

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2011 (Japan GAAP)**

May 13, 2011

Company name: SQUARE ENIX HOLDINGS CO., LTD.
Shares traded: Tokyo Stock Exchange, First Section
Company code: 9684
Company URL: <http://www.square-enix.com/eng>
Representative: Yoichi Wada, President and Representative Director
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Annual general meeting of shareholders: June 22, 2011 (planned)
Financial report submission: June 23, 2011 (planned)
Cash dividend payment commencement: June 23, 2011 (planned)
Supplementary annual materials prepared: Yes
Annual results presentation held: Yes (for institutional investors and analysts)

(Amounts under one million yen are rounded down)

1. Consolidated Financial Results (April 1, 2010 to March 31, 2011)

(1) Consolidated Financial Results *(Millions of yen and year-on-year changes in percents)*

	Net sales		Operating income		Recurring income		Net income (loss)	
Fiscal year ended	%		%		%		%	
March 31, 2011	125,271	(34.8)	7,325	(74.1)	5,390	(80.6)	(12,043)	-
March 31, 2010	192,257	41.7	28,235	130.0	27,822	147.1	9,509	50.1

Note: FY ended March 31, 2011 Comprehensive loss: 15,094 million yen (- %)
 FY ended March 31, 2010 Comprehensive income: 9,137 million yen (- %)

	Earnings (loss) per share, basic	Earnings (loss) per share, diluted	Return on equity	Recurring income to total assets	Operating margin
Fiscal year ended	yen	yen	%	%	%
March 31, 2011	(104.66)	-	(8.4)	2.6	5.8
March 31, 2010	82.65	82.59	6.3	5.3	9.0

Note: FY ended March 31, 2011 Equity in gain of affiliated companies: - million yen
 FY ended March 31, 2010 Equity in loss of affiliated companies: 49 million yen

(2) Consolidated Financial Position *(Millions of yen, ratios in percents and per share data)*

	Total assets	Net assets	Equity ratio	Net assets per share
As of			%	yen
March 31, 2011	206,336	135,143	64.7	1,160.66
March 31, 2010	270,529	154,258	56.4	1,326.82

Note: Total equity As of March 31, 2011: 133,558 million yen
 As of March 31, 2010: 152,680 million yen

(3) Consolidated Statements of Cash Flows *(Millions of yen)*

	From operating activities	From investing activities	From financing activities	Closing cash and cash equivalents
Fiscal year ended				
March 31, 2011	14,827	30,407	(42,354)	109,751
March 31, 2010	20,838	(53,774)	31,707	109,717

2. Dividends

	Dividends per share					Total annual dividend payments million yen	Dividend payout ratio (consolidated) %	Dividend on equity (consolidated) %
	1Q	2Q	3Q	4Q	Total			
Fiscal year ended March 31, 2010	yen -	yen 10.00	yen -	yen 25.00	yen 35.00	4,027	42.3	2.7
Fiscal year ended March 31, 2011	-	10.00	-	20.00	30.00	3,452	-	2.4
Fiscal year ending March 31, 2012 (projection)	-	10.00	-	20.00	30.00		69.0	

Note: Total dividends for the fiscal year ended March 31, 2010 included ordinary dividends of 20 yen per share and a special dividend of 5 yen per share.

3. Consolidated Forecasts (April 1, 2011 to March 31, 2012)

(Millions of yen, year-on-year changes in percents and per share data)

	Net sales		Operating income		Recurring income		Net income		Earnings per share
	%		%		%		%		yen
Six months ending September 30, 2011	56,000	(17.7)	3,500	(38.7)	3,500	(0.6)	1,500	(13.0)	13.04
Fiscal year ending March 31, 2012	130,000	3.8	10,000	36.5	10,000	85.5	5,000	-	43.45

4. Other

- (1) Significant changes among major subsidiaries during the period: No
- (2) Changes in accounting policies, procedures, and methods of presentation for consolidated financial statements
 1. Changes associated with revision in accounting standards: Yes
 2. Other changes: No
- (3) Outstanding shares (common stock)
 1. Number of shares issued and outstanding (including treasury stock):

As of March 31, 2011	115,370,596
As of March 31, 2010	115,370,596
 2. Number of treasury stock:

As of March 31, 2011	299,594
As of March 31, 2010	297,765
 3. Average number of shares during the period (cumulative):

Fiscal year ended March 31, 2011	115,072,040
Fiscal year ended March 31, 2010	115,057,887

Disclaimer: (1) This document is a translation of the Japanese language "Kessan Tanshin" prepared in accordance with the guidelines of the Tokyo Stock Exchange. The Japanese language document shall prevail in the event any differences or discrepancies exist between this English translation and the original. (2) At the time of disclosure of this report, audit procedures for financial statements pursuant to the Financial Instruments and Exchange Law had not been completed. (3) 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. (4) For additional information about forecasts, please refer to "Consolidated forecasts" section on page 2.

