SEGASammy

Q1 for the Fiscal Year Ending March 31, 2024

Results Presentation

2023/8/1

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: Makoto Takahashi (Executive Vice President, Executive Officer, Managing Director of Corporate Planning Division of SEGA SAMMY HOLDINGS INC.)

Thank you for accessing our Q1 financial results presentation today.

I will explain the results for FY2024/3 Q1, and the outlook for the full year. The material to be used will be the financial results presentation uploaded on our website.

SEGASammy

01

FY2024/3 Q1 Results / Forecast

Results Highlights

SEGASammy

(Billion yen)	FY2023/3 Q1	FY2023/3 Full Year Results	FY2024/3 Q1	FY2024/3 Full Year Forecast
Sales	**66.1**	**389.6**	**108.0**	**433.0**
Entertainment Contents	52.7	282.8	53.8	305.0
Pachislot and Pachinko Machines	10.5	94.2	50.9	115.0
Resort	2.6	11.5	2.9	12.0
Other / Elimination	0.3	1.1	0.4	1.0
Operating Income	**2.7**	**46.7**	**22.5**	**55.0**
Entertainment Contents	6.5	38.7	4.1	43.5
Pachislot and Pachinko Machines	-0.9	20.0	21.5	24.5
Resort	-0.3	-1.1	-0.3	-1.0
Other / Elimination	-2.6	-10.9	-2.8	-12.0
Non-operating income	2.5	4.9	1.4	4.0
Non-operating expenses	1.0	2.2	0.8	1.0
Ordinary Income	**4.2**	**49.4**	**23.0**	**58.0**
Entertainment Contents	8.1	41.1	4.4	45.0
Pachislot and Pachinko Machines	-0.6	20.7	21.8	25.0
Resort	-1.1	-3.2	-0.2	0.0
Other / Elimination	-2.2	-9.2	-3.0	-12.0
Ordinary Income Margin	6.4%	12.7%	21.3%	13.4%
Extraordinary income	-	0.0	0.0	-
Extraordinary losses	0.1	2.4	0.6	-
Income before income taxes	**4.1**	**47.0**	**22.5**	**58.0**
Profit attributable to owners of parent	**3.1**	**45.9**	**17.2**	**40.0**
ROE	**-**	**14.7%**	**-**	**-**
Dividends per share (JPY)	**-**	**59.00**	**-**	**47.00**

FY2024/3 Q1 Results

- **Strong start driven by Pachislot and Pachinko Machines Business**
  - Entertainment*: Performed steadily overall
  - Pachislot & Pachinko Machines: Mainly sales of pachislot machines went strong
  - Resort: Both domestic and overseas performed steadily

Forecast

- **New title launches will proceed in each business**
  - Entertainment: Start full-scale sales of mainstay new titles from 2nd half of the fiscal year (CS*)
  - Pachislot & Pachinko Machines: In addition to additional sales of existing mainstay titles, proceed the launch of new titles
  - Resort: Expect continuous recovery in both domestic and overseas

* Entertainment = Entertainment Contents Business, CS = Consumer area

-3-

We will provide a more detailed overview of each business segment later but in Q1, the Pachislot and Pachinko Machines business drove overall performance, mainly due to strong sales of pachislot machines such as “Smart Pachislot Hokuto No Ken”. As a result, we are off to a good start.

For Q2 and beyond, new titles are expected to be launched in each business. In the Entertainment Contents business, full-scale sales of mainstay new titles in the Consumer area will begin in 2nd half of the fiscal year, and in the Pachislot and Pachinko Machines business, additional sales of existing mainstay titles such as “Smart Pachislot Hokuto No Ken” as well as the launch of new titles will be promoted. The Resort business is also expected to continue to recover both domestically and overseas.

Q1 Topics

SEGASammy

- **Status of TOB for the acquisition of Rovio Entertainment Oyj**
  - **Extended the tender offer period to August 7, 2023** (announced on July 3, 2023)
    *As some procedures for obtaining regulatory approval required for the completion of the Tender Offer took some time. All of these are now obtained

- **Status of share buybacks** (announced on April 28, 2023)
  - **Plan to acquire treasury stocks based on our return policy**
    *No progress has been made at this time due to procedural reasons (as of July 31, 2023)

(Reference) Details of the resolution regarding the acquisition of treasury stock:
- Upper limit of acquisition cost: 10.0 billion yen
- Upper limit of the number of shares to be acquired: 8 million shares
- Acquisition period: From May 1, 2023 to September 29, 2023

-4-

I will now explain the topics for Q1.

First, with respect to the acquisition of Rovio Entertainment Oyj, we have announced an extension of the tender offer period, which was originally scheduled to expire on July 3, 2023, to August 7, 2023. The reason for the extension of the period is because some procedures for obtaining regulatory approval for the completion of the tender offer took some time. As all of these are now obtained, the completion date remains scheduled for FY2024/3 Q2.

With respect to the share buybacks announced on April 28, 2023, with a maximum acquisition cost of 10.0 billion yen, the number of shares acquired by the end of July was zero. As for this, we will continue to acquire treasury stocks as it is in line with our shareholder return policy, but we are unable to proceed with the acquisition at this time, so we haven't made acquisition at this time.

Breakdown of Income (FY2024/3 Q1 Results)

SEGASammy

(Unit: billion yen)

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

Non-operating income	**1.4**
Gain on investments in partnership	0.5
Interest income	0.3
Equity in earnings of affiliates	0.2
Non-operating expenses	**0.8**
Foreign exchange losses	0.4
Loss on investments in partnership	0.2
Extraordinary Income	**0.0**
Extraordinary losses	**0.6**
Loss on business restructuring	0.5
Taxes/Others	**5.2**

-5-

This is a breakdown of the income at each stage.

Non-operating income includes gain on investments in partnership, etc. Non-operating expenses includes foreign exchange losses due to revaluation and settlement of receivables and payables denominated in foreign currencies, etc.

In addition, an extraordinary losses was recorded due to the business restructuring of Sega’s development studio, Relic Entertainment.

Impact of Exchange Rate Fluctuations

SEGASammy

[Impact of foreign exchange on Q1 results]

- **Positive impact of approx. 1.4 billion yen for sales and approx. 0.4 billion yen for operating income in Entertainment Contents business**

(Billion yen)		Q1
CS	Sales	+1.4
	Operating Income	+0.6
AM	Sales	-
	Operating Income	-0.2

- 1 USD: Rate in initial forecast 127 yen → AR138 yen (Mainly affect on **sales increase**)
- 1 GBP: Rate in initial forecast 160 yen → AR172 yen (Mainly affect on **cost increase**)
- 1 Euro: Rate in initial forecast 141 yen → AR150 yen (Mainly affect on **sales increase**)

- **Recorded foreign exchange losses of 0.4 billion yen in non-operating expenses due to revaluation and settlement of receivables and payables denominated in foreign currencies**

*CS = Consumer area, AM = Amusement Machine area

-6-

This is an explanation of the impact of exchange rate fluctuations.

