Statements made in this document with respect to SQUARE ENIX HOLDINGS CO., LTD. and its consolidated subsidiaries’ (together, “SQUARE ENIX GROUP”) plans, estimates, strategies, and beliefs are forward-looking statements about the future performance of SQUARE ENIX GROUP.

These statements are based on management’s assumptions and beliefs in light of information available to it at the time these materials were drafted and, therefore, the reader should not place undue reliance on them. Also, the reader should not assume that statements made in this document will remain accurate or operative at a later time.

A number of factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include but are not limited to:

1. changes in economic conditions affecting SQUARE ENIX GROUP’s operations;
2. fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, and the Euro;
3. SQUARE ENIX GROUP’s ability to continue to win acceptance of its products and services, which are offered in highly competitive markets characterized by the continuous introduction of new products and services, rapid developments in technology, and subjective and changing consumer preferences;
4. SQUARE ENIX GROUP’s ability to expand international success with a focus on its businesses; and
5. regulatory developments and changes and SQUARE ENIX GROUP’s ability to respond and adapt to those changes.

The forward-looking statements regarding earnings contained in these materials were valid at the time these materials were drafted. SQUARE ENIX GROUP assumes no obligation to update or revise any forward-looking statements, including forecasts or projections, whether as a result of new information, subsequent events, or otherwise.

The financial information presented in this document is prepared according to generally accepted accounting principles in Japan.
Today’s agenda

1. Our previous medium-term business plan: A review
2. Our long-term vision & new corporate philosophy structure
3. Our new medium-term business plan

4 strategies
3 targets
Today’s agenda

1. Our previous medium-term business plan: A review

2. Our long-term vision & new corporate philosophy structure

3. Our new medium-term business plan

4 strategies

3 targets
Our previous medium-term business plan: A review (1/3)

Did not reach our quantitative targets for net sales or operating income under our previous medium-term business plan.
## Achievements

- Began rebuild of HD Game (HD) & Smart Devices/PC Browser (SD) portfolios
  - Divested three overseas studios and IPs
- Expanded MMO business to strengthen our earnings base
- Achieved a smooth transition to stable growth in the Publication segment
- Achieved a V-shaped recovery in the Amusement segment
  - Committed to cost cutting during the pandemic
- Sustained growth in the Merchandising segment
## Challenges

- **HD game development profitability**
  - Launched many titles but some failed to live up to profit expectations, especially outsourced titles and some AAA titles

- **Slowdown in SD games**
  - Unable to create hit titles to offset maturation of Japanese market, aging of existing titles

- **Insufficient Group-wide portfolio management**
  - Cannibalization between our own titles due to overlapping launch schedules

- **Gaps in our management infrastructure**
Today’s agenda

1. Our previous medium-term business plan: A review

2. Our long-term vision & new corporate philosophy structure

3. Our new medium-term business plan

- 4 strategies
- 3 targets
Enriching people’s lives by helping them create unforgettable experiences

The power of content is the power to move people

With the passage of time, the moments that move us the most form unforgettable experiences that leave indelible marks on our hearts

Unforgettable experiences help shape the values that ground us

Unforgettable experiences enrich our lives

We want to help create unforgettable experiences by delivering content full of undeniable fun
Our long-term vision & new corporate philosophy structure

Introduced our new corporate philosophy structure, comprising our Purpose, which clearly states why we are here, and our Values, which are to guide our employees in thought and deed.

### Purpose

Creating New Worlds with Boundless Imagination
to Enhance People’s Lives.

### Values

- Deliver Unforgettable Experiences
- Embrace Challenges
- Act Swiftly
- Stronger Together
- Continuously Evolve
- Cultivate Integrity
2 Our long-term vision & new corporate philosophy structure

With IP as our core competence, we will deliver a rich variety of content offering undeniable fun to our customers around the world.
Today’s agenda

1. Our previous medium-term business plan: A review
2. Our long-term vision & new corporate philosophy structure
3. Our new medium-term business plan

4 strategies
3 targets
Square Enix Reboots and Awakens

~A 3-year reboot for long-term growth~
## Positioning of our new medium-term business plan

