



SEGA SAMMY GROUP
CSR BOOKLET
2020

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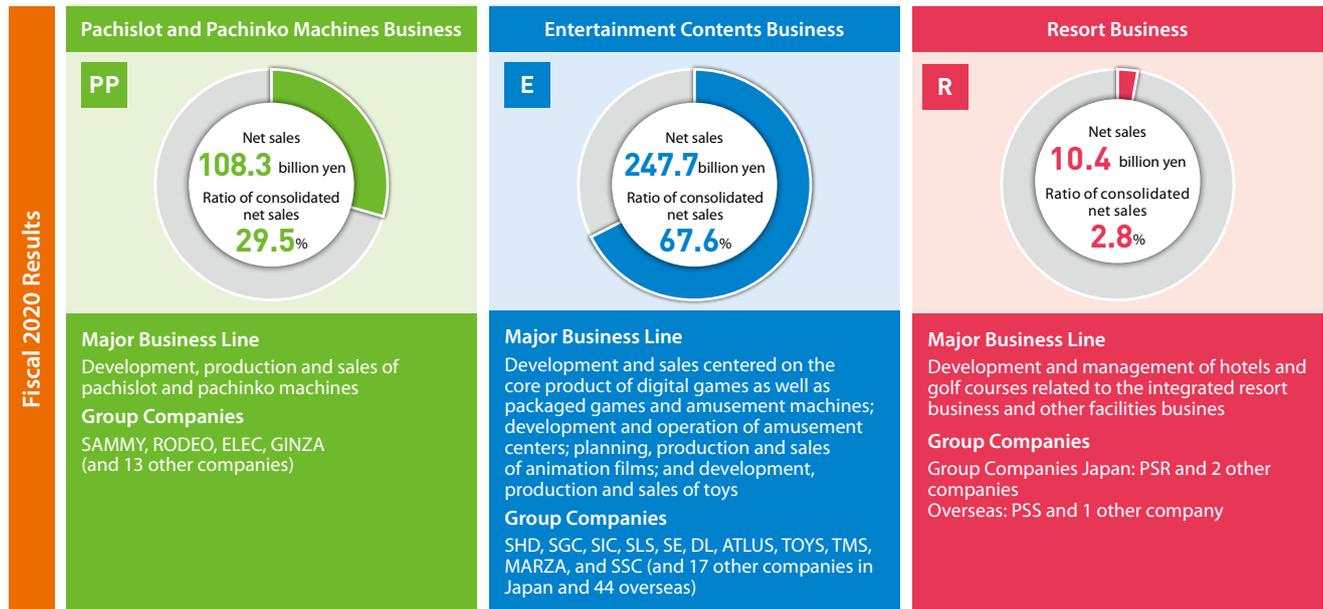
Company Profile

Company Name	SEGA SAMMY HOLDINGS INC.	Chairman and Group CEO, Representative Director	Hajime Satomi
Address	Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo 141-0033, Japan	President and Group COO, Representative Director	Haruki Satomi
Established	October 1, 2004	Principal Business	Management and related operations as the holding company of the SEGA SAMMY Group, a multi-dimensional entertainment company group
Capital	29.9 billion yen	Number of Employees	8,798 (consolidated)

As of March 31, 2020

Group Overview

The SEGA SAMMY Group continuously creates experiences that move the heart of customers of all ages in Japan and overseas by providing creative entertainment as a multi-dimensional entertainment company group engaged in a wide range of business areas.



Major CSR Activities (Fiscal Year)



Editorial Policy

We have been publishing a CSR report with the aim of reporting on the CSR activities of the SEGA SAMMY Group to our various stakeholders, while at the same time enhancing our activities and information disclosure through communication with them. We updated the editorial policy for our 2018 CSR report to incorporate ESG information, which had been included in a recent integrated report as an emphasis sought by investors and after we had reviewed content that has not been covered by the integrated report as well as what must be reported in depth from a CSR perspective. Additionally, the report includes more "Voice" sections so that it more closely communicates the SEGA SAMMY Group's business and other engagements as well as the work styles of our employees.

Guidelines Used for Reference

GRI Sustainability Reporting Standards
2016/2018
ISO 26000 (Guidance on Social Responsibility)

Publication Dates

November 2020
(previous report: September 2019, next report: September 2021)

Scope of this Report

Reporting Period

Fiscal 2020 (April 1, 2019 to March 31, 2020)
Some parts of the report include information that occurred after or before this period, with the time outside the period clearly stated.

Boundary of Reporting Organizations

SEGA SAMMY HOLDINGS INC., SEGA Holdings Co., Ltd. (including key Group companies), Sammy Corporation

Abbreviation of Organization Names in this Report

Each Segment

PP: Pachislot and Pachinko Machines Business; E: Entertainment Contents Business; R: Resort Business; **Group**: SEGA SAMMY HOLDINGS INC., Entertainment Contents Business, Pachislot and Pachinko Machines Business and Resort Business

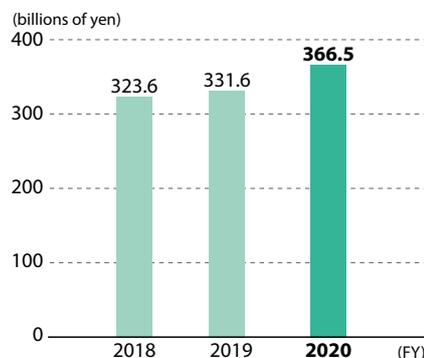
Major Companies for Each Segment

SSHD: SEGA SAMMY HOLDINGS INC., SHD: SEGA Holdings Co., Ltd., SAMMY: Sammy Corporation, ATULUS: ATULUS CO., LTD., BTF: Butterfly Corporation, DL: DARTSLIVE Co., Ltd., ELEC: TAIYO ELEC Co., Ltd., MARZA: MARZA ANIMATION PLANET INC., PSR: PHOENIX RESORT CO., LTD., PSS: PARADISE SEGA SAMMY Co. Ltd., RODEO: RODEO Co., Ltd., SE: SEGA ENTERTAINMENT Co., Ltd., SGC: SEGA Games Co., Ltd., SIC: SEGA Interactive Co., Ltd., SLS: SEGA LOGISTICS SERVICE CO., LTD., SNW: Sammy Networks Co., Ltd., SSC: SEGA SAMMY CREATION INC., SSGE: SEGA SAMMY GOLF ENTERTAINMENT INC., TOYS: SEGA TOYS CO., LTD., TMS: TMS ENTERTAINMENT Co., Ltd. GINZA: GINZA Corporation
• Some activities include Group companies other than those listed above.

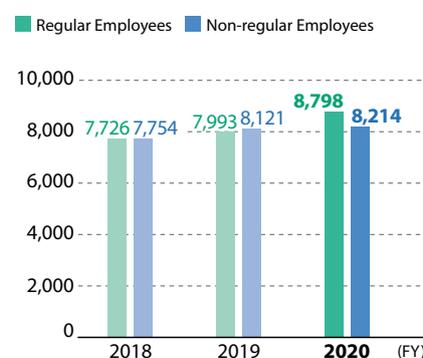
* Abbreviations and departments of persons interviewed for the VOICE columns are accurate as of fiscal 2020. Content related to activities in fiscal 2021 refer to new company names that reflect the organizational restructuring.

Performance Data

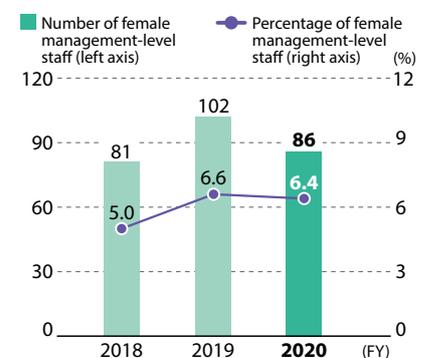
Net Sales (Consolidated)



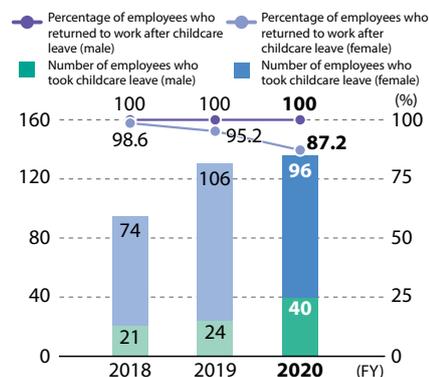
Number of Employees (Consolidated)



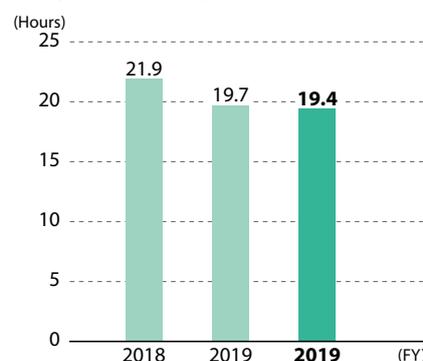
Number and Percentage of Female Management-Level Staff*1



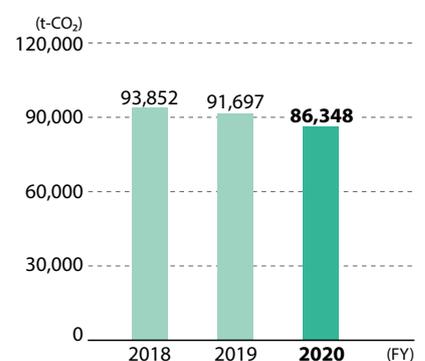
Number of Employees Who Took Childcare Leave and Who Returned to Work After Childcare Leave*1



Average Overtime Hours per Month*1



Total CO₂ Emissions*2



*1 We have made partial changes to the scope of the report and method of data collection. For details, see page 41.

*2 For the method of our environmental data collection and scope of the report, see page 48.

- Began CSR training for employees of Group companies
- Explained and sought cooperation from suppliers for the SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook
- Held baseball classes at Fukushima Prefecture and other areas affected by the Great East Japan Earthquake
- Established SEGA SAMMY BUSINESS SUPPORT INC. as a special subsidiary

2015

2016

2017-2018

2018-2019

- Conducted a sustainability analysis of management
- Held a stakeholder dialogue
- Employees engaged in voluntary activities, held supportive events in areas affected by the Kumamoto Earthquake
- Received the Excellence Award in the Environmental Communication Awards, sponsored by the Japanese Ministry of Environment

- Employees engaged in voluntary activities in areas affected by heavy rains in July 2018
- Relocated the Group headquarters to the south area of JR Osaka Station (consolidated about 6,500 employees)
- Launched the Waku Lab work-style reform site on the intranet, introduced a flextime system and experimental teleworking program
- Began publishing the Integrated Report

- Signed a comprehensive partnership agreement with Shichigahama-machi, Miyagi Prefecture on regional revitalization
- Launched compliance training through e-learning
- Opened the SEGA SAMMY Soramori Nursery School
- Sponsored the Tokyo Rainbow Parade
- Included provision on allowance for dependents for same-sex couples in the employment rules
- Full-scale launch of a teleworking program
- Full-scale launch of JOB Plus side-job system
- Began joint research with Kyoto University on the mechanism of gambling addiction

- Established the SEGA SAMMY Culture and Art Foundation
- Received the highest "Gold" rating in the PRIDE Index
- Received the grand prize in the 5th Corporate Volunteer Awards
- Registered for the Tokyo Barrier-free Mindsets Support Corporations
- Opened an official Twitter account for CSR

2019-2020



Fulfilling Our Mission as a Multi-dimensional Entertainment Company by Lifting Hearts in a Gloomy World

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

My sincere condolences to those who have lost their lives to COVID-19, and I wish for a speedy recovery to those still ill with the disease. My respect goes to the medical staff who are doing their best at the frontlines of medical care.

What entertainment can do now

Due in part to the spread of COVID-19, people around the world are shrouded in a cloud of anxiety and feel confined. Entertainment, however, can offer hope, joy, and courage that lifts people out of suffering and sadness. Now more than ever, the value of SEGA SAMMY as a multi-dimensional entertainment company is being tested.

Precisely because of these circumstances, every employee must strive to lead the industry as Game Changers, driven by the powerful aspiration of creating brand-new forms of entertainment. Otherwise, we will be quickly washed away by the relentless tide of the times.

Regardless of the changing times, the SEGA SAMMY Group will continue to lift people's hearts by providing quality content as a multi-dimensional entertainment company.

Fostering personnel with proactive mindsets and the ability to persevere

In the Pachislot and Pachinko Machines Business, even under Japan's state of emergency we maintained our efforts to comply with new gambling requirements while at the same time satisfying users.

The global game market is expected to continue expanding as advances in 5G and cloud infrastructure lead to the creation and dissemination of new gaming platforms and business models. As a result of this outlook, we merged SEGA Games Co., Ltd. and SEGA Interactive Co., Ltd., both in our Entertainment Contents Business, in April 2020. We also reallocated domestic resources for greater flexibility in our R&D system and to bolster our competitiveness in the global market.

In the Resort Business, we sought to accumulate know-how toward achieving our top goal of entering the integrated resort business in Japan and forged alliances with business partners to guide our efforts to success.

We have established a system for creating "experiences that move the heart" through entertainment content to attain further growth for the Group. This cannot be realized, however, without the personal growth of our employees. Upholding SEGA's value of "Always Proactive, Always Pioneering" and Sammy's value of "Creation is Life," the SEGA SAMMY Group has been introducing original ideas and unprecedented, pioneering products to the world through a consistent creative effort. If each one of us perseveres to the end with this spirit of challenge and conviction of being Game Changers, a new world will open up before us. Once every employee acquires this ability, we will naturally grow into a company that is both robust and versatile in our response to the changing times.

I am convinced that instilling and deepening the corporate culture of proactively taking on challenges and persevering to the end will lead to sustainable growth for the Group.

Fulfilling our mission as a company that thrives with society

In October 2020, the SEGA SAMMY Group identified five key issues (materiality) to be addressed: Environment, Addiction, People, Products and Services, and Governance. By addressing social challenges through our core business in light of this materiality, we will do our part in achieving the SDGs.

This we can accept as natural provided that some benefit for society can ultimately be drawn from it. I am confident that our business activities, centered on entertainment, and the results of devoting all our efforts to social contribution activities, including support by the Group's human resources and entertainment content for disaster-stricken areas such as those affected by the Great East Japan Earthquake, will lead to sustainable social and corporate development.

All SEGA SAMMY Group executives and employees will work in concert to fulfill our social responsibilities so that our stakeholders can continue to understand our approach as well as the corporate and social contribution activities based on it.

In these times of dramatic change, my job is to hand down the "Game Changer DNA" by continuously conveying my passion and accumulated experience to all executives and employees. We will continue to create new entertainment for a new era and deliver an experience that moves the heart for everyone to accomplish the Group mission of "Constantly Creating, Forever Captivating"—Making Life More Colorful—

Becoming an entertainment company that is needed in our “new normal” lifestyle

The spread of COVID-19 has rapidly transformed the lives of people around the world. While this has led us to place a greater emphasis on safety and security, we are also being forced to reexamine the existential value of entertainment. The SEGA SAMMY Group aspires to provide the entertainment needed amid the “new normal,” which can be synonymous with our mission of “Constantly Creating, Forever Captivating” —Making Life More Colorful—

Exploring SDGs initiatives unique to SEGA SAMMY

In the past, the SEGA SAMMY Group has sought to unify its corporate culture by sharing the “Mission Pyramid” and “S.S.FIVE” (Our core qualities: Drive, Empathy, Initiative, Control, Resolve) that we should continue to retain as a game changer. In addition, since fiscal 2020, we have unified the values, or DNA, of SEGA and Sammy under the shared themes of “Creation is Life × Always Proactive, Always Pioneering.”

Simultaneously we will work toward developing a corporate culture based on respect for diversity, which includes handing down the respective cultures fostered by the two companies. While at first glance this may seem contradictory, a wide variety of personalities and opinions are indispensable for creating experiences that move the heart as a Group that pursues highly diversified businesses. Just as values and a company’s DNA become more refined with growth, sustainable management depends upon fostering a corporate culture in which diversity is a given. For this reason, we regard diversity initiatives as one of the five key issues (materiality) identified by the SEGA SAMMY Group to contribute to overcoming social challenges.

Of these materialities, the Group is most closely characterized by responding to social challenges through the provision of its products and services. As the nature of play and customer needs diversify, employees with different backgrounds must embrace and take advantage of each other’s values to create content that everyone can safely and securely enjoy. As a multi-dimensional entertainment company, we have the responsibility to be a pioneer. And I am certain we have the power to make this mission a success without fail.

In addressing addiction and the natural environment, we will squarely face up to the negative impact associated with creative activity and pay due attention to the negatives. With regard to corporate governance, we are continuously offering opportunities for meaningful exchanges while raising the transparency of management by revising the amount of compensation for directors.

Our effort to provide the Group’s mission of “creating experiences that move the heart” will result in a contribution to SDGs, and that is the idea of true sustainability. I will consistently convey this idea to our employees.



Continuing to Be a Sustainable Company by Providing Essential Entertainment for a New Society

A handwritten signature in black ink, reading "Haruhiko Satomi".

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

My heart goes out to everyone who has been affected by COVID-19. I hope that all those who are currently ill recover quickly and soon return to their normal lives.

Working with employees to become a sustainable company

Social structures are evolving by the minute and, as I previously mentioned, COVID-19 has considerably accelerated the pace of change. In this context, to enjoy the trust of stakeholders and thrive as a beloved company for many years to come, we must demonstrate an unwavering commitment to the sound, farsighted approach of maintaining the highest standards of ethical behavior and demonstrating civic integrity. I will consistently convey this to our employees, who are the company’s greatest assets, and establish a working environment in which each can maintain a sense of responsibility to society, so we can continue as an exemplary company that genuinely contributes to society.

— Delivering Dreams and Experiences that Move the Heart to the World —

SEGA SAMMY Group's Products and Services



(P05) Pachinko Bigdream2 Gekishin ©Sammy Pachislot Shin Hokuto Muso ©Buronson & Tetsuo Hara/NSP 1983, Approved No.KOM-620 ©2010-2013 KOEI TECMO GAMES ©Sammy 777 NEXT Pachislot Hokuto No Ken Tomo ©Buronson & Tetsuo Hara/COAMIX 1983, ©COAMIX 2007 Approved No. PGC-405 ©Sammy New Sakura Wars ©SEGA ANPANMAN:FUWAFUWA FUWARI TO KUMONOKUNI (Working Title) ©Takashi Yanase/Froebel-kan,TMS,NTV ©Takashi Yanase/ANPANMAN PROJECT All Rights Reserved Detective Conan The Scarlet Bullet ©2020 GOSHO AOYAMA/DETECTIVE CONAN COMMITTEE All Rights Reserved. SLDS-3G Ltd. (P06) Psalms of Planets Eureka Seven HI-EVOLUTION ZERO ©2017 BONES / Project EUREKA MOVIE ©BANDAI NAMCO Entertainment Inc. ©Sammy Kaido Mokushiroku Kaiji Numa ©Fukumoto Nobuyuki / Kodansha-VAP-Mad House-NTV-D.N.Dream Partners ©Fukumoto Nobuyuki / Kodansha-VAP-NTV ©Sammy

Main Group Companies
SAMMY, RODEO,
ELEC, GINZA, etc.

01 PACHISLOT AND PACHINKO MACHINES BUSINESS

We have two core businesses under this category: the development, production, and sales of our highly unique pachislot and our pachinko machines, which boast unmatched brand power. We possess the product development capabilities for turning new ideas into attractive products, the product supply infrastructure for taking advantage of every sales



Psalms of Planets Eureka Seven HI-EVOLUTION ZERO



Kaido Mokushiroku Kaiji Numa

opportunity, and outstanding sales expertise, all of which enable us to supply products that respond to the needs of the market. The market structure has recently been shifting, and the company's success depends more on its ability to acquire copyrights for promising content and to maximize these opportunities to turn this content into products and services. We intend to acquire the top market share in the pachislot and pachinko machine businesses by leveraging the strengths of the Group.

03

First Integrated Resort Complex in South Korea

Paradise City is an integrated resort that was opened in April 2017, right outside the Incheon International Airport in South Korea. It offers an abundance of world-class attractions such as casinos, hotels, restaurants, and leisure facilities.



Paradise City

SOUTH KOREA

02 ENTERTAINMENT CONTENTS BUSINESS

In addition to the development and sales of digital games, our core business under this category, we are also involved in a wide range of other businesses that provide entertainment: the development and sales of amusement machines and consumer products, the development and operation of amusement centers, the production and sales of animation films, and the development, production, and sales of toys. The development and sales of digital games, smartphone games, and PC online games in particular, is the major growth area for the Group. We are looking to expand our businesses in this area and in SEGA Games. In addition, to respond rapidly to changes in the market and consumer needs, we restructured our organization in 2015 and set up different companies so that each business segment has consistent management oversight over its development, production, and sales, facilitating quick business decisions.



maimai DX ©SEGA



Sumikko Gurashi PC with Exchangeable Mouse



DREAM PETS SERIES BORN PUPPY ©SEGATOYS 2019



Puyopuyo!! Quest ©SEGA

03

GOLF COURSES



The North Country Golf Club

02 HOME VIDEO GAMES



Main Group Companies
PSR, PSS, etc.

03 RESORT BUSINESS

We operate integrated resorts and resort complexes. Paradise City, which opened in April 2017, is the first integrated resort complex in South Korea. The development and operation of this complex, including its casino operations, is giving us the opportunity to accumulate experiences and expertise, which can help us toward our goal of establishing similar complexes in Japan. We fully capitalize on our entertainment business expertise in the operation of our Phoenix Seagaia Resort, one of Japan's foremost resort complexes, in Miyazaki Prefecture and where we offer a unique resort-stay atmosphere and experience.



Paradise City



Phoenix Seagaia Resort

Main Group Companies

SHD, SGC, SIC, SLS, SE, DL, ATLAS, TOYS, TMS, MARZA, SSC, etc.

Regional Co-Creation through Entertainment

Since the SEGA SAMMY Group began assisting in the reconstruction of Shichigahama-machi in Miyagi Prefecture immediately after the Great East Japan Earthquake in March 2011, we have been thinking about how we could contribute in ways that no one else can. We are now focused on addressing problems through entertainment and co-creating with local residents a new Shichigahama-machi to make it lively and colorful in ways that are uniquely possible for SEGA SAMMY.

Past Activities

Reconstruction to Revitalization

The SEGA SAMMY Group has been involved in a variety of support activities since the immediate aftermath of the Great East Japan Earthquake, ranging from sending employees as disaster relief volunteers to remove debris to hosting support events, such as those with the theme of bringing, as we call it, "smiles and vitality" to people in disaster-stricken areas.

