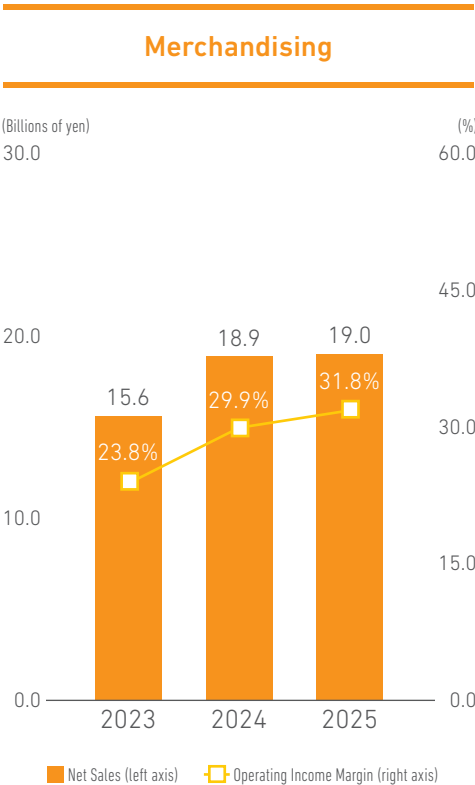
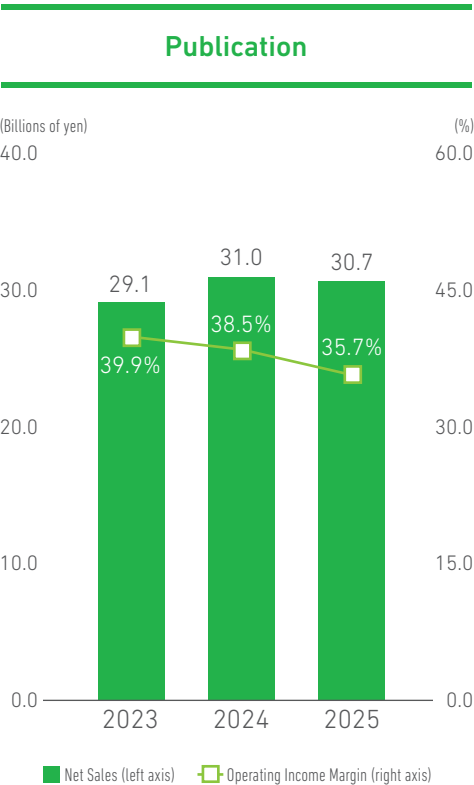
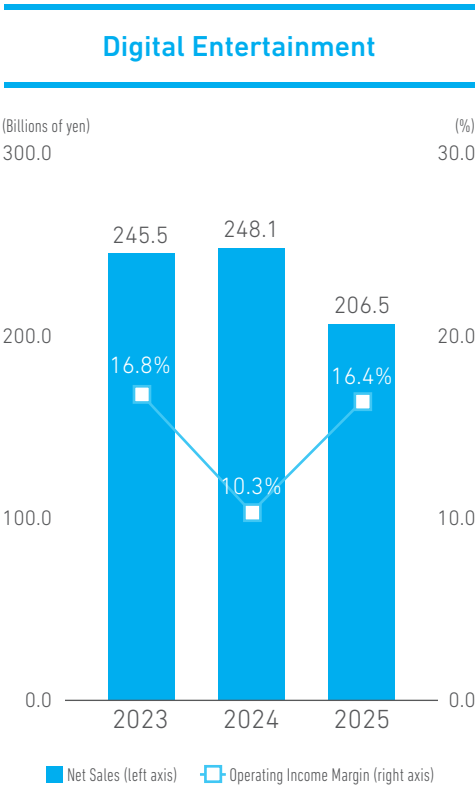

Review of Operations

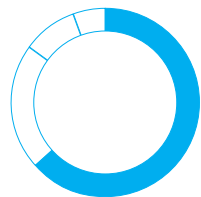
Review of Operations

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, 2025 totaled ¥324,506 million (a decrease of 8.9% from the prior fiscal year), operating income amounted to ¥40,580 million (an increase of 24.6% from the prior fiscal year), ordinary income amounted to ¥40,939 million (a decrease of 1.4% from the prior fiscal year), and profit attributable to owners of parent amounted to ¥24,414 million (an increase of 63.7% from the prior fiscal year).



Digital Entertainment



Share of Net Sales (FY ended March 2025)

63.6%

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.

