



# Financial Results Briefing Session

Three-Month Period Ended June 30, 2023

**August 4, 2023**

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**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, 2024**

# Consolidated Statement of Income

## Q1, FY2024/3

(Billions of Yen)

|  | Fiscal Year Ended<br>March 31, 2023 |                   | Fiscal Year Ending<br>March 31, 2024 |          |                        |         |
|--|-------------------------------------|-------------------|--------------------------------------|----------|------------------------|---------|
|  | Q1                                  | Full Year Results | Q1                                   | Changes  | Full Year<br>Forecasts | Changes |
| Net sales                                  | 74.8                                | 343.2             | 85.6                                 | 10.8     | 360.0                  | 16.8    |
| Operating income                           | 14.4                                | 44.3              | 3.0                                  | (11.4)   | 55.0                   | 10.7    |
| Operating income margin                    | 19.3%                               | 12.9%             | 3.6%                                 | (15.7pt) | 15.3%                  | 2.4pt   |
| Ordinary income                            | 26.2                                | 54.7              | 9.1                                  | (17.1)   | 55.0                   | 0.3     |
| Ordinary income margin                     | 35.1%                               | 15.9%             | 10.7%                                | (24.4pt) | 15.3%                  | (0.6pt) |
| Profit attributable to<br>owners of parent | 18.3                                | 49.2              | 6.3                                  | (12.0)   | 38.5                   | (10.7)  |
| Depreciation and<br>amortization           | 1.7                                 | 6.9               | 1.6                                  | (0.1)    | 9.9                    | 3.0     |
| Capital expenditure                        | 1.4                                 | 9.6               | 3.8                                  | 2.4      | 11.7                   | 2.1     |

# Consolidated Statement of Income

## Q1, FY2024/3 by Business Segment

(Billions of Yen)

|                                | Fiscal Year Ended<br>March 31, 2023 | Fiscal Year Ending<br>March 31, 2024 |                 |
|--------------------------------|-------------------------------------|--------------------------------------|-----------------|
|                                | Q1                                  | Q1                                   | Changes         |
| <b>Net sales</b>               | <b>74.8</b>                         | <b>85.6</b>                          | <b>10.8</b>     |
| Digital Entertainment          | 53.5                                | 62.3                                 | 8.8             |
| Amusement                      | 11.9                                | 13.3                                 | 1.4             |
| Publication                    | 6.2                                 | 5.9                                  | (0.3)           |
| Merchandising                  | 3.6                                 | 4.7                                  | 1.1             |
| Eliminations or unallocated    | (0.6)                               | (0.7)                                | (0.1)           |
| <b>Operating income</b>        | <b>14.4</b>                         | <b>3.0</b>                           | <b>(11.4)</b>   |
| Digital Entertainment          | 14.1                                | 2.7                                  | (11.4)          |
| Amusement                      | 1.1                                 | 1.4                                  | 0.3             |
| Publication                    | 2.4                                 | 2.1                                  | (0.3)           |
| Merchandising                  | 0.8                                 | 1.2                                  | 0.4             |
| Eliminations or unallocated    | (4.2)                               | (4.5)                                | (0.3)           |
| <b>Operating income margin</b> | <b>19.3%</b>                        | <b>3.6%</b>                          | <b>(15.7pt)</b> |
| Digital Entertainment          | 26.4%                               | 4.4%                                 | (22.0pt)        |
| Amusement                      | 9.5%                                | 11.1%                                | 1.6pt           |
| Publication                    | 39.9%                               | 35.7%                                | (4.2pt)         |
| Merchandising                  | 23.0%                               | 27.2%                                | 4.2pt           |
| Eliminations or unallocated    | -                                   | -                                    | -               |

