



Financial Results Briefing Session

Nine-Month Period Ended December 31, 2022

February 3, 2023

SQUARE ENIX HOLDINGS CO., LTD.

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 material 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 not limited to:

1. changes in economic conditions affecting our 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 our 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 our businesses; and
5. regulatory developments and changes and our 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.

(Amounts under one hundred million yen are rounded down)

Financial Results
Third Quarter of Fiscal Year
Ending March 31, 2023

Consolidated Statement of Income

Q3, FY2023/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2022		Fiscal Year Ending March 31, 2023	
	Q1 - Q3	Full Year Results	Q1 - Q3	Changes
Net sales	273.6	365.2	255.6	(18.0)
Operating income	50.1	59.2	41.3	(8.8)
Operating income margin	18.3%	16.2%	16.2%	(2.1pt)
Ordinary income	54.4	70.7	50.8	(3.6)
Ordinary income margin	19.9%	19.4%	19.9%	0.0pt
Profit attributable to owners of parent	39.8	51.0	46.3	6.5
Depreciation and amortization	5.4	7.5	5.1	(0.3)
Capital expenditure	6.8	9.1	7.2	0.4

Consolidated Statement of Income

Q3, FY2023/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended	Fiscal Year Ending	
	March 31, 2022	March 31, 2023	
	Q1 - Q3	Q1 - Q3	Changes
Net sales	273.6	255.6	(18.0)
Digital Entertainment	211.6	184.3	(27.3)
Amusement	33.1	40.8	7.7
Publication	21.0	21.0	0.0
Merchandising	10.4	11.9	1.5
Eliminations or unallocated	(2.7)	(2.6)	0.1
Operating income	50.1	41.3	(8.8)
Digital Entertainment	49.4	38.7	(10.7)
Amusement	1.3	4.1	2.8
Publication	8.9	8.3	(0.6)
Merchandising	3.1	2.8	(0.3)
Eliminations or unallocated	(12.6)	(12.7)	(0.1)
Operating income margin	18.3%	16.2%	(2.1pt)
Digital Entertainment	23.4%	21.0%	(2.4pt)
Amusement	4.0%	10.0%	6.0pt
Publication	42.3%	39.7%	(2.6pt)
Merchandising	30.3%	24.4%	(5.9pt)
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of December 31, 2022

(Billions of Yen)

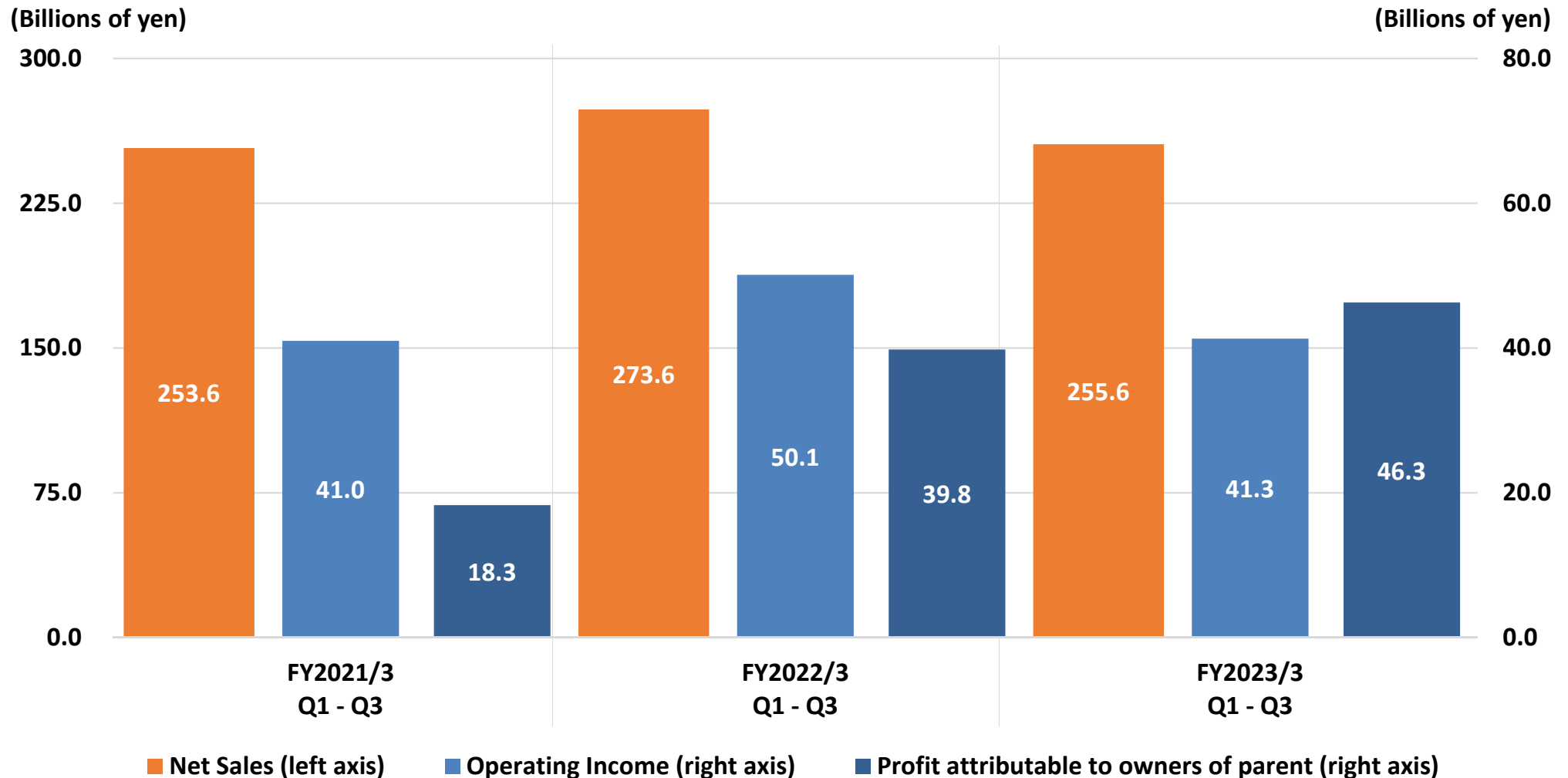
	<Assets>			<Liabilities and Net Assets>			
Account	03/2022	12/2022	Changes	Account	03/2022	12/2022	Changes
Cash and deposits	163.0	176.0	13.0	Notes and accounts payable	27.5	27.1	(0.4)
Notes and accounts receivable	44.9	46.9	2.0	Income taxes payable	8.4	4.4	(4.0)
Inventories	5.1	6.7	1.6	Refund liabilities	5.6	5.5	(0.1)
Content production account	96.7	101.2	4.5	Others	42.1	37.9	(4.2)
Others	12.4	15.1	2.7	Total Current Liabilities	83.8	75.0	(8.8)
Total Current Assets	322.4	346.1	23.7	Non-current Liabilities	12.6	10.3	(2.3)
Property and equipment	19.8	17.2	(2.6)	Total Liabilities	96.4	85.4	(11.0)
Intangible Assets	7.3	5.8	(1.5)	Total Shareholders' Equity	290.2	321.7	31.5
Investments and other assets	31.2	30.6	(0.6)	Others	(5.8)	(7.3)	(1.5)
Total Non-current Assets	58.4	53.7	(4.7)	Total Net Assets	284.4	314.4	30.0
Total Assets	380.9	399.8	18.9	Total Liabilities and Net Assets	380.9	399.8	18.9

