A Fusion of the DNA of Challenge and Creativity

SEGA brand and numerous IPs, cultivated through creating "fun" ahead of the times

Upholding its corporate creed, "Creativity is Genesis," SEGA has delivered new "fun" through innovative game consoles, software and other products ahead of the times to the people around the world. These efforts have captivated many fans, building the globally recognized SEGA brand and creating numerous IPs that have continued to this day. These IPs extend not only to video games but also to visual media and music, creating additional revenue opportunities by expanding touchpoints with users. Furthermore, the fan base built to date represents one of SEGA's most vital assets.

1985

Hang-On
SEGA's first motion-controlled game to take the world by storm



©SEGA

SEGA

1988

SEGA GENESIS (Mega Drive)
A home video game console that became a massive hit in Europe and North America, making SEGA's name known worldwide. Gave rise to *Sonic*, SEGA's flagship IP.



©SEGA

Creativity is Genesis

×

Always Proactive, Always Pioneering

1989

ALADDIN
The industry's first single-bonus hitter pachislot machine



©Sammy

Sammy

2003

Pachislot Hokuto No Ken
A record-setting pachislot machine that sold over 620,000 units, becoming the biggest megahit in pachislot history



©Buronson & Tetsuo Hara／COAMIX 1983
©Sammy

A DNA of taking on challenges and driving innovation

Sammy has created numerous hit titles through its thorough research and development under the corporate creed and mindset of "Always Proactive, Always Pioneering", which means to keep trying everything without fear of failure. Even after the 2004 regulatory revisions, Sammy continued to innovate itself in the face of adversity, realizing new forms of gameplay within the regulatory framework and driving the pachislot market, thereby establishing its position as a top manufacturer. Since then, Sammy has continued to produce a succession of cutting-edge and innovative pachislot & pachinko machines with its outstanding planning and development capabilities. Behind Sammy's many hits lie an uncompromising approach to craftsmanship, including repeated test-shooting during development, and this commitment continues to be passed down today.



Embracing Failure Along the Road to Success

Hajime Satomi
Chairman Founder, Director of the Board

The DNA of Endeavor Passed Down Through Generations

Throughout its history, the SEGA SAMMY Group has never been satisfied with the status quo as it has continued to take on new challenges. Underlying this is our shared value of "Creativity is Genesis" × "Always Proactive, Always Pioneering." Creating something no one has ever attempted before, fearless in the face of hardship, forging our own path forward— I believe this very attitude is the "DNA of endeavor" that has shaped the SEGA SAMMY Group as it is today.

Ensuring that this DNA is passed down to the next generation is one of my key responsibilities.

Never Stop Taking On New Challenges

We deliver captivating experiences as a comprehensive entertainment company. Entertainment companies cannot achieve sustainable growth in corporate value unless they continue to create new value that consistently exceeds user expectations. That is why it is vital that we never settle for the status quo and keep taking on new challenges. At the same time, I have always made it a priority to thoroughly refine our products and services, releasing them into the world only once we are confident they are bound to be fun. If we betray our users even once by releasing something half-hearted, restoring trust will be no easy task. We take responsibility for our products and services and pursue perfection until the very end. It is my hope that our employees will continue to uphold this commitment to quality. That said, while new challenges and pursuing consistent quality matter, these must be underpinned by integrity. Rather than pursuing profits for ourselves alone or doing things that invite public criticism, we walk the high road of fairness and honesty. We must hold firm to this stance and continue building trust among our stakeholders.

Taking on challenges always comes with risk, meaning results may not always turn out as expected. The SEGA SAMMY Group of today also faces challenges that must be overcome as a result of past endeavors, and management has a responsibility to confront these challenges squarely. First and foremost, we must return to a reliable growth trajectory and restore trust. Still, I would like our employees to retain their resolve to take on new endeavors. Keep taking on challenges, learn from failure, and carry that experience forward to the next success. Through this accumulated effort, I believe a future in which SEGA SAMMY grows into a world-renowned entertainment company lies before us.

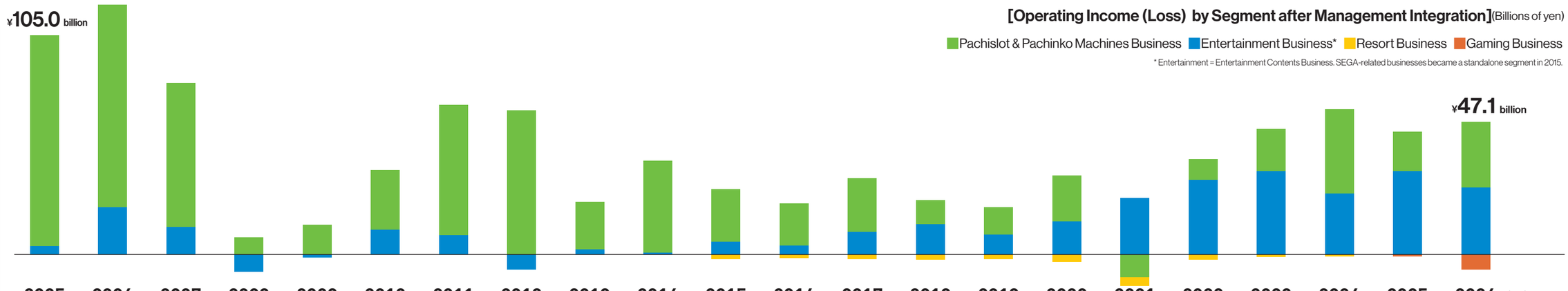
History of Innovation that Creates Captivating Experiences

The SEGA SAMMY Group was formed in October 2004 through the management integration of SEGA, a creator of well-known innovative products, and Sammy, a developer of various industry-first products. By leveraging the strengths and positioning of each business segment, and dynamically carrying out M&A and structural reforms, we aim to build an optimal business portfolio that reduces earnings volatility.

[Operating Income (Loss) by Segment after Management Integration] (Billions of yen)

Pachislot & Pachinko Machines Business / Entertainment Business* / Resort Business / Gaming Business

* Entertainment = Entertainment Contents Business. SEGA-related businesses became a standalone segment in 2015.



Medium-Term Business Plan | Structural reforms | Recovery phase | Structural reforms | Road to 2020 | Structural reforms | Beyond the Status Quo | WELCOME TO THE NEXT LEVEL!

