

**Consolidated Financial Results  
for the Fiscal Year Ended March 31, 2015 (Japan GAAP)**

May 12, 2015

**Company name:** SQUARE ENIX HOLDINGS CO., LTD.  
**Shares traded:** Tokyo Stock Exchange, First Section  
**Company code:** 9684  
**Company URL:** <http://www.square-enix.com/eng>  
**Representative:** Yosuke Matsuda, President and Representative Director  
**Contact:** Kazuharu Watanabe, Chief Financial Officer, tel (03) 5292-8000  
**Annual general meeting of shareholders:** June 24, 2015 (planned)  
**Financial report submission:** June 25, 2015 (planned)  
**Cash dividend payment commencement:** June 3, 2015 (planned)  
**Supplementary annual materials prepared:** Yes  
**Annual results presentation held:** Yes (for institutional investors and analysts)

*(Amounts under one million yen are rounded down)*

**1. Consolidated Financial Results (April 1, 2014 to March 31, 2015)**

**(1) Consolidated Financial Results**

*(Millions of yen and year-on-year changes in percents)*

	Net sales		Operating income		Recurring income		Net income	
Fiscal year ended	%		%		%		%	
March 31, 2015	167,891	8.3	16,426	55.8	16,984	35.5	9,831	49.0
March 31, 2014	155,023	4.8	10,543	-	12,534	-	6,598	-

Note: FY ended March 31, 2015 Comprehensive income: 13,427million yen (48.4%)  
 FY ended March 31, 2014 Comprehensive income: 9,045 million yen (- %)

	Earnings per share, basic	Earnings per share, diluted	Return on equity	Recurring income to total assets	Operating margin
Fiscal year ended	yen		%	%	%
March 31, 2015	84.34	84.20	7.0	7.9	9.8
March 31, 2014	57.28	57.19	5.4	6.0	6.8

Note: FY ended March 31, 2015 Equity in gain (loss) of affiliated companies: - million yen  
 FY ended March 31, 2014 Equity in gain (loss) of affiliated companies: - million yen

**(2) Consolidated Financial Position**

*(Millions of yen, ratios in percents and per share data)*

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2015	211,938	155,314	72.9	1,267.24
March 31, 2014	216,617	127,676	58.3	1,095.78

Note: Total equity As of March 31, 2015: 154,505 million yen  
 As of March 31, 2014: 126,309 million yen

**(3) Consolidated Statements of Cash Flows**

*(Millions of yen)*

	From operating activities	From investing activities	From financing activities	Closing cash and cash equivalents
Fiscal year ended				
March 31, 2015	8,132	(1,876)	(22,105)	103,147
March 31, 2014	21,698	(5,962)	(3,438)	113,507

## 2. Dividends

	Dividends per share					Total annual dividend payments	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q	2Q	3Q	4Q	Total			
	yen	yen	yen	yen	Yen	million yen	%	%
Fiscal year ended March 31, 2014	-	10.00	-	20.00	30.00	3,457	52.4	2.8
Fiscal year ended March 31, 2015	-	10.00	-	20.00	30.00	3,591	36.0	2.5
Fiscal year ending March 31, 2016 (projection)	-	10.00	-	20.00 ~35.00	30.00 ~45.00		33.3	

## 3. Consolidated Forecasts (April 1, 2015 to March 31, 2016)

(Millions of yen, year-on-year changes in percents and per share data)

	Net sales		Operating income		Recurring income		Net income attributable to owners of the parent		Earnings per share
		%		%		%		%	yen
Fiscal year ending March 31, 2016	200,000 ~220,000	19.1 ~31.0	17,000 ~25,000	3.5 ~52.2	17,000 ~25,000	0.1 ~47.2	11,000 ~18,000	11.9 ~83.1	90.22 ~147.63

(Note) The Company does not disclose the consolidated forecasts for the first half of the fiscal ending March 31, 2016 (April 1, 2015 to September 30, 2015).

## 4. Others

- (1) Significant changes among major subsidiaries during the period: No
- (2) Changes in accounting policies, procedures, and methods of presentation for consolidated financial statements
  1. Changes associated with revision in accounting standards: Yes
  2. Other changes in accounting standards: No
  3. Change in accounting estimate: No
  4. Retrospective restatement: No
- (3) Outstanding shares (common stock)
  1. Number of shares issued and outstanding (including treasury stock):

As of March 31, 2015	122,232,896
As of March 31, 2014	115,575,696
  2. Number of treasury stock:

As of March 31, 2015	309,664
As of March 31, 2014	306,762
  3. Average number of shares during the period (cumulative):

Fiscal year ended March 31, 2015	116,569,209
Fiscal year ended March 31, 2014	115,203,201

Disclaimer: (1) This document is an abridged translation of the Japanese language "Kessan Tanshin" prepared in accordance with the guidelines of the Tokyo Stock Exchange. The Japanese language document shall prevail in the event that any differences or discrepancies exist between this English translation and the original. (2) At the time of disclosure of this document, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Law have not been completed. (3) The forward-looking statements in this document are based upon the information currently available and necessarily include elements that are not entirely predictable. The achievement is not promised. Actual results may differ from the forward-looking statements in this document. (4) For additional information about forecasts, please refer to "Consolidated Forecasts" section on page 2 of the Supplemental Information.

