SQUARE ENIX

Progress Report on the Medium-Term Business Plan (FY2025/3-FY2027/3)

01

Executive Summary

Our 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

Mid-term Business Plan: Second Year Results and Review

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

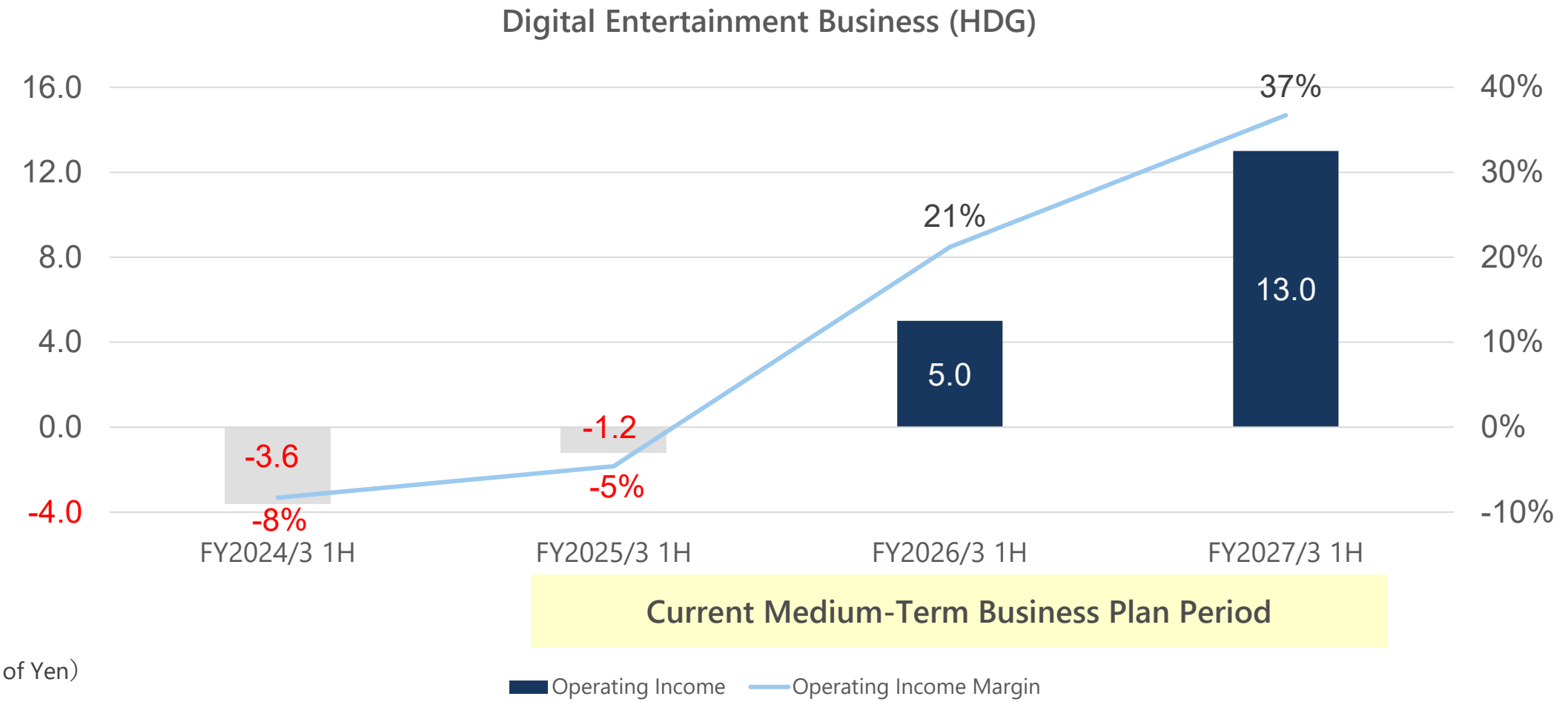
Improving Productivity through Optimization of the Development Structure in the Digital Entertainment (DE) Business	• Establishing a title launch structure for further growth • Developing new SD titles to return to a growth trajectory • Implementing initiatives focused on discovering talent to drive new IP creation
Diversifying Earnings Opportunities by Strengthening Customer Contact Points	• Expanding HD game titles across platforms and increasing catalog sales • Exploring IP-based business opportunities • Accelerating cross-business collaboration and transmedia initiatives to maximize Group IP value
Introducing Measures to Further Stabilize the Management Foundation	• Establishing a framework and guidelines to promote AI utilization in Japan • Solidifying the benefits of the fundamental restructuring of the overseas publishing organization, while refining managerial accounting under the new structure • Laying the groundwork for data infrastructure to enhance publishing operations
Capital Allocation Balancing Growth Investments and Shareholder Returns	• Continuously exploring growth investment opportunities while providing shareholder returns, with dividend levels guided by those paid in years of record-high profits

02

Progress on Key Strategies in the Medium-Term Business Plan

Improving Productivity through Optimization of the Development Structure in the Digital Entertainment (DE) Business

HDG's profitability improved substantially, driven by expanded multiplatform releases and stronger catalog title sales.



