



Reference Materials
Nine-Month Period
Ended December 31, 2017

February 6, 2018

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.

(Amounts under one hundred million yen are rounded down)

Financial Results
Third Quarter of Fiscal Year
Ending March 31, 2018

Consolidated Statement of Income

Q3, FY2018/3

(Billions of Yen)

	Fiscal Year Ended March 31, 2017		Fiscal Year Ending March 31, 2018			
	Apr - Dec 2016	Full Year Results	Apr - Dec 2017	Changes	Full Year Forecast	Changes
Net Sales	190.0	256.8	188.0	Δ2.0	240.0 ~ 260.0	Δ16.8 ~ 3.2
Operating Income	21.4	31.2	33.7	12.3	25.0 ~ 30.0	Δ6.2 ~ Δ1.2
Operating Income Margin	11.3%	12.2%	18.0%	6.7pt	10.4% ~ 11.5%	Δ1.7pt ~ Δ0.7pt
Ordinary Income	22.0	31.1	34.7	12.7	25.0 ~ 30.0	Δ6.1 ~ Δ1.1
Ordinary Income Margin	11.6%	12.1%	18.5%	6.9pt	10.4% ~ 11.5%	Δ1.7pt ~ Δ0.6pt
Profit attributable to owners of parent	17	20.0	22.3	5.3	16.5 ~ 19.5	Δ3.5 ~ Δ0.5
Depreciation and Amortization	4.6	6.2	3.9	Δ0.7	5.9	Δ0.3
Capital Expenditure	5.1	6.9	5.8	0.7	7.8	0.9

Consolidated Statement of Income

Q3, FY2018/3 by Business Segment

(Billions of Yen)

	Fiscal Year Ended March 31, 2017	Fiscal Year Ending March 31, 2018	
	Apr - Dec 2016	Apr - Dec 2017	Changes
Net Sales	190.0	188.0	Δ 2.0
Digital Entertainment	146.2	143.5	Δ 2.7
Amusement	33.0	31.5	Δ1.5
Publication	7.2	8.2	1.0
Merchandising	4.7	5.8	1.1
Eliminations or unallocated	-1.1	-1.1	0.0
Operating Income	21.4	33.7	12.3
Digital Entertainment	21.7	36.3	14.6
Amusement	3.6	2.5	Δ1.1
Publication	1.7	1.8	0.1
Merchandising	1.5	1.5	0.0
Eliminations or unallocated	-7.2	-8.5	Δ1.3
Operating Income Margin	11.3%	18.0%	6.7pt
Digital Entertainment	14.9%	25.3%	10.4pt
Amusement	11.1%	8.2%	Δ2.9pt
Publication	23.7%	22.2%	Δ1.5pt
Merchandising	33.1%	26.8%	Δ6.3pt
Eliminations or unallocated	-	-	-

Consolidated Statement of Income

Quarterly Comparison

(Billions of Yen)

	Fiscal Year Ended March 31, 2017				Fiscal Year Ending March 31, 2018		
	Apr - June 2016	July - Sep 2016	Oct - Dec 2016	Jan - Mar 2017	Apr - June 2017	Jul - Sep 2017	Oct - Dec 2017
Net Sales	51.1	55.1	83.7	66.7	57.0	75.0	56.0
Digital Entertainment	37.5	40.7	67.9	52.8	44.1	57.9	41.4
Amusement	10.3	10.9	11.7	9.7	8.9	12.1	10.4
Publication	2.2	2.2	2.7	2.7	2.2	3.3	2.6
Merchandising	1.4	1.6	1.6	1.7	2.1	1.8	1.7
Eliminations or unallocated	-0.3	-0.4	-0.3	-0.2	-0.6	-0.2	-0.2
Operating Income	8.9	2.1	10.3	9.8	12.8	12.9	7.9
Digital Entertainment	9.4	2.6	9.6	11.5	13.7	12.8	9.7
Amusement	0.8	1.2	1.5	0.0	0.6	1.8	0.1
Publication	0.5	0.4	0.7	0.7	0.5	0.8	0.4
Merchandising	0.5	0.5	0.4	0.5	0.5	0.6	0.3
Eliminations or unallocated	-2.4	-2.7	-2.1	-2.9	-2.6	-3.1	-2.7

