November 6, 2026

(Translation)

# Consolidated Financial Results for the Six Months Ended September 30, 2026 (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<br>President and Group CEO, Representative Director |
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| | | |
|---|---|---|
| Scheduled date to commence dividend payments | : | December 4, 2026 |
| 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 Six Months Ended September 30, 2026 (April 1, 2026 - September 30, 2026)

(1) Consolidated Operating Results

(Percentage represents changes from the prior period)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2026 | 212,584 | 5.7 | 14,279 | 42.2 | 16,132 | 49.4 | 10,931 | 298.6 |
| September 30, 2025 | 201,108 | - | 10,042 | - | 10,800 | - | 2,742 | - |

(Note) Comprehensive income

Six months ended September 30, 2026 : ¥9,917 million ((31.1)%)
Six months ended September 30, 2025 : ¥14,392 million ( - %)

(Note) Adjusted EBITDA

Six months ended September 30, 2026 : ¥24,583 million (54.0%)
Six months ended September 30, 2025 : ¥15,959 million ( - %)

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| September 30, 2026 | 53.88 | - |
| September 30, 2025 | 12.96 | 12.92 |

(Note) 1. For the six months ended September 30, 2026, diluted earnings per share is not presented because there were no potential shares outstanding.

2. The provisional accounting treatment for a business combination was finalized in the prior fiscal year. As the figures for the six months ended September 30, 2025 reflect the finalization of this treatment, percentage changes are not presented.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2026 | 620,631 | 359,593 | 57.9 |
| March 31, 2026 | 627,388 | 354,967 | 56.5 |

(Reference) Shareholders' equity

As of September 30, 2026 : ¥359,560 million
As of March 31, 2026 : ¥354,693 million

## 2. Cash Dividends

| | Cash dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter | Second quarter | Third quarter | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2026 | - | 27.00 | - | 28.00 | 55.00 |
| Year ending March 31, 2027 | - | 27.00 | | | |
| Year ending March 31, 2027 (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, 2027 (April 1, 2026 - March 31, 2027)

(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 | 510,000 | 4.6 | 44,500 | (5.6) | 47,500 | (12.4) | 32,500 | - | 160.36 |

(Note) Revision to the forecast of operating results most recently announced: No

## 4. Other

(1) Changes in significant subsidiaries during the period: No

New: - Company name: -

Exclusion: - Company name: -

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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)

September 30, 2026 : 213,545,376
March 31, 2026 : 221,229,476

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

September 30, 2026 : 10,521,249
March 31, 2026 : 18,564,547

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

For the Six months ended September 30, 2026 : 202,879,795
For the Six months ended September 30, 2025 : 211,696,223

(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 shares of treasury stock at the end of the period above. These shares are also included in the number of shares of treasury stock deducted in calculating the average number of shares during the period above.

(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.
- This report is not required the auditing procedures by certified public accountants or accounting auditors.
- For the calculation method of Adjusted EBITDA in this document, please see "Operating results for the six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)" on page 6.
- The forward-looking statements, such as results forecasts, included in this document are based on information available to 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 November 6, 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 six months ended September 30, 2026 (April 1, 2026 - September 30, 2026)

■ Overall highlights

For the six months ended September 30, 2026, the Group recorded net sales of ¥212,584 million, operating income of ¥14,279 million, and adjusted EBITDA of ¥24,583 million. With launches of major new titles concentrated in the third quarter and beyond, net sales in each segment were generally in line with expectations, while operating income and adjusted EBITDA exceeded expectations.

Provisional accounting treatment was applied to the business combination with GAN Limited ("GAN"), completed on May 27, 2025, in the first half of the prior fiscal year. Following the finalization of the accounting treatment at the end of the prior fiscal year, figures for the first half of the prior fiscal year have been retrospectively adjusted for comparison and analysis purposes.

For details, please refer to the Highlights by segment.

■ Returns to shareholders

The Company regards the return of profits to shareholders as an important management issue. The Company returns to shareholders by dividends or share buybacks, and the total returns result in a DOE of 3% or a total return ratio of 50%, whichever is higher.

