

July 8, 2003  
SEGA CORPORATION  
Hisao Oguchi,  
President and Representative Director  
TSE Code: 7964  
Inquire: Shoichi Yamazaki, Officer  
President Office

## **Notice of the Basic Policy for the R&D Studios Reorganization**

Today, SEGA CORPORATION (the Company) announces that in the board meeting held on July 8, 2003, it made the basic policy for the R&D studios reorganization. The details are as follows.

### <Basic Policy>

To reorganize existing nine R&D studios to five and establish the two companies  
(Details are not determined)

### <Purposes>

- 1) To strengthen the Product marketability (to make worldwide success titles)
- 2) To create the titles necessary for the future growth (to make brand-new titles, blockbuster titles, and titles for Europe and North America Market)
- 3) To improve the productivity (to improve efficiencies and reduce the cost)

### <Schedule >

The schedule for this reorganization is as follows;

To determine the details of the reorganization in the board meeting to be held at the end of July

To transfer to reorganized structures from October 1, 2003.

We will keep you informed the details.

End

(Note) The documents or digital files that you are going to access may contain information subject to the regulation concerning insider trading in Securities Transaction Regulation No. 166. If you trade equity-related securities, including derivative instruments, of the Company within 12 hours of the announcement (before July 9, 2003, 6:30 JST, GMT +9:00) of related information, you may violate the insider trading regulations.