Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number 001-34003

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**51-0350842**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
110 West 44th Street	**10036**
New York New York	(Zip Code)
(Address of principal executive offices)	

Registrant's Telephone Number, Including Area Code: **(646) 536-2842**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading symbol**	**Name of each exchange on which registered**
Common Stock, $0.01 par value	TTWO	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 26, 2026, there were 187,213,488 shares of the Registrant's Common Stock outstanding, net of treasury stock.

INDEX

PART I.	**FINANCIAL INFORMATION**	2
Item 1.	Financial Statements (Unaudited)	2
	Condensed Consolidated Balance Sheets	2
	Condensed Consolidated Statements of Operations	3
	Condensed Consolidated Statements of Comprehensive Loss	4
	Condensed Consolidated Statements of Cash Flows	5
	Condensed Consolidated Statements of Equity	6
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	33
Item 4.	Controls and Procedures	34
PART II.	**OTHER INFORMATION**	36
Item 1.	Legal Proceedings	36
Item 1A.	Risk Factors	36
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	36
Item 5.	Other Information	36
Item 6.	Exhibits	37
	Signatures	38

(All other items in this report are inapplicable)

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TAKE-TWO INTERACTIVE SOFTWARE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except per share amounts)

	September 30, 2026 (Unaudited)	March 31, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 1,149.4**	$ 1,545.5
Short-term investments	**524.2**	443.8
Restricted cash and cash equivalents	**15.0**	13.2
Accounts receivable, net of allowances of $0.7 and $0.9 at September 30, 2026 and March 31, 2026, respectively	**780.8**	737.0
Software development costs and licenses	**82.4**	68.8
Inventory	**34.1**	7.3
Contract assets	**—**	89.7
Prepaid expenses and other	**650.3**	294.2
Total current assets	**3,236.2**	3,199.5
Fixed assets, net	**526.2**	445.4
Right-of-use assets	**293.6**	334.6
Software development costs and licenses, net of current portion	**2,494.9**	2,277.5
Goodwill	**1,060.2**	1,061.9
Other intangibles, net	**1,344.3**	1,653.2
Long-term restricted cash and cash equivalents	**68.0**	79.4
Other assets	**347.3**	331.7
Total assets	**$ 9,370.7**	$ 9,383.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 207.7**	$ 211.0
Accrued expenses and other current liabilities	**1,053.1**	1,117.8
Deferred revenue	**1,017.1**	1,159.9
Lease liabilities	**66.9**	70.1
Short-term debt, net	**629.2**	30.0
Total current liabilities	**2,974.0**	2,588.8
Long-term debt, net	**1,890.6**	2,488.0
Non-current deferred revenue	**25.0**	29.7
Non-current lease liabilities	**324.7**	370.2
Non-current software development royalties	**72.1**	84.5
Deferred tax liabilities, net	**233.0**	182.3
Other long-term liabilities	**177.7**	128.8
Total liabilities	**$ 5,697.1**	$ 5,872.3
Commitments and contingencies (See Note 12)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5.0 shares authorized; no shares issued and outstanding at September 30, 2026 and March 31, 2026	**—**	—
Common stock, $0.01 par value, 300.0 and 300.0 shares authorized; 210.9 and 209.1 shares issued and 187.2 and 185.4 outstanding at September 30, 2026 and March 31, 2026, respectively	**2.1**	2.1
Additional paid-in capital	**12,214.8**	11,953.7
Treasury stock, at cost; 23.7 and 23.7 common shares at September 30, 2026 and March 31, 2026, respectively	**(1,020.6)**	(1,020.6)
Accumulated deficit	**(7,445.1)**	(7,357.0)
Accumulated other comprehensive loss	**(77.6)**	(67.3)
Total stockholders' equity	**$ 3,673.6**	$ 3,510.9
Total liabilities and stockholders' equity	**$ 9,370.7**	$ 9,383.2

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(in millions, except per share amounts)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue:				
Game	**$ 1,376.0**	$ 1,640.9	**$ 2,798.8**	$ 3,023.4
Advertising	**121.0**	132.9	**232.1**	254.2
Total net revenue	**1,497.0**	1,773.8	**3,030.9**	3,277.6
Cost of revenue	**636.6**	793.3	**1,288.0**	1,352.1
Gross profit	**860.4**	980.5	**1,742.9**	1,925.5
Selling and marketing	**444.9**	536.7	**814.6**	945.9
Research and development	**254.4**	268.0	**528.2**	524.4
General and administrative	**230.5**	225.0	**456.8**	432.4
Depreciation and amortization	**48.1**	48.8	**96.3**	99.2
Total operating expenses	**977.9**	1,078.5	**1,895.9**	2,001.9
Loss from operations	**(117.5)**	(98.0)	**(153.0)**	(76.4)
Interest and other, net:				
Interest income	**19.3**	20.7	**42.1**	37.2
Interest expense	**(30.2)**	(37.4)	**(60.6)**	(76.3)
Other income/(expense), net	**16.5**	(0.8)	**10.3**	(13.8)
Interest and other, net	**5.6**	(17.5)	**(8.2)**	(52.9)
Loss before income taxes	**(111.9)**	(115.5)	**(161.2)**	(129.3)
(Benefit from) provision for income taxes	**(57.9)**	18.4	**(73.1)**	16.5
Net loss	**$ (54.0)**	$ (133.9)	**$ (88.1)**	$ (145.8)
Loss per share:				
Basic and diluted loss per share	**$ (0.29)**	$ (0.73)	**$ (0.47)**	$ (0.80)

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)

(in millions)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net loss	**$ (54.0)**	$ (133.9)	**$ (88.1)**	$ (145.8)
Other comprehensive (loss) income				
Foreign currency translation adjustment	**0.2**	(38.0)	**(10.3)**	44.9
Other comprehensive (loss) income	**0.2**	(38.0)	**(10.3)**	44.9
Comprehensive loss	**$ (53.8)**	$ (171.9)	**$ (98.4)**	$ (100.9)

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in millions)

	Six Months Ended September 30,	
	2026	**2025**
Operating activities:		
Net loss	**$ (88.1)**	$ (145.8)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Amortization and impairment of software development costs and licenses	**190.8**	191.7
Stock-based compensation	**176.0**	136.6
Noncash lease expense	**28.4**	26.3
Amortization and impairment of intangibles	**321.3**	349.5
Depreciation	**80.5**	82.9
Interest expense	**60.6**	76.3
Other, net	**(8.7)**	21.5
Changes in assets and liabilities:		
Accounts receivable	**(44.0)**	(393.1)
Software development costs and licenses	**(372.4)**	(345.0)
Inventory	**(26.7)**	(7.4)
Prepaid expenses, other current and other non-current assets	**(205.8)**	(5.7)
Deferred revenue	**(147.3)**	156.2
Accounts payable, accrued expenses and other liabilities	**(138.1)**	(60.3)
Net cash (used in) provided by operating activities	**(173.5)**	83.7
Investing activities:		
Change in bank-time deposits	**(80.4)**	(237.0)
Purchases of fixed assets	**(163.3)**	(57.0)
Purchases of long-term investments	**(8.0)**	(6.6)
Business acquisitions	**—**	(2.0)
Asset acquisitions	**(19.4)**	(11.4)
Proceeds from sale of marketable securities	**11.2**	—
Net cash used in investing activities	**(259.9)**	(314.0)
Financing activities:		
Tax payment related to net share settlements on restricted stock awards	**(1.9)**	(1.6)
Issuance of common stock	**32.3**	1,219.6
Repayment of debt	**—**	(600.0)
Net cash provided by financing activities	**30.4**	618.0
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash and cash equivalents	**(2.7)**	14.1
Net change in cash, cash equivalents, and restricted cash and cash equivalents	**(405.7)**	401.8
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year [(1)]	**1,638.1**	1,559.2
Cash, cash equivalents, and restricted cash and cash equivalents, end of period [(1)]	**$ 1,232.4**	$ 1,961.0

[(1)] Cash, cash equivalents and restricted cash and cash equivalents shown on our Condensed Consolidated Statements of Cash Flows includes amounts in the Cash and cash equivalents, Restricted cash and cash equivalents, and Long-term restricted cash and cash equivalents on our Condensed Consolidated Balance Sheet.

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

(in millions)

	Three Months Ended September 30, 2026							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, June 30, 2026	210.7	$ 2.1	$ 12,095.8	(23.7)	$ (1,020.6)	$ (7,391.1)	$ (77.8)	$ 3,608.4
Net loss	—	—	—	—	—	(54.0)	—	(54.0)
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	0.2	0.2
Stock-based compensation	—	—	119.3	—	—	—	—	119.3
Issuance of restricted stock, net of forfeitures and cancellations	0.2	—	—	—	—	—	—	—
Net share settlement of restricted stock awards	—	—	(0.6)	—	—	—	—	(0.6)
Employee share purchase plan settlement	—	—	—	—	—	—	—	—
Other changes, net	—	—	0.3	—	—	—	—	0.3
Balance, September 30, 2026	**210.9**	**$ 2.1**	**$ 12,214.8**	**(23.7)**	**$ (1,020.6)**	**$ (7,445.1)**	**$ (77.6)**	**$ 3,673.6**

	Three Months Ended September 30, 2025							
	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balance, June 30, 2025	208.1	$ 2.1	$ 11,584.1	(23.7)	$ (1,020.6)	$ (7,070.7)	$ (14.0)	$ 3,480.9
Net loss	—	—	—	—	—	(133.9)	—	(133.9)
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	(38.0)	(38.0)
Stock-based compensation	—	—	123.1	—	—	—	—	123.1
Issuance of restricted stock, net of forfeitures and cancellations	0.3	—	—	—	—	—	—	—
Net share settlement of restricted stock awards	—	—	(0.3)	—	—	—	—	(0.3)
Other changes, net	—	—	0.1	—	—	—	—	0.1
Balance, September 30, 2025	208.4	$ 2.1	$ 11,707.0	(23.7)	$ (1,020.6)	$ (7,204.6)	$ (52.0)	$ 3,431.9

See accompanying Notes.

	Six Months Ended September 30, 2026							
	Common Stock			Treasury Stock				
	Shares	Amount	Additional Paid-in Capital	Shares	Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, March 31, 2026	209.1	$ 2.1	$ 11,953.7	(23.7)	$ (1,020.6)	$ (7,357.0)	$ (67.3)	$ 3,510.9
Net loss	—	—	—	—	—	(88.1)	—	(88.1)
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	(10.3)	(10.3)
Stock-based compensation	—	—	230.6	—	—	—	—	230.6
Issuance of restricted stock, net of forfeitures and cancellations	1.6	—	—	—	—	—	—	—
Employee share purchase plan settlement	0.2	—	31.8	—	—	—	—	31.8
Issuance of common stock	—	—	—	—	—	—	—	—
Net share settlement of restricted stock awards	—	—	(1.9)	—	—	—	—	(1.9)
Other changes, net	—	—	0.6	—	—	—	—	0.6
Balance, September 30, 2026	**210.9**	**$ 2.1**	**$ 12,214.8**	**(23.7)**	**$ (1,020.6)**	**$ (7,445.1)**	**$ (77.6)**	**$ 3,673.6**

	Six Months Ended September 30, 2025							
	Common Stock			Treasury Stock				
	Shares	Amount	Additional Paid-in Capital	Shares	Amount	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, March 31, 2025	200.8	$ 2.0	$ 10,312.0	(23.7)	$ (1,020.6)	$ (7,058.8)	$ (96.9)	$ 2,137.7
Net loss	—	—	—	—	—	(145.8)	—	(145.8)
Change in cumulative foreign currency translation adjustment	—	—	—	—	—	—	44.9	44.9
Stock-based compensation	—	—	177.4	—	—	—	—	177.4
Issuance of restricted stock, net of forfeitures and cancellations	1.9	—	—	—	—	—	—	—
Net share settlement of restricted stock awards	—	—	(1.6)	—	—	—	—	(1.6)
Employee share purchase plan settlement	0.2	—	26.8	—	—	—	—	26.8
Issuance of common stock	5.5	0.1	1,192.7	—	—	—	—	1,192.8
Other changes, net	—	—	(0.3)	—	—	—	—	(0.3)
Balance, September 30, 2025	208.4	$ 2.1	$ 11,707.0	(23.7)	$ (1,020.6)	$ (7,204.6)	$ (52.0)	$ 3,431.9

See accompanying Notes.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

Notes to Condensed Consolidated Financial Statements (Unaudited)

(in millions, except per share amounts)

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Take-Two Interactive Software, Inc. (the "Company," "we," "us," or similar pronouns) was incorporated in the state of Delaware in 1993. We are a leading developer, publisher, and marketer of interactive entertainment for consumers around the globe. We develop, operate, and publish products principally through Rockstar Games, 2K, and Zynga. Our products are currently designed for console gaming systems, mobile, including smartphones and tablets, and personal computer ("PC"). We deliver our products through digital download, online platforms, cloud streaming services, and physical retail.

Basis of Presentation

The accompanying Condensed Consolidated Financial Statements are unaudited and include the accounts of the Company and its wholly-owned subsidiaries and, in our opinion, reflect all normal and recurring adjustments necessary for the fair presentation of our financial position, results of operations, and cash flows. Interim results may not be indicative of the results that may be expected for the full fiscal year. All intercompany accounts and transactions have been eliminated in consolidation. The preparation of these Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in these Condensed Consolidated Financial Statements and accompanying notes. As permitted under U.S. GAAP, interim accounting for certain expenses, including income taxes, is based on full year assumptions when appropriate. Actual results could differ materially from those estimates, which may affect economic conditions in a number of different ways and result in uncertainty and risk.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), although we believe that the disclosures are adequate to make the information presented not misleading. These Condensed Consolidated Financial Statements and accompanying notes should be read in conjunction with our annual Consolidated Financial Statements and the notes thereto, included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Certain immaterial reclassifications have been made to prior period amounts to conform to the current period presentation.

Recently Issued Accounting Pronouncements

Government Grants

In December 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*. The ASU establishes the accounting and presentation for government grants received by a business entity. ASU 2025-10 is effective for fiscal years and interim periods within fiscal years beginning after December 15, 2028 (April 1, 2029 for the Company). We are currently evaluating the potential impact of adopting this guidance on our Consolidated Financial Statements and related disclosures.

Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU amends the existing standard to remove all references to prescriptive and sequential software development project stages. Under this guidance, eligible software development costs will begin capitalization when management has authorized and committed to funding the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. In evaluating whether it is probable the project will be completed, management is required to consider whether there is significant uncertainty associated with the development activities of the software.

ASU 2025-06 is effective for fiscal years beginning after December 15, 2027 (April 1, 2028 for the Company) and interim periods within those annual periods. Early adoption is permitted as of the beginning of an annual reporting period. Entities may adopt the guidance using a prospective, retrospective, or modified retrospective approach. We are currently

evaluating the potential impact of adopting this guidance on our Consolidated Financial Statements and related disclosures, including the appropriate transition method.

Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which requires additional, disaggregated disclosure about certain income statement expense line items. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 (April 1, 2027 for the Company) and interim periods within fiscal years beginning after December 15, 2027 (April 1, 2028 for the Company). We are currently evaluating the potential impact of adopting this guidance on our Consolidated Financial Statements and related disclosures.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue

Timing of recognition

Net revenue recognized at a point in time is primarily comprised of the portion of revenue from software products that is recognized when the customer takes control of the product (i.e. upon delivery of the software product).

Net revenue recognized over time is primarily comprised of revenue from our software products that include game related services, separate virtual currency transactions, and in-game purchases, which are recognized over an estimated service period. Net revenue recognized over time also includes in-game advertising, which is recognized over a contractual term.

Net revenue by timing of recognition was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue recognized:				
Over time	**$ 1,187.0**	$ 1,263.3	**$ 2,482.0**	$ 2,526.2
Point in time	**310.0**	510.5	**548.9**	751.4
Total net revenue	**$ 1,497.0**	$ 1,773.8	**$ 3,030.9**	$ 3,277.6

Content

Recurrent consumer spending ("RCS") is generated from ongoing consumer engagement and includes revenue from virtual currency, add-on content, in-game purchases, and in-game advertising.

Full game and other revenue primarily includes the initial sale of full game software products, which may include offline and/or significant game related services.

Net revenue by content was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue by content:				
Recurrent consumer spending	**$ 1,210.2**	$ 1,275.9	**$ 2,500.0**	$ 2,532.0
Full game and other	**286.8**	497.9	**530.9**	745.6
Total net revenue	**$ 1,497.0**	$ 1,773.8	**$ 3,030.9**	$ 3,277.6

Platform

Net revenue by platform was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue by platform:				
Mobile	**$ 731.1**	$ 821.6	**$ 1,493.4**	$ 1,623.3
Console	**615.4**	720.0	**1,255.9**	1,270.6
PC and other	**150.5**	232.2	**281.6**	383.7
Total net revenue	**$ 1,497.0**	$ 1,773.8	**$ 3,030.9**	$ 3,277.6

Distribution Channel

Our products are delivered through digital online services (digital download, online platforms, and cloud streaming) and physical retail and other. Net revenue by distribution channel was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue by distribution channel:				
Digital online	**$ 1,458.8**	$ 1,693.1	**$ 2,966.1**	$ 3,169.7
Physical retail and other	**38.2**	80.7	**64.8**	107.9
Total net revenue	**$ 1,497.0**	$ 1,773.8	**$ 3,030.9**	$ 3,277.6

Deferred Revenue

We record deferred revenue when payments are due or received in advance of the fulfillment of our associated performance obligations. The balance of deferred revenue, including current and non-current balances as of September 30, 2026 and March 31, 2026 were $1,042.1 and $1,189.6, respectively. For the six months ended September 30, 2026, the additions to our deferred revenue balance were primarily due to cash payments received or due in advance of satisfying our performance obligations, while the reductions to our deferred revenue balance were primarily due to the recognition of revenue upon fulfillment of our performance obligations, both of which were in the ordinary course of business.

During the three months ended September 30, 2026 and 2025, $355.8 and $322.2, respectively, of revenue was recognized, that was included in the deferred revenue balance at the beginning of each respective period. During the six months ended September 30, 2026 and 2025, $971.5 and $855.4, respectively, of revenue was recognized that was included in the deferred revenue balance at the beginning of the respective period.

As of September 30, 2026, the aggregate amount of contract revenue allocated to unsatisfied performance obligations is $1,492.5, which includes our deferred revenue balances and amounts to be invoiced and recognized as revenue in future periods. We expect to recognize approximately $1,117.9 of this balance as revenue over the next 12 months, and the remainder thereafter. This balance does not include an estimate for variable consideration arising from sales-based royalty license revenue in excess of the contractual minimum guarantee.

As of September 30, 2026 and March 31, 2026, our contract asset balances were $0.0 and $89.7, respectively. The decrease was driven by our right to consideration becoming unconditional.

Accounts Receivable sale program

On May 19, 2025, we entered into an arrangement to sell designated pools of high credit quality accounts receivable under an uncommitted accounts receivables purchase facility in an initial aggregate amount of up to $215.0 to an unaffiliated financial institution on a true sale basis. As these accounts receivable are sold without recourse, we do not retain the associated risks of lack of payment due to insolvency of the account debtors following the transfer of such accounts receivable to such financial institution. We will continue to collect cash from our account debtors and remit to the financial institution. We will derecognize the carrying value of the financial assets transferred and recognize a net gain or loss on the sale under Interest and other, net on our Consolidated Statements of Operations. The proceeds from these arrangements will be reflected as cash provided by operating activities in the Consolidated Statements of Cash Flows.

No receivables were sold under this facility during the six months ended September 30, 2026. We may utilize this facility in future periods depending on cash flow needs and market conditions.

3. MANAGEMENT AGREEMENT

We have a management agreement (the "2022 Management Agreement") with ZMC Advisors, L.P. (“ZMC”), which became effective May 23, 2022 and replaced our previous management agreement. Pursuant to the 2022 Management Agreement, ZMC will continue to provide financial and management consulting services to the Company through March 31, 2029, Strauss Zelnick continues to serve as Executive Chairman and Chief Executive Officer of the Company, and Karl Slatoff continues to serve as President of the Company. The 2022 Management Agreement provides for an annual management fee of $3.3 for the term of the agreement and a maximum annual bonus opportunity of $13.2 for the term of the agreement, based on the Company achieving certain performance thresholds. In connection with the 2022 Management Agreement, we have granted and expect to grant time-based, market-based, and performance-based restricted stock units to ZMC.

In consideration for ZMC's services, we recorded consulting expense within General and administrative expenses on our Condensed Consolidated Statements of Operations of $2.7 and $3.9 during the three months ended September 30, 2026 and 2025, respectively, and $5.2 and $6.6 during the six months ended September 30, 2026 and 2025, respectively. We recorded stock-based compensation expense for restricted stock units granted to ZMC, which is also included in General and administrative expenses, of $16.7 and $16.3 during the three months ended September 30, 2026 and 2025, respectively, and $32.6 and $31.0 during the six months ended September 30, 2026 and 2025, respectively.

In connection with the 2022 Management Agreement, we granted restricted stock units (in thousands) to ZMC as follows:

	Six Months Ended September 30,	
	2026	2025
Time-based	**65**	74
Market-based[(1)]	**199**	224
Performance-based[(1)]	**66**	75
Total Restricted Stock Units	**330**	373

[(1)] Represents the maximum number of shares eligible to vest

Time-based restricted stock units granted pursuant to the 2022 Management Agreement in fiscal year 2027 will vest on June 1, 2027, June 1, 2028, and June 1, 2029, and those granted in fiscal year 2026, partially vested on June 1, 2026 and will also vest in part on June 1, 2027 and June 1, 2028. Time-based restricted stock units granted in fiscal year 2025, partially vested on June 1, 2025 and June 1, 2026 and will also vest in part on June 1, 2027.

Market-based restricted stock units granted pursuant to the 2022 Management Agreement in fiscal year 2027 are eligible to vest on June 1, 2029, those granted in fiscal year 2026 are eligible to vest on June 1, 2028, and those granted in fiscal year 2025 are eligible to vest on June 1, 2027. Market-based restricted stock units are eligible to vest based on the Company's Total Shareholder Return (as defined in the relevant grant agreement) relative to the Total Shareholder Return (as defined in the relevant grant agreement) of the companies that constitute the NASDAQ 100 index under the 2022 Management Agreement (as defined in the relevant grant agreement) as of the grant date measured over a three-year period, as applicable. To earn the target number of market-based restricted stock units (which represents 50% of the number of the market-based restricted stock units set forth in the table above), the Company must perform at the 50th percentile, with the maximum number of market-based restricted stock units earned if the Company performs at the 75th percentile.

