



Financial Results Briefing Session

Three-Month Period Ended June 30, 2020

August 6, 2020

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
First Quarter of Fiscal Year
Ending March 31, 2021

Consolidated Statement of Income

Q1, FY2021/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ending March 31, 2021	
	Apr - June 2019	Apr - June 2020	Changes
Net sales	53.3	87.0	33.7
Operating income	7.1	24.5	17.4
Operating income margin	13.5%	28.2%	14.7pt
Ordinary income	6.2	24.1	17.9
Ordinary income margin	11.8%	27.8%	16.0pt
Profit attributable to owners of parent	4.1	14.3	10.2
Depreciation and amortization	1.6	1.7	0.1
Capital expenditure	1.4	1.5	0.1

Consolidated Statement of Income

Q1, FY2021/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ending March 31, 2021	
	Apr - June	Apr - June	Changes
Net sales	53.3	87.0	33.7
Digital Entertainment	37.1	74.3	37.2
Amusement	10.8	4.6	(6.2)
Publication	3.8	5.4	1.6
Merchandising	1.9	3.1	1.2
Eliminations or unallocated	-0.4	-0.5	(0.1)
Operating income	7.1	24.5	17.4
Digital Entertainment	7.6	26.0	18.4
Amusement	0.6	-1.5	(2.1)
Publication	1.2	2.3	1.1
Merchandising	0.1	1.2	1.1
Eliminations or unallocated	-2.5	-3.5	(1.0)
Operating income margin	13.5%	28.2%	14.7pt
Digital Entertainment	20.5%	35.1%	14.6pt
Amusement	6.3%	-32.9%	(39.2pt)
Publication	32.8%	43.0%	10.2pt
Merchandising	8.4%	38.2%	29.8pt
Eliminations or unallocated	-	-	-

Consolidated Statement of Income

Quarterly Comparison

(Billions of Yen)

	Fiscal Year Ended March 31, 2020				Fiscal Year Ending March 31, 2021
	Apr - June 2019	Jul - Sep 2019	Oct - Dec 2019	Jan - Mar 2020	Apr - June 2020
Net sales	53.3	67.4	68.9	70.8	87.0
Digital Entertainment	37.1	48.2	51.5	51.7	74.3
Amusement	10.8	11.9	10.8	11.9	4.6
Publication	3.8	5.1	4.8	5.5	5.4
Merchandising	1.9	2.5	2.0	2.1	3.1
Eliminations or unallocated	-0.4	-0.5	-0.3	-0.6	-0.5
Operating income	7.1	8.7	11.8	4.9	24.5
Digital Entertainment	7.6	9.0	12.8	5.8	26.0
Amusement	0.6	0.6	0.1	-0.1	-1.5
Publication	1.2	1.9	1.7	2.2	2.3
Merchandising	0.1	0.4	0.1	0.2	1.2
Eliminations or unallocated	-2.5	-3.3	-3.0	-3.3	-3.5

