

## The Modern Age 1998-1999

### New Sega Console

Although Sega officially acknowledges its new 128-bit system, the system's name continues to be elusive throughout most of the year. Originally code-named Dural and Black Belt, Sega officially renames it to Katana in early 1998. At the same time Sega discloses that the new system will use a Microsoft Windows CE operating system, which will mean easier game conversions to and from the PC.

The Katana is displayed in May, and one unique aspect of it is its Visual Memory System (VMS), a memory device that plugs into the controller but can also be used as a stand-alone game device with Tamagotchi-like graphics.

As the year progresses, Sega announces that the Katana will be released in Japan in November. Although the US won't get the new system until 1999, Sega of America begins making plans to spend \$100 million to launch it. By midyear, Sega announces another name change; this time the system becomes the Dreamcast. With all the hype in place, the Dreamcast finally goes on sale in Japan on November 27. The initial 150,000 systems that are offered for sale are sold immediately, along with 132,000 copies of Virtual Fighter 3.

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## **Dreamcast for the Arcades**

Sega announces an arcade version of the Dreamcast. The Naomi arcade machine promises to have the same capabilities as Sega's current Model 3 arcade machines but will be available for one-third of the price. Because the Naomi and the Dreamcast will share the same chipset, converting titles from the arcade to the console will be simple. Even more compatibility is offered, as VMS slots are provided in Naomi machines to transfer data to and from the Dreamcast.

## **Missing Sega Name**

Market research indicates that the brand name is not terribly important to consumers of video-game hardware, so Sega elects not to include its name on the Dreamcast. Ironically, Majesco, a New Jersey-based company, determines that the Sega name is important. Majesco licenses the Genesis from Sega and releases a new Genesis 3, with the Sega name as a central part of the packaging. Majesco plans to release inexpensive versions of the Game Gear, Saturn, and Pico. The small company also releases new software for both the Super Nintendo and Genesis. One of the surprise titles is Frogger, which Majesco had licensed from Hasbro Interactive.

When the Dreamcast is finally released, the Sega name is apparent on it.

## **Sega's Problems Continue**

Following the cancelled merger between Sega and Bandai, Sega president Hayao Nakayama resigns from his position and is replaced by Sega of America chairman Shoichiro Irimajiri. Other woes beset the troubled Sega as cuts are made throughout the three American divisions: Sega of America, SegaSoft, and Sega Entertainment. Along with the cuts, Sega announces that it is finally throwing in the towel, and it ceases distribution of the Saturn in North America.

## **PlayStation2**

Rumors begin early in the year that Sony is hard at work on the PlayStation2. While Sony is closemouthed at first, bits and pieces concerning the new system begin to emerge from independent developers. By midyear, Sony admits that the new console is indeed in development and that it may be DVD based if that is practical. The best guess on when the new system will be available is sometime in 2000. By midyear the rumors are in full force stating that Sony will team up with Toshiba to develop the chipset for the new console. Early predictions indicate that the RISC processor will run at 250MHz, slightly faster than Sega's Dreamcast. Sony remains mum on the subject.

## Price Wars

Sony announces at E3 that it will begin shipping PlayStation consoles with the new Duel Shock controller. Since the new configuration will retail for \$149.95, retailers begin selling off their old stock of consoles with the original controller for \$129.95.

Nintendo immediately announces that it too will temporarily drop its retail price to \$129.95, through September. When the deadline to return to the original price arrives, Sony announces that the PlayStation will remain at \$129.95 permanently and will also include the Duel Shock controller. Nintendo quickly follows suit. The question on everyone's mind is: When will the systems fall to \$99?

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## Nintendo's 64DD "Bulky Drive" Gets Delayed Again

When Nintendo's 64DD "Bulky Drive" doesn't appear at E3 it is assumed to be pretty much dead. Nintendo does release the N64 Expansion Pack, which was supposed to complement the 64DD. At a retail price of \$29.99, the 64 Expansion Pack plugs into the expansion port of the N64 and doubles the system's main memory to 8MB.

## Nintendo Releases The Legend of Zelda

Nintendo releases The Legend of Zelda (Ocarina of Time) for the N64 on November 23. Nintendo reports 325,000 reservations for Zelda, making it one of the most highly awaited cartridges of all time. Those who reserved the cartridge receive a special gold cartridge. Between its launch date and the end of the year, Nintendo sells 2.5 million copies of the game, grossing \$150 million in sales. The highest-grossing movie during the same period is Disney's A Bug's Life, which takes in \$114 at the box office.



## **Pokemon Coming to America**

Nintendo announces that Pokemon will be coming to the United States. A marketing sensation in Japan, Pokemon (short for Pocket Monsters) receives worldwide attention when a crossover cartoon causes epileptic seizures in over 700 Japanese viewers. The cartoons will be edited in the United States so they won't have the same effect on viewers. When the games release for the Game Boy in two editions in September, they become Nintendo's fastest-selling game ever. Nintendo also releases a Tamagotchi-like device called the Pocket Pikachu, featuring the most popular of the Pokemons. Because the unit can double as a pedometer, Pokemon masters can strengthen their Pikachus by merely taking a walk.



