

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2014 (Japan GAAP)**

May 12, 2014

Company name: SQUARE ENIX HOLDINGS CO., LTD.
Shares traded: Tokyo Stock Exchange, First Section
Company code: 9684
Company URL: <http://www.square-enix.com/eng>
Representative: Yosuke Matsuda, President and Representative Director
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Annual general meeting of shareholders: June 25, 2014 (planned)
Financial report submission: June 26, 2014 (planned)
Cash dividend payment commencement: June 4, 2014 (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, 2013 to March 31, 2014)

(1) Consolidated Financial Results

(Millions of yen and year-on-year changes in percents)

	Net sales		Operating income(loss)		Recurring income(loss)		Net income (loss)	
Fiscal year ended	%		%		%		%	
March 31, 2014	155,023	4.8	10,543	-	12,534	-	6,598	-
March 31, 2013	147,981	15.7	(6,081)	-	(4,378)	-	(13,714)	-

Note: FY ended March 31, 2014 Comprehensive income: 9,045 million yen (- %)
 FY ended March 31, 2013 Comprehensive income:(11,881) million yen (- %)

	Earnings (loss) per share, basic	Earnings (loss) per share, diluted	Return on equity	Recurring income to total assets	Operating margin
Fiscal year ended	yen	yen	%	%	%
March 31, 2014	57.28	57.19	5.4	6.0	6.8
March 31, 2013	(119.19)	-	(10.7)	(2.1)	(4.1)

Note: FY ended March 31, 2014 Equity in gain (loss) of affiliated companies: - million yen
 FY ended March 31, 2013 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, 2014	216,617	127,676	58.3	1,095.78
March 31, 2013	202,509	121,636	59.3	1,043.62

Note: Total equity As of March 31, 2014: 126,309 million yen
 As of March 31, 2013: 120,087 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, 2014	21,698	(5,962)	(3,438)	113,507
March 31, 2013	110	(9,189)	(3,481)	98,822

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, 2013	-	10.00	-	20.00	30.00	3,452	-	2.7
Fiscal year ended March 31, 2014	-	10.00	-	20.00	30.00	3,457	52.4	2.8
Fiscal year ending March 31, 2015 (projection)	-	10.00	-	20.00	30.00		98.7	

3. Consolidated Forecasts (April 1, 2014 to March 31, 2015)

(Millions of yen, year-on-year changes in percents and per share data)

	Net sales		Operating income(loss)		Recurring income(loss)		Net income (loss)		Earnings per share
		%		%		%		%	yen
Six months ending September 30, 2014	63,000 ~69,000	2.2 ~11.9	(2,000) ~2,000	- -	(2,000) ~2,000	- -	(1,300) ~1,300	- -	(11.28) ~11.28
Fiscal year ending March 31, 2015	140,000 ~150,000	(9.7) ~(3.2)	5,000 ~10,000	(52.6) ~(5.2)	5,000 ~10,000	(60.1) ~(20.2)	3,500 ~6,500	(47.0) ~(1.5)	30.38 ~56.42

4. Others

- (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 associated with revision in accounting standards: Yes
 2. Other changes in accounting standards: No
 3. Change in accounting estimate: No
 4. Retrospective restatement: No
- (3) Outstanding shares (common stock)
 1. Number of shares issued and outstanding (including treasury stock):

As of March 31, 2014	115,575,696
As of March 31, 2013	115,370,596
 2. Number of treasury stock:

As of March 31, 2014	306,762
As of March 31, 2013	302,302
 3. Average number of shares during the period (cumulative):

Fiscal year ended March 31, 2014	115,203,201
Fiscal year ended March 31, 2013	115,069,009

Disclaimer: (1) This document is a 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 report, 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 2.

