

**CONSOLIDATED FINANCIAL RESULTS
FOR THE FIRST-HALF PERIOD ENDED SEPTEMBER 30 2008 (JPNGAAP)**

Company Name: Square Enix Holdings Co., Ltd. Market: Tokyo Stock Exchange, First Section
 Code: 9684 URL: <http://www.square-enix.com/>
 Representative: Yoichi Wada, President and Representative Director Contact: Yosuke Matsuda, Director and Executive Officer
 Presentation of Financial Report (*Shihanki-Hokokusho*): November 13, 2008
 Date of dividend payout: December 5, 2008

1. Consolidated Financial Results (April 1, 2008 to September 30, 2008)

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, 2008	67,974	—	9,396	—	9,704	—	6,054	—
September 30, 2007	72,271	(4.9)	9,752	6.4	9,303	(1.0)	5,211	57.0

	Earnings Per Share (basic)	Earnings Per Share (diluted)
First-Half Period Ended	Yen	Yen
September 30, 2008	52.71	52.53
September 30, 2007	47.04	46.82

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

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
First-Half Period Ended			%	Yen
September 30, 2008	215,633	152,573	70.1	1,314.91
Fiscal Year Ended March 31, 2008	212,134	148,193	69.3	1,280.50

Note: Total Equity First-half period ended September 30, 2008 151,203
 (Millions of yen) Fiscal year ended March 31, 2008 147,034

2. Dividends

	Dividend Per Share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2008	—	10.00	—	20.00	30.00
Fiscal year ending March 31, 2009	—	10.00	—	—	—
Fiscal year ending March 31, 2009 (Projection)	—	—	—	20.00	30.00

Note: Revision for forecasts: None

3. Consolidated Forecasts (April 1, 2008 to March 31, 2009) (Millions of yen, except percentages)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings Per Share
Fiscal year ending		%		%		%		%	yen
March 31, 2009	160,000	8.5	21,000	(2.4)	20,000	6.0	12,000	30.5	104.36

Note: Revision for consolidated forecasts: None

4. Others

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

First-half period ended September 30, 2008	115,285,596
Fiscal year ended March 31, 2008	115,117,896
 2. Number of treasury stock at end of period

First-half period ended September 30, 2008	294,428
Fiscal year ended March 31, 2008	291,828
 3. Average number of shares during the period

First-half period ended September 30, 2008	114,873,258
First-half period ended September 30, 2007	110,792,808

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.
 * Effective from the current fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Also, the quarterly consolidated financial report is prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

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

[Correction] Earnings per share (diluted) data for the first-half period ended September 30, 2008 was corrected on November 10, 2008.

Consolidated Balance Sheet for the First-Half Period Ended September 30, 2008

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	110,740	111,515
Notes and accounts receivable	16,851	17,738
Merchandises and finished goods	2,617	2,628
Work in progress	323	639
Raw materials and supplies	780	999
Content production account	19,967	14,793
Other current assets	8,267	7,800
Allowance for doubtful accounts	(243)	(385)
Total current assets	<u>159,303</u>	<u>155,730</u>
Non-current assets		
Property and equipment	20,946	19,939
Intangible assets		
Goodwill	18,317	18,883
Other	1,005	1,140
Total intangible assets	<u>19,323</u>	<u>20,024</u>
Investments and other assets	<u>16,059</u>	<u>16,440</u>
Total non-current assets	<u>56,329</u>	<u>56,404</u>
Total assets	<u>215,633</u>	<u>212,134</u>