# Consolidated Balance Sheet as of June 30, 2023

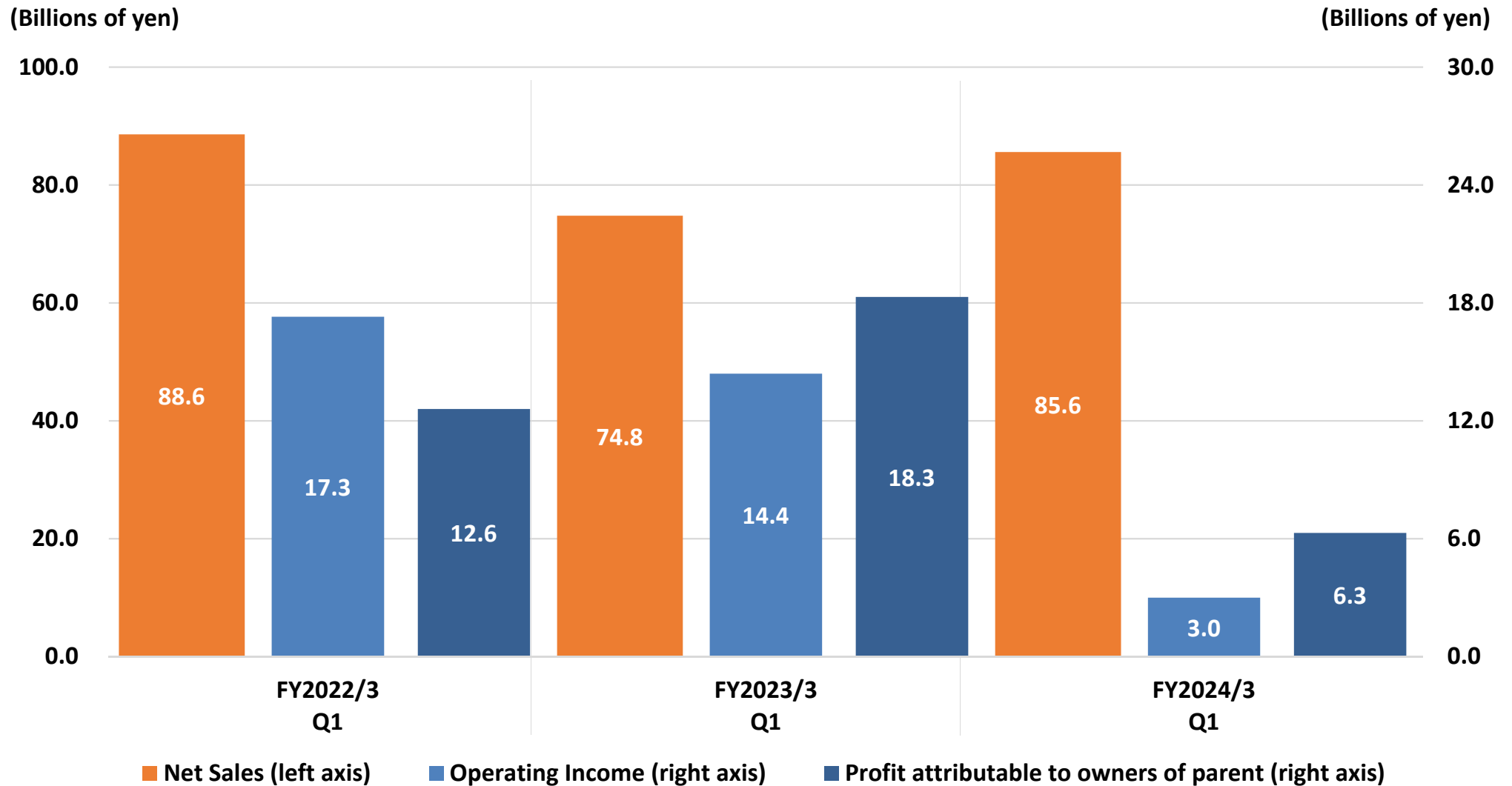
(Billions of Yen)

| Account                         | <Assets>     |              |              | <Liabilities and Net Assets>            |              |              |              |
|---------------------------------|--------------|--------------|--------------|---|--------------|--------------|--------------|
|                                 | 03/2023      | 06/2023      | Changes      | Account                                 | 03/2023      | 06/2023      | Changes      |
| Cash and deposits               | 193.5        | 179.9        | (13.6)       | Notes and accounts payable              | 23.5         | 22.5         | (1.0)        |
| Notes and accounts receivable   | 39.9         | 47.9         | 8.0          | Income taxes payable                    | 3.4          | 3.8          | 0.4          |
| Inventories                     | 5.7          | 5.6          | (0.1)        | Refund liabilities                      | 5.1          | 6.4          | 1.3          |
| Content production account      | 87.2         | 79.0         | (8.2)        | Others                                  | 39.5         | 38.7         | (0.8)        |
| Others                          | 15.9         | 21.0         | 5.1          | <b>Total Current Liabilities</b>        | <b>71.7</b>  | <b>71.6</b>  | <b>(0.1)</b> |
| <b>Total Current Assets</b>     | <b>342.2</b> | <b>333.6</b> | <b>(8.6)</b> | <b>Non-current Liabilities</b>          | <b>10.6</b>  | <b>10.6</b>  | <b>0.0</b>   |
| Property and equipment          | 17.7         | 20.2         | 2.5          | <b>Total Liabilities</b>                | <b>82.3</b>  | <b>82.3</b>  | <b>0.0</b>   |
| Intangible Assets               | 5.8          | 5.6          | (0.2)        | Total Shareholders' Equity              | 324.7        | 318.1        | (6.6)        |
| Investments and other assets    | 33.7         | 32.8         | (0.9)        | Others                                  | (7.4)        | (8.0)        | (0.6)        |
| <b>Total Non-current Assets</b> | <b>57.3</b>  | <b>58.8</b>  | <b>1.5</b>   | <b>Total Net Assets</b>                 | <b>317.2</b> | <b>310.1</b> | <b>(7.1)</b> |
| <b>Total Assets</b>             | <b>399.6</b> | <b>392.4</b> | <b>(7.2)</b> | <b>Total Liabilities and Net Assets</b> | <b>399.6</b> | <b>392.4</b> | <b>(7.2)</b> |

