

SEGASAMMY REPORT

Winter
Edition



Special Report

**Three Listed Companies
Made Wholly Owned Subsidiaries
to Create Group Synergies**

A Message from Management
Continuing to improve earnings



Feature ①

Entertainment Going Global



Feature ②

Making Entertainment Intellectual and Educational



A Message from Management



Continuing to improve earnings

Hajime Satomi

Chairman of the Board and Chief Executive Officer, SEGA SAMMY HOLDINGS INC.
 Chairman, Representative Director and Chief Executive Officer, Sammy Corporation
 Chairman, Representative Director and Chief Executive Officer, SEGA CORPORATION

Second Quarter Review

The pachislot and pachinko machine business continued to drive earnings, and other business segments also put up solid performances.

In the second quarter (consolidated, cumulative results for the period from April 1, 2010 to September 30, 2010), the Japanese economy continued to be marked by an uncertain outlook due to ongoing, rapid yen appreciation, deceleration in overseas economies, and stagnation in consumer spending, although corporate earnings recovered were seen in some sectors.

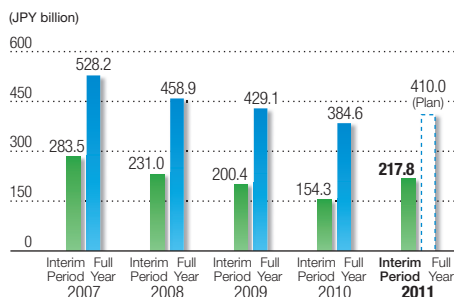
In this business climate, the pachislot and pachinko machine business benefited from strong sales of mainstay titles like *Pachislot SOUTEN-NO-KEN* under the Sammy brand, and efforts were made to reduce parts procurement costs and reuse parts. This resulted in significantly improved profitability.

In the amusement machine sales business segment, high utilization of titles supplied through a revenue-sharing model (see page 7), which seeks to improve the investment efficiency of amusement facility operators and ensure long-term stable earnings for the Group, led to strong proportional revenues.

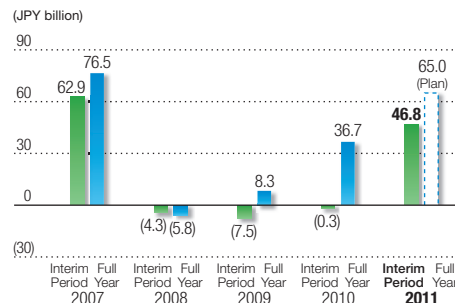
In the amusement center operations segment, we continued closing and selling off centers with low profitability and low potential while working to improve the management

Financial Highlights

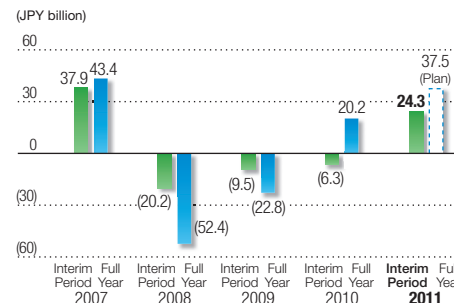
Net Sales



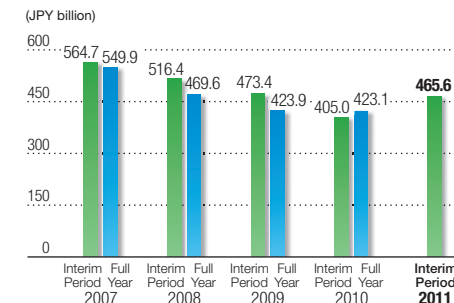
Operating Income (Loss)



Net Income (Loss)



Total Assets



of centers that continue to operate.

In the consumer business segment, sales of new titles in overseas markets were sluggish, but sales of domestic videogame software were solid.

The toy business saw steady sales of *BAKUGAN* on domestic and overseas markets and mainstay products on the domestic market. In addition, our PC and mobile content business and animation products also recorded strong performances.

As a result of these developments, consolidated net sales for the second quarter totaled ¥217.807 billion, an increase of 41.1% compared to the second quarter of last year, operating income totaled ¥46.849 billion, up from an operating loss of ¥318 million last year, and ordinary income amounted to ¥46.098 billion, compared to an ordinary loss of ¥729 million the previous year. Net income came to ¥24.349 billion, compared to a net loss of ¥6.323 billion stated in the second quarter last year.

Consolidated Full Year Earnings Forecasts

Consolidated earnings forecasts for the full year upwardly revised based on second quarter results




We upwardly revised initially released earnings forecasts on September 30, 2010 in light of performance trends in the second quarter.

The new forecasts are as follows. We project consolidated net sales of ¥410.0 billion (an increase of ¥10.0 billion compared to the previous forecast), operating income of ¥65.0 billion (up ¥25.0 billion from the previous forecast), ordinary income of ¥64.0 billion (up ¥25.0 billion from the previous forecast), and net income of ¥37.5 billion (up ¥15.5 billion from the previous forecast).

