

Translation

SEGA-SAMMY
GROUP

November 9, 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: Takatoshi Akiba
Executive Officer
(TEL: 03-6215-9955)

Notice of Initiative Related to the Business Alliance of Subsidiary Sammy Corporation and
TAIYO ELEC Co., Ltd.

As announced on March 5, 2007, the Company's subsidiary Sammy Corporation (President and Representative Director: Toru Katamoto, Headquarters: Toshima-ku, Tokyo, hereinafter "Sammy") resolved to enter into a formal agreement to form a business and capital alliance for business relating to pachinko machines, pachislot machines, arrange ball machines, jankyu machines and other entertainments with TAIYO ELEC Co., Ltd. (President and Representative Director: Eriko Sato, Head Office: Nagoya City, Aichi Prefecture, hereinafter "Taiyo Elec") which engages in the development, manufacture and sale of pachinko machines, pachislot machines and arrange ball machines.

Since the companies resolved to enter into a business alliance, Sammy and Taiyo Elec have been consulting on the details of the agreement relating to various aspects of machine development, manufacture and sale. At this time, it has been resolved at a meeting of the board of directors on November 9, 2007 that a major pachislot title developed by Taiyo Elec, "Densetsu no Miko," will sold through Sammy's nationwide sales network.

From here forward, the two companies will continue to work to strengthen their cooperative relationship with the aim of developing the pachinko pachislot market.

Profits from sales of Taiyo Elec's pachislot machine "Densetsu no Miko" have been factored in to the Company's revised full year earnings forecast for the fiscal year ending March 2008 as announced on November 9th, 2007.

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