

Q3 for the Fiscal Year Ending March 2023

Results Presentation

2023/2/9

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Speaker: Makoto Takahashi (Executive Vice President, Executive Officer, Managing Director of Corporate Planning Division of SEGA SAMMY HOLDINGS INC.,)

Thank you for accessing our financial results briefing for Q3 today.

I will now explain the results for Q3 of the fiscal year ending March 2023 and the forecast for the full year.

The material we will use today is “Results Presentation# uploaded on our website.

01

FY2023/3 Q3 Results / Forecast

Results Highlights

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	236.7	320.9	271.9	375.0	381.5
Entertainment Contents	177.8	235.9	210.4	277.0	280.0
Pachislot and Pachinko Machines	51.8	75.8	52.1	86.0	89.0
Resort	6.6	8.6	8.7	11.5	11.5
Other / Elimination	0.5	0.6	0.7	0.5	1.0
Operating Income	32.6	32.0	38.2	40.0	45.0
Entertainment Contents	35.3	33.9	39.6	39.0	39.5
Pachislot and Pachinko Machines	5.3	9.3	6.9	11.5	17.0
Resort	-1.9	-2.5	-0.7	-1.2	-1.2
Other / Elimination	-6.1	-8.7	-7.6	-9.3	-10.3
Non-operating income	3.6	5.9	4.3	2.0	4.0
Non-operating expenses	2.9	4.6	2.4	2.0	3.0
Ordinary Income	33.3	33.3	40.1	40.0	46.0
Entertainment Contents	36.8	36.8	41.5	40.0	41.0
Pachislot and Pachinko Machines	6.0	10.2	7.3	12.0	17.5
Resort	-4.6	-6.7	-2.8	-3.0	-3.0
Other / Elimination	-4.9	-7.0	-5.9	-9.0	-9.5
Ordinary Income Margin	14.1%	10.4%	14.7%	10.7%	12.1%
Extraordinary income	2.7	5.2	0.0	-	0.0
Extraordinary losses	0.5	0.6	0.3	-	0.5
Income before income taxes	35.5	37.9	39.7	40.0	45.5
Profit attributable to owners of parent	29.4	37.0	32.8	28.0	31.5
ROE	-	12.7%	-	-	-
Dividends per share (JPY)	20.00	40.00	20.00	41.00	41.00

FY2023/3 Q3 Results

➤ Sales and profits increased YoY, progressed steadily

- Performed steadily as a whole (Entertainment Contents)
- Strong sales of No. 6.5 model of pachislot responding to the revision of regulation (Pachislot and Pachinko Machines)
- Recovery trend in both domestic and overseas (Resorts)

Forecast

➤ Revise the full-year operating results forecast upward

- Tax rate for the full-year forecast is calculated at 30% for simplicity

For the consolidated cumulative Q3 period, both sales and profit increased YoY, and has progressed steadily.

In the Entertainment Contents business, sales of mainstay new titles released in Q3 were generally strong, and in the Pachislot and Pachinko Machines business, sales of No. 6.5 models of pachislot were strong. In the Resort business, both domestic and overseas have been recovering, so in overall, progressed generally strong.

With regard to the outlook for the future, we have revised upward the full-year forecast announced in May last year.

Revision of Operating Results Forecast

[Increase or decrease in operating income by segment from initial forecast]



*CS = Consumer area, AM = Amusement Machine area

➤ Entertainment Contents Business

- Expect the cost for revaluation of asset quality of inventory assets at the end of the fiscal year (CS)
- Impact of raw material price hikes continues (AM)
- Animation distribution revenues, etc. remains strong (Animation and Toy)

➤ Pachislot and Pachinko Machines Business

- Strong performance of pachislot machines

-4-

I will now explain the details of the revision of the forecast.

Due to the strong performance of the Pachislot and Pachinko Machines business, net sales and profits at each stage are expected to exceed the initial forecast.

As for changes in operating income from the initial forecast, in the Entertainment Contents business, in the Consumer area, sales of some new Full game titles and repeat titles by Q3 of the current fiscal year were lower than expected, and expenses are expected to be recorded in connection with the revaluation of inventory assets at the end of the fiscal year. On the other hand, we expect to achieve the level of the initial forecast due to strong sales of mainstay new full game titles and F2P titles, as well as a positive impact from foreign exchange rates.

In the Amusement Machine area, sales in the prize category have been strong, and we have been passing on the higher cost of raw materials to product sales prices in UFO catcher since Q3, but we expect a decrease in profit for the full year compared to our initial forecast.

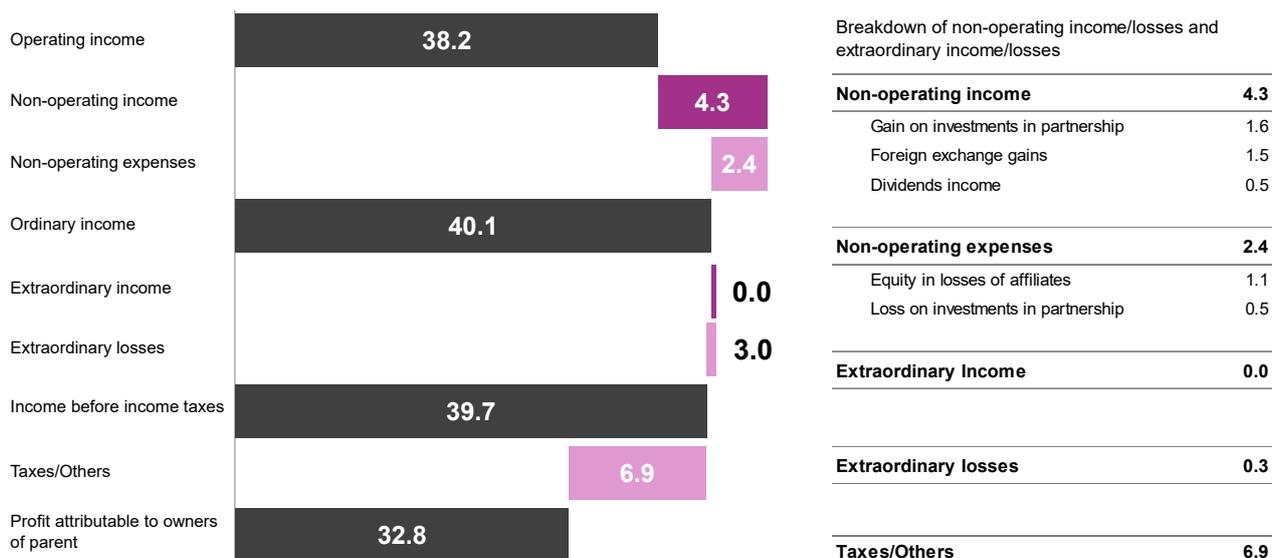
In the Animation / Toy area, revenue from animation distribution, etc. have been strong, and we expect to see an increase in profit compared to our initial forecast.

