



Financial Results Briefing Session

Nine-Month Period Ended December 31, 2020

February 3, 2021

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, 2021

Consolidated Statement of Income

Q3, FY2021/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2020		Fiscal Year Ending March 31, 2021			
	Apr -Dec 2019	Full Year Results	Apr - Dec 2020	Changes	Full Year Forecasts	Changes
Net sales	189.7	260.5	253.6	63.9	290.0	29.5
Operating income	27.7	32.7	41.0	13.3	40.0	7.3
Operating income margin	14.6%	12.6%	16.2%	1.6pt	13.8%	1.2pt
Ordinary income	27.9	32.0	38.7	10.8	40.0	8.0
Ordinary income margin	14.8%	12.3%	15.3%	0.5pt	13.8%	1.5pt
Profit attributable to owners of parent	19.1	21.3	18.3	(0.8)	24.0	2.7
Depreciation and amortization	5.3	7.4	5.3	0.0	8.2	0.8
Capital expenditure	7.1	9.6	5.1	(2.0)	8.6	(1.0)

Consolidated Statement of Income

Q3, FY2021/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ending March 31, 2021	
	Apr - Dec	Apr - Dec	Changes
Net sales	189.7	253.6	63.9
Digital Entertainment	136.9	203.5	66.6
Amusement	33.6	24.3	(9.3)
Publication	13.8	20.1	6.3
Merchandising	6.5	7.0	0.5
Eliminations or unallocated	-1.3	-1.3	0.0
Operating income	27.7	41.0	13.3
Digital Entertainment	29.5	42.2	12.7
Amusement	1.4	-1.1	(2.5)
Publication	4.9	8.8	3.9
Merchandising	0.7	1.8	1.1
Eliminations or unallocated	-8.9	-10.7	(1.8)
Operating income margin	14.6%	16.2%	1.6pt
Digital Entertainment	21.5%	20.7%	(0.8pt)
Amusement	4.4%	-4.6%	(9.0pt)
Publication	35.9%	44.0%	8.1pt
Merchandising	11.2%	26.6%	15.4pt
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 - Jun 2019	Jul - Sep 2019	Oct - Dec 2019	Jan - Mar 2020	Apr - Jun 2020	Jul - Sep 2020	Oct - Dec 2020
Net sales	53.3	67.4	68.9	70.8	87.0	85.6	80.9
Digital Entertainment	37.1	48.2	51.5	51.7	74.3	68.1	61.0
Amusement	10.8	11.9	10.8	11.9	4.6	9.3	10.3
Publication	3.8	5.1	4.8	5.5	5.4	6.9	7.7
Merchandising	1.9	2.5	2.0	2.1	3.1	1.6	2.1
Eliminations or unallocated	-0.4	-0.5	-0.3	-0.6	-0.5	-0.3	-0.4
Operating income	7.1	8.7	11.8	4.9	24.5	7.1	9.3
Digital Entertainment	7.6	9.0	12.8	5.8	26.0	7.7	8.3
Amusement	0.6	0.6	0.1	-0.0	-1.5	-0.1	0.5
Publication	1.2	1.9	1.7	2.2	2.3	3.0	3.5
Merchandising	0.1	0.4	0.1	0.2	1.2	0.3	0.3
Eliminations or unallocated	-2.5	-3.3	-3.0	-3.3	-3.5	-3.8	-3.3

