



Financial Results Briefing Session

Three-Month Period Ended June 30, 2022

August 4, 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
First Quarter of Fiscal Year
Ending March 31, 2023

Consolidated Statement of Income

Q1, FY2023/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2022		Fiscal Year Ending March 31, 2023	
	Apr - Jun	Full Year Results	Apr - Jun	Changes
Net sales	88.6	365.2	74.8	(13.8)
Operating income	17.3	59.2	14.4	(2.9)
Operating income margin	19.5%	16.2%	19.3%	(0.2pt)
Ordinary income	17.6	70.7	26.2	8.6
Ordinary income margin	19.9%	19.4%	35.1%	15.2pt
Profit attributable to owners of parent	12.6	51.0	18.3	5.7
Depreciation and amortization	1.6	7.5	1.7	0.1
Capital expenditure	1.9	9.1	1.4	(0.5)

Consolidated Statement of Income

Q1, FY2023/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2022	Fiscal Year Ending March 31, 2023	
	Apr - Jun	Apr - Jun	Changes
Net sales	88.6	74.8	(13.8)
Digital Entertainment	69.8	53.5	(16.3)
Amusement	9.4	11.9	2.5
Publication	7.2	6.2	(1.0)
Merchandising	2.7	3.6	0.9
Eliminations or unallocated	(0.7)	(0.6)	0.1
Operating income	17.3	14.4	(2.9)
Digital Entertainment	17.1	14.1	(3.0)
Amusement	0.3	1.1	0.8
Publication	3.2	2.4	(0.8)
Merchandising	0.9	0.8	(0.1)
