
Briefing Session of Revisions to Consolidated Results Forecasts

Fiscal Year Ending March 31, 2013

SQUARE ENIX®

March 26, 2013

Statements made in this document with respect to SQUARE ENIX HOLDINGS CO., LTD. and its consolidated subsidiaries' (together, "SQUARE ENIX GROUP") plans, estimates, strategies and beliefs are forward-looking statements about the future performance of SQUARE ENIX GROUP.

These statements are based on management's assumptions and beliefs in light of information available to it at the time these material were drafted and, therefore, the reader should not place undue reliance on them. Also, the reader should not assume that statements made in this document will remain accurate or operative at a later time.

A number of factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include, but not limited to:

1. changes in economic conditions affecting our operations;
2. fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro;
3. SQUARE ENIX GROUP's ability to continue to win acceptance of our products and services, which are offered in highly competitive markets characterized by the continuous introduction of new products and services, rapid developments in technology, and subjective and changing consumer preferences;
4. SQUARE ENIX GROUP's ability to expand international success with a focus on our businesses; and
5. regulatory developments and changes and our ability to respond and adapt to those changes.

The forward-looking statements regarding earnings contained in these materials were valid at the time these materials were drafted. SQUARE ENIX GROUP assumes no obligation to update or revise any forward-looking statements, including forecasts or projections, whether as a result of new information, subsequent events or otherwise.

The financial information presented in this document is prepared according to generally accepted accounting principles in Japan.

Revisions to Consolidated Results Forecasts

Fiscal Year Ending March 31, 2013

Fiscal Year Ending March 31, 2013 Forecast

Billions of Yen

	Previous forecasts (*)		Revised forecasts		Change
		%		%	
Net Sales	150.0	100%	145.0	100%	(5.0)
Operating Income	7.5	5%	(6.0)	—	(13.5)
Recurring Income	6.5	4%	(5.0)	—	(11.5)
Net Income	3.5	2%	(13.0)	—	(16.5)

* Based on the results forecasts announced on October 30, 2012

(Ref.) Comparisons with the previous fiscal year

Billions of Yen

	Fiscal Year Ended 3/12		Fiscal Year Ending 3/13		Change
		%		%	
Net Sales	127.9	100%	145.0	100%	17.1
Operating Income	10.7	8%	(6.0)	—	(16.7)
Recurring Income	10.3	8%	(5.0)	—	(15.3)
Net Income	6.1	5%	(13.0)	—	(19.1)

Fiscal Year Ending March 31, 2013 Forecast by Business Segment

① Fiscal Year Ending March 31, 2013 Forecast (Revised)

	Billions of Yen					
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	87.0	44.0	11.0	3.0	(0.0)	145.0
Operating Income	1.0	(0.5)	2.2	0.5	(9.2)	(6.0)
Operating Margin	1.1%	—	20.0%	16.7%	—	—

