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Securities Code: 6460
May 27, 2013

Hajime Satomi
Chairman of the Board and Chief Executive Officer
SEGA SAMMY HOLDINGS INC.
Shiodome Sumitomo Building,
1-9-2 Higashi Shimbashi, Minato-ku, Tokyo, Japan

Dear Shareholders:

Notice of the 9th Ordinary General Meeting of Shareholders to be held on June 18, 2013

You are cordially invited to attend the 9th Ordinary General Meeting of Shareholders of SEGA SAMMY HOLDINGS INC. (the “Company”) to be held at Convention Hall, B2F, The Prince Park Tower Tokyo, 4-8-1 Shiba-koen, Minato-ku, Tokyo, 105-8563, Japan on Tuesday, June 18, 2013 at 10:00 a.m. for the purposes listed below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either mail (in writing) or via the Internet. Therefore, please review the attached Reference Documents for General Meeting of Shareholders, and kindly exercise your voting rights before 6:00 p.m., Japan Standard Time, on Monday, June 17, 2013.

Details of the Meeting

- 1. Date and time:** Tuesday, June 18, 2013 at 10:00 a.m.
- 2. Venue:** Convention Hall, B2F, The Prince Park Tower Tokyo
4-8-1 Shiba-koen, Minato-ku, Tokyo, 105-8563, Japan
- 3. Agenda:**
 - Matters to be reported:**
 1. The Business Report and the Consolidated Financial Statements for the 9th fiscal year (from April 1, 2012 to March 31, 2013) and results of audits by the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the 9th fiscal year (from April 1, 2012 to March 31, 2013)

Matters to be resolved:

Proposal 1: To elect nine (9) Directors

Proposal 2: To elect four (4) Corporate Auditors

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- * If you attend the meeting in person, please submit the enclosed voting form at the reception desk at the meeting location on the day of the meeting.
 - * Please note that persons other than shareholders of the Company such as a proxy and an accompanying person cannot attend the General Meeting of Shareholders.
 - * Should any change need to be made to the Reference Documents for General Meeting of Shareholders, Business Report or Consolidated/Non-consolidated Financial Statements, such changes shall be posted on the website of the Company (Japanese only).
 - * Pursuant to the provisions of laws and regulations and the Articles of Incorporation, Internal Control System and so forth to ensure appropriate business execution in the Business Report, Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are posted on the website of the Company and not attached to this document.
 - * The Business Report and Consolidated/Non-consolidated Financial Statements audited by the Accounting Auditor and the Board of Corporate Auditors include Internal Control System and so forth to Ensure Appropriate Business Execution, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements, which are posted on the website of

the Company and are not provided herein.

- * For voting results, an extraordinary report shall be posted on the website of the Company in place of Notice of Resolutions. Information in English will be posted on our English website (<http://www.segasammy.co.jp/english/ir/event/meeting.html>)

Information on the Method of Receiving Convocation Notice

You may request the receipt of convocation notice, shareholder information and other documents for future General Meetings of Shareholders by email if your email address is registered with the Company. (Please note that mobile phone email addresses are not accepted.)

If you wish to receive the above documents by email, please access the voting rights exercise website designated by the Company (<http://www.evotep.jp/>) from a PC or a smartphone, log on using the “logon ID” and “temporary password” printed on the enclosed voting rights exercise form and follow the on-screen instructions from the “Receipt by email” screen.

The statutory convocation notice and other documents to be sent by email to the registered addresses (including the notice that such documents have been posted on the website designated by the Company) are as shown below. Convocation notice will be sent by e-mail by the Shareholder Registry Administrator.

- (1) Convocation Notice of Ordinary General Meeting of Shareholders: Date and time, venue, agenda, exhibits (including Business Report) and Reference Documents for General Meeting of Shareholders
- (2) Convocation Notice of Extraordinary Meeting of Shareholders: Date and time, venue, agenda and Reference Documents for General Meeting of Shareholders

- * Please note that, in the case of a convocation notice, if you take the procedure after a certain period from the record date of General Meeting of Shareholders (the fiscal year end in case of Ordinary General Meeting of Shareholders and a date separately determined by the Board of Directors in case of Extraordinary Meeting of Shareholders), your email address may not be reflected.

Information on Exercise of Voting Rights

Exercise of voting rights by mail

Indicate “for” or “against” the proposals on the voting form enclosed and return the said form to the Company so that it is received no later than the deadline for exercising your voting rights, indicated above.

Exercise of voting rights via the Internet

(1) Exercise of voting rights

- (i) Access the voting website designated by the Company (<http://www.evotep.jp/>), log on using the “voting rights exercise code” and “temporary password” printed on the enclosed voting form, and follow the on-screen instructions (Japanese language only) to enter “for” or “against” the proposals before the deadline for exercising your voting rights, indicated above.
- (ii) In order to prevent unauthorized access by persons other than shareholders (spoofing) and falsification of entries, you are kindly requested to change the “temporary password” once you log on to the voting rights exercise website.

(2) Voting website

- (i) You may exercise your voting rights by accessing the voting website designated by the Company (<http://www.evotep.jp/>) from a PC, smartphone or mobile phone (i-mode, EZweb or Yahoo! Keitai). (Please note that the website cannot be accessed between 2:00 a.m. and 5:00 a.m. daily, Japan Standard Time) (“i-mode”, “EZweb” and “Yahoo!” are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation and U.S. Yahoo! Inc., respectively.)



You may also access the designated voting website by using a smartphone or mobile phone equipped with a QR code reader to read the QR code on the right:

Please check the usage instructions for your smartphone or mobile phone for further details regarding the use of the QR code reader.

(“QR code” is a registered trademark of DENSO WAVE INCORPORATION.)

- (ii) You may be unable to use the voting website depending on your Internet configuration, firewall, anti-virus software and proxy server settings.
- (iii) You must have access to either i-mode, EZweb or Yahoo! Keitai services to exercise your voting rights via mobile phone. Please note that the voting website is only accessible from a mobile handset capable of communicating encrypted data (i.e. SSL) and mobile phone data for security purposes.
- (iv) Please note that any costs incurred in accessing the designated voting website (e.g. internet connection fees and telephone charges) shall be borne by the shareholder. Please note that any costs incurred in voting via mobile phone, including packet charges, shall also be borne by the shareholder.

Treatment of votes cast more than once

- (i) When any shareholder exercises voting rights both by voting form and via the Internet, only the Internet vote will be deemed as valid.
- (ii) When any shareholder exercises voting rights more than once via the Internet, only the last vote will be deemed as valid. Similarly, when any shareholder exercises voting rights more than once via PC, smartphone and / or mobile phone, only the last vote will be deemed as valid.

Electronic proxy voting platform for institutional investors

Institutional investors can use the electronic proxy voting platform that is operated by Investor Communications Japan, Inc., which is designed for institutional investors to exercise their voting rights electronically.

For inquiries concerning the online voting system:

[Helpdesk]

Shareholder registry administrator: Transfer Agent Department, Mitsubishi UFJ Trust and
Banking Corporation

Direct line: 0120-173-027 (Domestic [Japan] call only)
(Weekdays 9:00 a.m. – 9:00 p.m.)

*** Please note that the above contact number is not for inquiries concerning shares.**

Business Report

(From April 1, 2012 To March 31, 2013)

I Group's Current Condition

1. Business Development and Results

During the fiscal year ended March 31, 2013, the depreciation of the yen and rising stock prices led to growing hopes for an economic recovery in the wake of new economic policies by the government's new administration. However, uncertainty continued to prevail overall, as the world economy decelerated and the effects of deteriorating Japan-China relations were felt.

In this climate, the pachislot and pachinko industry witnessed continuing recovery in the pachislot machine market, thanks to a recovery in their utilization rate and an increase in the quantity installed in pachinko parlors. Meanwhile, pachinko machines did not perform quite as strongly, with slight declines in the quantity installed, despite strong replacement demand mainly among the major titles.

In the amusement machine and amusement center industry, the solid market was driven mainly by the prize category. In the future, however, development and supply of innovative new game machines in line with diversifying customer needs is expected to revitalize the market.

In the home video game software industry, demand weakened for packaged games due to the severe economic environment mainly in the U.S. and Europe. Meanwhile, SEGA SAMMY Group (the Group) needs to adapt to a changing business environment in which market demand for digital games geared toward social networking services (SNS) and smartphones is expanding further.

In this business environment, net sales for the fiscal year ended March 31, 2013 amounted to ¥321,407 million (a decrease of 18.7% from the previous fiscal year). The Group posted an operating income of ¥19,073 million (a decrease of 67.3% from the previous fiscal year) and ordinary income of ¥20,914 million (a decrease of 64.0% from the previous fiscal year).

Also, while the Group recorded extraordinary income of ¥10,179 million including gain on sales of investment securities and gain on transfer of benefit obligation relating to employees' pension fund, the Group recorded extraordinary loss of ¥5,461 million including losses related to the subsidiary in the U.S. such as impairment loss of goodwill and loss on liquidation of subsidiaries and affiliates.

