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.

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FY2024/3 Full-year Results
## Financial Highlights

### FY2024/3 Full-year Results

- **Ordinary income increased, driven by Pachislot and Pachinko Machines, Japan and Asia CS*, and Resort**
  - Ordinary income increased due to steady performance of Pachislot and Pachinko, Japan and Asia CS, Pachislot and Pachinko Machines Business, and Resort Business

- **Recorded losses associated with structural reform in Europe and tax expenses increased**
  - Profit attributable to owners of parent decreased due to loss from structural reform in Europe and increase in tax expenses etc., which had been low in the previous fiscal year, etc., because of the decrease in taxable income from net loss carried forward etc.

- **Decided to increase year-end dividends and acquisition of treasury stocks**
  - *See P. 4 for details

### Financial Highlights (Billion yen)

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2022/3 Full Year Results</th>
<th>FY2023/3 Full Year Results</th>
<th>FY2024/3 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>320.9</td>
<td>389.6</td>
<td>467.8</td>
</tr>
<tr>
<td>Entertainment Contents</td>
<td>235.9</td>
<td>282.8</td>
<td>318.0</td>
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<tr>
<td>Pachislot and Pachinko Machines</td>
<td>75.8</td>
<td>94.2</td>
<td>135.9</td>
</tr>
<tr>
<td>Resort</td>
<td>8.6</td>
<td>11.5</td>
<td>12.3</td>
</tr>
<tr>
<td>Other / Elimination</td>
<td>0.6</td>
<td>1.1</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td><strong>32.0</strong></td>
<td><strong>46.7</strong></td>
<td><strong>56.8</strong></td>
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<tr>
<td>Entertainment Contents</td>
<td>33.9</td>
<td>38.7</td>
<td>28.9</td>
</tr>
<tr>
<td>Pachislot and Pachinko Machines</td>
<td>9.3</td>
<td>20.0</td>
<td>41.2</td>
</tr>
<tr>
<td>Resort</td>
<td>-2.5</td>
<td>-1.1</td>
<td>-0.9</td>
</tr>
<tr>
<td>Other / Elimination</td>
<td>-8.7</td>
<td>-10.9</td>
<td>-12.4</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>5.9</td>
<td>4.9</td>
<td>6.8</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>4.6</td>
<td>2.2</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td><strong>33.3</strong></td>
<td><strong>49.4</strong></td>
<td><strong>59.7</strong></td>
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<tr>
<td>Entertainment Contents</td>
<td>36.8</td>
<td>41.1</td>
<td>30.7</td>
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<tr>
<td>Pachislot and Pachinko Machines</td>
<td>10.2</td>
<td>20.7</td>
<td>41.8</td>
</tr>
<tr>
<td>Resort</td>
<td>-6.7</td>
<td>-3.2</td>
<td>0.0</td>
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<tr>
<td>Other / Elimination</td>
<td>-7.0</td>
<td>-9.2</td>
<td>-12.8</td>
</tr>
<tr>
<td><strong>Ordinary Income Margin</strong></td>
<td><strong>10.4%</strong></td>
<td><strong>12.7%</strong></td>
<td><strong>12.8%</strong></td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>5.2</td>
<td>0.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Extraordinary losses</td>
<td>0.6</td>
<td>2.4</td>
<td>19.2</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td><strong>37.9</strong></td>
<td><strong>47.0</strong></td>
<td><strong>41.8</strong></td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td><strong>0.9</strong></td>
<td><strong>1.1</strong></td>
<td><strong>8.8</strong></td>
</tr>
<tr>
<td>Profit attributable to owners of parent</td>
<td><strong>37.0</strong></td>
<td><strong>45.9</strong></td>
<td><strong>33.0</strong></td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td><strong>12.7%</strong></td>
<td><strong>14.7%</strong></td>
<td><strong>9.6%</strong></td>
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<tr>
<td><strong>EPS (JPY)</strong></td>
<td><strong>158.85</strong></td>
<td><strong>208.07</strong></td>
<td><strong>150.75</strong></td>
</tr>
</tbody>
</table>

*FY2025 forecast will be explained from P. 23

*CS = Consumer area
Shareholder Returns: FY2024/3 Results and FY2025/3 Forecast

[Trend of shareholder return amounts]

- Share buyback amount
- Total dividend amount

<table>
<thead>
<tr>
<th>FY2018/3</th>
<th>FY2019/3</th>
<th>FY2020/3</th>
<th>FY2021/3</th>
<th>FY2022/3</th>
<th>FY2023/3</th>
<th>FY2024/3</th>
<th>FY2025/3 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.37 bil. yen</td>
<td>9.38 bil. yen</td>
<td>9.39 bil. yen</td>
<td>7.05 bil. yen</td>
<td>39.15 bil. yen</td>
<td>23.02 bil. yen</td>
<td>20.91 bil. yen</td>
<td>10.70 bil. yen</td>
</tr>
</tbody>
</table>

*1 Purchase period: Nov. 9, 2021-Apr. 19, 2022
*2 Purchase period: May 1, 2023-Dec. 22, 2023
*3 Purchase period: May 13, 2024-Mar. 31, 2025

- Dividends per share*: Interim: 20 yen Year-end: 20 yen
- DOE**: 3% or more
- Total return ratio**: 50% or more

* Dividends on Equity (DOE) = dividend amount / net asset
** Total return ratio = (total dividend amount + total amount of share buybacks) / net income

(Total return ratio is calculated as a percentage of the share price at the beginning of the fiscal year and the share price at the end of the fiscal year.)
Shareholder return policy and return amount of FY2024/3

We set DOE (Dividend on equity ratio) 3% or more, or the total return ratio of 50% or more, whichever is higher as the basis for shareholder return and return through dividends or share buybacks. In accordance with this policy, we have decided to pay annual dividend of 50 yen (of which, 23 yen for interim and 27 yen for year-end), and in addition, we have decided to acquire our treasury stocks with the upper limit of 10.0 billion yen for the fiscal year ended March 2024. As a result, total shareholder returns were approximately 20.9 billion yen (breakdown: approximately 10.9 billion yen for dividends and 10.0 billion yen (upper limit) for acquisition of treasury stocks) and a total return ratio was approximately 63.3% for the fiscal year ended March 2024.

Dividend forecast for FY2025/3

Since the initial dividend forecast is provisionally calculated based on a DOE 3%, as the annual dividend forecast for the fiscal year ending March 2025 is expected to be 50 yen (of which, 25 yen for interim and 25 yen for year-end) which is expected to result in shareholder return amounts of approximate 10.7 billion yen. For reference, if return will be calculated with total return ratio of 50%, as the net income attributable to owners of parent in the operating results forecast for the fiscal year ending March 31 2025 announced today is 39.0 billion yen, the return amount in this case would be approximately 19.5 billion yen. *The actual amount of shareholder returns, and the method of return may change depending on the progress of business performance and other factors.

