the Corporate Auditors.</u></p>	<p>(Deleted)</p>
<p><u>(Minutes of the Audit & Supervisory Board)</u> <u>Article 37. The substance and results of the proceedings at a meeting of the Audit & Supervisory Board shall be entered or recorded in the minutes, and the Corporate Auditors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</u> <u>2) Minutes of the Audit & Supervisory Board shall be kept by the Company at its head office for ten (10) years from the date of the Audit & Supervisory Board.</u></p>	<p>(Deleted)</p>
<p><u>(Audit & Supervisory Board Regulations)</u> <u>Article 38. The matters concerning the Audit & Supervisory Board shall be governed by, in addition to laws and regulations or the Articles of Incorporation, the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board.</u></p>	<p>(Deleted)</p>
<p><u>(Limitation of Liabilities of Corporate Auditors)</u> <u>Article 39. Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company may release Corporate Auditors (including persons who were Corporate Auditors) from liabilities to the extent permitted by laws and regulations, in accordance with resolution of the Board of Directors.</u> <u>2) Pursuant to the provision of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Outside Corporate Auditors to limit their liabilities, provided, however, that the limitation of liabilities based on the agreement shall be a predetermined amount, which is at least 10,000,000 yen, or the amount provided for by laws and regulations, whichever is greater.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>(Notice of Convocation of the Audit & Supervisory Committee)</u> <u>Article 31. Any Audit & Supervisory Committee Member can convene meetings of the Audit & Supervisory Committee.</u> <u>2) Notices of convocation of a meeting of the Audit & Supervisory Committee shall be sent to each Audit & Supervisory Committee Member at least three (3) days prior to the meeting, provided, however, that in the event of urgency, such period may be shortened.</u> <u>3) If the prior consent of all Audit & Supervisory Committee Members is obtained, a meeting of the Audit & Supervisory Committee may be held without following the procedures for convening a meeting.</u></p>

Current Articles	Proposed Amendment
(New)	<u>(Resolutions of the Audit & Supervisory Committee)</u> <u>Article 32. Resolutions of the Audit & Supervisory Committee shall be adopted by a majority vote of the Audit & Supervisory Committee Members present, provided that the attending directors who are entitled to vote for the resolutions shall constitute in number a majority of the total number of Audit & Supervisory Committee Members entitled to vote for the resolutions.</u>
(New)	<u>(Minutes of the Audit & Supervisory Committee)</u> <u>Article 33. The substance and results of the proceedings at a meeting of the Audit & Supervisory Committee shall be entered or recorded in the minutes, and the Audit & Supervisory Committee Members present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.</u> <u>2) Minutes of the Audit & Supervisory Committee shall be kept in its head office for ten (10) years from the date of the Audit & Supervisory Committee.</u>
(New)	<u>(Audit & Supervisory Committee Regulations)</u> <u>Article 34. The matters concerning the Audit & Supervisory Committee shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Audit & Supervisory Committee Regulations established by the Audit & Supervisory Committee.</u>
(New)	<u>(Full-Time Audit & Supervisory Committee Members)</u> <u>Article 35. The Audit & Supervisory Committee may appoint by resolution one or more Full-time Audit & Supervisory Committee Members.</u>
Article <u>40.</u> - Article <u>43.</u>	Article <u>36.</u> - Article <u>39.</u> (Unchanged)
(New)	<u>Supplementary Provision</u> <u>(Interim measures concerning the exemption of Corporate Auditors from liability)</u> <u>Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, at the resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) from their liabilities in connection with acts carried out prior to the effect of partial amendments to the articles of incorporation resolved at the 38th Annual Shareholders' Meeting, to the extent of the provisions of laws and regulations.</u>