



We would now like to begin the Financial Results Briefing Session of SQUARE ENIX HOLDINGS (the "Company") for the Six-Month Period Ended September 30, 2014 (the "Period"). Today's presenters are:

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

First, Watanabe will give a summary overview of the Company's financial results for the Period, and then Matsuda will explain the Company's business progress.

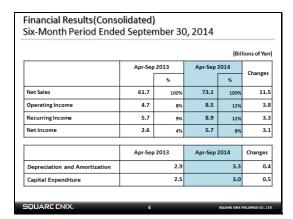
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> **Financial Results** Six-Month Period Ended September 30, 2014

SQUARE ENIX

Good afternoon. I'm Kazuharu Watanabe. I would like to give you a summery overview of the Company's financial results for the Period.





The Company recorded net sales of ¥73.1 billion (up ¥ 11.5 billion year-on-year), operating income of ¥8.5 billion (up ¥3.8 billion year-on-year), recurring income of ¥8.9 billion (up ¥3.3 billion year on year), and net income of ¥5.7 billion (up ¥3.1 billion year on year).

1. Results for the S	ix-Month Perio	d Ended Sept	ember 30, 20	14		(Billions of Ye
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	43.8	21.3	6.2	1.9	(0.1)	73.
Operating Income	7.9	2.4	1.8	0.6	(4.1)	8.
Operating Margin	18.1%	11.1%	28.8%	31.5%	-	11.69
z. Results for the S	ix-Month Perio	d Ended Sept	ember 30, 20	13		(Billions of Yer
Z. Results for the S	Digital				Eliminations	
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
2. Results for the S	Digital Entertainment 30.6	Amusement 25.0	Publication 4.6	Merchandising	Eliminations or unallocated (0.2)	Total 61.
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated (0.2)	Total 61.
Net Sales	Digital Entertainment 30.6	Amusement 25.0	Publication 4.6	Merchandising 1.6 0.4	Eliminations or unallocated (0.2) (3.8)	Total 61.
Net Sales Operating Income	Digital Entertainment 30.6 3.5 11.3%	Amusement 25.0 3.7	Publication 4.6	Merchandising 1.6 0.4	Eliminations or unallocated (0.2) (3.8)	Total 61. 4. 7.69
Net Sales Operating Income Operating Margin	Digital Entertainment 30.6	Amusement 25.0 3.7	Publication 4.6	Merchandising 1.6 0.4	Eliminations or unallocated (0.2) (3.8)	Total 61. 4. 7.69
Net Sales Operating Income Operating Margin	Digital Entertainment 30.6 3.5 11.3%	Amusement 25.0 3.7 14.9%	Publication 4.6 1.0 21.4%	Merchandising 1.6 0.4 21.7%	Eliminetions or unelloceted (0.2) (3.8)	61. 4. 7.69 (Billions of Yes

In the Digital Entertainment segment, HD games sales increased thanks to launching more new titles than in the same period of the prior fiscal year, including "MURDERED: SOUL SUSPECT" and "THEATRHYTHM FINAL FANTASY CURTAIN CALL."

In addition, repeat sales for titles such as "FINAL FANTASY X/X-2 HD Remaster," "THIEF," and "TOMB RAIDER DEFINITIVE EDITION" increased mainly in the western market.

With MMOs, "FINAL FANTASY XIV: A REALM REBORN," which was launched in August 2014, has been strong where its results contributed to the overall profit in the Period. "DRAGON QUEST X" also continues to show steady performance.

As for smart devices and PC browser games, "DRAGON QUEST MONSTERS SUPER LIGHT" and "SCHOOLGIRL STRIKERS" have constantly ranked in the top 20 of application game sales, making significant contribution to the overall profit. Marking its 4th anniversary, PC Browser game "SENGOKU IXA" also remains strong.

As a result, the Digital Entertainment segment recorded net sales of ¥43.8 billion and operating income of ¥7.900 billion, a rise of ¥13.1 billion and ¥4.5 billion respectively year-on-year.

The Amusement segment recorded net sales of ¥21.3 billion and operating income of ¥2.4 billion, a decrease of ¥3.7 billion and ¥1.4 billion respectively year-on-year.



