

[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 Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 6460

June 3, 2025

(Start date for electronic provision measures: May 30, 2025)

Dear Shareholders:

Haruki Satomi
President, Representative Director
SEGA SAMMY HOLDINGS INC.
Sumitomo Fudosan Osaki Garden Tower,
1-1-1 Nishi-Shinagawa, Shinagawa-ku,
Tokyo, Japan

Notice of the 21st Ordinary General Meeting of Shareholders to be held on June 24, 2025

We inform you that the 21st Ordinary General Meeting of Shareholders of SEGA SAMMY HOLDINGS INC. (the “Company”) will be held at the Head Office of SEGA SAMMY Group (LIGHTHOUSE Hall, 11F, GRAND HARBOR, Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo, Japan) on Tuesday, June 24, 2025 at 10:00 a.m. for the purposes listed below.

Regarding the convocation of this General Meeting of Shareholders, measures for electronic provision have been taken for the Reference Documents for General Meeting of Shareholders, etc. (matters to be provided electronically), and the documents have been posted on the following websites on the Internet.

The Company’s website:

https://www.segasammy.co.jp/en/ir/stock/general_meeting/

The Tokyo Stock Exchange (TSE) website (TSE Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter and search for the issue name (company name) or securities code, and select “Basic information” and “Documents for public inspection/PR information” to confirm.

Net-de-Shoshu (online convocation):

<https://s.srdb.jp/6460/>

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or by mail (in writing). Therefore, please review the Reference Documents for General Meeting of Shareholders listed in the matters to be provided electronically, and kindly exercise your voting rights before 6:00 p.m., Japan Standard Time, on Monday, June 23, 2025.

Details of the Meeting

- 1. Date and time:** Tuesday, June 24, 2025 at 10:00 a.m. (Reception commences at 9:00 a.m.)
- 2. Venue:** LIGHTHOUSE Hall, 11F, GRAND HARBOR,
Head Office of SEGA SAMMY Group
Sumitomo Fudosan Osaki Garden Tower,
1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo, 141-0033, Japan
- 3. Agenda:**
- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 21st fiscal year (from April 1, 2024 to March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee on the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 21st fiscal year (from April 1, 2024 to March 31, 2025)
- Matter to be resolved:**
- Proposal:** To elect nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

-
- * If you attend the meeting in person, please submit the enclosed voting form at the reception desk at the meeting location on the day of the meeting.
- * Please note that persons other than shareholders of the Company such as a proxy and an accompanying person cannot attend the meeting.
- * If you do not indicate approval or disapproval of the proposal on the voting form, it will be treated as an indication of approval.
- * If you exercise your voting rights both via the Internet and in writing, we will treat the voting rights exercised via the Internet as valid. If you exercise your voting rights multiple times via the Internet, we will treat the last vote made as valid.
- * Pursuant to the provisions of laws and regulations and Article 16 of the Company's Articles of Incorporation, the following matters are not included in the documents sent to shareholders who have requested delivery of documents. Accordingly, these documents are part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor when preparing the audit report.
- Business Report: Company stock options, etc., Accounting auditor, Overview of structures for ensuring the propriety of business operations and the state of their operation
 - Consolidated Financial Statements: Consolidated statement of changes in shareholders' equity, Notes on the consolidated financial statements
 - Non-Consolidated Financial Statements: Non-consolidated statement of changes in shareholders' equity, Notes on the non-consolidated financial statements
- * Should any change need to be made to the matters to be provided electronically, the notice and the matters before and after revision shall be posted on each website listed above.
- * For voting results, an extraordinary report shall be posted on the website of the Company in place of the Notice of Resolutions. Information in English will be posted on our English website.
(https://www.segasammy.co.jp/en/ir/stock/general_meeting/)

Information on Exercise of Voting Rights

We recognize that the shareholders' voting right to be exercised in the General Meeting of Shareholders is an important right for our shareholders.

Please review the Reference Documents for General Meeting of Shareholders listed in the matters to be provided electronically, and we respectfully request that you exercise your voting rights.

The following three methods are available for exercising your voting rights.

Attending the meeting in person

Exercise of your voting rights on-site at the meeting

Please submit the enclosed voting form at the reception desk of the venue.

Date and time of the meeting: Tuesday, June 24, 2025 at 10:00 a.m.

Not attending the meeting in person

Exercise of your voting rights via the Internet

Please enter "for" or "against" the proposal following the instructions listed in the matters to be provided electronically.

Deadline for Exercise of Voting Rights: Monday, June 23, 2025 by 6:00 p.m.

Exercise of your voting rights in writing

Please indicate "for" or "against" the proposal on the enclosed voting form and return it by mail to the Company.

Deadline: Monday, June 23, 2025 by 6:00 p.m. (time of receipt)

Guidelines on filling out the voting form

Please indicate "for" or "against" for the proposal in the voting form.

Proposal:

- To approve all nominees, circle "賛" mark.
- To disapprove all nominees, circle "否" mark.
- To disapprove part of nominees, circle "賛" mark and enter the number of nominees whom you are against.

Information on Exercise of Voting Rights via the Internet, etc.

Please read the following when you exercise your voting rights via the Internet.

Deadline for Exercise of Voting Rights: Monday, June 23, 2025 by 6:00 p.m.

* Please exercise your voting rights as soon as possible.

How to vote by scanning the QR code
--

Scan the “QR code for login” and you can log on to the voting website without entering the “voting rights exercise code” and “temporary password.”

1. Scan the QR code.

Use your smartphone and scan the “QR code for login” printed on the right-hand side of the enclosed voting form slip.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

2. Select the option of exercise of voting rights.

The screen displays available options for exercise of voting rights. Select your preferred option for exercise of voting rights.

3. Select “for” or “against” the proposal.

Follow the on-screen instructions and select “賛成 (for)” or “反対 (against)” the proposal.

Follow the on-screen instructions to complete your exercise of voting rights.

■ **Electronic proxy voting platform for institutional investors**

Institutional investors can use the electronic proxy voting platform that is operated by Investor Communications Japan, Inc., which is designed for institutional investors to exercise their voting rights electronically.

FAQs for exercise of voting rights

Q: If the voting rights are exercised both via the Internet and in writing, which one is valid?

A: The Internet vote will be deemed as valid.

Q: If voting rights are exercised more than once via the Internet, are all of the votes valid?

A: If voting rights are exercised more than once, the last vote will be deemed as valid.

How to vote by entering the “voting rights exercise code” and “temporary password”

1. Access the voting website.

Voting website

<https://evote.tr.mufg.jp/>

Click “次の画面へ (Proceed).”

2. Enter the “voting rights exercise code” and “temporary password” printed on the right-hand side of the enclosed voting form slip.

Click “ログイン (Login).”

3. Select “for” or “against” the proposal.

Follow the on-screen instructions and select “賛成 (for)” or “反対 (against)” the proposal.

Follow the on-screen instructions to complete your exercise of voting rights.

Notes on use

Handling of the voting website

You can exercise your voting rights via the Internet by accessing the voting website (<https://evote.tr.mufg.jp/>) using your personal computer or smartphone (except from 2:30 a.m. to 4:30 a.m.).

About Internet access

1. You may be unable to use the voting website depending on your Internet configuration, your subscription service, or the device you use.
2. Please note that any costs incurred in using the designated voting website, such as Internet connection fees and communication charges, shall be borne by the shareholder.

For inquiries concerning operating procedures for the voting website:

Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Toll-free line: 0120-173-027 (Domestic [Japan] call only)
Hours: 9:00 a.m. - 9:00 p.m.

Information on Live Stream via the Internet and Acceptance of Questions in Advance

The General Meeting of Shareholders will be streamed live on a website exclusively for shareholders so that you may watch it at home, etc.

In addition, we accept questions from shareholders in advance regarding the agenda for the General Meeting of Shareholders on the website exclusively for shareholders.

1. Engagement Portal site

<https://engagement-portal.tr.mufg.jp/>

*Engagement Portal is a website exclusively for shareholders operated by Mitsubishi UFJ Trust and Banking Corporation.

2. Date and time of live stream

Tuesday, June 24, 2025 at 10:00 a.m.

You may not participate in resolutions on the day of the General Meeting of Shareholders.

Please exercise your voting rights in advance via the Internet or by mail (in writing).

3. Period for acceptance of questions in advance

From the arrival of the Notice of Convocation until Tuesday, June 17, 2025 at 6:00 p.m.

We plan to answer questions of particular interest to all shareholders on the day of the General Meeting of Shareholders.

*Please note that we are unable to provide individual responses to questions received in advance.

Please refer to the enclosed leaflet for how to log in to the Engagement Portal, how to watch the live stream, how to ask questions in advance, and to view notes.

Information for Shareholders Attending the General Meeting of Shareholders

In consideration of the privacy of shareholders, etc., the meeting will be filmed from the back of the venue during the live stream on the day of the event. However, please be forewarned that shareholders attending the meeting may unavoidably appear in the video.

Reference Documents for General Meeting of Shareholders

Proposal and reference information

Proposal: To elect nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, we are seeking to elect nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

As a result of deliberations by the Audit and Supervisory Committee, we have received the opinion that there are no particular opinions regarding this proposal.

The nominees for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as described below.

Nominee No.	Name	Gender Age	No. of Years Served as Director	Position and Responsibilities at the Company	No. of Concurrent Positions at Other Listed Companies	Attendance at Board of Directors' meetings
1	Hajime Satomi [Reappointment]	Male 83	20 years	Chairman, Representative Director	0	12/12 (100%)
2	Haruki Satomi [Reappointment]	Male 46	13 years	President and Group CEO, Representative Director in charge of Public Relations Office	0	12/12 (100%)
3	Koichi Fukazawa [Reappointment]	Male 59	10 years	Senior Executive Vice President and Group CFO, Director of the Board in charge of Gaming Business Division	0	12/12 (100%)
4	Shuji Utsumi [Reappointment]	Male 64	1 year	Director of the Board	0	10/10 (100%)
5	Ayumu Hoshino [Reappointment]	Male 55	1 year	Director of the Board	0	10/10 (100%)
6	Kohei Katsukawa [Reappointment] External Director Independent Director	Male 74	9 years	Director of the Board	0	12/12 (100%)
7	Melanie Brock [Reappointment] External Director Independent Director	Female 61	6 years	Director of the Board	3	12/12 (100%)
8	Fujiyo Ishiguro [Reappointment] External Director Independent Director	Female 67	4 years	Director of the Board	1	12/12 (100%)
9	Ankur Sahu [Reappointment] External Director Independent Director	Male 55	1 year	Director of the Board	0	9/10 (90%)

Note: The age and the number of years served as Director of each nominee are as of the conclusion of this meeting.

