

February 13, 2026

(Translation)

**Consolidated Financial Results
for the Nine Months Ended December 31, 2025 (Japanese GAAP)**

Name of Company	:	SEGA SAMMY HOLDINGS INC.
Listing	:	Tokyo Stock Exchange Prime
Code number	:	6460
URL	:	https://www.segasammy.co.jp/en/
Representative	:	Haruki Satomi President and Group CEO, Representative Director
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Scheduled date to commence dividend payments	:	-
Preparation of supplementary material on quarterly financial results	:	Yes
Holding of quarterly financial results briefing	:	Yes (for institutional investors)

(Amounts below one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2025 (April 01, 2025 - December 31, 2025)

(1) Consolidated Operating Results

(Percentage represents changes from the prior period)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Nine months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	335,232	4.0	19,844	(54.6)
December 31, 2024	322,316	(8.1)	43,706	(20.8)
			23,838	(51.8)
			(16,894)	-
			49,410	(13.9)
			41,756	17.3

(Note) Comprehensive income

Nine months ended December 31, 2025	:	¥2,143 million	((95.2)%)
Nine months ended December 31, 2024	:	¥44,568 million	(10.2%)

(Reference) Adjusted EBITDA

Nine months ended December 31, 2025	:	¥3,482 million	((93.6)%)
Nine months ended December 31, 2024	:	¥54,518 million	((0.6)%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	(79.98)	-
December 31, 2024	194.14	193.39

Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of December 31, 2025	Millions of yen 640,474	Millions of yen 360,618	% 56.2
March 31, 2025	644,777	381,604	59.1

(Reference) Shareholders' equity

As of December 31, 2025 : ¥360,255 million

As of March 31, 2025 : ¥381,165 million

2. Cash Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
Year ended March 31, 2025	Yen -	Yen 25.00	Yen -	Yen 27.00	Yen 52.00
Year ending March 31, 2026	-	27.00	-		
Year ending March 31, 2026 (plan)				28.00	55.00

(Note) Revision to the forecast of cash dividends most recently announced: No

3. Forecast of Consolidated Financial Results for the Year ending March 31, 2026

(April 01, 2025 - March 31, 2026)

(Percentage represents changes from the prior year)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen				
Full-year	490,000	14.2	40,000	(16.9)	43,500	(18.1)	(13,000)	—	(61.87)

(Note) Revision to the forecast of operating results most recently announced: Yes

4. Other

(1) Changes in significant subsidiaries during the period: Yes

New: 37 Company name: Stakelogic B.V. and its 12 other subsidiaries, GAN Limited and its 23 other subsidiaries

Exclusion: - Company name: -

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatements

1. Changes in accounting policies due to revisions to accounting standards and other regulations: No

2. Changes in accounting policies due to other reasons: No

3. Changes in accounting estimates: No

4. Restatements: No

(4) Number of issued shares (common stock)

1. Number of issued shares at the end of the period (including treasury stock)

December 31, 2025 : 221,229,476

March 31, 2025 : 241,229,476

2. Number of treasury stock at the end of the period

December 31, 2025 : 10,952,377

March 31, 2025 : 27,418,879

3. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the Nine months ended December 31, 2025 : 211,218,169

For the Nine months ended December 31, 2024 : 215,082,100

(Note) The Company has introduced the "BIP Trust" for directors and the "Stock-granting ESOP Trust" for employees, and the Company's shares held by these trusts are included in the number of treasury stock at the end of the period above. These shares are also included in the number of treasury stock which is subject to be excluded for calculation by the average number of shares during the period above.

(Note) Auditing procedures reviewed for this document by certified public accountants or accounting auditors: No

(Note)

- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

- The forward-looking statements, such as results forecasts, included in this document are based on information available to the SEGA SAMMY HOLDINGS INC. (the Company) at the time of the announcement and assumptions considered reasonable, and do not purport to be a promise by the Company to achieve such results. Actual results could differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the forecasts, please see "Forecast of Consolidated Operating Results" on page 8.

- The Company plans to hold a briefing on financial results for institutional investors on February 13, 2026. The presentation materials to be used on the day will be posted on TDnet and the Company's website in advance, and the details of the briefing and the content of the explanation (video and audio) will also be posted on the Company's website.

