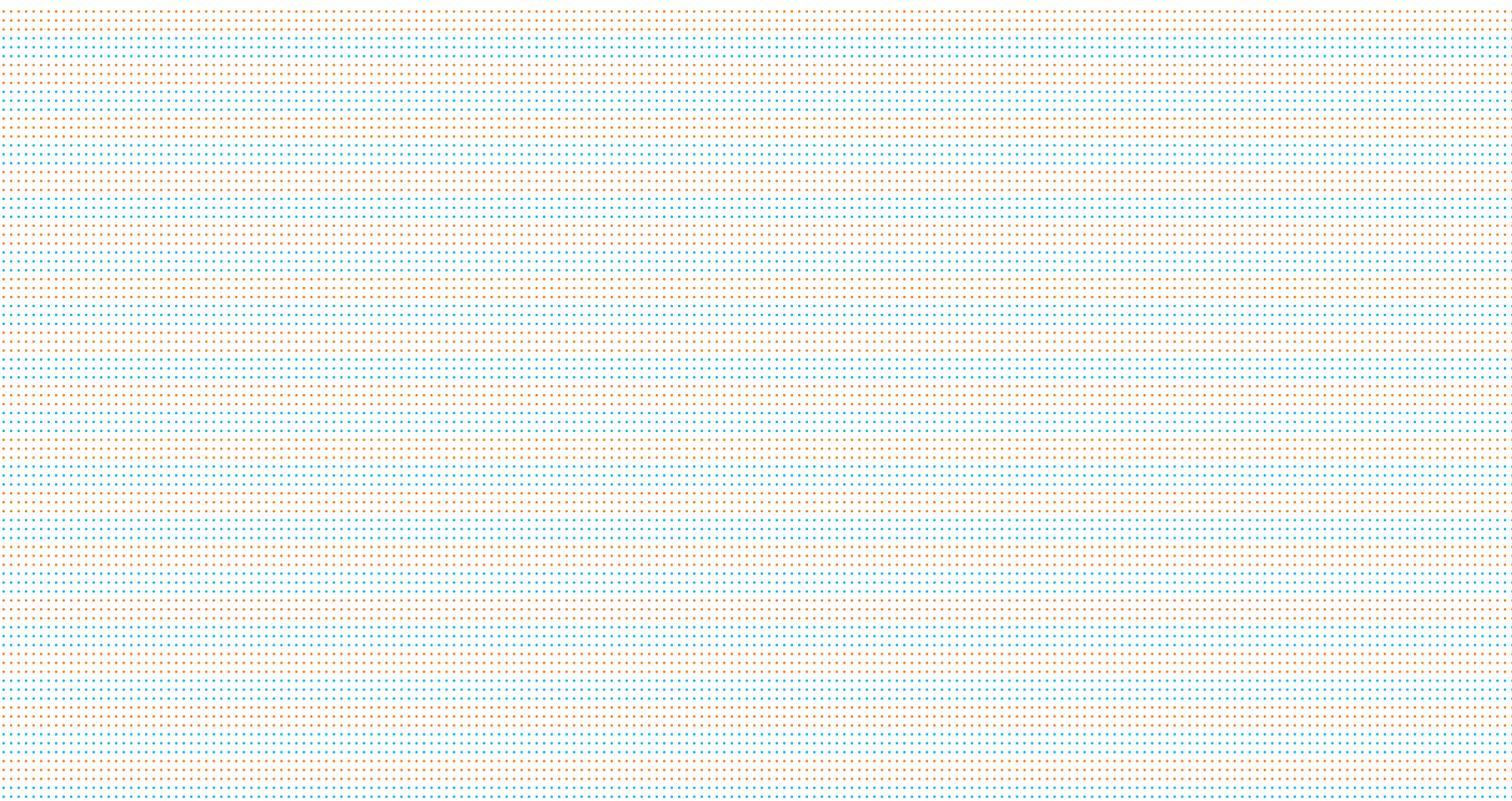


FunBiz

Vol. 4

CONSOLIDATED INTERIM REPORT (April 1, 2007 – September 30, 2007)



By providing entertainment
filled with **dreams** and
excitement
to people throughout the world,
we will strive to enrich our society
and culture.

This Consolidated Interim Report contains “forward-looking statements” as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on Management’s assumptions and beliefs taking into account information currently available to it.

Such statements in this Consolidated Interim Report are forward-looking and therefore subject to risks and uncertainties that could cause actual results, performance or events to differ materially from those in such statements.

