

(Translation)

March 31, 2014

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: Seiichiro Kikuchi
Executive Officer
Division Manager, Group Executive Office
(TEL: 03-6215-9955)

Notice of Termination of Important Agreement on Sales
Activities in the Pachislot and Pachinko Machines Business

It is hereby notified that Sammy Corporation (Head office: Toshima-ku, Tokyo, "Sammy") and RODEO Co., Ltd. (Head office: Toshima-ku, Tokyo, "RODEO"), the major subsidiaries of SEGA SAMMY HOLDINGS INC. (the "Company"), have decided to let an important agreement concerning sales activities that was concluded with Fields Corporation (Head office: Shibuya-ku, "Fields") terminate, as described below. This decision has been made to further strengthen profitability of the Pachislot and Pachinko Machines Business.

Description

1. Reasons

The Pachislot and Pachinko Machines Business is the core of the SEGA SAMMY Group's earnings. Particularly the pachislot machines business has consistently acquired one of the top class market shares. RODEO, which is engaged in the pachislot machines business, has decided to set the "Basic Agreement on Exclusive Sales Agency Transactions Regarding Sales and Purchase of Pachislot Machines," concluded with Fields, to expire on March 31, 2014. In addition, Sammy is requesting that the "Basic Agreement on Representation Transactions Regarding Sales and Purchase of Pachinko Machines" and "Outsourcing Agreement on Representation Management of Designated Agency and Halls," concluded with Fields, to be set to terminate on April 30, 2014. Going forward, we will work to further improve the profitability of the Pachislot and Pachinko Machines Business with the Sammy Group assuming most of the sales for Sammy Group's products.

Other detailed items, etc. incidental to the concerned agreements will be negotiated with Fields.

2. Details of Important Agreements

Name of the Group Company	Company under Agreement	Main Contents of Agreement	Agreement Period
RODEO Co., Ltd.	Fields Corporation	Basic agreement on sales agency transactions regarding exclusive sales of all pachislot machines under RODEO brand.	From April 1, 2003 To March 31, 2014
Sammy Corporation	Fields Corporation	Basic agreement on representation transactions regarding exclusive sales of part of pachinko machines under Sammy brand	From April 1, 2003 To March 31, 2014
Sammy Corporation	Fields Corporation	Outsourcing agreement on representation management of designated Agency and halls concerning exclusive sales of part of pachinko machines under Sammy brand.	From April 1, 2003 To March 31, 2014

* Sammy is requesting that the “Basic Agreement on Representation Transactions Regarding Sales and Purchase of Pachinko Machines” and “Outsourcing Agreement on Representation Management of Designated Agency and Halls,” concluded with Fields, to be set to terminate on April 30, 2014.

3. Regarding the treatment of 700 shares (voting rights 35%) of RODEO’s common stock Fields holds currently, it will be negotiated with Fields hereafter.

4. Overview of RODEO Co., Ltd.

① Trade name	RODEO Co., Ltd.	
② Location of head office	Sun Shine 60, 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo	
③ Title/Name of representative	President Toshihiro Saida	
④ Content of business	Development, production, and sales of pachislot machines	
⑤ Capital	100 million yen	
⑥ Establishment	November 10, 1994	
⑦ Principal shareholders and shareholding ratios	Sammy Corporation 65% Fields Corporation 35%	
⑧ Relationship between the listed company and the Group	Capital relationship	Sammy Corporation, the Company’s wholly owned subsidiary, owns 1,300 shares (ownership ratio of 65%)
	Personal relationship	Two executive officers and two employees of Sammy Corporation also serve as directors of RODEO. In addition, one employee of Sammy also serves as an auditor of RODEO.
	Business relationship	There is no relationship that should be disclosed.
	Status as a related party	RODEO is the consolidated subsidiary of the Company and falls within the scope of related parties.
⑨ Business results of the concerned company in the last 3 years		

(million yen)	FY Ending March 2011	FY Ending March 2012	FY Ending March 2013
Net sales	32,045	21,957	28,041
Operating income	2,511	1,357	1,180
Ordinary income	2,466	1,352	1,162
Net income	1,465	793	703
Total assets	5,745	21,776	20,583
Net assets	2,888	3,581	4,229

5. Overview of Sammy Corporation

① Trade name	Sammy Corporation
② Location of head office	Sun Shine 60, 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
③ Title/Name of representative	President, Representative Director and Chief Operating Officer Shigeru Aoki
④ Content of business	Development, production, and sales of pachislot and pachinko machines
⑤ Capital	18,221 million yen
⑥ Establishment	November 1, 1975
⑦ Principal shareholders and shareholding ratios	SEGA SAMMY HOLDINGS INC. 100%

⑧ Relationship between the listed company and the Group	Capital relationship	Sammy Corporation is the Company's wholly owned subsidiary
	Personal relationship	Three directors and one executive officer of the Company also serve as directors of Sammy Corporation. In addition, one auditor of the Company also serves as an auditor of Sammy Corporation.
	Business relationship	The Company collects a management advisory fee from Sammy Corporation.
	Status as a related party	Sammy Corporation is a consolidated subsidiary of the Company and falls within the scope of related parties.
⑨ Business results of the concerned company in the last 3 years		

(million yen)	FY Ending March 2011	FY Ending March 2012	FY Ending March 2013
Net sales	187,055	189,566	124,779
Operating income	55,874	68,396	21,509
Ordinary income	55,415	68,803	22,005
Net income	31,106	38,582	13,958
Gross assets	192,911	216,759	192,544
Net assets	108,328	143,465	130,578

*Sammy has not outsourced exclusive sales of part of pachinko machines to Fields for the last three years.

6. Details of Contracted Party

① Trade name	Fields Corporation	
② Location of head office	Shibuya Garden Tower, 16-17, Nanpeidaicho, Shibuya-ku, Tokyo	
③ Title/Name of representative	President and COO Takashi Oya	
④ Content of business	Planning and development, purchase, and sales of pachislot and pachinko machines	
⑤ Capital	7,948 million yen	
⑥ Establishment	June, 1988	
⑦ Principal shareholders and shareholding ratios	Hidetoshi Yamamoto 25.00% SANKYO Co., Ltd. 15.00% Takeshi Yamamoto 10.41%	
⑧ Relationship between the listed company and the Group	Capital Relationship	There is no relationship that should be disclosed.
	Personal Relationship	There is no relationship that should be disclosed.
	Business Relationship	There is no relationship that should be disclosed.
	Status of relationship with related parties	Not applicable.

7. Schedule

March 31, 2014: Resolution at Meeting of Board of Directors (Sammy, RODEO)

March 31, 2014: Expiration of agreement

“Basic Agreement on Exclusive Sales Agency Transactions Regarding Sales and Purchase of Pachislot Machines”

April 30, 2014: Termination of agreement

“Basic Agreement on Representation Transactions Regarding Sales and Purchase of Pachinko Machines”

“Outsourcing Agreement on Representation Management of Designated Agency and Halls,”

8. Future Outlook

This event will have no significant impact on the Company's full-year operating results in the current fiscal year. The expected impact and such on the Company's operating results in and after the fiscal year ending March 2015 will be announced with the full-year results for the fiscal year ending March 2014.

-END-