



We would now like to begin the Financial Results Briefing session of SQUARE ENIX HOLDINGS (the “Company”) for the fiscal year ended March 31, 2023 (“FY2023/3”).

Today’s presenters are:

Yosuke Matsuda, President and Representative Director, and Takashi Kiryu, Director and Chief Strategy Officer.

First, our president Mr. Matsuda will give an overview of the Company’s financial results for FY2023/3, and then Mr. Kiryu, our Chief Strategy Officer, will discuss our initiatives for achieving further growth.

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 materials 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.

I am Yosuke Matsuda. I will be providing an overview of our financial results.

**Financial Results
Fiscal Year
Ended March 31, 2023**

**Consolidated Statement of Income
Fiscal Year ended March 31, 2023**

(Billions of Yen)

	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	
	Full Year Results	Full Year Results	Changes
Net Sales	365.2	343.2	(22.0)
Operating Income	59.2	44.3	(14.9)
Operating Income Margin	16.2%	12.9%	(3.3pt)
Ordinary Income	70.7	54.7	(16.0)
Ordinary Income Margin	19.4%	15.9%	(3.5pt)
Profit attributable to owners of parent	51.0	49.2	(1.8)
Depreciation and Amortization	7.5	6.9	(0.6)
Capital Expenditure	9.1	9.6	0.5
Number of Employees	5,637	4,712	(925)

In FY2023/3, the Company booked net consolidated sales of ¥343.2 billion (down ¥22.0 billion YoY), operating income of ¥44.3 billion (down ¥14.9 billion), ordinary income of ¥54.7 billion (down ¥16.0 billion), and net income attributable to parent company shareholders of ¥49.2 billion (down ¥1.8 billion). Unfortunately, both sales and profits declined YoY. Results for “FORSPOKEN,” which we released on January 24, 2023, were disappointing, but the title has received positive feedback on its action features.

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company’s management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.
 The information on the future forecasts described in this material is current as of May 12, 2023. The company is not obliged to update or correct forecasts concerning the Company’s future results, including forecasts or outlook, if new information becomes available and/or events occur after May 12, 2023.

Meanwhile, we have implemented several initiatives in FY2023/3 to help us to achieve future growth, including the overhaul of our development organization and title portfolio, and the strengthening of our publishing structure.

As part of efforts to strengthen our in-house development capabilities, we are in the process of consolidating our Group development resources through the merger of “FORSPOKEN” developer Luminous Productions into Square Enix Co., Ltd. We look forward to the benefits the new structure will produce.

I will next break down our results by segment.

The Digital Entertainment segment posted net sales of ¥245.5 billion (down ¥34.1 billion) and operating income of ¥41.2 billion (down ¥17.7 billion).

Net sales declined YoY in the HD Games sub-segment despite the release of such titles as “CRISIS CORE—FINAL FANTASY VII—REUNION,” “FORSPOKEN,” and “OCTOPATH TRAVELER II,” as earnings from new titles were lower than in the same period of the previous year, which had seen the release of “OUTRIDERS,” “NieR Replicant ver.1.22474487139...” and “Marvel’s Guardians of the Galaxy.”

Net sales fell YoY in the MMO sub-segment, partly due to the lack of any “FINAL FANTASY XIV” expansion pack release.

The Games for Smart Devices/PC Browser sub-segment also saw a YoY decline in net sales because of weak performances from existing titles.

The Amusement segment booked net sales of ¥56.3 billion (up ¥10.5 billion YoY) and operating income of ¥5.2 billion (up ¥3.2 billion). Net sales and operating income rose YoY due to significant growth in same-store sales.

