Materiality

SEGA SAMMY GROUP
SUSTAINABILITY VISION

Sustainability Helps Keep Life Colorful

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

Confirmation of issues, review of action themes for optimal format

Initiatives to address materiality → Evaluation by Group Sustainability Subcommittee and Group Sustainability Promotion Committee → External disclosure of progress Engagement with stakeholders

Materiality Identification Process

Step 1 Issues Capturing and Materiality Evaluation

In 2019, SEGA SAMMY HOLDINGS established policies, such as management policies, for CSR and SDGs and held a stakeholder dialogue with the assessment committee organized by professional members of management, human rights, the environment, and more. We engaged in many discussions to identify our Group's unique materiality on the comprehensive perspective by giving feedback from meetings with investors, stockholders, and employees, where opinions and requests were raised, to the Board of Directors meeting.

Step 2 Issues Identification

In 2020, we evaluated the set materiality themes to ensure their relevance to our businesses. We then redefined the materiality framework by referencing the "SASB Standards." The current five materiality themes were identified by focusing on the value created by our core businesses to meet social needs, achieve a sustainable society, and continuously enhance corporate value, all aligned with Group Mission/Purpose of "Captivate the World."

Step 3 Setting and Approval of Materiality

In April 2022, the Group Sustainability Subcommittee approved the current materiality content and their disclosure. Subsequently, the Group Management Strategy Committee (now the Group Management Committee) held discussions, and the Board of Directors granted final approval.

Step 4 Progress Monitoring and Reviewing Materiality

Group Companies established their actual action themes, numerical targets, and deadlines for each materiality. They created a flow for periodically monitoring progress by setting medium-term goals based on the materiality themes and holding yearly Group Sustainability Subcommittee and Group Sustainability Promotion Committee to report and assess their progress.
Opinions and requests from our stakeholders are scrutinized in the Group Sustainability Subcommittee and then reviewed and updated to the optimized form after identifying issues by taking into account the importance of social problems and management issues in the context of the social condition, international trends, and external environment, all through ongoing communication with our stakeholders.

Targets and Main Initiatives by Materiality

Materiality		Targets		Main initiatives	Results for FY2025/3	Specific Details
Human Resources	Cultural diversity	Culturally diverse human capital: Approx. 900 people (approx. 21% or more)	All targets are for FY2031/3 or 2030	Promoting "game change" by increasing culturally diverse human capital	951 employees	Human Resources Strategy P. 58 - 63
	Career development for women	Percentage of women in managerial positions: Approx. 8% or more (approx. 80 people or more)		Creating a foundation where employees can thrive regardless of gender	Approx. 8.0% (94 employees)	
	Training of core personnel	Amount invested in education: ¥4.0 billion or more cumulatively		Strategic development of human capital who can lead the next generation	Approx. ¥480 million / year (Cumulative total: approx. ¥1,460 million)	
	Improvement of the work environment	Engagement score: 58 or above/Rating A or above		Maintaining and improving the engagement of human capital	57.5 (BBB)	
Products and Services		Enhancement of SEGA brand value (Entertainment Contents Business) Establishing No. 1 position in the industry (Pachislot & Pachinko Machines Business)		Quality improvement and further promotion of safety and security		Entertainment Contents Business P. 34 - 41 Pachislot & Pachinko Machines Business P. 42 - 47
Environment	Scope 1, 2	Reducing group-wide GHG emissions by around 50% (2030) Group-wide carbon neutrality (2050)		Consideration and implementation of reduction measures	Launched solar power supply at the Sammy Kawagoe Factory in December 2024	Environment P. 66 - 68
	Scope 3	Reducing GHG emissions by 22.5% or more (2030)		Strengthening supplier engagement	Conducted supplier survey (50 companies) Conducted direct communication with suppliers (2 companies)	
Addiction		Compliance with laws, regulations, voluntary standards, etc. related to addiction Contributing to the sound development of the industry Implementation of industry–academia collaborative research on addiction		Initiatives related to addressing and preventing addiction and gaming disorders in collaboration with various industry associations Continued commitment to addiction research		Addiction P. 64 - 65
Governance		Maintaining a highly transparent management approach and a corporate governance system that supports medium- to long-term enhancement of corporate value		Maintaining a corporate governance system that contributes to medium- to long-term improvements in corporate value by ensuring continuous high transparency in management		Governance P. 70 - 85

Human Resources

Human Resources Strategy

Developing People Who Can Create Captivating Experiences

Message from the Head of Human Resources

Promoting Human Capital Management Based on the HCDGs

Makoto Takahashi
Executive Vice President, Executive Officer

A Two-Tier HR Strategy that Supports the Challenges of the Group and Each Company

The SEGA SAMMY Group upholds "Captivate the World -Making Life More Colorful-" as its Group Mission/Purpose Amid a rapidly changing environment, we see our raison d'être as creating a society overflowing with empathy through our products and services, and adding color to the lives of people worldwide.