Financial Highlights

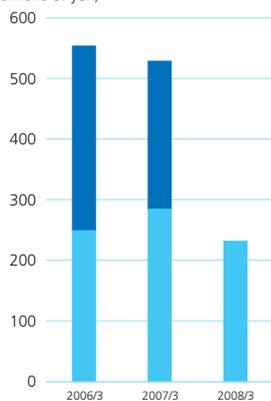
Millions of yen

Item	April 1, 2006–September 30, 2006	April 1, 2007–September 30, 2007
Net sales	283,551	231,053
Operating income (loss)	62,931	(4,384)
Ordinary income (loss)	66,029	(3,929)
Net income (loss)	37,997	(20,266)
Net income (loss) per share (yen)	150.80	(80.44)
Cash dividends per share (yen)	30.00	30.00

Item	March 31, 2007	September 30, 2007
Total assets	549,940	516,442
Net assets	358,858	321,804

Net Sales

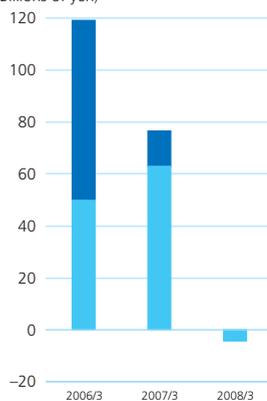
(Billions of yen)



■ Full year ■ Interim period

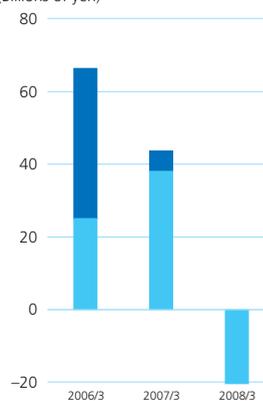
Operating Income (Loss)

(Billions of yen)



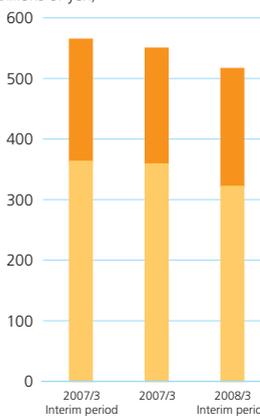
Net Income (Loss)

(Billions of yen)



Total Assets & Net Assets

(Billions of yen)



■ Total assets ■ Net assets

To Our Shareholders



I am pleased to have this opportunity to report our performance for the interim fiscal period ended September 30, 2007.

In the interim period, SEGA SAMMY Group recorded lower sales and profits year on year. On a consolidated basis, net sales were ¥231.0 billion, ordinary loss was ¥3.9 billion, and net loss was ¥20.2 billion. These were disappointing results, and we are currently working on several initiatives to improve performance going forward.

This performance is attributable to a number of factors. In the pachislot machine business, there was a delay in the acquisition of approvals for major titles accompanying the aggressive development of innovative new-format regulation machines. In the pachinko machine business, we deferred the launch of certain titles for the purpose of further enhancing quality. As a result, in both the pachislot machine business and the pachinko machine business, the number of units sold declined year on year. In addition, due to the special limited-time discounts and rental plans offered to assist the pachinko hall industry in making the transition to new regulation machines, profitability declined in the Pachislot and Pachinko Machine Business segment. Moreover, results were sluggish at existing centers in the Amusement Center Operations segment, and domestic sales of videogame software were weak.

Based on these results, we have identified the following challenges, and we are committed to resolving them.

In the pachinko machine business, which has a larger market scale than the pachislot machine business, there is substantial room for us to expand our share. Accordingly, one of our key management challenges is to develop our pachinko machine business into a pillar of revenues and profits on a par with our pachislot machine business. By further bolstering the new development system that we introduced in the second half of the previous fiscal year, we will build a system that can steadily create hit products and secure market share. Specifically, at each major development point, we will implement rigorous quality checks, including those by external specialists, and by utilizing external development resources, we will implement diverse planning and development activities.

Next, we will raise profitability in the Amusement Center Operations segment. For the full fiscal year, we are forecasting an operating loss, and the improvement of profitability in the Amusement Center Operations segment is an important management challenge. In accordance with assessments of the future potential and profitability of each center, SEGA has decided to close or sell nearly 100 centers with low gross profits. To optimize our portfolio of centers, we will rigorously implement a scrap-and-build policy for existing centers and will strategically add new centers in accordance with clearly defined center-opening standards. Moreover, to dramatically improve profitability throughout our operations, we will formulate additional measures, such as increasing sales by strengthening our operational capabilities.

Finally, we will improve revenues and profits in the domestic consumer business. In an environment marked by progress in the adoption of new platforms and continued market growth, the Group's profitability remains low, and improving revenues and profits in the domestic consumer business is an especially important management challenge. By reevaluating our lineup strategy and clarifying our key titles, we will effectively allocate our development and promotional resources. Furthermore, through strategic mix of titles developed in-house and titles for which development has been outsourced, we will effectively utilize our in-house development workforce and control development expenses.

