



May 12, 2025

(Translation)

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2025 (Japanese GAAP)

Name of Company	:	SEGA SAMMY HOLDINGS INC.
Listing	:	Tokyo Stock Exchange Prime
Code number	:	6460
URL	:	https://www.segasammy.co.jp/en
Representative	:	Haruki Satomi President and Group CEO, Representative Director
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Scheduled date to hold Annual Meeting of Shareholders	: June 24, 2025 (plan)
Scheduled date to file financial report	: June 23, 2025 (plan)
Scheduled date to commence dividend payments	: June 4, 2025 (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, 2025 (April 01, 2024 - March 31, 2025)

(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, 2025	428,948	(8.5)	48,124	(16.8)	53,114	(11.1)	45,051	36.3
March 31, 2024	468,925	-	57,865	-	59,778	20.8	33,055	(28.0)

(Note) Comprehensive income:

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

For Year ended March 31, 2024 : ¥52,720 million (1.3%)

	Net income per share	Net income per share (Diluted)	Return on equity	Return on assets	Operating income to net sales
Year ended	Yen	Yen	%	%	%
March 31, 2025	209.79	209.02	12.2	6.9	11.2
March 31, 2024	150.75	149.98	9.6	5.7	12.3

(Reference) Equity in earnings of affiliates:

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

For Year ended March 31, 2024 : ¥1,000 million

(Note) Due to the "Changes in method of presentation" for the fiscal year ended March 31, 2025, the reclassified figures of the prior fiscal year for net sales, operating income, operating income to net sales and equity in earnings of affiliates have been retroactively applied. Due to this application, the percentage change for net sales and operating income from the prior fiscal year is not shown.

(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, 2025	644,777	381,604	59.1	1,782.73
March 31, 2024	653,994	357,702	54.6	1,652.29

(Reference) Shareholders' equity:

March 31, 2025 : ¥381,165 million

March 31, 2024 : ¥356,919 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, 2025	20,856	(12,543)	(27,981)	198,865
March 31, 2024	66,862	(114,538)	79,786	219,810

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, 2024	-	23.00	-	27.00	50.00	10,910	33.2	3.2
Year ended March 31, 2025	-	25.00	-	27.00	52.00	11,208	24.8	3.0
Year ending March 31, 2026 (plan)	-	27.00	-	28.00	55.00		31.4	

(Note) 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). Payout ratio has been calculated by dividing this total dividends paid by profit attributable to owners of parent.

3. Forecast of Consolidated Financial Results for the Fiscal Year ending March 31, 2026

(Percentage represents changes from the prior year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	475,000	10.7	53,000	10.1	56,000	5.4	37,500	(16.8)	175.39

4. Other

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

New : - Company name : -

Exclusion : 1 Company name : Phoenix Resort Co., Ltd.

(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: Yes

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, 2025 : 241,229,476

March 31, 2024 : 241,229,476

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

March 31, 2025 : 27,418,879

March 31, 2024 : 25,214,788

3. Average number of shares during the period

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

For Year ended March 31, 2024 : 219,274,062

(Note) The Company has introduced the "BIP Trust" for directors and the "Stock-granting ESOP Trust" for employees from the current fiscal year, 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, 2026" on page 9.

- The Company plans to hold a briefing on financial results for institutional investors on May 12, 2025. 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, 2025

■ Overall highlights

In the fiscal year ended March 31, 2025, the impact of decline due to the rebound by the Pachislot and Pachinko Machines Business was significant, resulting in a decrease in both sales and each stage of profit up to ordinary income on a consolidated basis compared to the prior fiscal year. In contrast, in the Entertainment Contents Business, positioning as a growth area, the animation and merchandising of the Group's major IPs progressed in line with the transmedia strategy, a priority item in the Medium-term Management Plan "WELCOME TO THE NEXT LEVEL!". Notably, the "Sonic" IP has contributed to an increase in both game and character licensing revenue, thereby boosting the operating income of this business.

In addition, the Group is reviewing and optimizing its business portfolio. In the fiscal year ended March 2025, the Group recorded an extraordinary loss on business restructuring due to the transfer of the overseas development studio, Amplitude Studios SAS, through a management buyout. However, due to the recording of extraordinary gains by transfer of shares in Phoenix Resort Co., Ltd., and the rebound from the business restructuring loss recorded in the prior fiscal year at the Group's European base, net income attributable to owners of the parent increased compared to the prior fiscal year.

■ 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 policy, in the fiscal year ended March 31, 2025, the Company returns by dividends ¥52 per share (of which, ¥25 for interim and ¥27 for year-end dividends) to shareholders and in addition implement share buy-back limited to ¥12.0 billion. As a result, actual returns to shareholders totaled approximately ¥23.2 billion (approximately ¥11.2 billion for dividends and approximately ¥12.0 billion for share buy-back), and the total return ratio was approximately 51.5%. For reference, actual returns to shareholders excluding dividends paid to the BIP trust and the Stock-granting ESOP trust totaled approximately ¥23.1 billion, and the total return ratio was approximately 51.3%.

