

(Translation)

March 31, 2005

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi,
Chairman, President and
Representative Director

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

Further Inquiry: Koichi Fukazawa,
Executive Officer
(TEL: 03-6215-9955)

Notice of Personnel and Organizational Changes of Our Subsidiary (SEGA CORPORATION)

Notice is hereby given that in accordance with the resolution adopted at the meeting of the board of directors of SEGA CORPORATION ("Sega"), a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), held on March 31, 2005, personnel and organizational changes will be implemented as of April 1, 2005, as described below:

Description

1. Purpose of organizational changes:

The Company was established through management integration of Sega and Sammy Corporation ("Sammy") as of October 1, 2004, with the aim of becoming the No. 1 integrated entertainment company in the world. During the current business year, Sega Sammy Group in a body has promoted restructuring of its operations steadily to further make a leap forward for the next business years.

For the purpose of the restructuring, it is intended to transfer and integrate the amusement and consumer-related business departments and related subsidiaries of Sammy and the Group to Sega as of April 1, 2005, to make the Group's management more efficient and rational.

To complete the restructuring, through the structural reforms discussed herein, Sega will define the respective responsibilities of its amusement equipment business, amusement facility business and consumer business to materialize the establishment of a profitable base and a lasting growth on a medium- and long-term basis, and also implement organizational changes focused on the restructuring of each division in preparation for the introduction of a company system to speed up decision-making and actions through further delegation of powers.

2. Contents of organizational changes:

(1) Company-wide functions:

- (i) The system of three business divisions and two divisions will be changed to a system of three Business Group Divisions.
- (ii) For the purpose of the functions of planning in the China and Asia region and filtering businesses from the company-wide perspectives, as well as operational support in terms of business and financing, the function of its Office of China & Asia Business Management will be strengthened.
- (iii) As a step of the restructuring in preparation for the introduction of a company system, the current R&D Lineup Management Div. will, according to its functions, be transferred to company-wide organization units, comprising a "Project Management Dept", "License Dept" and "Character Business Dept. ".

(2) Chairman and President Office

- (i) To clearly differentiate its functions and roles of the Chairman and President Office from those of the Corporate Group Div. and strengthen its function of top management support, the Chairman and President Office will be promoted from a department to a division.
- (ii) Some of the current functions of the Chairman and President Office will be separated to newly form organization units, comprising Executive Assistance Dept, Business Planning Dept and Business Development Dept.
- (iii) The functions of the Corporate Communications Dept. will be transferred to a newly established Corporate Communications Dept.

(3) Amusement Business Group Division

- (i) The Amusement Machines Sales Group Div., Amusement Facilities Group Div., SEGAAMUSEMENT CO., LTD. and Sammy Amusement Service Co., Ltd., both of which will be merged by Sega as of April 1, 2005, will be integrated to form a Amusement Business Group Division, to which the development functions related to amusement business of the R&D Group Div. will be transferred.
- (ii) To develop and expand the most important market for Sega in the future through coordination of the sale of equipment and the operation of facilities in the overseas market, the functions of the Overseas Operations Dept for amusement equipment business and Overseas Operation Dept. for amusement facility business will be integrated to form a new Amusement Machines Business Division .
- (iii) Under the Entertainment Facilities Business Division to be established, an Operations Group will be established to improve the efficiencies of facility operations and develop a rental business of pachislot machines for use in amusement facilities, specifically. In addition, to dissolve the New Business Development Dept. to form a

better organization and integrate the functions of facility development and enhance their mobility, a Facilities Development Group will be established.

- (iv) To transfer the functions of the Future Entertainment Div. and develop business models not falling under the previous categories and cultivate markets, a Business Development Group will be established.
- (v) To integrate the current AM production and purchase functions and production technology functions with quality assurance functions, improve the efficiencies of purchase, production and sale, decrease sales opportunity losses, enhance qualities and improve margins, a [Production Group] will be established.
- (vi) To integrate the AM-related software development functions of the R&D Group Div., mechatronics and hardware development functions and functions of development of equipment for facilities and "Mushi-King", etc. and supply products to the amusement facility market and the amusement equipment sale market timely and efficiently, an Amusement R&D Division] will be established. In addition, the other functions of the R&D Group Div. will be transferred to form an AM Software R&D Group , Amusement Products R&D Group and Amusement Products R&D Group.
- (vii) The functions of SEGA AMUSEMENT CO., LTD. will be transferred to form a Merchandise Group.
- (viii) As an administrative department of the Amusement Business Group Division, an AM General Management Dept will be established.

(4) Consumer Business Group Division

- (i) The development functions relating to consumer business will be transferred from the R&D Group Div. to form a Consumer Business Group Division .
- (ii) Some of the functions of R&D Group Div. will be transferred to form a Global Entertainment R&D Division and New Entertainment R&D Division.
- (iii) As publicized on January 28, 2005, in accordance with the transfer of the EC Business Division of Sega Music Networks Co., Ltd. to Sega by a method of corporate separation, an EC Business Dept will be established under the Network Business Division.

