

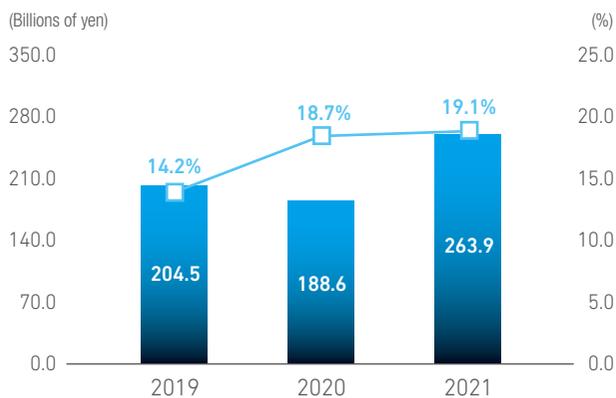
# Review of Operations

The Square Enix Group (the “Group”) is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising.

Net sales for the fiscal year ended March 31, 2021 totaled ¥332,532 million (an increase of 27.6% from the prior fiscal year), operating income amounted to ¥47,226 million (an increase of 44.2% from the prior fiscal year), and ordinary income amounted to ¥49,983 million (an increase of 55.7% from the prior fiscal year).

These factors resulted in profit attributable to owners of parent of ¥26,942 million (an increase of 26.2% from the prior fiscal year).

## Digital Entertainment



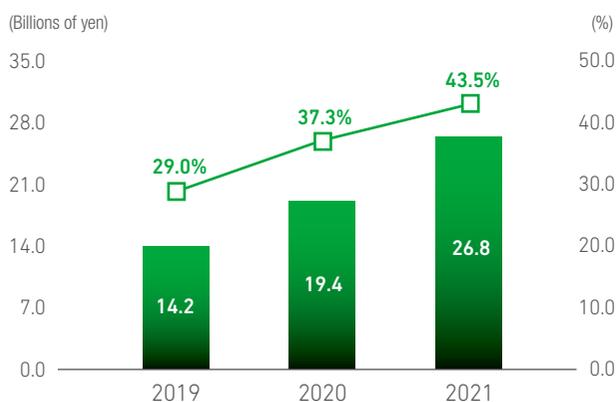
■ Net Sales (left axis) □ Operating Income Margin (right axis)

## Amusement



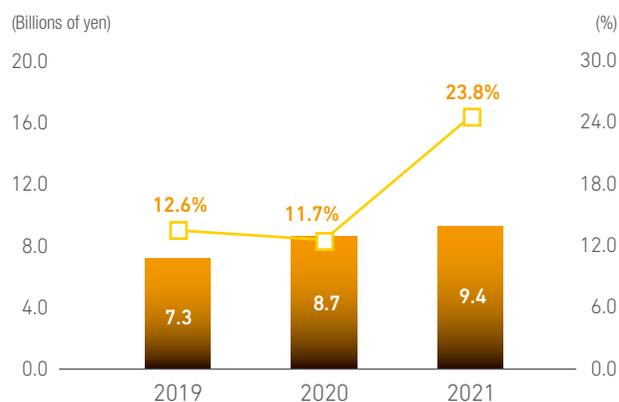
■ Net Sales (left axis) □ Operating Income Margin (right axis)

## Publication



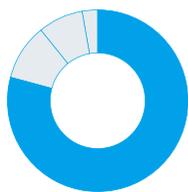
■ Net Sales (left axis) □ Operating Income Margin (right axis)

## Merchandising



■ Net Sales (left axis) □ Operating Income Margin (right axis)

## Digital Entertainment



Share of Net Sales (FY ended March 2021)

**79.4%**

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of games. Digital entertainment content is offered to meet customer lifestyles across a variety of usage environments such as consumer game consoles (including handheld game machines), personal computers and smart devices.

