

November 28, 2019

(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 Transfer of Noncurrent Assets and Recording of Extraordinary Gain by Our Consolidated Subsidiary

It is hereby notified that Sammy Corporation (Sammy), a subsidiary of SEGA SAMMY HOLDINGS INC. (the Company) has determined at its Board of Directors meeting, held on November 28, 2019, to transfer its noncurrent assets.

Description

1. Details of Sammy

(1) Name	Sammy Corporation
(2) Head office	Sumitomo Fudosan Osaki Garden Tower 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo
(3) Title and name of representative	President, Representative Director (CEO): Haruki Satomi
(4) Business description	Development, manufacture, and marketing of pachinko, pachislot, arranged-ball, and jankyu machines, and related equipment
(5) Capital	18,221 million yen

2. Reasons for the Transfer

The concerned noncurrent assets were used as headquarter of TAIYO ELEC Co., Ltd. (TAIYO ELEC), a subsidiary of Sammy. However, they became idle assets due to the relocation of headquarter of TAIYO ELEC as part of the process of consolidating it into Sammy brand. The group has been discussed the effective use of the concerned noncurrent assets and as a result, the transfer of them has been determined at Board of Directors meeting of Sammy.

3. Details of the transferred assets

Name and Location of the Assets		Transfer Price *1	Book Value *1	Gain from Transfer (million yen)	Current Status
I.	Land, building and others (Nagoya, Aichi)	—	—	Approx. 2,900	Idle assets

*1: The transfer price and book value are undisclosed as per the request of the transferee.

4. Overview of the transferee

The transferee of the above asset is a limited liability company. However, details are undisclosed as per the will of the transferee. There are no capital relationships, personal relationships or business relationships between the transferee and the Company, and the transferee is not a related party of the Company.

5. Schedule

(1) Resolution at the Board of Directors meeting	November 28, 2019
(2) Conclusion of transfer agreement	November 29, 2019 (planned)
(3) Date of the transfer	December 13, 2019 (planned)

6. Future outlook

Due to the transfer of noncurrent assets mentioned above, approximately 2,900 million yen of gain on sale of noncurrent assets is scheduled to be recorded as extraordinary gain in the consolidated operating results for the third quarter of the fiscal year ending March 31, 2020.

Furthermore, this matter has not been factored into the forecast of consolidated operating results for the year ending March 31, 2020 announced on April 26, 2019. The forecast of consolidated operating results for the year ending March 31, 2020 with the impact factored in will be announced promptly if there is a need to amend the forecast upon assessment of the status of respective business operations, emergence status of various expenses, etc.

(For reference) Forecast of consolidated operating results for the current business period (announced on April 26, 2019.) and actual consolidated results of the previous business period are as follows:

(Unit: million yen unless otherwise indicated)

	Consolidated Net Sales	Consolidated Operating Income	Consolidated Ordinary Income	Profit attributable to owners of parent
Forecasts for the current business period (FY ending March 2020)	390,000	27,000	23,000	15,000
Results for the previous business period (FY ended March 2019)	331,648	13,079	7,495	2,642

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

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