

December 14, 2007

SQUARE ENIX CO., LTD.  
Yoichi Wada  
President and Representative Director  
(Code: 9684, Tokyo Stock Exchange, First Section)  
Contact: Michihiro Sasaki  
General Manager, Corporate Strategy Division

## Revision of Consolidated Financial Results for the First-Half Period Ended September 30, 2007

SQUARE ENIX CO., LTD. (the "Company") announced today a revision to the Company's consolidated financial results for the first-half period ended September 30, 2007 (the "First-half Results"), which was announced on November 19, 2007 (the "Announcement Date"), due to occurrence of a subsequent event.

### **1. Cause of the Revision**

After the Announcement Date, Taito Corporation, a consolidated subsidiary of the Company, reached an agreement with third parties on amendment of certain contractual terms related to a game arcade facility to close. As a result of the subsequent event, Allowance for Game Arcade Closings in the First-half Results has decreased by ¥813 million, which has resulted in increase of Net Income of the same amount. The Company hereby announces the revision of the First-half Results accordingly.

### **2. Revisions**

Revised parts are redlined for reference.

**CONSOLIDATED FINANCIAL RESULTS  
FOR THE FIRST-HALF PERIOD ENDED SEPTEMBER 30, 2007**

Company Name: Square Enix Co., Ltd.  
Code: 9684

Market: Tokyo Stock Exchange, First Section  
URL: <http://www.square-enix.com/>

Representative: Yoichi Wada, President and Representative Director

Contact: Yosuke Matsuda, Director and Executive Officer

Presentation of Financial Report (*Hanki-Hokokusho*): December 17, 2007

Date of dividend payout: December 7, 2007

**1. FY2007 First-Half Period Consolidated Financial Results (April 1, 2007 to September 30, 2007)**

**1) Consolidated Financial Results (Millions of yen, except percentages and per share data)**

	Net Sales		Operating Income		Recurring Income		Net Income	
First-Half Period Ended		%		%		%		%
September 30, 2007	72,271	(4.9)	9,752	6.4	9,303	(1.0)	5,211	57.0
September 30, 2006	75,959	180.4	9,169	269.1	9,400	244.3	3,319	50.7
Fiscal Year 2006	163,472	—	25,916	—	26,241	—	11,619	—

	Earnings Per Share (basic)	Earnings Per Share (diluted)
First-Half Period Ended	Yen	Yen
September 30, 2007	47.04	46.82
September 30, 2006	30.03	29.90
Fiscal Year 2006	105.06	104.71

Note: Investment profit or loss on equity method (Millions of yen)

First-half period ended September 30, 2007	2
First-half period ended September 30, 2006	(4)
Fiscal year ended March 31, 2007 (FY 2006)	29

**2) Consolidated Financial Position (Millions of yen, except percentages and per share data)**

	Total Assets	Net Assets	Equity Ratio	Book Value Per Share
September 30, 2007	211,223	135,413	63.6 %	1,203.53 Yen
September 30, 2006	212,130	123,109	57.5 %	1,103.32 Yen
March 31, 2007	215,679	130,639	60.0 %	1,168.91 Yen

Note: Total equity (Millions of yen)

First-half period ended September 30, 2007	134,261
First-half period ended September 30, 2006	121,987
Fiscal year ended March 31, 2007 (FY 2006)	129,461

**3) Consolidated Statement of Cash Flows (Millions of yen)**

	From Operating Activities	From Investing Activities	From Financing Activities	Closing Cash and Cash Equivalents
First-Half Period Ended				
September 30, 2007	4,965	(3,834)	(2,309)	98,681
September 30, 2006	17,323	669	(2,186)	91,144
Fiscal Year 2006	32,809	(5,671)	(2,912)	99,847

**2. Dividends**

	Dividend Per Share		
	Interim	Year-end	Annual
	yen	yen	yen
FY2006	10.00	25.00	35.00
FY2007	10.00	—	—
FY2007 Projection	—	20.00	30.00

**3. FY2007 Consolidated Forecasts (April 1, 2007 to March 31, 2008) (Millions of yen, except percentages)**

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings Per Share
Fiscal Year 2007	162,500	(0.6)	21,000	(19.0)	20,000	(23.8)	12,000	3.3	107.57 yen