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
1	[Reappointment]	Mar.	1980	President, Representative Director of Sammy Industry Co., Ltd. (now Sammy Corporation)
	Hajime Satomi (January 16, 1942) Age 83 Gender: Male	Feb.	2004	Chairman of the Board, Representative Director of SEGA CORPORATION
		Jun.	2004	Chairman and CEO, Representative Director of Sammy Corporation
		Jun.	2004	Chairman and CEO, Representative Director of SEGA CORPORATION
		Oct.	2004	Chairman, President and CEO, Representative Director of the Company
		Jun.	2007	President, CEO and COO, Representative Director of SEGA CORPORATION
		May	2008	Chairman and CEO, Representative Director of the above
		Apr.	2012	Chairman of the Board of Sammy Corporation
		May	2013	Chairman and CEO, Representative Director of the above
		Jun.	2015	Advisor to NDK (current position)
		Jun.	2016	Chairman, President, CEO and COO, Representative Director of the Company
	Number of the Company's shares owned: 4,178,638 shares	Apr.	2017	Chairman and CEO, Representative Director of the Company
		Apr.	2017	Chairman of the Board, Representative Director of Sammy Corporation
		Apr.	2017	Honorary Chairman of the Board of SEGA Holdings Co., Ltd. (now SEGA CORPORATION) (current position)
	No. of years served as Director: 20 years	Apr.	2018	Chairman and Group CEO, Representative Director of the Company
		Apr.	2021	Chairman, Representative Director of the Company (current position)
		Apr.	2022	Chief Advisor of PHOENIX RESORT CO., LTD. (current position)
		Jun.	2022	Honorary Advisor of Japan Amusement Industry Association (current position)
		Apr.	2024	Honorary Chairman of the Board of Sammy Corporation (current position)
Attendance at Board of Directors' meetings: 100% (12/12)				
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Honorary Chairman of the Board of Sammy Corporation; Honorary Chairman of the Board of SEGA CORPORATION				
[Reason for nomination as candidate for Director] Mr. Hajime Satomi has served as a corporate manager of the Company and Group companies, demonstrated leadership over many years and contributed to the development of the Group. We seek appointment of Mr. Hajime Satomi as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience, career record and hard-earned insight, and contribute to improving the corporate value of the Company.				
Notes: 1. The Company conducts transactions relating to intermediary services for insurance, etc. with FSC LLC, of which Mr. Hajime Satomi and Mr. Haruki Satomi both serve as managing directors. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
2	[Reappointment] Haruki Satomi (January 11, 1979) Age 46 Gender: Male Number of the Company's shares owned: 3,921,261 shares No. of years served as Director: 13 years Attendance at Board of Directors' meetings: 100% (12/12)	Mar.	2004	Joined Sammy Corporation
		Jan.	2005	Joined SEGA CORPORATION
		Jun.	2012	Senior Vice President, Director of the Board of the Company
		Jun.	2012	Senior Vice President, Director of the Board of SEGA CORPORATION
		Apr.	2014	Senior Vice President, Director of the Board of Sammy Corporation
		Nov.	2014	Deputy COO, Representative Director of SEGA CORPORATION
		Nov.	2015	Deputy COO, Representative Director of Sammy Corporation
		Apr.	2016	President and COO, Representative Director of the above
		Jun.	2016	Executive Vice President, Director of the Board of the Company
		Apr.	2017	President and COO, Representative Director of the Company
		Apr.	2017	President and CEO, Representative Director of Sammy Corporation
		Apr.	2017	Chairman and CEO, Representative Director of SEGA Games Co., Ltd. (now SEGA CORPORATION) (current position)
		Apr.	2018	President and Group COO, Representative Director of the Company
		Apr.	2021	President and Group CEO, Representative Director of the Company (current position)
		Apr.	2021	Officer of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)
		Sep.	2022	Chairman of the Board of Sunrockers, Ltd. (current position)
		Jun.	2023	Vice Chairman of NDK (current position)
		Apr.	2024	Chairman and CEO, Representative Director of Sammy Corporation (current position)
		Apr.	2024	Senior Vice President, Director of the Board of TMS ENTERTAINMENT CO., LTD. (current position)
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Chairman and CEO, Representative Director of Sammy Corporation; Chairman and CEO, Representative Director of SEGA CORPORATION				
[Reason for nomination as candidate for Director] Mr. Haruki Satomi has served as a corporate manager of the Company and Group companies and contributed to the improvement of corporate earnings. He currently serves as President, Representative Director of the Company and demonstrates leadership as a Chief Executive Officer of the Group. We seek appointment of Mr. Haruki Satomi as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such experience, career record and leadership, and contribute to improving the corporate value of the Company.				
Notes: 1. The Company conducts transactions relating to intermediary services for insurance, etc. with FSC LLC, of which Mr. Hajime Satomi and Mr. Haruki Satomi both serve as managing directors. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
3	[Reappointment] Koichi Fukazawa (November 2, 1965) Age 59 Gender: Male Number of the Company's shares owned: 57,200 shares No. of years served as Director: 10 years Attendance at Board of Directors' meetings: 100% (12/12)	Apr.	1990	Joined The Sanwa Bank, Limited (now MUFG Bank, Ltd.)
		Jul.	2003	Joined Sammy Corporation
		Aug.	2003	Vice President, Executive Officer and Managing Director of President's Office of the above
		Oct.	2004	Vice President, Executive Officer and Managing Director of President's Office of the Company
		Oct.	2004	Vice President, Executive Officer and Managing Director of Chairman's Office and President's Office of SEGA CORPORATION
		Jun.	2005	Senior Vice President, Director of the Board and Managing Director of Chairman's Office and President's Office of the above
		Jan.	2007	President, Representative Director of SEGA SAMMY ASSET MANAGEMENT INC. (now MARZA ANIMATION PLANET INC.)
		Aug.	2007	Senior Vice President, Executive Officer and in charge of the Corporate Strategy and External Affairs of the Company
		May	2008	Senior Vice President, Director of the Board and Managing Director of New Business Division of SEGA CORPORATION
		Apr.	2009	Officer of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)
		Jun.	2009	President, Representative Director of SEGASAMMY VISUAL ENTERTAINMENT INC. (now MARZA ANIMATION PLANET INC.)
		Apr.	2014	Senior Executive Vice President, Representative Director of SEGA TOYS CO., LTD. (now SEGA FAVE CORPORATION)
		Jun.	2015	Senior Vice President, Director of the Board of the Company
		Jun.	2016	Executive Vice President and CFO, Director of the Board of the Company
		Apr.	2018	Executive Vice President and Group CFO, Director of the Board of the Company
		Jun.	2020	Senior Executive Vice President and Group CFO, Director of the Board of the Company (current position)
		Apr.	2021	Director of the Board of Sammy Corporation (current position)
		Dec.	2022	Chairman of the Board of SEGA SAMMY CREATION INC. (current position)
			Apr.	2024
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Director of the Board of Sammy Corporation; Director of the Board of SEGA CORPORATION				
[Reason for nomination as candidate for Director] Mr. Koichi Fukazawa has served as a corporate manager of the Company and Group companies in various fields including corporate planning, administration and new businesses. He currently serves as CFO of the Group and promotes the gaming business. We seek appointment of Mr. Koichi Fukazawa as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience and career record, and contribute to improving the corporate value of the Company.				
Notes: 1. There is no special interest between the Company and Mr. Koichi Fukazawa. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company	
4	<p>[Reappointment]</p> <p>Shuji Utsumi (April 19, 1961) Age 64 Gender: Male</p> <p>Number of the Company's shares owned: 19,000 shares</p> <p>No. of years served as Director: 1 year</p> <p>Attendance at Board of Directors' meetings: 100% (10/10)</p>	<p>Apr. 1986 Joined Sony Corporation (now Sony Group Corporation)</p> <p>Oct. 1994 Vice President of Sony Computer Entertainment America Inc.</p> <p>Oct. 1996 Senior Vice President, Director of the Board of Sega of America, Inc.</p> <p>Oct. 2000 Head of Asia Pacific of Disney Interactive Asia</p> <p>Oct. 2014 President, Representative Director of Warner Music Japan Inc.</p> <p>Jul. 2016 President, Representative Director of CYBIRD Co., Ltd.</p> <p>May 2019 Senior Vice President, Executive Officer of the Company</p> <p>May 2019 Senior Vice President, Executive Officer of SEGA Holdings Co., Ltd. (now SEGA CORPORATION)</p> <p>Apr. 2020 CSO (Chief Strategy Officer), Director of the Board of SEGA CORPORATION</p> <p>Apr. 2021 Co-COO, Director of the Board of the above</p> <p>Apr. 2021 CEO of Sega of America, Inc. (current position)</p> <p>Apr. 2022 Chairman of the Board of Sega Sapporo Studio Co., Ltd.</p> <p>Apr. 2023 Co-COO, Representative Director of SEGA CORPORATION</p> <p>Sep. 2023 Chair of the Board of Directors of Rovio Entertainment Oyj (current position)</p> <p>Jan. 2024 CEO of Sega Europe Ltd. (current position)</p> <p>Apr. 2024 President and COO, Representative Director of SEGA CORPORATION (current position)</p> <p>Apr. 2024 Senior Vice President, Director of the Board of TMS ENTERTAINMENT CO., LTD. (current position)</p> <p>Apr. 2024 Senior Vice President, Director of the Board of SEGA FAVE CORPORATION (current position)</p> <p>Apr. 2024 Chairman of the Board of ATLUS CO., LTD. (current position)</p> <p>Jun. 2024 Director of the Board of the Company (current position)</p> <p>Apr. 2025 Chairman of the Board of MARZA ANIMATION PLANET INC. (current position)</p>	
<p>[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)]</p> <p>President and COO, Representative Director of SEGA CORPORATION</p>			
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shuji Utsumi has served as a corporate manager for entertainment companies operating globally. He currently serves as President and COO, Representative Director of SEGA CORPORATION and leads the business growth of the SEGA Group on a global stage.</p> <p>We seek appointment of Mr. Shuji Utsumi as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience and career record, and contribute to improving the corporate value of the Company.</p> <p>Notes: 1. There is no special interest between the Company and Mr. Shuji Utsumi.</p> <p>2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.</p>			