Projected full-year dividends for the fiscal year ending March 31, 2026, are ¥55 per share (of which, ¥27 for interim and ¥28 for year-end dividends) provisionally calculated based on DOE of 3%, which result in returning to shareholders totaled approximately ¥11.7 billion by the Company.

For reference, projected full-year return to shareholders totaled ¥18.7 billion calculated based on a total return ratio of 50% as net income attributable to owners of the parent is ¥37.5 billion based on the forecast of consolidated financial results for the fiscal year ending March 31, 2026, 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 》

For the fiscal year ended March 31, 2025, both sales and ordinary income increased compared to the prior fiscal year. In the consumer area, the sales of Full Game repeat titles and additional downloadable content for titles developed by European studios performed favorably. Additionally, key IP titles such as "SONIC X SHADOW GENERATIONS", "Metaphor: ReFantazio", and "Like a Dragon: Pirate Yakuza in Hawaii", all achieved steady sales. Furthermore, character licensing revenue for Sonic has grown steadily, supported by the success of games and animation works. Despite recording a loss due to the cancellation of the development of "Football Manager 25", the overall consumer area was able to offset this loss through the strong performance of high-margin repeat sales, downloadable content sales, and licensing revenue.

In the animation area, the success of animation works from the "Sonic" series and the release of "Detective Conan" significantly contributed. The worldwide box office revenue for "Sonic the Hedgehog 3" reached \$490 million, while the domestic box office revenue for "Detective Conan : The Million-dollar Pentagram" surpassed ¥15.8 billion, both achieving the highest figures in their respective series.

In the amusement and toy area, despite the impact of rising raw material prices, sales and ordinary income increased compared to the prior fiscal year, particularly in the prize category.

※ For details, please see "Results Presentation for the fiscal year ended March 31, 2025"

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

《 Pachislot and Pachinko Machines 》

For the fiscal year ended March 2025, both sales and ordinary income decreased compared to the prior fiscal year. This was primarily due to decline from the rebound following the strong sales of "Smart Pachislot Hokuto No Ken" in the prior year. Additionally, in response to changing user preferences, the Group postponed the release of key titles initially scheduled for this fiscal year to the next fiscal year and beyond, aiming to enhance product quality.

In contrast, the Group's first smart pachinko machine, "e Hokuto No Ken 10", exceeded sales of 35,000 units. Due to the sales of multiple titles surpassing the Group's expectations, the Group reached an ordinary income exceeding ¥20 billion.

※ For details, please see "Results Presentation for the fiscal year ended March 31, 2025"

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

《 Gaming 》

In May 2024, the Company announced the commencement of the Mid-term Plan, which includes the establishment of a new "Gaming Business". This business primarily involves the development, manufacturing, and sales of gaming devices by SEGA SAMMY CREATION INC., as well as the development and operation of the integrated resort "Paradise City" through PARADISE SEGASAMMY Co., Ltd. (affiliate accounted for using the equity method), a joint venture with the Paradise Group in South Korea.

Furthermore, aiming to enter the online gaming market, which is expected to grow significantly, particularly in the U.S. iGaming market, the Company announced the acquisition agreement with GAN Limited ("GAN"), a company that operates a B2B platform business primarily for U.S. casino operators, in November 2023. In July 2024, the Company announced the acquisition agreement with Stakelogic B.V. ("Stakelogic"), a Netherlands-based company that supplies B2B iGaming content. As announced in the "(Progress of Disclosed Matter) Notice regarding the Acquisition of Stakelogic B.V." on April 30, 2025, the Group has completed the acquisition procedures for Stakelogic. The acquisition of GAN is expected to be completed in the first quarter of the fiscal year ending March 2026.

In the fiscal year ended March 31, 2025, the Group resulted in an increase of sales, and ordinary income turned positive.

In the gaming device area, "Railroad Riches™", a new video slot machine compatible with the new video slot machine cabinet "Genesis Atmos®", which was introduced for the U.S. market in January 2024, recorded high utilization and sales were favorable due to its high reputation in the market. In "Paradise City" in South Korea, the casino maintained a high level of drop (purchased amount of chips by customers at the table) lead by Japanese VIP customers, and the hotel also performed well, maintaining high occupancy rates and room rates due to the continued increase in demand in South Korea. As a result, in the year of 2024, PARADISE SEGASAMMY Co., Ltd. recorded the highest sales and operating income since its opening, and with recording the deferred tax assets, its equity gains of affiliates contributed and exceeded the Company's expectation.

※ PARADISE SEGASAMMY Co., Ltd. is recorded with a 3-month delay due to its December fiscal year-end.

■ Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes from the prior year	
			amount	%
Net Sales	468,925	428,948	(39,976)	(8.5)
Operating income	57,865	48,124	(9,740)	(16.8)
Ordinary income	59,778	53,114	(6,663)	(11.1)
Profit attributable to owners of parent	33,055	45,051	11,996	36.3

Adjusted EBITDA※1	54,753	62,283	7,530	13.8
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	Yen	Yen	Yen	%
Net income per share	150.75	209.79	59.04	39.2

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.

At the start of the fiscal year ended March 31, 2025, the Company changed the reporting segments, which are "Entertainment Contents Business", "Pachislot and Pachinko Machines Business", and "Gaming Business" instead of former segments, "Entertainment Contents Business", "Pachislot and Pachinko Machines Business", and "Resort Business". For details, please see "Changes in reporting segments" in "Segment information".

Net sales in each segment here do not include inter-segment sales between segments.

《 Entertainment Contents 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes from the prior year	
			amount	%
Sales to third party	319,813	321,575	1,761	0.6
Inter-segment sales and transfers	605	569	-	-
Total net sales	320,418	322,145	1,726	0.5
Ordinary income	30,823	41,886	11,062	35.9

Adjusted EBITDA	22,036	48,123	26,086	118.4
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《 Pachislot and Pachinko Machines 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes from the prior year	
			amount	%
Sales to third party	133,248	97,105	(36,143)	(27.1)
Inter-segment sales and transfers	168	121	-	-
Total net sales	133,417	97,226	(36,190)	(27.1)
Ordinary income	41,943	20,977	(20,966)	(50.0)

Adjusted EBITDA	44,509	24,278	(20,231)	(45.5)
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《 Gaming 》

(Unit: Millions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes from the prior year	
			amount	%
Sales to third party	1,941	5,451	3,510	180.8
Inter-segment sales and transfers	66	20	-	-
Total net sales	2,007	5,471	3,464	172.6
Ordinary income	(421)	2,186	2,608	-

Adjusted EBITDA	(479)	1,023	1,503	-
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(2) Financial positions as of March 31, 2025

(Assets and liabilities)

Total assets as of the end of the fiscal year ended March 31, 2025 decreased by ¥9,217 million from the end of the prior fiscal year to ¥644,777 million.

Current assets decreased by ¥6,259 million from the end of the prior fiscal year. This was attributable to decreases in cash and deposits, and income taxes receivable, despite increase in inventories.

Noncurrent assets decreased by ¥2,958 million from the end of the prior fiscal year. This was attributable to decrease in property, plant and equipment due to the exclusion of Phoenix Resort Co., Ltd. from the Group, etc, despite increases in investment securities and capital contribution for production.

Total liabilities as of the end of the fiscal year ended March 31, 2025 decreased by ¥33,119 million from the end of the prior fiscal year to ¥263,173 million. This was attributable to decreases in long-term borrowings and contract liabilities, etc.

(Net assets)

Net assets as of the end of the fiscal year ended March 31, 2025 increased by ¥23,902 million from the end of the prior fiscal year to ¥381,604 million. This was attributable to recording of profit attributable to owners of parent and other factors, despite decreases in shareholders' equity due to cash dividends paid and purchase of treasury stock.

(Financial ratio)

The current ratio at the end of the fiscal year ended March 31, 2025 increased by 121.3 percentage points from the end of the prior fiscal year to 412.8%. This was attributable to decrease in current liabilities, etc.

The equity ratio at the end of the current fiscal year increased by 4.5 percentage points from the end of the prior fiscal year to 59.1%.

(3) Cash flows for the fiscal year ended March 31, 2025

Cash and cash equivalents at the end of the fiscal year ended March 31, 2025 decreased by ¥20,945 million from the end of the prior fiscal year to ¥198,865 million.

Cash flows in respect of each area of activities in the fiscal year ended March 31, 2025 are as follows.

(Cash flows from operating activities)

Factors including recording ¥54,803 million of income before income taxes, ¥13,046 million of depreciation and amortization, and ¥16,180 million of corporate tax refund etc., despite factors including ¥19,153 million of corporate tax payment and ¥12,793 million of increase in inventories, resulted in ¥20,856 million net cash provided by operating activities in the fiscal year ended March 31, 2025 (¥66,862 million inflow in the prior fiscal year).

(Cash flows from investing activities)

Factors including ¥5,536 million of purchase of property, plant, and equipment, ¥6,324 million of purchase of intangible assets, and ¥5,960 million of payments for investment in capital etc., despite ¥12,385 million of proceeds from sales of shares of subsidiaries, resulted in ¥12,543 million net cash used in investing activities in the fiscal year ended March 31, 2025 (¥114,538 million outflow in the prior fiscal year).

(Cash flows from financing activities)

Factors including ¥22,507 million of repayment of long-term borrowings, ¥11,227 million of cash dividends paid, and ¥10,013 million of purchase of treasury stock, etc., despite ¥15,000 million of proceeds from long-term borrowings, resulted in ¥27,981 million net cash used by financing activities in the fiscal year ended March 31, 2025 (¥79,786 million inflow in the prior fiscal year).