In addition to above, the Group recorded deferred tax asset related to the tax loss which was resulted from the completion of liquidation of some of the subsidiaries in the U.S. for the amount that will be deductible from the future taxable income.

As a result, the Group recorded a net income of ¥33,460 million (an increase of 53.3% from the previous fiscal year).

The Group reached an agreement with Paradise Group, which conducts tourism and other services business in South Korea, on the business of a resort complex development including casinos in the Incheon City area of South Korea on May 11, 2012. The agreement concerns establishment of a joint venture that will conduct planning, development, and operation of the project. Establishment of the joint venture has been completed.

In addition, The Group won the public bid for the development plan of "Centum City", a cutting-edge complex city equipped with functions such as information, communication, video, entertainment and international business, held by the Busan Metropolitan City, South Korea on January 3, 2013.

Furthermore, the Company resolved to acquire treasury stocks at the Board of Directors' meeting held on May 31, 2012, and during the period of June 7 to July 31, 2012, the Company acquired 10,000,000 shares (the upper limit of total shares which may be acquired) at acquisition costs of ¥16,192 million.

Result of each segment is as follows

《Pachislot and Pachinko Machines》

In the pachinko machine business, although the sales of “Pachinko CR Hokuto No Ken 5 Hasha” under the Sammy brand was favorable, overall sales of the pachinko machines were 216 thousand units (332 thousand units for the previous fiscal year) and fell short of the previous fiscal year due to a stagnant market environment. In the pachislot machine business, although the Group launched “Pachislot Shin-Onimusha Sairin” under the RODEO brand and sales was generally solid, overall sales of the pachislot machines were 202 thousand units (300 thousand units for the previous fiscal year) and fell short of the previous fiscal year as a result of the rescheduling of the launch of certain titles.

As a result, net sales in this segment were ¥142,796 million (a decrease of 32.7% from the previous fiscal year) and operating income was ¥23,534 million (a decrease of 66.9% from the previous fiscal year).

Main Pachinko Machines and Units Sold

Model name	Brand	Units sold (Thousands)
Pachinko CR Hokuto No Ken 5 Hasha	(Sammy)	121
Pachinko CR Shin-Juoh	(Sammy)	22
Pachinko CR SOUTEN-NO-KEN TENJU	(Sammy)	20
Pachinko CR GAOGAOKING	(Sammy)	11
CR Chameleon	(Taiyo Elec)	6

Main Pachislot Machines and Units Sold

Model name	Brand	Units sold (Thousands)
Pachislot Shin-Onimusha Sairin	(Rodeo)	41
Pachislot Monster Hunter	(Rodeo)	38
Pachislot CODE GEASS Lelouch of the Rebellion	(Sammy)	31
Pachislot Ring ni Kakero 1 -The Twelve Gods of Greek Series-	(Sammy)	25
Pachislot Sakigake Otokojuku	(Rodeo)	24

《Amusement Machine Sales》

In the amusement machine sales business, the sales of CTV KITS and expendables such as cards for the “WORLD CLUB Champion Football Series” were solid. Although distribution revenue from revenue sharing titles remained solid, the sales of major new titles were absent. As a result, net sales in this segment were ¥42,620 million (a decrease of 19.6% from the previous fiscal year) and operating income was ¥1,902 million (a decrease of 74.3% from the previous fiscal year).

《Amusement Center Operations》

In the amusement center operations business, efforts to reinforce management capabilities of existing amusement centers continued from the previous fiscal year. However, in reaction to the relatively strong performance driven primarily by the prize category in the previous fiscal year, sales at existing SEGA amusement centers in Japan dipped and registered 93.8% of the level compared to the previous fiscal year.

The Group opened 3 amusement centers and closed 8 amusement centers in the domestic market in the fiscal year. Consequently, the Group operated a total of 236 amusement centers in Japan at the end of the period.

As a result, net sales in this segment were ¥42,728 million (a decrease of 4.2% from the previous fiscal year). Due to the decrease in depreciation expense in connection with the changes to the accounting policies, operating income was ¥1,194 million (an increase of 235.7% from the previous fiscal year).

《Consumer Business》

In the consumer business, the Group launched titles such as “Ryu ga Gotoku 5: Yume,Kanaeshimono” which targets the domestic market, “Sonic & All-Stars Racing Transformed” and “Aliens™: Colonial Marines” for overseas markets in the packaged game software field. However, a reduction of number of titles carried out as part of the structural reform policies implemented in Europe and the U.S. starting from the end of the previous fiscal year led to a year-on-year decline in total volume of packaged software sales to 10,780 thousand copies (17,240 thousand copies for the previous fiscal year), which includes 4,200 thousand copies in the U.S., 4,420 thousand copies in Europe, and 2,140 thousand copies in Japan.

In the field of digital game software for mobile phones, smartphones, and PC downloading, the number of registered users of the PC online RPG “Phantasy Star Online 2”, which launched its services in July, exceeded 2.5 million, and revenue from paid items exceeded forecasted levels. Our title line-up for smartphones was expanded with the introduction of numerous additions including “Dragon Coins” , “Kingdom Conquest II” and “The Clan Battle of Fate” which was developed jointly with Pokelabo, Inc. Meanwhile, on the pachinko and pachislot game website for mobile phones and PCs, the smartphone version of “777townSP” service was enhanced.

In the toy division, sales of mainstay products such as “Jewel Pod Diamond” were strong.

In the animated films business, distribution revenue and film distribution for the movie “ANPANMAN: Revive Banana Island!” were favorable.

As a result, net sales in this segment were ¥84,740 million (a decrease of 2.0% from the previous fiscal year) and operating loss was ¥732 million (operating loss of ¥15,182 million for the previous fiscal year).

2. Issues to be Addressed

In the pachislot and pachinko machines business, pachinko parlor operators are facing increasingly harsh business conditions due to the widespread practice of lowering ball rental fees and a decline in the number of players. There has also been a tendency for demand to concentrate on large major titles that promise greater profitability. Under these circumstances, the Group will strive to adapt to the changes in the business environment through efforts including the development and supply of products with innovative gameplay that meet market needs.

In the amusement machine business, the Group will seek a broad range of users by not only providing various products from high value added items to household items that meet user needs but also simultaneously enhancing investment efficiency for operators and securing sources of long-term and stable earnings for the Company as a machine manufacturer. In overseas markets, the Group must provide products that meet local needs at competitive prices.

In the amusement center operations business, the Group’s challenge will be to recover profits by strengthening management capabilities and competitiveness at its amusement centers, as well as by attracting new customers.

In the packaged game software field of the consumer business, one prevailing management issue is how to address the expanding market for new content for the field of digital game software for mobile phones, smartphones and PC downloading, among others, along with the improvement in profitability through the streamlining of development efforts by focusing on a smaller number of titles. In the toy business and the animated films business, further reinforcement of our business by intra-Group collaboration and other measures is our focus.

3. Fund Procurement, etc.

(1) Fund Procurement

The Company concluded commitment line contract aimed at securing medium- to long-term capital liquidity and otherwise providing a Group wide safety net. The company formed a syndicate arrangement with two financial institutions covering ¥20,000 million.

Regarding fund procurement for the fiscal year ended March 31, 2013, the Company procured ¥37,000 million including borrowings from seven financial institutions and the issuance of unsecured bonds underwritten by two financial institutions, for the purpose of securing medium- to long-term working capital.

For effective use of the Group funds, the Group is operating the Cash Management System (“CMS”) involving eight Group companies including the Company, Sammy Corporation, SEGA CORPORATION, Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD. and TMS

ENTERTAINMENT CO., LTD.

(2) Capital Expenditures

The Group's capital expenditures totaled ¥32,871 million, including ¥11,914 million for increasing mold tools, construction of the new factory and other investments in the pachislot and pachinko machines business. In addition, there were ¥7,923 million in capital expenditures related to amusement centers operated by SEGA ENTERTAINMENT Co., Ltd. and other companies.

(3) Business Transfers, Absorption-type Demergers, and Incorporation-type Demergers

There is no applicable material information for the fiscal year ended March 31, 2013.

(4) Business Transfer from Other Companies

There is no applicable material information for the fiscal year ended March 31, 2013.

(5) Succession of Rights and Obligations Related to Businesses of Other Corporations, etc., through Absorption-type Mergers or Demergers

There is no applicable material information for the fiscal year ended March 31, 2013.

(6) Acquisition or Disposition of Stocks and Other Interests or Share Subscription Rights, etc., of Other Companies

SEGA CORPORATION, a subsidiary of the Company, acquired all of shares of Relic Entertainment, Inc. and made the company into a subsidiary on January 24, 2013.

Sammy NetWorks Co., Ltd., a subsidiary of the Company, acquired the shares of Butterfly Corporation and made the company into a subsidiary on January 25, 2013.