The Publication segment booked net sales of ¥29.1 billion (up ¥100 million YoY) and operating income of ¥11.6 billion (down ¥600 million). Both digital and printed media sales were solid, but profits fell YoY due to a rise in cost of goods sold (CoGS), resulting from

Consolidated Statement of Income
Fiscal Year ended March 31, 2023 by Business Segment

	Fiscal Year Ended March 31, 2022		Fiscal Year Ended March 31, 2023		Changes
	Full Year Results		Full Year Results		
(Billions of Yen)					
Net sales	365.2		343.2		(22.0)
Digital Entertainment	279.6		245.5		(34.1)
Amusement	45.8		56.3		10.5
Publication	29.0		29.1		0.1
Merchandising	14.0		15.6		1.6
Eliminations or unallocated	(15.3)		(17.3)		(2.0)
Operating income	59.2		41.2		(18.0)
Digital Entertainment	58.9		41.2		(17.7)
Amusement	2.0		5.2		3.2
Publication	12.2		11.6		(0.6)
Merchandising	3.9		3.2		(0.7)
Eliminations or unallocated	(17.9)		(17.3)		0.6
Operating income margin	16.2%		12.9%		(3.3pt)
Digital Entertainment	21.1%		16.8%		(4.3pt)
Amusement	4.4%		9.4%		5.0pt
Publication	42.1%		39.9%		(2.2pt)
Merchandising	28.4%		23.8%		(4.6pt)
Eliminations or unallocated					

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Consolidated Balance Sheet
as of March 31, 2023

Account	<Assets>			<Liabilities and Net Assets>			
	03/2022	03/2023	Changes	03/2022	03/2023	Changes	
(Billions of Yen)							
Cash and deposits	163.0	193.5	30.5	Notes and accounts payable	27.5	23.5	(4.0)
Notes and accounts receivable	44.9	39.9	(5.0)	Income taxes payable	8.4	3.4	(5.0)
Inventories	5.1	5.7	0.6	Refund liabilities	5.6	5.1	(0.5)
Content production account	96.7	87.2	(9.5)	Others	42.1	39.5	(2.6)
Others	12.4	15.9	3.5	Total Current Liabilities	83.8	71.7	(12.1)
Total Current Assets	822.4	942.2	119.8	Total Current Liabilities	12.6	10.6	(2.0)
Property and equipment	19.8	17.7	(2.1)	Total Liabilities	96.4	82.3	(14.1)
Intangible Assets	7.3	5.8	(1.5)	Total Shareholders' Equity	290.2	324.7	34.5
Investments and other assets	31.2	33.7	2.5	Others	(5.8)	(7.4)	(1.6)
Total Non-current Assets	58.4	57.9	(0.5)	Total Net Assets	284.4	317.2	32.8
Total Assets	880.9	999.6	118.7	Total Liabilities and Net Assets	880.9	999.6	118.7

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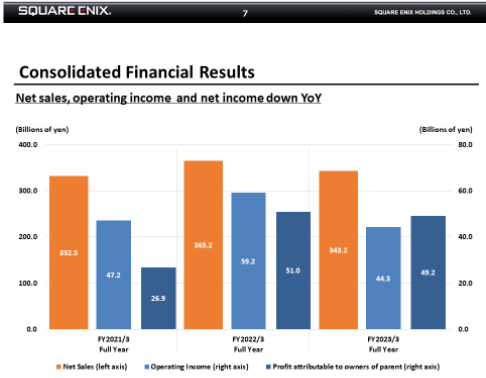
higher printing paper prices, as well as increased advertising expenses.

The Merchandising segment posted net sales of ¥15.6 billion (up ¥1.6 billion YoY) and operating income of ¥3.7 billion (down ¥200 million). Sales of new character merchandise based on key IP were strong, but the sales mix changed, resulting in higher net sales but lower operating income than a year earlier.

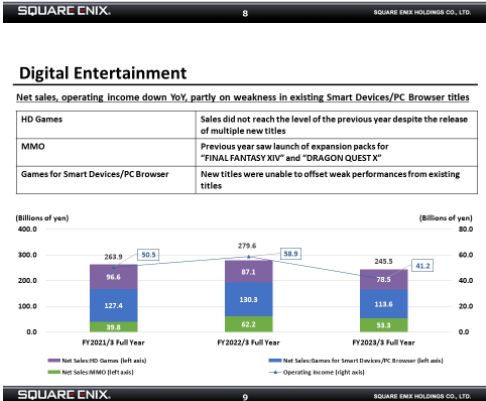
This concludes my overview of our FY2023/3 financial results.

Next, I will discuss our consolidated financial results and progress in each segment in FY2023/3.

