



Financial Results Briefing Session

Fiscal Year ended March 31, 2022

May 13, 2022

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
Fiscal Year
Ended March 31, 2022

Consolidated Statement of Income

Fiscal Year ended March 31, 2022

(Billions of Yen)

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022	
	Full Year Results	Full Year Results	Changes
Net Sales	332.5	365.2	32.7
Operating Income	47.2	59.2	12.0
Operating Income Margin	14.2%	16.2%	2.0pt
Ordinary Income	49.9	70.7	20.8
Ordinary Income Margin	15.0%	19.4%	4.4pt
Profit attributable to owners of parent	26.9	51.0	24.1
Depreciation and Amortization	7.5	7.5	0.0
Capital Expenditure	7.3	9.1	1.8
Number of Employees	5,550	5,637	87

*Change in accounting policies (accounting standards for revenue recognition) has been applied from FY2022/3.

We don't present FY2021/3 data with these accounting polices applied retrospectively.

Consolidated Statement of Income

Fiscal Year ended March 31, 2022 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2021	Fiscal Year Ended March 31, 2022	
	Full Year Results	Full Year Results	Changes
Net sales	332.5	365.2	32.7
Digital Entertainment	263.9	279.6	15.7
Amusement	34.3	45.8	11.5
Publication	26.8	29.0	2.2
Merchandising	9.4	14.0	4.6
Eliminations or unallocated	(2.0)	(3.3)	(1.3)
Operating income	47.2	59.2	12.0
Digital Entertainment	50.5	58.9	8.4
Amusement	(1.5)	2.0	3.5
Publication	11.6	12.2	0.6
Merchandising	2.2	3.9	1.7
Eliminations or unallocated	(15.6)	(17.9)	(2.3)
Operating income margin	14.2%	16.2%	2.0pt
Digital Entertainment	19.1%	21.1%	2.0pt
Amusement	(4.6%)	4.4%	9.0pt
Publication	43.5%	42.1%	(1.4pt)
Merchandising	23.8%	28.4%	4.6pt
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of March 31, 2022

(Billions of Yen)

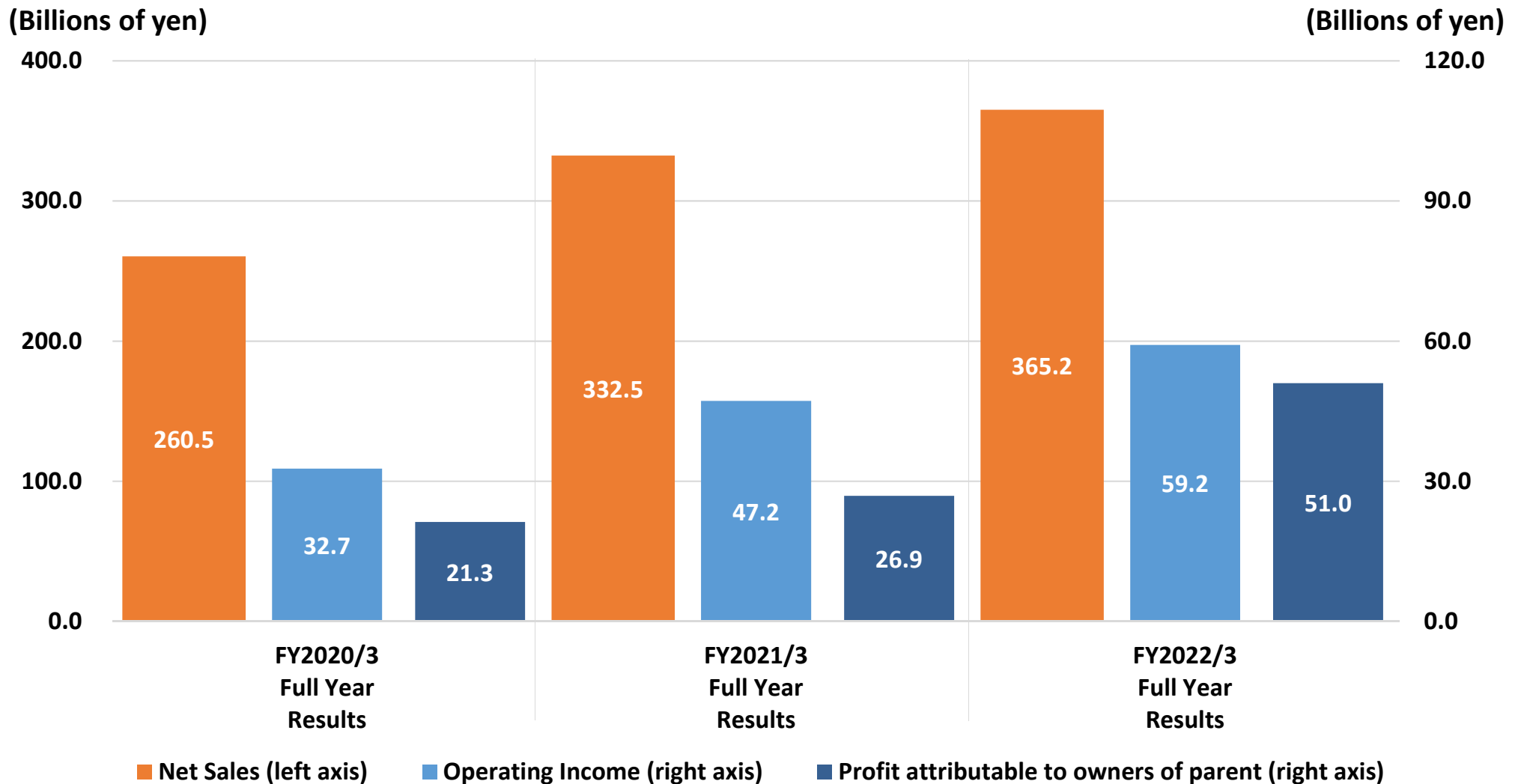
Account	<Assets>			<Liabilities and Net Assets>			
	03/2021	03/2022	Changes	Account	03/2021	03/2022	Changes
Cash and deposits	146.2	163.0	16.8	Notes and accounts payable	24.5	27.5	3.0
Notes and accounts receivable, and contract assets *	43.0	44.9	1.9	Income taxes payable	14.5	8.4	(6.1)
Inventories	4.4	5.1	0.7	Refund liabilities *	5.8	5.6	(0.2)
Content production account	78.1	96.7	18.6	Others	35.3	42.1	6.8
Others *	11.7	12.4	0.7	Total Current Liabilities	80.3	83.8	3.5
Total Current Assets	283.6	322.4	38.8	Non-current Liabilities	12.5	12.6	0.1
Property and equipment	19.6	19.8	0.2	Total Liabilities	92.8	96.4	3.6
Intangible Assets	5.5	7.3	1.8	Total Shareholders' Equity	247.7	290.2	42.5
Investments and other assets	27.3	31.2	3.9	Others	(4.5)	(5.8)	(1.3)
Total Non-current Assets	52.5	58.4	5.9	Total Net Assets	243.2	284.4	41.2
Total Assets	336.1	380.9	44.8	Total Liabilities and Net Assets	336.1	380.9	44.8

