20241016008882

Styrelsen för

Digital Illusions CE AB

Org nr 556665-7093

får härmed upprätta

Årsredovisning

För räkenskapsåret 1 april 2023 - 31 mars 2024

FASTSTÄLLELSEINTYG
Undertecknad ledamot av bolagets styrelse, intygar härmed att förestående resultat- och balansräkning fastställts vid ordinarie årstämma den 2024 - 09 - 16
Resultatet disponeras i enlighet med styrelsens förslag

Stockholm 2024 - 09 - 16

.....
Sophie Carabalona

Innehållsförteckning:

	Sida
Förvaltningsberättelse	2
Resultaträkning	3
Balansräkning	4-5
Noter till resultat- och balansräkning	6-8
Underskrifter	8

20241016000883

Styrelsen för

Digital Illusions CE AB

Org nr 556665-7093

får härmed upprätta

Årsredovisning

För räkenskapsåret 1 april 2023 - 31 mars 2024

Innehållsförteckning:	Sida
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Resultaträkning	3
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20241016008884

Digital Illusions CE AB
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Förvaltningsberättelse

Allmänt om verksamheten
Digital Illusions CE AB bedriver indirekt via dotterbolag rörelse med utveckling av spel- och multimediamjukvara och därtill förenlig verksamhet. Det har inte funnits några anställda i bolaget under året.

Ägarförhållanden
Företaget är helägt dotterbolag till EA Geneva sarl med säte i Genève, Schweiz.
Det ultimata moderföretaget är Electronic Arts Inc, Redwood City, USA.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i tkr

Ekonomisk översikt	*2024*	*2023*	*2022*	*2021*
Nettoomsättning	–	–	–	–
Rörelsemarginal %	0,00%	0,00%	0,00%	0,00%
Balansomslutning	648 184	647 888	647 892	647 946
Avkastning på sysselsatt kapital %	-0,0008%	46,3041%	-0,0068%	-0,0090%
Avkastning på eget kapital %	0,0455%	46,3041%	-0,0068%	-0,0090%
Soliditet %	100%	100%	100%	100%

Definitioner: se not 7

Eget kapital

	Aktie-kapital	*Reserv-fond*	*Fritt eget kapital*
Vid årets början	500	–	647 344
Årets resultat			295
Vid årets slut	500	–	647 640

Förslag till disposition beträffande bolagets vinst

Styrelsen föreslår att fritt eget kapital, 647 640 tkr, disponeras enligt följande:

Utdelning (500 000 aktier * 200 SEK per aktie)	100 000
Balanseras i ny räkning	547 640
Total	647 640

Styrelsens yttrande till vinstutdelningsförslag enligt 18 kap. 4 § aktiebolagslagen
Styrelsen anser att förslaget överensstämmer med regeln i kapitel 17, § 3 i den svenska aktiebolagslagen enligt följande uttalande: Styrelsen anser att utdelningen är motiverad med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av eget kapital, bolagets behov av konsolidering, likviditet och finansiell ställning.

Ytterligare information om bolagets resultat och finansiella ställning kan hittas i resultaträkning, balansräkning, kassaflödesanalys och relevanta noter.

Digital Illusions CE AB
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20241016000885

Resultaträkning

Belopp i tkr	*Not*	*2023-04-01 2024-03-31*	*2022-04-01 2023-03-31*
Nettoomsättning		–	–
		–	–
Rörelsens kostnader			
Övriga externa kostnader	2	-5	-9
Rörelseresultat		-5	-9
Resultat från finansiella poster			
Utdelning erhållen		–	300 000
Resultat efter finansiella poster		-5	299 991
Bokslutsdispositioner			
Erhållna koncernbidrag		300	–
Resultat före skatt		295	299 991
Skatt på årets resultat		–	–
Årets resultat		295	299 991

Digital Illusions CE AB
Org nr 556665-7093

20241016008886

Balansräkning

Belopp i tkr	*Not*	*2024-03-31*	*2023-03-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3	647 871	647 871
Summa finansiella anläggningstillgångar		647 871	647 871
Summa anläggningstillgångar		647 871	647 871
Omsättningstillgångar			
Varulager m m			–
Fordringar hos intresseföretag		300	
		300	
Kassa och bank		13	17
Summa omsättningstillgångar		313	17
SUMMA TILLGÅNGAR		648 184	647 888

Digital Illusions CE AB

Org nr 556665-7093

20241016008887

Balansräkning

Belopp i tkr	*Not*	*2024-03-31*	*2023-03-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	5	500	500
Summa bundet eget kapital		500	500
Fritt eget kapital			
Balanserad vinst eller förlust		647 344	347 354
Årets resultat		295	299 991
Summa fritt eget kapital	4	647 640	647 344
Summa eget kapital		648 140	647 844
Kortfristiga skulder			
Upplupna kostnader och förutbetalda intäkter	6	44	43
Summa kortfristiga skulder		44	43
SUMMA EGET KAPITAL OCH SKULDER		648 184	647 888

20241016600888

Noter

Belopp i tkr om inget annat anges

Not 1 Redovisningsprinciper

Årsredovisningen har upprättats i enlighet med Årsredovisningslagen och Bokföringsnämndens allmänna råd. BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Koncernuppgifter
Företaget som utgör moderföretag för en koncern med dotterföretag enl not 3, upprättar ej koncernredovisning med hänvisning till reglerna i Årsredovisningslagen 7 kap. 2 §.

Företaget är helägt dotterbolag till EA Geneva sarl med säte i Genève, Schweiz.
EA Geneva sarl ingår i en koncern där Electronic Arts Inc, med säte i Redwood City, USA, upprättar koncernredovisning för den största koncernen.

Det utländska moderföretagets koncernredovisning finns att tillgå hos företaget.

Av företagets totala inköp och försäljning mätt i kronor, avser 0 (0) procent av inköpen och 0 (0) procent av försäljningen andra företag inom hela den koncern som företaget tillhör.

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse
Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag det finns ägarintresse redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar.
I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Intäkter
Utdelning
Utdelning redovisas när ägarens rätt att erhålla betalningen har säkerställts.

Koncernbidrag
Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen

Not 2 Arvode och kostnadsersättning till revisorer

	2023-04-01 2024-03-31	*2022-04-01 2023-03-31*
KPMG AB		
Revisionsuppdrag	–	5

20241016000889

Digital Illusions CE AB
Org nr 556665-7093

Not 3 Andelar i koncernföretag

	2024-03-31	*2023-03-31*
Ackumulerade anskaffningsvärden		
Vid årets början	647 871	647 871
Redovisat värde vid periodens slut	647 871	647 871

Specifikation av bolagets innehav av aktier och andelar i koncernföretag

Dotterföretag / Org nr / Säte	*Antal aktier*	*Andel i %*	*Redovisat värde*
EA Digital Illusions CE AB, 556710-6520, Stockholm	500 000	100	647 871
			647 871

Not 4 Disposition av vinst

Styrelsen föreslår att fritt eget kapital, 647 640 tkr disponeras enligt följande:

Balanseras i ny räkning (tkr)	547 640
Utdelning	100 000
Summa	647 640

Not 5 Antal aktier och kvotvärde

	2024-03-31	*2023-03-31*
Stamaktier		
Antal aktier	500 000	500 000
Kvotvärde	1	1

Not 6 Upplupna kostnader och förutbetalda intäkter

	2024-03-31	*2023-03-31*
Övriga poster	44	43
	44	43

Not 7 Definitioner av nyckeltal

Rörelsemarginal:	Rörelseresultat / Nettoomsättning
Avkastning på sysselsatt kapital:	Rörelseresultat + finansiella intäkter /sysselsatt kapital
Sysselsatt kapital:	Totala tillgångar - räntefria skulder
Räntefria skulder:	Skulder som inte är räntebärande.
Soliditet:	(Eget kapital + 79,4 % av obeskattade reserver) / Totala tillgångar
Avkastning på eget kapital:	Årets resultat hänförligt till moderföretagets aktieägare / Genomsnittligt eget kapital hänförligt till moderföretagets aktieägare

Digital Illusions CE AB
Org nr 556665-7093

Not 8 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har skett efter räkenskapsårets slut som har haft någon inverkan på verksamheten inom Digital Illusions CE AB.

Stockholm den dag som framgår av våra elektroniska underskrifter

Tim Uwe Mathey

Tim Mathey
Styrelseledamot

Sophie Carabalona
Styrelseledamot

Susanna Nyström
Styrelseledamot

Loris Botto
Styrelseordförande

ANNELI REBECKA COUTA

Rebecka Coutaz
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår elektroniska underskrift
KPMG AB

Maria Elias

Maria Elias
Auktoriserad revisor

20241016008900

20241016008891

Dice Holding AB - Annual Report FY24_SWE 30082024

Final Audit Report 2024-09-13

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By:	Janette Panton (jpanton@ea.com)
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"Dice Holding AB - Annual Report FY24_SWE 30082024" History

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rcoutaz@ea.com verified identity with Government ID authentication
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Loris, Raphaël,Gregory BOTTO (lbotto@ea.com) verified identity with Government ID authentication
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rcoutaz@ea.com verified identity with Government ID authentication
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Revisionsberättelse

Till bolagsstämman i Digital Illusions CE AB, org. nr 556665-7093

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Digital Illusions CE AB för räkenskapsåret 2023-04-01—2024-03-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Digital Illusions CE ABs finansiella ställning per den 31 mars 2024 och av dess finansiella resultat för räkenskapsåret enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Digital Illusions CE AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Digital Illusions CE AB för räkenskapsåret 2023-04-01—2024-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Digital Illusions CE AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

KPMG AB

Maria Elias
Auktoriserad revisor

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

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

For the fiscal year ended March 31, 2024

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 No. 000-17948

ELECTRONIC ARTS INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-2838567**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
209 Redwood Shores Parkway Redwood City California	**94065**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:

(650) 628-1500

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	EA	Nasdaq Global Select Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The aggregate market value of the registrant's common stock, $0.01 par value, held by non-affiliates of the registrant as of September 29, 2023, the last business day of our second fiscal quarter, was $32,551 million.

As of May 20, 2024, there were 266,378,719 shares of the registrant's common stock, $0.01 par value, outstanding.

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Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for its 2024 Annual Meeting of Stockholders (the "2024 Proxy") are incorporated by reference into Part III hereof. The 2024 Proxy is expected to be filed not later than 120 days after the registrant's fiscal year end. Except with respect to information specifically incorporated by reference into this Form 10-K, the 2024 Proxy is not deemed to be filed as part hereof.

ELECTRONIC ARTS INC.
2024 FORM 10-K ANNUAL REPORT

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. We use words such as "anticipate", "believe", "expect", "intend", "estimate", "plan", "predict", "seek", "goal", "will", "may", "likely", "should", "could", "continue", "potential" (and the negative of any of these terms), "future" and similar expressions to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, trends in our business, projections of markets relevant to our business, uncertain events and assumptions and other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements consist of, among other things, statements related to our business, operations and financial results, industry prospects, our future financial performance, and our business plans and objectives, and may include certain assumptions that underlie the forward-looking statements. These forward-looking statements are not guarantees of future performance and reflect management's current expectations. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that might cause or contribute to such differences include those discussed in Part I, Item 1A of this Annual Report under the heading "Risk Factors" beginning on Page 8. We assume no obligation to revise or update any forward-looking statement for any reason, except as required by law.

PART I

Item 1: *Business*

Overview

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets.

What We Offer

At our core is a portfolio of intellectual property from which we create innovative games and experiences that deliver high-quality interactive entertainment and drive engagement across our global network of hundreds of millions of unique active accounts. Our portfolio includes Intellectual Property (IP) that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as the licenses within EA SPORTS FC and EA SPORTS Madden NFL). We are focusing on building games and experiences that grow the global online communities around our key franchises; deepening engagement through connecting interactive storytelling to key intellectual property; and building re-occurring revenue from scaling our live services and growth in our annualized sports franchises, our console, PC and mobile catalog titles. We develop and publish games and services across diverse genres, such as sports, racing, first-person shooter, action, role-playing and simulation. We believe that our portfolio of IP, talented teams and culture of innovation, technological foundation, and live service offerings, coupled with our network of hundreds of millions of unique active accounts, provide us with strategic advantages.

Revenue from our global football franchise, which is consistently one of the top franchises in the marketplace and includes the annualized console, PC and mobile games, as well as *FC Ultimate Team*, is material to our business and will continue to be so. During fiscal year 2024, we successfully launched EA SPORTS FC, with players connecting, competing and celebrating global football through our multi-experience ecosystem. We expect to continue to create and innovate across platforms, geographies, and business models to expand our global football experiences and entertain even more fans around the world.

Live services net revenue, particularly extra content net revenue, has been material to our business, and we expect it to continue to be so. Through our live services offerings, we offer our players high-quality experiences designed to provide value to players and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated outside of the sale of our full game sales. Our digital live services and other net revenue represented 73 percent of our total net revenue during fiscal year 2024. Our most popular live services are the extra content purchased for the *Ultimate Team* mode associated with our sports franchises and extra content purchased for our *Apex Legends* franchise. *Ultimate Team* allows players to collect current and former professional players in order to build and compete as a personalized team. Live services net revenue generated from extra content purchased within *Ultimate Team*, a substantial portion of which was derived from *FC Ultimate Team*, and for our *Apex Legends* franchise, is material to our business.

We believe that we can add value to our network by making it easier for players to connect by offering choices of business model, distribution channel and device. Our games and services can be experienced on consoles, PCs, mobile phones, and tablets, and reach our players through both digital distribution channels and retail channels. Players can access our games and services through traditional single-game purchase or through subscription offerings; and certain of our games and services are available through a "free-to-play" model whereby players download the game for free and engage with services provided on an

ongoing basis. For example, we develop products and services within the EA SPORTS FC franchise that allow players to engage through multiple business models, distribution channels and devices, including: (1) our annualized console and PC games and associated services, which can be purchased through both digital distribution and retail channels and also are available through subscription services; (2) a mobile free-to-play offering; and (3) a PC free-to-play game available in certain countries.

Digitally, our console games and live services can be purchased through third-party storefronts, such as the digital stores of our console partners. Our direct sales to Sony and Microsoft represented approximately 37 percent and 16 percent of total net revenue, respectively, in fiscal year 2024. Our mobile and tablet games and services are available through third-party application storefronts such as the Apple App Store and Google Play. Our PC games and services can be downloaded directly through the EA app, EA's digital storefront, as well as through third-party online download stores, such as Steam. We also partner with third parties to publish our mobile and PC games and services in certain Asian territories, such as our partnerships with Tencent Holdings Limited for *FC Online 4* in China and Nexon Co. Ltd. for *FC Online 4* in Korea. From time to time, third parties will publish games and services under a license to certain of our intellectual property assets.

We also offer our EA Play subscription service on consoles and PC. EA Play allows players access to a selection of our console and PC games and services for a monthly or annual fee. Our packaged goods games are sold directly to mass market retailers, specialty stores and through distribution arrangements. New distribution methods and business models are expected to continue to emerge in the future, and we intend to evaluate these opportunities on a case-by-case basis.

We believe that the future of entertainment is interactive and that the consumption of entertainment and sports is deeply social. We are investing towards a future of accelerated content generation and increased player engagement - with players across our network using games to stay connected to friends, and to express themselves. While we continue to anchor our business on delivering amazing content and services to more players, our goal is to build from our core and invest in new areas of opportunity.

Significant Relationships

Sony & Microsoft. Under the terms of publishing agreements we have entered into with Sony Interactive Entertainment LLC and its affiliates and with Microsoft Corporation and its affiliates, we are authorized to develop, market, publish, and distribute disc-based products and services, and we authorize Sony and Microsoft to distribute our digital products and services, compatible with PlayStation and Xbox consoles, respectively. Under these agreements with Sony and Microsoft, we have the non-exclusive right to use, for a fixed term and in a designated territory, technology that is owned or licensed by them to publish our games on their respective consoles. With respect to our digitally-delivered products and services, the console manufacturers pay us either a wholesale price or a royalty percentage on the revenue they derive from their sales of our products and services. Our transactions for packaged goods products are made pursuant to individual purchase orders, which are accepted on a case-by case basis by Sony or Microsoft (or their designated replicators), as the case may be. For packaged goods products, we pay the console manufacturers a per-unit royalty for each unit manufactured. Many key commercial terms of our relationships with Sony and Microsoft — such as manufacturing terms, delivery times, policies and approval conditions — are determined unilaterally, and are subject to change by the console manufacturers.

The publishing agreements also require us to indemnify the console manufacturers for any loss, liability and expense resulting from any claim against the console manufacturer regarding our games and services, including any claims for patent, copyright or trademark infringement brought against the console manufacturer. Each agreement may be terminated by the console manufacturer if a breach or default by us is not cured after we receive written notice from the console manufacturer, or if we become insolvent. The console manufacturers are not obligated to enter into license agreements with us for any future consoles, products or services.

Apple, Google and Other App Stores. We have agreements to distribute our mobile applications and additional content through distributors such as Apple and Google. Our applications are downloaded for mobile devices from third party application storefronts. The distributor collects payment from consumers for content purchased within the application or charges consumers a one-time fee to download the application. Our distribution agreements establish the amounts that are retained by the distributor and the amounts passed through to us. These arrangements are typically terminable on short notice. The agreements generally do not obligate the distributors to market or distribute any of our applications. Application storefront policies are determined unilaterally by the distributors and are subject to change.

Publishing Partners in Asia. We have entered into agreements whereby we partner with certain companies, including Tencent Holdings Limited, Nexon Co., Ltd and Garena Online Private Limited. or their respective affiliates, pursuant to which these

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companies publish our mobile and PC free-to-play games in certain countries, including China, Korea, Japan and certain countries in Southeast Asia. Our players access games from the publishers' online storefronts and are charged for additional content purchased within our game environment. The agreements generally establish the amounts that are retained by the publisher, and the amounts passed through to us.

Competition

The market for interactive entertainment is intensely competitive and changes rapidly as new products, business models and distribution channels are introduced. We also face competition for the right to license certain intellectual property included in our products. In order to remain successful, we are required to anticipate and commit, sometimes years in advance, the ways in which our products and services will compete in the market. We face significant competition from companies that focus on developing games and services available on consoles, PCs and/or mobile devices. In addition, the gaming, technology/internet, and entertainment industries are converging, and we compete with large, diversified companies in those industries. These companies have strengthened their interactive entertainment capabilities, and we expect them to continue to do so. Their greater financial and other resources may provide larger budgets to develop and market tools, technologies, products and services that gain consumer success and shift player time and engagement away from our products and services. We also continue to expect new entrants to emerge.

More broadly, we compete against providers of different sources of entertainment, such as movies, television, online casual entertainment and music that our players could enjoy in their free time. Important competitive factors in our industry include the ability to attract creative and technical talent, game quality and ease of use, innovation, compatibility of products with certain consoles and other distribution channels, brand recognition, reputation, reliability, security, creativity, price, marketing, and quality of customer service.

Risks related to competitive factors affecting our business are described in Part I, Item 1A, Risk Factors.

Research and Development

Because the industries in which we compete are characterized by rapid technological advances, our ability to compete successfully is linked to our ability to deliver a flow of competitive products, services and technologies to the marketplace. We have teams focused on developing new technologies to enhance existing products and services and to expand the range of our offerings.

Intellectual Property and Technology

To establish and protect our intellectual property, we rely on a combination of copyrights, trademarks, patents, patent applications, trade secrets, know-how, license agreements, confidentiality provisions and procedures and other contractual provisions. We actively engage in enforcement and other activities to protect our intellectual property, but the laws of some countries in which we operate, particularly in Asia, either do not protect our intellectual property to the same extent as the laws of the United States or are poorly enforced. As our digital business has grown, our games and services increasingly depend on the reliability, availability and security of our technological infrastructure. In addition, we engage in activities designed to limit the impact of abuse of our digital products and services, including monitoring our games for evidence of exploitation and re-balancing our game environments in the event that such abuse is discovered.

Governmental Regulation

We are a global company subject to various and complex laws and regulations domestically and internationally, including laws and regulations related to gaming, user privacy, data collection and retention, consumer protection, protection of minors, online safety, content, advertising, localization, information security, intellectual property, competition, sanctions, addressing climate change, taxation, and employment, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. Certain of our business models are subject to new laws or regulations or evolving interpretations and application of existing laws and regulations. The growth and development of electronic commerce, virtual items and virtual currency has prompted calls for new laws and regulations and resulted in the application of existing laws or regulations that have limited or restricted the sale of our products and services in certain territories.

Seasonality

We have historically experienced the highest percentage of our net bookings in our third fiscal quarter due to seasonal holiday demand and the launch timing of our games. While we expect this trend to continue in fiscal year 2025, there is no assurance that it will.

Human Capital

Our ability to attract and retain qualified employees is a critical factor in the successful development of our products and services. As of March 31, 2024, we employed approximately 13,700 people globally, with 66 percent located internationally. Our Board and its committees oversee our human capital management programs, practices and strategies and additional information on how they oversee these matters can be found in our annual Proxy Statement. We're committed to (1) embedding inclusion in our people practices to enable our people to thrive and do their best work, (2) a healthy and supportive culture that prioritizes engagement, listening and action, and (3) supporting the development of our people and the growth of our business.

Our most recently published Company-wide gender and racial/ethnic representation, as well as our EEO-1 report (U.S. government reporting), are available on our website. Our programs and practices are designed to compensate our employees fairly based on the work that they perform. We consider our pay equity philosophy at each stage at which compensation decisions are made, including when hiring and promoting employees and through our annual review cycle. In addition, we annually partner with an independent outside firm to review employees' pay and promote fairness in our compensation philosophy and practices.

We aim to create a work environment and culture in which our people can do their best work. We aim to build a reciprocal relationship in which we engage, listen, respond, and work together to create a culture that supports our people and helps us deliver our business goals. All regular, full-time employees are asked to complete an Engagement Survey twice per year. 78 percent of employees participated in our most recent Engagement Survey, conducted in December 2023. We also conduct regular manager surveys. Results of all employee surveys are evaluated and inform opportunities for further improvement in our people practices.

We invest in developing and retaining employees through access to professional growth resources, skills learning, and other job-specific and general training. We also build technical onboarding and job-specific programs to help our employees onboard to technical roles and grow in their specific domains. We maintain resources, programs and services to support employees' physical, mental, familial and financial health. We offer a wide range of benefits, such as comprehensive health insurance and time-off and leave programs.

We also design ways to collaborate across work models, whether working virtually, on-site, or using a hybrid approach. We empower leadership to determine the most appropriate workplace strategy for their teams, intended to facilitate productivity and engagement and to deliver on business priorities.

Investor Information

Our website address is www.ea.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, as amended, are available free of charge on the Investor Relations section of our website at http://ir.ea.com as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We announce material financial information and business updates through our SEC filings, press releases, public conference calls and webcasts, the Investor Relations section of our website at http://ir.ea.com, our blog at https://www.ea.com/news and through our X profile @EA. Except as expressly set forth in this Form 10-K annual report, the contents of our website, 2023 Impact Report and/or social media accounts are not incorporated into, or otherwise to be regarded as part of this Form 10-K.

Company Information

We were incorporated originally in California in 1982. In September 1991, we were reincorporated under the laws of Delaware. Our principal executive offices are located at 209 Redwood Shores Parkway, Redwood City, California 94065 and our telephone number is (650) 628-1500.

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Information About Our Executive Officers

The following table sets forth information regarding our executive officers as of May 22, 2024:

Name	Age	Position
Andrew Wilson	49	Chief Executive Officer, Chair of the Board
Stuart Canfield	45	EVP & Chief Financial Officer
Laura Miele	54	President of EA Entertainment, Technology & Central Development
Mala Singh	53	Chief People Officer
Jacob Schatz	55	EVP of Global Affairs, Chief Legal Officer and Corporate Secretary
Eric Kelly	52	Senior Vice President, Chief Accounting Officer

Mr. Wilson has served as EA's Chief Executive Officer and as a director of EA since September 2013 and was appointed Chair of the Board of Directors in August 2021. Prior to his appointment as our Chief Executive Officer, Mr. Wilson held several positions within the Company since joining EA in May 2000, including Executive Vice President, EA SPORTS from August 2011 to September 2013. Mr. Wilson also serves as chairman of the board of the privately-held World Surf League and is a member of the Board of Trustees of the Paley Center for Media. Mr. Wilson has served on the board of directors of Intel Corporation within the last five years.

Mr. Canfield has served as EA's Chief Financial Officer since June 2023. Mr. Canfield joined EA in 2003 and has over 20 years of experience across a variety of senior leadership positions in global finance, investor relations and operations, including SVP of Enterprise Finance & Investor Relations, SVP Finance (Strategic and Financial Planning) and SVP Finance (Corporate & Global EA Studios). Mr. Canfield received his undergraduate degree from the University of London.

Ms. Miele has served as EA's President of EA Entertainment, Technology & Central Development since June 2023. Ms. Miele joined the Company in March 1996 and has held several positions at the Company, including Chief Operating Officer from October 2021 to June 2023, Chief Studios Officer from April 2018 to October 2021, Executive Vice President, Global Publishing from April 2016 to April 2018, and several senior roles in the Company's marketing organization.

Ms. Singh has served as EA's Chief People Officer since October 2016. Ms. Singh was previously employed by EA from 2009 to 2013, service as Vice President, Human Resources, EA Labels from 2011 to 2013. Prior to rejoining EA, Ms. Singh served as the Chief People Officer of Minted, LLC from January 2014 to October 2016. Ms. Singh earned both her undergraduate and graduate degrees from Rutgers University - New Brunswick.

Mr. Schatz has served as EA's Executive Vice President of Global Affairs and Chief Legal Officer since June 2023 and leads the teams responsible for Legal Affairs, Business Development, Corporate Development, and other disciplines. Mr. Schatz joined EA in 1999, holding several roles within EA's legal department and was appointed General Counsel and Corporate Secretary in 2014. Mr. Schatz earned his J.D. from Georgetown University Law Center and received his undergraduate degree from Pomona College. Mr. Schatz is a member of the Bar of the State of California and is admitted to practice in the United States Supreme Court, the Ninth Circuit Court of Appeals and several United States District Courts.

Mr. Kelly has served as EA's Chief Accounting Officer since August 2021. Since joining EA in 2003, Mr. Kelly has held several positions within EA's finance organization, including Vice President and Worldwide Controller from January 2014 to August 2021 and finance leadership roles such as CFO of Asia and European Financial Controller. Mr. Kelly holds a B.S. in Accounting from Villanova University and is a licensed Certified Public Accountant.

Item 1A: Risk Factors

Our business is subject to many risks and uncertainties, which may affect our future financial performance. In the past, we have experienced certain of the events and circumstances described below, which adversely impacted our business and financial performance. If any of the events or circumstances described below occur, our business or financial performance could be harmed, our actual results could differ materially from our expectations and the market value of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe could be material that may harm our business or financial performance.

STRATEGIC RISKS

Our business is intensely competitive. We may not deliver successful and engaging products and services, or consumers may prefer our competitors' products or services over our own.

Competition in our business is intense. Many new products and services are regularly introduced, but only a relatively small number of products and associated services drive significant engagement and account for a significant portion of total revenue. Our competitors range from established interactive entertainment companies to emerging start-ups. In addition, the gaming, technology/internet, and entertainment industries are converging, and we compete with large, diversified companies in those industries. We expect them to continue to pursue and strengthen these businesses. Their greater financial and other resources may provide larger budgets to recruit our key creative and technical talent, develop and market products and services that gain consumer success and shift player time and engagement away from our products and services, or otherwise disrupt our operations. We also expect new competitors to continue to emerge throughout the world. If our competitors develop more successful and engaging products or services, offer competitive products or services at lower price points, or if we do not continue to develop consistently high-quality, well-received and engaging products and services, or if our marketing strategies are not innovative or fail to resonate with players, particularly during key selling periods, our revenue, margins, and profitability will decline.

We strive to create innovative and high-quality products and services that allow us to grow the global online communities around our key franchises and reach more players. However, innovative and high-quality titles, even if highly-reviewed, may not meet our expectations or the expectations of our players. Many financially successful products and services within our industry are iterations of prior titles with large established consumer bases and significant brand recognition, which makes competing in certain categories challenging. In addition, products or services of our direct competitors or other entertainment companies may shift consumer spending or engagement from our products and services, which could cause our products and services to underperform. A significant portion of our revenue historically has been derived from products and services based on a few popular franchises, and the underperformance of a single major title has had, and could in the future have, a material adverse impact on our financial results. For example, we have historically derived a significant portion of our net revenue from sales related to our EA SPORTS FC franchise, annualized versions of which are consistently one of the best-selling games in the marketplace. Any events or circumstances that negatively impact our EA SPORTS FC franchise, including *Ultimate Team*, such as product or service quality, other products that take a portion of consumer spending and time, the delay or cancellation of a product or service launch, increased competition for key licenses, or real or perceived security or regulatory risks, could negatively impact our financial results to a disproportionate extent.

We may not meet our product and live service development schedules.

Our ability to meet product and live service development schedules is affected by a number of factors both within and outside our control, including feedback from our players, the creative processes involved, the coordination of large and sometimes geographically dispersed development teams, evolving work models, the complexity of our products and the platforms for which they are developed, the need to fine-tune our products prior to their release, and, in certain cases, approvals from third parties. We have experienced development delays for our products and services in the past which caused us to delay or cancel release dates. Any failure to meet anticipated production or release schedules likely would result in a delay of revenue and/or possibly a significant shortfall in our revenue, increase our development and/or marketing expenses, harm our profitability, and cause our operating results to be materially different than anticipated. If we miss key selling periods for products or services, including product delays or product cancellations our sales likely will suffer significantly.

Our industry changes rapidly and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services.

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Rapid changes in our industry require us to anticipate, sometimes years in advance, the ways in which our business can remain competitive in the market. We have invested, and in the future may invest, in new business and marketing strategies, tools and technologies, distribution methods, products, and services. There can be no assurance that these strategic investments will achieve expected returns. No assurance can be given that the tools and technology we choose to implement, the business and marketing strategies we choose to adopt and the products, services and platform strategies that we pursue will achieve financial results that meet or exceed our expectations. We also may miss opportunities or fail to respond quickly enough to industry change, including the adoption of tools and technology or distribution methods or develop products, services or new ways to engage with our games that become popular with consumers, which could adversely affect our financial results.

Stakeholders have high expectations for the quality and integrity of our business, culture, products and services and we may be unsuccessful in meeting these expectations.

Expectations regarding the quality, performance and integrity of our business, brand, reputation, culture, products and services are high. Players and other stakeholders have sometimes been critical of our industry, brands, products, services, online communities, business models and/or practices for a wide variety of reasons, including perceptions about gameplay fun, fairness, game content, features or services, or objections to certain of our practices. These negative responses may not be foreseeable. We also may not effectively manage our responses because of reasons within or outside of our control. In addition, we have taken actions, including delaying the release of our games and delaying or discontinuing content, features and services for our games, after taking into consideration, among other things, feedback from our community or geopolitical events even if those decisions negatively impacted our operating results in the short term. These actions have had a negative impact on our financial results and may impact our future development processes. We expect to continue to take actions as appropriate, including actions that may result in additional expenditures and the loss of revenue.

Certain of our games and features on our platforms support online features that allow players and viewers to communicate with one another and post content, in real time, that is visible to other players and viewers. From time to time, this "user generated content" may contain objectionable and offensive content that is distributed and disseminated by third parties and our brands may be negatively affected by such actions. If we fail to appropriately respond to the dissemination of such content, we may be subject to lawsuits and governmental regulation, our players may not engage with our products and services and/or may lose confidence in our brands and our financial results may be adversely affected.

Additionally, our products and services are extremely complex software programs and are difficult to develop and distribute. We have quality controls in place to detect defects, bugs or other errors in our products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and resource or technical constraints. If these quality controls and preventative measures are not effective in detecting all defects, bugs or errors in our products and services before they have been released into the marketplace, then our products and services could be below our standards and the standards of our players and our reputation, brand and sales could be adversely affected. In addition, we could be required to, or may find it necessary to, offer a refund for the product or service, suspend the availability or sale of the product or service or expend significant resources to cure the defect, bug or error each of which could significantly harm our business and operating results.

External game developers may not meet product development schedules or otherwise honor their obligations.

We contract with external game developers to develop our games or to publish or distribute their games. While we maintain contractual protections, we have less control over the product development schedules of games developed by external developers. We depend on their ability to meet product development schedules. If we have disputes with external developers or they cannot meet product development schedules, acquire certain approvals or are otherwise unable or unwilling to honor their obligations to us, we may delay or cancel previously announced games, alter our launch schedule or experience increased costs and expenses, which could result in a delay or significant shortfall in anticipated revenue, harm our profitability and reputation, and cause our financial results to be materially affected.

Our business depends on the success and availability of consoles, platforms and devices developed by third parties and our ability to develop commercially successful products and services for those consoles, platforms and devices.

The success of our business is driven in part by the commercial success and adequate supply of third-party consoles, platforms and devices for which we develop our products and services or through which our products and services are distributed. Our success depends in part on accurately predicting which consoles, platforms and devices will be successful in the marketplace and providing engaging and commercially successful games and services for those consoles, platforms and devices. We must make product development decisions and commit significant resources well in advance of the commercial availability of new consoles, platforms and devices, and we may incur significant expense to adjust our product portfolio and development efforts

in response to changing consumer preferences. We may enter into certain exclusive licensing arrangements that affect our ability to deliver or market products or services on certain consoles, platforms or devices. A console, platform or device for which we are developing products and services may not succeed as expected and we may be unable to fully recover the investments we have made in developing our products and services; or new consoles, platforms or devices may take market share away from those for which we have devoted significant resources, causing us to not reach our intended audience and take advantage of meaningful revenue opportunities.

We may experience declines or fluctuations in the re-occurring portion of our business.

Our business model includes revenue that we deem re-occurring in nature, such as revenue from our live services, annualized sports franchises (e.g., EA SPORTS FC, EA SPORTS Madden NFL), and our console, PC and mobile catalog titles (i.e., titles that did not launch in the current fiscal year). While we have been able to forecast the revenue from these areas of our business with greater relative confidence than for new games, services and business models, we cannot provide assurances that consumer demand will remain consistent, including in connection with circumstances outside of our control. Furthermore, we may cease to offer games and services that we previously had deemed to be re-occurring in nature. Any decline or fluctuation in the re-occurring portion of our business may have a negative impact on our financial and operating results.

We could fail to successfully adopt new business models.

From time to time we seek to establish and implement new business models. Forecasting the success of any new business model is inherently uncertain and depends on a number of factors both within and outside of our control. Our actual revenue and profit for these businesses may be significantly greater or less than our forecasts. In addition, these new business models could fail, resulting in the loss of our investment in the development and infrastructure needed to support these new business models, as well as the opportunity cost of diverting management and financial resources away from more successful and established businesses. Any failure to successfully implement new business models could materially impact our financial and operating results.

Acquisitions, investments, divestitures and other strategic transactions could result in operating difficulties and other negative consequences.

We have made and may continue to make acquisitions or enter into other strategic transactions including (1) acquisitions of companies, businesses, intellectual properties, and other assets, (2) investments in, or transactions with, strategic partners, and (3) investments in new businesses as part of our long-term business strategy. These acquisitions and other transactions involve significant challenges and risks including that the transaction does not advance our business strategy or strategic goals, that we do not realize a satisfactory return on our investment, cannot realize anticipated tax benefits or incur tax costs, that we acquire liabilities and/or litigation from acquired companies or liabilities and/or litigation results from the transactions, that our due diligence process does not identify significant issues, liabilities or other challenges, diversion of management's attention from our other businesses, and the incurrence of debt, contingent liabilities or amortization expenses, write-offs of goodwill, intangibles, or acquired in-process technology, or other increased cash and non-cash expenses. In addition, we may not integrate these businesses successfully or achieve expected synergies.