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Improving Productivity through Optimization of the Development Structure in the Digital Entertainment (DE) Business

For major IPs, efforts are being made to expand catalog title sales and establish a development structure that enables the regular launch of new titles. In parallel, the Group is also focusing on rebooting existing IP and creating and nurturing new IP.

FINAL FANTASY

Launched FINAL FANTASY RESONANCE, the first HD-2D title in the FINAL FANTASY series

Launched FINAL FANTASY VII REMAKE INTERGRADE, FINAL FANTASY XIV and FINAL FANTASY VII REBIRTH for Nintendo Switch™ 2

FINAL FANTASY XIV: Evercold
To be Launched in February 2027

DRAGON QUEST

Reactivating Catalog Titles to Strengthen Engagement with Existing Customers and Expand Reach to New Audiences

DRAGON QUEST MONSTERS: The Withered World
To be Launched in December 2026

Launched DRAGON QUEST XI S: Echoes of an Elusive Age – Definitive Edition for Nintendo Switch™ 2

PARANORMASIGHT The Mermaid's Curse

THE ADVENTURES OF ELLIOT THE MILLENNIUM TALES

Romancing SaGa 2 Revenge of the Seven

FINAL FANTASY VII REVELATION
To be Launched in April 2027

DRAGON QUEST XII: Beyond Dreams
To be Launched

Romancing SaGa 3: Destinies United
To be Launched in February 2027

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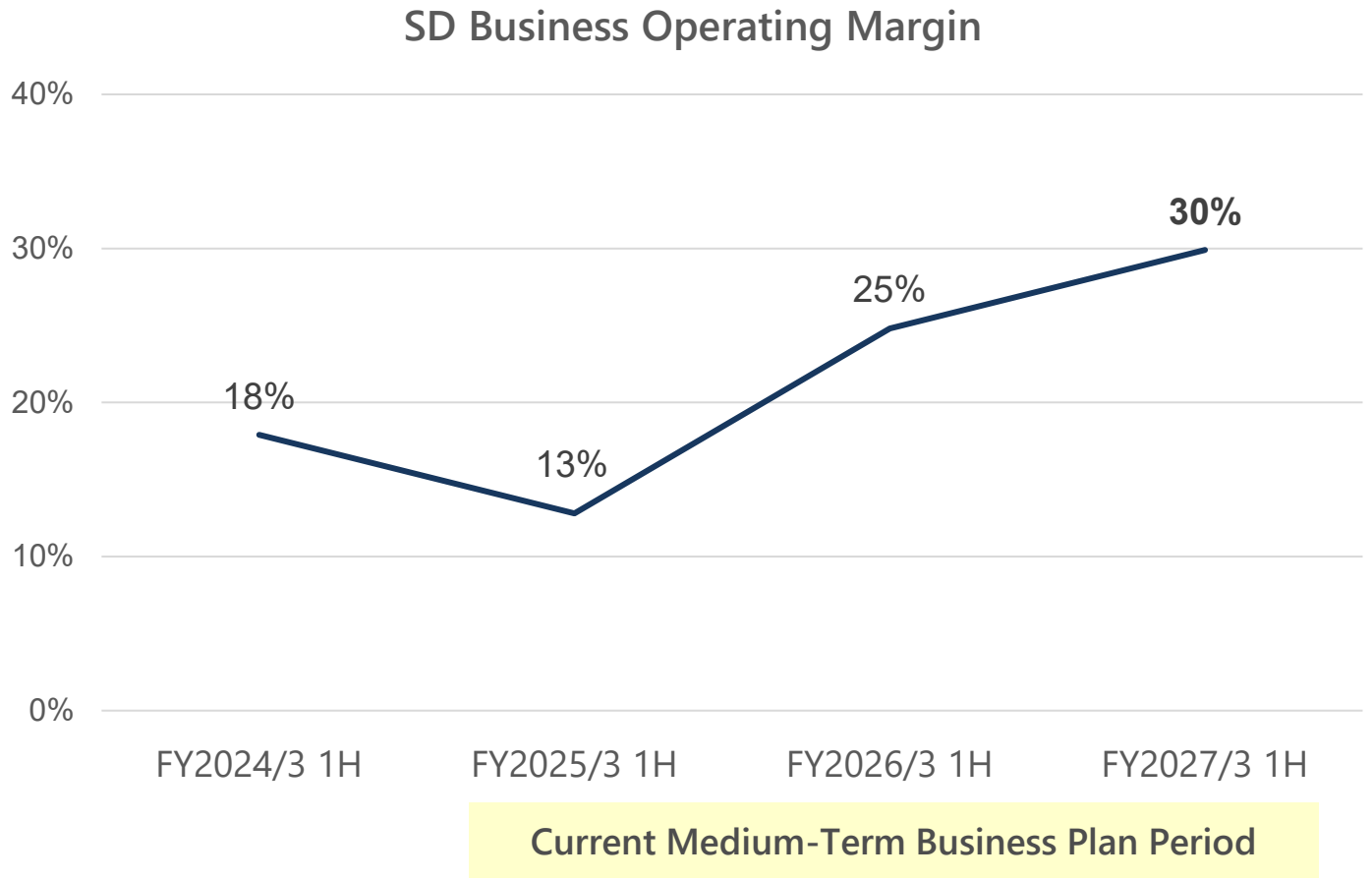
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Improving Productivity through Optimization of the Development Structure in the Digital Entertainment (DE) Business

