

(Translation)

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Japanese GAAP)

Name of Company : SEGA SAMMY HOLDINGS INC.
 Listing : Tokyo Stock Exchange Prime
 Code number : 6460
 URL : <https://www.segasammy.co.jp/en>
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Scheduled date to hold Annual Meeting of Shareholders : June 24, 2026 (plan)
 Scheduled date to file financial report : June 23, 2026 (plan)
 Scheduled date to commence dividend payments : June 4, 2026 (plan)
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes (for institutional investors)

(Amounts below one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 01, 2025 - March 31, 2026)

(1) Consolidated Operating Results

(Percentage represents changes from the prior year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	487,542	13.7	47,128	(2.1)	54,205	2.1	(5,756)	-
March 31, 2025	428,948	(8.5)	48,124	(16.8)	53,114	(11.1)	45,051	36.3

(Note) Comprehensive income:

For Year ended March 31, 2026 : ¥16,452 million ((61.6)%)
 For Year ended March 31, 2025 : ¥42,804 million ((18.8)%)

(Reference) Adjusted EBITDA

For Year ended March 31, 2026 : ¥16,656 million ((73.3)%)
 For Year ended March 31, 2025 : ¥62,283 million (13.8%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating income to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2026	(27.36)	-	(1.6)	(0.9)	9.7
March 31, 2025	209.79	209.02	12.2	6.9	11.2

(Reference) Equity in earnings of affiliates:

For Year ended March 31, 2026 : ¥5,402 million
 For Year ended March 31, 2025 : ¥3,527 million

(Note) Although there were potential shares outstanding for the fiscal year ended March 31, 2026, the diluted earnings per share is not presented because a net loss was recorded for the fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	627,388	354,967	56.5	1,750.15
March 31, 2025	644,777	381,604	59.1	1,782.73

(Reference) Shareholders' equity:

March 31, 2026 : ¥354,693 million

March 31, 2025 : ¥381,165 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the year-end
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	25,940	(22,514)	(56,623)	153,776
March 31, 2025	20,856	(12,543)	(27,981)	198,865

2. Cash Dividends

	Cash dividends per share					Total dividends paid (annual)	Payout ratio (Consolidated)	Dividends paid to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Full-year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	-	25.00	-	27.00	52.00	11,208	24.8	3.0
Year ended March 31, 2026	-	27.00	-	28.00	55.00	11,460	-	3.1
Year ending March 31, 2027 (plan)	-	27.00	-	28.00	55.00		34.6	

(Notes)1. Total dividends paid include dividends paid to the trusts to the "BIP trust" and the "Stock-granting ESOP trust" (¥103 million for the fiscal year ended March 31, 2025, ¥108 million for the fiscal year ended March 31, 2026). Payout ratio has been calculated by dividing the total dividends paid by profit attributable to owners of parent.

2. The consolidated payout ratio for the fiscal year ended March 31, 2026 is not presented because a basic loss per share was recorded.

3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2027

(Percentage represents changes from the prior year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	510,000	4.6	44,500	(5.6)	47,500	(12.4)	32,500	-	160.36

4. Other

(1) Changes in significant subsidiaries during the period: Yes

New : 37 Company name : Stakelogic B.V. and its 12 other subsidiaries, GAN Limited and its 23 other subsidiaries

Exclusion : - Company name :-

(2) Changes in accounting policies, changes in accounting estimates, and restatements

1. Changes in accounting policies due to revisions to accounting standards and other regulations: No

2. Changes in accounting policies due to other reasons: No

3. Changes in accounting estimates: No

4. Restatements: No

(3) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)

March 31, 2026 : 221,229,476

March 31, 2025 : 241,229,476

2. Number of treasury stock at the end of the period

March 31, 2026 : 18,564,547

March 31, 2025 : 27,418,879

3. Average number of shares during the period

For Year ended March 31, 2026 : 210,423,003

For Year ended March 31, 2025 : 214,750,376

(Note) The Company has introduced the "BIP Trust" for directors and the "Stock-granting ESOP Trust" for employees, and the Company's shares held by these trusts are included in the number of treasury stock at the end of the period above. These shares are also included in the number of treasury stock which is subject to be excluded for calculation by the average number of shares during the period above.

(Note)

- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

- This report is not required the auditing procedures by certified public accountants or accounting auditors.

- The forward-looking statements, such as results forecasts, included in this document are based on information available to SEGA SAMMY HOLDINGS INC. (the Company) at the time of the announcement and assumptions considered reasonable, and actual results could differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the forecasts, please see "Outlook for the fiscal year ending March 31, 2027" on page 9.

- The Company plans to hold a briefing on financial results for institutional investors on May 12, 2026. The presentation materials to be used on the day will be posted on TDnet and the Company's website in advance, and the details of the briefing and the content of the explanation (video and audio) will also be posted on the Company's website.

1. Operating Results and Financial Position

(1) Operating results for the fiscal year ended March 31, 2026

■ Overall highlights

In the fiscal year ended March 31, 2026, net sales amounted to ¥487,542 million, operating income was ¥47,128 million, and adjusted EBITDA was ¥16,656 million. While the Pachislot & Pachinko Machines Business performed strongly, operating income decreased compared to the prior fiscal year, mainly due to the sluggish performance of the Entertainment Contents Business, as well as the impact of the consolidation of the financial results of GAN Limited ("GAN") and Stakelogic B.V. ("Stakelogic"), both of which were acquired in the Gaming Business.

In addition, as impairment losses on goodwill and other intangible assets related to Rovio Entertainment Ltd ("Rovio"), as well as on goodwill and property, plant and equipment related to Stakelogic, were recognized as extraordinary losses, net loss attributable to owners of parent amounted to ¥5,756 million. Furthermore, a gain on deferred tax adjustments was recorded following a review of the recoverability of deferred tax assets.

■ Returns to shareholders

The Company returns to shareholders by dividends or share buy-back, and the total returns result in DOE of 3% or a total return ratio of 50%, whichever is higher.

