

SQUARE ENIX × DISNEY

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# Analyzing a Successful Gaming Industry Partnership

Kingdom Hearts turned an unlikely crossover into a durable, billion-dollar franchise.

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**KINGDOM HEARTS**  
Collection II~III

All game artwork © Disney and Square Enix.



# The crossover became a third brand

**Kingdom Hearts works because each partner contributes something the other cannot easily reproduce.**

- ◆ Square Enix supplies action-RPG systems, original characters, and long-form serialized storytelling.
- ◆ Disney supplies globally recognizable worlds, character equity, and cross-media reach.
- ◆ Together, they created an intellectual property with its own identity, audience, and revenue life cycle.



**39M+**

units shipped  
worldwide

**\$1B+**

Disney retail status

**24+**

year alliance

# More than two decades turned one experiment into an ecosystem



# Complementary ambitions reduced risk for both companies

## SQUARE ENIX SOUGHT

### A broader global audience

- ◆ Use Disney's character awareness to lower the entry barrier to Japanese action RPGs.
- ◆ Differentiate through an original franchise rather than another film adaptation.
- ◆ Build a long-lived global catalogue across platforms and formats.



## SHARED OPPORTUNITY

## DISNEY SOUGHT

### Growth in interactive entertainment

- ◆ Turn viewers into active participants inside Disney worlds.
- ◆ Reach established RPG audiences through an experienced developer.
- ◆ Extend character and story value through games, licensing, and cross-promotion.

# Shared creation works, but control is not evenly divided

## CREATIVE ENGINE

**Square Enix and Tetsuya Nomura**

Design combat, original characters, serialized lore, world integration, animation, and most game production.



## IP GOVERNANCE

**Disney and individual studio teams**

Control the Kingdom Hearts property and approve licensed characters, worlds, visual accuracy, and brand use.



## MARKET AMPLIFIER

**Joint promotion and platform partners**

Coordinate trailers, D23 and E3 reveals, collections, platform expansion, merchandise, and cross-media extensions.



**Strategic lesson: durability comes from repeated approvals, not a one-time license.**

# The winning move was a new storyworld, not a reskin



## Familiarity opened the door

Disney characters, films, and worlds gave players immediate recognition and emotional context.

## Originality gave them a reason to stay

Sora, the Keyblade, the Heartless, and an ongoing mythology made Kingdom Hearts more than a promotional tour through Disney films.

### RESULT

A cross-industrial brand with value independent of any one Disney film or Final Fantasy title.

# One story became a portfolio of entry points



## NUMBERED GAMES

Premium tentpoles create major audience and sales events.

## HANDHELD + MOBILE

Spin-offs extend lore, retention, and free-to-play reach.

## COLLECTIONS

Remasters refresh the catalogue and reduce onboarding friction.

## DLC + PLATFORMS

Re Mind and new storefronts add post-launch value.

## STREAMING

The announced anime extends the franchise beyond games.

