



Consolidated Financial Results  
for the Nine-Month Period Ended December 31, 2023 (Japan GAAP)

February 5, 2024

Company name: SQUARE ENIX HOLDINGS CO., LTD.  
Shares traded: Tokyo Stock Exchange, Prime Market  
Company code: 9684  
Company URL: <https://www.hd.square-enix.com/eng>  
Representative: Takashi Kiryu, President and Representative Director  
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Tel: (03) 5292-8000  
Financial report submission: February 8, 2024 (planned)  
Cash dividend payment commencement: —  
Supplementary quarterly materials prepared: Yes  
Quarterly results presentation held: Yes (for institutional investors and analysts)

(Amounts under one million yen are rounded down)

1. Consolidated Financial Results (April 1, 2023, through December 31, 2023)

(1) Consolidated Financial Results

(Millions of yen and year-on-year changes in percents)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Nine months ended		%		%		%		%
December 31, 2023	257,612	0.8	34,918	(15.5)	40,910	(19.5)	26,768	(42.3)
December 31, 2022	255,616	(6.6)	41,315	(17.6)	50,805	(6.7)	46,397	16.4

Note: Nine months ended December 31, 2023 Comprehensive income: 26,377 million yen [(41.2%)]

Nine months ended December 31, 2022 Comprehensive income: 44,847 million yen [12.7%]

	Earnings per share, basic	Earnings per share, diluted
Nine months ended	yen	yen
December 31, 2023	223.28	223.13
December 31, 2022	387.71	387.05

(2) Consolidated Financial Position

(Millions of yen, ratios in percents and per share data)

	Total assets	Net assets	Equity ratio
As of			%
December 31, 2023	415,455	329,277	79.1
March 31, 2023	399,634	317,266	79.1

Note: Total equity As of December 31, 2023: 328,656 million yen  
As of March 31, 2023: 316,290 million yen

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2023	—	10.00	—	114.00	124.00
Fiscal year ending March 31, 2024	—	10.00	—		
Fiscal year ending March 31, 2024 (projection)				87.00	97.00

Note: No change in Dividends projection from the previous announcement.

## 3. Consolidated Forecasts (April 1, 2023 to March 31, 2024)

(Millions of yen, year-on-year changes in percents and per share data)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share, basic
		%		%		%		%	yen
Fiscal year ending March 31, 2024	360,000	4.9	55,000	24.1	55,000	0.5	38,500	(21.9)	321.68

Note: No change in Consolidated forecasts from previous announcement.

For details, please refer to page 4 “1. Consolidated Results for the Nine-Month Period Ended December 31, 2023 (3) Qualitative information on consolidated business forecasts.”

### Notes

- (1) Significant changes among major subsidiaries during the period: No
- (2) Adoption of special accounting treatment for quarterly consolidated financial statements: No
- (3) Changes in accounting policies, procedures, and methods of presentation for consolidated financial statements
  1. Changes in accounting policies due to revisions to accounting standards: No
  2. Changes other than 1. : No
  3. Changes in accounting estimates: No
  4. Retrospective restatement: No
- (4) Outstanding shares (common stock)
  1. Number of shares issued and outstanding (including treasury stock):
 

As of December 31, 2023	122,531,596
As of March 31, 2023	122,531,596
  2. Number of treasury stock:
 

As of December 31, 2023	2,578,440
As of March 31, 2023	2,803,193
  3. Average number of shares during the period (cumulative):
 

Nine-Month period ended December 31, 2023	119,883,750
Nine-Month period ended December 31, 2022	119,671,206

Disclaimer: (1) This document is a translation of the Japanese language “Kessan Tanshin” prepared in accordance with the guidelines of the Tokyo Stock Exchange. The Japanese language document shall prevail in the event any differences or discrepancies exist between this English translation and the original. (2) This earnings release is not subject to review procedures for quarterly financial statements. (3) The forward-looking statements in this document are based upon the information currently available and necessarily include elements that are not entirely predictable. The achievement is not promised. Actual results may differ from the forward-looking statements in this document. (4) For additional information about forecasts, please refer to “1. Consolidated Results for the Nine-Month Period Ended December 31, 2023 (3) Qualitative information on consolidated business forecasts” section on page 4 of Supplemental Information.

