

(Translation)

March 30, 2012

Dear Sirs,

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

Concerning Structural Reform of Consumer Business at SEGA CORPORATION

Notice is hereby given that at the meeting of the Board of Directors held on March 30, 2012, SEGA SAMMY HOLDINGS INC. has determined the implementation of structural reform of SEGA CORPORATION's Consumer Business as described below:

Description

1. Reason

The Consumer Business centered on SEGA CORPORATION is expected to post operating loss in the year ending March 2012, due to the challenging economic climate and significant changes in the home video game software market environment in the U.S. and Europe.

Given this circumstance, the companies determined that in order to actualize earnings recovery of the Consumer Business in the following period and after and return to a growth path, it is essential to streamline organizations in the field of home video game software in the U.S. and European markets, while shifting to a structure that corresponds to change in environment, including strengthening development in the field of digital content.

2. Descriptions of measures

(1) streamline organizations

We will streamline organization in the U.S. and Europe home video game software. This will create a smaller company positioned for sustained profitability.

(2) Reduction of number of titles

We conducted detailed reviews of earnings projections for titles targeted toward the U.S. and European markets and decided to narrow down sales titles from the following period and after to strong IPs, such as "Sonic the Hedgehog," "Football Manager", "Total War" and "Aliens" which are expected to continue posting solid earnings. In accordance with this, we are canceling the development of some game software titles.

(3) Booking impairment loss on work in process assets

We will book impairment loss on work in process assets concerning some titles after reevaluating the profitability of work in process concerning game software which are going to be sold in the U.S. and European markets from the end of the current fiscal period to the following fiscal period.

(4) Processing of inventory

In accordance with the streamlining of organization in the U.S. and Europe markets, we will estimate allowance for expenses among game software inventories, including inventory on the market that is currently circulating.

3. Outline of SEGA CORPORATION

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|---------------------|--|
| Trade name | SEGA CORPORATION |
| Location | 1-2-12 Haneda, Ohta-ku, Tokyo, Japan |
| Representative | Okitane Usui (President, Representative Director and COO) |
| Content of business | Development, production, and sales of amusement machines; development and operation of amusement centers; development and sales of game software |
| Capital | 60 billion yen (as of December 31, 2011) |

4. Future outlook

In the year ending March 2012, we are planning to record 7.1 billion yen in extraordinary loss as expenses in accordance with the structural reform, which the cost is believed to be 4.9 billion yen.

Please refer to “Notice of Extraordinary Loss and Adjustment to the Forecast of Operating Results” announced on the same day as its forecast for the full-year consolidated operating results for the year ending March 2012.

We expect operating expenses for the Consumer Business in the following period to decrease due to our latest efforts.

*The above figures and forecasts of operating results are based on information available to management as of the date hereof. In the future, actual results may differ from the projected figures due to various factors.

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