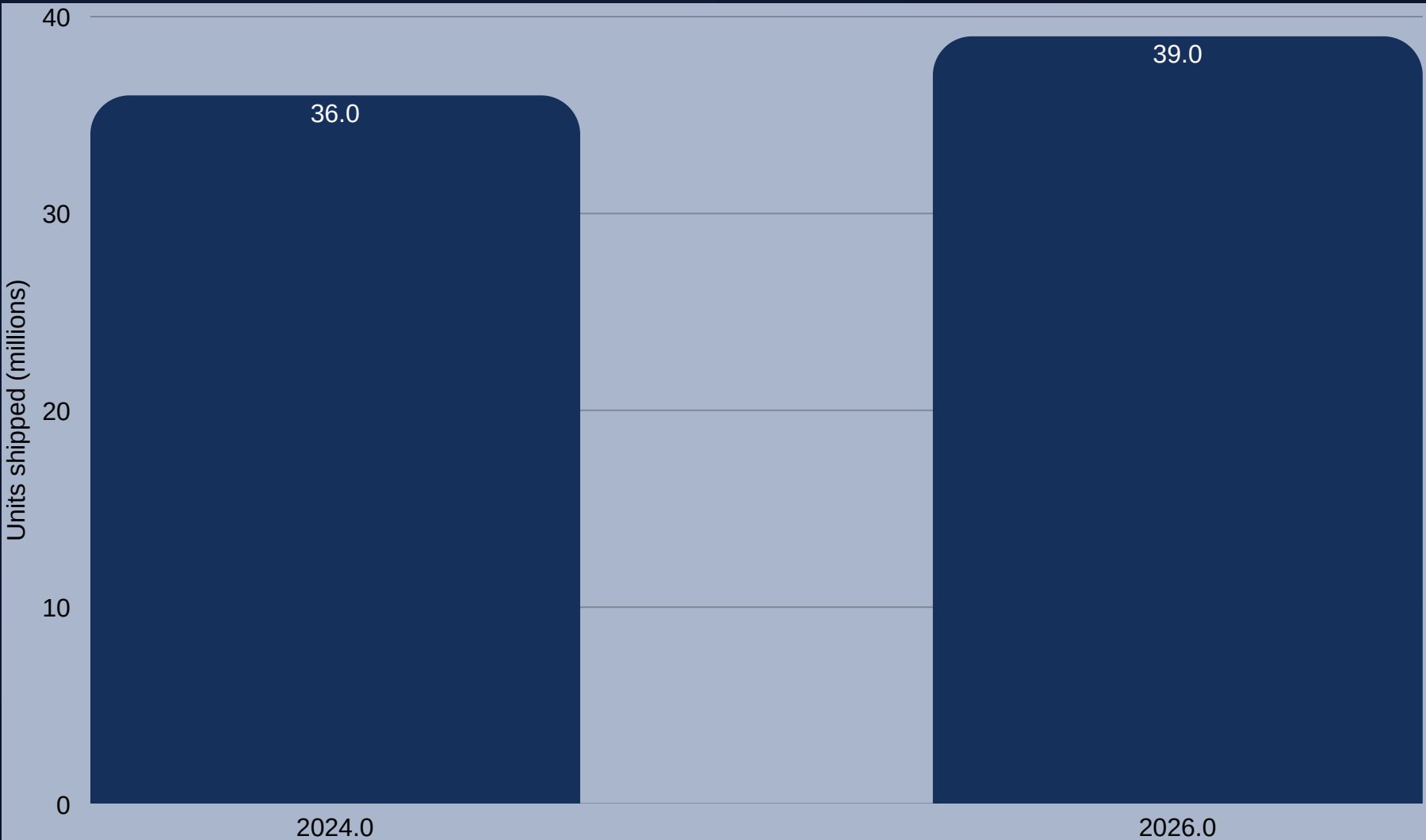
The portfolio increases lifetime value, but it also creates a responsibility to keep the story understandable and preserved.

# Kingdom Hearts redefined the licensed partnership



|                     |                                               |                                                                                                                                 |
|---------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| GAMES               | A crossover can support original canon        | Example: Sora and the Heartless connect separate Disney worlds through one ongoing action-RPG story.                            |
| PLATFORMS           | A franchise can migrate with its audience     | Example: PlayStation, handhelds, mobile, Xbox, Epic, Steam, Switch cloud, and native current-generation collections.            |
| BUSINESS MODEL      | Licensed IP can become an evergreen catalogue | Example: numbered games, remasters, DLC, mobile IAP, merchandise, music, and streaming expansion.                               |
| CONSUMER EXPERIENCE | Players participate inside familiar media     | Example: Toy Story, Frozen, and Pirates of the Caribbean became playable spaces, while Coco is announced for Kingdom Hearts IV. |

# Commercial evidence is strong, despite limited profit data



*LIMITATION: Contract terms, development costs, and partner-level profit allocation are not publicly disclosed.*

**\$1B+**

Retail revenue status for Kingdom Hearts within Disney's games portfolio

**WHAT THE NUMBERS PROVE**

- ◆ The catalogue added at least 3 million shipments between the reported 2024 and 2026 milestones.
- ◆ Disney now classifies Kingdom Hearts among nine game franchises that have crossed \$1 billion at retail.

# The revenue engine compounds value long after launch

## PREMIUM TENTPOLES

Numbered games create the largest attention and full-price sales moments.

## CATALOGUE + COLLECTIONS

Remasters, bundles, and new storefronts monetize the back catalogue and onboard late adopters.

## DLC + MOBILE

Re Mind and free-to-play titles add post-launch spending, retention, and new story content.

## LICENSING + MERCHANDISE

Music, figures, books, apparel, and collaborations broaden revenue beyond software.

## STREAMING + FUTURE MEDIA

Anime adds audiences and licensing.



# Familiar worlds invite; continuity creates barriers

## WHAT IMPROVES THE EXPERIENCE

- ◆ Recognizable characters make an action RPG feel approachable.
- ◆ Each Disney world changes art direction, movement, allies, and combat context.
- ◆ Original lore rewards long-term investment and fan discussion.



## WHAT RAISES THE BARRIER

- ◆ Important story beats were distributed across console, handheld, and mobile releases.
- ◆ Complex terminology and release order make onboarding feel like homework.
- ◆ Cloud-only access and service shutdowns weaken ownership and preservation.

**Inclusive reach is real, but it depends on access, clarity, and preservation, not brand familiarity alone.**

# Shared rituals sustain the community between releases



## EVENTS

D23 panels, livestreamed trailers, and platform showcases turn announcements into communal moments.