*Data reflects change of accounting policies as of figures for FY2022/3. For further details, please refer to our Earnings Release.

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

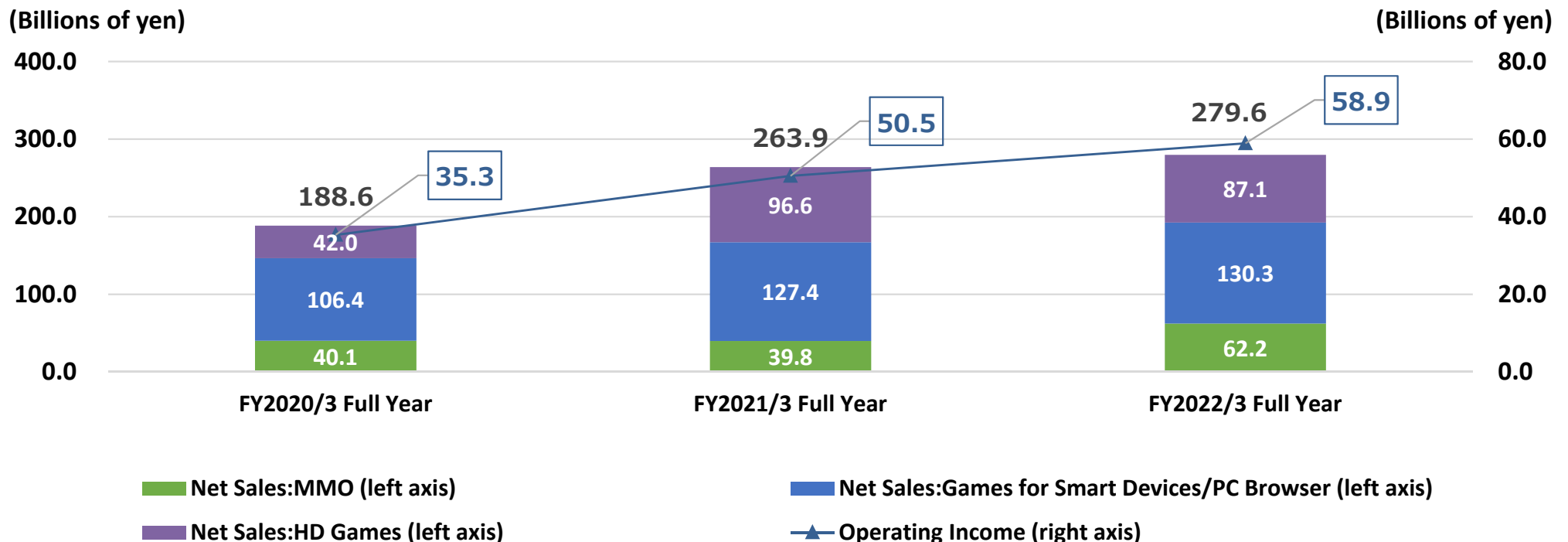
Net sales and operating income rose YoY . Net sales and all profit lines reached new full-year records.



Digital Entertainment

Net sales and operating income rose YoY with a major contribution from the “FINAL FANTASY XIV” expansion pack launched in December 2021.

HD Games	Launched multiple new titles, but did not reach level seen last year, when we released major titles.
MMO	Released expansion packs for “FINAL FANTASY XIV” and “DRAGON QUEST X ONLINE” in Q3.
Games for Smart Devices/PC Browser	Despite a somewhat weak performance from existing titles, net sales rose YoY, in part due to change in accounting policies.



Digital Entertainment -Main titles 1-

HD Games: Launched multiple new titles, including some featuring new IP.

HD Games: Major New titles in FY2022/3



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Launched on Apr 1, 2021



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All Rights Reserved. Developed by Toylogic Inc.

Launched on Apr 22, 2021



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

Launched on Jun 10, 2021



Life is Strange: True Colors
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Overseas: Launched on Sep 10, 2021
Japan: Launched on Feb 25, 2022



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CHARACTER DESIGN: Ryoma Ito.

Launched on Oct 14, 2021



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Launched on Oct 26, 2021



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Developed by PlatinumGames Inc.