**Evolve to deliver a rich variety of content offering undeniable fun all over the world**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>Establish a development footprint capable of consistently and regularly releasing titles that beat our customers’ expectations</td>
</tr>
<tr>
<td>SD</td>
<td>Resume growth trajectory by sustaining our reach to both existing and new customers and by exploring new business models</td>
</tr>
<tr>
<td>MMO, Publication, Amusement</td>
<td>Maintain and develop momentum and expand our global fan base</td>
</tr>
<tr>
<td>Merchandising</td>
<td>Expand the breadth of the business by growing the licensing business and adding to our lineup of services</td>
</tr>
<tr>
<td></td>
<td>Develop management infrastructure to make us a more efficient organization</td>
</tr>
<tr>
<td></td>
<td>Create and sow the seeds for new IPs and businesses that will lead to further growth for the next generation</td>
</tr>
</tbody>
</table>

**Square Enix Reboots and Awakens**

~A 3-year reboot for long-term growth~
Our new medium-term plan: 4 strategies

Square Enix Reboots and Awakens
~A 3-year reboot for long-term growth~

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- Diversify earnings opportunities by strengthening customer contact points
- Roll out initiatives to create additional foundational stability
- Allocate capital giving consideration to the balance between growth investment and shareholder returns
Enhance productivity by optimizing DE segment development footprint

Our content production account

- Recognized ¥38.8 bn in content production account write-downs/extraordinary losses in FY2024/3 based on a careful review of the account in keeping with the mid/long-term portfolio philosophy under our new medium-term business plan

- Took preliminary steps to establish a disciplined pipeline strategy that will enable us to create an attractive, layered lineup of titles

1. The content subject to impairment losses consisted largely of titles slated for release in FY2027/3 and beyond, so any impact on our income statements during this medium-term business plan will be minimal. The content product account write-downs were recognized as operating losses, while the disposal losses were recognized as extraordinary losses. The operating losses and disposal losses are referred to collectively as "impairment" on the above chart.
Enhance productivity by optimizing DE segment development footprint

### Mid/long-term portfolio philosophy

**Shift from quantity to quality, delivering undeniable fun**

- Ensure that our development process strikes a good balance between a “product-out” approach driven by content reflecting the creativity that springs from our employees’ imaginations, and a “market-in” approach driven by customers’ voices and market trends.

- When allocating human talent and development investments, prioritize titles with strong potential to be loved for years, while also enhancing the skill sets of the core teams responsible for developing titles that sustain each IP.

- Strive to establish a layered title lineup that enables a schedule based on the optimal cadence and timing of launches from the perspectives of both the total portfolio and individual IPs.
Enhance productivity by optimizing DE segment development footprint

Focus on developing titles that deliver fun only Square Enix can create

- Strive to maintain and grow the fan bases for our major and mid-class HD titles by focusing on consistent fun
- Strive to increase our hit rate with SD titles by focusing on fun that ensures customers can play for a long time with confidence
- With new IPs, prioritize fun that is novel and creative to enable the development of new fan bases
- Also strengthen lineup of catalog titles by leveraging rich IP library
Enhance productivity by optimizing DE segment development footprint

Establish a development footprint that produces fun only Square Enix can create

- Strengthen in-house development capabilities by revamping our internal development footprint
  - Retire our organizational design based around business units and introduce an operationally integrated organization focused around our development functions

- Transition to a framework that advances projects by harmonizing individual creativity and organizational management
  - Redefine the missions of producers and associated job types and establish internal support capabilities
  - Enhance development investment efficiency by revisiting the entire progress management process for title development
3 Our new medium-term plan: 4 strategies

Square Enix Reboots and Awakens
~A 3-year reboot for long-term growth~

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- Diversify earnings opportunities by strengthening customer contact points
- Roll out initiatives to create additional foundational stability
- Allocate capital giving consideration to the balance between growth investment and shareholder returns
Diversify earnings opportunities by strengthening customer contact points

Shift to a multiplatform strategy

- Aggressively pursue a multiplatform strategy for HD titles that includes Nintendo platforms, PlayStation, Xbox, and PCs
  - Create an environment where more customers can enjoy major franchises and AAA titles, including from our back catalog
- For SD titles, explore PC launches and other options in addition to iOS and Android
  - Maximize new user acquisitions on launch and over the course of the game’s life
Diversify earnings opportunities by strengthening customer contact points