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1. Consolidated Results for the Fiscal Year Ended March 31, 2011

(1) Analysis of consolidated business results

The Square Enix Group (the "Group") is continuing determined efforts to strengthen the competitiveness and profitability of its business segments of Digital Entertainment, Amusement, Publication and Merchandising.

Net sales for the fiscal year ended March 31, 2011 totaled ¥125,271 million (a decrease of 34.8% from the prior fiscal year), operating income amounted to ¥7,325 million (a decrease of 74.1% from the prior fiscal year) and recurring income amounted to ¥5,390 million (a decrease of 80.6% from the prior fiscal year).

Under a rapidly changing operating environment and more prudent estimates of future cash flows, the Group wrote-off goodwill balances during the fiscal year. The resulting extraordinary loss was the main factor causing a net loss of ¥12,043 million during the fiscal year ended March 31, 2011, compared to net income of ¥9,509 million in the prior fiscal year.

During the fiscal year, an extraordinary loss of ¥570 million was recorded as a result of the Tohoku Pacific Ocean Earthquakes and Tsunami.

A discussion of results by segment for the fiscal year ended March 31, 2011 follows.

- Digital Entertainment

The Digital Entertainment segment plans, develops, distributes and operates digital entertainment content primarily in the form of games. Digital entertainment content is offered to meet customer lifestyles across a variety of usage environments such as consumer game consoles (including handheld game machines), personal computers and mobile phones.

During the fiscal year ended March 31, 2011, while "DRAGON QUEST MONSTERS: Joker 2" released in April and "Kane & Lynch 2: Dog Days" released in August became million sellers, the segment experienced weakness in sales of console games.

In content for other platforms such as PCs and smartphones, successes are emerging such as the Group's virtual community portal site called "Nicotto Town," where cumulative IDs have exceeded 700,000 in December. Further, an online simulation game called "SENGOKU IXA" in partnership with Yahoo! Japan, launched fee-based services in August and continues to enjoy robust growth.

Net sales and operating income in the Digital Entertainment segment totaled ¥64,204 million and ¥11,283 million, respectively.

- Amusement

The Amusement segment consists of the operation of amusement facilities and the planning, development

and distribution of arcade game machines and related products for amusement facilities.

During the fiscal year ended March 31, 2011, amusement facilities operations met difficult market conditions with continued profit improvement efforts.

Net sales and operating income in the Amusement segment totaled ¥45,012 million and ¥2,178 million, respectively.

- Publication

The Publication segment includes comic books, game strategy books and comic magazines.

During the fiscal year ended March 31, 2011, the Group had favorable results supported by continued strong comic book sales accelerated by TV broadcasting animation programs of popular titles.

Further, the Group has been dedicated to developing network-based businesses such as distribution of special applications for iPhone, iPod touch and iPad by which the Group's GANGAN ONLINE, a web-based comic magazine, can be browsed.

Net sales and operating income in the Publication segment totaled ¥13,045 million and ¥3,204 million, respectively.

- Merchandising

The Merchandising segment includes the planning, production, distribution and licensing of derivative products of titles owned by the Group.

In the fiscal year, the Group continued to distribute and license items such as character goods and soundtracks based on the Group's own IPs while also strengthening its character goods lineup with additional products based on third party content.

Net sales and operating income in the Merchandising segment totaled ¥3,018 million and ¥680 million, respectively.

(Consolidated forecasts)

The Group is prepared to meet the new business environment that is expanding its customer base through the proliferation of broadband networks to homes and a wider selection of digital entertainment platforms.

The Group views this change as an opportunity to capture new profit sources and are making every effort to expand its financially well-established network related businesses to have the Group's attractive content enjoyed by an ever-growing number of customers.

The Group has completed financial measures in the fiscal year ended March 31, 2011. In the current fiscal year ending March 31, 2012, the Group is focusing all efforts on rebuilding the Group businesses toward a substantial earnings recovery from next fiscal year ending March 31, 2013 and beyond.

(2) Analysis of consolidated financial position

(i) Assets, liabilities and net assets

- Assets

As of March 31, 2011, total current assets were ¥164,301 million (a decrease of 23.0% compared to March 31, 2010). The decrease was mainly due to short-term investment securities and notes and accounts receivable, which decreased by ¥35,000 million and ¥15,207 million, respectively.