In the Pachislot and Pachinko Machines business, sales of pachislot machines, which have relatively high profit margins, have been strong. In addition, fixed costs are also expected to be lower than initially expected, resulting in an increase in profit compared to the initial forecast.

In Other / Elimination, expenses are expected to increase by about 1.0 billion yen from the initial forecast. This is due to a reactionary increase in miscellaneous expenses accompanying with the normalization of socioeconomic activities, as well as acceleration of group-wide investment in human resources.

Breakdown of Income (FY2023/3 Q3 Results)

(Unit: billion yen)



-5-

Here is a breakdown of income.

Non-operating income includes gain on investments in partnership and foreign exchange gains on the revaluation of assets denominated in foreign currencies, etc.

Non-operating expenses include equity in losses of affiliates of 1.1 billion yen, including PARADISE SEGASAMMY, etc.

Impact of Exchange Rate Fluctuations

[Impact of foreign exchange on Q3 results]

(Unit: billion yen)

- **Positive impact of approx. 11.3 billion yen for sales and approx. 5.6 billion yen for operating income in Entertainment Contents business**

		Q1	Through Q2	Through Q3
CS	Sales	+1.5	+4.3	+11.3
	Operating income	+0.8	+2.3	+6.8
AM	Sales	-	-	-
	Operating income	-0.1	-0.4	-1.2

- 1 USD: Initial forecast 114 yen → AR135 yen (Mainly affect on **sales increase**)
- 1 GBP: Initial forecast 157 yen → AR163 yen (Mainly affect on **cost increase**)
- 1 Euro: Initial forecast 130 yen → AR140 yen (Mainly affect on **sales increase**)

- **Recorded foreign exchange gains of 1.5 billion yen in non-operating income due to revaluation and settlement of receivables and payables denominated in foreign currencies**

*CS = Consumer area, AM = Amusement Machine area

-6-

Here is an explanation of the impact of exchange rate fluctuations.

In Q3 of the current fiscal year, in the Consumer area, where sales in U.S. dollars are large, foreign exchange effects boosted sales by approximately 11.3 billion yen and operating income by 6.8 billion yen. In the Amusement Machine area, the impact of the sharp rise in raw material prices due to the weak yen has been growing.

As for non-operating income, as mentioned on the previous page, 1.5 billion yen was recorded as foreign exchange gains.

Costs and Expenses, etc.

■ Entertainment Contents

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	9.2	9.8	11.8	14.7	9.9	13.5	12.7	18.3	11.9	14.8	16.4	66.6	63.6
Advertising expenses	1.7	2.8	3.3	3.7	2.2	3.9	3.7	4.4	2.7	5.0	6.3	19.0	19.0
Depreciation	2.2	2.3	0.7	1.5	0.8	0.9	0.9	1.1	0.9	1.0	0.9	3.5	3.7
Cap-ex	2.2	2.8	3.5	1.9	1.5	1.4	1.6	2.8	1.1	1.1	1.7	7.5	5.6

■ Pachislot & Pachinko

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	5.4	3.9	3.3	3.7	3.4	3.2	3.4	4.4	3.0	3.5	3.7	14.3	13.2
Advertising expenses	0.1	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.3	0.3	0.3	3.3	1.7
Depreciation	0.8	0.9	0.9	0.8	0.5	0.7	0.7	0.8	0.6	0.7	0.7	2.1	2.7
Cap-ex	1.1	0.7	0.7	0.8	1.2	1.1	0.8	1.0	1.0	1.0	1.0	4.0	4.0

-7-

Here is about costs and expenses, etc.

In the Entertainment Contents business, R&D and advertising expenses increased in Q3 compared to the same period of the previous year due to the launch of new mainstay titles in the Consumer area. R&D expense is expected to continue to increase YoY in Q4 due to the scheduled launch of major titles, but is expected to decrease from the initial forecast due to changes in the timing of sales of some titles, etc.

In the Pachislot and Pachinko Machines business, both R&D and advertising expenses remained low in Q3 of the current fiscal year. In Q4, promotional expenses are expected to be incurred in advance for “Smart Pachislot Hokuto No Ken”, which will go on sale in April.

Costs and Expenses, etc.

■Resort

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Advertising expenses	0.0	0.1	0.1	0.0	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.4	0.3
Depreciation	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.8	0.6
Cap-ex	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.5	0.1	0.4	1.3	1.2

■Other / Elimination

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.1	-0.1	0.0	-0.1	0.1	-0.1	0.1	-0.1	0.0	0.0	0.1	0.0	0.0
Advertising expenses	0.2	0.1	0.2	0.2	0.4	0.4	0.2	0.3	0.3	0.7	0.2	1.2	1.5
Depreciation	0.4	0.3	0.3	0.1	0.4	0.1	0.3	0.2	0.5	0.1	0.3	0.9	1.0
Cap-ex	0.3	0.1	-0.1	0.4	0.3	0.0	0.3	0.6	0.2	0.0	0.2	0.5	0.4

Here are the expenses of Resort business and Other, etc.

Consolidated Balance Sheet Summary



(Billion yen) [Assets]				[Liabilities and Net Assets]			
Account	As of end of March 2022	As of end of Dec 2022	Increase /Decrease	Account	As of end of March 2022	As of end of Dec 2022	Increase /Decrease
Cash and Deposits	152.4	147.6	-4.8	Accounts Payable	24.4	32.6	+8.2
Accounts Receivable	38.9	51.9	+13.0	Short Term Borrowings	10.0	-	-10.0
Inventories	67.5	96.7	+29.2	Other	52.5	55.7	+3.2
Other	28.9	29.7	+0.8	Total Current Liabilities	86.9	88.3	+1.4
Total Current Assets	287.7	325.9	+38.2	Corporate Bonds	10.0	10.0	-
Tangible Fixed Assets	60.3	60.8	+0.5	Long Term Borrowings	32.0	42.0	+10.0
Intangible Fixed Assets	13.1	12.5	-0.6	Other	13.8	15.0	+1.2
Investment Securities	40.6	38.8	-1.8	Total Noncurrent Liabilities	55.8	67.0	+11.2
Other	33.7	31.4	-2.3	Total Liabilities	142.8	155.4	+12.6
Total Noncurrent Assets	147.7	143.5	-4.2	Shareholders Equity	294.4	313.6	+19.2
Total Assets	435.4	469.4	+34.0	Total accumulated other comprehensive income	-2.0	-0.1	+1.9
				Share acquisition rights	0.1	0.3	+0.2
				Non-controlling interests	0.0	0.0	+0.0
				Total Net Assets	292.6	314.0	+21.4
				Total Liabilities and Net Assets	435.4	469.4	+34.0

	As of end of March 2022	As of end of Dec 2022	Increase /Decrease		Main factors for increase / decrease
Cash, deposits and cash equivalents	152.4	147.6	-4.8	(Current Assets)	Notes and accounts receivable and inventory assets increased, while cash and deposits decreased
Interest bearing debt	52.0	52.0	-	(Liabilities)	Notes and accounts payable increased
Net cash	100.4	95.6	-4.8	(Net assets)	Shareholders' equity increased due to recording of profit attributable to owners of parent while dividend payments and share buybacks were executed
Equity ratio	67.1%	66.8%	-0.3p		

-9-

Here is the Balance Sheet.