The SD business is steadily strengthening its earnings structure by optimizing the cost structures of live-service titles, by reviewing the cost structures and payment methods of live-service titles, as well as its title portfolio. Development of new titles is also underway to support future growth.



Launched in April 2026



Global Launch Planned for 2027



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Developed by KLabGames

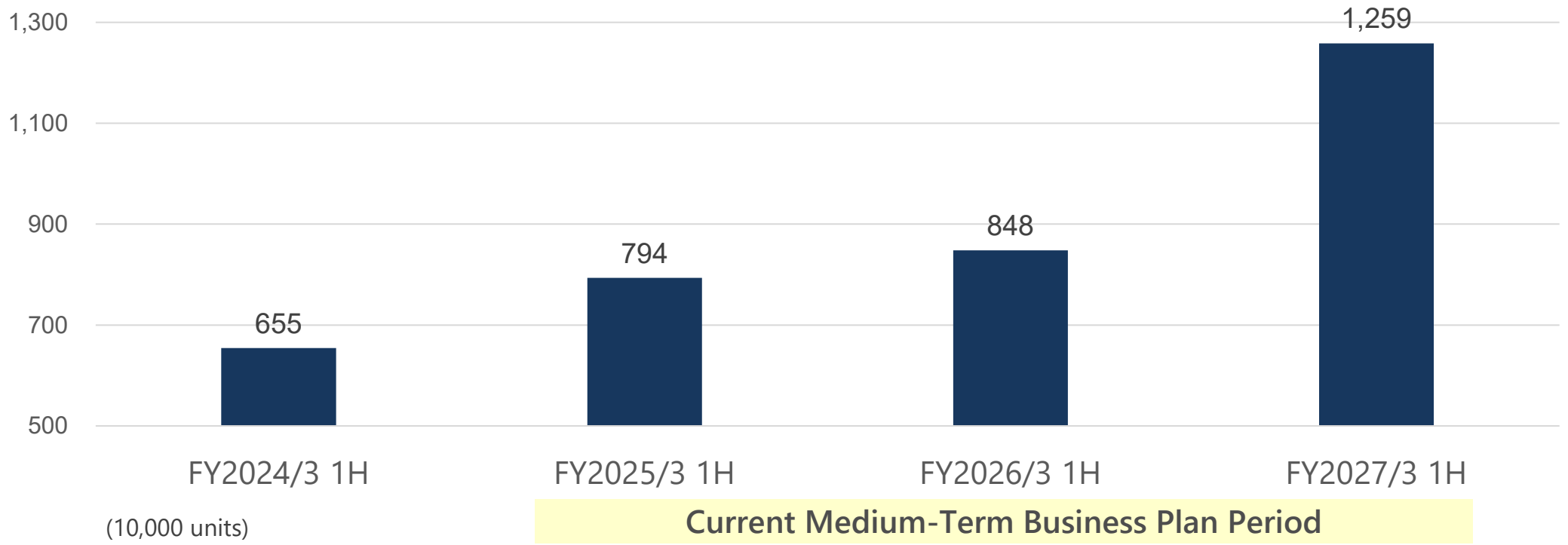
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Developed by WRIGHT FLYER STUDIOS

Diversifying Earnings Opportunities by Strengthening Customer Contact Points

Digital Entertainment

Strategic promotion of catalog titles has driven steady growth in unit sales, with the aim of expanding the fan base and growing operating income to maximize sales of new titles.

