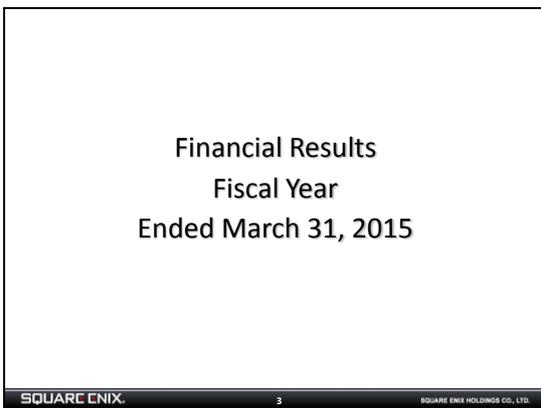
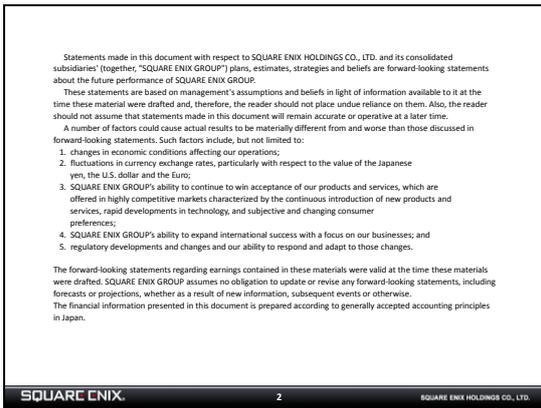


We would now like to begin the Financial Results Briefing Session of SQUARE ENIX HOLDINGS (the “Company”) for the fiscal year ended March 31, 2015 (“FY2015/3”).

Today’s presenters are:

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

First, Mr. Watanabe will give a summary overview of the Company’s financial results for FY2015/3, and then Mr. Matsuda will explain the Company’s business progress.



Good afternoon. I'm Kazuharu Watanabe. I would like to explain the highlights of the Company's financial results for FY2015/3.

Financial Results:					
Fiscal Year Ended March 31, 2015					
(Billions of Yen)					
	Fiscal Year Ended 3/14		Fiscal Year Ended 3/15		
		%		%	% Change
Net Sales	155.0	100%	167.9	100%	8.3%
Operating Income	10.5	7%	16.4	10%	55.8%
Recurring Income	12.5	8%	16.9	10%	35.5%
Net Income	6.6	4%	9.8	6%	49.0%

	Fiscal Year Ended 3/14	Fiscal Year Ended 3/15	Change
Depreciation and Amortization	6.6	6.9	0.3
Capital Expenditure	5.4	6.0	0.7
Number of Employees	3,581	3,864	283

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In FY2015/3, the Company booked net sales of ¥167.9 billion, operating income of ¥16.4 billion, recurring income of ¥16.9 billion, and net income of ¥9.8 billion.

We achieved growth in both net sales and net income.

Financial Results by Business Segment:						
Fiscal Year Ended March 31, 2015						
(Billions of Yen)						
1. Results for the Fiscal Year ended March 31, 2015						
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	111.9	40.7	11.5	4.0	(0.3)	167.9
Operating Income	17.3	3.6	3.2	1.2	(8.9)	16.4
Operating Margin	15.4%	8.9%	28.1%	29.0%	-	9.8%

2. Results for the Fiscal Year ended March 31, 2014						
(Billions of Yen)						
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	94.6	47.0	10.2	3.8	(0.5)	155.0
Operating Income	10.7	4.5	2.3	1.1	(8.1)	10.5
Operating Margin	11.3%	9.6%	22.4%	29.4%	-	6.8%

3. Changes (1-2)						
(Billions of Yen)						
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	17.4	(6.2)	1.3	0.2	0.2	12.9
Operating Income	6.6	(0.9)	0.9	0.0	(0.8)	5.9

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These are the results by segment.

For Digital Entertainment segment, net sales were ¥111.9 billion, and operating income was ¥17.3 billion. There was growth in both sales and income.

All 3 sub-segments, which are HD Games, MMO, Games for Smart Devices/PC browser, did well.

