

(Translation)

June 13, 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 New Management Structure of Our Subsidiary (SEGA CORPORATION)

Notice is hereby given that SEGA CORPORATION, a subsidiary of SEGA SAMMY HOLDINGS INC. at the meeting of its Board of Directors held on June 13, 2007, decided its new management structure as described attached herewith.

(Attached document: SEGA Press Release “Establishment of New Management Structure to Target Management Reforms”)

June 13, 2006
SEGA CORPORATION

Establishment of New Management Structure to Target Management Reforms

Notice is hereby given that SEGA CORPORATION (Head Office: Tokyo, President, Representative Director and COO: Hisao Oguchi; hereinafter “SEGA”), has, at an extraordinary meeting of the board of directors held today, decided to change its management structure. As a result, a new management structure has been created to implement management reforms whereby the current Chairman, President and Representative Director and CEO, Hajime Satomi will assume the position of President, Representative Director, CEO and COO, and will be supported by Hisao Oguchi, who will be appointed Representative Director and Executive Vice President. The new structure will be established as of the shareholder meeting to be held on June 19th, 2007.

In order to achieve sustained growth at the SEGA SAMMY GROUP, it is imperative that SEGA forge a solid revenue base to follow Sammy’s Pachinko and Pachislot business as a pillar of profitability. With this awareness, as we reached 3 years since the establishment of the group, we have determined that in order to allow for the collective effort needed to dramatically reform the business framework and profitability structure it is necessary to establish an optimal business structure.

Under this new framework, the profitability structure of the consumer business will be strengthened, the amusement facilities business will be radically revised, and the overseas amusement business strategy will be clarified, as actions to address our main business challenges will be accelerated. We will ascertain which core businesses can be revived through our core competency of outstanding product development, and, with a “Selection and Focus” process, selectively distribute management resources in order to realize efficient use of assets, and increased operating margins and sales growth.

Hajime Satomi, who will become President, Representative Director, CEO and COO, would like to express his thoughts regarding the reorganization as follows. “As the head of the SEGA SAMMY GROUP, I take to heart the fact that we have not been able to show satisfactory results to our shareholders. I will with all my resolve work towards this new business structure and accept the full responsibility of SEGA’s restructuring. With the strength and help of Mr. Oguchi who has illustrated excellence in the product development arena, we will live up to the expectations of, first and foremost our shareholders, and all our stakeholders.”

Additionally, Hisao Oguchi, who will become Executive Vice President had the following statement. “In order to effect the future growth of SEGA along with the SEGA SAMMY GROUP, I will give my full effort and support to Mr. Satomi. By realizing the maximization of product and creative development ability that are the lifeblood of SEGA, I will work hard to supply entertainment overflowing with excitement and dreams for our customers.”

□ All company and product names are registered trademarks and trademarks of the companies.

Management Structure (Effective June 19th, 2007)**Board of Directors**

President and Representative Director CEO & COO	Hajime Satomi	
Executive Vice President and Representative Director	Hisao Oguchi	
Senior Managing Director	Okitane Usui	Amusement Business Group Div.
Managing Director	Hideki Okamura	Consumer Business Group Div.
Corporate Director	Yoshiharu Suzuki	Overseas Amusement Business Div.
Corporate Director	Yasuo Tazoe	Amusement Marketing Development Div.
Corporate Director	Masanao Maeda	Consumer Business Group Div.
Corporate Director	Akira Sugano	Corporate Group Div.
Corporate Director	Kouichi Fukazawa	Office of the Chairman and the President

Corporate Auditors

Corporate Auditor	Hisashi Miyazaki
Corporate Auditor	Mineo Enomoto
Corporate Auditor	Shunichi Shimizu

Corporate Officers

Senior Executive Officer	Keiji Mori	Amusement Business Group Div.
Senior Executive Officer	Naoya Tsurumi	Overseas Consumer Business Div. SEGA Holdings U.S.A., Inc. SEGA of America, Inc. SEGA Europe Ltd.
Senior Executive Officer	Toshiya Tabata	Entertainment Facilities Business Div.
Corporate Officer	Yukio Sugino	Amusement Business Group Amusement R & D Group
Corporate Officer	Shigeru Yamashita	Amusement Machines Business Div.
Corporate Officer	Tsutomu Kiyosue	Entertainment Facilities Business Div.
Corporate Officer	Kouji Yoshida	Amusement Domestic Sales Group
Corporate Officer	Hiroyuki Miyazaki	Consumer Business Div.
Corporate Officer	Shigeru Aoki	Sega Networks (China) Co., Ltd.
Corporate Officer	Hiroshi Yagi	ALL. Net Development and Strategic Planning Group
Corporate Officer	Kazuhiro Yasutomi	Consumer Business Group Div.
Corporate Officer	Hiroyuki Soga	General Affairs Div.
Corporate Officer	Toru Tsujii	Sega Shanghai & Co., Ltd.
Corporate Officer	Kunihiko Watanabe	Production Group

R&D Creative Officers

R & D Creative Officer	Hiroshi Uemura	Family Entertainment R & D Dept.
R & D Creative Officer	Toshihiro Nagoshi	New Entertainment Software R & D Dept.
R & D Creative Officer	Hiroshi Kataoka	AM Software R & D Group
R & D Creative Officer	Masao Yoshimoto	Attractive Entertainment R & D Group
R & D Creative Officer	Takayuki Kawagoe	Consumer R & D Group
R & D Creative Officer	Yu Suzuki	AM Plus R & D Dept.