- Step up digital sales of new titles
  - Deploy promotional initiatives on launch that better direct customers toward digital purchases

- Strengthen earnings base by expanding sales of catalog titles
  - Create opportunities to generate earnings from our rich library of back titles

- Pursue initiatives focused on attracting PC users
Diversify earnings opportunities by strengthening customer contact points

Create interaction with customers by increasing sophistication of publishing function

- **Pursue operational integration of publishing-related functions in Japan**
  - Consolidate the marketing functions that were previously spread across creative business units, expanding shared knowledge and eliminating duplicate functions to pursue greater efficiency
  - Create new reporting lines designed to enhance collaboration between sales and marketing functions

- **Increase sophistication of marketing by leveraging first-party data**
  - Utilize CRM solutions and data analytics in launch campaigns for HD and SD titles
Diversify earnings opportunities by strengthening customer contact points

Create earnings opportunities by offering IP across a range of entertainment experiences

- Reach new markets by furthering our pursuit of a cross-media strategy
  - Expand geographic coverage of our licensing business by establishing a new IP business development department focused on global markets

- Establish an organization that promotes the use of our IP across a range of entertainment experiences
  - Generate synergies by integrating organizations affiliated with the Merchandising segment
Square Enix Reboots and Awakens

~A 3-year reboot for long-term growth~

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- Diversify earnings opportunities by strengthening customer contact points
- Roll out initiatives to create additional foundational stability
- Allocate capital giving consideration to the balance between growth investment and shareholder returns
Roll out initiatives to create additional foundational stability

Revisit overseas business division functions & organizational structures

- Revisit European and American functions/organizational structures, thereby optimizing costs
  - Redesign organizational structures in line with new development organization in Japan

- Strengthen functions of London development site by promoting collaboration between Group resources in Japan and abroad
  - Close collaboration with divisions in Japan (creative studios and publishing)
  - Enable greater mobility of talent across the Group
Roll out initiatives to create additional foundational stability

Introduce organizational and HR-related initiatives aimed at balancing creativity and productivity in our businesses in Japan

- **Build a flat organization**
  - Expand opportunities to select existing employees for specific roles, thereby tapping new talent
  - Simplify decision-making mechanisms

- **Implement HR initiatives aligned to the operationally integrated organizational structure of our development functions**
  - Develop and roll out a single recruitment, promotion, and management appointment system for our integrated development functions

- **Establish a mid/long-term talent development system**
  - Rebuild training and development system for new hires
  - Introduce internal programs to enhance capabilities of junior and mid-level employees
Roll out initiatives to create additional foundational stability

Enhance business infrastructure to bolster employee productivity

- Invest capital to enhance our development environment
  - Invest in infrastructure that maximizes employee productivity in a hybrid work environment
  - Create an attractive office environment that helps unleash the creativity of our development teams

- Refine our management accounting system to enable greater visibility into our business activities
Our new medium-term plan: 4 strategies

Square Enix Reboots and Awakens

~A 3-year reboot for long-term growth~

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- Diversify earnings opportunities by strengthening customer contact points
- Roll out initiatives to create additional foundational stability
- Allocate capital giving consideration to the balance between growth investment and shareholder returns
Under our new medium-term business plan, we will give consideration to the balance between growth investment and shareholder returns in allocating capital, with the framework below serving as our basic philosophy.

**Capital allocation: Balancing growth investment & shareholder returns**

*Shareholder returns (dividends and share buybacks)*
- Flexibly repurchase shares in addition to offering regular dividends
- Allocated 20 billion yen for potential share buybacks today

*M&A/investment*
- Leverage insights from our own businesses to execute inorganic investments aimed at expansion into additional domains and the creation of greater stability
- Exercise strict selectivity in identifying investment opportunities that will help enhance our corporate value
Shareholder return policy

We devised the following policy based on a reassessment of our approach to capital allocation, giving consideration to the balance between growth investments and shareholder return.