Regarding current assets, inventories increased due to an increase in content work-in-progress, mainly in the Consumer area, and due to the upcoming major titles to be sold in the Pachislot and Pachinko Machines business. In addition, notes and accounts receivable increased due to sales of mainstay titles in Q3.

The equity ratio decreased by 0.3 percentage points from the end of the previous fiscal year to 66.8%.

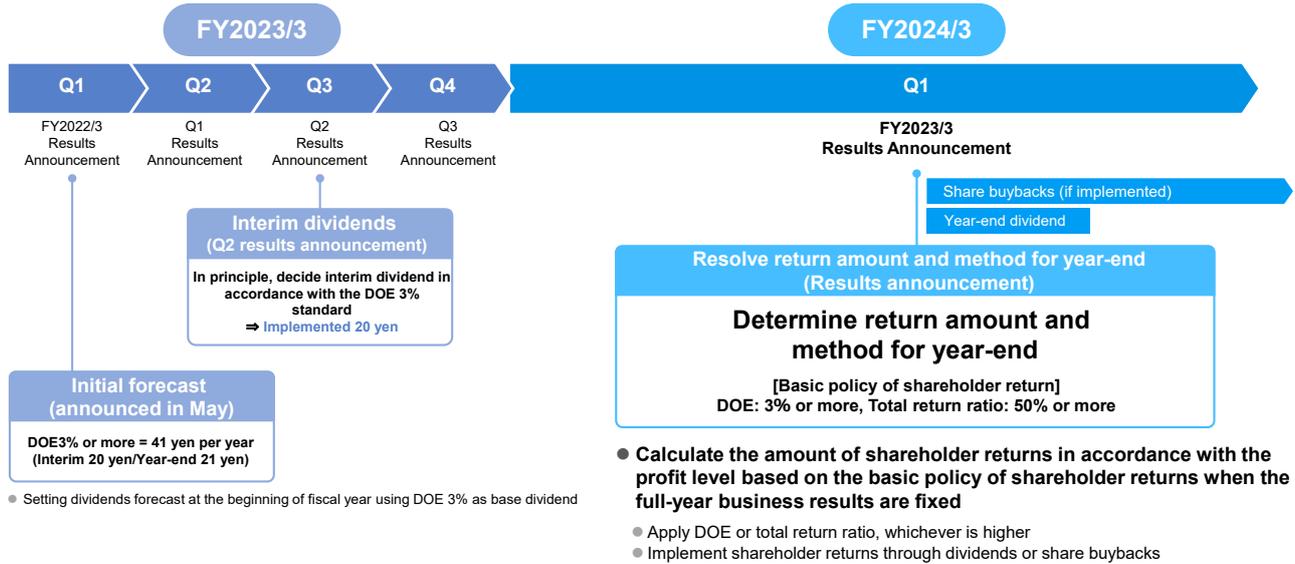
As of end of December for fiscal year ending March 2023, net cash was 95.6 billion yen, a decrease of 4.8 billion yen from the end of the previous fiscal year.

Although we have not audited the cash flow, we would like to inform you of it for your reference.

Cash flow from operating activities is expected to be positive 12.7 billion yen.
Cash flow from investing activities is expected to be negative 3.2 billion yen.
Cash flow from financing activities is expected to be negative 14.9 billion yen.

Shareholder Returns

(Process of Determining the Amount of Return and Methods)



This is about shareholder returns.

We will determine the amount of year-end capital to be returned to shareholders at the timing when the full-year business results for the fiscal year ending March 2023 are finalized, adopting the higher of DOE 3% or total return ratio 50%, which is the basic policy for shareholder returns.

02

Per Segments Results / Forecast

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	177.8	235.9	210.4	277.0	280.0
Consumer	119.6	158.3	142.5	192.0	188.0
Amusement Machine	36.0	49.7	45.6	55.8	63.5
Animation / Toy	20.4	25.6	21.7	28.7	28.0
Other / Elimination	1.8	2.3	0.6	0.5	0.5
Operating Income	35.3	33.9	39.6	39.0	39.5
Consumer	29.4	29.3	33.3	34.5	34.5
Amusement Machine	3.0	2.5	2.1	3.3	1.8
Animation / Toy	3.8	3.0	4.2	3.0	4.0
Other / Elimination	-0.9	-0.9	0.0	-1.8	-0.8
Non-operating income	1.8	3.3	2.2	1.0	2.0
Non-operating expenses	0.3	0.5	0.2	0.0	0.5
Ordinary Income	36.8	36.8	41.5	40.0	41.0
Ordinary Income Margin	20.7%	15.6%	19.7%	14.4%	14.6%

*CS = Consumer area, AM = Amusement Machine area

FY2023/3 Q3 Results

➤ Performed generally in line with expectations

- While full game were slightly below expectation, F2P went strong and there were positive impact of foreign exchange rates. As a result, performed steadily as a whole (CS*)
- UFO Catcher ® series performed strongly but the impact of raw material price hikes continued (AM*)
- Strong performance in Animation and Toy area
- Recorded non-operating income (foreign exchange gains due to revaluation, etc. of receivables and payables denominated in foreign currencies, dividends income, etc.)

Forecast

➤ New title launches will proceed in each area

- Plan to sell multiple mainstay new titles (CS)
- Focus on prize categories (AM)
- Expect the cost for revaluation of asset quality of inventory assets at the end of the fiscal year (CS, AM)

-12-

Next, I would like to explain the details of each segment.

First, I would like to start with the Entertainment Contents business.

In Q3, in the Consumer area, while Full games were slightly below expectations, new releases, particularly “Sonic Frontiers”, performed strongly.

