



SQUARE ENIX

Financial Results Briefing Session
Six-Month Period Ended September 30, 2024

November 8, 2024

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)

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Financial Results First Half of Fiscal Year Ending March 31, 2025

Consolidated Statement of Income FY2025/3 1H

(Billions of Yen)

| | Fiscal Year Ended March 31, 2024 | | Fiscal Year Ending March 31, 2025 | | | |
|--|-------------------------------------|----------------------|--------------------------------------|---------|------------------------|---------|
| | 1H | Full Year Results | 1H | Changes | Full Year Forecasts | Changes |
| Net Sales | 172.0 | 356.3 | 157.5 | (14.5) | 310.0 | (46.3) |
| Operating Income | 17.3 | 32.5 | 21.1 | 3.8 | 40.0 | 7.5 |
| Operating Income Margin | 10.1% | 9.1% | 13.4% | 3.3pt | 12.9% | 3.8pt |
| Ordinary Income | 26.1 | 41.5 | 18.1 | (8.0) | 40.0 | (1.5) |
| Ordinary Income Margin | 15.2% | 11.7% | 11.5% | (3.7pt) | 12.9% | 1.2pt |
| Profit attributable to owners of parent | 16.6 | 14.9 | 11.7 | (4.9) | 28.0 | 13.1 |

Consolidated Statement of Income Fiscal Year 1H FY2025 by Business Segment

(Billions of Yen)

| | Fiscal Year Ended March 31, 2024 | Fiscal Year Ending March 31, 2025 | |
|--------------------------------|----------------------------------|-----------------------------------|---------------|
| | 1H | 1H | Changes |
| Net sales | 172.0 | 157.5 | (14.5) |
| Digital Entertainment | 122.0 | 98.1 | (23.9) |
| Amusement | 28.4 | 36.2 | 7.8 |
| Publication | 14.4 | 14.8 | 0.4 |
| Merchandising | 8.3 | 9.6 | 1.3 |
| Eliminations or unallocated | (1.3) | (1.2) | 0.1 |
| Operating income | 17.3 | 21.1 | 3.8 |
| Digital Entertainment | 15.5 | 16.8 | 1.3 |
| Amusement | 3.2 | 4.2 | 1.0 |
| Publication | 5.5 | 5.3 | (0.2) |
| Merchandising | 1.8 | 3.3 | 1.5 |
| Eliminations or unallocated | (8.8) | (8.6) | 0.2 |
| Operating income margin | 10.1% | 13.4% | 3.3pt |
| Digital Entertainment | 12.7% | 17.2% | 4.5pt |
| Amusement | 11.5% | 11.7% | 0.2pt |
| Publication | 38.1% | 36.3% | (1.8pt) |
| Merchandising | 22.3% | 35.2% | 12.9pt |
| Eliminations or unallocated | - | - | - |

Consolidated Balance Sheet as of September 30, 2024

(Billions of Yen)

| Account | Assets | | | Account | Liabilities and Net Assets | | |
|---------------------------------|--------------|--------------|--------------|---|----------------------------|--------------|---------------|
| | 03/2024 | 09/2024 | Changes | | 03/2024 | 09/2024 | Changes |
| Cash and deposits | 225.9 | 222.4 | (3.5) | Notes and accounts payable | 24.3 | 22.8 | (1.5) |
| Notes and accounts receivable | 44.6 | 42.3 | (2.3) | Income taxes payable | 6.9 | 5.7 | (1.2) |
| Inventories | 5.7 | 7.4 | 1.7 | Refund liabilities | 4.4 | 3.5 | (0.9) |
| Content production account | 48.5 | 52.1 | 3.6 | Others | 45.7 | 38.9 | (6.8) |
| Others | 14.3 | 11.0 | (3.3) | Total Current Liabilities | 81.5 | 71.1 | (10.4) |
| Total Current Assets | 339.2 | 335.3 | (3.9) | Non-current Liabilities | 12.1 | 14.9 | 2.8 |
| Property and equipment | 23.0 | 27.9 | 4.9 | Total Liabilities | 93.7 | 86.0 | (7.7) |
| Intangible Assets | 5.8 | 5.8 | 0.0 | Total Shareholders' Equity | 325.2 | 334.0 | 8.8 |
| Investments and other assets | 42.6 | 43.1 | 0.5 | Others | (8.1) | (7.8) | 0.3 |
| Total Non-current Assets | 71.6 | 76.8 | 5.2 | Total Net Assets | 317.1 | 326.2 | 9.1 |
| Total Assets | 410.8 | 412.2 | 1.4 | Total Liabilities and Net Assets | 410.8 | 412.2 | 1.4 |