(4) Outlook for the fiscal year ending March 31, 2026

In the fiscal year ending March 31, 2026, due to the leading by the Pachislot and Pachinko Machine Business, the Company forecasts to result in higher sales and income compared to the prior fiscal year. In the Entertainment Contents Business, the Group will continue to introduce new titles and strive to grow major IPs such as "Sonic" through transmedia strategy. In the Pachislot and Pachinko Machine Business, the Group plans to launch several major Pachislot titles.

Therefore, the Company is forecasting consolidated net sales of ¥475,000 million (an increase of 10.7% from the prior fiscal year), operating income of ¥53,000 million (an increase of 10.1% from the prior fiscal year), ordinary income of ¥56,000 million (an increase of 5.4% from the prior fiscal year), profit attributable to owners of parent of ¥37,500 million (a decrease of (16.8)% from the prior fiscal year), and adjusted EBITDA of ¥67,500 million (an increase of 8.4% from the prior fiscal year) for the fiscal year ending March 31, 2026.

Additionally, the forecast for the fiscal year ending March 31, 2026 does not include the impact of the acquisitions of GAN and Stakelogic. The impact of the acquisitions on the Company's consolidated financial results is to be estimated, and the announcement of the impact will be made at an appropriate timing.

※ For details, please see "Results Presentation for the fiscal year ended March 31, 2025"

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

(5) Basic policy concerning distribution of earnings and dividends for the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026

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, 2025, annual dividends per share is ¥52 (of which, ¥25 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, 2026, 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, 2026 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 8, 2024	Common stock	5,381	25.00	September 30, 2024	December 3, 2024
Board of Directors meeting held on May 12, 2025	Common stock	5,826	27.00	March 31, 2025	June 4, 2025

(Notes) 1. Total dividends resolved at the meeting of Board of Directors held on November 8, 2024 include ¥50 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, 2025 include ¥53 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, 2024 AND 2025

(Unit: Millions of yen)

	Prior year (As of March 31, 2024)	Current year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	211,715	200,360
Notes and accounts receivable - trade and contract assets	54,269	52,653
Securities	8,095	-
Merchandise and finished goods	14,371	10,958
Work in process	45,888	59,565
Raw materials and supplies	21,501	23,155
Income taxes receivable	20,441	7,660
Other	19,164	34,692
Allowance for doubtful accounts	(443)	(303)
Total current assets	395,003	388,744
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	78,253	42,828
Accumulated depreciation	(51,735)	(21,573)
Buildings and structures, net	26,517	21,255
Machinery, equipment and vehicles	8,195	8,037
Accumulated depreciation	(6,900)	(5,947)
Machinery, equipment and vehicles, net	1,294	2,089
Amusement machines and facilities	7,290	6,428
Accumulated depreciation	(6,768)	(5,714)
Amusement machines and facilities, net	522	713
Land	18,647	13,691
Construction in progress	1,396	741
Other	54,057	46,359
Accumulated depreciation	(42,338)	(35,919)
Other, net	11,719	10,440
Total property, plant and equipment	60,099	48,931
Intangible assets		
Goodwill	30,264	30,119
Trademark right	47,574	44,871
Other	14,442	16,251
Total intangible assets	92,281	91,241
Investments and other assets		
Investment securities	49,858	51,185
Long-term loans receivable	7,846	12,126
Lease and guarantee deposits	8,182	6,810
Net defined benefit assets	10,588	11,366
Deferred tax assets	18,317	16,874
Other	12,006	17,598
Allowance for doubtful accounts	(189)	(102)
Total investments and other assets	106,610	115,859
Total noncurrent assets	258,991	256,033
Total assets	653,994	644,777

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2024 AND 2025

(Unit: Millions of yen)

	Prior year (As of March 31, 2024)	Current year (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,085	23,560
Short-term borrowings	22,507	7,500
Accrued expenses	23,319	21,401
Income taxes payable	10,626	3,822
Contract liabilities	19,367	14,228
Provision for bonuses	12,084	11,984
Provision for directors' bonuses	1,094	1,071
Provision for point card certificates	219	78
Asset retirement obligations	1	-
Other	20,188	10,531
Total current liabilities	135,494	94,179
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	124,500	132,000
Lease obligations	4,837	4,639
Deferred tax liabilities	10,628	11,292
Provision for dismantling of fixed assets	420	-
Provision for stock compensation	10	2,149
Net defined benefit liability	5,666	4,616
Asset retirement obligations	2,659	2,329
Other	2,075	1,964
Total noncurrent liabilities	160,797	168,993
Total liabilities	296,292	263,173
Net assets		
Shareholders' equity		
Capital stock	29,953	29,953
Capital surplus	69,263	69,740
Retained earnings	281,208	314,947
Treasury stock	(47,151)	(54,866)
Total shareholders' equity	333,274	359,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,056	3,441
Deferred gains or losses on hedges	(230)	641
Revaluation reserve for land	(1,109)	(1,109)
Foreign currency translation adjustment	20,388	16,868
Remeasurements of defined benefit plans	1,540	1,548
Total accumulated other comprehensive income	23,645	21,391
Share acquisition rights	751	414
Non-controlling interests	30	24
Total net assets	357,702	381,604
Total liabilities and net assets	653,994	644,777