With regard to forecasts for the third quarter and beyond, in the pachislot and pachinko machine business, we are planning sales of multiple strategic titles, starting with the RODEO brand pachislot machine *Oreno Sora ~ Spirit of Young Justice ~*. In the amusement machine sales business segment, sales are planned for *SENGOKU TAISEN*, a

Regarding the three listed companies

(JPY million)

Business information			Results from the past three years			No. of allocated shares for share exchange*
			Year ended March 2008	Year ended March 2009	Year ended March 2010	
 Sammy NetWorks Co., Ltd.	Consumer business segment Music related content for PCs and mobile phones, game related content delivery service	Net Sales	11,148	11,077	10,767	333
		Operating Income	1,693	2,247	2,601	
		Net Income	358	1,703	1,246	
 SEGA TOYS CO., LTD.	Consumer business segment Toys planning, development, production, and sales	Net Sales	16,816	18,947	17,139	0.33
		Operating Income	(690)	(87)	(395)	
		Net Income	(814)	(114)	(1,666)	
 TMS ENTERTAINMENT, LTD.	Consumer business segment / amusement center operations segment Animation planning, production, sales, and export and amusement center operations	Net Sales	14,970	14,175	13,296	0.26
		Operating Income	880	291	329	
		Net Income	528	67	(1,111)	

* Number of SEGA SAMMY shares furnished per share of common stock of each company.

mainstay title this term. In the amusement center operations segment, we are expecting a recovery in same-store sales in conjunction with the launch of major titles. In the consumer business segment, sales of multiple, mainstay titles are in the works, including *Sonic Colors*.

Regarding this year's dividend, we are planning to pay an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share, for a total annual dividend of ¥40 per share.

Three Main Companies Become Wholly Owned Subsidiaries

Objective of further bolstering our competitiveness as a comprehensive entertainment company

As first announced on August 27, 2010, Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD., and TMS

ENTERTAINMENT, LTD. were made wholly owned subsidiaries through share exchange.

In order to further improve earnings and sustain growth, we will further strengthen our competitiveness by effectively utilizing management resources within the Group and we made the decision to reinforce the Group's structure.

We will seek business synergies, and from the standpoint of consolidated group management, to work aggressively to raise corporate value for the Group overall through consolidated head office functions, conducting efficient cash management and benefiting from consolidated tax accounts.

Making these three listed companies wholly owned subsidiaries will further fortify realization of the Group Management Philosophy and enable us to meet the expectations of shareholders. We thank you for your continuing support.

Special Report

Three Listed Companies Made Wholly Owned Subsidiaries to Create Group Synergies

In order for the SEGA SAMMY Group to achieve sustained growth and continue to increase corporate value, it is necessary that we strengthen our competitiveness as a comprehensive entertainment company by effectively utilizing management resources within the Group. Given this necessity we recently made Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD. and TMS ENTERTAINMENT, LTD. into wholly owned subsidiaries in order to achieve a swift, flexible Group management strategy.

In this special report the presidents of the three new wholly owned subsidiaries introduce their companies and provide an overview of their strategies and goals going forward.





We will proactively work with other Group companies to maximize the value of character IP.

Yoshiharu Suzuki
President & CEO
SEGA TOYS CO., LTD.



In order to revitalize the domestic business for *Bakugan*, developed jointly by SEGA TOYS and Canadian firm Spin Master, Bakugan Limited Liability Partnership (“Bakugan LLP”) was established with investment from five Group companies. Bakugan LLP is involved in total production and merchandising for related businesses in Japan and has created strong partnerships with other Group companies, with SEGA TOYS playing a leading role. Having become a wholly owned subsidiary, we will continue creating new character IP and, even more than now, mutually

developing and utilizing it with Group companies in an effort to maximize character IP value for the Group as a whole.

In order to solve various issues facing the toy industry, we are currently carrying out a product platform strategy and cross-media strategy for character content and developing products that meet diversifying needs.

Going forward we will work to further expand the toy business as a part of the SEGA SAMMY Group.



We will promote world-wide business development that utilizes the Group’s network and management assets.

Hideki Okamura
President & CEO
TMS ENTERTAINMENT, LTD.



Our business centers on planning, production and sales of animation titles, and we own leading IP and content assets such as *Detective Conan*, *Soreike! Anpanman*, and *Lupin the 3rd*. Becoming a wholly owned subsidiary will further strengthen Group coordination and enable the creation of synergies in the areas of multifaceted content utilization, contract video production and license sales.

The environment surrounding the industry has become increasingly challenging in recent years, as viewer ratings for animation programs have fallen due to Japan’s low birthrate and the number of animation

programs broadcast on television has also declined. With a view to medium- and long-term growth, we will promote world-wide business development that utilizes the Group’s network and management resources.

In addition, we are expanding the scope of our business into the area of pediatrics, both to effectively utilize content resources and contribute to society, and have begun marketing *Smiletouch*, the world’s first animation viewing terminal for preparation support. We will continue drawing on our strengths from a broad standpoint in an effort to further increase earnings.



We will work to achieve further corporate growth and play a central part in the online mobile business.

Masaaki Ono
President & CEO
Sammy NetWorks Co., Ltd.



Becoming a wholly owned subsidiary has made it possible to develop and nurture IP and content from a cross-organizational standpoint.