[Process of Determining the Amount of Return and Methods]

<table>
<thead>
<tr>
<th>FY2025/3</th>
<th>FY2026/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Q1 Results Announcement</td>
</tr>
<tr>
<td>Q2</td>
<td>Q2 Results Announcement</td>
</tr>
<tr>
<td>Q3</td>
<td>Q3 Results Announcement</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
</tr>
</tbody>
</table>

Interim dividends (Q2 results announcement)

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

Initial forecast (announced in May)

DOE 3% or more = 50 yen per year (Interim 25 yen/Year-end 25 yen)

- Setting dividends forecast at the beginning of fiscal year using DOE 3% as base dividend
- Calculate the amount of shareholder returns in accordance with the profit level based on the basic policy of shareholder returns when the full-year results are fixed
  - Apply DOE or total return ratio, whichever is higher
  - Implement shareholder returns through dividends or share buybacks

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 results are fixed
  - Apply DOE or total return ratio, whichever is higher
  - Implement shareholder returns through dividends or share buybacks

*The actual amount of shareholder returns, and the method of return may change depending on the progress of business performance and other factors.*
Topics: Regarding the Structural Reform in Consumer Area

PL impact amount for FY2024/3: **24.4 billion yen in total** (Cost of sales: 6.6 billion yen, extraordinary losses: 17.8 billion yen)

Implemented in order to promptly adapt to changes in the business environment and improve profitability from the lowered profitability caused by rapid changes in the business environment in the European region

<table>
<thead>
<tr>
<th><strong>1</strong></th>
<th>Review of medium-term lineup</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Re-evaluation of asset value of titles</td>
<td></td>
</tr>
<tr>
<td>● Cancelation of some titles including HYENAS</td>
<td></td>
</tr>
<tr>
<td>Approx. 6.6 billion yen (cost of sales)</td>
<td></td>
</tr>
<tr>
<td>Approx. 9.2 billion yen (extraordinary loss)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>2</strong></th>
<th>Optimization of fixed expenses, Improvement of investment efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Reduction of fixed expenses through reduction of headcount and offices</td>
<td></td>
</tr>
<tr>
<td>Approx. 4.0 billion yen (extraordinary loss)</td>
<td></td>
</tr>
<tr>
<td>● Transfer of shares of Relic Entertainment Inc.</td>
<td></td>
</tr>
<tr>
<td>Approx. 4.4 billion yen (extraordinary loss)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>3</strong></th>
<th>Review of development/sales structure and management system</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Establishment of &quot;Chief Revenue Officer&quot;</td>
<td></td>
</tr>
<tr>
<td>● Enhancement of development process (quality and marketability assessment with objectivity)</td>
<td></td>
</tr>
<tr>
<td>● Comprehensive review of organizational structure of European region</td>
<td></td>
</tr>
</tbody>
</table>
Transfer all shares of PHOENIX RESORT to Fortress Investment Group

● Background of transfer
Since we made PHOENIX RESORT (“Phoenix”) our wholly owned subsidiary in 2012, we have worked closely with Phoenix to enhance its corporate value. As a result, starting with the fiscal year ended March 2023, Phoenix achieved the largest sales and operating income turnaround since joining our group for two consecutive fiscal years.
As the measures to further increase its corporate value, we have decided to bring in Fortress Investment Group LLC (“Fortress”) who has extensive experience and knowledge in the hotel and resort business, as a strategic partner and have Fortress take the lead in Phoenix's operations.

● Future Outlook
Acquire newly issued class shares and holding 20% of Phoenix's voting rights
Continue to support Phoenix's further increase its corporate value based on the strategic partnership agreement with Fortress

● Impact on business performance
Expect to record gain of approximately 8.5 billion yen from the transfer of shares as extraordinary income in FY2025/3
Breakdown of Income (FY2024/3 Full-year Results)

(Unit: Billion yen)

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

**Non-operating income**
- Equity in earnings of affiliates: 2.0
- Interest income: 1.9
- Gain on investments in partnership: 1.4

**Non-operating expenses**
- Commission fee: 1.2
- Loss on investments in partnership: 0.9
- Interest expenses: 0.7
- Foreign exchange losses: 0.4

**Extraordinary Income**
- 1.3

**Extraordinary losses**
- 19.2
- Loss on business restructuring: 17.8

**Taxes/Others**
- 8.6
### Entertainment Contents

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2022/3 Full Year Results</th>
<th>FY2023/3 Full Year Results</th>
<th>FY2024/3 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D / Content production expenses</td>
<td>54.4</td>
<td>66.0</td>
<td>83.1</td>
</tr>
<tr>
<td>Advertising expenses</td>
<td>14.2</td>
<td>20.7</td>
<td>31.6</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3.7</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Cap-ex</td>
<td>7.3</td>
<td>5.9</td>
<td>5.6</td>
</tr>
</tbody>
</table>

- R&D expenses / content production expenses increased
  - Consolidation of expenses at Rovio
  - Recording of losses due to write-downs
- Advertising expenses increased
  - Consolidation of expenses at Rovio

### Pachislot & Pachinko

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2022/3 Full Year Results</th>
<th>FY2023/3 Full Year Results</th>
<th>FY2024/3 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D / Content production expenses</td>
<td>14.4</td>
<td>14.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Advertising expenses</td>
<td>1.6</td>
<td>1.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2.7</td>
<td>2.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Cap-ex</td>
<td>4.1</td>
<td>4.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

- R&D expenses / content production expenses increased
  - Recording of losses due to write-downs in peripheral business
- Advertising expenses increased
  - Implemented the promotion of mainstay titles

---

*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)

*Titles released by FY2022/3 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.*
## Consolidated Balance Sheet Summary

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>[Assets]</th>
<th>[Liabilities and Net Assets]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account</td>
<td>As of end of Mar. 2023</td>
<td>As of end of Mar. 2024</td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>179.5</td>
<td>211.7</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>53.3</td>
<td>54.2</td>
</tr>
<tr>
<td>Securities</td>
<td>-</td>
<td>8.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>89.4</td>
<td>81.7</td>
</tr>
<tr>
<td>Other</td>
<td>31.6</td>
<td>39.4</td>
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<tr>
<td>Total Current Assets</td>
<td>353.8</td>
<td>395.0</td>
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<tr>
<td>Tangible Fixed Assets</td>
<td>60.4</td>
<td>60.0</td>
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<tr>
<td>Intangible Fixed Assets</td>
<td>13.2</td>
<td>92.2</td>
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<tr>
<td>Goodwill (included in Intangible Fixed Assets)</td>
<td>2.5</td>
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<tr>
<td>Trademark right (same as above)</td>
<td>0.0</td>
<td>47.5</td>
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<tr>
<td>Investment Securities</td>
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<td>49.8</td>
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<tr>
<td>Other</td>
<td>34.6</td>
<td>56.9</td>
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<tr>
<td>Non-controlling interests</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Total Noncurrent Assets</td>
<td>147.7</td>
<td>258.9</td>
</tr>
<tr>
<td>Total Assets</td>
<td>501.5</td>
<td>653.9</td>
</tr>
</tbody>
</table>

### Main factors for increase/decrease

- **(Assets)**
  - Securities goodwill and trademark right increased due to the inclusion of Rovio Entertainment Corporation (Rovio) in the scope of consolidation
  - Goodwill (included in Intangible Fixed Assets) increased

- **(Liabilities)**
  - Long term borrowings increased related to the acquisition of Rovio

- **(Net assets)**
  - Shareholders equity increased mainly due to the recording of profit attributable to owners of parent, despite the payment of dividends and implementation of share buyback
  - In addition, foreign currency exchange adjustments increased
## Consolidated Cash Flows

### Cash and cash equivalents

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of FY2023/3</td>
<td>179.5</td>
</tr>
<tr>
<td>End of FY2024/3</td>
<td>219.8</td>
</tr>
</tbody>
</table>

### Cash Flows from Operating Activities

- **Income before income taxes**: +41.8
- **Depreciation and amortization**: +13.5
- **Income taxes paid**: -12.5
- **Others**: +23.0

### Cash Flows from Investing Activities

- **Purchase of shares of subsidiaries**: -81.7
- **Payments for investments in capital**: -12.9
- **Others**: -18.9

