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# **ARTICLES OF INCORPORATION OF SEGA SAMMY HOLDINGS INC.**

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1 (Trade Name)**

The name of the Company shall be "SEGA SAMMY HOLDINGS Kabushiki Kaisha" and in English translation it shall be "SEGA SAMMY HOLDINGS INC. "

### **Article 2 (Purpose)**

2.1 The purpose of the Company shall be: to manage and control the business activities of the corporations that conduct the following businesses and businesses equivalent thereto and to engage in operations incidental thereto by owning shares in such corporations:

- (1) Manufacture, marketing and recycling of pachinko, pachislot, arranged-ball, jankyu machines, and related equipment;
- (2) Planning, manufacture, marketing, import and export of amusement machines and equipment, game machines and equipment, amusement park rides, electric machines and equipment, electronic machines and equipment, optical machines and equipment, office machines and equipment, learning machines and equipment, exercise machines and equipment, health promoting machines and equipment, vending machines and equipment, money changers, machines and equipment for prizes, photo machines and parts, and materials thereof;
- (3) Planning, development, design, manufacture, marketing, importing and exporting of toys;
- (4) Designing, manufacture and marketing of computers and peripheral equipment and terminal units;
- (5) Planning, development, production, marketing and consulting of computer software, and computer systems;
- (6) Planning, development, consulting, marketing, dealership, importing and exporting, manufacture, processing, installation and maintenance of telecommunications equipment and peripheral equipment and terminal units equipment thereof as well as audio-visuals, and dealership concerning the subscription of telecommunications service;
- (7) Planning, manufacture, marketing, importing and exporting of three dimensional vision equipment and planning, manufacture, marketing, importing and exporting of image processing systems;
- (8) Planning, development, manufacture, marketing, importing and exporting of jet skis, motor boats, and scuba diving equipment, fabric products for clothing, fur clothing, dry goods for clothing, dress accessories, accessories, leather goods, shoes, suitcases, bags, indoor ornament, furniture, arts and crafts, watches, glasses, acoustic instruments, home appliances, cosmetics, medical consumables, and medical equipment;
- (9) Planning, development, manufacture, marketing, importing and exporting of gems, precious metals, antiques, cameras, stationery, books, magazines, musical instruments, sports gear, DIY tools, gardening tools, trees for gardening, plants, gardening materials and fresh flowers, fertilizers, feed, soil conditioners, automobiles, automobile parts, automobile goods, bicycles, food, pharmaceutical products, dietary supplement, food for specified health use, alcoholic beverages, soft drinks, tobaccos, daily necessities, system equipment for emergency notification for the prevention of crimes, fires and disaster damages, disposal units of industrial wastes (kitchen garbage), photovoltaic generators, food processing machines and equipment;
- (10) Planning, development, production, marketing and consulting of computer software, and computer systems;
- (11) Planning, design, development, administration, operation and maintenance of network systems, such as the Internet, computer networks, cell phones, car navigation systems, and television game networks, etc.;
- (12) Information services to collect, analyze, process, market, import, export and provide a variety of information;
- (13) Creation, marketing and maintenance of databases;
- (14) Information and software provision service through domestic and global VAN (value added network);
- (15) Internet connection intermediary business;
- (16) Planning, production, sale, and import and export of video software, and audio and music software;
- (17) Planning, production, sale and distribution of broadcast programs, movies and animation;
- (18) Planning, production, marketing, import and export of digital content;
- (19) Publishing;
- (20) Production, issuance and marketing of newspapers;
- (21) System design and planning for cable television;
- (22) Television and other general broadcast businesses under the Broadcast Law;
- (23) Intermediary and wholesale business using computer for promotion of product circulation among businesses;
- (24) Mail order sale;
- (25) Trading in antiques;