In line with this policy, the interim dividend for the fiscal year ending March 31, 2027, has been set at ¥27 per share, based on a DOE of 3% and the initial dividend forecast announced at the beginning of the fiscal year. If calculated based on a DOE of 3%, the total annual return to shareholders would be approximately ¥11.7 billion. However, based on a total return ratio of 50%, and assuming profit attributable to owners of the parent of ¥32.5 billion as forecasted, the total annual return would amount to approximately ¥16.2 billion. Accordingly, the actual year-end amount of the total return to shareholders and its return method possibly changes by the progress of business performance of the Group.

■ Highlights by segment

《 Entertainment Contents 》

For the six months ended September 30, 2026, the Entertainment Contents Business performed above expectations overall. In the Consumer area, catalogue sales of Full Game titles remained solid, while sales of downloadable content and revenue associated with licensing revenue from subscription platforms, among other items, exceeded expectations. F2P, however, performed slightly below expectations.

In the Animation area, distribution income from the theatrical film "Detective Conan: Fallen Angel of the Highway" was recorded. For the Sonic films, distribution income from the third film began to be recorded in the second quarter, in addition to income from the first and second films.

In the AM&TOY area, continued strong sales of amusement machines, following the trend seen in the three months ended June 30, 2026, were among the factors contributing to performance above expectations.

Going forward, major new Full Game titles will be launched in the Consumer area, including "Football Manager 27" (scheduled for release on November 10, 2026), "STRANGER THAN HEAVEN" (scheduled for release on January 15, 2027), and "Persona 4 Revival" (scheduled for release on February 18, 2027). The Group will work to expand sales of new and catalogue titles through promotional activities for each title and sales initiatives for the holiday season.

In the Animation area, distribution income is expected from the first through third Sonic films, as well as revenue from the rollout in Japan and overseas of animated works based on popular manga and novels. Looking ahead, "The Angry Birds Movie 3" and "Sonic the Hedgehog 4" are scheduled for release in the third quarter or later.

In the AM&TOY area, strong demand for the "UFO CATCHER®" series is expected to continue, while overseas sales of prize merchandise are also expected to begin in earnest.

《 Pachislot & Pachinko Machines 》

For the six months ended September 30, 2026, performance exceeded expectations. Sales of "Smart Pachislot Lycoris Recoil" exceeded plan, and additional sales of "Smart Pachislot Kabaneri of the Iron Fortress: The Battle of Unato," released in the fiscal year ended March 31, 2026, also contributed. Reel unit sales for pachislot began in March 2026 and accounted for more than 30% of pachislot units sold during the first half of the current fiscal year.

Going forward, several new titles are scheduled for installation, including "Smart Pachislot Beast King" (October 2026) and "Smart Pachislot Kaitou Tenshi Twin Angel 2" (December 2026) for pachislot, as well as "e SHANGRI-LA FRONTIER" (December 2026), based on a popular IP being adapted into a pachislot or pachinko machine for the first time, and "e Hokuto No Ken Gekitou" (January 2027) for pachinko. The planned titles include that in the "Hokuto no Ken" series.

Regulatory approvals obtained for pachislot machines remain at a low level across the Pachislot & Pachinko Machines industry as a whole. While seeking regulatory approval for planned titles, the Group will continue to work toward launching products that meet user expectations through uncompromising development.

《 Gaming 》

For the six months ended September 30, 2026, gaming machine sales, an existing business area, remained solid, driven by growth in sales of key series such as "Railroad RICHES™" and "Super Burst™". The launch of the new title "BONANZA BROS. GOLDEN HEIST™" also began in September. Meanwhile, the inclusion of financial results from GAN and Stakelogic B.V. ("Stakelogic"), both acquired in the fiscal year ended March 31, 2026, resulted in higher sales and a wider operating loss compared with the same period in the prior fiscal year.

For "PARADISE CITY," the quarterly casino drop amounts (chip purchases) reached a record high in the second quarter, and sales performed well. Although its contribution to equity-method earnings decreased from the same period in the prior year, partly due to higher expenses associated with the hotel that opened in March, its profit contribution was in line with expectations.

