NEWS RELEASE

SEGA SAMMY HOLDINGS INC.

September 7, 2018

South Korea's First Full-Fledged Integrated Resort (IR)

PARADISE CITY: New Facilities to Open Successively

~ Facilities Developed under Phase 1-2 Project Work to Open on September 21 (Fri.) ~

- **Facilities developed under Phase 1-2 project work (Phase 1-2) at PARADISE CITY to open on September 21 (Fri.)**
- **With completion of Phase 1 development, operation as full-fledged "art-tainment resort" will launch**
- **A variety of facilities such as a shopping mall, boutique hotel, spa and club will meet the demands for business, tourism, shopping, etc.**



PARADISE SEGASAMMY Co., Ltd. (Representative Director: Park Pyung Yong; hereafter "PARADISE SEGASAMMY"), a joint venture company which SEGA SAMMY HOLDINGS INC. (headquarters: Shinagawa-ku, Tokyo; President and Group COO(Representative Director): Haruki Satomi; hereafter "SEGA SAMMY") established with South Korean Paradise Group (Chairman: Phil-Lip Chun; hereafter "Paradise") will open a number of facilities developed under Phase 1-2 at South Korea's first integrated resort (IR) PARADISE CITY, which it operates, on September 21, 2018 (Friday).

As remarkable growth of integrated resorts has been seen in Asia, PARADISE CITY opened in April 2017 as South Korea's first such full-fledged facility. A hotel, convention hall and casino have been opened with the facility-wide concept of "art-tainment," the combination of art and entertainment, and with its high-quality spaces in facilities decorated with works of art and services that incorporate Japanese-style hospitality, PARADISE CITY has been received the praise from customers both from South Korea and overseas since it opened.

The facilities developed under Phase 1-2 that will open this time feature 110,000 m^2 of floor area and are comprised of a boutique hotel “ART PARADISO,” a premium spa (hot bath facility) “CIMER,” a club “CHROMA,” which will be the largest in Northeast Asia, an art gallery “PARADISE ART SPACE,” an event-type shopping mall “PLAZA,” a cutting-edge film studio “STUDIO PARADISE,” an indoor family entertainment facility “WONDERBOX,”(*1) and other facilities. While the facilities developed under Phase 1-1 are adorned with many works of art, those of Phase 1-2 place greater emphasis on entertainment. The opening of the facilities developed under Phase 1-2 marks the end of development for Phase 1 and completion of PARADISE CITY as a genuine art-tainment resort where “healing” and “play” can be experienced at a single site.

In celebration of the opening of the facilities developed under Phase 1-2, PARADISE CITY will hold a variety of opening events at the new facilities starting from September 21, such as parties where art-tainment content can be experienced.

PARADISE CITY boasts a prime location with access of less than 4 hours from major cities in East Asia and being only 3 minutes by car from Terminal 1 of Incheon International Airport, the largest hub airport in Asia. It offers facilities and functions that can accommodate all occasions including business and private. With the opening of the facilities developed under Phase 1-2, more customers are expected to visit the resort with its high added value. PARADISE CITY will continue to aim to become a central resort facility in Northeast Asia by delivering a best-ever moving experience to every visitor with highly sophisticated spaces integrating art and entertainment, as well as top-class hospitality.

*1: Indoor family entertainment facility WONDERBOX is scheduled to open in the first half of 2019.