#### 4. Others

- 1) Change in Scope of Consolidation and Application of the Equity Method  
Not applicable
- 2) Change in policies of consolidated financial statements preparation
  1. Related to changes in accounting standard      Applicable
  2. Other changes      Not applicable
- 3) Outstanding shares (common shares)
  1. Number of shares issued and outstanding (including treasury stock) at end of period
 

First-half period ended September 30, 2007	111,760,403
First-half period ended September 30, 2006	110,750,108
Fiscal year ended March 31, 2007 (FY 2006)	110,947,818
  2. Number of treasury stock at end of period
 

First-half period ended September 30, 2007	204,297
First-half period ended September 30, 2006	186,092
Fiscal year ended March 31, 2007 (FY 2006)	193,882

#### [REFERENCE] NON-CONSOLIDATED FINANCIAL RESULTS

##### 1. FY2007 First-Half Period Non-Consolidated Financial Results (April 1, 2007 to September 30, 2007)

###### 1) Non-Consolidated Financial Results (Millions of yen, except percentages and per share data)

	Net Sales		Operating Income		Recurring Income		Net Income	
First-Half Period Ended		%		%		%		%
September 30, 2007	32,162	15.8	7,241	(0.0)	6,713	(9.9)	3,053	(32.3)
September 30, 2006	27,764	23.7	7,241	728.5	7,453	267.8	4,508	82.7
Fiscal Year 2006	62,852	—	19,017	—	19,694	—	18,164	—

	Earnings Per Share (basic)
First-Half Period Ended	Yen
September 30, 2007	27.56
September 30, 2006	40.78
Fiscal Year 2006	164.23

###### 2) Non-Consolidated Financial Position (Millions of yen, except percentages and per share data)

	Total Assets	Net Assets	Equity Ratio	Book Value Per Share
September 30, 2007	193,933	137,150	70.7 %	1,229.43 Yen
September 30, 2006	181,219	121,898	67.3	1,102.51 Yen
March 31, 2007	193,796	134,419	69.4	1,213.67 Yen

Note: Total equity  
(Millions of yen)

First-half period ended September 30, 2007	137,150
First-half period ended September 30, 2006	121,898
Fiscal year ended March 31, 2007 (FY 2006)	134,419

##### 2. FY2007 Non-Consolidated Forecasts (April 1, 2007 to March 31, 2008) (Millions of yen, except percentages)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings Per Share
Fiscal Year 2007		%		%		%		%	yen
Fiscal Year 2007	60,000	(4.5)	10,000	(47.4)	10,000	(49.2)	6,000	(67.0)	53.78

Percentages in net sales, operating income, recurring income, and net income are percentage changes compared with the same period of the previous fiscal year.

#### Disclaimer

The forward-looking statements in this document are based upon the information currently available, and necessarily include elements that are not entirely predictable. Actual results may differ from the forward-looking statements in this document.

#### 4. Consolidated Financial Statements for the First-Half Period Ended September 30, 2007

##### Consolidated Balance Sheet

(Millions of yen)

Account	FY2006 First-Half Period (As of September 30, 2006)		FY2006 First-Half Period (As of September 30, 2007)		Change	FY2006 (As of March 31, 2007)	
	Amount	Rate	Amount	Rate		Amount	Rate
(Assets)		%		%			%
I Current assets							
1. Cash and deposits	91,149		73,686			99,852	
2. Notes and accounts receivable	23,013		19,023			21,206	
3. Short-term securities	—		26,034			—	
4. Inventories	6,677		4,860			4,188	
5. Content production account	9,301		13,601			11,903	
6. Deferred tax assets	3,060		2,555			5,634	
7. Other current assets	4,297		6,472			4,656	
Allowance for doubtful accounts	(576)		(133)			(832)	
Total current assets	136,924	64.5	146,100	69.2	9,176	146,608	68.0
II Non-current assets							
1. Property and equipment							
(1) Buildings and structures	18,518		17,183			17,316	
Accumulated depreciation	11,844	6,673	11,556	5,627		11,354	5,962
(2) Tools and fixtures	12,705		12,456			11,365	
Accumulated depreciation	8,984	3,721	8,406	4,050		7,963	3,401
(3) Amusement equipment	47,133		37,846			41,577	
Accumulated depreciation	35,476	11,657	29,864	7,981		30,778	10,798
(4) Other	26		23			24	
Accumulated depreciation	18	8	18	4		19	5
(5) Land	5,437		5,404			5,404	
(6) Construction in progress	74		2			91	
Total property and equipment	27,574	13.0	23,070	10.9	(4,503)	25,664	11.9
2. Intangible assets							
(1) Goodwill	21,043		19,441			20,276	
(2) Other	1,534		1,290			1,381	
Total intangible assets	22,578	10.6	20,731	9.8	(1,846)	21,657	10.0
3. Investments and other assets							
(1) Investment securities	1,187		528			455	
(2) Long-term loans	169		196			176	
(3) Rental deposits	17,103		13,636			14,198	
(4) Construction cooperation fund	2,054		1,681			1,886	
(5) Claim in bankruptcy	2,211		2,937			5,065	
(6) Deferred tax assets	7,167		5,194			4,939	
(7) Other	546		541			541	
Allowance for doubtful accounts	(5,386)		(3,395)			(5,515)	
Total investments and other assets	25,053	11.8	21,320	10.1	(3,733)	21,748	10.1
Total non-current assets	75,206	35.5	65,122	30.8	(10,083)	69,071	32.0
Total assets	212,130	100.0	211,223	100.0	(907)	215,679	100.0