# **Consolidated Financial Results and Progress in Each Business Segment**

# Consolidated Financial Results

## Net sales up, operating income and net income down YoY

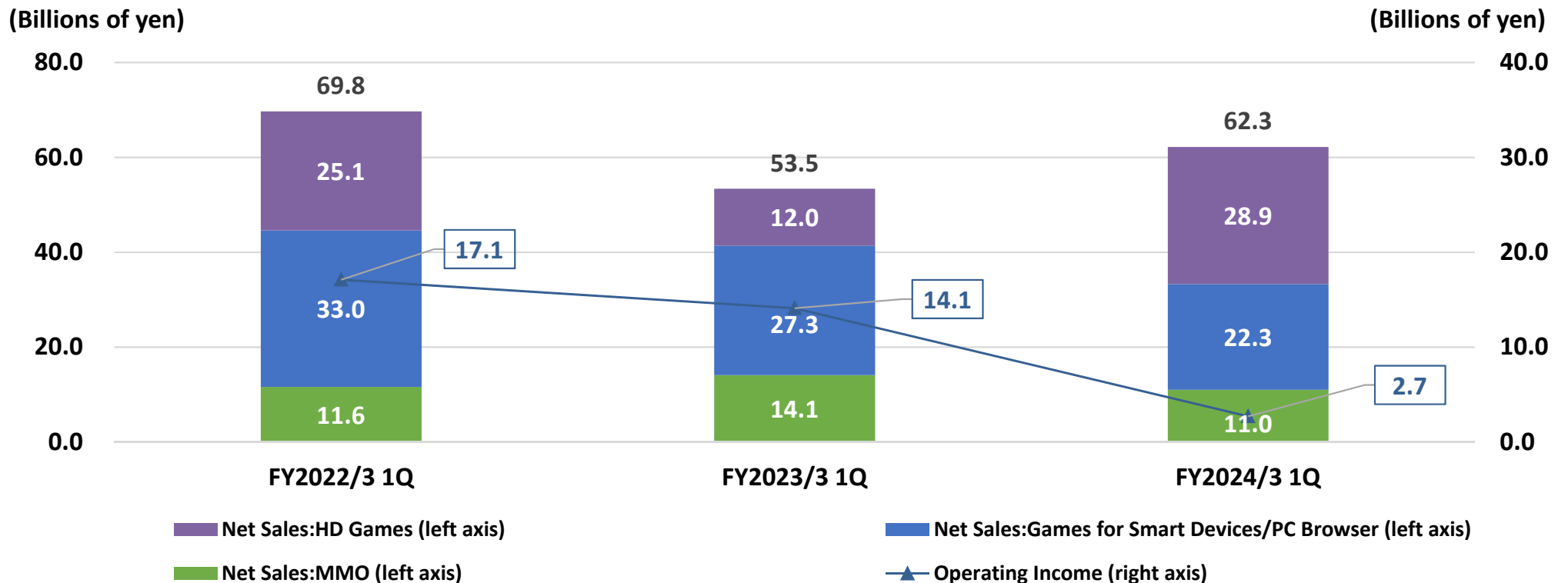




# Digital Entertainment

Net sales up YoY due to the launch of “FINAL FANTASY XVI” and other new titles, but operating income down, partly due to amortization of development cost

|                                    |   |
|------------------------------------|---|
| 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 upcoming titles with announced release timing



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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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To be launched on Sep 28, 2023  
\*Steam: To be launched on Sep 29, 2023



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Original version developed by tri-Ace Inc.

To be launched on Nov 2, 2023  
\*Steam: To be launched on Nov 3, 2023



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To be launched on Dec 1, 2023



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To be launched in Early 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: Multiple new launches planned

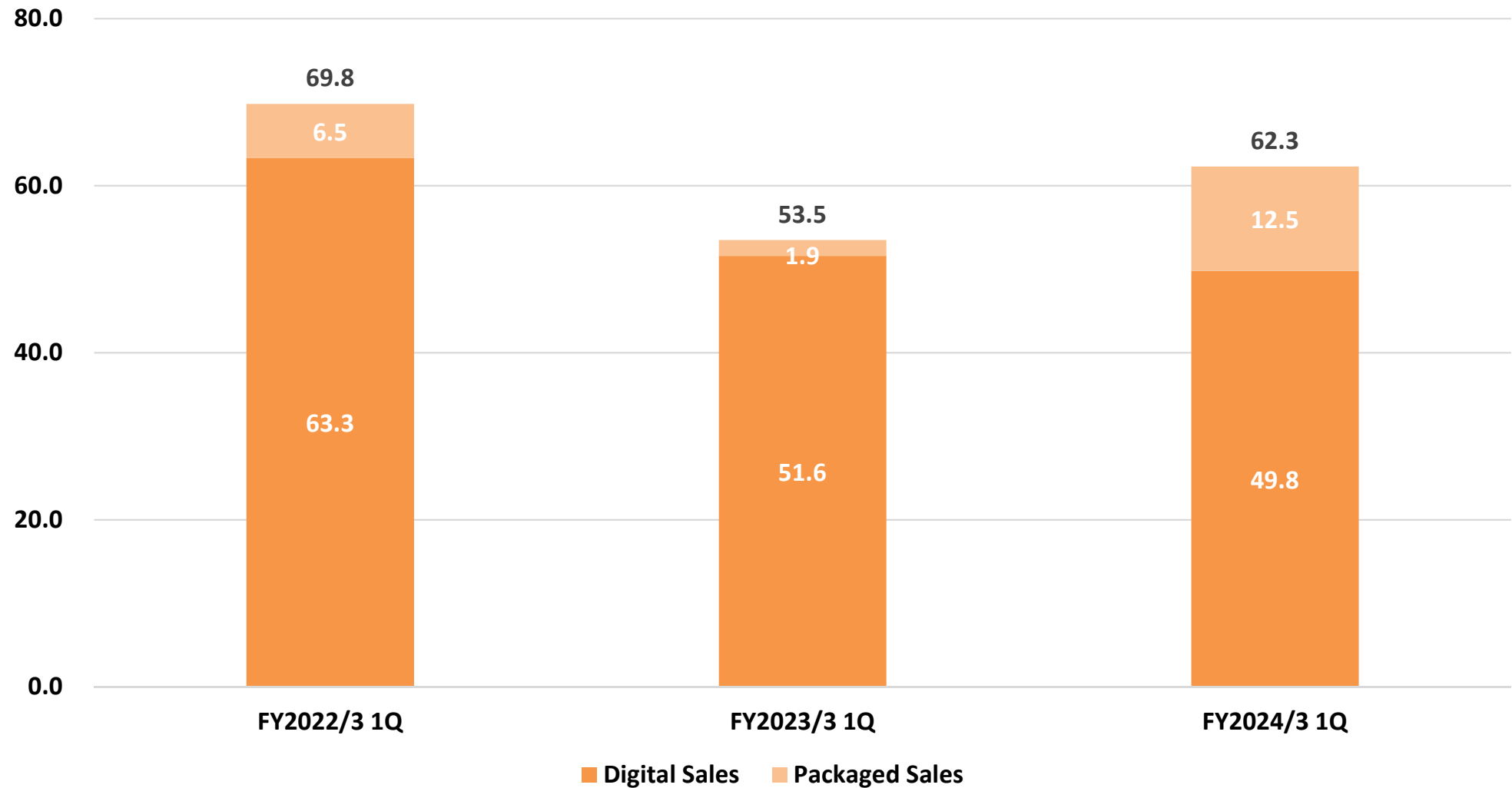
### Major Operating Titles (Month and year indicate each title's launch timing)

