

CONSOLIDATED FINANCIAL RESULTS
FOR THE NINE MONTHS PERIOD ENDED DECEMBER 31, 2008 (JPNGAAP)

Company Name: Square Enix Holdings Co., Ltd.

Market: Tokyo Stock Exchange, First Section

Code: 9684 URL: <http://www.square-enix.com/>

Representative: Yoichi Wada, President and Representative Director

Contact: Yosuke Matsuda, Director and Executive Officer

Presentation of Financial Report (*Shihanki-Hokokusho*) : February 13, 2009

1. Consolidated Financial Results (April 1, 2008 to December 31, 2008)

1) Consolidated Financial Results (Millions of yen, except percentages and per share data)

	Net Sales	Operating Income	Recurring Income	Net Income
Nine Months Ended	%	%	%	%
December 31, 2008	103,488	12,768	10,663	5,259
December 31, 2007	114,293 (7.1)	17,909 (8.9)	17,354 (14.2)	9,095 0.0

	Earnings Per Share (basic)	Earnings Per Share (diluted)
Nine Months Ended	Yen	Yen
December 31, 2008	45.77	45.64
December 31, 2007	81.54	81.14

2) Consolidated Financial Position (Millions of yen, except percentages and per share data)

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
Nine Months Ended			%	Yen
December 31, 2008	210,030	146,242	69.0	1,259.80
Fiscal Year Ended				
March 31, 2008	212,134	148,193	69.3	1,280.50

Note: Total Equity Nine months ended December 31, 2008 144,875
(Millions of yen) Fiscal year ended March 31, 2008 147,034

2. Dividends

	Dividend Per Share				
	1Q	2Q	3Q	Year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2008	—	10.00	—	20.00	30.00
Fiscal year ending March 31, 2009	—	10.00	—	—	—
Fiscal year ending March 31, 2009 (Projection)	—	—	—	20.00	30.00

Note: Revision for forecasts : None

3. Consolidated Forecasts (April 1, 2008 to March 31, 2009) (Millions of yen, except percentages)

	Net Sales	Operating Income	Recurring Income	Net Income	Earnings Per Share
	%	%	%	%	yen
Full Year	133,000 (9.8)	12,000 (44.2)	10,000 (47.0)	4,500 (51.1)	39.16

Note: Revision for consolidated forecasts : Applicable

4. Others

- 1) Change in Scope of Consolidation and Application of the Equity Method: Added : 1 (Square Enix Co., Ltd.)
- 2) Application of simplified accounting as well as specific accounting for preparing the quarterly consolidated financial statements: Not applicable
- 3) Change in policies of consolidated financial statements preparation
 1. Related to changes in accounting standard: Applicable
 2. Other changes: Applicable
- 4) Outstanding shares (common stock)
 1. Number of shares issued and outstanding (including treasury stock) at end of period

Nine months ended December 31, 2008	115,294,096
Fiscal year ended March 31, 2008	115,117,896
 2. Number of treasury stock at end of period

Nine months ended December 31, 2008	295,161
Fiscal year ended March 31, 2008	291,828
 3. Average number of shares during the period

Nine months ended December 31, 2008	114,914,228
Nine months ended December 31, 2007	111,540,695

Disclaimer

- * 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.
- * Effective from the current fiscal year ending March 31, 2009, the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14) have been applied. Also, the quarterly consolidated financial report is prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

Percentages in net sales, operating income, recurring income, and net income are percentage changes compared with the same period of the previous fiscal year.

Consolidated Balance Sheet for the Nine Months Ended December 31, 2008

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	104,313	111,515
Notes and accounts receivable	20,515	17,738
Merchandises and finished goods	3,079	2,628
Work in progress	103	639
Raw materials and supplies	673	999
Content production account	20,211	14,793
Other current assets	5,615	7,800
Allowance for doubtful accounts	(240)	(385)
Total current assets	154,271	155,730
Non-current assets		
Property and equipment	21,308	19,939
Intangible assets		
Goodwill	18,044	18,883
Other	952	1,140
Total intangible assets	18,997	20,024
Investments and other assets	15,453	16,440
Total non-current assets	55,759	56,404
Total assets	210,030	212,134

