

(Translation)

July 29, 2011

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: Koichiro Ueda,
General Manager of Group
Executive Office and Group
Communications Office
(TEL: 03-6215-9955)

Notice of Construction of New Factory and New Logistics Center
by Our Subsidiary (Sammy Corporation)

Notice is hereby given that SEGA SAMMY HOLDINGS INC. (the "Company") and Sammy Corporation, a subsidiary of the Company, reached a resolution with regards to the construction of a new factory and new logistics center, as described below.

Description

1. Purpose of construction

Aiming for an expansion of earnings of the pachislot and pachinko machines business, with the Sammy brand at the center, the Company will continue to strengthen its pachislot business and position further growth of its pachinko business as an important business challenge. A significant year-on-year increase in pachinko unit sales is planned in the year ending March 31, 2012 and further growth of unit sales for the medium- to long-term is aimed. The preparation of a system where timely response is possible for orders that are projected to increase going forward has become a strategic challenge.

With the aim of expanding the productive capacity and to respond to these challenges, it has been decided that a new factory will be constructed. It has also been decided that a new logistics center will be constructed on land adjacent to the new factory, with the purpose of adapting the product storage capacity to increased production and to make the production and logistics system more efficient through integration of the product and component management functions, etc. Furthermore, the current factory (in Kawagoe, Saitama) will continue to operate after the new facilities are completed, but functions of the current Kanto area logistics center (in Tsurugashima, Saitama) and warehouses for components will be integrated to the new logistics center.

Concerning the pachislot and pachinko machines business, the Company is advancing efforts of sharing, reusing, recycling, etc. of components for environmental considerations and cost improvement. Toward further reduction of waste components, the Company will continue to strengthen activities. Besides this, at the new factory, the Company will advance efforts aimed at the preservation of the natural environment, such as reducing CO₂ emissions by employing low-carbon concrete. In addition, the Company will proactively deal with the electricity issue, which is expected to last a long time, through such means as partially introducing energy-saving glass, LED illumination and home power generators.

2. Details of new factory and new logistics center

	New factory	New logistics center
Location	1-10-14 Minamidai, Kawagoe, Saitama	1-10-1 Minamidai, Kawagoe, Saitama
Space of land	22,615 m ²	16,763 m ²
Total floor space	36,502 m ²	26,044 m ²
Scheduled construction periods	Construction start: October 2011 Completion: May 2012 Start of operations: September 2012	Construction start: November 2011 Completion: June 2012 Start of operations: September 2012
Investment	13.5 billion yen (excluding price of previously purchased land of 3.0 billion yen)	2.7 billion yen (excluding price of previously purchased land of 2.0 billion yen)
Production capacity (per day, normal time)	Pachinko units: 5,000 Pachislot units: 2,500 (Ref.) Current factory capacity Pachinko units: 2,400 Pachislot units: 2,400	-

3. Effect on the Company's operating results

As the completion and start of operations of the new factory and new logistics center are scheduled to take place in the year ending March 31, 2013, the effect on the Company's operating results for the year ending March 31, 2012 will be minor. Effects from these events will be incorporated and disclosed in the forecasts of operating results for the year ending March 31, 2013.