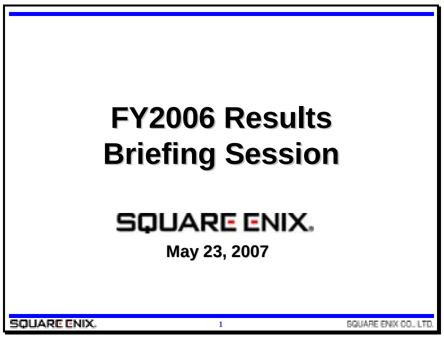
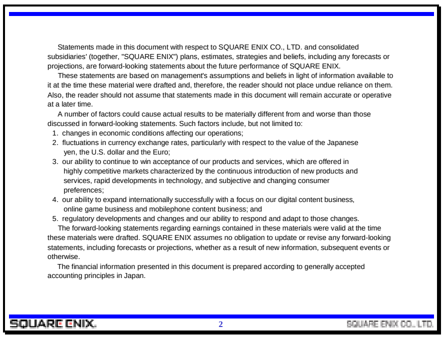


Please let me begin our briefing on the results recorded by Square Enix for the fiscal year ended March 31, 2007.



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.

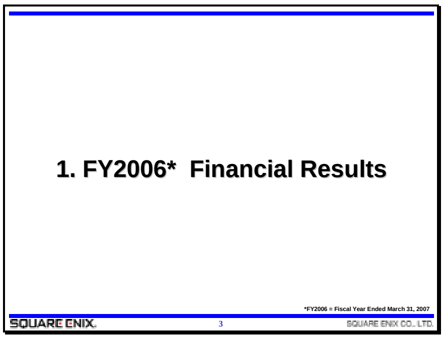
A number of factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include, but not limited to:

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.

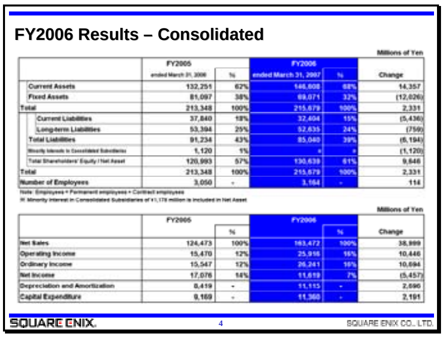
The forward-looking statements regarding earnings contained in these materials were valid at the time these materials were drafted. SQUARE ENIX assumes no obligation to update or revise any forward-looking statements, including forecasts or projections, whether as a result of new information, subsequent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

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

SQUARE ENIX. 2 SQUARE ENIX CO., LTD.



A summary of the results is shown on the slides. In explaining the details, I will use the Summary of Consolidated Financial and Operating Results for FY2006.



FY2006 Results – Consolidated

Millions of Yen

	FY2005 ended March 31, 2006	%	FY2006 ended March 31, 2007	%	Change
Current Assets	132,251	62%	146,608	68%	14,357
Fixed Assets	81,097	38%	69,071	32%	(12,026)
Total	213,348	100%	215,679	100%	2,331
Current Liabilities	37,840	18%	32,404	15%	(5,436)
Long-term Liabilities	53,394	25%	52,635	24%	(759)
Total Liabilities	91,234	43%	85,040	39%	(6,194)
Minority Interests in Consolidated Subsidiaries	1,120	1%	-	-	(1,120)
Total Shareholders' Equity / Net Asset	120,993	57%	130,639	61%	9,646
Total	213,348	100%	215,679	100%	2,331
Number of Employees	3,050	-	3,164	-	114

Note: Employees = Permanent employees + Contract employees
※ Minority interest in Consolidated Subsidiaries of ¥1,178 million is included in Net Asset

Millions of Yen

	FY2005	%	FY2006	%	Change
Net Sales	124,473	100%	163,472	100%	38,999
Operating Income	15,470	12%	25,916	16%	10,446
Ordinary Income	15,547	12%	26,241	16%	10,694
Net Income	17,076	14%	11,619	7%	(5,457)
Depreciation and Amortization	8,419	-	11,115	-	2,696
Capital Expenditure	9,169	-	11,360	-	2,191

SQUARE ENIX. 4 SQUARE ENIX CO., LTD.