- (26) Construction work, installation work, interior and exterior decoration work, and installation of machines and equipment;
- (27) Planning, design, construction, and administration of various facilities, such as commercial and industrial facilities, and educational facilities, building equipment, and displays;
- (28) Manufacture and marketing of various construction materials;
- (29) Maintenance of buildings and related facilities, as well as providing invitation of and guidance to member shops on franchise systems and marketing of cleanup products (carpets, mops, cloth, rolls of towels, air fresheners for bathrooms and home, air purifiers, and water purifiers) and lease thereof;
- (30) General leasing;
- (31) Operation of entertainment facilities such as amusement centers, game arcades, and amusement parks, hotel facilities, restaurants, golf courses, sports facilities, shopping facilities, cultural facilities, spa facilities, healthcare facilities, Karaoke facilities, parking facilities car washes, sound studios, and clubs with live music; and recruitment and support of franchisees, and sale of franchises through a franchise system of those businesses listed above;
- (32) Laundry business;
- (33) Planning, management and operation of a variety of events such as sports, entertainment, theater plays, theatrical entertainment, movies, and concerts;
- (34) Business concerning rights for mineral springs;
- (35) Gardening construction and forestry management, and planting management businesses;
- (36) Development of tourism services;
- (37) Tour business under the Travel Agency Act;
- (38) Serving as a travel agent;
- (39) Management of entertainment talent and artists and operation of entertainment and modeling agencies;
- (40) Specific employment agency business;
- (41) Pay employment placement businesses
- (42) Management of conference halls as well as planning and management of meetings;
- (43) Interpretation and translation services as well as planning and management thereof;
- (44) Advertising and publicity businesses;
- (45) Management consulting;
- (46) Marketing research;
- (47) School management concerning the training of scenario writers, voice actors, film-making engineers and others;
- (48) Planning and management of early capability development targeting preschool children;
- (49) Planning, management, import and export of learning classrooms;
- (50) Planning, development, manufacture and marketing of character goods;
- (51) Administration, acquisition, licensing, sale and purchase, and leasing of industrial property rights, including patent rights, utility model rights, design rights, and trademark rights, and intangible property rights, including copyright, copyright neighboring rights, and merchandising rights, and studying on the use thereof;
- (52) Sale and purchase, leasing, administration, cleaning and intermediacy of real estate;
- (53) Money lending business, investing business and handling of credit cards and planning, manufacture and sale of prepaid cards and gift certificates;
- (54) Serving as a non-life insurance agent and conducting operations concerning the collection of life insurance, as well as agent business under the Automobile Liability Security Law;
- (55) Ground, marine and air transportation and agent business thereof;
- (56) Warehousing;
- (57) Trading in the following items:
  - 1) Souvenirs, crafts and farm and marine products;
  - 2) Petroleum and other fuels and their products;
  - 3) Vehicles, vehicle parts and vehicle supplies;
  - 4) Machinery, equipment and parts thereof;
  - 5) Paper pulp and paper products;
  - 6) Plastic products, textile products and household goods;
  - 7) Agricultural and marine products and related processed products;
- (58) Processing, repairs and contracting work thereof for the products set forth in 2) through 7) of the preceding paragraph;
- (59) Printing and bookbinding, procurement and management of office supplies and equipment, filing service, office automation equipment operation service, outsourced clerical works and accounting work.
- (60) Sale of tobacco, salt, stamps and revenue stamps, as well as agency and intermediary service for such sale;
- (61) Acupuncture, moxibustion and massage services;
- (62) Maintenance and management of office security systems;
- (63) Outsourced automobile operation management service and related consulting service;
- (64) Waste collection and disposal service;
- (65) Debugging service for various software and hardware-related appliances;
- (66) Contract manufacturing line service;
- (67) Business for children and childcare according to the Child Welfare Act, the Act on Child and Childcare Support and other related laws and regulations;
- (68) Operation to manage and control the business activities of the corporations that conduct the businesses set forth in each of the preceding items and businesses equivalent thereto by owning shares in such corporations.