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## 1. Consolidated Results and Consolidated Financial Position for the Fiscal Year Ended March 31, 2015

### (1) Analysis of consolidated business results

The Square Enix Group (the "Group") is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising.

Net sales for the fiscal year ended March 31, 2015 totaled ¥167,891 million (an increase of 8.3% from the prior fiscal year), operating income amounted to ¥16,426 million (an increase of 55.8% from the prior fiscal year), and recurring income amounted to ¥16,984 million (an increase of 35.5% from the prior fiscal year).

The Group booked gain on sales of noncurrent assets as an extraordinary profit of ¥1,394million, and loss on sales of noncurrent assets as an extraordinary loss of ¥741million, both of which were due to multiple real estate sales, in addition to the impairment loss of ¥640million primarily with regard to amusement machines.

These factors resulted in net income of ¥9,831 million (an increase of 49.0 % from the prior fiscal year).

A discussion of results by segment for the fiscal year ended March 31, 2015 follows.

- Digital Entertainment

The Digital Entertainment segment consists of planning, development, distribution, and operation of digital entertainment content primarily in the form of games. Digital entertainment content is offered to meet customer lifestyles across a variety of usage environments such as consumer game consoles (including handheld game machines), personal computers and smart devices.

In the consolidated fiscal year under review, repeat sales, primarily through download, of catalogue titles released in the prior fiscal year were strong, while the Group released fewer full-length console game titles compared with the prior fiscal year.

In the area of content for platforms such as smart devices and PC browser, "*SENGOKU IXA*," a browser game and "*DRAGON QUEST MONSTERS SUPER LIGHT*," a game for smartphones continued to show strong performance. "*SCHOOLGIRL STRIKERS*," "*FINAL FANTASY RECORD KEEPER*," and "*Kai-ri-Sei Million Arthur*," games for smartphones newly released during the fiscal year ended March 31, 2015 have been showing strong performance as well.

Massively multiplayer online role playing games such as "*FINAL FANTASY XIV*" and "*DRAGON QUEST X*" have been making favorable progress.

Net sales and operating income in the Digital Entertainment segment totaled ¥111,926 million (an increase

of 18.4% from the prior fiscal year) and ¥17,276 million (an increase of 61.3% from the prior fiscal year), respectively.

- Amusement

The Amusement segment consists of the operation of amusement facilities and the planning, development and distribution of arcade game machines and related products for amusement facilities.

During the fiscal year ended March 31, 2015, the operation of the amusement facilities has been showing steady performance through efficient store management efforts, despite an adverse effect of the increased consumption tax rate, whereas sales of amusement machines decreased.

Net sales and operating income in the Amusement segment totaled ¥40,715 million (a decrease of 13.3% from the prior fiscal year) and ¥3,615 million (a decrease of 20.0% from the prior fiscal year), respectively.

- Publication

The Publication segment includes the planning and publication of comic books, game strategy books and comic magazines.

During the fiscal year ended March 31, 2015, sales of comics have showed steady growth as the result of media-mix deployment such as TV animation programs originated in comic titles.

Net sales and operating income in the Publication segment totaled ¥11,547 million (an increase of 12.9% from the prior fiscal year) and ¥3,241 million (an increase of 41.3% from the prior fiscal year), respectively.

- Merchandising

The Merchandising segment includes the planning, production, distribution and licensing of derivative products of titles owned by the Group.

During the fiscal year ended March 31, 2015, the Group continued to distribute and license items such as character goods and soundtracks based on the Group's own IPs while also strengthening its product lineup with additional products based on third party IPs and overseas expansions.

Net sales and operating income in the Merchandising segment totaled ¥3,997 million (an increase of 5.6 % from the prior fiscal year) and ¥1,161 million (an increase of 4.1% from the prior fiscal year), respectively.

### **(Consolidated forecasts)**

The business environment surrounding the Group is in the midst of major changes, where smart devices such as smartphones and tablet PCs are spreading rapidly, while the console game markets in North America and Europe are increasingly competitive and oligopolistic. In light of such environmental changes, the Group is focusing all efforts on a substantial earnings improvement through driving reforms of business structure in order to establish new revenue base.