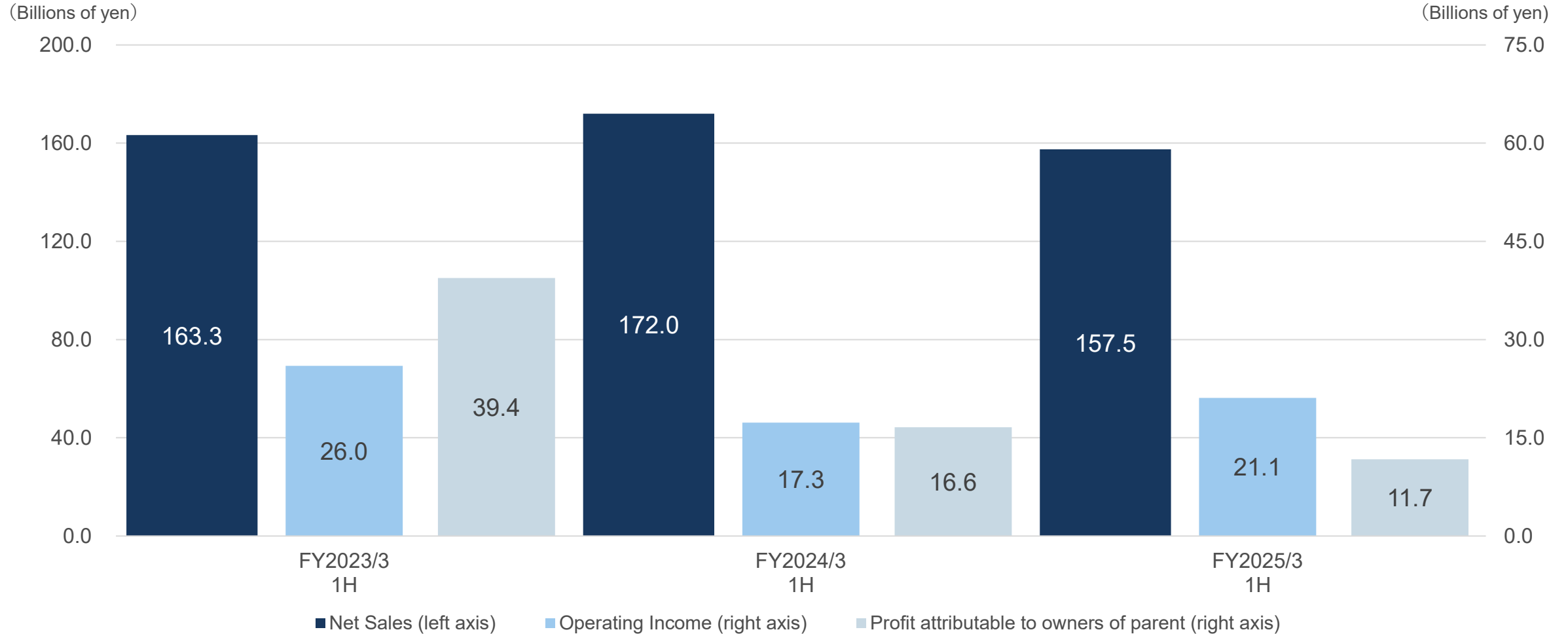
02

Consolidated Financial Results and Progress in Each Business Segment

Consolidated Financial Results

Net sales down, operating income up YoY

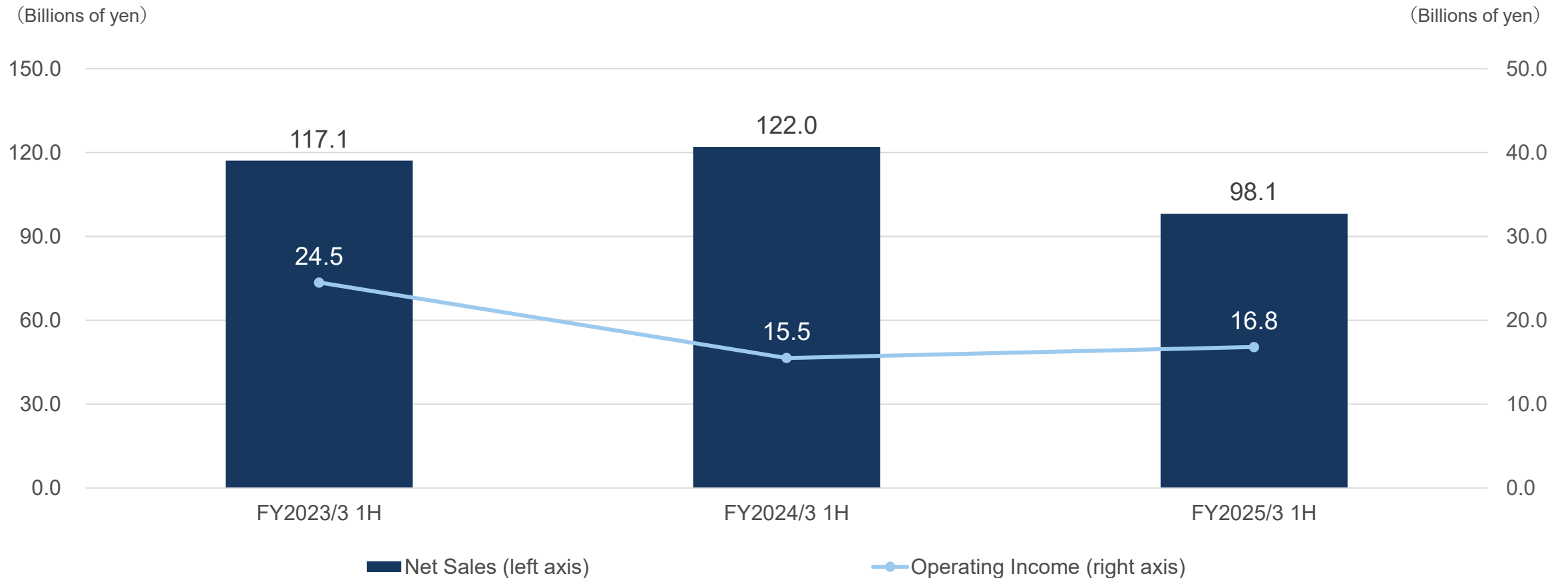
Net income down partly due to foreign exchange losses



Digital Entertainment

Net sales down YoY mainly due to lack of major title launches in the HD Game sub-segment

Operating income up YoY due to lower development cost amortization and advertising expenses, as well as to the expansion pack release in the MMO sub-segment



Digital Entertainment

HD Games: Plan to launch new titles, some featuring key IP

Net Sales: ¥27.5 billion (Prior FY: ¥43.7 billion/ down ¥16.2 billion YoY)

Operating loss: ¥1.2 billion (¥2.4 billion YoY improvement vs. ¥3.6 billion loss in 1H FY2024/3)