Performance-based restricted stock units granted pursuant to the 2022 Management Agreement in fiscal year 2027 are eligible to vest on June 1, 2029, those granted in fiscal year 2026 are eligible to vest on June 1, 2028, and those granted in fiscal year 2025 are eligible to vest on June 1, 2027. The performance-based restricted stock units are tied to "RCS" (as defined in the relevant grant agreement) and are eligible to vest based on the Company's achievement of certain performance metrics (as defined in the relevant grant agreement) of "RCS" measured over a three-year period. The target number of performance-based restricted stock units that may be earned pursuant to these grants is equal to 50% of the grant amounts set forth in the above table (the numbers in the table represent the maximum number of performance-based restricted stock units that may be earned). At the end of each reporting period, we assess the probability of each performance metric and upon determination that certain thresholds are probable, we record expense for the unvested portion of the shares of performance-based restricted stock units.

The unvested portions of time-based, market-based, and performance-based restricted stock units held by ZMC were 1.1 and 1.3 as of September 30, 2026 and March 31, 2026, respectively. During the six months ended September 30, 2026, 0.4 restricted stock units previously granted to ZMC vested, and 0.1 restricted stock units were forfeited by ZMC.

4. FAIR VALUE MEASUREMENTS

Recurring fair value measurements

The carrying amounts of our financial instruments, including cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, prepaid expenses and other, accounts payable, and accrued expenses and other current liabilities, approximate fair value because of their short maturities.

We follow a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The table below segregates all assets and liabilities that are measured at fair value on a recurring basis (which is measured at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

	September 30, 2026			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 512.3	$ —	$ —	$ 512.3
Bank-time deposits	229.7	—	—	229.7
Short-term investments:				
Bank-time deposits	524.2	—	—	524.2
Restricted cash and cash equivalents:				
Money market funds	12.5	—	—	12.5
Bank-time deposits	2.6	—	—	2.6
Restricted cash and cash equivalents, long term:				
Money market funds	68.0	—	—	68.0
Prepaid expenses and other:				
Foreign currency derivative contracts	—	3.2	—	3.2
Other assets:				
Private equity	—	—	24.0	24.0
Mutual funds	3.9	—	—	3.9
Total financial assets	**$ 1,353.2**	**$ 3.2**	**$ 24.0**	**$ 1,380.4**
Liabilities:				
Short-term debt, net:				
Convertible notes	—	29.8	—	29.8
Total financial liabilities	**$ —**	**$ 29.8**	**$ —**	**$ 29.8**

	March 31, 2026			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
Assets:				
Cash and cash equivalents:				
Money market funds	$ 909.0	$ —	$ —	$ 909.0
Bank-time deposits	204.5	—	—	204.5
Short-term investments:				
Bank-time deposits	443.8	—	—	443.8
Restricted cash and cash equivalents:				
Money market funds	11.9	—	—	11.9
Bank-time deposits	1.2	—	—	1.2
Prepaid expenses and other:				
Foreign currency derivative contracts	—	0.2	—	0.2
Restricted cash and cash equivalents, long term:				
Money market funds	79.4	—	—	79.4
Other assets:				
Equity securities	9.3	—	—	9.3
Private equity	—	—	23.6	23.6
Total financial assets	$ 1,659.1	$ 0.2	$ 23.6	$ 1,682.9
Liabilities:				
Short-term debt, net:				
Convertible notes	$ —	$ 30.0	$ —	$ 30.0
Total financial liabilities	$ —	$ 30.0	$ —	$ 30.0

We did not have any transfers between Level 1 and Level 2 fair value measurements, nor did we have any transfers into or out of Level 3 during the six months ended September 30, 2026.

Nonrecurring fair value measurements

We hold equity investments in certain unconsolidated entities without a readily determinable fair value. These strategic investments represent less than a 20% ownership interest in each of the privately-held affiliates, and we do not maintain significant influence over or control of the entities. We have elected the practical expedient in Topic 321, *Investments-Equity Securities*, to measure these investments at cost less any impairment, adjusted for observable price changes, if any. Based on these considerations, we estimate that the carrying value of the acquired shares represents the fair value of the investment. For certain of these investments where an observable transaction involves a different class of equity securities, we estimate fair value using an option pricing model calibrated to the observable transaction price, which included significant unobservable Level 3 inputs, such as expected volatility, time-to-liquidity event, discount for lack of marketability, and dividend yield.

During the six months ended September 30, 2026, we acquired non-voting equity shares in a privately-held entity with an initial value of $62.1 in a non-cash transaction.

At September 30, 2026, and March 31, 2026, we held $93.0 and $18.5, respectively, of such investments in Other assets within our Condensed Consolidated Balance Sheet.

5. SHORT-TERM INVESTMENTS

Our Short-term investments consisted of the following:

	September 30, 2026			
		Gross Unrealized		
	Cost or Amortized Cost	Gains	Losses	Fair Value
Short-term investments				
Bank-time deposits	$ 524.2	$ —	$ —	$ 524.2
Total Short-term investments	**$ 524.2**	**$ —**	**$ —**	**$ 524.2**

	March 31, 2026			
		Gross Unrealized		
	Cost or Amortized Cost	Gains	Losses	Fair Value
Short-term investments				
Bank-time deposits	$ 443.8	$ —	$ —	$ 443.8
Total Short-term investments	$ 443.8	$ —	$ —	$ 443.8

The following table summarizes the contracted maturities of our short-term investments at September 30, 2026:

	September 30, 2026	
	Amortized Cost	Fair Value
Short-term investments		
Due in 1 year or less	$ 524.2	$ 524.2
Total Short-term investments	**$ 524.2**	**$ 524.2**

6. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Our risk management strategy includes the use of derivative financial instruments to reduce the volatility associated with changes in foreign currency exchange rates on earnings, cash flows, and certain balance sheet amounts. We do not enter into derivative financial contracts for speculative or trading purposes. We recognize derivative instruments as either assets or liabilities on our Consolidated Balance Sheets, and we measure those instruments at fair value. We classify cash flows from derivative transactions as cash flows from operating activities in our Consolidated Statements of Cash Flows.

The following table shows the gross notional amounts of foreign currency derivative contracts:

	September 30, 2026	March 31, 2026
Foreign currency derivative contracts to sell foreign currencies	**$ 748.7**	$ 349.2
Foreign currency derivative contracts to purchase foreign currencies	**327.8**	140.3

For the three months ended September 30, 2026 and 2025, we recorded a gain of $4.8 and a loss of $0.6, respectively, and for the six months ended September 30, 2026 and 2025, we recorded a gain of $10.6 and a loss of $13.0, respectively, related to foreign currency derivative contracts in Interest and other, net on our Condensed Consolidated Statements of Operations. Our foreign currency derivative contracts are not designated as hedging instruments under hedge accounting and are used to reduce the impact of foreign currency on certain balance sheet exposures. These instruments are generally short-term in nature, with typical maturities of less than one year, and are subject to fluctuations in foreign exchange rates.

7. SOFTWARE DEVELOPMENT COSTS AND LICENSES

Details of our capitalized software development costs and licenses were as follows:

	September 30, 2026		March 31, 2026	
	Current	Non-current	Current	Non-current
Software development costs, internally developed	**$ 65.1**	**$ 2,440.5**	$ 46.1	$ 2,224.6
Software development costs, externally developed	**2.4**	**30.9**	1.7	52.2
Licenses	**14.9**	**23.5**	21.0	0.7
Software development costs and licenses	**$ 82.4**	**$ 2,494.9**	$ 68.8	$ 2,277.5

During the three months ended September 30, 2026, $0.2 of impairment charges were recorded within Cost of revenue.

During the six months ended September 30, 2026, $43.6 of impairment charges were recorded within Cost of revenue and were primarily related to a decision not to proceed with further development of certain interactive entertainment software products.

8. INVENTORY

Inventory balances by category are as follows:

	September 30, 2026	March 31, 2026
Finished products	$ 10.1	$ 6.2
Parts and supplies	24.0	1.2
Inventory	$ 34.1	$ 7.3

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	September 30, 2026	March 31, 2026
Software development royalties	$ 421.4	$ 359.3
Compensation and benefits	234.8	371.5
Licenses	151.3	100.1
Marketing and promotions	62.0	58.5
Tax payable	29.2	36.1
Refund liability	29.4	34.0
Interest payable	29.2	29.2
Deferred acquisition payments	0.1	31.3
Other	95.7	97.8
Accrued expenses and other current liabilities	$ 1,053.1	$ 1,117.8

10. DEBT

The components of Long-term debt, net on our Condensed Consolidated Balance Sheets were as follows:

	Annual Interest Rate	Maturity Date	September 30, 2026	Fair Value (Level 2)
2028 Notes	4.95%	March 28, 2028	**800.0**	796.5
2029 Notes	5.40%	June 12, 2029	**300.0**	298.3
2032 Notes	4.00%	April 14, 2032	**500.0**	454.8
2034 Notes	5.60%	June 12, 2034	**300.0**	289.6
Total			**$ 1,900.0**	$ 1,839.2
Unamortized discount and issuance cost			**(9.4)**	
Long-term debt, net			**$ 1,890.6**	

	Annual Interest Rate	Maturity Date	March 31, 2026	Fair Value (Level 2)
2027 Notes	3.70%	April 14, 2027	600.0	594.6
2028 Notes	4.95%	March 28, 2028	800.0	807.3
2029 Notes	5.40%	June 12, 2029	300.0	306.6
2032 Notes	4.00%	April 14, 2032	500.0	477.0
2034 Notes	5.60%	June 12, 2034	300.0	305.3
Total			$ 2,500.0	$ 2,490.8
Unamortized discount and issuance cost			(12.0)	
Long-term debt, net			$ 2,488.0	

The components of Short-term debt, net on our Condensed Consolidated Balance Sheets were as follows:

	Annual Interest Rate	Maturity Date	September 30, 2026	Fair Value (Level 2)
2027 Notes	3.70%	April 14, 2027	**$ 600.0**	$ 596.1
2026 Convertible Notes	0.00%	December 15, 2026	**29.8**	29.8
Total			**$ 629.8**	$ 625.9
Unamortized discount and issuance cost			**(0.6)**	
Short-term debt, net			**$ 629.2**	

	Annual Interest Rate	Maturity Date	March 31, 2026	Fair Value (Level 2)
2026 Convertible Notes	0.00%	December 15, 2026	30.0	30.0
Total			$ 30.0	$ 30.0
Unamortized discount and issuance cost			—	
Short-term debt, net			$ 30.0	

The interest expense as it relates to our debt is recorded within Interest and other, net in our Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2026 and 2025, respectively, and was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
2025 Notes	—	—	—	0.8
2026 Notes	—	6.8	—	13.7
2027 Notes	5.5	5.5	11.1	11.1
2028 Notes	9.9	9.9	19.8	19.8
2029 Notes	4.0	4.0	8.1	8.1
2032 Notes	5.0	5.0	10.0	10.0
2034 Notes	4.2	4.2	8.4	8.4
Total	**$ 28.6**	$ 35.4	**$ 57.4**	$ 71.9

The following table outlines the aggregate amount of maturities of our borrowings, as of September 30, 2026:

Fiscal Year Ending March 31,	Maturities
2027 (remaining)	$ 29.4
2028	1,400.0
2029	—
2030	300.0
2031	—
Thereafter	800.0
Total	2,529.4
Fair value adjustments	0.4
Total face value	**$ 2,529.8**

For a complete description of the terms, conditions, and covenants governing our Senior Notes, Credit Agreement and Convertible Notes, refer to Note 11 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Senior Notes

The Senior Notes are the Company's senior unsecured obligations and rank equally with all of our other existing and future unsubordinated obligations. Interest is payable semi-annually. During the six months ended September 30, 2026, we made interest payments of $57.4.

During the three months ended September 30, 2026 and 2025, we recognized $0.9 and $1.2, respectively, of amortization of debt issuance costs and $0.1 and $0.3, respectively, of amortization of the original issuance discount, within Interest and other, net. During the six months ended September 30, 2026 and 2025, we recognized $1.8 and $2.5, respectively, of amortization of debt issuance costs and $0.2 and $0.2, respectively, of amortization of the original issuance discount, within Interest and other, net.

On March 28, 2026, we repaid our 2026 Notes with a principal amount of $550.0, with proceeds from our May 2025 equity issuance.

On April 14, 2025, we repaid our 2025 Notes with a principal amount of $600.0, with proceeds from our June 2024 note offering.

Credit Agreement

Our credit agreement dated as of May 23, 2022, (as amended on May 19, 2025, the "2022 Credit Agreement"), provides a $1,000.0 unsecured five-year revolving credit facility that matures on May 19, 2030, subject to certain extension options.

Loans under the 2022 Credit Agreement will bear interest at a rate of (a) 0.000% to 0.625% above an alternate base rate (7.00% at September 30, 2026) or (b) 1.000% to 1.625% above Secured Overnight Financing Rate ("SOFR"), approximately 3.91% at September 30, 2026, which rates are determined by the Company's credit rating.

As of September 30, 2026, there were no borrowings under the 2022 Credit Agreement, and we had approximately $997.9 available for additional borrowings.

Information related to availability on our 2022 Credit Agreement for each period was as follows:

	September 30, 2026	March 31, 2026
Available borrowings	**$ 997.9**	$ 997.7
Outstanding letters of credit	**2.1**	2.3

Convertible Notes

In conjunction with the acquisition of Zynga on May 23, 2022, we assumed Zynga's outstanding 0.25% Convertible Senior Notes due 2024 (the "2024 Convertible Notes") and 0.00% Convertible Senior Notes due 2026 (the "2026 Convertible Notes" and, together with the 2024 Convertible Notes, the "Convertible Notes"). We have elected to account for these Convertible Notes, which are considered derivatives, using the fair value option (Level 2) under ASC 825, as the Convertible Notes were initially recognized at fair value under the acquisition method of accounting in connection with the acquisition of Zynga and we do not expect significant fluctuations in fair value through maturity. Any subsequent adjustments are recorded within Interest and other, net.

2026 Convertible Notes. The 2026 Convertible Notes mature on December 15, 2026, unless earlier converted, redeemed, or repurchased in accordance with their terms, prior to the maturity date. The 2026 Convertible Notes do not bear regular interest, and the principal amount does not accrete. An aggregate principal amount of $29.4 of the 2026 Convertible Notes remained outstanding at September 30, 2026. We recorded $29.8 as the fair value of the remaining outstanding 2026 Convertible Notes, within Short-term debt, net, in our Condensed Consolidated Balance Sheet as of September 30, 2026. During the three months ended September 30, 2026 and 2025, we recognized a gain of $0.9 and a loss of $0.2, respectively, and during the six months ended September 30, 2026 and 2025, we recognized a gain of $0.2 and loss of $2.8, respectively, within Interest and other, net in our Condensed Consolidated Statements of Operations.

11. LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Computation of Basic and diluted loss per share				
Net loss	**$ (54.0)**	$ (133.9)	**$ (88.1)**	$ (145.8)
Weighted average shares outstanding—basic	**187.1**	184.6	**186.7**	182.7
Basic and diluted loss per share	**$ (0.29)**	$ (0.73)	**$ (0.47)**	$ (0.80)

We incurred a net loss for the three and six months ended September 30, 2026 and 2025; therefore, the diluted weighted average shares outstanding excludes the effect of unvested common stock equivalents because their effect would be antidilutive.

For the three months ended September 30, 2026, we had 0.8 potentially dilutive shares from share-based awards and 0.1 of shares from Convertible Notes that are excluded due to the net loss for the period. For the six months ended September 30, 2026, we had 1.1 potentially dilutive shares from share-based awards and 0.1 of shares from Convertible Notes that are excluded due to the net loss for the period.

During the six months ended September 30, 2026, 1.6 restricted stock awards vested, we granted 1.9 unvested restricted stock awards, and 0.2 unvested restricted stock awards were forfeited.

12. COMMITMENTS AND CONTINGENCIES

We have entered into various agreements in the ordinary course of business that require substantial cash commitments over the next several years. Other than agreements entered into in the ordinary course of business and in addition to the agreements requiring known cash commitments as reported in Note 14 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026, we did not have any significant changes to our commitments since March 31, 2026.

Legal and Other Proceedings

We are, or may become, subject to demands and claims (including intellectual property and employment related claims) and are involved in routine litigation in the ordinary course of business which we do not believe to be material to our business or financial condition or results of operations. We have appropriately accrued amounts related to certain of these claims and legal and other proceedings. While it is reasonably possible that a loss may be incurred in excess of the amounts accrued in our financial statements, we believe that such losses, unless otherwise disclosed, would not be material.

13. INCOME TAXES

The benefit from income taxes for the three and six months ended September 30, 2026 is based on our projected annual effective tax rate for fiscal year 2027, adjusted for specific items that are required to be recognized in the period in which they are incurred.

The benefit from income taxes was $57.9 for the three months ended September 30, 2026, as compared to the provision for income taxes of $18.4 for the prior year period. When compared to the statutory rate of 21%, the effective tax rate of 51.7% for the three months ended September 30, 2026 was primarily driven by tax benefits of $57.1 related to geographic mix of earnings and changes in reserves offset by tax expense of $20.0 related to tax credits.

The benefit from income taxes was $73.1 for the six months ended September 30, 2026, as compared to the provision for income taxes of $16.5 for the prior year period. When compared to the statutory rate of 21%, the effective tax rate of 45.3% for the six months ended September 30, 2026 was primarily driven by tax benefits of $74.0 related to geographic mix of earnings and changes in reserves offset by tax expense of $27.6 related to tax credits.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBB") was signed into law. OBBB includes significant provisions, including but not limited to (1) permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017 ("TCJA"), (2) modifications to the international provisions relating to Base Erosion and Anti Abuse Act ("BEAT"), Global Intangible Low-Tax Income ("GILTI") and Foreign Derived Deduction Eligible Income ("FDDEI"), (3) permanent reinstatement deduction for domestic research expenditures and 100% bonus depreciation for certain qualified property, and (4) modifications to tax credits. The legislation has multiple effective dates, with certain provisions effective in the fiscal year ended March 31, 2026 and others implemented in future periods. We have estimated the accounting for income tax effects of OBBB in our projected annual effective tax rate. We are continuing to evaluate the impact of OBBB on the Company. It is possible that these changes could have an adverse impact on our effective tax rate, tax payments, financial condition, or results

of operations. The tax law is complex and additional interpretive guidance may be issued that could affect the interpretations and assumptions we have made, as well as actions we may take as a result of OBBB.

The Inflation Reduction Act of 2022 (the “Inflation Reduction Act”) includes a corporate alternative minimum tax ("CAMT") of 15% on the adjusted financial statement income ("AFSI") of corporations with an average AFSI exceeding $1.0 billion over a consecutive three-year period. It is possible that the CAMT could result in an additional tax liability over the regular federal corporate tax liability in a particular year based on differences between book and taxable income. We do not estimate any tax liability relating to CAMT for the current fiscal year. We will continue to evaluate the potential impact the Inflation Reduction Act may have on our operations and Consolidated Financial Statements in future periods.

The Organization for Economic Co-operation and Development ("OECD") has proposed a global minimum tax of 15% of reported profits, referred to as Pillar Two. Many countries have already implemented or are taking steps to implement Pillar Two. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar Two slightly differently than the model rules and on different timelines. Pillar Two could result in additional tax liability over the regular corporate tax liability in a particular jurisdiction to the extent tax expense is less than a 15% minimum rate. The impact of Pillar Two was not material to the three and six months ended September 30, 2026. On January 5, 2026, the OECD released new administrative guidance outlining a “side-by-side” arrangement following agreement on key elements by the OECD/G20 Inclusive Framework on Pillar Two. It provides new safe harbors for U.S. multinational companies which would exempt U.S.-parented groups from two of the three Pillar Two top up taxes, extend the current Transitional Country-by-Country Reporting Safe Harbor by one year through the end of fiscal year ending March 31, 2028, and make the Simplified Effective Tax Rate Safe Harbor permanent. We will continue to evaluate the impact Pillar Two and any additional guidance may have on our results and operations.

We are regularly examined by domestic and foreign taxing authorities. Examinations may result in tax assessments in excess of amounts claimed and the payment of additional taxes. We believe our tax positions comply with applicable tax law, and that we have adequately provided for reasonably foreseeable tax assessments. It is possible that settlement of audits or the expiration of the statute of limitations may have an impact on our effective tax rate in future periods.

14. SEGMENT REPORTING AND GEOGRAPHIC INFORMATION

We have one operating and reportable segment. Our operations involve similar products and customers worldwide. Revenue earned is primarily derived from the sale of software titles, which are developed internally and by third parties. Our Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM"), manages our operations on a consolidated basis. Our CODM uses consolidated net income (loss) – supplemented by sales information by product category, major product title, and platform – for the purpose of evaluating performance and allocating resources. All significant expense categories are presented on our Condensed Consolidated Statements of Operations. Our other segment items include Depreciation and amortization, Interest and other, net, and (Benefit from) provision for income taxes. The measure of segment assets are reported on the Condensed Consolidated Balance Sheet as Total assets. The CODM does not review segment assets at a level other than that presented on the Condensed Consolidated Balance Sheet.

Geography

We attribute net revenue to geographic regions based on software product destination. Net revenue by geographic region was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenue recognized:				
United States	**$ 888.9**	$ 1,036.1	**$ 1,808.9**	$ 1,936.5
International	**608.1**	737.7	**1,222.0**	1,341.1
Total net revenue	**$ 1,497.0**	$ 1,773.8	**$ 3,030.9**	$ 3,277.6

15. ASSET ACQUISITION

On August 10, 2026, we purchased the building where we previously leased office space in London, England, for a total capitalized cost of $91.8, which includes cash consideration, direct transaction costs, net of the derecognition of the preexisting lease liability and right-of-use asset from the balance sheet.

The transaction was treated as an asset acquisition, in which the total cost was allocated on a relative fair value basis to identified assets. The following table summarizes the allocated acquisition cost of tangible assets as of the acquisition date, which are included within Fixed assets, net on our Condensed Consolidated Balance Sheets:

	Allocated Cost	Weighted average useful life
Land	$ 82.9	N/A
Building	8.9	20 years
Total	$ 91.8	

16. SUBSEQUENT EVENTS

In November 2026, we completed a reorganization involving certain intangible assets to simplify our global operating structure. As a result, our jurisdictional mix of earnings will be affected beginning in November 2026. We are still evaluating the impact of this on our estimated annual effective tax rate, deferred tax assets, and valuation allowance for future periods.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

The statements contained herein, which are not historical facts, including statements relating to Take-Two Interactive Software, Inc.'s ("Take-Two," the "Company," "we," "us," or similar pronouns) outlook, are considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for our future business and financial performance. Such forward-looking statements are based on the current beliefs of our management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including risks relating to the timely release and significant market acceptance of our games; the risks of conducting business internationally, including as a result of unforeseen geopolitical events; the impact of changes in interest rates by the Federal Reserve and other central banks, including on our short-term investment portfolio; the impact of inflation; volatility in foreign currency exchange rates; our dependence on key management and product development personnel; our dependence on our NBA 2K and Grand Theft Auto products and our ability to develop other hit titles; our ability to leverage opportunities on PlayStation®5 and Xbox Series X|S; factors affecting our mobile business, such as player acquisition costs; the ability to maintain acceptable pricing levels on our games; and other risks included herein; as well as, but not limited to, the risks and uncertainties discussed under the heading "Risk Factors" included in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026; and our other periodic filings with the Securities and Exchange Commission. All forward-looking statements are qualified by these cautionary statements and speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided in addition to the accompanying Condensed Consolidated Financial Statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. The following discussion should be read in conjunction with the MD&A and our annual Consolidated Financial Statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026. All figures are in millions, except per share amounts or as otherwise noted.