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Notes and accounts payable	9,889	10,704
Short-term loans	26	26
Accrued income taxes	2,468	763
Reserve for bonuses	721	1,802
Allowance for sales returns	1,466	1,135
Allowance for game arcade closings	158	226
Other	8,075	8,423
Total current liabilities	22,806	23,082
Non-current liabilities		
Corporate bond	37,000	37,000
Allowances for retirement benefits	1,605	1,528
Allowances for directors' retirement benefits	232	215
Allowance for game arcade closings	739	796
Other	1,403	1,318
Total non-current liabilities	40,981	40,858
Total liabilities	63,787	63,940
Net assets		
Shareholders' equity		
Common stock	15,122	14,928
Capital surplus reserve	44,363	44,169
Retained earnings	92,146	90,295
Treasury stock	(851)	(841)
Total shareholders' equity	150,780	148,552
Valuation and translation adjustment		
Unrealized gain on revaluation of other investment securities	(47)	(12)
Foreign currency translation adjustment	(5,858)	(1,504)
Total valuation and translation adjustment	(5,905)	(1,517)
Stock acquisition rights	345	81
Minority interests in consolidated subsidiaries	1,021	1,077
Total net assets	146,242	148,193
Total liabilities and net assets	210,030	212,134

Consolidated Statements of Income for Nine Months Ended December 31, 2008

	(Millions of yen)
	Nine months ended December 31, 2008
Net sales	103,488
Cost of sales	57,457
Gross profit	46,031
Reversal of allowance for sales returns	1,135
Provision for allowance for sales returns	1,466
Net gross profit	45,700
Selling, general and administrative expenses	32,931
Operating income	12,768
Non-operating income	
Interest income	558
Dividends received	12
Miscellaneous income	176
Total non-operating income	747
Non-operating expenses	
Interest expenses	2
Foreign exchange loss	2,813
Investment loss on equity method	22
Miscellaneous loss	13
Total non-operating expenses	2,852
Recurring income	10,663
Extraordinary gain	
Reversal of allowance for doubtful account	136
Reversal of allowance for obligation related to legal proceedings	161
Other	9
Total extraordinary gain	307
Extraordinary loss	
Loss on disposal of property and equipment	629
Loss on sale of investment securities	20
Other	175
Total extraordinary loss	824
Income before income taxes and distribution of loss in partnership (tokumei-kumiai)	10,146
Distribution of loss in partnership (tokumei-kumiai)	(11)
Income before income taxes	10,158
Corporate, resident and enterprise taxes	2,904
Deferred income taxes	2,009
Total income taxes	4,914
Minority interest in consolidated subsidiaries	(15)
Net income	5,259

Consolidated Statements of Cash Flows for Nine Months Ended December 31, 2008

(Millions of yen)

Nine months ended
December 31, 2008

Cash flows from operating activities	
Income before income taxes	10,158
Depreciation and amortization	5,070
Amorization of gooldwill	833
(Decrease) in allowance for doubtful accounts	(254)
(Decrease) in reserve for bonuses	(1,081)
Increase in allowance for sales returns	390
Increase in allowance for retirement benefits	78
Increase in allowance for directors' retirement benefits	16
(Decrease) in allowance for game arcade closings	(85)
Interest and dividends received	(570)
Interest expenses	2
Foreign exchange loss	2,396
Investmennt loss on equity method	22
Loss on disposal of property and equipment	629
(Increase) in accounts receivable	(3,456)
(Increase) in inventories	(4,369)
Increase in purchase liabilities	214
Other	(541)
Subtotal	9,454
Interest and dividends received	590
Interest paid	(2)
Income taxes paid	(899)
Net cash provided by operating activities	9,142
Cash flows from investing activities	
Payments for acquiring property and equipment	(7,086)
Proceeds from sale of property and equipment	99
Payments for acquiring intangible assets	(125)
Payments for acquiring investment securities	(135)
Proceeds from sale of investment securities	2
Payments for provision of guarantee money	(153)
Proceedes from recovery of guarantee money	1,152
Payments for loans	(293)
Proceeds from recovery of loans	105
Other	(219)
Net cash used in investing activities	(6,654)
Cash flows from financing activities	
Proceeds from issuances of shares of common stock	387
Payments for acquisition of treasury stock	(12)
Payments for dividends	(3,416)
Payments for dividends for minority interests	(2)
Other	1
Net cash used in financing activities	(3,041)
Effect of exchange rate changes on cash and cash equivalents	(6,666)
Net (decrease) in cash and cash equivalents	(7,219)
Cash and cash equivalents at beginning of period	111,479
Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries	(66)
Cash and cash equivalent at end of period	104,193

