

Fiscal Year Ended March 2023

Results Presentation

2023/4/28

Disclaimer

Market forecasts, operating results forecast, and other information contained in this material are based on judgements and projections of the Company's managements based on currently available information. Therefore, please understand that the contents herein involve risks and uncertainties and that actual results could differ materially depending on various factors.

This is an English translation from the original Japanese-language version. The translation is provided for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Company assumes no responsibility for this translation and for direct, indirect or any other forms of damages arising from the translations. Should there be any inconsistency between the translation and the original Japanese document, the Japanese language version shall prevail. If you quote all or part of this document, please clearly indicate the source of the citation or link to this page.

© SEGA SAMMY HOLDINGS INC. All Rights Reserved.

<Disclaimer>

This document is a transcription from the financial results briefing presentation, and some edits and modifications have been made for ease of understanding.

Speaker: Koichi Fukazawa, Senior Executive Vice President and Group CFO, Director of the Board

Thank you for accessing today's financial results briefing.

I would like to begin by explaining our results for FY2023/3 and our plans for FY2024/3. I will use the Results Presentation that is uploaded on our website.

01

FY2023/3 Results / FY2024/3 Forecast

Results Highlights

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	320.9	389.6	433.0
Entertainment Contents	235.9	282.8	305.0
Pachislot and Pachinko Machines	75.8	94.2	115.0
Resort	8.6	11.5	12.0
Other / Elimination	0.6	1.1	1.0
Operating Income	32.0	46.7	55.0
Entertainment Contents	33.9	38.7	43.5
Pachislot and Pachinko Machines	9.3	20.0	24.5
Resort	-2.5	-1.1	-1.0
Other / Elimination	-8.7	-10.9	-12.0
Non-operating income	5.9	4.9	4.0
Non-operating expenses	4.6	2.2	1.0
Ordinary Income	33.3	49.4	58.0
Entertainment Contents	36.8	41.1	45.0
Pachislot and Pachinko Machines	10.2	20.7	25.0
Resort	-6.7	-3.2	0.0
Other / Elimination	-7.0	-9.2	-12.0
Ordinary Income Margin	10.4%	12.7%	13.4%
Extraordinary income	5.2	0.0	-
Extraordinary losses	0.6	2.4	-
Income before income taxes	37.9	47.0	58.0
Profit attributable to owners of parent	37.0	45.9	40.0
ROE	12.7%	14.7%	-
Dividends per share (JPY)	40.00	59.00	47.00

FY2023/3 Results

➤ Achieved significant increases in sales and profits YoY

- Sales and profits increased, or loss margin narrowed YoY in all businesses
- Income taxes, etc. remained at low level as in the previous fiscal year due to the recording of deferred tax assets at a U.S. subsidiary, decrease in taxable income from net loss carried forward, and tax credits related to research and development at a U.K. subsidiary.
- Decided to increase year-end dividends forecast and implement shares buybacks based on the return policy of a total return ratio of 50% (-> See P.68)

FY2024/3 Forecast

➤ Forecast increases in sales and profits for all business areas

- Continue to grow, driven by CS* (Entertainment Contents)
- Increase unit sales of pachislot (Pachislot and Pachinko)
- Achieve profitability in ordinary income (Resorts)

*CS = Consumer area

-3-

In FY2023/3, the Entertainment Contents and Pachislot and Pachinko Machines businesses achieved increases in both sales and profit. Also, losses in Resort business has narrowed, so as a result, we achieved significant increase in both sales and profit. In Q4, tax expenses remained low, as in the previous fiscal year, due to the recording of deferred tax assets by a U.S. group company, a decrease in taxable income from net loss carried forward, and a tax refund from the VGTR by a U.K. group company.

As a result, profit attributable to owners of parent was 45.9 billion yen. Based on the policy of a 50% total return ratio, the Company has decided to revise its year-end dividend forecast and to implement shares buybacks. we will again decide the year-end dividend at the timing when the financial results are officially confirmed after the audit, etc.

For FY2024/3, we plan to increase sales and profits in all business segments. At this moment, the tax rate of 30% is used as a simplified tax rate in the plan since it is difficult to calculate a reasonable tax rate.

Breakdown of Income (FY2023/3 Results)

SEGASammy

(Unit: billion yen)



Breakdown of non-operating income/losses and extraordinary income/losses

Non-operating income	4.9
Gain on investments in partnership	1.9
Foreign exchange gains	1.3
Dividends income	0.5
Interest income	0.4
Non-operating expenses	2.2
Equity in losses of affiliates	0.5
Loss on investments in partnership	0.5
Extraordinary Income	0.0
Extraordinary losses	2.4
Loss on business restructuring	1.7
Impairment loss	0.4
Taxes/Others	1.1
	-4-

Here is the breakdown of income.

Non-operating income includes gain on investments in partnerships and foreign exchange gains associated with the revaluation of assets denominated in foreign currencies. Non-operating expenses include loss on investments in partnership, as well as equity in losses of affiliates of 0.5 billion yen, including PARADISE SEGASAMMY, etc.

Extraordinary losses include losses on business restructuring implemented at some group companies.

Costs and Expenses, etc.

■Entertainment Contents

(Billion yen)	FY2021/3				FY2022/3				FY2023/3					FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Full Year Results	
R&D / Content production expenses	9.2	9.8	11.8	14.7	9.9	13.5	12.7	18.3	11.9	14.8	16.4	22.9	66.0	68.9
Advertising expenses	1.7	2.8	3.3	3.7	2.2	3.9	3.7	4.4	2.7	5.0	6.3	6.7	20.7	23.6
Depreciation	2.2	2.3	0.7	1.5	0.8	0.9	0.9	1.1	0.9	1.0	0.9	1.0	3.8	3.6
Cap-ex	2.2	2.8	3.5	1.9	1.5	1.4	1.6	2.8	1.1	1.1	1.7	2.0	5.9	6.1

■Pachislot & Pachinko

(Billion yen)	FY2021/3				FY2022/3				FY2023/3					FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Full Year Results	
R&D / Content production expenses	5.4	3.9	3.3	3.7	3.4	3.2	3.4	4.4	3.0	3.5	3.7	4.2	14.4	15.5
Advertising expenses	0.1	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.3	0.3	0.3	0.8	1.7	4.0
Depreciation	0.8	0.9	0.9	0.8	0.5	0.7	0.7	0.8	0.6	0.7	0.7	0.7	2.7	3.0
Cap-ex	1.1	0.7	0.7	0.8	1.2	1.1	0.8	1.0	1.0	1.0	1.0	1.2	4.2	5.4

*Recognition of R&D Expenses and Content Production Expenses by business segments

- Entertainment Contents business (Full Game (CS)): Expenses are capitalized as inventory assets or intangible assets during development and booked as expenses after launch. 25% will be amortized in first month and the rest will be amortized over a period of 23 months using the straight-line method (Total amortization period is 24 months)
- Entertainment Contents business (F2P (F2P)): Expenses are amortized over a period 24 or 36 months using the straight-line method
- Entertainment Contents business (AM): Expenses are capitalized as inventory assets during development and booked as expenses after launch. They will be amortized 15% per first 2 months and the rest will be amortized 7% per 10 months using the straight-line method (Total amortization period is 12 months)
- Pachislot and Pachinko business: Expenses aren't capitalized but are recognized as they arise (process outsourcing expenses recognized when work is inspected)
- *Full Game (CS) are anticipated to be sold for a longer period due to recent longer product lifecycle compared with conventional length, so the amortization rule has been revised as above from new titles to be launched in FY2024/3. Titles released by FY2023/3 will be amortized 40%, 15%, 5% per first 3 months and the rest will be amortized 2% per 21 months using the straight-line method.

Content development amortization expense of Entertainment Contents business as a whole is expected to be reduced for approx. 4.6 billion yen in FY2024/3.

-5-

Here is the costs and expenses, etc.

In the Entertainment Contents business, mainly in the Consumer area, development expenses increased YoY in FY2023/3 due to an increase in new titles and an increase in basic research expenses, and are expected to continue to increase in FY2024/3. As for advertising expenses, although we had new titles of a large scale such as "Sonic Frontiers" in FY2023/3, we expect an increase in advertising expenses for FY2024/3, as we also plan to launch many new titles.

In the Pachislot and Pachinko Machines business as well, where the market environment is recovering, we expect an increase in advertising expenses for FY2024/3, for the purpose of further sales promotion activities through TV commercials and other aggressive promotional activities.

In addition, the life cycles of Full Game in the Consumer area have been lengthening, so we can expect longer sales than in the past. For this reason, we will partially change the content work in progress amortization rule starting from FY2024/3.

The details are in the notes in this slide, but at Full game, this rule is applicable to titles to be sold after FY2024/3, so it does not apply to titles sold before the FY2023/3, even if they are being amortized. As a result of this change, for FY2024/3, there will be a reduction of approximately 4.6 billion yen in content work in progress amortization expense for the Entertainment Contents business as a whole.

Costs and Expenses, etc.

■Resort

(Billion yen)	FY2021/3				FY2022/3				FY2023/3				Full Year Results	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
R&D / Content production expenses	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0
Advertising expenses	0.0	0.1	0.1	0.0	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.3	0.5
Depreciation	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.6	0.7
Cap-ex	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.5	0.1	0.4	0.2	1.2	0.4

■Other / Elimination

(Billion yen)	FY2021/3				FY2022/3				FY2023/3				Full Year Results	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
R&D / Content production expenses	0.1	-0.1	0.0	-0.1	0.1	-0.1	0.1	-0.1	0.0	0.0	0.1	-0.2	-0.1	0.1
Advertising expenses	0.2	0.1	0.2	0.2	0.4	0.4	0.2	0.3	0.3	0.7	0.2	0.2	1.4	1.2
Depreciation	0.4	0.3	0.3	0.1	0.4	0.1	0.3	0.2	0.5	0.1	0.3	0.2	1.1	1.0
Cap-ex	0.3	0.1	-0.1	0.4	0.3	0.0	0.3	0.6	0.2	0.0	0.2	0.1	0.5	1.6

Here is about Resort business and other, etc.

Consolidated Balance Sheet Summary



(Billion yen)							
[Assets]				[Liabilities and Net Assets]			
Account	As of end of March 2022	As of end of March 2023	Increase /Decrease	Account	As of end of March 2022	As of end of March 2023	Increase /Decrease
Cash and Deposits	152.4	179.5	+27.1	Accounts Payable	24.4	30.5	+6.1
Accounts Receivable	38.9	53.3	+14.4	Short Term Borrowings	10.0	17.0	+7.0
Inventories	67.5	89.4	+21.9	Other	52.5	72.8	+20.3
Other	28.9	31.6	+2.7	Total Current Liabilities	86.9	120.3	+33.4
Total Current Assets	287.7	353.8	+66.1	Corporate Bonds	10.0	10.0	-
Tangible Fixed Assets	60.3	60.4	+0.1	Long Term Borrowings	32.0	25.0	-7.0
Intangible Fixed Assets	13.1	13.2	+0.1	Other	13.8	14.8	+1.0
Investment Securities	40.6	39.5	-1.1	Total Noncurrent Liabilities	55.8	49.8	-6.0
Other	33.7	34.6	+0.9	Total Liabilities	142.8	170.2	+27.4
Total Noncurrent Assets	147.7	147.7	+0.0	Shareholders Equity	294.4	326.7	+32.3
Total Assets	435.4	501.5	+66.1	Total accumulated other comprehensive income	-2.0	4.0	+6.0
				Share acquisition rights	0.1	0.4	+0.3
				Non-controlling interests	0.0	0.0	-0.0
				Total Net Assets	292.6	331.3	+38.7
				Total Liabilities and Net Assets	435.4	501.5	+66.1

Main factors for increase / decrease

	As of end of March 2022	As of end of March 2023	Increase /Decrease
Cash, deposits and cash equivalents	152.4	179.5	+27.1
Interest bearing debt	52.0	52.0	-
Net cash	100.4	127.5	+27.1
Equity ratio	67.1%	66.0%	-1.1p

(Current Assets)

(Liabilities)

(Net assets)

Cash and deposits increased as a result of strong business performance. In addition, notes and accounts receivable and inventory assets mainly related to "Smart Pachislot Hokuto No Ken" increased and content work in progress increased centered on Consumer are

Notes and accounts payable and contract liabilities increased mainly related to "Smart Pachislot Hokuto No Ken"

Shareholders' equity increased due to recording of profit attributable to owners of parent while dividend payments and share buybacks were executed

-7-

Here is the balance sheet.

In current assets, cash and deposits increased due to strong business performance. Inventories increased in Pachislot and Pachinko Machines Business due to an increase in inventories of products such as "Smart Pachislot Hokuto No Ken" and purchases of electronic components. Also, mainly in the Consumer area of Entertainment Contents Business, content work in progress increased. In addition, notes and accounts receivable has also increased due to the sales of "Smart Pachislot Hokuto No Ken", etc.

With regard to liabilities, notes and accounts payable and contract liabilities related mainly to "Smart Pachislot Hokuto No Ken" have increased.

Net assets increased due to the recording of profit attributable to owners of parent.

The equity ratio decreased by 1.1 percentage points from the end of the previous fiscal year to 66.0%. Net cash was 127.5 billion yen at the end of FY2023/3, an increase of 27.1 billion yen from the end of the previous fiscal year.

Consolidated Cash Flows

(Unit: billion yen)

Cash and
cash equivalents
End of
FY2022/3

152.4

C/F
from
Operating
Activities
+44.7

C/F
from
Investing
Activities
-2.3

C/F
from
Financing
Activities
-15.3

End of
FY2023/3

179.5

Cash Flows from Operating Activities

Income before income taxes	+47.0
Depreciation and amortization	+10.6
Increase in notes and accounts receivable -trade	-13.4
Increase in inventories	-22.4
Increase in contract liabilities	+15.5
Others	+7.4

Cash Flows from Investing Activities

Purchase of property, plant and equipment	-4.9
Purchase of intangible assets	-5.8
Others	+8.4

Cash Flows from Financing Activities

Proceeds from long-term borrowings	+10.0
Repayment of long-term borrowings	-10.1
Purchase of treasury stock	-4.9
Cash dividends paid	-8.8
Others	-1.5

-8-

Here are the cash flows.

Cash flows from operating activities was positive 44.7 billion yen due to the positive impact of income before income taxes, despite an increase in inventories and notes and accounts receivable.

Cash flows from investing activities was negative 2.3 billion yen due to the purchase of intangible and tangible fixed assets, while there was income from distributions from investment partnerships, etc. As a result, free cash flow was 42.3 billion yen.

Cash flows from financing activities was negative 15.3 billion yen due to dividends payment and purchase of treasury stock.

02

Per Segments Results / Forecast

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	235.9	282.8	305.0
Consumer	158.3	187.9	205.0
Amusement Machine	49.7	64.9	63.5
Animation / Toy	25.6	29.3	36.0
Other / Elimination	2.3	0.7	0.5
Operating Income	33.9	38.7	43.5
Consumer	29.3	32.8	36.0
Amusement Machine	2.5	2.9	5.0
Animation / Toy	3.0	4.5	4.5
Other / Elimination	-0.9	-1.5	-2.0
Non-operating income	3.3	2.8	1.8
Non-operating expenses	0.5	0.4	0.3
Ordinary Income	36.8	41.1	45.0
Ordinary Income Margin	15.6%	14.5%	14.8%

*Exchange rate in initial forecast for FY2024/3: 1US dollar = 127 yen, £1 =160yen, and 1 Euro = 141yen.

FY2023/3 Results

- **Both sales and profits increased YoY**
 - Some new titles in Full game and F2P* performed strongly (CS*)
 - Sales in the Prize category went strong (AM*)

FY2024/3 Forecast

- **Expect higher sales and profits due to the contribution of new titles and repeat sales (CS)**
 - Increase in unit sales of new titles
FY2023/3 results: 10,090 thousand units
FY2024/3 plan: 14,120 thousand units
 - Increase in operating expenses of R&D expenses and advertising expenses due to increase in new titles
- **Expect to maintain strong performance in the prize category (AM)**

*F2P=Free-to-play, CS = Consumer area, AM = Amusement Machine area

-10-

From here, I will explain the details by segment. First is about the Entertainment Contents business.

In FY2023/3, both sales and profit increased due to strong sales of some new titles and F2P titles in the Consumer area, as well as strong sales in the prize category in the Amusement Machine Sales area.

