



Financial Results Briefing Session

Six-Month Period Ended September 30, 2023

November 7, 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
First Half of Fiscal Year
Ending March 31, 2024

Consolidated Statement of Income

1H, FY2024/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2023		Fiscal Year Ending March 31, 2024			
	1H	Full Year Results	1H	Changes	Full Year Forecasts	Changes
Net sales	163.3	343.2	172.0	8.7	360.0	16.8
Operating income	26.0	44.3	17.3	(8.7)	55.0	10.7
Operating income margin	15.9%	12.9%	10.1%	(5.8pt)	15.3%	2.4pt
Ordinary income	45.1	54.7	26.1	(19.0)	55.0	0.3
Ordinary income margin	27.6%	15.9%	15.2%	(12.4pt)	15.3%	(0.6pt)
Profit attributable to owners of parent	39.4	49.2	16.6	(22.8)	38.5	(10.7)
Depreciation and amortization	3.5	6.9	3.4	(0.1)	9.9	3.0
Capital expenditure	5.0	9.6	5.6	0.6	11.7	2.1

Consolidated Statement of Income

1H, FY2024/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2023	Fiscal Year Ending March 31, 2024	
	1H	1H	Changes
Net sales	163.3	172.0	8.7
Digital Entertainment	117.1	122.0	4.9
Amusement	25.8	28.4	2.6
Publication	14.6	14.4	(0.2)
Merchandising	7.4	8.3	0.9
Eliminations or unallocated	(1.7)	(1.3)	0.4
Operating income	26.0	17.3	(8.7)
Digital Entertainment	24.5	15.5	(9.0)
Amusement	2.5	3.2	0.7
Publication	6.0	5.5	(0.5)
Merchandising	1.7	1.8	0.1
Eliminations or unallocated	(8.9)	(8.8)	0.1
Operating income margin	15.9%	10.1%	(5.8pt)
Digital Entertainment	21.0%	12.7%	(8.3pt)
Amusement	9.9%	11.5%	1.6pt
Publication	41.2%	38.1%	(3.1pt)
Merchandising	23.9%	22.3%	(1.6pt)
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of September 30, 2023