Management Integration

Company-wide strategy

- Business and organizational restructuring to strengthen growth foundations
- Strengthening pachinko development system and improving procurement costs (Pachislot & Pachinko Machines)
- Optimization of the number of amusement facility locations (Entertainment)
- Workforce optimization through voluntary retirement, narrowing down development titles (Entertainment)

2012 M&A PHOENIX RESORT CO., LTD.

- Streamlining of the organization
- Reduction in the number of titles
- Inventory disposal
- Write-down of titles under development
- Clarification of core businesses

  Segment reorganization into three businesses: Pachislot & Pachinko Machines, Entertainment Contents and Resort
- Streamlining of business portfolio

2018
Relocation and consolidation of head office functions

- Concentration of management resources into growth areas
- Improvement of profit margins in core businesses

2021 Exit
Withdrawal from amusement facilities business

- Review of business structure
- Reduction of fixed costs
- Review of the balance sheet

2022 Exit
Withdrawal from domestic IR business

- Growth investments (CS area)
- Strengthening the revenue base (Pachislot & Pachinko Machines)

2024 Exit
Transfer of PHOENIX RESORT

2025
Segmentation of the Gaming Business

Entertainment Contents Business

2005
Launch of *Like a Dragon*



2005 M&A
The Creative Assembly Ltd.

2006 M&A
Sports Interactive Ltd.



2012
Launch of the service of *PHANTASY STAR ONLINE 2*

2013 M&A ATLUS CO., LTD.

Strengthening of the Mobile Business

2012 New SEGA Networks Co., Ltd.

2016
Launch of *Persona 5*



Promotion of Transmedia strategy

2020
Release of the first *Sonic* movie *Sonic The Hedgehog*



2024
Launch of *SONIC X SHADOW GENERATIONS* in conjunction with the movie



2025
Opened the world's first official store, SEGA STORE SHANGHAI, and SEGA STORE TOKYO





2023 M&A Rovio Entertainment Ltd.

Pachislot & Pachinko Machines Business

Up to 2007
Transition period for regulatory revisions (No. 5 model)



2008
Pachinko CR Hokuto No Ken Kenshiro/Raoh made a big hit



2009
Launch of *Pachislot Psalms of Planets Eureka Seven*

2009 M&A
GINZA Corporation

2011 M&A Taiyo Elec Co., Ltd.

2012
Completed construction of Kawagoe Factory and Sammy Logistics Center

2016
Launch of *Pachinko CR Shin Hokuto Muso*



2016 New
ZEEG LLC.

2018 to 2022
Transition period for regulatory revisions (No. 6 model)



2022
Pachislot Kabaneri of the Iron Fortress made a big hit

2023
Smart *Pachislot Hokuto No Ken* made a big hit



2025
Launch of *Smart Pachislot Tokyo Revengers*

2025~
Launch of a reel-exchangeable cabinet



Gaming Business

2012 New
PARADISE SEGASAMMY CO., Ltd.

2013 New
SEGA SAMMY CREATION INC.

2017
Opened PARADISE CITY



2019
Installation of *Genesis Star* begins in the United States

2017
Acquisition of U.S. Nevada license





2024
Strong performance of *Railroad RICHES*

2025 Stakelogic B.V.
M&A GAN Limited

M&A Main M&A New Newly established
Exit Transfers, withdrawals, etc.

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©Kabaneri Committee ©Sammy
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Message from the Developers

Introducing the "Challenge and Creativity" of key people who embody the SEGA SAMMY Group's DNA.



Masayoshi Yokoyama

Senior Vice President, Executive Officer,
Head of RGG Studio Business Unit, SEGA CORPORATION

Taking on what no one has done before

I keep pushing to show the world something of value that people have not even imagined yet. Our job is not to chase the latest market trends. It is to offer a glimpse of a future that goes beyond what players can imagine. I believe that approach gives our games their distinctive worlds and has earned us the lasting support of our fans. To make those games, you need the ability to look ahead. Development takes several years from start to release. You have to picture the world as it will be when the game comes out, not as it is when you start making it. That is why I look beyond what is happening in games and entertainment today. I follow changes across society, from the news and the economy to fashion. What will still be around in three years? What will have disappeared? Those are the questions I keep asking as I shape the worlds of our games.

Like a Dragon is one of the clearest examples of that approach. Its distinctive world and themes have earned recognition, making it one of SEGA's signature titles and a driving force behind the Group's global growth.

At RGG Studio, we intend to keep building the *Like a Dragon* series while taking on new challenges that play to our strengths. One of those is *STRANGER THAN HEAVEN*, the new title we are developing. It follows one man fighting his way through a turbulent era, from 1915 into the postwar years. Through *Like a Dragon*, we have honed our craft: telling human stories, capturing the atmosphere of a city and its spaces, and directing scenes that bring out what makes each character compelling. This new IP draws fully on those strengths. But where *Like a Dragon* follows a single incident over roughly a week, this game follows one man's life across 50 years. Culture, values, even the streets themselves change dramatically along the way. It has been a challenge unlike anything we have taken on before—like making several different games at once and bringing them together as one.

We could not simply carry over the methods we had developed on *Like a Dragon*, either. Until now, making effective use of our city environments and assets (3D models) has helped us work efficiently and maintain high productivity. A game spanning 50 years of history does not allow that kind of asset reuse. We had to build everything from scratch. Even so, development of this new IP, on a scale we have never attempted before, is on schedule. That comes down to the strength we have built as a team over 20 years: responding quickly, making decisions, and solving problems throughout development.



Bringing the World Captivating Experiences No One Has Yet Imagined



Delivering both quality and efficiency

If we are going to take on something new and deliver a game our fans can believe in, we cannot compromise on quality. At RGG Studio, that quality comes from every team member's insistence on getting the details right. Even a five-minute trailer gets checked frame by frame. We look for the smallest discrepancies, including things you would never notice at normal playback speed. Fans around the world examine every detail of our games. We are committed to delivering quality that stands up to that scrutiny. That determination is one of RGG Studio's strengths and the foundation of our work.

Looking at the details through our fans' eyes also helps us build distinctive worlds that AI would struggle to create. The *Like a Dragon* series is often praised for its faithful recreations of real cities. But we are not simply reproducing a place. We are expressing it. Rather than copy a city exactly, we adjust the scale of buildings and build the streets around how fast the characters move. The aim is to make players feel as though they are really there. It is fiction, but fiction that feels right to the person playing. I believe that ability to create worlds attuned to human perception is a value unique to RGG Studio—and a strength AI cannot replace.

But even a great game is not enough on its own. Unless we can sustain the business, we cannot keep delivering captivating experiences to our fans. That is why efficiency matters to me just as much. By finding better ways to use existing assets and adjusting the balance of a game's components, we can make the experience significantly better without driving up additional costs. Keeping costs under control and holding the line on quality—we have to do both.

I want RGG Studio to remain a studio like no other—a name our fans trust. When they see a game from RGG Studio, I want them to know they can count on it.



STRANGER THAN HEAVEN
©SEGA

Entertainment Contents

Always Proactive, Always Pioneering to Continuously Create New Captivating Experiences



Hidekazu Kouchi
Senior Vice President, Executive Officer,
Managing Director of PS Research & Development Division,
Research & Development Group Division, Sammy Corporation

Sammy's strength lies in a development approach that puts the user first, looking ahead to the anticipation and excitement they will feel through gameplay, and then builds that experience without compromise. Another strength lies in our ability to collaborate across departments on shared goals and give shape to new value with a high degree of agility. Underlying all of this is the spirit of our corporate creed, "Always Proactive, Always Pioneering." We treasure this philosophy, and it drives us to constantly pursue new possibilities.