Since consolidating the domestic headquarters offices of Group Company in Osaki in 2018, we have continuously engaged ahead of the curve in agendas that are now discussed in the context of human capital management, with the aim of fostering human capital, culture, and an environment that support realization of our Group Mission/Purpose. Under the current medium-term plan (fiscal year ended March 2025 to fiscal year ending March 2027), we have established the Group Human Resources Strategy, the Human Capital Development Goals (HCDGs), which set common themes and targets that each company is expected to pursue.

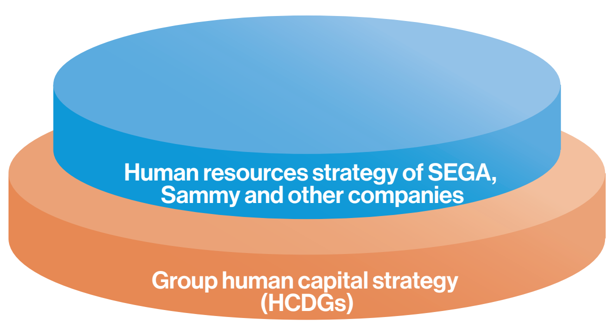
While advancing human capital development, cultural cultivation, and environmental building across the Group under the HCDGs, we are also promoting human resources strategies tailored to the specific characteristics of each business. For each business strategy, we structure gaps and issues related to human capital, corresponding measures and quantitative targets, and expected outcomes, which form the basis of each company's strategy.

We will continue to advance this two-tier human resources strategy while sharing its context and progress with stakeholders as appropriate.

Category	Results for FY2025/3	2030 Targets (Announced in May 2022)
Culturally diverse*1 human capital	951 people (25%)	Approx. 900 people or more (Approx. 21% or more)
Percentage of female managers	Approx. 8.0% (94 people*2)	Approx. 8% or more (Approx. 80 people or more)
Amount invested in education*3	Approx. ¥0.48 billion / year (Cumulative total: approx. ¥1.46 billion)	Average ¥0.45 billion / year (Cumulative total: ¥4 billion or more)
Engagement score*4	57.5 (Rating: BBB)	58 or above (Rating: A or above)

*1 Certified based on multiple criteria, such as being a foreign national, having lived abroad and experienced multiculturalism, and having certain skills of multiple languages such as English and Chinese. Human resources who are exposed to diverse cultures and can apply that experience to 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 INC., SEGA CORPORATION, Sammy Corporation / Engagement Score: Major domestic Group Companies

Uniqueness and Viability of Business Strategy



Foundations

Structure of HCDGs

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.

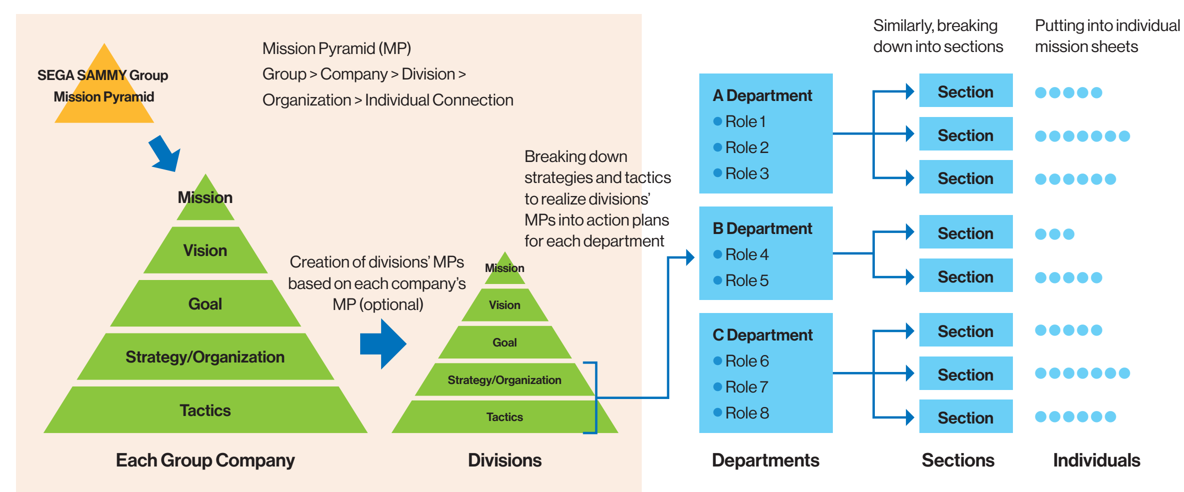
Through the realization of these HCDGs, we will enable all current and future challenges by SEGA SAMMY.