To provide a brief overview of results, in the Games segment, major titles such as *FINAL FANTASY XII* and *KINGDOM HEARTS II* sold well overseas. In Japan, sales of *DRAGON QUEST MONSTERS-Joker*, *FINAL FANTASY III*, and so on for handheld gaming devices were strong. Profits in other business segments also increased. As a consequence, recurring income hit a record post-merger high.

Another feature of the results for the term under review is that we completed the actions necessary for this and forthcoming terms, including the restructuring of TAITO Corporation.

Based on the operating results, we will propose to the shareholders' meeting an increase in our annual dividend of ¥5, to ¥35, as already announced.

As you see on page 1 of the Summary of Financial Results, consolidated net sales amounted to ¥163,472 million, operating income ¥25,916 million, recurring income ¥26,241 million, and net income ¥11,619 million after posting an extraordinary profit and loss.

Non-consolidated recurring income was ¥19,694 million, and net income ¥18,164 million.

If you look at the balance sheet on page 13 of the Summary of Financial Results, you will notice that total assets at the end of the term ended March 31, 2006 were ¥213,348 million and those at the end of the term ended March 31, 2007 ¥215,679 million. There was no material change in the amount of total assets, however the structure of the assets changed significantly, to become more healthy one. Cash and deposits increased about ¥24 billion, from ¥75,257 million to ¥99,852 million, and total shareholders' equity rose about ¥10 billion. Although the size of the balance sheet did not change, earnings are being properly retained.

Let me explain the main points of the downsizing. In property and equipment, buildings and structures fell from ¥7,148 million to ¥5,962 million, amusement equipment from ¥13,440 million to ¥10,798 million, land from ¥5,516 million to ¥5,404 million, and construction in progress from ¥159 million to ¥91 million. Moreover, security deposits decreased from ¥17,361 million to ¥14,198 million, construction cooperation funds from ¥2,158 million to ¥1,886 million. Although claims in bankruptcy rose from ¥2,240 million to ¥5,065 million, this rise is a result of a transfer from security deposits and is almost offset by an increase in allowance for doubtful accounts, from ¥4,738 million to ¥5,515 million.

Buildings and structures, construction in progress, security deposits, construction cooperation funds and other items fell because of outlet closings in the Amusement segment. The Company removed part of its amusement equipment so that overall its equipment would be relatively new.

The allowance for doubtful accounts is accumulated in anticipation of a withdrawal from unprofitable businesses.

As I have explained, we have completed the necessary processing, through comprehensive measures.

Almost all of the processing is recorded as an extraordinary loss in the statement of income.

Almost all of this is book loss. Cash outflows from these measures were about ¥2 billion.

I am going to give a supplementary explanation about assets. Goodwill declined from ¥23.4 to ¥20.2. Although an annual amount of an 20-year amortization of goodwill relating to the acquisition of TAITO Corporation is a little more than ¥1 billion, extraordinary amortization of ¥1,831 million was recorded for the amortization of goodwill relating to the commercial karaoke machines business, which was sold in the first half of the fiscal year, making the decline about ¥3 billion.

In relation to the sale of the commercial karaoke machines business, a gain on divestiture of business of ¥2,697 million was recorded as an extraordinary gain. The amount is the difference between the book value and selling price, and you can see the selling price of ¥4,514 million for the proceeds from the divestiture of business in the cash flow statement. These figures show that the Company sold the business at ¥4.5 billion and gained ¥2.6 billion from the divestiture.

The sale of the commercial karaoke machines business is reflected in three accounts, including an accelerated amortization of goodwill of ¥1,831 million in extraordinary losses.

If you look at liabilities, you will see an allowance for losses on the closure of game arcades of ¥2,973 million.

I would like to note that capital increased with the accumulation of cash and that the other items in assets was downsized without the overall scale of assets being changed.

Regarding our statements of income, I would like to explain the extraordinary gain and loss first and touch on operating results by segment later.

For the term ended March 31, 2006, the Group recorded an impairment loss of ¥4,426 million and an extraordinary loss on inventory write-offs of ¥1,652 million as an extraordinary loss (in addition to a loss on the write-off of content production accounts, a loss on inventory evaluations, and other items under non-operating expenses). This represents a realignment of the Square Enix businesses.