From Q4 onward, we plan to sell several new titles, including “Company of Heroes 3”, “Like a Dragon: Ishin!” and a remastered version of the Persona series. In F2P, we expect sales of mainstay titles to remain strong, centering on “Project SEKAI COLORFUL STAGE! feat. Hatsune Miku”, and “ONE PIECE BOUNTY RUSH”, which is published by Bandai Namco Entertainment Inc. and developed by SEGA. Progress in the Consumer area through Q3 has been solid, but we expect to land in line with our initial forecast because we expect expenses to be incurred at the end of the fiscal year, such as those associated with the revaluation of asset quality of inventory assets.

In the Amusement Machine area, sales are expected to significantly exceed the initial forecast due to the promotion of sales in the prize category, for which demand continues to be strong. However, the profit level is expected to be lower than the initial forecast due to the price hikes of raw materials and the expenses expected to be incurred in connection with the revaluation of the asset quality of

inventory assets at the end of the fiscal year.

Entertainment Contents Business: Per Subsegments



		FY2023/3 Q3 Results	Forecast
Consumer	Full Game	<ul style="list-style-type: none"> Strong sales of new titles "Sonic Frontiers" and "Persona 5 Royal" (Remaster) Repeat sales went weak 	<ul style="list-style-type: none"> Launch several major IP titles Expect revaluation of asset quality of some titles
	F2P	<ul style="list-style-type: none"> Strong sales of existing mainstay titles, centered on "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" 	<ul style="list-style-type: none"> Enhance the operation of existing titles Review the launch date of new title
	Other	<ul style="list-style-type: none"> Recorded license revenue, etc. Recorded foreign exchange gains 	<ul style="list-style-type: none"> Continue to record license revenue, etc.
Amusement Machine Sales		<ul style="list-style-type: none"> Sold centered on UFO Catcher ® series and prizes Reviewed sales prices for UFO Catcher ® series 	<ul style="list-style-type: none"> Expect the strong sales of prize category, but the impact of raw material price hikes continues Expect revaluation of asset quality of some titles
Animation / Toy	Animation	<ul style="list-style-type: none"> Recorded the revenue from animation production and licensing revenue from animation distribution, etc. 	<ul style="list-style-type: none"> Expect the revenue from animation production and licensing revenue from animation distribution, etc.
	Toy	<ul style="list-style-type: none"> Strengthened the sales of new products such as "Fun to change screen covers! Sumikkogurashi Smart Phone" and regular products on holiday shopping season 	<ul style="list-style-type: none"> Sell new products and regular products, etc.

-13-

Here is the per subsegment details.

Each of these areas is as described earlier.



"Sonic Frontiers"

Multi-platform release
Nov. 8, 2022

Sold over 2.9 million units worldwide
(as of the end of December 2022)

©SEGA



"Persona 5 Royal" (Remaster)

Multi-platform release
Oct. 21, 2022

Sold over 1.3 million units worldwide
(as of the end of December 2022)

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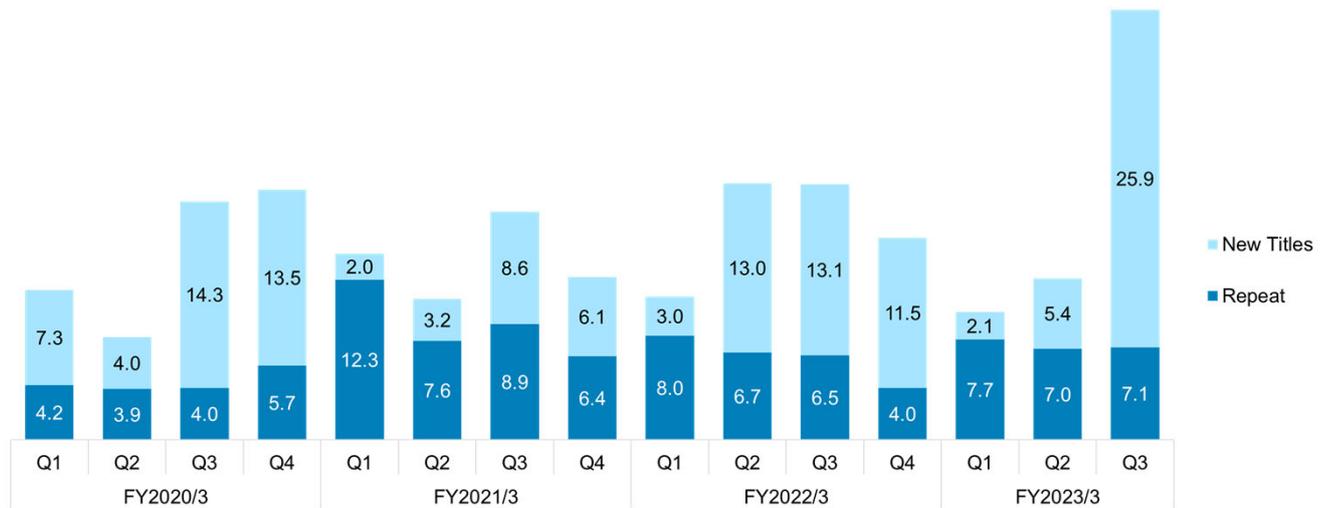
In the Entertainment Contents business, these two titles drove the Q3 results.

"Sonic Frontiers" has sold more than 3.0 million units worldwide at this point, making it the best start in the Sonic series in recent years. We have prepared measures to expand sales, including the distribution of downloadable content, and we believe that we will be able to further increase the number of units sold in the future. In addition, streaming of "Sonic Prime" has started on Netflix last December.

"Persona 5 Royal" (Remaster) also sold well, with worldwide sales exceeding 1.3 million units.

Consumer Area / Full Game: Sales Trend

(Unit: billion yen)

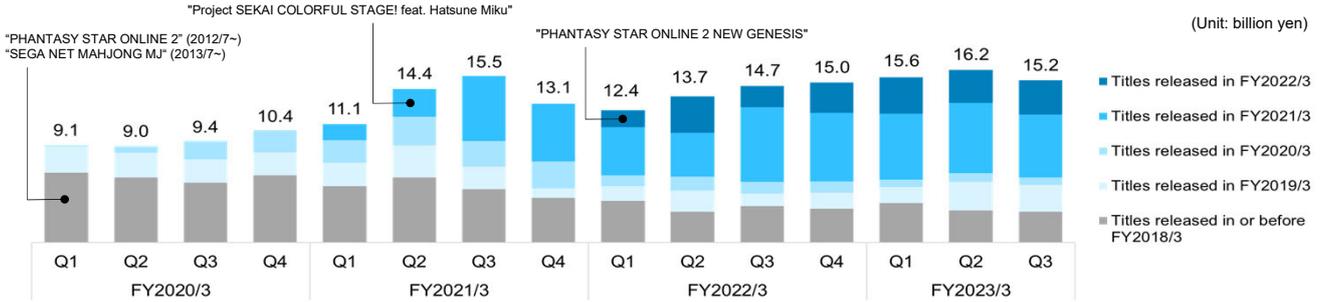


Here is the sales trend by quarter for the Full game.

