

June 6, 2024

(Translation)

Dear all,

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

(Code No. 6460, Tokyo Stock Exchange Prime)

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

Supplementary Information and Opinion on the Proposal for the 20th Ordinary General Meeting of
Shareholders
and

Partial Correction to "Notice Regarding Revision of the Compensation System Associated with the
Introduction of a Compensation System for Post-Delivery Stock-Based Compensation"

**A. Supplementary Information and Opinion on the Proposal for the 20th Ordinary General Meeting
of Shareholders**

Institutional Shareholder Services Inc. ("ISS"), a voting advisory firm, has recently made a recommendation against Proposal No. 4, "Revision of the Compensation System Associated with the Introduction of a Compensation System for Post-Delivery Stock-Based Compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors)" (the "Proposal") at the 20th Ordinary General Meeting of Shareholders of the Company (the "20th OGM").

Therefore, SEGA SAMMY (the "Company") would like to provide the following supplementary information and explain our opinion on ISS's recommendation. We would like to ask our shareholders to review the following description to better understand the Proposal.

Description

1. Details of ISS's recommendation against

ISS has issued a report recommending against the Proposal at the 20th OGM. The reason for this is that no specific performance hurdles are specified for post-delivery restricted stock ("RSU") in the Proposal, and the eligible period until the shares, etc. will be delivered has not been disclosed.

2. Supplemental information and opinion from the Company

With the aim of further aligning the Company's long-term interests with those of the Company's shareholders and Directors and providing incentives to enhance the Company's corporate value over the medium to long term, subject to approval by shareholders at the 20th OGM, the Company has decided to introduce performance share ("PSU") and RSU as a post-delivery stock-based compensation system under which shares of the Company's common stock will be allotted to its eligible Directors (excluding Directors serving as Audit and Supervisory Committee members and External Directors, the "Eligible Directors") after a certain period of time.

The eligible period until the shares, etc. will be delivered for the RSU was set forth as “a period determined by the Company’s Board of Directors meeting” on page 28 of the Notice of the 20th OGM, but we would like to clarify that the Board of Directors meeting has resolved to set this period **at three years**, for supplemental information.

In addition, the reason for not setting a specific performance hurdle for the RSU is that we classify PSU as a compensation based on the degree of achievement of performance targets, etc., and RSU, for the purpose of medium-term retention of Eligible Directors, as a compensation related to tenure in office during the period of service.

We believe that the Proposal is not conflict with the ISS criteria with the above supplemental explanations.

We would like to ask our shareholders to review the above content once again and carefully judge the appropriateness of the Proposal.

B. Partial correction to the “Notice Regarding Revision of the Compensation System Associated with the Introduction of a Compensation System for Post-Delivery Stock-Based Compensation”

The Company makes correction to the “Notice Regarding Revision of the Compensation System Associated with the Introduction of a Compensation System for Post-Delivery Stock-Based Compensation” released on May 10, 2024 due to an error in the contents. Correction is shown as underlined.

Part of the correction:

In the first paragraph of “1. Reasons for the introduction of the System”

[Before correction]

the Company introduced a compensation system with Restricted Stock for its Directors (excluding Directors serving as Audit and Supervisory Committee members, the “Eligible Directors”)

[After correction]

the Company introduced a compensation system with Restricted Stock for its Directors (excluding Directors serving as Audit and Supervisory Committee members and **External Directors**, the “Eligible Directors”)

*This is the error in our announcement on May 10, 2024 only and it was written correctly in the “Notice of the 20th Ordinary General Meeting of Shareholders to be held on June 25, 2024” released on May 31, 2024.

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