Launched on Mar 3, 2022



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Launched on Mar 4, 2022



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CHARACTER DESIGN:TETSUYA NOMURA
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Launched on Mar 18, 2022

Digital Entertainment -Main titles 2-

MMO: Released expansion packs for “FINAL FANTASY XIV” and “DRAGON QUEST X ONLINE” in Q3.

MMO : Main titles in operation



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Launched on Dec 7, 2021



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Launched on Nov 11, 2021

Digital Entertainment -Main titles 3-

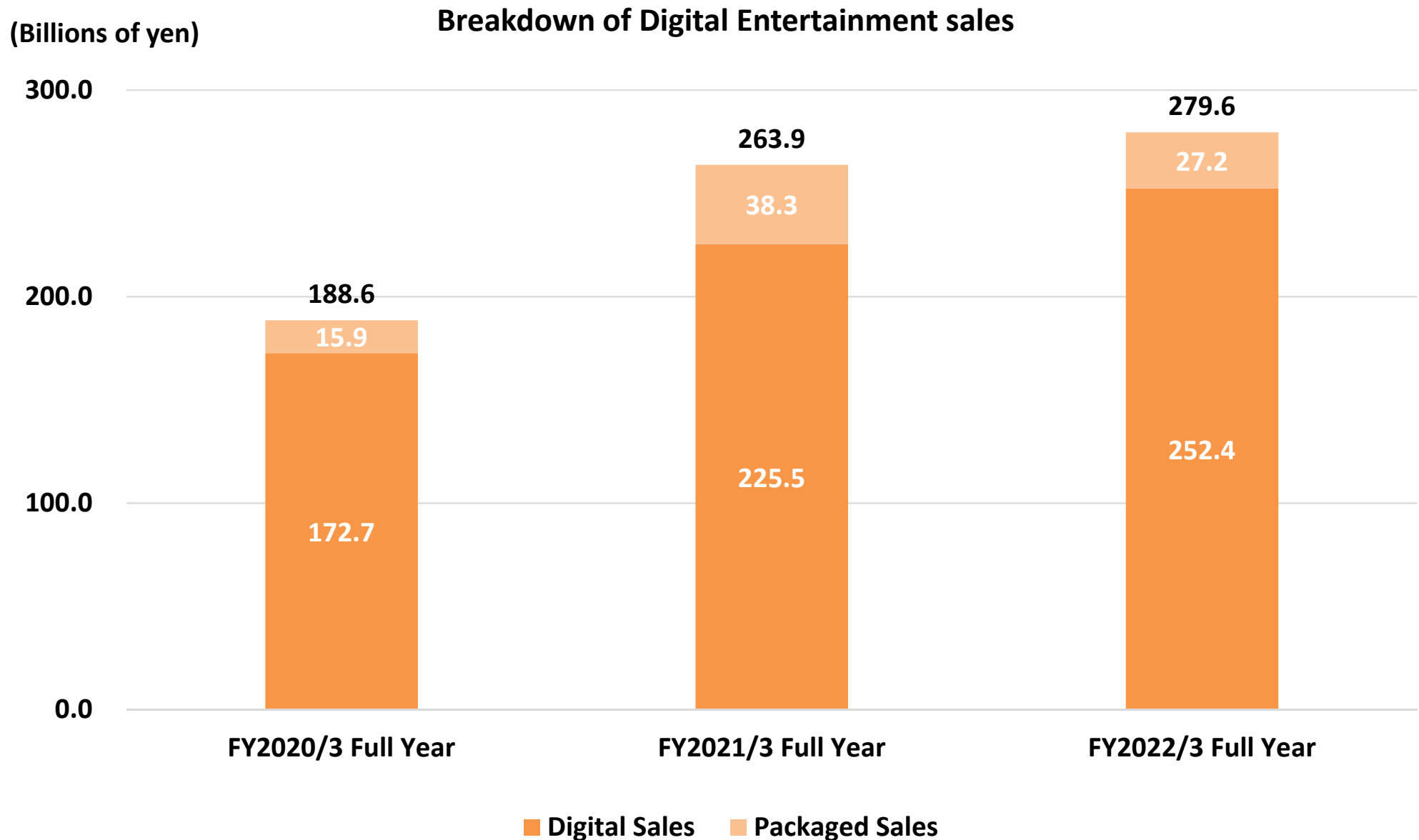
Games for Smart Devices/PC Browser:

Released new titles, including some featuring existing IP such as FINAL FANTASY and DRAGON QUEST.

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

<p>Aug 2010 (PC Browser game)</p>  <p>©2010-2022 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Jan 2014</p>  <p>© 2014-2022 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. ©SUGIYAMA KOBO Developed by Cygames, Inc.</p>	<p>Apr 2014</p>  <p>©2014-2022 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>Oct 2015</p>  <p>©2015-2022 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by gumi Inc. LOGO ILLUSTRATION: ©2014 YOSHITAKA AMANO</p>	<p>Oct 2015</p>  <p>© 2015-2022 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>
<p>Feb 2017</p>  <p>©2017-2022 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.) © 2017-2022 Pokelabo Inc./ SQUARE ENIX CO., LTD. All Rights Reserved</p>	<p>Dec 2018</p>  <p>© 2018-2022 SQUARE ENIX CO., LTD. All Rights Reserved. Powered by Akatsuki Inc.</p>	<p>Jul 2019</p>  <p>© 2019 TOARU-PROJECT © 2019-2022 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Sep 2019</p>  <p>© 2019-2022 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p>	<p>Nov 2019</p>  <p>© 2019-2022 SQUARE ENIX CO., LTD. All Rights Reserved. Co-Developed by gumi Inc. LOGO ILLUSTRATION: © 2018 YOSHITAKA AMANO</p>
<p>Jul 2020</p>  <p>© 2020-2022 ARMOR PROJECT/ BIRD STUDIO/SQUARE ENIX All Rights Reserved. Developed by Aiming Inc.</p>	<p>Oct 2020</p>  <p>© 2020-2022 SQUARE ENIX CO., LTD. All Rights Reserved.</p>	<p>Feb 2021</p>  <p>© 2021,2022 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by Applibot,Inc.</p>	<p>Sep 2021</p>  <p>©SANJO RIKU, INADA KOJI/ SHUEISHA, The Adventure of Dai Project © 2021 , 2022 SQUARE ENIX CO., LTD. All Rights Reserved. © 2021 DeNA Co.,Ltd.</p>	<p>Dec 2021</p>  <p>© 2021, 2022 ARMOR PROJECT/ BIRD STUDIO/NHN PlayArt/ SQUARE ENIX All Rights Reserved.</p>	