Given the environmental changes described above, it is expected that the consolidated forecasts for

financial results will fluctuate ever-larger. The Group, therefore, has made consolidated forecasts in a range of forecasted figures in lieu of specific figures. The Group does not disclose the first half consolidated forecasts in consideration of the fact that fluctuations in sales and income during a fiscal year have increasingly become larger.

## (2) Analysis of consolidated financial position

### (i) Assets, liabilities and net assets

- Assets

As of March 31, 2015, total current assets were ¥170,815 million, a decrease by 1.6% compared to the prior fiscal year. This was mainly due to an increase in content production account of ¥14,556 million, while cash and deposits decreased by ¥11,735 million, and the other on current assets decreased by ¥3,552 million.

Fixed assets were ¥41,122 million, a decrease by 4.4% compared to the prior fiscal year.

As a result, total assets were ¥211,938 million, a decrease by 2.2%.

- Liabilities

As of March 31, 2015, total current liabilities were ¥49,931 million, a decrease by 38.0% compared to the prior fiscal year. This was mainly due to a decrease in current portion of bonds to ¥35,000 million Euro Yen Zero convertible bonds caused by the exercise of the conversion right and the redemption, while the other on current liabilities increased by ¥2,589 million. Non-current liabilities were ¥6,692 million, a decrease by 20.6% compared to the prior fiscal year.

As a result, total liabilities were ¥56,623 million, a decrease by 36.3%.

- Net assets

As of March 31, 2015, net assets were ¥155,314 million, an increase by 21.6% compared to the prior fiscal year. This was mainly due to an increase in capital stock of ¥8,312 million and capital surplus of ¥8,312 million caused by the exercise of the conversion right, net income of ¥9,831 million, dividend payments of ¥3,458 million, and an increase in foreign currency translation adjustments of ¥3,488 million, and an increase in retained earnings of ¥1,683 million by the adaptation of the accounting standard for retirement benefits.

### (ii) Consolidated Cash Flow

As of March 31, 2015, cash and cash equivalents totaled ¥103,147 million, a decrease of ¥10,359 million compared to the prior fiscal year. Cash flows during the fiscal year ended March 31, 2015 as well as the principal factors behind these cash flows are described below.

- Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2015 totaled ¥8,132 million (a decrease of 62.5% compared to the prior fiscal year).

Income before income taxes and minority interests of ¥15,310 million, an increase in inventories of ¥12,799 million, and a decrease in notes and accounts receivables-trade of ¥1,973 million, depreciation and amortization of ¥6,934 million, and income taxes paid of ¥4,530 million led to the overall provision of cash from operating activities.

- Cash flows from investing activities

Net cash used in investing activities totaled ¥1,876 million (a decrease of 68.5% compared to the prior fiscal year).

Main factors are purchase of property, plant and equipment of ¥4,767 million, purchase of shares of subsidiaries of ¥1,872 million, payments for guarantee deposits of ¥1,007 million, and proceeds from sales of property, plant and equipment of ¥5,884 million.

- Cash flows from financing activities

Net cash used in financing activities totaled ¥22,105 million (an increase of 543.0% compared to the prior fiscal year).

Main factors are redemption of bonds of ¥18,462 million and cash dividends paid of ¥3,450 million.

### (3) Basic policy for profit distribution and dividends

The Group recognizes the return of profits to shareholders as one of its most important management tasks. The Group maintains internal reserves to place priority on investments that will enhance the value of the Group. Such investments will be made in order to increase the the Group's value through expansion of existing businesses, new business development, and reform of the business structure. With retaining an appropriate amount of internal reserves, the Group attaches continued importance to the shareholder returns, primarily by means of cash dividend, in an optimal balance between the performance-based payout and the stable returns. The amount of dividends is determined by setting a consolidated payout ratio target of approximately 30%, paying attention to stable payment of dividends.

The Company's Board of Directors' Meeting to be held on May 18, 2015 will pass a resolution to pay the year-end dividends for FY2015/3 of 20 yen per share (together with the interim dividends of 10 yen per share paid in last December, the amount of annual dividends will be 30 yen per share), as forecasted previously.