|   |  |   |  |  |  |  |
|---|--|---|--|--|--|--|
| <p><b>Aug 2010</b><br/><b>(PC Browser game)</b></p>  <p>©2010-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.</p>  | <p><b>Jan 2014</b></p>  <p>© ARMOR PROJECT/<br/>BIRD STUDIO/SQUARE ENIX<br/>©SUGIYAMA KOBO<br/>Developed by Cygames, Inc.</p> | <p><b>Apr 2014</b></p>  <p>©2014-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.</p>                           | <p><b>Sep 2014</b></p>  <p>Alliance with DeNA Co., Ltd.<br/>(Published by DeNA Co., Ltd.)<br/>©SQUARE ENIX CO., LTD.<br/>©DeNA Co., Ltd.</p> | <p><b>Oct 2015</b></p>  <p>©2015-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.<br/>Developed by gumi Inc.<br/>LOGO ILLUSTRATION:<br/>©2014 YOSHITAKA AMANO</p>      | <p><b>Oct 2015</b></p>  <p>© 2015-2023 ARMOR PROJECT/<br/>BIRD STUDIO/SQUARE ENIX<br/>All Rights Reserved.</p>                              | <p><b>Feb 2017</b></p>  <p>©KOEI TECMO GAMES/SQUARE ENIX<br/>CHARACTER DESIGN: TETSUYA NOMURA</p> |
| <p><b>Jun 2017</b></p>  <p>Co-developed with Pokelabo Inc.<br/>(Published by Pokelabo Inc.)<br/>© 2017-2023 Pokelabo Inc./<br/>SQUARE ENIX CO., LTD.<br/>All Rights Reserved</p> | <p><b>Dec 2018</b></p>  <p>© 2018-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.<br/>Powered by Akatsuki Inc.</p>        | <p><b>Jul 2019</b></p>  <p>© 2019 TOARU-PROJECT<br/>© 2019-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.</p> | <p><b>Sep 2019</b></p>  <p>© 2019-2023 ARMOR PROJECT/<br/>BIRD STUDIO/SQUARE ENIX<br/>All Rights Reserved.</p>                              | <p><b>Nov 2019</b></p>  <p>© 2019-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.<br/>Co-Developed by gumi Inc.<br/>LOGO ILLUSTRATION:<br/>© 2018 YOSHITAKA AMANO</p> | <p><b>Jul 2020</b></p>  <p>© 2020-2023 ARMOR PROJECT/<br/>BIRD STUDIO/SQUARE ENIX<br/>All Rights Reserved.<br/>Developed by Aiming Inc.</p> | <p><b>Oct 2020</b></p>  <p>© 2020-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.</p>         |
| <p><b>Feb 2021</b></p>  <p>© 2021-2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.<br/>Developed by Applibot, Inc.</p>  | <p><b>Dec 2021</b></p>  <p>© 2021-2023 ARMOR PROJECT/<br/>BIRD STUDIO/NHN PlayArt/<br/>SQUARE ENIX All Rights Reserved.</p> | <p><b>Aug 2022</b></p>  <p>© 荒川弘/SQUARE ENIX</p>   | <p><b>Feb 2023</b></p>  <p>© 2023 SQUARE ENIX CO., LTD.<br/>All Rights Reserved.</p>   | <p><b>Jun 2023</b></p>  <p>© ARMOR PROJECT/BIRD STUDIO/<br/>KOEI TECMO GAMES/SQUARE ENIX</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