Digital Entertainment --Digital vs. Physical Game Sales--



Digital Entertainment --Units Sold by Region--

Units Sold = Sold disks + Downloads

Sold disks: Unit sales of packaged software sold in the fiscal year

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

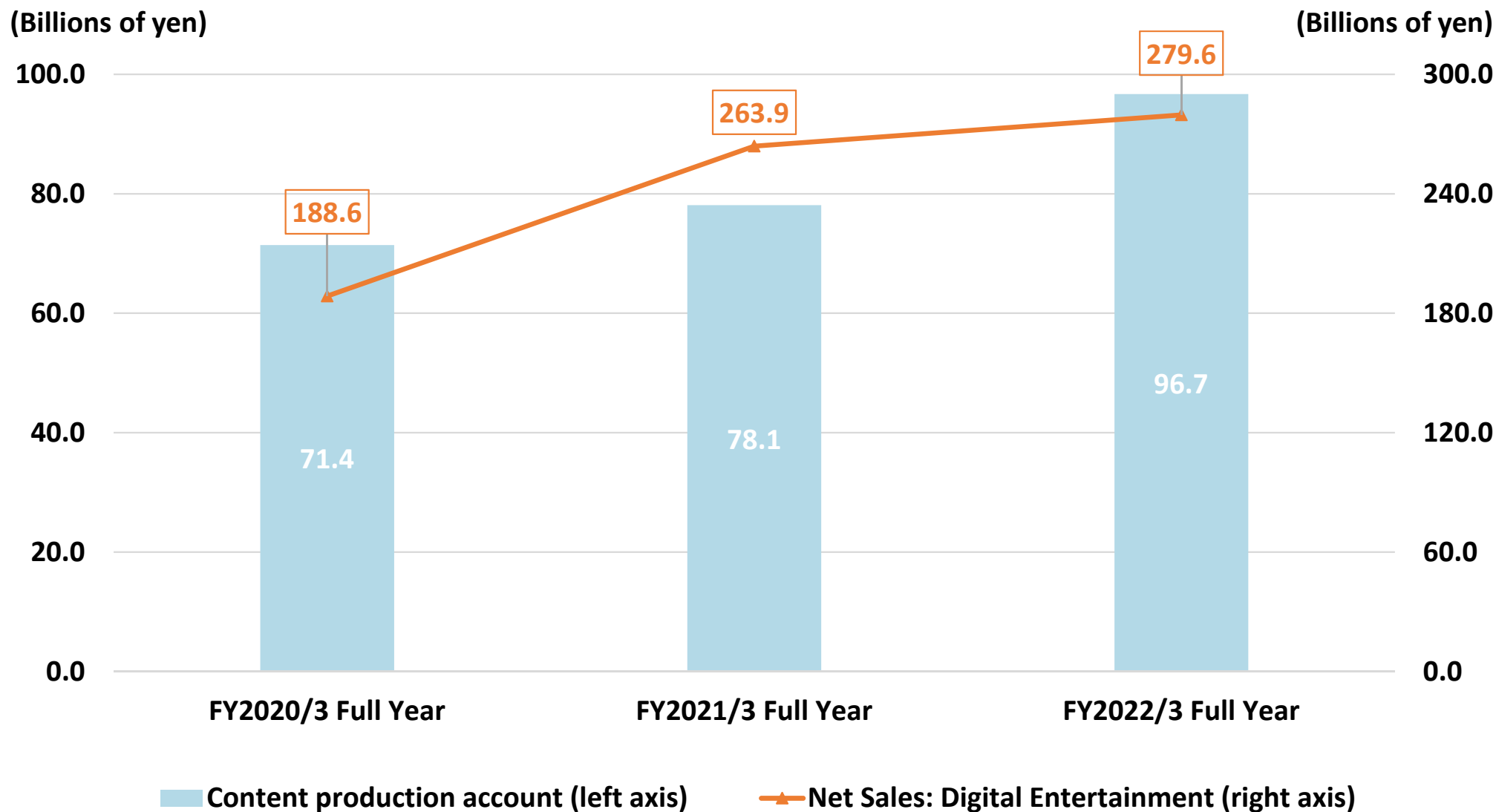
(Millions of Units Sold)

Region	FY2021/3 Full Year Results			FY2022/3 Full Year Results		
	Disc	Download	Total	Disc	Download	Total
Japan	2.62	3.67	6.30	1.24	3.62	4.86
North America/ Europe	7.16	31.43	38.59	6.85	23.32	30.17
Asia, etc.	0.51	4.51	5.01	0.39	3.72	4.10
Total	10.29	39.60	49.90	8.47	30.66	39.13

* The above numbers cover both HD and MMO games, and includes titles for which Square Enix is the distributor and titles sold episodically.