This will not only allow us to mitigate risks associated with conducting development independently but also provide us the opportunity to mobilize the Group’s overall assets and broadly use IP and content that has been diligently nurtured to date. I think that we will benefit from this immensely.

Sammy NetWorks currently provides online computer games and mobile games that primarily utilize pachislot

and pachinko machine content sold by Sammy Corporation. Going forward we will expand pay-as-you-play game content and create new added value that precisely captures diverse customer needs.

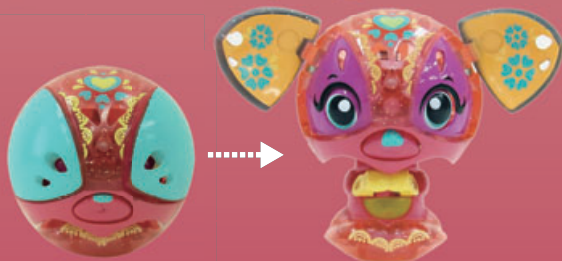
In addition, strong coordination with Group companies will help create further profit growth and increase member numbers. We will continue working to play a central part within the Group in the online business and mobile business. Thank you for your continuing support.

Entertainment Going Global

Zoobles:

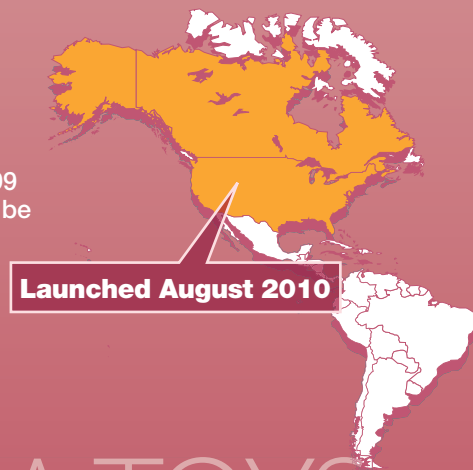
New Global Content for Girls, following *Bakugan*

© SEGA TOYS / SPIN MASTER



SEGA TOYS CO., LTD. jointly developed the character *Zoobles* for girls with Spin Master, a Canadian company, and began sales in North America in August 2010 ahead of a global rollout. The two companies have already jointly developed *Bakugan*, currently a major hit around the world, so *Zoobles* represents their second collaborative project. *Zoobles* uses the same transformation concept employed by *Bakugan* based on an animal theme. Putting a *Zoobles* on top of a mini-house called a *Happitat* will transform it into a cute, adorable character.

There are over 60 types of *Zoobles*, and they are priced reasonably at \$5.99 each, so they can be enjoyed as collectibles.



Launched August 2010

Spin Master & SEGA TOYS

Spin Master is the joint development partner for *Bakugan*, which is currently a hit worldwide.

Football Manager Online:

Taking the Popular Soccer Game to Asia's Online Market

SEGA CORPORATION has signed a licensing agreement with KT Hitel (KTH), a group company of Korea Telecom, the largest telecommunications company in Korea, and will provide *Football Manager Online*, a game that simulates management of a soccer club representing SEGA CORPORATION, starting in the fall of 2011.

The *Football Manager* series boasts packaged game software sales (cumulative) of over five million, and online and mobile versions of the game are also

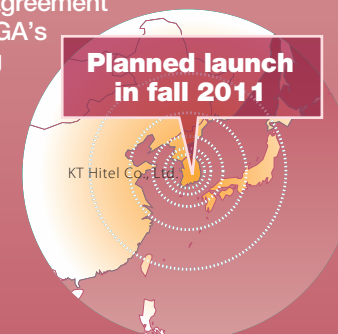
available. The game has earned the support of large numbers of users.

Based on the agreement, Sports Interactive, a U.K. affiliate in the SEGA Group, will customize the game for the Korean market, and KTH will develop the servers. The game will be provided on ALLSTAR (www.allstar.co.kr), a gaming site run by KTH.

Under the agreement, business rights for *Football Manager Online* in China, Taiwan, etc. will be owned by KTH and rights for elsewhere in the Asian region will be

owned by SEGA, with both companies working to expand service availability.

Signing the licensing agreement with KTH represents SEGA's entry into Asia's growing online gaming market, and the company intends to further raise its presence in overseas markets.



Planned launch in fall 2011

KT Hitel Co., Ltd.

KTH & SEGA

KT Hitel: Leading company in Korea's online gaming market

Feature 2

Making Entertainment Intellectual and Educational



Anpanman Oshaberi Ippai! Kotoba Zukan:

An Edutainment Toy that Helps Children Learn Words While They Play

Anpanman Oshaberi Ippai! Kotoba Zukan, which SEGA TOYS CO., LTD. began selling in April 2010, won the Grand Prize in the Educational Toys category at the Japan Toy Awards 2010 hosted by the Japan Toy Association.

Children use a pen that can be operated intuitively to touch things in the book that interest them. When something is touched, Anpanman and his friends “talk” to teach the children verbally the thing’s name and other characteristics. The product was developed over the

course of three years based on repeated observations of children. It is packed with features, including the names of over 350 things and over 700 types of verbal expressions.