In Q1, in the Consumer area, where sales in U.S. dollar is large, foreign exchange effects boosted net sales by 1.4 billion yen and operating income by 0.6 billion yen. In the Amusement Machine area, the impact of raw material price hikes caused by the weak yen is shrinking.

In non-operating expenses, as mentioned on the previous page, foreign exchange losses of 0.4 billion yen was recorded.

Costs and Expenses, etc.

SEGASammy

■Entertainment Contents

(Billion yen)	FY2022/3				FY2023/3				FY2024/3	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
R&D / Content production expenses	9.9	13.5	12.7	18.3	11.9	14.8	16.4	22.9	12.5	68.9
Advertising expenses	2.2	3.9	3.7	4.4	2.7	5.0	6.3	6.7	3.1	23.6
Depreciation	0.8	0.9	0.9	1.1	0.9	1.0	0.9	1.0	0.9	3.6
Cap-ex	1.5	1.4	1.6	2.8	1.1	1.1	1.7	2.0	1.9	6.1

■Pachislot & Pachinko

(Billion yen)	FY2022/3				FY2023/3				FY2024/3	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
R&D / Content production expenses	3.4	3.2	3.4	4.4	3.0	3.5	3.7	4.2	3.1	15.5
Advertising expenses	0.2	0.6	0.5	0.3	0.3	0.3	0.3	0.8	0.8	4.0
Depreciation	0.5	0.7	0.7	0.8	0.6	0.7	0.7	0.7	0.5	3.0
Cap-ex	1.2	1.1	0.8	1.0	1.0	1.0	1.0	1.2	0.8	5.4

***Recognition criteria of R&D 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 (CS)): Expenses are amortized over a period of 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 Machines business: Expenses aren't capitalized but are recognized as they arise (outsourced process 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 expenses of Entertainment Contents business as a whole is expected to be reduced for approx. 4.6 billion yen in FY2024/3.

Next will be costs and expenses, etc.

In the Entertainment Contents business, some advertising and other expenses have not been incurred, and the pace of digestion was slower than initially expected.

In the Pachislot and Pachinko Machines business, advertising expenses increased from the same period of the previous fiscal year due to promotions coinciding with the launch of mainstay titles, but R&D expenses is trending lower than initially expected.

Costs and Expenses, etc.

SEGASammy

■ Resort

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

■ Other / Elimination

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

Resort business and others are generally in line with expectations.

Consolidated Balance Sheet Summary

SEGASammy

(Billion yen) 【Assets】				【Liabilities and Net Assets】			
Account	As of end of March 2023	As of end of June 2023	Increase /Decrease	Account	As of end of March 2023	As of end of June 2023	Increase /Decrease
Cash and Deposits	179.5	171.6	-7.9	Accounts Payable	30.5	29.5	-1.0
Accounts Receivable	53.3	45.9	-7.4	Short Term Borrowings	17.0	17.0	-
Inventories	89.4	94.8	+5.4	Other	72.8	61.9	-10.9
Other	31.6	32.4	+0.8	**Total Current Liabilities**	**120.3**	**108.4**	**-11.9**
Total Current Assets	**353.8**	**344.7**	**-9.1**	Corporate Bonds	10.0	10.0	-
Tangible Fixed Assets	60.4	61.1	+0.7	Long Term Borrowings	25.0	25.0	-
Intangible Fixed Assets	13.2	14.1	+0.9	Other	14.8	15.8	+1.0
Investment Securities	39.5	45.5	+6.0	**Total Noncurrent Liabilities**	**49.8**	**50.8**	**+1.0**
Other	34.6	42.6	+8.0	**Total Liabilities**	**170.2**	**159.2**	**-11.0**
				Shareholders Equity	326.7	335.3	+8.6
				Total accumulated other comprehensive income	4.0	12.8	+8.8
				Share acquisition rights	0.4	0.5	+0.1
				Non-controlling intesrests	0.0	0.0	+0.0
Total Noncurrent Assets	**147.7**	**163.3**	**+15.6**	**Total Net Assets**	**331.3**	**348.8**	**+17.5**
Total Assets	**501.5**	**508.1**	**+6.6**	**Total Liabilities and Net Assets**	**501.5**	**508.1**	**+6.6**

	As of end of March 2023	As of end of June 2023	Increase /Decrease
Cash, deposits and cash equivalents	179.5	171.6	-7.9
Interest bearing debt	52.0	52.0	-
Net cash	127.5	119.6	-7.9
Equity ratio	66.0%	68.5%	+2.5p

Main factors for increase / decrease

(Current Assets)	In addition to the decrease of cash and deposits due to dividend payments, etc., notes and accounts receivable – trade and contract assets decreased while content work in progress increased centered on Consumer area
(Liabilities)	Contract liabilities mainly related to “Smart Pachislot Hokuto No Ken” decreased
(Net assets)	Shareholders' equity increased due to recording of profit attributable to owners of parent while dividend payments were made

-9-

Here is the Balance sheet.

Regarding current assets, inventories increased mainly due to an increase in content work in progress, mainly in the Consumer area, while cash and deposits decreased due to dividend payments and other factors, and notes and accounts receivable - trade and contract assets related to titles sold in the previous fiscal year decreased.

As for liabilities, current liabilities decreased mainly due to a decrease in contract liabilities related to “Smart Pachislot Hokuto No Ken”.

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

Net cash at the end of June of FY2024/3 amounted to 119.6 billion yen, a decrease of 7.9 billion yen from the end of the previous fiscal year.

Although the cash flow is unaudited, we would like to provide an estimate of the cash flow for your reference. Operating cash flow is expected to be positive 11.5 billion yen, investing cash flow negative 15.7 billion yen, and financing cash flow negative 8.8 billion yen.

SEGASammy

02

Per segments Results / Forecast

Entertainment Contents Business

SEGASammy

(Billion yen)	FY2023/3 Q1	FY2023/3 Full Year Results	FY2024/3 Q1	FY2024/3 Full Year Forecast
Sales	**52.7**	**282.8**	**53.8**	**305.0**
Consumer	34.7	187.9	33.7	205.0
Amusement Machine	13.1	64.9	14.1	63.5
Animation / Toy	4.7	29.3	5.7	36.0
Other / Elimination	0.2	0.7	0.3	0.5
Operating Income	**6.5**	**38.7**	**4.1**	**43.5**
Consumer	5.3	32.8	2.9	36.0
Amusement Machine	0.5	2.9	1.2	5.0
Animation / Toy	0.2	4.5	0.3	4.5
Other / Elimination	0.5	-1.5	-0.3	-2.0
Non-operating income	1.6	2.8	0.5	1.8
Non-operating expenses	0.0	0.4	0.3	0.3
Ordinary Income	**8.1**	**41.1**	**4.4**	**45.0**
Ordinary Income Margin	15.4%	14.5%	8.2%	14.8%

*CS = Consumer area, AM = Amusement Machine area
*Exchange rate of FY2024/3 forecast: 1 USD: 127 yen, 1 GBP : 160 yen, 1 Euro: 141 yen

FY2024/3 Q1 Results

➢ **Performed generally in line with expectations**

- Although both new titles and repeat sales went below expectations, some operating expenses were not incurred etc., resulting in a steady performance overall (CS*)
- Sales of prize category went steadily (AM*)
- Strong performance due to income from licensing out of distribution right, etc. (Animation)

Forecast

➢ **New title launches will proceed in each area**

- Start full-scale sales of mainstay new titles from 2nd half of the fiscal year (CS)
- In addition to the release of "UFO CATCHER 10", strengthen sales in the prize category (AM)
- Closely observe the impact of exchange rate fluctuations (CS, AM)

-11-

I will explain the details by segment.