## 2. Other Information in Summary

### (1) Changes in accounting principles, changes in accounting estimates and retrospective restatements

(Change in accounting policy)

Effective from the beginning of the fiscal year ended March 31, 2015, the Group has adopted Article 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012; the “Accounting Standard for Retirement Benefits”) and Article 67 of “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of March 26, 2015; the “Guidance on Retirement Benefits”). Therefore, the Group has changed the calculation methods for retirement benefit obligations and current service costs, and has changed the method of attributing estimated retirement benefits to periods from the straight-line basis to the benefit formula basis. In addition, the Group has changed the method of determining the discount rate from using the bond rate determined by reference to the terms closely related to average remaining working lives of the employees, to using a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

With regard to the application of the Accounting Standard for Retirement Benefits, in accordance with the transitional accounting treatments as stated in Article 37 of the Accounting Standard for Retirement Benefits, the Group has reflected the effect of changing the determination of retirement benefit obligations and current service costs in retained earnings at the beginning of the fiscal year ended March 31, 2015. As a result, net defined benefit liability has decreased by ¥1,811 million for the beginning of the fiscal year ended March 31, 2015, while retained earnings have increased by ¥1,683 million. The above-mentioned change of accounting policy has minimal impact on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015.



### 3. The Group's Outline of Operations

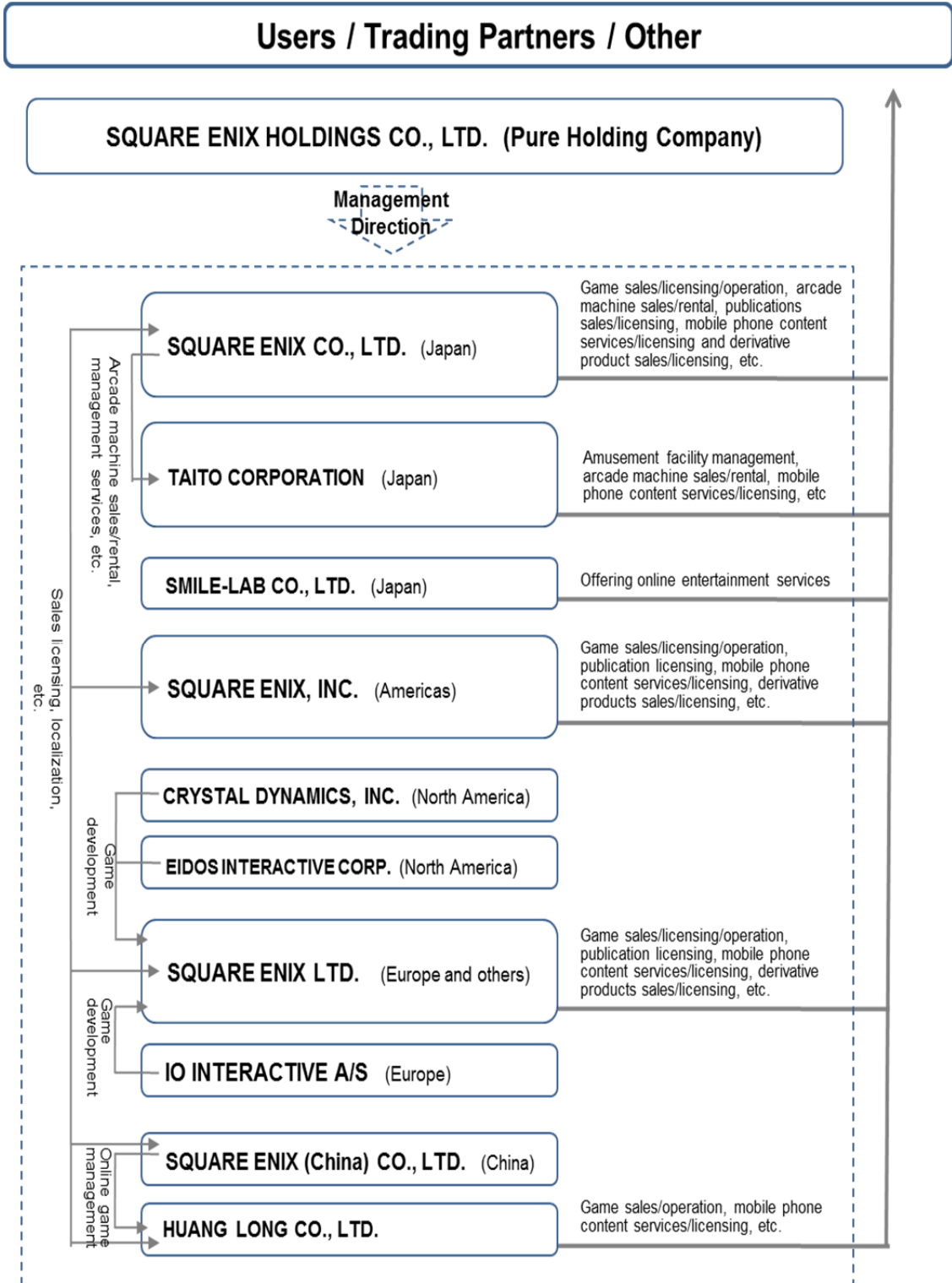
The following outline of operations lists the Group's primary business segments and major subsidiaries.

