

October 28, 2004

SQUARE ENIX CO., LTD
Yoichi Wada
President and Representative Director
(Code: 9684, Tokyo Stock Exchange 1st)
Contact: Michihiro Sasaki
General Manager, Corporate Strategy Division
(TEL. 03-5333-1555)

**Revision of Consolidated Forecasts for the First Half Year ended September 30, 2004,
and for the Fiscal Year ending March 31, 2005**

SQUARE ENIX CO., LTD has announced today a revision to its consolidated forecasts for the first half year ended September 30, 2004, and for the fiscal year ending March 31, 2005.

1. Revision to Consolidated Forecasts

(1) FY2005 First Half Year (April 1, 2004 – September 30, 2004) (Millions of Yen)

	Net sales	Recurring Profit	Net Income
Previous Forecast (A) (Released on July 29, 2004)	¥24,200	¥3,800	¥2,000
Revised Forecast (B)	24,300	6,100	3,100
Change (B-A)	100	2,300	1,100
Rate of Change (%)	0.0	60.5	55.0
(Reference) Previous Half Year Results (First Half Year ended Sep. 30, 2003)	19,730	1,899	1,192

(2) FY2005 (April 1, 2004 – March 31, 2005) (Millions of Yen)

	Net sales	Recurring Profit	Net Income
Previous Forecast (A) (Released on July 29, 2004)	¥76,000	¥21,500	¥11,500
Revised Forecast (B)	73,000	25,000	13,500
Change (B-A)	(3,000)	3,500	2,000
Rate of Change (%)	(3.9)	16.2	17.3
(Reference) Previous Fiscal Year Results (Fiscal Year ended Mar. 31, 2004)	63,202	18,248	10,993

2. Revision to Non-Consolidated Forecasts

(1) FY2005 First Half Year (April 1, 2004 – September 30, 2004) (Millions of Yen)

	Net sales	Recurring Profit	Net Income
Previous Forecast (A) (Released on July 29, 2004)	¥19,700	¥3,600	¥2,000
Revised Forecast (B)	19,100	4,800	2,700
Change (B-A)	(600)	1,200	700
Rate of Change (%)	(3.0)	33.3	35.0
(Reference) Previous Half Year Results (First Half Year ended Sep. 30, 2003)	16,045	1,652	952

(2) FY2005 (April 1, 2004 – March 31, 2005) (Millions of Yen)

	Net sales	Recurring Profit	Net Income
Previous Forecast (A) (Released on July 29, 2004)	¥67,000	¥21,300	¥12,400
Revised Forecast (B)	62,000	23,300	13,000
Change (B-A)	(5,000)	2,000	600
Rate of Change (%)	(7.4)	9.3	4.8
(Reference) Previous Fiscal Year Results (Fiscal Year ended Mar. 31, 2004)	51,429	15,618	9,342

3. Causes of the Revision

(1) FY2005 First Half Year (April 1, 2004 – September 30, 2004)

Partial adjustment in sales product mix in the first half year and our cost reduction efforts have led to the increase in profitability. Improved operating performances in network-related and publication businesses have contributed to the results as well.

(2) FY2005 (April 1, 2004 – March 31, 2005)

In addition to the above-mentioned causes in the first half year, our efforts to improve development efficiency is expected to increase the profitability, while net sales are expected forecasted to decline.