Catalog Title Unit Sales



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Diversifying Earnings Opportunities by Strengthening Customer Contact Points

Merchandising

Steady growth is being achieved by expanding customer touchpoints through anniversary initiatives and official licensed stores, while maximizing IP value and diversifying revenue opportunities.



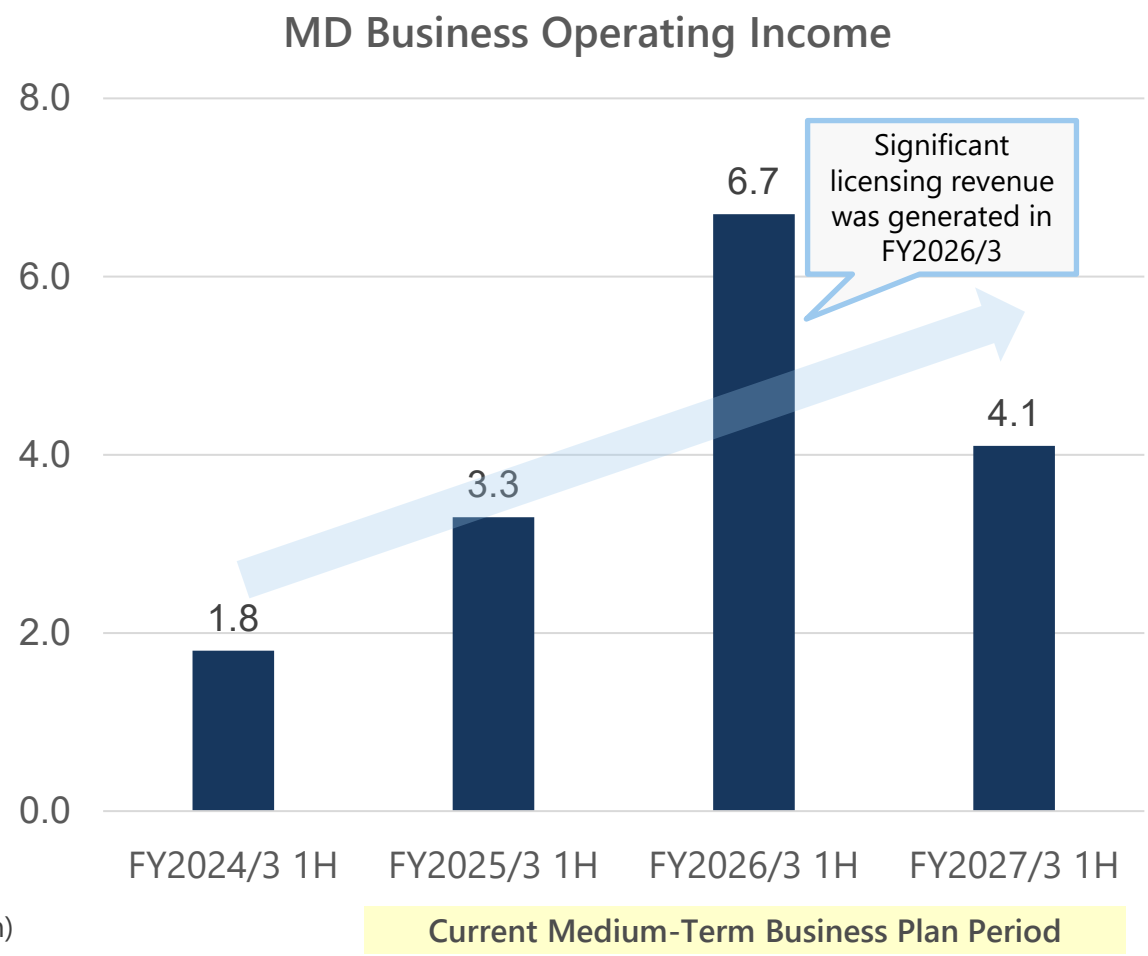


Revenue from merchandise and licensing was diversified through initiatives marking DRAGON QUEST's 40th and FINAL FANTASY X's 25th anniversaries.





Official stores and cafés opened in Japan and overseas
(Shinjuku, Los Angeles, Shanghai and Seoul)



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Diversifying Earnings Opportunities by Strengthening Customer Contact Points

Publication

The Publishing business focuses on sustaining growth in overseas markets and expanding business opportunities through anime and live-action adaptations of manga.