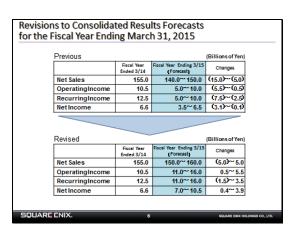
Two factors affected this result. First, there was no planned launch of an amusement machine comparable to "LORD of VERMILION III," a hit machine released in the first half of FY2014/3, which substantially contributed to net sales and profit of the previous period. Second, in terms of amusement facility operation, the recent consumption tax increase in Japan dropped customer turnout in shopping malls. This negatively affected net sales in our amusement facilities in shopping malls, leading to year-on-year decrease. Nevertheless, our facilities shifted to perform cost-efficient operations, which led to secure an operating income of ¥2.4 billion for the overall Amusement segment.

The Publication segment recorded net sales of ¥6.2 billion and operating income of ¥1.8 billion, a rise of ¥1.6 billion and ¥0.8 billion respectively year-on-year. Popular comic series adapted for television anime series showed strong sales, notably "BARAKAMON," "GEKKAN SHOJO NOZAKI-KUN," and "Akame ga KILL!"

The Merchandising segment recorded net sales of ¥1.9 billion, a rise of ¥0.3 billion and operating income of ¥0.6 billion, an increase of ¥0.3 billion, year-on-year. Such increases in sales and profit were due to our continuous efforts of commercializing high-quality third party content in addition to the Group's own IPs.

This concludes the summary overview of the Company's financial results.





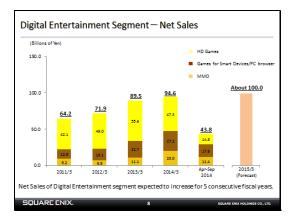
Good afternoon. I'm Yosuke Matsuda.

Based on results from the Period, I would like to explain the outlook for the rest of the fiscal year and business developments that are underway.

This chart demonstrates our revised consolidated forecast for the fiscal year ending March 31, 2015 ("FY2015/3").

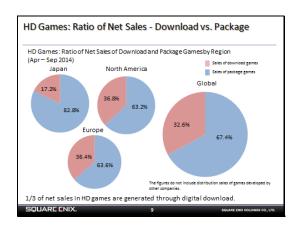
Financial Forecasts by Business Segment: Fiscal Year Ending March 31, 2015 L. Forecast for the Fiscal Year ending March 31, 2015 100.0 41.5 10.5 155.0 Operating Income Operating Margin 14.1 4.0 2.8 1.0 (8.4) 13.5 r ended March 31, 2014 Results for the Fiscal ons of Yer 94.6 47.0 155. 10.7 2.3 1.1 (8.1) 10.5 Operating Margin 3. Changes (1 - 2) (5.5) 0.3 (0.8) (0.0

Here are the financial forecasts by segment.



This shows the trends in net sales in the Digital Entertainment segment.





One important point in the Digital Entertainment segment is the growing percentage of download sales particularly in North America and Europe.

Customers make download purchases from platforms such as Amazon and STEAMm, which is becoming more of a common style. We also see retailers selling codes at the store as opposed to packages. Full-game downloads from PlayStation Network ("PSN") and Xbox Live ("XBL") are also very strong.

Since the latter half of 2013, the Company has focused on download sales in Japan as well as in Europe and North America. The percentage of download sales in Japan is still low, however we will enhance the Square Enix e-STORE to increase direct-to-customer ratio of not only game content, but also anime and merchandise.

As the ratio for download sales improve, catalog sales will increase. Constant sales of catalog titles will make it easier for the customers to have access to them for purchase. The penetration of download sales also increases opportunities to sell catalog titles directly to the customers, which have been lost to the secondhand market, and contribute to building repeat sales.

As we are trying to secure profit through utilizing stock of past titles, profitability of HD games must now also be considered over a certain time frame. It is not easy to recoup development costs solely by initial sales, however download sales will allow us to increase profit in a long tail manner.





Next I would like to explain the progress in each business segment.

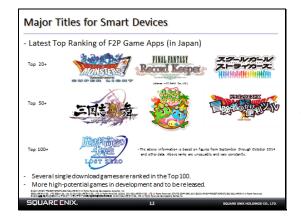
Digital Entertainment Segment New major titles for smart devices released, and more to come. ■ Expanding overseas businesses, primarily in Asia; · Introducing new titles for online and smart devices through business alliance with local partners. · Introducing "FFXIV: A Realm Reborn" to the mainland China in this summer. Reviewing title development policies at domestic and overseas studios to establish extensive and rich pipeline, in order to boost asset turnover and lower risks.

In the Digital Entertainment segment, the Company will continue to focus on new titles for smart devices.

In our effort to expand our business overseas largely in Asia, "FINAL FANTASY XIV: A REALM REBORN" was launched in China and several games for smart device have delivered favorable results. I will introduce these titles to you later.

