

# Materiality Initiatives

## SEGA SAMMY GROUP SUSTAINABILITY VISION

# Sustainability helps keep life colorful

We at SEGA SAMMY believe our determination to enhance life with a rich and colorful stream of captivating experiences should be reflected in our approach to sustainability.

It is our responsibility to put sustainability at the heart of everything we do, in tandem with our people, society, and the environment.

SEGA SAMMY will continue to pursue this synergy as a company dedicated to the shared experiences of a colorful world.

## GROUP MISSION/PURPOSE

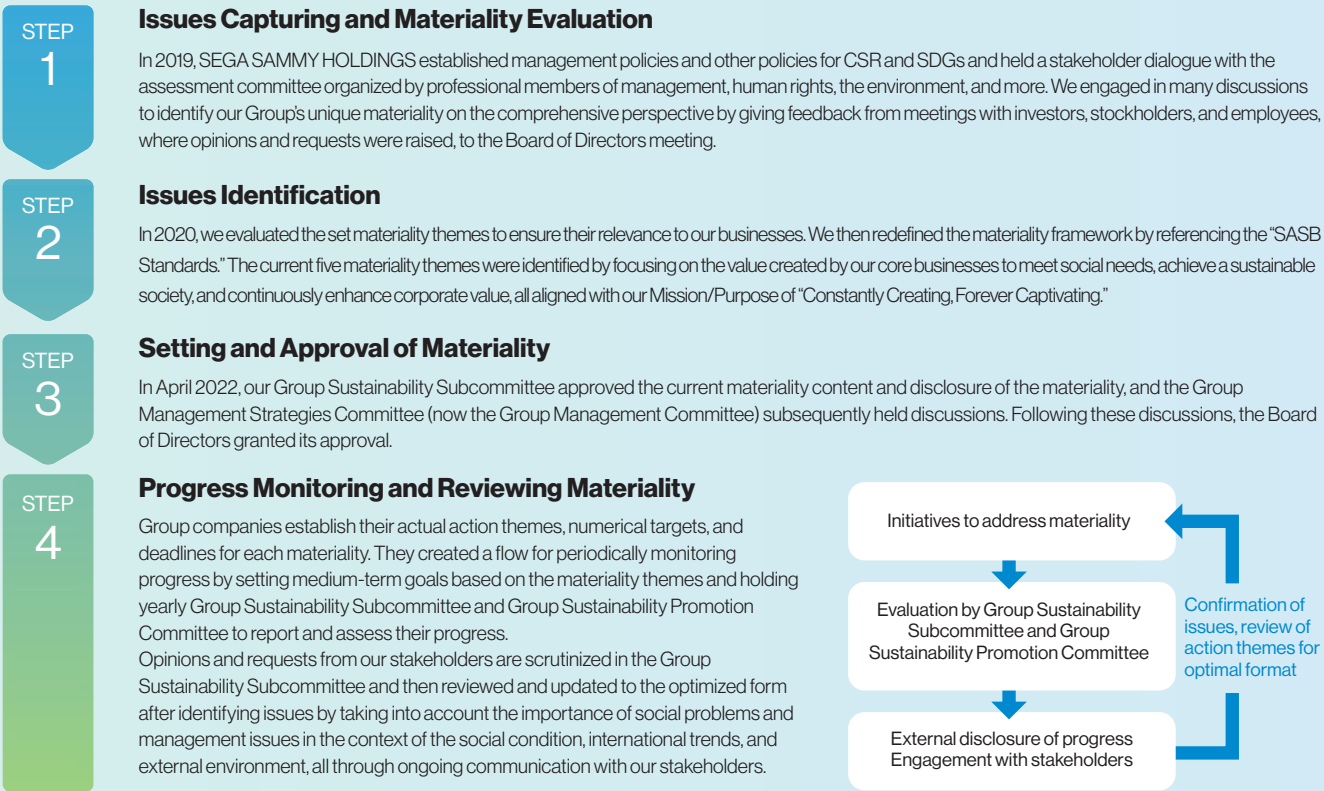
# Constantly Creating, Forever Captivating

— Making Life More Colorful —



## Materiality Identification Process

For more information on materiality, please visit the following website.  
<https://www.segasammy.co.jp/en/sustainability/group-sustainability/group-sustainabilitymateriality/>



## Targets and Main Initiatives by Materiality

Materiality	Main initiatives	Targets
Human Resources	<b>Cultural diversity</b> <ul style="list-style-type: none"><li>Promoting "game change" by increasing culturally diverse human capital</li></ul> <b>Career development for women</b> <ul style="list-style-type: none"><li>Creating a foundation where people can thrive regardless of gender</li></ul> <b>Training of core personnel</b> <ul style="list-style-type: none"><li>Strategic development of human capital who can lead the next generation</li></ul> <b>Improvement of the work environment</b> <ul style="list-style-type: none"><li>Maintaining and improving the engagement of human capital</li></ul>	<ul style="list-style-type: none"><li>Culturally diverse human capital: Approx. 900 people (approx. 21% or more)</li><li>Percentage of women in managerial positions: Approx. 8% or more (approx. 80 people or more)</li><li>Amount invested in education: ¥4.0 billion or more cumulatively</li><li>Engagement score: 58 or above/Rating A or above</li></ul> <p>All targets are for FY2031/3 or 2030</p>
Products and Services	<ul style="list-style-type: none"><li>Quality improvement and further promotion of safety and security</li></ul>	<ul style="list-style-type: none"><li>Enhancement of SEGA brand value (Entertainment Contents Business)</li><li>Establishing No. 1 position in the industry (Pachislot &amp; Pachinko Machines Business)</li></ul>
Environment	<b>Scope 1, 2</b> <ul style="list-style-type: none"><li>Study and implementation of reduction measures</li></ul> <b>Scope 3</b> <ul style="list-style-type: none"><li>Strengthening supplier engagement</li><li>Consideration of supplier selection criteria</li><li>Consideration of expansion of companies subject to reduction targets and its timing</li></ul> <b>TCFD initiatives</b> <ul style="list-style-type: none"><li>Strategy update</li></ul>	<ul style="list-style-type: none"><li>Reducing group-wide GHG emissions by around 50% (2030)</li><li>Group-wide carbon neutrality (2050)</li><li>Reducing GHG emissions by 22.5% or more</li></ul>
Addiction	<ul style="list-style-type: none"><li>Initiatives related to addressing and preventing addiction and gaming disorders in collaboration with various industry associations</li><li>Continued commitment to addiction research</li></ul>	<ul style="list-style-type: none"><li>Compliance with laws and regulations, voluntary rules, etc. related to addiction</li><li>Contributing to the sound development of the industry</li><li>Implementation of industry-academia collaborative research on addiction</li></ul>
Governance	<ul style="list-style-type: none"><li>Maintaining a corporate governance system that contributes to medium- to long-term improvements in corporate value by ensuring continuous high transparency in management</li></ul>	

# Human Resources Strategy

Developing People Who Can Create Captivating Experiences

## A Message from the Head of Human Resources

### Promoting a new human capital strategy based on HCDGs

**Makoto Takahashi**

Executive Vice President, Executive Officer



## New Human Resources Strategy to Support the Challenge of the Entire Group

The SEGA SAMMY Group has always regarded human capital as one of its material issues to be addressed and has been committed to a human capital strategy. In formulating the new medium-term plan, we reorganized the HR Transformation Vision and the strategies, targets, and measures that are linked to it as Human Capital Development Goals (HCDGs) in order to communicate the Group's approach to human capital to people inside and outside the Group and to gain their understanding and sympathy. In this, we systematically summarized what we should be and what we want to be in order to continue to fulfill our Mission/Purpose, after positioning human capital, the driving force for the creation of captivating experiences, as the most important asset of the Group.

In order to continue taking on the challenge of becoming a Game Changer, we are promoting human capital development, culture fostering, and environment-building throughout the Group under the HCDGs, while at the same time promoting human capital strategies that are optimized for each business with different characteristics. The gaps and issues related to human capital, corresponding measures and quantitative targets, and expected outcomes are structured for the realization of each business strategy.

In this era of rapid change, known as VUCA (Volatility, Uncertainty, Complexity, Ambiguity), we would like to share the context and progress of our human capital strategy with our stakeholders and make necessary updates as needed.

