

August 2, 2021

(Translation)

Dear all,

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 Issuance of Stock Options to Employees of the Company and Director of the Board, Executive Officers and Employees of the Company's Subsidiaries

SEGASAMMY HOLDINGS INC. (the Company) hereby notifies that we have resolved to issue stock acquisition rights as stock options at Board of Directors meeting held today as described below.

Description

1. Reasons for the issuance of stock acquisition rights as stock options
Set an aim to increase motivation and morale toward improving the overall performance of the Group and to promote management that is conscious of shareholders and stock prices.
2. Name of stock acquisition rights
SEGA SAMMY HOLDINGS INC. stock acquisition rights issued in September 2021 (for employees)
3. Outline for the issuance of stock acquisition rights
 - (1) Persons to whom stock acquisition rights are to be allotted and their numbers, and the number of the allotted stock acquisition rights

168 Employees of the Company	: 3,510 rights
12 Directors of the Board of the Company's subsidiaries	: 620 rights
25 Executive officers of the Company's subsidiary	: 1,115 rights
1,448 Employees of the Company's subsidiary	: 24,190 rights
 - (2) Type, content and number of stocks to be issued upon the exercise of the stock acquisition rights
Shall be 2,943,500 shares of common stocks. The number of stocks to be issued upon the exercise of each stock acquisition right (for one right) shall be 100 stocks.
However, in the event that the Company conducts a stock split (including allotment of stocks

without contribution) or a reverse stock split after the allotment date, the number of stocks granted in relation to the stock acquisition rights that have not been exercised at the time of such stock split or reverse stock split shall be adjusted proportionally in accordance with the ratio of the stock split or reverse stock split using the following formula.

Number of stocks after the adjustment = number of stocks before the adjustment x ratio of split (or reverse split)

In addition, in the event that the Company merges with other company, conducts a corporate split, carries out a capital reduction, or any other unavoidable event that requires adjustment of the number of granted stocks pertaining to this stock acquisition rights in accordance with these cases, the Company may adjust the number of stocks to a reasonable extent by a resolution of the Board of Directors meeting.

(3) Total number of stock acquisition rights
29,435 rights

(4) Amount to be paid for stock acquisition rights
No payment of cash payment shall be required in exchange for the stock acquisition right.

(5) Exercise period of stock acquisition rights
From July 1, 2024 to June 30, 2026

(6) Conditions of exercise of stock acquisition rights
The persons to whom the stock acquisition rights are allocated shall remain Directors of the Board, executive officers or employees of the Company or the Company's subsidiaries, or in other positions equivalent to that of at the time of exercising their stock acquisition rights. Provided, however, that this shall not apply to the case where there are justifiable reasons such as resignation due to the expiration of the term of office or other equivalent reasons.
Other conditions for the exercise of rights shall be as set forth in the stock acquisition right subscription agreement concluded between the Company and the subject persons based on a resolution of Board of Directors meeting.

(7) Amount of capital and capital reverse to be increased in the event that stocks are issued upon exercise of stock acquisition rights
Amount of capital to be increased in the event that stocks are issued upon exercise of stock acquisition rights shall be one-half of the upper limit of the increase of capital and etc. calculated in accordance with Paragraph 1 of Article 17 of the Corporate Accounting regulation, and any fraction less than one (1) yen resulting from such calculation shall be rounded up to the nearest one (1) yen.
Amount of capital reverse to be increased in the event that stocks are issued upon exercise of stock acquisition rights shall be the amount subtracting the amount of capital to be increased as mentioned above from upper limit of the increase of capital and etc. mentioned above.

(8) Matters concerning the acquisition of stock acquisition rights
If a proposal for approval of a merger agreement under which the Company will become an extinguished company in an absorption-type merger or an extinguished company in a consolidation-type merger, a split agreement or split plan in which the Company will be the splitting company, a stock exchange agreement under which the Company will become a wholly owned subsidiary in a stock exchange, or a stock transfer plan under which the Company will become a wholly owned subsidiary through the stock transfer is approved at Company's general meeting of shareholders and if the Company determines a certain date as necessary for the

acquisition of stock acquisition rights by a resolution of the Board of Directors meeting of the Company, and such date arrives, the Company may acquire the stock acquisition rights without compensation on such date.

(9) Restriction of transfer of stock acquisition rights

Any acquisition of stock acquisition rights by transfer shall require the approval of the Board of Directors meeting of the Company.

(10) Treatment of stock acquisition rights at the time of organizational restructuring

In the event that the Company effect a merger (limited to the case where the Company extinguishes as a result of the merger), absorption-type company split (limited to the case where the Company becomes a split company), incorporation-type company split, stock exchange (limited to the case where the Company becomes a wholly-owned subsidiary company), or stock transfer (hereinafter collectively referred to as the "Organizational Restructuring Acts"), in each case, the Company will respectively issue stock acquisition rights of corporation mentioned from イ (i) to ホ (ho) in Item 8, Paragraph 1, Article 236 of the Companies Act (hereinafter "Restructured Company") to the persons who hold the stock acquisition rights remaining as of the effective date of Organizational Restructuring Acts (hereinafter "Remained Stock Acquisition Rights"), under the following conditions. In such cases, the remaining stock acquisition rights shall be extinguished, and the Restructured Company shall issue new stock acquisition rights. Provided, however, this shall be limited to cases where it is stipulated in an absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, stock exchange agreement, or stock transfer plan that stock acquisition rights of the Restructured Company shall be granted in accordance with the following conditions.