We may fund strategic transactions with (1) cash, which would reduce cash available for other corporate purposes, (2) debt, which would increase our interest expense and leverage and/or (3) equity which would dilute current shareholders' percentage ownership and also dilute our earnings per share.

Additionally, we have divested and may in the future divest certain products and services that no longer fit our long-term strategies. Divestitures may adversely impact our business, operating results and financial condition if we are unable to achieve the anticipated benefits or cost savings from such divestitures, or if we are unable to offset impacts from the loss of revenue associated with the divested product lines or technologies.

We may be unable to maintain or acquire licenses to include intellectual property owned by others in our games, or to maintain or acquire the rights to publish or distribute games developed by others.

Many of our products and services are based on or incorporate intellectual property owned by others. For example, our EA SPORTS products include rights licensed from major sports leagues, teams and players' associations and our Star Wars products include rights licensed from Disney. Competition for these licenses and rights is intense. If we are unable to maintain these licenses and rights or obtain additional licenses or rights with significant commercial value, our ability to develop successful and engaging products and services may be adversely affected and our revenue, profitability and cash flows may

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decline significantly. Other competitors may assume certain licenses and create competing products, impacting our sales. Competition for these licenses has increased, and may continue to increase, the amounts that we must pay to licensors and developers, through higher minimum guarantees or royalty rates, which could significantly increase our costs and reduce our profitability.

Our business partners may not honor their obligations to us or their actions may put us at risk.

We rely on various business partners, including platform partners, third-party service providers, vendors, licensing partners, development partners and licensees. Their actions may put our business and our reputation and brand at risk. In many cases, our business partners may be given access to sensitive and proprietary information in order to provide services and support, and they may misappropriate our information and engage in unauthorized use of it. In addition, the failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to our business operations. Further, disruptions in the financial markets, economic downturns, poor business decisions, or reputational harm may adversely affect our business partners and they may not be able to continue honoring their obligations to us or we may cease our arrangements with them. Alternative arrangements and services may not be available to us on commercially reasonable terms or we may experience business interruptions upon a transition to an alternative partner or vendor.

OPERATIONAL RISKS

Catastrophic events may disrupt our business.

Catastrophic events, including natural disasters, cyber-incidents, power disruptions, pandemics, acts of terrorism or other events have caused, and in the future could cause, outages, disruptions and/or degradations of our infrastructure (including our or our partners' information technology and network systems), a failure in our ability to conduct normal business operations, or the closure of public spaces in which players engage with our games and services all of which could materially impact our reputation and brand, financial condition and operating results. The health and safety of our employees, players, third-party organizations with whom we partner, or regulatory agencies on which we rely could be also affected, any of which may prevent us from executing against our business strategies and/or cause a decrease in consumer demand for our products and services. We recognize the inherent physical risks associated with climate change. Our business relies on the reliable transmission of energy worldwide and is susceptible to weather-related events that could stress the power grid. System redundancy may be ineffective, and our disaster recovery and business continuity planning may not be sufficient for all eventualities. In addition, our corporate headquarters and several of our key studios also are located in seismically active regions and areas that are vulnerable to other natural disasters and weather events such as wildfires and hurricanes. These catastrophic events could disrupt our business and operations, and/or the businesses and operations of our partners and may cause us to incur additional costs to maintain or resume operations.

We have and may continue to experience security breaches and cyber threats.

The integrity of our and our partners' information technology networks and systems is critical to our ongoing operations, products, and services. Our industry is prone to, and our systems and networks are subject to actions by malfeasant actors, which may include individuals or groups, including state-sponsored attackers. These actions include cyber-attacks, including ransomware, and other information security incidents that seek to exploit, disable, damage, and/or disrupt our networks, business operations, products and services and supporting technological infrastructure, or gain access to consumer and employee personal information, our intellectual property and other assets. Additionally, as artificial intelligence capabilities develop rapidly, individuals or groups of hackers and sophisticated organizations, may use these technologies to create new sophisticated attack methods that are increasingly automated, targeted and coordinated and more difficult to defend against. In addition, our systems and networks could be harmed or improperly accessed due to errors by employees or third parties that are authorized to access these networks and systems. We also rely on technological infrastructure provided by third-party business partners to support the online functionality of our products and services, who are also subject to these same cyber risks. Both our partners and we have expended, and expect to continue to expend, financial and operational resources to guard against cyber risks and to help protect our data and systems. However, the techniques used by malfeasant actors change frequently, continue to evolve in sophistication and volume, and often are not detected for long periods of time.

Remote access to our networks and systems, and the networks and systems of our partners is substantial. While we and our partners have taken steps to secure our networks and systems, these networks and systems may be more vulnerable to a successful cyber-attack or information security incident in a hybrid working model. The costs to respond to, mitigate, and/or notify affected parties of cyber-attacks and other security vulnerabilities are significant. It may also be necessary for us to take

additional extraordinary measures and make additional expenditures to take appropriate responsive and preventative steps. Consequences of such events, responsive measures and preventative measures have included, and could in the future include, the loss of proprietary and personal data and interruptions or delays in our business operations, exploitation of our data, as well as loss of player confidence and damage to our brand and reputation, financial expenses and financial loss. In addition, such events could cause us to be non-compliant with applicable regulations, and subject us to legal claims or penalties under laws protecting the privacy or security of personal information or proprietary material information. We have experienced such events in the past and expect future events to occur.

In addition, the virtual economies that we have established in many of our games are subject to abuse, exploitation and other forms of fraudulent activity that can negatively impact our business. Virtual economies involve the use of virtual currency and/or virtual assets that can be used or redeemed by a player within a particular game or service. The abuse or exploitation of our virtual economies have included the illegitimate or unauthorized generation and sale of virtual items, including in black markets. Our online services have been impacted by in-game exploits and the use of automated or other fraudulent processes designed to generate virtual items or currency illegitimately or to execute account takeover attacks against our players. We anticipate such activity to continue. These abuses and exploits, and the steps that we take to address these abuses and exploits may result in a loss of anticipated revenue, increased costs to protect against or remediate these issues, interfere with players' enjoyment of a balanced game environment or cause harm to our reputation and brand.

We may experience outages, disruptions or degradations in our services, products and/or technological infrastructure.

The reliable performance of our products and services depends on the continuing operation and availability of our information technology systems and those of our external service providers, including third-party "cloud" computing services. Our games and services are complex software products and maintaining the sophisticated internal and external technological infrastructure required to reliably deliver these games and services is expensive and complicated. The reliable delivery and stability of our products and services has been, and could in the future be, adversely impacted by outages, disruptions, failures or degradations in our network and related infrastructure, as well as in the online platforms or services of key business partners that offer, support or host our products and services. The reliability and stability of our products and services has been affected by events outside of our control as well as by events within our control, such as the migration of data among data centers and to third-party hosted environments, the performance of upgrades and maintenance on our systems, and effectively scaling our technological infrastructure to accommodate online demand for our products and services.

If we or our external business partners were to experience an event that caused a significant system outage, disruption or degradation or if a transition among data centers or service providers or an upgrade or maintenance session encountered unexpected interruptions, unforeseen complexity or unplanned disruptions, our products and services may not be available to consumers or may not be delivered reliably and stably. As a result, our reputation and brand may be harmed, consumer engagement with our products and services may be reduced, and our revenue and profitability could be negatively impacted. We do not have redundancy for all our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities.

Attracting, managing and retaining our talent is critical to our success.

Our business depends on our ability to attract, train, motivate and retain executive, technical, creative, marketing and other personnel that are essential to the development, marketing and support of our products and services. The market for highly-skilled workers and leaders in our industry is extremely competitive, particularly in the geographic locations in which many of our key personnel are located. We also engage with talent through contracted services. In addition, our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives, as well as key creative and technical talent. If we cannot successfully recruit, train, motivate, attract and retain qualified employees, develop and maintain a healthy culture, or replace key employees following their departure, our reputation, brand and culture may be negatively impacted and our business will be impaired. Our global workforce is primarily non-unionized, but we have unions and works councils outside of the United States. In the United States, there has been an increase in prominence in certain sectors of workers exercising their right to form or join a union. If significant employee populations were to unionize or if we experience labor disruptions, we could experience operational changes that may materially impact our business.

We rely on the consoles, systems and devices of partners who have significant influence over the products and services that we offer in the marketplace.

A significant percentage of our digital net revenue is attributable to sales of products and services through our significant partners, including Sony, Microsoft, Apple and Google. The concentration of a material portion of our digital sales in these partners exposes us to risks associated with these businesses. Any deterioration in the businesses of our significant partners

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could disrupt and harm our business, including by limiting the methods through which our digital products and services are offered and exposing us to collection risks.

In addition, our license agreements typically provide these partners with significant control over the approval and distribution of the products and services that we develop for their consoles, systems and devices. For products and services delivered via digital channels, each respective partner has policies and guidelines that control the promotion and distribution of these titles and the features and functionalities that we are permitted to offer through the channel. Our partners could choose to exclude our products and services from, or de-emphasize the promotion of our products and services within, some or all of their distribution channels in order to promote their own products and services or those of our competitors. In addition, we are dependent on these partners to invest in, and upgrade, the capabilities of their systems in a manner that corresponds to the preferences of consumers. Failure by these partners to keep pace with consumer preferences could have an adverse impact on the engagement with our products and services and our ability to merchandise and commercialize our products and services which could harm our business and/or financial results.

Moreover, certain significant partners can determine and change unilaterally certain key terms and conditions, including the ability to change their user and developer policies and guidelines and can also set the rates that we must pay to provide our games and services through their online channels, and retain flexibility to change their fee structures or adopt different fee structures for their online channels. These partners also control the information technology systems through which online sales of our products and service channels are captured. If our partners establish terms that restrict our offerings, significantly impact the financial terms on which these products or services are offered to our customers, or their information technology systems experience outages that impact our players' ability to access our games or purchase extra content or cause an unanticipated delay in reporting, our business and/or financial results could be materially affected.

LEGAL AND COMPLIANCE RISKS

Our business is subject to complex and prescriptive regulations regarding consumer protection and data privacy practices, and could be adversely affected if our consumer protection, data privacy and security practices are not adequate, or perceived as being inadequate.

We are subject to global data privacy, data protection, security and consumer-protection laws and regulations worldwide. These laws and regulations are emerging and evolving and the interpretation, application and enforcement of these laws and regulations often are uncertain, contradictory and changing. The failure to maintain data practices that are compliant with applicable laws and regulations, or evolving interpretations of applicable laws and regulations, could result in inquiries from enforcement agencies or direct consumer complaints, resulting in civil or criminal penalties, and could adversely impact our reputation and brand. In addition, the operational costs of compliance with these regulations is high and will likely continue to increase. Even if we remain in compliance with applicable laws and regulations, consumer sensitivity to the collection and processing of their personal information continues to increase. Any real or perceived failures in maintaining acceptable data privacy practices, including allowing improper or unauthorized access, acquisition or misuse and/or uninformed disclosure of consumer, employee and other information, or a perception that we do not adequately secure this information or provide consumers with adequate notice about the information that they authorize us to collect and disclose could result in brand, reputational, or other harms to the business, result in costly remedial measures, deter current and potential customers from using our products and services and cause our financial results to be materially affected.

Third party vendors and business partners receive access to certain information that we collect. These vendors and business partners may not prevent data security breaches with respect to the information we provide them or fully enforce our policies, contractual obligations and disclosures regarding the collection, use, storage, transfer and retention of personal data. A data security breach of one of our vendors or business partners could cause reputational and financial harm to them and us, negatively impact our ability to offer our products and services, and could result in legal liability, costly remedial measures, governmental and regulatory investigations, harm our profitability, reputation and brand, and/or cause our financial results to be materially affected.

Government regulations applicable to us may negatively impact our business.

We are a global company subject to various and complex laws and regulations domestically and internationally, including laws and regulations related to consumer protection, protection of minors, online safety, content, advertising, information security, intellectual property, competition, sanctions, taxation, and employment, among others. Many of these laws and regulations are continuously evolving and developing, and the application to, and impact on, us is uncertain. Enforcement of these laws could harm our business by limiting the products and services we can offer consumers or the manner in which we offer them. The costs of compliance with these laws may increase in the future as a result of changes in applicable laws or changes to

interpretation. Any failure on our part to comply with these laws or the application of these laws in an unanticipated manner may harm our business and result in penalties or significant legal liability.

Certain of our business models and features within our games and services are subject to new laws or regulations or evolving interpretations and application of existing laws and regulations. The growth and development of electronic commerce, virtual items and virtual currency has prompted calls for new laws and regulations and resulted in the application of existing laws or regulations that have limited or restricted the sale of our products and services in certain territories. Additionally, in our current phase of innovation, artificial intelligence capabilities are rapidly advancing, and it is possible that we could become subject to new regulations, or the interpretation of existing regulations, aimed at how we incorporate artificial intelligence into our games and development processes, that could negatively impact our operation and results. Our games and services allow players to connect with each other and create and share user-generated content. Such interactions and content may be objectionable or offensive and decrease engagement with our products and services, cause a loss of confidence in our brands and expose us to liability and regulatory oversight, particularly as applicable global laws and regulations are introduced and evolve. New laws related to these business models and features or the interpretation or application of current laws could subject us to additional regulation and oversight, cause us to further limit or restrict the sale of our products and services or otherwise impact our products and services, lessen the engagement with, and growth of, profitable business models, and expose us to increased compliance costs, significant liability, fines, penalties and harm to our reputation and brand.

We are subject to laws in certain foreign countries, and adhere to industry standards in the United States, that mandate rating requirements or set other restrictions on the advertisement, publication or distribution of interactive entertainment software based on content. In addition, certain foreign countries allow government censorship of interactive entertainment software products or require pre-approval processes of uncertain length before our games and services can be offered. Adoption and enforcement of ratings systems, censorship, restrictions on publication or distribution, and changes to approval processes or the status of any approvals could harm our business by limiting the products we are able to offer to our consumers. In addition, compliance with new and possibly inconsistent regulations for different territories could be costly, delay or prevent the release of our products in those territories.

We may be subject to claims of infringement of third-party intellectual property rights.

From time to time, third parties may claim that we have infringed their intellectual property rights. Although we take steps to avoid knowingly violating the intellectual property rights of others, it is possible that third parties still may claim infringement. Existing or future infringement claims against us may be expensive to defend and divert the attention of our employees from business operations. Such claims or litigation could require us to pay damages and other costs. We also could be required to stop selling, distributing or supporting products, features or services which incorporate the affected intellectual property rights, redesign products, features or services to avoid infringement, or obtain a license, all of which could be costly and harm our business.

In addition, many patents have been issued that may apply to potential new modes of delivering, playing or monetizing products and services such as those that we produce or would like to offer in the future. We may discover that future opportunities to provide new and innovative modes of game play and game delivery may be precluded by existing patents that we are unable to acquire or license on reasonable terms.

From time to time we may become involved in other legal proceedings.

We are currently, and from time to time in the future may become, subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, disruptive to normal business operations and occupy a significant amount of our employees' time and attention. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on our business, reputation, operating results, or financial condition.

Our products and brands are subject to intellectual property infringement, including in jurisdictions that do not adequately protect our products and intellectual property rights.

We regard our products, brands and intellectual property as proprietary and take measures to protect our assets from infringement. We are aware that some unauthorized copying of our products and brands occurs, and if a significantly greater amount were to occur, it could negatively impact our business. Further, our products and services are available worldwide and the laws of some countries, particularly in Asia, either do not protect our products, brands and intellectual property to the same extent as the laws of the United States or are poorly enforced. Legal protection of our rights may be ineffective in countries with weaker intellectual property enforcement mechanisms. In addition, certain third parties have registered our intellectual property

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rights without authorization in foreign countries. Successfully registering such intellectual property rights could limit or restrict our ability to offer products and services based on such rights in those countries. Although we take steps to enforce and police our rights, our practices and methodologies may not be effective against all eventualities.

FINANCIAL RISKS

Our financial results are subject to currency and interest rate fluctuations.

International sales are a fundamental part of our business. For our fiscal year ended March 31, 2024, international net revenue comprised 60 percent of our total net revenue, and we expect our international business to continue to account for a significant portion of our total net revenue. As a result of our international sales, and also the denomination of our foreign investments and our cash and cash equivalents in foreign currencies, we are exposed to the effects of fluctuations in foreign currency exchange rates, and volatility in foreign currency exchange rates remains elevated as compared to historic levels. We use foreign currency hedging contracts to mitigate some foreign currency risk. However, these activities are limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses. In addition, interest rate volatility can decrease the amount of interest earned on our cash, cash equivalents and short-term investment portfolio.

We utilize debt financing and such indebtedness could adversely impact our business and financial condition.

We have senior unsecured notes outstanding, as well as an unsecured revolving credit facility. While the facility is currently undrawn, we may use the proceeds of any future borrowings for general corporate purposes. We may also enter into other financial instruments in the future. This indebtedness and any indebtedness that we may incur in the future could affect our financial condition and future financial results by, among other things, requiring the dedication of a substantial portion of any cash flow from operations to the repayment of indebtedness and increasing our vulnerability to downturns in our business or adverse changes in general economic and industry conditions.

The agreements governing our indebtedness impose restrictions on us and require us to maintain compliance with specified covenants. In particular, the revolving credit facility requires us to maintain compliance with a debt to EBITDA ratio. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of these covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, our outstanding indebtedness may be declared immediately due and payable. There can be no assurance that any refinancing or additional financing would be available on terms that are favorable or acceptable to us, if at all. In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of both our debt and equity securities, as well as the potential costs associated with new issuances or any potential refinancing of existing issuances. Downgrades in our credit rating could also restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

Changes in our tax rates or exposure to additional tax liabilities, and changes to tax laws and interpretations of tax laws could adversely affect our earnings and financial condition.

We are subject to taxes in the United States and in various foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision, tax assets, and accruals for other taxes, and the ultimate tax determination is uncertain for many transactions. Our effective income tax rate is based in part on our corporate operating structure and how we operate our business and develop, value, and use our intellectual property. Taxing authorities in jurisdictions in which we operate have challenged and audited, and may continue to, challenge and audit our methodologies for calculating our income taxes, which could increase our effective income tax rate. In addition, our provision for income taxes is materially affected by our profit levels, changes in our business, changes in our geographic mix of earnings, changes in the elections we make, changes in our corporate structure, or changes in applicable accounting rules, as well as other factors.

Changes to enacted U.S. federal, state or international tax laws, as well as changes to interpretations of existing tax laws, particularly in Switzerland, where our international business is headquartered, and actions we have taken in our business with respect to such laws, have affected, and could continue to affect, our effective tax rates and cash taxes, and could cause us to change the way in which we structure our business and result in other costs. For example, the European Union and other countries, including Switzerland, have enacted or have committed to enact global minimum taxes which could impact our provision for income taxes and cash taxes. Our effective tax rate also could be adversely affected by changes in the measurement of our deferred income taxes, including the need for valuation allowances against deferred tax assets. Our valuation allowances, in turn, are impacted by several factors with respect to our business, industry, and the macroeconomic environments, including changing interest rates and tax laws. Significant judgment is involved in determining the amount of

valuation allowances, and actual financial results also may differ materially from our current estimates and could have a material impact on our assessments.

We are required to pay taxes other than income taxes, such as payroll, sales, use, value-added, net worth, property, transfer, and goods and services taxes, in both the United States and foreign jurisdictions. Several foreign jurisdictions have introduced new digital services taxes on revenue of companies that provide certain digital services or expanded their interpretation of existing tax laws with regard to other non-income taxes. There is limited guidance about the applicability of these new taxes or changing interpretations to our business and significant uncertainty as to what will be deemed in scope. If these foreign taxes are applied to us, it could have an adverse and material impact on our business and financial performance.

GENERAL RISKS

Our business is subject to economic, market, public health and geopolitical conditions.

Our business is subject to economic, market, public health and geopolitical conditions, which are beyond our control. The United States and other international economies have experienced cyclical downturns from time to time. Worsening economic conditions, political instability, and adverse political developments in or around any of the countries in which we do business, particularly conditions that negatively impact discretionary consumer spending and consumer demand or increase our operating costs, including conflicts, inflation, slower growth, recession and other macroeconomic conditions have had, and could continue to have, a material adverse impact on our business and operating results. In addition, relations between the United States and countries in which we have operations and sales have been impacted by events such as the adoption or expansion of trade restrictions, including economic sanctions, that have had a negative impact on our financial results and development processes.

We are particularly susceptible to market conditions and risks associated with the entertainment industry, which, in addition to general macroeconomic downturns, also include the popularity, price and timing of our games, changes in consumer demographics, the availability and popularity of other forms of entertainment, and critical reviews and public tastes and preferences, among other factors which may change rapidly and cannot necessarily be predicted.

Our stock price has been volatile and may continue to fluctuate significantly.

The market price of our common stock historically has been, and we expect will continue to be, subject to significant fluctuations. These fluctuations may be due to our operating results or factors specific to our operating results (including those discussed in the risk factors above), changes in securities analysts' estimates of our future financial performance, ratings or recommendations, our results or future financial guidance falling below our expectations and analysts' and investors' expectations, the failure of our capital return programs to meet analysts' and investors' expectations, the announcement and integration of any acquisitions we may make, departure of key personnel, cyberattacks, or factors largely outside of our control including, those affecting interactive gaming, entertainment, and/or technology companies generally, national or international economic conditions, investor sentiment or other factors related or unrelated to our operating performance. In particular, economic downturns may contribute to the public stock markets experiencing extreme price and trading volume volatility. These fluctuations could adversely affect the price of our common stock.

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Item 1B: ***Unresolved Staff Comments***

None.

Item 1C: ***Cybersecurity***

In the ordinary course of our business, we collect, use, store, and digitally transmit confidential and personal information. The secure maintenance of this information and our information technology systems is important to our operations, business strategy, and maintaining the trust of our players, employees, and partners. To this end, we have implemented policies, practices and programs designed to assess, identify, and manage risks from potential unauthorized occurrences on or through our information technology systems that may result in adverse effects on the confidentiality, integrity, and availability of these systems and the data residing therein. These processes are managed and monitored by dedicated information technology security teams, which are led by our Chief Information Security Officer. They include mechanisms, controls, technologies, systems, and other processes designed to maintain a stable information technology environment and protect against unauthorized access, use, destruction, modification or disclosure of confidential and personal information, and other information security incidents affecting our operations or the availability of our products and services. For example, we invest in tools to detect suspicious activity in accounts, give players the ability to use two-factor authentication and work to prevent the creation of mass user accounts.

We also regularly test our defenses through penetration and vulnerability testing. We implement controls and procedures designed to mitigate risk with third-party vendors and business partners who have access to confidential and personal information, including by conducting a formalized security risk assessment. Security risks identified in security risk assessments are remediated, and/or formally documented, and in some cases the business relationship may be ended or not pursued. Our employees and certain contractors are required to complete mandatory annual security training. These trainings raise awareness of security practices and educates employees to protect information assets and infrastructure. We consult with outside advisors and experts when appropriate to assist in assessing, identifying and managing cybersecurity risks, including providing an independent analysis of our preparedness, assessing and managing the current risk environment and assisting us in preparing for future threats and trends.

Our Chief Information Security Officer, who reports directly to our Chief Technology Officer, Enterprise & Platform Services, has extensive experience managing information technology and cybersecurity matters and is responsible for assessing and managing cybersecurity risks. Risks associated with cybersecurity are integrated into our overall enterprise-wise enterprise risk assessment and more closely monitored by our information technology security teams. We face ongoing cybersecurity risks that, if realized, could materially impact our business, operations and financial results. During the reporting period, we did not experience any cybersecurity incident that has had, or is reasonably likely to have, a material impact on our operations or financial results. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors," under the heading "We have and may continue to experience security breaches and cyber threats."

Our Board of Directors maintains ultimate oversight over risks associated with cybersecurity and receives updates at least annually from our Chief Information Security Officer. In addition, our Audit Committee, which is composed solely of independent directors, receives updates from our Chief Information Security Officer on a quarterly basis, and more frequently as appropriate, that provide additional detail about the steps we take to monitor and mitigate these risks.

Item 2: ***Properties***

Not applicable.

Item 3: ***Legal Proceedings***

Refer to Note 14 of the Notes to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for disclosures regarding our legal proceedings.

Item 4: ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5: ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Holders

There were approximately 616 holders of record of our common stock as of May 20, 2024. In addition, a significant number of beneficial owners of our common stock hold their shares in street name. Our common stock is traded on the Nasdaq Global Select Market under the symbol "EA".

Dividends

Our quarterly cash dividend was $0.19 per share of common stock in fiscal year 2024. We paid aggregate cash dividends of $205 million during the fiscal year ended March 31, 2024. We currently expect to continue to pay comparable cash dividends on a quarterly basis in the future; however, future declarations of dividends and the establishment of future record dates and payment dates are subject to the final determination of our Board of Directors or a designated Committee of our Board of Directors.

Issuer Purchases of Equity Securities

In August 2022, our Board of Directors authorized a program to repurchase up to $2.6 billion of our common stock. We repurchased approximately 10.0 million shares of our common stock for approximately $1,300 million under this program during the fiscal year ended March 31, 2024. This program was terminated on May 8, 2024 and was superseded and replaced by a new stock repurchase program approved in May 2024.

In May 2024, the Company's Audit Committee, upon delegation from the Company's Board of Directors, authorized a new program to repurchase up to $5.0 billion of our common stock. This program supersedes and replaces the August 2022 program and expires on May 9, 2027. Under this program, we may purchase stock in the open market or through privately negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase a specific number of shares of our common stock under this program and it may be modified, suspended or discontinued at any time. We are actively repurchasing shares under this program.

The following table summarizes the number of shares repurchased in the fourth quarter of the fiscal year ended March 31, 2024:

Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publicly Announced Programs	Maximum Dollar Value that May Still Be Purchased Under the Programs (in millions)
December 31, 2023 - January 27, 2024	699,335	$ 137.14	699,335	$ 884
January 28, 2024 - February 24, 2024	729,048	$ 138.86	729,048	$ 783
February 25, 2024 - March 30, 2024	937,619	$ 136.39	937,619	$ 655
	2,366,002	$ 137.37	2,366,002	

Stock Performance Graph

The following information shall not be deemed to be "filed" with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, as amended, except to the extent that we specifically incorporate it by reference into a filing.

The following graph shows a five-year comparison of cumulative total returns during the period from March 31, 2019 through March 31, 2024, for our common stock, the S&P 500 Index (to which EA was added in July 2002), the Nasdaq Composite Index, and the RDG Technology Composite Index, each of which assumes an initial value of $100. Each measurement point is as of the end of each fiscal year. The performance of our stock depicted in the following graph is not necessarily indicative of the future performance of our stock.

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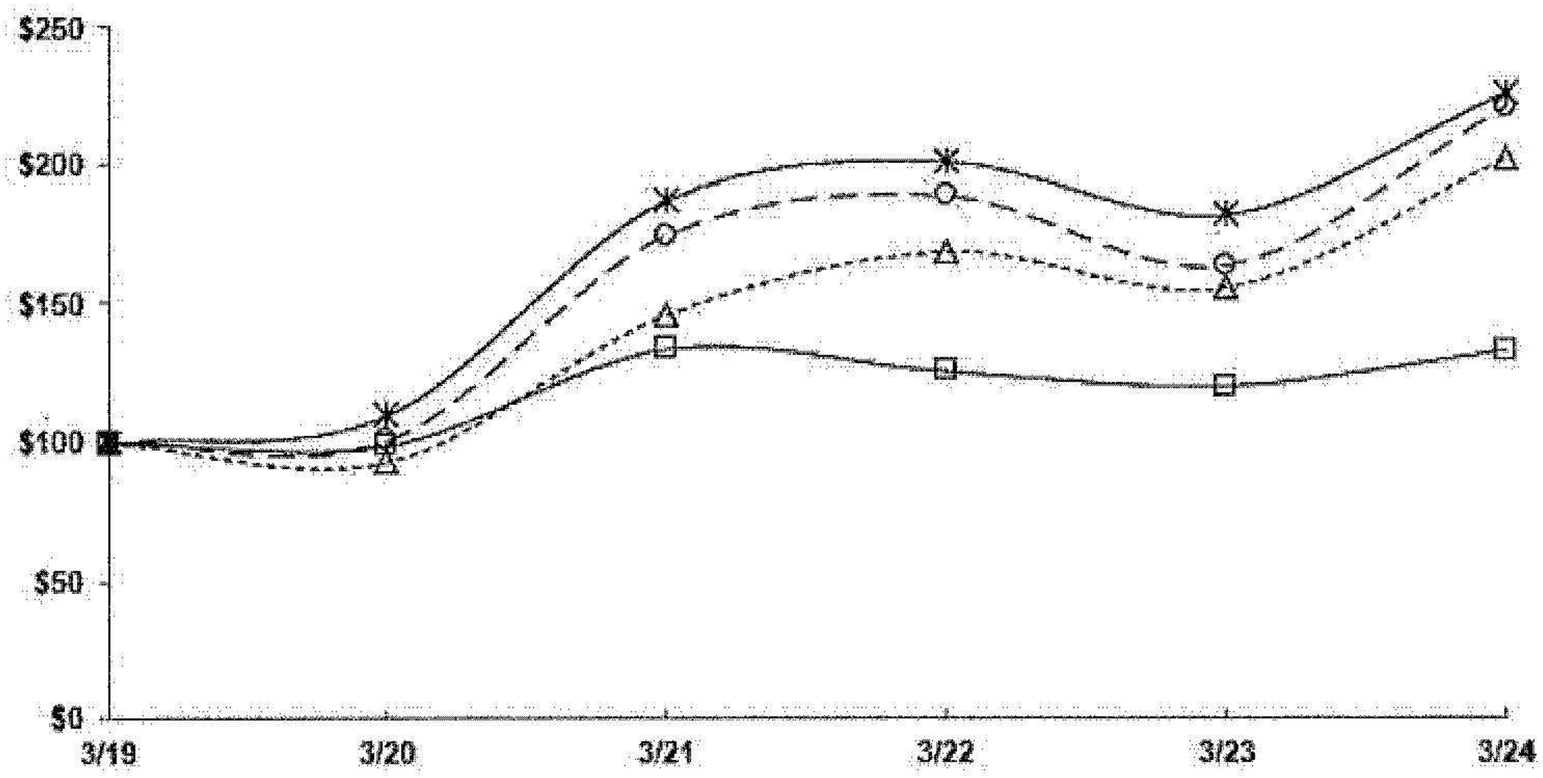
COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Electronic Arts Inc., the S&P 500 Index,
the NASDAQ Composite Index and the RDG Technology Composite Index



* Based on $100 invested on March 31, 2019 in stock or index, including reinvestment of dividends.

	March 31,					
	2019	2020	2021	2022	2023	2024
Electronic Arts Inc.	$ 100	$ 99	$ 134	$ 125	$ 120	$ 133
S&P 500 Index	100	93	145	168	155	202
Nasdaq Composite Index	100	101	175	189	164	221
RDG Technology Composite Index	100	110	187	201	182	226

Item 6: [Reserved]

Item 7: ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

The following overview is a high-level discussion of our operating results, as well as some of the trends and drivers that affect our business. Management believes that an understanding of these trends and drivers provides important context for our results for the fiscal year ended March 31, 2024, as well as our future prospects. This summary is not intended to be exhaustive, nor is it intended to be a substitute for the detailed discussion and analysis provided elsewhere in this Form 10-K, including in the "Business" section and the "Risk Factors" above, the remainder of "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")" or the Consolidated Financial Statements and related Notes.

About Electronic Arts

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets. At our core is a portfolio of intellectual property from which we create innovative games and experiences that deliver high-quality entertainment and drive engagement across our network of hundreds of millions of unique active accounts. Our portfolio includes brands that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as the licenses within EA SPORTS FC and EA SPORTS Madden NFL). Through our live services offerings, we offer high-quality experiences designed to provide value to players, and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our full games. We are focusing on building games and experiences that grow the global online communities around our key franchises; deepening engagement through connecting interactive storytelling to key intellectual property; and building re-occurring revenue from scaling our live services and growth in our annualized sports franchises, our console, PC and mobile catalog titles.

Financial Results

Our key financial results for our fiscal year ended March 31, 2024 were as follows:

- Total net revenue was $7,562 million, up 2 percent year-over-year.
- Live services and other net revenue was $5,547 million, up 1 percent year-over-year.
- Gross margin was 77.4 percent, up 2 percentage points year-over-year.
- Operating expenses were $4,334 million, up 1 percent year-over-year.
- Operating income was $1,518 million, up 14 percent year-over-year.
- Net income was $1,273 million with diluted earnings per share of $4.68.
- Net cash provided by operating activities was $2,315 million, up 49 percent year-over-year.
- Total cash, cash equivalents and short-term investments were $3,262 million.
- We repurchased 10.0 million shares of our common stock for $1,300 million.
- We paid cash dividends of $205 million during the fiscal year ended March 31, 2024.

Trends in Our Business

Live Services Business. We offer our players high-quality experiences designed to provide value to players and to extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our full games and free-to-play games. Our net revenue attributable to live services and other was $5,547 million, $5,489 million, and $4,998 million for fiscal years 2024, 2023, and 2022, respectively, and we expect that live services net revenue will continue to be material to our business. Within live services and other, net revenue attributable to extra content was $4,463 million, $4,277 million, and $3,910 million for fiscal years 2024, 2023, and 2022, respectively. Extra content net revenue has increased as more players engage with our games and services, and purchase additional content designed to provide value to players and extend and enhance gameplay. Our most popular live services are the extra content purchased for the *Ultimate Team* mode associated with our sports franchises, that allows players to collect current and former professional players in order to build and compete as a personalized team, and extra content purchased for our *Apex Legends* franchise. Live services net revenue generated from extra content purchased within the *Ultimate Team* mode associated with our sports franchises, a substantial portion of which is derived from *Ultimate Team* within our global football franchise and from our *Apex Legends* franchise, is material to our business.

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Digital Delivery of Games. In our industry, players increasingly purchase games digitally as opposed to purchasing physical discs. While this trend, as applied to our business, may not be linear due to a mix of products during a fiscal year, consumer buying patterns and other factors, over time we expect players to purchase an increasingly higher proportion of our games digitally. As a result, we expect net revenue attributable to digital full game downloads to increase over time and net revenue attributable to sales of packaged goods to decrease.

Our net revenue attributable to digital full game downloads was $1,343 million, $1,262 million, and $1,282 million during fiscal years 2024, 2023, and 2022, respectively; while our net revenue attributable to packaged goods sales was $672 million, $675 million, and $711 million in fiscal years 2024, 2023, and 2022, respectively. In addition, as measured based on total units sold on Microsoft's Xbox One and Xbox Series X and Sony's PlayStation 4 and 5 rather than by net revenue, we estimate that 73 percent, 68 percent, and 65 percent of our total units sold during fiscal years 2024, 2023, and 2022, were sold digitally. Digital full game units are based on sales information provided by Microsoft and Sony; packaged goods units sold through are estimated by obtaining data from significant retail and distribution partners in North America, Europe and Asia, and applying internal sales estimates with respect to retail partners from which we do not obtain data. We believe that these percentages are reasonable estimates of the proportion of our games that are digitally downloaded in relation to our total number of units sold for the applicable period of measurement.

Increases in consumer adoption of digital purchase of games combined with increases in our live services revenue generally results in expansion of our gross margin, as costs associated with selling a game digitally is generally less than selling the same game through traditional retail and distribution channels.