Category	Results for FY2024/3	2030 targets (Announced in May 2022)
Culturally diverse* <sup>1</sup> human capital	855 people (20.7%)	Approx. 900 people or more (Approx. 21% or more)
Percentage of female managers	Approx. 7.2% (88 people* <sup>2</sup> )	Approx. 8% or more (Approx. 80 people or more)
Amount invested in education* <sup>3</sup>	Approx. ¥0.52 billion / year (Cumulative total: approx. ¥0.98 billion)	Average ¥0.45 billion / year (Cumulative total: ¥4.0 billion or more)
Engagement score* <sup>4</sup>	55.8 (Rating: BBB)	58 or above (Rank: A or above)

\*1 Certified based on numerous criteria, such as being a foreign national, having overseas residence experience and multicultural experience, and having a certain level of proficiency in languages such as English or Chinese. Human capital who can deal with diverse cultures and use their experiences in their work.

\*2 Achieved the target number of people. On the other hand, the ratio was not achieved due to an increase in the overall number of employees, and we continue to promote efforts to achieve this goal.

\*3 Cumulative investment from FY2023/3 to FY2031/3

\*4 Overall score based on the motivation cloud provided by Link and Motivation Inc.

[Target Company] Culturally diverse human capital, Percentage of female managers, Amount invested in education: SEGA SAMMY HOLDINGS, SEGA (Japan), Sammy / Engagement score: Major Group Companies in Japan

## Uniqueness and Viability of Business Strategy



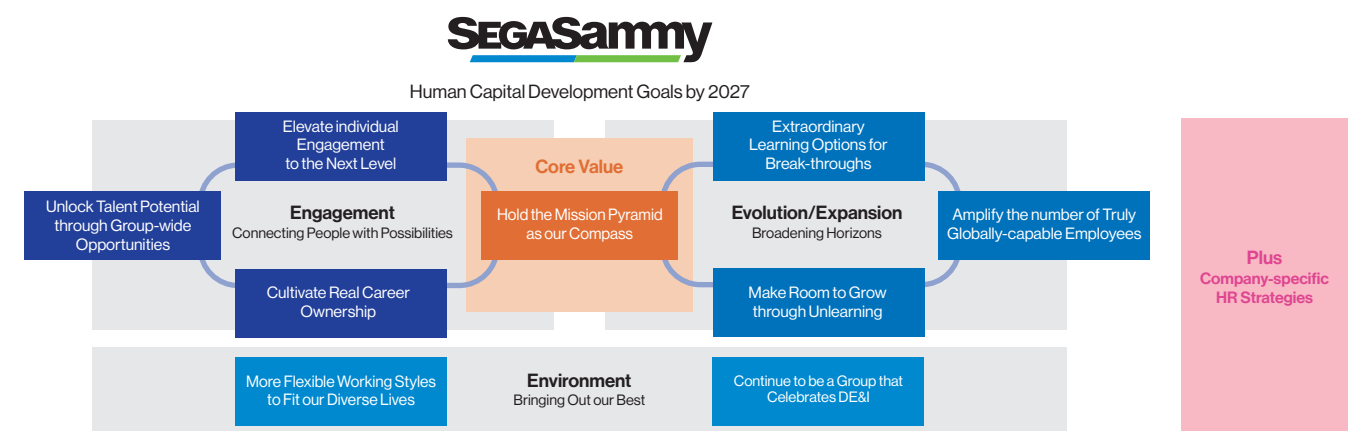
Foundations

## Overview of SEGA SAMMY Group Human Resources Strategy

### Creating human capital, culture, and an environment that enable all of SEGA SAMMY's challenges

We will promote the HCDGs so that each and every member of the Group can continue to be a Game Changer. By structurally addressing four interrelated and influential themes, we will advance the essential transformation that will lead to sustainability. Each of the panels for each theme represents a more specific goal to be attained, and each is operated with quantitative targets and observation indicators for the entire Group or for each business.

Through the realization of these HCDGs, we will enable all current and future challenges by SEGA SAMMY.



### Core Value

With our Mission Pyramid, as our compass, we will mobilize the strengths of our diverse and dynamic human capital.

**Major KPI: Mission Pyramid penetration with the Group (measured by periodic surveys)** \* 48% as of December 2023 (domestic only)

### Engagement: Connecting people with Possibilities

We will maximize the power of people in the SEGA SAMMY Group by connecting them to opportunities that make the most of their ambitions and abilities.

**Major KPI: Employee engagement survey score**

### Evolution/Expansion: Broadening Horizons

We will continue to evolve our capabilities and expand our offerings, sowing the seeds for new challenges and growth.

**Major KPIs: Investment in Group's educational institution SEGA SAMMY College, Multicultural Talent Ratio**

### Environment: Bringing Out the Best

We will foster an environment where all activities are conducted fairly, enabling everyone to maximize their abilities.

**Major KPI: Percentage of female managers**

\* Each KPI will be reviewed as necessary according to the progress of strategy.



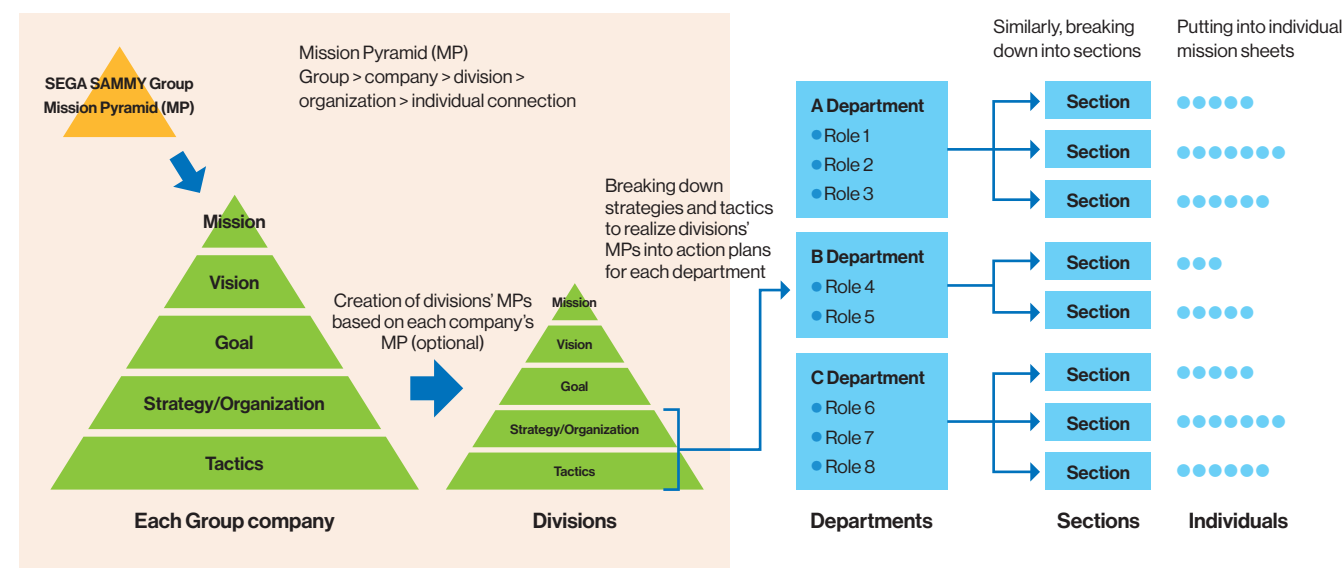
# Human Resources Strategy

## Core Value

### Mission Pyramid as a common absolute axis

The Mission Pyramid (MP) is a framework that literally articulates the organization's Mission/Purpose (raison d'être) and Vision (ideal self), as well as structurally expresses the goals, strategies, organization, and tactics to realize them, and has been in operation for over 10 years. In order to realize the MP's of the higher-level organizations, more specific MP's are set for each of their sub-organizations, and finally broken down into the roles and goals of the individuals who belong to these organizations, thereby clarifying the roles and goals of each individual in a common sense of direction.

To ensure that this framework is used as a living communication tool, all employees have learning opportunities to understand its intent and structure, and it is also linked to the personnel system, education system, and award system. We regularly measure the degree of penetration regarding MP's to identify issues and take countermeasures on an ongoing basis.



### SEGA SAMMY's Five Strengths, common mindset/stance to make the most of diversity

SEGA SAMMY's Five Strengths represent the common mindset and stance necessary for diverse human capital to cooperate with each other while demonstrating their individuality.

These are formulated as the common competencies of the Group, modeled on the "human ability" that Hajime Satomi, Chairman and Representative Director of the Group, has valued. In addition to being incorporated directly or indirectly into the human capital requirements and evaluation criteria of each Group company, they are also important learning objectives in management-level and rank-specific training at SEGA SAMMY College, the Group's in-house college, and are part of our systematic efforts to cultivate human capital that is unique to SEGA SAMMY.