Although we did not release major HD titles in FY2015/3, mid-sized titles did well, including “*FINAL FANTASY TYPE-0 HD*,” “*KINGDOM HEARTS - HD 2.5 REMIX -*,” and “*DRAGON QUEST HEROES*,” Repeat sales of previous titles, mainly download sales of full-length games, were strong in the West.

MMO, which mainly consists of “*FINAL FANTASY XIV*,” and “*DRAGON QUEST X*,” both did well in their operations.

“*FINAL FANTASY XIV*,” was launched in August 2013, so this is the title’s first full-year contribution.

In Smart Devices & PC Browser Games, etc., “*SENGOKU IXA*” continued to do well, while the 4 titles of “*DRAGON QUEST MONSTERS SUPER LIGHT*,” “*SCHOOLGIRL STRIKERS*,” “*Kai-ri-Sei Million Arthur*,” and “*FINAL FANTASY RECORD KEEPER*,” (a collaboration title with DeNA), are constantly achieving high rankings to make a big contribution.

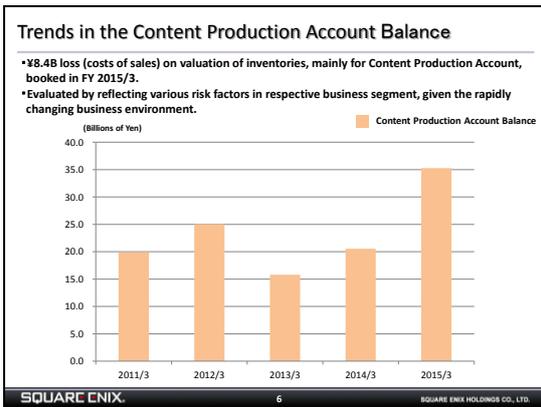
Net sales and operating income in the Amusement

segment both declined to ¥40.7 and ¥3.6 billion, respectively. This was due to prices remaining unchanged despite the consumption tax rate hike, as well as the number of visitors to shopping centers being sluggish, which had an impact on our amusement outlets in the shopping centers. On top of this, we did not have such a big launch of amusement equipment as “*LORD of VERMILION III*” we did in FY2014/3. As a result, both sales and income declined. However, we were able to secure operating income of ¥3.6 billion, despite the tough environment, by working on efficient store management.

The Publication segment achieved growth in both net revenue, which was ¥11.5 billion, and operating income, which was ¥3.2 billion. Popular comic series adapted for television anime series showed strong sales, notably “*BARAKAMON*,” “*GEKKAN SHOJO NOZAKI KUN*,” and “*Akame ga KILL!*”

The Merchandising segment also enjoyed growth in both net sales and operating income, to reach ¥4 billion and ¥1.2 billion, respectively. Together with the Group’s own IP, we were licensed third party content and are promoting the merchandising of third-party character under license.

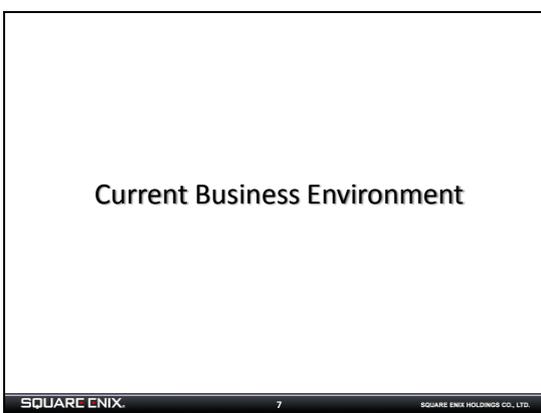
As a result, we achieved growth in both consolidated sales and income.



This is the content production account balance.