First, let me talk about the Entertainment Contents business. In Q1, business performance was generally in line with our initial expectations. In the Consumer area, in Full Game, the timing of the release of some new titles were pushed back, resulting in sales lower than expected, and repeat sales were also slightly below expectations. In F2P, sales were lower than expected mainly due to weak sales of new title. On the other hand, some operating expenses, including advertising expenses, have not been incurred, and from this and other factors, profit was better than expected. In addition, Amusement Machine area, where the prize category performed well, and the Animation / Toy area, where overseas licensing income, etc. in the Animation were solid, exceeded our expectations.

Regarding forecast, in the Consumer area, we plan to launch new mainstay titles from 2nd half of the fiscal year in full-scale. In the Amusement Machine area, we will strengthen sales in the overall prize category, including the release of “UFO CATCHER 10” in July, which is the latest in the UFO Catcher® series.
In addition, both Consumer and Amusement Machine area will be affected by exchange rate fluctuations, so we will continue to closely observe the impact of these fluctuations.

Entertainment Contents Business: Per Subsegments

SEGASammy

		FY2024/3 Q1 Results	Forecast
Consumer	Full Game	• Both new titles and repeat sales went below expectations • Launched three new titles	• Start full-scale sales of mainstay new titles from 2nd half of the fiscal year "Sonic Superstars", Like a Dragon and Persona series, etc.
	F2P	• Existing titles performed in line with expectation • Started service of "404 GAME RE:SET -Error Game Reset-"	• Enhance the operation of existing titles
	Other	• Recorded license revenue, etc. • Positive impact by exchange rate fluctuations	• Continue to record license revenue, etc. • Closely observe the impact of exchange rate fluctuations
Amusement Machine		• Steady performance centered on the sales of UFO Catcher ® series and prizes	• In addition to the release of “UFO CATCHER 10”, strengthen sales of prizes, etc. • Closely observe the impact of exchange rate fluctuations
Animation / Toys	Animation	• Movie “DETECTIVE CONAN: Black Iron Submarine" released	• Expect the revenue from animation production and distribution, etc.
	Toys	• Mainly sold regular products, etc.	• Plan to sell new products such as "Chiikawa's dream talking giant pudding house" and regular products

-12-

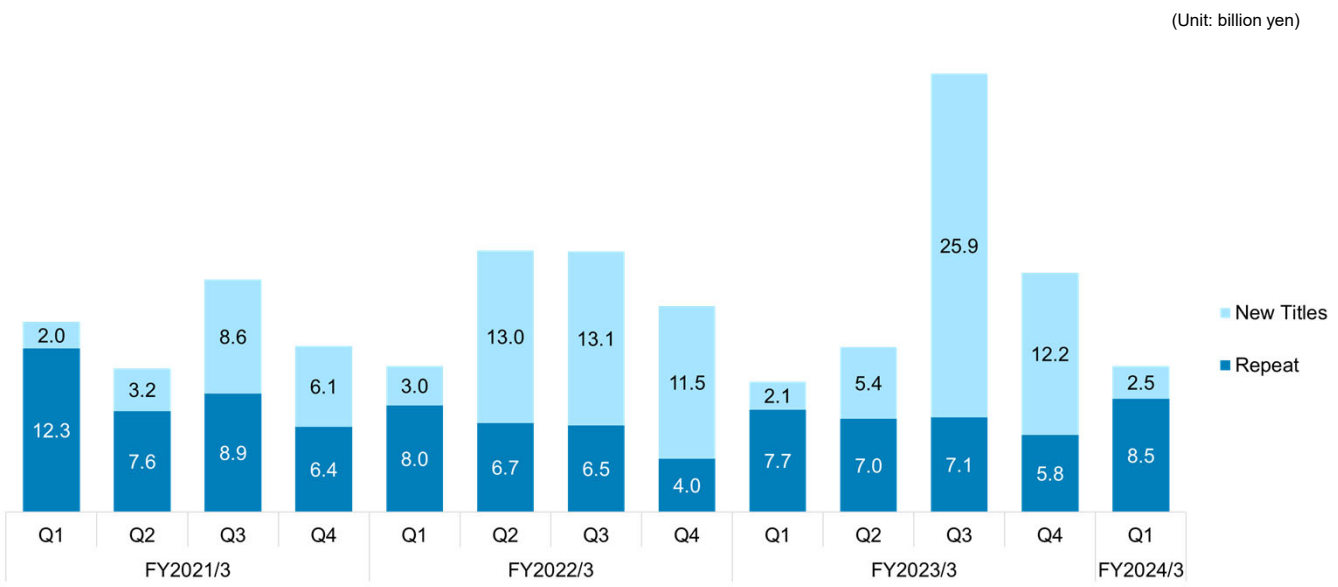
This is an explanation of the subsegments.

The Consumer and Amusement Machine area are as explained earlier.

In Animation, movie “DETECTIVE CONAN: Black Iron Submarine”, which was produced by TMS ENTERTAINMENT, our group company, has exceeded box office revenue of 13.0 billion yen for the first time in the series. The allocated revenue from here is expected to be recorded in Q2.

In Toys, we will strengthen sales of new products and regular products mainly in Q3, the holiday shopping season.

Consumer Area / Full Game: Sales Trend

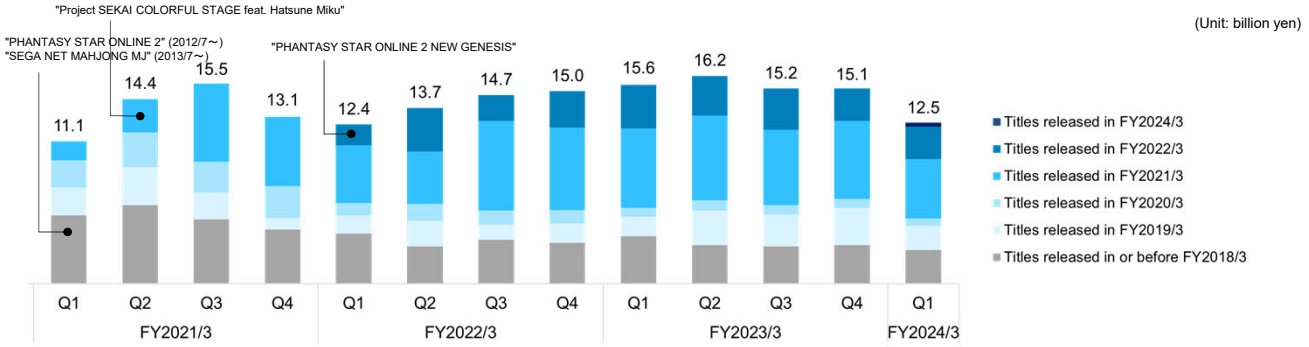


-13-

For your reference, here are the sales trends by quarter for Full Game.

