

SQUARE ENIX®

Financial Results Briefing Session

Fiscal Year Ended March 31, 2015

Fiscal Year Ended March 31, 2015

Briefing Session
Financial Results

May 12, 2015

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, 2015

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

Financial Results by Business Segment:

Fiscal Year Ended March 31, 2015

1. 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%

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%

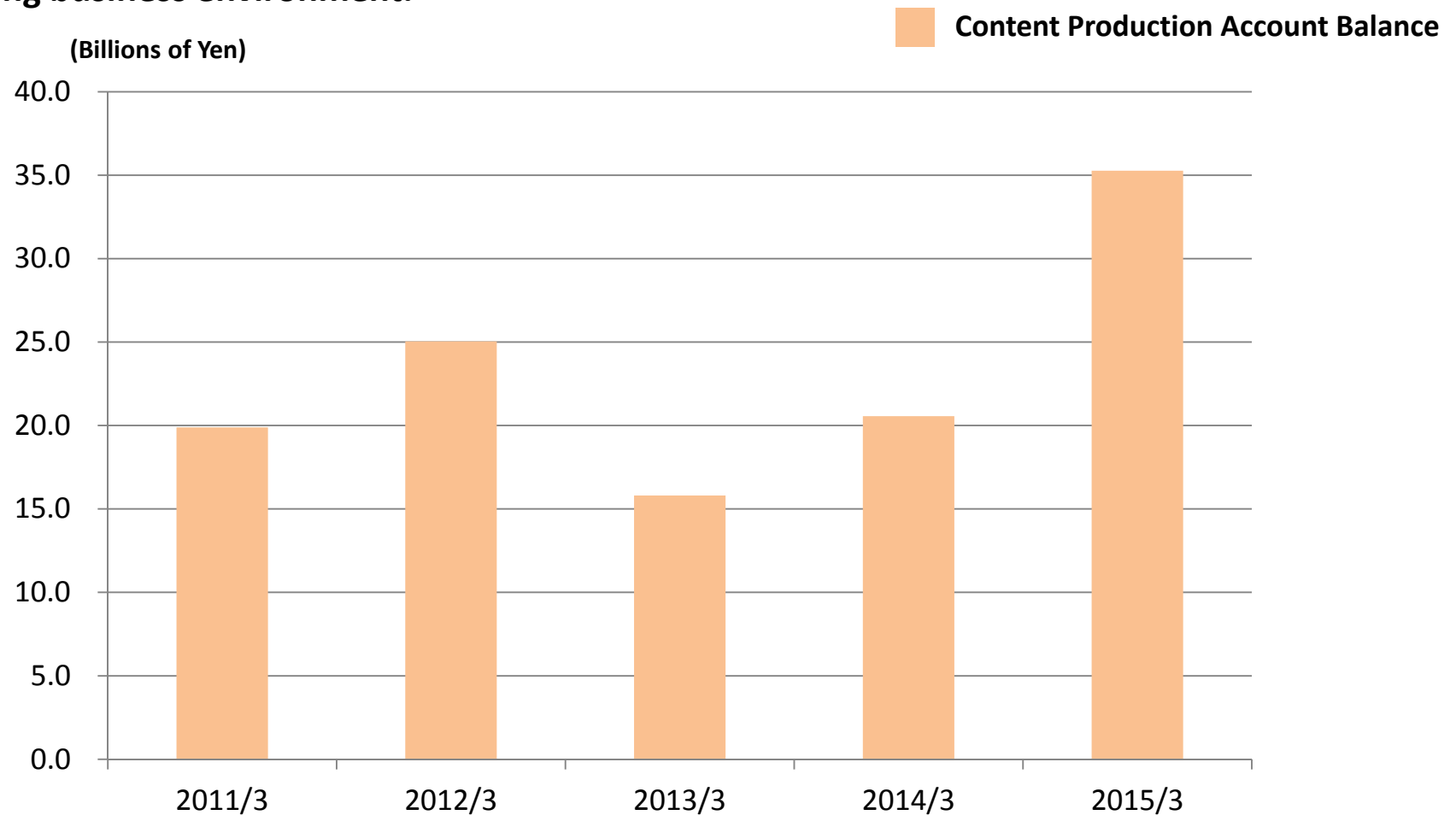
3. Changes (1-2)

(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

Trends in the Content Production Account Balance

- ¥8.4B loss (costs of sales) on valuation of inventories, mainly for Content Production Account, booked in FY 2015/3.
- Evaluated by reflecting various risk factors in respective business segment, given the rapidly changing business environment.



