

Fiscal Year Ended March 2023

Results Presentation

2023/4/28

Disclaimer

Market forecasts, operating results forecast, and other information contained in this material are based on judgements and projections of the Company's managements based on currently available information. Therefore, please understand that the contents herein involve risks and uncertainties and that actual results could differ materially depending on various factors.

This is an English translation from the original Japanese-language version. The translation is provided for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Company assumes no responsibility for this translation and for direct, indirect or any other forms of damages arising from the translations. Should there be any inconsistency between the translation and the original Japanese document, the Japanese language version shall prevail. If you quote all or part of this document, please clearly indicate the source of the citation or link to this page.

01

FY2023/3 Results / FY2024/3 Forecast

Results Highlights



(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	320.9	389.6	433.0
Entertainment Contents	235.9	282.8	305.0
Pachislot and Pachinko Machines	75.8	94.2	115.0
Resort	8.6	11.5	12.0
Other / Elimination	0.6	1.1	1.0
Operating Income	32.0	46.7	55.0
Entertainment Contents	33.9	38.7	43.5
Pachislot and Pachinko Machines	9.3	20.0	24.5
Resort	-2.5	-1.1	-1.0
Other / Elimination	-8.7	-10.9	-12.0
Non-operating income	5.9	4.9	4.0
Non-operating expenses	4.6	2.2	1.0
Ordinary Income	33.3	49.4	58.0
Entertainment Contents	36.8	41.1	45.0
Pachislot and Pachinko Machines	10.2	20.7	25.0
Resort	-6.7	-3.2	0.0
Other / Elimination	-7.0	-9.2	-12.0
Ordinary Income Margin	10.4%	12.7%	13.4%
Extraordinary income	5.2	0.0	-
Extraordinary losses	0.6	2.4	-
Income before income taxes	37.9	47.0	58.0
Profit attributable to owners of parent	37.0	45.9	40.0
ROE	12.7%	14.7%	-
Dividends per share (JPY)	40.00	59.00	47.00

FY2023/3 Results

➤ **Achieved significant increases in sales and profits YoY**

- Sales and profits increased, or loss margin narrowed YoY in all businesses
- Income taxes, etc. remained at low level as in the previous fiscal year due to the recording of deferred tax assets at a U.S. subsidiary, decrease in taxable income from net loss carried forward, and tax credits related to research and development at a U.K. subsidiary.
- Decided to increase year-end dividends forecast and implement shares buybacks based on the return policy of a total return ratio of 50% (-> See P.68)

FY2024/3 Forecast

➤ **Forecast increases in sales and profits for all business areas**

- Continue to grow, driven by CS* (Entertainment Contents)
- Increase unit sales of pachislot (Pachislot and Pachinko)
- Achieve profitability in ordinary income (Resorts)

*CS = Consumer area

Breakdown of Income (FY2023/3 Results)

(Unit: billion yen)



Breakdown of non-operating income/losses and extraordinary income/losses

Non-operating income	4.9
Gain on investments in partnership	1.9
Foreign exchange gains	1.3
Dividends income	0.5
Interest income	0.4
Non-operating expenses	2.2
Equity in losses of affiliates	0.5
Loss on investments in partnership	0.5
Extraordinary Income	0.0
Extraordinary losses	2.4
Loss on business restructuring	1.7
Impairment loss	0.4
Taxes/Others	1.1

Costs and Expenses, etc.

■Entertainment Contents

(Billion yen)	FY2021/3				FY2022/3				FY2023/3					FY2024/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Full Year Results	Full Year Forecast
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	22.9	66.0	68.9
Advertising expenses	1.7	2.8	3.3	3.7	2.2	3.9	3.7	4.4	2.7	5.0	6.3	6.7	20.7	23.6
Depreciation	2.2	2.3	0.7	1.5	0.8	0.9	0.9	1.1	0.9	1.0	0.9	1.0	3.8	3.6
Cap-ex	2.2	2.8	3.5	1.9	1.5	1.4	1.6	2.8	1.1	1.1	1.7	2.0	5.9	6.1

■Pachislot & Pachinko

(Billion yen)	FY2021/3				FY2022/3				FY2023/3					FY2024/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Full Year Results	Full Year Forecast
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	4.2	14.4	15.5
Advertising expenses	0.1	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.3	0.3	0.3	0.8	1.7	4.0
Depreciation	0.8	0.9	0.9	0.8	0.5	0.7	0.7	0.8	0.6	0.7	0.7	0.7	2.7	3.0
Cap-ex	1.1	0.7	0.7	0.8	1.2	1.1	0.8	1.0	1.0	1.0	1.0	1.2	4.2	5.4

*Recognition of R&D Expenses and Content Production Expenses by business segments

- Entertainment Contents business (Full Game (CS)): Expenses are capitalized as inventory assets or intangible assets during development and booked as expenses after launch. 25% will be amortized in first month and the rest will be amortized over a period of 23 months using the straight-line method (Total amortization period is 24 months)
- Entertainment Contents business (F2P (F2P)): Expenses are amortized over a period 24 or 36 months using the straight-line method
- Entertainment Contents business (AM): Expenses are capitalized as inventory assets during development and booked as expenses after launch. They will be amortized 15% per first 2 months and the rest will be amortized 7% per 10 months using the straight-line method (Total amortization period is 12 months)
- Pachislot and Pachinko business: Expenses aren't capitalized but are recognized as they arise (process outsourcing expenses recognized when work is inspected)

*Full Game (CS) are anticipated to be sold for a longer period due to recent longer product lifecycle compared with conventional length, so the amortization rule has been revised as above from new titles to be launched in FY2024/3. Titles released by FY2023/3 will be amortized 40%, 15%, 5% per first 3 months and the rest will be amortized 2% per 21 months using the straight-line method.
Content development amortization expense of Entertainment Contents business as a whole is expected to be reduced for approx. 4.6 billion yen in FY2024/3.

Costs and Expenses, etc.

■ Resort

(Billion yen)	FY2021/3				FY2022/3				FY2023/3				Full Year Results	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
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	0.1	0.1	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	0.1	0.3	0.5
Depreciation	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.6	0.7
Cap-ex	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.5	0.1	0.4	0.2	1.2	0.4

■ Other / Elimination

(Billion yen)	FY2021/3				FY2022/3				FY2023/3				Full Year Results	FY2024/3 Full Year Forecast
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
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	-0.2	-0.1	0.1
Advertising expenses	0.2	0.1	0.2	0.2	0.4	0.4	0.2	0.3	0.3	0.7	0.2	0.2	1.4	1.2
Depreciation	0.4	0.3	0.3	0.1	0.4	0.1	0.3	0.2	0.5	0.1	0.3	0.2	1.1	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	0.1	0.5	1.6

Consolidated Balance Sheet Summary



(Billion yen)	【Assets】			【Liabilities and Net Assets】				
	Account	As of end of March 2022	As of end of March 2023	Increase /Decrease	Account	As of end of March 2022	As of end of March 2023	Increase /Decrease
	Cash and Deposits	152.4	179.5	+27.1	Accounts Payable	24.4	30.5	+6.1
	Accounts Receivable	38.9	53.3	+14.4	Short Term Borrowings	10.0	17.0	+7.0
	Inventories	67.5	89.4	+21.9	Other	52.5	72.8	+20.3
	Other	28.9	31.6	+2.7	Total Current Liabilities	86.9	120.3	+33.4
	Total Current Assets	287.7	353.8	+66.1	Corporate Bonds	10.0	10.0	-
	Tangible Fixed Assets	60.3	60.4	+0.1	Long Term Borrowings	32.0	25.0	-7.0
	Intangible Fixed Assets	13.1	13.2	+0.1	Other	13.8	14.8	+1.0
	Investment Securities	40.6	39.5	-1.1	Total Noncurrent Liabilities	55.8	49.8	-6.0
	Other	33.7	34.6	+0.9	Total Liabilities	142.8	170.2	+27.4
	Total Noncurrent Assets	147.7	147.7	+0.0	Shareholders Equity	294.4	326.7	+32.3
	Total Assets	435.4	501.5	+66.1	Total accumulated other comprehensive income	-2.0	4.0	+6.0
					Share acquisition rights	0.1	0.4	+0.3
					Non-controlling interests	0.0	0.0	-0.0
					Total Net Assets	292.6	331.3	+38.7
					Total Liabilities and Net Assets	435.4	501.5	+66.1

Main factors for increase / decrease

	As of end of March 2022	As of end of March 2023	Increase /Decrease
Cash, deposits and cash equivalents	152.4	179.5	+27.1
Interest bearing debt	52.0	52.0	-
Net cash	100.4	127.5	+27.1
Equity ratio	67.1%	66.0%	-1.1p

(Current Assets)

Cash and deposits increased as a result of strong business performance. In addition, notes and accounts receivable and inventory assets mainly related to “Smart Pachislot Hokuto No Ken” increased and content work in progress increased centered on Consumer are

(Liabilities)

Notes and accounts payable and contract liabilities increased mainly related to “Smart Pachislot Hokuto No Ken”

(Net assets)

Shareholders' equity increased due to recording of profit attributable to owners of parent while dividend payments and share buybacks were executed

Consolidated Cash Flows



(Unit: billion yen)

Cash and cash equivalents

End of FY2022/3

152.4

C/F from Operating Activities + 44.7

C/F from Investing Activities -2.3

C/F from Financing Activities -15.3

End of FY2023/3

179.5

Cash Flows from Operating Activities

Income before income taxes	+47.0
Depreciation and amortization	+10.6
Increase in notes and accounts receivable -trade	-13.4
Increase in inventories	-22.4
Increase in contract liabilities	+15.5
Others	+7.4

Cash Flows from Investing Activities

Purchase of property, plant and equipment	-4.9
Purchase of intangible assets	-5.8
Others	+8.4

Cash Flows from Financing Activities

Proceeds from long-term borrowings	+10.0
Repayment of long-term borrowings	-10.1
Purchase of treasury stock	-4.9
Cash dividends paid	-8.8
Others	-1.5

02

Per Segments Results / Forecast

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	235.9	282.8	305.0
Consumer	158.3	187.9	205.0
Amusement Machine	49.7	64.9	63.5
Animation / Toy	25.6	29.3	36.0
Other / Elimination	2.3	0.7	0.5
Operating Income	33.9	38.7	43.5
Consumer	29.3	32.8	36.0
Amusement Machine	2.5	2.9	5.0
Animation / Toy	3.0	4.5	4.5
Other / Elimination	-0.9	-1.5	-2.0
Non-operating income	3.3	2.8	1.8
Non-operating expenses	0.5	0.4	0.3
Ordinary Income	36.8	41.1	45.0
Ordinary Income Margin	15.6%	14.5%	14.8%

*Exchange rate in initial forecast for FY2024/3: 1US dollar = 127 yen, £1 =160yen, and 1 Euro = 141yen.

FY2023/3 Results

- **Both sales and profits increased YoY**
 - Some new titles in Full game and F2P* performed strongly (CS*)
 - Sales in the Prize category went strong (AM*)

FY2024/3 Forecast

- **Expect higher sales and profits due to the contribution of new titles and repeat sales (CS)**
 - Increase in unit sales of new titles
FY2023/3 results: 10,090 thousand units
FY2024/3 plan: 14,120 thousand units
 - Increase in operating expenses of R&D expenses and advertising expenses due to increase in new titles
- **Expect to maintain strong performance in the prize category (AM)**

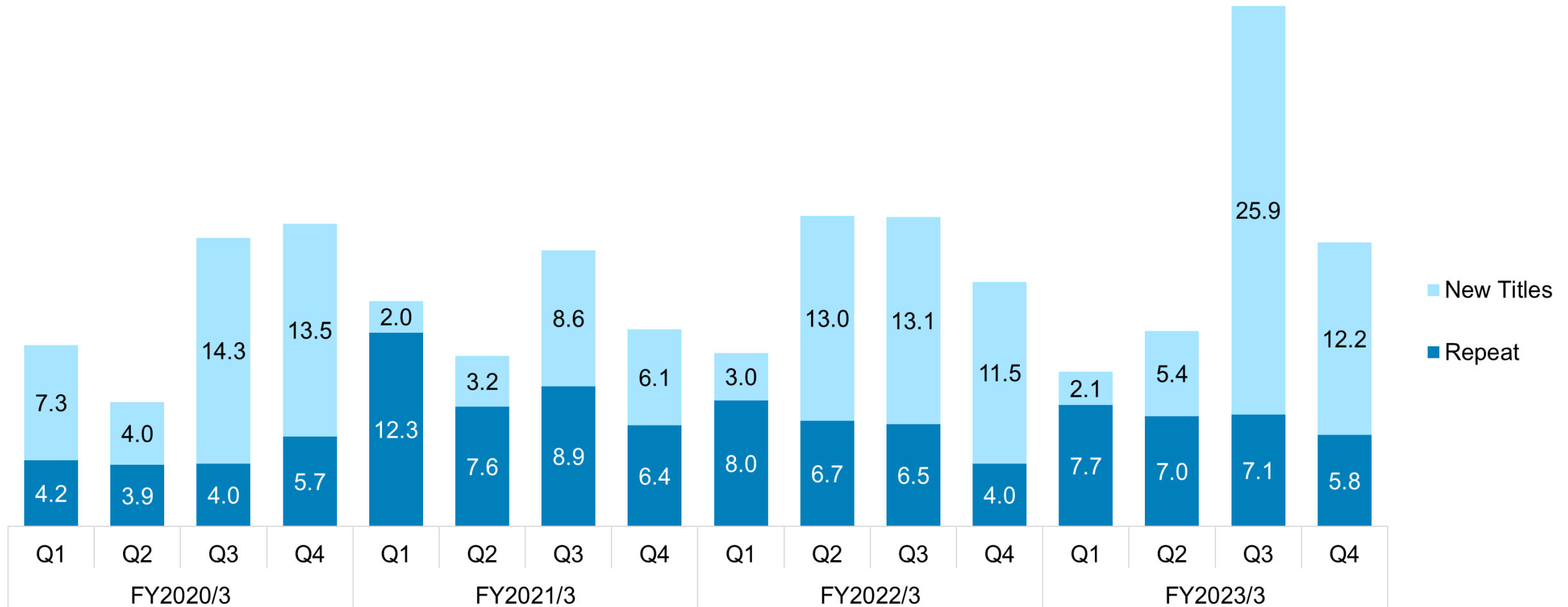
Entertainment Contents Business: Per Subsegments



		FY2023/3 Results	FY2024/3 Forecast
Consumer	Full Game	<ul style="list-style-type: none"> Strong performance of new titles such as "Sonic Frontiers" and "Persona 5 Royal" (Remaster) Repeat sales performed weakly 	<ul style="list-style-type: none"> Sales of new titles increase Sales of repeat titles contribute to earnings due to new titles released in the previous fiscal year Change the amortization rule of content work in process
	F2P	<ul style="list-style-type: none"> Strong performance of "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" 	<ul style="list-style-type: none"> Stable earnings from "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" and other existing titles will continue to contribute Release new title, "404 GAME RE:SET -Error Game Reset-"
	Other	<ul style="list-style-type: none"> Recorded license revenue, etc. Recorded foreign exchange gains 	<ul style="list-style-type: none"> Record licensing revenue centered on Sonic
Amusement Machine Sales		<ul style="list-style-type: none"> Strong sales of UFO Catcher ® series and prizes Sales and profits increased YoY despite the impact of raw material price hikes 	<ul style="list-style-type: none"> Strengthen sales of prizes Launch of new products such as "UFO CATCHER 10"
Animation / Toy	Animation	<ul style="list-style-type: none"> Released the theatrical version of "Detective Conan: The Bride of Halloween" Recorded animation production and distribution revenue, etc. 	<ul style="list-style-type: none"> Release the theatrical version of "DETECTIVE CONAN: Black Iron Submarine" Record animation production and distribution revenue, etc.
	Toy	<ul style="list-style-type: none"> Launched new products such as "With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium Design by yourself" 	<ul style="list-style-type: none"> Sales of new products and regular products, etc.