Effective from the current fiscal year ending March 31, 2009, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) have been applied.
Also, the quarterly consolidated financial report is prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

Segment Information

1. Consolidated Business Segment Information

Nine months ended December 31, 2008

(Millions of yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Other	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income									
Net sales									
(1) Sales to outside customers	28,546	8,036	5,145	9,708	42,597	9,454	103,488	—	103,488
(2) Intersegment sales	2	14	7	0	1,151	216	1,391	(1,391)	—
Total	28,549	8,050	5,152	9,708	43,748	9,671	104,880	(1,391)	103,488
Operating income	4,802	4,572	2,619	2,676	(871)	2,548	16,348	(3,579)	12,768

Notes: 1. The classification of business segments is made according to the types of products and services.

2. Major products offered by each business segment

Segment	Major Products
Games (Offline)	Games
Games (Online)	Online games
Mobile Phone Content	Content for mobile phones
Publication	Magazine comics, serial comics, game-related books
Amusement	All the businesses of the TAITO Group including Amusement operation and Rental, Sales of Goods and Merchandise and Content Services
Other	Derivative products such as character merchandise, school for game designers

3. Changes in accounting procedures

Effective from the current fiscal year ending March 31, 2009, the “Accounting Standard for Measurement for Inventories” (ASBJ Statement No. 9; July 5, 2006) has been applied. In conjunction with application of the accounting standard, operating income declined 42 million yen for Games (Offline), 24 million yen for Games (Online) and 494 million yen for Amusement compared to the figures in accordance with prior accounting standard.

2. Consolidated Geographic Segment Information

Nine months ended December 31, 2008

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income							
Net sales							
(1) Sales to outside customers	87,922	10,312	4,953	300	103,488	—	103,488
(2) Intersegment sales	4,604	139	316	14	5,075	(5,075)	—
Total	92,526	10,452	5,270	314	108,563	(5,075)	103,488
Operating income	9,310	2,703	791	(53)	12,752	16	12,768

Notes: 1. The classification of geographic segments is made according to geographical distances.

2. Main countries included in each segment:

(1)North America.....the United States of America

(2)Europe.....United Kingdom

(3)Asia.....China, South Korea

3. Changes in accounting procedures

Effective from the current fiscal year ending March 31, 2009, the “Accounting Standard for Measurement for Inventories” (ASBJ Statement No. 9; July 5, 2006) has been applied. In conjunction with application of the accounting standard, operating income declined 561 million yen for "Japan" compared to the figures in accordance with prior accounting standard.

3. Consolidated Oversea Sales

Nine months ended December 31, 2008

(Millions of yen)

	North America	Europe	Asia	Total
Overseas sales	10,861	5,185	908	16,955
Consolidated sales	—	—	—	103,488
Percentage of overseas sales to consolidated sales	10.5%	5.0%	0.9%	16.4%

Notes: 1. The classification of geographic segments is made according to geographical distances.

2. Main countries included in each segment:

(1)North America.....the United States of America, Canada

(2)Europe.....United Kingdom, France, Germany, others

(3)Asia.....China, South Korea, Taiwan, others

3. Overseas sales represent sales of the Company and its consolidated subsidiaries to countries and areas outside of Japan.