Consumer Area / F2P: Sales Trend

SEGASammy



[Top 3 titles in sales from April to June 2023]

(No. 1)

"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku"
© SEGA/© CP/© CFM
Release: Sep. 2020

(No. 2)

"PHANTASY STAR ONLINE 2 NEW GENESIS ver.2"
©SEGA
Release: Jun. 2021 *ver.2 released in Jun. 2023

(No. 3)

"SEGA NET MAHJONG MJ"
©SEGA
Release: Jul. 2013

-14-

Here are the sales trends of F2P.

The main sales components were centered on existing tiles such as “Project SEKAI COLORFUL STAGE! feat. Hatsune Miku”, “PHANTASY STAR ONLINE 2 NEW GENESIS ver. 2”, and although not mentioned in this material, “ONE PIECE Bounty Rush”, which is developed by SEGA Corporation and published by Bandai Namco Entertainment Inc.

In addition, “404 GAME RE:SET -Error Game Reset-” was released as a new title, but it has been sluggish.

(Reference) Consumer Area: Sales Trend

SEGASammy

(Billion yen)	FY2023/3 Q1	FY2023/3 Through Q2	FY2023/3 Through Q3	FY2023/3 Through Q4	FY2024/3 Q1	FY2024/3 Full Year Forecast
Sales	**34.7**	**75.0**	**142.5**	**187.9**	**33.7**	**205.0**
Domestic	15.7	33.8	52.4	71.4	14.5	71.6
Overseas	19.2	41.1	89.8	116.7	19.3	135.4
Overseas sales ratio	55.3%	54.8%	63.0%	62.1%	57.3%	66.0%
Other / Elimination	-0.2	0.1	0.3	-0.2	-0.1	-2.0
Full Game	**9.9**	**22.3**	**55.3**	**73.2**	**11.0**	**108.1**
New titles	**2.1**	**7.5**	**33.4**	**45.6**	**2.5**	**75.8**
Japan	0.5	1.7	3.6	5.0	0.7	9.5
Asia	0.5	1.1	3.5	5.3	0.1	5.4
North America / Europe	1.0	4.6	26.3	35.2	1.5	60.8
Repeat titles	**7.7**	**14.7**	**21.8**	**27.6**	**8.5**	**32.3**
Japan	0.8	1.7	2.4	3.0	1.0	2.4
Asia	0.8	1.5	2.2	2.8	1.0	2.4
North America / Europe	6.1	11.5	17.1	21.6	6.3	27.5
Download sales ratio	74.9%	74.5%	66.0%	69.7%	57.1%	68.2%
F2P	**15.6**	**31.8**	**47.0**	**62.1**	**12.5**	**64.0**
Japan	13.0	27.1	39.9	53.2	10.8	51.6
Asia	0.5	0.5	0.5	0.6	-	0.7
North America / Europe	2.0	4.1	6.5	8.2	1.7	11.6
Other	**9.2**	**20.9**	**40.2**	**52.6**	**10.2**	**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.

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

“Sonic Origins Plus”, which was released in this fiscal year, was mainly sold in packages, resulting in a download ratio of only 57.1% in Q1.

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

SEGASammy

	FY2023/3				FY2024/3	
	Q1	Through Q2	Through Q3	Through Q4	Q1	Full Year Forecast
Full Game: Number of Titles						
Japan	3 titles	7 titles	11 titles	15 titles	2 titles	12 titles
Asia	3 titles	7 titles	11 titles	15 titles	2 titles	13 titles
North America / Europe	3 titles	7 titles	12 titles	16 titles	2 titles	14 titles
Full Game: Unit sales (Thousand)	**5,140**	**10,140**	**20,750**	**27,890**	**4,870**	**34,480**
Total New titles	**440**	**1,480**	**6,970**	**10,090**	**740**	**14,120**
Japan	90	250	640	1,090	160	1,370
Asia	110	260	860	1,350	40	930
North America / Europe	230	960	5,460	7,640	540	11,800
Total Repeat titles	**4,700**	**8,650**	**13,770**	**17,790**	**4,120**	**20,360**
Japan	260	760	1,080	1,380	430	1,130
Asia	410	750	1,390	1,840	470	1,280
North America / Europe	4,030	7,120	11,290	14,560	3,210	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)	FY2023/3				FY2024/3
	Q1	Through Q2	Through Q3	Through Q4	Q1
Sonic series	1,460	2,630	6,750	8,150	1,220
Total War series	420	950	1,750	2,300	310
Persona series	270	500	2,040	3,270	630
Like a Dragon series*	470	960	1,730	2,830	510

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

-16-

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

(Reference) Consumer Area / Full Game: Major New Titles

SEGASammy

[Titles released in Q1, FY2024/3] *Figures in () to the right of the titles are actual release dates

"Etrian Odyssey Origins Collection" (Jun. 1)

©ATLUS. ©SEGA. All rights reserved.

"Sonic Origins Plus" (Jun. 23)

©SEGA

Here are the new Full Game titles released in Q1.

(Reference) Consumer Area / Full Game: Major New Titles

SEGASammy

[Titles to be released in or after Q2, FY2024/3]

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

"Samba de Amigo: Party Central" (Aug. 30)

©SEGA

"ENDLESS™ Dungeon" (Oct. 19)

©Amplitude Studios SAS. ©SEGA

"Total War: PHARAOH" (Oct.)

©Creative Assembly 2023. Published by SEGA.

"Like a Dragon Gaiden: The Man Who Erased His Name" (Nov. 9)

©SEGA

These are the new Full Game titles that we plan to introduce in the future.

(Reference) Consumer Area / Full Game: Major New Titles

SEGASammy

[Titles to be released in or after Q2, FY2024/3]

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

"Persona 5 Tactica" (Nov. 17)

©ATLUS. ©SEGA. All rights reserved.

"Sonic Superstars" (Fall 2023)

©SEGA

"Like a Dragon: Infinite ∞ Wealth" (Early 2024)

©SEGA

"Persona 3 Reload" (Early 2024)

©ATLUS. ©SEGA. All rights reserved.