4. Assets and Profits and Losses for the Previous Three Fiscal Years

Item	Fiscal Year	FY2010	FY2011	FY2012	FY2013
		From April 1, 2009 To March 31, 2010	From April 1, 2010 To March 31, 2011	From April 1, 2011 To March 31, 2012	From April 1, 2012 To March 31 2013
Net sales	(¥ million)	384,679	396,732	395,502	321,407
Ordinary income	(¥ million)	35,925	68,123	58,164	20,914
Net income	(¥ million)	20,269	41,510	21,820	33,460
Net income per share	(¥)	80.46	163.19	86.73	137.14
Total assets	(¥ million)	423,161	458,624	497,451	528,504
Net assets	(¥ million)	256,770	285,461	296,376	320,034

Notes: 1. Figures shown in millions of yen have been rounded down to the nearest million.

2. Net income per share is calculated based on the average number of shares outstanding during the period.

5. Major Business Segments

The business segments of the SEGA SAMMY Group are Pachislot and Pachinko Machines, Amusement Machine Sales, Amusement Center Operations, Consumer Business and Other Businesses. The primary business activities are as follows.

Segment	Main Business
Pachislot and Pachinko Machines	Development, manufacture and sales of pachislot and pachinko machines Design for parlors
Amusement Machine Sales	Development, manufacture and sales of game machines used in amusement arcades
Amusement Center Operations	Development, operation, rent and maintenance of amusement centers
Consumer Business	Development and sales of home video game software; Development, manufacture, and sales of toys; Planning and production of entertainment contents through mobile phones, etc.; Planning, production and sales of animated movies
Other	Resort complex business, Information provider services, etc.

6. Major Business Locations of the Group

- (1) The Company: SEGA SAMMY HOLDINGS INC.
Head Office (Minato-ku, Tokyo)
- (2) Office of the main subsidiaries
 - ① Sammy Corporation
Head Office (Toshima-ku, Tokyo)
Kawagoe Factory (Kawagoe, Saitama)
Branches (8 Branches)
 - ② SEGA CORPORATION
Head Office (Shinagawa-ku, Tokyo)
 - ③ SEGA ENTERTAINMENT Co., Ltd.
Amusement Center Operating Locations: (216 locations)
- (3) Employees of the Group
Number of employees (change from end of previous year) 7,008 (308 up)
Note: The number of employees includes full-time staff and staff on loan, but not temporary employees.

7. Material Parent Company and Subsidiaries

- (1) Relationships with parent company
There is no pertinent matter.
- (2) Relationships with subsidiaries

Company	Capital	Percentage ratio of issued shares	Main business
Sammy Corporation	¥18,221 million	100.0%	Development/manufacture/sales of pachislot and pachinko machines
SEGA CORPORATION	¥60,000 million	100.0%	Development/manufacture/sales of game machines used in amusement arcades Development/operations of amusement centers Development/sales of home videogame software
RODEO Co., Ltd.	¥100 million	65.0% (Note 1)	Development/manufacture/sales of pachislot machines

Company	Capital	Percentage ratio of issued shares	Main business
Sammy Design Co., Ltd.	¥40 million	100.0% (Note 1)	Planning/design/construction of pachinko parlors
TAIYO ELEC Co., Ltd.	¥5,125 million	100.0% (Note 1)	Development/manufacture/sales of pachislot and pachinko machines
Sega Logistics Service Co., Ltd.	¥200 million	100.0% (Note 1)	Maintenance service, transportation and warehouse business
SEGA ENTERTAINMENT Co., Ltd. (Note 2)	¥100 million	100.0% (Note 1)	Operation of amusement centers
SEGA NETWORKS CORPORATION (Note 3)	¥10 million	100.0% (Note 1)	Development/sales of digital games
DARTSLIVE Co., Ltd.	¥10 million	100.0% (Note 1)	Planning/development/sales of game equipment and game software
Sega Amusements Europe Ltd.	£ 26,485 thousand	100.0% (Note 1)	Import/manufacture/sales of amusement equipment
Sega of America, Inc.	US\$110,000 thousand	100.0% (Note 1)	Development/management/sales of home video game software
Sega Europe Ltd.	£ 10,000 thousand	100.0% (Note 1)	Sales of home video game software
Sega Publishing Europe Ltd.	£ 0 thousand	100.0% (Note 1)	Sales of home video game software
Sammy NetWorks Co., Ltd.	¥2,330 million	100.0%	Planning/production of game and music contents through mobile phones and Internet, etc.
SEGA TOYS CO., LTD.	¥100 million	100.0%	Development/manufacture/sales of toys
TMS ENTERTAINMENT CO., LTD.	¥8,816 million	100.0%	Planning/production/sales and other activities involving animated movies
MARZA ANIMATION PLANET INC.	¥100 million	100.0%	Production of computer graphics animations, planning/production of animated movies, licensing business, investment advisory business and operation/management of investment business partnership (funds), etc.
Japan Multimedia Services Corporation	¥835 million	91.1%	Information providing service, call center service and temporary staffing service
PHOENIX RESORT CO., LTD.	¥93 million	100.0%	Operation of resort facilities, including hotels, spas, golf courses, restaurants and international conference halls

Note 1. Percentage of ratio of issued shares includes rights of indirectly owned shares.

2. SEGA Bee LINK CO., LTD. has changed its trade name to SEGA ENTERTAINMENT Co., Ltd. In addition, SEGA CORPORATION conducted an absorption-type split in which the amusement center operations business was transferred to SEGA ENTERTAINMENT Co., Ltd.

3. SEGA NETWORKS CORPORATION has been established through an incorporation-type split from SEGA CORPORATION.

8. Main Banks and Borrowings

Lenders	Balance of loans payable
Aozora Bank, Ltd.	¥11,989 million
Resona Bank, Limited.	¥7,350 million
Mitsubishi UFJ Trust and Banking Corporation	¥7,230 million
Sumitomo Mitsui Banking Corporation	¥6,725 million
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥6,375 million
The Hokuriku Bank, Ltd.	¥4,717 million
Mizuho Corporate Bank, Ltd.	¥4,000 million
The Bank of Yokohama, Ltd.	¥3,975 million
Others	¥5,433 million
Total	¥57,794 million

9. Where the Articles of Incorporation Provide for the Board of Directors to Determine Distributions, etc., of Retained Earnings, Policy Regarding Exercise of Such Authority

SEGA SAMMY HOLDINGS INC. gives priority to returning profits to shareholders. The Company's basic policy is to pay an appropriate dividend that is commensurate with earnings.

For the distribution of surplus, the Company paid second quarter and plans to pay year-end dividends of ¥20 per share, respectively. This reflects the Group's policy of paying dividends to shareholders stably. Furthermore, the Company's policy is to effectively use retained earnings to bolster its financial position and operating base as well as for investments in line with business expansion.

10. Other Significant Events of the Group

There is no applicable material information for the fiscal year ended March 31, 2013.

II Shares Outstanding and Shareholders

1. **Number of shares authorized for issue** **800,000,000 shares**
2. **Total shares issued and outstanding** **266,229,476 shares**
3. **Number of shareholders** **82,682**
4. **Principal shareholders (Top 10)**

Name of shareholder	Investment in SEGA SAMMY HOLDINGS	
	Shares held	Shareholding ratio (%)
Hajime Satomi	33,569,338	13.86
FSC Co., Ltd.	14,172,840	5.85
Mellon Bank N.A. Treaty Client Omnibus	12,019,000	4.96
Japan Trustee Services Bank, Ltd. (Trustee)	11,271,800	4.65
HS Company	10,000,000	4.13
The Master Trust Bank of Japan, Ltd. (Trustee)	8,925,600	3.68
Government of Singapore Investment Corporation Pte Ltd.	4,480,084	1.85
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	4,131,100	1.70
JPMorgan Chase Bank 380055	4,045,696	1.67
State Street Bank and Trust Company	3,135,715	1.29

Note: Shareholding ratio was calculated excluding treasury stock (24,169,675 shares)

III Company's Share Subscription Rights

1. Outline of Share Subscription Rights Issued to the Company's Directors and Corporate Auditors as Remuneration for Their Services as of the End of the Fiscal Year Ended March 31, 2013

Date of Resolutions of the Ordinary General Meeting of Shareholders	June 30, 2010
Number of individuals with rights Company directors	3
Number of share subscription rights (Note 1)	879
Class of shares for share subscription rights	Common stock
Number of shares for share subscription rights	87,900
Payment on exercise of share subscription rights	There is no need of delivering payment to exchange with the share subscription rights.
Capital contribution upon exercise of share subscription rights (per share)	¥1,312
Period for exercise of share subscription rights	August 1, 2012 – July 31, 2014
Terms and conditions for exercise of share subscription rights	(Note 2)
Matters concerning the transfer of share subscription rights	When transferring share subscription rights, approval must be obtained from the Board of Directors

Notes: 1. Number of shares of share subscription rights is 100 per the right.

2. Terms and conditions for exercise of share subscription rights are as follows:

The grantee shall be Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company or any of its subsidiaries when he or she exercises the rights. However, the following cases are treated as exceptions.