Operating Results and Financial Position

(1) Operating results for the nine months ended December 31, 2025 (April 01, 2025 - December 31, 2025)

■ Overall highlights

For the nine months ended December 31, 2025, the Group recorded net sales of ¥335,232 million, operating income of ¥19,844 million, and adjusted EBITDA of ¥3,482 million. In the Entertainment Contents Business, regarding Rovio Entertainment Ltd ("Rovio"), the Group recognized impairment losses on goodwill and other intangible assets of ¥31,380 million as an extraordinary loss. As a result, loss attributable to owners of parent amounted to ¥16,894 million.

With respect to the outlook, please refer to "Notice of Recording of Extraordinary Losses (Impairment Losses) and Revision of Operating Results Forecast" announced on February 13, 2026.

■ Highlights by segment

« Entertainment Contents »

For the nine months ended December 31, 2025, the Group launched several new titles in the Consumer area, including "Football Manager 26" (Full Game, released on November 5, 2025) and "Sonic Rumble" (F2P, service launched on November 5, 2025). In addition, licensing revenue associated with the Transmedia strategy increased compared with the same period of the prior fiscal year.

In the Animation area, the Group recorded revenue from the distribution of animation series to streaming platform operators and others, as well as distribution income from the first and second "Sonic" series films.

Going forward, in the Consumer area, the Group released a new Full Game, "Yakuza Kiwami 3 & Dark Ties" (released on February 12, 2026), and a new F2P title, "SEGA FOOTBALL CLUB CHAMPIONS 2026" (service launched on January 22, 2026). Both titles have shown a good start. Regarding Rovio, the Group will focus on businesses related to the major IP "Angry Birds" and implement measures to increase the ratio of external payment for each app. The Group will also continue to strengthen sales capabilities and review the title lineup across the entire Consumer area.

In the Animation area, the Group expects continued revenue from the domestic and international distribution and other related businesses of animation series.

In the AM&TOY area, the Group will continue to focus on sales centered on the prize category and other core products.

For further details, please refer to "Results Presentation Q3 for the fiscal year ending March 31, 2026."

Results Presentation Q3 for the fiscal year ending March 31, 2026

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

« Pachislot & Pachinko Machines »

For the nine months ended December 31, 2025, the Group released several titles, including "Smart Pachislot Bakemonogatari" for pachislot and "e Hokuto No Ken 11 Bokyosei" for pachinko.

Going forward, in the fourth quarter, the Group plans to focus on sales of "Smart Pachislot Hokuto No Ken Chapter of Resurrection 2" (installed in January 2026) and "Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato" (scheduled for March 2026). In addition, regarding the new pachislot cabinet promoted by the Group since the current fiscal year, sales of reel parts alone will begin with the installation of "Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato". Through these efforts, including reducing cost burdens for Pachislot and Pachinko halls, the Group aims to contribute to the revitalization of the pachislot and pachinko machines industry.

For further details, please refer to "Results Presentation Q3 for the fiscal year ending March 31, 2026."

Results Presentation Q3 for the fiscal year ending March 31, 2026

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

« Gaming »

For the nine months ended December 31, 2025, although the existing businesses, including gaming equipment sales and "PARADISE CITY", continued to show a strong performance, the Group recorded a loss due to the consolidation of the financial results of GAN Limited ("GAN") and Stakelogic B.V. ("Stakelogic"), both of which were acquired during the current fiscal year. In gaming equipment sales, "Railroad RICHES™" and "Super Burst™" series continued to achieve high utilization in the North American market. The newly installed "Railroad RICHES Link™" series also showed a good start.

In "PARADISE CITY" in South Korea, the casino continued to maintain a high level of drop amounts (purchased amount of chips by customers at the table) from Japanese VIP customers. Both net sales and each stage of profit reached all-time highs since its opening for the period from January to September 2025, contributing to profit growth through equity-method earnings.

*GAN, Stakelogic and PARADISE SEGASAMMY Co., Ltd. are recorded with a three-month delay due to the December fiscal year-end.