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

Net sales, operating income down YoY

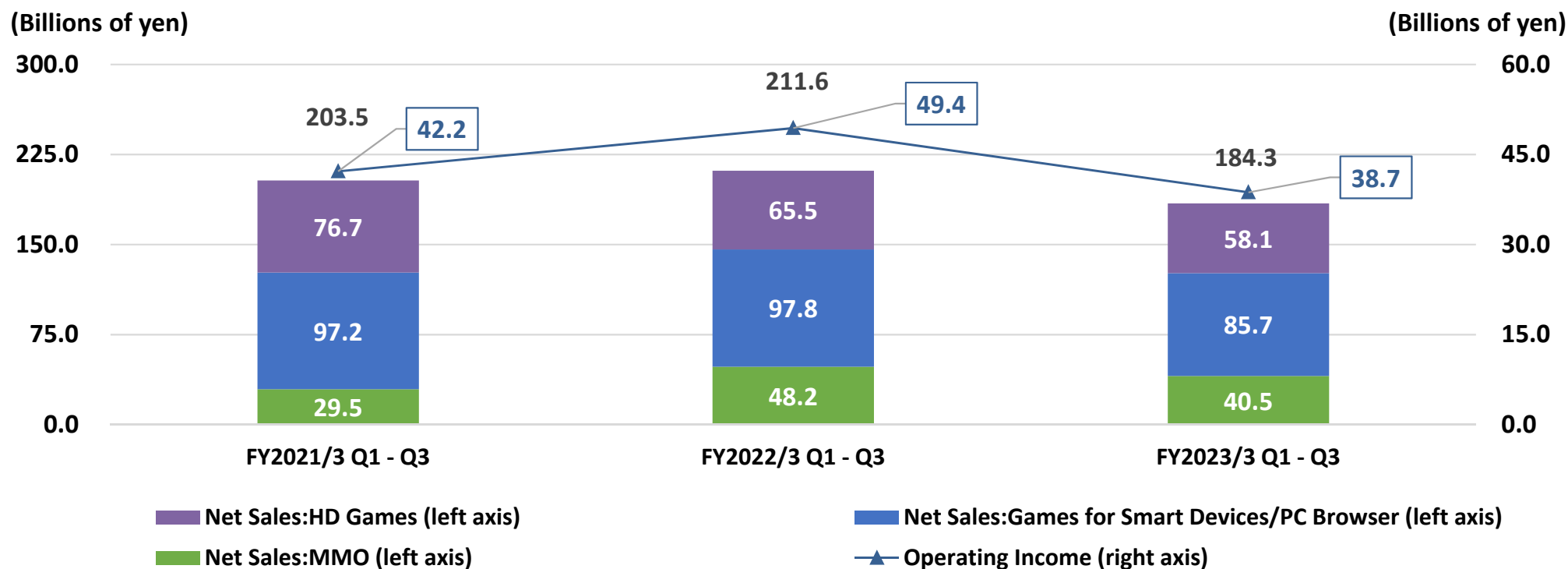
However, net income up on gains from forex, sale of shares in affiliated companies



