

SQUARE ENIX®

SQUARE ENIX®

Financial Results Briefing Session

Six-Month Period Ended September 30, 2013

SIX-Month Period Ended September 30, 2013

Briefing Session
Financial Results

Nov 6, 2013

SQUARE ENIX HOLDINGS CO., LTD.

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.

Financial Results
Six-Month Period
Ended September 30, 2013

Financial Results(Consolidated)

Six-Month Period Ended September 30, 2013

(Billions of Yen)

	Apr-Sep 2012		Apr-Sep 2013		% Change
		%		%	
Net Sales	61.1	100%	61.7	100%	1%
Operating Income	(5.2)	—	4.7	8%	—
Recurring Income	(6.3)	—	5.7	9%	—
Net Income	(5.5)	—	2.6	4%	—

	Apr-Sep 2012		Apr-Sep 2013		Change
		%		%	
Depreciation and Amortization	3.0	—	2.9	—	(0.1)
Capital Expenditure	8.8	—	2.5	—	(6.3)

Financial Results(Consolidated) by Segment for the Six-Month Period Ended September 30, 2013

1. Results for the Six-Month Period Ended September 30, 2013 (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	30.6	25.0	4.6	1.6	(0.2)	61.7
Operating Income	3.5	3.7	1.0	0.4	(3.8)	4.7
Operating Margin	11.3%	14.9%	21.4%	21.7%	—	7.6%

2. Results for the Six-Month Period Ended September 30, 2012 (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	30.7	23.1	5.5	1.7	(0.0)	61.1
Operating Income	(2.1)	(0.2)	1.2	0.4	(4.5)	(5.2)
Operating Margin	(6.8%)	(0.9%)	22.2%	21.0%	—	(8.6%)

3. Change (1—2) (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	(0.1)	1.9	(0.9)	(0.0)	(0.2)	0.6
Operating Income	5.5	3.9	(0.2)	0.0	0.7	9.9

Financial Forecasts: Fiscal Year Ending March 31, 2014

No change from the original plan announced on May 13, 2013

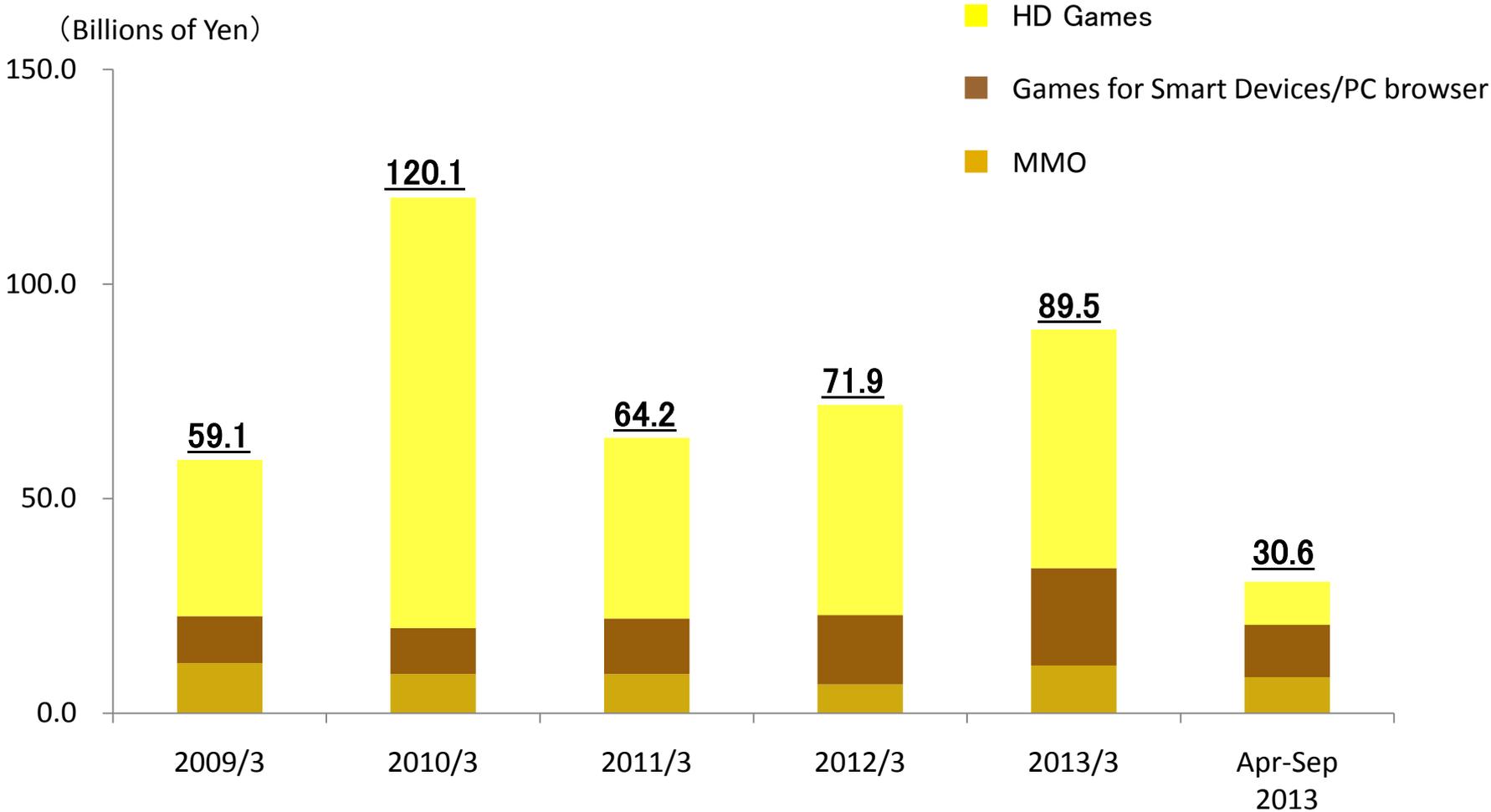
(Billions of Yen)