"HYENAS" (2023)

© 2022 CREATIVE ASSEMBLY LIMITED. ALL RIGHTS RESERVED

(Reference) Entertainment Contents Business: Sales Schedule

SEGASammy

			~FY2024/3 Q1	In or after FY2024/3 Q2 (Plan)	
Consumer	Full Game	New titles	Company of Heroes 3 – Console Edition	HUMANKIND™ (for Console)	Persona 5 Tactica
			Etrian Odyssey Origins Collection	Samba de Amigo: Party Central	Sonic Superstars
			Sonic Origins Plus	ENDLESS™ Dungeon	Like a Dragon: Infinite ∞ Wealth
				Total War: PHARAOH	Persona 3 Reload
				Like a Dragon Gaiden: The Man Who Erased His Name	HYENAS
		Repeat	Sonic Series / Persona Series / Total War Series / Football Manager Series / YAKUZA Series, etc.		
	F2P	In or before FY2019	PHANTASY STAR ONLINE 2 / Puyo Puyo!! Quest / CHAIN CHRONICLE / SHIN MEGAMI TENSEI Liberation Dx2/ SEGA Pocket Club Manager		
		FY2020/3~	FIST OF THE NORTH STAR LEGENDS ReVIVE		
		FY2021/3~	Re:ZERO -Starting Life in Another World- Lost in Memories / Project SEKAI COLORFUL STAGE! feat. Hatsune Miku		
		FY2022/3~	PHANTASY STAR ONLINE 2 NEW GENESIS ver.2 / Sin Chronicle		
		From FY2024/3	404 GAME RE:SET -Error Game Reset-		

*Only announced titles are listed for "In or after FY2024/3 Q2 (Plan)"

-20-

Here is the sales schedule for each title in the Entertainment Contents business.

(Reference) Entertainment Contents Business: Sales Schedule

SEGASammy

	~FY2024/3 Q1	In or after FY2024/3 Q2 (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 / HORI A TALE / romakyun
	<Major regular sales titles>	UFO Catcher® series / Prizes for prize machines
		UFO CATCHER 10
		BINGO THEATER
		JACKPOT CIRCUS
Animation / Toys	DETECTIVE CONAN: Black Iron Submarine	
	ANPANMAN: Roboly and the Warming Present	
	Stream your live with a head set! With a front camera! Fun to change mouse covers! Sumikkogurashi laptop My Live	
		Disney&Pixer Characters Dream Switch Anniversary Gift Set
		Let me treat you! I am a kitten's doctor
		Fun to change screen covers! Sumikkogurashi Smart Phone with U
		Chiikawa's dream talking giant pudding house

*Only announced titles are listed for "In or after FY2024/3 Q2 (Plan)"

Pachislot and Pachinko Machines Business

SEGASammy

(Billion yen)	FY2023/3 Q1	FY2023/3 Full Year Results	FY2024/3 Q1	FY2024/3 Full Year Forecast
Sales	**10.5**	**94.2**	**50.9**	**115.0**
Pachislot	3.3	41.0	31.5	66.6
Pachinko	5.1	44.2	16.4	37.7
Other / Elimination	2.1	9.0	3.0	10.7
Operating Income	**-0.9**	**20.0**	**21.5**	**24.5**
Non-operating income	0.3	0.8	0.3	0.6
Non-operating expenses	0.0	0.2	0.0	0.1
Ordinary Income	**-0.6**	**20.7**	**21.8**	**25.0**
Ordinary Income Margin	-	22.0%	42.8%	21.7%
Pachislot				
Number of Titles	**2 titles**	**8 titles**	**1 title**	**8 titles**
Unit Sales (units)	**8,724**	**94,966**	**64,766**	**146,000**
Pachinko				
Number of Titles	**1 title**	**5 titles**	**2 titles**	**6 titles**
Unit Sales (units)	**14,018**	**103,556**	**39,095**	**93,000**
Board + Frame	3,598	52,152	19,312	54,400
Board	10,420	51,404	19,783	38,600

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

FY2024/3 Q1 Results

➢ **Strong start**

- Especially pachislot machines (No. 6.5 models and smart pachislot titles) performed strongly
- Major titles sold:
  "Smart Pachislot Hokuto No Ken"
  "P Hokuto No Ken Bokyosei", etc.

Forecast

➢ **Continue to proceed the launch of mainstay titles**

- Pachislot: In addition to additional sales of "Smart Pachislot Hokuto No Ken" and other mainstay titles, aggressively proceed the launch of new titles for No. 6.5 models and smart pachislot
- Pachinko: Launch multiple titles, including "P Black Lagoon4"

-22-

Next is about Pachislot and Pachinko Machines business.

In Q1, sales of pachislot machines, mainly "Smart Pachislot Hokuto no Ken", were strong, so we were able to make a strong start which is far exceeding the level assumed at the beginning of the fiscal year.

In Q2 and beyond, we will continue to introduce mainstay titles for both pachislot and pachinko machines. In pachislot, in addition to additional sales of existing mainstay titles such as "Smart Pachislot Hokuto No Ken" and "Pachislot Kabaneri of the Iron Fortress", we will continue to aggressively launch new titles for No. 6.5 models and smart pachislot machines, such as "Smart Pachislot BIOHAZARD: VENDETTA". Also, in pachinko, we will launch multiple titles including "P Black Lagoon4".

Major Titles Released in Q1

SEGASammy

"Smart Pachislot Hokuto No Ken"

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

- **Cumulative unit installed: Approx. 60,000 units** (as of the end of July 2023)

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

  - Maintain industry-leading utilization
  - Announced additional sales
    (Scheduled for install in August 2023)

-23-

Regarding “Smart Pachislot Hokuto No Ken”, which began to be installed from April, the installed number of units has been increasing since then, and as of the end of July, approx. 60,000 units has been installed in the market. Even though the number of installed units is increasing, it is maintaining an industry-leading utilization level, and as I explained earlier, we are continuing to receive requests for additional sales.

We have already announced that we will sell “Smart Pachislot Hokuto No Ken” with a new panel design, which is “Ken-Oh” panel, and we expect to install approx. 10,000 units in August. We think further additional sales are possible, depending on the procurement of parts.

Major Titles to be Released in or after Q2

SEGASammy

"Smart Pachislot BIOHAZARD: VENDETTA"

©2017 CAPCOM / VENDETTA FILM PARTNERS. ALL RIGHTS RESERVED.
©Sammy

- **"Smart Pachislot BIOHAZARD: VENDETTA"**
  (installed in July 2023)
  - The 2nd smart pachislot for the Group
  - Strong sales
- **Plan to launch other mainstay titles**
  - "P Black Lagoon4" (installed in July 2023)
  - "Pachislot Kizumonogatari -Hajimari No Toki-"
    (scheduled for install in September 2023)

These are the main titles scheduled for sale in Q2 and beyond. In pachislot, “Smart Pachislot BIOHAZARD: VENDETTA “ was installed in the market in July as the Group’s second smart pachislot following “Smart Pachislot Hokuto No Ken.”

