

SQUARE ENIX

Medium-term Business Plan
(FY2025/3-FY2027/3)

Our medium-term plan: 4 strategies

Square Enix Reboots and Awakens

~A 3-year reboot for long-term growth~

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
 - Diversify earnings opportunities by strengthening customer contact points
 - Roll out initiatives to create additional foundational stability
 - Allocate capital giving consideration to the balance between growth investment and shareholder returns

Mid-term Business Plan: First Year Results and Review

Square Enix Reboots and Awakens
~A 3-year reboot for long-term growth~



Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

- Rebuilding the domestic studios portfolio and establishing organizational structure to support them
- Optimizing development costs and controlling investment scale

Diversify earnings opportunities by strengthening customer contact points

- Promote multi-platform strategies for HD titles
- Accelerate multifaceted development to maximize IP value

Roll out initiatives to create additional foundational stability

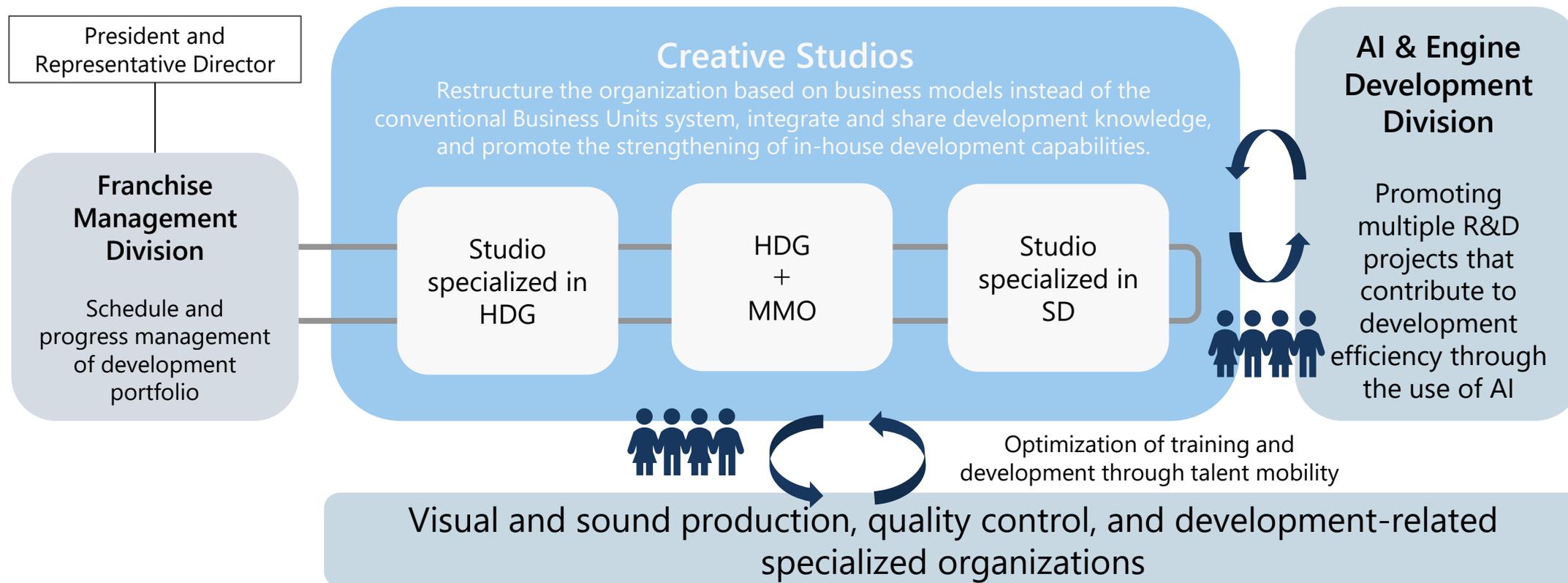
- Improvement of management infrastructure for domestic operations
- Initiation of structural reforms for overseas operations and optimization of selling, general and administrative expenses

Allocate capital giving consideration to the balance between growth investment and shareholder returns

- Continuous exploration of growth investment opportunities and strengthening of shareholder returns through increased dividends
- Improvement of stock liquidity and expansion of investor base through stock split

Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

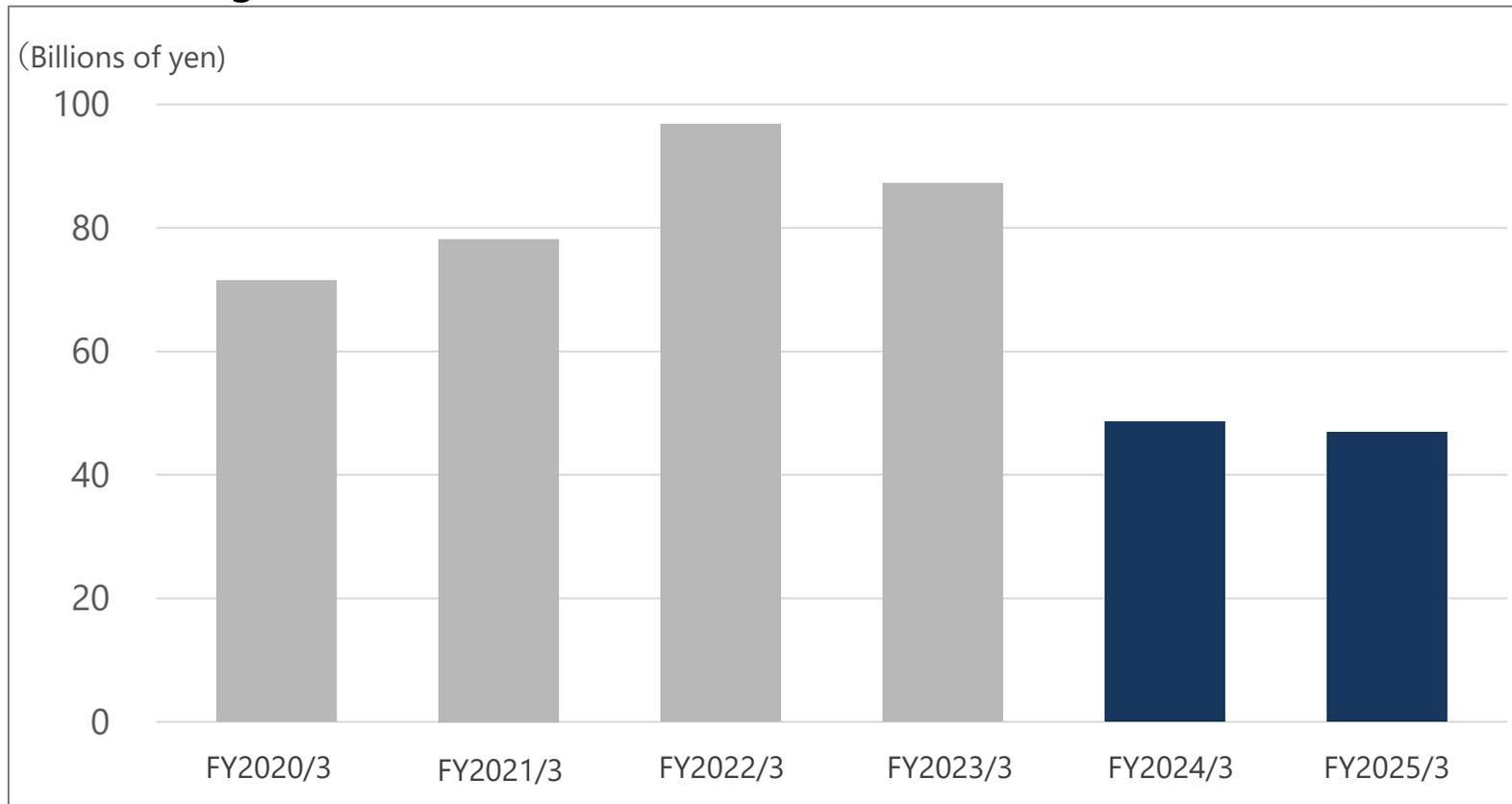
- In FY2025, we fundamentally revamped our development organization structure for domestic studios
- Based on the concept of integrated studio operations, we reviewed the entire process of title development progress management and changed to a system in which management and studios manage the development progress of all large-scale investment titles, promoting optimization of the development portfolio and schedule, as well as talent mobility and development cost optimization among in-house development personnel



Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

- Under the new management structure, we reviewed all projects at our domestic studios, including HDG and SD titles, and decided to discontinue development of some titles and invest additional funds in titles that require refinement, thereby steadily implementing a strategy of selecting and concentrating development resources
- We will continue to control the scale of development investment in a disciplined manner

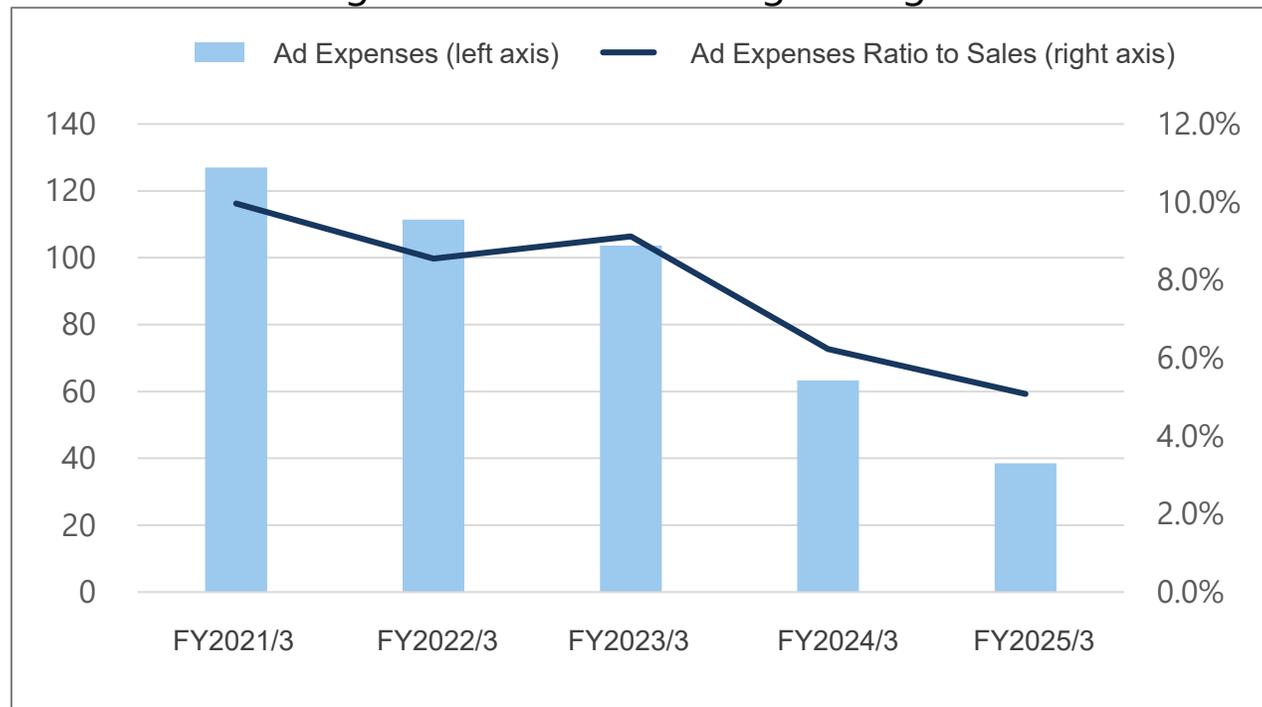
Changes in Content Production Account (FY2020/3-FY2025/3)



Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

- For SD titles, we have reviewed the development pipeline and selected and focused on development titles.
- In addition, for titles currently in operation, we have implemented measures to improve profitability, such as expanding platforms, diversifying payment methods, and optimizing operating costs
- By placing all titles under the management of the same studio, we have consolidated, accumulated, and shared in-house know-how

Optimized advertising and promotion expenses through in-house advertising management



Added payment methods for multiple titles
<Applicable titles are as follows>

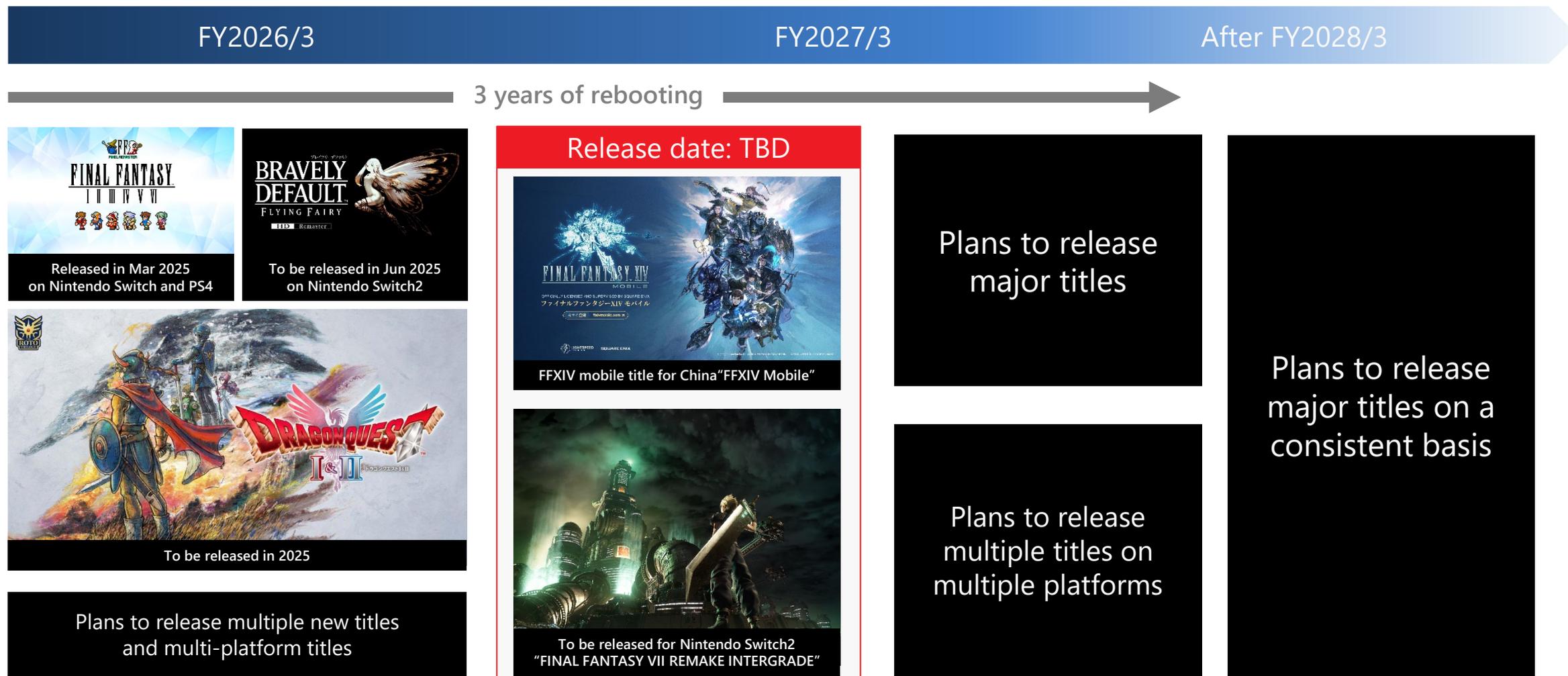


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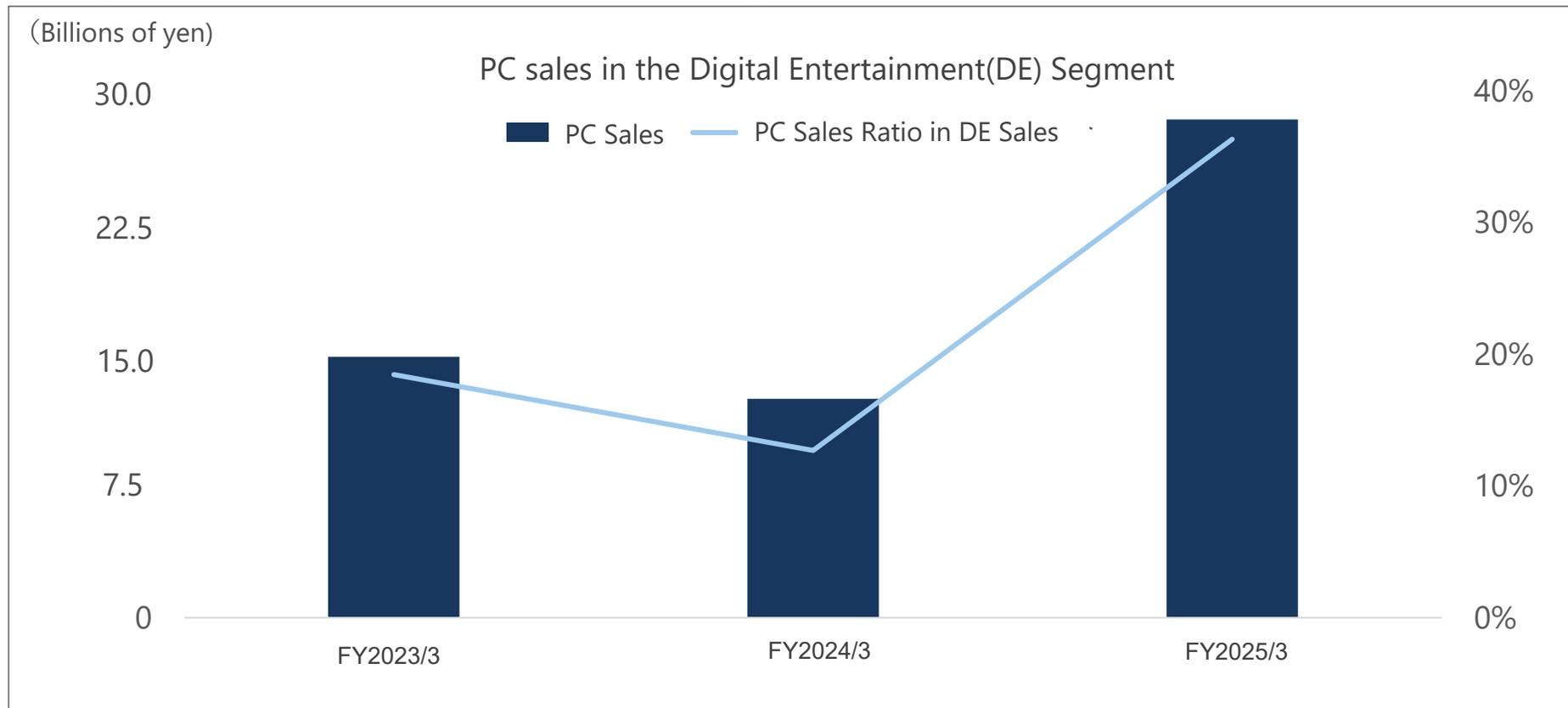
Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

