

**SQUARE ENIX HOLDINGS CO., LTD. ANNOUNCES FINANCIAL RESULTS FOR
THE THREE-MONTH PERIOD ENDED JUNE 30, 2018**

TOKYO, Japan – August 7, 2018 – SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) today announced consolidated results for the three-month period ended June 30, 2018. The Company is listed on the First Section of the Tokyo Stock Exchange, with the stock code “9684,” and prepares its financial statements according to the Japan GAAP.

Key Figures

(millions of yen, except percentages and per share data)

<u>3 months actual</u>	<u>3 mos. ended 6/18</u>	<u>3 mos. ended 6/17</u>	<u>YoY change</u>
Net sales	45,470	57,000	-20.2%
Operating income	4,258	12,874	-66.9%
Ordinary income	7,700	13,286	-42.0%
Profit attributable to owners of parent	5,869	8,368	-29.9%
EPS, basic	49.29 yen	68.56 yen	-

<u>Full year</u>	<u>Forecast FY ending 3/19</u>	<u>Actual FY ended 3/18</u>	<u>YoY change</u>
Net sales	270,000	250,394	+7.8%
Operating income	30,000	38,176	-21.4%
Ordinary income	30,000	36,124	-17.0%
Profit attributable to owners of parent	21,000	25,821	-18.7%
EPS, basic	175.13 yen	215.33 yen	-

For additional information, please refer to the full-length Consolidated Financial Results document at: <http://www.hd.square-enix.com/eng/19q1earnings.pdf>, or the Company’s IR website: <http://www.hd.square-enix.com/eng/ir/>.

In the Digital Entertainment segment during the three-month period ended June 30, 2018, having no new game release, net sales decreased in the area of console games compared to the same period of the prior fiscal year. The posting of advertising costs in advance of the release of major new titles in Q2 and beyond resulted in an operating loss, but download sales of previously released titles remained brisk.

In the smart devices and PC browser area, performance of most of our titles launched in the prior fiscal year fell below our expectations and failed to generate additional revenue on top of that from existing established games. Furthermore, partially due to the lack of the lump-sum payment of a license fee that we had received in the same period of the previous fiscal year, both net sales and operating profit decreased compared to the same period of the prior fiscal year.

In the area of massively multiplayer online role playing games, net sales and operating profit decreased compared to the same period of the prior fiscal year, which had seen the launch of a “FINAL FANTASY XIV” expansion disk, but average revenue per user (ARPU) remained strong.

In the Amusement segment, solid amusement facility operations resulted in a year-on-year increase in net sales, but operating profit decreased compared to the same period of the prior fiscal year as no new amusement machines were launched.

In the Publication segment, sales of printed comic books were sluggish due to limited new releases, but brisk sales in digital formats led to an increase in net sales compared to the same period of the prior fiscal year. Operating profit decreased compared to the prior fiscal year due to greater advertising spending for digital publications.

In the Merchandising segment, both net sales and operating profit declined year-on-year during the three-month period ended June 30, 2018, due to the high hurdle set in the same period of the prior fiscal year by the release of merchandise based on characters in the Group's IP portfolio.

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About Square Enix Holdings Co., Ltd.

Square Enix Holdings Co., Ltd. with headquarters in Tokyo, Japan, is the holding company leading the group of Square Enix companies (the "Square Enix Group") with a diverse range of content and service businesses. The Square Enix Group publishes, distributes and licenses entertainment content around the world under its internationally renowned brands including SQUARE ENIX®, EIDOS® and TAITO®. The Square Enix Group includes a global network of leading development studios located in North America, Europe and Japan. The Square Enix Group also boasts a valuable portfolio of intellectual property including: FINAL FANTASY®, which has sold over 141 million units worldwide; DRAGON QUEST®, which has sold over 76 million units worldwide; TOMB RAIDER®, which has sold over 66 million units worldwide; and the legendary SPACE INVADERS®.

More information on Square Enix Holdings Co., Ltd. can be found at <http://www.hd.square-enix.com/eng/>

*Unit sales are the total number of cumulative package shipment and digital sales. Digital sales are the cumulative unit number in and after April 2015, and include full-game downloads of packaged games and download-only games for console and PC.

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.

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