



FOR IMMEDIATELY RELEASE

**SEGA, JC Entertainment, and T2 Announce Partnership
for PC MMORPG *Shenmue™ Online* in China-**

(Tokyo, Japan / Seoul, Korea / Shanghai, China) – August 3, 2004 – **SEGA® Corporation** and **JC Entertainment Corporation** today announced a business alliance to co-develop and co-publish *Shenmue™ Online*, a massively multi-player online game (MMOG) for PC platform. Also SEGA has the basic agreement with **T2 Technology Holdings Inc.** to allow T2 Technology to license China online game operation of *Shenmue Online*.

JC Entertainment will manage the content development, Korea online game operation and marketing of *Shenmue Online*, while SEGA will be also responsible for the content development and supervise the ongoing of development and licensing related to the online-game operations in each territory except Korea. In addition, Yu Suzuki, the creator of *Shenmue* and SEGA's R&D Creative Officer, will supervise ongoing activities for the game.

By T2 Technology's online game operation of *Shenmue Online*, the commercial launch is due to within 2005.

Also *Shenmue Online* will roll out in Korea, beginning with a private beta in November 2004, followed by an open beta and the commercial launch in Spring 2005. The online game operation in Korea will be managed by JC Entertainment.

The *Shenmue* franchise was established more than five years ago with the release of *Shenmue* (Dreamcast™) in 1999, then *Shenmue II* (Dreamcast™) in 2001. *Shenmue* boasted groundbreaking full 3DCG environments and over 1,400 characters alive in a virtual world where time passes and the weather also changes, as in real life.

Shenmue Online is MMO Action RPG in which tens of thousands of players will participate in the virtual world of *Shenmue* staged in China including Hong Kong in 1980's. Players, acting as militants, will use mysterious powers, kung-fu, Chinese weapons and Qigong in real-time fight-action.

SEGA, JC Entertainment and T2 Technology will leverage a combined development, distribution power, and operation power to expand the online audience of *Shenmue Online* to grow their network businesses.

About SEGA

SEGA® Corporation is a worldwide leader in interactive entertainment both inside and outside the home, encompassing consumer business, amusement machine sales and amusement center operations. 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. SEGA® Corporation's Web site is located at <http://sega.jp>.

About JC Entertainment

JC Entertainment has been a prominent fixture in the online gaming community since its establishment in 1994 when the roots of the online gaming industry in Korea were just taking hold. As an eminent developer of online games in Asia, JCE has released five MMOG titles, nearly one every year since its inception. With users playing its titles on five continents across the globe, JCE is continually making strong inroads in international markets as well as its home market in Korea. Riding on the success of its titles, JCE has grown and branched out into numerous areas of expertise—all within the specialized field of online entertainment.

About T2 Technology

T2 was founded by several seasoned IT entrepreneurs in 2002. The founders previous run the largest web alliance company (t2t2.com and textclick.com), which is top 50 Chinese web site ranked by Alexa.com. T2 is privately held and funded by the premier VC firm in Asia Pacific: Chengwei Ventures, Manitou Ventures and New Margin Ventures. Chengwei was featured on the cover page of Nov 2000 issue of Red Herring. Its portfolio companies include some top internet technology companies like Sina (NASDAQ:SINA) and AsiaInfo (NASDAQ:ASIA). And Manitou is also a partner of Hansol Venture Capital in Korea. T2 is also backed by New Margin Ventures, who was funded by China Academy of Sciences, China State Economic & Trade Commission, China State Development Planning Commission and Shanghai Municipal Government.

NOTE : The Company names and products name are the registered trademark of each respective company.