Introduction

Value Creation Story

Growth Strategy

Strengthening of Non-Financial Capital

Governance

Financial Information

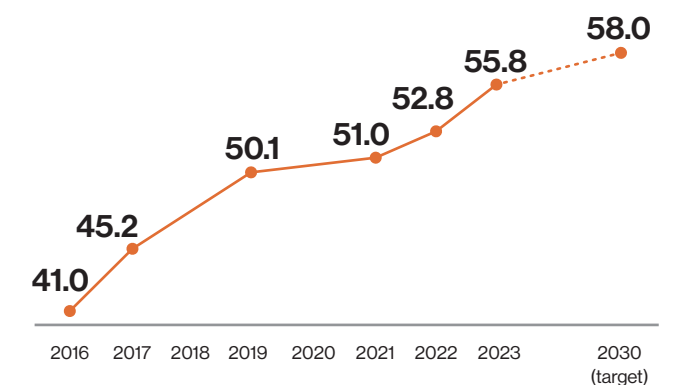
## Engagement

### To engage with diverse individuals, one by one

The SEGA SAMMY Group has conducted employee engagement surveys since 2016. The ability of each of our human capital to connect with work that matches their thoughts, values, and abilities, and to demonstrate their capabilities, is our driving force in becoming a Game Changer.

The survey visualizes the status of 16 areas related to companies, supervisors, and workplaces, and establishes issues and measures to bring each company closer to its ideal organizational state. As a result of ongoing efforts, the Group's engagement score\* reached 55.8 pts (rating: BBB) as of 2023. One goal is to increase this to 58.0 pts (rating: A) by 2030.

\* Overall score based on the motivation cloud provided by Link and Motivation Inc.



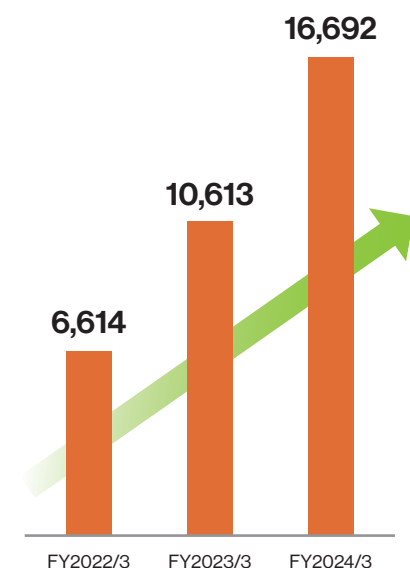
## Evolution/Expansion

### SEGA SAMMY College, a place for evolution/expansion

SEGA SAMMY College, which opened in conjunction with the relocation of the Group headquarters to Osaki in 2018, offers a wide variety of learning and experience programs for the entire Group to promote the evolution and expansion of human capital and the organization.

We are expanding our programs to include a hierarchical/selective program to develop SEGA SAMMY-like leaders, a voluntary participation-style dojo (training hall) where employees can learn various skills according to their wishes, language education to develop globally competent human capital, and IT courses, including AI and data utilization, to develop human capital for DX. The target employees continue to expand through the digitization (online) and hybridization of training programs, with a total of approximately 16,000 employees using the program annually. It will continue to evolve further as an in-house college that nurtures creators and bearers of captivating experiences.

### Number of SS College users per year (total)



Level	Skill concept	SS College: Educational initiatives offered by the Group	
Top management	Conceptual skill	Management school (outside training)	Voluntary participation-style dojo
		Satomi Cram School	
Management	Human skill	Haruki Cram School	Training menu tailored to the needs of employees, including portable skills, motivation groups (motivation improvement), donation courses (group knowledge sharing), support for acquisition of a qualification, and overseas study programs
		Mirai Cram School	
Leader	Technical skill	Directors	Compulsory dojo
		Managers	
Young employees		• Management strategies	Compulsory dojo
		• Accounting	
New employees		• Organizational behavior and leadership	
		Leading Players	Compulsory dojo
		• Logical thinking	
		• Issue-identifying ability	
		• Marketing	
		Growing Players	How to Get Around SEGA SAMMY
		How to Get Around SEGA SAMMY	



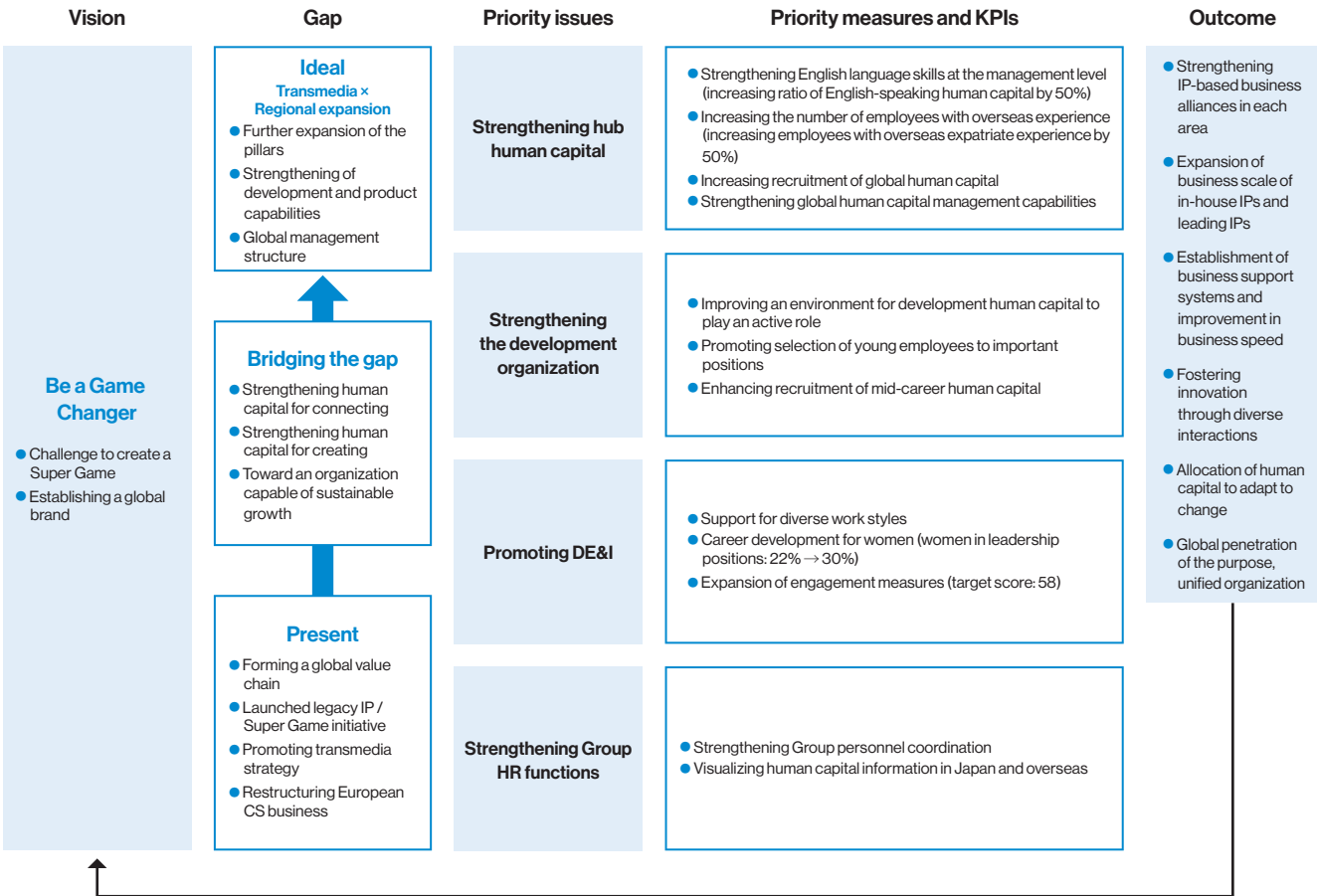


# Human Resources Strategy

## Business-specific Human Resources Strategies

### SEGA

SEGA has positioned the strengthening of hub human capital that connects Japan and overseas as a priority issue in pursuing its transmedia strategy and regional expansion, and is promoting various measures to strengthen relationships in Japan and overseas.