(Consolidated subsidiaries)

Segment	Primary Business Description	Region	Company Name
Digital Entertainment	Plans, develops, distributes, and operates games digital entertainment primarily in the form of computer games	Japan	SQUARE ENIX CO., LTD. TAITO CORPORATION SMILE-LAB CO., LTD.
		North America	SQUARE ENIX, INC. CRYSTAL DYNAMICS, INC. EIDOS INTERACTIVE CORP.
		Europe	SQUARE ENIX LTD. IO INTERACTIVE A/S
		Asia	SQUARE ENIX (China) CO., LTD. HUANG LONG CO., LTD.
Amusement	Operation of amusement facilities and planning, development and distribution of arcade game machines for amusement facilities and related products	Japan	TAITO CORPORATION SQUARE ENIX CO., LTD.
Publication	Comic books, game strategy books, comic magazines, etc.	Japan	SQUARE ENIX CO., LTD.
		North America	SQUARE ENIX, INC.
		Europe	SQUARE ENIX LTD.
Merchandising	Planning, production, distribution and licensing of derivative products of titles owned by the Group	Japan	SQUARE ENIX CO., LTD. TAITO CORPORATION
		North America	SQUARE ENIX, INC.
		Europe	SQUARE ENIX LTD.

(Note) The above table lists major consolidated subsidiaries only.

The Group's Business Diagram:



Note: Above business diagram only includes key consolidated subsidiaries.

## 4. Management Policy

### (1) Management philosophy

With the corporate philosophy "*To spread happiness across the globe by providing unforgettable experiences*," the Group offers advanced, high-quality content and services. The Group strives to reward shareholders by maximizing profit based on efficient use of resources in generation of sustained business development and growth.

### (2) Management targets

The Group recognizes the utmost importance of achieving growth underpinned by profitability. The Group pursues targets of (i) generating a growth consolidated earnings per share at a rate of over 10% annually, and (ii) achieving a recurring income to sales ratio of over 20%.

### (3) Medium- and long-term management strategy

Management's key task is to create advanced, high-quality content and services that allow the Group to grow in the medium- and long-term while maintaining profitability. As the development and popularization of information technology (IT) and network environments rapidly advance, the Group anticipates a major transformation in the structure of the digital entertainment industry. The Group believes that this will be driven by factors such as increased consumer needs in the area of network-compliant entertainment and growing access to a diverse range of content by users of multi-function devices. The Group strives to respond to these changes, and has adopted a medium- to long-term management strategy that focuses on pioneering a new era in digital entertainment.

### (4) Issues facing management

In order to achieve the Group's medium- to long-term strategy, it is imperative to expand its global business and meet customers' diverse needs for entertainment content/services. It is critically important that the Group acquires and develops ideally suited human resources to that end.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	115,367	103,631
Notes and accounts receivable-trade	22,110	20,973
Merchandise and finished goods	2,013	1,881
Work in progress	700	4
Raw materials and supplies	433	314
Content production account	20,556	35,113
Deferred tax assets	4,819	4,818
Other	7,753	4,201
Allowance for doubtful accounts	(151)	(122)
<b>Total current assets</b>	<b>173,604</b>	<b>170,815</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,016	13,212
Accumulated depreciation	(12,296)	(8,611)
Buildings and structures (net)	5,719	4,601
Tools, furniture and fixtures	13,062	13,074
Accumulated depreciation	(9,240)	(9,699)
Tools, furniture and fixtures (net)	3,822	3,375
Amusement equipment	20,222	16,559
Accumulated depreciation	(17,830)	(15,105)
Amusement equipment (net)	2,392	1,454
Other	129	127
Accumulated depreciation	(87)	(83)
Other (net)	41	43
Land	7,939	4,008
Construction in progress	1	136
<b>Total property, plant and equipment</b>	<b>19,917</b>	<b>13,620</b>
Intangible assets		
Other	10,835	10,192
<b>Total intangible assets</b>	<b>10,835</b>	<b>10,192</b>
Investments and other assets		
Investment securities	701	1,172
Guarantee deposits	9,746	10,167
Deferred tax assets	1,125	1,198
Other	1,495	5,192
Allowance for doubtful accounts	(809)	(420)
<b>Total investments and other assets</b>	<b>12,259</b>	<b>17,309</b>
<b>Total non-current assets</b>	<b>43,012</b>	<b>41,122</b>
<b>Total assets</b>	<b>216,617</b>	<b>211,938</b>