In addition to “Smart Pachislot BIOHAZARD: VENDETTA”, “Pachislot Kizumonogatari -Hajimari No Toki-” is scheduled to be installed in September, and for pachinko, “P Black Lagoon4” was installed in July.

(Reference) Pachislot and Pachinko Machines Business: Sales Schedule

New series

Titles which installation started from previous FY / Specification changed title

SEGASammy

	~FY2024/3 Q1		In or after FY2024/3 Q2 (Plan)	
Pachislot	Smart Pachislot Hokuto No Ken	Pachislot Kabaneri of the Iron Fortress (Additional sales) Pachislot CODE GEASS Lelouch of the Rebellion 3 C.C&Kallen ver.	Smart Pachislot BIOHAZARD: VENDETTA Smart Pachislot Hokuto No Ken (Additional sales)	Pachislot Kizumonogatari -Hajimari No Toki- Pachislot Kabaneri of the Iron Fortress (Additional sales)
Pachinko	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	P Hokuto No Ken Bokyosei P Kabaneri of the Iron Fortress ~4,000Rengeki ver.~	P Black Lagoon4 P BIG DREAM 3 77 ver.	P Initial D Non-Stop 3000Edition

Major titles released in Q1		Delivery month	Unit sales
Pachislot	Smart Pachislot Hokuto No Ken	Apr.	54,493 units
	Pachislot CODE GEASS Lelouch of the Rebellion 3 C.C&Kallen ver.	Jun.	5,171 units
	Pachislot Kabaneri of the Iron Fortress (additional sales)	Jun.	4,987 units
Pachinko	P Hokuto No Ken Bokyosei	May.	17,500 units
	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.	12,642 units
	P Kabaneri of the Iron Fortress ~4,000Rengeki ver.~	Jun.	6,497 units

*Unit sales sold only in FY2024/3 are listed

*Only announced titles are listed for "In or after FY2024/3 Q2 (Plan)"

(Major titles to be released in or after FY2024/3)		Delivery month
Pachislot	Smart Pachislot BIOHAZARD: VENDETTA	Jul.
	Smart Pachislot Hokuto No Ken (additional sales)	Aug.
	Pachislot Kizumonogatari -Hajimari No Toki-	Sep.
	Pachislot Kabaneri of the Iron Fortress (additional sales)	Oct.
Pachinko	P Black Lagoon4	Jul.
	P BIG DREAM 3 77 ver.	Aug.
	P Initial D Non-Stop 3000Edition	Oct.

-25-

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

Resort Business

SEGASammy

(Billion yen)	FY2023/3 Q1	FY2023/3 Full Year Results	FY2024/3 Q1	FY2024/3 Full Year Forecast
Sales	**2.6**	**11.5**	**2.9**	**12.0**
Operating Income	**-0.3**	**-1.1**	**-0.3**	**-1.0**
Non-operating income	**0.0**	**0.1**	**0.0**	**1.2**
Non-operating expenses	**0.8**	**2.1**	**0.0**	**0.2**
Ordinary Income	**-1.1**	**-3.2**	**-0.2**	**0.0**
Ordinary Income Margin	**-**	**-**	**-**	**-**
<PHOENIX RESORT>				
No. of facility users (Thousands)	**234**	**946**	**218**	**908**
3 accommodation facilities	94	394	84	374
2 golf courses	26	103	24	103
Other facilities	114	449	110	431

FY2024/3 Q1 Results

➢ **Performed steadily**

- PHOENIX RESORT: In addition to the steady performance of individual customers, the number of group customers recovered following the holding of large-scale MICE such as international conferences and corporate events

Forecast

➢ **Expect to return to black at ordinary income stage**

- PHOENIX RESORT: While working on various measures for individual customers and strengtening CRM, expect recovery of group customers due to the resumption of large-scale MICE, etc.
- PARADISE SEGASAMMY: Expect the contribution to profit from equity in earnings of affiliates

-26-

Finally, Resort business. Sales and ordinary income are off to a start, which is better than expected, due to strong occupancy at each facility.

In Japan, the PHOENIX RESORT has been performing steadily in Q1 as demand from group customers, which had been sluggish, began to show signs of recovery as socioeconomic activities normalized, and demand from individual customers also remained steady.

In the future, in addition to strengthening various measures for individual customers, we expect a further recovery in the number of group customers due to the resumption of large scale MICE events and other factors.

(Reference) Resort Business / PARADISE SEGASAMMY

SEGASammy

(KRW Billion)		FY2023/3 Q1	FY2023/3 Full year Results	FY2024/3 Q1
Sales		**45.6**	**270.5**	**91.2**
	Casino	**22.7**	**157.5**	**63.3**
	Hotel	**20.0**	**95.9**	**23.2**
	Other	**2.8**	**17.0**	**4.5**
Cost of sales		**45.7**	**234.1**	**74.1**
	Casino	**15.8**	**100.4**	**38.2**
	Hotel	**20.6**	**74.7**	**25.4**
	Other	**9.3**	**38.8**	**10.4**
Gross profit		**-0.1**	**36.4**	**17.1**
	SG&A	**5.6**	**27.9**	**7.2**
Operating profit		**-5.8**	**8.5**	**9.8**
EBITDA		**8.2**	**65.3**	**24.1**
Net profit		**-17.6**	**-33.9**	**2.6**
Number of casino visitors (Thousands)		**21.0**	**151.0**	**63.0**
				Source: Paradise IR
SEGASAMMY Equity method acquisition amount (Billion yen)		**-0.8**	**-1.8**	**0.0**

FY2024/3 Q1 Results

- **Recovered centered on Japanese VIP customers**
  - Casino sales recovered centered on Japanese VIP customers
  - High accommodation unit price and occupancy continued in hotel sales by capturing stay type travel demand in South Korea

Forecast

- **Expect the contribution to profit from equity in earnings of affiliates**
  - Casino sales are expected to continue to be driven by strong Japanese VIP customers, and a gradual recovery in Chinese VIP customers is also expected along with continuous recovery trend of international flights serving South 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

-27-

Here is about PARADISE SEGASAMMY in South Korea.

Since the inclusion of its performance in our financial results will be recorded with a three months delay, this is the results for the period from January to March 2023. With the gradual easing of travel restrictions to South Korea, casino sales continued to recover, especially among Japanese VIP customers. Regarding hotel sales, the hotel maintained a high occupancy rate and high ADR (Average Daily Rate) due to increased demand for stay type travel demand in South Korea and the implementation of a high unit-price strategy, resulting in a contribution to profit from equity in earnings of affiliates in Q1.

In the future, in addition to maintaining strong Japanese VIP customers in casino sales, we expect a gradual recovery in Chinese VIP customers, so we expect the contribution to profit from equity in earnings of affiliates in full year.

This is all from me. Thank you very much for your kind attention.