Supplemental Information – Index

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1. Consolidated Results and Consolidated Financial Position for the Fiscal Year Ended March 31, 2014

(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, 2014 totaled ¥155,023 million (an increase of 4.8% from the prior fiscal year), operating income amounted to ¥10,543 million (operating loss of ¥6,081 million in the prior fiscal year) and recurring income amounted to ¥12,534 million (recurring loss of ¥4,378 million in the prior fiscal year).

The compensation income (approximately ¥350 million) for the closure of an amusement facility was booked as an extraordinary gain, and a loss on evaluation of content (approximately ¥1.7 billion) was booked as an extraordinary loss as a result of a comprehensive review on work-in-progress game titles. These factors resulted in net income amounted to ¥6,598 million (net loss of ¥13,714 million in the prior fiscal year).

A discussion of results by segment for the fiscal year ended March 31, 2014 follows.

- Digital Entertainment

The Digital Entertainment segment plans, develops, distributes and operates digital entertainment content primarily in the form of games. 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 consolidated fiscal year under review, the sales of game console software titles, such as "*FINAL FANTASY X/X-2 HD Remaster*," "*Thief*" (not in Japan yet), and "*TOMB RAIDER: DEFINITIVE EDITION*," recorded favorable sales. In addition, in the area of content for smart devices and PC browsers, "*SENGOKU IXA*," a PC browser game, has been showing steady performance, and "*Kaku-San-Sei Million Arthur*," a game for smartphones, has become an instant hit in Taiwan and mainland China, following Korea, while its platform has expanded to include the PlayStation Vita. "*DRAGON QUEST MONSTERS SUPER LIGHT*," a game for smartphones released in January 2014 (Japan only), made an encouraging start.

The software sales and operation of "*FINAL FANTASY XIV: A REALM REBORN*," a massively multiplayer online role-playing game released in August 2013, have been making favorable progress.

Net sales and operating income in the Digital Entertainment segment totaled ¥94,571 million (an increase of 5.7% from the prior fiscal year) and ¥10,709 million (operating income of ¥44 million in the prior fiscal year), respectively.

- Amusement

The Amusement segment consists of the operation of amusement facilities and the planning, development and distribution of arcade game machines and related products for amusement facilities.

During the fiscal year ended March 31, 2014, amusement machines such as “*LORD of VERMILION III*” launched in August 2013, and “*GROOVE COASTER*” (arcade version) launched in November 2013 achieved favorable sales. With efficient store management efforts, sales from the operation of amusement facilities are showing steady performance.

Net sales and operating income in the Amusement segment totaled ¥46,952 million (an increase of 6.0% from the prior fiscal year) and ¥4,517 million (operating loss of ¥353 million in the prior fiscal year), respectively.

- Publication

The Publication segment includes the planning and publication of comic books, game strategy books and comic magazines.

During the fiscal year ended March 31, 2014, sales of comic books decreased compared to the prior fiscal year, primarily due to the decrease of some popular comic title's new publications.

Net sales and operating income in the Publication segment totaled ¥10,228 million (a decrease of 7.7% from the prior fiscal year) and ¥2,293 million (a decrease of 7.7% from the prior fiscal year), respectively.

- Merchandising

The Merchandising segment includes the planning, production, distribution and licensing of derivative products of titles owned by the Group.

During the fiscal year ended March 31, 2014, the Group continued to distribute and license items such as character goods and soundtracks based on the Group's own IPs while also strengthening its product lineup with additional products based on third party IPs and overseas expansions.

Net sales and operating income in the Merchandising segment totaled ¥3,786 million (an increase of 16.0 % from the prior fiscal year) and ¥1,115 million (an increase of 67.2% from the prior fiscal year), respectively.

(Consolidated forecasts)

The business environment surrounding the Group is in the midst of major changes, where smart devices such as smartphones and tablet PCs are spreading rapidly, while the console game markets in North

America and Europe are increasingly competitive and oligopolistic. In light of such environmental changes, the Group is focusing all efforts on a substantial earnings improvement through driving reforms of business structure in order to establish new revenue base.

