



Governance

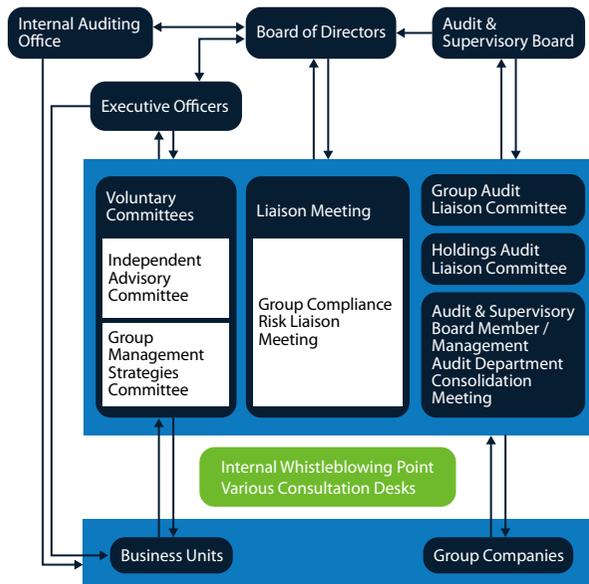
Strengthening Corporate Governance System / Compliance

Strengthening Compliance

SS Corporate Governance System

The Group regards corporate governance as the most important foundation for facilitating sustainable corporate behavior. The Group's basic policy is to improve efficiency, ensure sound management, and enhance the transparency of corporate management. Decisions on important management matters are based on this policy. Compliance programs based on our Group Code of Conduct and Group Management Policy foster consistent employee compliance with business ethics and regulatory requirements.

Schematic diagram of corporate governance system



[Click here for an overview of the corporate governance structure](#)

SS Raising Compliance Awareness

We conduct educational activities designed to raise employee awareness of and understanding about compliance. Compliance seminars, which are presented by instructors from within and outside of the Group, were quickly switched to a full remote basis in anticipation of the spread of COVID-19. Other educational activities geared toward the “new normal” environment include e-learning programs, the email newsletter, and “Compliance Improvement Month” activities. In particular, we have been working to eradicate harassment in the workplace by holding seminars on this issue, especially for executives. We have also drawn attention to the problem by including quarterly special features about harassment in our email newsletter, and by distributing case studies about harassment cases within the Group in cartoon format.

Compliance seminars

	Sessions	Participants	Companies
New executive officers	1	13	Group companies, including SEGA SAMMY HOLDINGS, SEGA Group, SEGA TOYS, TMS ENTERTAINMENT
Current executive officers	2	118	
Total		131	
General employees	34	1,361	18 Group companies
Executive officers	59	849	
Total		2,210	

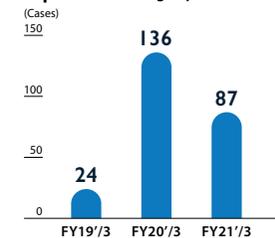
Harassment seminars

	Sessions	Participants	Companies
General employees	4	64	18 Group companies
Executive officers	16	297	
Total		361	

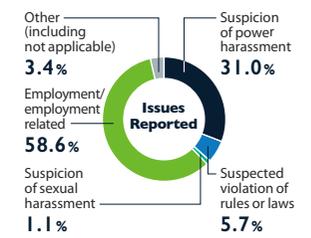
SS Whistleblowing System

We are making Group-wide efforts to raise awareness about the whistleblowing system and lower barriers to reporting matters that affect the general good. We have also taken steps to create an environment in which employees can more easily seek advice about issues, including a decision in 2019 to establish an advice desk in an independent organization in order to ensure a high level of anonymity.

Number of whistleblowing reports (including requests for advice)



Types of issues reported (FY2021)



SS Exclusion of Antisocial Forces

The SEGA SAMMY Group Code of Conduct clearly mandates the exclusion of any relationship whatsoever with antisocial forces. We also include clauses in contracts with suppliers excluding the involvement of antisocial forces. In addition, we have introduced a screening system to check whether suppliers are associated with antisocial forces. We work as an organization to counter approaches from antisocial forces in cooperation with law firms, the police, and other external organizations.

[Click here for other initiatives, including anti-corruption efforts](#)



Governance

Strengthening Corporate Governance Structures

Status of Risk Management

SS Risk Management

We are continually considering countermeasures against potential risks that could prevent us from maintaining our business operations or improving corporate value. As a business group determined to earn the trust of society, we make the greatest possible efforts to minimize impacts on our stakeholders by limiting losses resulting from risk factors.

As part of our preparedness for crisis situations, we have formulated the SEGA SAMMY Group Crisis Management Rules. We also develop and maintain rapid response capabilities to ensure timely action when major crises occur.

Our response to the prolonged COVID-19 pandemic that began in 2020 has included the adoption of a common policy for the entire Group. Under that policy, all Group companies have worked together to ensure the health and safety of employees by preventing infections, while also fulfilling our social responsibilities as an entertainment company by maintaining our business activities. During the summer of 2021, we have operated a workplace vaccination program for Group employees and their families, and also for our business partners and others. Approximately 9,000 people have been fully vaccinated under this program.



People receive COVID-19 vaccinations in the workplace.

SS Intellectual Property Management

We regard intellectual property as a vital management resource that plays a key role in enhancing business competitiveness, and we have established related policies for each business area. We are working to raise awareness of intellectual property in various ways, including the dissemination of the latest information about competitors and other factors through seminars and briefings tailored to seniority levels and work categories.

In the Entertainment Contents Business, the Intellectual Property Department formulates and implements intellectual property strategies in collaboration with the relevant units, allowing the entire Group to acquire and utilize intellectual property actively and strategically. In particular, we have strategically and economically enhanced protection of brand elements, including house marks, game titles, and characters, by building a global trademark portfolio through the use of trademark rights and the active use of international registration systems. Our approach has been showcased by the World Intellectual Property Organization (WIPO) as a positive example (more details here). [For details](#) We are also maintaining and enhancing our brands through an active program of global countermeasures against counterfeiting and infringement.

In the Amusement Machine Business, we carry out intellectual property searches as part of a comprehensive risk assessment process at each stage of research and development. We are also building strategic intellectual property portfolios for each technical field and working to ensure effective use of those assets, including the filing of over 500 patent applications every year.

In new business areas, we prepare for secure business development by first carrying out comprehensive technology searches and intellectual property due diligence. We also actively protect our own technological strengths, while working to enhance our corporate competitiveness.

SS Information Security

The SEGA SAMMY Group regards all information, including customer data, as well as management and marketing information, as valuable assets. We have established a range of policies concerning information, such as the Group Information Management Policy, Group IT Security Policy, Group Personal Information Protection Policy and Rules on Information Management. We have also taken steps to strengthen our information management structures, including the creation of forums for staff from different Group companies to share information and discuss measures to strengthen Group-wide initiatives.

In fiscal 2021, the Group implemented various measures to mitigate the risks associated with the growing shift to remote working.

- Formulation and publication of "Remote Work Security Guidelines" (July 2020)
- Provision of remote working security education program on the intranet, etc. (August 2020)
- Creation and distribution of a *manga* book to raise awareness about remote working (November 2020)
- Implementation of a training program targeted email attacks (February 2021)

A *manga* book focusing on remote working

