

Q1 for the Fiscal Year Ending March 2025 Results Presentation

August 7, 2024

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FY2025/3 Q1 Results / Forecast

➤ **Transfer all shares of PHOENIX RESORT to Fortress Investment Group** (Announced on May 10, 2024)

● **Background of the transfer**

To further increase corporate value of PHOENIX RESORT (“Phoenix”), 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 hold 20% of Phoenix's voting rights

Continue to support further enhancement of Phoenix's corporate value based on the strategic partnership agreement with Fortress

● **Impact on business performance**

Recorded gain of 8.4 billion yen from the transfer of shares as extraordinary income in Q1 of FY2025/3

➤ Announcement of the Acquisition of Stakelogic B.V. (Announced on Jul. 26, 2024)

● Acquisition Price

The final sale price will be determined based on the enterprise value of €130M, which will be adjusted based on Stakelogic's net debt, working capital and other factors.

● Impact on the financial results

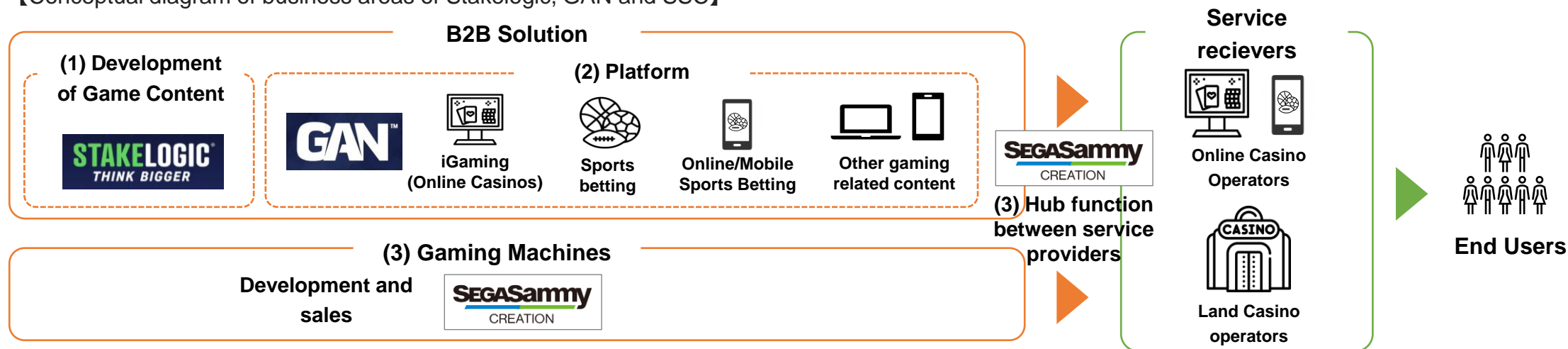
As we expect the acquisition to close by Q1 of FY2026/3, the impact of the acquisition on the consolidated financial results for this fiscal year will be immaterial.

● Aim of the acquisition

To enter the North American online gaming market expected to grow in the future, we will become a gaming service provider that can offer a comprehensive range of services with the addition of (1) Stakelogic's unique gaming content to the (2) B2B platform of GAN (the company we have entered into the acquisition agreement in November 2023), which is GAN's strength, and create synergies such as accelerating the speed of business growth and creating a high level of competitiveness by (3) combining the customer networks of SSC*.

*SSC = SEGA SAMMY CREATION INC., one of our Group companies

【Conceptual diagram of business areas of Stakelogic, GAN and SSC】



Result Highlights (Consolidated)



(Billion yen)	FY2024/3*		FY2025/3	
	Q1	Full Year Results	Q1	Full Year Forecast
Sales	108.2	468.9	104.7	445.0
Operating Income	22.7	57.8	19.3	45.0
Ordinary Income	23.0	59.7	21.8	48.0
Extraordinary income	0.0	1.3	8.8	8.5
Extraordinary losses	0.6	19.2	0.2	0.5
Profit attributable to owners of parent	17.2	33.0	24.5	39.0
Adjusted EBITDA	24.7	54.7	25.8	62.0
ROE	-	9.6%	-	-

*Previously, allocated revenue related to investments in film production in the U.S. was included in "Non-operating income," but from this fiscal year, it is included in "Sales". In accordance with this change, sales and operating income for FY2024/3 have also been retroactively changed

*1 CS = Consumer area, *2 Entertainment = Entertainment Contents business

FY2025/3 Q1 Results

➤ **Steady start overall**

- Performed steadily overall centered on CS*¹ (Entertainment*²)
- Steady start (Pachislot & Pachinko Machines)

➤ **Recorded extraordinary income associated with the transfer of PHOENIX RESORT**

