

SQUARE ENIX®

Financial Results Briefing Session

Fiscal Year Ended March 31, 2014

Fiscal Year Ended March 31, 2014

Briefing Session
Financial Results

May 12, 2014

SQUARE ENIX HOLDINGS CO., LTD.

Statements made in this document with respect to SQUARE ENIX HOLDINGS CO., LTD. and its consolidated subsidiaries' (together, "SQUARE ENIX GROUP") plans, estimates, strategies and beliefs are forward-looking statements about the future performance of SQUARE ENIX GROUP.

These statements are based on management's assumptions and beliefs in light of information available to it at the time these material were drafted and, therefore, the reader should not place undue reliance on them. Also, the reader should not assume that statements made in this document will remain accurate or operative at a later time.

A number of factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include, but not limited to:

1. changes in economic conditions affecting our operations;
2. fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro;
3. SQUARE ENIX GROUP's ability to continue to win acceptance of our products and services, which are offered in highly competitive markets characterized by the continuous introduction of new products and services, rapid developments in technology, and subjective and changing consumer preferences;
4. SQUARE ENIX GROUP's ability to expand international success with a focus on our businesses; and
5. regulatory developments and changes and our ability to respond and adapt to those changes.

The forward-looking statements regarding earnings contained in these materials were valid at the time these materials were drafted. SQUARE ENIX GROUP assumes no obligation to update or revise any forward-looking statements, including forecasts or projections, whether as a result of new information, subsequent events or otherwise.

The financial information presented in this document is prepared according to generally accepted accounting principles in Japan.

Financial Results
Fiscal Year
Ended March 31, 2014

Financial Results:

Fiscal Year Ended March 31, 2014

(Billions of Yen)

	Fiscal Year Ended 3/13		Fiscal Year Ended 3/14		% Change
		%		%	
Net Sales	148.0	100%	155.0	100%	5%
Operating Income	(6.1)	—	10.5	7%	—
Recurring Income	(4.4)	—	12.5	8%	—
Net Income	(13.7)	—	6.6	4%	—

	Fiscal Year Ended 3/13	Fiscal Year Ended 3/14	Change
Depreciation and Amortization	7.3	6.6	(0.7)
Capital Expenditure	12.5	5.4	(7.1)
Number of Employees	3,782	3,581	(201)

Financial Results by Business Segment:

Fiscal Year Ended March 31, 2014

1. 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%

2. Results for the Fiscal Year ended March 31, 2013

(Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	89.5	44.3	11.1	3.3	(0.1)	148.0
Operating Income	0	(0.4)	2.5	0.7	(8.9)	(6.1)
Operating Margin	0.0%	(0.8%)	22.4%	20.4%	-	(4.1%)

3. Changes (1-2)

(Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	5.1	2.7	(0.9)	0.5	(0.4)	7.0
Operating Income	10.7	4.9	(0.2)	0.4	0.8	16.6

Major Initiatives for the Fiscal Year ended 3/2014

- ✓ Review the large-scale, long-term development policy
 - Accelerate the development cycles
- ✓ Focus on smart devices as a game platform
- ✓ Construct a product portfolio conforming to consumer tastes in respective served market

Progress in each Business Segment

Digital Entertainment Segment

- New major titles for smart devices released and more to come
- Expanding overseas activities primarily in Asia
 - Introducing new titles for online and smart devices through business alliance with local partners
 - Introduction of “*FFXIV: A Realm Reborn*” to mainland China in this summer.
- Launch of large-scale online titles developed by Western studios starting from the fiscal year ending 3/2015

Major Titles for Smart Devices

- New major titles released in the fiscal year ended 3/2014, or later



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Developed by Cygames, Inc.

