

## Public Notice of Simple Share Exchange

August 30, 2010

Hajime Satomi

Chairman of the Board and Chief Executive Officer

SEGA SAMMY HOLDINGS INC.

9-2 Higashi Shimbashi 1-chome, Minato-ku, Tokyo

To Our Shareholders:

Our company has passed a resolution at our board meeting held on August 27, 2010 to conduct an exchange of shares (collectively, the “Share Exchange”) in order to convert Sammy NetWorks (address: 3-1-31 Minami-Aoyama, Minato-ku, Tokyo), SEGA TOYS (address: 1-1-39 Hiroo, Shibuya-ku, Tokyo), and TMS ENTERTAINMENT (address: 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo) into wholly owned subsidiaries of SEGA SAMMY HOLDINGS INC., which will become the wholly owning parent of each such company, with an effective date of December 1, 2010 (the “Effective Date”).

Pursuant to Article 796, Section 3 of the Companies Act of Japan (the “Act”), the Share Exchange will be implemented without the consent of shareholders to the relevant share exchange agreements being obtained by shareholder resolution under Article 795, Section 1 of the Act. Therefore, shareholders who wish to oppose the Share Exchange are requested to inform our company of such opposition in writing within two weeks of the day immediately following the date of publication of this public notice. Shareholders who wish to request an appraisal remedy are requested to inform our company of such request and the number of shares that are the subject of such request in writing during the period beginning 20 days before the Effective Date and ending on the day immediately preceding the Effective Date.

End