Sales of new titles increased significantly due to strong sales of “Sonic Frontiers”.

Regarding repeat sales, as explained earlier, were lower than the initial forecast, but are still at the same level as the previous year.

Consumer Area / F2P: Sales Trend



[Top 3 titles in sales from Oct. to Dec.]

<p>(No. 1)</p> <p>"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" © SEGA © CPJ © CFM Release: Sep. 2020</p>	<p>(No. 2)</p> <p>"PHANTASY STAR ONLINE 2 NEW GENESIS" ©SEGA Release: Jun. 2021</p>	<p>(No. 3)</p> <p>"SEGA Pocket Club Manager" ©SEGA All Rights Reserved By JFA The use of images and names of the football players in this game is under license from FIFPro Commercial Enterprises BV. FIFPro is a registered trademark of FIFPro Commercial Enterprises BV. Release: Apr. 2018</p>
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Here is the sales trend of F2P.

It performed strongly centered on "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku".

(Reference) Consumer Area: Sales Trend

(Billion yen)	FY2022/3				FY2023/3				
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	29.5	71.2	119.6	158.3	34.7	75.0	142.5	192.0	188.0
Domestic	13.0	30.9	50.3	66.6	15.7	33.8	52.4	66.1	71.7
Overseas	16.7	40.3	69.4	92.0	19.2	41.1	89.8	126.1	117.2
Overseas sales ratio	56.6%	56.6%	58.0%	58.1%	55.3%	54.8%	63.0%	65.7%	62.3%
Other / Elimination	-0.2	0.0	-0.1	-0.3	-0.2	0.1	0.3	-0.2	-0.9
Full Game	11.0	30.7	50.3	65.8	9.9	22.3	55.3	98.4	75.9
New titles	3.0	16.0	29.1	40.6	2.1	7.5	33.4	62.2	49.2
Japan	0.2	2.4	5.4	5.7	0.5	1.7	3.6	5.1	5.2
Asia	0.1	0.9	2.0	3.0	0.5	1.1	3.5	4.9	5.2
North America / Europe	2.7	12.7	21.7	31.9	1.0	4.6	26.3	52.3	38.7
Repeat titles	8.0	14.7	21.2	25.2	7.7	14.7	21.8	36.2	26.6
Japan	0.8	2.0	2.8	3.4	0.8	1.7	2.4	3.3	3.0
Asia	0.7	1.4	1.8	2.3	0.8	1.5	2.2	4.5	2.8
North America / Europe	6.4	11.3	16.6	19.5	6.1	11.5	17.1	28.3	20.7
Download sales ratio	61.6%	65.3%	63.8%	69.5%	74.9%	74.5%	66.0%	79.4%	70.3%
F2P	12.4	26.1	40.8	55.8	15.6	31.8	47.0	56.8	61.4
Japan	10.9	23.2	36.6	50.1	13.0	27.1	39.9	50.6	52.4
Asia	0.0	0.0	0.3	0.5	0.5	0.5	0.5	0.5	0.6
North America / Europe	1.4	2.9	3.9	5.2	2.0	4.1	6.5	5.7	8.3
Other	6.2	14.5	28.6	37.0	9.2	20.9	40.2	37.0	50.7

*Full Game = Mainly physical sales and download sales of full game for home video game consoles and PCs. (Additional download content sales are not included.)

*F2P = Mainly sales of contents offering free basic play and microtransaction for smartphones and PCs.

*Other = Sales of additional download contents, consignment sales of 3rd party titles, revenue from consignment development, transfer of titles, offering of titles in batches to 1st parties, sales of products other than game software, etc.

-17-

For reference, here is the sales trend in the Consumer area.

The reason for the decrease in the percentage of sales through downloads compared to Q2 is that new titles such as “Sonic Frontiers”, which are primarily home video games, are more likely to be sold in packages.

(Reference) Consumer Area / Full Game: Unit Sales Trend

	FY2022/3				FY2023/3			Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3		
Full Game: Number of Titles									
Japan	0 title	3 titles	5 titles	6 titles	3 titles	7 titles	11 titles	15 titles	15 titles
Asia	1 title	4 titles	7 titles	9 titles	3 titles	7 titles	11 titles	15 titles	15 titles
North America / Europe	3 titles	6 titles	11 titles	13 titles	3 titles	7 titles	12 titles	16 titles	16 titles
Full Game: Unit sales (Thousands)	6,580	14,040	21,970	27,200	5,140	10,140	20,750	34,250	28,250
Total New titles	1,060	3,500	6,630	8,770	440	1,480	6,970	13,950	11,350
Japan	50	410	780	850	90	250	640	1,040	1,130
Asia	50	250	500	760	110	260	860	1,570	1,450
North America / Europe	960	2,840	5,350	7,160	230	960	5,460	11,330	8,760
Total Repeat titles	5,520	10,540	15,340	18,430	4,700	8,650	13,770	20,300	16,890
Japan	290	660	950	1,140	260	760	1,080	1,240	1,390
Asia	340	680	880	1,170	410	750	1,390	2,110	1,740
North America / Europe	4,890	9,200	13,500	16,130	4,030	7,120	11,290	16,960	13,750

*Unit sales don't include the figure for free download

*As for Numbers of Titles above, for the same title released in multiple regions, the title number is counted 1 per each sales region (Japan, Asia and NA/EU)

[Unit sales of major IPs]

(Thousands units)	FY2022/3				FY2023/3		
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3
Sonic series	1,000	2,900	4,900	5,800	1,460	2,630	6,750
Total War series	600	1,000	1,300	2,600	420	950	1,750
Persona series	400	700	1,000	1,300	270	500	2,040
Like a Dragon series	700	1,800	2,500	2,900	470	960	1,730

**Like a Dragon* series includes "Judgment" series

-18-

For reference, here is the unit sales trend in the Consumer area.

The sales volume of new titles was down from the initial forecast, partly due to the postponement of the sales timing of some titles.

Regarding repeat titles, the number of units sold has also been reduced from the initial forecast due to the apparent settling down of stay-at-home demand in the video game market as a whole and sales of semi-new titles released in the previous fiscal year went weak.