- a. Where the loss of such position is due to expiration of the term of office or amendment of law or Articles of Incorporation of the Company or any of its subsidiaries;
- b. Where the loss of such position is due to company regulations, including mandatory retirement or termination on account of business contraction;
- c. Where, immediately after the loss of such position due to the reasons held by the Company, the grantee becomes Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company, any of its Group companies, any of its business partners or any other company sanctioned by the Company.

Date of Resolutions of the Ordinary General Meeting of Shareholders	July 31, 2012
Number of individuals with rights Company directors	5
Number of share subscription rights (Note 1)	2,500
Class of shares for share subscription rights	Common stock
Number of shares for share subscription rights	250,000
Payment on exercise of share subscription rights	There is no need of delivering payment to exchange with the share subscription rights.
Capital contribution upon exercise of share subscription rights (per share)	¥1,686
Period for exercise of share subscription rights	September 2, 2014 – September 1, 2016
Terms and conditions for exercise of share subscription rights	(Note 2)
Matters concerning the transfer of share subscription rights	When transferring share subscription rights, approval must be obtained from the Board of Directors

Notes: 1. Number of shares of share subscription rights is 100 per the right

2. Terms and conditions for exercise of share subscription rights are as follows:

The grantee shall be Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company or any of its subsidiaries when he or she exercises the

- rights. However, the following cases are treated as exceptions.
- a. Where the loss of such position is due to expiration of the term of office or amendment of law or Articles of Incorporation of the Company or any of its subsidiaries;
 - b. Where the loss of such position is due to company regulations, including mandatory retirement or termination on account of business contraction;
 - c. Where, immediately after the loss of such position due to the reasons held by the Company, the grantee becomes Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company, any of its Group companies, any of its business partners or any other company sanctioned by the Company.

2. Outline of Share subscription rights Issued to Company Employees or Subsidiary Directors, Corporate Auditors, or Employees as Remuneration for Their Services During the Fiscal Year Ended March 31, 2013

Date of Resolutions of the Ordinary General Meeting of Shareholders		July 31, 2012	
Number of share subscription rights (Note 1)		34,972	
Class of shares for share subscription rights		Common stock	
Number of shares for share subscription rights		3,497,200	
Payment on exercise of share subscription rights		There is no need of delivering payment to exchange with the share subscription rights.	
Capital contribution upon exercise of share subscription rights (per share)		¥1,686	
Period for exercise of share subscription rights		September 2, 2014 – September 1, 2016	
Terms and conditions for exercise of share subscription rights		(Note 2)	
Matters concerning the transfer of share subscription rights		When transferring share subscription rights, approval must be obtained from the Board of Directors	
Issuance to employees, etc.	Company employees	Number of share subscription rights	975
		Number of shares for share subscription rights	97,500
		Number of recipient	17
	Subsidiary Directors, Corporate Auditors or employees	Number of share subscription rights	33,855
		Number of shares for share subscription rights	3,385,500
		Number of recipient	1,250

Notes: 1. Number of shares of share subscription rights is 100 per the right

2. Terms and conditions for exercise of share subscription rights are as follows:

- The grantee shall be Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company or any of its subsidiaries when he or she exercises the rights. However, the following cases are treated as exceptions.
- a. Where the loss of such position is due to expiration of the term of office or amendment of law or Articles of Incorporation of the Company or any of its subsidiaries;
 - b. Where the loss of such position is due to company regulations, including mandatory retirement or termination on account of business contraction;
 - c. Where, immediately after the loss of such position due to the reasons held by the Company, the grantee becomes Director, Corporate Auditor, Executive Officer, Consultant, Counsel, or employee of the Company, any of its Group companies, any of its business partners or any other company sanctioned by the Company.

IV Company Directors and Corporate Auditors

1. Directors and Corporate Auditors

Title	Name	Main Responsibilities
Chairman of the Board and Chief Executive Officer	Hajime Satomi	Chairman of the Board, Sammy Corporation Chairman and CEO, SEGA CORPORATION
Executive Vice President and Representative Director Executive for Group Communications Office, Corporate Strategy and External Affairs, Administrations Division, Group CSR Promotion Office	Keishi Nakayama	Vice Chairman and CEO, Sammy Corporation
Director	Naoya Tsurumi	President and COO, SEGA CORPORATION
Director	Hisao Oguchi	
Director	Haruki Satomi	Director, SEGA CORPORATION
Director	Yuji Iwanaga	Attorney
Director	Takeshi Natsuno	
Standing Corporate Auditor	Tomio Kazashi	
Corporate Auditor	Toshio Hirakawa	Standing Corporate Auditor, Sammy Corporation
Corporate Auditor	Hisashi Miyazaki	Standing Corporate Auditor, SEGA CORPORATION
Corporate Auditor	Mineo Enomoto	Corporate Auditor, SEGA CORPORATION, Attorney

Notes: 1. Yuji Iwanaga and Takeshi Natsuno are outside director as stipulated in Article 2, Clause 15 of the Company Law.

2. Tomio Kazashi, Toshio Hirakawa and Mineo Enomoto are outside corporate auditor as stipulated in Article 2, Clause 16 of the Company Law.

3. The Company has submitted an Independent Directors/Corporate Auditors Notification Form to register Directors Yuji Iwanaga and Takeshi Natsuno, Standing Corporate Auditor Tomio Kazashi, and Corporate Auditors Toshio Hirakawa and Mineo Enomoto as Independent Directors/Corporate Auditors at Tokyo Stock Exchange, Inc.

4. The Company has adopted the executive officer system to speed up decision-making, strengthen oversight of business execution, and reinforce business execution functions. The Company has seven executive officers: Hideo Yoshizawa, Division Manager of the Administrative Division; Koichi Fukazawa, Takatoshi Akiba and Kenichiro Hori, the Corporate Strategy and External Affairs; Koichiro Ueda, General manager of New Business Office; Seiji Shintani, General manager of Group Executive Office and Group Communications Office; Tetsushi Ikeda, Division Manager of the Group Internal Control Office, Group CSR Promotion Office and Internal Audit Office.

2. Total Remuneration, etc., to Directors and Corporate Auditors

Title	Number of individuals	Remuneration, etc.
Director	7	¥629 million
Corporate Auditor	2	¥23 million
Total	9	¥652 million

Notes: 1. Remuneration, etc., includes bonuses to directors/corporate auditors in the amount of ¥131 million (¥130 million for directors, ¥1 million for corporate auditors) and stock options to directors in the amount of ¥21 million (¥21 million for directors).

2. The remuneration limit for directors is ¥1,000 million, pursuant to the resolution at the Ordinary General Meeting of Shareholders on June 19, 2012.

3. The remuneration limit for corporate auditors is ¥50 million, pursuant to the resolution at the Ordinary General Meeting of Shareholders of Sammy Corporation on June 25, 2004, and at the Ordinary General Meeting of Shareholders of SEGA CORPORATION on June 29, 2004.

3. Main Activities of Outside Directors and Corporate Auditors

Title	Name	Major Activities
Outside Director	Yuji Iwanaga	He attended 18 Board of Directors meetings out of the 20 meetings held during the year (9 out of 11 regular meetings) and expressed his opinion on professional and managerial view points as an attorney. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
Outside Director	Takeshi Natsuno	He attended 20 Board of Directors meetings out of the 20 meetings held during the year (11 out of 11 regular meetings) and expressed his opinion on managerial view points. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors.
Outside Corporate Auditor	Tomio Kazashi	He attended 20 Board of Directors meetings out of the 20 meetings held during the year (11 out of 11 regular meetings) and expressed his opinion on managerial view points. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors. He also attended 15 Corporate Auditors meetings out of the 15 meetings held during the year exchanging the opinions on auditing results and deliberating the significant issues related to audits.
Outside Corporate Auditor	Toshio Hirakawa	He attended 20 Board of Directors meetings out of the 20 meetings held during the year (11 out of 11 regular meetings) and expressed his opinion on managerial view points. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors. He also attended 15 Corporate Auditors meetings out of the 15 meetings held during the year exchanging the opinions on auditing results and deliberating the significant issues related to audits.
Outside Corporate Auditor	Mineo Enomoto	He attended 19 Board of Directors meetings out of the 20 meetings held during the year (10 out of 11 regular meetings) and expressed his opinion on professional and managerial view points as an attorney. He also made some proposals to secure the adequateness and fairness of decision making of the Board of Directors. He also attended 14 Corporate Auditors meetings out of the 15 meetings held during the year exchanging the opinions on auditing results and deliberating the significant issues related to audits.

4. Liability Limitation Agreements for Outside Directors and Corporate Auditors

At the Second Ordinary General Meeting of Shareholders on June 20, 2006, the Company amended its Articles of Incorporation and established regulations regarding liability limitation agreements for Outside Corporate Auditors.

