

January 27, 2020
SEGA SAMMY HOLDINGS, INC.

SEGA SAMMY's Integrated Resort (IR) Initiative

It is hereby notified that SEGA SAMMY HOLDINGS INC. (headquarters: Shinagawa-ku, Tokyo; President and Group COO (Representative Director): Haruki Satomi; "SEGA SAMMY") will showcase its work at the 1st JAPAN IR EXPO in Yokohama, held at PACIFICO Yokohama, starting from January 29. At the exhibition, SEGA SAMMY will introduce some of its activities concerning its entry into the integrated resorts business in Japan.

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■ Overview of JAPAN IR EXPO in Yokohama

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| □ Name of Exhibit | 1st JAPAN IR EXPO in Yokohama 2020 |
| □ Date | Jan. 29, 2020 (Wed.) 10:00 a.m. - 5:00 p.m.
Jan. 30, 2020 (Thu.) 10:00 a.m. - 4:00 p.m. |
| □ Venue | PACIFICO Yokohama |
| □ Organizer | JAPAN IR EXPO in Yokohama Committee |
| □ Co-Organizer | Integrated Resort (IR) Yokohama Promotion Council |

January 27, 2020
SEGA SAMMY HOLDINGS INC.

SEGA SAMMY's Integrated Resort Initiative (1) SEGA SAMMY Concludes Production Agreement with KYOTO KITCHO

~ Developing Plans for the Authentic, Luxury Japanese and Inn at IR Facilities ~

It is hereby notified that SEGA SAMMY HOLDINGS INC. (headquarters: Shinagawa-ku, Tokyo; President and Group COO (Representative Director): Haruki Satomi; "SEGA SAMMY") has concluded a production agreement (the "Agreement") with KYOTO KITCHO Co., Ltd. (Kyoto-shi, Kyoto; President and CEO: Kunio Tokuoka; "KYOTO KITCHO"), which operates among other restaurants the KYOTO KITCHO Arashiyama, regarded as one of the greatest restaurants for Japanese cuisine, as part of SEGA SAMMY's initiative to enter into the integrated resort ("IR") business in Japan. With the conclusion of the Agreement, SEGA SAMMY will work in collaboration with KYOTO KITCHO to design and develop the authentic, luxury Japanese and inn at future IR facility developments in Japan.



With the Agreement, SEGA SAMMY and KYOTO KITCHO will endeavor to design and produce restaurants and inns where people can enjoy classic Japanese cuisine in elegant spaces that accentuate the four seasons as core facilities that promote attractiveness, a requirement for Japanese-style IR. In addition to an authentic, luxury Japanese restaurant and accommodations, the facility will house a Japanese garden outfitted with tea-ceremony rooms and *Noh* stages. The plan is to develop the facility in a way that enables overnight guests to maintain their privacy, all the while allowing other guests to partake in the Japanese culture of harmony.

With an aim to enter the IR business in Japan, SEGA SAMMY has continued to garner operational knowhow from the facility operations of Paradise City, an IR in Incheon City, South Korea. Simultaneous to this, it has formed a planning team at its headquarters in Japan, which has conducted surveys, and plans on entering the IR business in Japan. At the moment, the team is working steadily towards entry by submitting proposals to private businesses that are soliciting concept proposals in Yokohama.

The year 2020 will mark 90 years since the founding of “Kitcho.” KYOTO KITCHO has preserved the traditional style and passion of “Kitcho,” which created *kaiseki ryori* (tea-ceremony dishes), and is a famous restaurant that combines tradition and innovation, evolving with the times and customers’ desires. Continuing its multifaceted approach to food with a goal to preserve tradition while staying abreast with trends, KYOTO KITCHO has colorfully displayed and offered suggestions to Japanese cuisine, and has worked towards improving and adding nuance to Japanese cuisine. KYOTO KITCHO is not only famous in Japan, but is renowned throughout the world. With the idea that “beautiful Japanese cuisine should be enjoyed by as people as possible around the world,” Head Chef Kunio Tokuoka has continued to roll out various events and activities in Japan and abroad. Working to promote Japanese cuisine, Tokuoka hopes that Japanese cuisine will constantly evolve. He does his fair share to make this happen with his tireless and curious heart that is not bound by tradition.

If SEGA SAMMY were to construct an IR facility that could only be found in Japan, it was believed that creating a center of activity for Japanese cuisine that utilizes the beauty of Japanese nature and seasonal ingredients to satisfy peoples’ sight, taste, and hearts would be essential. Accordingly, on this occasion, SEGA SAMMY reached out to KYOTO KITCHO and decided to develop facilities together. SEGA SAMMY and KYOTO KITCHO will endeavor to design and develop a facility that will enable visitors from around the world to have special experiences that could only be had at a Japanese IR.

SEGA SAMMY will maximize the knowledge and knowhow that it has acquired through the entertainment business to realize a world-renowned IR facility, in order to contribute to Japanese economic revitalization and the enhancement of international competitiveness in the tourism industry.