Major new titles in FY2025/3



Launched on Apr 25, 2024



Launched on Jun 14, 2024



Launched on Aug 29, 2024



Launched on Oct 24, 2024



Launched on Oct 30, 2024



To be Launched on Nov 14, 2024



To be Launched on Dec 5, 2024

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Digital Entertainment

MMO: Launching latest “FINAL FANTASY XIV” expansion pack in Q2

Net Sales: ¥32.4 billion (Prior FY: ¥23.9 billion/ up ¥8.5 billion YoY)

Operating Income: ¥13.1 billion (Prior FY: ¥9.3 billion/ up ¥3.8 billion YoY)

Main titles in operation



“FINAL FANTASY XIV: DAWNTRAIL”

Launched on Jul 2, 2024



Latest Major Update

Launched on Jul 10, 2024

Digital Entertainment

Games for Smart Devices/PC Browser: Operating income down on weakness in existing titles and royalty revenue recognized in previous year

Net Sales: ¥38.2 billion (Prior FY: ¥54.4 billion/ down ¥16.2 billion YoY)

Operating Income: ¥4.8 billion (Prior FY: ¥9.7 billion/ down ¥4.9 billion YoY)

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



Aug 2010
(PC Browser game)



Apr 2014



Sep 2014



Oct 2015



Oct 2015



Dec 2018



Sep 2019



Nov 2019



Jul 2020



Oct 2020



Sep 2023

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CHARACTER DESIGN: TETSUYA NOMURA / CHARACTER ILLUSTRATION: LISA FUJISE

Digital Entertainment

-Units Sold by Region-

Units Sold = Packaged + Downloads

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

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

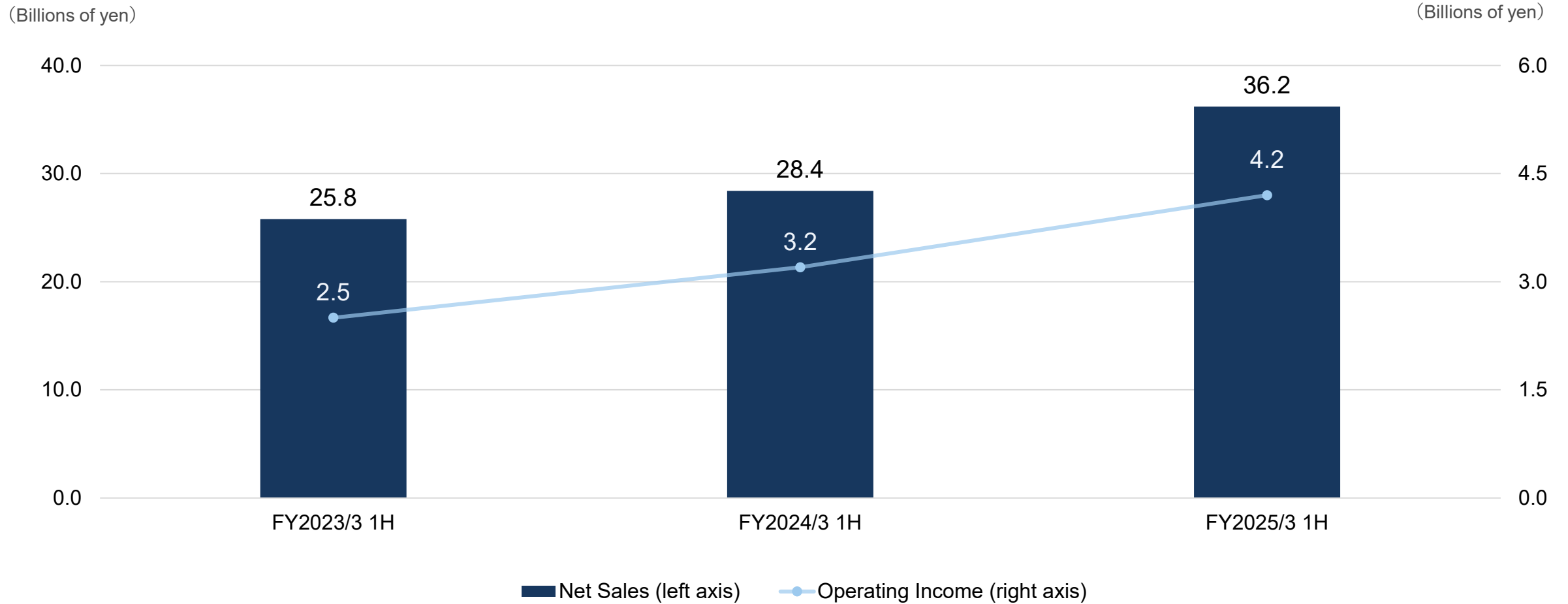
(Millions of Units Sold)