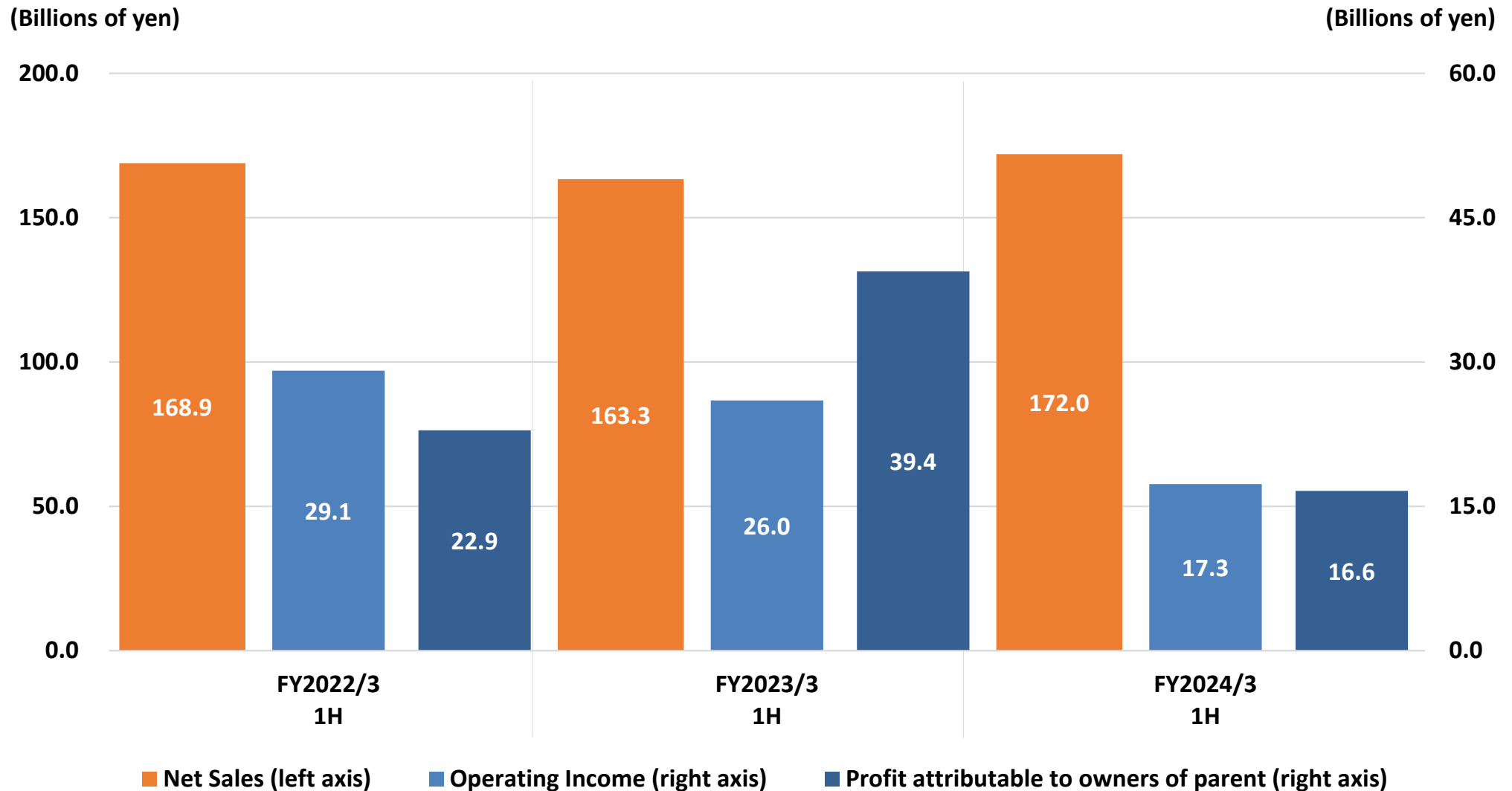
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2023	09/2023	Changes	Account	03/2023	09/2023	Changes
Cash and deposits	193.5	201.2	7.7	Notes and accounts payable	23.5	23.7	0.2
Notes and accounts receivable	39.9	47.3	7.4	Income taxes payable	3.4	4.7	1.3
Inventories	5.7	5.9	0.2	Refund liabilities	5.1	6.3	1.2
Content production account	87.2	86.9	(0.3)	Others	39.5	44.8	5.3
Others	15.9	12.1	(3.8)	Total Current Liabilities	71.7	79.6	7.9
Total Current Assets	342.2	353.7	11.5	Non-current Liabilities	10.6	10.6	0.0
Property and equipment	17.7	20.1	2.4	Total Liabilities	82.3	90.3	8.0
Intangible Assets	5.8	5.7	(0.1)	Total Shareholders' Equity	324.7	328.5	3.8
Investments and other assets	33.7	31.4	(2.3)	Others	(7.4)	(7.8)	(0.4)
Total Non-current Assets	57.3	57.3	0.0	Total Net Assets	317.2	320.7	3.5
Total Assets	399.6	411.0	11.4	Total Liabilities and Net Assets	399.6	411.0	11.4

