

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Japan GAAP)

May 13, 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>  
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 Annual general meeting of shareholders: June 21, 2024 (planned)  
 Financial report submission: June 24, 2024 (planned)  
 Cash dividend payment commencement: June 3, 2024 (planned)  
 Supplementary annual materials prepared: Yes  
 Annual results presentation held: Yes (for institutional investors and analysts)

(Amounts under one million yen are rounded down)

### 1. Consolidated Financial Results (April 1, 2023 to March 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	
Fiscal year ended	%		%		%		%	
March 31, 2024	356,344	3.8	32,558	(26.6)	41,541	(24.1)	14,912	(69.7)
March 31, 2023	343,267	(6.0)	44,331	(25.2)	54,709	(22.6)	49,264	(3.4)

Note. FY ended March 31, 2024 Comprehensive income: 14,623 million yen ( $\Delta$ 69.3%)

FY ended March 31, 2023 Comprehensive income: 47,594 million yen ( $\Delta$ 4.3%)

	Earnings per share, basic	Earnings per share, diluted	Return on equity	Ordinary income to total assets	Operating margin
Fiscal year ended	yen		%	%	%
March 31, 2024	124.37	124.30	4.7	10.3	9.1
March 31, 2023	411.62	410.93	16.4	14.0	12.9

Note. FY ended March 31, 2024 Equity in gain (loss) of affiliated companies: — million yen

FY ended March 31, 2023 Equity in gain (loss) of affiliated companies: — million yen

#### (2) Consolidated Financial Position

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

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2024	410,876	317,129	77.0	2,638.33
March 31, 2023	399,634	317,266	79.1	2,641.74

Note. Total equity As of March 31, 2024: 316,496 million yen

As of March 31, 2023: 316,290 million yen

### (3) Consolidated Statements of Cash Flows

(Millions of yen)

	From operating activities	From investing activities	From financing activities	Closing cash and cash equivalents
Fiscal year ended				
March 31, 2024	52,238	(13,214)	(14,787)	223,181
March 31, 2023	12,226	27,602	(15,523)	190,903

### 2. Dividends

	Dividends per share					Total annual dividend payments	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q	2Q	3Q	4Q	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2023	—	10.00	—	114.00	124.00	14,846	30.1	4.9
Fiscal year ended March 31, 2024	—	10.00	—	28.00	38.00	4,558	30.6	1.4
Fiscal year ending March 31, 2025 (projection)	—	28.00	—	43.00	71.00		30.4	

### 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) For details, please refer to (4) Consolidated forecasts on page 4 of the Supplemental Information attached herewith.

## Notes

- (1) Significant changes among major subsidiaries during the period: No
- (2) Changes in accounting policies, procedures, and methods of presentation for consolidated financial statements
1. Changes in accounting policies due to revisions to accounting standards: No
  2. Changes other than 1.: No
  3. Changes in accounting estimates: Yes
  4. Retrospective restatement: No
- (3) Outstanding shares (common stock)
1. Number of shares issued and outstanding (including treasury stock):

As of March 31, 2024	122,531,596
As of March 31, 2023	122,531,596
  2. Number of treasury stock:

As of March 31, 2024	2,570,619
As of March 31, 2023	2,803,193
  3. Average number of shares during the period (cumulative):

Fiscal year ended March 31, 2024	119,902,464
Fiscal year ended March 31, 2023	119,684,340

Disclaimer: (1) This document is an abridged 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 that any differences or discrepancies exist between this English translation and the original. (2) At the time of disclosure of this document, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Law have not been completed. (3) 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. (4) For additional information about forecasts, please refer to "Consolidated Forecasts" section on page 4 of the Supplemental Information.

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## 1. Consolidated Results and Consolidated Financial Position for the Fiscal Year Ended March 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 fiscal year ended March 31, 2024 totaled ¥356,344 million (an increase of 3.8% from the prior fiscal year), operating income amounted to ¥32,558 million (a decrease of 26.6% from the prior fiscal year). In foreign exchange rates, the weakness of Japanese yen compared to the rate as of the end of last fiscal year has resulted in the booking of a foreign exchange gain amounting to ¥9,304 million. As a result, ordinary income amounted to ¥41,541 million (a decrease of 24.1% from the prior fiscal year). Profit attributable to owners of the parent amounted to ¥14,912 million (a decrease of 69.7% from the prior fiscal year), partly due to the recognition of ¥22,087 million in losses on disposal of content as an extraordinary loss. These losses stemmed from the termination of development efforts for some key pieces of content in the Digital Entertainment segment. A project-by-project review of continued development feasibility found these particular efforts to be incompatible with the Group’s revised approach to the development of high-definition (HD) games, which reflects such objectives as multiplatform development and the strengthening of internal development capabilities.

A discussion of results by segment for the fiscal year ended March 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.

In the HD (High-Definition) sub-segment, consolidated net sales for the fiscal year ended March 31, 2024 increased compared with the previous fiscal year due to the release of titles including “FINAL FANTASY XVI,” “FINAL FANTASY PIXEL REMASTER,” “DRAGON QUEST MONSTERS: The Dark Prince,” and “FINAL FANTASY VII REBIRTH.” However, operating losses grew due to higher development cost amortization and advertising expenses, as well as higher content valuation losses versus the previous fiscal year.

In the MMO (Massively Multiplayer Online) Game sub-segment, net sales and profits declined compared with the previous year.

In the Games for Smart Devices/PC Browser sub-segment, net sales and profits declined compared with the previous fiscal year as the June 2023 launch of “Dragon Quest Champions” and the September 2023 launch of “FINAL FANTASY VII EVER CRISIS” were unable to compensate for factors including weak performances by existing titles.

Net sales and operating income in the Digital Entertainment segment totaled ¥248,109 million (an increase of 1.0% from the prior fiscal year), and ¥25,468 million (a decrease of 38.3% from 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.

In the fiscal year ended March 31, 2024, net sales and profits increased compared with the previous fiscal year reflecting year-on-year growth in sales at existing arcades.

Net sales and operating income in the Amusement segment totaled ¥61,569 million (an increase of 9.2% from the prior fiscal year), and ¥7,566 million (an increase of 43.2% from the prior fiscal year).

#### ●Publication

The Publication segment consists of publication and licensing of comic magazines, comic books, and game-related books.

Net sales and profits increased in the fiscal year ended March 31, 2024 compared with the previous fiscal year due to year-on-year growth in both print and digital sales mainly due to the hugely popular anime television adaptation of "The Apothecary Diaries," which debuted in October 2023.