Going forward, in gaming equipment sales, the Group will continue to strengthen sales of well-performing existing titles as well as new series titles, particularly in the North American market, while advancing initiatives aimed at realizing the "Omnichannel strategy" set forth for the Gaming Business.

For further details, please refer to "Results Presentation Q3 for the fiscal year ending March 31, 2026."

Results Presentation Q3 for the fiscal year ending March 31, 2026

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

■ Consolidated Financial Results for the Nine Months Ended December 31, 2025

(Unit: Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Changes from the prior period	
			amount	%
Net Sales	322,316	335,232	12,916	4.0
Operating income	43,706	19,844	(23,862)	(54.6)
Ordinary income	49,410	23,838	(25,571)	(51.8)
Profit (loss) attributable to owners of parent	41,756	(16,894)	(58,650)	-

Adjusted EBITDA※1	54,518	3,482	(51,035)	(93.6)
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Basic earnings per share	Yen 194.14	Yen (79.98)	Yen (274.12)	% -
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Items	Breakdown
※1 Adjusted EBITDA	Ordinary income + Interest expenses + Depreciation and amortization ± Adjustment items※2
※2 Adjustment Items:	+ Extraordinary income of business
	- Extraordinary losses of business (impairments, title write-down, etc.)
	- Profit attributable to non-controlling interests
	+ Goodwill and trademark right etc. amortization associated with M&A

Overview by segment is as follows.

« Entertainment Contents »

(Unit: Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Changes from the prior period	
			amount	%
Sales to third party	238,624	242,296	3,672	1.5
Inter-segment sales and transfers	425	444	-	-
Total net sales	239,050	242,741	3,691	1.5
Ordinary income	37,564	24,676	(12,887)	(34.3)

Adjusted EBITDA	40,505	2,039	(38,466)	(95.0)
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« Pachislot & Pachinko Machines »

(Unit: Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Changes from the prior period	
			amount	%
Sales to third party	76,430	73,385	(3,045)	(4.0)
Inter-segment sales and transfers	91	76	-	-
Total net sales	76,522	73,462	(3,060)	(4.0)
Ordinary income	19,756	10,659	(9,097)	(46.0)

Adjusted EBITDA	22,279	11,278	(11,000)	(49.4)
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« Gaming »

(Unit: Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	Changes from the prior period	
			amount	%
Sales to third party	3,101	16,795	13,694	441.6
Inter-segment sales and transfers	17	0	-	-
Total net sales	3,118	16,795	13,676	438.5
Ordinary income (loss)	954	(247)	(1,202)	-

Adjusted EBITDA	44	143	99	226.7
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(2) Financial positions as of December 31, 2025

(Assets and liabilities)

Total assets as of December 31, 2025 decreased by ¥4,302 million from the end of the prior fiscal year to ¥640,474 million.

Current assets decreased by ¥5,583 million from the end of the prior fiscal year. This was mainly attributable to a decrease in cash and deposits, despite increases in notes and accounts receivable and merchandise and finished goods.

Noncurrent assets increased by ¥1,280 million from the end of the prior fiscal year. This was mainly attributable to increases in goodwill resulting from the inclusion of Stakelogic and GAN in the scope of consolidation, among other factors, despite an impairment of intangible assets such as goodwill and trademark rights related to Rovio and a decrease in investments in capital due to the recoupment of production investment.

Total liabilities as of December 31, 2025 increased by ¥16,683 million from the end of the prior fiscal year to ¥279,856 million. This was mainly attributable to increases in contract liabilities and notes and accounts payable, as well as the inclusion of liabilities from Stakelogic and GAN, despite decreases in provision for bonuses and long-term borrowings.

(Net assets)

Net assets as of December 31, 2025 decreased by ¥20,986 million from the end of the prior fiscal year to ¥360,618 million. This was mainly attributable to recording of loss attributable to owners of parent and decreases in shareholders' equity by acquisition of treasury stock and cash dividend, despite an increase of foreign currency translation reserve.

(Financial ratio)

The current ratio as of December 31, 2025 decreased by 62.1 percentage points from the end of the prior fiscal year to 350.7%.

The equity ratio as of December 31, 2025 decreased by 2.9 percentage points from the end of the prior fiscal year to 56.2%.