Consumer Area / Full Game: Sales Trend

(Unit: billion yen)

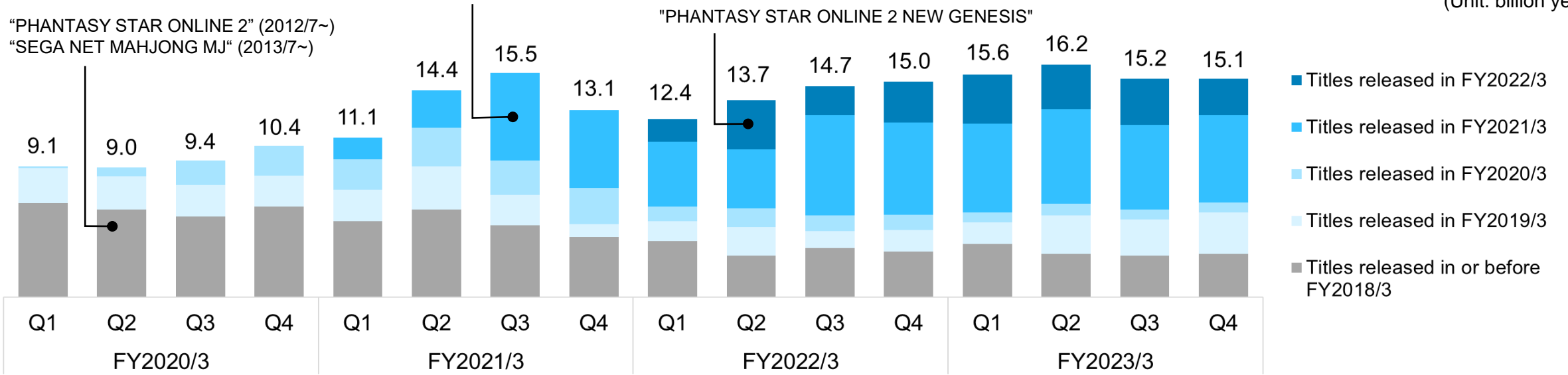


Consumer Area / F2P: Sales Trend

"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku"

(Unit: billion yen)

"PHANTASY STAR ONLINE 2" (2012/7~)
"SEGA NET MAHJONG MJ" (2013/7~)



[Top 3 titles in sales from Jan. to Mar. 2023]

(No. 1)



"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku"

© SEGA/© CP/© CFM
Release: Sep. 2020

(No. 2)



"PHANTASY STAR ONLINE 2 NEW GENESIS"

©SEGA
Release: Jun. 2021

(No. 3)



"SEGA NET MAHJONG MJ"

©SEGA
Release: Jul. 2013

(Reference) Consumer Area: Sales Trend



(Billion yen)	FY2022/3				FY2023/3				FY2024/3 Full Year Forecast
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4	
Sales	29.5	71.2	119.6	158.3	34.7	75.0	142.5	187.9	205.0
Domestic	13.0	30.9	50.3	66.6	15.7	33.8	52.4	71.4	71.6
Overseas	16.7	40.3	69.4	92.0	19.2	41.1	89.8	116.7	135.4
Overseas sales ratio	56.6%	56.6%	58.0%	58.1%	55.3%	54.8%	63.0%	62.1%	66.0%
Other / Elimination	-0.2	0.0	-0.1	-0.3	-0.2	0.1	0.3	-0.2	-2.0
Full Game	11.0	30.7	50.3	65.8	9.9	22.3	55.3	73.2	108.1
New titles	3.0	16.0	29.1	40.6	2.1	7.5	33.4	45.6	75.8
Japan	0.2	2.4	5.4	5.7	0.5	1.7	3.6	5.0	9.5
Asia	0.1	0.9	2.0	3.0	0.5	1.1	3.5	5.3	5.4
North America / Europe	2.7	12.7	21.7	31.9	1.0	4.6	26.3	35.2	60.8
Repeat titles	8.0	14.7	21.2	25.2	7.7	14.7	21.8	27.6	32.3
Japan	0.8	2.0	2.8	3.4	0.8	1.7	2.4	3.0	2.4
Asia	0.7	1.4	1.8	2.3	0.8	1.5	2.2	2.8	2.4
North America / Europe	6.4	11.3	16.6	19.5	6.1	11.5	17.1	21.6	27.5
Download sales ratio	61.6%	65.3%	63.8%	69.5%	74.9%	74.5%	66.0%	69.7%	68.2%
F2P	12.4	26.1	40.8	55.8	15.6	31.8	47.0	62.1	64.0
Japan	10.9	23.2	36.6	50.1	13.0	27.1	39.9	53.2	51.6
Asia	0.0	0.0	0.3	0.5	0.5	0.5	0.5	0.6	0.7
North America / Europe	1.4	2.9	3.9	5.2	2.0	4.1	6.5	8.2	11.6
Other	6.2	14.5	28.6	37.0	9.2	20.9	40.2	52.6	32.9

• 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.

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



	FY2022/3				FY2023/3				FY2024/3 Full Year Forecast
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4	
Full Game: Number of Titles									
Japan	0 title	3 titles	5 titles	6 titles	3 titles	7 titles	11 titles	15 titles	12 titles
Asia	1 title	4 titles	7 titles	9 titles	3 titles	7 titles	11 titles	15 titles	13 titles
North America / Europe	3 titles	6 titles	11 titles	13 titles	3 titles	7 titles	12 titles	16 titles	14 titles
Full Game: Unit sales (Thousand)	6,580	14,040	21,970	27,200	5,140	10,140	20,750	27,890	34,480
Total New titles	1,060	3,500	6,630	8,770	440	1,480	6,970	10,090	14,120
Japan	50	410	780	850	90	250	640	1,090	1,370
Asia	50	250	500	760	110	260	860	1,350	930
North America / Europe	960	2,840	5,350	7,160	230	960	5,460	7,640	11,800
Total Repeat titles	5,520	10,540	15,340	18,430	4,700	8,650	13,770	17,790	20,360
Japan	290	660	950	1,140	260	760	1,080	1,380	1,130
Asia	340	680	880	1,170	410	750	1,390	1,840	1,280
North America / Europe	4,890	9,200	13,500	16,130	4,030	7,120	11,290	14,560	17,930

*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]

(Thousand units)	FY2022/3				FY2023/3			
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Through Q4
Sonic series	1,000	2,900	4,900	5,800	1,460	2,630	6,750	8,150
Total War series	600	1,000	1,300	2,600	420	950	1,750	2,300
Persona series	400	700	1,000	1,300	270	500	2,040	3,270
Like a Dragon series*	700	1,800	2,500	2,900	470	960	1,730	2,830

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

[Titles released in FY2023/3]



©SEGA

"Sonic Frontiers"

- IP growth through hits for movies and animations, collaborations, and etc.
- Expand sales opportunities by global simultaneous launch x multi-platform support
- Worldwide unit sales: Over 3.2 million units (as of the end of March 2023)



©ATLUS. ©SEGA. All rights reserved.

"Persona 5 Royal" (Remaster)

- Expand sales opportunities by global simultaneous launch x multi-platform support
- Worldwide unit sales: Over 1.7 million (as of the end of March 2023)

[Titles to be released in FY2024/3]

*Only announced titles are listed. Figures in () to the right of the title are the planned release dates



“Etrian Odyssey Origins Collection” (June. 1)
©ATLUS. ©SEGA. All rights reserved.



"Sonic Origins Plus" (Jun. 23)
©SEGA



"Samba de Amigo: Party Central" (Summer 2023)
©SEGA



"ENDLESS™ Dungeon" (Oct. 19)
©Amplitude Studios SAS. ©SEGA



"Like a Dragon Gaiden:
The Man Who Erased His Name" (2023)
©SEGA

*In addition to the above, we plan to sell mainstay IP titles which will be announced later

(Reference) Entertainment Contents Business: Sales Schedule



		~FY2023/3	In or after FY2024/3 (Plan)
Consumer	Full Game	New titles	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>13 Sentinels: Aegis Rim (for Nintendo Switch™)</p> <p>Hatsune Miku: Project DIVA Mega Mix+ (for PC)</p> <p>Sonic Origins</p> <p>Two Point Campus</p> <p>Soul Hackers 2</p> </div> <div style="width: 30%;"> <p>Sonic Frontiers</p> <p>Football Manager 2023</p> <p>Persona 5 Royal (Remaster)</p> <p>Like a Dragon: Ishin!</p> <p>Company of Heroes 3</p> </div> <div style="width: 30%;"> <p>ENDLESS™ Dungeon</p> <p>Etrian Odyssey Origins Collection</p> <p>Sonic Origins Plus</p> <p>Like a Dragon Gaiden: The Man Who Erased His Name</p> <p>Samba de Amigo: Party Central</p> <p>HYENAS</p> </div> </div>
		Repeat	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	
	FY2024/3~	404 GAME RE:SET -Error Game Reset-	

*Only announced titles are listed for “In or after FY2024/3 (plan)”

(Reference) Entertainment Contents Business: Sales Schedule

~FY2023/3

In or after FY2024/3 (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 / lalamee		
	<Major regular sales titles> UFO Catcher® series / Prizes for prize machines		
	ROMAPI	HORI A TALE	UFO CATCHER 10
	Bépiu.	romakyun	BINGO THEATER
			JACKPOT CIRCUS
Animation / Toy	Detective Conan: The Bride of Halloween	ANPANMAN: Dororin and the Transformation Carnival	DETECTIVE CONAN: Black Iron Submarine
	With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium Design by yourself	Anpanman Cash Register Deluxe	Anpanman JhuJhu KoroKoro Hamburger Shop
	Fun to change screen covers! Sumikkogurashi Smart Phone	Disney&Pixar Characters Dream Switch 2	

*Only announced titles are listed for “In or after FY2024/3 (plan)”

Pachislot and Pachinko Machines Business

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	75.8	94.2	115.0
Pachislot	30.6	41.0	66.6
Pachinko	37.1	44.2	37.7
Other / Elimination	8.1	9.0	10.7
Operating Income	9.3	20.0	24.5
Non-operating income	1.0	0.8	0.6
Non-operating expenses	0.1	0.2	0.1
Ordinary Income	10.2	20.7	25.0
Ordinary Income Margin	13.5%	22.0%	21.7%
Pachislot			
Number of Titles	10 titles	8 titles	8 titles
Unit Sales (units)	77,870	94,966	146,000
Pachinko			
Number of Titles	5 titles	5 titles	6 titles
Unit Sales (units)	97,027	103,556	93,000
Board + Frame	56,728	52,152	54,400
Board	40,299	51,404	38,600

*New series is counted as one title

(Machines which installation started from previous fiscal year/ specification changed titles, etc. aren't included)

FY2023/3 Results

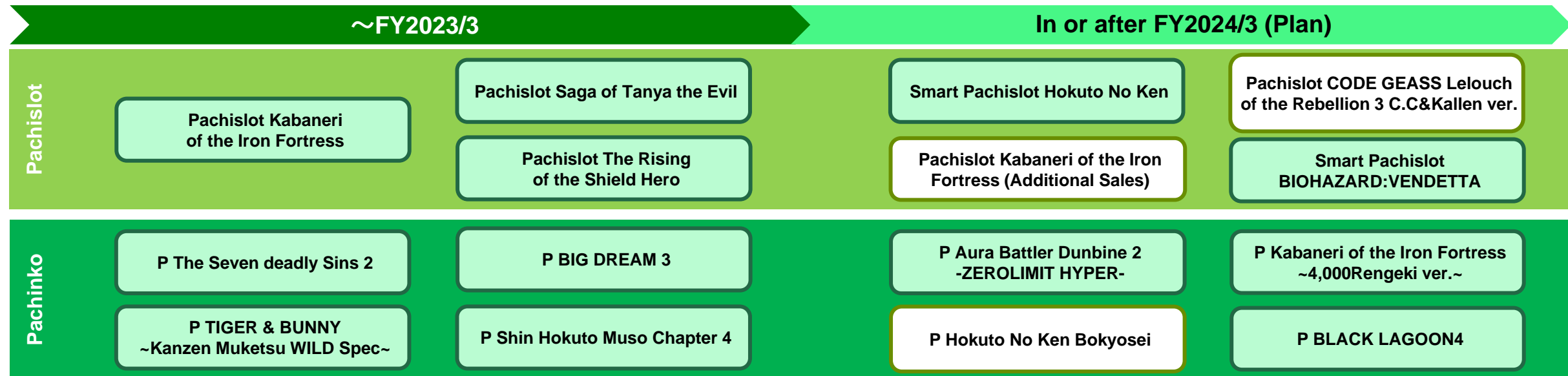
- **Achieved significant increases in sales and profits YoY**
 - Especially pachislot machines (No. 6.5 models) performed strongly
 - Recorded the sales and profits of partially pre-delivered units for the titles which will be released in FY2024/3
 - Major titles sold:
 - "Pachislot Kabaneri of the Iron Fortress"
 - "P Shin Hokuto Muso Chapter 4" etc.