- Success with its game-play style with the taste of the “*DRAGON QUEST MONSTERS*” series
- Achieved a large number of users rapidly (5 million+ downloads since its launch)
- More new titles to come



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Major Titles for Smart Devices

- New major titles to be released shortly



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- A full-scale “*FINAL FANTASY*” title for smartphones
- Coming soon



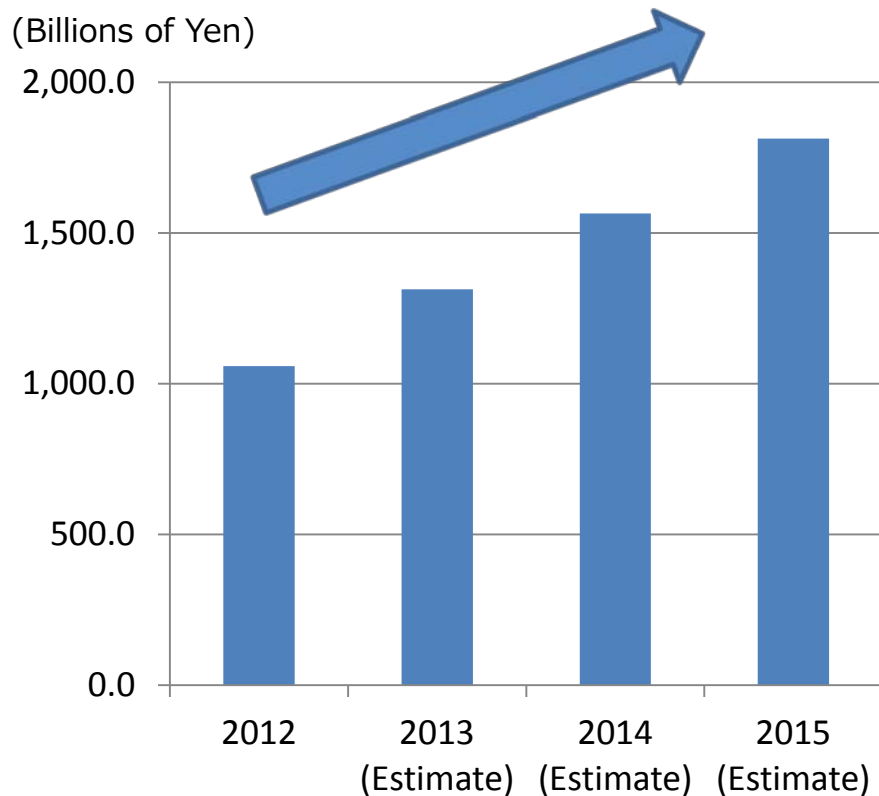
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- An authentic sequel of “*Kaku-San-Sei Million Arthur*”
- Scheduled to launch in CY2014

- More titles will be released in the months ahead
(Details are to be announced when made available)

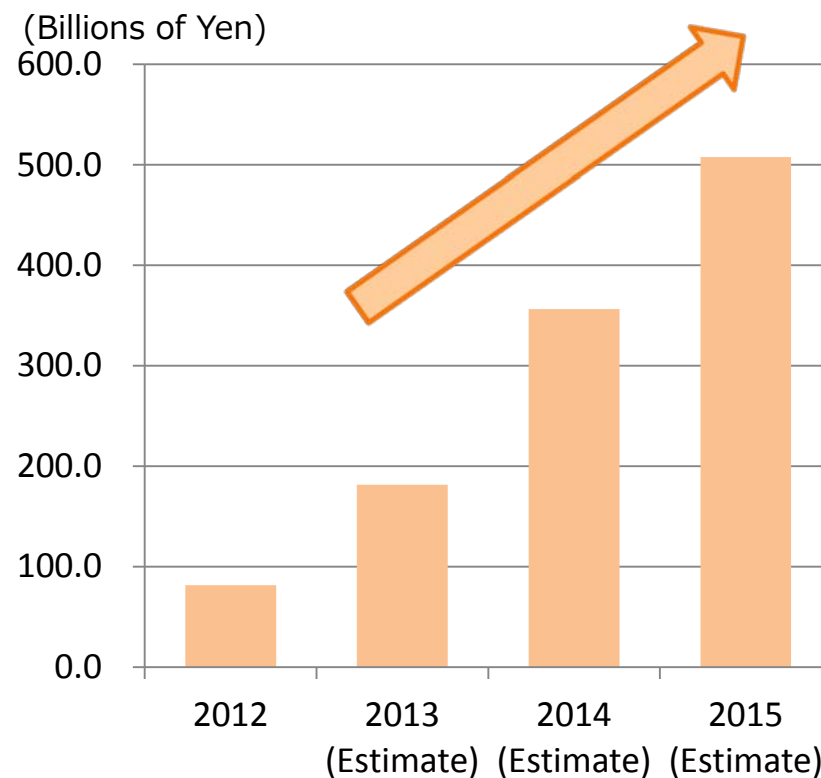
Expansion of Game Market in Mainland China

