

(Translation)

November 11, 2004

Dear Sirs,

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: Koichi Fukazawa,
Executive Officer
(TEL: 03-6215-9955)

Started to Make a Study of Establishing a Financial company

SEGA SAMMY HOLDINGS INC. (the "Company") has started to make a specific study of establishing a finance company on April 1, 2005, which will be responsible for investing and financing functions of the Company and its group companies (the "Group") for the purpose of efficient use of cash flows, diversification of risks of investments in amusement facility development projects and the synergizing and expansion of its group business in leasing.

The Company is currently required to consider many amusement facility investment proposals and plans to study the possibilities of investments by creating funds utilizing securitization schemes. The Company believes that investments through funds managed by specialists will bring about effects of careful examination and evaluation of cash flows of such investments and diversification of investment risks.

For the purpose of establishing a financial company, the Company has formed a special team of its own to specifically study the creation of funds utilizing securitization schemes involving specialist management companies and special purpose companies (SPC). Furthermore, the Company has started a more specific study by receiving support (including necessary know-how) from, and strengthening cooperation with, Mitsubishi Securities Co., Ltd.

The Group hopes that the establishment of a financial company will bring about more effective use of its management resources, promotion of more efficient group management and further diversification of risks of investments in the future, whereby increasing its enterprise value and shareholder value.

The outline of the financial company and the operations thereof will be publicized as soon as it is materialized.

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