### Cash Flows from Financing Activities

- **Proceeds from long-term borrowings**: +122.0
- **Repayment of long-term borrowings**: -17.0
- **Purchase of treasury stock**: -10.0
- **Cash dividends paid**: -13.6
- **Others**: -1.7

(Unit: billion yen)
Per Segments Results
Sales increased due to steady performance of Japan and Asia CS*, and Rovio's entry into the group

Profit decreased mainly due to weak performance of CS in Europe

[Consumer]

- Steady sales of new titles in Full Game from Japan studios and repeat sales of titles released in the previous fiscal year
- Incorporated Rovio's results from Sep. 2023
- Promptly implemented structural reform since the profitability in European region has been lowered

---

**FY2024/3 Full-year Results**

- Sales increased due to steady performance of Japan and Asia CS*, and Rovio's entry into the group
- Profit decreased mainly due to weak performance of CS in Europe

**[Consumer]**

- Steady sales of new titles in Full Game from Japan studios and repeat sales of titles released in the previous fiscal year
- Incorporated Rovio's results from Sep. 2023
- Promptly implemented structural reform since the profitability in European region has been lowered

---

"CS = Consumer area"
Like a Dragon: Infinite ∞ Wealth (Jan. 26, 2024)

- Metascore: **89**
- Achieved its global cumulative sales of 1 million units* in first week after launch

*Calculated by SEGA internally. The unit sales are the total number of physical units shipped to retailers and downloadable units sold to consumers, across sales on all platforms.

Persona 3 Reload (Feb. 2, 2024)

- Metascore: **87**
- Achieved its global cumulative sales of 1 million units* in first week after launch, the fastest ever in Atlus titles

*The total number of physical units shipped to retailers and downloadable units sold worldwide.

*Dates in () to the right of the title are the release dates

*Metascore as of May 9, 2024
Unicorn Overlord (Mar. 8, 2024)

- Metascore: 87
- Achieved its global cumulative sales* of 500K units

*The total number of physical units shipped to retailers and downloadable units sold worldwide

Football Manager 2024 (Nov. 7, 2023)

- Metascore: 84
- Global cumulative number of players: 9 million*

*Calculated by SEGA internally. The number of players is the total number of users who play on the physical version, the downloadable version, all deployed platforms, and various subscription services.

*Dates in () to the right of the title are the release dates
*Metascore as of May 9, 2024
Consumer Area / Full Game: Sales Trend

(Unit: billion yen)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY2021/3</th>
<th>FY2022/3</th>
<th>FY2023/3</th>
<th>FY2024/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2.0</td>
<td>12.3</td>
<td>25.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Q2</td>
<td>3.2</td>
<td>7.6</td>
<td>8.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Q3</td>
<td>8.9</td>
<td>6.4</td>
<td>8.6</td>
<td>7.3</td>
</tr>
<tr>
<td>Q4</td>
<td>6.1</td>
<td>3.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Q1</td>
<td>13.0</td>
<td>6.7</td>
<td>7.0</td>
<td>5.8</td>
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<tr>
<td>Q2</td>
<td>13.1</td>
<td>6.5</td>
<td>7.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Q3</td>
<td>11.5</td>
<td>4.0</td>
<td>12.2</td>
<td>8.6</td>
</tr>
<tr>
<td>Q4</td>
<td>2.1</td>
<td>7.7</td>
<td>2.5</td>
<td>3.7</td>
</tr>
</tbody>
</table>

New Titles
Repeat
### Consumer Area / F2P: Sales Trend

**Project SEKAI COLORFUL STAGE feat. Hatsune Miku**

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHANTASY STAR ONLINE 2 (2012/7~)</td>
<td></td>
<td></td>
<td>15.5</td>
<td></td>
<td></td>
<td>15.0</td>
<td></td>
<td></td>
<td>15.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEGA NET MAHJONG MJ (2013/7~)</td>
<td></td>
<td>13.7</td>
<td></td>
<td></td>
<td></td>
<td>15.6</td>
<td></td>
<td></td>
<td>15.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW GENESIS</td>
<td></td>
<td></td>
<td>14.7</td>
<td></td>
<td></td>
<td>16.2</td>
<td></td>
<td></td>
<td>15.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2021/3</td>
<td>11.1</td>
<td>12.4</td>
<td>13.1</td>
<td>14.4</td>
<td>12.5</td>
<td>14.4</td>
<td>13.2</td>
<td>13.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Unit: billion yen)

- Titles released in FY2024/3
- Titles released in FY2022/3
- Titles released in FY2021/3
- Titles released in FY2020/3
- Titles released in FY2019/3
- Titles released in or before FY2018/3
(Reference) Sales by Titles of Rovio

*Rovio applies December fiscal year end
*Created by Rovio
## FY2024/3 Full-year Results

- **Significant increase in sales and profit from the previous fiscal year**
  - Strong sales centered on pachislot
  - Moved the installation timing of some titles to the next fiscal year
  - Major titles sold:
    - *Smart Pachislot Hokuto No Ken*
    - *P Hokuto No Ken Bokyosei*, etc.

### (Billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2022/3 Full Year Results</th>
<th>FY2023/3 Full Year Results</th>
<th>FY2024/3 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>75.8</td>
<td>94.2</td>
<td>135.9</td>
</tr>
<tr>
<td>Pachislot</td>
<td>30.6</td>
<td>41.0</td>
<td>88.7</td>
</tr>
<tr>
<td>Pachinko</td>
<td>37.1</td>
<td>44.2</td>
<td>35.5</td>
</tr>
<tr>
<td>Other / Elimination</td>
<td>8.1</td>
<td>9.0</td>
<td>11.7</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td>41.2</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>1.0</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td></td>
<td></td>
<td>41.8</td>
</tr>
<tr>
<td>Ordinary Income Margin</td>
<td>13.5%</td>
<td>22.0%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

### Pachislot

- **Number of Titles**: 10 titles
- **Unit Sales (units)**: 77,870

### Pachinko

- **Number of Titles**: 5 titles
- **Unit Sales (units)**: 97,027
  - Board + Frame: 56,728
  - Board: 40,299

New series are counted as one title
(Titles which installation started from previous FY, specification changed titles, etc. are not included)
Smart Titles in FY2024/3

- Introduced the products supported by users for both pachislot and pachinko

**Smart Pachislot Hokuto No Ken**
- Initial installation: Apr. 2023
- Cumulative installed units: 84K units (As of end of Mar. 2024)
  *Of the above, approx. 5K units were delivered in advance during FY2023/3*
- Contributed weeks in utilization*: 57 weeks
  (still contributing)

**P Hokuto No Ken Bokyosei**
- Initial installation: May 2023
- Cumulative installed units: 18K units (As of Mar, 2024)
- Contributed weeks in utilization*: 52 weeks
  (still contributing)

---

*Contributed weeks in utilization: Indicator used to decide whether each machine’s weekly utilization is over/below average weekly utilization of the whole market. In-house estimation.
Resort Business

FY2024/3 Full-year Results

- Achieved profitability at the ordinary income level
  - **PHOENIX RESORT:**
    - Optimization of unit prices for room and recovery of group customers led to a second consecutive year of positive operating income
  - **PARADISE SEGASAMMY:**
    - Contributed to profit with equity method acquisition as casino revenues and hotel occupancy remained at high levels

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2022/3 Full Year Results</th>
<th>FY2023/3 Full Year Results</th>
<th>FY2024/3 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8.6</td>
<td>11.5</td>
<td>12.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-2.5</td>
<td>-1.1</td>
<td>-0.9</td>
</tr>
<tr>
<td>Non-operating income</td>
<td>0.0</td>
<td>0.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>4.1</td>
<td>2.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>-6.7</td>
<td>-3.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Ordinary Income Margin</td>
<td>-</td>
<td>-</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