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	11,563	<b>11,820</b>
Short-term loans payable	6,852	<b>7,122</b>
Current portion of bonds	35,000	-
Income taxes payable	2,980	<b>3,974</b>
Provision for bonuses	1,771	<b>1,696</b>
Provision for sales returns	4,609	<b>4,865</b>
Provision for game arcade closings	251	<b>379</b>
Deferred tax liabilities	3	-
Asset retirement obligations	3	<b>9</b>
Other	17,472	<b>20,062</b>
Total current liabilities	<b>80,508</b>	<b>49,931</b>
Non-current liabilities		
Provision for directors' retirement benefits	178	<b>151</b>
Provision for game arcade closings	383	<b>423</b>
Net defined benefit liability	4,425	<b>2,200</b>
Deferred tax liabilities	1,978	<b>2,371</b>
Asset retirement obligations	807	<b>953</b>
Other	658	<b>591</b>
Total non-current liabilities	<b>8,432</b>	<b>6,692</b>
Total liabilities	<b>88,940</b>	<b>56,623</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,368	<b>23,680</b>
Capital surplus	44,607	<b>52,920</b>
Retained earnings	71,298	<b>79,355</b>
Treasury stock	(870)	<b>(876)</b>
Total shareholders' equity	<b>130,404</b>	<b>155,079</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	253	<b>618</b>
Foreign currency translation adjustment	(4,780)	<b>(1,292)</b>
Remeasurements of defined benefit plans	432	<b>99</b>
Total accumulated other comprehensive income	<b>(4,094)</b>	<b>(574)</b>
Subscription rights to shares	348	<b>327</b>
Minority interests	1,018	<b>482</b>
Total net assets	<b>127,676</b>	<b>155,314</b>
Total liabilities and net assets	<b>216,617</b>	<b>211,938</b>

(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income  
Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	155,023	167,891
Cost of sales	94,481	94,794
Gross profit	60,542	73,096
Reversal of provision for sales returns	4,672	4,877
Provision for sales returns	4,458	4,579
Gross profit-net	60,756	73,394
Selling, general and administrative expenses		
Packing and transportation expenses	1,848	2,014
Advertising expenses	7,913	10,386
Promotion expenses	59	66
Provision of allowance for doubtful accounts	36	69
Directors' compensations	572	435
Salaries and allowances	14,148	14,207
Provision for bonuses	2,193	1,936
Retirement benefit expenses	1,088	323
Provision for directors' retirement benefits	17	11
Welfare expenses	1,846	1,838
Rent expenses	1,652	1,739
Commission fee	9,596	13,734
Depreciation	2,512	2,460
Other	6,726	7,742
Total selling, general and administrative expenses	50,213	56,967
Operating income	10,543	16,426
Non-operating income		
Interest income	116	139
Dividends income	6	9
Rent income	18	20
Foreign exchange gains	1,798	484
Miscellaneous income	210	236
Total non-operating income	2,150	890
Non-operating expenses		
Interest expenses	93	68
Commission fee	52	74
Office transfer related expenses	-	173
Miscellaneous loss	13	15
Total non-operating expenses	159	332
Ordinary income	12,534	16,984

## Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Extraordinary income		
Gain on sales of non-current assets	2	1,394
Gain on sales of investment securities	24	82
Gain on reversal of subscription rights to shares	35	44
Compensation income	351	-
Total extraordinary income	413	1,520
Extraordinary loss		
Loss on sales of non-current assets	7	741
Loss on retirement of non-current assets	130	258
Impairment loss	158	640
Provision of allowance for game arcade closings	153	402
Loss on evaluation of content	1,725	-
Loss on liquidation of subsidiaries and associates	-	313
Other	607	706
Total extraordinary loss	2,783	3,062
Income before dividends distribution from silent partnership, income taxes (tokumei-kumiai)	10,164	15,442
Dividends distribution from silent partnership (tokumei-kumiai)	26	132
Income before income taxes	10,137	15,310
Income taxes-current	2,807	5,136
Income taxes-deferred	715	353
Total income taxes	3,522	5,489
Income before minority interests	6,615	9,820
Minority interests in income (loss)	16	(11)
Net income	6,598	9,831

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	6,615	9,820
Other comprehensive income		
Valuation difference on available-for-sale securities	195	364
Foreign currency translation adjustment	2,234	3,575
Remeasurements of defined benefit plans	-	(332)
Other comprehensive income	2,430	3,607
Comprehensive income	9,045	13,427
(Breakdown)		
Comprehensive income attributable to owners of the parent	8,924	13,351
Comprehensive income attributable to minority interests	121	75