Core Value

Mission Pyramid as a common absolute axis

The Mission Pyramid (MP) is a framework that literally articulates the organization's Group Mission/Purpose (raison d'être) and Group 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 MPs of the higher-level organizations, more specific MPs 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 MPs to identify issues and take countermeasures on an ongoing basis, positioning it as a centripetal force that unites the diverse strengths of our human capital.



Human Resources

Human Resources Strategy

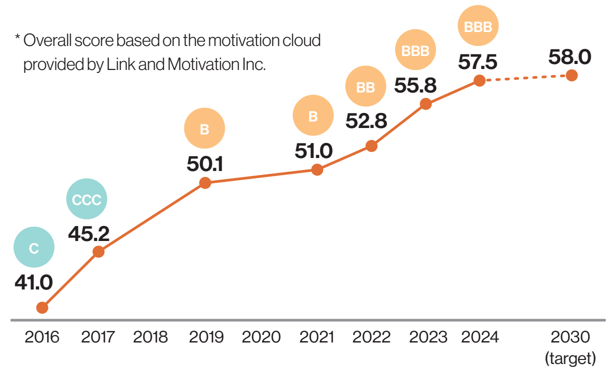
Engagement

Connecting People with Possibilities

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, leading to a Gamer Change.

The survey comprehensively visualizes the engagement factors 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 57.5 pts (rating: BBB) as of 2024, approaching the 2030 target of 58.0 pts (rating: A). The current score indicates that an environment where employees can work with a sense of purpose has been established, and we now consider ourselves in a phase of moving toward unique organizational designs aligned with each company's medium- to long-term vision and strategy.

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



[Reference] Correlation Between Engagement Score and Rating

* Scores are deviation values based on the national average of "B 50."

Score: 33 39 42 45 48 52 55 58 61 67

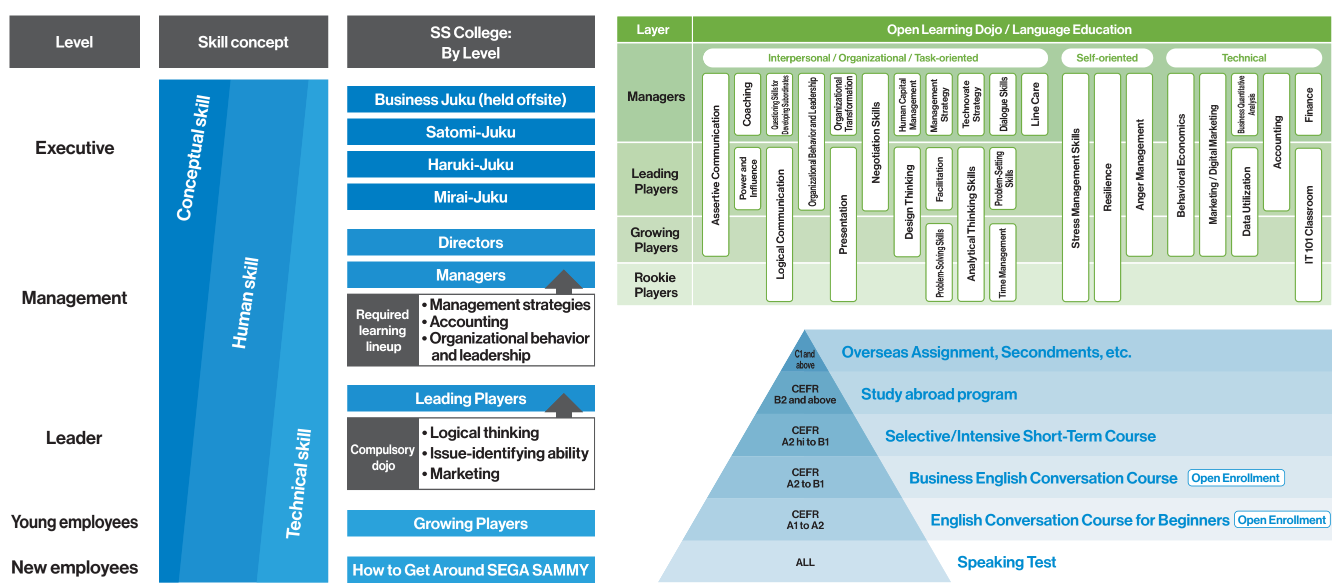
Rating: DD DDD C CC CCC B BB BBB A AA AAA