Consolidated Financial Results and Progress in Each Business Segment



Consolidated net sales and profits declined YoY in FY2023/3.



In the Digital Entertainment segment, net sales and profit declined YoY due to weak performances from existing titles in the Games for Smart Devices/PC Browser sub-segment.

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Digital Entertainment –Main titles 1-

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

HD Games: Major New Titles in FY2023/3		
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These are the main HD Games we launched in FY2023/3.

Digital Entertainment –Main titles 2-

MMO: No expansion pack was released but focused on retaining users through a variety of operational initiatives

MMO : Main titles in operation	
<p>FINAL FANTASY XIV</p> <p>© 2010–2023 SQUARE ENIX CO., LTD. All Rights Reserved. LORD ILLUSTRATION © 2010 YOSHITAKA AMANO</p>	
<p>FINAL FANTASY XIV</p> <p>© 2012–2023 ARMOR PROJECT/HEAVY STUDIO/SQUARE ENIX All Rights Reserved.</p>	

In the MMO segment, we focused on implementing various operational initiatives to bolster user retention. As a result, the segment was able to maintain a solid performance despite the lack of expansion pack releases.

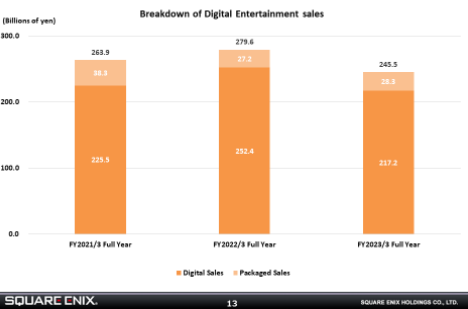
Digital Entertainment –Main titles 3-

Games for Smart Devices/PC Browser: Launched multiple new titles

Major Operating Titles (Month and year indicate each title's launch timing)						
Aug 2010 DC KAMADOI	Jan 2014 THE KING OF FIGHTERS ALLSTAR BATTLE	Apr 2014 THE KING OF FIGHTERS ALLSTAR BATTLE 2	Sep 2014 THE KING OF FIGHTERS ALLSTAR BATTLE 3	Oct 2015 THE KING OF FIGHTERS ALLSTAR BATTLE 4	Oct 2015 THE KING OF FIGHTERS ALLSTAR BATTLE 5	Feb 2017 THE KING OF FIGHTERS ALLSTAR BATTLE 6
Jun 2017 THE KING OF FIGHTERS ALLSTAR BATTLE 7	Dec 2018 THE KING OF FIGHTERS ALLSTAR BATTLE 8	Jul 2019 THE KING OF FIGHTERS ALLSTAR BATTLE 9	Sep 2019 THE KING OF FIGHTERS ALLSTAR BATTLE 10	Nov 2019 THE KING OF FIGHTERS ALLSTAR BATTLE 11	Jul 2020 THE KING OF FIGHTERS ALLSTAR BATTLE 12	Oct 2020 THE KING OF FIGHTERS ALLSTAR BATTLE 13
Feb 2021 THE KING OF FIGHTERS ALLSTAR BATTLE 14	Dec 2021 THE KING OF FIGHTERS ALLSTAR BATTLE 15	Aug 2022 THE KING OF FIGHTERS ALLSTAR BATTLE 16	Feb 2023 THE KING OF FIGHTERS ALLSTAR BATTLE 17			

These are the main titles in our Games for Smart Devices/PC Browser sub-segment.

Digital Entertainment –Digital vs. Packaged Game Sales--



This slide shows the breakdown of digital versus packaged game sales in the Digital Entertainment segment.