Net sales and operating income in the Publication segment totaled ¥31,089 million (an increase of 6.6% from the prior fiscal year), and ¥11,984 million (an increase of 2.9% from 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.

Net sales and profits increased in the fiscal year ended March 31, 2024 compared with the previous fiscal year largely due to brisk sales of new character merchandise from key IP franchises.

Net sales and operating income in the Merchandising segment totaled ¥18,924 million (an increase of 20.8% from the prior fiscal year), and ¥5,658 million (an increase of 52.0% from the prior fiscal year), respectively.

### (2) Analysis of consolidated financial position

#### ●Assets

As of March 31, 2024, total current assets were ¥339,219 million, a decrease of 0.9% from the prior fiscal year. This was mainly due to increases in cash and deposits of ¥32,399 million and notes and accounts receivable of ¥4,774 million, while content production account decreased by ¥38,640 million.

Total non-current assets were ¥71,656 million, an increase of 24.9% from the prior fiscal year.

As a result, total assets were ¥410,876 million, an increase of 2.8% from the prior fiscal year.

#### ●Liabilities

As of March 31, 2024, total current liabilities were ¥81,559 million, an increase of 13.7% from the prior fiscal year. This was mainly due to increases in income taxes payable of ¥3,526 million, notes and accounts payable-trade of ¥825 million, while refund liabilities decreased by ¥776 million.

Total non-current liabilities were ¥12,187 million, an increase of 14.3% from the prior fiscal year.

As a result, total liabilities were ¥93,747 million, an increase of 13.8% from the prior fiscal year.

#### ●Net assets

As of March 31, 2024, net assets were ¥317,129 million, a decrease of 0.0% from the prior fiscal year. This was mainly due to profit attributable to owners of parent of ¥14,912 million and dividend payments of ¥14,848 million.

### (3) Consolidated cash flow

As of March 31, 2024, cash and cash equivalents totaled ¥223,181 million, an increase of ¥32,277 million compared to the prior fiscal year. Cash flows during the fiscal year ended March 31, 2024 as well as the principal factors behind these cash flows are described below.

#### ●Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2024 totaled ¥52,238 million (an increase of 327.3% from the prior fiscal year).

Profit before income taxes of ¥17,935 million, Loss on disposal of content of ¥22,087 million, a decrease of inventories of ¥18,344 million, depreciation of ¥7,557 million, and income taxes paid of ¥11,398 million led to the overall provision of cash from operating activities.

#### ●Cash flows from investing activities

Net cash used in investing activities totaled ¥13,214 million (compared to net cash provided in investing activities of ¥27,602 million).

The main factors are purchase of property, plant and equipment of ¥9,285 million, payments for guarantee deposits of ¥2,176 million and purchase of intangible assets of ¥1,162 million.

#### ●Cash flows from financing activities

Net cash used in financing activities totaled ¥14,787 million (a decrease of 4.7% from the prior fiscal year).

The main factor is cash dividends paid of ¥14,838 million.

### (4) Consolidated forecasts

As detailed in the “Section 3. Management Policy (3) Business landscape” part below, rapid changes are underway globally as customer demands for content and services grow more diverse and sophisticated and the methods and business models by which such content and services are provided also diversify in response.

By developing content in keeping with these environmental changes and diversifying its earnings opportunities, the Group is endeavoring to establish a robust earnings base.

#### (5) Basic policy for profit distribution and dividends

The Company recognizes the enhancement of corporate value and distribution of profits to shareholders as key management undertakings. The Company determines the level of dividends according to its basic 30% payout ratio policy, as well as by taking the balance between growth investment and shareholder returns into consideration. Parameters have also been set for the repurchase of shares up to a maximum of ¥20 billion to enable the flexible repurchase of the Company's shares in consideration of a comprehensive array of factors, including strategic investment opportunities, the Company's financial position, and the price of its common stock.

Pending a resolution by the Board of Directors at a meeting scheduled for May 17, 2024, the Group intends to pay a year-end dividend of 28 yen per share for the fiscal year ended March 31, 2024, which, combined with the interim dividend of 10 yen per share, would make for a total annual dividend of 38 yen per share.

The Company plans to pay a year-end dividend of 43 yen per share for the fiscal year ending March 31, 2025, which, when combined with the interim dividend of 28 yen per share, would make for a full-year dividend of 71 yen per share.