One initiative symbolizing this approach to development and the spirit of "Always Proactive, Always Pioneering" is the development of *Pachislot Kabaneri of the Iron Fortress*, which launched in July 2022. This was the first time this IP had been made into a pachislot machine, so we aimed both to establish it as a series that would grow into a pillar of Sammy's earnings and to increase recognition of the IP and its value through the pachislot & pachinko machines.

A major turning point in development was the shift to the No. 6.5 model. While we had originally been developing it as a No. 6.2 model, I was convinced that the response to the No. 6.5 model, which takes the excitement of play to the next sequence and sustains a sense of anticipation, would become the future standard. This is why I directed that this change be applied not only to this machine, which was already close to completion, but to every title then in development. Of course, a major specification change this late in development was no small burden for the team. However, we saw the potential to leverage the features of the No. 6.5 model to deliver a sense of anticipation and immersion beyond what conventional gameplay offered and the response from the team working on the project was surprisingly positive. The whole team gave their all without compromise to make something that would exceed expectations. Thanks to these efforts, we were able to bring *Pachislot Kabaneri of the Iron Fortress* to market at the perfect moment, just as the market for the No. 6.5 model was taking off.

The foundation of our ability to respond as quickly and flexibly as we did is a development structure in which the planning, payout design, art, sound, software, and other departments all work together as one. We also have an organizational culture that views change as new opportunities that we then leverage in development. Rather than treating regulatory and institutional changes as mere constraints, we use them as a springboard to create new gameplay experiences, incorporating them into development quickly and flexibly. In leveraging the third-party IP, we hold cross-departmental discussions on how to bring a work's appeal to life as fully as possible and what kind of captivating experiences we can create as pachislot and pachinko machines so that everyone shares the same goals and values. It is this collaboration, together with the enthusiasm of each and every person involved, that enables us bring out an IP's appeal in a way that satisfies IP holders and also helps increase the value of the IP itself.

In addition to the trust we have built with IP holders, *Pachislot Kabaneri of the Iron Fortress* has grown into a popular series that serves as a pillar of our earnings, creating an environment that makes it easier for us to take on challenges with new IPs and gameplay. These efforts have also helped bring in new users who became interested in pachislot and pachinko machines through a particular work or IP, creating a new trend that is invigorating the industry as a whole. Going forward, we will continue to take on challenges by drawing on our comprehensive strengths to keep creating captivating experiences unlike any before.



Pachislot Kabaneri of the Iron Fortress
©Kabaneri Committee ©Sammy

Pachislot & Pachinko Machines

Relentlessly Pursuing Captivating Experiences with an Uncompromising Player-First Approach



Masaki Yamamoto
Executive Vice President and Global CTO, Director of the Board,
Managing Director of Research & Development Division,
SEGA SAMMY CREATION INC.

Refining captivating experiences from the player's perspective

I joined SEGA in 1996, starting my career as a programmer for amusement (AM) machines. After working on multiple AM machines, including *SEGA RALLY 2*, I was involved in developing gaming machines when SEGA SAMMY CREATION INC. was founded and currently head the Research & Development Division.

What I cultivated during my years developing AM machines and what remains central to how I develop gaming machines today is the approach of thinking from the player's perspective. What do players immerse themselves in? What do they enjoy? I always make it a priority to see things as a player myself, playing extensively at actual casinos and performing thorough research.

At the same time, as I am in a position responsible for assessing the quality of games, it is vital to refrain from relying solely on my own sensibilities and always maintain an objective, macro perspective on market needs. To objectively grasp the value our customers seek rather than skew toward a creator's own values, I go to casinos to observe and analyze players' behavior and emotional shifts. Without that perspective, we can't make a game that players will love.

In doing so, having an environment where we can directly verify player and market reactions is one of our company's major strengths. Our highly capable sales team has built strong, trusted relationships with tribal casino operators in North America, enabling us to incorporate valuable operational insights and operator feedback into our product development process and accelerate our continuous improvement cycles.

The gaming cabinet *GENESIS ATMOS* is the culmination of everything SEGA's arcade team has cultivated over many years. Throughout the development process, we carefully scrutinized every design element to ensure that nothing would detract from the player experience, making adjustment after adjustment down to individual LED lights so that they would function as part of the visual effects rather than just look flashy. This thoroughness in design and construction has resulted in operators telling us they have never seen a cabinet this trouble-free and easy to maintain, which makes us especially proud. The slot title we featured on this cabinet, *Railroad RICHES*, was likewise developed by prioritizing fun for the player. Operators normally tend to shy away from longer bonus games for efficiency's sake, but we felt that was exactly where the fun lay, so we made our bonus game longer and worked in visual and sound effects throughout. As a result, this title is maintaining utilization well above the market average.

Contributing to the industry's long-term growth

I want to elevate gaming into a captivating experience that people enjoy not just for the outcome of winning or losing, but for the process, gameplay, and visual and sound effects that lead up to it. We want to dispel negative perceptions of casinos and turn them into social spaces where people enjoy connecting with one another. Ultimately, we aspire to see casino gaming recognized as a widely accepted form of entertainment, comparable to recreational activities such as golf and tennis. This is because we believe that continuing to present the appeal of casinos to society at large will lead to the long-term growth of the industry as a whole.

Our mission is to pass on our DNA as developers focused on the player's perspective to the next generation and continue delivering games that are loved around the world, while making the fullest use of the technology GAN and Stakelogic brought into the Group. This conviction is what drives us to innovate.



Railroad RICHES
© SEGA SAMMY CREATION INC.

Gaming

Strengths of the SEGA SAMMY Group

Versatile human capital leveraging their capabilities to create highly innovative entertainment

Financial Effects
- Expansion of business scope and revenue through the creation of highly innovative entertainment
- Business growth through the continuous creation of hit content

Strategic Effectiveness
- Enhancement of organizational unity and execution through the instillation of our mission
- Organizational foundation where versatile human capital can leverage their capabilities to work
- A corporate culture that continuously generates innovation

Number of Employees by Business Segment

Entertainment Contents: **6,600**

Pachislot & Pachinko Machines: **1,165**

Gaming: **928**

Employee Ratios

Overseas Employees **31.9%**

Development Employees **54.5%**

* As of the end of March 2026

Human Resources Strategy >>> P. 50

Creating business opportunities and competitive advantage centered on our brands and IP

Financial Effects
- Expansion of revenue opportunities through global IP utilization
- Creation of new business opportunities through partner collaboration
- Steady sales and utilization of pachislot & pachinko machines that leverage strong licensed IPs

Strategic Effectiveness
- High global recognition of our brands and extensive IP portfolio
- Strong relationships of trust with external IP holders and pachinko halls
- Competitive advantage in acquiring new IPs and expanding into new businesses