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2024 AND 2025

(Unit: Millions of yen)

	Prior year From April 01, 2023 To March 31, 2024	Current year From April 01, 2024 To March 31, 2025
Net sales	468,925	428,948
Cost of sales	271,159	236,240
Gross profit	197,766	192,708
Selling, general and administrative expenses		
Advertising expenses	36,208	31,652
Sales commission	529	541
Salaries and allowances	22,229	23,841
Provision for bonuses	5,546	6,112
Provision for directors' bonuses	1,104	997
Retirement benefit expenses	1,252	925
Research and development expenses	24,866	27,884
Provision of allowance for doubtful accounts	33	122
Other	48,129	52,507
Total selling, general and administrative expenses	139,901	144,584
Operating income	57,865	48,124
Non-operating income		
Interest income	1,938	3,446
Dividends income	109	157
Equity in gains of affiliates	1,000	3,527
Gain on investments in partnership	1,494	1,053
Other	1,323	1,517
Total non-operating income	5,866	9,703
Non-operating expenses		
Interest expenses	766	1,822
Commission fee	1,217	146
Loss on investments in partnership	945	922
Loss on retirement of noncurrent assets	141	77
Foreign exchange losses	424	1,240
Other	457	503
Total non-operating expenses	3,954	4,713
Ordinary income	59,778	53,114

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2024 AND 2025

(Unit: Millions of yen)

	Prior year From April 01, 2023 To March 31, 2024	Current year From April 01, 2024 To March 31, 2025
Extraordinary income		
Gain on sales of noncurrent assets	1	19
Gain on sales of investment securities	339	230
Gain on sales of shares of subsidiaries and affiliates	-	9,282
Gain on sale of business	155	-
Gain on reversal of contingent consideration	835	-
Other	0	482
Total extraordinary income	1,333	10,014
Extraordinary losses		
Loss on sales of noncurrent assets	22	0
Impairment loss	351	1,296
Loss on valuation of investment securities	746	763
Loss on business restructuring	17,804	6,164
Other	354	101
Total extraordinary losses	19,279	8,326
Income before income taxes	41,831	54,803
Income taxes - current	9,869	8,082
Income taxes - deferred	(1,169)	1,661
Total income taxes	8,699	9,744
Profit	33,132	45,058
(Breakdown)		
Profit attributable to owners of parent	33,055	45,051
Profit attributable to non-controlling interests	76	6
Other comprehensive income		
Valuation difference on available-for-sale securities	430	385
Deferred gains or losses on hedges	(223)	865
Foreign currency translation adjustment	15,256	(1,789)
Remeasurements of defined benefit plans, net of tax	3,203	143
Share of other comprehensive income of entities accounted for using equity method	921	(1,858)
Total other comprehensive income	19,587	(2,254)
Comprehensive income	52,720	42,804
(Breakdown)		
Comprehensive income attributable to owners of parent	52,601	42,797
Comprehensive income attributable to non-controlling interests	118	6

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024 AND 2025

Prior year (From April 01, 2023 to March 31, 2024)

(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, 2023	29,953	72,213	261,840	(37,251)	326,755	2,626	382
Changes of items during the period							
Dividends from surplus			(13,687)		(13,687)		
Profit attributable to owners of parent			33,055		33,055		
Purchase of treasury stock				(10,016)	(10,016)		
Disposal of treasury stock		75		117	192		
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					-		
Change in scope of consolidation					-		
Purchase of shares of consolidated subsidiaries		(3,025)			(3,025)		
Net changes of items other than shareholders' equity						429	(613)
Total changes of items during the period	-	(2,949)	19,367	(9,899)	6,518	429	(613)
Balances as of March 31, 2024	29,953	69,263	281,208	(47,151)	333,274	3,056	(230)

	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, 2023	(1,109)	3,730	(1,531)	4,099	468	24	331,347
Changes of items during the period							
Dividends from surplus							(13,687)
Profit attributable to owners of parent							33,055
Purchase of treasury stock							(10,016)
Disposal of treasury stock							192
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							-
Change in scope of consolidation							-
Purchase of shares of consolidated subsidiaries							(3,025)
Net changes of items other than shareholders' equity		16,658	3,072	19,546	283	6	19,836
Total changes of items during the period	-	16,658	3,072	19,546	283	6	26,354
Balances as of March 31, 2024	(1,109)	20,388	1,540	23,645	751	30	357,702

