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# **FY2006 Nine-Month Period Results Briefing Session**

**SQUARE ENIX®**

**January 30, 2007**

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

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. our 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. our ability to expand internationally successfully with a focus on our digital content business, online game business and mobilephone content business; 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 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.

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# FY2006 Nine-Month Period Results

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## Balance Sheet as of December 31, 2006

Millions of Yen

		As of September 30, 2006		As of December 31, 2006		Change
			%		%	
	Current Assets	136,924	65%	136,854	66%	(70)
	Non-Current Assets	75,206	35%	71,644	34%	(3,562)
<b>Total</b>		<b>212,130</b>	<b>100%</b>	<b>208,498</b>	<b>100%</b>	<b>(3,632)</b>
	Current Liabilities	35,762	17%	27,346	13%	(8,416)
	Non-Current Liabilities	53,259	25%	53,011	25%	(248)
	<b>Total Liabilities</b>	<b>89,021</b>	<b>42%</b>	<b>80,357</b>	<b>39%</b>	<b>(8,664)</b>
	Net Asset	123,109	58%	128,141	61%	5,032
<b>Total</b>		<b>212,130</b>	<b>100%</b>	<b>208,498</b>	<b>100%</b>	<b>(3,632)</b>

# FY2006 Nine-Month Period Results

## Statement of Income from April to December 2006

Millions of Yen

	(for reference)  April 1, 2006 to September 30, 2006	Nine months period ended December 30, 2006		(for reference)		(for reference)  FY2005
		October 1, 2006 to December 31, 2006	April 1, 2006 to December 31, 2006	FY2006 Projections	Previous projections	
Net Sales	75,959	47,076	123,035	160,000	(150,000)	124,473
Operating Income	9,169	10,487	19,656	22,000	(19,000)	15,470
Operating Margin	12%	22%	16%	14%	(13%)	12%
Recurring Income	9,400	10,828	20,228	22,000	(19,000)	15,547
Net Income	3,319	5,776	9,095	11,000	(11,000)	17,076

# FY2006 Nine-Month Period Results

## Results by Segment

The nine-month period ended December 31, 2006

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	40,298	10,568	4,396	8,135	56,369	3,267		123,035
Operating Income	13,824	4,998	724	2,555	(754)	1,297	(2,989)	19,656
Operating Margin	34.3%	47.3%	16.5%	31.4%	(1.3)%	39.7%	–	16.0%

For reference; FY2005

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	45,916	15,720	5,067	9,742	41,069	6,957		124,473
Operating Income	9,590	5,907	726	2,866	(1,170)	2,007	(4,457)	15,470
Operating Margin	20.9%	37.6%	14.3%	29.4%	(2.8)%	28.8%	–	12.4%

## FY2006 Nine-Month Period Results Sales by Region

Thousand Units

	Japan	North America	Europe (PAL)	Asia, etc.	Total
<b>FY2006 Projections</b>	<b>5,640</b>	<b>5,520</b>	<b>1,890</b>	<b>60</b>	<b>13,110</b>
<b>%</b>	<b>43.0%</b>	<b>42.1%</b>	<b>14.4%</b>	<b>0.5%</b>	<b>100.0%</b>

(for reference)

Thousand Units

	Japan	North America	Europe (PAL)	Asia, etc.	Total
<b>FY2005</b>	<b>7,860</b>	<b>3,510</b>	<b>820</b>	<b>40</b>	<b>12,230</b>
<b>%</b>	<b>64.3%</b>	<b>28.7%</b>	<b>6.7%</b>	<b>0.3%</b>	<b>100.0%</b>

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