Given the environmental changes described above, it is expected that the consolidated forecasts for financial results will fluctuate ever-larger. The Group, therefore, has made consolidated forecasts in a range of forecasted figures in lieu of specific figures.

(2) Analysis of consolidated financial position

(i) Assets, liabilities and net assets

- Assets

As of March 31, 2014 total current assets were ¥173,604 million, an increase by 9.2% compared to the prior fiscal year. This was mainly due to an increase in cash and deposits of ¥14,948 million, and an increase in content production account of ¥4,751 million, while notes and accounts receivable-trade decreased by ¥8,115 million.

Fixed assets were ¥43,012 million, a decrease by 1.1% compared to the prior fiscal year.

As a result, total assets were ¥216,617 million, an increase by 7.0%.

- Liabilities

As of March 31, 2014, total current liabilities were ¥80,508 million, an increase by 115.2% compared to the prior fiscal year. This was mainly due to an increase in current portion of bonds to ¥35,000 million Euro Yen Zero convertible bonds caused by a classification change for bonds which now have less than one year until maturity, while notes and accounts payable increased by ¥2,909 million, and accrued income taxes increased by ¥1,481 million, and short-term loans increased by ¥1,126 million.

Non-current liabilities were ¥8,432 million, a decrease by 80.6% compared to the prior fiscal year. This was mainly due to ¥35,000 million Euro Yen Zero convertible bonds which became current in accordance with maturity.

As a result, total liabilities were ¥88,940 million, an increase by 10.0%.

- Net assets

As of March 31, 2014, net assets were ¥127,676 million, an increase by 5.0% compared to the prior fiscal year. This was mainly due to net income of ¥6,598 million, dividend payments of ¥3,453 million, and an increase in foreign currency translation adjustments of ¥2,130 million.

(ii) Consolidated Cash Flow

As of March 31, 2014, cash and cash equivalents totaled ¥113,507 million, an increase of ¥14,684 million compared to the prior fiscal year. Cash flows during the fiscal year ended March 31, 2014 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, 2014 totaled ¥21,698 million (compared to net cash provided by operating activities of ¥110 million in the prior fiscal year).

Income before income taxes and minority interests of ¥10,137 million, an increase in inventories of ¥2,601 million, and a decrease in notes and accounts receivables-trade of ¥10,779 million, and depreciation and amortization of ¥6,614 million led to the overall provision of cash from operating activities.

- Cash flows from investing activities

Net cash used in investing activities totaled ¥5,962 million (a decrease of 35.1% compared to the prior fiscal year).

Main factors are purchase of property and equipment of ¥4,823 million, and purchase of intangible assets of ¥566 million.

- Cash flows from financing activities

Net cash used in financing activities totaled ¥3,438 million (a decrease of 1.3% compared to the prior fiscal year). The main factor is cash dividends paid of ¥3,446 million.

(3) Basic policy for profit distribution and dividends

The Group recognizes the return of profits to shareholders as one of its most important management tasks. The Group maintains internal reserves to place priority on investments that will enhance the value of the Group. Such investments may include capital investments and M&A for the purpose of expanding existing businesses and developing new businesses. With retaining an appropriate amount of internal reserves, the Group attaches continued importance to the shareholder returns, primarily by means of cash dividend, in an optimal balance between the performance-based payout and the stable returns. The amount of dividends is determined by setting a consolidated payout ratio target of approximately 30%, paying attention to stable payment of dividends.

The Company's Board of Directors' Meeting to be held on May 16, 2014 will pass a resolution to pay the year-end dividends for FY2013/3 of 20 yen per share (together with the interim dividends of 10 yen per share paid in last December, the amount of annual dividends will be 30 yen per share), as forecasted previously.

