Management Conscious of Cost of Capital and Stock Price

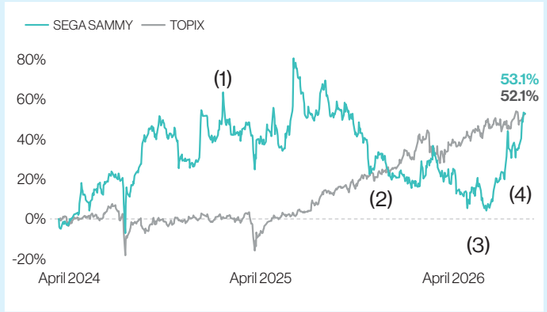
Perception of Stock Price

Relative stock valuation for the SEGA SAMMY Group is noticeably lower than that of other game companies. We recognize the main factors behind this are the presence of relatively large scale of our Pachislot & Pachinko Machines Business in our portfolio compared to other game companies as well as high volatility in the performance of the Entertainment Contents Business. We understand that a genuine recovery in our stock price requires the establishment of a revenue structure capable of generating sustainable and stable profits through greater visibility in profit growth in the Entertainment Contents Business and revenue generation of the Gaming Business. While addressing these challenges, we will continue our efforts to grow business profit, improve capital efficiency, and maintain an optimal capital structure and aim to expand our market capitalization by growing TSR through an expansion of equity spread and appropriate shareholder returns, thereby increasing corporate value.

▶ Stock Price (Rate of Change)

In the fiscal year ended March 2025, the first year of the medium-term plan, our stock price trended upward (1), driven mainly by strong performance in the Entertainment Contents Business, which we have positioned as a growth driver; however, it then shifted to a downward trend in response to changes in the operating environment across the entertainment industry as a whole, including threats from the rapid spread of AI (2), and our announcement of an outlook that falls short of medium-term plan targets due to factors such as the recognition of impairment losses (3).

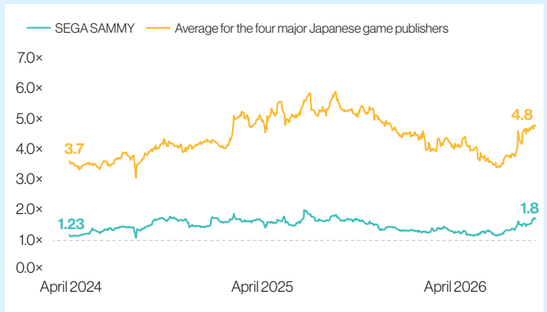
Recently, the industry as a whole is on a recovery trend, and our stock price has also been recovering since the Q1 earnings announcement (4). We aim to improve our valuation by continuing to address the challenges facing each of our businesses and returning to a growth trajectory.



▶ P/B Ratio

Our P/B ratio has remained above 1× but has stayed well below the average for the four major Japanese game publishers.

We recognize the challenges we need to address as follows: first, raising expectations for continued growth by reducing volatility in the Entertainment Contents Business and generating revenue in the Gaming Business; second, promoting stock market understanding of the effectiveness of our unique business portfolio, which combines these two businesses with the Pachislot & Pachinko Machines Business as a source of cash generation.

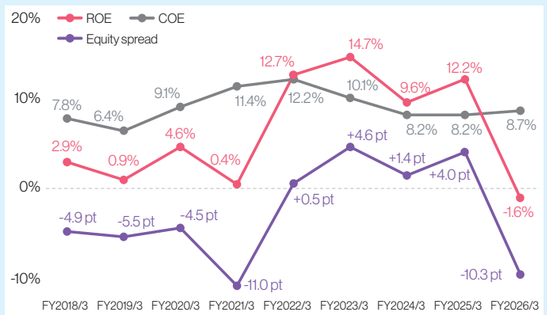


▶ ROE, COE, and Equity Spread

Having improved capital efficiency through appropriate use of financial leverage, enhancement of shareholder returns, and other measures, we have kept ROE at around the 10% level since the previous medium-term plan, with the equity spread also remaining positive.

More recently, ROE declined significantly due to factors such as the recognition of impairment losses, causing the equity spread to decrease significantly. However, we will continue to aim for improvement through greater capital efficiency and appropriate shareholder returns.

* ROE: Return on equity
* COE: Cost of equity (Source: Bloomberg)
* Equity spread: ROE-COE



Logic Tree for TSR Expansion

The SEGA SAMMY Group aims to maximize corporate value by expanding its equity spread and providing appropriate shareholder returns. Using adjusted EBITDA and ROE as key indicators, we are pursuing a financial strategy that emphasizes capital efficiency alongside a growth strategy that leverages the strengths of each business.

Expansion of TSR (maximizing corporate value)

Expansion of equity spread

ROE: Over 10%

(FY2025/3–FY2027/3 three-year average)

Shareholder return

DOE: 3% or more

Total return ratio: 50% or more

* Announced in May 2024

Growth of profit

Adjusted EBITDA: Over ¥230.0 billion

(FY2025/3–FY2027/3 three-year cumulative)

- **Investment focused on the Consumer area** — Entertainment Contents Business P. 42
- **Stable growth of the Pachislot & Pachinko Machines Business** — Pachislot & Pachinko Machines Business P. 46
- **Establishing the Gaming Business** — Gaming Business P. 48

Improvement of capital efficiency

Improvement of per business company ROIC

- **ROIC management**
- **Management of business portfolio**

Message from the CFO P. 36

Maintaining optimal capital structure

- **WACC reduction through net asset control**
- **Effective use of cash on hand**
- **Balance between business investment and returns**
- **Debt utilization**

Message from the CFO P. 36

▶ Other Efforts to Improve Corporate Value

Initiatives for capital cost reduction

- **Strengthen risk management** ⇒ Risk Management P. 74
  Risks, Opportunities, and Internal Challenges P. 28
- **Strengthen materiality-based initiatives** ⇒ Materiality P. 24
- **Strengthen performance management** ⇒ Message from the CFO P. 36
- **Strengthen communication with investors** ⇒ Dialogue with Capital Markets P. 34

Initiatives to raise employee awareness of stock price

- **Conduct internal IR activities** ⇒ Dialogue with Capital Markets P. 34
  Stock Compensation System for Employees P. 71
- **Increase the proportion of stock-based compensation in compensation for Directors, among other measures** ⇒ Compensation for Directors P. 70

Dialogue with Capital Markets

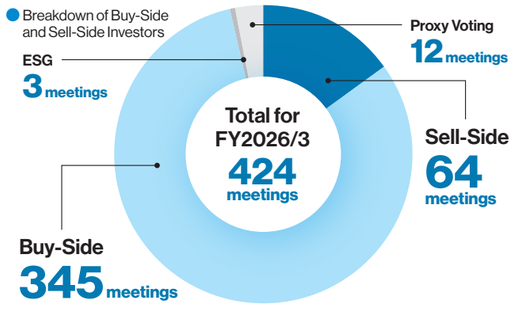
To promote constructive dialogue with shareholders and investors, the Company appoints an executive officer in charge of IR/SR, establishes dedicated IR/SR departments, and undertakes various initiatives. In promoting constructive dialogue with shareholders and investors, we work closely with internal departments such as Corporate Planning, Finance & Accounting, Legal, and General Corporate Administration. The President and Representative Director, along with the Group CFO, attend financial results briefings and actively engage in direct communication. In addition, the Group CFO and IR/SR staff conduct individual meetings as appropriate, and we provide opportunities several times a year for shareholders and investors to engage in one-on-one dialogue with the Company's President and Representative Director, etc.

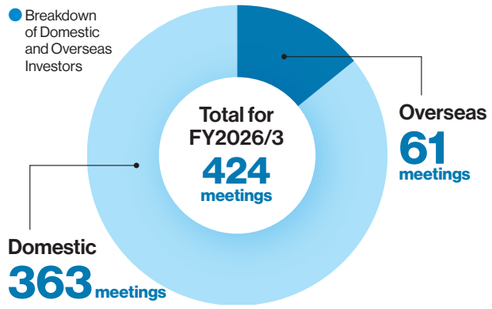
Status of IR Events Held

Event	FY2025/3	FY2026/3
General Meeting of Shareholders	1 time	1 time
Financial Results Briefings for Institutional Investors and Analysts	4 times	4 times
IR Meetings (Including ESG Meetings and Conferences)	98 meetings/238 participants* (executives) 286 meetings/606 participants* (IR/SR personnel)	103 meetings/207 participants* (executives) 321 meetings/873 participants* (IR/SR personnel)
SR Meetings	15 meetings	17 meetings
Individual Investor Briefings	2 times	1 time
Perception Study (Awareness Survey)	1 time	1 time