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Digital Entertainment –Units Sold by Region–

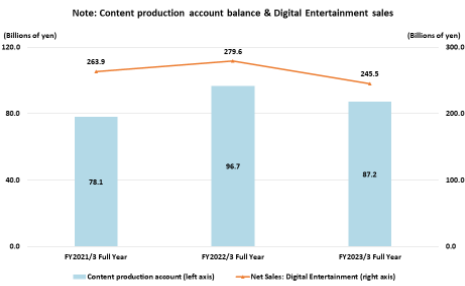
Units Sold = Sold disks + Downloads
 Packaged: Unit sales of packaged software sold in the fiscal year
 Downloads: Unit sales of downloaded software sold in the fiscal year

Region	FY2022/3 Full Year Results			FY2023/3 Full Year Results		
	Packaged	Download	Total	Packaged	Download	Total
Japan	1.24	3.62	4.86	2.19	3.14	5.32
North America/ Europe/	6.85	23.32	30.17	3.69	10.79	14.49
Asia, etc.	0.39	3.72	4.10	0.72	1.92	2.63
Total	8.47	30.66	39.13	6.59	15.85	22.44

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

This slide shows units sold by region in FY2023/3.

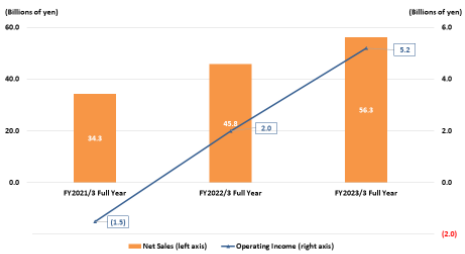
Digital Entertainment



Here is the trend in the content production account balance alongside Digital Entertainment segment sales.

Amusement

Net sales and operating income rose YoY due to sharp YoY growth in same-store sales.



The Amusement segment posted YoY growth in net sales and profits driven by sharp growth in same-store sales.

Publication

Solid sales of print and digital media
 Operating income down YoY due to higher costs (incl. for printing paper) and advertising expenses



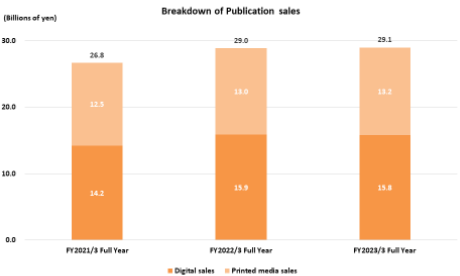
Major Service, Titles in FY2023/3



In the Publication segment, both digital and printed media sales were solid, but operating income fell YoY due to a rise in the cost of goods sold (CoGS), resulting from higher printing paper prices, as well as increased advertising expenses.

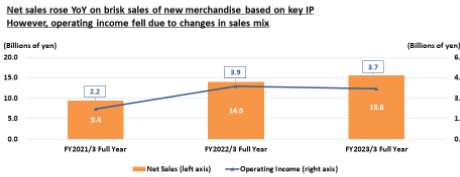
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Publication –Digital vs. Printed Media Sales–



This slide shows the split between digital and printed media sales in the Publication segment.

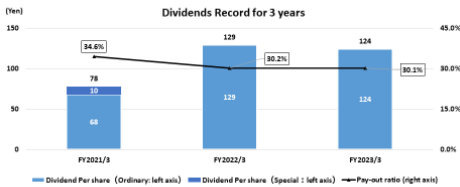
Merchandising



The Merchandising segment posted YoY growth in net sales due to strong sales of new character merchandise based on key IP. However, operating income was lower than a year earlier due to changes in the sales mix.

Shareholders Return in FY2023/3

- <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

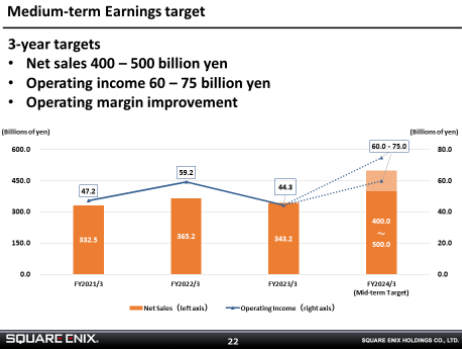


We continue to use a consolidated dividend payout ratio of 30% as our guideline for shareholder returns and plan an annual dividend of ¥124 per share for FY2023/3.