Total non-current assets decreased 26.5% to ¥42,034 million. The decline was mainly due to a decrease in goodwill by ¥10,233 million.

As a result, total assets decreased by 23.7% to ¥206,336 million.

- Liabilities

As of March 31, 2011, total current liabilities were ¥28,504 million (a decrease of 62.1% compared to March 31, 2010). The decrease was mainly due to the redemption of yen-denominated zero coupon bonds with warrants in the amount of ¥37,000 million.

Non-current liabilities increased by 4.1% to ¥42,687 million. The increase was mainly due to allowances for employees' retirement benefits and asset retirement obligations, which increased by ¥891 million and ¥657 million, respectively.

As a result, total liabilities decreased by 38.8% to ¥71,192 million.

- Net assets

As of March 31, 2011, net assets were ¥135,143 million (a decrease of 12.4% compared to March 31, 2010). The main factors affecting net assets during the fiscal year ended December 31, 2011 were the recording of a net loss of ¥12,043 million, payments for dividends totaling ¥4,027 million and a negative foreign currency translation adjustment of ¥2,977 million larger than the previous fiscal year.

(ii) Consolidated Cash Flow

As of March 31, 2011, cash and cash equivalents totaled ¥109,751 million, an increase of ¥33 million compared to March 31, 2010. Cash flows during the fiscal year ended March 31, 2011 as well as the principal factors behind these cash flows are described below.

- Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2011 totaled ¥14,827 million (a decrease of 28.8% compared to the prior fiscal year).

Despite a loss before income taxes and minority interests of ¥9,970 million and an increase in inventories of ¥4,827 million, a decrease in notes and accounts receivable-trade of ¥13,800 million, depreciation and amortization of ¥6,608 million and amortization of goodwill of ¥9,908 million led to the overall generation of

cash from operating activities.

- Cash flows from investing activities

Net cash provided by investing activities totaled ¥30,407 million (compared to net cash used in investing activities of ¥53,774 million in the previous fiscal year).

The main factors were proceeds from redemption of securities of ¥35,000 million, proceeds from collection of guarantee deposits of ¥1,482 million and purchase of property, plant and equipment of ¥4,700 million.

- Cash flows from financing activities

Net cash used in financing activities totaled ¥42,354 million (compared to net cash provided by financing activities of ¥31,707 million in the prior fiscal year). The main factors were payments for redemption of bonds of ¥37,000 million and cash dividends paid of ¥4,026 million.

(3) Basic policy for profit distribution and dividends

The Group recognizes the return of profits to shareholders as one of its most important management tasks. The Group maintains internal reserves to enable priority to be given to investments that will enhance the value of the Group. Such investments may include capital investments and M&A for the purpose of expanding existing businesses and developing new businesses. The retention of internal reserves is done while also taking into account return to shareholders, operating performance and the optimal balance for stable dividends. The Group therefore strives to maintain stable and continuous dividends. The portion of dividends linked to operating results is determined by setting a consolidated payout ratio target of approximately 30%.

Regarding dividend payments for the fiscal year ended March 31, 2011, the Group projects annual dividends of 30 yen per share, including 20 yen per share to be submitted for resolution at the 31st Annual General Meeting of Shareholders planned for June 22, 2011 and 10 yen per share distributed for the period ended September 30, 2010.