**Our total shareholder return** (billions of yen)

<table>
<thead>
<tr>
<th>Total payout ratio</th>
<th>30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per share</td>
<td>¥124</td>
</tr>
<tr>
<td>FY2023/3 Actual</td>
<td></td>
</tr>
<tr>
<td>FY2024/3 Forecast</td>
<td></td>
</tr>
<tr>
<td>Share buybacks</td>
<td></td>
</tr>
<tr>
<td>Regular dividend</td>
<td></td>
</tr>
</tbody>
</table>

- Allocated funds for the flexible repurchase of shares, subject to considerations including strategic investment opportunities, financial conditions, and the share price.
- Revised our approach to capital allocation, taking the balance between growth investment and shareholder returns into consideration, and rewarded shareholders with an amount equivalent to the growth in our cash and deposits from end-FY2023/3 to end-FY2024/3.
- Set a dividend payout ratio of 30%.
- Revisited the breakdown of per-share dividends (interim dividend and year-end dividend).

*Arrived at by dividing 24.5 billion yen (the total of 4.5 billion yen in expected dividends for the fiscal year ended March 31, 2024 and 20 billion yen in potential share buybacks) by 14.9bn yen in profit attributable to owners of parent for the fiscal year ended March 31, 2024.*
### Our new medium-term plan

<table>
<thead>
<tr>
<th>4 strategies</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enhance productivity by optimizing the development footprint in the DE segment</strong></td>
<td>• Focus on developing titles that deliver fun only Square Enix can create and establish a development footprint that enables that</td>
</tr>
</tbody>
</table>
| **Diversify earnings opportunities by strengthening customer contact points**   | • Shift to a multiplatform strategy  
• Continuously establish contact points for our titles by stepping up digital sales  
• Create interaction with customers by increasing sophistication of publishing function  
• Create earnings opportunities by offering IP across a range of entertainment experiences |
| **Roll out initiatives to create additional foundational stability**            | • Revisit overseas business division functions & organizational structures  
• Introduce organizational and HR-related initiatives aimed at balancing creativity and productivity in our business in Japan  
• Enhance business infrastructure to bolster employee productivity |
| **Allocate capital giving consideration to the balance between growth investment and shareholder return** | • Allocated up to 100 billion yen for total strategic investments over a three-year period |

By executing our new medium-term business plan, we will achieve a shift from quantity to quality and evolve to deliver a rich variety of content offering undeniable fun all over the world.
Our new medium-term plan: **3 financial targets**

- **Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment**

- **Diversify earnings opportunities by strengthening customer contact points**

- **Roll out initiatives to create additional foundational stability**

- **Allocate capital giving consideration to the balance between growth investment and shareholder returns**

- **Achieve stable profit generation from the overall DE segment and target a consolidated operating margin of 15% in the fiscal year ending March 31, 2027**

- **Allocated up to 100 billion yen for total strategic investments over a three-year period (including up to 20 billion yen for potential share repurchases over the next year)**

- **Target ROE of at least 10%, shifting to a management approach mindful of capital efficiency**
### Consolidated Financial Forecasts: Fiscal Year ending March 31, 2025

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ended March 31, 2024</th>
<th>Full Year Results</th>
<th>Fiscal Year Ending March 31, 2025</th>
<th>Full Year Forecasts</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>356.3</td>
<td></td>
<td>310.0</td>
<td></td>
<td>(46.3)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>32.5</td>
<td></td>
<td>40.0</td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Operating Income Margin</strong></td>
<td>9.1%</td>
<td></td>
<td>12.9%</td>
<td></td>
<td>3.8pt</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>41.5</td>
<td></td>
<td>40.0</td>
<td></td>
<td>(1.5)</td>
</tr>
<tr>
<td><strong>Ordinary Income Margin</strong></td>
<td>11.7%</td>
<td></td>
<td>12.9%</td>
<td></td>
<td>1.2pt</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>14.9</td>
<td></td>
<td>28.0</td>
<td></td>
<td>13.1</td>
</tr>
<tr>
<td><strong>Dividends per share (Yen)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interim</strong></td>
<td>10</td>
<td></td>
<td>28</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td><strong>Year-end</strong></td>
<td>28</td>
<td></td>
<td>43</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38</td>
<td></td>
<td>71</td>
<td></td>
<td>33</td>
</tr>
</tbody>
</table>

(Billions of Yen)
Creating New Worlds with Boundless Imagination to Enhance People’s Lives.