	Fiscal Year Ended 3/13	Fiscal Year Ending 3/14	Change
Net Sales	148.0	140.0~150.0	(8.0)~2.0
Operating Income	(6.1)	5.0~9.0	11.1~15.1
Recurring Income	(4.4)	5.0~9.0	9.4~13.4
Net Income	(13.7)	3.5~6.0	17.2~19.7

(Billions of Yen)

	Fiscal Year Ended 3/13	Fiscal Year Ending 3/14	Change
Depreciation and Amortization	7.3	7.0	(0.3)
Capital Expenditure	12.5	7.0	(5.5)

Digital Entertainment Segment — Net Sales



Current state of "FINAL FANTASY XIV: A REALM REBORN"

- "FINAL FANTASY XIV: A REALM REBORN" was launched August 27, and achieved large sales.

(Thousands of Units sold)

Disc sales	approx 1,100
Digital Download	approx 350
<u>Total</u>	approx 1,450 (As of September 30)

- Number of payment users broke through 600,000, already exceeded the peak of FFXI. (Most recent date)



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Strategic Changes in the Digital Entertainment Business

Strategic Changes in the Digital Entertainment Business

- The overseas studios shift to and focus on production of online-based titles
- The domestic studios accelerate the production of titles for smart devices
- Expand overseas activities, primarily in Asia

Production of online-based titles

Shift to online-type titles

→ Transform the fixed-price model into variable earnings models

An Example : Nosgoth (Under development)



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An F2P-type battle action game for PCs

Production of titles for smart devices

- Sequels of the "DRAGON QUEST" series, "FINAL FANTASY AGITO" and many other popular products will come to smart devices in succession.



* Time of distribution undecided

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Developed by Cygames, Inc.



* Time of distribution undecided

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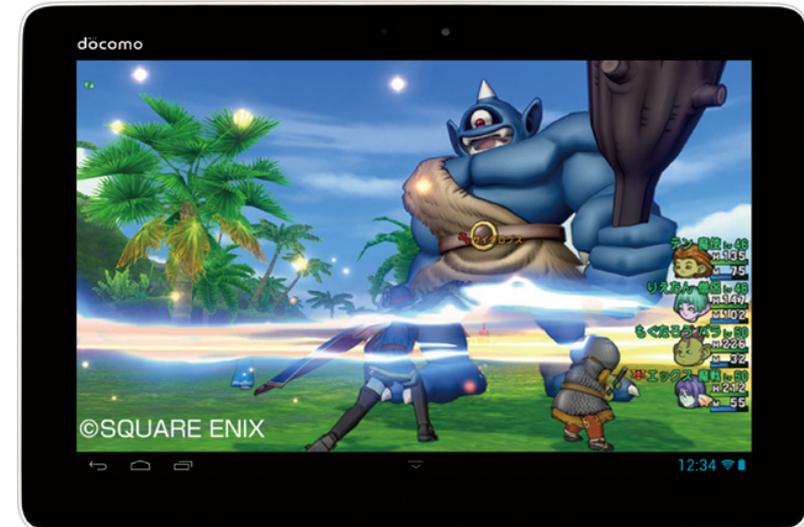


* Distribution scheduled for this winter

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- "DRAGON QUEST X" will appear on the "d-game" platform as a cloud game for smart devices.

* Distribution scheduled for the period from December 2013 to February 2014



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Expansion of overseas activities, primarily in Asia

- "Kaku-San-Sei Million Arthur" has become a huge success in mainland China, after South Korea and Taiwan.