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Notes and accounts payable	10,163	10,704
Short-term loans	26	26
Accrued income taxes	1,713	763
Reserve for bonuses	1,491	1,802
Allowance for sales returns	1,240	1,135
Allowance for game arcade closings	208	226
Other	7,276	8,423
Total current liabilities	22,119	23,082
Non-current liabilities		
Corporate bond	37,000	37,000
Allowances for retirement benefits	1,563	1,528
Allowances for directors' retirement benefits	228	215
Allowance for game arcade closings	755	796
Other	1,392	1,318
Total non-current liabilities	40,940	40,858
Total liabilities	63,059	63,940
Net assets		
Shareholders' equity		
Common stock	15,113	14,928
Capital surplus reserve	44,354	44,169
Retained earnings	94,091	90,295
Treasury stock	(849)	(841)
Total shareholders' equity	152,709	148,552
Valuation and translation adjustment		
Unrealized gain on revaluation of other investment securities	(69)	(12)
Foreign currency translation adjustment	(1,436)	(1,504)
Total valuation and translation adjustment	(1,506)	(1,517)
Stock acquisition rights	280	81
Minority interests in consolidated subsidiaries	1,089	1,077
Total net assets	152,573	148,193
Total liabilities and net assets	215,633	212,134

Consolidated Statements of Income for the First-Half Period Ended September 30, 2008

	(Millions of yen) First-half period ended September 30, 2008
Net sales	67,974
Cost of sales	37,175
Gross profit	30,798
Reversal of allowance for sales returns	1,135
Provision for allowance for sales returns	1,240
Net gross profit	30,694
Selling, general and administrative expenses	21,298
Operating income	9,396
Non-operating income	
Interest income	469
Dividends received	11
Miscellaneous income	122
Total non-operating income	603
Non-operating expenses	
Interest expenses	2
Foreign exchange loss	265
Investment loss on equity method	20
Miscellaneous loss	7
Total non-operating expenses	295
Recurring income	9,704
Extraordinary gain	
Reversal of allowance for doubtful account	136
Reversal of allowance for obligation related to legal proceedings	159
Other	8
Total extraordinary gain	304
Extraordinary loss	
Loss on disposal of property and equipment	338
Loss on sale of investment securities	20
Other	89
Total extraordinary loss	448
Income before income taxes and distribution of loss in partnership (<i>tokumei-kumiai</i>)	9,560
Distribution of loss in partnership (<i>tokumei-kumiai</i>)	(8)
Income before income taxes	9,568
Corporate, resident and enterprise taxes	2,318
Deferred income taxes	1,204
Total income taxes	3,523
Minority interest in consolidated subsidiaries	(9)
Net income	6,054

Consolidated Statements of Cash Flows for the First-Half Period Ended September 30, 2008

	(Millions of yen) First-half period ended September 30, 2008
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Cash flows from operating activities	
Income before income taxes	9,568
Depreciation and amortization	3,272
Amorization of gooldwill	557
(Decrease) in allowance for doubtful accounts	(261)
(Decrease) in reserve for bonuses	(311)
Increase in allowance for sales returns	138
Increase in allowance for retirement benefits	35
Increase in allowance for directors' retirement benefits	12
(Decrease) in allowance for game arcade closings	(54)
Interest and dividends received	(480)
Interest expenses	2
Foreign exchange loss	197
Investmennt loss on equity method	20
Loss on disposal of property and equipment	338
Decrease in accounts receivable	793
(Increase) in inventories	(4,060)
(Decrease) in purchase liabilities	(355)
Other	(2,162)
Subtotal	7,251
Interest and dividends received	503
Interest paid	(2)
Income taxes paid	(1,275)
Net cash provided by operating activities	6,477
Cash flows from investing activities	
Payments for acquiring property and equipment	(5,135)
Proceeds from sale of property and equipment	22
Payments for acquiring intangible assets	(78)
Payments for acquiring investment securities	(120)
Proceeds from sale of investment securities	2
Payments for provision of guarantee money	(127)
Proceeds from recovery of guarantee money	621
Payments for loans	(230)
Proceeds from recovery of loans	79
Other	(94)
Net cash used in investing activities	(5,060)
Cash flows from financing activities	
Proceeds from issuances of shares of common stock	368
Payments for acquisition of treasury stock	(9)
Payments for dividends	(2,307)
Payments for dividends for minority interests	(2)
Other	0
Net cash used in financing activities	(1,948)
Effect of exchange rate changes on cash and cash equivalents	(176)
Net decrease in cash and cash equivalents	(708)
Cash and cash equivalents at beginning of period	111,479
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries	(66)
Cash and cash equivalent at end of period	110,704