Forecast

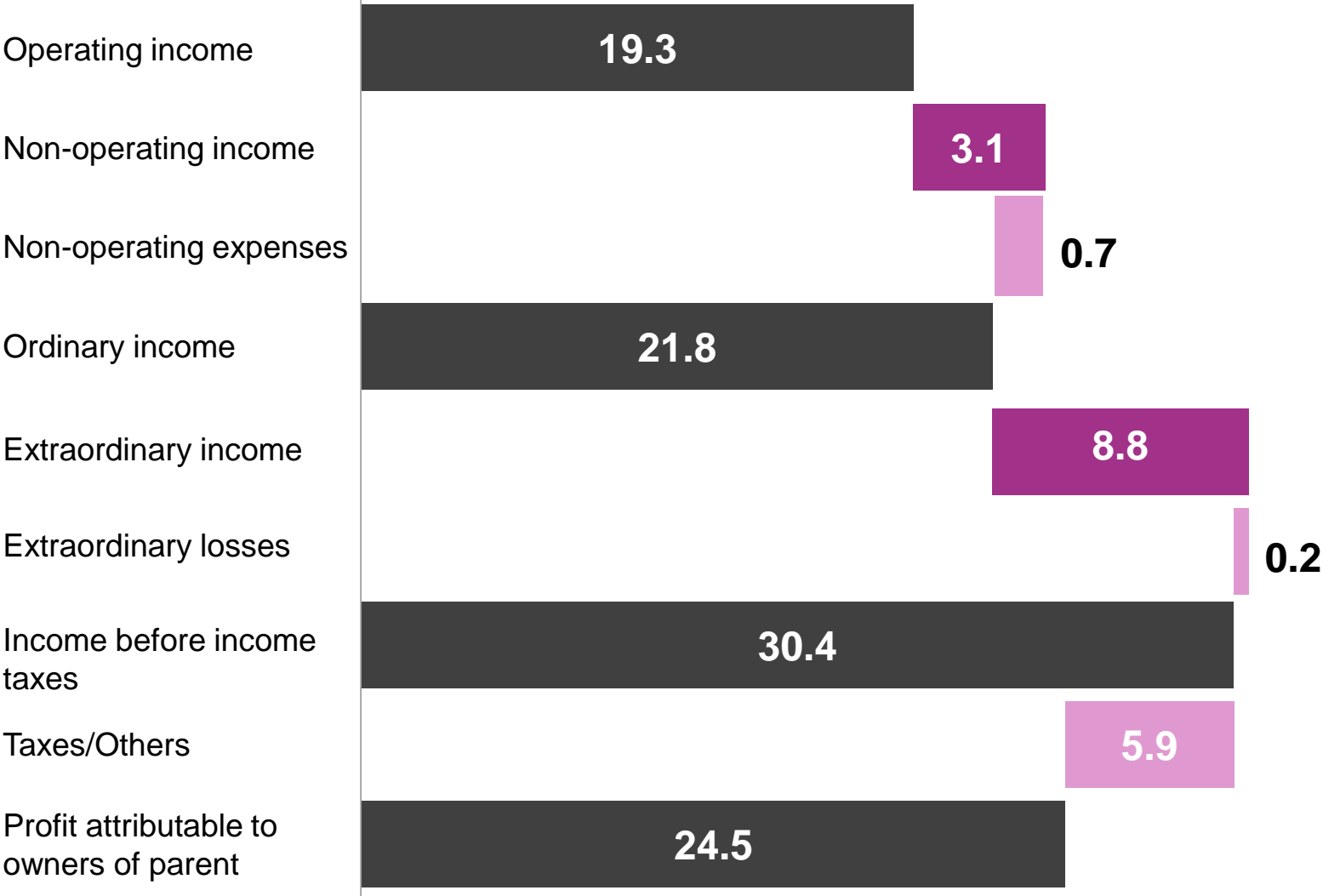
➤ **Proceed the launch of mainstay titles in each business**

- The launch of mainstay titles are scheduled to be in and after Q3 (Entertainment)
- Launch featured title for this fiscal year, *e Hokuto no Ken 10* in Q2 (Pachislot & Pachinko Machines)

Breakdown of Income Statement (FY2025/3 Q1 Results)



(Unit: Billion yen)



Breakdown of non-operating income/expenses and extraordinary income/losses	
Non-operating income	3.1
Equity in earnings of affiliates	0.9
Foreign exchange gains	0.7
Interest income	0.6
Gain on investments in partnership	0.2
Non-operating expenses	0.7
Interest expenses	0.4
Loss on investments in partnership	0.1
Extraordinary Income	8.8
Gain on sales of shares of subsidiaries and affiliates	8.4
Extraordinary losses	0.2
Impairment loss	0.2
Taxes/Others	5.9