For the fiscal year ending March 2008, we forecast net sales of ¥540.0 billion, ordinary income of ¥20.0 billion, and net income of ¥1.0 billion.

To achieve a recovery in revenues and profit in the next fiscal year and thereafter and to realize long-term growth, we will resolutely reform our revenue and profit structure in the current period and work to establish a stronger organizational framework. Everyone in the Group will work together to achieve these goals, and we would like to ask for your continued support in the years ahead.

December 2007



Hajime Satomi

Chairman of the Board and Chief Executive Officer

Topics

Sammy Launches the First New-Format Title in the *Hokuto No Ken* Pachislot Machine Series – *Hokuto No Ken 2 Ransei Haoden Tenha No Sho*

Following the success of the original title, which recorded the highest number of units sold in the history of the industry, the pachislot *Hokuto No Ken* series has earned enduring popularity. In July 2007, Sammy launched the latest *Hokuto No Ken* title – *Hokuto No Ken 2 Ransei Haoden Tenha No Sho* – which is the first new-format regulation machine in that series.

The lead role is played by *Rao*, who, in previous titles, was locked in a struggle with *Kenshiro*. Through the use of *Doughnut Vision* – a doughnut-shaped LCD – and the latest graphics chips, we have realized more powerful, higher-quality graphics and faithfully reproduced the world of *Hokuto No Ken*. The new game includes *Hao Mode*, which is an advanced version of the *Battle Mode* that has earned popularity among fans, thereby achieving entertainment value that can be enjoyed by a wide range of players. In the future, Sammy will continue to draw on its unique creativity and development capabilities to expand the player base and contribute the revitalization and further development of the industry.



*Hokuto No Ken 2
Ransei Haoden Tenha No Sho*
©Buronson • Tetsuo Hara/NSP
A licensed identification of copyright SAD-304,
©Sammy

SEGA Will Globally Launch a Game Based on the *His Dark Materials* Movie Series



The Golden Compass

SEGA has concluded a licensing agreement with New Line Cinema and Scholastic Media for the production of a game based on the movie inspired by the *His Dark Materials* trilogy and will launch the game in coordination with the world-wide opening of the first movie in the series.

The *His Dark Materials* trilogy, written by U.K. author Philip Pullman, are best-selling novels that have sold more than 10 million copies worldwide. The trilogy comprises *The Golden Compass* (*Northern Lights* in the U.K.), *The Subtle Knife*, and *The Amber Spyglass*. December 7, 2007, will mark the premier of *The Golden Compass*, a major motion picture produced with a budget of \$150 million. The film will open in Japan on March 1, 2008. This film is being produced by New Line Cinema, which also produced the *Lord of the Rings* trilogy, and stars Oscar-winning actress Nicole Kidman and Daniel Craig, who played James Bond in *Casino Royale*.

From the start of filming, SEGA has received priority access to such materials as images of performers and computer graphics animations, enabling the production of a game with a setting as close to that of the movie as possible. In the U.S. and Europe, awareness of the novels is extremely strong, and we have high expectations for the game, which will be launched at the same time as the movie opens.

Progress in the Alliance between Sammy and TAIYO ELEC

In March 2007, through a third-party placement, Sammy acquired shares in TAIYO ELEC Co., Ltd. (JASDAQ stock code: 6429) – which develops, produces, and sells pachinko machines, pachislot machines, and arrange ball machines – and agreed to enter a business and capital alliance with TAIYO ELEC for operations relating to pachinko machines, pachislot machines, arrange ball machines, jankyu machines and other entertainment businesses. Since that time, Sammy and TAIYO ELEC have considered the details of the agreement in the areas of machine development, production, and sales. As a result, it was determined at a meeting of the board of directors held on November 9, 2007, to sell a major pachislot title developed by TAIYO ELEC – *Densetsu No Miko* – through Sammy's nationwide sales network.

In the future, the two companies will continue working to bolster their cooperative relationship with the objective of contributing to the development of the pachinko and pachislot machine market.

SEGA launched *Magical Dance on dream stage*, an entirely new type of game that integrates kids card games and rhythm action games.

In November 2007, SEGA launched *Magical Dance on dream stage* at amusement facilities and shopping centers throughout Japan. This game is the newest entry in kids card games, a category that SEGA established by making hits of such products as *MUSHIKING The King of Beetles* and *LOVE AND BERRY Dress Up and Dance!*. *Magical Dance on dream stage* is different from conventional kids card games in that the player dances together with the characters on the screen. There are sixty different cards with Disney characters, and in the future, we plan to increase the number of card varieties in conjunction with version enhancements.