In the term ended March 31, 2007, we in turn undertook three major financial procedures in relation to the TAITO business. First, we closed down unprofitable arcades that were not expected to generate much cash. Second, we withdrew from unprofitable businesses. Third, we carried out a modest cutback in the number of personnel.

I have already described the procedures related to the first point, the closure of arcades, including the recording of a loss on the disposal of property and equipment, the provision of an allowance for game arcade closings, and other actions.

Regarding the second point, we aggressively closed or streamlined unprofitable businesses. We also disposed of remaining effective bad debts. These operations are reflected in the loss on disposal and write-down of assets associated with business restructuring of ¥2,275. The provision of an allowance for doubtful accounts includes accounts related to both arcades and business closures.

For the third point, the personnel cutbacks, we recorded severance payments associated with business restructuring of ¥925 million. On the other hand, since about 170 employees took early retirement, we recorded a reversal of allowance for retirement benefits of ¥465 million as an extraordinary gain to adjust retirement benefits for the early leavers.

Though we performed the above accounting procedures related to arcades, businesses and human resources, actual cash outflows were the severance payments associated with business restructuring and part of disposal losses, which ultimately amounted to about ¥2 billion as already mentioned.

This result in a significant difference between the statements of income and cash flows.

In the last briefing, I mentioned we would close about 20% of arcades, and there were 225 arcades at that time. The number of arcades will be 187 when the planned closures are completed.

The actual number of arcades now is 203. An allowance was recorded for arcade closures of the 187 for the term ended March 31, 2007.

This concludes my explanation of the accounting procedures performed in relation to the TAITO business to enable us to make a fresh start.

FY2006 Results by Segment – Consolidated

1. FY2006 — Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	51,316	13,660	7,767	11,208	75,702	3,978	(161)	163,472
Operating Expenses	34,968	6,893	4,753	7,604	76,064	2,666	4,614	137,556
Operating Income	16,348	6,767	3,013	3,603	(361)	1,311	(4,776)	25,916
Operating Margin	31.9%	49.5%	38.8%	32.1%	(0.5%)	33.0%	-	15.9%

2. FY2005 — Millions of Yen

	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 Expenses	36,326	9,812	4,341	6,875	42,240	4,949	4,457	109,003
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%

3. Change(1 - 2) — Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	5,400	(2,060)	2,700	1,466	34,633	(2,979)	(161)	38,999
Operating Expenses	(1,358)	(2,919)	412	729	33,814	(2,283)	157	28,552
Operating Income	6,758	860	2,287	737	819	(696)	(319)	10,446

SQUARE ENIX 5 SQUARE ENIX CO., LTD.

I would now like to brief you on our results by segment. Please see the pages starting page 41 of the Summary of Consolidated Financial and Operating Results for FY2006.

In the Games segment, operating income for the fiscal year ended March 2006 was at the level shown because of heavy costs in domestic operations. However, in the year ended March 2007, we released major titles overseas and titles derived from mainstay products sold for handheld gaming devices in Japan. As a consequence, sales amounted to ¥51,316 million, and operating income became ¥16,348 million.

When we look at unit sales, of 16,930 thousand units sold in the year ending March 2007, 7,210 thousand were sold in Japan, which means more units were sold in overseas markets than in Japan. In the past, overseas unit sales exceeded 50% of total unit sales when large numbers of major titles were released overseas. However, this has been the first time that overseas unit sales exceeded domestic unit sales by this margin. The main factor is that the Company began to publish titles on its own in North America and Europe in addition to the releases of major titles. What happens when we begin to publish titles on our own? We get to sell catalogue titles, which contributes to income. Until the previous fiscal year, we granted sales licenses to licensees in Europe. There is a significant difference in energy levels between the Company and licensees when it comes to selling titles, and the difference has a major impact on sales.

This is a critical point for our future overseas operations, and I will come back to it later. You see here that our own publishing had an impact on sales figures.

The Online Games segment remains strong. Income is growing steadily.

Unfortunately, however, most sales still depend on *FINAL FANTASY XI*. We began new initiatives towards the end of the fiscal year ended March 2007, including the introduction of item billing and the granting of licenses to third parties. We expect that the initiatives will make some contribution to income this fiscal year and will produce positive outcomes in the next term. Although we do not plan to release a major title this year, we are looking forward to launches next year and the year after. Overall, we expect steady growth in this segment.