In 2019, we signed a comprehensive partnership agreement with Shichigahama-machi on regional revitalization to create the future of the place together under the theme "regional co-creation." This is the first time the Group has entered into such an agreement with a municipal government.

Since July 1, 2019, the SEGA SAMMY Group's personnel have been sent to onsite assignments in Shichigahama-machi to help boost and sustain the ongoing growth of the regional economy. They are involved in such initiatives as creating new businesses, supporting local businesses, and promoting local brands.



SEGA SAMMY Group's Past Activities at Shichigahama-machi

June 2011	Removal of mud and debris
2012	Hosting the first support event at Shichigahama-machi
2016	Implementing the new employee training program at Shichigahama-machi



Current Activities

Key Initiatives in the Regional Co-Creation Project

Joint Initiatives by SEGA SAMMY Group and Shichigahama-machi

- Introduced SEGA Logistics Service's Driving Simulators
- Exhibited at the Shichigahama-machi Local Industry Fair and donated all the proceeds
- Held a food event using ingredients from Shichigahama-machi at the employee cafeteria in the SEGA SAMMY Group's main office

Personnel who are sent to onsite assignments work in Shichigahama-machi as town officials and are involved in addressing issues the town faces. One related effort is to reduce the number of traffic accidents caused by elderly drivers and help them gain skills with our driving simulators so they can continue driving safely. This is the first time in Japan that a municipal government has introduced this kind of equipment. Since Shichigahama-machi has no trains, many elderly citizens depend on cars to get them to their daily activities. Simulators provide the opportunity to assess their driving skills and mental fitness and may also facilitate community interaction. Those assigned to work as town officials leverage the Group's resources, liaise with other town officials, and actively participate in local events to bring smiles to the town's residents.



In addition, all the proceeds we earned at the Shichigahama-machi Local Industry Fair were donated to the town's tourism association.

Additionally, to help the employees in the SEGA SAMMY Group know more about Shichigahama-machi, they organized an event called "Shichigahama-machi - Food Market" at the employee cafeteria in the SEGA SAMMY Group's main office. Employees enjoyed delicious dishes made from local ingredients and purchased local products.



My Involvement in the Regional Co-Creation Project

Creating Memorable Moments for the People in Town



Hiroshi Ishida

Assistant to the Vice-Town Mayor and Disaster Recovery Assistant (Office of Disaster Prevention & Longevity Society Division), Sammy Corporation



Masakazu Hiruta

Disaster Recovery Assistant, Policy Division, Sammy Corporation

I've been thinking about how I can contribute to this town, where everyone knows everyone else, and searching for clues as I deal with my job, and the first year has passed very quickly. A lot of people in town have commented about how I have come to know so much about Shichigahama-machi, and I have to thank everyone who has helped and supported me in this. An elderly resident made a particularly strong impression on me. She was not familiar with the name SEGA SAMMY Group, but she was aware of our Lifelong Learning Festivals and she had a big smile as she told me how much she enjoyed her time with her grandchildren at the event. I will continue to work hard to create more memorable moments for the people in town.

A Typical Day in Shichigahama-machi





What is Shichigahama-machi like?

Shichigahama-machi in central Miyagi Prefecture is the smallest town in Tohoku, with an area of 13.27 square kilometers. It is located in southern Matsushima, one of the Three Views of Japan (Nihon Sankei), surrounded on three sides by water, and blessed with richly abundant nature. Despite its natural setting, it is conveniently located within 20 kilometers of Sendai, Tohoku's largest city. The tsunami that followed the Great Japan East Earthquake flooded more than one-third of its land and ruined its beautiful coastal scenery.

Population and Number of Households pre/post the Great Japan East Earthquake (2011)
As of July 1, 2020

Population	18,506
	Post-Earthquake reduced by 2,349 (-11.2%)
Number of Households	6,733
	Post-Earthquake increased by 165 (+2.5%)

Future Activities

How a Multi-dimensional Entertainment Company Can Help Shape Shichigahama-machi's Future

In April 2011, immediately after the earthquake, Shichigahama-machi formulated the initial part of its recovery plan, which ended in fiscal 2016. We are now working on activities detailed in the latter part of the recovery plan, which ends in fiscal 2021.

While the recovery plan has almost come to its end, its goal is not to simply bring back the old town as it was before the earthquake. Genuine recovery will require ensuring that the town is bustling with people and residents are happy.

In the Regional Co-Creation Project, we will continue capitalizing on our experience and expertise as a multi-dimensional entertainment company and effectively deploy our products and services. For example, we are hosting programming classes in local elementary schools, darts competitions to encourage inter-generational socializing, and eSports events to promote interaction within and outside the community. Looking ahead, we will continue to deepen our bonds with the town and work together to make it a place where everyone is happy and proud.

• Long-term Integrated Plan and Integrated Strategy

Long-term Integrated Plan

Basic Philosophy (target year: fiscal 2021)

Town development focused on allowing people to live in harmony with nature, to live with the human rights respected, and to live comfortably there for many years.

Sea Live in harmony with nature	People Live with the human rights respected	Town Comfortable to live in
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Integrated Strategy

Key Vision (target year: fiscal 2061)
Overcome population decline and revitalize local economy



Groupwork with the residents



VOICE



Kaoru Terasawa
Mayor of Shichigahama-machi

“SEGA SAMMY-ism” is Transforming Our Town

I would like to take this opportunity to thank everyone in the SEGA SAMMY Group for their continuing support for recovering our town. I feel that the bonds between us have deepened in 2019, as the SEGA SAMMY Group has signed a comprehensive partnership agreement with us and sent personnel to work in Shichigahama-machi.

The personnel from the Group have been working with us as disaster recovery assistants since July 2019, and they have integrated very well into our town. We feel “SEGA SAMMY-ism” in many different ways. They provide a fresh perspective on everything we do. They are great examples for us and an inspiration for young town officials.

Ten years have passed since the earthquake. However, mental health recovery for our people continues. In addition, we are facing new challenges imposed by COVID-19 and must consider its impact on town planning and many other activities.

I sincerely hope we can go back to living our peaceful lives soon. At the same time, I will continue to work hard, with your heartwarming support, for the future of this town. I look forward to a long and prosperous relationship with the SEGA SAMMY Group.

Bringing Smiles Vitality
Reconstruction Support

SEGA SAMMY Group's

Since the Day of the Great East Japan Earthquake

March 11, 2011, 2:46 PM
 A great earthquake hit East Japan

Early April 2011
 Decide to send employees as volunteers

Since immediately after the Great East Japan Earthquake, the SEGA SAMMY Group has continued to participate in efforts to support people in disaster-stricken areas. We are involved in a wide range of volunteer activities based on their needs while leveraging various Group resources.

Our Activities

(March 2011 to March 2020)

Support Fund

Approximately
400
 million yen

Volunteer Activities by Employees and Support Events

100
 activities and events

Participants:
1,237
 employees

Visited by
35,620 people
(cumulative total of those who played games in the SEGA SAMMY Group's amusement corners)

Events Supporting People in Disaster-stricken Areas

Onagawa Sanma Festival 2019

Junichi Hirose

Media Sales Dept., Marketing Div., Sammy Networks Co., Ltd.



This was my first time to participate as a volunteer. One parent initially came just to watch his children play but later joined in and enthusiastically competed to win a prize. Watching parents and children having fun playing the game together made me realize the importance of offering entertainment that an entire family can enjoy.

The event also provided a good opportunity for me to interact with employees from Group companies that I don't normally encounter. I felt a spirit of unity at the SAGA SAMMY Group. Although the purpose of my participation was to deliver experiences that move their heart, I was actually moved by those who visited us. I am very glad to have participated.

In fiscal 2020, we organized entertainment and sports events in Shiogama-shi, Higashi Matsushima-shi, Onagawa-cho, Shichigahama-machi, and Minami Sanriku-cho in Miyagi Prefecture.

At the entertainment events, we set up amusement corners that leveraged the Group's various resources, such as Kira Deco Seal Art, Craft Smart Ball making, Smart Ball, the Darts, Flash Pad, and UFO CATCHER. Employee volunteers also served creative cotton candy. These events were managed and operated by employee volunteers and offered entertainment for all age groups.

For sports events, we organized

Higashi Matsushima Summer Festival 2019

Shunsuke Shibuya

Graphic Design Dept., Promotion Div.,

Japan&Asia Publishing Business HQ,

SEGA Games Co.,Ltd.



It was my first time to participate as a volunteer, which I've been always interested in doing. As I greeted everyone who passed by and explained to them how to play the game, I encountered many smiling faces. I clearly felt the potential for entertainment. It would be difficult to find opportunities to work with local residents in events like these on my own. So, I think it is very meaningful that the company provides these opportunities for employees in my group to work together to make a difference. I hope to see more volunteers participate in the future.

Merry Christmas 2019 in Higashi Matsushima

Yuka Jimbo

SPORTS Section, DL Service Strategy Div.,

DARTSLIVE Co.,Ltd.

I was in charge of the darts games that day. Even though one game took a long time to play, and it was hard to win prizes, it was still very popular. And visitors kept coming all day long. Some played more than once, and children encouraged me to come again next year. I feel that everyone enjoyed the game. This was my second time to participate. I was more relaxed this time and was able to enjoy being part of the crowd.

Nine years have passed since the Great Earthquake, and more children have now been born after the event and therefore have no memories of it. But this does not affect our desire to entertain people, and I hope the event will continue far into the future.



June 29, 2011
First round of volunteer activities

Participated in infrastructure reconstruction activities such as removing debris

Infrastructure Reconstruction Phase

December 18, 2011
First support event for the disaster-stricken areas

Support mental health recovery by leveraging various Group resources



April 2019
Signed a comprehensive partnership agreement with Shichigahama-machi



Our Support Continues

Economic Recovery Phase



activities that help children pursue their dreams and explore their capabilities. For example, we held a baseball class and invited Takashi Saito, a former pitcher of the Tohoku Rakuten Golden Eagles, to take part. We also held a swimming class with a SEGA Sammy Group ambassador, Takeshi Matsuda.

Swimming Class 2019

with Takeshi Matsuda

Yuki Ishi

CSR & SDGs Office, SEGA SAMMY HOLDINGS INC.

This was the fourth year we organized this swimming class, and it was again a great success.

During a talk show, Mr. Matsuda noted the importance of treating friends right, how it leads to great friendship, and how you need to work hard to make friendship work. Much of his advice was just as relevant to adults. The target audience for the event was children, and it was tailored to deliver experiences that move their heart. Nevertheless, I felt that the parents of the children in the class also gained fresh perspectives.



Minamisanriku

Industrial Fair 2019

Yukiko Mano

Finance & Accounting Div., Accounting Group,

SEGA SAMMY HOLDINGS INC.

This was the second consecutive year that I participated in this event. And this time I was in charge of the Smart Ball games. The activity attracted many people, and constantly there were participants queuing up to play all day. It is a game of luck, so when any player got the lucky "777," I felt as though I had personally won, and I was very excited.

I had conversations with many of those who played the game. We also had a few children from the local high school help us run the event. I interacted with so many different people during the two days. I rarely have the opportunity to see end-users enjoying our games or to interact with employees from other Group companies, so I really appreciate these experiences through CSR activities.



Baseball Class with Takashi Saito

Hideki Amanuma

Facility Service Dept., General Affairs and Personnel Div.,

General Affairs Group, SEGA SAMMY HOLDINGS INC.

I last visited Miyagi Prefecture in 2016 for the 47th JABA Northeast Regional Championship, when I was still a member of the SEGA SAMMY Baseball Club. Although the infrastructure reconstruction for the affected areas after the Great East Japan Earthquake was complete at the time, traces of the damage still remained.

I felt slightly different this time. I was happy and energized seeing children who had been so small when the earthquake struck now grown up into such fine junior high students as they participated in this baseball class, obviously enjoying themselves. I could clearly see the enthusiasm in their faces as they listened to Mr. Saito and former players of the SEGA SAMMY Baseball Club. The memory of those faces is still fresh in my mind.

I truly enjoyed interacting with children of Shichigahama-machi through baseball. And it reminded me that baseball is really a great sport.



Disaster Relief Employee Volunteers after Typhoons No. 15 and No.19 and the Torrential Rain in Chiba Prefecture in 2019

From August to October 2019, many parts of Japan suffered devastating damage from typhoon No. 15, typhoon No. 19, and torrential rains. After seeing the severity of this damage, we decided to send our employees as disaster relief volunteers to Kawagoe City in Saitama Prefecture, where SAMMY's Kawagoe Factory is located, as well as to Sakura City in Chiba Prefecture, the location of a SEGA Logistics Service's Sakura office and the Sakura Nanso Office.

**Sakura City,
Chiba Prefecture**

Mikio Ina
Amusement Design Production Div.,
SEGA Interactive Co., Ltd.



My first volunteer work for Sakura City, where I had worked when I was in my 20s, was very emotional. I was heartbroken every time I saw more details of the damage in Sakura City on the news.

I was involved in dismantling and removing damaged greenhouses on a farm, which were not tasks that were too complex. We followed the supervisor's plans and instructions and readily completed the tasks without any injuries. I was glad to see smiles on the faces of the farm owners.



**Kawagoe City,
Saitama Prefecture**
Hideo Yokozeki

Reuse Promotion Dept., Production Planning
Div., Production Group Div., SAMMY Corporation



I used to play in Kawagoe City when I was very small. I wanted to do something for the city, so I joined as a volunteer.

In the morning I joined a group asked to remove wood and debris that had been swept into the area by the flooding river, then in the afternoon I helped to clean a support center for people with developmental disabilities. The mud that had been thrown into the building required a lot of shoveling and was extremely difficult to get rid of. We finally managed to clean one room. Other volunteers who worked with me shared the same sentiment that we had achieved very little, despite having so many capable men and women working together. One night of rainfall clearly can cause damage that takes months and years of recovery. It reminded us how severe nature can be and how helpless we are against it.

I hope to adjust my work schedule and volunteer again.

Hachioji City, Tokyo
Masaki Kitasaka

SEGA SAMMY Baseball Club, SEGA SAMMY HOLDINGS INC.

Hachioji City, where the Baseball Club is based, suffered enormous damage after the rivers overflowed, including damage caused by a landslide near the SEGA SAMMY Baseball ground. We had planned to participate in a baseball class hosted by Tobuki Cleaning Center over the weekend, but it was cancelled, so we participated in volunteer activities in the Takao area instead.

Our main activity was to help remove mud and debris. The mud was very heavy, and just putting it into sandbags and loading the bags onto trucks was exhausting. The area has a high percentage of elderly citizens, and it was very rewarding to see the delight on their faces after our hard work.

I felt the area needed the capable hands of the younger generation. I would like to volunteer again and make myself useful.

The 5th Corporate Volunteering Awards

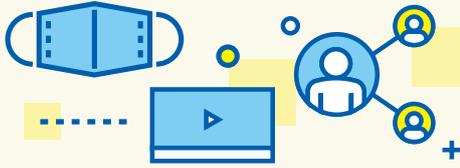
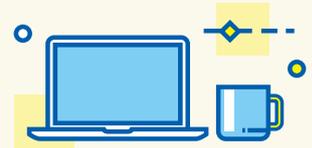
The SEGA SAMMY Group was awarded the 5th Corporate Volunteering Awards, organized by the Tokyo Voluntary Action Center (TVAC), a non-profit organization, for its ongoing effort to support the reconstruction of areas stricken by the Great East Japan Earthquake and its employees' active participation in volunteer activities across Japan. The general manager of the Group CSR & SDGs Office of SEGA SAMMY HOLDINGS, as well as two employees with volunteer experience and a representative of the reconstruction support organization, attended the award ceremony and were praised by many people for closely collaborating with organizations in the disaster-stricken areas and having employees volunteer.



Fiscal 2021 New Employee Training Program Postponed

Since fiscal 2014, our new employees have been visiting areas stricken by the Great East Japan Earthquake as part of their training in April every year. However, for fiscal 2021, we decided to indefinitely postpone the visit as a measure against the spread of COVID-19.

SEGA SAMMY Group's Response to COVID-19



COVID-19 has dramatically transformed society by disrupting people's lives and forcing companies to make changes to their operations and work styles in terms of safety and security. In accordance with national and local government policies, the SEGA SAMMY Group strives to prevent the infection and spread of COVID-19 by voluntarily suspending operations at amusement facilities and resort businesses while also implementing remote work and distributing masks to employees and their families.

Response in Our Commercial and Amusement Facilities



In response to the nationwide spread of COVID-19, we placed top priority on the safety of our customers and employees at facilities operated by the Group and are continuing with related measures. On February 29, we decided to temporarily close Orbi Yokohama before other facilities had taken that step, and subsequently we suspended operations at commercial facilities and video game arcades



according to local rates of infection and local government policies. After the state of emergency was lifted, we resumed business in stages and have been working to avoid the "Three Cs" (closed spaces, crowded places, and close-contact settings) through measures such as ventilating spaces, disinfecting equipment touched repeatedly by a number of people, and restricting entry. In addition, we urge our staff to take care of their own health, wear masks, wash and disinfect their hands, and frequently gargle.

We have distributed 124,700 masks to our facilities across the country, and we ask customers to wear masks, disinfect their hands, and maintain social distancing while in our facilities. Moreover, those with a fever or who have other coronavirus symptoms are restricted from entering. Through these measures, we have been working to prevent the spread of the virus.

Donating Masks to Local Governments



To fulfill the Group mission of "Making Life More Colorful" through entertainment, we donated masks to local governments and associations with connections to the SEGA SAMMY Group. We donated a total of 12,500 masks to the Shinagawa Children's Dining Network, headquartered in Shinagawa Ward, Tokyo, to Shichigahama-machi in Miyagi Prefecture, which has concluded a comprehensive cooperation agreement on regional revitalization, and to the Hachioji Council of Social Welfare in Hachioji City, Tokyo, where the SEGA SAMMY Baseball Club's home field is located.



Responses at the Headquarters and Group Companies



Internal measures at our headquarters and Group companies are in place to ensure the safety of our customers, business partners, employees and their families. We consider these as part of our role in helping to control the spread of the virus and ultimately eradicate it.

After the state of emergency was declared, we required all employees to work from home except for a minimum number of personnel who had special permission to come to our offices and were involved in operations vital to maintaining corporate management and business continuity.

Since the Group had already introduced a telecommuting system as part of its work style reforms in April 2019, the transition to remote work proceeded smoothly without a reduction in productivity. To lower employee anxiety and stress while there was limited communication and as staff company-wide were working in enclosed spaces due to telecommuting, we held an online meeting with the president that many employees attended to share their ideas on areas for improvement.

Since the state of emergency was lifted, employees have been urged to continue working from home and to stagger their work hours. We also

encourage them to monitor their temperature before going to work, wear a mask in the workplace, wash and disinfect their hands, avoid the "Three Cs," and maintain social distancing, while company rules in principle prohibit business trips and restrict inviting guests to the office, visiting other offices, and holding internal and external events.

Furthermore, we created a webpage entitled, "Notice Concerning the Novel Coronavirus (COVID-19)" on the Group's "COMPASS+" intranet in order to disseminate information, including messages from the president and notes on working from home. And at our Osaki headquarters we are making improvements in our work environment so that employees can do their jobs with a sense of security. For instance, we have been distributing one mask a day to each employee who is required to be at the office.



Online meeting with the President

Management

Structure of the SEGA SAMMY Group's Management Philosophy

Group Mission Pyramid

Adhering to its objective of providing dreams and experiences that move the heart through entertainment full of originality, the SEGA SAMMY Group lives up to society's ethical and public expectations as a good corporate citizen. Moreover, we communicate with a variety of stakeholders with a keen awareness of being a member of a global society. We also strive to provide value that contributes to society's sustainable growth. Moreover, we are dedicated to making people's lives more colorful and energizing society, realizing an affluent society, and creating culture by continuously implementing a variety of social activities across the SEGA SAMMY Group, such as support for sports programs, the arts, and cultural activities.

In 2017 we formulated a new Group mission statement and developed the SEGA SAMMY Group Mission Pyramid for the Group and Group companies to instill the mission statement into all of our employees. The Mission Pyramid is divided into three levels: Values, or our corporate DNA; our Mission (raison d'être) and Vision (ideal self), which are ultimately linked with the objectives of each business division and employee. The Mission Pyramid serves as a guide for achieving sustainable growth by working together toward the same goals despite different business and working environments.

Group Mission: "Constantly Creating, Forever Captivating" — Making Life More Colorful —

While sharing the value of "Creation is Life" and "Always Proactive, Always Pioneering," we will continue to provide "experiences that move the heart" to people around the world as a Game Changer. We will also contribute to enriching our society and culture by bringing more energy and excitement.



Competency		 SEGA SAMMY 5つの力	
～私たちが共有し続けたい革新者のコンピテンシー～ - Our Core Qualities -			
突破力 Drive		航路を切りひらく Chart a course to new frontiers.	新しい価値を創るために、勇気をもって前進すること Proactively tackle new challenges.
共感力 Empathy		こころの火を灯しあう Realize that no-one travels alone.	相手を理解し、心を伝え、多くの人の協力を得ること Actively build networks based on mutual trust.
決断力 Initiative		自分のコンパスを磨く Guide by your own compass.	判断軸を磨き、自ら決断していくこと Keep your goals in mind and act accordingly.
自制力 Control		誠実にみんなのために Keep your rudder steady.	将来のために今どうあるべきかを考え、誠実に対応すること Plan for the future. Act in the present with integrity and sincerity.
徹底力 Resolve		荒波でもオールをとめない See the journey through.	そこに可能性がある限り、妥協せずに最後までやり抜くこと Realize your potential and complete tasks to the best of your ability.



- Human Resources Policy
- Occupational Health and Safety Policy
- Information Management Policy
- IT Security Policy
- Personal Information Protection Policy
- IR/Public Relations Policy
- CSR and SDGs Policy
- Environmental Policy
- Overseas Bribery Prohibition Policy

SEGA SAMMY Group CSR Charter
https://www.segasammy.co.jp/english/pr/commu/csr/gr_charter/

SEGA SAMMY Group Code of Conduct
https://www.segasammy.co.jp/english/pr/commu/csr/gr_csr/

SEGA SAMMY Group Management Policy
https://www.segasammy.co.jp/english/pr/commu/csr/gr_policy/

SEGA SAMMY Group Guidelines
https://www.segasammy.co.jp/english/media/file/pr/commu/csr/20141101_supplychain_csr.pdf

We have established guidelines for crisis management, IT security, cloud service use, social networking site use, and overseas bribery prohibition, and we have disclosed our CSR procurement activities in a guidebook.