SEGA® SONIC THE HEDGEHOG™ 龍が如く™ P5 PERSONA5 ANGRY BIRDS™ PACHISLOT 北斗の拳 Sammy

Brand/IP >>> P. 21

Value Maximization Cycle

Enhance the value provided

Ability to create captivating experiences

Versatile Game Changers (human capital)

Ability to develop captivating experiences (1)

Unique business portfolio/ financial base

Create new value

Maximize value

Common values (mindset and DNA) for value creation

>>> P. 10

Creativity is Genesis × ***Always Proactive, Always Pioneering***

Source of captivating experiences

Brand/IP

Ability to develop captivating experiences (2)

Multichannel/ Transmedia

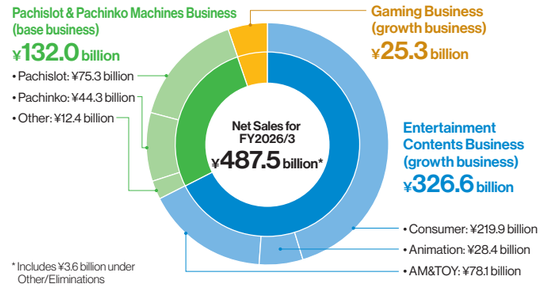
Accumulate capital

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A unique business portfolio structure in which the high cash-generating capability of the Pachislot & Pachinko Machines Business enables growth investment in the Entertainment Contents and Gaming Businesses

Financial Effects
- Securing stable revenue by balancing our base business with our growth businesses
- Curbing the risk of earnings decline during market fluctuations

Strategic Effectiveness
- Continuous investment in growth businesses (Entertainment Contents, Gaming), enabled by stable operating cash flow generation (Pachislot & Pachinko Machines)
- Securing resilience to changes in the external environment (regulations, economic conditions)



Deploy IP across multiple channels such as games, visual media, merchandising, and pachislot & pachinko machines to draw out value from multiple angles

Financial Effects
- Expansion of revenue opportunities through the broad deployment of IP across multiple channels
- Expansion of revenue by expanding customer touchpoints

Strategic Effectiveness
- Transformation of products and services into IP assets that generate continuous revenue rather than one-off sales
- Maximization of revenue through greater recognition in the global market



Multichannel/Transmedia >>> P. 20

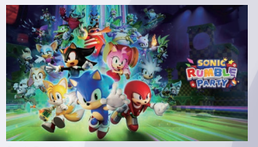
Multichannel/Transmedia



Starting with IP, we aim to expand our fan base and generate profits through cross-channel initiatives spanning games, visual media, merchandising etc.

Example: *Sonic* × Deployment Capability

F2P (Free-to-Play)



Sonic Rumble Party
©SEGA

Consumer Game



Sonic Racing: CrossWorlds
©SEGA



***Sonic* (IP)**

License



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Visual Media



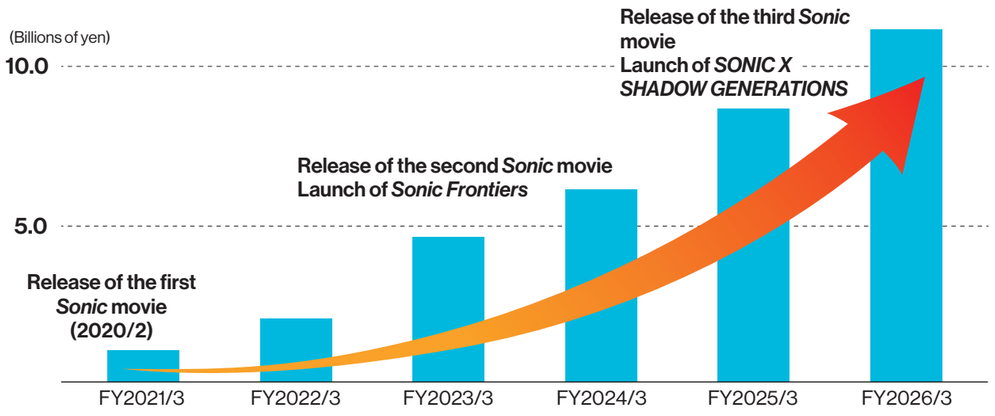
Sonic the Hedgehog 3
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©SEGA

Merchandise, AM&TOY

Evolution of Licensing Revenue Expansion (Example: *Sonic*)



Brand/IP

●…[PCPS] Pachislot &Pachinko Machines ●…[CS] Consumer Game ●…[VM] Visual Media
●…[AM] Amusement Machines ●…[TOY] Toys etc.

Multi-channel Deployment of In-house IP

SEGA SAMMY owns a wide range of IPs, each with different strengths and fan bases. By formulating expansion strategies tailored to the unique characteristics of each IP and through multifaceted rollouts spanning games, visual media and merchandising, we are driving the acquisition of new fans and maximizing IP value.

Representative IPs	IP Characteristics and Deployment Strategies	Deployment Channels
SONIC THE HEDGEHOG™ Series launch: in 1991	*Sonic* series is a globally acclaimed game franchise starring the world's fastest hedgehog. Following the global success of its movies, Transmedia expansion has accelerated significantly. Spanning a wide range of touchpoints from games to visual media and toys, *Sonic* stands as one of SEGA's representative IPs.	PCPS CS VM AM TOY
	Key Titles	**Unit Sales**
	SONIC X SHADOW GENERATIONS (FY2025/3)	3.07 million units
	Sonic Superstars (FY2024/3)	2.88 million units
	Sonic Frontiers (FY2023/3)	5 million units (announced in August 2026)
龍が如く™ Series launch: in 2005	The *Like a Dragon* is a full-fledged action-adventure series depicting rich human drama set in the modern Japanese underworld. In addition to tie-ins with prominent actors, musical artists, and corporate partners, the series continues to expand its user base beyond video games through visual media, stage plays, merchandising, and various live events.	PCPS CS VM AM TOY
	Key Titles	**Unit Sales**
	Like a Dragon: Infinite ∞ Wealth (FY2024/3)	2.05 million units
	Yakuza: Like a Dragon (FY2020/3)	3.12 million units
P5 PERSONA5 Series launch: in 2002	*Persona* is a popular series based on juvenile RPG featuring personal growth of boys and girls. With its unique worldbuilding, stylish music, and highly compelling storylines, it has cultivated a large global fan base. Leveraging its distinctive universe, it expands across multiple media, including live music concerts, animation, and manga.	PCPS CS VM AM TOY
	Key Titles	**Unit Sales**
	Persona 3 Reload (FY2024/3)	3 million units (announced in June 2026)
	Persona 5 Series (FY2017/3)	15.5 million units

* Unless otherwise specified, sales figures are cumulative through the end of the fiscal year ended March 2026.

Utilization of External IP

Along with creating and nurturing in-house IPs, SEGA SAMMY Group strategically adopts and leverages external IPs.
By developing products and services that leverage the unique characteristics of IP and fan base of each IP, we aim to expand revenue opportunities and increase the probability of delivering hits.