(Millions of Yen)

Account	FY2006 First-Half Period (As of September 30, 2006)		FY2007 First-Half Period (As of September 30, 2007)		Change	FY2006 (As of March 31, 2007)	
	Amount	Rate	Amount	Rate		Amount	Rate
		%		%			%
(Liabilities)							
I Current liabilities							
1. Notes and accounts payable	11,241		11,209			13,275	
2. Other accounts payable	10,609		5,713			4,773	
3. Accrued expenses	6,131		1,240			3,379	
4. Accrued corporate taxes	898		570			994	
5. Advance payments received	726		699			1,188	
6. Deposits received	496		610			490	
7. Reserve for bonuses	1,598		1,628			1,872	
8. Allowance for sales returns	1,624		1,503			2,271	
9. Allowance for game arcade closings	229		483			2,973	
10. Other	2,207		991			1,185	
Total current liabilities	35,762	16.9	24,650	11.7	(11,111)	32,404	15.0
II Non-current liabilities							
1. Corporate bond	50,000		48,000			50,000	
2. Long-term loans	—		26			—	
3. Allowance for retirement benefits	2,851		1,833			2,169	
4. Allowance for directors' retirement benefits	205		232			262	
5. Allowance for game arcade closings	—		842			—	
6. Other	201		224			204	
Total non-current liabilities	53,259	25.0	51,159	24.2	(2,099)	52,635	24.4
Total liabilities	89,021	42.0	75,810	35.9	(13,211)	85,040	39.4
(Net assets)							
I Shareholders' equity							
1. Common stock	7,825	3.7	9,290	4.4	1,464	8,038	3.7
2. Capital surplus reserve	37,066	17.4	38,531	18.3	1,464	37,279	17.3
3. Retained earnings	77,120	36.4	86,694	41.0	9,573	84,315	39.1
4. Treasury stock	(516)	(0.2)	(576)	(0.3)	(59)	(540)	(0.3)
Total shareholders' equity	121,496	57.3	133,939	63.4	12,442	129,092	59.8
II Valuation and translation adjustment							
1. Unrealized gains on revaluation of other investment securities	374	0.2	(54)	(0.0)	(429)	(8)	(0.0)
2. Foreign currency translation adjustment	116	0.1	376	0.2	259	377	0.2
Total Valuation and translation adjustment	491	0.2	321	0.2	(169)	368	0.2
III Minority interests in consolidated subsidiaries	1,121	0.5	1,152	0.5	30	1,178	0.6
Total net assets	123,109	58.0	135,413	64.1	12,304	130,639	60.6
Total liabilities and net assets	212,130	100.0	211,223	100.0	(907)	215,679	100.0

# Consolidated Statements of Income

(Millions of yen)