Online Game Market in Mainland China
(including the mobile game market,
such as games for smartphones)



(The Company's forecast based on various sources)

Mobile Game Market in Mainland China



(The Company's forecast based on various sources)

Expansion of Overseas Businesses, primarily in Asia



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FINAL FANTASY XIV: A Realm Reborn




- Scheduled to launch in Mainland China this summer in alliance with the Shanda Games Group
- Planning services in other regions



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DRAGON QUEST X Mezameshi Itsutsu No Shuzoku Online

- Expansion to overseas market is under consideration





Title	Region	Partner
	<i>Sekiheki Ranbu</i> (Chinese version of <i>Sangokushi Ranbu</i>)	Mainland China
	<i>MILLION ARTHUR SAGA</i>	Thailand, Indonesia, Vietnam
	<i>MILLION ENGI</i> (Released in May 2014)	Korea, Taiwan, Hong Kong, Macau, Singapore, Malaysia

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Digital Entertainment Segment — HD Games

Title	Platform	Region	Release date (Scheduled)
	PS3	NA, EU	May 20 (NA) May 21 (EU)
	PS4/PS3/Xbox360/PC	JP	Jun 12
	XboxOne		Sep 4
	PS4/PS3/Xbox360/PC	JP, NA, EU	June 3 (NA) June 6 (EU) July 17 (JP)
	XboxOne		September 4 (JP)
	PC(Steam)	World-wide	Now CBT

(※) “Drakengard3” was released in December 2013 in Japan.
 “Thief” was released in March 2014 for Western Market.

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Digital Entertainment Segment — HD Games

Title	Platform	Region	Release date (Scheduled)
	XboxOne	JP	September 4
	XboxOne	JP	September 4
	PS3	JP, NA, EU	CY2014

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Digital Entertainment Segment — Units sold by region

(Millions of Units Sold)

Region	3/2011	3/2012	3/2013	3/2014	3/2015 (plan)
Japan	6.49	5.58	5.74	4.6	3.40
N. America	4.74	6.74	6.09	8.2	3.80
Europe	5.43	5.11	6.91	4.08	4.80
Asia, etc.	0.19	0.23	0.26	0.34	
Total	16.85	17.66	19.0	17.23	12.00

(※) Including units held by us as the distributor
Not including download

Digital Entertainment Segment — Cloud-gaming

- Service of “*DRAGON QUEST X*” using the cloud technology* expanded from tablets to smartphones * DRAGON QUEST X for d Game



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*The photo above shows “docomo SH-01F DRAGON QUEST” for smartphones. This photo is an inlaid montage one..

*For the applicable devices, fees, instructions on use and environment for use, please visit NTT DoCoMo’s special web page for the “DRAGON QUEST X d game version.”

- Thanks to the cloud technology, number of distributed game titles and compatible platforms are expanding
- New Cloud-Gaming Technology
Announced a new cloud-gaming technology project, which will create new game experiences, in November, 2013

Amusement Segment

Major arcade game machines scheduled to launch in the Fiscal Year 3/2015



©GungHo Online Entertainment, Inc. / SQUARE ENIX CO., LTD.