FY2024/3 Forecast

- **Forecast higher sales and profits YoY**
- **Continue to be driven by pachislot machines (No. 6.5 models and Smart Pachislot)**
 - Pachislot: In addition to No. 6.5 models, aggressively launch smart pachislot, starting with "Smart Pachislot Hokuto No Ken"
 - Pachinko: launch centered on mainstay series machines

(Reference) Pachislot and Pachinko Machines Business: Sales Schedule

New series
Titles which installation started from previous FY / Specification changed title



(Major titles in FY2023/3)		Delivery month	Unit sales
Pachislot	Pachislot Kabaneri of the Iron Fortress	Jul.	35,341 units
	Pachislot Saga of Tanya the Evil	Dec.	15,200 units
	Pachislot The Rising of the Shield Hero	Feb.	10,158 units
Pachinko	P Shin Hokuto Muso Chapter 4	Feb.	34,387 units
	P BIG DREAM 3	Jan.	12,180 units
	P The Seven deadly Sins 2	Nov.	12,165 units
	P TIGER & BUNNY ~Kanzen Muketsu WILD Spec~	Dec.	12,150 units

(Major titles to be released in or after FY2024/3)		Delivery month
Pachislot	Smart Pachislot Hokuto No Ken	Apr.
	Pachislot CODE GEASS Lelouch of the Rebellion 3 C.C&Kallen ver.	Jun.
	Pachislot Kabaneri of the Iron Fortress (Additional Sales)	Jun.
	Smart Pachislot BIOHAZARD:VENDETTA	After Jul.
Pachinko	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.
	P Hokuto No Ken Bokyosei	May
	P Kabaneri of the Iron Fortress ~4,000Rengeki ver.~	Jun.
	P BLACK LAGOON4	Jul.

*Only announced titles are listed for in or after FY2024/3 (plan)

(Billion yen)	FY2022/3 Full Year Results	FY2023/3 Full Year Results	FY2024/3 Full Year Forecast
Sales	8.6	11.5	12.0
Operating Income	-2.5	-1.1	-1.0
Non-operating income	0.0	0.1	1.2
Non-operating expenses	4.1	2.1	0.2
Ordinary Income	-6.7	-3.2	0.0
Ordinary Income Margin	-	-	-

<PHOENIX RESORT>

No. of facility users (Thousands)	760	946	908
3 accommodation facilities	308	394	374
2 golf courses	94	103	103
Other facilities	358	449	431

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

FY2023/3 Results

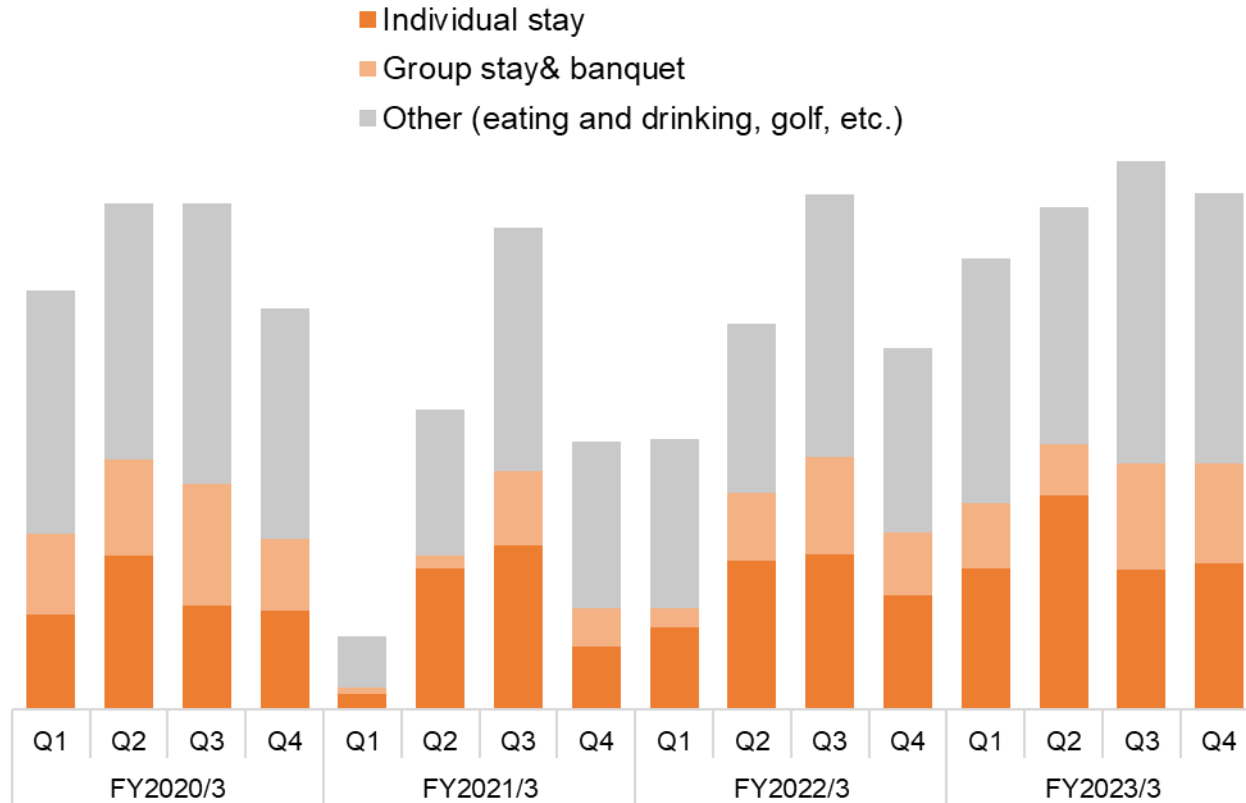
- **Strong performance centered on individual customers, leading to a recovery in earnings**
 - PHOENIX RESORT: Strong growth in individual customers due to government and facility's own measures to stimulate tourism demand, and achieved the highest sales and first profitability since it joined the group
 - PARADISE SEGASAMMY: Casino sales recovered rapidly, centered on Japanese VIP customers, due to relaxation of travel restrictions

FY2024/3 Forecast

- **Expect to be profitable at ordinary income stage**
 - PHOENIX RESORT: Continue to take various measures for individual customers and strengthen CRM, and expect the recovery of group customers from resumption of sporting camps and MICE, etc.
 - PARADISE SEGASAMMY: Casino sales are expected to continue to be driven by strong Japanese VIP customer. In addition to that, a gradual recovery in Chinese VIP customers is also expected

(Reference) Status of Each Facility: PHOENIX RESORT

■ PHOENIX RESORT: Sales by type of facility users



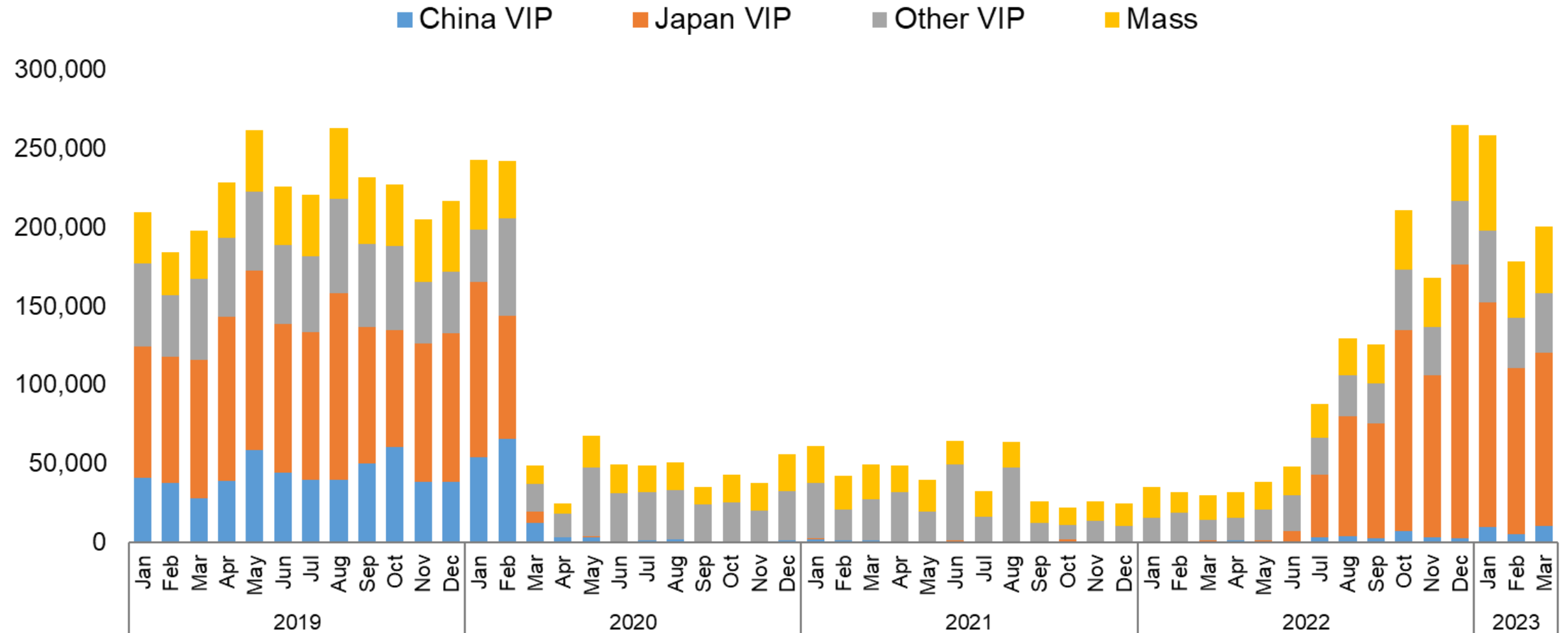
- Sales and facilities users in FY2023/3 exceeded the level prior to COVID-19, driven by strong individual customers
- In addition to continue to capture individual customer demand, the recovery of group customers is expected

(Reference) Status of Each Facility: PARADISE SEGASAMMY



■ Trend of Drop amounts* at PARADISE CITY

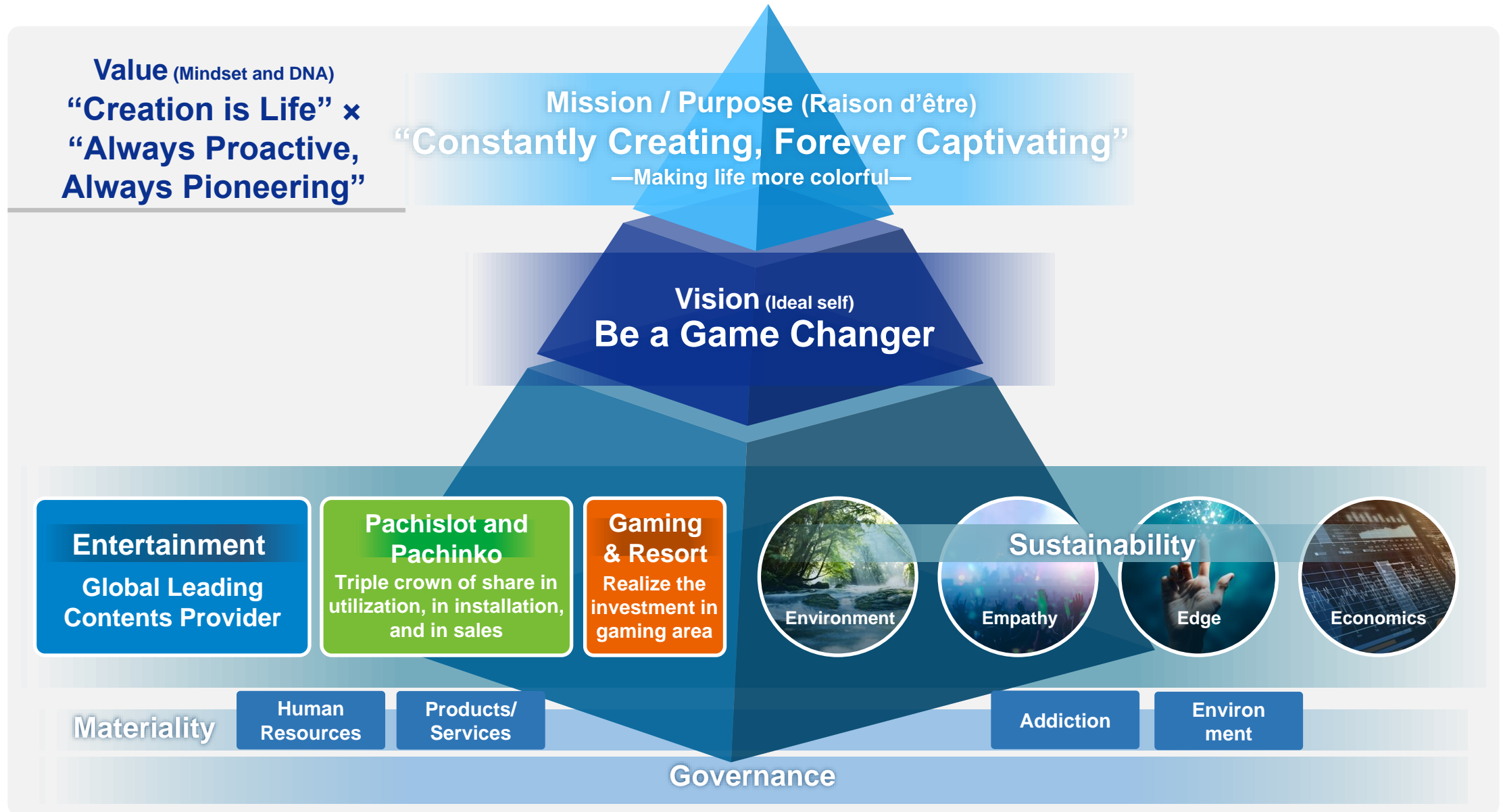
(KRW million)