<PHOENIX RESORT>

<table>
<thead>
<tr>
<th>No. of facility users (Thousands)</th>
<th>760</th>
<th>946</th>
<th>898</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 accommodation facilities</td>
<td>308</td>
<td>394</td>
<td>360</td>
</tr>
<tr>
<td>2 golf courses</td>
<td>94</td>
<td>103</td>
<td>102</td>
</tr>
<tr>
<td>Other facilities</td>
<td>358</td>
<td>449</td>
<td>436</td>
</tr>
</tbody>
</table>
FY2024/3 Full-year Results

- Recorded highest operating income and EBITDA since the opening of facility
- Contributed to profit with equity method acquisition
  - Recovery of casino sales progressed centered on Japanese VIP customers
  - Hotel sales continued to achieve high room rates and occupancy by capturing the demand for stay type travel in South Korea

<table>
<thead>
<tr>
<th>(KRW Billion)</th>
<th>FY2022/3 Full year Results</th>
<th>FY2023/3 Full year Results</th>
<th>FY2024/3 Full year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>161.5</td>
<td>270.5</td>
<td>448.7</td>
</tr>
<tr>
<td>Casino</td>
<td>86.6</td>
<td>157.5</td>
<td>327.9</td>
</tr>
<tr>
<td>Hotel</td>
<td>67.7</td>
<td>95.9</td>
<td>100.3</td>
</tr>
<tr>
<td>Other</td>
<td>7.0</td>
<td>17.0</td>
<td>20.4</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>178.2</td>
<td>234.1</td>
<td>353.1</td>
</tr>
<tr>
<td>Casino</td>
<td>63.7</td>
<td>100.4</td>
<td>193.4</td>
</tr>
<tr>
<td>Hotel</td>
<td>81.9</td>
<td>94.2</td>
<td>112.1</td>
</tr>
<tr>
<td>Other</td>
<td>32.4</td>
<td>39.4</td>
<td>47.6</td>
</tr>
<tr>
<td>Gross profit</td>
<td>-16.7</td>
<td>36.4</td>
<td>95.5</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>25.4</td>
<td>27.9</td>
<td>39.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>-42.2</td>
<td>8.5</td>
<td>56.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>14.9</td>
<td>65.3</td>
<td>103.7</td>
</tr>
<tr>
<td>Net profit</td>
<td>-87.9</td>
<td>-33.9</td>
<td>28.0</td>
</tr>
<tr>
<td>Number of casino visitors (Thousands)</td>
<td>99</td>
<td>151</td>
<td>297</td>
</tr>
</tbody>
</table>

Source: Paradise IR

SEGASAMMY Equity method acquisition amount (Billion yen) -4.1 -1.8 0.9

*PARADISE SEGASAMMY is an equity-method affiliate of the Company
*PARADISE SEGASAMMY is recorded 3 months late to the Company as it applies December fiscal year end
*Local accounting standards
03

FY2025/3 Forecast
Changes Associated with the Start of New Medium-term Plan

Changes in segment

- Making “Gaming Business” as a new segment
  - Entering the online gaming market in North America, which is expected to grow further in the future, and aiming to establish it as the third pillar of our business
  - “Gaming Business” includes below
    - Online gaming, development, manufacturing, and sale of slot machines by SEGA SAMMY CREATION, operation business of integrated resort facility by PARADISE SEGASAMMY, etc.

- Reorganization of subsegment within Entertainment Contents Business
  - The “Amusement Machine” and “Toys” areas are combined and renamed “AM & TOY”, associated with the establishment of SEGA FAVE CORPORATION
  - Changes the “Animation”, which is a growth area, as an independent subsegment

Notice regarding the establishment of SEGA FAVE CORPORATION: https://www.segasammy.co.jp/en/release/44213/
Change in management indicator

- Change management indicator to Adjusted EBITDA from Ordinary Income
  - Background of change: As it is easy to compare with global companies and is an appropriate measure of the substantial business profitability

<table>
<thead>
<tr>
<th>Items</th>
<th>Breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>Ordinary income + Interest expenses + Depreciation and amortization ± Adjustment items*</td>
</tr>
</tbody>
</table>
| *Adjustment items | + Extraordinary income of business  
                      - Extraordinary losses of business (Impairments, title write-downs, etc.)  
                      - Profit attributable to non-controlling interests  
                      + Goodwill and trademark right amortization associated with M&A |

- Continue to use ROE as an indicator
Changes Associated with the Start of New Medium-term Plan

[Break down of adjustment items in FY2024/3 results]

(Unit: billion yen)

<table>
<thead>
<tr>
<th>Item</th>
<th>FY2024/3 EBITDA</th>
<th>Adjustment items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expenses</td>
<td>-19.2</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>+3.6</td>
<td></td>
</tr>
<tr>
<td>Extraordinary income of business</td>
<td>+1.3</td>
<td></td>
</tr>
<tr>
<td>Extraordinary losses of business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to non-controlling interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill and trademark right amortization associated with M&amp;A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Ordinary Income                | 59.7            |
| EBITDA                          | 68.9            |
| Adjusted EBITDA                | 54.7            |
## FY2025/3 Forecast (Whole group)

<table>
<thead>
<tr>
<th></th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>467.8</td>
<td>445.0</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-operating income</td>
<td>6.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>3.9</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment Contents</td>
<td>30.8</td>
<td>40.0</td>
</tr>
<tr>
<td>Pachislot and Pachinko Machines</td>
<td>41.9</td>
<td>23.5</td>
</tr>
<tr>
<td>Gaming</td>
<td>-0.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Other / Elimination</td>
<td>-12.6</td>
<td>-14.0</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment Contents</td>
<td>22.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Pachislot and Pachinko Machines</td>
<td>44.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Gaming</td>
<td>-0.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>Other / Elimination</td>
<td>-11.3</td>
<td>-13.0</td>
</tr>
<tr>
<td>Extraordinary income</td>
<td>1.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Extraordinary losses</td>
<td>19.2</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>41.8</td>
<td>56.0</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>8.6</td>
<td>17.0</td>
</tr>
<tr>
<td><strong>Profit attributable to owners of parent</strong></td>
<td>33.0</td>
<td>39.0</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>9.6%</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS (JPY)</strong></td>
<td>150.75</td>
<td>180.54</td>
</tr>
</tbody>
</table>

*Retroactive FY2024/3 results are approximate value (unaudited)

### FY2025/3 Forecast

- **Sales decreased YoY due to a reactionary decline in Pachislot & Pachinko and the transfer of PHOENIX RESORT**
- **Adjusted EBITDA increased YoY due to profit increase in Entertainment Contents**
  - Entertainment Contents: Expect the increase in sales and profits YoY, centered on Full Game (CS’)
  - Pachislot & Pachinko: Expect the decrease in sales and profits YoY due to a reactionary decline in Pachislot
- **Expect to record extraordinary income associated with the transfer of PHOENIX RESORT**

### Exchange rate in initial forecast for FY2025/3

- 1USD = 137 yen
- 1GBP = 190 yen
- 1Euro = 161 yen

*CS = Consumer area
FY2025/3 Forecast (per Segment)

**[Entertainment Contents]**

- **Expect the increase in sales and profits YoY due to growth in the Consumer area**
  - Repeat sales expect to be high level since FY2021/3 (CS*)
  - F2P expects to grow driven by global mobile titles (CS)
  - Expect the increase in sales and profits YoY in AM*&TOY due to the increase in sales of prize products (AM*)

