

FY Ending March 2020 2Q Results / Appendix

October 31, 2019

[Disclaimer]

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These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

Results Highlights

2Q Results

Forecast

Consolidated Business

- ◆ Profits increased while sales decreased YoY
- ✓ Sales decreased mainly due to the decreased sales unit in Pachislot and Pachinko machines
- ✓ Profits increased because of the strong performance in Entertainment Contents Business centered on Digital Games area.

- ◆ As several major titles will be launched in each segment in stages, need to carefully observe the sales status.

Pachislot and Pachinko Machines Business

- ◆ Sales unit decreased YoY while profitability improved.
- ✓ Pachislot: Launched “Pachislot AnoHana: The Flower We Saw That Day”
- ✓ Pachinko: Launched a major title “P Hokuto No Ken 8 Haou”

- ◆ Release major titles in line with the increase in demand for replacement of Pachislot in 3Q but need to closely observe the sales status.
- ✓ Pachislot: Launch major titles such as “Pachislot Hokuto No Ken Tenshou,” “Pachislot Psalms of Planets Eureka Seven 3 HI-EVOLUTION ZERO” and etc.
- ✓ Pachinko: Release multiple titles including “P GAOGAOKING 3”

Entertainment Contents Business

- ◆ Strong performance overall in business segment centered on Digital Games area.
- ✓ Recorded revenues from offering titles in Digital Games area
- ✓ Expenses of Digital Games area decreased due to impairment loss recorded in previous fiscal year
- ✓ Sold “Mega Drive Mini,” etc and sales of new tiles and repeat titles performed solidly in Packaged Games area

- ◆ Need to observe the sales trend as multiple new major titles are scheduled to be launched in 3Q mainly in Packaged Games area

Resort Business

- ◆ Profitability of PHOENIX RESORT improved, while expenses for domestic Integrated Resort (IR) increased, resulting increase of sales and losses

- ◆ Continue efforts to improve profitability of existing facilities
- ◆ Expect increase of expenses as the actions required for participating domestic IR will be activated

Consolidated Income Statements (Summary)

| (JPY Billion) | 2019/3 | | | | 2020/3 | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | Forecast |
| Sales | 68.8 | 171.0 | 250.3 | 331.6 | 72.7 | 165.5 | 390.0 |
| Pachislot and Pachinko Machines | 21.5 | 58.6 | 76.1 | 101.4 | 17.1 | 44.1 | 120.0 |
| Entertainment Contents | 45.0 | 107.2 | 166.2 | 219.6 | 53.0 | 115.8 | 259.0 |
| Resort | 2.3 | 5.1 | 7.9 | 10.5 | 2.4 | 5.5 | 11.0 |
| Operating Income | 0.9 | 10.2 | 11.9 | 13.0 | 3.4 | 14.6 | 27.0 |
| Pachislot and Pachinko Machines | 1.7 | 9.6 | 9.6 | 13.4 | 1.3 | 7.8 | 29.0 |
| Entertainment Contents | 1.6 | 6.1 | 10.6 | 9.8 | 4.9 | 12.7 | 11.0 |
| Resort | -0.6 | -1.1 | -1.9 | -2.4 | -0.8 | -1.5 | -4.0 |
| Other / Elimination | -1.8 | -4.4 | -6.4 | -7.8 | -2.0 | -4.4 | -9.0 |
| Operating Income Margin | 1.3% | 6.0% | 4.8% | 3.9% | 4.7% | 8.8% | 6.9% |
| Non-operating income | 0.7 | 1.3 | 1.5 | 2.1 | 0.8 | 1.3 | 1.5 |
| Non-operating expenses | 0.9 | 2.3 | 4.4 | 7.7 | 1.9 | 3.3 | 5.5 |
| Ordinary Income | 0.6 | 9.1 | 9.0 | 7.4 | 2.3 | 12.6 | 23.0 |
| Extraordinary income | 0.0 | 1.7 | 1.7 | 8.2 | 0.0 | 0.0 | - |
| Extraordinary losses | 0.0 | 0.2 | 6.7 | 8.7 | 0.1 | 0.1 | - |
| Income before income taxes | 0.7 | 10.6 | 4.0 | 6.9 | 2.2 | 12.5 | 23.0 |
| Profit attributable to owners of parent | 0.3 | 6.7 | 0.6 | 2.6 | 1.7 | 9.8 | 15.0 |
| Dividends per share (JPY) | - | 20.00 | 20.00 | 40.00 | - | 20.00 | 40.00 |
| Earnings per share (JPY) | 1.44 | 28.60 | 2.90 | 11.27 | 7.32 | 42.05 | 63.90 |
| Net Assets per share (JPY) | 1,296.55 | 1,328.00 | 1,274.50 | 1,289.32 | 1,259.70 | 1,276.36 | - |

Costs and Expenses

| (JPY Billion) | 2019/3 | | | | 2020/3 | | |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | Forecast |
| R&D Expense / Content | 14.1 | 30.8 | 48.3 | 66.6 | 17.1 | 33.5 | 72.5 |
| Production Expense | | | | | | | |
| Pachislot and Pachinko Machines | 3.5 | 7.8 | 12.1 | 17.0 | 4.1 | 8.6 | 15.9 |
| Entertainment Contents | 10.6 | 23.2 | 36.4 | 49.9 | 13.0 | 25.0 | 56.6 |
| Resort | 0.0 | 0.1 | 0.1 | 0.2 | 0.0 | 0.0 | 0.0 |
| Other / Elimination | 0.0 | -0.3 | -0.3 | -0.5 | 0.0 | -0.1 | 0.0 |
| Cap-ex | 6.4 | 17.8 | 24.3 | 34.4 | 5.1 | 10.5 | 24.8 |
| Pachislot and Pachinko Machines | 0.8 | 3.0 | 3.7 | 5.0 | 0.9 | 1.8 | 4.7 |
| Entertainment Contents | 4.2 | 10.7 | 16.1 | 25.0 | 4.0 | 8.3 | 19.2 |
| Resort | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.2 |
| Other / Elimination | 1.4 | 4.1 | 4.4 | 4.3 | 0.2 | 0.3 | 0.7 |
| Depreciation | 3.9 | 7.4 | 10.8 | 14.5 | 3.6 | 7.3 | 13.6 |
| Pachislot and Pachinko Machines | 1.1 | 2.1 | 3.0 | 4.0 | 1.0 | 1.9 | 3.4 |
| Entertainment Contents | 2.3 | 4.3 | 6.4 | 8.6 | 2.1 | 4.2 | 8.4 |
| Resort | 0.2 | 0.4 | 0.6 | 0.8 | 0.2 | 0.5 | 1.0 |
| Other / Elimination | 0.3 | 0.6 | 0.8 | 1.1 | 0.3 | 0.7 | 0.8 |
| Advertising | 3.3 | 8.4 | 12.2 | 16.0 | 3.6 | 8.5 | 21.0 |
| Pachislot and Pachinko Machines | 0.4 | 0.9 | 1.3 | 1.6 | 0.2 | 0.8 | 2.8 |
| Entertainment Contents | 2.6 | 6.3 | 9.3 | 12.5 | 3.0 | 6.4 | 16.1 |
| Resort | 0.0 | 0.1 | 0.2 | 0.3 | 0.1 | 0.2 | 0.4 |
| Other / Elimination | 0.3 | 1.1 | 1.4 | 1.6 | 0.3 | 1.1 | 1.7 |

Consolidated Balance Sheet (Summary)

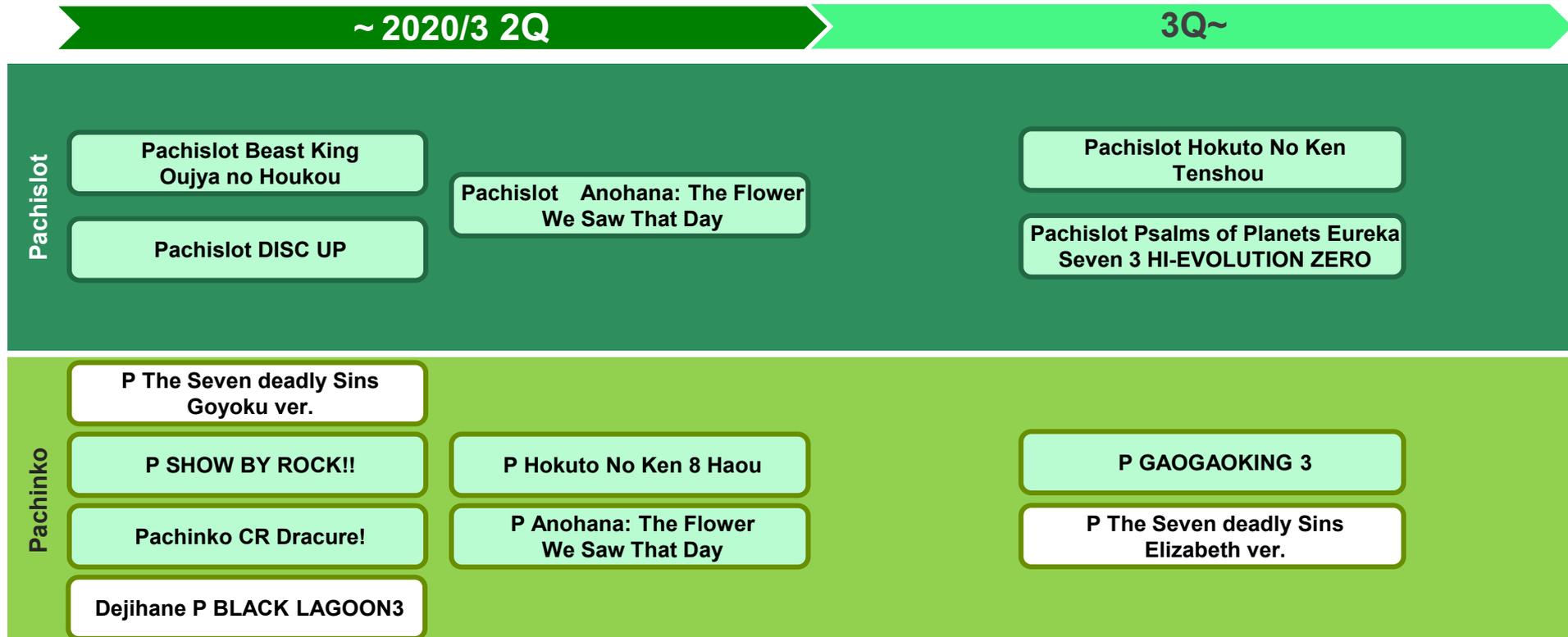
| (JPY billion) [Assets] | | | | [Liabilities and Net Assets] | | | |
|--------------------------------|-------------------------|-----------------------|--------------|--|-------------------------|-----------------------|--------------|
| Account | As of end of March 2019 | As of end of Sep 2019 | Change | Account | As of end of March 2019 | As of end of Sep 2019 | Change |
| Cash and Deposits | 137.4 | 82.4 | -55.0 | Accounts Payable | 24.7 | 27.7 | +3.0 |
| Accounts Receivable | 39.2 | 44.7 | +5.5 | Corporate Bonds | 12.5 | 10.0 | -2.5 |
| Securities | 14.5 | 33.2 | +18.7 | Short Term Loans Payable | 13.3 | 8.3 | -5.0 |
| Inventories | 50.0 | 58.7 | +8.7 | Other | 37.0 | 31.9 | -5.1 |
| Other | 19.3 | 19.6 | +0.3 | Total Current Liabilities | 87.5 | 77.9 | -9.6 |
| Total Current Assets | 260.4 | 238.6 | -21.8 | Corporate Bonds | 10.0 | - | -10.0 |
| Tangible Fixed Assets | 84.0 | 87.4 | +3.4 | Long Term Loans Payable | 40.3 | 36.1 | -4.2 |
| Intangible Fixed Assets | 15.2 | 16.5 | +1.3 | Other | 21.4 | 23.1 | +1.7 |
| Investment Securities | 73.4 | 63.5 | -9.9 | Total Noncurrent Liabilities | 71.7 | 59.2 | -12.5 |
| Other | 31.5 | 33.7 | +2.2 | Total Liabilities | 159.3 | 137.2 | -22.1 |
| | | | | Shareholders Equity | 294.8 | 300.7 | +5.9 |
| | | | | Total accumulated other comprehensive income | 7.8 | -1.0 | -8.8 |
| | | | | Warrants | 0.9 | 0.9 | - |
| | | | | Non-controlling interests | 1.7 | 1.9 | +0.2 |
| Total Noncurrent Assets | 204.1 | 201.1 | -3.0 | Total Net Assets | 305.3 | 302.5 | -2.8 |
| Total Assets | 464.6 | 439.7 | -24.9 | Total Liabilities and Net Assets | 464.6 | 439.7 | -24.9 |