### Entertainment Contents Business

### Enhancing Hub Function to Connect Japan and Overseas

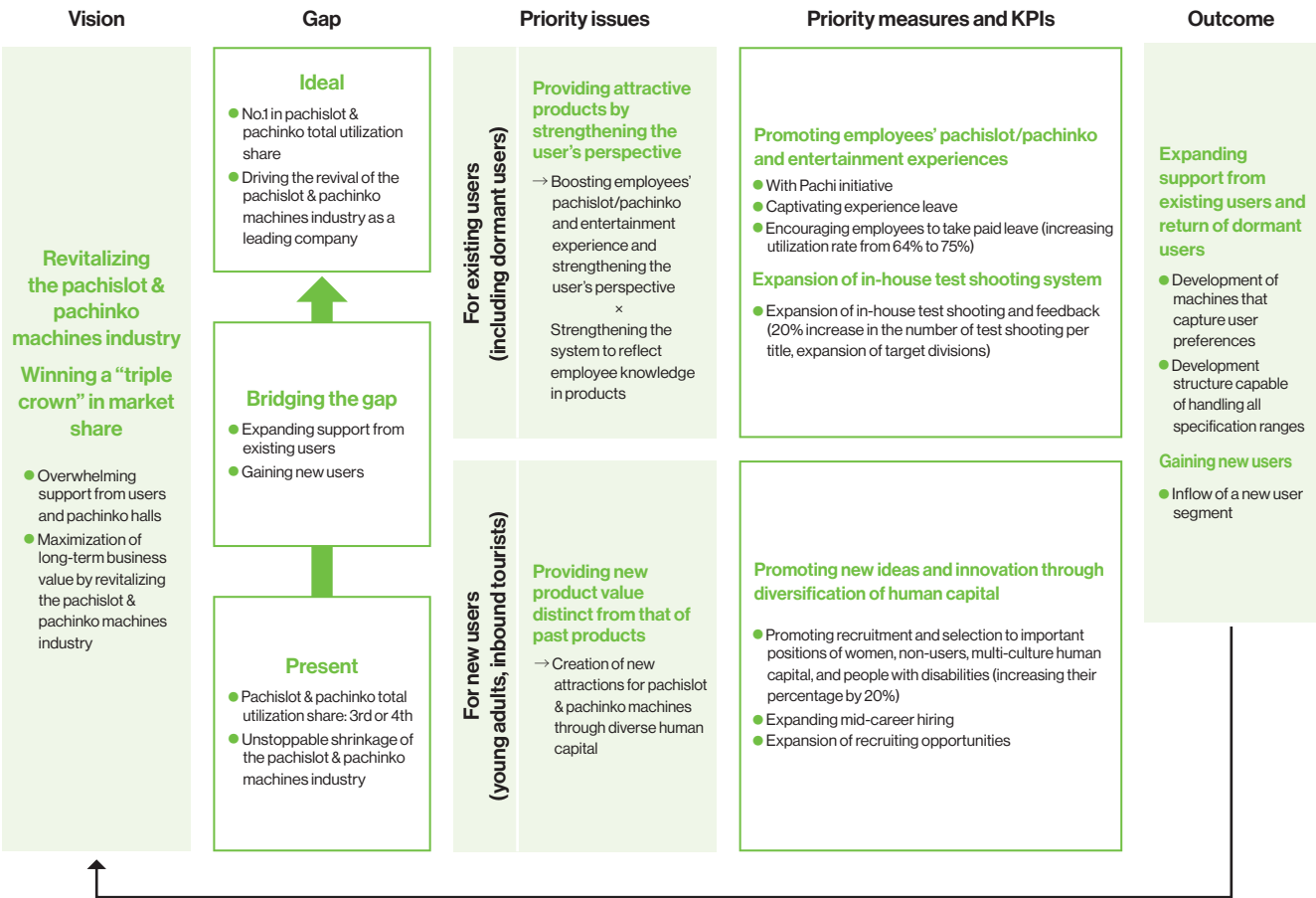
SEGA is pursuing a transmedia strategy that simultaneously promotes the expansion of IP development areas and regional expansion. In executing such strategies, it is important to develop and strengthen hub human capital who can realize business collaboration with global players and cooperation between development studios and overseas operating companies. Currently, we are dispatching expatriates from Japan to six countries and regions, and we aim to increase the number of such employees with overseas assignment experience to 150% of the current level. In addition, we have been focusing on global recruitment for some time, and approximately 20% of our new hires are global human capital. In the future, we will further increase the ratio of English-speaking employees in managerial positions by adding and expanding language training programs.

By increasing the number of hub human capital and strengthening English language skills at the management level, we will further promote the transmedia strategy by enhancing cooperation between the development studios and overseas operating companies and business alliances with global players.



### Sammy

At Sammy, we consider the fact that we have employees who love pachislot/pachinko and entertainment to be our greatest strength and asset. We will continue to offer more attractive products through a system that further encourages employees to experience pachislot/pachinko and entertainment and feeds back their knowledge to our products.



### Pachislot & Pachinko Machines Business

### For Offering Attractive Products

Sammy sees offering products that are supported by users as an important issue in expanding its share of the pachislot & pachinko machines market, and is promoting manufacturing from the user's perspective in order to meet the diverse needs of a wide range of users.

Currently, 82.9% of Sammy employees play pachislot/pachinko machines, with an annual play frequency of 78.1 times, which is significantly higher than the general user participation rate, according to the *White Paper on Leisure Industry*. Sammy encourages employees to experience pachislot/pachinko and entertainment because we believe that having employees play and be users is a strength that leads to understanding user perspectives and providing attractive products. We have implemented various measures to increase the amount of time employees spend experiencing entertainment such as With Pachi, a program that provides support for two or more employees to play pachislot/pachinko together; holding events such as Company-wide Test Shooting Day for in-house products; and promoting the use of captivating experience leave, a special leave for experiencing entertainment. All of these measures are reflected in the development of our own products through in-house questionnaires and feedback.

In addition, we have set up a mock hall called Parlor Sammy to create an environment where employees can freely try out products under development. We are promoting measures to reflect the frank opinions obtained there in our products for further refinement. We will increase the number of in-house test shooters to 1.2 times the current number in the future to further improve quality.



# Providing Safe, Dependable, and Innovative Products and Services



## Safety and Security

### E Initiatives of the Global Product Operations Division

SEGA is increasing its touchpoints with customers through the multi-platform global expansion of our game titles. Simultaneously releasing a game globally across several platforms calls for a number of processes to be brought together thoroughly and seamlessly. We must ensure that game quality meets the standards of each platform and of SEGA. At the same time, we must observe the laws and regulations of each country and region where the game is released, while also localizing the game into many languages and ensuring that the creative expression of the game is ethically appropriate.

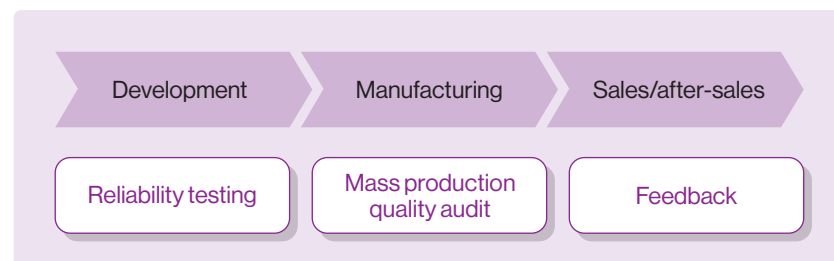
In response to this situation, the Global Product Operations Division is working to develop guidelines for various workflows at SEGA's development and publishing sites in Japan, Asia, North America, and Europe with the aim of improving execution accuracy and optimizing its processes. In addition, the Global Product Operations Division shares and disseminates information, such as laws, regulations, and guidelines that should be complied with in the target region, on the company's intranet and through study sessions and other means.

For example, in order to ensure that customers can purchase games with no worry, there is a rating system that indicates the target age range, etc., based on the content of the game title. Various rating review organizations and standards exist in different countries and regions, and games must be reviewed by these organizations prior to their release. In this process, the Global Product Operations Division also serves as a hub, working closely with our offices around the world to ensure that the screening process in all countries and regions required for global expansion is carried out appropriately and efficiently.

### P Thorough Quality Assurance System

Sammy has put in place a thorough safety management system. It has established a Quality Assurance Department as a dedicated organization in its commitment to ensuring zero major defects that would affect personal physical safety.

In addition, we conduct not only in-house quality audits, but also audits of domestic and overseas cooperating factories utilizing online tools as well.



