

SEGA Sammy

新サクラ大戦
Sakura Wars

Fiscal 2020 Interim Business Report

(From April 1, 2019 to September 30, 2019)

©SEGA

SEGA SAMMY HOLDINGS INC.

Stock Code: 6460

HEADLINES

▶ Consolidated Results

Down ↓
3%
year on year

Net sales

¥ **165.5** billion

Up ↑
43%
year on year

Operating income

¥ **14.6** billion

Up ↑
2.8 pts.
year on year

Operating income margin

8.8%

▶ Results by Business Segment

Pachislot and Pachinko
Machines Business

Net sales

¥ **44.1** billion

down 25% year on year ↓

Operating income

¥ **7.8** billion

down 19% year on year ↓

Entertainment Contents Business

Net sales

¥ **115.8** billion

up 8% year on year ↑

Operating income

¥ **12.7** billion

up 108% year on year ↑

Resort Business

Net sales

¥ **5.5** billion

up 8% year on year ↑

Operating loss

¥ **1.5** billion

year on year —

▶ Interim Highlights

Launched



P Hokuto No Ken 8 Haou



P Hokuto No Ken 8 Haou
©Buronson & Tetsuo Hara/NSP
1983, ©NSP 2007 Approved
No.YSE-020 ©Sammy

In September 2019, Sammy Corporation launched *P Hokuto No Ken 8 Haou*, the latest pachinko machine title in the *Hokuto No Ken* series. The new offering has a movable light-guiding board frame and other new visual effects as well as a *Kyukyoku Shinken RUSH* feature, which keeps the payout “feel” traditionally associated with the *Hokuto No Ken* series while creating a novel type of exhilaration. The new installment includes episodes of the *Hokuto No Ken* trilogy, comprising *Ken-oh Hen*, *Tentei Hen*, and *Syura No Kuni Hen* and the new stages based on *Kenshiroden ZERO*.

Total War™: THREE KINGDOMS Sold Over



1 Million Units in its First Week

The latest game in the *Total War™* series, *Total War™: THREE KINGDOMS* is earning endorsement from many players not only in North America and Europe but also in China and other parts of Asia. The title is themed on the *Records of the Three Kingdoms* (a Chinese historical text) and is produced by The Creative Assembly Limited, a development studio under the management of SEGA Europe Ltd. Only one week after download services began worldwide on May 23, 2019, sales surpassed 1 million units—making this installment the fastest-selling title in the history of the series.



Total War: THREE KINGDOMS
©SEGA. Developed by
The Creative Assembly, Ltd.

WHO are YOU?



Surprise Toys Become a Major Hit

WHO are YOU? is the surprise toys that SEGA TOYS CO., LTD., is currently marketing and the fun of it is in opening them and being taken aback. Using water to wash the furry balls, which have unknown identities, transforms them into various different animals. Proving their high popularity, these toys have shipped over 8 million units in more than 30 countries worldwide. November 2019 saw the launch of *WHO are YOU? Real Rescue*, which with 35 effects almost seems to be alive. We will ceaselessly evolve our offerings under the *WHO are YOU?* brand, the leader in surprise toys.



WHO are YOU? Real Rescue
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Golf Tournament at



The North Country Club Succeeded

In Chitose, Hokkaido, *The North Country Golf Club* hosted the *Nagashima Shigeo Invitational Sega Sammy Cup Golf Tournament* over four days, from August 22 to 25, 2019. Winner Ryo Ishikawa went wire-to-wire, defending a first-day lead to post a 20-under score that tied the tournament record and was four strokes clear of second place. This marked Ishikawa's second victory at the tournament, which he first claimed in 2014.



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TO OUR SHAREHOLDERS



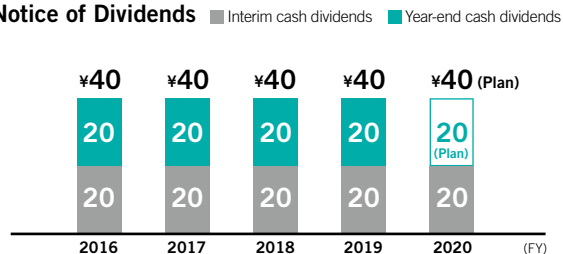
Hajime Satomi

Chairman and Group CEO (Representative Director)
SEGA SAMMY HOLDINGS INC.

