SQUARE ENIX

To whom it may concern:

COMMENT ON RECENT MEDIA REPORT

Tokyo, Japan (July 18, 2006) - Square Enix Co., Ltd ("the Company"). wishes to comment on a specific media report, dated July 14, stating that the Company is developing a sequel to its online game title, FINAL FANTASY® XI, and plans to release the title on three platforms ─ the PLAYSTATION®3 computer entertainment system from Sony Computer Entertainment Inc., the Xbox 360™ video game and entertainment system, and Windows Vista ™ the next-generation PC operating system from Microsoft Corporation.

The Company did not make such an announcement and has not made any decisions resembling those detailed in the media report.

As the Company announced in May 2005, it is currently developing an online title for next-generation platforms including game consoles and PCs; however, this title is being developed as a completely new MMORPG (Massive Multiplayer Online RPG). We will disclose further details of this title, including platform compatibility, immediately after any relevant decisions are made.

In addition, the Company continuously plans to release expansion packs for FINAL FANTASY XI, available on PlayStation®2, Xbox 360, and Windows®, as well as perform version updates.

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