Consolidated Balance Sheet as of Dec 31, 2020

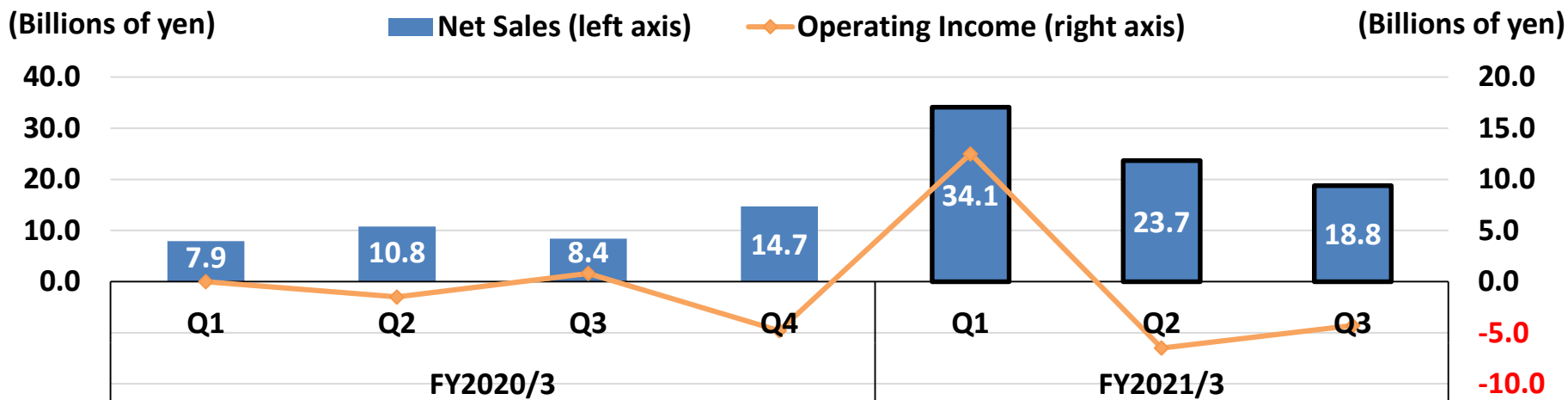
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2020	12/2020	Changes	Account	03/2020	12/2020	Changes
Cash and deposits	123.4	143.8	20.4	Notes and accounts payable	25.5	23.6	(1.9)
Notes and accounts receivable	41.4	38.2	(3.2)	Income taxes payable	10.1	8.8	(1.3)
Inventories	6.4	4.7	(1.7)	Provision for sales returns	4.2	6.0	1.8
Content production account	71.4	74.5	3.1	Others	29.3	33.4	4.1
Others	8.0	6.6	(1.4)	Total Current Liabilities	69.3	72.0	2.7
Total Current Assets	250.8	268.0	17.2	Non-current Liabilities	11.3	12.0	0.7
Property and equipment	20.5	19.4	(1.1)	Total Liabilities	80.7	84.0	3.3
Intangible Assets	5.3	5.4	0.1	Total Shareholders' Equity	226.7	239.0	12.3
Investments and other assets	25.8	25.9	0.1	Others	-4.8	-4.2	0.6
Total Non-current Assets	51.7	50.8	(0.9)	Total Net Assets	221.9	234.7	12.8
Total Assets	302.6	318.8	16.2	Total Liabilities and Net Assets	302.6	318.8	16.2

Progress in Each Business Segment

Digital Entertainment – HD Games

Net sales rose YoY, operating line turned into black on launch of new titles such as “FINAL FANTASY VII REMAKE” and “Marvel’s Avengers,” as well as greater digital sales of catalog titles.