Our Policy on CSR

The SEGA SAMMY Group considers CSR activities as a key way to create value consistently for the Group and sustainably develop society.

We have established the SEGA SAMMY Group CSR & SDGs Policy and identified the priority themes to be addressed by connecting our CSR activities with SDGs. Also, we periodically keep track of stakeholder opinions and requests, assess the important issues to be addressed, and communicate our CSR activities internally and externally.

SEGA SAMMY Group CSR & SDG Policy
<https://www.segasammy.co.jp/english/pr/commu/csr/>

Policy on Promotion of SEGA SAMMY Group's CSR & SDG Activities

Referring to the materiality map of the US Sustainability Accounting Standards Board (SASB), the SEGA SAMMY Group has identified materiality to be addressed, under key categories and five key issues, through CSR activities aimed at achieving the SDGs.

Five Key Issues

1. Environment

We design products with a view to mitigating the environmental impact of manufacturing processes and enhancing efficiency through recycling and reuse. Further, we are advancing efforts to preserve the environment and reduce power consumption.

2. Addiction

We are taking steps to tackle and prevent different types of addiction, such as addiction to playing pachinko and pachislot machines; addiction to video games, or "gaming disorder," which can seriously affect health; and gambling addiction, which is strongly related to the integrated resort business.

3. People

We are striving to create motivating working environments for diverse human resources and to build a corporate culture with a high level of creativity. We also aim to make diversity an inherent part of our business while ensuring fairness by respecting human rights, prohibiting discrimination of any kind, and protecting the disadvantaged.

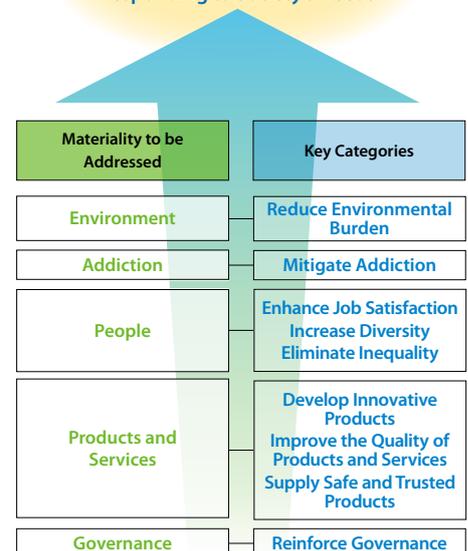
4. Products and Services

To create "experiences that move the heart" through entertainment in order to make life more colorful, we build development processes that allow us to provide innovative products, continually improve the quality of products and services, and supply products and services that can be enjoyed with safety and confidence. We are also proactive in our approach to solving social issues through our business, which will lead to continuous growth and maximize corporate value. At the same time, as a good corporate citizen, the entire Group is enthusiastic when interacting with local communities and contributing to society by providing and promoting diverse entertainment.

5. Governance

We will emphasize corporate governance, including compliance and risk management; strengthen legal compliance frameworks and internal control systems; ensure sound business management; enhance transparency; and improve efficiency through rigorous governance management. In addition, we intend to remain a company that society trusts and supports for many years to come, by keeping all employees aware of our social responsibilities through educational programs and by conducting CSR/SDG activities unique to the SEGA SAMMY Group.

Realize a Sustainable Society and an Increase of Corporate Value by Responding to Society's Needs



The Sega Sammy Group believes that it is important to create an environment in which each and every employee takes pride in his/her work and will come to realize that they contribute to the sustainable development of society, by way of continuously providing “experiences that move the heart” to people all around the world. By promoting CSR (Corporate Social Responsibility) and SDGs (Sustainable Development Goals), we aim to become a corporate group that is trusted, needed and respected by society.



Policy on Promotion of CSR / SDGs Activities of SEGA SAMMY Group

<https://www.segasammy.co.jp/english/pr/commu/csr/>

CSR and SDGs Promotion Framework

In April 2019, the Group CSR Promotion Office set up in SEGA SAMMY HOLDINGS was renamed to the CSR & SDGs Office and assigned to supervise, manage, and support the Group’s CSR and SDGs activities. To strengthen our initiatives for achieving the SDGs, we are also working to expand the function of the CSR & SDGs Office in order to support the Group’s marketing-related projects.

In May 2019, we held SDGs training for all executives of our domestic Group companies, and 11 of our key Group companies have started to address social issues based on the priority themes to achieve the SDGs. The status of their activities will be regularly reported to the Board of Directors of SEGA SAMMY HOLDINGS. The Group CSR Offices Council is in place to promote the activities. Chaired by the general manager of the Group CSR & SDGs Office of SEGA SAMMY HOLDINGS and attended by the CSR managers of Group companies, the council is, in principle, held once every year to examine, implement, and evaluate CSR activities using the plan-do-check-act (PDCA) cycle.

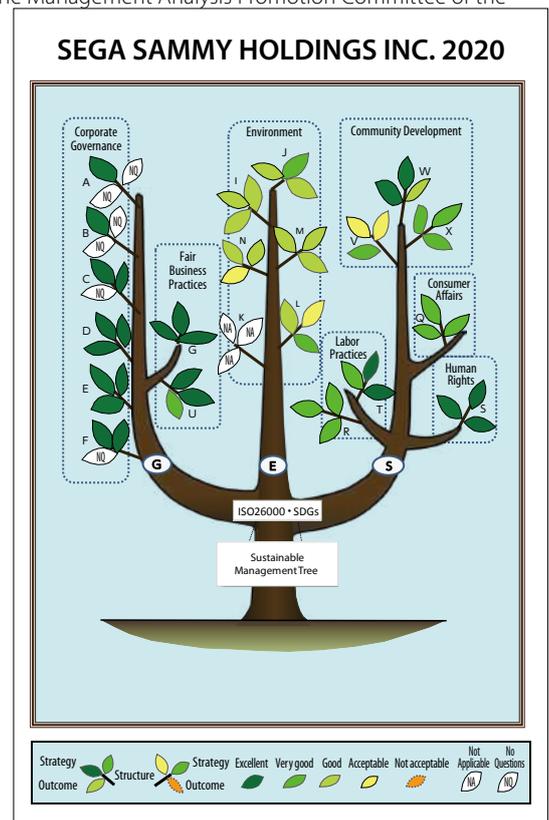
The status of the CSR and SDGs activities is posted in the CSR BOOKLET on our website and thus shared within and outside the Group. In addition, the Board of Directors receives reports on both the results of a survey (1,036 respondents in fiscal 2020) attached to the CSR Communication Report, the employee edition of the CSR BOOKLET, and the extent to which our management philosophy and code of conduct have been instilled.

Relationships with Our Stakeholders

The business activities of the SEGA SAMMY Group are founded on their relationships to five categories of stakeholders: Customers, Partners, Shareholders and Investors, Employees, and Society (contribution to the environment and society). We are working to deepen relationships of trust with stakeholders through communication and to incorporate their feedback and needs into our business activities.

Management Evaluation by the Sustainable Management Forum of Japan and Stakeholder Dialogue with Experts and Establishment of Materiality

Since 2016, we have been subjecting our management to a sustainability analysis by the Management Analysis Promotion Committee of the Sustainable Management Forum of Japan. Our average score was 82.5%, marking three consecutive years of improvement. We scored 97.3% in the area of governance, maintaining high levels in each aspect. Our score in the environmental area has remained at a slightly low 62.2% since our industry has a relatively low impact on the environment, but we have continued to achieve progress since the first analysis. We particularly cooperate with the Task Force on Climate-related Disclosure (TCFD), which is being required of the financial sector amid the growing impact of global warming on business. We have also been recognized for bolstering our efforts in response to comments we received last year by seeking to grasp Scope 3 level CO₂ emissions across our entire business, including our supply and value chains. Our score in the social area rose to 86.7% due to the partnership agreement we signed on regional revitalization with Shichigahama-machi, Miyagi Prefecture, including the dispatch of employees, and as major Group companies advanced in their respective SDGs initiatives. The COVID-19 crisis is currently causing significant changes in employee work styles, including manufacturing. We will seek to reduce our environmental impact further by promoting new work styles and sales methods, such as telework and e-commerce.



Tree diagram of analysis results

Participating in the United Nations Global Compact (UNGC)

The SEGA SAMMY Group assented to and signed the United Nations Global Compact (UNGC) in April 2014. This initiative encourages companies to act as upstanding members of society by exercising responsible, creative leadership, and to participate in the formulation of a global framework for sustainable development. We are committed to contributing to the creation of a sustainable society by promoting responsible management based on the UNGC's ten principles. Furthermore, in an effort to proactively address various social issues, we are participating with various working groups in activities related to supply chains, Women's Empowerment Principles (WEPs) and SDGs, set up within the Global Compact Network Japan (GCNJ), to exchange information with other companies while contributing to GCNJ activities.

10 Principles of the United Nations Global Compact		Group's CSR Booklet	Report Page
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights, Principle 2: and Make sure that they are not complicit in human rights abuses.	Management: Structure of SEGA SAMMY Group's Management Philosophy and SEGA SAMMY Group's CSR With partners: Ensuring Fair and Impartial Procurement With employees: Respect for human rights	Pages 13–20 Pages 30–33 Pages 34–41
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, Principle 4: Elimination of all forms of forced and compulsory labor, Principle 5: Effective abolition of child labor, Principle 6: Elimination of discrimination in respect of employment and occupation.	Management: Structure of SEGA SAMMY Group's Management Philosophy and SEGA SAMMY Group's CSR With partners: Ensuring Fair and Impartial Procurement; CSR Procurement Training; partnership with suppliers and clients With employees: Cultivation and Evaluation of Human Resources; Promoting Diversity; Respect for Human Rights; Creating a More Attractive Workplace	Pages 13–20 Pages 30–33 Pages 34–41
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges, Principle 8: Undertake initiatives to promote greater environmental responsibility, Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Management: Structure of SEGA SAMMY Group's Management Philosophy and SEGA SAMMY Group's CSR With Society-Environment: Green Power Certificates System; Designing Environmentally Friendly Products; Twelfth Year of the Adopt-A-Forest Activity; SEGA-no- Mori; Seagaia Beach Cleaning in Hitotsuba Campaign	Pages 13–20 Pages 44–48
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Management: Structure of SEGA SAMMY Group's Management Philosophy and SEGA SAMMY Group's CSR Management: Compliance With partners: Ensuring Fair and Impartial Procurement	Pages 13–20 Pages 17–18 Pages 32

CSR Promotion Initiatives

Raising Awareness

The SEGA SAMMY Group believes that putting the Group Mission into practice depends on all employees' understanding of the Group CSR Charter and acting in accordance with the Group Code of Conduct, which is written in the spirit of the charter. The CSR & SDGs Office of SEGA SAMMY HOLDINGS conveys the significance and importance of CSR activities to all Group employees and plans and implements ways to instill these ideas; for example, by offering seminars tailored to various levels of understanding.

We distributed the CSR Communication Report to all employees as a means of instilling CSR awareness and fostering a sense of unity across the Group. Also, we put up posters to raise CSR awareness throughout the company.



CSR Communication Report distributed to all employees

CSR Seminars

The Group has held CSR seminars for members of Group company management and employees since October 2013. In fiscal 2020, 761 participants from 13 companies participated, bringing the overall total since October 2013 to 4,090. The participants learned about the changing social environment surrounding our business and deepened their understanding of what it means for a company to exist in harmony with society as well as corporate sustainable growth and development, through lecturers and group work, while strengthening mutual communication. At the end of each seminar, all of them present a CSR declaration and are given the opportunity to recognize anew their raison d'être as individual members of the Group. We will continue holding these seminars so that every individual member will act with an awareness of what they should do in order for society to have expectations of this corporation, and trust and respect it, in order for their Group companies to be corporations they can take pride in. (For more information on the CSR seminars, please see page 40).



Group work during a CSR seminar

Corporate Governance

For information on corporate governance, see the Group's Integrated Report.



Corporate Governance

https://www.segasammy.co.jp/english/ir/library/printing_annual/

Compliance

Our Policy

The SEGA SAMMY Group implements a variety of initiatives under the Group Code of Conduct and the Group Management Policy to ensure that all employees understand and act out of an awareness of compliance.

Compliance Framework

Compliance Framework and Promotion

Twice a year the Group convenes the Group Compliance and Risk Liaison Committee, which is chaired by the head of the Group Compliance Promotion Office of SEGA SAMMY HOLDINGS (attended by the president and chief operating officer of SEGA SAMMY HOLDINGS, directors, the executive officer in charge of the Management Division, officers and managers in charge of the compliance promotion divisions, and auditors of key Group companies). Under the leadership of this committee we are promoting the system Group-wide to maintain sound business management in compliance with laws and regulations and societal norms.

Internal Audit

In addition to various partial audits conducted at Group companies to ensure compliance, SEGA SAMMY HOLDINGS' Corporate Audit Department periodically conducts internal audits on each facility operated by the Group companies, such as those providing entertainment or accommodation as well as golf courses, and on the safety of the food served at these places. We also monitor progress on items requiring improvement to ensure that customer safety comes first. Important auditing issues are reported twice a year at board meetings of SEGA SAMMY HOLDINGS.

Major Improvements

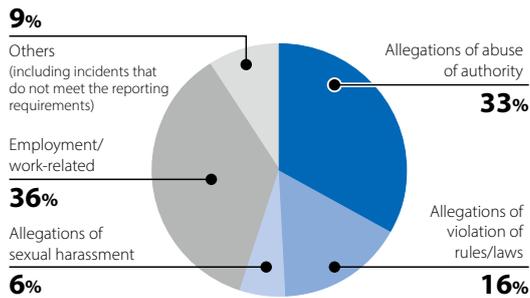
Initiatives	Progress/Results
We conduct safety inspections at 74 amusement centers nationwide to prevent injuries and accidents.	As a result of inspections in fiscal 2020, we found 211 cases where improvement was required, and we requested that operators take the necessary remedial actions. 1. 123 findings related to facilities and equipment 2. 71 findings related to pachislot and pachinko machines 3. 17 findings related to food safety
We ensure the thorough compliance required for promoting an integrated resort and conduct audits on the status of safety management.	We conduct audits on vital themes and confirm improvements by conducting follow-up audits. (1) Response to regulations on work style reforms (2) Status of personal information management (3) Status of response to information security
We seek to raise the safety and security of the food we provide at the Group's restaurants by confirming the integrity of the origins of food materials and displays on the menus.	<ul style="list-style-type: none"> As a result of our investigation into the origin of food materials and content displayed in our menus, we confirmed the appropriateness of our displays and measures for preventing the presentation of misleading information. We confirmed attendance led by the master cook at government-sponsored seminars and lectures by public health centers.

Internal Reporting System

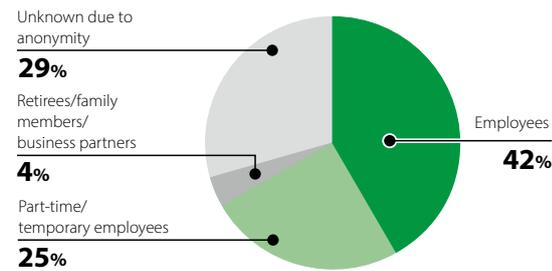
The SEGA SAMMY Group Corporate Ethics Hotline is an internal reporting system set up both inside and outside the company to prevent regulatory violations, misconduct, and other improper conduct through the self-corrective functions of the Group and company. SEGA SAMMY HOLDINGS became a registered enterprise under the internal reporting certification program (declaration of conformity) of the Consumer Affairs Agency of Japan as of December 13, 2019. The program was launched by the agency in February 2019 to promote proper development and administration of internal reporting systems that constitute the key elements of internal control and corporate governance. Under this program, an enterprise evaluates its own internal reporting system and is registered by a designated registration institution if it complies with the Guidelines for Private Enterprises Regarding the Development and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act. A total of 19 incidents were reported in fiscal 2018, 24 in fiscal 2019, and 136 in fiscal 2020. A breakdown of the types of incidents reported and whistleblower attributes for fiscal 2020 is as follows.



Types of Incidents Reported (FY2020)



Whistleblowers Attributes (FY2020)



Compliance Promotion Activities

Ensuring Full Compliance with the Rules and Enhancing Awareness

We provide seminars by employee level for Group companies to enhance awareness and foster understanding of compliance. We are working to raise awareness among all employees through a variety of approaches, such as holding seminars with guest lecturers, periodically disseminating e-mail magazines, publishing a compliance handbook with specific examples of issues employees may routinely encounter, and posting relevant articles in manga form on our intranet to make selected issues more accessible.

In fiscal 2020, we established the Group Compliance Promotion Office to prevent violations and strengthen compliance across the Group. The office ran a standard e-learning program for the employees of 23 Group companies for providing knowledge on compliance. It also conducted a compliance awareness survey with a 94% response rate to organize training focused on key aspects in an effort to grasp latent risks in the Group and make improvements.

Exclusion of Antisocial Forces

To prevent antisocial forces from becoming involved in the management of the SEGA SAMMY Group, the Group Code of Conduct clearly declares the exclusion of any relationships with antisocial forces. The Group has also adopted clauses requiring the exclusion of crime syndicates in its contracts and has introduced a screening system to review whether a business partner is associated with antisocial forces. The Group will systematically respond to any attempted contact by an antisocial force, in cooperation with external organizations, including the police and lawyers, as appropriate.

Prevention of Corruption

The SEGA SAMMY Group Code of Conduct explicitly states that (1) any acts that may be construed as the offering of bribes, favors or gifts to people who are prohibited from receiving them must be prevented, and (2) activities for social benefit, including donations, must be conducted fairly, aboveboard and in compliance with internal rules stipulated in accordance with related laws. In July 2014, the Group established a Group Overseas Bribery Prohibition Policy. After analyzing corruption risks, we provide training and periodically distribute email reminders to relevant departments.

Compliance Seminars (FY2020)

	Frequency	Number of Participants	Target Companies
Newly-appointed executives	1	13	All Group companies, including SSHD, SHD, SAMMY, SE, SGC, SIC, TMS, TOYS
Executives	2	134	
Total	3	147	
Managers (in Tokyo)	28	1,109	23 Group companies, including SSHD, SHD, SAMMY, SE, SGC, SIC, TMS, TOYS
Managers (in local regions)	6	68	
Total	34	1,177	

e-Learning (FY2020)

	Number of Courses	Number of Participants	Target Companies
Managers	5	6,549	23 Group companies including SSHD, SHD, SAMMY, SE, SGC, SIC, TMS, TOYS
General employees	4		

Note: For abbreviated company names, see page 2.

Risk Management

Our Policy

Under the SEGA SAMMY Group Risk Management Policy, on a routine basis, the Group will consider measures to prepare against potential material risks that may prevent us from maintaining or improving the promotion of our business and corporate values and we will construct systems that minimize potential losses, thereby putting forward our best efforts to minimize any effects on the various stakeholders involved and aiming to become a company that gains a strong level of trust from society.

Risk Management Status

Risk Management

The SEGA SAMMY Group established the Crisis Management Rules based on our Group Risk Management Policy. Under these rules, we perform risk analysis for the 16 major Group companies once a year and share results at SEGA SAMMY HOLDINGS' board of directors. Furthermore, we work to minimize latent risks in business activities and to prevent crises, and we prepare and maintain a rapid response system against the event of a major crisis.

We addressed the novel coronavirus pandemic in 2020 through a Group-wide effort to prevent the spread of infection.

Intellectual Property Management

Intellectual property is treated as an important means to enhance Group competitiveness and is positioned as a significant management resource. Group companies each uphold their own, individualized policies.

The Entertainment Contents Business assigns Intellectual Property Committee members in each business department and provides training and seminars to project supervisors, persons in charge and new employees to continuously raise awareness of intellectual property. We also share our intellectual property information through the Group intranet to avoid infringing on the intellectual property rights of third parties, while effectively managing our own rights. In addition, intellectual strategies are developed and implemented in alignment with business strategies through interdepartmental cooperation between the Intellectual Property Department and other relevant departments, enabling the Group to actively and strategically acquire and utilize intellectual property rights. Also, we are implementing countermeasures against counterfeit goods in order to maintain and enhance our brand.

In the Pachislot and Pachinko Machines Business, we study the technology under consideration at each stage of R&D as part of thorough risk assessment. In addition, we are working to raise employee awareness of intellectual property rights by setting up a variety of educational environments. These include rank-based intellectual property training for managers, new employees, developers, and other employees, and we also regularly disseminate intellectual property information via our intranet.

Furthermore, we have developed a strategic intellectual portfolio for each technical field to promote the effective use of intellectual property.

Information Security

In the SEGA SAMMY Group, all information is viewed as a valuable asset, whether it pertains to customers, management, sales, or other matters. To ensure proper management of information we have established the "Group Information Management Policy," "Group IT Security Policy," "Group Personal Information Protection Policy" and "Rules on information management." With the introduction of a forum for representatives of Group companies to discuss relevant issues and through discussions that pave the way for stronger measures throughout the Group, we are working to build a more robust framework for information management.

We have established the "Privacy Policy" based on the "Group Personal Information Protection Policy," under which we properly manage and utilize the personal information of our customers and implement measures to prevent unauthorized access, loss, falsification and leakage of such information. The SEGA ID offers easy, convenient access to the various services of the SEGA Group through a single ID. Personal information associated with the SEGA ID is managed by SEGA HOLDINGS, which has obtained Privacy Mark (P Mark) certification.

Issues by Theme, Result of Activities, and Relevance to SDGs

We specify issues to be addressed each year and manage the progress and results of our efforts on CSR initiative themes upheld by the Group. We have worked to fulfill our "Road to 2020" medium-term management strategy formulated in May 2017 while further expanding the impact of Group synergies and efficiencies through the integration of Group offices in August 2018 and work style reforms. These efforts have provided employees with different work style options and a more environmentally sound and efficient working environment, thereby establishing the framework for achieving medium to long-term growth of the Group and meet stakeholder expectations.

Starting with fiscal 2020, we will focus on strengthening Group-wide initiatives to achieve SDGs, encourage key Group companies to formulate plans, and develop PDCA cycles.