Increased Competition. Competition in our business is intense. Our competitors range from established interactive entertainment companies to emerging start-ups. In addition, the gaming, technology/internet, and entertainment industries are converging, and we compete with large, diversified technology companies in those industries. Their greater financial or other resources may provide larger budgets to develop and market tools, technologies, products and services that gain consumer success and shift player time and engagement away from our products and services. In addition, our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives, as well as key creative and technical talent, resulting in retention challenges and increased cost to retain and incentivize our key people.

Concentration of Sales Among the Most Popular Games. In our industry, we see a large portion of games sales concentrated on the most popular titles. Similarly, a significant portion of our revenue historically has been derived from games based on a few popular franchises, such as EA SPORTS FC, EA SPORTS Madden NFL, *Apex Legends*, Battlefield, and The Sims. In particular, we have historically derived a significant portion of our net revenue from our global football franchise, the annualized version of which is consistently one of the best-selling games in the marketplace. We transitioned our global football franchise to a new EA SPORTS FC brand in the second quarter of fiscal 2024. Our continued vision for the future of EA SPORTS FC is to create and innovate across platforms, geographies, and business models to expand our global football experiences and entertain even more fans around the world.

Re-occurring Revenue Sources. Our business model includes revenue that we deem re-occurring in nature, such as revenue from our live services, annualized sports franchises (e.g., EA SPORTS FC, EA SPORTS Madden NFL), and our console, PC and mobile catalog titles (i.e., titles that did not launch in the current fiscal year). We have been able to forecast revenue from these areas of our business with greater relative confidence than for new games, services and business models. As we continue to incorporate new business models and modalities of play into our games, our goal is to continue to look for opportunities to expand the re-occurring portion of our business.

Free-to-Play and Free-to-Enter Games. We offer games in some of our largest franchises, including *Apex Legends*, *The Sims 4*, and the PC and mobile version of our EA SPORTS FC franchise, through a business model that allows consumers to access games with no-upfront cost. These games are then monetized through a live service associated with the game, particularly extra content sales. These business models are dominant in the mobile gaming industry and are becoming increasingly accepted in the online PC and console market. We expect to continue offering games through these business models across console, PC and mobile and expect extra content revenue generated through these business models to continue to be an important part of our business.

Restructuring. In February 2024, our Board of Directors approved a restructuring plan (the "2024 Restructuring Plan") focused on aligning our portfolio, investments, and resources in support of our strategic priorities and growth initiatives. This plan reflects actions driven by portfolio rationalization, including costs associated with licensor commitments, as well as reductions in real estate and headcount. The actions associated with this plan are expected to be substantially completed by December 31, 2024.

Net Bookings. In order to improve transparency into our business, we disclose an operating performance metric, net bookings. Net bookings is defined as the net amount of products and services sold digitally or sold-in physically in the period. Net bookings is calculated by adding total net revenue to the change in deferred net revenue for online-enabled games.

The following is a calculation of our total net bookings for the periods presented:

	Year Ended March 31,	
(In millions)	**2024**	**2023**
Total net revenue	$ 7,562	$ 7,426
Change in deferred net revenue (online-enabled games)	(132)	(85)
Net bookings	$ 7,430	$ 7,341

Net bookings were $7,430 million for fiscal year 2024 primarily driven by sales related to *EA SPORTS FC 24*, *FIFA 23*, *Apex Legends*, *EA SPORTS Madden NFL 24*, and *The Sims 4*. Net bookings increased $89 million or 1 percent as compared to fiscal year 2023 primarily due to a year-over-year increase in sales related to our global football franchise, driven by *EA SPORTS FC 24*, partially offset by decreased sales of extra content for *Apex Legends*, and fluctuations in foreign exchange rates, net of hedging activities. Live services and other net bookings were $5,425 million for fiscal year 2024, and decreased $105 million or 2 percent as compared to fiscal year 2023. The decrease in live services and other net bookings was due primarily to decreased sales of extra content for *Apex Legends*, and fluctuations in foreign exchange rates, net of hedging activities, partially offset by a year-over-year increase in extra content sales for *Ultimate Team* within our global football franchise, driven by *EA SPORTS FC 24*. Full game net bookings were $2,005 million for fiscal year 2024, and increased $194 million or 11 percent as compared to fiscal year 2023 primarily due to the releases of *Star Wars Jedi: Survivor*, and *UFC 5*, partially offset by the prior year releases of *Dead Space Remake* and *Need for Speed Unbound*.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, and revenue and expenses during the reporting periods. The policies discussed below are considered by management to be critical because they are not only important to the portrayal of our financial condition and results of operations, but also because application and interpretation of these policies requires both management judgment and estimates of matters that are inherently uncertain and unknown. As a result, actual results may differ materially from our estimates.

Revenue Recognition

We derive revenue principally from sales of our games, and related extra content and services that can be experienced on game consoles, PCs, mobile phones and tablets. Our product and service offerings include, but are not limited to, the following:

- full games with both online and offline functionality ("Games with Services"), which generally includes (1) the initial game delivered digitally or via physical disc at the time of sale and typically provide access to offline core game content ("software license"); (2) updates on a when-and-if-available basis, such as software patches or updates, and/or additional free content to be delivered in the future ("future update rights"); and (3) a hosted connection for online playability ("online hosting");
- full games with online-only functionality which require an Internet connection to access all gameplay and functionality ("Online-Hosted Service Games");
- extra content related to Games with Services and Online-Hosted Service Games which provides access to additional in-game content;
- subscriptions, such as EA Play and EA Play Pro, that generally offer access to a selection of full games, in-game content, online services and other benefits typically for a recurring monthly or annual fee; and
- licensing to third parties to distribute and host our games and content.

We evaluate and recognize revenue by:

- identifying the contract(s) with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;

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- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue as each performance obligation is satisfied through the transfer of a promised good or service to a customer (i.e., "transfer of control").

Certain of our full game and/or extra content are sold to resellers with a contingency that the full game and/or extra content cannot be resold prior to a specific date ("Street Date Contingency"). We recognize revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game and/or extra content can be resold by the reseller. For digital full game and/or extra content downloads sold to customers, we recognize revenue when the full game and/or extra content is made available for download to the customer.

Online-Enabled Games

Games with Services. Our sales of Games with Services are evaluated to determine whether the software license, future update rights and the online hosting are distinct and separable. Sales of Games with Services are generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting.

Since we do not sell the performance obligations on a stand-alone basis, we consider market conditions and other observable inputs to estimate the stand-alone selling price for each performance obligation. For Games with Services, generally 75 percent of the sales price is allocated to the software license performance obligation and recognized at a point in time when control of the license has been transferred to the customer. The remaining 25 percent is allocated to the future update rights and the online hosting performance obligations and recognized ratably as the service is provided (over the Estimated Offering Period).

Online-Hosted Service Games. Sales of our Online-Hosted Service Games are determined to have one distinct performance obligation: the online hosting. We recognize revenue from these arrangements ratably as the service is provided (over the Estimated Offering Period).

Extra Content. Revenue received from sales of downloadable content are derived primarily from the sale of virtual currencies and digital in-game content that are designed to extend and enhance players' game experience. Sales of extra content are accounted for in a manner consistent with the treatment for our Games with Services and Online-Hosted Service Games as discussed above, depending upon whether or not the extra content has offline functionality. That is, if the extra content has offline functionality, then the extra content is accounted for similarly to Games with Services (generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting). If the extra content does not have offline functionality, then the extra content is determined to have one distinct performance obligation: the online-hosted service.

Subscriptions

Sales of our subscriptions are determined to have one performance obligation: the online hosting. We recognize revenue from these arrangements ratably over the subscription term as the performance obligation is satisfied.

Licensing Revenue

We utilize third-party licensees to distribute and host our games and content in accordance with license agreements, for which the licensees typically pay us a fixed minimum guarantee and/or sales-based royalties. These arrangements typically include multiple performance obligations, such as a time-based license of software and future update rights. We recognize as revenue a portion of the minimum guarantee when we transfer control of the license of software (generally upon commercial launch) and the remaining portion ratably over the contractual term in which we provide the licensee with future update rights. Any sales-based royalties are generally recognized as the related sales occur by the licensee.

Significant Judgments around Revenue Arrangements

Identifying performance obligations. Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, we must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

Determining the transaction price. The transaction price is determined based on the consideration that we will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires judgment, based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. In addition, the transaction price does not include an estimate of the variable consideration related to sales-based royalties. Sales-based royalties are recognized as the sales occur.

Allocating the transaction price. Allocating the transaction price requires that we determine an estimate of the relative stand-alone selling price for each distinct performance obligation. Determining the relative stand-alone selling price is inherently subjective, especially in situations where we do not sell the performance obligation on a stand-alone basis (which occurs in the majority of our transactions). In those situations, we determine the relative stand-alone selling price based on various observable inputs using all information that is reasonably available. Examples of observable inputs and information include: historical internal pricing data, cost plus margin analysis, pre-release versus post-release costs, and pricing data from competitors to the extent the data is available. The results of our analysis resulted in a specific percentage of the transaction price being allocated to each performance obligation.

Determining the Estimated Offering Period. The offering period is the period in which we offer to provide the future update rights and/or online hosting for the game and related extra content sold. Because the offering period is not an explicitly defined period, we must make an estimate of the offering period for the service-related performance obligations (i.e., future update rights and online hosting). Determining the Estimated Offering Period is inherently subjective and is subject to regular revision. Generally, we consider the average period of time customers are online when estimating the offering period. We also consider the estimated period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer (i.e., time in channel). Based on these two factors, we then consider the method of distribution. For example, games and extra content sold at retail would have a composite offering period equal to the online gameplay period plus time in channel as opposed to digitally-distributed games and extra content which are delivered immediately via digital download and therefore, the offering period is estimated to be only the online gameplay period.

Additionally, we consider results from prior analyses, known and expected online gameplay trends, as well as disclosed service periods for competitors' games in determining the Estimated Offering Period for future sales. We believe this provides a reasonable depiction of the transfer of future update rights and online hosting to our customers, as it is the best representation of the time period during which our games and extra content are experienced. We recognize revenue for future update rights and online hosting performance obligations ratably on a straight-line basis over this period as there is a consistent pattern of delivery for these performance obligations. Revenue for service-related performance obligations for digitally-distributed games and extra content is recognized over an estimated eight-month period beginning in the month of sale, revenue for service-related performance obligations for games and extra content sold through retail is recognized over an estimated ten-month period beginning in the month of sale, and revenue for service related performance obligations related to our PC and console free-to-play games is recognized generally over a twelve-month period beginning in the month of sale.

Principal Agent Considerations

We evaluate sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple App Store, and Google Play Store, in order to determine whether or not we are acting as the principal in the sale to the end customer, which we consider in determining if revenue should be reported gross or net of fees retained by the third-party storefront. An entity is the principal if it controls a good or service before it is transferred to the end customer. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has discretion in establishing the price for the specified good or service; and
- which party has title risk before the specified good or service has been transferred to the end customer.

Based on an evaluation of the above indicators, except as discussed below, we have determined that generally the third party is considered the principal to end customers for the sale of our full games and related content. We therefore report revenue related to these arrangements net of the fees retained by the storefront. However, for sales arrangements via Apple App Store and Google Play Store, EA is considered the principal to the end customer and thus, we report revenue on a gross basis and mobile platform fees are reported within cost of revenue.

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Income Taxes

We recognize deferred tax assets and liabilities for both (1) the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and (2) the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We do not recognize any deferred taxes related to the U.S. taxes on foreign earnings as we recognize these taxes as a period cost.

We record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of our deferred tax assets will not be realized. In making this determination, we are required to give significant weight to evidence that can be objectively verified. It is generally difficult to conclude that a valuation allowance is not needed when there is significant negative evidence, such as cumulative losses in recent years. Forecasts of future taxable income are considered to be less objective than past results. Therefore, cumulative losses weigh heavily in the overall assessment.

In addition to considering forecasts of future taxable income, we are also required to evaluate and quantify other possible sources of taxable income in order to assess the realization of our deferred tax assets, namely the reversal of existing deferred tax liabilities, the carryback of losses and credits as allowed under current tax law, and the implementation of tax planning strategies. Evaluating and quantifying these amounts involves significant judgments. Each source of income must be evaluated based on all positive and negative evidence and this evaluation may involve assumptions about future activity. Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law cannot be considered as a source of future taxable income that may be available to realize the benefit of deferred tax assets.

Every quarter, we perform a realizability analysis to evaluate whether it is more likely than not that all or a portion of our deferred tax assets will not be realized. Our Swiss deferred tax asset realizability analysis relies upon future Swiss taxable income as the primary source of taxable income but considers all available sources of Swiss income based on the positive and negative evidence. We give more weight to evidence that can be objectively verified. However, estimating future Swiss taxable income requires judgment, specifically related to assumptions about expected growth rates of future Swiss taxable income, which are based primarily on third party market and industry growth data. Actual results that differ materially from those estimates could have a material impact on our valuation allowance assessment. Swiss interest rates have an impact on the valuation allowance and are based on published Swiss guidance, which generally occurs in the fourth quarter of our fiscal year. Any significant changes to such interest rates could result in a material impact to the valuation allowance and to our Consolidated Financial Statements. We have adjusted our valuation allowance for changes in the published interest rates in the past and we may do so again in the future. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. Actions we take in connection with acquisitions could also impact the utilization of our Swiss deferred tax asset.

As part of the process of preparing our Consolidated Financial Statements, we are required to estimate our income taxes in each jurisdiction in which we operate prior to the completion and filing of tax returns for such periods. This process requires estimating both our geographic mix of income and our uncertain tax positions in each jurisdiction where we operate. These estimates require us to make judgments about the likely application of the tax law to our situation, as well as with respect to other matters, such as anticipating the positions that we will take on tax returns prior to preparing the returns and the outcomes of disputes with tax authorities. The ultimate resolution of these issues may take extended periods of time due to examinations by tax authorities and statutes of limitations. In addition, changes in our business, including acquisitions, changes in our international corporate structure, changes in the geographic location of business functions or assets, changes in the geographic mix and amount of income, as well as changes in our agreements with tax authorities, valuation allowances, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in the estimated and actual level of annual pre-tax income can affect the overall effective tax rate.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

The information under the subheading "Impact of Recently Issued Accounting Standards" in *Note 1 — Description of Business and Basis of Presentation* to the Consolidated Financial Statements in this Form 10-K is incorporated by reference into this Item 7.

RESULTS OF OPERATIONS

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal year ended March 31, 2024 contained 52 weeks and ended on March 30, 2024. Our results of operations for the fiscal year ended March 31, 2023 contained 52 weeks and ended on April 1, 2023. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month end.

Net Revenue

Net revenue consists of sales generated from (1) full games sold as digital downloads or as packaged goods and designed for play on game consoles and PCs, (2) live services which primarily includes sales of extra content for console, PC, and mobile games, (3) subscriptions that generally offer access to a selection of full games, in-game content, online services and other benefits, and (4) licensing our games to third parties to distribute and host our games.

Comparison of Fiscal Year 2024 to Fiscal Year 2023

Net Revenue

Net revenue for fiscal year 2024 was $7,562 million, primarily driven by sales related to *FIFA 23*, *EA SPORTS FC 24*, *Apex Legends*, *EA SPORTS Madden NFL 24*, and *The Sims 4*. Net revenue for fiscal year 2024 increased $136 million, as compared to fiscal year 2023. This increase was driven by a $2,105 million increase in net revenue primarily driven by *EA SPORTS FC 24* and *Star Wars Jedi: Survivor*, partially offset by a $1,969 million decrease in net revenue primarily due to our legacy FIFA franchise, *Apex Legends*, and *Battlefield 2042*.

Net Revenue by Composition

Our net revenue by composition for fiscal years 2024 and 2023 was as follows (in millions):

	Year Ended March 31,			
	2024	2023	$ Change	% Change
Net revenue:				
Full game downloads	$ 1,343	$ 1,262	$ 81	6 %
Packaged goods	672	675	(3)	— %
Full game	$ 2,015	$ 1,937	$ 78	4 %
Live services and other	$ 5,547	$ 5,489	$ 58	1 %
Total net revenue	$ 7,562	$ 7,426	$ 136	2 %

Full Game Net Revenue

Full game net revenue includes full game downloads and packaged goods. Full game downloads primarily includes revenue from digital sales of full games on console, PC, and certain licensing revenue. Packaged goods primarily includes revenue from software that is sold physically through traditional channels such as brick and mortar retailers.

Full game net revenue for fiscal year 2024 was $2,015 million, primarily driven by *EA SPORTS FC 24*, *Star Wars Jedi: Survivor*, *EA SPORTS Madden NFL 24*, and *FIFA 23*. Full game net revenue for fiscal year 2024 increased $78 million, or 4 percent, as compared to fiscal year 2023. This increase was primarily driven by the release of *Star Wars Jedi: Survivor*, partially offset by *Battlefield 2042*.

Live Services and Other Net Revenue

Live services and other net revenue primarily includes revenue from sales of extra content for console, PC, and mobile games, certain licensing revenue, subscriptions, and advertising.

Live services and other net revenue for fiscal year 2024 was $5,547 million, primarily driven by sales of extra content for *FIFA 23*, *EA SPORTS FC 24*, *Apex Legends*, *The Sims 4*, and our global football mobile business. Live services and other net revenue for fiscal year 2024 increased $58 million, or 1 percent, as compared to fiscal year 2023. This increase was primarily driven by

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sales of extra content for *Ultimate Team* within our global football franchise, partially offset by a decrease in net revenue primarily due to decreased sales of extra content for *Apex Legends*, and within our casual mobile catalog portfolio.

Cost of Revenue

Cost of revenue consists of (1) certain royalty expenses for celebrities, professional sports leagues, movie studios and other organizations, and independent software developers, (2) mobile platform fees associated with our mobile revenue (for transactions in which we are acting as the principal in the sale to the end customer), (3) data center, bandwidth and server costs associated with hosting our online games and websites, (4) inventory costs, including manufacturing royalties, (5) payment processing fees, (6) amortization and impairments of certain intangible assets, and (7) personnel-related costs.

Cost of revenue for fiscal years 2024 and 2023 was as follows (in millions):

March 31, 2024	% of Net Revenue	March 31, 2023	% of Net Revenue	% Change	Change as a % of Net Revenue
$ 1,710	23 %	$ 1,792	24 %	(5)%	(1)%

Cost of revenue decreased by $82 million during fiscal year 2024, as compared to fiscal year 2023. The decrease was primarily due to a net decrease in royalty and other product related costs associated with *EA SPORTS FC 24*, a decrease in acquisition-related intangible asset amortization and impairments, and a decrease in platform and hosting fees, partially offset by an increase in inventory costs from the release of *Star Wars Jedi: Survivor*.

Research and Development

Research and development expenses consist of expenses incurred by our production studios for personnel-related costs, related overhead costs, external third-party development costs, contracted services, and depreciation. Research and development expenses for our online products include expenses incurred by our studios consisting of direct development and related overhead costs in connection with the development and production of our online games. Research and development expenses also include expenses associated with our digital platform, software licenses and maintenance, and management overhead.

Research and development expenses for fiscal years 2024 and 2023 were as follows (in millions):

March 31, 2024	% of Net Revenue	March 31, 2023	% of Net Revenue	$ Change	% Change
$ 2,420	32 %	$ 2,328	31 %	$ 92	4 %

Research and development expenses increased by $92 million, or 4 percent, in fiscal year 2024, as compared to fiscal year 2023. This increase was primarily due to a $51 million increase in stock-based compensation, a $45 million increase in personnel-related costs primarily due to an increase in variable compensation and related expenses, offset by a $12 million decrease in studio related contracted services.

Marketing and Sales

Marketing and sales expenses consist of advertising, marketing and promotional expenses, personnel-related costs, and related overhead costs, net of qualified advertising cost reimbursements from third parties.

Marketing and sales expenses for fiscal years 2024 and 2023 were as follows (in millions):

March 31, 2024	% of Net Revenue	March 31, 2023	% of Net Revenue	$ Change	% Change
$ 1,019	13 %	$ 978	13 %	$ 41	4 %

Marketing and sales expenses increased by $41 million, or 4 percent, in fiscal year 2024, as compared to fiscal year 2023. This increase was primarily due to a $82 million increase largely related to rebranding investments associated with the launch of *EA SPORTS FC 24*, offset by a $40 million decrease in advertising and promotional spending related to the prior year release of *Apex Legends Mobile*.

General and Administrative

General and administrative expenses consist of personnel and related expenses of executive and administrative staff, corporate functions such as finance, legal, human resources, and information technology ("IT"), related overhead costs, fees for professional services such as legal and accounting, and allowances for doubtful accounts.

General and administrative expenses for fiscal years 2024 and 2023 were as follows (in millions):

March 31, 2024	% of Net Revenue	March 31, 2023	% of Net Revenue	$ Change	% Change
$ 691	9 %	$ 727	10 %	$ (36)	(5)%

General and administrative expenses decreased by $36 million, or 5 percent, in fiscal year 2024, as compared to fiscal year 2023. This decrease was primarily due to $44 million of accelerated amortization and depreciation associated with office space reductions related to our fiscal 2023 Restructuring Plan.

Restructuring

Restructuring expenses for fiscal years 2024 and 2023 were as follows (in millions):

March 31, 2024	% of Net Revenue	March 31, 2023	% of Net Revenue	$ Change	% Change
$ 62	1 %	$ 111	1 %	$ (49)	(44)%

Restructuring expenses decreased by $49 million, or 44 percent, in fiscal year 2024, as compared to fiscal year 2023. This decrease was primarily due to lower charges associated with our fiscal 2024 Restructuring Plan in comparison to our fiscal 2023 Restructuring Plan, driven by a $68 million decrease related to impairment charges associated with acquisition-related intangible assets and other charges, and an $11 million decrease related to employee severance and employee-related costs, offset by a $30 million increase in costs associated with licensor commitments.

Income Taxes

Provision for income taxes for fiscal years 2024 and 2023 was as follows (in millions):

March 31, 2024	Effective Tax Rate	March 31, 2023	Effective Tax Rate
$ 316	19.9 %	$ 524	39.5 %

Our effective tax rate for the fiscal year ended March 31, 2024 was 19.9 percent as compared to 39.5 percent for the same period in fiscal year 2023.

During the fiscal year ended March 31, 2024, we recognized a $92 million tax benefit to remeasure our Swiss deferred tax assets as a result of an increase in the Swiss statutory tax rate. In addition, we recognized a lower period cost for U.S. tax on our non-U.S. earnings, including a cumulative one-time benefit, due to R&D capitalization guidance issued by the U.S. Treasury during the fiscal year. Excluding the effects of these items, the effective tax rate for fiscal year 2024 would have been 29.5%.

During the fiscal year ended March 31, 2023, we recognized a $118 million tax charge to increase the valuation allowance on Swiss deferred tax assets, primarily as a result of an increase in Swiss interest rates. The change in valuation allowance had the effect of increasing our effective tax rate for the fiscal year ended March 31, 2023 by 8.9 percentage points.

Our effective tax rates for future periods will continue to depend on a variety of factors, including changes in our business, such as acquisitions and intercompany transactions, our corporate structure, the geographic location of business functions or assets, the geographic mix of income, our agreements with tax authorities, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in our annual pre-tax income or loss. We anticipate that the impact of excess tax benefits, tax deficiencies, and changes in valuation allowances may result in significant fluctuations to our effective tax rate in the future.

Comparison of Fiscal Year 2023 to Fiscal Year 2022

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For the comparison of fiscal year 2023 to fiscal year 2022, refer to Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for our fiscal year ended March 31, 2023, filed with the SEC on May 24, 2023 under the subheading "*Comparison of Fiscal Year 2023 to Fiscal Year 2022.*"

LIQUIDITY AND CAPITAL RESOURCES

	As of March 31,		
(In millions)	**2024**	**2023**	**Increase/(Decrease)**
Cash and cash equivalents	$ 2,900	$ 2,424	$ 476
Short-term investments	362	343	19
Total	$ 3,262	$ 2,767	$ 495
Percentage of total assets	24 %	21 %	

	Year Ended March 31,		
(In millions)	**2024**	**2023**	**Increase/(Decrease)**
Net cash provided by operating activities	$ 2,315	$ 1,550	$ 765
Net cash used in investing activities	(207)	(217)	10
Net cash used in financing activities	(1,624)	(1,600)	(24)
Effect of foreign exchange on cash and cash equivalents	(8)	(41)	33
Net increase (decrease) in cash and cash equivalents	$ 476	$ (308)	$ 784

For the comparison of fiscal year 2023 to fiscal year 2022, refer to Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for our fiscal year ended March 31, 2023, filed with the SEC on May 24, 2023 under the subheading "Liquidity and Capital Resources."

Changes in Cash Flow

Operating Activities. Net cash provided by operating activities increased by $765 million during fiscal year 2024, as compared to fiscal year 2023, primarily driven by higher cash collections due to timing and year-over-year growth in our business, and lower cash payments for income taxes, partially offset by cash outflows from hedging activities.

Investing Activities. Net cash used in investing activities decreased by $10 million during fiscal year 2024, as compared to fiscal year 2023, primarily driven by a $237 million increase in proceeds from maturities and sales of short-term investments, and a $8 million decrease in capital expenditures, partially offset by a $235 million increase in the purchase of short-term investments.

Financing Activities. Net cash used in financing activities increased by $24 million during fiscal year 2024, as compared to fiscal year 2023, primarily due to a $21 million increase in cash paid to taxing authorities in connection with withholding taxes for stock-based compensation.

Short-term Investments

Due to our mix of fixed and variable rate securities, our short-term investment portfolio is susceptible to changes in short-term interest rates. As of March 31, 2024, our short-term investments had net unrealized gains of less than $1 million or less than 1 percent of total short-term investments. From time to time, we may liquidate some or all of our short-term investments to fund operational needs or other activities, such as capital expenditures, business acquisitions or stock repurchase programs.

Senior Notes

In February 2021, we issued $750 million aggregate principal amount of the 2031 Notes and $750 million aggregate principal amount of the 2051 Notes. The effective interest rate is 1.98% for the 2031 Notes and 3.04% for the 2051 Notes. Interest is payable semiannually in arrears, on February 15 and August 15 of each year.

In February 2016, we issued $400 million aggregate principal amount of the 2026 Notes. The effective interest rate is 4.97% for the 2026 Notes. Interest is payable semiannually in arrears, on March 1 and September 1 of each year.

See *Note 12 — Financing Arrangements* to the Consolidated Financial Statements in this Form 10-K as it relates to our Senior Notes, which is incorporated by reference into this Item 7.

Credit Facility

On March 22, 2023, we entered into a $500 million unsecured revolving credit facility (the "Credit Facility") with a syndicate of banks. The Credit Facility terminates on March 22, 2028 unless the maturity is extended in accordance with its terms. As of March 31, 2024, no amounts were outstanding. The Credit Facility contains an option to arrange with existing lenders and/or new lenders to provide up to an aggregate of $500 million in additional commitments for revolving loans. Proceeds of loans made under the Credit Facility may be used for general corporate purposes. See *Note 12 — Financing Arrangements* to the Consolidated Financial Statements in this Form 10-K as it relates to our Credit Facility, which is incorporated by reference into this Item 7.

Financial Condition

Our material cash requirements, including commitments for capital expenditure, as of March 31, 2024 are set forth in our *Note 14 — Commitments and Contingencies* to the Consolidated Financial Statements in this Form 10-K, which is incorporated by reference into this Item 7. We expect capital expenditures to be approximately $200 million in fiscal year 2025 primarily due to investments in hardware, software, and real estate and facilities. We believe that our cash, cash equivalents, short-term investments, cash generated from operations and available financing facilities will be sufficient to meet these material cash requirements, which include licensing intellectual property from professional sports organizations and players associations used in our EA SPORTS titles (e.g., EA SPORTS FC, NFL Properties LLC, NFL Players Association and NFL Players Inc.) and third-party content and celebrities (e.g., Disney Interactive), debt repayment obligations of $1.9 billion, and to fund our operating requirements for the next 12 months and beyond. Our operating requirements include working capital requirements, capital expenditures, our stock repurchase program, quarterly cash dividend, which is currently $0.19 per share, subject to declaration by our Board of Directors or a designated Committee of the Board of Directors, and potentially, future acquisitions or strategic investments. We may choose at any time to raise additional capital to repay debt, strengthen our financial position, facilitate expansion, repurchase our stock, pursue strategic acquisitions and investments, and/or to take advantage of business opportunities as they arise. There can be no assurance, however, that such additional capital will be available to us on favorable terms, if at all, or that it will not result in substantial dilution to our existing stockholders.

During fiscal year 2024, we returned $1,505 million to stockholders through our capital return programs, repurchasing 10.0 million shares for approximately $1,300 million and returning $205 million through our quarterly cash dividend program.

Our foreign subsidiaries are generally subject to U.S. tax, and to the extent earnings from these subsidiaries can be repatriated without a material tax cost, such earnings will not be indefinitely reinvested. As of March 31, 2024, approximately $1,121 million of our cash and cash equivalents were domiciled in foreign tax jurisdictions. All of our foreign cash is available for repatriation without a material tax cost.

We have a "shelf" registration statement on Form S-3 on file with the SEC. This shelf registration statement, which includes a base prospectus, allows us at any time to offer any combination of securities described in the prospectus in one or more offerings. Unless otherwise specified in a prospectus supplement accompanying the base prospectus, we would use the net proceeds from the sale of any securities offered pursuant to the shelf registration statement for general corporate purposes, which may include funding for working capital, financing capital expenditures, research and development, marketing and distribution efforts, and if opportunities arise, for acquisitions or strategic alliances. Pending such uses, we may invest the net proceeds in interest bearing securities. In addition, we may conduct concurrent or other financings at any time.

Our ability to maintain sufficient liquidity could be affected by various risks and uncertainties including, but not limited to, customer demand and acceptance of our products, our ability to collect our accounts receivable as they become due, successfully achieving our product release schedules and attaining our forecasted sales objectives, economic conditions in the United States and abroad, the impact of acquisitions and other strategic transactions in which we may engage, the impact of competition, the seasonal and cyclical nature of our business and operating results, and the other risks described in the "Risk Factors" section, included in Part I, Item 1A of this report.

As of March 31, 2024, we did not have any off-balance sheet arrangements.

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Item 7A: ***Quantitative and Qualitative Disclosures About Market Risk***

MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates, interest rates and market prices, which have experienced significant volatility. Market risk is the potential loss arising from changes in market rates and market prices. We employ established policies and practices to manage these risks. Foreign currency forward contracts are used to hedge anticipated exposures or mitigate some existing exposures subject to foreign exchange risk as discussed below. While we do not hedge our short-term investment portfolio, we protect our short-term investment portfolio against different market risks, including interest rate risk as discussed below. Our cash and cash equivalents portfolio consists of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase. We do not enter into derivatives or other financial instruments for speculative trading purposes and do not hedge our market price risk relating to marketable equity securities, if any.

Foreign Currency Exchange Risk

Foreign Currency Exchange Rates. International sales are a fundamental part of our business, and the strengthening of the U.S. dollar (particularly relative to the Euro, British pound sterling, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty) has a negative impact on our reported international net revenue, but a positive impact on our reported international operating expenses (particularly the Swedish krona and the Canadian dollar) because these amounts are translated at lower rates as compared to periods in which the U.S. dollar is weaker. While we use foreign currency hedging contracts to mitigate some foreign currency exchange risk, these activities are limited in the protection that they provide us and can themselves result in losses.

Cash Flow Hedging Activities. We hedge a portion of our foreign currency risk related to forecasted foreign currency-denominated sales and expense transactions by purchasing foreign currency forward contracts that generally have maturities of 18 months or less. These transactions are designated and qualify as cash flow hedges. Our hedging programs are designed to reduce, but do not entirely eliminate, the impact of currency exchange rate movements in net revenue and research and development expenses.

Balance Sheet Hedging Activities. We use foreign currency forward contracts to mitigate foreign currency exchange risk associated with foreign currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. These foreign currency forward contracts generally have a contractual term of three months or less and are transacted near month-end.

We believe the counterparties to our foreign currency forward contracts are creditworthy multinational commercial banks. While we believe the risk of counterparty nonperformance is not material, a sustained decline in the financial stability of financial institutions as a result of disruption in the financial markets could affect our ability to secure creditworthy counterparties for our foreign currency hedging programs.

Notwithstanding our efforts to mitigate some foreign currency exchange risks, there can be no assurance that our hedging activities will adequately protect us against the risks associated with foreign currency fluctuations. As of March 31, 2024, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential declines in the fair value on our foreign currency forward contracts used in cash flow hedging of $271 million or $542 million, respectively. As of March 31, 2024, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential losses in the Consolidated Statements of Operations on our foreign currency forward contracts used in balance sheet hedging of $85 million or $169 million, respectively. This sensitivity analysis assumes an adverse shift of all foreign currency exchange rates; however, all foreign currency exchange rates do not always move in the same manner and actual results may differ materially. See *Note 5 — Derivative Financial Instruments* to the Consolidated Financial Statements in this Form 10-K as it relates to our derivative financial instruments, which is incorporated by reference into this Item 7A.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our short-term investment portfolio. We manage our interest rate risk by maintaining an investment portfolio generally consisting of debt instruments of high credit quality and relatively short maturities. However, because short-term investments mature relatively quickly and, if reinvested, are invested at the then-current market rates, interest income on a portfolio consisting of short-term investments is subject to market fluctuations to a greater extent than a portfolio of longer term investments. Additionally, the contractual terms of the investments do not permit the issuer to call, prepay or otherwise settle the investments at prices less than the stated par value. Our investments are held for purposes other than trading. We do not use derivative financial instruments in our short-term investment portfolio.

As of March 31, 2024, our short-term investments were classified as available-for-sale securities and, consequently, were recorded at fair value with changes in fair value, including unrealized gains and unrealized losses not related to credit losses, reported as a separate component of accumulated other comprehensive income (loss), net of tax, in stockholders' equity.

Notwithstanding our efforts to manage interest rate risks, there can be no assurance that we will be adequately protected against risks associated with interest rate fluctuations. Changes in interest rates affect the fair value of our short-term investment portfolio. To provide a meaningful assessment of the interest rate risk associated with our short-term investment portfolio, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the portfolio assuming a 150 basis point parallel shift in the yield curve. As of March 31, 2024, a hypothetical 150 basis point increase in interest rates would have resulted in a $4 million, or 1% decrease in the fair market value of our short-term investments.

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Item 8: ***Financial Statements and Supplementary Data***

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ELECTRONIC ARTS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In millions, except par value data)	March 31, 2024	March 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,900	$ 2,424
Short-term investments	362	343
Receivables, net	565	684
Other current assets	420	518
Total current assets	4,247	3,969
Property and equipment, net	578	549
Goodwill	5,379	5,380
Acquisition-related intangibles, net	400	618
Deferred income taxes, net	2,380	2,462
Other assets	436	481
TOTAL ASSETS	$ 13,420	$ 13,459
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 110	$ 99
Accrued and other current liabilities	1,166	1,285
Deferred net revenue (online-enabled games)	1,814	1,901
Total current liabilities	3,090	3,285
Senior notes, net	1,882	1,880
Income tax obligations	497	607
Deferred income taxes, net	1	1
Other liabilities	437	393
Total liabilities	5,907	6,166
Commitments and contingencies (See Note 14)		
Stockholders' equity:		
Preferred stock, $0.01 par value. 10 shares authorized	—	—
Common stock, $0.01 par value. 1,000 shares authorized; 266 and 273 shares issued and outstanding, respectively	3	3
Additional paid-in capital	—	—
Retained earnings	7,582	7,357
Accumulated other comprehensive income (loss)	(72)	(67)
Total stockholders' equity	7,513	7,293
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 13,420	$ 13,459

See accompanying Notes to Consolidated Financial Statements.