Under this shareholder return policy, despite recording a net loss attributable to owners of parent for the fiscal year ended March 31, 2026, the Company has decided to pay annual dividends of ¥55 per share (¥27 for interim and ¥28 for year-end dividends), representing a DOE of 3% or more. In addition, the Company acquired treasury stock totaling approximately ¥32.0 billion during the fiscal year ended March 31, 2026. Of this amount, approximately ¥12.0 billion was acquired as shareholder returns based on net income attributable to owners of parent for the fiscal year ended March 31, 2025, while approximately ¥20.0 billion was acquired as shareholder returns for the fiscal year ended March 31, 2026 following a revision of the capital allocation policy and a reduction in the investment allocation framework. As a result, actual returns to shareholders for the fiscal year ended March 31, 2026 amounted to approximately ¥31.4 billion (consisting of approximately ¥11.4 billion in dividends and approximately ¥20.0 billion in share buy-back). For reference, excluding dividends paid to the BIP trust for directors and the Stock-granting ESOP trust, total shareholder returns amounted to approximately ¥31.3 billion.

Projected full-year dividends for the fiscal year ending March 31, 2027, are ¥55 per share (¥27 for interim and ¥28 for year-end dividends) provisionally calculated based on DOE of 3%, which is expected to result in total shareholder returns of approximately ¥11.2 billion by the Company.

For reference, projected full-year return to shareholders totaled ¥16.2 billion calculated based on a total return ratio of 50% as net income attributable to owners of parent is ¥32.5 billion based on the forecast of consolidated financial results for the fiscal year ending March 31, 2027, released today.

* Actuals of the total return to shareholders and its return method possibly changes by the progress of business performance of the Group.

■ Highlights by segment

《 Entertainment Contents 》

In the Consumer area, the Group launched new titles centered on its flagship IPs, including Full Game titles such as "Sonic Racing: CrossWorlds" (released on September 25, 2025) and "Football Manager 26" (released on November 5, 2025), as well as F2P (free-to-play) titles such as "Persona 5: The Phantom X" (service launched on June 26, 2025) and "Sonic Rumble Party" (service launched on November 5, 2025). However, due to certain titles performing below plan, as well as sluggish performance of existing mainstay titles and delays in the launch of new titles at Rovio, overall performance remained sluggish. As a result, the Entertainment Contents Business recorded higher sales but lower profits compared to the prior fiscal year. Meanwhile, licensing revenue associated with transmedia development, an area of focus for expansion under the current Medium-term Plan, grew steadily throughout the current fiscal year, representing a 31.6% increase compared to the prior fiscal year.

In the Animation area, in addition to the strong box office performance of "Detective Conan: One-eyed Flashback" (released on April 18, 2025), which generated approximately ¥14.7 billion in box office revenue, sales of animation series to domestic and overseas streaming platforms also showed a strong performance, resulting in increases in both sales and profits.

In the AM&TOY area, performance remained steady, driven mainly by standard products in amusement machines and toys.

For further details, please refer to "Results Presentation Q4 for the fiscal year ended March 31, 2026."

Results Presentation Q4 for the fiscal year ended March 31, 2026

<https://www.segasammy.co.jp/en/ir/library/>

《 Pachislot & Pachinko Machines 》

In the pachislot business, sales were concentrated in the second half of the fiscal year due to the approval status. However, sales of each title performed strongly, particularly "Smart Pachislot Tokyo Revengers" (installed in September 2025), "Smart Pachislot Hokuto No Ken Chapter of Resurrection 2" (installed in January 2026), and "Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato" (installed in March 2026), resulting in increases in both sales and profits compared to the prior fiscal year. In addition, "Smart Pachislot Bakemonogatari" (installed in December 2025) and "Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato" are scheduled for additional sales in the fiscal year ending March 31, 2027.

Furthermore, in response to the pachislot and pachinko market, which continues to experience a long-term contraction trend, the Group is working to create an environment in which the industry and manufacturers can coexist and prosper together. Starting from the fiscal year ended March 31, 2026, the Group began launching a new pachislot cabinet (reel-exchangeable cabinet) as part of efforts to establish a new business model.

For further details, please refer to "Results Presentation Q4 for the fiscal year ended March 31, 2026."

Results Presentation Q4 for the fiscal year ended March 31, 2026

<https://www.segasammy.co.jp/en/ir/library/>

《 Gaming 》

As a result of the consolidation of the financial results of GAN and Stakelogic, both of which were acquired during the current fiscal year, net sales increased compared to the prior fiscal year, while an ordinary loss was recorded, compared to an ordinary income recorded in the prior fiscal year. On the other hand, sales of gaming equipment, the Group's existing business domain, reached a record high, and equity in earnings of affiliates related to "PARADISE CITY" in South Korea also reached a record high.

In the gaming equipment sales area, in addition to the flagship series in the North American market, such as "Railroad RICHES™" and "Super Burst™", both of newly launched series, "Railroad RICHES Link™" and "Super Burst Boosted™" also recorded high utilization, resulting in strong sales performance.

In "PARADISE CITY" in South Korea, the casino maintained a high level of drop amounts (chip purchases), particularly from Japanese VIP customers, and the hotel business also performed strongly, maintaining high occupancy rates and room rates. As a result, for the period from January to December 2025, both net sales and each stage of profit reached all-time highs since its opening. In addition, due to the recognition of deferred tax assets, equity in earnings of affiliates exceeded expectations and contributed significantly to profits.

For further details, please refer to "Results Presentation Q4 for the fiscal year ended March 31, 2026."

* GAN, Stakelogic, and PARADISE SEGASAMMY Co., Ltd. are recorded with a three-month delay due to the December fiscal year-end.

Results Presentation Q4 for the fiscal year ended March 31, 2026

<https://www.segasammy.co.jp/en/ir/library/>

■ Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Changes from the prior year	
			amount	%
Net Sales	428,948	487,542	58,593	13.7
Operating income	48,124	47,128	(995)	(2.1)
Ordinary income	53,114	54,205	1,090	2.1
Profit (loss) attributable to owners of parent	45,051	(5,756)	(50,808)	-

Adjusted EBITDA※1	62,283	16,656	(45,627)	(73.3)
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Basic earnings (loss) per share	Yen 209.79	Yen (27.36)	Yen (237.15)	% -
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Items	Breakdown
※1 Adjusted EBITDA	Ordinary income + Interest expenses + Depreciation and amortization ± Adjustment items※2
※2 Adjustment Items:	+ Extraordinary income of business
	- Extraordinary losses of business (impairments, title write-down, etc.)
	- Profit attributable to non-controlling interests
	+ Goodwill and trademark right amortization associated with M&A

Overview by segment is as follows.