Key Categories and Key Issues	Initiatives		Fiscal 2020 Progress and Results	Main Page References	Related SDGs
Environment Reduce Environmental Burden	Reduction of the environmental impact caused by business activities	Promote the development and marketing of environmentally sound products	<ul style="list-style-type: none"> Developed low power consumption products, increased the number of items provided [E] Developed and commercialized Eco-Pachinko machines [PP] 	P.33 P.44-48	
		Promote the 3Rs (especially recycling)	<ul style="list-style-type: none"> Recycled trade-in machines (achieved 93%) [PP] Conducted marketable waste recycling (waste separation program of Kawagoe Factory workers) [PP] Conducted 100% recycling of amusement machines by manual dismantling [SLS] 		
		Promote environmental protection activities	<ul style="list-style-type: none"> Distributed information (e.g., environmental regulations) at the annual Supplier Meeting [E] 		
	Consideration for global environmental resources	Promote the environmental actions	<ul style="list-style-type: none"> Purchased Green Power Certificates (1,000,000 kWh actual/year) [SHD] Became a Y-Green Partner of the Yokohama City Wind-Power Electricity Generation Project (Green Power Certificate for 2020 (actual): 168,184 kWh) [SHD] Established a system for tracking figures of environmental impact at 15 major Group companies [SSHD] Won praise from Nagano Prefecture for the amount of CO₂ absorbed through a forest sponsorship agreement (SEGA-no-Mori) [SHD] Managed, protected, and cultivated black pine on the Seagaia property (250m²) [PSR] 	P.44-48	
Addiction Mitigate Addiction	Implement countermeasures against gambling addiction	Joint research for gambling addiction	<ul style="list-style-type: none"> Jointly conducted research with Kyoto University 	P.21-22 P.27-29	
		Continue compliance with safety standards conforming to industry group standards, etc.	<ul style="list-style-type: none"> Safety standards conforming to industry association standards [E, PP, TOYS] Promoted gaming in moderation through the industry group [PP, SE] 		
	Implement countermeasures for user enjoyment	Continue measures against illegal customer behavior	<ul style="list-style-type: none"> Measures against illegal customer behavior [PP] 		
People Enhance Job Satisfaction Increase Diversity Eliminate Inequality	Work style reforms	Work style reforms	<ul style="list-style-type: none"> Promotion of the work style reform (Measures against overtime hours, increased number of paid leaves taken, introduced a flextime system, the teleworking system, etc.) [Group] Opened SEGA SAMMY College (total attendance: 4,398 students) [Group] 	P.34-40, Integrated Report	
	Increase Diversity Eliminate Inequality	Increase Diversity and Eliminate Inequality	<ul style="list-style-type: none"> Introduced the LGBT support system and sponsored Tokyo Rainbow Pride [Group] Received the highest "Gold" rating in the PRIDE Index Introducing a side work system and other work style reform systems [Group] 		
Products and Services Develop Innovative Products Improve the Quality of Products and Services Safe and Trusted Products	Develop Innovative Products	Addressing social issues through business activities	<ul style="list-style-type: none"> Held SDG training for Group executives, and 11 of the key Group companies formulated SDG plans [Group] Gamification [SEGAXD] Development, manufacturing, and sales of accessible design toys [TOYS] Development, manufacturing, and sales of drive simulator [SLS] "Shumikatsu!" for senior hobby activities and exchange opportunities [SGC] 	P.21-22 P.51	
		Organize events and make products that leverage Group-related content	<ul style="list-style-type: none"> e-sports that persons with and without disabilities can enjoy together Programming classes [SE, TOYS] Donating toys in collaboration with NPOs [SSHD, TOYS] Onsite game class [SIC] 		
	Improve the Quality of Products and Services Safe and Trusted Products	Provide safe and secure products and services and continue appropriate information disclosure	<ul style="list-style-type: none"> Set voluntary standards exceeding laws, ordinances, and industry standards in target countries, quality assurance that includes information disclosure by product labeling, etc. [E, PP, TOYS] Youth protection measures [SE] Accurate, appropriate product labeling [E, PP, TOYS] 	P.26-28	
		Further improve the customer support system	<ul style="list-style-type: none"> Improved the customer support system [E, PP, TOYS] 		
		Supporting reconstruction after the Great East Japan Earthquake	<ul style="list-style-type: none"> Dispatched new employees to disaster-affected areas as part of their training (12 companies, 202 participants) [Group] Held events to support recovery in a disaster-affected area using content (5 events) [SSHD, E, PP, TOYS, TMS, SE, SLS, DL] A comprehensive partnership agreement with Shichigahama-cho, Miyagi Prefecture [SSHD] 	P.7-8	
	Contribution to local communities	<p>Conduct other Groupwide social contribution activities and support the development of culture, etc.</p> <p>Participate and sponsor local sports events</p>	<ul style="list-style-type: none"> Established the Dance Base Yokohama and supported arts and cultural activities including the Tokyo Jazz Festival [SSHD] Participated in the Picture Book Campaign (353 books) (creating an environment for entertainment in underdeveloped countries) [Group] Donated toys, etc. [SSHD, TOYS] Held the Junior Sport Festival and a baseball class [SSHD] Sponsored marathon events [PP] and participated in local clean-up activities [SHD] Supported the children's cafeteria [SSHD, PSR] 	P.49-54	
Governance Corporate Governance	Strengthen governance system	Strengthen governance system	<ul style="list-style-type: none"> Responded to the corporate governance code, established the Independent Advisory Committee and Management Strategy Committee, and held seminars for SSHD executives, etc. [SSHD] Maintain the Group Compliance and Risk Liaison Committee and Promotion of training for SSHD Executive [Group] Reported to the Board of Directors the degree to which the Group Missions and Code of Conduct have been instilled in the Group [SSHD] 	P.13-18	
	Strengthen compliance	Strengthen compliance	<ul style="list-style-type: none"> Held a compliance seminar for Group executives (3 sessions, 147 participants), held compliance seminars for managers [Group] Built an easy-to-use reporting system by establishing the Corporate Ethics Hotline [Group] Conducted standard compliance training (e-learning) in fiscal 2020 for the employees of 23 Group companies 	P.17	
	Promotion of CSR/SDGs management	<p>Instill a widespread awareness of the Group's Management Philosophy through continuous top-down communication</p> <p>Manage and share CSR information</p>	<ul style="list-style-type: none"> Held a CSR seminar for Group employees (21 sessions, 14 companies, 761 participants) [SSHD] Posted the Group Mission on the Group's intranet and also listed it in the employee handbook for promoting employee awareness [Group] Published the CSR Communication Report and distributed 11,000 copies to full-time Group employees, part-time workers, and others [Group] Distributed messages from top management about the meaning and practice of the Group's Management Philosophy in a practical way that is easy to understand for employees, with messages about the state of society and business announcements (three times per year) [Group] Participated in the United Nations Global Compact [SSHD] Collected CSR information by means of the information media (newspapers, magazines, etc.) and provided it to Group companies [SSHD] 	P.13-16 P.40	—



Haruki Satomi

President and Group COO,
Representative Director
SEGA SAMMY HOLDINGS INC.

Realizing a prosperous society by executing the mission of multi-dimensional entertainment through the provision of “experiences that move the heart”

The underlying purpose for promoting the SEGA SAMMY Group’s CSR activities is to provide “experiences that move the heart” through business activities we are expected to undertake. We believe that responding to social demands through our business instead of through the SDGs will lead to the sustainable development of society as well as the SEGA SAMMY Group and will ultimately contribute to achieving the SDGs.

In order to continue to be a corporate group that society needs, we reviewed the four key CSR/SDG themes that we have promoted to date. Then, in October 2020, the SEGA SAMMY Group identified five key issues (materiality) to be addressed: Environment, Addiction, People, Products and Services, and Governance. Focusing on the materiality will encourage us to contribute to achieving the SDGs.

In terms of the environment, we will focus on protection by reducing the environmental impact of the cabinet manufacturing process and cutting down on plastics. With regard to the rising incidence of addiction, we will further deepen our joint research with Kyoto University, which began in 2017, and strive to prevent addiction.

SEGA Sammy’s people, approximately 8,800 employees, are indispensable for providing experiences that move the heart. We are currently focused on establishing a corporate culture in which diversity, including work style reforms, is commonplace. By

SEGA SAMMY Group’s Contribution to the SDGs

Products and Services

Concrete Initiatives

- Supply quality products and services that can be enjoyed with safety and confidence
- Improve development processes
- Respond to a super-aging society with fewer children, capitalizing on entertainment content

CASE 1 Extending Driving Life Expectancy with a Driving Simulator

Traffic accidents involving elderly drivers have been increasing, and therefore reducing these accidents has become a major concern of society. Sega Logistics Service in collaboration with Sompō Japan Insurance Inc., developed a driving simulator with cognitive driving capabilities and functions for evaluating and training for driving skills. Sompō Japan Insurance was seeking to inspect cognitive functions and maintain and improve driving skills using a simulator to better understand accidents and elderly hit-and-run incidents. This data was matched with the SEGA SAMMY Group and its technology and corporate philosophy to aid in the simulator’s development.

The simulator has been introduced in Shichigahama-machi, Miyagi Prefecture, with which the SEGA SAMMY Group has a comprehensive partnership agreement. This arrangement will help provide a richer life for senior citizens as well as a safe and secure automotive society by reducing elderly accidents and extending their driving life expectancy.



CASE 2 Support for Programming Education

In a society where everything is connected to and can be managed on the Internet, the extent of programming knowledge a child possesses will have a significant influence on their future career choices. Programming classes at elementary schools have been mandatory since the 2020 academic year, although challenges remain in securing instructors.

Leveraging the knowledge of gamification—applying game elements and features to other fields—is the specialty of the SEGA SAMMY Group, and we have supported programming classes using the learning content of our action puzzle game “Puyo Puyo,” jointly developed with Asial Corporation, which handles application production and related skills. In addition to solving classroom-related problems, we will support programming learning at the various educational levels of children, who will forge the future.



accumulating the wisdom of employees from a variety of backgrounds, we seek to improve the quality of our products and services and will continue to create entertainment content that enables customers to have experiences that move their heart while safely and securely enjoying our products and services.

We believe that strengthening governance, the foundation of corporate management, is essential for meeting these challenges, and we are designing a system for supervising business execution and further enhancing execution functions. Furthermore, we are convinced that improving management transparency and providing

responsible explanations to stakeholders will attract useful external feedback and ultimately help to establish a stronger management foundation.

Responding to social demands through our business operations is the ideal path to sustainability, and we believe that the SEGA SAMMY Group has entered the stage of taking action toward realizing its ideals. We will fulfill our mission of providing “experiences that move the heart” by stepping up our efforts on key issues to contribute to achieving the SDGs through all our business activities.

● Implemented SEGA SAMMY Initiatives

February 2019	Identified key SDGs themes
April 2019	Established the SDGs Promotion Office
May 2019	Held SDGs seminars for executives
July 2019	Formulated a new action plan and started considering each company's initiatives for the next plan
October 2020	Identified five key issues (materiality)



The SEGA SAMMY Group is advancing its business activities to address the challenges faced by society, which will ultimately contribute to achieving SDGs. We believe that continuing this cycle is the essence of corporate sustainability and will meet the demands of society by faithfully executing the Group's mission of “Making Life More Colorful” through entertainment.

People



Concrete Initiatives

- Pursue work style reforms that lead to stronger businesses
- Realize diversity
- Establish a creative corporate culture by creating an environment in which diverse human resources play an active role

CASE

Supporting Broader Awareness of LGBTs

The SEGA SAMMY Group has a dependent allowance system for same-sex couples and provides e-learning seminars on LGBT for domestic Group employees.

In addition, since fiscal 2019, we have been supporting the activities of Tokyo Rainbow Pride, which strives to increase awareness of sexual minorities.

Addiction



Concrete Initiatives

- Establish social credibility by practicing educational activities together with the industry
- Deepen research to prevent gambling addiction
- Respond to game addiction and obsession concerns

CASE

Joint Research with Kyoto University

We are taking unique measures through joint prevention research on gambling addiction with Professor Toshiya Murai of the Kyoto University Kokoro Research Center.

Environment



Concrete Initiatives

- Visualize CO₂ emissions throughout the value chain
- Reduce cabinet waste loss due to reuse of pachislot and pachinko machines
- Conserve the natural environment and save energy

CASE

Environmentally Sound Product Development

SEGA Europe Ltd. abolished the use of plastic packaging for some games. It also continues to focus on recycling the cabinets of pachislot and pachinko machines to reduce waste.



Governance



Concrete Initiatives

- Transparent management
- Review of executive compensation

With Customers



Group CSR Charter

We will continue to provide “experiences that move the heart” to our customers in any age as their needs evolve.

Group Code of Conduct

“Security, Safety and High Quality,” “Customer Satisfaction” and “Ensuring the Safety of Products”

1. We will strive to provide secure, safe and high-quality products and services that always meet our customer’s expectations.
2. We will strive to always listen to our customer’s opinions, and provide products and services that are satisfactory to our customer.
3. We will strive to always look at our operations from our customer’s perspective, and provide products and services at an appropriate price and in a prompt manner.
4. We will strive to continually monitor the market, be sensitive to changing trends, improve technology and create new ideas.
5. When we perform product design at our own responsibility, we will strive to ensure that products meet the safety standards as set forth in the relevant laws and regulations, etc., of each country.

“Proper Business Relationships,” “Information Disclosure” and “Claims and Reporting”

6. We will always maintain proper business relationships with our customers. We will not conduct any activities such as: unduly low bargain sales that might damage profits; or acts that are not considered to be normal commercial activities.
7. We will actively disclose information to our customers that is useful for their further understanding of the corporate activities, products and services of the SEGA SAMMY Group.
8. We will carefully examine and take appropriate measures to handle claims against the company, accidents or any other problems.



Takayuki Kikuchi

Sega Logistics Service Co.,Ltd.



Dedicated to the Revival of Retro Machines

In February 2017, our department responsible for the maintenance of second-hand amusement machines was approached by SEGA Interactive with a project to refurbish and exhibit amusement machines that were major hits back in the SEGA era.

SIC contacted us because they wanted cross-sectional cooperation in the project’s implementation.

A large amusement machines plant, which has produced a number of new products since 1991, was annexed to the logistics warehouse at the Yaguchi Office in Chiba Prefecture, where we are located, and we have many highly skilled and experienced repair specialists there.

This project requires a tremendous amount of time and effort. For instance, while we were able to easily make minor repairs, such as removing rust, repainting, and refilling chipped areas, when we found that a part was missing we had to check other machines for a replacement, ask around for it, or find a supplier that could produce it.

Unfortunately, the event to show the revived retro machines has been canceled indefinitely due to COVID-19. We will, however, continue our efforts to revive as many machines as possible so that those who grew up with SEGA arcade games can enjoy that nostalgic feeling and younger people can experience SEGA’s history.



Creating Unique Memories for Customers



I am in charge of two special stores—the Yogorino restaurant and Sepurish photo booth store—and a conventional amusement facility. All our employees at these locations are dedicated to helping customers create unique memories by offering them a new menu at the Seventeen magazine event for teenage girls and “a place where you can take the best pictures of yourself in uniforms,” which expresses the store concept.

I would like to see at these stores more female employees, helping customers enjoy an experience that can't be found elsewhere. As the need for female workers increases due to the population decline, I strive to be a role model who

inspires confidence in staff to pursue higher career ambitions, regardless of gender, and also to motivate potential staff interested in working at our stores.



Kanako Nakada

Large Facility Sales Department,
SEGA ENTERTAINMENT Co., Ltd.



Mitsuki Sawada

Operation Dept.,
SEGA SAMMY GOLF
ENTERTAINMENT INC.

Enhancing the Customer Experience as the Face of Our Golf Course

Front desk staff are the face of our golf course, mainly handling morning check-ins and payments as well as check-outs and record-keeping. We also make careful preparations for customers so they can fully enjoy golfing.

I have only been with the company for two years, so I am still learning new things every day. By working as a member of a team with other front staff members and sections and closely communicating with them, I would like to provide customer services that make people happy about having chosen The North Country Golf Club and encourage them to come back.



Delivering the Worldview of Our Games in 3D

The Music Business Team is responsible for the licensing of live concerts and performances. Our goal is to reproduce the worldview of our games so that we don't disappoint the fans who love Atlus games. For PERSONA5 the Stage, which is a staged work of our PERSONA5, our development and stage staff worked together as often as possible to oversee the finest details, from the clothing fabric, wigs, and makeup used to character movement. An Atlas sound creator, Atsushi Kitajo, also composed the soundtrack for the stage.

I would very much like to see these stages held overseas to deliver a worldview of our games to fans across the globe. And I encourage everyone to look forward to the second stage, scheduled to open in October.



Ayano Harada

Sales and Music Business Dept.,
ATLUS Co., LTD.

Celebrating the 60th Anniversary of SEGA with Content that Conveys Our Deepest Appreciation to All SEGA's Stakeholders

In celebrating the 60th anniversary of SEGA, we are focusing on actions under the key message, "GO SEGA," for one year starting in April, to deepen the connection between our customers and all other stakeholders and the SEGA Group on June 3, 2020.

Through our special website, a major tool for connecting with customers, we are celebrating our anniversary internationally by sharing more than 5,800 congratulatory messages received from across the globe. The PR videos featuring SEGA Shiro, an ambassador of the project, have been viewed seven million times.



We produce goods on which "GO SEGA" is printed and feature them in brochures.

We feel that there are many fans, from loyal gamers to those new to the brand, who appreciate SEGA's charm.

Unfortunately, some events have been suspended due to the current pandemic. Nevertheless, we will continue our efforts to communicate with all our customers to share the strong DNA of the SEGA Group, which has enabled us to overcome many obstacles, as well as our commitment and enthusiasm for GO SEGA and our solid steps toward a brighter future.



From left: **Takayuki Yashiro, Mayu Koike, and Shigeru Kikegawa,**

SEGA 60th Anniversary Project Office, SEGA Corporation

Promoting "E-commerce Sales" of Pachislot and Pachinko Machines!?



Naoto Murano

EC Promotion Dept., Sales Div., Sammy Corporation



Front row from the left:
Kenji Inoue
Takashi Shimada
Shigeo Narushima

Back row from the left:
Naoto Murano
Hideki Sakamoto, Manager
Masaaki Hasegawa
Ryo Matsuoka
Taishi Morinaga

We live in a time when everything is connected to the Internet—when people can even purchase a car simply with a few clicks on their smartphone. Nonetheless, it is still customary for this industry to sell pachislot and pachinko machines in person and order parts by phone or fax.

SAMMY was one of the first companies to launch a website for ordering after-sales parts, and in 2020 it will expand that system to include an e-commerce channel for the sale of these products.

Although our mission is to promote e-commerce, we believe this means more than merely putting all our products and services online.

Sales are carried out in any number of ways depending on the customer. For example, they may want to first try out a machine before purchasing it online or to do some research online before visiting a showroom to make a purchase. We must take advantage of every resource and the available knowledge base without being exclusively bound by current business practices. We believe that it is our mission to deliver products and services that are more personalized than ever before by taking advantage of the benefits of both face-to-face sales and e-commerce. Going forward, we will collaborate across SEGA Group and utilize the website to promote the sales of pachislot and pachinko machines as well as various services to support the success of our customers businesses.



Pursuing Customer Satisfaction

Gauging and Applying Customer Needs

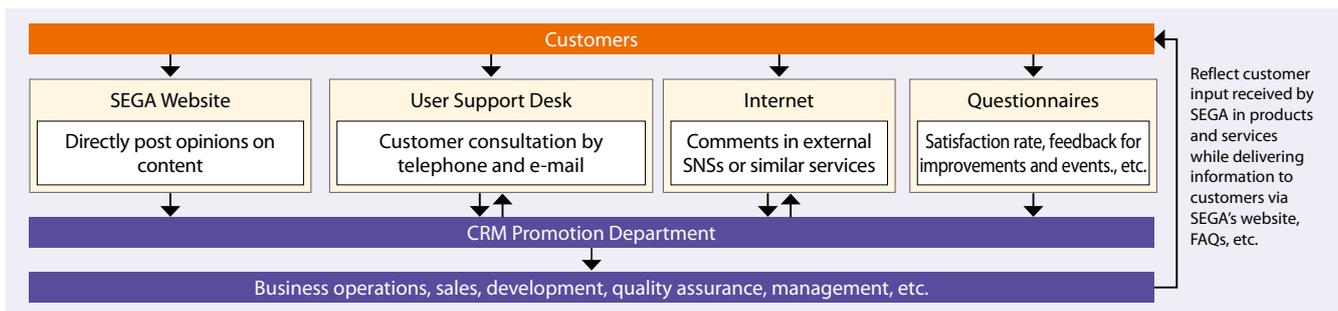
Customer Support System

E We operate the User Support Desk so that customer input can be used in quality improvements for our products and services. Moreover, we have a specialized group (CRM Promotion Department) that forwards customer information to related departments.

1. We promptly and accurately respond to customer inquiries through the operation of the User Support Desk while efficiently collecting customer feedback received through questionnaires, websites, and external social media. Also, we use special tools to report market developments to related departments. On the business side, such as development, we thoroughly analyze and then use customer feedback, along with the state of products or services, to develop a framework for quickly improving them as well as advancing their evolution and generating new projects.
2. We safely and effectively handle personal information, and we operate the SEGA ID member system, which enables Group-wide user verification and online payment. SEGA ID as a key is also used to combine and store personal information with other data. Furthermore, we obtained Privacy Mark certification in June 2017. By presenting the mark to third parties, we will strive to gain public trust. At the same time, we will establish an environment for appropriate management and use of the personal information we have collected.

Up until now, we have been conducting user data surveys with IT tools. Now, under the slogan “building relationships for longer and more enjoyable experiences,” we receive game server logs from some of our development departments to promptly resolve the issues our customers are facing by reviewing their log history and the content of inquiries and to promote the internal use of customer data by strengthening market reporting.

Mechanisms and Framework to Act on Customer Feedback (Entertainment Contents Business)



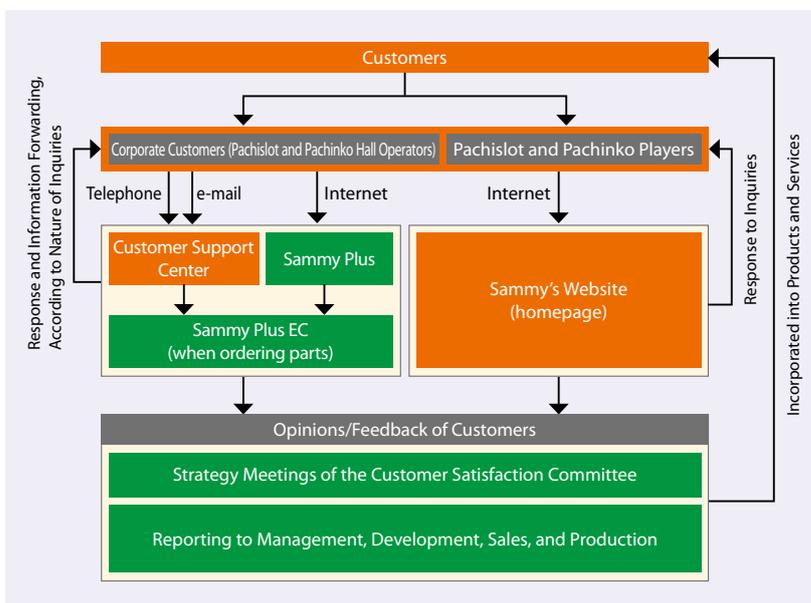
PP In fiscal 2018, we integrated the Call Center and Parts Center to establish the Customer Support Center, streamlining a series of customer services, such as the receipt of customer inquiries on machine problems and troubleshooting by phone, follow-up calls to customers who made inquiries on the shipment of after-service parts and technical problems, and the collection of defective parts. In response to the government’s request to suspend business due to the COVID-19 pandemic, we will start receiving email inquiries in fiscal 2021, facilitating an even faster response. We train customer service staff on how to mount defective parts on actual machines in order to strengthen their skills for more accurately diagnosing machine problems.

