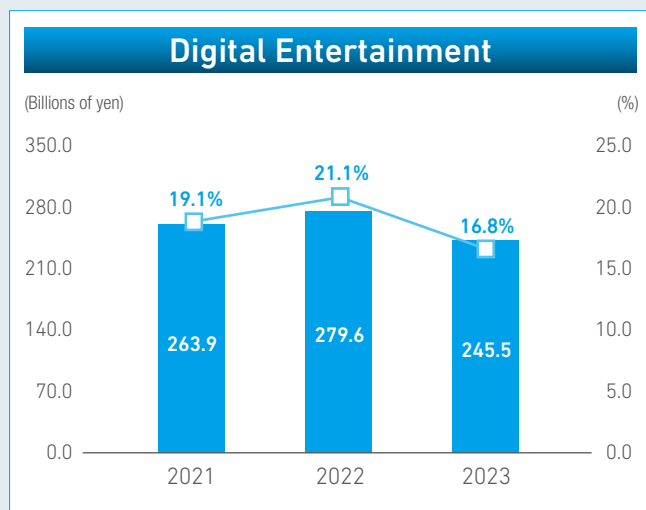


## » Review of Operations

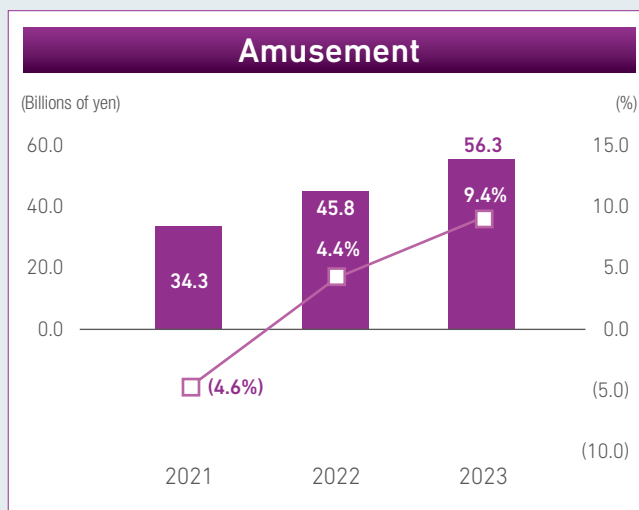
The Square Enix Group (the “Group”) is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising.

Net sales for the fiscal year ended March 31, 2023 totaled ¥343,267 million (a decrease of 6.0% from the prior fiscal year) and operating income amounted to ¥44,331 million (a decrease of 25.2% from the prior fiscal year). In foreign exchange rates, the weakness of the Japanese yen compared to the rate as of the end of last fiscal year resulted in the booking of a foreign exchange gain amounting to ¥10,365 million. As a result, ordinary income amounted to

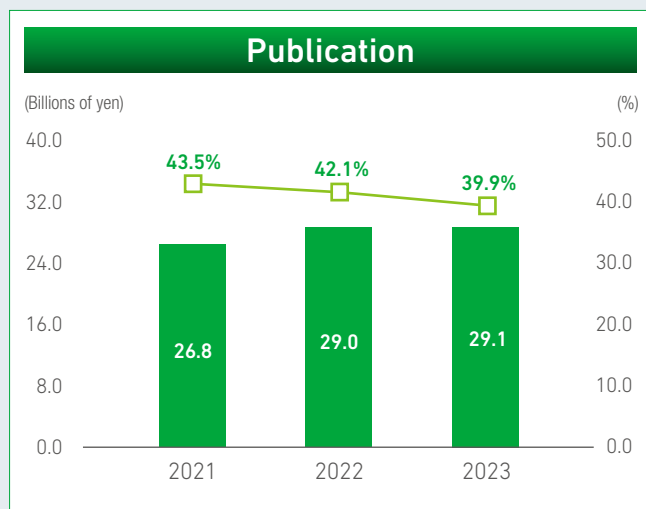
¥54,709 million (a decrease of 22.6% from the prior fiscal year). In addition, the execution of a share transfer agreement concerning the divestiture of select Group overseas studios and intellectual property resulted in ¥9,465 million in gains on the sales of affiliate shares. The Company also booked ¥6,303 million in extraordinary losses, partly associated with the disposal of a portion of its content production account undertaken to optimize the business structure of its domestic studios and enhance its internal development capabilities. These and other factors resulted in profit attributable to owners of parent of ¥49,264 million (a decrease of 3.4% from the prior fiscal year).



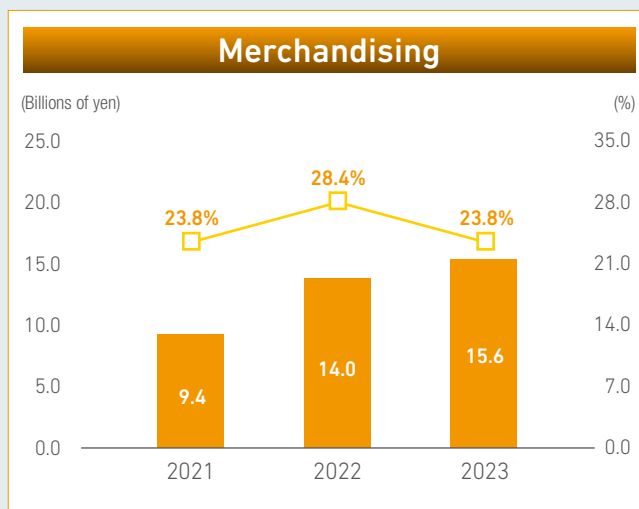
■ Net Sales (left axis) □ Operating Income Margin (right axis)



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

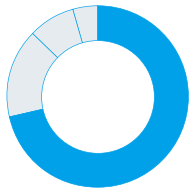


■ Net Sales (left axis) □ Operating Income Margin (right axis)



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

# Digital Entertainment



Share of Net Sales (FY ended March 2023)

**71.5%**

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of game. 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.

