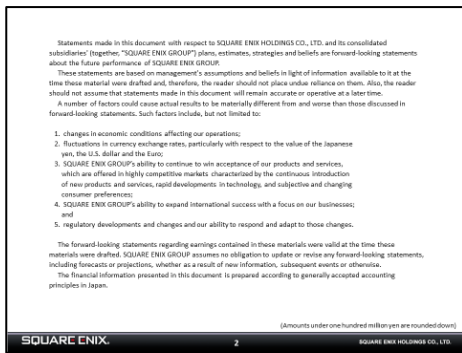


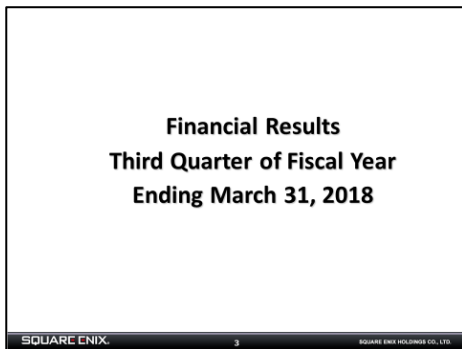
We would now like to begin the Financial Results Briefing Session of SQUARE ENIX HOLDINGS (the “Company”) for the nine-month period ended December 31, 2017 (“1-3Q FY2018/3”).

Today’s presenters are:

Yosuke Matsuda,
President and Representative Director
and
Kazuharu Watanabe,
Chief Financial Officer.



First, Watanabe will give an overview of the Company’s financial results for 1-3Q FY2018/3, and then Matsuda will discuss the progress made by each of the Company’s business segments.



Good afternoon. I’m Kazuharu Watanabe. I will be presenting an overview of the Company’s financial results for 1-3Q FY2018/3.

Consolidated Statement of Income Q3, FY2018/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2017		Fiscal Year Ending March 31, 2018			
	Apr - Dec 2016	Full Year Results	Apr - Dec 2017	Changes	Full Year Forecast	
Net Sales	190.0	256.8	188.0	Δ2.0	240.0	Δ16.8
Operating Income	21.4	31.2	33.7	12.3	26.0	Δ4.2
Operating Income Margin	11.3%	12.2%	18.0%	6.7pt	10.4%	Δ1.2
Ordinary Income	22.0	31.1	34.7	12.7	25.0	Δ6.1
Ordinary Income Margin	11.6%	12.1%	18.5%	6.9pt	10.4%	Δ1.1
Profit attributable to owners of parent	17	20.0	22.3	5.3	16.5	Δ3.5
Depreciation and Amortization	4.6	6.2	3.9	Δ0.7	5.9	Δ0.3
Capital Expenditure	5.1	6.9	5.8	0.7	7.8	0.9

In 1-3Q FY2018/3, the Company booked net sales of ¥188 billion (-1.0% YoY), operating income of ¥33.7 billion (+57.2%), recurring income of ¥34.7 billion (+57.8%), and net income attributable to parent company shareholders of ¥22.3 billion (+30.9%).

Overall, we saw sales decline but income rise YoY.

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Consolidated Statement of Income
Q3, FY2018/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended		Fiscal Year Ending		Changes
	March 31, 2017	Apr - Dec 2018	Apr - Dec 2017	March 31, 2018	
Net Sales		190.0		188.0	▲ 2.0
Digital Entertainment	146.7			143.5	▲ 3.2
Amusement	33.0			31.5	▲ 1.5
Publication	7.2			8.2	1.0
Merchandising	4.7			5.8	1.1
Eliminations or unallocated	-1.3			-1.1	0.2
Operating Income		21.4		19.7	▲ 1.7
Digital Entertainment	21.7			16.3	▲ 5.4
Amusement	3.6			2.5	▲ 1.1
Publication	1.7			1.8	0.1
Merchandising	1.5			1.6	0.1
Eliminations or unallocated	-7.3			-0.5	▲ 6.8
Operating Income Margin		11.3%		10.5%	▲ 0.8pt
Digital Entertainment		14.9%		11.4%	▲ 3.5pt
Amusement		11.1%		8.2%	▲ 2.9pt
Publication		23.7%		22.2%	▲ 1.5pt
Merchandising		33.1%		26.8%	▲ 6.3pt

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I will next break our results down by segment.

The Digital Entertainment segment booked net sales of ¥143.5 billion (–¥2.7 billion YoY) and operating income of ¥36.3 billion (+¥14.6 billion).

In the HD Games sub-segment the line-up of major releases such as “*DRAGON QUEST XI: Echoes of an Elusive Age*” and “*FINAL FANTASY XII: THE ZODIAC AGE*,” was not large enough as the previous year, resulting in a decline in net sales. Income nonetheless grew as high-margin sales of catalog titles such as “*NieR:Automata*” remained brisk, driven by downloads.