Anime adaptations raising awareness in Japan and overseas

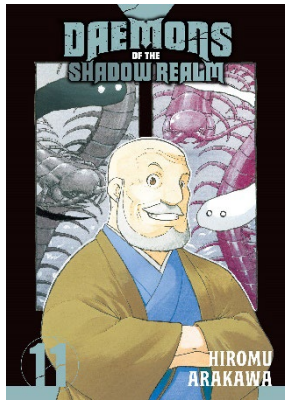


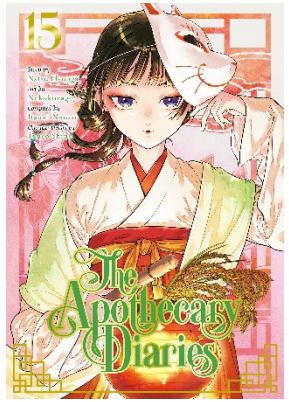
Daemons of the Shadow Realm



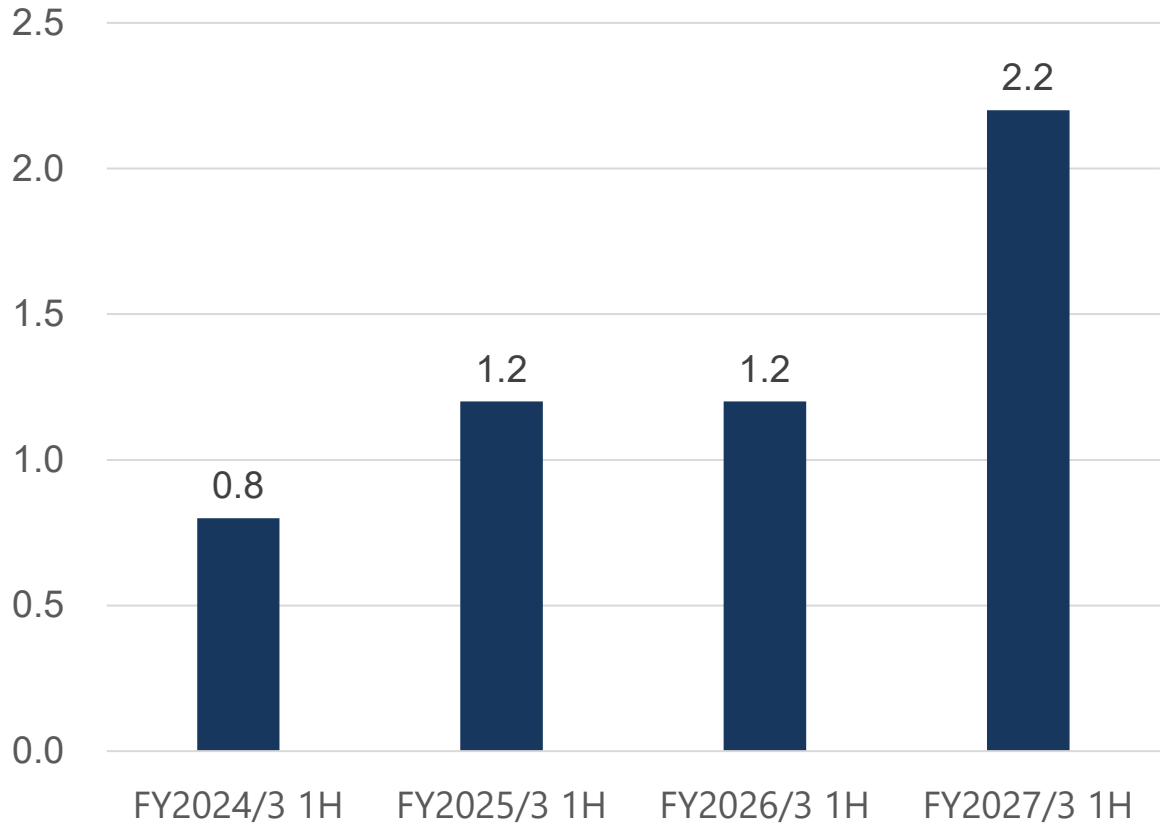
The Apothecary Diaries

Focus also on publishing manga for overseas markets





Publication Business Overseas Sales



(Billions of Yen)

Current Medium-Term Business Plan Period

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Diversifying Earnings Opportunities by Strengthening Customer Contact Points

Amusement

In Japan, the offering of prize merchandise and other products featuring proprietary IP is being expanded, while overseas, the expansion of franchise stores is accelerating, broadening revenue opportunities in both markets.



