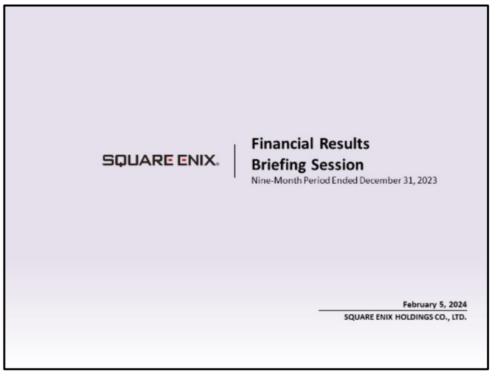
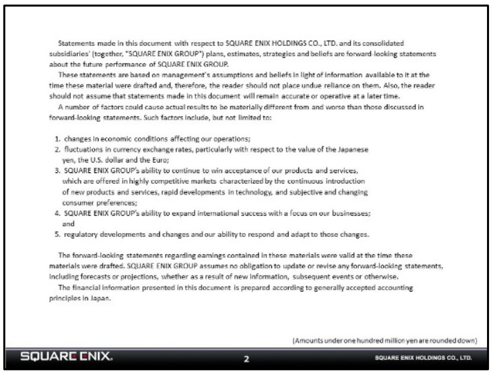
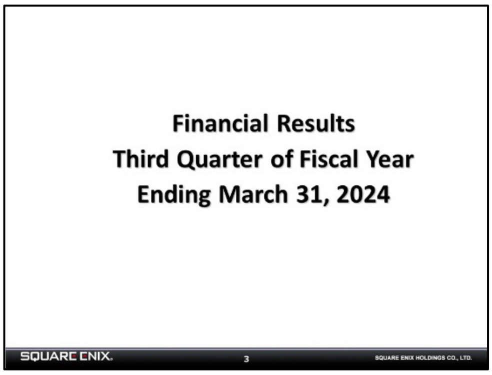


We would now like to begin the Financial Results Briefing session of SQUARE ENIX HOLDINGS (the "Company") for the first to third quarters of the fiscal year ending March 31, 2024 ("Q1-Q3 FY2024/3").

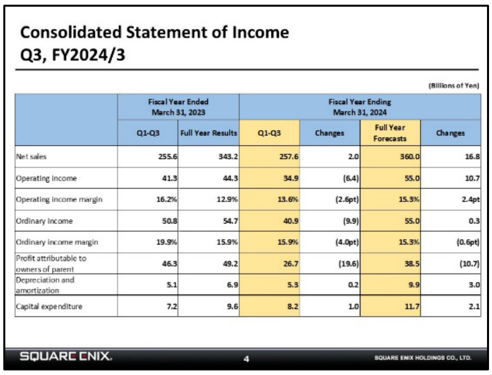
Today's presenter is Takashi Kiryu, President and Representative Director.



First, Mr. Kiryu will give an overview of the Company's financial results for Q1-Q3 FY2024/3 before guiding you through the progress made in each of the Company's business segments.



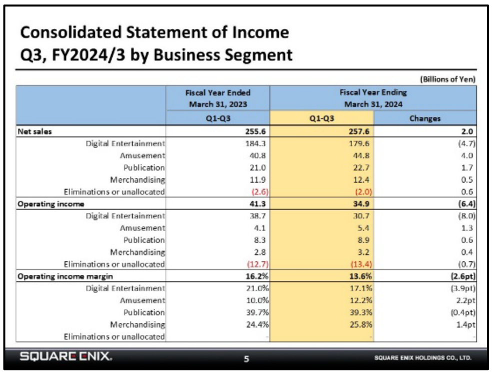
I am Takashi Kiryu. Let me start with an overview of the Company's financial results for Q1-Q3 FY2024/3.