The MMO sub-segment saw both sales and income grow as the release of expansion packs for “*FINAL FANTASY XIV*” and “*DRAGON QUEST X*” drove an increase in disk sales and paying subscriber numbers.

In the Games for Smart Devices/PC Browsers sub-segment, existing titles continued to perform well, and royalty revenue grew, driving increases in both sales and income. In November 2017, we launched “*DRAGON QUEST RIVALS*.”

Consolidated Statement of Income
Quarterly Comparison

(Billions of Yen)

	Fiscal Year Ended March 31, 2017			Fiscal Year Ending March 31, 2018		
	Apr - June 2016	July - Sep 2016	Oct - Dec 2016	Apr - June 2017	Jul - Sep 2017	Oct - Dec 2017
Net Sales	51.1	55.1	83.7	66.7	97.0	96.0
Digital Entertainment	37.5	40.7	67.9	52.8	44.1	57.9
Amusement	10.3	10.9	11.7	9.7	8.9	12.1
Publication	2.2	2.2	2.7	2.7	3.3	2.6
Merchandising	1.4	1.8	1.6	1.7	2.1	1.7
Eliminations or unallocated	-0.1	-0.4	-0.3	-0.2	-0.4	-0.2
Operating Income	8.0	2.8	10.3	9.8	12.8	7.9
Digital Entertainment	9.4	2.8	9.6	11.5	13.7	12.8
Amusement	0.8	1.2	1.5	0.8	0.6	1.8
Publication	0.5	0.4	0.7	0.7	0.5	0.4
Merchandising	0.5	0.5	0.4	0.5	0.5	0.3
Eliminations or unallocated	-2.4	-2.7	-2.1	-2.9	-2.6	-2.7

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In the Amusement segment, arcade operations were solid, but a decrease in the number of new amusement machine titles resulted in a decline in both sales and income.

The Publication segment saw both sales and income rise, driven by brisk sales of comic books and growth in e-book sales in particular.

In the Merchandising segment, sales of merchandise such as the figures bundled with the “*FINAL FANTASY XIV*” expansion disk and the “*FINAL FANTASY TRADING CARD GAME*” were brisk, but due to an increase in advertisement costs, income fell despite higher sales.

This concludes my overview of our financial results.

Consolidated Balance Sheet
Summary as of Dec 31, 2017

(Billions of Yen)

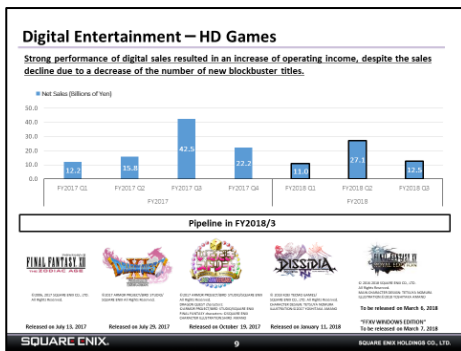
Account	<Assets>			<Liabilities and Net Assets>			
	09/2017	12/2017	Changes	Account	09/2017	12/2017	
Cash and deposits	129.9	130.8	1.5	Notes and accounts payable	14.2	14.0	▲ 0.2
Notes and accounts receivable	26.0	24.3	▲ 1.7	Short-term loans	8.4	9.1	0.7
Inventories	3.1	3.8	0.7	Provision for sales returns	6.1	4.4	▲ 1.7
Content production account	34.5	48.8	14.3	Others	26.5	27.0	0.5
Others	15.9	10.4	▲ 5.5	Total Current Liabilities	55.4	54.6	▲ 0.8
Total Current Assets	209.0	214.4	5.4	Non-current Liabilities	6.5	7.5	1.0
Property and equipment	14.2	13.8	▲ 0.4	Total Liabilities	61.9	62.1	0.2
Intangible Assets	4.7	5.0	0.3	Total Shareholders' Equity	187.7	192.8	5.1
Investments and other assets	15.8	16.6	0.8	Others	-3.8	-3.1	0.7
Total Non-current Assets	34.8	37.4	2.6	Total Net Assets	183.9	188.6	4.7
Total Assets	243.8	251.8	8.0	Total Liabilities and Net Assets	243.8	251.8	8.0

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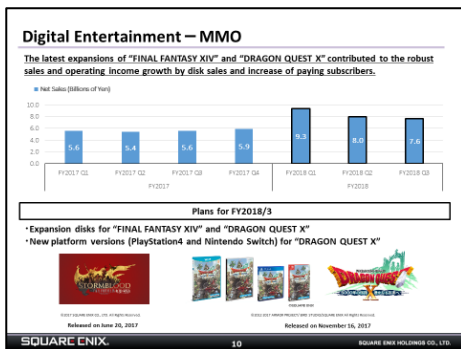
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I am Yosuke Matsuda. I will be discussing the progress we made in each business segment.