Segment Information

1. Consolidated Business Segment Information

First-half period ended September 30, 2008

(Millions of yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Other	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income									
Net sales									
(1) Sales to outside customers	16,622	5,321	3,317	6,180	29,423	7,108	67,974	—	67,974
(2) Intersegment sales	—	17	10	—	761	119	908	(908)	—
Total	16,622	5,339	3,328	6,180	30,184	7,227	68,883	(908)	67,974
Operating income	3,477	2,981	1,700	1,735	81	2,085	12,061	(2,665)	9,396

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
Other	Derivative products such as character merchandise, school for game designers

3. Changes in accounting procedures

Effective from the current fiscal year ending March 31, 2009, the "Accounting Standard for Measurement for Inventories" (ASBJ Statement No. 9; July 5, 2006) has been applied. In conjunction with application of the accounting standard, operating income declined 2 million yen for Games (Offline), 24 million yen for Games (Online) and 380 million yen for Amusement compared to the figures in accordance with prior accounting standard.

2. Consolidated Geographic Segment Information

First-half period ended September 30, 2008

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income							
Net sales							
(1) Sales to outside customers	56,828	6,625	4,302	218	67,974	—	67,974
(2) Intersegment sales	3,150	98	152	—	3,401	(3,401)	—
Total	59,979	6,723	4,454	218	71,376	(3,401)	67,974
Operating income	6,820	1,860	776	(62)	9,393	2	9,396

Notes: 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
 (2) Europe.....United Kingdom
 (3) Asia.....China, South Korea

3. Changes in accounting procedures

Effective from the current fiscal year ending March 31, 2009, the "Accounting Standard for Measurement for Inventories" (ASBJ Statement No. 9; July 5, 2006) has been applied. In conjunction with application of the accounting standard, operating income declined 406 million yen for "Japan" compared to the figures in accordance with prior accounting standard.

3. Consolidated Oversea Sales

First-half period ended September 30, 2008

(Millions of yen)

	North America	Europe	Asia	Total
Overseas sales	7,012	4,488	458	11,958
Consolidated sales	—	—	—	67,974
Percentage of overseas sales to consolidated sales	10.3%	6.6%	0.7%	17.6%

Notes: 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, South Korea, Taiwan, others

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

(Reference)

Consolidated Statements of Income

(Millions of yen)

Account	First-half period ended September 30, 2007		Rate %
	Amount		
I Net sales		72,271	100.0
II Cost of sales		39,732	55.0
Gross profit		32,538	45.0
Reversal of allowance for sales returns		2,271	3.2
Provision for allowance for sales returns		1,503	2.1
Net gross profit		33,306	46.1
III Selling, general and administrative expenses			
1. Packaging freight charge	1,190		
2. Advertising expense	3,256		
3. Sales promotion expense	376		
4. Provision for doubtful accounts	84		
5. Compensation for directors	324		
6. Salary	7,547		
7. Provision to reserve for bonuses	1,163		
8. Net periodic pension costs	25		
9. Provision to reserve for directors' retirement benefits	20		
10. Welfare expense	963		
11. Rental expense	1,223		
12. Commissions paid	1,695		
13. Depreciation and amortization	649		
14. Other	5,033	23,553	32.6
Operating income		9,752	13.5
IV Non-operating income			
1. Interest income	464		
2. Dividends received	1		
3. Rental income	30		
4. Facilities' installation cooperation fees	52		
5. Investment profit on equity method	2		
6. Miscellaneous income	151	703	1.0
V Non-operating expenses			
1. Interest expenses	0		
2. Foreign exchange loss	92		
3. Loss on disposal of inventories	56		
4. Loss on write-off of content production account	876		
5. Loss on inventory valuation	84		
6. Miscellaneous loss	41	1,152	1.6
Recurring income		9,303	12.9

(Millions of yen)