	Fiscal Year Ended March 31, 2023		Fiscal Year Ending March 31, 2024			
	Q1-Q3	Full Year Results	Q1-Q3	Changes	Full Year Forecasts	Changes
Net sales	255.6	343.2	257.6	2.0	360.0	16.8
Operating income	41.3	44.3	34.9	(6.4)	55.0	10.7
Operating income margin	16.2%	12.9%	13.6%	(2.6pt)	15.3%	2.4pt
Ordinary income	50.8	54.7	40.9	(9.9)	55.0	0.3
Ordinary income margin	19.9%	15.9%	15.9%	(4.0pt)	15.3%	(0.6pt)
Profit attributable to owners of parent	46.3	49.2	26.7	(19.6)	38.5	(10.7)
Depreciation and amortization	5.1	6.9	5.3	0.2	9.9	3.0
Capital expenditure	7.2	9.6	8.2	1.0	11.7	2.1

In Q1-Q3 FY2024/3, the Company booked consolidated net sales of ¥257.6 billion (up ¥2.0 billion YoY), operating income of ¥34.9 billion (down ¥6.4 billion), ordinary income of ¥40.9 billion (down ¥9.9 billion), and profit attributable to owners of parent of ¥26.7 billion (down ¥19.6 billion).

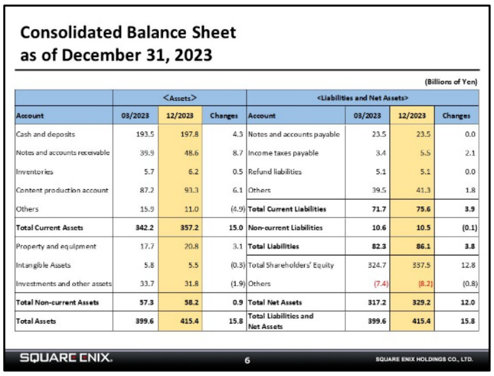
Both our ordinary income and profit attributable to owners of the parent saw greater YoY declines than our operating income. This is mainly due to a YoY decline in foreign exchange gains, as well as recognition of gains on sale of shares in subsidiaries and associates in connection with our divestiture of select overseas studios and IP in FY2023/3.


Consolidated Statement of Income
Q3, FY2024/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2023	Fiscal Year Ending March 31, 2024	
	Q1-Q3	Q1-Q3	Changes
Net sales	**255.6**	**257.6**	**2.0**
Digital Entertainment	184.3	179.6	(4.7)
Amusement	40.8	44.8	4.0
Publication	21.0	22.7	1.7
Merchandising	11.9	12.4	0.5
Eliminations or unallocated	(2.6)	(2.0)	0.6
Operating income	**41.3**	**34.9**	**(6.4)**
Digital Entertainment	38.7	30.7	(8.0)
Amusement	4.1	5.4	1.3
Publication	8.3	8.9	0.6
Merchandising	2.8	3.2	0.4
Eliminations or unallocated	(12.7)	(13.4)	(0.7)
Operating income margin	**16.2%**	**13.6%**	**(2.6pt)**
Digital Entertainment	21.0%	17.1%	(3.9pt)
Amusement	10.0%	12.2%	2.2pt
Publication	39.7%	39.3%	(0.4pt)
Merchandising	24.4%	25.8%	1.4pt
Eliminations or unallocated	-	-	-

SQUARE ENIX. 5 SQUARE ENIX HOLDINGS CO., LTD.


Consolidated Balance Sheet
as of December 31, 2023

(Billions of Yen)

	<Assets>			<Liabilities and Net Assets>			
Account	**03/2023**	**12/2023**	**Changes**	**Account**	**03/2023**	**12/2023**	**Changes**
Cash and deposits	193.5	197.8	4.3	Notes and accounts payable	23.5	23.5	0.0
Notes and accounts receivable	39.9	48.6	8.7	Income taxes payable	3.4	5.5	2.1
Inventories	5.7	6.2	0.5	Refund liabilities	5.1	5.1	0.0
Content production account	87.2	93.3	6.1	Others	39.5	41.3	1.8
Others	15.9	11.0	(4.9)	**Total Current Liabilities**	**71.7**	**75.6**	**3.9**
Total Current Assets	**342.2**	**357.2**	**15.0**	**Non-current Liabilities**	**10.6**	**10.5**	**(0.1)**
Property and equipment	17.7	20.8	3.1	**Total Liabilities**	**82.3**	**86.1**	**3.8**
Intangible Assets	5.8	5.5	(0.3)	Total Shareholders' Equity	324.7	337.5	12.8
Investments and other assets	33.7	31.8	(1.9)	Others	(7.4)	(8.2)	(0.8)
Total Non-current Assets	**57.3**	**58.2**	**0.9**	**Total Net Assets**	**317.2**	**329.2**	**12.0**
Total Assets	**399.6**	**415.4**	**15.8**	**Total Liabilities and Net Assets**	**399.6**	**415.4**	**15.8**

SQUARE ENIX. 6 SQUARE ENIX HOLDINGS CO., LTD.