Consolidated Balance Sheet as of June 30, 2020

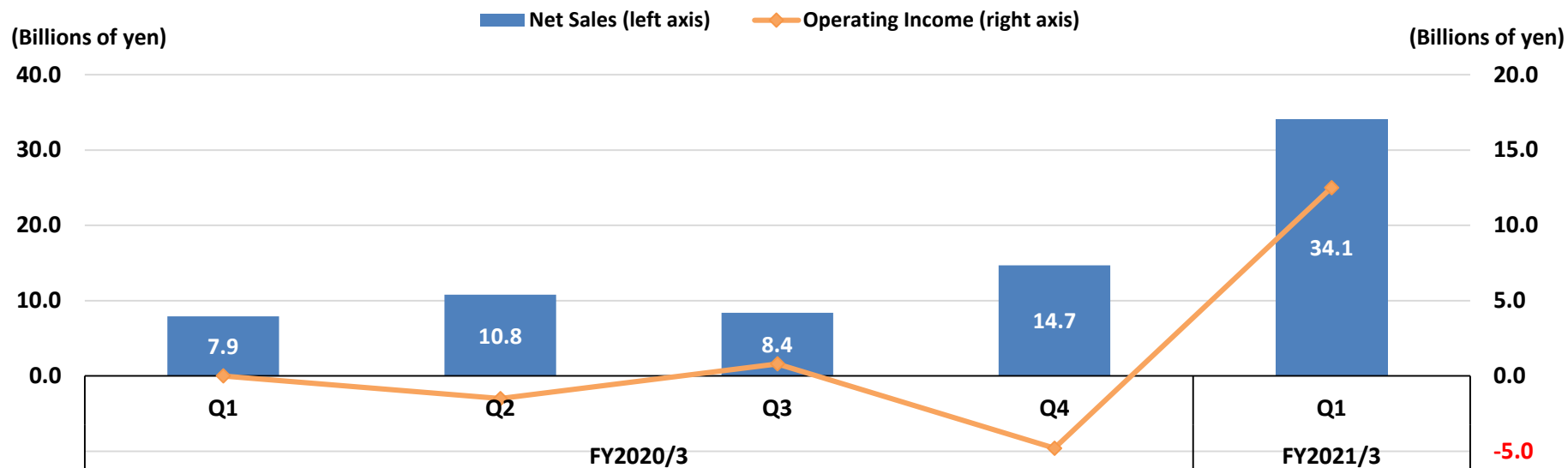
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2020	06/2020	Changes	Account	03/2020	06/2020	Changes
Cash and deposits	123.4	118.4	(5.0)	Notes and accounts payable	25.5	19.5	(6.0)
Notes and accounts receivable	41.4	42.7	1.3	Income taxes payable	10.1	4.5	(5.6)
Inventories	6.4	5.6	(0.8)	Provision for sales returns	4.2	3.7	(0.5)
Content production account	71.4	71.6	0.2	Others	29.3	26.4	(2.9)
Others	8.0	7.5	(0.5)	Total Current Liabilities	69.3	54.3	(15.0)
Total Current Assets	250.8	245.9	(4.9)	Non-current Liabilities	11.3	11.3	0.0
Property and equipment	20.5	20.2	(0.3)	Total Liabilities	80.7	65.7	(15.0)
Intangible Assets	5.3	5.2	(0.1)	Total Shareholders' Equity	226.7	235.9	9.2
Investments and other assets	25.8	25.3	(0.5)	Others	-4.8	-4.8	0.0
Total Non-current Assets	51.7	50.8	(0.9)	Total Net Assets	221.9	231.1	9.2
Total Assets	302.6	296.8	(5.8)	Total Liabilities and Net Assets	302.6	296.8	(5.8)

Progress in Each Business Segment

Digital Entertainment – HD Games

Net sales, operating income up sharply YoY owing to higher digital sales of “FINAL FANTASY VII REMAKE,” licensing income, etc.



Major Titles in FY2021/3



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

Launched on April 10, 2020



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To be launched on September 4, 2020

