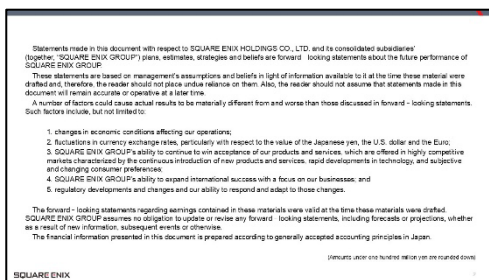




We would now like to begin the Financial Results Briefing session of SQUARE ENIX HOLDINGS (the “Company”) for the first quarter of the fiscal year ending March 31, 2026 (“Q1 FY2026/3”).

Today’s presenter is:

Takashi Kiryu, President and Representative Director.



President Kiryu will provide an overview of the Company’s financial results for Q1 FY2026/3, as well as of our progress in each business segment.



Let me start with an overview of our Q1 FY2026/3 results.

Consolidated Statement of Income FY2026/3 Q1 (Values of ¥bn)

	Fiscal Year Ended March 31, 2025		Fiscal Year Ending March 31, 2026			
	Q1	Full Year Results	Q1	Changes	Full Year Forecasts	Changes
Net Sales	89.9	324.5	59.2	(10.7)	280.0	(44.5)
Operating Income	10.8	40.5	9.0	(1.8)	41.0	0.5
Operating Income Margin	15.5%	12.5%	15.2%	(0.3pt)	14.6%	2.1pt
Ordinary Income	15.2	40.9	8.8	(8.4)	41.0	0.1
Ordinary Income Margin	21.9%	12.6%	11.6%	(10.3pt)	14.6%	2.9pt
Profit attributable to owners of parent	10.8	24.4	4.8	(5.8)	28.7	4.3

In Q1 FY2026/3, the Company reported net sales of ¥59.2 billion (down ¥10.7 billion YoY), operating income of ¥9.0 billion (down ¥1.8 billion), ordinary income of ¥6.8 billion (down ¥8.4 billion), and profit attributable to owners of parent of ¥4.8 billion (down ¥5.8 billion).

Whereas we recorded a foreign exchange gain of ¥4.9 billion in Q1 FY2025/3, a stronger yen resulted in a foreign exchange loss of ¥2.1 billion in Q1 FY2026/3, significantly reducing our ordinary income.

As such, ordinary income and net income for the period declined substantially year on year. However, performance at the operating income level remained generally in line with our expectations.

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company’s management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.
 The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company’s future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

Consolidated Statement of Income Fiscal Year Q1 FY2026 by Business Segment (All items in ¥ billion)

Account	Fiscal Year Ended March 31, 2025		Fiscal Year Ended March 31, 2024		Changes
	Q1	Q1	Q1	Q1	
Net sales	89.9		89.2		(10.7)
Digital Entertainment	45.0		37.0		(11.0)
Amusement	15.1		15.4		1.3
Publishing	8.0		6.5		(0.4)
Merchandising	4.4		3.7		(0.7)
Eliminations or unallocated	(2.6)		(0.6)		3.1
Operating income	18.8		8.8		(11.8)
Digital Entertainment	9.7		8.1		(1.6)
Amusement	1.4		1.2		0.2
Publishing	2.4		2.1		(0.3)
Merchandising	1.6		1.2		(0.4)
Eliminations or unallocated	(1.1)		(0.3)		0.8
Operating income margin	16.5%		15.2%		(0.34%)
Digital Entertainment	22.0%		24.7%		2.7%
Amusement	9.3%		8.0%		1.3%
Publishing	30.0%		32.0%		(2.0%)
Merchandising	36.1%		32.1%		4.0%
Eliminations or unallocated	-		-		-

This is the breakdown of our results by segment.

Net sales and operating income declined year on year in the Digital Entertainment, Publishing, and Merchandising segments, while the Amusement segment showed a solid performance, achieving growth in both revenue and profit.

In the Digital Entertainment segment, the operating income margin improved from the previous year to 24.7%. We attribute this to the initial benefits of the reforms to our earnings structure that we have pursued with a focus on smart device games.

I will return to this topic later when I discuss the performance of each sub-segment in more detail.

This slide shows our consolidated balance sheet.