In the Mobile Phone Content segment, income fell in the fiscal year ended March 2006 because anticipatory investment did not produce positive results. In the year ended

March 2007, however, we turned the business around to some extent and we are getting back on track.

The Publication segment makes a steady contribution to profits. Recently we promoted cross-media strategies and successfully developed comics by taking advantage of animation, CDs, DVDs and other media. This business is growing steadily.

In the Amusement segment, all TAITO results are included.

Although TAITO engages in the management of arcades, the manufacture and sale of arcade game machines, mobile phone content, and other businesses, we recognize the results of all these operations as one business segment called the Amusement segment.

For the fiscal year ended March 2007, we unfortunately recorded an operating loss of ¥351 million. However, TAITO's operating results are already profitable, taking amortization of goodwill of more than ¥1 billion into consideration.

As a result of the above performance, consolidated sales amounted to ¥163,472 million, operating income was ¥25,916 million, and the operating margin stood at 15.9%.

This concludes my explanation on our results by segment for the fiscal year ended March 2007.

I am pleased to conclude that we produced positive results in every segment for the fiscal year. And we have completed all of the financial procedures required for us to make a fresh start in the Amusement segment.

FY2006 Results – Sales by Region

Millions of Yen

Region	FY2005	%	FY2006	%	Change
Japan	104,433	84%	125,848	77%	21,415
North America	15,635	13%	23,801	15%	8,166
Europe (PAL)	1,378	1%	12,271	7%	10,893
Asia, etc.	3,025	2%	1,551	1%	(1,474)
Total	124,473	100%	163,472	100%	38,999

SQUARE ENIX. 6 SQUARE ENIX CO., LTD.

Next, I would like to talk about overseas sales.

Overseas sales increased and income improved after we began to publish titles on our own. However, overseas sales still account for only a small portion of total sales, or less than 25%. Our challenge is to get overseas sales to make a greater contribution to sales and profit. We believe there is still room for growth in overseas markets.

FY2006 Results – Unit Sales

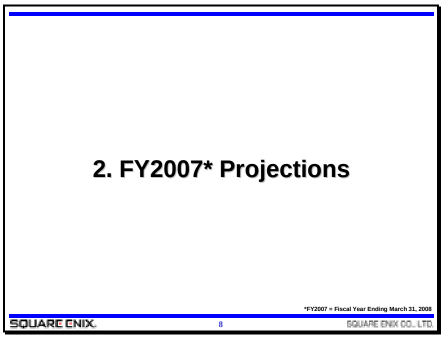
Thousand Units

	Japan	North America	Europe (PAL)	Asia, etc.	Total
FY2006	7,210	6,150	3,500	70	16,930
%	43%	36%	21%	0%	100%
FY2005	7,860	3,510	820	40	12,230
%	64%	29%	7%	0%	100%
Change	(650)	2,640	2,680	30	4,700

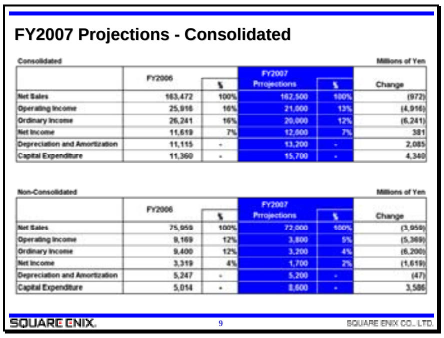
SQUARE ENIX. 7 SQUARE ENIX CO., LTD.

This slide shows unit sales performance.

That completes our review of the results for the fiscal year ended March 2007.



Let me move on now, to explain our business plan for the term ending March 31, 2008.