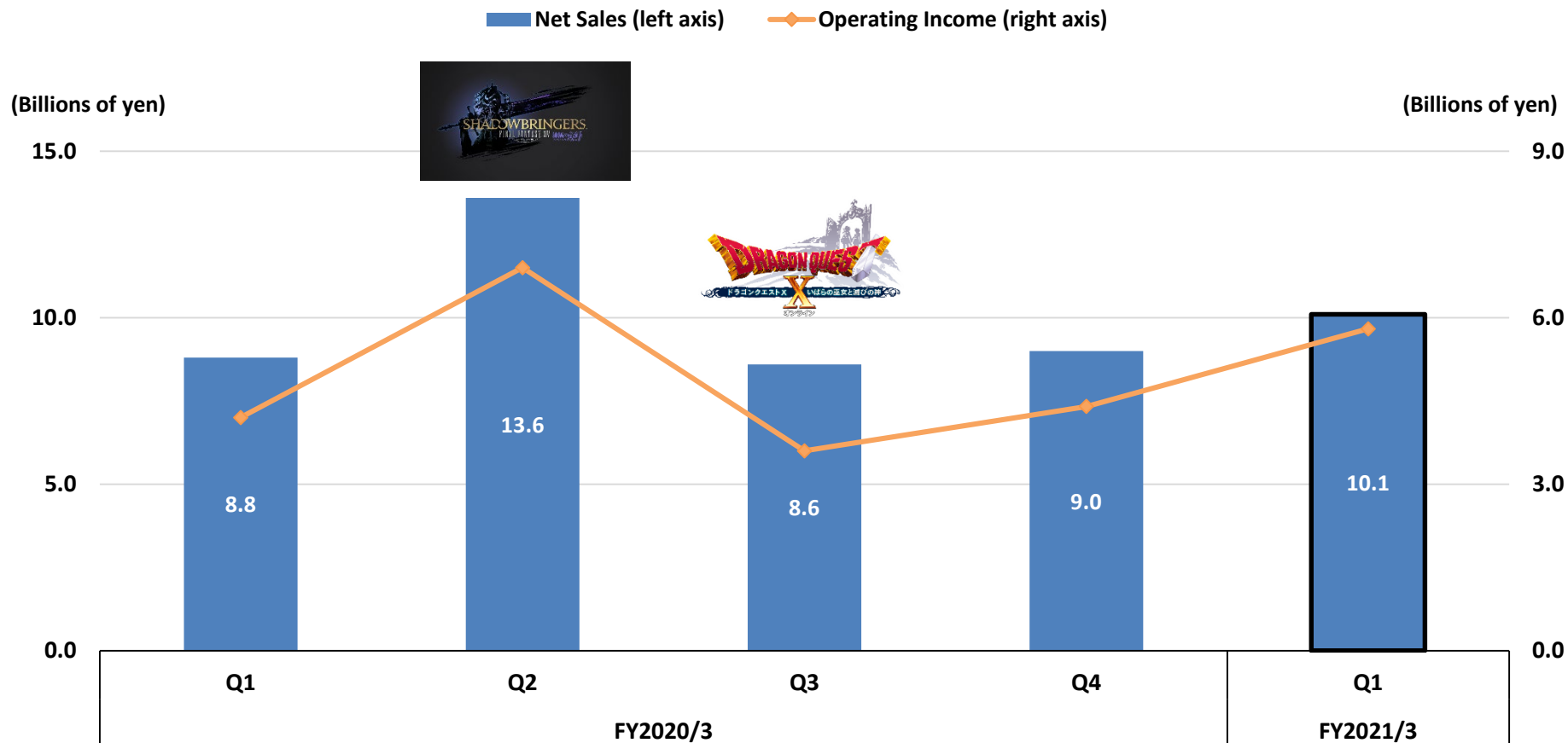


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To be launched in holiday 2020

Digital Entertainment – MMO

Net sales, operating income up YoY owing to growth in the number of monthly paying subscribers for “FINAL FANTASY XIV.”



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Digital Entertainment – Units Sold by Region

Units Sold = Sold disks + Downloads

Sold disks: Number of discs recognized on a shipment basis

Downloads: Downloads of full-length games newly released in the current and previous FY
(not including catalogue titles released prior to previous FY)

(Millions of Units Sold)