Released on April 24, 2014

Showing strong performance

To be attracting new customer base in addition to the core arcade game fans



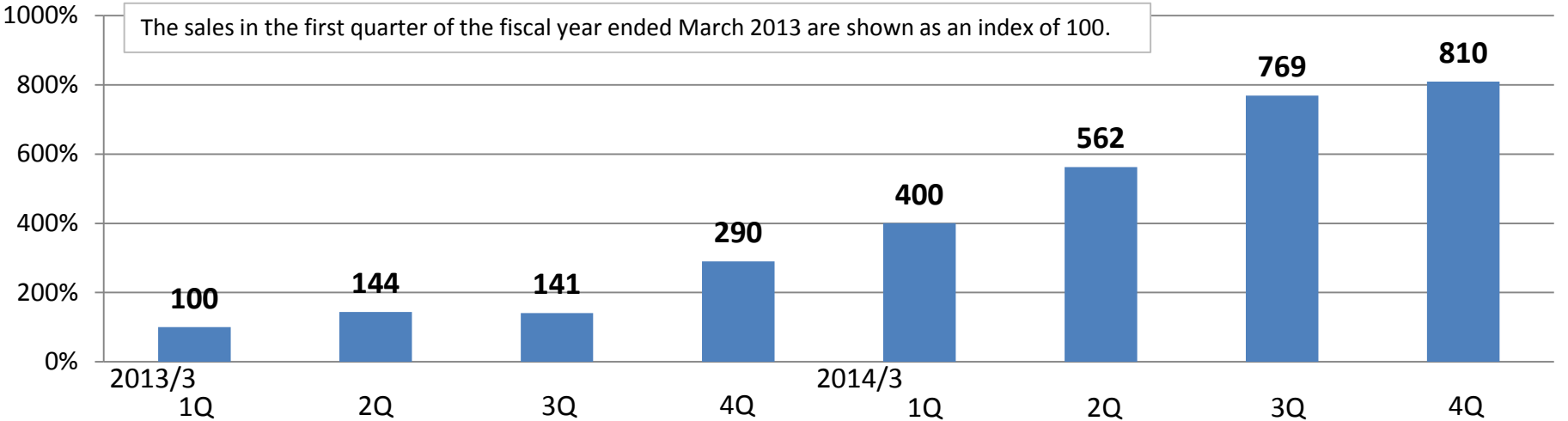
Scheduled to launch in the Fiscal Year 3/2015

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Publication Segment

Growth in the quarterly sales of the digital publication

(%)



In this Fiscal Year 3/2015, two comics will be made into TV animation from “*GanGan ONLINE*,” a web comic magazine.

ばらかもん

(C)Satsuki Yoshino/SQUARE ENIX

“BARAKAMON”



月刊 野崎くんと少女

(C)Izumi Tsubaki/SQUARE ENIX



Financial Forecasts
Fiscal Year
Ending March 31, 2015

Financial Forecasts:

Fiscal Year Ending March 31, 2015

(Billions of Yen)

	Fiscal Year Ended 3/14	Fiscal Year Ending 3/2015	Change
Net Sales	155.0	140.0~150.0	(15.0)~(5.0)
Operating Income	10.5	5.0~10.0	(5.5)~(0.5)
Recurring Income	12.5	5.0~10.0	(7.5)~(2.5)
Net Income	6.6	3.5~6.5	(3.1)~(0.1)

	Fiscal Year Ended 3/14	Fiscal Year Ending 3/2015	Change
Depreciation and Amortization	6.6	8.0	1.4
Capital Expenditure	5.4	7.0	1.6

(Ref.) First-Half Year ending September 30, 2014

(Billions of Yen)

	Fiscal Year Ended 3/14	Fiscal Year Ending 3/2015	Change
Net Sales	61.7	63.0~69.0	1.3~7.3
Operating Income	4.7	(2.0)~2.0	(6.7)~(2.7)
Recurring Income	5.7	(2.0)~2.0	(7.7)~(3.7)
Net Income	2.6	(1.3)~1.3	(3.9)~(1.3)

Financial Forecasts by Business Segment:

Fiscal Year Ending March 31, 2015

Each business segment's forecast number for Fiscal Year ending March 31, 2015 corresponds to the intermediate scenario in the forecast range (consolidated net sales of Yen145B, and consolidated operating income of Yen7.5B).