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

Net sales up, operating income and net income down YoY

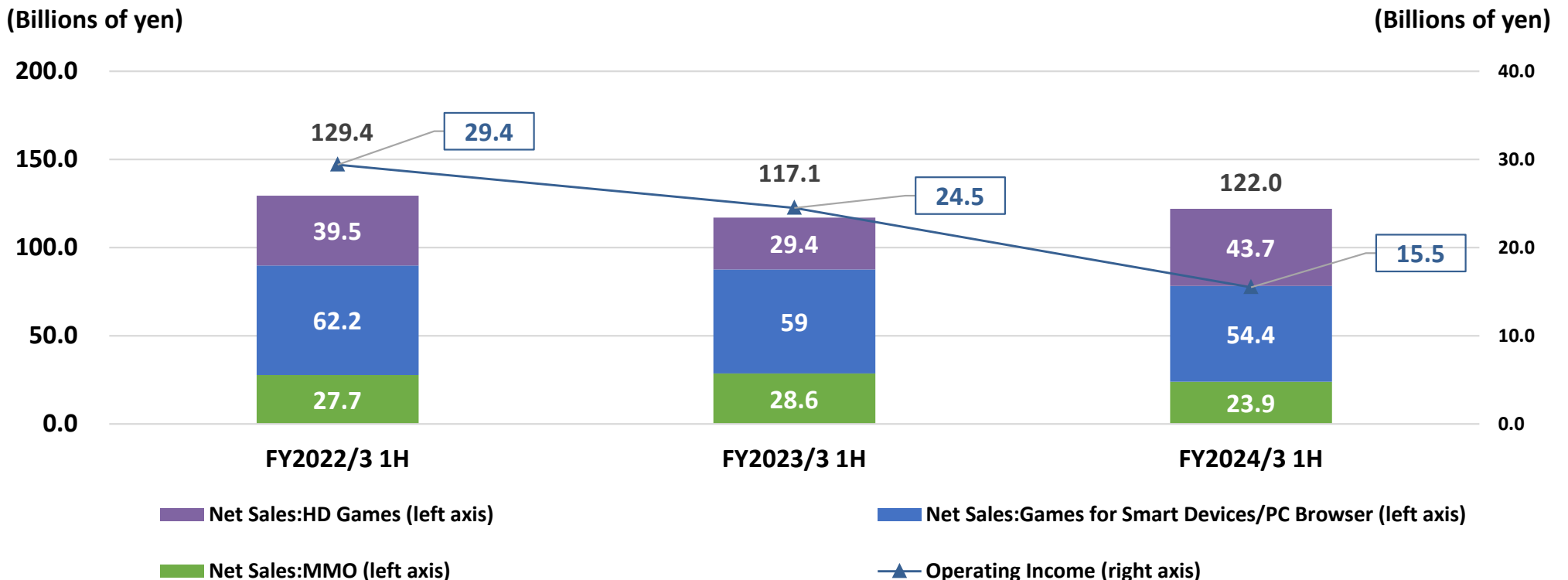


Digital Entertainment

Net sales up YoY thanks to new releases such as “FINAL FANTASY XVI”

However, operating income fell YoY, due to higher development cost amortization and advertising costs

HD Games	Launched new titles such as “FINAL FANTASY XVI” and “FINAL FANTASY PIXEL REMASTER.”
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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To be launched on Dec 1, 2023



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

To be launched on February 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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Digital Entertainment -Main titles 3-

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

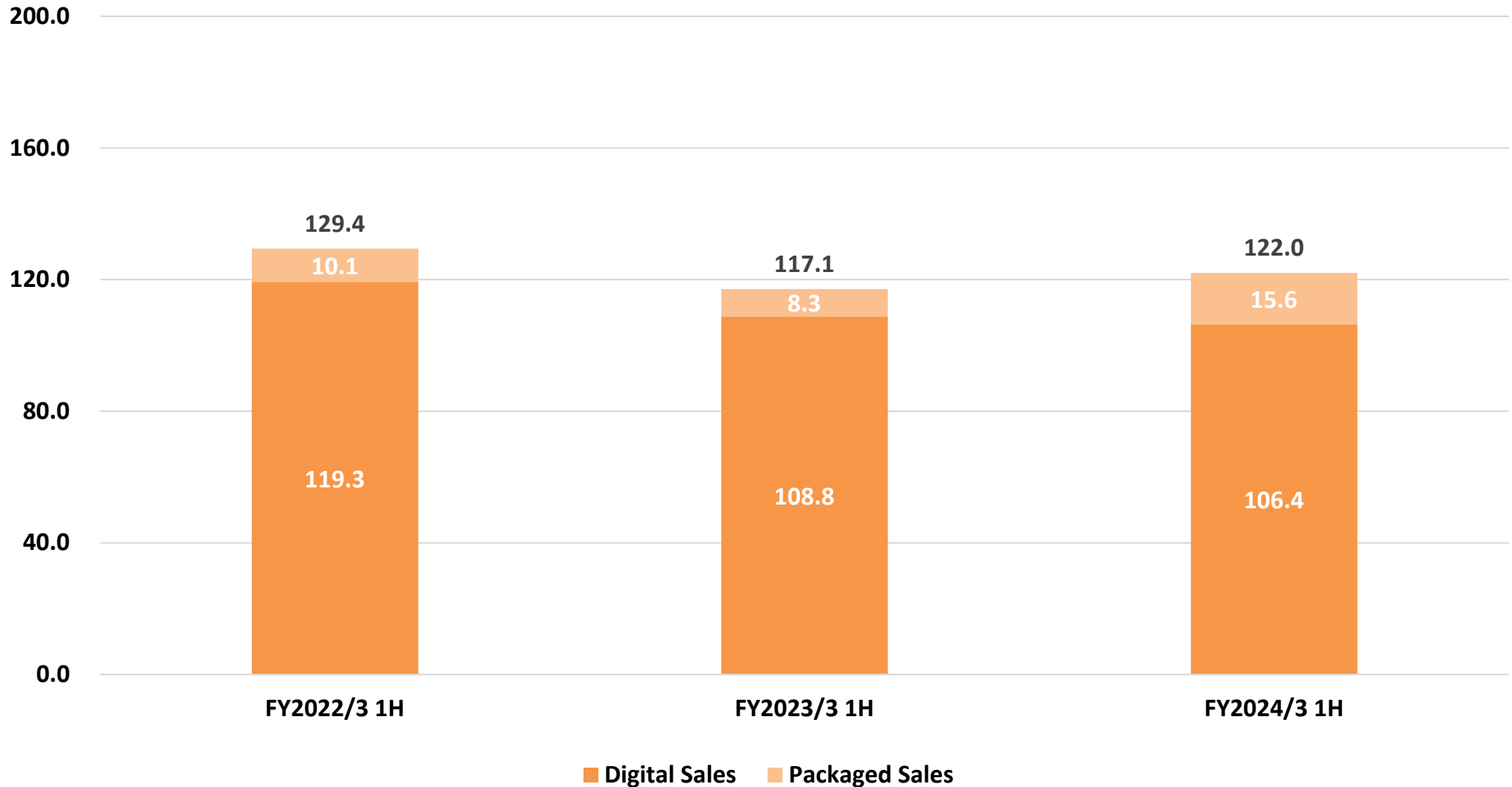
Major Operating Titles (Month and year indicate each title's launch timing)