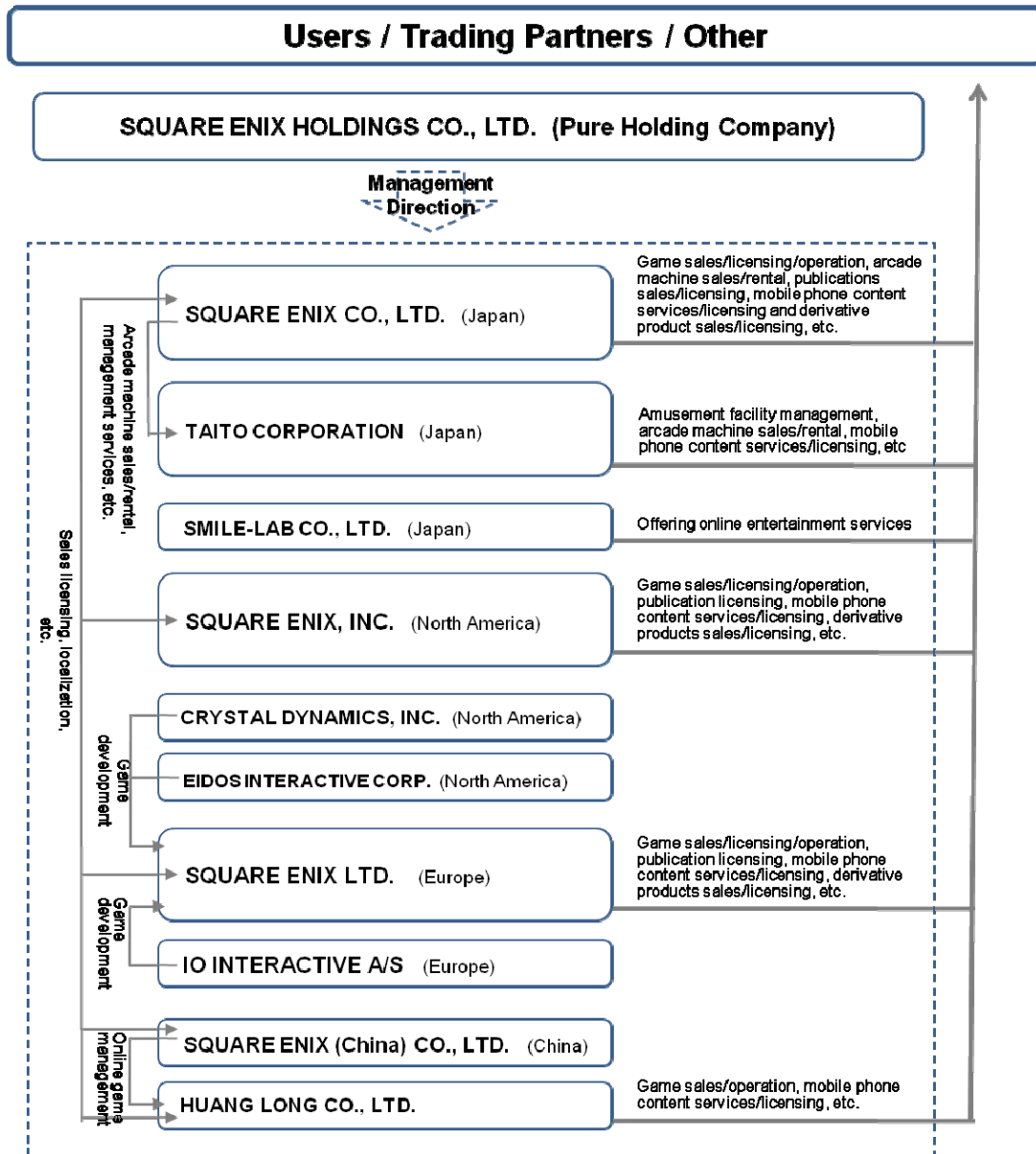
2. The Group's Outline of Operations

The following outline of operations lists the Group's primary business segments and subsidiaries.

(Consolidated subsidiaries)

Domain	Primary Business Description	Region	Company Name
Digital Entertainment	Plans, develops, distributes, and operates games digital entertainment primarily in the form of computer games	Japan	SQUARE ENIX CO., LTD., TAITO CORPORATION, SMILE-LAB CO., LTD.,
		North America	SQUARE ENIX, INC., CRYSTAL DYNAMICS, INC., EIDOS INTERACTIVE CORP., 3 others
		Europe	SQUARE ENIX LTD., IO INTERACTIVE A/S, 15 others
		Asia	SQUARE ENIX (China) CO., LTD., HUANG LONG CO., LTD., 2 others
Amusement	Operation of amusement facilities and planning, development and distribution of arcade game machines for amusement facilities and related products	Japan	TAITO CORPORATION, SQUARE ENIX CO., LTD.
		Asia	BEIJING TAIXIN CULTURAL AMUSEMENT CO., LTD.
Publication	Comic books, game strategy books, comic magazines, etc.	Japan	SQUARE ENIX CO., LTD.
		North America	SQUARE ENIX, INC.
		Europe	SQUARE ENIX LTD.
Merchandising	Planning, production, distribution and licensing of derivative products of titles owned by the Group	Japan	SQUARE ENIX CO., LTD., TAITO CORPORATION, 1 other
		North America	SQUARE ENIX, INC., 1 other
		Europe	SQUARE ENIX LTD.

The Group's Business Diagram:



Note: Above business diagram only includes key consolidated subsidiaries.

3. Management Policy

(1) Management philosophy

With a philosophy "to spread happiness across the globe by providing unforgettable experiences," the Group offers advanced, high-quality content and services. The Group strives to reward shareholders by maximizing profit based on efficient use of resources in the generation of sustained business development and growth.

(2) Management targets

The Group recognizes the utmost importance of achieving growth underpinned by profitability. The Group pursues targets of generating an earnings per share growth rate of over 10% and a recurring income to sales ratio of above 20%.