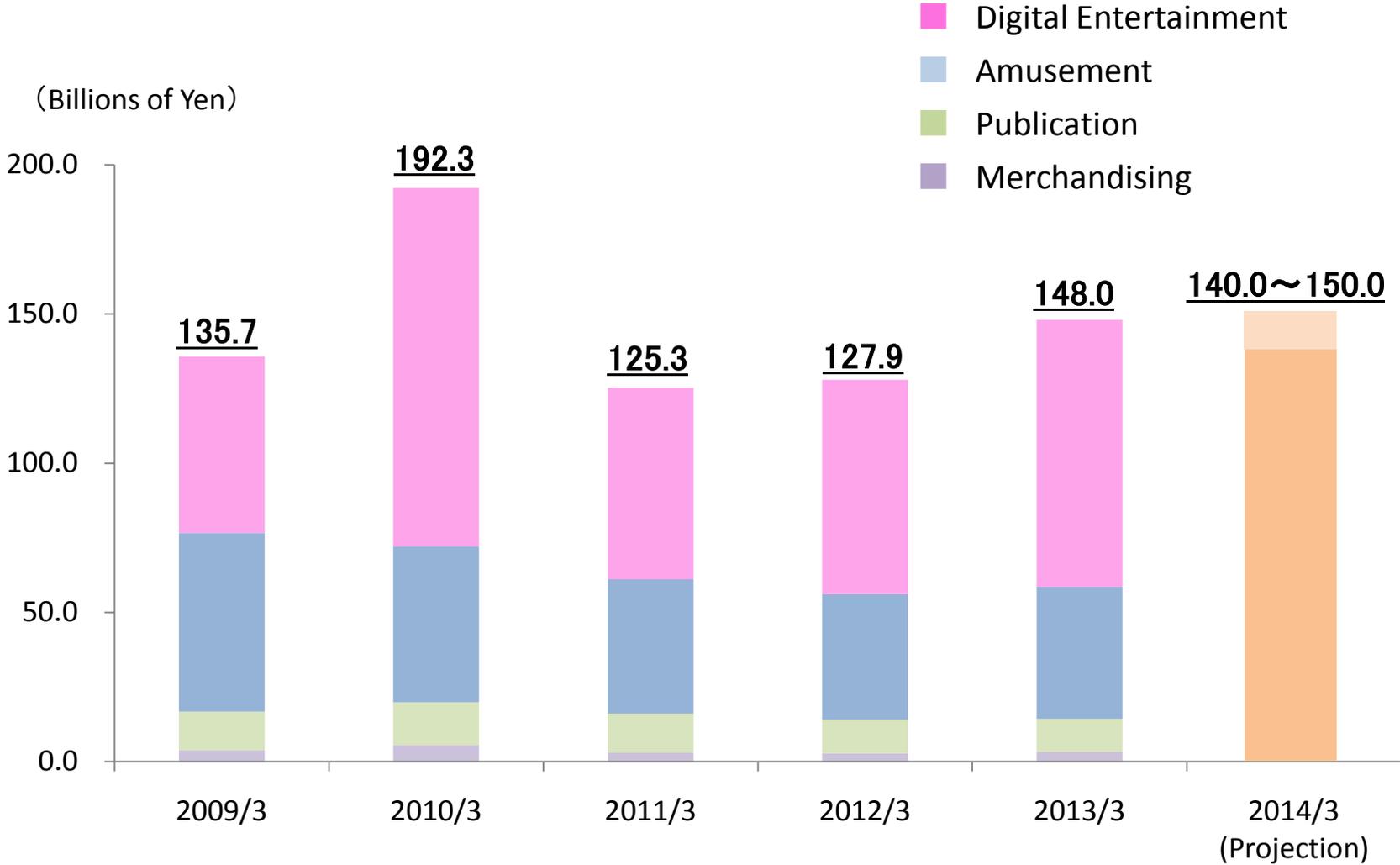
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※Operated by Shanda Games Limited, a Chinese game company, under license by Square Enix.

- Introduction of "FFXIV: A REALM REBORN" to mainland China planned (release timing undecided).
- Square Enix Group's first business base in the Southeast Asian region was established in Indonesia.