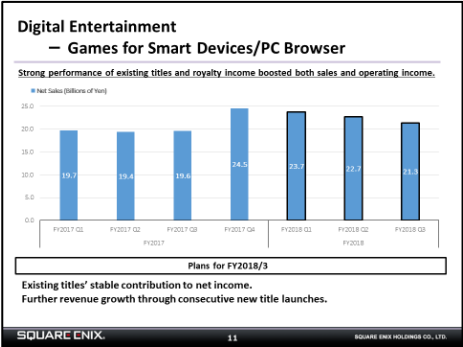
I will start with the HD Games sub-segment, where sales declined YoY in 3Q due to a weak line-up of major new releases. However, the sub-segment’s operating margin improved significantly thanks to brisk digital sales in Western markets during the year-end holiday season, and to decreased development cost amortization.

Brisk digital sales are contributing to our income lines, as our efforts at creating a business model that amply leverages our catalog assets are beginning to produce results. “*NieR:Automata*,” which we released last February, is a prime example of that.

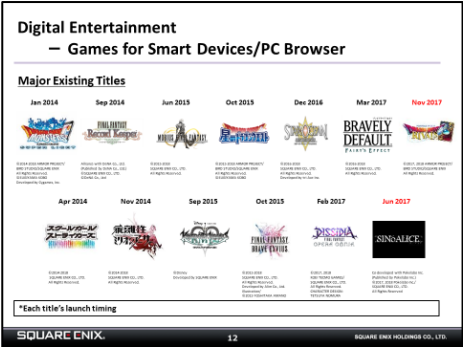


Earnings at the MMO sub-segment were stable thanks to solid monthly subscription revenue from the “FINAL FANTASY XIV: STORMBLOOD” expansion pack, and to growth in disk sales spurred by the launch of the “DRAGON QUEST X” expansion pack.

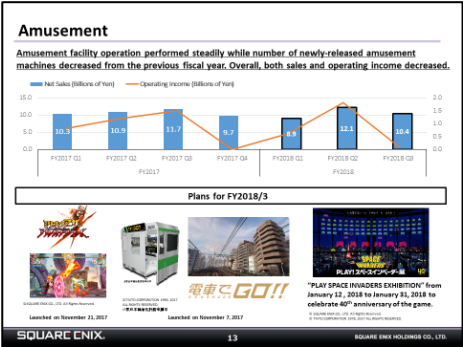
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The Games for Smart Devices/PC Browsers sub-segment delivered a weaker performance than it had in the previous quarter. We launched "DRAGON QUEST RIVALS," but due to its nature as a card game, sales rise sharply when new cards are released and decline when they are not. We see this as a challenge we need to work on going forward.

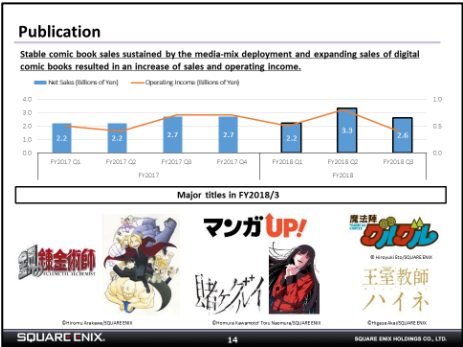


We had targeted sub-segment sales of ¥100 billion for FY2018/3, but that figure is looking difficult to reach. We intend to increase the success rate of our titles so that we can achieve full-year sales in excess of ¥100 billion in FY2019/3 or thereafter.



In the Amusement segment, arcade operations were solid, but machine sales were down following a strong performance the previous year, resulting in a decline in both sales and income.

We released "DENSHA DE GO!!" in November, and while the title has been well received by core fans, we have shipped fewer units than we had planned. Given the importance of this piece of IP, we are planning a variety of initiatives to ensure that it remains highly playable over the long term.



Both sales and income rose in the Publishing segment, where we saw smooth growth in the percentage of sales generated on digital platforms. We believe it will be key to conduct promotions on our "MANGA UP!" app in order to increase our registered user and DAU (daily active user) numbers.