*Drop amounts: Purchased amount of chips

03

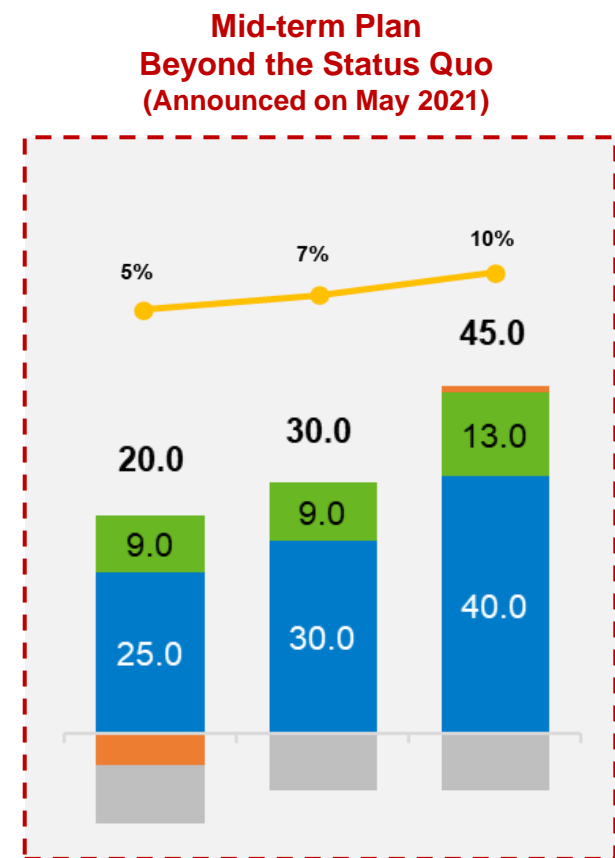
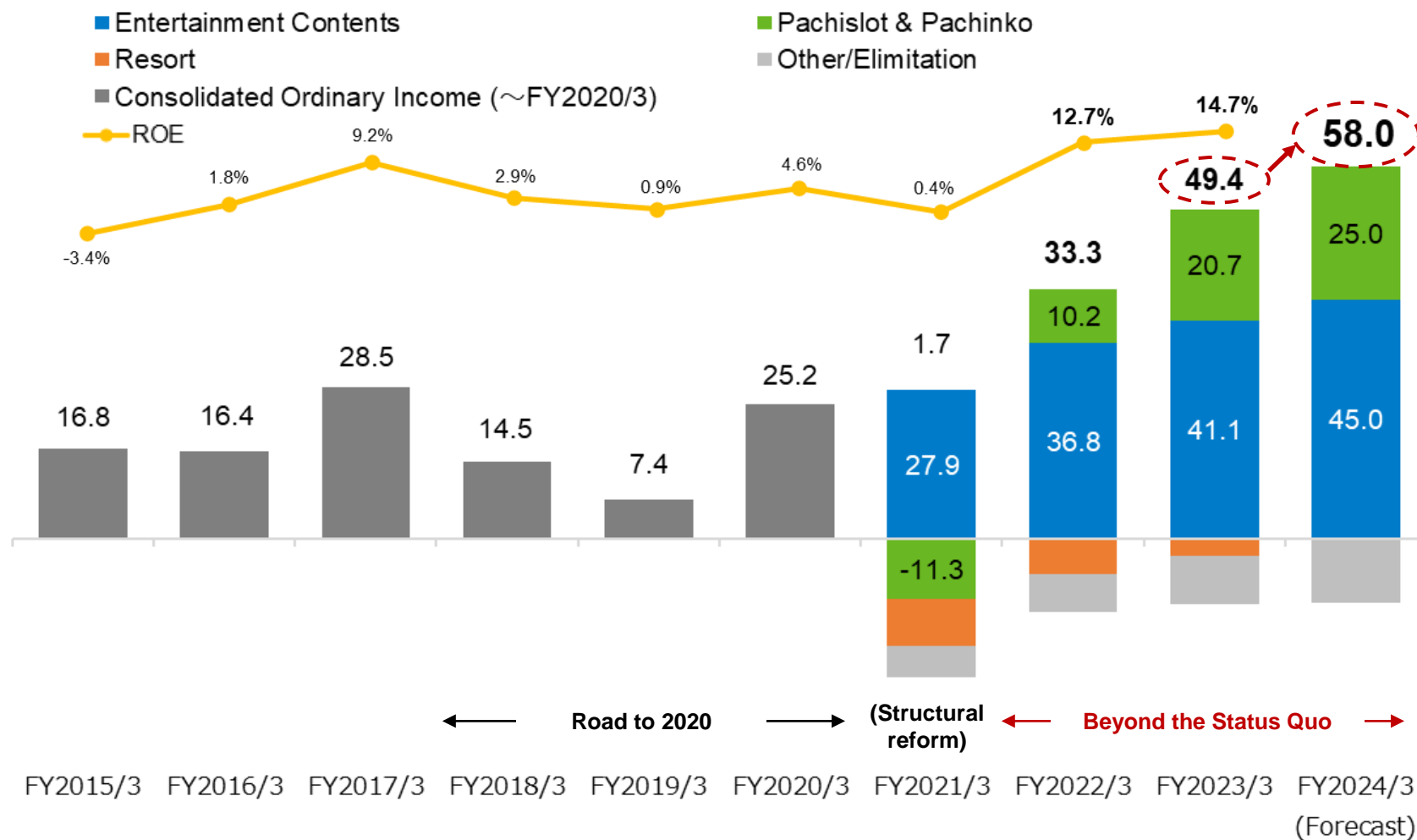
Progress of the Medium-Term Plan (~FY2024/3)



Mid-term Plan: Operating Income Trend (FY2015/3-FY2024/3)

- Mid-term plan was achieved one year ahead of plan, driven by growth of Entertainment Contents and Pachislot & Pachinko

(Billion yen)



Entertainment Contents Business Consumer area

Entertainment Contents Business

Becoming a Global Leading Contents Provider

FY2024/3

Reinforcing the earnings base by strengthening the global branding of existing IPs

Investment promotion period toward becoming a global player

FY2026/3

Creation of “Super Games”

Proactive growth investment

Announced the implementation of TOB of Rovio Entertainment Oyj

*Details are explained from P.44

➤ **Further Expansion of Major IPs (Full Game)**

- Promote the global simultaneous launch x multi-platform support of several new titles
- Strengthen repeat sales of series titles released in the previous fiscal year

➤ **Secure stable earnings from existing mainstay titles (F2P)**

- Stable earnings contributions from "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku", "ONE PIECE Bounty Rush" (Developer: SEGA CORPORATION, Publisher: Bandai Namco Entertainment Inc.) and "PHANTASY STAR ONLINE 2 NEW GENESIS"

➤ **Taking on challenge of creating new IP (CS)**

- "HYENAS", a multi-play FPS title developed by Creative Assembly (Release: 2023 (plan))
- "404 GAME RE:SET -Error Game Reset-", a RPG for smartphone (Release: Apr. 25, 2023)

1 Expanding touchpoints

Strengthen global simultaneous launch x multi-platform support



■ Global simultaneous launch x Multi-platform support (new titles)

7 titles
(Approx. 6M unit sales)

- “HUMANKIND™”
- “Sonic Colors: Ultimate”
- “Lost Judgment”, etc.

10 titles
(Approx. 8.8M unit sales)

- “Sonic Frontiers”
- “Sonic Origins”
- “Like a Dragon: Ishin!”, etc.

12 titles
(Approx. 1.2M unit sales)

- “Sonic Origins Plus”
- “Like a Dragon Gaiden: The Man Who Erased His Name”
- “ENDLESS™ Dungeon” etc.

*Number of titles and unit sales includes titles corresponding to "2. Lengthening of product lifecycles".

2 Prolonging product life cycles

Remake/Remaster, Spin-Off / Change of theme, Multichannel monetization (Additionally support subscription services, etc.)



■ Remake/Remaster, Spin-Off / Change of theme (new titles)

Approx. 4M unit sales

- “Sonic Colors: Ultimate”
- “Super Monkey Ball Banana Mania”
- “Lost Judgment”, etc.

Approx. 3.5M unit sales

- “Persona 5 Royal (Remaster)”
- “Like a Dragon: Ishin!”
- “Sonic Origins” etc.

Approx. 5M unit sales

- “Sonic Origins Plus”
- “Samba de Amigo: Party Central”
- “Etrian Odyssey Origins Collection” etc.

■ Additionally support subscription services (new titles)

- “HUMANKIND™”
- “Football Manager 2022”
- “Total War: WARHAMMER III”, etc

- “Persona 5 Royal (Remaster)”
- “Football Manager 2023”
- “Soul Hackers 2” etc.

Planning multiple titles

*Number of titles and unit sales includes titles corresponding to "1. Expanding touchpoints".

3 Strengthening user engagement

Strengthening the mix of media, expanding SONIC's brand awareness



©2022 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC. ALL RIGHTS RESERVED.

Global Box Office Revenue **\$320M** (43.5 billion yen*)



©2022 PARAMOUNT PICTURES CORPORATION AND SEGA OF AMERICA, INC.

Global Box Office Revenue **\$400M** (54.4 billion yen*)



©SEGA

Released "Sonic Frontiers"
Sold over **3.2** million units worldwide

Future initiatives with PARAMOUNT PICTURES

- Development of a third feature film
- Development of original TV series to be distributed in Paramount+

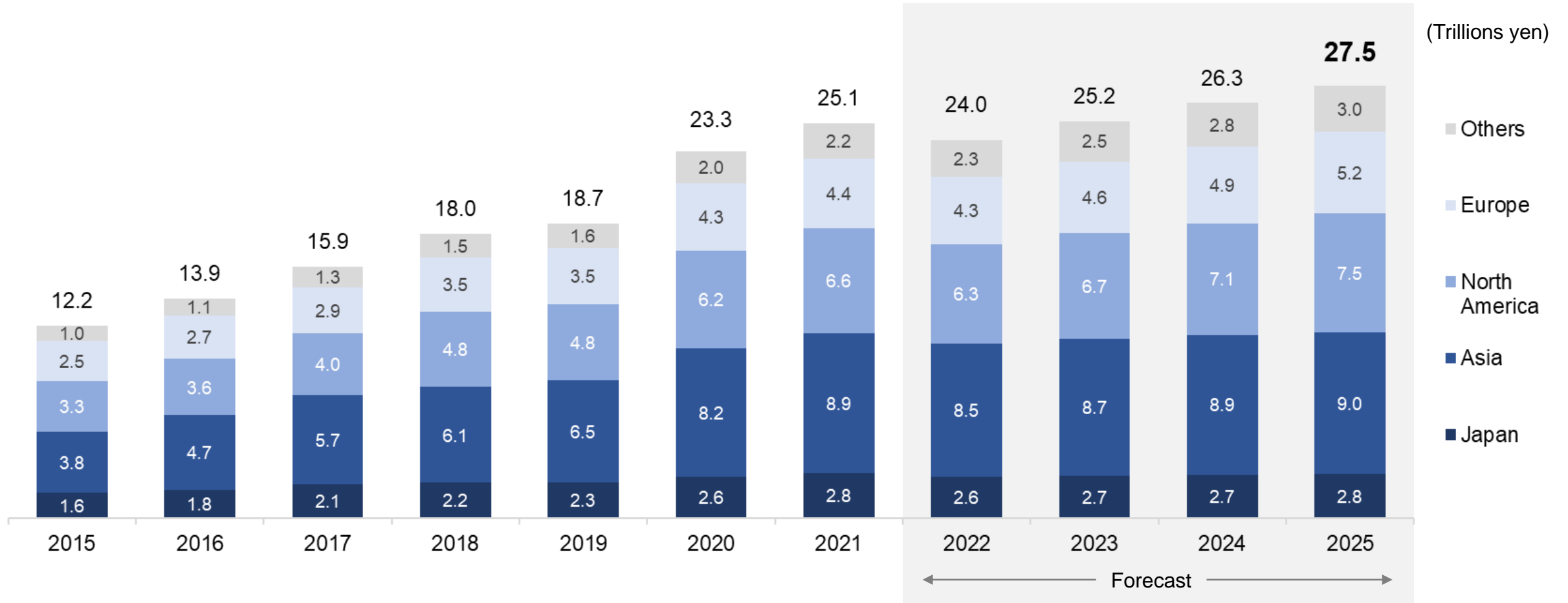


Schedule to release new title "Sonic Origins Plus"

*Exchange rate: \$1=136 yen (as of Jun. 23, 2022)

Game Market Data: Market Size by Region

- Worldwide market has grown to nearly double in size since 2015**
Although it reached a brief plateau in 2022 and 2023, the growth is expected from 2024 onward



*In-house estimation based on data from "Newzoo Global Games Market Data January 2023" (*Exchange rate: 1 USD = 130 JPY)

Pachislot and Pachinko Machines Business

Pachislot and Pachinko Machines Business

Triple crown of share in utilization, in installation, and in sales

Building a stable earnings structure

FY2024/3

No. 1 in total utilization share of Pachislot and Pachinko

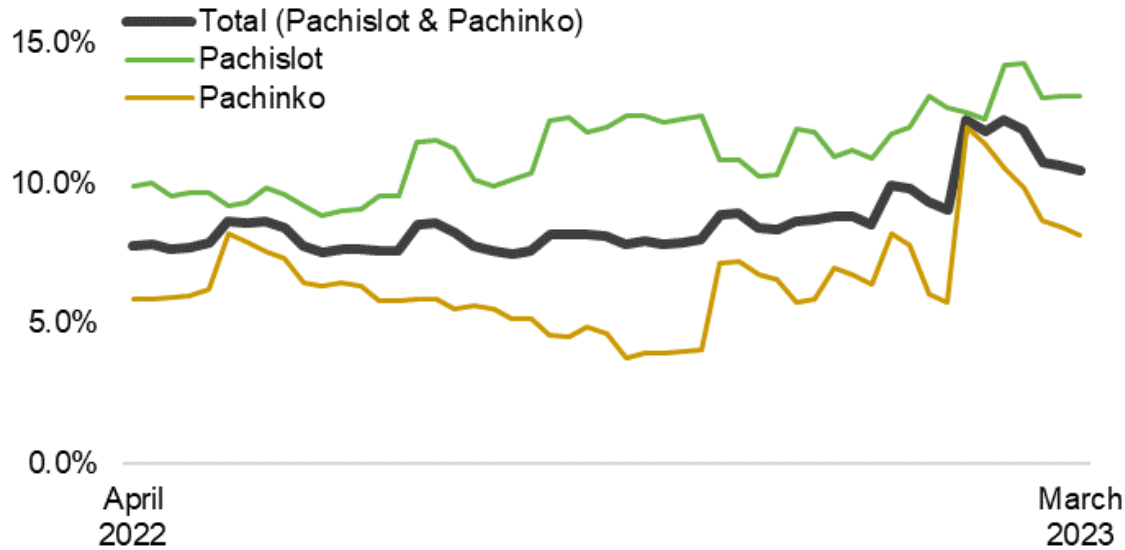
Creation of hits

Maintain stable earnings

Improvement of business efficiency

■ Although Pachislot was strong, total utilization share decreased YoY due to struggle in Pachinko

[Trend of our utilization share]



		FY2022/3 ^{*1}	FY2023/3 ^{*1}
1st	K Company	18%	1st S Company 18%
2nd	S Company	18%	2nd K Company 16%
3rd	Sammy	11%	3rd S Company 14%
4th	S Company	9%	4th Sammy 9%