* Total number of participants

Overview of the Characteristics of Investors Engaged in Dialogue





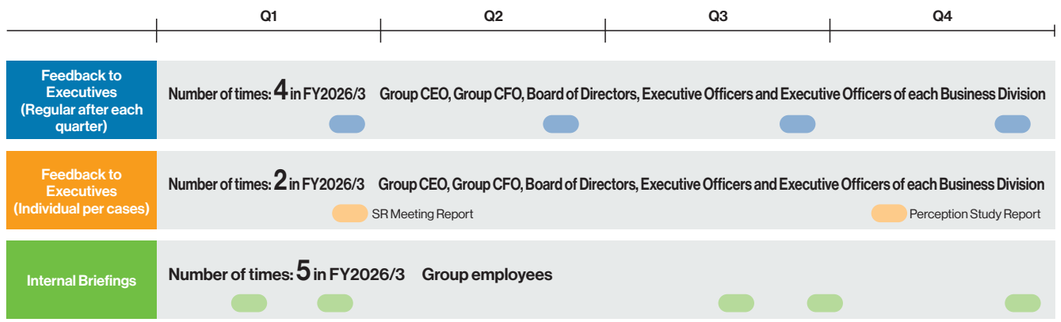
Themes and Areas of Interest in Dialogue with Investors

Theme	Details
Business strategy	Key performance indicators (KPIs) used as management indicators Business portfolio strategy Measures to improve capital efficiency
Capital allocation	Concept of investment in growth Shareholder return policy
Individual businesses	Entertainment Contents Business - Transmedia strategy/Implementation of impairment, etc. Pachislot & Pachinko Machines Business - Strategies for improving market share, business efficiency, and profitability/Reel-exchangeable cabinet Gaming Business - Growth strategies through M&A, etc./Amortization of goodwill, implementation of impairment, etc.
Business performance	Short-term business performance Progress on medium-term plan
Sustainability	Changes to the sustainability framework Progress of human resource strategy Governance structure Other initiatives for each materiality, such as addiction, etc.

Internal Feedback

The status of dialogues with shareholders and investors is regularly or promptly shared with the President and Representative Director, Group CFO, other Directors, External Directors, Executive Officers, and business heads as appropriate. This helps enhance management transparency and contributes to the Company's sustainable growth and medium- to long-term corporate value improvement.

	Results in FY2026/3	Overview
Feedback to Executives	Report at the Group Management Committee: 6 times Individual report to each exectives: After each quarter	Reports include investor feedback, analyst evaluations, shareholder trends, and market developments gathered through IR activities.
Monthly IR/SR Report	12 issues per year (monthly)	Market evaluation of the Company, investor feedback, market trends, and peer comparisons are shared internally via the intranet for Group employees.
Internal Briefings	5 sessions	Conducted to explain the objectives of IR activities and market evaluations to employees across the Group, including sessions for new employees and business unit staff, and financial results briefings
Employee Survey on Awareness of the Company's Stock Price	1 time	Conducted a survey of Group employees regarding their awareness of the Company's stock price (No. of valid responses: 3,374) Interest in the Company's stock price: 75%→86% Interest in the Company's stock price increased compared with the previous survey: 44% *previously conducted in 2022

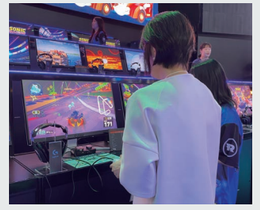


Main Agenda and Discussion Topics of Management-Level Committees »» P. 72

Initiatives to Promote Understanding of the Business

Entertainment Contents Business

In July 2025, in conjunction with the opening of SEGA STORE TOKYO, an official SEGA store aimed at strengthening the reach of SEGA's IPs and expanding touchpoints, we invited analysts and investors to provide them with an opportunity to experience the multifaceted development of its IPs and the expanding scope of the licensing-out business. In addition, at the "TOKYO GAME SHOW" held in September of the same year, we conducted tours of the SEGA/ATLUS booth for analysts and investors. The tours introduced the latest lineup and provided opportunities for attendees to experience playing the games on actual hardware. Through these initiatives, we fostered expectations for the future development of the Entertainment Contents Business.



Booth Tour at "TOKYO GAME SHOW"

Pachislot & Pachinko Machines Business

In March 2026, we held an "Investor Briefing on Pachislot & Pachinko Machines." Representatives from the department responsible for the Pachislot & Pachinko Machines Business explained, through demonstrations, the structural differences between medal-based machines and Smart Pachislot machines, as well as the replacement of reel-exchangeable cabinets. For pachinko machines, in addition to explaining the structure of Smart Pachinko machines and providing product explanations of the latest specifications, including Lucky Trigger, we also offered participants the opportunity to test shoot the machines themselves. The event served as a meaningful forum for dialogue, with participants commenting that they had gained a deeper understanding of the mechanisms and enjoyment of the products and expressing expectations for the future development of the business.



Investor Briefing on Pachislot & Pachinko Machines

Message from the CFO



Further deepening links between strategy and management resources and building a stronger foundation for transformation

Makoto Takahashi
Senior Executive Vice President and Group CFO, Executive Officer

Advancing management strategy with financial and human capital strategy in an integrated manner

I was appointed Group CFO as of April 1, 2026. As the head of the Corporate Planning Division and the Human Resources Development Division, I have worked to improve corporate value on two fronts: formulating management strategy for the entire Group and human capital management.

I believe that building win-win relationships with all the stakeholders who support the Company while sustainably increasing corporate value is a fundamental principle of corporate management. To achieve this, companies must continue to grow, evolving in step with changes in the environment. No matter how rationally we design a growth strategy or allocate capital to optimize our business portfolio, we cannot bring about real change unless the people who carry out strategy on the ground actually act. With this belief in mind, I have worked to integrate management strategy with human capital strategy to support the Group's medium- to long-term growth, serving as the bridge between management and human capital.

As Group CFO, I will manage our management strategy, human capital strategy, and financial and capital strategy in an integrated manner. I will place particular importance on improving discipline in how we allocate management resources and thereby translating investment outcomes into corporate value growth, and I will diligently pursue my duties to achieve sustainable corporate value growth.

Review of FY2026/3

We have set quantitative targets under the medium-term plan that began in the fiscal year ended March 2025 and runs through the fiscal year ending March 2027 (FY2027/3): over ¥230.0 billion in three-year cumulative adjusted EBITDA and an average ROE of over 10% for the three-year period. To achieve this, we have implemented a business portfolio strategy of allocating the cash generated to date to priority investments in the Entertainment Contents Business, which we have positioned as our growth business, while also developing the Gaming Business as a pillar of medium- to long-term growth.

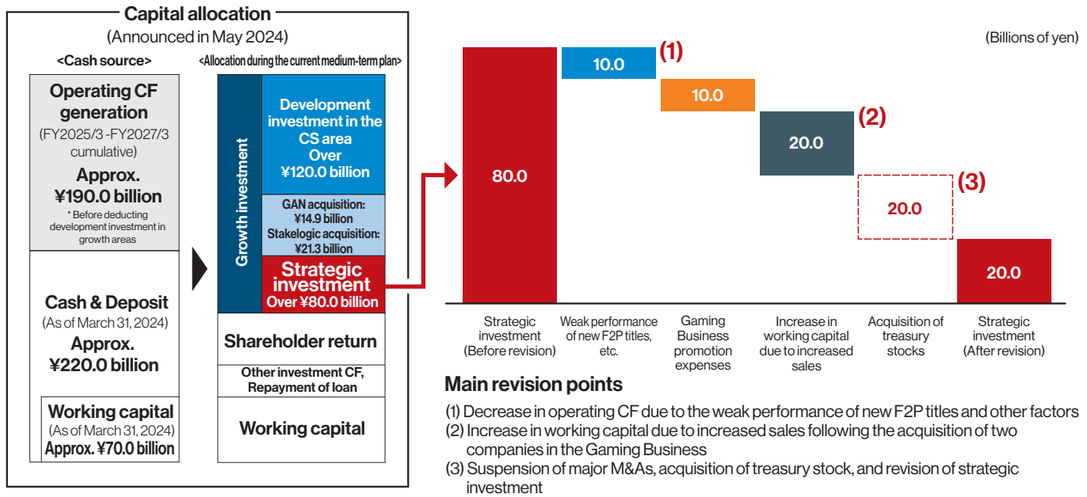
The fiscal year ended March 2026 (FY2026/3), the second year of the plan, saw sales increase year on year, while profits remained roughly on par with the previous fiscal year. In addition, a net loss was recorded due to the impact of impairment losses on goodwill, etc. at Rovio and Stakelogic. Looking at individual segments, the Pachislot & Pachinko Machines Business achieved increase in sales and profits for the second year running, exceeding our forecast. The Consumer area of the Entertainment Contents Business saw the Full Game area, new F2P titles, and Rovio experiencing soft performance and the Gaming Business recorded operating losses due to such factors as the incorporation of losses from our two acquired companies. In addition, at Rovio, as a result of revising its business forecast in response to intensifying competitive environment, we recognized impairment losses of approximately ¥31.9 billion on goodwill and other intangible assets. At Stakelogic as well, not only was ¥0.7 billion in impairment losses recognized due to the downsizing of operations in the Netherlands amid a sharp contraction in the Dutch market, but we also conservatively revised the business forecast in light of the changing business environment and recognized further impairment losses of approximately ¥18.0 billion, representing the full amount of goodwill, etc. For investments to these two companies, we squarely confront and take seriously the fact that they have not yet delivered the results we anticipated at the time of acquisition, and we believe it is essential to reflect on this and apply what we have learned to how we make management decisions going forward.