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
5	[Reappointment] Ayumu Hoshino (July 5, 1969) Age 55 Gender: Male Number of the Company's shares owned: 10,500 shares No. of years served as Director: 1 year Attendance at Board of Directors' meetings: 100% (10/10)	Apr.	1995	Joined Sammy Corporation
		Oct.	2006	Vice President, Creative Officer of the above
		Aug.	2011	Senior Vice President, Director of the Board of RODEO, Co., Ltd.
		Apr.	2014	Senior Vice President, Executive Officer and Managing Director of Research & Development Division of Sammy Corporation
		Jun.	2014	Senior Vice President, Director of the Board and Managing Director of Research & Development Division of the above
		Apr.	2016	Executive Vice President, Representative Director and Managing Director of Research & Development Group Division, Technical Research & Development Division and Development Promotion Division of the above
		Nov.	2019	President and CEO of ZEEG Co., Ltd. (now ZEEG LLC.)
		Apr.	2020	Senior Vice President, Director of the Board of SEGA SAMMY CREATION INC.
		Jun.	2021	Vice Chairman of The Nikkoso Research Foundation for Safe Society (current position)
		Apr.	2022	Senior Executive Vice President and COO, Representative Director and in charge of Research & Development Group Division and Managing Director of Public Relations Division of Sammy Corporation
		Apr.	2024	President and COO, Representative Director and Managing Director of Public Relations Division of the above
		Apr.	2024	CEO of ZEEG LLC. (current position)
		Jun.	2024	Director of the Board of the Company (current position)
		Apr.	2025	Chairman of the Board of Sammy Networks Co., Ltd. (current position)
		Apr.	2025	President and COO, Representative Director in charge of Public Relations Division and Licensing Division of Sammy Corporation (current position)
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] President and COO, Representative Director of Sammy Corporation				
[Reason for nomination as candidate for Director] Mr. Ayumu Hoshino has long led the pachinko/pachislot machine business at the forefront of development and is currently the President and COO, Representative Director of Sammy Corporation. He has been also appointed Councilor of The Nikkoso Research Foundation for Safe Society, and has extensive knowledge and a wealth of experience in the Company's core business. We seek appointment of Mr. Ayumu Hoshino as Director as we expect he will continue to benefit the decision making of the Company's Board of Directors with such wealth of experience and career record, and contribute to improving the corporate value of the Company.				
Notes: 1. There is no special interest between the Company and Mr. Ayumu Hoshino. 2. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
6	[Reappointment] [Nominee for External Director] [Independent Director]	Apr.	1974	Joined Sumitomo Bank (now Sumitomo Mitsui Banking Corporation)
	Kohei Katsukawa (January 8, 1951) Age 74 Gender: Male Number of the Company's shares owned: 0 No. of years served as Director: 9 years Attendance at Board of Directors' meetings: 100% (12/12)	Apr.	2001	Executive Officer, Head of Osaka Corporate Banking Division II of Sumitomo Mitsui Banking Corporation
		Apr.	2005	Managing Executive Officer, Deputy Head of Wholesale Banking Unit (in charge of East Japan) of the above
		Jun.	2007	Executive Vice President and Representative Director of NIF SMBC Ventures Co., Ltd. (now SMBC Venture Capital Co., Ltd.)
		Jul.	2010	President and Representative Director of SMBC Venture Capital Co., Ltd.
		Apr.	2014	President and Representative Director of GINSEN Co., Ltd.
		Dec.	2014	Outside Director of Kyoto University Innovation Capital Co., Ltd.
		Jun.	2016	Director of the Board (External) of the Company (current position)
		Jun.	2016	Outside Director of ELECOM CO., LTD.
		Jan.	2021	Advisor of GINSEN Co., Ltd. (current position)
		Jun.	2022	Outside Director of DX Antenna Co., Ltd.
		Jun.	2022	Outside Director of HAGIWARA Solutions Co., Ltd.
		Jun.	2022	Outside Director of Logitec INA Solutions Co., Ltd.
		Jul.	2023	Outside Director of Tescom Denki Co., Ltd.
		Jun.	2024	Advisor of Kyoto University Innovation Capital Co., Ltd. (current position)
		Jul.	2024	Advisor of ELECOM CO., LTD. (current position)
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] None				
[Reason for nomination as candidate for External Director and outline of expected roles] Mr. Kohei Katsukawa has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Mr. Kohei Katsukawa as External Director as we expect that he will continue to provide valuable opinions and suggestions on the management of the Company based on his wealth of experience and broad-ranging insight gained over many years as a corporate manager.				
Notes: 1. There is no special interest between the Company and Mr. Kohei Katsukawa. 2. Mr. Kohei Katsukawa is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of his inauguration as Independent Director under the regulations of TSE. The Independence Criteria for Independent Directors of the Company is listed in page 20. 3. The Company has concluded a liability agreement with Mr. Kohei Katsukawa that limits his liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Mr. Kohei Katsukawa is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company	
7	[Reappointment] [Nominee for External Director] [Independent Director] Melanie Brock (April 10, 1964) Age 61 Gender: Female Number of the Company's shares owned: 0 No. of years served as Director: 6 years Attendance at Board of Directors' meetings: 100% (12/12)	Nov. 1987	Earned Bachelor of School of Humanities at The University of Western Australia
		Nov. 1990	Earned Master of Arts in Japanese, Conference Interpreting and Translation at The University of Queensland
		Mar. 2003	CEO of AGENDA (now Melanie Brock Advisory Ltd.) (current position)
		Mar. 2010	Board Member of Australia-Japan Foundation
		Apr. 2010	Board Member of Australia Japan Business Co-operation Committee
		Apr. 2010	Chair of Australian and New Zealand Chamber of Commerce in Japan
		Oct. 2010	Regional Manager - Japan of Meat & Livestock Australia
		Dec. 2012	Chair of Australian Business Asia
		Nov. 2016	Chair Emeritus of Australian and New Zealand Chamber of Commerce in Japan (current position)
		Jun. 2019	Director of the Board (External) of the Company (current position)
		Jul. 2019	Board Member of Australia-Japan Research Centre (AJRC) (current position)
		Oct. 2019	Global Ambassador of Advance, an initiative supported by Australian Government funding (current position)
		Jun. 2022	Outside Director of Mitsubishi Estate Co., Ltd. (current position)
		Jun. 2023	Outside Director, Member of the Board of Kawasaki Heavy Industries, Ltd. (current position)
		Dec. 2023	Steering Committee Member of Japan Australia Business Co-operation Committee (current position)
Mar. 2024	Outside Director of Asahi Group Holdings, Ltd. (current position)		
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 3)] CEO of Melanie Brock Advisory Ltd.; Outside Director of Mitsubishi Estate Co., Ltd.; Outside Director, Member of the Board of Kawasaki Heavy Industries, Ltd.; Outside Director of Asahi Group Holdings, Ltd.			
[Reason for nomination as candidate for External Director and outline of expected roles] Ms. Melanie Brock has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Ms. Melanie Brock as External Director as we expect that she will continue to provide useful opinions and suggestions for the Company's management based on her diverse range of ideas and values, making use of her extensive experience and career record as an international business leader.			
Notes: 1. There is no special interest between the Company and Ms. Melanie Brock. 2. Ms. Melanie Brock is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director under the regulations of TSE. The Independence Criteria for Independent Directors of the Company is listed in page 20. 3. The Company has concluded a liability agreement with Ms. Melanie Brock that limits her liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Ms. Melanie Brock is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office. 5. Kawasaki Heavy Industries, Ltd., where Ms. Melanie Brock serves as an outside director, announced on July 3, 2024 that improper tax handling in business activities in some of the company's workplaces had been discovered. The company also announced on August 21, 2024 that misconduct regarding testing conducted for its diesel engines for commercial marine vessels had been discovered. Ms. Melanie Brock was not aware of the above improper conduct and misconduct until the discovery, but she had been giving advice from the viewpoint of compliance with laws and regulations on a regular basis and provided the company with a head-up about its compliance with laws and regulations. After the discovery of the above incidents, she has been appropriately fulfilling her duties as an outside director, including requesting that appropriate measures be taken to strengthen compliance, establish a governance system, and formulate measures to prevent recurrence.			

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company	
8	[Reappointment] [Nominee for External Director] [Independent Director]	Jan. 1981	Joined BROTHER INDUSTRIES, LTD.
		Jan. 1988	Joined Swarovski Japan Ltd.
		Sep. 1994	President of Alphametrics, Inc.
		Jan. 1999	Director of Netyear Group, Inc.
		Jul. 1999	Director of Netyear Group Corporation
	Fujiyo Ishiguro (February 1, 1958) Age 67 Gender: Female	May 2000	President & CEO of the above
		Jun. 2013	Outside Audit & Supervisory Board Member of Sompo Japan Insurance Inc.
		Mar. 2014	Outside Director of Hottolink, Inc.
		Jun. 2014	Outside Director of Monex Group, Inc.
	Number of the Company's shares owned: 0	Jun. 2015	Outside Director of Sompo Japan Nipponkoa Insurance Inc. (now Sompo Japan Insurance Inc.)
		May 2021	Outside Director of WingArc1st Inc.
		Jun. 2021	Director of Netyear Group Corporation
	No. of years served as Director: 4 years	Jun. 2021	Director of the Board (External) of the Company (current position)
		Jun. 2023	External Director of MITSUI & CO., LTD. (current position)
Attendance at Board of Directors' meetings: 100% (12/12)			
[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 1)] External Director of MITSUI & CO., LTD.			
<p>[Reason for nomination as candidate for External Director and outline of expected roles] Ms. Fujiyo Ishiguro has appropriately fulfilled the roles of an External Director to determine important management matters and oversee the execution of business from a fair standpoint. We seek appointment of Ms. Fujiyo Ishiguro as External Director as we expect she will continue to provide valuable opinions and suggestions on the management of the Company based on her wealth of knowledge in corporate management and IT/DX fields as a founder of Netyear Group Corporation and experience as an Outside Director of other listed companies.</p> <p>Notes: 1. There is no special interest between the Company and Ms. Fujiyo Ishiguro. 2. Ms. Fujiyo Ishiguro is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of her inauguration as Independent Director under the regulations of TSE. The Independence Criteria for Independent Directors of the Company is listed in page 20. 3. The Company has concluded a liability agreement with Ms. Fujiyo Ishiguro that limits her liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Ms. Fujiyo Ishiguro is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office. 5. One of her relatives within the third degree of kinship is an employee of Sega of America, Inc., a specified related business entity of the Company. 6. Sompo Japan Insurance Inc., where Ms. Fujiyo Ishiguro served as an outside director until June 2022, received administrative penalties (business improvement orders) from the Financial Services Agency in December 2023 and January 2024 for inappropriate conduct in light of the purpose of the Antimonopoly Act and inappropriate handling of automobile insurance claims by a used car sales company. Ms. Fujiyo Ishiguro was not aware of this fact at the time when she was in office as an outside director, but she had been giving advice from the viewpoint of compliance with laws and regulations on a regular basis and provided the company with a head-up about its compliance with laws and regulations.</p>			

Nominee No.	Name (Date of Birth)	Brief Career Profile, Position and Responsibilities at the Company		
9	[Reappointment] [Nominee for External Director] [Independent Director]	Oct.	1998	Partner Managing Director, Co-head Asia Pacific, Merchant Banking Division of The Goldman Sachs Group, Inc.
	Ankur Sahu (October 18, 1969) Age 55 Gender: Male Number of the Company’s shares owned: 0 No. of years served as Director: 1 year Attendance at Board of Directors’ meetings: 90% (9/10)	Aug.	2005	Outside Director of USJ Co., Ltd. (now USJ LLC)
		Mar.	2006	Outside Director of SANYO Electric Co., Ltd.
		Mar.	2011	Outside Director of eAccess Ltd. (now SoftBank Corp.)
		Aug.	2012	Outside Director of Japan Renewable Energy Corporation (now ENEOS Renewable Energy Corporation)
		Aug.	2019	Representative Director of Kyoto Pacific Capital Inc.
		Mar.	2023	Outside Corporate Auditor of airweave inc. (current position)
		Dec.	2023	Representative Director of Kyoto Pacific Capital Inc. (current position)
		Jun.	2024	Director of the Board (External) of the Company (current position)
		[Important concurrent duties outside the Company (No. of concurrent positions at other listed companies: 0)] Representative Director of Kyoto Pacific Capital Inc.		
[Reason for nomination as candidate for External Director and outline of expected roles] Mr. Ankur Sahu has been involved in numerous corporate investments at Goldman Sachs and has been significantly contributing to the growth and revitalization of many companies. We seek appointment of Mr. Ankur Sahu as External Director as we expect that he will continue to provide useful opinions and suggestions for the Company’s future global development and management based on his wealth of knowledge and experience in finance, coupled with his deep involvement in the operations of many international companies.				
Notes: 1. There is no special interest between the Company and Mr. Ankur Sahu. 2. Mr. Ankur Sahu is an External Director-nominee, and the Company has notified the Tokyo Stock Exchange (TSE) of his inauguration as Independent Director under the regulations of TSE. The Independence Criteria for Independent Directors of the Company is listed in page 20. 3. The Company has concluded a liability agreement with Mr. Ankur Sahu that limits his liability to the minimum liability amount stipulated in laws and regulations. If the reelection of Mr. Ankur Sahu is approved, the Company plans to continue the said limited liability agreement. 4. The Company has concluded a directors and officers liability insurance contract with an insurance company with all of its Directors as insured persons. The Company has assumed the costs of insurance premiums in full for all of the insured parties with respect to the insurance policy, which covers statutory compensation for damages, litigation expenses and other such outlays that an insured party may incur. All candidates will be insured under the insurance contract, which is to be renewed during their terms of office.				