Reference: Per Segments Results

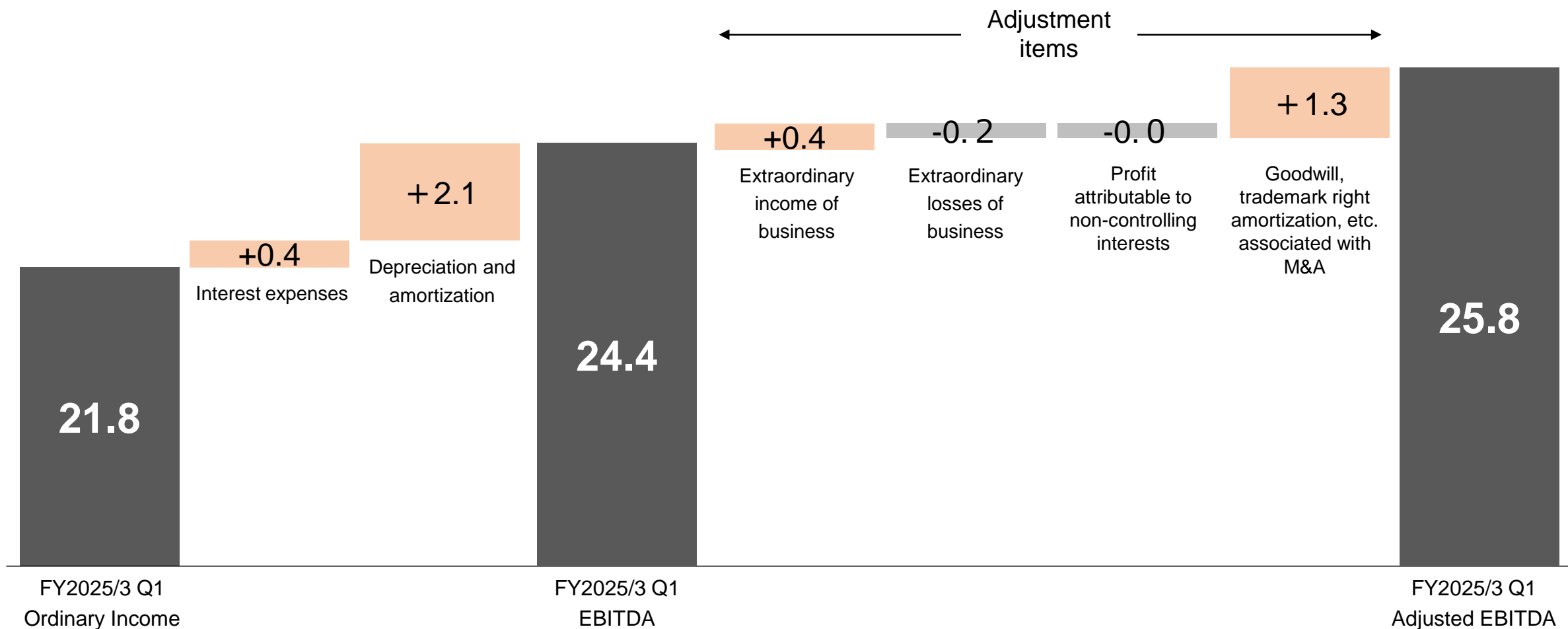
(Billion yen)	FY2024/3*		FY2025/3	
	Q1	Full Year Results	Q1	Full Year Forecast
Sales	108.2	468.9	104.7	445.0
Entertainment Contents	54.1	319.8	72.5	335.0
Pachislot and Pachinko Machines	50.5	133.2	28.8	105.0
Gaming	0.3	1.9	0.6	3.0
Other / Elimination	3.3	14.0	2.8	2.0
Ordinary Income	23.0	59.7	21.8	48.0
Entertainment Contents	4.4	30.8	12.5	40.0
Pachislot and Pachinko Machines	21.7	41.9	10.7	23.5
Gaming	-0.2	-0.4	0.9	-1.5
Other / Elimination	-2.9	-12.6	-2.3	-14.0
Adjusted EBITDA	24.7	54.7	25.8	62.0
Entertainment Contents	5.0	22.0	15.7	50.0
Pachislot and Pachinko Machines	22.3	44.5	11.4	26.5
Gaming	-0.2	-0.4	0.7	-1.5
Other / Elimination	-2.4	-11.4	-2.0	-13.0

*Results for FY2024/3 have been retroactively adjusted due to the change in segment classifications (unaudited)

*Details of each business are from p.13~

Reference: EBITDA Adjustment Items (FY2025/3 Q1 Results)

(Unit: Billion yen)



Impact of Exchange Rate Fluctuations

【Impact of foreign exchange in Q1 results】

- **Positive impact of 2.9 billion yen for sales and 1.5 billion yen for operating income in Entertainment Contents business**

(Billion yen)		Q1
CS*1	Net Sales	+2.7
	Operating Income	+1.7
Animation	Net Sales	+0.2
	Operating Income	+0.2
AM&TOY	Net Sales	-
	Operating Income	-0.4

- 1 USD: Rate in initial forecast 137 yen → AR 156 yen
 - 1 GBP: Rate in initial forecast 190 yen → AR 197 yen
 - 1 Euro: Rate in initial forecast 161 yen → AR 168 yen
-
- **Recorded foreign exchange gains of 0.7 billion yen in non-operating income due to revaluation and settlement of receivables and payables denominated in foreign currencies**

*1 CS = Consumer area

Various Expenses, etc.

(Billion yen)		FY2024/3*		FY2025/3	
		Q1	Full Year Results	Q1	Full Year Forecast
Entertainment Contents	R&D / Content production	12.5	83.1	16.6	68.1
	Advertising	3.1	31.6	4.5	30.8
	Depreciation	0.9	4.4	1.1	4.4
	Cap-ex	1.9	5.6	1.3	5.8
Pachislot & Pachinko	R&D / Content production	2.9	14.4	2.8	14.1
	Advertising	0.7	2.9	0.7	4.1
	Depreciation	0.5	2.6	0.7	2.8
	Cap-ex	0.7	3.9	1.1	4.9
Gaming	R&D / Content production	0.2	0.7	0.2	1.0
	Advertising	0.0	0.0	0.0	0.1
	Depreciation	-	-	-	-
	Cap-ex	0.0	0.4	0.4	0.0
Consolidated total	R&D / Content production	15.7	98.2	19.7	83.3
	Advertising	4.2	36.2	5.4	37.0
	Depreciation	1.9	8.5	2.1	8.3
	Cap-ex	3.0	11.6	3.3	11.9

FY2025/3 Q1 Results

- R&D / content production expenses and advertising expenses increased due to recording of Rovio expenses (Entertainment*1)