Current 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 attributable to owners of parent			45,051		45,051		
Purchase of treasury stock				(10,013)	(10,013)		
Disposal of treasury stock		(171)		2,944	2,772		
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 attributable to owners of parent							45,051
Purchase of treasury stock							(10,013)
Disposal of treasury stock							2,772
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

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024 AND 2025

(Unit: Millions of yen)

	Prior year From April 01, 2023 To March 31, 2024	Current year From April 01, 2024 To March 31, 2025
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	41,831	54,803
Depreciation and amortization	13,514	13,046
Impairment loss	351	1,296
Loss (gain) on sales of noncurrent assets	21	(19)
Loss on retirement of noncurrent assets	141	77
Loss (gain) on sales of shares of subsidiaries and affiliates	49	(9,282)
Loss (gain) on liquidation of subsidiaries and associates	3	2
Loss (gain) on sales of investment securities	(339)	(209)
Loss (gain) on valuation of investment securities	746	763
Loss (gain) on investments in partnership	(548)	(130)
Amortization of goodwill	2,501	3,061
Increase (decrease) in allowance for doubtful accounts	(140)	(194)
Increase (decrease) in provision for directors' bonuses	(137)	(12)
Increase (decrease) in net defined benefit liability	760	631
Increase (decrease) in provision for bonuses	1,259	709
Interest and dividends income	(2,048)	(3,645)
Interest expenses	749	1,801
Foreign exchange losses (gains)	(122)	1,134
Equity in (earnings) losses of affiliates	(1,000)	(3,527)
Decrease (increase) in notes and accounts receivable - trade	7,880	742
Decrease (increase) in inventories	8,190	(12,793)
Increase (decrease) in notes and accounts payable - trade	(8,238)	(2,352)
Increase (decrease) in contract liabilities	(8,009)	(4,330)
Increase (decrease) in guarantee deposits received	16	(272)
Other, net	15,169	(17,925)
Subtotal	72,603	23,374
Interest and dividends income received	1,627	3,173
Interest expenses paid	(530)	(1,783)
Extra retirement payments	(2,275)	(935)
Income taxes paid	(12,505)	(19,153)
Income taxes refund	7,942	16,180
Net cash provided by (used in) operating activities	66,862	20,856

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024 AND 2025

(Unit: Millions of yen)

	Prior year From April 01, 2023 To March 31, 2024	Current year From April 01, 2024 To March 31, 2025
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(1,610)
Purchase of short-term investment securities	-	(5,000)
Proceeds from redemption of securities	-	5,000
Purchase of property, plant and equipment	(5,341)	(5,536)
Proceeds from sales of property, plant and equipment	102	66
Purchase of intangible assets	(5,774)	(6,324)
Proceeds from intangible assets	-	0
Purchase of investment securities	(1,457)	(390)
Proceeds from sales of investment securities	404	494
Proceeds from redemption of investment securities	-	36
Payments for investment in partnerships	(862)	(1,181)
Proceeds from distribution of investment in partnerships	1,054	1,356
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(81,776)	(2,584)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	(1,716)	(2,164)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	6	12,385
Purchase of stocks of subsidiaries and affiliates	(5,379)	(1,881)
Payments for investments in capital	(12,989)	(5,960)
Proceeds from share of profits on investments in capital	8,766	16
Payments of loans receivable	(8,299)	(3,004)
Collection of loans receivable	62	173
Payments for lease deposits	(168)	(145)
Collection of lease deposits	223	181
Other, net	(1,393)	3,532
Net cash provided by (used in) investing activities	(114,538)	(12,543)
Net cash provided by (used in) financing activities		
Proceeds from long-term borrowings	122,000	15,000
Repayment of long-term borrowings	(17,018)	(22,507)
Purchase of treasury stock	(10,016)	(10,013)
Proceeds from exercise of stock options	-	2,310
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	(15)
Cash dividends paid	(13,673)	(11,227)
Other, net	(1,501)	(1,527)
Net cash provided by (used in) financing activities	79,786	(27,981)
Effect of exchange rate change on cash and cash equivalents	8,191	(1,729)
Net increase (decrease) in cash and cash equivalents	40,301	(21,398)
Cash and cash equivalents at beginning of period	179,509	219,810
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	453
Cash and cash equivalents at end of period	219,810	198,865

[Notes]

(Notes on assumptions for going concern)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for current income taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the current fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the current fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the prior fiscal year.

(Changes in method of presentation)

(Consolidated statements of income and comprehensive income)

Distribution income related to investments in film production in the U.S. has been recorded as "net sales" since the current fiscal year although it was posted in "equity in earnings of affiliates" under "non-operating income".

This change is due to the increased monetary importance of distribution income related to investments in film production, as well as the increased importance of the business in the Mid-term Plan, including the strengthening of the transmedia strategy and further expansion of pillars.

To reflect this change in presentation, the consolidated financial statements for the prior fiscal year have been reclassified.