* GAN, Stakelogic and PARADISE SEGASAMMY Co., Ltd. are posted 3 months delay due to the fiscal year ending in December.

Going forward, efforts will be made to build the foundation for realizing the "Omnichannel strategy" set out for the Gaming Business. In gaming machine sales, the Group will work to establish a stable revenue base over the medium to long term by strengthening sales of existing and new titles, primarily in North America, expanding lease-based sales, acquiring new customers, and obtaining licenses in new regions, among other initiatives. GAN and Stakelogic, which are implementing business turnaround programs, will seek to improve operational efficiency by reducing fixed costs and optimizing their businesses and organizational structures. GAN will advance its migration to a new platform that will serve as a foundation for business growth. Stakelogic will pursue more efficient business operations through a shift from quantity to quality and advance the porting of proven gaming machine IP to online formats, thereby establishing a new revenue base.

* For other details, please see "Results Presentation Q2 for the fiscal year ending March 31, 2027."
https://www.segasammy.co.jp/en/ir/library/

■ Consolidated Financial Results for the Six Months Ended September 30, 2026

(Unit: Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 | Changes from the prior period | |
|---|---|---|---|---|
| | | | amount | % |
| Net sales | 201,108 | 212,584 | 11,476 | 5.7 |
| Operating income | 10,042 | 14,279 | 4,236 | 42.2 |
| Ordinary income | 10,800 | 16,132 | 5,332 | 49.4 |
| Profit attributable to owners of parent | 2,742 | 10,931 | 8,188 | 298.6 |

| | | | | |
|---|---|---|---|---|
| Adjusted EBITDA※1 | 15,959 | 24,583 | 8,624 | 54.0 |

| | | | | |
|---|---|---|---|---|
| | Yen | Yen | Yen | % |
| Basic earnings per share | 12.96 | 53.88 | 40.92 | 315.9 |

| 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)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 | Changes from the prior period | |
|---|---|---|---|---|
| | | | amount | % |
| Sales to external customers | 148,885 | 145,106 | (3,778) | (2.5) |
| Inter-segment sales and transfers | 281 | 348 | - | - |
| Total net sales | 149,166 | 145,455 | (3,710) | (2.5) |
| Ordinary income | 15,557 | 10,004 | (5,553) | (35.7) |

| | | | | |
|---|---|---|---|---|
| Adjusted EBITDA | 21,276 | 14,826 | (6,450) | (30.3) |

《 Pachislot & Pachinko Machines 》

(Unit: Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 | Changes from the prior period | |
|---|---|---|---|---|
| | | | amount | % |
| Sales to external customers | 41,897 | 49,097 | 7,200 | 17.2 |
| Inter-segment sales and transfers | 60 | 48 | - | - |
| Total net sales | 41,957 | 49,146 | 7,189 | 17.1 |
| Ordinary income | 3,575 | 15,430 | 11,855 | 331.6 |

| | | | | |
|---|---|---|---|---|
| Adjusted EBITDA | 3,425 | 17,010 | 13,585 | 396.6 |

《 Gaming 》

(Unit: Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 | Changes from the prior period | |
|---|---|---|---|---|
| | | | amount | % |
| Sales to external customers | 8,561 | 16,358 | 7,797 | 91.1 |
| Inter-segment sales and transfers | 0 | - | - | - |
| Total net sales | 8,561 | 16,358 | 7,797 | 91.1 |
| Ordinary loss | (745) | (4,191) | (3,445) | - |

| | | | | |
|---|---|---|---|---|
| Adjusted EBITDA | (1,384) | (2,591) | (1,207) | - |

(2) Financial positions as of September 30, 2026

(Assets and liabilities)

Total assets as of the end of the six months ended September 30, 2026 decreased by ¥6,757 million from the end of the prior fiscal year to ¥620,631 million.

Current assets decreased by ¥10,326 million from the end of the prior fiscal year. This was attributable to factors including decreases in cash and deposits and trade receivables, while inventories increased.

Non-current assets increased by ¥3,568 million from the end of the prior fiscal year. This was attributable to increases in investments in capital associated with production investments and in investment securities, despite a decrease in trademark right.