- i Type of stocks of Restructured Company to be issued upon the exercise of the stock acquisition rights
The type of stock shall be common stock of the Restructured Company.
- ii Number of stocks of Restructured Company upon the exercise of the stock acquisition rights
The decision shall be made in accordance with (2) above after taking into consideration the conditions of the Organizational Restructuring Acts.
- iii Number of the stock acquisition rights of a Restructured Company to be granted
The same number as the number of the remaining stock acquisition rights held by the holders of stock acquisition rights of Remained Stock Acquisition Rights shall be granted respectively.
- iv Exercise period of stock acquisition rights
The period shall commence on the exercise period of stock acquisition rights stipulated in (5) above or the effective date of the Organizational Restructuring Acts, whichever is later, and shall end on the last day of the exercise period of stock acquisition rights stipulated in (5) above.
- v Conditions of exercise of stock acquisition rights
Determine in accordance with (6) above.
- vi Matters related to the amount of capital and capital reverse to be increased in the event that the stocks are issued upon exercise of stock acquisition rights
Determine in accordance with (7) above.
- vii Matters concerning the acquisition of stock acquisition rights
Determine in accordance with (8) above.
- viii Restriction of transfer of stock acquisition rights
Any acquisition of stock acquisition rights by transfer shall require the approval of the Restructured Company.
- ix Amount of assets to be contributed upon exercise of stock acquisition rights

Amount of assets to be contributed upon exercise of each stock acquisition right to be granted shall be the amount obtained by multiplying the adjusted amount to be paid per stock to be issued or transferred upon exercise of stock acquisition right taking the conditions of the Organizational Restructuring Acts and etc. into account by the number of stocks of the Restructured Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with ii above.

(11) Treatment of fractions resulting from the exercise of stock acquisition rights

Fractions of less than one stock in the number of stocks to be granted to the holders of stock acquisition rights who have exercised stock acquisition rights shall be rounded off.

(12) Allotment date of stock acquisition rights

September 1, 2021

(13) Amount of assets to be contributed upon exercise of stock acquisition rights

Amount of assets to be contributed upon exercise of stock acquisition right shall be the amount obtained by multiplying the amount to be paid in per stock to be issued upon exercise of the stock acquisition rights (hereinafter "Exercise Price") by the number of stocks to be issued upon the exercise of this stock acquisition right.

The Exercise Price shall be the amount obtained by multiplying the average closing price of our common stock on the Tokyo Stock Exchange on each day of the month preceding the month in which the allocation date belongs (excluding the days on which the transaction is not concluded) (herein after "Closing Price") by 1.05, and any fraction less than one (1) yen resulting from such calculation shall be rounded up. Provided, however, if such amount is less than the closing price on the day before the allotment date (or, if there is no closing price on that day, the most recent closing price prior to that day), the amount shall be the closing price on the day before the allotment date. In the event that the Company conducts a stock split (including allotment of stocks without contribution) or a reverse stock split to common stocks of the Company after the allotment date, the Exercise Price in relation to the stock acquisition rights that have not been exercised at the time of such stock split or reverse stock split shall be adjusted proportionally in accordance with the ratio of the stock split or reverse stock split using the following formula and any fraction less than one (1) yen resulting from such calculation shall be rounded up.

Exercise Price after the adjustment = Exercise Price before the adjustment x 1 / ratio of split (or reverse split)

In addition, in the event that the Company issues new stocks or disposes treasury stocks of Company's common stock at a price lower than the market price after the allotment date (Excluding the cases of sale of treasury stock pursuant to the provisions of Article 194 of the Companies Act (request for sale of shares constituting less than one unit by shareholders constituting less than one unit), conversion or exercise of securities to be converted into or convertible into common stock of the Company or stock acquisition rights (including those attached to bonds with stock acquisition rights) that can demand the grant of common stock of the Company) , the Exercise Price shall be adjusted proportionally in accordance with the following formula and any fraction less than one (1) yen resulting from such adjustment shall be rounded up.

Exercise Price after the adjustment = Exercise Price before the adjustment x (number of stocks outstanding + number of newly issued stocks x amount to be paid per share / market price per share before new issue) / (number of stocks outstanding + number of newly issued stocks)

In the above formula, the "number of stocks outstanding" shall be the number obtained by deducting the number of treasury stocks pertaining to the common stocks held by the Company from the total number of common stocks outstanding by the Company, and in the case of disposal of treasury stocks, the "number of newly issued stocks" shall be replaced with the "number of treasury stocks to be disposed of".

In addition to the above, in the event that the Company merges with other company, conducts a corporate split, carries out a capital reduction, or any other unavoidable event that requires adjustment of the Exercise Price in accordance with these cases, the Company may adjust the Exercise Price to a reasonable extent by a resolution of the Board of Directors meeting.

(14) Matters related to stock acquisition rights securities

The Company will not issue stock acquisition rights securities for stock acquisition rights.

4. Contents of the arrangements between the person to whom solicitation is sought and the submitting company

Pursuant to the provisions of the stock acquisition right subscription agreement concluded between the Company and the subject persons.

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