Eliminations or unallocated	(4.3)	(4.2)	0.1
Operating income margin	19.5%	19.3%	(0.2pt)
Digital Entertainment	24.5%	26.4%	1.9pt
Amusement	3.6%	9.5%	5.9pt
Publication	44.9%	39.9%	(5.0pt)
Merchandising	33.1%	23.0%	(10.1pt)
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of June 30, 2022

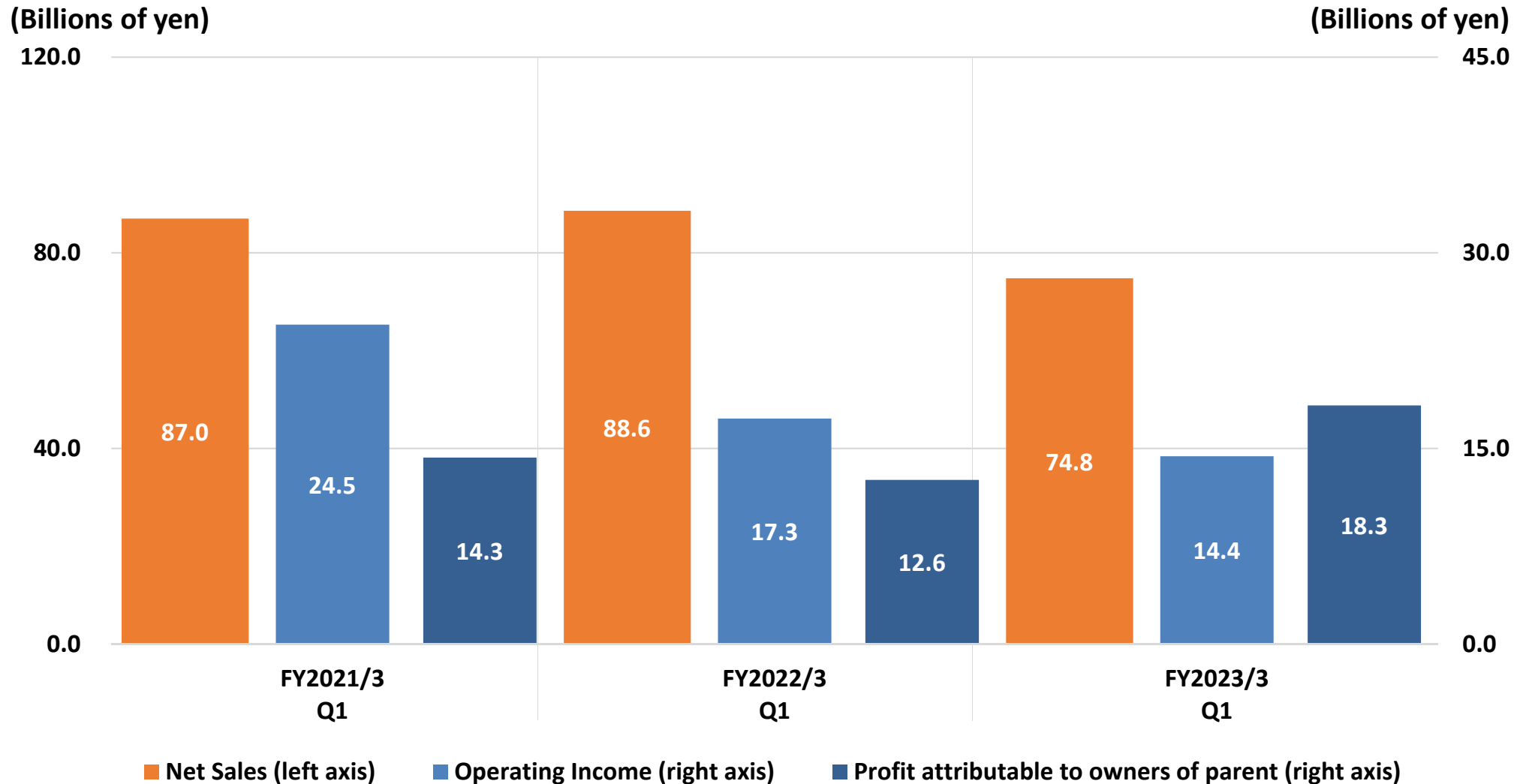
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2022	06/2022	Changes	Account	03/2022	06/2022	Changes
Cash and deposits	163.0	145.6	(17.4)	Notes and accounts payable	27.5	22.0	(5.5)
Notes and accounts receivable, and contract assets	44.9	37.8	(7.1)	Income taxes payable	8.4	6.4	(2.0)
Inventories	5.1	4.9	(0.2)	Refund liabilities	5.6	5.4	(0.2)
Content production account	96.7	111.2	14.5	Others	42.1	39.0	(3.1)
Others	12.4	13.7	1.3	Total Current Liabilities	83.8	72.9	(10.9)
Total Current Assets	322.4	313.3	(9.1)	Non-current Liabilities	12.6	13.1	0.5
Property and equipment	19.8	19.7	(0.1)	Total Liabilities	96.4	86.1	(10.3)
Intangible Assets	7.3	7.9	0.6	Total Shareholders' Equity	290.2	294.6	4.4
Investments and other assets	31.2	32.2	1.0	Others	(5.8)	(7.3)	(1.5)
Total Non-current Assets	58.4	59.9	1.5	Total Net Assets	284.4	287.2	2.8
Total Assets	380.9	373.3	(7.6)	Total Liabilities and Net Assets	380.9	373.3	(7.6)