Segment Results: Pachislot and Pachinko Machines

| (JPY Billion) | 2019/3 | | | | 2020/3 | | |
|---------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | Forecast |
| Sales | 21.5 | 58.6 | 76.1 | 101.4 | 17.1 | 44.1 | 120.0 |
| Pachislot | 3.1 | 4.5 | 11.0 | 24.7 | 7.0 | 11.1 | 48.8 |
| Pachinko | 13.9 | 45.8 | 52.3 | 59.9 | 5.5 | 23.8 | 59.0 |
| Other / Elimination | 4.5 | 8.3 | 12.8 | 16.8 | 4.6 | 9.2 | 12.2 |
| Operating Income | 1.7 | 9.6 | 9.6 | 13.4 | 1.3 | 7.8 | 29.0 |
| Operating Income Margin | 7.9% | 16.4% | 12.6% | 13.2% | 7.6% | 17.7% | 24.2% |
| Pachislot | | | | | | | |
| Number of Titles | 1 title | 1 title | 3 titles | 6 titles | 0 title | 1 title | 10 titles |
| Unit Sales (units) | 9,073 | 12,853 | 31,534 | 67,140 | 17,930 | 28,360 | 120,000 |
| Pachinko | | | | | | | |
| Number of Titles | 1 title | 3 titles | 5 titles | 7 titles | 2 titles | 4 titles | 9 titles |
| Unit Sales (units) | 40,997 | 117,891 | 136,670 | 159,848 | 16,212 | 66,140 | 164,000 |
| Board + Frame | 13,908 | 77,518 | 87,468 | 91,858 | 8,020 | 15,850 | 78,600 |
| Board | 27,089 | 40,373 | 49,202 | 67,990 | 8,192 | 50,290 | 85,400 |

■ Major Titles in 1-2Q and titles to be launched in and after 3Q, fiscal year ending Mar 2020

New title
Specification changed title



2020/3 2Q Major titles and number of units sold

| Pachislot title | Total sales | Installed from |
|---|-------------|----------------|
| Pachislot Anohana: The Flower We Saw That Day | 9,020units | 2019/8 |

| Pachinko title | Total sales | Installed from |
|---------------------------------------|-------------|----------------|
| P Hokuto No Ken 8 Haou | 31,749units | 2019/9 |
| P Anohana: The Flower We Saw That Day | 17,979units | 2019/8 |

Segment Results: Entertainment Contents Business

| (JPY Billion) | 2019/3 | | | | 2020/3 | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | Forecast |
| Sales | 45.0 | 107.2 | 166.2 | 219.6 | 53.0 | 115.8 | 259.0 |
| Digital Games | 9.0 | 19.3 | 29.4 | 40.8 | 11.9 | 23.6 | 43.0 |
| Packaged Games | 12.3 | 26.7 | 43.7 | 54.6 | 14.7 | 32.1 | 84.0 |
| Amusement Machine Sales | 9.6 | 28.3 | 40.9 | 54.7 | 10.1 | 24.7 | 55.0 |
| Amusement Center Operations | 9.4 | 20.7 | 30.7 | 40.9 | 10.4 | 22.0 | 44.0 |
| Animation / Toy | 3.6 | 10.2 | 18.3 | 24.5 | 5.0 | 11.7 | 30.0 |
| Other / Elimination | 1.1 | 2.0 | 3.2 | 4.1 | 0.9 | 1.7 | 3.0 |
| Operating Income | 1.6 | 6.1 | 10.6 | 9.8 | 4.9 | 12.7 | 11.0 |
| Digital Games | -0.4 | -1.4 | -2.7 | -1.9 | 2.3 | 5.6 | 2.0 |
| Packaged Games | 2.6 | 4.4 | 8.1 | 8.2 | 2.9 | 4.0 | 6.0 |
| Amusement Machine Sales | 0.2 | 2.3 | 3.0 | 1.5 | -0.7 | 0.2 | 0.5 |
| Amusement Center Operations | 0.5 | 1.9 | 2.2 | 2.6 | 0.7 | 1.9 | 2.5 |
| Animation / Toy | -0.3 | 0.9 | 2.1 | 2.5 | 0.3 | 1.7 | 2.5 |
| Other / Elimination | -1.0 | -2.0 | -2.1 | -3.1 | -0.6 | -0.7 | -2.5 |
| Operating Income Margin | 3.6% | 5.7% | 6.4% | 4.5% | 9.2% | 11.0% | 4.2% |
| No. of domestic amusement centers | 189 | 189 | 191 | 190 | 191 | 192 | 195 |
| YoY sales rate comparison of existing amusement centers | 104.2% | 104.5% | 104.2% | 104.0% | 109.0% | 103.6% | 104.4% |

Major Index / Digital Games (Digital Overall)

| | 2019/3 | | | | 2020/3 | |
|--|------------|-------------|-------------|-------------|-------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Sales (JPY Billion) | 9.0 | 10.3 | 10.1 | 11.4 | 11.9 | 11.7 |
| Domestic | | | | | | |
| Average MAU (Thousands, 3 months average)*1 | 6,880 | 5,420 | 4,690 | 7,900 | 5,940 | 5,750 |
| ARPMU (JPY) *2 | 1,123 | 1,507 | 1,581 | 1,029 | 1,423 | 1,297 |
| Share of sales for top 3 titles *3 | 46.2% | 43.1% | 38.1% | 41.7% | 32.4% | 30.7% |
| Overseas | | | | | | |
| Composition ratio of sales | 9.4% | 13.5% | 14.3% | 9.7% | 6.6% | 5.1% |
| Other indicators | | | | | | |
| Number of Titles (Domestic) | 25 | 24 | 25 | 23 | 20 | 21 |
| Number of New Titles (Domestic) | 3 | 1 | 2 | 2 | 1 | 3 |
| Ratio of advertising expense to net sales *4 | 11.7% | 10.4% | 9.1% | 9.3% | 6.9% | 5.9% |

TOP 3 Titles (Digital Game)

| Title | Release |
|-----------------------------|---------|
| 1. PHANTASY STAR ONLINE 2 | 2012/7 |
| 2. SEGA Pocket Club Manager | 2018/4 |
| 3. Puyo puyo!! Quest | 2013/4 |

*Changed the aggregation method for overseas' composition ratio of sales from fiscal year ending Mar 2020 and it has been reflected to the result of fiscal year ended Mar 2019 retroactively.

*Only free-to-play titles are covered for the calculation of number of titles under service, Domestic MAU, Domestic ARP MAU and number of downloads. (Pay-to-play models are not included.)

*1. Average MAU (Monthly Active Users) over 3 months

*2. Calculated from dividing sales by MAU (Monthly Active Users)

*3. Sales percentage for top 3 titles in sales

*4. Advertising expense percentage for total digital sales of each quarter

*Top three titles in domestic sales in the period of July-Sep 2019

| | 2019/3 | | | | 2020/3 | | Forecast |
|---|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | |
| Packaged Games: Number of Titles | 5 titles | 18 titles | 26 titles | 31 titles | 8 titles | 12 titles | 31 titles |
| Japan | 2 titles | 3 titles | 5 titles | 7 titles | 1 title | 2 titles | 10 titles |
| Asia | - | 3 titles | 6 titles | 7 titles | 3 titles | 4 titles | 10 titles |
| North America / Europe | 3 titles | 12 titles | 15 titles | 17 titles | 4 titles | 6 titles | 11 titles |
| Packaged Games: Sales in Units (Thousands) | 5,700 | 11,180 | 18,510 | 23,440 | 6,240 | 11,370 | 25,190 |
| Japan | 280 | 640 | 1,460 | 1,850 | 270 | 610 | 3,840 |
| New titles | 120 | 230 | 660 | 830 | 20 | 110 | 3,330 |
| Repeat titles | 160 | 410 | 800 | 1,020 | 250 | 490 | 510 |
| Asia | 120 | 370 | 590 | 770 | 240 | 420 | 1,490 |
| New titles | - | 30 | 150 | 190 | 130 | 190 | 1,010 |
| Repeat titles | 120 | 340 | 440 | 580 | 110 | 220 | 480 |
| North America / Europe | 5,300 | 10,170 | 16,460 | 20,820 | 5,730 | 10,330 | 19,860 |
| New titles | 730 | 1,620 | 2,610 | 3,070 | 2,150 | 3,240 | 6,350 |
| Repeat titles | 4,570 | 8,550 | 13,850 | 17,750 | 3,580 | 7,090 | 13,510 |
| Total New titles | 850 | 1,880 | 3,420 | 4,090 | 2,300 | 3,560 | 10,690 |
| Total Repeat titles | 4,850 | 9,300 | 15,090 | 19,350 | 3,940 | 7,810 | 14,500 |

