

**CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE FIRST-HALF PERIOD ENDED SEPTEMBER 30 2009 (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 11, 2009  
Date of dividend payout: December 4, 2009

**1. Consolidated Financial Results (April 1, 2009 to September 30, 2009)**

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, 2009	90,561	33.2	13,091	39.3	12,181	25.5	2,683	(55.7)
September 30, 2008	67,974	—	9,396	—	9,704	—	6,054	—

	Earnings Per Share (Basic)	Earnings Per Share (Diluted)
	Yen	Yen
First-Half Period Ended September 30, 2009	23.32	23.32
September 30, 2008	52.71	52.53

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

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
			%	Yen
First-Half Period Ended September 30, 2009	242,934	148,558	60.6	1,279.10
Fiscal Year Ended March 31, 2009	213,194	148,724	69.1	1,280.92

Note: Total Equity First-half period ended September 30, 2009 147,191  
(Millions of yen) Fiscal year ended March 31, 2009 147,318

**2. Dividends**

	Dividend Per Share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2009	—	10.00	—	20.00	30.00
Fiscal year ending March 31, 2010	—	10.00			
Fiscal year ending March 31, 2010 (Projection)			—	20.00	30.00

Note: Revision for forecasts: None

**3. Consolidated Forecasts (April 1, 2009 to March 31, 2010)** (Millions of yen, except percentages)

	Net Sales		Operating Income		Recurring Income		Net Income		Earnings Per Share
		%		%		%		%	yen
Fiscal year ending March 31, 2010	180,000	32.7	25,000	103.6	25,000	122.0	10,000	57.9	86.90

Note: Revision for consolidated forecasts: None

**4. Others**

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

First-half period ended September 30, 2009	115,370,596
Fiscal year ended March 31, 2009	115,305,996
  - Number of treasury stock at end of period
 

First-half period ended September 30, 2009	296,331
Fiscal year ended March 31, 2009	295,813
  - Average number of shares during the period
 

First-half period ended September 30, 2009	115,042,363
First-half period ended September 30, 2008	114,873,258

**Disclaimer**

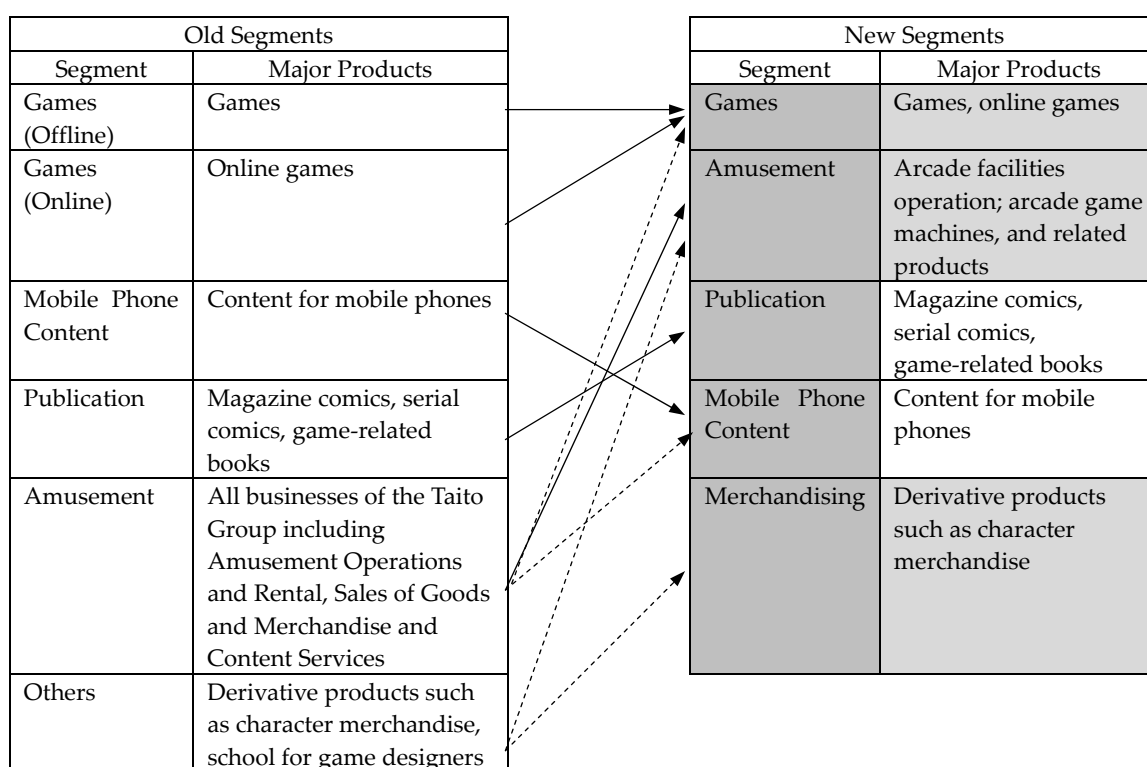
\* The forward-looking statements in this document are based upon the information currently available, and necessarily include elements that are not entirely predictable. Actual results may differ from the forward-looking statements in this document.