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ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)	Year Ended March 31, 2024	2023	2022
Net revenue	$ 7,562	$ 7,426	$ 6,991
Cost of revenue	1,710	1,792	1,859
Gross profit	5,852	5,634	5,132
Operating expenses:			
Research and development	2,420	2,328	2,186
Marketing and sales	1,019	978	961
General and administrative	691	727	673
Amortization and impairment of intangibles	142	158	183
Restructuring (See Note 8)	62	111	—
Total operating expenses	4,334	4,302	4,003
Operating income	1,518	1,332	1,129
Interest and other income (expense), net	71	(6)	(48)
Income before provision for income taxes	1,589	1,326	1,081
Provision for income taxes	316	524	292
Net income	$ 1,273	$ 802	$ 789
Earnings per share:			
Basic	$ 4.71	$ 2.90	$ 2.78
Diluted	$ 4.68	$ 2.88	$ 2.76
Number of shares used in computation:			
Basic	270	277	284
Diluted	272	278	286

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)	Year Ended March 31, 2024	2023	2022
Net income	$ 1,273	$ 802	$ 789
Other comprehensive income (loss), net of tax:			
Net gains (losses) on available-for-sale securities	1	2	(3)
Net gains (losses) on derivative instruments	(3)	(34)	76
Foreign currency translation adjustments	(3)	(50)	(8)
Total other comprehensive income (loss), net of tax	(5)	(82)	65
Total comprehensive income	$ 1,268	$ 720	$ 854

See accompanying Notes to Consolidated Financial Statements.

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ELECTRONIC ARTS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions, except share data in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balances as of March 31, 2021	286,465	$ 3	$ —	$ 7,887	$ (50)	$ 7,840
Total comprehensive income (loss)	—	—	—	789	65	854
Stock-based compensation	—	—	528	—	—	528
Awards assumed upon acquisition	—	—	23	—	—	23
Issuance of common stock	3,108	—	(127)	—	—	(127)
Common stock repurchases	(9,522)	—	(424)	(876)	—	(1,300)
Cash dividends declared ($0.68 per common share)	—	—	—	(193)	—	(193)
Balances as of March 31, 2022	280,051	$ 3	$ —	$ 7,607	$ 15	$ 7,625
Total comprehensive income (loss)	—	—	—	802	(82)	720
Stock-based compensation	—	—	548	—	—	548
Issuance of common stock	3,311	—	(95)	—	—	(95)
Common stock repurchases	(10,448)	—	(453)	(842)	—	(1,295)
Cash dividends declared ($0.76 per common share)	—	—	—	(210)	—	(210)
Balances as of March 31, 2023	272,914	$ 3	$ —	$ 7,357	$ (67)	$ 7,293
Total comprehensive income (loss)	—	—	—	1,273	(5)	1,268
Stock-based compensation	—	—	584	—	—	584
Issuance of common stock	3,496	—	(119)	—	—	(119)
Common stock repurchases and excise tax	(9,995)	—	(465)	(843)	—	(1,308)
Cash dividends declared ($0.76 per common share)	—	—	—	(205)	—	(205)
Balances as of March 31, 2024	266,415	$ 3	$ —	$ 7,582	$ (72)	$ 7,513

See accompanying Notes to Consolidated Financial Statements.

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ELECTRONIC ARTS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended March 31, 2024	2023	2022
OPERATING ACTIVITIES			
Net income	$ 1,273	$ 802	$ 789
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, accretion and impairment	404	536	486
Stock-based compensation	584	548	528
Change in assets and liabilities:			
Receivables, net	119	(34)	(77)
Other assets	148	(103)	(157)
Accounts payable	(6)	10	(7)
Accrued and other liabilities	(202)	134	169
Deferred income taxes, net	82	(221)	(329)
Deferred net revenue (online-enabled games)	(87)	(122)	497
Net cash provided by operating activities	2,315	1,550	1,899
INVESTING ACTIVITIES			
Capital expenditures	(199)	(207)	(188)
Proceeds from maturities and sales of short-term investments	632	395	1,329
Purchase of short-term investments	(640)	(405)	(554)
Acquisitions, net of cash acquired	—	—	(3,391)
Net cash used in investing activities	(207)	(217)	(2,804)
FINANCING ACTIVITIES			
Proceeds from issuance of common stock	77	80	77
Cash dividends paid	(205)	(210)	(193)
Cash paid to taxing authorities for shares withheld from employees	(196)	(175)	(204)
Common stock repurchases	(1,300)	(1,295)	(1,300)
Net cash used in financing activities	(1,624)	(1,600)	(1,620)
Effect of foreign exchange on cash and cash equivalents	(8)	(41)	(3)
Increase (decrease) in cash and cash equivalents	476	(308)	(2,528)
Beginning cash and cash equivalents	2,424	2,732	5,260
Ending cash and cash equivalents	$ 2,900	$ 2,424	$ 2,732
Supplemental cash flow information:			
Cash paid during the year for income taxes, net	$ 300	$ 583	$ 629
Cash paid during the year for interest	56	56	56
Non-cash investing activities:			
Change in accrued capital expenditures	$ 25	$ (3)	$ 19

See accompanying Notes to Consolidated Financial Statements.

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ELECTRONIC ARTS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Electronic Arts is a global leader in digital interactive entertainment. We develop, market, publish and deliver games, content and services that can be experienced on game consoles, PCs, mobile phones and tablets. At our core is a portfolio of intellectual property from which we create innovative games and experiences that deliver high-quality entertainment and drive engagement across our network of hundreds of millions of unique active accounts. Our portfolio includes brands that we either wholly own (such as *Apex Legends*, Battlefield, and The Sims) or license from others (such as the licenses within EA SPORTS FC and EA SPORTS Madden NFL). Through our live services offerings, we offer high-quality experiences designed to provide value to players, and extend and enhance gameplay. These live services include extra content, subscription offerings and other revenue generated in addition to the sale of our full games. We are focusing on building games and experiences that grow the global online communities around our key franchises; deepening engagement through connecting interactive storytelling to key intellectual property; and building re-occurring revenue from scaling our live services and growth in our annualized sports franchises, our console, PC and mobile catalog titles.

Consolidation

The accompanying Consolidated Financial Statements include the accounts of Electronic Arts Inc. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal year ended March 31, 2024 contained 52 weeks and ended on March 30, 2024. Our results of operations for the fiscal years ended March 31, 2023 and 2022, each contained 52 weeks and ended on April 1, 2023 and April 2, 2022, respectively. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month end.

Use of Estimates

The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in our Consolidated Financial Statements and the accompanying notes. Such estimates include offering periods for deferred net revenue, sales returns and allowances, provisions for doubtful accounts, accrued liabilities, relative stand-alone selling price for identified performance obligations in our revenue transactions, losses on royalty commitments, estimates regarding the recoverability of prepaid royalties, long-lived assets, discount rates used in the measurement and recognition of lease liabilities, assets acquired and liabilities assumed in business combinations, certain estimates related to the measurement and recognition of costs resulting from our stock-based payment awards, unrecognized tax benefits, deferred income tax assets and associated valuation allowances, as well as estimates used in our goodwill, intangibles and short-term investment impairment tests. These estimates require us to make judgments, involve analysis of historical and future trends, can require extended periods of time to resolve, and are subject to change from period to period. In all cases, actual results could differ materially from our estimates.

Recently Issued Accounting Standards

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting* (Topic 280): *Improvements to Reportable Segment Disclosures*. The amendments in this update expand annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. This update is effective for our annual report for fiscal year 2025, and interim periods thereafter, with early adoption permitted, and will be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the timing of adoption and impact of this ASU on our Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes* (Topic 740): *Improvement to Income Tax Disclosures*. The amendments further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. This ASU is effective for our annual report for fiscal year 2026, with early adoption permitted, and should be applied either prospectively or retrospectively. We are currently evaluating the timing of adoption and impact of this ASU on our Consolidated Financial Statements and related disclosures.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash, Cash Equivalents, and Short-Term Investments

Cash equivalents consist of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase.

Short-term investments consist of debt securities with original or remaining maturities of greater than three months at the time of purchase and less than a year, and are accounted for as available-for-sale securities and are recorded at fair value. Cash, cash equivalents and short-term investments are available for use in current operations or other activities such as capital expenditures, business combinations and stock repurchases.

Unrealized gains and losses on our short-term investments are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity, net of tax, until either (1) the security is sold, (2) the security has matured, (3) we determine that the fair value of the security has declined below its adjusted cost basis and the decline is due to an expected credit loss, or (4) we intend to, or more likely than not would be required to, sell a security in an unrealized loss position before the recovery of its amortized cost basis. Realized gains and losses on our short-term investments are calculated based on the specific identification method and are reclassified from accumulated other comprehensive income (loss) to interest and other income (expense), net. Determining whether a decline in fair value is due to an expected credit loss requires management judgment based on the specific facts and circumstances of each security. The ultimate value realized on these securities is subject to market price volatility until they are sold.

Our short-term investments are evaluated for allowances and impairment quarterly. For investments in an unrealized loss position, we consider various factors in determining whether we should recognize an allowance for expected credit losses or an impairment charge, including the credit quality of the issuer, changes to the rating of the security by rating agencies, the extent to which fair value is less than amortized cost, reason for the decline in value and potential recovery period, the financial condition and near-term prospects of the investees, our intent to sell and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value, and any contractual terms impacting the prepayment or settlement process, among other factors. We recognize an allowance for credit losses, up to the amount of unrealized loss when appropriate, and write down the amortized cost basis of the investment if we intend to, or it is more likely than not we will be required to, sell the investment before the recovery of its amortized cost basis. Allowances for credit losses and write-downs are recognized in our Consolidated Statements of Operations, and unrealized losses not related to credit losses are recognized in other comprehensive income (loss). Based on our evaluation, we did not recognize an allowance for credit losses, nor did we recognize any impairments, as of March 31, 2024 and 2023.

Property and Equipment, Net

Property and equipment, net, are stated at cost. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings	20 to 25 years
Computer equipment and software	2 to 6 years
Equipment, furniture and fixtures, and other	3 to 5 years
Leasehold improvements	Lesser of the lease term or the estimated useful lives of the improvements, ranging from 1 to 15 years

We capitalize costs associated with internal-use software development once a project has reached the application development stage. Such capitalized costs include external direct costs utilized in developing or obtaining the software, and payroll and payroll-related expenses for employees who are directly associated with the development of the software. Capitalization of such costs begins when the preliminary project stage is complete and ceases at the point in which the project is substantially complete and is ready for its intended purpose. Once internal-use software is ready for its intended use, the assets are depreciated on a straight-line basis over each asset's estimated useful life, which is generally three years. We also capitalize costs associated with the purchase of possessable internal-use software licenses. The net book value of capitalized costs associated with internal-use software was $93 million and $90 million as of March 31, 2024 and 2023, respectively.

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Acquisition-Related Intangibles and Other Long-Lived Assets

We recognize acquisition-related intangible assets, such as acquired developed and core technology, in connection with business combinations. We amortize the cost of acquisition-related intangible assets that have finite useful lives generally on a straight-line basis over the lesser of their estimated useful lives or the agreement terms, currently from two to seven years. We evaluate acquisition-related intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset group. This includes assumptions about future prospects for the business that the asset relates to and typically involves computations of the estimated future cash flows to be generated by these businesses. Based on these judgments and assumptions, we determine whether we need to take an impairment charge to reduce the value of the asset stated on our Consolidated Balance Sheets to reflect its estimated fair value. When we consider such assets to be impaired, the amount of impairment we recognize is measured by the amount by which the carrying amount of the asset exceeds its fair value.

Goodwill Impairment

In assessing impairment on our goodwill, we first analyze qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a goodwill impairment test. The qualitative factors we assess include long-term prospects of our performance, share price trends and market capitalization, and Company specific events. If we conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, we do not need to perform an impairment test. If based on that assessment, we believe it is more likely than not that the fair value of the reporting unit is less than its carrying value we will measure goodwill for impairment by applying fair value-based tests at the reporting unit level. Reporting units are determined by the components of operating segments that constitute a business for which (1) discrete financial information is available, (2) segment management regularly reviews the operating results of that component, and (3) whether the component has dissimilar economic characteristics to other components. As of March 31, 2024, we have only one reportable segment, which represents our only operating segment.

Revenue Recognition

We derive revenue principally from sales of our games, and related extra content and services that can be experienced on game consoles, PCs, mobile phones and tablets. Our product and service offerings include, but are not limited to, the following:

- full games with both online and offline functionality ("Games with Services"), which generally includes (1) the initial game delivered digitally or via physical disc at the time of sale and typically provide access to offline core game content ("software license"); (2) updates on a when-and-if-available basis, such as software patches or updates, and/or additional free content to be delivered in the future ("future update rights"); and (3) a hosted connection for online playability ("online hosting");
- full games with online-only functionality which require an Internet connection to access all gameplay and functionality ("Online-Hosted Service Games");
- extra content related to Games with Services and Online-Hosted Service Games which provides access to additional in-game content;
- subscriptions, such as EA Play and EA Play Pro, that generally offer access to a selection of full games, in-game content, online services and other benefits typically for a recurring monthly or annual fee; and
- licensing to third parties to distribute and host our games and content.

We evaluate and recognize revenue by:

- identifying the contract(s) with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating the transaction price to performance obligations in the contract; and
- recognizing revenue as each performance obligation is satisfied through the transfer of a promised good or service to a customer (i.e., "transfer of control").

Certain of our full game and/or extra content are sold to resellers with a contingency that the full game and/or extra content cannot be resold prior to a specific date ("Street Date Contingency"). We recognize revenue for transactions that have a Street Date Contingency when the Street Date Contingency is removed and the full game and/or extra content can be resold by the reseller. For digital full game and/or extra content downloads sold to customers, we recognize revenue when the full game and/or extra content is made available for download to the customer.

Online-Enabled Games

Games with Services. Our sales of Games with Services are evaluated to determine whether the software license, future update rights and the online hosting are distinct and separable. Sales of Games with Services are generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting.

Since we do not sell the performance obligations on a stand-alone basis, we consider market conditions and other observable inputs to estimate the stand-alone selling price for each performance obligation. For Games with Services, generally 75 percent of the sales price is allocated to the software license performance obligation and recognized at a point in time when control of the license has been transferred to the customer. The remaining 25 percent is allocated to the future update rights and the online hosting performance obligations and recognized ratably as the service is provided (over the Estimated Offering Period).

Online-Hosted Service Games. Sales of our Online-Hosted Service Games are determined to have one distinct performance obligation: the online hosting. We recognize revenue from these arrangements ratably as the service is provided (over the Estimated Offering Period).

Extra Content. Revenue received from sales of downloadable content are derived primarily from the sale of virtual currencies and digital in-game content that are designed to extend and enhance players' game experience. Sales of extra content are accounted for in a manner consistent with the treatment for our Games with Services and Online-Hosted Service Games as discussed above, depending upon whether or not the extra content has offline functionality. That is, if the extra content has offline functionality, then the extra content is accounted for similarly to Games with Services (generally determined to have three distinct performance obligations: software license, future update rights, and the online hosting). If the extra content does not have offline functionality, then the extra content is determined to have one distinct performance obligation: the online-hosted service.

Subscriptions

Sales of our subscriptions are deemed to be one performance obligation, the online hosting, and we recognize revenue from these arrangements ratably over the subscription term as the performance obligation is satisfied.

Licensing Revenue

We utilize third-party licensees to distribute and host our games and content in accordance with license agreements, for which the licensees typically pay us a fixed minimum guarantee and/or sales-based royalties. These arrangements typically include multiple performance obligations, such as a time-based license of software and future update rights. We recognize as revenue a portion of the minimum guarantee when we transfer control of the license of software (generally upon commercial launch) and the remaining portion ratably over the contractual term in which we provide the licensee with future update rights. Any sales-based royalties are generally recognized as the related sales occur by the licensee.

Significant Judgments around Revenue Arrangements

Identifying performance obligations. Performance obligations promised in a contract are identified based on the goods and services that will be transferred to the customer that are both capable of being distinct, (i.e., the customer can benefit from the goods or services either on its own or together with other resources that are readily available), and are distinct in the context of the contract (i.e., it is separately identifiable from other goods or services in the contract). To the extent a contract includes multiple promises, we must apply judgment to determine whether those promises are separate and distinct performance obligations. If these criteria are not met, the promises are accounted for as a combined performance obligation.

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Determining the transaction price. The transaction price is determined based on the consideration that we will be entitled to receive in exchange for transferring our goods and services to the customer. Determining the transaction price often requires judgment, based on an assessment of contractual terms and business practices. It further includes review of variable consideration such as discounts, sales returns, price protection, and rebates, which is estimated at the time of the transaction. In addition, the transaction price does not include an estimate of the variable consideration related to sales-based royalties. Sales-based royalties are recognized as the sales occur.

Allocating the transaction price. Allocating the transaction price requires that we determine an estimate of the relative stand-alone selling price for each distinct performance obligation. Determining the relative stand-alone selling price is inherently subjective, especially in situations where we do not sell the performance obligation on a stand-alone basis (which occurs in the majority of our transactions). In those situations, we determine the relative stand-alone selling price based on various observable inputs using all information that is reasonably available. Examples of observable inputs and information include: historical internal pricing data, cost plus margin analysis, pre-release versus post-release costs, and pricing data from competitors to the extent the data is available. The results of our analysis resulted in a specific percentage of the transaction price being allocated to each performance obligation.

Determining the Estimated Offering Period. The offering period is the period in which we offer to provide the future update rights and/or online hosting for the game and related extra content sold. Because the offering period is not an explicitly defined period, we must make an estimate of the offering period for the service-related performance obligations (i.e., future update rights and online hosting). Determining the Estimated Offering Period is inherently subjective and is subject to regular revision. Generally, we consider the average period of time customers are online when estimating the offering period. We also consider the estimated period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer (i.e., time in channel). Based on these two factors, we then consider the method of distribution. For example, games and extra content sold at retail would have a composite offering period equal to the online gameplay period plus time in channel as opposed to digitally-distributed games and extra content which are delivered immediately via digital download and therefore, the offering period is estimated to be only the online gameplay period.

Additionally, we consider results from prior analyses, known and expected online gameplay trends, as well as disclosed service periods for competitors' games in determining the Estimated Offering Period for future sales. We believe this provides a reasonable depiction of the transfer of future update rights and online hosting to our customers, as it is the best representation of the time period during which our games and extra content are experienced. We recognize revenue for future update rights and online hosting performance obligations ratably on a straight-line basis over this period as there is a consistent pattern of delivery for these performance obligations. Revenue for service-related performance obligations for digitally-distributed games and extra content is recognized over an estimated eight-month period beginning in the month of sale, revenue for service-related performance obligations for games and extra content sold through retail is recognized over an estimated ten-month period beginning in the month of sale, and revenue for service related performance obligations related to our PC and console free-to-play games is recognized generally over a twelve-month period beginning in the month of sale.

Principal Agent Considerations

We evaluate sales to end customers of our full games and related content via third-party storefronts, including digital storefronts such as Microsoft's Xbox Store, Sony's PlayStation Store, Apple App Store, and Google Play Store, in order to determine whether or not we are acting as the principal in the sale to the end customer, which we consider in determining if revenue should be reported gross or net of fees retained by the third-party storefront. An entity is the principal if it controls a good or service before it is transferred to the end customer. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- the underlying contract terms and conditions between the various parties to the transaction;
- which party is primarily responsible for fulfilling the promise to provide the specified good or service to the end customer;
- which party has discretion in establishing the price for the specified good or service; and
- which party has title risk before the specified good or service has been transferred to the end customer.

Based on an evaluation of the above indicators, except as discussed below, we have determined that generally the third party is considered the principal to end customers for the sale of our full games and related content. We therefore report revenue related to these arrangements net of the fees retained by the storefront. However, for sales arrangements via Apple App Store and Google Play Store, EA is considered the principal to the end customer and thus, we report revenue on a gross basis and mobile platform fees are reported within cost of revenue.

Payment Terms

Substantially all of our transactions have payment terms, whether customary or on an extended basis, of less than one year; therefore, we generally do not adjust the transaction price for the effects of any potential financing components that may exist.

Sales and Value-Added Taxes

Revenue is recorded net of taxes assessed by governmental authorities that are imposed at the time of the specific revenue-producing transaction between us and our customer, such as sales and value-added taxes.

Sales Returns and Price Protection Reserves

Sales returns and price protection are considered variable consideration under ASC 606. We reduce revenue for estimated future returns and price protection which may occur with our distributors and retailers ("channel partners"). Price protection represents our practice to provide our channel partners with a credit allowance to lower their wholesale price on a particular game unit that they have not resold to customers. The amount of the price protection for permanent markdowns is the difference between the old wholesale price and the new reduced wholesale price. Credits are also given for short-term promotions that temporarily reduce the wholesale price. In certain countries we also have a practice for allowing channel partners to return older products in the channel in exchange for a credit allowance.

When evaluating the adequacy of sales returns and price protection reserves, we analyze the following: historical credit allowances, current sell-through of our channel partners' inventory of our products, current trends in retail and the video game industry, changes in customer demand, acceptance of our products, and other related factors. In addition, we monitor the volume of sales to our channel partners and their inventories, as substantial overstocking in the distribution channel could result in high returns or higher price protection in subsequent periods.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes assessed by a government authority that are both imposed on and concurrent with specific revenue transactions between us and our customers are presented on a net basis in our Consolidated Statements of Operations.

Concentration of Credit Risk and Significant Customers

We extend credit to various customers. Collection of trade receivables may be affected by changes in economic or other industry conditions and may, accordingly, impact our overall credit risk. Although we generally do not require collateral, we perform ongoing credit evaluations of our customers and maintain reserves for potential credit losses. Invoices are aged based on contractual terms with our customers. The provision for doubtful accounts is recorded as a charge to general and administrative expense when a potential loss is identified. Losses are written off against the allowance when the receivable is determined to be uncollectible. At March 31, 2024, we had two customers who accounted for approximately 32 percent and 27 percent of our consolidated gross receivables, respectively. At March 31, 2023, we had two customers who accounted for approximately 32 percent and 30 percent of our consolidated gross receivables, respectively.

A majority of our sales are made via digital resellers, channel and platform partners. During the fiscal years 2024, 2023, and 2022, approximately 80 percent, 81 percent, and 77 percent, respectively, of our net revenue was derived from our top ten customers and/or platform partners.

Currently, a majority of our revenue is derived through sales of products and services playable on hardware consoles from Sony and Microsoft. For the fiscal years ended March 31, 2024, 2023, and 2022, our net revenue for products and services on Sony's PlayStation 4 and 5, and Microsoft's Xbox One and Series X consoles (combined across all four platforms) was approximately 59 percent, 58 percent, and 60 percent, respectively. These platform partners have significant influence over the products and services that we offer on their platforms.

Short-term investments are placed with high quality financial institutions or in short-duration, investment-grade securities. We limit the amount of credit exposure in any one financial institution or type of investment instrument.

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Royalties and Licenses

Royalty-based obligations with content licensors and distribution affiliates are either paid in advance and capitalized as prepaid royalties or are accrued as incurred and subsequently paid. These royalty-based obligations are generally expensed to cost of revenue at the greater of the contractual rate or an effective royalty rate based on the total projected net revenue for contracts with guaranteed minimums. Prepayments made to thinly capitalized independent software developers and co-publishing affiliates are generally made in connection with the development of a particular product, and therefore, we are subject to development risk prior to the release of the product. Accordingly, payments that are due prior to completion of a product are generally expensed to research and development over the development period as the services are incurred. Payments due after completion of the product (primarily royalty-based in nature) are generally expensed as cost of revenue.

Our contracts with some licensors include minimum guaranteed royalty payments, which are initially recorded as an asset and as a liability at the contractual amount when no performance remains with the licensor. When performance remains with the licensor, we record guarantee payments as an asset when actually paid and as a liability when incurred, rather than recording the asset and liability upon execution of the contract.

Each quarter, we also evaluate the expected future realization of our royalty-based assets, as well as any unrecognized minimum commitments not yet paid to determine amounts we deem unlikely to be realized through future revenue. Any impairments or losses determined before the launch of a product are generally charged to research and development expense. Impairments or losses determined post-launch are charged to cost of revenue. We evaluate long-lived royalty-based assets for impairment using undiscounted cash flows when impairment indicators exist. If an impairment exists, then the related assets are written down to fair value. Unrecognized minimum royalty-based commitments are recognized when the underlying intellectual property is abandoned (i.e., the date EA commits to cease use of the IP) or the contractual rights to use the intellectual property are terminated.

Advertising Costs

We generally expense advertising costs as incurred, except for production costs associated with media campaigns, which are recognized as prepaid assets (to the extent paid in advance) and expensed at the first run of the advertisement. We are reimbursed by our vendors for certain advertising costs incurred by us that benefit our vendors. Such amounts are recognized as a reduction of marketing and sales expense if the advertising (1) is specific to the vendor, (2) represents an identifiable benefit to us, and (3) represents an incremental cost to us. Vendor reimbursements of advertising costs of $12 million, $37 million, and $37 million reduced marketing and sales expense for the fiscal years ended March 31, 2024, 2023, and 2022, respectively. For the fiscal years ended March 31, 2024, 2023, and 2022, advertising expense, net of vendor reimbursements, totaled approximately $375 million, $348 million, and $396 million, respectively.

Software Development Costs

Research and development costs, which consist primarily of software development costs, are expensed as incurred. We are required to capitalize software development costs incurred for computer software to be sold, leased or otherwise marketed after technological feasibility of the software is established or for development costs that have alternative future uses. Under our current practice of developing new games, the technological feasibility of the underlying software is not established until substantially all product development and testing is complete, which generally includes the development of a working model. Software development costs that have been capitalized to date have been insignificant.

Foreign Currency Translation

Generally, the functional currency for our foreign operating subsidiaries is its local currency. Assets and liabilities of foreign operations are translated into U.S. dollars using month-end exchange rates, and revenue and expenses are translated into U.S. dollars using average exchange rates. The effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income (loss) in stockholders' equity.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Net gains (losses) on foreign currency transactions of $(10) million, $31 million, and $(22) million for the fiscal years ended March 31, 2024, 2023, and 2022, respectively, are included in interest and other income (expense), net, in our Consolidated Statements of Operations. These net gains (losses) on foreign currency transactions are partially offset by net gains (losses) on our foreign currency forward contracts of $12 million, $(29) million, and $21 million for the fiscal years ended March 31, 2024, 2023, and 2022, respectively. See Note 5 for additional information on our foreign currency forward contracts.

Income Taxes

We recognize deferred tax assets and liabilities for both the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We do not recognize any deferred taxes related to the U.S. taxes on foreign earnings as we recognize these taxes as a period cost.

Every quarter, we perform a realizability analysis to evaluate whether it is more likely than not that all or a portion of our deferred tax assets will not be realized. Our Swiss deferred tax asset realizability analysis relies upon future Swiss taxable income as the primary source of taxable income but considers all available sources of Swiss income based on the positive and negative evidence. We give more weight to evidence that can be objectively verified. However, estimating future Swiss taxable income requires judgment, specifically related to assumptions about expected growth rates of future Swiss taxable income, which are based primarily on third party market and industry growth data. Actual results that differ materially from those estimates could have a material impact on our valuation allowance assessment. Although objectively verifiable, Swiss interest rates have an impact on the valuation allowance and are based on published Swiss guidance. Any significant changes to such interest rates could result in a material impact to the valuation allowance. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. Actions we take in connection with acquisitions could also impact the utilization of our Swiss deferred tax asset.

Stock Repurchases

Shares of our common stock repurchased pursuant to our repurchase program, if any, are retired. The purchase price of such repurchased shares of common stock is recorded as a reduction to additional paid-in capital. If the balance in additional paid-in capital is exhausted, the excess is recorded as a reduction to retained earnings.

Restructuring

We generally recognize employee severance costs when payments are probable and amounts are estimable or when notification occurs, depending on the region in which an employee works. Costs related to non-lease contracts without future benefit or contract termination are recognized at the earlier of the contract termination or the cease-use dates. Other exit-related costs are recognized as incurred.

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(3) FAIR VALUE MEASUREMENTS

There are various valuation techniques used to estimate fair value, the primary one being the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, we consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the asset or liability. We measure certain financial and nonfinancial assets and liabilities at fair value on a recurring and nonrecurring basis.

Fair Value Hierarchy

The three levels of inputs that may be 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 within Level 1, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.
- *Level 3*. Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As of March 31, 2024 and 2023, our assets and liabilities that were measured and recorded at fair value on a recurring basis were as follows (in millions):

		Fair Value Measurements at Reporting Date Using			
	As of March 31, 2024	Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Bank and time deposits	$ 58	$ 58	$ —	$ —	Cash equivalents
Money market funds	1,038	1,038	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	130	—	130	—	Short-term investments
U.S. Treasury securities	95	95	—	—	Short-term investments
U.S. agency securities	9	—	9	—	Short-term investments
Commercial paper	74	—	74	—	Short-term investments and cash equivalents
Foreign government securities	8	—	8	—	Short-term investments
Asset-backed securities	41	—	41	—	Short-term investments
Certificates of deposit	13	—	13	—	Short-term investments
Foreign currency derivatives	29	—	29	—	Other current assets and other assets
Deferred compensation plan assets [a]	30	30	—	—	Other assets
Total assets at fair value	$ 1,525	$ 1,221	$ 304	$ —	
Liabilities					
Foreign currency derivatives	$ 20	$ —	$ 20	$ —	Accrued and other current liabilities and other liabilities
Deferred compensation plan liabilities [a]	31	31	—	—	Other liabilities
Total liabilities at fair value	$ 51	$ 31	$ 20	$ —	

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	As of March 31, 2023	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Bank and time deposits	$ 56	$ 56	$ —	$ —	Cash equivalents
Money market funds	956	956	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	113	—	113	—	Short-term investments
U.S. Treasury securities	80	80	—	—	Short-term investments
U.S. agency securities	28	—	28	—	Short-term investments and cash equivalents
Commercial paper	66	—	66	—	Short-term investments and cash equivalents
Foreign government securities	11	—	11	—	Short-term investments
Asset-backed securities	37	—	37	—	Short-term investments
Certificates of deposit	14	—	14	—	Short-term investments
Foreign currency derivatives	29	—	29	—	Other current assets and other assets
Deferred compensation plan assets [a]	23	23	—	—	Other assets
Total assets at fair value	$ 1,413	$ 1,115	$ 298	$ —	
Liabilities					
Foreign currency derivatives	$ 65	$ —	$ 65	$ —	Accrued and other current liabilities and other liabilities
Deferred compensation plan liabilities [a]	24	24	—	—	Other liabilities
Total liabilities at fair value	$ 89	$ 24	$ 65	$ —	

(a) The Deferred Compensation Plan consists of various mutual funds. See Note 15 for additional information regarding our Deferred Compensation Plan.

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(4) FINANCIAL INSTRUMENTS

Cash and Cash Equivalents

As of March 31, 2024 and 2023, our cash and cash equivalents were $2,900 million and $2,424 million, respectively. Cash equivalents were valued using quoted market prices or other readily available market information.

Short-Term Investments

Short-term investments consisted of the following as of March 31, 2024 and 2023 (in millions):

	As of March 31, 2024				As of March 31, 2023			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	$ 130	$ —	$ —	$ 130	$ 114	$ —	$ (1)	$ 113
U.S. Treasury securities	95	—	—	95	80	—	—	80
U.S. agency securities	9	—	—	9	25	—	—	25
Commercial paper	66	—	—	66	63	—	—	63
Foreign government securities	8	—	—	8	11	—	—	11
Asset-backed securities	41	—	—	41	37	—	—	37
Certificates of deposit	13	—	—	13	14	—	—	14
Short-term investments	$ 362	$ —	$ —	$ 362	$ 344	$ —	$ (1)	$ 343

The following table summarizes the amortized cost and fair value of our short-term investments, classified by stated maturity as of March 31, 2024 and 2023 (in millions):

	As of March 31, 2024		As of March 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments				
Due within 1 year	$ 231	$ 231	$ 267	$ 266
Due 1 year through 5 years	126	126	72	72
Due after 5 years	5	5	5	5
Short-term investments	$ 362	$ 362	$ 344	$ 343

(5) DERIVATIVE FINANCIAL INSTRUMENTS

Assets or liabilities associated with our derivative instruments and hedging activities are recorded at fair value in other current assets/other assets, or accrued and other current liabilities/other liabilities, respectively, on our Consolidated Balance Sheets. As discussed below, the accounting for gains and losses resulting from changes in fair value depends on the use of the derivative instrument and whether it is designated and qualifies for hedge accounting.

We transact business in various foreign currencies and have significant international sales and expenses denominated in foreign currencies, subjecting us to foreign currency risk. We purchase foreign currency forward contracts, generally with maturities of 18 months or less, to reduce the volatility of cash flows primarily related to forecasted revenue and expenses denominated in certain foreign currencies. Our cash flow risks are primarily related to fluctuations in the Euro, British pound sterling, Canadian dollar, Swedish krona, Australian dollar, Japanese yen, Chinese yuan, South Korean won and Polish zloty. In addition, we utilize foreign currency forward contracts to mitigate foreign currency exchange risk associated with foreign-currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. The foreign currency forward contracts not designated as hedging instruments generally have a contractual term of approximately three months or less and are transacted near month-end. We do not use foreign currency forward contracts for speculative trading purposes.

Cash Flow Hedging Activities

Certain of our forward contracts are designated and qualify as cash flow hedges. To qualify for hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedges and must be highly effective in offsetting changes to future cash flows on hedged transactions. The derivative assets or liabilities associated with our hedging activities are recorded at fair value in other current assets/other assets, or accrued and other current liabilities/other liabilities, respectively, on our Consolidated Balance Sheets. The gains or losses resulting from changes in the fair value of these hedges is initially reported, net of tax, as a component of accumulated other comprehensive income (loss) in stockholders' equity. The gains or losses resulting from changes in the fair value of these hedges are subsequently reclassified into net revenue or research and development expenses, as appropriate, in the period when the forecasted transaction is recognized in our Consolidated Statements of Operations. In the event that the underlying forecasted transactions do not occur, or it becomes remote that they will occur within the defined hedge period, the gains or losses on the related cash flow hedges are reclassified from accumulated other comprehensive income (loss) to net revenue or research and development expenses, in our Consolidated Statements of Operations.

Total gross notional amounts and fair values for currency derivatives with cash flow hedge accounting designation are as follows (in millions):

	As of March 31, 2024			As of March 31, 2023		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 413	$ 1	$ 4	$ 371	$ 2	$ 9
Forward contracts to sell	$ 2,329	$ 24	$ 11	$ 2,255	$ 23	$ 46

The effects of cash flow hedge accounting in our Consolidated Statements of Operations for the fiscal years ended March 31, 2024, 2023, and 2022 are as follows (in millions):

	Year Ended March 31,					
	2024		2023		2022	
	Net revenue	Research and development	Net revenue	Research and development	Net revenue	Research and development
Total amounts presented in our Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 7,562	$ 2,420	$ 7,426	$ 2,328	$ 6,991	$ 2,186
Gains (losses) on foreign currency forward contracts designated as cash flow hedges	$ 56	$ (8)	$ 185	$ (18)	$ (14)	$ 12

Balance Sheet Hedging Activities

Our foreign currency forward contracts that are not designated as hedging instruments are accounted for as derivatives whereby the fair value of the contracts are reported as other current assets or accrued and other current liabilities on our Consolidated Balance Sheets, and gains and losses resulting from changes in the fair value are reported in interest and other income (expense), net, in our Consolidated Statements of Operations. The gains and losses on these foreign currency forward contracts generally offset the gains and losses in the underlying foreign-currency-denominated monetary assets and liabilities, which are also reported in interest and other income (expense), net, in our Consolidated Statements of Operations.

