

April 25, 2008

SQUARE ENIX CO., LTD.
Yoichi Wada
President and Representative Director
(Code: 9684, Tokyo Stock Exchange, First Section)
Contact: Michihiro Sasaki
General Manager, Corporate Strategy Division

Notice regarding Implementation of Pure Holding Company System

SQUARE ENIX CO., LTD. (the "Company") announced today that the Company's board of directors resolved, at the board of directors meeting held on April 25, 2008, to decide on a policy to implement a pure holding company system by means of the company split (Incorporation-type Company Split) method, whereby a newly-established and wholly-owned subsidiary succeeds to the Company's businesses effective as of October 1, 2008 (the "Company Split").

In connection with the Company Split, the Company will change its corporate name to SQUARE ENIX HOLDINGS CO., LTD. as of October 1, 2008. The stock issued by the Company will continue to be listed on the First Section of the Tokyo Stock Exchange after the Company Split is complete.

The implementation of the Company Split is subject to approval by a general meeting of Company shareholders to be held in June, 2008.

The Company will make an additional announcement soon after the Company's board of directors resolves the details of the Company Split.

1. Purpose of the Company Split

It is crucial for the Company to achieve mid- to long-term growth while maintaining profitability through the provision of high-quality, sophisticated content and services. However, the business environment has been changing as a result of increasingly diversified customer preferences and swiftly advancing technological innovation due to the rapid development of an IT and telecommunications infrastructure.

Within said business environment, the Company has determined it indispensable to implement a group company management system under which each member company's profitability and accountability are clearly measured, and strategic alliances, including capital affiliations with third parties, are facilitated. The Company, therefore, has decided to implement a pure holding company system.

2. Outline of the Company Split

(1) Schedule of the Company Split

Record Date of the General Meeting of Shareholders:	March 31, 2008
Meeting of the Board of Directors for approval of the policy:	April 25, 2008
Meeting of the board of directors for approval of the Company Split:	May 23, 2008 (scheduled)
Meeting of the General Meeting of Shareholders for approval of the Company Split:	June 21, 2008 (scheduled)
Effective Date of the Company Split:	October 1, 2008 (scheduled)

(2) Method of the Company Split

The Company, as the Transferor Company, will newly establish SQUARE ENIX CO., LTD., as the Succeeding Company, through the Incorporation-type Company Split method.

(3) Reduction of Capital due to the Company Split

Not applicable.

(4) Rights and Obligations to be transferred to the Succeeding Company

The Succeeding Company will assume, as of the effective date of the Company Split, all assets, liabilities, rights and obligations, and employment relations pertaining to businesses to be transferred.

The Company will be jointly and severally liable for all liabilities to be assumed by the Succeeding Company.

(5) Liability Fulfillment

Regarding the liabilities to be borne by the Transferor Company and Succeeding Company, following the effective date of the Company Split, the assets of these companies are anticipated to surpass liabilities, and it has been determined that no problems are expected in the fulfilling of said liabilities.

3. Outline of the Parties

	The Transferor Company (as of September 30, 2007)	The Succeeding Company (forecast after the Company Split)
Corporate Name	SQUARE ENIX CO., LTD. (to be changed to SQUARE ENIX HOLDINGS CO., LTD. as of October 1, 2008)	SQUARE ENIX CO., LTD. (scheduled)
Major Businesses	Planning, development, and sales of content including games and services.	Planning, development, and sales of content including games and services.
Date of Incorporation	September 22, 1975	October 1, 2008 (scheduled)
Address of Headquarters	3-22-7, Yoyogi, Shibuya-ku, Tokyo	3-22-7, Yoyogi, Shibuya-ku, Tokyo
Name and Title of Representative	Yoichi Wada President and Representative Director	Yoichi Wada President and Representative Director
Common Stock	9,290 million yen	TBD