Evolution/Expansion

Broadening Horizons

SEGA SAMMY College, which opened in conjunction with the consolidation of the Group headquarters 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 level-specific/selective program to develop SEGA SAMMY-like leaders, Open Learning Dojo (training hall) where employees can learn various skills according to their wishes, language education to develop globally competent culturally diverse human resources, 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 cumulative total of about 61,000 participants by the end of March 2025. It will continue to evolve further as an in-house learning institution that nurtures creators and bearers of captivating experiences.



Environment

Bringing Out Our Best

In today's rapidly changing market environment, responding to diverse user preferences requires the Group to become a microcosm of global diversity, incorporating not only cultural diversity but also a wide range of attributes and cognitive diversity. Expanding the range of human capital who can thrive in the Group by accommodating more values and work-life styles is a critically important agenda for enhancing the feasibility and effectiveness of our strategies. The Group is building a working environment where diverse human capital can thrive.

Promoting Career Development for Women

- Unconscious bias training
- Support for women's career development (pregnancy, childbirth, and return-to-work support)
- Town hall meetings on career development for women
- Career workshops for young female employees

Childcare Support

- Extension of childcare leave / short working hours beyond legal requirements
- Childcare leave using accumulated annual leave
- Short-time flextime system
- Childbirth celebration bonus and childcare support allowances

Support for Balancing Work and Caregiving

- Financial support for caregiving leave / family visits
- Extended caregiving short working hours beyond legal requirements, and the option of multiple divisions of leave
- Short-time flextime system
- Promoting awareness through Vtuber videos

Providing Flexible Workstyles

- Flextime system
- Short working hours system
- Remote work and hybrid work systems
- Select-time and select-location systems

Support for Sexual Minorities

- Various systems for same-sex partners (e.g., ceremonial leave, welfare benefits)
- Work support related to gender reassignment surgery, hormone treatment, etc.

Employment of Persons with Disabilities

- Establishment of a special subsidiary, SEGA SAMMY BUSINESS SUPPORT INC.
- Experiential training to promote understanding of persons with disabilities
- Leave for medical appointments

S.S.FIVE: Common Mindset/Stance to Make the Most of Diversity

S.S.FIVE represent the common mindset and stance necessary for diverse human capital to cooperate with each other while demonstrating their individuality. Inspired by the 'human qualities' that Hajime Satomi, Chairman and Representative of the Company, has long valued, we have established a shared set of competencies across the SEGA SAMMY Group. 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 executive layer and level-specific training at SEGA SAMMY College, the Group's in-house learning institution and are part of our systematic efforts to cultivate human capital that is unique to SEGA SAMMY.

Key Themes and Initiatives Related to Diversity (Including Initiatives at some Group Companies)

S.S. FIVE
SEGA SAMMY 5つの力

- Our Core Qualities -

Drive	Proactively tackle new challenges.
Empathy	Actively build networks based on mutual trust.
Initiative	Keep your goals in mind and act accordingly.
Control	Plan for the future. Act in the present with integrity and sincerity.
Resolve	Realize your potential and complete tasks to the best of your ability.

* For details on SEGA SAMMY Group initiatives related to human capital, please refer to our sustainability website. > https://www.segasammy.co.jp/en/sustainability/esg/esgsociety/

Human Resources

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.

Vision

Be a Game Changer
- Challenge to create a Super Game
- Establishing a global brand

Gap

Ideal
Transmedia × Regional expansion
- Further expansion of the pillars
- Strengthening of development and product capabilities
- Global management structure

Bridging the gap
- Strengthening human capital for connecting
- Strengthening human capital for creating
- Toward an organization capable of sustainable growth

Present
- Forming a global value chain
- Launched legacy IP / Super Game initiative
- Promoting transmedia strategy
- Restructuring European CS business

Priority issues	Priority measures and KPIs
Strengthening hub human capital	• Strengthening English language skills at the management level (increasing ratio of English-speaking human capital by 50%) • Increasing the number of employees with overseas experience (increasing employees with overseas expatriate experience by 50%) • Increasing recruitment of global human capital • Strengthening global human capital management capabilities
Strengthening the development organization	• Improving an environment for development human capital to play an active role • Promoting selection of young employees to important positions • Enhancing recruitment of mid-career human capital
Promoting DEI	• Support for diverse work styles • Career development for women (women in leadership positions: 22% → 30%) • Expansion of engagement measures (target score: 58)
Strengthening Group HR functions	• Strengthening Group personnel coordination • Visualizing human capital information in Japan and overseas