(Reference) Entertainment Contents Business: Sales Schedule



		~FY2023/3 Q3			In or after Q4 (plan)	
Consumer	Full Game	New titles	13 Sentinels: Aegis Rim (for Nintendo Switch™)	Soul Hackers 2	Sonic Frontiers	Persona 4 Golden (Remaster)
			Sonic Origins	Two Point Campus	Persona 5 Royal (Remaster)	Persona 3 Portable (Remaster)
Hatsune Miku: Project DIVA Mega Mix+ (for PC)	Judgment (for PC)			Like a Dragon: Ishin!		
		Repeat	Lost Judgment (for PC)		Company of Heroes 3	
			Sonic Series / Persona Series / Total War Series / Football Manager Series / Like a Dragon Series, etc.			
F2P	In or before FY2018/3	PHANTASY STAR ONLINE 2 / Puyo Puyo!! Quest / CHAIN CHRONICLE				
	FY2019/3~	SHIN MEGAMI TENSEI Liberation D×2 / SEGA Pocket Club Manager				
	FY2020/3~	FIST OF THE NORTH STAR LEGENDS ReVIVE				
	FY2021/3~	Re:ZERO -Starting Life in Another World- Lost in Memories / Project SEKAI COLORFUL STAGE! feat. Hatsune Miku				
	FY2022/3~	PHANTASY STAR ONLINE 2 NEW GENESIS / Sin Chronicle				
	FY2023/3~					

*Only announced titles are listed for "In or after FY2023/3 Q4 (plan)"

-19-

Here are the schedules for sales of each title in the Entertainment Contents business.

~FY2023/3 Q3

In or after Q4 (plan)

Amusement Machine	<Major titles in operation>	StarHorse4 / EIKETSU TAISEN / maimai DX / CHUNITHM / O.N.G.E.K.I. / MJ ARCADE INITIAL D THE ARCADE / KanColle Arcade / Fate Grand Order Arcade / Ialamee		
	<Major regular sales titles>	UFO Catcher® series / Prizes for prize machines		
	ROMAPI		Bépiu.	HORI A TALE
				romakyun
Animation / Toy	Detective Conan: The Bride of Halloween		ANPANMAN: Dororin and the Transformation Carnival	
	With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium Design by yourself			
	Battle with medals! Dinosaur PC Ω		Fun to change screen covers! Sumikkogurashi Smart Phone	

*Only announced titles are listed for "In or after FY2023/3 Q4 (plan)"

Pachislot and Pachinko Machines Business

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	51.8	75.8	52.1	86.0	89.0
Pachislot	19.4	30.6	26.2	32.7	41.0
Pachinko	26.3	37.1	19.9	44.5	43.4
Other / Elimination	6.1	8.1	6.0	8.8	4.6
Operating Income	5.3	9.3	6.9	11.5	17.0
Non-operating income	0.7	1.0	0.5	0.5	0.6
Non-operating expenses	0.0	0.1	0.1	0.0	0.1
Ordinary Income	6.0	10.2	7.3	12.0	17.5
Ordinary Income Margin	11.6%	13.5%	14.0%	14.0%	19.7%
Pachislot					
Number of Titles	6 titles	10 titles	7 titles	9 titles	8 titles
Unit Sales (units)	48,922	77,870	63,579	84,000	90,000
Pachinko					
Number of Titles	5 titles	5 titles	3 titles	6 titles	5 titles
Unit Sales (units)	64,025	97,027	49,159	114,000	100,000
Board + Frame	40,999	56,728	18,832	46,900	50,000
Board	23,026	40,299	30,327	67,100	50,000

*New series is counted as one title
(Machines which delivery started from previous fiscal year/specification changed titles, etc. aren't included)

FY2023/3 Q3 Results

➤ Progressed steadily overall

- Especially the sales of pachislot machines (No. 6.5 models) went strong
- Major titles sold:
"Pachislot Kabaneri of the Iron Fortress"
"Pachislot Saga of Tanya the Evil" etc.

Forecast

➤ Forecast higher sales and profits compared to initial forecast

➤ Sell mainstay titles for both pachislot and pachinko machines

- Pachislot: Continue to launch No. 6.5 models
Additional sales of "Pachislot Kabaneri of the Iron Fortress"
- Pachinko: Launch mainstay series machines,
"P Shin Hokuto Muso Chapter 4", etc.

Next is about Pachislot and Pachinko Machines business.

In Q3 of the current fiscal year, sales of No. 6.5 models of pachislot were strong, and generally progressed steadily.

As for the future outlook, as mentioned in the beginning, we expect an increase in both sales and profit compared to the initial forecast.

In Q4, we plan to sell mainstay titles for both pachislot and pachinko.



"Pachislot Kabaneri of the Iron Fortress"

©Kabaneri Committee ©Sammy



"P Shin Hokuto Muso Chapter 4"

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➤ **"Pachislot Kabaneri of the Iron Fortress"**

- Maintaining high utilization level since its launch in Jul. 2022
- Unit sales: 19,205 units (as of the end of Dec. 2022)
- Large-scale additional sales in Jan. 2023

➤ **"P Shin Hokuto Muso Chapter 4"**

- Delivery month: February 2023

For pachislot, we will continue to launch No. 6.5 models. "Pachislot Kabaneri of the Iron Fortress" released in July last year, has maintained a high utilization level since its release, with orders in excess of 30,000 units as of the end of January this year.

For pachinko, "P Shin Hokuto Muso Chapter 4", our mainstay series, started its operation this week. Orders for this title also exceeded 30,000 units as of the end of January this year.



**"Smart Pachislot
Hokuto No Ken"**

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©Sammy

- **The first smart pachislot for the Group**
- **Follows "Pachislot Hokuto No Ken",
the No. 1 machine in all-time sales volume**
- **Delivery month: Apr. 2023 (plan)**

-23-

This is about our first smart pachislot, “Smart Pachislot Hokuto No Ken”.

This title follows “Pachislot Hokuto No Ken”, which was released in 2003 and has sold 620,000 units, the number one selling title of all time. Delivery is scheduled to begin in April of this year, and we will actively promote the product through TV commercials and other means.

We recognize that there has been a high level of interest in this title since it was announced, but the situation requires continued attention in terms of parts procurement, and we intend to take appropriate measures while keeping an eye on production capacity.

(Reference) Pachislot and Pachinko Machines Business: Sales Schedule

New series
Specification changed title



(Major titles before Q3)		Delivery month	Unit sales	(Major titles to be launched in or after Q4)		Delivery month
Pachislot	Pachislot Kabaneri of the Iron Fortress	Jul.	19,205 units	Pachislot	Pachislot Kabaneri of the Iron Fortress (additional sales)	Jan.
	Pachislot Saga of Tanya the Evil	Dec.	15,165 units		Pachislot The Rising of the Shield Hero	Feb.
	Pachislot Persona5	Sep.	9,662 units		Smart Pachislot Hokuto No Ken	Apr.
	Pachislot Hard Boiled	Oct.	9,473 units	Pachinko	P BIG DREAM 3	Jan.
Pachinko	P The Seven deadly Sins 2	Nov.	12,165 units		P Shin Hokuto Muso Chapter 4	Feb.
	P TIGER & BUNNY ~Kanzen Muketsu WILD Spec~	Dec.	12,113 units		P Shin Hokuto Muso Chapter 3 Kakuseitoubu	Mar.
	P Initial D	May.	10,700 units		P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.