Moreover, this is the first arcade game that offers multiple Disney characters, and in addition to card collectability it offers the fun of dancing with Disney characters. It can be enjoyed by a wide range of customers, from small children to adults.

Magical Dance on dream stage draws on the Disney brand image and popularity, which spans all genders and ages, with the technical development capabilities and content know-how of SEGA. *Magical Dance on dream stage* is expected to be key force in driving innovation in the amusement industry.



Magical Dance on dream stage
© Disney



Pachislot and Pachinko Machine Business

Contribution to Net Sales



Devil May Cry 3
© CAPCOM CO., LTD. 2005 ALL RIGHTS RESERVED/
ILLUSTRATIONS: Kazuma Kaneko / ATLUS
© Sammy © RODEO



CR Sakura Taisen
© SEGA © RED © Sammy

The pachislot and pachinko industry has been responding to revisions enacted in July 2004 to regulations pertaining to the law in Japan governing gaming machines. As a result, almost all pachislot models conforming to the old format had been replaced by new-format models by September 30, 2007. Faced with continuing declines in the number of pachinko halls, the industry as a whole must attract a wider range of users and reinvigorate the market by actively developing and supplying innovative new-format models.

In the pachislot machine business, the SEGA SAMMY Group launched a variety of new-format models in step with the adoption of these models by pachinko halls. These models included *Pachislot Hokuto No Ken 2 Ransei Haoden Tenha No Sho*, a pachislot machine with even richer graphics than its predecessors, the *Pachislot Hokuto No Ken* and *Pachislot Hokuto No Ken SE* models, which became unprecedented top-selling products, and *Devil May Cry 3*. Consequently, the SEGA SAMMY Group sold a total of 310 thousand pachislot machines and maintained its top share of the market. However, during the first half of the fiscal year, the SEGA SAMMY Group provided a pachislot machine rental service for a limited time period. This was part of a cooperative measure to support the adoption of new-format machines by pachinko halls. As a result, profitability in the pachislot machine business was lower than in the same period of the previous fiscal year.

In the pachinko machine business, despite strong sales of *CR Sakura Taisen*, which uses content from SEGA CORPORATION's popular game *Sakura Taisen*, the SEGA SAMMY Group postponed sales of some titles in order to improve their quality. Consequently, total sales of pachinko machines amounted to only 56 thousand machines.

As a result of the above, net sales in this segment totaled ¥100,291 million, down 31.2% year on year, and operating income was ¥12,174 million, a decline of 80.9%.

Main Pachislot Machines and Units Sold (Thousands)

Model name	Brand	Units sold
<i>Pachislot Hokuto No Ken 2 Ransei Haoden Tenha No Sho</i>	Sammy	116
<i>Devil May Cry 3</i>	Rodeo	48
<i>Ring Ni Kakero 1</i>	Ginza	46
<i>Pachislot Urusei Yatsura</i>	Ginza	27
<i>DISC UP Alternative</i>	Sammy	15
Others		55
Total		310

Main Pachinko Machines and Units Sold (Thousands)

Model name	Brand	Units sold
<i>CR Sakura Taisen</i>	Sammy	41
<i>CR Aladdin Destiny</i>	Sammy	7
Others		7
Total		56

Amusement Machine Sales Business

Contribution to Net Sales



In the amusement machine sales industry, large medal game machines, and large game machines using card systems remain popular among players and are driving market growth. Both of these game machines have carved out separate market niches apart from home-use videogame consoles.

In the amusement machine sales business, the SEGA SAMMY Group plans to concentrate sales of major titles in the second half. However, in the first half, titles launched in the previous fiscal year sold well. These included the *Ami-gyo* series, a new type of medal game that everyone from couples to families can enjoy, and *StarHorse2 SECOND FUSION*, a new-generation horse racing medal game.

As a result, net sales in this segment were ¥36,731 million, down 0.6%, and operating income was ¥1,898 million, a decrease of 71.5%.



Amusement Center Operations

Contribution to Net Sales



Tokyo Joypolis



Dinosaur King



In amusement center operations, the trend toward larger, multi-purpose amusement centers has been proceeding apace, in parallel with continuing growth in the market for family-oriented amusement centers within shopping centers. With the popularity of children's card game machines in recent years having largely run its course, the market is currently awaiting the arrival of new games for light users such as families.

In amusement center operations, sales at existing centers were lower than in the same period of the previous fiscal year. In the kids' card game machine business, *Dinosaur King* recorded strong sales by capturing synergies with an animated television series. However, the popularity of other content tapered off, leading to a drastic year on year overall decline in sales volume of kids' cards.