It received the prize for earning high marks as an edutainment toy that makes learning fun.



Just open the book and touch something!
Anpanman’s voice will teach you!



Anpanman Oshaberi Ippai! Kotoba Zukan

© Takashi Yanase / Froebel-kan · TMS · NTV



Japan Toy Awards 2010
Educational Toy Category
First edition wins Grand Prize



Included Content

- Names, voices and sounds of many things
- Quiz Mode reviews words that have been learned
- Event Mode plays musical instruments, etc.



Smiletouch:

World’s First Support Terminal that Contributes to the Development of Pediatric Medicine

Also features popular animation content

Included Content

- Preparation content promotes understanding of medical procedures

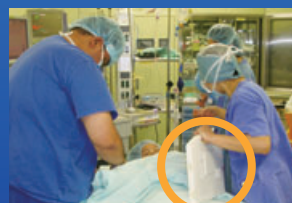
- Getting an IV
- What’s an X-ray?
- And more

- Essential medical information that is helpful at home

- Don’t panic, Mom
- Importance of vaccinations
- And more



In recent years, “preparation” has garnered attention as a way for pediatric clinics to reduce children’s fear and anxiety regarding medical procedures and help alleviate stress, which can take the form of screaming during treatment or refusing treatment. TMS ENTERTAINMENT, LTD. developed *Smiletouch*, the world’s first animation viewing terminal for medical institutions that helps in preparation, and began renting the terminals in September 2010.



Smiletouch includes popular animation titles like *Soreike! Anpanman* and *Hello Kitty* along with animation for preparation support, including *What is an X-Ray?* and *Getting an IV* on the same terminal to relieve children’s stress and anxiety.

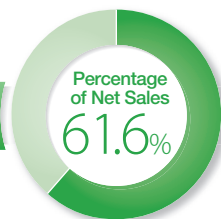
We plan to contribute to further increasing the efficiency of pediatric care through introducing *Smiletouch* terminals with even more animation content.

What is Preparation?

Preparation is the method and practice of providing explanations of illnesses, tests, and treatments, etc. suited to a child’s age and level of comprehension in order to encourage both children and their families to approach medical treatment positively.

Segment Information

Pachislot and Pachinko Machine Business Segment



Second Quarter Review

Pachinko

Unit sales improve despite a slow market

Despite some sluggishness in new machine replacements on the pachinko machine market, the Group's unit sales exceeded the second quarter of last year, totaling 198,000 pachinko machine units overall on increased sales of the *Pachinko CR Hokuto No Ken Raoh* series under the Sammy brand and the *CR Full Metal Panic! TSR* series under the TAIYO ELEC brand.

Efforts were also made to reduce parts procurement costs, primarily for LCD panels.

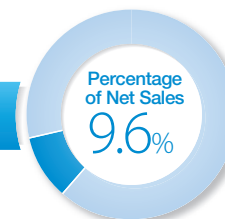
Pachislot

Continued growth through the steady launch of hit models

Unit sales of pachislot machines totaled 201,000 units in the second quarter under review, a significant increase year on year, thanks to solid sales of TAIYO ELEC-branded *Ring ni Kakeru -Golden Japan Jr. Series-* and Sammy-branded *Pachislot SPIDER-MAN 3*, launched in the second quarter, Sammy-branded *Pachislot SOUTEN-NO-KEN*, launched in the first quarter, and *Shin Onimusha*, launched the previous period under the Rodeo brand.

Profitability also improved as a result of efforts to reuse parts and materials, primarily LCD panels.

Amusement Machine Sales Business Segment



Second Quarter Review

Strong results from new business model

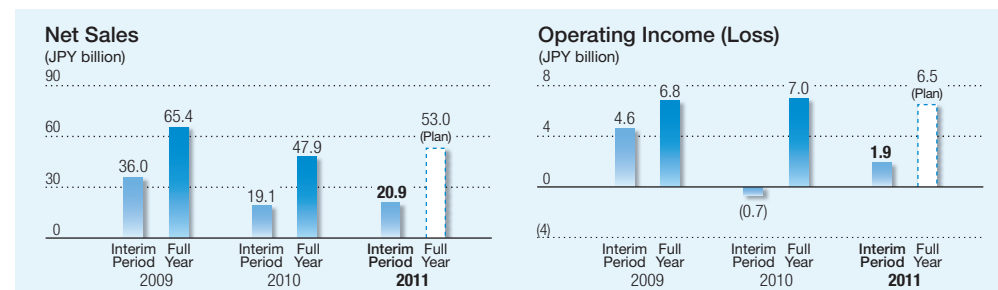
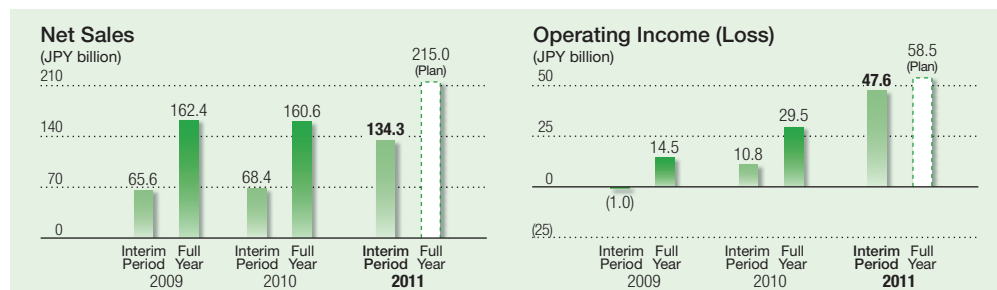
The business enjoyed good proportional revenues from titles provided through revenue sharing, a model aimed at increasing the investment efficiency of amusement facility operators and ensuring stable, long-term revenues for the Group. The titles include *BORDER BREAK*, a network robot fight game launched last period.