《 Entertainment Contents 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Changes from the prior year	
			amount	%
Sales to third party	321,575	326,639	5,063	1.6
Inter-segment sales and transfers	569	606	-	-
Total net sales	322,145	327,246	5,100	1.6
Ordinary income	41,886	34,447	(7,439)	(17.8)

Adjusted EBITDA	48,123	13,353	(34,769)	(72.3)
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《 Pachislot & Pachinko Machines 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Changes from the prior year	
			amount	%
Sales to third party	97,105	132,063	34,958	36.0
Inter-segment sales and transfers	121	94	-	-
Total net sales	97,226	132,158	34,932	35.9
Ordinary income	20,977	33,301	12,324	58.8

Adjusted EBITDA	24,278	33,700	9,422	38.8
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《 Gaming 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Changes from the prior year	
			amount	%
Sales to third party	5,451	25,312	19,860	364.3
Inter-segment sales and transfers	20	0	-	-
Total net sales	5,471	25,312	19,840	362.6
Ordinary income (loss)	2,186	(842)	(3,029)	-

Adjusted EBITDA	1,023	(18,406)	(19,430)	-
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(2) Financial positions as of March 31, 2026

(Assets and liabilities)

Total assets as of the end of the fiscal year ended March 31, 2026 decreased by ¥17,388 million from the end of the prior fiscal year to ¥627,388 million.

Current assets decreased by ¥14,032 million from the end of the prior fiscal year. This was mainly attributable to decreases in cash and deposits, and income taxes receivable, despite increases in notes and accounts receivable, and merchandise and finished goods.

Noncurrent assets decreased by ¥3,355 million from the end of the prior fiscal year. This was mainly attributable to decreases in noncurrent assets due to an impairment of goodwill and other factors related to Rovio and Stakelogic, despite the inclusion of Stakelogic and GAN in the scope of consolidation. In addition, investments decreased as a result of the recovery of production investments, while deferred tax assets increased due to a review of their recoverability.

Total liabilities as of the end of the fiscal year ended March 31, 2026 increased by ¥9,247 million from the end of the prior fiscal year to ¥272,420 million. This was mainly attributable to increases in income taxes payable, accrued expenses and contract liabilities, despite a decrease in long-term borrowings.

(Net assets)

Net assets as of the end of the fiscal year ended March 31, 2026 decreased by ¥26,636 million from the end of the prior fiscal year to ¥354,967 million. This was mainly attributable to recording of loss attributable to owners of parent and decreases in shareholders' equity by acquisition of treasury stock and cash dividends, despite an increase in foreign currency translation adjustment.

(Financial ratio)

The current ratio at the end of the fiscal year ended March 31, 2026 decreased by 69.5 percentage points from the end of the prior fiscal year to 343.3%.

The equity ratio at the end of the current fiscal year decreased by 2.6 percentage points from the end of the prior fiscal year to 56.5%.

(3) Cash flows for the fiscal year ended March 31, 2026

Cash and cash equivalents at the end of the fiscal year ended March 31, 2026 decreased by ¥45,089 million from the end of the prior fiscal year to ¥153,776 million.

Cash flows in respect of each area of activities in the fiscal year ended March 31, 2026 are as follows.

(Cash flows from operating activities)

Factors including recording ¥54,627 million of impairment loss and ¥16,171 million of depreciation and amortization, despite factors including recording ¥3,783 million of loss before income taxes, ¥18,312 million of an increase in inventories and ¥11,672 million of an increase in notes and accounts receivable - trade, resulted in ¥25,940 million net cash provided by operating activities in the fiscal year ended March 31, 2026 (¥20,856 million inflow in the prior fiscal year).

(Cash flows from investing activities)

Factors including ¥22,515 million of purchase of shares of subsidiaries resulting in change in scope of consolidation, ¥7,100 million of purchase of intangible assets and ¥6,175 million of purchase of property, plant, and equipment, despite ¥11,007 million of proceeds from share of profits on investments in capital, resulted in ¥22,514 million net cash used in investing activities in the fiscal year ended March 31, 2026 (¥12,543 million outflow in the prior fiscal year).

(Cash flows from financing activities)

Factors including ¥32,014 million of purchase of treasury stock, ¥11,555 million of cash dividends paid, and ¥7,500 million of repayment of long-term borrowings, resulted in ¥56,623 million net cash used by financing activities in the fiscal year ended March 31, 2026 (¥27,981 million outflow in the prior fiscal year).

(4) Outlook for the fiscal year ending March 31, 2027

In the fiscal year ending March 31, 2027, the Company forecasts higher sales but lower profits compared to the prior fiscal year.

In the Entertainment Contents Business, the Group aims to achieve growth by launching new Full Game titles of its flagship IPs, while strengthening its sales capabilities through the enhancement of its sales structures and the renewal of promotional activities. In addition, in the Transmedia development, the Group will continue to expand licensing-out businesses and promote film and animation adaptations of flagship IPs such as "Sonic" and "Angry Birds."

In the Pachislot & Pachinko Machines Business, the Group expects a decrease in the number of flagship titles as well as an increase in costs due to higher prices for raw materials. Meanwhile, the Group will continue to promote the wider adoption of the business model for the new pachislot cabinet (reel-exchangeable cabinet).

In the Gaming Business, the operating loss is expected to widen due to upfront investments aimed at building a foundation for future growth. On the other hand, in gaming equipment sales, the Group will expand the sales of popular existing series and new series, mainly in the North American market. At the same time, the Group will continue its efforts toward realizing the "Omnichannel strategy" set forth for the Gaming Business.