For FY2024/3, we plan to increase both sales and profits compared to the previous fiscal year due to increased sales of new and repeat titles of Full game in the Consumer area and continued strong performance in the prize category in the Amusement Machine Sales area.

		FY2023/3 Results	FY2024/3 Forecast
Consumer	Full Game	<ul style="list-style-type: none"> Strong performance of new titles such as "Sonic Frontiers" and "Persona 5 Royal" (Remaster) Repeat sales performed weakly 	<ul style="list-style-type: none"> Sales of new titles increase Sales of repeat titles contribute to earnings due to new titles released in the previous fiscal year Change the amortization rule of content work in process
	F2P	<ul style="list-style-type: none"> Strong performance of "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" 	<ul style="list-style-type: none"> Stable earnings from "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" and other existing titles will continue to contribute Release new title, "404 GAME RE:SET -Error Game Reset."
	Other	<ul style="list-style-type: none"> Recorded license revenue, etc. Recorded foreign exchange gains 	<ul style="list-style-type: none"> Record licensing revenue centered on Sonic
Amusement Machine Sales		<ul style="list-style-type: none"> Strong sales of UFO Catcher ® series and prizes Sales and profits increased YoY despite the impact of raw material price hikes 	<ul style="list-style-type: none"> Strengthen sales of prizes Launch of new products such as "UFO CATCHER 10"
Animation / Toy	Animation	<ul style="list-style-type: none"> Released the theatrical version of "Detective Conan: The Bride of Halloween" Recorded animation production and distribution revenue, etc. 	<ul style="list-style-type: none"> Release the theatrical version of "DETECTIVE CONAN: Black Iron Submarine" Record animation production and distribution revenue, etc.
	Toy	<ul style="list-style-type: none"> Launched new products such as "With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium Design by yourself" 	<ul style="list-style-type: none"> Sales of new products and regular products, etc.

-11-

Here is a description of each sub-segment.

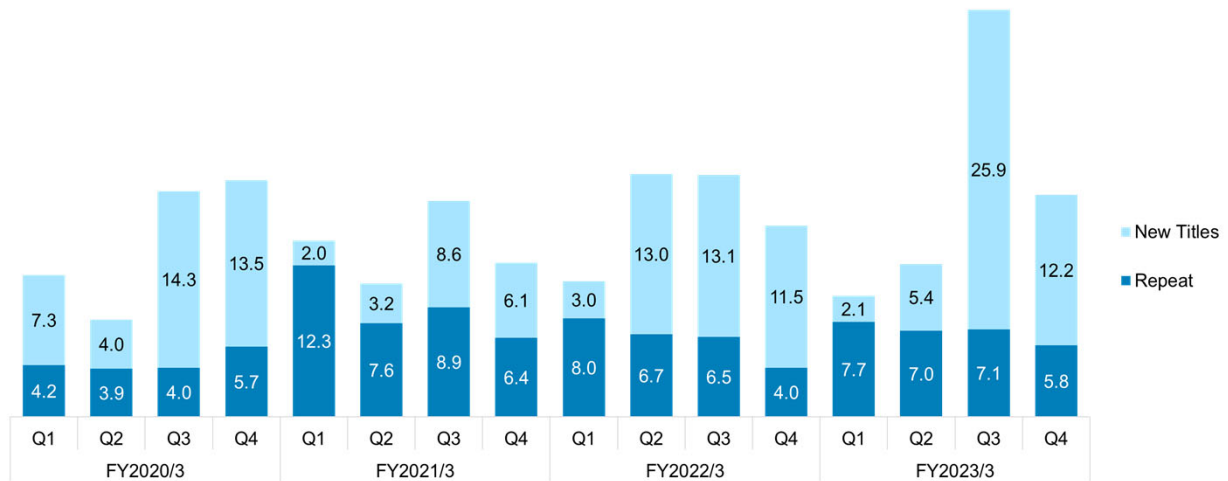
In the Consumer area, new Full game titles such as "Sonic Frontiers" and "Persona 5 Royal" (Remaster), and existing F2P titles such as "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" and "ONE PIECE Bounty Rush" (Developer: SEGA, Publisher: Bandai Namco Entertainment Inc.) performed well in FY2023/3. In addition, increase in license revenue and foreign exchange gains had a push-up effect on revenue.

In the Amusement Machine Sales area, sales in the prize category was strong in FY2023/3 but the cost side was significantly affected negatively by raw material price hikes and progressive depreciation of the yen. For FY2024/3, we plan to increase profits by taking measures to respond to these changing environment.

In the Animation area, distribution revenue, etc. from animation production and offering of animation works to distribution platforms have contributed to strong performance, and in the Toy business, sales of new products, etc. went steadily.

Consumer Area / Full Game: Sales Trend

(Unit: billion yen)

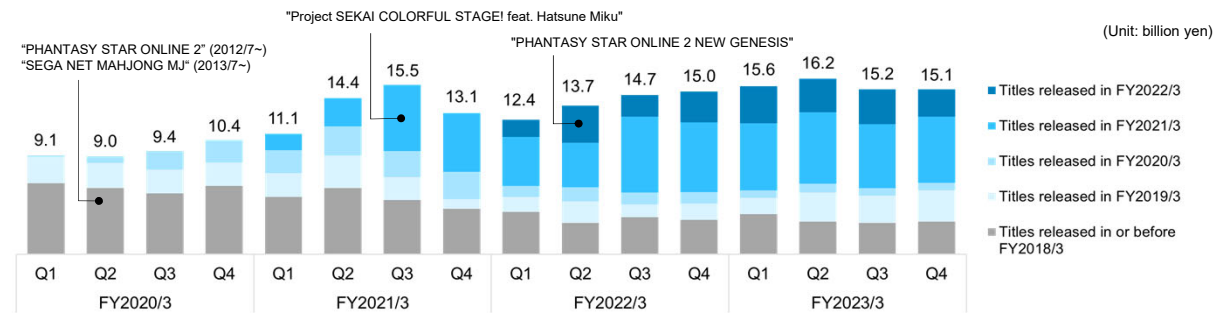


-12-

Here is the sales trend of Full game by quarter.

Sales of new titles contributed significantly since Q3, led by “Sonic Frontiers” and “Persona 5 Royal” (Remaster).

Consumer Area / F2P: Sales Trend



[Top 3 titles in sales from Jan. to Mar. 2023]

<p>(No. 1)</p> <p>"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku"</p> <p>© SEGA/© CP/© CFM Release: Sep. 2020</p>	<p>(No. 2)</p> <p>"PHANTASY STAR ONLINE 2 NEW GENESIS"</p> <p>©SEGA Release: Jun. 2021</p>	<p>(No. 3)</p> <p>"SEGA NET MAHJONG MJ"</p> <p>©SEGA Release: Jul. 2013</p>
--	--	---

-13-

Here is the sales trend of F2P.

Mainstay titles, centered on "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku", performed well. In addition, "ONE PIECE Bounty Rush", developed by the Group company and published by Bandai Namco Entertainment Inc., also contributed to the steady sales.

(Reference) Consumer Area: Sales Trend

(Billion yen)	FY2022/3				FY2023/3				FY2024/3 Full Year Forecast
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4	
Sales	29.5	71.2	119.6	158.3	34.7	75.0	142.5	187.9	205.0
Domestic	13.0	30.9	50.3	66.6	15.7	33.8	52.4	71.4	71.6
Overseas	16.7	40.3	69.4	92.0	19.2	41.1	89.8	116.7	135.4
Overseas sales ratio	56.6%	56.6%	58.0%	58.1%	55.3%	54.8%	63.0%	62.1%	66.0%
Other / Elimination	-0.2	0.0	-0.1	-0.3	-0.2	0.1	0.3	-0.2	-2.0
Full Game	11.0	30.7	50.3	65.8	9.9	22.3	55.3	73.2	108.1
New titles	3.0	16.0	29.1	40.6	2.1	7.5	33.4	45.6	75.8
Japan	0.2	2.4	5.4	5.7	0.5	1.7	3.6	5.0	9.5
Asia	0.1	0.9	2.0	3.0	0.5	1.1	3.5	5.3	5.4
North America / Europe	2.7	12.7	21.7	31.9	1.0	4.6	26.3	35.2	60.8
Repeat titles	8.0	14.7	21.2	25.2	7.7	14.7	21.8	27.6	32.3
Japan	0.8	2.0	2.8	3.4	0.8	1.7	2.4	3.0	2.4
Asia	0.7	1.4	1.8	2.3	0.8	1.5	2.2	2.8	2.4
North America / Europe	6.4	11.3	16.6	19.5	6.1	11.5	17.1	21.6	27.5
Download sales ratio	61.6%	65.3%	63.8%	69.5%	74.9%	74.5%	66.0%	69.7%	68.2%
F2P	12.4	26.1	40.8	55.8	15.6	31.8	47.0	62.1	64.0
Japan	10.9	23.2	36.6	50.1	13.0	27.1	39.9	53.2	51.6
Asia	0.0	0.0	0.3	0.5	0.5	0.5	0.5	0.6	0.7
North America / Europe	1.4	2.9	3.9	5.2	2.0	4.1	6.5	8.2	11.6
Other	6.2	14.5	28.6	37.0	9.2	20.9	40.2	52.6	32.9

*Full Game = Mainly physical sales and download sales of full game for home video game consoles and PCs. (Additional download content sales are not included.)

*F2P = Mainly sales of contents offering free basic play and microtransaction for smartphones and PCs.

*Other = Sales of additional download contents, consignment sales of 3rd party titles, revenue from consignment development, transfer of titles, offering of titles in batches to 1st parties, sales of products other than game software, etc.

-14-

For your reference, here are the details of sales in the Consumer area.

In Full game, the sales composition continues to be centered on North America / Europe. The download sales ratio for FY2023/3 was slightly less than 70%. Repeat sales decreased from FY2022/3 on a unit basis but increased on a sales basis.

For FY2024/3, we aim to increase sales of both new and repeat titles. F2P sales are mainly in Japan, and is planned to contribute to sales stably.

(Reference) Consumer Area / Full Game: Unit Sales Trend

	FY2022/3				FY2023/3				FY2024/3
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4	Full Year Forecast
Full Game: Number of Titles									
Japan	0 title	3 titles	5 titles	6 titles	3 titles	7 titles	11 titles	15 titles	12 titles
Asia	1 title	4 titles	7 titles	9 titles	3 titles	7 titles	11 titles	15 titles	13 titles
North America / Europe	3 titles	6 titles	11 titles	13 titles	3 titles	7 titles	12 titles	16 titles	14 titles
Full Game: Unit sales (Thousand)	6,580	14,040	21,970	27,200	5,140	10,140	20,750	27,890	34,480
Total New titles	1,060	3,500	6,630	8,770	440	1,480	6,970	10,090	14,120
Japan	50	410	780	850	90	250	640	1,090	1,370
Asia	50	250	500	760	110	260	860	1,350	930
North America / Europe	960	2,840	5,350	7,160	230	960	5,460	7,640	11,800
Total Repeat titles	5,520	10,540	15,340	18,430	4,700	8,650	13,770	17,790	20,360
Japan	290	660	950	1,140	260	760	1,080	1,380	1,130
Asia	340	680	880	1,170	410	750	1,390	1,840	1,280
North America / Europe	4,890	9,200	13,500	16,130	4,030	7,120	11,290	14,560	17,930

*Unit sales don't include the figure for free download

*As for Numbers of Titles above, for the same title released in multiple regions, the title number is counted 1 per each sales region (Japan, Asia and NA/EU)

[Unit sales of major IPs]

(Thousand units)	FY2022/3				FY2023/3			
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4
Sonic series	1,000	2,900	4,900	5,800	1,460	2,630	6,750	8,150
Total War series	600	1,000	1,300	2,600	420	950	1,750	2,300
Persona series	400	700	1,000	1,300	270	500	2,040	3,270
Like a Dragon series*	700	1,800	2,500	2,900	470	960	1,730	2,830

**Like a Dragon* series includes "Judgment" series

-15-

Here is the detail of unit sales in the Consumer area.

[Titles released in FY2023/3]



©SEGA

"Sonic Frontiers"

- IP growth through hits for movies and animations, collaborations, and etc.
- Expand sales opportunities by global simultaneous launch x multi-platform support
- Worldwide unit sales: Over 3.2 million units (as of the end of March 2023)



©ATLUS. ©SEGA. All rights reserved.

"Persona 5 Royal" (Remaster)

- Expand sales opportunities by global simultaneous launch x multi-platform support
- Worldwide unit sales: Over 1.7 million (as of the end of March 2023)

-16-

Here are the two main new Full game titles for FY2023/3.

For the full year, "Sonic Frontiers" sold more than 3.2 million units and "Persona 5 Royal" (Remaster) sold more than 1.7 million units. Expansion of sales has been realized by initiatives in line with our Mid-term plan, which are global simultaneous launch and multi-platform support.

[Titles to be released in FY2024/3]

*Only announced titles are listed. Figures in () to the right of the title are the planned release dates



"Etrian Odyssey Origins Collection" (June. 1)
©ATLUS. ©SEGA. All rights reserved.



"Sonic Origins Plus" (Jun. 23)
©SEGA



"Samba de Amigo: Party Central" (Summer 2023)
©SEGA



"ENDLESS™ Dungeon" (Oct. 19)
©Amplitude Studios SAS. ©SEGA



"Like a Dragon Gaiden:
The Man Who Erased His Name" (2023)
©SEGA

*In addition to the above, we plan to sell mainstay IP titles which will be announced later

-17-

These are the main new titles for FY2024/3, which we have already announced.

We plan to release new titles, etc. for our mainstay IPs, such as Sonic and Like a Dragon.

~FY2023/3			In or after FY2024/3 (Plan)
Consumer	Full Game	New titles	13 Sentinels: Aegis Rim (for Nintendo Switch™)
			Sonic Frontiers
			ENDLESS™ Dungeon
			Hatsune Miku: Project DIVA Mega Mix+ (for PC)
			Football Manager 2023
			Etrian Odyssey Origins Collection
	Repeat		Sonic Origins
			Persona 5 Royal (Remaster)
			Sonic Origins Plus
			Like a Dragon Gaiden: The Man Who Erased His Name
F2P	In or before FY2018/3		Two Point Campus
			Like a Dragon: Ishin!
			Samba de Amigo: Party Central
			Soul Hackers 2
			Company of Heroes 3
			HYENAS
	Sonic Series / Persona Series / Total War Series / Football Manager Series / Like a Dragon Series, etc.		
	PHANTASY STAR ONLINE 2 / Puyo Puyo!! Quest / CHAIN CHRONICLE		
	SHIN MEGAMI TENSEI Liberation D×2 / SEGA Pocket Club Manager		
	FIST OF THE NORTH STAR LEGENDS ReVIVE		
	Re:ZERO -Starting Life in Another World- Lost in Memories / Project SEKAI COLORFUL STAGE! feat. Hatsune Miku		
	PHANTASY STAR ONLINE 2 NEW GENESIS / Sin Chronicle		
	404 GAME RE:SET -Error Game Reset-		

*Only announced titles are listed for "In or after FY2024/3 (plan)"

-18-

Here is the sales schedule of each title.