Forecast

- R&D / content production expenses and advertising expenses are expected to increase from Q3 onward when the launch of mainstay new titles proceed (Entertainment)

*1 Entertainment = Entertainment Contents business

*Reexamined the forecast for FY2025/3 and made some changes

*Results for FY2024/3 have been retroactively adjusted due to the change in segment classifications (unaudited)

*The expenses for "other/elimination" are included in "Data Appendix (FY2025/3 Q1)"

*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. 30% will be amortized in first 2 months with 15% per month, and the rest will be amortized 7% per 10 months using the straight-line method (Total amortization period is 12 months)
- Pachislot & Pachinko Machines business: Expenses aren't capitalized but are recognized as they arise (outsourced process expenses are recognized when work is inspected)

Consolidated Balance Sheet Summary

[Assets]				[Liabilities and Net Assets]			
(Billion yen)							
Account	As of end of Mar. 2024	As of end of Jun. 2024	Increase /Decrease	Account	As of end of Mar. 2024	As of end of Jun. 2024	Increase /Decrease
Cash and Deposits	211.7	195.1	-16.6	Accounts Payable	26.0	28.8	+2.8
Accounts Receivable	54.2	44.9	-9.3	Short Term Borrowings	22.5	22.5	+0.0
Securities	8.0	25.8	+17.8	Other	86.9	63.6	-23.3
Inventories	81.7	91.4	+9.7	Total Current Liabilities	135.4	114.9	-20.5
Other	39.4	44.3	+4.9	Corporate Bonds	10.0	10.0	-
Total Current Assets	395.0	401.5	+6.5	Long Term Borrowings	124.5	124.5	-
Tangible Fixed Assets	60.0	50.7	-9.3	Other	26.2	24.7	-1.5
Intangible Fixed Assets	92.2	99.0	+6.8	Total Noncurrent Liabilities	160.7	159.2	-1.5
Goodwill (included in Intangible Fixed Assets)	30.2	34.3	+4.1	Total Liabilities	296.2	274.2	-22.0
Trademark right (same as above)	47.5	49.9	+2.4	Shareholders' Equity	333.2	351.9	+18.7
Investment Securities	49.8	52.3	+2.5	Total accumulated other comprehensive income	23.6	38.1	+14.5
Other	56.9	61.6	+4.7	Share acquisition rights	0.7	0.8	+0.1
				Non-controlling interests	0.0	0.0	+0.0
Total Noncurrent Assets	258.9	263.6	+4.7	Total Net Assets	357.7	390.9	+33.2
Total Assets	653.9	665.2	+11.3	Total Liabilities and Net Assets	653.9	665.2	+11.3

Main reasons for increase/decrease

	As of end of Mar. 2024	As of end of Jun. 2024	Increase /Decrease
Cash, deposits and cash equivalents	219.8	215.9	-3.9
Interest bearing debt	157.0	157.0	+0.0
Net cash	62.8	58.9	-3.9
Equity ratio	54.6%	58.6%	+4.0p

(Assets)

Tangible fixed assets decreased due to the deconsolidation of PHOENIX RESORT. Cash and deposits decreased due to increase in securities, increase in inventories related to the titles which will be released in the future, etc.

(Liabilities)

Allowance for bonuses, accrued consumption taxes, income taxes payable, etc. decreased due to payment of bonuses and taxes

(Net assets)

Shareholders' equity increased mainly due to the recording of profit attributable to owners of parent, despite the payment of dividends. In addition, foreign currency exchange adjustments increased

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Per Segments Results / Forecast

(Billion yen)	FY2024/3*		FY2025/3	
	Q1	Full Year Results	Q1	Full Year Forecast
Sales	54.1	319.8	72.5	335.0
Consumer	34.0	224.0	51.3	235.0
Animation	4.6	23.9	5.9	23.5
AM* & TOY	15.4	71.8	15.3	76.5
Operating Income	4.3	29.9	11.8	38.0
Consumer	2.5	21.9	8.9	27.5
Animation	0.9	5.6	2.4	4.5
AM* & TOY	0.8	2.3	0.5	6.0
Ordinary Income	4.4	30.8	12.5	40.0
Adjusted EBITDA	5.0	22.0	15.7	50.0
Full Game Sales	11.0	88.1	15.2	93.0
New titles	2.5	55.0	3.9	53.3
Repeat sales	8.5	33.0	11.2	39.6
F2P Sales	12.5	53.9	11.0	56.9
Full Game Unit Sales (Thousand)	4,870	27,890	5,860	29,670
New titles	740	9,230	710	9,190
Repeat sales	4,120	18,660	5,140	20,480

*1 DLC = Downloadable Content, *2CS = Consumer area, *3 AM = Amusement Machine

*Results for FY2024/3 have been retroactively adjusted due to the change in segment classifications (unaudited)

*Exchange rate in FY2025/3 initial forecast: 1 USD = 137 yen, 1 GBP = 190 yen, 1 Euro 161 yen

FY2025/3 Q1 Results

➤ Steady start as a whole

- Exceeded expectations due to positive impact from foreign exchange, strong sales of DLC*1, etc. (CS*2)
 - ✓ Sales of Full Game increased YoY, but slightly below the expectations
 - ✓ Sales increased due to recording of Rovio sales
- Revenues related to Sonic movie and animation were strong (Animation)

