



Financial Results Briefing Session

Nine-Month Period Ended December 31, 2021

February 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
Third Quarter of Fiscal Year
Ending March 31, 2022

Consolidated Statement of Income

Q3, FY2022/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2021		Fiscal Year Ending March 31, 2022			
	Apr - Dec	Full Year Results	Apr - Dec	Changes	Initial Full Year Forecasts	Changes
Net sales	253.6	332.5	273.6	20.0	340.0	7.5
Operating income	41.0	47.2	50.1	9.1	40.0	(7.2)
Operating income margin	16.2%	14.2%	18.3%	2.1pt	11.8%	(2.4pt)
Ordinary income	38.7	49.9	54.4	15.7	40.0	(9.9)
Ordinary income margin	15.3%	15.0%	19.9%	4.6pt	11.8%	(3.2pt)
Profit attributable to owners of parent	18.3	26.9	39.8	21.5	24.0	(2.9)
Depreciation and amortization	5.3	7.5	5.4	0.1	7.1	(0.4)
Capital expenditure	5.1	7.3	6.8	1.7	10.5	3.2

*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 policies applied retrospectively.

Consolidated Statement of Income

Q3, FY2022/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2021	Fiscal Year Ending March 31, 2022	
	Apr - Dec	Apr - Dec	Changes
Net sales	253.6	273.6	20.0
Digital Entertainment	203.5	211.6	8.1
Amusement	24.3	33.1	8.8
Publication	20.1	21.0	0.9
Merchandising	7.0	10.4	3.4
Eliminations or unallocated	(1.3)	(2.7)	(1.4)
Operating income	41.0	50.1	9.1
Digital Entertainment	42.2	49.4	7.2
Amusement	(1.1)	1.3	2.4
Publication	8.8	8.9	0.1
Merchandising	1.8	3.1	1.3
Eliminations or unallocated	(10.7)	(12.6)	(1.9)
Operating income margin	16.2%	18.3%	2.1pt
Digital Entertainment	20.7%	23.4%	2.7pt
Amusement	(4.6%)	4.0%	8.6pt
Publication	44.0%	42.3%	(1.7pt)
Merchandising	26.6%	30.3%	3.7pt
Eliminations or unallocated	-	-	-

Consolidated Balance Sheet as of December 31, 2021

(Billions of Yen)