Nintendo's Pokemon

## **Nintendo Continues To Extend the Life of the Decade Old Game Boy**

On April 14, Nintendo of Japan releases the Game Boy Light, a version of the popular handheld unit featuring a backlight. Nintendo doesn't specify if the device will come out in the United States. Immediately following the release of the Game Boy Light, Nintendo releases its first peripherals for the Game Boy: a camera and printer! Despite very low-res images, the two units become instant successes for the Game Boy Pocket. However, Nintendo signs the death warrant for the Game Boy Pocket when it releases the Game Boy Color. Although it is originally intended to be 100 percent compatible with the Game Boy Pocket, publishers begin releasing games in both black-and-white and color versions. Before long, games are released that will work only on the Game Boy Color.



Nintendo's Game Boy Color

## Other Manufacturers Attempt To Jump on the Handheld Market

\* Tiger continues to tout its game.com and releases a slimmer model called the Game.com Pocket Pro to a disinterested market.

\* Bandai introduces the WonderSwan, a system that was partly developed by Gunpei Yokoi, the designer of Nintendo's Game Boy. The WonderSwan can display games both horizontally and vertically on a hi-res black-and-white screen and can also display limited full-motion video. Bandai hopes to release the WonderSwan by the end of 1998 at \$40 and predicts it will sell three to four million units by March 1999.

\* SNK announces the Neo-Geo Pocket, a handheld system that will work both independently and in conjunction with Sega's Dreamcast. The unit will be compatible with the Dreamcast's VMS, but it will be able to do more things. The unit features a tiny joystick and a monochrome screen that is larger than the Game Boy's. The Neo-Geo Pocket will retail for \$50 when it releases in Japan in October. Although not originally planned for release in the US, SNK announces an April 1999 domestic release.

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## Hasbro Interactive Goes on a Buying Frenzy

Following the success of its Frogger release for the PC and PlayStation, Hasbro Interactive goes on a buying frenzy and purchases a couple of video game-related companies. The first is Tiger Electronics, the manufacturer of electronic toys and games, including the long-shot handheld unit, the game.com. Hasbro then announces that it purchased the rights to the Atari home library and name for \$5 million. Rumors begin circulating concerning whether Hasbro will produce the Jaguar and Lynx or somehow combine the Lynx with the game.com. Hasbro immediately denies any immediate plans for new hardware and insists that it merely wants to release updated versions of the Atari catalog. The first game that is released is Centipede for the PC. Although a PlayStation version is announced, it fails to make it to market in 1998.



The Game.com Pocket Pro

## Retro Excitement Continues

Activision releases a compendium of 30 2600 games for the PlayStation. The collection receives a lukewarm response, although the general public is appreciative of Activision's efforts to release classic games. Activision also releases an updated version of Asteroids for the PC and PlayStation. In Las Vegas, the World of Atari '98 exhibit opens for a weekend in August. Although it sports the Atari name, the exhibition really celebrates all classic games. Among the highlights are a video-game museum, an auction, sales booths, and keynote speakers. Late in the year, a CD-ROM called Intellivision Lives is released. The CD-ROM contains a collection of 50 Intellivision games that play on the PC or MAC.



The Neo-Geo Pocket

## **VM Labs Remains a Mystery**

Throughout the first half of 1998, VM Labs is quiet about its plans for its new video-game system, which it code-named Project X. All reports seem to point to a multimedia-type device, like the 3DO and CD-I, that will play games as well as educational software. This changes after E3, when it is announced that Project X will not be a console, but instead will be a chip built into DVD consoles. Project X will allow DVD players to be fully interactive. By midyear, VM Labs has announced that Project X will be included in all DVD players manufactured by Thompson (RCA and GE) and Toshiba. VM Labs plans to recoup its investment by charging a licensing fee to developers who plan to produce software for Project X. Among the developers who sign on are top names such as Activision, Capcom, Hasbro, and THQ. By year's end, VM Labs has officially released the name of the new system: NUON.



## Senators Praise Video Games

Herb Kohl, the Wisconsin senator who cosponsored the 1994 bill to rate all video games, praises the video-game industry for creating an arcade rating system and advisory messages. Because of this cooperation, Kohl promises that no new laws will need to be enacted. However Kohl threatens to boycott arcades that don't comply with the required posted ratings. In related news, two Florida senators propose a bill to prevent minors from viewing violent games in the Sunshine State. The bill doesn't get passed. The outcome is different at Wal-Mart stores across the country, when the chain bans more than 50 arcade games that are "considered inappropriate by Wal-Mart standards."

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## Banner Year for Video games

The IDSA (Interactive Digital Software Association) announces that 1998 was a banner year for the electronic entertainment industry. During the first six months alone of 1998, sales were up 30 percent from all of 1997, which itself had been a record year.