2. The Group's Outline of Operations

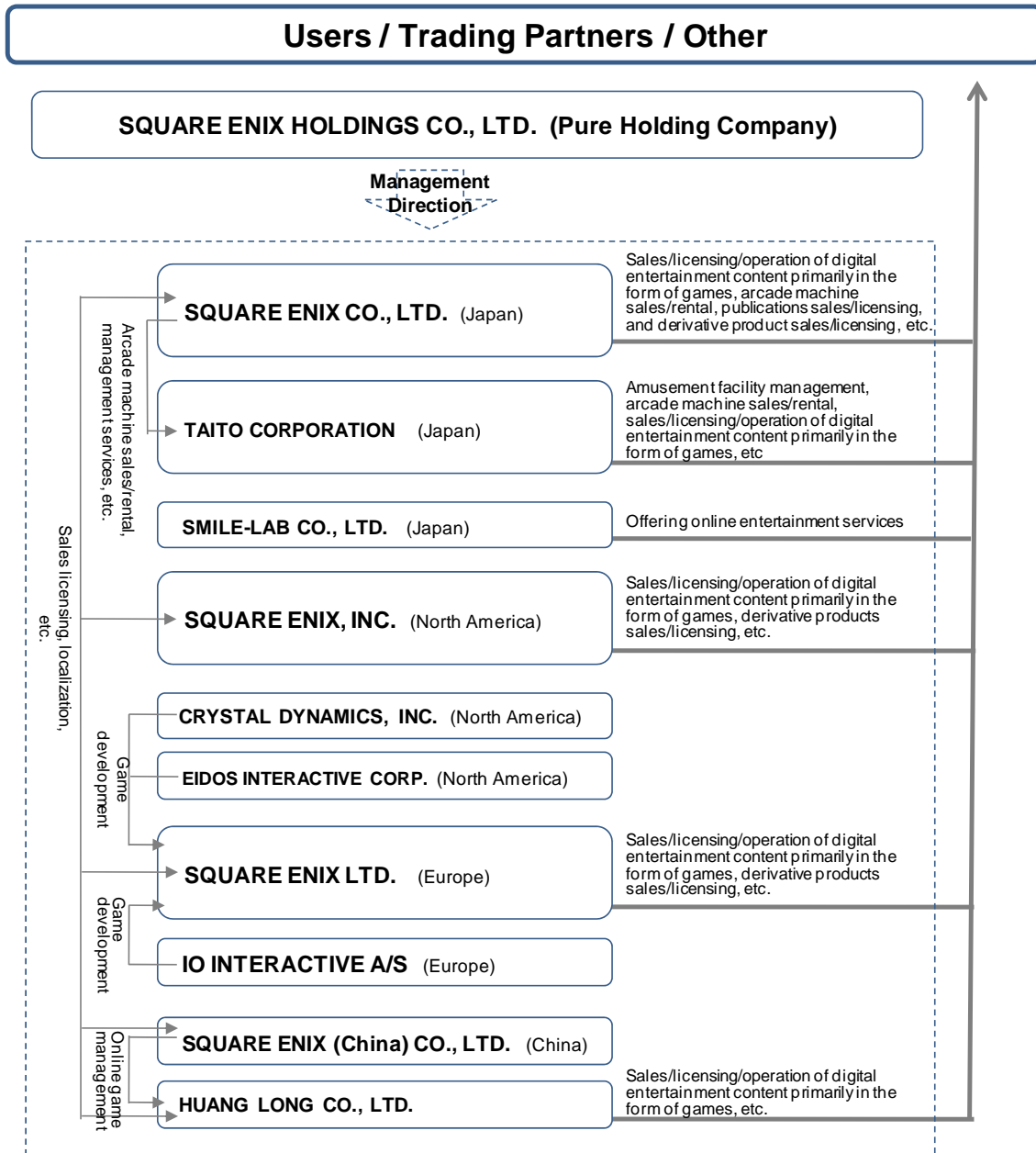
The following outline of operations lists the Group's primary business segments and major subsidiaries.