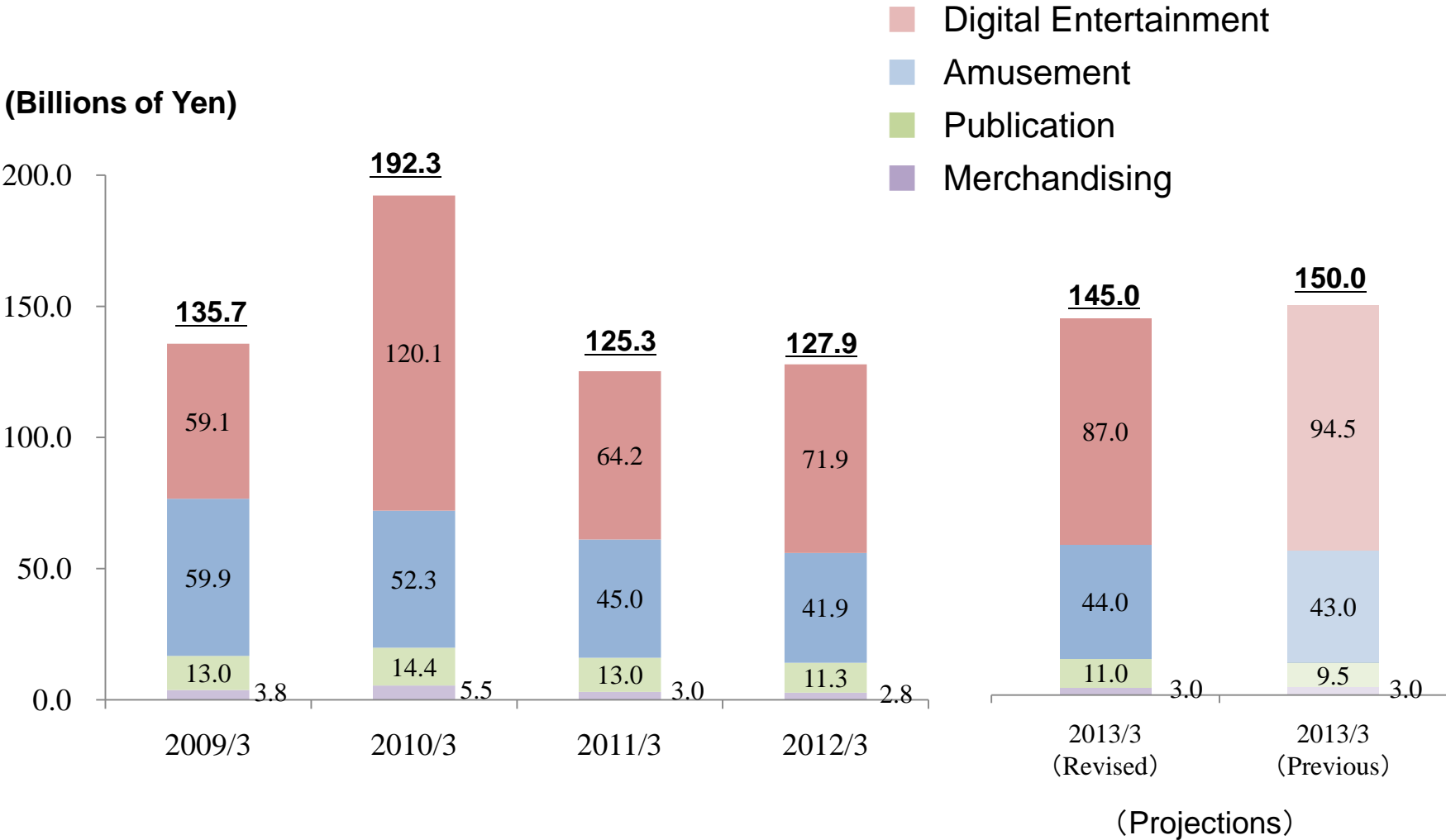
② Fiscal Year Ending March 31, 2013 Forecast (Previous)

	Billions of Yen					
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	94.5	43.0	9.5	3.0	(0.0)	150.0
Operating Income	13.8	0.0	1.5	0.5	(8.3)	7.5
Operating Margin	14.6%	—	15.8%	16.7%	—	5.0%

