

March 15, 2017

(Translation)

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi
Chairman of the Board
and CEO and COO

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Yoichi Owaki,
Executive Officer
Division Manager,
Finance & Accounting Division
(TEL: 03-6215-9955)

(Progress in Disclosed Matter) Notice of Transfer of Noncurrent Assets

It is hereby notified that SEGA SAMMY HOLDINGS INC. (the “Company”) has reached an agreement with Busan Metropolitan City, South Korea regarding the details of a transfer of acquired land as a result of negotiation on its return, of which proposal for was announced in “Notice of Discontinuance of Development of Complex in Busan Metropolitan City, South Korea and Recording of Extraordinary Loss” on December 22, 2016, as described below.

Description

1. Reasons for the transfer

In order to concentrate management resources on Paradise City, the IR (integrated resort) business positioned as a growth business, and to further improve investment efficiency.

The Company will continue to advance the development of Paradise City, an IR facility under collaboration with South Korea’s Paradise Group, toward its opening in April 2017, and continue preparing for a full-fledged entry into IR business.

2. Detail of the transferred assets

Name and Location of the Assets	Transfer Price (million KRW)	Book Value (million KRW)	Current Status
Land 1502 U-dong, Haeundae-gu, Busan Metropolitan City, South Korea 9,911.20 m ² (Site area)	Approximately 94,443	Approximately 94,443	Land for complex facility (Vacant site)

3. Overview of the transferee

(1) Name	Busan Metropolitan City
(2) Head office	1001, Jungang-daero, Yeonje-gu, Busan 47545, Republic of Korea
(3) Title and name of representative	Mayor of Busan Metropolitan City, Suh Byung-soo

4. Schedule

(1) Resolution at the Board of Directors meeting	March 15, 2017
(2) Conclusion of transfer agreement	March 15, 2017
(3) Date of the transfer	March 15, 2017

5. Future outlook

Extraordinary loss announced in “Notice of Discontinuance of Development of Complex in Busan Metropolitan City, South Korea and Recording of Extraordinary Loss” on December 22, 2016 is already recorded in the consolidated operating period for the 9 months ended December 31, 2016. There is no significant change in the total amount of extraordinary loss due to the determination of conditions.

The forecast of consolidated operating results for the year ending March 31, 2017 reflecting the impact from this matter is currently under detailed examination. In the event that adjustments to operating results forecast are deemed necessary, the Company will disclose the changes promptly.

(For reference)

Forecast of consolidated operating results for the current period (announced on November 2, 2016) and actual consolidated results of the previous period are as follows

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecasts for the current year (FY ending March, 2017)	373,000	28,000	27,000	30,000
Results for the previous year (FY ended March, 2016)	347,981	17,617	16,409	5,369

(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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