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

## Segment Information

### 1. Consolidated Business Segment Information

The Square Enix group (the “Group”) has been making determined efforts to strengthen the foundation and profitability of its business segments of Games (Offline), Games (Online), Mobile Phone Content, Publication, Amusement, and Others under the newly established holding company since October 2008. In order to reflect organizational restructuring and the Group’s strengthened business foundation in the business segmentation, the Group has decided to change its business segments since April 1, 2009. The new segmentation is as follows:



Net sales for the first-half period ended September 30, 2009 totaled ¥90,561 million (up 33.2% from the same period in the previous fiscal year), operating income amounted to ¥13,091 million (up 39.3%, *ditto*), recurring income amounted to ¥12,181 million (up 25.5%, *ditto*), and net income amounted to ¥2,683 million (down 55.7%, *ditto*).

### Consolidated Business Segment Information

#### Games

The Group plans, develops, distributes, and operates games for game consoles (including handheld game machines) and personal computers as well as online games. This segment includes amortization of goodwill relating to consolidation of the Eidos group into the Group.

During the first-half period ended September 30, 2009, the Group released its leading titles such as “DRAGOM QUEST IX,” “BATMAN: ARKHAM ASYLUM,” “KINGDOM HEARTS 358/2 Days” and

consequently had favorable results for this period.

Net sales in the Games segment totaled ¥48,444 million (up 117.5% from the same period in the previous fiscal year), and operating income totaled ¥10,365 million (up 63.5%, *ditto*).

#### **Amusement**

This segment includes operation of amusement facilities, planning, development and distribution of arcade game machines for amusement facilities and related products. Starting from this fiscal year, this segment includes planning, development and distribution of arcade game machines by Square Enix Co. Ltd. This segment also includes amortization of goodwill relating to consolidation of the Taito group into the Group.

Regarding arcade game machines, “DRAGON QUEST Monster Battle Road II” performed well during the first-half period of this fiscal year; however, operation of amusement facilities subsequently remained at low levels under the continued severe market condition.

Consequently, net sales in this segment totaled ¥25,853 million (down 20.5% from the same period in the previous fiscal year), and operating income totaled ¥1,106 million (down 58.4%, *ditto*).

#### **Publication**

The Group publishes comic magazines, comic books, and game related books including game strategy guide books.

During the first-half period of this fiscal year, the Group had favorable results thanks to a continuous increase of comic book sales accelerated by TV broadcasting animation programs of popular titles as well as distribution of strategy guide books on a big game title.

Consequently, net sales in this segment totaled ¥7,875 million (up 27.4% from the same period in the previous fiscal year), and operating income totaled ¥2,335 million (up 34.5%, *ditto*).