Forecast

➤ Proceed the launch of new titles in each area

- Full-scale sales of major new titles in Full Game scheduled in and after Q3 (CS)
- Promoting transmedia development as a whole in line with the above
- Closely monitor the impact of exchange rate fluctuations (CS, AM*3 & TOY)

(Reference) Entertainment Content Business Sub-segment



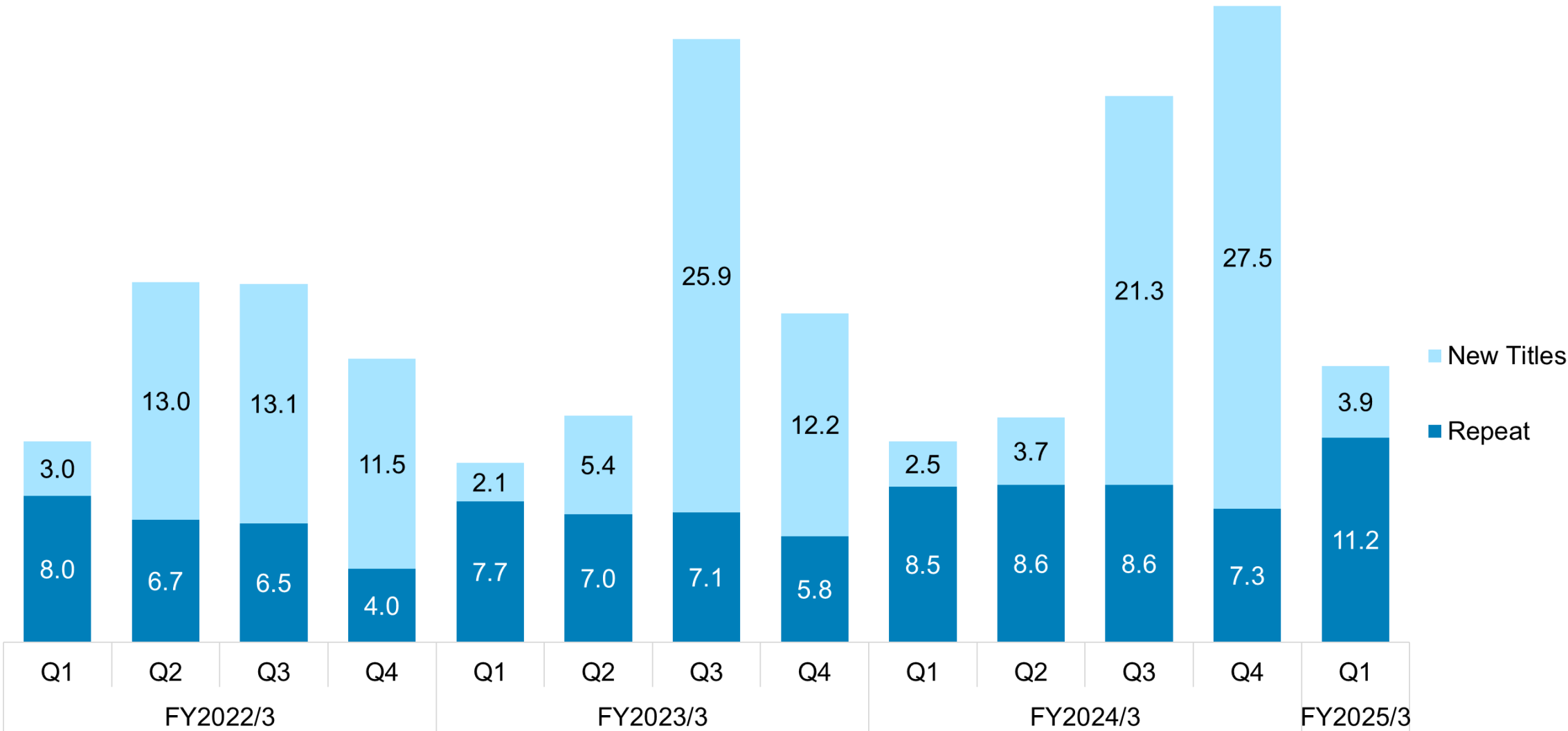
		FY2025/3 Q1 Results	Forecast
Consumer	Full Game	<ul style="list-style-type: none"> Steady sales in both new titles including additional downloadable content and repeat sales 	<ul style="list-style-type: none"> Full-scale sales of major new titles scheduled in and after Q3 <i>SONIC X SHADOW GENERATIONS</i>, <i>Metaphor: ReFantazio</i> <i>Football Manager 25</i> (TBD), etc.
	F2P	<ul style="list-style-type: none"> Existing titles performed as expected 	<ul style="list-style-type: none"> Strengthen operations of existing titles Release new title, <i>Sonic Rumble</i>, in Winter
	Other	<ul style="list-style-type: none"> Recorded sales of Rovio Recorded license revenue from subscription Positive impact from exchange rate fluctuations 	<ul style="list-style-type: none"> Expect an increase in character licensing revenues from transmedia development Closely monitor the positive impact of exchange rate fluctuations
Animation		<ul style="list-style-type: none"> Revenues of Sonic movie and animation went higher than expected Recorded license revenues associated with video production, distribution, etc. 	<ul style="list-style-type: none"> Plan to record allocated revenue of <i>Detective Conan: The Million-dollar Pentagram</i> Plan to continue to record revenue from video production, distribution, etc.
AM* ¹ & TOY	AM	<ul style="list-style-type: none"> Sold centered on prize category Continued to be impacted by raw material price hikes due to exchange rate fluctuations 	<ul style="list-style-type: none"> <i>UFO CATCHER TRIPLE TWIN Compact</i> to be released and strengthen the sales of prizes, etc. Closely monitor the impact of raw material price hikes due to exchange rate fluctuations
	TOY	<ul style="list-style-type: none"> Sold mainly regular products, etc. 	<ul style="list-style-type: none"> Plan to sell new product <i>me-smartphone + (Plus)</i> and regular products

