

The Vision We Aim to Become in 2030

To achieve our vision for the Group in 2030, we are steadily implementing various measures under the slogan of the medium-term plan: Beyond the Status Quo —Breaking the Current Situation and Becoming a Sustainable Company—.



Medium-Term Plan

BEYOND THE STATUS QUO

—Breaking the Current Situation and Becoming a Sustainable Company—

From FY2022/3 to FY2024/3

- Proactive investment (Consumer area)
- Strengthening the global branding of existing IPs
- Creation of a “Super Game”
- Creation of hits × Business efficiency
- No. 1 in total utilization of pachislot and pachinko machines
- Reinforcing the earnings base
- Bolstering the profitability of existing resort facilities.
- Careful assessment of investment opportunities in the Gaming area

From FY2025/3 to FY2030/3

- ✔ Increasing our presence in the global mobile domain
- ✔ Scaling up our IP lineup
- ✔ Strengthening the development of smart Pachislot and Pachinko machines
- ✔ Increasing our market share
- ✔ Careful assessment of investment opportunities in online casino and sports betting overseas
- ✔ Careful assessment of investment opportunities in land-based casinos overseas

The vision we aim to become in 2030

- Global Leading Contents Provider
- Triple crown: Top share in utilization, installation, and sales
- Building a stable earnings structure
- Realize the investment in Gaming area

Entertainment Contents Business

Pachislot and Pachinko Machines Business

Resort Business

Financial strategies for maximizing corporate value

Efforts to address material issues (materiality) that make up the foundation of sustainability

From FY2022/3 to FY2026/3

• Quantitative Goals (FY2026/3)
 ROE: Over 10% Ordinary Income: Over ¥50.0 billion Consolidated ROIC: Over WACC
 D/E ratio: x 0.5 to 0.6 Total return ratio: 50% or more DOE: 3% or more

Human Resources
Developing people who can create experiences that move the heart

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

✔ Promoting combined effort by all Group employees based on a concrete action plan

2030 targets

- Human Resources**
- Culturally diverse human resources: Approx. 900 people— (approx. 21%—)
 - Percentage of women in managerial positions: Approx. 80 people— (approx. 8%—)
 - Amount invested in education: ¥4.0 billion or more cumulatively
 - Engagement score: 58^{*1} or above/Rating A^{*2} or above
- *1 Source: Link and Motivation Inc. engagement score based on motivation cloud
*2 Engagement Rating
- Products and Services**
- Global leading contents provider (Entertainment Contents Business)
 - Win a “triple crown” — top share in utilization, installation, and sales (Pachislot and Pachinko Machines Business)
- Environment**
- Achieve carbon neutrality in the Entertainment Contents Business and Pachislot and Pachinko Machines Business. (Reduce group-wide carbon emissions by around 50%)
- Addiction**
- Compliance with laws and regulations, voluntary rules related to addiction, etc.
 - Contributing to the sound development of the industry
 - Implementation of industry-academia collaborative research on addiction

Value Creation Process

The Group will use the management resources we have cultivated so far and implement effective strategies so that we can continue to provide value to all stakeholders

Group Values/DNA **“Creation is Life” × “Always Proactive, Always Pioneering”**

MISSION/PURPOSE (*Raison d'être*) **Constantly Creating, Forever Captivating** —Making life more colorful—

INPUT

Financial capital

Capital strength and strong financial position

Total assets: **¥501.5 billion**
 Total net assets: **¥313.3 billion**
 Equity ratio: **66.0%**

Manufacturing capital

Creative DNA that creates experiences that move the heart across a wide range of business domains globally

Intellectual capital

The Group's rich IP lineup **P. 28**

R&D capabilities

Number of development personnel: **4,695**
 R&D expenses: **¥80.4 billion**

Human capital

Consolidated employee numbers: 8,219
 (Number of full-time and permanent contract employees *excluding temporary employees)

Employees in Japan: **5,864**

Employees overseas: **2,355**

Amount invested in education: Approx. **¥0.47 billion***
 * Companies in scope: SEGA SAMMY HOLDINGS, SEGA (Japan), Sammy

Social capital

Alliances with other companies

▲ The above figures are the actual results for the fiscal year ended March 2023.