(Consolidated subsidiaries)

Domain	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 SMILE-LAB CO., LTD.
		North America	SQUARE ENIX, INC. CRYSTAL DYNAMICS, INC. EIDOS INTERACTIVE CORP.
		Europe	SQUARE ENIX LTD. IO INTERACTIVE A/S
		Asia	SQUARE ENIX (China) CO., LTD. HUANG LONG CO., LTD.
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.
		North America	SQUARE ENIX, INC.
		Europe	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
		North America	SQUARE ENIX, INC.
		Europe	SQUARE ENIX 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

With a philosophy "to spread happiness across the globe by providing unforgettable experiences," the Group offers advanced, high-quality content and services. The Group strives to reward shareholders by maximizing profit based on efficient use of resources in the generation of sustained business development and growth.

(2) Management targets

The Group recognizes the utmost importance of achieving growth underpinned by profitability. The Group pursues targets of generating a rate of earnings per share growth over 10% and a recurring income to sales ratio of above 20%.

(3) Medium- and long-term management strategy

Management's key task is to create advanced, high-quality content and services that allow the Group to grow in the medium- and long-term while maintaining profitability. As the development and popularization of information technology (IT) and network environments rapidly advance, the Group anticipates a major transformation in the structure of the digital entertainment industry. The Group believes that this will be driven by factors such as increased consumer needs in the area of network-compliant entertainment and growing access to a diverse range of content by users of multi-function devices. The Group strives to respond to these changes, and has adopted a medium- to long-term management strategy that focuses on pioneering a new era in digital entertainment.

(4) Issues facing management

In order to achieve the Group's medium- to long-term strategy, it is imperative to expand its global business and meet customers' diverse needs for entertainment content/services. It is critically important that the Group acquires and develops ideally suited human resources to that end.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	100,418	115,367
Notes and accounts receivable	30,226	22,110
Merchandise and finished goods	2,376	2,013
Work in progress	47	700
Raw materials and supplies	357	433
Content production account	15,805	20,556
Deferred tax assets	5,438	4,819
Income taxes receivable	2,223	288
Other	2,279	7,465
Allowance for doubtful accounts	(136)	(151)
Total current assets	159,035	173,604
Non-current assets		
Property and equipment		
Buildings and structures	17,875	18,016
Accumulated depreciation	(11,619)	(12,296)
Buildings and structures (net)	6,256	5,719
Tools and fixtures	12,558	13,062
Accumulated depreciation	(8,885)	(9,240)
Tools and fixtures (net)	3,672	3,822
Amusement equipment	20,014	20,222
Accumulated depreciation	(17,804)	(17,830)
Amusement equipment (net)	2,209	2,392
Other	169	129
Accumulated depreciation	(109)	(87)
Other (net)	59	41
Land	7,964	7,939
Construction in progress	5	1
Total property and equipment	20,169	19,917
Intangible assets		
Other	10,940	10,835
Total intangible assets	10,940	10,835
Investments and other assets		
Investment securities	493	701
Rental deposits	10,121	9,746
Deferred tax assets	1,229	1,125
Other	1,150	1,495
Allowance for doubtful accounts	(631)	(809)
Total investments and other assets	12,363	12,259
Total non-current assets	43,473	43,012
Total assets	202,509	216,617

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable	8,653	11,563
Short-term loans	5,726	6,852
Current portion of bonds	-	35,000
Accrued income taxes	1,499	2,980
Reserve for bonuses	966	1,771
Allowance for sales returns	4,319	4,609
Allowance for game arcade closings	256	251
Deferred tax liabilities	-	3
Asset retirement obligation	3	3
Other	15,989	17,472
Total current liabilities	37,414	80,508
Non-current liabilities		
Corporate bonds	35,000	-
Allowance for employees' retirement benefits	4,714	-
Allowance for directors' retirement benefits	244	178
Allowance for game arcade closings	468	383
Net defined benefit liability	-	4,425
Deferred tax liabilities	1,655	1,978
Asset retirement obligation	800	807
Other	574	658
Total non-current liabilities	43,457	8,432
Total liabilities	80,872	88,940
Net assets		
Shareholders' equity		
Common stock	15,204	15,368
Capital surplus	44,444	44,607
Retained earnings	68,153	71,298
Treasury stock	(862)	(870)
Total shareholders' equity	126,940	130,404
Accumulated other comprehensive income		
Unrealized loss on revaluation of other investment securities	57	253
Foreign currency translation adjustments	(6,911)	(4,780)
Remeasurements of defined benefit plans	-	432
Total accumulated other comprehensive income	(6,853)	(4,094)
Stock acquisition rights	652	348
Minority interests in consolidated subsidiaries	897	1,018
Total net assets	121,636	127,676
Total liabilities and net assets	202,509	216,617

