

November 27, 2009

SQUARE ENIX HOLDINGS CO., LTD.
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Notice of an Absorption-type Company Split Between Subsidiaries

SQUARE ENIX HOLDINGS CO., LTD. (the “Company”) has announced today that the meeting of the Board of Directors has resolved a basic policy under which any and all of the rights and obligations related to all businesses in TAITO CORPORATION (the “Splitting Company”), a consolidated subsidiary of the Company, such as operation of arcade facilities, planning, development, production, sales and rental of coin-operated game machines (excluding planning, development and sale of game software for home game consoles; collectively, “the Amusement Businesses”) are transferred to ES1 CORPORATION (the Succeeding Company”), a consolidated subsidiary of the Company, by way of absorption-type company split. The Company has also resolved a policy under which the Splitting Company’s corporate name is changed to TAITO SOFT CORPORATION and the Succeeding Company’s to TAITO CORPORATION. Based on these decisions, the Splitting Company resolved an absorption-type company split of the Amusement Businesses to the Succeeding Company (the “Split”) at the meeting of the Board of Directors held today, and has entered into an absorption-type of company split agreement with the Succeeding Company.

For your reference, some parts of this disclosure have been omitted due to the fact that the Split will take place between consolidated subsidiaries of the Group.

I. Objective

The objective of the Split is to consolidate organizations in charge of amusement-related businesses within the Group and consequently improve efficiency and profitability by transferring the Amusement Businesses from the Splitting Company to the Succeeding Company, which has been operating arcade facilities.

II. Overview

The Splitting Company will transfer any and all the rights and obligations related to the Amusement Businesses to the Succeeding Company by way of absorption-type company split.

Prior to the Split, SPC-NO .1 CO., LTD. (“SPC1”), the Succeeding Company’s 100% parent company and a wholly owned subsidiary of the Company, and the Succeeding Company will be merged by way of absorption-type merger, with SPC1 being the absorbed entity and the Succeeding Company being the surviving entity.

In addition, the Splitting Company’s corporate name will be TAITO SOFT CORPORATION, whereas the Succeeding Company’s shall be TAITO CORPORATION.

III. Executive Summary

1. Schedule

General shareholders’ meeting of the Splitting Company to approve absorption-type company split	Scheduled on January 29, 2010
General shareholders’ meeting of the Succeeding Company to approve absorption-type company split	Scheduled on January 29, 2010
Scheduled date of the Split (“Effective Date”)	Scheduled on February 1, 2010

2. Means

An absorption-type company split with TAITO CORPORATION being a splitting company where ES1 CORPORATION being a succeeding company.

3. Share allocation and cash payment

The Succeeding Company will allocate one share of ordinary stock to the Splitting Company in consideration of the Split. The Splitting Company will allocate the share to the Company on the Effective Date as a dividend of surplus of the Splitting Company.

4. Increase / decrease in amount of capital as a result of the Split

There will be no change in the amount of capital of the Splitting Company and of the Succeeding Company in connection with the Split.

5. Treatment of stock option rights and warrant bonds of the Splitting Company

Not applicable.

6. Rights and obligations transferred to the Succeeding Company

The Succeeding Company will assume any and all rights and obligations related to

the Amusement Businesses of the Splitting Company on the Effective Date of the Split.

7. Fulfillment of obligations

The Company reasonably believes that both of the Splitting Company and the Succeeding Company will respectively fulfill their obligations in a timely manner after the Split.

IV. Company profiles (As of September 30, 2009)

1. Corporate name	TAITO CORPORATION	ES1 CORPORATION
2. Businesses	Operation of arcade facilities; planning, development, production and rental of coin-operated game machines, etc.	Operation of arcade facilities
3. Incorporation date	June 22, 1999	June 1, 2009
4. Headquarters	3-22-7 Yoyogi, Shibuya-ku, Tokyo	3-22-7 Yoyogi, Shibuya-ku, Tokyo
5. Representative	Yoichi Wada, President and Representative Director	Tamotsu Kikuchi, President and Representative Director
6. Capital	4,524 million JPY	10 million JPY
7. Total number of shares issued	70,000 shares	1,000 shares
8. Net assets	△23,420 million JPY	1,977 million JPY
9. Total assets	41,036 million JPY	3,429 million JPY
10. Fiscal year-end	March 31	March 31
11. Number of employees	2,520	250
12. Major clients	SQUARE ENIX CO., LTD., AEON Fantasy Co., Ltd. KDDI CORPORATION JCB Co., Ltd	TAITO CORPORATION
13. Major shareholders and shareholding ratio	SQUARE ENIX HOLDINGS CO., LTD. 100%	SPC-NO.1 CO., LTD. 100%
14. Relationship between the parties		
Capital relationship	There is no capital relationship between the two companies.	
Personnel relationship	An employee of the Splitting Company is also a board member of the Succeeding Company.	
Business relationship	There are some trades such as the Succeeding Company's lease of arcade machines from the Splitting Company.	
Related parties	Both companies are wholly owned subsidiaries of the Company.	

V. Conditions after the Split (Scheduled on February 1, 2010)

1. Corporate name	TAITO SOFT CORPORATION (the Splitting Company)	TAITO CORPORATION (the Succeeding Company)
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2. Businesses	Planning, development and sales of game software for home game consoles	Operation of arcade facilities; planning, development, production and rental of coin-operated game machines, etc.
3. Headquarters	3-22-7 Yoyogi, Shibuya-ku, Tokyo	3-22-7 Yoyogi, Shibuya-ku, Tokyo
4. Representative	Yoichi Wada, President and Representative Director	Yoichi Wada, President and Representative Director
5. Capital	4,524 million JPY	10 million JPY
6. Total assets	203 million JPY	41,298 million JPY
7. Fiscal year-end	March 31	March 31
8. Number of employees	10	Approximately 2,500

VI. Outlook

Since both companies are wholly owned subsidiaries of the Company, the Company anticipates that the Split will have no effect on its consolidated forecasts.

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