**E** Entertainment Contents Business **P** Pachislot & Pachinko Machines Business **G** Gaming Business **SS** Group

## Quality Improvement

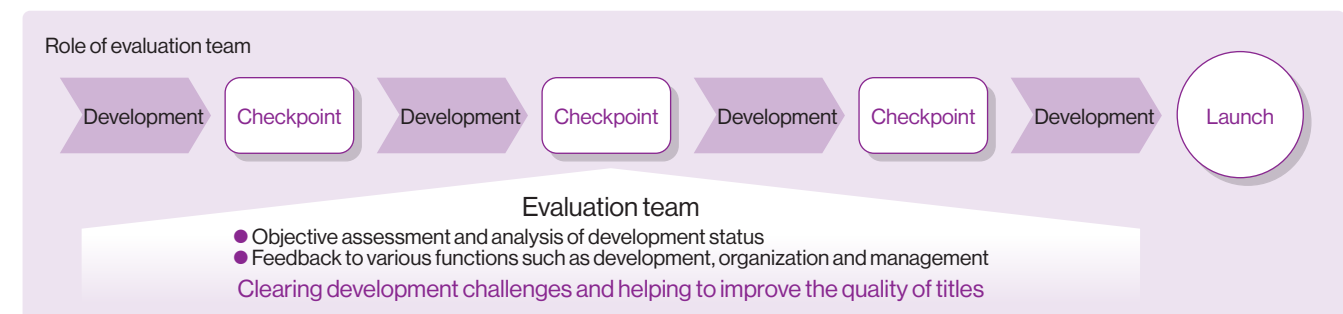
### E Evaluation Team that Supports the Fun of Each Title

At SEGA, we have an in-house evaluation team that assesses the titles we develop for smartphones and video game consoles by measuring the level of fun that they offer.

The evaluation team objectively assesses the titles, comparing the final version against the concept set by the development department at the time of game planning. The team checks whether a unique appeal has been achieved for the title, and whether customers can enjoy the game as originally intended. This evaluation process has been introduced for all titles, including those developed by our European studios, and evaluation teams were also set up at our European locations. The evaluation teams in Japan and Europe work closely together to ensure that evaluations are properly conducted at each site.

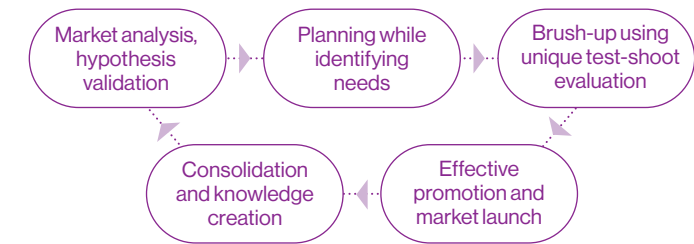
Evaluations are made not only by our in-house evaluation team but also by customers who enjoy our games, and by external game evaluation organizations. We incorporate multiple perspectives into the development process by gathering feedback from the main target markets to make our games enjoyable and meet our customers' expectations.

These evaluation results are also used by management and the development department to review and discuss the development status, and help improve the quality of SEGA's games.



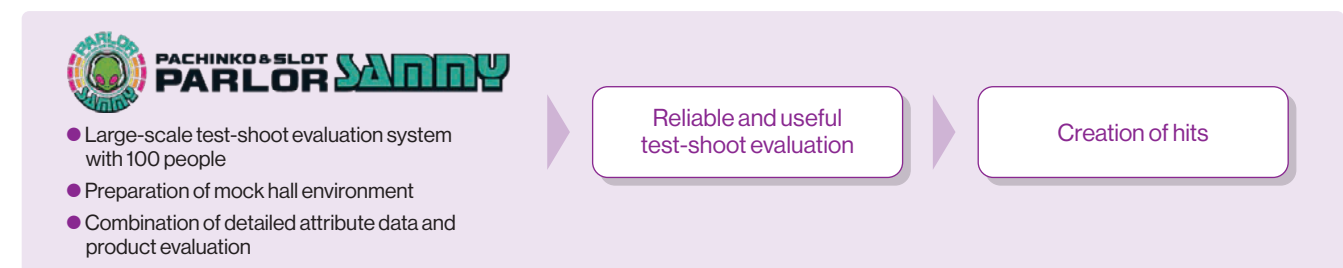
### P User-oriented Development Process

While planning, Sammy uses data-based market analysis and hypothesis validation to identify targets and needs. We have also put in place a system for enhancing the level of perfection with a unique test-shoot evaluation system that provides more user-oriented evaluations.



### P Brush-up Using Highly Unique Test-shoot Evaluation

Sammy is leveraging industry-leading human capital for development to deploy a massive 100-people scale test-shoot evaluation into the development process. In addition, we have installed a mock hall (Parlor Sammy) that closely resembles the actual play environment, and are working to refine our products. These efforts have led to the creation of hit titles such as *Pachislot Kabaneri of the Iron Fortress* and *Smart Pachislot Hokuto No Ken*.





# SEGA SAMMY Colorful Carbon Zero<sup>\*1</sup>

## Our Efforts for the Environment

The SEGA SAMMY Group has been working on effectively using energy, reducing the environmental load from offices and production bases, and adopting environmentally conscious designs of products/services to combat global warming. In May 2022, we set a quantitative target for reducing greenhouse gas (GHG) emissions. In Scope 1 and 2, we aim to reduce group-wide emissions by around 50% by 2030 based on the fiscal year ended March 2021 and achieve carbon neutrality by 2050. In Scope 3, SEGA CORPORATION and Sammy Corporation, the Group's major operating companies, aim to achieve a more than 22.5% reduction by 2030. This endeavor will be realized through engagement with suppliers, including supplier surveys and collaborations to address climate change issues.

SS

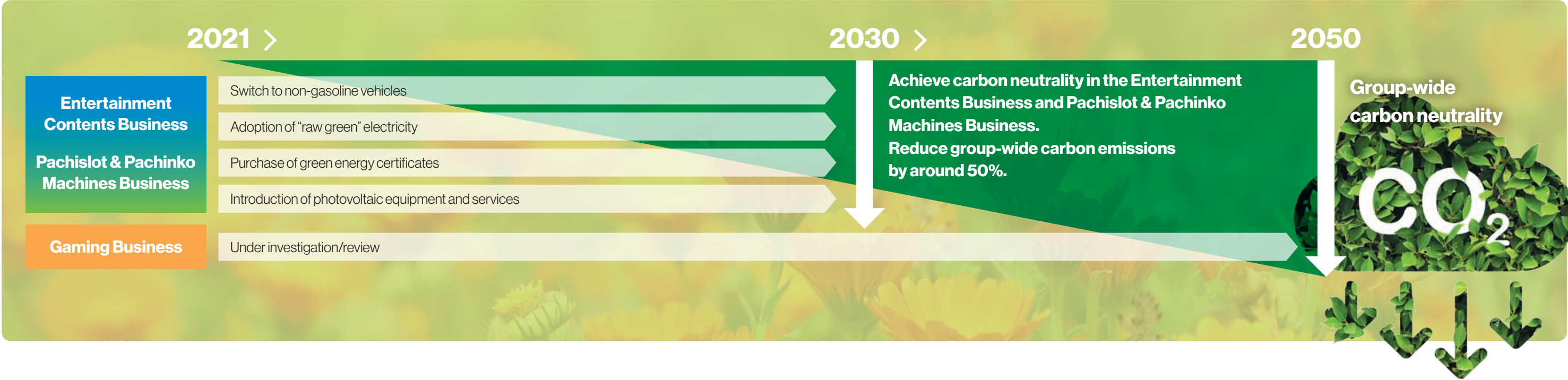
Transition to Alternative Fuel Vehicles and Implementation of Photovoltaic Systems

To reduce our group-wide Scope 1 (direct) emissions in Japan, we plan to replace company vehicles used by sales departments, production and development departments, and executives with environmentally friendly vehicles. We also plan to gradually transition to non-gasoline vehicles by comprehensively assessing the price, load capacity, and selection options for leased company vehicles.

To reduce our Scope 2 (indirect) emissions, we plan to gradually transition to green power (or renewable energy), using green power certificates to offset any shortfalls.

●

Roadmap to Carbon Neutrality



<sup>\*1</sup>SEGA SAMMY Colorful Carbon Zero is the name of the action plan to promote the Group's efforts to reduce greenhouse gas emissions. "Colorful" conveys the idea of using a variety of measures to achieve zero carbon emissions.  
<sup>\*2</sup>SEGA SAMMY HOLDINGS INC.