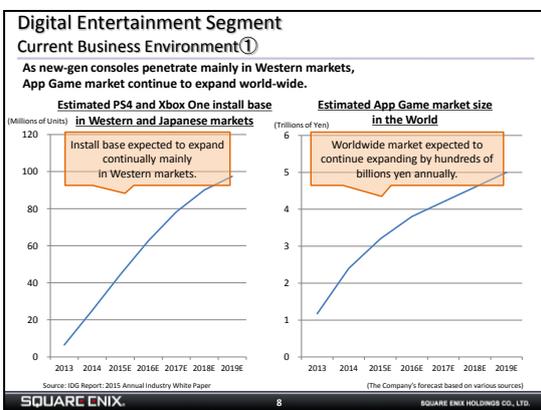
The balance was ¥35.1 billion at the end of FY2015/3, and we booked ¥8.4 billion of loss on valuation of inventories.

That concludes the overview of the financial results.



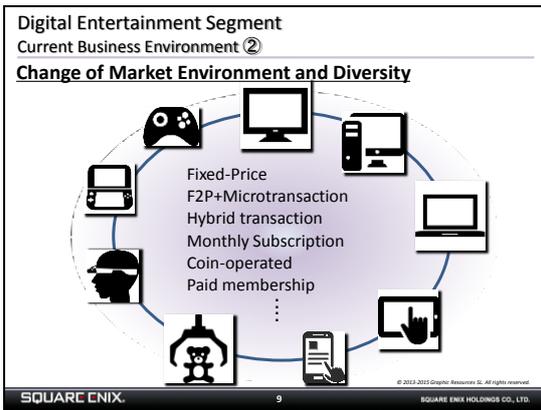
This is Yosuke Matsuda, President.

I will explain the future business outlook, as well as our strategies.



In the console market, PS4 seems to be doing especially well, mainly in the West. We believe both PS4 and Xbox One are continuing to grow. We contributed to enhancement of the domestic PS4 market through the launches of "DRAGON QUEST HEROES," and "FINAL FANTASY TYPE-0 HD," which encloses the trial version of "FINAL FANTASY XV," However, we expect the Western markets to remain the key growth areas.

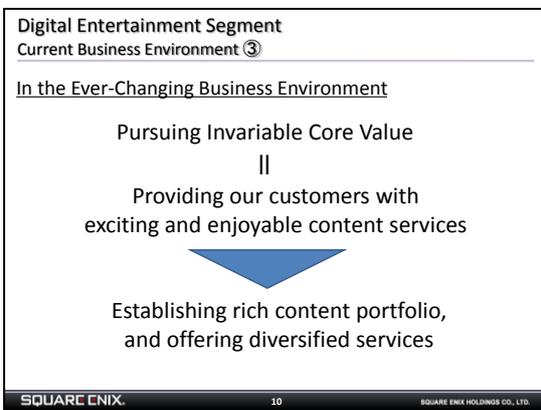
The smart device market is also continuing to expand. However, the number of players in the market is also increasing, mainly in the domestic market, making the competition extremely intense.



I believe the general view towards this market is that various devices are becoming connected to the internet, and the business model is getting increasingly diversified.

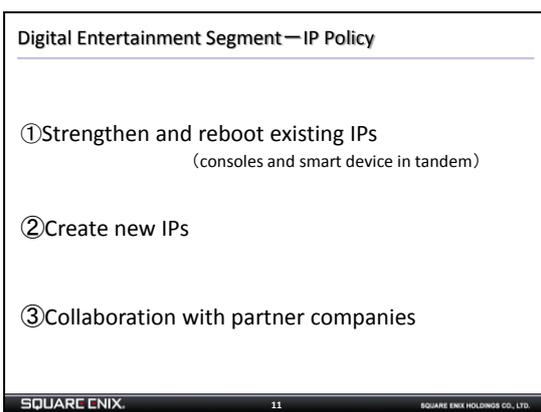
Meanwhile, AR (augmented reality) and VR (virtual reality) devices are entering the commercialization phase. We too are monitoring this trend with great interest, and considering various initiatives.

It is getting more difficult to form a view on the business outlook, with the rapid changes in market environment and the increasing diversity.



Under these circumstances, our job is to provide exciting and enjoyable content services, which is in line with the pursuit of our core value. This will remain unchanged, regardless of the business environment.

In order to do this, it is important to maintain a rich pipeline to respond to the aforementioned changes in market environment, and continuing to provide new services and content.



There are three key IP policies.