(For Reference)

A Summary of Consolidated Statements of Income for Nine Months Ended December 31, 2007

(Millions of yen)

Account	Nine months ended December 31, 2007
	Amount
I Net Sales	114,293
II Cost of sales	61,659
Gross profit	52,634
Reversal of allowance for sales returns	2,271
Provision for allowance for sales returns	1,704
Net gross profit	53,201
III Selling, general and administrative expenses	35,291
Operating income	17,909
IV Non-operating income	1,046
V Non-operating expenses	1,600
Recurring income	17,354
VI Extraordinary gain	1,088
VII Extraordinary loss	2,456
Income before income taxes and distribution of loss in partnership (<i>tokumei-kumiai</i>)	15,986
Distribution of loss in partnership (<i>tokumei-kumiai</i>)	(2)
Income before income taxes	15,988
Corporate, resident and enterprise taxes	1,376
Refunded income taxes	(424)
Deferred income taxes	5,993
Minority interest in consolidated subsidiaries	(51)
Net income	9,095

A Summary of Consolidated Statements of Cash Flows for Nine Months Ended December 31, 2007

(Millions of yen)

Account	Nine months ended December 31, 2007
	Amount
I Cash flows from operating activities	
Income before income taxes	15,988
Depreciation and amortization	7,297
(Increase) in accounts receivable	(1,203)
(Increase) in inventories	(3,495)
(Decrease) increase in purchase liabilities	(1,949)
(Decrease) in accrued consumption taxes	(112)
Income taxes paid	(531)
Other	(5,728)
Net cash provided by operating activities	10,264
II Cash flows from investing activities	
Payments for acquiring property and equipment	(5,512)
Payments for acquiring intangible assets	(163)
Proceeds from return of guarantee money paid	1,637
Payments for provision of guarantee money paid	(566)
Payments for acquiring securities	(4,123)
Other	2,086
Net cash used in investing activities	(6,640)
III Cash flows from financing activities	
Payments for dividends	(3,737)
Other	670
Net cash used in financing activities	(3,066)
IV Effect of exchange rate changes on cash and cash equivalents	(82)
V Net increase in cash and cash equivalents	475
VI Cash and cash equivalents at beginning of period	99,847
VII Increase in cash and cash equivalents due to Increase in consolidated subsidiaries	—
VIII Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries	(70)
IX Cash and cash equivalent at end of period	100,253

(For Reference)

Segment Information

1. Consolidated Business Segment Information

Nine months ended December 31, 2007

(Millions of yen)

	Games (Offline)	Games (Online)	Mobile Phone Content	Publication	Amusement	Other	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income									
Net sales									
(1) Sales to outside customers	34,541	9,495	4,974	8,514	50,406	6,362	114,293	—	114,293
(2) Inter-segment sales	—	—	79	—	896	252	1,229	(1,229)	—
Total	34,541	9,495	5,054	8,514	51,302	6,614	115,523	(1,229)	114,293
Operating expenses	25,788	4,792	3,962	5,759	49,662	4,197	94,163	2,220	96,384
Operating income	8,752	4,702	1,092	2,755	1,640	2,416	21,359	(3,450)	17,909

- Notes:
- The classification of business segments is made according to the types of products and services.
 - Major products offered by each business segment

Segment	Major Products
Games (Offline)	Games
Games (Online)	Online games
Mobile Phone Content	Content for mobile phones
Publication	Magazine comics, serial comics, game-related books
Amusement	All businesses of Taito Group such as Amusement Operation and Rental, Sales of Goods and Merchandise, and Content Services
Other	Derivative products such as character merchandise, creator training school
 - Unallocated operating expenses included in "Eliminations or Unallocated" totaled ¥3406 million. These expenses are related to administrative departments, such as accounting and general affairs, of the Company, which provide services and operational support that are not allocable to specific business segments.

2. Consolidated Geographic Segment Information

Nine months ended December 31, 2007

(Millions of yen)

	Japan	North America	Europe	Asia	Total	Eliminations or Unallocated	Consolidated Total
Sales and operating income							
Net sales							
(1) Sales to outside customers	100,481	8,621	4,693	497	114,293	—	114,293
(2) Inter-segment sales	4,012	420	259	7	4,700	(4,700)	—
Total	104,494	9,041	4,952	505	118,994	(4,700)	114,293
Operating expenses	88,656	7,136	4,314	975	101,083	(4,698)	96,384
Operating income	15,837	1,905	637	(470)	17,910	(1)	17,909

- Notes:
- The classification of geographic segments is made according to geographical distances.
 - Main countries included in each segment:
 - North America.....the United States of America
 - Europe.....United Kingdom
 - Asia.....China, Korea
 - There are no unallocated operating expenses included in "Eliminations or Unallocated."