

SQUARE ENIX®

Reference Materials
Nine-Month Period
Ended December 31, 2016

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Nine-Month Period
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February 6, 2017
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.

Consolidated Financial Results for the Nine-Month Period Ended December 31, 2016

(Billions of Yen)

	Apr-Dec, 2015		Apr-Dec, 2016		Changes
		%		%	
Net Sales	152.8	100%	190.1	100%	37.3
Operating Income	23.8	16%	21.5	11%	Δ 2.3
Recurring Income	24.2	16%	22.1	12%	Δ 2.1
Profit attributable to owners of parent	13.5	9%	17.1	9%	3.5

(Ref.) Full-Year Forecasts (Consolidated)

(Billions of Yen)

	Fiscal Year Ended Mar, 2016	Fiscal Year Ending Mar, 2017	Changes
Net Sales	214.1	250.0~270.0	35.9~55.9
Operating Income	26.0	27.0~33.0	1.0~7.0
Recurring Income	25.3	27.0~33.0	1.7~7.7
Profit attributable to owners of parent	19.9	17.0~21.0	Δ 2.9~1.1

Consolidated Financial Results for the Nine-Month Period Ended December 31, 2016 by Business Segment

1. Results for the Nine-Month Period Ended December 31, 2016 (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	146.2	33.0	7.3	4.7	Δ 1.2	190.1
Operating Income	21.8	3.7	1.7	1.6	Δ 7.3	21.5
Operating Margin	14.9%	11.1%	23.7%	33.1%	-	11.3%

2. Results for the Nine-Month Period Ended December 31, 2015 (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	110.1	31.8	7.7	3.6	Δ 0.4	152.8
Operating Income	23.1	4.4	1.9	1.2	Δ 6.8	23.8
Operating Margin	21.0%	13.7%	24.9%	32.8%	-	15.6%

3. Change (1 – 2) (Billions of Yen)

	Digital Entertainment	Amusement	Publication	Merchandising	Eliminations or unallocated	Total
Net Sales	36.1	1.3	Δ 0.4	1.1	Δ 0.7	37.3
Operating Income	Δ 1.4	Δ 0.7	Δ 0.2	0.4	Δ 0.4	Δ 2.3

Changes in Quarterly Performances by Business Segment

Net Sales (consolidated)

(Billions of yen)