Representative IPs	IP Characteristics and Deployment Strategies	Deployment Channels
PACHISLOT 北斗の拳 Series launch: in 2022	*Hokuto No Ken* is a highly popular pachislot & pachinko machines series that leverages an exceptionally well-known external IP. Series has generated numerous hit titles such as the original *Pachislot Hokuto No Ken* which boasted the largest sales volume in the history of the pachislot machines, with a cumulative sales volume of about 620,000 units.	PCPS CS VM AM TOY
	Key Titles	**Unit Sales**
	Smart Pachislot Hokuto No Ken Chapter of Resurrection 2 (FY2026/3)	49,000 units
	Smart Pachislot Hokuto No Ken (FY2024/3)	84,000 units (Top-selling smart pachislot title)

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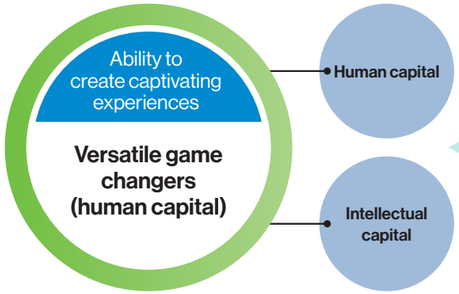
Financial and Non-Financial Capital

The unique strengths generated by combining the six forms of capital held by the SEGA SAMMY Group enable value creation unique to the Group. We will continue working to achieve sustainable growth and enhance corporate value by strengthening each form of capital. We also position materiality initiatives as measures that strengthen non-financial capital and prevent erosion of its value, and we will work to strengthen the foundation for long-term value creation.

	Overview	Components	Enhancement initiatives
Human capital	We have versatile human capital in Japan and overseas with high levels of expertise and creativity needed to support each of our businesses, including in development. Under the Group Human Resources Strategy, the Human Capital Development Goals (HCDGs), we promote human capital development, cultural cultivation, and environment building across the Group while implementing human resources strategies tailored to the characteristics of our diverse businesses.	Ratio of culturally diverse human resources 24.5% Ratio of female managers 8.8% Amount invested in education ¥0.41 billion (cumulative total: ¥1.88 billion) Engagement score 58.0 (A) Ratio of development employees 54.5%	**Strengthen development of culturally diverse human resources** • Study abroad program • Increase the number of employees with overseas experience (increase employees with overseas expatriate experience by 50%) **Promote business-specific human resources strategies** **Create an environment that values diversity** • Flexible workstyles (flextime, side jobs, etc.) • Initiatives to support balancing work with childbirth and childcare (various leaves and the Celebration Allowance Program) **SEGA SAMMY College** **Improving engagement** • Sessions for executives to consider issues and countermeasures (executive sessions) • Town hall meetings **Strengthen development human capital** • Events for exchanging and sharing technologies across the Group
Intellectual capital	In addition to in-house developed IP, we have an extensive portfolio of IP acquired through M&A and from external sources, as well as development technologies and expertise cultivated through each of our businesses. By nurturing and strengthening these assets and deploying them across diverse regions and channels, we maximize IP value and expand revenue opportunities.	In-house IPs (Key IP series such as *Sonic*, *Persona*, and *Like a Dragon*) Patents Development technologies and expertise	Nurture and expand our extensive in-house IP portfolio Multifaceted deployment of owned IPs
Social and relationship capital	In addition to collaborative relationships with IP holders and external partners in Japan and overseas, we have built touchpoints with fans and customers worldwide over many years. By leveraging these relationships, we are expanding the multifaceted deployment of IPs and creating new products and services.	Licensed IPs Collaborative relationships with IP holders and external partners Global fan base Customer touchpoints	**Entertainment Contents Business** • Expand touchpoints through Transmedia expansion • Strengthen customer engagement through SEGA STORE and other channels • Expand collaboration and co-creation with IP holders and external partners **Pachislot & Pachinko Machines Business** • Strengthen partnerships with leading IP holders • Expand touchpoints with new fan and customer segments through IP • Development and deployment of reel-exchangeable cabinets through co-creation with pachinko halls and manufacturers
Financial capital	The Pachislot & Pachinko Machines Business' ability to generate stable cash enables further growth of the Entertainment Contents Business, active investment in new business areas such as the Gaming Business, and shareholder returns. In addition, through a diversified business portfolio with widely differing areas, we seek to reduce the risk of earnings fluctuations due to changes in the environment.	Stable cash-generating capability centered on the Pachislot & Pachinko Machines Business Unique business portfolio spanning a wide range of business areas Management conscious of capital efficiency	• Strategically invest generated cash to growth areas • Improve ROIC by reviewing the business portfolio • A capital structure that maintains an appropriate D/E ratio • Allocate capital with a balance between growth investment and shareholder returns
Natural capital	The SEGA SAMMY Group remains constantly mindful of the environmental impact of its business activities and, while complying with environmental laws and regulations, works to reduce its environmental impact and address climate change.	GHG emissions (Scope 1) 1,016 t-CO_2 GHG emissions (Scope 2) (Market-based) 5,357 t-CO_2 GHG emissions (Scope 2) (Location-based) 12,266 t-CO_2 GHG emissions (Scope 3) 816,090 t-CO_2	• Adoption of raw green electricity generated from solar power plants • Introduction of Green Power Certification System • Disclosure based on TCFD recommendations
Manufactured capital	We have the facilities and infrastructure to bring the products and service of each business, including games and pachislot & pachinko machines, to life. By leveraging this foundation, we turn ideas and creativity into high-quality products and content while ensuring stable, efficient business operations.	Development and production environments for games, pachislot & pachinko machines, gaming machines, etc. Sammy Kawagoe Factory	• Enhance development and production environments • Improve production efficiency and quality • Build a stable and flexible supply system • Promote part reuse and resource circulation

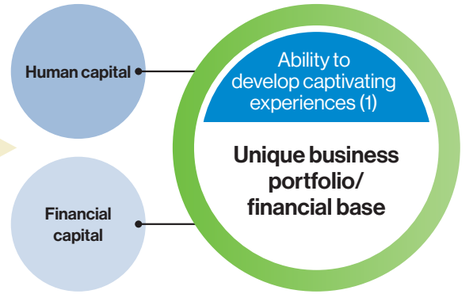
* All figures are as of the end of March 2026.

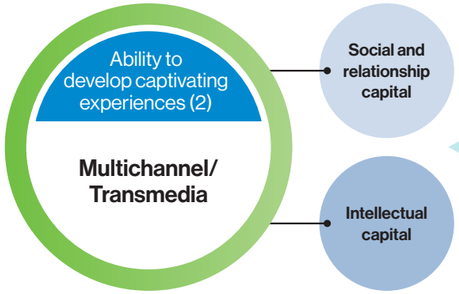
Relationship Between Strengths and Main Forms of Non-financial Capital



At the SEGA SAMMY Group, employees with diverse expertise and backgrounds leverage their individuality to generate ideas and improve service quality. These human capital-driven initiatives support the creation of new captivating experiences. Furthermore, by investing in education and developing culturally diverse human resources, we accumulate and enhance development technologies, IP creation capabilities, and expertise in global expansion as organizational knowledge, thereby expanding our intellectual capital.

