

(Translation)

November 14, 2007

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi,
Chairman, President and
Representative Director (CEO)

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

Further Inquiry: Takatoshi Akiba,
Executive Officer
(TEL: 03-6215-9955)

Notice of Judgment on Action to Seek Decision Revocation (Patent No. 3708056)

Notice is hereby given that in relation to the action for damages filed against Sammy Corporation ("Sammy"), a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), by Aruze Corp. ("Aruze") for alleged infringement of its two patent rights (Patent No. 3069092 and Patent No. 3708056), the Intellectual Property High Court rendered a judgment affirming the invalidation decision of the Japanese Patent Office in an action filed by Aruze to seek revocation of the decision with regard to Patent No. 3708056, as described below:

Description

1. Content of the judgment on the action to seek decision revocation:

The plaintiff's claim shall all be dismissed.

The costs of the action shall be borne by the plaintiff.

2. Related action for damages for infringement of the patent rights:

With regard to Sammy's drum-rotating game machines, Aruze has filed an action for damages based on Patent No. 3069092 and Patent No. 3708056.

Related product (Model)	Date of action filed	Current status
<i>Hokuto-no-Ken</i>	December 27, 2005	Filed with, and dismissed by, the Tokyo District Court (Amount of damages claimed: ¥21,000,000,000)
	June 4, 2007	Appealed to, and on trial at, the Intellectual Property High Court (Amount of damages claimed: ¥21,000,000,000)

3. Background:

- (1) December 27, 2005: Aruze filed the action for damages for infringement of its patent rights with the Tokyo District Court.
- (2) March 1, 2006: Sammy filed with the Japanese Patent Office a petition for a decision invalidating Patent No. 3708056.
- (3) October 17, 2006: The Japanese Patent Office delivered a decision invalidating Patent No. 3708056.
- (4) November 13, 2006: Aruze filed with the Intellectual Property High Court an action to seek revocation of the decision invalidating Patent No. 3708056 rendered by the Japanese Patent Office.
- (5) May 22, 2007: The Tokyo District Court dismissed the action for damages for alleged infringement of patent rights filed by Aruze.
- (6) June 4, 2007: Aruze appealed to the Intellectual Property High Court against the judgment of the Tokyo District Court.
- (7) November 14, 2007: The Intellectual Property High Court dismissed the action filed by Aruze to seek revocation of the decision with regard to Patent No. 3708056 (affirming the invalidation decision of the Japanese Patent Office).

4. Future prospects

As described in paragraph 2 above, the action for damages for alleged infringement of the patent rights is currently on trial at the Intellectual Property High Court. The Company believes that the judgment of the court of first instance and the invalidation decision by the Japanese Patent Office will properly be reflected in the action.

The result of the appeal trial will be publicized as soon as it becomes available.

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