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オリジナルクラフトビール発売

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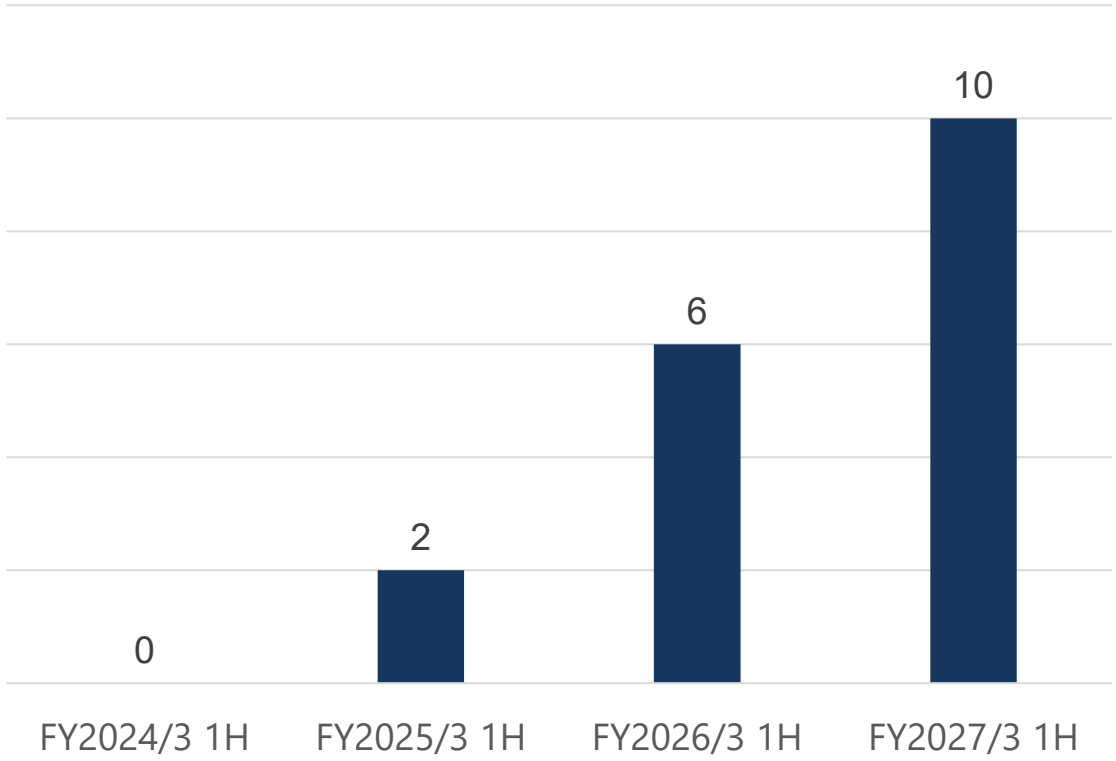


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Number of Overseas Franchise Store in the Amusement Business



Current Medium-Term Business Plan Period

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Introducing Measures to Further Stabilize the Management Foundation

Overseas organizational restructuring, domestic organizational and HR initiatives, and business infrastructure development have progressed steadily, with most key measures now in place. Going forward, efforts will focus on embedding these measures and further refining their implementation and operation to strengthen the management foundation.