At the HD (High-Definition) Game sub-segment, the fiscal year ended March 31, 2023 saw the release of “CRISIS CORE -FINAL FANTASY VII- REUNION,” “FORSPOKEN,” and “OCTOPATH TRAVELER II.” However, because new titles generated lower earnings than in the previous year, which had seen the launch of “OUTRIDERS,” “NieR Replicant ver.1.22474487139...,” and “Marvel’s Guardians of the Galaxy,” the sub-segment’s net sales declined versus the previous fiscal year.

Net sales declined versus the previous fiscal year in the MMO (Massively Multiplayer Online) Game sub-segment, in part because of the lack of any expansion pack launches for “FINAL FANTASY XIV.”

The Games for Smart Devices/PC Browser sub-segment saw a decline in net sales versus the previous fiscal year because of weak performances by existing titles.

Net sales and operating income in the Digital Entertainment segment totaled ¥245,548 million (a decrease of 12.2% from the prior fiscal year) and ¥41,253 million (a decrease of 30.0% from the prior fiscal year), respectively.

CRISIS CORE  
FINAL FANTASY VII  
REUNION



© SQUARE ENIX  
CHARACTER DESIGN: TETSUYA NOMURA

FORSPOKEN



© SQUARE ENIX

OCTOPATH  
TRAVELER  
II



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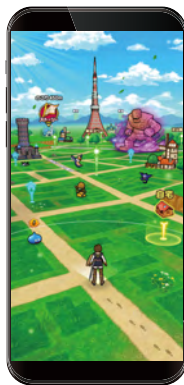
FINAL FANTASY XIV  
ONLINE



© SQUARE ENIX  
LOGO ILLUSTRATION: © YOSHITAKA AMANO



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Developed by Aiming Inc.

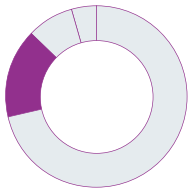


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# Amusement



Share of Net Sales (FY ended March 2023)

**15.8%**

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.

Net sales and operating income for the fiscal year ended March 31, 2023 rose versus the previous year because of a sharp year-on-year increase in same-store sales.

Net sales and operating income in the Amusement segment totaled ¥56,376 million (an increase of 22.9% from the prior fiscal year) and ¥5,285 million (an increase of 163.9% from the prior fiscal year).



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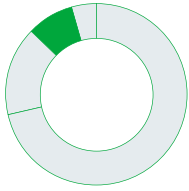
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## Publication



Share of Net Sales (FY ended March 2023)

**8.5%**

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

Sales of both digital and print media were solid in the fiscal year ended March 31, 2023, but higher prices on printing paper and other inputs led to higher costs. This, combined with other factors such as increased advertising expenses led to a year-on-year decline in operating income.

Net sales and operating income in the Publication segment totaled ¥29,164 million (an increase of 0.5% from the prior fiscal year) and ¥11,641 million (a decrease of 4.8% from the prior fiscal year), respectively.



Monthly Shonen GANGAN  
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GANGAN ONLINE  
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MANGA UP!  
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My Happy Marriage  
©Akumi Agitogi Licensed by KADOKAWA CORPORATION  
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The Apothecary Diaries  
©2023 Natsu Hyuuga/Imagica Infos Co.,Ltd.  
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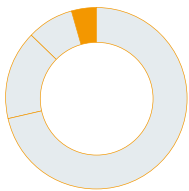
The Girl I Like Forgot Her Glasses  
©Koume Fujichika/SQUARE ENIX

Dead Mount Death Play  
©Ryohgo Narita/SQUARE ENIX  
©Shinta Fujimoto/SQUARE ENIX

My Dress-Up Darling  
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DRAGON QUEST WALK OFFICIAL FAN BOOK 3rd Anniversary  
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## Merchandising



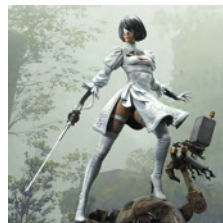
Share of Net Sales (FY ended March 2023)

**4.2%**

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

The fiscal year ended March 31, 2023 saw brisk sales of products including new character merchandise based on major intellectual properties. However, while net sales rose versus the previous fiscal year, operating income declined, partly due to changes in the sales mix by product.

Net sales and operating income in the Merchandising segment totaled ¥15,664 million (an increase of 11.9% from the prior fiscal year) and ¥3,723 million (a decrease of 6.5% from the prior fiscal year), respectively.



SQUARE ENIX MASTERLINE NieR:Automata 1/4 Scale - 2B (YoRHa No. 2 Type B) 2P Color Ver.  
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FINAL FANTASY VII REMAKE™ PLAY ARTS KAI™ Action Figure - AERITH GAINSBOROUGH DRESS Ver.  
© 1997, 2020 SQUARE ENIX CO., LTD. All Rights Reserved.  
CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



FINAL FANTASY TRADING CARD GAME  
Anniversary collection set 2022 Japanese ver  
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