



Financial Results Briefing Session

Nine-Month Period Ended December 31, 2023

February 5, 2024

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, 2024

Consolidated Statement of Income

Q3, FY2024/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2023		Fiscal Year Ending March 31, 2024			
	Q1-Q3	Full Year Results	Q1-Q3	Changes	Full Year Forecasts	Changes
Net sales	255.6	343.2	257.6	2.0	360.0	16.8
Operating income	41.3	44.3	34.9	(6.4)	55.0	10.7
Operating income margin	16.2%	12.9%	13.6%	(2.6pt)	15.3%	2.4pt
Ordinary income	50.8	54.7	40.9	(9.9)	55.0	0.3
Ordinary income margin	19.9%	15.9%	15.9%	(4.0pt)	15.3%	(0.6pt)
Profit attributable to owners of parent	46.3	49.2	26.7	(19.6)	38.5	(10.7)
Depreciation and amortization	5.1	6.9	5.3	0.2	9.9	3.0
Capital expenditure	7.2	9.6	8.2	1.0	11.7	2.1

Consolidated Statement of Income

Q3, FY2024/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2023	Fiscal Year Ending March 31, 2024	
	Q1-Q3	Q1-Q3	Changes
Net sales	255.6	257.6	2.0
Digital Entertainment	184.3	179.6	(4.7)
Amusement	40.8	44.8	4.0
Publication	21.0	22.7	1.7
Merchandising	11.9	12.4	0.5
Eliminations or unallocated	(2.6)	(2.0)	0.6
Operating income	41.3	34.9	(6.4)
Digital Entertainment	38.7	30.7	(8.0)
Amusement	4.1	5.4	1.3
Publication	8.3	8.9	0.6
Merchandising	2.8	3.2	0.4
Eliminations or unallocated	(12.7)	(13.4)	(0.7)
Operating income margin	16.2%	13.6%	(2.6pt)
Digital Entertainment	21.0%	17.1%	(3.9pt)
Amusement	10.0%	12.2%	2.2pt
Publication	39.7%	39.3%	(0.4pt)
Merchandising	24.4%	25.8%	1.4pt
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of December 31, 2023

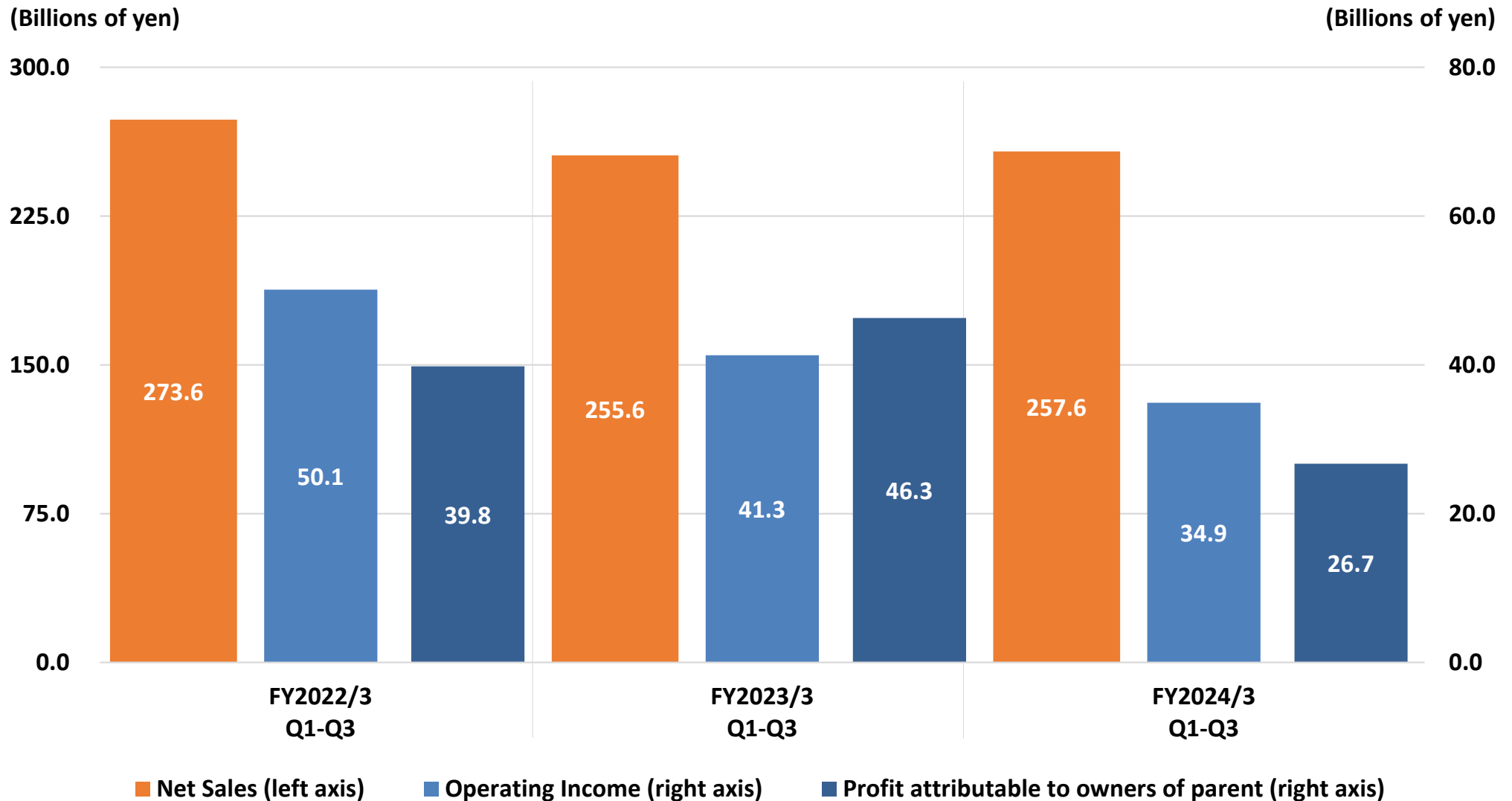
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2023	12/2023	Changes	Account	03/2023	12/2023	Changes
Cash and deposits	193.5	197.8	4.3	Notes and accounts payable	23.5	23.5	0.0
Notes and accounts receivable	39.9	48.6	8.7	Income taxes payable	3.4	5.5	2.1
Inventories	5.7	6.2	0.5	Refund liabilities	5.1	5.1	0.0
Content production account	87.2	93.3	6.1	Others	39.5	41.3	1.8
Others	15.9	11.0	(4.9)	Total Current Liabilities	71.7	75.6	3.9
Total Current Assets	342.2	357.2	15.0	Non-current Liabilities	10.6	10.5	(0.1)
Property and equipment	17.7	20.8	3.1	Total Liabilities	82.3	86.1	3.8
Intangible Assets	5.8	5.5	(0.3)	Total Shareholders' Equity	324.7	337.5	12.8
Investments and other assets	33.7	31.8	(1.9)	Others	(7.4)	(8.2)	(0.8)
Total Non-current Assets	57.3	58.2	0.9	Total Net Assets	317.2	329.2	12.0
Total Assets	399.6	415.4	15.8	Total Liabilities and Net Assets	399.6	415.4	15.8