FY2007 Projections - Consolidated

Consolidated — Millions of Yen

	FY2006	%	FY2007 Projections	%	Change
Net Sales	163,472	100%	162,500	100%	(972)
Operating Income	25,916	16%	21,000	13%	(4,916)
Ordinary Income	26,241	16%	20,000	12%	(6,241)
Net Income	11,619	7%	12,000	7%	381
Depreciation and Amortization	11,115	-	13,200	-	2,085
Capital Expenditure	11,360	-	15,700	-	4,340

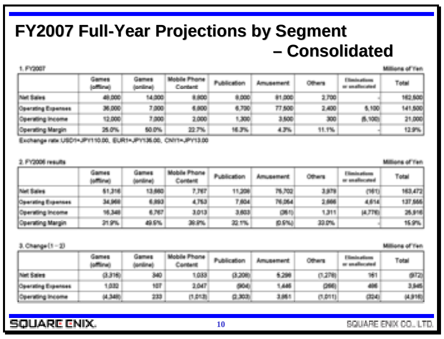
Non-Consolidated — Millions of Yen

	FY2006	%	FY2007 Projections	%	Change
Net Sales	75,959	100%	72,000	100%	(3,959)
Operating Income	9,169	12%	3,800	5%	(5,369)
Ordinary Income	9,400	12%	3,200	4%	(6,200)
Net Income	3,319	4%	1,700	2%	(1,619)
Depreciation and Amortization	5,247	-	5,200	-	(47)
Capital Expenditure	5,014	-	8,600	-	3,586

SQUARE ENIX. 9 SQUARE ENIX CO., LTD.

We expect that sales will hold steady, and that operating income and recurring income will be ¥21 billion and ¥20 billion, respectively.

We plan to increase capital expenditure slightly for investment in the Amusement segment and in development equipment in the Games segment.



FY2007 Full-Year Projections by Segment – Consolidated

1. FY2007 — Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	48,000	14,000	8,800	8,000	81,000	2,700	-	162,500
Operating Expenses	36,000	7,000	6,800	6,700	77,500	2,400	5,100	141,500
Operating Income	12,000	7,000	2,000	1,300	3,500	300	(5,100)	21,000
Operating Margin	25.0%	50.0%	22.7%	16.3%	4.3%	11.1%	-	12.9%

Exchange rate: USD1=JPY110.00, EUR1=JPY136.00, CNY1=JPY13.00

2. FY2006 results — Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	51,316	13,660	7,767	11,206	75,702	3,979	(161)	163,472
Operating Expenses	34,968	6,893	4,753	7,604	76,064	2,666	4,614	137,556
Operating Income	16,348	6,767	3,013	3,603	(361)	1,311	(4,776)	25,916
Operating Margin	31.9%	49.5%	38.8%	32.1%	(0.5%)	33.0%	-	15.9%

3. Change (1 - 2) — Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	(3,316)	340	1,033	(3,206)	5,298	(1,279)	161	(972)
Operating Expenses	1,032	107	2,047	(904)	1,436	(266)	486	3,944
Operating Income	(4,348)	233	(1,013)	(2,303)	3,861	(1,011)	(324)	(4,916)

SQUARE ENIX. 10 SQUARE ENIX CO., LTD.

This slide shows projections by segment.

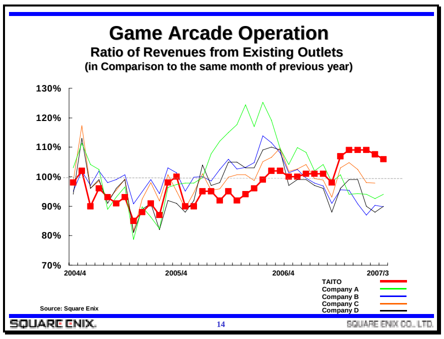
As usual, projections for the Games segment are not the accumulation of projections for each title. Our operating margin will fall slightly. The point is that the rate of profit decline is larger than the rate of revenue decline. This is because figures for new platforms are large and are yet to be calculated, and the marginal income ratio has fallen slightly because of an increasing number of game titles for handheld gaming devices.

We expect that margins will not rise in the year ending March 2008, for the above reasons.

Performance in the Online Games segment and Mobile Phone Content segment is projected to remain largely unchanged.

In the Publication segment, the performance of comics was good, and we launched strategy guide books for major titles in the fiscal year ended March 2007. Since the margin on strategy guide books is high, the product mix was strong.

Our plan for the year ending March 2008 incorporates only to a limited extent the effect of strategy guide books. Whether we will actually publish strategy guide books or not, we do not count on their high margins in the profit plan. We do not expect much from comics, including animations, in the plan at the beginning of the term, since although performance was good in April, future results are difficult to predict.



We expect sales and earnings shown on the slide in the Amusement segment, covering the amortization of goodwill of ¥1 billion.