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	147,981	155,023
Cost of sales	98,788	94,481
Gross profit	49,192	60,542
Reversal of allowance for sales returns	1,551	4,672
Provision for allowance for sales returns	3,927	4,458
Net gross profit	46,817	60,756
Selling, general and administrative expenses		
Packaging freight charge	1,867	1,848
Advertising expense	12,309	7,913
Sales promotion expense	100	59
Provision for allowance for doubtful accounts	-	36
Compensation for directors	607	572
Salaries	14,105	14,148
Provision of reserve for bonuses	1,483	2,193
Net periodic pension costs	1,484	1,088
Provision to reserve for directors' retirement benefits	12	17
Welfare expense	1,710	1,846
Rental expense	1,554	1,652
Commissions paid	7,588	9,596
Depreciation and amortization	2,091	2,512
Other	7,984	6,726
Total selling, general and administrative expenses	52,899	50,213
Operating income (loss)	(6,081)	10,543
Non-operating income		
Interest income	100	116
Dividends received	9	6
Rental income	14	18
Foreign exchange loss	1,620	1,798
Miscellaneous income	114	210
Total non-operating income	1,858	2,150
Non-operating expenses		
Interest expenses	98	93
Commissions paid	53	52
Miscellaneous loss	3	13
Total non-operating expenses	155	159
Recurring income (loss)	(4,378)	12,534

Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Extraordinary gain		
Gain on sale of property and equipment	2	2
Gain on sale of investment securities	8	24
Gain on liquidation of subsidiaries and affiliates	76	-
Gain on reversal of subscription rights to shares	445	35
Compensation income	-	351
Other	120	-
Total extraordinary gain	653	413
Extraordinary loss		
Loss on sale of property and equipment	58	7
Loss on disposal of property and equipment	213	130
Impairment loss	939	158
Provision of allowance for game arcade closings	60	153
Loss on disposal of content	3,696	-
Loss on evaluation of content	4,834	1,725
Other	1,407	607
Total extraordinary loss	11,210	2,783
Income (loss) before dividends distribution from silent partnership, income taxes (tokumei-kumiai)	(14,934)	10,164
Dividends distribution from silent partnership (tokumei-kumiai)	13	26
Income (loss) before income taxes and minority interests	(14,948)	10,137
Income taxes-current	957	2,807
Deferred income taxes	(2,208)	715
Total income taxes	(1,250)	3,522
Income (loss) before minority interests	(13,697)	6,615
Minority interests income	17	16
Net income (loss)	(13,714)	6,598

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income (loss) before minority interests	(13,697)	6,615
Other comprehensive income		
Valuation difference on available-for-sale securities	(66)	195
Foreign currency translation adjustment	1,882	2,234
Other comprehensive income	1,815	2,430
Comprehensive income	(11,881)	9,045
(Breakdown)		
Comprehensive income attributable to owners of the parent	(11,995)	8,924
Comprehensive income attributable to minority interests	113	121

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	15,204	44,444	85,320	△ 861	144,108
Changes during the period					
Issuance of new shares					
Dividends from retained earnings			△ 3,452		△ 3,452
Net income (loss)			△ 13,714		△ 13,714
Purchase of treasury stock				△ 1	△ 1
Disposal of treasury stock		△ 0		0	0
Net changes of items other than shareholders' equity					
Total changes during the period	-	△ 0	△ 17,166	△ 0	△ 17,168
Balance at the end of current period	15,204	44,444	68,153	△ 862	126,940