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

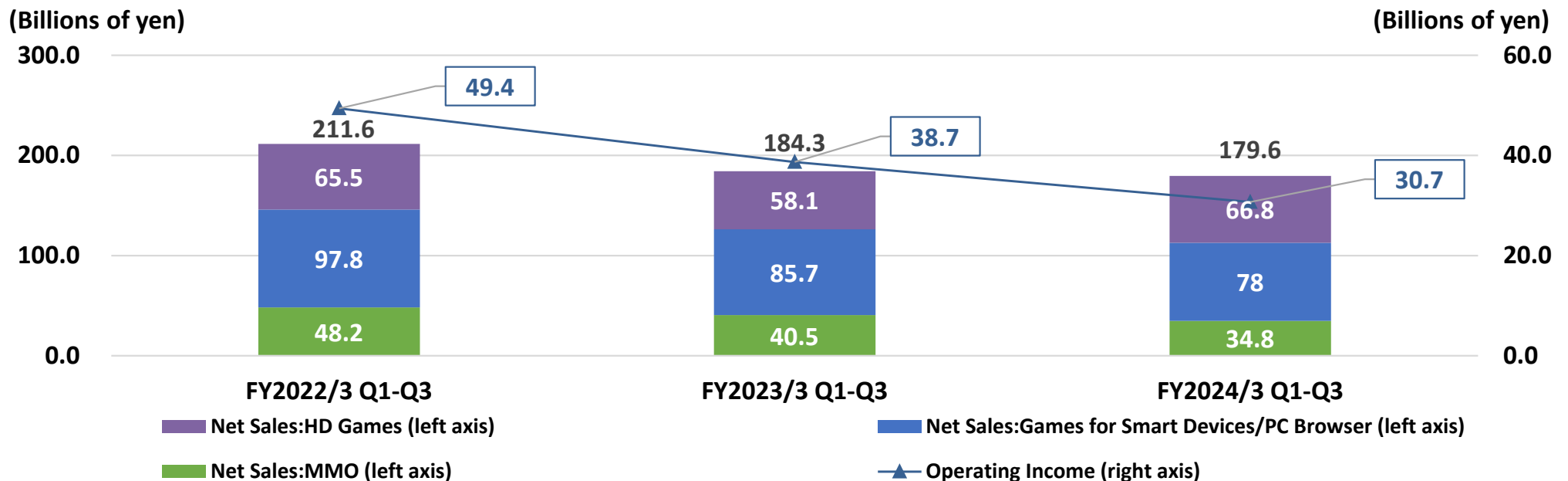
Net sales up, operating income and net income down YoY