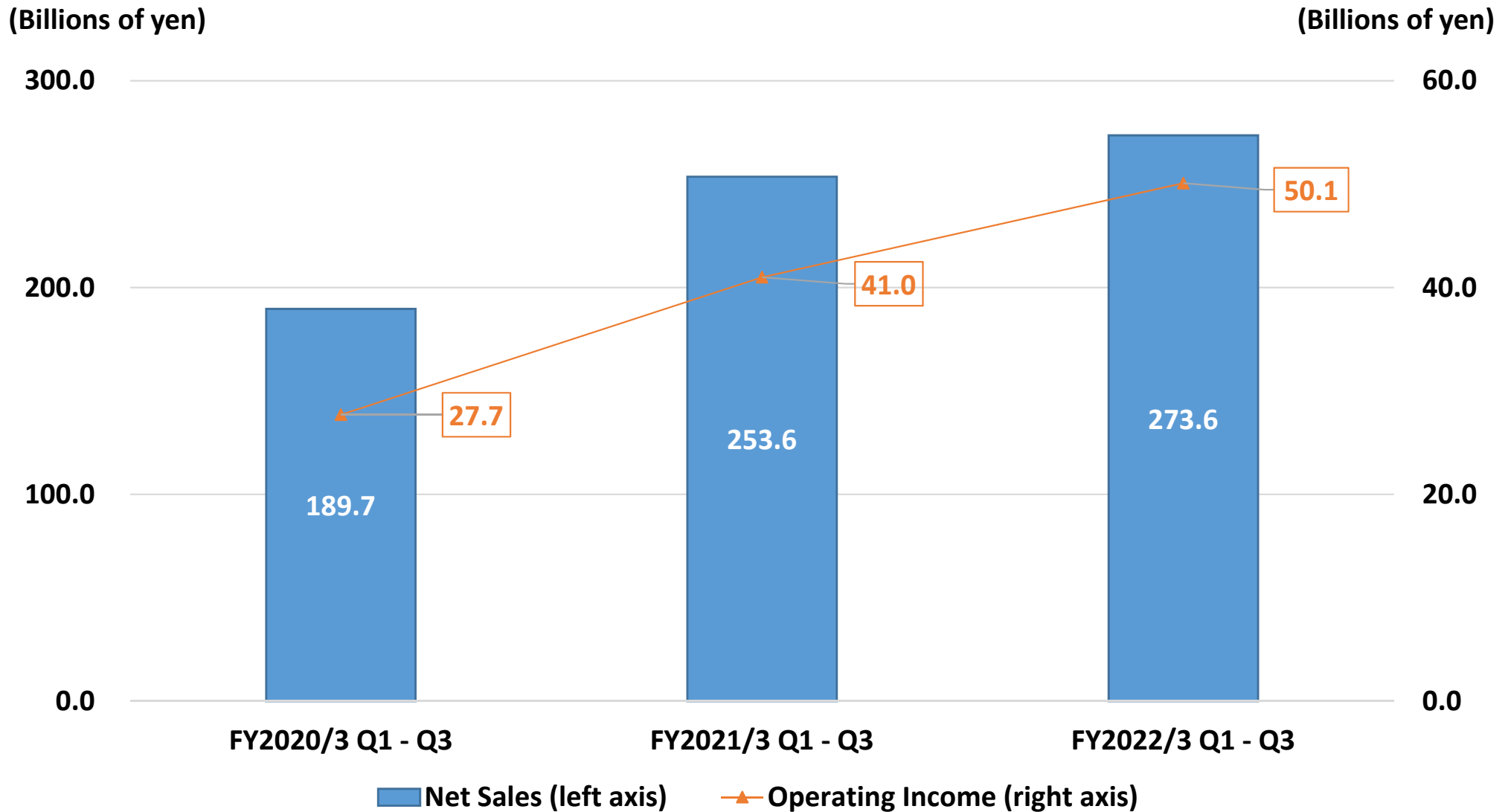
Account	<Assets>			<Liabilities and Net Assets>			
	03/2021	12/2021	Changes	Account	03/2021	12/2021	Changes
Cash and deposits	146.2	144.2	(2.0)	Notes and accounts payable	24.5	25.8	1.3
Notes and accounts receivable, and contract assets *	43.0	51.2	8.2	Income taxes payable	14.5	4.9	(9.6)
Inventories	4.4	5.4	1.0	Refund liabilities *	5.8	6.7	0.9
Content production account	78.1	93.1	15.0	Others	35.3	40.6	5.3
Others *	11.7	14.4	2.7	Total Current Liabilities	80.3	78.1	(2.2)
Total Current Assets	283.6	308.5	24.9	Non-current Liabilities	12.5	11.4	(1.1)
Property and equipment	19.6	19.7	0.1	Total Liabilities	92.8	89.5	(3.3)
Intangible Assets	5.5	7.0	1.5	Total Shareholders' Equity	247.7	279.0	31.3
Investments and other assets	27.3	28.6	1.3	Others	(4.5)	(4.6)	(0.1)
Total Non-current Assets	52.5	55.4	2.9	Total Net Assets	243.2	274.4	31.2
Total Assets	336.1	364.0	27.9	Total Liabilities and Net Assets	336.1	364.0	27.9

*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

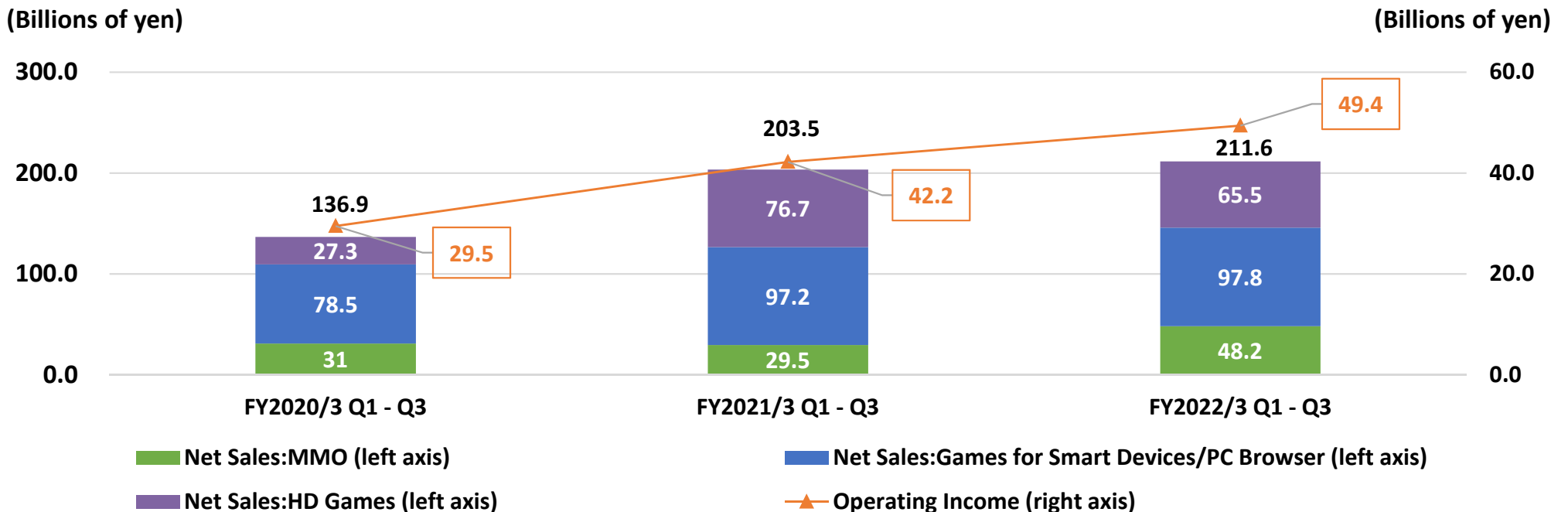
Net sales and operating income rose YoY.