Current Business Environment

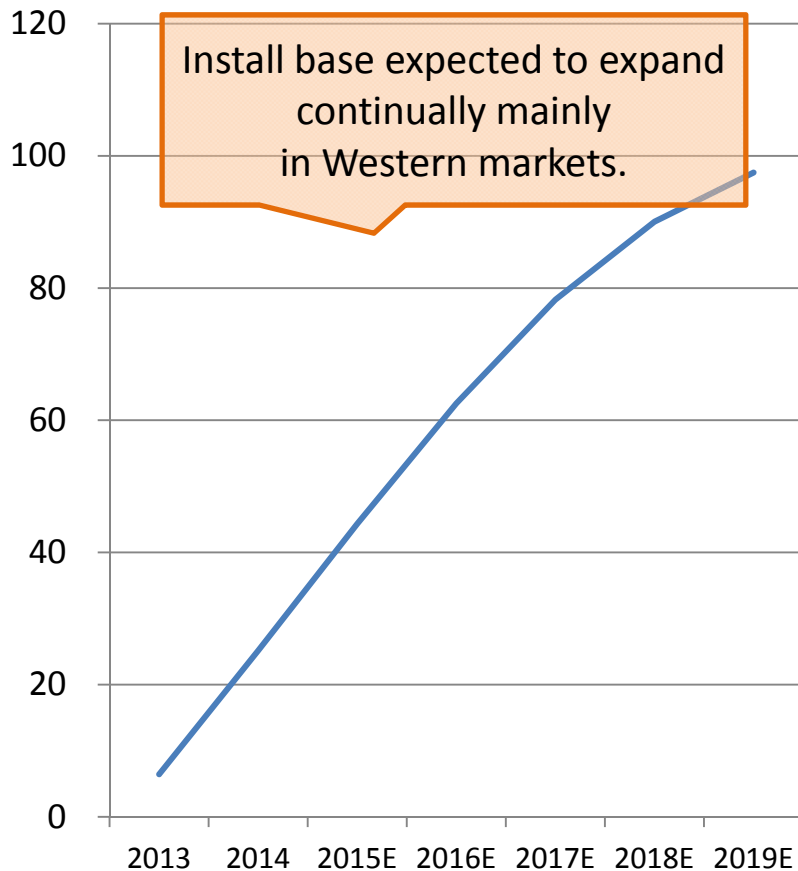
Digital Entertainment Segment

Current Business Environment①

As new-gen consoles penetrate mainly in Western markets,
App Game market continue to expand world-wide.

Estimated PS4 and Xbox One install base

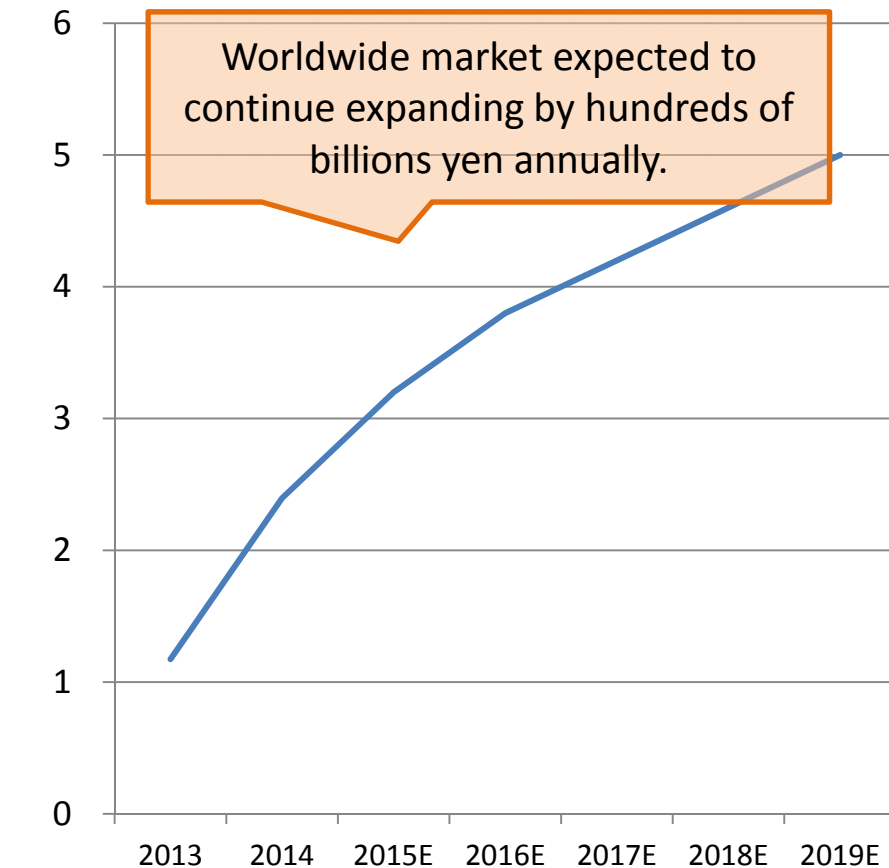
(Millions of Units) in Western and Japanese markets



