

(Translation)

July 25, 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 and Liquidation of Subsidiary**

Notice is hereby given that TMS Entertainment Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), at the meeting of its board of directors held on July 25, 2007, determined to liquidate its consolidated subsidiary, Sem Communications Pte. Ltd.

For further details, please see the disclosure document of TMS Entertainment Ltd.

The said dissolution and liquidation will have no significant impact on the operating results of the Company and hence, no adjustment will be made to the forecasts of the operating results of the Company.

<Attached document: Disclosure document of TMS Entertainment Ltd. "Notice of Dissolution and Liquidation of Subsidiary">

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(Translation)

July 25, 2007

Dear Sirs,

Name of Company: TMS Entertainment Ltd.  
Name of Representative: Masanori Koga  
President and Representative  
Director  
(Code No. 3585, Nagoya Stock Exchange 2nd Section)  
Further Inquiry: Katsuhiro Yamada  
Managing Director and General  
Manager of Administration  
Division  
(TEL: 03-5325-9111)

**Notice of Dissolution and Liquidation of Subsidiary**

Notice is hereby given that TMS Entertainment Ltd. (the "Company"), at the meeting of its Board of Directors held on July 25, 2007, determined to liquidate its consolidated subsidiary, Sem Communications Pte. Ltd., as described below:

Description

1. Outline of the subsidiary:

- |     |  |  |      |
|-----|--|--|------|
| (1) | Trade name:                                  | Sem Communications Pte. Ltd.                     |      |
| (2) | Location of head office:                     | 100 Beach Road, #24-01/02 Shaw Towers, Singapore |      |
| (3) | Directors:                                   | Katsuhiro Yamada and Foo Seck Huat               |      |
| (4) | Business:                                    | Investment (currently not in business)           |      |
| (5) | Date of incorporation:                       | February 15, 1996                                |      |
| (6) | Capital:                                     | S\$1,000,000                                     |      |
| (7) | Number of issued shares:                     | 1,000,000 shares                                 |      |
| (8) | Large shareholder and<br>shareholding ratio: | TMS Entertainment Ltd.:                          | 100% |
| (9) | Settlement of accounts:                      | December 31 of each year                         |      |

2. Reason for the dissolution and liquidation:

Sem Communications Pte. Ltd., incorporated in Singapore, an international financial center, with the aim of making serious inroads into the booming mobile phone business in China in 1996, initially engaged in aggressive investment activities in the Asian market to develop much business covering telecommunications, telephone services and entertainments, among others. Thereafter, however, dramatic changes in the business environment, including the changes in the Chinese government's policy towards foreign telecommunication companies, have caused a vast gap between its initial business plan and the actual state. Consequently, the Company has considered it difficult to have benefits of further continuing such investment activities.

3. Schedule of the liquidation:

Sem Communications Pte. Ltd. will adopt a resolution for its dissolution at its extraordinary general meeting of shareholders to be held at the end of January 2008, and is scheduled to complete the liquidation procedure at the end of April 2008.

4. Future prospect:

The said dissolution and liquidation will have no significant impact on the non-consolidated and consolidated operating results of the Company and hence, no amendment will be made to the forecasts of the operating results of the Company.

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