



\*This is an English translation of a press release originally issued in South Korea on Dec. 7, 2007.

**SQUARE ENIX Comments on Sentence**  
**Regarding Copyright Infringement in South Korea of Its CG-animated Film**  
***Maliciousness of the Infringement was Recognized***

**Tokyo, Japan, (Dec. 7, 2007)** – SQUARE ENIX CO., LTD. (Square Enix) today announced that on Dec. 6, 2007, the Seoul Central District Court (Judge Gu Heogeun) sentenced Phantom Entertainment Group (Phantom), a Korean talent agency, to pay a fine of 10 million Korean Won. Mr. Lee Han-woo, director of Phantom, and Mr. Hong Jeong-ho were also each ordered to pay a fine of 6 million Korean Won after Square Enix filed a criminal complaint with the Seoul Central District Prosecutors' Office against Phantom and Mr. Hong Jeong-ho on March 20, 2007.

“This judgment by the Seoul Central District Court is stringent in comparison to other copyright infringement cases in South Korea, and we appreciate that the maliciousness of this infringement has been recognized in a public forum,” 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.”

On March 20, 2007, Square Enix filed a criminal complaint with the Seoul Central District Prosecutors' Office against Phantom for adapting part of its CG-animated film *FINAL FANTASY® VII ADVENT CHILDREN™* without obtaining permission, producing live-action footage, and commercially appropriating it in the music video for “*Yuhok ui Sonata (Sonata of Temptation)*”, a new song by IVY, a popular singer affiliated with Phantom, and against Mr. Hong Jeong-ho who produced and directed the music video. On September 3, 2007, the Seoul Central District Prosecutors' Office filed charges against them.

The civil lawsuit against Phantom and Mr. Hong Jeong-ho seeking damages and other remedies that Square Enix filed on June 22, 2007 is still under dispute in the Seoul Central District Court.

**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 75 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/jp/>.

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