2020/3 Major Titles

2Q titles

| | Release | Platform | Launched region |
|--|---------|--------------------------------|------------------------|
| Olympic Games Tokyo 2020 - The Official Video Game | 2019/7 | PlayStation®4/Nintendo Switch™ | Japan / Asia |
| Catherine: Full Body | 2019/9 | PlayStation®4 | North America / Europe |

Repeat titles

| | Platform | Launched region |
|-------------------------|--------------------|---------------------------------------|
| Total War series | PC | Japan / Asia / North America / Europe |
| Football Manager series | PC | Japan / Asia / North America / Europe |
| Yakuza series | PlayStation®4 / PC | Japan / Asia / North America / Europe |

Major Titles in 1-2Q and titles to be launched in and after 3Q, fiscal year ending Mar 2020

~ 2020/3 2Q

3Q ~

| | | |
|---------------|-----------------|---|
| Digital Games | Existing titles | <p>PHANTASY STAR ONLINE 2 (2012/7~)</p> <p>Puyo puyo!! Quest (2013/4~)</p> <p>CHAIN CHRONICLE 3 (2013/7~)</p> <p>Hortensia Saga (2015/4~)</p> <p>Magia Record : Puella Magi Madoka Magica Side Story (2017/8~)</p> <p>SHIN MEGAMI TENSEI Liberation Dx2 (2018/1~)</p> <p>SEGA Pocket Club Manager (2018/4~)</p> <p>BORDER BREAK (2018/8~)</p> <p>Ryu ga Gotoku ONLINE (2018/11~)</p> <p>IDOLA PHANTASY STAR SAGA (2018/11~)</p> |
| | New titles | <p>WONDER GRAVITY ~BEST BUDDY: PINO & GRAVITOR~ (2019/4~8)</p> <p>Fist of the North Star LEGENDS ReVIVE (2019/9 ~)</p> <p>Kemono Friends 3 (2019/9 ~)</p> <p>LEAGUE OF WONDERLAND (2019/9 ~)</p> |

Major Titles in 1-2Q and titles to be launched in and after 3Q, fiscal year ending Mar 2020

| | ~ 2020/3 2Q | 3Q ~ |
|-------------------------|--|---|
| Packaged Games | Total War: THREE KINGDOMS | PERSONA 5 ROYAL |
| | Olympic Games Tokyo 2020 - The Official Video Game | Football Manager 2020 |
| | Team Sonic Racing | Mario & Sonic at the Olympic Games Tokyo 2020 |
| | Mega Drive Mini | New Sakura Wars |
| | Judgment | 13 SENTINELS : AEGIS RIM |
| | | YAKUZA : LIKE A DRAGON |
| Amusement Machine Sales | < Existing titles > KanColle Arcade / StarHorse Series / Fate/Grand Order Arcade /WCCF FOOTISTA 2019 | |
| | mimai Series / O · N · G · E · K · I / CHUNITHM Series | |
| | CHUNITHM AMAZON PLUS | mimai DELUX |
| | Kemono Friends 3 Planet Tours | StarHorse4 |
| Animation /Toys | Detective Conan The Fist of Blue Sapphire | LUPIN THE 3rd THE FIRST |
| | Anpanman: Twinkle! Princess Vanilla of Ice Cream Land | |
| | Wonderful Channel | YUME-PETS "coming babies" series |
| | ANPANMAN" D.I.Y. Delivering SHOKUPANMANGO-CAR | WHO areYOU ? Real Rescue |

Segment Results: Resort Business

| (JPY Billion) | 2019/3 | | | | 2020/3 | | Forecast |
|------------------|--------|------------|------------|------------|--------|------------|----------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | |
| Sales | 2.3 | 5.1 | 7.9 | 10.5 | 2.4 | 5.5 | 11.0 |
| Operating Income | -0.6 | -1.1 | -1.9 | -2.4 | -0.8 | -1.5 | -4.0 |

<PHOENIX RESORT>

| | | | | | | | |
|-----------------------------------|------|------|------|------|------|------|------|
| Sales | 2.1 | 4.7 | 7.4 | 10.0 | 2.2 | 5.0 | 10.6 |
| Operating Income | -0.2 | -0.2 | -0.2 | -0.0 | -0.1 | -0.1 | 0.1 |
| No. of facility users (Thousands) | 168 | 418 | 608 | 812 | 189 | 454 | 837 |
| 3 accommodation facilities | 67 | 181 | 266 | 357 | 75 | 194 | 379 |
| 2 golf courses | 24 | 45 | 69 | 94 | 25 | 46 | 100 |
| Other facilities | 77 | 192 | 273 | 361 | 89 | 214 | 358 |

<PARADISE SEGASAMMY *>

| | 2019/3 | | | | 2020/3 | | Forecast |
|---------------------------------------|--------|------------|------------|------------|--------|------------|----------|
| | 1Q | Through 2Q | Through 3Q | Through 4Q | 1Q | Through 2Q | |
| Sales (Billion KRW) | 65 | 129 | 213 | 301 | 90 | 196 | - |
| Operating Income (Billion KRW)* | 0 | -1 | 0 | -20 | -7 | -12 | - |
| Number of casino visitors (Thousands) | 57 | 128 | 207 | 295 | 82 | 181 | - |

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

* Local accounting standards

Segment Results: Resort Business (Phoenix Seagaia Resort) **SEGA**Sammy



■Exterior



■Golf Course



■Convention Center

<Overview>

| | | |
|-----------------------------|---|---|
| Facility name | Phoenix Seagaia Resort | |
| Operating company | Phoenix Resort Co., Ltd. | |
| Facility address | 3083 Aza Hamayama, O-Aza Shioji, Miyazaki City, Miyazaki Prefecture | |
| Access | <ul style="list-style-type: none"> ■Miyazaki Airport 20-minute by car ■JR Miyazaki train station Approx. 25-minute by public bus(chargeable) 15-minute by car ■Express way Approx. 25-minute drive from Miyazaki Interchange | |
| Number of employees | 759 (as of September 30, 2019) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees) | |
| Site area | 2,511,144m ² | |
| Facility composition | Hotel | 950 rooms (Sheraton Grande Ocean Resort, Luxze Hitotsuba and Cottage HIMUKA) |
| | Golf Courses | 45 holes (Phoenix Country Club, Tom Watson Golf Course), Phoenix Golf Academy |
| | Convention Center | Approx. 5,500 m ² (capacity for approx. 5,000 people) |
| | Other Entertainment Facilities etc. | Spa, hot springs, fitness club, horse riding club, tennis court and wedding halls |



■Exterior

■Casino facility

■Lobby lounge (Hotel)

<Overview>

| | |
|-------------------------|--|
| Facility name | PARADISE CITY |
| Operating company | PARADISE SEGASAMMY Co.,Ltd. |
| Facility address | 186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea |
| Access to PARADISE CITY | <ul style="list-style-type: none"> ■3-minute drive by car or shuttle bus (free of charge) 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport ■Also a 5-minute drive from Incheon Interchange on the expressway |
| Number of employees | 2,803 (as of September 30, 2019) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees) |
| Site area | 330,000m ² |
| Investment amount | Approx. 1,567.5 billion KRW (amount invested by SEGA SAMMY: 331.9 billion KRW; shareholding ratio: 45%) |
| Facility composition | <ul style="list-style-type: none"> • Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units) • Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.) • Convention · SPA · CLUB · Boutique Hotel (58 rooms) • PLAZA (Commercial facility / cultural center, shopping mall) · WONDER BOX (for families) |

| | |
|--|---|
| Casino facility | Upper limit for square measures of gaming areas within casino facility is 3% of the total floor area of IR facilities |
| Facility No.1: International convention and conference facilities | Capacity of the largest international convention and conference room must be more than 1,000 people. Total capacity of whole international convention and conference facilities must be more than twice of the capacity of the largest international convention and conference room. |
| Facility No.2: Exhibition facilities | <p>Square measures of exhibition facilities must meet the standards according to the below tier based on capacity of the largest international convention and conference room.</p> <p>(Capacity of the largest international convention and conference room)</p> <ul style="list-style-type: none"> • More than 1,000 and less than 3,000 people ⇔ Total floor area of exhibition facilities: more than 120K m² • More than 3,000 and less than 6,000 people ⇔ Total floor area of exhibition facilities: more than 60K m² • More than 6,000 people ⇔ Total floor area of exhibition facilities: more than 20K m² |
| Facility No.3: Facilities enhancing the attractiveness of tourism | Theater, entertainment hall, concert hall, stadium, cinema, museum, gallery, restaurant and other facilities that contribute enhancing the attractiveness of Japanese tourism |
| Facility No.4: Facilities with customer transfer functions | Facilities satisfying below 4 conditions 1) showcase function, 2) concierge function, 3) multilingual support function, 4) sufficient facility scale |
| Facility No.5: Accommodation facilities | Total square measures for floor area of all guest rooms must be more than 100K m ² and facilities must have suite rooms with appropriate square measures and certain ratio of suite rooms. |
| Facility No. 6 Other facilities | Facility contributing to the promotion of visit and stay of domestic and inbound tourists |
| Other: Restriction of casino ads | Can applies only to places where foreign travelers can stay until they complete immigration procedures at airports operating international flights and passenger terminals of ports where foreign cruise ships are in service |
| Other: Transaction subject to report | Cash transactions exceeding 1 million yen between casino business operators and customers |