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

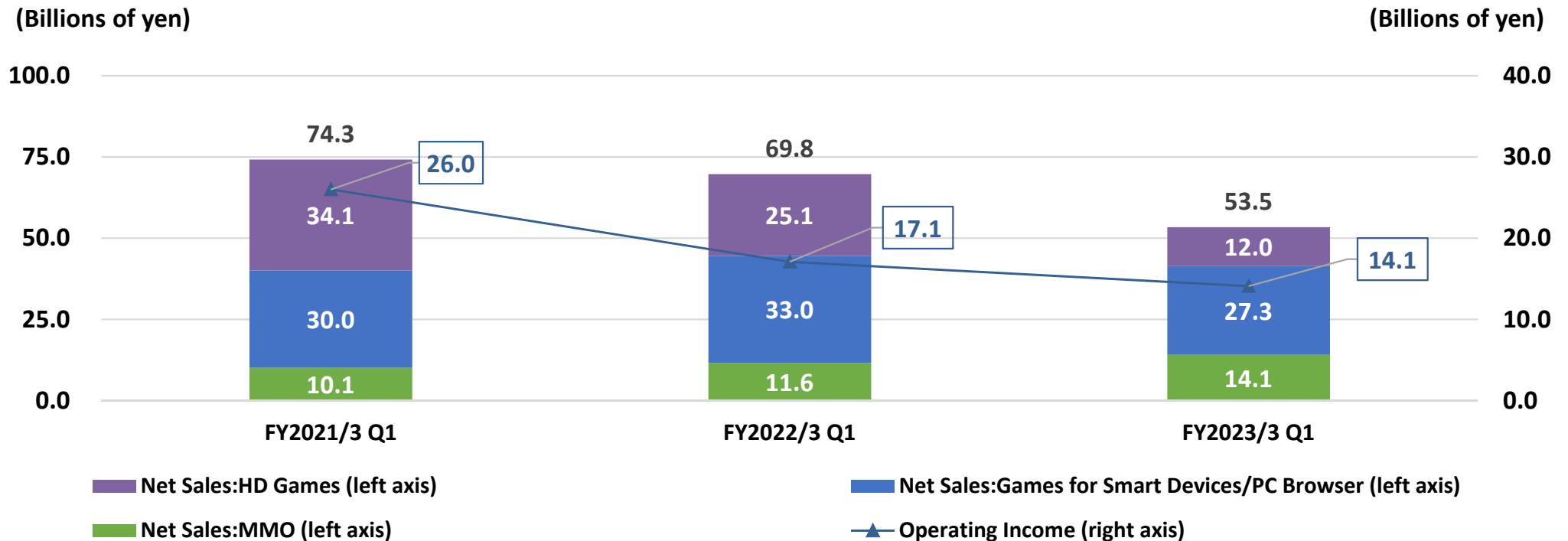
Net sales and operating income declined YoY, but net income rose due to foreign exchange gains.