Digital Entertainment

Net sales, operating income down YoY, partly on weakness in existing Smart Devices/PC Browser titles











HD Games	Sales did not reach the level of the previous year despite the release of multiple new titles
MMO	Previous year saw launch of expansion packs for “FINAL FANTASY XIV” and “DRAGON QUEST X”
Games for Smart Devices/PC Browser	New titles were unable to offset weak performances from existing titles



Digital Entertainment -Main titles 1-

HD Games: Multiple new titles planned, including titles featuring new IP

HD Games: Major New titles in FY2023/3

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<p style="text-align: center;"></p> <p>© 2022 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p> <p>Launched on December 9, 2022</p>	<p style="text-align: center;"></p> <p>© 2007, 2008, 2022 SQUARE ENIX CO., LTD. All Rights Reserved. CHARACTER DESIGN: TETSUYA NOMURA</p> <p>Launched on December 13, 2022</p>	<p style="text-align: center;"></p> <p>© 2023 Luminous Productions Co., Ltd. All Rights Reserved.</p> <p>Launched on January 24, 2023</p>
<p style="text-align: center;"></p> <p>© 2023 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by indieszero Co., Ltd. LOGO ILLUSTRATION:© 2022 YOSHITAKA AMANO</p> <p>To be launched on February 16, 2023</p>	<p style="text-align: center;"></p> <p>© 2023 SQUARE ENIX CO., LTD. All Rights Reserved.</p> <p>To be launched on February 24, 2023</p>	

Digital Entertainment -Main titles 2-

MMO: No expansion pack releases planned but will focus on retaining users through a variety of operational initiatives

MMO : Main titles in operation



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Digital Entertainment -Main titles 3-

Games for Smart Devices/PC Browser: Additional titles slated for launch in Q4 and beyond

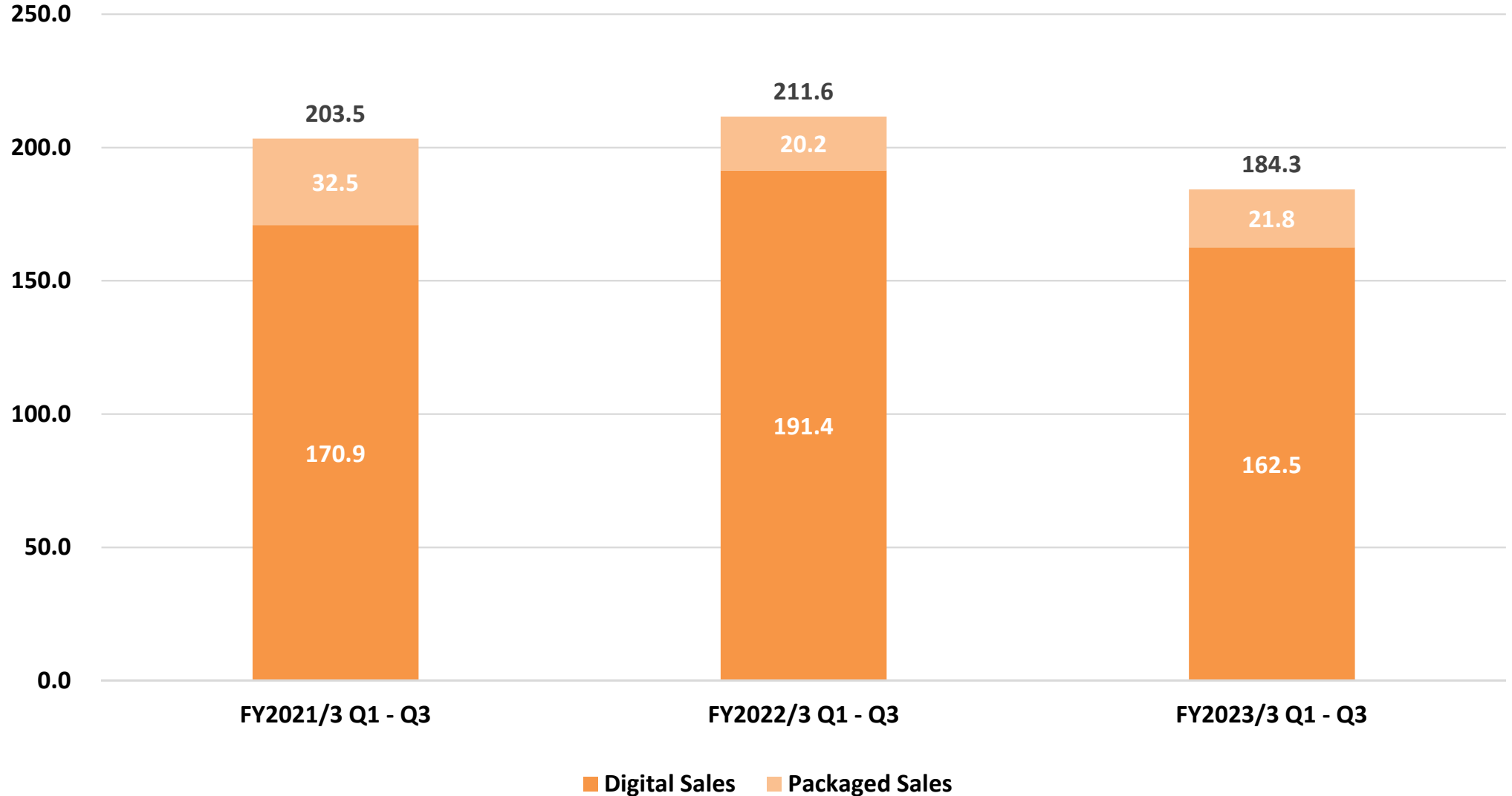
Major Operating Titles (Month and year indicate each title's launch timing)

