Notification of Recognition of Extraordinary Losses

SQUARE ENIX HOLDINGS CO., LTD. expects to recognize extraordinary losses pertaining to abandonment losses associated with its content production account on its books for the fiscal year ended March 2024, as detailed below.

Details

1. Nature of the extraordinary losses
At the meeting convened on March 27, 2024, the Board of Directors of SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) voted, in light of the myriad changes underway in the environment surrounding its Group, to revise the Group’s approach to the development of high-definition (HD) games with the intention of being more selective and focused in the allocation of development resources. As a result of a close examination of the Group’s development pipeline undertaken in keeping with this revised approach, the Company expects to recognize approximately ¥22.1 billion in content abandonment losses on its books for the fiscal year ended March 2024.

2. Outlook
The Company is carefully reviewing its consolidated forecasts for the fiscal year ended March 2024 to assess the potential for impact from the above or other factors. Should revisions to its forecasts prove necessary, the Company will promptly disclose the same.

*The figure for financial impact cited above is based on information available at the time of this document’s release. Given various inherent uncertainties, the actual figure may differ from this forecast.