E

Entertainment Contents Business

P

Pachislot & Pachinko Machines Business

G

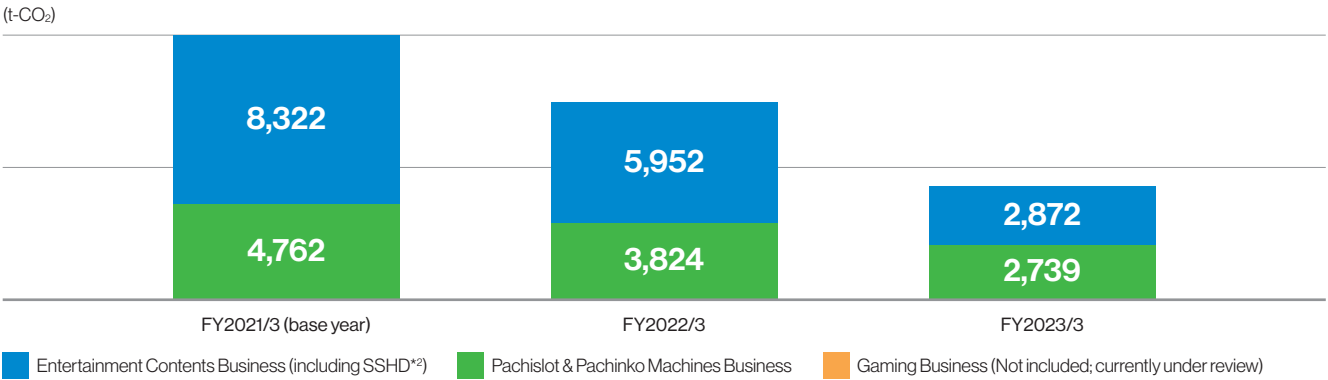
Gaming Business

SS

Group

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SEGA SAMMY Group Scope 1 and 2 Greenhouse Gas Emissions (Actual)



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Expansion of Measures for Suppliers

The Group aims to reduce Scope 3 greenhouse gas (GHG) emissions, and as part of this effort, starting from the fiscal year ended March 2022, it has conducted surveys for suppliers that have a significant impact on GHG emission reductions to identify the aggregate results of GHG emissions, reduction targets, and status of reduction activities. The scope of coverage expanded from 24 companies in the fiscal year ended March 2022 to 59 companies in the fiscal year ended March 2024. The Group is also expanding other measures for suppliers, such as supplier survey briefings, sustainability study sessions for suppliers, and individual dialogues with suppliers. Through these measures, we increase engagement with our suppliers and use the results obtained to reduce GHG emissions in our supply chain. (53 companies participated in briefings, 53 companies participated in study sessions, and 1 company attended an individual dialogue)

# Disclosure Based on TCFD Recommendations

## The Purpose of Expressing Support for TCFD and Participating in the TCFD Consortium

The Group has implemented climate-related financial disclosure in line with the TCFD framework since 2022.

In June of the same year, the Group announced its endorsement of the key recommendations of the final report (TCFD Recommendations) of the Task Force on Climate-related Financial Disclosure (TCFD), which provides a framework for climate-related information disclosure and serves as guidelines to verify the adequacy of the Group's measures related to climate change.

In addition, as a member of the TCFD Consortium, which comprises companies and financial institutions supporting the TCFD, we are actively exchanging information with other supporting companies and financial institutions to ensure more effective information disclosure.



## Governance

As an organization to discuss and deliberate on the fundamental policies and critical matters related to the Group's climate change, we established the Group Sustainability Subcommittee within the Group Management Committee, an optional committee, in April 2022. The Group Sustainability Subcommittee comprises the President and Group CEO of the Company, as well as directors and members of the Board Audit Committee who are consistent with sustainability in the skills matrix of the Board of Directors. Additionally, it includes the CFO of the Group, ensuring compliance with TCFD disclosure requirements. The Sustainability Division of the Company manages the secretariat.

The Board of Directors receives reports on the policies and plans developed in the Group Sustainability Subcommittee, approves them as appropriate, receives semi-annual reports on progress, and conducts oversight regarding the response to climate-related risks and opportunities. Further, as one of the criteria for determining business portfolios and assessing large investments and loans, the Board checks for sustainability, including climate-related risks.

## Strategy

To assess the potential risks and opportunities arising from future climate change and their financial implications for our business activities, we have conducted scenario analysis methods using the TCFD framework.

We disclose the results of our scenario analysis based on three axes: short-term (within 2 years), medium-term (over 2 years to within 10 years), and long-term (over 10 years) for the timing of the emergence of climate change-related risks and opportunities that are expected to have a significant impact on the Group.

### ● Scenario Analysis Results (Risks/Opportunities, Financial Impact)

Broad Category	Middle Category	Risks/opportunities item	Timing	Impact on the SEGA SAMMY Group [○ Risk   ● Opportunity]	Impact level
Transition risks/ opportunities	Changes to policies and regulatory requirements	Introduction of GHG emission regulations and carbon taxes	Medium/long term	● The carbon tax burden will increase if governments adopt tighter climate change-related regulations and apply carbon taxes to greenhouse gas emissions.	Small
			Medium/long term	● If governments adopt tighter climate change-related regulations and apply carbon taxes to greenhouse gas emissions, manufacturers will pass on the resulting increase in the carbon tax burden, leading to higher procurement costs.	Large
	Efforts to improve resource efficiency	Reduction of parts, materials, and packaging through environment focused changes to marketing formats	Medium/long term	● Parts and packaging will be reduced, along with costs, by shifting to online sales for video game and environment-friendly marketing format for sales of pachislot & pachinko machines.	Large

Short term: within 2 years, Medium term: over 2 years to within 10 years, Long term: over 10 years

web

Please see our website for details on disclosure based on the TCFD recommendations.  
<https://www.segasammy.co.jp/en/sustainability/esg/tcf/>

## Carbon Pricing

For carbon pricing, which can be quantitatively evaluated based on the third-party assurance of greenhouse gas emissions, our calculations are based on the following method.

In the future, we will continue to explore the possibility of disclosing quantitative evaluations for items beyond carbon pricing.

Greenhouse gas emissions (Scope 1 and 2) were calculated by multiplying the emission unit by the activity volume and multiplying it by the assumed carbon tax price for each 1.5°C scenario and 4°C scenario to assess the impact of carbon pricing.

In 2030, the projected carbon tax burden would be ¥410 million in the 1.5°C scenario and ¥120 million in the 4°C scenario, and in 2050 it would be ¥740 million in the 1.5°C scenario and ¥260 million in the 4°C scenario. Our ongoing commitment is to reduce greenhouse gas emissions by around 50% by 2030 and achieve carbon neutrality by 2050 as a group-wide objective.

Scenario	2030	2050
1.5°C scenario	−¥410 million	−¥740 million
4°C scenario	−¥120 million	−¥260 million

\*1 Assumed carbon tax price: (1.5°C scenario) US\$140/t-CO<sub>2</sub> in 2030, US\$250/t-CO<sub>2</sub> in 2050, (4°C scenario) US\$42/t-CO<sub>2</sub> in 2030, US\$89/t-CO<sub>2</sub> in 2050 (quoted from IEA (World Energy Outlook 2023)), assuming an exchange rate of US \$1 = ¥141 (adopting the AR at the time of our second quarter results for the fiscal year ended March 2024)

\*2 Assuming that Scope 1 and 2 are targeted, greenhouse gas emissions are the same as in the fiscal year ended March 2023.

## Risk Management

The Company has identified climate change-related risks expected to significantly affect the Group as follows:

- Risks related to the “transition” to a low-carbon economy Climate change policies, regulations, technological development, market trends, and evaluations
- Risks related to “physical” changes caused by climate change Acute or chronic damage caused by disasters brought about by climate change

In addition, for climate change-related risks anticipated to have a significant impact, we evaluate their importance based on the impact assessment criteria using internal indicators.

## Indicators and Targets

### (a) Metrics Used by the Organization to Assess Climate Change-Related Risks and Opportunities in Line with its Strategy and Risk Management Process

The Group has established greenhouse gas emissions (Scope 1, 2, 3) as a metric for managing climate change-related risks and opportunities.

**(b) Scope 1, Scope 2, and, if Applicable, Scope 3 Greenhouse Gas Emissions and Related Risks**

The Group has been working on calculating the greenhouse gas emissions of the entire group since the fiscal year ended March 2015.

For the fiscal year ended March 2023, the Group has obtained third-party assurance from SOCOTEC Certification Japan for Scope 1, 2, and 3 greenhouse gas emissions.

