FY2027/3 Q1 Results
Major Questions in Results Briefing for Analysts and Institutional Investors (Summary)

August 27, 2026
SEGA SAMMY HOLDINGS INC.
IR/SR Department, Corporate Planning Division

■ Date and Time: August 7, 2026 (Friday) 13:00-
■ Respondents:
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*This document is an excerpt and summary of the Q&A session at the financial results briefing, and some edits and modifications have been made to improve comprehensibility.
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Company-wide

Q. Regarding Q1 results, you mentioned all segments exceeded expectations. Please explain by how much they exceeded expectations.

A. Company-wide operating income exceeded expectations by slightly more than 7.0 billion yen. Operating income in the Entertainment Contents Business and Pachislot & Pachinko Machines Business each exceeded expectations by more than 3.0 billion yen, while the operating loss in the Gaming Business was smaller by slightly less than 1.0 billion yen.
In the Entertainment Contents Business, sales of *UFO CATCHER 10* in the AM&TOY area exceeded expectations, while downloadable content performed strongly in the Consumer area. In the Pachislot & Pachinko Machines Business, additional sales of titles including *Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato* were strong, while sales of key titles were also strong in the Gaming Business. In addition, certain costs were not incurred compared with expectation overall, which also contributed to higher profits.

Q. Regarding shareholder return, are you considering a special dividend to coincide with the anniversary event or an increase in the total return ratio?

A. Under the current medium-term plan, we have set a total payout ratio of 50% and a DOE of 3% as our shareholder return policy, and at this point we have no plan to implement a one-time special dividend. In capital allocation, we place importance on balancing growth investments and shareholder returns, and in FY2026/3, we also implemented the acquisition of treasury stocks in a flexible manner. We will continue working to enhance shareholder returns while taking into account the business environment and capital position.

Entertainment Contents Business

Q. Please explain why operating income in the Consumer area of the Entertainment Contents Business decreased significantly compared with Q1 FY2026/3.

A. In Q1 of FY2026/3, operating income was boosted by one-time income from providing major titles to subscription services, but there was no such income in Q1 FY2027/3, which was the main factor. Advertising expenses also increased compared to Q1 FY2026/3 because we have begun marketing activities for new titles of Full Game scheduled for future release.

Q. Please explain the platform strategy for future new key titles.

A. At this point, our basic policy is to launch titles globally on multiple platforms simultaneously from the first day of release. Through this approach, we will maximize touchpoints with users worldwide and drive sales growth.

Q. Regarding catalogue sales of previously released titles, is it reasonable to think that the current sales level will be remained going forward?

A. Catalogue sales overall are progressing largely in line with the forecast, driven particularly by *Persona 5 Royal* and *Persona 3 Reload*. For now, we are working to meet the sales level targeted in the forecast.

Q. How far has the review of the marketing structure progressed, and are the effects starting to appear?

A. The marketing organization is moving toward a unified global structure, with setting KPIs, implementing the PDCA cycle, and strengthening the digital initiatives. In particular, we are working to expand exposure mainly for key titles in FY2027/3, *STRANGER THAN HEAVEN* and *Persona 4 Revival*, and we are seeing some positive results in views of related videos and wish list registrations. The full-scale effects will be assessed based on the actual sales performance of the titles, but at this point, we are seeing encouraging signs.

Q. The unit price of catalogue titles has declined. Was this an intentional result based on the strategy?

A. Sales from catalogue titles is generally in line with expectations, and the decline in unit price reflects proactive discounts through sales campaigns etc. For example, with the *Persona* series, we are strategically working to increase IP awareness by combining greater exposure linked to various game events, etc. with a flexible pricing strategy. We aim to translate these initiatives into catalogue sales and sales of new titles in the future.

Q. Please explain the progress of licensing revenue in Q1 FY2027/3 and the outlook toward achieving the full-year forecast.

A. Q1 FY2027/3 was generally on par with Q1 FY2026/3 and in line with our expectations. Promotions related to movies for *Sonic* and *Angry Birds* are planned to be concentrated in Q3 and Q4, so we expect the revenue to increase toward the second half. We are encouraged by the progress toward achieving the full-year forecast of 20.8 billion yen.

Q. To what extent are anniversary initiatives for *Sonic* etc. contributing to licensing revenue? Also, can we expect contributions from other key IPs such as *Persona* going forward?

A. Licensing and merchandise development associated with *Sonic* anniversary initiatives began in Q1. Full-scale revenue expansion is expected to accelerate in Q3 and Q4 in line with the movie release and related large-scale promotions. In addition to *Sonic*, we are advancing global licensing expansion for key IPs such as *Persona* and *Angry Birds*, and we expect them to contribute to licensing revenue in the second half.

Q. How will you proceed with Transmedia strategy for game IPs, particularly video adaptations?

A. Video media adaptation is one important pillar of our Transmedia strategy, and we are considering a variety of possibilities with multiple platform providers. By combining games, video, and licensing, we aim to maximize the brand awareness and value of our IPs.

Q. In Transmedia strategy, how do you view the collaboration with Group Companies such as TMS Entertainment?

A. As part of the discussions on our next medium-term plan, we are considering how to utilize the IPs' rights held across the Group and further enhance their value. We believe TMS Entertainment's expertise in animation production and its networks across various industries can be utilized in a wide range of areas, including games and pachislot & pachinko machines, and we will promote collaboration among those Group Companies.