Pachislot: Increased due to strong sales of No. 6.5 Model (+2p)

Pachinko: Decreased due to low utilization, while sales were strong (-7p)

Future initiatives

- Pachislot: Actively launch Smart Machines while continuously launch No. 6.5 Model, which utilization remains strong
- Pachinko: Work on developing machines that will be supported by users

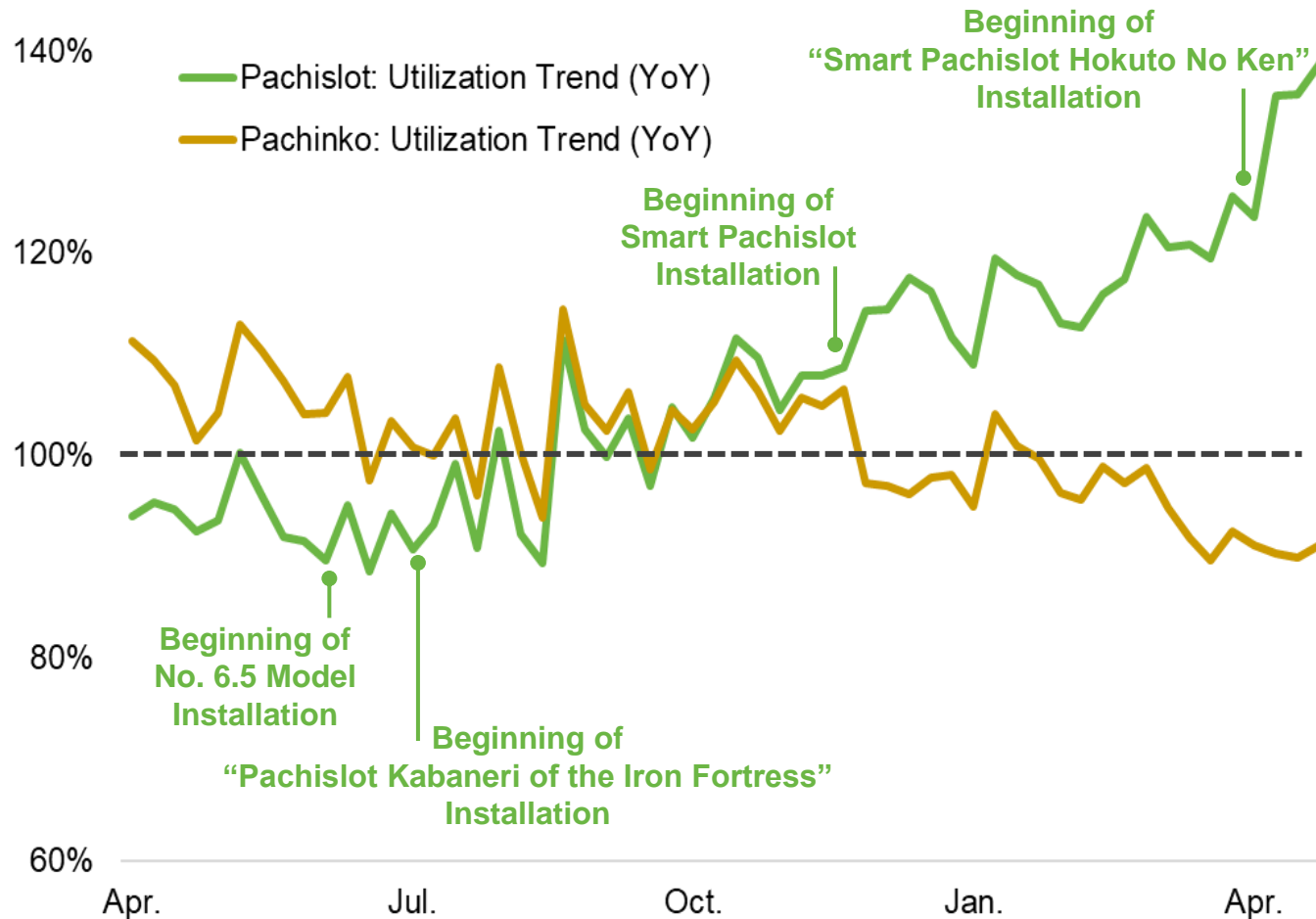
*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

*Utilization Share = Ratio of Sammy machine's utilization out of total number of installed machine for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

*1: Calculated by average of the fiscal year (Exclude the week striding over fiscal years)

■ Utilization level of Pachislot is significantly increasing

【Utilization Trend (Pachislot & Pachinko)】



• Pachislot

Utilization level has increased due to installation of No. 6.5 Model and Smart Pachislot, which responds to revision of regulation
 Due to installation of “Smart Pachislot Hokuto No Ken”, etc., recent utilization is significantly increasing

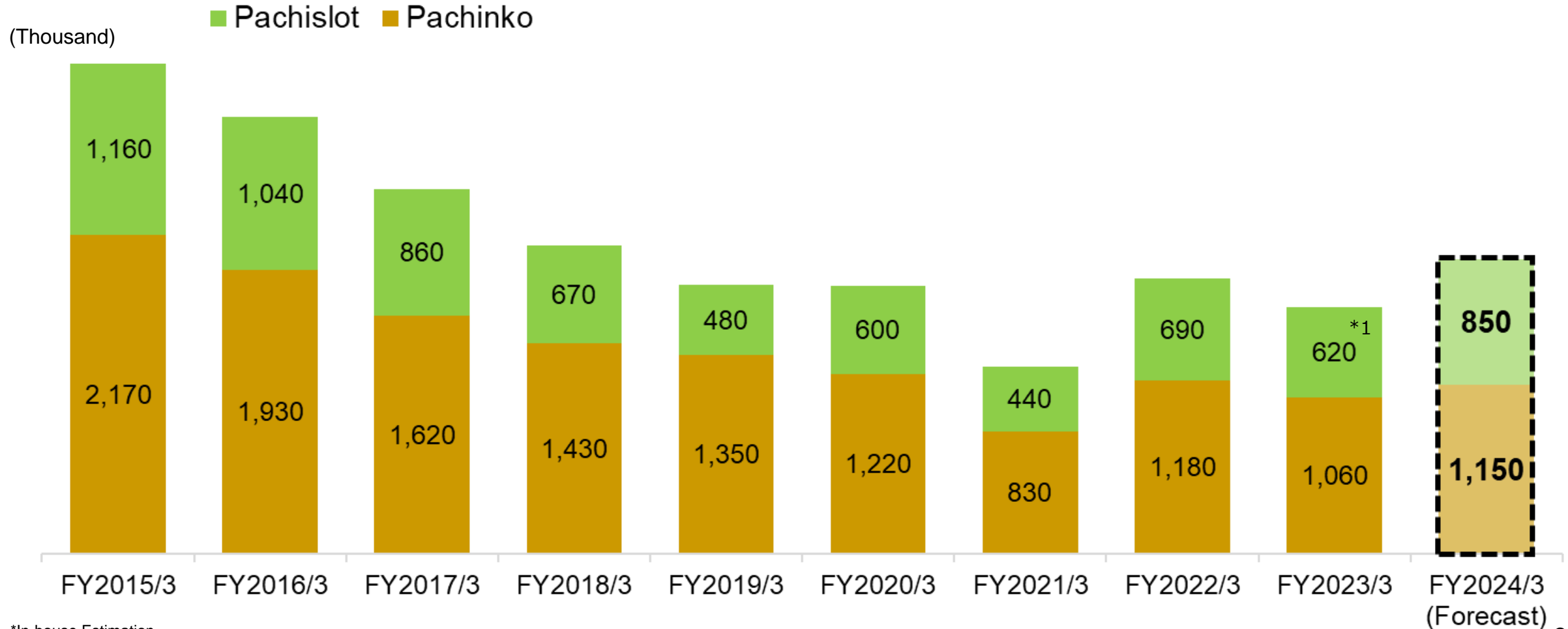
• Pachinko

Due to lack of new hit machines, utilization continues centered on regular machines

Market Forecast of FY2024/3

■ Expect increase of unit sales driven by Pachislot in FY2024/3

【Transition of Unit Sales】



*In-house Estimation

*Includes FY2023/3 Smart Pachislot unit sales (Approx. 90,000 units)



➤ **Installed Units: Approx. 40,000 units** (as of April 28)

*Of the above, approx. 5,000 units were delivered in advance in FY2023/3

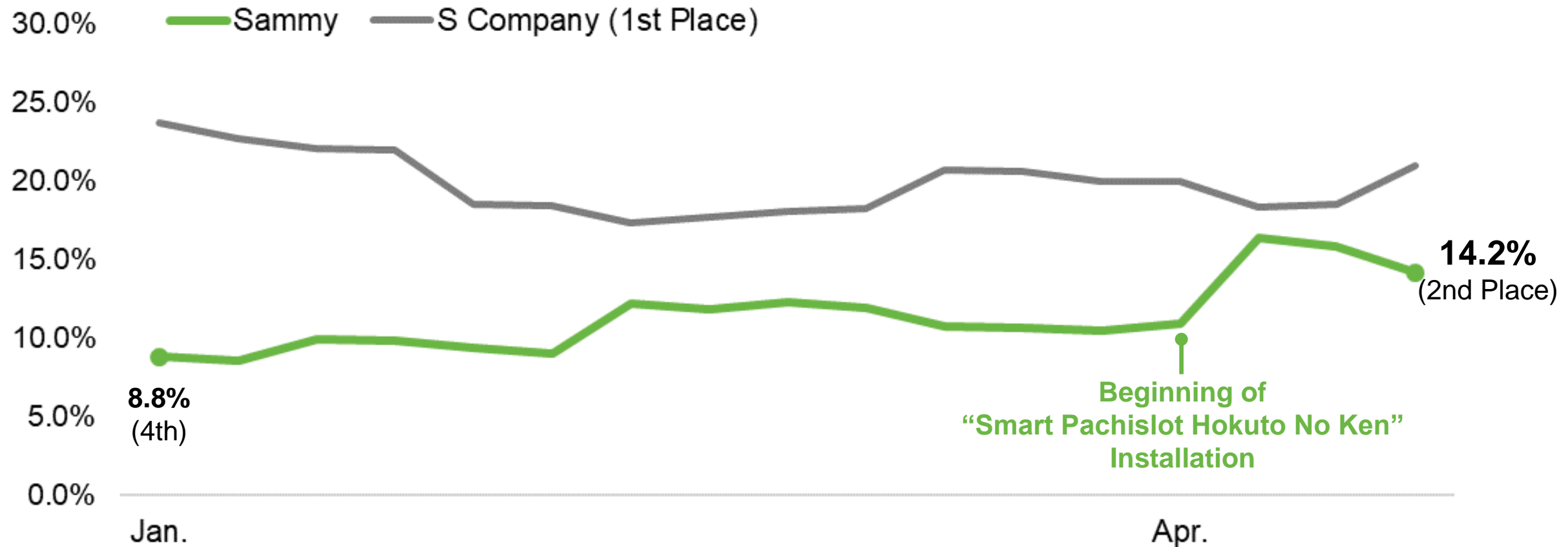
- **Record high utilization start out of past “Hokuto” series
Maintains top class utilization in market**
- Actively implement promotion such as TV commercials, etc. in order to appeal to dormant users, etc.
- Demand is very strong, so work on additional sales while carefully assessing parts procurement and production capacity

“Smart Pachislot Hokuto No Ken”

“Smart Pachislot Hokuto No Ken”

■ Our total utilization share has increased significantly due to installation of “Smart Pachislot Hokuto No Ken”

【Transition of total utilization Share (2023)】



*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

*Utilization Share = Ratio of Sammy machine's utilization out of total number of installed machine for each title × utilization of each title (Pachislot: Numbers of inserted medals, Pachinko: Numbers of shot balls)

Investment in Growth

Investment Strategy

■ Implemented investment in the following growth area

	Area of consideration for investment		Progress
Consumer Area Approx. ¥100.0 billion	Strengthen development resources	<ul style="list-style-type: none"> Expansion of organic development pipeline Strengthen global mobile and online games 	<ul style="list-style-type: none"> ● Establishment of SEGA Sapporo Studio ● Announced the implementation of TOB of Rovio Entertainment Oyj
	Investment in new ecosystem	<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	Careful assessment of investment opportunities in the gaming area	<ul style="list-style-type: none"> Online casino and sports betting overseas Land-based casinos overseas Both domestic and overseas IR 	<ul style="list-style-type: none"> ● Step off from domestic and overseas IR ● Considering online gaming area
Other Approx. ¥50.0 billion	Expand CVC investment limit (Total limit: ¥15.0 billion)	<ul style="list-style-type: none"> Strengthen open innovation activities, including investment in start-up companies 	<ul style="list-style-type: none"> ● Implement 18 new investments, approx. ¥3.0 billion Exit from existing investment portfolio x 4 ● Establishment of joint venture with PAPYLESS CO., LTD. ● “GAPOLI” service released
	Creation of new business, acquisition of IPs, etc.		