Major New Titles in FY2021/3



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

Launched on April 10, 2020

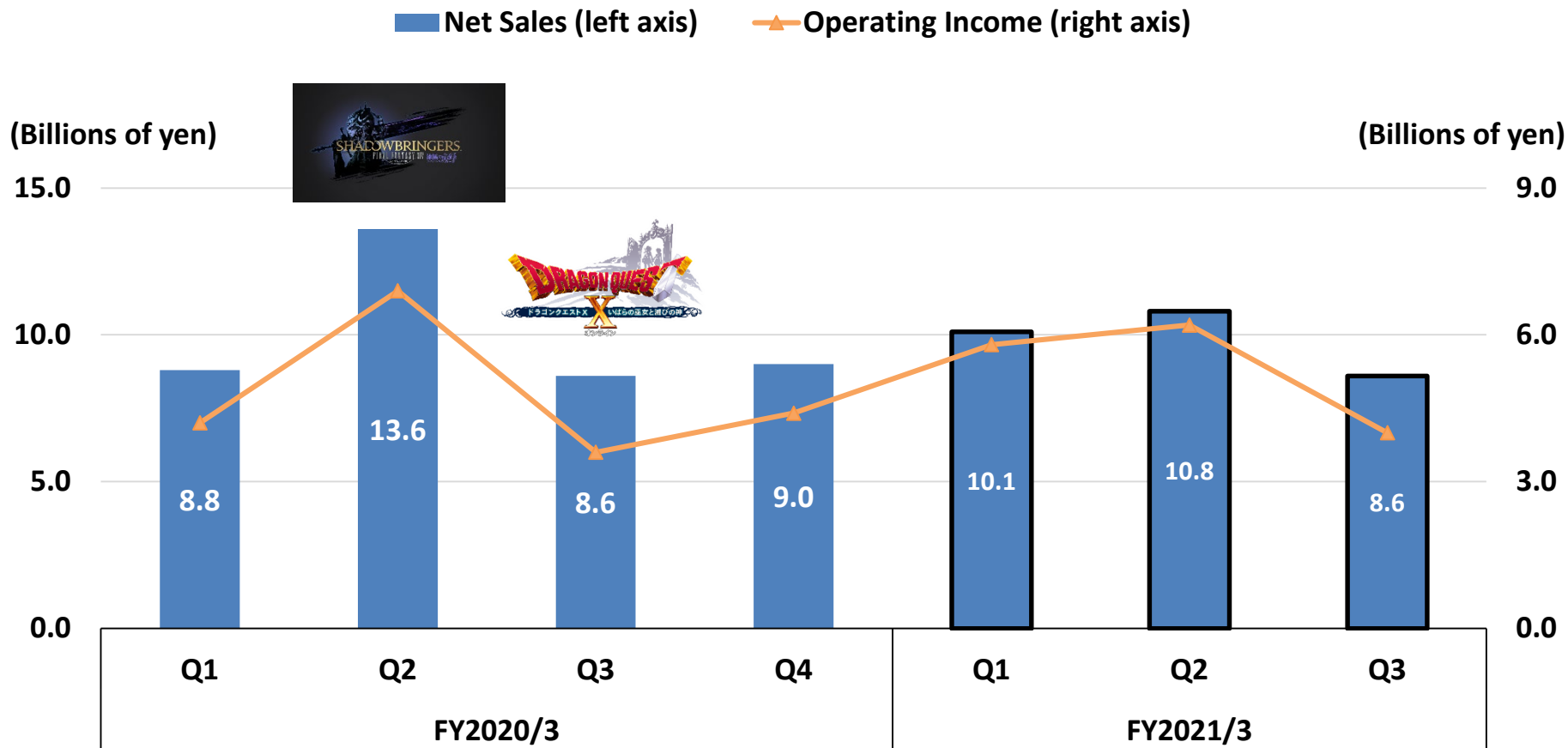


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 Development support provided by Nixxes.
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Launched on September 4, 2020

Digital Entertainment – MMO

Net sales declined YoY due to the launches of expansion packs for “FINAL FANTASY XIV” and “DRAGON QUEST X” in the previous fiscal year, but operating income rose in part due to YoY growth of recurring revenue from the same titles.