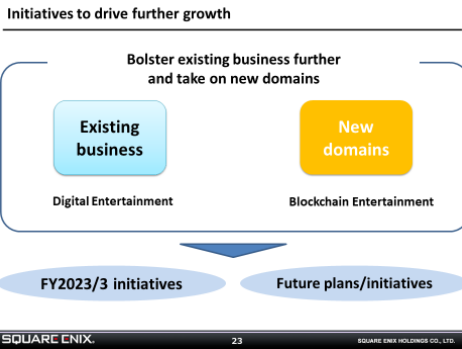
Medium-term Earnings target and Initiatives to drive further growth

I am Takashi Kiryu, Chief Strategy Officer. I will be taking you through our medium-term earnings targets and initiatives to drive further growth.

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We set three-year medium-term earnings targets of ¥400 – 500 billion in net sales and ¥60 – 75 billion in operating income along with improvement in the operating margin.



First, as part of our initiatives to drive further growth, we intend to focus further on strengthening our existing Digital Entertainment business. At the same time, we will continue to take on challenges in new domains such as AI, the cloud, and blockchain, our focus investment fields.

Next, I will discuss the initiatives we implemented in FY2023/3.

- 1. Initiatives deployed to drive further growth: FY2023/3**
- (1) Reshaping development structure/title portfolio Existing business
- Divestiture of select overseas studios and IP
 - Sale of three studios (Crystal Dynamics, Eidos Montréal, and Square Enix Montréal) and related IP to the Embracer Group
 - Medium/long-term reshuffle of groupwide title portfolio
 - Focus resources on titles carefully selected for global appeal
 - Create a pipeline enabling regular launches of major titles
 - Revisit total development process to bolster quality
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In order to bolster the competitive strength and profitability of the HD Games and Games for Smart Devices/PC Browser sub-segments within the Digital Entertainment segment, we divested select overseas studios and IP and worked on reshaping the medium/long-term title portfolio for the Group as a whole in FY2023/3.

We will continue to focus on initiatives aimed at further strengthening the HD Games and Games for Smart Devices/PC Browser sub-segments as core businesses within the Group.

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1. Initiatives deployed to drive further growth: FY2023/3
- (2) Bolstering our publishing structure Existing business
- Named two Chief Publishing Officers (CPOs) to establish clearer leadership
 - Integrated marketing and sales functions as part of realignment of our global publishing organization
 - Strengthened foundations for global collaboration by establishing the new Global Publishing Meeting

We also took steps to strengthen our publishing structure with the aim of growing sales of our content in global markets.

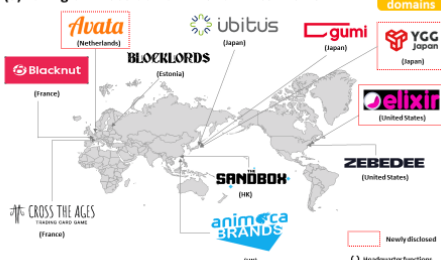
By incorporating more of a “market-in” approach into our traditional development process, which was largely based on the “product-out” approach, we intend to build a robust structure that allows us to better reflect the needs of the market and our users into our content.

1. Initiatives deployed to drive further growth: FY2023/3
- (3) Taking on Web3 domain New domains
- Created Blockchain Entertainment Business Division
 - The capital and alliance agreement with gumi (joint investment by Square Enix Holdings and SBI Holdings)
 - Stakes in three companies in Japan and 8 overseas* (including token investment)
*Cumulative total as of the end of FY2023/3

We also deployed various initiatives in new domains. We are looking to generate growth both organically and inorganically, including through the forming of a capital and business alliance with gumi, and investments in start-up companies in Japan and overseas.

1. Initiatives deployed to drive further growth: FY2023/3
- (3) Taking on Web3 domain: List of investments (Newly disclosed) New domains
- Blockchain**
- Avata (Netherlands)  An insurtech company providing customised insurance solutions to digital asset owners.
 - Elixir Games (United States)  A game distribution platform combining web2 and web3 functionalities for PC and smart device games
 - YGG Japan (Japan)  A game and advertisement platform for web 3 players by using YGG's know-how.
- () Headquarter functions

Examples of inorganic growth initiatives include taking minority stakes in multiple start-up companies in Japan and overseas, as well as working to gather intelligence and obtain cutting-edge insights in the relevant domains.