Account	FY2006 First-Half Period		FY2007 First-Half Period			Change	FY2006		
	〔 April 1, 2006 to September 30, 2006 〕		〔 April 1, 2007 to September 30, 2007 〕				〔 April 1, 2006 to March 31, 2007 〕		
	Amount	Rate	Amount	Rate	Amount	Amount	Rate		
I Net sales	75,959	100.0	72,271	100.0	(3,688)	163,472	100.0		
II Cost of sales	41,095	54.1	39,732	55.0	(1,362)	87,262	53.4		
Gross profit	34,864	45.9	32,538	45.0	(2,326)	76,210	46.6		
Reversal of allowance for sales returns	1,186	1.6	2,271	3.2	1,084	1,186	0.8		
Provision for allowance for sales returns	1,624	2.1	1,503	2.1	(121)	2,271	1.4		
Net gross profit	34,427	45.4	33,306	46.1	(1,120)	75,125	46.0		
III Selling, general and administrative expenses									
1. Packaging freight charge	1,110		1,190			2,493			
2. Advertising expense	3,426		3,256			6,331			
3. Sales promotion expense	634		376			1,060			
4. Provision for doubtful accounts	—		84			—			
5. Compensation for directors	338		324			682			
6. Salary	7,823		7,547			15,482			
7. Provision to reserve for bonuses	921		1,163			2,237			
8. Net periodic pension costs	266		25			446			
9. Provision to reserve for directors' retirement benefits	15		20			42			
10. Welfare expense	997		963			2,046			
11. Rental expense	1,272		1,223			2,325			
12. Commissions paid	1,795		1,695			3,357			
13. Depreciation and amortization	745		649			1,464			
14. Other	5,909	25,257	5,033	23,553	32.6	(1,703)	11,238	49,209	30.1
Operating income		9,169		9,752	13.5	583		25,916	15.9
IV Non-operating income									
1. Interest income	143		464			467			
2. Dividends received	2		1			3			
3. Foreign exchange gain	114		—			147			
4. Rental income	31		30			69			
5. Facilities' installation cooperation fees	50		52			51			
6. Investment profit on equity method	—		2			29			
7. Miscellaneous income	230	572	151	703	1.0	130	407	1,176	0.7
V Non-operating expenses									
1. Interest expenses	0		0			2			
2. Foreign exchange loss	—		92			—			
3. Loss on disposal of inventories	60		56			119			
4. Loss on write-off of content production account	—		876			—			
5. Loss on inventory valuation	86		84			281			
6. Stock issuance expenses	—		—			31			
7. Loss on write-off of advance license payment	—		—			244			
8. Investment loss on equity method	4		—			—			
9. Miscellaneous loss	189	341	41	1,152	1.6	810	172	852	0.5
Recurring income		9,400		9,303	12.9	(97)		26,241	16.1

(Millions of yen)

Account	FY2006 First-Half Period		FY2007 First-Half Period			Change	FY2006			
	〔 April 1, 2006 to September 30, 2006 〕		〔 April 1, 2007 to September 30, 2007 〕				〔 April 1, 2006 to March 31, 2007 〕			
	Amount	Rate	Amount	Rate	Amount	Amount	Rate			
VI Extraordinary gain										
1. Reversal of allowance for doubtful accounts	191		—				2			
2. Gain on divesting business	2,738		47				2,697			
3. Gain on sale of investment securities	—		11				410			
4. Reversal of allowance for retirement benefits	—		—				465			
5. Reversal of allowance for game arcade closings	—		<u>955</u>				—			
6. Other	55	2,985	2	<u>1,018</u>	<u>1.4</u>	<u>(1,967)</u>	203	3,778	2.3	
VII Extraordinary loss										
1. Loss on sale of property and equipment	0		0				17			
2. Loss on disposal of property and equipment	361		447				1,085			
3. Impairment loss	166		4				368			
4. Loss on evaluation of investment securities	0		7				194			
5. Loss on disposal and write-down of assets associated with business restructuring	—		1,117				2,275			
6. Severance payments associated with business restructuring	—		47				925			
7. Accelerated amortization of goodwill	1,831		136				1,831			
8. Provision for doubtful accounts	1,588		44				2,086			
9. Provision to allowance for game arcade closings	—		—				2,784			
10. Other	0	3,948	—	1,806	2.5	<u>(2,142)</u>	60	11,629	7.2	
Income before income taxes and distribution of loss in partnership ( <i>tokumei-kumiai</i> )		8,437	11.1	<u>8,515</u>	<u>11.8</u>	<u>77</u>		18,390	11.2	
Distribution of loss in partnership ( <i>tokumei-kumiai</i> )		9	0.0	5	0.0	(3)		16	0.0	
Income before income taxes		8,427	11.1	<u>8,509</u>	<u>11.8</u>	<u>81</u>		18,374	11.2	
Corporate, resident and enterprise taxes	1,819		805				2,915			
Refunded income taxes	(113)		(279)				(127)			
Deferred income taxes	3,404	5,110	6.7	2,817	3,343	4.6	(1,766)	3,941	6,730	4.1
Minority interest in consolidated subsidiaries		(2)	(0.0)	(45)	(0.1)	(43)		24	0.0	
Net income		<u>3,319</u>	<u>4.4</u>	<u>5,211</u>	<u>7.2</u>	<u>1,891</u>		<u>11,619</u>	<u>7.1</u>	

