



This is an English translation of a press release originally issued in South Korea on March 14, 2008.

SQUARE ENIX Wins Copyright Infringement Lawsuit in South Korea

Tokyo, Japan, (March 14, 2008) – SQUARE ENIX CO., LTD. (Square Enix) today announced that on March 13, 2008, the Seoul Central District Court (Chief Judge LEE Kyun-yong) found in favor of Square Enix and ordered Fantom Entertainment Group (Fantom) and Mr. HONG Jeong-ho to pay damages of 300 Million Korean Won for infringing Square Enix's copyright. The complaint alleged that Fantom, a Korean talent agency, used portions of the Square Enix CG-animated film *FINAL FANTASY® VII ADVENT CHILDREN™* without obtaining permission from Square Enix. This includes the modification and adaptation of scenes into live-action shots, and the commercial appropriation of these live-action shots for IVY's *Yuhok ui Sonata* (Sonata of Temptation) music video directed and produced by Mr. HONG Jeong-ho. IVY is a popular recording artist belonging to Fantom.

"We have been consistent in our claims during this lawsuit regarding the value of *FINAL FANTASY VII ADVENT CHILDREN* and our *FINAL FANTASY* series, as well as the damages the company has suffered as a result of the modification and adaptation made without obtaining permission. Following the conviction handed down by the Seoul Central District Court on December 6, 2007 with regards to the copyright infringement perpetrated by Fantom, a director of Fantom, and Mr. Hong Jeong-ho, we appreciate that the deliberate maliciousness of this act has been recognized in a public forum. In addition, the amount of damages awarded us in this case is the largest the courts in South Korea have ever awarded in cases infringing one single work of art, and we also appreciate that the severity of the damage caused to the company by this infringement has been acknowledged," said Yasuhiko Hasegawa, Square Enix's General Counsel. "Square Enix will continue to take decisive action against any infringements upon the Company's intellectual property, recognizing that this property is one of our most crucial resources."

Released in September 2005, *FINAL FANTASY VII ADVENT CHILDREN* depicts the world two years after the storyline of the PlayStation® game *FINAL FANTASY VII*, which shipped over 9.8 million units worldwide. The film has received great praise, as evidenced by special invitations to the 61st and 62nd Venice International Film Festivals in 2004 and 2005, as well as being honored with the "Prix Zone05" at Zone05 in France, the "Honorary Maria Award" at the Festival Internacional de Cinema de Catalunya in Spain, and the "Best Visual Designer Award" at the 11th

AMD Award in Japan. The film has been released in both dubbed and subtitled versions in 70 countries, and has shipped over 3.4 million DVD/UMD discs worldwide. It was released in Korea in June 2006 from Sony Pictures Home Entertainment.

Using the music video in question, Fantom Entertainment Group undertook extensive promotional activity of *Yuhok ui Sonata*, and improved the song's ranking on a variety of charts, as well as succeeded in spreading the video all over South Korea until the Seoul Central District Court ordered an injunction against the future sale or public display of Fantom's music video on April 6, 2007. No one concerned with the music Video, including Fantom, had contacted us until we filed the injunction, and we had never permitted Fantom or Mr. HONG Jeong-ho to use FINAL FANTASY VII ADVENT CHILDREN.

About Square Enix Co., Ltd.

Square Enix Co., Ltd. (Square Enix), with headquarters in Tokyo, Japan, develops, publishes and distributes entertainment content including interactive entertainment software and publications in Asia, North America and Europe. Square Enix brings two of Japan's best-selling franchises – FINAL FANTASY, which has sold over 80 million units worldwide, and DRAGON QUEST®, which has sold over 43 million units worldwide - under one roof. Square Enix is one of the most influential providers of digital entertainment content in the world and continues to push the boundaries of creativity and innovation. More information on Square Enix can be found on the Internet at <http://www.square-enix.com/>.

ADVENT CHILDREN, DRAGON QUEST, FINAL FANTASY, SQUARE ENIX and the Square Enix logo are trademarks or registered trademarks of Square Enix Co., Ltd. in Japan and/or other countries. All other trademarks are the property of their respective owners.

###