□ **Comments from Kunio Tokuoka, President and CEO of KYOTO KITCHO**

I believe that Japanese people have a temperament that allows them to live vigorously while coexisting with nature. As we welcome our 90th anniversary this year, Kitcho is often called an “long-established restaurant.” However, we do not simply preserve old traditions. We evolve to keep up with the times, and are constantly creating new things by combining

traditions with the present. On this occasion, in cooperating SEGA SAMMY and its cutting-edge technology, we hope to create a real platform that will open new networks and communication.

□ **Comments by Haruki Satomi, President and Group COO (Representative Director) of SEGA SAMMY**

On this occasion, we are extremely honored to be able to participate in the Yokohama IR event together with KYOTO KITCHO. While it goes without saying that KYOTO KITCHO is a famous Japanese restaurant, we believe that its desire to pass on the skills and worldview that underpin its traditions and formal codes, combined with its disposition to push Japanese cuisine forward constantly with their tireless and curious hearts, is precisely the form that Japan's IRs should take. Utilizing "tradition and innovation" we hope to share mutually our wisdom to create a facility where people from around the world can encounter the true beauty of Japan.

January 27, 2020
SEGA SAMMY HOLDINGS, INC.

SEGA SAMMY's Integrated Resort Initiative (2)
**SEGA SAMMY Partners with Katana Inc., an Elite
Marketing Company Led by Tsuyoshi Morioka, One
of Japan's Top Marketers**
~ Aiming for Success in IR ~

It is hereby notified that SEGA SAMMY HOLDINGS INC. (headquarters: Shinagawa-ku, Tokyo; President and Group COO (Representative Director): Haruki Satomi; "SEGA SAMMY") has partnered with Katana Inc. (Minato-ku, Tokyo; CEO: Tsuyoshi Morioka; "Katana") led by Tsuyoshi Morioka, one of Japan's top marketers, as part of SEGA SAMMY's initiatives to enter into the integrated resort ("IR") business in Japan. The two sides have already been working together as strategic partners by designing and formulating a business plan for a Japanese-style IR towards the goal of realizing an IR in Yokohama, the candidate area. SEGA SAMMY is making this announcement and showcasing this partnership at the JAPAN IR EXPO at PACIFICO Yokohama starting from January 29.



Mr. Morioka is one of Japan's top marketers and strategists and is widely known as the mastermind that quickly turned Universal Studios Japan around during its managerial crisis. Under its philosophy, "Energize Japan through Marketing," Katana, an elite marketing company led by Morioka, utilizes its unique and superior marketing knowhow to execute numerous projects. In addition, it has shown an extraordinary amount of passion to develop the tourism and entertainment industries as key drivers of the Japanese economy.

In order to succeed in creating an IR that would become a major catalyst for Japan's tourism industry and contribute to the long-term development of Japan's economy, SEGA SAMMY believes that it is necessary to have a thorough understanding of the Japanese market and its consumers and execute a logical approach to acquire marketing knowhow that increases business success rates. Under the belief that Katana is the only company in the world that possesses this knowhow, SEGA SAMMY welcomed Katana as a strategic partner for its IR initiative. SEGA SAMMY and Katana have been engaged as partners in the design and formulation of a Japanese-style IR business plan for approximately two years. In the future, Katana will be fully integrated in all aspects of the IR project for the candidate area, from the business planning stages to the actual marketing phase.

SEGA SAMMY and Katana will continue to work together to create a world-class Japanese-style IR facility and will take steps towards the sustainable development of the facility and the region.

■ Company overview of Katana Inc.

Katana Inc. is an elite marketing company led by Tsuyoshi Morioka, a strategist and a marketer who is widely known as the mastermind that in just a few years turned Universal Studios Japan around during its managerial crisis. Founded in 2017 under a philosophy to "Energize Japan through Marketing," it has taken the lead in numerous projects. After Katana Inc. entered into a partnership with Marugame Seimen, the noodle company's business recovered in just half a year. Katana Inc. also helped turn business around in a single year for the former Green-Pia Miki Resort (currently, Nesta Resort Kobe) which had gone bankrupt. Katana Inc. has already produced exceptional results in both mature markets and regional revitalization, i.e. the creation of sustainable businesses in regional areas.

Corporate URL: <https://katana-marketing.co.jp/>

January 27, 2020
SEGA SAMMY HOLDINGS, INC.
Foster + Partners

SEGA SAMMY's Integrated Resort Initiative (3) SEGA SAMMY Forms Strategic Business Alliance with Foster + Partners, Ltd.

~ Partnering to Enter the IR Business in Japan ~

It is hereby notified that SEGA SAMMY HOLDINGS, INC. (headquarters: Shinagawa-ku, Tokyo; President and Group COO (Representative Director): Haruki Satomi; "SEGA SAMMY") has concluded a strategic business alliance with Foster + Partners, Ltd. (headquarters: London, U.K.; Senior Executive Partner: Luke Fox; "Foster + Partners") led by Norman Foster, one of the world's greatest architects. Through this alliance, the two sides will jointly pursue initiatives in the integrated resort (IR) business.