## Consolidated Statements of Cash Flows

(Millions of yen)

Account	FY2006	FY2007	Change	FY2006
	First-Half Period (April 1, 2006 to September 30, 2006)	First-Half Period (April 1, 2007 to September 30, 2007)		(April 1, 2006 to March 30, 2007)
I Cash flows from operating activities				
Income before income taxes	8,427	8,509		18,374
Depreciation and amortization	5,247	4,718		11,115
Impairment loss	166	4		368
Increase (decrease) in allowance for doubtful accounts	352	(2,823)		734
(Decrease) in reserve for bonuses	(1,049)	(244)		(775)
Increase (decrease) in allowance for sales returns	433	(810)		1,077
(Decrease) in allowance for retirement benefits	(150)	(335)		(832)
Increase (decrease) in allowance for directors' retirement benefits	15	(29)		72
(Decrease) increase in allowance for game arcade closings and other allowances	—	(1,646)		2,773
(Decrease) increase in other allowances	(62)	14		—
Interest and dividends received	(145)	(466)		(470)
Interest expenses	0	0		2
Foreign exchange loss (gain)	—	136		(76)
Gain on sale of investment securities	—	(11)		(410)
Losses on investments in securities	0	7		194
Gain on sale and disposal of property and equipment	359	446		1,094
Gain on divestment of business	(2,738)	(47)		(2,697)
Amortization of goodwill	—	683		1,386
Accelerated amortization of goodwill	1,831	136		1,831
Decrease in accounts receivable	9,863	2,507		11,090
(Increase) in inventories	(3,244)	(2,375)		(2,780)
(Decrease) increase in purchase liabilities	(510)	(4,841)		1,671
(Decrease) in accrued consumption taxes	(701)	(361)		(320)
Decrease (increase) in other current assets	(335)	627		800
Decrease (increase) in other non-current assets	77	2,453		(158)
(Decrease) increase in other current liabilities	3,587	(1,369)		(5,432)
Other	395	79		936
Subtotal	21,822	4,959	(16,863)	39,577
Interest and dividends received	155	405		487
Interest paid	(0)	(0)		(5)
Income taxes paid	(4,654)	(399)		(7,249)
Net cash provided by operating activities	17,323	4,965	(12,358)	32,809
II Cash flows from investing activities				
Payments for acquiring short-term securities	—	(1,009)		—
Payments for acquiring investment securities	—	(222)		(180)
Proceeds from sale of investment securities	—	90		443
Payments for acquiring property and equipment	(4,187)	(4,480)		(10,733)
Proceeds from sale of property and equipment	—	1,164		77
Payments for acquiring intangible assets	(155)	(149)		(413)
Proceeds from divestment of business	4,645	47		4,514
Payments for acquisition of shares in consolidated subsidiary	(63)	(0)		(63)
Proceeds from return of guarantee money deposited	432	1,287		1,113
Payments for provision of guarantee money	(94)	(517)		(398)
Other	94	(45)		(31)
Net cash provided by (used in) investing activities	669	(3,834)	(4,504)	(5,671)
III Cash flows from financing activities				
Proceeds from issuance of shares of common stock	—	503		438
Payments for acquisition of treasury stock	(12)	(36)		(37)
Payments for dividends	(2,217)	(2,775)		(3,314)
Payments for dividends for minority interests	(2)	(2)		(2)
Other	45	0		2
Net cash used in financing activities	(2,186)	(2,309)	(122)	(2,912)
IV Effect of exchange rate changes on cash and cash equivalents	72	0	(71)	356
V Net (decrease) increase in cash and cash equivalents	15,879	(1,178)	(17,057)	24,582
VI Cash and cash equivalents at beginning of period	75,252	99,847	24,595	75,252
VII Increase in cash and cash equivalents due to increase in consolidated subsidiaries	13	12	(0)	13
VIII Cash and cash equivalents at end of period	91,144	98,681	7,537	99,847