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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)

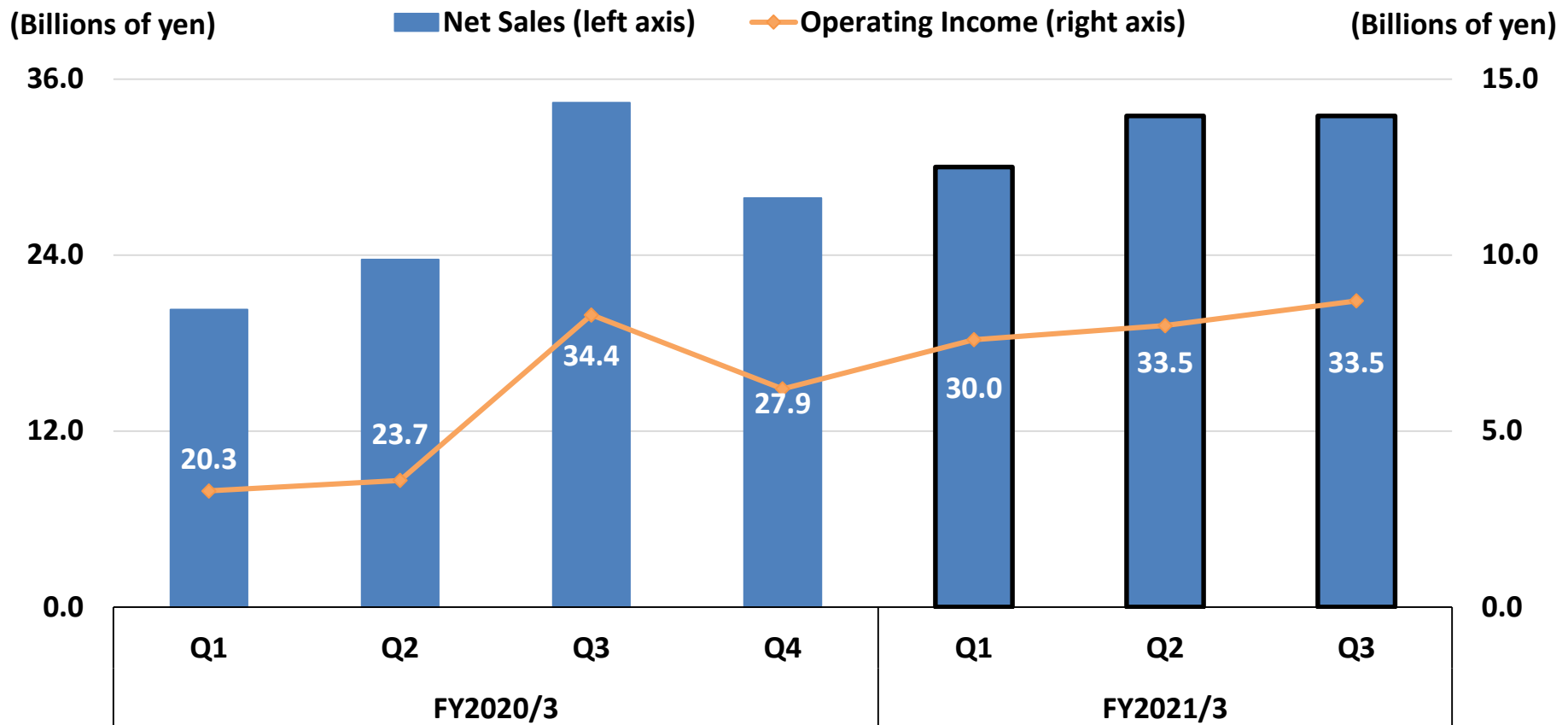
Region	FY2020/3 Q1-Q3 Results			FY2021/3 Q1-Q3 Results		
	Disc	Download	Total	Disc	Download	Total
Japan	1.36	1.24	2.61	2.25	1.48	3.72
	(Included episode units 0)			(Includes episode units 0)		
North America/ Europe	3.29	6.58	9.87	5.41	5.68	11.09
	(Included episode units 1.46)			(Includes episode units -)		
Asia, etc.	0.57	0.57	1.14	0.41	0.58	0.99
	(Included episode units 0.15)			(Includes episode units -)		
Total	5.22	8.40	13.62	8.07	7.73	15.80
	(Included episode units 1.62)			(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 and operating income rose YoY due to earnings contributions from titles including “DRAGON QUEST WALK,” “WAR OF THE VISIONS: FINAL FANTASY BRAVE EXVIUS,” and “DRAGON QUEST TACT.”



