



Consolidated Financial Results
for the Nine-Month Period Ended December 31, 2024 (Japan GAAP)

February 7, 2025

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
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, 2024, through December 31, 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
Nine months ended	%	%	%	%
December 31, 2024	248,519 (3.5)	33,381 (4.4)	37,759 (7.7)	24,718 (7.7)
December 31, 2023	257,612 0.8	34,918 (15.5)	40,910 (19.5)	26,768 (42.3)

Note: Nine months ended December 31, 2024 Comprehensive income: 24,900 million yen [(5.6%)]

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

	Earnings per share, basic	Earnings per share, diluted
Nine months ended	yen	yen
December 31, 2024	205.94	205.93
December 31, 2023	223.28	223.13

(2) Consolidated Financial Position

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

	Total assets	Net assets	Equity ratio
As of			%
December 31, 2024	421,569	335,714	79.5
March 31, 2024	410,876	317,129	77.0

Note: Total equity As of December 31, 2024: 335,043 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 Dividends projection from the 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 Nine-Month Period Ended December 31, 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 December 31, 2024	122,531,596
As of March 31, 2024	122,531,596
 2. Number of treasury stock:

As of December 31, 2024	2,474,094
As of March 31, 2024	2,570,619
 3. Average number of shares during the period (cumulative):

Nine-Month period ended December 31, 2024	120,028,693
Nine-Month period ended December 31, 2023	119,883,750

* Review of the quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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 Nine Months Period Ended December 31, 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 will post the supplemental material for the consolidated financial results for the nine months ended December 31, 2024, on the Company’s website on February 7, 2025.

(Concerning review of the attached quarterly consolidated financial statements by certified public accountants or an audit firm)

Quarterly consolidated financial results with the interim review report will be disclosed only for the Japanese-language originals.

The Company is scheduled to disclose the quarterly consolidated financial results with the review report attached after the completion of the review.

Scheduled disclosure date: February 13, 2025

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 Nine-Month Period Ended December 31, 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 Nine-Month period ended December 31, 2024 totaled ¥248,519 million (a decrease of 3.5% from the same period of the prior fiscal year), and operating income amounted to ¥33,381 million (a decrease of 4.4% 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 ¥3,129 million. As a result, ordinary income amounted to ¥37,759 million (a decrease of 7.7% from the same period of the prior fiscal year), and profit attributable to owners of parent amounted to ¥24,718 million (a decrease of 7.7% from the same period of the prior fiscal year).

A discussion of results by segment for the Nine-Month period ended December 31, 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 nine-month period ended December 31, 2024 declined compared with the same period of the previous fiscal year as new titles generated lower sales than releases such as "FINAL FANTASY XVI," "FINAL FANTASY PIXEL REMASTER," and "Dragon Quest Monsters: The Dark Prince" had the previous year. However, sub-segment operating income increased mainly due to lower development cost amortization and advertising expenses compared with the same period of the previous year, as well as stronger sales of the November 2024 release "DRAGON QUEST III HD-2D Remake" than initially assumed.

In the MMO (Massively Multiplayer Online) Game sub-segment, net sales and operating income 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 with the same period of the previous fiscal year despite the launch of "Emberstoria" in November 2024. This was due to weakness in existing titles, the recognition of royalty revenue in the previous fiscal year, and a valuation write-down associated with the content production account.

Net sales and operating income in the Digital Entertainment segment totaled ¥160,386 million (a decrease of 10.7% from the same period of the prior fiscal year), and ¥27,689 million (a decrease of 9.9% 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, 2024 saw net sales and operating income rise compared with the same period of the previous fiscal year on year-on-year growth in same-store sales and arcade game machine sales.

Net sales and operating income in the Amusement segment totaled ¥53,409 million (an increase of 19.1% from the same period of the prior fiscal year), and ¥6,088 million (an increase of 10.9% 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 and operating income declined in the nine-month period ended December 31, 2024 compared with the same period of the previous fiscal year despite a generally solid performance. This was partly due to a year-on-year fallback in sales of “The Apothecary Diaries” following the massive popularity of the anime television series adaptation in the previous fiscal year, as well as to an increase in costs related to preparations for upcoming new releases.

Net sales and operating income in the Publication segment totaled ¥22,236 million (a decrease of 2.2% from the same period of the prior fiscal year) and ¥7,916 million (a decrease of 11.3% 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, 2024 saw net sales and operating income rise compared with 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 ¥14,816 million (an increase of 19.2% from the same period of the prior fiscal year), and ¥4,971 million (an increase of 54.9% from the same period of the prior fiscal year), respectively.

(2) Analysis of consolidated financial position

●Assets

As of December 31, 2024, total current assets were ¥350,480 million, an increase of ¥11,260 million compared to March 31, 2024. This was mainly due to increases in cash and deposits of ¥11,737 million, Merchandise and finished goods of ¥1,574 million, while the other on current assets decreased by ¥1,634 million. As of December 31, 2024, total non-current assets were ¥71,089 million, a decrease of ¥567 million compared to March 31, 2024.

As a result, total assets were ¥421,569 million, an increase of ¥10,693 million compared to March 31, 2024.

●Liabilities

As of December 31, 2024, total current liabilities were ¥71,703 million, a decrease of ¥9,855 million compared to March 31, 2024. This was mainly due to decreases in the other on current liabilities of ¥6,443 million, Provision for bonuses of ¥2,087 million and Notes and accounts payable-trade of ¥1,464 million. As of December 31, 2024, total non-current liabilities were ¥14,151 million, an increase of ¥1,963 million compared to March 31, 2024.