In this difficult business environment, we are now forecasting adjusted EBITDA of ¥64.0 billion and ROE of 8.9% for FY2027/3. For three-year cumulative adjusted EBITDA by segment, the Pachislot & Pachinko Machines Business is expected to come in close to plan, the Entertainment Contents Business is expected to reach ¥107.3 billion against a plan of over ¥180.0 billion, and the Gaming Business is expected to post negative adjusted EBITDA of ¥21.9 billion, reflecting the two acquisitions, which were not factored into the medium-term plan at the time it was announced. As a result, we announced that consolidated results for the final year of the medium-term plan are now expected to be over ¥142.5 billion in three-year cumulative adjusted EBITDA and 6.5% in three-year average ROE, both of which fall short of our targets.

Looking back on this medium-term plan, I see not only challenges, but also achievements that will drive our next phase of growth. Our games in the Consumer area have received growing recognition for their quality, steadily building a stronger foundation for global sales growth. At the same time, we face challenges in our sales capabilities, particularly in how we approach sales and marketing, which has kept us from fully converting this quality improvement into higher profitability. In addition to making great products, we must use dialogue with our user community and the data assets we have built to shape decisions across our business, including "when, how, and to whom we deliver." With this in mind, it is vital that we foster deeper coordination among development, sales, and marketing on a global scale so that improvements in game quality translate into solid business results.

These challenges are not unique to the Entertainment Contents Business. Across the Group, while valuing the passion we have for our businesses and products, we need to continually assess where to concentrate our management resources and where changes are needed, taking into account P&L, cash flow, growth potential, and capital efficiency. Through structural reforms, the Group has steadily developed a foundation for discussing and making decisions at the management level regarding our portfolio and the growth of individual businesses. We will take a hard look at the challenges identified through the current medium-term plan and will further enhance the quality of our management as we work toward our next phase of growth.

Revision of capital allocation policy (Announced in February 2026)



Main revision points

(1) Decrease in operating CF due to the weak performance of new F2P titles and other factors
(2) Increase in working capital due to increased sales following the acquisition of two companies in the Gaming Business
(3) Suspension of major M&As, acquisition of treasury stock, and revision of strategic investment

Capital allocation

In light of the current business environment and earnings trends, we have revised our capital allocation policy ahead of the final year of the medium-term plan. Our operating cash flow forecast has been revised downward by ¥20.0 billion due to such factors as the underperformance of new F2P titles in the Consumer area and losses in the Gaming Business. We have also suspended major M&A for the time being in response to the impairments at the two companies we acquired and have reduced strategic investment from over ¥80.0 billion to ¥20.0 billion. As part of this, we reallocated ¥20.0 billion to the acquisition of treasury stock, acquiring the full amount between February and March 2026 and executing the cancellation of all acquired stocks in April.

Meanwhile, we are also continuing our development investment in the Consumer area in light of the increase in Full Game launches and other factors. Rather than halting growth investment, we will identify the investments needed to boost the Group's competitiveness and clarify our priorities in capital allocation.

For shareholder returns, we will continue our policy of applying "dividend on equity ratio (DOE) of 3% or more" or "total return ratio of 50% or more," whichever is higher, and returning profits to shareholders through dividends or acquisitions of treasury stocks. In FY2026/3, we paid an annual dividend of ¥55 per share and, combined with acquisition of treasury stock, returned a total of ¥31.45 billion to shareholders. We forecast the same annual dividend of ¥55 per share in FY2027/3.

Improving capital efficiency

The key to how we allocate capital going forward will be to further enhance the effectiveness of our investment discipline. While growing new businesses using only our own resources requires considerable time and investment, this enhancement of investment discipline does not mean that we are ruling out M&A and other future initiatives. That said, our priority for now is to focus on post-merger integration at the companies we have acquired and to apply what we have learned from those experiences to future investment decisions. In M&A, we will re-examine not only our investment criteria but also how we apply them and take a more careful approach to assessing risk in business plans and changes in the business environment. We will continue to consider small-scale investments needed for business growth while making our investment criteria more effective in practice.

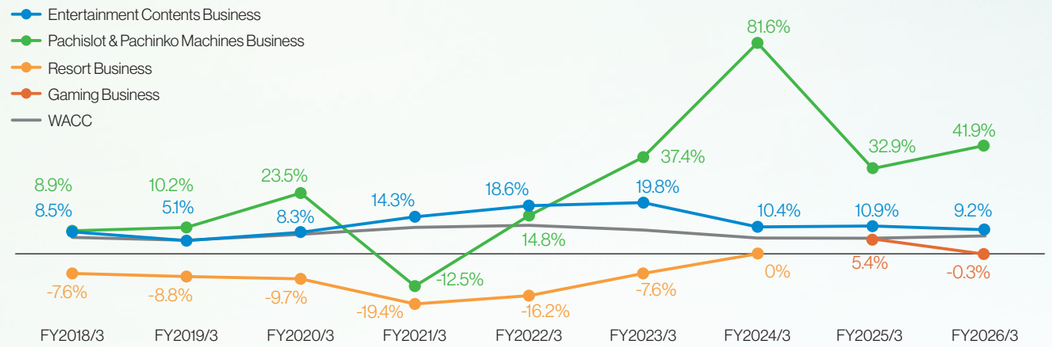
In managing our balance sheet, we will emphasize balance with capital efficiency. The Group has been taking the approach of appropriately using debt to optimize capital structure and contain weighted average cost of capital (WACC). With operating cash flow and development investment recently diverging from our original forecasts, what matters most is pursuing a capital structure that increases corporate value while balancing our businesses' capacity to generate cash, opportunities for growth investments, and shareholder returns. We will ensure a financial base capable of reliably implementing the growth investments we need while maintaining financial discipline and revisit our approach to capital allocation and capital structure as we formulate our next medium-term plan.

Based on this approach to management focused on capital efficiency, we are working to improve total shareholder return (TSR) through the expansion of our equity spread and shareholder returns. Translating the Group's strengths—the cash-generating capability of the Pachislot & Pachinko Machines Business and the global reach of the Entertainment Contents Business—into corporate value requires that the capital we invest generate steady returns.

In our dialogue with investors, we have heard expectations for the Group's potential alongside pointed questions as to why we have not fully translated that potential into results and whether we can accelerate the pace of our portfolio transformation. I personally believe a key challenge we need to address is to reduce the volatility in business performance. When profits fluctuate significantly, we cannot sufficiently strengthen the capital market's confidence in our future growth potential. It is vital to achieve both stable growth and high profitability, not through single-year hits, but through an appropriate combination of our product lineup and business models.

ROIC for FY2026/3 remained at a high level of 41.9% in the Pachislot & Pachinko Machines Business and stood at 9.2%, a level above WACC, in the Entertainment Contents Business. We have introduced a framework that determines the priority of investments based on ROIC monitoring, which we will make even more effective as we head into our next medium-term plan. It is vital to translate ROIC into the KPIs that people on the ground at each Group company work with on a daily basis, such as investment and returns in game development, sales growth in the structurally high-margin licensing business, and the ratio of digital sales in sales operations, rather than asking those on the front lines to think in terms of ROIC itself. ROIC will be used as more than a mere measurement index and will instead be applied to investment decisions, business operations, and resource allocation to improve capital efficiency across the Group.
(Management Conscious of Cost of Capital and Stock Price ⇒ P. 32)

ROIC trend by business



* ROIC by business: Adjusted profits by business/Investment capital by business

Bringing out the full creative potential of our human capital

It is our human capital that implements our strategy and turns investments into results. The Group's ranks of culturally diverse human resources have grown to more than 900 people, or roughly 20% of all employees, as we work to grow this talent pool for global business expansion. We have also made career development for women a priority indicator as we work to create an environment where women can work with peace of mind and fully demonstrate their abilities. The ratio of female managers has also surpassed 8%, and both of these figures already far exceed our 2030 targets. In our next medium-term plan, we will continue to strengthen our human capital by redesigning our targets alongside initiatives to make more strategic use of this talent. We will also evolve our human capital portfolio by incorporating AI and other technologies into skill sets, as we will be required to improve operational efficiency and develop new business models using AI. Also, the Group has placed strong focus on engagement from an early stage, translating the results into improvements to our HR system, working conditions, and more. Across the Group, we achieved our target of 58 points, originally set for FY2031/3, ahead of schedule in FY2026/3. We will also continue to make education investments centered on SEGA SAMMY College.

We will continue to carry out a range of human capital initiatives, aiming to build a corporate group where employees, regardless of gender or nationality, can bring energy and enthusiasm to their work and find fulfillment in their roles.