Overview

Our Business

We are a leading developer, publisher, and marketer of interactive entertainment for consumers around the globe. We develop, operate, and publish products principally through Rockstar Games, 2K, and Zynga. Our products are currently designed for console gaming systems, mobile, including smartphones and tablets, and personal computer ("PC"). We deliver our products through digital download, online platforms, cloud streaming services, and physical retail.

Our strategy is to create hit entertainment experiences, delivered on every platform relevant to our audience through a variety of sound business models. Our pillars - creativity, innovation, and efficiency - guide us as we strive to create the highest quality, most captivating experiences for our consumers. We believe that our player-first approach and commitment to creativity and innovation are distinguishing strengths, enabling us to differentiate our products in the marketplace by combining advanced technology with compelling gameplay that provide unique, deeply engaging experiences.

Our teams have established a portfolio of proprietary software content for the major hardware and mobile platforms, and we aim to be at the forefront of technological innovation. We have a diverse portfolio that spans all key platforms and numerous genres, including action, adventure, family, casual, hyper-casual, role-playing, shooter, social casino, sports, and strategy. This enables us to appeal to a wide array of consumers worldwide, ranging from game enthusiasts to casual gamers. Most of our intellectual property is internally owned and developed, which we believe best positions us financially and competitively. In addition, we selectively license several highly recognizable renowned brands, particularly in sports entertainment. We support our products with innovative marketing programs created by our global teams.

We derive substantially all of our revenue from the sale of our interactive entertainment content, which includes internally developed software titles and software titles developed by third parties, in-game virtual items and advertising, and live services on console, mobile, and PC. Operating margins are dependent in part upon our ability to release new, commercially successful software products and to manage effectively their development and marketing costs.

To support our content pipeline, we have internal development studios located in Australia, Canada, China, Czech Republic, Finland, Germany, Hungary, India, Serbia, South Korea, Spain, Turkey, the United Kingdom ("U.K."), and the United States ("U.S.").

Rockstar Games. Rockstar Games' strategy is to develop a limited number of titles that are known for their quality and longevity in the market for which they can create sequels and incremental revenue opportunities through virtual currency, add-on content, and in-game purchases across all key platforms. Software titles published by our Rockstar Games label are primarily internally developed. We expect Rockstar Games, our wholly-owned publisher of the *Grand Theft Auto*, *L.A. Noire*, *Max Payne*, *Midnight Club*, *Red Dead Redemption*, and other popular series, to continue to be a leader in the action/adventure product category and to create groundbreaking entertainment. Rockstar Games has established a uniquely original, popular, cultural phenomenon with its *Grand Theft Auto* series, which is the interactive entertainment industry's most iconic and critically acclaimed brand and has sold-in over 475 million units worldwide. Our most recent installment, *Grand Theft Auto V*, which was released in 2013, has sold-in over 230 million units worldwide and includes access to *Grand Theft Auto Online.* Rockstar Games offers its GTA+ membership program, which engages its player community with an array of rotating benefits, including access to classic Rockstar Games titles. Rockstar Games continues to invest in the series and will release *Grand Theft Auto VI* on November 19, 2026, during the current fiscal year. The label has released several trailers and other marketing content for the title, including an Extended Look that debuted on Netflix, which featured nearly 30 minutes of gameplay footage. Pre-orders for the title commenced in June 2026, generating initial demand that has outpaced historical benchmarks for the series. *Red Dead Redemption 2*, which has been a critical and commercial success that set numerous entertainment industry records, has sold-in more than 85 million units worldwide. Rockstar Games continues to expand on its established series by developing sequels, offering downloadable episodes, and providing additional content. Rockstar Games' titles are published across all key platforms, including mobile.

2K. Our 2K label publishes a variety of popular entertainment properties across all key platforms and across a range of genres including shooter, action, role-playing, strategy, sports, and family/casual entertainment. In recent years, 2K has expanded its offerings to include several new franchises that are expected to enhance and diversify its slate of games and provide opportunities for sequels and additional content. We expect 2K to continue to develop new, successful franchises in the future. 2K's internally owned and developed series include the critically acclaimed, multi-million unit selling *BioShock*, *Borderlands*, *Mafia*, *Sid Meier's Civilization*, and *XCOM* franchises. 2K's sports simulation titles include *NBA 2K*, which continues to be the top-ranked NBA basketball video game, *WWE 2K* professional wrestling, and *PGA TOUR 2K*. 2K also publishes mobile titles, including *WWE SuperCard* and *NBA 2K All-Stars*.

Zynga. Our Zynga label publishes popular free-to-play mobile games that deliver high quality, deeply engaging entertainment experiences and generates revenue from in-game sales and advertising. Zynga's strategy is to have numerous games in concept development and to determine which titles are best suited for soft and worldwide launch based on the achievement of various milestones and key performance indicator (KPI) thresholds. Zynga's diverse portfolio of popular game franchises has been downloaded more than 10 billion times, including *Color Block Jam*, *CSR2*, *Empires & Puzzles*, *Game of Thrones: Legends*, *Game of Thrones Slots Casino*, *Golf Rival*, *Harry Potter: Puzzles & Spells*, *Hit it Rich! Casino*, *Match Factory!*, *Merge Dragons!*, *Toon Blast*, *Toy Blast*, *Wizard of Oz Slots Casino*, *Words With Friends*, and *Zynga Poker*.

Trends and Factors Affecting our Business

Product Release Schedule. Our financial results are affected by the timing of our product releases and the commercial success of our titles. Generally, a significant portion of our revenue has been derived from a few popular series, particularly around new releases within those series, some of which have annual or biennial releases. In particular, our *Grand Theft Auto* products have historically accounted for a significant portion of our revenue. Sales of *Grand Theft Auto* products generated 12.6% of our net revenue for the six months ended September 30, 2026. The timing of our *Grand Theft Auto* product releases may affect our financial performance on a quarterly and annual basis. Rockstar Games will release *Grand Theft Auto VI* on November 19, 2026.

During fiscal year 2027, 2K released *NBA 2K27*. To date we have also announced that, during the remainder of fiscal year 2027, 2K plans to release *PGA 2K27* and *WWE 2K27*.

Economic Environment and Retailer Performance. We continue to monitor various macroeconomic and geopolitical factors, such as global tariff policies, that may affect our business in several areas, including consumer demand, inflation, pricing pressure on our products and third party hardware platforms, credit quality of our receivables, and foreign currency exchange rates. Actions we have taken to date and other potential actions we may take in the future in response to these factors could result in negative impacts in future periods.

The economic environment has affected our customers in the past and may do so in the future. There has been increased consolidation in our industry, which is extremely competitive, and larger, better capitalized competitors will be in a stronger position to withstand prolonged periods of economic downturn and sustain their business through periods of financial volatility. Also, bankruptcies or consolidations of our large retail customers could hurt our business, due to uncollectible accounts receivable and the concentration of purchasing power among the remaining large retailers.

Hardware Platforms. We derive a substantial portion of our revenue from the sale of products made for video game consoles manufactured by third parties. Such console revenue comprised 41.4% of our net revenue for the six months ended September 30, 2026. The success of our business is dependent upon consumer acceptance of these platforms and the continued growth in the installed base of these platforms, which has been and could be impacted by global economic factors, including global tariff policies. When new hardware platforms are introduced, demand for interactive entertainment developed for older platforms typically declines, which may negatively affect our business during the market transition to the new consoles. The latest Sony and Microsoft consoles provide "backwards compatibility" (i.e., the ability to play games for the previous generation of consoles). The inclusion of such features on new consoles could mitigate the risk of such a decline. However, we cannot be certain how backwards compatibility will affect demand for our products. Further, events beyond our control may impact the availability or pricing of consoles, which may also affect demand for our products. We manage our product delivery on each current and future platform in a manner we believe to be most effective to maximize our revenue opportunities and achieve the desired return on our investments in product development. Accordingly, our strategy for these platforms is to focus our development efforts on a select number of the highest quality titles.

Online Content and Digital Distribution. We provide a variety of online delivered products, including direct digital downloads of our titles, and access to additional offerings through virtual currency, add-on content, in-game purchases, and in-game advertising, which drive ongoing engagement and incremental revenue from recurrent consumer spending on our titles. Net revenue from digital online channels comprised 97.9% of our net revenue for the six months ended September 30, 2026. We expect online delivery of games and game offerings to continue to be the primary part of our business over the long term.

A significant portion of our mobile titles are distributed, marketed, and promoted through third parties, primarily Apple's App Store and the Google Play Store. Virtual items for our mobile games are purchased principally through the payment processing systems of these platform providers, as well as our direct-to-consumer commerce platform. We generate a significant portion of our net revenue through the Apple and Google platforms and expect to continue to do so for the foreseeable future. Apple and Google generally have the discretion to set the amounts of their platform fees and change their platforms' terms of service and other policies with respect to us or other developers at their sole discretion, and those changes may be unfavorable to us. These platform fees are recorded as Cost of revenue as incurred. Further, as a result of the platform fees associated with online game sales, our mobile net revenue generally generates a lower gross margin percentage than our Console or PC revenue. Accordingly, the overall product mix between mobile and other game sales may affect our gross margin percentage. We are also continuing to expand our direct-to-consumer efforts more meaningfully across our mobile portfolio to enhance profitability.

Player acquisition costs. Principally for our mobile titles, we use advertising and other forms of player acquisition and retention to grow and retain our player audience. These expenditures, which are recorded within Selling and marketing in our Condensed Consolidated Statements of Operations, generally relate to the promotion of new game launches and ongoing performance-based programs to drive new player acquisition and lapsed player reactivation. Over time, the effectiveness or cost of these acquisition and retention-related programs may change, affecting our operating results.

Critical Accounting Policies and Estimates

Our most critical accounting policies, which are those that require significant judgment, include revenue recognition, capitalization and recognition of software development costs and licenses, fair value estimates including valuation of goodwill and intangible assets, valuation and recognition of stock-based compensation, and income taxes. In-depth descriptions of our other critical accounting policies and estimates can be found in our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Recently Adopted and Recently Issued Accounting Pronouncements

See Note 1 - Basis of Presentation and Significant Accounting Policies for further discussion.

Operating Metric

Net Bookings

We monitor Net Bookings as a key operating metric in evaluating the performance of our business. Net Bookings is defined as the net amount of products and services sold digitally or sold-in physically during the period and includes licensing fees, merchandise, in-game advertising, and publisher incentives. Net Bookings were as follows:

	Three Months Ended September 30,				Six Months Ended September 30,			
	2026	2025	Increase/ (decrease)	% Increase/ (decrease)	2026	2025	Increase/ (decrease)	% Increase/ (decrease)
Net Bookings	**$ 1,601.3**	$ 1,960.5	$ (359.2)	(18.3)%	**$ 2,987.2**	$ 3,383.6	$ (396.4)	(11.7)%

For the three months ended September 30, 2026, Net Bookings decreased by $359.2 as compared to the prior year period. The decrease was primarily driven by lower Net Bookings from our *Borderlands* franchise, the latest installment of which, *Borderlands 4*, released in September 2025; *NBA 2K*; our *Mafia* franchise, the latest installment of which, *Mafia: The Old Country*, released in August 2025; *Color Block Jam* and *Match Factory!*. The decrease was partially offset by higher Net Bookings from our *Grand Theft Auto* series.

For the six months ended September 30, 2026, Net Bookings decreased by $396.4 as compared to the prior year period. The decrease was primarily driven by lower Net Bookings from our *Borderlands* franchise, *Color Block Jam*, our *Mafia* franchise, *NBA 2K*, and *Match Factory!*.

Results of Operations

The following tables set forth, for the periods indicated, our Condensed Consolidated Statements of Operations, net revenue by platform, net revenue by distribution channel, and net revenue by content type:

	Three Months Ended September 30,				Six Months Ended September 30,			
	2026		2025		2026		2025	
Total net revenue	**$ 1,497.0**	**100.0 %**	$ 1,773.8	100.0 %	**$ 3,030.9**	**100.0 %**	$ 3,277.6	100.0 %
Cost of revenue	**636.6**	**42.5 %**	793.3	44.7 %	**1,288.0**	**42.4 %**	1,352.1	41.3 %
Gross profit	**860.4**	**57.5 %**	980.5	55.3 %	**1,742.9**	**57.6 %**	1,925.5	58.7 %
Selling and marketing	**444.9**	**29.7 %**	536.7	30.3 %	**814.6**	**26.9 %**	945.9	28.9 %
Research and development	**254.4**	**17.0 %**	268.0	15.1 %	**528.2**	**17.4 %**	524.4	16.0 %
General and administrative	**230.5**	**15.4 %**	225.0	12.7 %	**456.8**	**15.1 %**	432.4	13.2 %
Depreciation and amortization	**48.1**	**3.2 %**	48.8	2.8 %	**96.3**	**3.2 %**	99.2	3.0 %
Total operating expenses	**977.9**	**65.3 %**	1,078.5	60.9 %	**1,895.9**	**62.6 %**	2,001.9	61.1 %
Loss from operations	**(117.5)**	**(7.8)%**	(98.0)	(5.6)%	**(153.0)**	**(5.0)%**	(76.4)	(2.4)%
Interest and other, net:								
Interest income	**19.3**	**1.3 %**	20.7	1.2 %	**42.1**	**1.4 %**	37.2	1.1 %
Interest expense	**(30.2)**	**(2.0)%**	(37.4)	(2.2)%	**(60.6)**	**(2.0)%**	(76.3)	(2.3)%
Other income/(expense), net	**16.5**	**1.1 %**	(0.8)	— %	**10.3**	**0.3 %**	(13.8)	(0.4)%
Interest and other, net	**5.6**	**0.4 %**	(17.5)	(1.0)%	**(8.2)**	**(0.3)%**	(52.9)	(1.6)%
Loss before income taxes	**(111.9)**	**(7.4)%**	(115.5)	(6.6)%	**(161.2)**	**(5.3)%**	(129.3)	(4.0)%
(Benefit from) provision for income taxes	**(57.9)**	**(3.9)%**	18.4	1.0 %	**(73.1)**	**(2.4)%**	16.5	0.5 %
Net loss	**$ (54.0)**	**(3.5)%**	$ (133.9)	(7.6)%	**$ (88.1)**	**(2.9)%**	$ (145.8)	(4.5)%

	Three Months Ended September 30,				Six Months Ended September 30,			
	2026		2025		2026		2025	
Net revenue by platform:								
Mobile	**$ 731.1**	**48.8 %**	$ 821.6	46.3 %	**$ 1,493.4**	**49.3 %**	$ 1,623.3	49.5 %
Console	**615.4**	**41.1 %**	720.0	40.6 %	**1,255.9**	**41.4 %**	1,270.6	38.8 %
PC and other	**150.5**	**10.1 %**	232.2	13.1 %	**281.6**	**9.3 %**	383.7	11.7 %
Net revenue by distribution channel:								
Digital online	**$ 1,458.8**	**97.4 %**	$ 1,693.1	95.5 %	**$ 2,966.1**	**97.9 %**	$ 3,169.7	96.7 %
Physical retail and other	**38.2**	**2.6 %**	80.7	4.5 %	**64.8**	**2.1 %**	107.9	3.3 %
Net revenue by content:								
Recurrent consumer spending	**$ 1,210.2**	**80.8 %**	$ 1,275.9	71.9 %	**$ 2,500.0**	**82.5 %**	$ 2,532.0	77.3 %
Full game and other	**286.8**	**19.2 %**	497.9	28.1 %	**530.9**	**17.5 %**	745.6	22.7 %

Three Months Ended September 30, 2026 Compared to September 30, 2025

	2026	%	2025	%	Increase/ (decrease)	% Increase/ (decrease)
Total net revenue	**$ 1,497.0**	**100.0 %**	$ 1,773.8	100.0 %	$ (276.8)	(15.6)%
Product costs	**184.0**	**12.3 %**	229.3	12.9 %	(45.3)	(19.8)%
Game intangibles	**140.8**	**9.4 %**	158.8	9.0 %	(18.0)	(11.3)%
Software development costs and royalties [(1)]	**107.9**	**7.2 %**	172.1	9.7 %	(64.2)	(37.3)%
Licenses	**131.9**	**8.8 %**	154.4	8.7 %	(22.5)	(14.6)%
Internal royalties	**72.0**	**4.8 %**	78.7	4.4 %	(6.7)	(8.5)%
Cost of revenue	**636.6**	**42.5 %**	793.3	44.7 %	(156.7)	(19.8)%
Gross profit	**$ 860.4**	**57.5 %**	$ 980.5	55.3 %	$ (120.1)	(12.2)%

[(1)] Includes $3.4 and $4.8 of stock-based compensation expense in 2026 and 2025, respectively, in software development costs and royalties.

For the three months ended September 30, 2026, net revenue decreased by $276.8 as compared to the prior year period. The decrease was primarily driven by lower net revenue of $128.0 from our *Borderlands* franchise, the latest installment of which, *Borderlands 4*, released in September 2025; $56.3 from our *Mafia* franchise, the latest installment of which, *Mafia: The Old Country*, released in August 2025; $31.4 from *Color Block Jam*; and $21.9 from *Match Factory!*.

Net revenue from mobile decreased by $90.5 and accounted for 48.8% of our total net revenue for the three months ended September 30, 2026, as compared to 46.3% for the prior year period. The decrease in net revenue from mobile was primarily driven by lower net revenue from *Color Block Jam*, *Match Factory!*, *NBA 2K*, *Toy Blast*, and *Merge Dragons!*. Net revenue from console games decreased by $104.6 and accounted for 41.1% of our total net revenue for the three months ended September 30, 2026, as compared to 40.6% for the prior year period. The decrease in net revenue from console games was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises. Net revenue from PC and other decreased by $81.7 and accounted for 10.1% of our total net revenue for the three months ended September 30, 2026, as compared to 13.1% for the prior year period. The decrease in net revenue from PC and other was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises.

Recurrent consumer spending ("RCS") is generated from ongoing consumer engagement and includes revenue from virtual currency, add-on content, in-game purchases, and in-game advertising. Net revenue from RCS decreased by $65.7 and accounted for 80.8% of net revenue for the three months ended September 30, 2026, as compared to 71.9% of net revenue for the prior year period. The decrease in net revenue from RCS was primarily driven by lower net revenue from *Color Block Jam* and *Match Factory!*. Net revenue from full game and other decreased by $211.1 and accounted for 19.2% of net revenue for the three months ended September 30, 2026 as compared to 28.1% of net revenue for the prior year period. The decrease in net revenue from full game and other was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises.

Net revenue from digital online channels decreased by $234.3 and accounted for 97.4% of our total net revenue for the three months ended September 30, 2026, as compared to 95.5% for the prior year period. The decrease was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises, *Color Block Jam* and *Match Factory!* The decrease was partially offset by higher net revenue from our *Grand Theft Auto* series. Net revenue from physical retail and other channels decreased by $42.5 and accounted for 2.6% of our total net revenue for the three months ended September 30, 2026, as compared to 4.5% for the same period in the prior year period. The decrease was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises.

Gross profit as a percentage of net revenue for the three months ended September 30, 2026 was 57.5% as compared to 55.3% for the prior year period. The increase in gross profit as a percentage of net revenue was primarily driven by lower amortization of capitalized software and development costs primarily due to the timing of releases.

Changes in foreign currency exchange rates decreased net revenue by $0.6 and decreased gross profit by $3.8 for the three months ended September 30, 2026 as compared to the prior year period.

Operating Expenses

	2026	% of net revenue	2025	% of net revenue	Increase/ (decrease)	% Increase/ (decrease)
Selling and marketing	**$ 444.9**	**29.7 %**	$ 536.7	30.3 %	$ (91.8)	(17.1)%
Research and development	**254.4**	**17.0 %**	268.0	15.1 %	(13.6)	(5.1)%
General and administrative	**230.5**	**15.4 %**	225.0	12.7 %	5.5	2.4 %
Depreciation and amortization	**48.1**	**3.2 %**	48.8	2.8 %	(0.7)	(1.4)%
Total operating expenses[(1)]	**$ 977.9**	**65.3 %**	$ 1,078.5	60.9 %	$ (100.6)	(9.3)%

[(1)] Includes stock-based compensation expense, which was allocated as follows:

	2026	2025
Selling and marketing	**$ 23.1**	$ 25.2
Research and development	**22.5**	25.1
General and administrative	**41.0**	40.8

Changes in foreign currency exchange rates decreased total operating expenses by $3.2 for the three months ended September 30, 2026, as compared to the prior year period.

Selling and marketing

Selling and marketing expenses decreased by $91.8 for the three months ended September 30, 2026, as compared to the prior year period, primarily driven by lower marketing expense for our *Borderlands* franchise, partially offset by higher marketing expense for our *Grand Theft Auto* series.

Research and development

Research and development expenses decreased by $13.6 for the three months ended September 30, 2026, as compared to the prior year period, primarily driven by lower personnel expense and lower production expenses.

General and administrative

General and administrative expenses increased by $5.5 for the three months ended September 30, 2026, as compared to the prior year period, primarily driven by higher IT-related expenses for cloud-based services and IT infrastructure.

Depreciation and amortization

Depreciation and amortization expenses decreased by $0.7 for the three months ended September 30, 2026, as compared to the prior year period.

Interest and other, net

Interest and other, net was income of $5.6 for the three months ended September 30, 2026, as compared to an expense of $17.5 for the prior year period. The net decrease in expense was primarily driven by lower interest expense due to lower outstanding debt balances due to the repayment of our 2025 Notes in April 2025 and our 2026 Notes in March 2026 (refer to Note 10 - Debt) and changes in fair value based on the observable price changes of our long-term investments, partially offset by an increase in foreign currency losses.

Benefit from income taxes

The benefit from income taxes for the three months ended September 30, 2026 is based on our projected annual effective tax rate for fiscal year 2027, adjusted for specific items that are required to be recognized in the period in which they are incurred.