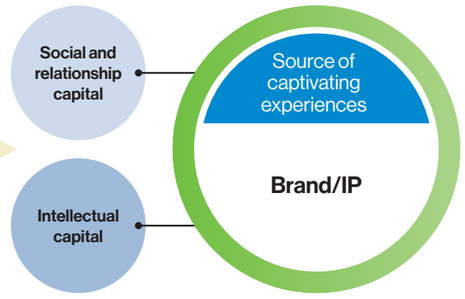
Human capital with diverse expertise and experience supports a wide range of businesses across the Group, including Entertainment Contents, Pachislot & Pachinko Machines, and Gaming. By enabling planning, development, and operations tailored to each business's characteristics, this human capital allows us to respond flexibly to rapidly changing market conditions and strengthen our business portfolio. Our diverse portfolio, which includes the Entertainment Contents Business with a wealth of IP and the Pachislot & Pachinko Machines Business with stable cash-generating capabilities, contributes to the stability of our financial base through the continuous creation of revenue opportunities and risk diversification.





Through collaboration with diverse companies, creators, and distribution and sales partners in Japan and overseas, we promote multichannel deployment and our Transmedia strategy, leveraging the depth of our social and relationship capital to enable multifaceted IP deployment. This deployment further strengthens relationships with partners and expands touchpoints with fans, enhancing the appeal and potential uses of IP and thereby expanding intellectual capital.

Drawing on the trust we have built with fans and collaborative partners over many years, and maintaining ongoing communication with them, we work to enhance the value of our brand/IP by providing captivating content. The SEGA SAMMY Group's advanced development technologies also help improve the quality of our products and services and are an important factor in further enhancing brand value. In addition to quality control for products and services, we conduct appropriate reviews and management of the use and depiction of characters and IP, as well as external communications. By establishing a governance framework that includes legal compliance and internal controls, and by emphasizing transparent and responsible operations, we work to maintain and protect the value of our brand/IP.



Materiality

Materiality Identification Process

① Issues Capturing and Materiality Evaluation

In 2019, we established policies for CSR and the SDGs. Through stakeholder dialogues with experts, investors, and employees, we gathered opinions and feedback and reported them to the Board of Directors. We then engaged in a series of discussions to identify materiality unique to the SEGA SAMMY Group.

② Issues Identification

In 2020, we carefully examined the relevance of the materiality themes to our businesses, referring to frameworks such as the SASB Standards. Under our Group Mission/Purpose of "Captivate the World," we identified the current five materiality themes by focusing on the value created by our core businesses.

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.

④ Progress Monitoring and Reviewing Materiality

Each Group company establishes specific targets and manages progress for each materiality theme. We continuously review them based on regular reporting and evaluations, stakeholder feedback, and social and environmental changes.

Materiality at the SEGA SAMMY Group		Target	Results for FY2026/3	Related Pages
Human Resources Cultural diversity Career development for women Training of core personnel Improvement of the work environment	To captivate the world, we have been investing in the human capital, culture, and environment that is our driving force, as well as consistently working on the agenda aligned with the concept of "human capital management." We will continue to make the necessary investments in our human capital and build the systems that enable every individual to remain "Game Changer."	• Culturally diverse human capital ... **Approx. 21% or more** • Percentage of women in managerial positions ... **Approx. 8% or more** • Amount invested in education ... **Average ¥0.45 billion / year (Cumulative total: ¥4.0 billion or more)** *Applicable to SEGA SAMMY HOLDINGS, SEGA, and Sammy • Engagement score ... **58 or above** *Applicable to major domestic Group Companies All targets are for either FY2031/3 or 2030	• Culturally diverse human capital ... **24.5%** • Percentage of women in managerial positions ... **8.8%** • Amount invested in education ... **¥0.41 billion** / year (Cumulative total: approx. ¥1.88 billion) • Engagement score ... **58.0** (Rating: A)	• Human Resources Strategy >>> **P. 50** official website Human Resources https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/human/
Products and Services	Products and services that combine safety and security with innovation deliver value that exceeds customer expectations and enrich the lives of people around the world. To achieve this, our Group Company sets material issues and strategies for products and services.	• **Enhancement** of SEGA brand value (Entertainment Contents Business) • Establishing **No. 1** position in the industry (Pachislot & Pachinko Machines Business)		• Entertainment Contents Business >>> **P. 42** • Pachislot & Pachinko Machines Business >>> **P. 46** • Gaming Business >>> **P. 48** official website Products and Services https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/products-services/
Environment Scope 1, 2 Scope 3	Environmental consideration is one of the important issues that companies should address. The SEGA SAMMY Group remains constantly aware of the environmental impacts of our business activities, complies with environmental laws and regulations, and works to reduce environmental impact and address climate change.	**Scope 1, 2** • Reducing group-wide GHG emissions by **around 50%** (2030) • Group-wide carbon neutrality (2050) **Scope 3** • Reducing GHG emissions by **22.5% or more** (2030)	• Conducted supplier survey (50 companies) • Supplier Briefings/Workshops (29 companies) • Conducted direct communication with suppliers (2 companies)	• Environment (TCFD Recommendations) >>> **P. 57** official website Environment https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/environment/
Addiction	As a group that captivates the world, the SEGA SAMMY Group recognizes the prevention of addiction and other related disorders as an important social responsibility in the industries, in order to ensure that customers can enjoy our pachislot machines and games with peace of mind. We engage in industry organization initiatives in both the pachislot & pachinko and video game industries, taking appropriate actions in line with them. We will continue to sincerely address the negative aspects of gaming and strive to create an environment where everyone can enjoy our products and services safely.	• 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		• Addiction >>> **P. 56** official website Addiction https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/addiction/
Governance	The SEGA SAMMY Group positions corporate governance as the most important foundation for facilitating good corporate behavior. The Company and the Group uphold "improving efficiency," "securing soundness," and "enhancing transparency" of corporate management as its basic policy for corporate governance. On this basis, the Company and the Group make determinations on important management issues, including the appointment of director candidates, determining director and auditor remuneration, and management oversight.	• Maintaining a highly transparent management approach and a corporate governance system that supports medium- to long-term enhancement of corporate value		• Governance >>> **P. 58** official website Governance https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/governance/

Value Creation Process

Driven by our shared values of Creativity is Genesis × Always Proactive, Always Pioneering, we will create new captivating experiences while expanding our business domain and transcending genres and national borders by powerfully implementing a value creation cycle consisting of our four strengths. We will maximize the impact that entertainment can have on society, and while striving to curb the negative impact, we will continue to provide both social and economic value and pursue the maximization of corporate value.