Total gross notional amounts and fair values for currency derivatives that are not designated as hedging instruments are accounted for as follows (in millions):

	As of March 31, 2024			As of March 31, 2023		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 452	$ —	$ 5	$ 504	$ 4	$ —
Forward contracts to sell	$ 419	$ 4	$ —	$ 587	$ —	$ 10

The effect of foreign currency forward contracts not designated as hedging instruments in our Consolidated Statements of Operations for the fiscal years ended March 31, 2024, 2023, and 2022, was as follows (in millions):

	Year Ended March 31,		
	2024	2023	2022
	Interest and other income (expense), net		
Total amounts presented in our Consolidated Statements of Operations in which the effects of balance sheet hedges are recorded	$ 71	$ (6)	$ (48)
Gains (losses) on foreign currency forward contracts not designated as hedging instruments	$ 12	$ (29)	$ 21

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(6) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss) by component, net of tax, for the fiscal years ended March 31, 2024, 2023, and 2022 are as follows (in millions):

	Unrealized Net Gains (Losses) on Available-for-Sale Securities	Unrealized Net Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Balances as of March 31, 2021	$ —	$ (29)	$ (21)	$ (50)
Other comprehensive income (loss) before reclassifications	(3)	74	(8)	63
Amounts reclassified from accumulated other comprehensive income (loss)	—	2	—	2
Total other comprehensive income (loss), net of tax	(3)	76	(8)	65
Balances as of March 31, 2022	$ (3)	$ 47	$ (29)	$ 15
Other comprehensive income (loss) before reclassifications	1	133	(50)	84
Amounts reclassified from accumulated other comprehensive income (loss)	1	(167)	—	(166)
Total other comprehensive income (loss), net of tax	2	(34)	(50)	(82)
Balances as of March 31, 2023	$ (1)	$ 13	$ (79)	$ (67)
Other comprehensive income (loss) before reclassifications	1	45	(3)	43
Amounts reclassified from accumulated other comprehensive income (loss)	—	(48)	—	(48)
Total other comprehensive income (loss), net of tax	1	(3)	(3)	(5)
Balances as of March 31, 2024	$ —	$ 10	$ (82)	$ (72)

The effects on net income of amounts reclassified from accumulated other comprehensive income (loss) for the fiscal years ended March 31, 2024, 2023, and 2022 were as follows (in millions):

	Amount Reclassified From Accumulated Other Comprehensive Income (Loss)		
	Year Ended March 31,		
Statement of Operations Classification	2024	2023	2022
(Gains) losses on available-for-sale securities:			
Interest and other income (expense), net	$ —	$ 1	$ —
Total, net of tax	—	1	—
(Gains) losses on foreign currency forward contracts designated as cash flow hedges			
Net revenue	(56)	(185)	14
Research and development	8	18	(12)
Total, net of tax	(48)	(167)	2
Total net (gain) loss reclassified, net of tax	$ (48)	$ (166)	$ 2

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(7) GOODWILL AND ACQUISITION-RELATED INTANGIBLES, NET

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2024 are as follows (in millions):

	As of March 31, 2023	Activity	Effects of Foreign Currency Translation	As of March 31, 2024
Goodwill	$ 5,748	$ —	$ (1)	$ 5,747
Accumulated impairment	(368)	—	—	(368)
Total	$ 5,380	$ —	$ (1)	$ 5,379

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2023 are as follows (in millions):

	As of March 31, 2022	Activity	Effects of Foreign Currency Translation	As of March 31, 2023
Goodwill	$ 5,755	$ —	$ (7)	$ 5,748
Accumulated impairment	(368)	—	—	(368)
Total	$ 5,387	$ —	$ (7)	$ 5,380

Acquisition-related intangibles consisted of the following (in millions):

	As of March 31, 2024			As of March 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net
Finite-lived acquisition-related intangibles						
Developed and core technology	$ 1,025	$ (821)	$ 204	$ 1,051	$ (754)	$ 297
Trade names and trademarks	502	(306)	196	596	(285)	311
Registered user base and other intangibles	56	(56)	—	56	(50)	6
Total finite-lived acquisition-related intangibles	$ 1,583	$ (1,183)	$ 400	$ 1,703	$ (1,089)	$ 614
Indefinite-lived acquisition-related intangibles						
In-process research and development	$ —	$ —	$ —	$ 4	$ —	$ 4
Total acquisition-related intangibles, net	$ 1,583	$ (1,183)	$ 400	$ 1,707	$ (1,089)	$ 618

Amortization of intangibles, including impairments, for the fiscal years ended March 31, 2024, 2023, and 2022 are classified in the Consolidated Statements of Operations as follows (in millions):

	Year Ended March 31,		
	2024	2023	2022
Cost of revenue	$ 76	$ 120	$ 133
Operating expenses	142	158	183
Restructuring	—	66	—
Total	$ 218	$ 344	$ 316

During fiscal year 2024, we recorded impairment charges of $70 million for acquisition-related intangible assets, of which $53 million was recorded within operating expenses and $17 million was recorded within cost of revenue.

During fiscal year 2023, we recorded impairment charges of $106 million for acquisition-related intangible assets, of which $66 million was recorded within restructuring, $28 million was recorded within operating expenses, and $12 million was recorded within cost of revenue.

During fiscal year 2022, we recorded impairment charges of $45 million for acquisition-related intangible assets, of which $34 million was recorded within operating expenses and $11 million was recorded within cost of revenue.

Acquisition-related intangible assets are generally amortized using the straight-line method over the lesser of their estimated useful lives or the agreement terms, currently ranging from 2 to 7 years. As of March 31, 2024 and 2023, the weighted-average remaining useful life for acquisition-related intangible assets was approximately 4.1 years and 4.8 years, respectively.

As of March 31, 2024, future amortization of finite-lived acquisition-related intangibles that will be recorded in the Consolidated Statements of Operations is estimated as follows (in millions):

Fiscal Year Ending March 31,	
2025	$ 107
2026	102
2027	83
2028	80
2029	28
Total	$ 400

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(8) RESTRUCTURING ACTIVITIES

Fiscal 2024 Restructuring

In fiscal year 2024, we announced a restructuring plan (the "2024 Restructuring Plan") focused on aligning our portfolio, investments, and resources in support of our strategic priorities and growth initiatives. This plan reflects actions driven by portfolio rationalization, including costs associated with licensor commitments, as well as reductions in real estate and headcount. The actions associated with this plan are expected to be substantially completed by December 31, 2024.

Under this plan, we estimate that we will incur approximately $125 million to $165 million in charges, consisting primarily of:

- $50 million to $65 million associated with office space reductions;
- $40 million to $55 million related to employee severance and employee-related costs; and
- $35 million to $45 million in costs associated with licensor commitments.

Fiscal 2023 Restructuring

In fiscal year 2023, we announced a restructuring plan (the "2023 Restructuring Plan") focused on prioritizing investments to our growth opportunities and optimizing our real estate portfolio. This plan included actions driven by portfolio rationalization including headcount reductions, in addition to office space reductions. The actions associated with this plan were substantially completed by September 30, 2023.

Since the inception of the 2023 Restructuring Plan through March 31, 2024, we have incurred net charges of $158 million, and we do not expect to incur any additional restructuring charges under this plan.

Restructuring activities as of the fiscal year ended March 31, 2024 was as follows (in millions):

	Fiscal 2024 Restructuring			Fiscal 2023 Restructuring			
	Licensor Commitments [a]	Workforce [a]	Office Space Reductions [b]	Acquisition-Related Intangibles Impairments and Other Charges [a]	Workforce [a]	Office Space Reductions [b]	Total
Charges to operations	$ —	$ —	$ —	$ 68	$ 43	$ 44	$ 155
Charges settled in cash	—	—	—	—	(10)	—	(10)
Non-cash items	—	—	—	(66)	—	(44)	(110)
Liability as of March 31, 2023	$ —	$ —	$ —	$ 2	$ 33	$ —	$ 35
Charges to operations	30	29	2	—	3	—	64
Charges settled in cash	(17)	(5)	—	(2)	(36)	—	(60)
Non-cash items	(13)	—	(2)	—	—	—	(15)
Liability as of March 31, 2024	$ —	$ 24	$ —	$ —	$ —	$ —	$ 24

(a) Charges are recorded within Restructuring in the Consolidated Statement of Operations.
(b) Charges are recorded within General and administrative expenses in the Consolidated Statement of Operations.

The restructuring liability of $24 million as of March 31, 2024, is included in accrued and other current liabilities on the Consolidated Balance Sheets.

(9) ROYALTIES AND LICENSES

Our royalty expenses consist of payments to (1) content licensors, (2) independent software developers, and (3) co-publishing and distribution affiliates. Content license royalties consist of payments made to celebrities, professional sports organizations, movie studios and other organizations for our use of their trademarks, copyrights, personal publicity rights, content and/or other intellectual property. Royalty payments to independent software developers are payments for the development of intellectual property related to our games. Co-publishing and distribution royalties are payments made to third parties for the delivery of products.

During fiscal year 2024, we recorded impairment charges of $30 million for costs associated with licensor commitments, all of which were recorded within Restructuring in the Consolidated Statement of Operations. See *Note 8 — Restructuring Activities* for additional information on the impairment charge related to our 2024 Restructuring Plan.

During fiscal years 2023 and 2022, we did not recognize any material losses or impairment charges on royalty-based commitments.

The current and long-term portions of prepaid royalties and minimum guaranteed royalty-related assets, included in other current assets and other assets, consisted of (in millions):

	As of March 31,	
	2024	2023
Other current assets	$ 98	$ 105
Other assets	24	31
Royalty-related assets	$ 122	$ 136

At any given time, depending on the timing of our payments to our content licensors, independent software developers, co-publishing, and/or distribution affiliates, we classify any recognized unpaid royalty amounts due to these parties as accrued liabilities. The current and long-term portions of accrued royalties, included in accrued and other current liabilities and other liabilities, consisted of (in millions):

	As of March 31,	
	2024	2023
Accrued and other current liabilities	$ 189	$ 208
Other liabilities	20	—
Royalty-related liabilities	$ 209	$ 208

As of March 31, 2024, we were committed to pay approximately $1,948 million to content licensors, independent software developers, and co-publishing and/or distribution affiliates, but performance remained with the counterparty (i.e., delivery of the product or content or other factors) and such commitments were therefore not recorded in our Consolidated Financial Statements. See Note 14 for further information on our developer and licensor commitments.

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(10) BALANCE SHEET DETAILS

Property and Equipment, Net

Property and equipment, net, as of March 31, 2024 and 2023 consisted of (in millions):

	As of March 31,	
	2024	2023
Computer, equipment and software	$ 965	$ 892
Buildings	376	369
Leasehold improvements	190	186
Equipment, furniture and fixtures, and other	92	92
Land	67	66
Construction in progress	47	11
	1,737	1,616
Less: accumulated depreciation	(1,159)	(1,067)
Property and equipment, net	$ 578	$ 549

Depreciation expense associated with property and equipment was $196 million, $193 million and $162 million for the fiscal years ended March 31, 2024, 2023, and 2022, respectively.

Accrued and Other Current Liabilities

Accrued and other current liabilities as of March 31, 2024 and 2023 consisted of (in millions):

	As of March 31,	
	2024	2023
Accrued compensation and benefits	$ 476	$ 436
Accrued royalties	189	208
Deferred net revenue (other)	59	103
Operating lease liabilities (See Note 13)	66	66
Other accrued expenses	286	382
Sales returns and price protection reserves	90	90
Accrued and other current liabilities	$ 1,166	$ 1,285

Deferred net revenue (other) includes the deferral of licensing arrangements, subscription revenue, and other revenue for which revenue recognition criteria has not been met.

Deferred net revenue

Deferred net revenue as of March 31, 2024 and 2023, consisted of (in millions):

	As of March 31,	
	2024	2023
Deferred net revenue (online-enabled games)	$ 1,814	$ 1,901
Deferred net revenue (other)	59	103
Deferred net revenue (noncurrent)	85	67
Total deferred net revenue	$ 1,958	$ 2,071

During the fiscal years ended March 31, 2024 and 2023, we recognized $1,987 million and $2,176 million of revenue, respectively, that were included in the deferred net revenue balance at the beginning of the period.

Remaining Performance Obligations

As of March 31, 2024, revenue allocated to remaining performance obligations consists of our deferred revenue balance of $1,958 million. These balances exclude any estimates for future variable consideration as we have elected the optional exemption to exclude sales-based royalty revenue.

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(11) INCOME TAXES

The components of our income before provision for income taxes for the fiscal years ended March 31, 2024, 2023, and 2022 are as follows (in millions):

	Year Ended March 31,		
	2024	2023	2022
Domestic	$ 437	$ 315	$ 204
Foreign	1,152	1,011	877
Income before provision for income taxes	$ 1,589	$ 1,326	$ 1,081

Provision for income taxes for the fiscal years ended March 31, 2024, 2023, and 2022 consisted of (in millions):

	Current	Deferred	Total
Year Ended March 31, 2024			
Federal	$ 138	$ 85	$ 223
State	20	9	29
Foreign	76	(12)	64
	$ 234	$ 82	$ 316
Year Ended March 31, 2023			
Federal	$ 570	$ (339)	$ 231
State	92	(76)	16
Foreign	75	202	277
	$ 737	$ (213)	$ 524
Year Ended March 31, 2022			
Federal	$ 203	$ (190)	$ 13
State	36	(26)	10
Foreign	381	(112)	269
	$ 620	$ (328)	$ 292

The differences between the statutory tax rate and our effective tax rate, expressed as a percentage of income before provision for income taxes, for the fiscal years ended March 31, 2024, 2023, and 2022 were as follows:

	Year Ended March 31,		
	2024	2023	2022
Statutory federal tax expense rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	1.1 %	1.1 %	1.9 %
Differences between statutory rate and foreign effective tax rate	2.9 %	7.6 %	6.8 %
Excess tax benefit from equity compensation	(0.3)%	(0.3)%	(1.2)%
Research and development credits	(2.4)%	(3.0)%	(2.8)%
Swiss valuation allowance	(0.3)%	8.9 %	2.7 %
Effect of change in enacted tax rate	(5.8)%	— %	— %
Acquired IP intra-entity sales	— %	— %	(5.9)%
Non-deductible stock-based compensation	2.8 %	3.2 %	3.8 %
Other	0.9 %	1.0 %	0.7 %
Effective tax rate	19.9 %	39.5 %	27.0 %

During the fiscal year ended March 31, 2024, we recognized a $92 million tax benefit to remeasure our Swiss deferred tax assets as a result of an increase in the Swiss statutory tax rate. In addition, we recognized a lower period cost for U.S. tax on our non-U.S. earnings, including a cumulative one-time benefit, due to R&D capitalization guidance issued by the U.S. Treasury during the fiscal year. Excluding the effects of these items, the effective tax rate for fiscal year 2024 would have been 29.5%.

During the fiscal year ended March 31, 2023, we recognized a $118 million tax charge to increase the valuation allowance on Swiss deferred tax assets, primarily as a result of an increase in Swiss interest rates.

During the fiscal year ended March 31, 2022, we completed intra-entity sales of intellectual property rights related to acquisitions to our U.S. and Swiss intellectual property owners (the "Acquired IP intra-entity sales"). The transactions resulted in overall taxable gains. Under U.S. GAAP, any profit resulting from the Acquired IP intra-entity sales was eliminated upon consolidation. However, the transactions resulted in a step-up of the U.S. and Swiss tax-deductible basis in the transferred intellectual property rights and, accordingly, created a temporary difference between the book basis and the tax basis of such intellectual property rights. As a result, we recognized a $64 million net tax benefit for the current and deferred tax impacts of the sales.

In addition, during the fiscal year ended March 31, 2022, we recognized a $29 million tax charge to increase the valuation allowance on Swiss deferred tax assets that are not more likely than not to be realized.

Our foreign subsidiaries are generally subject to U.S. tax, and to the extent earnings from these subsidiaries can be repatriated without a material tax cost, such earnings will not be indefinitely reinvested. As of March 31, 2024, approximately $1.1 billion of our cash and cash equivalents were domiciled in foreign tax jurisdictions. All of our foreign cash is available for repatriation without a material tax cost.

The components of net deferred tax assets, as of March 31, 2024 and 2023 consisted of (in millions):

	As of March 31,	
	2024	2023
Deferred tax assets:		
Accruals, reserves and other expenses	$ 200	$ 197
Tax credit carryforwards	222	218
Research and development capitalization	375	461
Stock-based compensation	41	39
Net operating loss and capital loss carryforwards	403	371
Swiss intra-entity tax asset	1,618	1,665
Total	2,859	2,951
Valuation allowance	(464)	(446)
Deferred tax assets, net of valuation allowance	2,395	2,505
Deferred tax liabilities:		
Amortization and depreciation	(10)	(41)
Other	(6)	(3)
Total	(16)	(44)
Deferred tax assets, net of valuation allowance and deferred tax liabilities	$ 2,379	$ 2,461

As of March 31, 2024, we have net operating loss carry forwards of approximately $2.8 billion of which approximately $91 million is attributable to various acquired companies. The net operating loss carry forwards include $2.6 billion related to Switzerland and $94 million related to California. Substantially all of these carryforwards, if not fully realized, will begin to expire in fiscal year 2027. Switzerland has a seven-year carryforward period and does not permit the carry back of losses. We also have U.S. federal credit carryforwards of $8 million and California credit carryforwards of $204 million. The California tax credit carryforwards can be carried forward indefinitely.

As of March 31, 2024, we maintained a total valuation allowance of $464 million related to certain U.S. state deferred tax assets, Swiss deferred tax assets, and foreign capital loss carryovers, due to uncertainty about the future realization of these assets.

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The total unrecognized tax benefits as of March 31, 2024, 2023, and 2022 were $804 million, $867 million and $636 million, respectively. A reconciliation of the beginning and ending balance of unrecognized tax benefits is summarized as follows (in millions):

Balance as of March 31, 2021	$ 584
Increases in unrecognized tax benefits related to prior year tax positions	5
Decreases in unrecognized tax benefits related to prior year tax positions	(21)
Increases in unrecognized tax benefits related to current year tax positions	139
Decreases in unrecognized tax benefits related to settlements with taxing authorities	(50)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(18)
Changes in unrecognized tax benefits due to foreign currency translation	(3)
Balance as of March 31, 2022	636
Increases in unrecognized tax benefits related to current year tax positions	245
Decreases in unrecognized tax benefits related to settlements with taxing authorities	(2)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(6)
Changes in unrecognized tax benefits due to foreign currency translation	(6)
Balance as of March 31, 2023	867
Increases in unrecognized tax benefits related to prior year tax positions	14
Decreases in unrecognized tax benefits related to prior year tax positions	(173)
Increases in unrecognized tax benefits related to current year tax positions	97
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(2)
Changes in unrecognized tax benefits due to foreign currency translation	1
Balance as of March 31, 2024	$ 804

As of March 31, 2024, approximately $441 million of the unrecognized tax benefits would affect our effective tax rate, a portion of which would be impacted by a valuation allowance.

Interest and penalties related to estimated obligations for tax positions taken in our tax returns are recognized in income tax expense in our Consolidated Statements of Operations. The combined amount of accrued interest and penalties related to tax positions taken on our tax returns and included in non-current other liabilities was approximately $82 million as of March 31, 2024 and $54 million as of March 31, 2023.

We file income tax returns in the United States, including various state and local jurisdictions. As of March 31, 2024, our subsidiaries file tax returns in various foreign jurisdictions, including Canada, Germany, South Korea, Switzerland, and the United Kingdom. As of the period ended March 31, 2024, we remain subject to income tax examination in these jurisdictions, including the United States for fiscal years after 2017, Canada for fiscal years after 2013, Germany for fiscal years after 2016, South Korea for fiscal years after 2018, Switzerland for fiscal years after 2014, and the United Kingdom for fiscal years after 2021.

We are currently under income tax examination in various jurisdictions, including the United States for fiscal years 2018 through 2020, and Germany for fiscal years 2013 through 2019.

The timing and potential resolution of income tax examinations is highly uncertain. While we continue to measure our uncertain tax positions, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued.

It is also reasonably possible that an additional immaterial reduction of unrecognized tax benefits may occur within the next 12 months, a portion of which would impact our effective tax rate. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements and tax interpretations.

(12) FINANCING ARRANGEMENTS

Senior Notes

In February 2021, we issued $750 million aggregate principal amount of 1.85% Senior Notes due February 15, 2031 (the "2031 Notes") and $750 million aggregate principal amount of 2.95% Senior Notes due February 15, 2051 (the "2051 Notes"). Our proceeds were $1,478 million, net of discount of $6 million and issuance costs of $16 million. Both the discount and issuance costs are being amortized to interest expense over the respective terms of the 2031 Notes and the 2051 Notes using the effective interest rate method. The effective interest rate is 1.98% for the 2031 Notes and 3.04% for the 2051 Notes. Interest is payable semiannually in arrears, on February 15 and August 15 of each year.

In February 2016, we issued $400 million aggregate principal amount of 4.80% Senior Notes due March 1, 2026 (the "2026 Notes"). Our proceeds were $395 million, net of discount of $1 million and issuance costs of $4 million. Both the discount and issuance costs are being amortized to interest expense over the term of the 2026 Notes using the effective interest rate method. The effective interest rate was 4.97%. Interest is payable semiannually in arrears, on March 1 and September 1 of each year.

The carrying and fair values of the Senior Notes are as follows (in millions):

	As of March 31, 2024	As of March 31, 2023
Senior Notes:		
4.80% Senior Notes due 2026	$ 400	$ 400
1.85% Senior Notes due 2031	750	750
2.95% Senior Notes due 2051	750	750
Total principal amount	$ 1,900	$ 1,900
Unaccreted discount	(5)	(6)
Unamortized debt issuance costs	(13)	(14)
Net carrying value of Senior Notes	$ 1,882	$ 1,880
Fair value of Senior Notes (Level 2)	$ 1,515	$ 1,540

As of March 31, 2024, the remaining life of the 2026 Notes, 2031 Notes and 2051 Notes is approximately 1.9 years, 6.9 years, and 26.9 years, respectively.

The Senior Notes are senior unsecured obligations and rank equally with all our other existing and future unsubordinated obligations and any indebtedness that we may incur from time to time under our Credit Facility.

The 2026 Notes, 2031 Notes and 2051 Notes are redeemable at our option at any time prior to December 1, 2025, November 15, 2030, and August 15, 2050, respectively, subject to a make-whole premium. After such dates, we may redeem each such series of Notes, respectively, at a redemption price equal to 100% of the aggregate principal amount plus accrued and unpaid interest. In addition, upon the occurrence of a change of control repurchase event, the holders of each such series of Notes may require us to repurchase all or a portion of these Notes, at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase. Each such series of Notes also include covenants that limit our ability to incur liens on assets and to enter into sale and leaseback transactions, subject to certain allowances.

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Credit Facility

On March 22, 2023, we entered into a $500 million unsecured revolving credit facility (the "Credit Facility") with a syndicate of banks. The Credit Facility terminates on March 22, 2028 unless the maturity is extended in accordance with its terms. The Credit Facility contains an option to arrange with existing lenders and/or new lenders to provide up to an aggregate of $500 million in additional commitments for revolving loans. Proceeds of loans made under the Credit Facility may be used for general corporate purposes.

The loans denominated in U.S. dollars bear interest, at our option, at the base rate plus an applicable spread or at a forward-looking term rate based upon the secured overnight financing rate plus a credit spread adjustment of 0.10% per annum (the "Adjusted Term SOFR Rate") plus an applicable spread, in each case with such spread based on our debt credit ratings. We are also obligated to pay other customary fees for a credit facility of this size and type. Interest is due and payable in arrears quarterly for loans bearing interest at the base rate and at the end of an interest period in the case of loans bearing interest at the Adjusted Term SOFR Rate. Principal, together with all accrued and unpaid interest, is due and payable on the maturity date, as such date may be extended in connection with the extension option. We may prepay the loans and terminate the commitments, in whole or in part, at any time without premium or penalty, subject to certain conditions.

The Credit Facility contains customary affirmative and negative covenants, including covenants that limit or restrict our ability to, among other things, incur subsidiary indebtedness, grant liens, and dispose of all or substantially all assets, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to maintain compliance with a debt to EBITDA ratio. As of March 31, 2024, we were in compliance with the debt to EBITDA ratio.

The Credit Facility contains customary events of default, including among others, non-payment defaults, covenant defaults, cross-defaults to material indebtedness, bankruptcy and insolvency defaults, material judgment defaults and a change of control default, in each case, subject to customary exceptions for a credit facility of this size and type. The occurrence of an event of default could result in the acceleration of the obligations under the Credit Facility and an increase in the applicable interest rate.

As of March 31, 2024, no amounts were outstanding under the Credit Facility. $2 million of debt issuance costs that were paid in connection with obtaining this credit facility are being amortized to interest expense over the 5-year term of the Credit Facility.

Interest Expense

The following table summarizes our interest expense recognized for fiscal years 2024, 2023, and 2022 that is included in interest and other income (expense), net on our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2024	2023	2022
Amortization of debt discount	$ —	$ (1)	$ (1)
Amortization of debt issuance costs	(2)	(2)	(2)
Coupon interest expense	(55)	(55)	(55)
Other interest expense	(1)	—	—
Total interest expense	$ (58)	$ (58)	$ (58)

(13) LEASES

Our leases primarily consist of facility leases for our offices and development studios, data centers, and server equipment, with remaining lease terms of up to 13 years. Our lease terms may include options to extend or terminate the lease. When it is reasonably certain that we will exercise those options, we include them in our measurement of lease payments and lease terms. Substantially all of our leases are classified as operating leases.

We determine if an arrangement is or contains a lease at contract inception. The contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining if a contract is or contains a lease, we apply judgment whether the contract provides the right to obtain substantially all of the economic benefits, the right to direct, or control the use of the identified asset throughout the period of use.

Operating lease right-of-use ("ROU") assets and liabilities are recognized at the commencement date based on the present value of future lease payments over the lease term. In determining the present value of the future lease payments, we use our incremental borrowing rate as none of our leases provide an implicit rate. Our incremental borrowing rate is an assumed rate based on our credit rating, credit history, current economic environment, and the lease term. Operating lease ROU assets are further adjusted for any payments made, incentives received, and initial direct costs incurred prior to the commencement date.

Operating lease ROU assets are amortized on a straight-line basis over the lease term and recognized as lease expense within cost of revenue or operating expenses on our Consolidated Statements of Operations. Operating lease liabilities decrease by lease payments we make over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet. When we commit to a plan to abandon an operating lease at a future date, the amortization of the operating lease ROU asset and depreciation of the associated leasehold improvements are accelerated based on the revised useful life of the operating lease.

Some of our operating leases contain lease and non-lease components. Non-lease components primarily include fixed payments for common area maintenance and utilities. We elected to account for lease and non-lease components as a single lease component. Variable lease and non-lease components are recognized on our Consolidated Statements of Operations as incurred.

The components of lease expenses for the fiscal years ended March 31, 2024, 2023, and 2022 are as follows (in millions):

	Year Ended March 31,		
	2024	2023	2022
Operating lease costs	$ 80	$ 138	$ 98
Variable lease costs	31	22	21
Short-term lease costs	1	7	2
Total lease expense	$ 112	$ 167	$ 121

During the fiscal year ended March 31, 2023, we recorded accelerated amortization of certain ROU Assets of $34 million within the operating lease costs and accelerated deprecation of property, plant and equipment for $10 million as part of our 2023 Restructuring Plan. See *Note 8 – Restructuring Activities* for additional information.

Supplemental cash and noncash information related to our operating leases for the fiscal years ended March 31, 2024, 2023, and 2022 are as follows (in millions):

	Year Ended March 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liability	$ 74	$ 97	$ 97
ROU assets obtained in exchange for new lease obligations	$ 37	$ 97	$ 150

Weighted average remaining lease term and discount rate at March 31, 2024 and 2023 are as follows:

	At March 31, 2024	At March 31, 2023
Lease term	7.1 years	7.5 years
Discount rate	3.6 %	3.3 %

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Operating lease ROU assets and liabilities recorded on our Consolidated Balance Sheets as of March 31, 2024 and 2023 are as follows (in millions):

	As of March 31,		
	2024	2023	Balance Sheet Classification
Operating lease ROU assets	$ 243	$ 276	Other assets
Operating lease liabilities	$ 66	$ 66	Accrued and other current liabilities
Noncurrent operating lease liabilities	248	277	Other liabilities
Total operating lease liabilities	$ 314	$ 343	

Future minimum lease payments under operating leases as of March 31, 2024 were as follows (in millions):

Fiscal Years Ending March 31,	
2025	$ 74
2026	61
2027	46
2028	37
2029	26
Thereafter	112
Total future lease payments	356
Less imputed interest	(42)
Total operating lease liabilities	$ 314

In addition to the amounts included in the table above, as of March 31, 2024, we have entered into an office lease that has not yet commenced with aggregate future lease payments of approximately $98 million. This lease is expected to commence in fiscal year 2025, and will have a lease term of 12 years.

(14) COMMITMENTS AND CONTINGENCIES

Development, Celebrity, Professional Sports Organizations and Other Content Licenses: Payments and Commitments

The products we produce in our studios are designed and created by our employee designers, artists, software programmers and by non-employee software developers ("independent artists" or "third-party developers"). We typically advance development funds to the independent artists and third-party developers during development of our games, usually in installment payments made upon the completion of specified development milestones. Contractually, these payments are generally considered advances against subsequent royalties on the sales of the products. These terms are set forth in written agreements entered into with the independent artists and third-party developers. In addition, we have certain celebrity, professional sports organizations and other content license contracts that contain minimum guarantee payments and marketing commitments to promote the games we publish that may not be dependent on any deliverables.

These developer and content license commitments represent the sum of the cash payments for flat fees, minimum guaranteed payments, and service payments. The majority of these commitments are conditional upon performance by the counterparty. These payments and any related marketing and development commitments are included in the table below.

The following table summarizes our minimum contractual obligations as of March 31, 2024 (in millions):

		Fiscal Years Ending March 31,					
	Total	2025	2026	2027	2028	2029	Thereafter
Unrecognized commitments							
Developer/licensor commitments	$ 1,948	$ 343	$ 473	$ 476	$ 216	$ 210	$ 230
Marketing commitments	1,364	247	276	280	199	111	251
Senior Notes interest	725	49	54	36	36	36	514
Operating lease imputed interest	42	10	8	6	5	4	9
Operating leases not yet commenced	98	6	8	8	8	8	60
Other purchase obligations	436	215	160	49	10	2	—
Total unrecognized commitments	4,613	870	979	855	474	371	1,064
Recognized commitments							
Senior Notes principal and interest	1,906	6	400	—	—	—	1,500
Operating leases	314	64	53	40	32	22	103
Transition Tax and other taxes	13	6	7	—	—	—	—
Total recognized commitments	2,233	76	460	40	32	22	1,603
Total Commitments	$ 6,846	$ 946	$ 1,439	$ 895	$ 506	$ 393	$ 2,667

The unrecognized amounts represented in the table above reflect our minimum cash obligations for the respective fiscal years, but do not necessarily represent the periods in which they will be recognized and expensed in our Consolidated Financial Statements. In addition, the amounts in the table above are presented based on the dates the amounts are contractually due as of March 31, 2024; however, certain payment obligations may be accelerated depending on the performance of our operating results.

In addition to the amounts included in the table above, in our Consolidated Balance Sheets as of March 31, 2024, we had a net liability for unrecognized tax benefits and an accrual for the payment of related interest totaling $490 million, of which we are unable to make a reasonably reliable estimate of when cash settlement with a taxing authority will occur.

Legal Proceedings

We are subject to claims and litigation arising in the ordinary course of business. We do not believe that any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our Consolidated Financial Statements.

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(15) STOCK-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

Valuation Assumptions

We recognize compensation cost for stock-based awards to employees based on the awards' estimated grant-date fair value using a straight-line approach over the service period for which such awards are expected to vest. We account for forfeitures as they occur.

The estimation of the fair value of market-based restricted stock units, stock options and Employee Stock Purchase Plan ("ESPP") purchase rights is affected by assumptions regarding subjective and complex variables. Generally, our assumptions are based on historical information and judgment is required to determine if historical trends may be indicators of future outcomes. We estimate the fair value of our stock-based awards as follows:

- *Restricted Stock Units* and *Performance-Based Restricted Stock Units*. The fair value of restricted stock units and performance-based restricted stock units (other than market-based restricted stock units) is determined based on the quoted market price of our common stock on the date of grant.

- *Market-Based Restricted Stock Units*. Market-based restricted stock units consist of grants of performance-based restricted stock units to certain members of executive management that vest contingent upon the achievement of pre-determined market and service conditions (referred to herein as "market-based restricted stock units"). The fair value of our market-based restricted stock units is estimated using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient.

- *Stock Options and ESPP*. The fair value of stock options and stock purchase rights granted pursuant to our equity incentive plans and our 2000 Employee Stock Purchase Plan, as amended, respectively, is estimated using the Black-Scholes valuation model based on the multiple-award valuation method. Key assumptions of the Black-Scholes valuation model are the risk-free interest rate, expected volatility, expected term and expected dividends. The risk-free interest rate is based on U.S. Treasury yields in effect at the time of grant for the expected term of the option. Expected volatility is based on a combination of historical stock price volatility and implied volatility of publicly-traded options on our common stock. An expected term is estimated based on historical exercise behavior, post-vesting termination patterns, options outstanding and future expected exercise behavior.

There were an insignificant number of stock options granted during fiscal years 2024, 2023, and 2022.

The estimated assumptions used in the Black-Scholes valuation model to value our ESPP purchase rights were as follows:

	ESPP Purchase Rights		
	Year Ended March 31,		
	2024	2023	2022
Risk-free interest rate	5.0 - 5.5%	3.1 - 5.0%	0.1% - 1.1%
Expected volatility	19 - 24%	27 - 31%	25 - 30%
Weighted-average volatility	23%	29%	27%
Expected term	6 - 12 months	6 - 12 months	6 - 12 months
Expected dividends	0.8%	0.8 %	0.6 %

The assumptions used in the Monte-Carlo simulation model to value our market-based restricted stock units were as follows:

	Year Ended March 31,		
	2024	2023	2022
Risk-free interest rate	4.4%	3.3 %	0.4%
Expected volatility	25 - 59%	33 - 56%	24 - 76%
Weighted-average volatility	39%	43%	40%
Expected dividends	None	None	None

Summary of Plans and Plan Activity

Equity Incentive Plans

We have equity awards outstanding under two incentive plans: our 2019 Equity Incentive Plan (the "2019 Equity Plan"), as amended, and our 2000 Equity Incentive Plan, as amended (the "2000 Equity Plan"). Our 2019 Equity Plan allows us to grant options to purchase our common stock and to grant restricted stock, restricted stock units and stock appreciation rights to our employees, officers, and directors, up to a maximum of 29.5 million shares, plus any shares authorized for grant or subject to awards under the 2000 Equity Plan that are not delivered to participants for any reason. Pursuant to the 2019 Equity Plan, incentive stock options may be granted to employees and officers and non-qualified options may be granted to employees, officers, and directors, at not less than 100 percent of the fair market value on the date of grant.

Approximately 15.9 million options or 11.1 million restricted stock units were available for grant under our 2019 Equity Plan as of March 31, 2024.

Stock Options

Options granted under the 2019 Equity Plan and the 2000 Equity Plan generally expire ten years from the date of grant. All outstanding options were fully vested and exercisable as of March 31, 2024.

