

Gaming Business

Our Journey So Far

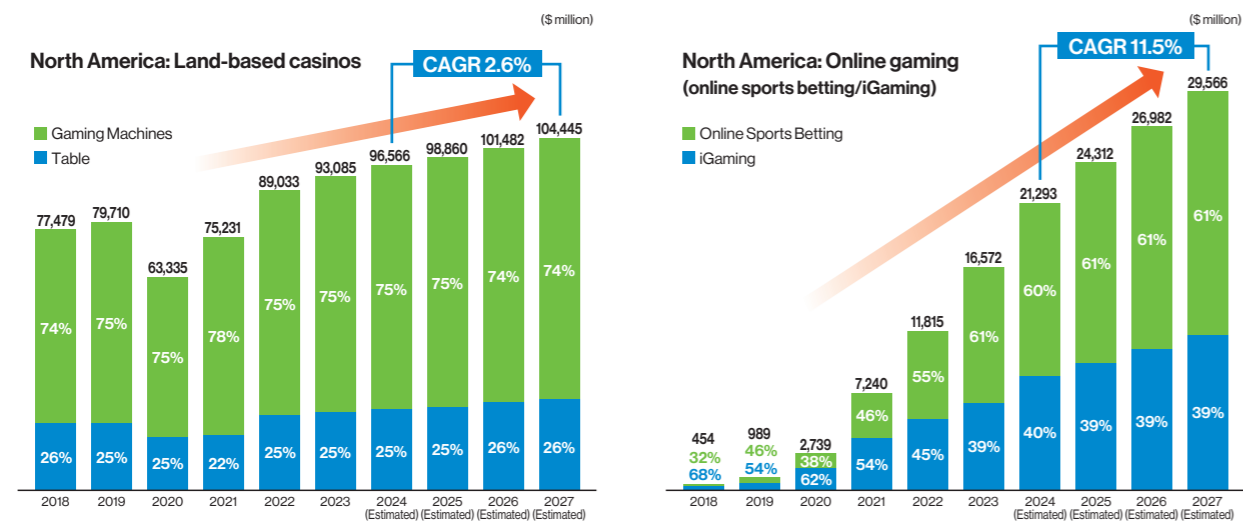
The Group has long pursued various initiatives aimed at entering the integrated resort (IR) business in Japan. In 2013, we established SEGA SAMMY CREATION INC. (SSC), which develops and sells gaming machines. In 2017, SSC obtained a license from the state of Nevada in the U.S., known as one of the most rigorous gaming licenses in the world. This license acquisition was a crucial milestone in establishing credibility for our entry into the IR business. Since then, SSC has steadily advanced its business, creating hit products and expanding its customer base among North American casino operators. In addition, we established PARADISE SEGASAMMY Co., Ltd. (PSS), a joint venture with PARADISE GROUP, and in 2017, opened PARADISE CITY, South Korea's first integrated resort. We dispatched approximately 70 Group employees to this facility, where we accumulated expertise and systems for meeting user needs through casino operations. Although we decided to withdraw from the IR business in Japan following the suspension of the Yokohama IR project, the knowledge and experience gained from our initiatives to enter the IR business in Japan have become the foundation of our current Gaming Business.

Mobilizing the Full Strength of the Group to Pursue Japan's First IR Project



Market Environment

Casinos take many forms worldwide, but in North America, the largest market, land-based casinos generate nearly \$100 billion, forming an exceptionally large market that is expected to continue growing steadily. Online gaming, which includes online sports betting and iGaming (internet-based gaming such as online casinos), has also shown rapid growth and is expected to expand even further. The market size, approximately \$16.5 billion in 2023, is projected to reach around \$29.5 billion by 2027. In North America, online sports betting has been legalized in 32 states in the U.S., with the top three companies accounting for roughly 80 to 85% of the market. Meanwhile, iGaming is legalized in only eight states*. Therefore, the iGaming market is expected to experience substantial future growth. * Nevada permits only online poker.