As a result, total liabilities were ¥85,855 million, a decrease of ¥7,891 million compared to March 31, 2024.

●Net assets

As of December 31, 2024, net assets were ¥335,714 million, an increase of ¥18,584 million compared to March 31, 2024. This was mainly due to profit attributable to owners of parent of ¥24,718 million and dividend payments of ¥6,720 million.

As a result, the consolidated equity ratio stood at 79.5% (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 Nine-Month Period Ended December 31, 2024

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	225,901	237,639
Notes and accounts receivable-trade	44,683	44,399
Merchandise and finished goods	4,684	6,258
Raw materials and supplies	1,033	853
Content production account	48,577	48,582
Other	14,561	12,926
Allowance for doubtful accounts	(221)	(181)
Total current assets	339,219	350,480
Non-current assets		
Property, plant and equipment	23,075	27,643
Intangible assets	5,881	5,609
Investments and other assets	42,698	37,835
Total non-current assets	71,656	71,089
Total assets	410,876	421,569

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	24,384	22,919
Income taxes payable	6,978	6,939
Provision for bonuses	5,345	3,258
Provision for office relocation	—	883
Refund liabilities	4,410	3,712
Asset retirement obligations	9	2
Other	40,431	33,988
Total current liabilities	81,559	71,703
Non-current liabilities		
Provision for office relocation	883	—
Net defined benefit liability	4,311	4,559
Asset retirement obligations	4,902	7,400
Other	2,089	2,191
Total non-current liabilities	12,187	14,151
Total liabilities	93,747	85,855
Net assets		
Shareholders' equity		
Capital stock	24,039	24,039
Capital surplus	54,368	54,466
Retained earnings	254,741	272,739
Treasury stock	(7,876)	(7,581)
Total shareholders' equity	325,272	343,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(305)	(409)
Foreign currency translation adjustment	(9,038)	(8,704)
Remeasurements of defined benefit plans	566	493
Total accumulated other comprehensive income	(8,776)	(8,620)
Subscription rights to shares	378	389
Non-controlling interests	255	281
Total net assets	317,129	335,714
Total liabilities and net assets	410,876	421,569

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	257,612	248,519
Cost of sales	121,993	122,440
Gross profit	135,618	126,078
Selling, general and administrative expenses	100,699	92,697
Operating income	34,918	33,381
Non-operating income		
Interest income	973	1,578
Dividend income	0	1,339
Foreign exchange gains	4,570	3,129
Gain on investments in securities	381	—
Gain on sale of crypto assets	334	—
Miscellaneous income	192	213
Total non-operating income	6,452	6,260
Non-operating expenses		
Interest expenses	138	73
Commission fee	3	462
Office transfer related expenses	258	549
Business restructuring expenses	—	652
Miscellaneous loss	59	144
Total non-operating expenses	460	1,882
Ordinary income	40,910	37,759
Extraordinary income		
Gain on sales of non-current assets	—	40
Gain on reversal of share acquisition rights	8	5
Total extraordinary income	8	45
Extraordinary losses		
Loss on sales of non-current assets	46	13
Loss on retirement of non-current assets	78	68
Impairment loss	—	1
Loss on valuation of shares of subsidiaries and associates	1,180	—
Other	155	0
Total extraordinary losses	1,460	83
Profit before income taxes	39,458	37,721
Income taxes-current	9,851	6,999
Income taxes-deferred	2,823	5,982
Total income taxes	12,674	12,982
Profit	26,783	24,739
Profit attributable to non-controlling interests	15	20
Profit attributable to owners of parent	26,768	24,718

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	26,783	24,739
Other comprehensive income		
Valuation difference on available-for-sale securities	(189)	(104)
Foreign currency translation adjustment	(96)	339
Remeasurements of defined benefit plans	(119)	(73)
Total other comprehensive income	(405)	161
Comprehensive income	26,377	24,900
(Breakdown)		
Comprehensive income attributable to owners of parent	26,344	24,874
Comprehensive income attributable to non-controlling interests	32	26

(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 three months ended June 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 quarterly consolidated financial statements.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

There is no Quarterly Consolidated Statement of Cash Flows for the nine months ended December 31, 2024. Depreciation (including amortization of intangible assets) for the nine months ended December 31, 2024 is as follows:

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	5,387 million yen	6,004 million yen

(Segment information)

I. 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.

II. Outline of reporting segments for the Nine-Month period ended December 31, 2024

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	84,418	51,228	20,400	6,871	162,918	—	162,918
Overseas	75,896	1,217	1,797	6,624	85,536	—	85,536
Revenue from contracts with customers	160,315	52,445	22,197	13,495	248,455	—	248,455
Other revenue	64	—	—	—	64	—	64
(1) Sales to outside customers	160,380	52,445	22,197	13,495	248,519	—	248,519
(2) Intersegment sales	6	963	38	1,320	2,328	(2,328)	—
Total	160,386	53,409	22,236	14,816	250,848	(2,328)	248,519
Segment operating income	27,689	6,088	7,916	4,971	46,666	(13,285)	33,381

Notes: 1. Segment adjustments (¥13,285) million include unallocated corporate operating expenses (¥13,319) 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.