(3) Medium- and long-term management strategy

Management's key task is to create advanced, high-quality content and services that allow the Group to grow in the medium- and long-term while maintaining profitability. As the development and popularization of information technology (IT) and network environments rapidly advance, the Group anticipates a major transformation in the structure of the digital entertainment industry. The Group believes that this will be driven by factors such as increased consumer needs in the area of network-compliant entertainment and growing access to a diverse range of content by users of multi-function devices. The Group strives to respond to these changes, and has adopted a medium- to long-term management strategy that focuses on pioneering a new era in digital entertainment.

(4) Issues facing management

In order to achieve the Group's medium- to long-term strategy, it is imperative to expand its global business and meet customers' diverse content needs. To do so, it is critically important that the Group acquires and develops ideally suited human resources.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	111,126	111,211
Notes and accounts receivable	15,474	30,682
Short-term investment securities	-	35,000
Merchandise and finished goods	2,992	3,237
Work in progress	287	54
Raw materials and supplies	427	469
Content production account	19,890	16,025
Deferred tax assets	4,493	6,231
Income taxes receivable	6,907	5,994
Other	2,821	4,973
Allowance for doubtful accounts	(120)	(533)
Total current assets	164,301	213,347
Non-current assets		
Property and equipment		
Buildings and structures	17,617	16,809
Accumulated depreciation	(12,771)	(12,198)
Buildings and structures (net)	4,846	4,610
Tools and fixtures	10,840	13,582
Accumulated depreciation	(9,031)	(11,171)
Tools and fixtures (net)	1,808	2,410
Amusement equipment	19,948	23,919
Accumulated depreciation	(17,643)	(21,086)
Amusement equipment (net)	2,304	2,832
Other	188	144
Accumulated depreciation	(99)	(51)
Other (net)	89	92
Land	8,277	8,277
Construction in progress	2	626
Total property and equipment	17,328	18,850
Intangible assets		
Goodwill	-	10,233
Other	10,324	11,390
Total intangible assets	10,324	21,623
Investments and other assets		
Investment securities	386	567
Long-term loans	-	6
Rental deposits	12,316	13,530
Construction support deposits	-	1,125
Claim in bankruptcy	-	202
Deferred tax assets	1,082	1,682
Other	1,280	300
Allowance for doubtful accounts	(683)	(706)
Total investments and other assets	14,382	16,707
Total non-current assets	42,034	57,182
Total assets	206,336	270,529

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable	7,777	10,666
Short-term loans	1,338	2,808
Current portion of corporate bonds	-	37,000
Other accounts payable	-	3,528
Accrued expenses	-	6,611
Accrued income taxes	2,269	4,090
Accrued consumption taxes	-	2,839
Advance payments	-	920
Deposits received	-	561
Reserve for bonuses	1,453	1,571
Allowance for sales returns	1,780	4,046
Allowance for game arcade closings	487	321
Asset retirement obligation	63	-
Other	13,332	291
Total current liabilities	28,504	75,257
Non-current liabilities		
Corporate bonds	35,000	35,000
Allowance for employees' retirement benefits	3,061	2,170
Allowance for directors' retirement benefits	266	250
Allowance for game arcade closings	590	645
Deferred tax liabilities	2,577	2,354
Asset retirement obligation	657	-
Other	534	593
Total non-current liabilities	42,687	41,013
Total liabilities	71,192	116,271
Net assets		
Shareholders' equity		
Common stock	15,204	15,204
Capital surplus	44,444	44,444
Retained earnings	82,711	98,848
Treasury stock	(859)	(856)
Total shareholders' equity	141,501	157,641
Accumulated other comprehensive income		
Unrealized loss on revaluation of other investment securities	(14)	(9)
Foreign currency translation adjustments	(7,929)	(4,951)
Total accumulated other comprehensive income	(7,943)	(4,960)
Stock acquisition rights	814	715
Minority interests in consolidated subsidiaries	771	861
Total net assets	135,143	154,258
Total liabilities and net assets	206,336	270,529

(2) Consolidated Income Statement and Consolidated Statement of Comprehensive Income
Consolidated Income Statement