Consolidated Balance Sheet as of June 30, 2025 (All items in ¥ billion)

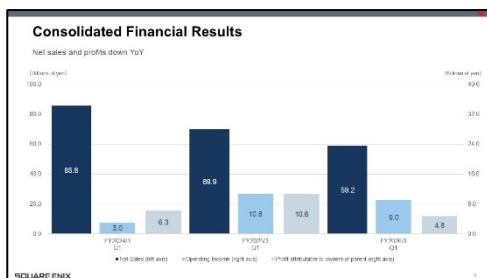
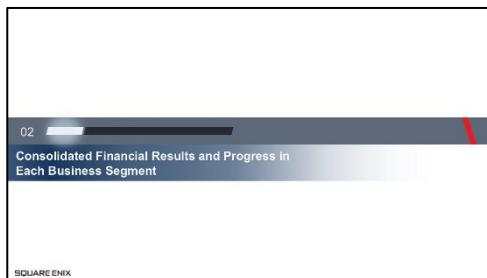
Account	Assets			Liabilities and Net Assets		
	03/2025	06/2025	Changes	03/2025	06/2025	Changes
Cash and deposits	247.7	231.7	(16.0)	17.4	16.6	(0.8)
Notes and accounts receivable	33.1	28.5	(4.6)	2.5	0.9	(1.6)
Investments	5.6	6.3	0.7	2.7	2.5	(0.2)
Content production accounts	46.9	54.3	7.4	44.1	39.5	(4.6)
Others	10.9	13.0	2.1	-	-	-
Total Current Assets	344.2	336.8	(7.4)	67.7	69.5	1.8
Property and equipment	27.8	29.6	1.8	-	-	-
Intangible Assets	4.8	4.9	0.1	-	-	-
Investments and other assets	35.5	37.1	1.6	243.7	235.5	(8.2)
Total Non-current Assets	73.6	79.4	(5.8)	(7.3)	(7.8)	(0.5)
Total Assets	417.8	416.2	(1.6)	60.4	61.7	1.3
Accounts payable	-	-	-	19.4	14.1	(5.3)
Other payables	-	-	-	79.7	73.2	(6.5)
Total Liabilities	-	-	-	99.1	87.3	(11.8)
Shareholders' equity	-	-	-	343.7	335.5	(8.2)
Others	-	-	-	(7.3)	(7.8)	(0.5)
Total Liabilities and Net Assets	-	-	-	416.1	416.2	0.1

Cash and deposits decreased by ¥16.0 billion due to dividend payments. Meanwhile, the content production account increased by ¥7.4 billion from the end of March 2025 to ¥54.3 billion.

Work-in-progress representing titles that have been developed or are under development increased in Q1 FY2026/3 as we released few new titles.

I will revisit this point later when I discuss HD and smart device games.

Next, I will discuss our consolidated financial results and progress in each business segment.



Net sales declined to the lowest level in the past three years.

In Q1 FY2024/3, "FINAL FANTASY XVI" contributed significantly to sales, and in Q1 FY2025/3, we saw demand build in the lead-up to the releases of expansion packs for MMO titles. Q1 FY2026/3 did not benefit from new releases or expansion pack initiatives in this way, resulting in the lower revenue.

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company's management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.

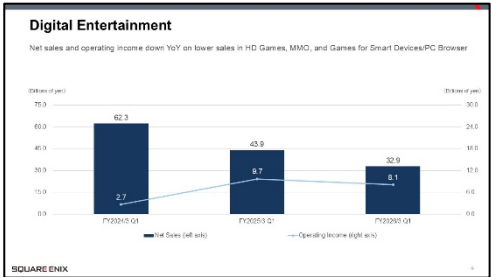
The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company's future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

We meanwhile view our performance on the profitability front as strong, with operating income coming in at ¥9.0 billion.

Net income declined to the lowest level in three years, reflecting the aforementioned foreign exchange impact.

Turning to the Digital Entertainment segment, whose sub-segments I will discuss in detail momentarily, I note first that net sales declined to the lowest level in the past three years.

However, operating income remained solid, decreasing only slightly year on year.



The first sub-segment I will discuss is HD Games.

Net sales in this sub-segment declined year on year, primarily due to fewer new title releases compared with the previous year.

During the first quarter, we released “BRAVELY DEFAULT: FLYING FAIRY HD Remaster” to coincide with the launch of Nintendo Switch 2, and also rolled out several titles under our multi-platform strategy, including some releases we unveiled at Xbox Showcase on June 9 and made available to download the same day. However, our Q1 performance was rather subdued as we have a succession of multi-platform releases slated for Q2 and thereafter.

