Sega Enterprises, Inc. (USA)

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Press Release

For Immediate Release

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SEGA IS BRINGING THE EXCITEMENT OF THOROUGHBRED HORSE RACING TO YOUR LOCATION

DERBY OWNERS CLUB, WORLD EDITION IS READY FOR RELEASE

<u>San Francisco, CA March 25, 2002 - Sega Enterprises, Inc. (USA), (SEU) announces the release of the English version of Asia's most popular video game Sega's Derby Owners Club, World Edition.</u>

"Derby Owners Club has been in operation in Asia for two years with close to 1,000 units on location today" stated SEU's director of sales and marketing, Peter Gustafson. "Its popularity has been unprecedented. The biggest problem the early installations experienced was crowd control. It was not uncommon for those early players to be on the game for 8 hours or more at one sitting. As a result many locations now require advance reservations and have set up DOC player's lounges for those waiting for their turn. Players are given 1 hour of playtime after which they have to relinquish their seat. I'm happy to report our first test game is experiencing similar crowd management problems while the location is enjoying record-setting earnings. Additionally, the locations bar and food service business is up appreciably as a direct result of Derby Owners Club-World Edition. This was a welcome benefit we did not foresee."

About Derby Owners Club - World Edition Configuration

Derby Owners Club – World Edition is an eight player role-playing game, (RPG) placing players in the roles of breeder, trainer, jockey, and owner of a thoroughbred racehorse. Eight player satellites are situated in a stadium-like configuration in front of two side-by-side 50" monitors that display the main action in a large 16 X 9 "letterbox" format. Each satellite contains the basic control elements and a 19" monitor so players can interact with their horses independent to the rest of the players. The games overall foot print is quite flexible and can fit into areas as small as 16' W x 19' D x 8' H, (for two rows of four satellites) to 12' W x 24' D x 8' H, (three rows of satellites in a two, three, three configuration). SEU recommends an ideal footprint of 19' W x 22' D x 8' H.

Derby Owners Club-World Edition carries an AAMA video game rating of Green, Suitable for All Ages.

About Sega's Memory Card Reader and Dispenser Technology, (MCRD)

Utilizing Sega's exclusive MCRD technology, players create a horse they can take with them on a credit card sized storage device. They can use their Derby Owners Club Card in any Derby Owners Club – World Edition game and pick up exactly where they left off.

"The Derby Owners Club Card creates enormous player loyalty and long term earnings", continued Gustafson. "I know of several players at our test location that are currently holding over 30 cards, each with a different horse created for specific capabilities. Players representing every demographic you can think of are spending time on DOC. It's not uncommon for players to remain on the game for over 8 hours, in some cases taking their lunch and dinner right at the game. In fact, one of the most loyal players, a man in his early 50's, owns a stable of over forty horses. He keeps track of on an excel spreadsheet. I'm not familiar of any other video game that elicits this kind of passion."

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About Derby Owners Club – World Edition Game Play

Players begin by picking a sire and dame to create their horse. Once their horse is born, players name it and pick the pattern and color for their jockey's silks. Then it's off to the training farm! Training consists of selecting a training regimen from a menu of ten exercises. Each exercise addresses a horses racing characteristic, which include, Starting, Cornering, Out of the Box, (how well they weave through traffic) Tenacity, Competitiveness, and Spurt, (how well the horse will respond to your whip). After training, players feed their horse by picking a food that will address a racing characteristic they wish to improve upon.

Then it's off the to track. During the race, players use their whip at strategic times to maximize their horse's performance.

"The training and feeding are mini games within the game", continued Gustafson. "They have to be performed correctly in order to best improve your horse's capabilities, but be sure you pick a training regimen and food your horse likes as it's extremely likely your horse won't like at least one type of each. Until you select it, you have no way of knowing what they are. When you do pick the wrong one, your horse lets you know in no uncertain terms by running away and refusing to train or by kicking over the feed trough. This explains the one player's spreadsheet. Keeping track of one horses likes and dislikes is pretty easy but when you've got over forty in your stable like this man does, you need a score sheet!"

Once a horse has ran in 20 races, you can opt to retire your horse to the breeding stable. Doing so makes it impossible for you to ever race your horse again. "Players can get between 30 and 40 quality races out of a horse," said Gustafson. "After that, they just can't keep up with the younger ones. By retiring your horse you can use it to breed future champions."

While all this might seem complicated and intimidating, Gustafson is quick to point out it's not. "The game quickly creates a community of fans that is very interactive and social. I've found experienced players are eager to help out new players as they want to beat them, but not because they didn't know how to play."

About Sega Enterprises, Inc. (USA)

Serving the North and South American markets, Sega Enterprises, Inc. (USA) is a wholly owned subsidiary of Sega Enterprises, Ltd., Japan. Sega Enterprises, Inc. (USA) provides state-of-the-art interactive video game play experiences through the utilization of Sega's Naomi development platform, the coin-op industries most powerful, versatile, and affordable hardware and software system. Products range from single-player upright video games to multi-player attendant operated simulators.

About SEGA Corporation

SEGA Corporation, formerly known as SEGA Enterprises, Ltd., was founded in 1951 and incorporated in 1960. The company is a world leader in high-tech entertainment and is affiliated to CSK Corporation which holds 19.52% of issued stock. The company's principal activity is manufacturing of games and toys. Operations are carried out through the following divisions: Consumer Products (toys, hardware and software for home-video games systems and portable games); Amusement Machines (Coin-operated amusement machines); Amusement Centers (operator of amusement centers and distributor of amusement machines). Consumer products accounted for 55% of fiscal 2000 revenues; Amusement centers, 23% and Amusement center operations, 22%.

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