< APPENDIX : Overview of revision to the rules >

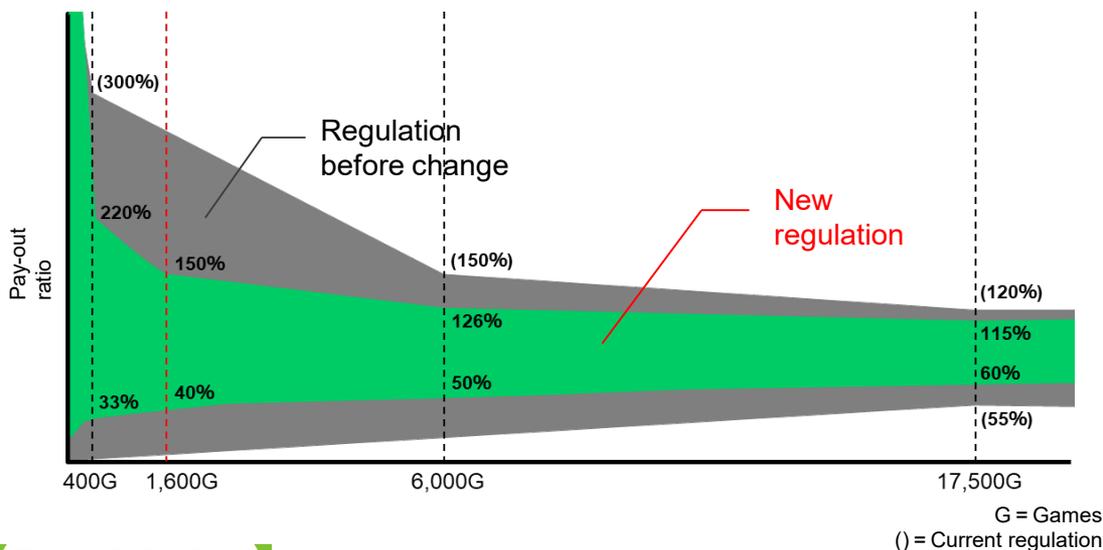
| | |
|---|---|
| Date of enforcement | February 1, 2018 |
| Pachislot and pachinko machine manufacturers | (1) Matters related to regulations of pay-out balls/medals (2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked (3) Introduction of “multi stage payout-ratio” to pachinko machines |
| Pachinko halls | (4) Addition of responsibilities of administrators |

- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

*(2) Able to play without touching balls and medals (record and pay-out electronically)

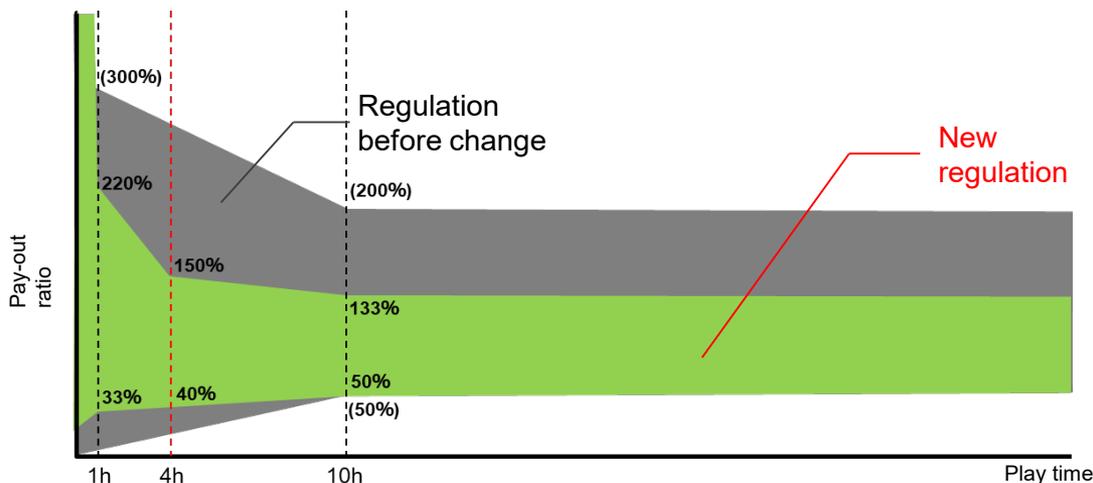
< APPENDIX : Comparisons of pay-out ratio (image) >

【Pachislot】



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

【Pachinko】



$$\text{Pay-out ratio} = \frac{\text{Balls and medals payed out}}{\text{Balls and medals used}}$$

< APPENDIX : Outline of revisions to regulations >

【Pachislot】

| Content | Test | | | | Multi stage payout-ratio | Number of pay-out medals when hitting a jackpot (Upper limit) |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|---|
| | 400G | 1,600G | 6,000G | 17,500G | | |
| Regulation before change | Less than 300% | – | Less than 150% | Over 55% and less than 120% | Up to 6 stages | 480 |
| New regulation | Over 33% and less than 220% | Over 40% and less than 150% | Over 50% and less than 126% | Over 60% and less than 115% | Up to 6 stages | 300 |

G=Games

【Pachinko】

| Content | Test | | | Multi stage payout-ratio | Number of pay-out balls when hitting a jackpot (Upper limit) |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|--|
| | 1 hour | 4 hours | 10 hours | | |
| Regulation before change | Less than 300% | – | Over 50% and less than 200% | – | 2,400 |
| New regulation | Over 33% and less than 220% | Over 40% and less than 150% | Over 50% and less than 133% | Up to 6 stages | 1,500 |

Schedule for transferring to new regulation machines



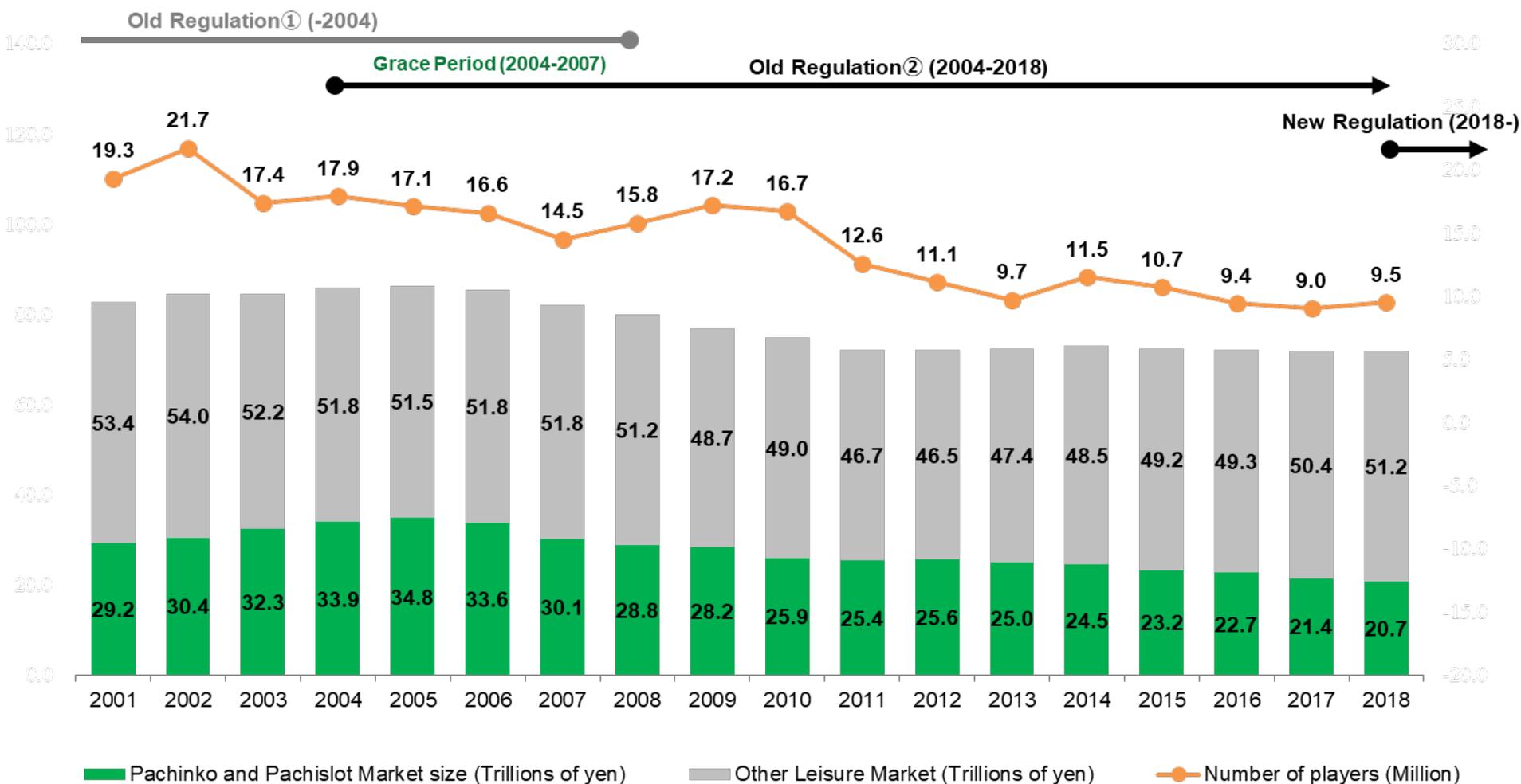
Number of previous regulation machines that are due for removal

Thousand of units
(Estimates)



(Estimates of SEGA SAMMY HOLDINGS)

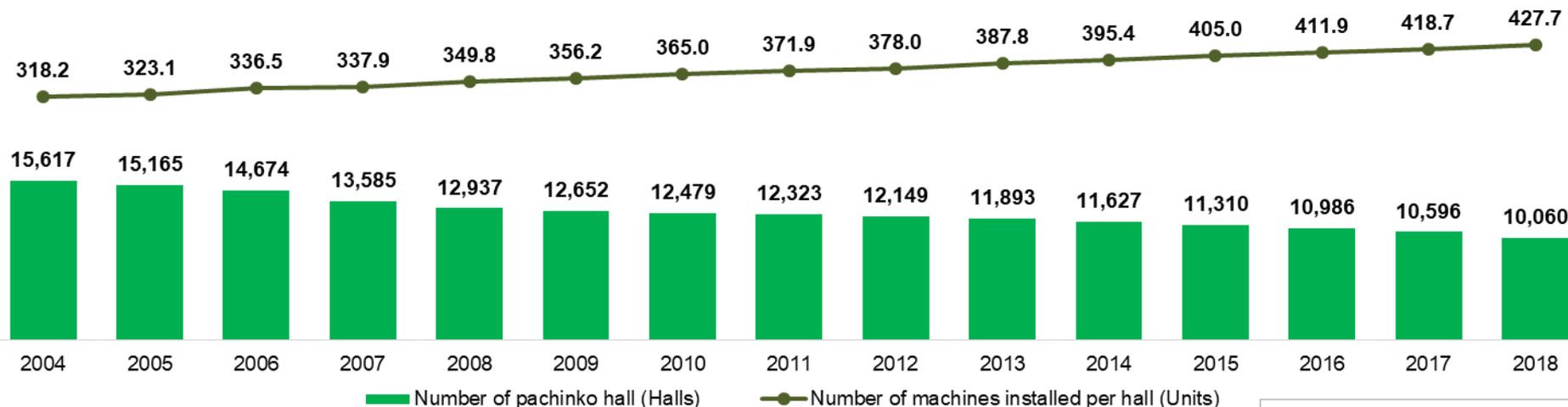
Transition of market size and number of players