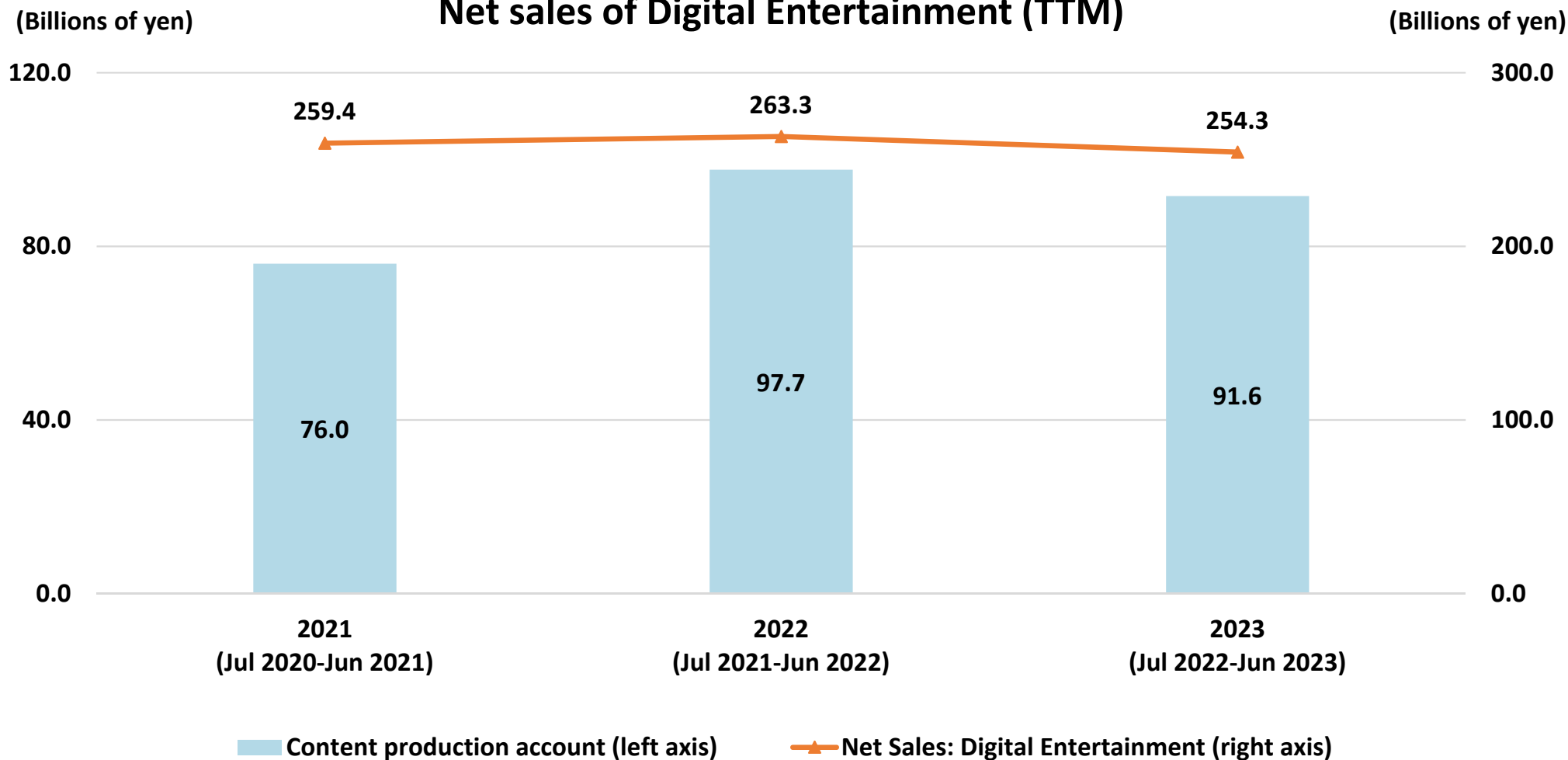
(Millions of Units Sold)

| Region                   | FY2023/3 Q1 Results |             |             | FY2024/3 Q1 Results |             |             |
|--------------------------|---------------------|-------------|-------------|---------------------|-------------|-------------|
|                          | Packaged            | Download    | Total       | Packaged            | Download    | Total       |
| Japan                    | 0.10                | 0.56        | <b>0.66</b> | 0.50                | 1.44        | <b>1.94</b> |
| North America/<br>Europe | 0.28                | 2.74        | <b>3.03</b> | 1.42                | 3.26        | <b>4.67</b> |
| Asia, etc.               | 0.13                | 0.46        | <b>0.59</b> | 0.29                | 0.64        | <b>0.93</b> |
| <b>Total</b>             | <b>0.52</b>         | <b>3.76</b> | <b>4.28</b> | <b>2.21</b>         | <b>5.33</b> | <b>7.54</b> |