Digital Entertainment

Net sales and operating income declined YoY at the HD Game sub-segment, due to a YoY decline in earnings from new titles.









HD Games	Sales did not reach the level of the previous year despite the release of multiple new titles.
MMO	Paying subscriber numbers for “FINAL FANTASY XIV” rose 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: Multiple new launches planned, including titles featuring new IP.

HD Games: Major New titles in FY2023/3

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<p style="text-align: center;"> DRAGON QUEST X ドラゴンクエストX 目撃! 上々の冒険 オンライン</p> <p>© 2012,2022 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p> <p>To be launched on September 15, 2022</p>	<p style="text-align: center;"> VALKYRIE ELYSIUM</p> <p>© 2022 SQUARE ENIX CO., LTD. All Rights Reserved.</p> <p>To be Launched on September 29, 2022 (PlayStation 5/PlayStation 4) November 12, 2022 (Steam)</p>	<p style="text-align: center;"> STAR OCEAN THE DIVINE FORCE</p> <p>© 2022 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by tri-Ace Inc. CHARACTER DESIGN: akiman</p> <p>To be launched on October 27, 2022</p>
<p style="text-align: center;"> DRAGON QUEST TREASURES ドラゴンクエストトレasures ～宝物と大空の冒険～</p> <p>© 2022 ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX All Rights Reserved.</p> <p>To be launched on December 9, 2022</p>	<p style="text-align: center;"> CRISIS CORE FINAL FANTASY VII REUNION</p> <p>© 2007, 2008 SQUARE ENIX CO., LTD. All Rights Reserved. CHARACTER DESIGN: TETSUYA NOMURA</p> <p>To be launched this winter</p>	<p style="text-align: center;"> FORSPOKEN</p> <p>© 2022 Luminous Productions Co., Ltd. All Rights Reserved.</p> <p>To be launched on January 24, 2023</p>

Digital Entertainment -Main titles 2-

MMO: No expansion pack releases planned but will focus on retaining users through a variety of operational initiatives.

MMO : Main titles in operation



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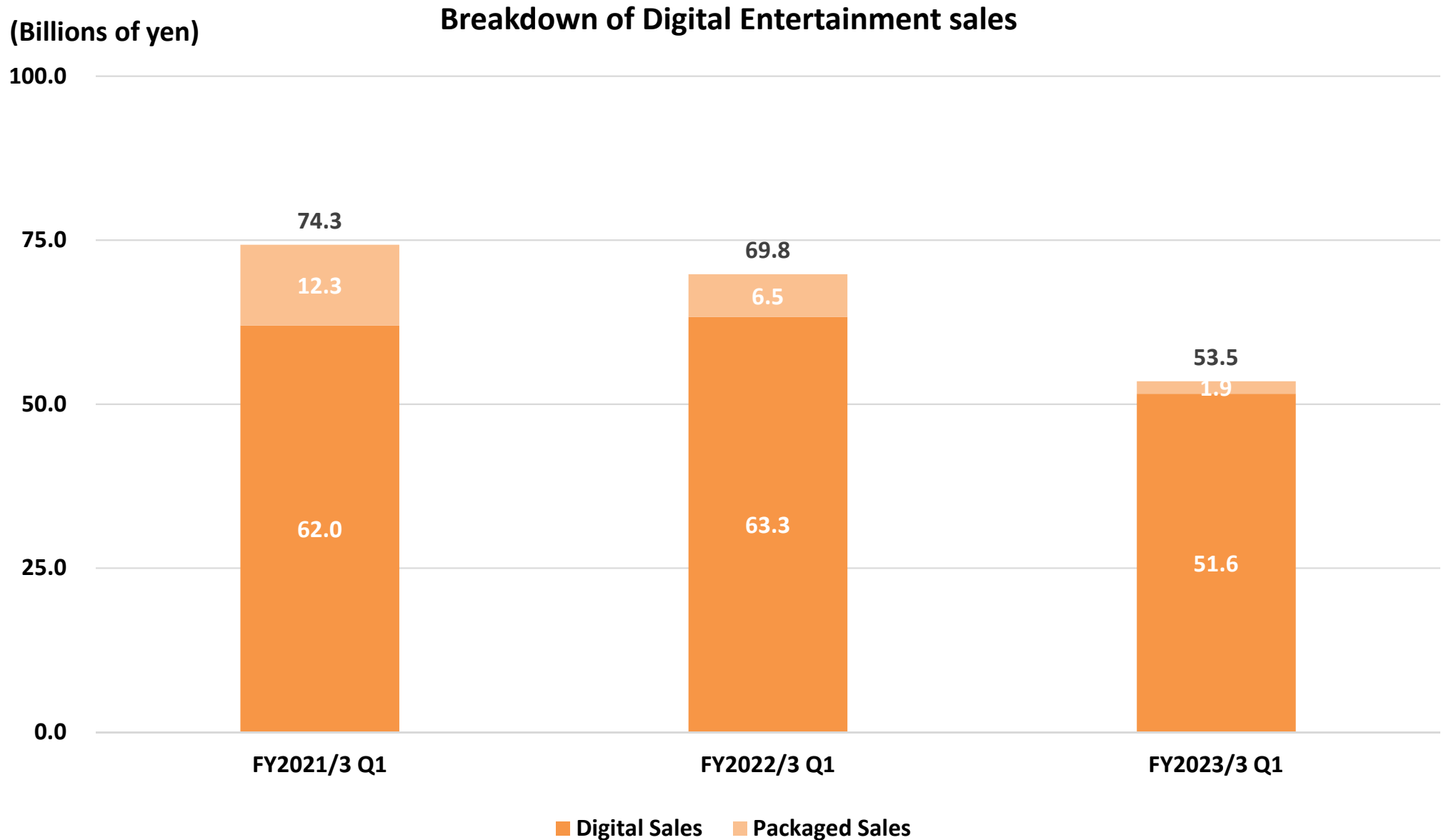
Digital Entertainment -Main titles 3-