<p>Aug 2010 (PC Browser game)</p>  <p>©2010-2023 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Jan 2014</p>  <p>© 2014-2023 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO Developed by Cygames, Inc.</p>	<p>Apr 2014</p>  <p>©2014-2023 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Sep 2014</p>  <p>Alliance with DeNA Co., Ltd. (Published by DeNA Co., Ltd.) ©SQUARE ENIX CO., LTD. ©DeNA Co., Ltd.</p>	<p>Oct 2015</p>  <p>©2015-2023 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by gumi Inc. LOGO ILLUSTRATION: ©2014 YOSHITAKA AMANO</p>	<p>Oct 2015</p>  <p>© 2015-2023 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>	<p>Feb 2017</p>  <p>©2017-2023 KOEI TECMO GAMES/ SQUARE ENIX CO., LTD. All Rights Reserved. CHARACTER DESIGN: TETSUYA NOMURA</p>
<p>Jun 2017</p>  <p>Co-developed with Pokelabo Inc. (Published by Pokelabo Inc.) © 2017-2023 Pokelabo Inc./ SQUARE ENIX CO., LTD. All Rights Reserved</p>	<p>Dec 2018</p>  <p>© 2018-2023 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Akatsuki Inc.</p>	<p>Jul 2019</p>  <p>© 2019 TOARU-PROJECT © 2019-2023 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Sep 2019</p>  <p>© 2019-2023 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>	<p>Nov 2019</p>  <p>© 2019-2023 SQUARE ENIX CO., LTD. All Rights Reserved. Co-Developed by gumi Inc. LOGO ILLUSTRATION: © 2018 YOSHITAKA AMANO</p>	<p>Jul 2020</p>  <p>© 2020-2023 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Aiming Inc.</p>	<p>Oct 2020</p>  <p>© 2020-2023 SQUARE ENIX CO., LTD. All Rights Reserved.</p>
<p>Feb 2021</p>  <p>© 2021-2023 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by Applibot, Inc.</p>	<p>Dec 2021</p>  <p>© 2021-2023 ARMOR PROJECT/ BIRD STUDIO/NHN PlayArt/ SQUARE ENIX All Rights Reserved.</p>	<p>Apr 2022</p>  <p>© 2022,2023 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by WRIGHT FLYER STUDIOS</p>	<p>Jun 2022</p>  <p>© MAHOUKA-ANIME-PROJECT © 2022 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Aug 2022</p>  <p>© 2021-2023 Hiromu Arakawa/SQUARE ENIX CO., LTD. All Rights Reserved.</p>		

Digital Entertainment --Digital vs. Packaged Game Sales--

Breakdown of Digital Entertainment sales

(Billions of yen)