\* 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

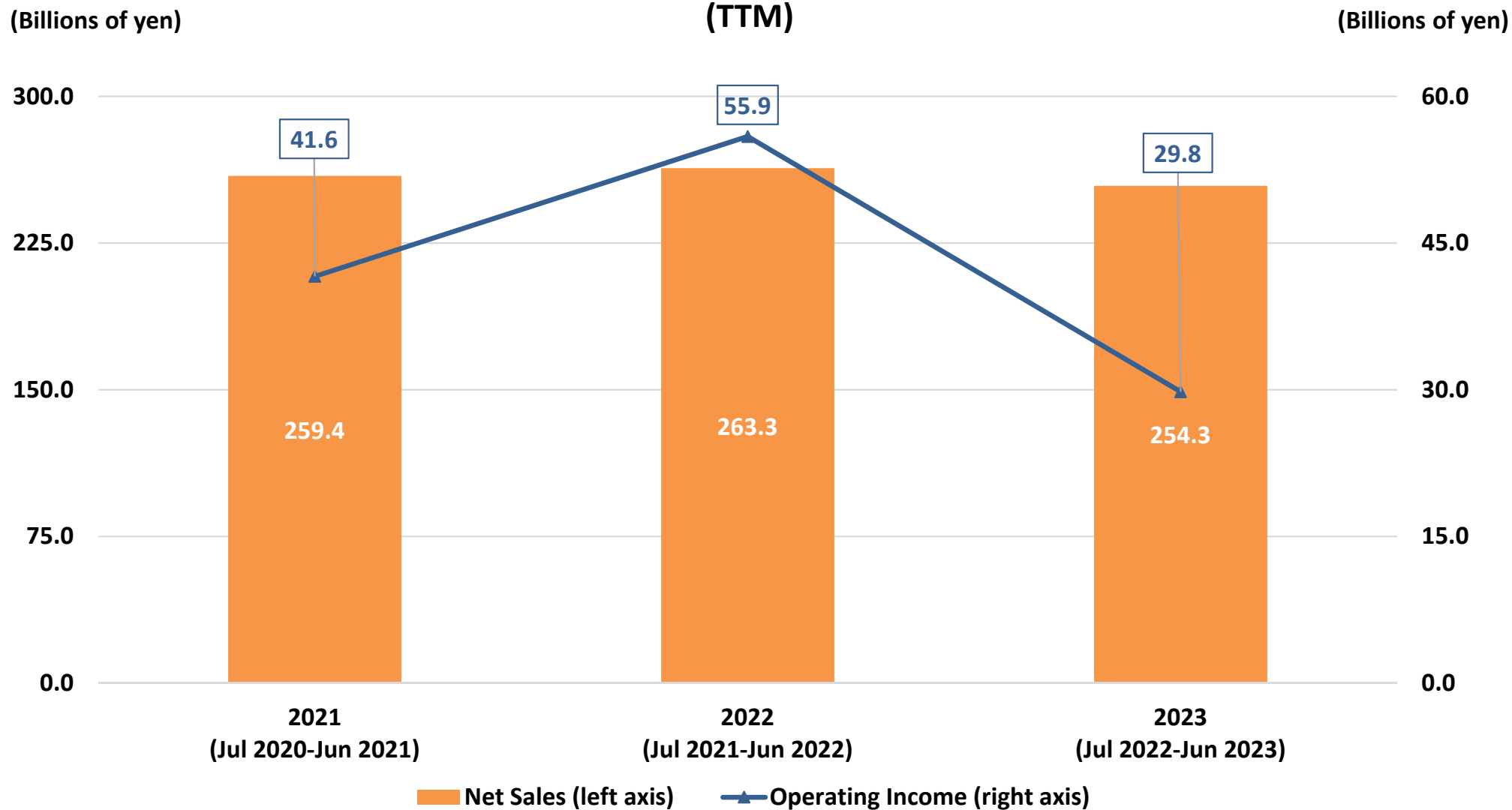
Note: Content production account balances &  
Net sales of Digital Entertainment (TTM)



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

# Digital Entertainment

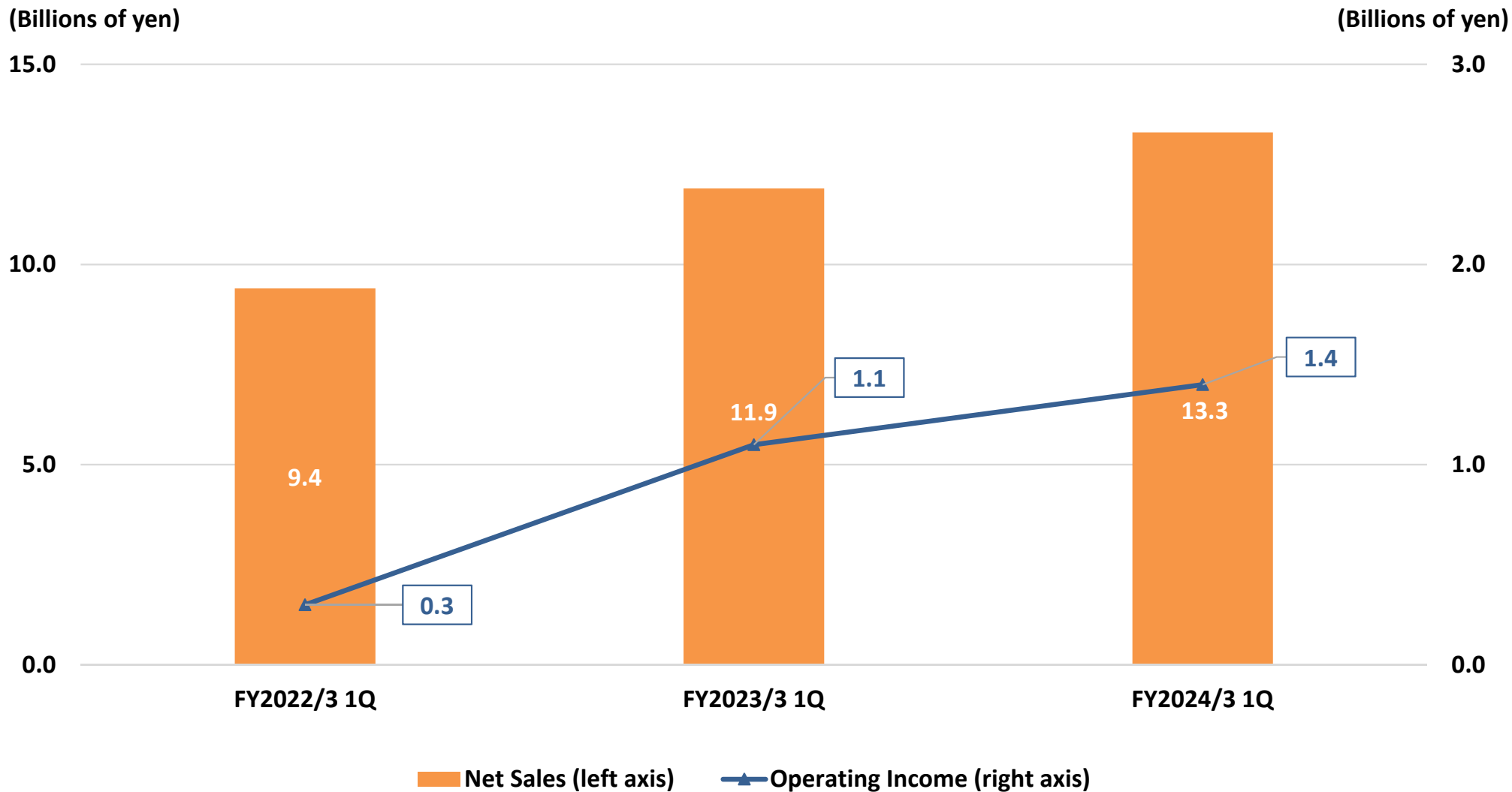
Note: Trends on financial performance of Digital Entertainment (TTM)





