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**Notice of Differences between Full-year Consolidated Financial Forecasts
and Results, Revision to Projected Dividend, and Posting of
Non-operating Income (Foreign Exchange Gains)**

SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) announces its consolidated financial results for the fiscal year ended March 31, 2022, which were released today, differ from the consolidated financial forecasts for the relevant fiscal year, which were disclosed on February 4, 2022. The Company has also revised its projected dividend. Additionally, the Company posted non-operating income in the form of foreign exchange gains in the fiscal year ended March 31, 2022. The details of these developments are as follows.

1. Differences between Consolidated Financial Forecasts and Results for the Fiscal Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

(Millions of yen, percentage change, and per share data)

	Net sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Earnings per share
Previous forecasts (A)	340,000	50,000	50,000	35,000	292.90
Actual Results (B)	365,275	59,261	70,704	51,013	426.82
Difference (B-A)	25,275	9,261	20,704	16,013	
Percentage difference (%)	7.4%	18.5%	41.4%	45.8%	
[Reference] Results for the fiscal year ended March 31, 2021	332,532	47,226	49,983	26,942	225.75

2. Reasons for the Deviations between Financial Forecasts and Results

Net sales and operating income for the fiscal year ended March 31, 2022 exceeded the Company’s previous forecasts because of the solid trends seen across the Digital Entertainment segment. Ordinary income and profit attributable to owners of parent also exceeded the Company’s previous forecasts, mainly due to the posting of foreign exchange gains and gain on sale of crypto assets.



3. Revision of Projected Dividend Per Share for the Fiscal Year ended March 31, 2022

	Interim	Year-end	Annual
Previous forecasts	—	¥78.00	¥88.00
Revised forecasts	—	¥119.00	¥129.00
Actual results for the current FY	¥10.00		
Actual results for the previous FY (FY2021/3)	¥10.00	¥68.00 (Ordinary dividend ¥58.00) (Special dividend ¥10.00)	¥78.00 (Ordinary dividend ¥68.00) (Special dividend ¥10.00)

4. Reasons for the Revision to the Projected Dividend

The Company strives to enhance its corporate value through sustained growth achieved by undertaking investments in game development and other efforts funded by securing an appropriate level of earnings. At the same time, one of management's key policies is to return profits to shareholders. By rewarding shareholders primarily with dividends, the Company works to return profits in a way that strikes the optimal balance between recognizing the level of earnings achieved and providing stable rewards. In determining the amount of its dividend, the Company references a consolidated dividend payout ratio of 30%, making its final decision based upon comprehensive considerations of the balance between investment needs and the distribution of profits.

Based on the aforementioned dividend ratio, the Company revises its projected year-end dividend for the fiscal year ended March 31, 2022 to 119 yen per share, which would make for an annual dividend per share of 129 yen. The payment of this year-end dividend is subject to approval at the Company's Board of Directors meeting scheduled for May 19, 2022.

5. Posting of Non-operating Income (Foreign Exchange Gains)

The Company posted 10,489 million yen in foreign exchange gains as non-operating income in the fiscal year ended March 31, 2022. The gains primarily resulted from the yen trading at a lower value on foreign exchange markets than at the end of the fiscal year ended March 31, 2021, impacting the value of deposits and receivables denominated in foreign currencies.

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