During the first half, 6 new amusement centers were opened in Japan, while 22 locations were closed. As a result, the Group had a total of 433 amusement centers as of September 30, 2007.

As a result, net sales in this segment were ¥47,906 million, down 10.6%, and operating loss was ¥2,294 million, compared to an operating income of ¥2,953 million a year earlier.

Consumer Business

Contribution to
Net Sales



SHINING WIND



SONIC RUSH ADVENTURE

In the home videogame software and toys industry, new platforms launched since the end of 2005 have further penetrated the market, resulting in growing demand for videogame software. Furthermore, portable game consoles have successfully attracted a broader range of users than traditional videogame players, which has helped to reinvigorate the market.

In the consumer business, videogame software sales were 4,910 thousand copies, a decrease of 840 thousand copies from the first half of the previous fiscal year. This was mainly attributable to plans to concentrate sales of major titles in Japan and overseas mainly during the second half. Additionally, with the strengthening of the research and development structure, costs for research and development rose year over year. By region, the SEGA SAMMY Group recorded videogame software sales of 910 thousand copies in Japan, 1,720 thousand in the U.S., 2,270 thousand in Europe, and 20 thousand in other regions. In Japan, strong-selling videogame software titles included *SHINING WIND*, while overseas *SEGA Rally Revo* and *SONIC RUSH ADVENTURE* sold well.

In the toy sales segment, sales were weak in Japan, but overseas sales were buoyant, especially for *idog*. In addition, the Group performed well in content for mobile phones, but overseas sales of animated videos were weak.

As a result, net sales in this segment were ¥41,444 million, an increase of 1.6% year on year. The Group also recorded an operating loss of ¥12,545 million, compared to an operating loss of ¥6,763 million a year earlier.

Others

This segment covers planning, design, management, construction, and other services involving commercial and other facilities. Segment sales totaled ¥8,709 million, down 17.3%, and the operating loss was ¥214 million, compared to an operating loss of ¥414 million in the same period a year earlier.

Interim Consolidated Balance Sheets

Millions of yen

Item	March 31, 2007	September 30, 2007	Item	March 31, 2007	September 30, 2007
Assets			Liabilities		
Current assets	312,175	291,079	Current liabilities	153,021	160,159
Cash and deposits	146,645	136,599	Notes and accounts payable-trade	71,414	71,205
Notes and accounts receivable-trade	83,492	65,401	Short-term bank loan and current portion of long-term debt	29,244	28,471
Marketable securities	996	1,996	Income taxes payable	12,059	17,783
Inventories	40,117	40,466	Accrued employees' bonuses	1,731	1,708
Others	41,493	47,198	Accrued directors and corporate auditors bonuses	489	47
Allowance for doubtful accounts-current	(571)	(582)	Allowance for sales return	225	78
Fixed assets	237,765	225,363	Allowance for game points earned by customers	119	124
Tangible fixed assets	111,897	112,189	Others	37,738	40,740
Buildings and structures	31,165	29,203	Non-current liabilities	38,060	34,478
Land	46,029	47,935	Bonds payable	15,695	10,220
Others	34,702	35,050	Long-term debt, less current portion	1,111	3,340
Intangible fixed assets	25,267	21,732	Severance and retirement allowance	8,429	8,992
Goodwill	18,524	15,130	Retirement benefits for directors and corporate auditors	1,293	1,305
Others	6,743	6,601	Others	11,531	10,619
Investments and other assets	100,600	91,441	Total liabilities	191,082	194,637
Investments securities	63,471	49,070	Net assets		
Others	44,850	49,921	Common stock	29,953	29,953
Allowance for doubtful accounts non-current	(7,721)	(7,550)	Capital surplus	171,096	171,095
① Total assets	549,940	516,442	Retained earnings	221,172	192,504
			Treasury Stock	(73,656)	(73,675)
			Total shareholders' equity	348,565	319,877
			Unrealized gains on securities, net of taxes	4,779	(3,296)
			Unrealized losses on hedging derivatives, net of taxes	(17)	(3)
			Land revaluation difference, net of taxes	(7,505)	(7,505)
			Foreign currency translation adjustments	(7,752)	(7,695)
			Total accumulated losses from revaluation and translation	(10,496)	(18,501)
			Share subscription rights	454	811
			Minority interest	20,334	19,617
			Total net assets	358,858	321,804
			② Total liabilities and net assets	549,940	516,442

① Total assets

Total assets at September 30, 2007 were ¥516,442 million, a decrease of ¥33,497 million from March 31, 2007. This mainly reflected a decrease in notes and accounts receivable and a decrease due to the write-down of investment securities and other factors. The current ratio remained at a high level of 181.7%.

