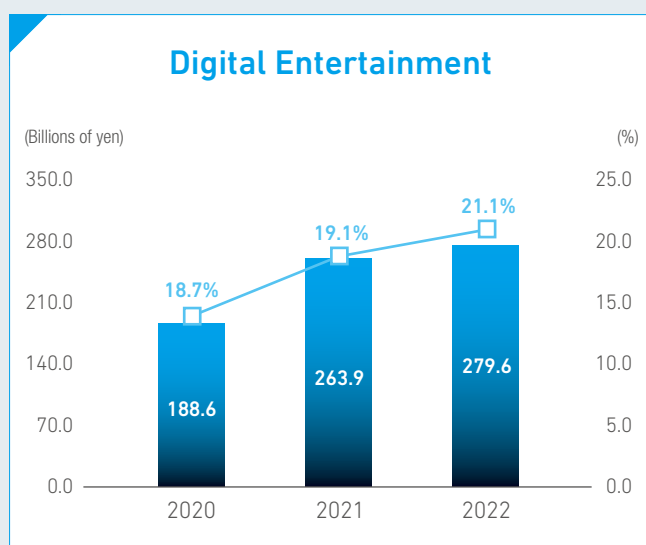


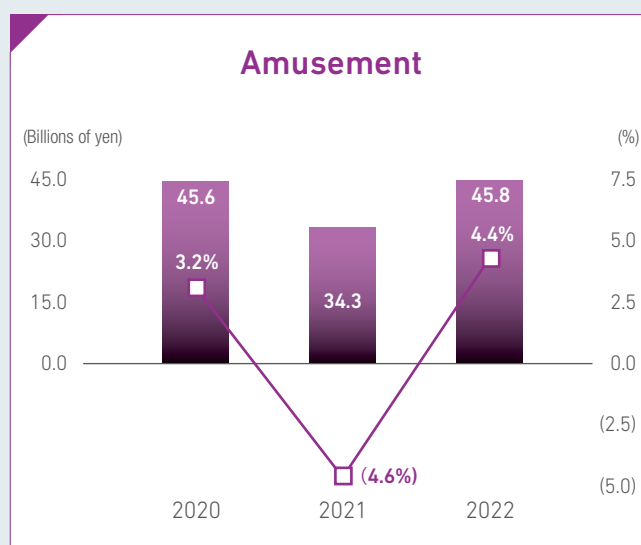
# Review of Operations

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.

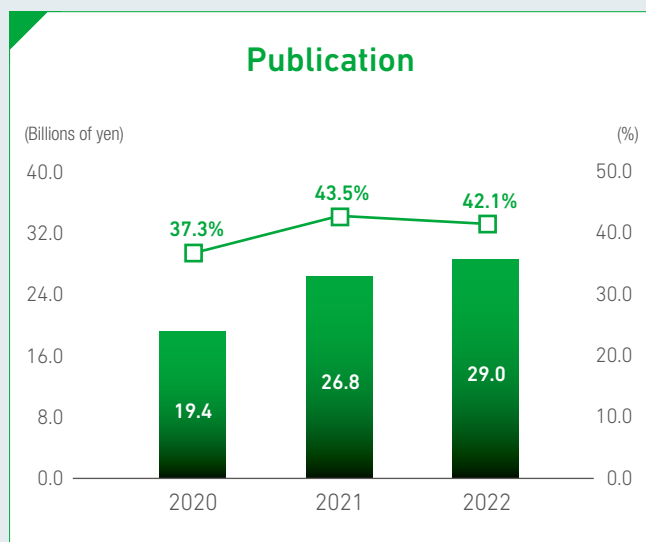
Net sales for the fiscal year ended March 31, 2022 totaled ¥365,275 million (an increase of 9.8% from the prior fiscal year) and operating income amounted to ¥59,261 million (an increase of 25.5% from the prior fiscal year). In foreign exchange rates, the weakness of the Japanese yen compared to the rate as of the end of the prior fiscal year resulted in the booking of a foreign exchange gain amounting to ¥10,489 million. As a result, ordinary income amounted to ¥70,704 million (an increase of 41.5% from the prior fiscal year) and profit attributable to owners of parent amounted to ¥51,013 million (an increase of 89.3% from the prior fiscal year).