Therefore, the Company forecasts consolidated net sales of ¥510,000 million (an increase of 4.6% from the prior fiscal year), operating income of ¥44,500 million (a decrease of 5.6% from the prior fiscal year), ordinary income of ¥47,500 million (a decrease of 12.4% from the prior fiscal year), profit attributable to owners of parent of ¥32,500 million (loss attributable to owners of parent of ¥5,756 million in the prior fiscal year), and adjusted EBITDA of ¥64,000 million (an increase of 284.2% from the prior fiscal year) for the fiscal year ending March 31, 2027.

Regarding the impact of the current situation in the Middle East on the Group, no significant impact on manufacturing or sales has been observed at present. However, if supply chain disruptions were to become prolonged, there may be potential impacts, including higher costs for amusement machines, toys, pachislot and pachinko machines, and gaming equipment, as well as longer production lead times. As the situation remains fluid, the Group will continue to closely monitor developments.

* For further details, please refer to "Results Presentation for the fiscal year ended March 31, 2026."

<https://www.segasammy.co.jp/en/ir/library/>

(5) Basic policy concerning distribution of earnings and dividends for the fiscal year ended March 31, 2026 and the fiscal year ending March 31, 2027

The Company positions the return of profits to shareholders as an important management issue. The basic policy for shareholder returns is to maintain a total return ratio of 50% or more, taking into account the optimal balance between investment for business growth and capital efficiency improvement. With regard to dividends, the Company has set a dividend policy of DOE (Dividend on equity ratio) 3% or more as an indicator for achieving stable dividends and determine the specific dividends amount while also considering the results of past dividends. Also, as a way for shareholder returns, the Company will determine share buy-back flexibly, taking into account business performance trend and stock market trend.

For dividends from retained earnings for the fiscal year ended March 31, 2026, annual dividends per share is ¥55 (of which, ¥27 for interim dividends) in accordance with the above basic policy for shareholder returns.

For dividends from retained earnings for the fiscal year ending March 31, 2027, annual dividends per share is scheduled to be ¥55 (of which, ¥27 for interim dividends) equivalent to DOE 3% in accordance with the above basic policy for shareholder returns. With regard to year-end shareholder returns, the Company will calculate the amount of shareholder returns in accordance with the profit level at the timing when the business performance of the fiscal year ending March 31, 2027 has been determined, and return the amount to shareholders through dividends or share buy-back.

Dividend distributions with a record date associated with the fiscal year under review are as follows.

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors meeting held on November 7, 2025	Common stock	5,730	27.00	September 30, 2025	December 3, 2025
Board of Directors meeting held on May 12, 2026	Common stock	5,730	28.00	March 31, 2026	June 4, 2026

(Notes) 1. Total dividends resolved at the meeting of Board of Directors held on November 7, 2025 include ¥53 million of dividends paid to the trusts to the "BIP trust" and the "Stock-granting ESOP trust".

2. Total dividends resolved at the meeting of Board of Directors held on May 12, 2026 include ¥55 million of dividends paid to the trusts to the "BIP trust" and the "Stock-granting ESOP trust".

2. Basic Approach Concerning Selection of Accounting Standards

The Group has adopted Japanese generally accepted accounting principles, considering the comparability of consolidated financial statements as to comparison with other periods. The Group intends to respond appropriately to the application of the IFRS by considering the situation prevailing in Japan and overseas.

3. Consolidated Financial Statements and Notes

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year (As of March 31, 2025)	Current year (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	200,360	153,366
Notes and accounts receivable - trade and contract assets	52,653	67,576
Securities	-	509
Merchandise and finished goods	10,958	14,051
Work in process	59,565	78,486
Raw materials and supplies	23,155	18,454
Income taxes receivable	7,660	2,541
Other	34,692	40,306
Allowance for doubtful accounts	(303)	(581)
Total current assets	388,744	374,711
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	42,828	44,339
Accumulated depreciation	(21,573)	(23,472)
Buildings and structures, net	21,255	20,866
Machinery, equipment and vehicles	8,037	8,906
Accumulated depreciation	(5,947)	(6,367)
Machinery, equipment and vehicles, net	2,089	2,539
Amusement machines and facilities	6,428	8,015
Accumulated depreciation	(5,714)	(6,483)
Amusement machines and facilities, net	713	1,532
Land	13,691	13,715
Construction in progress	741	1,269
Other	46,359	50,131
Accumulated depreciation	(35,919)	(38,990)
Other, net	10,440	11,140
Total property, plant and equipment	48,931	51,063
Intangible assets		
Goodwill	30,119	14,568
Trademark right	44,871	45,313
Other	16,251	20,229
Total intangible assets	91,241	80,111
Investments and other assets		
Investment securities	51,185	53,384
Long-term loans receivable	12,126	9,335
Lease and guarantee deposits	6,810	1,774
Net defined benefit assets	11,366	13,514
Deferred tax assets	16,874	30,615
Other	17,598	13,000
Allowance for doubtful accounts	(102)	(124)
Total investments and other assets	115,859	121,502
Total noncurrent assets	256,033	252,677
Total assets	644,777	627,388

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year (As of March 31, 2025)	Current year (As of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,560	17,448
Short-term borrowings	7,500	7,500
Accrued expenses	21,401	25,761
Income taxes payable	3,822	11,460
Contract liabilities	14,228	18,330
Provision for bonuses	11,984	10,267
Provision for directors' bonuses	1,071	382
Provision for point card certificates	78	46
Provision for loss on litigation	-	1,014
Asset retirement obligations	-	25
Other	10,531	16,910
Total current liabilities	94,179	109,147
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	132,000	124,500
Long-term income taxes payable	-	45
Lease obligations	4,639	4,943
Deferred tax liabilities	11,292	11,142
Provision for stock compensation	2,149	2,518
Net defined benefit liability	4,616	5,247
Asset retirement obligations	2,329	2,497
Other	1,964	2,378
Total noncurrent liabilities	168,993	163,273
Total liabilities	263,173	272,420
Net assets		
Shareholders' equity		
Capital stock	29,953	29,953
Capital surplus	69,740	29,819
Retained earnings	314,947	297,607
Treasury stock	(54,866)	(46,282)
Total shareholders' equity	359,774	311,096
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,441	2,576
Deferred gains or losses on hedges	641	1,543
Revaluation reserve for land	(1,109)	(1,109)
Foreign currency translation adjustment	16,868	37,950
Remeasurements of defined benefit plans	1,548	2,635
Total accumulated other comprehensive income	21,391	43,596
Share acquisition rights	414	243
Non-controlling interests	24	31
Total net assets	381,604	354,967
Total liabilities and net assets	644,777	627,388