Achieving the initial medium-term management targets of Road to 2020 has become challenging because changes in the business environment and other factors have led to lower-than-expected results in the Pachislot and Pachinko Machines Business and in the Digital Games area of the Entertainment Contents Business. In response to this, we identified strategic tasks and made steady progress of those measures in the first half of the fiscal year ending March 2020.

Meanwhile, present-day society expects companies to help address a variety of social issues, such as environmental problems and the aging of the population. In conducting business management, the SEGA SAMMY Group focuses on the sustainable creation of corporate value. With reference to environmental, social, and governance (ESG) factors and the United Nations' Sustainable Development Goals (SDGs), the SEGA SAMMY Group has identified important issues, which it is heightening awareness of and taking measures to address Groupwide. For example, we are implementing

Notice of Dividends



At a meeting of the Board of Directors held on October 31, 2019, the Board decided to pay dividends for fiscal 2019 as shown below.

Interim cash dividends: ¥20.00 per share

Year-end cash dividends: ¥20.00 per share (Plan)

Full-year cash dividends: ¥40.00 per share (Plan)

Effective date (Payment start date): December 2, 2019

countermeasures for gambling addiction and other types of addiction and other issues. ▶ P4

Further, we are developing the Resort Business from a medium- to long-term perspective. The process of transforming Japan into a major tourism destination in which integrated resorts are an important component is progressing steadily. Viewing participation in domestic integrated resorts as a major pillar of its future business, the Group is implementing multifaceted preparations. While conducting forward-looking investments, our basic policy is to continue providing shareholders with stable dividends.

Going forward, we will hold fast to our conviction that continued long-term provision of value that exceeds the expectations of society and players is essential for the sustained heightening of corporate value. As we prepare for the future, I would like to ask our shareholders and other stakeholders for their continued support.

Addressing Important Issues and Contributing to the Achievement of the SDGs

With the aims of achieving growth as a group and contributing to the sustainable growth of society, we have set out important issues that we will tackle intensively going forward. Through initiatives aimed at addressing these important issues, we will contribute to the achievement of the SDGs.



What Are the SDGs?

Adopted by the United Nations in 2015, the SDGs are a set of common international goals established with a view to realizing a sustainable society. Seventeen concrete goals are set with the aim of addressing issues from economic, social, and environmental perspectives. In response, initiatives aimed at realizing the SDGs are being implemented worldwide.

Enhancement of Job Satisfaction and Diversity and Elimination of Inequality

With the aim of enabling various employees to take maximum advantage of their capabilities, we will promote work-style reforms and enhance diversity.

Related SDGs



Countermeasures to Addiction

To ensure that the Group can continue to provide *moving experiences*, it will take measures to prevent and address gaming disorder, addiction to playing pachinko and pachislot machines, and gambling addiction.

Related SDG



Environmental Preservation and Reduction of Environmental Burden

We will expand and enhance initiatives aimed at realizing environment-friendly product design, promoting reuse and recycling, environmental preservation, and the reduction of power consumption.

Related SDGs



Response to Japan's Super Low Birth Rate and Aging Society

We will cater to Japan's super low birth rate and aging society by creating places where children can study enjoyably and by creating places that promote the mental and physical well-being of senior citizens.

Related SDGs



Corporate Governance

By continuing to strengthen corporate governance and ensure rigorous compliance, we will earn further trust from stakeholders.

Related SDGs



INTERIM REPORT FROM THE COO



Haruki Satomi

President and Group COO (Representative Director)
SEGA SAMMY HOLDINGS INC.

In the first half of the fiscal year ending March 2020, sales decreased year on year mainly due to a decline in pachislot and pachinko machine unit sales in the Pachislot and Pachinko Machines Business. On the other hand, operating income rose, primarily thanks to a favorable performance by the Entertainment Contents Business, particularly in the Digital Games area.

Although the Pachislot and Pachinko Machines Business brought multiple new titles to market, lower unit sales compared to the previous fiscal year caused the business segment's sales and operating income to decline year on year. Nonetheless, a range of measures to improve the profit margin successfully improved the business segment's profitability.

As for the Digital Games area of the Entertainment Contents Business, sales grew due to the launch of multiple new titles, the steady performance of existing titles, and the recognition of revenues from the transfer of titles. Further, operating income rose significantly year on year as a result of the rightsizing of

titles under development and in operation as well as progress in transferring resources—measures that were based on the strategic tasks identified in light of the non-achievement of targets for two consecutive fiscal years—and a decrease of expenses in the record of impairment loss. In the Packaged Games area, new titles and repeat sales were solid. The Amusement Machine Sales area recorded declines in sales and operating income as continued steady sales of prize game machines were outweighed by low utilization of video games and an increase in fixed expenses in associated with the relocation of the headquarter. The Amusement Center Operations area continued to perform steadily, with existing domestic amusement centers achieving year-on-year sales growth. Also, the Animation and Toys area posted revenues from *Detective Conan: The Fist of Blue Sapphire*, which achieved record box-office revenues.