Games for Smart Devices/PC Browser:
Multiple new title releases are slated for Q2 and beyond.

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>株式会社ディー・エヌ・エーと提携 (配信：株式会社ディー・エヌ・エー) ©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>©三条陸、稲田浩司/集英社・ ダイの大冒険製作委員会・テレビ東京 © 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>	<p>Apr 2022</p>  <p>© 2022 SQUARE ENIX CO., LTD. All Rights Reserved. Developed by WRIGHT FLYER STUDIOS</p>	<p>Jun 2022</p>  <p>© MAHOUKA-ANIME-PROJECT © 2022 SQUARE ENIX CO., LTD. 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

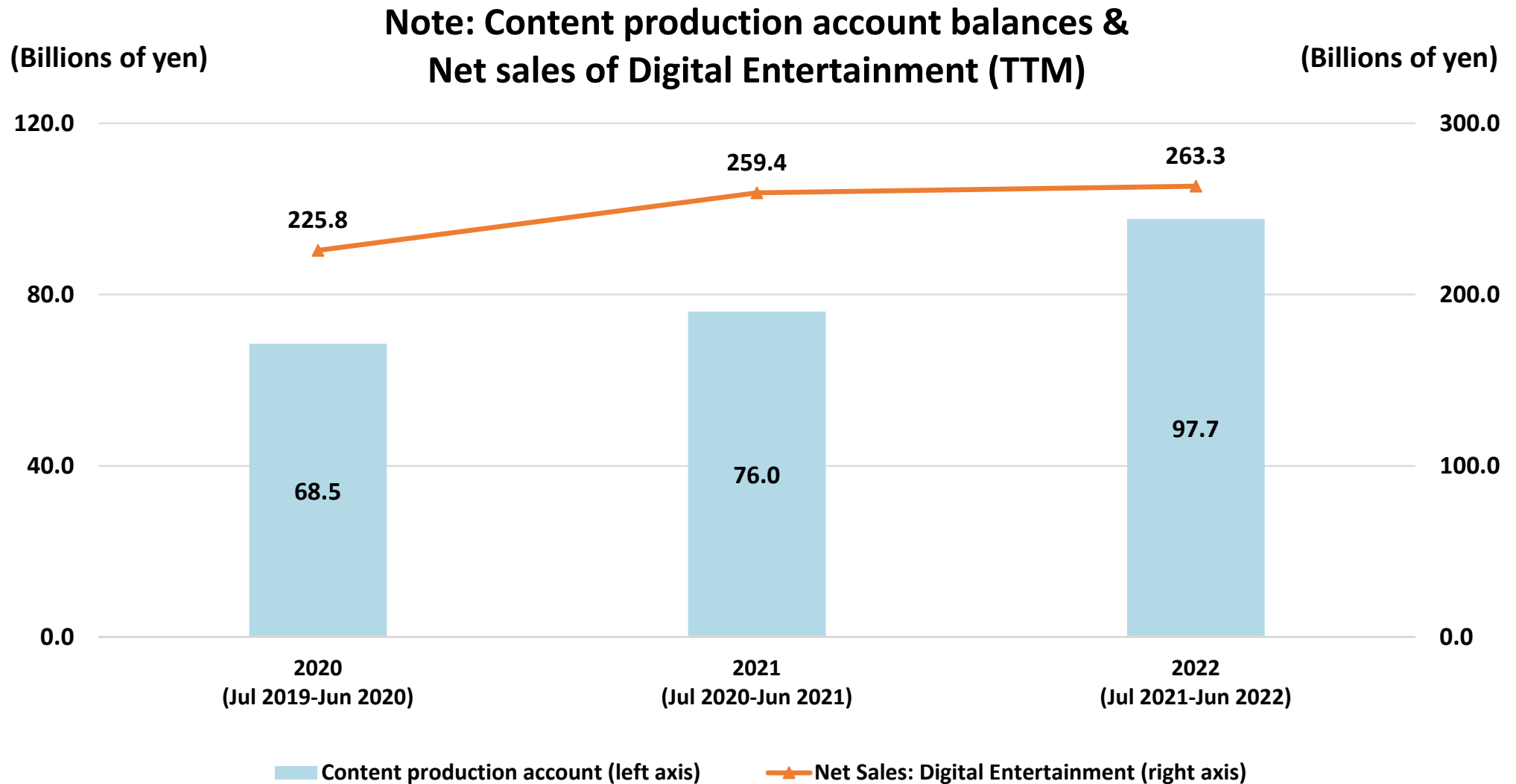
Downloads: Unit sales of downloaded software sold in the fiscal year