<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 CO., LTD. ©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>Feb 2017</p>  <p>©KOEI TECMO GAMES/SQUARE ENIX CHARACTER DESIGN: TETSUYA NOMURA</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>© 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 Applibot, Inc.</p>	<p>Dec 2021</p>  <p>© ARMOR PROJECT/BIRD STUDIO/ NHN PlayArt/SQUARE ENIX</p>
<p>Aug 2022</p>  <p>© 荒川弘/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 Applibot, 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 = Sold disks + Downloads

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

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

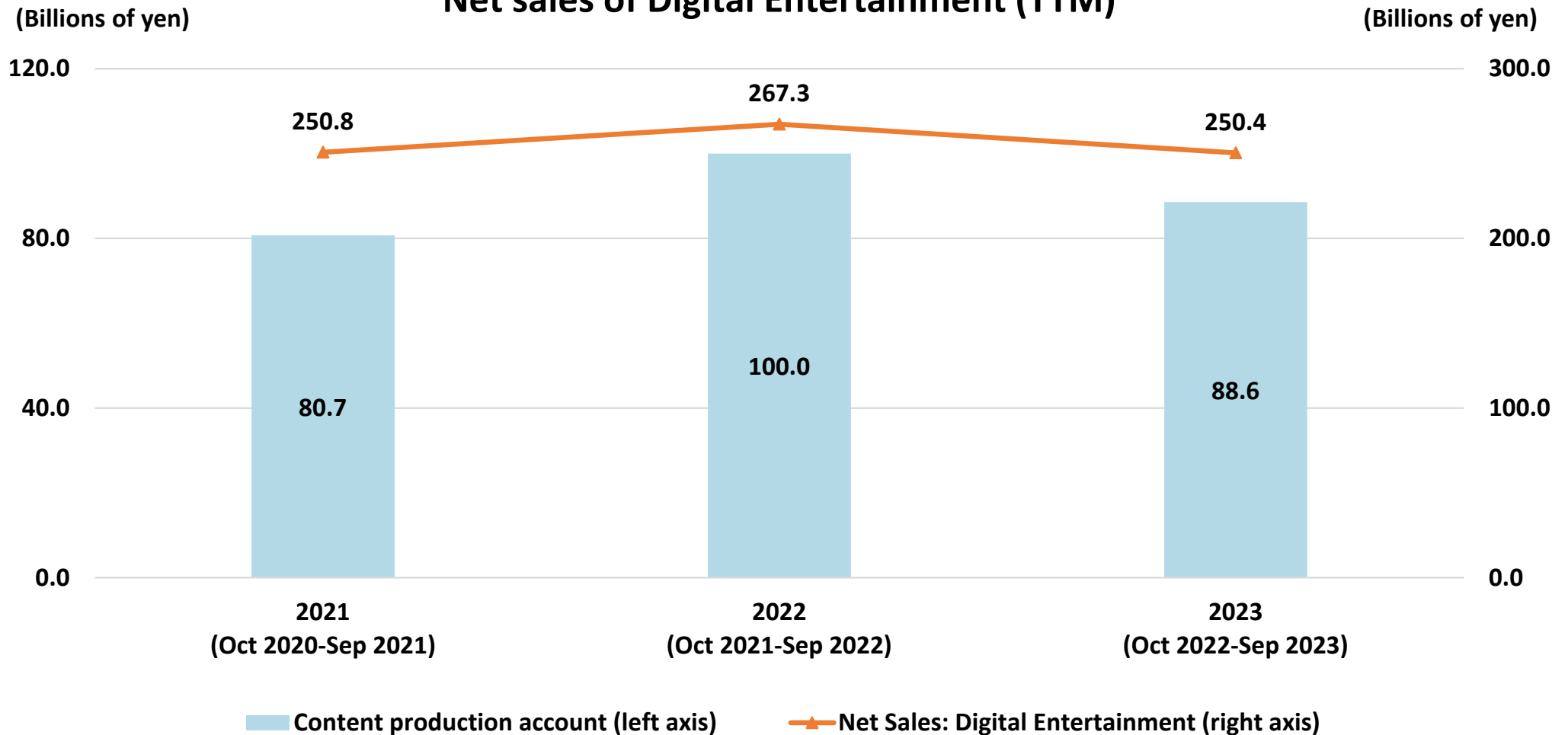
(Millions of Units Sold)