*Only announced titles are listed for in or after 2023/3 Q4 (plan)

Here is the sales schedule for the Pachislot and Pachinko Machines business.

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	6.6	8.6	8.7	11.5	11.5
Operating Income	-1.9	-2.5	-0.7	-1.2	-1.2
Non-operating income	0.0	0.0	0.0	0.0	0.1
Non-operating expenses	2.7	4.1	2.1	1.8	1.9
Ordinary Income	-4.6	-6.7	-2.8	-3.0	-3.0
Ordinary Income Margin	-	-	-	-	-
<PHOENIX RESORT>					
No. of facility users (Thousands)	571	760	717	868	943
3 accommodation facilities	233	308	299	363	388
2 golf courses	70	94	76	98	104
Other facilities	268	358	342	407	451

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

FY2023/3 Results

➤ PHOENIX RESORT: Recovery trend centered on individual customers

- Measures to stimulate tourism demand by the government and facility itself contributed

➤ PARADISE SEGASAMMY: Recovery trend due to relaxation of travel restrictions

- Travel restrictions were partially relaxed from June onward, and drop amount of Japanese VIP customers recovered to the level close to before COVID-19

Forecast

Finally, the Resort business.

Both in Japan and overseas, restrictions on activities associated with the spread of COVID-19 have eased, and earnings are recovering in line with our expectations.

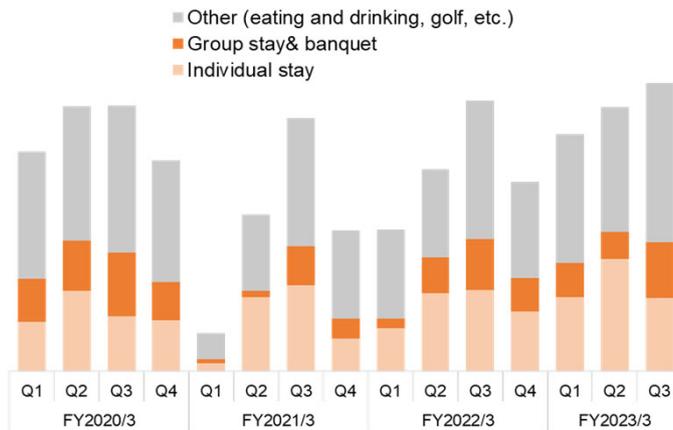
In Japan, demand for the PHOENIX RESORT remained strong, especially among individual customers, due to the absence of a state of emergency declared by the government and the contribution of the government and its own measures to stimulate tourism demand.

As for PARADISE SEGASAMMY in South Korea, the inclusion of its business results will be delayed by three months, so Q3 of the current fiscal year will be the business results of PARADISE SEGASAMMY for the period from January to September. Although casino visitors remained sluggish until June due to the travel restrictions, casino sales has been recovering, especially among Japanese VIP customers, as travel restrictions were eased. In addition, hotel sales has been able to capture the increasing demand for stay-type travel in South Korea, with the average occupancy rate of the main hotel at nearly 70%, while ADR (Average Daily Rate) remains at a high level.

I will explain details from the next page, but we expect profit to continue to recover

as the activity restrictions on activities with COVID-19 are eased.

■ PHOENIX RESORT: Sales by type of facility users



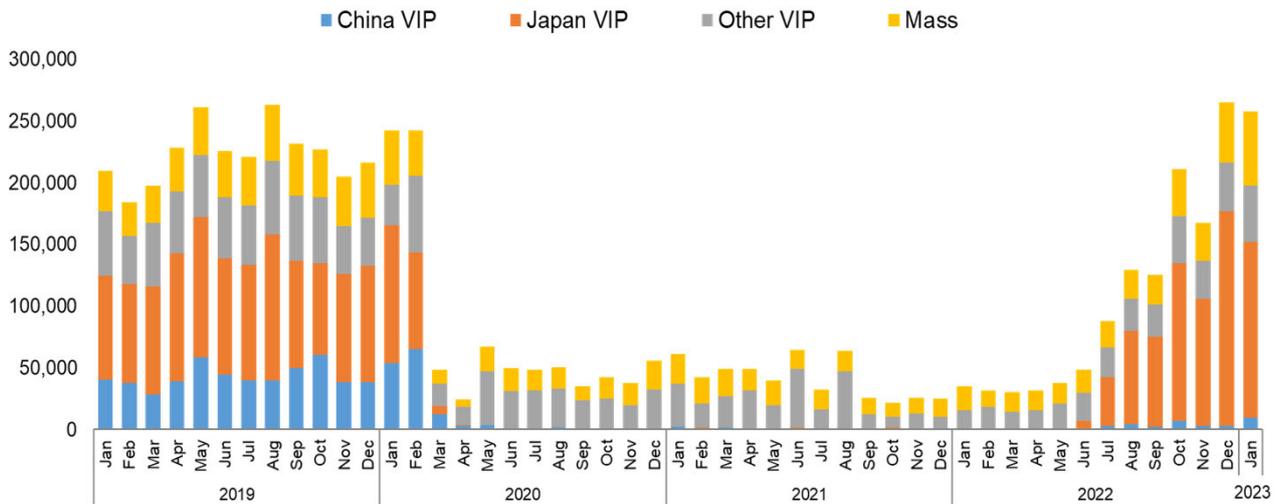
- Cumulative Q3 sales and No. of facility users exceeded before COVID-19 levels due to strong sales of individual consumer
- Continue to expect high individual customer demand from the contribution of "National Travel Discount program" and other factors

Here is the sales of PHOENIX RESORT by type of facility users.

The number of customers, especially individual customers, has been recovering, and both sales and number of facility users in the consolidated cumulative Q3 of the current fiscal year exceeded the figures before COVID-19.

■ Trend of Drop amounts* at PARADISE CITY

(KRW million)



*Drop amounts: Purchased amount of chips by customers

Here is the trend of drop amounts at PARADISE CITY.

As mentioned earlier, travel restrictions have been eased since June, and the amount of Japanese VIP customers dropped has shown a rapid recovery, and since October, it has recovered to a level exceeding the pre-COVID-19 level.

That's all from me. Thank you for your attention.