Note: Amounts less than ¥1 million have been rounded down.

② Net assets

Net assets were ¥321,804 million, ¥37,053 million lower than at the previous fiscal year-end. This decrease was mainly the result of the net loss of ¥20,266 million and a decrease of ¥7,558 million due to the cash dividends paid.

As a result, the equity ratio was 58.4% at September 30, 2007, down 3.1 points from March 31, 2007.

Interim Consolidated Statements of Income

Millions of yen

Item	April 1, 2006–September 30, 2006	April 1, 2007–September 30, 2007
Net sales	283,551	231,053
Cost of sales	158,922	172,827
Gross profit	124,628	58,226
Selling, general and administrative expenses	61,696	62,610
Operating (loss) income	62,931	(4,384)
Non-operating income	4,364	1,851
Non-operating expenses	1,266	1,396
Ordinary (loss) income	66,029	(3,929)
Extraordinary income	760	1,745
Extraordinary expenses	1,177	6,381
(Loss) income before income taxes and minority interest	65,612	(8,565)
Income taxes – current	28,746	17,198
Income taxes – deferred	(1,906)	(5,530)
Minority interest	774	32
Net (loss) income	37,997	(20,266)

The SEGA SAMMY Group recorded pachislot machine sales of 310 thousand units, down 50 thousand units year on year due to delays in the acquisition of licenses for major titles. In addition, sales of pachinko machines decreased by 24 thousand units year on year to 56 thousand machines because of the postponement of sales of some titles to improve their quality. In the amusement machine sales business, strong sales were recorded in large medal games launched in the previous fiscal year and other products. In amusement center operations, however, sales at existing centers declined year on year. In the consumer business, sales of major titles are expected to be concentrated in the second fiscal half, with certain related R&D expenses incurred during the first half.

As a result of the above, interim net sales totaled ¥231,053 million, a decrease of 18.5% year on year. In addition, the SEGA SAMMY Group recorded an operating loss of ¥4,384 million, compared with operating income of ¥62,931 million in the same period of the previous fiscal year. Moreover, due mainly to income taxes incurred at Sammy Corporation, but also to impairment loss being recorded in China-related businesses and on certain amusement centers, the SEGA SAMMY Group recorded a net loss of ¥20,266 million, compared with net income of ¥37,997 million in the same period a year earlier.

Note: Amounts less than ¥1 million have been rounded down.

Interim Consolidated Statements of Changes in Net Assets

Millions of yen

April 1, 2007–September 30, 2007

	Shareholders' equity					Accumulated gains (losses) from valuation and translation adjustments	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on securities, net of taxes	Unrealized losses on hedging derivatives, net of taxes
Balances as of March 31, 2007	29,953	171,096	221,172	(73,656)	348,565	4,779	(17)
Changes in the term							
Dividend of retained earnings			(7,558)		(7,558)		
Net income (loss)			(20,266)		(20,266)		
Effect from changes of accounting policies of foreign subsidiaries			(862)		(862)		
Purchase of treasury stock				(26)	(26)		
Sale of treasury stock		(1)		7	6		
Consolidation scope change			19		19		
Changes in the item except shareholders' equity (net amount)						(8,075)	13
Total changes in the term	—	(1)	(28,668)	(19)	(28,688)	(8,075)	13
Balances as of September 30, 2007	29,953	171,095	192,504	(73,675)	319,877	(3,296)	(3)

	Accumulated gains (losses) from valuation and translation adjustments			Share subscription rights	Minority interest	Total net assets
	Land revaluation difference, net of taxes	Foreign currency translation adjustments	Total accumulated losses from revaluation and translation			
Balances as of March 31, 2007	(7,505)	(7,752)	(10,496)	454	20,334	358,858
Changes in the term						
Dividend of retained earnings						(7,558)
Net loss						(20,266)
Effect from changes of accounting policies of foreign subsidiaries						(862)
Purchase of treasury stock						(26)
Sale of treasury stock						6
Consolidation scope change						19
Changes in the item except shareholders' equity (net amount)	—	57	(8,005)	356	(716)	(8,364)
Total changes in the term	—	57	(8,005)	356	(716)	(37,053)
Balances as of September 30, 2007	(7,505)	(7,695)	(18,501)	811	19,617	321,804

Note: Amounts less than ¥1 million have been rounded down.

