

SEGA SAMMY Management Meeting 2023

Dec. 12 and 13, 2023

Disclaimer

Market forecasts, operating results forecast, and other information contained in this material are based on judgements and projections of the Company's managements based on currently available information. Therefore, please understand that the contents herein involve risks and uncertainties and that actual results could differ materially depending on various factors.

This is an English translation from the original Japanese-language version. The translation is provided for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Company assumes no responsibility for this translation and for direct, indirect or any other forms of damages arising from the translations. Should there be any inconsistency between the translation and the original Japanese document, the Japanese language version shall prevail. If you quote all or part of this document, please clearly indicate the source of the citation or link to this page.

<Disclaimer>

This document is a transcription from the Management Meeting presentation, and some edits and modifications have been made for ease of understanding.

Agenda



Day 1 Dec. 12, 2023

Presentation

Speaker

- Overview of the Group
- Overview of Entertainment Contents Business
- Growth Strategy for the Consumer Area
- Q&A

Haruki Satomi

Yukio Sugino

Shuji Utsumi

Day 2 Dec. 13, 2023

- Overview of Pachislot and Pachinko Machines Business
- Growth Strategy for Pachislot and Pachinko Machines Business
- Q&A

Haruki Satomi
Ayumu Hoshino

- Financial Strategy, Investment in Growth
- Q&A

Koichi Fukazawa

Overview of Pachislot and Pachinko Machines Business

President and Group CEO, Representative Director
of SEGA SAMMY HOLDINGS INC.

President and CEO, Representative Director of Sammy Corporation

Haruki Satomi

Senior Executive Vice President and COO of Sammy Corporation

Ayumu Hoshino

-3-

Speaker: Ayumu Hoshino (Senior Executive Vice President and COO of Sammy Corporation)

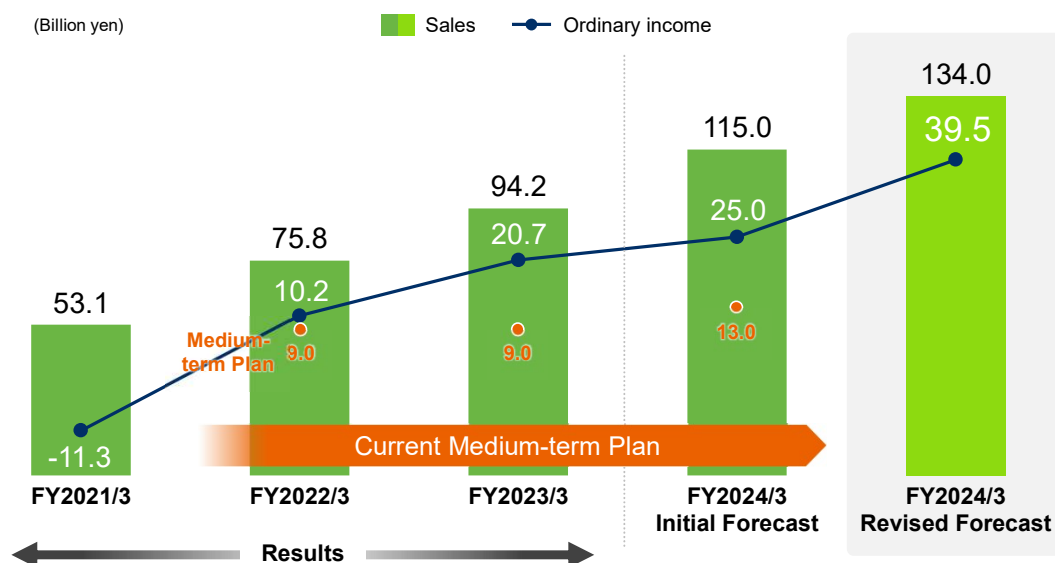
Thank you for attending today's Management Meeting.

I will give an overview of the Pachislot and Pachinko Machines business and its growth strategy.

Performance Trend (Pachislot and Pachinko Machines Business)



Earnings are in improving trend



Since FY2021/3, which was affected by COVID-19, our business performance has been recovering steadily and is on pace to significantly exceed the medium-term plan targets. We have also revised the plan for current fiscal year significantly upward in the revised forecast announced recently.

Hit titles in Pachislot (No. 6.5 Model and Smart Pachislot) drives our performance



Pachislot Kabaneri of the Iron Fortress

©Kabaneri Committee ©Sammy



Smart Pachislot Hokuto no Ken

©Buronson & Tetsuo Hara/COAMIX 1983,
©COAMIX 2007 Approved No.YRA-114
©Sammy

Pachislot Kabaneri of the Iron Fortress

Installation
Jul. 2022

- No. 6.5 model
- Cumulative installed units: Over 50 thousand
(As of end of Nov. 2023)
- Contributed weeks in utilization*: 74 weeks (still contributing)

Smart Pachislot Hokuto no Ken

Installation
Apr. 2023

- Smart Pachislot
- Cumulative installed units: Over 80 thousand
(As of end of Nov. 2023)
- Contributed weeks in utilization: 35 weeks (still contributing)

*Contributed weeks in utilization : Indicator used to decide whether each machine's weekly utilization is over/below average weekly utilization of the whole market. In-house estimation.

-5-

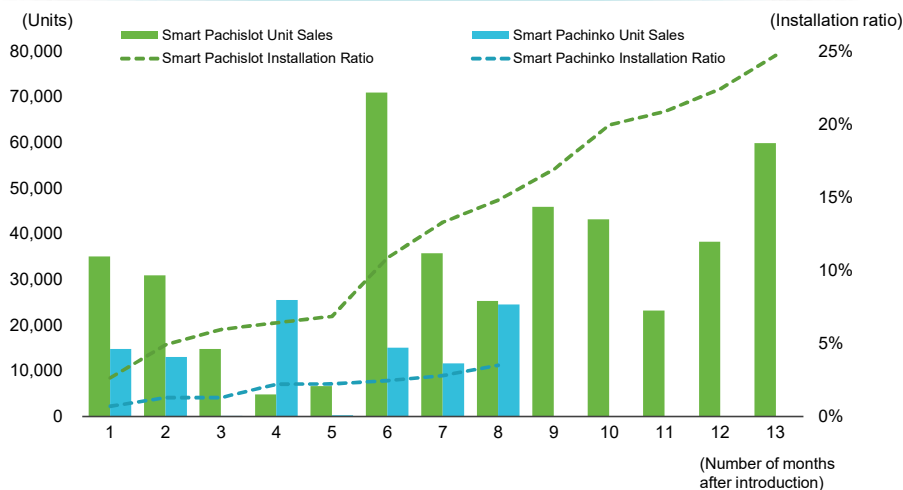
The current strong performance is mainly driven by pachislot.