The revenue-sharing model is a revenue model that involves selling cabinets and other general components and lending out circuit boards, software and other content free of charge and then charging a content usage fee based on use of the content at the facility,

which is tracked via a network. The model reduces initial investment costs for operators, and for the Group it can be expected to provide a steady, stable stream of revenues, unlike when the machines are simply sold, which has been the conventional model.

CVT Kits for mainstay titles, prize products and cards all perform well

In addition, CVT Kits (kits that provide replacement circuit boards, software and exteriors for upgrading) for SEGA Network *Mah-jong MJ4 Evolution* and other mainstay titles sold well, as did prize products, cards and other consumables.



News

The Group's Mainstay Titles Drive Recovery in Pachislot Machine Market

The pachislot machine market had been contracting under the impact of regulatory revisions that went into effect in July 2004. Amid such conditions the SEGA SAMMY Group quickly developed and launched a series of new titles, *Eureka Seven*, *Shin Onimusha* and *SOUTEN-NO-KEN*.

These products have been extremely well received both by pachislot and pachinko hall operators and their customers, driving a recovery in the pachislot machine market.



Pachislot SOUTEN-NO-KEN © Tetsuo Hara & Buronson 2001, Approved No. SAH-310 © Sammy
Shin Onimusha © CAPCOM CO., LTD. ALL RIGHTS RESERVED. © Sammy © RODEO

News

Network Robot Fight Game *BORDER BREAK* Enjoys High Usage

BORDER BREAK, which is supplied through the revenue-sharing model, has continued to enjoy high usage since initial installations in September 2009.

As of the end of the second quarter (consolidated, cumulative), five titles are in operation under the revenue-sharing model, helping to generate stable profits.



BORDER BREAK © SEGA

Amusement Center Operations Segment

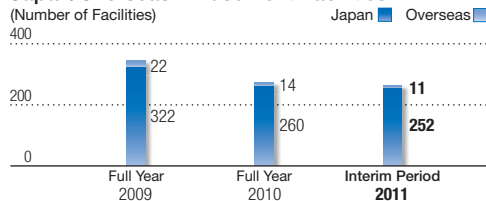
Percentage of Net Sales
10.8%

Second Quarter Review

Firm same-store sales in Japan

Domestic same-store sales in the second quarter exceeded the total from the second quarter of the previous year. On a consolidated, cumulative

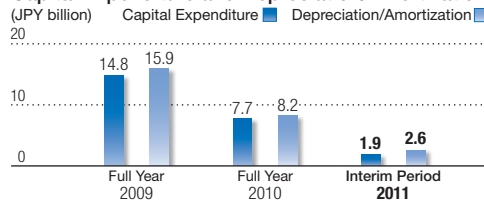
Japan/Overseas Amusement Facilities



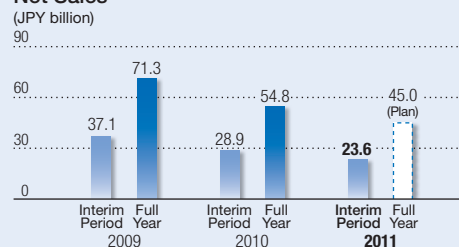
basis, second quarter sales were 99.9% of the second quarter last year.

Ten centers were closed in the first two second quarters, while two new centers were opened, bringing the total as of the end of the quarter to 252.

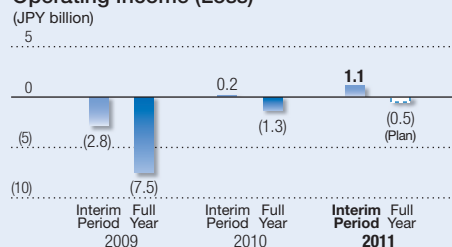
Capital Expenditure and Depreciation/Amortization



Net Sales



Operating Income (Loss)



News

Monthly Same-Store Sales in Japan Up Year on Year for First Time in Four Years

The amusement center operations market has contracted in recent years against a backdrop of stagnant consumer spending and a paucity of amusement machines and services that meet user needs.

Amid such conditions, SEGA closed and sold off facilities with low profitability and potential, or reduced their operating costs while working to strengthen operations at existing facilities. As a result, in the second quarter, monthly same-store sales in Japan were up year on year for the first time in four years.