Total ¥250.0 billion

Deal Overview

At the meeting of the Board of Directors held on April 17, 2023, An announcement of a tender offer to acquire Rovio Entertainment Oyj (“Rovio”), a mobile game company headquartered in Finland, was resolved

- The Acquisition is a friendly takeover, as Rovio’s board of directors has agreed to recommend, and has expressed support towards the Tender Offer. Shareholders in Rovio who in aggregate hold shares corresponding to approximately 49.1 percent of the outstanding shares and votes in Rovio, have irrevocably undertaken to accept the Offer, subject to certain customary conditions

Acquisition Price

- EUR 9.25 per Share
- EUR 1.48 per Option
- 19.0% premium to Rovio’s closing price as of April 14, 2023, 17.5% premium compared to the 3M VWAP ending April 14
- Total: EUR 706m (JPY 1,036.8 Oku)

*Assumption of €1=¥146.9

Tender Offer Period/Threshold & Approval Process

- Threshold of tender offer is set at more than 90% of shares
- The acquisition is contingent on the completion of reviews under applicable antitrust laws and other customary conditions
- Tender offer will commence once the tender offer document is approved by the Finnish Financial Supervisory Authority
- Expected to close on Q2 of FY2024/3

Company Overview

- **Founded:** 2003
- **HQ:** Espoo, Finland
- **Stock Exchange:** NASDAQ Helsinki
- **Services:** Mobile game development operation, Brand Licensing

• **Employees:** 546 (in 2022)

Financials (2022)

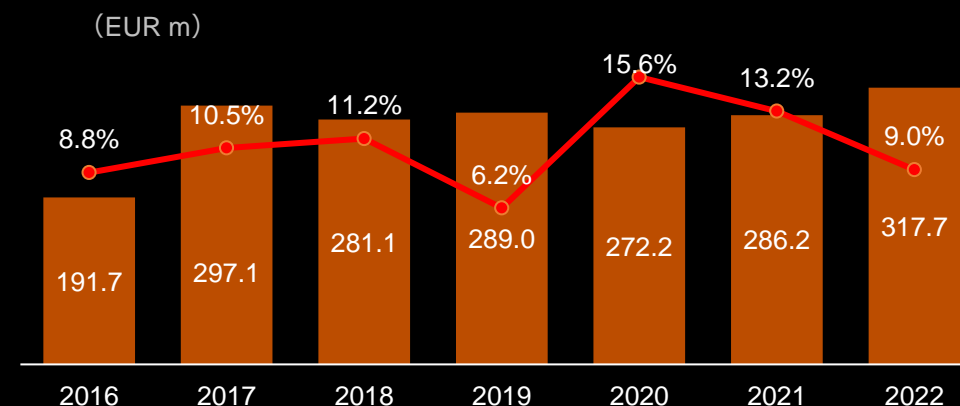
Sales: 317.7 (EUR m)

Operating Profit (margin): 28.5 (EUR m) (9.0%)

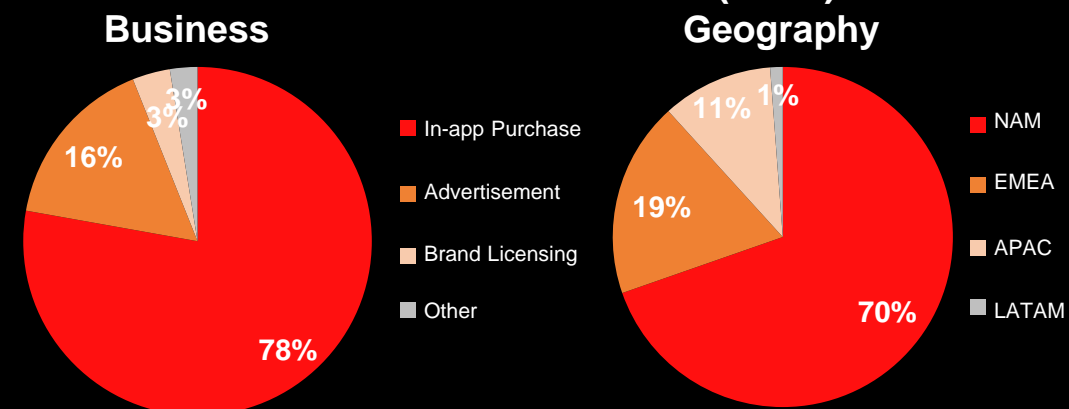
Adj. EBITDA (margin): 53.8 (EUR m) (16.9%)

Financial Trend / Segmentation

Long Term Trend of Revenue and Operating Margin



Revenue Breakdown (2022)



Key Strength of Rovio¹ : Development and Operational Capabilities regarding Mobile Gaming



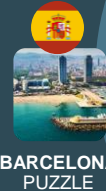
Holds 8 studios with a focus on casual-games, serving as a base for its strong game portfolio

Game Studio Portfolio

HISTORIC FOOTHOLD



NEW ORGANIC STUDIOS



STUDIOS FROM ACQUISITION



6.7 M

Daily Active Users (2022 Average)

5.0 B

Cumulative Downloads¹

8

Live Service Games

Game Title Portfolio

(✓ Titles with over EUR 100m)



+ games in soft launch



+ others

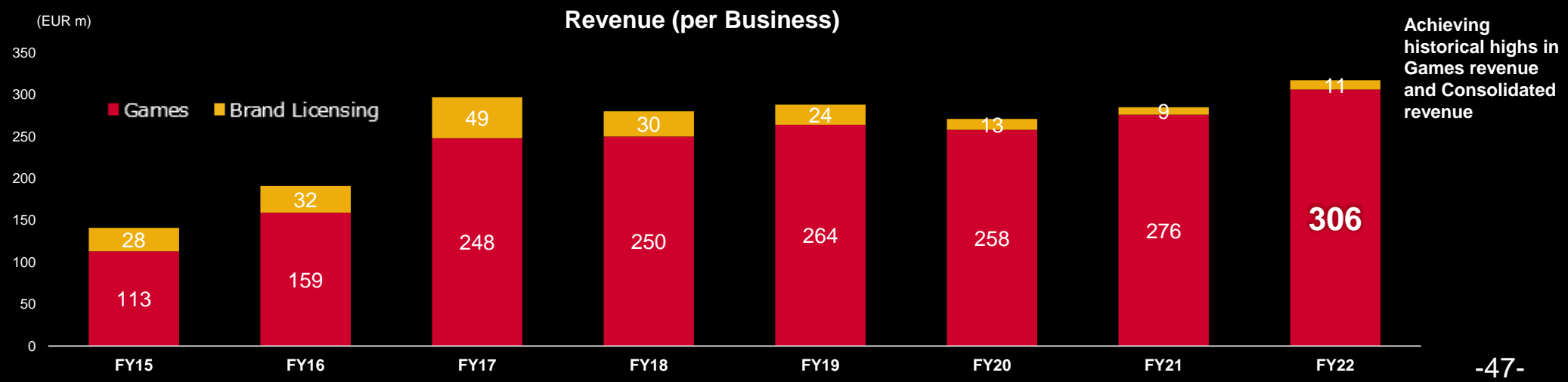
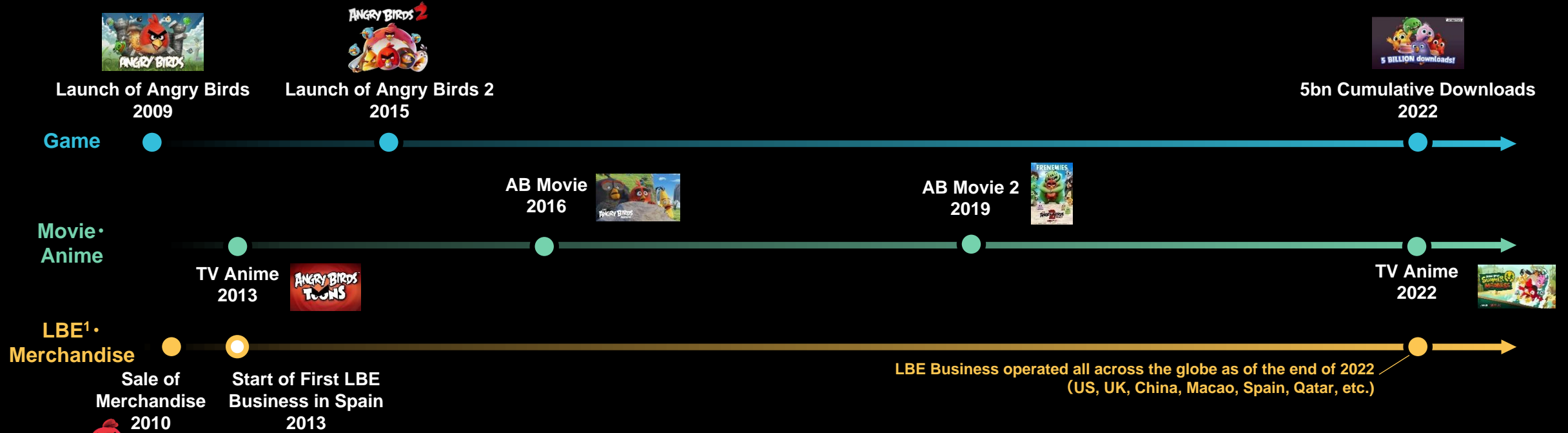


Ruby Games

¹ 5bn cumulative downloads include titles outside of Angry Birds

² Source : Rovio Entertainment Investor Presentation February 2023 Rovio Annual Report 2022

Key Strength of Rovio² : The Globally Popular Angry Birds IP



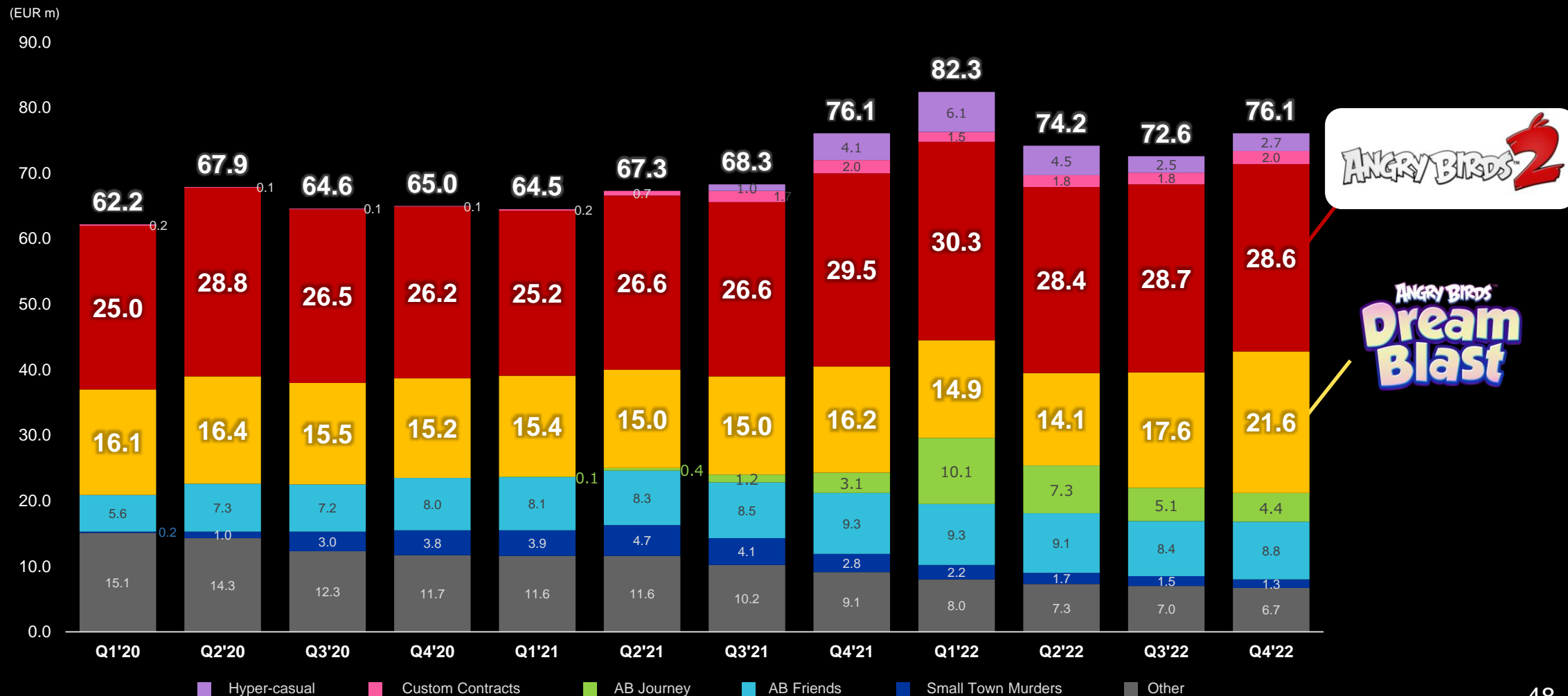
1 Location-based Entertainment

2 Source : Factset, Rovio Q4-2022_interim report

3 Some financial figures could be different from audited figures, due to decimal points being rounded down to the nearest whole number

Gross Booking per Title (Quarterly)

**Core titles; Angry Birds 2 and Angry Birds Dream Blast boast strong sales
AB Dream Blast is on course to pass the current top title, AB2**



1 Source : Rovio Entertainment Investor Presentation February 2023

Key Strength of Rovio^③ : “Beacon”, the Tool for Live Service Game Operation



Accelerate the globalization of SEGA’s mobile game business, which is currently Japan-oriented

Player Recognition

Analytics

Advertising Effectiveness

AB testing

Live Operation

Payment

Personalization

Client Segmentation

Ad mediation

Cross-Promotion

Push Notification

Research

Privacy Framework

Game Server Infrastructure

Machine Learning / AI

※ Categories where synergies can be most expected



Data Lake¹



1 Method of storing large data as raw data

2 Source : Rovio Entertainment Investor Presentation February 2023

Conversion of current IP into global IP is under progress Growth Strategy is moving to the next stage

Key growth factors in the Past

- Global Simultaneous Sale × Multi-platform Expansion
- Strong Partnership with Global Players