[Reference] Major skills matrix of the members of the Board of Directors

Expertise and experience possessed by the members of the Board of Directors will be as shown below, if the proposal is approved.

It is our basic policy that the Company selects Director-nominees based on consideration of their conformity to the Skills Matrix, personalities, and other factors in a comprehensive manner.

Name	Category	Gender	Expertise and Experience						
			Corporate Management	Entertainment Business Creation	Finance / Accounting	Risk Management / Compliance	ICT / DX	Global	Sustainability
Hajime Satomi		Male	•	•					
Haruki Satomi		Male	•	•				•	•
Koichi Fukazawa		Male	•	•	•		•		
Shuji Utsumi		Male	•	•				•	
Ayumu Hoshino		Male	•	•					
Kohei Katsukawa	External Director Independent Director	Male	•		•	•			
Melanie Brock	External Director Independent Director	Female	•					•	•
Fujiyo Ishiguro	External Director Independent Director	Female	•				•	•	•
Ankur Sahu	External Director Independent Director	Male	•		•			•	
Hiroshi Ishikura	Audit and Supervisory Committee Member	Male			•	•			•
Kazutaka Okubo	External Director Independent Director Audit and Supervisory Committee Member	Male	•		•	•			•
Naoko Murasaki	External Director Independent Director Audit and Supervisory Committee Member	Female	•			•		•	•
Makiko Ushijima	External Director Independent Director Audit and Supervisory Committee Member	Female				•		•	•

Note: A maximum of four elements particularly required of each person are presented. The above list does not indicate all the insight and experience possessed by them.

Details of expertise and experience

The Company selected experience and knowledge required as a publicly traded company, along with those that are required to achieve the long-term vision of the Company.

Corporate Management	Manager of a listed company or equivalent organization
Entertainment Business Creation	Experience as a business development manager or in starting a new business in the Group's business segments
Finance / Accounting	Professional experience at financial institutions, auditing firms, etc. or experience as an officer in charge of a financial department at a major company
Risk Management / Compliance	Attorney, or other professional experience, or experience as an officer in charge of legal affairs, compliance or audit at a major company
ICT / DX	Experience at IT companies, vendors, consulting firms, and other professional services, or experience as an officer in charge of IT at a major company
Global	Experience of living abroad, experience at an overseas operating company, or equivalent experience
Sustainability	Individuals who have insight into Environment and Human Resources (Diversity), which are part of the Company's five material issues (materiality)*, and are expected to play an active role in the promotion of sustainability by the Group *Environment, Addition, Human Resources, Products and Services, and Governance

[Reference] Composition of the Board of Directors

If the proposal is approved, the composition of the Board of Directors will be as follows.

Category	Number	Percentage of total
Independent External Directors	7 out of 13 (7 out of 13)	53.8% (53.8%)
Female Directors	4 out of 13 (4 out of 13)	30.8% (30.8%)
Foreign Directors	2 out of 13 (2 out of 13)	15.4% (15.4%)

*The figures in parentheses represent the number of directors and composition rate prior to approval.

[Reference]

Policy and procedures for selection of Director-nominees

It is our basic policy that the Company selects Director-nominees based on consideration of their conformity to the Skills Matrix, personalities and other factors in a comprehensive manner. The Company has established the following policy for the selection of External Director-nominees to ensure the transparency of management and objectivity of supervision.

- (i) The ratio of External Directors to the total number of directors shall be at least 50%.
- (ii) In principle, the maximum years of service of External Directors shall be eight (8) years; provided, however, that, if all members of the Independent Advisory Committee except the director concerned agree, the maximum years of service shall be ten (10) years.
- (iii) In principle, the maximum number of listed companies in which External Directors concurrently hold positions shall be five (5), including the Company; provided, however, that, if all members of the Independent Advisory Committee except the director concerned agree, the maximum number of companies shall be seven (7).

The Independent Advisory Committee comprising of Independent External Directors shall examine the draft of Director-nominees presented by the President, Representative Director, hold interviews with such nominees, and report the result of evaluation to the President, Representative Director as its opinion. The President, Representative Director shall determine the Director-nominees based on the evaluation result in accordance with the above policy, and the Board of Directors shall review and approve it. The same shall apply to a case where the Independent Advisory Committee makes recommendation of Director-nominees to the President, Representative Director. In the appointment of Directors serving as Audit and Supervisory Committee Members and Substitute Directors serving as Audit and Supervisory Committee Members, consent of the Audit and Supervisory Committee shall be obtained in advance.

[Reference]

The Independence Criteria for Independent Directors

The “independence” criteria regarding Independent External Directors of the Company have been prepared, on the assumption that provisions stipulated in the Companies Act and the Tokyo Stock Exchange are complied with, to set forth rules. The Board of Directors shall select a person who meets the said criteria and who is expected to contribute to honest, active and constructive discussion at the Board of Directors. Outline of the rules regarding the independence is as follows.

- (a) The Independence Criteria is based on qualifications for External Directors as stipulated in the Companies Act, and the independence standards stipulated by the Tokyo Stock Exchange, and wording of “major,” “a large amount of,” etc., are defined by the guideline developed by referring to published models of selection criteria for independent officers. The followings are its summaries.

* A person shall not fall under any of the items below in order to be Independent External Director of the Company.

- (1) A party whose major business partner is the Group or an executive person thereof.

The “major” in this item is defined as that such party received payment from the Group in the amount equivalent to 2% of the total consolidated net sales of the said party or more for the most recent fiscal year.

- (2) A party who is a major business partner of the Company or an executive person thereof.

The “major” in this item is defined as that the Company received payment from such party in the amount equivalent to 2% of the total consolidated net sales of the Company or more for the most recent fiscal year.

- (3) A major shareholder who holds 10% or more of the total shares issued and outstanding of the Company or an executive person thereof.

- (4) A party of which the Group holds 10% or more of the total shares issued and outstanding or an executive person thereof.

- (5) The said External Director who has received, directly from the Group, compensation as legal professional, accounting or taxation specialist, or consultant for an average of 10 million yen or more annually (excluding compensation paid for the position as Director of the Company) for the last three years.

- (6) The amount of donation by the Group to non-profit organization for which the said External Director serves as an executive person was 10 million yen or more for the most recent fiscal year.

- (7) A party who has fallen under any of the above 6 items in the past one year.

- (8) The said External Director whose spouse, relative within the second degree, or relative living together falls under any items from 1 to the preceding item, or serves as Executive Director, Executive Officer, Manager, or employee in an important position at the Group. The “important” in this item is defined as being in a position of manager level or above.

- (b) With regard to minor criteria concerning attribute information to be stated in the Independent Director Designation Form, the Company deems “less than 100 million yen” as minor for “transactions,” and “less than 10 million yen” for “donation,” for the most recent fiscal year, and for the period starting from the beginning date of the current fiscal year to the submission date of the most recent designation form.

Business Report (From April 1, 2024 To March 31, 2025)

I Present State of the Group

1. Business progress and results

In the fiscal year ended March 31, 2025, the impact of decline due to the rebound by the Pachislot and Pachinko Machines Business was significant, resulting in a decrease in both sales and each stage of profit up to ordinary income on a consolidated basis compared to the prior fiscal year. In contrast, in the Entertainment Contents Business, positioning as a growth area, the animation and merchandising of the Group's major IPs progressed in line with the transmedia strategy, a priority item in the Mid-term Plan “WELCOME TO THE NEXT LEVEL!”. Notably, the “Sonic” IP has contributed to an increase in both game and character licensing revenue, thereby boosting the operating income of this business.

In addition, the Group is reviewing and optimizing its business portfolio. In the fiscal year ended March 2025, the Group recorded an extraordinary loss on business restructuring due to the transfer of the overseas development studio, Amplitude Studios SAS, through a management buyout. However, due to the recording of extraordinary gains by transfer of shares in Phoenix Resort Co., Ltd., and the rebound from the business restructuring loss recorded in the prior fiscal year at the Group's European base, net income attributable to owners of the parent increased compared to the prior fiscal year.

As a result, net sales for the fiscal year ended March 31, 2025 amounted to ¥428,948 million, (a decrease of 8.5% from the prior fiscal year). The Group posted an operating income of ¥48,124 million (a decrease of 16.8% from the prior fiscal year) and ordinary income of ¥53,114 million (a decrease of 11.1% from the prior fiscal year). Profit attributable to owners of parent amounted to ¥45,051 million (an increase of 36.3% from the prior fiscal year). Adjusted EBITDA, used as a KPI from the consolidated fiscal year under review, was ¥62,283 million (an increase of 13.8% from the prior fiscal year).

Result of each segment is as follows.

The Group launched its Mid-term Plan “WELCOME TO THE NEXT LEVEL!” starting with the consolidated fiscal year under review. It has reorganized its business segments, eliminating the Resort Business and establishing a new Gaming Business. This was implemented from the perspective of the strategies and business portfolio of the Mid-term Plan. The newly established “Gaming Business” consolidates overseas online gaming-related businesses, operation of existing integrated resorts, and development and manufacture of casino machines. As a result, “Entertainment Contents Business”, “Pachislot and Pachinko Machines Business”, and “Gaming Business” will become reportable segments. Segment information for the prior fiscal year is presented based on the reclassified method after the change.

Net sales in each segment here do not include inter-segment sales between segments.

« Entertainment Contents »

For the fiscal year ended March 31, 2025, both sales and ordinary income increased compared to the prior fiscal year. In the consumer area, the sales of Full Game repeat titles and additional downloadable content for titles developed by European studios performed favorably. Additionally, key IP titles such as “SONIC X SHADOW GENERATIONS”, “Metaphor: ReFantazio”, and “Like a Dragon: Pirate Yakuza in Hawaii”, all achieved steady sales. Furthermore, character licensing revenue for Sonic has grown steadily, supported by the success of games and animation works. Despite recording a loss due to the cancellation of the development of “Football Manager 25”, the overall consumer area was able to offset this loss through the strong performance of high-margin repeat sales, downloadable content sales, and licensing revenue.

In the animation area, the success of animation works from the “Sonic” series and the release of “Detective Conan” significantly contributed. The worldwide box office revenue for “Sonic the Hedgehog 3” reached \$490 million, while the domestic box office revenue for “Detective Conan : The Million-dollar Pentagon” surpassed ¥15.8 billion, both achieving the highest figures in their respective series.

In the amusement and toy area, despite the impact of rising raw material prices, sales and ordinary income increased compared to the prior fiscal year, particularly in the prize category.