The Digital Entertainment segment posted net sales of ¥179.6 billion (down ¥4.7 billion YoY) and operating income of ¥30.7 billion (down ¥8.0 billion).

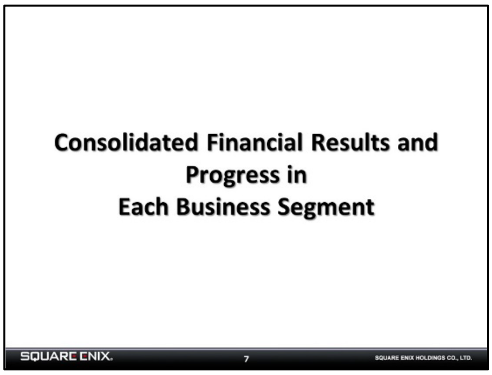
The Amusement segment booked net sales of ¥44.8 billion (up ¥4.0 billion YoY) and operating income of ¥5.4 billion (up ¥1.3 billion).

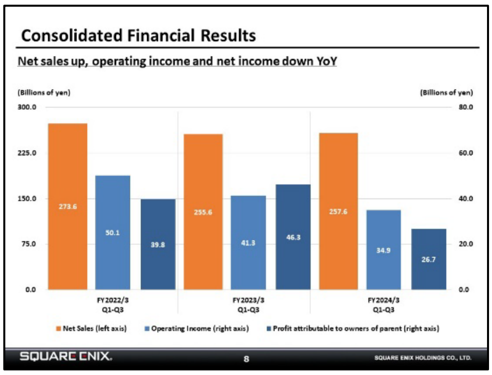
The Publication segment booked net sales of ¥22.7 billion (up ¥1.7 billion YoY) and operating income of ¥8.9 billion (up ¥0.6 billion).

The Merchandising segment posted net sales of ¥12.4 billion (up ¥0.5 billion YoY) and operating income of ¥3.2 billion (up ¥0.4 billion).

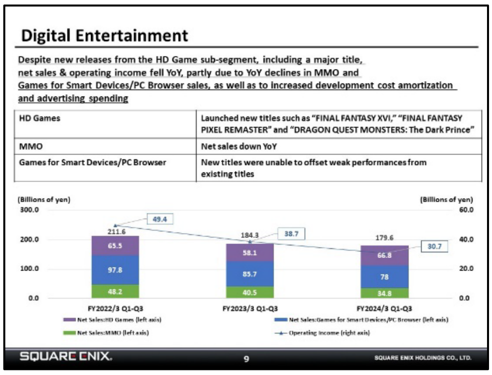
I will provide further color as I discuss conditions in each segment.

Next, let me take you through further details on our consolidated financial results and progress in each of our segments.





Although we achieved YoY growth in consolidated net sales, our operating income and profit attributable to owners of the parent declined YoY. I will elaborate on this while explaining the conditions in each business segment.

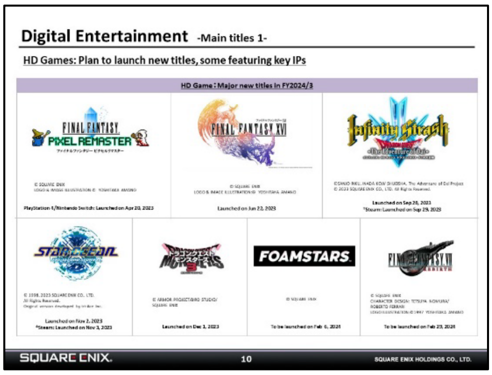


This slide shows a breakdown of our performance in the Digital Entertainment segment.

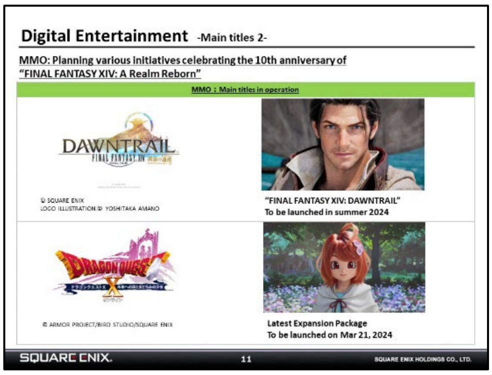
Net sales increased YoY in the HD Games sub-segment due to the release of new titles including "*FINAL FANTASY XVI,*" "*FINAL FANTASY PIXEL REMASTER,*" and "*Dragon Quest Monsters: The Dark Prince*."