Digital Entertainment

— Games for Smart Devices/PC Browser

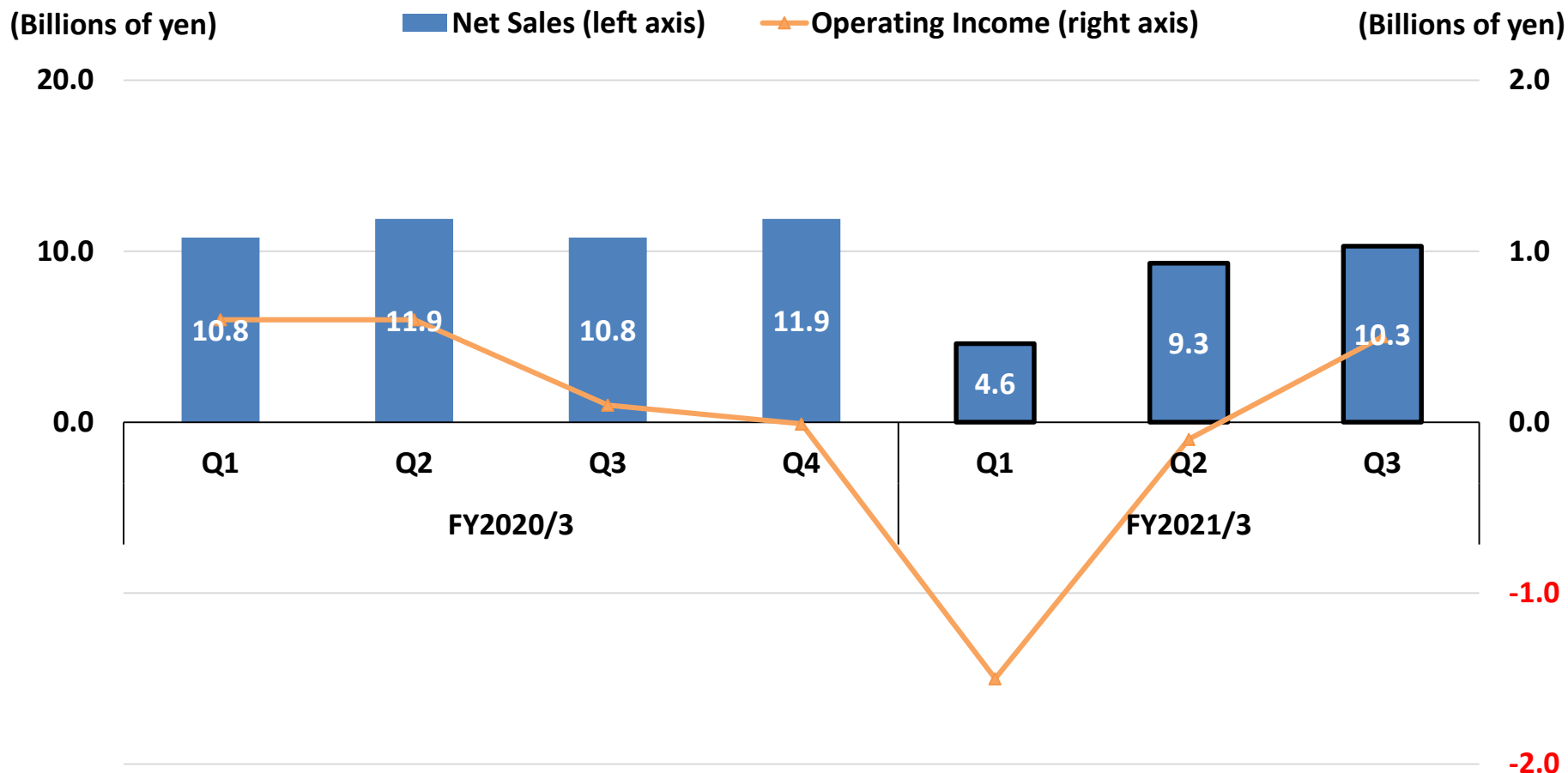
Major Operating Titles

<p>Aug 2010 (PC Browser game)</p>  <p>©2010-2021 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Jan 2014</p>  <p>©2014-2021 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO Developed by Cygames, Inc.</p>	<p>Apr 2014</p>  <p>©2014-2021 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>©2015-2021 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by gumi Inc. LOGO ILLUSTRATION: ©2014 YOSHITAKA AMANO</p>
<p>Oct 2015</p>  <p>©2015-2021 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO</p>	<p>Dec 2016</p>  <p>©2016-2021 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by tri-Ace Inc.</p>	<p>Feb 2017</p>  <p>©2017-2021 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.) © 2017-2021 Pokelabo Inc./ SQUARE ENIX CO., LTD. All Rights Reserved</p>	<p>Mar 2018</p>  <p>© 伍箇伝計画 / とじともOVA 製作委員会 © 2018 - 2021 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Dec 2018</p>  <p>© 2018-2021 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Akatsuki Inc. ILLUSTRATION: TOMOMI KOBAYASHI</p>
<p>Jul 2019</p>  <p>© 2019 TOARU-PROJECT © 2019,2021 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Sep 2019</p>  <p>© 2019-2021 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>	<p>Nov 2019</p>  <p>© 2019-2021 SQUARE ENIX CO., LTD. All Rights Reserved. Co-Developed by gumi Inc. LOGO ILLUSTRATION: © 2018 YOSHITAKA AMANO</p>	<p>Jul 2020</p>  <p>© 2020,2021 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Aiming Inc.</p>	<p>Oct 2020</p>  <p>© 2020, 2021 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	