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## 1. Consolidated Results for the Nine-Month Period Ended December 31, 2023

### (1) Analysis of consolidated business results

The Square Enix group (the "Group") is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising. Net sales for the Nine-Month period ended December 31, 2023 totaled ¥257,612 million (an increase of 0.8% from the same period of the prior fiscal year), and operating income amounted to ¥34,918 million (a decrease of 15.5% from the same period of the prior fiscal year). In foreign exchange rates, the weakness of Japanese yen compared to rates as of the end of the prior fiscal year resulted in the booking of a foreign exchange gain amounting to ¥4,570 million. As a result, ordinary income amounted to ¥40,910 million (a decrease of 19.5% from the same period of the prior fiscal year), and profit attributable to owners of parent amounted to ¥26,768 million (a decrease of 42.3% from the same period of the prior fiscal year).

A discussion of results by segment for the Nine-Month period ended December 31, 2023 follows.

#### ●Digital Entertainment

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of game. Digital entertainment content is offered to meet customer lifestyles across a variety of usage environments such as consumer game consoles (including handheld game machines), personal computers and smart devices.

At the HD (High-Definition) Game sub-segment, net sales for the nine-month period ended December 31, 2023 rose compared to the same period of the previous fiscal year due to the release of titles including "FINAL FANTASY XVI," "FINAL FANTASY PIXEL REMASTER" and "DRAGON QUEST MONSTERS: The Dark Prince."

In the MMO (Massively Multiplayer Online) Game sub-segment, net sales fell compared to the same period of the previous year.

In the Games for Smart Devices/PC Browser sub-segment, net sales declined compared to the same period of the previous fiscal year as the June 2023 launch of "Dragon Quest Champions" and the September 2023 launch of "FINAL FANTASY VII EVER CRISIS" were unable to compensate for factors including weak performances by existing titles.

Net sales and operating income in the Digital Entertainment segment totaled ¥179,654 million (a decrease of 2.6% from the same period of the prior fiscal year), and ¥30,715 million (a decrease of 20.7% from the same period of the prior fiscal year), respectively.

#### ●Amusement

The Amusement segment consists of the operation of amusement facilities and planning, development, and distribution of arcade game machines and related products for amusement facilities.

The nine-month period ended December 31, 2023 saw net sales and operating income rise compared to the same period of the previous fiscal year due to year-on-year growth in sales at existing arcades.

Net sales and operating income in the Amusement segment totaled ¥44,858 million (an increase of 9.7% from the same period of the prior fiscal year), and ¥5,488 million (an increase of 33.8% from the same period of the prior fiscal year), respectively.

#### ●Publication

The Publication segment consists of publication and licensing of comic magazines, comic books, and game-related books.

The nine-month period ended December 31, 2023 saw net sales and operating income rise compared to the same period of the previous fiscal year due to year-on-year growth in sales of both print and digital media, enabled partly by the massive popularity of the anime television series adaptation of “The Apothecary Diaries,” which began to air in October 2023.

Net sales and operating income in the Publication segment totaled ¥22,745 million (an increase of 7.9% from the same period of the prior fiscal year) and ¥8,929 million (an increase of 6.8% from the same period of the prior fiscal year), respectively.

#### ●Merchandising

The Merchandising segment consists of planning, production, distribution, and licensing of derivative products of IPs owned by the Group.

The nine-month period ended December 31, 2023 saw net sales and operating income rise compared to the same period of the previous fiscal year, partly due to brisk sales of new merchandise featuring key characters from the Group’s IP portfolio.

Net sales and operating income in the Merchandising segment totaled ¥12,429 million (an increase of 4.4% from the same period of the prior fiscal year), and ¥3,210 million (an increase of 10.7% from the same period of the prior fiscal year), respectively.

### (2) Analysis of consolidated financial position

#### ●Assets

As of December 31, 2023, total current assets were ¥357,244 million, an increase of ¥14,986 million compared to March 31, 2023. This was mainly due to increases in notes and accounts receivable-trade of ¥8,740 million, content production account of ¥6,169 million, and cash and deposits of ¥4,330 million, while the other on current assets decreased by ¥4,833 million. As of December 31, 2023, total non-current assets were ¥58,210 million, an increase of ¥834 million compared to March 31, 2023.

As a result, total assets were ¥415,455 million, an increase of ¥15,821 million compared to March 31, 2023.

