

January 29, 2021

(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 regarding the Organizational Restructure of Our Group
(company split and absorption-type merger)

SEGA SAMMY HOLDINGS INC. (the Company) hereby notifies that it has resolved to restructure its organization as described below, with April 1, 2021 as the effective date (plan) at Board of Directors meeting held today.

- (1) Corporate functions and other administrative functions of Sammy Corporation ("Sammy") and SEGA GROUP CORPORATION ("SHQ"), our 100% consolidated subsidiaries, will be split up and succeeded by the Company, respectively.
- (2) Merger of SHQ by SEGA CORPORATION (SOJ), a 100% consolidated subsidiary of the Company.

Since this business reorganization corresponds to a simple absorption-type company split or a simple absorption-type company merger, the items and details of disclosure have been omitted in part.

Description

1. Background and Purpose of Company Split and Absorption-type Merger

SEGA SAMMY group (the Group) has been working on structural reform to transform its business structure to adapt to the external environment. The Group has decided to restructure its organization in order to build an even more efficient structure for the head office operations of the Group.

- (1) Establish a system to drive and support the Group business as a whole by integrating corporate functions and other administrative operations into the Company.
- (2) Dissolution of the intermediate holding company in the Entertainment Contents business, and accelerate global business development by streamlining the Group's structure and accelerating decision-making.

2. Summary of Organizational Restructure

(1) Corporate split of Sammy and SHQ

- | | |
|---|-----------------------------------|
| 1) Schedule of the split | |
| Resolution of the Director of the Board meeting: | January 29, 2021 |
| Signing of the company split agreement (the effective date) | From February - March 2021 (plan) |
| Effective date of the merger | April 1, 2021 (plan) |

*Since this company split is a simple split as set forth in Article 784 of the Companies Act, we will not hold a general meeting of shareholders of the Company to obtain the approve for the Absorption-type company split agreement.

- 2) Method of split
This is an absorption-type company split in which Sammy and SHQ are made into the splitting company in absorption-type split and the Company will be the successor of absorption-type company split.
- 3) Details of allocation in relation to the Split
Sammy and SHQ are 100% consolidated subsidiaries of the Company, and since this split is a split-type absorption-type company split, there will be no shares or other money, etc. will be allocated as a result of the company split.
- 4) Handling of subscription rights to shares and corporate bonds with subscription rights to shares upon split
Not applicable.
- 5) Capital to be increased or decreased by the split
There is no increase or decrease in our capital due to this company split.
- 6) Rights and obligations to be succeeded to by the Succeeding Companies (the Company)
on the date of the split, the Company will succeed the rights and obligations based on assets, liabilities, contractual position, etc. related to the administrative functions of the corporate divisions of Sammy and SHQ.
- 7) Prospects of fulfillment of obligations for the debt
Taking into account the amount of assets, liabilities, and net assets of split companies (Sammy and SHQ) and succeeding company, we believe that there are no issues with the prospect of fulfillment of the obligations for the debt.

8) Overview of the companies at the time of the split (as of January 29, 2021)

	Succeeding Companies (consolidated)	Split Companies in Absorb-type Merger	Split Companies in Absorb-type Merger
(1) Name	SEGA SAMMY HOLDINGS INC.	SEGA GROUP CORPORATION	Sammy Corporation
(2) Location	Sumitomo Fudosan Osaki Garden Tower, 1-1-1, Nishi-Shinagawa, Shinagawa-ku, Tokyo		
(3) Job Title/Name of Representative	Haruki Satomi, President and Group COO, Representative Director	Haruki Satomi, President and CEO, Representative Director	Haruki Satomi, President and CEO, Representative Director
(4) Details of business	Business management and incidental operations of SEGASAMMY group, as a holding company for a comprehensive entertainment corporate group.	Business management and incidental operations of SEGA Group	Development, manufacturing, and sales of pachinko, pachislot, arrange-ball, and jankyu machines and etc.
(5) Capital	29.9 billion yen	44.0 billion yen	18.2 billion yen
(6) Date of establishment	October 1, 2004	April 1, 2015	November 1, 1975
(7) Total number of shares outstanding	266,229,476 shares	1,100 shares	84,658,430 shares
(8) Fiscal year end	March	March	March
(9) Major shareholders and share ratio (As of September 30, 2020)	HS Company 13.26% SEGA SAMMY HOLDINGS INC. 11.69% The Master Trust Bank of Japan, Ltd. (Trust account) 5.29% FSC Co. 5.13% Custody Bank of Japan, Ltd. (Trust account) 3.26%	SEGA SAMMY HOLDINGS INC. 100%	SEGA SAMMY HOLDINGS INC. 100%
(10) Financial status and results of operations for business of previous fiscal year (fiscal year ended March 2020) (million yen)			
Net assets	296,858	103,591	166,809
Net assets per share	1,251.02 yen	94,174,367.32 yen	1970.38 yen
Sales	366,594	12,605	97,361
Operating income	27,643	1,402	14,421
Ordinary income	25,296	1,134	15,416
Profit attributable to owners of parent	13,775	1,120	13,433
Earnings per share	58.65 yen	1,018,666.19 yen	158.67 yen

9) Outline of business to be succeeded by the split

i. Details of business to be split

Sammy : Corporate functions and other administrative functions

SHQ : Corporate functions and other administrative functions

ii. Results of operations of business to be split (fiscal year ended March 2020)

Sammy : Sales -There is no recording of sales because it is an administration operation.