The resulting net sales stood at ¥321,575 million (an increase of 0.6% from the prior fiscal year), ordinary profit at ¥41,886 million (an increase of 35.9% from the prior fiscal year), and adjusted EBITDA at ¥48,123 million (an increase of 118.4% from the prior fiscal year).

« Pachislot and Pachinko Machines »

For the fiscal year ended March 2025, both sales and ordinary income decreased compared to the prior fiscal year. This was primarily due to decline from the rebound following the strong sales of “Smart Pachislot Hokuto No Ken” in the prior year. Additionally, in response to changing user preferences, the Group postponed the release of key titles initially scheduled for this fiscal year to the next fiscal year and beyond, aiming to enhance product quality.

In contrast, the Group’s first smart pachinko machine, “e Hokuto No Ken 10”, exceeded sales of 35,000 units. Due to the sales of multiple titles surpassing the Group’s expectations, the Group reached an ordinary income exceeding ¥20 billion.

The resulting net sales stood at ¥97,105 million (a decrease of 27.1% from the prior fiscal year), ordinary profit at ¥20,977 million (a decrease of 50.0% from the prior fiscal year), and adjusted EBITDA at ¥24,278 million (a decrease of 45.5% from the prior fiscal year).

« Gaming »

In May 2024, the Company announced the commencement of the Mid-term Plan, which includes the establishment of a new “Gaming Business”. This business primarily involves the development, manufacturing, and sales of gaming devices by SEGA SAMMY CREATION INC., as well as the development and operation of the integrated resort “Paradise City” through PARADISE SEGASAMMY Co., Ltd. (affiliate accounted for using the equity method), a joint venture with the Paradise Group in South Korea.

Furthermore, aiming to enter the online gaming market, which is expected to grow significantly, particularly in the U.S. iGaming market, the Company announced the acquisition agreement with GAN Limited (“GAN”), a company that operates a B2B platform business primarily for U.S. casino operators, in November 2023. In July 2024, the Company announced the acquisition agreement with Stakelogic B.V. (“Stakelogic”), a Netherlands-based company that supplies B2B iGaming content. As announced in the “(Progress of Disclosed Matter) Notice regarding the Acquisition of Stakelogic B.V.” on April 30, 2025, the Group has completed the acquisition procedures for Stakelogic. The acquisition of GAN is expected to be completed in the first quarter of the fiscal year ending March 2026.

In the fiscal year ended March 31, 2025, the Group resulted in an increase of sales, and ordinary income turned positive.

In the gaming device area, “Railroad Riches™”, a new video slot machine compatible with the new video slot machine cabinet “Genesis Atmos®”, which was introduced for the U.S. market in January 2024, recorded high utilization and sales were favorable due to its high reputation in the market. In “Paradise City” in South Korea, the casino maintained a high level of drop (purchased amount of chips by customers at the table) lead by Japanese VIP customers, and the hotel also performed well, maintaining high occupancy rates and room rates due to the continued increase in demand in South Korea. As a result, in the year of 2024, PARADISE SEGASAMMY Co., Ltd. recorded the highest sales and operating income since its opening, and with recording the deferred tax assets, its equity gains of affiliates contributed and exceeded the Company’s expectation.

* PARADISE SEGASAMMY Co., Ltd. is recorded with a 3-month delay due to its December fiscal year-end.

The resulting net sales stood at ¥5,451 million (an increase of 180.8% from the prior fiscal year), ordinary profit at ¥2,186 million (ordinary loss of ¥421 million for the prior fiscal year), and adjusted EBITDA at ¥1,023 million (adjusted EBITDA at ¥(479) million for the prior fiscal year).

2. Issues to be addressed

A look at the business environment of the Entertainment Contents Business shows that growth in the consumer area has plateaued amid declining conditions attributable to inflation and other factors. Game development costs continue to increase for various reasons, including rising labor costs and lengthening development periods. There is pressing need to adapt to such changes in the business environment.

At the same time, expectations are for continuing growth in the game market. Diversification in the means for supplying services has helped create an environment in which content and services can be provided worldwide over a longer term, whether they are based on devices or platforms. The Group has positioned the consumer area as a growth area, on which it plans to focus management resources to promote business development globally. It considers as key management topics its efforts to enhance its development structure and to develop quality content by securing and developing outstanding human resources; to enrich its library by creating and deploying intellectual property (IP); and to bolster user engagement through the long-term deployment of products and services.

In the Pachislot and Pachinko Machines Business, while utilization of Pachinko machines remained low, the ongoing introduction of hit smart Pachislot models in the Pachislot machines market is maintaining strong utilization levels. At the same time, the Pachislot and Pachinko Machines market continues to contract, amid declining numbers of facilities and units installed and sold over the long term. Under such conditions, the Company believes key management topics include efforts to develop products suited to market needs and progress on the sharing of parts and materials among Pachislot and Pachinko machines to reduce costs through reuse and other means, in addition to improving development efficiency. All these are intended to ensure the profitability of the business. Other pressing issues include the need to balance cutting costs to both manufacturers and Pachislot and Pachinko halls and stimulating the market through increasing numbers of users.

In the Gaming Business, compliance with laws and regulations in each country or region and efforts to obtain and maintain the approval of the authorities are essential. To enter the online gaming market, centered on the iGaming market in the United States, which is expected to see significant growth, the Company will complete the acquisition announced in November 2023 of GAN Limited of the US, an integrated online gaming platform provider, while having completed the acquisition of Netherlands-based Stakelogic B.V., a B2B iGaming content provider, announced in July 2024. It sees as a key forward-looking management topic the establishment of the Gaming Business as its third business pillar, drawing on Group synergies and enhancements in competitive strengths.

The Company also considers realization of increases in corporate value through investment in growth and returns to shareholders, while remaining conscious of capital efficiency, to be an important management topic.

The Group's mission is captured in the words Constantly Creating, Forever Captivating: Making Life More Colorful. To this end, the Group strives to help build a sustainable society while strengthening corporate value. The Group has identified the five materialities (key issues) listed below as priority topics, based on the external framework of the structural analysis of social behavior (SASB) model. The Group has also formulated its vision for sustainability: Sustainability helps keep life colorful. The Group continues to promote efforts based on its understanding that contributing to the realization of a sustainable society is a key management concern.

- Human Resources: Developing people who can create captivating experiences
- Products and Services: Providing safe, dependable, and innovative products and services
- Environment: Strategic commitment to action on climate change
- Addiction: Prevention of addictions and disorders
- Governance: Strengthening sustainability governance

3. Fundraising and other topics

(1) Fundraising

Seeking to create a Groupwide safety net by securing funds liquidity over the medium to long term, the Company has concluded agreements with its banks for lines of credit amounting to ¥14,000 million.

In the fiscal year under review, the Company raised ¥15,000 million for working capital.

The Group has adopted a cash management system to put Group internal funds to effective use. This system is used by 20 companies in total, including the Company, SEGA CORPORATION, and Sammy Corporation.

(2) Capital investment

The Group invested ¥15,927 million in capital investment in the current consolidated fiscal year. This consisted mainly of capital investments of ¥7,642 million in the Entertainment Contents Business, ¥4,949 million in the Pachislot and Pachinko Machines Business, and ¥2,163 million in the Gaming Business. Capital investment totaled ¥1,171 million for the Company as a whole.

(3) Business transfer, absorption-type corporate split, or spinoff

No noteworthy matters in this regard emerged during the current consolidated fiscal year.

(4) Acquisition of businesses from other companies

No noteworthy matters in this regard emerged during the current consolidated fiscal year.

(5) Succession of rights or obligations related to the businesses of other corporations or other entities through absorption-type merger, absorption-type corporate split, etc.

Effective April 1, 2024, the Amusement Machine Business of the Company's consolidated subsidiary SEGA CORPORATION was transferred through an absorption-type demerger to the Company consolidated subsidiary SEGA TOYS CO., LTD., which was renamed SEGA FAVE CORPORATION.

(6) Acquisition or disposal of stock or other equity, stock options, etc. in other companies

Effective May 31, 2024, the Company sold its shares in PHOENIX RESORT CO., LTD., removing PHOENIX RESORT CO., LTD. from its consolidated subsidiaries.

4. Finances and profit/loss

Fiscal year		FY2022 April 1, 2021 – March 31, 2022	FY2023 April 1, 2022 – March 31, 2023	FY2024 April 1, 2023 – March 31, 2024	FY2025 April 1, 2024 – March 31, 2025
Category					
Net sales	(millions of yen)	320,949	389,635	468,925	428,948
Ordinary income	(millions of yen)	33,344	49,473	59,778	53,114
Profit attributable to owners of parent	(millions of yen)	37,027	45,938	33,055	45,051
Net income per share	(yen)	158.85	208.07	150.75	209.79
Total assets	(millions of yen)	435,492	501,566	653,994	644,777
Net assets	(millions of yen)	292,637	331,347	357,702	381,604

Notes: 1. Figures presented in units of millions of yen are rounded down to the nearest million yen.

2. Net income per share is calculated based on the average number of shares during the period in question.

3. The Company has implemented an officer remuneration BIP plan and a stock-granting employee stock ownership plan (ESOP). Shares of Company stock held in these trusts are recorded on the consolidated financial statements as treasury stock. For this reason, these were excluded from calculations of average shares during the period for the purpose of calculating net income per share.

4. Due to the "Changes in method of presentation" for the fiscal year ended March 31, 2025, the reclassified figures of the prior fiscal year for net sales has been retroactively applied.

5. The Group's main business segments

The Group's businesses are the Entertainment Contents Business, the Pachislot and Pachinko Machines Business, and the Gaming Business. Their main lines of business are shown below.

Segment	Main product and business
Entertainment Contents Business	Development and sales of consumer game software including Full Game, F2P, etc. and amusement machines, planning, production and sales of animated films, development, manufacture, and sales of toys
Pachislot and Pachinko Machines Business	Development, manufacture, and sales of pachislot and pachinko machines
Gaming Business	Overseas online gaming related business, operation of integrated resorts, and development and manufacture of casino machines

6. Main Group facilities, etc.

- (1) Company sites
Head office (Shinagawa Ward, Tokyo)
- (2) Sites of main subsidiaries
 - SEGA CORPORATION
Head office (Shinagawa Ward, Tokyo)
 - Sammy Corporation
Head office (Shinagawa Ward, Tokyo)
Kawagoe Plant (Kawagoe, Saitama Prefecture)
Branch offices (8 branches)
- (3) Employees
Number of employees (YOY change) 8,147 (down 476)
Note: Number of employees refers to the number currently employed in the Group, including seconded personnel. It does not include temporary employees.

