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Securities Code: 6460

June 1, 2007

Hajime Satomi
Chairman of the Board and Chief Executive Officer
SEGA SAMMY HOLDINGS INC.
Shiodome Sumitomo Building,
1-9-2 Higashi Shimbashi, Minato-ku,
Tokyo , 105-0021 , Japan

Dear Shareholders:

**Notice of the 3rd Ordinary General Meeting of Shareholders
to be held on June 19, 2007**

You are cordially invited to attend the 3rd Ordinary General Meeting of Shareholders of SEGA SAMMY HOLDINGS INC. to be held at The Prince Park Tower Tokyo, 4-8-1, Shiba Koen, Minato-ku, Tokyo, 105-8563, Japan on Tuesday, June 19, 2007 at 10:00 a.m. for the purposes listed below.

If you are unable to attend the meeting in person, please review the attached reference materials, and kindly exercise your voting rights by either of the following means:

- (A) Vote “for” or “against” the agenda items on the voting right exercise form enclosed and return the said form to the Company so that it is received **before 18:00 Japan Standard Time on Monday, June 18, 2007**; or
- (B) Vote “for” or “against” the agenda items on the website (<http://www.evotep.jp/>) according to the website instructions (Japanese Language Only) **before 18:00 Japan Standard Time on Monday, June 18, 2007**.

Details of the Meeting

- 1. Date and time:** Tuesday, June 19, 2007 at 10:00 a.m.
2. Venue: Convention Hall (Second Basement)
The Prince Park Tower Tokyo
4-8-1, Shiba Koen, Minato-ku, Tokyo, 105-8563, Japan

3. Agenda

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements for the 3rd fiscal year (from April 1, 2006 to March 31, 2007) and results of audits by the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 3rd fiscal year (from April 1, 2006 to March 31, 2007)

Matters to be resolved:

- Item 1:** To elect seven (7) Directors
Item 2: To elect two (2) Corporate Auditors
Item 3: To elect one (1) Substitute Corporate Auditor

4. Exercise of voting rights

Please refer to “Exercise of Voting Rights” on pages 3 to 5.

If you decide to attend the meeting in person, please submit the enclosed voting right exercise form at the reception desk at the meeting location on the day of the meeting.

Should any change need to be made to the Reference Materials for the General Meeting of Shareholders, revised information shall be posted on the following website of the Company:
(<http://www.sesagammy.co.jp/japanese/ir/stockholder/index.html>)

Exercise of Voting Rights

1. Treatment of votes cast both by mail and via the Internet

When any shareholder exercises voting rights both by mail and via the Internet, only the Internet vote will be upheld as valid.

2. Treatment of votes cast more than once via the Internet

When any shareholder exercises a voting right more than once via the Internet, only the last vote will be upheld as valid. Similarly, when any shareholder exercises voting rights more than once via PC and via mobile phone, only the last vote will be upheld as valid.

3. Exercise of voting rights via the Internet

If you wish to exercise your voting rights via the Internet, please read and accept the following conditions before doing so. If you are attending the meeting in person, you do not need to vote by postal ballot or via the Internet.

(1) Voting website

- (i) You may exercise your voting rights by accessing the voting website designated by the Company (<http://www.evotep.jp/>) from a PC or mobile phone (i-mode, EZweb or Yahoo! mobile phone). (Please note that the site cannot be accessed between 2 a.m. and 5 a.m. daily. 「Japan Standard Time」) (“i-mode”, “EZweb” and “Yahoo!” are trademarks or registered trademarks of NTT DoCoMo, KDDI and U.S. Yahoo! Inc., respectively.)

You may also access the voting website by using a mobile phone equipped with a QR code reader to read the QR code on the right:

Please check the usage instructions for your mobile phone for further details regarding the use of the QR code reader.



- (ii) You may be unable to use the voting website depending on your Internet configuration, firewall, anti-virus software and proxy server settings.