1. Forecast for the Fiscal Year ending March 31, 2015

(Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	89.0	44.0	9.0	3.0	(0.0)	145.0
Operating Income	9.7	4.5	1.2	0.6	(8.5)	7.5
Operating Margin	10.9%	10.2%	13.3%	20.0%	-	5.2%

2. Results for the Fiscal Year ended March 31, 2014

(Billions of Yen)

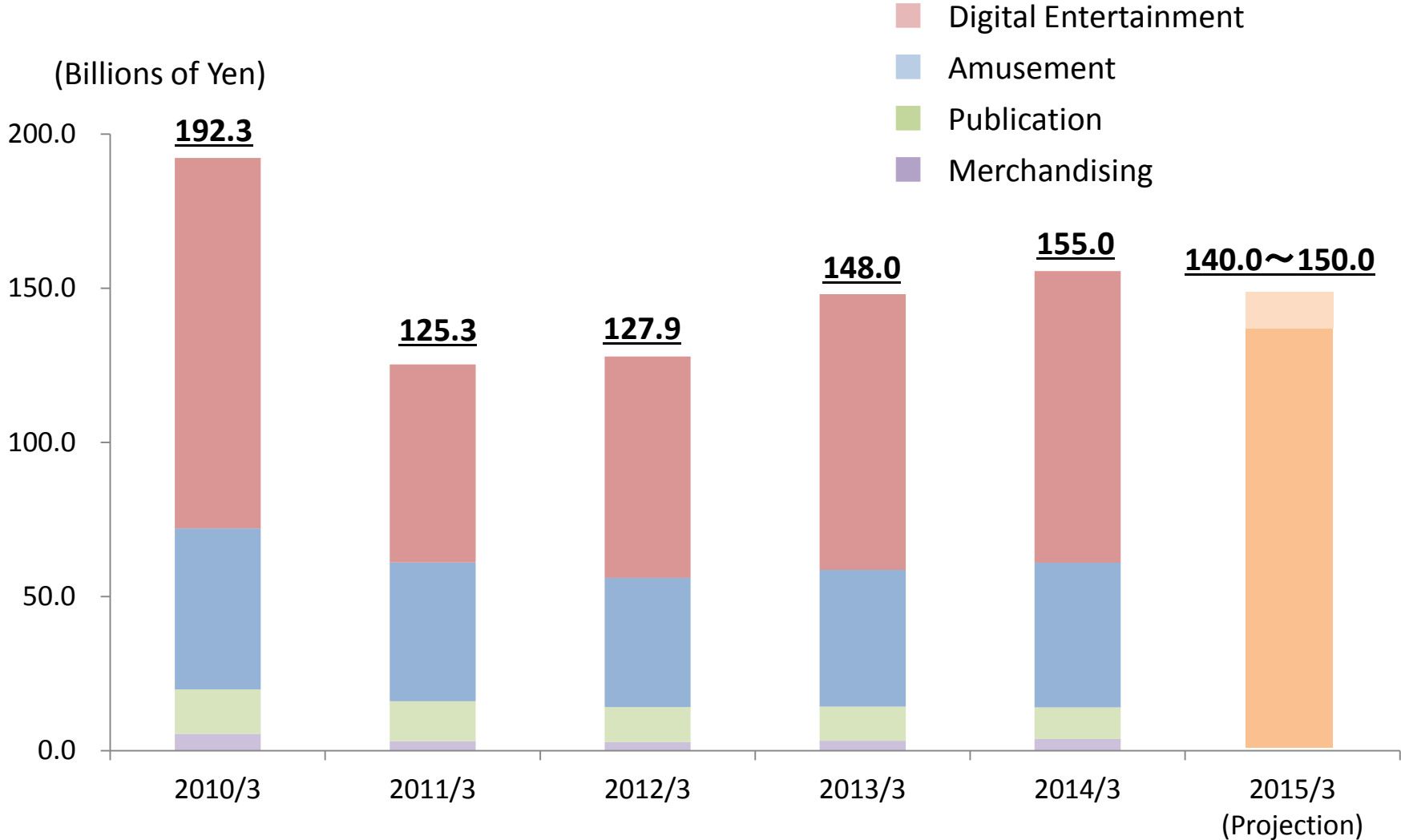
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3. Changes (1 - 2)

(Billions of Yen)