Consolidated Balance Sheet Summary as of Dec 31, 2017

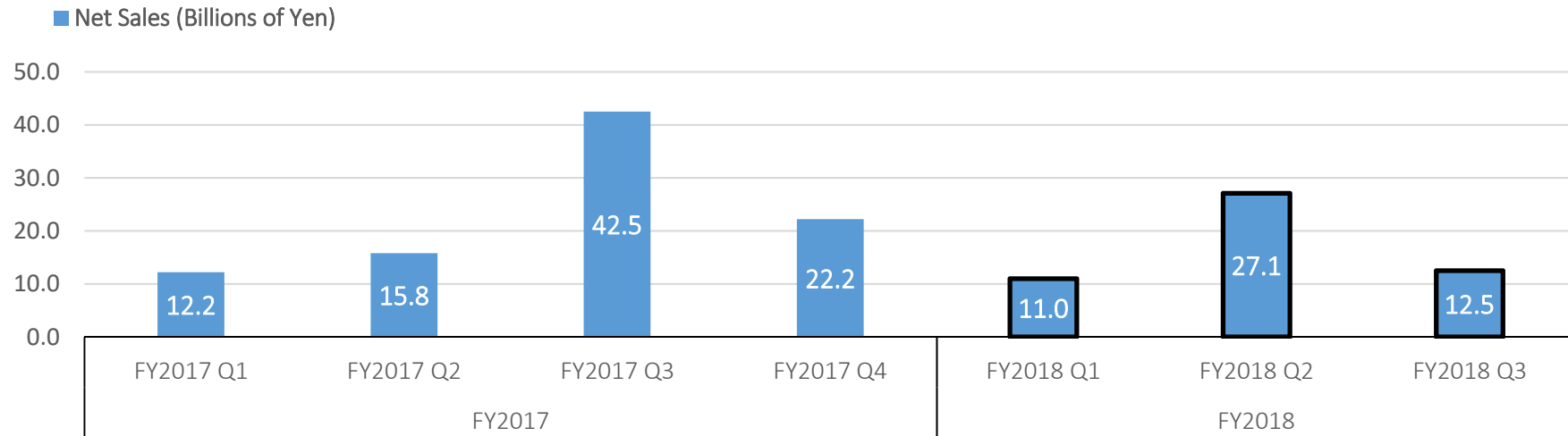
(Billions of Yen)

Account	<Assets>			<Liabilities and Net Assets>			
	03/2017	12/2017	Changes	Account	03/2017	12/2017	Changes
Cash and deposits	129.3	130.8	1.5	Notes and accounts payable	14.2	14.0	Δ 0.2
Notes and accounts receivable	26.0	24.3	Δ 1.7	Short-term loans	8.4	9.1	0.7
Inventories	3.1	3.8	0.7	Provision for sales returns	6.1	4.4	Δ 1.7
Content production account	34.5	44.8	10.3	Others	26.5	27.0	0.5
Others	15.9	10.4	Δ 5.5	Total Current Liabilities	55.4	54.6	Δ 0.8
Total Current Assets	209.0	214.4	5.4	Non-current Liabilities	6.5	7.5	1.0
Property and equipment	14.2	15.8	1.6	Total Liabilities	61.9	62.2	0.3
Intangible Assets	4.7	5.0	0.3	Total Shareholders' Equity	185.7	192.8	7.1
Investments and other assets	15.8	16.6	0.8	Others	-3.8	-3.1	0.7
Total Non-current Assets	34.8	37.4	2.6	Total Net Assets	181.9	189.6	7.7
Total Assets	243.8	251.8	8.0	Total Liabilities and Net Assets	243.8	251.8	8.0

Progress in Each Business Segment

Digital Entertainment – HD Games

Strong performance of digital sales resulted in an increase of operating income, despite the sales decline due to a decrease of the number of new blockbuster titles.



Pipeline in FY2018/3



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Released on July 13, 2017



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Released on July 29, 2017



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DRAGON QUEST characters:
©ARMOR PROJECT/BIRD STUDIO/SQUARE ENIX
FINAL FANTASY characters: ©SQUARE ENIX
CHARACTER ILLUSTRATION:SHIRO AMANO

