

June 25, 2021

Company: SQUARE ENIX HOLDINGS CO., LTD.
(Code: 9684, Tokyo Stock Exchange)
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Reissuance of Treasury Shares for Stock Compensation Plan with Restricted Stock Ownership

SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) has resolved to reissue treasury shares for a stock compensation plan with restricted stock ownership (the “Reissuance”) at the Board of Directors meeting held on June 25, 2021.

1. Outline of Reissuance

(1) Allocation date	July 21, 2021
(2) Class and number of shares to be reissued	20,511 of the Company’s common shares
(3) Reissuance value per share & total reissuance value	The purpose of the Reissuance is to provide the Company’s directors with common stock in the Company as compensation and no monetary payment or provision of property will be required in exchange for the common stock.
(4) Recipients of allocation	Five directors who are not Audit & Supervisory Committee members (20,511 shares)
(5) Other	The Reissuance is contingent upon a securities registration statement taking effect in accordance with the Financial Instruments and Exchange Act.* *The Reissuance of Treasury shares will be delivered free of charge as remuneration, etc. to Directors (Article 202-2 of the Companies Act). As a fair valuation, the Company submitted the Securities Registration Statement, setting the issue price as the amount obtained by multiplying the closing price of the Company’s common stock (5,460 yen) on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors held today (June 24, 2021) by the number of shares to be disposed as described above (111,990,060 yen).

2. Purpose and reasons for the Reissuance

At a meeting of the Board of Directors held on May 21, 2021, the Company resolved to introduce a stock compensation plan with restricted stock ownership (the “Plan”) as a new compensation program for the Company’s directors (excluding directors who are Audit & Supervisory Committee member; hereinafter “Eligible Directors”) with the objective of incentivizing the Eligible Directors to enhance the Company’s medium- and long-term corporate value and shareholder value, while also fostering a greater sense of shared value with shareholders. At the 41st Annual Shareholders’ Meeting held on June 25, 2021, the Company received approval to provided restricted stock as compensation for the Eligible Directors separate from existing monetary compensation in keeping with the Plan.

The Plan is outlined below.

Outline of the Plan

Restricted stock shall be granted under the Plan through the issuance or reissuance of common shares in the

Company as compensation for Eligible Directors with no requirement for monetary or other payments in exchange.

The total number of the Company's common shares to be issued or reissued under the Plan shall be no more than 90,000 shares per year (including no more than 7,200 shares per year for outside directors), and the annual value shall be no more than 400 million yen (including no more than 32 million yen per year for outside directors).

In addition, in issuing or reissuing common stock in the Company under the Plan, the Company shall conclude a restricted stock allocation agreement with the Eligible Directors who are to be the recipients of the allocation, and the agreement shall include the following items:

- (1) The Eligible Directors may not transfer, create security interests in, or otherwise dispose of the common stock of the Company allocated to them under the restricted stock allocation agreement during the period from the date of the allocation of the stock to the date on which the Eligible Directors lose their positions as directors of the Company who are not Audit & Supervisory Committee members (except in the case of reappointment to such position upon loss thereof; same hereinafter).
- (2) If an event occurs that the Company's Board of Directors deems to be just cause for acquiring restricted stock without consideration, the Company shall, without consideration, acquire a number of restricted shares reasonably determined based on the nature of the event in question.

Based upon the foregoing, the Company resolved at the meeting of the Board of Directors held on June 25, 2021, to reissue 20,511 of the Company's common shares (the "Allocated Shares") to the five Eligible Directors, taking into account the purpose of the Plan, the scope of each Eligible Director's work responsibilities, and other relevant factors.

Overview of the restricted stock allocation agreement

In conjunction with the Reissuance, the Company and each Eligible Director shall individually conclude a restricted stock allocation agreement, the outline of which is as follows:

- (1) Restricted period
The Eligible Director may not transfer, create security interests in, or otherwise dispose of the Allocated Shares during the period from July 21, 2021 (the allocation date) to the date on which the Eligible Director loses his or her position as a director of the Company who is not an Audit & Supervisory Committee member.
- (2) Requirements for the lifting of restrictions
Provided that the Eligible Director remains consistently in the position of director of the Company during the period from the date of the Company's Annual Shareholders' Meeting immediately prior to the allocation date to the date of the Company's Annual Shareholders' Meeting held the following year (the "Service Provision Period"), the Company shall lift the restrictions on all of the Allocated Shares upon the expiration of the restricted period. However, should the Eligible Director lose the position of director of the Company during the Service Provision Period due to death or any other reason deemed valid by the Company's Board of Directors, the Company shall, upon the expiration of the restricted period, lift the restrictions on a number of Allocated Shares arrived at by dividing by 12 the number of months from the month following the month including the start date of the Service Provision Period to the month including the date on which the position of director was lost and multiplying the result by the number of Allocated Shares (however, should the outcome of the calculation include a fraction of a share, the result shall be rounded down).
- (3) Acquisition without consideration by the company
The Company shall, upon the expiration of the restricted period, acquire without consideration the Allocated Shares on which the restrictions have not been lifted.
- (4) Management of the shares
In order to prevent the transfer, creation of securities interests in, or other forms of disposal of the Allocated Shares during the restricted period, the Allocated Shares shall be managed for the duration of the restricted period in a dedicated account for restricted shares that the Eligible Director has opened at Daiwa Securities Co., Ltd.
- (5) Treatment in the event of organizational restructuring, etc.
If, during the restricted period, a merger agreement under which the Company would cease to exist, a stock swap agreement or stock transfer plan under which the Company would become a wholly owned subsidiary, or other matter regarding organizational restructuring, etc. should be approved by a General Shareholders' Meeting of the Company (or by the Company's Board of Directors in instances in which the approval of a General Shareholders' Meeting of the Company is not required in regards to the relevant organizational

restructuring, etc.), the Company shall, by resolution of its Board of Directors, lift the restrictions on all the Allocated Stock immediately before the business day prior to the date upon which the organizational restructuring, etc. is to take effect.

(EOF)