Digital Entertainment

Despite new releases from the HD Game sub-segment, including a major title, net sales & operating income fell YoY, partly due to YoY declines in MMO and Games for Smart Devices/PC Browser sales, as well as to increased development cost amortization and advertising spending

HD Games	Launched new titles such as “FINAL FANTASY XVI,” “FINAL FANTASY PIXEL REMASTER” and “DRAGON QUEST MONSTERS: The Dark Prince”
MMO	Net sales down YoY
Games for Smart Devices/PC Browser	New titles were unable to offset weak performances from existing titles



Digital Entertainment -Main titles 1-

HD Games: Plan to launch new titles, some featuring key IPs

HD Game: Major new titles in FY2024/3



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PlayStation 4/Nintendo Switch: Launched on Apr 20, 2023



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Launched on Jun 22, 2023



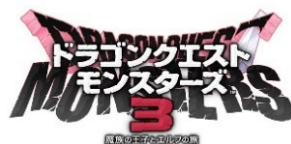
© SANJO RIKU, INADA KOJI/ SHUEISHA, The Adventure of Dai Project
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Launched on Sep 28, 2023
*Steam: Launched on Sep 29, 2023



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Original version developed by tri-Ace Inc.

Launched on Nov 2, 2023
*Steam: Launched on Nov 3, 2023



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SQUARE ENIX

Launched on Dec 1, 2023



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To be launched on Feb 6, 2024



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CHARACTER DESIGN: TETSUYA NOMURA/
ROBERTO FERRARI
LOGO ILLUSTRATION: © 1997 YOSHITAKA AMANO

To be launched on Feb 29, 2024

Digital Entertainment -Main titles 2-

MMO: Planning various initiatives celebrating the 10th anniversary of “FINAL FANTASY XIV: A Realm Reborn”

MMO : Main titles in operation



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“FINAL FANTASY XIV: DAWNTRAIL”
To be launched in summer 2024



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Latest Expansion Package
To be launched on Mar 21, 2024

Digital Entertainment -Main titles 3-

Games for Smart Devices/PC Browser: Planning multiple new launches going forward

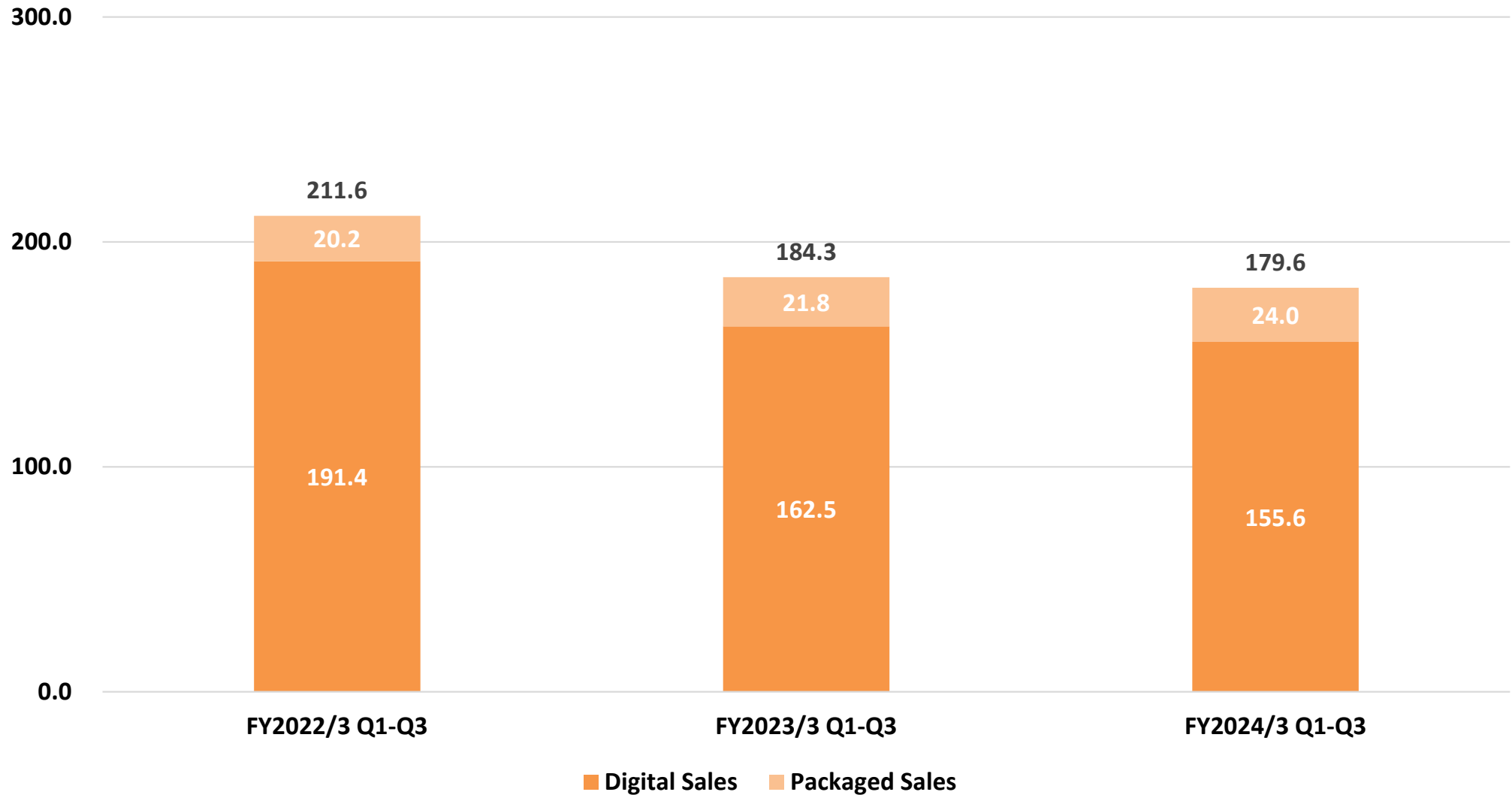
Major Operating Titles (Month and year indicate each title's launch timing)