Both the MMO sub-segment and the Games for Smart Devices/PC Browser subsegment reported a YoY decline in net sales.

With development cost amortization and advertising expenses rising YoY, this led to the Digital Entertainment segment posting YoY declines in net sales and operating income overall.

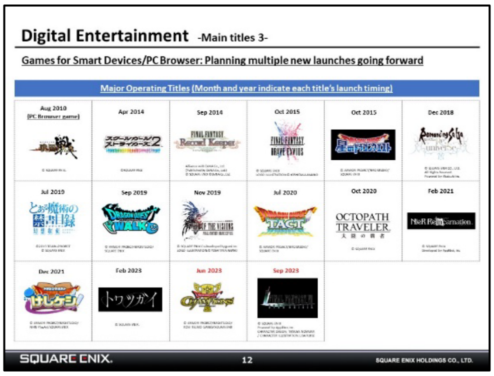


In HD Games, Q3 releases "*STAR OCEAN THE SECOND STORY R*" and "*Dragon Quest Monsters: The Dark Prince"* sold well. We are aiming to achieve our initial guidance by maximizing sales of new titles "*FOAMSTARS*" and "*FINAL FANTASY VII REBIRTH*" in Q4.



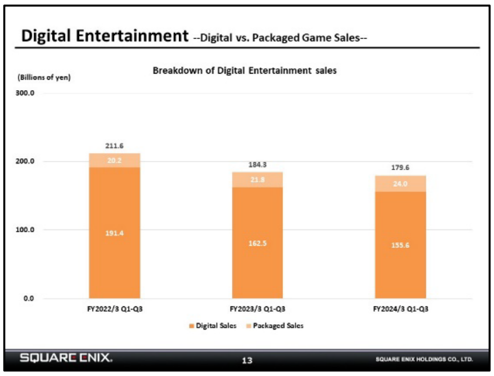
In the MMO sub-segment, I will start by discussing "*FINAL FANTASY XVI*." Excitement has been building ahead of the summer 2024 release of the "*FINAL FANTASY XIV: Dawntrail*" expansion pack, and we look forward to this bolstering the title's performance.

We also expect excitement to build around the release of the latest "*Dragon Quest X*" expansion pack.

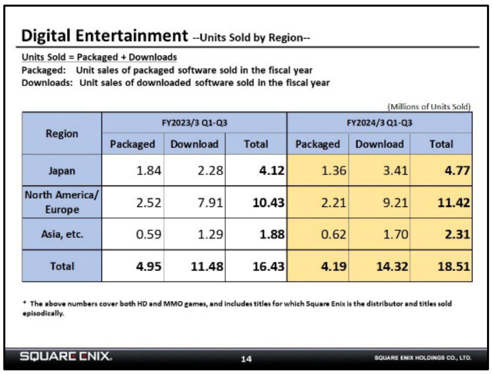


In 1H in the Games for Smart Devices/PC Browser sub-segment, we released new titles "*Dragon Quest Champions*" and "*FINAL FANTASY VII EVER CRISIS.*"

"*FINAL FANTASY VII EVER CRISIS*" is generating solid sales in Japan and overseas, and we look forward to further earnings contributions driven by synergies with the February 2024 release "*FINAL FANTASY VII REBIRTH*" and activity heightened by half anniversary events.



Here is a breakdown of net sales in the Digital Entertainment segment as a whole.


Digital Entertainment --Units Sold by Region--

Units Sold = Packaged + Downloads
Packaged: Unit sales of packaged software sold in the fiscal year
Downloads: Unit sales of downloaded software sold in the fiscal year

(Millions of Units Sold)

Region	FY2023/3 Q1-Q3			FY2024/3 Q1-Q3		
	Packaged	Download	Total	Packaged	Download	Total
Japan	1.84	2.28	**4.12**	1.36	3.41	**4.77**
North America/ Europe	2.52	7.91	**10.43**	2.21	9.21	**11.42**
Asia, etc.	0.59	1.29	**1.88**	0.62	1.70	**2.31**
Total	**4.95**	**11.48**	**16.43**	**4.19**	**14.32**	**18.51**

* The above numbers cover both HD and MMO games, and includes titles for which Square Enix is the distributor and titles sold episodically.