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Net sales	125,271	192,257
Cost of sales	75,846	108,536
Gross profit	49,424	83,721
Reversal of allowance for sales returns	4,046	4,863
Provision for allowance for sales returns	1,779	4,046
Net gross profit	51,691	84,538
Selling, general and administrative expenses		
Packaging freight charge	2,336	3,535
Advertising expense	7,935	11,053
Sales promotion expense	67	157
Compensation for directors	596	519
Salaries	12,534	15,145
Provision of reserve for bonuses	1,408	2,378
Net periodic pension costs	1,135	1,102
Provision to reserve for directors' retirement benefits	15	13
Welfare expense	1,463	1,755
Rental expense	1,782	2,367
Commissions paid	4,228	4,105
Depreciation and amortization	1,903	2,281
Other	8,956	11,886
Total selling, general and administrative expenses	44,365	56,303
Operating income	7,325	28,235
Non-operating income		
Interest income	95	188
Dividends received	36	343
Rental income	24	30
Miscellaneous income	190	195
Total non-operating income	347	758
Non-operating expenses		
Interest expenses	59	30
Bond issuance cost	-	142
Investment loss on equity method	-	49
Foreign exchange loss	2,149	842
Miscellaneous loss	73	105
Total non-operating expenses	2,282	1,171
Recurring income	5,390	27,822
Extraordinary gain		
Gain on sale of property and equipment	1	33
Gain on sale of investment securities	0	10
Reversal of allowance for doubtful accounts	94	9
Gain on forgiveness of debts	-	22
Gain on reversal of subscription rights to shares	125	20
Gain on disposition of foreign currency translation adjustment	317	-
Other	94	30
Total extraordinary gain	633	128

Consolidated Income Statement

	<i>(Millions of yen)</i>	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Extraordinary loss		
Loss on sale of property and equipment	1	69
Loss on disposal of property and equipment	621	389
Loss on liquidation of subsidiaries and affiliates	136	72
Loss on evaluation of investment securities	175	166
Impairment loss	8,853	255
Accelerated amortization of goodwill	-	12,209
Severance payments associated with business restructuring	-	1,985
Provision of allowance for game arcade closings	311	25
Loss associated with business restructuring	-	1,860
Acquisition costs	-	770
Loss on adjustment for changes of accounting standard for asset retirement obligation	462	-
Loss on content	2,074	-
Loss on disposal of content	2,398	-
Loss on disaster	570	-
Other	398	114
Total extraordinary loss	16,007	17,919
Income (loss) before dividends distribution from silent partnership, income taxes (tokumei-kumiai)	(9,983)	10,031
Dividends distribution from silent partnership (tokumei-kumiai)	(12)	4
Income (loss) before income taxes and minority interests	(9,970)	10,026
Income taxes-current	(1,738)	1,881
Income taxes for prior periods	-	1,745
Refunded income taxes	(2,249)	-
Deferred income taxes	2,594	(3,158)
Total income taxes	2,083	469
Loss before minority interests	(12,054)	-
Minority interests in income (loss)	(11)	48
Net income (loss)	(12,043)	9,509

Consolidated Statement of Comprehensive Income

	<i>(Millions of yen)</i>	
	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Income (loss) before minority interests	(12,054)	-
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	-
Deferred gains or losses on hedges	-	-
Foreign currency translation adjustment	(3,034)	-
Share of other comprehensive income of associates accounted for using equity method	-	-
Other comprehensive income	(3,040)	-
Comprehensive income	(15,094)	-
(Breakdown)		
Comprehensive income attributable to owners of the parent	(15,026)	-
Comprehensive income attributable to minority interests	(67)	-

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at the end of previous period	15,204	15,134
Changes during the period		
Issuance of new shares	-	69
Total changes of items during the period	-	69
Balance at the end of current period	15,204	15,204
Capital surplus		
Balance at the end of previous period	44,444	44,375
Changes during the period		
Issuance of new shares	-	69
Disposal of treasury stock	(0)	(0)
Total changes during the period	(0)	69
Balance at the end of current period	44,444	44,444
Retained earnings		
Balance at the end of previous period	98,848	93,220
Changes during the period		
Dividends from retained earnings	(4,027)	(3,450)
Net income (loss)	(12,043)	9,509
Change of scope of consolidation	(22)	(431)
Change of scope of equity method	(42)	-
Total changes during the period	(16,136)	5,627
Balance at the end of current period	82,711	98,848
Treasury stock		
Balance at the end of previous period	(856)	(852)
Changes during the period		
Purchase of treasury stock	(3)	(4)
Disposal of treasury stock	0	1
Total changes during the period	(2)	(3)
Balance at the end of current period	(859)	(856)
Total shareholders' equity		
Balance at the end of previous period	157,641	151,879
Changes of items during the period		
Issuance of new shares	-	139
Dividends from retained earnings	(4,027)	(3,450)
Net income (loss)	(12,043)	9,509
Purchase of treasury stock	(3)	(4)
Disposal of treasury stock	0	0
Change of scope of consolidation	(22)	(431)
Change of scope of equity method	(42)	-
Total changes during the period	(16,139)	5,762
Balance at the end of current period	141,501	157,641