First is to strengthen and reboot our existing IPs. We would like to focus on how to utilize the numerous assets of content that we have nurtured so far, and apply them to the latest trend. As for the platform, we would like to use consoles and smart devices in parallel. Just focusing on one platform is not enough. We believe it is significant to serve both platforms, if we are to offer game content and services that appeal to the new generation.

The second policy is to create new IPs. I cannot disclose much at this moment, but we are working on various initiatives, including some experimental projects.

So far, we have created IPs for a wide range of platforms, including consoles, smart devices, PCs and publication. Based on this strength, we will actively work on creating new IPs in FY2016/3.

The third IP policy is to collaborate with partner companies. With so much changes going on in the market, we will suffer a big opportunity loss if we try to do everything all by ourselves. Through collaboration, we will utilize the strengths of other companies which we ourselves lack, and grow the size of the business. A good example is “*DRAGON QUEST HEROES*,” So far, we had not worked on a full-scale action RPG. However, we were able to create a new style for “*DRAGON QUEST*” through collaboration with Koei Tecmo Games.

Based on this success, we want to collaborate more with partner companies, both in and out of Japan.

This slide shows the number of units sold by region in the Digital Entertainment segment.

As explained in the interim results announcement, download sales of full-length games have been increasing. We, therefore, have changed our disclosure policy: we have begun adding the number of downloads of titles released in the current and previous fiscal years, to the unit number of discs sold, which we have been disclosing in the past.

With the increase in download sales, the business is becoming more long tailed compared to the past, when we were dependent on initial shipments. Taking “*TOMB RAIDER*,” as an example, we released the GOTY (Game Of The Year) version, the HD remaster version, and the complete version including PDLC, following the first launch of the title. By conducting sales activities not once but two or three times, revenue contribution is becoming more long tailed.

Digital Entertainment Segment — Units sold by region

Change in disclosure standards for number of game units sold by region
 Before: Disc sales only
 After: Disc sales + Download sales of full-length games newly released in the current and previous FYs (not including catalogue titles released more than 2 years ago)

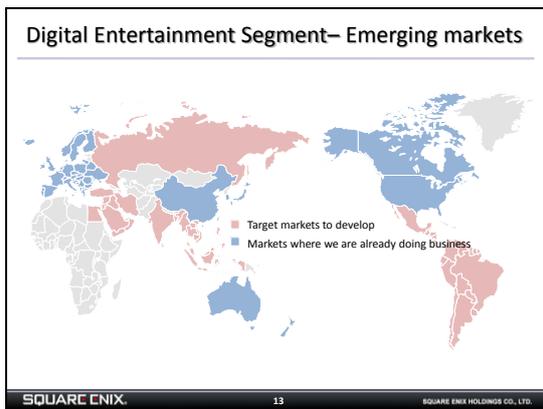
Region	2015/3		2016/3	
	Results (Old Std.)	Results (New Std.)	Forecasts (Old Std.)	Forecasts (New Std.)
Japan	4.01	4.76	4.2	4.8
N. America	6.05	7.59	7.7	10.2
Europe	3.12	5.05	4.7	7.4
Asia, etc.	0.3	0.56	0.2	0.2
Total	13.47	17.96	16.8	22.6

(Millions of Units Sold)

(注) The above numbers cover both HD and MMO games, including third-party titles for distributorship arrangement.

If we can develop strong titles that allow us to sell in such ways, we can secure revenue opportunities on a long tail, long life basis. The ratio of download sales will continue to increase, which is favorable for us.

Game streaming services are becoming more advanced, too. This will be a key feature of our future services.

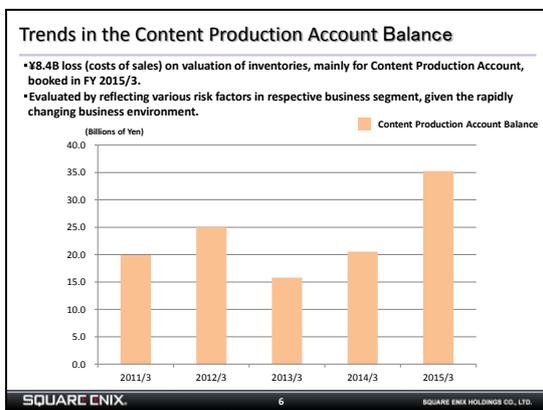


This is the world map we showed you at the time of the interim results announcement, outlining in red the geographies that we have not yet been able to enter.

