

(Translation)

June 28, 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: Michael Masakimi Hotta,
Executive Officer
(TEL: 03-6215-9955)

Notice of Dissolution of Subsidiary

Notice is hereby given that SEGA SAMMY HOLDINGS INC. (the "Company") has determined to dissolve its subsidiary, Sega Sammy Investment Co., Ltd., as described below:

Description

1. Outline of the subsidiary:

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| (1) | Trade name: | Sega Sammy Investment Co., Ltd. |
| (2) | Location of head office: | Shiodome Sumitomo Building,
1-9-2, Higashi-Shinbashi , Minato-ku, Tokyo |
| (3) | Representative: | Tadashi Ishida |
| (4) | Business: | Investment, etc. |
| (5) | Date of incorporation: | April 21, 2000 |
| (6) | Capital: | ¥10,000,000 |
| (7) | Shareholder: | SEGA SAMMY HOLDINGS INC.: 100% |

2. Reason for the dissolution:

Sega Sammy Investment Co., Ltd., which has held 6,109,000 shares (ratio of voting rights: 14.40%) of TMS Entertainment Co., Ltd., a subsidiary of the Company, has determined to transfer all of the shares to the Company and dissolve itself.

3. Schedule of the dissolution:

June 29, 2007:	Resolution for dissolution at the ordinary general meeting of shareholders (expected)
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October 2007:	Completion of liquidation (expected)
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4. Impact on operating results:

The said dissolution will have no significant impact on the Company's consolidated operating results.

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