An outline of the contents of the liability limitation agreement that the Company has entered into with Outside Corporate Auditor Mineo Enomoto is as follows:

(Outline of Liability Limitation Agreement)

The liability to compensate for damages under Article 423, Section 1 of the Company Law will be limited to the minimum liability set forth by law in the absence of malicious intent or material negligence.

5. Total Remuneration, etc., to Outside Directors and Corporate Auditors

	Number of individuals	Remuneration, etc.	Remuneration, etc., from subsidiary
Total remuneration, etc., to outside Directors and Corporate Auditors	5	¥72 million	¥17 million

Notes: 1. The remuneration, etc. includes director's bonuses in the amount of ¥1 million (¥1 million for corporate auditor), that is planned to be paid from the Company.

2. The remuneration, etc. includes director's bonuses in the amount of ¥2 million (¥2 million for corporate auditor), that is planned to be paid from subsidiary.

V Independent Auditors

1. Name

KPMG AZSA LLC

2. Liability Limitation Agreement with Independent Auditors

Although, the Company amended its articles of incorporation and established regulations regarding liability limitation agreements with independent auditors at the Second Ordinary General Meeting of Shareholders on June 20, 2006, the Company has not entered into the liability limitation agreement with KPMG AZSA LLC.

3. Remuneration, etc.

	Remuneration, etc
Remuneration, etc., related to the fiscal year ended March 31, 2013	¥122 million
Total of cash and other profits that should be paid to independent auditors by the Company and its subsidiaries	¥284 million

Notes: 1. The Company's subsidiaries, Sega Europe Ltd., etc. are audited by auditors that differ from the Company's.

4. Policy Regarding Determination of Termination or Not Reappointing

The Company entrusts the Board of Corporate Auditors with the responsibility for deciding on the dismissal or non-reappointment of the independent auditor, and if any clause within Article 340, Section 1 of the Company Law is deemed to apply, the independent auditor will be dismissed in accordance with the Company's policy. The Board of Corporate Auditors also determines the reappointment or non-reappointment of the independent auditor upon consideration of the current status related to their performance, etc.

Consolidated Balance Sheet

(As of March 31, 2013)

(Unit: millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	318,570	Current liabilities	103,637
Cash and deposits	176,540	Notes and accounts payable-trade	50,142
Notes and accounts receivable-trade	63,886	Short-term loans payable	12,867
Short-term investment securities	4,260	Current portion of bonds	5,843
Merchandise and finished goods	5,931	Income taxes payable	1,494
Work in process	12,773	Accrued expenses	10,825
Raw materials and supplies	23,850	Provision for bonuses	3,893
Income taxes receivable	8,428	Provision for directors' bonuses	654
Deferred tax assets	10,965	Provision for business restructuring	907
Other	12,319	Asset retirement obligations	229
Allowance for doubtful accounts	(386)	Deferred tax liabilities	0
Noncurrent assets	209,933	Other	16,778
Property, plant and equipment	87,060	Noncurrent liabilities	104,831
Buildings and structures, net	32,062	Bonds payable	29,500
Machinery, equipment and vehicles, net	9,381	Long-term loans payable	44,926
Amusement machines and facilities, net	8,343	Provision for retirement benefits	9,277
Land	27,229	Provision for directors' retirement benefits	138
Construction in progress	2,555	Deferred tax liabilities	5,124
Other, net	7,487	Deferred tax liabilities for land revaluation	745
Intangible assets	22,913	Asset retirement obligations	2,165
Goodwill	10,206	Other	12,953
Other	12,706	Total liabilities	208,469
Investments and other assets	99,960	Net assets	
Investment securities	72,797	Shareholders' equity	307,673
Long-term loans receivable	663	Capital stock	29,953
Lease and guarantee deposits	12,492	Capital surplus	119,335
Deferred tax assets	5,172	Retained earnings	198,924
Other	9,831	Treasury stock	(40,540)
Allowance for doubtful accounts	(997)	Accumulated other comprehensive income	8,078
		Valuation difference on available-for-sale securities	27,385
		Revaluation reserve for land	(4,705)
		Foreign currency translation adjustment	(14,601)
		Subscription rights to shares	1,146
		Minority interests	3,136
		Total net assets	320,034
Total assets	528,504	Total liabilities and net assets	528,504

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Consolidated Statement of Income

(From April 1, 2012 To March 31, 2013)

(Unit: millions of yen)

Item	Amount	
Net sales		321,407
Cost of sales		204,468
Gross profit		116,938
Selling, general and administrative expenses		97,865
Operating income		19,073
Non-operating income		
Interest income	507	
Dividends income	752	
Equity in earnings of affiliates	15	
Gain on investments in partnership	193	
Income from operation of lease asset	67	
Gain on valuation of derivatives	318	
Foreign exchange gains	1,925	
Other	730	4,509
Non-operating expenses		
Interest expenses	836	
Sales discounts	139	
Commission fee	204	
Loss on investments in partnership	229	
Penalty payment for cancellation of game center lease	45	
Bond issuance cost	373	
Other	839	2,668
Ordinary income		20,914

(Unit: millions of yen)

Item	Amount	
Extraordinary income		
Gain on sales of noncurrent assets	667	
Gain on sales of investment securities	1,917	
Gain on liquidation of subsidiaries and affiliates	20	
Gain on transfer of benefit obligation relating to employees' pension fund	6,345	
Other	1,227	10,179
Extraordinary loss		
Loss on sales of noncurrent assets	11	
Impairment loss	2,986	
Loss on valuation of investment securities	6	
Restructuring loss	489	
Loss on liquidation of subsidiaries and affiliates	1,795	
Other	172	5,461
Income before income taxes and minority interests		25,631
Income taxes-current	4,038	
Income taxes-deferred	(12,201)	(8,163)
Income before minority interests		33,795
Minority interests in income		334
Net income		33,460

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Consolidated Statement of Changes in Net Assets

(From April 1, 2012 To March 31, 2013)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of April 1, 2012	29,953	119,397	175,173	(26,067)	298,456
Changes of items during the period					
Dividends from surplus			(9,851)		(9,851)
Net income			33,460		33,460
Purchase of treasury stock				(16,220)	(16,220)
Disposal of treasury stock		(61)		1,747	1,686
Change of scope of consolidation			(21)		(21)
Reversal of revaluation reserve for land			163		163
Total changes of items during the period	—	(61)	23,751	(14,472)	9,217
Balances as of March 31, 2013	29,953	119,335	198,924	(40,540)	307,673

	Accumulated other comprehensive income			
	Valuation difference on available - for - sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balances as of April 1, 2012	18,872	(4,541)	(19,681)	(5,350)
Changes of items during the period				
Dividends from surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock				
Change of scope of consolidation				
Reversal of revaluation reserve for land		(163)		(163)
Net changes of items other than shareholders' equity	8,513	—	5,079	13,593
Total changes of items during the period	8,513	(163)	5,079	13,429
Balances as of March 31, 2013	27,385	(4,705)	(14,601)	8,078

(Unit: millions of yen)

	Subscription rights to shares	Minority interests	Total net assets
Balances as of April 1, 2012	991	2,279	296,376
Changes of items during the period			
Dividends from surplus			(9,851)
Net income			33,460
Purchase of treasury stock			(16,220)
Disposal of treasury stock			1,686
Change of scope of consolidation			(21)
Reversal of revaluation reserve for land			—
Net changes of items other than shareholders' equity	155	856	14,604
Total changes of items during the period	155	856	23,658
Balances as of March 31, 2013	1,146	3,136	320,034

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Independent Auditor's Report

May 9, 2013

The Board of Directors
SEGA SAMMY HOLDINGS INC.

KPMG AZSA LLC

Satoshi Nakaizumi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Naoya Miyaki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroyuki Nakamura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of SEGA SAMMY HOLDINGS INC. as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of SEGA SAMMY HOLDINGS INC. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following

As discussed in Significant Accounting Policies to the consolidated financial statements, SEGA SAMMY HOLDINGS INC. and its certain domestic consolidated subsidiaries have changed the depreciation method and the useful lives of the tangible assets.