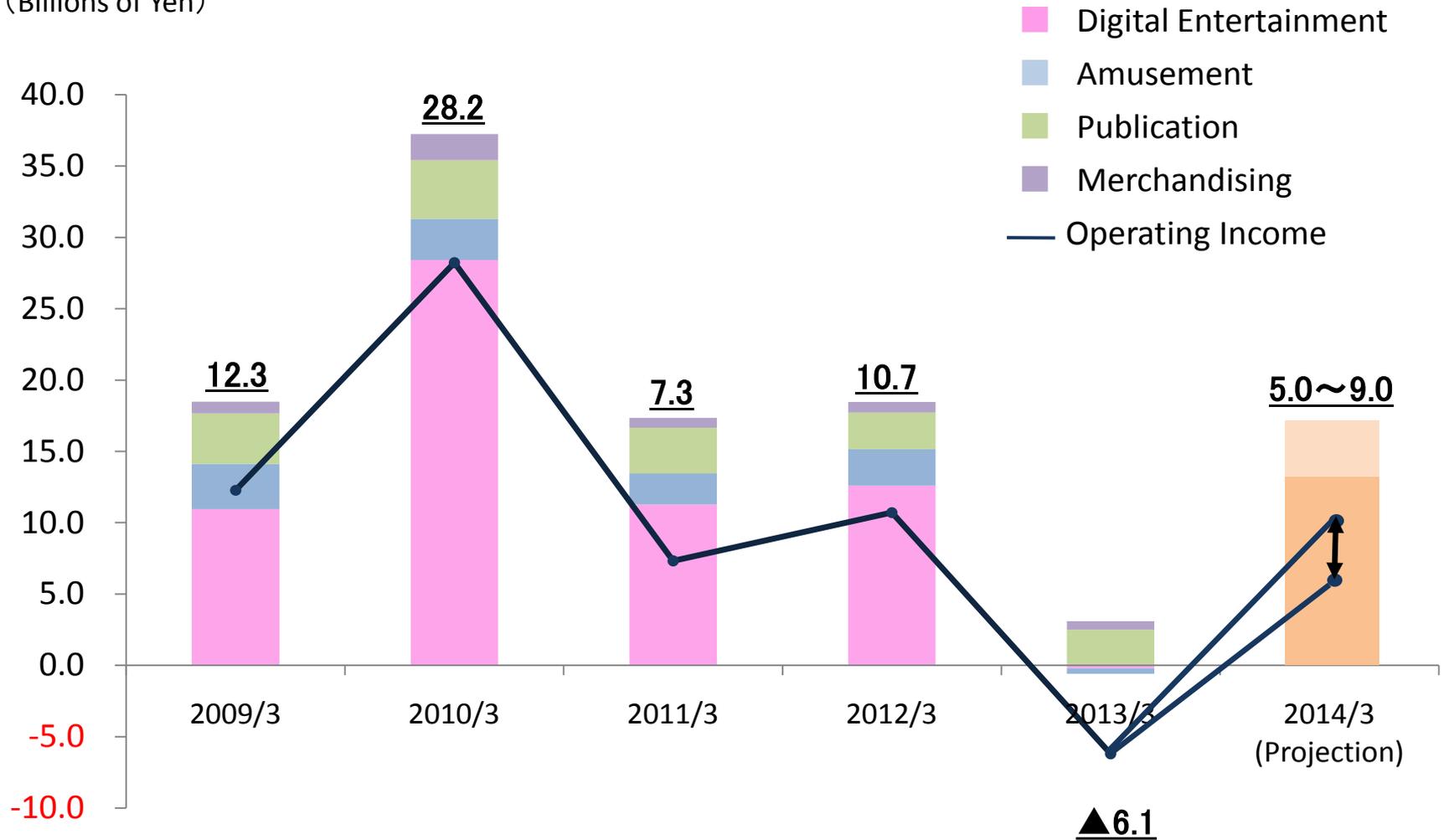
Appendix

Reference) Net Sales by Business Segment



Reference) Operating Income by Business Segment

(Billions of Yen)



Reference) Digital Entertainment—HD Games, MMO

Key Titles Lineup (previously announced titles only)

Title	Region	Platform	Release Date (Scheduled)
CALL OF DUTY: GHOSTS	JP	PS3/Xbox360/Wii U/PC PS4/Xbox One	Nov 14 (Subbed Ver.) Dec 12 (Dubbed Ver., PS3 /Xbox360 only) Feb 22, 2014 (PS4, dubbed ver. only) (Xbox one: TBD)
LIGHTNING RETURNS: FINAL FANTASY XIII	JP, NA, EU	PS3/Xbox360	Nov 21 (JP), Feb 11, 2014 (NA) Feb 14, 2014 (EU)
DRAGON QUEST X: Nemureru Yusha To Michibiki No Meiyuu	JP	Wii/Wii U/PC	Dec 5
DRAG-ON DRAGOON 3	JP	PS3	Dec 19
FINAL FANTASY X/X-2 HD Remaster	JP, NA, EU	PS3/PS Vita	Dec 26 (JP), this winter (NA, EU)
DIABLO III	JP	PS3	Jan 30, 2014
DRAGON QUEST MONSTERS 2 Iru To Ruka No Fushigina Fushigina Kagi	JP	3DS	Feb 6, 2014
Thief	JP, NA, EU	PS3/Xbox360/ PS4/Xbox One/PC	Feb 25, 2014 (NA) Feb 28, 2014 (EU), 2014 (JP)

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Updated on Nov 6, 2013 due to correction on page 17

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