*¹ AM = Amusement Machine

(Reference) Consumer Area / Full Game: Sales Trend



(Unit: Billion yen)



(Reference) Entertainment Contents Business Roll-out Schedule

(CS/Animation area)



Area		Title	Launch	Region	Platform	
CS ^{*1}	Full Game	Shin Megami Tensei V Vengeance	Jun. 14, 2024	Global	Multi-platform	
		Super Monkey Ball Banana Rumble	Jun. 25, 2024	Global	Nintendo Switch™	
		Metaphor: ReFantazio	Oct. 11, 2024	Global	Multi-platform	
		SONIC X SHADOW GENERATIONS	Oct. 25, 2024	Global	Multi-platform	
		Football Manager 25 (TBD)	TBD	Global	Multi-platform	
	F2P	Persona5 : The Phantom X	Apr. 12, 2024	Traditional/Simplified Chinese, Hangul	iOS/Android	*Licensing out
		Sonic Rumble	This Winter	Global	iOS/Android	
Animation	Production project (including investment)	Detective Conan: The Million-dollar Pentagram	Apr. 12, 2024	-	-	
		ANPANMAN : Baikinman and Lulun in the Picture Book	Jun. 28, 2024	-	-	
		Baki Hanma	On streaming	Global	Netflix	
		SAKAMOTO DAYS	Jan., 2025	-	-	
		Blue Box	Oct., 2024	-	-	*A work for UNLIMITED PRODUCE project ^{*2}
	License-out/ Investment project etc.	Sonic the Hedgehog 3	Dec. 20, 2024	Global	-	*Date in "Launch" is the release date in North America
		The Angry Birds Movie 3	TBD	-	-	
		Knuckles	Apr. 26, 2024	Global	Paramount +	*Licensing out, Date in "Launch" is the release date in overseas
		Angry Birds Mystery Island	May 21, 2024	Global	Amazon Prime Video	*Licensing out
		Like a Dragon: Yakuza	Oct. 25, 2024	Global	Amazon Prime Video	*Licensing out, Date in "Launch" is the release date in Japan
		COLORFUL STAGE! The Movie: A Miku Who Can't Sing	Jan. 17, 2025	-	-	*Licensing out
		Golden Axe (Title TBD)	TBD	-	-	*Licensing out

^{*1} CS = Consumer area, ^{*2} UNLIMITED PRODUCE Project = an initiative to produce animation works in collaboration with other studios, with the aim of strengthening the animation production business

*Only announced titles are listed

(Reference) Entertainment Contents Business Sales Schedule

(AM & TOY area)



Area		Title	Launch	Region	Platform	
AM ^{*1} & TOY	AM	GIMMI	Jul. 4, 2024	-	-	*Print Sticker machine
		UFO CATCHER TRIPLE TWIN Compact	Jul. 11, 2024	-	-	
	TOY	SONIC&FRIENDS	Apr. 26, 2024	-	-	
		Let's play store for the first time! ANPANMAN's Fluffy Bakery	May 30, 2024	-	-	
		"Moving Picture Book" Projector Dream Switch ANPANMAN	Jun. 27, 2024	-	-	
		Come play! Chiikawa House with Talking dolls	Jun. 27, 2024	-	-	
		monpoke Sounds and Lights! Rolling round Pikachu Tower	Jun. 27, 2024	-	-	
		me-smartphone + (Plus)	Aug. 8, 2024	-	-	

*1 AM = Amusement Machine

*Only announced titles are listed

(Reference) Consumer Area: Major New Titles



Metaphor: ReFantazio (Oct. 11, 2024)
©ATLUS. ©SEGA.



SONIC X SHADOW GENERATIONS (Oct. 25, 2024)
©SEGA



Sonic Rumble (To be released this Winter)
©SEGA

Pachislot & Pachinko Machines Business



(Billion yen)	FY2024/3*		FY2025/3	
	Q1	Full Year Results	Q1	Full Year Forecast
Sales	50.5	133.2	28.8	105.0
Pachislot	31.5	88.7	17.4	49.6
Pachinko	16.4	35.5	9.0	46.4
Other / Elimination	2.6	9.0	2.4	9.0
Operating Income	21.6	41.6	10.5	23.0
Ordinary Income	21.7	41.9	10.7	23.5
Adjusted EBITDA	22.3	44.5	11.4	26.5
Pachislot				
Number of Titles	1 title	7 titles	3 titles	7 titles
Unit Sales (units)	64,766	180,090	36,993	107,000
Pachinko				
Number of Titles	2 titles	4 titles	2 titles	8 titles
Unit Sales (units)	39,095	88,236	22,475	115,000
Board + Frame	19,312	25,419	2,383	57,400
Board	19,783	62,817	20,092	57,600

*Results for FY2024/3 have been retroactively adjusted due to the change in segment classifications (unaudited)

*New series are counted as one title

(Titles which installation started from previous FY, specification changed titles, etc. are not included)

FY2025/3 Q1 Results

➤ **Steady start**

- Steady sales of new titles
- Implemented additional sales of titles released in the previous fiscal year
- Major titles sold:

Smart Pachislot Psalms of Planets Eureka Seven 4 HI-EVOLUTION

Smart Pachislot Golden Kamuy, etc.