The following table summarizes our stock option activity for the fiscal year ended March 31, 2024:

	Options (in thousands)	Weighted-Average Exercise Prices	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of March 31, 2023	121	$ 40.43		
Granted	3	131.04		
Exercised	(112)	40.49		
Forfeited, cancelled or expired	—	—		
Outstanding as of March 31, 2024	12	$ 64.00	3.95	$ 1
Vested and expected to vest	12	$ 64.00	3.95	$ 1
Exercisable as of March 31, 2024	12	$ 64.00	3.95	$ 1

The aggregate intrinsic value represents the total pre-tax intrinsic value based on our closing stock price as of March 31, 2024, which would have been received by the option holders had all the option holders exercised their options as of that date. The total intrinsic values of stock options exercised during fiscal years 2024, 2023, and 2022 were $10 million, $15 million, and $8 million, respectively. We issue new common stock from our authorized shares upon the exercise of stock options.

Restricted Stock Units

We grant restricted stock units under our 2019 Equity Plan to employees worldwide. Restricted stock units are unfunded, unsecured rights to receive common stock upon the satisfaction of certain vesting criteria. Upon vesting, a number of shares of common stock equivalent to the number of restricted stock units are typically issued net of required tax withholding requirements, if any. Restricted stock units are subject to forfeiture and transfer restrictions. Vesting for restricted stock units is based on the holders' continued employment with us through each applicable vest date. If the vesting conditions are not met, unvested restricted stock units will be forfeited. Our restricted stock units generally vest over 35 months to four years.

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Each restricted stock unit granted reduces the number of shares available for grant by 1.43 shares under our 2019 Equity Plan. The following table summarizes our restricted stock units activity, excluding performance-based and market-based restricted stock unit activity which is discussed below, for the fiscal year ended March 31, 2024:

	Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Values
Outstanding as of March 31, 2023	7,502	$ 128.54
Granted	4,798	129.30
Vested	(4,015)	129.71
Forfeited or cancelled	(805)	129.37
Outstanding as of March 31, 2024	7,480	$ 128.31

The grant date fair value of restricted stock units is based on the quoted market price of our common stock on the date of grant. The weighted-average grant date fair values of restricted stock units granted during fiscal years 2024, 2023, and 2022 were $129.30, $126.41, and $136.78, respectively. The fair values of restricted stock units that vested during fiscal years 2024, 2023, and 2022 were $519 million, $460 million, and $457 million, respectively.

Performance-Based Restricted Stock Units

Our performance-based restricted stock units vest upon the achievement of pre-determined performance-based milestones, including, but not limited to, management reporting milestones of net bookings and operating income metrics, as well as service conditions. If these performance-based milestones are not met but service conditions are met, the performance-based restricted stock units will not vest, in which case any compensation expense we have recognized to date will be reversed. Generally, the measurement periods of our performance-based restricted stock units are 3 years, with awards vesting after each annual measurement period or cliff-vesting after the completion of the total aggregate measurement period.

Each quarter, we update our assessment of the probability that the performance milestones will be achieved. We amortize the fair values of performance-based restricted stock units over the requisite service period. The performance-based restricted stock units contain threshold, target and maximum milestones for each performance-based milestone. The number of shares of common stock to be issued at vesting will range from zero to 200 percent of the target number of performance-based restricted stock units attributable to each performance-based milestone based on the company's performance as compared to these threshold, target and maximum performance-based milestones. Each performance-based milestone is weighted evenly and the number of shares that vest based on each performance-based milestone is independent from the other.

The following table summarizes our performance-based restricted stock unit activity, presented with the maximum number of shares that could potentially vest, for the fiscal year ended March 31, 2024:

	Performance-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2023	557	$ 130.03
Granted	682	128.66
Vested	(73)	127.98
Forfeited or cancelled	(330)	128.74
Outstanding as of March 31, 2024	836	$ 129.60

The weighted-average grant date fair values of performance-based restricted stock units granted during fiscal years 2024, 2023, and 2022 were $128.66, $127.98, and $140.48 respectively. The fair values of performance-based restricted stock units that vested during fiscal years 2024, 2023, and 2022 were $11 million, $9 million, and $38 million respectively.

Market-Based Restricted Stock Units

Our market-based restricted stock units vest contingent upon the achievement of pre-determined market and service conditions. If these market conditions are not met but service conditions are met, the market-based restricted stock units will not vest; however, any compensation expense we have recognized to date will not be reversed. The number of shares of common stock to be issued at vesting will range from zero to 200 percent of the target number of market-based restricted stock units based on our total stockholder return ("TSR") relative to the performance of companies in the Nasdaq-100 Index for each measurement period, over a three-year period.

The following table summarizes our market-based restricted stock unit activity, presented with the maximum number of shares that could potentially vest, for the year ended March 31, 2024:

	Market-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Outstanding as of March 31, 2023	822	$ 149.98
Granted	143	152.92
Vested	(50)	125.62
Forfeited or cancelled	(561)	141.20
Outstanding as of March 31, 2024	354	$ 168.53

The weighted-average grant date fair values of market-based restricted stock units granted during fiscal years 2024, 2023, and 2022 were $152.92, $176.70, and $170.44, respectively. The fair values of market-based restricted stock units that vested during fiscal years 2024, 2023, and 2022 were $4 million, $12 million, and $37 million, respectively.

ESPP

Pursuant to our ESPP, eligible employees may authorize payroll deductions of between 2 percent and 10 percent of their compensation to purchase shares of common stock at 85 percent of the lower of the market price of our common stock on the date of commencement of the applicable offering period or on the last day of each six-month purchase period.

The following table summarizes our ESPP activity for fiscal years ended March 31, 2024, 2023, and 2022:

	Shares Issued (in millions)	Exercise Prices for Purchase Rights	Weighted-Average Fair Values of Purchase Rights
Fiscal Year 2022	0.6	$113.39 - $118.14	$ 35.94
Fiscal Year 2023	0.7	$96.34 - $111.86	$ 33.91
Fiscal Year 2024	0.8	$94.96 - $102.58	$ 30.82

The fair values were estimated on the date of grant using the Black-Scholes valuation model. We issue new common stock out of the ESPP's pool of authorized shares. As of March 31, 2024, 2.8 million shares were available for grant under our ESPP.

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Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense resulting from stock options, restricted stock units, market-based restricted stock units, performance-based restricted stock units, and the ESPP purchase rights included in our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2024	2023	2022
Cost of revenue	$ 8	$ 7	$ 6
Research and development	418	367	356
Marketing and sales	52	59	54
General and administrative	106	115	112
Stock-based compensation expense	$ 584	$ 548	$ 528

During the fiscal years ended March 31, 2024, 2023, and 2022, we recognized $79 million, $72 million, and $68 million, respectively, of deferred income tax benefit related to our stock-based compensation expense.

As of March 31, 2024, our total unrecognized compensation cost related to stock options, restricted stock units, market-based restricted stock units, and performance-based restricted stock units was $734 million and is expected to be recognized over a weighted-average service period of 1.7 years. Of the $734 million of unrecognized compensation cost, $710 million relates to restricted stock units, $12 million relates to market-based restricted stock units, and $12 million relates to performance-based restricted stock units.

Deferred Compensation Plan

We have a Deferred Compensation Plan ("DCP") for the benefit of a select group of management or highly compensated employees and directors, which is unfunded and intended to be a plan that is not qualified within the meaning of section 401(a) of the Internal Revenue Code. The DCP permits the deferral of the annual base salary and/or director cash compensation up to a maximum amount. The deferrals are held in a separate trust, which has been established by us to administer the DCP. The trust is a grantor trust and the specific terms of the trust agreement provide that the assets of the trust are available to satisfy the claims of general creditors in the event of our insolvency. The assets held by the trust are classified as trading securities and are held at fair value on our Consolidated Balance Sheets. The assets and liabilities of the DCP are presented in other assets and other liabilities on our Consolidated Balance Sheets, respectively, with changes in the fair value of the assets and in the deferred compensation liability recognized as compensation expense. The estimated fair value of the assets was $30 million and $23 million as of March 31, 2024 and 2023, respectively. As of March 31, 2024 and 2023, $31 million and $24 million were recorded, respectively, to recognize undistributed deferred compensation due to employees.

401(k) Plan, Registered Retirement Savings Plan and ITP Plan

We have a 401(k) plan covering substantially all of our U.S. employees, a Registered Retirement Savings Plan covering substantially all of our Canadian employees, and an ITP pension plan covering substantially all our Swedish employees. These plans may permit us to make discretionary contributions to employees' accounts based on our financial performance. We contributed an aggregate of $39 million, $42 million, and $41 million to these plans in fiscal years 2024, 2023, and 2022, respectively.

Stock Repurchase Program

In November 2020, our Board of Directors authorized a program to repurchase up to $2.6 billion of our common stock. We completed repurchases under the November 2020 program in October 2022.

In August 2022, our Board of Directors authorized a program to repurchase up to $2.6 billion of our common stock. This program was terminated on May 8, 2024 and was superseded and replaced by a new stock repurchase program approved in May 2024.

In May 2024, the Company's Audit Committee, upon delegation from the Company's Board of Directors, authorized a new program to repurchase up to $5.0 billion of our common stock. This program supersedes and replaces the August 2022 program and expires on May 9, 2027. Under this program, we may purchase stock in the open market or through privately negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase a specific number of shares of our common stock under this program and it may be modified, suspended or discontinued at any time. We are actively repurchasing shares under this program.

The following table summarizes total shares repurchased during fiscal years 2024, 2023, and 2022:

	November 2020 Program		August 2022 Program		Total	
(In millions)	Shares	Amount	Shares	Amount[a]	Shares	Amount
Fiscal Year 2022	9.5	$ 1,300	—	$ —	9.5	$ 1,300
Fiscal Year 2023	5.1	$ 650	5.3	$ 645	10.4	$ 1,295
Fiscal Year 2024	—	$ —	10.0	$ 1,300	10.0	$ 1,300

[a]Amount excludes excise taxes. Accrued excise taxes are included in accrued and other current liabilities and additional paid-in capital on the Consolidated Balance Sheets.

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(16) INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income (expense), net, for the fiscal years ended March 31, 2024, 2023, and 2022 consisted of (in millions):

	Year Ended March 31,		
	2024	2023	2022
Interest expense	$ (58)	$ (58)	$ (58)
Interest income	126	49	4
Net gain (loss) on foreign currency transactions	(10)	31	(22)
Net gain (loss) on foreign currency forward contracts	12	(29)	21
Other income (expense), net	1	1	7
Interest and other income (expense), net	$ 71	$ (6)	$ (48)

(17) EARNINGS PER SHARE

The following table summarizes the computations of basic earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS"). Basic EPS is computed as net income divided by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock-based compensation plans including stock options, restricted stock units, market-based restricted stock units, performance-based restricted stock units, and ESPP purchase rights using the treasury stock method.

(In millions, except per share amounts)	Year Ended March 31, 2024	2023	2022
Net income	$ 1,273	$ 802	$ 789
Shares used to compute earnings per share:			
Weighted-average common stock outstanding — basic	270	277	284
Dilutive potential common shares related to stock award plans	2	1	2
Weighted-average common stock outstanding — diluted	272	278	286
Earnings per share:			
Basic	$ 4.71	$ 2.90	$ 2.78
Diluted	$ 4.68	$ 2.88	$ 2.76

Certain restricted stock units, market-based restricted stock units and performance-based restricted stock units were excluded from the treasury stock method computation of diluted shares as their inclusion would have had an antidilutive effect. For the fiscal year ended March 31, 2024, one million such shares were excluded, and for the fiscal years ended March 31, 2023 and 2022, two million and one million such shares were excluded, respectively.

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(18) SEGMENT AND REVENUE INFORMATION

Our reporting segment is based upon: our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations. Our CODM currently reviews total company operating results to assess overall performance and allocate resources. As of March 31, 2024, we have only one reportable segment, which represents our only operating segment.

Information about our total net revenue by timing of recognition for the fiscal years ended March 31, 2024, 2023, and 2022 is presented below (in millions):

	Year Ended March 31,		
	2024	2023	2022
Net revenue by timing of recognition			
Revenue recognized at a point in time	$ 2,563	$ 2,389	$ 2,326
Revenue recognized over time	4,999	5,037	4,665
Net revenue	$ 7,562	$ 7,426	$ 6,991

Generally, performance obligations that are recognized upfront upon transfer of control are classified as revenue recognized at a point in time, while performance obligations that are recognized over either the estimated offering period, contractual term or subscription period as the services are provided are classified as revenue recognized over time.

Revenue recognized at a point in time includes revenue allocated to the software license performance obligation. This also includes a portion of revenue from the licensing of software to third-parties.

Revenue recognized over time includes service revenue allocated to the future update rights and the online hosting performance obligations. This also includes revenue recognized from third parties that publish games and services under a license to certain of our intellectual property assets and service revenue allocated to the future update rights from licensing of software to third-parties, online-hosted services such as our *Ultimate Team* game mode, and subscription services.

Information about our total net revenue by composition for the fiscal years ended March 31, 2024, 2023, and 2022 is presented below (in millions):

	Year Ended March 31,		
	2024	2023	2022
Net revenue by composition			
Full game downloads	$ 1,343	$ 1,262	$ 1,282
Packaged goods	672	675	711
Full game	2,015	1,937	1,993
Live services and other	5,547	5,489	4,998
Net revenue	$ 7,562	$ 7,426	$ 6,991

Full game net revenue includes full game downloads and packaged goods. Full game downloads primarily includes revenue from digital sales of full games on console, PC, and certain licensing revenue. Packaged goods primarily includes revenue from software that is sold physically through traditional channels such as brick and mortar retailers.

Live services and other net revenue primarily includes revenue from sales of extra content for console, PC, and mobile games, certain licensing revenue, subscriptions, and advertising.

Information about our total net revenue by platform for the fiscal years ended March 31, 2024, 2023, and 2022 is presented below (in millions):

	Year Ended March 31,		
	2024	2023	2022
Platform net revenue			
Console	$ 4,632	$ 4,443	$ 4,400
PC and other	1,717	1,729	1,532
Mobile	1,213	1,254	1,059
Net revenue	$ 7,562	$ 7,426	$ 6,991

Information about our operations in North America and internationally for the fiscal years ended March 31, 2024, 2023, and 2022 is presented below (in millions):

	Year Ended March 31,		
	2024	2023	2022
Net revenue from unaffiliated customers			
North America	$ 3,001	$ 3,151	$ 3,039
International	4,561	4,275	3,952
Net revenue	$ 7,562	$ 7,426	$ 6,991

	As of March 31,	
	2024	2023
Long-lived assets		
North America	$ 420	$ 445
International	158	104
Total	$ 578	$ 549

We attribute net revenue from external customers to individual countries based on the location of the legal entity that sells the products and/or services. Note that revenue attributed to the legal entity that makes the sale is often not the country where the consumer resides. For example, revenue generated by our Swiss legal entity includes digital revenue from consumers who reside outside of Switzerland, including consumers who reside outside of Europe. Revenue generated by our Swiss legal entity during fiscal years 2024, 2023, and 2022 represents $4,374 million, $4,085 million and $3,423 million or 58 percent, 55 percent and 49 percent of our total net revenue, respectively. Revenue generated in the United States represents over 99 percent of our total North America net revenue. There were no other countries with net revenue greater than 10 percent.

In fiscal year 2024, our direct sales to Sony and Microsoft represented approximately 37 percent and 16 percent of total net revenue, respectively. In fiscal year 2023, our direct sales to Sony and Microsoft represented approximately 32 percent and 16 percent of total net revenue, respectively. In fiscal year 2022, our direct sales to Sony and Microsoft represented approximately 33 percent and 16 percent of total net revenue, respectively.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Electronic Arts Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Electronic Arts Inc. and subsidiaries (the Company) as of March 30, 2024 and April 1, 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended March 30, 2024, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of March 30, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 30, 2024 and April 1, 2023, and the results of its operations and its cash flows for each of the fiscal years in the three-year period ended March 30, 2024, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 30, 2024 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the estimated offering period

As discussed in Note 2 to the consolidated financial statements, revenue for transactions that include future update rights and/or online hosting performance obligations are subject to deferral and recognized over the Estimated Offering Period. Determining the Estimated Offering Period is inherently subjective because it is not an explicitly defined period. The Company's determination of the Estimated Offering Period considers the following factors:

- the average period of time customers are online
- for physical games sold at retail, the period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer
- known and expected online gameplay trends
- disclosed service periods for competitors' games.

The Company reported net revenue of $7,562 million for the year-ended March 30, 2024 and deferred net revenue of $1,958 million as of March 30, 2024.

We identified the assessment of the Estimated Offering Period as a critical audit matter. A high degree of audit effort and subjective and complex auditor judgment was required to evaluate the sufficiency of audit evidence obtained over the Estimated Offering Period, including whether historical experience and other qualitative factors, such as those described above, are indicative of the time period during which the Company's games and extra content are played by its customers.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to determine the Estimated Offering Period, including controls over the factors noted above and the Company's review of the Estimated Offering Period concluded for use in recognizing revenue. We evaluated the model the Company used to develop the Estimated Offering Period against the accounting requirements and for potential management bias. We computed the average period of time customers are online as well as the period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to the customer by using the Company's internal data. We compared the results of these computations against the periods used by the Company in its Estimated Offering Period model. We obtained disclosed service periods for competitors' games and compared them against the data used by the Company. We compared known and expected online gameplay trends used in the determination of the Estimated Offering Period to historical Company information and publicly available industry information. We performed a sensitivity analysis over the Company's Estimated Offering Period to assess the impact of potential changes in the Estimated Offering Period on revenue. We assessed the sufficiency of evidence obtained related to the Estimated Offering Period by evaluating the results of the procedures performed.

/s/ KPMG LLP

We have served as the Company's auditor since 1987.

Santa Clara, California
May 22, 2024

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Item 9: ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A: ***Controls and Procedures***

Definition and Limitations of Disclosure Controls

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluates these controls and procedures on an ongoing basis.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constraints. In addition, because we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, our system of controls may not achieve its desired purpose under all possible future conditions. Accordingly, our disclosure controls and procedures provide reasonable assurance, but not absolute assurance, of achieving their objectives.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures, believe that as of the end of the period covered by this report, our disclosure controls and procedures were effective in providing the requisite reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding the required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Our internal control over financial reporting is designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. There are inherent limitations to the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with our policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of the end of our most recently completed fiscal year. In making its assessment, management used the criteria set forth in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that, as of the end of our most recently completed fiscal year, our internal control over financial reporting was effective and provided a reasonable level of assurance.

KPMG LLP, our independent registered public accounting firm, has issued an auditors' report on the effectiveness of our internal control over financial reporting. That report appears on Page 76.

Changes in Internal Control over Financial Reporting

There has been no change in our internal controls over financial reporting identified in connection with our evaluation that occurred during the fiscal quarter ended March 31, 2024 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B: ***Other Information***

Rule 10b5-1 Plans

During the three months ended March 31, 2024, none of our directors or executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K.

Item 9C: ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not Applicable.

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PART III

Item 10: ***Directors, Executive Officers and Corporate Governance***

The information required by Item 10, other than the information regarding executive officers, which is included in Part I, Item 1 of this report, is incorporated herein by reference to the information to be included in our 2024 Proxy under the headings "Proxy Highlights", "Board of Directors and Corporate Governance," "Insider Trading, Anti-Hedging and Anti-Pledging Policies" and, as applicable, "Delinquent Section 16(a) Reports."

Item 11: ***Executive Compensation***

The information required by Item 11 is incorporated herein by reference to the information to be included in the 2024 Proxy under the headings "Director Compensation", "Compensation Discussion & Analysis" and "Compensation Committee Interlocks and Insider Participation."

Item 12: ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by Item 12 is incorporated herein by reference to the information to be included in the 2024 Proxy under the headings "Executive Compensation Tables" and "Security Ownership of Certain Beneficial Owners and Management."

Item 13: ***Certain Relationships and Related Transactions, and Director Independence***

The information required by Item 13 is incorporated herein by reference to the information to be included in the 2024 Proxy under the headings "Director Independence", "Related Persons Transaction Policy", and, as applicable, "Related Person Transactions."

Item 14: ***Principal Accountant Fees and Services***

The information required by Item 14 is incorporated herein by reference to the information to be included in Proposal 3 of the 2024 Proxy and under the heading "Audit Matters."

PART IV

Item 15: ***Exhibits and Financial Statements***

(a) Documents filed as part of this report

1. Financial Statements: See Index to Consolidated Financial Statements under Item 8 on Page 33 of this report.

2. Financial Statement Schedules: The Financial Statement Schedules have been omitted because they are not applicable or are not required or are not present in material amounts or the information required to be set forth herein is included in the Consolidated Financial Statements or Notes thereto.

3. Exhibits: The exhibits listed in the accompanying index to exhibits on Page 81 are filed or incorporated by reference as part of this report.

Item 16: ***Form 10-K Summary***

None.

ELECTRONIC ARTS INC.
2024 FORM 10-K ANNUAL REPORT
EXHIBIT INDEX

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
3.01	Amended and Restated Certificate of Incorporation	8-K	000-17948	8/13/2021	
3.02	Certificate of Amendment to Amended and Restated Certificate of Incorporation	8-K	000-17948	8/15/2022	
3.03	Amended and Restated Bylaws	8-K	000-17948	8/15/2022	
4.01	Specimen Certificate of Registrant's Common Stock	10-Q	000-17948	2/6/2018	
4.02	Description of Securities				X
4.03	Indenture, dated as of February 24, 2016 by and between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/24/2016	
4.04	First Supplemental Indenture, dated as of February 24, 2016, between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/24/2016	
4.05	Second Supplemental Indenture, dated as of February 11, 2021, between Electronic Arts Inc. and U.S. Bank National Association, as Trustee	8-K	000-17948	2/11/2021	
10.01*	Form of Indemnity Agreement with Directors	10-K	000-17948	6/4/2004	
10.02*	Electronic Arts Inc. Executive Bonus Plan	8-K	000-17948	5/25/2021	
10.03*	Electronic Arts Inc. Amended and Restated Change in Control Severance Plan	8-K	000-17948	11/19/2021	
10.04*	Electronic Arts Inc. Deferred Compensation Plan				X
10.05*	First Amendment to the Electronic Arts Deferred Compensation Plan, as amended and restated	10-K	000-17948	5/22/2009	
10.06*	EA Bonus Plan	8-K	000-17948	5/18/2018	
10.07*	Form of Performance-Based Restricted Stock Unit Agreement	10-K	000-17948	5/25/2022	
10.08*	Form of Performance-Based Restricted Stock Unit Agreement	10-K	000-17948	5/24/2023	
10.09*	Form of Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/16/2024	
10.10*	2000 Equity Incentive Plan, as amended, and related documents	8-K	000-17948	8/1/2016	
10.11*	2000 Employee Stock Purchase Plan, as amended	10-Q	000-17948	2/8/2022	
10.12*	Form of Restricted Stock Unit Agreement				X
10.13*	Form of Restricted Stock Unit Agreement For Non-Employee Directors	10-K	000-17948	5/24/2023	
10.14*	Amended and Restated 2019 Equity Incentive Plan	8-K	000-17948	8/15/2022	
10.15*	Electronic Arts Inc. Executive Officer Cash Severance Policy	8-K	000-17948	9/1/2022	
10.16*	Offer Letter for Employment at Electronic Arts Inc. to Andrew Wilson, dated September 15, 2013	8-K	000-17948	9/17/2013	
10.17*	Offer Letter for Employment at Electronic Arts Inc. to Christopher Suh, dated January 14, 2022	8-K	000-17948	1/31/2022	

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Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.18*	Offer Letter for Employment at Electronic Arts Inc. to Stuart Canfield, dated June 19, 2023	8-K	000-17948	6/20/2023	
10.19*	Offer Letter for Employment at Electronic Arts Inc. to Mala Singh, dated August 27, 2016	10-Q	000-17948	11/8/2016	
10.20**	Durango Publisher License Agreement, dated June 29, 2012, by and among Electronic Arts Inc., EA International (Studio & Publishing) Ltd., Microsoft Licensing, GP and Microsoft Corporation	10-K	000-17948	5/21/2014	
10.21**	Xbox Console Publisher License Agreement, dated as of September 30, 2020, between Microsoft Corporation, Electronic Arts Inc. and EA Swiss Sàrl	10-Q	000-17948	11/10/2020	
10.22**	Playstation Global Developer & Publisher Agreement, dated April 1, 2018, by and among Electronic Arts Inc., EA International (Studio & Publishing) Ltd., Sony Interactive Entertainment Inc., Sony Interactive Entertainment LLC, and Sony Interactive Entertainment Europe Ltd	10-Q	000-17948	8/8/2018	
10.23**	PlayStation 5 Amendment to the PlayStation Global Developer and Publisher Agreement, dated as of October 15, 2020, by and among Electronic Arts Inc., EA Swiss Sàrl, Sony Interactive Entertainment, Inc., Sony Interactive Entertainment LLC, and Sony Interactive Entertainment Europe Limited	10-Q	000-17948	11/10/2020	
10.24	Credit Agreement, dated March 22, 2023, by and among Electronic Arts Inc., the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	000-17948	3/22/2023	
19.1	Electronic Arts Inc. Insider Trading Policy				X
21.1	Subsidiaries of the Registrant				X
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm				X
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
Additional exhibits furnished with this report:					
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
97	Electronic Arts Inc. Clawback Policy				X
101.INS†	Inline XBRL Instance Document				X
101.SCH†	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document				X

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	The Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101)				

* Management contract or compensatory plan or arrangement.

** Confidential portions of these documents have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ELECTRONIC ARTS INC.
By: /s/ Andrew Wilson
Andrew Wilson
Chief Executive Officer
Date: May 22, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the 22nd of May, 2024.

Name	Title
/s/ Andrew Wilson Andrew Wilson	Chief Executive Officer
/s/ Stuart Canfield Stuart Canfield	Executive Vice President and Chief Financial Officer
/s/ Eric Kelly Eric Kelly	Senior Vice President and Chief Accounting Officer
Directors:	
/s/ Andrew Wilson Andrew Wilson	Chair of the Board
/s/ Kofi A. Bruce Kofi A. Bruce	Director
/s/ Rachel A. Gonzalez Rachel A. Gonzalez	Director
/s/ Jeffrey T. Huber Jeffrey T. Huber	Director
/s/ Talbott Roche Talbott Roche	Director
/s/ Richard A. Simonson Richard A. Simonson	Director
/s/ Luis A. Ubiñas Luis A. Ubiñas	Director
/s/ Heidi Ueberroth Heidi Ueberroth	Director

Exhibit 4.02

DESCRIPTION OF SECURITIES

Under our Amended and Restated Certificate of Incorporation, the Company is authorized to issue up to 1,000,000,000 shares of common stock, par value $0.01 per share. The following is a summary of some of the terms of the Company's common stock, which is the Company's only class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended. The Company's common stock is listed on the NASDAQ Global Select Market under the symbol "EA". This summary is not complete, and is subject to and qualified by the provisions of our Amended and Restated Certificate of Incorporation and our Amended and Restated Bylaws. The terms of our common stock are also subject to and qualified by the applicable provisions of the Delaware General Corporation Law.

Common Stock

The holders of shares of common stock vote together as one class on all matters as to which common stockholders are entitled to vote. Each share of common stock is entitled to one vote in all elections of directors and on all other matters submitted to a stockholder vote. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the board of directors out of legally available funds therefore. In the event of our liquidation, dissolution or winding up, holders of the common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior liquidation rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. The common stock currently outstanding is fully paid and nonassessable.

Anti-Takeover Effects of our Charter and Bylaws

Certain provisions of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws could have the effect of delaying, deterring or preventing another party from acquiring or seeking to acquire control of the Company. For example, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws include provisions that:

- provide that, except as otherwise required by law, special meetings of the stockholders for any purpose or purposes may only be called by the chairman of our board of directors or by the board of directors upon written request by one or more stockholders owning, in the aggregate, at least 15% of the our outstanding shares entitled to vote on the matter or matters to be brought before the proposed special meeting, determined in accordance with the provisions of the our Amended and Restated Bylaws, and who otherwise comply with such other requirements and procedures set forth in our Amended and Restated Bylaws;
- provide that, except as otherwise required by law, stockholders may act by written consent only if the applicable requirements and procedures set forth in our Amended and Restated Certificate of Incorporation are followed, including the requirement that at least 25% of our outstanding shares of common stock must request that the Board of Directors set a record date to determine the stockholders entities to act by written consent;
- provide that a stockholder, or group of up to 20 stockholders, that has owned continuously for at least three years shares of common stock representing an aggregate of at least 3% of the our outstanding shares of common stock, may nominate and include in our proxy materials director nominees; provided that the maximum number of such director nominees shall not exceed (A) two or (B) 20% of the board of directors, and provided further that the stockholder(s) and nominee(s) satisfy the requirements in the our Amended and Restated Bylaws;
- establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors; and

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- authorize the Company's board of directors to cause the issuance of, in one or more series, preferred stock and to fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof.

ELECTRONIC ARTS INC. DEFERRED COMPENSATION PLAN

Amended and Restated as of November 15, 2023

Purpose

The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated Employees and Directors who contribute materially to the continued growth, development and future business success of Electronic Arts Inc., a Delaware corporation, and its subsidiaries that sponsor this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA. This Plan shall amend and supersede in its entirety the Predecessor Nonqualified Deferred Compensation Plan. Any and all balances accrued by a Participant under such predecessor plan shall be subject to the terms and conditions of this Plan and shall be referred to as the "Rollover Account."

This Plan as amended and restated is intended to comply with section 409A of the Code and the Treasury regulations and other guidance thereunder and shall be interpreted and administered consistent with such intent.

ARTICLE 1
Definitions

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

1.1 "401(k) Plan" shall be that Electronic Arts Inc. 401(k) Plan.

1.2 "Account Balance" shall mean, with respect to a Participant, a credit on the records of the Employer equal to the sum of (i) the Rollover Account balance, (ii) the Deferral Account balance, (iii) the vested Company Restoration Matching Account balance, and (iv) the vested Company Contribution Account balance. The Account Balance, and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

1.3 "Accounting Firm" shall have the same meaning as set forth in Section 3.11(e).

1.4 "Administrator" shall have the same meaning as set forth in Section 11.2.

1.5 "Annual Base Salary" shall mean the annual cash compensation relating to services performed during the period beginning on January 1 of a calendar year and ending on December 31 of the same calendar year (while the Employee is a Participant in the Plan), whether or not paid in such year or included on the Federal Income Tax Form W-2 for such year, excluding bonuses, commissions, overtime, fringe benefits, stock options, restricted stock, restricted stock units, relocation expenses, unused and unpaid excess

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vacation days, incentive payments, non-monetary awards, directors fees and other fees, automobile and other allowances paid to a Participant for employment services rendered (whether or not such allowances are included in the Employee's gross income). Annual Base Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of any Employer and shall be calculated to include amounts not otherwise included in the Participant's gross income under sections 125, 402(e)(3), 402(h), or 403(b) of the Code pursuant to plans established by any Employer; provided, however, that all such amounts will be included in compensation only to the extent that, had there been no such plan, the amount would have been payable in cash to the Employee.

1.6 "Annual Bonus" shall mean any performance-based compensation as defined under section 409(A) of the Code, in addition to Annual Base Salary, relating to services performed during any Fiscal Year, and paid during the Plan Year, under any Employer's annual or quarterly bonus and/or cash incentive plans; notwithstanding the foregoing, "Annual Bonus" shall exclude compensation derived from awards made under any equity incentive, change in control, or severance plans or arrangements that the Company adopts, which includes compensation that an employee incurs from the exercise of a stock option or lapse of restrictions on an award of stock. If a portion of the Participant's bonus does not qualify as performance-based compensation, such portion cannot be deferred under the Plan.

1.7 "Annual Company Contribution Amount" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.8.

1.8 "Annual Company Restoration Matching Amount" shall mean, for any one Plan Year, the amount determined in accordance with Section 3.9.

1.9 "Annual Deferral Amount" shall mean that portion of a Participant's Annual Base Salary, Annual Bonus and Directors Fees that a Participant elects to have, and is deferred, in accordance with Article 3, for any one Plan Year. In the event of a Participant's suspension of deferrals due to Disability (if deferrals cease in accordance with Section 7.1(b)), in connection with a 401(k) Plan hardship withdrawal or death prior to the end of a Plan Year, such year's Annual Deferral Amount shall be the actual amount withheld prior to such event.

1.10 "Annual Installment Method" shall be an annual installment payment over the number of years (not to exceed 10) selected by the Participant in accordance with this Plan, calculated as follows: The Account Balance of the Participant shall be calculated as of the most recent Valuation Date. The annual installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one, and the denominator of which is the remaining number of annual payments due the Participant. By way of example, if the Participant elects a 10-year Annual Installment Method, the first payment shall be 1/10 of the Account Balance as of the most recent Valuation Date. The following year, the payment shall be 1/9 of the Account Balance as of the most recent Valuation Date. Each

annual installment shall be paid as soon as practicable after the amount is calculated, but not later than 90 days after the Valuation Date.

1.11 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 8, that are entitled to receive benefits under this Plan upon the death of a Participant.

1.12 "Beneficiary Designation Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

1.13 "Board" shall mean the board of directors of the Company, or a committee or individual(s) acting pursuant to a valid delegation of authority from such board of directors.

1.14 "Change in Control" shall mean a change in the ownership, or effective control, of the Company or a change in the ownership of a substantial portion of the assets of the Company, each within the meaning of the regulations promulgated under section 409A of the Code.

1.15 "Claimant" shall have the meaning set forth in Section 13.1.

1.16 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.

1.17 "Committee" shall mean the committee described in Article 11.

1.18 "Company" shall mean Electronic Arts Inc., a Delaware corporation, and any successor to all or substantially all of the Company's assets or business.

1.19 "Company Contribution Account" shall mean (i) the sum of all of a Participant's Annual Company Contribution Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

1.20 "Company Restoration Matching Account" shall mean (i) the sum of all of a Participant's Annual Company Restoration Matching Amounts, plus (ii) amounts credited (net of amounts debited) in accordance with all the applicable provisions of this Plan that relate to the Participant's Company Restoration Matching Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Restoration Matching Account.

1.21 "Deferral Account" shall mean (i) the sum of all of a Participant's Annual Deferral Amounts, plus (ii) amounts credited in accordance with all the applicable crediting provisions of this Plan that relate to the Participant's Deferral Account, less (iii) all

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distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Deferral Account.

1.22 "Director" shall mean any non-employee member of the Board.

1.23 "Director Fees" shall mean the annual fees paid by any Employer, including retainer fees and meeting fees, as compensation for serving on the Board.

1.24 "Disability" shall mean the Participant is determined to be totally disabled by the Social Security Administration.

1.25 "Disability Benefit" shall mean the benefit set forth in Article 7.

1.26 "Election Form" shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to make an election under the Plan.

1.27 "Employee" shall mean a person who is an employee of any Employer.

1.28 "Employer(s)" shall mean the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a sponsor.

1.29 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.30 "Fiscal Year" shall mean the fiscal year of the Company as reported on its Form 10-K for the applicable year.

1.31 "Identification Date" shall mean each December 31.

1.32 "Key Employee" shall mean a Participant who, on an Identification Date, is:

(a) An officer of the Company having annual compensation greater than the compensation limit in section 416(i)(1)(A)(i) of the Code, provided that no more than fifty officers of the Company shall be determined to be Key Employees as of any Identification Date;

(b) A five percent owner of the Company; or

(c) A one percent owner of the Company having annual Compensation from the Company of more than $150,000.

If a Participant is identified as a Key Employee on an Identification Date, then such Participant shall be considered a Key Employee for purposes of the Plan during the period beginning on the first April 1 following the Identification Date and ending on the next March 31.

1.33 "Measurement Fund" shall have the same meaning as set forth in Section 3.12(c).

1.34 "Participant" shall mean any Employee or Director (i) who is selected to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who completes and signs a Plan Agreement and an Election Form, (iv) whose completed and signed Plan Agreement and Election Form are accepted by the Committee, (v) who commences participation in the Plan, and (vi) whose Plan Agreement has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.35 "Plan" shall mean the Electronic Arts Inc. Deferred Compensation Plan, as amended from time to time, which shall be evidenced by this instrument and by each Plan Agreement, as they may be amended from time to time.

