



Consolidated Financial Results  
for the Six-Month Period Ended September 30, 2024 (Japan GAAP)

November 8, 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  
Contact: Takayuki Hamada, General Manager Financial Strategy Division  
Tel: (03) 5292-8000  
Financial report submission: November 13, 2024 (planned)  
Cash dividend payment commencement: December 6, 2024 (planned)  
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, 2024 through September 30, 2024)

(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	
Six months ended		%		%		%		%
September 30, 2024	157,591	(8.4)	21,176	22.1	18,141	(30.6)	11,750	(29.3)
September 30, 2023	172,046	5.3	17,337	(33.4)	26,124	(42.1)	16,623	(57.9)

Note: Six months ended September 30, 2024 Comprehensive income: 12,090 million yen [(27.5%)]

Six months ended September 30, 2023 Comprehensive income: 16,687 million yen [(56.6%)]

	Earnings per share, basic	Earnings per share, diluted
Six months ended	yen	yen
September 30, 2024	97.91	97.90
September 30, 2023	138.70	138.57

(2) Consolidated Financial Position

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

	Total assets	Net assets	Equity ratio
As of			%
September 30, 2024	412,245	326,205	79.0
March 31, 2024	410,876	317,129	77.0

Note. Total equity As of September 30, 2024: 325,540 million yen  
As of March 31, 2024 316,496 million yen

## 2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2024	—	10.00	—	28.00	38.00
Fiscal year ending March 31, 2025	—	28.00			
Fiscal year ending March 31, 2025 (projection)			—	43.00	71.00

Note: No change in Dividend projection from previous announcement.

## 3. Consolidated Forecasts (April 1, 2024 to March 31, 2025)

(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, 2025	310,000 (13.0)	40,000 22.9	40,000 (3.7)	28,000 87.8	233.52

Note: No change in Consolidated forecasts from previous announcement.

For details, please refer to page 4 "1. Consolidated Results for the Six-Month Period Ended September 30, 2024 (3) Qualitative information on consolidated business forecasts.

## Notes

- (1) Significant changes among major subsidiaries during the period: None
- (2) Adoption of special accounting treatment for quarterly consolidated financial statements: None
- (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: Yes
  2. Changes other than 1. : None
  3. Changes in accounting estimates: None
  4. Retrospective restatement: None
- (4) Outstanding shares (common stock)
1. Number of shares issued and outstanding (including treasury stock):

As of September 30, 2024	122,531,596
As of March 31, 2024	122,531,596
  2. Number of treasury stock:

As of September 30, 2024	2,474,455
As of March 31, 2024	2,570,619
  3. Average number of shares during the period (cumulative):

Six-Month period ended September 30, 2024	120,014,352
Six-Month period ended September 30, 2023	119,849,559

\* Consolidated Financial Results for the Six-Month Period Ended September 30, 2024 (Japan GAAP) are outside the scope of review by certified public accountants or audit firms.

\* Proper use of earnings forecasts, and other special matters

(Cautionary statements with respect to forward-looking statements)

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. For additional information about forecasts, please refer to “1. Consolidated Results for the Six Months Period Ended September 30, 2024 (3) Qualitative information on consolidated business forecasts” section on page 4 of Supplemental Information.

(Access to supplemental material for the consolidated financial results)

The Company posted the supplemental material for the consolidated financial results for the six months ended September 30, 2024, on the Company’s website on Friday, November 8, 2024.

Disclaimer: 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.
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## 1. Consolidated Results for the Six-Month Period Ended September 30, 2024

### (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 six-month period ended September 30, 2024 totaled ¥157,591 million (a decrease of 8.4% from the same period of the prior fiscal year), and operating income amounted to ¥21,176 million (an increase of 22.1% from the same period of the prior fiscal year). In foreign exchange rates, the appreciation of Japanese yen compared to rates as of the end of the prior fiscal year resulted in the booking of a foreign exchange loss amounting to ¥4,154 million. As a result, ordinary income amounted to ¥18,141 million (a decrease of 30.6% from the same period of the prior fiscal year), and profit attributable to owners of parent amounted to ¥11,750 million (a decrease of 29.3% from the same period of the prior fiscal year).

A discussion of results by segment for the six-month period ended September 30, 2024 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.

The HD (High-Definition) Game sub-segment's net sales for the six-month period ended September 30, 2024 declined compared to the same period of the previous fiscal year as new titles generated lower sales than releases such as "FINAL FANTASY XVI" and "FINAL FANTASY PIXEL REMASTER" had the previous year. However, sub-segment operating losses narrowed mainly due to lower development cost amortization and advertising expenses compared with the same period of the previous year.