Q. How do you view the current market environment in the AM&TOY area? Also, please explain the factors behind the strong performance and measures for future revenue expansion.

A. We believe demand for real-world, physical experiences are increasing in the market. In particular, *UFO CATCHER*® series is seeing strong global demand, supported by factors such as the expansion of new store formats that differ from conventional formats. Furthermore, from a real-world entertainment perspective, utilization of dart machines in DARTSLIVE also performed strongly and we received additional orders in Q1. As we expect the favorable market environment to continue, we will strengthen sales in Japan and overseas, and work to secure stable revenue and improve profitability.

Pachislot & Pachinko Machines Business

Q. Please explain the factors behind the improvement in the profit margin of the Pachislot & Pachinko Machines Business and its continuation going forward.

A. Factors behind the improvement in the profit margin include the high selling prices for additional sales of *Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato*, increase in reel unit sales of reel exchangeable cabinet exceeding expectations, and absence of anticipated costs. From Q2 onward, sales of key titles will continue, and we also expect reel unit sales to grow, so we expect the improvement in the profit margin to continue. On the other hand, although the profit margin will improve, reel unit sales have lower selling prices than cabinet sales, so there is no significant difference in gross profit amount per unit compared with cabinet sales.

Q. Please explain the current status of regulatory trends and their impact on business performance.

A. Recently, there have been moves to review some voluntary regulations, such as bonus triggers for pachislot and “flag*” feature for pachinko machines, so we believe these initiatives will contribute to revitalizing the industry over the medium to long term. However, we understand that they will have no impact on short-term business performance. Through discussions with the government authorities and industry organizations, we would like to create rules and an environment that lead to greater diversity in gameplay.

*A new feature for pachinko enabling a wider variety of gameplay than before

Q. In the pachislot market, strong utilization has led to stronger demand for promising models, and initial installation volumes are trending upward. Please explain the initial sales status of *Smart Pachislot Lycoris Recoil*.

A. *Smart Pachislot Lycoris Recoil* is based on a popular IP, and given the trust in the Sammy brand as well, we are receiving extremely high expectations and strong demand. Through the use of popular IPs and the development of highly competitive products, we also want to attract new user.

Q. Please explain the social media marketing initiatives for pachislot & pachinko machines.

A. We have continued our efforts to roll out live-play and introduction videos in collaboration with influencers. We are also strengthening real-world events and are working to communicate the appeal of pachislot & pachinko machines by creating touchpoints with younger and light-user.

Q. As specifications become more diverse, how do you view the possibility of a recovery in the pachinko market?

A. We hope that an increase of excellent machines, including titles from industry peers, will lead to revitalization of the pachinko market. The whole industry will work together to halt the decline by creating more diverse gameplay through the use of popular IPs and the introduction of new rules such as “flag.”.

Q. Are there any differences between urban and regional areas in the trend of younger users being drawn to pachislot due to the impact of anime?

A. While the number of halls is a declining trend, we would like to revitalize the industry starting from areas with large younger populations and then broaden that momentum. At pachinko halls, younger users tend to prefer new gameplay and new IPs, and this can also spread to middle-aged and older users who observe those trends. To create such flow, we would like to continue initiatives that encourage younger users to enter the market.

Q. Please explain the evaluation of *Smart Pachislot Big Dream THE GOLDEN PUSHER* and the possibility of developing it into a series going forward.

A. *Big Dream* is a title that adapts a pachinko IP developed by our Group into pachislot. We recognize that it features distinctive gameplay and was well received by specific group of core users. Although we cannot make any definitive statement about future series development, we have had a policy of offering a diverse range of specification and gameplay, and we position *Big Dream* as a title that plays a role in gameplay with high level of gambling aspects within that range.

Gaming Business

Q. Regarding Q1 results in the Gaming Business (operating loss of 2.1 billion yen), what is the progress against the full-year forecast (operating loss of 10.0 billion yen)?

A. Gaming machine sales in the North American market were strong, and the Q1 loss was narrower than forecast. In the initial forecast, we expected a large proportion of installations through leases, which could generate recurring revenue toward the establishment of stable earnings over the medium to long term. Recently, however, demand for outright purchases has been stronger than expected, resulting in a higher proportion of outright sales. We will continue to work to expand leases while also monitoring sales trends.

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[Important Notice to Investors and Shareholders Regarding Gaming Laws and Regulations]

As a publicly traded company, we are registered with the Nevada Gaming Commission and are certified as qualified to directly or indirectly hold shares in our subsidiaries operating in the State of Nevada, USA: Sega Sammy Creation Co., Ltd. and its wholly-owned subsidiaries Sega Sammy Creation, USA Inc., GAN (UK) Limited, and GAN Nevada, Inc. (collectively referred to as the "Operating Subsidiaries"). The Operating Subsidiaries hold licenses in Nevada as manufacturers/sellers of gaming equipment and as information service providers. Under Nevada state regulations, our shareholders are also subject to rules established by the Nevada Gaming Authority. For details on these regulations, please refer to:

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

Furthermore, the Operating Subsidiary holds licenses in multiple countries, states, and regions outside Nevada (collectively, the "Other Jurisdictions") as a supplier, vendor, data provider, and manufacturer/seller of gaming equipment. Our shareholders may be subject to regulations in the Other Jurisdictions that are similar or comparable to those in Nevada, based on the laws and regulations of those jurisdictions and the rules established by their respective gaming authorities.