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FOR IMMEDIATE RELEASE

SEGA ANNOUNCES GOLDEN AXE COMING TO NEXT-GENERATION CONSOLES

The Legend Returns as a New Adventure, Re-imagined for the Next-Generation

SAN FRANCISCO & LONDON (May 10, 2006) -- SEGA® of America, Inc. and Sega Europe Ltd. today announced the long-anticipated return of *Golden Axe*TM, a fan favorite since its original release in 1989. Developed exclusively for the PLAYSTATION®3 computer entertainment system and the Xbox 360TM video game and entertainment system from Microsoft, *Golden Axe* marks the first project from the recent acquisition of San Francisco-based studio, Secret Level.

Golden Axe delivers action-RPG thrills as a small band of Riders embark on an epic adventure to recruit allies, expose the enemy and prevent the annihilation of their breed. Delivering an intense and unique combat experience, players charge into battle on the backs of ferocious beasts or take their chances with the enemy while on foot. Fighting skill, wits and even magic are all called into action as players immerse themselves in the struggle to defeat an evil intent on enslaving the remains of civilization.

"Golden Axe is one of our most treasured brands and is a complete re-imagining of the story that will take gamers on an unforgettable journey," said Scott A. Steinberg, Vice President of Marketing, SEGA of America, Inc. "The vision we have for the remake of Golden Axe is nothing short of remarkable and it can only be realized on the PLAYSTATION 3 system and Xbox 360."

Golden Axe is slated for release in 2007. For more information and assets for Golden Axe, please visit the SEGA PR FTP site at http://segapr.segaamerica.com

About SEGA® of America, Inc.

SEGA® of America, Inc. is the American Publishing arm of Tokyo, Japan-based SEGA® Corporation, a worldwide leader in interactive entertainment both inside and outside the home. The company develops, publishes and distributes interactive entertainment software products for a variety of hardware platforms including PC, wireless devices, and those manufactured by Nintendo, Microsoft and Sony Computer Entertainment Inc. The SEGA® of America, Inc. Web site is located at www.SEGA.com.

About SEGA® Europe Ltd.

SEGA® Europe Ltd. is the European Publishing arm of Tokyo, Japan-based SEGA® Corporation, and a worldwide leader in interactive entertainment both inside and outside the home. The company develops, publishes and distributes interactive entertainment software

products for a variety of hardware platforms including PC, wireless devices, and those manufactured by Nintendo, Microsoft and Sony Computer Entertainment Europe. The SEGA® Europe Ltd. Web site is located at www.sega-europe.com.

About Secret Level

Secret Level, Inc., SEGA's first North American studio, creates original game titles, tools, and technologies. Located near AT&T Park in San Francisco, Secret Level has steadily grown from its conception in 1999 and joined SEGA in 2006. Secret Level develops for both current and future generation platforms, including Sony PlayStation®2, Microsoft XboxTM, PlayStation®3, Xbox 360TM, and the PSPTM (PlayStation®Portable) system. Secret Level also holds "Tools & Middleware" licenses from both Sony and Microsoft. For more information about Secret Level or any Secret Level product, please visit the company's Web site at www.secretlevel.com.