(Millions of Units Sold)

Region	FY2022/3 Q1 Results			FY2023/3 Q1 Results		
	Disc	Download	Total	Disc	Download	Total
Japan	0.36	0.99	1.35	0.10	0.56	0.66
North America/ Europe	1.25	6.05	7.30	0.28	2.74	3.03
Asia, etc.	0.15	1.09	1.23	0.13	0.46	0.59
Total	1.76	8.12	9.88	0.52	3.76	4.28

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

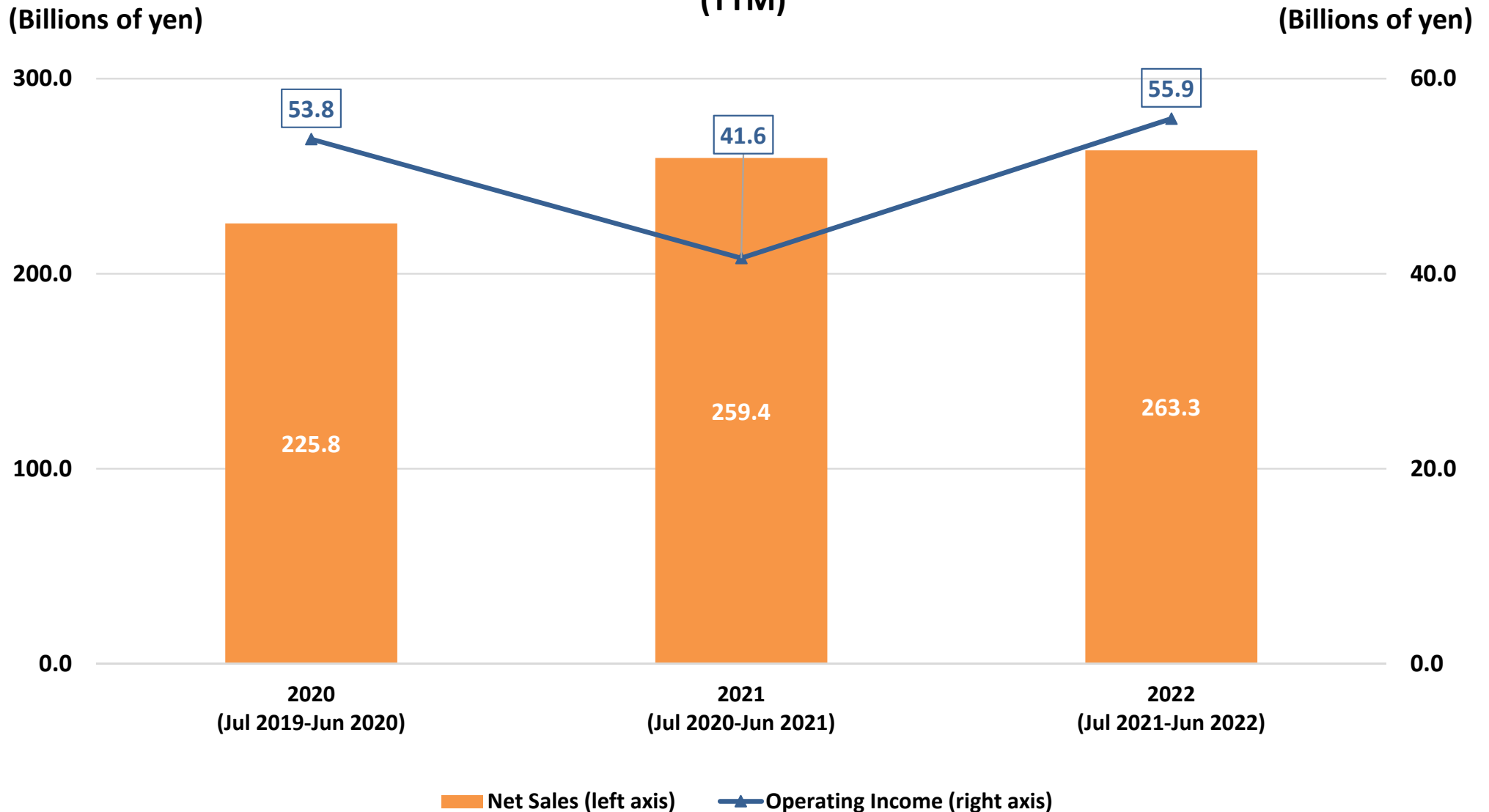
Digital Entertainment



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

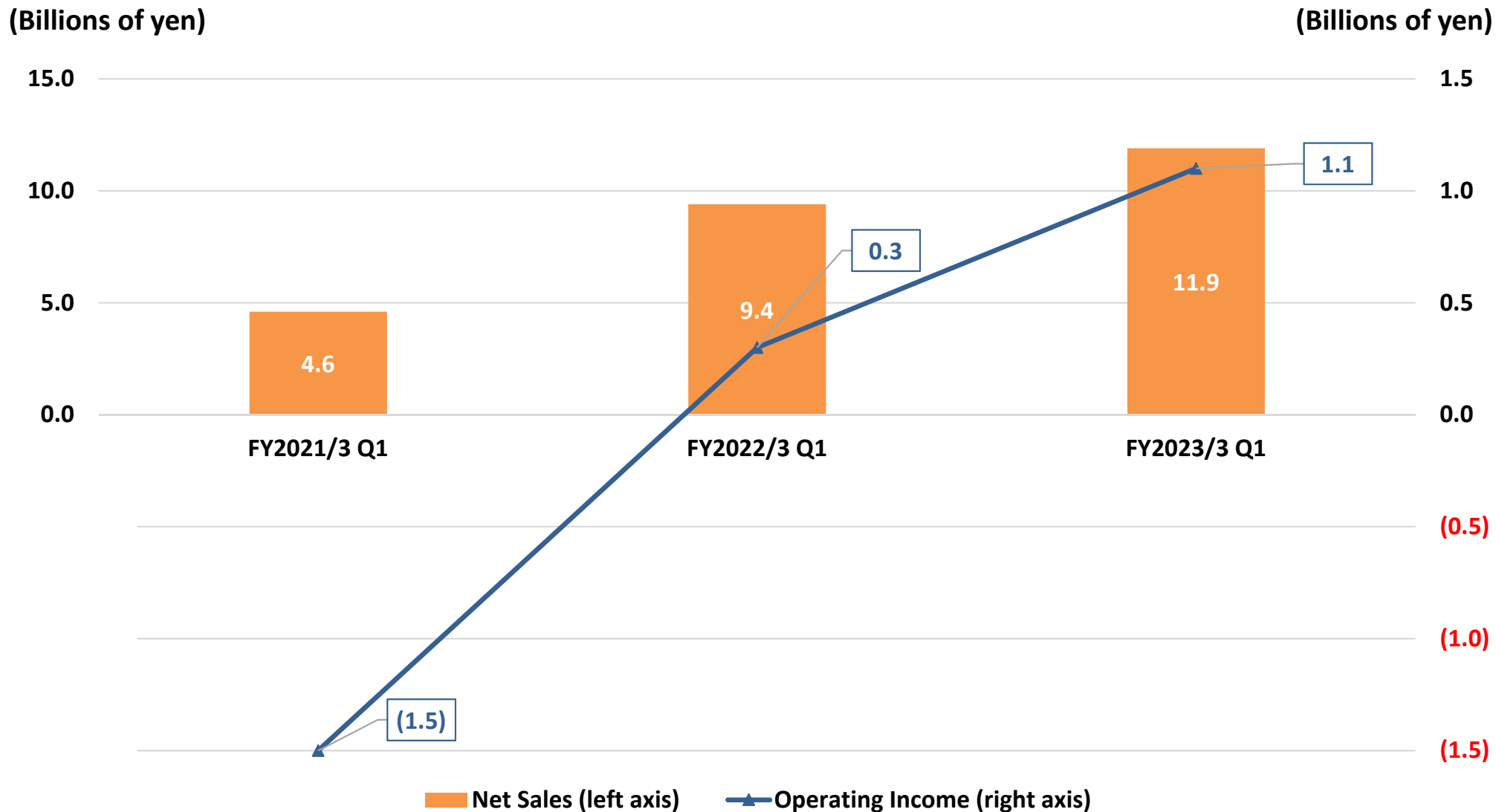