**[Pachislot & Pachinko]**

- **Expect the decrease in sales and profits YoY due to a reactionary decline centered on Pachislot**
  - Pachislot: Expect the reactionary decline from the strong sales of *Smart Pachislot Hokuto No Ken* in previous fiscal year
  - Pachinko: Unit sales increase from the previous fiscal year due to the introduction of *e Hokuto No Ken 10*, our first smart pachinko, and other factors

---

FY2025/3 Forecast

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>318.7</td>
<td>335.0</td>
</tr>
<tr>
<td>Consumer</td>
<td>224.0</td>
<td>235.0</td>
</tr>
<tr>
<td>Animation</td>
<td>22.9</td>
<td>23.5</td>
</tr>
<tr>
<td>Amusement Machine &amp; toy</td>
<td>71.8</td>
<td>76.5</td>
</tr>
</tbody>
</table>

**Operating Income**

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>21.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Animation</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Amusement Machine &amp; toy</td>
<td>2.3</td>
<td>6.0</td>
</tr>
</tbody>
</table>

**Ordinary Income**

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.8</td>
<td>40.0</td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted EBITDA**

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>22.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>

**Full Game**

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>New titles</td>
<td>55.0</td>
<td>53.3</td>
</tr>
<tr>
<td>Repeat titles</td>
<td>33.0</td>
<td>39.6</td>
</tr>
</tbody>
</table>

**F2P**

<table>
<thead>
<tr>
<th>(Billion yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>53.9</td>
<td></td>
<td>56.9</td>
</tr>
</tbody>
</table>

**Full Game: Unit sales (Thousand)**

<table>
<thead>
<tr>
<th>(Thousand)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>New titles</td>
<td>92.3</td>
<td>91.9</td>
</tr>
<tr>
<td>Repeat titles</td>
<td>186.6</td>
<td>204.8</td>
</tr>
</tbody>
</table>

**Pachislot & Pachinko**

<table>
<thead>
<tr>
<th>(Million yen)</th>
<th>FY2024/3 Full Year Results*</th>
<th>FY2025/3 Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>133.2</td>
<td>105.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>41.6</td>
<td>23.0</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>41.9</td>
<td>23.5</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>44.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Pachislot Unit Sales (units)</td>
<td>180,090</td>
<td>107,000</td>
</tr>
<tr>
<td>Pachinko Unit Sales (units)</td>
<td>88,236</td>
<td>115,000</td>
</tr>
</tbody>
</table>

*CS = Consumer area, AM = Amusement Machine

* Retroactive FY2024/3 results are approximate value (unaudited)
### FY2024/3 Results

#### Consumer
- **Full Game**
  - Steady performance of new titles and repeat sales from Japan studios
  - Recorded losses due to write-downs associated with structural reforms in Europe

- **F2P**
  - Existing titles performed as expected

- **Other**
  - Incorporation of Rovio’s performance
  - Recorded license revenue from subscription services
  - Recorded revenues from IP licensing, etc.

#### Amusement Machine
- **Animation**
  - Sales centered on *UFO Catcher®* series and prizes

#### Animation / Toy
- **Animation**
  - Recorded allocated revenue of movie, *DETECTIVE CONAN: Black Iron Submarine*
  - Recorded license and other revenues associated with video production, distribution, etc.

- **Toy**
  - Weak sales throughout the year
  - Recorded loss due to inventory write-downs at the end of the fiscal year

### FY2025/3 Forecast

#### Consumer
- **Full Game**
  - Release a new title of Sonic series, one of the mainstay IP
  - Release new IP title under the ATLUS brand
  - Strong titles in FY2024/3 to be counted as repeat sales as semi-new titles

- **F2P**
  - Strengthen operations of existing titles

- **Other**
  - Record license revenue from subscription services
  - Record revenues from IP licensing, etc.

#### Animation
- **AM**
  - Sales centered on the *UFO Catcher®* series and prizes
  - Release *UFO CATCHER TRIPLE TWIN Compact*

#### AM* & TOY
- **TOY**
  - Sales of new products, regular products, etc.

---

*AM = Amusement Machine*
New Medium-term Plan
(From FY2025/3 to FY2027/3)
Growth in Entertainment Contents and recovery in Pachislot & Pachinko Machines led to a significant increase in ordinary income during the previous Medium-term period

(Unit: billion yen)
Pachislot & Pachinko ability to generate CF supports the group and is a source of investment in growth and shareholder returns.

Aim for growth through investments in the Consumer area and Gaming area.
Review of Previous Medium-term Plan:
Achievements and Challenges (FY2022/3 to FY2024/3)

Entertainment Contents Business
- Achieved steady profit growth
- IPs managed by Japan studios become strong
- Promptly responded to the issues in Europe

Pachislot and Pachinko Machines Business
- Achieved profit growth in 3 consecutive years
- Total utilization share rose driven by pachislot
- Creation of hit in Pachinko remains as a challenge

Growth Investment
- Enhancement of business portfolio is progressing due to M&A
  Rovio (Sep. 2023), GAN (Scheduled within this fiscal year), etc.
# Initiatives for Sustainability

<table>
<thead>
<tr>
<th>Material issues to be addressed</th>
<th>Major initiatives</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources</td>
<td>Cultural diversity</td>
<td>Promoting “Game Change” by increasing culturally diverse human resources</td>
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<tr>
<td></td>
<td>Active career opportunities for women</td>
<td>Creating a foundation where people can thrive regardless of gender</td>
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<td></td>
<td>Development of core human resources</td>
<td>Strategic development of human resources who can lead the next generation</td>
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<td></td>
<td>Maintenance of work environment</td>
<td>Maintaining and improving the engagement of human resources</td>
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<td></td>
<td>Culturally diverse human resources’</td>
<td>Approx. 900 people (approx. 21% or more)</td>
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<td></td>
<td>Percentage of women in managerial positions</td>
<td>Approx. 8% or more (approx. 80 people or more)</td>
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<tr>
<td></td>
<td>Amount invested in education</td>
<td>¥4.0 billion or more cumulatively</td>
</tr>
<tr>
<td></td>
<td>Engagement score</td>
<td>58 or above/Rating A or more (All are target towards FY2031/3 or CY2030)</td>
</tr>
<tr>
<td>Products and Services</td>
<td>Quality improvement and further efforts to enhance safety and security</td>
<td>Global leading contents provider (Entertainment Contents Business)</td>
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<tr>
<td></td>
<td>Win a “triple crown”—top share in utilization, installation, and sales (Pachislot and Pachinko Machines Business)</td>
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<tr>
<td>Environment</td>
<td>Scope 1, 2</td>
<td>Consideration and execution of emission reduction measures</td>
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<td></td>
<td>Scope 3</td>
<td>Improvement of supplier engagement</td>
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<td></td>
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<td>Consideration of supplier selection criteria</td>
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<tr>
<td></td>
<td></td>
<td>Consideration of whether reduction targets should be applied to more companies and its timing</td>
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<tr>
<td></td>
<td>TCFD compliance</td>
<td>Strategy update</td>
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<td></td>
<td></td>
<td>Consideration of whether disclosure should cover more companies, and its timing</td>
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<td></td>
<td>Group-wide reduction of approx. 50%~ (CY2030)</td>
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<td>Group-wide carbon neutrality (CY2050)</td>
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<tr>
<td></td>
<td></td>
<td>Reduce GHG emissions by 22.5% or more</td>
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</table>
Initiatives for Sustainability