Interim Consolidated Statements of Cash Flows

Millions of yen

Item	April 1, 2006–September 30, 2006	April 1, 2007–September 30, 2007
③ Net cash provided by operating activities	57,691	8,244
④ Net cash used in investing activities	(27,793)	(10,199)
⑤ Net cash used in financing activities	(12,757)	(7,511)
Effect of exchange rate changes on cash and cash equivalents	201	(44)
Net (decrease) increase in cash and cash equivalents	17,341	(9,511)
Cash and cash equivalents at beginning of period	160,094	144,868
Net (decrease) increase in cash and cash equivalents due to consolidation scope change	504	(67)
Cash and cash equivalents at end of period	177,940	135,290

③ Net cash provided by operating activities

During the interim period, net cash provided by operating activities decreased ¥49,447 million year on year, to ¥8,244 million. The principal contributing factor was a decrease in notes and accounts receivable, which offset a loss in income before taxes and minority income of ¥8,565 million. In contrast, for the interim period in the previous fiscal year, income before taxes and minority income of ¥65,612 million was recorded.

④ Net cash used by investing activities

Net cash used by investing activities in the interim period decreased ¥17,594 million year on year, to ¥10,199 million. The main contributing factor was a ¥9,033 million decrease in payment for purchase of investment securities, while in the previous fiscal year interim period ¥7.855 million was recorded as payment for acquisition of consolidated subsidiaries.

⑤ Net cash used in financing activities

Financing activities used net cash of ¥7,511 million, mainly for the cash dividends paid.

Note: Amounts less than ¥1 million have been rounded down.

**If holdings are
less than 100 shares
(fractional unit shares)**

PURCHASE

Request for additional purchase

Increase to a round lot* (100 shares)

First, confirm whether or not you are using the system for deposit and transfer of securities, and then complete the following procedures for an additional purchase.

*A trading unit is the minimum number of shares for trading.
Voting rights are allocated to shareholders in accordance with round lots.

SELL

Request for redemption

Sell shares and receive cash

First, confirm whether or not you are using the system for deposit and transfer of securities, and then complete the following procedures for redemption.

1
Shareholders using
the system for deposit and
transfer of securities

Please consult with your
securities company

2 Shareholders not using the system for deposit and transfer of securities

Obtain a request for additional purchase

Ask Mitsubishi UFJ Trust and Banking Corporation for a "request for additional purchase of odd-lot stock."

Procedures to be completed at a counter or by mail

After filling in the required information on the "request for additional purchase of odd-lot stock," present the form at the counter or by mail and pay the "estimated amount."

Payment settlement and share transfer

What is the "estimated amount"?

Estimated amount =

(the number of additional shares you want to purchase) X

(the previous day's closing price on the Tokyo Stock Exchange) X 1.3

Note: Amounts less than ¥1,000 are rounded up.

In anticipation of price fluctuations, a higher amount should be paid. The difference between the estimated amount and the actual cost of the additional purchase will be settled later.

After confirmation of the price and the cost of the additional purchase, the difference between the estimated amount and the actual cost of the additional purchase will be settled. Subsequently, the shares will be sent by delivery-certified mail.

2 Shareholders not using the system for deposit and transfer of securities

Obtain a request for redemption

Ask Mitsubishi UFJ Trust and Banking Corporation for a "request for redemption of odd-lot stock."

Procedures to be completed at a counter or by mail

After filling in the required information on the "request for redemption of odd-lot stock," present the form at the counter or by mail.

Receipt of payment for redemption

After confirmation of the price and the payment for redemption, payment will be made in accordance with the method specified in the "request for redemption of odd-lot stock."

Requests for forms

Requests for stock-related forms (change of address, seal, name, etc.; instructions for payment of dividends; request for additional purchase and redemption of fractional unit shares; transfer, etc.) are accepted 24 hours a day over the telephone or the Internet.

Toll-free (Japan only): 0120-244-479
(Transfer Agency Department, Head Office, Mitsubishi UFJ Trust and Banking Corporation)

Toll-free (Japan only): 0120-684-479
(Transfer Agency Department, Osaka Office, Mitsubishi UFJ Trust and Banking Corporation)

Internet:

<http://www.tr.mufg.jp/daikou/>

Shareholders using the system for deposit and transfer of securities should consult with their securities company.

Corporate Data

As of September 30, 2007

Company Name

SEGA SAMMY HOLDINGS INC.

Head Office

Shiodome Sumitomo Building,
1-9-2 Higashi Shimbashi, Minato-
ku, Tokyo 105-0021, Japan

URL

<http://www.segasammy.com>

Date of Establishment

October 1, 2004

Capital

¥29,953 million

Common Stock

Authorized: 800,000,000 shares

Issued: 283,229,476 shares

Number of Employees

117

Business Activities

Performs group management
and related activities as the
holding company for companies
forming a comprehensive
entertainment group.