~FY2023/3		In or after FY2024/3 (Plan)	
Amusement Machine	<Major titles in operation> StarHorse4 / EIKETSU TAISEN / maimai DX / CHUNITHM / O.N.G.E.K.I. / MJ ARCADE INITIAL D THE ARCADE / KanColle Arcade / Fate Grand Order Arcade / Ialamee		
	<Major regular sales titles> UFO Catcher® series / Prizes for prize machines		
	ROMAPI	HORI A TALE	UFO CATCHER 10
	Bépiu.	romakyun	BINGO THEATER
			JACKPOT CIRCUS
Animation / Toy	Detective Conan: The Bride of Halloween	ANPANMAN: Dororin and the Transformation Carnival	DETECTIVE CONAN: Black Iron Submarine
	With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium Design by yourself	Anpanman Cash Register Deluxe	Anpanman JhuJhu KoroKoro Hamburger Shop
	Fun to change screen covers! Sumikkogurashi Smart Phone	Disney&Pixar Characters Dream Switch 2	

*Only announced titles are listed for "In or after FY2024/3 (plan)"

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	75.8	94.2	115.0
Pachislot	30.6	41.0	66.6
Pachinko	37.1	44.2	37.7
Other / Elimination	8.1	9.0	10.7
Operating Income	9.3	20.0	24.5
Non-operating income	1.0	0.8	0.6
Non-operating expenses	0.1	0.2	0.1
Ordinary Income	10.2	20.7	25.0
Ordinary Income Margin	13.5%	22.0%	21.7%

Pachislot			
Number of Titles	10 titles	8 titles	8 titles
Unit Sales (units)	77,870	94,966	146,000
Pachinko			
Number of Titles	5 titles	5 titles	6 titles
Unit Sales (units)	97,027	103,556	93,000
Board + Frame	56,728	52,152	54,400
Board	40,299	51,404	38,600

*New series is counted as one title
(Machines which installation started from previous fiscal year/ specification changed titles, etc. aren't included)

FY2023/3 Results

➤ Achieved significant increases in sales and profits YoY

- Especially pachislot machines (No. 6.5 models) performed strongly
- Recorded the sales and profits of partially pre-delivered units for the titles which will be released in FY2024/3
- Major titles sold:
"Pachislot Kabaneri of the Iron Fortress"
"P Shin Hokuto Muso Chapter 4" etc.

FY2024/3 Forecast

➤ Forecast higher sales and profits YoY

➤ Continue to be driven by pachislot machines (No. 6.5 models and Smart Pachislot)

- Pachislot: In addition to No. 6.5 models, aggressively launch smart pachislot, starting with "Smart Pachislot Hokuto No Ken"
- Pachinko: launch centered on mainstay series machines

-20-

Next is Pachislot and Pachinko Machines business.

In FY2023/3, we achieved a significant increase in both sales and profit compared to the previous fiscal year due to strong sales of No. 6.5 machines in pachislot (No. 6.5 models). In particular, Pachislot Kabaneri of the Iron Fortress maintained a high level of utilization since its release in July 2022, and additional sales were conducted on multiple occasions, resulting in sales of 35,000 units, far exceeding the initial plan. The strong performance of this title led to high expectations from pachinko halls for our subsequent No. 6.5 models, and as a result, overall Pachislot machine sales volume increased compared to the previous fiscal year. Although the procurement of parts continued to be unstable, we believe that we have been able to supply a certain number of units thanks to the efforts of our procurement department. Partial units of the titles for FY2024/3, including "Smart Pachislot Hokuto No Ken", are recorded as sales and profits in FY2023/3 due to pre-delivery.

In FY2024/3, we plan to aggressively launch smartpachislot, starting with "Smart Pachislot Hokuto No Ken", in addition to the number 6.5 models, which are operating well. Based on the above, continued with FY2023/3, we expect to see increases in both sales and profits, driven by pachislot machines. We are receiving strong demand for our products, including "Smart Pachislot Hokuto No Ken", but we need to continue to closely monitor the procurement of parts, and we will take appropriate measures accordingly while keeping an eye on our production capacity.

(Reference) Pachislot and Pachinko Machines Business: Sales Schedule

New series

Titles which installation
started from previous FY /
Specification changed title

SEGASammy

~FY2023/3		In or after FY2024/3 (Plan)	
Pachislot	Pachislot Kabaneri of the Iron Fortress	Pachislot Saga of Tanya the Evil	Smart Pachislot Hokuto No Ken
		Pachislot The Rising of the Shield Hero	Pachislot Kabaneri of the Iron Fortress (Additional Sales)
Pachinko	P The Seven deadly Sins 2	P BIG DREAM 3	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-
	P TIGER & BUNNY ~Kanzen Muketsu WILD Spec~	P Shin Hokuto Muso Chapter 4	P Hokuto No Ken Bokyosei

(Major titles in FY2023/3)		Delivery month	Unit sales	(Major titles to be released in or after FY2024/3)		Delivery month
Pachislot	Pachislot Kabaneri of the Iron Fortress	Jul.	35,341 units	Pachislot	Smart Pachislot Hokuto No Ken	Apr.
	Pachislot Saga of Tanya the Evil	Dec.	15,200 units		Pachislot CODE GEASS Lelouch of the Rebellion 3 C.C&Kallen ver.	Jun.
	Pachislot The Rising of the Shield Hero	Feb.	10,158 units		Pachislot Kabaneri of the Iron Fortress (Additional Sales)	Jun.
Pachinko	P Shin Hokuto Muso Chapter 4	Feb.	34,387 units		Smart Pachislot BIOHAZARD:VENDETTA	After Jul.
	P BIG DREAM 3	Jan.	12,180 units	Pachinko	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.
	P The Seven deadly Sins 2	Nov.	12,165 units		P Hokuto No Ken Bokyosei	May
	P TIGER & BUNNY ~Kanzen Muketsu WILD Spec~	Dec.	12,150 units		P Kabaneri of the Iron Fortress ~4,000Rengeki ver.~	Jun.
					P BLACK LAGOON4	Jul.

*Only announced titles are listed for in or after FY2024/3 (plan)

-21-

For your reference, here is the sales schedule in the Pachislot and Pachinko Machines business.

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	8.6	11.5	12.0
Operating Income	-2.5	-1.1	-1.0
Non-operating income	0.0	0.1	1.2
Non-operating expenses	4.1	2.1	0.2
Ordinary Income	-6.7	-3.2	0.0
Ordinary Income Margin	-	-	-
<PHOENIX RESORT>			
No. of facility users (Thousands)	760	946	908
3 accommodation facilities	308	394	374
2 golf courses	94	103	103
Other facilities	358	449	431

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

FY2023/3 Results

- **Strong performance centered on individual customers, leading to a recovery in earnings**
 - PHOENIX RESORT: Strong growth in individual customers due to government and facility's own measures to stimulate tourism demand, and achieved the highest sales and first profitability since it joined the group
 - PARADISE SEGASAMMY: Casino sales recovered rapidly, centered on Japanese VIP customers, due to relaxation of travel restrictions

FY2024/3 Forecast

- **Expect to be profitable at ordinary income stage**
 - PHOENIX RESORT: Continue to take various measures for individual customers and strengthen CRM, and expect the recovery of group customers from resumption of sporting camps and MICE, etc.
 - PARADISE SEGASAMMY: Casino sales are expected to continue to be driven by strong Japanese VIP customer. In addition to that, a gradual recovery in Chinese VIP customers is also expected

-22-

Finally, the Resort business.

In FY2023/3, both in Japan and overseas, restrictions on activities associated with the expansion of COVID-19 were eased and earnings recovered. In Japan, PHOENIX RESORT achieved the highest sales and the first positive operating income since becoming a group company as a result of strong sales mainly from individual customers.

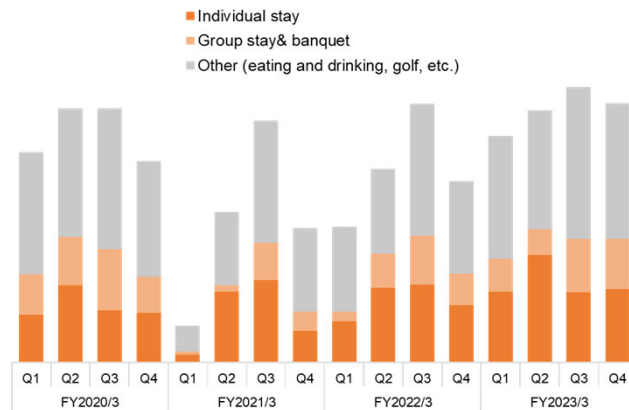
For FY2024/3, we plan to maintain profitability, as we expect individual customers to maintain strong performance and group customers to recover.

For the result of PARADISE SEGASAMMY in Korea, its inclusion in our company will be delayed by three months, so this result is that for the period from January to December 2022. Although it has continued to be affected by travel restrictions due to the COVID-19 from January to June, the easing of travel restrictions since then, especially since October, has led to a rapid recovery in casino sales from Japanese VIP customers to a level exceeding the pre-COVID-19. In addition, as for hotel sales, it was able to capture the increased demand for stay-and-go travel in South Korea, and as a result, the equity method acquisition amount of the Company has turned into the black in Q3 and Q4 of FY2023/3.

In FY2024/3, we expect casino sales to contribute to profits in the full-year with equity method incorporation of the Company, as we anticipate a moderate recovery in Chinese VIPs in addition to the maintenance of strong Japanese VIP customers.

As a result of the above, the Resort business as a whole will aim to return to profitability in ordinary income for the first time.

■ PHOENIX RESORT: Sales by type of facility users



- Sales and facilities users in FY2023/3 exceeded the level prior to COVID-19, driven by strong individual customers
- In addition to continue to capture individual customer demand, the recovery of group customers is expected

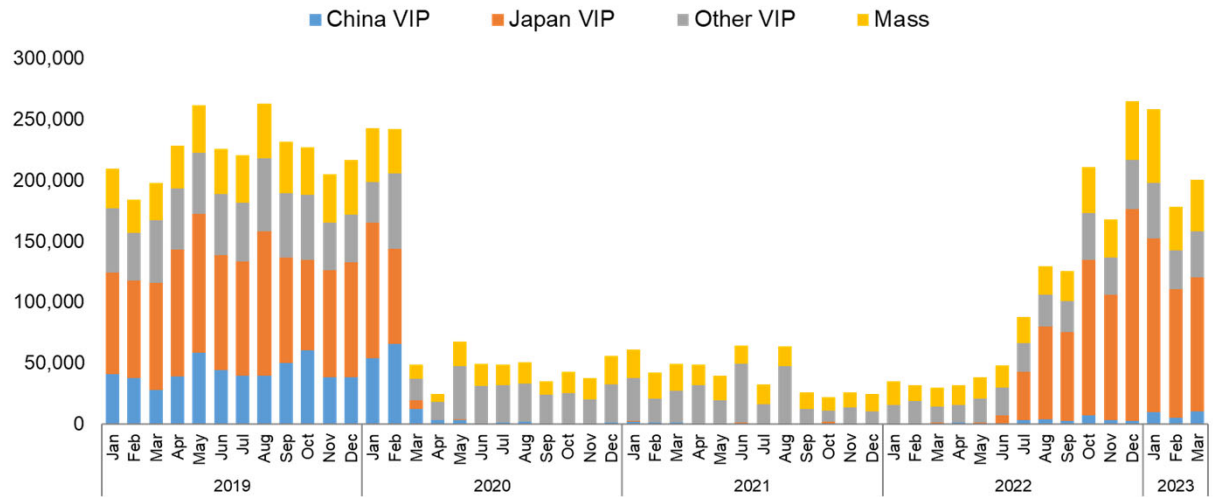
-23-

For your reference, here is the PHOENIX RESORT's sales by type of facility users.

In FY2023/3, recovery was seen mainly among individual customers, and a recovery trend was also seen among group customers.

■ Trend of Drop amounts* at PARADISE CITY

(KRW million)



*Drop amounts: Purchased amount of chips

-24-

Here is the drop amount at PARADISE CITY.

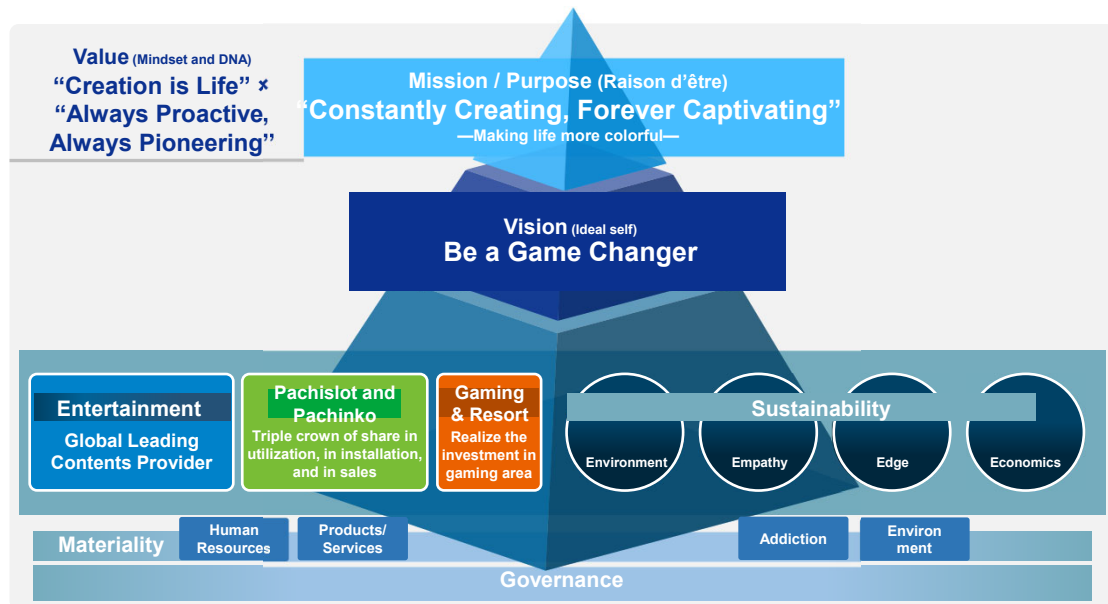
This concludes my explanation of the results for FY2023/3 and the plan for FY2024/3.

03

Progress of the Medium-Term Plan
(~FY2024/3)

-25-

Speaker: Haruki Satomi, President and Group CEO, Representative Director

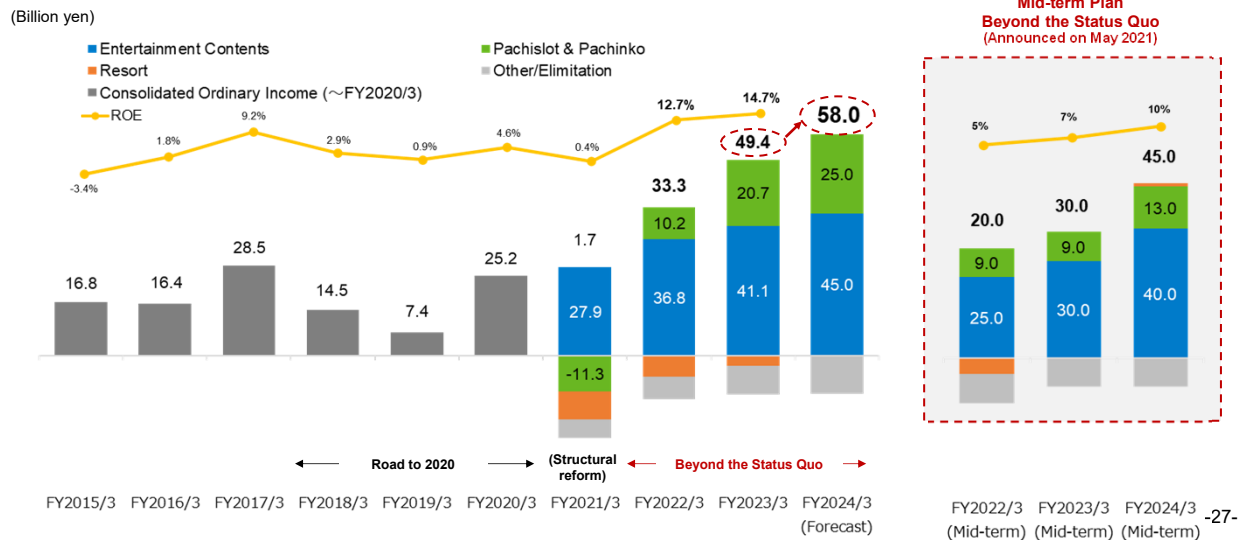


-26-

First is about our long term vision.

Our mission/purpose is "Constantly Creating, Forever Captivating -Making life more colorful-." And the vision is " Be a Game Changer." This remains unchanged.

■ Mid-term plan was achieved one year ahead of plan, driven by growth of Entertainment Contents and Pachislot & Pachinko



This is a review of the mid-term plan.

As you can see, we are on pace to significantly exceed the mid-term plan which has started from FY2022/3, and as of FY2023/3, which is the 2nd year of the mid-term plan, we have already exceeded the 45.0 billion yen ordinary income target originally planned for the 3rd year of the plan.

And for FY2024/3, the Resort business represented in orange is expected to turn to positive, so we are aiming to go even higher than FY2023/3.

Entertainment Contents Business Consumer area

Entertainment Contents Business

-28-

Becoming a Global Leading Contents Provider



Proactive growth investment
Announced the implementation of TOB of Rovio Entertainment Oyj

*Details are explained from P.44

-29-

For Entertainment Contents business, our Long-term target is to become a Global Leading Contents Provider.