#### ●Liabilities

As of December 31, 2023, total current liabilities were ¥75,605 million, an increase of ¥3,900 million compared to March 31, 2023. This was mainly due to increases in the other on current liabilities of ¥2,746 million and income taxes payable of ¥2,100 million, while provision for bonuses decreased by ¥884 million. As of December 31, 2023, total non-current liabilities were ¥10,572 million, a decrease of ¥90 million compared to March 31, 2023.

As a result, total liabilities were ¥86,178 million, an increase of ¥3,809 million compared to March 31, 2023.

#### ●Net assets

As of December 31, 2023, net assets were ¥329,277 million, an increase of ¥12,011 million compared to March 31, 2023. This was mainly due to profit attributable to owners of parent of ¥26,768 million and dividend payments of ¥14,848 million.

As a result, the consolidated equity ratio stood at 79.1% (79.1% as of March 31, 2023).

### (3) Qualitative information on consolidated business forecasts

As a result of digitization and other technological advances, consumer game content is increasingly sold via downloads rather than physical packages. Monetization methods such as free-to-play, microtransactions, and subscriptions have also given rise to a greater diversity of business models outside the confines of traditional one-off sales. As such, the consumer game market continues to grow. New releases tend to be met with either marked success or marked failure as players throng to a handful of major titles.

In the market for games for smart devices, increasingly sophisticated smartphones are making customers demand even richer gaming experiences and enabling greater diversity in game design and business models. Content scale is also mounting as smartphone games traverse the globe and multiple types of devices, resulting in continued growth in the size of the market. Meanwhile, a familiar list of titles continues to dominate the upper end of the smart device game rankings in Japan, and the entrance of Asian players into the Japanese market has intensified competition, reducing the odds of new titles succeeding.

Given the intense competition in both the consumer and smart device game markets, it will be important for the Group not only to leverage existing intellectual properties but also to endeavor to create new intellectual properties and to recruit development resources if it is to continue to produce hits. By developing content in keeping with these environmental changes and diversifying its earnings opportunities, the Group is endeavoring to establish a robust earnings base.

The Company leaves the consolidated forecasts for the fiscal year through March 31, 2024 that it released on May 12, 2023 unchanged as it needs to assess the fourth-quarter sales of new titles released during the course of the fiscal year.

## 2. Consolidated Financial Statements for the Nine-Month Period Ended December 31, 2023

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	193,501	197,832
Notes and accounts receivable-trade	39,908	48,649
Merchandise and finished goods	4,872	5,446
Raw materials and supplies	827	834
Content production account	87,217	93,386
Other	16,185	11,351
Allowance for doubtful accounts	(255)	(256)
Total current assets	342,258	357,244
Non-current assets		
Property, plant and equipment	17,743	20,800
Intangible assets	5,856	5,520
Investments and other assets	33,775	31,889
Total non-current assets	57,376	58,210
Total assets	399,634	415,455

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	23,558	23,544
Income taxes payable	3,452	5,552
Provision for bonuses	4,532	3,648
Refund liabilities	5,186	5,138
Other	34,974	37,721
Total current liabilities	71,704	75,605
Non-current liabilities		
Provision for directors' retirement benefits	7	—
Net defined benefit liability	3,908	4,173
Asset retirement obligations	4,424	4,397
Other	2,322	2,001
Total non-current liabilities	10,663	10,572
Total liabilities	82,368	86,178
Net assets		
Shareholders' equity		
Capital stock	24,039	24,039
Capital surplus	54,142	54,325
Retained earnings	255,151	267,070
Treasury stock	(8,587)	(7,900)
Total shareholders' equity	324,745	337,535
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	(187)
Foreign currency translation adjustment	(8,765)	(8,880)
Remeasurements of defined benefit plans	308	189
Total accumulated other comprehensive income	(8,454)	(8,878)
Subscription rights to shares	752	364
Non-controlling interests	222	255
Total net assets	317,266	329,277
Total liabilities and net assets	399,634	415,455



(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income  
Consolidated Income Statement