#### **Mobile Phone Content**

The Group plans, develops and provides content for mobile phones, and provides a wide range of mobile content services, including ring tones, wallpapers, game and portals. Starting from this fiscal year, this segment includes planning, development and operation of mobile phone contents within the Taito group.

Led by such portal services as “DRAGON QUEST” and “FINAL FANTASY,” the service lineup has been continuously leveraging the Group’s strength in original content.

Consequently, net sales in the Mobile Phone Content segment totaled ¥5,179 million (down 3.2% from the same period of the previous fiscal year), and operating income amounted to ¥2,169 million (up 9.2%, *ditto*).

#### **Merchandising**

This segment covers planning, production, distribution and licensing of derivative products of titles owned by the Group. A CG-animated film “FINAL FANTASY VII ADVENT CHILDREN COMPLETE,” which was released this April, contributed to the profit.

Sales in this segment totaled ¥3,211 million (up 90.0% from the same period in the previous fiscal year), and operating income amounted to ¥1,387 million (up 662.6%, *ditto*).

## Consolidated Balance Sheet for the First-Half Period Ended September 30, 2009

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	97,933	111,981
Notes and accounts receivable	29,300	15,432
Merchandises and finished goods	3,359	4,917
Work in progress	321	291
Raw materials and supplies	535	581
Content production account	25,861	18,392
Other current assets	13,479	7,061
Allowance for doubtful accounts	(378)	(270)
Total current assets	170,413	158,387
Non-current assets		
Property and equipment	19,906	19,082
Intangible assets		
Goodwill	23,466	17,771
Other	12,025	925
Total intangible assets	35,492	18,697
Investments and other assets	17,121	17,027
Total non-current assets	72,521	54,806
Total assets	242,934	213,194

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	12,931	10,097
Short-term loans	2,908	26
Accrued income taxes	12,117	3,239
Reserve for bonuses	1,250	1,413
Allowance for sales returns	4,501	1,598
Allowance for game arcade closings	344	445
Other	17,376	6,656
Total current liabilities	51,428	23,477
Non-current liabilities		
Corporate bond	37,000	37,000
Allowances for retirement benefits	2,014	1,644
Allowances for directors' retirement benefits	242	236
Allowance for game arcade closings	683	721
Other	3,006	1,390
Total non-current liabilities	42,946	40,992
Total liabilities	94,375	64,469
<b>Net assets</b>		
Shareholders' equity		
Common stock	15,204	15,134
Capital surplus reserve	44,445	44,375
Retained earnings	93,162	93,220
Treasury stock	(853)	(852)
Total shareholders' equity	151,958	151,879
Valuation and translation adjustment		
Unrealized gain on revaluation of other investment securities	(36)	(71)
Foreign currency translation adjustment	(4,729)	(4,488)
Total valuation and translation adjustment	(4,766)	(4,560)
Stock acquisition rights	541	410
Minority interests in consolidated subsidiaries	825	995
Total net assets	148,558	148,724
Total liabilities and net assets	242,934	213,194