The above factors resulted in a ¥3.4 billion year-on-year decrease in net sales, while operating income increased by ¥1.0 billion.

From Q2 onward, we plan to roll out a series of new multi-platform titles, beginning with “Romancing SaGa 2: Revenge of the Seven – Nintendo Switch 2 Edition,” and followed by “FINAL FANTASY TACTICS – Ivalice Chronicles,” “DRAGON QUEST I & II HD-2D Remake,” and “OCTOPATH TRAVELER 0.”

Because of these plans, we believe that our sales performance in the period starting Q2 will be key to the earnings of the HD Games sub-segment.

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company’s management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts. The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company’s future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

Digital Entertainment

MMO: Net sales and profits down YoY
 Net Sales: ¥9.6 billion (Prior FY: ¥12.5 billion/ down ¥2.9 billion YoY)
 Operating Income: ¥3.6 billion (Prior FY: ¥6.6 billion/ down ¥3.0 billion YoY)

Main Titles in Operation

FINAL FANTASY XIV: DAWNTRAIL
 The Dawntrail expansion pack for Final Fantasy XIV, featuring new content and a major update. Released on August 5, 2025.

FINAL FANTASY XIV: HEAVENSWARD
 The Heavensward expansion pack for Final Fantasy XIV, featuring new content and a major update. Released on May 11, 2025.

I will move next to the MMO sub-segment.

The MMO sub-segment posted net sales of ¥9.6 billion (down ¥2.9 billion YoY) and operating income of ¥3.6 billion (down ¥3.0 billion YoY).

Q1 FY2025/3 saw heightened player activity ahead of the release of the latest expansion pack, “FINAL FANTASY XIV: Dawntrail.” Absent this boost, Q1 FY2026/3 sales and profits declined year on year.

Q1 FY2026/3 was somewhat subdued given the lack of major updates, but we expect stable earnings going forward due to the major update we released on August 5.

Both “DRAGON QUEST X Online” and “FINAL FANTASY XI” also continued to demonstrate resilient performances.

Digital Entertainment

Games for Smart Devices/PC Browser: Profits up on improved profitability with diversification of payment methods despite weakness in existing titles
 Net Sales: ¥14.3 billion (Prior FY: ¥18.0 billion/ down ¥4.6 billion YoY)
 Operating Income: ¥3.3 billion (Prior FY: ¥3.0 billion/ up ¥0.3 billion YoY)

Major Operating Titles (Month and year indicate each title's launch timing)

I will turn next to the Games for Smart Devices & PC Browser sub-segment.

The sub-segment, which released no new titles in Q1 FY2026/3, recognized ¥14.3 billion in net sales for the quarter (down ¥4.6 billion YoY.). Our strategy previously involved releasing a large number of titles and relying on the successful ones to drive earnings. However, under our new policy of shifting from quantity to quality, we are reorienting ourselves to pursue greater selectivity and concentration in order to transform our business into a high-profit structure.

We are also advancing initiatives designed to improve our earnings, such as by optimizing our advertising spend and offering a greater variety of payment options. These initiatives resulted in a ¥0.3 billion year-on-year increase in the sub-segment’s operating income.

We view the current period as a lull ahead of our next phase of growth, and we will continue to work to ensure that we are operating a focused portfolio of titles capable of generating high earnings.

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company’s management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.
 The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company’s future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

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

Region	FY2025/3 Q1			FY2026/3 Q1		
	Packaged	Downloads	Total	Packaged	Downloads	Total
Japan	0.13	0.75	0.85	0.07	0.58	0.65
North America, Europe	0.28	2.01	2.29	0.45	2.43	2.88
Asia, etc.	0.04	0.14	0.18	0.04	0.45	0.49
Total	0.45	2.90	3.35	0.56	3.46	4.01

* Includes revenues from game and content titles as well as games distributed by Square Enix and third parties.

Next is our unit sales.

Unit sales totaled 4.01 million units in Q1 FY2026/3, compared with 4.39 million units in Q1 FY2025/3, mainly due to the limited number of new titles released. Catalog title sales meanwhile remained solid, resulting in a quarterly performance broadly in line with that of a year earlier.