In addition, to make customer services more user friendly, we are:

- (1) providing a multi-channel guidance service that delivers easy-to-understand explanations to customers about the location of the parts in the machine and how to replace them, which is difficult to explain by phone but easier with the support of our Sammy Plus website;
- (2) operating Sammy Plus EC, our e-commerce website for after-sales parts so that customers can order parts according to their respective needs; and
- (3) unifying phone numbers of our call center with those of our competitors.

In fiscal 2020 alone there were 16,000 customer inquiries to the Support Center. We apply what we

Mechanisms and Framework to Act on Customer Feedback (Pachislot and Pachinko Machines Business)



learn from these to reduce incidents of machine problems and improve the operability of game machines and other activities in the development and manufacturing divisions. This involves the collection and analysis of opinions and feedback at the Customer Service Division and the timely sharing of this information with the related departments.

Safety and Quality Assurance of Products and Services

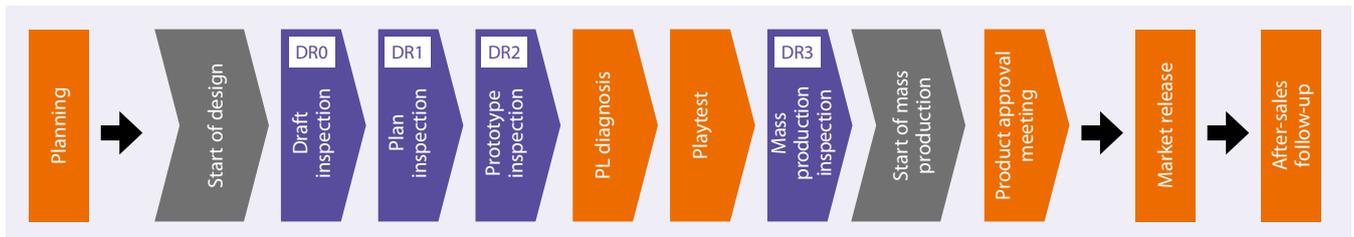
Quality Assurance System

E At SEGA Interactive, the Quality Assurance Department operates independently from other departments, such as sales and development, to strengthen our quality assurance system by centrally managing product and service safety and quality in keeping with relevant rules. Particularly for managing product safety, the business follows its own voluntary standards as well as industry guidelines established by JAIA.*1 In addition, we conduct design reviews in which the relevant personnel from each department, such as development, production, sales, and quality management, gather to evaluate products from four perspectives: product specifications, design specifications, mass production specifications, and mass production readiness.

Prior to market release, we make sure that we are releasing a product that has satisfied strict standards. This entails conducting a PL*2 diagnosis, during which we assess product risks using various safety control techniques, and a product approval meeting to determine whether a product is ready for release.

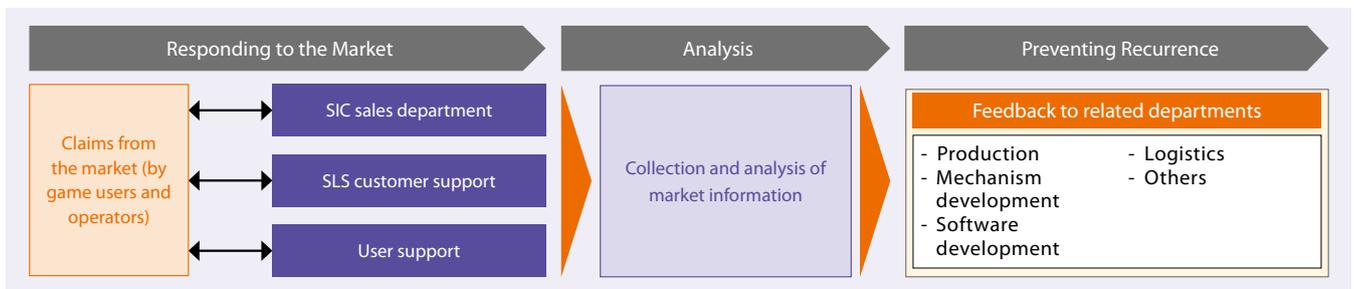
*1 Japan Amusement Machine and Marketing Association, Inc.
*2 Product liability

Flow of the AM Equipment Quality Assurance System



DR: design review

Mechanism for Utilizing Customer Input (Amusement Machines)



PP At SAMMY, we offer safe, high-quality products and services after undertaking quality assurance initiatives for proactive creativity and effective improvement. Also, we take the following actions to eliminate major failures that could compromise safety.

- (1) Develop quality manuals and manage quality records
- (2) Verify that the 4M* system is being properly implemented by suppliers and, as necessary, conduct audits and provide guidance
- (3) Conduct process audits for production and gaming testing for machines in a high-temperature environment
- (4) Optimize inspection specifications for movable accessories
- (5) Reinforce collaboration between our development, sales, and production departments to improve product quality

As a result of these efforts, we achieved our target of eliminating major failures.

*Man, machine, material, method

Quality Assurance Action (Pachislot and Pachinko Machines Business)



Creating a Wholesome Environment for User Enjoyment

Product and Service Labeling

E At SEGA Games, we label product packaging, user manuals and other tools for home video game software in accordance with the relevant laws and regulations, industry group guidelines and internal rules. By applying clear and appropriate labels, we ensure that customers can confidently use our products and services. We also proactively specify the range of users for each product and address any ethical concerns. SEGA labels all of its products in line with assessments conducted in countries around the world. In Japan, we indicate the target age group for each game based on the ratings system of the Computer Entertainment Rating Organization (CERO) and label products in accordance with our own voluntary standards. With the expertise accumulated through the CERO rating system and previous cases, we have formulated guidelines that cover 9 categories and 26 items. Furthermore, we share as needed information on the latest cases from both Japan and overseas concerning voluntary ethical restraint through newsletters to raise employee awareness.



Initiatives for the Appropriate Use of Content

E PP SEGA Games of the Entertainment Contents Business and Sammy Networks of the Pachislot and Pachinko Machines Business provide content for smartphones and tablet mobile terminals. Particularly in light of problems related to excessive game use by minors and the associated fees, we have instituted age authentication for most titles for the domestic market that sets an upper limit on monthly fees that can be accumulated. In connection with the game “gacha,” in which players use points and other items that we sell, we also take steps to temper player expectations by avoiding ambiguous statements that could result in accumulating excessive fees. For example, we have established in-house guidelines for clearly stating the rarity of items that players can acquire or the probability of their acquisition, item by item. We intend to continue our efforts through such measures, all of which are in accordance with the guidelines of industry associations. This allows us to create a wholesome environment for game playing in which users can enjoy themselves with a sense of security.

Measures against Illegal Customer Behavior

PP The Revised Amusement Businesses Law Enforcement Ordinance, in effect since July 2004, is primarily intended to control excessive gambling on amusement machines and prevent improper modifications. Adhering to this ordinance, the Pachislot and Pachinko Machines Business has established a special group to collect market information and build amusement machines that are resistant to abuse toward preventing users from illegally manipulating the machines for illicit benefit. To combat improper modifications, which are becoming increasingly complex, we monitor and manage the distribution of our amusement machines to completely eradicate from the market any that have been illegally modified. Suspicious solicitations for “sakura/uchiko” by people posing as SEGA Sammy Group recruiters and groundless walkthroughs and strategy guides have been circulating in some areas of the market. Also, we are implementing various countermeasures and encouraging caution via the Sammy website and pamphlets.



Ethics and Social Considerations

E PP In compliance with the Standards for Elimination of Unhealthy Amusement Machinery, established by the JAIA, SEGA Interactive conducts in-house inspections prior to commercialization. It does this to identify any expression that may be excessively cruel or cause discomfort to customers.

SAMMY has established an ethics committee, which serves as an in-house audit function. Moreover, it has developed pachislot and pachinko machines that satisfy prevailing ethical standards and social codes. We have formulated our own guidelines and strictly control our products to ensure that they do not contain any content that could lead to criminal acts or significantly encourage gambling. For more information on our efforts to prevent addiction, please refer to our integrated report.

Countermeasures to Addiction

E The annual conference of the World Health Organization in May 2019 recognized gaming addiction as a new mental disorder, defining it as a pattern of excessive online and video gaming that can impair an individual's daily functioning.

For the "gacha" game, which has strong gambling elements that can lead to excessive fees, the Entertainment Contents Business has taken steps particularly in light of problems related to excessive game playing by minors and the associated fees. These measures include age authentication for certain titles that restrict the amount of monthly fees and in-house guidelines to temper player expectations by avoiding the use of ambiguous terms and prevent the charging of exorbitant fees.

Four organizations related to gaming, including COMPUTER ENTERTAINMENT SUPPLIER'S ASSOCIATION (CESA), Japan Online Game Association(JOGA), Mobile Content Forum(MCF), Japan esports Union(JeSU), have established a four-member joint study group to study player behavior induced by gaming and promote awareness of healthy gaming. Currently, the group is conducting research on gaming disorder in collaboration with external experts and will also work on developing effective measures in the future. The SEGA SAMMY Group will continue to appropriately address these issues in cooperation with the study group.

PP Discussions regarding addiction began in the pachinko and pachislot machine industry when the Society for Research on Pachinko Addiction was formed in 2003. The Recovery Support Network (RSN), established with support from industry groups in 2006, conducts wide-ranging problem-solving initiatives, such as public outreach and telephone counseling while also collaborating with public institutions.

Following the promulgation and enforcement of the Act on Promotion of Development of Specified Integrated Resort Districts (IR Promotion Act) in December 2016, the pachinko and pachislot machine industry has been working to respond to government efforts to address gambling addiction. Accordingly, in January 2017, the 21st Century Pachinko and Pachislot Industry Association, which consists of 14 groups from the industry, released the Statement Regarding Issues Involving Pachinko and Pachislot Addiction. Since then it has been promoting such initiatives as the expansion of RSN office hours, addition of new items to the scope of the Self-reporting Program*1, introduction of the Family Reporting Program*2, assignment of Secure Pachinko and Pachislot Advisors who provide consultation on addiction issues at pachinko halls across Japan, and replacement of pachinko and pachislot machines to comply with the revised rules enforced in February 2018. Furthermore, in December of the same year, a third-party organization that evaluates and issues proposals on the industry's addiction measures was established to create an environment open to objective feedback.

In December 2019, the Basic Guidelines for Addressing Pachinko Addiction and the Basic Guidelines for the Pachinko and Pachislot Industry for Addressing Addiction that specify the guidelines and concrete measures to address addiction were formulated and announced to accelerate the efforts to address gaming addiction.

The SEGA SAMMY Group will play a leading role in these initiatives and contribute to the industry's sound development.

*1 A program that allows customers to set limits on the money and time spent on machines per day and the number of visits per month, and their entry is restricted when these limits are exceeded.

*2 A program that allows customers to consent to family members restricting their entry.



Addiction prevention poster

Developing and Operating a Safe and Reliable IR Facility

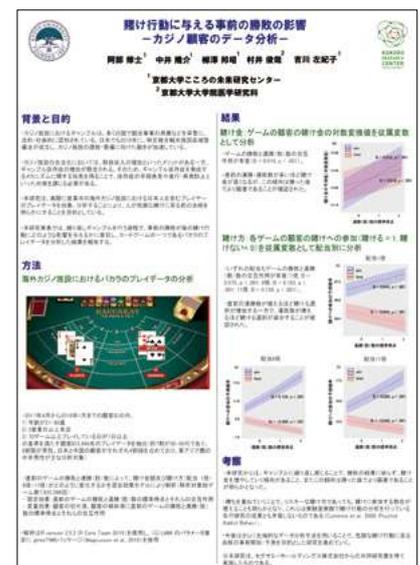
■ Launching industry-academia joint research on gambling addiction

R SEGA SAMMY HOLDINGS and Kyoto University have been jointly conducting process research* on gambling addiction with Kyoto University through the collection and analysis of data on transitions in gambling behavior.

The research is being carried out with the aim of identifying signs that appear prior to a person's engagement in dangerous gambling by collecting and analyzing player data (including Japanese players) at overseas casino operations. With this research, we intend to establish a system to identify players who exhibit signs of addiction and then prevent further progression. At the same time, by establishing facility operations that encourage self-control and restraint, we aim to build consistent, systematic anti-gambling addiction measures through education, prevention, and collaboration with medical institutions for treatment.

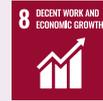
Research has so far revealed the effects of prior wins and losses on subsequent gaming behavior, based on data analysis and presented at the 83rd Annual Convention of the Japanese Psychological Association in September 2019, and research aimed at detecting the signs of addiction is ongoing.

*Research will be extended to March 2023 and will continue at the Kyoto University Kokoro Research Center.



Poster for the 83rd Annual Convention of the Japanese Psychological Association

With Partners



Group CSR Charter

We will maintain fair and impartial relationships with our suppliers and work together diligently as partners to create “experiences that move the heart” continuously.

Group Code of Conduct

Fair Business Relations and Impartial Selections

1. Our relationships with trade partners will always be conducted cleanly, transparently and fairly; and we will not engage in any acts that might be misinterpreted as being part of a “cozy relationship” or collusion.
2. In our relationships with trade partners, we will not engage in any transaction that causes undue detriment by abusing our dominant bargaining position over them.*
3. As to the selection of trade partners, we will comprehensively consider such characteristics as creditworthiness, technological capability, development capability, price, adaptability to environment, and judge them based on fair and open standards.
4. We will conduct transparent and fair transactions even within our group companies.

Entertainment and Gift-Giving

5. When entertaining or giving gifts to trade partners, we will not only follow internal rules stipulated by the relevant company, but will also, in view of social common sense, remain moderate in our conduct and make appropriate judgments.

Individual Profits

6. We will not pursue personal profits from trade partners including receiving profits or favors by using our individual positions.

*Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antitrust Act) and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, etc.



SEGASammy
HOLDINGS

Uchijima Takashi

Resort Business Div.
SEGA SAMMY HOLDINGS INC.

Team Effort Wins Prestigious Award

I worked in Paradise City, Incheon, South Korea, as a project manager for the development of the Wonderbox family entertainment center. Working with staff members from more than eight countries, we embodied the concept of a night theme park in the Wonderbox and opened it in March 2019. During the development period, I made myself available onsite as much as possible to facilitate prompt decision-making and effectively manage quality, cost, and delivery while ensuring that all staff worked in concert toward opening the Wonderbox as planned. Even after it opened, we continued to make the utmost effort to increase customer satisfaction in cooperation with related vendors, and this team effort resulted in our winning the Outstanding Achievement Award for having contributed to creating excellent cultural facilities, in the Thea Awards from the Themed Entertainment Association (TEA), one of the entertainment industry’s most prestigious organizations. Going forward, we will continue to provide new and fun entertainment experiences to our customers.



Fantastical interior imaging for a night theme park

Creating Game Software Overseas and Delivering it to Customers All Over the World

To promote the international development of game software sales between Japan and other countries across the world, we apply the overseas business expertise and distribution network that SEGA has for years cultivated to meet the needs of software manufacturers seeking to create new sales channels. Localization, or ensuring that software is suitable for specific markets, is the key for selling game software overseas. We were recently engaged in a project for which we were entrusted with a product license from a software manufacturer in Japan and sold the projects in Taiwan, South Korea, and other countries. The project resulted in a sales volume comparable to that in Japan, which very much pleased the manufacturer. We believe that our unwavering attention to detail in modifying specifications so that the local language is used in the most natural way possible and that having local staff implement sales and promotional activities led to the project's success.

While our main work is in the so-called BtoB business, we know that many end users around the world are waiting for our software game to become available. And we will continue to undertake our projects for a wider and even worldwide audience.



Business negotiations in Asian countries



Takako Takusagawa

Account Management Dept., Business Development Group, Japan Asia Publishing HQ, SEGA CORPORATION



Right: Tatsuma Ito

Left: Sho Matsumoto

Intellectual Property & Public Relations Division, Research & Development Group Division, Sammy Corporation



For the Future of the Entire Industry

The Liaison Department mainly plans specific measures and builds consensus with rival competitors to lead the entire pachinko industry in a better direction while making adjustments and negotiating with our customers, such as those running pachinko halls as well as supervisory agencies including the National Police Agency.

Proud to be among the foremost gaming companies, we will exercise leadership in addressing various issues facing the industry, such as a decline in the number of people playing pachinko, gambling addiction, improving the entertainment experience, promoting sound distribution, practicing voluntary business restraint in the wake of the spread of COVID-19, and conducting social contribution activities related to natural disasters. Moreover, we will contribute to the sustainability of both the company and gaming as a whole by promoting the revitalization, efficiency, and soundness of the industry.



A fan event organized by Nippon Yugikikogyo Kumiai

Ensuring Fair and Impartial Procurement

Ensuring Fairness in All Respects

Requests to Suppliers

We ask our suppliers to undertake the measures and actions described in the following items and based on the SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook.

I. Labor

Prohibit discrimination, inhumane treatment, and infringements of human rights; pay appropriate wages; regulate working hours; respect the rights to freedom of association; and prohibit child labor

II. Environment

Control hazardous chemicals; minimize environmental pollution; and promote the 3Rs, the appropriate disposal of waste, and the reduction of final waste

III. Occupational Health and Safety

Promote workplace safety and hygiene; take appropriate measures for occupational injuries and illnesses; and promote employee health management

IV. Product Quality and Safety

Ensure product safety

V. Fair Trading and Ethics

Prohibit corruption, bribery, and abuse of a superior position; provide accurate information on products and services; respect intellectual property; and implement appropriate export control

VI. Information Security



SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook

https://www.segasammy.co.jp/english/media/file/pr/commu/csr/20141101_supplychain_csr.pdf

Promoting CSR Activities in Procurement and Purchasing



Since fiscal 2016, the basic agreement signed before any transaction stipulates the supplier's commitment to the SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook. Also, we ask our suppliers to renew current agreements, with 93% agreeing to do so.



The Pachislot and Pachinko Machines Business upholds internal rules including the Internal Regulations on Managing Outside Orders for Production and Purchasing. Established purchasing rules are applied for the evaluation and selection of business partners. Before commencing business with new suppliers, we assess and analyze data provided by them as well as from external research organizations to evaluate the suitability of the candidates. In regard to annual audits, we review content every year.

In fiscal 2020, although we initially planned to audit 81 companies, we were only able to audit 76 due to the impact of COVID-19.

Learning from the experience of the last fiscal year, we will consider adopting remote auditing this fiscal year to ensure that all target companies undergo proper audits.

Continuing to Strengthen the Framework for Subcontract Act Compliance



Building and operating a system of compliance with the Subcontract Act and other regulations is of the utmost importance, and we are stepping up internal seminars accordingly, such as by covering the Subcontract Act in the e-learning provided for the entire Group. Moreover, we participate in seminars during Subcontract Act Compliance Month every year in November and rollout the content, such as changes, to the relevant departments of our Group companies. In regard to internal training for the purchasing department in the Pachislot and Pachinko Machines Business, we standardized implementation of the Subcontract Act training program for employees transferred to the purchasing department so they could quickly gain knowledge about the act. This will help them more efficiently carry out their tasks, even if they are new to purchasing work.

We established the SEGA SAMMY Group Corporate Ethics Hotline, an internal reporting system and an internal and external consultation contact point for maintaining sound business transactions based on integrity and mutual trust with business partners. To prevent unfair treatment, SEGA SAMMY HOLDINGS responds to inquiries as a neutral party, and they are handled responsibly by the director in charge rather than the individual directly involved.

Amusement Material Procurement Policy

Basic Stance

1. All employees engaged in amusement materials procurement at SEGA will comply with legal and social norms and conduct themselves with sound judgment in keeping with the SEGA SAMMY Group Code of Conduct and internal rules.
2. SEGA amusement materials procurement will be conducted with integrity and impartiality, and we will deal with our business partners fairly and sincerely.
3. We will endeavor to build trusting relationships with our business partners by conducting fair trade, and we will work with our business partners to improve technologies and product quality, pursue economy and efficiency and achieve mutual success.

Prohibition of Child Labor and Forced Labor

E Initiatives have been underway, primarily at overseas production plants and similar facilities, to prohibit child labor and forced labor. Every month, members of the purchasing and quality control divisions of SEGA Interactive visit plants producing prizes, including onsite inspections, resulting in auditing 96% of our suppliers. The results of these audits showed that no suppliers were at a high risk. In addition, in fiscal 2020, 19 purchasing and procurement staff members participated in the CSR procurement seminar held by SEGA SAMMY HOLDINGS.

SEGA ENTERTAINMENT conducts a survey of major suppliers, manufacturing prizes used at amusement facilities, on slavery and human trafficking in order to ensure appropriate management and reduce any associated risks (audited 80% of our suppliers). These audits confirmed that no suppliers were at a high risk.

SEGA TOYS is pursuing the conclusion of a master manufacturing contract incorporating a clause that obligates compliance with laws about child labor and forced labor, the provision of a human rights seminar for the purchasing division and local employees in charge, and the confirmation of a third-party certification for labor standard compliance (audited 96% of our suppliers).

Response to the U.K. Modern Slavery Act

E As our commitment to the Modern Slavery Act 2015, enacted in March 2015, SEGA SAMMY HOLDINGS has posted a statement on its corporate website about preventing human rights violations such as slavery and trafficking in all our businesses and supply chains.