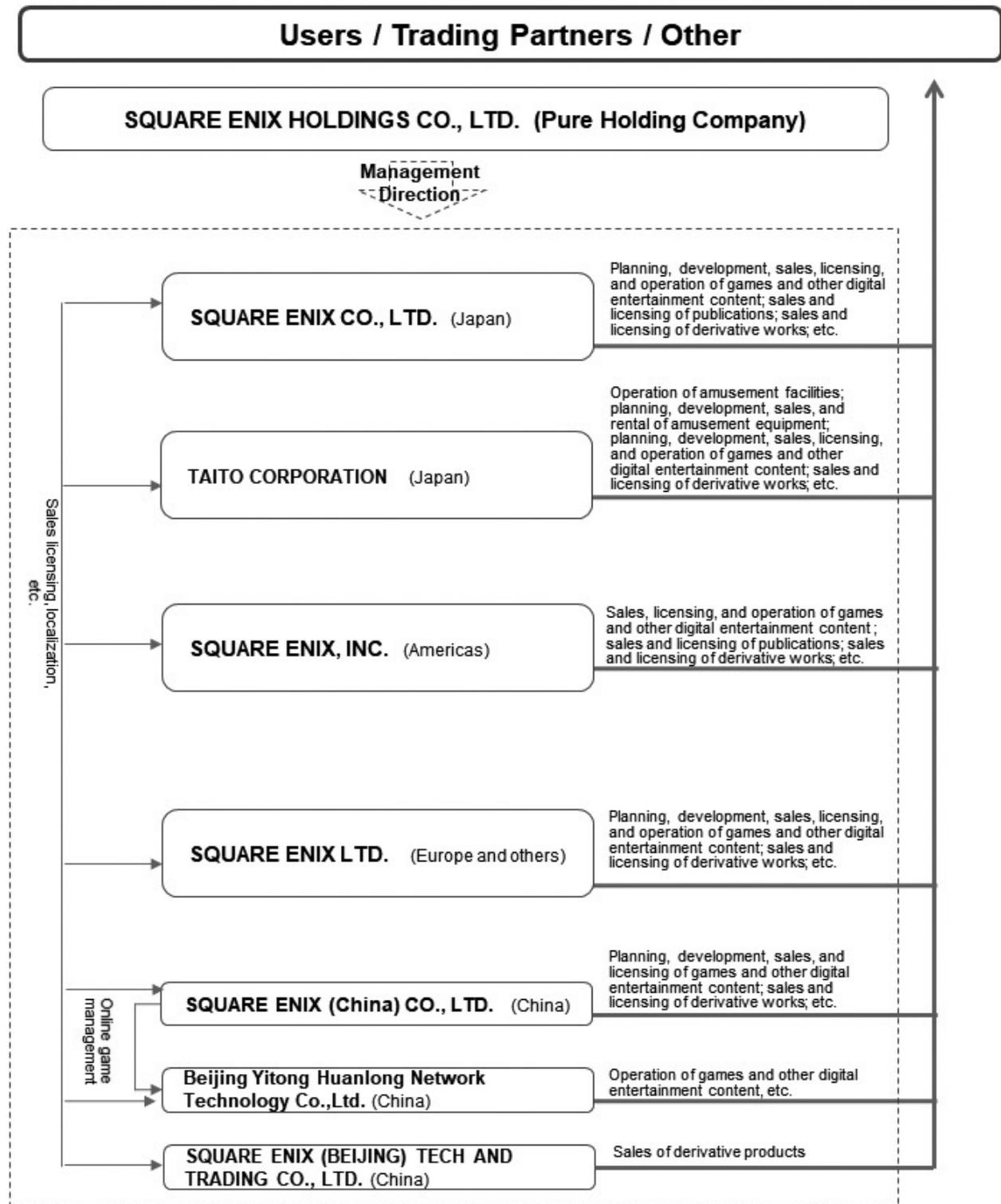
## 2. The Group's Outline of Operations

The following outline of operations lists the Group's primary business segments and major subsidiaries.  
(Consolidated subsidiaries)

Segment	Primary Business Description	Region	Company Name
Digital Entertainment	Plans, develops, distributes, and operates games digital entertainment primarily in the form of computer games	Japan	SQUARE ENIX CO., LTD. TAITO CORPORATION
		Americas	SQUARE ENIX, INC.
		Europe and others	SQUARE ENIX LTD.
		Asia	SQUARE ENIX (China) CO., LTD. Beijing Yitong Huanlong Network Technology Co.,Ltd. (China)
Amusement	Operation of amusement facilities and planning, development and distribution of arcade game machines for amusement facilities and related products	Japan	TAITO CORPORATION SQUARE ENIX CO., LTD.
Publication	Comic books, game strategy books, comic magazines, etc.	Japan	SQUARE ENIX CO., LTD.
		Americas	SQUARE ENIX, INC.
		Europe and others	SQUARE ENIX LTD.
Merchandising	Planning, production, distribution and licensing of derivative products of titles owned by the Group	Japan	SQUARE ENIX CO., LTD. TAITO CORPORATION
		Americas	SQUARE ENIX, INC.
		Europe and others	SQUARE ENIX LTD.
		Asia	SQUARE ENIX (China) CO., LTD. SQUARE ENIX (BEIJING) TECH AND TRADING CO.,LTD.

Note The above table lists major consolidated subsidiaries only.

The Group's Business Diagram:



Note Above business diagram only includes key consolidated subsidiaries.

### 3. Management Policy

#### (1) Management philosophy

The Group has formulated a new “Purpose/Values” corporate philosophy structure as set forth below.

Purpose: “Creating New Worlds With Boundless Imagination to Enhance People’s Lives.”

Values: “Deliver Unforgettable Experiences,” “Embrace Challenges,” “Act Swiftly,” “Stronger Together,” “Continuously Evolve,” and “Cultivate Integrity”

Under this corporate philosophy, the Group will remain attuned to customers’ needs in the ever-changing world of entertainment and leverage the imaginations of Group employees to develop appealing IP and content. By serving a global audience with a diversity of games, comics, music, amusement facility, and other content based on this IP, the entire Group will work together to continue to grow.

#### (2) Management strategy

The Group has formulated a new medium-term business plan (covering the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2027) entitled “Square Enix Reboots and Awakens – 3-years of Foundation-Laying for Long-term Growth –.”

The period covered by its previous medium-term business plan (the fiscal year ended March 31, 2022 through the fiscal year ended March 31, 2024) saw some achievements, including a streamlined portfolio enabled by the divestiture of three overseas studios and select IP, the expansion of the MMO sub-segment as part of the Group’s earnings base, the Publication segment’s transition to a phase of stable growth, the Amusement segment’s V-shaped recovery, and the Merchandising segment’s expansion. Meanwhile, the period also highlighted some major challenges, including low profitability at the HD Games (HD) sub-segment, a slowdown in the Games for Smart Devices/PC Browser (SD) sub-segment, insufficient franchise-by-franchise portfolio management, and some gaps in the Group’s management infrastructure.

With the goal of overcoming these challenges and achieving powerful profit creation and further growth from a long-term perspective, the Group positions the three years of its new medium-term business plan as “3-years of Foundation-Laying for Long-term Growth” and intends to execute the following four strategies:

- (1) Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment
- (2) Diversify earnings opportunities by strengthening customer contact points
- (3) Roll out initiatives to create additional foundational stability
- (4) Allocate capital giving consideration to the balance between growth investments and shareholder returns

- (1) Enhance productivity by optimizing the development footprint in the Digital Entertainment (DE) segment

- Shift from quantity to quality

The Group will pursue a shift from quantity to quality as its medium- to long-term philosophy regarding the DE segment’s portfolio. To that end, it will first work to establish the optimal portfolio, striking a balance between a “product-out” approach that reflects the imaginations of its employees to the utmost, and a “market-in” approach that leverages customers’ voices and data to inform development efforts.

It will strive for a regular launch cadence, focusing its development efforts and investments on titles with substantial potential to be loved by customers for years.

- Focus on development of titles delivering “Fun” that only the Group can create

With the goal of developing titles that deliver unforgettable experiences to customers and ensure excitement, the Group intends to focus on the following points.

First, mindful of the need to launch HD titles that help attract additional fans to the Group, the Group will regularly release AAA titles in its major franchises to maintain and build upon its fan base.

In addition, the Group will strive to increase its success rate in SD games by launching a carefully curated selection of titles. It will additionally explore ways to leverage its rich library of IP.

- Establish an internal development footprint that brings “Fun” that only the Group can create  
The Group will retire its business unit-based organizational design and strive to establish an operationally integrated organization with the goal of revamping its internal title development footprint and bringing more capabilities in-house.