In the HD (High-Definition) Game sub-segment, consolidated net sales for the fiscal year ended March 31, 2025 declined compared with the previous fiscal year as new titles generated lower sales than releases such as “FINAL FANTASY XVI,” “FINAL FANTASY PIXEL REMASTER,” “Dragon Quest Monsters: The Dark Prince,” and “FINAL FANTASY VII REBIRTH” did in the previous fiscal year. However, the sub-segment turned profitable mainly due to lower development cost amortization, advertising expenses, and content valuation losses compared with the previous fiscal year, as well as stronger sales of the November 2024 release “DRAGON QUEST III HD-2D Remake” than initially assumed.

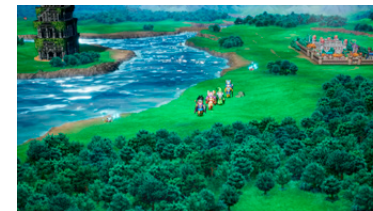
In the MMO (Massively Multiplayer Online) Game sub-segment, net sales and operating income rose compared with the previous fiscal year with the launch of “FINAL FANTASY XIV: Dawntrail,” the latest expansion pack for “FINAL FANTASY XIV.”

In the Games for Smart Devices/PC Browser sub-segment, net sales and profits declined compared with the previous fiscal year despite the launch of “Emberstoria” in November 2024. This was due to weakness in existing titles and the recognition of royalty revenue in the previous fiscal year.

Net sales and operating income in the Digital Entertainment segment totaled ¥206,536 million (a decrease of 16.8% from the prior fiscal year), and ¥33,867 million (an increase of 33.0% from the prior fiscal year), respectively.



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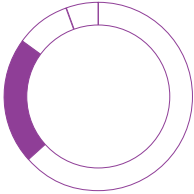


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Amusement



Share of Net Sales (FY ended March 2025)

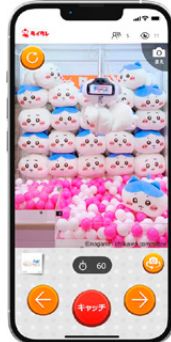
21.5%

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.

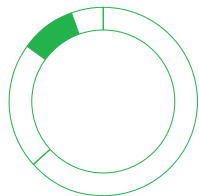
In the fiscal year ended March 31, 2025, net sales and profits increased compared with the previous fiscal year due to year-on-year growth in same-store sales and arcade game machine sales.

Net sales and operating income in the Amusement segment totaled ¥71,215 million (an increase of 15.7% from the prior fiscal year), and ¥7,846 million (an increase of 3.7% from the prior fiscal year), respectively.

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Publication



Share of Net Sales (FY ended March 2025)

9.5%

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

Net sales and operating income declined in the fiscal year ended March 31, 2025 compared with the previous fiscal year despite a generally solid performance. This was partly due to a year-on-year fallback in sales of “The Apothecary Diaries” following the massive popularity of the anime television series adaptation in the previous fiscal year, as well as to an increase in costs related to preparations for upcoming new releases.

Net sales and operating income in the Publication segment totaled ¥30,752 million (a decrease of 1.1% from the prior fiscal year), and ¥10,977 million (a decrease of 8.4% 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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Toilet-bound Hanako-kun
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The Apothecary Diaries
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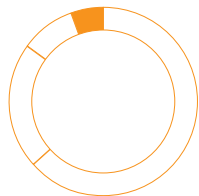
From Old Country Bumpkin to Master Swordsman:
My Hotshot Disciples Are All Grown Up Now, and They Won't Leave Me Alone
©Shigeru Sagazaki/SQUARE ENIX
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My Dress-Up Darling
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FINAL FANTASY VII REBIRTH ULTIMANIA
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CHARACTER DESIGN: TETSUYA NOMURA / ROBERTO FERRARI
LOGO ILLUSTRATION: © YOSHITAKA AMANO

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Merchandising



Share of Net Sales (FY ended March 2025)

5.4%

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

Net sales and profits increased in the fiscal year ended March 31, 2025 compared with the previous fiscal year partly driven by brisk sales of new merchandise featuring key characters from the Group's IP portfolio.

Net sales and operating income in the Merchandising segment totaled ¥19,067 million (an increase of 0.8% from the prior fiscal year), and ¥6,067 million (an increase of 7.2% from the prior fiscal year), respectively.



DRAGON QUEST III HD-2D Remake
Character & Monster Acrylic Blocks
Complete Set

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SQUARE ENIX MASTERLINE NieR:Automata
1/3 Scale - 2B (YoRHa No. 2 Type B)

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FINAL FANTASY XIV: Dawntrail – Collector's
Box

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