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Accumulated other comprehensive income		
Unrealized gain on revaluation of other investment securities		
Balance at the end of previous period	(9)	(71)
Changes during the period		
Net changes in items other than shareholders' equity	(5)	62
Total changes during the period	(5)	62
Balance at the end of current period	(14)	(9)
Foreign currency translation adjustments		
Balance at the end of previous period	(4,951)	(4,488)
Changes during the period		
Net changes in items other than shareholders' equity	(2,977)	(462)
Total changes during the period	(2,977)	(462)
Balance at the end of current period	(7,929)	(4,951)
Total accumulated other comprehensive income		
Balance at the end of previous period	(4,960)	(4,560)
Changes during the period		
Net changes in items other than shareholders' equity	(2,983)	(399)
Total changes during the period	(2,983)	(399)
Balance at the end of the current period	(7,943)	(4,960)
Stock acquisition rights		
Balance at the end of previous period	715	410
Changes during the period		
Net changes in items other than shareholders' equity	98	304
Total changes during the period	98	304
Balance at the end of current period	814	715
Minority interests in consolidated subsidiaries		
Balance at the end of previous period	861	995
Changes during the period		
Net changes in items other than shareholders' equity	(90)	(133)
Total changes during the period	(90)	(133)
Balance at the end of current period	771	861
Total net assets		
Balance at the end of previous period	154,258	148,724
Changes during the period		
Issuance of new shares	-	139
Dividends from retained earnings	(4,027)	(3,450)
Net income (loss)	(12,043)	9,509
Purchase of treasury stock	(3)	(4)
Disposal of treasury stock	0	0
Change of scope of consolidation	(22)	(431)
Change of scope of equity method	(42)	-
Net changes in items other than shareholders' equity	(2,975)	(228)
Total changes during the period	(19,115)	5,533
Balance at the end of current period	135,143	154,258

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Cash flows from operating activities		
Income (loss) before income taxes and minority interest	(9,970)	10,026
Depreciation and amortization	6,608	7,962
Amortization of goodwill	9,908	13,906
Impairment loss	437	255
Reversal of foreign currency translation adjustments	(317)	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	462	-
Loss on content	1,174	-
Loss on disposal of content	731	-
Loss on disaster	48	-
Increase (decrease) in allowance for doubtful accounts	(394)	(190)
Increase (decrease) in provision for bonuses	(121)	157
Increase (decrease) in provision for sales returns	(2,026)	(540)
Increase (decrease) in provision for retirement benefits	891	525
Increase (decrease) in provision for directors' retirement benefits	15	14
Increase (decrease) in provision for loss on store closing	166	(129)
Interest and dividends income	(131)	(531)
Interest expenses paid	59	30
Foreign exchange losses (gains)	2,206	990
Loss (gain) on sales of investment securities	(0)	(10)
Loss (gain) on valuation of investment securities	175	166
Loss on retirement of noncurrent assets	621	389
Loss on sales of noncurrent assets	1	69
Decrease (increase) in notes and accounts receivable-trade	13,800	(14,157)
Decrease (increase) in inventories	(4,827)	9,019
Increase (decrease) in notes and accounts payable-trade	(2,007)	(890)
Increase (decrease) in accrued consumption taxes	(2,421)	2,445
Decrease (increase) in other current assets	2,218	(1,904)
Decrease (increase) in other noncurrent assets	67	223
Increase (decrease) in other current liabilities	(26)	1,257
Other, net	576	436
Subtotal	17,927	29,523
Interest and dividends income received	198	163
Interest expenses paid	(54)	(31)
Income taxes paid	(1,994)	(5,269)
Income taxes refund	1,226	-
Income taxes paid for prior periods	(2,475)	(3,548)
Net cash provided by operating activities	14,827	20,838

