

(Translation)

July 29, 2002

Dear Sirs,

Name of Company: Sammy Corporation  
Name of Representative: Hajime Satomi  
President and Chief Executive  
Officer

(Code No. 6426, Tokyo Stock Exchange 1st Section)

Further Inquiry: Yasuhiro Katayama  
Executive Officer and Division  
Manager, Administration  
Division  
(TEL: 03-5950-3790)

Notice of Action Filed

Notice is hereby given that an action against Sammy Corporation (the "Company") was filed with the Osaka District Court as of July 18, 2002 (the Company was served with the bill of complaint as of July 29, 2002), as described below:

Description

1. Party filing the action:

- (1) Name: Takasago Electric Industry Co., Ltd. ("Takasago")
- (2) Location: 9-14, Minami-Senba 2-chome, Chuo-ku, Osaka
- (3) Representative: Haruo Ishii, President and Representative Director

2. Content of the action

- (1) Amount of damages claimed: ¥11,424,000,000
- (2) Payment of interest at the rate of 5% per annum on the amount of damages claimed accruing on or after the day next following the day on which the bill of complaint was served, up to the payment thereof

3. Cause of action and the background

Takasago filed the action for the payment of ¥11,424,000,000 in damages, alleging that drum-rotating game machines (or pachislot machines) "Aladdin A," "Hard-boiled 2," "Sanpei" and "Juo" manufactured and marketed by the Company have infringed the utility model right (No. 2148009) of Takasago.

4. Future prospects

The Company believes that it has not infringed the utility model right of Takasago and intends to claim its legitimacy to defend itself in court.

The course of the action may impact business results of the Company. At present, however, the impact is expected to be insignificant.

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Sammy Corporation (the "Company"), to disclose its corporate information to its investors and customers speedily, lists information on press releases on the *Investor's Guide*. Such information may contain any material fact as stipulated in Article 166 of the Securities and Exchange Law of Japan (the "Law"). In the event that any recipient of such information containing any material fact trades shares of the Company or otherwise within twelve (12) hours after the disclosure of the material fact pursuant to the Cabinet Order to Enforce the Securities and Exchange Law of Japan, such trading or otherwise may contravene the provisions of the Law as a violation of insider-trading regulation.