(3) Forecast of Consolidated Operating Results

The Company has revised the forecast of consolidated operating results for the fiscal year ending March 31, 2026 which was announced on May 12, 2025. For details, please refer to "Notice of Recording of Extraordinary Losses (Impairment Losses) and Revision of Operating Results Forecast" announced on February 13, 2026.

QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

SEGA SAMMY HOLDINGS INC. QUARTERLY CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2025 AND DECEMBER 31, 2025

(Unit: Millions of yen)

	Prior year (As of March 31, 2025)	Current period (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	200,360	142,980
Notes and accounts receivable - trade and contract assets	52,653	69,381
Securities	-	454
Merchandise and finished goods	10,958	23,597
Work in process	59,565	75,409
Raw materials and supplies	23,155	24,253
Other	42,353	47,440
Allowance for doubtful accounts	(303)	(356)
Total current assets	388,744	383,160
Noncurrent assets		
Property, plant and equipment		
Land	13,691	13,716
Other, net	35,240	39,150
Total property, plant and equipment	48,931	52,866
Intangible assets		
Goodwill	30,119	36,701
Trademark right	44,871	45,068
Other	16,251	17,917
Total intangible assets	91,241	99,687
Investments and other assets		
Investment securities	51,185	52,334
Other	64,776	52,520
Allowance for doubtful accounts	(102)	(95)
Total investments and other assets	115,859	104,759
Total noncurrent assets	256,033	257,313
Total assets	644,777	640,474

SEGA SAMMY HOLDINGS INC.
QUARTERLY CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2025 AND DECEMBER 31, 2025

(Unit: Millions of yen)

	Prior year (As of March 31, 2025)	Current period (As of December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,560	26,660
Short-term borrowings	7,500	7,409
Income taxes payable	3,822	5,682
Provision	13,135	6,931
Other	46,161	62,570
Total current liabilities	94,179	109,254
Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	132,000	128,250
Provision	2,149	4,355
Net defined benefit liability	4,616	5,533
Asset retirement obligations	2,329	2,534
Other	17,897	19,927
Total noncurrent liabilities	168,993	170,602
Total liabilities	263,173	279,856
Net assets		
Shareholders' equity		
Capital stock	29,953	29,953
Capital surplus	69,740	29,866
Retained earnings	314,947	286,469
Treasury stock	(54,866)	(26,459)
Total shareholders' equity	359,774	319,829
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,441	3,338
Deferred gains or losses on hedges	641	1,260
Revaluation reserve for land	(1,109)	(1,109)
Foreign currency translation adjustment	16,868	35,546
Remeasurements of defined benefit plans	1,548	1,389
Total accumulated other comprehensive income	21,391	40,425
Share acquisition rights	414	333
Non-controlling interests	24	29
Total net assets	381,604	360,618
Total liabilities and net assets	644,777	640,474

SEGA SAMMY HOLDINGS INC.
 QUARTERLY CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
 FOR THE NINE MONTHS ENDED DECEMBER 31, 2024 AND 2025

	(Unit: Millions of yen)	
	Prior period From April 01, 2024 To December 31, 2024	Current period From April 01, 2025 To December 31, 2025
Net sales	322,316	335,232
Cost of sales	173,508	190,399
Gross profit	148,807	144,833
Selling, general and administrative expenses	105,101	124,989
Operating income	43,706	19,844
Non-operating income		
Interest income	2,564	2,329
Dividends income	156	157
Equity in earnings of affiliates	2,054	3,291
Gain on investments in partnership	788	305
Foreign exchange gains	1,267	11
Other	1,240	989
Total non-operating income	8,071	7,085
Non-operating expenses		
Interest expenses	1,319	1,966
Commission expenses	109	109
Loss on investments in partnership	686	619
Other	252	395
Total non-operating expenses	2,368	3,090
Ordinary income	49,410	23,838
Extraordinary income		
Gain on sales of noncurrent assets	19	7
Gain on sales of investment securities	227	840
Gain on sales of shares of subsidiaries and affiliates	8,499	-
Other	435	2
Total extraordinary income	9,181	850
Extraordinary losses		
Loss on sales of noncurrent assets	0	0
Impairment loss	1,021	34,096
Loss on business restructuring	6,145	1,616
Other	322	523
Total extraordinary losses	7,490	36,237
Income (loss) before income taxes	51,101	(11,548)
Income taxes - current	10,674	7,422
Income taxes - deferred	(1,334)	(2,080)
Total income taxes	9,339	5,342
Profit (loss)	41,761	(16,891)
(Breakdown)		
Profit (loss) attributable to owners of parent	41,756	(16,894)
Profit attributable to non-controlling interests	5	2