We believe this demonstrates that we are making steady progress in positioning ourselves to generate profits without relying on new releases.

I will move now to the Amusement segment.

The segment maintained its post-pandemic recovery momentum, achieving year-on-year growth in both net sales and operating income in Q1 FY2026/3.

Given that growth in inbound demand has calmed somewhat and that extreme heat and other weather factors have affected customer traffic, we expect the segment to enter a transitional phase taking it from a period of rapid recovery to one of stable growth.

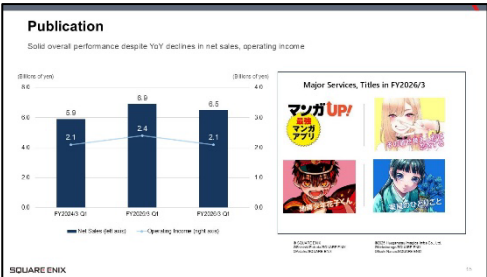
In addition, we began in FY2025/3 to expand our arcade footprint to international markets such as Hong Kong as we work to capture further growth opportunities overseas.

Furthermore, we are working to generate greater intra-Group synergies, including by leveraging prize merchandise and our proprietary IP. We will continue to cooperate across our Group to advance strategies aimed at taking the Amusement segment to its next stage of growth.

That brings me to the Publishing segment.

The segment recorded a year-on-year decline in both net sales and operating income, but overall performance remained resilient.

We are currently in an investment phase aimed at driving our next stage of growth, and we are actively pursuing initiatives to create new hit titles.



The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company's management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.

The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company's future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

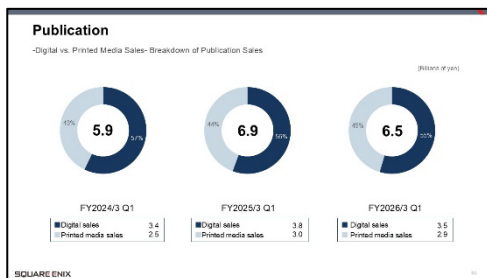
Specifically, we are developing and nurturing titles that can follow the success of such popular existing works as “My Dress-Up Darling,” “The Apothecary Diaries,” and “Toilet-Bound Hanako-kun.” We expect the fruits of these growth investments to gradually materialize going forward.

Furthermore, at Anime Expo 2025 in Los Angeles, we announced the anime adaptation of “Daemons of the Shadow Realm.” The announcement has already received a highly positive reception, and we expect it to become a new pillar of growth in the vein of “The Apothecary Diaries.”

We will continue to work to create our next generation of hit titles and to build a stronger foundation for growth in the Publishing segment.

The sales split between digital and print remained stable at 55% to 45%, basically in line with the previous year.

We see this stable mix as another indicator of the solidness of the Publishing segment as a whole.

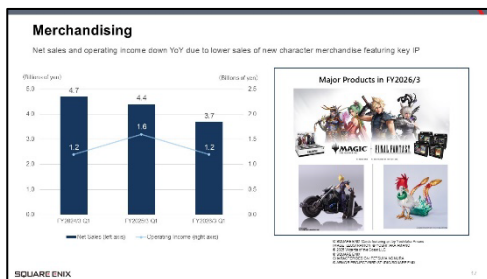


Finally, I will discuss the Merchandising segment, which recorded a year-on-year decline in both net sales and operating income. The sales decline is attributable to multiple factors.

One of those factors was external. US tariffs created importation and logistical challenges that resulted in lower-than-expected sales in North America.

In addition, Q1 FY2025/3 had benefitted from the recognition of sales associated with advance shipments of “FINAL FANTASY XIV: Dawntrail - Collector's Box,” creating a year-on-year hurdle that could not be surmounted in Q2 FY2026/3.

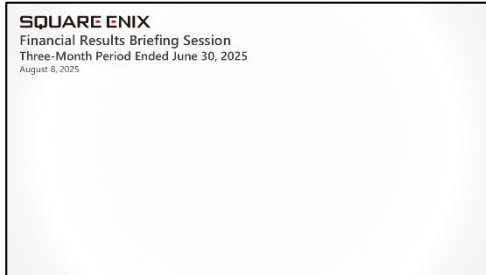
On a positive note, the collaboration product line between Magic: The Gathering and our flagship IP FINAL FANTASY generated substantial sales.