SEGASammy

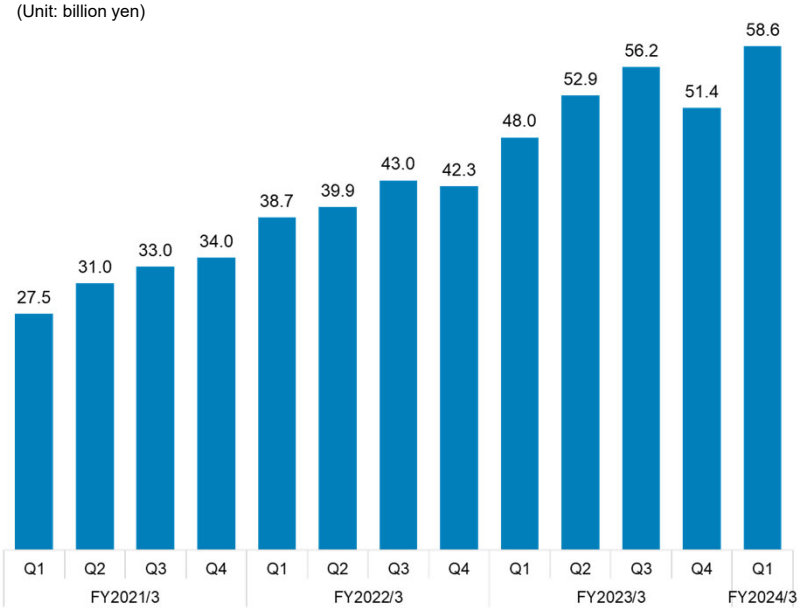
03

Appendix

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

SEGASammy

(Unit: billion yen)



Q1

- Balance has increased compared to the end of the same quarter in previous fiscal year due to fewer launch of new titles

FY2024/3 Forecast

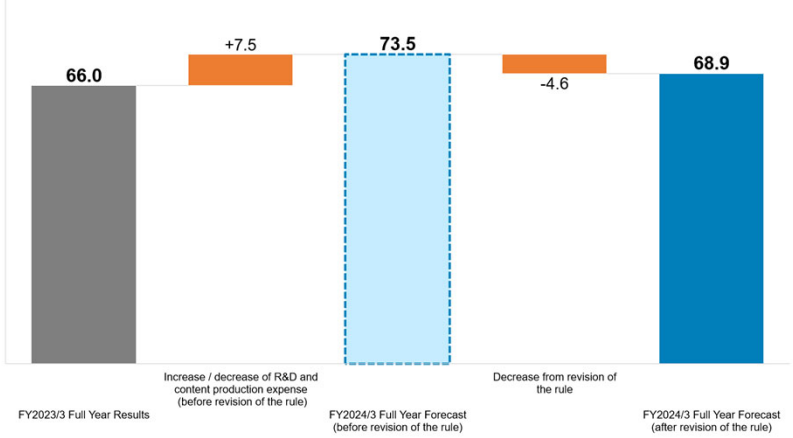
- Balance is expected to rise towards the 2nd half of the fiscal year when the launch of mainstay titles will proceed

-29-

Content Production Expenses: Revision of Amortization Rule

（Consumer area – Full Game）

(Unit: billion yen)



＜Increase / decrease of R&D and content production expenses＞

- Revised the amortization rule of content production expenses due to lengthening of product lifecycles
- Content development amortization expenses of Entertainment Contents business as a whole is expected to be reduced for approx. 4.6 billion yen in FY2024/3
- Since the launch of mainstay titles will proceed in the 2nd half of the fiscal year, R&D and content production expenses will rise in full year

*See P.7 for the details of R&D and content production expenses

***Recognition criteria of R&D and content production expenses (Full Game (CS))**

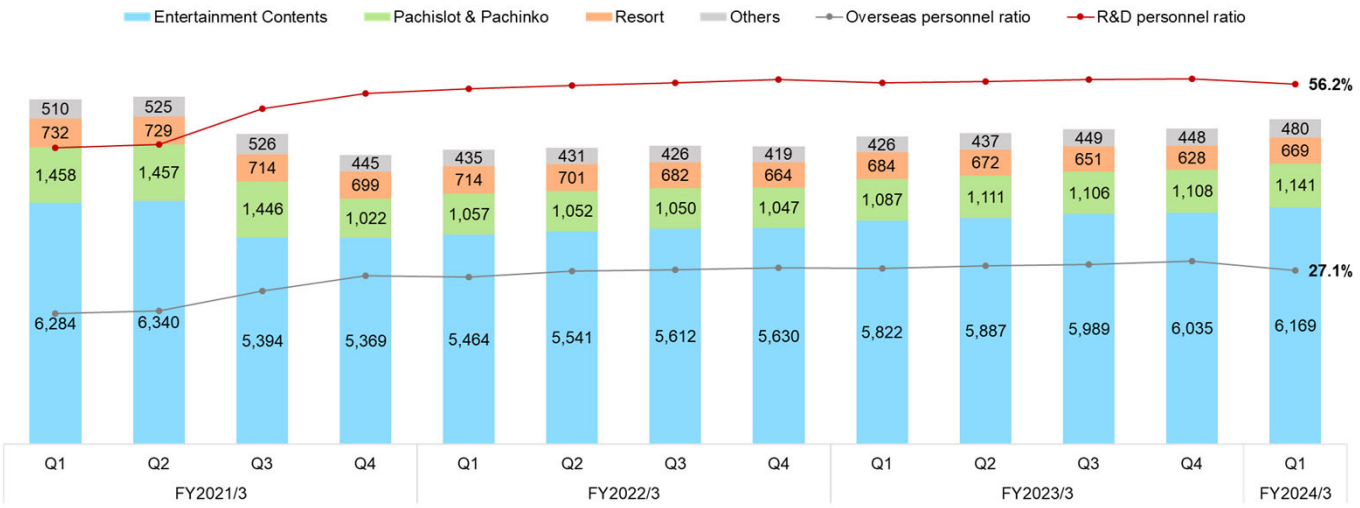
Expenses are capitalized as inventory assets or intangible assets during development and booked as expenses after launch.
25% will be amortized in first month and the rest will be amortized over a period of 23 months using the straight-line method (Total amortization period is 24 months)

*Full Game (CS) are anticipated to be sold for a longer period due to recent longer product lifecycle compared with conventional length, so we revised the amortization rule 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.