As a result, the Entertainment Contents Business realized year-on-year increases of 8% in sales and 108% in operating income.

With regard to the Resort Business, despite being affected by a series of natural disasters, *Phoenix Seagaia Resort* increased guest numbers by focusing on the summer vacation period and taking various measures to attract customers. However, the business segment saw a rise of losses as investment aimed at participation in domestic integrated resorts increased. As for *PARADISE CITY*, domestic promotional campaigns bore fruit, and it welcomed numerous visitors from Japan.

As a result of the aforementioned, the Company recorded a 3% year-on-year decline in sales and year-on-year increases of 43% in operating income and 46% in profit attributable to owners of parent.

In the second half of the fiscal year ending March 2020, the Pachislot and Pachinko Machines Business plans to market major pachislot machine titles in the third quarter to coincide with an increase in replacement demand as mainstay old-regulation machines steadily approach their deadlines for

removal. Meanwhile, approval rates in prototype testing remain low, and there is concern over the potential effect on the number of titles to be marketed. As for pachinko machines, plans call for the introduction of multiple titles. Also, we will enhance profitability by continuing to increase the reuse rate and reduce costs.

In the Digital Games area of the Entertainment Contents Business, we are improving profitability by rightsizing our operation of titles for mobile devices. We will continue strengthening titles in operation with a focus on titles utilizing intellectual properties (IPs) that promise sustained profitability. In the second half, the Packaged Games area plans to market a

number of major titles while stepping up multi-device IP rollouts.

The Resort Business will continue strengthening measures at its existing resort facilities to attract guests and improve profitability. At the same time, the business segment will acquire know-how through *PARADISE CITY* and conduct prior investment in preparation for participation in integrated resorts in Japan.

The SEGA SAMMY Group will focus on meeting targets for the current fiscal year while forging ahead in a concerted effort to create *moving experiences* and realize sustained enhancement of corporate value from a long-term perspective.

Fiscal 2020 First-Half Results Highlights

(Billions of yen)	Fiscal 2019 First-half results	Fiscal 2019 Full-year results	Fiscal 2020 First-half results	Fiscal 2020 Full-year targets
Net Sales	171.0	331.6	165.5	390.0
Operating Income	10.2	13.0	14.6	27.0
Operating Income Margin	6.0%	3.9%	8.8%	6.9%
Ordinary Income	9.1	7.4	12.6	23.0
Income before Income Taxes	10.6	6.9	12.5	23.0
Profit Attributable to Owners of Parent	6.7	2.6	9.8	15.0
ROA*	—	0.6%	—	—

* ROA = Profit attributable to owners of parent ÷ Total assets

Created around the World, Delivered to the World

SEGA's Entertainment Worldwide

In the Entertainment Contents Business, development studios and publishing bases around the world are collaborating to build a system to achieve our concept of "Created around the World, Delivered to the World." As well as using existing IP and creating new IP, since 2005 we have been expanding and enhancing our IP pipeline by conducting M&As worldwide with development studios that have outstanding IPs or development capabilities. Going forward, we will continue deepening collaboration among development studios and publishing bases to heighten the value of IPs and roll them out across an extensive range of devices, regions, and platforms.

* IP = Intellectual Property

Collaboration with Publishing Bases Worldwide

United Kingdom
The Creative Assembly
(2005)



Sports Interactive
(2006)



Two Point Studios
(2019)



France
Amplitude Studios
(2016)



Bulgaria
Creative Assembly Sofia
(2017)