1.36 "Plan Agreement" shall mean a written agreement, as may be amended from time to time, which is entered into by and between an Employer and a Participant. Each Plan Agreement executed by a Participant and the Participant's Employer shall provide for the entire benefit to which such Participant is entitled under the Plan; should there be more than one Plan Agreement, the Plan Agreement bearing the latest date of acceptance by the Employer shall supersede all previous Plan Agreements in their entirety and shall govern such entitlement. The terms of any Plan Agreement may be different for any Participant, and any Plan Agreement may provide additional benefits not set forth in the Plan or limit the benefits otherwise provided under the Plan; provided, however, that any such additional benefits or benefit limitations must be agreed to by both the Employer and the Participant.

1.37 "Plan Year" shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of the same calendar year.

1.38 "Predecessor Nonqualified Deferred Compensation Plan" shall mean the Electronic Arts Deferred Compensation Plan, adopted January 21, 1994, as amended on June 1, 1995, June 27, 1996 and April 1, 2003.

1.39 "Rollover Amount" shall mean the amount determined in accordance with Section 3.7.

1.40 "Rollover Account" shall mean (i) the sum of the Participant's Rollover Amount, plus (ii) amounts credited or debited in accordance with all the applicable crediting and debiting provisions of this Plan that relate to the Participants Rollover Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Rollover Account.

1.41 "Separation from Service" shall mean termination of employment with the Employer, other than by reason of Disability or death. A Participant shall not be deemed to have Separated from Service if the Participant continues to provide services to an Employer in a capacity other than as an employee and if the former employee is providing services at an annual rate that is twenty percent or more of the services rendered, on average, during the immediately preceding three full years of employment with an Employer (or if

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employed by an Employer less than three years, such lesser period); provided, however, that a Separation from Service will be deemed to have occurred if a Participant's service with an Employer is reduced to an annual rate that is less than twenty percent of the services rendered, on average, during the immediately preceding three years of employment with an Employer (or if employed by an Employer less than three years, such lesser period).

1.42 "Short-Term Payout" shall mean the payout set forth in Section 4.1.

1.43 "Survivor Benefit" shall mean the benefit set forth in Article 5.

1.44 "Termination Benefit" shall mean the benefit set forth in Section 3.4(b).

1.45 "Trust" shall mean one or more trusts established pursuant to that certain Trust Agreement, dated as of September 1, 2003 between the Company and the trustee named therein, as amended from time to time.

1.46 "Unforeseeable Emergency" shall have the same meaning as defined in section 409A(a)(2)(B)(ii) of the Code.

1.47 "Valuation Date" shall mean the last day of the Plan Year or any other date as of which the Committee, in its sole and absolute discretion, designates as a Valuation Date. Notwithstanding the foregoing or anything in this Plan to the contrary, the Valuation Date may be different for different Participants.

1.48 "Years of Service" shall mean the total number of years in which a Participant has been employed by one or more Employers. For purposes of this definition, a year of employment shall be a 365 day period (or 366 day period in case of a leap year) that, for the first year of employment, commences on the Employee's date of hiring and that, for any subsequent year, commences on an anniversary of that hiring date. The Committee shall make a determination as to the number of Years of Service a Participant shall be deemed to have completed, including whether any partial year of employment shall be counted, and any such determination may, in the sole and absolute discretion of the Committee, take into account any similar definitions or provisions contained in the 401(k) Plan.

ARTICLE 2
Selection/Enrollment/Eligibility

2.1 **Selection by Committee.** Eligibility for the Plan shall be limited to a select group of management or highly compensated Employees and Directors of the Employers, as
determined by the Committee in its sole and absolute discretion. From that group, the Committee shall select, in its sole and absolute discretion, Employees and Directors to participate in the Plan.

2.2 **Enrollment Requirements.** As a condition to participation, each newly selected Employee or Director shall complete, execute and return to the Committee a Plan

Agreement and an Election Form and a Beneficiary Designation Form, all within 30 days after he or she is first selected to participate in the Plan. An Election Form submitted under this Section 2.2 shall be irrevocable on the day after the 30-day period ends. In addition, the Committee shall establish from time to time such other enrollment requirements (including additional forms) as it determines are necessary in its sole and absolute discretion.

2.3 **Eligibility; Commencement of Participation.** Provided an Employee or Director selected to participate in the Plan has met all enrollment requirements set forth in this Plan and required by the Committee, including returning all required forms and documents to the Committee within the specified time period, that Employee or Director shall commence participation in the Plan on the first day of the month following the month in which the Employee or Director completes all enrollment requirements. If an Employee or a Director fails to meet all such requirements within the required period, in accordance with Section 2.2, that Employee or Director shall not be eligible to participate in the Plan until the first day of the Plan Year following the delivery to and acceptance by the Committee of the required documents.

2.4 **Termination of Participation and/or Deferrals.** If the Committee determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall have the right, in its sole and absolute discretion, to prevent the Participant from making future deferral elections. If a Participant receives a distribution on account of an hardship withdrawal from the 401(k) Plan, such Participant's deferral election shall be cancelled and the Participant may not defer any amounts under this Plan for a period of at least six months, as the Company determines in its discretion.

ARTICLE 3
Deferral Commitments/Rollover Amounts/Company Restoration Matching Amounts/Company Contribution Amounts/Vesting/Crediting/Taxes

3.1 **Minimum Deferrals.**

(a) **Annual Base Salary, Annual Bonus and Director Fees.** For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Annual Base Salary, Annual Bonus and/or Director Fees in the following minimum amount:

Deferral	Minimum Amount
Annual Base Salary and/or Annual Bonus	$ 5,000 in aggregate
Director Fees	$ 5,000

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If an election is made for less than such minimums or if no election is made, the amount deferred shall be zero.

(b) **Short Plan Year.** Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, or in the case of the First Plan Year of this Plan, the minimum Annual Deferral Amount shall be an amount equal to the minimum set forth above, multiplied by a fraction, the numerator of which is the number of complete months remaining in the Plan Year and the denominator of which is 12.

3.2 **Maximum Deferral.**

(a) Annual Base Salary, Annual Bonus and Director Fees. For each Plan Year, a Participant may elect to defer, as his or her Annual Deferral Amount, Annual Base Salary, Annual Bonus and/or Director Fees up to the following maximum percentages for each deferral elected:

Deferral	Maximum Amount
Annual Base Salary	50%
Annual Bonus	75%
Director Fees	100%

(b) **Short Plan Year.** Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year, or in the case of the first Plan Year of the Plan itself, the maximum Annual Deferral Amount with respect to Annual Base Salary and/or Director Fees shall be limited to the amount of compensation not yet earned by the Participant as of the first day of the month following the month in which the Employee or Director's Election Form becomes irrevocable and Participant will not be able to defer Annual Bonus until the following Plan Year.

3.3 **Election to Defer; Effect of Election Form.**

(a) **First Plan Year.** In connection with a Participant's commencement of participation in the Plan, the Participant shall make an irrevocable deferral election for the Plan Year in which the Participant commences participation in the Plan, along with such other elections as the Committee deems necessary or desirable under the Plan. For these elections to be valid, the Election Form must be completed and signed by the Participant, timely delivered to the Committee (in accordance with Section 2.2 above) and accepted by the Committee.

(b) **Subsequent Plan Years.** For each Plan Year subsequent to the first Plan Year as described in subsection (a) above, a deferral election for that Plan Year, and such other elections as the Committee deems necessary or desirable under the Plan,

shall be made by timely delivering to the Committee, in accordance with the Committee's rules and procedures, a new Election Form but, subject to paragraph
(c) below, no later than the last day of the calendar year preceding the year in which the Annual Deferral Amounts are earned by the Participant. An Election Form delivered under this subsection (b) shall be irrevocable at such time the Committee determines, which date will be provided in the Election Form, but not later than the last day of the calendar year preceding the Plan Year. If no such Election Form is timely delivered for a Plan Year, the Annual Deferral Amount shall be zero for that Plan Year.

(c) **Elections to Defer Performance-Based Compensation.** The Company, in its discretion, may permit a separate election to defer performance-based compensation as defined in treasury regulation section 1.409A-1(e) of the Code, and such election may be made no later than six months prior to the end of the applicable performance period; provided, however, that such election shall be made prior to the date that such performance-based compensation is readily ascertainable.

(d) **Special Distribution Election on or before December 31, 2007.** Participants who are identified by the Committee, in its sole discretion, may make a special distribution election to receive a distribution of their Account Balance in calendar year 2008 or later; provided that the distribution election is made at least twelve months in advance of the newly elected distribution date (and the previously scheduled distribution date, if any) and the election is made no later than December 31, 2007. An election made pursuant to this Section 3.3(d) shall be subject to any special administrative rules imposed by the Committee including rules intended to comply with section 409A of the Code. No election under this Section 3.3(d) shall (i) change the payment date of any distribution otherwise scheduled to be paid in 2007 or cause a payment to be paid in 2007, or (ii) be permitted after December 31, 2007.

3.4 **Form of Distributions.** For each Plan Year a Participant shall elect whether deferrals, and associated earnings or losses, will be distributed as a Short-Term Payout or Termination Benefit.

(a) **Short-Term Payout.** In connection with each election to defer an Annual Deferral Amount, a Participant may irrevocably elect to receive a future "Short- Term Payout" from the Plan with respect to a portion or all of such Annual Deferral Amount. The Short-Term Payout may be a lump sum payment or pursuant to the Annual Installment Method. The Short-Term Payout shall be an amount equal to the portion of the Annual Deferral Amount elected for such Short-Term Payout by the Participant and credited earnings or losses as determined under Section 3.12, determined at the time that the Short-Term Payout becomes payable (rather than the date of a Separation from Service).

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(b) **Termination Benefit.** In connection with each election to defer an Annual Deferral Amount, a Participant may elect to receive his or her Termination Benefit in a lump sum or pursuant to the Annual Installment Method. A "Termination Benefit" includes the Annual Deferral Amount that the Participant designates as a Termination Benefit on his or her Election Form, the Participant's Annual Company Restoration Matching Amount, the vested portion of the Participant's Annual Company Contribution Amount, and credited earnings or losses as determined under Section 3.10 for the aggregate amounts in the same Plan Year.

If a Participant does not make any election with respect to the form of distribution, then such payment shall be deemed to be a Termination Benefit. If a Participant does not make any election with respect to the payment of the Termination Benefit, then such benefit shall be payable in a lump sum. The Company may determine the form of payment of a Participant's Annual Company Contribution Amount if the Participant has not made an election with respect to such amount; provided, however, if the Company does not determine the form of payment at the time it credits a Participant's Annual Company Contribution Amount, then such amount shall be payable in a lump sum.

3.5 **Election Changes**. The Participant may make a one-time change to his or her election for any Plan Year to an allowable alternative payout period by submitting new Election Form to the Committee; provided that any such Election Form (a) is not effective for 12 months, (b) is submitted at least twelve months prior to the date the Participant Separates from Service or otherwise is scheduled to first receive a payment, (c) contains a scheduled date of payment that is at least five years subsequent to the originally scheduled date of payment, and (d) is accepted by the Committee, in its sole and absolute discretion. A change to the form of distribution of a Termination Benefit may be modified or revoked until twelve months prior to the time a Participant Separates from Service, at which time such change shall become irrevocable. The last valid Election Form accepted by the Committee shall govern the payout of a Termination Benefit.

3.6 **Withholding of Annual Deferral Amounts.** For each Plan Year, the Annual Base Salary portion of the Annual Deferral Amount shall be withheld from each regularly scheduled Annual Base Salary payroll in equal amounts over each pay period, as adjusted from time to time for increases and decreases in Annual Base Salary. The Annual Bonus and/or Director Fees portion of the Annual Deferral Amount shall be withheld at the time the Annual Bonus or Director Fees are or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year itself.

3.7 **Rollover Amount.** If an Employee had an account balance in the Predecessor Nonqualified Deferred Compensation Plan, an amount equal to his/her account balance valued as of March 31, 2003 was credited to the Participant's Rollover Account under this Plan on April 1, 2003. The Rollover Amount shall be subject to the terms and conditions of this Plan and any Participant with a Rollover Amount shall have no right to demand distribution of such amounts other than as provided for herein.

3.8 **Annual Company Restoration Matching Amount.** A Participant's Annual Company Restoration Matching Amount for any Plan Year shall be equal to an amount that is determined pursuant to the following three steps: (i) calculate the Company matching contribution that would have been made to the Participant's account in the Company's 401(k) Plan had the Participant's Annual Deferral Amount in this Plan been zero; (ii) calculate the Company matching contribution that was actually made to the Participant's account in the Company's 401(k) Plan; (iii) subtract item (ii) from item (i). The amount so credited to a Participant under this Plan shall be for that Participant the Annual Company Restoration Matching Amount for that Plan Year and shall be credited to the Participant's Company Restoration Matching Account on a date or dates to be determined by the Committee, in its sole and absolute discretion.

3.9 **Annual Company Contribution Amount.** For each Plan Year, an Employer, in its sole and absolute discretion, may, but is not required to, credit any amount it desires to any Participant's Company Contribution Account under this Plan, which amount shall be for that Participant the Annual Company Contribution Amount for that Plan Year. The amount so credited to a Participant may be greater or less than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year. The Annual Company Contribution Amount, if any, shall be credited on a date or dates to de be determined by the Committee in its sole and absolute discretion, and the crediting date or dates may be different for different Participants. Notwithstanding anything in this Section or the Plan to the contrary, if a Participant is not employed by an Employer as of the last day of a Plan Year other than by reason of his or her death while employed, the Annual Company Contribution Amount for that Plan Year shall be zero.

3.10 **Investment of Trust Assets.** The trustee of the Trust shall be authorized, upon written instructions received from the Committee or investment manager appointed by the Committee, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement.

3.11 **Vesting.**

(a) A Participant shall at all times be 100% vested in his or her Rollover Account and Deferral Account.

(b) A Participant shall be vested in his or her Company Contribution Account in accordance with the vesting schedules established by the Committee, in its sole and absolute discretion, for each Annual Company Contribution Amount (and amounts credited or debited thereon) at the time such Annual Company Contribution Amount is first credited to the Participant's Account Balance under the Plan. The Committee, in its sole and absolute discretion, will determine over what period of time and in what percentage increments a Participant shall vest in his or her Company Contribution Account. The Committee may establish different vesting schedules for different Participants, in its sole and absolute discretion.

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(c) A Participant shall at all times be 100% vested in his or her Annual Company Restoration Matching Account.

(d) Notwithstanding anything in this Section to the contrary, except as provided in subsection (e) below, in the event of a Change in Control, a Participant's Company Contribution Account shall immediately become 100% vested (without regard to whether it is already vested in accordance with the above vesting schedules).

(e) Notwithstanding subsection (d) above, the vesting schedule for a Participant's Company Contribution Account shall not be accelerated to the extent that the Committee determines that such acceleration would cause the deduction limitations of section 280G of the Code to become effective. In the event that all of a Participant's Company Contribution Account is not vested pursuant to such a determination, the Participant may request independent verification of the Committee's calculations with respect to the application of section 280G of the Code. In such case, the Committee must provide to the Participant within 30 business days of such a request an opinion from a regionally-recognized accounting firm selected by the Committee in its sole and absolute discretion (the "Accounting Firm"). The opinion shall state the Accounting Firm's opinion that any limitation in the vested percentage hereunder is necessary to avoid the limits of section 280G of the Code and contain supporting calculations. The cost of such opinion shall be paid for by the Company.

3.12 **Crediting/Debiting of Account Balances.** In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole and absolute discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

(a) **Election of Measurement Funds.** A Participant, in connection with his or her initial deferral election in accordance with Section 3.3(a) above, shall elect, on the Election Form, one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance for the first business day in which the Participant commences participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the next sentence. Commencing with the first business day that follows the Participant's commencement of participation in the Plan and continuing thereafter for each subsequent day in which the Participant participates in the Plan, the Participant may (but is not required to) elect, by submitting an Election Form to the Committee that is accepted by the Committee, to add or delete one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund. If an election is made in accordance with the previous sentence, it shall apply to the next business day and continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence.

(b) **Proportionate Allocation.** In making any election described in Section 3.11(a) above, the Participant shall specify on the Election Form, in increments of five percentage points (5%), the percentage of his or her Account Balance to have gains and losses measured by a Measurement Fund.

(c) **Measurement Funds.** From time to time, the Committee in its sole and absolute discretion shall select and announce to Participants its selection of mutual funds, insurance company separate accounts, indexed rates or other methods (each, a "Measurement Fund"), for the purpose of providing the basis on which gains and losses shall be attributed to Account Balances under the Plan. The Committee may, in its sole and absolute discretion, discontinue, substitute or add a Measurement Fund at any time. Each such action will take effect as of the first day of the month that follows by 30 days the day on which the Committee gives Participants advance written notice of such change.

(d) **Crediting or Debiting Method.** The performance of each elected Measurement Fund (either positive or negative) will be determined by the Committee, in its reasonable discretion, based on available reports of the performance of the Measurement Funds. A Participant's Account Balance shall be credited or debited on a daily basis based on the performance of each Measurement Fund selected by the Participant, as determined by the Committee in its sole and absolute discretion, as though (i) a Participant's Account Balance were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, as of the close of business on such day, at the closing price on such date; (ii) the portion of the Annual Deferral Amount that was actually deferred during any day were invested in the Measurement Fund(s) selected by the Participant, in the percentages applicable to such day, no later than the close of business on the first business day after the day on which such amounts are actually deferred from the Participant's Annual Base Salary through reductions in his or her payroll, at the closing price on such date; and (iii) any distribution made to a Participant that decreases such Participant's Account Balance ceased being invested in the Measurement Fund(s), in the percentages applicable to such day, no earlier than one business day prior to the distribution, at the closing price on such date.

(e) **No Actual Investment.** Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation to his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that the Company or the trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all

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times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.

3.13 **FICA and Other Taxes.**

(a) **Annual Deferral Amounts.** For each Plan Year in which an Annual Deferral Amount is being withheld from an Employee Participant, the Participant's Employer(s) shall withhold from that portion of the Participant's Annual Base Salary and/or Annual Bonus that is not being deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes on such Annual Deferral Amount. If necessary, the Committee may reduce the Annual Deferral Amount in order to comply with this Section.

(b) **Company Restoration Matching Amounts.** For a Participant's Company Restoration Matching Amount, the Participant's Employer(s) shall withhold from the Participant's Annual Base Salary and/or Annual Bonus that is not deferred, in a manner determined by the Employer(s), the Participant's share of FICA and other employment taxes. If necessary, the Committee may reduce the vested portion of the Participant's Company Restoration Matching Account in order to comply with this Section.

(c) **Other Amounts.** When an Employee Participant becomes vested in a portion of his or her Annual Company Contribution Amounts, the Participant's Employer(s) shall withhold from the Participant's Annual Base Salary and/or Annual Bonus that is not deferred, in a manner determined by the Employer(s) in its sole and absolute discretion, the Participant's share of FICA and other employment taxes on the portion of the Annual Company Contribution Amounts that becomes vested. If necessary, the Committee may reduce the vested portion of the Participant's aforementioned amounts in order to comply with this Section.

(d) **Distributions.** The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole and absolute discretion of the Employer(s) and the trustee of the Trust.

ARTICLE 4
Short-Term Payout/Unforeseeable Financial Emergencies/ Withdrawal Election

4.1 **Short-Term Payout.** Subject to the terms and conditions of this Plan, each Short-Term Payout elected shall be paid out during a 60-day period commencing immediately after the last day of any Plan Year designated by the Participant that is at least three Plan Years after the end of the Plan Year in which the Annual Deferral Amount is actually deferred. By way of example, if a three year Short- Term Payout is elected for Annual Deferral Amounts that are deferred in the Plan Year commencing January 1, 2006, the three year Short-Term Payout would

become payable during a 60-day period commencing January 1, 2010. In addition, subject to the terms and conditions of this Section 4.1, Section 4.2 and all other provisions of this Plan, any similar elections made pursuant to the terms of the Predecessor Nonqualified Deferred Compensation Plan, shall be deemed to remain in effect under this Plan. The distribution date selected by a Participant in connection with such election(s) under the Predecessor Nonqualified Deferred Compensation Plan shall remain binding on the parties. The Committee shall, in its sole and absolute discretion, determine how any amounts deferred under the Predecessor Nonqualified Deferred Compensation Plan shall be treated pursuant to the language of Article 4 and the Plan.

4.2 **Other Benefits Take Precedence Over Short-Term.** Should an event occur that triggers a benefit under Article 5, 6, 7 or 8, any Annual Deferral Amount, plus amounts credited or debited thereon, that is subject to a Short-Term Payout election under Section
4.1 shall not be paid in accordance with Section 4.1 but shall be paid in accordance with the other applicable Article.

4.3 **Withdrawal Payout/Suspensions for Unforeseeable Financial Emergencies.** If the Participant experiences an Unforeseeable Emergency, the Participant may petition the Committee to (i) suspend any deferrals required to be made by a Participant and/or (ii) receive a partial or full payout from the Plan. The payout shall not exceed the lesser of the Participant's Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably needed to satisfy the Unforeseeable Emergency. If, subject to the sole and absolute discretion of the Committee, the petition for a suspension and/or payout is approved, suspension shall take effect upon the date of approval and, if applicable, any payout shall be made within 60 days of the date of approval.

ARTICLE 5
Survivor Benefit

5.1 **Survivor Benefit.** If the Participant dies before he or she experiences a Separation from Service or suffers a Disability prior to such date, the Participant's Beneficiary shall be entitled to receive the Termination Benefit described in Section 6.2 as if Participant had experienced a Separation from Service and the valid Election Form(s) most recently on file with the Company shall control the manner in which the Survivor Benefit is paid.

ARTICLE 6
Termination Benefit

6.1 **Termination Benefit.** Upon a Separation from Service, a Participant shall receive a distribution of the vested portion of his or her Termination Benefit in the form that the Participant elected to receive under Section 3.4 if a Participant experiences a Separation from Service prior to his or her death or Disability. Notwithstanding any other provision of this Article 6 to the contrary, any distribution scheduled to be made upon Separation from Service to a Participant who is identified as a Key Employee as of the date he Separates from Service shall be delayed for a minimum of six months following the Participant's Separation from Service. Any payment to a Key Employee delayed under this Section 6.1 shall be made (without interest) within 90 days after the six-month

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anniversary of the Participant's Separation from Service. The identification of a Participant as a Key Employee shall be made by the Committee in accordance with Section 1.33 of the Plan and sections 416(i) and 409A of the Code and the regulations promulgated thereunder.

6.2 **Payment of Termination Benefit.** The Termination Benefit will be paid in a lump sum or Annual Installments as the Participant elected, and will begin, in the first 60 days of the calendar year following the calendar year in which the Participant experiences a Separation from Service, unless if delayed pursuant to Sections 3.4(b) and 6.1. If a Participant becomes Disabled after his or her Separation from Service, distributions shall be made under Article 6 and not under Article 7 below. Notwithstanding the foregoing or anything in this Plan to the contrary, to the extent a Participant's Account Balance is less than
$25,000 at the time of Separation from Service, the Committee shall cause the Termination Benefit to be paid in a lump sum.

ARTICLE 7
Disability Benefit

Disability Benefit

(a) **Distribution.** The Participant shall receive a distribution equal to his or her Account Balance as if the Participant experiences a Separation from Service, pursuant to the Committee's determination that the Participant has suffered a Disability. If a Participant subsequently experiences a Separation from Service pursuant to his or her Disability, distributions shall be made under this paragraph
(a) and not under Article 6.

(b) **Waiver of Deferral.** A Participant who is determined by the Committee to be suffering from a Disability shall be (i) excused from fulfilling that portion of the Annual Deferral Amount commitment that would otherwise have been withheld from a Participant's Annual Base Salary, Annual Bonus and/or Directors Fees for the Plan Year during which the Participant first suffers a Disability. During the period of Disability, the Participant shall not be allowed to make any additional deferral elections, but will continue to be considered a Participant for all other purposes of this Plan.

(c) **Return to Work.** If a Participant returns to employment, or service as a Director, with an Employer, after a Disability ceases, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment or service and for every Plan Year thereafter while a Participant in the Plan; provided that the Participant meets the eligibility requirement in Article 2 and such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.3(b) above. Notwithstanding the foregoing, the Participant shall continue receiving the distribution under paragraph (a) above.

ARTICLE 8
Beneficiary Designation

8.1 **Beneficiary.** Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

8.2 **Beneficiary Designation; Change; Spousal Consent.** A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. If the Participant names someone other than his or her spouse as a Beneficiary, a spousal consent, in the form designated by the Committee, must be signed by that Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last valid Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.

8.3 **Acknowledgment.** No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.

8.4 **No Beneficiary Designation.** If a Participant fails to designate a Beneficiary as provided in Sections 8.1, 8.2, and 8.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the executor or personal representative of the Participant's estate.

Upon the Committee or its designated agent being provided with written notice of the dissolution of marriage of a Participant, and notwithstanding any of the preceding provisions of this Article 8, any earlier designation of the Participant's former spouse as a Beneficiary for a portion or all of the benefits specified herein shall be treated as though the Participant's former spouse had predeceased the Participant. Notwithstanding the preceding sentence, any designation of the Participant's former spouse as a Beneficiary shall not be treated as though the Participant's former spouse had predeceased the Participant if, after the dissolution of the Participant's marriage and prior to payment of benefits on behalf of the Participant (1) the Participant executes and delivers a new Beneficiary designation that complies with this Plan that clearly names such former spouse as a Beneficiary, or (2) there is delivered to the Plan a domestic relations order providing

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that the former spouse is to be treated as the Beneficiary. In any case in which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from this Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.

(The following example illustrates the application of the preceding paragraph. Assume that a Participant, 'Participant A,' is married to 'Spouse A' and that Participant A files a valid and effective Beneficiary designation under this Plan naming Spouse A as a 50% Beneficiary and each of Participant A's two children with Spouse A (the 'Children') as a 25% Beneficiary. Assume that Participant A becomes divorced from Spouse A after making such Beneficiary designation. Upon the Committee or its designated agent being provided with written notice of the divorce, Spouse A shall be deemed to have predeceased Participant A for purposes of Participant A's Beneficiary designation subject to the second sentence of the preceding paragraph. If Participant A later dies without having made a valid post-divorce Beneficiary designation under this Plan and assuming that no Plan benefits have been paid and that there is no domestic relations order to the contrary, Participant A's Beneficiaries shall be deemed to be his two Children, with each child being a 50% Beneficiary.)

8.5 **Doubt as to Beneficiary.** If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its sole and absolute discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Committee's satisfaction.

8.6 **Discharge of Obligations.** The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under this Plan with respect to the Participant, and that Participant's Plan Agreement shall terminate upon such full payment of benefits.

ARTICLE 9
Leave of Absence

9.1 **Paid Leave of Absence.** Unless otherwise provided under section 409A of the Code, if a Participant is authorized by the Participant's Employer for any reason to take a bona fide paid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.3.

9.2 **Unpaid Leave of Absence.** Unless otherwise provided under section 409A of the Code, if a Participant is authorized by the Participant's Employer for any reason to take a bona fide unpaid leave of absence from the employment of the Employer, the Participant shall continue to be considered employed by the Employer and the Participant shall be excused from making deferrals until the earlier of the date the leave of absence expires or the Participant returns to a paid employment status. Upon such expiration or return, deferrals shall resume for the remaining portion of the Plan Year in which the expiration or return

occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

ARTICLE 10
Termination/Amendment or Modification

10.1 **Termination.** Although each Employer anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that any Employer will continue the Plan or will not terminate the Plan at any time in the future.

In the event the Plan is terminated, in the Board's discretion, the Account Balances of Participants may be distributed within the period beginning twelve months after the date the Plan was terminated and ending twenty-four months after the date the Plan was terminated. If the Plan is terminated and Account Balances are distributed, the Company shall terminate all account balance non-qualified deferred compensation plans with respect to all participants and shall not adopt a new account balance non-qualified deferred compensation plan for at least three years after the date the Plan was terminated.

The Board, in its discretion, may terminate the Plan 30 days prior to or twelve months following a Change in Control that is a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company as defined in the regulations promulgated under Section 409A of the Code and distribute the Accounts of the Participants within the twelve-month period following the termination of the Plan. If the Plan is terminated and Account Balances are distributed, the Company shall terminate all substantially similar non-qualified deferred compensation plans sponsored by the Company and all of the benefits of the terminated plans shall be distributed within twelve months following the termination of the plans.

The Board, in its discretion, may terminate the Plan upon a corporate dissolution or liquidation of the Company that is taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. Section 503(b)(1)(A), provided that the Participant's Accounts are distributed and included in the gross income of the Participants by the latest of (i) the calendar year in which the Plan terminates, or (ii) the first calendar year in which payment of the Accounts is administratively practicable.

The termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination.

10.2 **Amendment.** The Company may, at any time, amend or modify the Plan in whole or in part by the action of its Board (or a committee of the Board delegated with such authority) as appropriate in its sole and absolute discretion; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant's Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Separation from Service as of the effective date of the amendment or modification, (ii) no amendment or modification shall

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be effective upon or after a Change in Control without the prior written consent of a majority of Participants, and (iii) no amendment or modification of Section 10.2(i) or 10.2(ii) of the Plan shall be effective. Notwithstanding the foregoing, the Committee shall have the authority to adopt amendments to the Plan based on a change in applicable laws or regulations, and otherwise adopt non-material amendments that are necessary or desirable for the administration of the Plan. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification.

10.3 **Plan Agreement.** Despite the provisions of Sections 10.1 and 10.2 above, if a Participant's Plan Agreement contains benefits or limitations that are not in this Plan document, the Employer may only amend or terminate such provisions with the consent of the Participant.

10.4 **Effect of Payment.** The full payment of the applicable benefit under Articles 4, 5, 6, 7 or 8 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan and the Participant's Plan Agreement shall terminate.

ARTICLE 11
Administration

11.1 **Committee Duties.** Except as otherwise provided in this Article 11, this Plan shall be administered by the Deferred Compensation Plan Committee (the "Committee"), which shall consist of those persons appointed by the Chief Executive Officer of the Company from time to time. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to (i) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and (ii) decide or resolve any and all questions including interpretations of this Plan, as may arise in connection with the Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company.

11.2 **Administration Upon Change In Control.** For purposes of this Plan, the Committee shall be the "Administrator" at all times prior to the occurrence of a Change in Control. Upon and after the occurrence of a Change in Control, the "Administrator" shall be an independent third party selected by the trustee of the Trust and approved by the individual who, immediately prior to such event, was the Company's Chief Executive Officer or, if not available or willing to assume such responsibility, the Company's highest ranking officer (the "Ex-CEO"). The Administrator shall have the discretionary power to determine all questions arising in connection with the administration of the Plan and the interpretation of the Plan and Trust including, but not limited to benefit entitlement determinations; provided, however, upon and after the occurrence of a Change in Control, the Administrator shall have no power to direct the investment of Plan or Trust assets or select any investment manager or custodial firm for the Plan or Trust. Upon and after the occurrence of a Change in Control, the Company must: (1) pay all reasonable administrative expenses and fees of the Administrator; (2) indemnify the

Administrator against any costs, expenses and liabilities including, without limitation, attorney's fees and expenses arising in connection with the performance of the Administrator hereunder, except with respect to matters resulting from the gross negligence or willful misconduct of the Administrator or its employees or agents; and (3) supply full and timely information to the Administrator or all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the date of circumstances of the Disability, death or Separation from Service of the Participants, and such other pertinent information as the Administrator may reasonably require. Upon and after a Change in Control, the Administrator may be terminated (and a replacement appointed) by the trustee of the Trust only with the approval of the Ex-CEO. Upon and after a Change in Control, the Administrator may not be terminated by the Company.

11.3 **Agents.** In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

11.4 **Binding Effect of Decisions.** The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

11.5 **Indemnity of Committee.** All Employers shall indemnify and hold harmless the members of the Committee, and any Employee to whom the duties of the Committee may be delegated, and the Administrator against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, any such Employee or the Administrator.

11.6 **Employer Information.** To enable the Committee and/or Administrator to perform its functions, the Company and each Employer shall supply full and timely information to the Committee and/or Administrator, as the case may be, on all matters relating to the compensation of its Participants, the date and circumstances of the Disability, death or Separation from Service of its Participants, and such other pertinent information as the Committee or Administrator may reasonably require.

ARTICLE 12
Other Benefits and Agreements

12.1 **Coordination with Other Benefits.** The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

ARTICLE 13
Claims Procedures

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13.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

13.2 **Notification of Decision.** The Committee shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

(b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(iv) an explanation of the claim review procedure set forth in Section 13.3 below.

13.3 **Review of a Denied Claim.** Within 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure began, the Claimant (or the Claimant's duly authorized representative):

(a) may review pertinent documents;

(b) may submit written comments or other documents; and/or

(c) may request a hearing, which the Committee, in its sole and absolute discretion, may grant.

13.4 **Decision on Review.** The Committee shall render its decision on review promptly, and not later than 60 days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the

Committee's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) specific reasons for the decision;

(b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and

(c) such other matters as the Committee deems relevant.

13.5 **Mediation.** Should the parties be unable to resolve the dispute pursuant to these procedures, the claim shall be referred to non-binding mediation, conducted by the Employment panel of Judicial Arbitration Mediation Services ("JAMS"), in accordance with JAMS' standard mediation rules. A mutually agreeable mediator will be selected. The parties shall share all costs of the mediation equally, including attorney fees. Not sooner than 20 days following the mediator's final determination, either party may request binding arbitration.

13.6 **Binding Arbitration.** Following the expiration of the 20-day period referenced in Section 13.5, either party may initiate binding arbitration by making a written demand for it on the other party. Such binding arbitration shall be conducted under the applicable rules of the American Arbitration Association using a mutually selected arbitrator in San Mateo or San Francisco County. The cost of the arbitration shall be borne by the non- prevailing party or as otherwise determined by the arbitrator.

ARTICLE 14
Trust

14.1 **Establishment of the Trust.** The Company shall establish the Trust, and each Employer shall at least annually transfer over to the Trust such assets as the Employer determines, in its sole and absolute discretion, are necessary to provide, on a present value basis, for its respective future liabilities created with respect to the Rollover Amounts, Annual Company Contribution Amounts, Company Restoration Matching Contribution Amounts, and Annual Deferral Amounts for such Employer's Participants for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the trust at the time of the transfer.

14.2 **Interrelationship of the Plan and the Trust.** The provisions of the Plan and the Plan Agreement shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.

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14.3 **Distributions From the Trust.** Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

ARTICLE 15
Miscellaneous

15.1 **Status of Plan.** The Plan is intended to be a plan that is not qualified within the meaning section 401(a) of the Code and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employee" within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.

15.2 **Unsecured General Creditor.** Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

15.3 **Employer's Liability.** An Employer's liability for the payment of benefits shall be defined only by the Plan and the Plan Agreement, as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Plan Agreement.

15.4 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof which are, and all rights to which are expressly declared to be, unassignable and non-transferable. Except as provided in Section 15.10 or Section 15.16, no part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

15.5 **Not a Contract of Employment.** The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer, either as an Employee or a Director,

or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

15.6 **Furnishing Information.** A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

15.7 **Terms.** Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

15.8 **Captions.** The captions of the articles, sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

15.9 **Governing Law.** Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

15.10 **Compliance with Law**. Compensation under the Plan shall be subject to recoupment, repayment or similar requirements (i) to the extent required to comply with the requirements of applicable law or (ii) pursuant to the Company's clawback policy, each as may be in effect from time to time.