- Establish a mid- to long-term pipeline to achieve a shift from quantity to quality.
- After the current three-year mid-term business plan, aiming to release major titles mainly in key IP steadily.



Diversify earnings opportunities by strengthening customer contact points

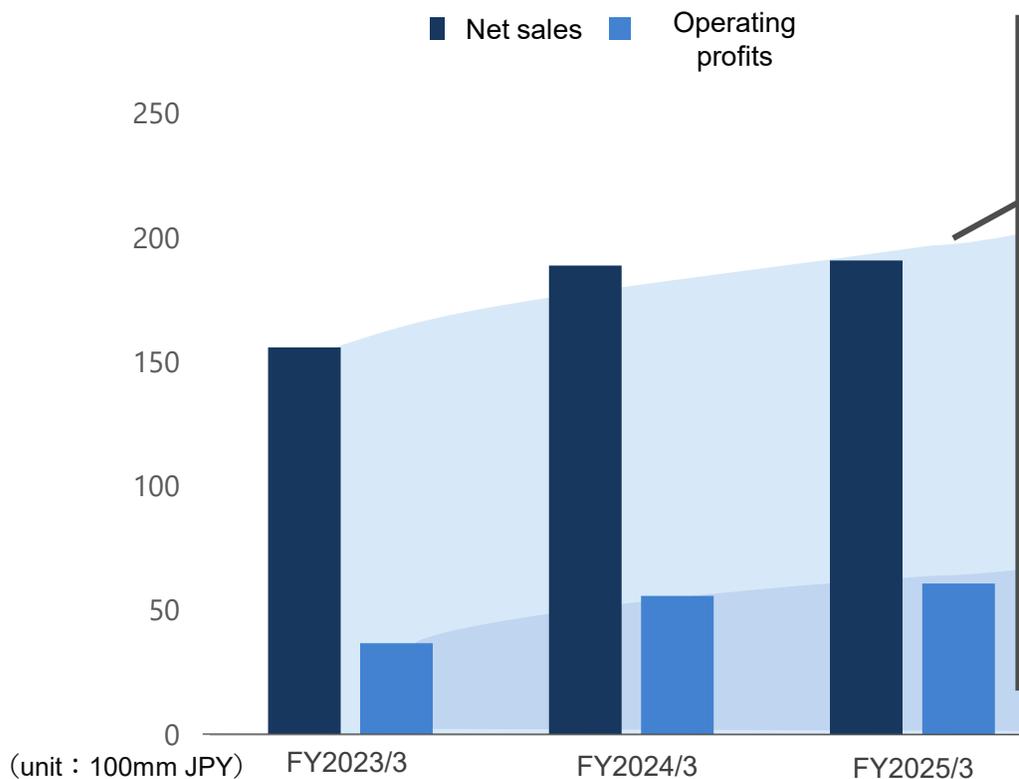
- Under a multi-platform strategy, we launched multiple projects to expand existing titles to new platforms in the fiscal year ended March 2025
- We have strongly promoted the expansion of both HD and SD titles to PC platforms. We also entered the Chinese mainland market, where it had been difficult to reach, through code sales
- We have achieved growth in catalog title sales through various measures, including bundle sales of new and catalog titles, and sales promotions that accelerate the shift to digital