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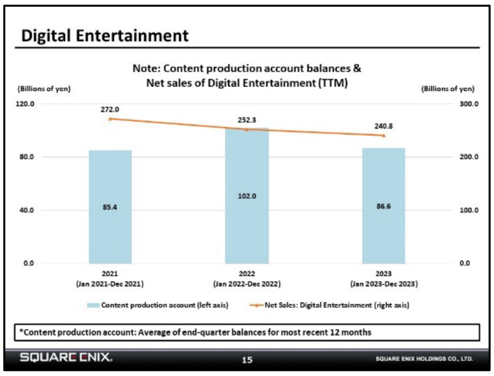
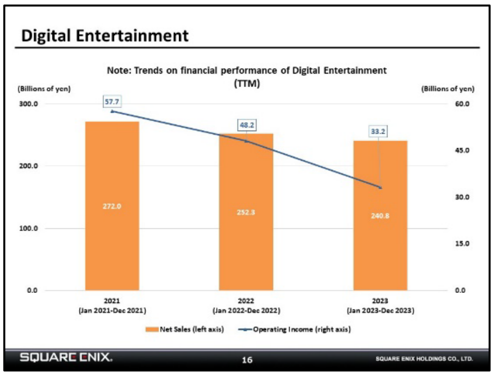
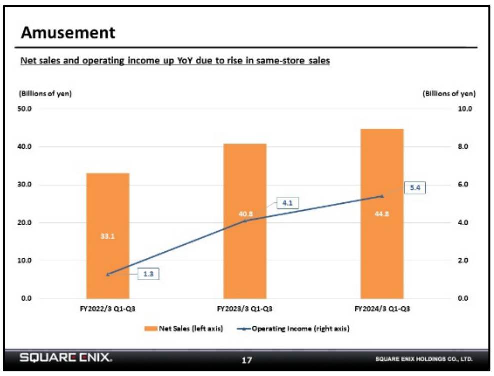
In Q1-Q3, sales units in every region increased YoY.



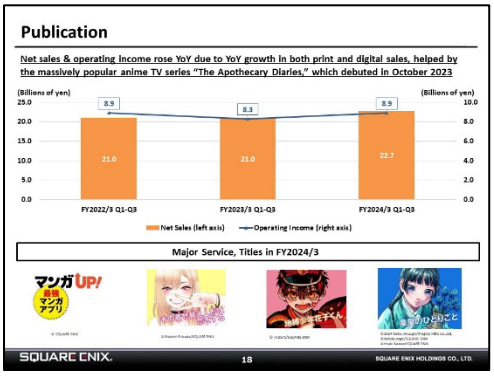
This chart shows 12-month moving average data for our content production account alongside net sales in the Digital Entertainment segment.



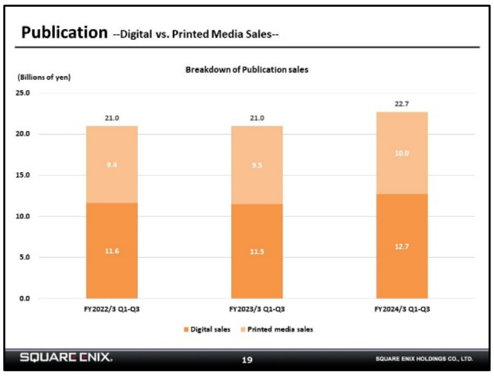
On this slide, we show Digital Entertainment segment earnings on a 12-month moving average basis.



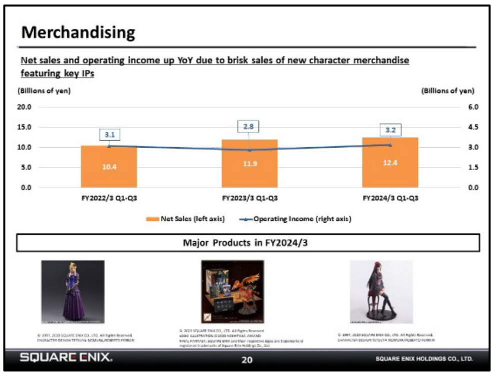
Brisk same-store sales helped maintain strong momentum In the Amusement segment.