Out of these geographies, South America has especially strong potential as a consumer market, with mobile games as well as consoles gaining momentum.

Meanwhile in Russia, online games, F2P online PC games in particular, are very big.

We plan to expand into these geographies aggressively.



We have booked ¥8.4 billion of valuation loss for the content production account, taking account of risks in our various business areas.

Our earnings volatility is increasing, due to competition intensifying in our businesses, in particular, HD games and smart device games. From an accounting perspective, we need to consider the downside risk from this volatility, so we booked ¥8.4 billion of valuation loss of inventories, mainly in relation to the content production account.



Now, I will go over our progress in each business segment.

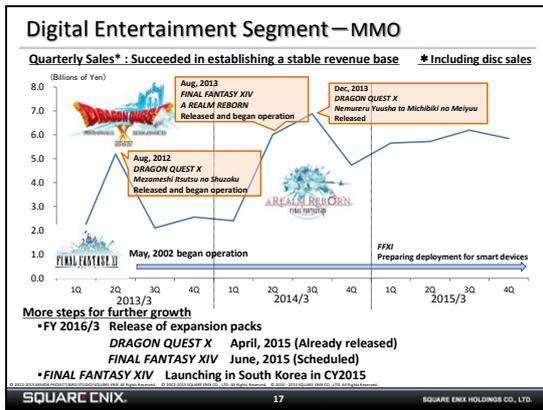


First, HD games in the Digital Entertainment segment. Launches in FY2016/3 will mainly be titles for the Western market. We are planning several releases of major titles in the second half. We expect the competitive environment to be tough, with our competitors announcing big titles in the E3 in June. We believe our titles can fully compete with these big titles, however, as I will explain later, we have been conservative in our forecast for FY2016/3. We are confident about the quality of each title, and will aim at a level far beyond our current forecast.

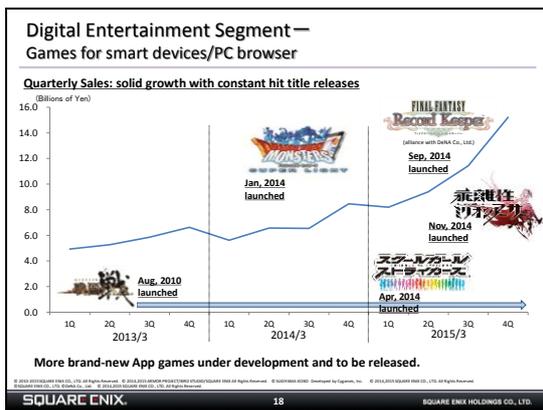


This is “*DEUS EX*,” launched this April. In our private conference at the next E3, we are planning to announce several titles in addition to this one.

We plan to make use of our IP in multifaceted approach, in “*DRAGON QUEST HEROES II*,” and “*STAR OCEAN 5*,” as part of the efforts to strengthen and reboot our existing IPs, as I mentioned earlier.



Next is the MMO business. This graph shows the quarterly sales. It's going up and down, since disk sales are included. Please note that sales temporarily increase when disks are launched. Excluding disk sales, subscription fee revenue is growing steadily, while "DRAGON QUEST X," and "FINAL FANTASY XIV," are stably generating income, and contributing to our earnings. In FY2016/3, we will launch expansion disks for "DRAGON QUEST X," in April (already released), and for "Final Fantasy XIV," in June. Through the launches of these expansion disks, we plan to retain the existing users, as well as capture new customers.



This graph shows the quarterly sales for games for smart devices and PC browser. Apart from the ups and downs due to seasonality, this business is growing substantially overall.

We achieved material progress in FY2015/3, and secured high rankings for many titles.

Meanwhile, when you try to put many titles in the high rankings, you will face operational difficulties, such as an increase in fixed costs.

