

(Translation)

May 16, 2007

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

Notice of Distribution of Retained Earnings (Year-End Dividends)

Notice is hereby given that SEGA SAMMY HOLDINGS INC. (the "Company"), at the meeting of its Board of Directors held on May 16, 2007, resolved that the Company would distribute retained earnings with the record date fixed as March 31, 2007, as described below:

Description

Details of the dividends

	Amount determined	Most recent forecast for dividends
Record date	March 31, 2007	Same as on the left
Dividend per share	¥30	Same as on the left
Aggregate amount of dividends	¥7,558,574,520	-
Effective date	June 4, 2007	-
Source of dividends	Retained earnings	-

(For reference) Recent dividend payments

	Dividend per share		
Record date	Interim	Year-end	Annual
Year ended March 31, 2007	¥30.00	¥30.00	¥60.00
Year ended March 31, 2006	¥50.00 (Note)	¥30.00	¥80.00 (Note)

(Note) The Company completed a 2 for 1 stock split as of November 18, 2005. If such stock split is taken into account, the amount of interim dividend for the year ended March 31, 2006 amounts to ¥25.00 per share.

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