The year-on-year comparison of revenues from existing outlets has been highest in the industry since last summer.

This is a leading indicator showing the change in motivation and business situation. We have hitherto refrained from opening new outlets, but plan to do so from the middle of the year. Since we will not open many new outlets in the first half of the fiscal year, there will be no significant change in the full year. However, since the nature of existing outlets has clearly changed, we expect income of ¥3.5 billion in the Amusement segment.

For the Others segment, CG content contributed significantly to income up to the previous term. However, no large project is planned for the time being, and the plan reflects this situation.

As a consequence, we plan consolidated operating income of ¥21 billion.

FY2007 Projections – Unit Sales

Thousand Units

	Japan	North America	Europe (PAL)	Asia, etc.	Total
FY2006 Projections	7,900	3,550	3,550		15,000
%	53%	24%	24%	0%	100%
FY2005	7,210	6,150	3,500	70	16,930
%	43%	36%	21%	0%	100%
Change	690	(2,600)	50	(70)	(1,930)

SQUARE ENIX. 11 SQUARE ENIX CO., LTD.

This slide shows our unit sales projections for the term ending March 2008 for reference.

FY2007 First-Half Period Projections by Segment – Consolidated

1. FY2007 First-Half Period

Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	19,000	5,300	3,800	3,800	39,000	1,100		72,000
Operating Expenses	17,000	2,700	3,200	3,400	38,200	1,000	2,700	68,200
Operating Income	2,000	2,600	600	400	800	100	(2,700)	3,800
Operating Margin	10.5%	49.1%	15.8%	10.5%	2.1%	9.1%	-	5.3%

Exchange rate: USD1=JPY115.00, EUR1=JPY150.00, CNY1=JPY15.00

2. FY2006 First-Half Period results

Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	19,186	7,679	2,907	5,426	38,144	2,616	-	75,958
Operating Expenses	14,875	4,367	2,204	3,659	38,472	1,104	2,106	66,790
Operating Income	4,311	3,311	703	1,767	(328)	1,511	(2,106)	9,169
Operating Margin	22.5%	43.1%	24.2%	32.6%	(0.9%)	57.8%	-	12.1%

3. Change (1 - 2)

Millions of Yen

	Games (offline)	Games (online)	Mobile Phone Content	Publication	Amusement	Others	Eliminations or unallocated	Total
Net Sales	(186)	(2,379)	893	(1,626)	856	(1,516)		(3,958)
Operating Expenses	2,125	(1,667)	996	(259)	(272)	(104)	594	1,410
Operating Income	(2,311)	(711)	(103)	(1,367)	1,128	(1,411)	(594)	(5,369)

SQUARE ENIX. 12 SQUARE ENIX CO., LTD.

This shows first-half period projections by segment for reference.

Midterm Target Recurring Income: ¥50 billion

Millions of Yen

	FY2003	2004	2005	2006	2007E	2010E
Games (Offline)	16,404	19,649	9,590	16,348	12,000	20,000
Games (Online)	2,348	4,986	5,907	6,767	7,000	10,000
Mobile Phone Content	1,159	1,738	726	3,013	2,000	3,000
Publication	3,180	3,411	2,866	3,603	1,300	4,000
Others	1,027	782	2,007	1,311	300	1,000
Eliminations or Unallocated	(4,722)	(4,131)	(4,457)	(4,776)	(5,100)	(5,000)
Total	19,396	26,438	16,640	26,267	17,500	25,000 ~35,000
Amusement	* 5,823	* 2,907	(1,170) * 905	(351)	3,500	5,000 ~15,000
Recurring Income	18,248	25,901	15,547	26,241	20,000	50,000

* Operating income of TAITO before acquisition

FY: fiscal year ends March 31 In the following calendar year

SQUARE ENIX. 13 SQUARE ENIX CO., LTD.

Our mid-term target recurring income is ¥50 billion.

When Enix and Square merged, we originally planned to develop Square Enix in two steps. In the first step, we planned to build a structure that would consistently generate recurring income of ¥20 to ¥30 billion in three to four years, starting from a recurring income of ¥15 billion, which was calculated simply by adding the recurring income of Enix and that of Square. In the second step, we intended to raise the recurring income to ¥50 billion over the following three to four years. As you see on the slide, we have almost reached the point where we can earn a recurring income of ¥20 to ¥30 billion constantly.