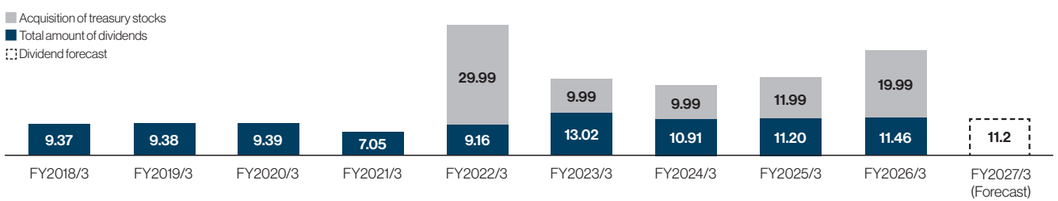
Overcoming challenges to reignite profit growth

The SEGA SAMMY Group was created when Chairman Hajime Satomi, the founder of Sammy, merged the company with SEGA, which had a global brand and business foundation, in pursuit of his goal to deliver entertainment to the world. At the same time, expanding our potential as a comprehensive entertainment company group also poses the challenge of dispersing our management resources.

Through structural reforms such as our withdrawal from the Amusement Center Operation Business and the Resort Business, the Group has optimized its business portfolio and concentrated management resources on our core businesses. As the head of corporate planning, I took part in this process and feel that the Group's portfolio management has grown stronger since around this time. Sammy's Pachislot & Pachinko Machines Business continues to support the Group through the stable cash generation due to high ROIC leveraging its strong competitiveness. SEGA's operating income, under ¥10.0 billion at the time of the merger, has grown to around ¥40.0 billion today thanks to the strength of its IPs, its outstanding development capabilities, and a globally competitive brand, with the Entertainment Contents Business expected to post a record ¥42.5 billion in profit under our forecast for FY2027/3. With our core business foundation steadily growing stronger, I believe it is now important to firmly address the challenges identified in our current medium-term plan and demonstrate our progress through tangible results, one by one. As Group CFO, I will drive this forward, bringing our strategy, our human capital, and our financial and capital policies together in an optimized way. We thank you for your continued support.

Trend of shareholder return amounts

(Billions of yen)



	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3	FY2027/3 (Forecast)
Shareholder return amounts	**¥9.37 billion**	**¥9.38 billion**	**¥9.39 billion**	**¥7.05 billion**	**¥39.15 billion***1	**¥23.02 billion***2	**¥20.91 billion***3	**¥23.20 billion***4	**¥31.45 billion***5	**Approx. ¥11.2 billion***6
Cash dividends per share	Interim: ¥20 Year-end: ¥20	Interim: ¥20 Year-end: ¥20	Interim: ¥20 Year-end: ¥20	Interim: ¥10 Year-end: ¥20	Interim: ¥20 Year-end: ¥20	Interim: ¥20 Year-end: ¥39	Interim: ¥23 Year-end: ¥27	Interim: ¥25 Year-end: ¥27	Interim: ¥27 Year-end: ¥28	Interim: ¥27 Year-end: ¥28
DOE*7	**3.0%**	**3.1%**	**3.1%**	**2.4%**	**3.1%**	**4.2%**	**3.3%**	**3.0%**	**3.1%**	**3.0% or more**
Total return ratio*8	**105%**	**355%**	**68%**	**553%**	**106%**	**50%**	**63.3%**	**51.5%**	—*9	**50% or more**

*1 The acquisition period for treasury stock was from November 9, 2021 to April 19, 2022. *2 The acquisition period for treasury stock was from May 1, 2023 to December 22, 2023. *3 The acquisition period for treasury stock was from September 2, 2024 to September 20, 2024. *4 The shareholder return includes the amount paid for dividends for the officer remuneration BIP trust and the stock-granting ESOP trust. The DOE and total return ratio are calculated on the basis of this total amount of dividends. The acquisition period for treasury stock was from June 2, 2025 to June 20, 2025. *5 The acquisition period for treasury stock was from February 16, 2026 to March 23, 2026. This includes ¥19.99 billion in treasury stock acquired in connection with the strategic investment revisions. *6 As the initial dividend forecast is provisionally calculated based on a DOE of 3%, the dividend forecast for FY2027/3 is ¥55 per share for the full year (interim dividend of ¥27 and year-end dividend of ¥28), with the resulting shareholder return amount expected to be approximately ¥11.2 billion. If calculated based on a total return ratio of 50%, and given that profit attributable to owners of parent under the FY2027/3 operating results forecast announced today is ¥32.5 billion, the shareholder return amount would be approximately ¥16.2 billion. * The actual shareholder return amount and method may vary depending on the progress of performance and similar factors. *7 DOE (Dividend on equity ratio) = Dividends/Net assets
*8 Total return ratio = (Total dividends paid + Total amount of treasury stocks acquired)/Profit attributable to owners of parent *9 Due to net loss for the fiscal year

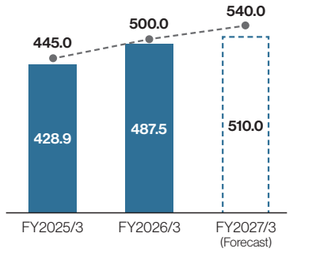
Progress of the Medium-Term Plan

Initial Plan vs. Final-Year Forecast

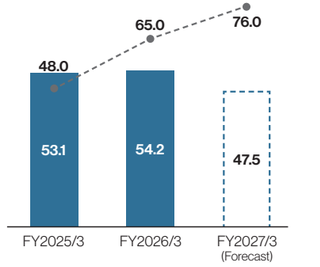
In the medium-term plan that started in the fiscal year ended March 2025, we set consolidated three-year cumulative adjusted EBITDA of over ¥230.0 billion and three-year average ROE of over 10% as our key management indicators to aim for, and have carried out a range of measures aimed at the Group's next stage of growth. However, due to factors such as the impairment losses recognized in the fiscal year ended March 2026 and changes in the business environment that were not anticipated when the plan was formulated, we now expect to fall short of our initial targets. We will respond earnestly to the challenges that emerged over the period of the medium-term plan and work to rebuild toward our next medium-term plan.

Current medium-term plan	Projected results
(FY2025/3–FY2027/3 three-year cumulative) **Adjusted EBITDA: Over ¥230.0 billion**	(FY2025/3–FY2027/3 three-year cumulative) **Adjusted EBITDA: Over ¥142.5 billion**
(FY2025/3–FY2027/3 three-year average) **ROE: Over 10%**	(FY2025/3–FY2027/3 three-year average) **ROE: 6.5%** **(FY2025/3: 12.2%; FY2026/3: -1.6%; FY2027/3: 8.9%)**

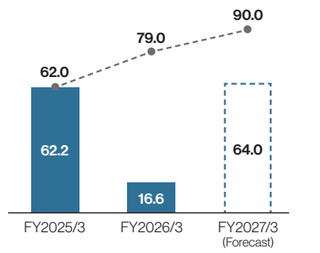
Sales (Billions of yen)



Ordinary income (Billions of yen)



Adjusted EBITDA (Billions of yen)



Results — Medium-term plan target (as of formulation) — Single-year forecast

Achievements and Challenges in FY2026/3

	Achievements	Challenges	Initial plan vs. forecast: Adjusted EBITDA (Three-year cumulative)
Entertainment Contents Business	• Growth of key domestic IPs (progress in globalization, and improved development capabilities centered on domestic studios) • Growth of the Transmedia Business	• Recognition of impairment losses at Rovio • Challenges in the sales capabilities of Full Game titles • Delayed launch and underperformance of new F2P titles for the global market	Plan: Over ¥180.0 billion Forecast: ¥107.3 billion
Pachislot & Pachinko Machines Business	• Generation of steady profit • Creation of multiple hit titles • Launch of the new cabinet	• Measures against approval risk for pachislot machines • Response to rising costs and production risk	Plan: Over ¥90.0 billion Forecast: ¥85.9 billion
Gaming Business	• Creation of hit titles in the gaming machine sales • Growth of PARADISE SEGASAMMY • Completion of acquisitions for entry into the online gaming business	• Recognition of impairment losses at Stakelogic • Profitability improvement at GAN/ Stakelogic	Plan: Positive Forecast: -¥21.9 billion

Future Policy

We will pursue growth strategies suited to the characteristics of each business while addressing the challenges that have emerged. In the Entertainment Contents Business, we will strengthen the rollout of titles centered on Full Game while maximizing IP value through strong Transmedia initiatives such as video adaptations and merchandising as we aim to establish a stable growth trajectory. In the Pachislot & Pachinko Machines Business, we will maintain our strong market competitiveness and reinforce our role as a stable revenue base supporting growth across the Group by continuing to steadily launch titles based on existing popular series and new IPs and strengthen product competitiveness. In the Gaming Business, we will steadily revitalize and improve profitability for our acquired companies while further strengthening our business foundation to provide B2B omnichannel solutions, leading to revenue growth from next fiscal year onward.