Source: IDG Report: 2015 Annual Industry White Paper

Estimated App Game market size

(Trillions of Yen) in the World

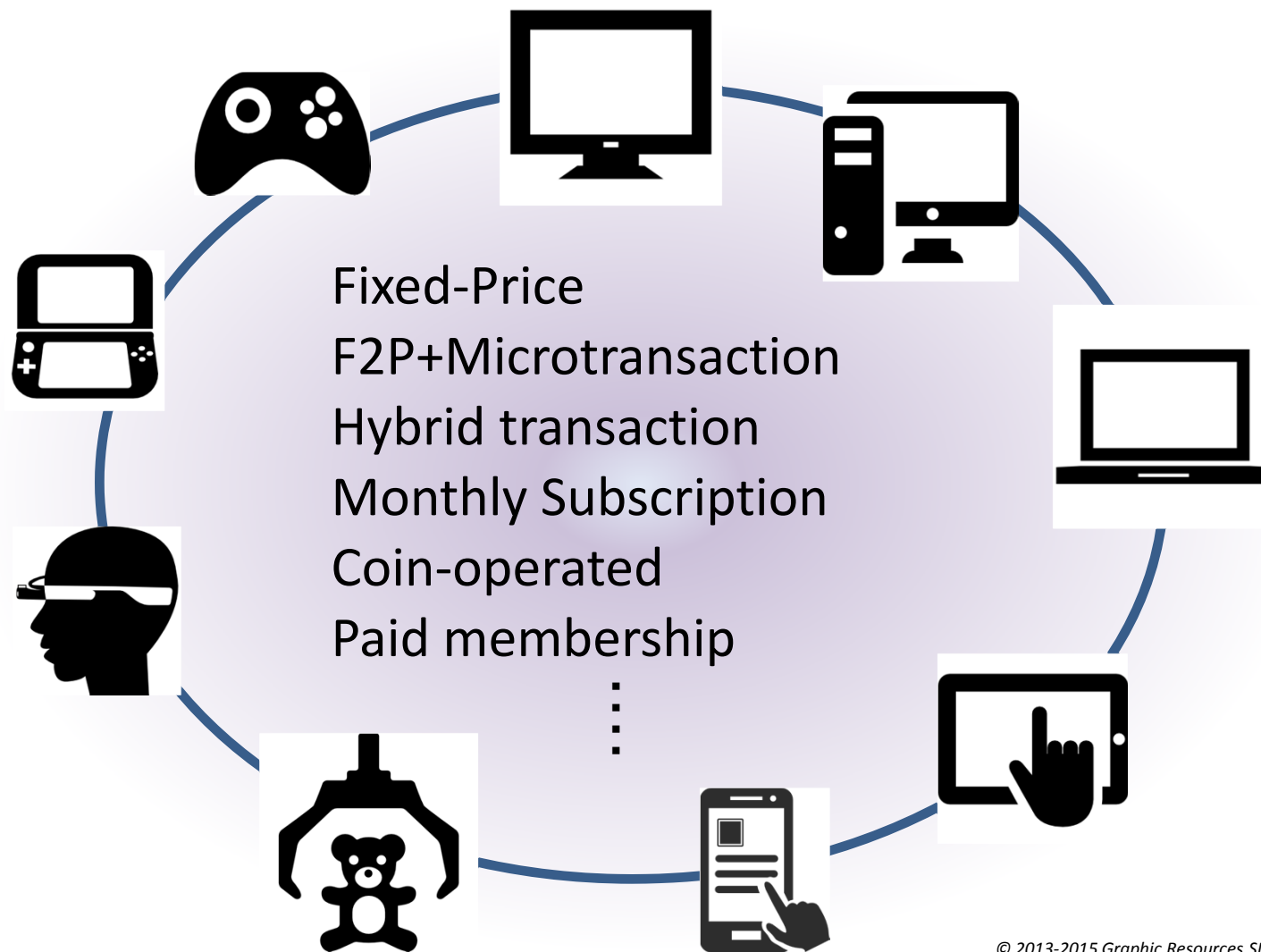


(The Company's forecast based on various sources)

Digital Entertainment Segment

Current Business Environment ②

Change of Market Environment and Diversity



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Digital Entertainment Segment

Current Business Environment ③

In the Ever-Changing Business Environment

Pursuing Invariable Core Value

||

Providing our customers with
exciting and enjoyable content services



Establishing rich content portfolio,
and offering diversified services

Digital Entertainment Segment—IP Policy

- ① Strengthen and reboot existing IPs
(consoles and smart device in tandem)
- ② Create new IPs
- ③ Collaboration with partner companies

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)

(Millions of Units Sold)

Region	2015/3 Results (Old Std.)	2015/3 Results (New Std.)	2016/3 Forecasts (Old Std.)	2016/3 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

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

Digital Entertainment Segment– Emerging markets



Progress in each Business Segment

Digital Entertainment Segment — HD Games



RISE OF THE
TOMB RAIDER™

Holiday Season 2015
Xbox One, Xbox 360

JUST CAUSE 3

Holiday Season 2015
PS4, Xbox One and PC



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Just Cause 3 © 2015 Square Enix Ltd. All rights reserved. Developed by Avalanche Studios. Published by Square Enix Ltd. Just Cause 3 and the Just Cause logo are trademarks of Square Enix Ltd.