- (iii) You must have access to either i-mode, EZweb or Yahoo! mobile phone services to exercise your voting rights via mobile phone. Please note that the voting website is only accessible from a mobile handset capable of communicating encrypted data (i.e. SSL) and mobile phone data for security purposes.
- (iv) You may exercise your voting right via the Internet **up until 18:00 Japan Standard Time on Monday, June 18, 2007**. However, we would like to encourage you to cast your vote as early as possible. For any inquiries concerning the exercise of voting rights via the Internet, please contact the helpdesk described on page 5.

(2) Voting on the Internet

- (i) Access the voting website (<http://www.evotep.jp/>), log on using the “voting right exercise code” and “temporary password” printed on the enclosed voting right exercise form, and follow the on-screen instructions (Japanese Language Only) to enter your “approval” or “disapproval.”
- (ii) In order to prevent unauthorized access by persons other than shareholders (“spoofing”) and falsification of entries, you are kindly requested to change the “temporary password.”
- (iii) The “voting right exercise code” and “temporary password” are issued separately for each General Meeting of Shareholders.

(3) Access costs

Please note that any costs incurred in accessing the voting website (e.g. dial-up connection fees and telephone charges) will be paid by the shareholders. Please note that any costs incurred in voting via mobile phone, including packet charges, will also be paid by the shareholders.

(4) Convocation notices by email

You may request to receive convocation notices for future General Meetings of Shareholders by email. If you are interested in applying for this service, please follow the procedure on the voting website. (Please note that registration cannot be completed via mobile phone and that mobile phone email addresses are not accepted.)

4. Electronic Proxy Voting Platform

Institutional investors can use the electronic voting platform that is operated by ICJ Inc., which is designed for institutional investors to exercise their voting rights electronically.

For inquiries concerning the online voting system:

[Helpdesk]

**Shareholder register manager: Transfer Agent Department, Mitsubishi UFJ
Trust and Banking Corporation**

Direct line: 0120-173-027 (Domestic [Japan] call only) (Weekdays 9:00- 21:00)

*** Please note that the above contact number is not for inquiries concerning shares.**

Reference Materials for the General Meeting of Shareholders

Agenda items and reference information

Item 1: To elect seven (7) Directors

The terms of office for all seven Directors will expire at the conclusion of this General Meeting of Shareholders. We are seeking the election of seven Directors. In connection with this, the election of seven Directors, including 2 new Outside Directors, is hereby proposed.

The nominees for Directors are as described below:

(* Nominees for Outside Directors)

Nominee No.	Name (Date of Birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies		Number of the Company's Shares Held	
1	Hajime Satomi (January 16, 1942)	Mar	1980	President and Representative Director of Sammy Industry Co., Ltd. (now Sammy Corporation)	43,569,338 shares
		Nov	2003	Chairman and Director of Sammy NetWorks Co., Ltd. (current position)	
		Feb	2004	Chairman and Representative Director of SEGA CORPORATION	
		May	2004	Chairman of JAMMA (Japan Amusement Machinery Manufacturers Association) (current position)	
		June	2004	Chairman, CEO and Representative Director of Sammy Corporation (current position)	
		June	2004	Chairman, CEO and Representative Director of SEGA CORPORATION (current position)	
		Oct	2004	Chairman of the Board and Chief Executive Officer of the Company (current position)	
		Mar	2005	Senior Advisor to Nichiyukyo (Japan Play Equipment Industry Association) (current position)	
		May	2005	Senior Advisor to NDK (Japan Electric Game Manufactures' Association) (current position)	
		June	2005	Chairman and Director of SEGA TOYS, LTD. (current position)	
		June	2005	Chairman and Director of TMS ENTERTAINMENT, LTD. (current position)	
Dec	2006	Chairman of Japan Amusement Industry Association (current position)			