Digital Entertainment

Net sales and operating income rose YoY primarily due to “FINAL FANTASY XIV” paying subscriber growth and the December 2021 release of an expansion pack.

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: Plan to launch multiple new titles in Q4.

HD Games: Major New titles in FY2022/3



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Launched on Apr 1, 2021



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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
© 2021 Square Enix Ltd. Developed by Deck Nine Games.

Overseas: Launched on Sep 10, 2021
Japan: To be 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.

To be launched on Mar 3, 2022



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To be launched on Mar 4, 2022



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To be 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 multiple new titles in Q3, with more releases planned for Q4 and beyond.

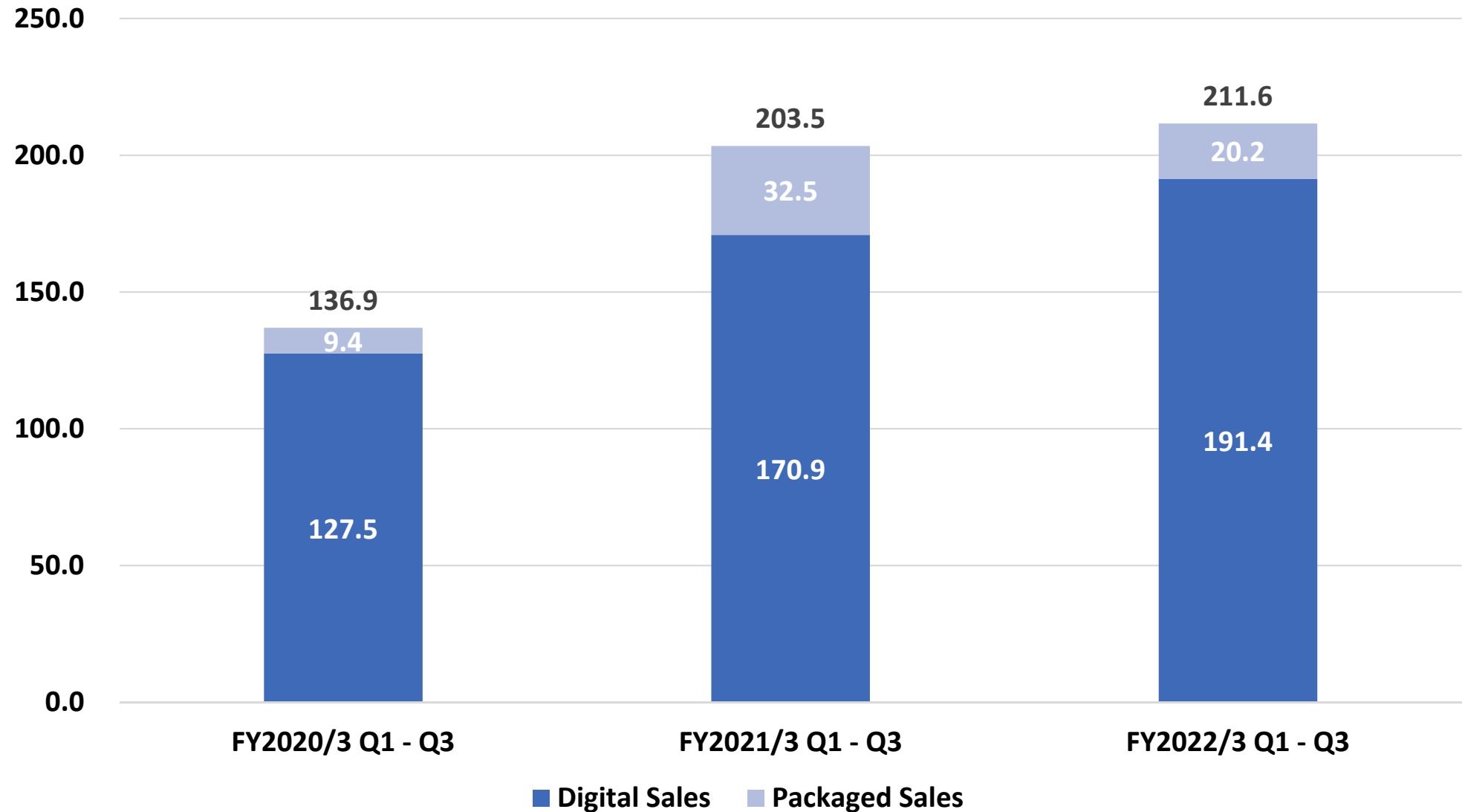
Major Operating Titles (Month and year indicate each title's launch timing.)