We are making good progress in terms of strategy and performance and we are working hard to develop Super Games by FY2026/3.

In addition, in our efforts to invest aggressively in growth, we recently announced that we will be making a TOB for Rovio Entertainment Oyj.

➤ Further Expansion of Major IPs (Full Game)

- Promote the global simultaneous launch x multi-platform support of several new titles
- Strengthen repeat sales of series titles released in the previous fiscal year

➤ Secure stable earnings from existing mainstay titles (F2P)

- Stable earnings contributions from "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku", "ONE PIECE Bounty Rush" (Developer: SEGA CORPORATION, Publisher: Bandai Namco Entertainment Inc.) and "PHANTASY STAR ONLINE 2 NEW GENESIS"

➤ Taking on challenge of creating new IP (CS)

- "HYENAS", a multi-play FPS title developed by Creative Assembly (Release: 2023 (plan))
- "404 GAME RE:SET -Error Game Reset-", a RPG for smartphone (Release: Apr. 25, 2023)

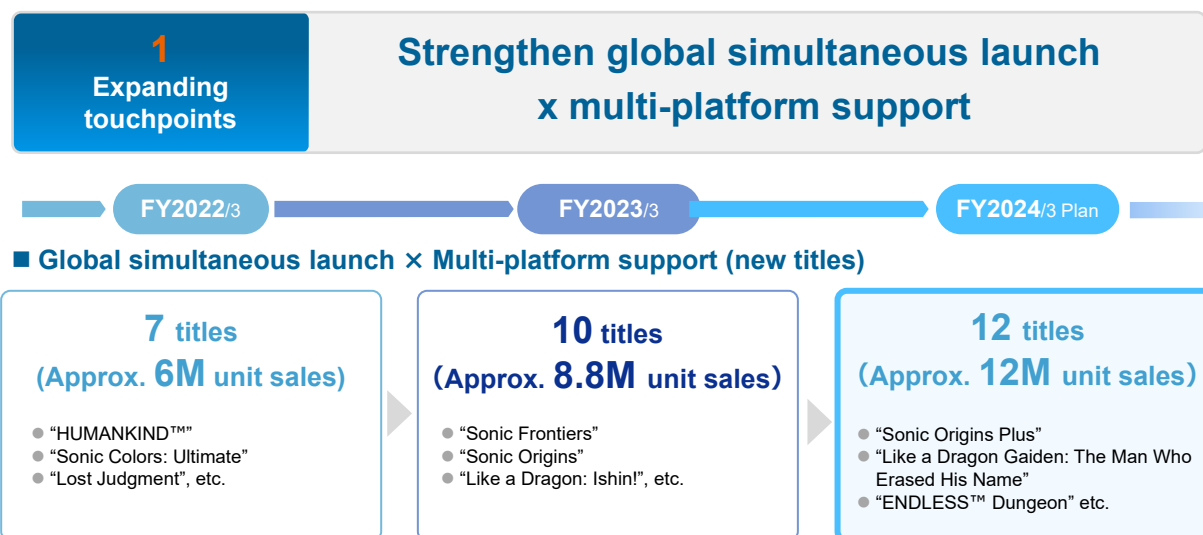
-30-

There are three main points for FY2024/3.

The first point is to further expand our mainstay IPs. We are promoting the global simultaneous launch and multi-platform support for new titles, in line with the medium-term strategy, while strengthen the repeat sales.

The second point is to secure stable earnings from existing mainstay titles. We are planning for the stable earnings contribution due to the strong performance of "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku", "PHANTASY STAR ONLINE 2 NEW GENESIS", "ONE PIECE Bounty Rush", the title developed by our Group and published by Bandai Namco Entertainment Inc, and other titles.

And the third point is challenge towards creating new IPs. We are planning to launch "HYENAS" within this fiscal year. Also, we have started the service of F2P title, "404 GAME RE:SET -Error Game Reset-". We hope they will grow to contribute the revenue.



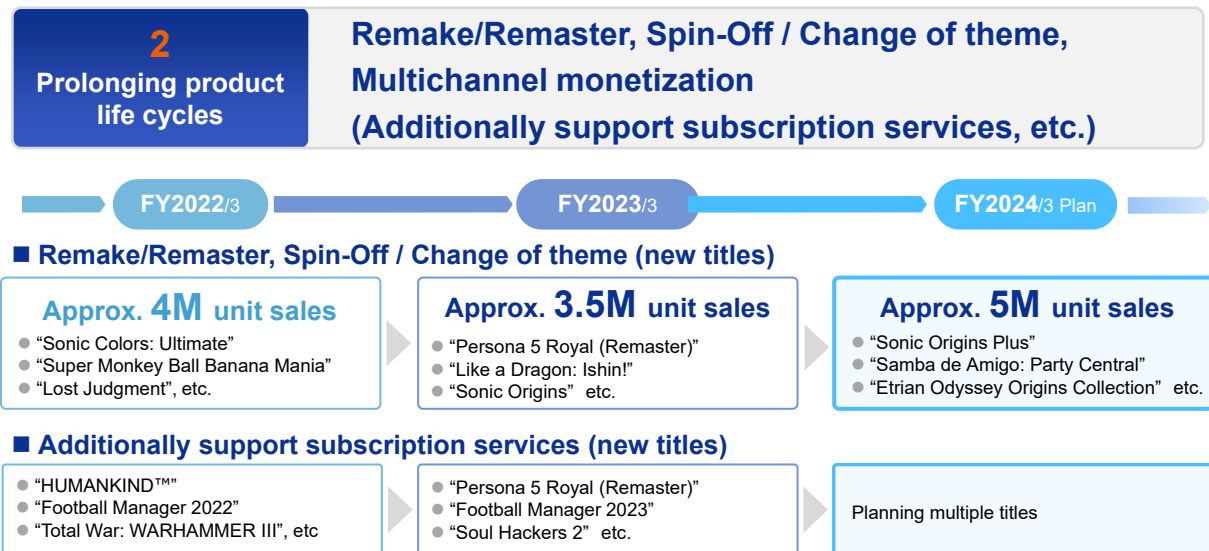
*Number of titles and unit sales includes titles corresponding to "2. Lengthening of product lifecycles".

-31-

Here is the overview of the progress of each strategy in the mid-term plan.

As for the first point, expanding touchpoints, we launched seven titles which apply global simultaneous launch and multi-platform support and sold about 6 million units in FY2022/3, and in FY2023/3, they increased to 10 titles and sold 8.8 million units.

For FY2024/3, we plan to launch 12 titles and sell 12 million units. This is the planning figures that includes the titles which haven't been announced.



*Number of titles and unit sales includes titles corresponding to "1. Expanding touchpoints".

-32-

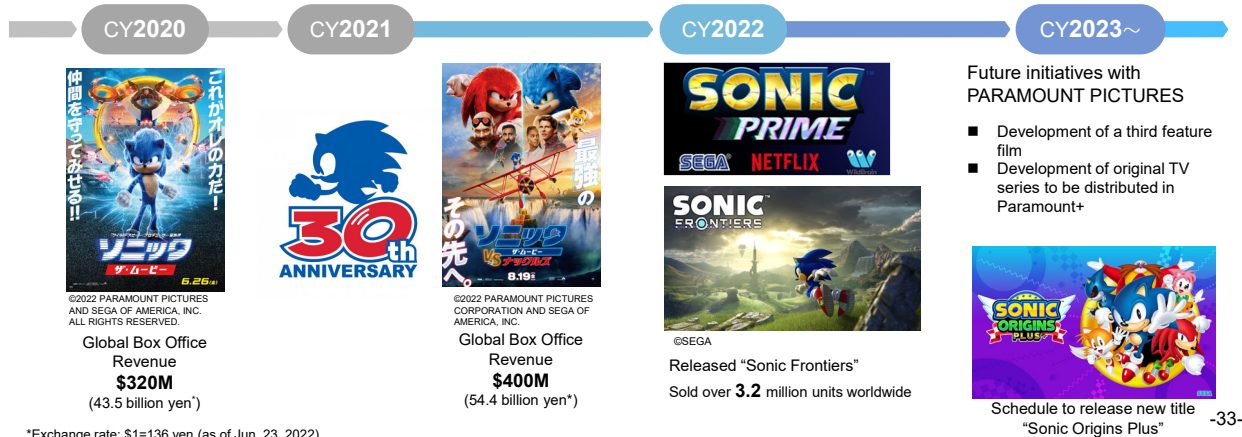
The second point is prolonging product life cycles.

We have been promoted the strategy for remake/remaster and spin-off/change of theme, and sold 4 million units in FY2022/3 and 3.5 million units in FY2023/3.

In FY2024/3, we are planning to sell 5 million units and continue to support subscriptions service as well.

3 Strengthening user engagement

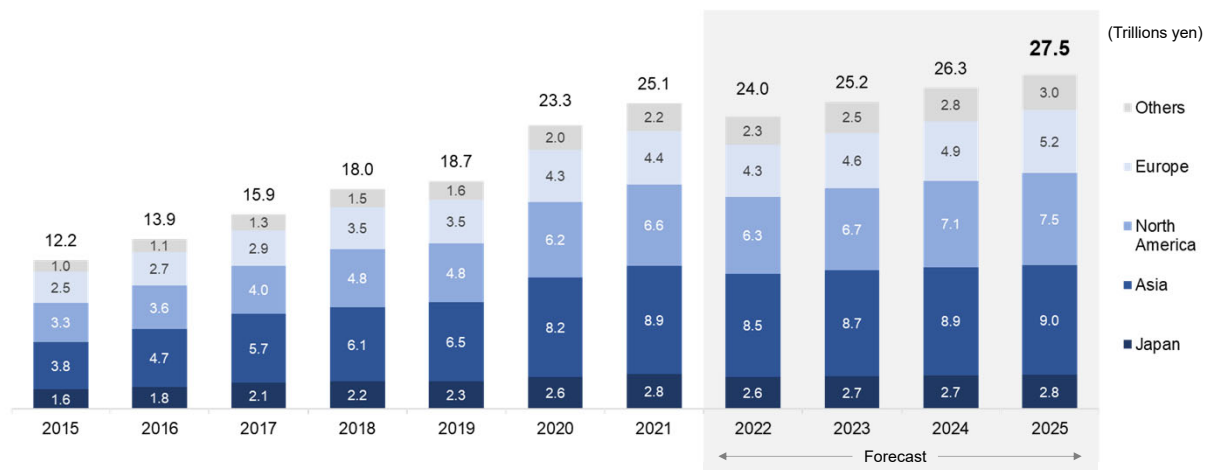
Strengthening the mix of media, expanding SONIC's brand awareness



The third point is strengthening user engagement.

We are aiming to continue to strengthen the media mix and will work to further expand the brand of SONIC IP. We are proceeding the development of a third film and production of an original TV series for "Paramount+", their subscription streaming service with Paramount Pictures.

- Worldwide market has grown to nearly double in size since 2015
Although it reached a brief plateau in 2022 and 2023, the growth is expected from 2024 onward



*In-house estimation based on data from "Newzoo Global Games Market Data January 2023" (*Exchange rate: 1 USD = 130 JPY)

-34-

The global gaming market grew significantly, boosted by the environment change against the backdrop of the spread of COVID-19.

Although growth has temporarily stalled in 2022, partly due to a reactional rebound, it is expected to get back on track in the future.

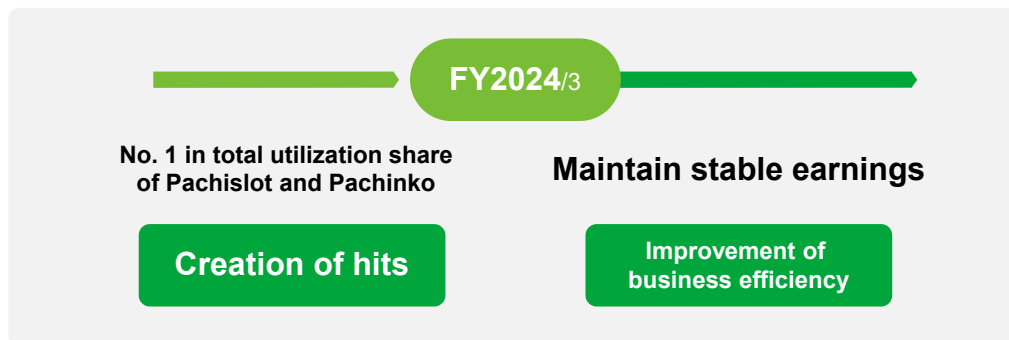
Pachislot and Pachinko Machines Business

Pachislot and Pachinko Machines Business

-35-

Triple crown of share in utilization, in installation, and in sales

Building a stable earnings structure



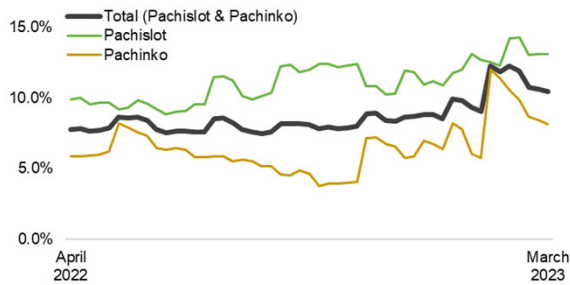
-36-

Next is Pachislot and Pachinko Machines business.

As for long-term target, we are aiming for the triple crown of share in utilization, installation, and in sales. In short-term, our goal is to achieve No.1 in total utilization share of pachislot and pachinko.

■ Although Pachislot was strong, total utilization share decreased YoY due to struggle in Pachinko

【Trend of our utilization share】



FY2022/3 ^{*1}			FY2023/3 ^{*1}		
1st	K Company	18%	1st	S Company	18%
2nd	S Company	18%	2nd	K Company	16%
3rd	Sammy	11%	3rd	S Company	14%
4th	S Company	9%	4th	Sammy	9%

Pachislot: Increased due to strong sales of No. 6.5 Model (+2p)

Pachinko: Decreased due to low utilization, while sales were strong (-7p)

Future initiatives

- Pachislot: Actively launch Smart Machines while continuously launch No. 6.5 Model, which utilization remains strong
- Pachinko: Work on developing machines that will be supported by users

*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

*Utilization Share = Ratio of Sammy machine's utilization out of total number of installed machine for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

*1: Calculated by average of the fiscal year (Exclude the week striding over fiscal years)

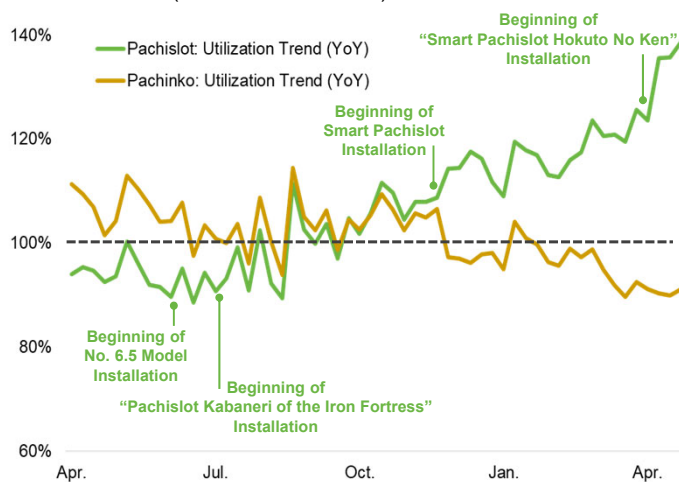
-37-

Regarding total utilization share, unfortunately, it dropped from 3rd to 4th place, but this is the rank of FY2023/3, which is before the installation of “Smart Pachislot Hokuto No Ken.”

Later, I will explain the current status after the installation of “Smart Pachislot Hokuto No Ken.”

■ Utilization level of Pachislot is significantly increasing

【Utilization Trend (Pachislot & Pachinko)】



*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

• Pachislot

Utilization level has increased due to installation of No. 6.5 Model and Smart Pachislot, which responds to revision of regulation

Due to installation of "Smart Pachislot Hokuto No Ken", etc., recent utilization is significantly increasing

• Pachinko

Due to lack of new hit machines, utilization continues centered on regular machines

Here is the utilization trend of the whole market.