	Accumulated other comprehensive income				Stock acquisition rights	Minority interests in consolidated subsidiaries	Total net assets
	Unrealized gain on revaluation of other investment securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	124	△ 8,696	-	△ 8,572	977	783	137,297
Changes during the period							
Issuance of new shares							
Dividends from retained earnings							△ 3,452
Net income (loss)							△ 13,714
Purchase of treasury stock							△ 1
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	△ 66	1,785	-	1,719	△ 325	113	1,507
Total changes during the period	△ 66	1,785	-	1,719	△ 325	113	△ 15,660
Balance at the end of current period	57	△ 6,911	-	△ 6,853	652	897	121,636

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	15,204	44,444	68,153	△ 862	126,940
Changes during the period					
Issuance of new shares	163	163			327
Dividends from retained earnings			△ 3,453		△ 3,453
Net income (loss)			6,598		6,598
Purchase of treasury stock				△ 8	△ 8
Disposal of treasury stock		△ 0		0	0
Net changes of items other than shareholders' equity					
Total changes during the period	163	163	3,144	△ 7	3,464
Balance at the end of current period	15,368	44,607	71,298	△ 870	130,404

	Accumulated other comprehensive income				Stock acquisition rights	Minority interests in consolidated subsidiaries	Total net assets
	Unrealized gain on revaluation of other investment securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	57	△ 6,911	-	△ 6,853	652	897	121,636
Changes during the period							
Issuance of new shares							327
Dividends from retained earnings							△ 3,453
Net income (loss)							6,598
Purchase of treasury stock							△ 8
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	195	2,130	432	2,758	△ 303	121	2,575
Total changes during the period	195	2,130	432	2,758	△ 303	121	6,039
Balance at the end of current period	253	△ 4,780	432	△ 4,094	348	1,018	127,676

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income (loss) before income taxes and minority interest	(14,948)	10,137
Depreciation and amortization	7,301	6,614
Impairment loss	939	158
Increase (decrease) in allowance for doubtful accounts	(38)	182
Increase (decrease) in provision for bonuses	(245)	760
Increase (decrease) in provision for sales returns	2,375	(214)
Increase (decrease) in provision for retirement benefits	905	-
Increase (decrease) in provision for directors' retirement benefits	10	(66)
Increase (decrease) in provision for loss on store closing	(84)	(66)
Increase (decrease) in net defined benefit liability	-	160
Interest and dividends income	(110)	(123)
Interest expenses paid	98	93
Foreign exchange losses (gains)	(780)	(1,263)
Loss (gain) on sales of investment securities	(8)	(24)
Loss on retirement of noncurrent assets	213	126
Loss on sales of noncurrent assets	58	7
Decrease (increase) in notes and accounts receivable-trade	(9,903)	10,779
Decrease (increase) in inventories	10,933	(2,601)
Increase (decrease) in notes and accounts payable-trade	(927)	317
Decrease (increase) in other current assets	(599)	(4,484)
Decrease (increase) in other noncurrent assets	36	93
Increase (decrease) in other current liabilities	2,213	969
Other, net	1,151	106
Subtotal	(1,409)	21,663
Interest and dividends income received	691	154
Interest expenses paid	(109)	(102)
Payments for extra retirement payments	-	(1,066)
Proceeds from compensation	-	351
Income taxes paid	(3,617)	(1,502)
Income taxes refund	4,555	2,200
Net cash provided by operating activities	110	21,698