In addition, while keeping balance between the creativity of its individual employees and the management centered on the organization, the Group will transition to a project management structure. To that end, the Group will redefine the mission for producers and other related employees and organize its internal supporting structure. Also, the Group will improve its development investment efficiency, by reviewing the overall management process of title development.

(2) Diversify earnings opportunities by strengthening customer contact points

- Shift to a multiplatform strategy

For HD titles, the Group will aggressively pursue a multiplatform strategy that includes Nintendo platforms, PlayStation, Xbox, and PCs. Especially, in regards to major franchises and AAA titles including catalog titles, it will build an environment where more customers can enjoy our titles.

In addition, it will also devise a platform strategy for SD titles that includes not only iOS and Android, but also the possibility of PC launches.

Furthermore, the Group will strive to maximize the acquisition of new users when launching a title and that of recurring users after starting management of game operation.

- Building continuous customer contact points of our titles by stepping up digital sales

The Group will strengthen user flow of digital sales of new titles at the time of launch regarding the initiatives of promotion. In addition, it will generate the opportunity of generating revenue in our rich catalog titles’ line-up, which leads to strengthen its earnings base by expanding sales of catalog titles. Moreover, the Group will engage in initiatives which focus on the acquisition of PC users.

- Create the interaction with customers by increasing sophistication of publishing function

The Group will pursue integrated sales & marketing operations in Japan and make efficiency of publishing by consolidating the marketing functions that were previously spread across creative business units, expanding shared knowledge, and eliminating duplicate functions. Also, it creates a new reporting line in order to enhance collaboration between sales and marketing functions.

It will also address the increasing sophistication of marketing by leveraging first-party data, including through the utilization of CRM solutions and data analytics, when developing an ad campaign for HD and SD titles.

- Generating the opportunity of new revenue by offering IP across a range of entertainment experiences

The Group will pursue a cross-media strategy capable of approaching new markets. Specifically, it will expand area of license business by establishing a new department focusing on IP business development at global markets. In addition, it will build an organization which makes more active use of its IP by offering it across all media formats. The Group also hopes to generate synergies by integrating the organizations affiliated with its Merchandising segment.

(3) Roll out initiatives that create greater foundational stability

- Rebuild overseas business divisions from the ground up

The Group has begun optimizing costs at its European and American offices via structural reforms. It will also promote intra-Group collaboration in Japan and abroad and strengthen the functions of its London development site. For example, the Group intends to work to strengthen the close collaboration between its divisions in Japan (creative studios and publishing) and to enable greater mobility of talent between them and the Group’s publishing functions overseas.

- Revamp policies on human resource allocation & investment to balance both “creativity and productivity” in Japan

The Group will build its flat organization by increasing opportunities of promotion by selection in order to pursue a new talent at our company and streamlining the process of decision-making. Specifically, it will roll out a new human resources system in line with integrated management of development functions, building a new system for hiring, promotion, and appointment of management. Moreover, the Group will rebuild training system for new graduates and introduce internal education programs to enhance capabilities of junior and mid-level employees.

- Enhance business infrastructure by implementing PDCA cycle in a timely and appropriate manner

The Group will pursue refining its management accounting system that enables greater visibility into business activities. In addition, the Group will not only make infrastructure enhancements that maximize the productivity of its employees under hybrid-working system, but also build its attractive office environment that helps unleash creativity for its development teams.

#### (4) Allocate capital giving consideration to the balance between growth investments and shareholder returns

The Group has formulated a capital allocation policy that gives consideration to the balance between growth investment and shareholder return, earmarking a maximum of ¥100 billion for total strategic investments (growth investments or shareholder returns) over a three-year period.

As regards growth investments, the Group will carefully select investment opportunities that contribute to the enhancement of corporate value and will utilize insights from its own businesses. It will explore the possibility of undertaking inorganic investments designed to expand its business domains and create greater stability.

Meanwhile, to reward its shareholders, the Group will issue regular dividends based on a basic policy of achieving a dividend payout ratio of 30%. In addition, in a change from its previous approach to capital allocation, the Group has set aside ¥20 billion for the funding of potential repurchases of its own shares to be executed flexibly between May 14, 2024 and May 13, 2025 based on consideration of factors including strategic investment opportunities, the Group's financial position, and its share price. The firm has also revised the breakdown of its per-share dividends (interim dividend and year-end dividend).

Through these initiatives, the Group will strive to further enhance its corporate value.

### (3) Business landscape

As a result of digitization and other technological advances, consumer game content is increasingly sold via downloads rather than physical packages. Monetization methods such as free-to-play, microtransactions, and subscriptions have also given rise to a greater diversity of business models outside the confines of traditional one-off sales. As such, the consumer game market continues to grow. New releases tend to be met with either marked success or marked failure as players throng to a handful of major titles.

In the market for games for smart devices, increasingly sophisticated smartphones are making customers demand even richer gaming experiences and enabling greater diversity in game design and business models. Content scale is also mounting as smartphone games traverse the globe and multiple types of devices, enabling continued growth in the size of the market. Meanwhile, a familiar list of titles continues to dominate the upper end of the smart device game rankings in Japan, and the entrance of Asian players into the Japanese market has intensified competition, reducing the odds of new titles succeeding.

The amusement market has returned to pre-pandemic conditions, and facilities in Japan are generating stable revenue streams.

In the publication (comics) market, sales of print media are declining, while those of e-books via comics apps and other platforms are growing. Reading comics on smartphones has become commonplace, and the e-book market is expected to continue to grow globally.

In the environment surrounding the Group's Merchandising segment, a wide range of products and services are being offered through myriad channels as user preferences grow increasingly diverse.

(4) Business and financial challenge calling for priority action

Please refer to (2) Management strategy.

(5) Objective metrics for assessing achievement of management objectives

The Group sets the following three financial targets:

- The Group will strive to achieve stable profit generation from the overall DE segment and to generate a consolidated operating margin of 15% in the fiscal year ending March 31, 2027.
- The Group earmarks a maximum of ¥100 billion for total strategic investments (growth investments or shareholder returns) over a three-year period, including up to ¥20 billion for potential repurchases of its own shares between May 14, 2024 and May 13, 2025.
- The Group will strive to achieve ROE of at least 10%, shifting to a management approach mindful of capital efficiency.