<p>Aug 2010 (PC Browser game)</p>  <p>© SQUARE ENIX.</p>	<p>Apr 2014</p>  <p>©SQUARE ENIX</p>	<p>Sep 2014</p>  <p>Alliance with DeNA Co., Ltd. (Published by DeNA Co., Ltd.) © SQUARE ENIX ©DeNA Co., Ltd.</p>	<p>Oct 2015</p>  <p>© SQUARE ENIX LOGO ILLUSTRATION: © YOSHITAKA AMANO</p>	<p>Oct 2015</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ SQUARE ENIX</p>	<p>Dec 2018</p>  <p>© SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Akatsuki Inc.</p>
<p>Jul 2019</p>  <p>©2019 TOARU-PROJECT © SQUARE ENIX</p>	<p>Sep 2019</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ SQUARE ENIX</p>	<p>Nov 2019</p>  <p>© SQUARE ENIX Co-Developed by gumi Inc. LOGO ILLUSTRATION: © YOSHITAKA AMANO</p>	<p>Jul 2020</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ SQUARE ENIX</p>	<p>Oct 2020</p>  <p>© SQUARE ENIX</p>	<p>Feb 2021</p>  <p>© SQUARE ENIX Developed by Appilbot, Inc.</p>
<p>Dec 2021</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ NHN PlayArt/SQUARE ENIX</p>	<p>Feb 2023</p>  <p>© SQUARE ENIX.</p>	<p>Jun 2023</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ KOEI TECMO GAMES/SQUARE ENIX</p>	<p>Sep 2023</p>  <p>© SQUARE ENIX Powered by Appilbot, Inc. CHARACTER DESIGN: TETSUYA NOMURA / CHARACTER ILLUSTRATION: LISA FUJISE</p>		

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

Breakdown of Digital Entertainment sales

(Billions of yen)