2.2 The Company may engage itself in each of the foregoing businesses and those incidental or pertinent thereto.

### **Article 3 (Head office)**

The head office of the Company shall be located at Shinagawa-ku., Tokyo, Japan.

**Article 4 (Method of public notice)**

Public notices of the Company shall be given in the form of electronic public notice; provided, however, that they shall be given in *The Nihon Keizai Shimbun* published in Tokyo for any compelling reason including an accident that makes electronic public notices unavailable.

**CHAPTER II SHARES****Article 5 (Number of shares authorized for issue)**

The number of shares authorized for issue by the Company shall be 800,000,000 shares.

**Article 6 (Acquisition of own shares)**

The Company may acquire its own shares by such means as market transactions, subject to a resolution of the Board of Directors, pursuant to the provisions of Article 165, paragraph 2 of the Corporate Law.

**Article 7 (Number of shares per unit share)**

The number of shares to constitute a unit share of the Company shall be 100 shares.

**Article 8 (Request for sale of additional fractional unit shares)**

- 8.1 Shareholders who possess fractional unit shares of the Company may request the Company to sell the number of shares that will, together with such fractional unit shares, constitute a full unit share (hereinafter “request for sale of additional shares”).
- 8.2 The period when a request for the sale may be made, the method of request and other matters shall comply with the share handling regulations adopted by the Board of Directors.

**Article 9 (Rights of shareholders holding fractional unit shares)**

Shareholders holding fractional unit shares of the Company shall have no rights to exercise other than those stipulated below:

- (1) Rights stipulated in each item of Article 189, paragraph 2 of the Corporate Law.
- (2) Right to receive dividends of surplus
- (3) Right to request redemption of shares with redemption rights
- (4) Right to be allocated publicly offered shares or publicly offered stock acquisition rights
- (5) Right to request the sale of additional fractional unit shares defined in the preceding article

**Article 10 (Shareholder register manager)**

- 10.1 The Company shall have a shareholder register manager.
- 10.2 The shareholder register manager and its business office shall be determined by a resolution of the Board of Directors.

**Article 11 (Regulation of Share handling)**

Handling and handling fees of matters relating to shares or stock acquisition rights such as the stating or recording of matters in the register of shareholders and the register of stock acquisition rights of the Company, purchase and additional purchase of fractional unit shares; procedures etc. for exercise of shareholders' rights shall be governed by the regulation of share handling established by the Board of Directors, in addition to what is provided for in the laws and regulations.

**Article 12 (Record date)**

12.1 The Company shall treat the shareholders with voting rights appearing or recorded in the final register of shareholders as of March 31 of each year as the shareholders entitled to exercise their rights at the ordinary general meeting of shareholders for the corresponding fiscal year.

12.2 In addition to the case of the preceding paragraph or Article 50, the Company may, by giving prior public notice, set a certain date as record date by a resolution of the Board of Directors, if it is necessary in order to define persons entitled to exercise their rights as shareholders or registered share pledgees.

**CHAPTER III GENERAL MEETING OF SHAREHOLDERS**

**Article 13 (Convocation)**

An ordinary general meeting of shareholders shall be convened within three (3) months after April 1 each year and, whenever necessary, an extraordinary general meeting of shareholders may be convened.

**Article 14 (Venue)**

14.1 A general meetings of shareholders shall be convened in the area of head office, at a neighboring location or at a location in a ward of the Metropolis of Tokyo. This provision shall not apply if the Company holds a general meeting of shareholders without specifying a location pursuant to the following paragraph.

14.2 The Company may hold a general meeting of shareholders without specifying a location if the Board of Directors determines that it is not appropriate in light of the interests of shareholders to hold the general meeting of shareholders at a specific location due to the spread of infectious diseases or the occurrence of natural and other large-scale disaster.