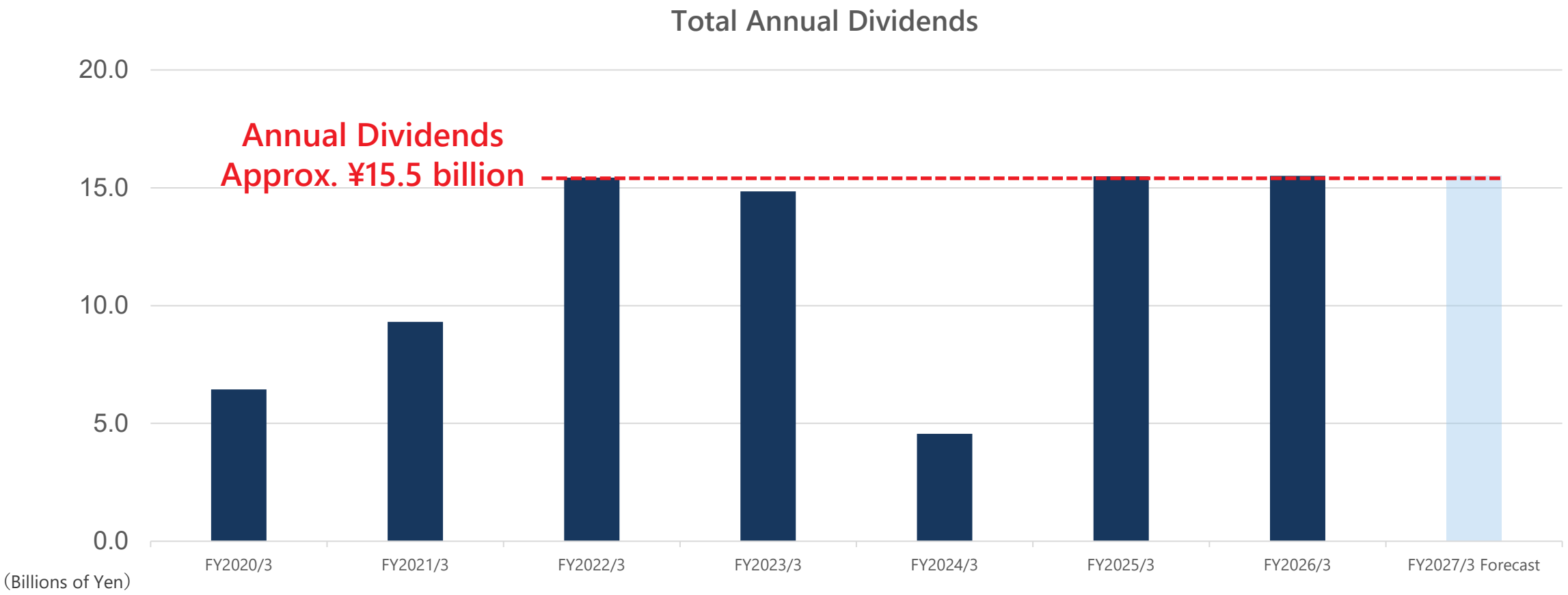
<Policy Direction>

Review of the functions and organizational structure of overseas business divisions	✓ **Overseas restructuring** Embed the new organizational structure and strengthen collaboration
Introduction of organizational and HR initiatives to enhance creativity and productivity in domestic operations	✓ **New HR system** Promote adoption and continuous improvement
Development of business infrastructure to enhance employee productivity	✓ **Promoting AI utilization** Enhance managerial accounting accuracy and further refine operational practices

Capital Allocation Balancing Growth Investments and Shareholder Returns

The Company's shareholder returns to date and outlook are as follows:

Dividend payments benchmarked to the level in the fiscal year ended March 2022, when the Company achieved record-high earnings

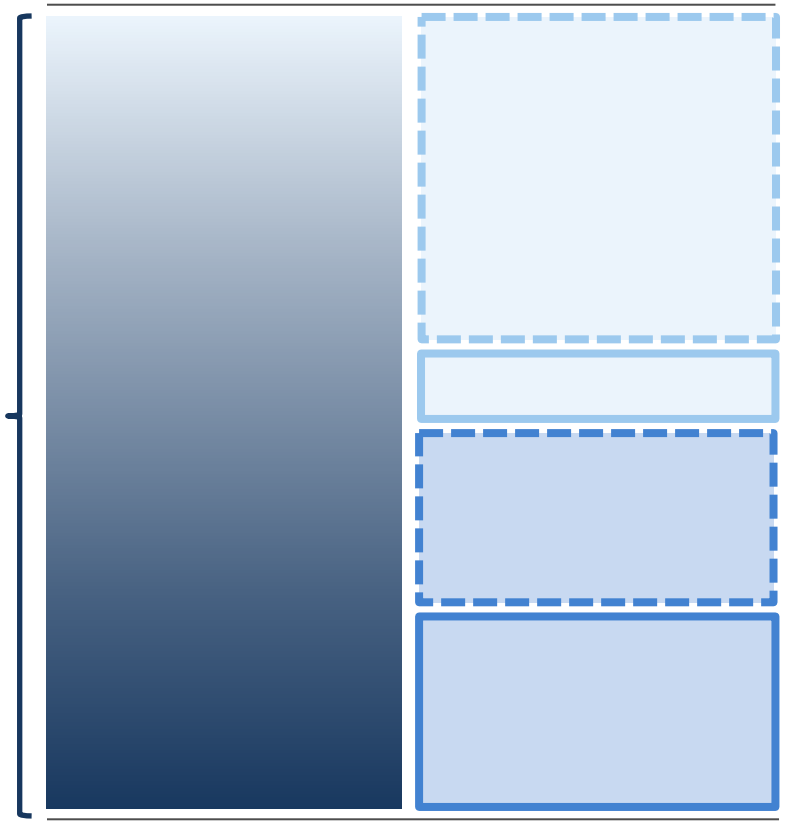


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Capital Allocation Balancing Growth Investments and Shareholder Returns

For capital allocation under this Medium-Term Business Plan, the following framework serves as the basic approach, balancing growth investment and shareholder returns.