Business segment	Policy	Key initiatives/Strategy
Entertainment Contents Business	**Establish a growth trajectory centered on Full Game titles**	• Strengthening games at the core of our business • Further expansion of the Transmedia strategy P. 42
Pachislot & Pachinko Machines Business	**Maintain strong competitiveness and build a foundation for Group revenue**	• Initiatives to improve total utilization share • Efforts to revitalize the industry P. 46
Gaming Business	**Bottom out this fiscal year and return to growth from next fiscal year onward**	• Promoting GAN/Stakelogic business revitalization programs • Provide B2B omnichannel solutions P. 48

Reshaping the Growth Strategy for the Next Medium-Term Plan (FY2028/3 Onward)

Progress of the Medium-Term Plan (Adjusted EBITDA)

(Billions of yen)

	FY2025/3			FY2026/3			FY2027/3		
	Guideline	Results	Difference	Guideline	Results	Difference	Guideline	Forecast	Difference
Company-wide	**62.0**	**62.2**	**+0.2**	**79.0**	**16.6**	**-62.4**	**90.0**	**64.0**	**-26.0**
Entertainment Contents	50.0	48.1	-1.9	60.0	13.3	-46.7	70.0	52.5	-17.5
Pachislot & Pachinko Machines	26.5	24.2	-2.3	31.0	33.7	+2.7	33.0	27.5	-5.5
Gaming	-1.5	1.0	+2.5	1.0	-18.4	-19.4	1.5	-4.0	-5.5
Other/Eliminations	-13.0	-11.1	+1.9	-13.0	-12.0	+1.0	-14.5	-12.0	+2.5

Entertainment Contents Business

We aim to achieve steady earnings growth by strengthening game sales and expanding our Transmedia strategy.



Shuji Utsumi
Director, SEGA SAMMY HOLDINGS INC.
President and COO, Representative Director,
SEGA CORPORATION

Achievements and Challenges under the Current Medium-Term Plan

In the Entertainment Contents Business, we have steadily increased global sales through initiatives including simultaneous worldwide releases of consumer games, multi-platform development, and the active rollout of subscription services in collaboration with various platform providers. We have simultaneously applied continuous investment to strengthen our development and product capabilities, which has enabled us to establish a framework for consistently creating high-quality content. Under the current medium-term plan, we have accelerated our Transmedia expansion, leading to enhanced IP value and the creation of new revenue opportunities. These initiatives have helped our key IPs, represented by *Sonic*, *Persona*, and *Like a Dragon*, grow significantly on a global scale.

On the other hand, we recognize that there remains room for improvement in our sales capabilities to translate high-quality content into sales results, and that this represents a major challenge. We will aim to maximize lifetime sales of each game title going forward by strengthening data-driven digital sales, in addition to generating buzz through fandom (fan base) and expanding IP awareness.

In the GaaS area, Rovio's performance weakened, due in part to intensifying competition in the mobile game market. This resulted in the recognition of impairment losses in the fiscal year ended March 2026 (FY2026/3). We also faced other difficulties in this area, including the weak performance of the F2P title *Sonic Rumble Party* and the cancellation of Super Game development.

At Rovio, sales of its key mobile game *Angry Birds 2*, are already showing signs of recovery through ongoing updates, events, and other initiatives. We will continue to work to turn the business around by strengthening existing key titles and concentrating development resources on leading IPs such as *Angry Birds* and *Sonic*, promoting Transmedia expansion through collaboration with the SEGA Group, and implementing measures to increase profitability, including improving profit margins through the use of external payments and disciplined cost management.

For GaaS other than Rovio, we will review the investment allocation to this area while continuing to utilize the development assets and other resources we have accumulated in future projects. Going forward, we will focus on the development of Full Game to expand our medium-term to long-term revenue base, while continuing our GaaS initiatives after further pursuing selection and concentration.



Sonic Racing: CrossWorlds
©SEGA



Example of *Sonic* merchandising
©SEGA

Future Strategy

Strengthening Games at the Core of Our Business

As noted before, we will concentrate management resources on Full Game, which forms the core of the business, and further strengthen them. We will seek to maximize game sales by steadily advancing sales transformation and coordinating it with our Transmedia strategy, both centered on key IPs including *Sonic*, *Persona*, and *Like a Dragon*. At the same time, we will stabilize our revenue base by strengthening the operation of existing F2P titles while creating diverse revenue opportunities by leveraging external platforms such as subscription services.

Further Expansion of the Transmedia Strategy

We will continue to pursue our Transmedia strategy, in which high-potential IPs are developed primarily through games while also expanding into visual media, music, merchandising, location-based entertainment, and other areas, thereby simultaneously increasing user touchpoints and revenue to enhance IP value. In addition to the already successful *Sonic*, we will further expand Transmedia development for key IPs such as *Like a Dragon*, *Persona*, and *Angry Birds*.



Building Fandom through Game Enhancement and Transmedia Expansion

Starting with games that are the source of SEGA's revenue, we aim to expand title awareness and maximize sales results through collaboration with partners and influencers. We will also broaden touchpoints with our IPs through Transmedia expansion to further expand our fan base. By significantly growing our fan base through the twin engines of games and Transmedia, we will build a strong user base that supports not only increased sales of new Full Game titles but also catalogue sales of past titles and other content.



SEGA STORE TOKYO



Sonic the Hedgehog 3
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FY2026/3 left us with challenges, including difficulties in the GaaS area and the recognition of impairment losses for Rovio, but we also achieved solid results, including growth in our key IPs and expansion of the Transmedia business. We will contribute to enhancing the corporate value of the SEGA Group by sincerely addressing each of these challenges on our path while continuing to provide fans around the world with captivating experiences through SEGA's IPs.

Strengthening Games at the Core of Our Business

Strengthening Full Game for Key IPs and the Future Development Pipeline

In the fiscal year ending March 2027 (FY2027/3), we plan to launch four key titles, including *STRANGER THAN HEAVEN*, an entirely new title from RGG Studio (formerly Ryu Ga Gotoku Studio), and *Persona 4 Revival*, a remake of the fourth title in the globally acclaimed *Persona* series. We also plan to launch four or more key titles in the fiscal year ending March 2028, giving us an extensive development pipeline that will drive future growth. With this pipeline in place, we will firmly implement sales transformation to increase lifetime unit sales.

FY2027/3 Four Key Titles (including European IP Titles)



STRANGER THAN HEAVEN (Jan. 15, 2027)



Football Manager 27 (Nov 10, 2026)



Persona 4 Revival (Feb. 18, 2027)

* One other key title is scheduled for release

(Reference) Announced Title Lineup*



Crazy Taxi: World Tour (2027)



VIRTUA FIGHTER CROSSROADS (2027)



Persona 6



Total War: WARHAMMER 40,000



Total War: MEDIEVAL III



Alien: Isolation 2

* As of June 2026

Sales Transformation

Toward a Global Publishing Structure

We will strengthen our sales capabilities in three directions: marketing and sales strategies, data and technology, and organization and processes. Our efforts to improve organization and processes include integrating the publishing organizations previously divided between Asia (including Japan) and Europe and North America, and transitioning to a global organizational structure. In terms of data and technology, we have consolidated customer data and marketing expertise previously dispersed across regions and established a framework for data-driven sales and marketing activities based on common KPIs and databases beginning in FY2027/3.



From Conventional Advertising to Continuous Promotion Utilizing New Media

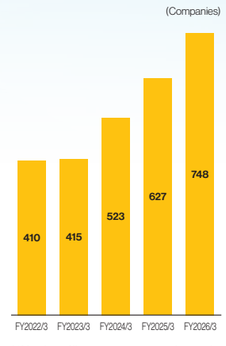
We previously relied on promotions that peaked around each new title's release date and marketing methods centered on traditional media. Going forward, we will expand IP awareness and our fan base by encouraging voluntary information sharing and generating early buzz through various social media platforms and collaborations with influencers. By conducting Transmedia expansion and promotions for past titles alongside occasions such as new title releases, we will expand revenue opportunities across the entire IP portfolio. We have already begun specific initiatives for *STRANGER THAN HEAVEN* and *Persona 4 Revival*. By starting marketing activities earlier than for past titles, we are creating touchpoints with users and working with partners and influencers to generate buzz. Wishlist numbers, one of the indicators we track, are progressing steadily at levels well above those of past titles in the series. By visualizing user interest before release and using those responses to inform subsequent promotions, we aim to build momentum for each title, establish a large fan base and cultivate high expectations by the time of release, and translate that into sales results. This is the sales transformation that we are pursuing. We will further strengthen these initiatives in preparation for the sales of major titles going forward.

Transmedia Strategy

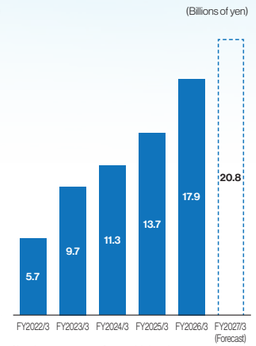
Licensing-out Business

Following the success of the *Sonic* movie series, both licensing revenue and the number of licensees have continued to grow globally. We will leverage the sales channels and partner network established through *Sonic* to further promote Transmedia expansion for other key IPs. Beyond the North American market which has driven growth to date, we will strengthen development in the Japanese and Asian markets. We are also pursuing a multifaceted roll-out of the *Angry Birds* IP beginning in January 2026, including licensing and merchandising, while leveraging the SEGA Group's global partner network, which we believe could contribute to sales growth in Asia. With these efforts, we will further enhance the value of each IP globally in ways best fitting its characteristics.