**Article 15 (Convener and Chair of General Meetings of Shareholders)**

15.1 Except as otherwise provided by the laws and regulations, the President and Representative Director previously determined by a resolution of the Board of Directors shall convene the general meetings of shareholders and act as the chairman thereof.

15.2 When such President and Representative Director are unable to act, another Director, who shall be decided in accordance with an order of priority previously determined by a resolution of the Board of Directors, shall convene such general meetings and act as the chairman thereof.

**Article 16 (Measures for electronic provision, etc.)**

16.1 Upon convening general meetings of shareholders, the Company shall provide the information contained in the reference documents, etc., for such meetings electronically.

16.2 The Company may elect not to state all or part of the matters prescribed by the relevant ordinances of the Ministry of Justice among the matters subject to the electronic provision, in the documents to be delivered to the shareholders who have requested such delivery by the record date for voting rights.

**Article 17 (Vote by proxy)**

17.1 A shareholder of the Company may exercise its voting rights by authorizing another shareholder who has a voting right in

the Company as its proxy in a general meeting of shareholders.

17.2 In the event of the preceding section, documents evidencing the authority of a proxy must be filed with the Company at every general meeting of shareholders.

**Article 18 (Method of adopting resolutions)**

18.1 Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions of a general meeting of shareholders shall be adopted by a majority of voting rights held by the attending shareholders.

18.2 A resolution to be adopted under Article 309, paragraph 2 of the Corporate Law shall be adopted by not less than two thirds of the votes of the shareholders who attend the meeting and represent not less than one third of the aggregate voting rights of all shareholders entitled to exercise their voting rights.

**Article 19 (Minutes)**

19.1 Concerning the proceedings of general meetings of shareholders, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting.

19.2 The original minutes of general meetings of shareholders shall be kept for ten (10) years at the head office from the date of resolution and certified duplicates thereof shall be kept for five (5) years at branch offices.

**CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS AND EXECUTIVE OFFICERS**

**Article 20 (Board of Directors)**

The Company shall have a Board of Directors.

**Article 21 (Number of Directors)**

21.1 The Company shall have no more than fifteen (15) Directors (excluding those who are audit and supervisory committee members).

21.2 The Company shall have no more than five (5) Directors who are audit and supervisory committee members (hereinafter "Audit and Supervisory Committee Members").

**Article 22 (Election of Directors)**

22.1 A resolution for election of Directors shall be adopted, in a general meeting of shareholders, by a majority of the votes of the shareholders who attend the meeting and represent not less than one third of the aggregate voting rights of all shareholders entitled to exercise their voting rights.

22.2 Cumulative voting shall not be used for the election of directors specified in the preceding section.

22.3 Directors shall be elected by a resolution of the general meeting of shareholders that differentiates between those who would be Audit and Supervisory Committee Members and those who would not be such members.

**Article 23 (Term of office of Directors)**

23.1 The term of office for Directors shall be until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within one year after their election.

23.2 Notwithstanding the provisions of the preceding paragraph, the term of office for Audit and Supervisory Committee Members shall be until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within two (2) years after their election.

23.3 The term of office of an Audit and Supervisory Committee Member elected to fill a vacancy shall expire upon the expiry of the term of office for the retired Audit and Supervisory Committee Member.

23.4 The effective term of the resolution for the election of an Audit and Supervisory Committee Member who is elected to fill a vacancy, pursuant to Article 329, paragraph 3 of the Companies Act, shall be until the beginning of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within two (2) years from their election, unless shortened by such resolution.

#### **Article 24 (Executive Directors)**

By a resolution of the Board of Directors, one President shall be appointed from among the Directors who are not Audit and Supervisory Committee Members, and a few Chairpersons, Vice Chairpersons, Senior Vice Presidents, Senior Managing Directors and Managing Directors may be appointed if necessary.

#### **Article 25 (Representative Directors)**

25.1 The President shall represent the Company.

25.2 In addition to the foregoing section, the Company may, by a resolution of the Board of Directors, elect representative directors from among the Directors who are not Audit and Supervisory Committee Members if necessary and each such director shall represent the Company.