Pachislot Kabaneri of the Iron Fortress, our first No. 6.5 machines, has become so popular that additional sales has been conducted for three times, and contributing to utilization at pachinko halls for over a year. Also, our first smart pachislot, *Smart Pachislot Hokuto No Ken*, recorded unit sales of over 80,000 units and still continues to contribute to utilization at pachinko halls.

Market Trends: Penetration of Smart Machines

While smart pachislot is becoming more widespread, smart pachinko is still weak

Unit sales & installation ratio of smart pachislot/pachinko



The penetration of smart pachinko has been weak, but the appearance of hit title is expected to increase momentum for its installation

*Results for Smart Pachislot is from Nov. 2022 to Nov. 2023; Smart Pachinko is from Apr. to Nov. 2023
 *Installation ratio in the whole market (as of the end of each month)
 *In-house estimation

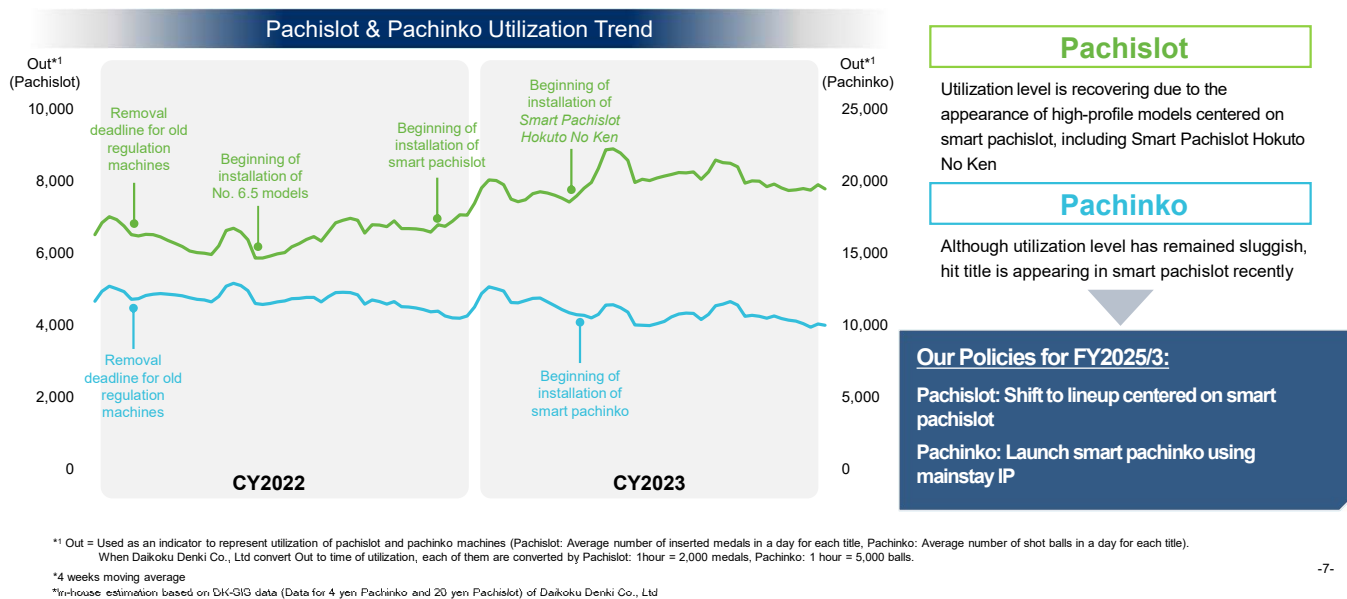
-6-

In terms of the penetration of smart machines, the pace of penetration of smart pachislot has been strong.

On the other hand, regarding smart pachinko, installation has not been proceeding smoothly, so the penetration has been sluggish, but with the recent release of several hit titles from other companies in the industry, we think that pachinko halls will turn their attention to smart pachinko in the future.

Market Trends: Utilization Trend

Utilization level of pachislot recovered partly due to contributions of smart pachislot



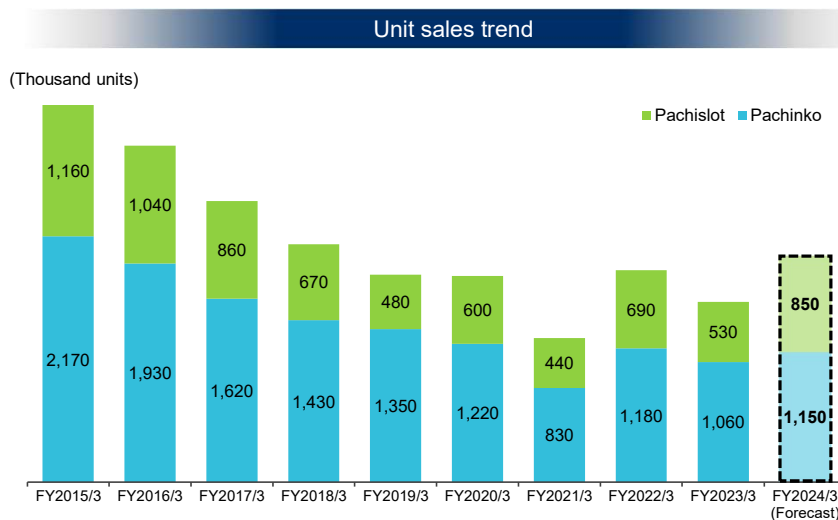
Pachislot utilization is on a recovery trend, partly due to the contribution of smart pachislot.

Although utilization of pachinko continues to be sluggish, we expect it to recover in the future due to the appearance of hit titles in smart pachinko, which I mentioned earlier.

As I mentioned in our Q2 results, our policy for the next fiscal year in pachislot is to shift to lineup centered on smart pachislot, and in pachinko, we are working diligently to develop smart pachinko that use our mainstay IP.

Market Trends: Unit Sales Trends

Unit sales in the market are expected to recover



Apr. – Nov., 2023 Results

- Pachislot: Approx. 540 thousand units
- Pachinko: Approx. 610 thousand units

Forecast for FY2025/3 and beyond

(Potential positive factor)

- Increase in demand for smart machine due to the appearance of hit titles

(Concerned factor)

- Decrease in investment capacity of pachinko halls due to introduction of peripheral equipment, etc.

*In-house estimation

-8-

For the current fiscal year, we forecasted unit sales of 850 thousand unit sales for pachislot and 1,150 thousand unit sales for pachinko for the market as a whole, at the beginning of the fiscal year.

While sales of pachislot machines have been steady, sales of pachinko machines have been soft, partly due to the delayed appearance of hit titles. However, with the appearance of multiple hit titles, we expect a turnaround in the future.