7. Material conditions concerning the parent company and subsidiaries

(1) Parent company

Not applicable

(2) Subsidiaries

Company	Capital	Investment stake	Main lines of business
SEGA CORPORATION	100 million yen	100.0%	Planning, development, and sale of game content for mobile phones, PCs, smart devices, and home video game console
Sammy Corporation	18,221 million yen	100.0%	Development, manufacture, and sale of pachislot and pachinko machines
SEGA FAVE CORPORATION ¹	100 million yen	100.0% ²	Development, manufacture, and sale of toys and development, sale, etc. of amusement game machines
ATLUS. CO., LTD.	10 million yen	100.0% ²	Development of video game software
Sega of America, Inc.	USD110,000 thousand	100.0% ²	Development management and sale of video game software
Sega Europe Ltd.	GBP10,005 thousand	100.0% ²	Development management and sale of video game software
Sega Publishing Europe Ltd.	GBP0 thousand	100.0% ²	Development management and sale of video game software
Rovio Entertainment Corporation	EUR 733 thousand	100.0% ²	Planning, development, operation, and distribution of smartphone games
Sega Logistics Service Co., Ltd.	100 million yen	100.0% ²	Maintenance services, transportation, and warehouse services
DARTSLIVE Co., Ltd.	10 million yen	100.0% ²	Planning, development, and sale of game equipment and game software
TMS ENTERTAINMENT CO., LTD.	100 million yen	100.0% ²	Planning, production, and sale of animated films
MARZA ANIMATION PLANET INC.	100 million yen	100.0% ²	Production of computer graphics animation; planning and production of animated films; licensing business
RODEO Co., Ltd.	100 million yen	100.0% ²	Development, manufacture, and sale of pachislot machines
TAIYO ELEC Co., Ltd.	100 million yen	100.0% ²	Development, manufacture, and sale of pachislot and pachinko machines
Sammy Networks Co., Ltd.	100 million yen	100.0% ²	Planning, production, and sale of game and music content through mobile phones, the Internet, and other channels
SEGA SAMMY CREATION INC.	10 million yen	100.0%	Development, manufacture, and sale of gaming machines

Notes: 1. SEGA TOYS CO., LTD. was renamed SEGA FAVE CORPORATION effective April 1, 2024.

2. The investment stake includes indirect holdings.

3. PHOENIX RESORT CO., LTD., a consolidated subsidiary up to the prior consolidated fiscal year, was removed from the scope of consolidation following the transfer of its shares during the consolidated fiscal year under review.

(3) Specified wholly owned subsidiaries at the end of the current fiscal year

Specified wholly owned subsidiary	Address	Total book value
SEGA CORPORATION	1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo	\117,666 million
Sammy Corporation	1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo	\152,095 million

Note: The Company holds total assets of \571,631 million.

8. Main lenders and amounts of borrowings

Lender	Balance of borrowings
Sumitomo Mitsui Banking Corporation	\40,714 million
MUFG Bank, Ltd.	\25,571 million
Mizuho Bank, Ltd.	\23,571 million
Aozora Bank, Ltd.	\13,285 million
SBI Shinsei Bank, Limited	\9,285 million
Resona Bank, Limited	\8,842 million
The Bank of Yokohama, Ltd.	\8,282 million
Sumitomo Mitsui Trust Bank, Limited	\5,302 million
The Hokuriku Bank, Ltd.	\4,642 million
Total	\139,500 million

9. Policy on exercise of authority in cases in which the Articles of Incorporation provide for the Board of Directors to decide on matters such as the distribution of retained earnings

Having positioned the return of profits to shareholders as a key management topic, the Company has established a basic policy on shareholder returns that call for maintaining a total payout ratio of 50% or higher while considering the optimal balance between investments to achieve business growth and efforts to optimize capital efficiency. Practical decisions on dividends are made in line with a dividend policy of maintaining a dividend on equity ratio (DOE) of 3% or higher as an indicator of stable dividends, based on a consideration of actual past dividends. The Company regards the acquisition of treasury stock as an effective means of providing returns to shareholders and makes related decisions dynamically, based on a consideration of matters such as trends in business performance and stock markets.

Dividends of surplus for the fiscal year ended March 31, 2025, were 52 yen per share (including an interim dividend of 25 yen per share), based on the above basic policy on returns to shareholders.

10. Other significant matters concerning the current state of the Group

No noteworthy matters in this regard emerged during the current consolidated fiscal year.

II Stock

1. **Number of shares authorized for issue** **800,000,000 shares**
2. **Total shares issued and outstanding** **241,229,476 shares**
3. **Number of shareholders** **54,328**
4. **Ten largest shareholders**

Name	Investment in SEGA SAMMY HOLDINGS	
	Shares held	Shareholding ratio (%)
HS Company	39,008,000	18.07
The Master Trust Bank of Japan, Ltd. (trust account)	26,670,800	12.35
STATE STREET BANK AND TRUST COMPANY 505001	16,848,459	7.80
FSC LLC	13,682,840	6.34
Custody Bank of Japan, Ltd. (trust account)	9,421,050	4.36
KOREA SECURITIES DEPOSITORY-SAMSUNG	5,644,600	2.61
THE BANK OF NEW YORK MELLON 140044	4,456,727	2.06
Hajime Satomi	4,178,638	1.93
STATE STREET BANK AND TRUST COMPANY 505103	4,018,518	1.86
Haruki Satomi	3,921,261	1.81

Note: Calculations of shareholding ratios exclude treasury stock (25,420,837 shares).

Calculations exclude from treasury stock Company shares held in officer remuneration BIP trust accounts (50,000 shares) and Company shares held in stock-granting ESOP trust accounts (1,948,042 shares).

5. Other important stock-related matters

(1) Acquisition of treasury stock

Over the period from May 13 through September 20, 2024, the Company acquired 3,549,800 shares of treasury stock at a total price of ¥9,999 million through market transactions, based on resolutions approved in the Board of Directors meetings held May 10, 2024, to acquire treasury stock pursuant to the provisions of Article 156 of the Companies Act of Japan as applied by replacing the provisions stipulated in Article 165 Paragraph 3 of the same law.

(2) Disposal of treasury stock

Under a resolution passed by the Company Board of Directors at its meeting held August 7, 2024, the Company resolved to dispose of treasury shares through third-party allocation to the officer remuneration BIP trust account and the stock-granting ESOP trust account. Accordingly, it disposed of 2,000,000 shares of common stock effective August 30, 2024. As a result, the capital surplus increased by ¥650 million and treasury stock decreased by ¥3,711 million. The Company recorded as treasury stock 2,000,000 shares of Company stock acquired from the officer remuneration BIP trust account and the stock-granting ESOP trust account, valued at ¥4,362 million.

III Company Directors

1. Directors (as of March 31, 2025)

Name	Title and areas of responsibility	Important concurrent posts
Hajime Satomi	Chairman (Representative Director)	Honorary Chairman of the Board of SEGA CORPORATION Honorary Chairman of the Board of Sammy Corporation
Haruki Satomi	President and Group CEO (Representative Director) in charge of Public Relations Office	Chairman and CEO (Representative Director) of SEGA CORPORATION Chairman and CEO (Representative Director) of Sammy Corporation
Koichi Fukazawa	Senior Executive Vice President and Group CFO, Director of the Board in charge of Gaming Business Division	Director of the Board of SEGA CORPORATION, Director of the Board of Sammy Corporation
Shuji Utsumi	Director of the Board	President and COO (Representative Director) of SEGA CORPORATION
Ayumu Hoshino	Director of the Board	President and COO (Representative Director) of Sammy Corporation
Kohei Katsukawa	Director of the Board	
Melanie Brock	Director of the Board	CEO of Melanie Brock Advisory Ltd. Outside Director of Mitsubishi Estate Co., Ltd. Outside Director, Member of the Board of Kawasaki Heavy Industries, Ltd. Outside Director, Asahi Group Holdings, Ltd.
Fujiyo Ishiguro	Director of the Board	External Director, Mitsui & Co., Ltd.
Ankur Sahu	Director of the Board	Representative Director, Kyoto Pacific Capital, Inc.

Name	Title and areas of responsibility	Important concurrent posts
Hiroshi Ishikura	Director (Standing Audit & Supervisory Committee Member)	Audit & Supervisory Board Member of SEGA CORPORATION Audit & Supervisory Board Member of Sammy Corporation
Kazutaka Okubo	Director (Audit & Supervisory Committee Member)	President and Representative Director of Okubo Associates Inc. President and Representative Director of K.K. SS Dnaform Outside Director of LIFULL Co., Ltd. Outside Director of SALA Corporation Outside Director (Audit & Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. Outside Director of BrainPad Inc. (Audit & Supervisory Committee Member) Outside Director of Sun Frontier Fudousan Co., Ltd. (Audit & Supervisory Committee Member)
Naoko Murasaki	Director (Audit & Supervisory Committee Member)	President and Representative Director of Nobligier Co., Ltd. Outside Director of Sansei Landic Co., Ltd.
Makiko Ushijima	Director (Audit & Supervisory Committee Member)	Attorney, Jones Day Tokyo Outside Director of BrainPad Inc. (Audit & Supervisory Committee Member)

- Notes:
1. The seven Directors (Kohei Katsukawa, Melanie Brock, Fujiyo Ishiguro, Ankur Sahu, Kazutaka Okubo, Naoko Murasaki, and Makiko Ushijima) are External Directors of the Board as stipulated in Article 2, Paragraph 15, of the Companies Act.
 2. The Company has submitted to the Tokyo Stock Exchange notification of the seven Directors (Kohei Katsukawa, Melanie Brock, Fujiyo Ishiguro, Ankur Sahu, Kazutaka Okubo, Naoko Murasaki, and Makiko Ushijima) as Independent Directors.
 3. The Company has appointed a Standing Audit & Supervisory Committee Member who chairs the Audit & Supervisory Committee and is responsible for auditing from the independent, objective perspective of an External Director and Audit & Supervisory Committee Member. The Standing Audit & Supervisory Committee Member is charged with reporting to the Audit & Supervisory Committee on the results of reviews of important documents and the state of business execution by Directors, executive officers, and employees, in cooperation with the Corporate Auditors and internal audit sections of Group companies.
 4. Standing Audit and Supervisory Committee Member Hiroshi Ishikura offers expertise in corporate management and financial accounting through audit work as a certified public accountant and his experience as a director in charge of management divisions at a business corporation. Since joining the Company, he has been in charge of the internal audit, internal control, and CSR departments. He currently serves as a corporate auditor of the Group's subsidiaries.
 5. Audit and Supervisory Committee Member Kazutaka Okubo offers many years of audit experience as a certified public accountant and high expertise in finance and accounting.
 6. The Company has adopted an executive officer system to accelerate decision-making, strengthen oversight of business execution, and reinforce business execution functions. The Company has 10 executive officers. One, Koichi Fukazawa, serves concurrently as a Director of the Board. The other nine do not serve concurrently as Directors of the Board

(Yukio Sugino, Senior Executive Vice President, in charge of Group Licensing Division, Managing Director of the Group Licensing Division; Hideo Yoshizawa, in charge of Sustainability Division, General Corporate Administration Division, Legal & Intellectual Property Division, Risk Governance Division, and Managing Director of the Sustainability Division; Makoto Takahashi, in charge of Corporate Planning Division and Human Resources Development Division, Managing Director of the Corporate Planning Division; Yoichi Owaki, in charge of Finance & Accounting Division and IT Solutions Division, Managing Director of the Finance & Accounting Division; Takaharu Kato, Managing Director of the IT Solutions Division; Hironobu Otsuka, Managing Director of the Public Relations Office; Koji Takeyama, Managing Director of General Corporate Administration Division and Risk Governance Division; Yukio Kawasaki, Managing Director of the Internal Audit Division; and Natsue Ishida, Managing Director of the Legal & Intellectual Property Division).