#### **Article 26 (Convener and Chair of Meetings of the Board of Directors)**

26.1 Except as otherwise provided by laws and regulations, the President shall convene a meeting of the Board of Directors and shall act as the chairman thereof.

26.2 When such President is unable to act, another Director, who shall be decided in accordance with an order of priority previously determined by a resolution of the Board of Directors, shall convene such a meeting and shall act as the chairman thereof.

#### **Article 27 (Convocation of meeting of the Board of Directors)**

27.1 To convene a meeting of the Board of Directors, a notice of convocation shall be dispatched to each Director no later than three days prior to the date of the meeting; provided, however, that this period may be shortened in case of a compelling emergency.

27.2 If the agreement of all the directors is obtained, a meeting of the Board of Directors may be held without following the convocation procedures.

#### **Article 28 (Resolution of Board of Directors)**

Resolution of the Board of Directors of the Company shall be adopted by a majority of Directors present at a meeting, which Directors shall constitute a majority of the total number of Directors.

**Article 29 (Omission of resolution of Board of Directors)**

If all the Directors agree to a matter to be resolved by the Board of Directors either in writing or with an electromagnetic record, the matter to be resolved shall be deemed to have been passed by resolution of the Board of Directors.

**Article 30 (Delegation of decisions on the execution of business to Directors)**

The Company may delegate all or part of the decisions on the execution of important business matters to the Directors by a resolution of the Board of Directors, pursuant to Article 399-13, paragraph 6 of the Companies Act (excluding the matters set forth in each item of paragraph 5 of the said Article).

**Article 31 (Minutes of Board of Directors' meetings)**

31.1 Concerning the proceedings of a meeting of the Board of Directors, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting. The chairperson and the Directors who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.

31.2 The original minutes shall be kept for ten (10) years at the head office from the date of resolutions.

**Article 32 (Advisors)**

The Company may, by a resolution of the Board of Directors, appoint one or more advisors. Advisors shall respond to a request for consulting by the President with respect to the business operations of the Company.

**Article 33 (Regulations of the Board of Directors)**

Except as otherwise provided by laws and regulations or these Articles of Incorporation, matters regarding meetings of the Board of Directors shall comply with the regulations of the Board of Directors separately adopted by the Board of Directors.

**Article 34 (Compensation etc. for Directors)**

Compensation etc. for Directors shall be determined by a resolution of the general meeting of shareholders that differentiates between Directors who are Audit and Supervisory Committee Members and those who are not.

**Article 35 (Limited liability contract with Directors)**

The Company may, pursuant to the provision of Article 427, paragraph 1 of the Companies Act, conclude a contract with Directors for the purpose of limiting their liability for compensation, in the case that the requirements of relevant laws and regulations regarding the liability for compensation stipulated in Article 423, paragraph 1 of the said Act are fulfilled; provided, however, that the maximum amount of liability limit stipulated in relevant laws and regulations.

**Article 36 (Executive Officer)**

36.1 The Company shall elect Executive Officers based on a resolution of the Board of Directors.

36.2 Executive Officers shall be in charge of some part of the business operations entrusted by the President in accordance with the principles adopted by the Board of Directors.

**Article 37 (Regulations of Executive Officers)**

Except as otherwise provided by the laws and regulations or these Articles of Incorporation, matters regarding officers shall conform to the regulations of officers adopted at a meeting of the Board of Directors.

**CHAPTER V AUDIT AND SUPERVISORY COMMITTEE**

**Article 38 (Audit and Supervisory Committee)**

The Company shall have an Audit and Supervisory Committee.

**Article 39 (Full-time Audit and Supervisory Committee Members)**

The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members by its resolution.