Source: White Paper on Leisure Industry 2019, Japan Productivity Center

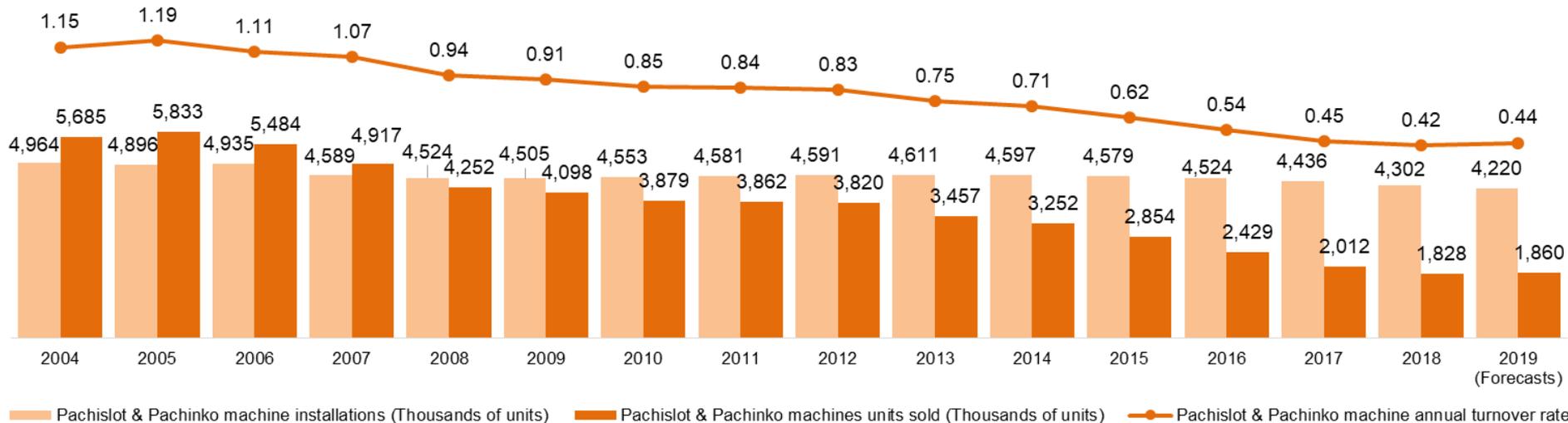
Pachinko and Pachislot Machine Markets

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



Sources : National Police Agency

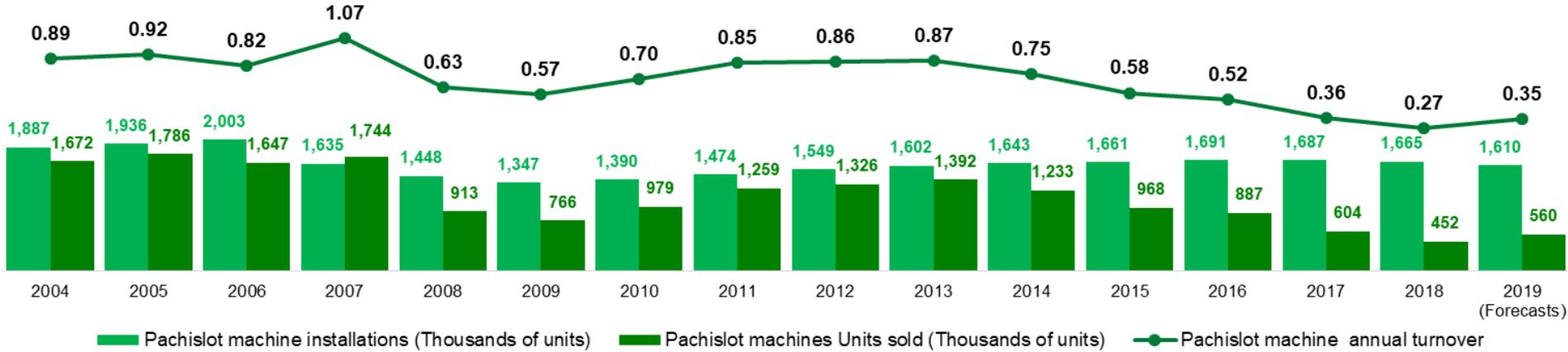
Pachislot & Pachinko machine Installations, Unit sales and Annual turnover



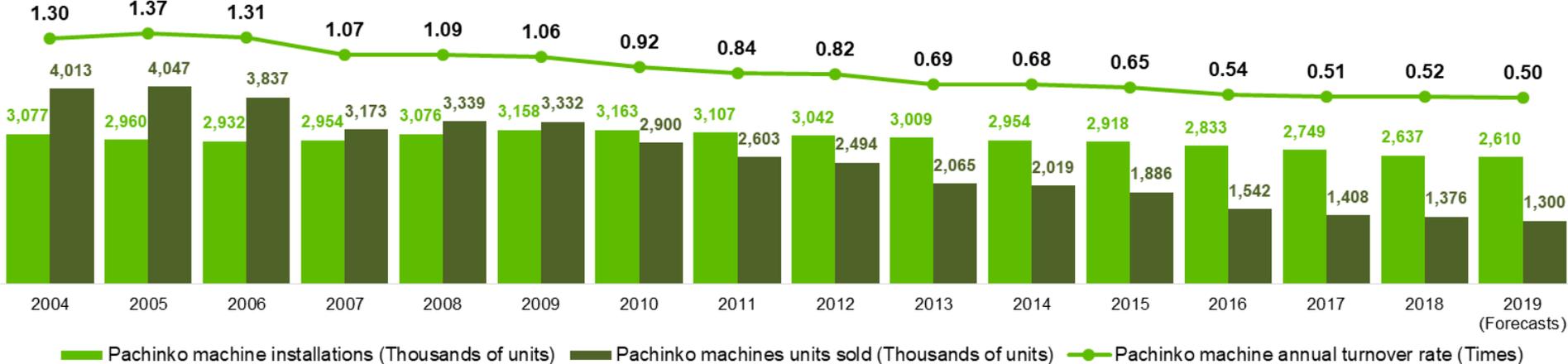
Sources: National Police Agency and Yano research Institute Ltd. (*The data for 2018,2019 are our forecasts)

Pachinko and Pachislot Machine Markets

Pachislot machine installations, unit sales and annual turnover rate

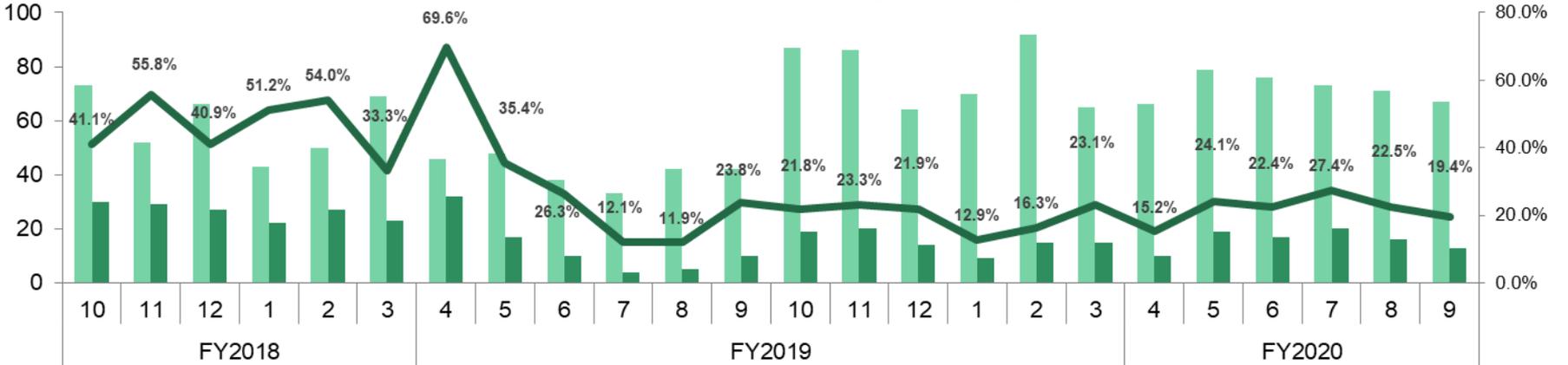


Pachinko machine installations, unit sales and annual turnover rate



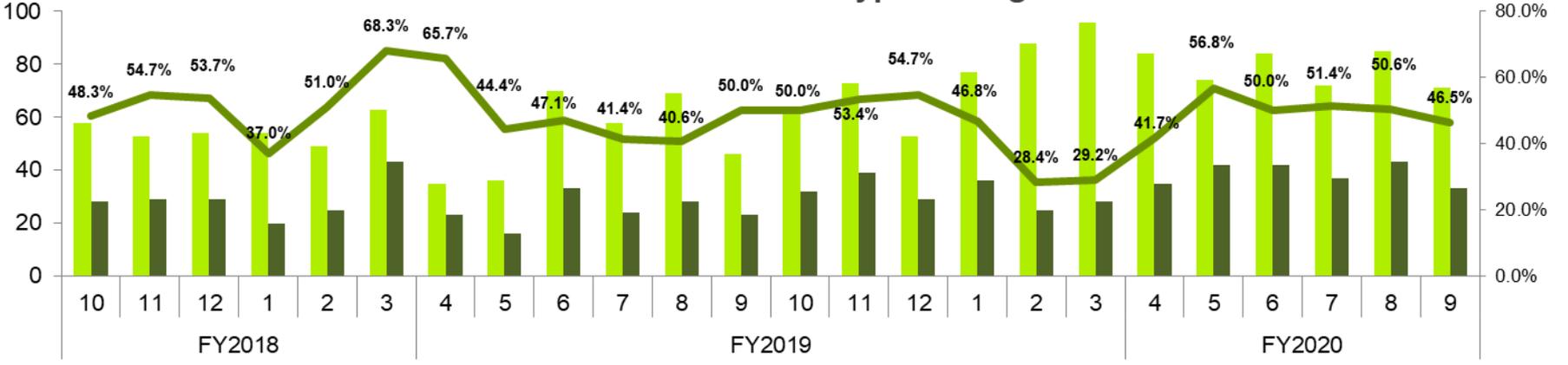
Sources: National Police Agency and Yano research Institute Ltd. (*The data for 2018, 2019 are our forecasts)