Region	FY2023/3 1H Results			FY2024/3 1H Results		
	Packaged	Download	Total	Packaged	Download	Total
Japan	0.73	1.37	2.10	0.68	2.23	2.91
North America/ Europe	1.16	5.07	6.24	1.66	6.11	7.77
Asia, etc.	0.30	0.77	1.07	0.38	1.11	1.49
Total	2.20	7.21	9.41	2.72	9.44	12.17

* 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

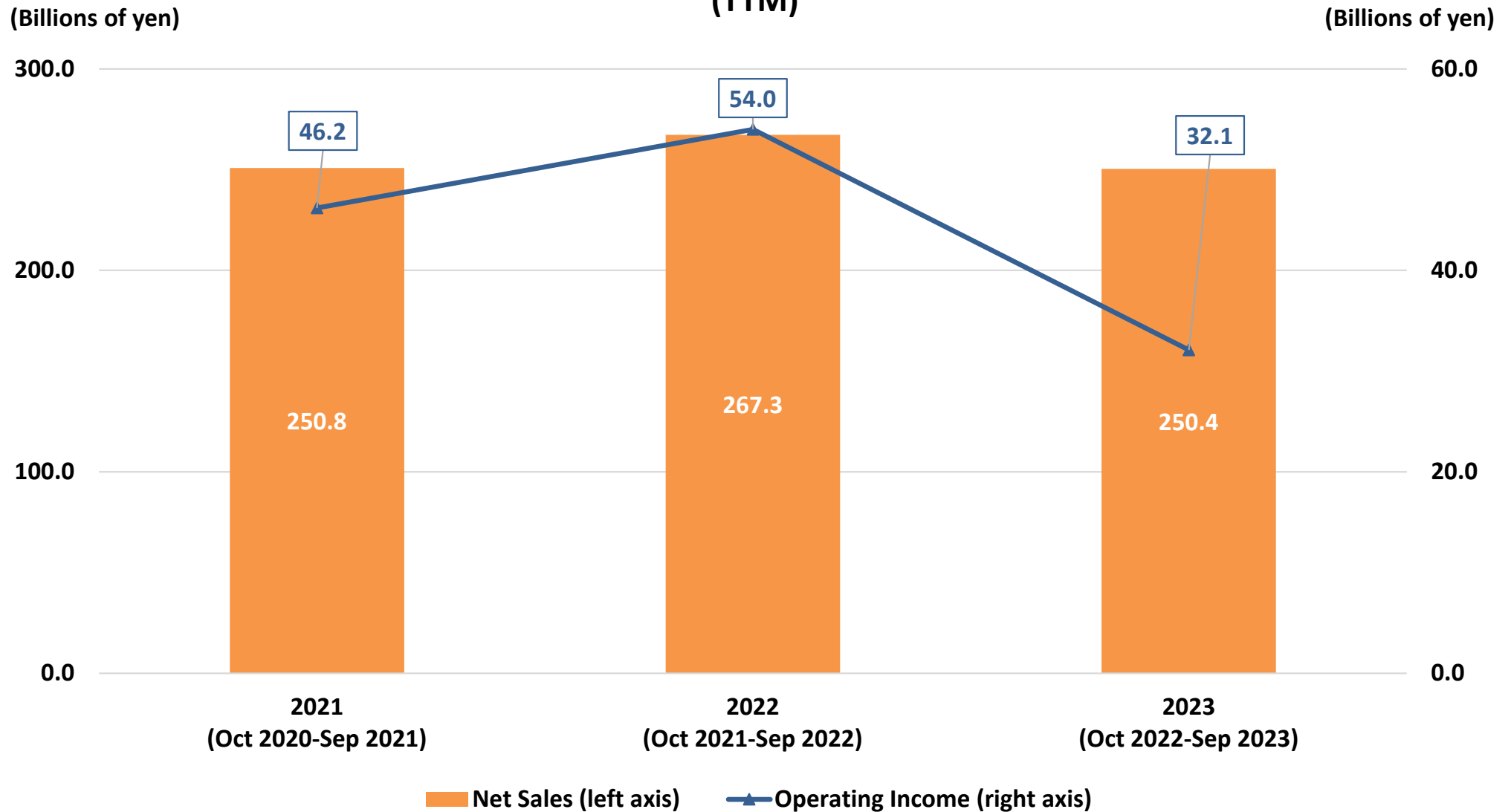
Note: Content production account balances & Net sales of Digital Entertainment (TTM)