The key challenge is to maintain balance between the two, and operate efficiently while winning high rankings for many titles.

We will be releasing several titles in FY2016/3 too. With the difficult market environment, we cannot tell whether they will turn out to be hits or not until after the release. In that sense, you could say that games for smart devices are also quite volatile, like HD games.

Amusement Segment

- In FY2015/3, despite the impact of the consumption tax rate increase, the results were stable thanks to the efficient store operations.
- In FY2016/3, introducing electronic money payment, and launching new arcade games.
- Focusing on new customer segments such as foreigner tourists.

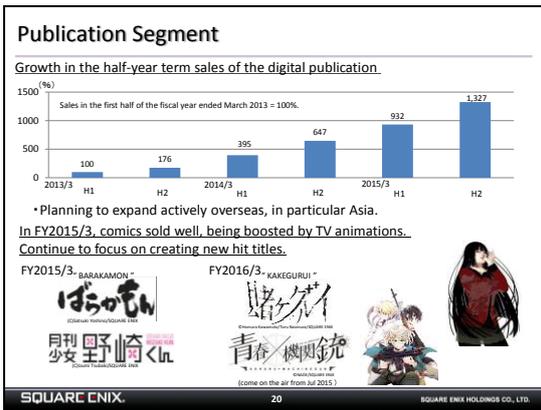
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The Amusement segment was significantly impacted by the consumption tax rate hike.

However, we were able to absorb some of the negative impact through the restructuring of unprofitable stores, which we had been working on from the past. Although the overall amusement market is shrinking, we are becoming able to acquire advantageous locations for our stores. We will benefit from ending up as one of survivors in this market, and are confident that earnings will remain robust.

In order to improve the convenience for customers, we will start introducing an e-money payment system to our major stores from this May. Meanwhile, we are seeing more foreign tourists come to our stores in the major cities such as Tokyo, Sapporo and Fukuoka. We will continue to refine our operations, for example by accepting China's UnionPay cards for Chinese visitors.

In this FY2016/3, we are planning to launch amusement game machines of "School of Ragnarok," and "DISSIDIA FINAL FANTASY." The amusement business is an important platform for us, where we can offer customers the "live" experiences. Today, it has become easier for us to offer our customers the "live" experiences compared to the past, precisely because we are in the day and age of the internet. By offering new gaming experiences like e-sport, we will pursue breakthroughs in the amusement business.



In the Publication segment, e-books are growing, as we explained in the past. For e-books, we are getting a lot of business inquiries from overseas, mainly Asia, so we plan to focus on expanding the business overseas hereafter.

We were initially positioning FY2015/3 to be the year of preparation. However, popular comic series adapted for television anime series showed surprisingly strong sales, notably “BARAKAMON,” “GEKKAN SHOJO NOZAKI KUN,” and “Akame ga KILL!” We believe preparations will continue in FY2016/3, but as we work on such efforts, we also plan to publish hit titles and achieve strong earnings.

Financial Forecasts Fiscal Year Ending March 31, 2016

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Now, let me move on to our forecasts for FY2016/3.

Financial Forecasts: Fiscal Year Ending March 31, 2016

	Fiscal Year Ended 3/15	Fiscal Year Ending 3/16 (Projection)	Change
(Billions of Yen)			
Net Sales	167.9	200.0~220.0	32.1~52.1
Operating Income	16.4	17.0~25.0	0.6~8.6
Recurring Income	16.9	17.0~25.0	0.1~8.1
Net Income	9.8	11.0~18.0	1.2~8.2
(Yen)			
Depreciation and Amortization			
	6.9	6.0	(0.9)
Capital Expenditure			
	6.0	6.0	0.0
Dividends per share(Details later)			
	Fiscal Year ended 3/15	Fiscal Year Ending 3/16 (Projection)	Change
2Q	10	10	—
4Q	20	20~35	0~15
Total	30	30~45	0~15

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We have set a range of ¥200-220 billion in net sales, and are aiming to exceed the ¥200 billion mark for the first time in our history.