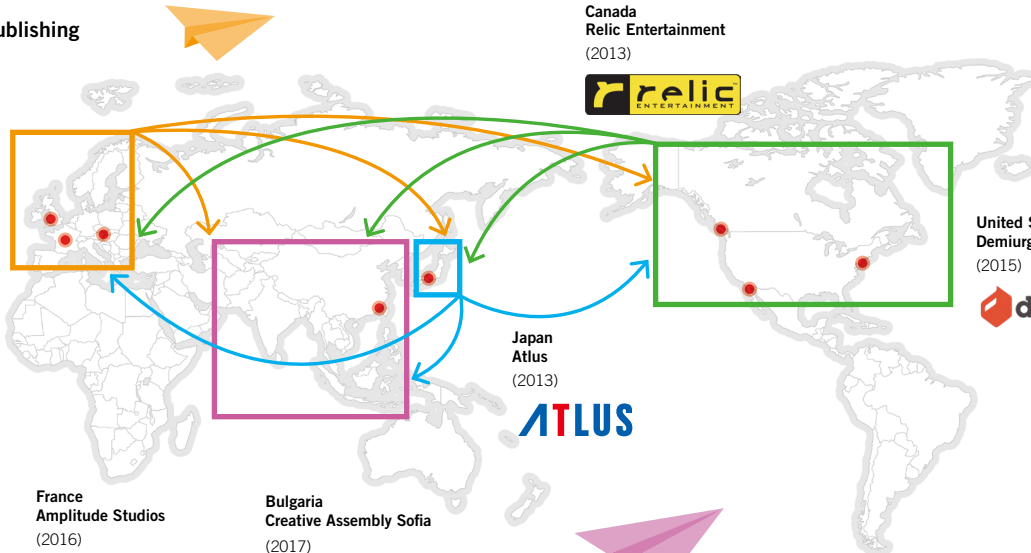
Canada
Relic Entertainment
(2013)



United States
Demiurge Studios
(2015)



Japan
Atlus
(2013)



● Development studio □ Sales area
The figures in parentheses indicate the years in which M&As were implemented.

An Example of Titles Rolled Out Globally

From “Japan” to the World



Mario & Sonic at the Olympic Games Tokyo 2020™
TM IOC/TOKYO2020/USOC
36USC220506.
© 2019 IOC. All Rights Reserved.
© NINTENDO. ©SEGA.

Mario & Sonic at the Olympic Games Tokyo 2020™

This is the latest installment of the Official Video Game of the Olympic Games starring Mario, Sonic, and other flagship characters of Nintendo and SEGA together. Anyone can have fun playing this full-fledged sports game. As well as events at the Olympic Games Tokyo 2020, players can also enjoy participating in events at the Olympic Games Tokyo 1964, which are nostalgically presented using pixel graphics to evoke the era of Japan's first Olympics Games.



PERSONA 5 ROYAL
©ATLUS ©SEGA All rights reserved.

PERSONA 5 ROYAL

Persona 5 is a big hit that has sold more than 2.7 million units and won numerous game awards worldwide. By adding new characters, locations, and events, we have created the game's latest reincarnation, *PERSONA 5 ROYAL*. The latest escapades of the band of phantom thieves will steal your heart away.

IPs rolled out by studios in Japan
YAKUZA, Puyo Puyo, Persona, PHANTASY STAR

From “North America” to the World



Sonic Racing
©SEGA

Sonic Racing

September 2019 saw the launch of the latest addition to the *Sonic The Hedgehog* series, *Sonic Racing*, as one of the titles at the launch of Apple Arcade. Going all the way back to 1991, this blockbuster series is loved by customers the world over and has shipped more than 920 million units to date. The new game features collaborative racing with AI-controlled team members and beautiful graphics.

IPs rolled out by studios in North America
Sonic The Hedgehog, Company of Heroes, Dawn of War

From “Europe” to the World



Football Manager 2020
© Sports Interactive Limited 2019.
Published by SEGA Publishing Europe Limited.

Football Manager 2020

Since the release of its first soccer club management simulation game in 2004, the *Football Manager* series has provided games every year that meet fan expectations. *Football Manager 2020*, the latest edition in a series boosting cumulative sales of 20 million units, launched for PCs, Google Stadia, iOS, and Android in November 2019.

IPs rolled out by studios in Europe
Total War™, Football Manager, Endless, Two Point Hospital