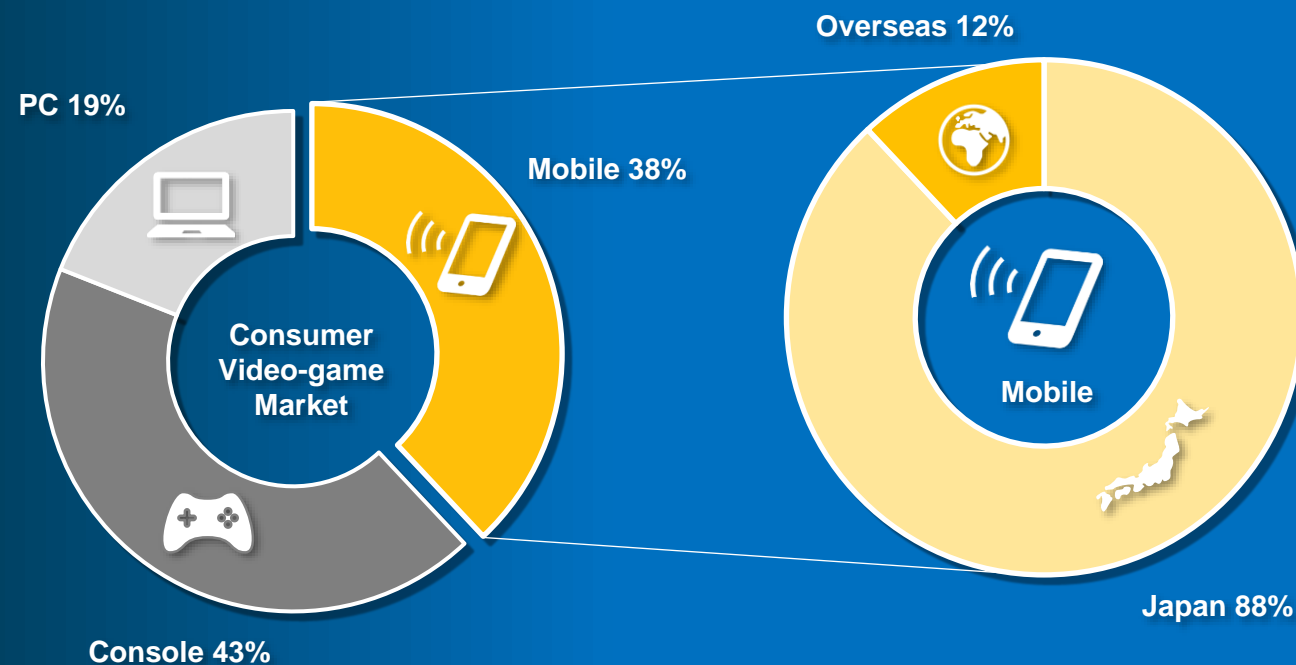
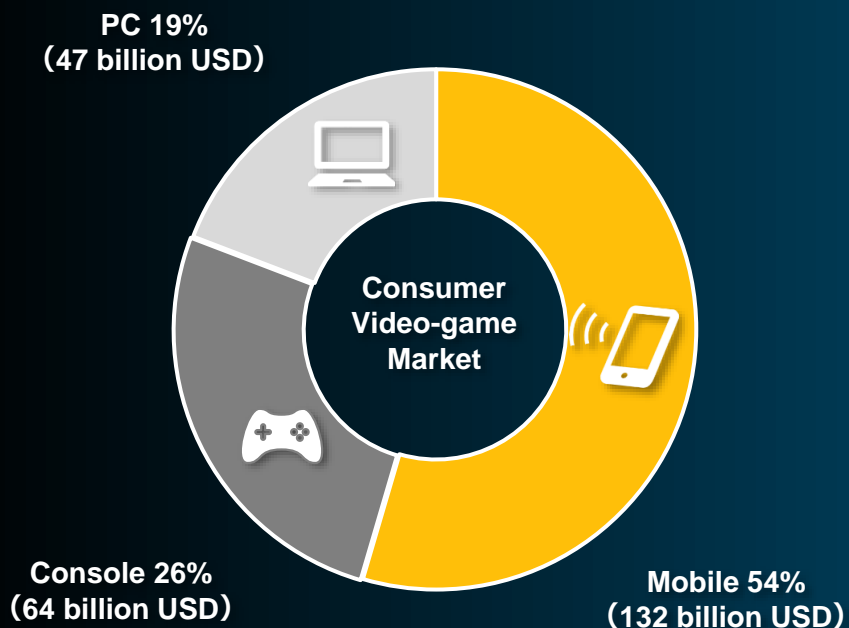
Core Factors for Next Growth Strategy

- **SEGA = Treasure Island**
- **Revive and scale globally recognized IP**, by reforming it to fit modern demand

We recognize that a Japan-oriented mobile gaming business is not ideal
By expanding to overseas markets, we can increase our presence in the rich mobile gaming market

Global Market Size

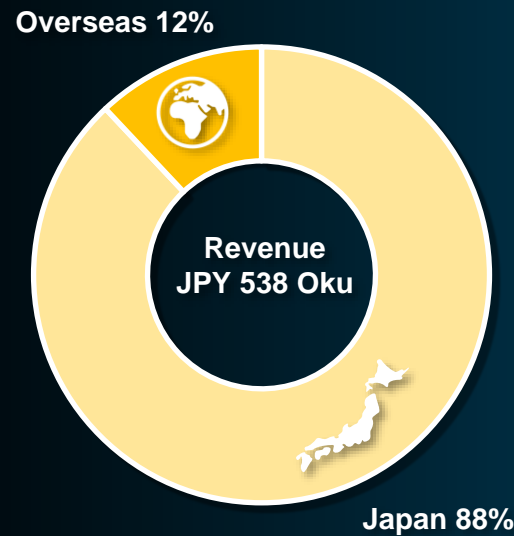
Revenue Breakdown of SEGA's Consumer Game Business



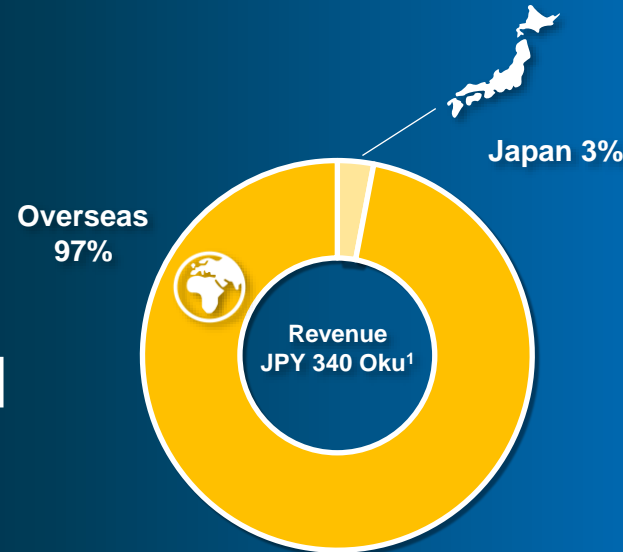
Geographical Breakdown of The Mobile Gaming Business after the Acquisition

By acquiring Rovio, SEGA's overseas mobile revenue would as an estimate increase to 45% of total mobile revenue

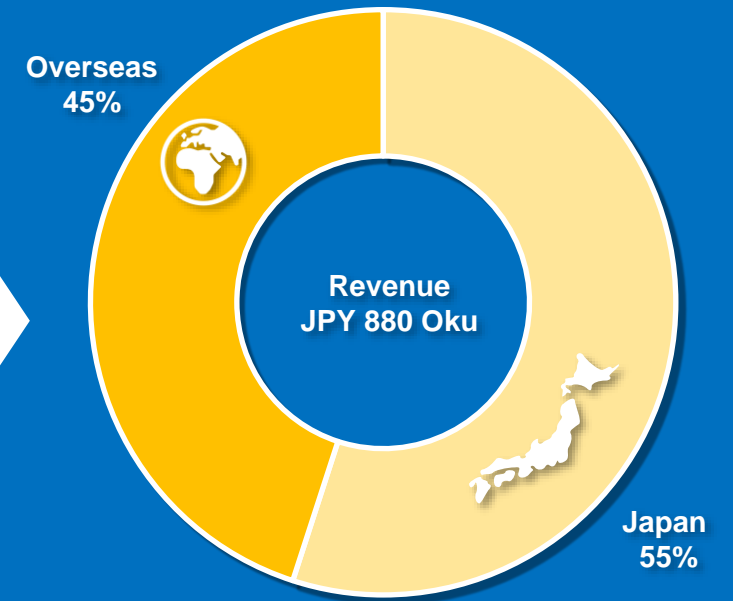
SEGA Mobile
Japan/Overseas Ratio



Rovio Mobile
Japan/Overseas Ratio



Simple consolidated basis
Japan/Overseas Ratio



Purpose of this Deal : Complementary Capabilities



The two companies share common values and complementary capabilities
There are large potential for synergies, to take a leap forward as a global player



- Global development capabilities for large-scale PC/Console games
- Wealth of popular franchises such as the Sonic series
- Capability and expertise in expansion of IP to various media
- Development and operational capabilities for mobile games in Japan
- Rich M&A experience centered around Europe

- Development and operational capabilities of global F2P games
- Globally recognized “Angry Birds” IP
- Track record regarding IP licensing to movies and merchandising
- Strong fanbase in the US and Europe
- Proprietary game operation platform, “Beacon”

Shared values that nurture IP over the long term



1

Utilization of Rovio's distinctive know-how in live service mobile game operation, to bring SEGA's current and new titles to the global mobile gaming market, where there is large potential, and many users can be accessed

2

Rapid expansion of both companies' fanbase by sharing know-how regarding multi-media expansion of global characters

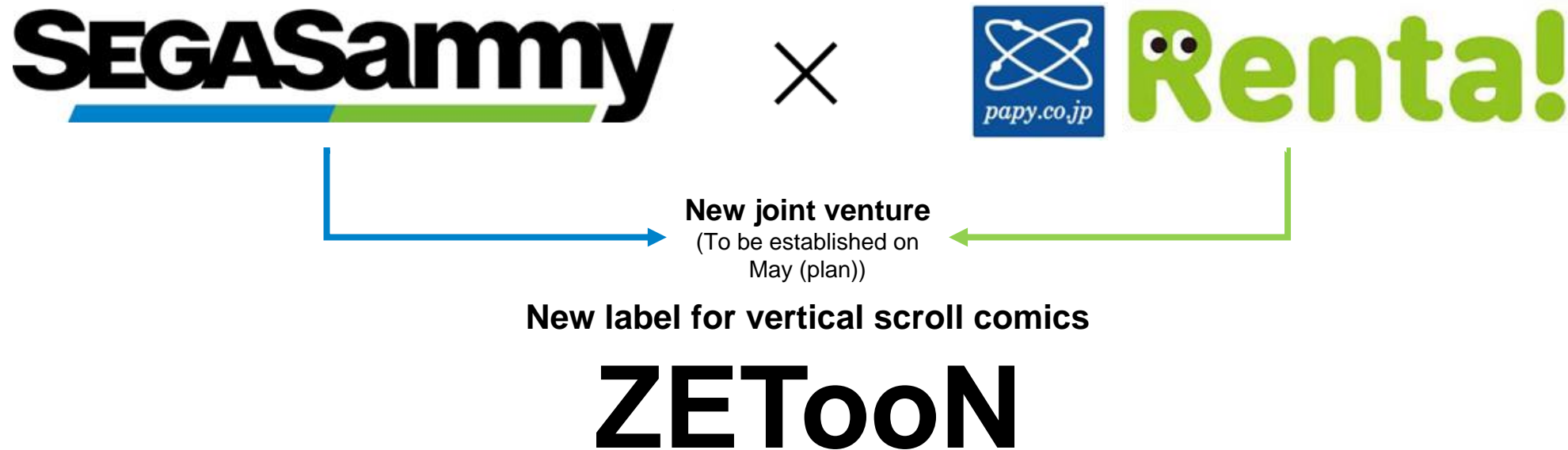
3

Support cross-platform expansion of Rovio's IP using SEGA's capabilities

■ Launch joint label for the production of vertical scroll comics

Concluded a capital and business alliance with PAPYLESS CO., LTD. which develops e-book platforms domestically and overseas.








We will form a creative team that can handle everything from the creation of original works to the production of works, and take on challenge to create original works and vitalize related IPs for the global marketplace.



Initiatives for Sustainability

Material issues to be addressed	Major initiatives	Target
<p>Human resources</p>	<p>Cultural diversity</p> <p>Active career opportunities for women</p> <p>Development of core human resources</p> <p>Maintenance of work environment</p> <ul style="list-style-type: none"> Promoting “Game Change” by increasing culturally diverse human resources Creating a foundation where people can thrive regardless of gender Strategic development of human resources who can lead the next generation Maintaining and improving the engagement of human resources 	<ul style="list-style-type: none"> Culturally diverse human resources¹ Approx. 900 people (approx. 21% or more) Percentage of women in managerial positions 80 people or above (approx. 8% or more) Amount invested in education ¥4.0 billion or more cumulatively Engagement score 58 or above / Rating A or more <p>(All are target towards FY2031/3 or CY2030)</p>
<p>Products and Services</p>	<ul style="list-style-type: none"> Quality improvement and further efforts to enhance safety and security 	<ul style="list-style-type: none"> Global leading contents provider (Entertainment Contents Business) Win a “triple crown”—top share in utilization, installation, and sales (Pachislot and Pachinko Machines Business)
<p>Environment</p>	<p>Scope1,2</p> <ul style="list-style-type: none"> Consideration and execution of emission reduction measures <p>Scope3</p> <ul style="list-style-type: none"> Improvement of supplier engagement Consideration of supplier selection criteria Consideration of whether reduction targets should be applied to more companies and its timing <p>TCFD compliance</p> <ul style="list-style-type: none"> Strategy update Consideration of whether disclosure should cover more companies, and its timing 	<ul style="list-style-type: none"> Group-wide reduction of approx. 50%~ (2023) Group-wide carbon neutrality (2050) Reduce GHG emissions by 22.5% or more

Initiatives for Sustainability

Material issues to be addressed	Major initiatives	Target
 <p>Addiction</p> 	<ul style="list-style-type: none"> • Collaboration with industry groups on initiatives to address and prevent addiction and gaming disorder • Continuing commitment to addiction research 	<ul style="list-style-type: none"> • Compliance with laws, regulations, voluntary rules, etc. related to addiction • Contributing to the healthy development of the industry • Implement industry-academia joint research regarding addiction
 <p>Governance</p>    	<ul style="list-style-type: none"> • Continuing to realize a corporate governance structure that will ensure highly transparent management and contribute to medium- to long-term improvement in corporate value 	

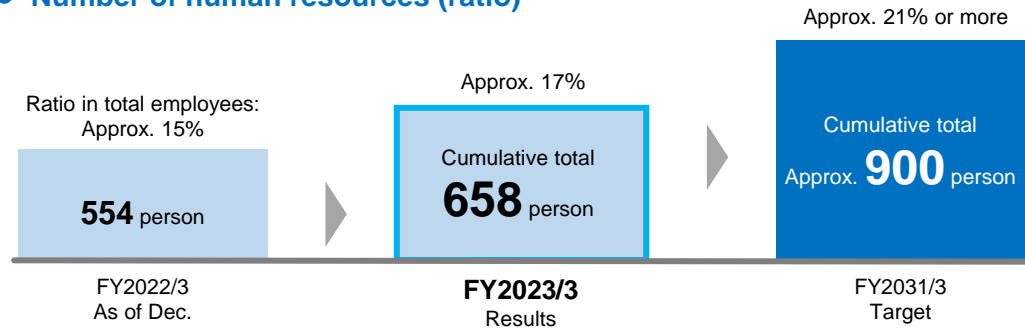
Initiatives for Sustainability (Investment in Human Resources)

■ 4 key indicator for human resources

[Target Company]
 1), 2), 3) : SEGA SAMMY HOLDINGS, SEGA (Japan), Sammy
 4): Major Group Companies in Japan

1) Development of culturally diverse human resources*1

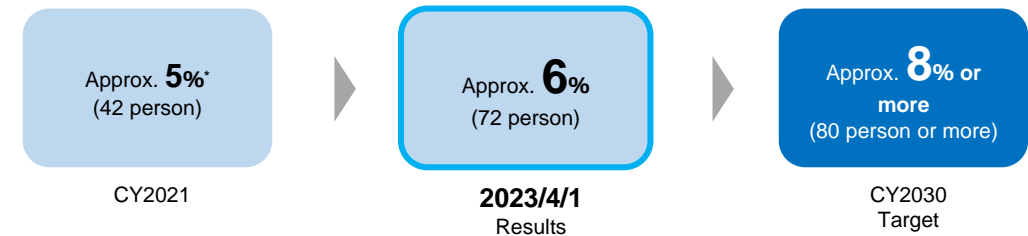
● Number of human resources (ratio)