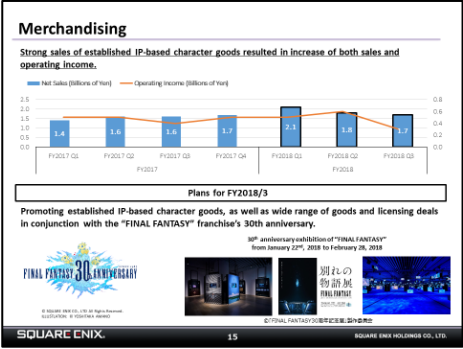
We are also engaging in new initiatives such as a collaboration we have begun with pixiv Inc. in order to

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identify new talent. In addition, we see the successful adaptation of Publication contents into smartphone games as a challenge for FY2019/3.

Sales rose YoY in the Merchandising segment. We have leveraged events commemorating the 30th anniversary of “FINAL FANTASY” to drive brisk sales of character merchandise and other products.



SQUARE ENIX | Reference Materials
Nine-Month Period
Ended December 31, 2017

February 6, 2018
SQUARE ENIX HOLDINGS CO., LTD.

I would like to close by discussing our outlook for consolidated earnings. We are making no revisions to our earnings forecast at the present time. We are currently deliberating about our launch schedule for major titles in the HD Games sub-segment for FY2019/3 and beyond. The timing of major releases has a significant impact on both sales volumes and advertising costs, and also affects how we value our content production account. As such, we believe the schedule warrants close and careful consideration, and we therefore leave our earnings forecast untouched as of the end of 3Q FY2018/3. This decision makes no change to our dividend policy, which calls for a consolidated payout ratio of 30%.

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SQUARE ENIX HOLDINGS CO., LTD.

3Q FY2018/3 Financial Results Briefing Session Q&A

Date/Time: February 6, 2018 (Tue) 6:00-7:00pm (JST)

On behalf of the Company: Yosuke Matsuda, President and Representative Director

Q&A

Q: How did income lines at each of the Digital Entertainment sub-segments trend in 3Q versus 2Q?

A: There was essentially no change in the margin at the HD Games sub-segment. The MMO sub-segment had generated a margin of just under 50% in 2Q since the release of expansion packs drove a rise in subscriber numbers, but the margin returned to its average level of just under 40% in 3Q. The Games for Smart Devices/PC Browsers sub-segment had seen its margin decline in 2Q due to the write-down of our content production account, but the margin recovered to more than 20% in 3Q.

Q: You seem to be experiencing a lower success rate with your mobile games. What sort of initiatives do you have in mind to help you achieve ¥100 billion in sales at the Games for Smart Devices/PC Browsers sub-segment in FY2019/3 or thereafter?

A: For a higher percentage of our games to be hits, we need to produce games that are fun to play, so we will carefully vet a variety of options and invest aggressively. We will also be proactive in rolling out games that have proven successful in Japan to our overseas markets.

Q: Why was the margin for the Games for Smart Devices/PC Browsers sub-segment down in 3Q versus 2Q if we eliminate the effect of the 2Q write-down of the content production account?

A: The margin was down slightly in 3Q because we incur advertising costs associated with the year-end holiday season before we actually launch the games or post sales from them.

Q: It seems sales of "DISSIDIA FINAL FANTASY NT" are currently below target, but will you be able to make a profit on the title?

A: Initial sales have not reached the level we had first expected, but since this is a game geared toward multiplayer gaming experience, post-launch initiatives are key. We expect that repeat sales will grow by our hosting events and other initiatives going forward.

Q: Your content production account stood at over ¥40 billion at the end of 3Q. If there were to be any write-downs going forward, in which segment would you expect them?

A: We determine the value of our content production account based on a detailed assessment of all the relevant factors, including game quality and launch timing. We intend to finalize the launch schedule for our major HD Game titles in FY2019/3 and beyond based on a close and careful assessment of competing titles' trends and release dates. Smart device titles that we determine to be challenging to run could be subject to write-downs.

Q: What is behind the decline in income levels at the Amusement segment in 3Q?

A: Sales of "DENSHA DE GO!!" machines were below our initial outlook, which did not fully cover the title's depreciation charges.

Q: What did digital sales look like in the HD Games sub-segment in 3Q?

A: We generated around 56% of our HD Games sales via digital, with a breakdown of around 37% for full games and around 20% for add-on contents. The percentage of digital sales exceeded 50% in 3Q because we did not launch any major titles, which tend to generate a strong percentage of box sales. Our holiday season sales went well, which drove a rise in the percentage of digital sales.

Q: The launch of "FINAL FANTASY XV" generated knock-on benefits that extended to areas such as mobile games and MMO. Can we expect to see something similar from "DRAGON QUEST XI," which you launched this fiscal year?

A: We would like to explore various possibilities regarding how to leverage our "DRAGON QUEST XI" assets and what derivative products we might offer. Please look forward to future announcements.