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

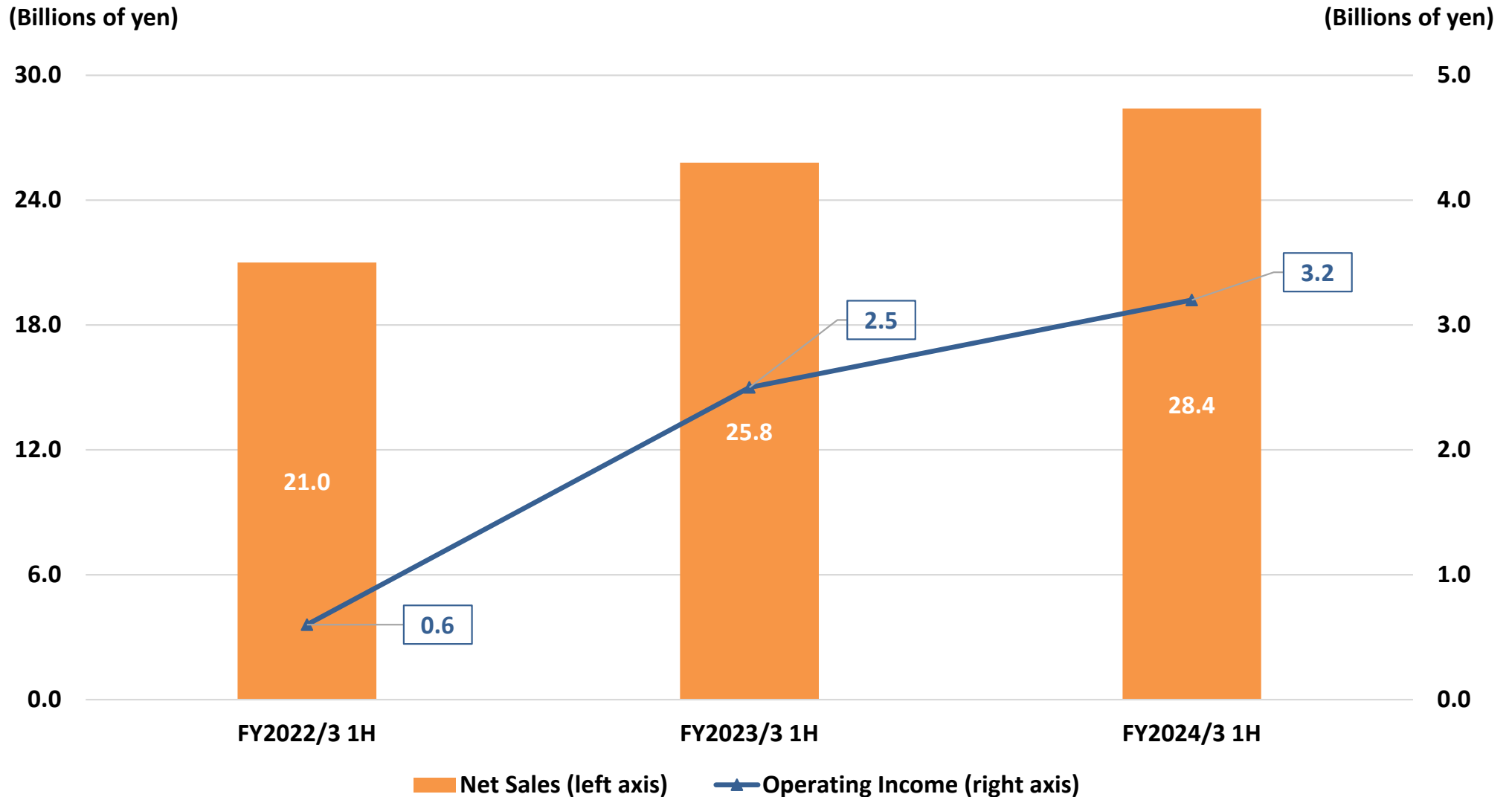
Digital Entertainment

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



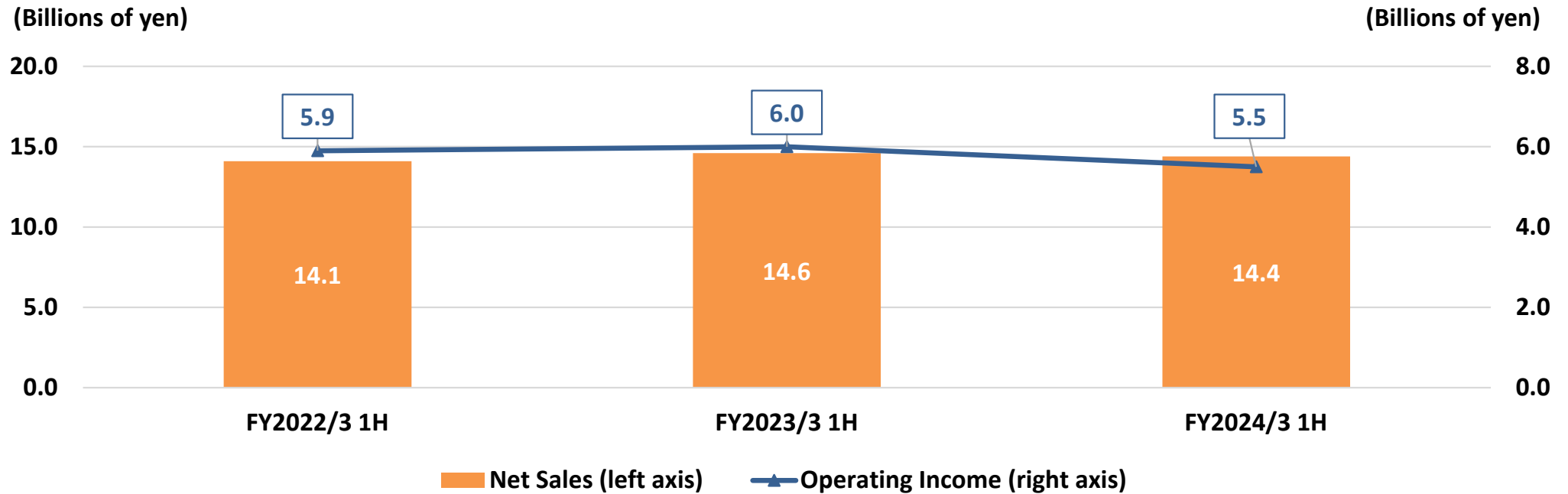
Amusement

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