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from investing activities		
Payments into time deposits	(2,366)	(2,971)
Proceeds from withdrawal of time deposits	2,353	2,922
Proceeds from sales of investment securities	10	53
Purchase of property and equipment	(10,626)	(4,823)
Proceeds from sales of property and equipment	157	29
Purchase of intangible assets	(1,392)	(566)
Purchase of investments in subsidiaries	(73)	(223)
Proceeds from the liquidation of subsidiaries and affiliates	113	-
Payments for rental deposits	(152)	(354)
Proceeds from collection of rental deposits	2,928	643
Other, net	(139)	(671)
Net cash provided by (used in) investing activities	(9,189)	(5,962)
Cash flows from financing activities		
Proceeds from issuance of common shares	-	47
Purchase of treasury stock	(1)	(8)
Cash dividends paid	(3,444)	(3,446)
Other, net	(35)	(31)
Net cash provided by (used in) financing activities	(3,481)	(3,438)
Effect of exchange rate change on cash and cash equivalents	1,267	2,386
Net increase (decrease) in cash and cash equivalents	(11,293)	14,684
Cash and cash equivalents at the beginning of the year	110,116	98,822
Cash and cash equivalents at end of the year	98,822	113,507

5. Segment Information

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 of comic books, game strategy books and comic magazines 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. Information on sales and income by reporting segment

Fiscal Year Ended March 31, 2013

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
<i>(Millions of yen)</i>							
Sales and operating income							
Net sales							
(1) Sales to outside customers	89,482	44,276	11,086	3,137	147,981	-	147,981
(2) Intersegment sales	0	-	0	127	127	(127)	-
Total	89,482	44,276	11,086	3,264	148,109	(127)	147,981
Segment operating income	44	(353)	2,484	667	2,842	(8,924)	(6,081)
Segment assets	57,927	19,192	5,337	3,065	85,522	116,986	202,509
Other items							
Depreciation and amortization	2,235	4,384	88	23	6,730	570	7,301
Increases in property, plant and equipment and intangible assets	3,339	4,934	199	84	8,558	3,950	12,508

- Notes:
- (1) Segment adjustments (¥8,924 million) include unallocated corporate general and administrative expenses (¥8,965 million).
 - (2) Segment assets adjustment of ¥116,986 million includes unallocated assets of ¥117,043 million. These assets mainly consist of surplus funds (including cash and deposits).
 - (3) Depreciation and amortization adjustment of ¥570 million relates to unallocated corporate assets.
 - (4) The adjustment increase of ¥3,950 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.

Fiscal Year Ended March 31, 2014

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
<i>(Millions of yen)</i>							
Sales and operating income							
Net sales							
(1) Sales to outside customers	94,564	46,952	10,030	3,475	155,023	-	155,023
(2) Intersegment sales	6	-	197	310	514	(514)	-
Total	94,571	46,952	10,228	3,786	155,538	(514)	155,023
Segment operating income	10,709	4,517	2,293	1,115	18,635	(8,091)	10,543
Segment assets	60,708	17,243	4,739	3,772	86,463	130,153	216,617
Other items							
Depreciation and amortization	3,197	2,713	89	27	6,028	585	6,614
Increases in property, plant and equipment and intangible assets	1,839	3,171	2	-	5,014	362	5,376

- Notes:
- (1) Segment adjustments (¥8,091 million) include unallocated corporate general and administrative expenses (¥8,124 million).
 - (2) Segment assets adjustment of ¥130,153 million includes unallocated assets of ¥130,346 million. These assets mainly consist of surplus funds (including cash and deposits).
 - (3) Depreciation and amortization adjustment of ¥585 million relates to unallocated corporate assets.
 - (4) The adjustment increase of ¥362 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. Information on sales by region

Fiscal Year Ended March 31, 2013

	Reporting Segments				Total
	Japan	North America	Europe	Asia	
<i>(Millions of yen)</i>					
Consolidated sales	109,524	14,936	21,588	1,931	147,981

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

Fiscal Year Ended March 31, 2014

	Reporting Segments				Total
	Japan	North America	Europe	Asia	
<i>(Millions of yen)</i>					
Consolidated sales	111,326	21,152	19,732	2,812	155,023

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