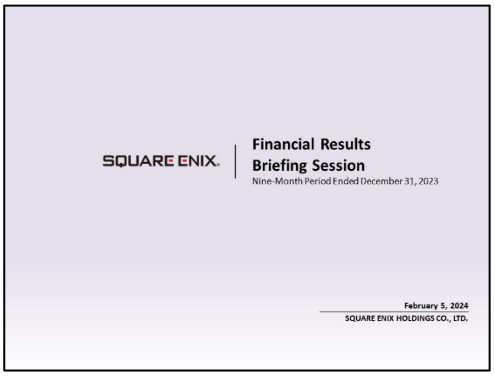


Publication segment net sales and profit increased YoY due to growth in both print and digital sales, led by the hugely popular anime TV series "*The Apothecary Diaries*," which debuted in October 2023. A second installment of the anime series began in January 2024, and we hope this will contribute to further growth in sales.



This is a breakdown of net sales in the Publication segment.





The Merchandising segment generated YoY growth in both net sales and profits.

Sales increased from existing IP products as well as merchandise connected to the new releases in the FINAL FANTASY franchise: "*FINAL FANTASY XVI*" and "*FINAL FANTASY VII REBIRTH*," leading to solid trends in earnings.

SQUARE ENIX HOLDINGS CO., LTD.

Q3 FY2024/3 Financial Results Briefing Session Q&A

Date/Time: February 5, 2024 (Mon.); 6:30-7:30 pm (JST)

Main Speaker: Takashi Kiryu, President and Representative Director

Q&A

Q: The Digital Entertainment segment's operating margin was very high in Q3. Does that demonstrate that your initiatives aimed at bolstering profitability are working?

A: Short-term initiatives, such as those designed to optimize costs on the titles that we have in operation, are proving effective. However, we are undertaking other initiatives designed to achieve structural profitability improvement, especially in our HD games. Those will take a fair amount of time to produce results. As such, we believe that at present, our earnings have seen only limited benefits from the initiatives we are undertaking to bolster profitability.

Q: How do you view the achievability of your initial earnings forecasts in light of pre-orders for "*FINAL FANTASY VII REBIRTH*?"

A: Pre-orders have been brisk, especially in Western markets. We intend to work to achieve our initial earnings forecasts by maintaining the current momentum and growing our sales.

Q: You need to generate more than ¥20 billion in operating income in Q4 to reach your initial forecast, which sounds very difficult. What is your view on that? Also, my impression is that a review of your content production account in Q4 typically results in fairly substantial write-downs, especially for your HD games. Should we anticipate write-downs of a similar order in FY2024/3 as well?

A: Our initial forecasts were ¥360 billion in net sales and ¥55 billion in operating income. The attainability of those forecasts hinges on the strength of our sales of new HD title releases in Q4, namely "*FINAL FANTASY VII REBIRTH*" and "*FOAMSTARS*." Q3 saw the launch of "*STAR OCEAN THE SECOND STORY*" and "*Dragon Quest Monsters: The Dark Prince*," both of which have generated solid sales. We want to maintain this momentum with our Q4 launches as we work to achieve our initial earnings forecasts. I will refrain from going into any detail on the scale of write-downs that may result from a review of our content production account given that such commentary would constitute a forward-looking statement. However, I cannot rule out the potential for write-downs to result from the review of our content production account as we are conducting it with even greater scrutiny than in past years.

Q: I would like to ask about the profitability of HD games going forward. How much time will it take before you have an earnings structure in which your takings from catalog title sales have grown enough that you are profitable even in quarters

in which you release major new titles? Until that happens, will it remain difficult for earnings from your existing titles alone to offset the substantial development cost amortization that you recognize in quarters with major launches?

A: We intend to bolster the profitability of our HD games by optimizing costs on our major titles and expanding the base of earnings that we generate from catalog sales. Please understand that this will take a fair amount of time. We will provide specifics in our next medium-term business plan.

Q: At the Q2 financial results briefing that you held in November 2023, you made reference to conducting a review of your publishing and development footprints as part of drawing up your next medium-term business plan. What progress have you made on that? In terms of publishing, are you doing anything creative with "*FINAL FANTASY VII REBIRTH*" that sets it apart from past titles?