4. Basic policy regarding choice of accounting standard

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese Accounting Standards ("Japanese GAAP") in order to enable the comparison of statements between different periods and different entities.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	193,501	225,901
Notes and accounts receivable-trade	39,908	44,683
Merchandise and finished goods	4,872	4,684
Raw materials and supplies	827	1,033
Content production account	87,217	48,577
Other	16,185	14,561
Allowance for doubtful accounts	(255)	(221)
Total current assets	342,258	339,219
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,275	19,598
Accumulated depreciation	(13,971)	(15,135)
Buildings and structures (net)	4,303	4,462
Tools, furniture and fixtures	17,232	20,263
Accumulated depreciation	(13,241)	(14,164)
Tools, furniture and fixtures (net)	3,990	6,099
Amusement equipment	17,815	18,116
Accumulated depreciation	(15,791)	(15,949)
Amusement equipment (net)	2,023	2,166
Other	3,050	3,858
Accumulated depreciation	(1,223)	(1,988)
Other (net)	1,826	1,869
Land	3,782	3,782
Construction in progress	1,815	4,695
Total property, plant and equipment	17,743	23,075
Intangible assets		
Other	5,856	5,881
Total intangible assets	5,856	5,881
Investments and other assets		
Investment securities	4,629	4,731
Guarantee deposits	11,074	13,168
Net defined benefit asset	795	1,573
Deferred tax assets	11,027	18,687
Other	6,279	4,568
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	33,775	42,698
Total non-current assets	57,376	71,656
Total assets	399,634	410,876

(Millions of yen)

As of March 31, 2023 As of March 31, 2024

Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,558	24,384
Income taxes payable	3,452	6,978
Provision for bonuses	4,532	5,345
Refund liabilities	5,186	4,410
Asset retirement obligations	—	9
Other	34,974	40,431
Total current liabilities	71,704	81,559
Non-current liabilities		
Provision for directors' retirement benefits	7	—
Net defined benefit liability	3,908	4,311
Deferred tax liabilities	0	1
Asset retirement obligations	4,424	4,902
Provision for office relocation	—	883
Other	2,322	2,089
Total non-current liabilities	10,663	12,187
Total liabilities	82,368	93,747
Net assets		
Shareholders' equity		
Capital stock	24,039	24,039
Capital surplus	54,142	54,368
Retained earnings	255,151	254,741
Treasury stock	(8,587)	(7,876)
Total shareholders' equity	324,745	325,272
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	(305)
Foreign currency translation adjustment	(8,765)	(9,038)
Remeasurements of defined benefit plans	308	566
Total accumulated other comprehensive income	(8,454)	(8,776)
Subscription rights to shares	752	378
Non-controlling interests	222	255
Total net assets	317,266	317,129
Total liabilities and net assets	399,634	410,876

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	343,267	356,344
Cost of sales	*1 167,377	*1 188,975
Gross profit	175,889	167,369
Selling, general and administrative expenses		
Packing and transportation expenses	3,459	3,837
Advertising expenses	24,744	25,108
Promotion expenses	309	336
Directors' compensations	587	564
Salaries and allowances	24,540	27,425
Provision for bonuses	3,978	5,617
Retirement benefit expenses	1,221	1,071
Welfare expenses	3,587	3,887
Rent expenses	3,027	3,174
Commission fee	52,875	47,980
Depreciation	2,874	3,693
Other	10,353	12,112
Total selling, general and administrative expenses	*2 131,557	*2 134,810
Operating income	44,331	32,558
Non-operating income		
Interest income	714	1,550
Dividend income	0	0
Foreign exchange gains	10,365	9,304
Rent income	38	47
Gain on sale of crypto assets	1,358	341
Revenue from business held for sale	*4 4,051	—
Miscellaneous income	411	487
Total non-operating income	16,940	11,731
Non-operating expenses		
Interest expenses	72	187
Commission fee	1,249	452
Expenses from business held for sale	*4 5,191	—
Office transfer related expenses	—	1,017
Provision for office relocation expenses	—	*5 883
Miscellaneous loss	48	208
Total non-operating expenses	6,562	2,748
Ordinary income	54,709	41,541

## Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Extraordinary income</b>		
Gain on sales of non-current assets	*3 826	—
Gain on sale of investment securities	—	8
Gain on reversal of subscription rights to shares	4	8
Gain on sales of registered trademarks	680	—
Gain on sale of shares of subsidiaries and associates	*4 9,465	—
Other	57	—
<b>Total extraordinary income</b>	<b>11,033</b>	<b>16</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	—	*6 47
Loss on retirement of non-current assets	*7 112	*7 110
Impairment loss	*8 73	*8 5
Loss on valuation of investment securities	162	150
Loss on valuation of shares of subsidiaries and associates	498	1,216
Loss on disposal of content	*4 6,303	*9 22,087
Other	161	5
<b>Total extraordinary losses</b>	<b>7,312</b>	<b>23,622</b>
Profit before income taxes	58,431	17,935
Income taxes-current	11,060	10,597
Income taxes-deferred	(1,916)	(7,595)
<b>Total income taxes</b>	<b>9,143</b>	<b>3,001</b>
Profit	49,287	14,933
Profit attributable to non-controlling interests	22	21
<b>Profit attributable to owners of parent</b>	<b>49,264</b>	<b>14,912</b>

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	49,287	14,933
Other comprehensive income		
Valuation difference on available-for-sale securities	27	(307)
Foreign currency translation adjustment	(1,911)	(261)
Remeasurements of defined benefit plans	191	258
Total other comprehensive income	(1,692)	(310)
Comprehensive income	47,594	14,623
(Breakdown)		
Comprehensive income attributable to owners of parent	47,562	14,590
Comprehensive income attributable to non-controlling interests	31	32

(3) Consolidated Statements of Changes in Net Assets  
Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	24,039	53,880	221,316	(8,964)	290,272
Changes during the period					
Dividends from retained earnings			(15,430)		(15,430)
Profit attributable to owners of parent			49,264		49,264
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		261		382	644
Net changes of items other than shareholders' equity					
Total changes during the period	—	261	33,834	376	34,473
Balance at the end of current period	24,039	54,142	255,151	(8,587)	324,745

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(24)	(6,844)	116	(6,752)	718	191	284,429
Changes during the period							
Dividends from retained earnings							(15,430)
Profit attributable to owners of parent							49,264
Purchase of treasury stock							(5)
Disposal of treasury stock							644
Net changes of items other than shareholders' equity	27	(1,921)	191	(1,702)	33	31	(1,636)
Total changes during the period	27	(1,921)	191	(1,702)	33	31	32,836
Balance at the end of current period	2	(8,765)	308	(8,454)	752	222	317,266