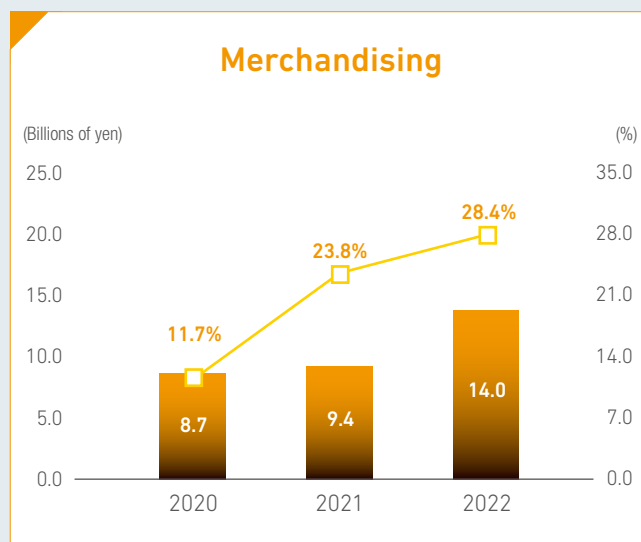
■ Net Sales (left axis) □ Operating Income Margin (right axis)



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

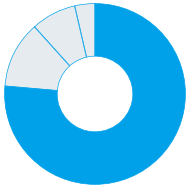


■ Net Sales (left axis) □ Operating Income Margin (right axis)



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

# Digital Entertainment



Share of Net Sales (FY ended March 2022)

**76.6%**

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) Game sub-segment, the fiscal year ended March 31, 2022 saw the release of such titles as “OUTRIDERS,” “NieR Replicant ver.1.22474487139...,” and “Marvel’s Guardians of the Galaxy,” but net sales declined versus the previous year, which had seen the launch of such titles as “FINAL FANTASY VII REMAKE” and “Marvel’s Avengers.”

Net sales rose year on year in the MMO (Massively Multiplayer Online) Game sub-segment due not only to a sharp rise in the number of monthly paying subscribers for “FINAL FANTASY XIV,” but also to the release of an expansion pack for the title.

The Games for Smart Devices/PC Browser sub-segment saw somewhat weak performances from existing titles, but its net sales rose compared to the previous fiscal year due to the application of revised revenue recognition standards.

Net sales and operating income in the Digital Entertainment segment totaled ¥279,679 million (an increase of 6.0% from the prior fiscal year), and ¥58,960 million (an increase of 16.7% from the prior fiscal year), respectively.

## OUTRIDERS



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## MARVEL GUARDIANS OF THE GALAXY



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## ENDWALKER FINAL FANTASY XIV



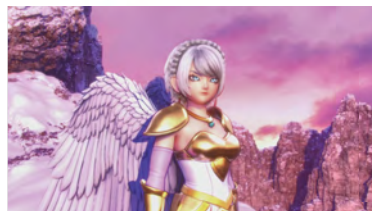
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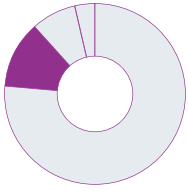


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# Amusement



Share of Net Sales (FY ended March 2022)

**12.0%**

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.

The Amusement segment was substantially impacted in the fiscal year ended March 31, 2021 by the temporary closure of amusement facilities in Japan, a move undertaken to combat the spread of COVID-19 in response to the Japanese government's declaration of a state of emergency. As such, the segment's net sales were higher in the fiscal year ended March 31, 2022, and it turned to profitability at the operating income line.

Net sales and operating income in the Amusement segment totaled ¥45,882 million (an increase of 33.6% from the prior fiscal year), and ¥2,003 million (operating loss of ¥1,568 million in the prior fiscal year).



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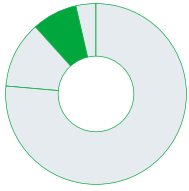
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## Publication



Share of Net Sales (FY ended March 2022)

**7.9%**

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

Net sales and operating income rose year on year in the Publication segment, which saw not only brisk digital sales, but also a solid trend in print media sales, owing in part to the significant popularity of “My Dress-Up Darling.”

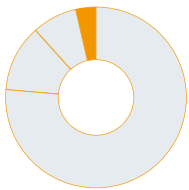
Net sales and operating income in the Publication segment totaled ¥29,032 million (an increase of 8.2% from the prior fiscal year), and ¥12,222 million (an increase of 4.6% from the prior fiscal year), respectively.



Monthly Shonen GANGAN  
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Chocobo and the Airship: A Final Fantasy Picture Book  
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## Merchandising



Share of Net Sales (FY ended March 2022)

**3.5%**

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

In the Merchandising segment, brisk sales of new character merchandise based on the Group’s own content resulted in higher net sales and operating income in the fiscal year ended March 31, 2022 than in the previous fiscal year.

Net sales and operating income in the Merchandising segment totaled ¥14,002 million (an increase of 48.1% from the prior fiscal year), and ¥3,980 million (an increase of 76.9% from the prior fiscal year), respectively.



FINAL FANTASY® VII REMAKE PLAY ARTS KAI™ ACTION FIGURE TIFA LOCKHART  
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CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



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