Nominee No.	Name (Date of Birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies	Number of the Company's Shares Held
2	Hisao Oguchi (March 5, 1960)	<p>Apr 1984 Joined SEGA ENTERPRISES INC. (now SEGA CORPORATION)</p> <p>June 2000 Corporate Officer of the above</p> <p>June 2002 Senior Corporate Officer of the above</p> <p>June 2003 President and Representative Director of the above</p> <p>June 2004 President, COO and Representative Director of the above. (current position)</p> <p>Oct 2004 Vice Chairman and Director of the Company (current position)</p> <p>Aug 2005 CEO of SEGA HOLDINGS EUROPE LTD. (current position)</p> <p>May 2006 Chairman of SEGA HOLDINGS U.S.A., Inc. (current position)</p>	22,400 shares
3	Keishi Nakayama (July 23, 1942)	<p>Sep 1989 Joined Sammy Industry Co., Ltd. (now Sammy Corporation) as Division Manager of the General Affairs Division</p> <p>June 1993 Director and General Manager of the President's Office of the above</p> <p>Apr 1997 Director, General Manager of the President's Office and General Manager of Planning Division of the above</p> <p>Jan 2000 Managing Director and General Manager of the President's Office of the above</p> <p>Mar 2004 Senior Managing Director in charge of President's Office of Sammy Corporation</p> <p>Oct 2004 Senior Managing Director of the Company</p> <p>Jan 2005 Director of SEGA SAMMY ASSET MANAGEMENT INC. (current position)</p> <p>Apr 2005 Director of Sammy Corporation (current position)</p> <p>Apr 2005 Director of SEGA SAMMY GOLF ENTERTAINMENT INC.</p> <p>June 2005 Director of Sammy NetWorks Co., Ltd. (current position)</p> <p>June 2005 Director of SEGA TOYS, LTD. (current position)</p> <p>June 2005 Executive Vice President and Director of the Company (current position)</p> <p>June 2006 President and Representative Director of Wave Master Inc. (current position)</p> <p>July 2006 Chairman and Director of SEGA SAMMY GOLF ENTERTAINMENT INC. (current position)</p> <p>July 2006 President and Representative Director of SEGA SAMMY MEDIA INC.</p> <p>July 2006 Chairman and Director of the above (current position)</p>	400,100 shares

Nominee No.	Name (Date of Birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies		Number of the Company's Shares Held
4	Tadashi Ishida (January 17, 1944)	May 2003	Executive Vice President, Representative Director and CFO of McDonald's Japan	0 shares
		Apr 2005	Senior Managing Director of Sammy Corporation	
		June 2005	Director of Shuko Electronics Co., Ltd (now Sammy Systems Corporation)	
		June 2005	Corporate Auditor of RODEO Co., Ltd	
		June 2005	Corporate Auditor of SI ELECTRONICS, LTD.	
		Aug 2005	Senior Managing Director and Division Manager of Corporate Division, Sammy Corporation	
		Feb 2006	President and Representative Director of SEGA SAMMY INVESTMENT INC. (current position)	
		Feb 2006	President and Representative Director of SEGA SAMMY ASSET MANAGEMENT INC.	
		Feb 2006	Senior Executive Officer in charge of Administration Division and Managing Administration Division Office of the Company	
		June 2006	Senior Managing Director of the Company (current position)	
		July 2006	Director and Division Manager in charge of Corporate Division, Sammy Corporation (current position)	
		Jan 2007	President and Representative Director of SEGA SAMMY GOLF ENTERTAINMENT INC. (current position)	
		Jan 2007	Director of SEGA SAMMY ASSET MANAGEMENT INC. (current position)	
5	Toru Katamoto (September 10, 1946)	Mar 1978	Joined Sammy Industry Co., Ltd. (now Sammy Corporation)	200,000 shares
		Mar 1989	Director and General Manager, Material Dept. of the above	
		Apr 1997	Managing Director and General Manager of SP Sales Div. of the above	
		June 1999	Senior Managing Director and General Manager of SP Sales Div. of the above	
		June 2004	Vice Chairman and Representative Director of the above	
		Feb 2005	President and Representative Director of the above (current position)	
		Apr 2005	Chairman and Representative Director of Sammy Design Co., Ltd. (current position)	
		May 2005	Director of G & E Corporation (current position)	
		June 2005	Director of the Company (current position)	
		June 2005	Director of NISSHO INTER LIFE CO., LTD. (current position)	