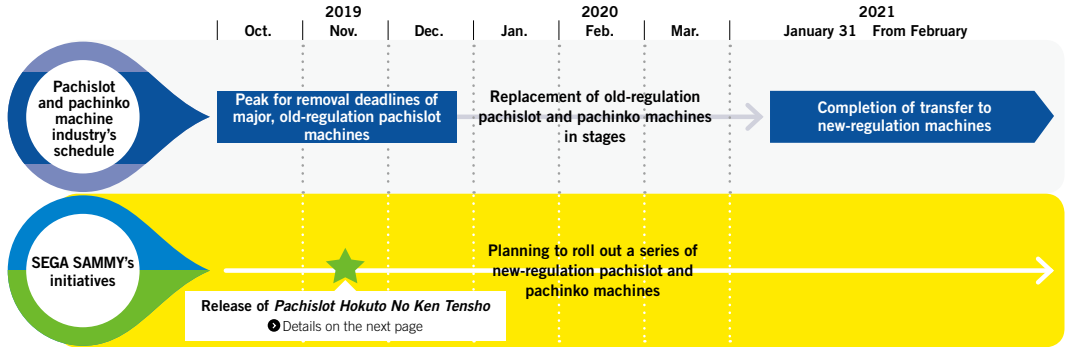


The Pachislot and Pachinko Machines Business “Going Forward”

In the current fiscal year, we will need to meet replacement demand in the pachislot and pachinko machine market as old-regulation machines steadily approach their deadlines for removal. In this section, we analyze the outlook for the market environment and provide a closeup of the distinctive features of *Pachislot Hokuto No Ken Tensho*, the new-regulation machine (No. 6 model machine) launched in November.

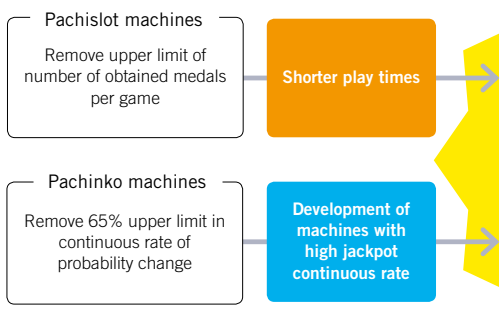
Schedule for the Replacement of Old-Regulation Machines

All old-regulation pachislot and pachinko machines are required to be removed from pachinko halls by the end of January 2021. Accordingly, pachinko hall operators are removing pachislot and pachinko machines in stages beginning with titles whose approval periods have expired. For this reason, continuous demand for pachislot and pachinko machines conforming to the new regulation is expected from the third quarter of the current fiscal year through to the fiscal year ending March 2021.



Features of New-Regulation Machines

Although it restricts gambling elements, the latest regulatory revision enables the development of pachinko machines with a high jackpot continuous rate and other specifications that the Group is particularly well qualified to realize. Also, changes in voluntary regulations introduced at the same time as the regulatory revision have enabled shorter play times for pachislot machines, providing us with opportunities to unearth new demand for them as a more familiar, accessible form of entertainment.



The Developer Explains! The Features of *Pachislot Hokuto No Ken Tensho*

Unveiled at pachinko halls in November, *Pachislot Hokuto No Ken Tensho* uses an all-screen ZEEG machine cabinet* and is the first new-regulation machine title in the *Hokuto No Ken* series. We asked the developer what his priorities were when creating the latest installment.

* A general-purpose machine cabinet manufactured by ZEEG Co. Ltd., a joint venture established with Universal Entertainment Corporation

A Word from the Developer

In developing *Pachislot Hokuto No Ken Tensho*, while creating a new battle assist time function that keeps the exhilaration and payout “feel” of former titles in the series, we aimed to completely “regenerate” *Hokuto No Ken* by renewing the visual effects mix and other features. Further, we focused strongly on capturing the interest not only of existing players but also of new, younger-generation players.

At the initial development stage, we considered using a different machine cabinet. In the end, however, we chose the impact and novelty of an all-screen machine cabinet. Compared with our approach to an in-house development project, we took particular care to build consensus with ZEEG as the project proceeded.

Although some may level criticism at the specifications regulatory changes have necessitated, I believe there are certain payout “feels” and exciting effects that only No. 6 model machines can realize. Through *Pachislot Hokuto No Ken Tensho*, I want to accentuate these features and ensure that a large group of players continues to love the series.



Hidekazu Kouchi

Director, PS Probability Research & Development Department,
Chief Producer, PS Section 1,
Deputy Managing Director, PS Research & Development Division,
Research & Development Group Division,
Sammy Corporation



Pachislot Hokuto No Ken Tensho
©Buronson & Tetsuo Hara/NSP 1983,
©NSP 2007 Approved No.YAF-420
©Sammy

Model Details

From Right to Might The Debut of *Pachislot Hokuto No Ken Tensho*

We developed *Pachislot Hokuto No Ken Tensho* based on the concept of a reborn *Pachislot Hokuto No Ken* with new gameplay and specifications. With a total of approximately 6.3 medals obtainable per game, the pachislot machine's *Shin/Tensho RUSH* assist time is a pressing-order assist time that does not require button-pressing skills.