## 5. Segment Information

### 1. Consolidated Business Segment Information

The First-Half Period Ended September 30, 2006

(Millions of Yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Others	Total	Eliminations or unallocated	Consolidated total
Sales and operating income									
Net Sales									
(1) Sales to outside customers	19,186	7,678	2,907	5,426	38,144	2,615	75,959	—	75,959
(2) Intersegment sales	—	—	—	—	—	—	—	—	—
Total	19,186	7,678	2,907	5,426	38,144	2,615	75,959	—	75,959
Operating expenses	14,875	4,367	2,204	3,658	38,472	1,104	64,683	2,106	66,790
Operating income (loss)	4,311	3,311	703	1,767	(328)	1,511	11,276	(2,106)	9,169

Notes: 1. The classification of business segments is made according to the types of products and services.

2. Major products offered by each business segment

Segment	Major Products
Games (Offline)	Games
Games (Online)	Online games
Mobile Phone Content	Content for mobile phones
Publication	Magazine comics, serial comics, game-related books
Amusement	All the businesses of the Taito group including Amusement operation and Rental, Sales of Goods and Merchandise and Content Services
Others	Derivative products such as character merchandise, school for game designers

3. Unallocated operating expenses included in the "elimination or unallocated" column totaled ¥2,106 million. These expenses are related to administrative departments of the Company, which provide services and support that cannot be allocated to specific business segments.

The First-Half Period Ended September 30, 2007

(Millions of Yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Others	Total	Eliminations or unallocated	Consolidated total
Sales and operating income									
Net Sales									
(1) Sales to outside customers	20,448	5,413	3,525	5,210	34,150	3,522	72,271	—	72,271
(2) Intersegment sales	—	—	64	—	370	174	608	(608)	—
Total	20,448	5,413	3,589	5,210	34,520	3,696	72,879	(608)	72,271
Operating expenses	16,300	2,549	2,926	3,534	33,170	2,362	60,844	1,673	62,518
Operating income (loss)	4,147	2,864	663	1,676	1,349	1,334	12,035	(2,282)	9,752

Notes: 1. The classification of business segments is made according to the types of products and services.

2. Major products offered by each business segment

Segment	Major Products
Games (Offline)	Games
Games (Online)	Online games
Mobile Phone Content	Content for mobile phones
Publication	Magazine comics, serial comics, game-related books
Amusement	All the businesses of the Taito group including Amusement operation and Rental, Sales of Goods and Merchandise and Content Services
Others	Derivative products such as character merchandise, school for game designers

3. Unallocated operating expenses included in the "elimination or unallocated" column totaled ¥2,244 million. These expenses are related to administrative departments of the Company, which provide services and support that cannot be allocated to specific business segments.

FY2006 (April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Others	Total	Eliminations or unallocated	Consolidated total
Sales and operating income									
Net Sales									
(1) Sales to outside customers	51,316	13,660	7,759	11,208	75,610	3,915	163,472		163,472
(2) Intersegment sales	—	—	7	—	91	62	161	(161)	—
Total	51,316	13,660	7,767	11,208	75,702	3,978	163,634	(161)	163,472
Operating expenses	34,968	6,893	4,753	7,604	76,054	2,666	132,941	4,614	137,555
Operating income	16,348	6,767	3,013	3,603	(351)	1,311	30,693	(4,776)	25,916

Notes: 1. The classification of business segments is made according to the types of products and services.

2. Major products offered by each business segment

Segment	Major Products
Games (Offline)	Games
Games (Online)	Online games
Mobile Phone Content	Content for mobile phones
Publication	Magazine comics, serial comics, game-related books
Amusement	All the businesses of the Taito group including Amusement Operation and Rental, Sales of Goods and Merchandise and Content Services
Others	Derivative products such as character merchandise, school for game designers

3. Unallocated operating expenses included in "Eliminations or unallocated" totaled ¥4,614 million. These expenses are related to administrative departments, such as accounting and general affairs, of the Company, which provide services and operational support that cannot be allocated to specific business

## 2. Consolidated Geographic Segment Information

### The First-Half Period Ended September 30, 2006

(Millions of Yen)