## INTERPRETATION

Fan theories and lore discussion transform complexity into ongoing participation.

## IDENTITY

Cosplay, fan art, music, collections, and favorite worlds support creative self-expression.

## GENERATIONS

Long-time players and new Disney audiences meet around the same characters and themes.

# Several fixes arrived after trust was already spent

| CHALLENGE                              | COMPANY RESPONSE                                                                         | EVALUATION                                                             |
|----------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Story fragmentation                    | HD collections, all-in-one bundles, and an official play-order guide.                    | Helpful, but still asks newcomers to absorb many titles.               |
| KH III pacing + Final Fantasy absence  | Re Mind added story context, superbosses, and returning Final Fantasy characters.        | Direct response, although paid DLC made the fix feel late.             |
| Switch cloud performance and ownership | Native 2026 editions, save transfer, and a 50% owner discount.                           | Improves access, but owners still face service closure and repurchase. |
| Slow approvals and creative tension    | Direct collaboration and trust-building with Pixar teams for Toy Story and later worlds. | Protects brand quality, but adds schedule and negotiation friction.    |

# Brand trust raises the ethical standard



## Critical judgment

The partnership did not create these industry-wide dilemmas, but its scale means it can model better practice.

### RANDOMIZED MOBILE SPENDING

Union X sold premium Jewels used for randomized Medal acquisition. Disney's family appeal makes age-aware safeguards and clear odds especially important.

### STORY LOCKED TO TEMPORARY SERVICES

Canon placed in a live mobile game becomes harder to experience after shutdown. Theater and offline modes helped, but removed some playability.

### OWNERSHIP OF CLOUD PURCHASES

The Switch cloud versions will stop functioning in 2027. Discounts and save transfer reduce harm but do not replace permanent ownership.

### CULTURAL + IP RESPONSIBILITY

Adapting global stories requires respectful localization while approval systems must protect brands without erasing creative voices.

# Five keys can make future collaborations more durable

1

## PAIR COMPLEMENTARY STRENGTHS

Brand reach and development expertise should solve different parts of the same opportunity.

2

## CREATE A THIRD IDENTITY

A collaboration lasts longer when audiences value the new franchise, not only the borrowed brands.

3

## DESIGN IP GOVERNANCE EARLY

Define approvals, ownership, escalation paths, and creative boundaries before production pressure rises.

4

## PLAN THE ONBOARDING JOURNEY

Release order, platform access, recaps, and canon hierarchy are product design decisions.

5

## PROTECT TRUST AFTER LAUNCH

Monetization, service closure, preservation, and upgrade policy shape lifetime value.



**The transferable lesson is not 'use famous IP.' It is 'build a governance system capable of earning trust for decades.'**

# Build a free Story Archive before the next saga peaks

## THE OPPORTUNITY

Square Enix + Disney + platform partners should create one official, cross-platform onboarding and preservation hub.



### UNDERSTAND

Visual timeline, play order, character map, and five-minute recaps that label essential and optional canon.

### PRESERVE

Playable or watchable archives for retired mobile stories, plus transcripts, localization, and accessibility.

### CONNECT

Save-aware links to owned games, stores, anime, music, and events without paywalling core story.

### TRUST

Publish monetization, service-life promises, parental controls, and upgrade policies before players spend.

# Future partnerships will be judged on stewardship

## RISING COST + LONG GAPS

Large licensed productions create schedule risk and make community expectations harder to manage.

## PLATFORM + SERVICE DEPENDENCE

Cloud delivery and live services can turn access into a temporary permission rather than ownership.

## AI + IP CONSENT

Generative tools will intensify questions about training rights, likeness, authorship, and approval responsibility.

## GLOBAL REPRESENTATION

Cross-cultural stories require authentic collaboration, localization, and respectful adaptation.

### MEASURE THE RECOMMENDATION WITH

#### Completion

% of new players who reach the next game after using the archive

#### Clarity

Reduction in support searches about play order and missing canon

#### Access

% of story content available without discontinued services

#### Trust

Refund, upgrade, and sentiment trends around platform transitions

# The real competitive advantage was the relationship.

Kingdom Hearts succeeded because Disney and Square Enix kept adapting their roles, platforms, and ambitions while protecting a distinct shared identity.

- ◆ Commercially proven: 39M+ shipments and billion-dollar retail status.
- ◆ Strategically proven: a crossover became an original franchise and cross-media ecosystem.
- ◆ Still unfinished: onboarding, preservation, ownership, and ethical monetization must improve.

**Design the relationship for the full life of the player, not only the launch.**

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## KINGDOM HEARTS Collection II~III