Day 2

Dec. 13, 2023

SEGASammy

Growth Strategy for Pachislot and Pachinko Machines Business

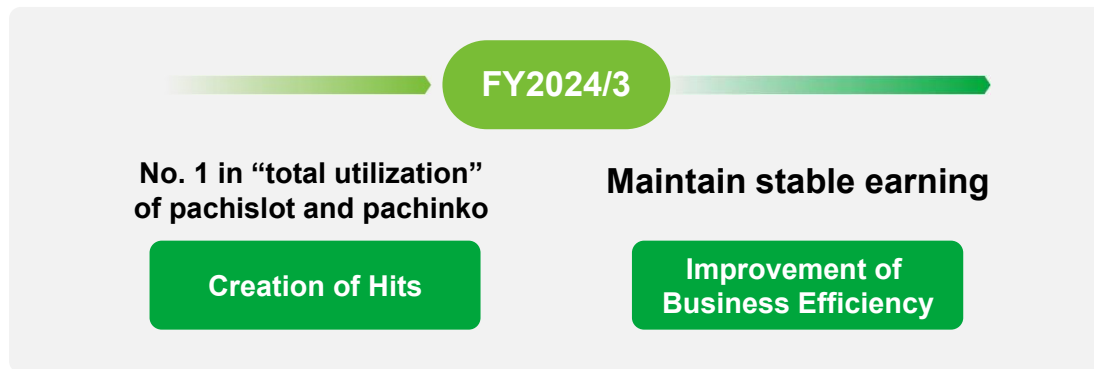
Senior Executive Vice President and COO of Sammy Corporation

Ayumu Hoshino

-9-

Winning a “Triple Crown”
- Top Share in Utilization,
Installation, and Sales

Building a Stable
Earnings Structure

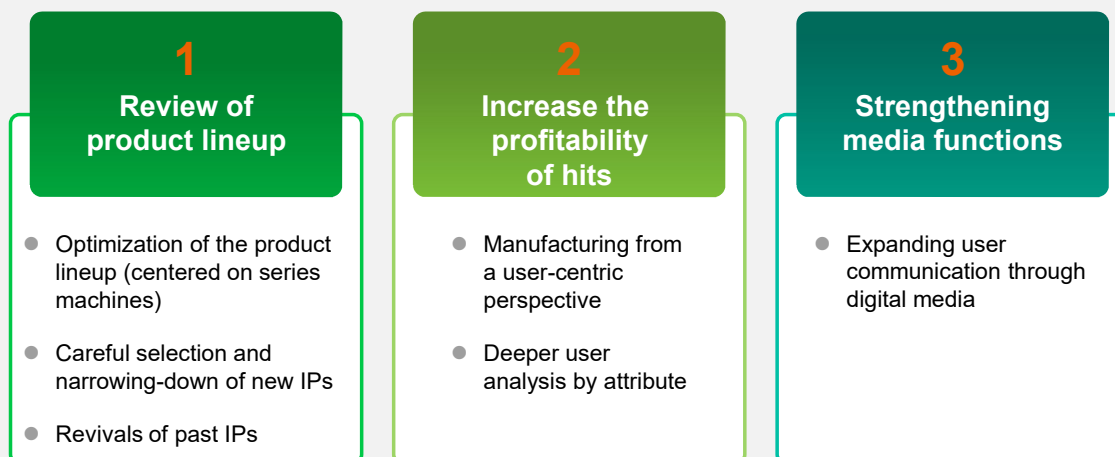


-10-

Our long-term goal is to win a “Triple Crown” – top share in utilization, installation, and sales, and also to build a stable earnings structure.

As a first step, in the current medium-term plan, we have set a goal to achieve No.1 in “total utilization” of pachislot and pachinko, and to maintain stable earning.

Medium-term Plan Target: Creation of Hits



-11-

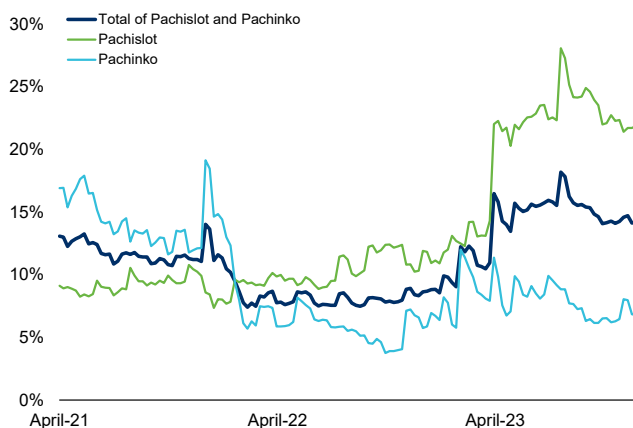
First of all, it is essential to create multiple hit titles in order to achieve No.1 in “total utilization” of pachislot and pachinko. To create hit titles, we are reviewing our product lineup, creating products from the user's perspective, and strengthening promotions.

In terms of strengthening promotions, we have conducted a large-scale promotion for *Smart Pachislot Hokuto No Ken*, which includes TV commercials, and data shows that dormant users in their 40s and 50s who played the original *Pachislot Hokuto No Ken* have returned to the market due to these initiatives.

Creation of Hits: Trend of Our Utilization Share

Our total utilization share is increasing, driven by pachislot

Trend of our utilization share^{*1}



Total utilization share ranking

FY2021/3^{*2}

1	Company S	19%
2	Company K	17%
3	Sammy	13%
4	Company U	12%

FY2024/3^{*3}

1	Company S	21%
2	Sammy	15%
3	Company K	15%
4	Company S	13%

^{*1}: Utilization share = Ratio of Sammy machine's utilization out of total number of installed machine for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

^{*2}: Calculated by average of the fiscal year (Excluded the week striding over fiscal years)

^{*3}: Calculated by average from Apr. 2023 to beginning of Dec. 2023 (Excluded the week striding over fiscal years)

^{*}In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

-12-

Regarding the trend of our utilization rate, unfortunately, we have not reached our goal of achieving No.1 in “total utilization” of pachislot and pachinko.

On the other hand, the various measures in our medium-term plan have contributed to our ranking as No. 2 in the current fiscal year, on average, up to the recent. Compared to FY2021/3, which is before the start of the current medium-term plan, we are up one rank, but there is a third-ranked manufacturer right behind us, so we will work hard not to be outdone.

Aim to create a hit title with new IP that follows *Pachislot Kabaneri of the Iron Fortress*



Pachislot Kabaneri of the Iron Fortress

©Kabaneri Committee ©Sammy

Pachislot Kabaneri of the Iron Fortress

Installation
Jul. 2022

- Initial installation: over 10 thousand
→ Cumulative installed units: over 50 thousand
(Implemented 3 times of additional sales)
- Won the first place in Pachislot category* with “P-WORLD Pachinko & Pachislot Award 2022”
- Make the most use of regulatory revision of No. 6.5 models

Carefully select the IPs to acquire in terms of whether it is suitable for making pachislot or pachinko machines and try to make them into our mainstay series

*Won first place in both user category and pachinko hall category. Eligible machines are titles installed from 2021/11/1-2022/10/31. Aggregated by P-WORLD.