7. At the Ordinary General Meeting of Shareholders held June 25, 2024, Kiyotaka Kunihiro was appointed a Substitute Audit & Supervisory Committee Member as stipulated in Article 329, Paragraph 3, of the Companies Act. The appointment accounts for the potential absence of a Director and Standing Audit & Supervisory Committee Member.

2. Executive compensation

(1) Total amounts of executive compensation

Category	Payees	Total remuneration amount (millions of yen)	Total amounts by type of remuneration (millions of yen)			
			Base remuneration	Bonuses	Post-delivery restricted stock-based remuneration	
					Performance share units (PSU)	Restricted stock units (RSU)
Directors (excluding Audit & Supervisory Committee Members)	11	1,367	609	365	304	88
(of which, External Directors)	(4)	(54)	(54)	(—)	(—)	(—)
Directors (Audit & Supervisory Committee Members)	6	67	67	—	—	—
(of which, External Directors)	(4)	(43)	(43)	(—)	(—)	(—)

- Notes:
- Each of the amounts of bonuses and post-delivery restricted stock-based remuneration represents the amount posted as expenses in the current fiscal year.
 - As of the end of the current fiscal year, the number of Directors, excluding Audit & Supervisory Committee Members, was nine, including four External Directors. The number of Audit & Supervisory Committee Members, including three External Directors, was four.
 - Differences in the breakdowns of payees above are due to the resignation of two of the above Directors (non-Audit and Supervisory Committee Members), none of whom were External Directors, and two Directors (Audit & Supervisory Committee Members), one of whom was an External Director, at the end of the Ordinary General Meeting of Shareholders held June 25, 2024.

(2) Policies on decisions related to details of remuneration for individual Directors

The system of remuneration for Directors (excluding Audit & Supervisory Committee Members and External Directors) is intended primarily to create incentive to strengthen the Group's corporate value and achieve sustained growth. Its basic policy calls for a highly transparent and objective decision-making process.

The policy for decisions on Directors' remuneration and other amounts calls for the Representative Director and President to provide the Independent Advisory Committee with information on matters such as the compensation system and the procedures applied to calculate each compensation type. The Independent Advisory Committee deliberates on and evaluates these details and submits its views to the Representative Director and President. Referring to these opinions, the Representative Director and President consults with the Board of Directors and makes a final decision on the policy for determining amounts of remuneration and other specifics.

Decisions concerning the specifics of Director remuneration are made by the Board of Directors in accordance with the recommendations based on results of deliberations and evaluations by the Independent Advisory Committee.

Based on the basic policy, compensation for Company Directors (excluding Audit & Supervisory Committee Members and External Directors) consists of fixed remuneration, executive bonuses, and post-delivery restricted stock-based remuneration. SEGA CORPORATION and Sammy Corporation have similar compensation structures. Compensation for Company Directors serving concurrently as presidents and executive officers of these two companies is paid based on the executive compensation system of the corresponding company.

Of these, fixed remuneration is paid in fixed monthly amounts representing the total of basic remuneration and role-based remuneration, calculated based on the Company's remuneration table.

Remuneration for External Directors consists solely of fixed remuneration (basic remuneration only) in light of their roles, with the goal of assuring their independence. Amounts are determined by the Board of Directors.

Remuneration for Audit & Supervisory Committee Members consists of fixed remuneration (basic remuneration only) reflecting their duties and their responsibility to audit the execution of duties throughout the Group. Amounts are deliberated on and determined by the Audit & Supervisory Committee.

(3) Policy on decisions on details and amounts or calculation of performance-linked remuneration, non-monetary remuneration, etc.

Bonuses for Directors are paid as performance-linked remuneration. The amount of a Director's bonus is determined by multiplying fixed compensation by a coefficient determined based on a bonus table that specifies the number of months' pay on which Directors' bonuses are to be based, in light of three factors: adjusted EBITDA, degree to which business plans are achieved, and year-on-year growth.

* No Directors' bonuses are paid if a loss attributable to owners of the parent is recorded.

The evaluation indicator used to calculate Directors' bonuses is adjusted EBITDA, a simple parameter to compare performance with other global enterprises and also an appropriate gauge of the essential earnings potential of a business. In addition, the degree to which business plans are achieved and year-on-year growth are evaluated to determine accountability vis-a-vis announced plans and sustained growth.

Presented below are the targets and actual amounts of the indicators associated with performance-linked remuneration in the current fiscal year.

(Unit: billions of yen)

	FY2024	FY2025		YoY change	vs. business plan
	Actual	Business plans	Actual		
Net sales	4,689	4,450	4,289	(399)	(160)
Adjusted EBITDA	547	620	622	+75	+2

The Ordinary General Meeting of Shareholders held June 25, 2024 approved the abolition of the previous restricted share-based compensation system and the introduction of a post-delivery stock-based compensation system ("System") whereby shares of Company common stock ("the Company's Shares" hereinafter) will be allotted to the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors; "Eligible Directors" hereinafter) after a certain period of time. The goal is to further align long-term interests of the Company's directors with those of its shareholders and to provide incentives to enhance its corporate value over the medium to long term. The total amount of compensation and numbers of shares to be delivered to the Eligible Director(s) during the subject period (defined below) were set to no more than ¥3,600 million and 900,000 shares for performance share ("PSU") and ¥300 million and 75,000 shares per year for post-delivery restricted stock ("RSU"), duly accounting for the scope of the contributions made by the Eligible Director(s) and various other matters.

PSU is a type of stock-based compensation that provides Company shares and cash in amounts calculated based on the extent to which performance targets are achieved for multiple fiscal years corresponding to the period of the Company's medium-term management plan ("Performance Evaluation Period" hereinafter) and the period of service through the first annual shareholders' meeting after the end of the Performance Evaluation Period ("Eligible Period" hereinafter), to be delivered after the end of the Eligible Period. The first Performance Evaluation Period after the introduction of the System is the period of three fiscal years from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027, which corresponds to the period covered by the SEGA SAMMY Group Medium-Term Management Plan ("Mid-term Plan" hereinafter) announced on May 10, 2024.

RSU is a stock-based compensation scheme wherein predetermined numbers of shares of the Company's stock and cash are delivered after a period of three years as compensation for the period of service.

(4) Resolutions of the General Meeting of Shareholders concerning remuneration for Directors

Resolutions of the General Meeting of Shareholders concerning remuneration for Company Directors were made on the following dates:

- Remuneration for Directors (excluding Audit & Supervisory Committee Members) is limited to no more than ¥1,700 million (including ¥100 million for External Directors) under a resolution passed in the Ordinary General Meeting of Shareholders held June 22, 2022. At the time of this resolution, the Company had eight Directors (three of whom were External Directors; excluding Audit & Supervisory Committee Members).
- Remuneration for Audit & Supervisory Committee Members is limited to no more than ¥100 million under a resolution passed in the Ordinary General Meeting of Shareholders held June 22, 2022. At the time of this resolution, the Company had four Audit & Supervisory Committee Members.
- Separately to the above remuneration for Directors, the Ordinary General Meeting of Shareholders held June 25, 2024 approved the introduction of a post-delivery stock-based compensation system for eligible Directors whereby total compensation and numbers of shares to be delivered to the eligible Director(s) during the subject period were set to no more than ¥3,600 million and 900,000 shares for PSU and ¥300 million and 75,000 shares per year for RSU remuneration, duly accounting for the scope of the contributions made by the Eligible Director(s) and various other matters. The number of eligible Directors at the time of approval of this resolution was three persons.

3. Liability limitation agreements

The Company Articles of Incorporation stipulate that the Company may enter into agreements with Directors, excluding executive Directors and similar parties, that limit their liability for damages.

Summarized below are the agreements on liability limitations concluded under the Articles of Incorporation by the Company with its Directors, excluding executive Directors and similar parties.

(Overview of Liability Limitation Agreement)

Liability to provide compensation for damages under Article 423, Paragraph 1, of the Companies Act is limited to the minimum liability provided by law, except in cases of malicious intent or gross negligence.

4. Executive liability insurance policy

The Company has concluded with an insurer an executive liability insurance policy naming Directors, Corporate Auditors, and managerial employees of the Company and its subsidiaries as the insured. The Company and its subsidiaries bear the cost of all premiums on this insurance policy for all insured persons.

(Overview of the executive liability insurance policy)

This policy covers compensation for damages and legal defense costs borne by the insured in cases such as litigation with third parties, shareholders' representatives, or other companies. However, the policy incorporates measures to avoid impediments to the proper performance of duties by executives by exempting from compensation damages due to malicious intent or gross negligence.

5. External Directors

(1) Relations between the Company and important concurrent posts of External Directors

No conflict of interests exist between the Company and the important concurrent posts of External Directors shown under "III Company Directors: 1. Directors (as of March 31, 2025)."

(2) Main activities in the current fiscal year

Category	Name	Main activities
External Director	Kohei Katsukawa	Attended 12 of 12 Board of Directors meetings during the fiscal year (12 of 12 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board by offering opinions based on his wealth of experience and broad-ranging insights through a long career serving primarily as an executive.
External Director	Melanie Brock	Attended 12 of 12 Board of Directors meetings during the fiscal year (12 of 12 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board by offering opinions based on her wide-ranging experience and extensive track record, primarily as an international business leader.
External Director	Fujiyo Ishiguro	Attended 12 of 12 Board of Directors meetings during the fiscal year (12 of 12 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board in various ways, including offering opinions based on a wealth of knowledge of corporate management and IT/digital transformation (DX) fields.
External Director	Ankur Sahu	Attended nine of 10 Board of Directors meetings during the fiscal year (nine of 10 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board in various ways, including offering opinions on investment cases based on business investment experience and a global perspective.
External Director (Audit & Supervisory Committee Member)	Kazutaka Okubo	Attended 12 of 12 Board of Directors meetings during the fiscal year (12 of 12 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board in various ways, including offering opinions based on a long career of auditing as a certified public accountant, highly specialized knowledge of finance and accounting, and wealth of knowledge regarding governance. Attended 12 of 12 meetings of the Audit & Supervisory Committee during the fiscal year; engaged in various activities, including exchange of opinions on audit results and discussions of important matters related to audits.
External Director (Audit & Supervisory Committee Member)	Naoko Murasaki	Attended 12 of 12 Board of Directors meetings during the fiscal year (12 of 12 regular meetings); engaged in various activities, including making recommendations to ensure the validity and fairness of decision-making by the Board in various ways, including offering opinions based on highly specialized capabilities in the fields of global risk and governance and an extensive knowledge of governance. Attended 12 of 12 meetings of the Audit & Supervisory Committee during the fiscal year; engaged in various activities, including exchanging opinions on audit results and engaging in discussions of important matters related to audits.