Digital Entertainment --Units Sold by Region--

Units Sold = Sold disks + Downloads

Sold disks: Unit sales of packaged software sold in the fiscal year

Downloads: Unit sales of downloaded software sold in the fiscal year

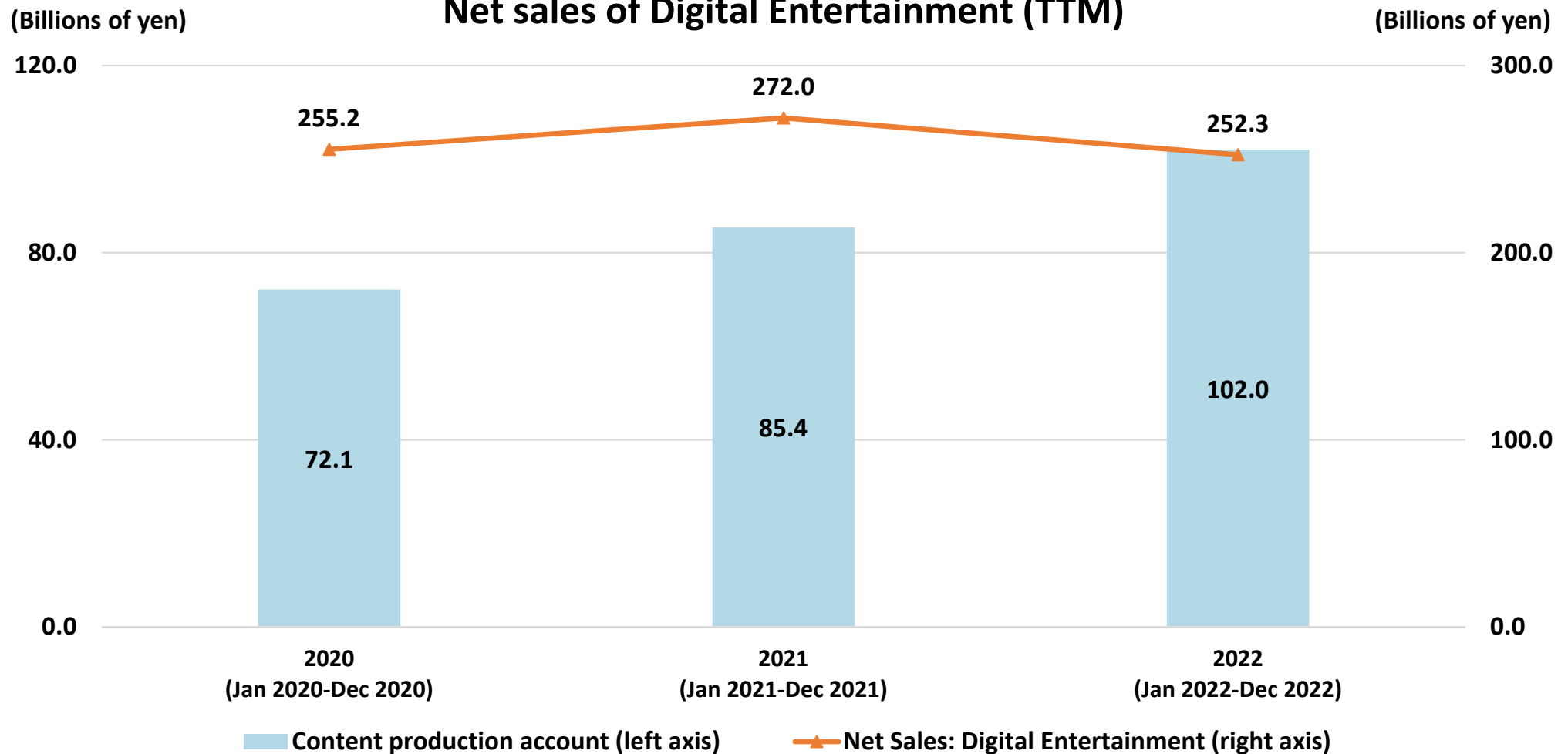
(Millions of Units Sold)

Region	FY2022/3 Q1 - Q3 Results			FY2023/3 Q1 - Q3 Results		
	Disc	Download	Total	Disc	Download	Total
Japan	0.83	2.77	3.60	1.84	2.28	4.12
North America/ Europe	4.75	17.93	22.68	2.52	7.91	10.43
Asia, etc.	0.26	2.92	3.18	0.59	1.29	1.88
Total	5.84	23.62	29.45	4.95	11.48	16.43

* The above numbers cover both HD and MMO games, and includes titles for which Square Enix is the distributor and titles sold episodically.

