

(Translation)

September 18, 2013

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: Koichi Fukazawa  
Senior Executive Officer  
Division Manager, Group Executive  
Office  
(TEL: 03-6215-9955)

Notice of Conclusion regarding Business Transfer Agreement of Index Corporation

Notice is hereby given that SEGA DREAM CORPORATION, which was newly established as a wholly owned subsidiary by SEGA CORPORATION (“SEGA”), a subsidiary of SEGA SAMMY HOLDINGS INC. (the “Company”), has concluded a business transfer agreement with Index Corporation (“Index”) for the purpose of revitalization of the business. Under the agreement, SEGA will take over the operations conducted by Index, the bankrupt company that applied to the Tokyo District Court for the commencement of civil rehabilitation proceedings effective from June 27, 2013.

Description

1. Purposes of the business transfer

Index has achieved an excellent track record in the design and development of content for mobile phones. On the development of home video game software, the company owns a number of prominent IPs, namely the “ATLUS” brand titles of “Megami Tensei” series, “Persona” series and “Etrian Odyssey” series among others.

Since 2012, SEGA has been assigned as a distributor in Japan of the home video game software programs which Index developed. This commissioned business has helped the Group increase revenue for its Consumer Business. In addition, Sammy Corporation (“Sammy”), the Company’s subsidiary, consigns the development of LCD rendering and control boards for pachinko and pachislot machines to Index. The Company believes that transfer of Index’s operations to SEGA will create synergies, on the grounds that the deal will enable the Company to (1) gain access to prominent IPs in the home video game software, through which the Company can expect to achieve steady flows of revenue; (2) expect further facilitation of revenue growth for the PC Online Game Business and Content Business for Smart Devices operated by SEGA and SEGA Networks Co., Ltd. by exploiting acquired prominent IPs and (3) maximize the value of acquired IPs by effectively deploying them in the Pachislot and Pachinko Machines segment, Amusement Machine Sales and Amusement Center Operations segments. Consequently, the Company has decided to agree to the business transfer as it will facilitate an increase in the enterprise value of the Company Group and Index on the back of these synergies. Although Index has been under investigation for possible violation of the Financial Instruments and Exchange Act, the Company concluded that it will not affect the business transfer based on the execution of due diligence. Conclusion of the business transfer agreement has been secured by supervisors and business transfer plans to be carried out upon the permission from the court stipulated by Civil Rehabilitation Act.

2. Outline of the business transfer

(1) Details of operations to be transferred

The operations conducted by Index including the Digital Game Business (design and development of console games and social games); Contents & Solutions Business (delivery of contents, development of systems, consigned development related to amusement machines, internet advertising, etc.); Amusement Business (development and sales of commercial amusement machines) and related businesses.

(2) Assets and liabilities to be transferred

Tangible and intangible fixed assets as well as intellectual property assets related to the above operations to be transferred. (These include shares of Atlus Holding, Inc., which is the parent company of Index Digital Media, Inc., as well as Tiger Mob Limited, Index Corp (Thailand) Ltd. and Mobi Town Ltd.) In principle, liabilities including interest-bearing debts will not be taken over.

3. Outline of the transferor

(1) Name	Index Corporation
(2) Description of main business	Design and development of contents for mobile phones and development of home video game software programs
(3) Date of foundation	September 1, 1995
(4) Head office address	Carrot Tower, 4-1-1 Taishido, Setagaya-ku, Tokyo
(5) Representative	President: Yoshimi Ochiai
(6) Capital stock	39,379 million yen
(7) Number of employees	378 (as of August 31, 2012)
(8) Relationship with the Company	SEGA is a commissioned distributor of Index's game software titles in Japan. Sammy, an affiliated company of SEGA, holds 5,280 shares in Index. It also consigns to Index some of the development of images displayed on its game machines. Sammy NetWorks Co., Ltd., an affiliated company of SEGA, commissions part of the development and management operations for its content delivery service to Index.

4. Outline of the transferee

(1) Name	SEGA DREAM CORPORATION
(2) Date of foundation	September 5, 2013
(3) Head office address	1-39-9, Higashi-Shinagawa, Shinagawa-ku, Tokyo
(4) Representative	Representative Director: Naoya Tsurumi
(5) Relationship with the Company	SEGA holds 100% of the total outstanding shares in SEGA DREAM CORPORATION.

\* On September 5, 2013, SEGA DREAM CORPORATION was established to become the transferee of the transfer of Index operations. Its business name is set to change in the future.

5. Schedule

September 18, 2013: Conclusion of business transfer agreement

November 1, 2013: Due date for the transfer of the Index operation (tentative date)

6. Future outlook

The impact of the business transfer on the Company's financial results will be released as soon as it becomes clear.

End