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

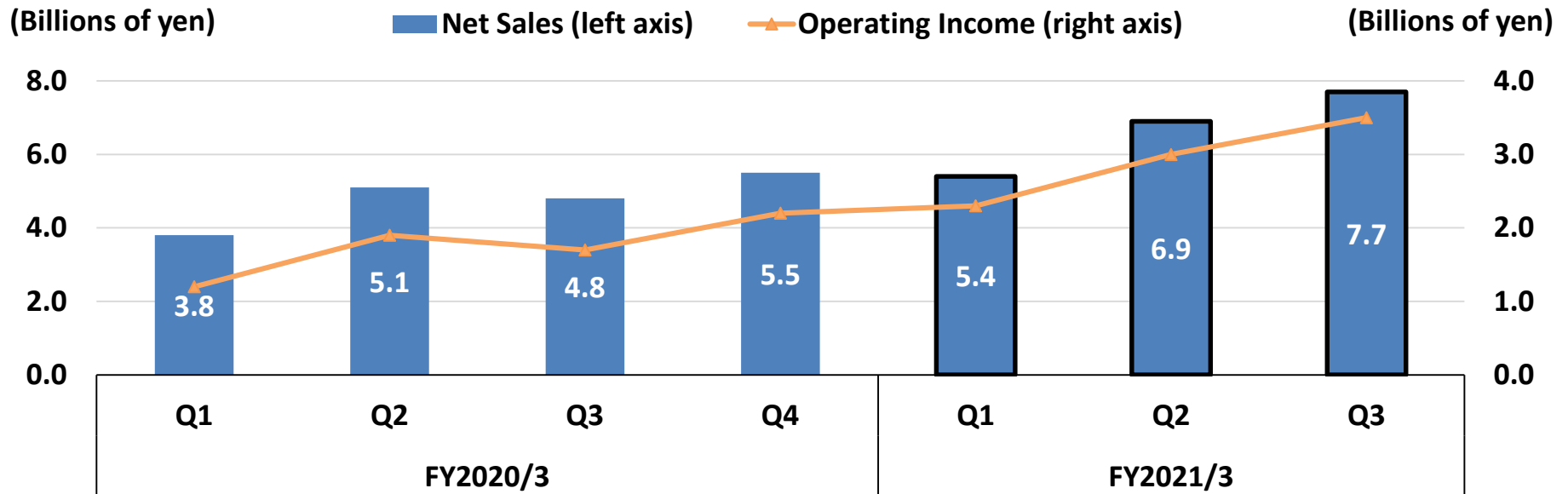
Amusement

Same-store sales fell sharply YoY due to the closure through mid-June of amusement facilities to combat the spread of COVID-19. Net sales declined significantly, and the segment booked an operating loss.



Publication

Digital sales via “MANGA UP!” and e-books sales rose sharply. Printed media sales were also brisk, leading to a YoY increase in net sales and operating income.