The benefit from income taxes was $57.9 for the three months ended September 30, 2026, as compared to the provision for income taxes of $18.4 for the prior year period.

When compared to the statutory rate of 21%, the effective tax rate of 51.7% for the three months ended September 30, 2026 was primarily driven by tax benefits of $57.1 related to geographic mix of earnings and changes in reserves, offset by tax expense of $20.0 related to tax credits.

In the prior year period, when compared to the statutory rate of 21%, the effective tax rate of (15.9)% for the three months ended September 30, 2025 was primarily driven by tax expense of $33.7 related to an increase in the U.S. and international valuation allowances and $16.0 related to geographic mix of earnings and changes in reserves, offset by tax benefits of $10.3 from tax credits.

The change in effective tax rate, when compared to the prior year period's effective tax rate, is primarily driven by higher tax benefits from geographic mix of earnings and decreased expense from changes in valuation allowances, offset by tax expense related to tax credits.

The accounting for share-based compensation will increase or decrease our effective tax rate based upon the difference between our share-based compensation expense and the deductions taken on our tax return, which depends on the stock price at the time of the employee award vesting.

We anticipate that additional excess tax benefits or shortfalls from employee stock compensation, tax incentives or credits, and changes in our geographic mix of earnings could have a significant impact on our effective tax rate in the future. In addition, we are regularly examined by domestic and foreign taxing authorities. Examinations may result in tax assessments in excess of amounts claimed and the payment of additional taxes. We believe our tax positions comply with applicable tax law, and that we have adequately provided for reasonably foreseeable tax assessments. It is possible that settlement of audits or the expiration of the statute of limitations could have an impact on our effective tax rate in future periods.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBB") was signed into law. OBBB includes significant provisions, including but not limited to (1) permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017 ("TCJA"), (2) modifications to the international provisions relating to Base Erosion and Anti Abuse Act ("BEAT"), Global Intangible Low-Tax Income ("GILTI") and Foreign Derived Deduction Eligible Income ("FDDEI"), (3) permanent reinstatement deduction for domestic research expenditures and 100% bonus depreciation for certain qualified property, and (4) modifications to tax credits. The legislation has multiple effective dates, with certain provisions effective in the fiscal year ended March 31, 2026 and others implemented in future periods. We have estimated the accounting for income tax effects of OBBB in our projected annual effective tax rate. We are continuing to evaluate the impact of OBBB on the Company. It is possible that these changes could have an adverse impact on our effective tax rate, tax payments, financial condition, or results of operations. The tax law is complex and additional interpretive guidance may be issued that could affect the interpretations and assumptions we have made, as well as actions we may take as a result of OBBB.

The American Rescue Plan Act of 2021 (the “ARPA”), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective for tax years starting after December 31, 2026 (April 1, 2027 for the Company), the ARPA expands the limitation to cover the next five most highly compensated employees. The ARPA did not have a material impact on our Consolidated Financial Statements for the three months ended September 30, 2026. We continue to evaluate the potential impact the ARPA may have on our operations and Consolidated Financial Statements in future periods.

The Inflation Reduction Act of 2022 (the “Inflation Reduction Act”) includes a corporate alternative minimum tax ("CAMT") of 15% on the adjusted financial statement income ("AFSI") of corporations with an average AFSI exceeding $1.0 billion over a consecutive three-year period. It is possible that the CAMT could result in an additional tax liability over the regular federal corporate tax liability in a particular year based on differences between book and taxable income. We do not estimate any tax liability relating to CAMT for the current fiscal year. We will continue to evaluate the potential impact the Inflation Reduction Act may have on our operations and Consolidated Financial Statements in future periods.

The Organization for Economic Co-operation and Development ("OECD") has proposed a global minimum tax of 15% of reported profits, referred to as Pillar Two. Many countries have already implemented or are taking steps to implement Pillar Two. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar Two slightly differently than the model rules and on different timelines. Pillar Two could result in additional tax liability over the regular corporate tax liability in a particular jurisdiction to the extent tax expense is less than a 15% minimum rate. The impact of Pillar Two was not material to the tax provision for the three months ended September 30, 2026. On January 5, 2026, the OECD released new administrative guidance outlining a “side-by-side” arrangement following agreement on key elements by the OECD/G20 Inclusive Framework on Pillar Two. It provides new safe harbors for U.S. multinational companies which would exempt U.S.-parented groups from two of the three Pillar Two top up taxes, extend the current Transitional Country-by-Country Reporting Safe Harbor by one year through the end of fiscal year ending March 31, 2028, and make the Simplified Effective Tax Rate Safe Harbor permanent. We will continue to evaluate the impact Pillar Two and any additional guidance may have on our results and operations.

In November 2026, we completed a reorganization involving certain intangible assets to simplify our global operating structure. As a result, our jurisdictional mix of earnings will be affected beginning in November 2026. We are still evaluating the impact of this on our estimated annual effective tax rate, deferred tax assets, and valuation allowance for future periods.

Net loss and Loss per share

For the three months ended September 30, 2026, net loss was $54.0, as compared to a net loss of $133.9 in the prior year period. Basic and diluted loss per share for the three months ended September 30, 2026 was $0.29, as compared to basic

and diluted loss per share of $0.73 in the prior year period. Basic weighted average shares of 187.1 were 2.5 shares higher as compared to the prior year period basic weighted average shares, primarily due to normal stock compensation activity, including vests and grants in the prior year being fully outstanding in the current year. See Note 11 - Loss Per Share to our Condensed Consolidated Financial Statements for additional information.

Six Months Ended September 30, 2026 Compared to September 30, 2025

	2026	%	2025	%	Increase/ (decrease)	% Increase/ (decrease)
Total net revenue	**$ 3,030.9**	**100.0 %**	$ 3,277.6	100.0 %	$ (246.7)	(7.5)%
Product costs	**371.8**	**12.3 %**	439.7	13.4 %	(67.9)	(15.4)%
Game intangibles	**295.1**	**9.7 %**	317.3	9.7 %	(22.2)	(7.0)%
Software development costs and royalties [(1)]	**243.0**	**8.0 %**	202.2	6.2 %	40.8	20.2 %
Licenses	**231.4**	**7.6 %**	225.3	6.9 %	6.1	2.7 %
Internal royalties	**146.7**	**4.8 %**	167.6	5.1 %	(20.9)	(12.5)%
Cost of revenue	**1,288.0**	**42.4 %**	1,352.1	41.3 %	(64.1)	(4.7)%
Gross profit	**$ 1,742.9**	**57.6 %**	$ 1,925.5	58.7 %	$ (182.6)	(9.5)%

[(1)] Includes $6.5 and $(36.2) of stock-based compensation expense in 2026 and 2025, respectively, in software development costs and royalties.

For the six months ended September 30, 2026, net revenue decreased by $246.7 as compared to the prior year period. The decrease was primarily driven by lower net revenue of $111.5 from our *Borderlands* franchise, the latest installment of which, *Borderlands 4*, released in September 2025; $64.2 from *Color Block Jam;* $55.2 from our *Mafia* franchise, the latest installment of which, *Mafia: The Old Country*, released in August 2025; $36.1 from *Match Factory!;* $14.9 from *Toy Blast*; and $14.0 from *WWE 2K*. The decrease was partially offset by higher net revenue of $94.0 from *NBA 2K*.

Net revenue from mobile decreased by $129.9 and accounted for 49.3% of our total net revenue for six months ended September 30, 2026, as compared to 49.5% for the prior year period. The decrease in net revenue from mobile was primarily driven by lower net revenue from *Color Block Jam*, *Match Factory!*, *Toy Blast*, and *NBA 2K*. The decrease was partially offset by higher net revenue from *Toon Blast*. Net revenue from console games decreased by $14.7 and accounted for 41.4% of our total net revenue for the six months ended September 30, 2026, as compared to 38.8% for the prior year period. The decrease was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises, *PGA TOUR 2K*, and *WWE 2K*. The decrease was partially offset by higher net revenue from *NBA 2K* and our *Grand Theft Auto* series. Net revenue from PC and other decreased by $102.1 and accounted for 9.3% of our total net revenue for the six months ended September 30, 2026, as compared to 11.7% for the prior year period. The decrease was primarily driven by lower net revenue from our *Borderlands* franchise, our *Grand Theft Auto* series, and our *Mafia* franchise.

Net revenue from RCS decreased by $32.0 and accounted for 82.5% of net revenue for the six months ended September 30, 2026, as compared to 77.3% of net revenue for the prior year period. The decrease in net revenue from RCS was primarily driven by lower net revenue from *Color Block Jam* and *Match Factory!* The decrease was partially offset by higher net revenue from *NBA 2K*. Net revenue from full game and other decreased by $214.7 and accounted for 17.5% of net revenue for the six months ended September 30, 2026 as compared to 22.7% of net revenue for the prior year period. The decrease was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises.

Net revenue from digital online channels decreased by $203.6 and accounted for 97.9% of our total net revenue for the six months ended September 30, 2026, as compared to 96.7% for the prior year period. The decrease was primarily due to lower net revenue from our *Borderlands* franchise, *Color Block Jam*, our *Mafia* franchise, *Match Factory!*, *Toy Blast*, and *PGA TOUR 2K*. The decrease was partially offset by higher net revenue from *NBA 2K*. Net revenue from physical retail and other channels decreased by $43.1 and accounted for 2.1% of our total net revenue for the six months ended September 30, 2026, as compared to 3.3% for the same period in the prior year period. The decrease in net revenue from physical retail and other channels was primarily driven by lower net revenue from our *Borderlands* and *Mafia* franchises.

Gross profit as a percentage of net revenue for the six months ended September 30, 2026 was 57.6% as compared to 58.7% for the prior year period. The decrease in gross profit as a percentage of net revenue was primarily driven by (i) impairment charges recorded within Cost of revenue related to a decision not to proceed with further development of certain interactive entertainment software products, with no corresponding expense in the prior year, (ii) the reversal of expense related to the forfeiture of awards in the prior year, and (iii) higher license costs, partially offset by lower product costs.

Changes in foreign currency exchange rates decreased net revenue by $0.0 and decreased gross profit by $2.1 for the six months ended September 30, 2026 as compared to the prior year period.

Operating Expenses

	2026	% of net revenue	2025	% of net revenue	Increase/ (decrease)	% Increase/ (decrease)
Selling and marketing	**$ 814.6**	**26.9 %**	$ 945.9	28.9 %	$ (131.3)	(13.9)%
Research and development	**528.2**	**17.4 %**	524.4	16.0 %	3.8	0.7 %
General and administrative	**456.8**	**15.1 %**	432.4	13.2 %	24.4	5.6 %
Depreciation and amortization	**96.3**	**3.2 %**	99.2	3.0 %	(2.9)	(2.9)%
Total operating expenses [1]	**$ 1,895.9**	**62.6 %**	$ 2,001.9	61.1 %	$ (106.0)	(5.3)%

[1] Includes stock-based compensation expense, which was allocated as follows:

	2026	2025
Selling and marketing	**$ 46.9**	$ 49.6
Research and development	**41.9**	46.2
General and administrative	**80.7**	77.0

Changes in foreign currency exchange rates decreased total operating expenses by $0.5 for the six months ended September 30, 2026, as compared to the prior year period.

Selling and marketing

Selling and marketing expenses decreased by $131.3 for the six months ended September 30, 2026, as compared to the prior year period, primarily driven by lower marketing expense for our *Borderlands* franchise, *Color Block Jam*, and *Match Factory!*, partially offset by higher marketing expense for our *Grand Theft Auto* series.

Research and development

Research and development expenses increased by $3.8 for the six months ended September 30, 2026, as compared to the prior year period, primarily driven by higher personnel expense and higher IT infrastructure expense for cloud-based services, partially offset by lower production expenses.

General and administrative

General and administrative expenses increased by $24.4 for the six months ended September 30, 2026, as compared to the prior year period, primarily driven by (i) higher IT-related expenses for cloud-based services and IT infrastructure, (ii) higher personnel expense, and (iii) higher online support services expense.

Depreciation and amortization

Depreciation and amortization expenses decreased by $2.9 for the six months ended September 30, 2026, as compared to the prior year period, primarily due to lower IT infrastructure expense and lower leasehold improvement expense for office buildouts.

Interest and other, net

Interest and other, net was an expense of $8.2 for the six months ended September 30, 2026, as compared to $52.9 for the prior year period. The net decrease in expense was primarily driven by (i) lower interest expense due to lower outstanding debt balances due to the repayment of our 2025 Notes in April 2025 and our 2026 Notes in March 2026 (refer to Note 10 - Debt), (ii) changes in fair value based on the observable price changes of our long-term investments, and (iii) higher interest income due to higher interest rates.

Benefit from Income Taxes

The benefit from income taxes for the six months ended September 30, 2026 is based on our projected annual effective tax rate for fiscal year 2027, adjusted for specific items that are required to be recognized in the period in which they are incurred. The benefit from income taxes was $73.1 for the six months ended September 30, 2026, as compared to the provision for income taxes of $16.5 for the prior year period.

When compared to the statutory rate of 21%, the effective tax rate of 45.3% for the six months ended September 30, 2026 was primarily driven by tax benefits of $74.0 related to geographic mix of earnings and changes in reserves, offset by tax expense of $27.6 related to tax credits.

In the prior year period, when compared to the statutory rate of 21%, the effective tax rate of (12.8)% for the six months ended September 30, 2025 was primarily driven by tax expense of $39.3 related to an increase in the U.S. and international valuation allowances, $18.9 related to geographic mix of earnings and changes in reserves, offset by benefits of $12.9 from tax credits.

The change in effective tax rate, when compared to the prior year period's effective tax rate, is primarily driven by higher tax benefits from geographic mix of earnings and decreased expense from changes in valuation allowances, offset by tax expense related to tax credits.

The accounting for share-based compensation will increase or decrease our effective tax rate based upon the difference between our share-based compensation expense and the deductions taken on our tax return, which depends on the stock price at the time of the employee award vesting.

We anticipate that additional excess tax benefits or shortfalls from employee stock compensation, tax incentives or credits, and changes in our geographic mix of earnings could have a significant impact on our effective tax rate in the future. In addition, we are regularly examined by domestic and foreign taxing authorities. Examinations may result in tax assessments in excess of amounts claimed and the payment of additional taxes. We believe our tax positions comply with applicable tax law, and that we have adequately provided for reasonably foreseeable tax assessments. It is possible that settlement of audits or the expiration of the statute of limitations could have an impact on our effective tax rate in future periods.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBB") was signed into law. OBBB includes significant provisions, including but not limited to (1) permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017 ("TCJA"), (2) modifications to the international provisions relating to Base Erosion and Anti Abuse Act ("BEAT"), Global Intangible Low-Tax Income ("GILTI") and Foreign Derived Deduction Eligible Income ("FDDEI"), (3) permanent reinstatement deduction for domestic research expenditures and 100% bonus depreciation for certain qualified property, and (4) modifications to tax credits. The legislation has multiple effective dates, with certain provisions effective in the fiscal year ended March 31, 2026 and others implemented in future periods. We have estimated the accounting for income tax effects of OBBB in our projected annual effective tax rate. We are continuing to evaluate the impact of OBBB on the Company. It is possible that these changes could have an adverse impact on our effective tax rate, tax payments, financial condition, or results of operations. The tax law is complex and additional interpretive guidance may be issued that could affect the interpretations and assumptions we have made, as well as actions we may take as a result of OBBB.

The American Rescue Plan Act of 2021 (the “ARPA”), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective for tax years starting after December 31, 2026 (April 1, 2027 for the Company), the ARPA expands the limitation to cover the next five most highly compensated employees. The ARPA did not have a material impact on our Consolidated Financial Statements for the six months ended September 30, 2026. We continue to evaluate the potential impact the ARPA may have on our operations and Consolidated Financial Statements in future periods.

The Inflation Reduction Act of 2022 (the “Inflation Reduction Act”) includes a corporate alternative minimum tax ("CAMT") of 15% on the adjusted financial statement income ("AFSI") of corporations with an average AFSI exceeding $1.0 billion over a consecutive three-year period. It is possible that the CAMT could result in an additional tax liability over the regular federal corporate tax liability in a particular year based on differences between book and taxable income. We do not estimate any tax liability relating to CAMT for the current fiscal year. We will continue to evaluate the potential impact the Inflation Reduction Act may have on our operations and Consolidated Financial Statements in future periods.

The Organization for Economic Co-operation and Development ("OECD") has proposed a global minimum tax of 15% of reported profits, referred to as Pillar Two. Many countries have already implemented or are taking steps to implement Pillar Two. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar Two slightly differently than the model rules and on different timelines. Pillar Two could result in additional tax liability over the regular corporate tax liability in a particular jurisdiction to the extent tax expense is less than a 15% minimum rate. The impact of Pillar Two was not material to the tax provision for the six months ended September 30, 2026. On January 5, 2026, the OECD released new administrative guidance outlining a “side-by-side” arrangement following agreement on key elements by the OECD/G20 Inclusive Framework on Pillar Two. It provides new safe harbors for U.S. multinational companies which would exempt U.S.-parented groups from two of the three Pillar Two top up taxes, extend the current Transitional Country-by-Country Reporting Safe Harbor by one year through the end of fiscal year ending March 31, 2028, and make the Simplified

Effective Tax Rate Safe Harbor permanent. We will continue to evaluate the impact Pillar Two and any additional guidance may have on our results and operations.

In November 2026, we completed a reorganization involving certain intangible assets to simplify our global operating structure. As a result, our jurisdictional mix of earnings will be affected beginning in November 2026. We are still evaluating the impact of this on our estimated annual effective tax rate, deferred tax assets, and valuation allowance for future periods.

Net loss and loss per share

For the six months ended September 30, 2026, net loss was $88.1, as compared to net loss of $145.8 in the prior year period. For the six months ended September 30, 2026, basic and diluted loss per share was $0.47 as compared to basic and diluted loss per share of $0.80 in the prior year period. Basic weighted average shares of 186.7 were 4.0 shares higher as compared to the prior year period basic weighted average shares, primarily due to our equity issuance, as well as normal stock compensation activity, including vests, grants, and forfeitures in the prior year being fully outstanding in the current year. See Note 11 - Loss Per Share to our Condensed Consolidated Financial Statements for additional information.

Liquidity and Capital Resources

Our primary cash requirements are to fund (i) the development, manufacturing and marketing of our published products, (ii) working capital, (iii) capital expenditures, (iv) debt and interest payments, (v) tax payments, and (vi) acquisitions. We expect to rely on cash and cash equivalents as well as on short-term investments, funds provided by our operating activities, and our 2022 Credit Agreement to satisfy our working capital needs. Refer to Note 10 - Debt for additional discussion of our outstanding debt obligations.

Accounts Receivable sale program

On May 19, 2025, we entered into an arrangement to sell designated pools of high credit quality accounts receivable under an uncommitted accounts receivables purchase facility in an initial aggregate amount of up to $215.0 to an unaffiliated financial institution on a true sale basis. As these accounts receivable are sold without recourse, we do not retain the associated risks of lack of payment due to insolvency of the account debtors following the transfer of such accounts receivable to such financial institution. We will continue to collect cash from our account debtors and remit to the financial institution. We will derecognize the carrying value of the financial assets transferred and recognize a net gain or loss on the sale under Interest and other, net on our Condensed Consolidated Statements of Operations. The proceeds from these arrangements will be reflected as cash provided by operating activities in the Consolidated Statement of Cash Flows.

No receivables were sold under this facility during the six months ended September 30, 2026. We may utilize this facility in future periods depending on cash flow needs and market conditions.

Short-term investments

As of September 30, 2026, we had $524.2 of short-term investments, which primarily consisted of bank time deposits with maturities greater than 90 days. From time to time, we may make additional short-term investments depending on future market conditions and liquidity needs.

Senior Notes

As of September 30, 2026, we had $2,500.0 of Senior Notes outstanding.

Credit Agreement

As of September 30, 2026, there were no borrowings under the 2022 Credit Agreement, and we had approximately $997.9 available for additional borrowings.

Convertible Notes

The 2026 Convertible Notes mature on December 15, 2026, unless earlier converted, redeemed, or repurchased in accordance with their terms, prior to the maturity date. The 2026 Convertible Notes do not bear regular interest, and the principal amount does not accrete. An aggregate principal amount of $29.4 of the 2026 Convertible Notes remained outstanding at September 30, 2026.

Financial Condition

We are subject to credit risks, particularly if any of our receivables represent a limited number of customers or are concentrated in foreign markets. If we are unable to collect our accounts receivable as they become due, it could adversely affect our liquidity and working capital position.

Generally, we have been able to collect our accounts receivable in the ordinary course of business. We do not hold any collateral to secure payment from customers. We have trade credit insurance on the majority of our customers to mitigate accounts receivable risk.

A majority of our trade receivables are derived from sales to major retailers, including digital storefronts and platform partners, and distributors. Our five largest customers accounted for 80.8% and 81.5% of net revenue during the six months ended September 30, 2026 and 2025, respectively. We had four customers who accounted for 27.1%, 20.7%, 14.7%, and 11.9% of our net revenue for the six months ended September 30, 2026, and four customers who accounted for 24.9%, 22.7%, 15.1%, and 12.4% of our net revenue for the six months ended September 30, 2025. As of September 30, 2026 and March 31, 2026, five customers accounted for 76.2% and 69.6% of our gross accounts receivable, respectively. Customers that individually accounted for more than 10% of our gross accounts receivable balance comprised 67.2% and 57.7% of such balances at September 30, 2026 and March 31, 2026, respectively. We had three customers who accounted for 30.4%, 19.7%, and 17.1% of our gross accounts receivable as of September 30, 2026, and three customers who accounted for 22.7%, 21.0%, and 14.0% of our gross accounts receivable as of March 31, 2026. We did not have any additional customers that exceeded 10% of our gross accounts receivable as of September 30, 2026, and March 31, 2026. Based upon performing ongoing credit evaluations, maintaining trade credit insurance on a majority of our customers who sell our physical products, and our past collection experience, we believe that the receivable balances from these largest customers do not represent a significant credit risk, although we actively monitor each customer's creditworthiness and economic conditions that may affect our customers' business and access to capital. We are monitoring the current global economic conditions, including credit markets and other factors as it relates to our customers in order to manage the risk of uncollectible accounts receivable.

We believe that our current cash and cash equivalents, short-term investments, and projected cash flow from operations, along with availability under our 2022 Credit Agreement will provide us with sufficient liquidity to satisfy our cash requirements for working capital, capital expenditures, and commitments on both a short-term and long-term basis.

As of September 30, 2026, the amount of cash and cash equivalents held outside of the U.S. by our foreign subsidiaries was $945.0. These balances are dispersed across various locations around the world. We believe that such dispersion meets the business and liquidity needs of our foreign affiliates. In addition, we expect to have the ability to generate sufficient cash domestically to support ongoing operations for the foreseeable future.