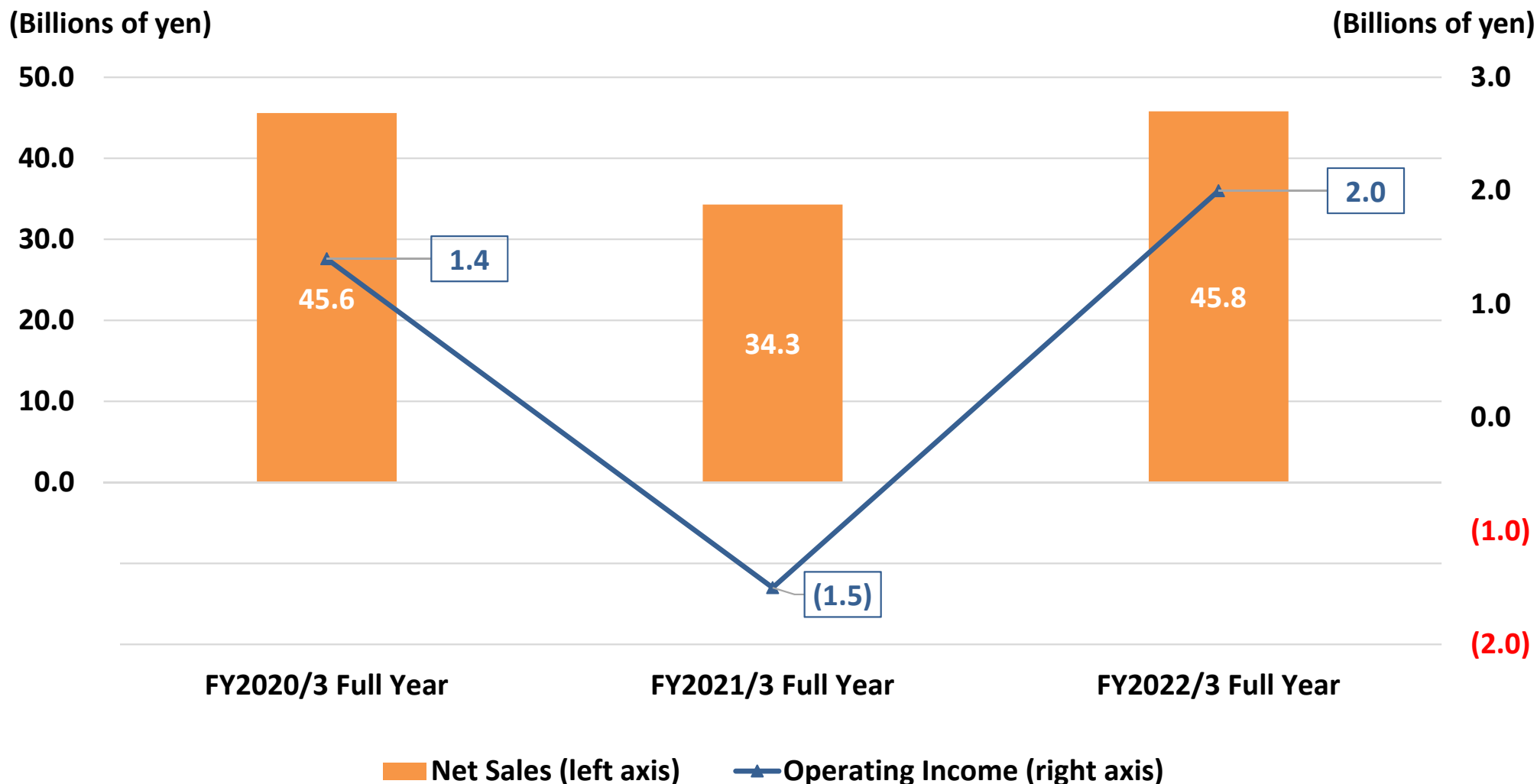
Digital Entertainment

Note: Content production account balance & Digital Entertainment sales



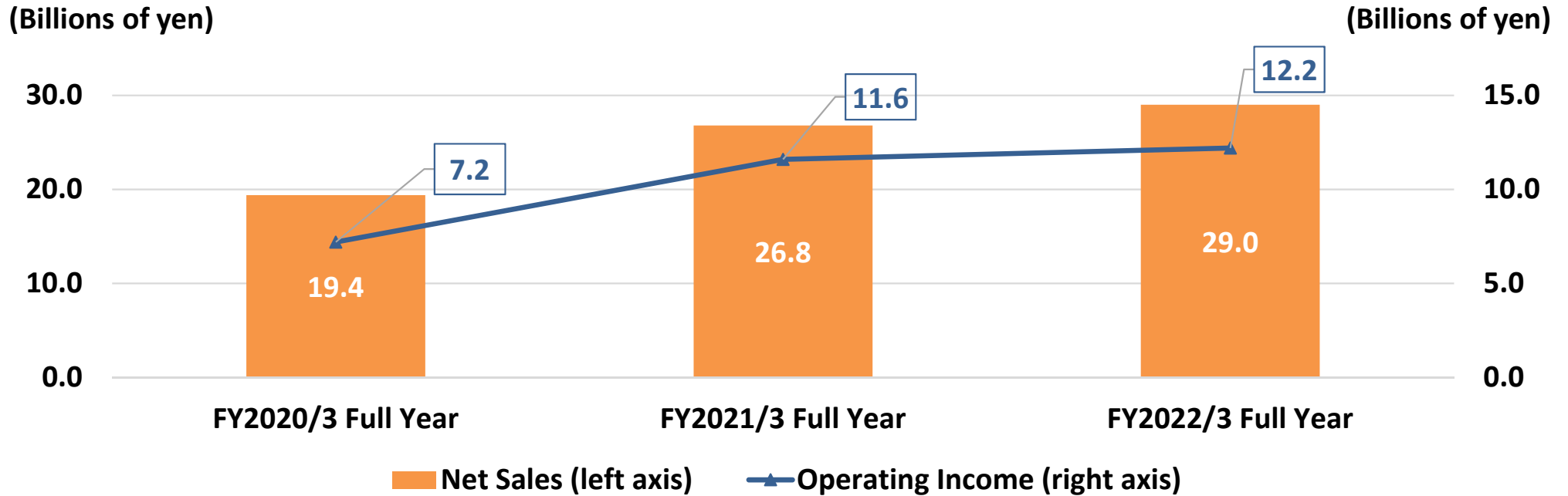
Amusement

Net sales increased YoY, turned from loss to profit as pandemic-prompted arcade closures had had a major impact through mid-June 2020.



Publication

