

(Translation)

February 23, 2018

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,
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SEGA of America and Paramount Pictures Finalize Agreement to
Co-produce Sonic the Hedgehog Feature Film

Our group company SEGA of America, Inc., has reached a final agreement with Paramount Pictures to co-produce a Sonic the Hedgehog feature film.

For further information, please refer to attached press release.

Attached material: Press Release of SEGA Holdings Co., Ltd.



-NEWS RELEASE-

February 23, 2018
SEGA Holdings Co., Ltd.

SEGA of America and Paramount Pictures Finalize Agreement to Co-produce *Sonic the Hedgehog* Feature Film

**Live-action CG animation film represents next step in evolution of *Sonic the Hedgehog* IP and Will
Premiere in the United States on November 15, International Rollout to Follow**

BURBANK, Calif. — February 22, 2018 — SEGA Holdings Co., Ltd. today announced that SEGA of America, Inc., has reached a final agreement with Paramount Pictures to co-produce a *Sonic the Hedgehog* feature film, set for theatrical release beginning in the United States on November 15, 2019, then rolling out internationally to markets around the world.

This move represents an important next-step in the expansion of the *Sonic the Hedgehog* IP, bringing the character to new audiences globally. As part of the IP strategy for *Sonic the Hedgehog*, SEGA Group has been working to expand this character beyond the video game market to become an entertainment franchise. Recently, Sonic has appeared as an animated character on television, consumer products, console and mobile games, and more.

“I am very honored that our companies, SEGA and MARZA, have this incredible opportunity to partner with Paramount Pictures for this production, which will bring Sonic to the big screen for the first time. Since he was first introduced to the world 26 years ago, Sonic has continued to grow in popularity as part of our core strategy to focus on video games. In addition to video games, this provides SEGA with a fantastic opportunity to share Sonic with everyone and we can't wait to reveal more to eager audiences in the future,” said SEGA Holdings Chairman and Chief Executive Officer (CEO), Haruki Satomi.

Paramount Pictures will work closely with SEGA of America to bring Sonic to the big screen, said Jim Gianopulos, Chairman and CEO, Paramount Pictures.

“We are incredibly excited to work with SEGA to bring this iconic property and character to audiences around the world,” said Gianopulos. “We look forward to our partnership on this great venture.”

Planned for a worldwide release showcasing both live-action and CG animation elements, the feature film will be the first time Sonic has been adapted for the big screen. Developing the project since its inception as a producer as well as a production house, MARZA Animation Planet Co., Ltd., owned by SEGA Group, will be joined by an assembly of high-profile talent.

The film has signed on notable industry veterans including:

- Producer Neal H. Moritz from Original Film Inc. (“Fast and Furious” series)
- Director Jeff Fowler (Blur Studio, Academy Award® nominee for 2005 Best Animated Short Film “Gopher Broke.”)
- Executive producer Tim Miller (director of the Marvel/Fox feature “Deadpool” and owner of animation and CG production company Blur Studio)

“I’m thrilled to be partnered with SEGA and to have such an incredible and supportive home for Sonic with Jim and Paramount,” said Moritz.

Sonic the Hedgehog was first seen in 1991 on the SEGA Genesis. Since then, the character was inducted into the “World Video Game Hall of Fame” in 2016 at The Strong National Museum of Play in Rochester, New York. Most recently, the popular franchise has seen two new hit releases in 2017, *Sonic Mania™* and *Sonic Forces™* (PlayStation® 4, Nintendo Switch™, Xbox One™, PC). Total sales of the series including both packaged and digital downloads count over 360 million units.

About SEGA of America

SEGA of America is the American subsidiary of SEGA Games Co., Ltd. The company plans, develops, publishes and distributes interactive entertainment for home video game consoles and PC. www.sega.com.

About Paramount Pictures Corporation

Paramount Pictures Corporation (PPC), a global producer and distributor of filmed entertainment, is a unit of Viacom (NASDAQ: VIAB, VIA), a leading content company with prominent and respected film, television and digital entertainment brands. Paramount controls a collection of some of the most powerful brands in filmed entertainment, including Paramount Pictures, Paramount Animation, Paramount Television, Paramount Players, MTV Films, and Nickelodeon Movies. PPC operations also include Paramount Home Media Distribution, Paramount Pictures International, Paramount Licensing Inc., and Paramount Studio Group.

About Marza Animation Planet

Established in 2009, MARZA ANIMATION PLANET, INC. is a CG Animation Production Studio under SEGA Holdings. Based in Tokyo, Marza also has its US office in Burbank, California where they have several other projects in development. Leveraging Japan’s top CG production technologies and IP, Marza develops and produces CG animated films from Japan for the rest of the world. For more information, visit <http://www.marza.com>.