Trend of No. of Employees by Segment

SEGASammy

(Unit: employees)

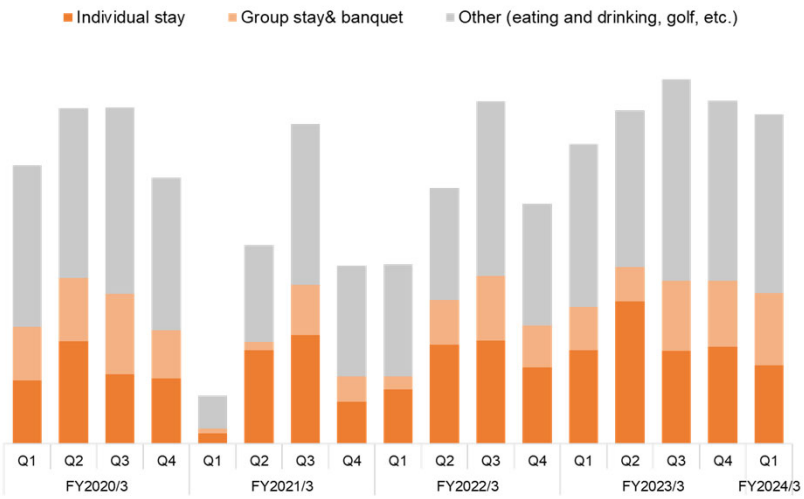


*No. of employees are the No. of full-time employees and permanent contract employees. Excludes the No. of temporary employees

Status of each facility: PHOENIX RESORT

SEGASammy

■ PHOENIX RESORT: Sales by type of facility users



FY2024/3 Q1 Results

- The number of group customers recovered following the holding of large-scale MICE such as international conferences and corporate events

Forecast

- In addition to capturing steady individual customer demand, the recovery of group customers is expected

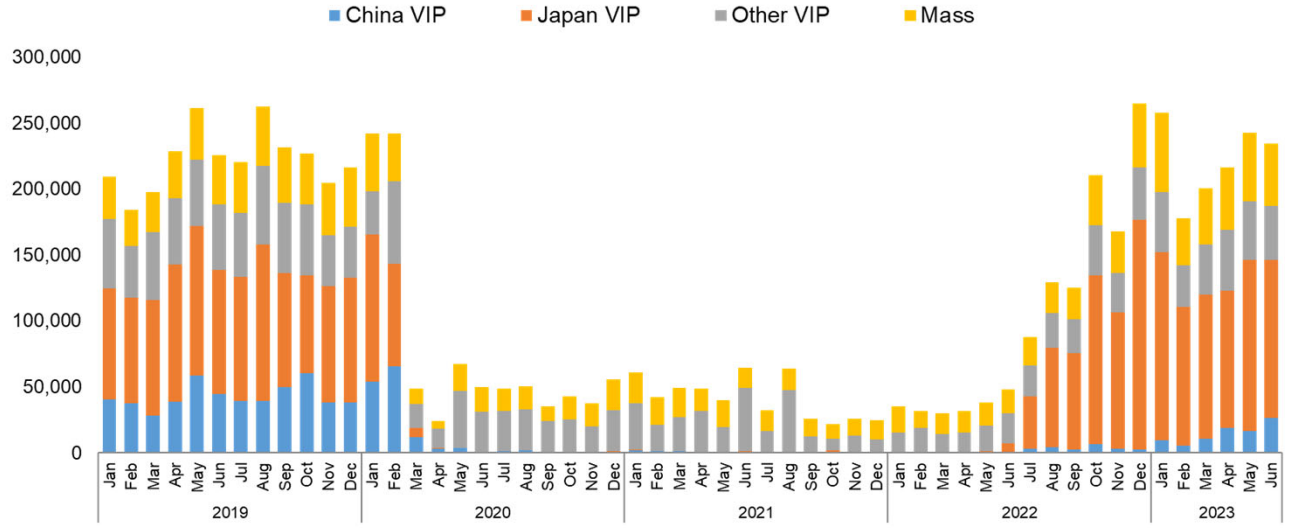
-32-

Status of each facility: PARADISE SEGASAMMY

SEGASammy

■ Trend of Drop amounts* at PARADISE CITY

(Unit: KRW million)



*Drop amounts = Purchased amount of chips

-33-

Repost: Concept of Investment in Growth (～FY2026/3) *announced on April 28, 2023

SEGASammy

■ Implemented investment in the following growth area

	Area of consideration for investment		Progress
Consumer Area Approx. ¥100.0 billion	**Strengthen development resources**	● Expansion of organic development pipeline ● Strengthen global mobile and online games	● **Establishment of SEGA Sapporo Studio** ● **Announced the implementation of TOB of Rovio Entertainment Oyj**
	Investment in new ecosystem	● Strengthen CRM functions to revitalize user communities ● Investment in newly emerging business areas	
Gaming Area Approx. ¥100.0 billion	**Careful assessment of investment opportunities in the gaming area**	● Online casino and sports betting overseas ● Land-based casinos overseas ● ~~Both domestic and overseas IR~~	● **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)	● Strengthen open innovation activities, including investment in start-up companies	● **Implement 18 new investments, approx. ¥3.0 billion** Exit from existing investment portfolio x 4 ● **Establishment of joint venture with PAPYLESS CO., LTD.** ● **"GAPOLI" service released**
	Creation of new business, acquisition of IPs, etc.		

Total ¥250.0 billion

-34-

Repost: Shareholder Returns

(Process of Determining the Amount of Return and Methods) *announced on April 28, 2023

SEGASammy

FY2024/3

Q1 → Q2 → Q3 → Q4

- Q1: FY2023/3 Results Announcement
- Q2: Q1 Results Announcement
- Q3: Q2 Results Announcement
- Q4: Q3 Results Announcement

Initial forecast (announced in April)

DOE3% or more = 47 yen per year (Interim 23 yen/Year-end 24 yen)

Interim dividends (Q2 results announcement)

In principle, decide interim dividend in accordance with the DOE 3% standard

- Setting dividends forecast at the beginning of fiscal year using DOE 3% as base dividend

FY2025/3

Q1

FY2024/3 Results Announcement

Share buybacks (if implemented)

Year-end dividend

Resolve return amount and method for year-end (Results announcement)

Determine return amount and method for year-end

[Basic policy of shareholder return]
DOE: 3% or more, Total return ratio: 50% or more

- **Calculate the amount of shareholder returns in accordance with the profit level based on the basic policy of shareholder returns when the full-year business results are fixed**
  - Apply DOE or total return ratio, whichever is higher
  - Implement shareholder returns through dividends or share buybacks

-35-

https://www.segasammy.co.jp/ja/ir/

Cautionary Statement for Investors and Shareholders with Respect to 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 its subsidiary, SEGA SAMMY CREATION INC., and Sega Sammy Creation USA Inc., a wholly owned subsidiary of SEGA SAMMY CREATION INC., (collectively, the "Operating 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 Gaming Statutes and Regulations can be found on the Company's corporate website: https://www.segasammy.co.jp/en/ir/stock/regulation/
The Operating Subsidiaries have also been licensed as manufacturers and distributors of gaming devices in multiple countries, states, and regions other than the State of Nevada (collectively, the "Other Regions"). In addition to the foregoing, the Company's shareholders may be subject to the same or similar restrictions as in the State of Nevada under the statutes of the Other Regions or the regulations of the gaming authorities of such Other Regions.

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 orregistered trademarks of the respective companies