

February 13, 2003  
SEGA CORPORATION  
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## Revisions to the Forecasts for the Consolidated Business Results

SEGA CORPORATION has revised its results forecasts for the year ending March 31, 2003, which were initially announced on November 20, 2002. Details of the revisions are as follows.

### 1. Revisions to the Consolidated Results Forecasts for the Year Ending March 31, 2003

(1) Results Forecasts for the Year (April 1, 2002, to March 31, 2003)

Millions of yen

	Net Sales	Recurring Profit	Net Income
Initial Forecast (A)	200,000	9,000	5,000
Revised Forecast (B)	195,000	6,000	500
Difference (B-A)	(5,000)	(3,000)	(4,500)
Differential Ratio (%)	(2.5)	(33.3)	(90.0)
Previous Year	206,334	12,471	(17,829)

The documents or audiovisual 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 Feb. 14, 2003, 3:00JST) of related information, you may violate the insider trading regulation.

## 2. Revisions to Non-Consolidated Results Forecasts for the Year Ending March 31, 2003

(1) Results Forecasts for the Year (April 1, 2002, to March 31, 2003)

Millions of yen

	Net sales	Recurring Profit	Net Income (Loss)
Initial Forecast (A)	100,000	2,000	1,000
Revised Forecast (B)	97,000	1,800	(3,000)
Difference (B-A)	(3,000)	(200)	(4,000)
Differential Ratio (%)	(3.0)	(10.0)	-
Previous Year	106,550	4,718	(20,766)

## 3. Reasons for Revisions to the Consolidated Results Forecasts

The main reason for the revised forecast is due to factors concerning the consumer business.

SEGA forecasts that sluggish sales of “NFL 2K3,” which was launched in the first half in the North America market, will have a big effect on our earnings.

At the end of the first half of this fiscal year, SEGA adjusted its accounting procedures to lower the product price, which took effect from the beginning of the holiday season. However, in the fourth quarter, the sales units seem to be much lower than our target.

The sales volume of “NBA 2K3,” which was launched in the second half, seems to be lower than our sales target, although SEGA anticipates it will remain in the No. 2 position in this category in the North America market.

In addition, in the domestic market, the release of “Initial D special stage(PS2)” and “J.LEAGUE Let’s make a professional soccer Club! 3(PS2)” are quite certain to be delayed to next fiscal year.

Turning to the amusement business, regarding the amusement machine sales and the amusement center operations, SEGA forecasts that we will maintain our excellent condition, by riding on the strength of our product ability and operation know-how. Significantly, we forecast that amusement machine sales will exceed our targets. That being stated, however, with the present circumstance of economic slump and continuation of deflation, the domestic economic situation seems unstable.

As a result of these factors, SEGA anticipates 195 billion yen in consolidated net sales, 6 billion yen in consolidated recurring profit, and 0.5 billion yen in consolidated net income for fiscal year 2003.

#### **4. Future Tasks and Reforming Measures**

Regarding the consumer business, we are fully aware of the problems, including those in development systems, sales structures and cost calculation. We are thus taking corrective action in Japan, North America and Europe. Regarding the amusement business, we will keep strengthening our revenue base.

#### **5. Reasons for Revisions to the Non-Consolidated Results Forecasts**

Revisions were made to SEGA's non-consolidated results forecasts for the same reasons listed above regarding revisions to the consolidated results forecasts, with regard to the amusement machine sales, and consumer business, particularly domestic sales.

We anticipate an extraordinary loss of 4.7 billion yen, consisting of allowance for investment loss for North American subsidiary.