As a result, ¥1,029 million recorded in "equity in earnings of affiliates" under non-operating income in the consolidated statements of income and comprehensive income for the prior fiscal year has been reclassified as "net sales".

(Consolidated statements of cash flows)

Due to the "Consolidated statements of income and comprehensive income" described above, the reclassified figures for the consolidated statement of cash flows for the prior fiscal year have been retroactively applied.

As a result, ¥(2,029) million recorded in "equity in earnings of affiliates" under net cash provided by operating activities, and ¥9,795 million recorded in "proceeds from share of profits on investments in capital" under net cash used in financing activities in the consolidated statement of cash flows for the prior fiscal year, have been reclassified as ¥(1,000) million recorded in "equity in earnings of affiliates" and ¥8,766 million recorded in "proceeds from share of profits on investments in capital".

(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 and 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 and Pachinko Machines Business	Development, manufacture, and sales of pachislot and pachinko machines
Gaming Business	Overseas online gaming-related business, operation of integrated resorts, and development and manufacture 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. Changes in reporting segments

(Changes in reporting segments)

At the start of the Mid-term Plan, the Group implemented the abolition of the "Resort Business" and creation of a new "Gaming Business". This was implemented from the perspective of the strategies and business portfolio of the Mid-term Plan. The newly established "Gaming Business" consolidates overseas online gaming-related businesses, operation of existing integrated resorts, and development and manufacture of casino machines. As a result, "Entertainment Contents Business", "Pachislot and Pachinko Machines Business", and "Gaming Business" will become reportable segments.

Segment information for the prior fiscal year is presented based on the reclassified method after the change.

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

Prior year (From April 01, 2023, to March 31, 2024)

(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	319,813	133,248	1,941	455,004	13,921	468,925
(2) Inter-segment sales and transfers	605	168	66	839	(839)	-
Total	320,418	133,417	2,007	455,843	13,081	468,925
Segment income (loss)	30,823	41,943	(421)	72,345	(12,567)	59,778
Segment assets	355,031	164,468	27,277	546,776	107,217	653,994
Other items						
Depreciation	8,532	3,506	-	12,038	1,475	13,514
Interest income	1,301	259	0	1,560	377	1,938
Interest expenses	790	0	147	938	(171)	766
Equity in earnings (losses) of affiliates	3	5	991	1,000	-	1,000
Investments in affiliates accounted for using equity method	39	726	24,619	25,384	-	25,384
Increases in property, plant and equipment and intangible assets	5,650	3,923	402	9,975	1,693	11,668

(Notes) 1. Adjustment of ¥13,921 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 ¥(12,567) million includes loss on non-related to reported segments of ¥(708) million, elimination of inter-segment transactions of ¥69 million, and general corporate expenses of ¥(11,928) 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 ¥107,217 million includes elimination of inter-segment transactions of ¥(114,137) million and general corporate assets of ¥221,355 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 ¥377 million includes elimination of inter-segment transactions of ¥(1,622) million and interest income of the Company ¥2,000 million.

6. Adjustment to interest expenses of ¥(171) million includes elimination of inter-segment transactions of ¥(1,622) million and interest expenses of the Company ¥1,451 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.

Current 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 (losses) 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 losses of ¥(1,248) million related to businesses that do not belong to any reporting segment, 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. Detailed in "Consolidated statements of income and comprehensive income" of "Changes in method of presentation", distributed income related to investments in film production in the U.S., which was previously posted in "equity in earnings of affiliates" under "non-operating income", is reclassified in "net sales" since the current fiscal year. To reflect this change in presentation, segment information for the prior fiscal year has been reclassified. As a result, "net sales" of "Entertainment Contents Business" increased ¥1,029 million for the prior fiscal year, but no impact on segment income (loss).

(Per share information)

Items	Prior year (From April 01, 2023 to March 31, 2024)	Current year (From April 01, 2024 to March 31, 2025)
Net assets per share	¥1,652.29	¥1,782.73
Net income per share	¥150.75	¥209.79
Net income per share (diluted)	¥149.98	¥209.02

(Notes) 1. The calculation basis for net assets per share is as follows.

Items	Prior year (As of March 31, 2024)	Current year (As of March 31, 2025)
Total of net assets in the consolidated balance sheets (Millions of yen)	357,702	381,604
Amounts deducted from net assets in the consolidated balance sheets (Millions of yen)	782	438
(Subscription rights to shares) (Millions of yen)	751	414
(Non-controlling interests) (Millions of yen)	30	24
Net assets available for common stock (Millions of yen)	356,919	381,165
Number of common stock used to calculate net assets per share (Thousands of shares)	216,014	213,810