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year From April 01, 2024 To March 31, 2025	Current year From April 01, 2025 To March 31, 2026
Net sales	428,948	487,542
Cost of sales	236,240	272,132
Gross profit	192,708	215,409
Selling, general and administrative expenses		
Advertising expenses	31,652	38,216
Sales commission	541	618
Salaries and allowances	23,841	32,023
Provision for bonuses	6,112	4,704
Provision for directors' bonuses	997	357
Retirement benefit expenses	925	1,502
Research and development expenses	27,884	28,972
Provision of allowance for doubtful accounts	122	52
Other	52,507	61,832
Total selling, general and administrative expenses	144,584	168,280
Operating income	48,124	47,128
Non-operating income		
Interest income	3,446	3,268
Dividends income	157	281
Equity in earnings of affiliates	3,527	5,402
Gain on investments in partnership	1,053	661
Foreign exchange gains	-	1,022
Other	1,517	1,460
Total non-operating income	9,703	12,098
Non-operating expenses		
Interest expenses	1,822	2,655
Commission fee	146	148
Settlement payments	-	624
Loss on investments in partnership	922	794
Loss on retirement of noncurrent assets	77	295
Foreign exchange losses	1,240	-
Other	503	502
Total non-operating expenses	4,713	5,021
Ordinary income	53,114	54,205

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year From April 01, 2024 To March 31, 2025	Current year From April 01, 2025 To March 31, 2026
Extraordinary income		
Gain on sales of noncurrent assets	19	7
Gain on sales of investment securities	230	841
Gain on sales of shares of subsidiaries and affiliates	9,282	-
Other	482	2
Total extraordinary income	10,014	852
Extraordinary losses		
Loss on sales of noncurrent assets	0	0
Impairment loss	1,296	54,627
Loss on valuation of investment securities	763	851
Loss on business restructuring	6,164	1,991
Other	101	1,370
Total extraordinary losses	8,326	58,841
Income (loss) before income taxes	54,803	(3,783)
Income taxes - current	8,082	16,274
Income (loss) taxes - deferred	1,661	(14,306)
Total income taxes	9,744	1,968
Profit (loss)	45,058	(5,752)
(Breakdown)		
Profit (loss) attributable to owners of parent	45,051	(5,756)
Profit attributable to non-controlling interests	6	4
Other comprehensive income		
Valuation difference on available-for-sale securities	385	(865)
Deferred gains or losses on hedges	865	902
Foreign currency translation adjustment	(1,789)	20,760
Remeasurements of defined benefit plans, net of tax	143	1,105
Share of other comprehensive income of entities accounted for using equity method	(1,858)	301
Total other comprehensive income	(2,254)	22,204
Comprehensive income	42,804	16,452
(Breakdown)		
Comprehensive income attributable to owners of parent	42,797	16,448
Comprehensive income attributable to non-controlling interests	6	4

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED March 31, 2025 AND 2026

Prior year (From April 01, 2024 to March 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balances as of April 01, 2024	29,953	69,263	281,208	(47,151)	333,274	3,056	(230)
Changes of items during the period							
Dividends from surplus			(11,213)		(11,213)		
Profit (loss) attributable to owners of parent			45,051		45,051		
Increase (decrease) due to the change in the fiscal year-end of consolidated subsidiaries					-		
Purchase of treasury stock				(10,013)	(10,013)		
Disposal of treasury stock		(171)		2,944	2,772		
Cancellation of treasury shares					-		
Purchase of treasury stock by stock ownership plan trust				(4,362)	(4,362)		
Disposal of treasury stock to stock ownership plan trust		650		3,711	4,362		
Disposal of treasury stock by stock ownership plan trust				4	4		
Change in scope of consolidation			(98)		(98)		
Purchase of shares of consolidated subsidiaries		(2)			(2)		
Net changes of items other than shareholders' equity						385	872
Total changes of items during the period	-	476	33,739	(7,715)	26,500	385	872
Balances as of March 31, 2025	29,953	69,740	314,947	(54,866)	359,774	3,441	641

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balances as of April 01, 2024	(1,109)	20,388	1,540	23,645	751	30	357,702
Changes of items during the period							
Dividends from surplus							(11,213)
Profit (loss) attributable to owners of parent							45,051
Increase (decrease) due to the change in the fiscal year-end of consolidated subsidiaries							-
Purchase of treasury stock							(10,013)
Disposal of treasury stock							2,772
Cancellation of treasury shares							-
Purchase of treasury stock by stock ownership plan trust							(4,362)
Disposal of treasury stock to stock ownership plan trust							4,362
Disposal of treasury stock by stock ownership plan trust							4
Change in scope of consolidation							(98)
Purchase of shares of consolidated subsidiaries							(2)
Net changes of items other than shareholders' equity		(3,520)	8	(2,254)	(337)	(6)	(2,598)
Total changes of items during the period	-	(3,520)	8	(2,254)	(337)	(6)	23,902
Balances as of March 31, 2025	(1,109)	16,868	1,548	21,391	414	24	381,604

Current year (From April 01, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balances as of April 01, 2025	29,953	69,740	314,947	(54,866)	359,774	3,441	641
Changes of items during the period							
Dividends from surplus			(11,557)		(11,557)		
Profit (loss) attributable to owners of parent			(5,756)		(5,756)		
Increase (decrease) due to the change in the fiscal year-end of consolidated subsidiaries			(25)		(25)		
Purchase of treasury stock				(32,014)	(32,014)		
Disposal of treasury stock		(182)		819	637		
Cancellation of treasury shares		(39,738)		39,738	-		
Purchase of treasury stock by stock ownership plan trust					-		
Disposal of treasury stock to stock ownership plan trust					-		
Disposal of treasury stock by stock ownership plan trust				40	40		
Change in scope of consolidation					-		
Purchase of shares of consolidated subsidiaries					-		
Net changes of items other than shareholders' equity						(865)	902
Total changes of items during the period	-	(39,921)	(17,340)	8,583	(48,677)	(865)	902
Balances as of March 31, 2026	29,953	29,819	297,607	(46,282)	311,096	2,576	1,543