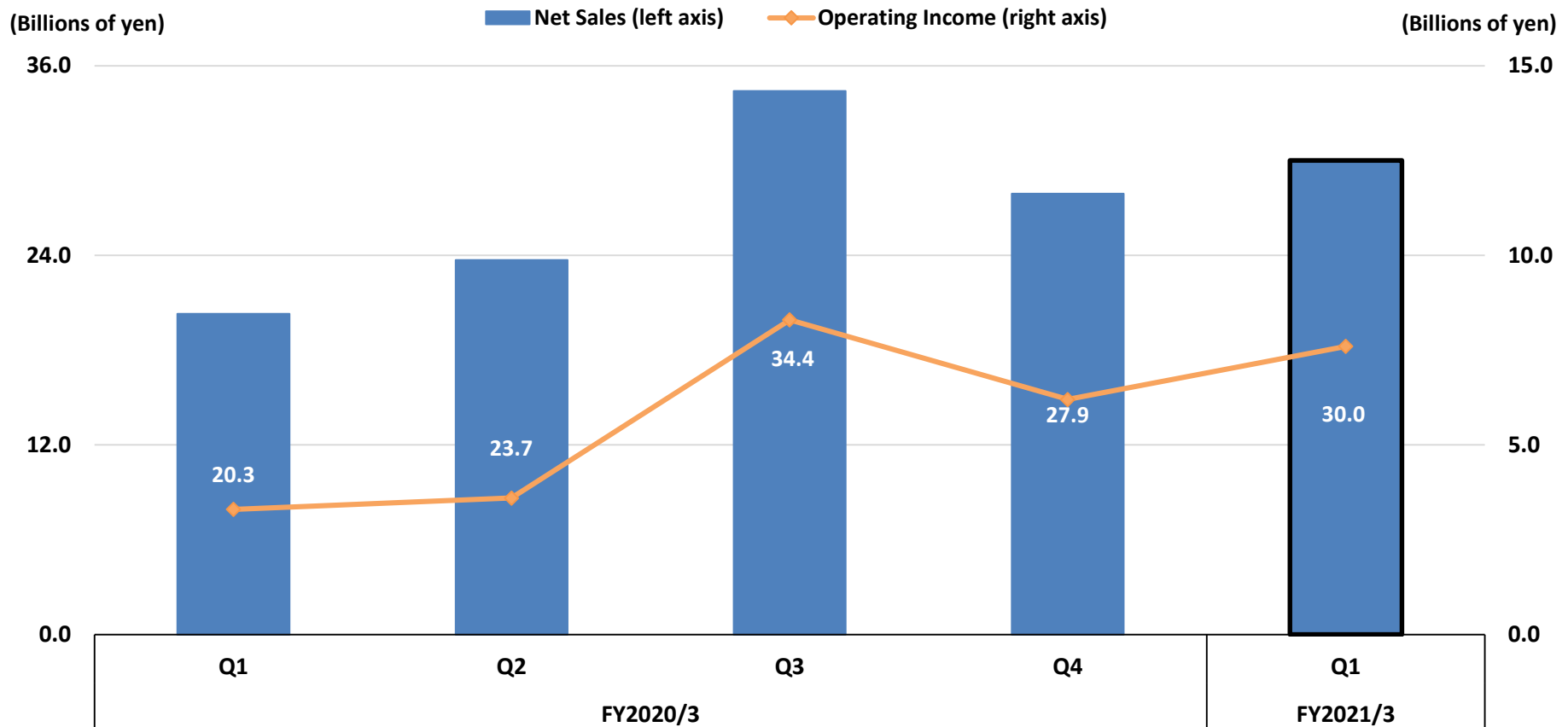
Region	FY2020/3 Q1 Results			FY2021/3 Q1 Results		
	Disc	Download	Total	Disc	Download	Total
Japan	0.39	0.25	0.64	1.34	0.84	2.18
	(Included episode units 0)			(Includes episode units 0)		
North America/ Europe	0.83	1.43	2.26	1.17	2.33	3.49
	(Included episode units 0.34)			(Includes episode units -)		
Asia, etc.	0.21	0.13	0.35	0.22	0.32	0.54
	(Included episode units 0.03)			(Includes episode units -)		
Total	1.44	1.81	3.25	2.73	3.48	6.21
	(Included episode units 0.37)			(Includes episode units 0)		

* The above numbers cover both HD and MMO games, including third-party titles for distributorship arrangements.
Each episode of episodic distribution titles is counted as one unit.

Digital Entertainment

— Games for Smart Devices/PC Browser


















Net sales, operating income up YoY owing to earnings contributions from “WAR OF THE VISIONS FINAL FANTASY BRAVE EXVIUS” and “DRAGON QUEST WALK.”