Outcome
- Strengthening IP-based business alliances in each area
- Expansion of business scale of our IPs and leading IPs
- Establishment of business support systems and improvement in business speed
- Fostering innovation through diverse interactions
- Allocation of human capital to adapt to change
- Global penetration of the purpose, unified organization

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. At this critical juncture of our global shift, 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. The roles of hub human capital are wide-ranging, including not only linguistic capabilities but also leadership in sharing of regulations and business practices, the resolution of cultural differences, and the optimization of work procedures to facilitate the global rollout of content from each studio. There are also members who drive global strategies by managing performance not only at the site level but also at the business unit level.

Currently, we have dispatched staff from Japan to six countries and regions. Going forward, by securing and developing human capital, we plan to—by the fiscal year ending March 2027—increase the number of employees with overseas assignment experience to 150% of the level as of the fiscal year ended March 2024 to further advance our global management.

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.

Vision

Revitalizing the pachislot & pachinko machines industry

Winning a "triple crown" in market share
- Overwhelming support from users and pachinko halls
- Maximization of long-term business value by revitalizing the pachislot & pachinko machines industry

Gap

Ideal
- No.1 in pachislot & pachinko total utilization share
- Driving the revival of the pachislot & pachinko machines industry

Bridging the gap
- Expanding support from existing users
- Gaining new users

Present
- Pachislot & pachinko total utilization share: 3rd or 4th
- Unstoppable shrinkage of the pachislot & pachinko machines industry

Target	Priority issues	Priority measures and KPIs
For existing users (including dormant users)	**Providing attractive products by strengthening the user's perspective** → Boosting employees' pachislot/pachinko and entertainment experience to strengthen the user perspective × Strengthening the system to reflect employee knowledge in products	**Promoting employees' pachislot/pachinko and entertainment experiences** • With Pachi initiative • Captivating experience leave • Encouraging employees to take paid leave (increasing utilization rate from 64% to 75%) **Expanding in-house test shooting system** • Expanding in-house test shooting and feedback (20% increase in the number of test shooting per title, expansion of target divisions)
For new users (young adults, inbound tourists)	**Providing new product value distinct from that of past products** → Creation of new attractions for pachislot & pachinko machines through diverse human capital	**Promoting new ideas and innovation through diversification of human capital** • Promoting recruitment and selection to important positions of women, non-users, human capital with cultural diversity, and persons with disabilities (increasing their percentage by 20%) • Expanding mid-career hiring • Expanding recruiting opportunities

Outcome

Expanding support from existing users and return of dormant users
- Development of machines that capture user preferences
- Development structure capable of handling all specification ranges

Gaining new users
- Inflow of a new user segment

Pachislot & Pachinko Machines Business

For Offering Attractive Products

Sammy sees offering products that are supported by users as a material issue in expanding its share of the pachislot & pachinko machines market, and is promoting manufacturing from the user perspective in order to meet the diverse needs of a wide range of users. Currently, 88.4% of Sammy employees play pachislot/pachinko machines, with an annual play frequency of 73.0 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 have increased the number of in-house test shooters by 450 from the previous fiscal year, aiming to further improve quality and strengthen our systems.

Addiction

Prevention of Addictions and Disorders

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

Main Activities and Milestones		2030 Targets
SEGA	Survey and research on gaming disorders conducted by four gaming-related organizations in Japan	Compliance with laws and regulations, voluntary rules related to addiction, etc.
Sammy	Promotion of measures to combat addiction such as gambling, primarily with industry organizations	Contributing to the sound development of the industry
SSHD	Monitoring of industry-academia collaborative research results with Kyoto University	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) established a joint 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 SEGA SAMMY 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.

Addiction Countermeasures in the Pachislot & Pachinko Machines Business

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

We 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. We will continue to support and contribute to the sound development of the industry through these activities.

Addiction Countermeasures in the Pachislot & Pachinko Machines 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

* Explanation of smart pachislot & pachinko machines are on 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.

We intend 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 2028 at the Kokoro Research Center, Kyoto University

Environment

Toward Achieving Carbon Neutrality

SEGA SAMMY Colorful Carbon Zero*1

Disclosure Based on TCFD Recommendations

*1 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.