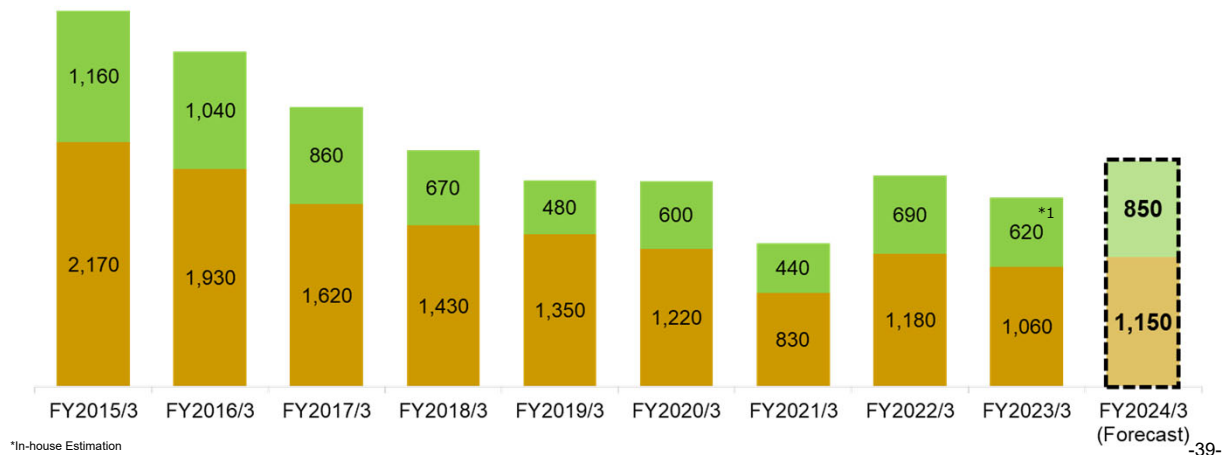
Utilization of pachislot has increased significantly in the past year, with significant contribution from "Pachislot Kabaneri of the Iron Fortress.", etc. Also, I think you can see the rapid increase in the end, due to installation of "Smart Pachislot Hokuto No Ken."

As a result of increasing utilization due to increase in new users, etc., it is leading to higher revenue for pachinko halls.

■ Expect increase of unit sales driven by Pachislot in FY2024/3

【Transition of Unit Sales】

(Thousand) ■ Pachislot ■ Pachinko



Taking into account the previous utilization trend, we are expecting that the decreasing trend of unit sales for the whole market will turn to increase, as unit sales in FY2024/3 will significantly exceed FY2023/3.

Although there should be more demand for pachislot, considering each company's supply limit, etc., we assume that it will be around this level. But we think we're in an environment where we can expect more sales than this, if the supply is met in time.

In fact, smart pachinko hall which only installs smart machines, and existing pachinko hall which has the area only installs smart machines are already appearing. The appearance was faster than I have assumed, and I hear that these are contributing to utilization.



“Smart Pachislot Hokuto No Ken”

©Burtonson & Tetsuo Hara / COAMIX 1983,
©COAMIX 2007 Approved No. YRA-114
©Sammy

➤ **Installed Units: Approx. 40,000 units** (as of April 28)

*Of the above, approx. 5,000 units were delivered in advance in FY2023/3

- **Record high utilization start out of past “Hokuto” series**
Maintains top class utilization in market
- Actively implement promotion such as TV commercials, etc. in order to appeal to dormant users, etc.
- Demand is very strong, so work on additional sales while carefully assessing parts procurement and production capacity

-40-

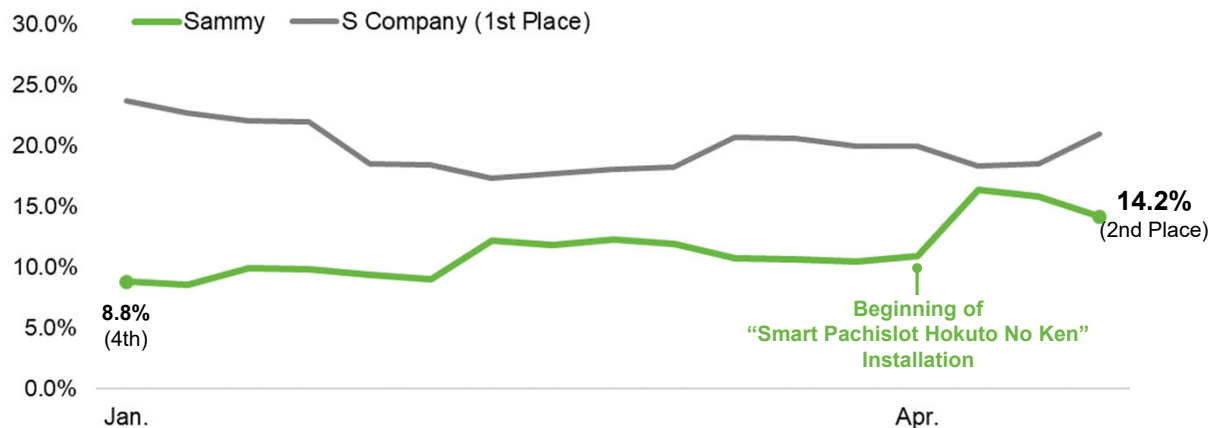
As for “Smart Pachislot Hokuto No Ken”, which is catching everyone's attention, 40,000 units have been installed as of today. 5,000 of these units were recorded as sales and profits of FY2023/3. Although operation began on April 3, delivery to some pachinko halls were made during FY2023/3, and those were recorded as sales and profits of FY2023/3. So, the current number of units recorded as sales and profits for FY2024/3 will be 35,000 units as of today.

It has marked the highest utilization start out of past “Hokuto” series, and is marking the top utilization within the industry. We have been conducting various promotions, including TV commercials, to attract not only existing customers but also new users. In addition, we are taking measures to attract dormant users, who have played with the initial “Pachislot Hokuto No Ken” in the past, to come to pachinko hall again, and I feel these are having a considerably positive effect.

The current problem is that even if you visit pachinko hall, you have to wait in line from the morning, etc. to play. We would like to implement additional sales appropriately, but I hope that people who hasn't been able to play with “Smart Pachislot Hokuto No Ken” yet will be able to try it during the Golden Week holidays.

■ Our total utilization share has increased significantly due to installation of “Smart Pachislot Hokuto No Ken”

【Transition of total utilization Share (2023)】



*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

*Utilization Share = Ratio of Sammy machine's utilization out of total number of installed machine for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

-41-

This is our total utilization share after the installation of “Smart Pachislot Hokuto No Ken.”

As I mentioned earlier, our share was 4th in FY2023/3, but we're in 2nd as of today. From now on, we can expect additional sales of “Smart Pachislot Hokuto No Ken” and we are also receiving request for additional sales for other products such as “Pachislot Kabaneri of the Iron Fortress”, etc. In addition, we are scheduling launch of “Smart Pachislot BIOHAZARD:VENDETTA”, which is our second smart pachislot, after July.

On top of that, we will also sell pachinko, so hopefully we can aim for the No.1 position during first half of FY2024/3. Just winning 1st place for a moment is meaningless, so we would like to make this year a year in which we can maintain that 1st place position for a longer period of time.

Investment in Growth

Investment Strategy

■ Implemented investment in the following growth area

	Area of consideration for investment	Progress
Consumer Area Approx. ¥100.0 billion	Strengthen development resources <ul style="list-style-type: none"> Expansion of organic development pipeline Strengthen global mobile and online games 	<ul style="list-style-type: none"> Establishment of SEGA Sapporo Studio Announced the implementation of TOB of Rovio Entertainment Oyj
Gaming Area Approx. ¥100.0 billion	Careful assessment of investment opportunities in the gaming area <ul style="list-style-type: none"> Online casino and sports betting overseas Land-based casinos overseas Both domestic and overseas IR 	<ul style="list-style-type: none"> Step off from domestic and overseas IR Considering online gaming area
Other Approx. ¥50.0 billion	Expand CVC investment limit (Total limit: ¥15.0 billion) <ul style="list-style-type: none"> Strengthen open innovation activities, including investment in start-up companies 	<ul style="list-style-type: none"> Implement 18 new investments, approx. ¥3.0 billion Exit from existing investment portfolio x 4
Total ¥250.0 billion		<ul style="list-style-type: none"> Establishment of joint venture with PAPYLESS CO., LTD. “GAPOLI” service released

-43-

Next, I would like to talk about the concept of investment in growth.

In the Consumer area, we have announced a TOB of Rovio. We are planning to invest over 100.0 billion yen for this. In addition, we are expanding the organic pipeline of each of our studios and opened the 2nd studio of SEGA Sapporo Studio we opened just one year ago, due to progress in employment. We have also implemented the investment in expanding CRM, etc. to revitalize user communities, and business around our industry.

As for the Gaming area, we have completely suspended the challenge for a domestic and overseas integrated resort. Instead, we are considering the online gaming area including overseas online casino and sports betting as an area for investment. The reference to overseas land-based casinos means that we are considering it including local casinos. There are some areas where have specific regulations that prohibit online casinos unless they have a land-based casino license so we will consider land-based casino with such background but not in the sense of investing in a large-scale integrated resort.

In addition, we are actively investing, including CVC, with 18 new investments totaling approx. 3.0 billion yen and 4 exits have realized in existing investment portfolio.

Also as announced yesterday, we formed a capital and business alliance with PAPYLESS CO., LTD. and launched a joint venture called “JadeComiX”.

In addition, we have released GAPOLI service, which is an online game center.

Deal Overview

At the meeting of the Board of Directors held on April 17, 2023, An announcement of a tender offer to acquire Rovio Entertainment Oyj ("Rovio"), a mobile game company headquartered in Finland, was resolved

- The Acquisition is a friendly takeover, as Rovio's board of directors has agreed to recommend, and has expressed support towards the Tender Offer. Shareholders in Rovio who in aggregate hold shares corresponding to approximately 49.1 percent of the outstanding shares and votes in Rovio, have irrevocably undertaken to accept the Offer, subject to certain customary conditions

Acquisition Price

- EUR 9.25 per Share
 - EUR 1.48 per Option
 - 19.0% premium to Rovio's closing price as of April 14, 2023, 17.5% premium compared to the 3M VWAP ending April 14
 - Total: EUR 706m (JPY 1,036.8 Oku)
- *Assumption of €1=¥146.9

Tender Offer Period/Threshold & Approval Process

- Threshold of tender offer is set at more than 90% of shares
- The acquisition is contingent on the completion of reviews under applicable antitrust laws and other customary conditions
- Tender offer will commence once the tender offer document is approved by the Finnish Financial Supervisory Authority
- Expected to close on Q2 of FY2024/3

-44-

From here I would like to explain about the acquisition of Rovio.

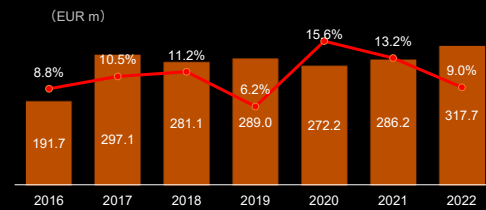
As we announced while ago, we are planning to implement a tender offer of Rovio. The acquisition is a friendly takeover, as Rovio's board of directors has agreed to, and has expressed support towards the Tender Offer. Shareholders in Rovio who in aggregate hold shares corresponding to approximately 49.1% of the outstanding shares and votes in Rovio, have irrevocably undertaken to accept the offer, subject to certain customary conditions. Closing of this is scheduled to be during the first half of FY2024/3.

Company Overview

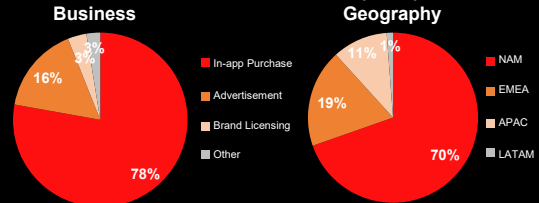
- Founded: 2003
- HQ: Espoo, Finland
- Stock Exchange: NASDAQ Helsinki
- Services: Mobile game development operation, Brand Licensing
- Employees: 546 (in 2022)
- Financials (2022)
 - Sales: 317.7 (EUR m)
 - Operating Profit (margin): 28.5 (EUR m) (9.0%)
 - Adj. EBITDA (margin): 53.8 (EUR m) (16.9%)

Financial Trend / Segmentation

Long Term Trend of Revenue and Operating Margin



Revenue Breakdown (2022)



1 source : Rovio Annual Report 2022, Factset

2 Some financial figures could be different from audited figures, due to the 2nd decimal point being rounded down

-45-

Rovio was founded in 2003 in Finland. There are 546 employees at the end of last year, the sales in 2022 was 318 million euros, and adjusted EBITDA was 54 million euros.

It is growing steadily and the largest market for them is North America.

Key Strength of Rovio^① : Development and Operational Capabilities regarding Mobile Gaming



Holds 8 studios with a focus on casual-games, serving as a base for its strong game portfolio

Game Studio Portfolio



6.7 M

Daily Active Users
(2022 Average)

5.0 B

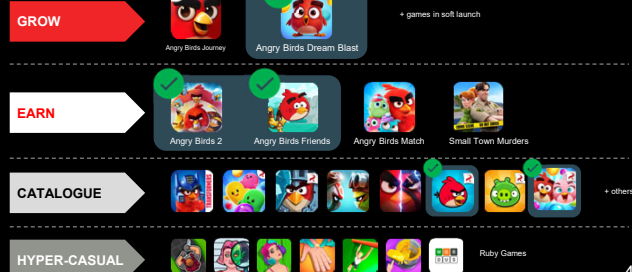
Cumulative
Downloads¹

8

Live Service
Games

Game Title Portfolio

(Titles with over EUR 100m)



¹ 5bn cumulative downloads include titles outside of Angry Birds

² Source : Rovio Entertainment Investor Presentation February 2023 Rovio Annual Report 2022

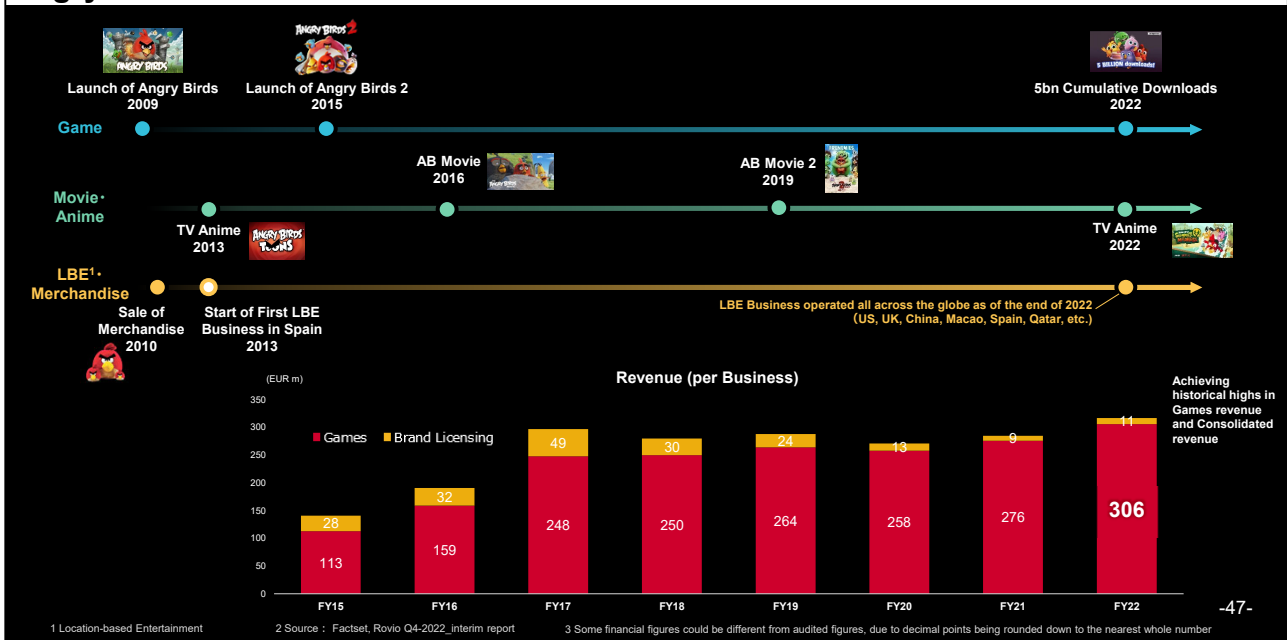
-46-

Rovio is the developer and publisher of Angry Birds.