Net sales and operating income rose YoY thanks to brisk digital sales and solid print sales.



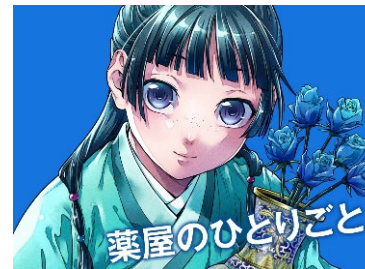
Major Service, Titles in FY2022/3



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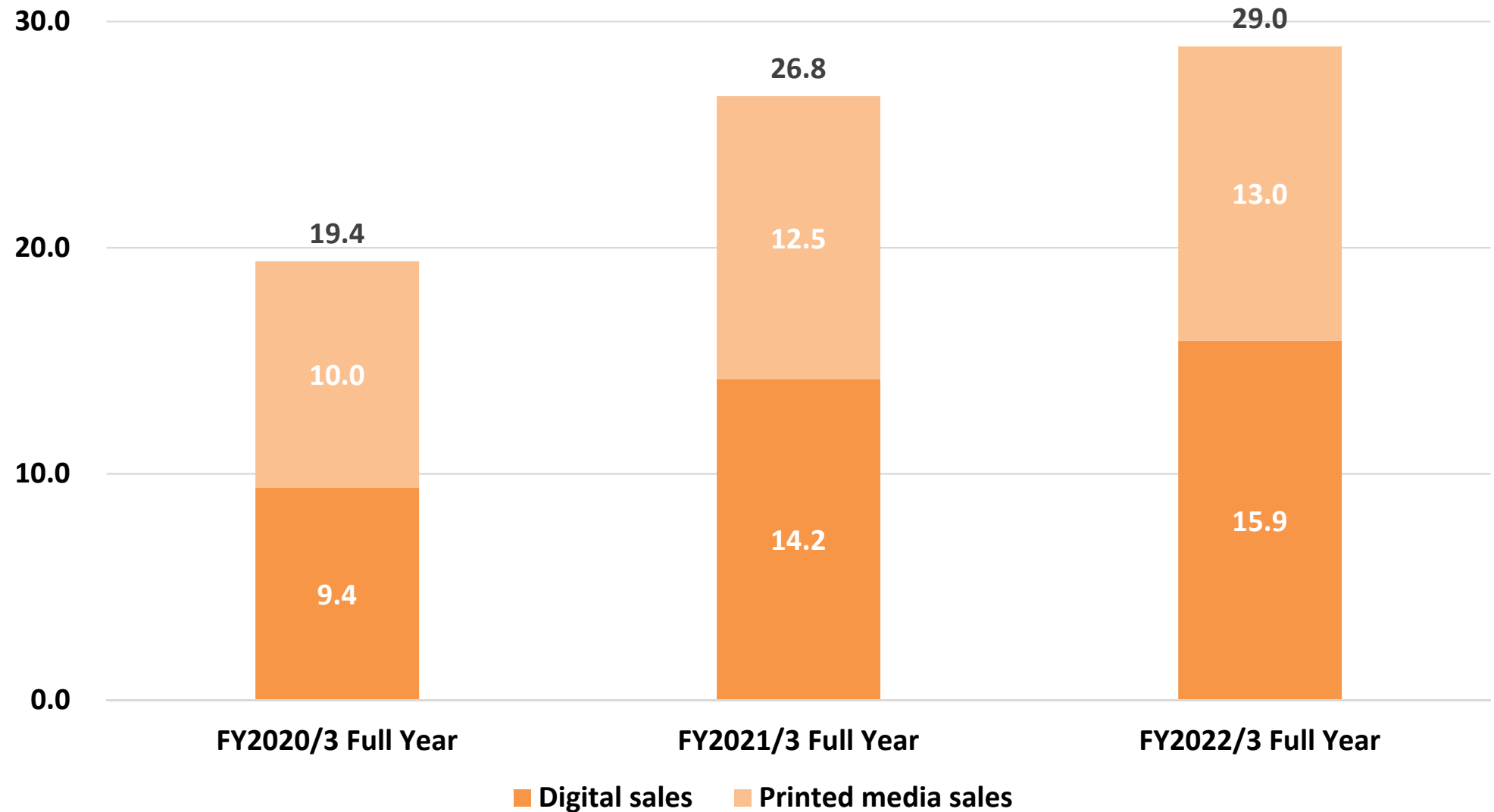


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Publication --Digital vs. Printed Media Sales--

