

September 5, 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 Withdrawal of the Proposal to TECMO for Friendly TOB**

As announced on August 29, 2008, SQUARE ENIX CO., LTD. (the "Company") submitted to the board of directors of TECMO, LTD. (Securities Code: 9650, 1<sup>st</sup> Section of the TSE, "TECMO") a proposal for basic conditions of acquisition of shares of common stock issued by TECMO through a friendly takeover bid (the "TOB") (the "Proposal") in order to obtain consent to the TOB by the board of directors of TECMO.

The Company yesterday received a written notice of rejection of the Proposal from the board of directors of TECMO. The Company then immediately requested that TECMO provide an explanation for their decision, but received no response including reasoning for their rejection of the Proposal.

Under such circumstances, the Company is unable to make appropriate modifications to major terms of the Proposal including the TOB price, and determines that it is extremely difficult to continue the discussions with TECMO based on the Proposal. The Company, therefore, has decided to withdraw from the Proposal.