DAUs for the game related to Angry Birds was an average of 6.7 million last year and a cumulative total of downloads are 5.0 billion.

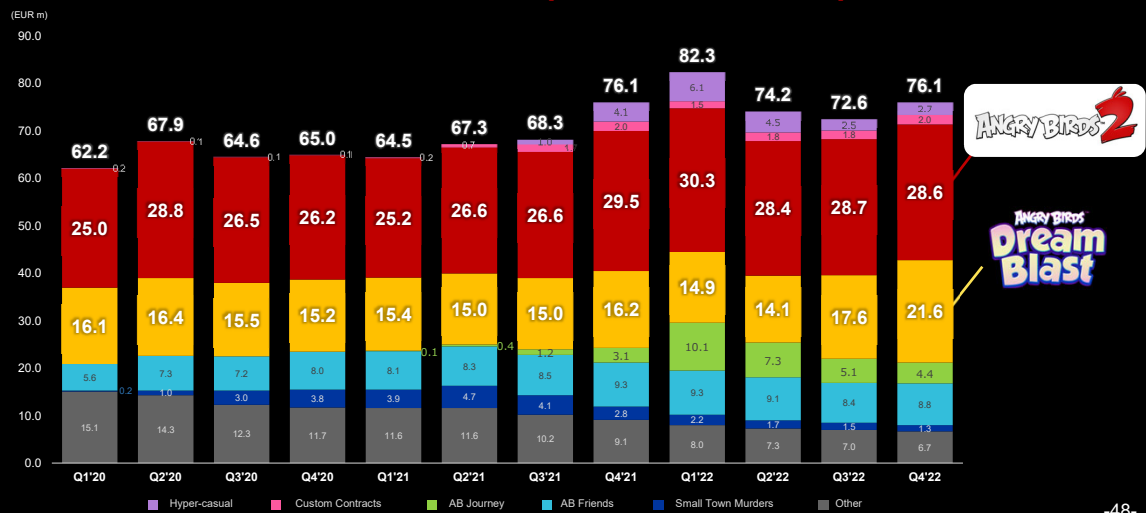
It holds 8 live service games and owns eight game studios.

Key Strength of Rovio② : The Globally Popular Angry Birds IP



Since its game launch in 2009, Angry Birds has been adapted into animations and films as well as merchandising and a theme park development through location-based entertainment businesses.

**Core titles; Angry Birds 2 and Angry Birds Dream Blast boast strong sales
AB Dream Blast is on course to pass the current top title, AB2**



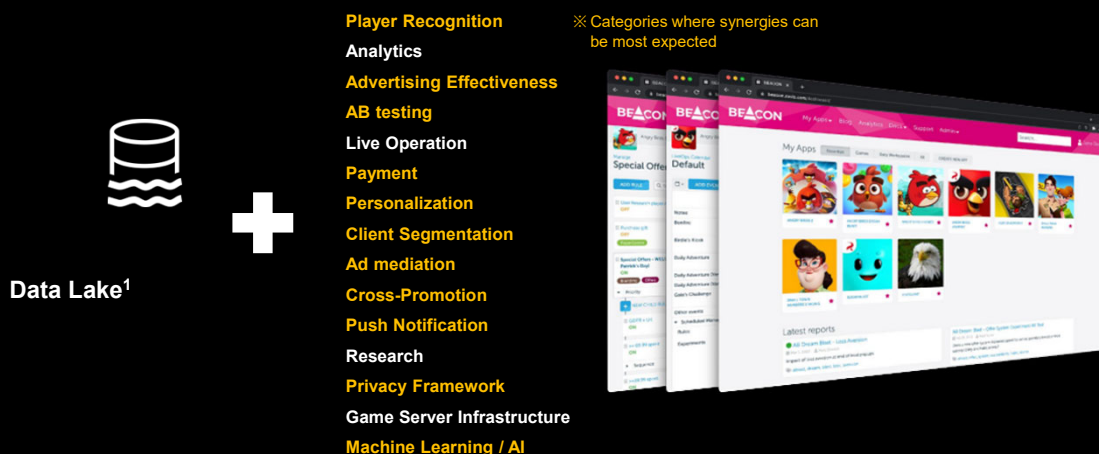
1 Source : Rovio Entertainment Investor Presentation February 2023

-48-

This page shows the sales trend of major titles in Angry Birds IP per quarter.

“Angry Birds 2” and “Dream Blast” are the major titles and “Dream Blast” has been growing remarkably in recent years.

**Accelerate the globalization of SEGA's mobile game business,
which is currently Japan-oriented**



¹ Method of storing large data as raw data

² Source : Rovio Entertainment Investor Presentation February 2023

We can raise “Beacon”, a tool to support the operation of game, as their one of strength.

This tool includes the functions such as player identification, analytics, AB testing, measurement of advertising effectiveness, payment, and cross-promotion. These are utilized for global market.

First, we would like to have a good understanding of Beacon and then introduce it to Sega games in the future.

Conversion of current IP into global IP is under progress
Growth Strategy is moving to the next stage

Key growth factors in the Past

- Global Simultaneous Sale × Multi-platform Expansion
- Strong Partnership with Global Players



Core Factors for Next Growth Strategy

- SEGA = Treasure Island
- Revive and scale globally recognized IP, by reforming it to fit modern demand

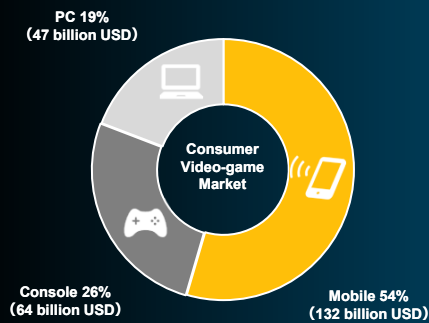


-50-

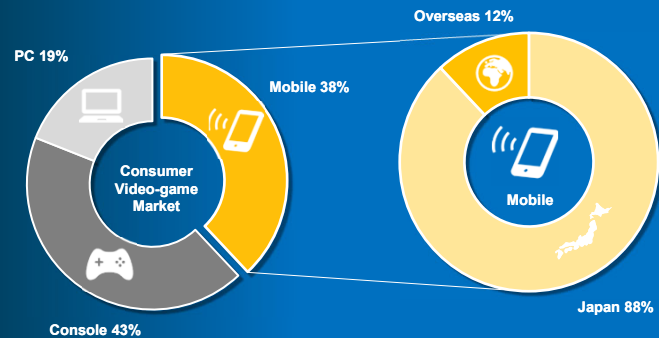
SEGA has so far promoted the expansion of global simultaneous release and multiple platforms roll-out and building of strong partnerships with global platformers in the Consumer business. In the future, we would like to further revive the IPs SEGA owns in various forms, and deliver them to the world.

We recognize that a Japan-oriented mobile gaming business is not ideal
By expanding to overseas markets, we can increase our presence in the rich mobile gaming market

Global Market Size



Revenue Breakdown of SEGA's Consumer Game Business



1 Source : IDG Report October, 2022

2 SEGA's revenue represents cumulative figures as of Q3

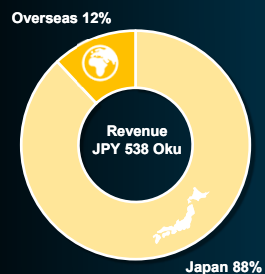
-51-

When you look at the global gaming market, mobile gaming accounts for the largest market share at 54%.

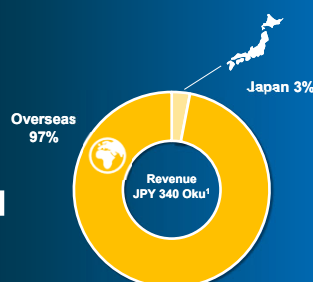
On the other hand at SEGA, mobile game sales are accounted for approx. 38% and approx. 90% of those are sales in Japan.

By acquiring Rovio, SEGA's overseas mobile revenue would as an estimate increase to 45% of total mobile revenue

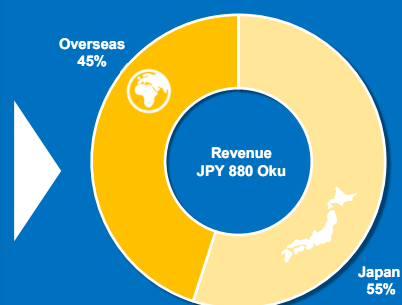
SEGA Mobile
Japan/Overseas Ratio



Rovio Mobile
Japan/Overseas Ratio



Simple consolidated basis
Japan/Overseas Ratio



1 232 million Euros (*Assumption of €1=¥146.9) 2 Represents SEGA and Rovio's cumulative figures as of Q3. Rovio's revenue breakdown taken from data.ai

-52-

At Rovio, 97% of its total sales are from areas outside of Japan.

If the merger goes through, SEGA's overseas sales ratio of mobile game business will be 45% by simple calculation. Also, when we look at F2P in the Consumer area, the business scale is expected to exceed 100.0 billion yen.

The main objective of the deal is to strengthen SEGA's weak mobile business for the global market, where has the large market.

**The two companies share common values and complementary capabilities
There are large potential for synergies, to take a leap forward as a global player**



- Global development capabilities for large-scale PC/Console games
- Wealth of popular franchises such as the Sonic series
- Capability and expertise in expansion of IP to various media
- Development and operational capabilities for mobile games in Japan
- Rich M&A experience centered around Europe

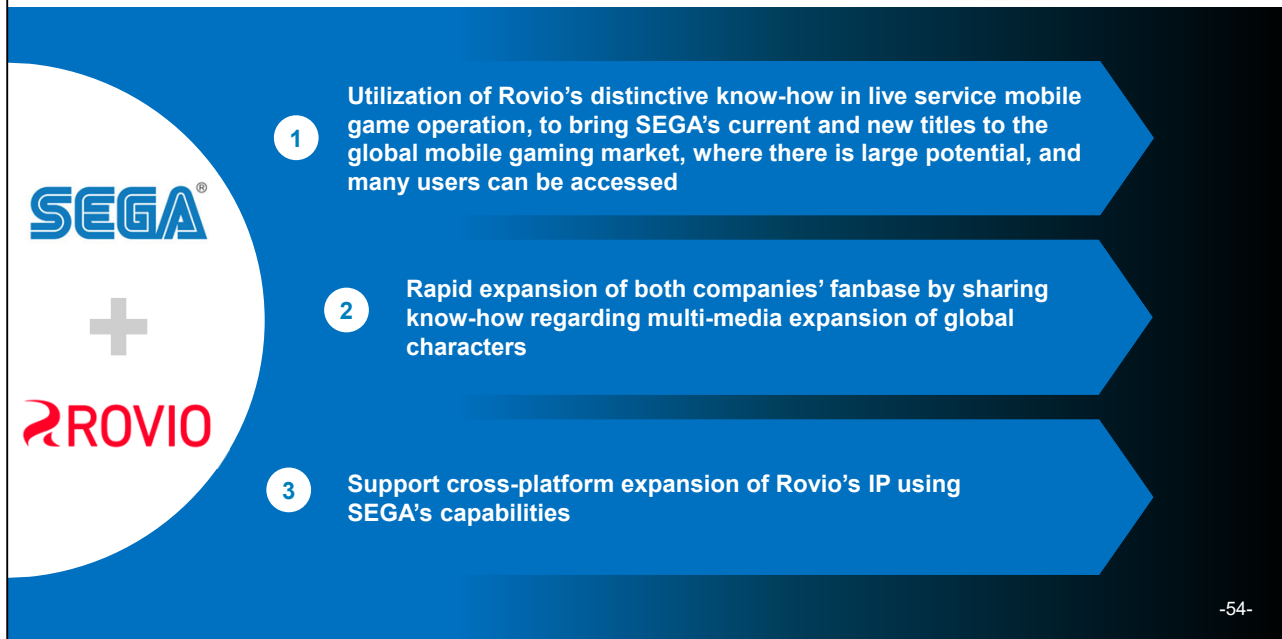
- Development and operational capabilities of global F2P games
- Globally recognized "Angry Birds" IP
- Track record regarding IP licensing to movies and merchandising
- Strong fanbase in the US and Europe
- Proprietary game operation platform, "Beacon"

Shared values that nurture IP over the long term

-53-

We consider Rovio and our Company can be complementary, as we share many similarities in terms of such as corporate culture and business development, based on strong IPs. In addition, we believe we can make synergies by utilizing Rovio's expertise in mobile game operations.

We will accelerate our efforts to grow our global mobile games business.



I would like to reiterate the synergies envisaged in this deal.

First, we will utilize the expertise Rovio owns including advanced mobile operation and global marketing in SEGA's titles.

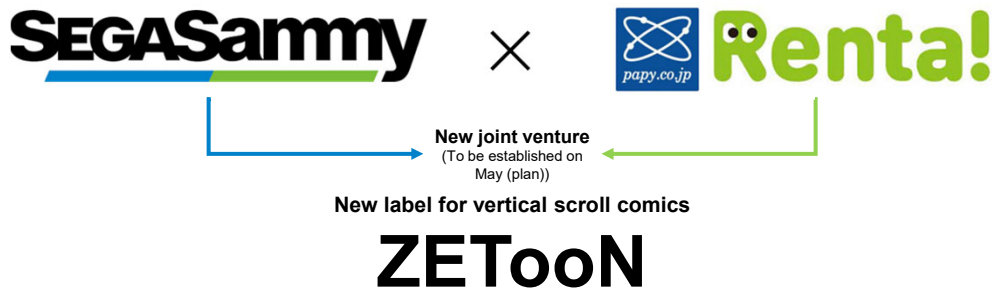
Second, we will expand the fan base of IPs owned by SEGA and Rovio, by cooperating in the multifaceted expansion of the global characters owned by each company.

And third is to create business chance by supporting Rovio's cross-platform development of IP with SEGA's capability.

■ **Launch joint label for the production of vertical scroll comics**

Concluded a capital and business alliance with PAPYLESS CO., LTD. which develops e-book platforms domestically and overseas.

We will form a creative team that can handle everything from the creation of original works to the production of works, and take on challenge to create original works and vitalize related IPs for the global marketplace.





















URL of label (Japanese site): <https://jadecomix.com>

-55-

As announced yesterday, we concluded a capital and business alliance with PAPYLESS Co., LTD. , which offers “Renta!”, and established a joint venture company with them to jointly launch a new vertical scrolling comic book label, “ZEToon”.




With this new label, “ZEToon”, we will start a business of developing original works for global market, etc.

Initiatives for Sustainability

Material issues to be addressed	Major initiatives	Target
 Human resources   	<p>Cultural diversity Active career opportunities for women Development of core human resources Maintenance of work environment</p> <ul style="list-style-type: none"> Promoting "Game Change" by increasing culturally diverse human resources Creating a foundation where people can thrive regardless of gender Strategic development of human resources who can lead the next generation Maintaining and improving the engagement of human resources 	<ul style="list-style-type: none"> Culturally diverse human resources* Approx. 900 people (approx. 21% or more) Percentage of women in managerial positions Approx. 80 people or more (approx. 8% or more) Amount invested in education ¥4.0 billion or more cumulatively Engagement score 58 or above/Rating A or more (All are target towards FY2031/3 or CY2030)
 Products and Services     	<ul style="list-style-type: none"> Quality improvement and further efforts to enhance safety and security 	<ul style="list-style-type: none"> Global leading contents provider (Entertainment Contents Business) Win a "triple crown"—top share in utilization, installation, and sales (Pachislot and Pachinko Machines Business)
 Environment       	<p>Scope1,2</p> <ul style="list-style-type: none"> Consideration and execution of emission reduction measures <p>Scope3</p> <ul style="list-style-type: none"> Improvement of supplier engagement Consideration of supplier selection criteria Consideration of whether reduction targets should be applied to more companies and its timing <p>TCFD compliance</p> <ul style="list-style-type: none"> Strategy update Consideration of whether disclosure should cover more companies, and its timing 	<ul style="list-style-type: none"> Group-wide reduction of approx. 50%~ (CY2030) Group-wide carbon neutrality (CY2050) Reduce GHG emissions by 22.5% or more

-56-

Next, I'll explain the progress on sustainability initiatives.