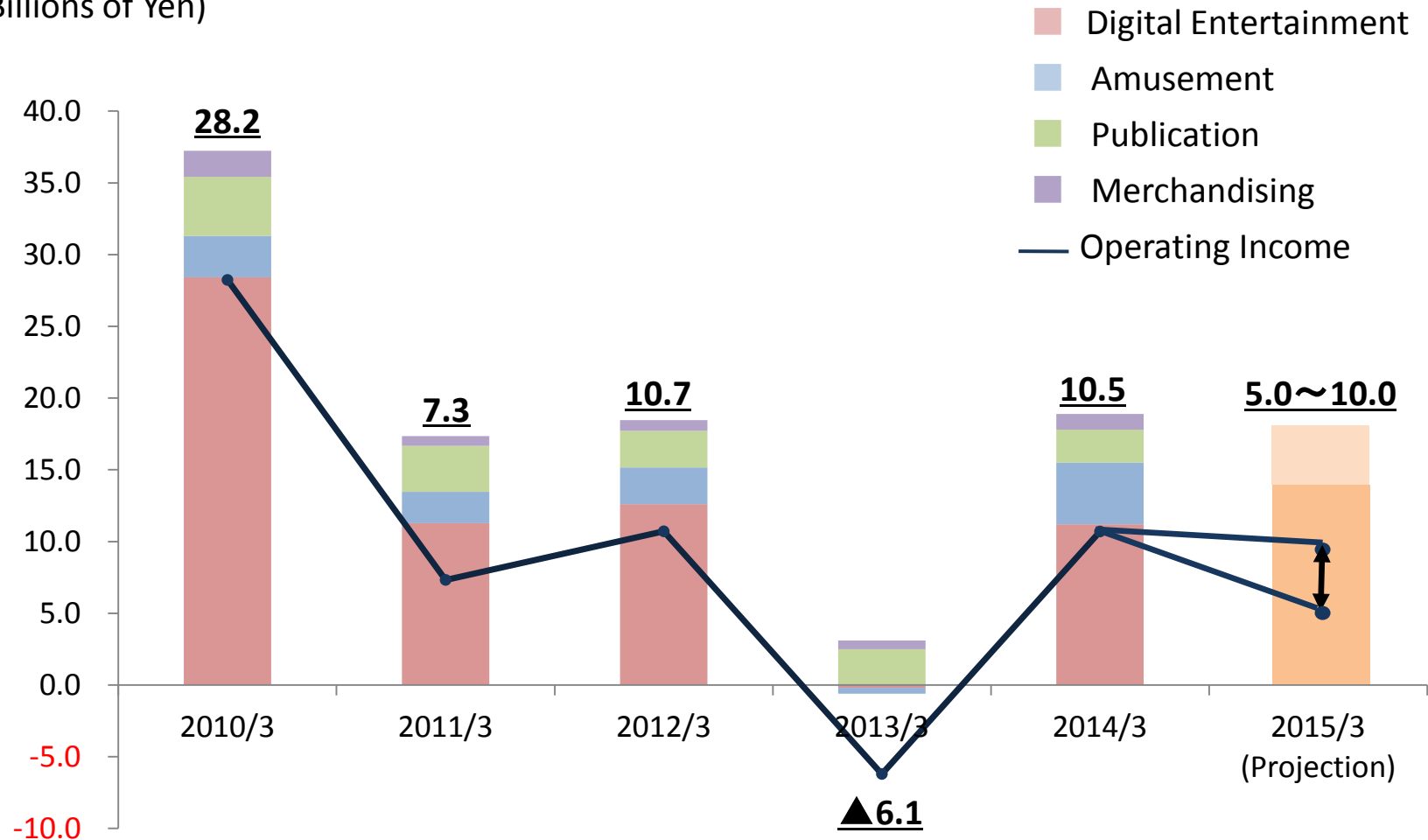
	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	(5.6)	(3.0)	(1.2)	(0.8)	0.5	(10.0)
Operating Income	(1.0)	0	(1.1)	(0.5)	(0.4)	(3.0)