Total liabilities as of the end of the six months ended September 30, 2026 decreased by ¥11,382 million from the end of the prior fiscal year to ¥261,037 million. This was attributable to decreases in income taxes payable and borrowings.

(Net assets)

Net assets as of the end of the six months ended September 30, 2026 increased by ¥4,625 million from the end of the prior fiscal year to ¥359,593 million. This was attributable to the recording of profit attributable to owners of parent, despite a decrease in shareholders' equity resulting from dividend payments. In addition, capital surplus and treasury stock each decreased by ¥19,443 million as a result of the cancellation of treasury stock.

(Financial ratio)

The current ratio at the end of the six months ended September 30, 2026 increased by 5.4 percentage points from the end of the prior fiscal year to 348.7%. The equity ratio at the end of the six months ended September 30, 2026 increased by 1.4 percentage points from the end of the prior fiscal year to 57.9%.

### (3) Forecast of Consolidated Operating Results

The forecast of consolidated operating results for the fiscal year ending March 31, 2027, remains unchanged from the forecast announced on May 12, 2026.

# SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

SEGA SAMMY HOLDINGS INC.
SEMI-ANNUAL CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2026 AND SEPTEMBER 30, 2026

(Unit: Millions of yen)

| | Prior year (As of March 31, 2026) | Current period (As of September 30, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 153,366 | 129,428 |
| Notes and accounts receivable - trade | 67,576 | 54,542 |
| Securities | 509 | 465 |
| Merchandise and finished goods | 14,051 | 16,861 |
| Work in process | 78,486 | 99,936 |
| Raw materials and supplies | 18,454 | 21,472 |
| Other | 42,848 | 42,364 |
| Allowance for doubtful accounts | (581) | (685) |
| Total current assets | 374,711 | 364,385 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 13,715 | 13,622 |
| Other, net | 37,348 | 38,227 |
| Total property, plant and equipment | 51,063 | 51,850 |
| Intangible assets | | |
| Goodwill | 14,568 | 14,220 |
| Trademark right | 45,313 | 43,073 |
| Other | 20,229 | 19,693 |
| Total intangible assets | 80,111 | 76,988 |
| Investments and other assets | | |
| Investment securities | 53,384 | 55,009 |
| Other | 68,242 | 72,491 |
| Allowance for doubtful accounts | (124) | (93) |
| Total investments and other assets | 121,502 | 127,407 |
| Total non-current assets | 252,677 | 256,246 |
| Total assets | 627,388 | 620,631 |

SEGA SAMMY HOLDINGS INC.

SEMI-ANNUAL CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2026 AND SEPTEMBER 30, 2026

(Unit: Millions of yen)

| | Prior year (As of March 31, 2026) | Current period (As of September 30, 2026) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 17,448 | 20,908 |
| Short-term borrowings | 7,500 | 7,500 |
| Income taxes payable | 11,460 | 5,684 |
| Provision for bonuses | 10,267 | 7,605 |
| Other provisions | 1,444 | 3,984 |
| Asset retirement obligations | 25 | 24 |
| Other | 61,002 | 58,797 |
| Total current liabilities | 109,147 | 104,504 |
| Non-current liabilities | | |
| Bonds payable | 10,000 | 10,000 |
| Long-term borrowings | 124,500 | 120,750 |
| Provision | 2,518 | - |
| Retirement benefit liability | 5,247 | 5,700 |
| Asset retirement obligations | 2,497 | 2,513 |
| Other | 18,509 | 17,570 |
| Total non-current liabilities | 163,273 | 156,533 |
| Total liabilities | 272,420 | 261,037 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 29,953 | 29,953 |
| Capital surplus | 29,819 | 10,151 |
| Retained earnings | 297,607 | 302,809 |
| Treasury stock | (46,282) | (25,932) |
| Total shareholders' equity | 311,096 | 316,980 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,576 | 2,803 |
| Deferred gains or losses on hedges | 1,543 | 2,153 |
| Revaluation reserve for land | (1,109) | (1,109) |
| Foreign currency translation adjustment | 37,950 | 36,693 |
| Remeasurements of defined benefit plans | 2,635 | 2,039 |
| Total accumulated other comprehensive income | 43,596 | 42,580 |
| Share acquisition rights | 243 | - |
| Non-controlling interests | 31 | 32 |
| Total net assets | 354,967 | 359,593 |
| Total liabilities and net assets | 627,388 | 620,631 |

SEGA SAMMY HOLDINGS INC.

