Gaming Business

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



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Achievements and Challenges in FY2026/3



Super Burst Bouncing Lions
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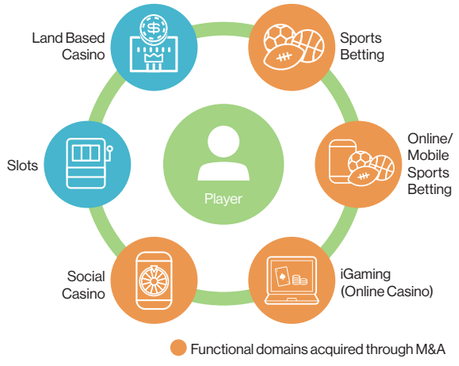
The fiscal year ended March 2026 (FY2026/3) was a year of significant progress toward advancing our omnichannel solutions strategy, with the completion of the acquisitions of GAN and Stakelogic, in addition to the steady growth in our existing gaming machine sales and PARADISE CITY. While sales increased 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