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	24,039	54,142	255,151	(8,587)	324,745
Changes during the period					
Dividends from retained earnings			(14,848)		(14,848)
Profit attributable to owners of parent			14,912		14,912
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		226		714	940
Change in mergers between consolidated and non-consolidated subsidiaries			(473)		(473)
Net changes of items other than shareholders' equity					
Total changes during the period	—	226	(409)	710	526
Balance at the end of current period	24,039	54,368	254,741	(7,876)	325,272

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	2	(8,765)	308	(8,454)	752	222	317,266
Changes during the period							
Dividends from retained earnings							(14,848)
Profit attributable to owners of parent							14,912
Purchase of treasury stock							(3)
Disposal of treasury stock							940
Change in mergers between consolidated and non-consolidated subsidiaries							(473)
Net changes of items other than shareholders' equity	(307)	(272)	258	(321)	(374)	32	(663)
Total changes during the period	(307)	(272)	258	(321)	(374)	32	(136)
Balance at the end of current period	(305)	(9,038)	566	(8,776)	378	255	317,129

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	58,431	17,935
Depreciation	6,921	7,557
Impairment loss	73	5
Increase (decrease) in allowance for doubtful accounts	(59)	(56)
Increase (decrease) in provision for bonuses	(2,408)	560
Increase (decrease) in refund liabilities	(909)	(1,343)
Increase (decrease) in provision for directors' retirement benefits	(10)	(7)
Decrease (increase) in net defined benefit asset	(91)	(115)
Increase (decrease) in net defined benefit liability	291	150
Interest and dividend income	(715)	(1,550)
Interest expenses	72	187
Foreign exchange losses (gains)	(9,635)	(9,551)
Loss (gain) on sale of shares of subsidiaries and associates	(9,465)	—
Loss (gain) on sale of crypto assets	(1,358)	(341)
Loss on retirement of non-current assets	112	113
Loss (gain) on sale of non-current assets	(826)	47
Gain on sales of registered trademarks	(680)	—
Loss (gain) on valuation of investment securities	162	150
Loss on valuation of shares of subsidiaries and associates	498	1,216
Loss on disposal of content	6,303	22,087
Decrease (increase) in trade receivables	6,463	(3,508)
Decrease (increase) in inventories	(13,711)	18,344
Increase (decrease) in trade payables	(5,455)	765
Decrease (increase) in other current assets	(3,372)	1,067
Decrease (increase) in other non-current assets	(83)	199
Increase (decrease) in other current liabilities	24	4,078
Other, net	537	(480)
Subtotal	31,108	57,510
Interest and dividend income received	715	1,556
Interest expenses paid	(72)	(119)
Income taxes paid	(19,755)	(11,398)
Income taxes refund	219	4,689
Other, net	11	—
Net cash provided by (used in) operating activities	12,226	52,238

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3,933)	(2,712)
Proceeds from withdrawal of time deposits	3,929	2,716
Purchase of property, plant and equipment	(5,676)	(9,285)
Proceeds from sales of property, plant and equipment	—	4
Purchase of intangible assets	(2,873)	(1,162)
Proceeds from sales of intangible assets	1,506	—
Purchase of investment securities	(1,606)	(673)
Payments for investments in capital	(348)	(174)
Purchase of shares of subsidiaries	(682)	(190)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	36,122	—
Proceeds from sale of crypto assets	1,358	341
Payments for guarantee deposits	(265)	(2,176)
Proceeds from collection of guarantee deposits	225	85
Other, net	(151)	13
Net cash provided by (used in) investing activities	27,602	(13,214)
<b>Cash flows from financing activities</b>		
Repayments of lease obligations	(454)	(292)
Purchase of treasury shares	(5)	(3)
Proceeds from exercise of share options	354	347
Cash dividends paid	(15,418)	(14,838)
Other, net	0	—
Net cash provided by (used in) financing activities	(15,523)	(14,787)
Effect of exchange rate change on cash and cash equivalents	5,975	8,029
Net increase (decrease) in cash and cash equivalents	30,280	32,266
Cash and cash equivalents at beginning of period	160,622	190,903
Increase in cash and cash equivalents resulting from merger	—	11
Cash and cash equivalents at end of period	190,903	223,181

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

(Changes in Accounting Estimates)  
(Changes in Estimates of Asset Retirement Obligations)

With respect to asset retirement obligations recognized for restoration costs based on real estate lease contracts, the Company and a portion of its consolidated subsidiaries changed the estimates relating to such restoration costs required at the time of head office relocations and game arcade closures in consideration of recent inflation and other factors. Based on these updated estimates, the Company added ¥508 million to its asset retirement obligation balance. As a result, compared with the amounts that would have been recognized under the previous estimates, operating income, ordinary income, and profit before income taxes each decreased by ¥29 million for the fiscal year ended March 31, 2024.

(Notes to Consolidated Income Statement)

\* 1 Inventories at fiscal year-end are stated after writing down based on the decrease in profitability.

The following amount is included within cost of sales as loss on valuation of inventories.

(Millions of yen)

Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
5,377	14,545

\* 2 Selling, general and administrative expenses include research and development expenses

(Millions of yen)

Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
1,126	2,058

\* 3 Breakdown of gain on sale of property and equipment

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Others	826	-
Total	826	-

\* 4 In keeping with the policy of business structure optimization set forth in the Medium-term Business Strategy it unveiled on May 13, 2021, the Company decided to optimize its overseas studio business structure and intellectual property portfolio, while also optimizing its domestic studio business structure and enhancing its internal development capabilities.

These efforts led the Company to book gains on sales of affiliate shares, which resulted when it transferred shares in some of its consolidated overseas subsidiaries, namely, SQUARE ENIX NEWCO Ltd, CRYSTAL DYNAMICS, INC., EIDOS INTERACTIVE CORP., and EIDOS CREATIVE SOFTWARE (SHANGHAI) Co., Ltd. The losses on the abandonment of content, etc. are the result of cancelling the development of some content at the Digital Entertainment Segment.

Additionally, for the period between the signing of the share transfer agreement and the completion of the transfer, the revenue and expenses related to the parts of the business that were sold are shown in the non-operating line because ordinary business activities were not carried out during that period.

\* 5 The company has recognized reasonable estimates regarding the costs of office relocation for the opening of the new Shibuya Office, for the fiscal year ended March 31, 2024.

\*6 Breakdown of loss on sale of property and equipment

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Tools, furniture and fixtures	–	47
Total	–	47

\*7 Breakdown of loss on disposal of property and equipment

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Buildings and structures	4	7
Tools, furniture and fixtures	53	23
Amusement equipment	48	77
Other	6	1
Total	112	110

\*8 Impairment loss

In the fiscal year ended March 31, 2023, the Group posted an impairment loss on the following groups of assets.