Outstanding Shares	111,760,403 shares	TBD
Net Assets	135,413 million yen (consolidated)	TBD
Total Assets	211,223 million yen (consolidated)	TBD
Fiscal Year End	March 31	March 31
Number of Employees	1,879	TBD
Major Business Partners	Sony Computer Entertainment Inc., Nintendo Co., Ltd, and others	TBD
Major Shareholders and Shareholding Ratios	Yasuhiro Fukushima 21.13% Fukushima Planning Co., Ltd. 8.73% Sony Computer Entertainment Inc. 8.51% The Master Trust Bank of Japan, Ltd. (Trust Account) 7.67% Masashi Miyamoto 7.05%	The Company 100%
Main Banks	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd The Bank of Tokyo Mitsubishi UFJ Ltd. The Shikoku Bank, Ltd.	TBD

The Transferor Company's Business Results of the recent 3 years (consolidated)

Fiscal Year ended	March 2005	March 2006	March 2007
Net Sales (¥ million)	73,864	124,473	163,472
Operating Income (¥ million)	26,438	15,470	25,916
Ordinary Income (¥ million)	25,901	15,547	26,241
Net Income (¥ million)	14,932	17,076	11,619
Net Income per share (¥)	135.63	154.65	105.06
Dividend per share (¥)	60.00	30.00	35.00
Net Assets per share (¥)	988.19	1,094.50	1,168.91

4. Outline of Businesses to be Split

Games (Offline), Games (Online), Mobile Phone Content, Publication, and Others.

Operating results, items and values of assets and liabilities pertaining to the businesses to be split have not been determined at this point.

5. Post-Split Status of the Company as a Listed Company

Corporate Name	SQUARE ENIX HOLDINGS CO., LTD. (planned)
Major Businesses	Management of group companies as a pure holding company
Address of Headquarters	3-22-7, Yoyogi, Shibuya-ku, Tokyo
Name and Title of Representative	Yoichi Wada President and Representative Director
Common Stock	9,290 million yen
Net Assets	TBD
Total Assets	TBD
Fiscal Year End	March 31
Accounting Method	Because the Company Split will cover transactions under common control in the categories of corporate integral accounting, it will not generate any business goodwill.

Forecasts

The Company will continue to be a listed company after the implementation of the pure holding system, and serve a number of functions such as consistent and flexible group strategy planning, optimal allocation of business resources among group companies, and monitoring of subsidiaries' execution of operations. The Company will develop a strategic and transparent management organization to maximize the corporate value of the group.

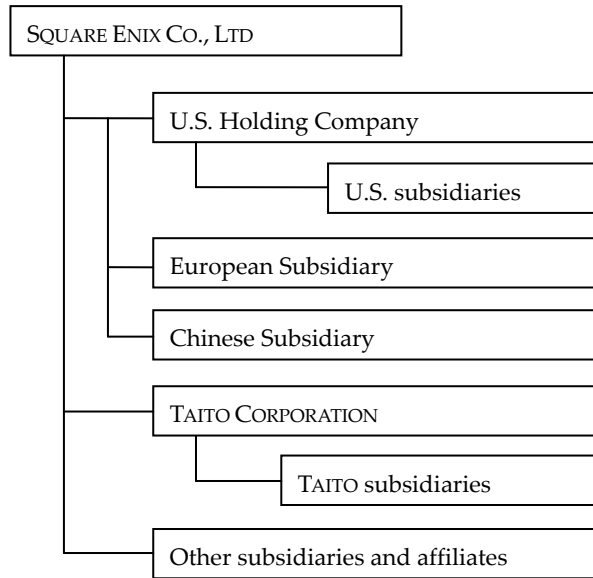
Since the Company Split will be implemented to establish a wholly-owned subsidiary of the Company through the Incorporation-type Company Split method, impact of the Company Split on the Company's consolidated business results and consolidated financial conditions is expected to be insignificant.

After the Company becomes a pure holding company, its revenue sources will be dividends received from subsidiaries, group management fees, and so forth. The Company's operating costs will be primarily related to functions as a pure holding company.

Post-split business estimates for the Company will be released upon ascertainment.

6. Post- Split Company Group Structure

[Current Structure]



[Post- Split Structure]