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Payments into time deposits	(1,062)	(2,618)
Proceeds from withdrawal of time deposits	1,052	1,229
Purchase of short-term investment securities	-	(35,000)
Proceeds from redemption of securities	35,000	-
Proceeds from sales of investment securities	0	7
Purchase of property, plant and equipment	(4,700)	(6,076)
Proceeds from sales of property, plant and equipment	45	174
Purchase of intangible assets	(931)	(387)
Proceeds from sales of intangible assets	0	0
Purchase of investments in subsidiaries	(20)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(12,202)
Proceeds from sales of stocks of subsidiaries and affiliates	-	32
Proceeds from liquidation of subsidiaries	-	391
Payments for guarantee deposits	(143)	(372)
Proceeds from collection of guarantee deposits	1,482	1,074
Other, net	(314)	(26)
Net cash provided by (used in) investing activities	30,407	(53,774)
Cash flows from financing activities		
Increase in short-term loans payable	-	2,956
Decrease in short-term loans payable	(1,325)	(2,941)
Proceeds from issuance of common stock	-	139
Proceeds from issuance of bonds	-	35,000
Redemption of bonds	(37,000)	-
Purchase of treasury stock	(3)	(4)
Cash dividends paid	(4,026)	(3,442)
Other, net	0	0
Net cash provided by (used in) financing activities	(42,354)	31,707
Effect of exchange rate change on cash and cash equivalents	(2,744)	(499)
Net increase (decrease) in cash and cash equivalents	135	(1,728)
Cash and cash equivalents	109,717	111,875
Increase in cash and cash equivalents from newly consolidated subsidiary	-	65
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(101)	(495)
Cash and cash equivalents at end of the year	109,751	109,717

5. Segment Information

1. Outline of reporting segments

The Group's reporting segments are business units for which discrete financial data is available and periodically reviewed by the Board of Directors in the determination of resource allocation as well as the evaluation of business performance.

Under internationally renowned brands such as SQUARE ENIX, TAITO and EIDOS the Square Enix Group strives to offer high quality entertainment content and services through a variety of usage environments to match customer lifestyles.

To this end, the Group offers entertainment content and services in a variety of forms including: (1) interactive digital content for game consoles, personal computers and mobile phones in the "Digital Entertainment" segment; (2) amusement facility operation as well as the sales and rental of arcade game machines in the "Amusement" segment; (3) publication of comic books, game strategy books and comic magazines in the "Publication" segment; and (4) planning, production, distribution and licensing of derivative products in the "Merchandising" segment. These four classifications serve as the Group's reporting segments.

2. Information on sales and income by reporting segment

Fiscal Year Ended March 31, 2010

(Millions of yen)

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
Sales and operating income							
Net sales							
(1) Sales to outside customers	120,119	52,299	14,367	5,470	192,257	-	192,257
(2) Intersegment sales	1	-	-	2	3	(3)	-
Total	120,120	52,299	14,367	5,473	192,261	(3)	192,257
Segment operating income	29,056	3,986	4,120	1,827	38,990	(10,755)	28,235
Segment assets	56,581	26,638	6,574	3,161	92,555	177,574	270,529
Other items							
Depreciation and amortization	2,383	4,828	14	15	7,241	721	7,962
Investments in equity method companies	-	-	-	-	-	-	-
Increases in property, plant and equipment and intangible assets	958	5,476	6	1	6,443	473	6,916

- Notes:
- Segment adjustments (10,755 million yen) include amortization of goodwill (1,742 million yen) and unallocated corporate operating expenses (9,080 million yen).
 - Unallocated assets included in "Adjustment" totaled ¥178,420 million. These assets mainly consisted of surplus funds (including cash and deposits).
 - Segment operating income is adjusted in operating income on the consolidated income statement.

3. Information on sales and income by reporting segment

Fiscal Year Ended March 31, 2011

(Millions of yen)

	Reporting Segments					Adjustment (Note 1)	Consolidated total (Note 2)
	Digital Entertainment	Amusement	Publication	Merchandising	Total		
Sales and operating income							
Net sales							
(1) Sales to outside customers	64,203	45,012	13,045	3,009	125,271	-	125,271
(2) Intersegment sales	0	0	-	8	9	(9)	-
Total	64,204	45,012	13,045	3,018	125,280	(9)	125,271
Segment operating income	11,283	2,178	3,204	680	17,346	(10,021)	7,325
Segment assets	44,471	23,241	5,252	2,803	75,768	130,568	206,336
Other items							
Depreciation and amortization	1,855	3,987	22	18	5,884	724	6,608
Investments in equity method companies	-	-	-	-	-	-	-
Increases in property, plant and equipment and intangible assets	874	3,779	11	12	4,677	685	5,363

- Notes:
- Segment adjustments (10,021 million yen) include amortization of goodwill (1,492 million yen) and unallocated corporate operating expenses (8,573 million yen).
 - Unallocated assets included in "Adjustment" totaled ¥130,440 million. These assets mainly consisted of surplus funds (including cash and deposits).
 - Segment operating income is adjusted in operating income on the consolidated income statement.

4. Information on sales by region

Fiscal Year Ended March 31, 2011

(Millions of yen)

	Japan	North America	Europe	Asia	Total
Consolidated sales	104,633	10,639	8,723	1,273	125,271

Note: The classification of geographic segments is based on location of customer.