

November 8, 2021

(Translation)

Dear all,

Name of Company: SEGA SAMMY HOLDINGS INC.
 Name of Representative: Haruki Satomi,
 President and Group CEO,
 Representative Director

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Makoto Takahashi,
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 Executive Officer,
 Managing Director of
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Notice of Revision of Operating Results Forecast

SEGA SAMMY HOLDINGS INC. (the "Company") hereby notifies that it has revised its full-year operating results forecast announced on May 13, 2021 as follows.

Description

Revisions to full-year consolidated operating results forecast for the fiscal year ending March 2022 (April 1, 2021 to March 31, 2022)

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (Yen)
Previously announced forecast (A)	312,000	20,000	20,000	14,000	59.55
Revised forecast this time (B)	305,000	23,000	21,500	15,000	63.78
Amount of increase or decrease (B-A)	(7,000)	3,000	1,500	1,000	—
Rate of increase or decrease (%)	(2.2)	15.0	7.5	7.1	—
(Reference) Operating results for the previous fiscal year (Fiscal year ended March 31, 2021)	277,748	6,553	1,715	1,274	5.42

(Reference: per Segment Breakdown)

Full-year operating results forecast for the year ending March 2022

(Million yen)

Segment		Previously announced forecast (A)	Revised forecast (B)	Amount of increase or decrease (B-A)
Net sales	Total	312,000	305,000	(7,000)
	Entertainment Contents Business	213,000	230,000	17,000
	Pachislot and Pachinko Machines Business	89,000	65,000	(24,000)
	Resort Business	9,500	9,500	—
	Others/Eliminations, etc.	500	500	—
Ordinary income	Total	20,000	21,500	1,500
	Entertainment Contents Business	25,000	32,500	7,500
	Pachislot and Pachinko Machines Business	9,000	2,500	(6,500)
	Resort Business	(5,000)	(6,500)	(1,500)
	Others/Eliminations, etc.	(9,000)	(7,000)	2,000

■ Reasons for the revision to full-year consolidated operating results forecast

We revised the full-year consolidated operating results forecast due to major changes in per segment forecast, although the differences from the total of previous forecast are minor. In the Pachislot and Pachinko Machines Business, we revised the plan for the unit sales due to the emergence of global components procurement risks, including semiconductors. On the other hands, the Entertainment Contents Business is performing well, and as a result, profits at each stage are expected to exceed the previously announced forecast.

The status by business segment is as follows.

(Entertainment Contents Business)

In the Consumer area, we expect to exceed previous forecast due to the continuing strong performance of both new and repeat titles in full games, as well as the planning of recording royalty income and other income from some titles. In addition, as each area other than the Consumer area is also performing well, both net sales and ordinary income are expected to exceed the previous forecast.

(Pachislot and Pachinko Machines Business)

The Company has revised its full-year unit sales plan to 67,000 units for pachislot (from the previous forecast of 101,000 units) and 77,000 units for pachinko (from the previous forecast of 103,000 units) due to the impact of the components procurement risks including global shortage of semiconductors. Both net sales and ordinary income are expected to fall short of the previous forecast, as the fixed cost reduction effects from the structural reforms implemented in the previous fiscal year are not enough to offset the impact of the decrease in sales volume, although these reduction effects are still higher than the previous forecast.

(Resort Business)

The recovery of profit at "Paradise City" is delaying compared to the initial forecast due to the continuing travel restrictions of overseas and expect the increase of equity in losses of affiliates from this. As a result, the ordinary losses are expected to increase from the previous forecast.

*The operating results forecast and other figures contained in this document are made based on information available as of the date of publication of this document. Actual results may differ from the projected figures due to various factors going forward.

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