Diversify earnings opportunities by strengthening customer contact points

- The organizations involved in merchandising and licensing businesses were integrated, consolidating IP business expertise that was previously scattered throughout the company
- In the fiscal year ended March 2025, we focused on developing diverse customer touchpoints, including new initiatives such as pop-up stores in Japan and overseas. In the fiscal year ending March 2026, we will start to build a structure to support the global growth of our merchandising business

Financial results of merchandising business



Expand the fan base of our IP globally



Expand development of products through licensing business

Collaboration of card game
"FINAL FANTASY" x "Magic the gathering"



Merchandise and limited stores

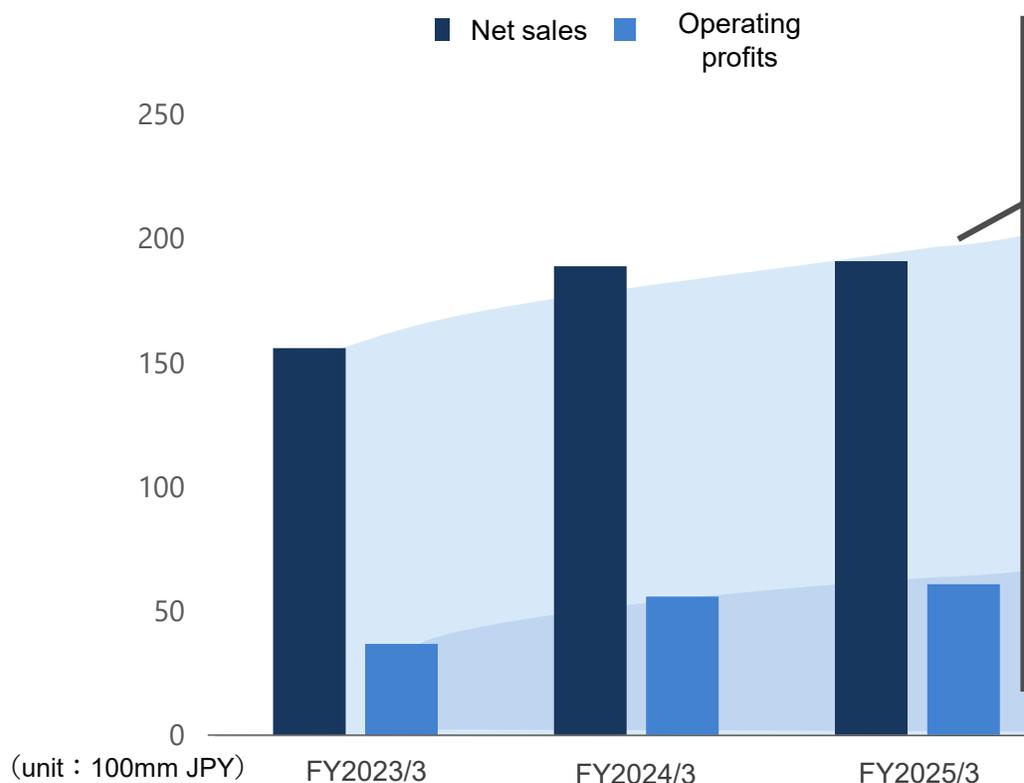
We are actively operating pop-up stores in the Official Store in Shibuya and other locations, both domestically and internationally.

(unit : 100mm JPY)

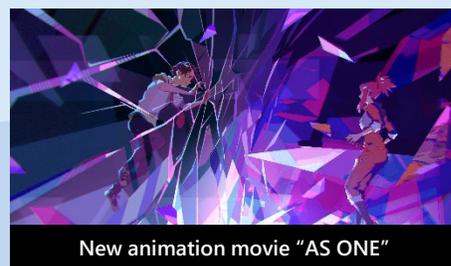
Diversify earnings opportunities by strengthening customer contact points

- In the fiscal year ended March 2025, we promoted the monetization of our IP through entertainment, events and cross-media initiatives
- We are currently working globally to lay the groundwork for the further expansion of these initiatives, including several unannounced projects

Financial results of merchandising business



Expand the fan base of our IP globally



Expansion into video content

"NieR: Automata" anime first and second seasons broadcasted

Theme Park Business Development

Event held at "Dragon Quest Island" in "Nijigen no Mori"

Build and expand our IP fan base globally

FFVII Rebirth event and FFXIV concert held in Saudi Arabia

Diversify earnings opportunities by strengthening customer contact points

- As a new initiative, we are currently developing new IP based on transmedia expansion in collaboration with an external partner company

Announced collaboration with TBS Television for the developing of a completely new original IP game

SQUARE ENIX

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TBS

TBS television, Inc. :
With the brand promise of “From each moment, a better tomorrow.”
under the ‘EDGE (=Expand Digital Global Experience)’ strategy, challenging
themselves to pioneer digital content and grow the global content brand “TBS.”