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</table>
| **Addiction**                 | • Collaboration with industry groups on initiatives to address and prevent addiction and gaming disorder  
• Continuing commitment to addiction research | • 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**                | • Continuing to realize a highly transparent management maintaining a corporate governance structure that contributes to medium to long-term improvement in Corporate value |        |
Initiatives for Sustainability (Investment in Human Resources)

- 4 key indicator for human resources

1) Development of culturally diverse human resources*

- Number of human resources (ratio)
  - Ratio in total employees: Approx. 15%
  - As of Dec. FY2022/3
  - FY2024/3 Results
  - FY2031/3 Target
  - Cumulative total
    - 554 person
    - 855 person
    - Approx. 900 person
  - Approx. 21% or more

*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)
  - Approx. 5%*1
  - (42 person)
  - FY2021
  - CY2021
  - FY2023/3 Results
  - FY2031/3 Target
  - Approx. 8% or more
  - (80 person or more)

*1 Ratio of female managers, including professionals, within whole managers
*2 Achieved the target in terms of numbers of person. On the other hand, the ratio target was not achieved due to an increase in the overall number of employees, and we will continue to promote efforts to achieve this goal

3) Development of core human resources

- Investment in education
  - Cumulative total
    - Approx. ¥0.98 billion
  - Approx. ¥0.52 billion/year
  - FY2024/3 Results
  - FY2031/3 Target
  - ¥4.0 billion or more*

*Cumulative investment from FY2023/3 to FY2031/3

4) Maintenance of work environment

- Engagement score
  - CY2021
  - FY2021
  - 50.1* (B)
  - 55.8 (BBB)
  - FY2030/3 Target
  - 58 or more (A or more)

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

[Target Company]
1), 2), 3) : SEGA SAMMY HOLDINGS, SEGA (Japan), Sammy
4): Major Group Companies in Japan
ESG Ratings, Evaluations and etc.

MSCI ESG RATINGS

CDP

- Climate Change: B
- Water: C

Adoption Status in Major ESG Indices

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, “Morningstar”) has authorized Sega Sammy Holdings Inc. to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo (“Logo”) to reflect the fact that, for the designated ranking year, Sega Sammy Holdings Inc. ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt Index SM (“Index”) on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Sega Sammy Holdings Inc. solely for informational purposes. Sega Sammy Holdings Inc. use of the Logo should not be construed as an endorsement by Morningstar of Sega Sammy Holdings Inc. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Sega Sammy Holdings Inc. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc.

Past performance is no guarantee of future results.
In 1989, Sega launched Mega Drive (Genesis in N.A.), the first home video game console with a 16-bit CPU, ahead of its competitors. In North America, it was released under the name Genesis, and “WELCOME TO THE NEXT LEVEL” was the phrase used to promote Genesis.

Mega Drive (Genesis) was the most popular machine in the history of SEGA hardware, at one point becoming the number one machine in North America in terms of market share.
New Medium-term Plan (3 years from FY2025/3 to FY2027/3)

WELCOME TO THE NEXT LEVEL!

Adjusted EBITDA over **230.0** billion yen
Cumulative of 3 years (FY2025/3-2027/3)

ROE over **10%**
Average of 3 years (FY2025/3-2027/3)

Goal

Strategy

[Entertainment Contents]
Expansion of IP scale

[Pachislot & Pachinko]
Maintain stable earnings

[Gaming]
Establishment of business

Adjusted EBITDA per Business

Over **180.0** billion yen

Over **90.0** billion yen

Adjusted EBITDA Positive

*Cumulative figure for 3 years (FY2025/3-FY2027/3)*
Trend of main indicators: Consolidation

**Sales**

- **Results**
  - FY2022/3: 320.9 billion yen
  - FY2023/3: 389.6 billion yen
  - FY2024/3: 467.8 billion yen
  - FY2025/3: 445.0 billion yen
  - FY2026/3: 500.0 billion yen
  - FY2027/3: 540.0 billion yen
- **Forecast**
  - FY2022/3: 33.3 billion yen
  - FY2023/3: 49.4 billion yen
  - FY2024/3: 59.7 billion yen
  - FY2025/3: 48.0 billion yen
  - FY2026/3: 65.0 billion yen
  - FY2027/3: 76.0 billion yen

**Ordinary Income**

- **Results**
  - FY2022/3: 33.3 billion yen
  - FY2023/3: 49.4 billion yen
  - FY2024/3: 59.7 billion yen
  - FY2025/3: 48.0 billion yen
  - FY2026/3: 65.0 billion yen
  - FY2027/3: 76.0 billion yen
- **Forecast**
  - FY2022/3: 46.6 billion yen
  - FY2023/3: 57.9 billion yen
  - FY2024/3: 54.7 billion yen
  - FY2025/3: 62.0 billion yen
  - FY2026/3: 79.0 billion yen
  - FY2027/3: 90.0 billion yen

**Adjusted EBITDA**

- **Results**
  - FY2022/3: 46.6 billion yen
  - FY2023/3: 57.9 billion yen
  - FY2024/3: 54.7 billion yen
  - FY2025/3: 62.0 billion yen
  - FY2026/3: 79.0 billion yen
  - FY2027/3: 90.0 billion yen
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  - FY2024/3: 54.7 billion yen
  - FY2025/3: 62.0 billion yen
  - FY2026/3: 79.0 billion yen
  - FY2027/3: 90.0 billion yen

Cumulative of FY2022/3-FY2024/3: 159.2 billion yen
Cumulative of FY2025/3-FY2027/3: 230.0 billion yen
Business Portfolio

Implementation of aggressive investment and significant growth

Entertainment Contents

- Implementation of aggressive investment and significant growth
  - FY2022-2024/3: 113.2 billion yen
  - FY2025-2027/3: Over 180.0 billion yen

Stable contribution to profit

Pachislot & Pachinko Machines

- Stable contribution to profit
  - FY2022-2024/3: 82.7 billion yen
  - FY2025-2027/3: Over 90.0 billion yen

To establish business

Gaming

- To establish business
  - FY2022-2024/3: -11.3 billion yen
  - FY2025-2027/3: Adjusted EBITDA Positive

*Cumulative of 3 years
Aiming for significant growth in sales and profit despite a temporary decline in average ROIC due to the increase in the level of invested capital following the acquisition of Rovio.

Aim to establish as a new business by improving the performance of the existing gaming business and promoting growth investments such as the acquisition of GAN at the same time.

*Current circle is excluding the impact of GAN

*Average of 3 years
Entertainment Contents Business
Consumer Area

Shuji Utsumi
President and COO, Representative Director of SEGA CORPORATION
Introduction - Career to date and SEGA

SONY
Manager, Corporate Planning

Sony Computer Entertainment America
VP of Product Acquisition

SEGA of America
VP of Product Development

SEGA
SVP of Product Development and New Business

Disney Interactive
VP/Managing Director for Asia Pacific

Q Entertainment
Co-Founder and CEO

Warner Music Japan
President and COO

CYBIRD
CEO and President

SEGA SAMMY HOLDINGS
Senior Executive Officer in charge of Live Entertainment and Open Innovation

SEGA
President and COO
What we want to achieve - Improvement of SEGA brand value
Source of SEGA Brand – Extensive IPs

Like a Dragon

©SEGA ©ATLUS © SEGA. ©Games Workshop Limited 2021. Published by SEGA. ©Creative Assembly 2023. Published by SEGA. ©Sports Interactive Limited 2023. Published by SEGA. ©Two Point Studios 2020. Published by SEGA.
During the previous medium-term plan period, major pillars grew steadily. Established a revenue base to support the SEGA brand.

