

(Translation)

November 29, 2002

Dear Sirs,

Name of Company: Sammy Corporation
Name of Representative: Hajime Satomi,
President and Representative
Director (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 Business Reconstruction for More Efficient Business Operations of the Group

In accordance with the fundamental agreement entered into between Sammy Corporation (the "Company") and GEO Corporation ("GEO") and dated September 27, 2002, the Company had been preparing to transfer by assignment the shares of Spike Co., Ltd. ("Spike"), a subsidiary of the Company, to GEO to improve the efficiency of business operations among the Company and its group companies. Consequently, the Company entered into a share transfer agreement with GEO on November 29, 2002, as described below:

Description

1. Background of the transfer:

To ensure continuous growth of its middle- and long-range strategic business, N.E.W.S. (New Entertainment World of Sammy) business, the Company has been reorganizing some video operations in the content division of the N.E.W.S. business to select and concentrate operations among the Company and its group companies and also considering the possibilities of separating Spike to eliminate the overlapping of the operations of content development. Consequently, as a measure to reorganize the overlapping operations, the Company fundamentally agreed with GEO to transfer all of the issued shares of Spike held by the Company to GEO after adjustment to its ratio of shareholdings in Spike by a capital increase/decrease and make inquiries and investigations necessary to determine prices and other terms and conditions of the transfer. All necessary procedures were followed to determine such terms and conditions. Hence, the Company and GEO entered into a share transfer agreement.

2. Outline of the subsidiary subject to business reconstruction (Spike: as of November 19, 2002):

- (1) Trade name: Spike Co., Ltd.
- (2) Representative: Takashi Murakoshi
- (3) Location of head office: Nisshin Buiding 3F, 10-4, Mita 1-chome, Minato-ku, Tokyo
- (4) Establishment: December 14, 1989
- (5) Contents of business: Development, production and sale of home video game software
- (6) Date of settlement of accounts: March 31 of each year
- (7) Number of employees: 69
- (8) Major business office: None
- (9) Capital: ¥2,050,000,000
- (10) Total number of issued shares: 82,000 shares
- (11) Largest shareholder (shareholding ratio): Sammy Corporation (100%)
- (12) Business results for the recent business years:

	Business year ended March 31, 2002	Business year ended March 31, 2001
Net sales (¥ million)	3,091	4,279
Gross profit on sales (¥ million)	689	981
Operating income (¥ million)	(748)	207
Ordinary income (¥ million)	(741)	162
Net income (¥ million)	(765)	161
Total assets (¥ million)	5,649	4,335
Stockholders' equity (¥ million)	(555)	234
Dividend per share (¥)	-	-

3. Party to acquire the shares:

- (1) Trade name: GEO Corporation
- (2) Representative: Yuki Endo
- (3) Location of head office: 11-3, Nyoisarucho 5-chome, Kasugai City, Aichi Prefecture
- (4) Establishment: January 1989
- (5) Contents of major businesses: Retail business such as renting and recycling of audio-visual (AV) products and sale of new AV products, and wholesale business such as sale of AV products to franchisees and other clients
- (6) Relation with the: The Company currently holds 348 shares of

Company:

GEO (shareholding ratio: 1.2%).

4. Content of the terms of the transfer:

- (1) Total number of shares to be transferred: 82,000 shares (100% of the issued shares)
- (2) Transfer price per share: ¥4,025
- (3) Aggregate transfer prices: ¥330,050,000
- (4) Date of transfer agreement: November 29, 2002
- (5) Date of payment of transfer prices: December 2, 2002

5. Schedule:

- September 27, 2002: Execution of the fundamental agreement
- November 19, 2002: Completion of the procedures for a capital increase/decrease
- November 29, 2002: Resolution of the Board of Directors; execution of a share transfer agreement
- December 2, 2002: Delivery of share certificates

6. Effect on business results:

The effect of this transaction on the Company's business results was included in its interim financial statements for the business year ending March 31, 2003 publicized on October 28, 2002.

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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.