2. The calculation basis for net income per share and net income per share (diluted) is as follows.

Items	Prior year (From April 01, 2023 to March 31, 2024)	Current year (From April 01, 2024 to March 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	33,055	45,051
Amount not attributable to common stockholders (Millions of yen)	-	-
Profit attributable to owners of parent available for common stock (Millions of yen)	33,055	45,051
Average number of shares of common stock during the period (Thousands of shares)	219,274	214,750
Net income per share (diluted)		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in common stock (Thousands of shares)	1,125	789
(Subscription rights to shares) (Thousands of shares)	1,125	789
Outline of potential shares not included in calculation of net income per share (diluted) because of no dilutive effect	-	-

3. The treasury shares of the Company held by the "BIP Trust" and "Stock-granting ESOP Trust" in the shareholder's equity have been included in the number of treasury shares which is subject to be excluded used in the calculation of the net income per share by the average number of shares during the period. The average number of these treasury shares deducted for the fiscal year ended March 31, 2025 is 1,172,281 shares, used in the calculation of net income per share.

(Significant subsequent events)

(Business Combination through Acquisition)

At the meeting of the Board of Directors held on July 26, 2024, the Company resolved to acquire Stakelogic B.V. ("Stakelogic"), headquartered in the Netherlands, through the Company's consolidated subsidiary SEGA SAMMY CREATION INC. ("SSC"). The acquisition was completed on April 28, 2025, and Stakelogic became a consolidated subsidiary.

1. Overviews of the business combination

(1) Name of the acquired company and its business

Name of the acquired company	Stakelogic B.V.
Content of business	iGaming content supplier business

(2) Rationale for the business combination

In the Mid-term Plan announced in May 2024, the Company set a goal to establish a gaming business. In the Gaming business, the Company has been developing and operating integrated resorts (IR) through Paradise City, a joint venture with the Paradise Group in South Korea, and developing gaming devices and content through SSC. In November 2023, the Group announced the acquisition of GAN Limited ("GAN"), which operates a SaaS business (provision of B2B platform) mainly for casino operators in the U.S., and a B2C online gaming business for Europe and South America, with the aim of entering the online gaming market, particularly the iGaming market in the U.S., which is expected to grow in the future.

Stakelogic's strength lies in the development of iGaming content in the market the Group is targeting, and the Group believes to further enhance the competitiveness of GAN's B2B platform and contribute to the expansion of the Group's gaming business through acquisition of Stakelogic.

(3) Date of business combination

April 28, 2025

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name of company subsequent to the business combination

No change

(6) Percentage of voting rights acquired

100%

(7) Rationale for determining the acquiring company

SEGA SAMMY CREATION INC., a consolidated subsidiary of the Company, acquired the shares for cash consideration.

2. Acquisition cost for the acquired company and breakdown by each type of consideration

The consideration for the acquisition※	Cash	€ 89 million (Approximately ¥14.539 billion)
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Acquisition cost	€ 89 million (Approximately ¥14.539 billion)
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※ Furthermore, the consideration for the acquisition does not include contingent consideration. Contingent consideration is an agreement under which additional consideration is paid based on performance of the acquired company over a certain period of time in the future. This has not been finalized at this time.

If additional payments arise in connection with the acquisition consideration, they will be treated as if paid at the time of acquisition, and the acquisition cost will be adjusted accordingly, along with the amount of goodwill and the goodwill amortization amount. In addition to the acquisition cost, the Group provided a loan amounted to € 125 million (approximately ¥20.28 billion) to Stakelogic.

3. Content and amount of main acquisition-related costs

Advisory fee, etc.	Approximately ¥6.5 million
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4. Amount of goodwill, reason for occurrence, and amortization method and period

Not determined as the allocation of acquisition cost has not been completed at this time.

5. Amount of assets acquired and liabilities assumed on the date of business combination and their major breakdown

Not determined at this time

(Acquisition and retirement of treasury stock)

At the meeting of the Board of Directors held on May 12, 2025, the Company resolved on matters pertaining to the acquisition of treasury stock conducted pursuant to Article 156 of the Company Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Company Act. The Company also resolved to retire treasury stock in accordance with Article 178 of the Company Act.

(1) Rationale for the acquisition and retirement of treasury stock

Taking into account the Company's future business growth and the current level of the Company's stock price comprehensively, the Company has decided to pay dividends from retained earnings and acquire its treasury stock as a part of shareholder returns under the dividend policy. The Company also resolved to retire in part of its own treasury stock held excluding the necessary portion for the future stock compensation.

(2) Details of acquisition of treasury stock

Type of shares to be acquired	Common stock
Total number of shares to be acquired	6,000,000 shares (maximum) 2.81% of total outstanding shares (excluding treasury stock)
Total acquisition cost	¥12.0 billion (maximum)
Period of share acquisition	From May 13, 2025 to December 31, 2025
Method of acquisition	Purchase on the Tokyo Stock Exchange

(3) Details of retirement of treasury stock

Type of shares to be retired	Common stock
Total number of shares to be retired	20,000,000 shares 8.29% of total number of outstanding shares (including treasury stock) before retirement
Scheduled date for retirement	May 23, 2025