Game sales  Licensing revenue

SONIC THE HEDGEHOG

Like a Dragon

FY2021/3  FY2022/3  FY2023/3  FY2024/3

FY2021/3  FY2022/3  FY2023/3  FY2024/3

FY2021/3  FY2022/3  FY2023/3  FY2024/3
Possesses superior development capabilities to create content that attracts gamers around the world

<table>
<thead>
<tr>
<th>World-class game development capabilities</th>
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</thead>
<tbody>
<tr>
<td>Titles</td>
<td>Meta Score</td>
<td>User Score</td>
</tr>
<tr>
<td>SONIC SUPERSTARS</td>
<td>73</td>
<td>8.0</td>
</tr>
<tr>
<td>LIKE A DRAGON</td>
<td>89</td>
<td>8.6</td>
</tr>
<tr>
<td>PERSONA 3 REFLOAD</td>
<td>87</td>
<td>8.5</td>
</tr>
<tr>
<td>UNICORN VERTEC</td>
<td>87</td>
<td>8.4</td>
</tr>
</tbody>
</table>

Structures supporting development

Global inline process:
- Established a system that allows development team and publishing team to have healthy discussions with global members based on marketability

Enhancement in evaluation process (Content lab):
- Established a team within the company that can objectively test and evaluate work products in process, in addition to an external testing organization.
- Both the Japan and European studios have established a system to evaluate and provide feedback on games under development at each milestone

Data utilization:
- Utilization of user feedback and activity data for content development, etc.

*As of May 8, 2024*
Business Capability to Deliver Products Globally

Strengthening contacts with global players using the SEGA brand as a weapon
Possesses business capabilities to maximize the potential of the product
Refining its strengths and revealing SEGA's potential to further evolve the existing strategy, which is steadily yielding results.

Aiming for adjusted EBITDA

Over 180.0 billion yen for cumulative of 3 years

113.2 billion yen

FY2022/3 – FY2024/3

FY2025/3 – FY2027/3
Medium-Term Management Plan – Main Focuses

1. Further expansion of main Pillars
   - Transmedia
   - Global GaaS (Rovio, etc.)

2. Investments to strengthen development and product capabilities
   - Pillars
   - Legacy IPs (Medium to long-term initiatives)
   - Super Game (Medium to long-term initiatives)
   - Animation IPs

3. Re-growth of European business
Structural reform in European business were almost completed during the previous fiscal year. The results expect for the European business were in line with forecast.

Recorded huge losses associated with structural reform announced on Sep. 2023 and Mar. 2024.

Results were in line with the plan overall, although there were some upside and downside in each new title.
Maximizing Product Value through Transmedia and expansion of region
Strategic Transmedia expansion with a focus on games and movies led to dramatically increase Sonic IP licensing revenues.

Increased more than 10 times
Sonic IP Roll-out Plan in 2024

Promote transmedia strategy towards the new movie and game plan to be released at the end of the year under the theme of "FEARLESS: Year of Shadow"

Fostering a sense of unity in the community under the theme of "Shadow"

Strategic interaction of each initiative to provide a major tailwind toward the end of the year

- Game
  - For Console & PC
    - "SONIC x SHADOW GENERATIONS"
      Plan for launch in fall 2024
  - Now Sonic mobile title
    - Plan for launch this winter

- Movie
  - The 3rd Sonic movie
    To be released on Dec. 20, 2024

- Distribution of animation
  - Original TV series "Knuckles"
    Start distribution at Paramount+ on Apr. 26, 2024

©SEGA
Further Expansion of Pillars – Global GaaS

New title for Sonic IP  Global x Mobile
Sonic Rumble

- A title aim to reach the worldwide Sonic fan base that has expanded through movies, etc., with a casual x mobile format
- A collaboration project with Rovio, who has strong expertise in global x mobile domain
- Plan for launch this winter (Plan to implement closed Beta test in NA in late May)

Persona5 : The Phantom X

[Persona5: The Phantom X] ©(2024) Perfect World Adapted from Persona5 ©SEGA ©ATLUS

- Chinese version launched on Apr. 12
- Traditional Chinese and Korean version launched on Apr. 18
- Starting off as expected
- Future expansion in Japan and global is under consideration
New Brand from ATLUS: *Metaphor: ReFantazio*

- A large-scale new RPG by Katsura Hashino x Shigenori Soejima, the creators of the smash hit titles, *Persona 3, 4 and 5*.
  
  *Persona 5 series* has achieved the cumulative sales of 10 million units including spin off, etc.

- Plan for multi-platform x simultaneous worldwide release on **Oct. 11, 2024**

- Promoting large-scale global promotion rollout to prepare for launch
Further Upside: Legacy IPs

- Five Titles were announced at The Game Awards 2023 and calls great reaction

- Crazy Taxi and Jet Set Radio, in particular, ranked in the "Top 10 titles the most media-covered" out of all announced titles (53 titles)
Further Upside: Transmedia Roll-out Using Potent J-IP

Presence of J-IPs such as animation produced in Japan is increasing in the global market
Considering the potential of Transmedia roll-out of potent J-IP animation from TMS Entertainment in the future

- Potent J-IPs
  - While working on the production of well-known IPs such as *DETECTIVE CONAN* and strategically promoting the acquisition of major rights

- Transmedia
  - Accelerate secondary expansion globally with Transmedia to increase IP value + earnings

Other major J-IPs TMS involved in production: *Hanma Baki, Undead Unluck*, etc.

Proactively utilize SEGA's global capabilities in games, animation, merchandising, etc.
Super Game

- Willingly promote it as a challenge to build long-term growth pillars from a portfolio perspective

- Under development while balancing strict checks of work product in process, and the appropriate investment level

- Full-scale contribution to earnings is expected from FY2028/3 onward
Closing
Pachislot & Pachinko Business

Ayumu Hoshino
President and COO, Representative Director of Sammy Corporation
Self-introduction

Apr. 1995  Joined Sammy Corporation
Oct. 2006  Creative Officer, Executive Officer
Apr. 2014  Senior Executive Officer, Division Manager of Research & Development Division
Jun. 2014  Director of the Board, Division Manager of Research & Development Division
Apr. 2016  Executive Vice President, Representative Director, Division Manager of Research & Development Group Division, Division Manager of Technical Research & Development Division and Development Promotion Division
Apr. 2022  Senior Executive Vice President and COO, Representative Director in charge of Research & Development Group Division and Managing Director of Public Relations Division)
Apr. 2024  President & COO, Representative Director, Managing Director of Public Relations Division (current position)
Although pachinko is weak in the current situation, pachislot is strong driven by smart pachislot.

**Pachislot & Pachinko Utilization Trend**

**Pachislot**
Utilization level is in a recovery trend due to appearance of topical machines centered on smart pachislot, including **Smart Pachislot Hokuto No Ken**

**Pachinko**
Although utilization level remains sluggish, machines equipped with Lucky Trigger, which installation began from March 2024, has get off to a good start in terms of utilization.

---

*Out = Used as an indicator to represent utilization of pachislot and pachinko machines (Pachislot: Average number of inserted medals in a day for each title, Pachinko: Average number of shot balls in a day for each title).

When Daikoku Denki Co., Ltd convert "Out" to time of utilization, each of them are converted by Pachislot: 1 hour = 2,000 medals, Pachinko: 1 hour = 5,000 balls.

*4 weeks moving average

*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd
Unit sales in FY2025/3 are expected to be leveled out generally compared with FY2024/3

FY2024/3
- Pachislot: Strong sales centered on smart pachislot
- Pachinko: Weak sales due to lack of hits and shift of demand to strong pachislot

FY2025/3 (Forecast)
Assuming the similar trend with FY2024/3 will continue in both pachislot and pachinko

*In-house estimation
*Fluctuating factors, such as the positive impact of regulatory changes, have not been taken into account in the forecast
Although there has been an increase in turnover rate recently, the pachislot & pachinko machine market remains in a shrinking trend.