-13-

In order to create hit titles, we recognize that utilizing new IPs to attract new users is also important. This will not only attract new users but also add thickness to our product lineup.

One example is *Pachislot Kabaneri of the Iron Fortress*, which continues to enjoy popularity and meet the expectations of pachinko halls in terms of utilization.

We will continue to utilize new IPs in order to create new mainstay series.

Creation of Hits: Revivals of Past IPs (Pachislot)

Revival of past IPs are gaining strong sales and utilization
There are still many IPs that are possible for revival



-14-

In pachislot, we have launched several revival titles of past IPs as our Classic Series and both sales and utilization have been strong. One of the advantages of reviving past IPs is that it enables the use of past movie materials, thereby curbing R&D expenses and increasing profit margins.

Although not included in this Classic Series, titles that reproduce the gameplay of the original, such as *Smart Pachislot Hokuto No Ken* and *Pachislot Psalms of Planets Eureka Seven HI-EVOLUTION ZERO TYPE-ART*, which was introduced in November, have also been extremely well received.

We would like to continue to launch revival titles of past IPs and achieve higher level of sales and profit.

Creation of Hits: Results of Pachinko Machines

Launched machines that have been supported by users in pachinko as well



*Contributed weeks in utilization is in-house estimation

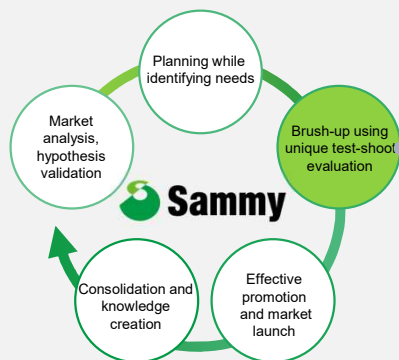
-15-

In pachinko too, although they are not big hits, we have been able to consistently sell titles that are supported by users in terms of utilization. Regarding pachinko, the "customization function," which allows users to adjust the balance of visual effects to their liking, has recently become the industry standard, and we recognize that we are receiving high evaluation from users in this customization function, too.

P Hokuto No Ken LT, which is scheduled for release in March, is our first title with the "Lucky Trigger" feature that reflects the recent regulatory review. We are currently conducting sales activities and is receiving generally favorable evaluation on the specification.

Conducted a review of internal development processes

- User-oriented development process
- Brush-up through highly unique test-shoot evaluation



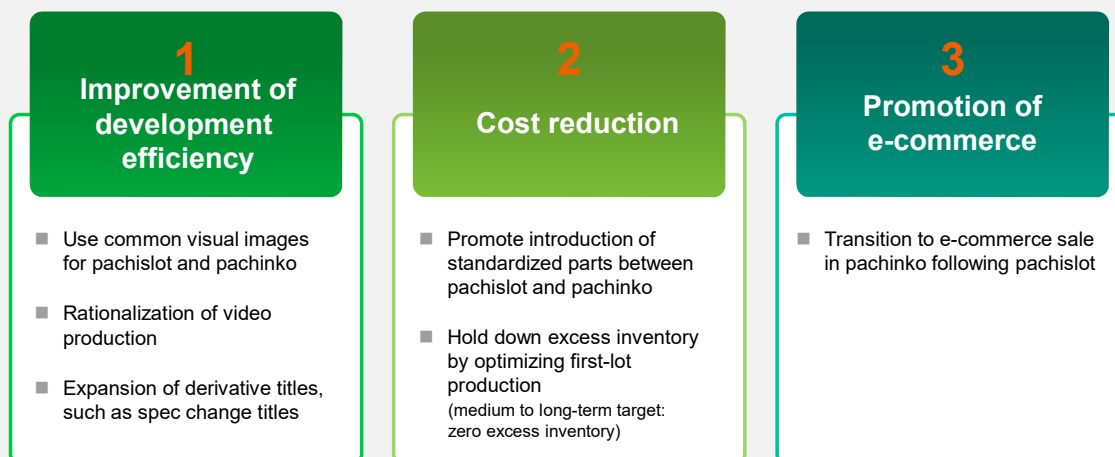
- Large-scale test-shoot evaluation system with 100 people scale
- Preparation of mock hall environment
- Combination of detailed attribute data and product evaluation

Reliable and useful test-shoot evaluation

Creation of hits

We are also reviewing our internal development process to increase the probability of creating hit titles.

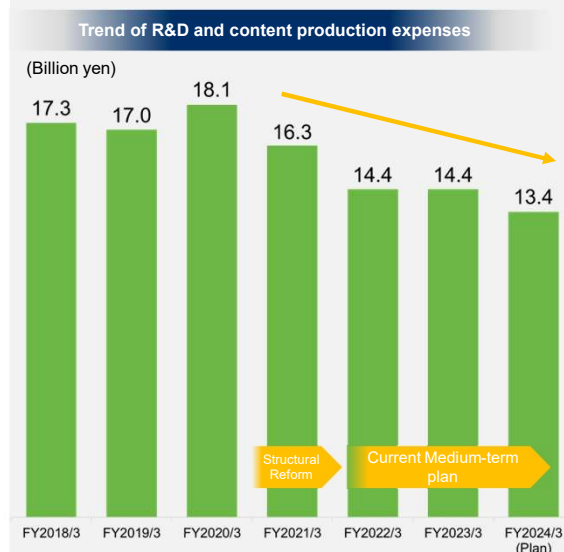
In terms of brush-up, the in-house mock hall environment for test-shoot called “Parlor Sammy” is contributing significantly. The greatest significance of “Parlor Sammy” is to evaluate products from the user's perspective. Until now, most of the opinions have been centered on the producer and director of development, but now, in addition to creator’s perspective who are involved in development, we have staffs from the indirect department, who are also pachislot and pachinko users, to test-shoot the products. Due to this, we can get the product evaluation closer to when the products are actually utilized at pachinko halls. As few years have already passed since we started this initiative, we are accumulating the know-how to obtain in-house evaluations that are close to those of the market.



In order to maintain stable earnings, we are working to improve business efficiency by improving development efficiency, reducing costs, and promotion of EC.

With regard to EC, we have been selling pachislot machines through EC site for some time, and we have shifted to EC sales for pachinko machines too during the period of this medium-term plan.

