

(Translation)

July 1, 2013
SEGA SAMMY HOLDINGS INC.

Dear Sirs,

Notice of Acquisition of Paradise Casino Incheon by PARADISE SEGASAMMY

SEGA SAMMY HOLDINGS INC. (Headquarters: Minato-ku, Tokyo; Hajime Satomi, Chairman of the Board and Chief Executive Officer) (the “Company”) is planning to develop and operate a resort complex including a casino in the International Business Center (IBC-1) adjacent to Incheon International Airport by establishing a joint venture PARADISE SEGASAMMY Co., Ltd. (Headquarters: Republic of Korea; Representative: Choi, Jong Hwan) (“PARADISE SEGASAMMY”) with Paradise Co., Ltd. (Headquarters: Republic of Korea; Representative: Kim, Hong Chang), which conducts the operation of casinos and management of hotels and spas, etc. in Republic of Korea, as announced on May 11, 2012.

The facility in IBC-1 is expected to open in 2016, but PARADISE SEGASAMMY acquired Paradise Casino Incheon, a casino facility adjacent to Incheon International Airport that is already operated by the Paradise Group, in advance on July 1, 2013. The purpose of the acquisition is to develop Republic of Korea’s first large-scale resort complex established with a casino by expanding the facility scale at IBC-1 after utilizing the license of Paradise Casino Incheon.

The Company will dispatch board members and employees to PARADISE SEGASAMMY and directly acquire the operational know-how of a casino facility, and at the same time will establish a structure to enter full-fledge the business of operating a resort complex that includes a casino, which the Company considers as a new profit-making opportunity, through the development of a resort complex in Busan Metropolitan City, Republic of Korea and the operation of Phoenix Seagaia Resort in Japan.

Overview of Incheon International Airport International Business Center (IBC-1) Development

Name of developer	PARADISE SEGASAMMY Co., Ltd.
Location	IBC-I 2nd Phase District, Woonseo-dong, Jung-gu, Incheon, Republic of Korea
Overview of business	Development of resort complex comprised of casinos, hotels, shopping malls, convention centers, etc.
Site area	336,000m ²
Capital	140,688,555,000 KRW
Investment ratio	Paradise Co., Ltd.: 55%, SEGA SAMMY HOLDINGS INC.: 45%
Investment amount	To be determined

Overview of Paradise Casino Incheon

Name of facility	Paradise Casino Incheon
Location	208 Yeongjonghaeannam-ro, 321 Beon-gil, Unseo-dong, Jung-gu, Incheon, Republic of Korea
Total floor space of casino	1,580 m ²

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