Net Sales by Business Segment



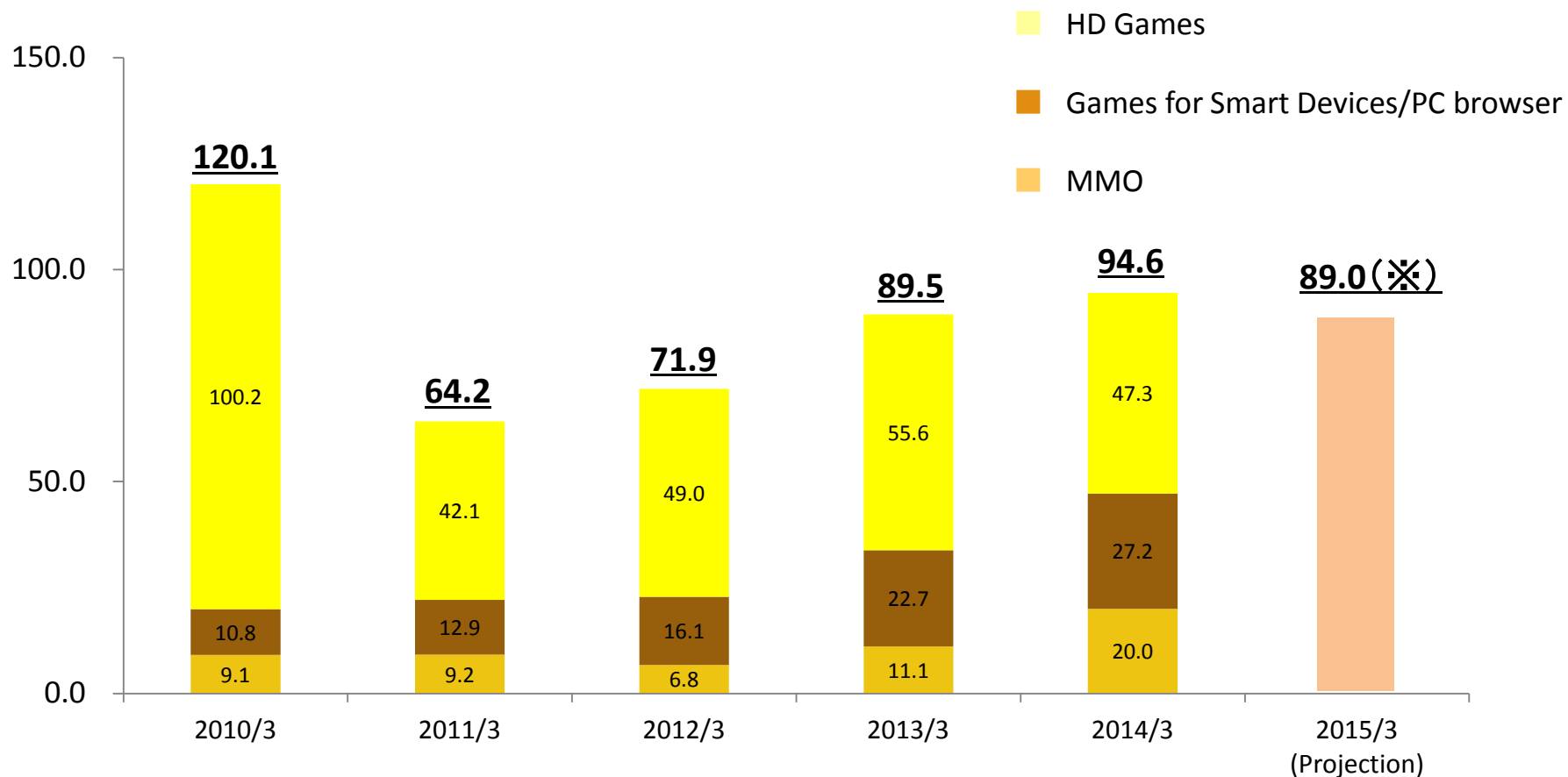
Operating Income by Business Segment

(Billions of Yen)



Digital Entertainment Segment — Net Sales

(Billions of Yen)