Digital Entertainment

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



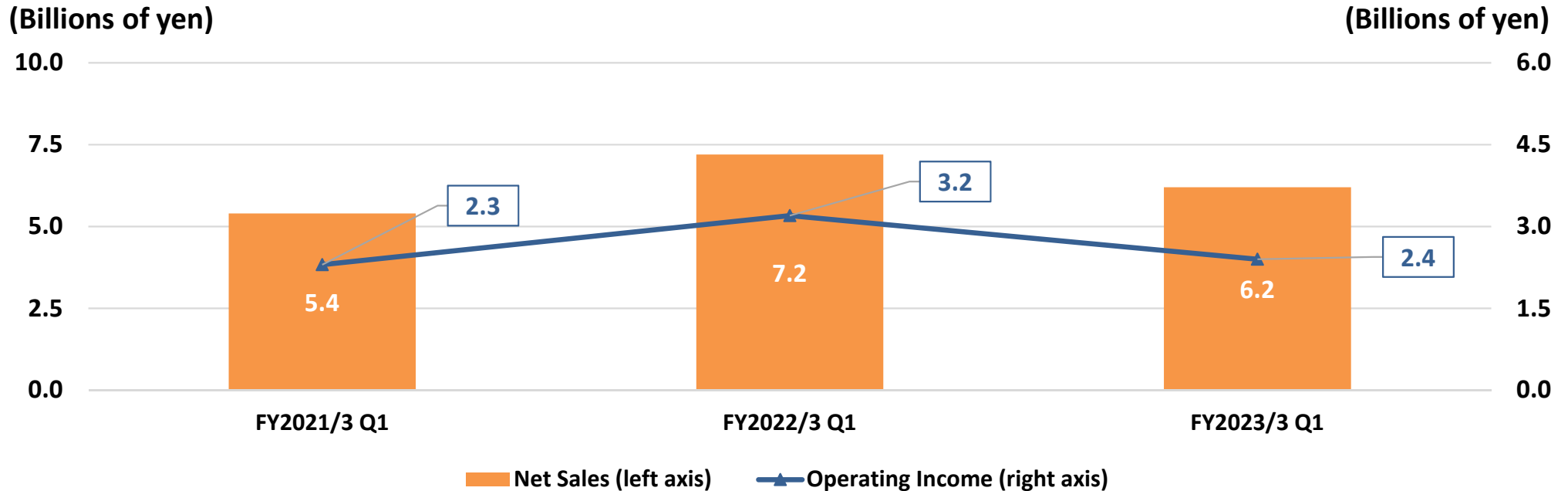
Amusement

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



Publication

Net sales and operating income fell YoY due to YoY declines in digital and print sales.



Major Service, Titles in FY2023/3



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Original Character Designs:(c)Huuka Kazabana/SB Creative Corp.
(c)Friendly Land/SQUARE ENIX