<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>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>株式会社ポケラボとの共同開発 (配信：株式会社ポケラボ) © 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--

Breakdown of Digital Entertainment sales

(Billions of yen)



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

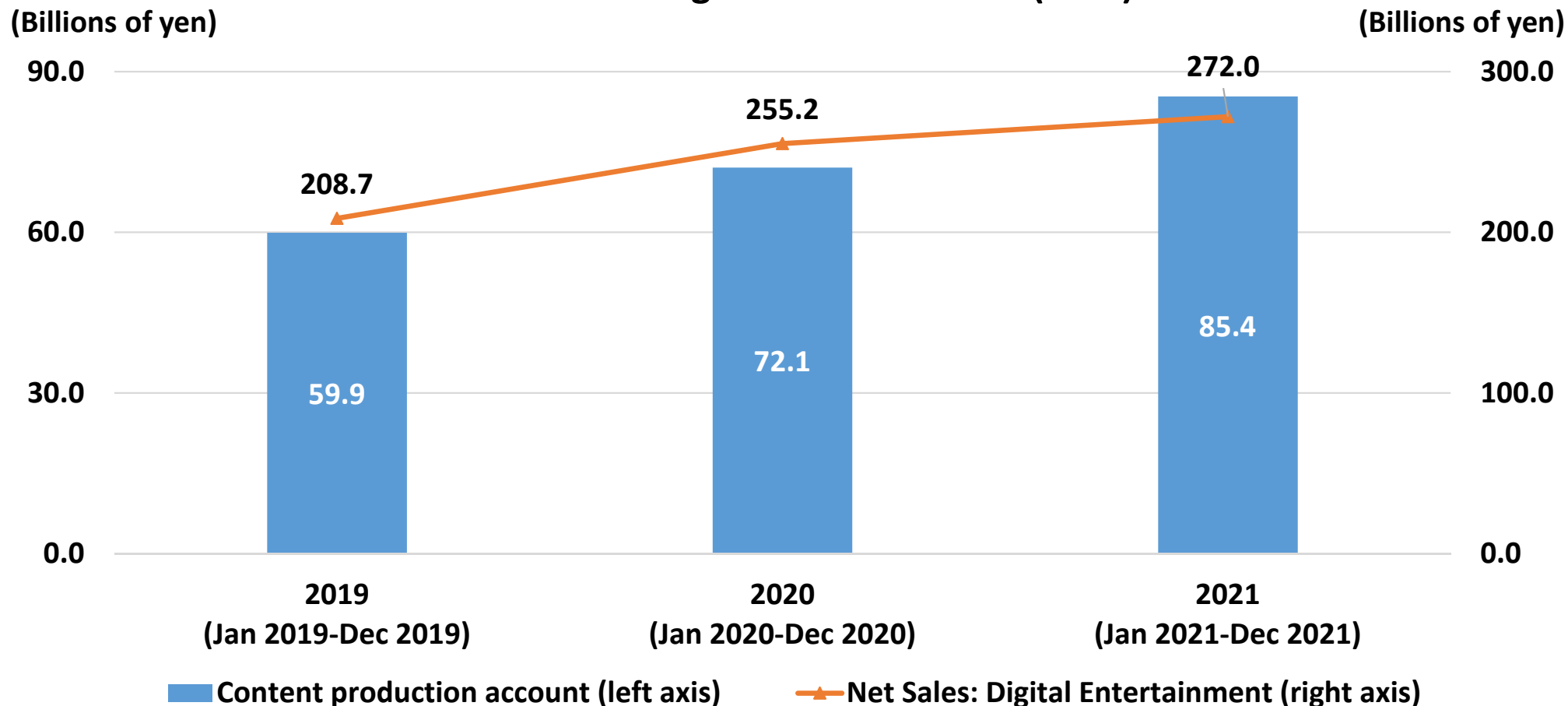
(Millions of Units Sold)

