

December 5, 2017

(Translation)

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.  
Name of Representative: Haruki Satomi,  
President and 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: 03-6215-9955)

Notice Regarding Acquisition of Gaming Machine Manufacturer and  
Distributor Licenses in Nevada by Group Companies

SEGA SAMMY CREATION INC. (hereafter “SSC”), a wholly owned subsidiary of SEGA SAMMY HOLDINGS INC. (hereafter “the Company”), and Sega Sammy Creation USA Inc. (hereafter “SSCU”), a wholly owned subsidiary of SSC, have completed their investigations and hearings by the Nevada Gaming Control Board and the Nevada Gaming Commission. SSC and SSCU received Manufacturer licenses and Distributor licenses (hereafter “Licenses”) for the manufacture, sale and distribution of gaming machines in the State of Nevada as of December 1, 2017 (local date.) Details are as follows.

Description

1. Overview

SSC, which develops, manufactures and sells gaming machines, applied for a license in the U.S. State of Nevada in preparation to expand into North America, the world's largest gaming machine market, in order to increase its Asia-centric business.

During the application process, SSC, SSCU and the Company were the subject of the investigation by the Nevada Gaming Control Board. For the companies, governance and compliance structures, financial and tax information, client information and litigation histories were examined among other items. Individuals such as all the executive officers and directors of SSC and SSCU and the CEO, COO, CFO and General Counsel (at the time of the application in October 2016) of the Company were also the subject of the investigation. For individuals, education and employment records, information of asset etc., litigation and criminal histories and relationships were investigated.

All in accordance with the strict licensing and suitability standards of the State of Nevada, no areas of concerns were noted. Accordingly, we believe that the suitability of the companies and individuals has been officially approved by the strict standards.

2. Details of the subsidiary

(1) Name	SEGA SAMMY CREATION INC.
(2) Head office	TVP Bldg 2F, 3-9-13 Moriyacho, Kanagawa-ku, Yokohama City Kanagawa 221-0022
(3) Title and name of representative	President and CEO : Hisao Oguchi
(4) Business description	Development, production, and sales of casino machines (gaming machines)
(5) Capital	10 million yen
(6) Major shareholders and their shareholding ratio	SEGA SAMMY HOLDINGS INC. 100%

### 3. Future outlook

Since SSC and SSCU became able to manufacture and sell gaming machines in Nevada by acquiring the Licenses, they will apply for inspection of their gaming machines by the relevant institutions as well as develop their sales structures, aiming to begin introducing their products in FY ending March 2019.

Based on this acquisition, they will also move forward with procedures to acquire licenses in other regions to expand their distribution area, but at this time the impact of this license acquisition on this fiscal year's results is expected to be minor.

(For reference)

Forecast of consolidated operating results for the current period (announced on November 30, 2017) and actual consolidated results of the previous period are as follows

(Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecasts for the current year (FY ending March, 2018)	330,000	13,000	10,000	5,000
Results for the previous year (FY ended March, 2017)	366,939	29,527	28,542	27,607

(Note)

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

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