In the MMO (Massively Multiplayer Online) Game sub-segment, net sales and profits rose compared with the same period of the previous fiscal year on the launch of "FINAL FANTASY XIV: Dawntrail," the latest expansion pack for "FINAL FANTASY XIV."

In the Games for Smart Devices/PC Browser sub-segment, net sales and profits declined compared to the same period of the previous fiscal year due in part to weakness in existing titles, as well as to the fact that the previous year had seen the recognition of royalty revenue.

Net sales and operating income in the Digital Entertainment segment totaled ¥98,151 million (a decrease of 19.6% from the same period of the prior fiscal year), and ¥16,834 million (an increase of 8.5% 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 six-month period ended September 30, 2024 saw net sales and operating income rise compared to the same period of the previous fiscal year on sharp year-on-year growth in same-store sales.

Net sales and operating income in the Amusement segment totaled ¥36,247 million (an increase of 27.2% from the same period of the prior fiscal year), and ¥4,230 million (an increase of 29.0% 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.

Net sales increased in the six-month period ended September 30, 2024 on year-on-year growth in both digital and print sales driven by strong sales of comics, but profits declined, mainly on changes in the product breakdown within sales.

Net sales and operating income in the Publication segment totaled ¥14,884 million (an increase of 2.7% from the same period of the prior fiscal year) and ¥5,397 million (a decrease of 2.2% 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 six-month period ended September 30, 2024 saw net sales and operating income rise compared to the same period of the previous fiscal year, partly driven by brisk sales of new merchandise featuring key characters from the Group's IP portfolio.

Net sales and operating income in the Merchandising segment totaled ¥9,605 million (an increase of 14.7% from the same period of the prior fiscal year), and ¥3,384 million (an increase of 80.9% from the same period of the prior fiscal year), respectively.

### (2) Analysis of consolidated financial position

#### ●Assets

As of September 30, 2024, total current assets were ¥335,351 million, a decrease of ¥3,868 million compared to March 31, 2024. This was mainly due to decreases in cash and deposits of 3,453 million, the other on current assets of ¥3,368 million, notes and accounts receivable of ¥2,376 million, while the content production account increased by ¥3,546 million. As of September 30, 2024, total non-current assets were ¥76,894 million, an increase of ¥5,237 million compared to March 31, 2024.

As a result, total assets were ¥412,245 million, an increase of ¥1,368 million compared to March 31, 2024.

#### ●Liabilities

As of September 30, 2024, total current liabilities were ¥71,111 million, a decrease of ¥10,448 million compared to March 31, 2024. This was mainly due to decreases in the other on current liabilities of ¥5,418 million, notes and accounts payable of ¥1,516 million, provision for bonuses of ¥1,398 million, and income taxes payable of ¥1,199 million, respectively. As of September 30, 2024, total non-current liabilities were ¥14,928 million, an increase of ¥2,740 million compared to March 31, 2024.

As a result, total liabilities were ¥86,039 million, a decrease of ¥7,707 million compared to March 31, 2024.

#### ●Net assets

As of September 30, 2024, net assets were ¥326,205 million, an increase of ¥9,076 million compared to March 31, 2024. This was mainly due to profit attributable to owners of parent of ¥11,750 million and dividend payments of ¥3,358 million.

As a result, the consolidated equity ratio stood at 79.0% (77.0% as of March 31, 2024).

(3) Qualitative information on consolidated business forecasts

There are no changes to consolidated full-year forecasts for the fiscal year ending March 31, 2025 as announced on May 13, 2024.

## 2. Consolidated Financial Statements for the Six-Month Period Ended September 30, 2024

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	225,901	222,447
Notes and accounts receivable-trade	44,683	42,306
Merchandise and finished goods	4,684	5,549
Work in process	—	77
Raw materials and supplies	1,033	1,816
Content production account	48,577	52,123
Other	14,561	11,192
Allowance for doubtful accounts	(221)	(164)
<b>Total current assets</b>	<b>339,219</b>	<b>335,351</b>
Non-current assets		
Property, plant and equipment	23,075	27,963
Intangible assets	5,881	5,801
Investments and other assets	42,698	43,128
<b>Total non-current assets</b>	<b>71,656</b>	<b>76,894</b>
<b>Total assets</b>	<b>410,876</b>	<b>412,245</b>