While we expect the aforementioned tail wind in the market environment, we expect the competition to be intense in HD games and games for smart devices. On top of this, we will have to bear HD games’ heavy depreciation burden in the year of launch. Development costs for smart device games are gradually increasing, too. Based on these factors, we expect our operating income to be between ¥17-25 billion.

Having said that, the tough competition also means we

The plans, forecasts, strategies and ideas described in this material are descriptions of forecasts of future results. These descriptions rely on information available as of the date of production of this material and are based on assumptions and judgment made by the Company’s management. Readers are advised not to rely solely on these forecasts. Readers should also not assume that these forecasts are accurate or valid information, even after the date of public release. There are many factors that may cause actual results to vary considerably from the forecasts, and in some cases actual results may be inferior to forecasts.

The information on the future forecasts described in this material is current as of May 12, 2015. The company is not obliged to update or correct forecasts concerning the Company’s future results, including forecasts or outlook, if new information becomes available and/or events occur after May 12, 2015.

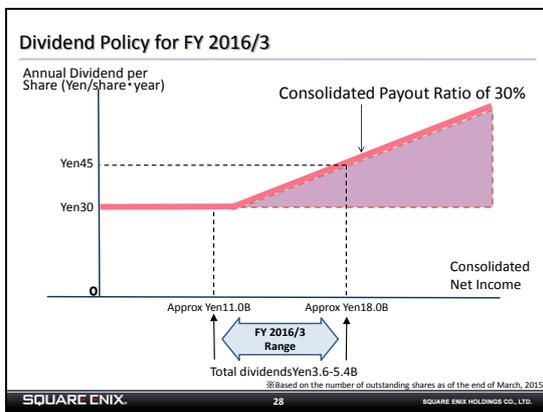
may have upside potential, and we shall try to outperform our targeted range.

We expect recurring income to be between ¥17-25 billion, and net income to be between ¥11-18 billion, considering tax expenses.

As for dividends, we are planning to pass a resolution regarding the year-end dividend of ¥20 per share at the Board of Directors meeting to be held on May 18th. Together with the interim dividend, which has already been paid out, the total annual dividend will be ¥30 per share.

This is our dividend policy for FY2016/3.

We have been saying that we will set ¥30 per share as the floor, and will target a consolidated dividend payout ratio of 30%. For FY 2016/3, our forecasted income level should allow us to increase dividends based on this 30% payout ratio. We will make every effort possible to achieve this dividend increase.



Financial Forecasts by Business Segment: Fiscal Year Ending March 31, 2016

Each business segment's forecast number for Fiscal Year ending March 31, 2016 corresponds to the intermediate scenario in the forecast range (consolidated net sales of Yen 210B, and consolidated operating income of Yen 21B).

1. Forecast for the Fiscal Year ending March 31, 2016						(Billions of Yen)
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	157.0	40.0	10.0	3.0		210.0
Operating Income	23.5	4.0	2.0	0.5	(9.0)	21.0
Operating Margin	15.0%	10.0%	20.0%	16.7%	-	10.0%

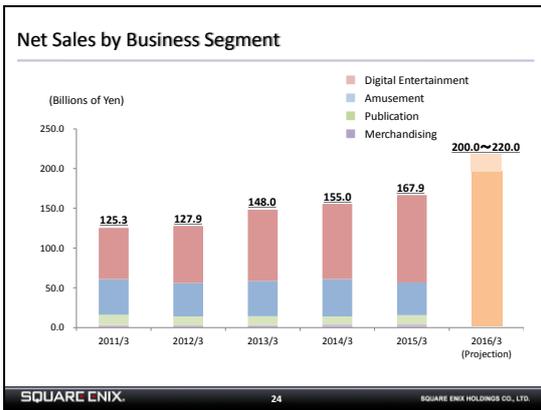
2. Results for the Fiscal Year ended March 31, 2015						(Billions of Yen)
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	111.9	40.7	11.5	4.0	(0.3)	167.9
Operating Income	17.3	3.6	3.2	1.2	(8.9)	16.4
Operating Margin	15.4%	8.9%	28.1%	29.0%	-	9.8%

