

(Translation)

October 27, 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 Collaboration between SAMMY CORPORATION and
KYORAKU Industrial Co., Ltd.

SAMMY CORPORATION, a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company") announces that it has concluded an agreement with KYORAKU Industrial Co., Ltd. (Headquarters: Nagoya City, Aichi Prefecture, President and CEO: Yoshinori Enomoto) to collaborate on a project toward revitalizing the pachinko and pachislot machine industry. KYORAKU Industrial Co., Ltd. has a track record of creating hit products like "Pachinko Fuyu no Sonata" and "Pachinko Hissatsu Shigoto-nin 3".

Please refer to the joint press release of both companies for details. Please also note that "Pachislot Ashita no Joe," to be launched by SAMMY CORPORATION, has been incorporated into the forecasts of the operating results for the year ending March 2010.

<<Attached material: Press release of SAMMY CORPORATION and KYORAKU Industrial Co., Ltd.
"Notice of Collaboration between SAMMY CORPORATION and KYORAKU Industrial Co., Ltd.">>

- END -



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October 27, 2009

Press Release

SAMMY CORPORATION
KYORAKU Industrial Co., Ltd.

Notice of Collaboration between SAMMY CORPORATION and
KYORAKU Industrial Co., Ltd.

SAMMY CORPORATION (Headquarters: Toshima-ku, Tokyo, President and COO: Keishi Nakayama) and KYORAKU Industrial Co., Ltd. (Headquarters: Nagoya City, Aichi Prefecture, President and CEO: Yoshinori Enomoto) announce that they have agreed to collaborate on a project toward revitalizing the pachinko and pachislot machine industry.

The pachinko and pachislot machine industry remains an industry of the largest scale in Japan's leisure market, with a market scale of 21 trillion yen^{*1} and 15.8 million participants^{*2} as of 2008. However, market scale, installations and sales volumes as well as the number of facilities have each been on a declining trend, due in part to the lack of innovative machines based on new rules implemented in July 2004 as well as pachinko and pachislot machine manufacturers' inclinations toward high volatility machines.

In order to overcome such an environment, SAMMY CORPORATION, which has created hit products like "Aladdin" and "Hokuto no Ken" and has strength in developing pachislot machines with innovative specifications, and KYORAKU Industrial Co., Ltd. which has a track record of producing hits like "Pachinko Fuyu no Sonata" and "Pachinko Hissatsu Shigoto-nin 3" and proactively engages in the development of the innovative product loved by many fans will collaborate on a project to revitalize the industry.

The main description of the joint project is as follows:

- (1) The companies will jointly adopt the same contents and characters. KYORAKU Industrial Co., Ltd. will handle the development of pachinko machines, while SAMMY CORPORATION will handle the development of pachislot machines.
- (2) The companies will enhance utilization by creating an environment where users can circulate between pachinko machines and pachislot machines by creating compatibility among both companies' products in terms of the interpretation of the world of contents, such as character settings, as well as the direction of images, sound, etc.
- (3) The companies will effectively increase visibility by jointly implementing promotions.

As the first step of the collaboration, the companies will simultaneously launch machines featuring the comic strip "Ashita no Joe," which has recorded a total of 25 million copies printed and is celebrating its 40th anniversary this year. SAMMY CORPORATION will launch the "Pachislot Ashita no Joe", and KYORAKU Industrial Co., Ltd. will launch the "Pachinko Ashita no Joe". The companies will jointly implement effective promotional activities in line with the "40th Year of Ashita no Joe".

The companies will contribute to the healthy development of the pachinko and pachislot industries by supplying unprecedented entertainment through this project.

*1: Total ball and medal rental fees at pachinko and pachislot parlors. Source “Leisure White Paper 2009”

*2: Source: “Leisure White Paper 2009”

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