Region	FY2021/3 Q1 - Q3			FY2022/3 Q1 - Q3		
	Disc	Download	Total	Disc	Download	Total
Japan	2.23	2.95	5.19	0.83	2.77	3.60
North America/ Europe	5.41	25.75	31.16	4.75	17.93	22.68
Asia, etc.	0.41	3.59	4.00	0.26	2.92	3.18
Total	8.05	32.30	40.35	5.84	23.62	29.45

* 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

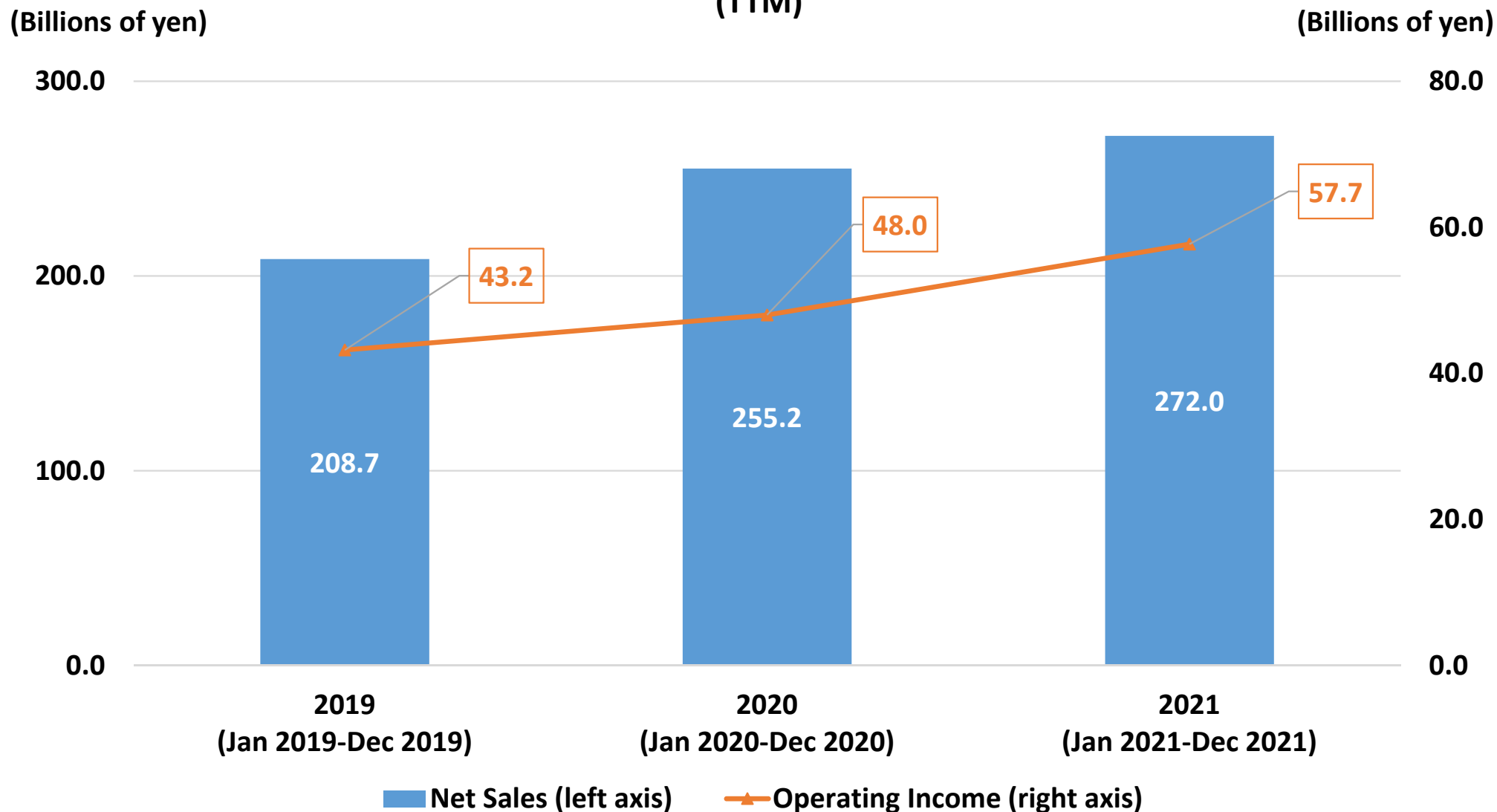
Note: Content production account balances & Net sales of Digital Entertainment (TTM)