Account	First-half period ended September 30, 2007		
	Amount		Rate
VI Extraordinary gain			
1. Gain on divesting business	47		
2. Gain on sale of investment securities	11		
3. Reversal of allowance for game arcade closings	955		
4. Other	2	1,018	1.4
VII Extraordinary loss			
1. Loss on sale of property and equipment	0		
2. Loss on disposal of property and equipment	447		
3. Impairment loss	4		
4. Loss on evaluation of investment securities	7		
5. Loss on disposal and write-down of assets associated with business restructuring	1,117		
6. Severance payments associated with business restructuring	47		
7. Accelerated amortization of goodwill	136		
8. Provision for doubtful accounts	44	1,806	2.5
Income before income taxes and distribution of loss in partnership (<i>tokumei-kumiai</i>)		8,515	11.8
Distribution of loss in partnership (<i>tokumei-kumiai</i>)		5	0.0
Income before income taxes		8,509	11.8
Corporate, resident and enterprise taxes	805		
Refunded income taxes	(279)		
Deferred income taxes	2,817	3,343	4.6
Minority interest in consolidated subsidiaries		(45)	(0.1)
Net income		5,211	7.2

Consolidated Statements of Cash Flows

(Millions of yen)

Account	First-half period ended September 30, 2007
I Cash flows from operating activities	
Income before income taxes	8,509
Depreciation and amortization	4,718
Impairment loss	4
(Decrease) in allowance for doubtful accounts	(2,823)
(Decrease) in reserve for bonuses	(244)
(Decrease) in allowance for sales returns	(810)
(Decrease) in allowance for retirement benefits	(335)
(Decrease) in allowance for directors' retirement benefits	(29)
(Decrease) increase in allowance for game arcade closings and other allowances	(1,646)
Increase in other allowances	14
Interest and dividends received	(466)
Interest expenses	0
Foreign exchange loss	136
Gain on sale of investment securities	(11)
Losses on investments in securities	7
Gain on sale and disposal of property and equipment	446
Gain on divestment of business	(47)
Amortization of goodwill	683
Accelerated amortization of goodwill	136
Decrease in accounts receivable	2,507
(Increase) in inventories	(2,375)
(Decrease) in purchase liabilities	(4,841)
(Decrease) in accrued consumption taxes	(361)
Decrease in other current assets	627
Decrease in other non-current assets	2,453
(Decrease) in other current liabilities	(1,369)
Other	79
Subtotal	4,959
Interest and dividends received	405
Interest paid	(0)
Income taxes paid	(399)
Net cash provided by operating activities	4,965
II Cash flows from investing activities	
Payments for acquiring short-term securities	(1,009)
Payments for acquiring investment securities	(222)
Proceeds from sale of investment securities	90
Payments for acquiring property and equipment	(4,480)
Proceeds from sale of property and equipment	1,164
Payments for acquiring intangible assets	(149)
Proceeds from divestment of business	47
Payments for acquisition of shares in consolidated subsidiary	(0)
Proceeds from return of guarantee money deposited	1,287
Payments for provision of guarantee money	(517)
Other	(45)
Net cash provided by (used in) investing activities	(3,834)
III Cash flows from financing activities	
Proceeds from issuance of shares of common stock	503
Payments for acquisition of treasury stock	(36)
Payments for dividends	(2,775)
Payments for dividends for minority interests	(2)
Other	0
Net cash used in financing activities	(2,309)
IV Effect of exchange rate changes on cash and cash equivalents	0
V Net (decrease) in cash and cash equivalents	(1,178)
VI Cash and cash equivalents at beginning of period	99,847
VII Increase in cash and cash equivalents due to increase in consolidated subsidiaries	12
VIII Cash and cash equivalents at end of period	98,681

Segment Information

1. Consolidated Business Segment Information

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

2. Consolidated Geographic Segment Information

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 customers	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

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

2. Main countries included in each segment:

- (1) North America.....the United States of America
- (2) Europe.....United Kingdom
- (3) Asia.....China, Korea

3. Consolidated Overseas Sales

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 of