Digital Entertainment

— Games for Smart Devices/PC Browser

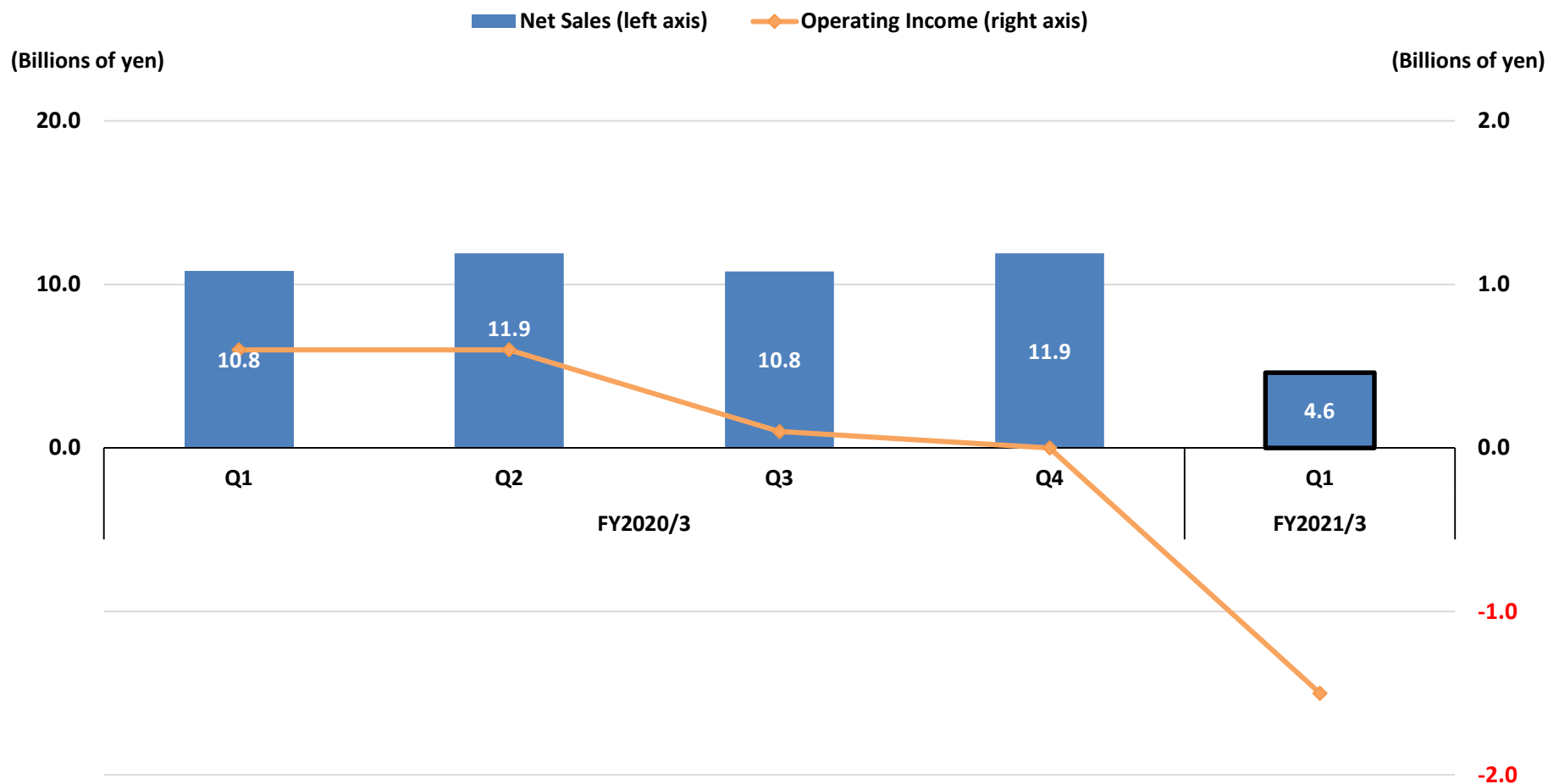
Major Operating Titles

<p>Aug 2010 (PC Browser game)</p>  <p>©2010-2020 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Jan 2014</p>  <p>©2014-2020 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO Developed by Cygames, Inc.</p>	<p>Apr 2014</p>  <p>©2014-2020 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>Sep 2015</p>  <p>© Disney Developed by SQUARE ENIX</p>	<p>Oct 2015</p>  <p>©2015-2020 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by gumi Inc. LOGO ILLUSTRATION: ©2014 YOSHITAKA AMANO</p>
<p>Oct 2015</p>  <p>©2015-2020 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO</p>	<p>Dec 2016</p>  <p>©2016-2020 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by tri-Ace Inc.