

May 13, 2021

(Translation)

Dear Sirs or Madams,

Name of Company: SEGA SAMMY HOLDINGS INC.  
 Name of Representative: Haruki Satomi,  
 President and Group CEO,  
 Representative Director

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

Further Inquiry: Makoto Takahashi,  
 Senior Vice President,  
 Executive Officer,  
 Managing Director of  
 Corporate Planning Division  
 (TEL: 03-6864-2400)

# Notice of Recording of Deferred Tax Assets and Differences between the Consolidated Operating Results Forecast and the Actual Results

SEGA SAMMY HOLDINGS INC. (the Company) hereby notifies that it recorded deferred tax assets at the settlement of accounts in fiscal year ended March 31, 2021 and the difference between the consolidated operating results forecast of the Company for the fiscal year ended March 31, 2021 announced on February 12, 2021 and the actual results for the same period announced today has occurred, as described below.

## Description

### 1. Recording of deferred tax assets

As a result of careful consideration of the collectability of deferred tax assets while taking the performance trends of the Company Group for the fiscal year ended March 31, 2021 and the future into account, the Company recorded deferred tax assets at the end of the fiscal year ended March 31, 2021 and recorded income taxes-deferred of approx. minus 12.2 billion yen (minus is gain) accordingly.

### 2. Details of differences between the consolidated operating results forecast and the actual results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Unit: million yen unless otherwise indicated)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income (losses) per share (Yen)
Previously announced forecast (A)	276,000	9,000	7,000	(3,000)	(12.76)
Actual results (B)	277,748	6,553	1,715	1,274	5.42
Amount of increase or decrease (B-A)	1,748	(2,447)	(5,285)	4,274	-
Rate of increase or decrease (%)	0.6%	(27.2%)	(75.5%)	-	-

(Reference)	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income (losses) per share (Yen)
Operating results for the previous fiscal year (Fiscal year ended March 31, 2020)	366,594	27,643	25,296	13,775	58.65

(Reasons for the Differences)

Sales of some titles, etc. went below the expectation, and operating expenses including advertising expenses and others increased compared to the previously announced forecast in Consumer area of Entertainment Contents business. In addition, the gain on valuation of investment securities, which were expected to be recorded in non-operating income, changed to be recorded in extraordinary income (gain on sales of investment securities), due to the sale of the concerned securities. As a result, both operating income and ordinary income fell short of the previous forecasts. On the other hand, profit attributable to owners of parent exceeded the previously announced forecast and turned profitable due to the recording of extraordinary income associated with the sale of investment securities, and a reduction in tax expenses due to the recording of deferred tax assets.

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