SEGA SAMMY HOLDINGS INC.
 QUARTERLY CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
 FOR THE NINE MONTHS ENDED DECEMBER 31, 2024 AND 2025

	Prior period From April 01, 2024 To December 31, 2024	Current period From April 01, 2025 To December 31, 2025	(Unit: Millions of yen)
Other comprehensive income			
Valuation difference on available-for-sale securities	(13)	(102)	
Deferred gains or losses on hedges	419	619	
Foreign currency translation adjustment	3,090	19,052	
Remeasurements of defined benefit plans, net of tax	(636)	(161)	
Share of other comprehensive income of entities accounted for using equity method	(53)	(373)	
Total other comprehensive income	2,806	19,034	
Comprehensive income	44,568	2,143	
(Breakdown)			
Comprehensive income attributable to owners of parent	44,563	2,140	
Comprehensive income attributable to non-controlling interests	5	2	

[Notes]

(Notes on assumptions for going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

At the Board of Directors meeting held on May 12, 2025, the Company resolved to retire 20,000,000 shares of treasury stock pursuant to Article 178 of the Companies Act, and completed the retirement on May 23, 2025. As a result, capital surplus and treasury stock each decreased by ¥39,738 million in the nine months ended December 31, 2025.

Furthermore, at the same board meeting, the Company resolved to acquire treasury stock pursuant to Article 156 of the Companies Act as applied by replacing terms under Article 165, Paragraph 3. Based on this resolution, the Company acquired 3,818,600 shares of common stock for ¥11,999 million through market purchases on the Tokyo Stock Exchange during the nine months ended December 31, 2025.

(Special accounting treatment applied in preparing quarterly consolidated financial statements)

(Tax expense calculation)

Taxes are calculated by reasonably estimating the effective tax rate after application of tax effect accounting to income before income taxes for the fiscal year and multiplying the income before income taxes by such estimated effective tax rate. However, a legally designated effective tax rate will be applied if such tax expenses are found to be very unreasonable after calculation based on the relevant estimated effective tax rate.

SEGMENT INFORMATION

1. Prior period (From April 01, 2024 to December 31, 2024)

Information on the amounts of net sales, income (loss) by each reporting segment

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Notes)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot & Pachinko Machines	Gaming			
Net sales						
(1) Sales to third parties	238,624	76,430	3,101	318,156	4,159	322,316
(2) Inter-segment sales and transfers	425	91	17	535	(535)	-
Total	239,050	76,522	3,118	318,691	3,624	322,316
Segment income (loss)	37,564	19,756	954	58,275	(8,865)	49,410

(Notes) 1. Adjustment of ¥4,159 million for sales to third parties represents sales that do not belong to any business segments.

2. Adjustment to segment income (loss) of ¥(8,865) million includes loss of ¥(758) million that do not belong to any business segments, elimination of inter-segment transactions of ¥1 million, and general corporate expenses of ¥(8,107) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.
3. Adjustment has been made to segment income (loss) and ordinary income of the quarterly consolidated statements of income and comprehensive income.

2. Current period (From April 01, 2025 to December 31, 2025)

(1) Information on the amounts of net sales, income (loss) by each reporting segment

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Notes)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot & Pachinko Machines	Gaming			
Net sales						
(1) Sales to third parties	242,296	73,385	16,795	332,478	2,754	335,232
(2) Inter-segment sales and transfers	444	76	0	521	(521)	-
Total	242,741	73,462	16,795	332,999	2,233	335,232
Segment income (loss)	24,676	10,659	(247)	35,087	(11,249)	23,838

(Notes) 1. Adjustment of ¥2,754 million for sales to third parties represents sales that do not belong to any business segments.