(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock		
Balance at the beginning of current period	15,204	44,444	68,153	△ 862		126,940
Cumulative effects of changes in accounting policies						
Restated balance	15,204	44,444	68,153	△ 862		126,940
Changes during the period						
Issuance of new shares	163	163				327
Dividends from retained earnings			△ 3,453			△ 3,453
Net income			6,598			6,598
Purchase of treasury stock				△ 8		△ 8
Disposal of treasury stock		△ 0		0		0
Net changes of items other than shareholders' equity						
Total changes during the period	163	163	3,144	△ 7		3,464
Balance at the end of current period	15,368	44,607	71,298	△ 870		130,404

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	57	△ 6,911	-	△ 6,853	652	897	121,636
Cumulative effects of changes in accounting policies							
Restated balance	57	△ 6,911	-	△ 6,853	652	897	121,636
Changes during the period							
Issuance of new shares							327
Dividends from retained earnings							△ 3,453
Net income							6,598
Purchase of treasury stock							△ 8
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	195	2,130	432	2,758	△ 303	121	2,575
Total changes during the period	195	2,130	432	2,758	△ 303	121	6,039
Balance at the end of current period	253	△ 4,780	432	△ 4,094	348	1,018	127,676

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	15,368	44,607	71,298	△ 870	130,404
Cumulative effects of changes in accounting policies			1,683		1,683
Restated balance	15,368	44,607	72,982	△ 870	132,087
Changes during the period					
Issuance of new shares	8,312	8,312			16,625
Dividends from retained earnings			△ 3,458		△ 3,458
Net income			9,831		9,831
Purchase of treasury stock				△ 6	△ 6
Disposal of treasury stock		△ 0		0	0
Net changes of items other than shareholders' equity					
Total changes during the period	8,312	8,312	6,372	△ 6	22,991
Balance at the end of current period	23,680	52,920	79,355	△ 876	155,079

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	253	△ 4,780	432	△ 4,094	348	1,018	127,676
Cumulative effects of changes in accounting policies							1,683
Restated balance	253	△ 4,780	432	△ 4,094	348	1,018	129,359
Changes during the period							
Issuance of new shares							16,625
Dividends from retained earnings							△ 3,458
Net income							9,831
Purchase of treasury stock							△ 6
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	364	3,488	△ 332	3,520	△ 21	△ 536	2,962
Total changes during the period	364	3,488	△ 332	3,520	△ 21	△ 536	25,954
Balance at the end of current period	618	△ 1,292	99	△ 574	327	482	155,314

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interest	10,137	15,310
Depreciation	6,614	6,934
Impairment loss	158	640
Increase (decrease) in allowance for doubtful accounts	182	(297)
Increase (decrease) in provision for bonuses	760	(92)
Increase (decrease) in provision for sales returns	(214)	(298)
Increase (decrease) in provision for directors' retirement benefits	(66)	(27)
Increase (decrease) in provision for game arcade closings	(66)	208
Increase (decrease) in net defined benefit liability	160	(715)
Interest and dividend income	(123)	(148)
Interest expenses	93	68
Foreign exchange losses (gains)	(1,263)	(2,127)
Loss (gain) on sales of investment securities	(24)	(82)
Loss on retirement of non-current assets	126	258
Gain on sales of non-current assets	(2)	(1,394)
Loss on sales of non-current assets	7	741
Decrease (increase) in notes and accounts receivable-trade	10,779	1,973
Decrease (increase) in inventories	(2,601)	(12,799)
Increase (decrease) in notes and accounts payable-trade	317	(2)
Decrease (increase) in other current assets	(4,484)	3,360
Decrease (increase) in other non-current assets	93	(607)
Increase (decrease) in other current liabilities	969	1,634
Other, net	109	(293)
Subtotal	21,663	12,241
Interest and dividends income received	154	161
Interest expenses paid	(102)	(78)
Payments for extra retirement payments	(1,066)	-
Proceeds from compensation	351	-
Income taxes paid	(1,502)	(4,530)
Income taxes refund	2,200	340
Net cash provided by (used in) operating activities	21,698	8,132