Modern Slavery Act Transparency Statement

https://www.segasammy.co.jp/english/media/file/pr/commu/csr_library/uk_modern-Slavery-Act-statement_en.pdf

CSR Procurement Training

With the enactment of the U.K. Modern Slavery Act, laws and regulations governing human rights violations, including child labor and forced labor, are becoming increasingly strict. Since the entertainment industry is also closely associated with concerns over human rights violations, we have started to conduct CSR procurement training for the procurement and purchasing personnel at our seven Group companies in previous fiscal year. In fiscal 2020, our seminars have been postponed due to COVID-19. However, we will continue to provide the program, which includes the lecture “CSR procurement—Instilling CSR throughout the supply chain” and the card game “Game of Choice,” to deepen employee understanding of CSR procurement and create an opportunity for participants to reflect on their roles in society as members of the SEGA SAMMY Group.

Partnership with Suppliers

Coordination with Suppliers

E SEGA Interactive has been working to strengthen its relationships with suppliers by holding supplier meetings, in which we share purchasing and development policies concerning the environment and quality. In fiscal 2020, the meetings were attended by 161 people from 90 companies, and 98.7% of them informed us that the meetings were beneficial.



Supplier meeting in fiscal 2020

With Employees



CSR Charter

Our employees bring to us creativity and a spirit of challenge. They are our most cherished assets and the fuel for our growth. We will cultivate a corporate culture that allows them to fully exploit their talents and enables us to grow together with our employees.

Group Code of Conduct

Improvement of Workplace Environment

1. By considering the safety and health of employees, we will build a workplace environment where employees can work with a sense of security.
2. We will create a company, which enables employees to fully utilize their individual capabilities and to feel rewarded and challenged.

Harassment and Discrimination

3. We will not commit and will prevent any acts that disturb the workplace environment such as sexual harassment, harassment by superiors and invasion of privacy.
4. We will not commit and will prevent both discriminatory acts that damage equal employment opportunity and discriminatory treatment based on such factors as a person's race, beliefs, sex, age, disability, academic background or family origin.

Measures for COVID-19 and a Remote Work Environment

The Network team of the Platform Department is responsible for providing Internet lines and building, operating, and managing VPN systems necessary for remote work environments. The User Support Section is providing the support necessary for remote working, such as computer setup and online voice/video conferencing while also responding to inquiries from employees.

The outbreak of the virus forced almost all our employees to work remotely, so we upgraded all the necessary infrastructure in March and April, and our remote work operations have been going smoothly. We are always ready to provide IT support to maintain employee productivity as much as possible. While we expect remote work will become more prevalent, some issues remain to be addressed.

Therefore, we will continue to provide the best IT support to create a better remote work environment for the SEGA SAMMY Group.



Right: Takuro Ishimori
Left: Yasuyuki Komiya
Platform Dept., IT Solution Div.,
SEGA SAMMY HOLDINGS INC.



Developing Challenging Titles

I am currently involved in developing software for titles offered to casinos. My main responsibility is to create a package library that supports software development for slot machines. To sell titles in the casino market, we have to ensure they conform to the various regulations of each relevant country or region. In addition, we have to support functions that casino games require.

The package library provides basic functions that reduce the burden of worrying about how to implement them, allowing developers to concentrate on pursuing gameplay that is more challenging than ever before.

I will continue developing package libraries that contribute to the development of innovative titles that only SEGA SAMMY CREATION can produce.



Ryu Azeura

Software Development, R&D,
SEGA SAMMY CREATION INC.

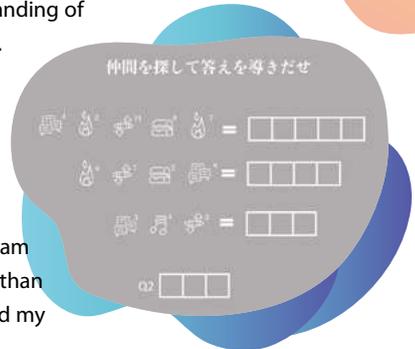
Using Riddles to Understand Corporate Identity in a Fun Way

DARTSLIVE encourages employees to deepen their understanding of its unique corporate identity and apply it in their daily work. My division holds a monthly event in which employees speak about the corporate identity and culture from their own viewpoints. Since DARTSLIVE is an entertainment company, I wanted to come up with a fun way that everyone can enjoy deepening their understanding of the corporate identity. So, I decided to make up riddles, which I am good at. My use of riddles proved to be far more successful than I had expected and ultimately reached all employees beyond my division, of which I am very pleased and proud.



Koji Hata

Total Service Section, DL Service
Strategy Div.,
DARTSLIVE Co.,Ltd.



“Ameche” Video-Sharing Community Site for Children’s Discovery of Their Interests and Strengths

We opened the “Ameche” video-sharing community site on the Amazing MEIJIN Channel in April 2020 to provide a service that enables children to discover and develop what they like and can do well.

Since the project was originally started to address the issue of collecting market data from children that SEGA TOYS was then addressing, General Affairs Department and Promotion Department are collaborating on the project. As the first media ever created by SEGA TOYS, we faced many obstacles along the way. We facilitated close communication within the team to share information effectively and sought opinions and ideas from the staff of the Group’s TMS ENTERTAINMENT CO., LTD. who had previous experience launching media. These efforts allowed us to explore different perspectives and consequently helped us to create exciting media.

We will be thrilled to see our media bring out the unique potential in children to become future stars in diverse genres and for the word “MEIJIN” to become universal.



<https://amchannel.top/>



Lower right: **Yoshiki Toho**

Upper middle: **Reoto Toida**

Promotion Div., Product Planning Dept.
SEGA TOYS CO., LTD.

Upper left: **Shigeo Yamada**

Lower left: **Yuki Ito**

Lower middle: **Tetsuro Noda**

General Affairs Dept., Corporate Div.
SEGA TOYS CO., LTD.

Upper right: **Genichiro Yajima**

Corporate Div., SEGA TOYS CO., LTD.



Promoting a Better Understanding of Diversity

SDGs

LGBTs

LGBTs Documentary Film and Discussion



We arranged for a viewing and discussion around an LGBT documentary film with the participation of actress Chizuru Azuma, who is also one of the producers.

The 60 employees who attended the event were given the opportunity to listen to the real voices of those in sexual minorities who continue to seek their own ways of life in the face of harsh realities. They also gained a deeper understanding of invisible obstacles this community has to deal with, such as misunderstandings, prejudices, misconceptions, stereotypes, and discrimination.

"SDGs x LGBTs" Program — Promoting a Better Understanding of Diversity

SDG Themes (Related SDGs)

Increasing job satisfaction and diversity while eliminating unfairness



Gender Equality



Decent Work and Economic Growth



Reduced Inequalities

Program

1. Film screening

The documentary film *I Am What I Am: Over the Rainbow*, with interviews of more than 50 members of sexual minorities, was written by, cast, and produced by actress Chizuru Azuma, directed by Genki Masuda, and made by Get in touch.

2. A conversation between Chizuru Azuma and Haruki Satomi, President and Group COO of SEGA SAMMY HOLDINGS, INC.

3. A discussion session with Chizuru Azuma

Comments of Participants

- The program was great because it covered LGBTs and in a sense all minority communities.
- I learned that ignorance can hurt others and that it is important to understand the individuals as real people.
- Sometimes people close to members of sexual minorities feel uncomfortable about their own situations, not due to ignorance but because they have had few opportunities to learn about each other and are prone to have negative preconceptions, which is easier than accepting something that seems unfamiliar. This was a valuable opportunity for learning about sexual minorities while watching a film in a relaxed setting, and I highly recommend it to all employees.
- Participating in the program has made me more open to the concept of diversity.
- Falling in love with a man would make me a member of the LGBT community. If I or one of my family members were to become disabled after a car accident, then we would be members of the disabled community. Ms. Azuma and President Satomi really convinced me when they said they want to create a company and society that are open to such diversity and that everyone is a minority in some way.
- I know that the information I get from the Internet is merely knowledge. Listening to the real voices of those interviewed in the film broadened my understanding about LGBTs.
- It seems that President Satomi is putting a lot of effort into promoting specific measures, and I think his message in support of diversity will instill a sense of trust and security in employees.



Comment from Ms. Chizuru Azuma

I have noticed more businesspeople wearing a shining SDGs badge on their suit collars. In fact, though, many companies have still not taken any action. The behavior of companies taking the initiative is significant. The LGBT program featuring a screening and discussion of *I Am What I Am: Over the Rainbow* offered a perfect opportunity to think about human rights and how companies should stand up for them. I hope that SEGA SAMMY HOLDINGS will continue to bring about significant positive impacts to other companies and society to open up the pathway to a "melting pot" society where no one gets left behind.



TOPIC

Tokyo Rainbow Pride 2020

Online #Ouchi-de-Pride

The SEGA SAMMY Group promotes diversity through the achievement of SDGs toward realizing a society in which everyone plays an active role. As part of this effort, we have been sponsoring Tokyo Rainbow Pride since 2019 to celebrate the diversity of life and gender while also raising awareness of sexual minority communities, including LGBT. Although Tokyo Rainbow Pride 2020 originally scheduled for April 25 to May 6, 2020 had been cancelled to prevent the spread of COVID-19, we participated in its online event, TRP2020 Online – #Ouchi-de-Pride (pride at home) during the same period. The online live talk and parade, watched by about 440,000 people, included a video of the SEGA SAMMY Group, and many of our Group employees shared the event with the rest of the world through social media.



Cultivation and Evaluation of Human Resources

Personal System

E At SEGA Holdings, SEGA Interactive and SEGA Games, we provide a dual-track career system to support the long-term career development and professional attitude of employees, who can choose between a management path for those who want to be organizational leaders or a specialist path for those who want to focus on applying their own knowledge and technical skills. We regularly conduct an employee satisfaction survey to identify their level of recognition and attention to issues, expected value, level of dissatisfaction and other items, and we incorporate our findings into various personnel measures.

In training, we have a system in which a coach is assigned to each new employee for both professional and personal support along with other training programs to support the development of younger employees. This involves new employee follow-up training and second year training.

In regard to personnel assessment and rewards, we use an assessment/incentive system. Through this we consider time productivity in addition to performance and conduct in order to reward employees who demonstrate high productivity.

PP Employees are provided with a personal choice system through which they can select a management or professional course, a scheme for promoting a sense of professionalism and the will to take on employee challenges. We believe we can draw out the best performance of each employee by clarifying the roles expected of them and properly treating them in accordance with their contribution to success in those roles.

In addition to personnel development training for different levels of employees, we are strengthening our management team and conducting fair personnel assessments by increasing the capacity building opportunities provided for managers. Through our Internal Commendation Program, we presented the Fiscal 2020 President's Award to 55 individuals involved in 10 projects and the Proactive and Pioneering Award to 47 involved in 9 projects, which encourage employees to take on challenges. Also, we launched our "Just Do It G30" system, through which employees propose ideas with the spirit of "always proactive, always pioneering." Of the roughly 500 ideas proposed over the past years, 63 have been implemented. In addition, we conduct employee satisfaction surveys and other measures, such as a self-declaration system that allows employees to declare the jobs they would like to try.

* Award winners for fiscal 2020 have yet to be determined due to the impact of COVID-19.

Human Resource Development

● Online Training at SEGASAMMY College

At SEGASAMMY College, the Group's cross-organizational institution for human resource development, more than 4,000 employees annually develop their skills and knowledge through a variety of courses.

The learning styles offered by the college extend beyond conventional classroom training to include an online option to support all Group employees, including those overseas. For example, under the "learn from anywhere" concept, we have developed online versions of our level-specific Leadership Program and an optional format called Dojo to offer e-learning as well as real-time and hybrid-type sessions.

Classroom sessions could not be held for our new employee training program in April 2020 following the declaration of the state of emergency, so we converted it into an online, 16-day program. It was intended to both provide knowledge and encourage employees to search for themselves, deepen their discoveries with colleagues, and apply them in creating the experiences that move their heart at SEGA SAMMY.

SEGASAMMY College will continue to provide learning environments that enable employees to become game changers who meet the needs of the times.

■ Structural Diagram of SEGASAMMY College

	Level-Specific Training	Selective Training	Optional Training
Senior Management		Management School (External Training) <ul style="list-style-type: none"> • Next Decade Program • Junior Fellows Leadership Program of Japan Association of Corporate Executives • Venture Training Program Leadership Program Satomi School	
Management	Leadership Program Managers Level-specific Training (Main Training)	Leadership Program Haruki School	Optional Dojo
General Employees	Level-specific Training (Pre-requisite Dojo) <ul style="list-style-type: none"> I. (Required) Business strategy, marketing, accounting, task management II. (Recommended) Finance, human resource management, coaching, empowerment, etc. Leadership Program Leading Players Level-specific Training (Main Training) Level-specific Training (Pre-requisite Dojo) <ul style="list-style-type: none"> I. (Required) Logical thinking, problem solving, communication skills II. (Recommended) Facilitation, negotiation, questioning skills, etc. 		Increasing motivation, portable skills, qualification acquisition, etc.
New Employees	New Employee Training SEGA SAMMY's Approach (Philosophy/Code of Conduct)		

Number of Participants in Fiscal 2020

	Training Name	Number of participant(s)
Selective Training	Next Decade Program (15 days)	2
	Junior Fellows Leadership Program of Japan Association of Corporate Executives (15 days)	1
	Satomi School (10 days)	16
	Haruki School (9 days)	12
	Venture Training Progra	2
Level-specific Training	Level-specific Training (Main training)	276
	Level-specific Training (Pre-requisite Dojo)	1,413
	New Employee Training	212
Optional Training	Optional Dojo (53 courses) (including 7 courses taught by internal lecturers)	2,464
Total number of participants		4,398



Online New Employee Training

Promoting Diversity

Creating the Active Participation of Female Employees

E To grow as a corporation, an action plan is in place for accelerating the ability of female employees to participate at the highest possible level of achievement in our business operations, and efforts are being made to achieve its targets.

At SEGA Holdings, SEGA Games and SEGA Interactive, the four years from fiscal 2017 to 2021 have been set as a planning period for ensuring that women represent at least 30% of all new graduate applicants. The planning included the development of guidelines for equitable gender selection, and seminars for female students jointly conducted with universities. Various initiatives have also been taken to achieve the goal of a 100% return to work rate after childcare leaves, including updating information updates for those on leave and providing staff working shorter hours the same salary corresponding to full-time work until their child reaches the age of three. Since fiscal 2020, the flextime system has also been available to staff working shorter hours so they can handle childcare needs.

PP To support employees who are on childcare leave in the Pachislot and Pachinko Machines Business, we have introduced e-learning to develop skills and eliminate career gaps. It also provides a communication channel for them to monitor company activities during a leave. We are also continuing our efforts to support the career advancement of female employees, such as by launching a review project team of female staff who will take the initiative in activities related to developing career development policies in demand by female employees, and to introduce policies that better meet their needs. Other efforts include holding career advancement seminars and exchange meetings for female employees, introducing a mentoring system, and providing training for managers.

Respect for Human Rights

Initiatives to Eliminate Harassment

E At SEGA Holdings, SEGA Interactive and SEGA Games, we focus on preventing harassment so that every employee can work comfortably and can thus perform at their best. Measures to strengthen our effort include in-house training, mini-tests on the intranet and case studies. Several consultation counters are available inside and outside the company for executives and employees (including loaned employees, part-time staff and temp staff) who have concerns or issues.

Creating a More Attractive Workplace

Supporting Work-life Balance

E As part of the work style reforms initiated by the Group, we introduced a flextime system to SEGA Holdings, SEGA Games and SEGA Interactive in July 2017 to raise employee awareness about their time management as well as to improve labor productivity and achieve a better work-life balance. In addition, we introduced the Job Plus (JOB+) side job system in July 2018, which allows eligible employees to obtain side jobs, and a support system for LGBT employees in February 2019, continuing our efforts to embrace diversity in the workplace. SEGA Holdings in April 2019 and SEGA Games and SEGA Interactive in October 2019 also introduced the teleworking system for employees to work outside the office, including at home. These systems provide employees with a safe and productive work environment for balancing work with

various personal situations such as nursing care, childcare, and other types of caregiving.

PP To promote a work-life balance in our workplaces, we have introduced a flextime system and teleworking system, which was officially adopted in April 2018. Another flextime system was introduced for those working shorter hours due, for example, to childcare or nursing care. We also introduced the Job Plus system, which enables employees to strengthen their capabilities and facilitate self-realization with the experiences gained from both their main job (SAMMY) and their side job.

Occupational Safety Initiatives

E The Health and Safety Committee meets every month to ensure employee well-being and safety. Also, we are working to achieve zero workplace accidents by constantly making efforts to prevent accidents and improve workplace safety. In the event of an accident, the cause is investigated and improvement measures are taken to prevent any recurrence.

PP SAMMY's Kawagoe Factory conducts what we call 6S patrols*, in which employees check for latent risk factors around them and work for improvements case by case, and also 8S patrols, in which two Ss (security and saving energy) are added to 6S patrols, putting significant effort into the safeguarding of personnel health and safety. In fiscal 2020, our Health and Safety Committee reviewed our factory Safety and Sanitation Standards. We also regularly review our daily production operations and steadily raise our standards to correspond with actual production site conditions.

* 6S refers to safety plus five Japanese terms (all starting with the letter S) relating to orderliness, cleanliness, and discipline.

Health Maintenance

PP **E** When we consolidated our Group companies in Osaki, we integrated the health management center of SEGA HOLDINGS and the medical office of SAMMY to establish the SSHD health management center. Four occupational health staff members are available for consultation during work hours. Internal medicine and psychiatric doctors work in shifts to handle more specialized consultations.

Individual efforts by each company, such as Group-wide influenza vaccinations, stress level checks, and countermeasures for rubella, will also be reviewed to find a new approach.

Although the number of employees working long hours who are subject to health interviews has been decreasing since the flextime system was introduced, we continue to monitor their health conditions using questionnaires. We also ensure that managers appropriately oversee employee working hours and encourage them to take leave so all Group employees can maintain a healthy work-life balance.

E In addition, the monthly meetings of the Health and Safety Committee are jointly held with Group companies, mainly led by SSHD, to foster a common understanding among employees working in Osaki. Meeting minutes and other related information are posted on the intranet of each company to ensure that all employees are kept informed.

To ensure 100% participation in regular health checkups, we continue to provide mobile health screenings and offer financial assistance for receiving comprehensive medical examinations. In-house standards have been established from the viewpoint of health and safety, and health management interviews are conducted to manage presymptomatic health risks and to prevent lifestyle-related diseases.

PP Moreover, as part of our efforts to promote improved employee health, SAMMY held a number of events from September to November 2019 to encourage more exercise and help employees to stop smoking, with around 400 participants.

TOPIC Group-wide Exchange with Developers through Study Sessions

Since the relocation of our head office, we have been actively encouraging communication and information exchanges among employees of SEGA and other Group companies.

We hold a variety of Group-wide study sessions, including the SEGA Developers Conference, a technical conference sponsored by SEGA; GITEN, an internal research and presentation meeting for basic technologies held by the arcade team; AI Tech Sharing Session; Automation Tech Sharing Meetings, and Game Jam.

Going forward, we will actively promote the exchange of personnel between Group companies to demonstrate even greater collective strength.

	Sammy's R&D division participates in SEGA's R&D exchange meeting as a presenter.
	Implementation of a Group-wide exchange meeting between development departments hosted by SEGA's Amusement Machine Sales division
	Exchange meetings on AI-related technologies held by Sammy (SEGA Games, Sammy Networks, etc.)
	Monthly information-sharing meeting related to automation technologies organized by SEGA
	Event hosted by SEGA, which produces a self-made game in two days



CSR Seminars

Since fiscal 2014, we have been holding CSR seminars for employees of our Group companies. In fiscal 2020, we held 21 seminars, attended by 761 participants. A total of 148 seminars with 4,090 participants from 13 Group companies have been held. These are intended to deepen understanding of what it means for a company to exist in harmony with society and the CSR activities of the SEGA SAMMY Group through discussions and group work. The seminars also provide opportunities for employees to think about their roles in society as members of the Group.

Seminars in Fiscal 2020

Company Name	Number of Seminars	Number of Participants
SSGE	1	64
Joint seminar for six companies (SSHD, Sammy, SE, SHD, SGC, and SIC)	5	242
Joint seminar for five companies (SSHD, SHD, Sammy, SGC, and SIC)	2	45
Joint seminar for 11 companies (SHD, Sammy, Atlas, DL, SE, SGC, SIC, SLS, SNW, SE, TMS, and TOYS)	4	172
Joint seminar for six companies (F55SSHD, SHD, Sammy, Atlas, SGC, and SIC)	5	190
PSR	3	48
SEGA SAMMY Baseball Club	1	30
Fiscal 2020 total	21	791
Total since fiscal 2014	148	4,090

CSR Seminar Program

- 14:00 Opening with an explanation of the seminar's purpose
- 14:15 Lecture 1: What it means for a company to exist in harmony with society
Lecture 2: CSR activities of the SEGA SAMMY Group
- 15:15 Break
- 15:25 Group work 1 (World Café)
- 16:45 Group work 2 (World Café)
- 17:20 Presentation
- 17:45 My CSR declaration, post-seminar questionnaire
- 18:00 Closing

*1 Some content differs depending on target participants.

*2 Group discussions of four to five people in a relaxed, café-like setting

Seminar Details and Post-Seminar Questionnaire

- In the CSR seminar, participants deepen their understanding of what it means for a company to exist in harmony with society and CSR activities of the SEGA SAMMY Group through lectures.
- Participants then express their opinions and exchange ideas to address social issues in group sessions through brainstorming and discussion.
- Various groups interact with each other during the seminar, resulting in over 86% of the post-seminar questionnaire respondents confirming that it was helpful and fun. Of the participants, 89% demonstrated an understanding of the importance of CSR, and over 90% think the company's CSR initiatives are closely related to its sustainability.



Participant Comments

- I did not know much about the SDGs. The seminar helped me understand them while also broadening my perspective.
- The seminar made me realize that CSR activities are essential for the growth of both employees and the company. I will do my best to find value.
- If there is anything that our baseball club could do, I want to work with local communities and other employees to make a social contribution.
- I learned that companies can improve their corporate value through CSR activities. As a member of the baseball club, I would like to be of help to the company to strengthen its sense of unity, teamwork, and public relations efforts.
- Winning is important, but there are things much more important than that. I would like to continue working on CSR activities with this in mind.
- I realized that instead of only focusing on improving my work skills, I need to also become a resourceful and respectable member of society.
- I realized that the reason for the long-standing presence of Japanese companies is their commitment to CSR.
- I will continue to engage in my daily tasks aware of how they contribute to the growth of our company and society.
- The seminar gave me an opportunity to interact with employees from other departments, and I enjoyed it very much.
- I initially had a somewhat limited view of CSR activities as being mostly about volunteer work, but the seminar made me realize that in fact they are very important for our company.
- I was new to the World Café method and enjoyed it very much. It seemed that discussions were carried out at different levels, depending on the members.
- Before the seminar, I did not know there were "defensive" and "offensive" approaches in CSR activities, but now I understand them well.
- It was very nice to learn that an entertainment company, which at first glance may not seem to have a role in addressing social issues, can actually contribute to society by providing the vitality needed for the future.
- During the World Café session, I was able to talk to many people with whom I typically had no opportunity to interact, so it was a great opportunity.
- The seminar taught me many good things about our Group, which made me prouder to be working here and consequently motivated me to work harder.