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

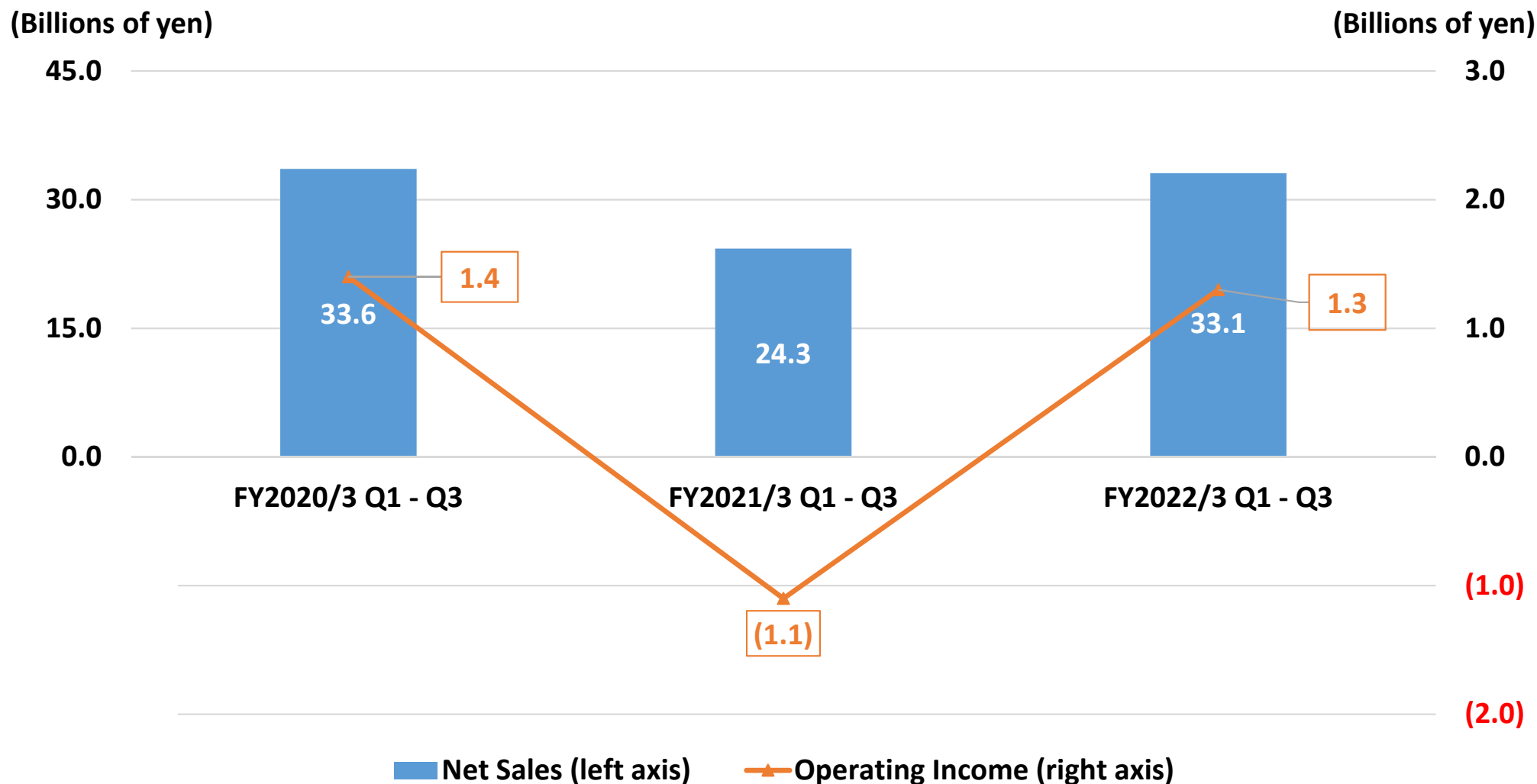
Digital Entertainment

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



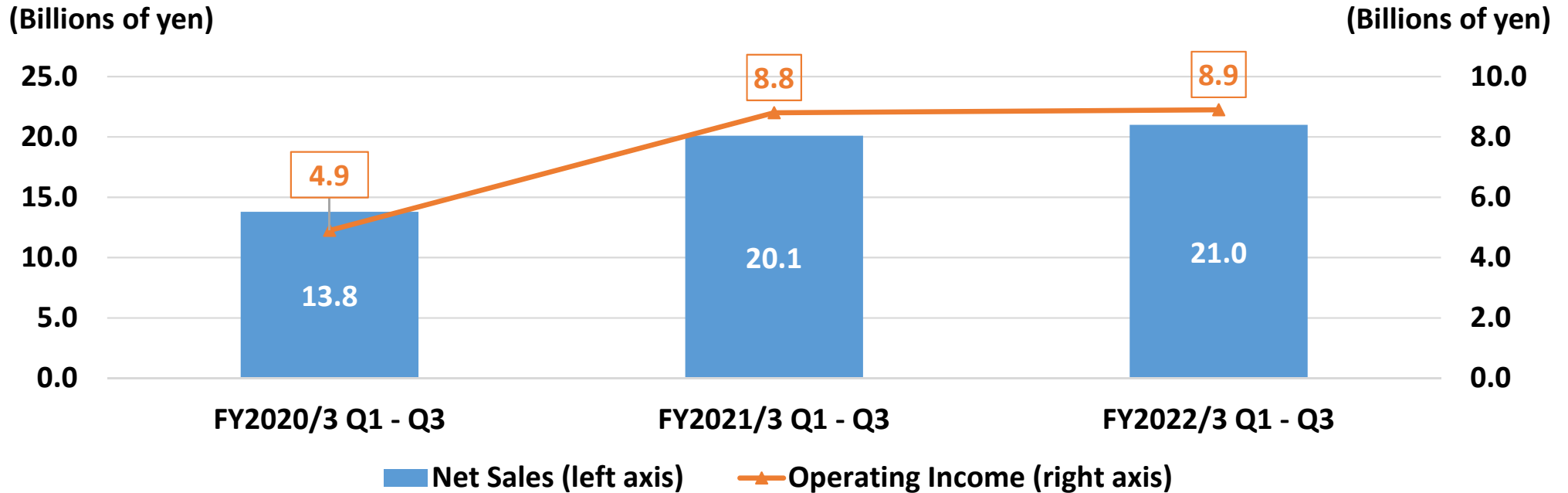
Amusement

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