Pachislot machines: Prototype testing results



■ Pachislot machines: Issuance of prototype (left) ■ Pachislot machines: Number of approval (left) — Pachislot machines: Approval rate (right)

Pachinko machines: Prototype testing results



■ Pachinko machines: Issuance of prototype (left) ■ Pachinko machines: Number of approval (left) — Pachinko machines: Approval rate (right)

Source: Security Communications Association

Share of Annual Pachislot Machine Sales

| Rank | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2017 | | | 2018 | | |
|------|---------------|------------|-------|---------------|------------|-------|---------------|------------|-------|---------------|------------|-------|--------------|------------|-------|--------------|------------|-------|
| | Manufacturer | Units sold | Share | Manufacturer | Units sold | Share | Manufacturer | Units sold | Share |
| 1 | Sammy | 301,575 | 21.7% | Sammy | 207,828 | 16.8% | UNIVERSAL | 165,000 | 17.0% | Sammy | 215,736 | 24.3% | KITA DENSHI | 107,000 | 17.7% | D company | 80,000 | 17.7% |
| 2 | UNIVERSAL | 215,000 | 15.5% | UNIVERSAL | 205,000 | 16.6% | Sammy | 142,337 | 14.7% | UNIVERSAL | 203,000 | 22.9% | DAITO | 100,000 | 16.5% | K company | 68,000 | 15.0% |
| 3 | HEIWA/OLYMPIA | 120,000 | 8.6% | DAITO | 128,000 | 10.4% | HEIWA/OLYMPIA | 113,997 | 11.8% | KITA DENSHI | 90,500 | 10.2% | Sammy | 85,041 | 14.1% | Sammy | 67,140 | 14.8% |
| 4 | SANKYO | 116,291 | 8.4% | YAMASA | 108,000 | 8.8% | KITA DENSHI | 100,000 | 10.3% | HEIWA/OLYMPIA | 80,953 | 9.1% | UNIVERSAL | 43,000 | 7.1% | H company | 47,244 | 10.4% |
| 5 | DAITO | 102,000 | 7.3% | HEIWA/OLYMPIA | 92,763 | 7.5% | SANKYO | 80,125 | 8.3% | Enterrise | 57,000 | 6.4% | YAMASA | 38,000 | 6.3% | U company | 37,365 | 8.3% |

Share of Annual Pachinko Machine Sales

| Rank | 2013 | | | 2014 | | | 2015 | | | 2016 | | | 2017 | | | 2018 | | |
|------|---------------|------------|-------|---------------|------------|-------|---------------|------------|-------|---------------|------------|-------|--------------|------------|-------|--------------|------------|-------|
| | Manufacturer | Units sold | Share | Manufacturer | Units sold | Share | Manufacturer | Units sold | Share |
| 1 | KYORAKU | 349,000 | 17.0% | SANYO | 330,000 | 16.3% | Sansei R&D | 300,000 | 15.9% | SANYO | 306,000 | 19.8% | SANYO | 330,000 | 23.4% | S company | 250,000 | 18.2% |
| 2 | SANYO | 315,000 | 15.4% | SANKYO | 329,892 | 16.3% | SANKYO | 296,346 | 15.7% | Sansei R&D | 209,000 | 13.5% | SANKYO | 171,919 | 12.2% | S company | 196,007 | 14.2% |
| 3 | SANKYO | 291,967 | 14.3% | KYORAKU | 308,000 | 15.3% | SANYO | 275,000 | 14.6% | HEIWA/OLYMPIA | 192,761 | 12.5% | Sammy | 140,013 | 9.9% | K company | 192,800 | 14.0% |
| 4 | Sammy | 200,225 | 9.8% | HEIWA/OLYMPIA | 252,103 | 12.5% | HEIWA/OLYMPIA | 234,616 | 12.4% | SANKYO | 172,954 | 11.2% | KYORAKU | 140,000 | 9.9% | Sammy | 159,848 | 11.6% |
| 5 | HEIWA/OLYMPIA | 197,000 | 9.6% | Sammy | 241,425 | 12.0% | Newgin | 220,000 | 11.7% | Newgin | 160,000 | 10.4% | Sansei R&D | 130,000 | 9.2% | H company | 118,880 | 8.6% |
| 6 | Sammy | 199,014 | 10.5% | Sammy | 138,321 | 9.0% | | | | | | | | | | | | |

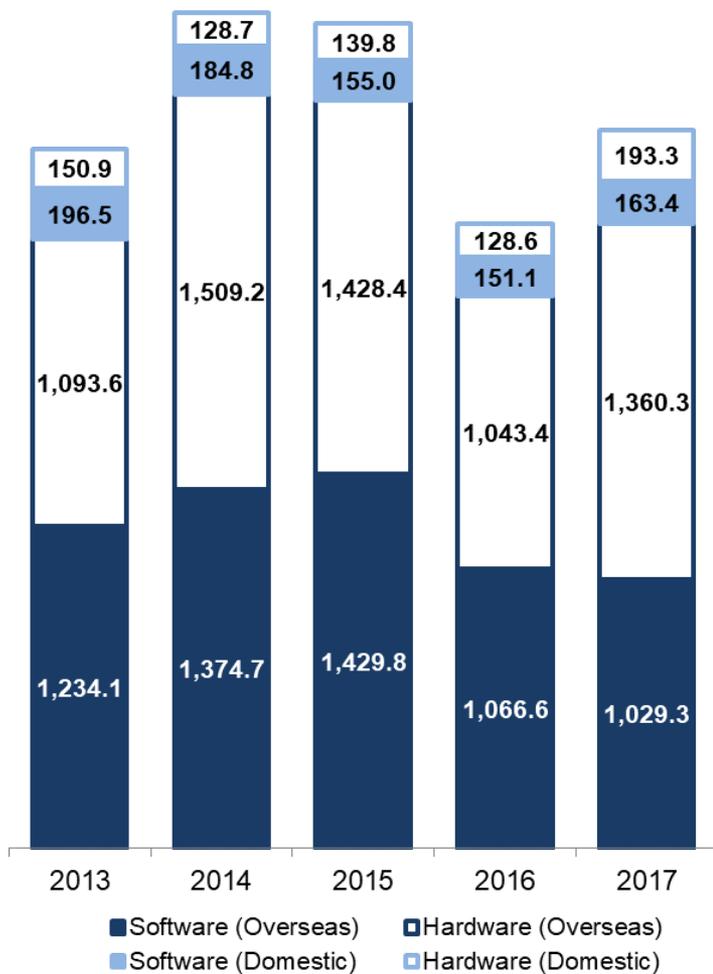
Source: Yano Research Institute Ltd.

*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

Packaged and Digital Games Market Data

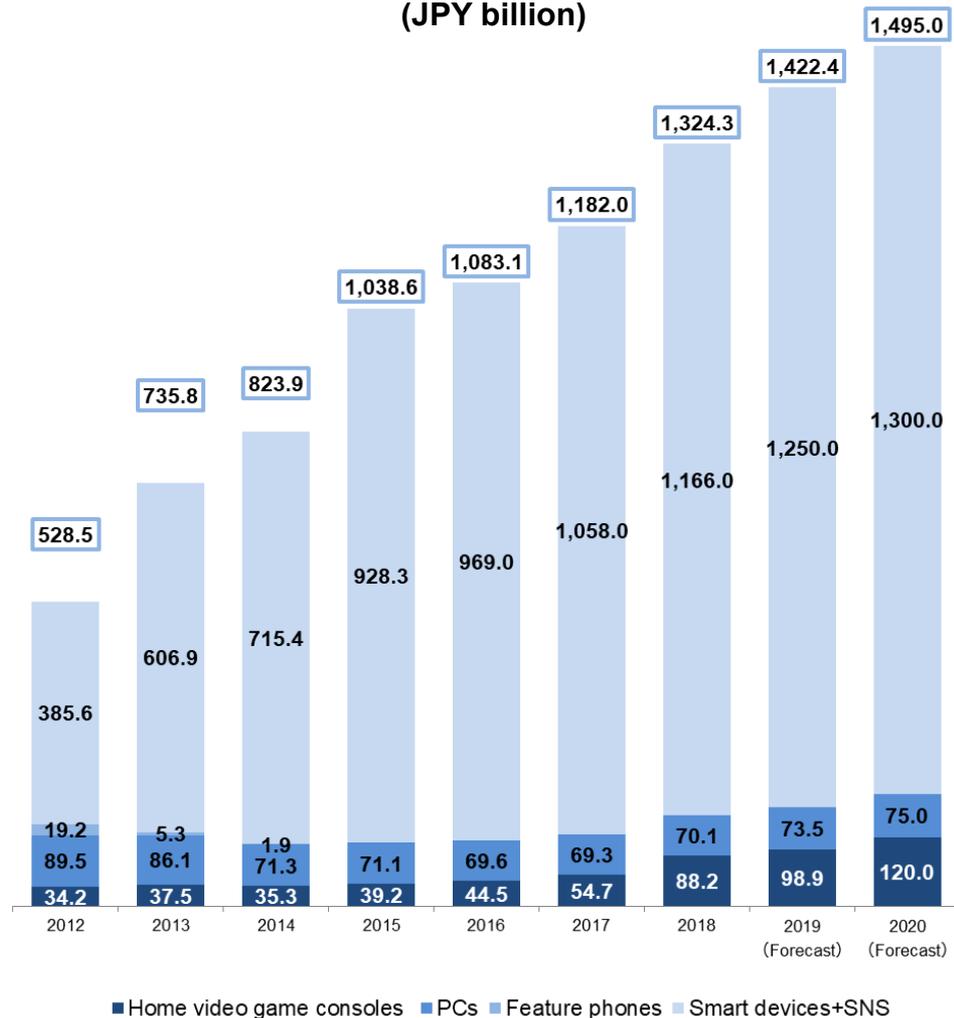
Home Video Game and Online Game Markets Scale

Home Video Games: Overall Shipment Scale (JPY billion)