*Turn over rate = units sold / units installed
*Sources: National Police Agency and Yano Research Institute Ltd. “Pachinko Manufacturer Trends 2023” (Research of Japanese Market) (The data for 2023 are in-house estimations)
Medium-term Management Plan

“No. 1 in total utilization” of pachislot & pachinko

Strategy

Strengthen/stabilize revenue base

Revitalization of the pachislot & pachinko industry

Cumulative Adjusted EBITDA
Over 90.0 billion yen
(FY2025/3-FY2027/3)
For adjusted EBITDA, aiming to exceed the level of the previous medium-term plan, which achieved profit growth for three consecutive terms. Aiming for adjusted EBITDA over 90.0 billion yen for cumulative of 3 years.
Strengthen/stabilize revenue base

1. Share Expansion of Pachislot & Pachinko
   - Expand the range of specifications (Pachislot)
   - Creation of new mainstay series through new utilization of popular IPs

2. Promotion of Platform Strategy
   - Promote construction of platform group-wide
     - Development and manufacturing of cabinets (ZEEG)
     - EC Sales
     - Pachislot & Pachinko Online games, etc.
Pachislot: Utilization share by level of gambling aspects

**Share by type**
- **High**: 7.8%
- **Medium**: 45.6%
- **Low**: 46.6%

**Percentage of each manufacturer**
- **Company S**: 72%
- **Sammy**: 34%
- **Company K**: 69%

Aiming to further increase market share in pachislot by expanding the range of specifications

- Sammy is holding high market share in the medium-range in gambling aspect level, which includes *Smart Pachislot Hokuto No Ken*
- Will aim to introduce machines in high and low range in gambling aspect level, the range where the company haven’t been able to hold large share

---

*Calculation based on utilization data for the week of Apr. 15 – Apr. 21, 2024
*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd
Share Expansion of Pachislot & Pachinko

Main titles announced at “Universal Carnival x Sammy Festival 2024” (Held on Mar. 2024)

- Tokyo Revengers (Pachislot & Pachinko)
- Lycolis Recoil (Pachislot)
- BOFURI: I Don’t Want to Get Hurt, so I’ll Max Out My Defense. (Pachislot)

Aiming to create new revenue sources through new utilization of popular IPs

- Secure stable earnings from existing main series
- Create new mainstay series through aggressive new utilization of popular IPs
Promote construction of platform group-wide

- EC
  - Sammy
  - Sammy Networks
- Development/manufacturing of cabinets
  - ZEEG
- Pachislot & Pachinko Online games
  - Sammy Networks

Aim to generate stable revenue through construction of platform

- Already have the many records of handling the EC sales and development/manufacturing of cabinets, etc. for other companies in the same industry
- Increase the number of cases to handle and strive to secure a stable source of revenue
Revitalization of the pachislot & pachinko industry

1. Reform of cost structure
   - Development of new pachislot cabinet toward cost reduction for both manufacturer and pachinko hall

2. Increase number of users
   - Implementation of promotions to revitalize pachinko halls, such as acquisition of new users, attraction to bring back dormant users, etc.
Aiming to increase the number of users through a wide range of promotional measures

- With *Smart Pachislot Hokuto No Ken*, the number of new users increased by 60,000 and 510,000 sleep users returned* through various promotions.

- Continue to work on revitalizing the industry through verification and implementation of effective promotions.

*Research by ADK Marketing Solutions Inc.*
Mainstay titles plan to be launched in FY2025/3

- **e Hokuto No Ken 10**
  - The 1st installment of our smart pachinko
  - Plan for installation in Summer 2024
  - Plan to implement various promotion to support utilization

- **Smart Pachislot Psalms of Planets Eureka Seven 4 HI-EVOLUTION**
  (Installation: May 2024)

- **Smart Pachislot Shin Hokuto Muso**
  (Installation: Jul. 2024)
Financial Strategy
Expansion of Equity Spread: FY2024/3 Results

[Trend of ROE, COE and Equity Spread]

Recent equity spreads are positive reflecting profit growth in each businesses

*ROE: Return on equity
*COE: Cost of equity (Source: Bloomberg)
*Equity spread: ROE-COE
Per Business ROIC: FY2024/3 Results

[Per business ROIC trend]

- **Entertainment Contents Business**
  ROIC declined due to an increase in investment capital from the Rovio acquisition

- **Pachislot & Pachinko Business**
  ROIC grew rapidly due to strong business performance following structural reforms

- **Resort Business**
  ROIC improved due to an increase in occupancy at each facility

*Per business ROIC: Adjusted profits per business/Investment capital per business*
Investment Capital/Adjusted Profits per Business: FY2024/3 Results

[Investment capital trend per business]

- Resort
- Pachislot & Pachinko
- Entertainment Contents

[Adjusted profits trend by business]

- Resort
- Pachislot & Pachinko
- Entertainment Contents

*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)
To Maximize the Corporate Value: New Medium-term Plan

Shift to the management focusing on capital efficiency

- Focused investment in Consumer
- Stable growth in Pachislot & Pachinko
- Establishment of Gaming Business

Expansion of equity spread
- ROE: Over 10% (Average of 3 years from FY2025/3 to FY2027/3)

Growth of profit
- Adjusted EBITDA over 230.0 billion yen (Cumulative of 3 years from FY2025/3 to FY2027/3)

Improvement of asset efficiency
- ROIC management
- Management of business portfolio

Shareholder return
- DOE: 3% or more
- Total return ratio: 50% or more

Improvement of per business company ROIC

Maintaining optimal capital structure
- Reducing of WACC through control of net assets
- Effective use of cash on hand
- Balancing between investment in business and return
Capital allocation policy:

- **Source of cash**
  - Generation of Operating CF (Cumulative of 3 years from FY2025/3 to FY2027/3) Approx. 190.0 billion yen
  - Cash & Deposit (by the end of FY2024/3) Approx. 220.0 billion yen
  - Working Capital (by the end of FY2024/3) Approx. 70.0 billion yen

- **Allocation image over the next 3 years**
  - Development investment in growth area 120.0 billion yen+
  - Strategic investment 100.0 billion yen+
    - GAN Acquisition Approx. 16.0 billion yen

- **Shareholder Return**
  - Investment CF, Repayment of loan and others

- **Investment in growth**
  - Shareholder return corresponding to profit growth
    - Apply “DOE of 3% or more” or “total return ratio of 50% or more,” whichever is higher and return through dividends or share buybacks

- **Consideration of the investment for establishing further growth pillars (including M&A)**
  - Consumer, Gaming, etc.

- **Enhance development investment to accelerate IP growth**
  - Main IPs in Japan studios 90.0 billion yen or more
  - Legacy IPs/Super Game 30.0 billion yen or more

- **Basic policy of shareholder return**

New Medium-term Plan
Beyond the Status Quo

Broke the situation, which had been stagnant since the management integration
Achieved Medium-term targets one year ahead of schedule with the steady progress of each business strategy

WELCOME TO THE NEXT LEVEL!

Experiences that move the heart delivered by SEGA SAMMY Group and their value goes to the next level
- Accelerating CS growth through Transmedia x regional expansion
- Establishment of Gaming Business

Road to 2020

Aimed at increasing profits through rapid growth centered on mobile, but failing to achieve Medium-term targets

Beyond the Status Quo

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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)

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