Digital Entertainment Segment — HD Games



TBA
PS4, Xbox One and PC



TBA
PS4, PS3 and PSVita



TBA
PS4 and PS3

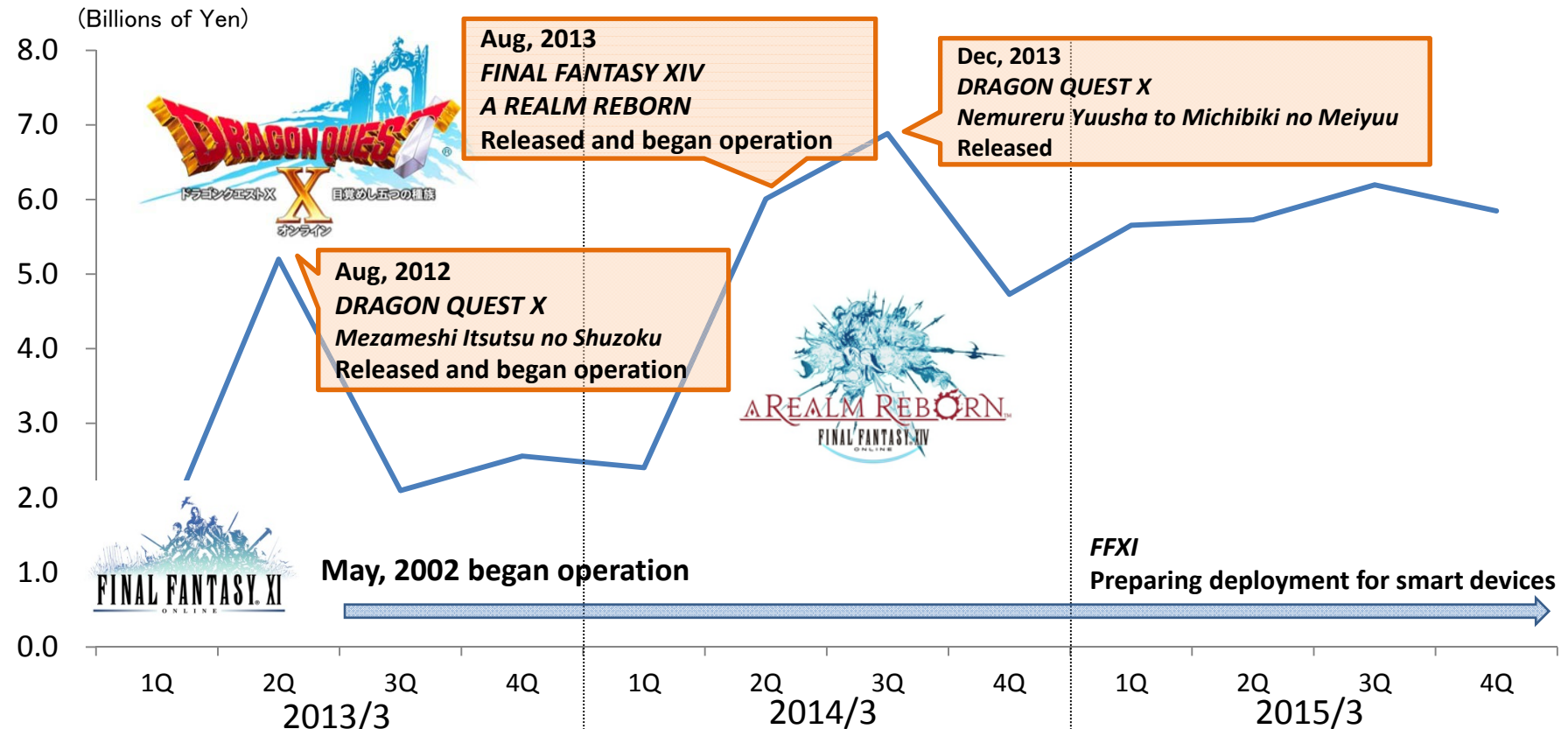
Lineup of titles including AAA will be coming one after another.

Deus Ex: Mankind Divided © 2015 Square Enix Ltd. All rights reserved. Developed by Eidos-Montréal. © 2015 ARMOR PROJECT/BIRD STUDIO/KOEI TECMO GAMES/SQUARE ENIX All Rights Reserved. © SUGIYAMA KOBO
© SQUARE ENIX CO., LTD. All Rights Reserved. Developed by tri-Ace Inc. CHARACTER DESIGN: akiman