2. Adjustment to segment income (loss) of ¥(11,249) million includes losses of ¥(690) million that do not belong to any business segments, elimination of inter-segment transactions of ¥73 million, and general corporate expenses of ¥(10,631) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.
3. Adjustment has been made to segment income (loss) and ordinary income of the quarterly consolidated statements of income and comprehensive income.

(2) Information related to impairment losses on noncurrent assets, goodwill, etc. by reporting segment
(Significant impairment losses on non-current assets)

In the Entertainment Contents Business segment, impairment losses on goodwill and other intangible assets related to Rovio, a consolidated subsidiary of the Group, were recognized during the third quarter of the current fiscal year. These impairment losses amounted to ¥31,380 million for the nine months ended December 31, 2025.

(Significant changes in the amount of goodwill)

In the Gaming Business segment, Stakelogic and its 12 subsidiaries were included in the scope of consolidation from the first quarter of the fiscal year ending March 31, 2026 due to the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥17,998 million was recognized and the amortization of goodwill amounted to ¥1,027 million for the nine months ended December 31, 2025. In addition, the provisional accounting method was applied based on reasonable information available at the end of the third quarter of the current fiscal year, since the purchase price allocation has not been completed.

In the Gaming Business segment, GAN and its 23 subsidiaries were included in the scope of consolidation from the first quarter of the fiscal year ending March 31, 2026 due to the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥17,498 million was recognized and the amortization of goodwill amounted to ¥900 million for the nine months ended December 31, 2025. In addition, the provisional accounting method was applied based on reasonable information available at the end of the third quarter of the current fiscal year, since the purchase price allocation has not been completed.

In the Entertainment Contents Business segment, an impairment loss on goodwill of Rovio, a consolidated subsidiary of the Group, was recognized during the third quarter of the current fiscal year, resulting in a decrease in the carrying amount of goodwill. The resulting decrease in goodwill amounted to ¥28,707 million for the nine months ended December 31, 2025.

The impairment loss on goodwill is included in the impairment losses described in "Significant impairment losses on non-current assets".

(Notes to cashflow statements)

Quarterly consolidated statements of cashflow statement for the nine months ended December 31, 2025 have not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows.

(Unit: Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation and amortization expenses	9,789	11,429
Amortization expenses of goodwill	2,281	4,252

(Significant subsequent events)

(Acquisition of treasury stock)

At the Board of Directors meeting held on February 13, 2026, the Company resolved on matters pertaining to the acquisition of treasury stock pursuant to Article 156 of the Companies Act as applied by replacing terms under Article 165, Paragraph 3.

(1) Rationale for the acquisition of treasury stock

The Group is committed to maximizing corporate value by focusing on capital efficiency. As part of these initiatives, the Group has formulated a capital allocation policy and has been allocating capital to growth investments and shareholder returns. In accordance with this policy, in the Consumer area, which the Group positions as a growth business, the Group has pursued business expansion through organic investments such as game development, as well as through the acquisition of Rovio. Furthermore, in the Gaming Business, which the Group has established as the third business pillar, the Group has reinforced the business foundation through acquisitions including GAN and Stakelogic.

However, as announced on February 13, 2026, in the "Notice of Recording of Extraordinary Losses (Impairment Losses) and Revision of Operating Results Forecast", impairment losses on goodwill and other intangible assets related to Rovio were recognized in the financial results for the third quarter of the current fiscal year. In addition, Stakelogic is now expected to fall short of securing the revenue initially anticipated. In light of these developments, the Group has decided to revise the capital allocation policy and suspend large-scale M&A activities for the time being. Consequently, the Group will reallocate the funds previously reserved for such M&A activities and has resolved to implement the acquisitions of treasury stock totaling ¥20.0 billion. The shares acquired pursuant to this resolution will be retired following the completion of the acquisition, with the specific details to be determined by a subsequent resolution of the Board of Directors.

(2) Details of acquisition of treasury stock

Type of shares to be acquired	Common stock
Total number of shares to be acquired	12,000,000 shares (maximum) 5.71% of total outstanding shares (excluding treasury stock)
Total acquisition cost	¥20.0 billion (maximum)
Period of share acquisition	From February 16, 2026 to July 31, 2026
Method of acquisition	Purchase on the Tokyo Stock Exchange