Released on October 19, 2017



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CHARACTER DESIGN: TETSUYA NOMURA
ILLUSTRATION:©2017 YOSHITAKA AMANO

Released on January 11, 2018



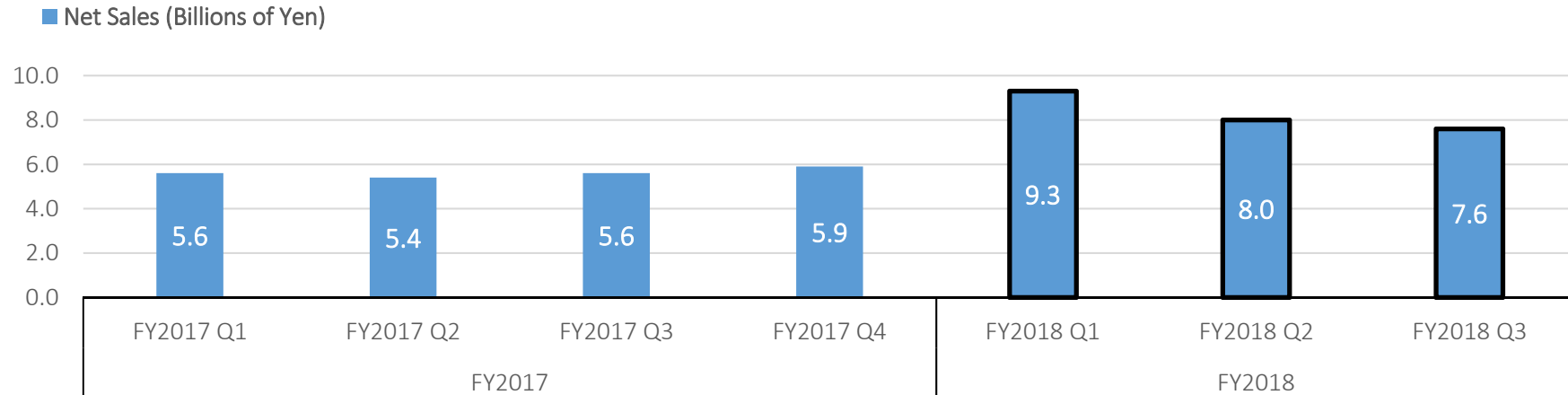
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MAIN CHARACTER DESIGN: TETSUYA NOMURA
ILLUSTRATION:©2018 YOSHITAKA AMANO

To be released on March 6, 2018

“FFXV WINDOWS EDITION”
To be released on March 7, 2018

Digital Entertainment – MMO

The latest expansions of “FINAL FANTASY XIV” and “DRAGON QUEST X” contributed to the robust sales and operating income growth by disk sales and increase of paying subscribers.



Plans for FY2018/3

- Expansion disks for “FINAL FANTASY XIV” and “DRAGON QUEST X”
- New platform versions (PlayStation4 and Nintendo Switch) for “DRAGON QUEST X”



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Released on June 20, 2017



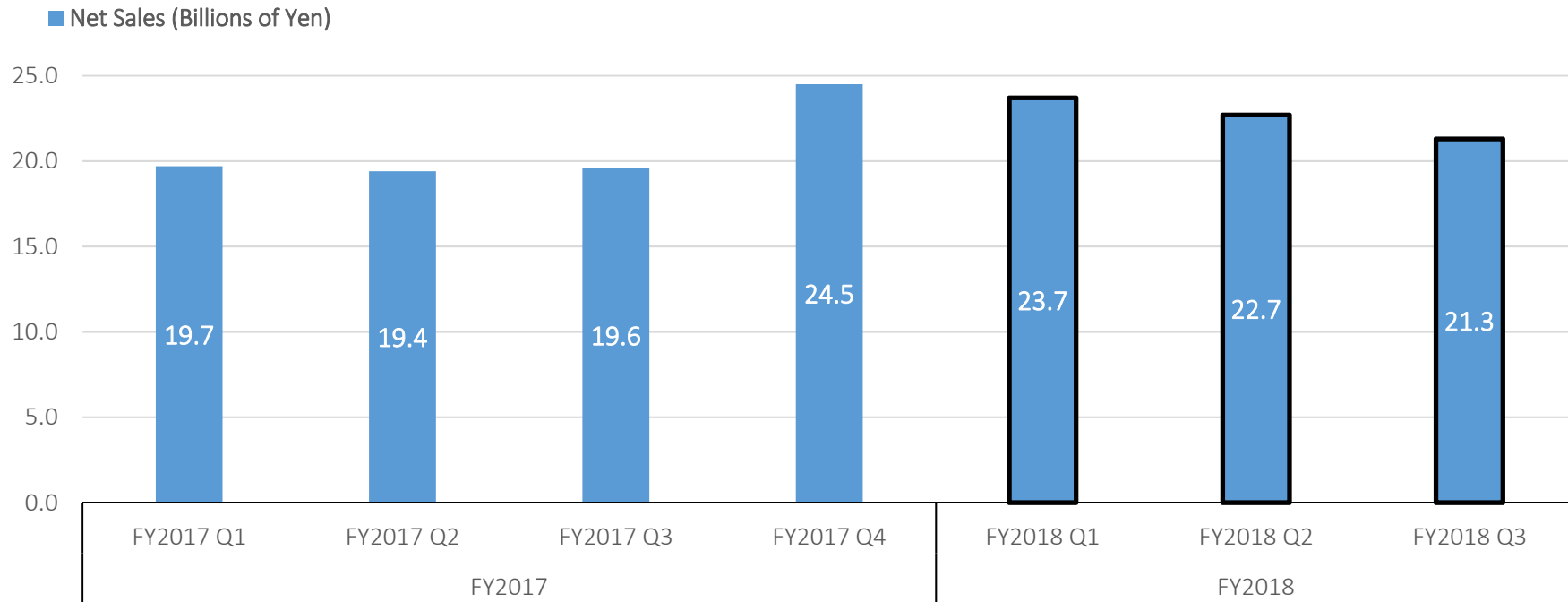
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Released on November 16, 2017