SEGA YOYOGI



CLUB SEGA
AKIHABARA NEW ANNEX

Consumer Business Segment

Percentage of Net Sales
17.8%

Second Quarter Review

Home Videogame Software

Sales for the domestic market steadily grow but sluggishly for the overseas markets

In the domestic market, new titles such as *HATSUNE MIKU –Project DIVA– 2nd* and *Kurohyo: Ryu ga Gotoku Shinsyo* were launched and performed solidly.

However, tough market conditions overseas led to soft sales of new titles.

As a result, unit sales of videogame software amounted to 3.20 million in the U.S., 2.15 million in Europe and 1.24 million in Japan and other regions, for a total of 6.6 million.

Other Businesses

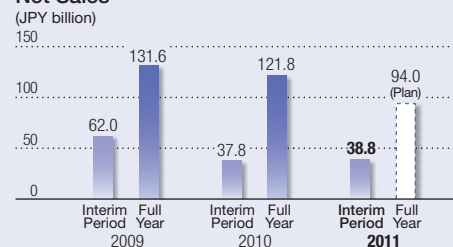
Full-fledged development of leading content contributes to earnings

In the toy business, mainstay products sold well in the domestic market while sales of *Bakugan* were solid on domestic and overseas markets.

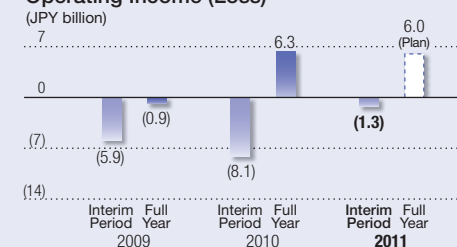
The PC and mobile content business continued to enjoy steady sales, centering on PC game distribution.

Animation products recorded strong proportional revenues on the success of the 14th *Detective Conan* movie and strong revenues from *Bakugan* royalties both domestically and overseas.

Net Sales



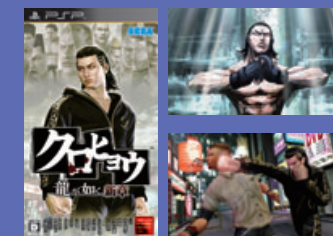
Operating Income (Loss)



News

New Software Title in *Ryu ga Gotoku* Series Launched: *Kurohyo: Ryu ga Gotoku Shinsyo*

The *Ryu ga Gotoku* series has been a major hit, recording shipments of over four million to date. *Kurohyo: Ryu ga Gotoku Shinsyo*, the latest addition to the series, inherits the DNA of *Ryu ga Gotoku*, but the platform has moved to the PSP® PlayStation Portable. With new main characters, grand drama and novel modes of expression, the game creates a new world for *Ryu ga Gotoku* brimming with originality.



Kurohyo: Ryu ga Gotoku Shinsyo

Kurohyo: Ryu ga Gotoku Shinsyo © SEGA

Overview of Consolidated Financial Statements

Consolidated Balance Sheets (Summary)

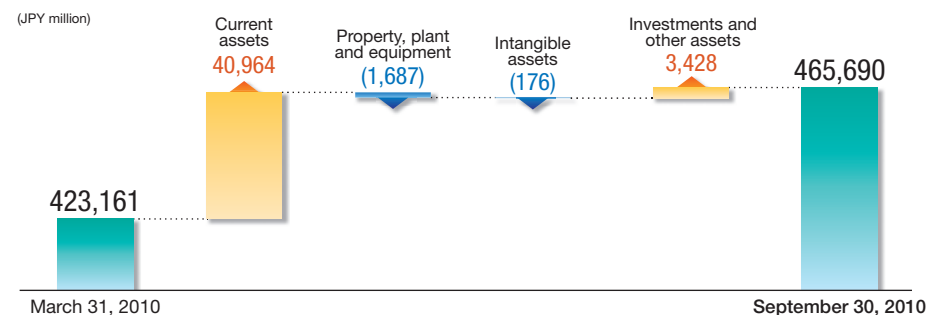
(JPY million)

Assets	As of September 30, 2010	As of March 31, 2010
Current assets	339,694	298,730
Noncurrent assets	125,996	124,431
Total property, plant and equipment	57,343	59,030
Total intangible assets	13,184	13,360
Total investments and other assets	55,468	52,040
Total assets	465,690	423,161

Liabilities / Net assets	As of September 30, 2010	As of March 31, 2010
Current liabilities	112,103	92,817
Non-current liabilities	72,393	73,573
Net assets	281,194	256,770
Total shareholders' equity	280,030	259,468
Total valuation and translation adjustments	(20,198)	(23,222)
Subscription rights to shares	263	1,188
Minority interests	21,099	19,335
Total liabilities and net assets	465,690	423,161