Digital Entertainment Segment – MMO

Quarterly Sales* : Succeeded in establishing a stable revenue base

*** Including disc sales**



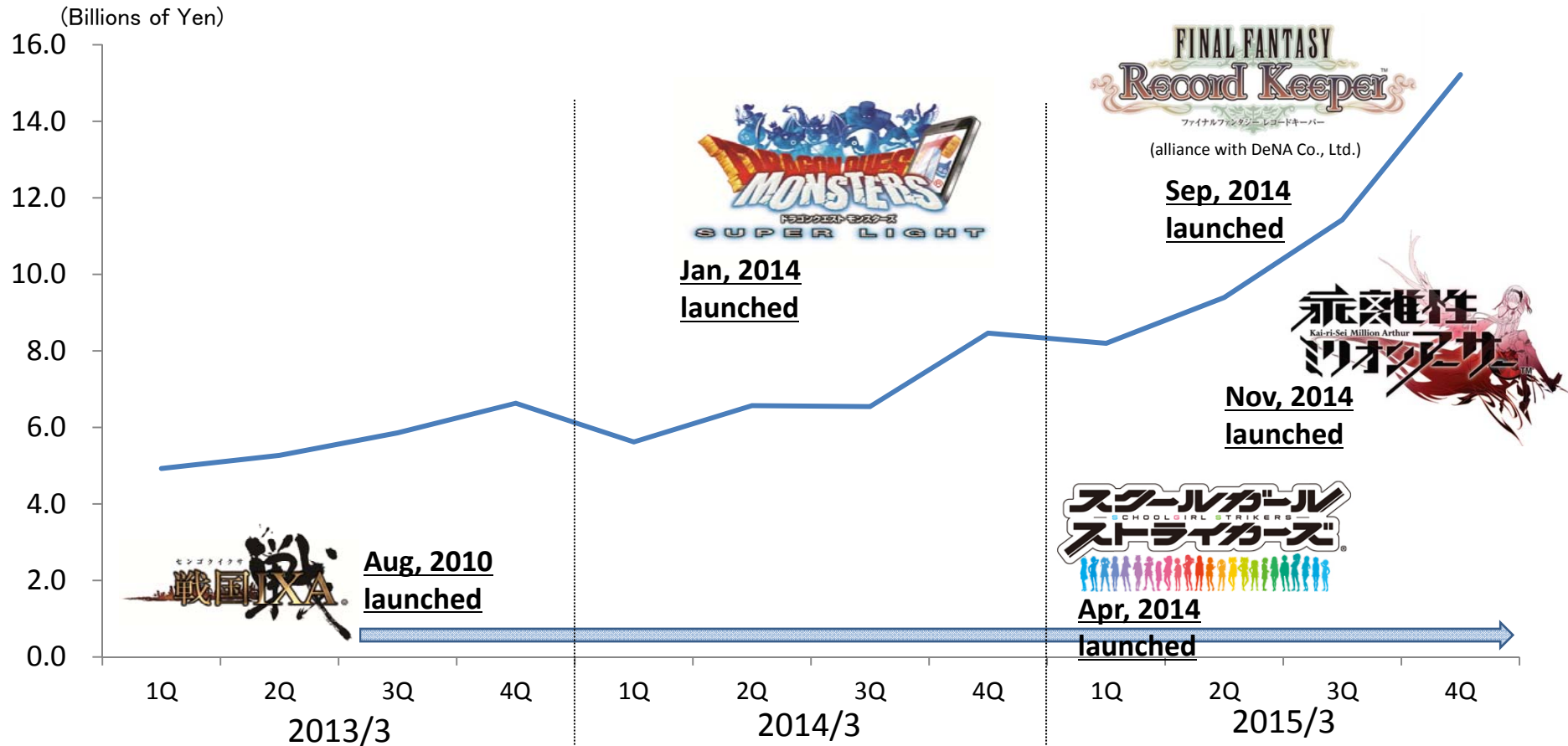
More steps for further growth

- **FY 2016/3** Release of expansion packs
 - DRAGON QUEST X** April, 2015 (Already released)
 - FINAL FANTASY XIV** June, 2015 (Scheduled)
- **FINAL FANTASY XIV** Launching in South Korea in CY2015

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Digital Entertainment Segment — Games for smart devices/PC browser

Quarterly Sales: solid growth with constant hit title releases



More brand-new App games under development and to be released.

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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.



(Under development)



Scheduled to launch in CY 2015



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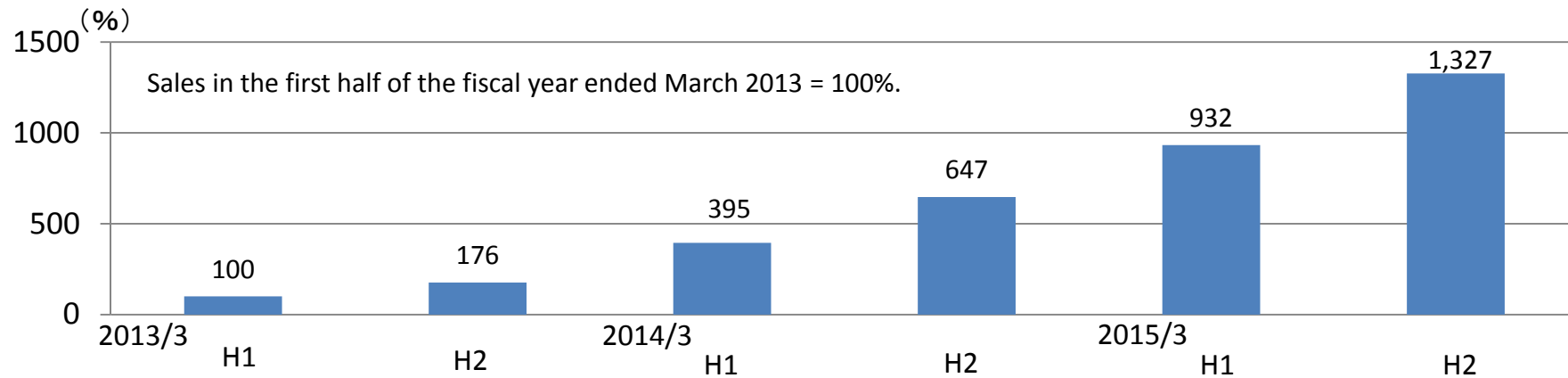
Scheduled to launch in this fall



© 2015 KOEI TECMO GAMES/SQUARE ENIX CO., LTD. All Rights Reserved.CHARACTER DESIGN: TETSUYA NOMURA

Publication Segment

Growth in the half-year term sales of the digital publication



▪ Planning to expand actively overseas, in particular Asia.

In FY2015/3, comics sold well, being boosted by TV animations.

Continue to focus on creating new hit titles.

FY2015/3 "BARAKAMON"

ばらかもん

(C)Satsuki Yoshino/SQUARE ENIX

月刊 少女野崎くん

(C)Izumi Tsubaki/SQUARE ENIX

FY2016/3 "KAKEGURUI"

賭ケグルイ

©Homura Kawamoto/Toru Naomura/SQUARE ENIX

青春×機関銃

TAOHARU×MACHINE GUN
©NAOE/SQUARE ENIX

(come on the air from Jul 2015)



Financial Forecasts
Fiscal Year
Ending March 31, 2016

Financial Forecasts:

Fiscal Year Ending March 31, 2016

(Billions of Yen)

	Fiscal Year Ended 3/15	Fiscal Year Ending 3/16 (Projection)	Change
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

	Fiscal Year Ended 3/15	Fiscal Year Ending 3/16 (Projection)	Change
Depreciation and Amortization	6.9	6.0	(0.9)
Capital Expenditure	6.0	6.0	0.0

Dividends per share(Details later)

(Yen)

	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

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 Yen210B, and consolidated operating income of Yen21B).