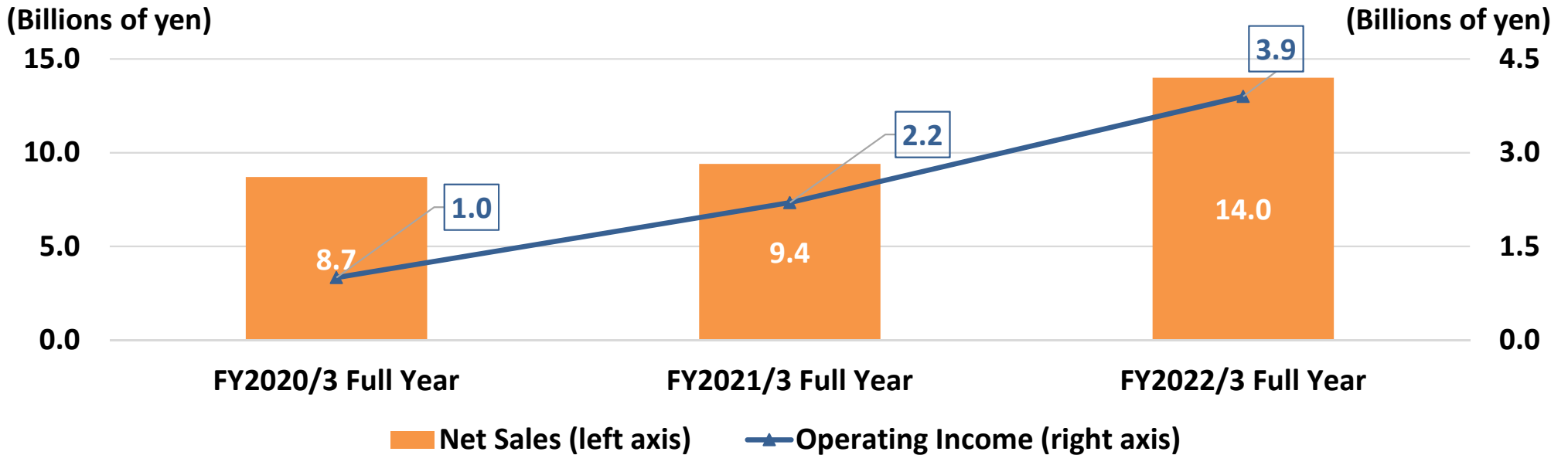
(Billions of yen)

Breakdown of Publication sales



Merchandising

Net sales and operating income rose YoY on brisk sales of new character merchandise based on our key IP.



Major Products in FY2022/3



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CHARACTER DESIGN: TETSUYA NOMURA/ROBERTO FERRARI



"FINAL FANTASY XIV: Endwalker Collector's Edition"

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LOGO & IMAGE ILLUSTRATION: © 2010, 2013, 2014, 2016, 2018, 2021 YOSHITAKA AMANO



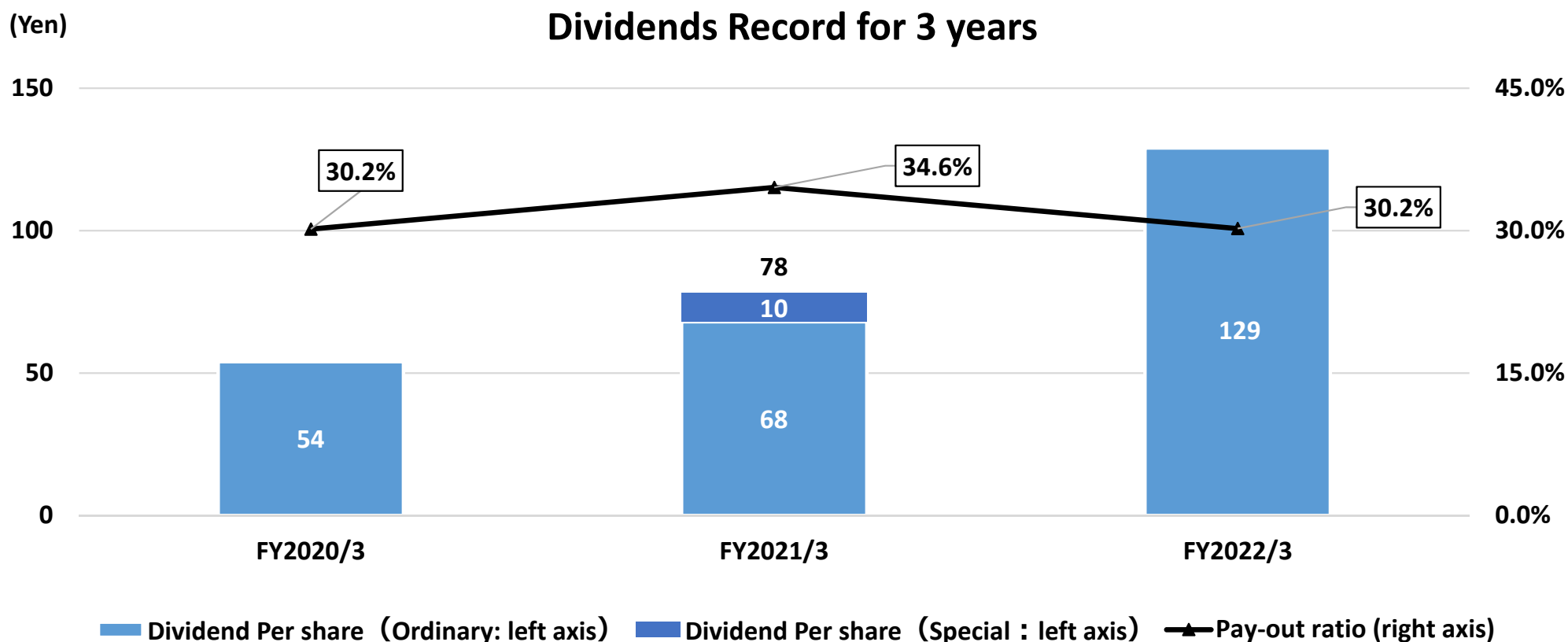
"NieR Replicant ver.1.22474487139... White Snow Edition"

