



Classic SEGA Game Gear Favorites Exploit Processing Power and High-resolution Color Screen of Palm Handhelds

SAN FRANCISCO and MILPITAS, Calif., April 16, 2003 -- Sega.com™ Inc., a network entertainment company integrating Internet technology with innovation, and Palm, Inc. (Nasdaq: PALM), the leading provider of handheld computers, announced the launch of SEGA classic games for select ARM processor-based Palm™ handhelds. The high-resolution color display and ARM processing power of Palm handhelds deliver supercharged gaming applications that make for a faster and more efficient gaming experience. The first titles to launch include "Sonic the Hedgehog," "Dr. Robotnik's Mean Bean Machine," "Shinobi," "Super Columns," and "Shining Force II: The Sword of Hajya."

The above titles are available now for download from the jointly branded Palm and SEGA website at <http://www.palm.com/sega>. In addition, Mobile Digital Media (MDM), a privately held company funded jointly by Palm Solutions Group and a group of private investors with extensive publishing experience, plans to offer the PalmPak® SEGA® Classics Card at retail stores nationwide in May.

"Video games have become a daily activity for many people in this country, evident by the dramatic increase in sales of PC, console, online and wireless games in the last few years," said Ryoichi Shiratsuchi, chief executive officer of Sega.com and general manager of Sega of Japan, Network Division. "Working with a leader in the handheld market like Palm, Sega.com continues to move toward providing exciting and fun game content for new markets as well as new devices, extending and providing a compelling gaming experience for consumers."

With analyst house Bear Stearns predicting the wireless games market to grow to \$8.8 billion in revenue by 2006, Sega.com and Palm are meeting the demands of a burgeoning market. Palm Tungsten™ T handheld users can download classic SEGA Game Gear titles to their handhelds now for \$19.95 (U.S.) per game. The first games available for download include “Sonic the Hedgehog,” the original console platform game that launched SEGA’s world-renowned blue hedgehog; “Dr. Robotnik’s Mean Bean Machine,” a classic puzzle game in which gamers play against a friend or Robotnik’s clever henchmen to master the bean puzzler; “Shinobi,” the classic hit title putting gamers’ ninja skills to the ultimate test; “Super Columns,” an action-packed puzzle game consisting of magical glittering jewels; and “Shining Force II: The Sword of Hajya,” SEGA’s legendary role-playing game that launched the series of unique strategy games with a twist of adventure and role-playing. Additional titles are scheduled to be launched in the future.

Mobile Digital Media plans to make the PalmPak SEGA Classics Card available at retail stores nationwide in May for \$29.95 (estimated U.S. street price).

MDM plans to release the card featuring four popular games on one easy-to-use, postage-stamp-sized card, including “Sonic the Hedgehog,” “Shinobi,” “Super Columns,” and “Shining Force II: The Sword of Hajya.”

MDM intends to create a SEGA Classics series.

“With increased processing power, high-resolution color screen, and built-in Bluetooth for competitive gaming, the Tungsten T can rival any handheld gaming device out there,” said Ken Wirt, senior vice president of marketing and sales at Palm Solutions Group. “That’s why we’re excited to partner with SEGA; what better company to partner with to provide the best gaming experience possible on one of the best handheld platforms available.”

Delivering power, performance and precision, the Palm Tungsten T handheld

is a smart and pocketable interactive gaming device. A high-resolution 320 x 320 color display delivers a great gaming experience as well as a new class of performance and power efficiency, allowing users to enjoy faster interaction with business and gaming applications. The Tungsten T handheld also has the power to run rich, multimedia features and software applications, such as short video clips, digital audio files and photos, as well as interactive games.

About Sega Mobile

Sega Mobile (www.us.segamobile.com), a division of Sega.com, Inc., is an interactive gaming division that is dedicated to bringing the thrills and excitement of networked gaming to cellular phone, PDA and other interactive device users in North America. The new division consists of Publishing, Content delivery, and Marketing teams solely focused on providing innovative, unique and classic content for the mobile market.

About Sega.com, Inc

Sega.com, Inc. (www.sega.com) is a network entertainment company that integrates Internet technology with innovation while leveraging a video game heritage dating back more than 50 years. Sega.com also built SegaNet, the first high-speed online console gaming network and community destination for gamers. Sega.com is dedicated to bringing the technology and content required for networked entertainment to game developers and game players alike, leveraging the network possibilities for a multitude of devices including game consoles, PCs, cellular phones and PDAs.

About Palm, Inc.

With shipment of more than 21 million Palm handheld computers, many carried in pockets, purses and briefcases around the world, Palm delivers devices that make it easy for people to use and keep track of what matters to them.

Information about Palm, Inc. (Nasdaq: PALM) is available at <http://www.palm.com/aboutpalm>.

About Mobile Digital Media, Inc. (MDM)

Mobile Digital Media, Inc. (MDM), based in Mountain View, Calif., is the largest publisher of cross-platform, consumer software on industry standard SD Cards and MultiMediaCard cards for handheld computers. MDM's product line features the award-winning PalmPak products, Palm branded backup utility cards and Palm branded blank memory cards. MDM is a new company created with Palm, Inc. MDM's strategic relationship with Palm ensures retailers of ongoing support from Palm's existing retail support infrastructure. More info is available at www.mdigitalm.com.