The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company's management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.
 The information on the future forecasts described in this material is current as of Aug 8, 2025. The company is not obliged to update or correct forecasts concerning the Company's future results, including forecasts or outlook, if new information becomes available and/or events occur after Aug 8, 2025.

Looking ahead, we will further advance our initiatives in the Merchandising segment, with a focus on strengthening customer contact points, as outlined in our Medium-term Business Plan. Q1 FY2026/3 suffered from a challenging year-on-year comparison, but we intend to make up for that in Q2 and beyond as we work to foster further growth.

With that, I conclude my presentation of our financial results for Q1 FY2026/3.



SQUARE ENIX HOLDINGS CO., LTD.

Q1 FY2026/3 Financial Results Briefing Session Q&A

Date/Time: August 8, 2025 (Fri); 7:00-8:00 pm (JST)

Main Speaker: Takashi Kiryu, President and Representative Director

Q&A

Q: I believe that while you released no HD games this quarter, you avoided booking any valuation losses on your content production account and were able to present solid results. You also appear to be making steady progress on your efforts to cut costs and improve profitability. With Q1 behind you, what is your take on what you are trying to do and the amount of traction you have managed to generate? In particular, how do you view what you have achieved thus far in terms of improving the profitability of your HD games, and by extension, that of the Digital Entertainment segment as a whole?

A: We feel that we have generated strong traction.

First, I would note that under our “quality over quantity” policy, we have become more accurate in the management of our pipeline. In particular, our process for launching titles and our apparatus for monitoring them post-launch are taking root across the company, including within our development functions. We continue to vet and improve the titles in our content production account, including our existing pipeline, and this transformation in our mindset is also beginning to filter through our organization.

The second point that I would note is that a foundation for medium- to long-term growth built around HD games is taking shape. Looking three years ahead beyond our reboot phase, we are rebuilding our title lineup from a customer-centric perspective and are now positioned to lay the groundwork for further growth. This is enabling us to shift from a defensive to an offensive posture and to steadily refine our pipeline.

Far from being completed, these initiatives are part of an unceasing process. By continuing to pursue them, we aim over the three years of our current Medium-term Business Plan to build ourselves into an organization capable of transitioning from renewed growth to sustained growth.

Q: In the earnings presentation materials, you mentioned initiatives to diversify payment options in the smart devices sub-segment. I understand that processing a higher percentage of payments out-of-app helped improve your profitability. Could you provide more detail on the extent of this impact, being as specific as possible?

A: We now offer out-of-app payment options on the majority of our key titles. While we do not disclose specific figures, the rate at which paying users are opting for out-of-app payments has reached a level in the vicinity of our initial expectations, and we believe that we have benefitted from this to some degree. We see this as illustrative of how

offering a greater diversity of payment options can help improve profitability.

In Q2, our core “*DRAGON QUEST Walk*” title will mark its anniversary, and we plan to continue to closely monitor trends as we execute promotional initiatives coinciding with that.

Q: I would like to ask about out-of-app payments.

While I understand that you do not disclose specifics, could you tell us which types of titles are seeing greater usage of out-of-app payments? Also, what factors—such as incentive design—are encouraging users to choose out-of-app payment options?

A: We now offer out-of-app payment options on almost all our key titles.

Out of consideration for our relationships with platform operators, we do not directly usher users toward out-of-app payment options within the games. Instead, we design incentives that leverage crossovers within our own IP portfolio. For example, when we have crossovers within our games, we may offer special rewards—such as access to appealing characters available only through out-of-app payments, thereby ushering users toward those options in a way that is natural and attractive to them.

Our April 2024 organizational reshuffling has enabled us to better consolidate and analyze such know-how, primarily in our development studio that focuses on mobile titles. We are working to optimize our user flows and take our incentive programs to a higher level of sophistication by leveraging our internal data.

Q: Could you describe your medium- to long-term outlook for margins in the smart devices sub-segment?

A: We are maintaining stable margins at present as we have had no new title launches and are therefore largely unimpacted by development cost amortization.

Margins may decline for a time going forward as we amortize the development costs of the new titles we will be rolling out. However, we believe that we will be able to maintain roughly the current level over the medium term as we also expect major earnings contributions from successful titles.

Q: Now that Nintendo’s Switch 2 is out, could you tell us what your assessment of it is so far?