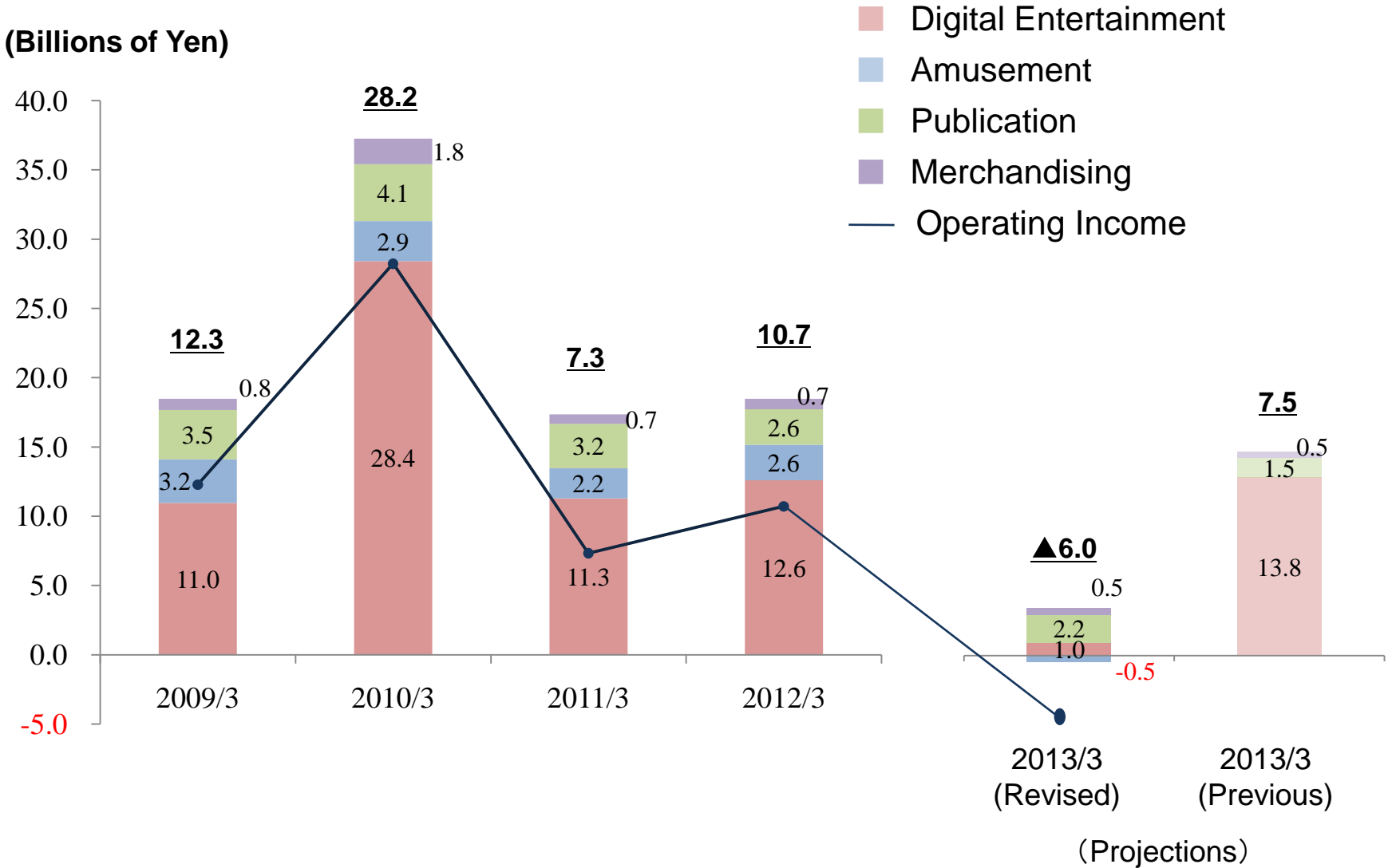
③ Changes (①—②)

	Billions of Yen					
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	(7.5)	1.0	1.5	—	(0.0)	(5.0)
Operating Income	(12.8)	(0.5)	0.7	—	(0.9)	(13.5)