**Article 40 (Convocation of a meeting of the Audit and Supervisory Committee)**

40.1 Notice of a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member three (3) days prior to the date of said meeting; provided, however, that this period may be shortened in the case of an urgency.

40.2 With the agreement of all the Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convocation.

**Article 41 (Resolutions of the Audit and Supervisory Committee)**

Resolutions of the Audit and Supervisory Committee shall be adopted at a meeting attended by a majority of Audit and Supervisory Committee Members if such majority approves such resolutions.

**Article 42 (Minutes of the Audit and Supervisory Committee meetings)**

Concerning the proceedings of a meeting of the Audit and Supervisory Committee, a summary of the proceedings, the result thereof and other items prescribed by relevant laws and regulations shall be described or recorded in the minutes of the meeting, and the Audit and Supervisory Committee Members who attended the meeting shall sign, affix their names and seals to, or place electronic signatures on the minutes.

**Article 43 (Regulations of the Audit and Supervisory Committee)**

Other matters relating to the Audit and Supervisory Committee shall comply with the regulations of the Audit and Supervisory Committee separately adopted by the Audit and Supervisory Committee, unless otherwise provided for by laws and regulations or these Articles of Incorporation.

**CHAPTER VI ACCOUNTING AUDITORS**

**Article 44 (Accounting Auditors)**

The Company shall have Accounting Auditors.



**Article 45 (Election of Accounting Auditors)**

Accounting Auditors shall be elected by a resolution of the general meeting of shareholders.

**Article 46 (Term of office of Accounting Auditors)**

46.1 The term of office of Accounting Auditors shall be until the conclusion of the ordinary general meeting of shareholders pertaining to the last fiscal year ending within one year after their election.

46.2 Unless otherwise resolved at the ordinary general meeting of shareholders in the preceding paragraph, Accounting Auditors shall be deemed to have been reelected at the said ordinary general meeting of shareholders.

**Article 47 (Compensation etc. for Accounting Auditors)**

Compensation etc. for Accounting Auditors shall be determined by the Representative Director of the Company, subject to the consent of the Audit and Supervisory Committee.

**Article 48 (Exemption from liability of Accounting Auditors)**

The Company may, pursuant to the provision of Article 427, paragraph 1 of the Corporate Law, conclude a contract with Accounting Auditors for the purpose of limiting their liability for compensation, in the case that the requirements of relevant laws and regulations regarding the liability for compensation stipulated in Article 423, paragraph 1 of the said Law are fulfilled; provided, however, that the maximum amount of liability under such contract shall be the minimum liability limit stipulated in relevant laws and regulations.

**CHAPTER VII ACCOUNTS**

**Article 49 (Fiscal year and accounting term)**

The fiscal year of the Company shall be from April 1 each year through March 31 the following year, and the accounts of the Company shall be closed at the end of each fiscal year.

**Article 50 (Dividends of surplus, etc.)**

50.1 The Company may, by a resolution of the Board of Directors, determine the matters provided for in each item of Article 459, paragraph 1 of the Corporate Law.

50.2 Cash dividends of surplus (hereinafter, "cash dividends") shall be paid to the shareholders or registered share pledgees registered or recorded in the final register of shareholders as of March 31 or September 30 of each year.

**Article 51 (Statute of limitation for cash dividends)**

51.1 In the case that cash dividends remain unclaimed after the lapse of three years from the day on which payment thereof was commenced, the Company shall be exempted from the responsibility of payment thereof.

51.2 Unpaid cash dividends shall bear no interest.

**Supplementary Provisions**

**Article 1 (Transitional measures pertaining to contracts for limitation of liability with Corporate Auditors)**

Agreements limiting the liability for damages under Article 423, paragraph 1 of the Companies Act with respect to the acts of Corporate Auditors (including those who previously served as Corporate Auditors) prior to the conclusion of the 18th ordinary general meeting of shareholders shall remain subject to Article 47 of the Articles of Incorporation prior to the amendment by resolution of the same meeting.