Even in comparison with previous titles in the *Pachislot Hokuto No Ken* series, the new pachislot machine boasts outstanding performance, including a high jackpot continuous rate of approximately 85%. As well as featuring an assist time with specifications that enable anyone to play it, our latest pachislot machine incorporates new gameplay that creates a constant sense of anticipation. We recommend everyone to try the pachislot machine and enjoy the rich *Pachislot Hokuto No Ken* world that has taken shape in the period from the *Seikimatsu Hen* through to the *Syura No Kuni Hen*.

In each era, the SEGA SAMMY Group has provided *moving experiences* that exceed customers' expectations. Episode 6 of our series focuses on the first new release in the *Sakura Wars* series in 14 years and offers insights on the development of the dramatic adventure game, originally created as video game software for *SEGA Saturn* in 1996.

Sakura Wars (original title)

In the development of *Sakura Wars*, I headed the design team. Designing this game was a rewarding experience. We faced numerous challenges, but we managed to come up with a lot of creative ways of ensuring that customers would find the video game interesting and satisfying. For example, in order to make the game take maximum advantage of the *SEGA Saturn* home video game console's features, we placed a great deal of emphasis on using an extensive color palette to realize beautiful on-screen images. Also, we spent a lot of time considering how to design the user interface in game screens so that they would evoke the world of a fictionalized "Taisho" era. Until the third title of the series, I was also responsible for the production of the closing credits. For each title, I repeatedly listened to the same pieces of music, struggling to decide which one would resonate most with players.



Sakura Wars
©SEGA

New Sakura Wars (latest title)

New Sakura Wars owes its existence to the development team, which submitted ambitious proposals on an almost yearly basis after the release of the previous title in the series in 2005, and to the enthusiasm of fans, whose votes ranked *Sakura Wars* as the most popular title in both the title category and the revival candidate title category at the first *SEGA FES**. We had to be brave when assessing a world that has become iconic for both first-time customers and long-standing customers and then deciding on new elements that would attract the former while holding the interest of the latter.



New Sakura Wars
©SEGA

We aim to provide *moving experiences* by offering a world imbued with Taisho-era romance that is at once nostalgic and fresh, a story in which players strengthen their bonds with unit members to triumph over adversity, and highly exhilarating action that anyone can easily enjoy.

* An event for fans that is hosted by the SEGA Group and which was first held in 2016



Tohru Yoshida

Department Manager,
Graphic Design Dept, Promotion Div.,
Japan / Asia Publishing Business HQ,
SEGA Games Co., Ltd.



Tetsu Katano

Deputy Department Manager,
2nd Development Division Department #1
SEGA Games Co., Ltd.

Investigation 6

Detective Conan Feature
Animation Series

How to Make a Blockbuster



For seven straight years, the hugely popular *Detective Conan* feature movies have been smashing box-office revenue records. To find out more about his work and the keys to creating the much-loved feature animation series, we talked to its chief producer, who has been involved in the production of 20 of the 23 titles, including the latest title *Detective Conan: The Fist of Blue Sapphire*.

▶ The Myriad Tasks of a Chief Producer

A chief producer is responsible for all processes needed to bring a movie to the world—from coming up with the best story through to marketing strategies. To give one example, at the outset of the latest title's production I accompanied the screenplay writer to the trip to Singapore, which is the backdrop for the movie. While in the city, we mulled over the characters that would appear in the movie as well as over the storyline. Moreover, we went after the tie-ins with Singapore Tourism Board and Marina Bay Sands. Further, during the roughly 18-month long production time, we deployed a number of “tactics” aimed at continuously building anticipation among the fans. These included incorporating elements of the movie into the ongoing comic series and the TV animation series as well as partnering with Universal Studios Japan to create an attraction for them.

▶ The Secret to its Everlasting Popularity

Mystery stories form the basis of the *Detective Conan* manga series, TV animation series, and feature movie series. The key is in finding a subject matter that can be woven into a captivating mystery story.

For the latest movie, we used an overseas location for the first time. This presented some difficulties, such as thinking of a way of getting Conan, who does not have a passport, into Singapore, and getting permission to show Marina Bay Sands in the movie. Taking on this ambitious idea, however, led to the creation of a bigger-than-expected hit. The key factors that have enabled us to evolve the series into an enduring fan favorite are, I believe, our undiminished appetite for challenges, the “tactics” I mentioned earlier, and the high level of teamwork of the production committee, which includes the members who have been with us for more than 20 years.