Trend in number of licensees*1



Licensing revenue trends*2



*1 Number of licensees represents the number of business partners from which sales were recorded during the fiscal year
*2 Excludes allocated revenue from the *Sonic* movies
* Rovio's licensing revenue for FY2024/3 to FY2026/3 is an approximate figure

Key Focus Areas for Transmedia Expansion

In Transmedia expansion, we will strengthen development of key IPs such as *Persona*, *Like a Dragon*, and *Angry Birds* in addition to *Sonic*, thereby strengthening our revenue base through multiple IPs. We will also expand touchpoints with licensees and strengthen relationships with them, seeking to develop new licensees and create business opportunities through events hosted by SEGA, such as licensing kickoffs for licensees, as well as by exhibiting at large-scale events such as Licensing Expo. We will strengthen store and location-based entertainment (LBE) development, including pop-up stores, permanent stores, and facilities operated under licensing-out arrangements, expanding touchpoints with fans and enhancing IP value.

Sonic is celebrating its 35th anniversary this year, and the *Sonic the Hedgehog 4* movie is scheduled for release in March 2027. *Persona* is also celebrating its 30th anniversary, while *The Angry Birds Movie 3* is scheduled for release in December 2026. We will further accelerate our Transmedia expansion going forward while leveraging these events and other opportunities.

Sonic 35th Anniversary





Persona 30th Anniversary



Angry Birds



The Angry Birds Movie 3

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Pachislot & Pachinko Machines Business

Leveraging highly competitive product development and promising IP titles, we will continue to take on the challenge of improving our total utilization share and revitalizing the industry



Ayumu Hoshino
Director, SEGA SAMMY HOLDINGS INC.
President and COO, Representative Director, Sammy Corporation

Achievements and Challenges in FY2026/3

In the fiscal year ended March 2026 (FY2026/3), sales of pachislot machines in particular were strong, driving an increase in both revenue and profit. Revival machines based on past hit titles, such as *Smart Pachislot Hokuto No Ken Chapter of Resurrection 2* released in the second half, were particularly well-received both for their faithful reproduction of the originals and for their new gameplay elements. Both sales and utilization grew significantly, including for titles that leveraged new IPs such as *Smart Pachislot Tokyo Revengers*. We believe we have significantly restored the market's trust in the Sammy brand as a result of this.

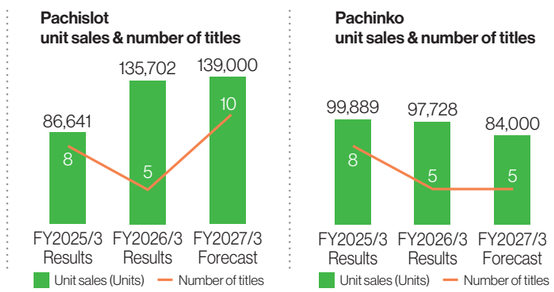
We also began introducing the new reel-exchangeable pachislot cabinets, described in more detail later, as a new initiative to help revitalize the industry and from March 2026, we started the reel unit sales of reel-exchangeable cabinets, offering only the parts needed for replacement. With these initiatives, we have been able to take concrete steps toward revitalizing the industry. We expect roughly 20% of pachislot machines sold to be through reel unit sales in the fiscal year ending March 2027 (FY2027/3), and we will continue to promote this initiative.



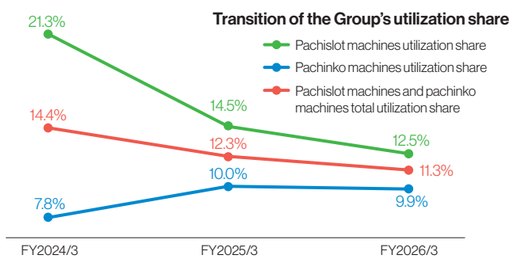
Smart Pachislot Hokuto No Ken Chapter of Resurrection 2



Smart Pachislot Tokyo Revengers



Our goal is to achieve the Triple Crown in the Pachislot & Pachinko Machines Business, which means capturing the top share in sales, installations, and utilization. The indicator we place the greatest importance on is utilization share, which encompasses manufacturers, pachinko halls, and users. As of the end of FY2026/3, our pachislot & pachinko total utilization share remained in fourth place, but utilization for titles launched from the second half onward has been very strong. We will continue our efforts to achieve the top position in total utilization share.



Ranking for total utilization share

FY2024/3		FY2025/3		FY2026/3	
Company S	21.1%	Company S	19.4%	Company S	21.7%
Company K	15.2%	Company K	15.6%	Company K	15.8%
Sammy	**14.4%**	Company S	12.5%	Company S	11.5%
Company S	12.8%	**Sammy**	**12.3%**	**Sammy**	**11.3%**

Source: In-house estimation based on DK-SIS data (Data for 4 yen pachinko and 20 yen pachislot) of Daikoku Denki Co., Ltd.

Basic Strategy

In addition to the *Hokuto No Ken* series, our signature IP for the Pachislot & Pachinko Machines Business, we have steadily expanded our use of other companies' IPs, establishing new popular series such as *Kabaneri of the Iron Fortress*. Going forward, we will continue our efforts to improve our total utilization share through leveraging the strong partnerships we have built with our IP holder partners, responding to market needs, and developing products from the user's perspective, while also promoting initiatives to revitalize the industry through our reel-exchangeable cabinets.

Initiatives to Improve Total Utilization Share

Acquiring Promising IPs and Establishing New Key Series

In the second quarter of FY2027/3, we launched *Smart Pachislot Lycoris Recoil*, a popular IP title that has drawn attention across the pachislot & pachinko machines industry. We are also working earnestly to develop titles based on other popular IPs, including the TV anime *SHANGRI-LA FRONTIER* and TV anime *OSHI NO KO*—the first titles in the industry to be adapted into pachislot & pachinko machines based on these IPs. To acquire and continuously secure licenses for promising IPs like these, we are committed to product development that draws out the full appeal of the IP while also focusing on improving IP value by pursuing measures such as investing in and sponsoring production committees for anime and other works. We are also proactively pursuing efforts to create touchpoints through promotions with our IP partners in order to expand awareness among users and IP fans and to promote play of the titles. By further strengthening our collaboration with original creators, publishers, and production committees and deepening our relationships of trust with them, we will continue to build a system that enables us to secure promising IPs on a stable basis. Through these efforts we will aim to establish a new key series to follow our existing key series. We will continue to offer a rich, powerful lineup including our key series and expand our touchpoints to increase our total utilization share.



Smart Pachislot Lycoris Recoil

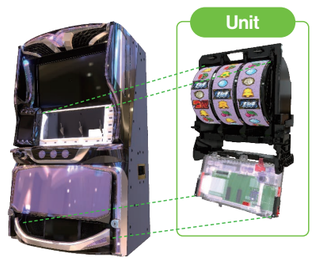
Competitive Product Development from the User's Perspective

In the Pachislot & Pachinko Machines Business, we have set up an in-house mock pachinko hall called "Parlor Sammy" to create an environment where employees can try out titles under development, and we use the frank opinions and ideas gathered there to refine our products. We also encourage employees to experience pachislot & pachinko and other entertainment on a daily basis. By introducing systems that support this, we have built a mechanism for feeding the insights and inspiration gained from these experiences back into product development. We believe that having employees who are themselves enthusiastic users makes it possible to carry out truly user-oriented planning and development, which can then serve as the source of the development capabilities that let us continually produce hit titles.

Efforts to Revitalize the Industry

Promoting the Reel-Exchangeable Cabinet and Achieving a Triple Win

At the same time, we are promoting the introduction of new reel-exchangeable pachislot cabinet that allows changeover to new titles by replacing only some parts, such as the reel unit. As the unit price of pachislot & pachinko machines continues to rise, wider adoption of this cabinet will enable manufacturers to contain sales prices while maintaining their existing gross margin levels. It will also enable pachinko halls to replace machines at lower costs than with conventional cabinets, reducing their cost burden. We believe this will enhance returns to users and improve the playing environment, ultimately contributing to the recovery and growth of the player population as a whole. We are aiming for a Triple Win structure in which pachislot & pachinko machine manufacturers, pachinko halls, and users all share in the benefits. We will continue working to further expand adoption of the reel-exchangeable cabinets and revitalize the market.



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Gaming Business

Solidifying our foundation for further growth through steady execution of business revitalization programs and accelerating the promotion of omnichannel strategy



Naoki Kameda
SEGA SAMMY CREATION INC.
President and Global COO,
Representative Director

Achievements and Challenges in FY2026/3



Super Burst Bouncing Lions
© SEGA SAMMY CREATION INC.