Publication

Solid overall performance despite YoY declines in net sales, operating profit



Major Service, Titles in FY2024/3



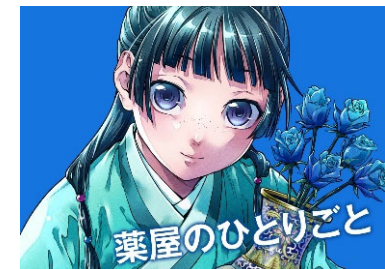
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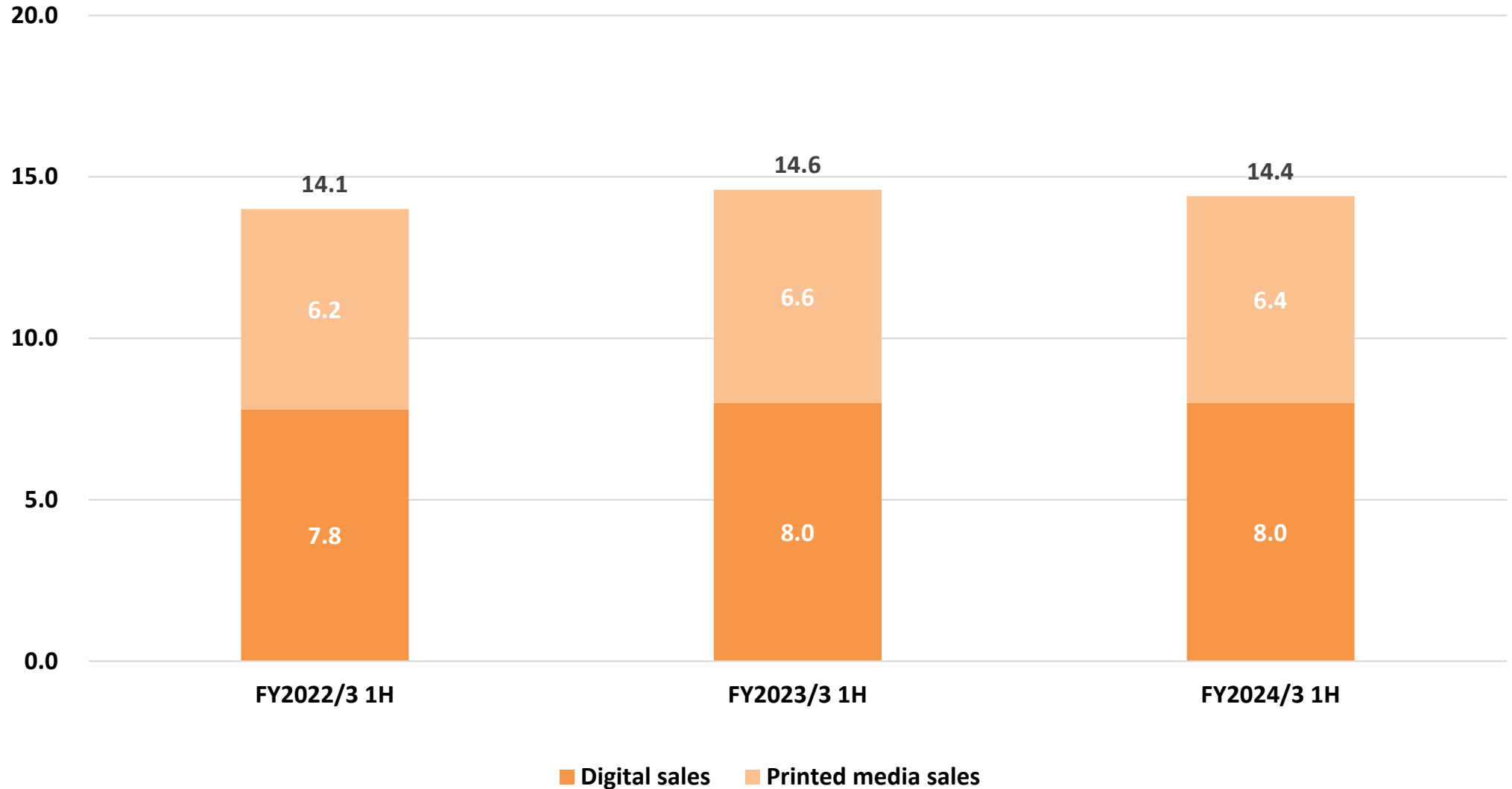