(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	24,384	22,867
Income taxes payable	6,978	5,778
Provision for bonuses	5,345	3,947
Refund liabilities	4,410	3,502
Asset retirement obligations	9	2
Other	40,431	35,013
Total current liabilities	81,559	71,111
Non-current liabilities		
Provision for office relocation	883	883
Net defined benefit liability	4,311	4,509
Asset retirement obligations	4,902	7,388
Other	2,090	2,147
Total non-current liabilities	12,187	14,928
Total liabilities	93,747	86,039
<b>Net assets</b>		
Shareholders' equity		
Capital stock	24,039	24,039
Capital surplus	54,368	54,428
Retained earnings	254,741	263,132
Treasury stock	(7,876)	(7,582)
Total shareholders' equity	325,272	334,018
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(305)	15
Foreign currency translation adjustment	(9,038)	(9,011)
Remeasurements of defined benefit plans	566	518
Total accumulated other comprehensive income	(8,776)	(8,477)
Subscription rights to shares	378	367
Non-controlling interests	255	297
Total net assets	317,129	326,205
Total liabilities and net assets	410,876	412,245

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	172,046	157,591
Cost of sales	87,162	75,097
Gross profit	84,884	82,493
Selling, general and administrative expenses	67,546	61,317
Operating income	17,337	21,176
Non-operating income		
Interest income	618	1,148
Dividend income	0	1,334
Foreign exchange gains	7,803	—
Gain on investments in securities	259	357
Gain on sale of crypto assets	161	—
Miscellaneous income	90	195
Total non-operating income	8,934	3,036
Non-operating expenses		
Interest expenses	95	66
Commission fee	2	462
Foreign exchange losses	—	4,154
Office transfer related expenses	—	508
Loss on valuation of crypto assets	48	190
Business restructuring expenses	—	647
Miscellaneous loss	0	41
Total non-operating expenses	147	6,070
Ordinary income	26,124	18,141
Extraordinary income		
Gain on sale of non-current assets	—	38
Gain on reversal of share acquisition rights	8	5
Total extraordinary income	8	43
Extraordinary losses		
Loss on sale of non-current assets	2	10
Loss on retirement of non-current assets	63	49
Loss on valuation of shares of subsidiaries and associates	1,180	—
Loss on valuation of investment securities	141	437
Other	5	0
Total extraordinary losses	1,392	497
Profit before income taxes	24,740	17,688
Income taxes-current	6,171	5,127
Income taxes-deferred	1,935	796
Total income taxes	8,106	5,924
Profit	16,633	11,764
Profit attributable to non-controlling interests	10	14
Profit attributable to owners of parent	16,623	11,750

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	16,633	11,764
Other comprehensive income		
Valuation difference on available-for-sale securities	(100)	320
Foreign currency translation adjustment	233	54
Remeasurements of defined benefit plans	(79)	(48)
Total other comprehensive income	54	326
Comprehensive income	16,687	12,090
(Breakdown)		
Comprehensive income attributable to owners of parent	16,666	12,048
Comprehensive income attributable to non-controlling interests	21	41

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

(Material changes in shareholders' equity)  
 None

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, on October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") and other applicable standards have been applied from the beginning of the six months ended September 30, 2024.

The amendment to categories in which current income taxes should be recorded (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, on October 28, 2022). These changes had no impact on the consolidated financial statements.

(Segment information)

I. Outline of reporting segments for the Six-Month period ended September 30, 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	62,626	27,422	13,609	3,125	106,784	—	106,784
Overseas	59,394	574	859	4,411	65,240	—	65,240
Revenue from contracts with customers	122,021	27,997	14,469	7,537	172,025	—	172,025
Other revenue	21	—	—	—	21	—	21
(1) Sales to outside customers	122,042	27,997	14,469	7,537	172,046	—	172,046
(2) Intersegment sales	4	502	24	834	1,365	(1,365)	—
Total	122,046	28,499	14,493	8,372	173,411	(1,365)	172,046
Segment operating income	15,520	3,279	5,521	1,870	26,191	(8,853)	17,337

Notes: 1. Segment adjustments (¥8,853) million include unallocated corporate operating expenses (¥8,891) 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 Six-Month period ended September 30, 2024

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

(Millions of yen)

	Reporting Segments				Total	Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising			
Sales and operating income							
Net sales							
Domestic	48,404	34,903	13,627	4,546	101,481	—	101,481
Overseas	49,694	724	1,236	4,405	56,060	—	56,060
Revenue from contracts with customers	98,098	35,627	14,863	8,952	157,542	—	157,542
Other revenue	49	—	—	—	49	—	49
(1) Sales to outside customers	98,147	35,627	14,863	8,952	157,591	—	157,591
(2) Intersegment sales	3	619	20	652	1,296	(1,296)	—
Total	98,151	36,247	14,884	9,605	158,887	(1,296)	157,591
Segment operating income	16,834	4,230	5,397	3,384	29,847	(8,671)	21,176

Notes: 1. Segment adjustments (¥8,671) million include unallocated corporate operating expenses (¥8,699) 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.