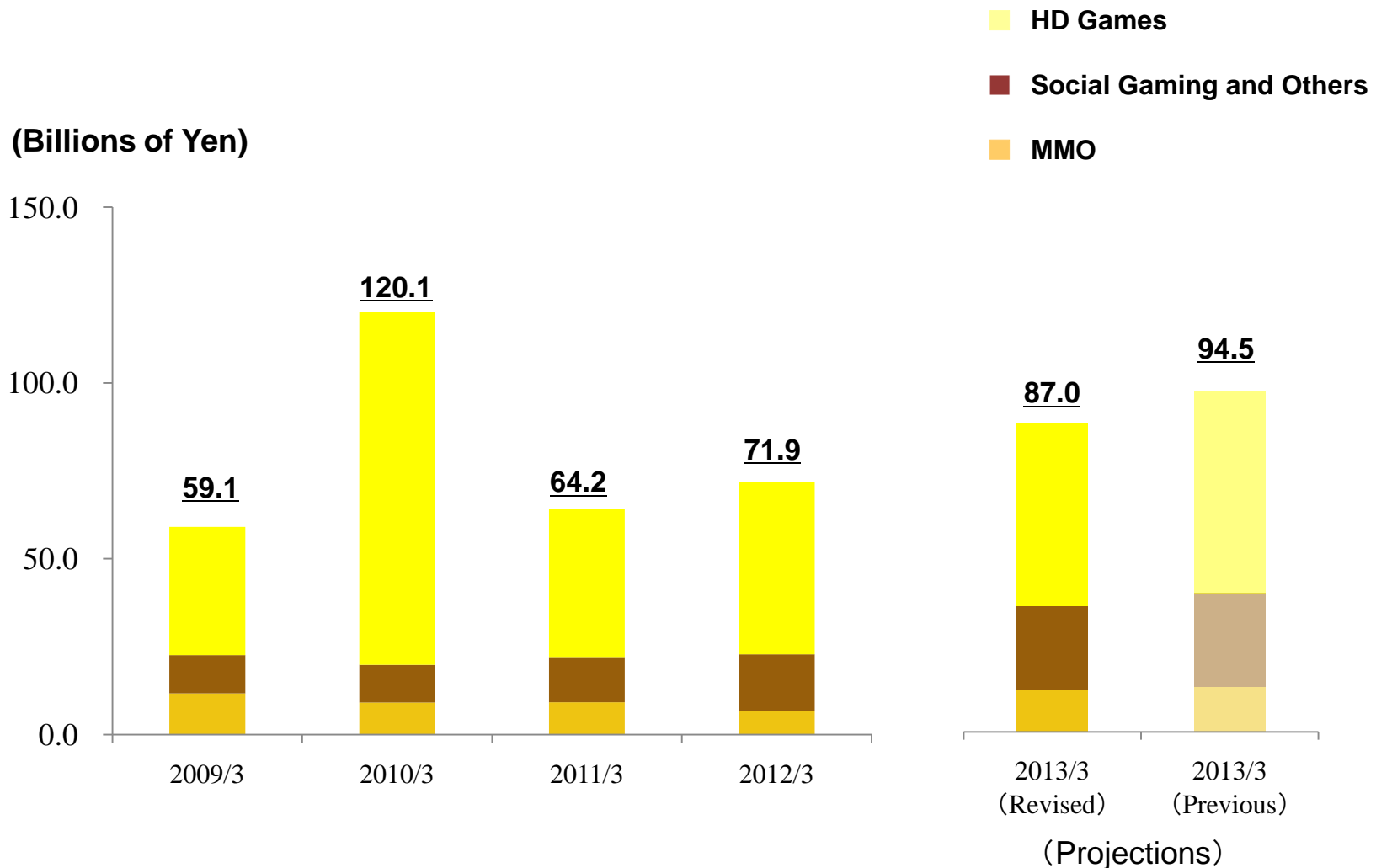
Net Sales by Business Segment



Operating Income by Business Segment



Digital Entertainment Segment – Net Sales



Digital Entertainment Segment – HD Games

Weak sales of big console titles in NA and EU.

• The latest situations:

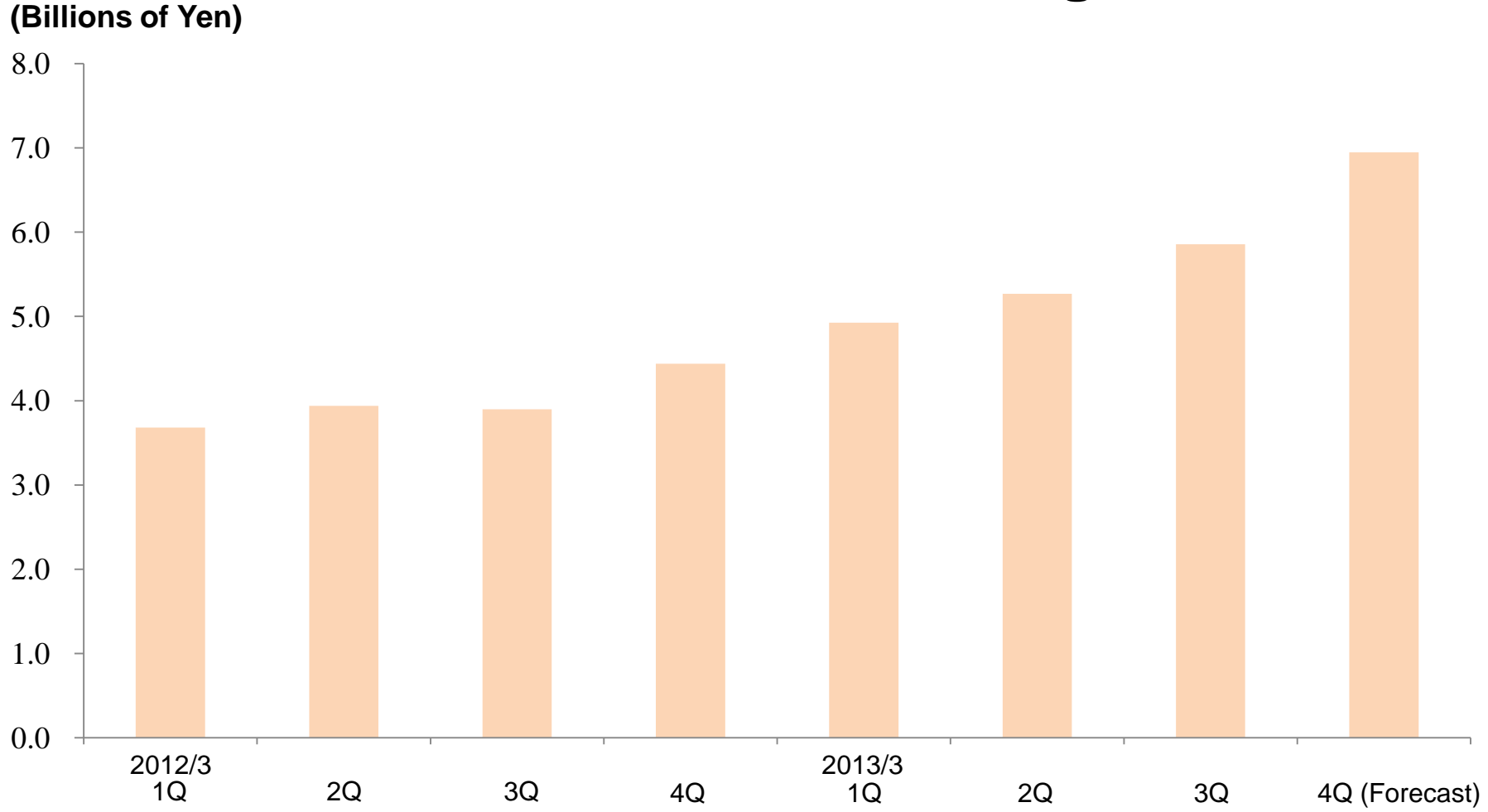
Title	Release Date	Metascore ^{*1}	Expected Units Sold in FY13 ^{*2}
SLEEPING DOGS	Aug. 2012	81	Approx. 1.75 Millions
HITMAN: ABSOLUTION	Nov. 2012	80	Approx. 3.6 Millions
TOMB RAIDER	Mar. 2013	86	Approx. 3.4 Millions

*1 An average of scores for X360/PS3/PC versions.

*2 Not including download.

- Despite the high critical acclaim, failed to meet each target.
- In particular, NA sales force was ineffective, ending up with 2/3 of number of units sold in Europe.
- Moreover, price pressure was strong, which forced spending additional channel costs such as price protection.

Digital Entertainment Segment — Social Gaming and Others



➔ **Steady increase in profit through tightened development and KPI managements.**

Digital Entertainment Segment

— Social Gaming and Others

- Major titles released in Japan are growing steadily.
- Successfully started in the Asian markets (“Million Arthur” became a smash hit in Korea).

(A Major Title in Japan — “Sengoku IXA Chiyorozunohasya)



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- A smartphone version of “Sengoku IXA,” the long-run popular PC online game since Aug. 2010.
- Launched in Apr. 2012.
- Acquired 450K+ registered users.

(“Million Arthur ” in Korea)



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Published by Actoz Soft

- “Million Arthur,” a megahit title in Japan since Apr. 2012, started service in Korea from Dec. 2012. *
- Registered users exceeded 1 million only in two months.

* Operated by Actoz Soft, a Korean game company, under license by Square Enix.

Extraordinary Loss

In view of the rapidly changing environment of the game businesses, extraordinary loss (loss from restructuring) of approximately ¥10 billion will be incurred.

Major items:

- Loss on disposal of content : approximately ¥4 billion,
- Loss on evaluation of content: approximately ¥4 billion
- Others: approximately ¥2 billion.

Rebuild the Management Team

Refresh the long-serving management team since the Company's establishment in 2003 to advance thorough structural reforms.

- Wada, President and Representative Director, will not be re-elected as director at the expiration of the current term until late Jun. 2013. ***
- President candidate is Yosuke Matsuda, Representative Director. ****
- Phil Rogers will be nominated as a director candidate. ****
- Matsuda is selecting the other board members.**

*** Directors' term of office is 1 year under the Company's Articles of Incorporation.**

**** Subject to resolutions by the Company's annual general meeting of shareholders to be held in late Jun. 2013.**

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