Directors and Corporate Auditors

Chairman of the Board and Chief Executive Officer

Hajime Satomi

Executive Vice President and Representative Director

Keishi Nakayama

Vice Chairman and Director

Hisao Oguchi

Senior Managing Director

Tadashi Ishida

Directors

Toru Katamoto

Akio Kioi

Yuji Iwanaga

Standing Corporate Auditor

Kazutada Ieda

Corporate Auditors

Toshio Hirakawa

Hisashi Miyazaki

Mineo Enomoto

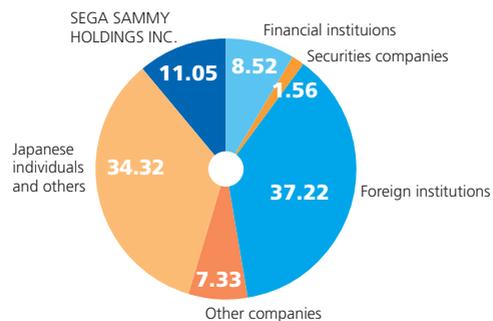
Shareholder Information

As of September 30, 2007

Number of Shareholders

102,643

Composition of Shareholders



Principal Shareholders

Name	Number of Shares Held	(%)
Hajime Satomi	43,569,338	15.38%
SEGA SAMMY HOLDINGS INC.	31,286,305	11.05%
Mellon Bank N.A. Treaty Clients Omnibus	16,418,122	5.80%
Hero and Company	16,009,549	5.65%
State Street Bank and Trust Company	15,299,335	5.40%
FSC Co., Ltd.	14,172,840	5.00%
The Chase Manhattan Bank, N.A. London	11,039,880	3.90%
Morgan Stanley & Co. Inc.	5,795,987	2.05%
Japan Trustee Services Bank, Ltd. (Trustee)	5,506,500	1.94%
JP MORGAN CHASE OPPENHEIMER FUNDS JASDEC ACCOUNT	2,862,800	1.01%

Group Web Site

The SEGA SAMMY Group web site includes the latest information about the Group. The IR section of the site provides information that will help shareholders and investors to better understand the Group, such as SEGA SAMMY at a Glance, which provides a brief introduction to the Group, and the VIRTUAL Factory Tour, which is a guide to the Kawagoe Factory, Sammy's largest production site. In the future, we will continue to incorporate feedback and further enhance the web site.

Corporate Section

This section contains corporate information for SEGA SAMMY HOLDINGS Inc. It has links to the web sites of Group companies, making it simple to peruse a variety of information related to Group companies.

<http://www.segasammy.com/>



IR Web Site

The investor relations link on the Group web site leads to a wide range of IR-related information.

<http://www.segasammy.co.jp/english/ir/>



IR Information Center

We have established an IR information center to ensure that we can reflect the opinions of shareholders in our management and marketing policies. If you have any inquiries regarding share, corporate, or other information, please do not hesitate to contact us at:

Tel: +81-3-6215-9954

9:00~18:00 (Japan time)

(except weekends, national holidays, and Company holidays)

FunBiz

SHARE INFORMATION

Stock Code

6460

Round Lot

100 shares

Fiscal Year-End

March 31

Ordinary General Meeting of Shareholders

June

Dates of Record

Year-end dividends: March 31

Interim dividends: September 30

Method of Announcements

Internet

(www.segasammy.co.jp/english/index.html)

In the event that announcements cannot be provided through the Internet, they will be listed in the *Nihon Keizai Shimbun*.

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation

Administrative Office of Transfer Agent

Securities Agent Department,

Mitsubishi UFJ Trust and Banking Corporation

7-10-11, Higashisuna, Koto-ku,

Tokyo 137-8081, Japan

Telephone: +81-3-5683-5111

Agency

Mitsubishi UFJ Trust and Banking Corporation

branches in Japan

[Announcement]

Methods for receiving cash dividends

In the past, for those shareholders not designating a bank account, cash dividends could be received by mail remittance payment notice. However, accompanying the privatization of Japan Post from October 1, 2007, the method of receiving cash dividends was changed from mail remittance payment notice to cash dividend warrant. (As previously, cash dividends can be collected from the closest Japan Post Bank or paid into a Japan Post savings account.)

American Depositary Receipts

Depository Bank:

The Bank of New York

101 Barclay Street,

New York, NY 10286, U.S.A.

Telephone: (212) 815-2042

U.S. Toll Free: 888-269-2377

(888-BNY-ADRS)

Symbol: SGAMY

CUSIP: 815794102

Exchange: OTC

Ratio: 4:1

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