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balances as of April 01, 2025	(1,109)	16,868	1,548	21,391	414	24	381,604
Changes of items during the period							
Dividends from surplus							(11,557)
Profit (loss) attributable to owners of parent							(5,756)
Increase (decrease) due to the change in the fiscal year-end of consolidated subsidiaries							(25)
Purchase of treasury stock							(32,014)
Disposal of treasury stock							637
Cancellation of treasury shares							-
Purchase of treasury stock by stock ownership plan trust							-
Disposal of treasury stock to stock ownership plan trust							-
Disposal of treasury stock by stock ownership plan trust							40
Change in scope of consolidation							-
Purchase of shares of consolidated subsidiaries							-
Net changes of items other than shareholders' equity		21,081	1,086	22,204	(171)	7	22,041
Total changes of items during the period	-	21,081	1,086	22,204	(171)	7	(26,636)
Balances as of March 31, 2026	(1,109)	37,950	2,635	43,596	243	31	354,967

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year From April 01, 2024 To March 31, 2025	Current year From April 01, 2025 To March 31, 2026
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	54,803	(3,783)
Depreciation and amortization	13,046	16,171
Impairment loss	1,296	54,627
Loss (gain) on sales of noncurrent assets	(19)	(7)
Loss on retirement of noncurrent assets	77	295
Loss (gain) on sales of shares of subsidiaries and affiliates	(9,282)	-
Loss (gain) on liquidation of subsidiaries and associates	2	-
Loss (gain) on sales of investment securities	(209)	(820)
Loss (gain) on valuation of investment securities	763	851
Loss (gain) on investments in partnership	(130)	133
Amortization of goodwill	3,061	5,236
Increase (decrease) in allowance for doubtful accounts	(194)	257
Increase (decrease) in provision for directors' bonuses	(12)	(706)
Increase (decrease) in net defined benefit liability	631	1,081
Increase (decrease) in provision for bonuses	709	(1,972)
Interest and dividends income	(3,645)	(3,230)
Interest expenses	1,801	2,630
Foreign exchange losses (gains)	1,134	(706)
Equity in (earnings) losses of affiliates	(3,527)	(5,402)
Decrease (increase) in notes and accounts receivable - trade	742	(11,672)
Decrease (increase) in inventories	(12,793)	(18,312)
Increase (decrease) in notes and accounts payable - trade	(2,352)	(8,231)
Increase (decrease) in contract liabilities	(4,330)	3,513
Increase (decrease) in guarantee deposits received	(272)	9
Other, net	(17,925)	(1,954)
Subtotal	23,374	28,006
Interest and dividends income received	3,173	3,651
Interest expenses paid	(1,783)	(2,471)
Extra retirement payments	(935)	(267)
Income taxes paid	(19,153)	(11,053)
Income taxes refund	16,180	8,074
Net cash provided by (used in) operating activities	20,856	25,940

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025 AND 2026

(Unit: Millions of yen)

	Prior year From April 01, 2024 To March 31, 2025	Current year From April 01, 2025 To March 31, 2026
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,610)	-
Proceeds from withdrawal of time deposits	-	1,495
Purchase of short-term investment securities	(5,000)	-
Proceeds from redemption of securities	5,000	-
Purchase of property, plant and equipment	(5,536)	(6,175)
Proceeds from sales of property, plant and equipment	66	21
Purchase of intangible assets	(6,324)	(7,100)
Proceeds from intangible assets	0	-
Purchase of investment securities	(390)	(62)
Proceeds from sales of investment securities	494	1,011
Proceeds from redemption of investment securities	36	33
Payments for investment in partnerships	(1,181)	(1,617)
Proceeds from distribution of investment in partnerships	1,356	1,797
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,584)	(22,515)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(2,164)	(600)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	12,385	-
Purchase of stocks of subsidiaries and affiliates	(1,881)	(58)
Payments for investments in capital	(5,960)	(3,979)
Proceeds from share of profits on investments in capital	16	11,007
Payments of loans receivable	(3,004)	(70)
Collection of loans receivable	173	962
Payments for lease deposits	(145)	(564)
Collection of lease deposits	181	5,202
Other, net	3,532	(1,301)
Net cash provided by (used in) investing activities	(12,543)	(22,514)
Net cash provided by (used in) financing activities		
Repayments of short-term borrowings	-	(4,328)
Proceeds from long-term borrowings	15,000	-
Repayment of long-term borrowings	(22,507)	(7,500)
Purchase of treasury stock	(10,013)	(32,014)
Proceeds from exercise of stock options	2,310	495
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(15)	-
Cash dividends paid	(11,227)	(11,555)
Other, net	(1,527)	(1,720)
Net cash provided by (used in) financing activities	(27,981)	(56,623)
Effect of exchange rate change on cash and cash equivalents	(1,729)	8,136
Net increase (decrease) in cash and cash equivalents	(21,398)	(45,059)
Cash and cash equivalents at beginning of period	219,810	198,865
Increase in cash and cash equivalents from newly consolidated subsidiaries	453	-
Increase (decrease) in cash and cash equivalents from the change in the financial year-end of a consolidated subsidiary	-	(29)
Cash and cash equivalents at end of period	198,865	153,776

[Notes]

(Notes on assumptions for going concern)

Not applicable.

(Segment information)

1. Outline of reporting segments

Reporting segments of the Group are the organizational units for which separated financial information is available, and on the basis of which the Board of Directors makes decisions on the allocation of management resources and examines financial performance on a regular basis.

Planning of business development and strategies, as well as execution of business activities in respect of each product and service, is carried out by each Group company that provides such product and service.

