

May 11, 2017

Company: SQUARE ENIX HOLDINGS CO., LTD.
(Code: 9684, Tokyo Stock Exchange)
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Notice of Booking of Extraordinary Loss

SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) announces today that it has booked the following extraordinary loss in the financial results for the fiscal year ended March 31, 2017.

1. The cause and nature of the extraordinary loss

To maximize player satisfaction as well as market potential going forward, we are focusing our resources and energies on key franchises and studios. As a result, the Company has regrettably decided to withdraw from the business of IO INTERACTIVE A/S, a wholly-owned subsidiary and a Danish corporation, as of March 31, 2017. This decision has resulted in booking of the extraordinary loss amounting to 4,898 million yen, including disposition of the content production account related to the business and impairment loss of intangible assets, in the financial results for the fiscal year ended March 31, 2017.

As a result of this the Company started discussions with potential new investors and is currently in negotiations to secure this investment. Whilst there can be no guarantees that the negotiations will be concluded successfully, they are being explored since this is in the best interests of our shareholders, the studio and the industry as a whole.

2. Effect on the financial results

The above-mentioned extraordinary loss has been fully reflected in the financial results announced today as the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (Japan GAAP).”

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