1. Initiatives deployed to drive further growth: FY2023/3
- (3) Taking on Web3 domain: List of investments New domains
- 
- () Headquarter functions

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2. Future plans – Digital Entertainment

Strengthening in-house development resources

Existing business

- Consolidate group resources on major projects, through Luminous Productions merger etc.
- Achieve optimal allocation of internal development resources with focus on AAA titles
- Overhaul structure for developing smart device games by realigning internal organization

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I would like to discuss our future plans now, starting with existing businesses.

In existing businesses, we will work on bolstering our in-house development capabilities to enhance our profitability and competitive prowess in the HD Games and Games for Smart Devices/PC Browser sub-segments.

In HD Games, we completed the consolidation of development resources within the Group with the merger of Luminous Productions into Square Enix Co., Ltd. However, there is an essential human element to content development, and we hope to succeed in integrating our people and cultures by the end of FY2024/3 to create a united Group HD game development function.

For the Games for Smart Devices/PC Browser sub-segment, the key to success lies in both development and operations, and the main aim of our reorganization efforts has been to strengthen both.

We are also focused on stepping up our recruitment of engineers and other development talent that are essential to strengthen our in-house development capabilities. In March, we announced an increase in base pay to boost our ability to attract talented new hires.

In our efforts to bring in talented external development resources to the Group, we will continue to consider inorganic opportunities, including M&A, setting up new studios, and taking minority stakes.

Now, I would like to explain our plans in our new domains.

In the realm of Web3 and blockchain, we are currently in an investment phase focused on the next stage of growth. On the inorganic side, we will pursue investments that limit our downside risk, while on the organic side, we will release multiple titles in order to both test the market and monetize our efforts.

2. Future plans – Digital Entertainment

Strengthening in-house development resources

Existing business

- Step up hiring of engineers and other development talent (to develop not only HD and smart device games but also content for future cross-platform offerings)
- Bring talented external development resources into the Group (consider M&A, creating new studios, taking minority stakes)

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3. Future plans – Blockchain Entertainment

(1) Blockchain Entertainment initiatives

New domains

- Being a pioneer is key to achieving overwhelming success
- Release titles to validate business models and monetize simultaneously (Organic)
- Continue to pursue investments globally (Inorganic)

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3. Future plans – Blockchain Entertainment

(2) Initiatives to promote Blockchain Entertainment New domains (Organic)

- Explore business structure/earnings potential of NFT business
Shi-San-Sei Million Arthur
→ Issue NFTs, release game content
- Explore businesses leveraging public blockchains
SYMBIOGENESIS (In development)
→ Our first sales of NFT collectible art featuring new IP




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We will leverage our own resources to pursue projects involving Shi-San-Sei Million Arthur and SYMBIOGENESIS in order to verify business viability and monetization potential.

3. Future plans – Blockchain Entertainment

(2) Initiatives to promote Blockchain Entertainment New domains (Inorganic)

- Investment selection policy
→Prioritize strategic returns to the entire business and select companies capable of providing a stronger commitment as a business partner
→Minimize downside risk by taking minority stakes; primarily select start-ups, placing focus on gaining insight into/exploring the domain
- Diversification of Investment Vehicle
→Considering establishing a Corporate Venture Capital (CVC) unit
- Preparing to establish an overseas entity
→Create a Web3 business

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While we search for growth opportunities in new domains, we will also work on initiatives from an inorganic perspective. We are already generating considerable financial returns and will now prioritize strategic returns for our entire business, by collaborating with partners who are committed to the business domain and taking minority stakes in them, with limited downside risk.

We also intend to diversify our investment vehicles by establishing a Corporate Venture Capital (CVC) unit, and undertaking preparations to form an overseas entity, which will allow for the creation of a Web3 business.

Initiatives to achieve further growth - Summary

- FY2023/3:
Undertook transformation focused on overseas structure
- FY2024/3:
Will pursue the following focus initiatives to strengthen existing businesses while taking on new domains

Existing business

- Strengthen in-house development structure
- Enhance publishing functions globally

New domains

- Accelerate blockchain game development
- Validate, solidify business models, earnings structures

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While our FY2023/3 reforms primarily pertained to our organization overseas, we plan to pursue focus initiatives in FY2024/3 on further strengthening existing businesses, while also taking on new domains.