Digital Entertainment --Units Sold by Region--

Units Sold = Packaged + Downloads

Packaged: Unit sales of packaged software sold in the fiscal year

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

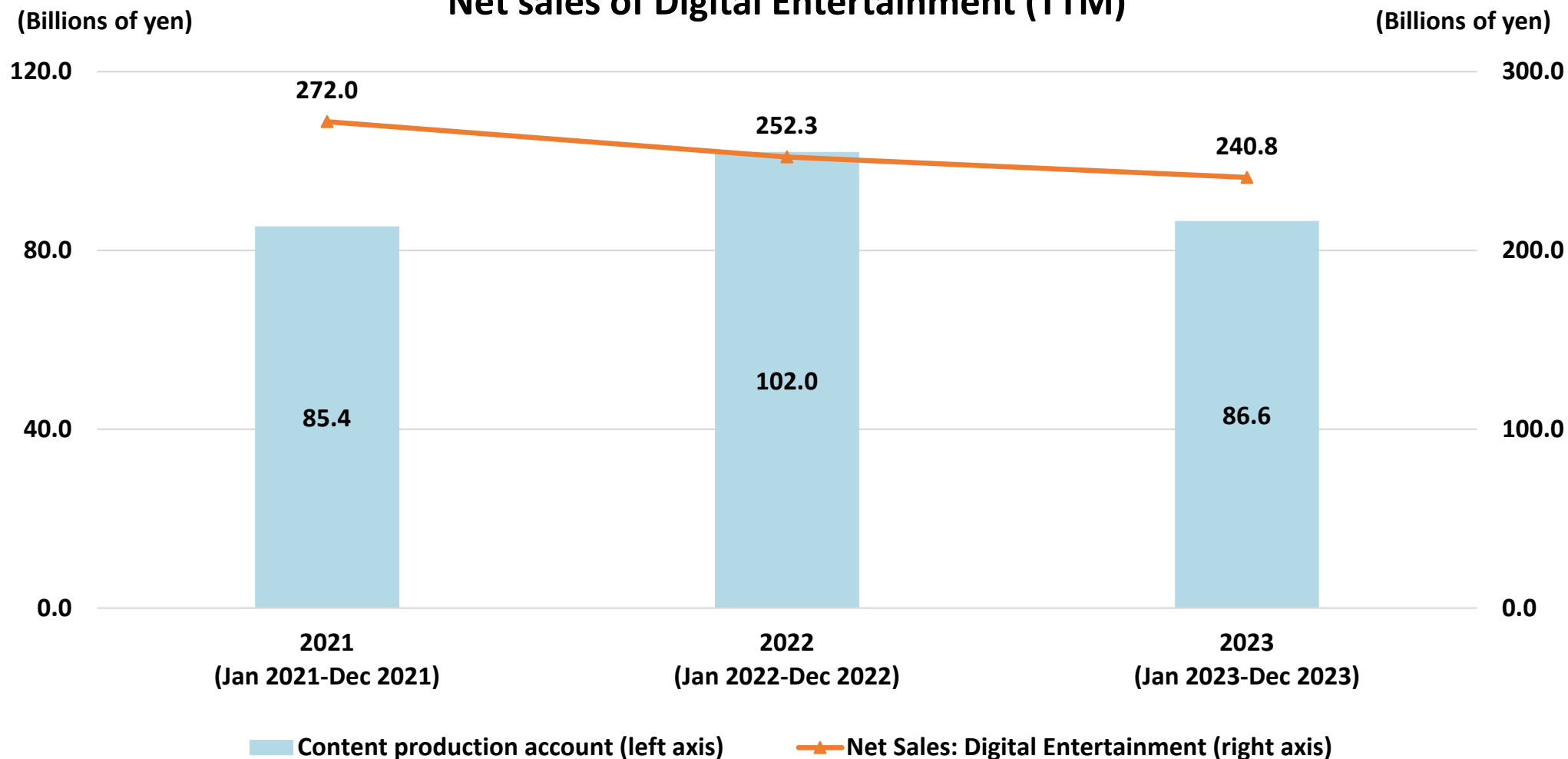
(Millions of Units Sold)

Region	FY2023/3 Q1-Q3			FY2024/3 Q1-Q3		
	Packaged	Download	Total	Packaged	Download	Total