R&D expenses is reducing due to various initiatives



► Use of common visual image

- Reuse of visual materials between Pachislot and Pachinko of the same IP (Develop on the premise of common use even from the initial phase)
- Reuse of CG animation (e.g., *Hokuto No Ken* series)

► Rationalization of video production

- Optimize the number of newly drawn cuts
- Utilize past video assets and animation movie materials

► Expansion of derivative titles and utilization of past IPs

► Other measures

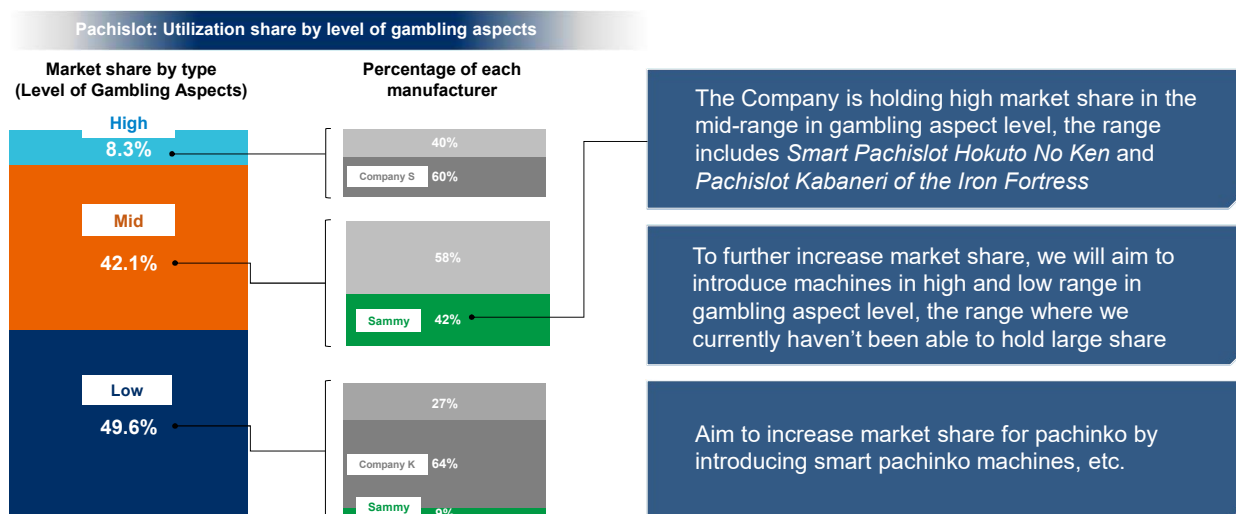
- Divert the mechanism of machine gimmicks
- Streamline the debugging process

-18-

With regard to the improvement of development efficiency, a comparison of FY2020/3 results and the forecast for the current fiscal year shows that R&D expenses have been reduced by approximately 5.0 billion yen, or nearly 25%.

We will continue to strive for both creation of hit titles and improvement of business efficiency through various creative efforts.

Aiming to further increase market share by expanding product portfolio



*Calculation based on utilization data for the week of Nov. 27 – Dec. 3, 2023

*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

-19-

For some time, we have been pursuing a policy of offering products for user groups in all directions in order to increase our market share.

With the success titles such as *Smart Pachislot Hokuto No Ken* and *Pachislot Kabaneri of the Iron Fortress*, we have been able to increase our utilization share in the mid-range of gambling aspect level. In order to further increase our market share, we will also strengthen product launches in the low and high-range of gambling aspect level.

Also, in pachinko, we will aim to capture market share by launching smart pachinko, etc.

Proceed with various considerations toward vitalization of the industry

► Our initiatives

- Offering of attractive products and implementation of promotion targeting for user expansion
- Initiatives aiming for cost reduction in both manufacturers and pachinko halls

Measures to support utilization in year-end and New Year

Implementation of TV commercials



*Image is for illustrative purposes only

Digital advertising

- Youtube
- X (Formerly Twitter)

Physical advertising

- Signage advertisement
- Advertisement at large electronics store, etc.

Ongoing post-sales promotion to support utilization

Roll-out promotion on the three main promotional methods that were highly effective in *Smart Pachislot Hokuto No Ken*

Take measures based on TV, digital and physical promotion to boost year-end and New Year utilization

-20-

As you know, the pachislot and pachinko industry has been shrinking over the long term. According to the "White Paper on Leisure Industry 2023," the number of pachislot and pachinko users is 7.7 million, a recovery from 7.2 million in the previous year, but still less than in its heyday. We believe that there is much room for improvement in this situation, and we will consider various initiatives to revitalize the industry without being bound by conventional wisdom.

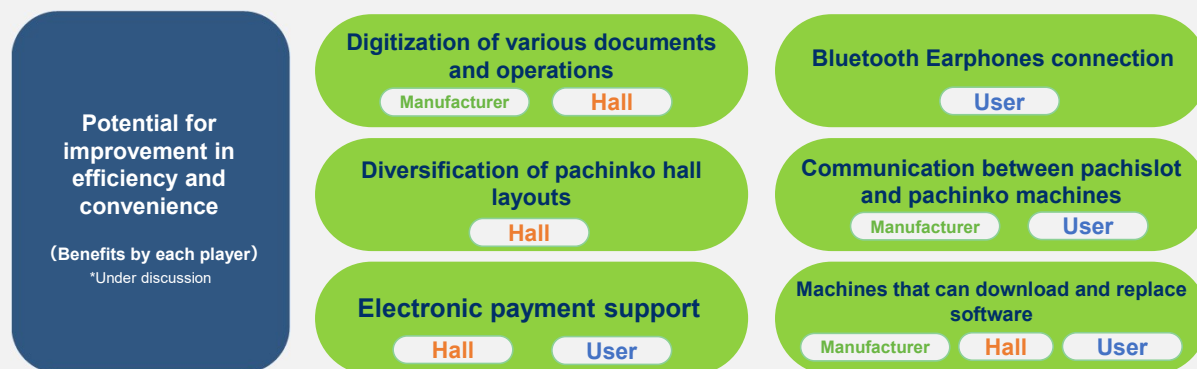
First, let me explain our initiatives. As a manufacturer, our primary mission is to increase the number of users by supplying interesting products to pachinko halls, and in order to increase the number of users, we will also actively implement promotions.

As an example of our promotional activities, we are planning to implement various measures during the year-end and New Year holidays in order to support utilization. We will not only sell products to pachinko halls, but also support pachinko halls after sales in terms of attracting customers and utilization, through these measures. Regarding TV commercials, we will promote it strategically in regional areas, not in major cities such as Tokyo, Nagoya, and Osaka. Also, we will conduct digital advertising through YouTube, X (formerly Twitter), etc. As for physical advertising, we plan to conduct promotions at some service areas on expressways and to promote our products on TV screens installed in major electronics retail stores. We will continue to consider other measures too.

Proceed with various considerations toward vitalization of the industry

► Initiatives of manufactures' association

- Hold discussion to improve pachislot and pachinko industry's efficiency and user convenience
- ⇒ Some of them are already close to the realization



-21-

The manufacturer's association as a whole is also promoting various studies that will contribute to increased efficiency and user convenience through DX.

To give a detailed explanation of each of these, regarding "digitalization of various documents and operations", digitalization of application documents for manufactures to undergo prototype testing, and documents submitted by pachinko halls to the district police station, etc. is being considered.