Personnel and Labor Data

Scope, and the "Count Method"

● FY2018 and FY2019: 15 domestic companies, 2 overseas companies, FY2020: 13 domestic companies, 2 overseas companies (composition of employees only)

* Data coverage for FY2020: about 90% of the sales ratio and more than 70% of the regular employment ratio

Domestic : SSHD, SHD, SAMMY, BTF, DL, PSR, SE, SGC, SIC, SLS, SNW, TMS, TOYS

Overseas : SOA(Sega of America,Inc.)/SOE(Sega Europe Ltd.)

● Data of Composition of Employees, Employees with disabilities, Composition of Management-level staff is as of the end of March 2020.

*For abbreviations, see page 2.

● Composition of Employees

	FY2020 (13 domestic companies)			FY2020 (2 overseas companies)		
	Total	Male	Female	Total	Male	Female
Number of employees	11,181	7,621	3,560	465	266	199
Regular employees	6,324	5,076	1,248	465	266	199
Non-regular employees	4,857	2,545	2,312	—	—	—
Number of foreign nationals	80	54	26	—	—	—
Average age of employees	40.3	41.1	37.3	—	—	—
Average length of service (year)	12.6	13.2	10.1	—	—	—

● Employees with Disabilities

	FY2018	FY2019	FY2020
Number of employees	205	212	211
Rate of employment	2.12	2.14	2.05

● Composition of Management-level Staff

	FY2018	FY2019	FY2020
Number of female management-level staff	81	102	86
Percentage of female management-level staff	5.0	6.6	6.4

Detailed Composition FY2020

	Total	Specialists	Managers	Division Managers	Executive Officers	Directors
Number of board members by position	1,337	357	634	223	45	78
Male	1,251	326	590	216	43	76
Female	86	31	44	7	2	2
Ratio of females	6.4	8.7	6.9	3.1	4.4	2.6

Note: Specialists are included in the category of management-level staff from fiscal 2019.

● Recruiting

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of new graduates	139	86	53	135	84	51	201	126	75
Turnover rate of new employees (%) (within 3 years from employment)	20.4	16.4	28.1	15.7	5.3	31.4	22.6	10.8	40.7
Number of mid-career recruits	226	169	57	224	133	91	193	131	62
Rehired employees after retirement	43	40	3	57	50	7	60	54	6

● Occupational Health and Safety

	FY2020
Number of industrial accidents*	18

Note: Number of industrial accidents = number of accidents accompanied by lost worktime (4 or more days)

● Data on the System Supporting Both Professional and Private Lives

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Maternity/Childcare leave (number of employees)	55	—	55	66	—	66	70	—	70
Childcare leave (number of employees)	95	21	74	130	24	106	136	40	96
Number of employees who returned to work after childcare leave	56	20	36	82	22	60	73	39	34
Percentage of employees who returned to work after childcare leave	—	100	98.6	96.5	100	95.2	93.6	100	87.2

● Work-life Balance

	FY2018	FY2019	FY2020
Average overtime hours per month	21.9	19.7	19.4
Number of paid leaves taken	11.5	12.5	14.0
General employees	12.2	13.1	14.6
Management-level staff	9.3	10.5	12.0
Percentage of paid leaves taken	63.7	69.5	75.6
General employees	69.4	75.1	80.9
Management-level staff	48.0	54.5	61.0
Number of annual holidays	124.1	125.8	128.0
Total number of employees who took volunteer leave	46	42	16
Total number of days for volunteer leave taken	70	101	18

Notes

■ Average overtime hours

We are promoting work style reforms and since fiscal 2018 have included overtime hours of discretionary employees, calculated based on their hours in attendance, insofar as possible.

■ Percentage of paid leaves taken

Percentage of paid leaves taken is calculated by dividing the number of paid leaves taken per year by the number of statutory paid leaves given per year. Since fiscal 2018, figures of the management-level staff and general employees have been shown separately. Non-statutory paid leaves adopted by some Group companies have also been taken into account.

■ Annual holidays

The number of annual holidays of relevant companies is calculated by the weighted average of the number of regular employees.

● Examples of the System Supporting Both Professional and Private Lives

Childcare

System	SSHD,SHD,SAMMY,etc.
Childcare leave	In cases where a child is still not admitted to a nursery school, even after having reached two years of age, until the day the child is admitted to such a school in the following April
Shorter working hours for childcare	- Up to 2 hours per day until the child enters elementary school - Up to 1 hour clock-out time earlier until the child reaches the third grade

Nursing

System	SSHD,SHD,SAMMY,etc.
Nursing leave	93 business days per person (including shorter working hours for nursing)
Shorter work hours for nursing	Up to 2 hours per day within 93 business days
Nursing paid leave	Allowed to take a long-term nursing leave up to the number of unused annual paid leave days

With Shareholders and Investors



Group CSR Charter

We will view our business with a global perspective in our efforts to ensure sustained growth and to maximize enterprise value. Additionally, we will enhance management transparency and meet the expectations of our shareholders and society through fair and timely disclosure and appropriate return of profit.

Group Code of Conduct

Highly Transparent Management and Interactive Communication

1. We will comply with relevant laws and other rules; properly and fairly disclose company information; and strive to secure transparency in management.
2. We will actively listen to the voices of shareholders, and strive to achieve bilateral and interactive communication.

Positive and Fair Disclosure Attitude

3. We will strive to pro-actively disclose company information that contributes to helping investors understand our group.
4. We will strive to treat all investors equally and to prevent company information being unevenly distributed.

Proper Return of Profits, Maximization of Enterprise Value, and Perpetuity

5. We will efficiently manage assets and properly return profits to shareholders.
6. By always keeping an eye on global situations and trends and responding to social needs, we aim to maximize enterprise value and grow continuously.

Insider Trading

7. We will comply with the laws, company regulations and rules regarding insider trading*, and handle undisclosed material facts in strict confidence.

* Refers to Article 166 of the Financial Instruments and Exchange Act, etc.

Improving Corporate Value Starts with Attentive Communication

VOICE



SEGASammy
HOLDINGS

Miyako Shimizu

Investor Relations Dept.,
Finance & Accounting Div.
SEGA SAMMY HOLDINGS INC.

In coordinating investor relations activities, including quarterly results announcements, we are always aware of the need to remain attentive and diligent in our disclosure of useful information and facilitate a dynamic exchange of opinions.

To gain the trust of all our shareholders and investors, it is important not only to disseminate and share such information but also to listen with sincerity and respond appropriately. We believe that accurately grasping and analyzing the substance of their opinions as well as sharing these ideas across the company are important responsibilities of our role in providing information that will benefit the decision-making process of management.

Moreover, we provide learning opportunities for all employees, including by reporting financial results internally. And we will continue to create an environment where staff feel closer to our shareholders and investors.

Additionally, we want to create a variety of opportunities for effective communication, which will ultimately enhance the SEGA SAMMY Group's corporate value.



Disclosing Information to Shareholders and Investors

IR Policy

In accordance with our IR Policy, SEGA SAMMY HOLDINGS works to earn the understanding and trust of shareholders and investors by disclosing information in keeping with the Financial Instruments and Exchange Act, other laws and the rules of the Tokyo Stock Exchange for timely disclosure. We also provide a wide range of information on management policies, business activities and more. If there is a chance that it could affect the investment decisions of investors, we actively disclose voluntary information that does not fall under legal and timely disclosure rules. Information disclosures are made on the Tokyo Stock Exchange's TDnet and our website.



SEGA SAMMY Group IR Policy

https://www.segasammy.co.jp/english/ir/ir_policy/

Communication with Shareholders and Investors

Holding a Hybrid Virtual Shareholders Meeting for Participant Safety

To prevent the spread of COVID-19, we requested that all our shareholders refrain from attending the meeting in person and exercise their voting rights by mail or via the Internet to the extent possible. Thanks to their cooperation, we were able to hold a safe meeting on June 2020.

Live streaming the meeting online allowed for a large number of shareholders to attend without having to gather in person.

Investor Relations

SEGA SAMMY HOLDINGS has an IR Information Center, which provides briefings to investors in Japan and abroad and responds to shareholder and investor inquiries. For institutional investors and security analysts in and outside of Japan, we provide results briefings at the end of each fiscal year and telephone conferences to discuss quarterly results.

Furthermore, we hold events such as facility tours and workshops for securities analysts to deepen their understanding of our business. We also participate in company information sessions and other events to actively communicate with individual investors.



Briefing for individual investors

Past Activities

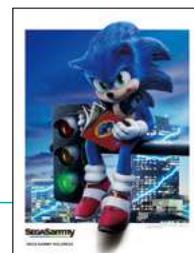
	FY2019	FY2020
Financial results briefings (quarterly, including teleconference)	4	4
Small meetings	2	2
Individual meetings (domestic investors)	128	152
Individual meetings (overseas investors)	169	159
Business segment briefings (including facility tours)	3	0
Overseas roadshows (including conferences)	5 (North America: 1, Asia: 2, Europe: 2)	5 (North America: 2, Asia: 2, Europe: 1)
Domestic conferences	4	4
Events for individual investors	1	1

External Evaluation of our Investor Relations

A list of awards the SEGA SAMMY Group has received from third-party institutions for its IR activities in fiscal 2020 is shown below.

- FY2020 Listed Company Website Quality Ranking**
 Best site in comprehensive awards, commendations by industry (Machine)
 Nikko Investor Relations Co., Ltd.
- Gomez IR Site Comprehensive Ranking 2019, Silver Medal**
 Morningstar Japan K.K.

- Internet IR Best Company Award 2019, Commendation Award**
 Daiwa Investor Relations Co., Ltd.



Integrated Report

https://www.segasammy.co.jp/english/ir/library/printing_annual.html

Appropriate Returns of Profits

Basic Policy on Profit Sharing

SEGA SAMMY HOLDINGS identifies profit distribution to our shareholders as a top management priority. Our basic policy is therefore to return an appropriate level of profits to shareholders. To provide a stable dividend stream, we pay dividends twice a year, at interim and year-end during the fiscal year. For fiscal 2020, our interim dividend was 20 yen per share and the year-end dividend was 20 yen per share.

Shareholder Benefits Program

In February 2018, we introduced the shareholder benefits program to express our gratitude to all shareholders for their ongoing support and to offer an opportunity to experience our services. We have expanded our shareholder benefits based on the feedback we have received since the program was introduced.

Due to the spread of COVID-19, we extended by six months the expiration date of all shareholder benefit tickets sent in June 2019, which had been set to expire at the end of June 2020.



Past Dividends and Shareholder Benefits System

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

With Society

Environment



Group CSR Charter

With a full awareness of the fact that we are, as a corporate citizen, a member of society, we will voluntarily and proactively put forward efforts to provide a social contribution through our business activities, etc., our support in the development of cultural activities including art and sport and the preservation of the global environment.

Group Code of Conduct

Global Environment

1. We will consider the possible effects on the global environment stemming from all elements of our products overall lifecycles, ranging from material procurement, manufacturing, distribution, use, recycling and disposal.
2. To protect the global environment, we will not only comply with related laws and various regulations, but will also actively and voluntarily consider and implement any further measures we believe will benefit the global environment.
3. We will nurture our personnel, to be highly aware of the global environment and to strive for material and energy conservation, both personally and professionally.

VOICE



Left: Takayuki Kuroki

Engineering,
PHOENIX RESORT CO., LTD.

Receiving the 2019 Miyazaki Prefecture Greenhouse Gas Emission Control Business Award

Energy-saving measures that effectively use electricity, gas, and other energy sources are essential for reducing greenhouse gas emissions. Phoenix Resort has been implementing energy-saving measures since it opened in 1993. As a result, in 2019 we received the Miyazaki Prefecture Greenhouse Gas Emission Control Business Award in recognition of our leadership in reducing greenhouse gas emissions and for setting a great example for others.

Saving energy requires more than simply installing energy-efficient equipment. Sites for the equipment must be carefully determined and post-installation checks and improvements must be undertaken regularly to maximize effectiveness. We also keep a close eye on our energy-saving measures to ensure they do not negatively impact the quality of the environments and spaces used by our customers and staff.

Going forward, we will continuously seek and implement improvements that benefit customers and the environment so that we are always able to both offer comfortable resort stays and save energy.



Lobby of the Convention Center
Adjusting the lighting saves energy without compromising Seagaia's unique atmosphere.

Our Energy Saving Efforts

- Preparing a daily energy consumption graph and comparing it with the same day and month of the previous year
- Displaying lighting patterns next to the control panel to be used in sunny and rainy weather and at nighttime to ensure efficient lighting
- Reporting energy use at internal meetings about once a month
- Visualizing energy use by introducing the Energy Management System (EMS)
- Upgrading heat source equipment for air conditioning systems and units, etc.
- Converting to energy-efficient LED lighting





Green Power Certificates System



E SEGA Holdings has bought one million kilowatt-hours' worth of Green Power Certificates (microhydropower and biomass) annually since April 2005 under a contract with Japan Natural Energy Co., Ltd.

Additionally, in April 2007 we became a Y-Green Partner of the Yokohama City Wind-Power Electricity Generation Project, whose main facility is the Hama Wing turbines in Yokohama's Kanagawa Ward, and generated 168,184 kWh in fiscal 2020.

Japan Natural Energy Company Limited (Japanese only)
<http://www.natural-e.co.jp/>



Marks of accreditations by Japan Natural Energy Company Limited for the use of green electricity, or renewable energy, generated by wind power, biomass power and small hydroelectric generators.

Designing Environmentally Friendly Products



E Our ongoing efforts to save energy have proven to be effective, with achievements that include a 47%–55% reduction in power consumption of the medal game machines, THE MEDAL TOWER OF BABEL, and LetsriGO, compared to an older product, Arabian Jewel.

We reduce waste by designing components for amusement machines that can be reused in new products, recovering and reusing the used chassis of other titles for Kemono Friends 3: Planet Tours, using the main monitors of StarHorse3 for StarHorse4, and making new modifications to the seating of StarHorse4 to improve user comfort. We also provide customers at amusement centers with maintenance and inspection manuals so our products can be used over a long time. In our amusement centers, we implement thorough daily maintenance to extend the life of machines.



RPF (refuse paper and plastic fuel), an alternative fuel

SEGA Logistics Service Co., Ltd. has established a nationwide recycling system that reduces the cost and prevents illegal dumping.

The company is also in charge of the storage and management of used machines, selling units in good condition for reuse, processing those no longer needed for repair parts, and disposing of unusable machines as industrial waste. These machines are sorted at the company's Yaguchi Plant in Chiba Prefecture by intermediate industrial waste processing workers who manually disassemble good used machines and sort the components by material for complete recycling toward eliminating the need for landfill disposal and simple incineration. Additionally, waste cards and papers used for amusement machines and some plastic waste are recycled by thermal recycling to produce RPF (refuse paper and plastic fuel), an alternative fuel.

PP To improve the reusability of parts from pachislot and pachinko machines, we have worked to standardize parts, substrates, and units at the design and development stages. In fiscal 2017, we set targets for the number of reusable parts and achieved all of them in fiscal 2019. In fiscal 2020, we promoted the use of some units that made up the pachinko board and others around the pachislot LCD and reels in used pachislot and pachinko machines. And we promoted the use of these units as is, without dismantling them into parts to improve the efficiency of reuse and quality.

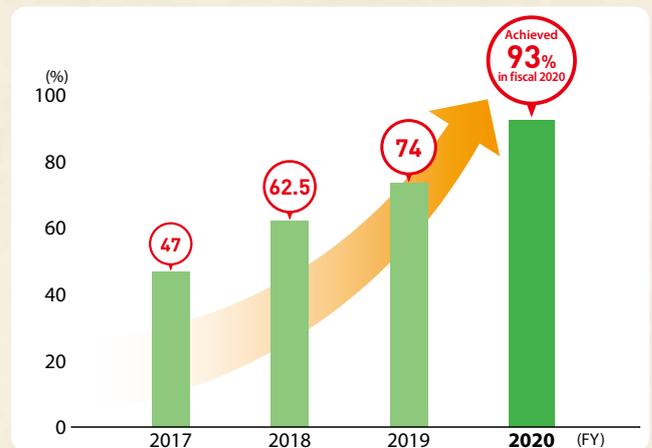
In addition, by revising the conventional trade-in conditions for collecting used machines and implementing environmentally sound purchase measures, the collection rate in fiscal 2020 reached 93%.

On an industry basis, we have been promoting industry-wide efforts to reduce environmental impacts through the standardization of parts and units in collaboration with other makers.

As a part of our initiative to provide environmentally sound products, almost all of our pachislot and pachinko machines feature eco-friendly functions to reduce power consumption, such as the low illumination of LED components (e.g., decorative parts) during standby mode, leading to a power consumption reduction of the current machines by 5% compared to those launched prior to fiscal 2015.

Also, a new feature of our machines allows players to adjust sound and lighting levels, and we incorporated life-cycle considerations into the design of the machines by using long-life, high-efficiency components. Other achievements include maintaining a 100% usage rate of lead-free soldering components for pachislot and pachinko machines. Additionally, we participate in the initiative of Nippon Yugikikogyo Kumiai (Japan game machine industry association) and Nichidenkyo (Japan electronic game machine industry association) to grasp and reduce the overall industry usage of substances of concern and to share information among companies.

Collection Rate of Used Pachislot and Pachinko Machines



Number of Reused Parts from Pachislot and Pachinko Machines

	FY2019	FY2020	Targets
Pachinko	About 30	About 40	15 or more
Pachislot	About 80	About 80	50 or more

* Targets were set in fiscal 2017.

SEGA-no-Mori



E SEGA Holdings endorses the intent of Adopt-A-Forest Promotion Program, a program led by Nagano Prefecture acting as an intermediary, and signed an “adopt-a-forest” contract with Minamiaiki Village of Saku County in Nagano Prefecture in April 2008. The contracted forest covers an area of 3,633 hectares (roughly 773 times the area of the Tokyo Dome) of privately-owned forest. We named the forest SEGA-no-Mori and support global environmental preservation by funding part of forest maintenance activities to sustain the forest’s ability to absorb CO₂. As a result of maintenance efforts, the volume of CO₂ absorbed by the forest in fiscal 2020 was 267.9 t-CO₂.

With the impressive cooperation of local people, SEGA-no-Mori also fosters an awareness of global environmental protection among employees. In January 2018, our ten years of performance in forest maintenance activities and interaction with the local community were recognized by the presentation of the Nagano Prefectural Governor’s Award in the category of utilization of prefectural tax for Nagano Prefecture’s forest creation.

Learning about Nature

With the hope of handing down to the next generation the spirit of treasuring nature, we are organizing nature study events during which SEGA SAMMY Group employees and their families share experiences in tasks that vary every summer. These include removing undergrowth, harvesting crops and catching fish by hand.



Forest Maintenance

To provide opportunities to learn and experience first-hand the importance and the weight of forest maintenance, we organize forest thinning and maintenance experiences every autumn such as tree planting guided by people from the village who preserve and nurture SEGA-no-Mori on a daily basis.



Interaction with the Local Community

Villagers have shared a variety of stories such as the history of Minamiaiki Village, tips for mountain hiking, and the hard work required for growing delicious produce, thereby teaching us about the harsh and precious sides of nature that are not experienced in city life.



Adoption of signs identifying the forest as SEGA-no-Mori was an initiative set up in 2008, the first year of the SEGA-no-Mori project. These drawings were made by students of Minamiaiki Elementary School under the theme “Creating the future together with nature.”



This was a great opportunity to enjoy experiences I don't have every day, such as cooking fish, doing field work, and picking blueberries.

Participant Voices

I felt like I'd found a new home while spending time with the people of Minamiaiki Village. This opportunity to meet them was very valuable.

This was my first camping trip with my children, and we had a wonderful summer experience thanks to all the residents of the village and staff members.

The event started off with a barbecue followed by a hot spring visit and fireworks—a real summer vacation! Even the adults had a great time.

Minamiaiki Village is rich in nature, with about 80% of its gross area covered by mountains, forests, and fields as well as rivers flowing through the valley.

● Minamiaiki Village website (Japanese only): <http://www.minamiaiki.jp/>

Sega of Europe Switching to Fully Recyclable Packaging for All PC Game Products

E Sega of Europe has started switching to fully recyclable packaging materials for all its PC titles. The move toward more eco-friendly PC game packaging is driven by the shared desire of Sports Interactive and Sega of Europe to reduce global warming by finding alternatives to plastic packaging.

The packaging and manual are both made from 100% recycled paper, and all printed matter uses water- and vegetable-based inks. The discs are also recyclable through special services.



Top Message

Gary Dale President & COO, Sega of Europe

This initiative underlines SEGA of Europe's commitment to reducing its plastic waste and its ongoing efforts to implement environmentally friendly business practices. Our estimations with regards to Football Manager 2020 suggested we'd save up to 20 tonnes of plastic packaging for that title alone, so taking this step for the rest of our PC portfolio would see that saving rise exponentially. We'd like the entertainment industries to investigate similar packaging solutions, across movies, games and music so we can collectively observe a drastic reduction in the production of plastic packaging and its associated waste and pollution, over the coming years.

Countermeasures for Plastic Waste

E To reduce plastic bags for prizes generated from game centers, each shop sorts the plastic waste according to the standards of each region and facility and has it treated by a contracted intermediate industrial waste processing firm. Moreover, we have begun to investigate how many bags are used by the shop and are comparing material costs to support switching to environmentally sound materials.

Recognizing that a manufacturer is responsible for reducing waste by simplifying product packaging, we reuse plastic bags at the time of shipment and take other necessary actions to keep the packaging as simple as possible.

Efforts to Reduce Electricity Use in Game Centers

E In addition to promoting the use of LED lighting for facilities, we are replacing air conditioning units, mainly at renovated shops. We also use the same electricity supply company for all our shops so that monitoring and optimizing the usage for each place is easier.

Seagaia Beach Cleaning Campaign in Hitotsuba

R At Phoenix Resort, we have conducted the Seagaia Beach Cleaning Campaign in Hitotsuba since 2015 to protect loggerhead sea turtles, a designated natural treasure of Miyazaki Prefecture, and their spawning areas.