A: The review of our publishing footprint is underway, with a focus on optimizing our lineup of distributors overseas. On the development side, we are conducting the review from the perspective of how we might bring more development capabilities in-house. We are attempting to establish what organizational structure would best fit our future pipeline, and we intend to provide specifics in our next medium-term business plan. When we describe our development footprint, we hope not only to discuss how we intend to step up our in-house capabilities, but also how we intend to control our outsourcing costs.

Q: I believe you have had occasions to engage in dialogue with institutional investors since assuming the role of president. Have those discussions led you to any realizations about how to bolster corporate value or any other insights?

A: I believe that I have gained a great many insights as investors have not only expressed the expectations that they have for us as a company, but also pointed out and shared their views on challenges that they observe. This has served as a reminder that if I am to steer us toward achieving greater corporate value, it is vital that I show no excessive favor when addressing sentiments held by various stakeholders, working instead to maintain the right balance between the voices of the customers that love our content, the expectations of investors and shareholders, and the views of our own in-house developers, for example.

Q: How is "*FINAL FANTASY XVI*" doing in terms of additional sales, and how much have you grown your sales of catalog titles? Has the performance of "*FINAL FANTASY XVI*" taught you anything that might inform how you approach sales of "*FINAL FANTASY VII REBIRTH*?"

A: Sales of "*FINAL FANTASY XVI*" and associated downloadable content (DLC) continue to trend well. We want to achieve further sales growth as we work to maximize sales over an 18-month window, and we have a variety of sales initiatives planned with that in mind, including the release of a second round of DLC and a PC version. As regards "*FINAL FANTASY VII REBIRTH*," experience has taught us that major new releases in the FINAL FANTASY franchise tend to trigger a rise in demand for back titles. For this reason, "*FINAL FANTASY VII REBIRTH*" will be the first installment in the franchise whose release is accompanied by promotional efforts specifically designed to ensure growth in sales of back titles at the time of this major launch.

Q: You only released small and mid-sized titles in Q3, and the results seemed to drive home the fact that your HD Game sub-segment can generate a profit provided there are no loss-making titles. Would it not be entirely possible to improve the profitability of your HD games by simply revisiting your small and mid-sized titles? What sort of quality-control screening process do you currently apply to titles once a concept has been approved internally?

A: We are aware that we have several issues internally with our development process, and we have launched a review. We are exploring potential changes not only to our HD games but also to our smart device content as well, and we intend to operate under a new framework starting in FY2025/3.

Q: You are applying the free-to-play (F2P) business model to "*FOAMSTARS*" (*Provided at no extra cost for Playstation Plus subscribers in February 2024). Can we expect it to make profit contributions in Q4, immediately after its release? Is there any chance development cost amortization will outstrip profits in Q4?

A: In our view, it is vital that we get as many customers as possible to start playing it in the initial phase after launch and then continuing to play it thereafter.

Q: Should we assume you chose to release "*FOAMSTARS*" under the F2P model because it is new IP? Is there the possibility that you will also be applying the F2P model to existing IP going forward?

A: The top reason we launched "*FOAMSTARS*" under the F2P model is the nature of the game. It is a player-versus-player (PVP) shooter game, so we first of all want as many customers as possible to actually start playing it so that it will spread to other customers and we can build up excitement around it. Attracting additional customers in this way is very important, and that is what led to our decision to apply this business model. Whether we would also apply the F2P model to existing IP is a decision we would make based on the nature of the game in question, just as we did with "*FOAMSTARS*."

Q: Could you describe your expectations for "*FOAMSTARS*" as well as how substantial the development costs were?

A: A PVP shooter game like "FOAMSTARS" allowing real-time competition represented a major challenge for us genre-wise, but our expectations are nevertheless fairly high. The investment involved was smaller than that of major past development efforts such as "*FORSPOKEN*" and "*Marvel's Avengers*."

Q: What platform strategy will you apply to content development going forward?

A: While some platforms are a better fit for certain titles, taking a multi-platform approach will be very important from the perspective of getting more customers to play our titles. I cannot deny that we will be making our platform choices on a title-by-title basis taking efficiency and profitability into consideration. However, this goal of getting even more customers to play our content is also a motivating factor behind our review of our development footprint. We intend to provide further details in our next medium-term business plan.