Japan	1.84	2.28	4.12	1.36	3.41	4.77
North America/ Europe	2.52	7.91	10.43	2.21	9.21	11.42
Asia, etc.	0.59	1.29	1.88	0.62	1.70	2.31
Total	4.95	11.48	16.43	4.19	14.32	18.51

* 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

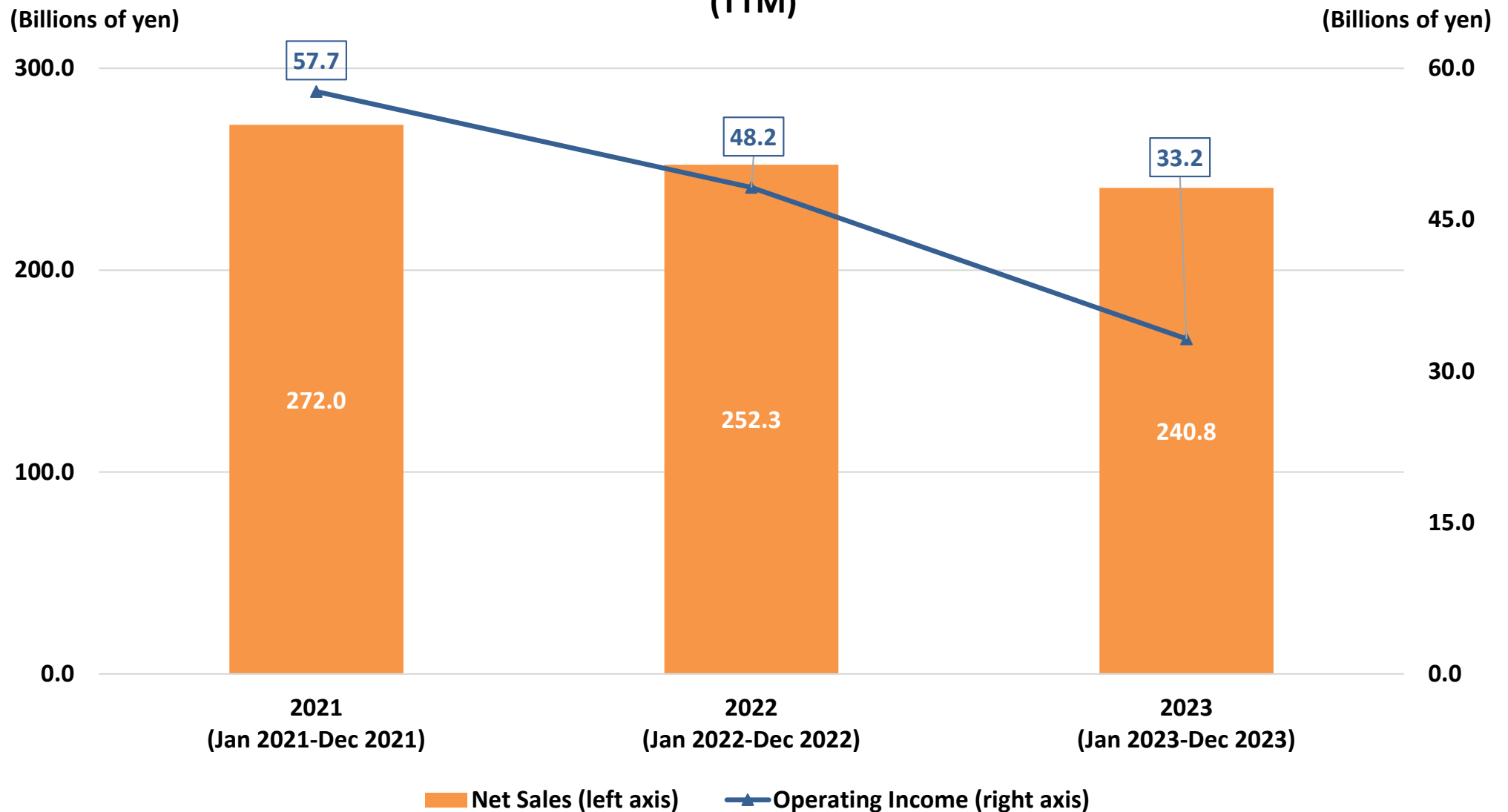
Note: Content production account balances & Net sales of Digital Entertainment (TTM)