Digital Entertainment

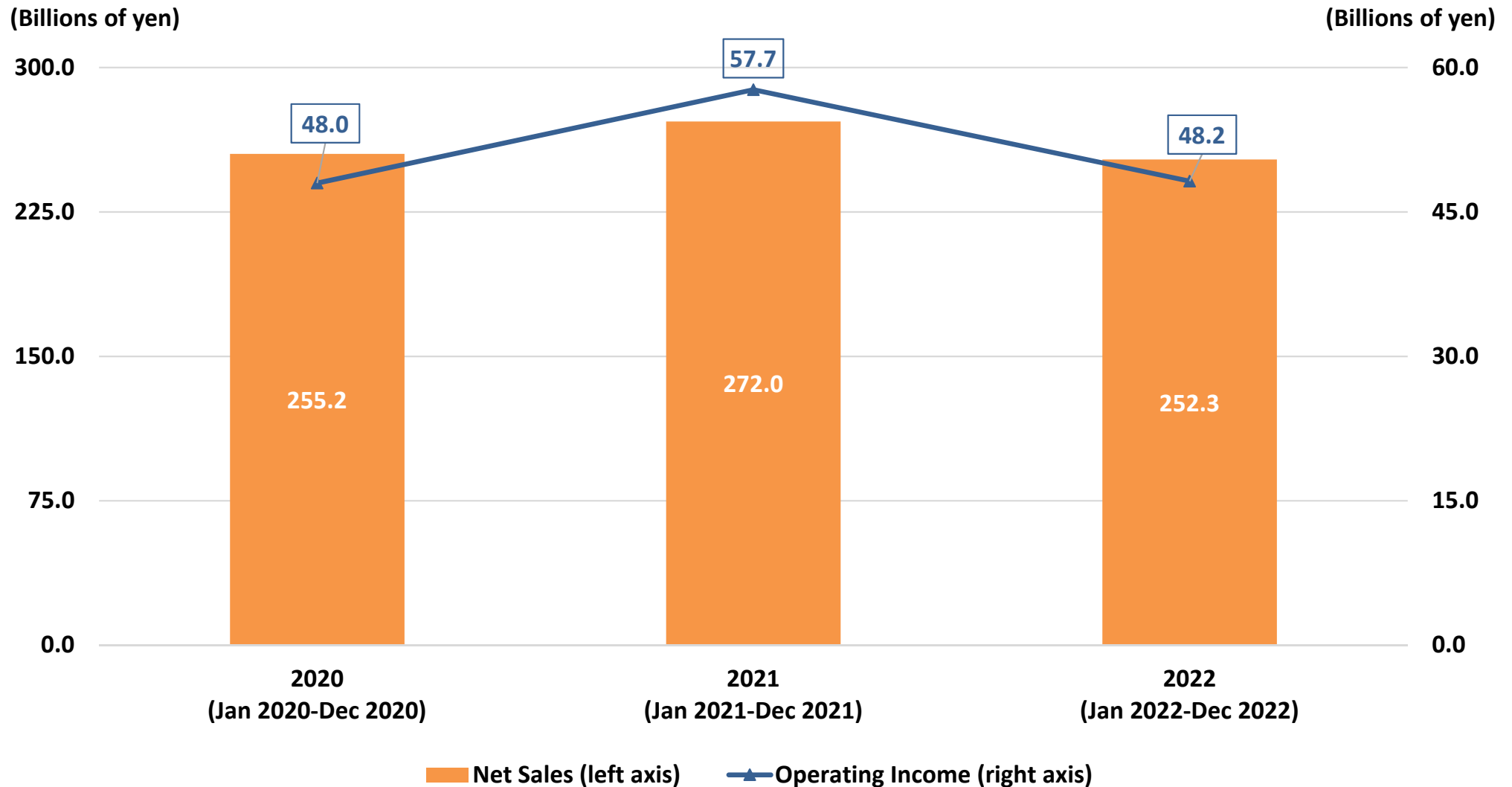
Note: Content production account balances &
Net sales of Digital Entertainment (TTM)



*Content production account: Average of end-quarter balances for most recent 12 months