Strengthening capital and further enhancing strengths through the value created

Input | **Business Activities** | **Outcome**

Strengths of SEGA SAMMY -Value Maximization Cycle-

- Expansion of business areas
- Geographic expansion

Enhancement of corporate value



Offering the Group's contents and services as entertainment suited to the times

Products and Services / Addiction / Environment

Natural Capital / Manufactured Capital

For details on materiality, see P. 24

Entertainment

- Games (Full Games / F2P)
- Visual Media
- Amusement machines
- Toys, prizes, and merchandise

For details, see P. 42

Pachislot & Pachinko Machines

For details, see P. 46

Gaming

For details, see P. 48

Governance

Creation of Economic Value

Entertainment

Be a solid and influential global brand that reaches 3.0 billion gamers worldwide

Pachislot & Pachinko Machines

Establishment of No. 1 position in the pachislot & pachinko machine industry

Gaming

Establishment of business which can be the third pillar of the Group

Creation of Social Value

Creating captivating experiences through products and services adding color to the lives of people around the world

Group Mission/Purpose

Captivate the World -Making Life More Colorful-

Risks, Opportunities, and Internal Challenges

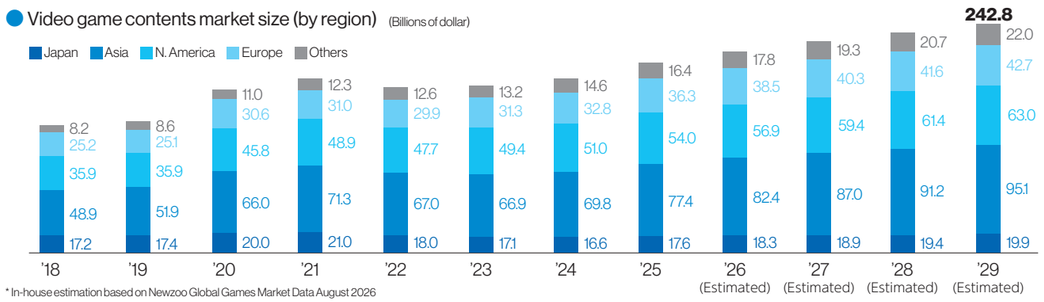
The SEGA SAMMY Group aims to maximize corporate value by accurately identifying changes in the market environment, appropriately addressing risks, and making management decisions that reliably capture growth opportunities.

Entertainment Contents Business

Market Environment

The global video game content market is becoming more diversified in terms of content delivery methods, and the new market is emerging due to the growth of emerging economies. Expectations for the growth of the video game market continue to increase, as the environment is now conducive to the provision of content and services for a longer period of time, regardless of device or platform, to the entire world.

● Video game contents market size (by region) (Billions of dollar)



* In-house estimation based on Newzoo Global Games Market Data August 2026

In the amusement machine market, despite the impact of soaring raw material prices due to the weak yen, the prize category continues to perform well, and the market as a whole remains firm.

Market data P. 31

Risks, Opportunities, and Internal Challenges: Countermeasures

Risks and Internal Challenges	Countermeasures
Risks ・Intensifying competition for consumers' discretionary time ・Increase in similar content and intensifying competition driven by the rapid advancement and widespread adoption of AI ・Increase in development expenses **Internal Challenges** ・Reliance on conventional sales methods ・Revitalization of Rovio's business	・Strengthening the fan base through the continuous release of new titles based on key IPs, as well as enhanced promotional activities and community engagement ・Expanding touchpoints through Transmedia strategies for in-house IPs while securing and improving profitability ・Strengthening the "sales capabilities" in the Consumer area ・Focusing Rovio's efforts on its key IP and advancing Transmedia expansion jointly led by SEGA and Rovio
Opportunities	**Initiatives to maximize opportunities**
・Growing demand for IP-based businesses, including game IPs	・Continuing to invest in the development and provision of highly competitive products and services ・Further expansion of key IPs by strengthening the games and implementing Transmedia strategies

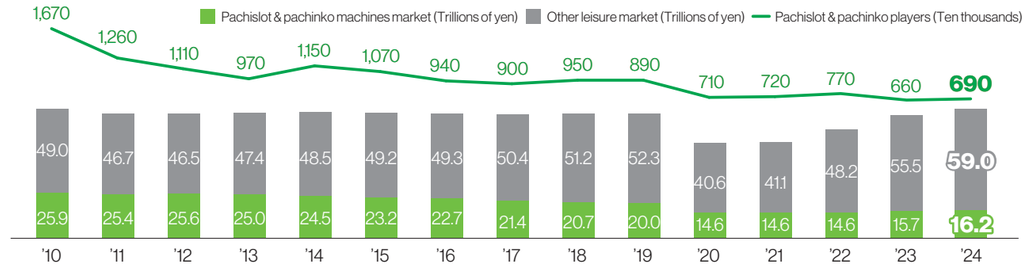
For details, please refer to the Entertainment Contents Business P. 42

Pachislot & Pachinko Machines Business

Market Environment

Along with the decline of the player population since 1995, there has been a long-term downtrend in the overall number of pachinko halls, as well as in the number of machines installed and in annual machine turnover. On the other hand, the number of machines installed per pachinko hall is on the rise due to increasing sizes of pachinko halls and other factors. Smart Pachislot is currently driving the pachislot market, while the pachinko market may also see a recovery as Smart Pachinko and machines with Lucky Trigger become more widespread.

● Trends in the Pachislot & Pachinko Machines Market and Other Leisure Markets size, and Pachislot & Pachinko players

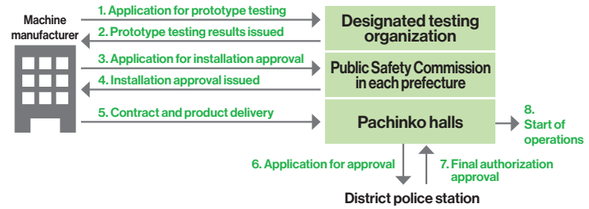


Source: White Paper on Leisure Industry 2025, Japan Productivity Center

Other market data P. 31

Pachislot & Pachinko Machines Approval Process

When marketing a new pachislot or pachinko machine, manufacturers are required to go through multi-step approval processes in accordance with the Act on Control and Improvement of Amusement Business, etc.