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)

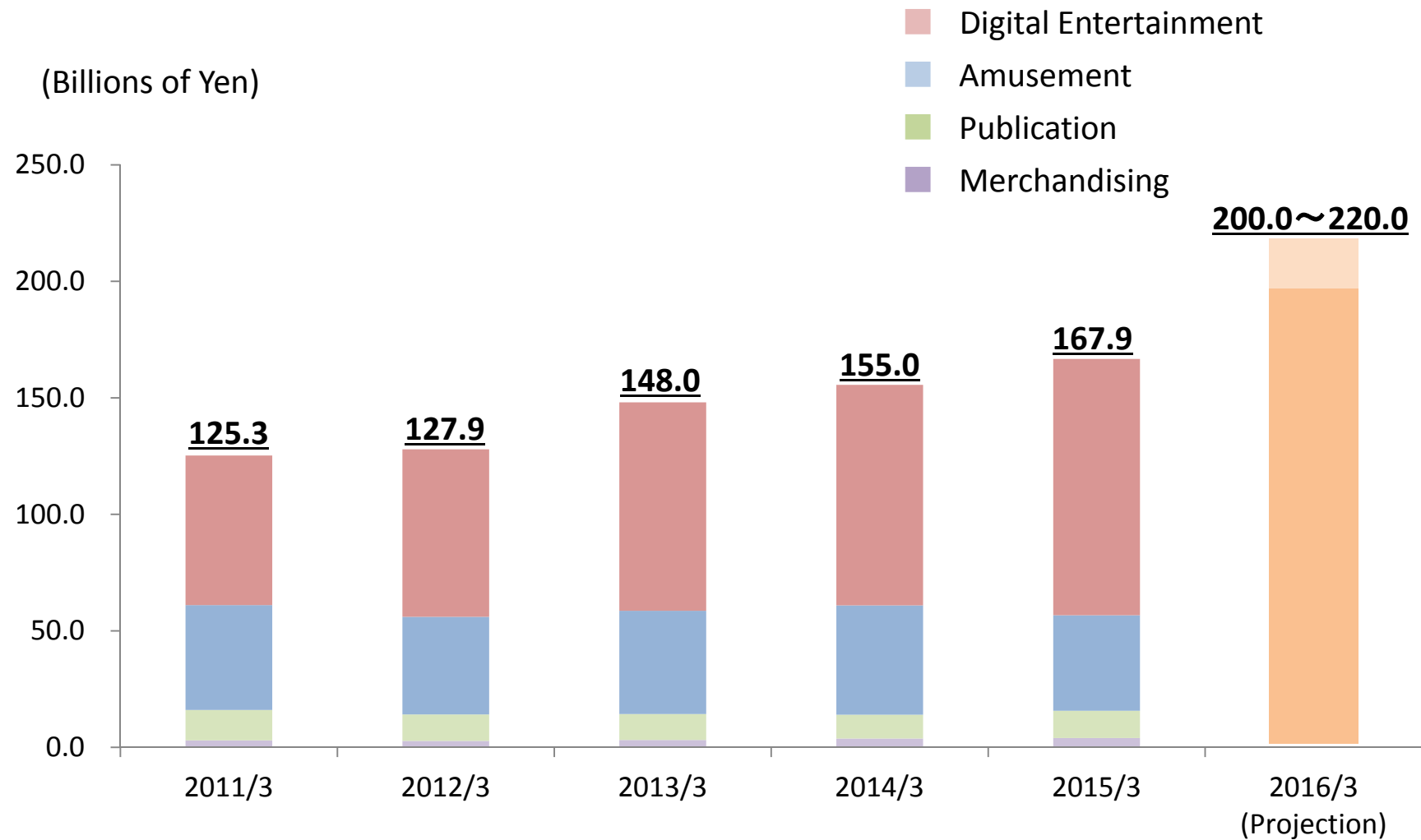
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3. Changes (1 - 2)