Category	Name	Main activities
External Director (Audit & Supervisory Committee Member)	Makiko Ushijima	<p>Attended 10 of 10 Board of Directors meetings during the fiscal year (10 of 10 regular meetings); made recommendations to ensure the validity and fairness of decision-making by the Board in various ways, including offering multifaceted opinions based on her insights as an attorney specializing in international corporate law and a wealth of experience with finance, negotiations for mergers and acquisitions, and governance and compliance at global enterprises.</p> <p>Attended nine of nine meetings of the Audit & Supervisory Committee during the fiscal year; engaged in various activities including exchange of opinions on audit results and discussions of important matters related to audits.</p>

(3) Total amount of remuneration for External Directors

	Payees	Total amount of remuneration	Executive remuneration from subsidiaries included at left
Total amount of remuneration for External Directors	8	97 million yen	- million yen

Consolidated balance sheet

(Unit: millions of yen)

Item	FY2025 (as of March 31, 2025)	Item	FY2025 (as of March 31, 2025)
Assets		Liabilities	
Current assets	388,744	Current liabilities	94,179
Cash and deposits	200,360	Notes and accounts payable - trade	23,560
Notes and accounts receivable - trade and contract assets	52,653	Short-term borrowings	7,500
Merchandise and finished goods	10,958	Accrued expenses	21,401
Work in process	59,565	Income taxes payable	3,822
Raw materials and supplies	23,155	Contract liabilities	14,228
Income taxes receivable	7,660	Provision for bonuses	11,984
Other	34,692	Provision for directors' bonuses	1,071
Allowance for doubtful accounts	(303)	Provision for point card certificates	78
Noncurrent assets	256,033	Other	10,531
Property, plant and equipment	48,931	Noncurrent liabilities	168,993
Buildings and structures	21,255	Bonds payable	10,000
Machinery, equipment and vehicles	2,089	Long-term borrowings	132,000
Amusement machines and facilities	713	Lease obligations	4,639
Land	13,691	Deferred tax liabilities	11,292
Construction in progress	741	Provision for stock compensation	2,149
Other	10,440	Net defined benefit liability	4,616
Intangible assets	91,241	Asset retirement obligations	2,329
Goodwill	30,119	Other	1,964
Trademark right	44,871	Total liabilities	263,173
Other	16,251	Net assets	
Investments and other assets	115,859	Shareholders' equity	359,774
Investment securities	51,185	Capital stock	29,953
Long-term loans receivable	12,126	Capital surplus	69,740
Lease and guarantee deposits	6,810	Retained earnings	314,947
Net defined benefit assets	11,366	Treasury stock	(54,866)
Deferred tax assets	16,874	Accumulated other comprehensive income	21,391
Other	17,598	Valuation difference on available- for-sale securities	3,441
Allowance for doubtful accounts	(102)	Deferred gains or losses on hedges	641
		Revaluation reserve for land	(1,109)
		Foreign currency translation adjustment	16,868
		Remeasurements of defined benefit plans	1,548
		Share acquisition rights	414
		Non-controlling interests	24
Total assets	644,777	Total net assets	381,604
		Total liabilities and net assets	644,777

Note: Figures presented are rounded down to the nearest million yen.

Consolidated statements of income

(Unit: millions of yen)

Item	FY2025 (April 1, 2024 - March 31, 2025)	
Net sales		428,948
Cost of sales		236,240
Gross profit		192,708
Selling, general and administrative expenses		144,584
Operating income		48,124
Non-operating income		
Interest income	3,446	
Dividends income	157	
Equity in gains of affiliates	3,527	
Gain on investments in partnership	1,053	
Other	1,517	9,703
Non-operating expenses		
Interest expenses	1,822	
Commission fee	146	
Loss on investments in partnership	922	
Loss on retirement of noncurrent assets	77	
Foreign exchange losses	1,240	
Other	503	4,713
Ordinary income		53,114
Extraordinary income		
Gain on sales of noncurrent assets	19	
Gain on sales of investment securities	230	
Gain on sales of shares of subsidiaries and affiliates	9,282	
Other	482	10,014
Extraordinary losses		
Loss on sales of noncurrent assets	0	
Impairment loss	1,296	
Loss on valuation of investment securities	763	
Loss on business restructuring	6,164	
Other	101	8,326
Income before income taxes		54,803
Income taxes - current	8,082	
Income taxes - deferred	1,661	9,744
Profit		45,058
Profit attributable to non-controlling interests		6
Profit attributable to owners of parent		45,051

Note: Figures presented are rounded down to the nearest million yen.

Non-consolidated balance sheet

(Unit: millions of yen)

Item	FY2025 (as of March 31, 2025)	Item	FY2025 (as of March 31, 2025)
Assets		Liabilities	
Current assets	114,031	Current liabilities	160,726
Cash and deposits	94,318	Current portion of long-term borrowings	7,500
Accounts receivable - trade	1,369	Accounts payable - other	2,598
Prepaid expenses	626	Accrued expenses	1,245
Short-term loans receivable from subsidiaries and affiliates	12,867	Income taxes payable	805
Accounts receivable - other	2,147	Deposits received	147,022
Other	2,702	Provision for bonuses	539
Noncurrent assets	457,600	Provision for directors' bonuses	365
Property, plant, and equipment	8,711	Other	649
Buildings	4,224	Noncurrent liabilities	167,918
Structures	770	Bonds payable	10,000
Machinery and equipment	14	Long-term borrowings	132,000
Vehicles	27	Long-term deposits received	21,000
Tools, furniture and fixtures	1,881	Deferred tax liabilities	1,306
Land	1,794	Provision for share-based compensation	2,149
Intangible assets	1,099	Provision for retirement benefits	449
Software	786	Asset retirement obligations	604
Other	312	Other	407
Investments and other assets	447,789	Total liabilities	328,644
Investment securities	13,789	Net assets	
Shares of subsidiaries and affiliates	311,577	Shareholders' equity	240,438
Investments in capital of subsidiaries and affiliates	1,180	Capital stock	29,953
Long-term loans receivable from subsidiaries and affiliates	113,008	Capital surplus	147,023
Long-term loans receivable	118	Legal capital surplus	29,945
Long-term accounts receivable - other	1,366	Other capital surplus	117,077
Long-term prepaid expenses	160	Retained earnings	118,435
Other	6,597	Other retained earnings	118,435
Total noncurrent assets	(7)	Retained earnings brought forward	118,435
		Treasury stock	(54,972)
		Valuation and translation adjustments	2,203
		Valuation difference on available-for-sale securities	1,561
		Deferred gains or losses on hedges	641
		Share acquisition rights	345
Total assets	571,631	Total net assets	242,987
		Total liabilities and net assets	571,631

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Non-consolidated statement of income

(Unit: millions of yen)

Item	FY2025	
	(April 1, 2024 - March 31, 2025)	
Operating revenue		
Consulting fee income	10,593	
Shared service income	4,383	
Dividends income	20,900	35,877
Operating expenses		
Selling, general, and administrative expenses	18,884	18,884
Operating income		16,993
Non-operating income		
Interest income	3,694	
Interest on securities	50	
Dividends income	32	
Gain on investments in partnership	903	
Other	694	5,374
Non-operating expenses		
Interest expenses	2,770	
Interest on bonds	37	
Commission fee	146	
Loss on investments in partnership	905	
Other	1,055	4,915
Ordinary income		17,452
Extraordinary income		
Gain on sales of noncurrent assets	0	
Gain on sales of investment securities	63	
Gain on sales of shares of subsidiaries and affiliates	8,756	
Gain on reversal of subscription rights to shares	0	8,820
Extraordinary losses		
Loss on sales of investment securities	20	
Loss on valuation of investment securities	234	
Loss on waiver of claims on subsidiaries and associates	495	749
Income taxes - current		25,523
Income taxes - deferred	1,115	
Total income taxes	229	1,345
Net income		24,178

Note: Figures shown in millions of yen have been rounded down to the nearest million.

Independent Auditor's Report

May 12, 2025

To the Board of Directors of SEGA SAMMY HOLDINGS INC.:

KPMG AZSA LLC
Tokyo Office, Japan

Danya Sekiguchi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoaki Murakami
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of SEGA SAMMY HOLDINGS INC. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As described in Note 13, "Notes on significant subsequent events" to the consolidated financial statements, at the Board of Directors meetings held on July 26, 2024, the Company resolved to acquire Stakeologic B.V., headquartered in the Netherlands, through the Company's consolidated subsidiary SEGA SAMMY CREATION INC.. The acquisition of the company's shares was completed on April 28, 2025.

This matter does not affect our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease

to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent Auditor's Report

May 12, 2025

To the Board of Directors of SEGA SAMMY HOLDINGS INC.:

KPMG AZSA LLC
Tokyo Office, Japan

Danya Sekiguchi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Tomoaki Murakami
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of SEGA SAMMY HOLDINGS INC. ("the Company") as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and The audit and supervisory committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan,

the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit & Supervisory Committee's Audit Report

The Audit & Supervisory Committee has audited the performance of the duties of Directors during the fiscal year from April 1, 2024, through March 31, 2025. The method and results of this audit are reported below.

1. Audit methods and details

In addition to receiving periodic reports on the details of Board of Directors resolutions concerning the matters stipulated in Article 399-13, Paragraph 1, item 1, b and c of the Companies Act, and reports on the structure and operational status of systems developed based on such resolutions (internal controls systems) from Directors, employees, and others, as well as requesting explanations and offering opinions, as necessary, the Audit & Supervisory Committee used the following methods to carry out its audit:

- (i) In cooperation with the Company's internal controls sections, we attended important meetings, received reports from Directors, employees, and others concerning the performance of their duties; solicited explanations, as necessary, and viewed important decision-making documents and other materials in order to assess the status of operations and finances at the head office and important business sites in accordance with the audit policies, division of responsibilities, and other provisions established by the Audit & Supervisory Committee. At subsidiaries, we worked to achieve shared understanding and exchanged information with Directors, Corporate Auditors, and other subsidiary personnel and reviewed business reports from subsidiaries as necessary.
- (ii) In addition to monitoring and verifying the independent status of and appropriate discharge of the audit responsibilities of the accounting auditor, we received reports from the accounting auditor on the state of the undertaking of its duties, and solicited explanations, as necessary. We also received from the accounting auditor notification that systems for ensuring the appropriate performance of duties (concerning the items enumerated in the paragraphs under Article 131 of the Corporate Accounting Rules) were maintained in accordance with the Standards for Quality Control of Audits (Business Accounting Council) and solicited explanations as necessary.

We reviewed the business report and its annexed details; the financial statements (balance sheet, statement of income, statement of changes in shareholders' equity, and notes on the financial statements) and their annexed details; and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity, and notes on the consolidated financial statements) for the current fiscal year based on the above methods.

2. Audit findings

(1) Findings of the audit of the business report, etc.

- (i) We believe the business report and its annexed details accurately describe the state of the Company in accordance with laws, regulations, and the Articles of Incorporation.
- (ii) We have identified no improper actions or material violations of laws, regulations, or the Articles of Incorporation with regard to the performance of duties of Directors.
- (iii) We believe the resolutions of the Board of Directors concerning the internal controls system to be appropriate. We found no items worthy of note regarding the business report or the performance of the duties of Directors concerning the internal controls system.

(2) Findings of audit of the financial statements and their annexed details

We consider the methods and findings of the audit by KPMG AZSA LLC, the accounting auditor, to be appropriate.

(3) Findings of audit of consolidated financial statements

We consider the methods and findings of the audit by KPMG AZSA LLC, the accounting auditor, to be appropriate.

May 12, 2025

Hiroshi Ishikura

Standing Audit & Supervisory Committee Member

Kazutaka Okubo

External Audit & Supervisory Committee Member

Naoko Murasaki

External Audit & Supervisory Committee Member

Makiko Ushijima

External Audit & Supervisory Committee Member

Audit & Supervisory Committee, SEGA SAMMY

HOLDINGS INC.