Market capitalization, which was between ¥100 billion and ¥200 billion at the time of the merger, has risen to between ¥300 to ¥400 billion. Our stock price is now between ¥3,000 and ¥4,000. If we calculate from these figures, recurring income is ¥20 billion to ¥30 billion, and the PER is 20 to 30. This means that we have reached the level that was expected by the market when we did the merger. The stock price has converged to the above range over a certain period after fluctuating in an event-driven manner.

We have almost reached the level expected as the first step when we merged. What we have to acknowledge is that the market does not expect that we would actually achieve a recurring income of ¥30 to ¥50 billion. Although we have a number of plans and have sown the seeds, it is true that we have yet to show a specific picture of the mainstay businesses that we are going to develop. Our challenge is thus to show this specific picture as soon as possible.

Turning to look at performance by business segment, after the merger, recurring income in the Games segment moved from ¥16 billion to ¥19.6 billion, ¥9.5 billion, and ¥16.3 billion, or mostly within the range of ¥16 billion to ¥20 billion. However, recurring income has fallen to the range of ¥12 billion to ¥15 billion. The fall reflects a change in the market environment, which also applies to competitors.

Our strategies include deploying each IP in a diversified manner, something we have already been doing. Our challenge lies in our overseas operations. There is still significant scope for growth. As you know, the Japanese market for handheld and fixed gaming machines accounts for only 15-20% of the global market.

It is often said that Japanese games do not match American tastes, and that is one factor. However, far more important are things such as offering our products for diversified platforms, and releasing products simultaneously in Japan, and Europe and the United States. Our approach to American and European markets, which account for 80% of the world market, is still weak. We have made modest progress in the European market, which is shown in overseas sales, a leading indicator. By publishing on our own, we began to earn revenue from catalogue titles, and in association with this, our relationships with retailers are changing.

As for our game development methods, we repeatedly emphasize the importance common engines. Through such initiatives, we are striving to provide titles for different platforms and to improve game designs through a trial and error process. In this way we are making efforts to develop common foundations.

At the core of our strategies is to expand our share in the world market in terms of business and development.

The striking difference between us and our competitors in Europe and the United States is that we develop content on our own intellectual property. By using our own IP, we have leverage across a number of facets of content other than games. Our advantage is that we can apply content development in a multifaceted manner, which is impossible if we use other company’s IP.

Since our home ground is becoming weak compared with European and U.S. markets, we have to make ground in overseas markets.

Performance in the Online Games segment is growing steadily. Although we depend very heavily on *FINALFANTASY XI* now, we are preparing new major titles and expect them to deliver results to some extent. A doubling of income is too ambitious, so we set this figure as our target. We think we can achieve the figure with comparative certainty. Apart from our major ones, we also have a number of other titles in the pipeline. Should any one of these produce sales in the hundreds of millions or billions of yen, the target can be achieved.

The market environment surrounding the Mobile Phone Content segment has changed significantly since we launched the business. Since the domestic and overseas markets are becoming increasingly different by regions, it is not an easy business to develop. In these circumstances, we have begun to develop our business overseas and sales in the domestic market have become stable. We have set this target, although we feel we need to go a little further.

In the Publication segment, we have produced a hit every year and would like to earn ¥4 billion consistently. In the fiscal year ended March 2007, we achieved record figures in both sales and profit. People may conclude that our all-time high was when *Fullmetal Alchemist* was a huge hit, but actually we have had a large readership since then. The target for this term has already been exceeded by the results. We have set a slightly conservative target, given that the positive trends are not likely to continue indefinitely. Our challenge is to establish a structure that can generate a stable ¥4 billion in earnings.

The target for the Others segment is on a par with the present performance.

Tallying the above targets, we plan to earn recurring income of ¥25 billion to ¥35 billion. We feel we can progress at a steady clip towards ¥10 billion, plus or minus ¥5 billion, in the Amusement segment.

When we add up these figures, it reaches about ¥50 billion.

And when it becomes clear to you that we can achieve ¥50 billion, our market cap will step up to the next level.

Finally, we have funds of ¥99 billion on balance sheet.

I would like to add that we are looking at building a business structure that enables us to consistently generate earnings of billions to 10 billion yen through expeditious use of the funds.