SQUARE ENIX **TBS**

2025年5月14日

報道関係者各位

株式会社スクウェア・エニックス
株式会社 TBS テレビ

**スクウェア・エニックスと TBS テレビ
完全新規オリジナル IP のゲーム開発における協業を発表**

株式会社スクウェア・エニックス（本社：東京都新宿区、代表取締役社長：桐生 隆司）と、株式会社 TBS テレビ（本社：東京都港区、代表取締役社長：龍宝 正峰）は、完全新規オリジナル IP のゲーム開発における協業を発表いたします。

株式会社スクウェア・エニックスは、「無限の想像力で、新しい世界を創り出そう」をパーパスとして掲げ、コンテンツやサービスを通じて、世界中のお客様の心に残る新たな体験や価値を提供し続けることを目指しています。2024年に策定したスクウェア・エニックス・グループの新中期経営計画のもと、新規 IP 創出や新しいビジネスモデル展開、IP の多面展開などにより、確かな面白さを持つバラエティ豊かなコンテンツをお客様にお届けすることに取り組んでいます。

株式会社 TBS テレビは、さまざまなフィールドで心揺さぶる時を届け社会を動かす起点を目指し、「最高の“時”で、明日の世界をつくる。」ことをブランドプロミスに掲げ、デジタルコンテンツの開拓やグローバルコンテンツブランド“TBS”への成長に挑戦しています。その一環として、2023年7月、自社のゲーム事業ブランド“TBS GAMES”を立ち上げ、ゲーム発のオリジナル IP 創出に注力しています。

このたび、スクウェア・エニックスと TBS は、それぞれの分野で培ってきた経験と強みを結集し、国内外に向けた完全新規オリジナル IP のゲーム開発における協業を決定しました。エンタテインメント分野における両社の知見を合わせて生み出す新たなオリジナル IP に、ぜひご期待ください。

Diversify earnings opportunities by strengthening customer contact points

■ Our major publishing IP

We aim to strengthen the creation of new IP and further develop our cross-media strategy



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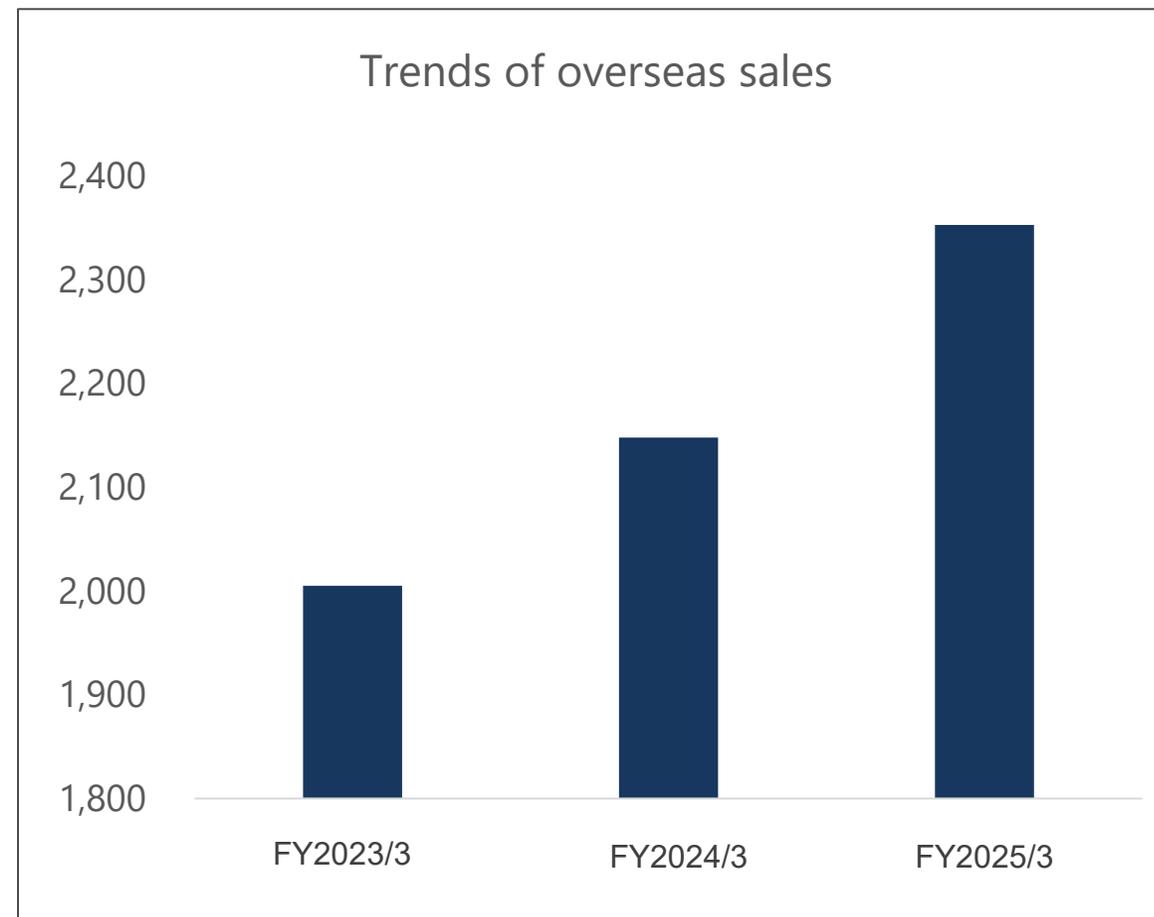
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(unit : mm JPY)

