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SQUARE ENIX CO., LTD.  
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## Revision of Forecasts for Fiscal Year ended March 31, 2006

SQUARE ENIX CO., LTD. (the "Company") announced today a revision of its forecasts for the fiscal year ended March 31, 2006 (April 1, 2005 through March 31, 2006) (the "Forecasts") from those announced on April 18, 2006 as follows.

### 1. Revision to Consolidated Results Forecasts

FY2005 (April 1, 2005 through March 31, 2006)

(Millions of Yen)

		Net Sales	Recurring Income	Net Income
Previous forecast (announced on Apr. 18, 2006)	(A)	125,000	15,000	10,000
Revised forecasts	(B)	125,000	15,000	17,000
Change	(B-A)	-	-	7,000
Rate of change	(%)	-	-	70.0
[Reference] Previous fiscal year results (ended March 31, 2005)		73,864	25,901	14,932

### 2. Revision to Non-Consolidated Results Forecasts

FY2005 (April 1, 2005 through March 31, 2006)

(Millions of Yen)

		Net Sales	Recurring Income	Net Income
Previous forecast (announced on Apr. 18, 2006)	(A)	70,000	13,000	8,000
Revised forecasts	(B)	70,000	13,000	20,600
Change	(B-A)	-	-	12,600
Rate of change	(%)	-	-	157.5
[Reference] Previous fiscal year results (ended March 31, 2005)		63,950	23,533	13,562

### 3. Causes of the Revision (Consolidated and Non-Consolidated Results Forecasts)

In fiscal year 2005, the Company acquired 93.7% of the outstanding shares of TAITO CORPORATION (“former TAITO”) by the tender offer bid for the former TAITO shares, which followed that former TAITO became a consolidated subsidiary of the Company. Furthermore, to facilitate former TAITO’s efficient and responsive business operations consistent with the Company’s strategy, the Company made TAITO CORPORATION, a surviving company, a wholly-owned subsidiary of the Company by merging former TAITO into former SQEX, Inc., a wholly-owned subsidiary of the Company, as of March 31, 2006. Tax effect accounting standards are applied to such structural reorganization, and deferred tax assets (income taxes-deferred: negative ¥9 billion upon consolidated basis, or negative ¥6.1 billion upon non-consolidated basis) are recognized. The definitive amounts have resulted in the revision of the Forecasts.

In addition, a difference in consolidated and non-consolidated net incomes is due to required write-down of consolidation adjustment account (¥3.9 billion).

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