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

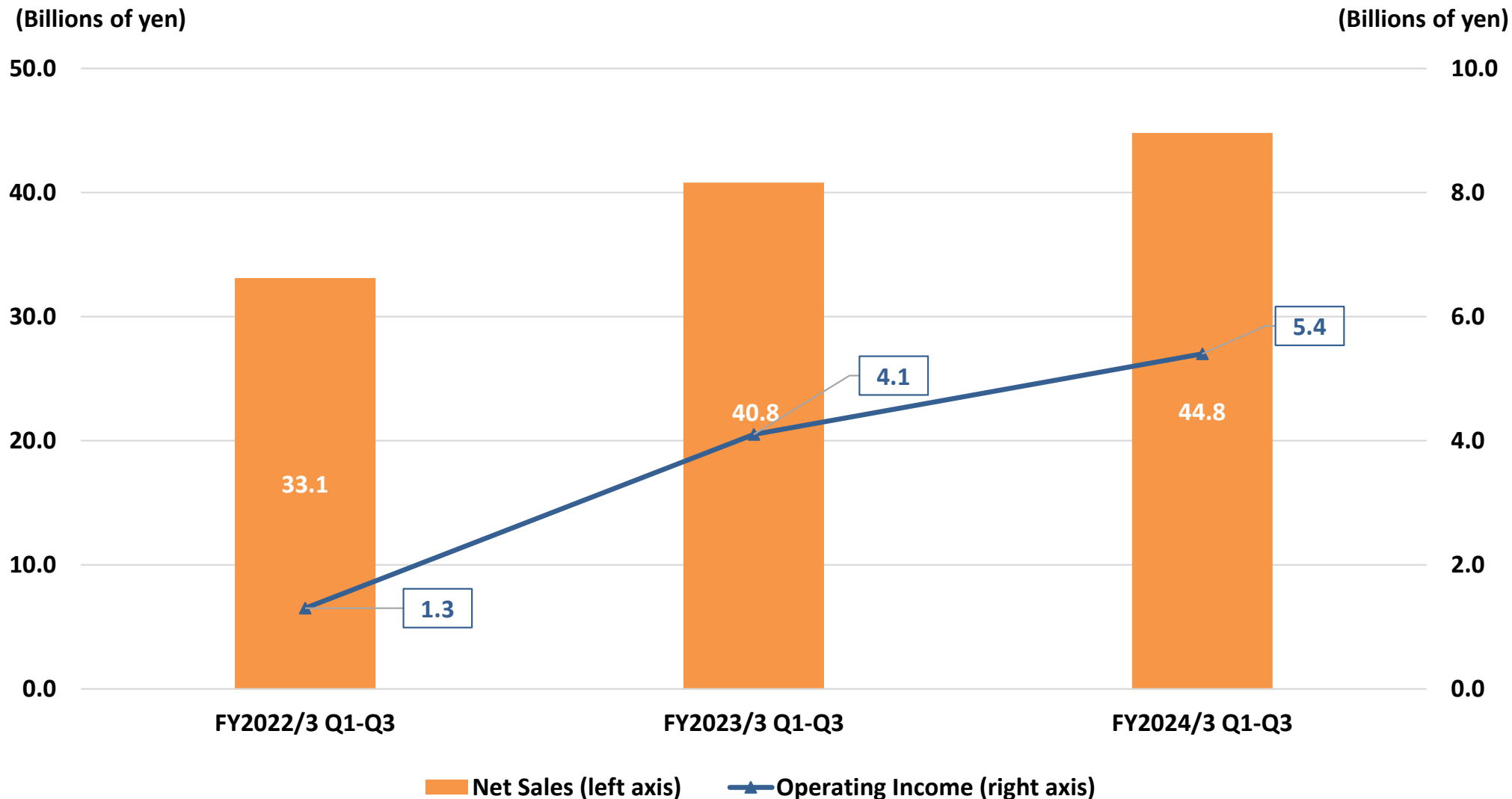
Digital Entertainment

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



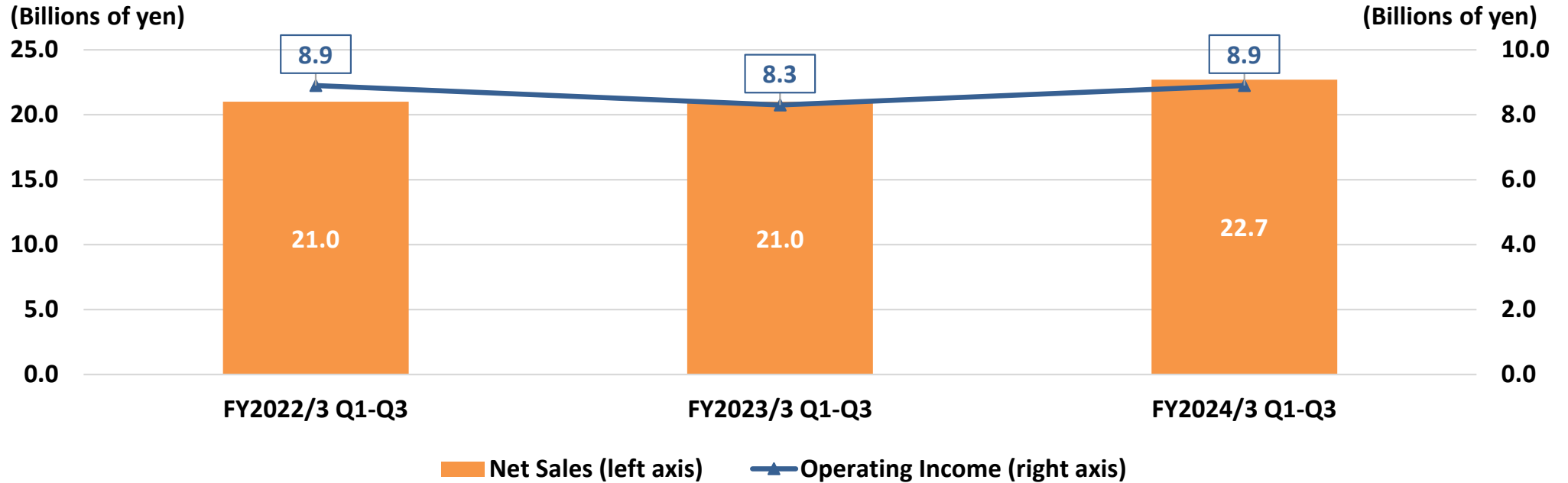
Amusement

Net sales and operating income up YoY due to rise in same-store sales



Publication

Net sales & operating income rose YoY due to YoY growth in both print and digital sales, helped by the massively popular anime TV series “The Apothecary Diaries,” which debuted in October 2023