Regarding "Bluetooth earphones connection," noise from pachislot and pachinko machines is currently a serious problem for pachinko halls. Because it may endanger pachinko hall employees, etc., we are negotiating with the government to allow users to play with Bluetooth earphones connected to pachislot and pachinko machines in order to reduce the noise level from the machines, and we are close to achieving this goal. If connection between pachislot and pachinko machines and Bluetooth earphones is realized, we believe it will theoretically be possible to connect smartphones to pachislot and pachinko machines in the future, which would further expand the range of play of pachislot and pachinko machines. We also believe that "communication between pachislot and pachinko machines" may be feasible through Bluetooth connection. Through this, for example, it may be possible for pachislot and pachinko machines to communicate with neighboring pachislot and pachinko machines to show users various visual effects.

Regarding "diversification of pachinko hall layouts," we think that the progress of installation of smart pachislot and pachinko machines will simplify peripheral equipment, enabling pachinko halls to create layouts with a high degree of freedom.

As for "electronic payment support," electronic payment is becoming the mainstream in the world, and pachinko hall organization is increasingly trying to keep up with this trend.

"Machines that can download and replace software" is a longer-term perspective, but in the future, pachislot and pachinko machines installed in pachinko halls may be reborn as new machine by changing only the software inside them while they are still installed in the pachinko halls. Number of parts needed to manufacture a product will be reduced if replacement of pachislot and pachinko machine's cabinet will not be needed, and this will lead to cost reductions not only for the manufacturer but also for pachinko halls. It will also contribute to the reduction of environmental burden.

That's all from me.

Financial Strategy, Investment in Growth

SEGA SAMMY HOLDINGS INC.
Senior Executive Vice President and Group CFO

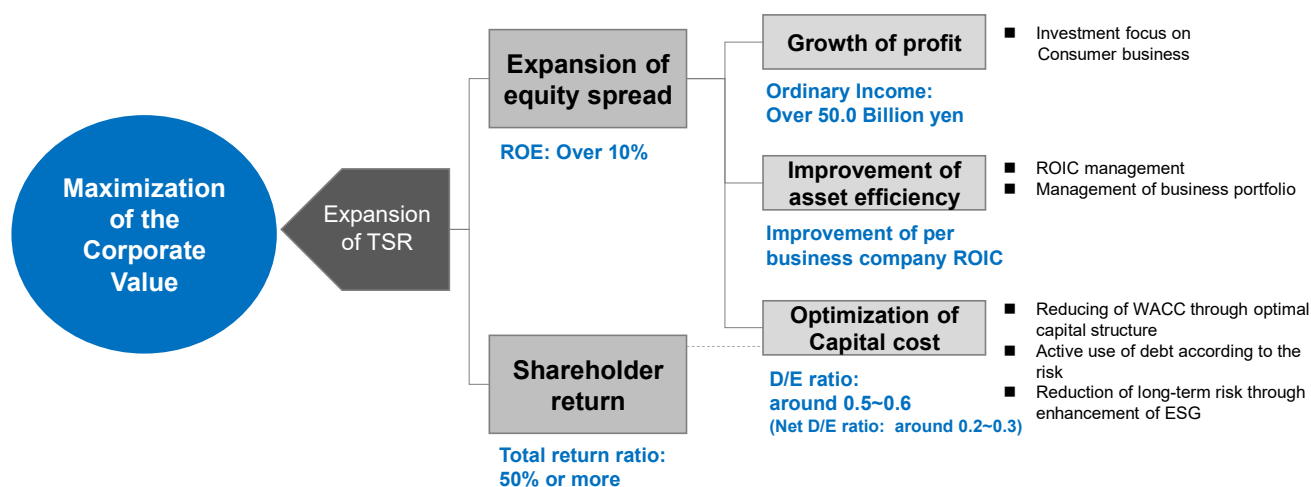
Koichi Fukazawa

-22-

Speaker: Koichi Fukazawa (Senior Executive Vice President and Group CFO, Director of the Board of SEGA SAMMY HOLDINGS INC.)

I will explain our financial strategy and investment in growth.

Shift to the management focusing on capital efficiency



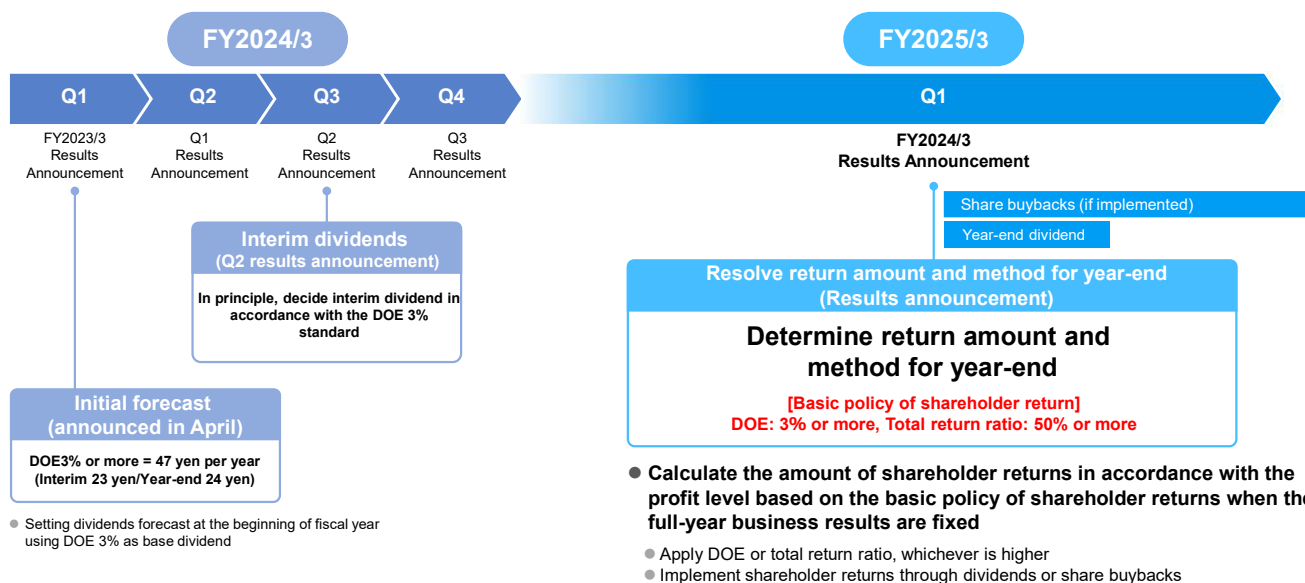
-23-

This is the financial strategy package that we have been explaining since the start of this medium-term plan.