SHQ : Sales -There is no recording of sales because it is an administration operation.

iii. Items and amounts of assets and liabilities of business to be split (assumed as of March 31, 2021)

Sammy

Assets		Liabilities	
Items	Carrying amount	Items	Carrying amount
Non-current assets	1,500 million yen	Non-current liabilities	200 million yen

(NOTE) The amounts shown above are estimated based on the assumption of March 31, 2021, and the actual amount of assets and liabilities to be split may change from the above amounts.

SHQ

Assets		Liabilities	
Items	Carrying amount	Items	Carrying amount
Current assets	1,000 million yen	Current liabilities	200 million yen
Non-current assets	1,300 million yen	Total liabilities	200 million yen
Total	2,300 million yen		

(NOTE) The amounts shown above are estimated based on the assumption of March 31, 2021, and the actual amount of assets and liabilities to be split may change from the above amounts.

(2) Absorption-type merger of SHQ by SOJ

1) Schedule for Merger

Resolution of the Director of the Board meeting

January 29, 2021

Extraordinary General Meeting of Shareholders (Merger Parties)

From February - March 2021 (plan)

Signing of the merger agreement (the effective date)

From February - March 2021 (plan)

Effective date of the merger

April 1, 2021 (plan)

2) Merger method

This is an absorption-type merger method in which SOJ is the surviving company and SHQ is the extinguishing company.

3) Details of allocation related to merger

As this is a merger with a 100% owned subsidiary of the Company, there will be no issuance of new shares or payments for merger grants.

Allocate all shares of SOJ held by SHQ to the Company, the shareholder of SHQ.

4) Handling of subscription rights to shares and corporate bonds with subscription rights to shares upon Merger

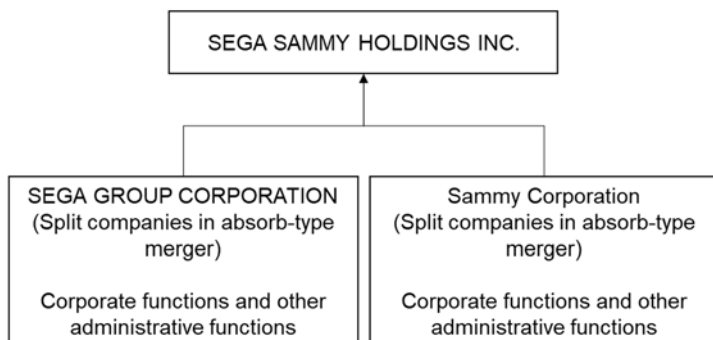
Not applicable.

5) Overview of the companies involved in the merger (as of January 29, 2021)

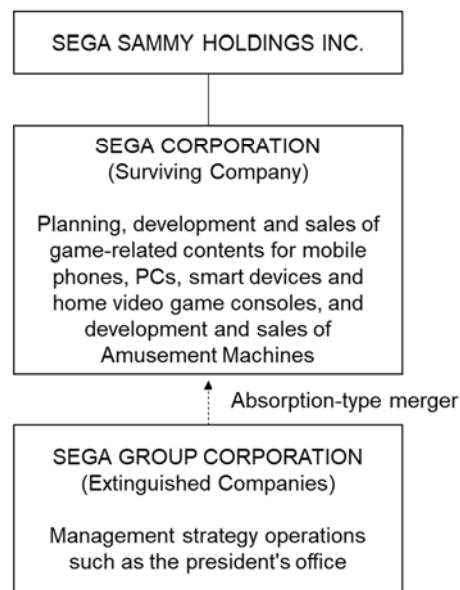
	Surviving Company	Extinguished Companies
(1) Name	SEGA CORPORATION	SEGA GROUP CORPORATION
(2) Location	Sumitomo Fudosan Osaki Garden Tower 1-1, Nishi-Shinagawa 1-chome, Shinagawa-ku, Tokyo	
(3) Job Title/Name of Representative	Yukio Sugino, President and COO, Representative Director	Haruki Satomi, President and CEO, Representative Director
(4) Details of business	Planning, development and sales of game-related contents for mobile phones, PCs, smart devices and home video game consoles, and development and sales of Amusement Machines	Business management and incidental operations of SEGA Group
(5) Capital	0.1 billion yen	44.0 billion yen
(6) Date of establishment	June 3, 1960	April 1, 2015
(7) Number of shares outstanding	174,945,700 shares	1,100 shares
(8) Fiscal year end	March	March
(9) Major shareholders and share ratio (As of December 31, 2020)	SEGA GROUP CORPORATION 100%	SEGA SAMMY HOLDINGS Co., Ltd. 100%
(10) Financial status and results of operations for business of previous fiscal year (fiscal year ended March 2020) (million yen)		
Net assets	18,895	103,591
Net assets per share	108.01 yen	94,174,367.32 yen
Sales	94,760	12,605
Operating income	7,076	1,402
Ordinary income	8,027	1,134
Profit attributable to owners of parent	4,872	1,120
Earnings per share	27.85 yen	1,018,666.19 yen

3. Conceptual diagram of this matter

(1)



(2)



4. Status after this organizational restructure

There have been no changes in the names, locations, business content, capital or fiscal year end of the Company, Sammy or SOJ as a result of this organizational restructure. Please refer to " Notice of Changes of Representative Directors' Title and Change of Directors and Executive Officers" dated January 29, 2021, for the title, name, etc. of the representative after this organization restructure.

5. Forecast

The impact of this organizational restructure on operating results forecast for fiscal year ending March 2021 is insignificant as it will take place between the Company and its wholly owned consolidated subsidiaries.