3. Personnel changes (as of April 1, 2005)

(1) Amusement Business Group Division

New Title	Name	Former Title
Managing Director Entertainment Facilities Business Div. Amusement Business Group Div.	Yasuo Tazoe	Managing Director Amusement Facilities Div.

Managing Director Amusement Business Group Div.	Yoshiharu Suzuki	Managing Director Amusement Machines Sales Group Div.
Senior Executive Officer Amusement Overseas Business Div.	Keiji Mori	Senior Executive Officer Amusement Machines Sales Group Div.
Corporate Officer Amusement Machines Business Div.	Toshiya Tabata	Corporate Officer Amusement Facilities Development
Corporate Officer Amusement Products R&D Group	Hiroshi Yagi	Corporate Officer AM Product R&D Div.
Corporate Officer Amusement Machines Business Div.	Shigeru Yamashita	Corporate Officer Amusement Machines Sales Div.
Corporate Officer Amusement R&D Div. Amusement Group Div. Promotions	Yukio Sugino	Corporate Officer R&D Group Div.
Corporate Officer Operations Group	Tsutomu Kiyosue	Corporate Officer Corporate Director, SEGA AMUSEMENT Co.,Ltd.

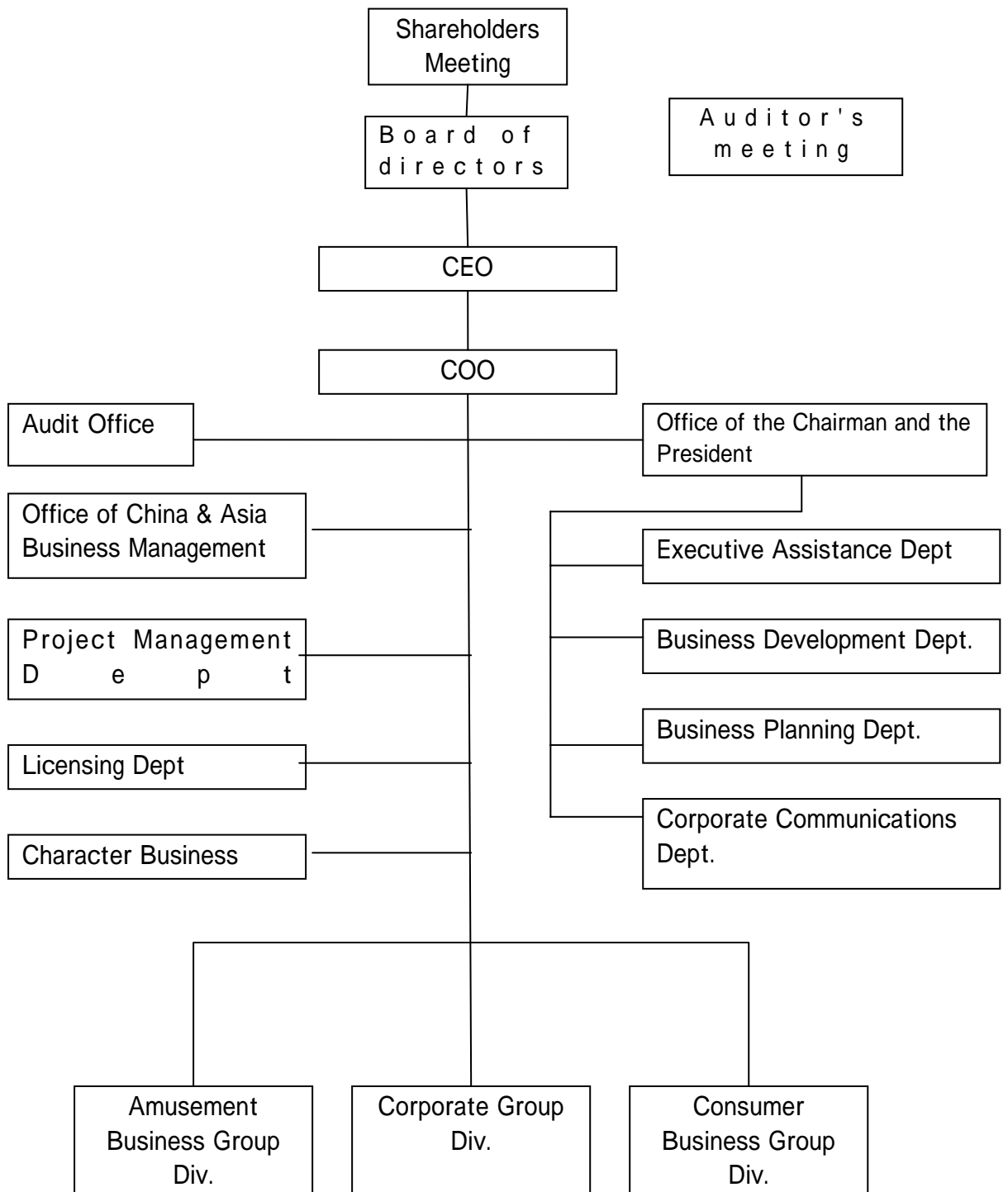
(2) Consumer Business Group Division

New Title	Name	Former Title
Managing Director Consumer Business Group Div.	Hideki Okamura	Managing Director Consumer Business Group Div.
Corporate Officer Consumer Business Group Div.	Masanao Maeda	Corporate Officer Consumer Business Group Div.