Our Board of Directors has authorized the repurchase of up to 21.7 shares of our common stock. Under this program, we may purchase shares from time to time through a variety of methods, including in the open market or through privately negotiated transactions, in accordance with applicable securities laws. Repurchases are subject to the availability of stock, prevailing market conditions, the trading price of the stock, our financial performance and other conditions. The program does not require us to repurchase shares and may be suspended or discontinued at any time for any reason.

During the three months ended September 30, 2026, we did not repurchase shares of our common stock under the program, but in the past have repurchased a total of 11.7 shares of our common stock under the program, and as of September 30, 2026, 10.0 shares of our common stock remained available for repurchase under the share repurchase program.

Our changes in cash flows were as follows:

	Six Months Ended September 30,	
(millions of dollars)	**2026**	**2025**
Net cash (used in) provided by operating activities	**$ (173.5)**	$ 83.7
Net cash used in investing activities	**(259.9)**	(314.0)
Net cash provided by financing activities	**30.4**	618.0
Effects of foreign currency exchange rates on cash, cash equivalents, and restricted cash and cash equivalents	**(2.7)**	14.1
Net change in cash, cash equivalents, and restricted cash and cash equivalents	**$ (405.7)**	$ 401.8

At September 30, 2026, we had $1,232.4 of cash and cash equivalents and restricted cash and cash equivalents, compared to $1,638.1 at March 31, 2026. The decrease during the six months ended September 30, 2026 was primarily due to Net cash used in investing activities, related to the purchase of short-term investments and fixed assets, including our purchase of the building where we previously leased office space in London, England (refer to Note 15 - Asset Acquisition). This net decrease was also due to Net cash used in operating activities, which was primarily driven by our investments in software development and licenses, partially offset by sales of our products. This net decrease was partially offset by Net cash provided by financing activities driven by issuance of common stock.

When compared to the prior year period, Net cash provided by financing activities decreased primarily due to proceeds from our underwritten public offering of common stock in the prior year, partially offset by the repayment of our 2025 Notes (refer to Note 10 - Debt).

Commitments

Refer to Note 12 - Commitments and Contingencies for disclosures regarding our commitments.

Capital Expenditures

In fiscal year 2027, we anticipate capital expenditures to be approximately $290.0. During the six months ended September 30, 2026, capital expenditures were $163.3.

International Operations

Net revenue earned outside of the United States is principally generated by our operations in Europe, Asia, Australia, Canada, and Latin America. For the three months ended September 30, 2026 and 2025, 40.6% and 41.6%, respectively, of our net revenue was earned outside the U.S. We are subject to risks inherent in foreign trade, including increased credit risks, tariffs and duties, fluctuations in foreign currency exchange rates, shipping delays and international political, regulatory and economic developments, all of which can have a significant effect on our operating results.

Fluctuations in Quarterly Operating Results and Seasonality

We have experienced fluctuations in quarterly and annual operating results as a result of the timing of the introduction of new titles, variations in sales of titles developed for particular platforms, market acceptance of our titles, development and promotional expenses relating to the introduction of new titles, sequels or enhancements of existing titles, projected and actual changes in platforms, the timing and success of title introductions by our competitors, product returns, changes in pricing policies by us and our competitors, the accuracy of retailers' forecasts of consumer demand, the size and timing of acquisitions, the timing of orders from major customers, and order cancellations and delays in product shipment. Sales of our full game products are also seasonal, with peak demand typically occurring in the fourth calendar quarter during the holiday season. For certain of our software products with multiple performance obligations, we defer the recognition of our net revenue over an estimated service period which generally ranges from five to fifteen months. As a result, the quarter in which we generate the highest Net Bookings may be different from the quarter in which we recognize the highest amount of Net revenue. Quarterly comparisons of operating results are not necessarily indicative of future operating results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from fluctuations in market rates and prices. Our market risk exposures primarily include fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

Our exposure to fluctuations in interest rates relates primarily to our short-term investment portfolio and variable rate debt under the 2022 Credit Agreement.

We seek to manage our interest rate risk by maintaining a short-term investment portfolio that includes bank-time deposits with high credit quality and maturities of less than two years. Since short-term investments mature relatively quickly and can be reinvested at the then-current market rates, interest income on a portfolio consisting of short-term securities is more subject to market fluctuations than a portfolio of longer-term maturities. However, the fair value of a short-term portfolio is less sensitive to market fluctuations than a portfolio of longer-term securities. We do not currently use derivative financial instruments in our short-term investment portfolio. Our investments are held for purposes other than trading.

As of September 30, 2026, we had $524.2 of short-term investments. We also had $1,149.4 of cash and cash equivalents that are comprised primarily of money market funds and bank-time deposits. We determined that, based on the composition of our investment portfolio, there was no material interest rate risk exposure to our Condensed Consolidated Financial Statements or liquidity as of September 30, 2026.

Historically, fluctuations in interest rates have not had a significant effect on our operating results.

Under our 2022 Credit Agreement, loans will bear interest at a rate of (a) 0.000% to 0.625% above an alternate base rate (7.00% at September 30, 2026) or (b) 1.000% to 1.625% above SOFR, approximately 3.91% at September 30, 2026, which rates are determined by the Company's credit rating. At September 30, 2026, there were no borrowings under our 2022 Credit Agreement.

Foreign Currency Exchange Rate Risk

We transact business in foreign currencies and are exposed to risks resulting from fluctuations in foreign currency exchange rates. In particular, during the six months ended September 30, 2023, there was a significant devaluation of the Turkish Lira against the U.S. Dollar, which negatively affected our results. It is possible that further devaluations could occur, which would have a negative impact on our results. Accounts relating to foreign operations are translated into U.S. dollars using prevailing exchange rates at the relevant period end. Translation adjustments are included as a separate component of Stockholders' equity on our Condensed Consolidated Balance Sheets.

For the three months ended September 30, 2026 and 2025, our foreign currency translation adjustment was a gain of $0.2 and a loss of $38.0, respectively. The change in foreign currency translation adjustment was primarily driven by the relative stability of the U.S. Dollar against the British Pound during the three months ended September 30, 2026, compared to a significant strengthening of the U.S. Dollar against the British Pound in the prior year period. For the three months ended September 30, 2026 and 2025, we recognized a foreign currency exchange transaction loss of $3.0 and a gain of $1.9, respectively, included in Interest and other, net in our Condensed Consolidated Statements of Operations.

For the six months ended September 30, 2026 and 2025, our foreign currency translation adjustment was a loss of $10.3 and a gain of $44.9, respectively. The change in foreign currency translation adjustment was primarily driven by the strengthening of the U.S. Dollar against the British Pound during the six months ended September 30, 2026, compared to a significant weakening of the U.S. Dollar against the British Pound in the prior year period. For the six months ended September 30, 2026 and 2025, we recognized a foreign currency exchange transaction loss of $5.7 and a loss of $6.5, respectively, included in Interest and other, net in our Condensed Consolidated Statements of Operations.

We use foreign currency derivative contracts, such as forward contracts and option collars, to mitigate foreign currency exchange rate risk associated with non-functional currency denominated cash balances and intercompany funding loans, non-functional currency denominated accounts receivable and non-functional currency denominated accounts payable. These transactions are not designated as hedging instruments and are accounted for as derivatives whereby the fair value of the contracts is reported as either assets or liabilities on our Condensed Consolidated Balance Sheets, and gains and losses resulting from changes in the fair value are reported in Interest and other, net, in our Condensed Consolidated Statements of Operations. We do not enter into derivative financial contracts for speculative or trading purposes.

At September 30, 2026, we had $748.7 of foreign currency derivative contracts outstanding to sell foreign currencies in exchange for U.S. dollars and $327.8 of foreign currency derivative contracts outstanding to buy foreign currencies in exchange for U.S. dollars, all of which have maturities of less than one year. At March 31, 2026, we had $349.2 of foreign currency derivative contracts outstanding to sell foreign currencies in exchange for U.S. dollars and $140.3 of foreign currency derivative contracts outstanding to buy foreign currencies in exchange for U.S. dollars, all of which had maturities of less than one year. For the three months ended September 30, 2026 and 2025, we recorded a gain of $4.8 and a loss of $0.6, respectively, related to derivative contracts in Interest and other, net on our Condensed Consolidated Statements of Operations. For the six months ended September 30, 2026 and 2025, we recorded a gain of $10.6 and a loss of $13.0, respectively, related to derivative contracts in Interest and other, net on our Condensed Consolidated Statements of Operations. As of September 30, 2026 and March 31, 2026, the fair value of these outstanding foreign currency derivative contracts were immaterial, and were included in Accrued expenses and other current liabilities when in a loss position, or in Prepaid expenses and other when in a gain position. The fair value of these outstanding foreign currency derivative contracts is estimated based on the prevailing exchange rates of the various hedged currencies as of the end of the period.

Our hedging programs are designed to reduce, but do not entirely eliminate, the effect of currency exchange rate movements. We believe that the counterparties to these derivative contracts are creditworthy multinational commercial banks and that the risk of counterparty nonperformance is not material. Notwithstanding our efforts to mitigate some foreign currency exchange rate risks, there can be no assurance that our hedging activities will adequately protect us against the risks associated with foreign currency fluctuations. For the three months ended September 30, 2026, 40.6% of our revenue was generated outside the U.S. Using sensitivity analysis, a hypothetical 10.0% increase in the value of the U.S. dollar against all currencies would decrease revenues by 4.0%, while a hypothetical 10.0% decrease in the value of the U.S. dollar against all currencies would increase revenues by 4.0%. In our opinion, a substantial portion of this fluctuation would be offset by cost of revenue and operating expenses incurred in local currency.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of management, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") were effective as of the end of the period

covered by this report to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2026, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Inherent limitations to any system of disclosure controls and procedures include, but are not limited to, the possibility of human error and the circumvention or overriding of such controls by one or more persons. In addition, we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, and our system of controls may therefore not achieve its desired objectives under all possible future events.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 12 - Commitments and Contingencies to our Condensed Consolidated Financial Statements for disclosures regarding legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Share Repurchase Program—Our Board of Directors previously authorized the repurchase of up to 21.7 shares of our common stock. The authorizations permit us to purchase shares from time to time through a variety of methods, including in the open market or through privately negotiated transactions, in accordance with applicable securities laws. Repurchases are subject to the availability of stock, prevailing market conditions, the trading price of the stock, our financial performance and other conditions. The program may be suspended or discontinued at any time for any reason.

During the three months ended September 30, 2026, we did not repurchase any shares of our common stock in the open market, as part of the program. As of September 30, 2026, we had repurchased a total of 11.7 shares of our common stock under this program, and 10.0 shares of common stock remained available for repurchase under our share repurchase program. The table below details the share repurchases made by us during the three months ended September 30, 2026:

Period	Shares purchased	Average price per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the repurchase program
July 1-31, 2026	—	$ —	—	10.0
August 1-31, 2026	—	$ —	—	10.0
September 1-30, 2026	—	$ —	—	10.0

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

Our Section 16 officers and directors, as defined in Rule 16a-1(f) of the Exchange Act, may from time to time enter into plans for the purchase or sale of our common stock that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. During the quarter ended September 30, 2026, no Section 16 officer or director, as defined in Rule 16a-1(f), adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K of the Exchange Act.

Item 6. Exhibits

Exhibits:

3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 12, 2004)
3.1.1	Certificate of Amendment of Restated Certificate of Incorporation, dated April 30, 1998 (incorporated by reference to Exhibit 3.1.2 of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 12, 2004)
3.1.2	Certificate of Amendment of Restated Certificate of Incorporation, dated November 17, 2003 (incorporated by reference to Exhibit 3.1.3 of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 12, 2004)
3.1.3	Certificate of Amendment of Restated Certificate of Incorporation, dated April 23, 2009 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2009)
3.1.4	Certificate of Amendment of Restated Certificate of Incorporation, dated September 21, 2012 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2012)
3.1.5	Certificate of Amendment of Restated Certificate of Incorporation, dated May 20, 2022 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2022)
3.1.6	Certificate of Amendment of Restated Certificate of Incorporation, dated September 18, 2026 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 22, 2026)
3.2	Certificate of Designation of Series A Preferred Stock, dated March 11, 1998 (incorporated by reference to Exhibit 3.1.1 of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 12, 2004)
3.3	Certificate of Designation of Series B Preferred Stock, dated March 26, 2008 (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form 8-A12B filed with the Securities and Exchange Commission on March 26, 2008)
10.1	XBOX Publisher License Agreement, dated as of September 17, 2026, by and between Take-Two Interactive Software, Inc. and Microsoft Corporation*
31.1	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chief Executive Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Document

+* Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10).

Attached as Exhibit 101 to this report are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at September 30, 2026 (Unaudited) and March 31, 2026, (ii) Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2026 and 2025 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive Loss for the three and six months ended September 30, 2026 and 2025 (Unaudited), (iv) Condensed Consolidated Statements of Cash Flows for the six months ended September 30, 2026 and 2025 (Unaudited), (v) Condensed Consolidated Statements of Equity for the three and six months ended September 30, 2026 and 2025 (Unaudited); and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TAKE-TWO INTERACTIVE SOFTWARE, INC.
(Registrant)

Date: November 9, 2026

By: /s/ STRAUSS ZELNICK
Strauss Zelnick
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2026

By: /s/ LAINIE GOLDSTEIN
Lainie Goldstein
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the Company, if publicly disclosed. Brackets with triple asterisks denote omissions.

XBOX PUBLISHER LICENSE AGREEMENT

This XBOX Publisher License Agreement is entered into and effective as of September 17, 2026 ("***Effective Date***"), between Microsoft Corporation, a Washington corporation ("***Microsoft***"), and Take-Two Interactive Software, Inc., a Delaware corporation ("***Publisher***").

BACKGROUND

Microsoft or its Affiliates provide a computer game and entertainment ecosystem, including digital stores and an associated proprietary online service. Publisher intends to develop and publish gaming products for XBOX under the terms in this Agreement. The parties agree as follows:

AGREEMENT

1. **Definitions.** As used in this Agreement, the following terms have the following respective meanings:

   1.1. "***Affiliate***" means any entity that Controls, is Controlled by, or is under common Control with a party [***], where "***Control***" means the direct or indirect beneficial ownership of more than 50% of the shares entitled to vote to elect directors of an entity (or, if the entity is not a corporation, to elect its managing authority) [***].

   1.2. "***Agreement***" means this XBOX Publisher License Agreement (including all Exhibits and addenda), the Publisher Guide, any approved Concept submission forms (in the form approved by Microsoft), any other documents expressly referenced in other parts of this Agreement, the GDK Licenses, and applicable terms of the NDA.

   1.3. "***Base Game***" means the portion of an applicable Game that does not constitute PDLC, demo, trial, or additional downloadable content.

   1.4. "***Branding Specifications***" means the specifications as provided by Microsoft for using Microsoft Trademarks, as set forth in the Publisher Guide.

   1.5. "***Business Day***" means any day other than Saturday, Sunday, or national holidays in the U.S.A.

   1.6. "***Certification***" means the approval process via which Microsoft approves or disapproves a Game for distribution.

   1.7. "***Certification Requirements***" means the requirements necessary to ensure proper functioning of the Game on XBOX (including XRs, technical certification requirements, and functional test cases) as further described in this Agreement.

   1.8. "***Cloud Gaming***" [***].

   1.9. "***Cloud Gaming Devices***" [***].

   1.10. "***Commercial Release***" or "***Commercially Released***" means the first availability to Users of a Game not designated as a demo or trial.

   1.11. "***Competitive Platforms***" means [***].

   1.12. "***Concept***" means a detailed description of Publisher's proposed Game, including any additional information Microsoft [***] request.

   1.13. "***Data Protection Law***" means any Law applicable to Publisher or Microsoft relating to security, protection, Processing, or privacy of (in each case) data.

   1.14. "***Digital Content***" means anything published by Publisher for electronic distribution under this Agreement [***] any other category of electronically distributable content or online service approved by Microsoft.

1.15. "***Game(s)***" means each gaming product that is released by Publisher that is playable on XBOX, in either digital or physical format, and any Digital Content for such product [***] and all versions of the Game for prior XBOX generations (Original XBOX, XBOX 360, XBOX One).

1.16. "***Game Features***" means content, features, or services (e.g., map packs, levels, Mod Features and multiplayer functionality) related to consuming a specific Game that are made available to Users, whether included in the Game or otherwise distributed via XBOX or Publisher Services.

1.17. "***GDK License***" means the Microsoft Game Development Kit License Agreement, and all associated hardware and other addenda to it, executed by Publisher or its Affiliates.

1.18. [***]

1.19. "***IPR***" means any patents, copyrights, trademarks and service marks, trade secrets, moral rights, and any other intellectual property or proprietary rights arising at any time under Law.

1.20. "***Law***" means all applicable laws, rules, statutes, decrees, decisions, orders, regulations, judgments, codes, enactments, resolutions, and requirements of any government authority (federal, state, local, or international) having jurisdiction.

1.21. "***Marketing Guidelines***" means the requirements that form the basis for Microsoft's review and approval of Publisher's Marketing Materials and any media plan as per the Publisher Guide.

1.22. "***Marketing Materials***" collectively means all press releases, marketing, advertising, or promotional materials related to a Game [***], including web advertising and Publisher's web pages to the extent they refer to such Games, that will be used and distributed by Publisher in the marketing of such Games.

1.23. "***Microsoft Store***" means the proprietary online marketplace or store through which Microsoft makes Digital Content available to Users, regardless of how Microsoft brands, names, or offers it.

1.24. "***Microsoft Trademarks***" means Microsoft's trademarks, logos, and branding so identified in the Publisher Guide.

1.25. "***Mod Features"*** means content, features, and functionality of mod implementation, including cross-platform mod solutions (such as mod.io, PlayFab or similar) to deliver mod content and moderation services.

1.26. "***NDA***" means the Microsoft Corporation Non-Disclosure Agreement entered into between the parties and signed by Publisher [***].

1.27. "***Personal Data***" means any information relating to an identified or identifiable natural person ("***Data Subject***") and any other data or information that constitutes personal data or personal information under any Data Protection Law.

1.28. "***Premium Downloadable Content****" or "****PDLC***" means downloadable additional content offered to a User for a fee, such as a Game add-on for use with or in a Game.

1.29. "***Store Policies***" means, collectively, the Games store policy and the Microsoft Store policy.

1.30. "***Sub-Publisher***" means an entity that has a valid XBOX Publisher License Agreement with Microsoft or a Microsoft Affiliate, and with which Publisher has contracted to allow such entity to publish a Game in specific countries.

1.31. "***User***" means an individual or entity that uses XBOX, its features or applications, and associated services.

1.32. "***User Generated Content***" or "***UGC***" means any content in any format, including graphics, text, or voice content, that originates from Users and is published through or as part of a Game.

1.33. "***XBOX***" means Microsoft's gaming platform and ecosystem, including the Microsoft Store and the proprietary online gaming networking or multiplayer service offered by Microsoft, in each case regardless of how Microsoft brands, names, or offers it.

1.34. "***XBOX Console***" means Microsoft's XBOX Series and prior-generation gaming consoles, including the original XBOX, XBOX 360, and XBOX One, [***].

1.35. *"**XBOX Console Version"*** means a version of the Game sold in the Microsoft Store that is natively developed for an XBOX Console using the Microsoft Game Development Kit or its predecessors.

1.36. "***XBOX Devices***" means any device that supports access to Games, including: (1) XBOX Consoles; (2) [***]; (3) [***] of the Games; (4) [***]; and (5) Microsoft or third-party Cloud Gaming Devices.

1.37. "***XBOX 360***" means the XBOX 360 gaming console and its variants, including the XBOX 360, XBOX 360 S, and XBOX 360 E.

1.38. "***XBOX One***" means the XBOX One gaming console and its variants, including the XBOX One, XBOX One S, and XBOX One X.

1.39. "***XBOX Requirements***" or "***XRs***" means the requirements regarding proper operation of Games in relation to XBOX as stated in the Publisher Guide, and policy requirements that are enforced over the life of the Game.

1.40. "***XBOX Series***" means the XBOX Series gaming console and its variants, including the XBOX Series S and XBOX Series X, and any future variants.

1.41. [***]

2. Scope of Agreement and Incorporated Terms.

2.1. Agreement Scope. The body of the Agreement and Exhibits A and C apply to publishing Games on all XBOX Devices. Exhibit B applies only to Games for XBOX 360, XBOX One, and XBOX Series. This Agreement supersedes and replaces any prior XBOX Console Publisher Licensing Agreement between the Parties.

2.2. Publisher Guide and Store Policies. Microsoft will provide Publisher access to a guide containing program-wide requirements and information applicable to XBOX (as supplemented, revised, or updated by Microsoft from time to time), including XRs, Branding Specifications, Marketing Guidelines, Store Policies, User data requirements, and other information regarding other operational aspects of XBOX (collectively, the "***Publisher Guide***"). Each Game must comply with the Publisher Guide. [***]. Notwithstanding the foregoing, once a Game has passed [***], such Game will not be required to comply with any subsequent changes made by Microsoft to the Publisher Guide, unless: (1) such changes are [***] to address legal or policy compliance, or technical integrity issues; or (2) compliance will not add significant expense or delay to a Game's development or Certification. Changes made to Branding Specifications or Marketing Guidelines will be effective as to a Game that has passed Certification only "going forward" (i.e., only to such Marketing Materials created more than 30 days after Microsoft notifies Publisher of the change), unless Publisher can implement the change without [***] delaying publishing affected Marketing Materials.

2.3. Application Developer Agreement. Publisher may be required to accept terms for the use of Microsoft web portals or to make games available in Microsoft Stores, including the Application Developer Agreement (or its successor) governing the Microsoft Store or Partner Center ("***ADA***"). In the event of any conflict between the terms of this Agreement and the ADA, the terms of this Agreement will control regarding [***] governed by this Agreement (including the Certification, sale, and support of Publisher's Games).

3. Certification; Ongoing Compliance.

3.1. Concept Approval; Certification. The Certification Requirements will be set forth in the Publisher Guide and enforced during Certification, [***]. For each Game, Publisher will: (1) submit all Digital Content for Concept approval and Certification as required in the Publisher Guide; (2) maintain all Digital Content to comply with the Certification Requirements while it is available in the Microsoft Store; and (3) promptly correct material bugs and errors in Games whenever discovered (including after Commercial Release, [***]). [***]. Microsoft may charge a reasonable fee to cover additional Certification costs if Digital Content fails Certification or re-Certification is required. [***].