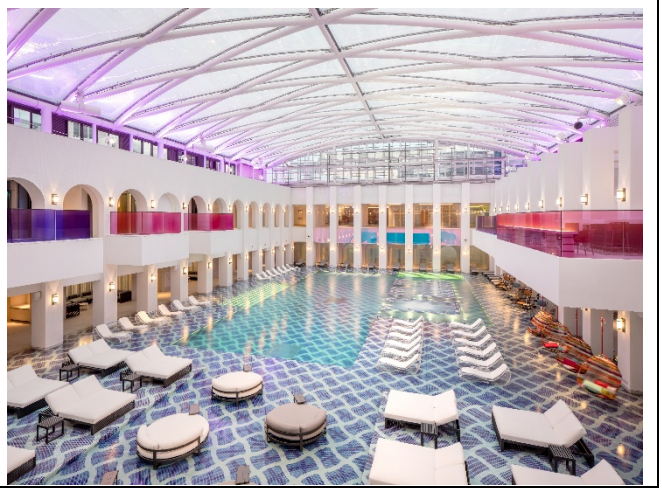
■ **PARADISE CITY Facility Overview**

<table>
<tr><td>Facility name</td><td colspan="3">PARADISE CITY</td></tr>
<tr><td>Operator</td><td colspan="3">PARADISE SEGASAMMY Co., Ltd.
(Investment ratio: Paradise 55%, SEGA SAMMY 45%)</td></tr>
<tr><td>Address</td><td colspan="3">186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea</td></tr>
<tr><td>Site area</td><td colspan="3">330,000 m^2</td></tr>
<tr><td>Investment amount</td><td colspan="3">Approx. 1,567.5 billion KRW
(amount invested by SEGA SAMMY: 331.9 billion (KRW)</td></tr>
<tr><td rowspan="2">Facility composition</td><td>Phase 1-1 Developments</td><td>Hotel, casino, convention hall (banquet hall)</td><td>Opened April 20, 2017</td></tr>
<tr><td>Phase 1-2 Developments</td><td>Commercial facility, cultural center, hot bath facility, club, hotel, entertainment facility, etc.</td><td>Opening September 21, 2018 (excluding WONDERBOX)</td></tr>
<tr><td>Opening</td><td colspan="3">April 20, 2017 (Thursday)</td></tr>
<tr><td>Official website</td><td colspan="3">https://www.p-city.com</td></tr>
</table>

<Materials>

■ **Primary Facilities Opening on September 21**

CHROMA	
With a maximum capacity of approximately 3,000 persons, CHROMA will be the largest club in Northeast Asia. High Scream, a designer of facilities on the island of Ibiza, Spain, well known in the global club scene, participated in the design of CHROMA. Comprised of a music lounge on the first floor, stage on the second floor, VIP room and sky box on the third floor and beach club on the fourth floor, many genres of music can be enjoyed with the different atmospheres and situations of each floor.	

CIMER	
CIMER is a luxury hot bath facility which combines Korean-style *jjimjilbang* and European-style spas. As a facility for adults, various pool parties are scheduled to be held. The maximum capacity is approximately 2,000 persons. The spa facility is located on the first floor, the *jjimjilbang* on the second floor and an outdoor pool is on the third floor with a sports bar and other facilities as well, meals can also be enjoyed here.	

PLAZA	
PLAZA is an event-type shopping mall with a roof characteristic of PARADISE CITY. Within the building are ART PARADISO and ART SPACE as well as a shopping/restaurant mall. Shopping and dining can be enjoyed at ease throughout the year. The restaurant zone hosts famous Korean restaurants as well and local cuisine can be enjoyed to one's heart's content.	

ART PARADISO

Featuring a motif of Amsterdam in the Netherlands, ART PARADISO is a boutique hotel where one can experience a free and artistic atmosphere. It has 58 rooms from the third to seventh floors with four different types of rooms. The hotel is outfitted with an adjoining restaurant, bar, private spa, fitness facility and more.



PARADISE ART SPACE

This art gallery exhibits not only art but also various works of architecture, design, fashion, etc. The two floors feature a permanent exhibition and special exhibition space. In the permanent exhibition space, works such as Hercules by Jeff Koons, a master in modern art, and Golden Dot by Damien Hirst are scheduled to be installed.



*Image

STUDIO PARADISE

STUDIO PARADISE is a cutting-edge film studio for movies, TV dramas and other professional use. It is already in operation and is being utilized for filming movies. On days where there is no filming scheduled, it is used as an event space such as for airing films and live events.



WONDERBOX	
WONDERBOX is an indoor family entertainment facility. *Scheduled to open in the first half of 2019.	

■ **Layout of the Facilities**



1	**CHROMA**	**2**	**CIMER**
3	**PLAZA**	**4**	**ART PARADISO**
5	**PARADISE ART SPACE**	**6**	**STUDIO PARADISE**
7	**WONDERBOX**		