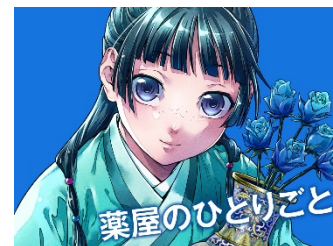
Major Service, Titles in FY2021/3



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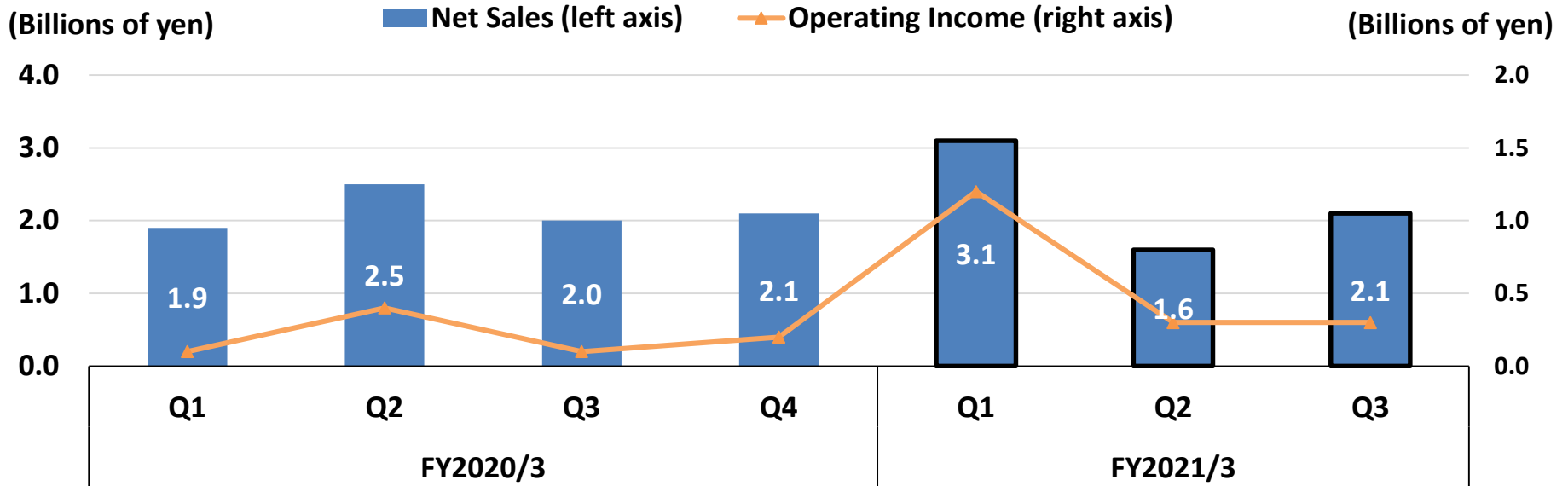
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Merchandising

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



Major Products in FY2021/3



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

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