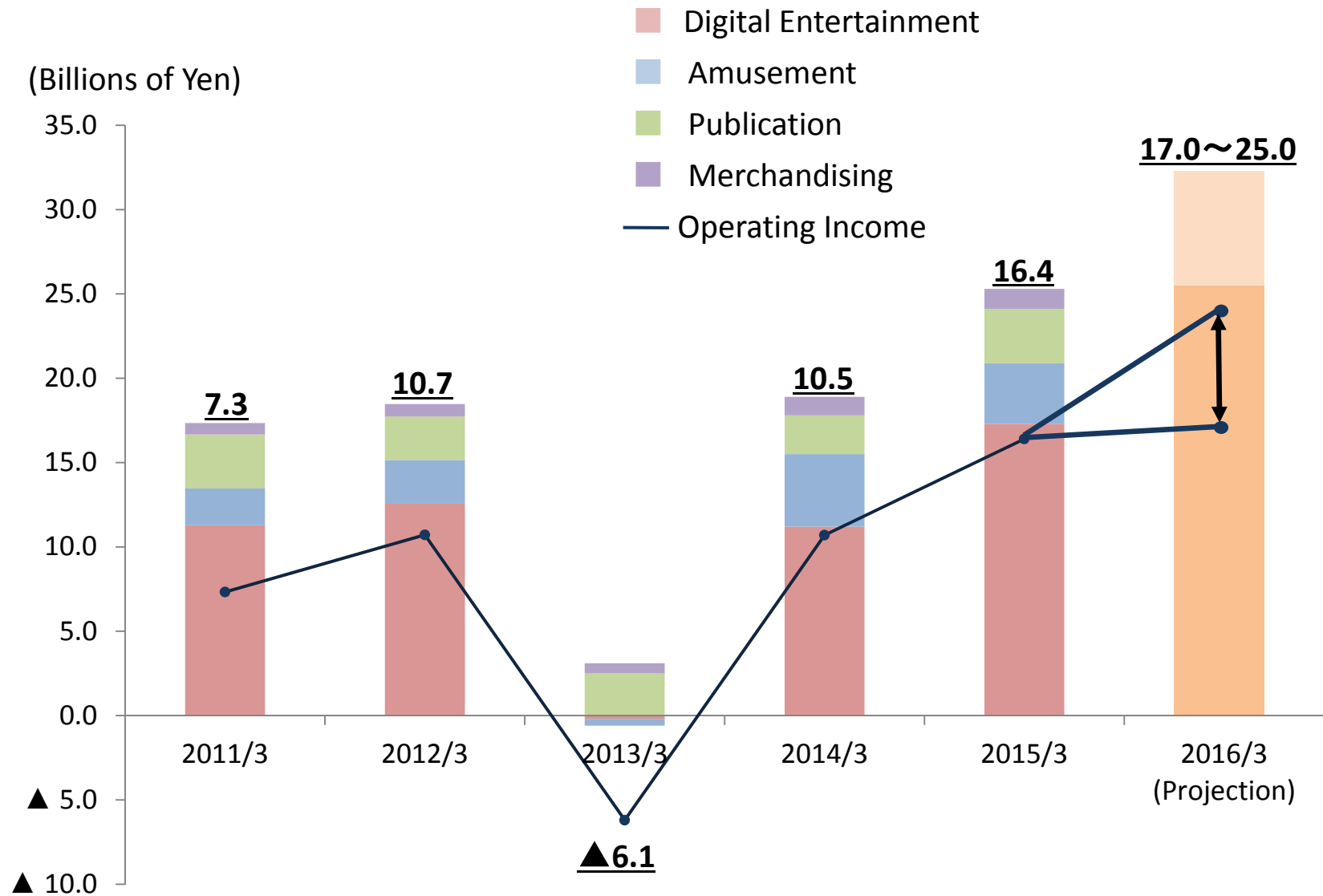
(Billions of Yen)