Strategic Investments: ¥80–100 billion in total



M&A and Investments

- Inorganic investments leveraging the Group's business expertise to expand and stabilize operations
- Selective investment in opportunities that enhance corporate value
- Strategic investments in areas such as AI and data marketing

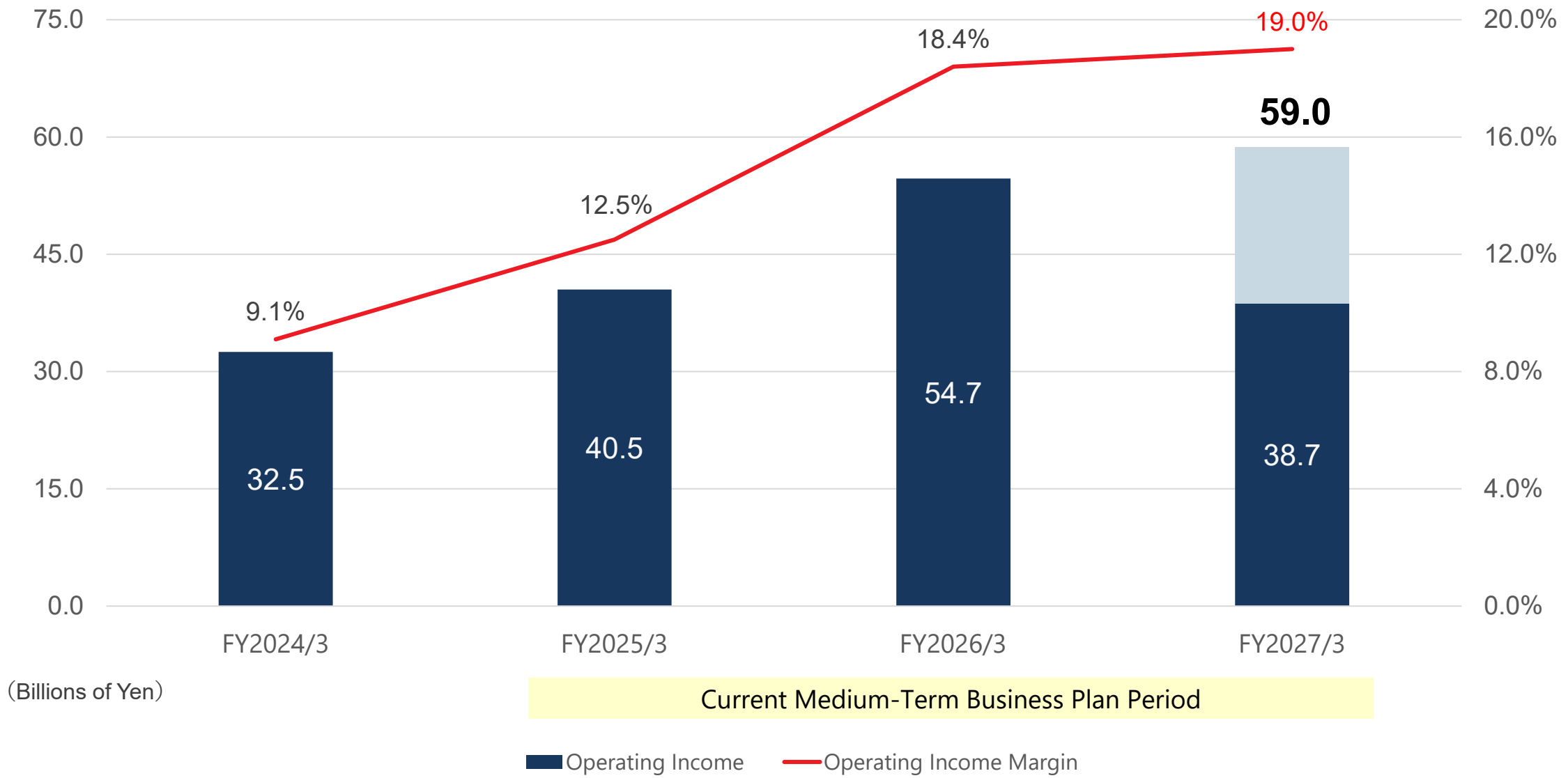
Shareholder Returns

- Current dividend forecast for the fiscal year ending March 2027: ¥15.5 billion
- Comprehensive consideration of future market conditions, growth investments, and other factors

03

Consolidated Financial Forecasts: Fiscal Year ending March 31, 2027

Consolidated Financial Forecasts: Fiscal Year ending March 31, 2027



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Consolidated Financial Forecasts: Fiscal Year Ending March 31, 2027

(Billions of Yen)

	Fiscal Year Ending March 31, 2027	Fiscal Year Ending March 31, 2027	
	Initial Full-Year Plan	Revised Full-Year Plan	Changes
Net Sales	298.0	310.0	12.0
Operating Income	49.0	59.0	10.0
Operating Income Margin	16.4%	19.0%	2.6pt
Ordinary Income	49.0	59.0	10.0
Ordinary Income Margin	16.4%	19.0%	2.6pt
Profit attributable to owners of parent	31.0	37.0	6.0
Dividends per share			(Yen)
Interim	18	18	—
Year-end	25	25	—
Total	43	43	—

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