Major Service, Titles in FY2024/3



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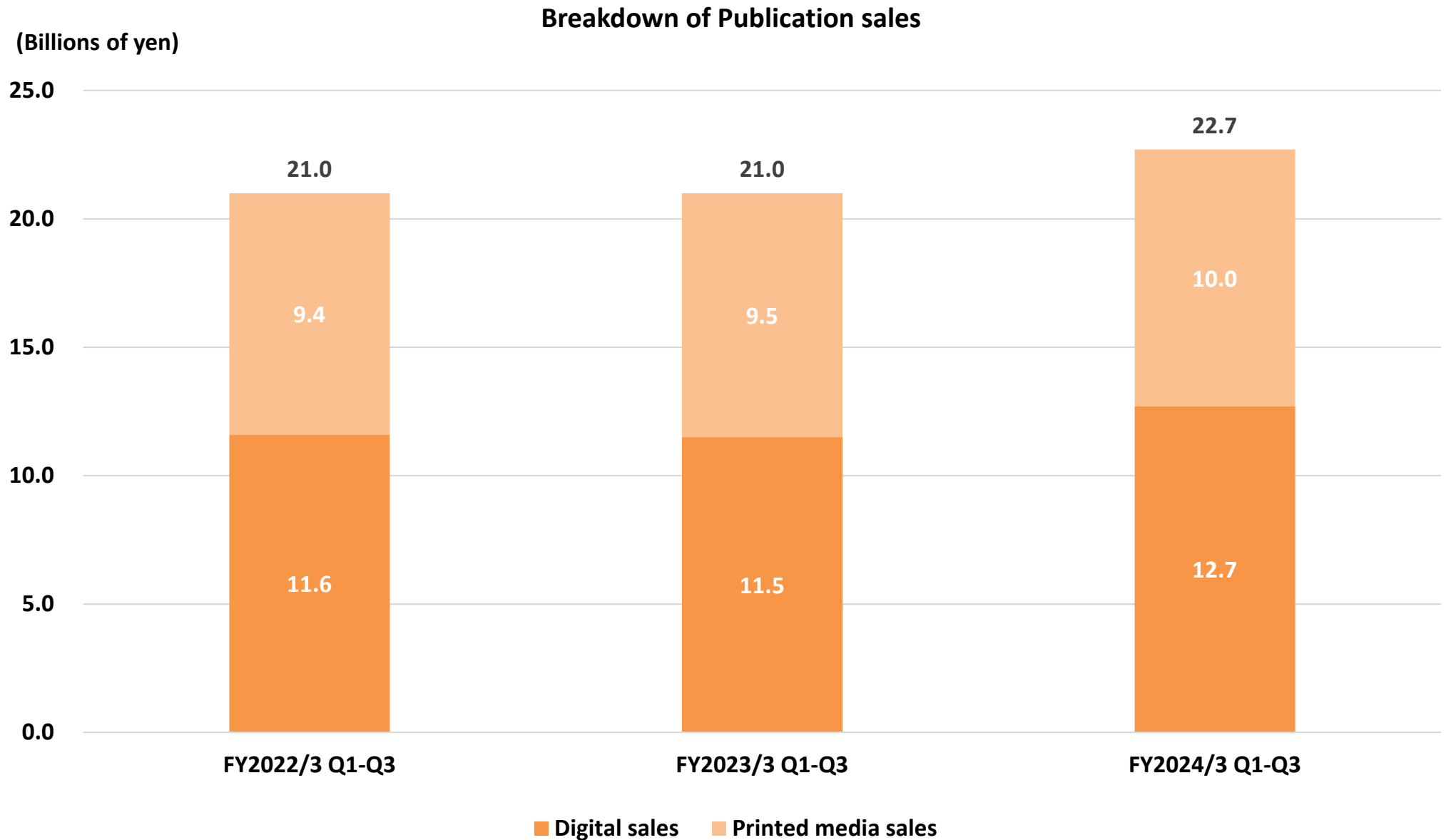


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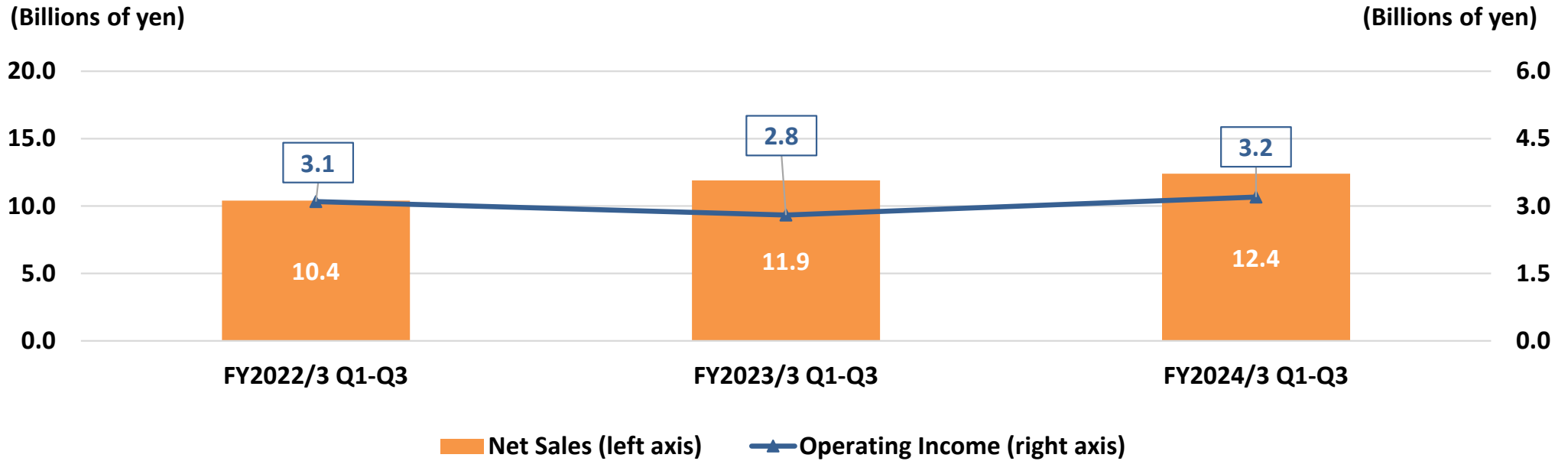
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Publication --Digital vs. Printed Media Sales--



Merchandising

Net sales and operating income up YoY due to brisk sales of new character merchandise featuring key IPs



Major Products in FY2024/3



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CHARACTER DESIGN:TETSUYA NOMURA/ROBERTO FERRARI



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