

(Translation)

April 27, 2007

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi,  
Chairman, President and  
Representative Director

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Michael Masakimi Hotta,  
Executive Officer  
(TEL: 03-6215-9955)

**Notice of Conclusion of Master Comprehensive Business Alliance Agreement  
with Sanrio Company, Ltd.**

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As announced on December 25, 2006, SEGA SAMMY HOLDINGS INC. (the "Company") has agreed with Sanrio Company, Ltd. (Head office: Shinagawa-ku, Tokyo, President and Chief Executive Officer: Shintaro Tsuji; hereinafter "Sanrio") to pursue a strategic alliance over a broad range of businesses. It is hereby notified that the Company concluded a master comprehensive business alliance agreement with Sanrio on April 27, 2007.

To materialize the business alliance in specific and concrete areas of businesses, the Company and Sanrio have instituted subcommittees according to the following areas of business to discuss the concrete details thereof:

- (1) Character licensing business for characters currently owned by Sanrio and SEGA SAMMY Group respectively, and new characters that will be jointly developed; planning and development of products and services that incorporate the use of characters; and mobile and Internet-related businesses;
- (2) Development and operation of stores and facilities and sales promotion; and
- (3) Physical distribution and procurement of merchandise and materials.

Any new area of business will be added to the above-listed discussions if the Company and Sanrio consider it necessary.

The concrete details of the alliance are still being discussed at the abovementioned subcommittees; therefore, at this point, the impact on future operations is yet to be determined.

(The same information as notified herein is publicized by Sanrio.)

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