Publication

Sales of e-books and other digital media grew. With sales of printed media also solid, net sales and operating income rose YoY.



Major Service, Titles in FY2022/3



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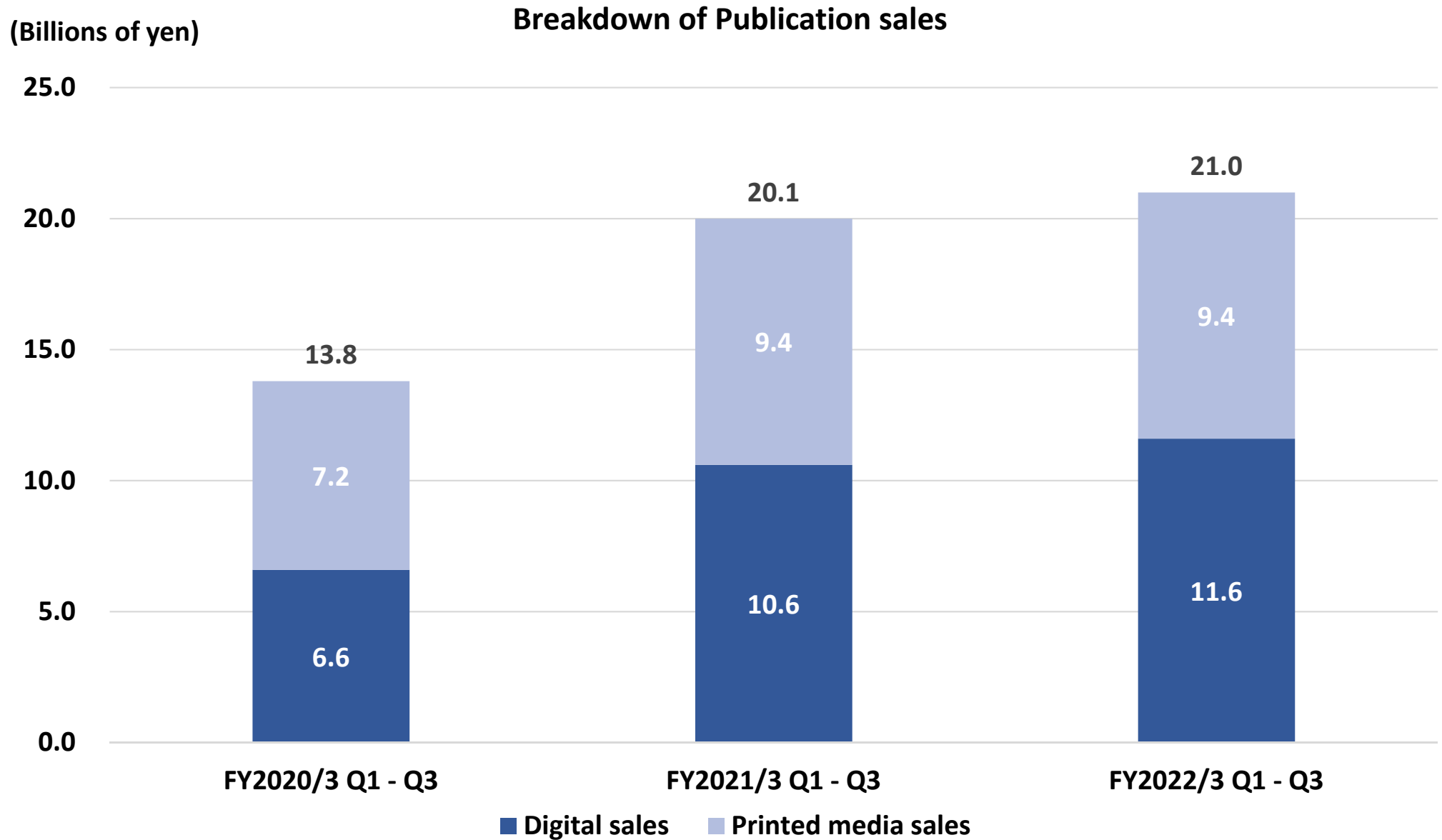