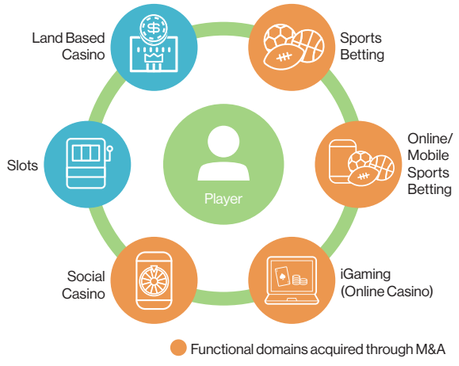
The fiscal year ended March 2026 (FY2026/3) was a year of significant progress toward advancing our omnichannel solutions strategy, with the completion of the acquisitions of GAN and Stakelogic, in addition to the steady growth in our existing gaming machine sales and PARADISE CITY. While sales increased from the consolidation of the two companies, operating losses also widened. Furthermore, Stakelogic experienced a significant decline in profitability as the market environment in the Netherlands, which accounted for the majority of its revenue, deteriorated faster than anticipated at the time of the acquisition due to tighter regulations. As a result, in addition to impairment associated with the downsizing of its business in the Netherlands, it recognized impairment losses for the full amount of goodwill and other assets. We take these results very seriously and will implement measures to achieve an early turnaround.

Growth of Existing Businesses

In gaming machine sales, increased unit sales, primarily in the North American market, enabled us to achieve an operating profit and year-on-year profit growth for the second consecutive year. Following our key title *Railroad RICHES*, the *Super Burst* series also showed strong utilization and received industry awards, demonstrating continued improvements in our product competitiveness. PARADISE CITY, one of Northeast Asia's largest integrated resorts, also steadily improved performance, delivering solid results, including record-high sales and profit since opening, in FY2026/3.

Complementing Functions for the Provision of Omnichannel Solutions

We have also worked to complement the functions needed to provide B2B solutions to casino operators for building an omnichannel environment that seamlessly connects land-based casinos with online gaming, for which demand has been increasing in recent years. GAN, which we acquired, primarily owns a tech stack (technical infrastructure) that supports B2B online casino and sports betting business, and also operates a B2C business through its Coolbet brand, while Stakelogic develops and provides online gaming content such as video slots and live casinos. With these two companies joining the Group, we now have all the key pieces of the value chain needed for the omnichannel strategy that we are pursuing, as shown in the diagram on the right. While GAN's B2C business has remained solid, primarily in Northern Europe and South America, its B2B businesses, including its platform business, are operating at a loss. As noted above, Stakelogic has also experienced a significant decline in profitability. Under these circumstances, we will first pursue business revitalization programs to rebuild the two companies and work to improve their performance.



Future Strategy

Promoting Business Revitalization Programs

At GAN and Stakelogic, we will strengthen their business foundations through the various measures under the business revitalization programs formulated for each company, with the aim of achieving a turnaround during the period of the next medium-term plan.

GAN Initiatives

At GAN, we will first promote system migration to "V2," its next-generation platform for social casino and other services. Migration to this platform is expected to significantly improve customer satisfaction through enhanced UI/UX and contribute to increasing operator revenue through its wide range of functions, offering the potential not only to retain GAN's existing customers but also to acquire new ones. At the same time, this will also lead to lower operating costs at GAN. In parallel, we are also reviewing the organization and fixed costs. We identified inefficient areas and streamlined the complex organization, carrying out organizational restructuring that included studio closures and workforce reductions. Going forward, we will steadily continue measures such as restructuring unprofitable businesses while prioritizing business strategies to rebuild the organization into one capable of concentrating investment on highly profitable projects.

Stakelogic Initiatives

At Stakelogic, we are similarly reducing fixed costs and reviewing unprofitable businesses, including closing the studio and reducing the workforce in its live casino business in the Netherlands. In content development, we are also narrowing its pipeline from approximately 60 titles per year to around nine, shifting the focus from quantity to quality to promote efficient business operations while creating new revenue sources, including by porting popular Group titles in land casinos, such as *Railroad RICHES*, to online. We will also work to establish a new live gaming revenue model through collaboration with other land casinos and expand into new markets outside the Netherlands. Through these measures, we will work to improve profitability while strengthening the business foundation for medium- to long-term growth.

Overall Business Revitalization Program

GAN	Stakelogic
1. Migration to the V2 platform	1. Eliminating loss sources
2. Organization and fixed cost review	2. Existing business strategic pivot and new revenue source development
3. Business strategy prioritization	3. New growth model design

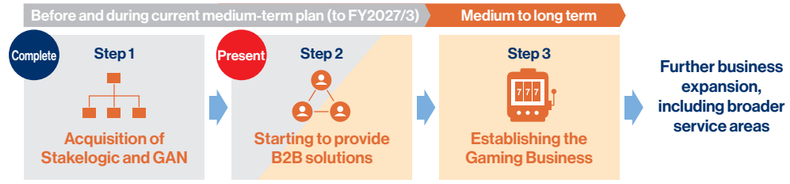
Strengthening Existing Businesses

In gaming machine sales, by shifting from the conventional outright sales model to a lease-centered business model, we will build a recurring and stable revenue base and further deepen relationships with casino operators. At PARADISE CITY, we are also expanding the customer base by attracting mass-market customers through the adjacent hotel acquired in 2026. We position the facility as an important customer touchpoint and leverage it to understand player needs and accumulate operational expertise, thereby enhancing the competitiveness of the Gaming Business as a whole.

Roadmap to Future Growth

Step 1 was completed in FY2026/3 and going forward, we will accelerate the planning and development of B2B solutions by combining the brand strength and our strong customer base of leading casino operators, including tribal casinos—both of which we have built through gaming machine sales—with GAN and Stakelogic's technologies and content. By creating synergies across those Group companies through the provision of comprehensive gaming services, we will unlock new revenue opportunities and strengthen our revenue base as we work to establish the Gaming Business as the Group's third pillar.

B2B omnichannel solutions provider



Human Resources Strategy

Developing People Who Can Create Captivating Experiences

Group Human Resources Strategy HCDGs

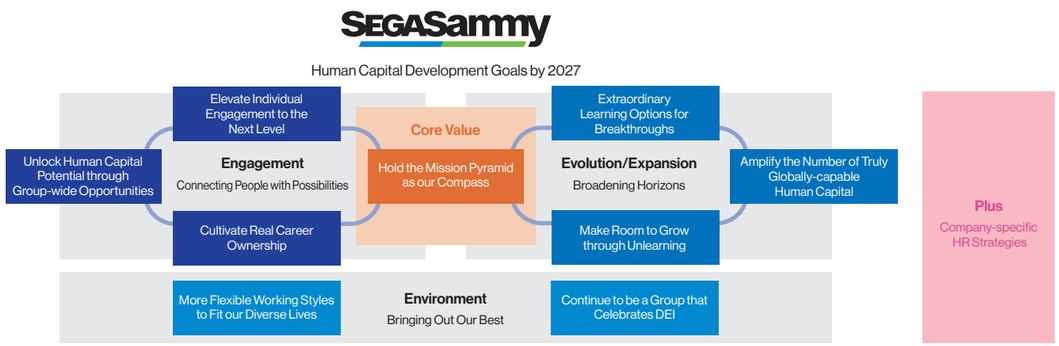
A Two-Tier HR Strategy that Supports the Challenges of the Group and Each Company

The SEGA SAMMY Group upholds "Captivate the World -Making Life More Colorful-" as its Group Mission/Purpose, and 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.

We established the Human Capital strategy, the Human Capital Development Goals (HCDGs), as a group-wide theme to foster the human capital, culture, and environment required to continuously fulfill our Purpose. Under this framework, we adopt a two-tier strategic structure that layers company-specific Human Capital strategies tailored to each business's unique characteristics (Tier 2) on top of HCDGs (Tier 1), which serves as our shared foundation.

HCDGs aim to advance fundamental transformation that brings about sustainability by addressing four interrelated themes in an integrated manner. 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.

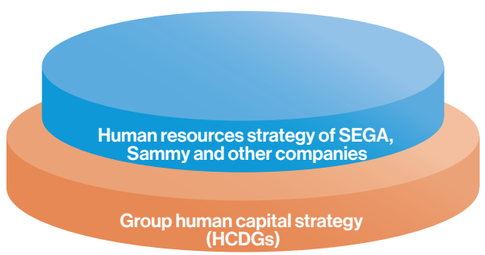
Through the realization of these HCDGs, we will enable all current and future challenges by SEGA SAMMY.



Category	Results for FY2026/3	2030 Targets (Announced in May 2022)
Culturally diverse*1 human capital	24.5% (957 people)	Approx. 900 people or more (Approx. 21% or more)
Percentage of female managers	8.8% (106 people)	Approx. 8% or more (Approx. 80 people or more)
Amount invested in education*2	Approx. ¥0.41 billion/year (Cumulative total: approx. ¥1.88 billion)	Average ¥0.45 billion/year (Cumulative total: ¥4 billion or more)
Engagement score*3	58.0 (Rating: A)	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 Cumulative investment from FY2023/3 to FY2031/3
*3 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



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 ideal profile of each individual in a shared values and sense of direction.