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Finally, I will discuss our financial forecasts for FY2024/3.

Consolidated Financial Forecasts
Fiscal Year
ending March 31, 2024

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Consolidated Financial Forecasts:
Fiscal Year ending March 31, 2024

(Billions of Yen)

	Fiscal Year Ended	Fiscal Year Ending	
	March 31, 2023	Full Year Forecasts	Changes
Net Sales	343.2	360.0	16.8
Operating Income	44.3	55.0	10.7
Operating Income Margin	12.9%	15.3%	2.4pt
Ordinary Income	54.7	55.0	0.3
Ordinary Income Margin	15.9%	15.3%	(0.6pt)
Profit attributable to owners of parent	49.2	38.5	(10.7)
Depreciation and Amortization	6.9	9.9	3.0
Capital Expenditure	9.6	11.7	2.1
Dividends per share			(Yen)
Interim	10	10	0
Yearend	114	87	(27)
Total	124	97	(27)

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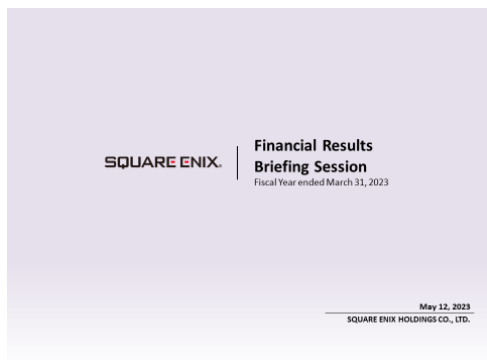
In FY2024/3, we forecast net consolidated sales of ¥360 billion, operating income of ¥55 billion, ordinary income of ¥55 billion, and profit attributable to owners of parent of ¥38.5 billion.

Although our consolidated operating income forecast of ¥55 billion is below the ¥60 billion lower-range boundary of our medium-term earnings target, we are still working to achieve our medium-term earnings objective.

Let me discuss our thinking on consolidated financial forecasts.

Our forecasts reflect uncertainties regarding our topline as well as efforts to improve our operating margin, but we also take into account the impact of higher personnel costs and the like associated with our efforts to strengthen our in-house development capabilities.

This concludes my presentation.



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FY2023/3 Financial Results Briefing Session Q&A

Date/Time: May 12, 2023 (Fri); 6:30-7:30 pm (JST)

Main Speaker: Takashi Kiryu, Director and Chief Strategy Officer

Q&A

Q: Could you give us an idea of the scale of cost increases you expect within your consolidated FY2024/3 financial forecasts?

A: We anticipate increases in personnel costs across our global organization, but I will refrain from commenting in quantitative terms.

Q: You cite margin improvement as one of your medium-term earnings targets. Do you have a specific performance indicator for that?

A: We aim to achieve a margin of around 15%.

Q: Several major HD game title releases are expected in FY2024/3. Could you update us on the current status of those?

A: “FINAL FANTASY XVI” is scheduled for release on June 22, 2023, and there is no change in status on the release of “FINAL FANTASY VII REBIRTH,” which is slated for next winter.

Q: What do you believe the issues are in your HD Game sub-segment?

A: We see the issue as one of insufficient selection and concentration, as well as of our resources—especially the Group’s development resources—being spread too thin. We believe the key to resolving the issue is to concentrate our resources on major projects. One example of us integrating our resources is the merger of Luminous Productions into Square Enix Co., Ltd.

Q: When do you expect a positive impact on earnings from your efforts to strengthen your in-house development function?

A: We recognize the risk of our structural overhaul affecting the quality and release timing of titles under development, so it is difficult to expect the earnings benefits to materialize in the short term. We therefore think it will take some time before earnings are positively impacted.

Q: Your Financial Results Briefing presentation materials include a plan to “create a pipeline enabling regular launches of major titles.” Does this mean that the launch cycle for major titles will be shorter than before?

A: We intend to shorten our content launch cycle by establishing a framework that allows us to launch new titles at a steady pace. That includes not only promising releases from major existing franchises, but also multiple other major titles, which we will continue to nurture.