Source: H2 Gambling Capital

Omnichannel Strategy

In the North American market, many companies are beginning to adopt the omnichannel model, a system that integrates land-based casino and online gaming customers. For example, customers visiting land-based casinos are guided toward online gaming, and vice versa, attracting customers to both channels. This mutual flow has created strong demand for such integrated models.

In this market environment, we have decided to pursue a new business leveraging our accumulated expertise in the Gaming Business. We are promoting the omnichannel model that offers B2B solutions to the gaming market.

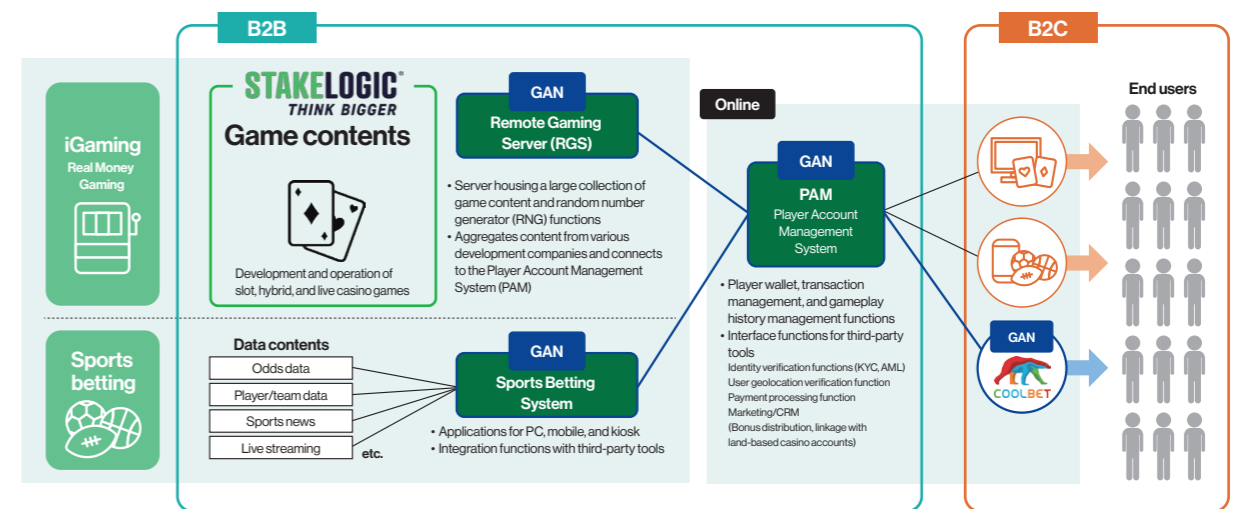
To strengthen our support structure in the online sector—the missing piece needed to promote our omnichannel strategy of providing comprehensive solutions across both land-based casinos and online gaming—we have welcomed Stakelogic and GAN, both of which have strong expertise in the online sector, into our Group.



Capabilities and Roadmap for Strategy Execution

GAN operates SaaS businesses for U.S. casino operators and B2C online gaming businesses in Europe and South America. In its B2B SaaS business, GAN possesses the tech stack (technical infrastructure) for sports betting and iGaming, providing an integrated system essential for casino operators to manage online businesses. Regarding the B2C online gaming business, the Coolbet brand within GAN is responsible for its development and operation. The Coolbet B2C platform has been highly evaluated in the industry and was awarded "Mobile Operator of the Year" and "Online Casino Operator of the Year" at the same time by the International Gaming Awards 2025, and is contributing to the improvement of the GAN B2B platform.

Stakelogic is a Netherlands-based B2B iGaming content provider. It develops and provides game content such as video slots and live casino. In particular, Stakelogic has differentiated itself through live-streamed table games by significantly reducing operating costs, enabling the company to offer services to casino operators at attractive prices. These game contents are also expected to be integrated into GAN's tech stack in the future.



With the acquisitions of Stakelogic and GAN completed in the first quarter of the fiscal year ending March 2026, we are now fully prepared to advance our omnichannel strategy. Going forward, we will leverage the collective strengths of our Group to deliver services that satisfy an even broader range of customers.