Digital Entertainment

– Games for Smart Devices/PC Browser

Strong performance of existing titles and royalty income boosted both sales and operating income.



Plans for FY2018/3

Existing titles' stable contribution to net income.

Further revenue growth through consecutive new title launches.

Digital Entertainment

– Games for Smart Devices/PC Browser

Major Existing Titles

Jan 2014



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©SUGIYAMA KOBO
Developed by Cygames, Inc.

Sep 2014



Alliance with DeNA Co., Ltd.
(Published by DeNA Co., Ltd.)
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©DeNA Co., Ltd

Jun 2015



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Oct 2015



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©SUGIYAMA KOBO

Dec 2016



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Developed by tri-Ace Inc.

Mar 2017



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Nov 2017



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Apr 2014



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Nov 2014



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Sep 2015



©Disney
Developed by SQUARE ENIX

Oct 2015



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Developed by Alim Co., Ltd.
Illustration/
©2015 YOSHITAKA AMANO

Feb 2017



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CHARACTER DESIGN:
TETSUYA NOMURA

Jun 2017

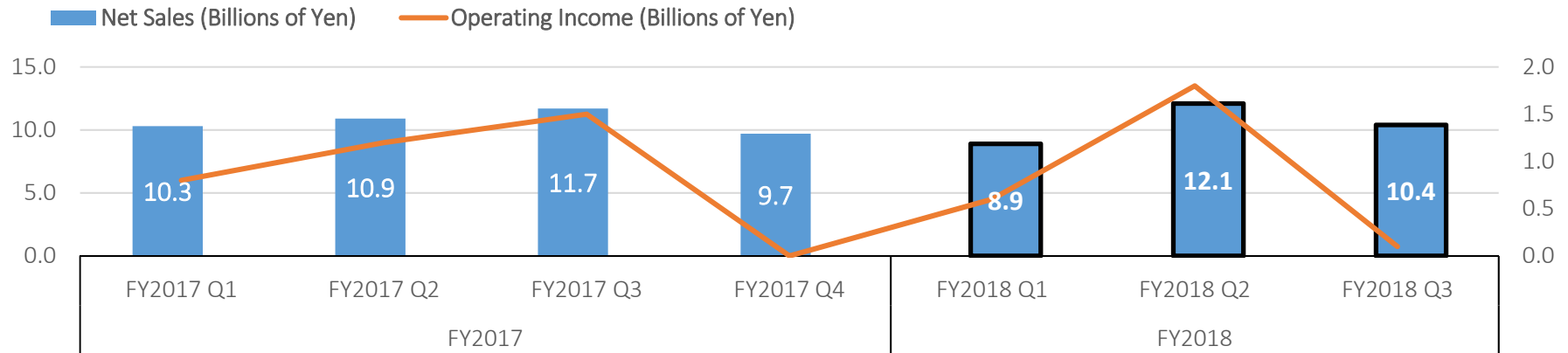


Co-developed with Pokelabo Inc.
(Published by Pokelabo Inc.)
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*Each title's launch timing

Amusement

Amusement facility operation performed steadily while number of newly-released amusement machines decreased from the previous fiscal year. Overall, both sales and operating income decreased.