In a rapidly changing environment often known as VUCA (Volatility, Uncertainty, Complexity, Ambiguity), where each individual is required to make decisions in an autonomous and decentralized manner, MP serves as a key guiding principle.

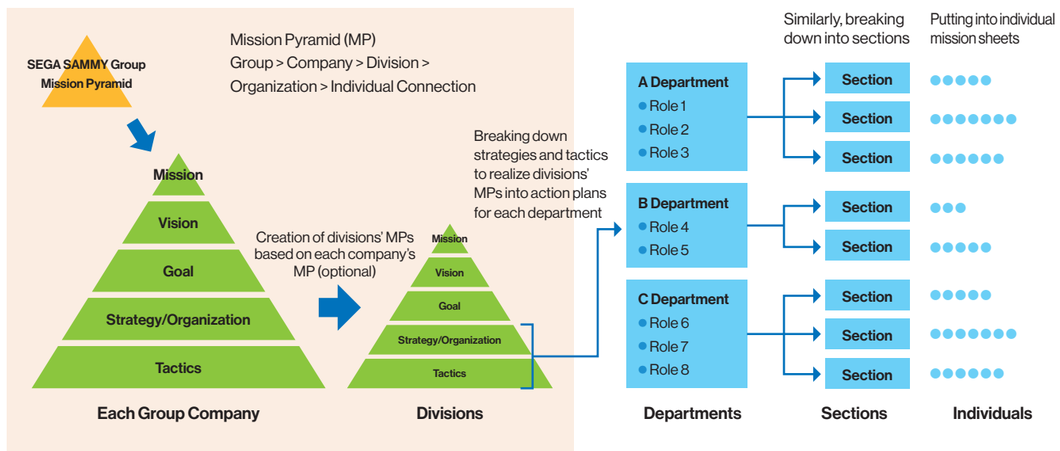
At the SEGA SAMMY Group, we are pursuing consistent initiatives to ensure this framework functions effectively and delivers results.

Through Level-Specific Training and onboarding for new graduates and mid-career hires at SEGA SAMMY College, we offer learning opportunities for all employees to grasp its intent and structure. At the same time, we design training programs to build the human capital required to fulfill each company's MP.

Linking MP with evaluation criteria across personnel system and award system is another key initiative to operationalize MP. Furthermore, we regularly measure the degree of penetration regarding MPs, and data demonstrates a clear correlation with employee engagement. This reinforces our view of MP as the central pillar of our HR strategy and a centripetal force that unites the diverse strengths of our human capital.



Top: Mid-career hire orientation, Bottom: New employee training



Human Resources Strategy

Engagement

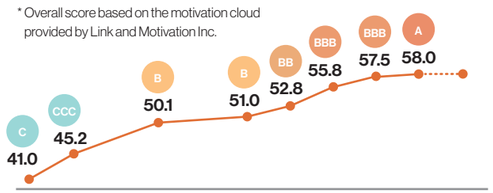
Connecting People with Possibilities

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 Game 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 58.0 pts (rating: A) as of FY2026/3, achieving the 2030 target of 58.0 pts (rating: A) five years ahead of schedule.

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."

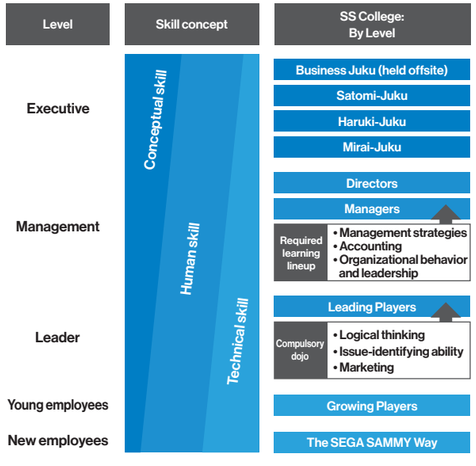
Score	33	39	42	45	48	52	55	58	61	67
Rating	DD	DDD	C	CC	CCC	B	BB	BBB	A	AA	AAA

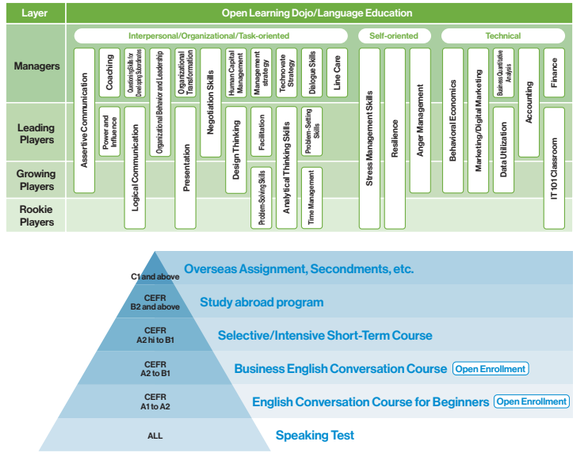
Evolution/Expansion

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 78,000 participants by the end of March 2026. 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. Continuously 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.

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

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-affirming surgery, hormonal 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 Founder 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.

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/group-sustainabilitymateriality/human/

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	Gap	Priority issues	Priority measures and KPIs	Outcome
Be a Game Changer ● Establishing a global brand	**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 initiative ● Promoting Transmedia strategy ● Rebuilding European CS business	**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 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
		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-level 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	

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	Gap	Priority issues	Priority measures and KPIs	Outcome
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	**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	**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

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. The initiative currently applies to around 60% of all employees, aiming to further improve quality and strengthen our systems.



Addressing Addiction and Gaming Disorders

Initiatives for Addiction

The SEGA SAMMY Group, which captivates the world, 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.

● Main Activities

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

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.

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

Promotion and Enhancement of the Self-Exclusion and Family-Requested Exclusion Program

As part of industry-wide efforts to help prevent addiction in pachinko and pachislot, the industry has been promoting the introduction of the Self-Exclusion and Family-Requested Exclusion Program at pachinko halls. By enrolling in this program, players can set limits in advance based on self-declaration, such as a daily spending cap, a maximum number of plays per day, a monthly limit on visits to pachinko halls, and restrictions on entry. If these limits are exceeded, staff at pachinko halls provide support, including requesting that the player leave the pachinko halls. Under the family-requested option, family members can also apply measures to restrict a player's entry to pachinko halls. In line with regulatory developments, efforts to promote the use of this program have progressed, and as of the end of March 2026, the program has been introduced in approximately 96% of pachinko halls.

This program is being promoted alongside the "Smart Play Style" initiative, which aims to encourage responsible and balanced ways of playing.

Implementation of Standardized Awareness Messaging and Promotion of Pachislot and Pachinko Machines Considering Addiction

Standardized awareness messages established by the pachinko and pachislot industry, such as "Pachinko and pachislot are the entertainment to be enjoyed moderately" and "Be careful not to become overly absorbed" are displayed on pachislot and pachinko machine screens and posters. In addition, efforts are being made to promote the adoption of pachislot and pachinko machines that incorporate stricter pay-out regulation, as well as smart pachislot and pachinko machines that allow players to easily check information such as pay-out data. This information is managed by the pachislot and pachinko machine information center and is expected to help prevent fraudulent activities and addiction. As of the end of March 2026, the installation rate of Smart Pachinko machines stood at approximately 25%, while Smart Pachislot machines reached approximately 59%.

For other initiatives related to addiction, please visit our website.
https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/addiction/

Scenario Analysis Based on TCFD

Governance

As an organization to discuss and deliberate on the basic policies and important 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 Audit and Supervisory Committee members 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 by the TCFD. The Company's Corporate Planning Division is in charge of the secretariat.

Sustainability Governance System P. 75

Strategy

To understand 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 significantly 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 stricter climate change-related regulations and apply carbon taxes to greenhouse gas emissions.	Small
			Medium/ Long-term	● If regulations related to climate change are strengthened, and a carbon tax is introduced for greenhouse gas emissions, the carbon tax will be passed on to procurement prices, including plastics and so on, increasing procurement costs.	Large
	Resources Efficiency	Reduction of parts, materials, and packaging through environment-focused changes to marketing formats	Medium/ Long-term	● Transforming the online sales of games and sales of pachislot and pachinko machines into environmentally conscious sales forms will decrease costs, such as reducing parts and packaging materials.	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 the importance based on the impact assessment criteria using internal indicators.

Indicators and Targets

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

We have established greenhouse gas emissions (Scope 1, 2, 3) as an indicator 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 work on calculating the greenhouse gas emissions of the entire group since the fiscal year ended March 2015.

*For FY2025/3, we have obtained third-party assurance from SOCOTEC Certification Japan for Scope 1, 2, and 3 greenhouse gas emissions.

For disclosure based on TCFD Recommendations, please visit our website.
https://www.segasammy.co.jp/en/sustainability/group-sustainabilitymateriality/environment/tcfd/