Location	Usage	Category	Impairment amount
Shinjuku-ku, Tokyo	Idle assets	Amusement equipment	51
Shinjuku-ku, Tokyo	Assets planned for disposal	Amusement equipment	0
Kitakyushu, Fukuoka, Aomori, Aomori	Game arcade	Buildings and Structures	11
		Tools, furniture and fixtures	0
		Other	2
Shinjuku-ku, Tokyo	Development of consumer game	Tools, furniture and fixtures	0
Atsugi, Kanagawa	Development of arcade game machines	Tools, furniture and fixtures	0
		Other	6
Total			73

In the amusement segment, each captive outlet and each division including rented outlets, franchise outlets and amusement equipment production and sales, is classified as one asset-grouping unit. Idle assets that are not used for operational purposes and assets planned for disposal are classified individually.

With regard to idle assets presented in the table above, market value had fallen substantially below book value and the future use of these assets was deemed uncertain. For these reasons, the book value of these idle assets has been written down to the applicable recoverable value. With regard to assets planned for disposal, game arcades, and development, and distribution of arcade game machines, future recovery of the investment amount has been deemed uncertain and their book value has been written down to the applicable recoverable value. Note that calculation of recoverable amounts is measured by net realizable value. Net realizable value is based on a reasonable assumption of market price.

In the fiscal year ended March 31, 2024, the Group posted an impairment loss on the following groups of assets.

(Millions of yen)

Location	Usage	Category	Impairment amount
Aomori, Aomori	Idle assets	Amusement equipment	1
		Other	0
Fukuoka, Fukuoka	Assets planned for disposal	Buildings and Structures	2
		Tools, furniture and fixtures	0
		Other	1
Total			5

In the amusement segment, each captive outlet and each division including rented outlets, franchise outlets and amusement equipment production and sales, is classified as one asset-grouping unit. Idle assets that are not used for operational purposes and assets planned for disposal are classified individually. With regard to idle assets presented in the table above, market value had fallen substantially below book value and the future use of these assets was deemed uncertain. For these reasons, the book value of these idle assets has been written down to the applicable recoverable value. With regard to assets planned for disposal, future recovery of the investment amount has been deemed uncertain and their book value has been written down to the applicable recoverable value. Note that calculation of recoverable amounts is measured by net realizable value. Net realizable value is based on a reasonable assumption of market price.

\*9 In light of the myriad changes underway in the environment surrounding the Group, the Board of Directors voted, at a meeting convened on March 27, 2024, to revise the Group's approach to the development of high-definition (HD) games to reflect such objectives as multiplatform development and the strengthening of internal development capabilities. Based on this revised approach, the Group closely examined its development pipeline, performing a project-by-project review of the tenability of persisting with development efforts. The outcome was the termination of development on some key pieces of content in the Digital Entertainment segment that were found to be incompatible with the new development approach. The loss on disposal of content resulted from the termination of these development efforts.

(Segment Information)

[Segment Information]

■ Year ended March 31, 2023

1. Outline of reporting segments

"The Group's reporting segments are business units for which discrete financial data is available and periodically reviewed by the Board of Directors in the determination of resource allocation as well as the evaluation of business performance.

To this end, the Group offers entertainment content and services in a variety of forms including: (1) interactive digital content for game consoles (including handheld game machines), personal computers and smartphones in the "Digital Entertainment" segment; (2) amusement facility operation as well as the sales and rental of arcade game machines in the "Amusement" segment; (3) publication and licensing of comic magazines, comic books, and game-related books in the "Publication" segment; and (4) planning, production, distribution and licensing of derivative products in the "Merchandising" segment. These four classifications serve as the Group's reporting segments.

2. Calculating reporting segment sales, income (loss), assets and other items

Accounting treatment methods applied to financial results of reporting segments are the same as those used in the preparation of the Company's consolidated financial statements. Reporting segment income corresponds to operating income. Intersegment sales are based on prevailing prices in the market for the content and/or services provided.

3. Information on sales and income 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	138,319	53,167	27,010	7,143	225,641	—	225,641
Overseas	107,182	1,140	2,005	7,275	117,603	—	117,603
Revenue from contracts with customers	245,501	54,308	29,016	14,418	343,244	—	343,244
Other revenue	22	—	—	—	22	—	22
(1) Sales to outside customers	245,524	54,308	29,016	14,418	343,267	—	343,267
(2) Intersegment sales	24	2,068	148	1,245	3,486	(3,486)	—
Total	245,548	56,376	29,164	15,664	346,753	(3,486)	343,267
Segment operating income	41,253	5,285	11,641	3,723	61,904	(17,572)	44,331
Segment assets	137,172	22,655	9,373	2,620	171,822	227,811	399,634
Other items							
Depreciation and amortization	3,174	2,427	169	31	5,802	1,118	6,921
Increases in property, plant and equipment and intangible assets	3,907	3,264	53	85	7,310	2,385	9,695

Notes: 1. (1) Segment adjustments (¥17,572 million) include unallocated corporate general and administrative expenses (¥17,750 million).

(2) Segment assets adjustment of ¥227,811 million includes unallocated assets of ¥228,297 million. These assets mainly consist of surplus funds (including cash and deposits).

(3) Depreciation and amortization adjustment of ¥1,118 million relates to unallocated corporate assets.

(4) The adjustment increase of ¥2,385 million in property, plant and equipment, and intangible assets relates to unallocated corporate assets.

2. Segment operating income is adjusted in operating income on the consolidated income statement.

3. Disaggregated revenue disclosures are distinguished between Domestic and Overseas.

■ Year ended March 31, 2024

1. Outline of reporting segments

"The Group's reporting segments are business units for which discrete financial data is available and periodically reviewed by the Board of Directors in the determination of resource allocation as well as the evaluation of business performance.

To this end, the Group offers entertainment content and services in a variety of forms including: (1) interactive digital content for game consoles (including handheld game machines), personal computers and smartphones in the "Digital Entertainment" segment; (2) amusement facility operation as well as the sales and rental of arcade game machines in the "Amusement" segment; (3) publication and licensing of comic magazines, comic books, and game-related books in the "Publication" segment; and (4) planning, production, distribution and licensing of derivative products in the "Merchandising" segment. These four classifications serve as the Group's reporting segments.