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Shareholders Return in FY2022/3

<Shareholders Return Policy>

- Prioritize growth investment and consider balance between shareholders return and internal reserve.
- Reward shareholders via dividends, using a consolidated dividend payout ratio of 30% as a guide.
- Minimum annual DPS of 30 yen



Medium-term business strategy progress

Medium-term business strategy progress

Business strategies for achieving our medium-term earnings targets

1. Strengthening our IP ecosystem

2. Take on new domains

3. Optimize business structure for COVID world

Divestiture of Select Overseas Studios & IP

(announced on May 2, 2022)

Medium-term business strategy progress

Share transfer agreement with Sweden-based Embracer Group AB concerning the divestiture of select overseas studios and IP franchises

Principal assets to be divested

- Studios

- North American HD game development studio: Crystal Dynamics
- Canadian HD game development studio: Eidos-Montréal
- Mobile game development studio: Square Enix Montréal

- IP franchises

- *TOMB RAIDER*
- *Deus Ex*
- *Thief*
- *Legacy of Kain, etc.*

*Includes catalog titles based on the abovementioned IP (smaller titles and downloadable content also included)

Transfer price: US\$300 million

Medium-term business strategy progress

Objectives behind divestiture of select overseas studios and IP

- 1. Achieve sustained growth through selection and concentration of company resources**
 - In anticipation of changes in the global business environment for game development, we intend to optimize our resource allocation so that we can develop appealing titles better aligned to customer needs while simultaneously bolstering our profitability
- 2. Better align overseas publishing function with organization in Tokyo**
 - Maximize worldwide revenue from future titles launched by group studios in Japan and abroad by revisiting our existing governance structure and reporting lines and advancing integrated group management
- 3. Transform group business portfolio**
 - Accelerate launch and monetization of new businesses by moving forward with investments in focus fields (blockchain, AI, and the cloud)

Medium-term business strategy progress

Business strategies for achieving our medium-term earnings targets

1. Strengthening our IP ecosystem

2. Take on new domains

3. Optimize business structure for COVID world

(1) Reshaping Digital Entertainment portfolio

(2) Strengthening publishing structure

Medium-term business strategy progress: 1. Strengthening our IP ecosystem

Pursuing initiatives below to strengthen our IP ecosystem

(1) Reshaping Digital Entertainment portfolio

- Cultivate robust IP (including creation of new IP)
- Boost game development capabilities by establishing new studios, M&A, etc.

(2) Strengthening publishing structure

- Enhance global publishing function by appointing Chief Publishing Officer (CPO)
- Speed up decision-making through integrated group management

Medium-term business strategy progress

Business strategies for achieving our medium-term earnings targets

1. Strengthening our IP ecosystem

2. Take on new domains

3. Optimize business structure for COVID world

Investing in focus fields

(1) Initiatives to promote Blockchain Entertainment domain

(2) Investments in focus themes

Medium-term business strategy progress: 2. Take on new domains

(1) Initiatives to promote Blockchain Entertainment domain

- Creation of Blockchain Entertainment Business Division (Feb 2022)
- Season 1 of Shi-San-Sei Million Arthur completed (Mar 2022)



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Encouraged by the results and feedback from our NFT business, we have decided to produce a second season. Our plan is to incorporate game content into our service and to leverage the development and operational expertise we have amassed in our existing businesses to explore the potential of earnings structures, breadth of play, and NFT ownership experiences in the NFT business. The next page describes other projects in the planning or development stages.

Medium-term business strategy progress: 2. Take on new domains

(1) Initiatives to promote Blockchain Entertainment domain

◆ Blockchain game/entertainment development – Project missions

- Initiative to establish regulatory clarity and guidelines for blockchain games
- Tackling scalability in NFT economic zones and experiences
- Issuing exclusive fungible tokens and designing earnings structures/communities (UGC, governance, guilds, etc.)
- World-building, story-focused creatives x launching a new NFT brand and IP

◆ Establishing an overseas entity

- Issuing, managing, and investing our own tokens
- Game & service publishing business (establish in countries with wide cryptocurrency adoption)

◆ Financing

- Considering Corporate Venture Capital (CVC) unit

Medium-term business strategy progress: 2. Take on new domains

(2) Investments in Key areas

① Blockchain



Animoca Brands (Australia)

Game development and operation focused on blockchain games, an investment business in THE Web 3.0 space



THE SANDBOX (Hong Kong)

Development and operation of the decentralized metaverse "The SANDBOX"

② Cloud



Ubitus (Japan)

Provides cloud gaming solutions and media content streaming solutions to gaming and telecommunications companies

Considering multiple potential global investments other than those above

Consolidated Financial Forecasts
Fiscal Year
ending March 31, 2023

Consolidated Financial Forecasts: Fiscal Year ending March 31, 2023

We are currently assessing the earnings impact of the transaction described in our May 2, 2022 release entitled “Execution of Share Transfer Agreement with Change to Subsidiaries.”

As such, devising reasonable estimates is difficult at present, and our financial forecasts for the fiscal year ending March 31, 2023 therefore remain pending.

We will disclose our forecasts as soon as we can formulate reasonable estimates.



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May 13, 2022

SQUARE ENIX HOLDINGS CO., LTD.