3.2. Marketing Materials. Publisher will: (1) submit to Microsoft all Marketing Materials and will not use, publish, or distribute any such Marketing Materials until Microsoft has approved them in writing (email sufficient),

[***]; (2) incorporate all changes related to Microsoft Trademarks that Microsoft may require to comply with Marketing Guidelines; and (3) if public statements otherwise mention XBOX or XBOX versions of Games, make reasonable efforts to notify Microsoft of such materials and their content before release. [***].

3.3. Content Rating. [***] Publisher: (1) [***] a rating of "Mature (17+)" (or the equivalent [***]) or lower from [***] rating bodies, including independent [***] content rating authority(ies) that Microsoft may reasonably designate (e.g., ESRB, PEGI, IARC) for all [***]; (2) [***] such rating(s) prominently on Marketing Materials, as per [***] rating body's guidelines; and (3) [***] after Commercial Release, Microsoft [***] determines [***] or is indecent, obscene, or illegal, [***] recall, at Publisher's own expense, all Marketing Materials for that Game [***]. Unless Publisher has obtained, and communicated to Microsoft, a separate rating for Digital Content as per the Publisher Guide, Publisher represents and warrants that all Digital Content not in an initial Base Game will be consistent with the content rating (or, in those countries not using a content rating system, with the overall nature of the content) of the underlying Game. Microsoft may require removal of Digital Content or require Publisher to obtain a separate rating if Microsoft later deems such content inconsistent with the rating for the underlying Game.

3.4. User Generated Content. Publisher will: (1) not allow Users to create, share, or otherwise provide UGC through a Game that does not comply with all XRs and any other policies related to UGC creation or consumption; (2) maintain a procedure that complies with Law for removing UGC in the event of a [***] third-party UGC claim (e.g., of infringement, defamation, or violation of third-party rights); (3) remove UGC subject to such claims [***] receipt of [***] claim or of notice from Microsoft [***]; and (4) notify Microsoft as soon as commercially practicable after Publisher receives any [***] third-party claim, which notice will also specify the steps Publisher has taken or will take in response. Microsoft may require Publisher to remove UGC that violates the applicable terms of use, code of conduct, or both.

3.5. Updates. Except as otherwise stated in this Agreement, all Digital Content patches and modifications provided to Users for free and that must be accepted for gameplay (collectively, "***Updates***") are subject to Microsoft's approval. Microsoft may require Publisher to develop and provide an Update if Digital Content [***] adversely affects XBOX [***]. Microsoft may remove or reverse an Update if it adversely impacts the Digital Content [***] (e.g., the Game crashes for all Users). [***]. Microsoft may charge Publisher a reasonable fee to offset costs associated with Certification or distribution of Updates [***].

3.6. Minimum Commitment. [***] ("***Minimum Commitment***"). Publisher will provide necessary User support for such Digital Content during its availability in the Microsoft Store and [***], and must retain in archive (in object code, source code, and symbol format) all versions of Digital Content made available to Users during, and at least 2 years after, the period it was available in the Microsoft Store. Subject to Publisher's compliance with this Section 3.6, Publisher may terminate Microsoft's license to such Digital Content on [***] prior notice unless immediate removal is necessary to comply with Publisher's [***] legal obligations. Publisher will clearly notify Users of the availability period, and reasonably in advance of discontinuation, of Digital Content. Notwithstanding any revocation of Microsoft's license to distribute Digital Content, Microsoft may retain a copy of Digital Content, and may redistribute the final version of any Digital Content to Users who have previously purchased it, directly or indirectly, from Microsoft for no additional fee, even if the User is re-downloading to a different device or in a different country than where originally downloaded.

3.7. Disablement. Microsoft may disable or remove any Digital Content from XBOX (including by disabling previously downloaded copies on Users' devices), immediately and at any time [***], globally or in specific countries, if Microsoft determines that: (1) Publisher has [***] breached this Agreement; (2) Publisher has terminated this Agreement in its entirety or as applicable to particular Digital Content, or revoked applicable license grants; (3) such Digital Content fails to comply with applicable documentation or the approved Concept; (4) such Digital Content materially deviates from the version passing Certification or materially fails to perform as originally intended; (5) such Digital Content is [***] (or is likely to harm) [***] XBOX, third party networks, Users, or otherwise (e.g., due to piracy, security issues, or technical failure); or (6) such Digital Content is damaging (or is likely to damage) Microsoft's reputation, [***] Microsoft in public controversy [***] or [***] Microsoft to [***] liability.

3.8. XBOX Windows Version Entitlement and [***] Requirements.

3.8.1. [***]

3.8.2. [***]

(a) [***]

(b) [***]

4. Economic Terms, Taxes, and Audits.

4.1. Digital Content Economic Terms. The economic terms applicable to sales of Digital Content are set forth in Exhibit A.

4.2. Physical Disc Economic Terms. The economic terms applicable to sales of physical discs (FPUs) [***].

4.3. Agency Model. The Publisher Guide may designate some or all countries as being subject to the "Agency Model Microsoft Store terms" ("***Agency Model***"). [***].

4.4. Taxes. Neither party is liable for any of the other party's taxes that the other is legally obligated to pay and that are incurred or arise in connection with or related to transactions under this Agreement, and all such taxes (including net income or gross receipts taxes, franchise taxes, property taxes, or taxes arising from sales between a party and its subscribers or customers) are the financial responsibility of the party legally obligated to pay such tax. Each party will pay to the other any sales, use, or value-added taxes owed by that party solely as a result of entering into this Agreement and required to be collected under Law. A party may provide to the other a valid exemption certificate, in which case that other party will not collect taxes covered by such certificate. Each party will defend, indemnify, and hold the other harmless from any taxes (including sales or use taxes paid by one party to the other) or claims, causes of action, costs (including reasonable attorneys' fees), and any other liabilities of any kind whatsoever related to a party's taxes. If any taxes must be withheld on payments made by one party to the other, the paying party will deduct such taxes from the amount otherwise owed and pay them to the appropriate taxing authority. The paying party will secure and deliver to the other an official receipt for those withholdings and other documents reasonably requested by the other to claim a foreign tax credit or refund. The parties will use reasonable efforts to ensure that any taxes withheld are minimized to the extent possible under Law. This tax section will govern the treatment of all taxes arising as a result of, or connected with, this Agreement notwithstanding any other section of this Agreement.

4.5. Audit. Each party will keep all usual and proper records related to its performance under this Agreement (including any addenda or amendments), including audited financial statements and support for all transactions related to the ordering, production, inventory, distribution, or billing/invoicing information for [***] from the date created. Either party ("***Auditing Party***") may, on [***], cause a third party independent CPA or law firm to audit or inspect the other party's ("***Audited Party***") records no more than once in any [***] to verify compliance with the financial, royalty, and payment terms of this Agreement. Auditing Party will have access to the previous 3 years of Audited Party's records from the date that the audit request notice was received by Audited Party. The right of inspection and consultation will expire with respect to all records related to any amounts payable under this Agreement on the third anniversary of the date of the statement or payment to which such records relate. Any such audit will be conducted during regular business hours at Audited Party's offices and will be paid for by Auditing Party, unless Material discrepancies are disclosed. If Material discrepancies are disclosed [***]. For purposes of this Section 4.5, "***Material***" means [***] due to Auditing Party within the audit period (net of any overpayments that may have occurred during such audit period).

5. [***]

5.1. [***]

5.1.1. [***]

(a) [***]

(b) [***]

5.1.2. [***]

5.1.3. [***]

5.1.4. [***]

5.1.5. [***]

(a) [***]

(b) [***]

(c) [***]

5.2. [***]

5.2.1. [***]

5.2.2. [***]

5.2.3. [***]

5.3. [***] Subject to hardware limitations and announcement or availability of development tools, at any time after Commercial Release, with respect to any hardware feature updates made to a Game (e.g., HDR, spatial audio) that are available for Competitive Platform versions [***], Publisher will: (1) [***]; and (2) [***]. The parties will work together in good faith to address any [***] that may impact feature parity for the XBOX version of the hardware feature updates.

5.4. Cross generation licenses. [***].

5.5. [***]

5.5.1. [***]

5.5.2. [***]

5.5.3. [***]

5.5.4. [***]

5.5.5. [***]

5.6. [***] The following non-exhaustive examples illustrate the meaning of “device generation” as applied to any obligations of Publisher with respect to Competitive Platforms and are binding as applied to the scenarios they describe:

5.6.1. [***]

5.6.2. [***]

5.6.3. [***]

5.6.4. [***]

6. Marketing, Sales, Support, and Promotion.

6.1. Generally. As between Publisher and Microsoft, only Publisher may market Games outside the Microsoft Store, and only Microsoft may market Games on the Microsoft Store and Microsoft sites, [***]. [***] does not prohibit Publisher from buying advertising on Microsoft’s advertising platforms (including Microsoft Store).

6.2. Platform Advertising. [***] Microsoft will have the sole right to include marketing, advertising, and promotions in the Microsoft Store, any Microsoft gaming subscription service, and any cloud, network, streaming, and future services in its discretion in accordance with its policies (e.g., running advertisements before or after Cloud Gaming sessions); [***].

6.3. Support. Publisher will provide: (1) all technical and other support related to Games; and (2) appropriate contact information (including its street address, telephone number, and the applicable individual or group responsible for support) to all Users and to Microsoft for posting online. Microsoft is solely responsible for providing technical and all other support relating to XBOX [***].

6.4. Game Marketing License. Subject to Publisher's prior written approval (email sufficient) [***], Publisher grants Microsoft a worldwide, revocable, fully-paid, royalty-free, non-exclusive license to: (1) publicly perform and publicly display Games at conventions, events, trade shows, press briefings, public interactive displays, and the like; and (2) use the title of, screen shots from, and additional marketing assets related to, the Game in advertising and promotional material related to XBOX and other Microsoft products and services; and (3) distribute [***] as a standalone product or with other demo software. The licenses in this Section 6.4 are sublicensable to Microsoft's Affiliates and third-party contractors. [***]. [***] will preclude Microsoft from using screen shots, Marketing Materials, and other materials permitted for use [***] to this Section as permitted by [***] without a license (e.g., "fair use" under applicable copyright and trademark [***]).

6.5. Promotions. If Publisher wants to distribute Microsoft-generated codes redeemable by Users for Digital Content downloads as part of promoting a Game, Publisher will comply with the Publisher Guide, including by paying all applicable fees. Microsoft and Publisher may periodically develop, execute, and administer promotions involving a Game and execute a schedule for each, as per the Publisher Guide.

6.6. Samples. For each Game published under this Agreement, Publisher will provide a reasonable number of samples as per the Publisher Guide [***]. Microsoft may [***] use such samples for [***] purposes ([***] marketing, [***] product samples, [***] customer support, product and charitable giveaways), testing, and archival purposes. [***]. Publisher will not be entitled to the Royalty Fee or other compensation for such samples, [***].

6.7. Loaned Equipment. Microsoft may periodically loan Publisher certain Microsoft assets in relation to Publisher's development, marketing, and promotion of Games. Such loaned assets may include XBOX Console kiosks, XBOX Console hardware, and accessories ("***Loaned Equipment***"). With respect to all Loaned Equipment provided to Publisher: (1) Publisher will not provide the Loaned Equipment to any [***] third party not approved by Microsoft in advance ("***Approved Third Party***") and, if so approved, Publisher will be responsible for ensuring that the Approved Third Party complies with this Section 6.7; (2) Publisher is solely liable for theft, damage, loss, or injury to people or property occurring while such Loaned Equipment is in Publisher's or an Approved Third Party's possession or control; (3) the Loaned Equipment will be used only in a Microsoft-approved location; (4) Publisher's insurance policy will cover all theft, loss, damage, or injury to people or property in relation to Publisher's or an Approved Third Party's use or possession of Loaned Equipment; (5) Publisher (and any Approved Third Party) will use only power supplies, power cords, cables, and other parts and accessories provided by Microsoft to connect to or use Loaned Equipment; and (6) Publisher will return Loaned Equipment to Microsoft by the date requested (and in accordance with any shipping instructions provided by Microsoft). Microsoft retains title and ownership of the Loaned Equipment.

7. Grant of Distribution and Other Licenses; Limitations.

7.1. Digital Content Licenses and Rights. [***] Publisher grants Microsoft a worldwide, transferable [***], sublicensable license during the Term to distribute, communicate to the public, publicly perform and publicly display, reproduce, and stream [***] ([***] Digital Content and gameplay) for access, [***], viewing, download, and storage by Users. The licenses in this Section 7 are exclusive and, except as expressly permitted under this Agreement, Publisher will not directly or indirectly [***] or enable access to or sale of Digital Content [***] by any means, methods, platforms, or services other than through XBOX. [***] Section 7 does not [***] other platform versions of the Games.

7.2. Multiple Generation XBOX Support. [***]

7.2.1. [***]

7.2.2. [***]

7.2.3. [***]

7.3. Publisher Services. As between Publisher and Microsoft, Microsoft will solely offer, host, fulfill, and deliver Games, Game Features, and any other XBOX-related content or services to Users, except that Publisher may host (or have hosted on its behalf) multiplayer functionality and server-hosted content and services necessary for online game modes, game configurations, and similar content, including Game Features, hosted and served through Publisher's or third-party hosting services ("***Publisher Services***").

7.3.1. Subject to Publisher's compliance with the Agreement and the Publisher Guide, Microsoft grants Publisher a worldwide, non-exclusive, royalty-free license to, solely during the Term, access the online networking and multiplayer services of XBOX, as necessary to implement and operate the Publisher Services.

7.3.2. Publisher may subcontract to a third-party host all or any part of its rights or obligations to provide Publisher Services. All acts and omissions of any third party engaged by Publisher are imputed to Publisher and deemed to be Publisher's acts or omissions. Publisher may provide the third party with access to only those parts of the online networking and multiplayer services of XBOX that are necessary to perform hosting services. Publisher guarantees [***] third party's performance of the applicable obligations imposed by this Agreement and the GDK License.

7.3.3. Additional requirements for Publisher Services may be included in the Publisher Guide.

7.4. Gameplay Streaming, Recording, and Sharing.

7.4.1. [***]

7.4.2. [***]

7.4.3. [***]

7.5. Cloud Gaming and Remote Access Support.

7.5.1. Cloud Gaming and Remote Access License. [***]

7.5.2. [***]

7.5.3. Streaming Features.

(a) [***]

(b) [***]

7.6. Music Rights and Licenses.

7.6.1. [***]

7.6.2. [***]

7.7. Game Modification for Security and Platform Performance. Microsoft may add digital signatures, security technology, and copyright management information (collectively, "***Security Technology***") to, or modify the digital signatures of any Security Technology included by Publisher in, the final release version of any Game. Microsoft may also add Security Technology that prohibits playing Games on devices sold in a country different from the country in which Games are intended to be distributed, or Games modified in any way not authorized by Microsoft. Subject to approval from Publisher [***], Microsoft may make technical changes to Digital Content to improve compression, efficiency, and otherwise optimize platform performance in delivering the Digital Content to XBOX Devices. Any changes in Security Technology will not be applicable to Games already in Certification testing, unless otherwise agreed by Publisher. Subject to this Section 7.7, Microsoft may periodically update Security Technology requirements via the Publisher Guide.

7.8. Reservation. All rights not expressly granted in this Agreement are reserved. [***]. Without limiting the above, and except to the extent otherwise expressly provided in this Agreement, nothing in this Agreement

may be construed as a license to either party's IPR, expressly or by implication, estoppel, exhaustion, or otherwise.

7.9. Ownership. Except for IPR supplied by Microsoft to Publisher (including Microsoft Trademarks, licenses in software and hardware granted by a GDK License, or any of Microsoft's IPR that Publisher may have included in [***]), ownership of which Microsoft retains, Publisher will, as between the parties, own all rights in the Games.

7.10. License to Users. Publisher, not Microsoft, will license to Users the right to use Digital Content. Publisher may create a license agreement to govern its relationship with Users regarding Games distributed to them (each, a "***EULA***"). If Publisher elects to bind Users to a EULA, Publisher's EULA must: (1) to the maximum extent allowed by Law, disclaim any warranties, limit liability, and exclude damages on behalf of Microsoft and its Affiliates, either by category (e.g., by a reference to "Publisher's licensors") or by name; (2) disclaim any obligation on the part of Microsoft or its Affiliates to provide support or other services; (3) comply with all Law; (4) [***] not purport to govern or change, in any way, the User's relationship with Microsoft [***] under Microsoft's applicable agreements with such User. If Publisher does not provide a EULA, then the Standard Application License Terms published by Microsoft will apply between Publisher and Users of Publisher's Digital Content, as applicable for the global market(s) where Publisher's Digital Content is made available.

7.11. [***]

8. Data Protection Law Compliance. Microsoft may collect and store XBOX usage data, including statistics, scores, ratings, and rankings (collectively, "***XBOX User Data***"), which may include Personal Data of Users. Microsoft may periodically make certain XBOX User Data available to Publisher subject to Microsoft's then-current privacy statement. With respect to Personal Data transferred under this Agreement, both Publisher and Microsoft are independent data Controllers, and not joint Controllers, as defined in the General Data Protection Regulation (GDPR), of the Personal Data that each independently Processes. As used in this Section 8, "***Controller***" means the entity that determines the purpose and means of Processing of Personal Data, and "***Process***" or "***Processing***" means any operation or set of operations that a party performs on Personal Data, including collection, recording, organization, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, restriction, erasure, or destruction. "***Processed***" will have a corresponding meaning. As independent Controllers of Personal Data, the [***]:

8.1. General. Each party is independently responsible for compliance and will comply with Data Protection Law (e.g., obligations of Controllers) [***], including providing notice to Data Subjects as required by Data Protection Law (e.g., GDPR Articles 13 and 14, as applicable), responding as required by Data Protection Law (e.g., Chapter III of GDPR) to Data Subjects' requests to exercise their rights, and identifying a lawful basis of Processing (e.g., consent or legitimate interest).

8.2. Cooperation. If either party receives any type of request or inquiry from a governmental, legislative, judicial, law enforcement, or regulatory authority (e.g., the Federal Trade Commission, the Attorney General of a U.S. state, or a European data protection authority), or faces an actual or potential claim, inquiry, or complaint in connection with the parties' Processing of Personal Data under this Agreement (collectively, an "***Inquiry***"), such party will notify the other without undue delay unless such notification is prohibited by Law. The receiving party will promptly provide the other with information relevant to the Inquiry, including any information relevant to the defense of a claim, to enable such party to respond to the Inquiry. On [***] request, a party will provide relevant information to the other party to fulfill its obligations (if any) to conduct data protection impact assessments or prior consultations with data protection authorities.

8.3. [***]

8.4. Confidentiality. Each party will ensure that persons authorized to Process the Personal Data have committed themselves to confidentiality obligations no less protective than those in this Agreement or are under an appropriate statutory obligation of confidentiality.

8.5. [***]

8.6. [***]

8.7. [***]

8.8. [***]

8.9. [***]

8.9.1. [***]

8.9.2. [***]

8.10. [***]

8.11. [***]

9. Trademark Rights and Restrictions.

9.1. Microsoft Trademarks. Publisher will incorporate Microsoft Trademarks, and include credit and acknowledge Microsoft as required by the Branding Specifications, in each Game, demo, trial, and all Marketing Materials [***]. Subject to the requirements of the Branding Specifications, Microsoft grants Publisher a non-exclusive, non-transferable license to use Microsoft Trademarks on Digital Content and Marketing Materials solely in connection with marketing, sale, and distribution in approved countries. Except as expressly permitted in this Agreement, Publisher is granted no right, and will not purport to permit any third party, to use Microsoft Trademarks in any manner without Microsoft's prior written consent in each case. Publisher has no right to use Microsoft Trademarks in connection with merchandising or selling related or promotional products, other than approved demos. Publisher will not during the Term contest the validity of, by act or omission jeopardize, or take any action inconsistent with, Microsoft's rights or goodwill in Microsoft Trademarks in any country, including attempted registration of, or use or attempted registration of any mark confusingly similar to, any Microsoft Trademark.

9.2. Branding Specifications. Publisher's use of Microsoft Trademarks must comply with the Publisher Guide, including the Branding Specifications. Publisher will not use Microsoft Trademarks with third-party trademarks in a manner that might suggest co-branding or otherwise create confusion as to source or sponsorship of the Game or Marketing Materials, or ownership of Microsoft Trademarks, unless Microsoft has approved such use, expressly and in writing. If Publisher learns of any non-conformance with this Section 9.2, it will promptly remedy such non-conformance and notify Microsoft of the non-conformance and remedial steps taken.

9.3. Ownership; Goodwill. Publisher acknowledges Microsoft's ownership of, and all goodwill associated with, the Microsoft Trademarks. Use of the Microsoft Trademarks will not create any right, title, or interest in this Agreement in Publisher's favor. Publisher's use of the Microsoft Trademarks will inure solely to the benefit of Microsoft.

10. Confidentiality; Publicity. The NDA will apply to all Confidential Information (defined in the NDA) provided by the parties under this Agreement or a GDK License (regardless of any earlier termination or expiration of the NDA), although any general terms in the NDA (e.g., applicable Law and venue) will not apply to the extent they conflict with this Agreement. Except if otherwise stated in this Agreement, neither party will communicate with the press or public about their relationship under, or use the other's name connected to, this Agreement, without the other's express, prior, written consent, not to be unreasonably withheld. Notwithstanding the foregoing, if either party is advised by legal counsel that any portion of this Agreement must be disclosed as part of that party's public filings, it will promptly notify the other and the parties will jointly seek confidential treatment of such information, to the maximum extent reasonably possible, for documents approved by both parties and filed with the applicable governmental or regulatory authorities, and Microsoft will prepare a redacted version of this Agreement for filing.

11. Protection of Proprietary Rights.

11.1. Microsoft's IPR. Publisher will promptly notify Microsoft if it learns of any infringement or misappropriation of Microsoft's IPR related to this Agreement. Microsoft may take such actions as it deems advisable to

protect its IPR, and Publisher will, on request, reasonably cooperate with Microsoft, at Microsoft's expense. Microsoft will not, however, be required to take, and may retain all proceeds derived from, any such actions.

11.2. Publisher's IPR. Publisher, without Microsoft's express written permission, may bring any action related to actual or potential infringement of Games, [***] Marketing Materials, information, data, logos, software, or any other materials provided or otherwise made available by Publisher under or related to this Agreement (collectively, but excluding [***] Microsoft Trademarks, Security Technology, and redistributable components in the form delivered to Publisher by Microsoft under a GDK License, "***Publisher Content***"), to the extent such infringement involves Publisher's IPR (but not Microsoft's IPR). Publisher will make reasonable efforts timely to inform Microsoft of, and may retain all proceeds derived from, any such actions.