For title production in our domestic and overseas studios, we have enhanced investment in game development in order to establish an extensive and rich pipeline, as we believe the current business environment calls for us to be on the offense.

This slide shows major smart device titles sorted in



accordance with F2P-basded native app game sales ranking. "FINAL FANTASY Record Keeper" is a collaborative work of our franchise with DeNA as the publisher. "SCHOOLGIRL STRIKERS" was a title developed entirely by our internal development team, which resulted in a huge success and contributed greatly in the Period. This internal development team is comprised mainly of seasoned developers from the PS2 and PS3 era. Having this team succeed in F2P development was a big milestone for the Company. Some people say that developing F2P titles would be a major challenge for console developers, however this success has stimulated our internal development teams and veteran



developers, and I believe this was a considerable achievement.

We have also seen drastic revenue increase in "DRAGON QUEST X Boukensha no Odekake Benri Tool," an additive service for MMO "DRAGON QUEST X," which proved this type of initiative to be quite effective.

"The Irregular at Magic High School LOST ZERO" was the first hit title that resulted from a joint project between our digital entertainment and publication divisions. As some of our publication titles have high affinity with games for smart devices, the Company will continue to reinforce efforts to further adapt these titles into game space.

In the current native application market, a single major hit title can strip the market share by the root. On one hand, we aim to develop a smash success, however we also intend to offer quality titles that remain in the top ranks and establish a stable portfolio comprised of games with high profit performance.

Furthermore, device specifications have improved significantly, which means we can offer a wider variety of game types. This is a favorable environment for game companies like us. The Company will utilize its expertise to develop games that no other companies could realize. Such titles will be launched starting in the second half of FY 2015/3.



Next topic is our overseas expansion centered on the Asia region.

"FINAL FANASY XIV," the first of the FINAL FANTASY series to be released in mainland China, launched service in August in alliance with Shanda Games.

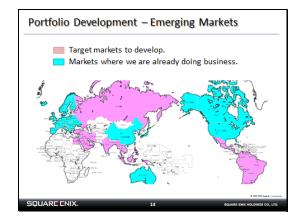
We did not see a vertical start-up, as we deliberately selected a per-minute charge model in a market dominated by F2P, however I believe we have succeeded to acquire loyal users of the FF franchise. The emphasis is to mature the title on the medium and long term, in which we have the support



from Shanda Games to move in this direction. With the alliance with Actoz Soft, we will bring "FINAL FANTASY XIV" to Korea in 2015.

We handed the development of "CROSS GATE," a native app version of a long-running PC-based MMO, to Perfect World who is well-acquainted with the Chinese market. This title was released in July and has shown unexpected success.

"PUZZLE BOBBLE," a Taito franchise with a long history, is currently in open beta to be released this coming winter in mainland China. We have a high expectation of the title, as it is very well known in the Asian region.



In terms of global reach, our target business regions used to be areas where console game machines prevailed. Today, PCs and smart devices have become widespread across the globe, and we see huge market opportunities exist worldwide.

As for consoles, they are becoming more common in the Middle East and Central/ South America.

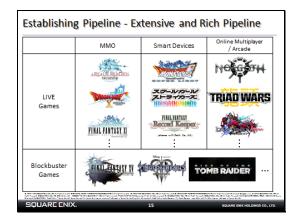
Conducting business uniformly across all regions is not sensible because of differences in income level, consumption propensity and monetization conditions. However, the Company intends to touch on regions that have not been previously reached to bring new and existing titles and actively pursue in localized development initiatives.

In these terms, we believe that the Middle East and South America, in particular Brazil, are promising markets.

Russia has long been considered a challenging market to go into, however this region is very active with F2P and online games. They are also home to many talented developers, which are justifications to consider Russia in many options, including sourcing for development studios.

In brief, the Company is expected to reach out to wider regions in its efforts to expand the business outside of the domestic market.





Next, I would like to explain the establishment of our pipeline. We see our pipeline in two major categories: Blockbuster titles and LIVE games.

Blockbuster titles on the bottom row refer to flagship titles that are symbolic to the Company, notably the big three "FINAL FANTASY," "DRAGON QUEST," and "KINGDOM HEARTS" developed by our domestic studios, and "TOMB RAIDER," "JUST CAUSE," and "DEUS EX" developed by our overseas studios. We will continue to develop these titles as in the past.