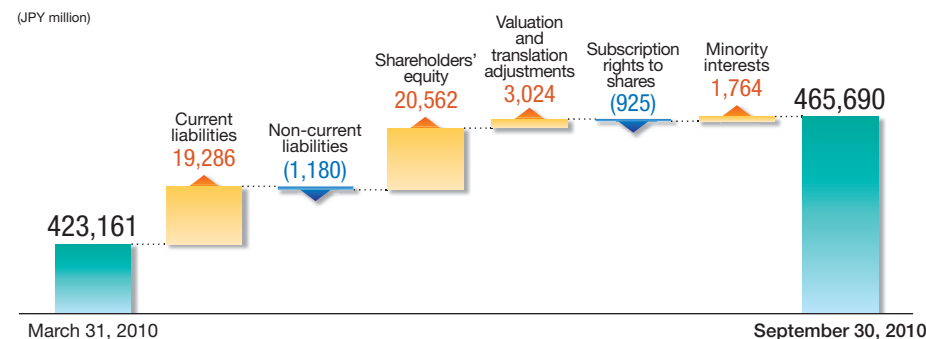
Factors Affecting Assets

Total assets increased by ¥42.5 billion compared to the end of the preceding period, to ¥465.6 billion. Current assets increased by ¥40.9 billion due largely to a ¥7.4 billion increase in notes and accounts receivable-trade and a ¥24.0 billion increase in short-term investment securities from the purchase of negotiable certificates of deposits and other factors. Noncurrent assets increased by ¥1.5 billion caused by increases associated with valuation of investment securities and other factors. As of the end of the second quarter under review, the current ratio remained at a high level at 303.0%, though this represents a decline of 18.8 percentage points from the end of the previous period.



Factors Affecting Liabilities and Net Assets

Total liabilities increased by ¥18.1 billion compared to the end of the preceding period. Of these, total current liabilities increased by ¥19.2 billion largely due to a ¥10.1 billion increase in notes and accounts payable-trade and a ¥17.4 billion increase in income taxes payable. Non-current liabilities decreased by ¥1.1 billion due to factors that included a ¥5.9 billion decline in bonds. Total net assets increased by ¥24.4 billion compared to the end of the preceding period. This was primarily attributable to a ¥20.5 billion increase in retained earnings. The total net assets ratio as of the end of the second quarter under review was 55.8%, the same as at the end of the previous period.



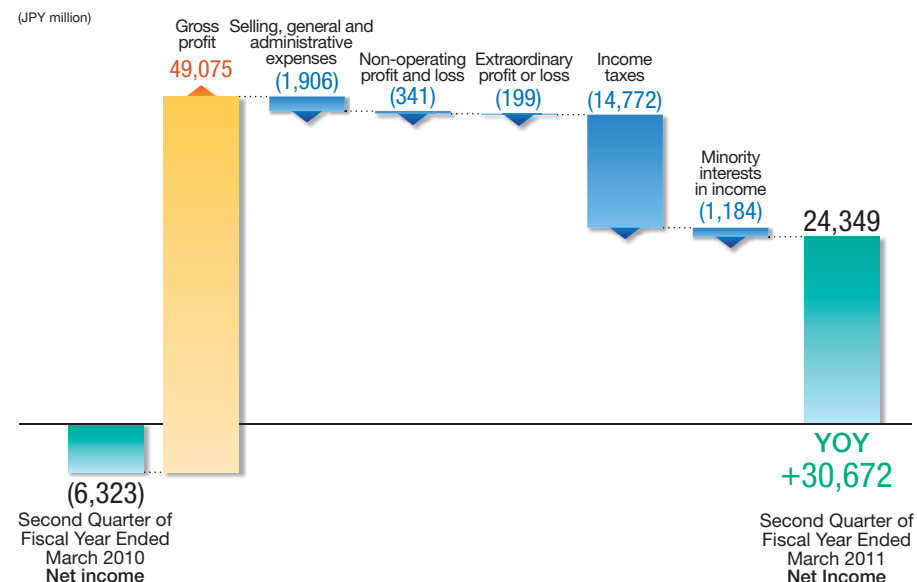
Consolidated Statements of Operations (Summary)

(JPY million)

	From April 1, 2010 to September 30, 2010	From April 1, 2009 to September 30, 2009
Net sales	217,807	154,395
Cost of sales	121,269	106,931
Gross profit	96,538	47,463
Selling, general and administrative expenses	49,688	47,782
Operating income (loss)	46,849	(318)
Non-operating income	778	897
Non-operating expenses	1,529	1,307
Ordinary income (loss)	46,098	(729)
Extraordinary gain	2,845	1,913
Extraordinary loss	3,662	2,531
Income (loss) before income taxes and minority interests	45,281	(1,346)
Income tax, inhabitant tax and enterprise tax	18,745	3,973
Income taxes	18,745	3,973
Minority interests	2,186	1,002
Net income (loss)	24,349	(6,323)

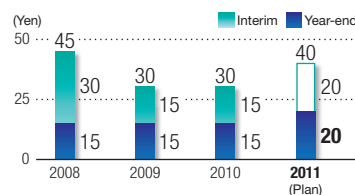
Factors Affecting Net Income

Net sales in the consolidated second quarter under review increased by ¥63.4 billion compared to the second quarter of the previous year. As a result of efforts to reduce costs in each of the business segments, profitability also improved substantially, with gross profit increasing by ¥49.0 billion. Selling, general and administrative expenses increased by ¥1.9 billion, but non-operating profit and loss and extraordinary profit or loss were both at the nearly the same levels as the second quarter of the preceding fiscal year. Although income taxes increased by ¥14.7 billion in conjunction with the increase in income, net income for the second quarter under review increased by ¥30.6 billion compared to the second quarter of last year.