Forecast

➤ **Continue to launch new titles**

- Plan to launch *e Hokuto No Ken 10*, our first smart pachinko and featured title for this fiscal year, etc. in Q2



- **e Hokuto No Ken 10** (Nationwide installation: from Aug. 5, 2024)
- Strong sales
 - Implement promotions on the same scale as *Smart Pachislot Hokuto No Ken*, the hit in previous fiscal year including TV commercials

(Reference) Pachislot & Pachinko Machines Business Sales Schedule



【Major titles sold up to Q1 / titles planned to be sold in or after Q2】

		Title	Installation	Unit Sales	Specification Range ^{*1}	Sort
Pachislot	Q1	Smart Pachislot Golden Kamuy	Apr. 2024	12,865 units	Medium	New Series
		Smart Pachislot Psalms of Planets Eureka Seven 4 HI-EVOLUTION	May 2024	13,600 units	Medium	New Series
		Smart Pachislot BOFURI: I Don't Want to Get Hurt, so I'll Max Out My Defense.	Jun. 2024	9,483 units	Medium	New Series
	In or after Q2	Smart Pachislot Shin Hokuto Muso	Jul. 2024	-	High	New Series
		A-SLOT+ KONOSUBA -God's blessing on this wonderful world!	Sep. 2024	-	Low	Specification Change
		Smart Pachislot Initial D 2nd	Oct. 2024	-	Medium	New Series

		Title	Installation	Unit Sales	Specification Range ^{*2}	Sort
Pachinko	Q1	P Bakemonogatari	Apr. 2024	5,173 units	High Middle/ Light Middle ^{*3}	New Series
		P The Seven deadly Sins 2 1000 Divine Cuts VER.	May 2024	3,395 units	Light Middle	Specification Change
		★P Initial D 2nd	Jun. 2024	9,082 units	High Middle	New Series
	In or after Q2	★e Hokuto No Ken 10	Aug. 2024	-	High	New Series
		★Dejihane P Psalms of Planets Eureka Seven ANEMONE 99ver.	Aug. 2024	-	Light	Specification Change
		P IKUSA no KO Legend of Oda Nobunaga	Sep. 2024	-	High Middle	New Series

Titles marked with “★” are machines that equip Lucky Trigger feature

^{*1} Specification Range (Pachislot): Classified by level of gambling aspect (High/Medium/Low). Calculated based on in-house definition

^{*2} Specification Range (Pachinko): Classified by symbol matching probability (High/High Middle/Middle/Light Middle/Light/Minimum/Other). Based on the jackpot probability classification of Daikoku Denki Co., Ltd.
High=1/320 or less, High Middle=1/280~1/319, Middle=1/200~1/279, Light Middle=1/120~1/199, Light=1/40~1/119, Minimum=1/39 or more

^{*3} For *P Bakemonogatari*, two machines with different specification, *P Bakemonogatari 319ver.* and *P Bakemonogatari 199ver.*, were sold

*Unit sales only in FY2025/3 are listed

*Only announced titles are listed

(Billion yen)	FY2024/3*		FY2025/3	
	Q1	Full Year Results	Q1	Full Year Forecast
Sales	0.3	1.9	0.6	3.0
Operating Income	-0.5	-1.7	-0.3	-2.0
Non-operating income	0.3	1.4	1.4	1.0
Non-operating expenses	0.0	0.1	0.1	0.5
Ordinary Income	-0.2	-0.4	0.9	-1.5
Ordinary Income Margin	-	-	-	-
Adjusted EBITDA	-0.2	-0.4	0.7	-1.5

*Results for FY2024/3 have been retroactively adjusted due to the change in segment classifications (unaudited)

FY2025/3 Q1 Results

➤ Strong sales of casino machines

■ Gaming machine sales:

- Sales of *Railroad Riches*™, compatible with new video slot machine cabinet *Genesis Atmos*™, has been strong in the U.S.

■ PARADISE SEGASAMMY:

- Contributed to profit in equity-method earnings as casino revenues remained at high levels.

Forecast

■ Gaming machine sales:

- Expect the expansion of the unit sales in North America and Asia

■ PARADISE SEGASAMMY:

- Expect to contribute to profit in equity-method earnings



➤ ***Railroad Riches™* is well received, contributing to strengthening our relationship with casino operators**

- Installation: from January 2024
- Two titles ranked in the top 3^{*1} of the game performance report issued by a U.S. gaming research company^{*2}

^{*1} *Tycoon™* and *Sheriff™*, two titles from *Railroad Riches™*, compatible with new video slot machine cabinet *Genesis Atmos™* were ranked in

^{*2} "Top Indexing NEW Games-Core, Video Ranking" in "U.S. & Canada Game Performance Report July 2024" issued by Eilers & Krejcik Gaming, LLC