Diversify earnings opportunities by strengthening customer contact points

1 Strengthening overseas sales

Accelerating overseas growth with the opening of three stores in Hong Kong in the fiscal year ended March 2025



2 Business expansion through new entertainment business formats

<New Entertainment Solution Business>
Japan's first character development playground
"Play! Raise! Rakuga Kids" 7 locations in Japan



<New Leisure Business>
Sports × Entertainment facility
"BOOTVERSE" to open in 2 locations in Japan



3 Strong internal cooperation

Generate synergies within SQEX group

TAITO  SQEX

- Creation of contact points for the Group's IP utilizing TAITO's 173 amusement facilities* (domestic and overseas)
- Promotion of MD business collaboration in Japan and overseas
- Launch of overseas e-store business collaboration project

* Total number of directly operated stores and franchise stores

Roll out initiatives to create additional foundational stability

Initiatives implemented in the fiscal year ended March 2025 are as follows.

Organization in Japan

- Started renewal of management accounting system
- Implemented various initiatives to improve productivity by utilizing AI

Overseas Organization

- Started renewal of management accounting system
- Lowered SGA ratio YoY with optimization of labor cost, advertising cost and others
- Introduction of new HR initiatives
- Functional improvement of publishing organization and development studios
 - Strengthen collaboration between organization in Japan and overseas studios
 - Changes in partnership structure between overseas studios and publishing organization
 - Review of development project managed by overseas studios

Roll out initiatives to create additional foundational stability

Following initiatives are planned for the fiscal year ending March 2026

Organization in Japan

- Partial introduction of new HR initiatives (determination of bonus funds directly linked to company performance)
- Establishment of Human Resources Development Committee to formulate and implement strategic human resources development measures
- Further promotion of initiatives to improve productivity by utilizing AI

