

June 11, 2021

(Translation)

Dear Sirs or Madams,

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

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

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

Notice of Participation in Integrated Resort Business in Yokohama City

SEGA SAMMY HOLDINGS INC. ("the Company") resolved at Board of Directors meeting held on June 11, 2021 to apply for a request for proposal ("RFP") for the scheduled business operator of the installation and operation of Specified Integrated Resort that will be conducted by Yokohama City by forming a consortium ("Consortium") in collaboration with Genting Singapore Limited ("GENS"), one of the world's leading resort facility operators, together with SOHGO SECURITY SERVICES CO.,LTD. (ALSOK), KAJIMA CORPORATION, TAKENAKA CORPORATION, and Obayashi Corporation, with the aim of participating in integrated resort business in Japan ("Domestic IR business") and submitted an RFP proposal to Yokohama City on the same day, which was accepted.

Participation in the Domestic IR business is based on the assumption that the series of business operator selection processes proceed successfully including the Consortium will be selected as the business operator in the RFP and Yokohama City is approved as the Specified Complex Tourist Facilities Area.

1. Purpose of this case

Since 2012, the Company has accumulated expertise in the development and operation of integrated resort through the consolidation of PHOENIX RESORT CO.,LTD. in Miyazaki prefecture and through PARADISE SEGASAMMY Co, Ltd., a joint venture in South Korea with the aim to participate in Domestic IR business.

In this process, we have come to the conclusion that GENS is the best partner for the success of our Domestic IR business, who has been successfully developing and operating Resorts World Sentosa in Singapore, one of the regions that operates and develops integrated resort under the strictest discipline in the world. We worked with GENS to analyze the market for Domestic IR business, formulate development plans, organize consortium, etc., and prepared for an RFP application and we have officially applied for the RFP conducted by Yokohama City.

The launch of a formal Domestic IR business is subject to the following prerequisites: the execution of agreement between shareholders for the purpose of establishing joint ventures, etc.; the formal selection of the Consortium as a business operator in the RFP; and subsequent approval of Yokohama City as the Specified Complex Tourist Facilities Area by the Ministry of Land, Infrastructure, Transport and Tourism. Through these processes, we aim to be selected as a formal operator of Domestic IR business.

2. Outline of this case

(1) Details of business

Planning, development, and operation of IR facilities in Yokohama City
Scheduled opening date: late 2020s (plan)

(2) Divisions in charge of the concerned business

We assume that the Consortium will become the main entity, but the details are undecided.

(3) Amount and content of expenditure for the commencement of concerned business

We plan to spend up to approximately 120.0 billion yen from us on a cumulative basis up to business start date, assuming that we pass a series of processes such as the selection as a business operator and area certification. The amount of expenditures may fluctuate depending on the ratio of borrowings from financial institutions and other factors in the future. In addition, even if the maximum expenditure is made, we expect that this business will not be included in the scope of consolidation of the Company.

3. Overview of GENS

(1)	Name	Genting Singapore Limited		
(2)	Location	10 Sentosa Gateway, Resorts World Sentosa, Singapore		
(3)	Job Title/Name of Representative	President COO, Tan Hee Teck		
(4)	Details of business	Development and operation of integrated resort facilities		
(5)	Capital stock	5,528 million SGD (Approx. 458.7 billion yen)		
(6)	Date of establishment	August 16, 1984		
(7)	Relationship between a listed company and the company concerned	Capital relationship	There is no capital relationship between the Company and the company concerned which should be listed.	
		Personal relationships	There is no personal relationship between the Company and the concerned company which should be listed.	
		Business relationship	There is no business relationship between the Company and the concerned company which should be listed.	
		Relevant Status to Relevant Party	The company concerned does not qualify as a relevant party of the Company.	
(8)	Consolidated operating and financial results of the concerned company for the last three years			
	Fiscal year end	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
	Consolidated net assets	S\$7,781 million 645,823 million yen	S\$8,058 million 668,814 million yen	S\$7,836 million 650,388 million yen
	Consolidated total assets	S\$9,767 million 810,661 million yen	S\$9,250 million 767,750 million yen	S\$8,788 million 729,404 million yen
	Consolidated net assets per share	S ¢ 64.6 53.6 yen	S ¢ 66.8 55.4 yen	S ¢ 64.9 53.9 yen
	Consolidated revenue	S\$2,539 million 210,737 million yen	S\$2,480 million 205,840 million yen	S\$1,064 million 88,312 million yen
	Consolidated operating profit	S\$975 million 80,925 million yen	S\$863 million 71,629 million yen	S\$116 million 9,628 million yen
	Consolidated net profit for the financial year	S\$755 million 62,665 million yen	S\$689 million 57,187 million yen	S\$69 million 5,727 million yen
	Consolidated basic earnings per share	S ¢ 6.27 5.2 yen	S ¢ 5.71 4.7 yen	S ¢ 0.57 0.5 yen
	Dividends per share	S ¢ 3.5 2.9 yen	S ¢ 4.0 3.3 yen	S ¢ 1.0 0.8 yen

*Some information are undisclosed as per the request of the other party.

*S\$ = Singapore dollars

*S ¢ = Singapore cents

*Exchange rate: 1S\$ = 83 yen (As of the end of May 2021)

4. Schedule

(1)	Resolution date at Board of Directors meeting	June 11, 2021
(2)	Selection of a business operator	Summer 2021 (plan)
(3)	Area Certification	In or after May 2022 (plan)
(4)	Commencing date of business	Late 2020s (plan)

5. Forecast

Expenditures aimed at participating in Domestic IR business are subject to be selected as a business operator, etc. in a series of processes. Therefore, the impact on the full-year consolidated operating results for the fiscal year ending March 31, 2022 is minimal.

Through this Consortium, we will proactively participate in IR business in Yokohama City, create new industry in Japan, and contribute to the revitalization of the domestic economy and the tourism industry. We will also aim to expand Domestic IR business in the future by developing and operating highly transparent and sustainable IR facilities that contribute to the sustainable development of society.

- End -

(Reference) Consolidated operating results forecast for this fiscal year (Announced on May 13, 2021) and consolidated operating results for the previous fiscal year

(Unit: million yen)

	Consolidated Net Sales	Consolidated Operating Income	Consolidated Ordinary Income	Profit attributable to owners of parent
Consolidated operating forecasts for the current fiscal year (Fiscal year ending March 2022)	312,000	20,000	20,000	14,000
Consolidated operating results for the previous fiscal year (Fiscal year ended March 2021)	277,748	6,553	1,715	1,274