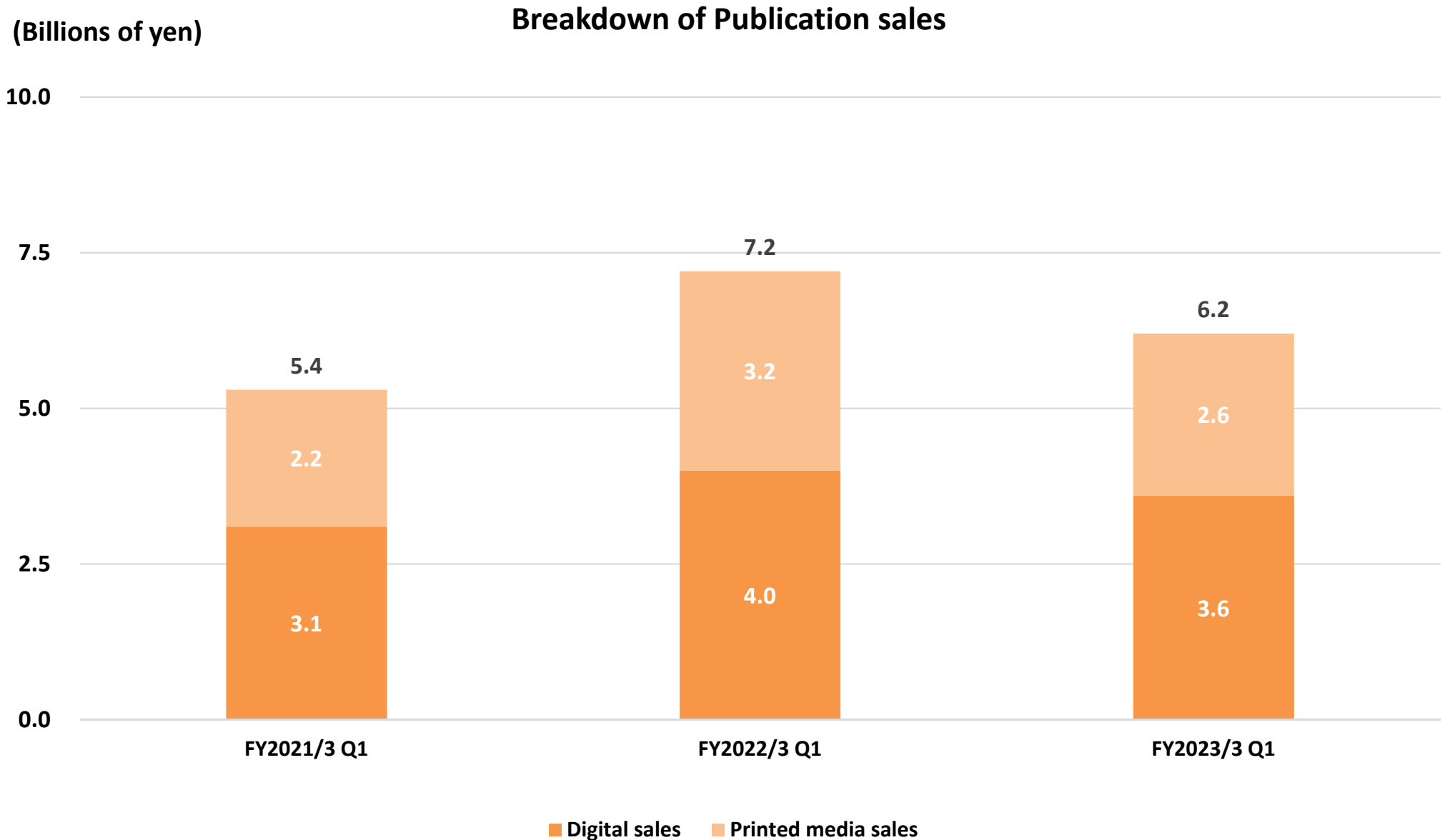


(C)Hiromu Arakawa/SQUARE ENIX



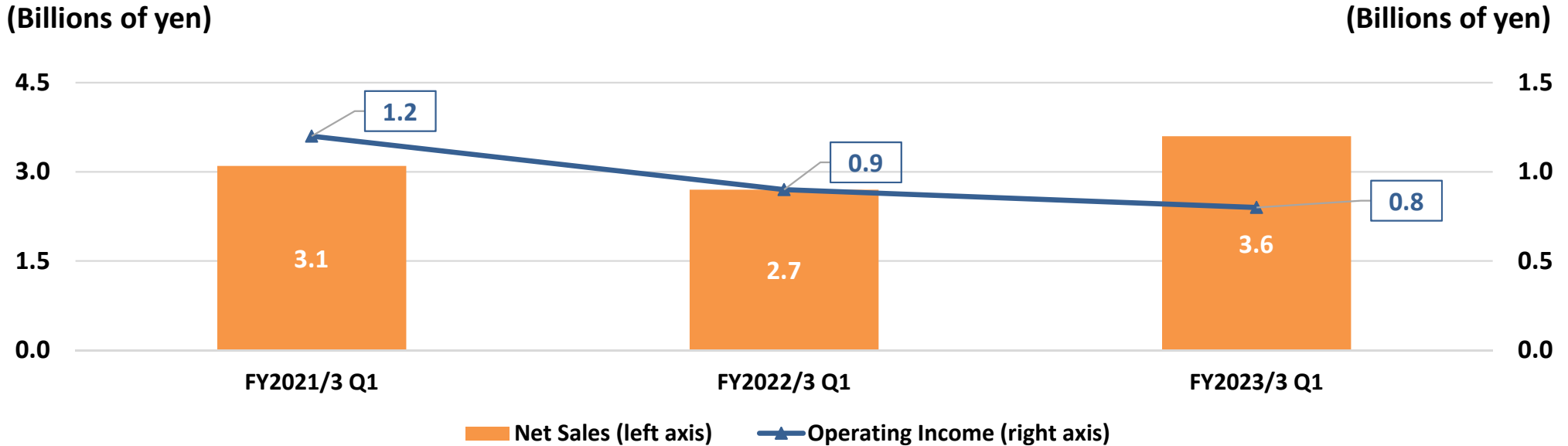
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Publication --Digital vs. Printed Media Sales--



Merchandising

Net sales rose YoY on brisk sales of new merchandise based on key IP.
However, operating income declined, partly due to changes in sales mix.



Major Products in FY2023/3



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