Unfortunately the news isn't all rosy. The IDSA also reports that the home video-game industry is flourishing at the expense of the arcade industry. One victim of this trend is Acclaim, which announces that it is exiting from the arcade industry on March 6.

## Emulation Woes

Emulation continues to be a major topic throughout the industry, and the IDSA works to shut down web sites that offer ROM images - although the definition of the legality of the ROM images continues to remain in question.

**1999**

### **Nintendo Joins IBM for New Console**

Nintendo announces a new console, code-named Dolphin. It will be built around a 400MHz copper microchip technology called Gekko, which will be manufactured by IBM. Nintendo expects to ship the new console before the Christmas 2000 season.

### **Cellular Phone Games**

Nintendo announces the Game Boy Advance, a 32-bit color handheld system, which can be combined with a cellular phone for Internet access. Nintendo promises that the new unit will be compatible with both Game Boy and Game Boy Color software.

### **Howard Lincoln's Plans To Retire**

Howard Lincoln announces that he plans to retire from his position as CEO of Nintendo of America on February 14, 2000.

### **JTS Files for Bankruptcy**

JTS, the disk-drive company that absorbed Atari Corporation, officially files for bankruptcy.

### **Classic Gaming Expo Opens in Las Vegas**

An offshoot of 1998's World of Atari show, the first Classic Gaming Expo opens in August in Las Vegas. Among the dignitaries who attend is Ralph Baer, the inventor of the video game. Nolan Bushnell also promises to attend until an online fiasco forces him to alter his plans.

### **Microsoft Announces Video-Game Console**

Microsoft reveals that it is working on a home console system code-named X-Box. Like Sega's Dreamcast, it uses a version of Windows CE as its operating system.

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### **Maximum Score for Pac-Man Achieved**

Billy Mitchell achieves the highest possible score for Pac-Man when he completes every board and winds up with a score of 3,333,360.

### **VM Labs at E3**

After years of secrecy, VM Labs finally comes out into the open at its booth at E3. It is now clear that VM Labs will not release a new gaming console. Instead it plans to place its NUON technology inside new DVD players and hopes to make money from the licensing of NUON-compatible games.

### **Neo-Geo Pocket Released in United States**

Although it didn't release the monochrome Neo-Geo Pocket handheld unit in the United States, SNK Corporation of America has different plans for the color incarnation of the unit. In June, the company begins offering the 16-bit system via mail order, with a suggested retail price of \$69.95. It then follows up by distributing the unit to US stores in August.

## **Hasbro Acquires Rights to Namco Games**

Hasbro Interactive continues to support the retro movement by acquiring the rights from Namco to distribute eleven classic video-game titles for the PC. Hasbro Interactive also acquires limited rights to release these games to gaming systems.

## **Sony Releases Specs for New PlayStation**

Information on the PlayStation2 is slowly released throughout the year. In March, it's revealed that a new Toshiba/Sony 250MHz microprocessor, dubbed the Emotion Engine, will be the brains behind the unit. Early reports say that the new unit will retail at approximately \$800.

Sony officially announces the PlayStation2 in September. In addition to playing PlayStation2 games, the new unit will be compatible with all the games for the original PlayStation and will play audio CDs and DVDs. Sony plans to release the PlayStation2 in Japan in March 2000 and in the United States and Europe in the fall of 2000.

## **Iomega Plans Zip Drive for Dreamcast**

Iomega announces that it will produce a Zip Drive that will be designed to attach to the Sega Dreamcast video-game system for external storage.

## **Sega Announces Games for Handheld Systems**

Sega of Japan announces plans to develop and sell games for handheld units, such as Nintendo's Game Boy and Bandai's WonderSwan. Sega does not consider these systems to be competition since it has no current plans to market a handheld system.

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## **Sega of Japan Lowers Dreamcast Price**

Sega of Japan lowers the retail price of a Japanese Dreamcast from approximately \$250 to \$164. The US launch price of \$199 has not changed.

## **Dreamcast for Rent**

Hollywood Video stores begin renting Dreamcast consoles in July. Renters must leave a \$350 deposit, and the only game that is available is Sonic Adventure.

## **No Gun for Dreamcast**

Due to the shootings at Littleton, Colo.'s Columbine High, Sega decides not to release a Dreamcast light gun in the United States. Fans of House Of The Dead 2 are dismayed when they learn the game will be played via the Dreamcast's standard controller using crosshairs. To make matters worse, Sega prevents imported guns from working with the domestic software. Third-party companies promise to release working light guns in Sega's place.

## **Dreamcast sales figures**

On September 10, Sega of America reports earnings of \$98 million within the first 24 hours of launching the Dreamcast in the United States.

## Emulation News

Connectix Corporation introduces the \$149 Virtual Game Station, which will play emulated PlayStation games on the Macintosh.

Sony requests a temporary restraining order against Connectix, but the request is denied.



bleem!

A company called bleem, LLC introduces a PlayStation emulator for IBM-compatible personal computers. Unlike Connectix's offering, bleem! is available for the introductory price of \$19.95. Sony makes four attempts to restrain shipments but is refused every time.

To be continued...