A: We believe that Nintendo Switch 2 has been well received by many customers and is off to a very strong start.

As part of our multi-platform strategy, we are stepping up our engagement with Switch 2, including by announcing a port of “*FINAL FANTASY VII REMAKE INTERGRADE*.” Looking ahead, we intend to leverage the Switch 2’s growth opportunities to the maximum as we welcome its users into the fold as new fans of our games.

Q: Is the development footprint that you have in place fully equipped with the optimization and multi-platform capabilities you will need if you intend to establish a more robust presence for yourselves in the PC market?

A: We have already amassed insight into developing titles for PCs. However, we believe that we will need to continue to build upon our expertise if we are to fully support simultaneous releases on other platforms. When developing future titles, we will be applying the insights that we have gained from titles like “*DRAGON QUEST I & II HD-2D Remake*” that we have released since transitioning to a multi-platform strategy in recent years.

Q: Could pursuing your multi-platform strategy potentially result in additional costs?

A: While the multi-platform approach inevitably requires a certain level of cost beyond that required by single-platform development, we believe that the additional revenue we will be generating will more than offset the cost of optimization.

Q: I understand that you are working to expand your revenue, partly through your multi-platform strategy. At present, however, your sales are on the decline as you are still in the process of narrowing your portfolio. Do you expect to enter a top-line growth phase as early as FY2027/3, or do you not think that will happen until your next Medium-term Business Plan is underway? Also, I believe that you can only take profit growth so far by merely improving profitability. How do you plan to drive revenue growth going forward?

A: I understand your question to be two-fold: (1) When will our top line start to grow? and (2) How much scale can we achieve solely with our multi-platform strategy?

I will start with the timeline question. At this stage, I believe that we should prioritize creating a lean portfolio rather than trying to expand sales. This is because releasing titles that are not fully refined risks damaging both our future profitability and our brand value. As such, under our current Medium-term Business Plan—our three-year reboot—we are focused on laying the right foundation and expect meaningful expansion in our top line to start in the following phase.

I will secondly speak to how we get there. While our multi-platform strategy will be a key growth driver for us, the substantial differences in HD game performances from title to title mean that it will be difficult to establish stable growth solely with a multi-platform strategy. We will therefore pursue growth across our Group by reinforcing other businesses, including the Publishing and Merchandising segments. In the Publishing segment, we are investing in the creation of new hit titles, and in the Merchandising segment, we have completed an organizational reshuffling. We are positioning ourselves to drive revenue growth by expanding our customer contact points.

We intend through these initiatives to achieve sustained top-line growth beginning in the period covered by our next Medium-term Business Plan.

Q: Since assuming the role of president, how have you engaged in dialogue with shareholders and investors? Also, what

have you gained through those efforts, and what hurdles do you see to improving in the future?

A: Since assuming this role, I have placed priority on elevating both our opportunities for dialogue and the quality of our disclosures, particularly following the announcement of our current Medium-term Business Plan. We have undertaken improvements like employing simultaneous interpretation at our earnings briefings in order to provide access to a broader swath of shareholders and investors.

We take the feedback we receive from shareholders and analysts seriously, and while it is not always possible to address every request immediately, we are committed to making iterative improvements over time. We will continue to deepen engagement through one-on-one meetings and other IR activities, while taking on board constructive recommendations that help us improve by producing more informative materials or by being more innovative in what we disclose, for example.

At the same time, many of our Group's businesses involve sensitive contractual relationships, which can sometimes make it difficult for us to disclose everything. Even so, we will continue to explore how we can be as transparent as possible in the information that we disclose.

Q: I understand that the integration of your licensing and merchandising functions has enabled you to more meaningfully monetize your IP. Do you intend to continue pursuing crossovers like the recent one between Magic: The Gathering and FINAL FANTASY, or should we assume that that was a one-off initiative with limited repeatability? What approach do you plan going forward?

A: First, on the question of repeatability, I would say at present that it would be difficult to execute initiatives like the recent crossover on an annual basis given that they hinge on our dynamic with the licensing partner and ability to ensure that the framework represents a win-win proposition for the two sides.

That said, our recent reshuffling has produced an integrated licensing and merchandising organization that is enabling the more meaningful monetization of our IP on a global scale. Under this structure, we intend to aggressively pursue a diverse range of opportunities to license out our IP so that we can expand both our profitability and our top line.