

(Translation)

October 30, 2009

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: Koichiro Ueda,
General Manager of Group
Communications Office
(TEL: 03-6215-9955)

Notice of Establishment of "Bakugan Limited Liability Partnership" through Joint Investment by the Company's Subsidiaries (SEGATOYS CO., LTD., TMS ENTERTAINMENT, LTD., SEGA CORPORATION, Sammy Corporation, Sammy NetWorks Co., Ltd.)

Notice is hereby given that the Company's subsidiaries, SEGATOYS CO., LTD., TMS ENTERTAINMENT, LTD., SEGA CORPORATION, Sammy Corporation and Sammy NetWorks Co., Ltd., decided to establish Bakugan Limited Liability Partnership through joint investment as the domestic operating body for "Bakugan" as described in the attachment hereto.

The adjustment will have no significant effect on the operating results of the Company.

<<Attached material: Press release of SEGATOYS CO., LTD., TMS ENTERTAINMENT, LTD., SEGA CORPORATION, Sammy Corporation and Sammy NetWorks Co., Ltd.,
"Notice of Establishment of "Bakugan Limited Liability Partnership ">>

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(Translation)

October 30, 2009

Press Release

SEGATOYS CO., LTD.
TMS ENTERTAINMENT, LTD.
SEGA Corporation
SAMMY CORPORATION
Sammy NetWorks Co., Ltd.

Notice of Establishment of “Bakugan Limited Liability Partnership”

Notice is hereby given that SEGATOYS CO., LTD. (President and CEO: Isao Kokubun, Headquarters: Taito-ku, Tokyo, hereafter “SEGATOYS”), TMS ENTERTAINMENT, LTD. (President: Hideki Okamura, Headquarters: Shinjuku-ku, Tokyo, hereafter “TMS”), SEGA CORPORATION (President and COO: Okitane Usui, Headquarters: Ota-ku, Tokyo), Sammy Corporation (President and COO: Keishi Nakayama, Headquarters: Toshima-ku, Tokyo) and Sammy NetWorks Co., Ltd. (President and CEO: Masaaki Ono, Headquarters: Minato-ku, Tokyo) of the SEGA SAMMY GROUP have decided to establish Bakugan Limited Liability Partnership (hereafter “Bakugan LLP”) through joint investment as the domestic operating body for “Bakugan.”

In order to maximize the IP value of “Bakugan,” which is being expanded in Japan, the SEGA SAMMY GROUP will have Bakugan LLP handle total production and merchandising as well as build a strong collaboration with the respective enterprises.

1. About “BAKUGAN”

“BAKUGAN” is a new action card game for boys where players can enjoy battling each other by combining “BAKUGAN,” the spherical action figures that “instantly transform” into various characters, with “trading cards” that have various effects. From the start, SEGATOYS and major Canadian toy maker Spin Master Ltd. (Headquarters: Ontario, Canada, Chairman and Co-CEO: Ronnen Harary, President and Co-CEO: Anton Rabie) have jointly engaged in character development in an aim to expand the characters globally. Also, four companies, including the animation production company TMS and the major Canadian media and entertainment company Corus Entertainment Inc. (Headquarters: Ontario, Canada, President and CEO: John M. Cassaday) have formed a joint production committee to completely link the television animation content to toys from the development stage. “BAKUGAN” is an IP in the global spotlight, having been marketed in roughly 80 countries around the world to date, including Asia, North America, Europe and the Middle East, and having won the “Toy of the Year” award, the most prestigious prize in the American toy industry (selected every year by the Toy Industry Association, Inc.) in February 2009.



©SEGA TOYS/SPIN MASTER/BAKUGAN2 PROJECT
 Official Site for “Bakugan”: <http://www.bakugan.com/>

2. Overview of Bakugan LLP (as of October 30, 2009)

(1) Company name	Bakugan Limited Liability Partnership (Bakugan LLP)	
(2) Representative	Kenji Yokozeki	
(3) Head office location	Twintruss Bldg., 4-4 Yanagibashi 1-chome, Taito-ku, Tokyo (within the SEGA TOYS office)	
(4) Established	November 18, 2009	
(5) Duration	June 30, 2012	
(6) Principal business	Total production and merchandising for Bakugan business, operation and management of partnership assets	
(7) Settlement period	March	
(8) Capital	1 billion yen	
(9) Administrative agent, investment amount, investment ratio	SEGATOYS TMS ENTERTAINMENT SEGA CORPORATION Sammy Corporation Sammy NetWorks	50% 25% 16% 6% 3%

3. Future Business Developments

During the fiscal year ending March 2010, Bakugan LLP will air animation, launch products such as toys, home game software, commercial-use kids’ card game machines and DVD software, and implement cross-media development through multilateral products such as stationery, clothing and foodstuff via cross-industry licensing that utilize the IP of “BAKUGAN.”

Bakugan LLP will also aim to penetrate communication created through new ways of playing proposed by “Bakugan,” which is a game that fuses “technique” and “intellect,” and will stimulate topics of conversation among the target consumers through implementation of various in-store events at mass retailers and toy stores as well as at national tournaments, and through other promotional measures.

Bakugan LLP will comprehensively produce these projects and strive to maximize the IP value of “Bakugan.”