In the HD (High-Definition) Games sub-segment, the fiscal year ended March 31, 2021 saw the release of major titles including “FINAL FANTASY VII REMAKE” and “Marvel’s Avengers,” growth in digital sales of catalog titles, and licensing income that resulted in higher net sales than the previous fiscal year.

Net sales declined year on year in the MMO (Massively Multiplayer Online game) sub-segment due to the release of the “FINAL FANTASY XIV” and “DRAGON QUEST X ONLINE” expansion packs in the previous fiscal year, but the recurring revenue was solid.

The Games for Smart Devices/PC Browsers sub-segment saw net sales rise in comparison to the previous fiscal year, not only because of solid performances from existing titles such as “DRAGON QUEST WALK” and “WAR OF THE VISIONS: FINAL FANTASY BRAVE EXVIUS,” but also because of earnings contributions from “DRAGON QUEST TACT,” “OCTOPATH TRAVELER: Tairiku no Hasha,” and “NieR Re[in]carnation,” all of which were launched in the fiscal year ended March 31, 2021.

Net sales and operating income in the Digital Entertainment segment totaled ¥263,909 million (an increase of 39.9% from the prior fiscal year), and ¥50,536 million (an increase of 42.9% from the prior fiscal year), respectively.



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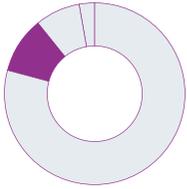


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# Amusement



Share of Net Sales (FY ended March 2021)

**10.0%**

The Amusement segment consists of the operation of amusement facilities and planning, development, and distribution of arcade game machines and related products for amusement facilities.

In the fiscal year ended March 31, 2021, the Amusement segment saw a sharp decline in net sales compared to the previous fiscal year and booked an operating loss due to the temporary closure of amusement facilities in Japan during the first quarter of this fiscal year. The closures were designed to combat the spread of COVID-19 in response to the Japanese government's declaration of a state of emergency.

Net sales and operating loss in the Amusement segment totaled ¥34,349 million (a decrease of 24.8% from the prior fiscal year), and ¥1,568 million (operating income of ¥1,480 million in the prior fiscal year).



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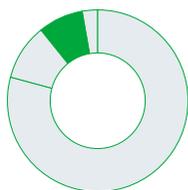
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## Publication



Share of Net Sales (FY ended March 2021)  
**8.0%**

The Publication segment consists of publication and licensing of comic magazines, comic books, and game-related books.

Sales in digital formats, including via the “MANGA UP!” comic app and of e-books, rose sharply in the fiscal year ended March 31, 2021. This, combined with brisk sales of printed media, resulted in higher net sales and operating income than in the same period of the previous fiscal year.

Net sales and operating income in the Publication segment totaled ¥26,843 million (an increase of 38.0% from the prior fiscal year) and ¥11,687 million (an increase of 61.2% from the prior fiscal year), respectively.

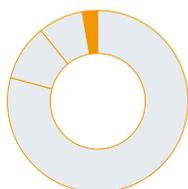


Monthly Shonen GANGAN  
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My Dress-Up Darling  
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FINAL FANTASY VII REMAKE ULTIMANIA  
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## Merchandising



Share of Net Sales (FY ended March 2021)  
**2.6%**

The Merchandising segment consists of planning, production, distribution, and licensing of derivative products of IPs owned by the Group.

Brisk sales of character merchandise, soundtracks, and other products based on the Group’s own content during the fiscal year ended March 31, 2021 resulted in growth in net sales and operating income versus the same period of the previous fiscal year.

Net sales and operating income in the Merchandising segment totaled ¥9,452 million (an increase of 8.2% from the prior fiscal year), and ¥2,249 million (an increase of 120.2% from the prior fiscal year), respectively.



FINAL FANTASY VII REMAKE Original Soundtrack  
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NieR: Automata™ x Dollfie Dream®  
Dynamite 2B / YoRHa No.2 Type B  
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FINAL FANTASY® VII REMAKE PLAY ARTS 改(TM)KAI ACTION FIGURE  
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