Every year, we invite around 100 volunteers, including local residents and members of the Junior Sports Club, to participate by, for example, collecting household waste and driftwood that could hinder loggerhead sea turtles from reaching land where they can lay their eggs.

Before the cleanup, participants have the opportunity to attend a lecture by Mr. Tomohisa Deguchi on loggerhead sea turtles and their ecology. Mr. Deguchi is a member of the Miyazaki Wildlife Research Group, which is a non-profit organization, and he is also head of the Miyazaki City Phoenix Zoo. Although we have not been able to hold the campaign with local residents in 2020 due to the impact of COVID-19, we are committed to continuing the campaign in the future.



The beach clean-up has been conducted annually.

Environmental Data

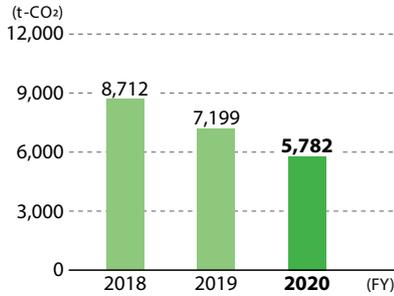
Scope

Reporting organizations for the aggregation of data: 14 companies

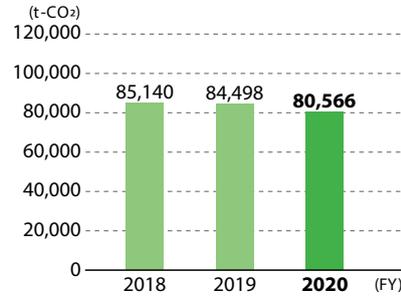
●SSHD/SHD/SAMMY/BTF/DL/ELEC/PSR/SE/SGC/SIC/SLS/SNW/TMS/TOYS*

*For abbreviations, see page 2.

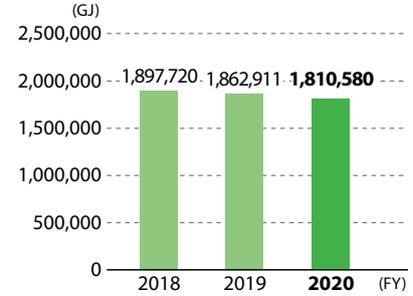
● CO₂ Emissions (Scope 1)



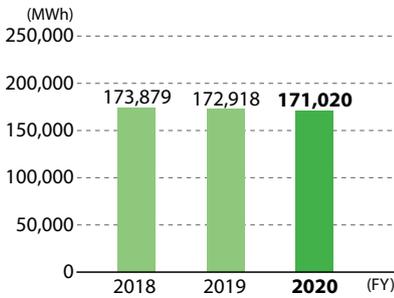
● CO₂ Emissions (Scope 2)



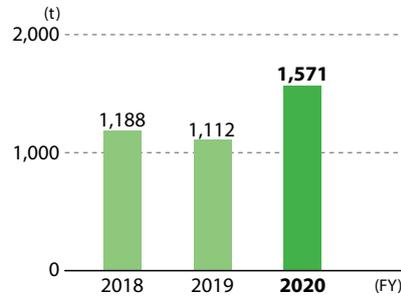
● Total Energy Input



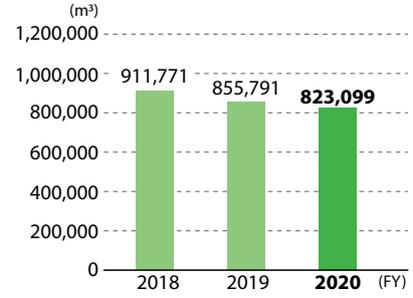
● Electricity Usage



● Industrial Waste Discharged



● Water Usage



- Aggregated data include an estimate based on total floor area.
- Gross decrease in CO₂ emissions is mainly attributable to reduced fuel and electricity consumption.
- Adjusted CO₂ emission factors for each power company in previous years are used for purchased electricity.

● Number of Violations of Environmental Laws

	FY2018	FY2019	FY2020
Number of Violations	0	0	0

● Status of Eco-friendly Initiatives at the SAMMY's Kawagoe Factory

		FY2018	FY2019	FY2020	Remarks
Amusement machine recycling rate	Recycling rate (%)	95.99	95.00	95.40	Pachislot and pachinko machines combined
Use of environmentally friendly materials	Amount of lumber used (t)	566	370	215	
	Amount of PEFC-certified lumber*	38t(6.8%)	51t(13.8%)	7t(3.3%)	



Note: No adhesives, including water-based ones, are used at SAMMY's Kawagoe Factory

* PEFC-certified lumber has been procured properly from forests certified by a third-party organization under the Programme for the Endorsement of Forest Certification Schemes (PEFC) as being sustainably managed. The volume has been reduced as the production of products made with PEFC-certified lumber has decreased.

With Society



Group CSR Charter

With a full awareness of the fact that we are, as a corporate citizen, a member of society, we will voluntarily and proactively put forward efforts to provide a social contribution through our business activities, our support in the development of cultural activities including art and sport and the preservation of the global environment.

Group Code of Conduct

Prosperity in Core Business

1. We will always aim for our core business to prosper by providing products and services satisfactory to our customers, and will not forget to contribute to society by paying taxes and creating employment.

Contribution to Society and Donations

2. Not only will we contribute to society through our business activities, but we will also actively and voluntarily support cultural interests such as the arts and sports to contribute to the realization of a prosperous society.
3. In engaging in the above socially contributing activities (including giving donations), we will comply with any internal rules stipulated in accordance with related laws including tax laws, the Commercial Code of Japan and the Political Funding Regulation Law.

Local Community

4. As a locally-rooted company, we will actively and voluntarily strive to promote solidarity and cooperation with, and engage in exchange with, the local community.

VOICE 1 Hosting Programming Workshops that Are a Joyful Experience

We support children's development.



Keisuke Harada

Experience Innovation Labo,
SEGA Entertainment Co.,Ltd.

Experience Innovation Labo is engaged in planning and other activities to provide a place that offers new "experiences that move the heart" that are unlike any at other game centers. The Sega Labs began as an experimental event for creating something fun, since computer programming will be included as a compulsory subject at elementary schools in 2020. Until now, we have held the SEGA LAB workshops at locations across the country, such as shopping malls, elementary schools and other public facilities, and with more than 6,000 participants. We would be thrilled if our SEGA LAB programming workshops could deliver the joy of learning and motivate children to learn and try

new experiences. We would like to contribute through these events to unleashing the infinite potential of children.

In addition to these programming workshops, we would like to combine the content and entertainment capabilities of SEGA SAMMY Group with learning to deliver more fun and exciting events around the world and continue to support the education of the next generation.



Woodcraft, a specified non-profit corporation in Yokohama City

We participated in the programming workshop during an After-School Kids Club. The workshop offered several fun activities using mBots and drones, which grabbed the children's attention and sparked curiosity.



Yukiko Oota

After-School Kids Club,
Morinodai Elementary School

Supporting education for the next generation

Parents were also very pleased with the programming experience for their children before it became a mandatory school subject. I look forward to the excitement and fun of future SEGA LAB Workshops.

<https://sega-lab.com/>

SEGA LAB

Entertainment Laboratory



Tsuneko Uchiyama

After-School Kids Club,
Tateno Elementary School

The programming workshop has been the best event for children to learn and enjoy exciting experiences! Thank you for this great opportunity. Children learned about programming in a natural way by operating a cute mBot. Their eyes sparkled with excitement as they thought about the mBot and worked very hard to navigate it through a maze, and they were overjoyed when they got it out. Everyone was so excited at the last soccer match too, regardless if they'd won or lost! All of them were clearly content and happy. Our principal quietly observed the class and, as teachers, we learned a lot from the experience as well. I hope you continue creating programs that offer experiential learning for children.

VOICE 2 Former J League Player Invigorates Local Communities through the Power of Sports



Kyohei Noda

Operation Manager
MPandC Inc.



As part of its CSR activities, MPandC conducts the Asu Match Project to connect athletes with communities for the purpose of revitalizing community life through sports. This has created a second career for athletes and offers children experiences that have quite an impact. Many athletes who represent Japan, such as Shinji Kagawa and Kohei

Uchimura, participate in the project and work together to liven up events across the country.

Both retired and current athletes work in dual careers at MPandC. In fact, as a former J League football player, I continue to take on new challenges in the business world using my experience at Tokyo Verdy and other clubs.

I would like to fill Japan with smiles through the power of sports.



VOICE 3 Company Tour



Students from overseas receiving an explanation on the animation production process (Keio University)

TMS ENTERTAINMENT offers company tours primarily to junior high and high school students from other regions who come to Tokyo for corporate training and to international college students studying in Japan (in fiscal 2020, about 80 students from 8 groups including elementary students in Nakano Ward visited). At first, they are brought to a preview room where we explain the animation production process. Then we show them actual storyboards and original pictures. Students get very excited when they see materials that had been used in animation, and they shower us with sharp questions that sometimes make us sweat as we ourselves also learn. Also, we have often been spoken to by big fans of our work, who mention specific titles.

We hope our company tours will help to broaden public understanding of the animation industry, which is still not widely known.



Shuhei Maeda



Meiko Yaeno

Kumiko Shoji

General Affairs Department,
Administration Division,
TMS ENTERTAINMENT CO., LTD.

SOCIAL SUPPORT

Co-creation Project of SEGA SAMMY College and Shinagawa Joshi Gakuin



SEGASAMMY College has launched the co-creative "dream photo booths (Prikura)" project with a Shinagawa Joshi Gakuin high school campus near SEGA SAMMY Group's headquarters, using a "fiz" photo booth machine developed by SEGA.

Shinagawa Joshi Gakuin places great emphasis on encouraging students to envision themselves at 28 years old and to work toward their goals while exploring how to do so. The co-creation project stemmed from this educational philosophy, which resonates with the DNA of SEGA SAMMY, "Creation is Life" and "Always Proactive, Always Pioneering."

The class is full of smiles and endless questions from students, even after the bell marks the end of the class period. In this

co-creation project we will work to make our society more cheerful and colorful by helping students to find the fun of creating experiences that move their heart and also learning from new perspectives and sources of inspiration.



SOCIAL SUPPORT

Sports Darts Project



DARTSLIVE has launched a project to promote darts as a sport toward achieving a world in which people live long and healthy lives.

In fiscal 2020, we held four darts events at elementary schools and six at nursing homes, mainly in Yokohama City. In fiscal 2021, we launched a special website and online community site to brush up on the know-how cultivated through these events and to disseminate the achievements throughout the country. We would like to continue our efforts to create a new era with darts as a sport.



Sports Darts Project
<https://sportsdarts.jp/>

Yokohama Human & Techno Land



Yokohama Human & Techno Land, commonly known as Yotec, is a comprehensive welfare event sponsored by the social welfare corporation Foundation for Yokohama Rehabilitation Service. The event is held to exhibit and share the experience of welfare equipment, introduce new technologies, and promote public



understanding of the self-reliance of persons with disabilities and their potential for social participation. Diverse visitors attend, including persons with disabilities, supporters, family members, and welfare equipment manufacturers. The SEGA SAMMY Group supports the purpose of the event by providing free gifts and collaborating to build a society in which everyone, regardless of disabilities, can live comfortably.



Donating and Disinfecting Toys in Collaboration with NPOs



This year marked the 11th time we engaged in the initiative since fiscal 2010. Working together with the Japan NPO Center, we select NPOs to donate our toys.

In fiscal 2020, hoping to deliver smiles and courage to children who spend most of their time in beds and their family members, we donated about 100 toys from SEGA TOYS (fiscal 2020) and 500 non-woven masks to the Approved Specified NPO Family House, which provides accommodation support for the families of children undergoing treatment for cancer and other intractable diseases.

Due to the impact of COVID-19, many hospitals have restricted visits, increasing the need for support to help children with illnesses and their family members experience closer bonds of connection.

Group employees regularly visit the houses and disinfect toys and stuffed animals so that children and their families feel more comfortable using them. In future we will continue to develop contributions to make all children smile.



Report from Family House on donations

Supporting Children's Diet



Hoping to be of assistance in supporting children's development through our Group businesses and facilities, SAMMY donated a popular snack called Umaibo to the children's cafeteria. The snack came in a special package that was originally planned to be distributed at the Universal Carnival x SAMMY Festival 2020. A total of 57,000 Umaibo snacks were donated to 26 NPOs that operate children's clubs and homes. A circle of support for children's cafeterias has also been expanding in the pachislot and pachinko industry. In addition, Phoenix Resort continues to donate vegetables harvested

from its own farm.

We are glad to help make children smile and will continue our support in a number of ways beyond food donations.



SEGASAMMY HOLDINGS Public Relations Department staff donating snacks to the Shinagawa Children's Cafeteria Network



©UNIVERSAL ENTERTAINMENT
 ©Sammy

Campaign to Deliver Picture Books



We have been participating in the Shanti Volunteer Association's Campaign to contribute through entertainment to children living in conflict areas by delivering picture books to them. We purchase picture books with money raised through the collection of unwanted used items from our offices and the homes of our employees. Staff from 17 Group companies took part in pasting stickers into the books along with translations into local languages. They also sent them to designated locations. Since the start of the activity in 2009, a total of 2,825 books have been sent to those areas. While offering entertainment, we also pray for a world in which all children can have dreams for the future, and so we will continue to carry out these activities.



Supporting Vaccinations for Children across the World



The SEGA SAMMY Group contributes to reducing CO₂ emissions and encourages childhood vaccinations across the world by collecting plastic bottle caps on each floor of the Osaki headquarters. The caps are processed by a special recycling operator to reduce CO₂ emissions during incineration. The revenues generated from their sale to the operator are donated to the certified NPO corporation Japan Committee, Vaccines for the World's Children to support the health of children around the world. In fiscal 2020, we recycled 49,880 caps, reduced CO₂ emissions by 365.5 kilograms, and donated money to purchase vaccines for 65 children.



Box for collecting PET bottle caps

ペットボトルキャップ受領書	
セガサミーホールディングス株式会社 御中	
2019/12/3	65.00 Kg
個数:	27,950 個
ワケオン:	32.5 人分
CO ₂ :	204.8 Kg
*120000は、キャップを再生して焼却処理を想定しています。(キャップ1個あたり、1.0gのCO ₂ 削減と見做します)	
回収金額	49,880 円
ワケオン	57.5 人分
<p>※ 回収されたキャップは、当社でリサイクル処理を予定しています。回収されたキャップは、当社でリサイクル処理を予定しています。ワケオン情報は、弊社より「SEGA SAMMY 世界の子どもにワクチンを日本委員会 (JCV)」へ提供させていただきます。その他にも詳しくお話しいたします。</p>	

Certificate of recycling PET bottle caps

SPORTS, THE ARTS AND OTHER CULTURAL ACTIVITIES

Dance Base Yokohama



SEGA SAMMY Culture and Art Foundation, a general incorporated foundation that contributes to the enrichment of our cultural and artistic life and realizes a prosperous society, opened a new performing arts facility called Dance Base Yokohama (DaBY) in Yokohama's Kitanaka area. Using DaBY as an attractive platform for gathering those involved in dance across genres will encourage and spread traditional Japanese dance and facilitate international exchanges with domestic and international artists and art organizations.



Para-Nordic Skiing Japan Team



The SEGA SAMMY Group provides ongoing support to Japan's national Para-Nordic skiing team with the Ski Association of Japan for the Disabled, a specified non-profit corporation, as its parent organization.

The association strives to open up cross-country and biathlon skiing to persons with disabilities and related individuals in Japan to increase competitive abilities as well as to promote and popularize the sport. We will continue to support the team in working hard with the hope of inspiring persons with disabilities so that they can enjoy cross-country skiing and biathlon, which can lead to a healthier physical condition, while we also encourage young people with disabilities to dream of making it to the Paralympics.



SPORTS, THE ARTS AND OTHER CULTURAL ACTIVITIES

Japan Disabled Golf Players Association

SEGA SAMMY

In Japan, disabled golf is not well known among the general public, and much less by those with disabilities. With so few opportunities to play the sport, few disabled individuals do. Therefore, activities aimed at offering opportunities to play it are needed so that more disabled golfers can enjoy it as a lifelong sport.

Through activities such as donations and promotion campaigns, the SEGA SAMMY Group will contribute to the creation of a society in which all people can live safely with dignity and a sense of purpose regardless of disability.



Tokyo Jazz Festival

SEGA SAMMY

As part of its efforts to support the arts and cultural activities, the SEGA SAMMY Group has been helping out the Tokyo JAZZ (Tokyo JAZZ + plus from 2020), since its inception in 2002. The event gathers top jazz musicians from around the world to perform under the concept of encouraging cultural and generational cross-fertilization. To prevent the spread of COVID-19, Tokyo JAZZ + plus 2020, which had been scheduled for May 23 and 24, 2020, cancelled all its performances and decided to hold online the TOKYO JAZZ + plus LIVE STREAM to give the affected artists an opportunity to perform and a chance for those fighting the coronavirus around the world to experience art. The SEGA SAMMY Culture and Art Foundation announced its support for the event as the sole worldwide sponsor, and it was streamed live on May 23 and 24, 2020 and watched by 125,000 people.



TOKYO JAZZ + plus LIVE STREAM

Junior Sport Festival

SEGA SAMMY



The SEGA SAMMY Group holds the Junior Sport Festival, during which first-class athletes from each sport field provide personal instruction to elementary and junior high school students in Chitose City, the site of the Shigeo Nagashima Invitational SEGA SAMMY CUP Golf Tournament, Eniwa City, and Tomakomai City. We have no choice but to cancel the festival in fiscal 2021, which would have been its 13th year, to prevent the spread of COVID-19. We are committed, however, to continuing the festival to support the growth and development of children.

SEGA SAMMY Cup Children's Rubber Baseball Tournament

SEGA SAMMY



Supporting the efforts of the Tokyo Kids Baseball Academy to strengthen children's baseball skills in Tokyo, the SEGA SAMMY Group has been serving as a special cosponsor for The SEGA SAMMY Cup Children's Rubber Baseball Tournament. This year's event, the 11th tournament, took place at the SEGA SAMMY baseball field and Takigahara Ground in Hachioji, with 16 teams comprising 320 players competing. On the day of the opening ceremony there were events to help boost baseball education, such as baseball lessons by active players of the SEGA SAMMY baseball team and a seminar for instructors by the team's manager and coach. In a seminar held before the tournament, the captain of the SEGA SAMMY baseball team, Mr. Miyagawa, and two other players, Mr. Suehisa and Mr. Sunagawa, participated and shared their experiences, which sparked significant audience excitement. We will continue our support so that the tournament, which boasts a total of 2,500 participants so far, can serve as a stage to help children's dreams come true.

Under-18 Free Kick Championship



MPandC holds the annual U-18 Free Kick Championship for kids who play soccer, a community engagement activity for making children's wishes come true. The championship is supervised by Mr. Atsuhiko Miura, manager of Vissel Kobe, and Mr. Yuichi Nishimura, a former international judge.

This new type of free kick competition for junior and senior high school students is intended to improve the national level of free kicks under the slogan, "Transforming Japan into a Free Kick Powerhouse to Become a Global Winner." In 2019, Mr. Tetsuji Hashiratani, a former captain of Japan's national soccer team participated in the competition as a special ambassador and provided lessons for

students at the Kids Soccer Clinic before the event. He was energetic and enthusiastic with the students while sharing the fun of soccer and importance of thinking when playing, making the students' eyes sparkle and their faces light up from a very exciting experience.

MPandC will continue to expand these activities across the country to put smiles on faces across Japan through sports.



COMMUNITY ACTIVITIES

Visiting Children at Orphanages (Hachioji City, Tokyo)



Since 2010, the SEGA SAMMY Baseball Club has been visiting three orphanages in Hachioji City, where the team is based. Also, in December every year,

it organizes a Christmas event for interacting with children.

In 2019, 11 people including baseball team members visited. They gave toys from the SEGA SAMMY Group to children and played tee-ball and other games. The group home and nursery schools were filled with laughter. We will continue these interactive activities as a strong team beloved by the community.

Exhibition at the Sakura City Industrial Festival: Sakura Monozukuri Festa 2019



As part of its community contributions, Sega Logistics Service has been participating in the Sakura Monozukuri Festa every year since 2012.

In 2019, the company exhibited the UFO CATCHER at a permanent booth in the Shizu Community Center, which attracted about 15,000 visitors over two days.

Looking ahead, we will continue working as members of the local community.



Kids Races (Kakamigahara City, Gifu Prefecture)



We hold the Kids Races as a childcare support activity twice a year, in spring and autumn, at Oasis Park. The event is participated in by many children and consists of four races, each for a different age group: the Hai-hai Race (toddlers before walking), Kata-kata Race (under two); Bu-bu Race (two years old), and Tricycle Race (three to five years old). The event is great for the entire family; three generations of family members are often seen taking photos and cheering for their children competing in the race.

The event is also a place for parents who work hard raising their children to interact with each other, providing an opportunity that has been well received by many as both stimulating and encouraging. We will continue to support parents by helping them to create good memories.



Supporting the Development of Career Choices and Appropriate Professional Behavior for Local Students



In cooperation with local junior and senior high schools and universities, the Phoenix Resort offers opportunities such as experience-based

training, lectures, and tours for students so they can explore career choices and start developing professional behavior.

During the professional behavior seminars, presented as onsite classes, students learn important social skills and manners and receive personal guidance on future career or education choices. In addition, high school students studying social welfare tour a barrier-free room inside the resort and receive a one-point lesson about engaging in pleasant social interactions.

We will continue to provide support that is uniquely possible at the Phoenix Resort, which reflects a high level of expertise in creating pleasant occasions and spaces for customers, and thereby contribute to the growth of local communities.



Oasis Park

<https://www.oasispark.co.jp/>

SEGA Sammy

HOLDINGS

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New Official Twitter Account for the SEGA SAMMY Group's CSR and SDG Activities

In April 2020, the SEGA SAMMY Group created an official Twitter account to provide information about its CSR activities, compliance and work styles as well as the SDGs. We hope to strengthen our bonds with society by communicating with many customers through Twitter so they feel closer to SEGA SAMMY. Please follow us!



SEGASAMMY CSR Official Account
[@SEGASAMMY_CSR](https://twitter.com/SEGASAMMY_CSR)



Disclaimer

This report contains past and current facts about the SEGA SAMMY Group as well as forward-looking statements about social conditions, business plans, and forecasts based on management's judgments in light of information available as of the publication date. Please note that social conditions and business results may vary from these forecasts.