Source: CESA Games White Paper

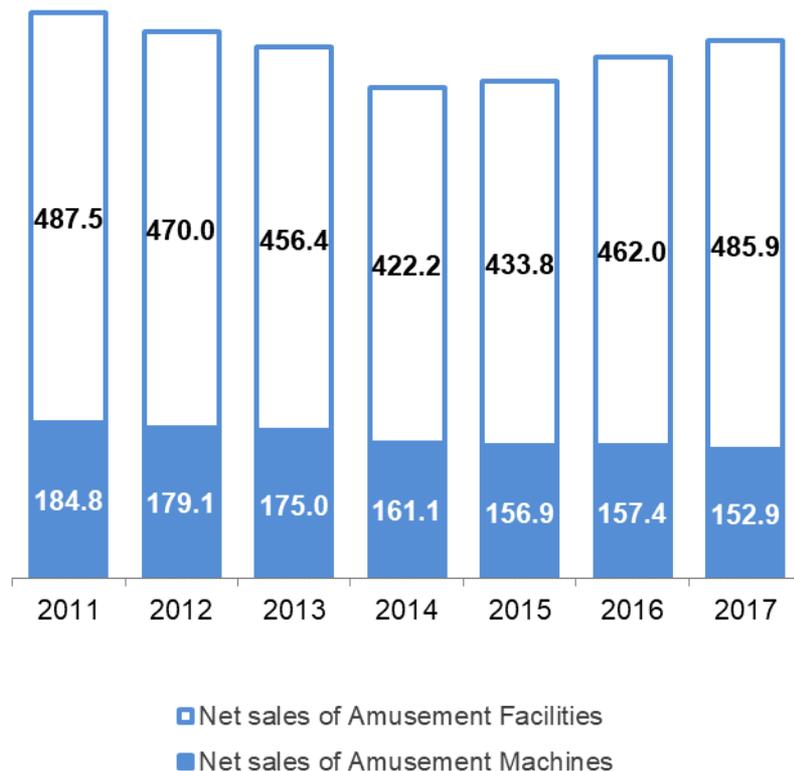
Japan's Market for Game Content with Network Connectivity (JPY billion)



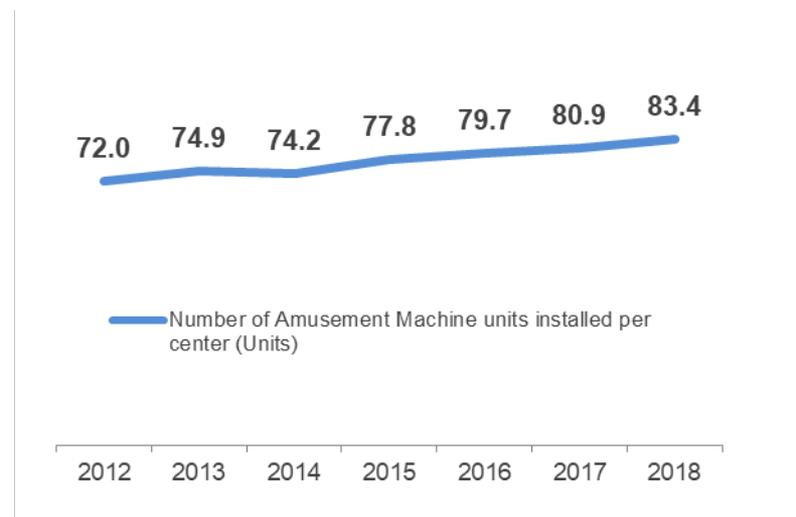
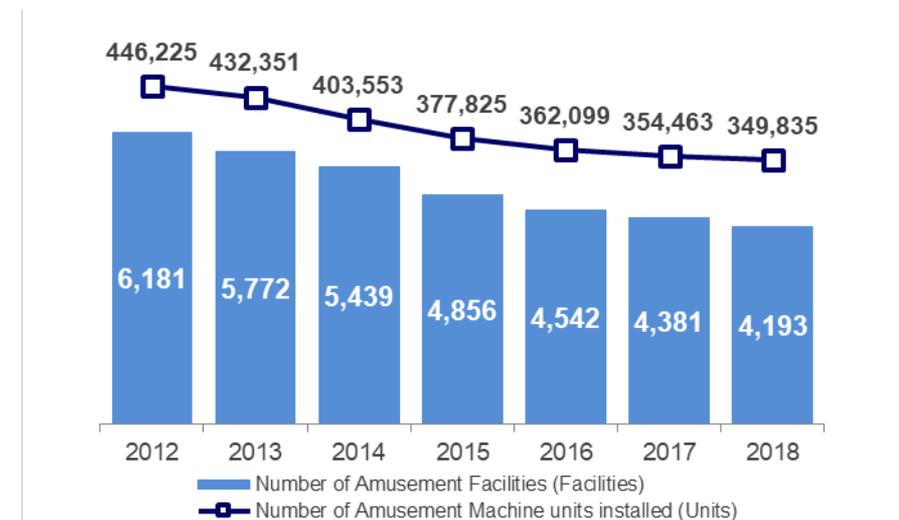
Source: f-ism

Amusement Machine and Amusement Center Operations Markets Scale

Amusement Machine / Facilities sales (JPY billion)



Number of Amusement Facilities / Amusement Machine unit installed



Source: JAIA, National Police Agency

Past Operating Results (FY Ended March 2015~)

From FY Ended March 2015~

*The data in this page can be downloaded from following URL.
https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e_202003_2q_transition.xls

| (JPY Billion) | | FY Ended March 2015 | | FY Ended March 2016 | | FY Ended March 2017 | | FY Ended March 2018 | | FY Ended March 2019 | | | | FY Ending March 2020 | |
|---------------|--|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|----------------------|--------------------|
| | | Results Through 2Q | Full Year Results | Results Through 2Q | Full Year Results | Results Through 2Q | Full Year Results | Results Through 2Q | Results Through 4Q | Results Through 1Q | Results Through 2Q | Results Through 3Q | Results Through 4Q | Results Through 1Q | Results Through 2Q |
| Breakdown | Net Sales | 158.1 | 366.8 | 154.3 | 347.9 | 169.5 | 366.9 | 194.7 | 323.6 | 68.8 | 171.0 | 250.3 | 331.6 | 72.7 | 165.5 |
| | Pachislot and Pachinko Machines | 61.1 | 152.1 | 56.6[60.9]* | 132.7[141.0]* | 64.9 | 148.2 | 88.3 | 105.6 | 21.5 | 58.6 | 76.1 | 101.4 | 17.1 | 44.1 |
| | Entertainment Contents | 90.3 | 199.6 | 90.2[85.9]* | 198.8[190.5]* | 97.8 | 205.7 | 101.5 | 208.0 | 45.0 | 107.2 | 166.2 | 219.6 | 53.0 | 115.8 |
| | Resort | 6.6 | 14.9 | 7.4 | 16.3 | 6.7 | 13.0 | 4.7 | 9.9 | 2.3 | 5.1 | 7.9 | 10.5 | 2.4 | 5.5 |
| Breakdown | Operating Income | 2.7 | 17.4 | 5.7 | 17.6 | 15.3 | 29.5 | 26.8 | 17.7 | 0.9 | 10.2 | 11.9 | 13.0 | 3.4 | 14.6 |
| | Pachislot and Pachinko Machines | 7.0 | 25.7 | 8.5[8.4]* | 21.5[20.9]* | 10.6 | 26.3 | 21.4 | 11.9 | 1.7 | 9.6 | 9.6 | 13.4 | 1.3 | 7.8 |
| | Entertainment Contents | 0.6 | 0.0 | 1.5[1.7]* | 3.6[4.2]* | 9.1 | 11.1 | 10.1 | 14.8 | 1.6 | 6.1 | 10.6 | 9.8 | 4.9 | 12.7 |
| | Resort | -1.4 | -2.3 | -1.2 | -1.8 | -1.3 | -2.2 | -1.2 | -2.5 | -0.6 | -1.1 | -1.9 | -2.4 | -0.8 | -1.5 |
| | Other / Elimination | -3.5 | -6.0 | -3.1[-3.2]* | -5.7 | -3.1 | -5.7 | -3.4 | -6.5 | -1.8 | -4.4 | -6.4 | -7.8 | -2.0 | -4.4 |
| | Operating Margin | 1.7% | 4.7% | 3.7% | 5.1% | 9.0% | 8.0% | 13.8% | 5.5% | 1.3% | 6.0% | 4.8% | 3.9% | 4.7% | 8.8% |
| | Ordinary Income | 2.6 | 16.8 | 5.8 | 16.4 | 15.4 | 28.5 | 25.2 | 14.5 | 0.6 | 9.1 | 9.0 | 7.4 | 2.3 | 12.6 |
| | Ordinary Income Margin | 1.6% | 4.6% | 3.8% | 4.7% | 9.1% | 7.8% | 12.9% | 4.5% | 0.9% | 5.3% | 3.6% | 2.2% | 3.2% | 7.6% |
| | Profit attributable to owners of parent | -2.8 | -11.3 | 0.9 | 5.3 | 24.2 | 27.6 | 17.7 | 8.9 | 0.3 | 6.7 | 0.6 | 2.6 | 1.7 | 9.8 |
| | Net Income Margin | - | - | 0.6% | 1.5% | 14.3% | 7.5% | 9.1% | 2.8% | 0.4% | 3.9% | 0.2% | 0.8% | 2.3% | 5.9% |
| | ROA | - | -2.2% | - | 1.0% | - | 5.2% | - | 1.8% | - | - | - | 0.6% | - | - |
| | ROE | - | -3.4% | - | 1.8% | - | 9.2% | - | 2.9% | - | - | - | 0.9% | - | - |
| | Equity Ratio | - | 60.0% | - | 55.3% | - | 59.0% | - | 65.0% | - | - | - | 65.1% | - | - |
| | Cash flows to interest bearing debt ratio | - | 301.9% | - | 798.8% | - | 178.6% | - | 334.7% | - | - | - | 520.9% | - | - |
| | Interest coverage ratio | - | 45.2 times | - | 19.1 times | - | 61.4 times | - | 36.5 times | - | - | - | 27.3 times | - | - |
| | R&D expense / content production expense | 28.4 | 67.6 | 24.7 | 58.0 | 31.7 | 67.1 | 30.7 | 62.0 | 14.1 | 30.8 | 48.3 | 66.6 | 17.1 | 33.5 |
| | Cap-ex | 14.7 | 28.7 | 12.5 | 28.0 | 13.8 | 27.0 | 10.3 | 24.1 | 6.4 | 17.8 | 24.3 | 34.4 | 5.1 | 10.5 |
| | Depreciation | 8.1 | 17.6 | 8.2 | 16.6 | 7.6 | 16.3 | 8.2 | 16.2 | 3.9 | 7.4 | 10.8 | 14.5 | 3.6 | 7.3 |
| | Advertising | 10.0 | 19.1 | 9.3 | 17.9 | 7.6 | 14.8 | 7.8 | 15.4 | 3.3 | 8.4 | 12.2 | 16.0 | 3.6 | 8.5 |
| | # of pachislot titles | 4 titles | 6 titles | 2 titles | 7 titles | 3 titles | 10 titles | 8 titles | 9 titles | 1 title | 1 title | 3 titles | 6 titles | 0 title | 1 title |
| | Unit sales | 93,045 units | 207,830 units | 70,260 units | 142,337 units | 81,895 units | 215,736 units | 75,380 units | 85,041 units | 9,073 units | 12,853 units | 31,534 units | 67,140 units | 17,930 units | 28,360 units |
| | # of pachinko titles | 5 titles | 10 titles | 6 titles | 8 titles | 3 titles | 9 titles | 4 titles | 5 titles | 1 title | 3 titles | 5 titles | 7 titles | 2 titles | 4 titles |
| | Unit sales | 82,955 units | 241,425 units | 79,604 units | 199,014 units | 75,542 units | 138,321 units | 119,312 units | 140,013 units | 40,997 units | 117,891 units | 136,670 units | 159,848 units | 16,212 units | 66,140 units |
| | YoY sales comparison of existing amusement centers | 98.7% | 100.1% | 102.2% | 103.1% | 110.8% | 108.5% | 101.5% | 101.9% | 104.2% | 104.5% | 104.2% | 104.0% | 109.0% | 103.6% |
| | No. of domestic amusement centers | 198 facilities | 198 facilities | 198 facilities | 194 facilities | 189 facilities | 191 facilities | 189 facilities | 189 facilities | 189 facilities | 189 facilities | 191 facilities | 190 facilities | 191 facilities | 192 facilities |
| | # of game software titles | 6 titles | 30 titles | 12 titles | 29 titles | 21 titles | 42 titles | 16 titles | 38 titles | 5 titles | 18 titles | 26 titles | 31 titles | 8 titles | 12 titles |
| | Sales (Thousand units) | 4,100 | 12,280 | 3,280 | 9,220 | 4,650 | 10,280 | 8,650 | 17,330 | 5,700 | 11,180 | 18,510 | 23,440 | 6,240 | 11,370 |