■ Facility Details of PARADISE CITY

<table>
<tr><td rowspan="14">Hotel

10 floors above ground, 2 floors below</td><td colspan="5">Hotel name: PARADISE HOTEL & RESORT</td></tr>
<tr><td rowspan="10">Guestrooms (711 rooms)</td><td rowspan="3">Guest room</td><td>Deluxe</td><td>(45 m²)</td><td>381 rooms</td></tr>
<tr><td>Premier Deluxe</td><td>(54 m²)</td><td>126 rooms</td></tr>
<tr><td>Grand Premier Deluxe</td><td>(60 m²)</td><td>91 rooms</td></tr>
<tr><td rowspan="5">Suite</td><td>Corner Suite</td><td>(68 m²)</td><td>14 rooms</td></tr>
<tr><td>Deluxe Suite</td><td>(90 m²)</td><td>79 rooms</td></tr>
<tr><td>Grand Deluxe Suite</td><td>(135 m²)</td><td>13 rooms</td></tr>
<tr><td>Royal Suite</td><td>(180 m²)</td><td>3 rooms</td></tr>
<tr><td>Presidential Suite</td><td>(368 m²)</td><td>2 rooms</td></tr>
<tr><td rowspan="2">Pool Villa</td><td>Deluxe Pool Villa</td><td>(250 m²)</td><td>1 building</td></tr>
<tr><td>Grand Deluxe Pool Villa</td><td>(632 m²)</td><td>1 building</td></tr>
<tr><td colspan="2">Restaurants</td><td colspan="3">Buffet restaurant, Italian, Chinese and Japanese</td></tr>
<tr><td colspan="2">Entertainment hall</td><td colspan="3">RUBIK 340 seats</td></tr>
<tr><td colspan="2">Other ancillary facilities</td><td colspan="3">Lobby lounge, club lounge, indoor/outdoor pools, fitness center, Spa & Sauna, Sports & Kids Zone</td></tr>
<tr><td rowspan="2">Casino (15,529 m²)</td><td colspan="2">Game floor</td><td colspan="3">154 table games, 281 slot machines, and 4 (62 seats) electronic table games</td></tr>
<tr><td colspan="2">Ancillary facilities</td><td colspan="3">Sky casino, event stage, VIP room, restaurant & bar</td></tr>
<tr><td rowspan="3">Convention hall</td><td colspan="2">Large party room</td><td colspan="3">Grand Ballroom (1,500 m²) 970 seats (max with round tables)</td></tr>
<tr><td colspan="2">Medium-sized party rooms</td><td colspan="3">Sapphire (590 m²) 260 seats (max with round tables)
Emerald (400 m²) 180 seats (max with round tables)</td></tr>
<tr><td colspan="2">Meeting rooms</td><td colspan="3">5 rooms, Meeting Room A to E</td></tr>
<tr><td colspan="5">Phase 1-2 Development Facilities</td></tr>
<tr><td>Club</td><td colspan="2">CHROMA</td><td colspan="3">4 floors Maximum capacity: Approx. 3,000 persons
Entrance fee
Men: 30,000 KRW on weekdays
50,000 KRW on weekends
Women: 20,000 KRW on weekdays
30,000 KRW on weekends
*Must be 19 years of age or older to enter</td></tr>
<tr><td>Premium spa (hot bath facility)</td><td colspan="2">CIMER</td><td colspan="3">4 floors Maximum capacity: Approx. 2,000 persons
○Aqua spa entrance fee
Summer: 60,000 KRW for adults,
48,000 KRW for high school or younger
Other seasons: 46,000 KRW for adults,
36,000 KRW for high school or younger
○Jjimjilbang spa entrance fee
Weekdays: 25,000 KRW for adults,
20,000 KRW for high school or younger
Weekends: 30,000 KRW for adults,
24,000 KRW for high school or younger
*Children aged 10 years or younger may not enter</td></tr>
<tr><td>Shopping mall</td><td colspan="2">PLAZA</td><td colspan="3">Approx. 7,973 m² floor area of restaurant zone and shopping zone</td></tr>
</table>

<table>
<tr><td rowspan="8">Boutique hotel</td><td colspan="5">Hotel name: ART PARADISO</td></tr>
<tr><td rowspan="7">Guest rooms
(58 rooms)</td><td colspan="2">Duplex (*Double-floor guest room)</td><td>(3F: 42.5 m²)
(4F: 14.85 m²)</td><td>10 rooms</td></tr>
<tr><td colspan="2">Deluxe suite</td><td>(84.9 m²)</td><td>27 rooms</td></tr>
<tr><td rowspan="3">Junior suite</td><td>Junior suite 1 (twin)</td><td>(61.8 m²)</td><td>6 rooms</td></tr>
<tr><td>Junior suite 2 (double)</td><td>(62.78 m²)</td><td>9 rooms</td></tr>
<tr><td>Junior suite 3 (double)</td><td>(64.64 m²)</td><td>3 rooms</td></tr>
<tr><td colspan="2">Royal suite</td><td>(143.45 m²)</td><td>3 rooms</td></tr>
<tr><td>Art gallery</td><td colspan="2">PARADISE ART SPACE</td><td colspan="3">○Permanent exhibition entrance fee: Free
○Special exhibition entrance fee: 5,000 KRW for adults, 3,000 KRW for children</td></tr>
<tr><td>Film studio</td><td colspan="2">STUDIO PARADISE</td><td colspan="3">Film studio for professional use such as for movies and TV dramas
○Studio A
Area: 2,052 m², capacity for 2,300 people
Size: Width 36 m × Length 57 m × height 12 m
○Studio B
Area: 1,052 m², capacity for 1,100 persons
Size: Width 36 m × Length 57 m × height 12 m</td></tr>
<tr><td>Multi-purpose field</td><td colspan="2">CULTURE PARK</td><td colspan="3">Complex cultural space where various festivals will be held</td></tr>
<tr><td>Entertainment</td><td colspan="2">WONDERBOX</td><td colspan="3">Scheduled to open in first half of 2019</td></tr>
</table>