There are no influences on our opinion.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Non-Consolidated Balance Sheet

(As of March 31, 2013)

(Unit: millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	68,361	Current liabilities	36,092
Cash and deposits	52,783	Short-term loans payable	10,000
Accounts receivable-trade	424	Current portion of long-term loans payable	10,600
Short-term investment securities	3,505	Current portion of bonds	1,600
Prepaid expenses	179	Accounts payable-other	5,749
Accounts receivable-other	4,521	Income taxes payable	20
Income taxes receivable	6,852	Accrued expenses	369
Deferred tax assets	42	Deposits received	7,254
Other	54	Unearned revenue	1
Noncurrent assets	378,074	Provision for bonuses	108
Property, plant and equipment	7,250	Provision for directors' bonuses	131
Buildings, net	876	Other	256
Structures, net	725	Noncurrent liabilities	61,712
Machinery and equipment, net	3	Bonds payable	14,400
Aircraft, net	3,797	Long-term loans payable	32,200
Vehicles, net	21	Provision for retirement benefits	70
Tools, furniture and fixtures, net	406	Deferred tax liabilities	14,726
Land	1,418	Other	315
Construction in progress	1	Total liabilities	97,804
Intangible assets	34	Net assets	
Right of trademark	3	Shareholders' equity	321,213
Software	29	Capital stock	29,953
Other	2	Capital surplus	192,305
Investments and other assets	370,789	Legal capital surplus	29,945
Investment securities	53,719	Other capital surplus	162,360
Stocks of subsidiaries and affiliates	306,278	Retained earnings	139,811
Investments in other securities of subsidiaries and affiliates	5,078	Other retained earnings	139,811
Long-term loans receivable from subsidiaries and affiliates	4,888	Retained earnings brought forward	139,811
Long-term prepaid expenses	29	Treasury stock	(40,855)
Other	795	Valuation and translation adjustments	26,271
		Valuation difference on available-for-sale securities	26,271
		Subscription rights to shares	1,146
		Total net assets	348,631
Total assets	446,436	Total liabilities and net assets	446,436

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Non-Consolidated Statement of Income

(From April 1, 2012 To March 31, 2013)

(Unit: millions of yen)

Item	Amount	
Operating revenue		
Consulting fee income	4,852	
Dividends income	28,279	33,131
Operating expenses		
Operating expenses	6,566	6,566
Operating income		26,565
Non-operating income		
Interest income	315	
Interest on securities	10	
Dividends income	584	
Income from operation of lease asset	67	
Foreign exchange gains	1,724	
Other	232	2,934
Non-operating expenses		
Interest expenses	385	
Interest on bonds	0	
Commission fee	45	
Bond issuance cost	231	
Loss on investments in partnership	264	
Other	111	1,038
Ordinary income		28,461
Extraordinary income		
Gain on sales of investment securities	11	
Gain on reversal of subscription rights to shares	2	13
Income before income taxes		28,475
Income taxes-current	118	
Income taxes-deferred	1	119
Net income		28,355

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2012 To March 31, 2013)

(Unit: millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balances as of April 1, 2012	29,953	29,945	162,435	192,380
Changes of items during the period				
Dividends from surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(74)	(74)
Total changes of items during the period	—	—	(74)	(74)
Balances as of March 31, 2013	29,953	29,945	162,360	192,305

	Shareholders' equity			
	Retained earnings		Treasury stock	Total shareholders' equity
	Other retained earnings	Total retained earnings		
	Retained earnings brought forward			
Balances as of April 1, 2012	121,307	121,307	(26,397)	317,243
Changes of items during the period				
Dividends from surplus	(9,851)	(9,851)		(9,851)
Net income	28,355	28,355		28,355
Purchase of treasury stock			(16,220)	(16,220)
Disposal of treasury stock			1,761	1,686
Total changes of items during the period	18,504	18,504	(14,458)	3,970
Balances as of March 31, 2013	139,811	139,811	(40,855)	321,213

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available - for - sale securities	Total valuation and translation adjustments		
Balances as of April 1, 2012	18,245	18,245	991	336,480
Changes of items during the period				
Dividends from surplus				(9,851)
Net income				28,355
Purchase of treasury stock				(16,220)
Disposal of treasury stock				1,686
Net changes of items other than shareholders' equity	8,026	8,026	155	8,181
Total changes of items during the period	8,026	8,026	155	12,151
Balances as of March 31, 2013	26,271	26,271	1,146	348,631

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Independent Auditor's Report

May 9, 2013

The Board of Directors
SEGA SAMMY HOLDINGS INC.

KPMG AZSA LLC

Satoshi Nakaizumi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Naoya Miyaki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroyuki Nakamura
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of SEGA SAMMY HOLDINGS INC. as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of SEGA SAMMY HOLDINGS INC. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report

The Board of Corporate Auditors has received the reports of the audit procedures and results concerning the execution of the duties of the Directors during the 9th fiscal year from April 1, 2012 through March 31, 2013 prepared by each of the auditors. After discussing the reports, we have prepared this Audit Report and report as follows.

1. Procedures and details of the audits by the Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors established the audit policy, allocation of duties, and other relevant matters, and received reports from each Corporate Auditor regarding the implementation of audits and results thereof, as well as reports from the Directors, other relevant personnel, and the independent auditor regarding the execution of their duties, and sought explanations as necessary.

Each Corporate Auditor complied with the auditing standards for Corporate Auditors established by the Board of Corporate Auditors, according to the audit policy, allocation of duties, and other relevant matters, communicated with the Directors, the internal audit department, other employees, and any other relevant personnel. We also made efforts to optimize the environment for information collection and audit, and participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, and sought explanations as necessary. We examined important authorized documents and associated information, and investigated the operations and assets at the head office and principal offices.

In addition, we received the periodical reports from Directors, employees, and other relevant personnel, sought explanations as necessary, and expressed our opinions on the status of development and operation of the system for ensuring that the execution of the duties of the Directors conforms to the relevant laws and regulations and the Articles of Incorporation, as well as the details of the resolutions of the Board of Directors regarding the organization of the system stipulated in Article 100, Item 1 and Item 3 of the Enforcement Regulations of the Company Law and the status of the system (internal control system) based on said resolutions, a necessary measure for ensuring that a joint stock corporation's business is proper.

As to the internal control system associated with financial reports, we received the reports from the Directors and the independent auditor, KPMG AZSA LLC regarding the evaluation of the internal control, and the implementation of audits, and sought explanations as necessary.

With respect to subsidiaries, we communicated and exchanged information with directors, corporate auditors, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.

Based on the above methods, we examined the business report and supporting schedules related to the relevant Fiscal Year.

Furthermore, we monitored and verified whether the independent auditor maintained its independence and implemented appropriate audits, and we received reports from the independent auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the independent auditor that "systems for ensuring that duties are performed properly" (matters set forth in each Item of Article 131 of the Corporate Calculation Regulations) were maintained in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the financial statements (balance sheet, statement of income, statement of changes in net assets, and individual notes) and supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) related to the relevant Fiscal Year.

2. Result of audit

(1) The Report of Business Operations

- 1) In our opinion, the business report and supporting schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
- 2) With regard to the execution of the duties of the Directors, we have found no evidence of wrongful action or material violation of the relevant laws and regulations, nor of any violation with respect to the Articles of Incorporation.

[English Translation of Convocation Notice Originally Issued in the Japanese Language]

- 3) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the execution of the duties of the Directors regarding the internal control system, including the one associated with financial reports.
- (2) Audit result of the Financial Statements and supporting schedules
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.
- (3) Audit result of the Consolidated Financial Statements and consolidated supporting schedules
In our opinion, the audit procedures and audit results received from the independent auditor KPMG AZSA LLC are appropriate.

May 10, 2013
Board of Corporate Auditors,
SEGA SAMMY HOLDINGS INC.
Tomio Kazashi, Standing Corporate Auditor
(Outside Auditor)
Toshio Hirakawa, Corporate Auditor
(Outside Auditor)
Hisashi Miyazaki, Corporate Auditor
Mineo Enomoto, Corporate Auditor
(Outside Auditor)

Reference Documents for General Meeting of Shareholders

Proposals and reference information

Proposal 1: To elect nine (9) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Thus we are seeking to elect nine (9) Directors, two (2) of whom are Outside Directors.

The nominees for Directors are as described below:

Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company	Number of the Company's Shares Owned
1	Hajime Satomi (January 16, 1942)	<p>Mar 1980 President and Representative Director of Sammy Industry Co., Ltd. (now Sammy Corporation)</p> <p>Nov 2003 Chairman and Director of Sammy NetWorks Co., Ltd. (current position)</p> <p>Feb 2004 Chairman and Representative Director of SEGA CORPORATION</p> <p>May 2004 Chairman of JAMMA (Japan Amusement Machinery and Manufacturers' Association, Inc.) (current position)</p> <p>Jun 2004 Chairman, Representative Director and Chief Executive Officer of Sammy Corporation</p> <p>Jun 2004 Chairman, CEO and Representative Director of SEGA CORPORATION</p> <p>Oct 2004 Chairman of the Board and Chief Executive Officer of the Company (current position)</p> <p>Mar 2005 Senior Advisor to NICHYUKYO (Japan Play Equipment Industry Association) (current position)</p> <p>May 2005 Advisor to NDK (Japan Electric Game Manufacturers' Association)</p> <p>Jun 2005 Chairman and Director of SEGA TOYS CO., LTD. (current position)</p> <p>Jun 2005 Chairman and Director of TMS ENTERTAINMENT CO., LTD. (current position)</p> <p>Dec 2006 Chairman of Japan Amusement Industry Association (current position)</p> <p>May 2007 Chairman of NDK (current position)</p> <p>Jun 2007 President, Representative Director, Chief Executive Officer and Chief Operating Officer of SEGA CORPORATION</p> <p>May 2008 Chairman, Representative Director and Chief Executive Officer of the above (current position)</p> <p>Mar 2012 Outside Director of PHOENIX RESORT CO., LTD.</p> <p>Apr 2012 Chairman of Sammy Corporation</p> <p>May 2012 Director of PHOENIX RESORT CO., LTD.</p> <p>Jun 2012 Chairman and Director of the above (current position)</p> <p>Jul 2012 Director, SEGA Networks Co., Ltd (current position)</p> <p>May 2013 Chairman, Representative Director and Chief Executive Officer of Sammy Corporation (current position)</p>	33,569,338 shares