| Region | FY2024/3 1H | | | FY2025/3 1H | | |
|-----------------------|-------------|-------------|--------------|-------------|-------------|--------------|
| | Packaged | Download | Total | Packaged | Download | Total |
| Japan | 0.68 | 2.23 | 2.91 | 0.29 | 1.87 | 2.16 |
| North America/ Europe | 1.66 | 6.11 | 7.77 | 0.93 | 6.35 | 7.28 |
| Asia, etc. | 0.38 | 1.11 | 1.49 | 0.08 | 1.18 | 1.25 |
| Total | 2.72 | 9.44 | 12.17 | 1.30 | 9.39 | 10.69 |

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

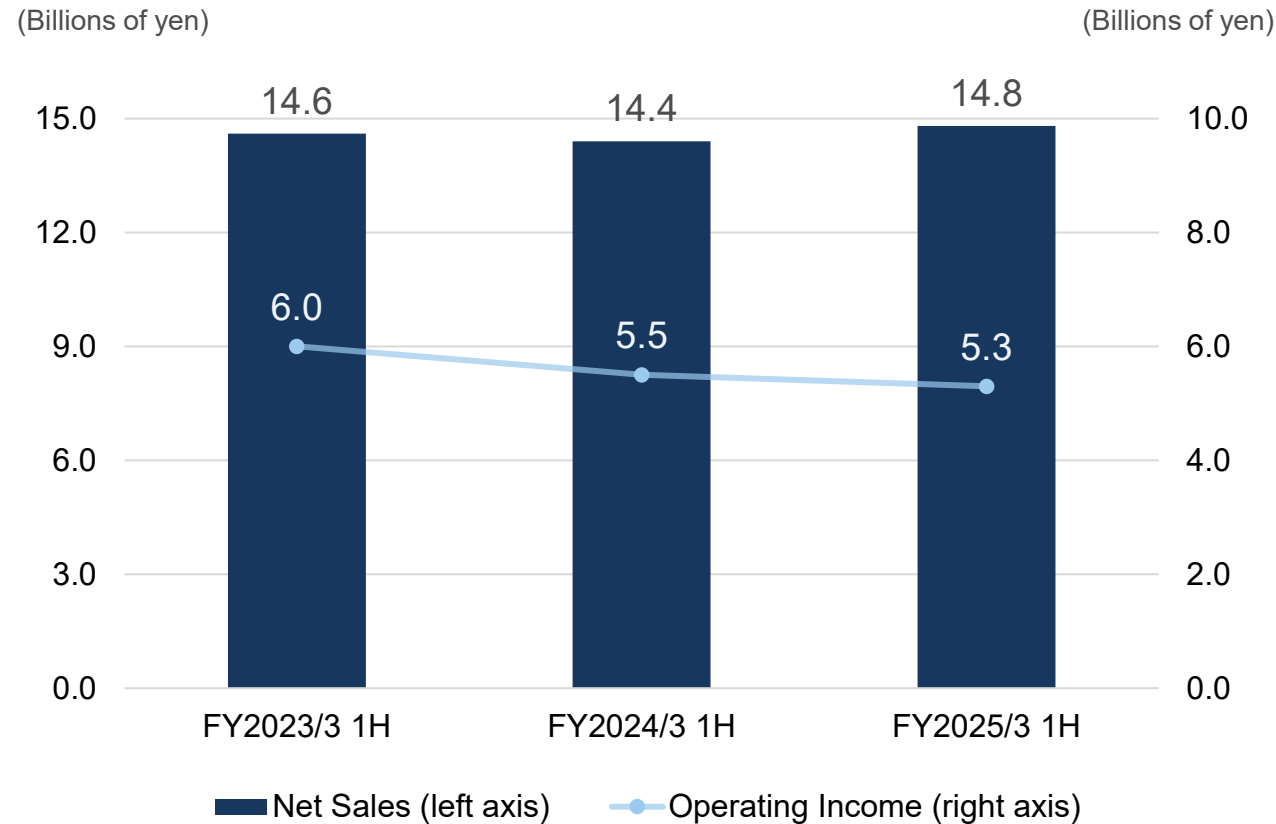
Amusement

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



Publication