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from investing activities		
Payments into time deposits	(2,971)	(2,765)
Proceeds from withdrawal of time deposits	2,922	3,252
Proceeds from sales of investment securities	53	112
Purchase of property, plant and equipment	(4,823)	(4,767)
Proceeds from sales of property, plant and equipment	29	5,884
Purchase of intangible assets	(566)	(875)
Purchase of shares of subsidiaries	(223)	(1,872)
Payments for guarantee deposits	(354)	(1,007)
Proceeds from collection of guarantee deposits	643	312
Other, net	(671)	(150)
Net cash provided by (used in) investing activities	(5,962)	(1,876)
Cash flows from financing activities		
Proceeds from issuance of common shares	47	74
Redemption of bonds	-	(18,462)
Purchase of treasury shares	(8)	(6)
Cash dividends paid	(3,446)	(3,450)
Other, net	(31)	(261)
Net cash provided by (used in) financing activities	(3,438)	(22,105)
Effect of exchange rate change on cash and cash equivalents	2,386	5,572
Net increase (decrease) in cash and cash equivalents	14,684	(10,277)
Cash and cash equivalents at the beginning of the year	98,822	113,507
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(82)
Cash and cash equivalents at end of the year	113,507	103,147

## 6. Segment Information

### 1. Outline of reporting segments

The Group's reporting segments are business units for which discrete financial data is available and periodically reviewed by the Board of Directors in the determination of resource allocation as well as the evaluation of business performance.

To this end, the Group offers entertainment content and services in a variety of forms including: (1) interactive digital content for game consoles (including handheld game machines), personal computers and smartphones in the "Digital Entertainment" segment; (2) amusement facility operation as well as the sales and rental of arcade game machines in the "Amusement" segment; (3) publication of comic books, game strategy books and comic magazines in the "Publication" segment; and (4) planning, production, distribution and licensing of derivative products in the "Merchandising" segment. These four classifications serve as the Group's reporting segments.

### 2. Information on sales and income by reporting segment

Fiscal Year Ended March 31, 2014

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
<i>(Millions of yen)</i>							
Sales and operating income							
Net sales							
(1) Sales to outside customers	94,564	46,952	10,030	3,475	155,023	-	155,023
(2) Intersegment sales	6	-	197	310	514	(514)	-
Total	94,571	46,952	10,228	3,786	155,538	(514)	155,023
Segment operating income	10,709	4,517	2,293	1,115	18,635	(8,091)	10,543
Segment assets	60,708	17,243	4,739	3,772	86,463	130,153	216,617
Other items							
Depreciation and amortization	3,197	2,713	89	27	6,028	585	6,614
Increases in property, plant and equipment and intangible assets	1,839	3,171	2	-	5,014	362	5,376

- Notes:
- (1) Segment adjustments (¥8,091 million) include unallocated corporate general and administrative expenses (¥8,124 million).
  - (2) Segment assets adjustment of ¥130,153 million includes unallocated assets of ¥130,346 million. These assets mainly consist of surplus funds (including cash and deposits).
  - (3) Depreciation and amortization adjustment of ¥585 million relates to unallocated corporate assets.
  - (4) The adjustment increase of ¥362 million in property, plant and equipment and intangible assets relates to unallocated corporate assets.
2. Segment operating income is adjusted in operating income on the consolidated income statement.

Fiscal Year Ended March 31, 2015

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
<i>(Millions of yen)</i>							
Sales and operating income							
Net sales							
(1) Sales to outside customers	111,896	40,715	11,509	3,769	167,891	-	167,891
(2) Intersegment sales	30	0	37	227	295	(295)	-
Total	111,926	40,715	11,547	3,997	168,187	(295)	167,891
Segment operating income	17,276	3,615	3,241	1,161	25,294	(8,867)	16,426
Segment assets	71,221	15,367	4,026	982	91,598	120,340	211,938
Other items							
Depreciation and amortization	3,579	2,722	87	28	6,418	516	6,934
Increases in property, plant and equipment and intangible assets	2,392	2,510	17	9	4,929	1,118	6,048

- Notes:
- (1) Segment adjustments (¥8,867 million) include unallocated corporate general and administrative expenses (¥8,907 million).
  - (2) Segment assets adjustment of ¥120,340 million includes unallocated assets of ¥120,594 million. These assets mainly consist of surplus funds (including cash and deposits).
  - (3) Depreciation and amortization adjustment of ¥516 million relates to unallocated corporate assets.
  - (4) The adjustment increase of ¥1,118 million in property, plant and equipment and intangible assets relates to unallocated corporate assets.
2. Segment operating income is adjusted in operating income on the consolidated income statement.

### 3. Information on sales by region

Fiscal Year Ended March 31, 2014

					Total
	Japan	North America	Europe	Asia	
<i>(Millions of yen)</i>					
Consolidated sales	111,326	21,152	19,732	2,812	155,023

Note: The classification of geographic segments is based on location of customer.

Fiscal Year Ended March 31, 2015

					Total
	Japan	North America	Europe	Asia	
<i>(Millions of yen)</i>					
Consolidated sales	129,072	18,124	17,316	3,378	167,891

Note: The classification of geographic segments is based on location of customer.