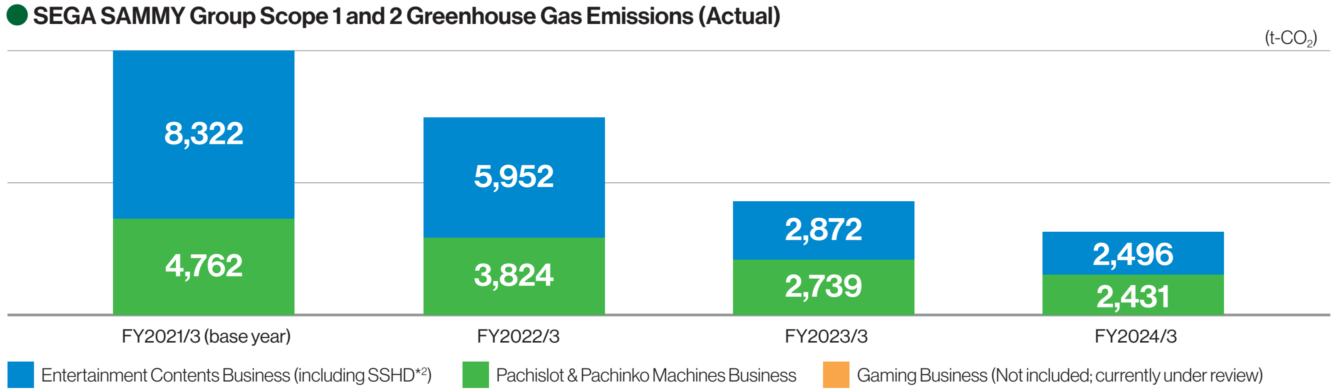
Our Efforts for the Environment

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 and services to protect 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 initiative will be achieved by enhancing engagement with suppliers, including supplier surveys and collaborations to address climate change issues.

Materiality	Main initiatives		Targets
Environment	Scope 1, 2	● Study and implementation of reduction measures	● Reducing group-wide GHG emissions by around 50% (2030) ● Group-wide carbon neutrality (2050)
	Scope 3	● Strengthening supplier engagement ● Consideration of supplier selection criteria ● Consideration of expansion of companies subject to reduction targets and its timing	● Reducing GHG emissions by 22.5% or more

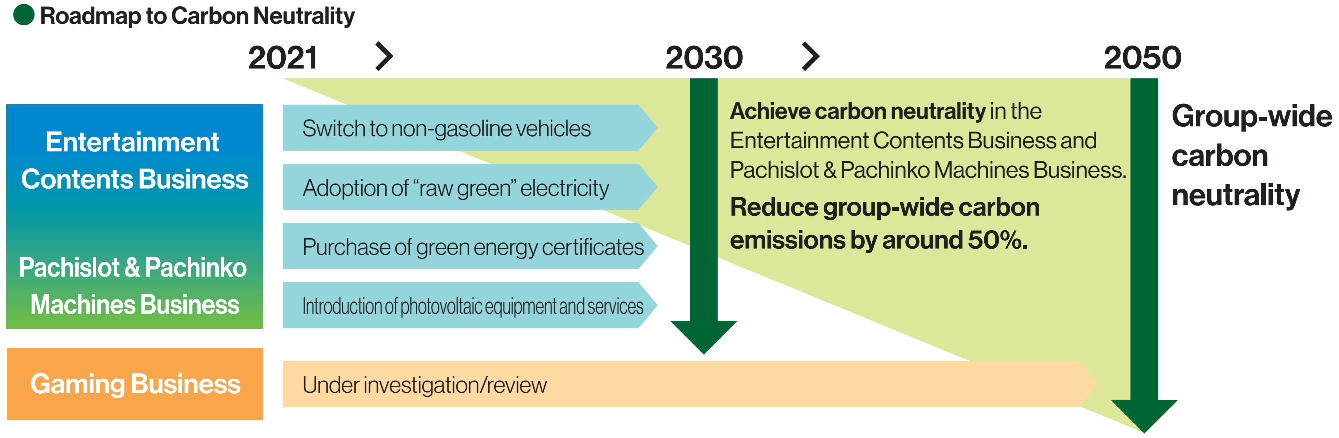
Please see our website for details on initiatives to reduce CO_2.

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



*2 SEGA SAMMY HOLDINGS INC.

● Roadmap to Carbon Neutrality



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

We have implemented climate-related financial disclosure in line with the TCFD framework since 2022.

In June 2022 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). TCFD Recommendation is a framework for climate-related information disclosure and is used as a guideline to verify the adequacy of the Group's climate change-related measures.