15.11 **Notice.** Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Deferred Compensation Plan Committee
Attn: VP of Total Rewards
Electronic Arts Inc.
209 Redwood Shores Pkwy Redwood City, CA 94065

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

15.12 **Successors.** The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

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15.13 **Spouse's Interest.** The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of in testate succession.

15.14 **Validity.** In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

15.15 **Incompetent.** If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

15.16 **Court Order.** The Committee is authorized to make any payments directed by court order in any action in which the Plan or the Committee has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Committee, in its sole and absolute discretion, shall have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse.

15.17 **Distribution in the Event of Taxation.**

(a) **In General.** If, for any reason, all or any portion of a Participant's benefits under this Plan becomes taxable to the Participant prior to receipt, a Participant may petition the Committee before a Change in Control, or the trustee of the Trust after a Change in Control, for a distribution of that portion of his or her benefit that has become taxable. Upon the grant of such a petition, which grant shall not be unreasonably withheld (and, after a Change in Control, shall be granted), a Participant's Employer shall distribute to the Participant immediately available funds in an amount equal to the taxable portion of his or her benefit (which amount shall not exceed a Participant's unpaid Account Balance under the Plan). If the petition is granted, the tax liability distribution shall be made within 90 days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the benefits to be paid under this Plan.

(b) **Trust.** If the Trust terminates in accordance with Section 3.6(e) of the Trust and benefits are distributed from the Trust to a Participant in accordance with that

Section, the Participant's benefits under this Plan shall be reduced to the extent of such distributions.

15.18 **Insurance.** The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole and absolute discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

15.19 **Legal Fees To Enforce Rights After Change in Control.** The Company and each Employer is aware that upon the occurrence of a Change in Control, the Board or the board of directors of a Participant's Employer (which might then be composed of new members), the Committee, or a shareholder of the Company, of the Participant's Employer or of any successor corporation might then cause or attempt to cause the Company, the Participant's Employer or such successor corporation to refuse to comply with its obligations under the Plan and/or to seek to deny Participants the benefits intended under the Plan. In these circumstances, the purpose of the Plan could be frustrated. Accordingly, if, following a Change in Control, a Participant or Beneficiary institutes any litigation or other legal action which seeks to recover benefits under the Plan or which otherwise asserts that the Committee, the Company, the Employer or any successor entity to the Company or the Employer has failed to comply with any of its obligations under the Plan or any agreement thereunder with respect to such Participant or Beneficiary, or if the Committee, the Company, the Employer or any other person takes any action to declare the Plan void or unenforceable or institutes any litigation or other legal action designed to deny, diminish or to recover from any Participant or Beneficiary the benefits intended to be provided under the Plan, and the Participant or Beneficiary retains counsel in connection with such litigation or legal action, then (unless the final decision of a court of competent jurisdiction or arbitrator determines that the Participant or Beneficiary's initiation or defense of such litigation or legal action was frivolous, based on the information known to the Participant or Beneficiary at the time of the initiation or defense) the Company and such Employer (who shall be jointly and severally liable) shall be required to pay the reasonable attorneys fees and expenses of the Participant or Beneficiary in connection with the initiation or defense of such litigation or legal action with respect to such matters, whether by or against the Committee, the Company, the Employer or any director, officer, shareholder or other person affiliated with the Company, the Employer or any successor thereto in any jurisdiction. The reasonable attorneys fees and expenses, if any, that become due and owing to a Participant (or Beneficiary) in accordance with this Section shall be paid no later than 180 days following the date such fees and expenses are incurred.

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ELECTRONIC ARTS INC.
2019 EQUITY INCENTIVE PLAN

GLOBAL RESTRICTED STOCK UNIT AWARD NOTICE

[Box with Participant Information]

Electronic Arts Inc., a Delaware corporation (the "Company"), hereby grants on the date hereof (the "Award Date") to the individual named above ("Participant") Restricted Stock Units ("RSUs") issued under the Company's 2019 Equity Incentive Plan, as may be amended from time to time (the "Plan"). Each RSU represents the right to receive a share of the Company's Common Stock ("Share") upon vesting and settlement of the RSU. The RSUs are subject to all the terms and conditions set forth herein, including the terms and conditions in the attached Appendix A, any special terms and conditions for Participant's country set forth in the attached Appendix B (collectively, the "Award Agreement") and in the Plan, the provisions of which are incorporated herein by reference. All capitalized terms used in this Award Agreement that are not defined herein have the meanings set forth in the Plan.

Key features of the RSUs are as follows:

[Box with grant information Award Date/number of shares subject to Award]

Vesting Schedule: Subject to the terms and conditions of the Plan and the Award Agreement, the RSUs shall vest as to [one-third (1/3) of the Shares on the first anniversary of the Award Date and one-sixth (1/6) of the Shares every six months thereafter until the RSUs are fully vested], provided Participant has provided continuous active Service to the Company or a Subsidiary from the Award Date through each applicable vesting date (or such later date as may result from suspended vesting as provided below). Vesting will continue in accordance with the vesting schedule set forth herein during a leave of absence that is protected by Applicable Laws, provided that vesting shall cease if and when the leave of absence is no longer guaranteed by Applicable Laws. The Company may suspend vesting of the RSUs during any unpaid personal leave of absence, except as otherwise required by Applicable Laws, in a manner that does not result in adverse tax consequences under Section 409A of the Code to the extent the Participant is subject to US taxation. Participant shall be deemed to have provided active Service with respect to a calendar month if Participant has worked any portion of that month.

PLEASE READ ALL OF APPENDIX A AND APPENDIX B, WHICH CONTAIN THE SPECIFIC TERMS AND CONDITIONS OF THE RSUs.

ELECTRONIC ARTS INC.
/s/ Jacob J. Schatz
Jacob J. Schatz
Executive Vice President and Chief Legal Officer

ACCEPTANCE:

By accepting the RSUs, Participant acknowledges the grant of the RSUs and agrees to voluntarily participate in the Plan. Participant hereby acknowledges that copies of the Plan and the Plan prospectus ("Prospectus") are available upon request from the Company's Stock Administration Department at StockAdmin@ea.com and can also be accessed by Participant electronically. Participant represents that Participant has read and understands the contents of the Plan, the Prospectus and the Award Agreement, and accepts the RSUs subject to all the terms and conditions of the Plan and the Award Agreement.

Participant understands and acknowledges that there may be tax consequences related to the grant and vesting of the RSUs and the sale of the underlying Shares and that Participant should consult a tax advisor to determine the actual tax consequences of participation in the Plan. Participant must accept the RSUs by executing and delivering a signed copy of this Award Agreement to the Company or by electronically accepting this Award Agreement pursuant to the online acceptance procedure established by the Company within thirty (30) days of receipt of the Award Agreement. Otherwise, the Company may, at its discretion, rescind the Award Agreement and the RSUs granted thereunder in its entirety.

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APPENDIX A

ELECTRONIC ARTS INC.
2019 EQUITY INCENTIVE PLAN

GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT

1. **RSU Grant.** Each RSU represents the unsecured right to receive one Share, subject to certain restrictions and subject to the terms and conditions contained in this Award Agreement and the Plan. In the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan shall govern.

2. **No Shareholder Rights.** The RSUs do not entitle Participant to any rights of a holder of Common Stock. The rights of Participant with respect to the RSUs shall remain forfeitable at all times prior to the date on which such rights become vested.

3. **Settlement; Issuance of Shares.**

(a) *Settlement.* No Shares shall be issued to Participant prior to the date on which the RSUs vest. After any RSUs vest pursuant to the vesting schedule set forth in the first page of the Award Agreement, or, if earlier, pursuant to Section 4(b) and 4(c) below, the Company shall promptly cause to be issued in book-entry form, registered in Participant's name or in the name of Participant's legal representatives or heirs, as the case may be, Shares in payment of such vested whole RSUs; provided, however, that in the event such RSUs do not vest on a day during which the Common Stock is quoted on the Nasdaq Global Select Market (or traded on such other principal national securities market or exchange on which the Common Stock may then be listed) ("Trading Day"), the Company shall cause Shares to be issued on the next Trading Day following the date on which such RSUs vest; provided, further, that in no event shall the Company cause such Shares to be issued later than two and one-half (2 1/2) months after the date on which such RSUs vest. For purposes of the RSUs, the date on which the Shares underlying the RSUs are issued shall be referred to as the "Settlement Date."

(b) *Fractional Shares.* Unless otherwise determined by the Committee in its sole discretion, no fractional shares shall be issued pursuant to the RSUs, and any fractional share resulting from the vesting of the RSUs in accordance with the terms of this Agreement shall be rounded down to the next whole share.

4. **Termination of Service.**

(a) *Forfeiture of Unvested RSUs Upon Termination of Service, Other than Death or Disability.* In the event that Participant's Service is Terminated for any reason other than death or Disability and the RSUs are not yet fully vested as of the Termination Date, then any unvested RSUs shall be forfeited immediately upon such Termination Date.

(b) *Termination of Service Due to Death.* If Participant's Service is Terminated due to death and the Participant has provided active Service as an Employee for at least 12 months as of the Termination Date, any RSUs that are unvested as of such date will vest immediately as of the Termination Date and be settled in accordance with Section 3 above. If Participant's Service is Terminated due to death and Participant has not provided active Service as an Employee for at least twelve (12) months as of

the Termination Date, any RSUs that are unvested as of such date will be forfeited immediately upon such Termination Date.

(c) *Termination of Service Due to Disability.* If Participant's Service is Terminated due to Disability and Participant has provided active Service as an Employee for at least twelve (12) months as of the Termination Date, a pro-rata portion of the RSUs will vest immediately as of the Termination Date and be settled in accordance with Section 3 above. If Participant's Service is Terminated due to Disability and Participant has not provided active Service as an Employee for at least twelve (12) months as of the Termination Date, any RSUs that are unvested as of such date will be forfeited immediately upon such Termination Date. In determining the pro-rata portion of the RSUs that are vested on the Termination Date, the Committee will consider the number of months for which Participant provided active Service during the 12-calendar month period preceding the next anniversary of the Award Date under the following formula:

Number of RSUs scheduled to vest on the next anniversary of the Award Date multiplied by Number of calendar months worked by Participant during the 12-month period prior to the next anniversary of the Award Date divided by 12.

Participant shall be deemed to have provided active Service for a calendar month if Participant has worked any portion of that month.

For the avoidance of any doubt, any RSUs that are not eligible to vest in accordance with this Section 4(c) shall be forfeited immediately upon the date Participant's Service is Terminated due to Disability.

5. **Suspension of Award and Repayment of Proceeds.**

(a) Contributing Misconduct. If at any time the Committee reasonably believes that Participant has engaged in an act of misconduct, including, but not limited to, an act of embezzlement, fraud or breach of fiduciary duty during Participant's Service that contributed to an obligation to restate the Company's financial statements ("Contributing Misconduct"), the Committee may suspend the vesting of Participant's unvested RSUs, in a manner that does not result in adverse tax consequences under Section 409A of the Code to the extent Participant is subject to US taxation, pending a determination of whether an act of Contributing Misconduct has been committed. If the Committee determines that Participant has engaged in an act of Contributing Misconduct, then any unvested RSUs will be forfeited immediately upon such determination and the Committee may require Participant to repay to the Company, in cash and upon demand, any RSU Gains (as defined below) resulting from any sale or other disposition (including to the Company) of Shares issued or issuable upon the settlement of the RSUs if the sale or disposition was effected during the twelve-month period following the first public issuance or filing with the SEC of the financial statements required to be restated. The term "RSU Gains" means, with respect to any sale or other disposition (including to the Company) of Shares issued or issuable upon vesting of RSUs, an amount determined appropriate by the Committee in its sole discretion to reflect the effect of the restatement on the Company's stock price, up to the amount equal to the Fair Market Value per Share at the time of such sale or other disposition multiplied by the number of Shares sold or disposed of. The return of RSU Gains is in addition to and separate from any other relief available to the Company due to Participant's Contributing Misconduct. Any determination by the Committee with respect to the foregoing shall be final, conclusive and binding on all interested parties. For any Participant who is designated as an "executive officer", under Section

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16 of the Exchange Act ("Section 16 Officer"), the determination of the Committee shall be subject to the approval of the Board.

(b) Compliance with Law; Corporate Misconduct. Without limiting the foregoing, the RSUs and any Shares issued or cash payable pursuant to the RSUs (or any proceeds from the sale of such Shares or other economic benefit derived from the RSUs) shall be and remain subject to recoupment, repayment, cancellation, forfeiture or similar requirements (i) to the extent required to comply with the requirements of any applicable law, including any implementing rules adopted by any securities exchange on which the Shares are listed or traded, as may be in effect from time to time and as may be reflected in any clawback policy adopted by the Company, and (ii) pursuant to any clawback or recoupment policy, whether in effect on the Award Date or adopted thereafter, as the Committee determined necessary, appropriate or advisable, in view of corporate misconduct resulting from the Participant's actions (or inactions), as determined by the Company, governance considerations or industry best practices. In order to satisfy any recoupment obligation contemplated under this Section 5(b), Participant expressly and explicitly authorizes the Company to issue instructions, on Participant's behalf, to any brokerage firm or share plan service provider engaged by the Company to hold any Shares or other amounts acquired pursuant to the RSUs to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of any clawback or recovery policy.

6. **Nature of Plan and Award.** In accepting the RSUs, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(c) all decisions with respect to future grants of RSUs or other grants, if any, will be at the sole discretion of the Company;

(d) nothing in the Plan or the RSUs shall confer on Participant any right to continue in the Service of the Company or, if different, Participant's employing Subsidiary (the "Employer") or any other Subsidiary, or limit in any way the ability of the Company, the Employer, or any Subsidiary to terminate Participant's Service relationship;

(e) Participant is voluntarily participating in the Plan;

(f) the RSUs and the Shares subject to the RSUs, and the income and the value of the same, are not intended to replace any pension rights or compensation under any pension arrangement;

(g) the RSUs and the Shares subject to the RSUs, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer, or any other Subsidiary;

(h) unless otherwise agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, Service Participant may provide as a director of any Subsidiary;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages shall arise from (i) forfeiture of the RSUs resulting from Termination of Participant's Service (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant provides Service or the terms of Participant's employment agreement, if any) and/or (ii) forfeiture, cancellation of the RSUs or recoupment of any Shares, cash or other benefits acquired upon settlement of the RSUs resulting from the application of Section 5 hereof;

(k) for purposes of the RSUs, Participant's Service will be considered Terminated as of the date Participant is no longer providing active Service to the Company or any Subsidiary (regardless of the reason for such Termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is providing Service or the terms of Participant's employment or Service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Committee, Participant's right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of Service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is providing Service or the terms of Participant's employment or Service agreement, if any, unless Participant is providing bona fide Service during such time); the Committee shall have the exclusive discretion to determine when Participant is no longer providing active Service for purposes of the RSUs (including whether Participant may still be considered to be providing active Service while on a leave of absence);

(l) unless otherwise provided in the Plan or by the Committee in its discretion, the RSUs and the benefits evidenced by this Award Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(m) neither the Company, the Employer, nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares.

7. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

8. **Responsibility for Taxes.** Participant acknowledges that, regardless of any action taken by the Company and/or the Employer, the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the

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issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or dividend equivalent rights; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding Shares from the vested RSUs; or

(ii) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; or

(iii) withholding from proceeds of the sale of Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization without further consent); or

(iv) any other method determined by the Company, and to the extent required by Applicable Laws or the Plan, approved by the Committee; provided, however, that if Participant is a Section 16 Officer, then withholding shall be done by the method set forth in (i) above, unless the use of such withholding method is prevented by Applicable Laws or has materially adverse accounting or tax consequences in which case withholding shall be done by one of the methods set forth in either (ii), (iii), or (iv), above.

The Company may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates that apply in the jurisdiction applicable to Participant. In the event of over-withholding, Participant may receive a refund from the Company of any over-withheld amount in cash (with no entitlement to the equivalent in Shares), or if not refunded by the Company, Participant must seek a refund from the local tax authorities to the extent Participant wishes to recover the over-withheld amount in the form of a refund. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by one or more of the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds from the sale of Shares if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

9. **Transferability**. Except as otherwise provided in the Plan, no right or interest of Participant in the RSUs, may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, transfer, pledge, hypothecation or other disposition shall be void and unenforceable against

the Company. Notwithstanding the foregoing, Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the affected Participant's rights and receive any property distributable with respect to the RSUs upon Participant's death.

10. **Insider Trading Restrictions/Market Abuse Laws.** Participant acknowledges that, depending on his or her country of residence, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Shares or rights to Shares (*e.g.*, RSUs) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant is solely responsible for ensuring his or her compliance with any applicable restrictions and is advised to consult his or her personal legal advisor on this matter.

11. **Foreign Asset/Account Reporting Requirements; Exchange Controls**. Depending on Participant's country, Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting of the RSUs. the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in his or her country. Participant may also be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. Participant acknowledges that he or she is responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting and other requirements. Participant further understands that he or she should consult Participant's personal tax and legal advisors, as applicable, on these matters.

12. **Electronic Delivery and Participation**. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13. **Section 409A of the Code for U.S. Taxpayers.** The RSUs are intended to qualify for the "short-term deferral" exemption from Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally interpret, amend or modify the Plan and/or this Award Agreement to ensure that the RSUs is made in a manner that qualifies for exemption from or complies with Section 409A of the Code or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Section 409A of the Code if compliance is not practical; provided, however, that the Company makes no representation that the RSUs will be exempt from or compliant with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the RSUs. Nothing in the Plan or this Award Agreement shall provide a basis for any person to take any action against the Company or any of its Subsidiaries based on matters covered by Section 409A of the Code, including the tax treatment of any payments made under this Award Agreement, and neither the Company nor any of its Subsidiaries will have any liability under any circumstances to Participant or any other party if the grant of the RSUs, the settlement of the RSUs or other event hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Committee with respect thereto.

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14. **Governing Law; Choice of Venue.** This Award Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the exclusive jurisdiction of the courts of San Mateo County, California, U.S.A., or the federal courts for the United States for the Northern District of California, U.S.A., and no other courts, where this grant is made and/or to be performed.

15. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

16. **Language.** Participant acknowledges that he or she is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow Participant to understand the terms and conditions of this Award Agreement. Furthermore, if Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable laws.

17. **Severability.** The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. Further, upon a determination that any term or other provision of this Award Agreement is illegal or otherwise incapable of being enforced, such term or other provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the illegal or unenforceable term or provision.

18. **Entire Agreement.** The Award Agreement, including this Appendix A and Appendix B, and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof.

19. **Committee's Authority**. The Committee will have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Committee will be final and binding upon Participant, the Company and all other interested persons. No member of the Committee will be personally liable for any action, determination or interpretation made with respect to the Plan or this Agreement.

20. **Appendix B.** The RSUs shall be subject to any special terms and conditions set forth in the Appendix B for Participant's country, if any. If Participant relocates to one of the other countries included in the Appendix B during the life of the RSUs, the special terms and conditions for such country shall apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix B constitutes part of this Award Agreement.

21. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. **Compliance with Law.** No RSUs or Shares will be issued to Participant unless the issuance of the RSUs or Shares is in compliance with Applicable Laws. Without limitation to the foregoing, in the event Participant relocates to or becomes ordinarily resident (or is about to relocate to or become ordinarily resident) in a country in which the grant and vesting of the RSUs and/or the issuance of the Shares is not permitted under any Applicable Laws, regulations or government program, including, but not limited to, a country subject to comprehensive sanctions imposed from time to time by the U.S. Office of Foreign Assets Control ("OFAC"): (a) any RSUs that have already been issued to Participant will be immediately and automatically forfeited, (b) no further RSUs, Shares or other benefit pursuant to the RSUs or the Shares will be issued to Participant, and (c) the Company may, at its discretion, force the sale of any Shares that have already been issued to Participant pursuant to the RSUs (on Participant's behalf pursuant to this authorization without further consent), in each case without any liability to the Company or the Employer. In the event that any Shares are subject to sale pursuant to the foregoing sentence, the Company and the Company's designated broker are under no obligation to sell the Shares for a particular price and the proceeds of such sale will be delivered to Participant in accordance with Applicable Laws.

23. **Waiver.** Participant acknowledges that a waiver by the Company of breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by Participant or any other Plan participant.

24. **Notice.** Copies of the Plan and Prospectus are available electronically at https://eaworld.work.ea.com/stock-administration-services/rsus. The Company's most recent annual report and published financial statements are available electronically as soon as practicable after their publication by clicking the "Financial Reports" link at http://investor.ea.com. The Plan, Prospectus, the Company's annual report, and the Company's financial statements are also available at no charge by submitting a request to the Company's Stock Administration Department at StockAdmin@ea.com.

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APPENDIX B
ELECTRONIC ARTS INC.
2019 EQUITY INCENTIVE PLAN
Global Restricted stock unit Award agreement

Country-Specific Terms and Conditions

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INSIDER TRADING POLICY

Trading securities of a publicly-traded company based on material, inside information is against the law, and the consequences for doing so are severe. They may include criminal penalties and prison for individuals who trade on inside information or tip information to others, and civil and criminal penalties for EA itself. This policy applies to all EA employees, consultants, contractors, and directors.

OUR POLICY

If you have material, non-public information about EA, you may not (1) buy, sell, gift or transfer EA securities (i.e., EA common stock, EA debt or any other security issued by EA) or (2) share that information with others.

This policy applies equally to trading securities of another company, if you have material, non-public information about that company that you possess because of EA's business relationship with that other company.

Material Information

"Material information" is any information – positive or negative – that a reasonable investor would consider important when making a decision to buy or sell securities. For example, this may include and is not limited to:

- earnings results;
- significant financial data;
- mergers, acquisitions, tender offers, and joint ventures;
- significant new products;
- acquisition or loss of a significant contract;
- changes in executive management or changes in control of EA;
- significant cybersecurity incidents;
- initiation of, and developments in, significant litigation; and
- developments affecting EA's securities, such as offerings or repurchases.

Tipping Information to Others

"Tipping" means sharing material, non-public information with people inside or outside EA that may motivate them to trade EA securities. Think of it as "passing on a tip." Tipping is illegal.

To avoid tipping, you should not make an unauthorized disclosure of EA confidential or non-public information to any EA business partner, vendor or investor. In addition, you should not discuss

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confidential or non-public information about EA or EA's business partners with your family or friends, or with other EA employees who do not need to know such information in order to perform their jobs.

Transactions by Family Members

These restrictions apply to anyone who lives in your household, transactions by family members that do not live in your household but whose transactions you directly influence or control, and transactions by entities that you influence, control or manage. You are responsible for ensuring that they comply with this policy.

Participation in Online Forums

You may not discuss EA or EA securities in any online forum that focuses on investment or trading in public company securities or post information regarding EA securities on your personal blog or webpages. These include blogs, chat rooms, message boards, webpages and other sites where individuals can post or share comments.

Derivative Transactions, Hedging and Pledging of EA Securities

You may not enter into any hedging transaction with EA's securities, buy EA securities on margin, or otherwise trade in any derivative of EA securities (including put and/or call options, swaps, forwards or futures contracts, short sales or collars).

Directors and Section 16 Officers may not pledge EA securities as collateral for a loan. Other employees must receive pre-clearance from EA's Chief Legal Officer prior to pledging EA securities as collateral for a loan.

EA'S TRADING WINDOW

Because of their regular access to material, non-public information, EA limits the time period during which its directors, officers and certain EA employees identified by EA's Chief Legal Officer ("Insiders") may trade EA securities. This period is called the trading window. Insiders may trade EA securities only when the trading window is open and if the Insider does not possess material, non-public information. Generally, the trading window is closed from the first day of the last month of each quarter until at least one complete "open market" day after public release of EA's quarterly earnings report. In addition, EA may impose additional "blackout" periods during which Insiders may not buy or sell EA's securities.

Pre-Clearance of Trades by Insiders during Open Trading Window

Insiders who are Directors or who have a rank of Senior Vice President or above must obtain the prior approval of EA's Chief Legal Officer before transacting in EA securities.

Insiders below the rank of Senior Vice President do not need to obtain the prior approval of EA's Chief Legal Officer before transacting in EA securities, unless otherwise notified by the Chief Legal Officer. If you are notified, you must obtain the prior approval of EA's Chief Legal Officer before transacting in EA securities.

Exemptions

EA's Chief Legal Officer may, on a case by case basis, authorize a transaction in EA's securities outside of the trading window if the Insider can demonstrate that they do not possess material non-public information at that time. It is expected that an exemption will be made only under very limited circumstances and at the sole discretion of the Chief Legal Officer.

EA may permit Insiders to transact in EA securities pursuant to approved trading plans established under Rule 10b5-1 of the Securities Exchange Act of 1934. If you wish to establish this type of trading plan, you must first receive permission from EA's Chief Legal Officer.

COMPLIANCE

Failure to comply with this policy may lead to discipline, including termination of your employment. If you have questions about specific transactions, please contact the Stock Administration Department. If you have general questions regarding this policy, please contact the EA Legal representatives listed below. EA prohibits retaliation against any employee for raising concerns in good faith and with reasonable belief.

EA may engage in transactions in its own securities. EA will comply with all applicable securities and state laws while engaging in transactions in its securities.

SUBSIDIARIES OF THE REGISTRANT **Exhibit 21.1**

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Name in Corporate Articles	Doing Business As	Jurisdiction of Incorporation
Respawn Entertainment, LLC	Respawn Entertainment, LLC	California
Prairie-Winnetka Holdings, LLC (US)	Prairie-Winnetka Holdings, LLC (US)	California
BioWare ULC	BioWare ULC	Canada
Electronic Arts (Canada), Inc.	Electronic Arts (Canada), Inc.	Canada
EA Mobile (Canada) ULC	EA Mobile (Canada) ULC	Canada
Electronic Arts Computer Software (Shanghai) Co., Ltd.	Electronic Arts Computer Software (Shanghai) Co., Ltd.	China
Electronic Arts Proprietary Limited	Electronic Arts Proprietary Limited	Commonwealth of Australia
EA Entertainment, Inc.	EA Entertainment, Inc.	Delaware
EA Mobile (Canada Holdings) Inc.	EA Mobile (Canada Holdings) Inc.	Delaware
Electronic Arts Productions Inc.	Crocodile Productions	Delaware
Electronic Arts Redwood LLC	Electronic Arts Redwood LLC	Delaware
PopCap Games, LLC	PopCap Games, LLC	Delaware
Glu Mobile LLC	Glu Mobile LLC	Delaware
Glu Newco LLC	Glu Newco LLC	Delaware
Crowdstar LLC	Crowdstar LLC	Delaware
Glu Toronto Inc.	Glu Toronto Inc.	Canada
Griptonite Games LLC	Griptonite Games LLC	Delaware
Glu Games LLC	Glu Games LLC	Delaware
Cosmic Pop LLC	Cosmic Pop LLC	Delaware
Creatif Studios LLC	Creatif Studios LLC	Delaware
Fishing Games LLC	Fishing Games LLC	Delaware
GlytchCo Games LLC	GlytchCo Games LLC	Delaware
Gems Interactive LLC	Gems Interactive LLC	Delaware
Electronic Arts Finland OY	Electronic Arts Finland OY	Finland
Electronic Arts - Tiburon, A Florida Corporation	Tiburon	Florida
Electronic Arts Publishing SARL	Electronic Arts Publishing SARL	France
Electronic Arts GmbH	Electronic Arts GmbH	Germany
Electronic Arts Games (India) Private Limited	Electronic Arts Games (India) Private Limited	India
Electronic Arts Ireland Limited	Electronic Arts Ireland Limited	Ireland
Carpetville Limited	Carpetville Limited	Ireland
Electronic Arts Israel Ltd	Electronic Arts Israel Ltd	Israel
Electronic Arts Italia S.r.l.	EA Italy	Italy
Electronic Arts K.K.	Electronic Arts K.K.	Japan
IoTech Finance SARL	IoTech Finance SARL	Luxemburg
Codemasters Studios Sdn Bhd	Codemasters Studios Sdn Bhd	Malaysia
EA México S. de R.L. de C.V.	EA México S. de R.L. de C.V.	Mexico
Electronic Arts Polska Sp. Z.O.O.	EA Poland	Poland
Electronic Arts Romania SRL	Electronic Arts Romania SRL	Romania
Electronic Arts Asia Pacific Pte Ltd	Electronic Arts Asia Pacific Pte Ltd	Singapore
Electronic Arts Singapore Pte. Ltd.	Electronic Arts Singapore Pte. Ltd.	Singapore
Slightly Mad Studios Pte. Ltd.	Slightly Mad Studios Pte. Ltd.	Singapore

SUBSIDIARIES OF THE REGISTRANT **Exhibit 21.1**

Name in Corporate Articles	Doing Business As	Jurisdiction of Incorporation
Electronic Arts Korea LLC	Electronic Arts Korea LLC	South Korea
Electronic Arts Software S.L.	Electronic Arts Software S.L.	Spain
Digital Illusions CE AB	Digital Illusion CE AB	Sweden
EA Digital Illusions CE AB	EA Digital Illusions CE AB	Sweden
Electronic Arts Sweden AB	EA Sweden	Sweden
EA Swiss Sàrl	EA Swiss Sàrl	Switzerland
Electronic Arts Geneva Sàrl	Electronic Arts Geneva Sarl	Switzerland
Electronic Arts Nederland B.V.	Electronic Arts B.V.	The Netherlands
Criterion Software Limited	Criterion Software Limited	United Kingdom
Electronic Arts Limited	Electronic Arts Limited	United Kingdom
Electronic Arts Production Services (UK) Limited	Electronic Arts Production Services (UK) Limited	United Kingdom
Codex Games Limited	Codex Games Limited	United Kingdom
Codemasters Group Holdings Ltd	Codemasters Group Holdings Ltd	United Kingdom
The Codemasters Software Company Limited	The Codemasters Software Company Limited	United Kingdom
Codemasters Development Company Limited	Codemasters Development Company Limited	United Kingdom
IoTech Engine Limited	IoTech Engine Limited	United Kingdom
SMS Virgo Limited	SMS Virgo Limited	United Kingdom
Slightly Mad Studios Limited	Slightly Mad Studios Limited	United Kingdom
Pine Interactive Ltd.	Pine Interactive Ltd.	United Kingdom
Playdemic Ltd.	Playdemic Ltd.	United Kingdom
Electronic Arts Colombia SAS	Electronic Arts Colombia SAS	Colombia

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-266879, 333-255675, 333-233182, 333-213044, 333-190355, 333-183077, 333-176181, 333-168680, 333-161229, 333-152757, 333-145182, 333-138532, 333-127156, 333-117990, 333-107710, 333-99525, 333-67430, 333-44222, 333-39432) on Form S-8 and (No. 333-275772) on Form S-3 of our report dated May 22, 2024, with respect to the consolidated financial statements of Electronic Arts Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California
May 22, 2024

Exhibit 31.1

ELECTRONIC ARTS INC.

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) of the Exchange Act
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Andrew Wilson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Electronic Arts Inc.;
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(s) 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(s) 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.

Dated: May 22, 2024

By: /s/ Andrew Wilson
Andrew Wilson
Chief Executive Officer

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Exhibit 31.2

ELECTRONIC ARTS INC.

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) of the Exchange Act
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Stuart Canfield, certify that:

1. I have reviewed this Annual Report on Form 10-K of Electronic Arts Inc.;
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(s) 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(s) 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.

Dated: May 22, 2024

By: /s/ Stuart Canfield
Stuart Canfield
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

ELECTRONIC ARTS INC.

Certification of Chief Executive Officer
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 Annual Report of Electronic Arts Inc. on Form 10-K for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Wilson, Chief Executive Officer of Electronic Arts Inc., certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that to my knowledge:

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 Electronic Arts Inc. for the periods presented therein.

/s/ Andrew Wilson

Andrew Wilson
Chief Executive Officer
Electronic Arts Inc.

May 22, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Electronic Arts and will be retained by Electronic Arts and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32.2

ELECTRONIC ARTS INC.

Certification of Chief Financial Officer
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 Annual Report of Electronic Arts Inc. on Form 10-K for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart Canfield, Executive Vice President and Chief Financial Officer of Electronic Arts Inc., certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that to my knowledge:

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 Electronic Arts Inc. for the periods presented therein.

/s/ Stuart Canfield
Stuart Canfield
Executive Vice President and
Chief Financial Officer
Electronic Arts Inc.

May 22, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Electronic Arts and will be retained by Electronic Arts and furnished to the Securities and Exchange Commission or its staff upon request.

CLAWBACK POLICY

Approved and adopted: February 25, 2021. *Amended and restated*: November 16, 2023

This clawback policy (the "Policy") applies to all current and former "officers" (as that term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) of Electronic Arts Inc. (the "Company") and its subsidiaries ("Covered Officers") and shall apply to Incentive Compensation that is received on or after October 2, 2023 by any Covered Officer (i) after beginning service as an officer, (ii) who served as an officer at any time during the performance period for the Incentive Compensation, and (iii) during the three completed fiscal years preceding an accounting restatement covered by the applicable provisions of the Nasdaq Stock Market LLC Listing Rules (the "Nasdaq Clawback Rules") or any transition period covered by the Nasdaq Clawback Rules.

For purposes of this Policy, "Incentive Compensation" means all compensation, including all performance-based cash bonuses and short-term and long-term incentive awards (including cash and equity awards), granted, vested or earned based wholly or in part upon the attainment of a "financial reporting measure" as defined under the Nasdaq Clawback Rules. For purposes of this Policy, Incentive Compensation is deemed received in the fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained.

RECOVERY OF EXCESS INCENTIVE COMPENSATION

To the extent permitted by applicable law, the Company shall recover reasonably promptly any excess Incentive Compensation from a Covered Officer in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to such statements or (ii) that would result in a material misstatement if the correction of the error was recognized in the current period or left uncorrected in the current period.

For purposes of this Policy, "excess Incentive Compensation" means an amount equal to the difference between (i) any Incentive Compensation received by the Covered Officer during the three completed fiscal years before the accounting restatement and (ii) the Incentive Compensation the Covered Officer would have received had it been determined based on the accurate financial information or restated financial results, without regard to any taxes paid. If an amount of excess Incentive Compensation is based on the Company's stock price or total shareholder return and is not subject to mathematical recalculation directly from the accounting restatement, the amount to be recovered must be based on a reasonable estimate of the effect of the accounting restatement on stock

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price or total shareholder return, as applicable, and the Company must maintain documentation of same and provide it to the Nasdaq Stock Market.

The Board shall determine the amount of excess Incentive Compensation to be recovered or forfeited pursuant to this Policy and the manner of such recovery except to the extent such withholding is not permitted under applicable law, or would cause the imposition of additional taxes and/or penalties under applicable law.

The Board may determine that excess Incentive Compensation will not be recovered in circumstances where non-enforcement is expressly permitted by the Nasdaq Clawback Rules.

Any determination regarding this Policy, its application or implementation will be made by the Board consistent with the Nasdaq Clawback Rules, and such determination shall be conclusive and binding on the Company and the Covered Officers. In the event of any inconsistency between this Policy and the Nasdaq Clawback Rules, the Nasdaq Clawback Rules shall prevail.

OTHER

The Company is prohibited from indemnifying any Covered Officer against the loss of any excess Incentive Compensation and from paying or reimbursing a Covered Officer for purchasing insurance to cover any such loss.

This Policy is (i) intended to comply with requirements imposed pursuant to applicable law, including the Sarbanes Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 10D of the Securities and Exchange Act of 1934, as amended, and the Nasdaq Clawback Rules and (ii) shall be in addition to any clawback or recoupment provision in any of the Company's plans, awards and other individual agreements (including the suspension and recoupment provisions in the Company's equity award agreements), and any other rights or remedies available to the Company, including termination of employment.

The Board may amend or terminate this Policy at any time.