Nominee No.	Name (Date of Birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies		Number of the Company's Shares Held
6	* Akio Kioi (August 5, 1934)	Apr 1960	Registered with The Japan Federation of Bar Associations	0 shares
		Apr 1962	Establishment of the Naniwa-kyodo Law Office	
		Apr 1996	Chairman of Japan Federation of Bar Associations	
		June 1997	Outside Corporate Auditor of HURXLEY CORPORATION (current position)	
		Apr 1999	Vice President and Representative Director of The Resolution and Collection Corporation	
		Aug 1999	President and Representative Director of the above	
		Mar 2004	Outside Corporate Auditor of SHOWA SHELL SEKIYU K. K. (current position)	
		June 2004	Outside Corporate Auditor of Sammy Corporation (current position)	
		Oct 2004	Outside Corporate Auditor of the Company (current position)	
		Oct 2006	Representative Director of Naniwa-kyodo L.P.C. (current position)	
7	* Yuji Iwanaga (April 3, 1941)	Apr 1981	Registered with The Japan Federation of Bar Associations	0 shares
		Apr 1981	Joined Yanagita Sakuragi Law Office	
		Sep 1984	Partner of Lillick McHose and Charles Law Office (Now Pillsbury Winthrop Shaw Pittman LLP) (current position)	
		Dec 1984	Registered with the State Bar of California	
		Apr 2003	Outside Director of Manufacturers Bank (current position)	
		July 2005	Outside Director of JMS North America Corporation (current position)	
		July 2006	Outside Director of TAIYO YUDEN Co.,Ltd. (current position)	

- Notes: (1) Director-nominee Hajime Satomi serves as Chairman, CEO and Representative Director of SEGA CORPORATION and Sammy Corporation and as Chairman and Director of Sammy NetWorks Co., Ltd., SEGA TOYS, LTD. and TMS ENTERTAINMENT, LTD. Business arrangements including a lease agreement exists between Director-nominee Satomi and the Company.
- (2) No specific conflicts of interest exist between the Company and the other Director-nominees.
- (3) Director-nominees Akio Kioi and Yuji Iwanaga are Outside Director-nominees.
- (4) Rationale for the appointment of the Outside Director-nominees, independence as Outside Directors, and Limited Liability Agreements for Outside Directors
- (a) Rationale for the appointment of the Outside Director-nominees and their independence
- (i) We seek to appoint Mr Kioi as an Outside Director so that the management of the Company may benefit from the viewpoint of his expertise as a lawyer, abundant experience as a manager, and broad insight. Director-nominee Kioi served as an Outside Corporate Auditor of the Company in the past three years.
 - (ii) We seek to appoint Mr Iwanaga as an Outside Director so that the management of the Company may benefit from the viewpoint of his expertise as an international lawyer and broad insight into the management of a global corporation.
 - (iii) Neither Mr Kioi nor Mr Iwanaga shall receive considerable cash payments or any other assets from the Company or businesses related to the Company (excluding remuneration for services rendered as Director or Corporate Auditor), and nor has either received such payment in the past two years.
 - (iv) Neither Mr Kioi nor Mr Iwanaga have relatives within the third degree or spouses of executive officers of the Company or businesses related to the Company.