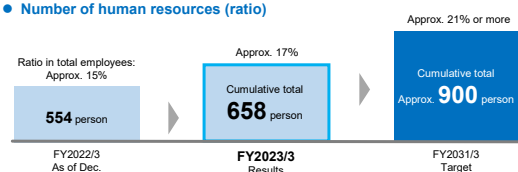
Material issues to be addressed	Major initiatives	Target
 Addiction 	<ul style="list-style-type: none"> • Collaboration with industry groups on initiatives to address and prevent addiction and gaming disorder • Continuing commitment to addiction research 	<ul style="list-style-type: none"> • Compliance with laws, regulations, voluntary rules, etc. related to addiction • Contributing to the healthy development of the industry • Implement industry-academia joint research regarding addiction
 Governance    	<ul style="list-style-type: none"> • Continuing to realize a corporate governance structure that will ensure highly transparent management and contribute to medium- to long-term improvement in corporate value 	

■ 4 key indicator for human resources

[Target Company]
1), 2), 3) : SEGA SAMMY HOLDINGS, SEGA (Japan), Sammy
4) : Major Group Companies in Japan

1) Development of culturally diverse human resources^{*1}

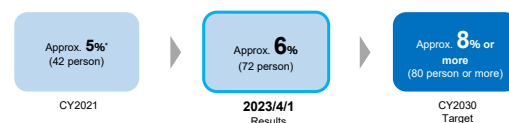
● Number of human resources (ratio)



^{*}Certified based on multiple criteria, such as being a foreign national, having lived abroad and experienced multiculturalism, and having certain skills of multiple languages such as English and Chinese.
Human resources who are exposed to diverse cultures and can apply that experience to their work

2) Active career opportunities for women

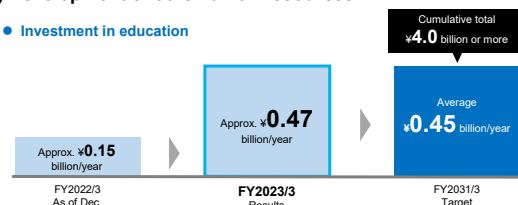
● Number of female managers (ratio)



^{*}Ratio of female managers, including professionals, within whole managers

3) Development of core human resources

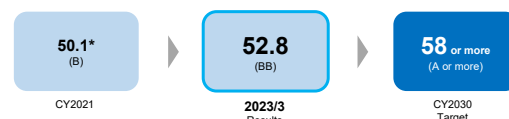
● Investment in education



^{*}Cumulative investment from FY2023/3 to FY2031/3

4) Maintenance of work environment

● Engagement score



^{*}Source: Link and Motivation Inc, engagement score based on motivation cloud
^{*}Engagement Rating

-58-

We have set four key indicators for “Human resources”, and all of them are in good progress.

For culturally diverse human resources, we have increased the number from 554 people in FY2022/3 to 658 people in FY2023/3, against 900 people of our target by FY2031/3. As for active career opportunities for women, it increased from 5% in 2021 to 6% in April 1, 2023, against 8% of our target by 2030. With regard to development of core human resources, we have already invested 0.47billion yen in FY2023/3, against the target of a cumulative investment of 4.0 billion yen / an average annual investment of 0.45 billion yen by FY2031/3. In terms of maintenance of work environment, the score increased from 50.1 in 2021 to 52.8 in FY2023/3 against a target score of 58 in 2030.

As of the end of FY2023/3, a total of 29,000 group employees had already attended the in-house university, SEGA SAMMY College which was opened in September 2018.

Also, engagement score in maintenance of work environment is reflected in the mid-term incentives for Executive Officers in major domestic group companies.

MSCI ESG RATINGS

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
-----	---	----	-----	---	-----------	-----

CDP



- Climate Change : B
- Water : C-

Adoption Status in Major ESG Indices

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
Japan Sector
Relative Index



-59-

Regarding ESG evaluations, as for MSCI ESG ratings, we continue to maintain our score of AA, and as for CDP, we moved up to B in Climate Change.

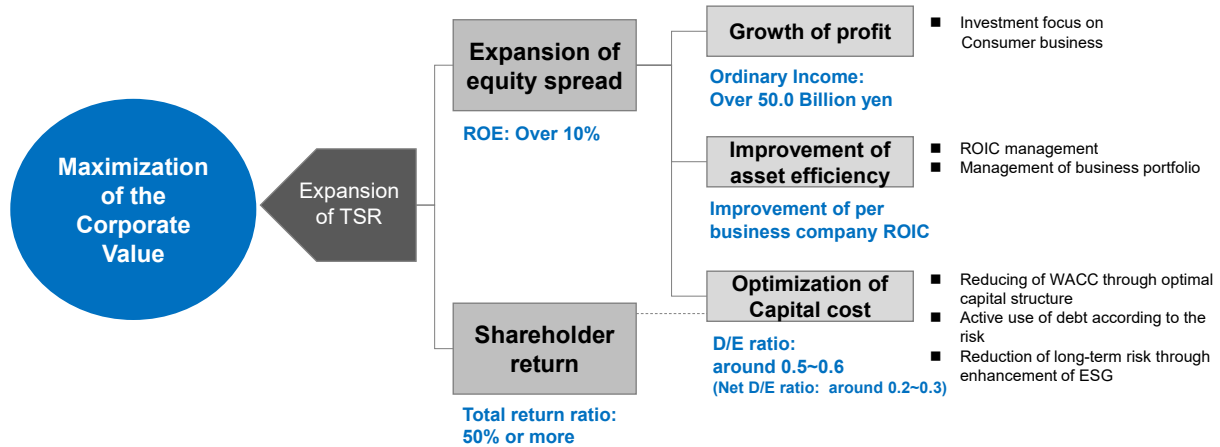
Financial Strategy

Financial Strategy

-60-

**Speaker: Koichi Fukazawa, Senior Executive Vice President and Group CFO,
Director of the Board**

■ Shift to the management focusing on capital efficiency



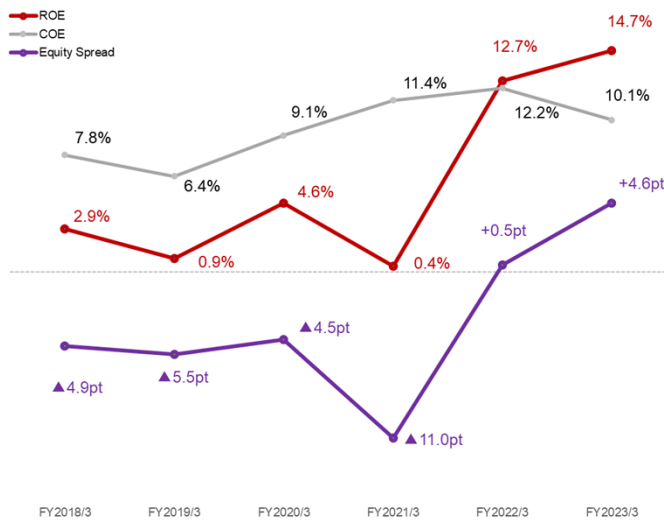
-61-

I would like to explain the progress of our financial strategy.

The tree you are looking at now has been shown in the past, and our objective has been to maximize corporate value, specifically, to increase the equity spread. For the first time, I would like to explain each KPI of this financial strategy package.

Expansion of Equity Spread

[Trend of ROE, COE and Equity Spread]



Equity spread is trending positive in the last two fiscal years due to growth of the profits in each business

*ROE: Return on equity
*COE: Cost of equity (Source: Bloomberg)
*Equity spread: ROE-COE

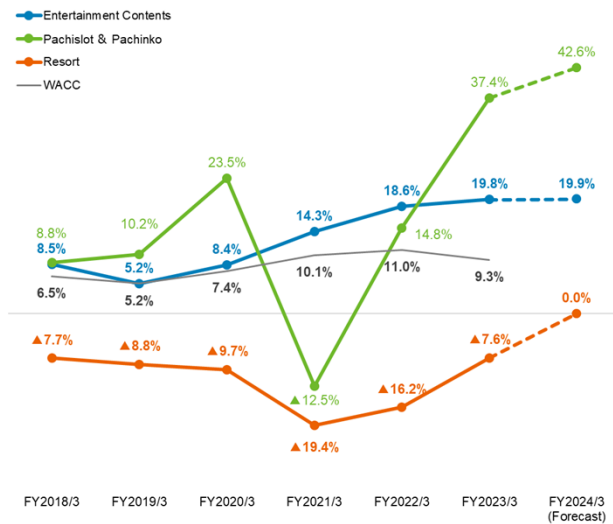
-62-

First, equity spread.

In FY2023/3, ROE was 14.7%, reflecting profit growth in each business segment. Cost of equity was 10.1%.

Equity spread has been positive since FY2022/3, and in FY2023/3, in addition to the slight decrease of market risk premium, I will explain later but the improvement in ROIC of the operating companies, etc. have also contributed, and as a result the equity spread was positive 4.6 points.

[Per business ROIC trend]



*Per business ROIC: Adjusted profits per business/Investment capital per business

ROIC of each business is trending towards improvement

•Entertainment Contents Business

ROIC is trending at a high level mainly due to growth in profits at Consumer area, while increasing investment capital

•Pachislot and Pachinko Machines Business

ROIC is growing sharply, reflecting the earnings growth from the optimization of investment capital and structural reform, etc.

•Resort Business

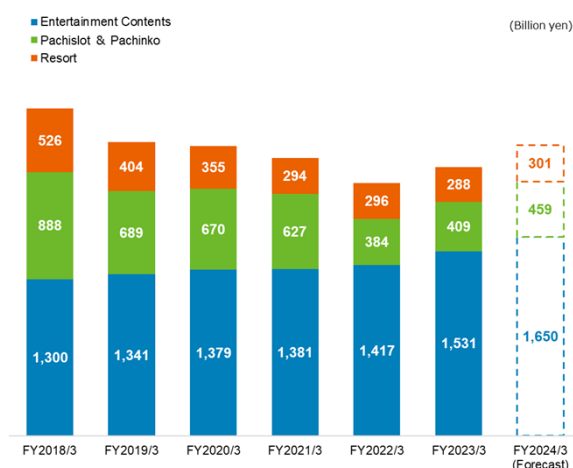
ROIC is improving due to the impact of improved utilization at each facility

-63-

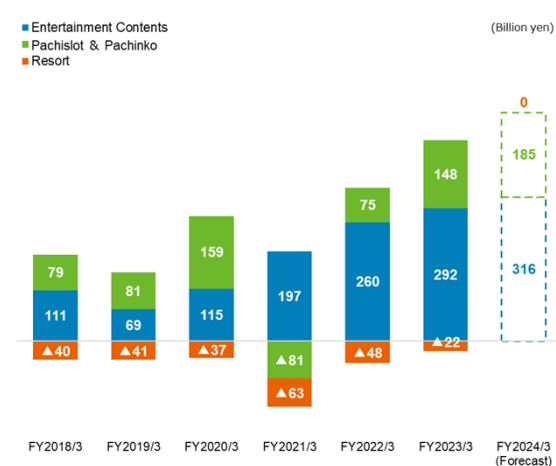
Here is the per business ROIC trend.

I will explain the details on the next page, but in recent years, they have been in improvement trend driven by profit growth in each of our businesses. For reference, we have included the plan for FY2024/3, which is based on the earnings forecast announced today. Therefore, the impact of the Rovio acquisition, etc. which was mentioned earlier, has not been incorporated into the forecast at this time, so please understand that it has not been reflected in the forecast.

[Investment capital trend per business]



[Adjusted profits trend by business]



*Investment Capital per business: investment capital at the end of each business period (total assets-current liabilities excluding interest-bearing debt)-CMS deposits
 *Adjusted profits by business: ordinary income after-tax and before-interest (Tax rate for the respective business is set to 30% for simplicity)

-64-

Here is the trend of investment capital and adjusted profit by business segment.

The ROIC of the operating company is taking an operational side approach, so the calculation of investment capital per business is based on the total assets of each business minus current liabilities excluding interest-bearing debt, and CMS deposits. Regarding adjusted profit, it is ordinary income after-tax and before-interest. The tax rate for each business is set at 30% for simplified purposes.

In the Entertainment Contents business, capital investment has increased mainly in the Consumer area, but at the same time we have achieved steady profit growth and ROIC is on an improving trend.

The Pachislot and Pachinko machines business suffered a temporary deterioration in earnings in FY2021/3 due to the strong impact of the COVID-19, but ROIC improved markedly due to profit growth by structural reform and higher unit sales, etc., and decrease in investment capital due to increase of CMS deposits, etc.

The Resort business also continued to improve due to higher facility utilization.

➤ Impact on adjusted profits of Entertainment Contents Business

- Impacts on consolidated results are currently being calculated
(Reference) Operating profit of Rovio in the latest period is approximately 28.5 million euros (4.1 billion yen) * Rovio's accounting standard
- The difference between the acquisition price of shares and net assets of Rovio is estimated to be approx. 479 million euros (about 70.3 billion yen) as of the end of Dec. 2022

➤ Impact on investment capital per business

- Investment capital for Entertainment Contents business is expected to rise by about 80.0 billion yen

➤ Impact on D/E ratio

- Plan to use cash on hand for the funds required for the tender offer, EUR 706 million in total (approx. ¥103,680 million)
(We may continue to draw loans as appropriate based on its capital policy, in a way that does not affect the capability and willingness to fund the offer)
- If the loans of the same scale as the acquisition amount will be implemented, D/E ratio is estimated to be around from 0.2 times between 0.5 times at the end of FY2023/3 (Simplified simulation based on the balance sheet at the end of FY2023/3)

*Assumption of €1=¥146.9

-65-

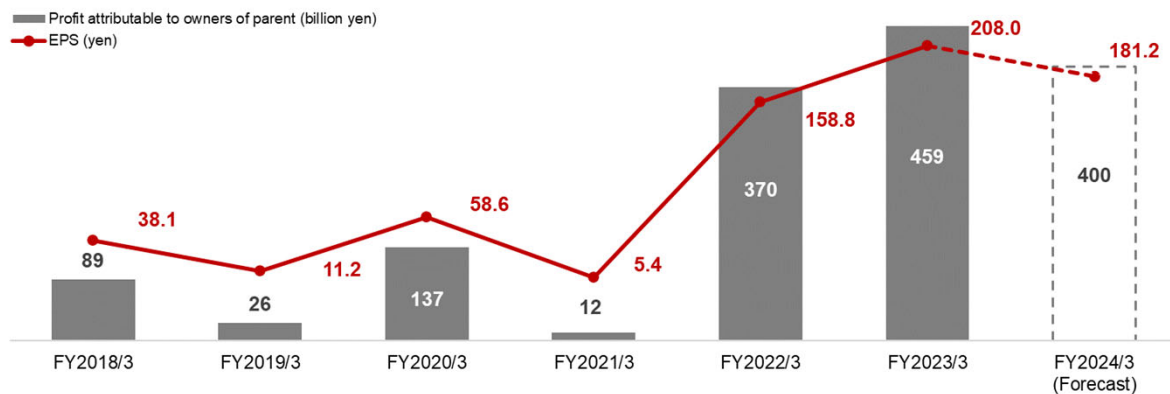
Here is about the impact of Rovio acquisition.

Since it is before TOB, there is a limit to where we can talk about at this moment, but these are the impact to each KPI if the TOB were to be successfully completed. Regarding impact to the profit of Entertainment Contents business, because the impact of goodwill is undetermined, etc., we're not able to calculate reasonably at this moment. For your reference, the gap between the acquisition price and Rovio's actual net assets as of December 2022 was 479 million euros (about 70.3 billion yen).

Regarding impact on investment capital per business, we expect an increase of approximately 80.0 billion yen in investment capital in the Entertainment Contents business, although the impact of goodwill has not yet been determined. This figure is a provisional figure, which is the total investment of over 100.0 billion yen minus cash and equivalents on Rovio's side of the balance sheet.

Regarding impact on D/E ratio, we plan to use cash on hand to fund the TOB. However, if we were to borrow 100.0 billion yen, the D/E ratio would be around 0.46x, compared to 0.2x at the end of FY2023/3. Again, this is a simplified simulation based on the balance sheet as of the end of FY2023/3, so the actual impact may differ. I would like to report to you again at a time when I can properly explain.