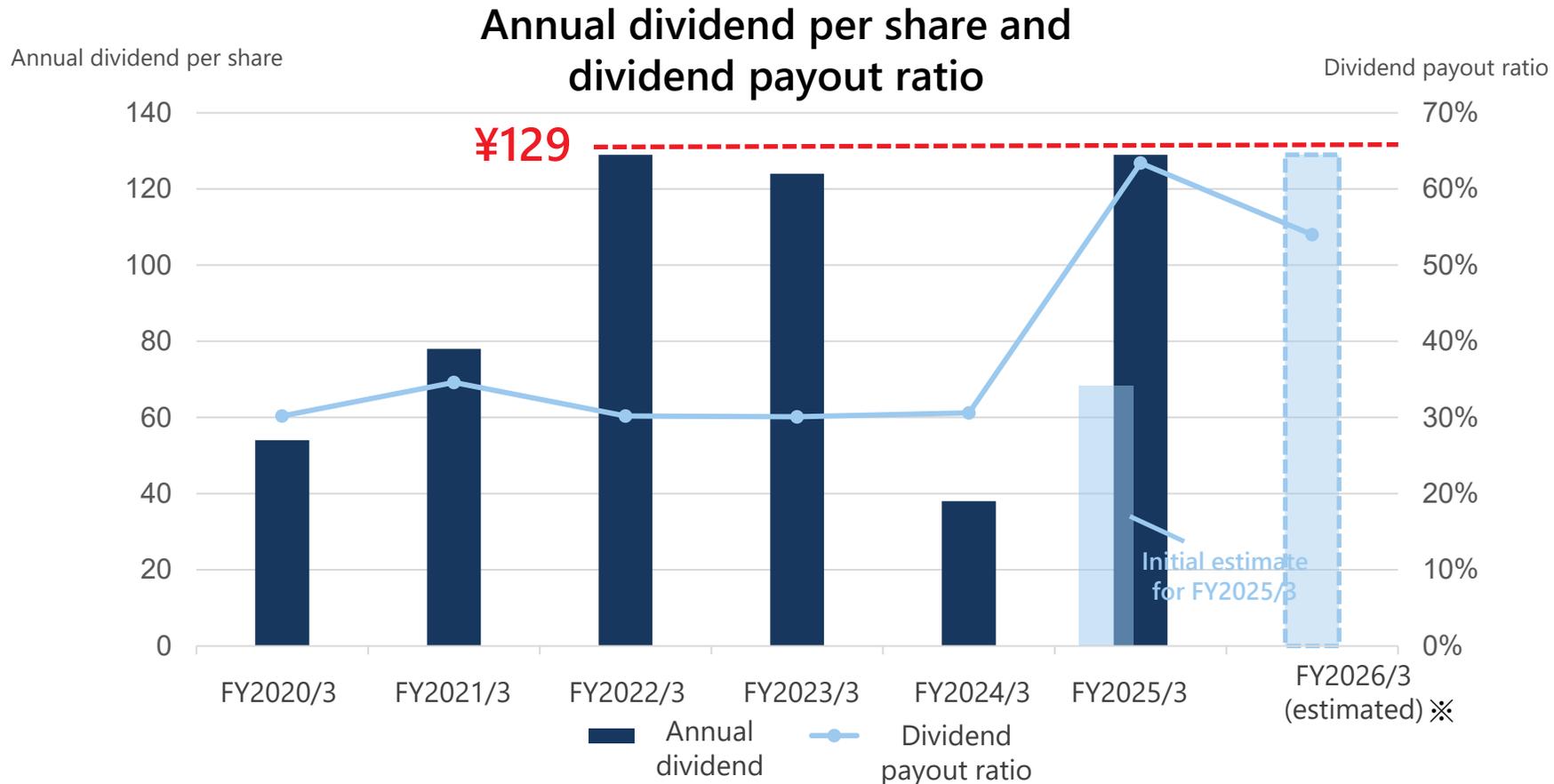
Overseas Organization

- Optimization of HD game development studio and publishing function
- Streamlining development structure by strengthening intra-group collaboration

Past trends and estimate of shareholder returns

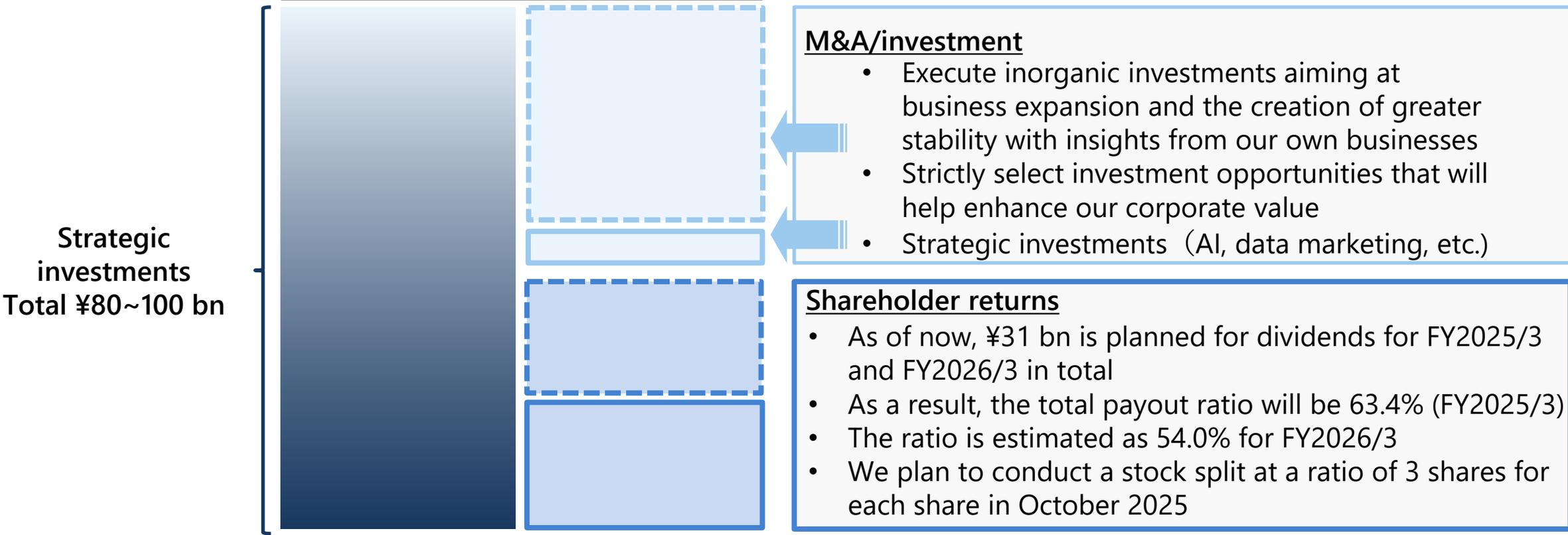
Past trends and estimate of shareholders returns are as follows

Dividends will be paid in reference to the fiscal year ended March 2022 when the record high profit was achieved



Capital allocation: Balancing growth investment & shareholder returns

Under our new medium-term business plan, we will give consideration to the balance between growth investment and shareholder returns in allocating capital, with the framework below serving as our basic philosophy.



Our medium-term plan: 4 strategies

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Our new medium-term plan: 3 financial targets

- Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- Diversify earnings opportunities by strengthening customer contact points
- Roll out initiatives to create additional foundational stability
- Allocate capital giving consideration to the balance between growth investment and shareholder returns

Achieve stable profit generation from the overall DE segment and target a consolidated operating margin of 15% in the fiscal year ending March 31, 2027

Allocated up to 100 billion yen for total strategic investments over a three-year period

Target ROE of at least 10%, shifting to a management approach mindful of capital efficiency

Consolidated Financial Forecasts: Fiscal Year ending March 31, 2026

(Billions of Yen)

	Fiscal Year Ended March 31, 2025 Full Year Results	Fiscal Year Ending March 31, 2026	
		Full Year Forecasts	Changes
Net Sales	324.5	280.0	(44.5)
Operating Income	40.5	41.0	0.5
Operating Income Margin	12.5%	14.6%	2.1pt
Ordinary Income	40.9	41.0	0.1
Ordinary Income Margin	12.6%	14.6%	2.0pt
Profit attributable to owners of parent	24.4	28.7	4.3
Dividends per share ※			
			(Yen)
Interim	28	54	24
Year-end	101	75	(26)
Total	129	129	0

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**Creating New Worlds with Boundless Imagination
to Enhance People's Lives.**