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Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company		Number of the Company's Shares Owned
2	Keishi Nakayama (July 23, 1942)	Sep 1989	Joined Sammy Industry Co., Ltd. (now Sammy Corporation) as Division Manager of the General Affairs Division	409,200 shares
		Jun 1993	Director and General Manager of the President's Office of the above	
		Jan 2000	Managing Director and General Manager of the President's Office of the above	
		Mar 2004	Senior Managing Director in charge of the President's Office of Sammy Corporation	
		Oct 2004	Senior Managing Director of the Company	
		Apr 2005	Director of SEGA SAMMY GOLF ENTERTAINMENT CO, Ltd.	
		Jun 2005	Executive Vice President and Director of the Company	
		Jul 2006	Chairman and Director of SEGA SAMMY GOLF ENTERTAINMENT CO, Ltd. (current position)	
		Jun 2007	Executive Vice President and Representative Director of the Company (current position)	
		May 2008	President, Representative Director and Chief Operating Officer of Sammy Corporation	
		May 2008	Chairman and Director of WAVEMASTER, Inc. (current position)	
		Mar 2011	Director of Sammy NetWorks Co., Ltd. (current position)	
		Apr 2012	Vice Chairman, Representative Director and Chief Executive Officer of Sammy Corporation	
		Jun 2012	Director of PHOENIX RESORT CO., LTD. (current position)	
3	*Akira Sugano (March, 8, 1964)	Dec 1998	Manager of Business Planning Office of Sega Enterprises, Ltd. (now SEGA CORPORATION)	8,552 shares
		Jun 2000	Executive Officer in charge of group business strategy of SEGA CORPORATION	
		Jun 2001	Corporate Auditor of SEGA TOYS CO., LTD.	
		Jun 2002	Senior Executive Officer and General Manager of Finance Department of SEGA CORPORATION	
		Feb 2004	Senior Executive Officer, General Manager of Finance Department, General Manager of Business Planning Department and General Manager of the President's Office of the above	
		Jun 2004	Director in charge of Corporate Department of the above	
		Oct 2004	Executive Officer of the Company	
		Jun 2008	Director and General Manager of Corporate Division of SEGA CORPORATION	
		May 2009	Director of the above	
		Jun 2009	Senior Managing Director, General Manager of Corporate Department of SEGA TOYS CO., LTD.	
		Dec 2009	Executive Vice President and Director, General Manager of Corporate Department, General Manager of Business Planning Office of the above	
		Jan 2010	Executive Vice President, Director, and General Manager of Business Control Department of the above	
		Jun 2010	Executive Vice President and Representative Director, General Manager of Business Control Department of the above	
		May 2011	Executive Vice President and Representative Director of the above (current position)	
		May 2013	Senior Executive Officer of the Company (current position)	

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Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company	Number of the Company's Shares Owned
4	Haruki Satomi (January 11, 1979)	<p>Apr 2001 Joined KOKUSAI Securities Co., Ltd. (now Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)</p> <p>Mar 2004 Joined Sammy Corporation</p> <p>Jan 2005 Joined SEGA CORPORATION</p> <p>Oct 2005 SEGA OF AMERICA, INC., Director</p> <p>Oct 2005 Sega Holdings U.S.A., INC., Director</p> <p>Jul 2009 SEGA OF AMERICA, INC., Vice President of Digital Business</p> <p>Oct 2011 SEGA OF AMERICA, INC., Senior Vice President of Digital Business (current position)</p> <p>Nov 2011 Director, Sammy NetWorks Co., Ltd.</p> <p>Apr 2012 President, Representative Director (CEO) of the above (current position)</p> <p>Jun 2012 Director, SEGA CORPORATION (current position)</p> <p>Jun 2012 Director of the Company (current position)</p> <p>Jul 2012 President and CEO, Representative Director of SEGA Networks Co., Ltd. (current position)</p>	475,648 shares
5	Naoya Tsurumi (February 8, 1958)	<p>Mar 1992 Joined Sega Enterprises, Ltd. (now SEGA CORPORATION)</p> <p>Dec 2004 Executive Officer of SEGA CORPORATION</p> <p>Sep 2005 SEGA PUBLISHING EUROPE LTD., CEO</p> <p>Jun 2006 Senior Executive Officer, SEGA CORPORATION</p> <p>Jun 2006 SEGA HOLDINGS U.S.A., INC. CEO and President</p> <p>Oct 2006 SEGA OF AMERICA, INC., Chairman</p> <p>Oct 2006 SEGA PUBLISHING AMERICA, INC., Chairman</p> <p>May 2007 Senior Executive Officer, SEGA CORPORATION, General Manager of Europe and US Consumer Business Division</p> <p>May 2008 Director, General Manager of Overseas Consumer Business Division of the above</p> <p>May 2009 Director, General Manager of Consumer Business Division of the above</p> <p>Jun 2009 Managing Director, General Manager of Consumer Business Division of the above</p> <p>Sep 2009 SEGA EUROPE LTD., Chairman</p> <p>Jul 2010 Managing Director, General Manager of Overseas Regional Department of SEGA CORPORATION</p> <p>Aug 2010 SEGA AMUSEMENT EUROPE LTD., CEO</p> <p>Jun 2011 Managing Director, General Manager of Overseas Regional Department and in charge of Global Consumer Business of SEGA CORPORATION</p> <p>Apr 2012 President, Representative Director and Chief Operating Officer of the above (current position)</p> <p>May 2012 Sega Jinwin (Shanghai) Amusements Co., Ltd. Vice Chairman and CEO (current position)</p> <p>Jun 2012 CEO and President of SEGA HOLDINGS EUROPE Ltd. (current position)</p> <p>Jun 2012 Director of the Company (current position)</p> <p>Jul 2012 Director of SEGA Networks, Co., Ltd. (current position)</p>	—

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Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company	Number of the Company's Shares Owned
6	Hisao Oguchi (March 5, 1960)	<p>Apr 1984 Joined Sega Enterprises, Ltd. (now SEGA CORPORATION)</p> <p>Jun 2000 Corporate Officer of SEGA CORPORATION</p> <p>Jun 2002 Senior Corporate Officer of the above</p> <p>Jun 2003 President and Representative Director of the above</p> <p>Jun 2004 President, COO and Representative Director of the above</p> <p>Oct 2004 Vice Chairman and Director of the Company</p> <p>Aug 2005 CEO of SEGA HOLDINGS EUROPE LTD.</p> <p>May 2006 Chairman of SEGA HOLDINGS U.S.A., INC.</p> <p>Jun 2007 Executive Vice President and Representative Director of SEGA CORPORATION</p> <p>Feb 2008 Representative Director of the above</p> <p>May 2008 Director of the above</p> <p>May 2008 Director of Sammy Corporation</p> <p>Jun 2008 CCO and Director of SEGA CORPORATION</p> <p>Jun 2008 CCO and Director of the Company (current position)</p> <p>Apr 2009 Senior Managing Director of Sammy Corporation</p> <p>Jun 2009 Director of SEGASAMMY VISUAL ENTERTAINMENT INC. (now MARZA ANIMATION PLANET INC.)</p> <p>Apr 2011 Senior Managing Director, Representative Director of Sammy Corporation</p> <p>Sep 2011 Director of D×L CREATION Co., Ltd. (current position)</p> <p>Apr 2012 Vice President, Representative Director of Sammy Corporation</p>	22,400 shares
7	*Shigeru Aoki (January 3, 1952)	<p>May 2005 Joined SEGA CORPORATION as Head Councilor</p> <p>Jun 2005 Corporate Officer and General Manager of Office of China and Asia Business Management of the above</p> <p>Aug 2006 President of Sega Networks (China) Co., Ltd.</p> <p>Jun 2008 Executive Officer and General Manager of Business Administration Department of Sammy Corporation</p> <p>Aug 2008 Executive Officer and General Manager of Corporate Division of the above</p> <p>Apr 2009 Director and General Manager of Corporate Division of the above</p> <p>Jun 2011 Managing Director and General Manager of Corporate Division of the above</p> <p>Apr 2012 President and Representative Director, COO of the above (current position)</p>	12,000 shares