*Sales of new segment is changed to gross basis.

*Basis for recording net sales was changed from shipment to delivery starting in FY ended March 2016.

*In line with the change of accounting policy, contents of retroactive processing have been reflected on new segments since FY ended March 2015.

*Part of Entertainment Contents Business has been transferred to Pachislot and Pachinko Machines Business since for FY ended March 2017.

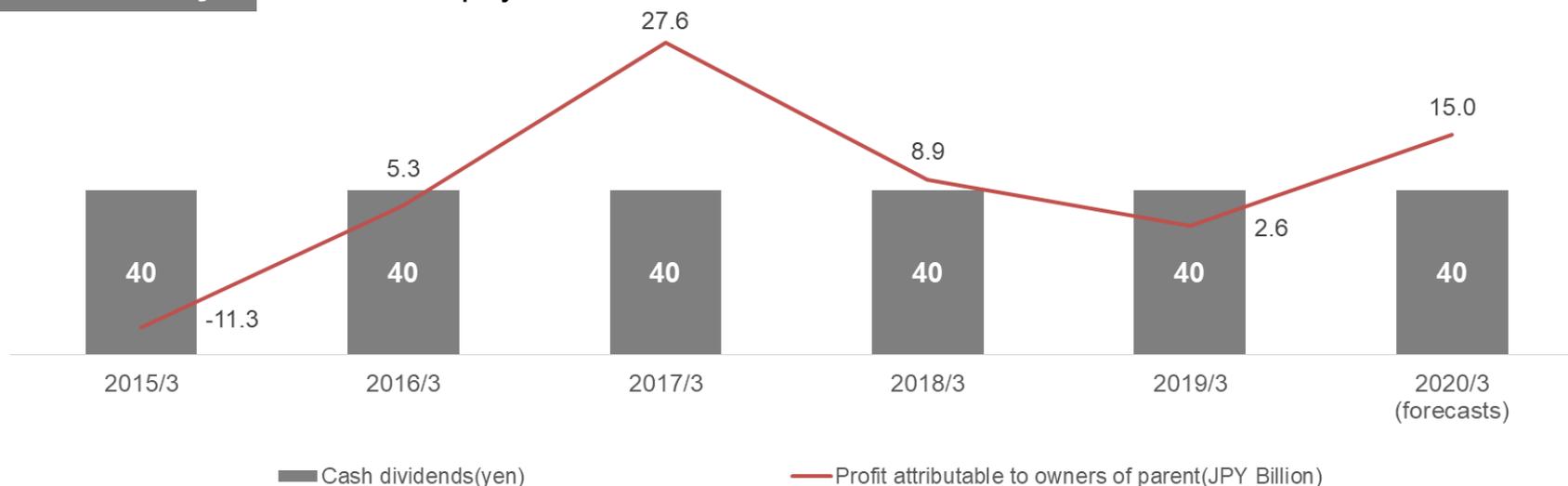
*Numbers shown in parentheses for FY 2016 results are retroactively adjusted values of estimates after changing the breakdown.

*Added the number of titles in Asia from FY March 2017

Shareholder Returns

Dividend Policy

Continue to pay an annual dividend of ¥40



Introduction of Shareholder Benefits

We introduced shareholders benefit program to encourage shareholders to experience our services and hold our shares in the long term and expanded the benefits from March 31 2019.

| Number of owned shares | Details of benefits (Gifted twice a year) |
|--|---|
| More than 100 shares Less than 1,000 shares | I. 1,000-yen worth voucher for UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online |
| More than 1,000 shares Less than 3,000 shares | I. 1,000-yen worth voucher for UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online II. Facility use ticket worth 10,000 yen, redeemable at Phoenix Seagaia Resort (Miyazaki Prefecture) |
| More than 3,000 shares Less than 5,000 shares | I. 1,000-yen worth voucher for UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online II. Facility use ticket worth 20,000 yen, redeemable at Phoenix Seagaia Resort (Miyazaki Prefecture) |
| More than 5,000 | I. 1,000-yen worth voucher for UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online II. Facility use ticket worth 20,000 yen, redeemable at Phoenix Seagaia Resort (Miyazaki Prefecture) III. 1 free accommodation ticket (1 room, maximum 2 person) usable at Sheraton Grande Ocean Resort in Phoenix Seagaia Resort (Miyazaki Prefecture) IV. 1 free accommodation ticket (1 room, maximum 2 person) usable at Paradise Hotel & Resort in Paradise City (Incheon, Korea) |

*Please see the official website of SEGA SAMMY HOLDINGS for the details about shareholder benefits program

Company Profile

Company Profile

(As of September 30, 2019)

| | |
|----------------------------|--|
| Company Name | SEGA SAMMY HOLDINGS INC. |
| Address | Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo |
| Established | October 1, 2004 |
| Capital | ¥29.9 billion |
| Number of Employees | 8,665 (Consolidated) |
| Stock Exchange | Tokyo Stock Exchange (Stock Code : 6460) |

Managements

(As of June 21, 2019)

| | |
|--|-----------------|
| Chairman and Group CEO (Representative Director) | Hajime Satomi |
| President and Group COO (Representative Director) | Haruki Satomi |
| Senior Executive Vice President (Director of the Board) | Naoya Tsurumi |
| Executive Vice President and Group CFO (Director of the Board) | Koichi Fukazawa |
| Executive Vice President (Director of the Board) | Hideki Okamura |
| Senior Vice President (Director of the Board) | Hideo Yoshizawa |
| Director of the Board (External) | Takeshi Natsuno |
| Director of the Board (External) | Kohei Katsukawa |
| Director of the Board (External) | Hiroshi Onishi |
| Director of the Board (External) | Melanie Brock |
| Standing Audit & Supervisory Board Member | Shigeru Aoki |
| Audit & Supervisory Board Member | Yukito Sakaue |
| Audit & Supervisory Board Member (External) | Mineo Enomoto |
| Audit & Supervisory Board Member (External) | Kazutaka Okubo |

Information on Outstanding Shares

(As of September 30, 2019)

| | |
|--|--------------------|
| Number of shares authorized for issuance | 800,000,000 shares |
| Total number of shares issued and outstanding | 266,229,476 shares |
| Number of Shareholders | 75,468 |

Principal Shareholders

| Name of Shareholder | Shares Held | Shareholding Ratio (%) |
|---|-------------|------------------------|
| HS Company | 35,308,000 | 13.26 |
| SEGA SAMMY HOLDINGS INC. | 31,436,063 | 11.80 |
| FSC Co., Ltd. | 13,562,840 | 5.09 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 13,379,500 | 5.02 |
| Japan Trustee Services Bank, Ltd. (Trust account) | 9,465,700 | 3.55 |

Distribution of Shareholders

| | |
|--------------------------------------|--------|
| Financial Institutions | 17.01% |
| Securities Companies | 1.50% |
| Other Companies | 20.93% |
| Foreign Institutions and Individuals | 28.04% |
| Japanese Individuals and Other | 20.71% |
| Treasury Stock | 11.81% |

*Including the number of share less than 1 unit



<https://www.segasammy.co.jp/english/ir/>

Please visit below websites for products and service information.

<https://www.segasammy.co.jp/english/pr/corp/group/list.html>

(SegaSammy Group Website list)

*** Company / product names in this document are trademarks or registered trademarks of the respective companies.**

Cautionary Statement for Investors and Shareholders with Respect to Nevada Gaming Statutes and Regulations

SEGA SAMMY HOLDINGS INC. ("the Company") is registered with the Nevada Commission as a publicly traded corporation and has been found suitable to directly or indirectly own the stock of SEGA SAMMY CREATION INC., and Sega Sammy Creation USA, Inc., both of which are subsidiaries that have been licensed as manufacturers and distributors of gaming devices in Nevada. Pursuant to Nevada law, the Company's shareholders are subject to the rules and regulations of the Nevada Gaming Authorities. A detailed explanation of Nevada gaming statutes and regulations can be found on the Company's corporate website:

<https://www.segasammy.co.jp/english/ir/stock/regulation/>