Blockbuster titles require huge investment, however we can recoup the costs on a lifetime basis because of their long-lasting sales. For example, PC versions of "DRAGON QUEST VII" and the early works of "FINAL FANTASY" series are still being sold after their launch of 20 years agos.

Blockbuster titles are sold and earnings booked over an extended period. From the aspect of selling titles over the long term, extensive sales channels are the key. We, however, see a diversification in sales channels recently, including the rise of cloud gaming, which makes long-range/multiple region sales even more possible.

Blockbuster titles are our brand and our identity, and we believe it is our mission to continue to produce these titles.

The other major pillar is LIVE games. We intend to expand this pipeline going forward. LIVE games include MMO, games for smart devices, online battle games and arcade games.

We are currently running three MMOs: "FINAL FANTASY XIV," "DRAGON QUEST X," and "FINAL FANTASY XI." "FINAL FANTASY XI" was launched twelve years ago and still continues to evolve.

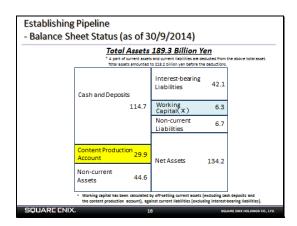
As previously mentioned, we will continue to launch many new games for smart devices in the second half of FY 2015/3 and on.

When I touch upon online battle games, I have e-Sports in mind. We aim to develop "NOSGOTH" and "LORD of VERMILION ARENA" as e-Sports titles. This genre is



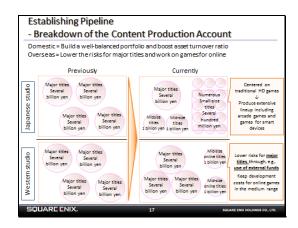
increasingly getting popular worldwide, and the Company intends to reinforce development in this area.

Today, LIVE games can offer a variety of new gaming experiences, since the world of game is expanding on a range of devices and platforms connected each other via network. The Company will continue to take active measures to develop LIVE games both in our domestic and overseas studios.



This is our latest balance sheet.

The area marked in yellow is the content production account, which are funds we are investing into game development. This is our future revenue source, and keeping this well-developed is the key. The current balance is ¥29.9 billion, which reflects our strategy to enrich our pipeline as previously explained.

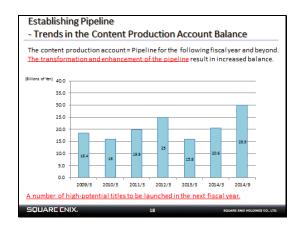


This shows an image of composition of the content production account.

The right column is our current state. Domestic studios encompass a wide variety of games, including major blockbusters titles, titles for smart devices and arcades. We are introducing some financing mechanisms for major blockbuster development in the overseas studios, which details cannot be disclosed at this point. Online titles in our overseas studios include e-Sports-type battle games and F2P games. F2P platforms other than PC include console platforms such as PSN and XBL, which the Company will be more involved in future given their sound performance.

With that concludes explanations on the transformation and enhancement of our pipeline.





This is the trend in the content production account balance. As I already mentioned, content and extensiveness are significant elements of the content production account. We are currently developing a variety of titles as we believe now is the time to take an aggressive stance. As a result, the balance is on an increasing trend.

One of the reasons for the balance increase is the weak yen, which has also been clarified in recent briefing sessions. This essentially has limited impact on our business operations, since we do not use yen funds to finance development in the overseas studios. However, in terms of balance sheet consolidation, which requires exchange of British pound amount into yen, the yen's steep depreciation causes negative impact inflating the balance.

I hope this was helpful to understand the factors behind the increase in the content production account balance.



In the Amusement segment, store operations were affected by the recent consumption tax increase. Our downtown locations are performing solidly, however stores located in shopping malls were strongly affected by the decline of customer turnout to the malls. Having accumulated various efforts for efficient store operations, this segment was able to secure stable results profit-wise.

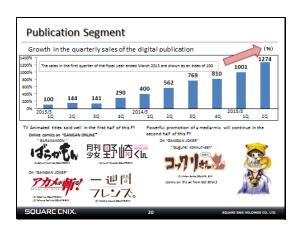
We will engage in new challenges and initiatives to attract an even wider range of customers.

For example, foreign tourists vising Japan have been increasing due to the weak yen. We have also seen more foreign tourists visit our arcade stores and actively play our games. We have installed ATM machines to increase convenience for customers, which will also help to attract foreign visitors.

As for amusement machines, "LEFT 4 DEAD -SURVIVORS-," is planned for release in Winter 2014.