Plans for FY2018/3



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Launched on November 21, 2017



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JR東日本商品化許諾申請中

Launched on November 7, 2017



電車でGO!!
DENSHADE

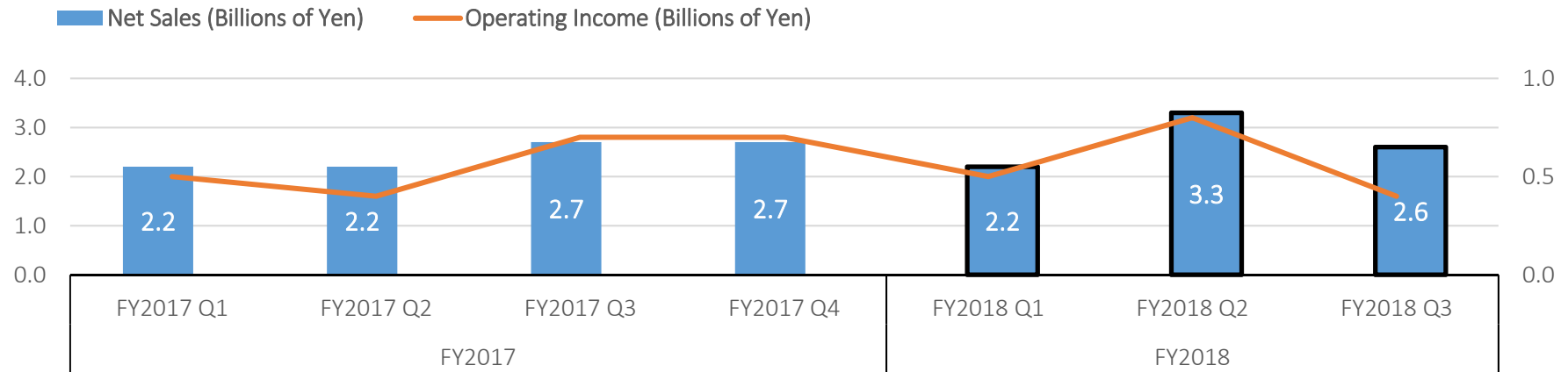


“PLAY SPACE INVADERS EXHIBITION” from January 12, 2018 to January 31, 2018 to celebrate 40th anniversary of the game.

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Publication

Stable comic book sales sustained by the media-mix deployment and expanding sales of digital comic books resulted in an increase of sales and operating income.



Major titles in FY2018/3



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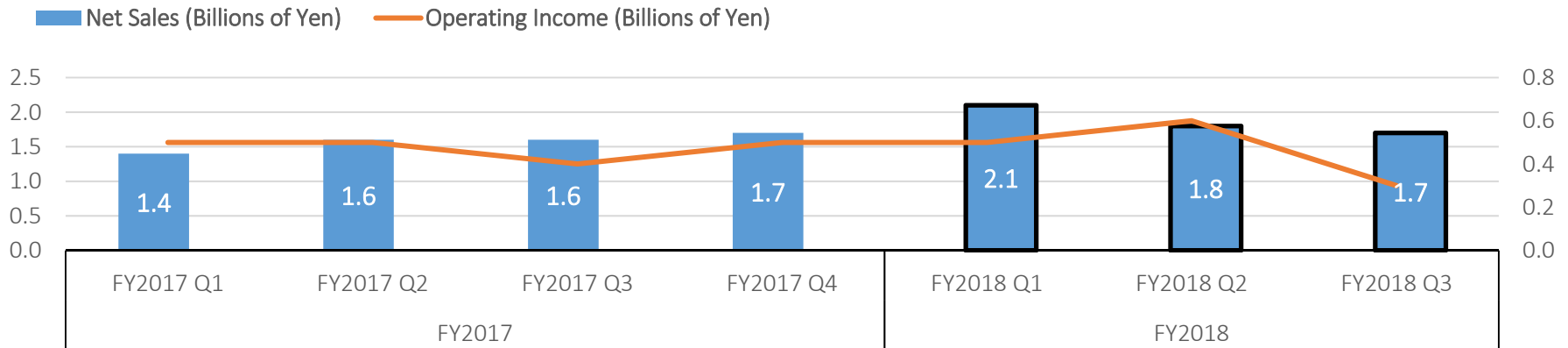
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Merchandising

Strong sales of established IP-based character goods resulted in increase of both sales and operating income.



Plans for FY2018/3

Promoting established IP-based character goods, as well as wide range of goods and licensing deals in conjunction with the “FINAL FANTASY” franchise’s 30th anniversary.

30th anniversary exhibition of “FINAL FANTASY”
from January 22nd, 2018 to February 28, 2018



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Ended December 31, 2017

February 6, 2018

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