

SQUARE SOFT ® ANNOUNCES DEDICATED EUROPEAN OFFICES AND EXCLUSIVE DISTRIBUTION AGREEMENT WITH SCEE

London, May 6th, 1999 - Square Co., Ltd., known as Square Soft®, the leading developer of home video game console software, today announced the opening of European offices. This dedicated European operation is to be known as Square Europe Ltd., and is an indication of how seriously Square Soft takes the future of interactive entertainment and Europe's position within this future.

The President of Square Co Ltd., Mr. Tomoyuki Takechi commented "The world's digital entertainment market has grown rapidly. Within this, the European market has seen considerable growth and has now surpassed the Japanese market. Consequently, Europe has become one of the most important key markets, when we analyse the trend of the digital entertainment market."

He continued, "We are very pleased to see that Final Fantasy VII and other Square titles have been highly appreciated by European users in such a market environment. By setting up a dedicated operation in the heart of such an important market, we would like to continue to meet the European users' expectations. At the same time, we wish to establish close relationships with the European retailers which enable us to publish our high quality titles."

In a further announcement the Managing Director of Square Europe, Mr. Tomohiro Yoshikai, announced an exclusive distribution partnership with Sony Computer Entertainment Europe (SCEE). The agreement will see SCEE distributing Square Soft's products in all PAL territories including the Japanese mega-hit Final Fantasy VIII.

Mr Yoshikai commented "Square Co. Ltd. have had a very close working relationship with Sony Computer Entertainment for a number of years and Square's commitment to the PlayStation platform is proven." He added, "SCEE's commitment to the European market is obvious and we feel they can uphold the very high standards Square Soft expects both from its products and business operations."

He further announced that Square Europe would be releasing a number of major titles across PAL territories within the next twelve months, including: Final Fantasy VIII, which has already sold nearly 4 million units in Japan, making it one of the fastest selling PlayStation titles

ever, Saga Frontier II, the fifth and latest extension of the hugely successful SaGa series and several other selected titles.

May 28th will also see the highly anticipated launch of Final fantasy VII on Platinum, which includes a non-interactive demo of Final Fantasy VIII. Over one million units of FFVII have already been shipped to PAL territories since its launch in November 1997 and this is sure to be one of SCEE's most successful summer product launches.

Chris Deering, President of SCE Europe, said, " We wish Square Europe great success for the forthcoming opening of its European offices. We are very honoured to be working with Square Europe, their enthusiasm and expertise for the European videogames market will ensure that epic games, such as Final Fantasy ® VIII, achieve optimum sales across all European territories. Titles of this stature will maintain PlayStation's clear market leadership, by providing unique and thrilling entertainment, that appeals to a very broad audience, as well as the most discerning hard-core gamers."

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Square Co., Ltd.

Square Co., Ltd. is the leading third-party developer and publisher of home video game console software in Japan with annual sales of more than US \$345 million and 1,200 employees worldwide. Square Co., Ltd. became famous for its role playing games, including its world-renowned Final Fantasy series, which has sold more than 22 million units to date, and now publishes other titles under the Square Soft brand spanning all genres. Square Co., Ltd. is based in Tokyo, Japan, and maintains a branch office in Osaka.

Sony Computer Entertainment Europe (SCEE)

SCEE is responsible for the distribution and software development for the PlayStation™, the world's number one selling (CD-based) video game system and has offices around Europe, the Middle East, Australia and New Zealand promoting the PlayStation™ and its software to a total of 70 territories.

Final Fantasy and SaGa Frontier

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