Governance

As an organization to discuss and deliberate on our fundamental policies and critical matters related to climate change, we established the Group Sustainability Subcommittee within the Group Management Committee, an optional committee, in April 2022. The Group Sustainability Subcommittee is composed of 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 and also includes the CFO of the Group from the perspective of disclosure based on TCFD. The Company's Corporate Planning Division is in charge of the secretariat.

The Board of Directors receives reports on the policies and plans discussed in the Group Sustainability Subcommittee, approves them as appropriate, receives semi-annual progress reports, and conducts oversight regarding the response to climate-related risks and opportunities. Further, the Board checks them from the sustainability perspective, including climate-related risks.

Strategy

To assess the risks and opportunities that future climate change may have on our business activities and financial impact, we have conducted an analysis using scenario analysis methods and the framework proposed by TCFD to predict changes in the external environment.

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)

Large Category	Middle Category	Risks / Opportunities Items	Timing	Impact on the Group [● Risk ● Opportunity]	Impact level
Transition risk · Opportunity	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.	Medium
			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
	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 environment-friendly marketing format for online sales for video game and 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

Risk Management

We identified climate change-related risks that are expected to have a significant impact on our group as follows:

- **Risks related to the "transition" to a low-carbon economy:** Climate change policies, regulations, technological development, market trends, and market valuations, etc.
- **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 that are expected to have a significant impact, we evaluate their importance based on the impact assessment criteria using internal indicators.

Environment

Toward Achieving Carbon Neutrality Disclosure Based on TCFD Recommendations

SEGA SAMMY Colorful Carbon Zero

Carbon Pricing

For carbon pricing, which can be quantitatively evaluated based on the third-party assurance of greenhouse gas emissions, we have calculated based on the following calculation basis.

In the future, we will continue to consider disclosing quantitative evaluations for items other than 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, it was found that the burden of the carbon tax would be ¥460 million in the 1.5 °C scenario and ¥180 million in the 4 °C scenario, and in 2050 it would be ¥820 million in the 1.5 °C scenario and ¥290 million in the 4 °C scenario. We will continue working towards reducing greenhouse gas emissions by nearly 50% by 2030 and achieving carbon neutrality by 2050 as a group-wide goal.

Scenario	2030	2050
1.5°C scenario	–¥460 million	–¥820 million
4 °C scenario	–¥180 million	–¥290 million

* Assumed carbon tax price: (1.5°C scenario) US$140/t-$CO_2$ in 2030, US$250/t-$CO_2$ in 2050, (4°C scenario) US$56/t-$CO_2$ in 2030, US$89/t-$CO_2$ in 2050 (quoted from IEA (World Energy Outlook 2024)), assuming an exchange rate of US $1 = ¥152 (adopting the AR at the time of our second quarter results for the fiscal year ended March 2025)

* Assuming that Scope 1 and 2 are targeted, greenhouse gas emissions are the same as in the fiscal year ended March 2024.

Indicators and Targets

(a) Metrics Used by the Organization to Assess Climate Change-Related Risks and Opportunities based on its Strategy and Risk Management Process

We have 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

We have 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 2024, we have 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 FY2024/3

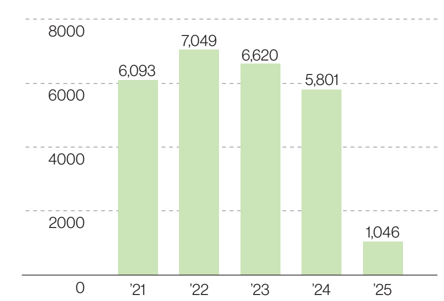
Category	Emissions (t-CO_2)*1	Share (%)
Scope 1	5,801	0.7
Scope 2	15,792	1.9
Scope 3	799,562	97.4
Total of Scope 1, 2 and 3	821,155	100.0

*1 Third-party assurance obtained by SOCOTEC Certification Japan

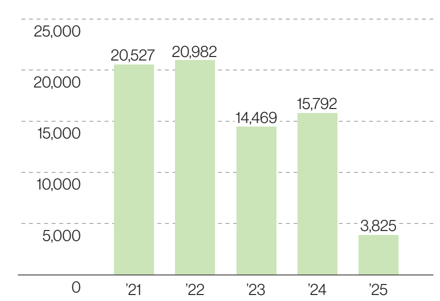
Non-Financial Highlights

● Environmental Data (FY)