- (v) Neither Mr Kioi nor Mr Iwanaga has served as an executive officer in any company in which the Company has acquired duties or obligations acquired through merger, spin-off or reorganization, or transfer of business in the past two years for any period immediately prior to the aforementioned event.
- (b) Rationale for determining competence to perform duties as an Outside Director
Mr Iwanaga has performed at a high level in international corporate law and international corporate legal affairs in a global corporation from the viewpoint of an expert international lawyer. Furthermore, Mr Iwanaga has business management experience gained in senior corporate management prior to his registration as an attorney. Thus, given Mr Iwanaga's deep insight into management, we judge Mr Iwanaga capable of properly performing the duties of an Outside Director.
- (c) Improper execution of duties, preventive measures against reoccurrence of such, and follow-up responses
During the term of Mr Kioi's term in office as Outside Corporate Auditor, there was an accident resulting in a fatality at Tokyo JOYPOLIS, a facility managed by company subsidiary SEGA CORPORATION, on April 18, 2005. Also, the Company received advice from the Fair Trade Commission on November 15, 2006 that it had violated the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. Mr Kioi had no direct involvement in either of the aforementioned incidents. As Outside Corporate Auditor, however, Mr Kioi regularly made suggestions to the Board of Directors of the Company from the viewpoint of compliance with the relevant laws and regulations, and actively alerted the Company to risk management-related issues. Following the aforementioned incidents, Mr Kioi engaged in discussions with the other auditors as a member of the Board of Corporate Auditors and carried out his duty in issuing instructions for compliance with the relevant laws and regulations, the development of regulations, and enhancement of preventive measures against the reoccurrence of such incidents.
- (d) Limited Liability Agreements
No Limited Liability Agreements have been concluded between the company and Messrs Kioi or Iwanaga, and no such agreements shall be concluded.

Item 2: To elect two (2) Corporate Auditors

The Company is seeking to elect two Corporate Auditors, as Messrs Akio Kioi and Ryoichi Arai will retire from office at the forthcoming General Meeting of Shareholders. Corporate Auditor-nominees Enomoto and Miyazaki are nominated to replace Messrs Kioi and Arai, respectively, to serve in office for the remaining terms of the outgoing Corporate Auditors, as stipulated in the Articles of Incorporation.

Corporate Auditor-nominee Kioi is also an Outside Director-nominee as described in “Item 1: To Elect of Seven (7) Directors.” The approval of the Board of Corporate Auditors has been obtained for this proposal. The Corporate Auditor-nominees are as follows.

Nominee No.	Name (Date of Birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies			Number of the Company's Shares Held
1	Hisashi Miyazaki (January 24, 1953)	Nov 1984	Joined SEGA ENTERPRISES INC. (now SEGA CORPORATION)	0 shares	
		June 2001	Accounting Manager of the Accounts and Finance Division of the above		
		July 2003	Financial Manager of the same division of the above		
		Apr 2006	Financial Manager of the Corporate Division of the above (current position)		
2	Mineo Enomoto (December 12, 1950)	Apr 1978	Registered with The Japan Federation of Bar Associations	2,000 shares	
		May 2000	Establishment of Mineo Enomoto Law Firm (current position)		
		June 2004	Outside Corporate Auditor of Sammy NetWorks Co., Ltd. (current position)		
		June 2004	Outside Corporate Auditor of SEGA CORPORATION (current position)		
		June 2005	Substitute Corporate Auditor of the Company		
		June 2006	Substitute Corporate Auditor of the Company (current position)		
		June 2006	Outside Corporate Auditor of NIPPON KOEI CO., LTD. (current position)		

- Notes: (1) No specific conflicts of interest exist between the Company and the Corporate Auditor-nominees named above.
- (2) Corporate Auditor-nominee Mineo Enomoto is an Outside Corporate Auditor-nominee.
- (3) Rationale for the appointment of the Outside Corporate Auditor-nominee, independence as Outside Corporate Auditor, and Limited Liability Agreements for Outside Corporate Auditor
- (a) Rationale for the appointment of the Outside Corporate Auditors-nominee and their independence
- (i) We seek to appoint Mr Enomoto as an Outside Corporate Auditor so that the management of the Company may benefit from the viewpoint of his expertise as a lawyer and broad insight into management.
- (ii) Mr Enomoto shall not receive considerable cash payments or any other assets from the Company or businesses related to the Company (excluding remuneration for services rendered as Corporate Auditor), and nor has he received such payment in the past two years.