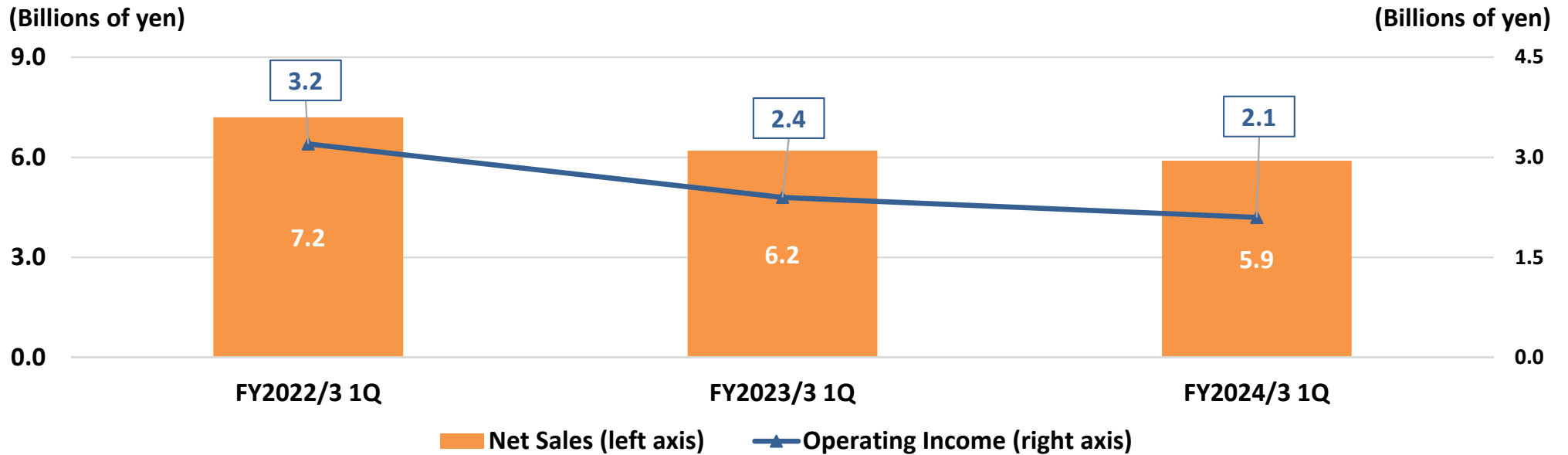
# Amusement

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



# Publication

## Net sales and operating income down due to declines in both digital and print sales



### Major Service, Titles in FY2024/3



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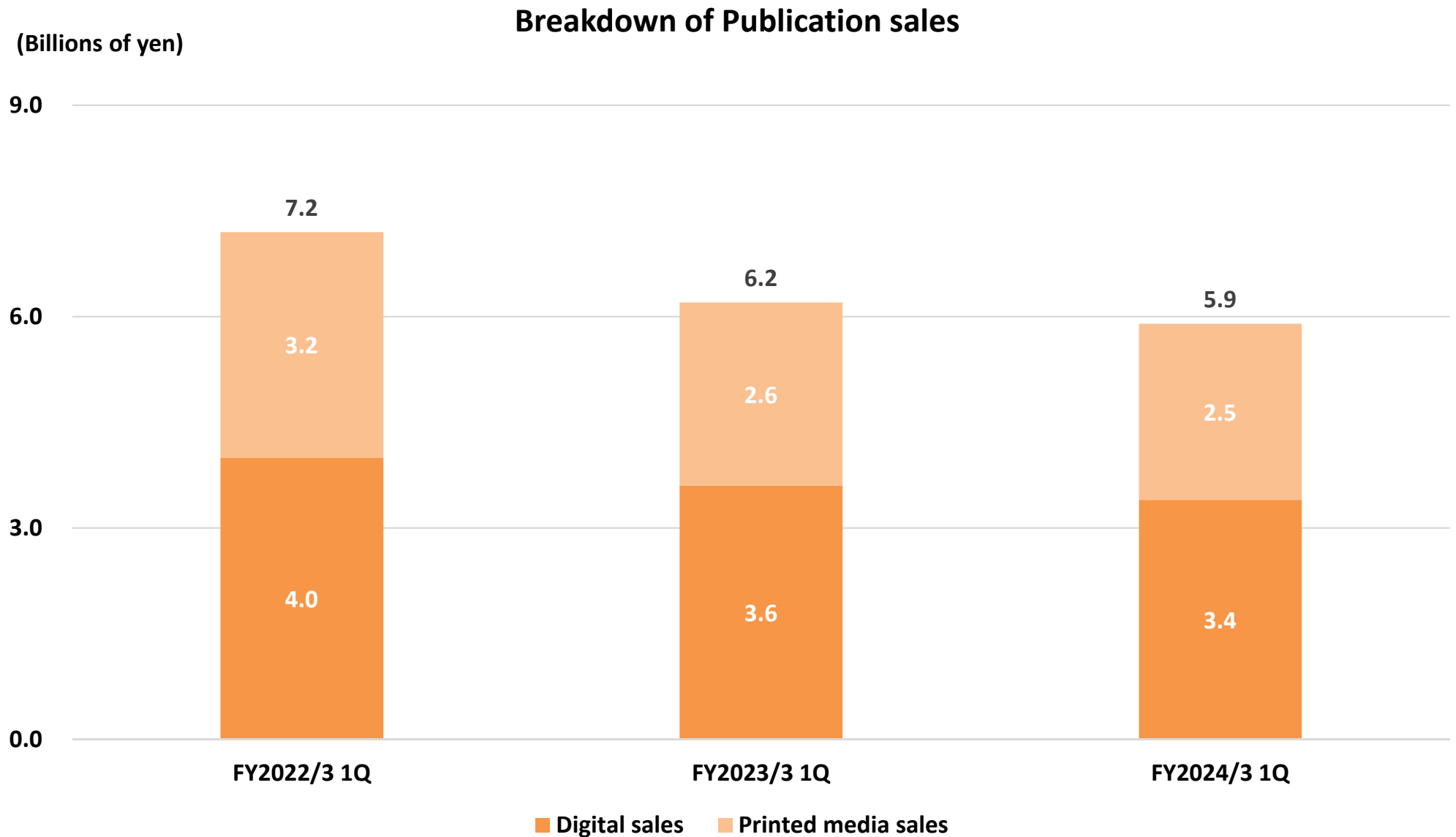