### ● SEGA SAMMY Group Scope 1, 2, and 3 Greenhouse Gas Emissions Performance for FY2023/3

Category	Emissions (t-CO <sub>2</sub> )*3	Share (%)
Scope 1	6,620	0.8
Scope 2	14,469	1.8
Scope 3	761,242	97.3
Total of Scope 1, 2 and 3	782,331	100.0

\*3 Obtained third-party assurance from SOCOTEC Certification Japan



# Prevention of Addictions and Disorders

## Main Activities and Milestones

SEGA

Survey and research on gaming disorders conducted by four gaming-related organizations in Japan

Sammy

Promotion of measures to combat addiction such as gambling, primarily with industry organizations

SSHD

Monitoring of industry–academia collaborative research results with Kyoto University

## 2030 Targets

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

## Proactively Addressing the Increasing Impact of Negative Aspects as the Business Expands

Compliance with laws, regulations, voluntary rules, etc.

Engagement in industry organization initiatives

Implementing SEGA SAMMY's own initiatives

## E Collaboration with Industry Groups

At the World Health Assembly in May 2019, the World Health Organization (WHO) recognized “gaming disorder” as a disease, defining it as a pattern of excessive online and video gaming. In Japan, the Computer Entertainment Supplier's Association (CESA), the Japan Online Game Association (JOGA), the Mobile Content Forum (MCF), and the Japan eSports Union (JeSU) jointly established a study group to conduct surveys and research relating to phenomena triggered by game play, and to educate the public about appropriate ways to enjoy video games. In April 2023, a report entitled “Survey and Research Results on Gaming Disorders” commissioned by the study group and conducted by external experts was published.

The Group will continue to address these issues appropriately in cooperation with the study group, aiming to foster the healthy development of the video game industry.

Introduction

Value Creation Story

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E

Entertainment Contents Business

P

Pachislot & Pachinko Machines Business

G

Gaming Business

SS

Group

## Addiction Countermeasures in the Pachislot & Pachinko Machines Business

P

### Support for the Recovery Support Network, a telephone helpline services

The Group began to implement initiatives against addiction following the establishment of the Society for Research on Pachinko Addiction in 2003. The Recovery Support Network (RSN), founded in 2006 with the support of various groups within the industry, has also introduced a wide range of initiatives, including awareness-raising activities and telephone helpline services.

P

### Activities during Pachislot & Pachinko Addiction Awareness Week

Pachislot & Pachinko Addiction Awareness Week is held in Japan every year from May 14 to May 20 with the aim of raising awareness about pachislot & pachinko addiction. Centered around Awareness Week, in addition to holding forums to broaden understanding of these issues, industry organizations are also engaged in Awareness Week poster campaigns and other activities. The Group will continue to support and contribute to the sound development of the industry through these activities.

### Addiction Countermeasures in the Pachislot & Pachinko Industry

**2003** Establishment of the Society for Research on Pachinko Addiction  
**2006** Establishment of the Recovery Support Network (RSN)  
**2017** Release of a statement on pachinko & pachislot addiction  
**2018** Replacement of pachislot & pachinko machines with new models that comply with revised regulations  
Establishment of the Advisory Council on Addiction Countermeasures in the Pachinko and Pachislot Industry (a committee of independent experts)

**2019** Formulation of Basic Guidelines for Addressing Pachinko Addiction  
Formulation of Basic Guidelines for the Pachinko and Pachislot Industry for Addressing Addiction  
**2020** National Police Agency expresses expectations for promoting measures to address addiction and urges at a meeting of the Board of Directors of the Japan Federation of Gaming Business Associations  
**2022** Beginning of smart pachislot installation to the market  
**2023** Beginning of smart pachinko installation to the market

● For explanation of smart pachislot & smart pachinko, see P. 25

## SS Industry–Academia Joint Research Project on Gambling Addiction

SEGA SAMMY HOLDINGS and Kyoto University are jointly conducting a process research project\* on gambling addiction, involving the collection and analysis of data related to the progression of gambling behaviors. The goal of this research is to identify early warning signs of dangerous gambling behavior by collecting and analyzing playing data from casinos.

The Group intends to utilize the findings from this research to establish systems for the early identification of players displaying signs of addiction, aiming to prevent further escalation. Additionally, we plan to create facility operations that promote self-control and restraint among users. This approach will help us build an integrated framework for addressing gambling addiction, covering education, prevention, and treatment in cooperation with medical institutions and other organizations.

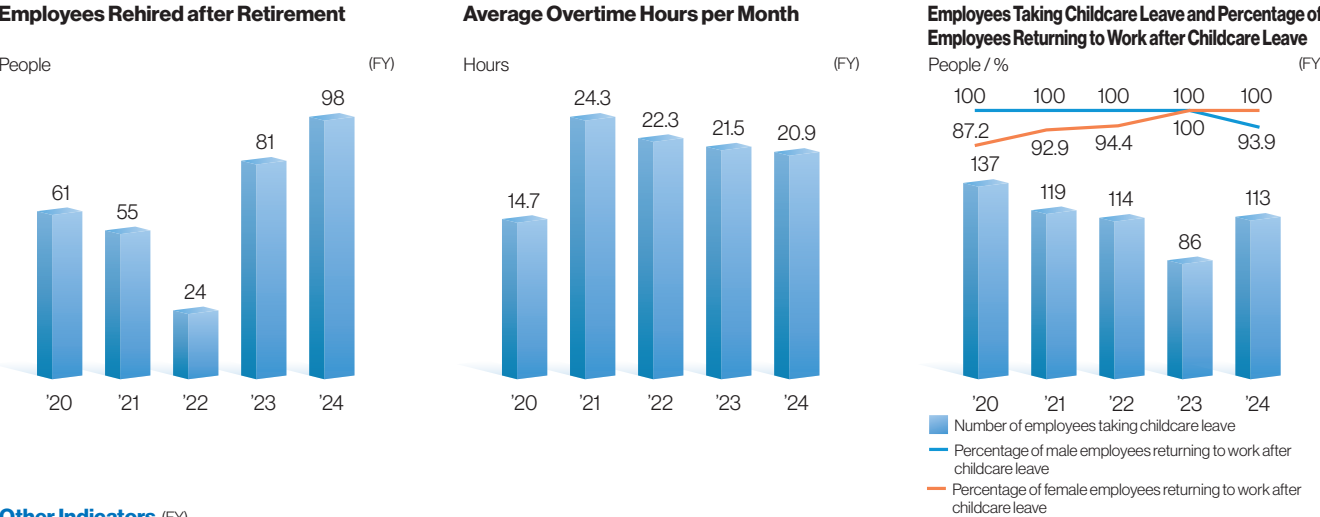
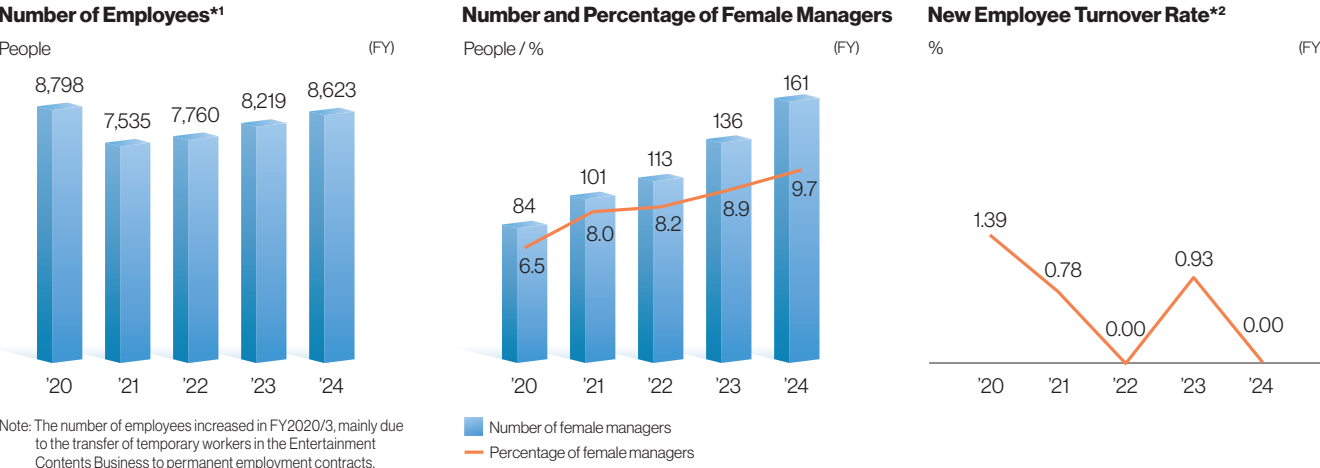
To date, our studies have analyzed playing data, particularly concerning the influence of prior wins or losses on subsequent betting behavior in the process of repeated gambling sessions. We have concentrated on analyzing playing data from the card game baccarat. Results from the joint research showed that repeated gambling behavior results in a tendency to increase the size of bets, regardless of whether the gambler wins or loses, and that this pattern is especially pronounced after a win. It was also found that the percentage of individuals engaging in risky gambling tends to rise after repeated wins. These findings were also published in the research journal International Gambling Studies.