Net sales up YoY on brisk digital and print sales of comics, but operating income down partly on changes in product breakdown within sales



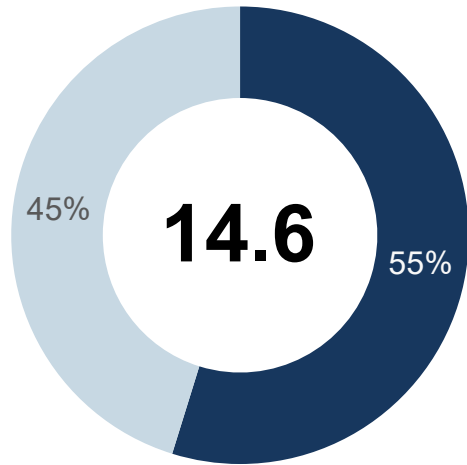
Major Service, Titles in FY2025/3

- マンガUP!** (Manga UP!) - 最強マンガアプリ (Strongest Manga App)
- その着せ替え人形は恋をする** (Sono Kisekae Ningyou wa Koi o Suru)
- 黒執事** (Kuroshitsuji)
- 薬屋のひとりごと** (Yakushi no Hitorigoto)

Publication

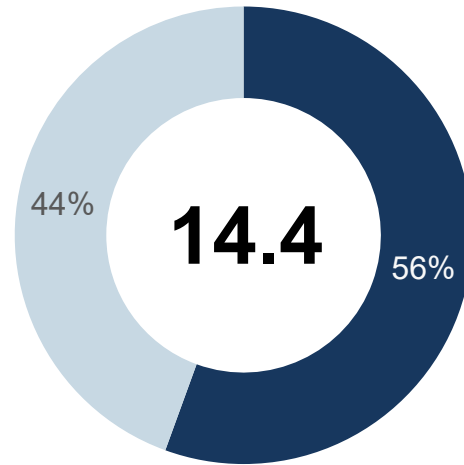
-Digital vs. Printed Media Sales- Breakdown of Publication sales

(Billions of yen)



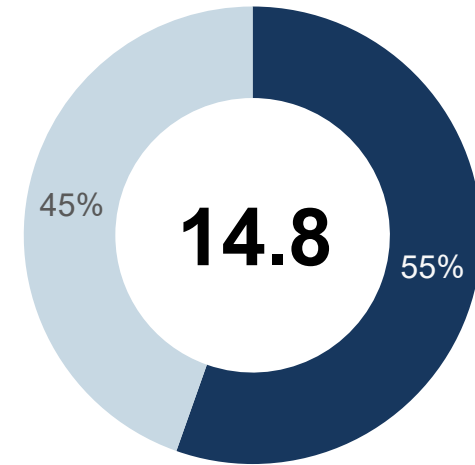
FY2023/3 1H

| | |
|-----------------------|-----|
| ■ Digital sales | 8.0 |
| ■ Printed media sales | 6.6 |