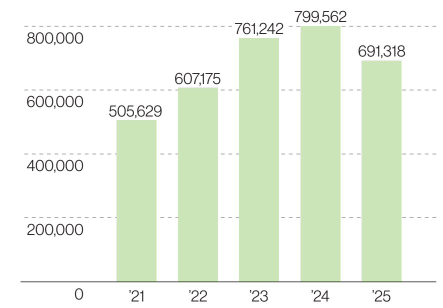
Greenhouse gas emissions Scope 1*1 (t-CO_2)



Greenhouse gas emissions Scope 2*1 (t-CO_2)



Greenhouse gas emissions Scope 3*1 (t-CO_2)



	2021	2022	2023	2024	2025
Electricity Consumption*2 (MWh)	52,201	52,847	51,550	53,198	**28,055**
Industrial Waste Discharge*2 (t)	11,089	1,164	1,381	3,011	**1,906**
Water Intake*2 (m³)	603,287	711,227	768,821	733,742	**86,425**
Number of Violations of Environmental Laws and Regulations	0	0	0	0	**0**
Environmental Indicators at Sammy Kawagoe Factory Pachislot & pachinko machines recycle rate (total for pachislot & pachinko machines) (%)	98.6	96.4	98.3	89.8	**92.2**
Number of Companies Surveyed via Supplier Questionnaire (Companies)	—	24	41	59	**50**

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 FY2024/3.
*1, 2 Data for FY2025/3 are figures before third-party assurance and are subject to change.

Scope of Data

- FY2020/3: 13 companies, FY2021/3: 19 companies, FY2022/3: 19 companies, FY2023/3: 19 companies, FY2024/3: 19 companies, FY2025/3: 23 companies (SEGA SAMMY HOLDINGS INC., SEGA CORPORATION, Sammy Corporation, ATLUS. CO., LTD., Sammy NetWorks Co., Ltd., SEGA FAVE CORPORATION, SEGA Logistics Service Co., Ltd., DARTSLIVE Co., Ltd., TMS ENTERTAINMENT CO., LTD., Sega of America, Inc., Sega Europe Limited, Sega Black Sea EOOD, Sega Publishing Europe Ltd., Sports Interactive Ltd., The Creative Assembly Ltd., Two Point Studios Limited, Rovio Entertainment Ltd, Ruby Oyun ve Yazılım Danışmanlık Sanayi Ticaret Anonim Şirketi (Ruby Games), Rovio Toronto, Inc., Rovio Barcelona S.L.U., Rovio Sweden Ab, Rovio Copenhagen ApS, Rovio Interactive Entertainment Canada Ltd)

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

● Human Capital Data (FY)

	2021	2022	2023	2024	2025
Number of Employees*1 (Employees)	7,535	7,760	8,219	8,623	**8,147**
Number/Ratio of Women in Managerial Positions (Employees / %)	101/8.0	113/8.2	136/8.9	161/9.7	**139/8.7**
Culturally Diverse Human Resources (Employees / %)	—	—	658/17	855/20.7	**951/24.8**
Investment in Education (Billion yen)	—	—	4.7	5.2	**4.8**
Engagement Score*2	—	51.0/B	52.8/BB	55.8/BBB	**57.5/BBB**
New Employee Turnover Rate*3 (%)	0.78	0.00	0.93	0.00	**0.80**
Average Overtime Hours Per Month (Hours)	24.3	22.3	21.5	20.9	**26.9**
Employees Taking Childcare Leave and Ratio of Employees Returning to Work after Childcare Leave (Employees / male % / female %)	119/100/92.9	114/100/94.4	86/100/100	113/93.9/100	**95/100/100**
Mid-Career Hires (Employees)	97	131	310	332	**267**
Hiring of Persons with Disabilities*4 (Employees)	98	129	135	147	**156**
Employees Taking Maternity Leave (Employees)	48	39	38	34	**37**
Gender Pay-Gap (All Employees) (%)*5	—	—	76.5	76.5	**75.2**

*1 Group consolidated figures
*2 Overall score based on the motivation cloud provided by Link and Motivation Inc.
*3 Companies in scope: 3 domestic companies (SEGA SAMMY HOLDINGS, SEGA, Sammy)
*4 Number of persons with disabilities employed by Group companies subject to the Employment Rate System for Persons with Disabilities
*5 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, FY2025/3: 11 domestic companies (SEGA SAMMY HOLDINGS INC., SEGA CORPORATION, Sammy Corporation, ATLUS. CO., LTD., Sammy Networks Co., Ltd., SEGA FAVE CORPORATION, SEGA Logistics Service Co., Ltd., DARTSLIVE Co., Ltd., TMS ENTERTAINMENT CO., LTD., SEGA SAMMY CREATION INC., MARZA ANIMATION PLANET INC.)