SEMI-ANNUAL CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2026

(Unit: Millions of yen)

| | Prior period<br>From April 1, 2025<br>To September 30, 2025 | Current period<br>From April 1, 2026<br>To September 30, 2026 |
|---|---|---|
| Net sales | 201,108 | 212,584 |
| Cost of sales | 111,767 | 111,488 |
| Gross profit | 89,340 | 101,096 |
| Selling, general and administrative expenses | 79,297 | 86,816 |
| Operating income | 10,042 | 14,279 |
| Non-operating income | | |
| Interest income | 1,574 | 1,902 |
| Dividend income | 96 | 91 |
| Equity in earnings of affiliates | 2,358 | 924 |
| Gain on investments in investment partnerships | 197 | 1,096 |
| Other | 644 | 984 |
| Total non-operating income | 4,871 | 4,999 |
| Non-operating expenses | | |
| Interest expenses | 1,319 | 1,601 |
| Commission expenses | 73 | 68 |
| Loss on investments in investment partnerships | 516 | 393 |
| Foreign exchange losses | 2,044 | 855 |
| Other | 159 | 228 |
| Total non-operating expenses | 4,113 | 3,146 |
| Ordinary income | 10,800 | 16,132 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1 | 7 |
| Gain on sale of investment securities | 79 | 29 |
| Gain on reversal of share acquisition rights | 1 | 149 |
| Other | - | 0 |
| Total extraordinary income | 82 | 185 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 0 | 0 |
| Impairment losses | 2,400 | 197 |
| Loss on business restructuring | 1,589 | - |
| Extra payments for early retirements | 260 | 344 |
| Other | 204 | 186 |
| Total extraordinary losses | 4,455 | 728 |
| Income before income taxes | 6,427 | 15,589 |
| Income taxes - current | 3,484 | 6,015 |
| Income taxes - deferred | 199 | (1,358) |
| Total income taxes | 3,683 | 4,656 |
| Profit | 2,743 | 10,932 |
| (Breakdown) | | |
| Profit attributable to owners of parent | 2,742 | 10,931 |
| Profit attributable to non-controlling interests | 1 | 1 |

SEGA SAMMY HOLDINGS INC.

SEMI-ANNUAL CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2026

(Unit: Millions of yen)

| | Prior period<br>From April 1, 2025<br>To September 30, 2025 | Current period<br>From April 1, 2026<br>To September 30, 2026 |
|---|---|---|
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,173 | 226 |
| Deferred gains or losses on hedges | 230 | 609 |
| Foreign currency translation adjustment | 9,185 | (1,605) |
| Remeasurements of defined benefit plans, net of tax | (108) | (593) |
| Share of other comprehensive income of entities accounted for using equity method | 1,167 | 346 |
| Total other comprehensive income | 11,648 | (1,015) |
| Comprehensive income | 14,392 | 9,917 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | 14,391 | 9,915 |
| Comprehensive income attributable to non-controlling interests | 1 | 1 |

**[Notes]**

(Notes on assumptions for going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

At the Board of Directors meeting held on March 31, 2026, the Company resolved to cancel treasury stock pursuant to Article 178 of the Companies Act of Japan, and cancelled 7,684,100 shares of treasury stock on April 24, 2026. As a result, capital surplus and treasury stock decreased by ¥19,443 million each in the first half of the fiscal year ending March 31, 2027.

(Special accounting treatment applied in preparing semi-annual 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.

(Changes in method of presentation)

(Semi-annual consolidated balance sheets)

The account title "Notes and accounts payable - trade" has been changed to "Accounts payable - trade" as there was no balance of notes payable for both the prior fiscal year and the first half of the current fiscal year.