11.3. Joint Actions. The parties may jointly pursue cases of infringement involving Games (as such products will contain IPR owned by each of them). Unless otherwise agreed, or unless recovery is expressly allocated between them by the court, if the parties jointly prosecute an infringement lawsuit under this Section 11.3, any recovery will be used first to reimburse the parties' respective reasonable attorneys' fees and expenses, pro rata, and any remaining recovery will also be given to the parties pro rata based on the fees and expenses incurred in bringing such action.

12. Representations, Warranties, and Disclaimers.

12.1. Publisher. Publisher continuously represents and warrants that:

12.1.1. It has full power to enter into this Agreement;

12.1.2. It has not previously granted, and will not grant, any rights to any third party that are inconsistent with the rights granted to Microsoft in this Agreement;

12.1.3. The Publisher Content does not, and Microsoft's and Users' access to and use of Publisher Content through and in relation to XBOX will not, infringe or misappropriate any third-party IPR [***];

12.1.4. It will comply with all Law applicable to (and will keep in force all necessary permits, licenses, registrations, approvals, and exemptions throughout the Term, as long as it is) distributing, selling, or marketing Publisher Content or otherwise applicable to Publisher's obligations under this Agreement;

12.1.5. The Publisher Content does not and will not contain any messages, data, images, or programs that are illegal (e.g., defamatory, obscene, pornographic, or violate privacy Laws) or violate content rating requirements in any countries where the Game is marketed or distributed; and

12.1.6. [***]

12.2. Microsoft. Microsoft represents and warrants that [***] it has full power to enter into this Agreement and it has not previously granted, and will not grant, any rights to any third party that are inconsistent with the rights granted to Publisher under this Agreement [***].

12.3. Disclaimer. Subject to Section 12.2, Microsoft provides all materials (including the Security Technology) and services under this Agreement "as is," without warranty of any kind, and, to the maximum extent permitted by Law, disclaims all other warranties (express, implied, statutory, or otherwise) under the Law of any jurisdiction, regarding the materials and services it provides under this Agreement, including any warranties of merchantability or fitness for a particular purpose, of freedom from computer viruses, and of non-infringement.

12.4. Compliance with Trade Laws. The parties acknowledge that the Games may be subject to applicable trade laws in one or more countries. [***] comply with all relevant laws and regulations applicable to the import or export of the Games, including but not limited to, trade laws such as the U.S. Export Administration Regulations or other end-user, end use, and destination restrictions by the U.S. and other governments, as well as sanctions regulations administered by the U.S. Office of Foreign Assets Control ("***Trade Laws***"). Microsoft may suspend or terminate the Agreement immediately to the extent that Microsoft reasonably

concludes that continued performance would violate Trade Laws or put it at risk of becoming subject to sanctions or penalties under Trade Laws.

13. **Excluded Damages. To the maximum extent permitted by Law, in no event will [***], its Affiliates, licensors, or suppliers be liable for any special, incidental, punitive, or consequential damages of any kind or nature whatsoever, arising out of or related to this Agreement or the transactions contemplated under it, including lost profits or lost goodwill and whether based on breach of any express or implied warranty, breach of contract, tort (including negligence), or strict liability, regardless of whether [***] has been advised of the possibility of such damage or if such damage could have been reasonably foreseen.**

14. **Limitation of Liability. Except for amounts owed under this Agreement, the maximum liability of Microsoft to Publisher or any third party relating to this Agreement will be [***]. [***] under no circumstances will Microsoft be liable to Publisher for any damages whatsoever with respect to any claims relating to the Security Technology or its effect on any Game [***].**

15. **Defense of Claims.**

    15.1. Obligation. If a Claim is brought against a party, its Affiliates, agents, licensees, or successors, or any agents, directors, officers, or employees of any of them (all, collectively, "***Defendant***"), the other party ("***Respondent***") will defend the Claim (including by paying litigation costs and reasonable attorneys' fees) and pay any settlement that Respondent consents to or any adverse final judgment. As used in this Section 15.1, "***Claim***" means an unaffiliated third party's demand, suit, or other action to the extent: (1) as alleged, it reflects Respondent's breach of this Agreement; (2) as alleged, it arises from or relates to Respondent's gross negligence or willful misconduct; (3) solely for Microsoft as Respondent, it alleges that Publisher's use in any country of a Microsoft Trademark, as permitted under this Agreement, infringes claimant's trademark rights; or (4) solely for Publisher as Respondent [***], it relates to any Game or UGC (excluding unmodified software delivered to Publisher by Microsoft under a GDK License [***]), including any allegation relating to quality, performance, safety, privacy, security, relating to any statements or claims made by Publisher regarding the availability or operation of any Game ([***]), or arising out of Publisher's use of Microsoft Trademarks in breach of this Agreement.

    15.2. Procedure. Defendant: (1) will promptly notify Respondent of any Claim and permit Respondent, using agreed counsel, to answer and defend; (2) at Respondent's reasonable request and expense, will assist in the defense and provide non-confidential information; and (3) at its expense, may participate in the defense with separate counsel. Respondent is not responsible for settlements it does not consent to and will not settle Claims under this Section 15 without Defendant's consent (with both parties' consent not unreasonably withheld). Neither party will stipulate, acknowledge, or admit fault or liability on the other's part without the other's prior, written consent. Respondent will not publicize any settlement without Defendant's prior written consent.

16. **Bankruptcy.** The rights conferred by Publisher on Microsoft under this Agreement constitute a license running from Publisher to Microsoft of a right to intellectual property for purposes of Section 365(n) of the United States Bankruptcy Code (11 U.S.C. 101, et seq.), and that Microsoft will have, in a bankruptcy proceeding in which Publisher is a debtor, the rights of a "licensee" as set forth in that provision. In a bankruptcy proceeding of Publisher, and notwithstanding any other term of this Agreement, Publisher will not have the power, absent Microsoft's consent in its sole discretion, to assume or assign to a third party any license running from Microsoft to Publisher of any property, interest, or right created in the Agreement, all such rights being purely personal to Publisher, such that governing non-bankruptcy Law will preclude Publisher's assignment (and, if applicable, assumption) of those rights without Microsoft's consent.

17. **Term and Termination.**

    17.1. Term. This Agreement will commence on the Effective Date [***] ("***Initial Term***"). This Agreement will automatically renew for [***] (each a "***Renewal Term***", collectively "***Renewal Terms***", and together with the Initial Term, the "***Term***"), unless one party gives the other notice of non-renewal within [***] of the end of the then-current Term. Following either party's notice of non-renewal but prior to the effective date of such

expiration, the parties will agree on a plan to allow Users who purchase Games to access and use the Digital Content of such Games for a commercially reasonable time after expiration of this Agreement.

17.2. Termination. Either party may terminate this Agreement (in its entirety or solely for an applicable Game), effective immediately on notice if: (1) the other party materially breaches this Agreement (other than Section 10, the NDA, or a GDK License) and fails to cure within 15 days after notice; [***] the other party materially breaches Section 10, the NDA, or a GDK License; or (3) if the other party becomes Insolvent. [***]. If Publisher is the breaching party, Microsoft may suspend availability of Digital Content during any cure period following consultation with Publisher. In addition, Microsoft may terminate this Agreement immediately and without notice if Publisher fails to respond to all Agreement-related communications made by Microsoft during any consecutive 3-month period (and automatically generated responses are deemed not to be a response by Publisher for purposes of this termination right). Any notice of breach must be prominently labeled "Notice of Breach". Additionally, if Microsoft determines at any time before Commercial Release that the applicable Game does not materially comply with the Publisher Guide (subject to Section 2.2 [***]) or any Law, Microsoft may, notwithstanding any prior approvals, terminate this Agreement without cost or penalty on a Game-by-Game or country-by-country basis on notice to Publisher. "***Insolvent***" means admitting in writing the inability to pay debts as they mature; making a general assignment for the benefit of creditors; suffering or permitting appointment of a trustee or receiver for all or any assets, unless such appointment is vacated or dismissed within 60 days; filing (or having filed) any petition as a debtor under any provision of Law relating to insolvency, unless such petition and all related proceedings are dismissed within 60 days; being adjudicated insolvent or bankrupt; having wound up or liquidated; or ceasing to carry on business. [***].

17.3. Effect. On termination or expiration of this Agreement, Publisher has no further right to, and will not, exercise any rights licensed under this Agreement. Publisher will, until the end of the Minimum Commitment term, continue to support existing Game Features for Games sold before the effective date of termination or expiration.

17.4. Cross-Default. If Microsoft has the right to terminate this Agreement, then it may also terminate the GDK License. If Microsoft has the right to terminate the GDK License, then Microsoft may also terminate this Agreement.

17.5. Survival. The following will survive expiration or termination of this Agreement to the extent necessary to give effect to the parties' accrued rights and obligations: Sections [***].

18. General.

18.1. Sub-Publishing. Publisher may enter into independent agreements with Sub-Publishers to publish a Game in approved countries if Publisher completes and provides to Microsoft, [***], the Sub-Publishing Notification Form (as provided in the Publisher Guide) that is executed by both Publisher and Sub-Publisher. Microsoft may terminate a Sub-Publishing Notification Form upon written notice to Publisher (email sufficient) if (i) Publisher and/or Sub-Publisher is not in compliance with their respective publisher license agreements with Microsoft; or (ii) Publisher's and/or Sub-Publisher's publisher license agreement with Microsoft expires or terminates.

18.2. Authorized Affiliates. If the parties and Publisher's Affiliate execute the "Authorized Affiliate" form (as provided in the Publisher Guide), such Affiliate may exercise the rights granted to Publisher under this Agreement. The foregoing will not apply to any such Affiliate that operates from a European billing address. Any such European Affiliate must execute a Publisher Enrollment Form with Microsoft Ireland Operations Ltd. (as provided in the Publisher Guide).

18.3. Law, Venue, Attorneys' Fees. Washington State Law governs this Agreement (excluding conflicts principles that would require applying different law). If federal jurisdiction exists, the parties consent to exclusive jurisdiction and venue in the King County, Washington federal courts. If not, the parties consent to exclusive jurisdiction and venue in the King County, Washington Superior Court. In any action arising out of or relating to this Agreement, the prevailing party may recover its reasonable attorneys' fees, costs, and other expenses, including those on appeal or in a bankruptcy action.

18.4. Notice. All notices under this Agreement will be: (1) in writing; (2) in English; (3) deemed given when received; (4) sent by delivery service, messenger, or registered or certified mail (postage prepaid, return receipt requested); and (5) addressed and sent, with any required copies, as provided in Table 1 below (or as the recipient has otherwise designated, in writing or by email, before notice was sent). Ordinary business communications (excluding, for example, those related to payment or breach) may be sent by email and need not be cc'd.

Table 1 – Contact Information			
To Microsoft:	Microsoft Corporation One Microsoft Way Redmond, Washington 98052-6399 USA	**To Publisher:**	Take-Two Interactive Software Inc. 110 West 44th Street New York, NY 10036
Attention:	General Manager, XBOX	**Attention:**	Dan Emerson, EVP & Chief Legal Officer
Phone:	[***]	**Phone:**	[***]
Copy To:	Microsoft Corporation One Microsoft Way Redmond, Washington 98052-6399 USA Attn: Corporate, External, & Legal Affairs	**Copy To:**	Take-Two Interactive Software Inc. 110 West 44th Street New York, NY 10036 Attn: Oren Hoffman (VP Legal & Business Affairs)

18.5. No Delay or Waiver. No delay or failure to exercise or enforce any right or remedy under this Agreement, and no course of dealing or performance, will waive any such right or remedy. No express waiver of any right or remedy in one instance will waive such right or remedy in any other instance. All rights and remedies will be cumulative, not exclusive.

18.6. Assignment. Publisher may not assign this Agreement, or any right or duty under it, to any third party unless Microsoft expressly consents to such assignment in writing. Microsoft may assign this Agreement, or any right or duty under it, as it deems appropriate, or authorize its Affiliates or contractors to perform this Agreement in whole or part on Microsoft's behalf. A merger, consolidation, or other corporate reorganization, or a transfer or sale of a controlling interest in a party's stock, or of all or substantially all of its assets, is deemed to be an assignment. This Agreement will inure to the benefit of and bind the parties, their successors, administrators, heirs, and permitted assigns.

18.7. Relationship. Each party is an independent contractor to the other and has no authority to act on behalf of or bind the other, and this Agreement does not create any other relationship (e.g., employment, partnership, or agency).

18.8. Interpretation. Captions are intended solely for the parties' convenience and will not affect the meaning of any term. Unless stated, or context requires, otherwise: (1) "***written***" or "***in writing***" refers to a non-electronic document only, except where email is expressly allowed; (2) all internal references are to this Agreement and its parties, Exhibits, appendices, and schedules; (3) references to any entity include the successors and permitted assigns of that entity; (4) references from or through any date mean, unless otherwise specified, from and including or through and including, respectively, that date; (5) "***day***" means a calendar day; (6) "***partner***" if used in this Agreement or related documents is not used as a legal term of art and does not describe or imply a partnership; (7) all monetary amounts are expressed and, if applicable, payable, in U.S. dollars; (8) "***may***" means that the applicable party has a right, but not a concomitant duty; (9) "***current***" or "***currently***" means "as of the Effective Date" but "***then-current***" means the present time when the applicable right is exercised or duty performed; (10) URLs also refer to successor URLs, URLs for localized content, and information or resources linked from within websites at the specified URLs; (11) "***notify***" means to give notice under, and "***notice***" means a communication that complies with, Section 18.4 [***]; (12) the word "***or***" is deemed to be an inclusive "or"; (13) a party's choices, elections, and determinations under this Agreement are in its sole discretion [***]; (14) a writing has been "***signed***" when it has been signed manually (i.e., with a pen) or using a recognized, third-party electronic signature service (e.g., Adobe Sign or DocuSign); (15) lists of examples following "***including***" or "***e.g.***" (or similar) are not exhaustive (i.e., are interpreted to include "without limitation"), unless qualified by words such as "only" or "solely"; (16) a reference to a

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document includes any amendment, replacement, or novation of it; (17) a reference to a thing includes a part of that thing (i.e., is interpreted to include “in whole or in part”); (18) the singular includes the plural and vice versa; and (19) initially capitalized cognates of defined terms will be interpreted similar to the defined term, as minimally modified to reflect linguistic differences. This Agreement will be interpreted according to its plain meaning without presuming it should favor either party. This Agreement has been executed in English, which is the sole language used to interpret or construe it (except if otherwise required by Law).

18.9. Injunction. Publisher’s threatened or actual unauthorized use of Microsoft Trademarks or other Microsoft proprietary rights, and either party’s threatened or actual breach of confidentiality provisions, may result in immediate and irreparable damage for which there is no adequate remedy at law. In such event, the non-breaching party is entitled to appropriate injunctive relief from any court of competent jurisdiction.

Miscellaneous. All rights and remedies under this Agreement are cumulative. Except as expressly set forth in this Agreement, each party will pay its own costs to perform. This Agreement: (1) is effective only when hand-signed or signed via an electronic signature service by authorized representatives of both parties, which signature requirement is, without limitation, a material term; (2) is the parties’ entire agreement on this subject and merges, replaces, and supersedes all related oral understandings, representations, prior discussions, letters of intent, or any preliminary or earlier agreements, including the XBOX Console Publisher License Agreement between the parties [***] (although, for clarity, this Agreement neither merges nor supersedes any GDK License between Microsoft and Publisher); (3) is formed as of the Effective Date; (4) may be modified only by a writing hand-signed or signed via an electronic signature service by authorized representatives of each party (except as otherwise expressly provided in this Agreement); and (5) may be executed in counterparts, by fax or other electronic means to accurately send images, or by electronic signature service. The parties have formed this Agreement as of the Effective Date. Any term in a document earlier in the following list will control over a conflicting term in a document later in the list, except if the later document expressly references, by section, the conflicting text in the early document and recites the express intent to modify it: the main body of this document, the Exhibits, the Publisher Guide, the ADA, the Store Policies, any approved Concept submission forms (in the form approved by Microsoft), and any other documents expressly referenced in other parts of this Agreement.

Agreed and accepted:

Microsoft Corporation	Take-Two Interactive Software, Inc.
Signature: /s/ Nick Fadorsen	Signature: /s/ Greg Gibson
Name: Nick Fadorsen	Name: Greg Gibson
Title: Director Supplier Strategy	Title: SVP & DGC, Business Affairs
Date: Sep 28, 2026	Date: Sep 28, 2026

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EXHIBIT A

DIGITAL CONTENT ROYALTY TERMS

1. **Definitions.**

   1.1 "***CSV***" means [***].

   1.2 "***CSV Remittance Rate***" means [***].

   1.3 "***Royalty Percentage***" [***].

   1.4 "***WSP***" or "***Wholesale Price***" means [***].

2. **Digital Content Pricing.** [***].

3. **Royalty.** Microsoft will pay Publisher a royalty fee ("***Royalty Fee***") for all Digital Content for which Microsoft receives payment based on the Royalty Percentage for the Digital Content, as follows:

   3.1 [***]

   3.2 [***]

4. **[***] Terms.** With respect to sales of Digital Content in countries operating under the [***], as described in Section 4.3 ([***]) of the Agreement, the following terms will apply and replace Sections 2 (Digital Content Pricing) and 3 (Royalty) of this Exhibit A.

   4.1 Additional Definitions.

   4.1.1 "***Digital Content Proceeds***" means [***].

   4.1.2 "***Net Receipts***" means [***].

   4.1.3 "***Store Fee***" means [***].

   4.2 Store Fees and Digital Content Proceeds. The Store Fee Publisher owes to Microsoft will be deducted from Net Receipts to calculate the Digital Content Proceeds payable to Publisher and [***] make any such payment in accordance with Section 6 [***].

   4.2.1 [***]

   4.3 Appointment of Microsoft as Agent, Commissionaire.

   4.3.1 Under the Agency Model, Microsoft's role is to provide the technology and services to enable the Microsoft Store, and to facilitate the purchase by Users of Digital Content through the Microsoft Store. Publisher appoints Microsoft to act as Publisher's agent or commissionaire, as applicable, for these purposes and Publisher acknowledges that Publisher, not Microsoft, is the distributor of all Digital Content that is acquired through the Microsoft Store. Publisher also acknowledges that: (1) Microsoft will receive on Publisher's behalf amounts that a User pays when they acquire Digital Content through the Microsoft Store; (2) the Microsoft services provided include the processing of purchases, returns, and chargebacks for Publisher arising out of the purchase by Users of Digital Content; and (3) Microsoft will make payments to Publisher in accordance with Section 4.2 [***]. Publisher grants Microsoft the right to appoint any Microsoft Affiliates and mobile operators as sub-agents and also grant any Microsoft Affiliates appointed by Microsoft as sub-agents the right to appoint other Microsoft Affiliates as sub-agents.

   4.3.2 While acting as Publisher's agent or commissionaire, Microsoft (or its billing service provider or other authorized partner) will collect and remit [***], applicable to Users' acquisition of Digital Content through the Microsoft Store as described in the ADA.

4.3.3 Additional country-specific terms applicable to the Agency Model will apply as set forth in the ADA.

5. **Code-in-a-Box Program.**

5.1 For each piece of Digital Content, Publisher may seek Microsoft's approval to sell and distribute the Content via Microsoft's Code-in-a-Box retail program ("***Code-in-a-Box Program***"). [***]. Microsoft may change the Code-in-a-Box Program requirements by updating the Publisher Guide, [***].

5.2 For each copy of Digital Content purchased by Publisher under the Code-in-a-Box Program, Publisher will pay Microsoft a fee equal to [***] in the [***].

6. **Payment by Microsoft.** [***], Microsoft will provide Publisher with access to a statement of, and pay, any Royalty Fees and Digital Content Proceeds due to Publisher. [***]. The statement will contain information sufficient to discern how the Royalty Fees and Digital Content Proceeds were computed.

7. **Offsets.** Microsoft may deduct from Publisher's Royalty Fee: (1) amounts uncollectable (e.g., canceled credit card payments, invalid credit card accounts); (2) any returns or refunds as [***] this Agreement; (3) any previous payment error under this Agreement that resulted in an overpayment to Publisher; and (4) any amounts overdue from Publisher to Microsoft under this Agreement. With respect to subsections (3) and (4), Microsoft will provide Publisher with prior written notice (email sufficient), and [***]. Microsoft may accept returns from Users in accordance with the Microsoft Services Agreement. [***]. For any returns Microsoft accepts, Microsoft will revoke the Digital Content license associated with the applicable User's Microsoft account.

8. [***]

9. [***]

EXHIBIT B

PHYSICAL DISC TERMS

The terms of this Exhibit B apply to [***].

1. **Definitions.** Capitalized terms used in this Exhibit but not defined below will have the meanings provided elsewhere in the Agreement.

   1.1 "***Authorized Replicator***" means a software replicator approved by Microsoft to replicate FPUs for XBOX Consoles.

   1.2 "***BTS***" means a Microsoft-designed break-the-seal sticker that will be issued to the Authorized Replicator for placement on the Packaging Materials as specified in the Publisher Guide.

   1.3 "***DFU***" or "***Digital Finished Unit***" means an object-code copy of a Game that has passed Certification and has been approved by Microsoft and Publisher for Commercial Release.

   1.4 "***FPU***" or "***Finished Product Unit***" means a copy of a Game, in object code form, that has passed Certification, has been affixed to a game media and is approved by Microsoft and Publisher for release and manufacturing. Once Packaging Materials have been added and the BTS has been assigned to the FPU or its packaging, the FPU also includes its accompanying BTS and Packaging Materials.

   1.5 "***FPU Verification Version***" means a unit of a Game that is intended to comply fully with all terms of the Agreement and this Exhibit and that has not passed Certification, which Publisher or an Authorized Replicator provides for testing purposes.

   1.6 ***"Packaging Materials***" means art and mechanical formats for a Game, including retail packaging User instruction manual, warranties, User warnings, FPU media label, and any promotional inserts and other materials to be included in retail packaging.

   1.7 ***"Sales Territory"*** means any or all of the: (1) Asian Sales Territory, Australian Sales Territory, European, Middle East and African Sales Territory, and Japan Sales Territory; (2) North American Sales Territory; and (3) South American Sales Territory, in each case as described further in the Publisher Guide.

   1.8 "***Security Technology***" means such digital signatures, other security technology, and copyright management information that may be added to an FPU.

   1.9 "***SRP***" or "***Suggested Retail Price***" means [***].

   1.10 "***Threshold Price***" means [***].

   1.11 "***WSP***" or "***Wholesale Price***" means [***].

2. **Distribution License Conditions**

   2.1 **Content Rating.** Publisher must include the content rating(s) for all Games prominently on FPUs and Marketing Materials [***] per the applicable rating body's guidelines. If, after Commercial Release, Microsoft determines that the Game is obscene or illegal, Publisher must recall, at Publisher's own expense, all FPUs for the Game.

