

**SQUARE ENIX HOLDINGS CO., LTD. REPORTS FINANCIAL RESULTS FOR  
THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2018**

TOKYO, Japan – February 5, 2019 – SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) today announced consolidated results for the nine-month period ended December 31, 2018. The Company is listed on the Tokyo Stock Exchange, First Section with the stock code “9684” and prepares its financial statements according to Japan GAAP.

<b>Key Figures</b>	<i>(millions of yen, except percentages and per share data)</i>		
<u>9 months actual</u>	<u>9 mos. ended 12/18</u>	<u>9 mos. ended 12/17</u>	<u>YoY change</u>
Net sales	<b>179,070</b>	188,090	-4.8%
Operating income	<b>11,720</b>	33,771	-65.3%
Ordinary income	<b>15,970</b>	34,785	-54.1%
Profit attributable to owners of parent	<b>8,916</b>	22,327	-60.1%
EPS, basic	<b>74.83 yen</b>	185.77 yen	-
	<i>Forecast</i>	<i>Actual</i>	
<u>Full year</u>	<u>FY ending 3/19</u>	<u>FY ended 3/18</u>	<u>YoY change</u>
Net sales	<b>270,000</b>	250,394	+7.8%
Operating income	<b>30,000</b>	38,176	-21.4%
Ordinary income	<b>30,000</b>	36,124	-17.0%
Profit attributable to owners of parent	<b>21,000</b>	25,821	-18.7%
EPS, basic	<b>175.13 yen</b>	215.33 yen	-

For additional information, please refer to the full-length Consolidated Financial Results document here: <http://www.hd.square-enix.com/eng/19q3earnings.pdf>, or the Company’s IR website: <http://www.hd.square-enix.com/eng/ir/>

In the Digital Entertainment segment during the nine-month period ended December 31, 2018, net sales rose compared to the same period of the prior fiscal year thanks to the launch of console titles including “SHADOW OF THE TOMB RAIDER,” “JUST CAUSE 4,” and “OCTOPATH TRAVELER.”

Meanwhile, operating income declined year-on-year due to greater amortization of development costs for major new titles and increased advertising expenses.

In the smart devices and PC browser area, many of the titles newly launched in the prior fiscal year performed below expectations and failed to generate additional revenue on top of that from existing established games. A decrease in licensing income and an increase in advertising expenses also resulted in a year-on-year decline in net sales and operating income. “Romancing SaGa Re; univerSe,” which was launched in December 2018, made a good start (net sales from this title are not recognized in Q3 but will be booked in Q4).

In the area of massively multiplayer online role-playing games, net sales and operating income decreased compared to the same period of the prior fiscal year, which had seen the launch of

expansion disks for “FINAL FANTASY XIV” and “DRAGON QUEST X.”

In the Amusement segment, net sales rose compared to the same period of the prior fiscal year thanks to the release of new amusement machines and solid amusement facility operations. On the other hand, operating income declined year-on-year due to greater amortization charges associated with renewal of game machines installed in arcades and to lowering of profitability from amusement machine operations.

In the Publication segment, sales in digital formats grew sharply while comics in print format were on par with the same period of the prior fiscal year. In addition, the MANGA UP! comic app posted an increase in sales, resulting in this segment’s higher net sales and operating income year-on-year.

In the Merchandising segment, both net sales and operating income declined year-on-year during the nine-month period ended December 31, 2018, due to the high hurdle set in the same period of the prior fiscal year by the release of merchandise based on characters in the Group’s IP portfolio.

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## **About Square Enix Holdings Co., Ltd.**

Square Enix Holdings Co., Ltd. with headquarters in Tokyo, Japan, is a holding company leading the Square Enix group of companies with a diverse range of content and service businesses. The Square Enix group of companies publishes, distributes and licenses entertainment content around the world under its internationally renowned brands including SQUARE ENIX®, EIDOS® and TAITO®. The group includes a global network of leading development studios located in North America, Europe and Japan. The group also boasts a valuable portfolio of intellectual property including: FINAL FANTASY®, which has sold over 142 million units worldwide; DRAGON QUEST®, which has sold over 76 million units worldwide; TOMB RAIDER®, which has sold over 67 million units worldwide; and the legendary SPACE INVADERS®.

More information on Square Enix Holdings Co., Ltd. can be found at

<http://www.hd.square-enix.com/eng/>

\*Unit sales are the total number of cumulative package shipment and digital sales. Digital sales are the cumulative unit number in and after April 2015, and include full-game downloads of packaged games and download-only games for console and PC.

## **Disclaimer**

The forward-looking statements in this document are based upon the information currently available, and necessarily include elements that are not entirely predictable. Actual results may differ from the forward-looking statements in this document.

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