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Publication --Digital vs. Printed Media Sales--

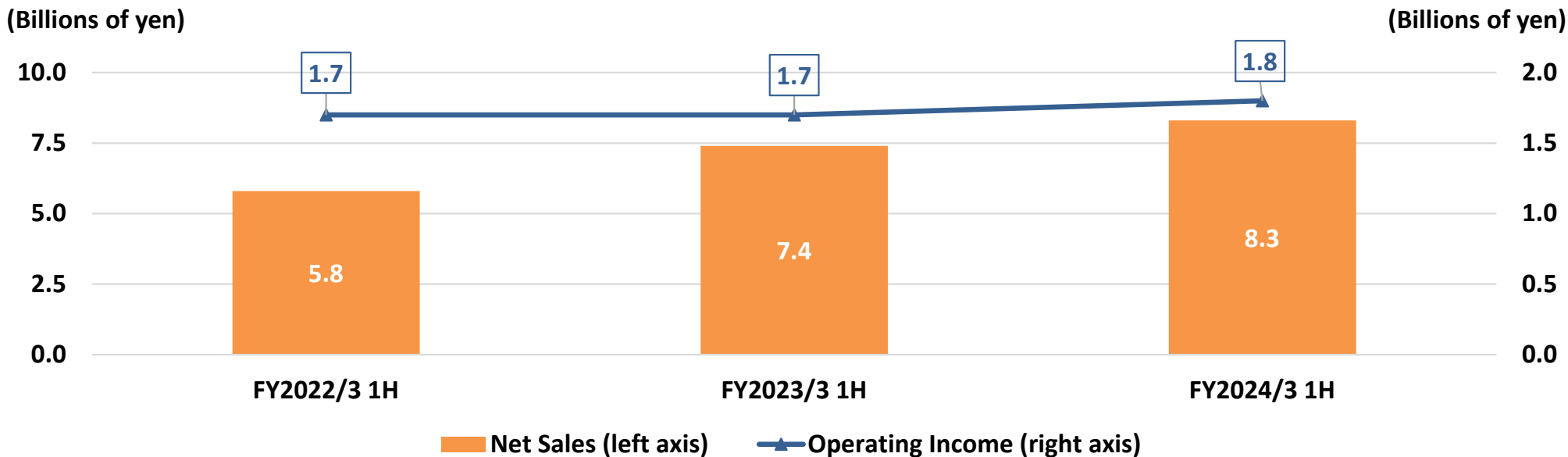
Breakdown of Publication sales

(Billions of yen)



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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**Toward the formulation of
Next medium-term business plan**

Toward the formulation of next medium-term business plan

Following our June 2023 management changes, we conducted a review of our business environment, identifying the following key challenges:

Increasing Profitability


Need to diversify earnings sources and increase productivity across the company based upon the strengths of our existing businesses

Capital Allocation

Achieve a capital allocation that strikes a balance between long-term growth and capital efficiency

Investor/Shareholder Relations

Prioritize open communication with market participants



Plan to unveil a next medium-term business plan that includes strategies for addressing these challenges at our results briefing in May 2024



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