As such, the Group is comprised of segments classified by product and service provided through the business run by each company, in which "Entertainment Contents Business", "Pachislot & Pachinko Machines Business", and "Gaming Business" are the reporting segments.

Line of business at each reporting segment is as follows.

Segment	Main product and business
Entertainment Contents Business	Development and sales of consumer game software including Full Game, F2P, etc. and amusement machines, planning, production and sales of animated films, development, manufacture, and sales of toys
Pachislot & Pachinko Machines Business	Development, manufacture, and sales of pachislot and pachinko machines
Gaming Business	Overseas online gaming-related business, operation of integrated resorts, development, manufacture and sales of casino machines

2. Method of calculating the amounts of net sales, income or loss, assets, and other items by each reporting segment

The accounting methods used for reporting segments are generally the same as those described in "Significant matters forming the basis of preparing the consolidated financial statements" on annual securities reports for the prior fiscal year.

3. Information on the amounts of net sales, income or loss, assets and other items by each reporting segment

Prior year (From April 01, 2024, to March 31, 2025)

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Notes)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot & Pachinko	Gaming			
Net sales						
(1) Sales to third parties	321,575	97,105	5,451	424,132	4,816	428,948
(2) Inter-segment sales and transfers	569	121	20	711	(711)	-
Total	322,145	97,226	5,471	424,843	4,105	428,948
Segment income (loss)	41,886	20,977	2,186	65,050	(11,935)	53,114
Segment assets	352,031	127,443	30,549	510,024	134,752	644,777
Other items						
Depreciation	8,778	3,246	-	12,024	1,021	13,046
Interest income	2,233	317	0	2,550	896	3,446
Interest expenses	1,732	0	125	1,858	(36)	1,822
Equity in earnings of affiliates	7	287	3,233	3,527	-	3,527
Investments in affiliates accounted for using equity method	1,223	568	25,993	27,785	-	27,785
Increases in property, plant and equipment and intangible assets	7,642	4,949	2,163	14,755	1,171	15,927

(Notes) 1. Adjustment of ¥4,816 million for sales to third parties represents sales related to businesses that do not belong to any reporting segment.

2. Adjustment to segment income (loss) of ¥(11,935) million includes loss on non-related to reported segments of ¥(1,248) million, elimination of inter-segment transactions of ¥1 million, and general corporate expenses of ¥(10,688) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.

3. Adjustment to segment assets of ¥134,752 million includes elimination of inter-segment transactions of ¥(121,735) million and general corporate assets of ¥256,488 million which are not allocated to each reporting segment. General corporate assets are mainly assets of the Company that are not allocated to each segment.

4. Adjustments to depreciation are mainly consisted of depreciation associated with the Company.

5. Adjustment to interest income of ¥896 million includes elimination of inter-segment transactions of ¥(2,845) million and interest income of the Company ¥3,742 million.

6. Adjustment to interest expenses of ¥(36) million includes elimination of inter-segment transactions of ¥(2,845) million and interest expenses of the Company ¥2,809 million.

7. Adjustments to increases in property, plant and equipment and intangible assets are mainly consisted of purchase of noncurrent assets relating to the Company.

8. Adjustment has been made to segment income (loss) and ordinary income in the consolidated statements of income and comprehensive income.

9. The Group has changed its presentation so that, from the current fiscal year, distribution income related to investments in film production in the United States, which had previously been included in "Equity in earnings of affiliates" under "Non-operating income," is included in "Net sales."

Current year (From April 01, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Notes)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot & Pachinko	Gaming			
Net sales						
(1) Sales to third parties	326,639	132,063	25,312	484,015	3,526	487,542
(2) Inter-segment sales and transfers	606	94	0	701	(701)	-
Total	327,246	132,158	25,312	484,717	2,824	487,542
Segment income (loss)	34,447	33,301	(842)	66,905	(12,700)	54,205
Segment assets	343,774	77,932	81,052	502,758	124,630	627,388
Other items						
Depreciation	9,781	3,677	1,699	15,158	1,012	16,171
Interest income	2,982	484	6	3,472	(204)	3,268
Interest expenses	2,036	-	652	2,688	(33)	2,655
Equity in earnings of affiliates	3	812	4,587	5,402	-	5,402
Investments in affiliates accounted for using equity method	1,624	525	30,882	33,032	-	33,032
Increases in property, plant and equipment and intangible assets	7,626	5,473	1,939	15,039	1,482	16,522

(Notes) 1. Adjustment of ¥3,526 million for sales to third parties represents sales related to businesses that do not belong to any reporting segment.

2. Adjustment to segment income (loss) of ¥(12,700) million includes losses of ¥(1,224) million related to businesses that do not belong to any reporting segment, elimination of inter-segment transactions of ¥100 million, and general corporate expenses of ¥(11,575) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.

3. Adjustment to segment assets of ¥124,630 million includes elimination of inter-segment transactions of ¥(124,794) million and general corporate assets of ¥249,424 million which are not allocated to each reporting segment. General corporate assets are mainly assets of the Company that are not allocated to each segment.

4. Adjustments to depreciation are mainly consisted of depreciation associated with the Company.

5. Adjustment to interest income of ¥(204) million includes elimination of inter-segment transactions of ¥(4,804) million and interest income of the Company ¥4,599 million.

6. Adjustment to interest expenses of ¥(33) million includes elimination of inter-segment transactions of ¥(4,800) million and interest expenses of the Company ¥4,766 million.

7. Adjustments to increases in property, plant and equipment and intangible assets are mainly consisted of purchase of noncurrent assets relating to the Company.

8. Adjustment has been made to segment income (loss) and ordinary income in the consolidated statements of income and comprehensive income.

4. Information related to impairment losses on noncurrent assets, goodwill, etc. by reporting segment

(Significant impairment losses on non-current assets)

In the Entertainment Contents Business segment, impairment losses on goodwill and other intangible assets related to Rovio, a consolidated subsidiary of the Group, were recognized during the current fiscal year. These impairment losses amounted to ¥31,993 million for the fiscal year ended March 31, 2026.

In the Gaming Business segment, impairment losses on goodwill and property, plant and equipment related to Stakelogic, a consolidated subsidiary of the Group, were recognized during the current fiscal year. These impairment losses amounted to ¥18,054 million for the fiscal year ended March 31, 2026.