- (iii) Mr Enomoto has one relative within the third degree who is currently employed by SEGA CORPORATION a business related to the Company.
 - (iv) Mr Enomoto has not served as an executive officer in any company in which the Company has acquired duties or obligations acquired through merger, spin-off or reorganization, or transfer of business in the past two years for any period immediately prior to the aforementioned event.
- (b) **Rationale for determining competence as an Outside Corporate Auditor**
Mr Enomoto has performed at a high level in corporate law as an expert lawyer. Thus, given Mr Enomoto's deep insight into management, we judge him capable of properly performing the duties of an Outside Corporate Auditor.
- (c) **Improper execution of duties, preventive measures against reoccurrence of such, and follow-up responses**
During Mr Enomoto's term in office as Outside Corporate Auditor, there was an accident resulting in a fatality at Tokyo JOYPOLIS, a facility managed by company subsidiary SEGA CORPORATION, on April 18, 2005. Also, the Company was advised by the Fair Trade Commission on November 15, 2006 that it had violated the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. Mr Enomoto had no direct involvement in either of the aforementioned incidents. As Outside Corporate Auditor, however, he regularly made suggestions to the Board of Directors of the Company from the viewpoint of compliance with the relevant laws and regulations, and actively alerted the Company to risk management-related issues. Following the aforementioned incidents, Mr Enomoto carried out discussions with the other auditors as a member of the Board of Corporate Auditors carried out his duty in issuing instructions for compliance with the relevant laws and regulations, development of regulations, and enhancement of preventive measures against reoccurrence of such incidents.
- (d) **Limited Liability Agreements**
No Limited Liability Agreements shall be concluded between the Company and Mr Enomoto. However, the minimum standards stipulated in the relevant laws and regulations shall be applied as the liability limits for damages, except in cases of malice or gross negligence, pursuant to Article 427, paragraph 1 of the Corporate Law, regarding liability indemnity under Article 423, paragraph 1 of the Corporate Law.

Item 3: To elect one (1) Substitute Corporate Auditor

To provide for a case of vacancy in the Board of Corporate Auditors that results in insufficiency in the number of such auditors as stipulated in relevant laws and regulations, we ask our shareholders to elect one Substitute Corporate Auditor. We have already obtained the approval of the Board of Corporate Auditors with respect to this proposal.

The nominee for the position of Substitute Corporate Auditor is shown below:

Name (Date of birth)	Brief Career Profile, Responsibilities at the Company and Status at Other Companies			Number of the Company's Shares Held
Kiyofumi Sakino (April 21, 1948)	June	1999	Joined Sammy Corporation as Director and Division Manager of the Administration Division	36,000 shares
	June	2000	Managing Director, Division Manager of Administration Division, and also in charge of AM sales of the above	
	June	2001	Managing Director, in charge of Administration Division and Managing Administration Division Office of the above	
	Apr	2003	Managing Director, Division Manager of Administration Division, and also in charge of Managing Administration Division Office of the above	
	Apr	2004	Managing Director, in charge of Administration Division and Managing Administration Division Office of the above	
	June	2004	Managing Director, Division Manager of the SEGA SAMMY Business Combination Planning Office, and also in charge of Managing Administration Division Office.	
	Aug	2004	Director of NISSHO INTER LIFE CO., LTD	
	Oct	2004	Managing Director of the Company	
June	2005	Chairman and Representative Director of NISSHO INTER LIFE CO., LTD (current position)		

Note: There is no specific conflict of interest between the above nominee for Substitute Corporate Auditor and the Company.

Venue of the 3rd Ordinary General Meeting of Shareholders

- 1. Date and time:** Tuesday, June 19, 2007 at 10:00 a.m.
2. Venue: Convention Hall (Second Basement)
The Prince Park Tower Tokyo
4-8-1, Shiba Koen, Minato-ku, Tokyo, 105-8563, Japan
<http://www.princejapan.com/TokyoPrinceHotelParkTower/index.asp>

Please note that the venue is The Prince Park Tower Tokyo, not the Tokyo Prince Hotel located nearby.

By Railway

Nearest Subway Stations:

- 2 minute walk to Akabane Bashi Station (Oedo Line) – direct access to Roppongi, Aoyama, Shinjuku
- 3 minute walk to Shiba Koen Station (Mita Line)
- 9 minute walk to Daimon Station (Asakusa Line & Oedo line) – direct access to Asakusa

Nearest JR Yamanote Line Station:

- 10 minute walk to Hamamatsucho Station – 2 stations to Shinagawa