■ EPS* improved from expansion of business results and share buybacks



*EPS = Earnings per share

*In FY2022/3 and FY2023/3, decrease in taxable income from net loss carried forward and income taxes, etc. decreased from tax credit relevant to research and development for subsidiaries in U.K. also contributed

*Tax rate for FY2024/3 is set at 30% for simplicity

-66-

Here is the EPS trend.

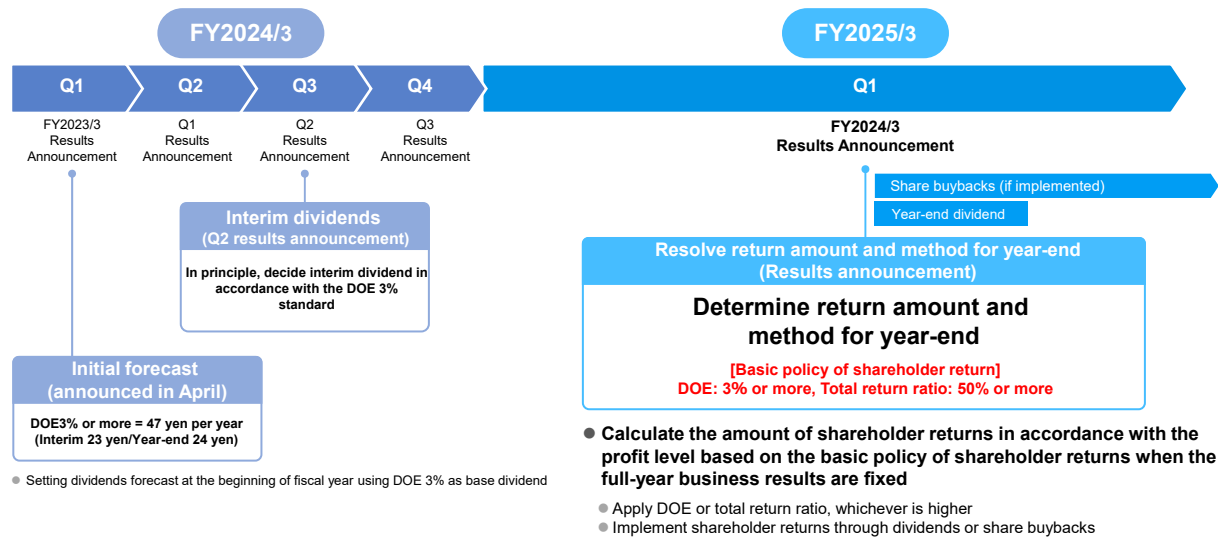
Profit attributable to owners of parent grew significantly, as in FY2022/3, and EPS continued to improve, partly due to the share buyback from FY2022/3 to FY2023/3.

The forecast for FY2024/3 is based on a simplified tax rate of 30%, so although EPS and profit attributable to owners of parent appear to be decreasing, they may change depending on the share buyback situation announced today or on the actual business performance, etc.

Regarding tax expenses, it has remained quite low in real terms in the FY2022/3 and FY2023/3. We are using a simplified tax rate of 30% which close to statutory tax rate in the forecast of FY2024/3, so we do not think that the actual tax rate will be as high as 30%.

Shareholder Returns

(Process of Determining the Amount of Return and Methods)



-67-

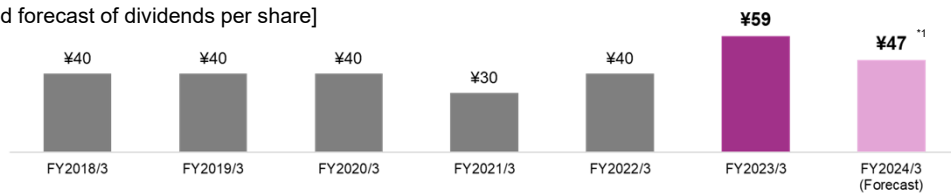
Here is about shareholder returns.

Once again, here is the policy and determination process of shareholder returns of the Company. We will make a decision on shareholder returns for FY2024/3 at the timing when full-year business results are finalized, adopting the higher of DOE: 3% or more, or total return ratio: 50% or more, which is our basic policy on shareholder returns.

Shareholder Returns Trend (FY2018/3-FY2024/3)

- Based on the policy of a total return ratio of 50%, annual dividends for FY2023/3 is expected to be 59 yen and plan to execute share buybacks of 10.0 billion yen

[Results and forecast of dividends per share]



	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3 (Forecast)
Total dividends	9.37 billion yen	9.38 billion yen	9.39 billion yen	7.05 billion yen	9.16 billion yen	12.96 billion yen	-
Dividend per share	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 39 yen	Interim: 23 yen Year-end: 24 yen
Amount for share buyback ²	-	-	-	-	29.99 billion yen	10.0 billion yen	n/a
DOE ³	3.0%	3.1%	3.1%	2.4%	3.1%	4.2%	3% or more
Total return ratio ⁴	105%	355%	68%	553%	106%	50%	50% or more

¹ The initial dividend forecast for FY2024/3 is based on DOE3% or equivalent

² Purchase period of share buyback for FY2022/3 was 2021/11/9-2022/4/19 and plan to be 2023/5/1-2023/9/29 for FY2023/3

For FY2023/3, plan for : acquisition price (maximum) = ¥10.0 billion, number of shares to be acquired (maximum) = 8 million shares

³ DOE (Dividends on Equity) = dividend amount / net asset

⁴ Total return ratio = (total dividend amount + total amount of share buybacks) / net income

-68-

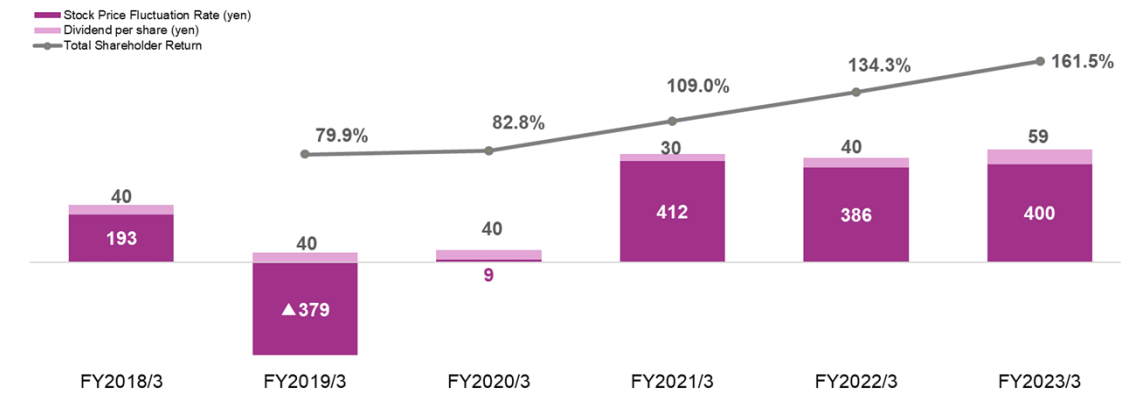
Here is the shareholder returns trend.

The total return ratio for FY2023/3, taking into account the year-end dividend forecast announced today and share buyback, is 50%, in line with our conventional policy.

The dividend forecast for FY2024/3 is based on a DOE of 3% or more. Since it is based on DOE, it may change due to the actual business performance.

In the end, as I mentioned earlier, depending on the final net income after properly calculating tax expenses, etc., we will determine by adopting DOE: 3% or more, or total return ratio: 50% or more, whichever is higher.

Total Shareholder Return Trend



	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3 (Forecast)
Stock Price Fluctuation Rate (yen)	193	▲379	9	412	386	400	—
Dividend per share (yen)	40	40	40	30	40	59	47
Total Shareholder Return	—	79.9%	82.8%	109.0%	134.3%	161.5%	—

*Stock Price fluctuation Rate = closing price at the end of the relevant fiscal year - closing price at the end of the previous fiscal year

*Total shareholder return = (stock price on the last day of each business fiscal year + cumulative amount of dividends per share from the last four business fiscal years of the current business -69- fiscal year through the respective business fiscal years)/stock price on the last day of the five business fiscal years of the current business fiscal year (Source: FSA)

Finally, here is the total shareholder return trend.

There are partial contribution from capital gain, but including these, we will continue our efforts to maximize corporate value.

This concludes the explanation of the Company's financial results.
Thank you.

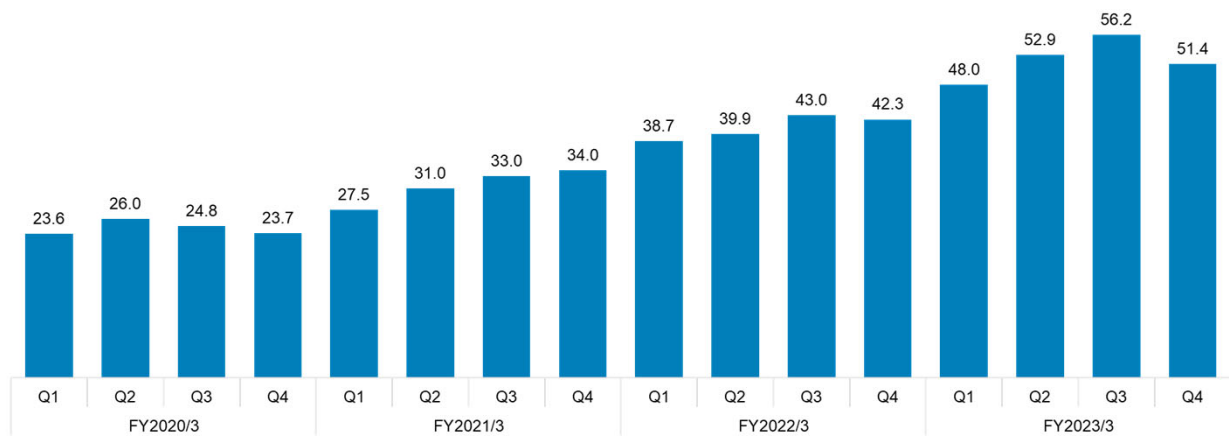
04

Appendix

Trend of Balance of Content Production Expenses in B/S (Consumer area)



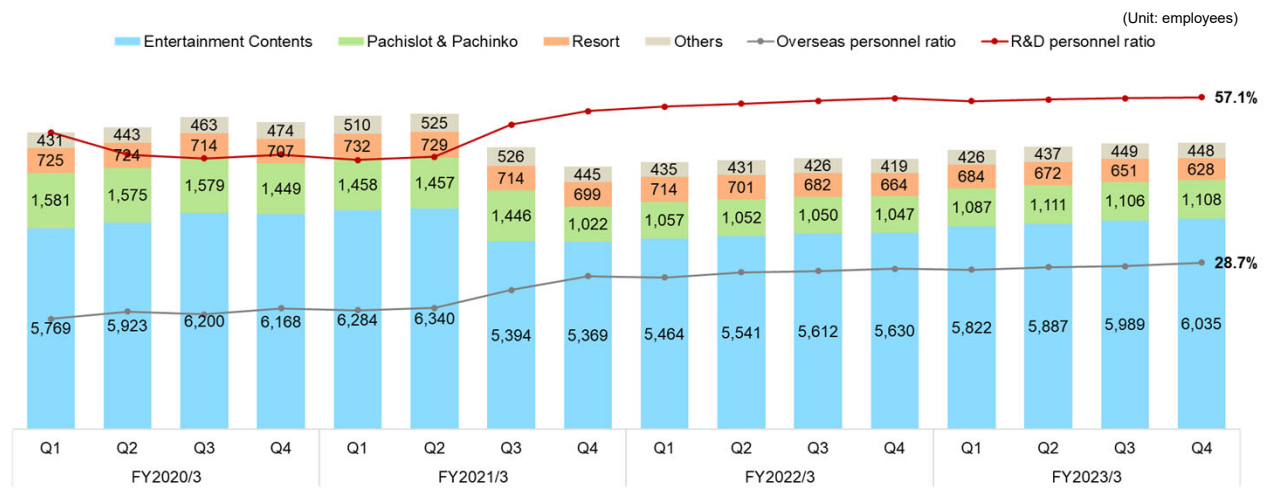
(Unit: billion yen)



*Balance of work in progress R&D expenses of titles before release + balance of unamortized R&D expenses of released titles

-71-

Trend of No. of Employees by Segment



*No. of employees are the No. of full-time employees and permanent contract employees. Excludes the No. of temporary employees

Resort Business (PARADISE SEGASAMMY)



(KRW Billion)		2022/3 Full year Results	2023/3 Full year Results
Sales		161.5	270.5
	Casino	86.6	157.5
	Hotel	67.7	95.9
	Other	7.0	17.0
Cost of sales		178.2	234.1
	Casino	63.7	100.4
	Hotel	81.9	74.7
	Other	32.4	38.8
Gross profit		-16.7	36.4
	SG&A	25.4	27.9
Operating profit		-42.2	8.5
EBITDA		14.9	65.3
Net profit		-87.9	-33.9
Number of casino visitors (Thousands)		99.0	151.0
Source: Paradise IR			
SEGASAMMY Equity method acquisition amount (Billion yen)		-4.1	-1.8

FY2023/3 Results

- **Recovery trend due to relaxation of travel restrictions**
 - Drop amounts of Japanese VIP recovered rapidly which close to before COVID-19 levels
- **EBITDA remained positive due to cost reduction initiative under COVID-19**

FY2024/3 Forecast

- **Expect the contribution to profits from equity in gains of affiliates**
 - Casino sales are expected to continue to be driven by strong Japanese VIP customers, along with a complete recovery in flights to and from Japan and Korea, and a gradual recovery in Chinese VIP customers is also expected due to a staged recovery in traffic to and from China and Korea

*PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate of SEGA SAMMY HOLDINGS INC.

*Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

*Local accounting standard

Overview of Rovio



Trade name	Rovio Entertainment Oyj	
Location of head office	Keilaranta 7 02150, Espoo, Uusimaa Finland	
Name / title of the representative	Alexandre Pelletier-Normand / CEO	
Business overview	Planning, development, management, and distribution of mobile games, as well as licensing of Angry Birds IP	
Capital	EUR 0.7 million (as of December 31, 2022)	
Establishment	2003	
Major shareholders, and their ownership ratio (as of March 31, 2023)	MOOR Holding AB	15.57%
	Adventurous Ideas Oy	7.79%
	Brilliant Problems Oy	7.79%
	Impera Oy Ab	6.13%
Relationship between the Company and Rovio	Capital relationship	N/A
	Human relationship	N/A
	Business relationship	N/A
	Applicability to Related Parties	N/A

Consolidated performance and financials of Rovio for the last three years			
Fiscal year (Units: EUR millions)	FY2020/12	FY2021/12	FY2022/12
Consolidated net assets	165.4	197.5	226.8
Consolidated total assets	208.4	287.0	294.3
NAV per share on a consolidated basis (euro)	2.27	2.66	2.73
Consolidated sales	272.2	286.2	317.7
Consolidated operating profit	42.5	37.7	28.5
Profit for the period	32.1	30.1	22.8
EPS on a consolidated basis (EUR)	0.43	0.41	0.30
Dividend per share (EUR)	0.12	0.12	0.13

*Per-share figures are calculated on a fully diluted basis (assuming all outstanding options are converted into shares). Some financial figures differ from audited figures due to the figures in this document being rounded down.

Repost from document disclosed in Apr. 17, 2023, "SEGA to Acquire Rovio Entertainment Oyj"
https://www.segasammy.co.jp/cms/wp-content/uploads/2023/04/20230417_aquisition_e.pdf



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

Cautionary Statement for Investors and Shareholders with Respect to Nevada Gaming Statutes and Regulations

SEGA SAMMY HOLDINGS INC. ("the Company") is registered with the Nevada Commission as a publicly traded corporation and has been found suitable to directly or indirectly own the stock of SEGA SAMMY CREATION INC., and Sega Sammy Creation USA, Inc., both of which are subsidiaries that have been licensed as manufacturers and distributors of gaming devices in Nevada. Pursuant to Nevada law, the Company's shareholders are subject to the rules and regulations of the Nevada Gaming Authorities. A detailed explanation of Nevada gaming statutes and regulations can be found on the Company's corporate website:

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

Please visit below website for more information of products and services of SEGASAMMY.

<https://www.segasammy.co.jp/en/corp/group/>
(Sega Sammy Group Website list)

*Company / product names, etc. in this document are trademarks or registered trademarks of the respective companies.