

(Translation)

January 30, 2015

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 Implementation of Structure Reform in SEGA Corporation

It is hereby notified that SEGA SAMMY HOLDINGS INC. (the "Company") has determined at its Board of Directors meeting, held on January 30, 2015, to implement measures for structure reform in SEGA Corporation ("SEGA"), its subsidiary.

1. Implementation of Group Structure Reform

The Company established the Group Structure Reform Division on May 9, 2014, and has held discussions to review the earnings structure of the entire Group from a mid to long-term point of view. The Group announced on October 31 three initiatives: 1) restructuring into three business groups, 2) initiatives to drastically improve profitability, and 3) appointment of personnel in charge of structure reform in SEGA, and has developed a structure to enable investment of management resources in growth areas, which include new fields such as Digital Games and Resort Business, while addressing issues in existing businesses.

As part of these measures, SEGA has positioned Digital Games, centered around smartphone and PC online gaming, as a growth area and has determined to implement the following measures in order to constantly post profits by improving management efficiency while promptly promoting redistribution of management resources.

2. Details of Measures for Structure Reform in SEGA

a. Enhancing efficiency in domestic businesses

SEGA will review its business structures mainly in Amusement Businesses and will narrow down product lineup and withdraw or consolidate and downsize some of the services.

b. Soliciting voluntary retirement

Voluntary retirement will be solicited in the aforementioned businesses to be withdrawn or consolidated and downsized, while at the same time personnel will be repositioned in Digital Games and growth areas of Group mainly as development personnel, in order to establish a structure which can constantly generate profits. The purpose of these measures is to improve the business efficiency of the Group.

< Outline of SEGA's solicitation for voluntary retirement >

Number of solicited employees: About 120

Solicitation period: About 2 weeks from 9 February, 2015

Retirement date: In fiscal year ending March 2015 (plan)

c. Enhancing efficiency in overseas businesses

Local organizations managing packaged game software in Western markets will be streamlined. In the U.S., Sega of America, Inc. based in San Francisco will be relocated to Southern California by this summer and its existing office in San Francisco will be closed thereafter, which results in reducing fixed expenses, mainly in corporate functions. In addition, the Sonic and merchandising businesses will be reinforced to establish a structure which can generate stable profits.

3. Overview of the subsidiary

Company Name	SEGA Corporation
Business Summary	Development, Production and Sales of Amusement Machine Development and Sales of Game Software
Headquarter	Canal Side Building 1-39-9, Higashi-Shinagawa, Shinagawa-ku Tokyo
Name of Representatives	Hideki Okamura President, Representative Director and COO
Capital (As of December 31, 2014)	100 million yen

4. Future outlook

The Group is currently assessing the impact on full-year consolidated operating results forecast for the year ending March 31, 2015 from aforementioned structure reform measures implemented in SEGA.

The Group is taking initiatives for structure reform including soliciting voluntary retirement at several group companies in addition to the aforementioned measures implemented in SEGA. The number solicited for voluntary retirement and such for the entire Group is scheduled to be around 300 (regular employees) and the early retirement benefit is expected as a result of this measure. The Group also plans to rightsize employees, including fixed-term employees. In addition to the aforementioned labor costs reduction, the Group is taking measures such as implementing actions for enhancing efficiency in domestic and overseas businesses.

Taking into consideration the above, the impact on the full-year consolidated operating results forecast for the year ending March 31, 2015 is that net income is expected to fall but the detail of the forecast is currently being assessed. It is scheduled to be announced with the third quarter results announcement scheduled for February 12, 2015, after acknowledging sales trends of mainstay products in the fourth quarter.

(Reference) Full-year consolidated operating results forecast for the current fiscal year (announced on October 31, 2014) and operating results for the previous year

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Forecast for operating results for the current year (from April 1, 2014 to March 31, 2015)	370,000	18,000	17,000	4,000	16.40
Operating results for the previous year (from April 1, 2013 to March 31, 2014)	378,011	38,533	40,531	30,721	126.42

(Note) The above forecasts of operating results are made based on information available to management as of the date hereof. In the future, actual results may differ from the projected figures owing to various factors.

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