The three branches are divided from the “Expansion of equity spread” section, but they are not all in the same line. The bottom one, “Optimization of capital cost,” is the starting point for the discussion of how to optimize the equity and debt capital structure of the balance sheet. In addition, we have introduced a ROIC management system to improve the efficiency of investment, and on the P/L side, we are aiming for ordinary income of 50.0 billion yen or more. These are the numerators for impacting ROE, and we are operating this as a tool with this kind of drill-down.

Shareholder Returns

(Process of Determining the Amount of Return and Methods)



-24-

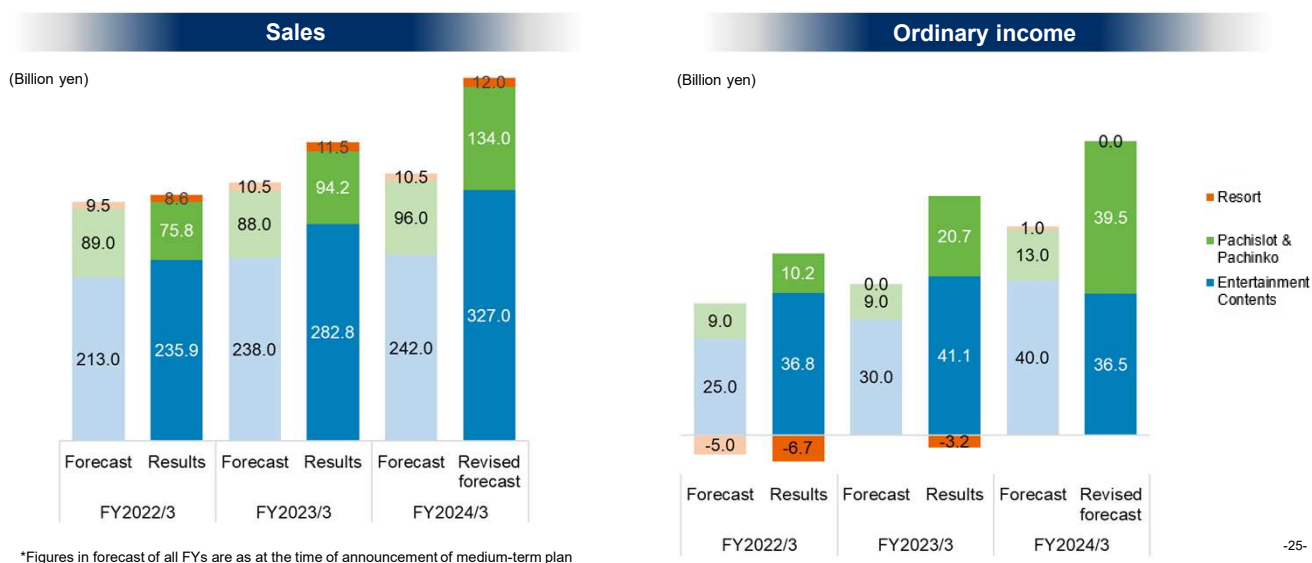
In the past, our approach to shareholder returns has centered on stable dividends, but since the start of this medium-term plan, we have adopted a policy of DOE: 3% or more, or total return ratio: 50% or more.

Since we are often asked whether we will buy back our own shares because of the recent decline in the stock price, we would like to reiterate that our policy is not to buy back our own shares because the stock price has fallen. Our policy remains unchanged to return profits to shareholders based on the results of the fiscal year-end, at DOE of 3% or more, or a total return ratio of 50% or more, whichever is higher. With regard to share buybacks, we were unable to execute them immediately as M&A projects, etc. had been progressing. However, we announced the acquisition of GAN on November 8, and a share buyback of 10.0 billion yen is currently underway as a shareholder return in accordance with the results at the end of the previous fiscal year. We will continue to return profits to shareholders in accordance with this policy.

Comparison of Medium-term Plan and Results



Achieved medium-term plan target ahead of schedule, backed by growth in the Consumer area
On the other hand, “Turnaround of Europe” emerged as the urgent task for the Consumer area



Here is a comparison of actual sales and ordinary income (FY2024/3 are revised forecasts) for each business segment, and the forecasts announced at the time of the release of the medium-term plan.

During the period of this medium-term plan, especially the Consumer area in the Entertainment Contents Business, has been the driving force and has steadily accumulated profits, but the rebuilding of the European business now becomes an urgent issue. On the other hand, the Pachislot and Pachinko Machines business is expected to substantially achieve its target for the final year of the medium-term plan due to the recovery associated with the strong sales of No. 6.5 model pachislot machines and smart pachislot machines including *Smart Pachislot Hokuto No Ken*.

In order to continue to grow the Consumer area in the future, we will quickly rebuild our European business.

Concept of Investment in Growth (~FY2026/3)

Implemented investment in the following growth area

	Area of consideration for investment	Progress
Consumer Area Approx. ¥100.0 billion	Strengthen development resources <ul style="list-style-type: none"> Expansion of organic development pipeline Strengthen global mobile and online games 	<ul style="list-style-type: none"> Establishment of SEGA Sapporo Studio
	Investment in new ecosystem <ul style="list-style-type: none"> Strengthen CRM functions to revitalize user communities Investment in newly emerging business areas 	<ul style="list-style-type: none"> TOB of Rovio completed (Aug. 25, 2023) -> Implemented investment of approx. 105.0 billion yen in total
Gaming Area Approx. ¥100.0 billion	Careful assessment of investment opportunities in the gaming area <ul style="list-style-type: none"> Online casino and sports betting overseas Land-based casinos overseas Both domestic and overseas IR 	<ul style="list-style-type: none"> Step off from domestic and overseas IR Considering investment in online gaming area -> Announced the acquisition of GAN Limited Plan to implement investment of approx. 16.15 billion yen
Other Approx. ¥50.0 billion	Expand CVC investment limit (Total limit: ¥15.0 billion) <ul style="list-style-type: none"> Strengthen open innovation activities, including investment in start-up companies 	<ul style="list-style-type: none"> Implement 19 new investments, approx. ¥3.4 billion Exit from existing investment x 5 Establishment of joint venture with PAPYLESS CO., LTD. "GAPOLI" service released
Total ¥250.0 billion		

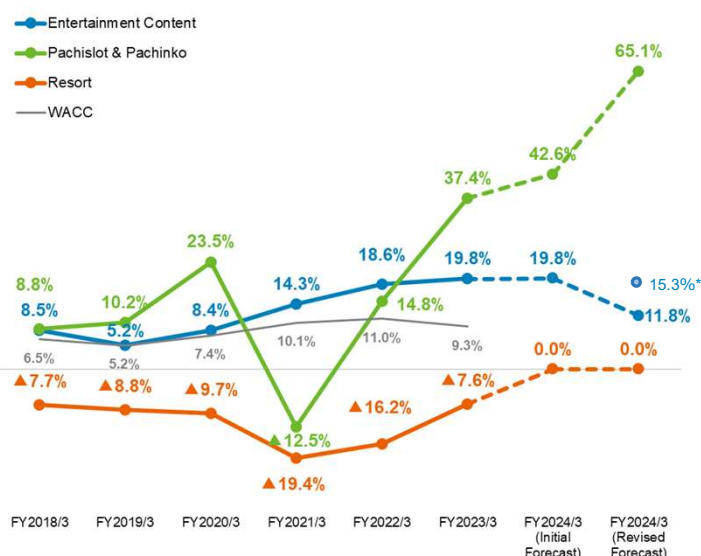
-26-

With regard to our approach to investment in growth, we have positioned the Consumer area and the Gaming area as strategic investment areas looking at the future, and we intend to aggressively invest a total of approximately 250.0 billion yen in these areas. In the Consumer area, we have completed the TOB of Rovio, and in the Gaming area, we recently announced the acquisition of GAN.