BUSINESS

Business portfolio that carries out our MISSION/PURPOSE

Entertainment Contents Business

• Consumer/Amusement Machine/Animation and Toys

Pachislot and Pachinko Machines Business

• Pachislot machines/ Pachinko machines
 • Planning pachislot/pachinko game content for PCs and smartphones
 • Gaming machine

Resort Business

• Developing and operating resorts in Japan and overseas

Medium-Term Plan

(FY2022/3-FY2024/3)

Beyond the Status Quo

Breaking out of the Current Situation and Becoming a Sustainable Company

Medium-term plan final year targets
 (figures announced in May 2021)

Ordinary income: **¥45.0 billion** ROE: Over **10%**

Entertainment Contents Business

• Reinforcing the earnings base by strengthening the global branding of existing IPs
 • Investment stage toward becoming a global player

Pachislot and Pachinko Machines Business

• Becoming No. 1 in total utilization of pachislot and pachinko through creation of hits
 • Improving business efficiency and maintain stable earnings

Resort Business

• Careful assessment of investment opportunities in the Gaming area

Material Issues to Be Addressed

Sustainability helps keep life colorful



Foundation for value creation

Risk management Compliance Strong financial position

OUTPUT

Net sales: ¥389.6 billion
Ordinary income: ¥49.4 billion
ROE: 14.7%

Entertainment Contents Business

Net sales: **¥282.8 billion**
 Ordinary income: **¥41.1 billion**
Full Game: Unit sales

Total new titles: **10.09 million units**
 (Japan: **1.09 million units** / Overseas: **8.99 million units**)
 Total repeat sales: **17.79 million units**
 (Japan: **1.38 million units**/Overseas: **16.4 million units**)

Global simultaneous launch x multi-platform support

Number of Titles

Total new titles: **10 titles** (about **8.8 million units**)

Overseas net sales

¥116.7 billion (overseas sales ratio: **62.1%**)

Pachislot and Pachinko Machines Business

Net sales: **¥94.2 billion**
 Ordinary income: **¥20.7 billion**
Cumulative unit sales

Pachislot: **94,966 units** Pachinko: **103,556 units**

Share of total utilization

Share of total utilization of pachislot and pachinko machines: **4th**
 Pachislot: **3rd** Pachinko: **3rd**

* In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd.
 * Utilization Share = Ratio of Sammy machine's utilization out of total number of installed machines for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

Resort Business

Net sales: **¥11.5 billion**
 Ordinary income: **¥-3.2 billion**
Phoenix Seagaia Resort No. of facility users (Thousands)

3 accommodation facilities: **394**
 2 golf courses: **103** Other facilities: **449**

▲ Above figures are actual results for the fiscal year ended March 2023.

OUTCOME

VISION (Ideal self)

Be a Game Changer

Creation of social value

Human Resources

Cultural diversity

• Promoting "game change" by increasing culturally diverse human resources

Active career opportunities for women

• Creating a foundation where people can thrive regardless of gender

Development of core human resources

• Strategic development of human resources who can lead the next generation

Maintenance of work environments

• Maintaining and improving the engagement of human resources

Products and Services

Quality improvement

• Making content and services that serve, inspire, and awaken over 3 billion gamers worldwide

• Triple crown: Top share in utilization, installation, and sales

Safety and security

• Creating rules that allow everyone in the world to enjoy games without discrimination

• Continue creating content that users and operators can rely on

Environment

Scope 1, 2

• Achieving carbon neutrality

Scope 3

• Reducing GHG emissions by 22.5% or more

Addiction

• Prevention of addictions and disorders