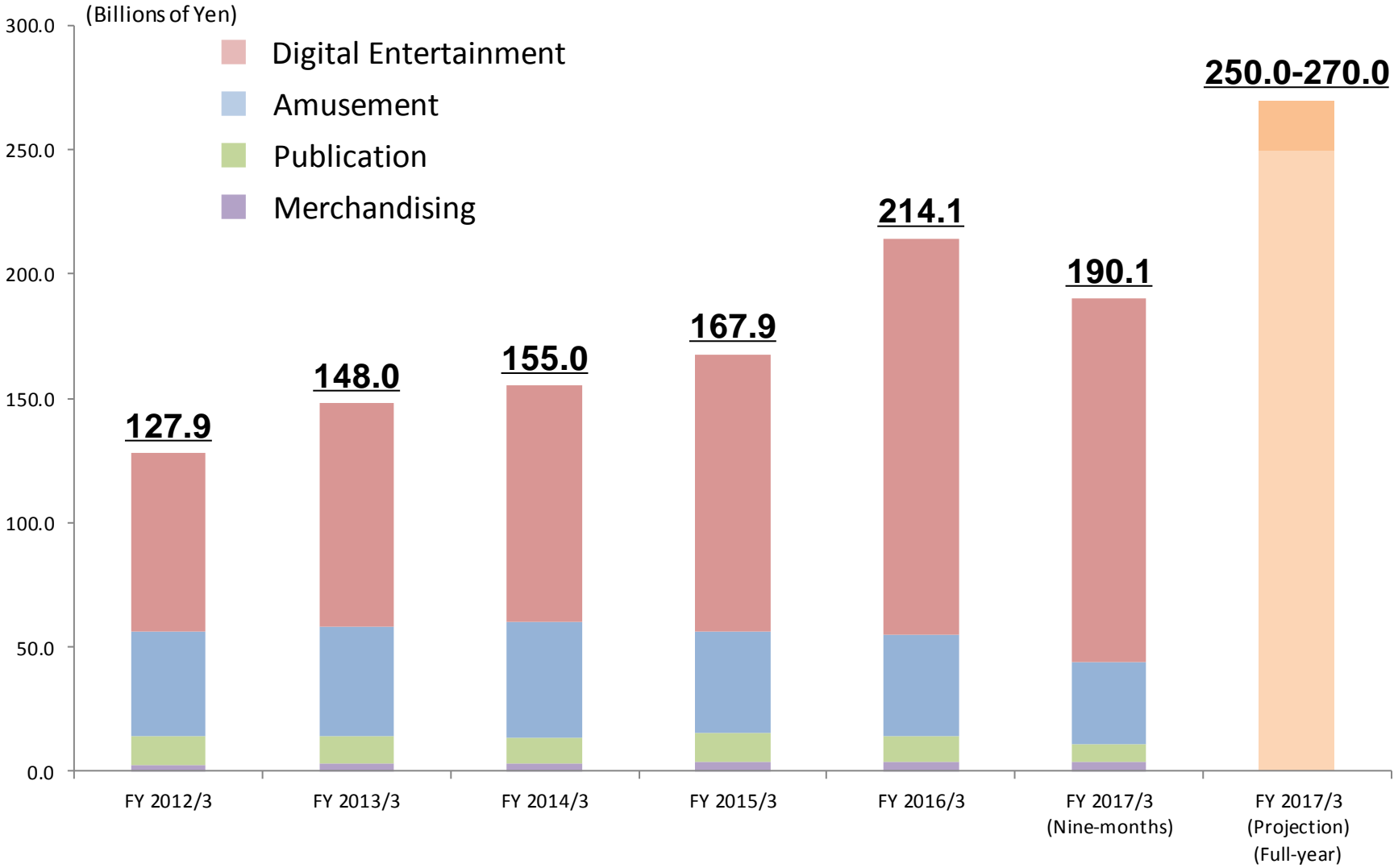
	FY Ending Mar, 2017			(Ref.) FY Ended Mar, 2016				
	Apr-Jun	Jul-Sep	Oct-Dec	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full-year
Digital Entertainment	37.5	40.8	67.9	30.3	29.9	49.9	48.9	159.0
Amusement	10.4	10.9	11.8	8.5	10.5	12.7	9.4	41.1
Publication	2.3	2.3	2.7	2.7	2.3	2.7	2.3	10.0
Merchandising	1.4	1.6	1.7	1.2	1.4	1.1	0.9	4.5
Eliminations or unallocated	△ 0.4	△ 0.5	△ 0.3	△ 0.3	△ 0.1	△ 0.0	△ 0.1	△ 0.5
Total	51.2	55.2	83.7	42.3	44.1	66.3	61.4	214.1

Operating Income (consolidated)

(Billions of yen)

	FY Ending Mar, 2017			(Ref.) FY Ended Mar, 2016				
	Apr-Jun	Jul-Sep	Oct-Dec	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Full-year
Digital Entertainment	9.5	2.7	9.7	8.2	4.7	10.2	4.3	27.5
Amusement	0.8	1.3	1.6	0.9	1.2	2.2	△ 0.4	4.0
Publication	0.5	0.4	0.8	0.7	0.4	0.9	0.4	2.3
Merchandising	0.6	0.5	0.5	0.4	0.5	0.3	0.3	1.5
Eliminations or unallocated	△ 2.4	△ 2.7	△ 2.1	△ 2.3	△ 2.2	△ 2.4	△ 2.4	△ 9.2
Total	8.9	2.2	10.4	7.9	4.7	11.2	2.2	26.0

Net Sales by Business Segment



Digital Entertainment Segment – Units sold by region

Change in disclosure standards for number of game units sold by region

Old : Disc sales only

New : Disc sales + Download sales of full-length games newly released in the current and previous FY (not including catalogue titles released before previous FY)

(Millions of Units Sold)

Region	Apr-Dec 2015 Results (Old Std.)	Apr-Dec 2015 Results (New Std.)	Apr-Dec 2016 Results (Old Std.)	Apr-Dec 2016 Results (New Std.)
Japan	2.37	2.86	3.03	3.61
North America/ Europe	6.69	10.56	11.39	20.80
Asia, etc.	0.44	0.91	1.14	2.38
Total	9.51	14.33	15.56	26.79

(※) The above numbers cover both HD and MMO games, including third-party titles for distributorship arrangement.
Each episode of episodic distribution titles counted as one unit.

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Updated on Feb 9, 2017 due to correction on page 7.

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