\* This research project is being conducted from December 2017 to March 2026 at the Kokoro Research Center Kyoto University



Non-Financial Highlights

Human Capital Data



Other Indicators (FY)

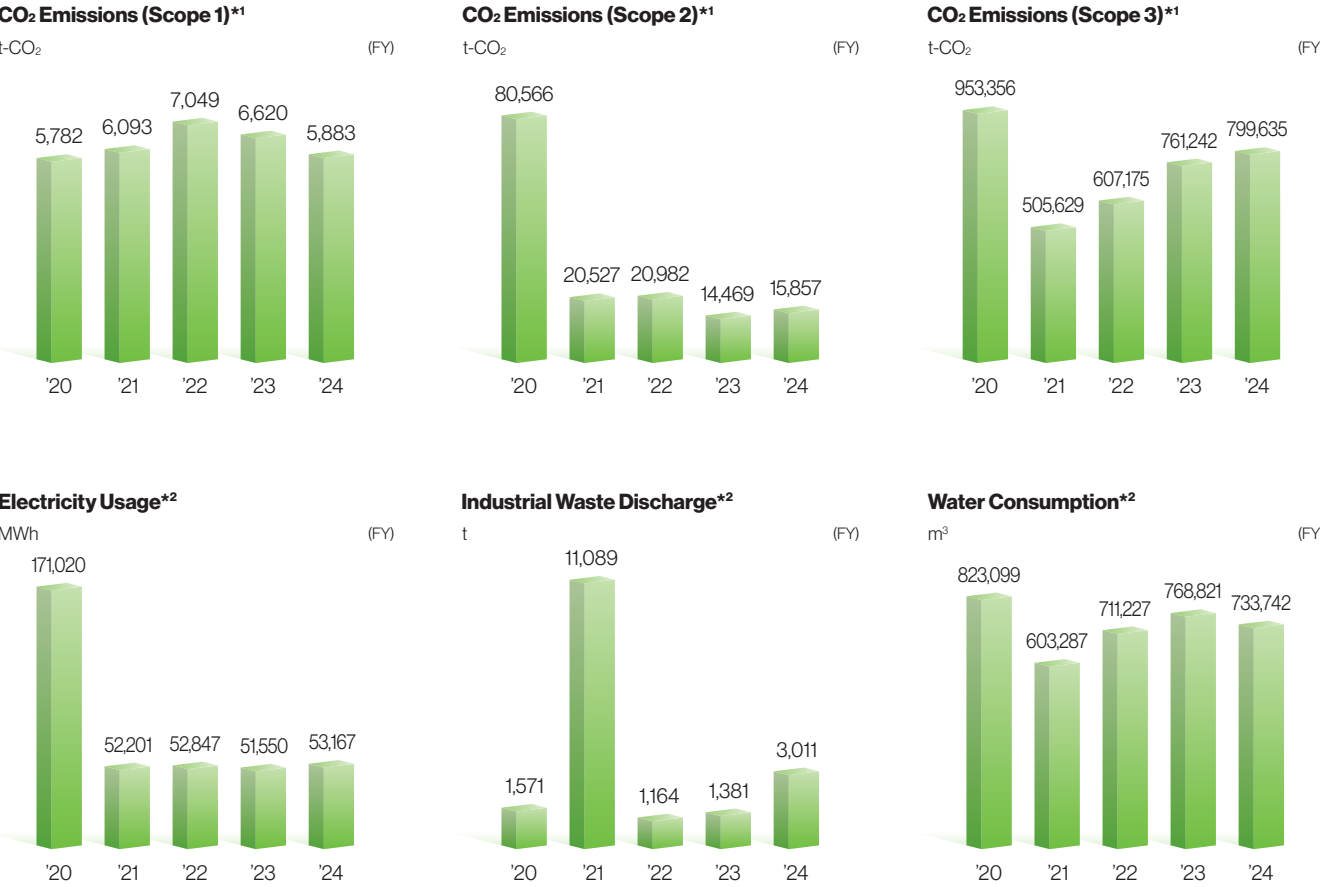
	2020	2021	2022	2023	2024
Mid-Career Hires (People)	196	97	131	310	332
Hiring of People with Disabilities*3 (People)	103	98	129	135	147
Employees Taking Maternity Leave (People)	70	48	39	38	34
Days of Paid Leave Taken*4 (Full-time employees) (Days)	—	11.0	12.0	14.5	14.7
Percentage of Paid Leave Taken*4 *5 (Full-time employees) (%)	—	50.7	56.6	65.6	69.3
Days of Volunteer Leave Taken (Days)	18	0	26	8	7
Employees Taking Volunteer Leave (People)	16	0	19	31	31
Difference in wages between male and female workers (all workers) (%)*6	—	—	—	76.5	76.5

\*1 Group consolidated figures  
\*2 Companies in scope: 3 domestic companies (SEGA SAMMY HOLDINGS, SEGA, Sammy)  
\*3 Number of people with disabilities employed by Group companies subject to the Employment Rate System for Persons with Disabilities  
\*4 Figures are shown from FY2021/3 due to a revised calculation method.  
\*5 Calculated by dividing the number of paid leave days taken by the number of statutory annual paid leave days. Includes statutory annual paid leave days at some Group companies.  
\*6 The company in scope is SEGA SAMMY HOLDINGS Inc. The calculation method used is average annual income of female employees divided by average annual income of male employees.

Scope of Data

● FY2020/3: 14 domestic companies, FY2021/3: 12 domestic companies, FY2022/3: 10 domestic companies, FY2023/3: 11 domestic companies, FY2024/3: 12 domestic companies (SEGA SAMMY HOLDINGS, SEGA, Sammy, ATLUS, Sammy Networks, SEGA FAVE, SEGA Logistics Service, DARTSLIVE, TMS ENTERTAINMENT, PHOENIX RESORT, SEGA SAMMY CREATION, MARZA ANIMATION PLANET)

Environmental Data



Notes 1: Aggregate data includes estimated values calculated based on total floor area and other factors.  
2: Coefficient for greenhouse gas emissions from purchased electricity: Adjusted emission coefficients for each electricity provider for the fiscal year prior to each reporting fiscal year  
3: There are changes from the previous year's figures due to a review of the calculation method used when obtaining a third-party assurance.

\*1 Third-party assurance is obtained for data for FY2021/3 to FY2023/3.  
\*2 Third-party assurance is obtained for data for FY2023/3.  
\*1,2 Data for FY2024/3 are figures before third-party assurance and are subject to change.

Number of Violations of Environmental Laws and Regulations (FY)

	2020	2021	2022	2023	2024
	0	0	0	0	0

Environmental Indicators at Sammy's Kawagoe Factory (FY)

	2020	2021	2022	2023	2024
Pachislot & pachinko machines recycle rate (total for pachislot & pachinko machines) (%)	95.4	98.6	96.4	98.3	89.8

Note: Effect of changes to the processing methods for some materials from FY2024/3.

Scope of Data

● FY2020/3: 13 domestic companies, FY2021/3: 19 domestic companies, FY2022/3: 19 domestic companies, FY2023/3: 19 domestic companies, FY2024/3: 19 domestic companies (SEGA SAMMY HOLDINGS, SEGA, Sammy, ATLUS, Sammy Networks, SEGA FAVE, SEGA Logistics Service, DARTSLIVE, TMS ENTERTAINMENT, PHOENIX RESORT, Sega of America, Inc., Sega Europe Ltd., Amplitude Studios SAS, Relic Entertainment, Inc., Sega Black Sea EOOD, Sega Publishing Europe Ltd., Sports Interactive Ltd., The Creative Assembly Ltd., Two Point Studios Limited)

Please check the Company website for the latest ESG data.  
<https://www.segasammy.co.jp/en/sustainability/data/dataesg/>