

(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

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, based on the resolution of the 8th Ordinary General Meeting of Shareholders of the Company held on June 19, 2012. The details are described below.

Description

1. Reason for issuing stock acquisition rights as stock options
To raise morale of our directors to achieve much improved 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 Directors)
3. Number to be issued
2,500 rights
4. Paid-in price in exchange for a stock acquisition right
No cash payment shall be required in exchange for a stock acquisition right.
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 250,000 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 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 resolutions 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 capital 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 directors: 5 Rights: 2,500

14. 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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