

November 6, 2020

(Translation)

Dear Sirs or Madams,

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

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

Further Inquiry: Yoichi Owaki,
Senior Vice President,
Executive Officer
Managing Director of
Finance & Accounting Division
(TEL: 03-6864-2400)

Notice of Forecast regarding Recording of Extraordinary
Loss in Associated with Call for Voluntary Retirement of
Employees and Reduction in the Amount of Compensation
of Directors

SEGA SAMMY HOLDINGS INC. (the Company) hereby notice that the call for voluntary retirement of employees and reduction in the amount of compensation of directors has resolved at Board of Directors meeting held on November 6, 2020 as described below. The Company also announce that it expects to record an extraordinary loss in the operating results of the fiscal year ending March 2021 due to the call for voluntary retirement.

Description

1. Reasons for call for voluntary retirement of employees

As stated in the "Notice Regarding Full-Year Consolidated Operating Results Forecast" announced on August 5, 2020, in light of the situation that many of our Group's business are significantly affected by COVID-19, we have established a Structural Reform Committee to reform our organization structure to adapt to the external environment and working to 1) review the balance sheet for non business properties, 2) build an organizational structure that can adapt to changes in the market environment, and 3) reduce costs centered on group-wide fixed expenses (reduction target of 15 billion yen).

As part of initiatives for structural reform to date, we announced the transfer of a portion of the shares of consolidated subsidiary engaged in the operation of amusement facilities on November 4, 2020. However, in order to recover earnings at an early stage and achieve sustainable growth in the future, we consider that it is necessary to promote cost-reduction centered on fixed expenses and build an even more efficient system and decided to call for voluntary retirement of employees.

2. Overview of the call for voluntary retirement of employees

- (1) Eligible Applicants : Full-time employees and contract employees of our Group Companies
- (2) Number of Applicants : 650 employees
(Number of employees as of September 30, 2020: 9,051)
- (3) Application Period : November 16, 2020 to December 25, 2020
- (4) Retirement Date : February 28, 2021
- (5) Preferential Treatment : Payment of extraordinary retirement allowances and reemployment support for applicants

3. Reduction of directors' compensation

In order to clarify management responsibilities for the operating results for this fiscal year and the implementation of voluntary retirement associated with structural reform, the Company decided to reduce the compensation of Director of the Board and executive officers of the Company and certain Group Companies.

(1) Subject directors and details of reduction amount

- The Company

Representative Director: 30% of the monthly base salary

Senior Executive Vice President, Director of the Board: 20% of the monthly base salary

Senior Vice President, Director of the Board: 10% of the monthly base salary

- Group Companies

Representative Director, Executive Director of the Board: 10-20% of the monthly base salary

Director of the Board: 5-10% of monthly base salary

(2) Applicable period: November 2020 to March 2021 (5 months)

The bonuses of the Company's directors are performance-based as stated in Securities Report, and we do not plan to pay bonuses based on the full-year operating results forecast announced today.

4. Future outlook

We expect to record approximately 10 billion yen as extraordinary losses (structural reform expenses) in fiscal year ending March 2021 in associated with the call for voluntary retirement. This matter is factored into the consolidated operating results forecast for the fiscal year ending March 2021 as stated in "Notice of Revision of Operating Results Forecast and Determination of Dividends from Retained Earnings (interim dividends)" announced today.

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