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	255,616	257,612
Cost of sales	116,682	121,993
Gross profit	138,933	135,618
Selling, general and administrative expenses	97,618	100,699
Operating income	41,315	34,918
Non-operating income		
Interest income	388	973
Dividend income	0	0
Foreign exchange gains	10,087	4,570
Gain on investments in securities	570	381
Gain on sale of crypto assets	838	334
Revenue from business held for sale	3,805	—
Miscellaneous income	90	192
Total non-operating income	15,782	6,452
Non-operating expenses		
Interest expenses	64	138
Commission fee	1,031	3
Office transfer related expenses	—	258
Expenses from business held for sale	5,195	—
Miscellaneous loss	1	59
Total non-operating expenses	6,292	460
Ordinary income	50,805	40,910
Extraordinary income		
Gain on sales of non-current assets	831	—
Gain on sales of registered trademarks	684	—
Gain on sale of shares of subsidiaries and associates	9,500	—
Gain on reversal of share acquisition rights	4	8
Other	11	—
Total extraordinary income	11,031	8
Extraordinary losses		
Loss on sales of non-current assets	—	46
Loss on retirement of non-current assets	36	78
Impairment loss	1	—
Loss on valuation of shares of subsidiaries and associates	—	1,180
Loss on disposal of content	2,116	—
Other	137	155
Total extraordinary losses	2,291	1,460
Profit before income taxes	59,544	39,458
Income taxes-current	11,905	9,851
Income taxes-deferred	1,225	2,823
Total income taxes	13,130	12,674
Profit	46,414	26,783
Profit attributable to non-controlling interests	16	15
Profit attributable to owners of parent	46,397	26,768

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	46,414	26,783
Other comprehensive income		
Valuation difference on available-for-sale securities	80	(189)
Foreign currency translation adjustment	(1,657)	(96)
Remeasurements of defined benefit plans	10	(119)
Total other comprehensive income	(1,567)	(405)
Comprehensive income	44,847	26,377
(Breakdown)		
Comprehensive income attributable to owners of parent	44,805	26,344
Comprehensive income attributable to non-controlling interests	41	32

(3) Notes to Consolidated Financial Statements  
 (Note regarding going concern assumptions)  
 None

(Material changes in shareholders' equity)  
 None

(Segment information)

I. Outline of reporting segments for the Nine-Month period ended December 31, 2022

Information on sales and income or loss and disaggregated revenue disclosures by reporting segment

(Millions of yen)

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
Sales and operating income							
Net sales							
Domestic	104,839	38,580	19,471	5,536	168,426	—	168,426
Overseas	79,518	738	1,461	5,471	87,189	—	87,189
Revenue from contracts with customers	184,358	39,318	20,932	11,007	255,616	—	255,616
Other revenue	—	—	—	—	—	—	—
(1) Sales to outside customers	184,358	39,318	20,932	11,007	255,616	—	255,616
(2) Intersegment sales	21	1,564	138	897	2,623	(2,623)	—
Total	184,380	40,883	21,071	11,905	258,239	(2,623)	255,616
Segment operating income	38,735	4,100	8,360	2,899	54,096	(12,780)	41,315

Notes: 1. Segment adjustments (¥12,780) million include unallocated corporate operating expenses (¥12,917) million.

2. Segment operating income is adjusted in operating income on the consolidated income statement.

3. Disaggregated revenue disclosures are distinguished between Domestic and Overseas.

II. Outline of reporting segments for the Nine-Month period ended December 31, 2023

Information on sales and income or loss and disaggregated revenue disclosures by reporting segment

(Millions of yen)

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
Sales and operating income							
Net sales							
Domestic	98,342	43,104	21,310	5,393	168,151	—	168,151
Overseas	81,257	923	1,391	5,840	89,411	—	89,411
Revenue from contracts with customers	179,599	44,027	22,702	11,234	257,563	—	257,563
Other revenue	48	—	—	—	48	—	48
(1) Sales to outside customers	179,648	44,027	22,702	11,234	257,612	—	257,612
(2) Intersegment sales	6	830	43	1,195	2,076	(2,076)	—
Total	179,654	44,858	22,745	12,429	259,688	(2,076)	257,612
Segment operating income	30,715	5,488	8,929	3,210	48,343	(13,425)	34,918

Notes: 1. Segment adjustments (¥13,425) million include unallocated corporate operating expenses (¥13,473) million.

2. Segment operating income is adjusted in operating income on the consolidated income statement.

3. Disaggregated revenue disclosures are distinguished between Domestic and Overseas.