Gaming Business Message from Management

Becoming a Third Pillar Making Use of Our Capabilities



Naoki Kameda
SEGA SAMMY CREATION INC.
President and Executive Officer
COO, Representative Director

The Path Pioneered by SSC in Gaming Machine Development

SEGA SAMMY CREATION INC. ("SSC") was established in 2013.

Our founding members were primarily developers who had transferred from SEGA's AM1 studio at the time, known for creating hit arcade titles such as the *House of the Dead* series. Building on their advanced technical capabilities and expertise in hardware development, SSC has continued to take on the challenge of the new field of gaming machines.

In addition to planning and technical expertise in arcade machine development, SSC has conducted over a decade of exhaustive market research to create products that stay one step ahead of the market. This pursuit has culminated in the launch of the *Genesis Atmos* cabinet and its accompanying title, *Railroad Riches*, in 2024. These products received an enthusiastic response immediately upon release and earned high acclaim in the North American market. SSC also achieved the remarkable milestone of being the first Japanese company to win awards in two categories at the prestigious Eilers & Krejcik Gaming, LLC Awards in the U.S. gaming industry.



Railroad Riches
© SEGA SAMMY CREATION INC.

Strengths of SSC 1 High Performance, High Quality, and Competitive Pricing

SSC draws upon a deep well of knowledge and expertise in the Amusement Machine area, which has been further refined through ten years of gaming machine development and sales. All of this accumulated experience has been poured into *Genesis Atmos* and *Railroad Riches*.

On the hardware front, SSC pursued the ultimate in cabinet designs and sound systems that make players instinctively want to sit down and play, without sacrificing manufacturing cost efficiency, durability, or ease of maintenance. In software, SSC designs stress-free visual effects experiences and optimal game balance, incorporating numerous features that make players want to play again and again.

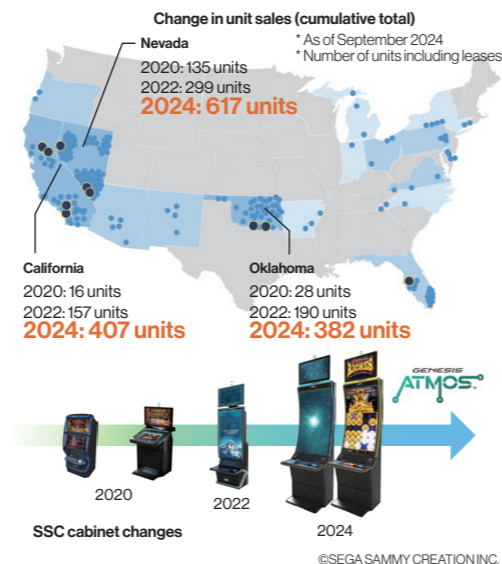
Providing such high-performance, high-quality products at competitive prices—the ability to strike this balance is SSC's greatest competitive strength.

Strengths of SSC 2 Expanding Customer Base and Growth Opportunities in the U.S. Market

Since obtaining its Nevada state license in 2017, SSC has steadily acquired licenses across the United States, expanding both its sales regions and customer base. We realize that the huge success of *Railroad Riches* has further strengthened and significantly expanded that customer base.

One of SSC's key customers is tribal casinos operated by Native American tribes. More than 520 tribal casino facilities are spread across the U.S., surpassing commercial casinos*, and are characterized by regulatory and tax structures that differ from commercial operations. In recent years, demand for entry into the online gaming business has been rising rapidly including among casino operators including tribal casino. This trend serves as a powerful tailwind for SSC in advancing its omnichannel strategy.

* Commercial casinos: Casinos operated by private businesses.