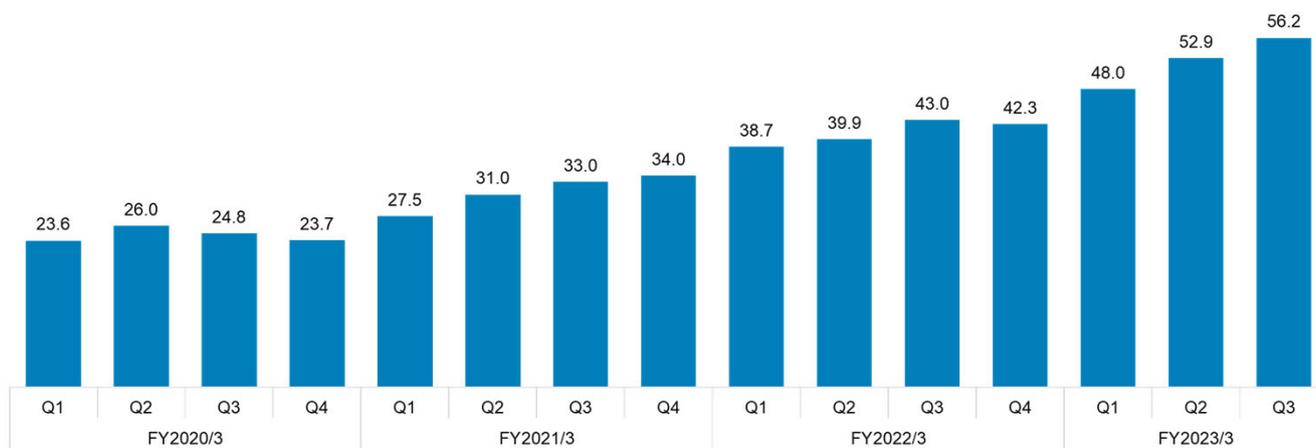
03

Appendix

Trend of Balance of Content Production Expenses in B/S (Consumer area)



(Unit: billion yen)

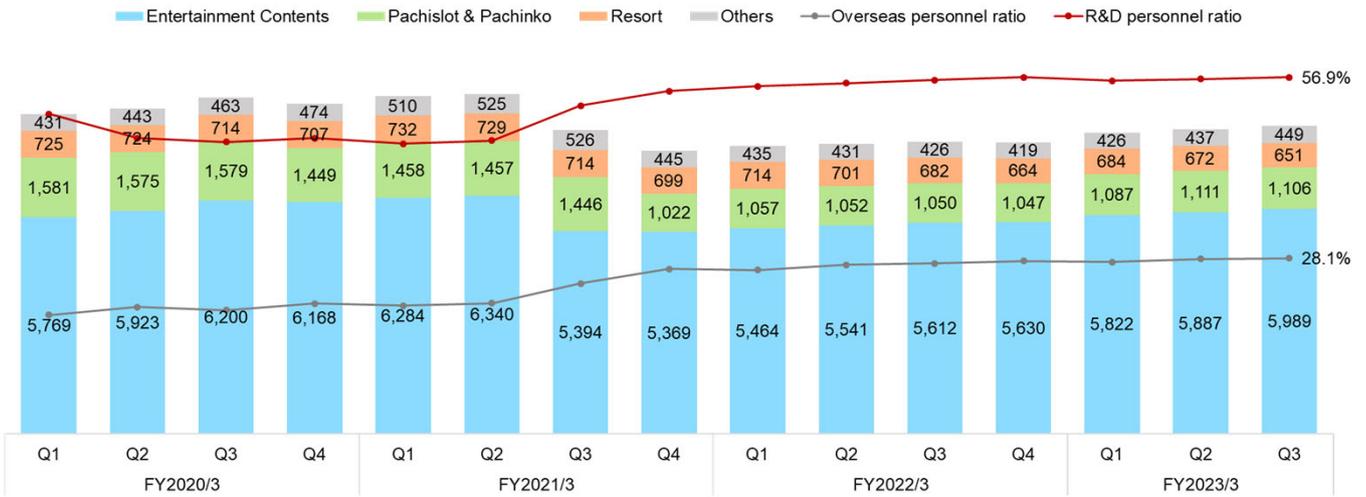


*Balance of work in progress R&D expenses of titles before release + balance of unamortized R&D expenses of released titles

Trend of No. of Employees by Segment



(Unit: employees)



*No. of employees are the No. of full-time employees and permanent contract employees. Excludes the No. of temporary employees

Resort Business (PARADISE SEGASAMMY)



(KRW Billion)	2022/3		2023/3
	Through Q3	Full year Results	Through Q3
Sales	126.2	161.5	169.7
Casino	75.2	86.6	85.6
Hotel	46.7	67.7	71.8
Other	4.3	7.0	12.2
Cost of sales	131.2	178.2	156.0
Casino	48.5	63.7	59.7
Hotel	59.4	81.9	67.4
Other	23.2	32.4	28.8
Gross profit	-4.9	-16.7	13.7
SG&A	18.8	25.4	18.6
Operating profit	-23.8	-42.2	-4.8
EBITDA	18.9	14.9	37.6
Net profit	-56.6	-87.9	-37.4
Number of casino visitors (Thousands)	80.0	99.0	91.0
		Source: Paradise IR	
SEGASAMMY Equity method acquisition amount (Billion yen)	-2.6	-4.1	-1.9

FY2023/3 Q3 Results

- **Recovery trend due to relaxation of travel restrictions**
 - While number of casino visitors remained sluggish, casino sales recovered rapidly, particularly centered on Japanese VIP customers
- **EBITDA remained positive due to cost reduction.**

Forecast

- **Loss margin expect to narrow**
 - Casino sales are recovering centered on Japanese VIP customers, and hotel sales remain at a high level due to growing demand in South Korea

*PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate of SEGA SAMMY HOLDINGS INC.

*Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

*Local accounting standard

Continue to consider investing in the following growth areas

Consumer Area Approx. 100.0 billion yen	Strengthen development resources	Area of consideration for investment <ul style="list-style-type: none"> Expansion of organic development pipeline Strengthen global mobile and online games
	Investment in new ecosystem	Area of consideration for investment <ul style="list-style-type: none"> Strengthen CRM functions to revitalize user communities Investment in newly emerging business areas
Gaming Area Approx. 100.0 billion yen	Careful assessment of investment opportunities in the gaming area	Area of consideration for investment <ul style="list-style-type: none"> Both domestic and overseas IR Online casino and sports betting overseas Land-based casinos overseas
Other Approx. 50.0 billion yen	Expand CVC investment limit (Total limit: 15.0 billion yen)	<ul style="list-style-type: none"> Strengthen open innovation activities, including investment in start-up companies
	Creation of new business, acquisition of IPs, etc.	

Total 250.0 billion yen



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

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