	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

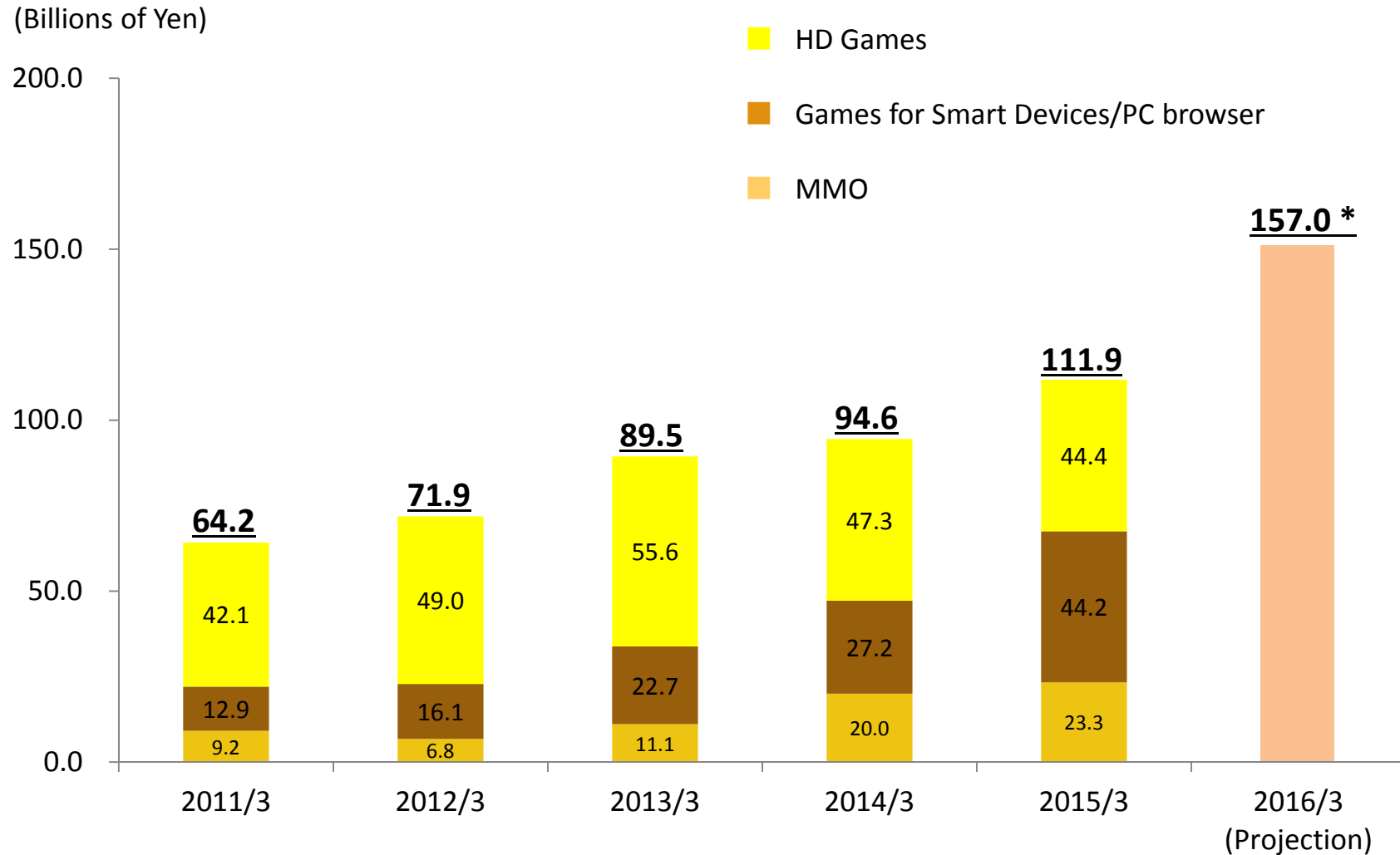
Net Sales by Business Segment



Operating Income by Business Segment



Digital Entertainment Segment — Net Sales

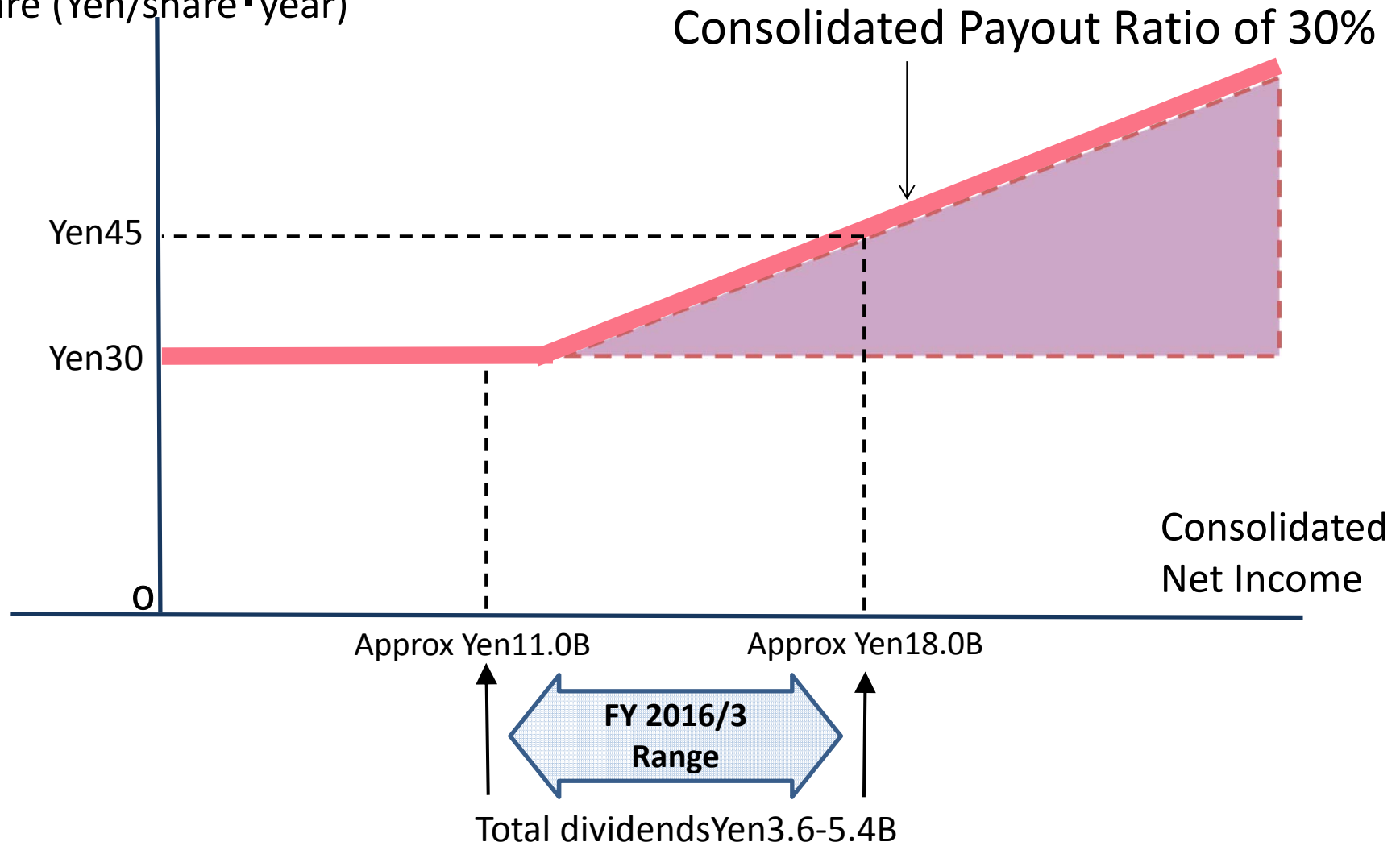


* Digital Entertainment segment's forecast number of Yen 157B for Fiscal Year ending March 31, 2016 corresponds to the intermediate scenario in the forecast range (consolidated net sales of Yen210B).

Dividend Policy

Dividend Policy for FY 2016/3

Annual Dividend per Share (Yen/share * year)



※Based on the number of outstanding shares as of the end of March, 2015

Targeted Profit Level

Targeted Profit Level in the Mid-term

Trends in Operating Income



SQUARE ENIX®

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Financial Results

Updated on June 1, 2015 due to correction on page 15

May 12, 2015

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