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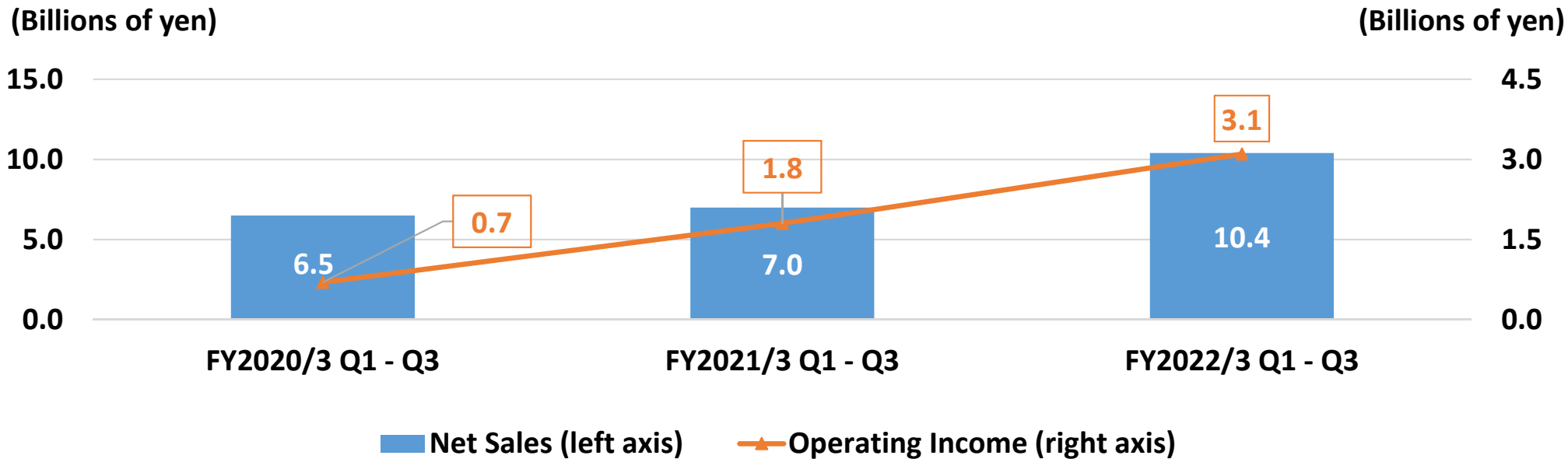
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Publication --Digital vs. Printed Media Sales--



Merchandising

Net sales and operating income 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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“NieR Replicant ver.1.22474487139... White Snow Edition”

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Financial forecast revisions

Revised Consolidated Financial Forecasts: Fiscal Year Ending March 31, 2022

(Billions of Yen)

	Fiscal Year Ended March 31, 2021	Fiscal Year Ending March 31, 2022			
	Full Year Results	Initial Full Year Forecasts	Revised Full Year Forecasts	vs Previous FY	vs Initial Forecasts
Net Sales	332.5	340.0	340.0	7.5	-
Operating Income	47.2	40.0	50.0	2.8	10.0
Operating Income Margin	14.2%	11.8%	14.7%	0.5pt	2.9pt
Ordinary Income	49.9	40.0	50.0	0.1	10.0
Ordinary Income Margin	15.0%	11.8%	14.7%	(0.3pt)	2.9pt
Profit attributable to owners of parent	26.9	24.0	35.0	8.1	11.0

Dividends per share

(Yen)

Interim	10	10	10	-	-
Yearend	68	51	78	10	27
Total	78	61	88	10	27



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Nine-Month Period Ended December 31, 2021

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