   2.2 **Distribution License.** On Certification of a Game, approval of Marketing Materials, and receipt of the FPU Verification Version by Microsoft, and subject to all terms of the Agreement and this Exhibit, Microsoft grants Publisher a non-exclusive, non-transferable, personal license to distribute FPUs containing redistributable, sample code, and Security Technology in approved Sales Territories, solely in FPU form, to third parties for distribution to users or directly to Users. Except for transfers of FPUs through normal distribution channels (e.g., retailers, wholesalers), Publisher may not sublicense, transfer, or assign its rights under this license to any third parties (including any right to distribute Games or FPUs to another entity that will brand, co-

brand, or otherwise assume control over such products as a “publisher” as that concept is understood in the console game industry) without Microsoft’s express, prior, written consent. Publisher’s license does not include any right, power, or authority to subject Microsoft’s software (or derivative works of, or IPR associated with, such software) in whole or in part to any terms of an Excluded License. “Excluded License” means any license that requires, as a condition of use, modification, or distribution of software subject to the Excluded License, that such software or other software combined or distributed with such software be: (1) disclosed or distributed in source code form; (2) licensed for the purpose of making derivative works; or (3) redistributable at no charge.

2.3 Distribution Limitations. Except as provided for in the Agreement and this Exhibit, Publisher will distribute FPUs only in the Sales Territories for which the Games have been approved by Microsoft. Publisher will not, directly or indirectly: (1) export any FPUs from one Sales Territory to another, or outside of Sales Territories; (2) assist or knowingly permit any third party in doing so, except for de minimis quantities of which Publisher provides Microsoft advanced notice; or (3) distribute FPUs to any person or entity that Publisher has reason to believe may re-distribute or sell such FPUs outside a Sales Territory. Publisher may, however, request to distribute FPUs in countries outside the Sales Territories, and Microsoft will not unreasonably withhold consent.

3. [***]

4. Manufacturing.

4.1 Replication. Publisher will use only Authorized Replicators to produce FPUs. Before placing an order with an Authorized Replicator, Publisher will confirm with Microsoft that such entity is an Authorized Replicator, as such list of Authorized Replicators may change from time to time. A then-current list of Authorized Replicators will be in the Publisher Guide. Publisher will notify Microsoft of its intended Authorized Replicator for each Game. The agreement for replication services will be negotiated between Publisher and the applicable Authorized Replicator, subject to the terms of the Agreement and this Exhibit. Microsoft may charge Authorized Replicator for rights, services, or products associated with manufacturing FPUs. The agreement between Microsoft and each Authorized Replicator grants Microsoft the right to instruct Authorized Replicator to cease manufacturing FPUs, or to prohibit releasing FPUs to Publisher or its agents, if Publisher is in breach of the Agreement (including this Exhibit) or any credit arrangement between the parties [***].

4.2 Submission to Authorized Replicator. Microsoft, and not Publisher, will provide to the applicable Authorized Replicator the final release version of the Game and all specifications required by Microsoft for manufacturing FPUs, including the Security Technology. Publisher will prepare and deliver to the Authorized Replicator all other items required for manufacturing FPUs, including approved Packaging Materials associated with the FPUs. [***].

4.3 Verification Versions. Publisher will allow Microsoft to cause Authorized Replicator to create several Verification Versions of each FPU that has been submitted, but has not passed Certification, that will be provided to both Microsoft and Publisher for evaluation. Before Authorized Replicator fully manufactures FPUs, both parties must approve the applicable Verification Version. Microsoft’s approval of each Verification Version is a condition precedent to Publisher’s right to manufacture, however Publisher will grant final approval and will work directly with Authorized Replicator regarding the production run, including by verifying that all FPUs are replicated in conformity with all quality standards and manufacturing specifications, policies, and procedures that Microsoft requires of Authorized Replicators and all Packaging Materials are approved by Microsoft before pack out. Publisher will cause Authorized Replicator to include BTS on each FPU.

4.4 [***]

4.5 Samples. In addition to DFU Samples required in other parts of the Agreement, for each FPU published under the Agreement, Publisher will provide to Microsoft a reasonable number of samples (as per the Publisher Guide, but not to exceed 35 FPUs per Game per Sales Territory in which the Game will be Commercially Released). Publisher will not be required to pay royalty fees for such FPU samples if the samples are shipped directly from an Authorized Replicator to Microsoft. [***].

4.6 Support. Publisher will provide all technical and other support related to FPUs. Publisher will provide appropriate contact information (including Publisher's street address, telephone number, and the applicable individual/group responsible for customer support) to all Users and to Microsoft for posting on www.xbox.com.

4.7 Warranty. Publisher will provide the original User of any FPU a minimum warranty (in writing and in practice) that complies with local Laws (as reasonably determined by Publisher) in each country of each Sales Territory in which the FPU is sold. Publisher will offer Users additional warranty coverage in the applicable country of each Sales Territory as required by local Law.

4.8 Recall of FPUs. Notwithstanding anything in the Agreement to the contrary, if there is a material defect in any FPUs that in Publisher's or Microsoft's reasonable judgment would: (1) significantly impair any User's ability to play such FPU; or (2) adversely affect XBOX Console gameplay, Microsoft may require Publisher, [***], to recall FPUs, at Publisher's own expense, and promptly repair or replace such FPUs if the defect has not been otherwise remedied via an Update.

4.9 No Unapproved or Unauthorized Bundling. Except as expressly stated in this Section 4.9, Publisher will not market or distribute FPUs bundled with any other product or service, or knowingly permit or assist any third party in such bundling, without Microsoft's prior written consent. Publisher may, however, market or distribute FPUs bundled with: (1) a Game that previously passed Certification and was approved by Microsoft for manufacturing; or (2) accessory products (e.g., game pads) previously licensed as an "XBOX Console Licensed Accessory" by Microsoft, without obtaining Microsoft's advance, written permission. Publisher will contact Microsoft in advance to confirm that the Game or accessory to be bundled has previously been approved by Microsoft pursuant to a valid license. Publisher will also comply with the bundling conditions set forth in the Publisher Guide.

4.10 Effect and Sell-Off. On termination or expiration of the Agreement, Publisher has no further right to, and will not, exercise rights licensed under the Agreement and will promptly cease all manufacture of FPUs through its Authorized Replicators and, other than as provided below, cease using Microsoft Trademarks. Publisher will have 6 months after expiration (or termination, if not due to Publisher's breach) ("***Sell-Off Period***") to sell its inventory of FPUs existing as of the date of termination or expiration, after which Publisher will immediately return all unsold FPUs to an Authorized Replicator for destruction. Publisher will cause the Authorized Replicator to: (1) destroy all returned FPUs; and (2) have its authorized representative certify to Microsoft, in writing, that all such FPUs were destroyed. All of Publisher's obligations under the Agreement will apply during such Sell-Off Period. If the Agreement is terminated due to Publisher's breach, Microsoft may require Publisher to immediately destroy all undistributed FPUs not yet distributed to Publisher's distributors, dealers or Users and will require all those distributing the FPU over which it has control to cease distribution. Publisher will, until the end of the Minimum Commitment term, continue to support existing Game Features for FPUs sold before the effective date of termination or expiration.

5. [***]

6. [***]

Table 1: Royalty Tier						
	North America WSP	**Europe, Middle East, Africa WSP**	**Australia WSP (AUD)**	**Japan SRP**	**Asia WSP (US$)***	**South America WSP (US$)***
Tier 0	[***]	[***]	[***]	[***]	[***]	[***]
Tier 1	[***]	[***]	[***]	[***]	[***]	[***]
Tier 2	[***]	[***]	[***]	[***]	[***]	[***]
Tier 3	[***]	[***]	[***]	[***]	[***]	[***]
Tier 4	[***]	[***]	[***]	[***]	[***]	[***]
Tier 5	[***]	[***]	[***]	[***]	[***]	[***]
Tier 6	[***]	[***]	[***]	[***]	[***]	[***]
Tier 7	[***]	[***]	[***]	[***]	[***]	[***]
[***]						
GH Tier 1	[***]	[***]	[***]	[***]	[***]	[***]
GH Tier 2	[***]	[***]	[***]	[***]	[***]	[***]
*This is the US dollar equivalent of local currency in the Asian and South American Sales Territory.						

Table 2: Royalty Rate						
	North America*	**Europe, Middle East, Africa**	**Australia***	**Japan**	**Asia***	**South America***
Tier 0	[***]	[***]	[***]	[***]	[***]	[***]
Tier 1	[***]	[***]	[***]	[***]	[***]	[***]
Tier 2	[***]	[***]	[***]	[***]	[***]	[***]
Tier 3	[***]	[***]	[***]	[***]	[***]	[***]
Tier 4	[***]	[***]	[***]	[***]	[***]	[***]
Tier 5	[***]	[***]	[***]	[***]	[***]	[***]
Tier 6	[***]	[***]	[***]	[***]	[***]	[***]
Tier 7	[***]	[***]	[***]	[***]	[***]	[***]
Greatest Hits Game						
GH Tier 1	[***]	[***]	[***]	[***]	[***]	[***]
GH Tier 2	[***]	[***]	[***]	[***]	[***]	[***]
*currency is US dollars.						

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6.1 Standard Games. Publisher will submit to Microsoft, at least 5 Business Days before placing the first manufacturing order for a Game, a completed "***XBOX Console Royalty Tier Selection Form***" as specified in the Publisher Guide (which may require electronic submission) for each Sales Territory. The selection in such form will be effective only once approved by Microsoft.

6.2 [***]

[***]						
FPU Unit Discount	**North American**	**European, Middle East and African**	**Australian**	**Japan**	**Asian**	**South American**
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]

6.3 [***]. A Game may migrate Royalty Tiers once after each 90 day period from the date the Game was manufactured under its then current Royalty Tier. Publisher must submit to Microsoft, [***] under the desired migrated Royalty Tier a completed [***] as specified in the Publisher Guide (which may require electronic submission). [***].

6.4 Greatest Hits Program. In each Sales Territory, if: (1) a Game meets the criteria set forth below at the time of the targeted Commercial Release date of the Greatest Hits FPU; and (2) Publisher satisfies all the conditions set forth below, Publisher is authorized to manufacture and distribute Greatest Hits FPUs in such Sales Territory at the royalty rate in Table 1 above applicable to Greatest Hits FPUs.

6.4.1 The Game must have been [***] at the time of Commercial Release of the Greatest Hits FPU.

6.4.2 As of the date Publisher wishes to Commercially Release the Game as a Greatest Hits FPU, Publisher must have manufactured the minimum FPUs and reached the minimum number of DFU transactions for such Game as set forth in Table 4:

[***]						
Sales Territory	**North America**	**Europe, Middle East, Africa**	**Australia**	**Japan***	**Asia**	**South America**
[***]	[***]	[***]	[***]	[***]	[***]	[***]

*[***].

6.4.3 Packaging for a Greatest Hits Game must comply with all Microsoft packaging and branding requirements set forth in the Publisher Guide.

6.4.4 The Greatest Hits FPU version must be the same or substantially equivalent to the Standard FPU version of the Game. Publisher may modify or add additional content or features to the Greatest Hits FPU version of the Game (e.g., demos or game play changes) subject to Microsoft's review and approval, and Publisher acknowledges that any such modifications or additions may require the Game to be re-Certified at Publisher's expense.

6.4.5 Publisher acknowledges that Microsoft may change any of the qualifications for participation in a Greatest Hits Program [***].

6.4.6 Publisher will submit to Microsoft, [***], a completed and signed XBOX Console Greatest Hits Programs Election Form in the form available in the Publisher Guide for each Sales Territory. The XBOX Console Greatest Hits Programs Election Form will be effective once it has been approved by Microsoft. If a Greatest Hits Game does not have an approved XBOX Console Greatest Hits Programs Election Form as

required hereunder (e.g., as a result of the Publisher not providing an XBOX Console Greatest Hits Programs Election Form or because Microsoft has not approved the XBOX Console Greatest Hits Programs Election Form), the royalty rate for such Game will default to the Royalty Tier that applied to the last manufacturing of the Game (i.e., if Microsoft does not approve an XBOX Console Greatest Hits Programs Election Form because it is filled out incorrectly, the royalty rate will default to the Royalty Tier that applied to the last manufacturing of the Game). Publisher may elect either GH Tier 1 or GH Tier 2 at initial Commercial Release as a Greatest Hits Game provided that the Greatest Hits Game meets the Threshold Price requirements set forth in Table 1 above.

6.4.7 [***]

6.4.8 To change a previously elected Greatest Hits Tier royalty, Publisher must submit to Microsoft, [***] for the applicable Greatest Hits Game, a completed XBOX Console Greatest Hits Royalty Tier Migration Form (a "Greatest Hits Tier Migration Form") set forth in the Publisher Guide for each Sales Territory. The change in royalty rate will only apply to manufacturing orders for such Greatest Hits Game placed after the relevant Greatest Hits Tier Migration Form has been approved by Microsoft.

7. [***]

7.1 Two Royalty Tier Discount ("*Two Tier Discount*"). [***]

7.1.1 [***]

7.1.2 [***]

7.1.3 [***]

7.2 Three Royalty Tier Discount ("*Three Tier Discount*"). [***]

7.3 [***]

[***]				
	Asia WSP	**Standard Game Royalty Rate**	**Two Tier Discount (Sec. 7.1) (2 Tiers)**	**Three Tier Discount (Sec. 7.2) (3 Tiers)**
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]

7.4 [***]. Such units will be included in the Greatest Hits Program manufacturing requirements set forth in Section 6.4 (Table 4) [***]. With respect to any single Game, all units manufactured in addition [***] will be charged the applicable Royalty Tier based on the WSP of the Game for the Asian Sales Territory designated in Tables 1 and 2.

7.5 Publisher will submit to Microsoft, [***] being placed for the Game, a [***] Form (e.g., due to Publisher not providing, or Microsoft not yet approving the form), the royalty rate for such Game will default to Tier 1, regardless of the actual WSP.

8. [***]

8.1 [***]

8.1.1 [***]

8.1.2 [***]

8.1.3 [***]

8.2 [***]

8.3 In order to participate in the program, Publisher will submit to Microsoft a completed "XBOX Console Royalty Tier Selection Form" as specified in the Publisher Guide (which may require electronic submission) for Japan, [***] for the Game. The participation in the program and Tier selection will be effective only once approved by Microsoft. If the Game is not approved to qualify for the program (e.g., due to Publisher not submitting a completed "XBOX Console Royalty Tier Selection Form" electronically), the royalty rate for such Game will default to Tier 1, regardless of the actual SRP.

9. [***]

9.1 [***]

9.2 [***]

10. Payment Process. Publisher will pre-pay all royalties owed to Microsoft for all FPUs manufactured by its Authorized Replicators prior to the first date of manufacture in a given Sales Territory. Authorized Replicators are authorized by Microsoft to begin production once Microsoft has provided them with written confirmation that Publisher has satisfied its payment obligations with respect to such manufacturing order. Upon the Authorized Replicator's receipt of such confirmation, the Authorized Replicator will determine the timing of production. All payments will be made by wire transfer, in accordance with payment instructions in the Publisher Guide, in the currency stated in Table 6 below for FPUs manufactured for sale in the applicable Sales Territory. Publisher has [***].

Table 6: Payment Currency

Sales Territory	North American	European, Middle East and African	Australian	Japan	Asian	South American
Currency	U.S. Dollars	Euros	U.S. Dollars	Yen	U.S. Dollars	U.S. Dollars

11. Billing Address. Publisher may have up to 2 "bill to" addresses for royalty payment under this Exhibit. Each such address will be for FPUs manufactured by Authorized Replicators in a given Sales Territory. If Publisher includes a "bill-to" address in a European country, Publisher (or its Affiliate) must execute a Publisher Enrollment Form (in the form provided in the Publisher Guide) with Microsoft's affiliate, Microsoft Ireland Operations, Ltd. [***]. Publisher's billing address(es) for the North American Sales Territory and either Japan or Asian Sales Territory are set forth in Table 7 below.

Table 7: Publisher Addresses

North American Sales Territory	Publisher Entity Name: n/a Address: n/a Phone: n/a Accounts Payable Contact: n/a Accounts Payable Contact Email Alias: n/a
Japan or Asian Sales Territory	Publisher Entity Name: n/a Address: n/a Phone: n/a Accounts Payable Contact: n/a Accounts Payable Contact Email Alias: n/a

12. Insurance. Publisher will maintain sufficient and appropriate insurance coverage to enable it to meet its obligations under this Agreement and by Law. Without limiting the foregoing, Publisher will maintain all coverage required by **Table 8 below** (converted to the equivalent value in local currency, as of the date of issuance). The Professional Liability and Errors & Omissions Liability Insurance ("***E&O***") will include coverage for infringement of any third-party proprietary right, including copyright and trademark infringement, related to

Publisher's performance under this Agreement to the extent such coverage is reasonably available. The E&O insurance retroactive coverage date will be no later than the Effective Date. Publisher will maintain an active policy, or purchase an extended reporting period, providing E&O coverage for claims first made and reported to the insurance company within [***] related to this Agreement.

Table 8 – Insurance Coverage Requirements

	Japan Sales Territory	Asian Sales Territory	Other Sales Territories
General liability coverage	[***]	[***]	[***]
E&O coverage	[***]	[***]	[***]
Deductible not to exceed	[***]	[***]	[***]

On request, Publisher will deliver to Microsoft proof of the coverage required by this Section 12. If Microsoft reasonably determines that Publisher's coverage is less than required to meet its obligations under this Agreement, Publisher will promptly acquire such coverage and notify Microsoft.

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EXHIBIT C

DESCRIPTION OF THE PROCESSING

Processing Activity	**Status of the Parties**	**Categories of Personal Data that May Be Processed** *The categories listed are descriptive and do not necessarily mean that the parties are Processing each category of data listed.*	**Categories of Sensitive Data that May Be Processed** *The categories listed are descriptive and do not necessarily mean that the parties are Processing each category of data listed.*	**Applicable SCCs Module**
Publisher collects or receives Personal Data as a Controller.	Microsoft is a Controller. Publisher is a Controller.	• XBOX User Identification (XUID) • Location data • IP address • Device preferences and personalization • Service usage for websites, webpage click tracking • Social media data and social graph relationships • Activity data from connected devices such as fitness monitors • Contact data such as name, address, phone number, email address, date of birth, dependent and emergency contacts • Fraud and risk assessment, background check • Metadata and telemetry • XBOX Live, OneDrive Consumer • Customer originated support ticket • Billing data • e-commerce data • Event registration • Training • Globally Unique Identified (GUID) • Passport User ID or Unique Identifier (PUID) • Hashed End-User Identifiable Information (EUII)-Session IDs • Device IDs • Diagnostic Data • Log Data Crash Dump Data	• Data related to the age of the XBOX user • Data related to children	Module 1

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1. **Information for International Transfers.**

   1.1 Frequency of Transfer: Continuous for all Personal Data.

   1.2 Retention Periods: As Controllers, the parties retain Personal Data for as long as they have a business purpose for it or for the longest time allowable by Law.

2. **For the purpose of the Standard Contractual Clauses:**

   Definitions:

   "***Data Exporter***" means the party that: (1) has a corporate presence or other stable arrangement in a jurisdiction that requires an International Data Transfer Mechanism; and (2) transfers Personal Data, or makes Personal Data available to, the Data Importer.

   "***Data Importer***" means the party that is: (1) located in a jurisdiction that is not the same as the Data Exporter's jurisdiction; and (2) receives Personal Data from the Data Exporter or is able to access Personal Data made available by the Data Exporter.

   2.1 Clause 7: The parties do not adopt the optional docking clause.

   2.2 Clause 11(a): The parties do not select the independent dispute resolution option.

   2.3 Clause 17: The parties select Option 1. The parties agree that the governing jurisdiction is Ireland.

   2.4 Clause 18: The parties agree that the forum is Ireland.

   2.5 Annex I(A): The data exporter is the Data Exporter (defined above) and the data importer is the Data Importer (defined above).

   2.6 Annex I(B): The parties agree that Exhibit C describes the transfer.

   2.7 Annex I(C): The competent supervisory authority is the Irish Data Protection Commission.

   2.8 Annex II: The parties agree that Exhibit C, Section 4, describes the technical and organizational measures applicable to the transfer.

3. **For the purpose of localizing the Standard Contractual Clauses:**

   3.1 Switzerland

   3.1.1 The parties adopt the GDPR standard for all data transfers.

   3.1.2 Clause 13 and Annex I(C): The competent authorities under Clause 13, and in Annex I(C), are the Federal Data Protection and Information Commissioner and, concurrently, the EEA member state authority identified above.

   3.1.3 Clause 17: The parties agree that the governing jurisdiction is Ireland.

   3.1.4 Clause 18: The parties agree that the forum is Ireland. The parties agree to interpret the Standard Contractual Clauses so that Data Subjects in Switzerland are able to sue for their rights in Switzerland in accordance with Clause 18(c).

   3.1.5 The parties agree to interpret the Standard Contractual Clauses so that "Data Subjects"

includes information about Swiss legal entities until the revised Federal Act on Data Protection becomes operative.

3.2 United Kingdom

3.2.1 The parties agree that the Standard Contractual Clauses are deemed amended to the extent necessary that they operate for transfers from the United Kingdom to a Third Country and provide appropriate safeguards for transfers according to Article 46 of the United Kingdom General Data Protection Regulation ("***UK GDPR***"). Such amendments include changing references to the GDPR to the UK GDPR and changing references to EU Member States to the United Kingdom.

3.2.2 Clause 17: The parties agree that the governing jurisdiction is the United Kingdom.

3.2.3 Clause 18: The parties agree that the forum is the courts of England and Wales. The parties agree that Data Subjects may bring legal proceedings against either party in the courts of any country in the United Kingdom.

4. **Technical and Organizational Security Measures.** Publisher will comply with the technical and organizational measures as set out in Section 8.3 of the main body of the Agreement and the requirements in the Publisher Guide.

Exhibit 31.1

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Strauss Zelnick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Take-Two Interactive Software, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2026

/s/ STRAUSS ZELNICK

Strauss Zelnick
Chairman and Chief Executive Officer

Exhibit 31.2

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, Lainie Goldstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Take-Two Interactive Software, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 9, 2026

/s/ LAINIE GOLDSTEIN

Lainie Goldstein
Chief Financial Officer

EXHIBIT 32.1

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Take-Two Interactive Software, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Strauss Zelnick, as Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2026

/s/ STRAUSS ZELNICK

Strauss Zelnick
Chairman and Chief Executive Officer

EXHIBIT 32.2

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Take-Two Interactive Software, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lainie Goldstein, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 9, 2026

/s/ LAINIE GOLDSTEIN

Lainie Goldstein
Chief Financial Officer