Detective Conan: The Fist of Blue Sapphire
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CONAN COMMITTEE All Rights Reserved.



Keiichi Ishiyama

Vice President, Executive Officer,
Chief Producer,
Creative Division,
TMS ENTERTAINMENT CO., LTD.

NEWS

Launching *Ryu ga Gotoku 7* in January!



January 16, 2020, will see the release of a new installment in the *Ryu ga Gotoku* series, *Ryu ga Gotoku 7*. Set in the new location of Yokohama's Isesaki Ijincho district, the game immerses players in the searing human drama that unfolds when the hero Ichiban Kasuga and his comrades rise up and persevere until they crush a great evil. With the all-star cast of Shinichi Tsutsumi, Ken Yasuda, and Kiichi Nakai playing major characters, the largest amount of content in the series to date, and innovatively evolved gameplay, this game is definitely not to be missed.



Ryu ga Gotoku 7
©SEGA

The Service of *StarHorse4* Began in November!



Starting November 20, 2019, we have been phasing in operations of the latest offering in the *StarHorse* series of full-fledged horse racing medal games, which boasts a 19-year history. With racehorses and jockeys appearing under their actual names and race scenes broadcasted by Kiyoshi Sugimoto, our latest medal game preserves the strong appeal of the series. In addition, the game creates a new play environment by including electrically powered reclining seats and footrests and by being the first medal game with completely electronic medals. As a result, players can use electronic money to rent medals without leaving their seats.



StarHorse4
©SEGA

LUPIN THE 3rd THE FIRST Premiering Soon!



On December 6, 2019, for the first time in its history, the *LUPIN THE 3rd* series will release a CG animated movie. *LUPIN THE 3rd THE FIRST* is the first feature-length animation in the series in 23 years. Director and screenwriter Takashi Yamazaki is recognized as a leading authority on visual effects, and has an impressive resume that includes the *Always: Sunset on 3rd Street* series, *The Eternal Zero*, and *The Great War of Archimedes*. Fulfilling the late Monkey Punch's ardent wish, this CG version of *LUPIN THE 3rd* will propel the series forward into a new era.



LUPIN THE 3rd THE FIRST
© Monkey Punch / 2019
LUPIN THE 3rd Film Partners

Earning a Gold Award in the *PRIDE Index* 2019!



As a result of submitting a joint entry to the *PRIDE Index*—formulated by the voluntary group *work with Pride* to evaluate the LGBT initiatives of companies and organizations—five Group companies including the Company* have received the highest commendation. In the SEGA SAMMY Group, we firmly believe that understanding of and respect for diversity encourages the creation of new businesses. Going forward, we will continue promoting the creation of environments where a variety of personnel can be themselves as they continue to play important roles. Through such initiatives, we will provide even more *moving experiences*.

* SEGA SAMMY HOLDINGS INC. (the Company), Sammy Corporation, SEGA Holdings Co., Ltd., SEGA Interactive Co., Ltd., and SEGA Games Co., Ltd.

work with Pride



GROUP INFORMATION

Company Profile (As of Sep 30, 2019)

Company Name	SEGA SAMMY HOLDINGS INC.
Address	Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo 141-0033, Japan
Established	October 1, 2004
Capital	¥29.9 billion
Number of Employees	8,665 (Consolidated)
Stock Exchange	The First Section of the Tokyo Stock Exchange (Stock Code: 6460)

Directors and Audit & Supervisory Board Members

Hajime Satomi Chairman and Group CEO (Representative Director)
Haruki Satomi President and Group COO (Representative Director)
Naoya Tsurumi Senior Executive Vice President (Director of the Board)
Koichi Fukazawa Executive Vice President and Group CFO (Director of the Board)
Hideki Okamura Executive Vice President (Director of the Board)
Hideo Yoshizawa Director of the Board
Takeshi Natsuno Director of the Board (External)
Kohei Katsukawa Director of the Board (External)
Hiroshi Onishi Director of the Board (External)
Melanie Brock Director of the Board (External)
Shigeru Aoki Standing Audit & Supervisory Board Member
Yukito Sakaue Audit & Supervisory Board Member
Mineo Enomoto Audit & Supervisory Board Member (External)
Kazutaka Okubo Audit & Supervisory Board Member (External)