3. Changes (1 - 2)						(Billions of Yen)
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	45.1	(0.7)	(1.5)	(1.0)	0.3	42.1
Operating Income	6.2	0.4	(1.2)	(0.7)	(0.1)	4.6

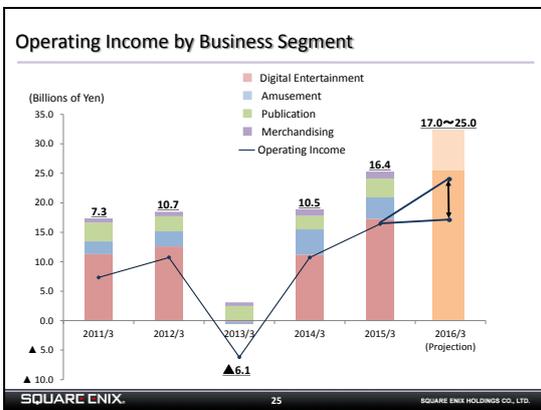
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This is the breakdown by business segment for FY2016/3.

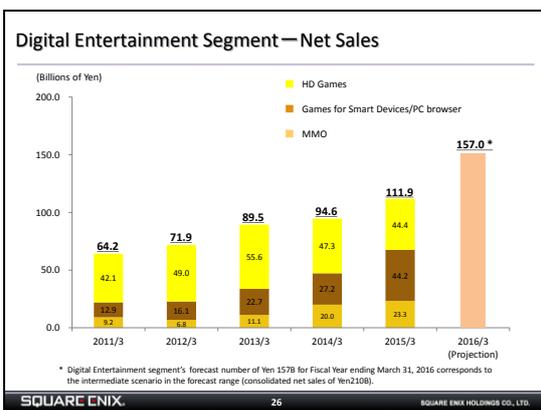
In FY 2015/3, we had some ups and downs between the segments, due to some parts of the business outperforming and underperforming our initial forecasts. We expect the same to happen in FY 2016/3. However, if we continue our efforts to release strong titles consistently, we have a chance to produce big hit titles. We will make sure to work steadily on title development.



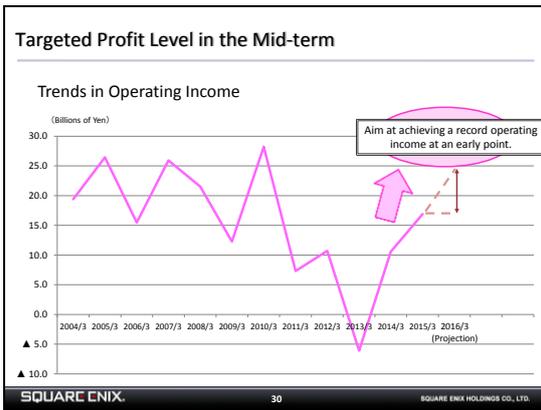
This graph shows the trend in net sales by business segment.



This is the trend in operating income by business segment.

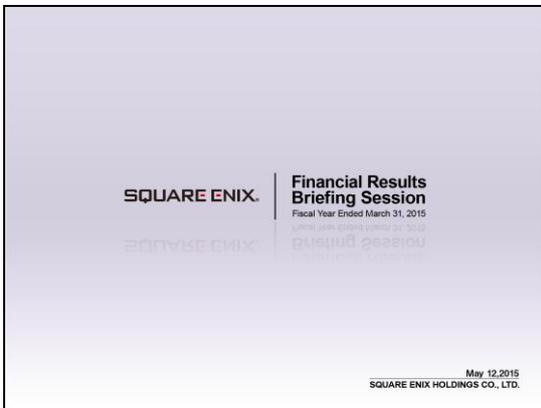


* Digital Entertainment segment's forecast number of Yen 1578 for Fiscal Year ending March 31, 2016 corresponds to the intermediate scenario in the forecast range (consolidated net sales of Yen2108).



This is our mid-term profit target. We stick to our near-term goal to achieve record operating income at an early point.

We will work on various initiatives in FY2016/3 to achieve this.



That concludes my presentation about the business environment, as well as the forecasts for FY2016/3, etc.

Thank you for your attention.