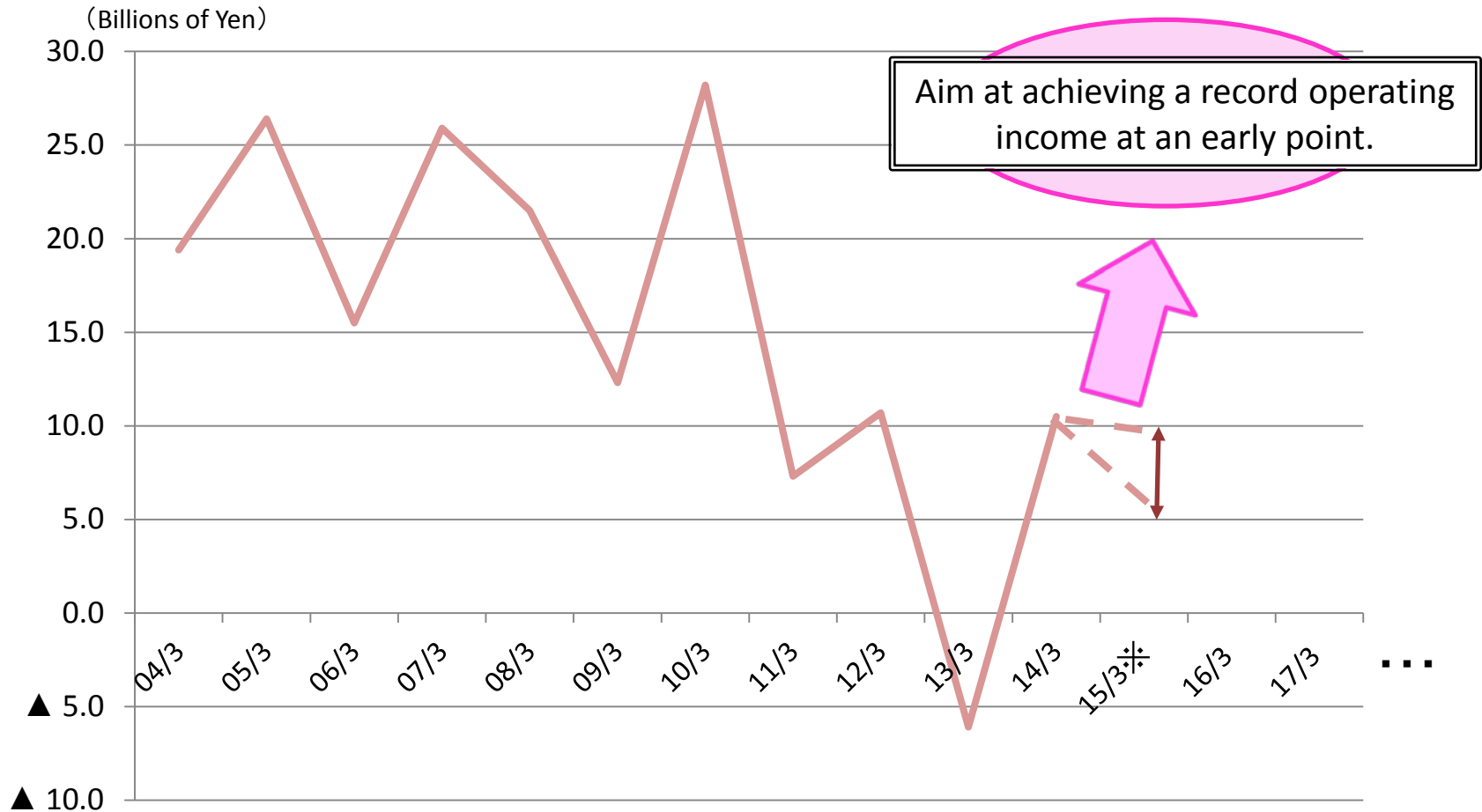


Digital Entertainment Segment's forecast number of Yen89B for Fiscal Year ending March 31, 2015 corresponds to the intermediate scenario in the forecast range (consolidated net sales of Yen145B).

Targeted Profit Level

Targeted Profit Level in the Mid-term

Trends in Operating Income



New Board Member

— Addition of a New Outside Director —

New Board Member- Addition of a New Outside Director

Appoint a new outside director candidate in addition to the incumbent board members

Director Candidate (outside and newly appointed)

Yuji Nishiura

Director

AXA Japan Holdings Co., Ltd.

Former Japan Representative

Alix Partners Asia LLC

* Subject to approval by the Annual Shareholders' Meeting to be held in late June 2014.

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Financial Results

Updated on May 12, 2014 due to correction on page 24

May 12, 2014

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