The purpose of this strategic business alliance is to create new value in IR by sharing the strengths of SEGA SAMMY and Foster + Partners. SEGA SAMMY will contribute its abundant knowledge and knowhow in the entertainment industry, while Foster + Partners will bring its extensive experience in having carried out innovative feats in the architectural world.

Foster + Partners is an architectural firm founded by Norman Foster, a British architect who continues to push the envelope in the architectural industry, that has created many world-renowned buildings, including the Hongkong and Shanghai Banking Cooperation (HSBC) Main Building and the Great Court of the British Museum. While Foster + Partners utilizes cutting-edge technology, it also adopts unique approaches and methods that give consideration to historical context and environment, and has been highly evaluated around the world. Foster + Partners also served as the architect for Apple Park, which sparked media attention around the world.

Aiming to further the group's growth, SEGA SAMMY has identified the development and enhancement of its resort business as a critical theme in its business strategy. By operating Phoenix Seagaia Resort, which houses the Sheraton Grande Ocean Resort and the Phoenix Country Club in Miyazaki, as well as Paradise City, South Korea's first IR, in Incheon, South Korea, SEGA SAMMY is working to acquire various knowhow concerning the development and operations of resort facilities.

In Japan, the Integrated Resort Development Act* has been established, and an environment

where IRs can be implemented is in the works. In order to make Japan's IR facilities stand out in an international context where competition in the IR business is on the rise, there is a need to create IR facilities that have an overwhelming presence on the world stage. Through its partnership with Foster + Partners, SEGA SAMMY will vigorously accelerate its initiatives to enter the IR business in Japan.

With an eye to Japan's future, SEGA SAMMY and Foster + Partners will aim to create new value in IR, while taking on the responsibility and resolve to develop and operate facilities that will contribute to societal development, such as revitalizing the Japanese economy and enhancing international competition in the tourism industry.

*Official name: Act on Promotion of Development of Specified Complex Tourist Facilities Areas

● **Comments from Luke Fox, Senior Executive Partner, Head of Studio of Foster + Partners**

We are delighted to be working with SEGA SAMMY on this amazing project on the Yokohama Waterfront. Our aim is to provide a new approach to urban regeneration and create a new global destination in Yokohama. We look forward to working with the city authorities and SEGA SAMMY on this exciting project in the coming months

● **Comments from Haruki Satomi, President and Group COO (Representative Director) of SEGA SAMMY**

We are very excited that we were able to realize a partnership with Foster + Partners on this occasion. SEGA SAMMY's desire is to send out Japan's amazing qualities to the world such as our history, culture, and hospitable hearts. If an IR could be established in Japan, this could be a major site for such exchange. Simultaneous to this, if an IR is to be a landmark that represents Japan's innovative spirit, we believe that it must have an abundantly creative design that matches the city's landscape, cutting-edge technology, and environmental considerations. Our partnership with Foster + Partners dramatically increases the possibility that we will achieve our lofty goals. We will endeavor to realize IR so that we can provide moving experiences, which is SEGA SAMMY's mission.

■ **Overview of Foster + Partners, Ltd.**

Foster + Partners is a global studio for architecture, urbanism and design, rooted in sustainability, which was founded nearly fifty years ago in 1967 by Lord Foster. Since then, he and the team around him have established an international practice with a worldwide reputation for thoughtful and pioneering design, working as a single studio that is both ethnically and culturally diverse. The studio integrates the skills of architecture with engineering, both structural and environmental, urbanism, interior and industrial design,

model and film making, aeronautics and many more – our collegiate working environment is similar to a compact university. These diverse skills make us capable of tackling a wide range of projects, particularly those of considerable complexity and scale. Design is at the core of everything that we do. We design buildings, spaces and cities; we listen, we question and we innovate.

- Company name : Foster + Partners, Ltd.
- Location : London, United Kingdom
- Representative : Luke Fox (Senior Executive Partner, Head of Studio)
- Founded : 1967
- Website : www.fosterandpartners.com

■ Overview of SEGA SAMMY HOLDINGS, Inc.

SEGA SAMMY Group is a comprehensive entertainment company comprised of more than 50 companies around the world, including world-leading game maker Sega. We handle a wide range of businesses in the entertainment industry including games, pachislot and pachinko machines, amusement machines, development and sales of toys, animation production, and the development and operations of resort facilities, and we are constantly creating new and highly original products and services. Through these products and services, we provide moving experiences to people worldwide.

- Company name : SEGA SAMMY HOLDINGS, INC.
- Location : Shinagawa-ku, Tokyo
- Representative : Haruki Satomi, President and Group COO (Representative Director)
- Founded : October 2004
- Website : <https://www.segasammy.co.jp/english/>