

April 28, 2023

(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 Prime)

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

Notice of Differences between the Consolidated Operating Results Forecast and the Actual Results,
 Revision of Dividends Forecast and Acquisition of Treasury Stock
 (Acquisition of Treasury Stock Based on Articles of Incorporation
 Pursuant to Article 165 Paragraph 2 of the Companies Act of Japan)

SEGA SAMMY HOLDINGS INC. (the Company) hereby notifies the difference between the consolidated operating results forecast of the Company for the fiscal year ended March, 2023 announced on February 9, 2023 and the actual results for the same period announced today has occurred, and it has revised the year-end dividends forecast for the fiscal year ended March 2023 as described below.

At the same time, it resolved the matter related to the acquisition of treasury stocks at Board of Directors meeting held today.

Description

1. Details of differences between the consolidated operating results forecast and the actual results for the fiscal year ended March, 2023 (from April 1, 2022 to March 31, 2023)

(Unit: million yen unless otherwise indicated)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income (losses) per share (Yen)
Previously announced forecast (A)	381,500	45,000	46,000	31,500	142.66
Actual results (B)	389,635	46,789	49,473	45,938	208.07
Amount of increase or decrease (B-A)	8,135	1,789	3,473	14,438	-
Rate of increase or decrease (%)	2.1%	4.0%	7.6%	45.8%	-

(Reference) Operating results for the previous fiscal year (Fiscal year ended March, 2022)	320,949	32,042	33,344	37,027	158.85
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(Reasons for the Differences)

Net sales, operating income and ordinary income all together increased from the previously announced forecast as mainly the Pachislot and Pachinko business performed strongly due to increase in unit sales of pachislot machines and other factors. In addition, profit attributable to owners of parent significantly exceeded the previously announced forecast due to the decrease of income taxes, etc. by recording of deferred tax assets at a U.S. subsidiary, decrease in taxable income from net loss carried forward, and tax credits related to research and development at a U.K. subsidiary.

2. Regarding revision of dividends forecast and acquisition of treasury stock

1) Regarding return policy

The Company aims to maximize corporate value through the management focusing on capital efficiency in its medium-term financial strategy until the fiscal year ending March 2026 and while promoting aggressive investment for growth, we will also provide appropriate shareholder returns. As a result of consideration regarding shareholder returns including acquisition of treasury stock, based on the return policy of adopting higher of DOE3% or more, or the total return ratio of 50% or more, we decided to revise the dividends forecast and acquire treasury stock as described below.

2) Revision of dividends forecast

(1) Details of revision of dividends forecast

Record date	Cash dividends per share (yen)		
	End of Q2	Year-end	Total
Previous forecast		21.00 yen	41.00 yen
Revised forecast this time		39.00 yen	59.00 yen
Results for this fiscal year	20.00 yen		
Results for the previous fiscal year (Fiscal year ended March 2022)	20.00 yen	20.00 yen	40.00 yen

(2) Reasons for the revision to dividends forecast

Based on return policy described above, year-end dividends forecast has been increased by 18 yen from previous forecast to 39 yen per share.

3) Acquisition of Treasury Stock (Acquisition of Treasury Stock Based on Articles of Incorporation Pursuant to Article 165 Paragraph 2 of the Companies Act of Japan)

At the Board of Directors meeting held on April 28, 2023, the Company has resolved the matter related to the acquisition of treasury stocks, pursuant to the provisions of Article 156 of the Companies Act of Japan as applied by replacing the provisions stipulated in Article 165 Paragraph 3 of the same law.

(1) Reasons for the acquisition of treasury stock

Based on return policy described above, we will acquire treasury stocks as a measure to optimize our capital structure.

(2) Details of the acquisition of treasury stock

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| i) Type of shares to be acquired: | Common shares |
| ii) Total number of shares to be acquired: | 8 million shares (upper limit)
Ratio to total number of shares outstanding
(excluding treasury stocks): 3.62% |
| iii) Total cost of acquisition: | 10.0 billion yen (upper limit) |
| iv) Acquisition period: | From May 1, 2023 to September 29, 2023 |
| v) Acquisition method: | Market purchase on the Tokyo Stock Exchange |

(Reference)

Number of treasury stocks held as of March 31, 2023

Total number of shares outstanding (excluding treasury stocks): 220,753,435 shares

Total number of treasury stocks: 20,476,041 shares

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