	Japan	North America	Europe	Asia	Total	Eliminations or unallocated	Consolidated Total
Sales and operating income							
Net Sales							
(1) Sales to outside customer	62,368	9,043	4,109	438	75,959	—	75,959
(2) Intersegment sales	3,548	282	285	5	4,121	(4,121)	—
Total	65,917	9,326	4,394	443	80,081	(4,121)	75,959
Operating expenses	58,840	7,599	3,613	858	70,911	(4,121)	66,790
Operating income	7,076	1,727	781	(414)	9,169	—	9,169

- The classification of geographic area segments is made according to geographical distances.
- Main countries included in each segment:
  - North America.....the United States of America
  - Europe.....United Kingdom
  - Asia.....China, Korea
- There are no unallocated operating expenses included in the "Elimination or unallocated" column.

### The First-Half Period Ended September 30, 2007

(Millions of Yen)

	Japan	North America	Europe	Asia	Total	Eliminations or unallocated	Consolidated Total
Sales and operating income							
Net Sales							
(1) Sales to outside customer	63,908	4,111	3,903	347	72,271	—	72,271
(2) Intersegment sales	2,459	239	181	7	2,888	(2,888)	—
Total	66,368	4,351	4,085	354	75,159	(2,888)	72,271
Operating expenses	57,643	3,506	3,550	688	65,389	(2,871)	62,518
Operating income	8,724	844	535	(333)	9,770	(17)	9,752

- The classification of geographic area segments is made according to geographical distances.
- Main countries included in each segment:
  - North America.....the United States of America
  - Europe.....United Kingdom
  - Asia.....China, Korea
- There are no unallocated operating expenses included in the "Elimination or unallocated" column.

### FY2006 (April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Japan	North America	Europe	Asia	Total	Eliminations or unallocated	Consolidated Total
Sales and operating income							
Net Sales							
(1) Sales to outside customer	128,665	22,341	11,409	1,056	163,472	—	163,472
(2) Intersegment sales	9,776	833	457	11	11,078	(11,078)	—
Total	138,441	23,174	11,867	1,067	174,551	(11,078)	163,472
Operating expenses	119,465	17,552	9,901	1,713	148,633	(11,078)	137,555
Operating income	18,976	5,621	1,965	(645)	25,917	(0)	25,916

- The classification of geographic segments is made according to geographical distances.
- Main countries included in each segment:
  - North America.....the United States of America
  - Europe.....United Kingdom
  - Asia.....China, Korea
- There are no unallocated operating expenses included in "Eliminations or unallocated."

### 3. Consolidated Overseas Sales

The First-Half Period Ended September 30, 2006

(Millions of Yen)

	North America	Europe	Asia	Total
I Overseas sales	10,419	4,466	664	15,550
II Consolidated sales	—	—	—	78,959
III Percentage of overseas sales to consolidated sales	13.7%	5.9%	0.9%	20.5%

1. The classification of geographic segments is made according to geographical distances.

2. Main countries included in each segment:

(1) North America.....the United States of America, Canada

(2) Europe.....United Kingdom, France, Germany, others

(3) Asia.....China, Korea, others

3. Overseas sales represent sales of the Company and its consolidated subsidiaries to countries and areas outside

The First-Half Period Ended September 30, 2007

(Millions of Yen)

	North America	Europe	Asia	Total
I Overseas sales	4,928	4,206	642	9,777
II Consolidated sales	—	—	—	72,271
III Percentage of overseas sales to consolidated sales	6.8%	5.8%	0.9%	13.5%

1. The classification of geographic segments is made according to geographical distances.

2. Main countries included in each segment:

(1) North America.....the United States of America, Canada

(2) Europe.....United Kingdom, France, Germany, others

(3) Asia.....China, Korea, others

3. Overseas sales represent sales of the Company and its consolidated subsidiaries to countries and areas outside

FY2006 (April 1, 2006 to March 31, 2007)

(Millions of Yen)

	North America	Europe	Asia	Total
I Overseas sales	23,801	12,271	1,551	37,624
II Consolidated sales	—	—	—	163,472
III Percentage of overseas sales to consolidated sales	14.6%	7.5%	1.0%	23.0%

1. The classification of geographic segments is made according to geographical distances.

2. Main countries included in each segment:

(1) North America.....the United States of America, Canada

(2) Europe.....United Kingdom, France, Germany, others

(3) Asia.....China, Korea, others

3. Overseas sales represent sales of the Company and its consolidated subsidiaries to countries and areas outside