## Consolidated Statements of Income for the First-Half Period Ended September 30, 2009

	(Millions of yen) First-half period ended September 30, 2008	(Millions of yen) First-half period ended September 30, 2009
Net sales	67,974	90,561
Cost of sales	37,175	49,650
Gross profit	30,798	40,910
Reversal of allowance for sales returns	1,135	4,863
Provision for allowance for sales returns	1,240	4,501
Net gross profit	30,694	41,272
Selling, general and administrative expenses	21,298	28,181
Operating income	9,396	13,091
Non-operating income		
Interest income	469	99
Dividends received	11	13
Amortization of negative goodwill	-	45
Miscellaneous income	122	103
Total non-operating income	603	261
Non-operating expenses		
Interest expenses	2	7
Foreign exchange loss	265	1,065
Investment loss on equity method	20	47
Comissions Paid	-	36
Miscellaneous loss	7	12
Total non-operating expenses	295	1,170
Recurring income	9,704	12,181
Extraordinary gain		
Gain on sale of property and equipment	-	32
Reversal of allowance for doubtful account	136	40
Reversal of allowance for obligation related to legal proceedings	159	-
Other	8	2
Total extrordinary gain	304	75
Extraordinary loss		
Loss on disposal of property and equipment	338	107
Loss on sale of investment securities	20	-
Severance payments	-	2,012
Losses on disposal and wright-down of assets associated with business restructuring	-	1,171
Acquisition expenses	-	825
Other	89	140
Total extrordinary loss	448	4,258
Income before income taxes and distribution of loss in partnership (tokumei-kumiai)	9,560	7,998
Distribution of loss in partnership (tokumei-kumiai)	(8)	5
Income before income taxes	9,568	7,993
Corporate, resident and enterprise taxes	2,318	5,871
Income taxes - prior year adjustment	-	911
Deferred income taxes	1,204	(1,475)
Total income taxes	3,523	5,307
Minority interest in consolidated subsidiaries	(9)	3
Net income	6,054	2,683

## Consolidated Statements of Cash Flows for the First-Half Period Ended September 30, 2009

	(Millions of yen)	(Millions of yen)
	First-half period ended September 30, 2008	First-half period ended September 30, 2009
<b>Cash flows from operating activities</b>		
Income before income taxes	9,568	7,993
Depreciation and amortization	3,272	3,657
Amorization of gooldwill	557	823
(Decrease) in allowance for doubtful accounts	(261)	(345)
(Decrease) in reserve for bonuses	(311)	(163)
Increase in allowance for sales returns	138	(111)
Increase in allowance for retirement benefits	35	370
Increase in allowance for directors' retirement benefits	12	6
(Decrease) in allowance for game arcade closings	(54)	(138)
Interest and dividends received	(480)	(112)
Interest expenses	2	7
Foreign exchange loss	197	1,211
Investmennt loss on equity method	20	47
Loss on disposal of property and equipment	338	107
Decrease in accounts receivable	793	(13,015)
(Increase) in inventories	(4,060)	(1,269)
(Decrease) in purchase liabilities	(355)	1,209
Other	(2,162)	7,275
Subotal	7,251	7,554
Interest and dividends received	503	124
Interest paid	(2)	(7)
Income taxes paid	(1,275)	(3,539)
Net cash provided by operating activities	6,477	4,132
<b>Cash flows from investing activities</b>		
Payments for acquiring property and equipment	(5,135)	(3,089)
Proceeds from sale of property and equipment	22	142
Payments for acquiring intangible assets	(78)	(183)
Payments for acquiring investment securities	(120)	-
Proceeds from sale of investment securities	2	7
Payments for provision of guarantee money	(127)	(250)
Proceeds from recovery of guarantee money	621	490
Payments for deposit with time deposits	-	(1,518)
Proceeds from withdrawal from time deposits	-	106
Payments for acquisition of new consolidated subsidiaries related to change in scope of consolidation	-	(12,478)
Payments for loans	(230)	(5)
Proceeds from recovery of loans	79	37
Other	(94)	(130)
Net cash used in investing activities	(5,060)	(16,871)

	(Millions of yen)	(Millions of yen)
	First-half period ended September 30, 2008	First-half period ended September 30, 2009
Cash flows from financing activities		
Proceeds from short-term loans	-	3,037
Payment of long-term loans	-	(3,021)
Proceeds from issuances of shares of common stock	368	139
Payments for acquisition of treasury stock	(9)	(1)
Payments for dividends	(2,307)	(2,293)
Payments for dividends for minority interests	(2)	-
Other	0	0
Net cash used in financing activities	(1,948)	(2,140)
Effect of exchange rate changes on cash and cash equivalents	(176)	(110)
Net decrease in cash and cash equivalents	(708)	(14,990)
Cash and cash equivalents at beginning of period	111,479	111,875
Increase in cash and cash equivalents due to increase in consolidated subsidiaries	-	65
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries	(66)	(495)
Cash and cash equivalent at end of period	110,704	96,455



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

3. Changes in accounting procedures

Effective from the 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.