Dividend Announcement

The dividend for the interim period under review has been determined as follows by the Board of Directors on October 29, 2010.



Interim dividend ¥20 per share
 Plan to pay a year-end dividend of ¥20, for a full year payout of ¥40
 Effective date (date payment commences) December 2, 2010

IR Information Center

Please contact the following inquiry desk if you have any questions regarding stock information, company information or other matters.

PHONE **+81-3-6215-9954 (9:00 a.m.–6:00 p.m.)**

The IR Information Center is closed on weekends, national holidays and company holidays.

IR Information

Company Profile As of September 30, 2010

Company Name SEGA SAMMY HOLDINGS INC.

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

Established October 1, 2004

Capital ¥29.9 billion

Number of Employees 6,128 (consolidated)

Directors and Auditors

Hajime Satomi
Chairman of the Board and Chief Executive Officer

Keishi Nakayama
Executive Vice President and Representative Director

Okitane Usui Director

Hisao Oguchi Director and CCO (Chief Creative Officer)

Yuji Iwanaga Director

Takeshi Natsuno Director

Tomio Kazashi Standing Corporate Auditor

Toshio Hirakawa Corporate Auditor

Hisashi Miyazaki Corporate Auditor

Mineo Enomoto Corporate Auditor

Information on Outstanding Shares

As of September 30, 2010

Number of Shares Authorized for Issue 800,000,000

Total Shares Issued and Outstanding 283,229,476

Principal Shareholders

Name of Shareholder	Shares	Shareholding Ratio (%)
Hajime Satomi	43,569,338	17.30
Mellon Bank, NA Treaty Clients Omnibus	18,014,222	7.15
FSC Co., Ltd.	14,172,840	5.63
The Master Trust Bank of Japan, Ltd. (Trustee)	12,204,900	4.84
The Bank of New York Mellon as Depository Bank for depository receipt holders	11,193,992	4.44

Note: Shareholding ratio was calculated excluding treasury stock (31,319,119 shares)



SEGA SAMMY HOLDINGS INC.

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

Shareholder Memo

Stock Code
6460

Round Lot
100 shares

Fiscal Year-End
March 31

Ordinary General Meeting of Shareholders
June

Date of Record for Dividends
March 31 (year-end)
September 30 (interim)

Advance public notice is given when required for other dividend payments.

Method of Public Notice
Electronic public notices

Notification URL <http://www.segasammy.co.jp>
If, due to unavoidable circumstances, electronic notification is not possible, the Company shall post the notice in The Nihon Keizai Shimbun.

Administrative Office of Transfer Agent
Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation

7-10-11 Higashisuna, Koto-ku, Toyko 137-8081, Japan
Phone: 0120-232-711 (toll-free in Japan)

Agency
Mitsubishi UFJ Trust and Banking Corporation branches in Japan
The website of Mitsubishi UFJ Trust and Banking Corporation, the Company's transfer agent, provides information on share registration, purchase or additional purchase of shares in fractional lots and other stock-related procedures. If using the storage transfer system for share certificates, etc., please contact the securities company that handles the transaction. Mitsubishi UFJ Trust and Banking Corporation website: <http://www.tr.mufg.jp/daikou/>

Caution Concerning Forward-Looking Statements

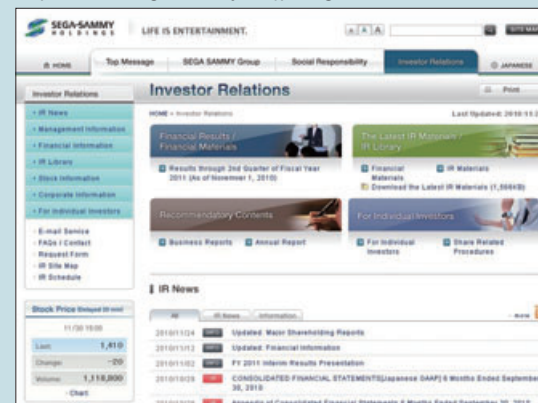
Forward-looking statements herein regarding performance forecasts, plans, management strategies, perceptions or other aspects of SEGA SAMMY HOLDINGS INC. ("the Company") or companies in the SEGA SAMMY Group are based on information available to the Company at the time they are made, and as such are not guaranteed to be accurate nor to represent actual future results. Accordingly, you should refrain from relying entirely on the information provided in such statements. Factors that could influence actual results include, but are not limited to, economic trends, demand trends, legal regulations and litigation.

IR News

SEGA SAMMY HOLDINGS INC. updated its investor relations website as of August 2010. The Company's annual reports and CSR reports are available on the site.

IR Site

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



Annual Report 2010



CSR Report 2010



Regarding Cover Images

Pachislot SOUTEN-NO-KEN © 2001 Buronson & Tetsuo Hara, Approved No. SAH-310 © Sammy BORDERBREAK © SEGA
Anpanman Oshaberi Ippai! Kotoba Zukan © Takashi Yanase / Froebel-kan · TMS · NTV