</p>	<p>Feb 2017</p>  <p>©2017-2020 KOEI TECMO GAMES/ SQUARE ENIX CO., LTD. All Rights Reserved. CHARACTER DESIGN: TETSUYA NOMURA</p>	<p>Mar 2017</p>  <p>©2016-2020 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Jun 2017</p>  <p>Co-developed with Pokelabo Inc. (Published by Pokelabo Inc.) © 2017-2020 Pokelabo Inc./ SQUARE ENIX CO., LTD. All Rights Reserved</p>	<p>Mar 2018</p>  <p>© 伍箇佐計画 / 刀使ノ巫女製作委員会 © 2018 - 2020 SQUARE ENIX CO., LTD. All Rights Reserved.</p>
<p>Dec 2018</p>  <p>© 2018-2020 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Akatsuki Inc. ILLUSTRATION: TOMOMI KOBAYASHI</p>	<p>Jul 2019</p>  <p>© 2019 TOARU-PROJECT © 2019,2020 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Sep 2019</p>  <p>© 2019,2020 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>	<p>Nov 2019</p>  <p>© 2019-2020 SQUARE ENIX CO., LTD. All Rights Reserved. Co-Developed by gumi Inc. LOGO ILLUSTRATION: © 2018 YOSHITAKA AMANO</p>	<p>Jul 2020</p>  <p>© 2020 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Aiming Inc.</p>	

*Month and year indicate each title's launch timing.