(Significant changes in the amount of goodwill)

In the Gaming Business segment, Stakelogic and its 12 subsidiaries were included in the scope of consolidation from the first quarter of the current fiscal year following the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥17,998 million was recognized and the amortization of goodwill amounted to ¥1,579 million for the fiscal year ended March 31, 2026. In addition, the amount of goodwill at the end of the first quarter, the first half, and the third quarter of the current fiscal year was subject to provisional accounting treatment because the purchase price allocation had not yet been completed. The purchase price allocation was finalized as of the end of the current fiscal year. There was no change in the amount of goodwill resulting from the finalization of this provisional accounting treatment.

In the Gaming Business segment, GAN and its 23 subsidiaries were included in the scope of consolidation from the first quarter of the current fiscal year following the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥14,240 million was recognized and the amortization of goodwill amounted to ¥1,121 million for the fiscal year ended March 31, 2026. In addition, the amount of goodwill at the end of the first quarter, the first half, and the third quarter of the current fiscal year was subject to provisional accounting treatment because the purchase price allocation had not yet been completed. The purchase price allocation was finalized as of the end of the current fiscal year. The amount of goodwill decreased by ¥3,257 million as a result of the finalization of this provisional accounting treatment.

In the Entertainment Contents Business segment, an impairment loss on goodwill of Rovio, a consolidated subsidiary of the Group, was recognized during the current fiscal year, resulting in a decrease in the carrying amount of goodwill. The resulting decrease in goodwill amounted to ¥28,707 million for the fiscal year ended March 31, 2026.

In the Gaming Business segment, an impairment loss on goodwill of Stakelogic, a consolidated subsidiary of the Group, was recognized during the current fiscal year, resulting in a decrease in the carrying amount of goodwill. The resulting decrease in goodwill amounted to ¥18,611 million for the fiscal year ended March 31, 2026.

The impairment loss on goodwill is included in the impairment losses described in "Significant impairment losses on non-current assets".

(Per share information)

Items	Prior year (From April 01, 2024 to March 31, 2025)	Current year (From April 01, 2025 to March 31, 2026)
Net assets per share	¥1,782.73	¥1,750.15
Basic earnings (loss) per share	¥209.79	(¥27.36)
Diluted earnings per share	¥209.02	¥-

(Notes) 1. For the fiscal year under review, the diluted earnings per share is not presented because, although potential shares exist, a net loss per share was recorded.

2. The calculation basis for net assets per share is as follows.

Items	Prior year (As of March 31, 2025)	Current year (As of March 31, 2026)
Total of net assets in the consolidated balance sheets (Millions of yen)	381,604	354,967
Amounts deducted from net assets in the consolidated balance sheets (Millions of yen)	438	274
(Subscription rights to shares) (Millions of yen)	414	243
(Non-controlling interests) (Millions of yen)	24	31
Net assets available for common stock (Millions of yen)	381,165	354,693
Number of common stock used to calculate net assets per share (Thousands of shares)	213,810	202,664

3. The calculation basis for basic earnings (loss) per share and diluted earnings per share is as follows.

Items	Prior year (From April 01, 2024 to March 31, 2025)	Current year (From April 01, 2025 to March 31, 2026)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Millions of yen)	45,051	(5,756)
Amount not attributable to common stockholders (Millions of yen)	-	-
Profit (loss) attributable to owners of parent available for common stock (Millions of yen)	45,051	(5,756)
Average number of shares of common stock during the period (Thousands of shares)	214,750	210,423
Diluted earnings per share		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in common stock (Thousands of shares)	789	-
(Subscription rights to shares) (Thousands of shares)	789	-
Outline of potential shares not included in calculation of diluted earnings per share because of no dilutive effect	-	-

4. The treasury shares of the Company held by the "BIP Trust" and "Stock-granting ESOP Trust" in the shareholders' equity have been included in the number of treasury shares which is subject to be excluded used in the calculation of the basic earnings (loss) per share by the average number of shares during the period. The average number of these treasury shares deducted was 1,172,281 shares for the fiscal year ended March 31, 2025 and 1,989,855 shares for the fiscal year ended March 31, 2026 used in the calculation of basic earnings (loss) per share.

(Significant subsequent events)

(Cancellation of treasury stock)

At the meeting of the Board of Directors held on March 31, 2026, the Company resolved on matters pertaining to the cancellation of treasury stock conducted pursuant to Article 178 of the Companies Act of Japan.

(1) Rationale for the cancellation of treasury stock

The Group is committed to maximizing corporate value by focusing on capital efficiency. As part of these initiatives, the Group has formulated a capital allocation policy and has been allocating capital to growth investments and shareholder returns. In accordance with this policy, in the Consumer area, which the Group positions as a growth business, the Group has pursued business expansion through organic investments such as game development, as well as through the acquisition of Rovio. Furthermore, in the Gaming Business, which the Group has established as the third business pillar, the Group has reinforced the business foundation through acquisitions including GAN and Stakelogic.

However, in the financial results for the fiscal year ended March 31, 2026, the Group recorded impairment losses on goodwill and other intangible assets related to Rovio, as well as on goodwill and property, plant and equipment related to Stakelogic, as extraordinary losses. In light of these developments, the Group has decided to revise the capital allocation policy and suspend large-scale M&A activities for the time being. Consequently, the Group has reallocated the funds that had been reserved for large-scale M&A, and at the Board of Directors meeting held on February 13, 2026, resolved matters related to the acquisitions of treasury stock and implemented the acquisitions of approximately ¥20.0 billion. Furthermore, at the Board of Directors meeting held on March 31, 2026, the Company resolved to cancel all of the treasury stock acquired and subsequently executed such cancellation.

(2) Details of cancellation of treasury stock

Type of shares to be cancelled	Common stock
Total number of shares to be cancelled	7,684,100 shares (Percentage of total shares outstanding before cancellation (including treasury stocks) : 3.47%)
Date for cancellation	April 24, 2026
Total number of shares outstanding after the cancellation (including treasury stocks)	213,545,376 shares