Sonic the Hedgehog co-creator given suspended prison sentence for insider trading

Sonic the Hedgehog co-creator Yuji Naka has been given a suspended prison sentence and fines of around $1.2 million (or 173 million yen) after he was found guilty of insider trading, according to a report from Japanese news outlet *Jiji* (via *Polygon*). While the court handed out a 2.5-year prison sentence, *Jiji* reports that it was suspended by four years.

That means Naka shouldn't wind up behind bars anytime soon, as judges typically waive the prison sentence if the defendant doesn't commit any additional crimes during that period of time. Naka was arrested twice last year for his involvement in two separate insider trading incidents, both of which took place in 2020 when Naka was working at Square Enix.

Naka joined Square Enix to work on the poorly received Balan Wonderworld

In the first case, Naka and two co-workers purchased 162,000 shares valued at around $332,000 (47.2 million yen) in the game developer Aiming before Square Enix told the public it was working with the studio on a mobile *Dragon Quest* game. The three men were arrested in November last year.

The other incident, which Naka was arrested for just a month later, involves Naka and a fellow Square Enix employee allegedly buying 120,000 shares valued at over $1 million (144.7 million yen) in another games studio that the company planned on partnering with. The studio in question, Ateam, collaborated with Square Enix on the mobile game *Final Fantasy*

VII: The First Soldier. The judge’s ruling concerns both of these cases.

Naka joined Sega in 1983, where he helped create the iconic Sonic the Hedgehog character. After leaving Sega in 2006, Naka joined Square Enix to work on the poorly received *Balan Wonderworld* from 2018 to 2021. Naka says he was kicked off the team six months before the game’s release and later went on to file a lawsuit against the company.

https://www.theverge.com/2023/7/7/23787278/sonic-hedgehog-creator-yuji-naka-suspended-prison-sentence