FY2024/3 1H

| | |
|-----------------------|-----|
| ■ Digital sales | 8.0 |
| ■ Printed media sales | 6.4 |

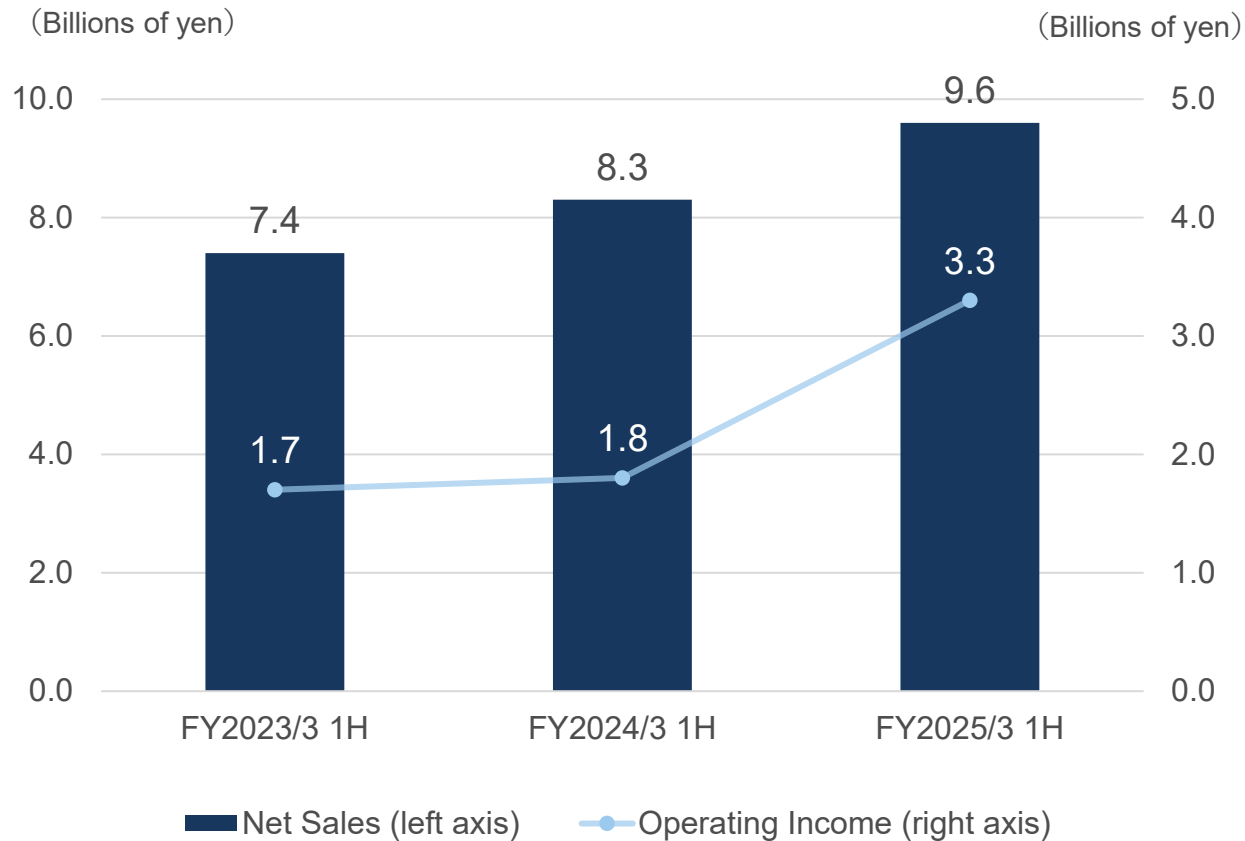


FY2025/3 1H

| | |
|-----------------------|-----|
| ■ Digital sales | 8.2 |
| ■ Printed media sales | 6.6 |

Merchandising

Net sales and operating income up YoY mainly driven by strong sales of new character merchandise featuring key IP



Major Products in FY2025/3



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