

May 13, 2020

(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 Regarding Reversal of Deferred Tax Assets and Differences between the Forecast of Consolidated Operating Results and the Actual Results

It is hereby notified that SEGA SAMMY HOLDINGS INC. (the Company) reversed the deferred tax assets at the settlement of accounts in fiscal year ended March 2020, and that there are differences between the forecast of the consolidated operating results of the Company for the year ended March 31, 2020 publicized on February 5, 2020 and actual results for the same period announced today, as described below.

Description

1. Reversal of Deferred Tax Assets

As a result of careful consideration of the collectability of deferred tax assets due to concerns over uncertainties caused by the spread of COVID-19, the Company reversed the deferred tax assets for approximately 7 billion yen and recorded as income taxes-deferred at the settlement of accounts in fiscal year ended March 2020.

2. Details of Differences between the Forecast of Consolidated Operating Results and the Actual Results for the year ended March 31 (from April 1, 2019 to March 31, 2020)

(Unit: million yen unless otherwise indicated)

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Net income per share (yen) |
|--------------------------------------|-----------|------------------|-----------------|---|----------------------------|
| Previously publicized forecast (A) | 367,000 | 27,000 | 24,000 | 21,000 | 89.44 |
| Actual result (B) | 366,594 | 27,643 | 25,296 | 13,775 | 58.65 |
| Amount of increase or decrease (B-A) | △406 | 643 | 1,296 | △7,225 | — |

| Rate of increase or decrease (%) | △0.1% | 2.4% | 5.4% | △34.4% | — |
|---|---------|--------|-------|--------|-------|
| (For reference) Operating results for the previous year (from April 1, 2018 to March 31, 2019) | 331,648 | 13,079 | 7,495 | 2,642 | 11.27 |

(Reasons for the differences)

Although operating income and ordinary income slightly exceeded the previously announced forecasts, profit attributable to owners of parent fell short of the same forecasts due to increase in tax expenses resulting from the reversal of deferred tax assets.

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