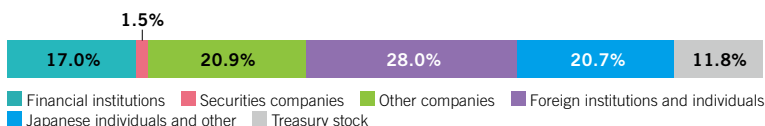
Information on Outstanding Shares (As of Sep 30, 2019)

Number of Shares Authorized for Issue	800,000,000 shares
Total Number of Shares Issued and Outstanding	266,229,476 shares
Number of Shareholders	75,468

Major Shareholders

Name of shareholder	Shares held (Shares)	Shareholding ratio (%)
HS Company	35,308,000	13.26
Company's Tr. Stock	31,436,063	11.80
FSC Co., Ltd.	13,562,840	5.09
The Master Trust Bank of Japan, Ltd. (Trust account)	13,379,500	5.02
Japan Trustee Services Bank, Ltd.(Trust account)	9,465,700	3.55

Breakdown of Shareholders



Shareholder Memo (As of Sep 30, 2019)

Stock Code	6460
Trading Unit	100 shares
Fiscal Year	From April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	June
Date of Record for Dividends	March 31 (September 30 for interim periods, if paid)
	Advance public notice is given when required for other dividend payments.
Method of Public Notice	Electronic public notices
Notification URL	https://www.segasammy.co.jp/japanese/etc/notice
	If electronic notification is not available due to unavoidable circumstances, the Company will post the notice in the <i>Nihon Keizai Shimbun</i> .
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Administrative Office of Transfer Agent	Securities Agent Department, Mitsubishi UFJ Trust and Banking Corporation, 1-1, Nikkocho, Fuchu-shi, Tokyo 183-0044, Japan Phone: +81-3-5683-5111
Agencies	Mitsubishi UFJ Trust and Banking Corporation branches in Japan

The website of Mitsubishi UFJ Trust and Banking Corporation, the Company's transfer agent, provides information on share registration, purchase or additional purchase of shares in fractional lots, and other stock-related procedures. If you use the storage transfer system for share certificates, etc., please contact the securities company that handles the transactions.

Mitsubishi UFJ Trust and Banking Corporation website: <https://www.tr.mufg.jp/daikou/>

IR INFORMATION

As part of its ongoing enrichment of investor engagement, the SEGA SAMMY Group has responded to shareholder feedback by providing a window to its operations through the *Business Report*.

◆ SEGA SAMMY HOLDINGS INC. IR Information Center

For inquiries about questionnaires, share information, corporate information, and other related information, please contact the phone number below. Please note that the IR Information Center is closed on Saturdays, Sundays, national holidays, and Company holidays.

Phone: **+81-3-6864-2404**

Business hours: Monday through Friday, **9:00 a.m. – 6:00 p.m.**

◆ IR Calendar

Schedule of activities for shareholders and investors:

- February** Announcement of results for the nine months ending December 31, 2019
- April** Announcement of results for the fiscal year ending March 2020
- June** Ordinary General Meeting of Shareholders / Release of the *Business Report* for the fiscal year ending March 2020

Cautionary Statement with Respect to Forward-Looking Statements

Statements in this document regarding the plans, estimates, beliefs, management strategies, perceptions, and other aspects of SEGA SAMMY HOLDINGS INC. ("the Company") and SEGA SAMMY Group companies ("the Group") are forward-looking statements based on the information currently available to the Company. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "may," and "might," and words of similar meaning in connection with a discussion of future operations, financial performance, events, or conditions.

From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to management. The Company cautions that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore undue reliance should not be placed on them.

Also, it should not be assumed that the Company has any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The Company disclaims any such obligation. Actual results may vary significantly from the Company's forecasts due to various factors. Factors that could influence actual results include, but are not limited to, economic conditions, especially trends in consumer spending, as well as currency exchange rate fluctuations, changes in laws and government systems, pressure from competitors' pricing and product strategies, declines in the marketability of the Group's existing and new products, disruptions to production, violations of the Group's IP rights, rapid advances in technology, and unfavorable verdicts in major litigation.

SEGASammy

SEGA SAMMY HOLDINGS INC.

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Shinagawa-ku, Tokyo 141-0033, Japan



Investor Relations Online

Through our IR website, we disclose consolidated financial statements, press releases, *Integrated Report 2019*, and other statutory disclosure documents as well as actively provide briefings on management strategies.

<https://www.segasammy.co.jp/english/ir/>