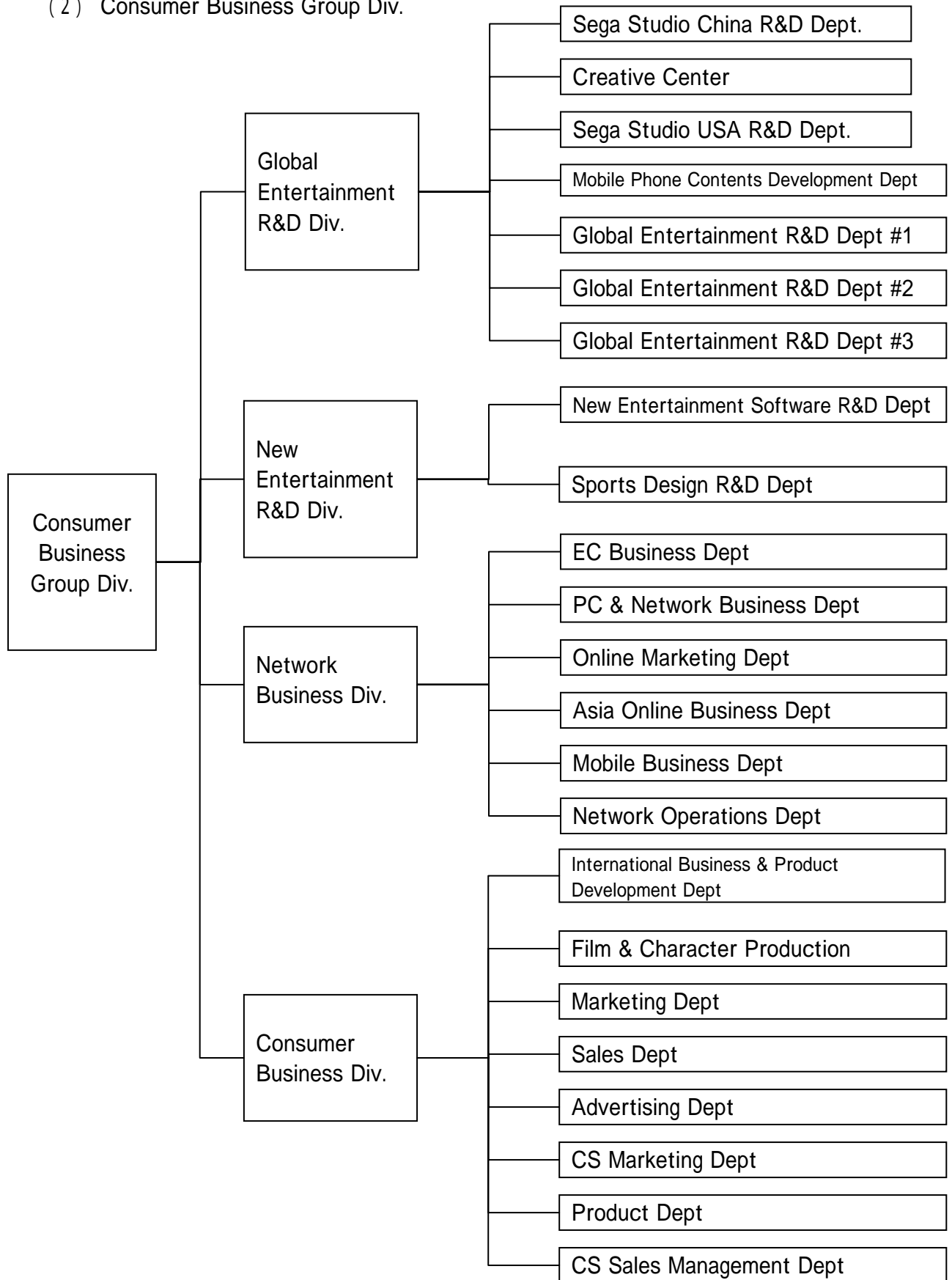
(3) Corporate Group Div.

New Title	Name	Former Title
Corporate Director Head of Corporate Group Operations	Akira Sugano	Corporate Director Head of Corporate Group Operations

(1) Company-wide functions



(2) Consumer Business Group Div.



(3) Amusement Business Group Div.

