

September 28, 2018

(Translation)

Dear Sirs or Madams,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Haruki Satomi,
President and Group COO
(Representative Director)

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

Further Inquiry: Yoichi Owaki,
Vice President,
Senior Executive Officer
Managing Director of
Finance & Accounting Division
(TEL: 03-6864-2400)

Notice of Cross-Sectional Reorganization of the Group for strengthening of Group Business Management

SEGA SAMMY HOLDINGS INC. (the “Company”) will conduct on October 1, 2018 a cross-sectional reorganization in terms of administration functions which had been dispersed among Group companies, aiming at strengthening Group business management and achieving further efficiency. In addition, cross-sectional reorganization of the Group other than administration functions has been conducted, as described below.

Description

1. Purpose of the reorganization

Since August 2018, the SEGA SAMMY Group has been relocated and consolidating the head office functions of Group companies with the aim of achieving further growth. The Group will integrate and reorganize those functions that had been dispersed or overlapping and will proceed with the unification and standardization of the decision-making process to strengthen Group business management and increase efficiency.

2. Summary of the reorganization

(1) Integration of administration functions

The administration functions which had been dispersed among the Company, SEGA Holdings Co., Ltd. (“SHD”) and Sammy Corporation (“Sammy”) (such as accounting, personnel affairs, financial affairs, general affairs, legal affairs, and IT solution) will be consolidated under the Company to consolidate processes for decision making. At the same time, overlapped functions will be eliminated for making the best use of human resources and boosting efficiency.

(2) Integration of licensing functions

The Group License Division is newly established under the Company and the functions of licensing, which had been dispersed among SHD, SEGA Games Co., Ltd., and Sammy are consolidated under the Company to consolidate processes for decision making and strengthen the intellectual property strategy.

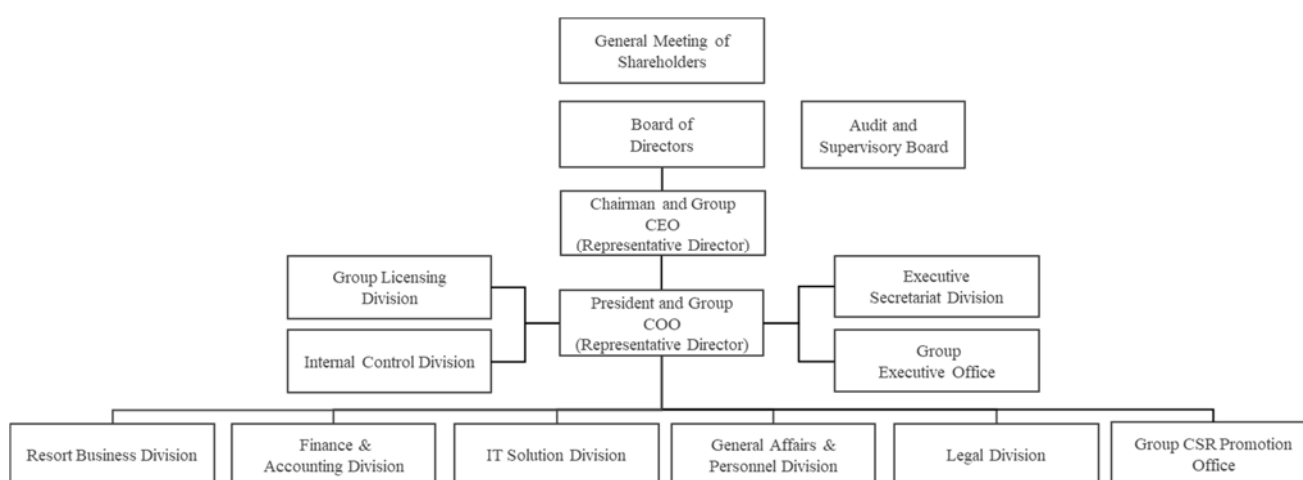
(3) Establishment of new department: Resort Business Division

The Resort Business Division is newly established under the Company for the purpose of supporting the development of strategies and the promotion of policies of PARADISE SEGASAMMY Co., Ltd., PHOENIX RESORT CO., LTD., and SEGA SAMMY GOLF ENTERTAINMENT INC., as well as the management, marketing, development and other operations for business management and the achievement of the missions of the individual operating companies.

(4) Consolidation of the functions of the Group audit and internal control

The functions of internal audit and internal control, which had been disperse among the Company, SHD and Sammy, are consolidated under the Internal Control Division of the Company to strengthen the functions of internal audit and internal control of the Group.

(Group structure after reorganization as of October 1, 2018)



- END -