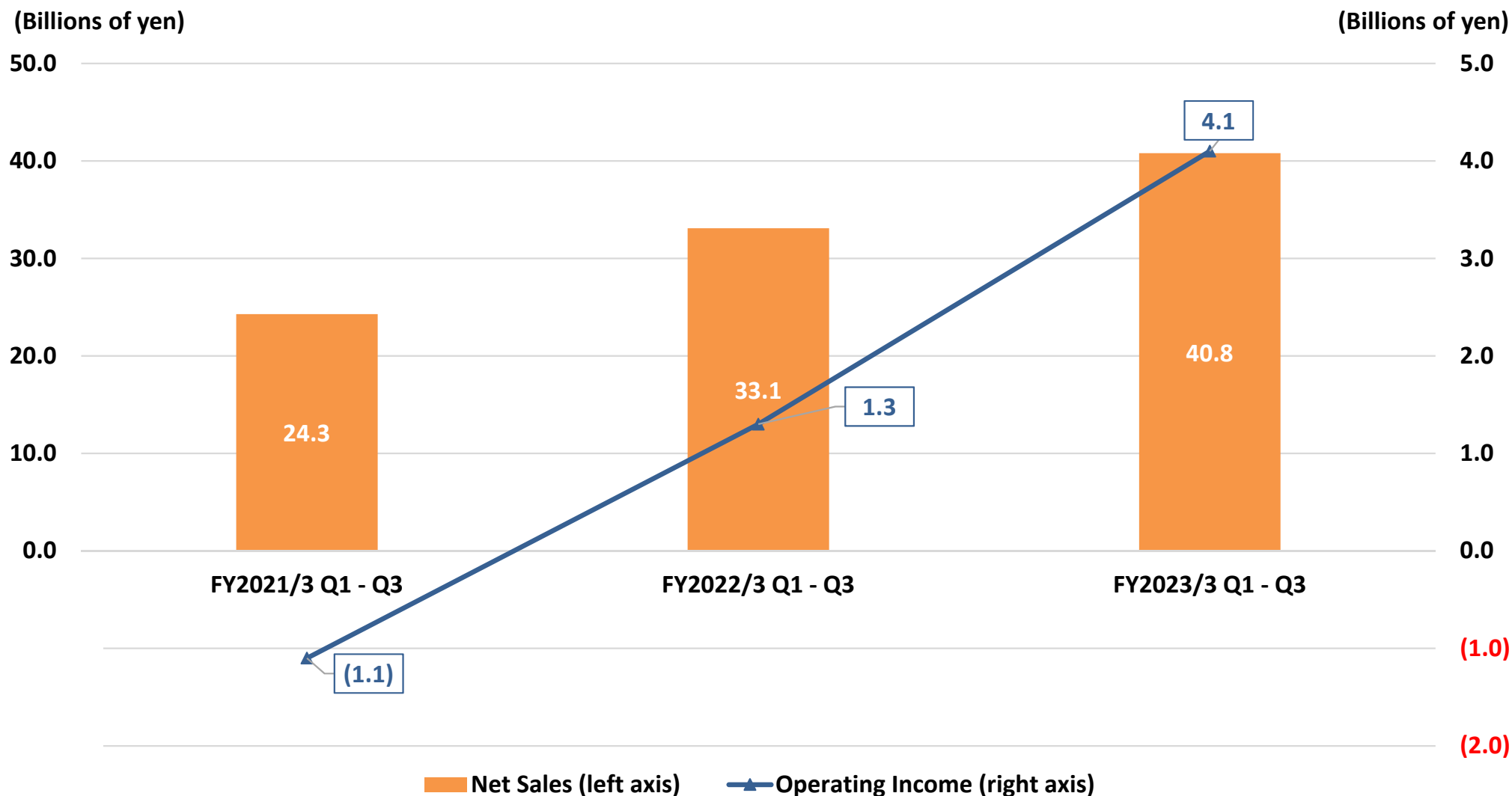
Digital Entertainment

Note: Trends on financial performance of Digital Entertainment (TTM)



Amusement

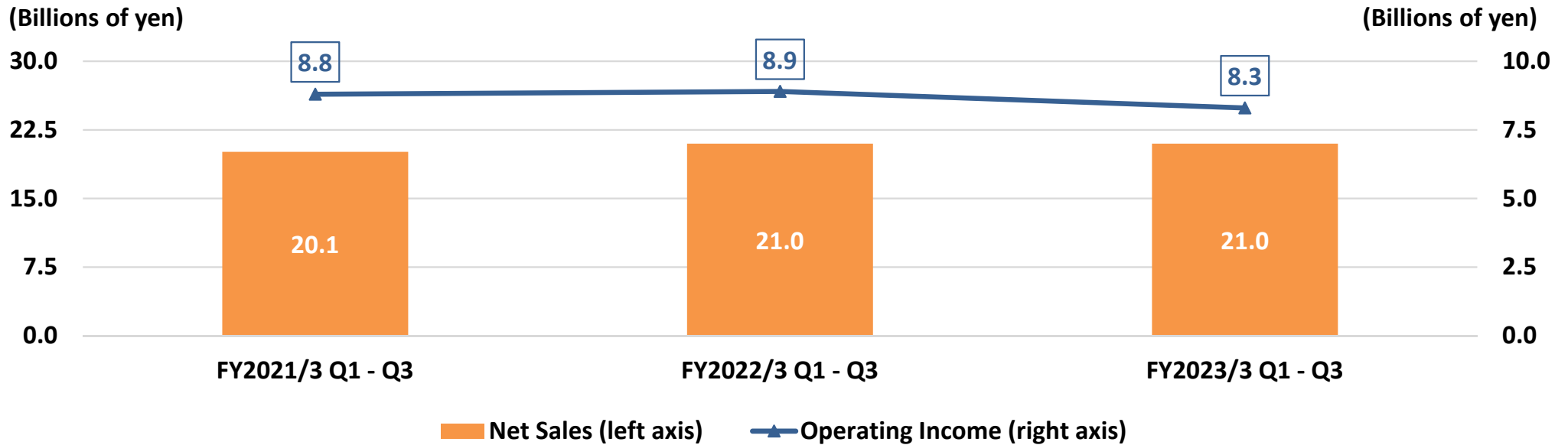
Net sales and operating income rose YoY due to sharp YoY growth in same-store sales.



Publication

Solid sales of print and digital media

Operating income down YoY due to higher costs (incl. for printing paper) and advertising expenses