Strengths of SSC 3 Leveraging Group Synergies to Understand Customer Needs

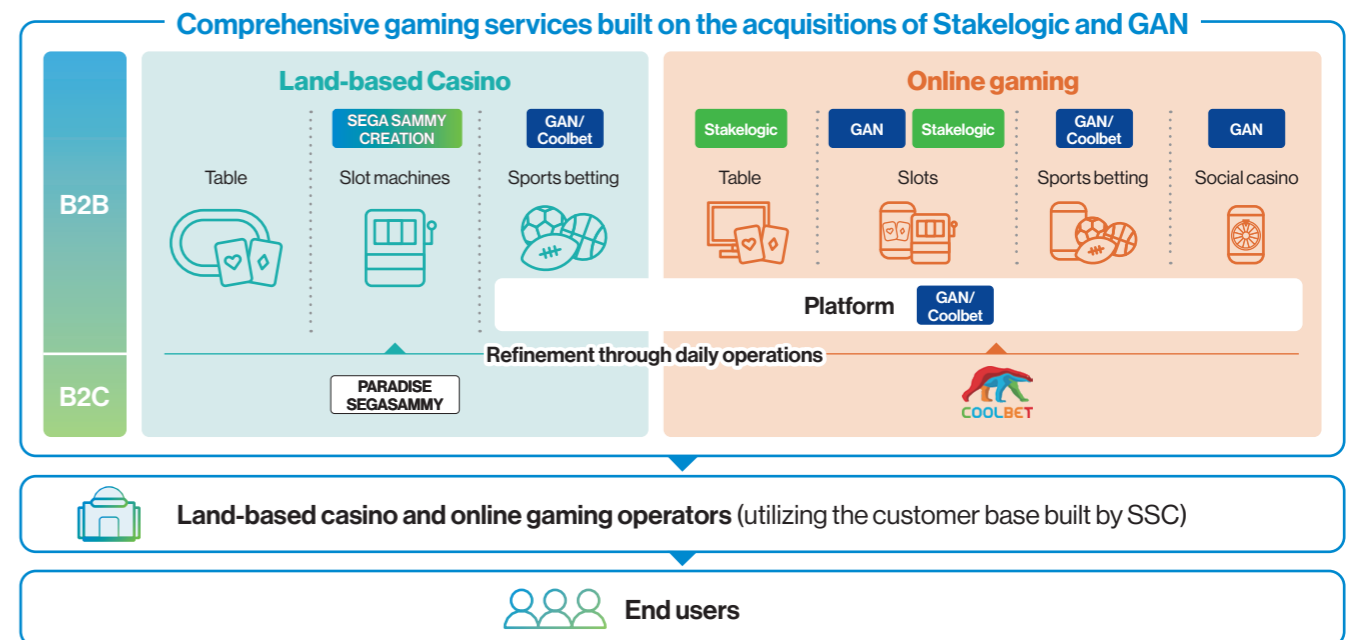
In addition, Group company PSS operates the integrated resort PARADISE CITY in Incheon, South Korea. Through this facility, the Group has steadily accumulated expertise and systems to meet player needs, including market research. The ability to apply these insights across the Group to SSC's business is a major advantage, allowing for accurate understanding of both player preferences and the needs of casino operators, who are SSC's direct customers.

Future Growth Strategy Leveraging SSC's Strengths

SSC is leveraging its multiple strengths in product development capability, customer base, and customer insight to further expand its customer bases in the land-based casino field.

In addition, with the acquisitions of Stakelogic and GAN/Coolbet, SSC has established strong capabilities in the online gaming field. By combining the B2B platforms and content gained through these acquisitions with SSC's significantly expanded customer base from the success of *Railroad Riches*, SSC will deliver comprehensive gaming services to both land-based casino and online gaming operators.

SSC aims to further enhance its competitiveness through these initiatives.



Medium- to Long-Term Vision

SSC's medium-term goal is to establish itself as a B2B omnichannel solution provider in the gaming market. With the acquisition of these two companies, the first stage (STEP 1) of this vision has been completed, and SSC is now transitioning into the phase of providing solutions directly to customers. We will first strengthen collaboration with these newly integrated Group companies to build a solid foundation for business expansion. Discussions on the legalization of iGaming are progressing across the U.S., and the number of states permitting it is expected to continue growing. Amidst these market changes, SSC will build a new business foundation by offering comprehensive, high-value-added services to operators seeking entry into the online gaming market. Ultimately, SSC aims to grow the Gaming Business into the third core pillar of the SEGA SAMMY Group.