(Reference) Gaming Business/PARADISE SEGASAMMY



(KRW Billion)		FY2024/3		FY2025/3
		Q1	Full year Results	Q1
Sales		91.2	448.7	132.3
	Casino	63.3	327.9	102.5
	Hotel	23.2	100.3	23.7
	Other	4.5	20.4	5.9
Cost of sales		74.1	353.1	92.2
	Casino	38.2	193.4	52.6
	Hotel	25.4	112.1	28.6
	Other	10.4	47.6	11.0
Gross profit		17.1	95.5	40.0
	SG&A	7.2	39.2	10.1
Operating profit		9.8	56.3	29.9
EBITDA		24.1	103.7	40.8
Net profit		2.6	28.0	22.4
Number of casino visitors (Thousands)		63	297	85
Source: Paradise IR				
SEGASAMMY Equity method acquisition amount (Billion yen)		0.0	0.9	1.0

FY2025/3 Q1 Results

➤ **Casino sales remained strong**

- Casino sales remained strong, 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

Forecast

➤ **Contribution to profit in equity-method earnings**

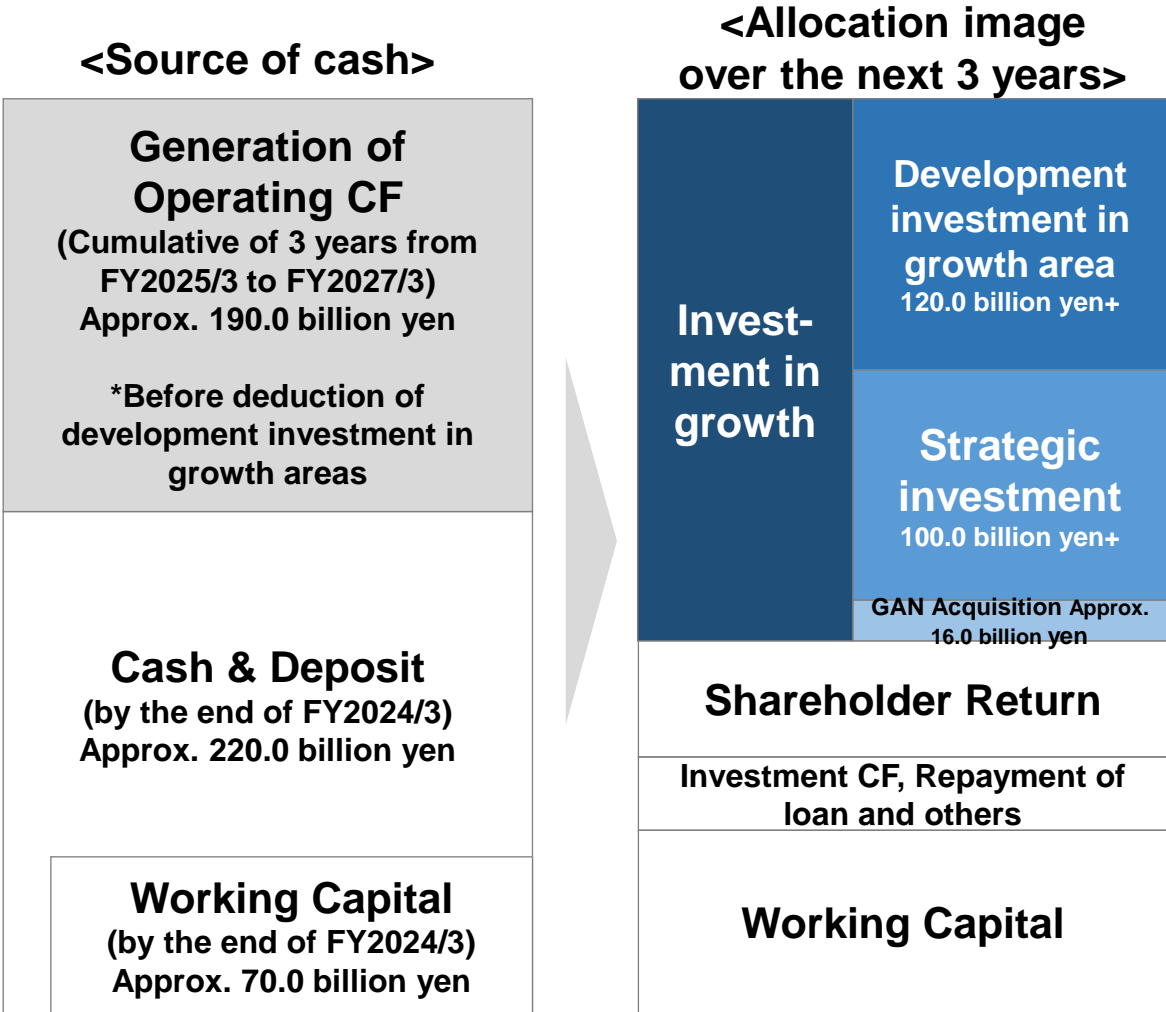
- Expect a further attraction of customers through strengthened marketing

*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

【Capital allocation policy】



- **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 or more
- **Consideration of the investment for establishing further growth pillars (including M&A)**
 - Consumer, Gaming (Stakelogic B.V.), etc.
- **Shareholder return corresponding to profit growth**
<Basic policy of shareholder return>
 - Apply “DOE of 3% or more” or “total return ratio of 50% or more,” whichever is higher and return through dividends or share buybacks



<https://www.segasammy.co.jp/en/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)

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