(Semi-annual consolidated statements of income and comprehensive income)

In the first half of the prior fiscal year, "Gain on reversal of share acquisition rights" was included in "Other" under "Extraordinary income," and "Extra payments for early retirements" was included in "Other" under "Extraordinary losses." Due to the increased materiality, both items have been presented as separate line items beginning in the first half of the current fiscal year. To reflect this change in presentation, the amounts in the semi-annual consolidated statement of income for the first half of the prior fiscal year have been reclassified as follows. The ¥1 million previously presented in "Other" under "Extraordinary income" has been reclassified as ¥1 million in "Gain on reversal of share acquisition rights" and ¥ - million in "Other". The ¥464 million previously presented in "Other" under "Extraordinary losses" has been reclassified as ¥260 million in "Extra payments for early retirements" and ¥204 million in "Other".

# SEGMENT INFORMATION

1. Prior period (From April 1, 2025 to September 30, 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 external customers | 148,885 | 41,897 | 8,561 | 199,343 | 1,764 | 201,108 |
| (2) Inter-segment sales and transfers | 281 | 60 | 0 | 341 | (341) | - |
| Total | 149,166 | 41,957 | 8,561 | 199,685 | 1,422 | 201,108 |
| Segment income (loss) | 15,557 | 3,575 | (745) | 18,387 | (7,587) | 10,800 |

(Notes) 1. Adjustment of ¥1,764 million for sales to external customers represents sales that do not belong to any business segments.

2. Adjustment to segment income (loss) of ¥(7,587) million includes loss of ¥(375) million that does not belong to any business segments, elimination of inter-segment transactions of ¥72 million, and general corporate expenses of ¥(7,284) 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 semi-annual consolidated statements of income and comprehensive income.

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

(Significant changes in the amount of goodwill)

In the Gaming Business segment, Stakelogic B.V. and its 12 subsidiaries were included in the scope of consolidation from the first half of the fiscal year ended March 31, 2026 following the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥17,998 million was recorded. Amortization of goodwill for the first half of the fiscal year ended March 31, 2026 was ¥504 million. The amount of the goodwill reflects the finalization of the provisional accounting treatment. No adjustment to the amount of goodwill was recognized upon the finalization of the provisional accounting treatment. In addition, at the end of the fiscal year ended March 31, 2026, the Group recorded impairment losses for the full unamortized balance of the relevant goodwill.

In the Gaming Business segment, GAN Limited and its 23 subsidiaries were included in the scope of consolidation from the first half of the fiscal year ended March 31, 2026 following the acquisition of its shares.

As a result, in the Gaming Business segment, goodwill of ¥14,240 million was recorded. Amortization of goodwill for the first half of the fiscal year ended March 31, 2026 was ¥363 million. The amount of the goodwill reflects a material revision to the preliminary purchase price allocation resulting from the finalization of the provisional accounting treatment.

2. Current period (From April 1, 2026 to September 30, 2026)

(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 external customers | 145,106 | 49,097 | 16,358 | 210,563 | 2,021 | 212,584 |
| (2) Inter-segment sales and transfers | 348 | 48 | - | 397 | (397) | - |
| Total | 145,455 | 49,146 | 16,358 | 210,960 | 1,624 | 212,584 |
| Segment income (loss) | 10,004 | 15,430 | (4,191) | 21,244 | (5,111) | 16,132 |

(Notes) 1. Adjustment of ¥2,021 million for sales to external customers represents sales that do not belong to any business segments.

2. Adjustment to segment income (loss) of ¥(5,111) million includes losses of ¥(589) million that do not belong to any business segments, elimination of inter-segment transactions of ¥0 million, and general corporate expenses of ¥(4,521) million which are not allocated to each reporting segment. General corporate expenses mainly consist of expenses for Group management incurred by the Company.

3. Adjustment has been made to segment income (loss) and ordinary income of the semi-annual consolidated statements of income and comprehensive income.

4. Due to the material revision to the initial purchase price allocation resulting from the finalization of the provisional accounting treatment related to business combinations, the segment information for the first half of the fiscal year ended March 31, 2026 is presented after reflecting such revision.