Risks, Opportunities, and Internal Challenges: Countermeasures

Risks and Internal Challenges	Countermeasures
Risks ・Contraction of the pachislot & pachinko machines market ・Changes to regulations and other rules related to pachislot & pachinko machines ・Procurement risks for raw materials ・Addiction **Internal Challenges** ・Intensifying competition to acquire IP rights	・Increasing market share by enhancing brand strength through the use of popular and new IPs ・Implementing measures to revitalize the industry, including the promotion of reel-exchangeable cabinets ・Monitoring the regulatory environment and establishing a development framework capable of responding flexibly to regulatory revisions ・Diversifying component suppliers, standardizing components, and minimizing the number of components by adopting reel-exchangeable cabinets ・Initiatives to tackle addiction across the industry P. 56 ・Building and maintaining long-term, trust-based relationships with partner companies ・Focusing on production investments and sponsorships
Opportunities	**Initiatives to maximize opportunities**
・Potential for user-base expansion as the regulatory review broadens the range of gameplay	・Creating new key series through new applications of popular IPs ・Expansion of the specification range

For details, please refer to the Pachislot & Pachinko Machines Business P. 46

Gaming Business

Market Environment

The gaming market is experiencing rapid growth in the sports betting and iGaming sectors following the legalization of online gaming. Against this backdrop, land-based casinos, particularly in North America, have continued to achieve steady growth. Further medium- to long-term growth is expected, driven by the expansion of online gaming.

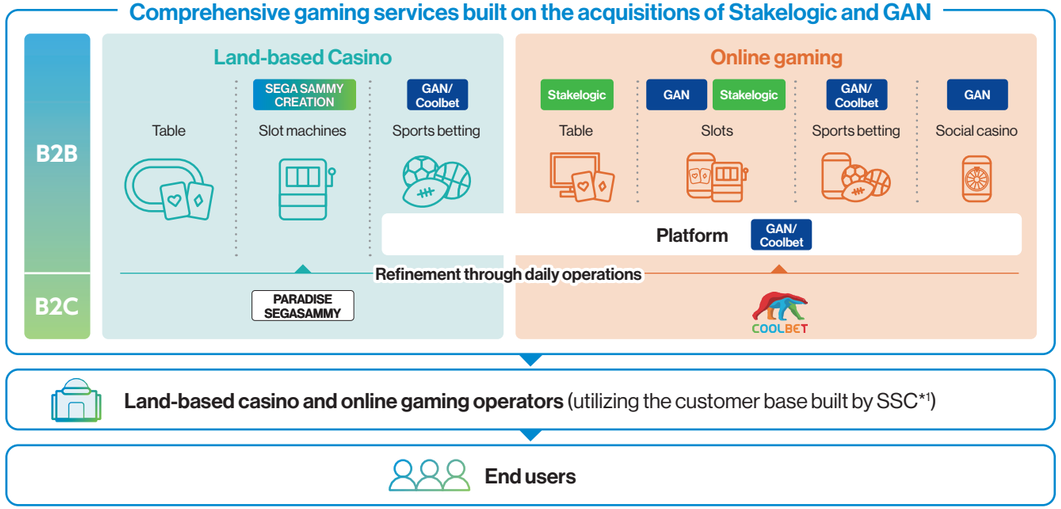
Market data P. 31

Risks, Opportunities, and Internal Challenges: Countermeasures

Risks and Internal Challenges	Countermeasures
Risks ・Changes in laws and regulations ・Intensifying competition with major competitors ・Addiction **Internal Challenges** ・Improving the profitability of GAN and Stakelogic	・Operating under valid gaming licenses, maintaining those licenses, monitoring regulatory environments in each country, and responding appropriately ・Leveraging the Group's unique strengths and technological capabilities ・Registration with Nevada's Responsible Gaming program and conducting industry–academia collaborative research on gambling addiction ・Promotion of business revitalization programs for GAN and Stakelogic
Opportunities	**Initiatives to maximize opportunities**
・Rapid expansion of the online casino market ・Demand for online expansion in the North American land-based casino market	・Providing B2B solutions to build omnichannel environments to the customer base acquired through gaming machine sales

For details, please refer to the Gaming Business P. 48

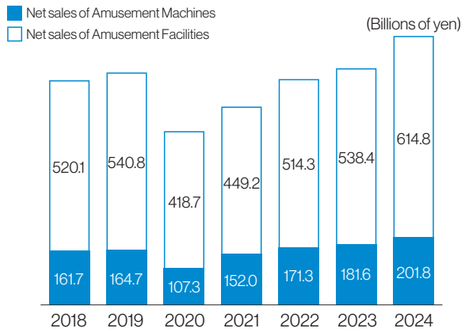
SEGA SAMMY's Omnichannel Concept



*1 SEGA SAMMY CREATION

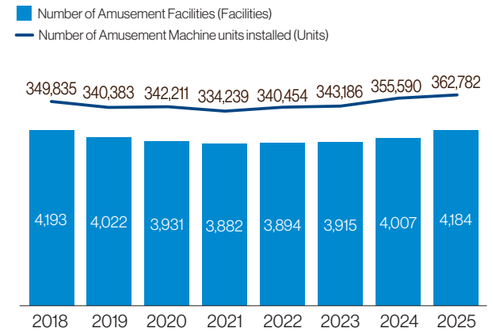
Entertainment Contents Business (Amusement Machine and Amusement Center Operations Markets Scale)

● Domestic Amusement Machine and Amusement Facility Sales



Sources: JAIA

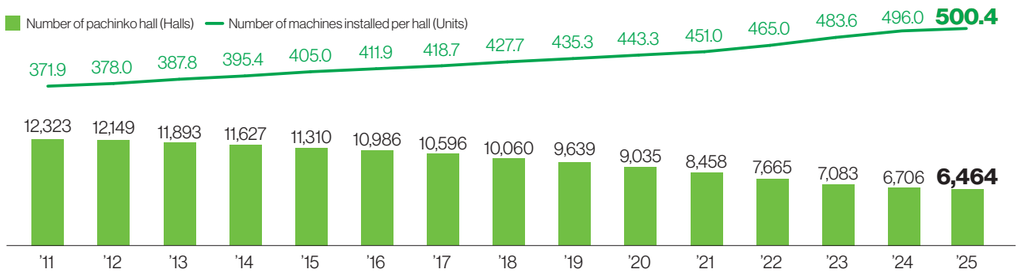
● Number of Amusement Facilities/Amusement Machine unit installed



Sources: National Police Agency

Pachislot & Pachinko Machines Business

● Transition of number of pachinko halls and number of machines installed per hall

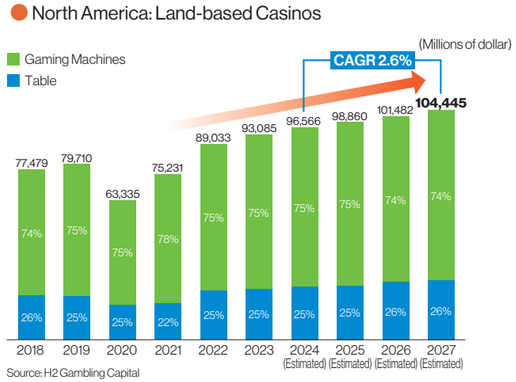


Source: National Police Agency

For detailed market data on the Pachislot & Pachinko Machines Business, please refer to our website.
https://www.segasammy.co.jp/en/ir/management/strategy/#004

Gaming Business

● North America: Land-based Casinos



Source: H2 Gambling Capital

● North America: Online Gaming (Online Sports Betting/iGaming)