**First-Half Period Ended September 30, 2009**

(Millions of yen)

	Games	Amusement	Publication	Mobile Phone Content	Merchandising	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income								
Net sales								
(1) Sales to outside customers	48,442	25,853	7,875	5,179	3,210	90,561	—	90,561
(2) Intersegment sales	1	—	—	0	1	2	(2)	—
Total	48,444	25,853	7,875	5,179	3,211	90,563	(2)	90,561
Operating income	10,365	1,106	2,335	2,169	1,387	17,364	(4,273)	13,091

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	Games, online games
Amusement	Amusement facility operation and rental, sales of amusement game machines
Publication	Magazine comics, serial comics, game-related books
Mobile Phone Content	Content for mobile phones
Merchandising	Derivative products such as character merchandise

3. The Square Enix group (the "Group") has been making determined effort to strengthen the foundation and profitability of its business segments of Games (Offline), Games (Online), Mobile Phone Content, Publication, Amusement, and Others under this new established holding company since October 2008. Based on the changes in corporate structure as well as adjustment and strengthening its business foundation, the Group has decided to change its business segments to Games, Amusement, Publication, Mobile Phone Content and Merchandising, starting from the first-half period ended September 30, 2009. The segment information of the same period in the previous fiscal year applied to the new business segmentation is as follows.

**First-Half Period Ended September 30, 2008**

(Millions of yen)

	Games	Amusement	Publication	Mobile Phone Content	Merchandising	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income								
Net sales								
(1) Sales to outside customers	22,267	32,501	6,180	5,334	1,690	67,974	—	67,974
(2) Intersegment sales	4	—	—	15	—	19	(19)	—
Total	22,271	32,501	6,180	5,349	1,690	67,993	(19)	67,974
Operating income	6,338	2,662	1,735	1,987	181	12,905	(3,508)	9,396

Notes: 4. Change in allocation of operating expenses

While all of the expenses for administration department of Taito Corporation was included in the Amusement segment in the past, these expenses have been included in the Eliminations or Unallocated section since the first quarter ended June 30, 2009. With the changes in business segments from the first-half period of this fiscal year, this change in the allocation was made to deliver a clearer view for administrative expenses in each segment. The operating expenses for administration department of Taito Corporation are as follows:

First-half period ended September 30, 2009	¥1,071 million
First-half period ended September 30, 2008	¥843 million

5. Due to the acquisition of Eidos Ltd. in the first quarter of this fiscal year, the amount of total asset for the Game segment increased by 37,985 million yen.

## 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:
- 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, South Korea
  - Changes in accounting procedures  
Effective from the fiscal year ended 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.

First-Half Period Ended September 30, 2009

(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	69,461	10,897	10,035	165	90,561	—	90,561
(2) Intersegment sales	2,188	1,266	3,654	40	7,150	(7,150)	—
Total	71,650	12,164	13,690	206	97,711	(7,150)	90,561
Operating income	13,018	(118)	168	9	13,077	13	13,091

- Notes:
- The classification of geographic segments is made according to geographical distances.
  - Main countries included in each segment:
    - North America.....the United States of America, Canada
    - Europe.....United Kingdom, France, Germany, others
    - Asia.....China, South Korea
  - Due to the acquisition of Eidos Ltd. in the first-half period of this fiscal year, Canada is added to the North America segment, and France, Germany and others are added to the Europe segment.

### 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, others

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

First-Half Period Ended September 30, 2009

(Millions of yen)

	North America	Europe	Asia	Total
Overseas sales	11,319	10,159	737	22,215
Consolidated sales	—	—	—	90,561
Percentage of overseas sales to consolidated sales	12.5%	11.2%	0.8%	24.5%

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, others

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