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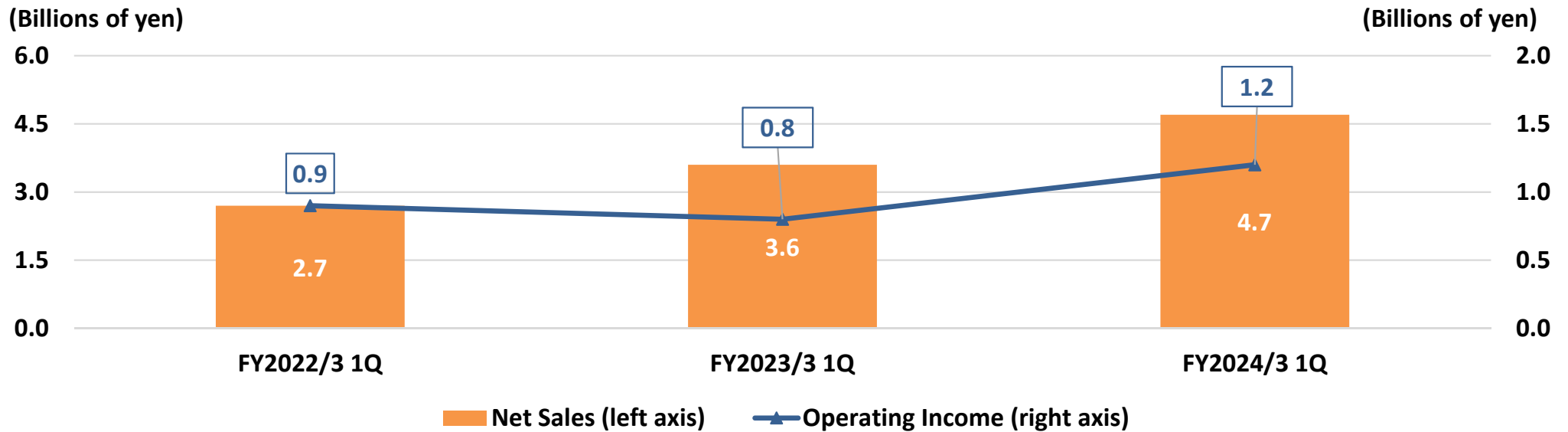
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# Publication --Digital vs. Printed Media Sales--



# 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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Three-Month Period Ended June 30, 2023

**August 4, 2023**

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