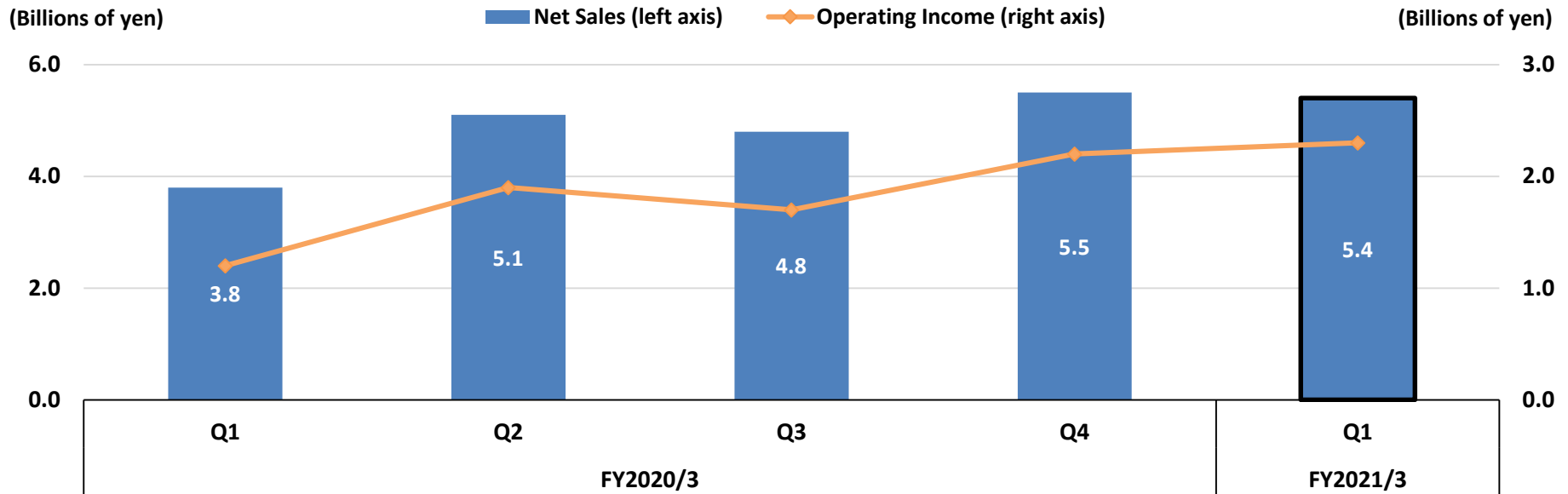
Amusement

Year-on-Year sales down sharply due to temporary closures of amusement facilities prompted by COVID-19; major YoY decline in net sales, operating loss.



Publication

Sharp growth in digital sales (“MANGA UP!” and e-books), brisk printed media sales push net sales and operating income up YoY.



Major Titles in FY2021/3

マンガUP!

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SQUARE ENIX WEB MAGAZINE
ガンガンONLINE

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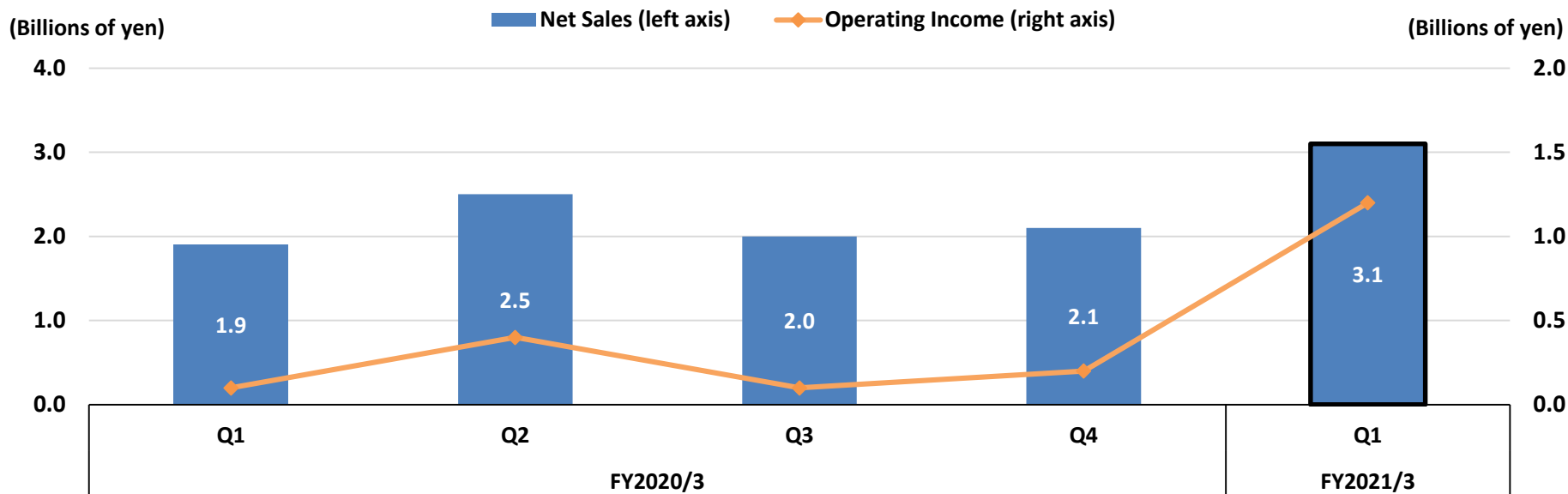
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Merchandising

Net sales and operating income up YoY on new releases of merchandise featuring our key IP.



Main Products in FY2021/3



"FINAL FANTASY VII REMAKE
Original Soundtrack
~Special edit version~"

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CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



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