

(Translation)

May 11, 2012

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.
Name of Representative: Hajime Satomi,
Chairman of the Board and
Chief Executive Officer
(Code No. 6460, Tokyo Stock Exchange 1st Section)
Further Inquiry: Seiji Shintani,
General Manager of Group
Executive Office and Group
Communications Office
(TEL: 03-6215-9955)

Notice of Revision to Remuneration for Directors and Issuance of Stock Options
(Stock Acquisition Rights) to Directors of the Company

Notice is hereby given that SEGA SAMMY HOLDINGS INC. ("the Company"), at the meeting of its Board of Directors held on May 11, 2012, resolved that the Company would submit a proposition for the approval of the revision to the remuneration for Directors and issuance of stock acquisition rights as stock options to Directors, excluding outside Directors, at the 8th Ordinary General Meeting of Shareholders of the Company to be held on June 19, 2012, as described below:

Description

1. Revision of remuneration amount to Directors

(1) Content of proposition to be submitted

The current annual remuneration amount to Directors was approved to be within 600 million yen (not including the employee salary portion for those that serve concurrently as an employee and director) at the 2nd Ordinary General Meeting of Shareholders held on June 20, 2006. We seek approval for the annual remuneration amount to Directors to be within 1.0 billion yen in consideration of the future load of responsibility on Directors and increase in the number of Directors.

Meanwhile, the employee salary portion for those who serve concurrently as an employee and director shall not be included in the remuneration amount to Directors, as was the case in the past.

(2) Reason for revision of remuneration amount

The purpose is to pay remuneration that factors in the consolidated operating results of the Group, in addition to the fixed remuneration for Directors, as an incentive to facilitate management that is geared toward improving corporate value of the Group. We are also taking into consideration the increase in remuneration amount in accordance with the change in the number of Directors, since the number of Directors will increase to seven from the current five when the proposition for the election of Directors is adopted and approved as proposed at the 8th Ordinary General Meeting of Shareholders of the Company to be held on June 19, 2012.

2. Issuance of stock options (stock acquisition rights)

(1) Content of proposition to be submitted

The current annual remuneration amount to Directors was approved to be within 600 million yen (not including the employee salary portion for those that serve concurrently as an employee and director) at the 2nd Ordinary General Meeting of Shareholders held on June 20, 2006. We seek approval for the issuance of stock acquisition rights as stock options to the Directors, excluding outside Directors, of the Company to be within the annual amount of 150 million yen as remuneration separate from the remuneration amount to the Directors.

Meanwhile, the employee salary portion for those who serve concurrently as an employee and director shall not be included in the remuneration amount to Directors.

(2) Reason for granting stock acquisition rights as remuneration for the Directors of the Company

The Company intends to grant stock acquisition rights as stock options as consideration for the performance by the Directors of their duties, for the purpose of increasing the market value of the Company through business administration in consideration of our shareholders and stock prices, and affording incentives to and raising the morale of them to achieving much improved results.

(3) Terms of issuance of stock acquisition rights

a. Allotees of stock acquisition rights:

The Directors, excluding outside Directors, of the Company to whom the stock acquisition rights will be granted are three persons as of today. If a proposition for the election of Directors is adopted and approved as proposed at the 8th Ordinary General Meeting of Shareholders of the Company to be held on June 23, 2010, they will be five persons.

b. Total number of stock acquisition rights to be issued:

Not exceeding 2,500 rights. In the event that as a result of a merger, amalgamation or consolidation, the issuance of shares offered for subscription, a corporate separation, a share split, a stock consolidation or any other similar event by the Company, it becomes adequate to adjust the Number of Shares, the Company shall make such adjustment as it deems necessary.

c. Class and number of shares to be issued or transferred upon exercise of stock acquisition rights:

Not exceeding 250,000 shares of common stock of the Company. The number of shares to be issued or transferred upon exercise of each stock acquisition right (the "Number of Shares") shall be 100. In the event that as a result of a merger, amalgamation or consolidation, the issuance of shares offered for subscription, a corporate separation, a share split, a stock consolidation or any other similar event by the Company, it becomes adequate to adjust the Number of Shares, the Company shall make such adjustment as it deems necessary.

d. Paid-in price of a stock acquisition right:

No cash payment shall be required in exchange for a stock acquisition right.

e. Price of property to be capitalized upon exercise of a stock acquisition right:

The price of property to be capitalized upon exercise of each stock acquisition right shall be the paid-in amount per share deliverable upon exercise thereof (the "exercise price"), multiplied by the number of shares to be issued or transferred for each such stock acquisition right.

The exercise price shall be an amount obtained by multiplying by 1.05 the average of the daily closing prices (regular way) of the shares of common stock of the Company on the Tokyo Stock Exchange for the days (exclusive of any day on which transactions are not validly made) of the month immediately preceding the month under which the allotment date of the stock acquisition rights falls, with any fraction of one yen rounded upward to the nearest one yen. Provided, however, that if the amount so obtained falls below the closing price on the day immediately preceding the allotment date of the stock acquisition rights (or if the closing price is not available on that day, the closing price on any day immediately preceding that day), the exercise price shall be the closing price on the day immediately preceding the issue date of the stock acquisition rights.

In the event that as a result of a merger, amalgamation or consolidation, the issuance of shares offered for subscription, a corporate separation, a share split, a share consolidation or any other similar event by the Company, it becomes adequate to adjust the exercise price, the Company shall make such adjustment as it deems necessary.

f. Fair value of a stock acquisition right:

The fair value of a stock acquisition right shall be based on a fair appraisal value calculated by using the Black & Scholes model based on the exercise price and other terms and conditions.

g. Stock acquisition right exercise period:

For two years from the day on which two years shall have expired after the day immediately following the allotment date of the stock acquisition rights

h. Condition of the exercise of the stock acquisition rights:

Any person to whom the stock acquisition rights are allotted shall remain in office as a Director of the Company or in any other similar office when he exercises the rights, unless he leaves office upon expiration of the term of office or due to any other good reason.

i. Restriction on a transfer of the stock acquisition rights:

Any transfer of the stock acquisition rights shall be subject to the approval of the Board of Directors of the Company.

j. Other matters concerning the stock acquisition rights:

Other matters shall be determined at a meeting of the Board of Directors to determine the matters concerning the offering of the stock acquisition rights.