Finally, a few words on upcoming business plans in the





Amusement segment. The LIVE game that I mentioned a few moments ago also has affinity to the Amusement business. We will continue to engage in various initiatives in the second half of FY 2015/3 and in shaping the arcade business to fit with the current times.

Here is the Publication segment.

This fiscal year lies in between harvest seasons, as many titles have ended their publication series. We expected severe results, however some titles adapted to television anime series have become smash hits, and we are exceeding projected plans.

I would like to put emphasis on the fact that titles published on GANGAN ONLINE became smash hits after they were adapted to television anime series. The trend of shift from paper media to online is getting prominent in comic and manga genres. We see new trends such as; more mangas being read on smartphones and tablets, popular online mangas turned into paper comics, and talented manga writers recruited online. In addition, we cannot ignore the cost-saving benefits of not having expenses for raw material and distribution, which are incurred for paper media. It was particularly significant that smash hit works were born in a way that fits the current lifestyle of young people.

In the second half of FY 2015/3, we have titles like "Gugure! Kokkuri-san," scheduled to become television anime series as well as various new initiatives for future fiscal years.

Sales trend for e-Books on the upper section also shows solid performance. We have received countless offers domestically and internationally, including Asia. While there are still some uncertainties, we are excited to see this business grow substantially.

With the strong trend to digitalize and go online in the publication industry, we, will catch this wave and continually work to boost this business.





This slide explains briefly on cloud gaming.

As I have mentioned, we believe that the cloud would take on a key role in game distribution in the future.

"DRAGON QUEST X" for 3DS launched services as a cloud game in September. Service was not stable at the beginning, causing inconvenience to our customers, however I am happy to report that the service is now stable.

Cloud gaming services may become instable at the outset, however going forward, we intend to provide sound and reliable services, including at the technical level.

DIVEIN, a cloud gaming service for smartphone and tablet, was planned to already be running, however this has been delayed. We intend to begin services very shortly. Catalog titles on our e-Store will be offered on this streaming service, which can maximize the value of our previous Blockbuster titles.

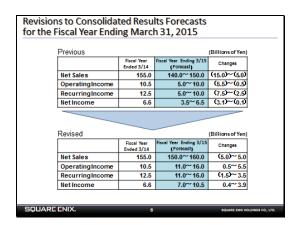
HD games can be easily applied to streaming services, as they are developed on PC architecture, and based on this, released on multiple platforms. We are committed to work on DIVEIN as an important channel of the future game distribution.

In September, we announced the establishment of Shinra Technologies, a subsidiary utilizing cloud gaming technology. DRAGON QUEST X for 3DS and DIVE IN were about the distribution of existing games. On the other hand, Shinra Technologies was incorporated with a vision to establish a cloud gaming platform and offer games unique to cloud

As a platform, Shinra will need to attract games from other than Square Enix, which may pose a conflict between partners and the Company as a publisher. In the future, we plan to have Shinra become independent by raising capital from external sources.

gaming.



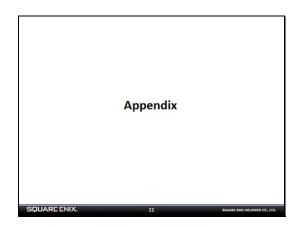


This concludes my presentation on the financial results of the Period and various initiatives that are underway.

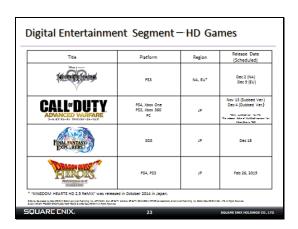
Based on the above, we have revised the financial forecast for FY2015/3. We forecast net sales between ¥150-160 billion, operating income between ¥11-16 billion, recurring income between ¥11-16 billion and net income between ¥7-10 billion. Essentially, we have added the amount exceeded in the Period to our original forecast for the full fiscal year, where plans for the second half of FY2015/3 remains unchanged.

We have a number of titles to be released, where some may work out well and some may not. In running the Company, I will factor in these and other risks to continue to drive our business forward. We believe now is the time for us to take an aggressive position through active investment in developing new games and releasing new titles.

This concludes my presentation. Thank you very much.







Title	Platform	Region	Release Date (Scheduled)
FIAM FIATISTE	PS4, Xbox One	JP, NA, EU	Mer 17, 2015 (NA Mer 19, 2015 (JP) Mer 20, 2015 (EU
MONG STH	PC (Steam)	World-wide	Now in CBT
TRIAD WARS	PC	World-wide	Now in CBT