Major Service, Titles in FY2023/3



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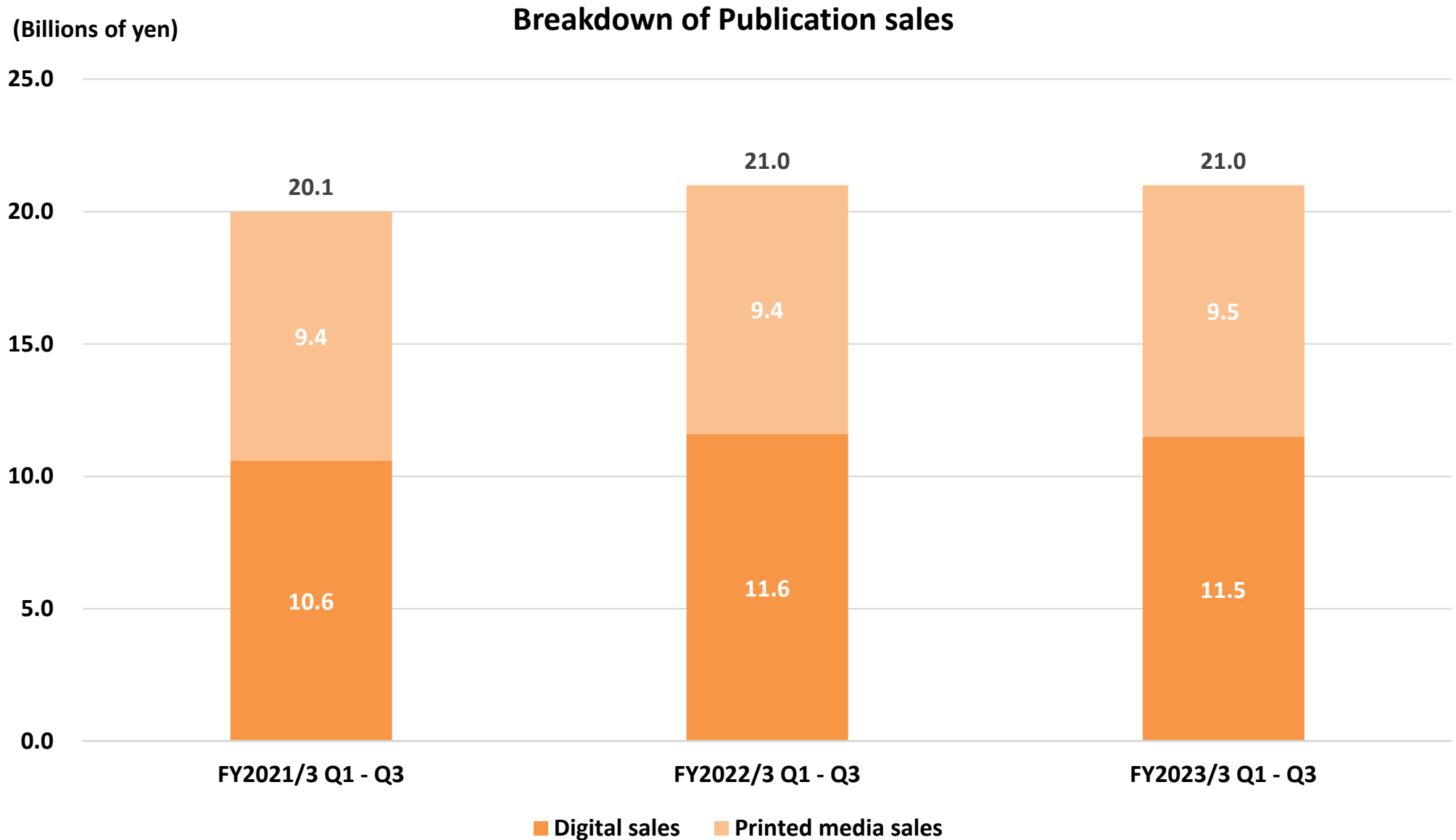


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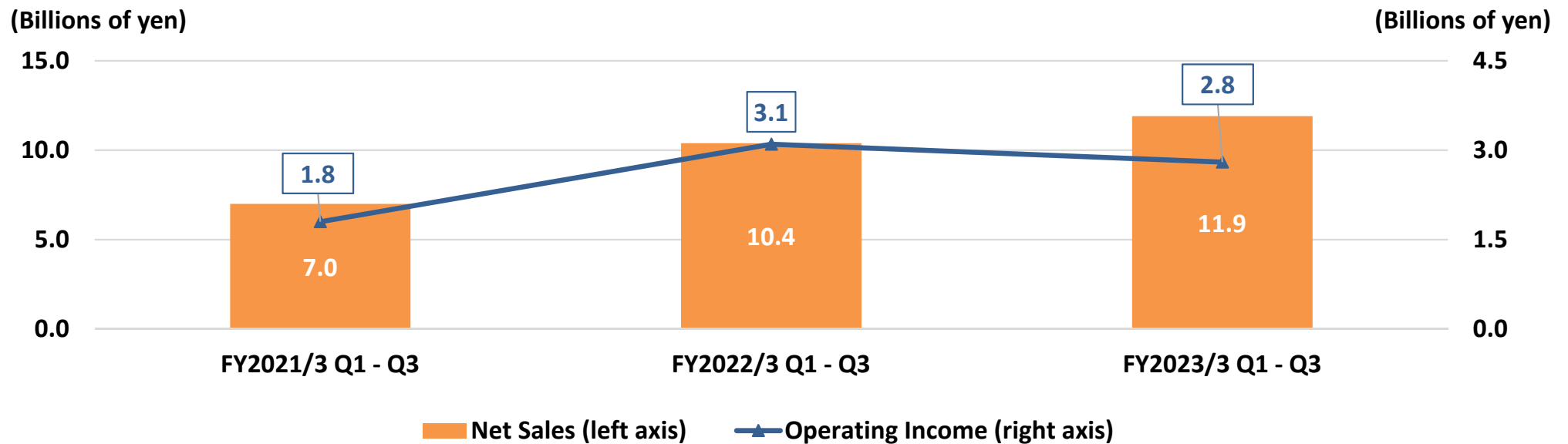
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Publication --Digital vs. Printed Media Sales--



Merchandising

Net sales rose YoY on brisk sales of new merchandise based on key IP
However, operating income fell, due to changes in sales mix



Major Products in FY2023/3



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