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Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company	Number of the Company's Shares Owned
8	Yuji Iwanaga (April 3, 1941)	Apr 1964 Joined Tohato Inc. Sep 1970 Joined General Aircon Inc. Apr 1981 Registered with The Japan Federation of Bar Associations (current position) Apr 1981 Joined Yanagita Sakuragi Law Office Sep 1984 Partner of Lillick McHose and Charles Law Office (Now Pilsbury Winthrop Shaw Pittman LLP) (current position) Dec 1984 Registered with the State Bar of California (current position) Apr 2003 Outside Director of Manufacturers Bank Jun 2005 Outside Director of JMS North America Corporation (current position) Jun 2006 Outside Director of TAIYO YUDEN Co., Ltd. (current position) Jun 2007 Outside Director of the Company (current position)	—
9	Takeshi Natsuno (March 17, 1965)	Apr 1988 Joined TOKYO GAS Co., Ltd. Sep 1997 Joined NTT Mobile Communications Network, Inc. (now NTT DOCOMO, Inc.) Jun 2005 Senior Vice President, Managing Director, Multimedia Services Department of NTT DOCOMO, Inc. May 2008 Guest Professor, Media and Governance of Keio University Jun 2008 Outside Director of the Company (current position) Jun 2008 Director of PIA Corporation (current position) Jun 2008 Outside Director of transcosmos inc. (current position) Jun 2008 Director of NTT Resonant Inc. (current position) Jun 2008 Director of SBI Holdings, Inc. Dec 2008 Director of DWANGO Co., Ltd. (current position) Jun 2009 Outside Director of DLE, Ltd. (current position) Sep 2009 Outside Director of GREE, Inc. (current position) Jan 2010 Outside Director of bitWallet, Inc. (Now Rakuten Edy, Inc.) (current position) Dec 2010 Director of U-NEXT Co., Ltd. (current position) Apr 2011 Outside Director of CUUSOO SYSTEM Co., Ltd. (current position) Apr 2013 Guest Professor, Media and Governance of Keio University (current position)	2,000 shares

(Nominees marked with "*" are new nominees for Director)

- Notes:
1. Business arrangements including an outsourcing agreement exist between Hajime Satomi and the Company.
 2. There are no special interests between the Company and the other Director-nominees.
 3. Hisao Oguchi is expected to be appointed as President and Representative Director of, SEGA SAMMY CREATION INC., an "incorporated company in incorporation-type split," with Sammy Corporation, the "transferring company," transferring a part of the company's business, on June 3, 2013.
 4. Yuji Iwanaga and Takeshi Natsuno are Outside Director-nominees, and the Company has notified the Tokyo Stock Exchange (TSE) of their inauguration as Independent Directors based on the Rules of TSE.
 5. We seek appointment of Mr. Iwanaga as an Outside Director, as he has performed at a high level in international corporate law and international corporate legal affairs in a global corporation from the viewpoint of an expert international lawyer. Furthermore, Mr. Iwanaga has business management experience gained in senior corporate management prior to his registration as an attorney. Thus, given Mr. Iwanaga's deep insight into management, he has been judged to be capable of properly performing the duties of an Outside Director.
 6. We seek appointment of Mr. Natsuno as an Outside Director so that the management of the Company may benefit from his extensive managerial experience and broad insight into management.
 7. Mr. Iwanaga and Mr. Natsuno shall have served as an Outside Director of the Company for six years and five years, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.

Proposal 2: To elect four (4) Corporate Auditors

The terms of office of all four (4) Corporate Auditors will expire at the conclusion of this Ordinary General Meeting of Shareholders. We are seeking the election of four (4) Corporate Auditors. We have already obtained the approval of the Board of Corporate Auditors with respect to this proposal.

The nominees for Corporate Auditors are as described below:

Nominee No.	Name (Date of Birth)	Brief Career Profile, Important Concurrent Duties outside the Company, Title and Area of Responsibilities at the Company	Number of the Company's Shares Owned
1	Tomio Kazashi (November 24, 1944)	Jun 1990 Director of Cosmo Securities Co., Ltd. Mar 1996 Managing Director of the above Jun 1999 Managing Director of Cosmo Investment Trust and Investment Advisors Co., Ltd. Jun 2005 Standing Corporate Auditor of Sammy NetWorks Co., Ltd. Jun 2008 Substitute Corporate Auditor of the Company Jun 2009 Corporate Auditor of Sammy NetWorks Co., Ltd. (current position) Jun 2009 Corporate Auditor of SEGA TOYS CO., LTD. (current position) Jun 2009 Standing Corporate Auditor of the Company (current position)	2,665 shares
2	Toshio Hirakawa (June 24, 1943)	Jun 1994 Director of MARUSAN SECURITIES CO., LTD. Jun 1996 Managing Director of the above Jun 2001 President and Representative Director of MARUSAN FINANCE CO., LTD. Jun 2004 Standing Corporate Auditor of Sammy Corporation (current position) Oct 2004 Corporate Auditor of the Company (current position) Jun 2005 Corporate Auditor of TMS ENTERTAINMENT CO., LTD. (current position)	1,000 shares
3	Hisashi Miyazaki (January 24, 1953)	Nov 1984 Joined Sega Enterprises, Ltd. (now SEGA CORPORATION) Jun 2001 General Manager of the Accounting Dept of SEGA CORPORATION Apr 2006 Financial Manager of the Corporate Division of the above Jun 2007 Standing Corporate Auditor of the above (current position) Jun 2007 Corporate Auditor of the Company (current position)	—
4	Mineo Enomoto (December 12, 1950)	Apr 1978 Registered with The Japan Federation of Bar Associations (current position) May 2000 Establishment of Mineo Enomoto Law Firm Jun 2004 Outside Corporate Auditor of Sammy NetWorks Co., Ltd. (current position) Jun 2004 Outside Corporate Auditor of SEGA CORPORATION (current position) Jun 2005 Substitute Corporate Auditor of the Company Jun 2006 Outside Corporate Auditor of Nippon Koei Co., LTD. (current position) Jun 2007 Corporate Auditor of the Company (current position)	2,000 shares

- Notes:
1. There are no special interests between each nominee for Corporate Auditors and the Company.
 2. Tomio Kazashi, Toshio Hirakawa and Mineo Enomoto are Outside Corporate Auditor-nominees, and the Company has notified the TSE of their inauguration as Independent Corporate Auditors based on the Rules of TSE.
 3. Rationale for the appointment of Outside Corporate Auditor-nominees, independence as Outside Corporate Auditors, and Limited Liability Agreements for Outside Corporate Auditors
 - (1) Rationale for the appointment of Outside Corporate Auditor-nominees and their independence
 - (i) We seek to appoint Mr. Kazashi and Mr. Hirakawa as Outside Corporate Auditors so that the audits of the Company may benefit from their extensive experience in business matters, and their experience and knowledge as Corporate Auditors.
 - (ii) We seek to appoint Mr. Enomoto as an Outside Corporate Auditor so that the management of the Company may benefit from the viewpoint of his expertise as a lawyer and broad insight into management.
 - (iii) Mr. Kazashi, Mr. Hirawaka and Mr. Enomoto shall have served as an Outside Corporate Auditor of the Company for four years, eight years and eight months, and six years, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.
 - (iv) Neither Mr. Kazashi, Mr. Hirakawa nor Mr. Enomoto shall receive considerable cash payments or any other assets from the Company or business related to the Company (excluding remuneration for services rendered as Corporate Auditor), and nor have they received such payment in the past two years.
 - (v) Mr. Enomoto has one relative within the third degree who is currently employed by SEGA CORPORATION, a business related to the Company.

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- (vi) Neither Mr. Kazashi, Mr. Hirawaka nor Mr. Enomoto has served as an executive officer in any company in which the Company has acquired duties or obligations acquired through merger, spin-off or reorganization, or transfer of business in the past two years for any period immediately prior to the aforementioned event.
- (2) Rationale for determining competence as an Outside Corporate Auditor
Mr. Enomoto has performed at a high level in corporate law as an expert lawyer. Thus, given Mr. Enomoto's deep insight into management, we judge him capable of properly performing the duties of an Outside Corporate Auditor.
- (3) Improper execution of duties, preventive measures against reoccurrence of such, and follow-up responses
During Mr. Kazashi's service as an Outside Corporate Auditor at SEGA TOYS CO., LTD., a subsidiary of the Company, inappropriate transactions were conducted by a former employee at SEGA TOYS from around May 2008 to the end of March 2010. Mr. Kazashi was not involved in this incident at all.
However, he regularly made suggestions to the Board of Directors of the Company from the viewpoint of compliance with the relevant laws and regulations, and actively alerted the Company to risk management-related issues. Following the aforementioned incidents, Mr. Kazashi, as a Corporate Auditor of the Company's subsidiary, carried out discussions with the other Corporate Auditors of the company and fulfilled his duty in issuing instructions for compliance with the relevant laws and regulations, development of regulations, and enhancement of preventive measures against reoccurrence of such incidents.
- (4) In accordance with Article 46 of the Articles of Incorporation, the Company has entered into a limited liability agreement with Mr. Enomoto. The details of the agreement are as follows: Under the agreement, the liability for damages shall be limited to the minimum amount stipulated in Article 423, Paragraph 1 of the Corporate Law, except where malicious intent or gross