

(Translation)

July 31, 2012

Dear Sirs,

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

Notice of Issuance of Stock Options (Stock Acquisition Rights) to Directors of the  
Company's Subsidiary and Employees of the Company and the Company's Subsidiary

Notice is hereby given that SEGA SAMMY HOLDINGS INC. (the "Company"), at the meeting of its Board of Directors held today, resolved that the Company would issue stock acquisition rights as stock options, as described below.

Description

1. Reason for issuing acquisition stock rights as stock options  
To raise morale of allottees to achieve much improved business results of our Group as a whole and operate the business in consideration of our shareholders and stock prices.
2. Name of stock acquisition rights  
SEGA SAMMY HOLDINGS INC. stock acquisition rights issued in September 2012  
(for use by employees)
3. Number to be issued  
34,972 rights
4. Paid-in price in exchange for stock acquisition right  
No cash payment shall be required in exchange for a stock acquisition right. This condition shall not fall under favorable terms for a specific subscriber because the Company would issue the stock acquisition right as stock options.
5. Class, details and number of shares to be issued or transferred upon exercise of stock acquisition rights

The number of shares of common stock shall be 3,497,200 shares. Furthermore, the number of shares to be issued or transferred upon exercise of each stock acquisition right shall be 100 shares.

If it is appropriate to adjust the number of shares issued or transferred upon exercise of each right in the event 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, the Company shall make such adjustments as it deems necessary.

6. Price of asset to be capitalized upon exercise of a stock acquisition right

The price of the asset 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 transactions) 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 such closing price.

If it is appropriate to adjust the number of shares issued or transferred upon exercise of each right in the event 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, the Company shall make such adjustments as it deems necessary.

7. Stock acquisition right allotment date

September 1, 2012

8. Stock acquisition right exercise period

From September 2, 2014 to September 1, 2016

9. Conditions for the exercise of stock acquisition rights

- (1) Any person to whom the stock acquisition rights are allotted shall remain in office as a Director of the Company or of the Company's subsidiary, as an employee of such, or in any other similar office when he or she exercises the rights, unless he or she leaves office upon expiration of the term of office or due to any other good reason.
- (2) Other conditions for the exercise of stock acquisition rights are as determined by the stock acquisition right allotment agreement concluded between the Company and subject persons based on the resolution of the meeting of the Board of Directors.

10. Matters concerning the increase in stated capital and capital reserves in the event that shares are issued due to the exercise of stock acquisition rights

The amount of increase in stated capital in the event that shares are issued due to the exercise of stock acquisition rights shall be limited to one-half the amount of the maximum capital and other increase amount as calculated in accordance with Article 17 Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction of one yen resulting

from the calculations rounded upward to the nearest one yen.

In addition, the amount of increase in capital reserves shall be the amount of the abovementioned maximum capita and other increase amount less the amount of increase in stated capital.

11. Matters concerning the transfer of stock acquisition rights

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

12. Provision of acquisition of stock acquisition rights

The Company may acquire the offered stock acquisition rights without compensation on a date prescribed by the Board of Directors if any proposal described below is approved at the Company's general meeting of shareholders:

- (1) a proposal for approval of a merger agreement under which the Company become a company absorbed in absorption-type merger or a company consolidated through consolidation-type Merger
- (2) a proposal for approval of a company split agreement or a company split plan under which the Company become a split company
- (3) a proposal for approval of a share exchange agreement or a share transfer plan under which the Company become a wholly owned subsidiary

13. Number and breakdown of parties to whom stock acquisition rights are to be allotted

Company executive officers: 6	Rights: 750
Company employees: 11	Rights: 225
Subsidiary Directors: 27	Rights: 3,800
Subsidiary executive officers: 17	Rights: 2,125
Subsidiary employees: 1,214	Rights: 28,072

14. Relationship between concerned companies and the filing company in the case where invited parties are directors, accounting advisors, executive officers, auditors or employees of a company which is stipulated in Article 2 Paragraph 2 of the Cabinet Office on Disclosure of Corporate Affairs, etc. as a company related to the filing company

SEGA CORPORATION	Wholly-owned subsidiary
Sammy Corporation	Wholly-owned subsidiary
Sammy NetWorks Co., Ltd.	Wholly-owned subsidiary
SEGA TOYS CO., LTD.	Wholly-owned subsidiary
TMS ENTERTAINMENT, LTD.	Wholly-owned subsidiary
WAVEMASTER, INC.	Wholly-owned subsidiary
SEGA SAMMY GOLF ENTERTAINMENT INC.	Wholly-owned subsidiary
DxL CREATION Co., LTD	Wholly-owned subsidiary
MARZA ANIMATION PLANET INC.	Wholly-owned subsidiary
PHOENIX RESORT K.K.	Wholly-owned subsidiary

15. Content of agreement between invited parties and the filing company

As determined by the stock acquisition right subscription agreement concluded between the Company and the subject persons.

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