2. Calculating reporting segment sales, income (loss), assets and other items

Accounting treatment methods applied to financial results of reporting segments are the same as those used in the preparation of the Company's consolidated financial statements. Reporting segment income corresponds to operating income. Intersegment sales are based on prevailing prices in the market for the content and/or services provided.

3. Information on sales, income or loss, assets and other items 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	130,525	58,926	28,823	8,070	226,345	—	226,345
Overseas	117,509	1,315	2,148	8,958	129,932	—	129,932
Revenue from contracts with customers	248,034	60,242	30,972	17,028	356,278	—	356,278
Other revenue	65	—	—	—	65	—	65
(1) Sales to outside customers	248,100	60,242	30,972	17,028	356,344	—	356,344
(2) Intersegment sales	9	1,326	116	1,896	3,348	(3,348)	—
Total	248,109	61,569	31,089	18,924	359,693	(3,348)	356,344
Segment operating income	25,468	7,566	11,984	5,658	50,678	(18,119)	32,558
Segment assets	98,659	25,342	9,792	2,505	136,299	274,576	410,876
Other items							
Depreciation and amortization	2,491	2,620	39	22	5,173	2,383	7,557
Increases in property, plant and equipment and intangible assets	3,194	3,628	35	3	6,861	5,901	12,763

Notes: 1. (1) Segment adjustments (¥18,119 million) include unallocated corporate general and administrative expenses (¥18,178 million).

(2) Segment assets adjustment of ¥274,576 million includes unallocated assets of ¥274,598 million. These assets mainly consist of surplus funds (including cash and deposits).

(3) Depreciation and amortization adjustment of ¥2,383 million relates to unallocated corporate assets.

(4) The adjustment increase of ¥5,901 million in property, plant and equipment, and intangible assets relates to unallocated corporate assets.

2. Segment operating income is adjusted in operating income on the consolidated income statement.

3. Disaggregated revenue disclosures are distinguished between Domestic and Overseas.

[Related Information]

■ Year ended March 31, 2023

1. Information by product or service

This information is identical to that of segment information and has therefore been omitted.

2. Information by geographical area

(1) Sales

	Japan	North America	Europe	Asia and others	Total
Consolidated sales	225,663	69,925	27,603	20,074	343,267

(Millions of yen)

Note: The classification of geographic segments is based on location of customer.

(2) Property and equipment

	Japan	North America	Europe	Asia and others	Total
Property and equipment	13,279	1,600	2,566	297	17,743

(Millions of yen)

3. Information by major customer

This information has been omitted because all sales to major customers account for less than 10% of the net sales amount shown on the Consolidated Statement of Income.

■ Year ended March 31, 2024

1. Information by product or service

This information is identical to that of segment information and has therefore been omitted.

2. Information by geographical area

(1) Sales

	Japan	North America	Europe	Asia and others	Total
Consolidated sales	226,411	81,008	32,032	16,892	356,344

(Millions of yen)

Note: The classification of geographic segments is based on location of customer.

(2) Property and equipment

	Japan	North America	Europe	Asia and others	Total
Property and equipment	19,552	1,034	2,284	204	23,075

(Millions of yen)

3. Information by major customer

This information has been omitted because all sales to major customers account for less than 10% of the net sales amount shown on the Consolidated Statement of Income.

[Information related to impairment losses on property and equipment in each reporting segment]

■ Year ended March 31, 2023

(Millions of yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated (Note)	Total
Impairment losses	0	72	—	—	—	73

Note: The amount for “Eliminations or unallocated” is related mainly to impairment losses on telephone subscription rights.

■ Year ended March 31, 2024

(Millions of yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated (Note)	Total
Impairment losses	—	5	—	—	0	5

Note: The amount for “Eliminations or unallocated” is related mainly to impairment losses on telephone subscription rights.

[Information related to amortization of goodwill and the unamortized balance in each reporting segment]

■ Year ended March 31, 2023

None

■ Year ended March 31, 2024

None

[Information related to gain on negative goodwill in each reporting segment]

■ Year ended March 31, 2023

None

■ Year ended March 31, 2024

None

## (Per Share Information)

(yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share	2,641.74	2,638.33
Earnings per share	411.62	124.37
Diluted earnings per share	410.93	124.30

Note: The basis for calculating earnings per share and diluted earnings per share is provided below.

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Earnings per share:		
Profit attributable to owners of parent	49,264	14,912
Income not available to common shareholders	—	—
Profit attributable to owners of parent available to common shareholders	49,264	14,912
Average number of shares of common stock outstanding during the fiscal year (thousands of shares)	119,684	119,902
Adjustments to profit used to calculate diluted earnings per share:		
Adjustments to profit attributable to owners of parent	—	—
Increase in the number of shares of common stock (thousands of shares)	201	71
(Number of shares reserved for the purpose of new share issuances for exercise of share subscription rights)	(201)	(71)
Summary of residual securities that do not dilute the Company's earnings per share	'Issuance of July 2021 stock acquisition rights, pursuant to a resolution of the Board of Directors on June 25, 2021: 98,100 shares 'Issuance of July 2022 stock acquisition rights, pursuant to a resolution of the Board of Directors on June 23, 2022: 60,100 shares	'Issuance of July 2021 stock acquisition rights, pursuant to a resolution of the Board of Directors on June 25, 2021: 98,100 shares 'Issuance of July 2022 stock acquisition rights, pursuant to a resolution of the Board of Directors on June 23, 2022: 60,100 shares 'Issuance of July 2023 stock acquisition rights, pursuant to a resolution of the Board of Directors on June 23, 2023: 42,800 shares

(Significant Subsequent Events)

Setting of Share Repurchase Parameters

The Company's Board of Directors voted on May 13, 2024 to set the following parameters for a share repurchase program pursuant to Article 459, Paragraph 1 of the Companies Act of Japan and Article 37 of the Company's Articles of Incorporation.

1. Reason for Setting Share Repurchase Parameters

In keeping with the capital allocation policy set forth in its new medium-term business plan (FY2025/3-FY2027/3), the Company has established share repurchase parameters to enable the flexible repurchase of its own shares in consideration of a comprehensive array of factors, including strategic investment opportunities, the Company's financial position, and the price of its common stock.

2. Share Repurchase Parameters

(1) Class of shares for repurchase	Common stock
(2) Total number of shares for repurchase	5 million shares(maximum) (4.2% of total number of shares outstanding [excluding treasury stock])
(3) Total share repurchase amount	¥20 billion(maximum)
(4) Period of repurchase	May 14, 2024 to May 13, 2025

\*It is possible that no share repurchase or only a portion of the program described above is carried out due to investment opportunities, the market environment, and other factors.