The Rovio TOB represents an investment of approximately 100.0 billion yen, and although we have ample cash on hand, we are executing bridge financing of approximately 100.0 billion yen in the form of a full loan in consideration of future business investments. Since this bridge financing is planned to be made into an eternity, as a result of procuring debt, a conventional D/E ratio of about 0.2x has progressed to about 0.4x at the current time.

(Reference) Per Business ROIC

Per business ROIC trend



*Per business ROIC: Adjusted profits per business/Invested capital per business

• Entertainment Contents Business

ROIC decreased in the revised forecast due to the inclusion of goodwill impacts from the consolidation of Rovio

*15.3% if Rovio impact is not taken into account

• Pachislot and Pachinko Machines Business

Significant profit growth due to strong pachislot performance has led to a dramatic increase in ROIC in the revised forecast.

• Resort Business

ROIC is improving due to the impact of improved utilization at each facility

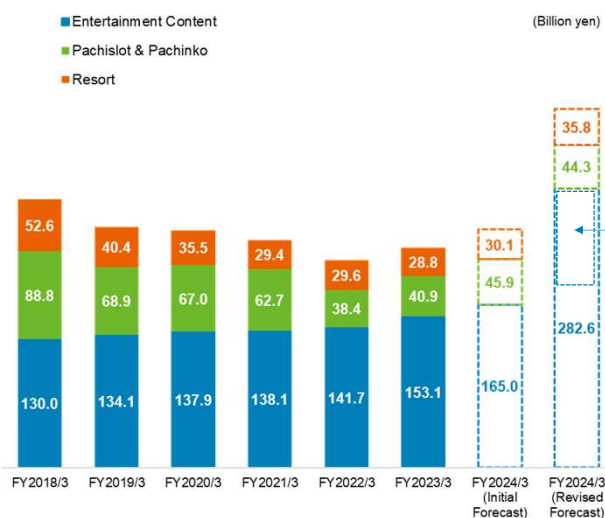
We have introduced ROIC management within the Group and have set up sessions regarding ROIC between SEGA and other major group companies in the Entertainment Contents business, Sammy in the Pachislot and Pachinko Machines business, and myself as the CFO. In the sessions, we discuss the progress of the ROIC tree drawn by each company, the issues they are facing, and the measures they are taking to resolve them. We are continuously holding the sessions per half-year since the start of this medium-term plan period.

While ROIC is improving in each business segment, the Entertainment Contents business saw a decrease in ROIC due to an increase in invested capital, which is the denominator, as we started the consolidation of Rovio from September of this fiscal year and the effect of its consolidation including the goodwill has been incorporated. If this effect is excluded, ROIC of this segment would be approximately 15.3%.

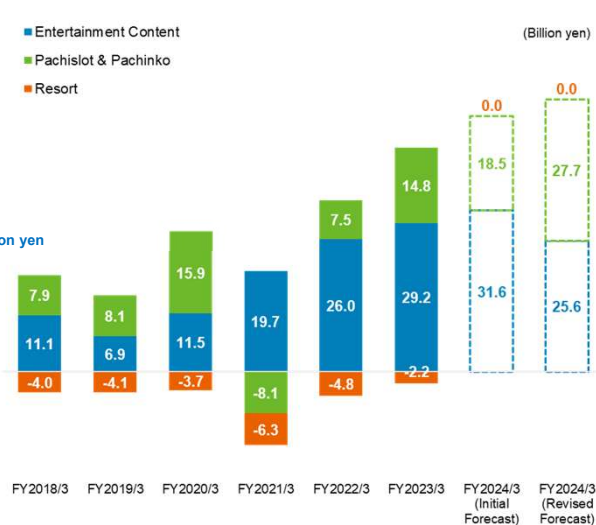
ROIC management is introduced not only to show the percentage of results as a performance indicator, but also to raise awareness within the Group of the concept of return on investment, and we will continue to focus on it in the next fiscal year and beyond as an important tool for improving capital efficiency.

(Reference) Invested Capital/Adjusted Profits per Business

Invested capital trend per business



Adjusted profits trend per business



*Invested Capital per business: invested capital at the end of each business period (total assets-current liabilities excluding interest-bearing debt)-CMS deposits
 *Adjusted profits per business: ordinary income after-tax and before-interest (Tax rate for the each business is set to 30% for simplicity)

-28-

For your reference, here are the invested capital and adjusted profit per business segment. As I mentioned earlier, the Entertainment Contents Business has increased its invested capital by approximately 102.0 billion yen due to the acquisition of Rovio.

That concludes my explanation.
 Thank you for your attention.



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

Cautionary Statement for Investors and Shareholders with Respect to Gaming Statutes and Regulations

SEGA SAMMY HOLDINGS INC. ("the Company") is registered with the Nevada Commission as a publicly traded corporation and has been found suitable to directly or indirectly own the stock of its subsidiary, SEGA SAMMY CREATION INC., and Sega Sammy Creation USA Inc., a wholly owned subsidiary of SEGA SAMMY CREATION INC., (collectively, the "Operating Subsidiaries") that have been licensed as manufacturers and distributors of gaming devices in Nevada. Pursuant to Nevada law, the Company's shareholders are subject to the rules and regulations of the Nevada Gaming Authorities. A detailed explanation of Gaming Statutes and Regulations can be found on the Company's corporate website: <https://www.segasammy.co.jp/en/ir/stock/regulation/>

The Operating Subsidiaries have also been licensed as manufacturers and distributors of gaming devices in multiple countries, states, and regions other than the State of Nevada (collectively, the "Other Regions"). In addition to the foregoing, the Company's shareholders may be subject to the same or similar restrictions as in the State of Nevada under the statutes of the Other Regions or the regulations of the gaming authorities of such Other Regions.

Please visit below website for more information of products and services of SEGASAMMY.

<https://www.segasammy.co.jp/en/corp/group/>
(Sega Sammy Group Website list)

*Company / product names, etc. in this document are trademarks or registered trademarks of the respective companies