*Certified based on multiple criteria, such as being a foreign national, having lived abroad and experienced multiculturalism, and having certain skills of multiple languages such as English and Chinese.
 Human resources who are exposed to diverse cultures and can apply that experience to their work

2) Active career opportunities for women

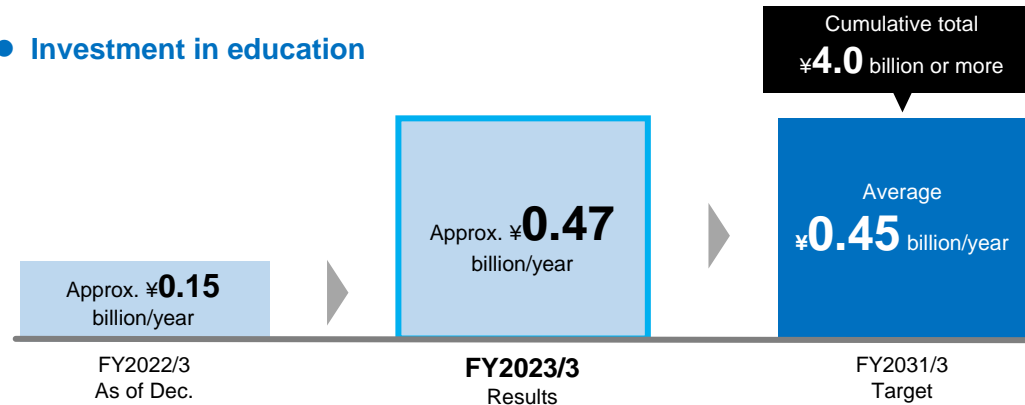
● Number of female managers (ratio)



*Ratio of female managers, including professionals, within whole managers

3) Development of core human resources

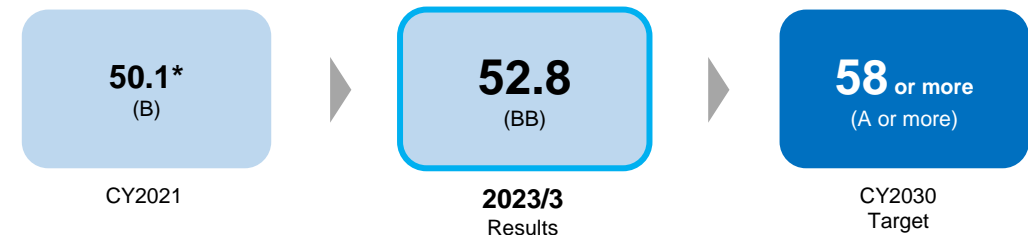
● Investment in education



*Cumulative investment from FY2023/3 to FY2031/3

4) Maintenance of work environment

● Engagement score



*Source: Link and Motivation Inc, engagement score based on motivation cloud
 *Engagement Rating

MSCI ESG RATINGS

MSCI
ESG RATINGS



CDP



- Climate Change : B
- Water : C-

Adoption Status in Major ESG Indices

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



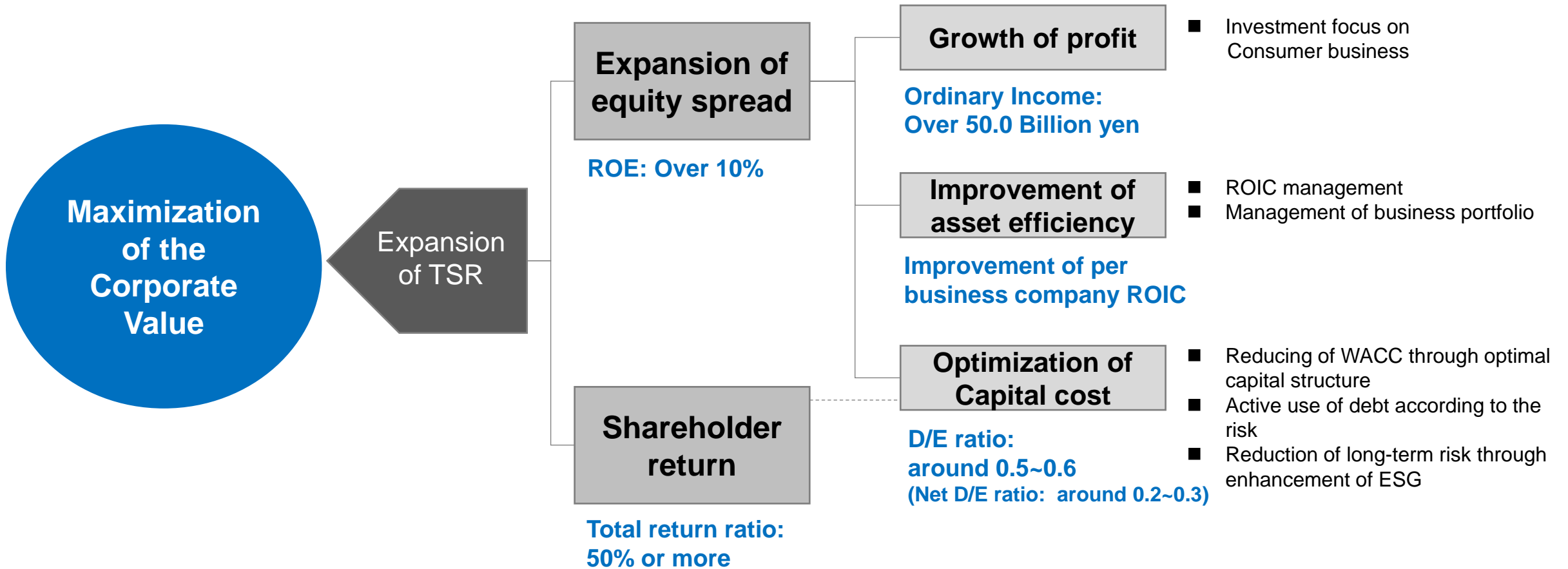
**FTSE Blossom
Japan Sector
Relative Index**



Financial Strategy

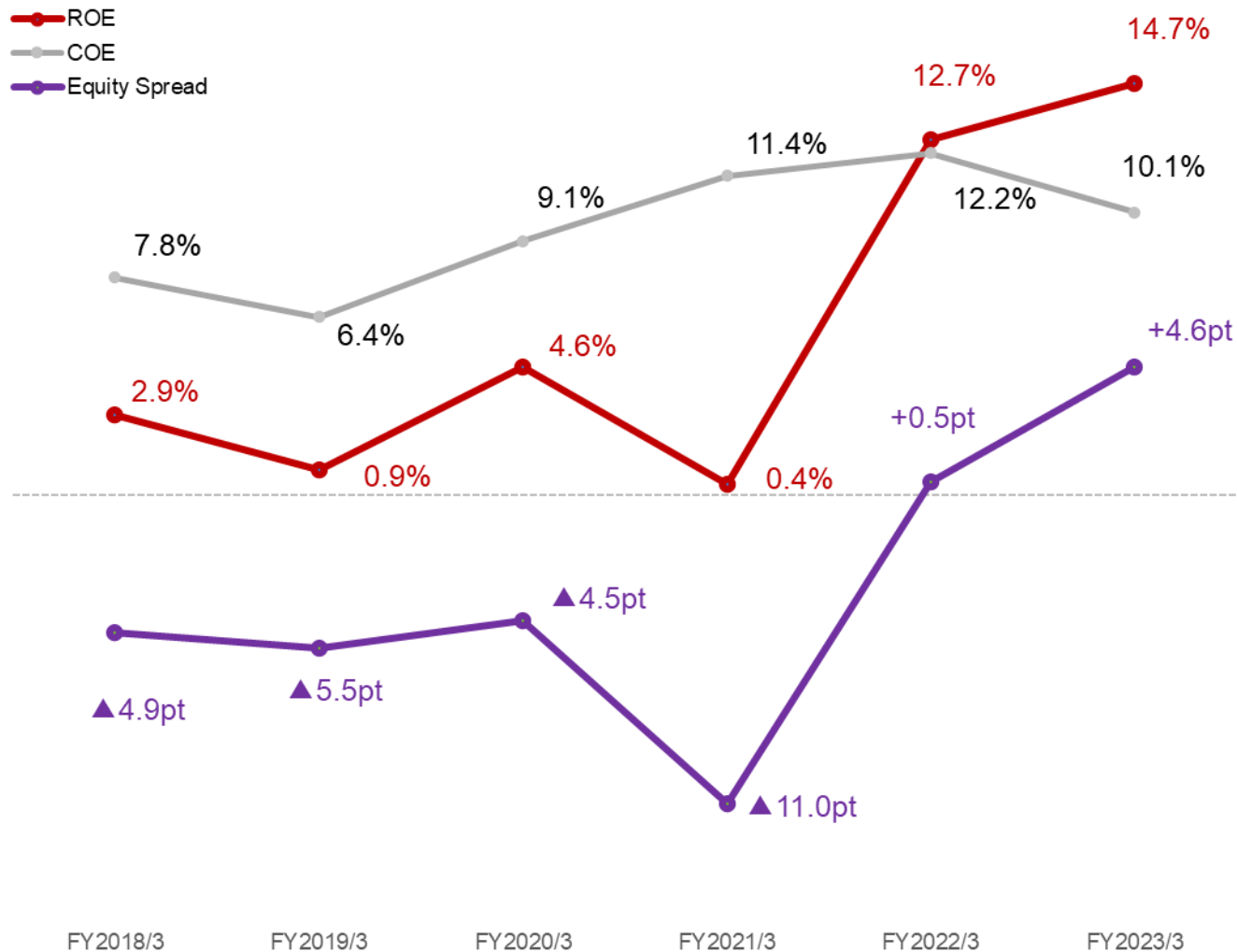
Financial Strategy

■ Shift to the management focusing on capital efficiency



Expansion of Equity Spread

[Trend of ROE, COE and Equity Spread]

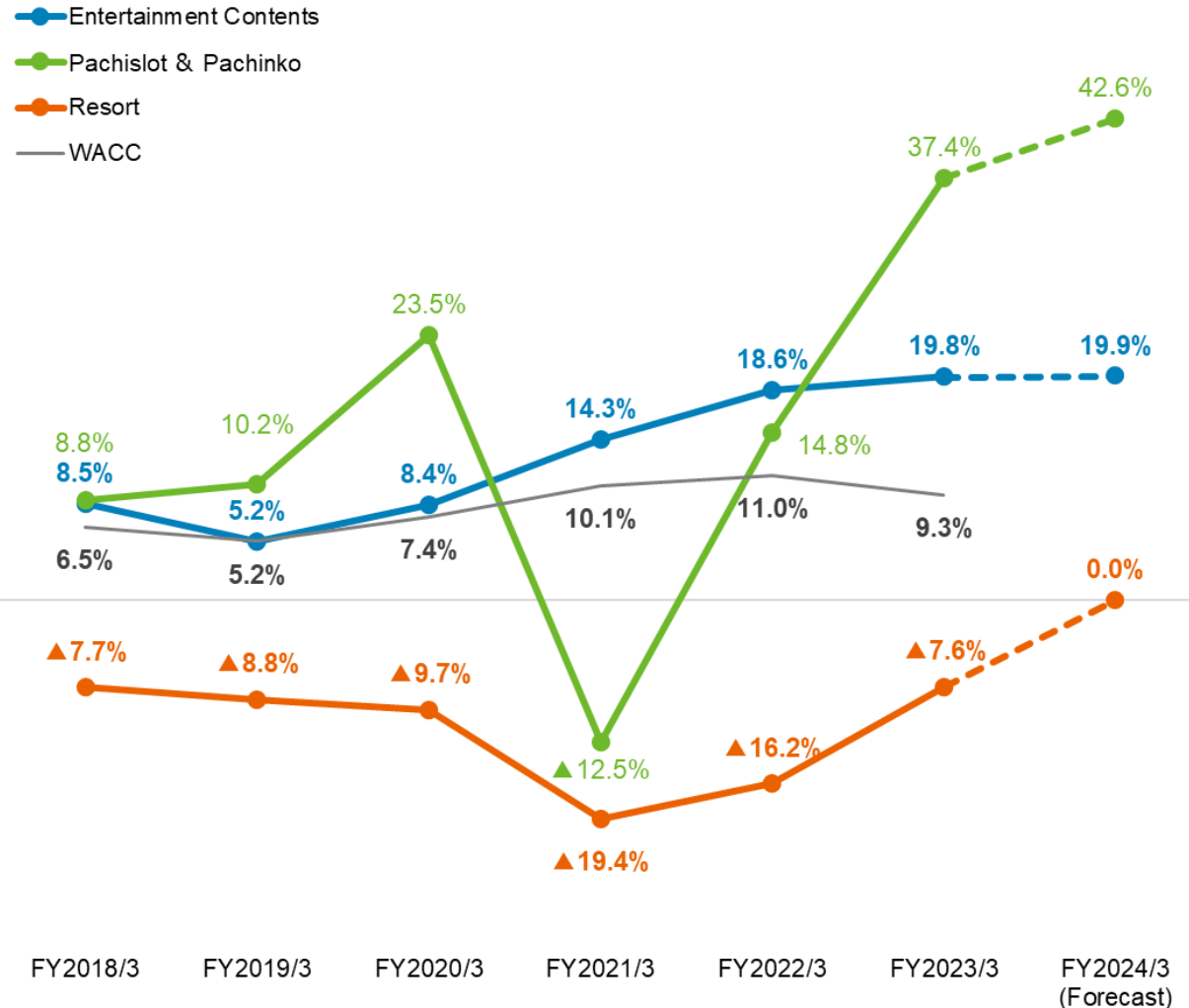


Equity spread is trending positive in the last two fiscal years due to growth of the profits in each business

*ROE: Return on equity
 *COE: Cost of equity (Source: Bloomberg)
 *Equity spread: ROE-COE

Per Business ROIC

[Per business ROIC trend]



ROIC of each business is trending towards improvement

• Entertainment Contents Business

ROIC is trending at a high level mainly due to growth in profits at Consumer area, while increasing investment capital

• Pachislot and Pachinko Machines Business

ROIC is growing sharply, reflecting the earnings growth from the optimization of investment capital and structural reform, etc.

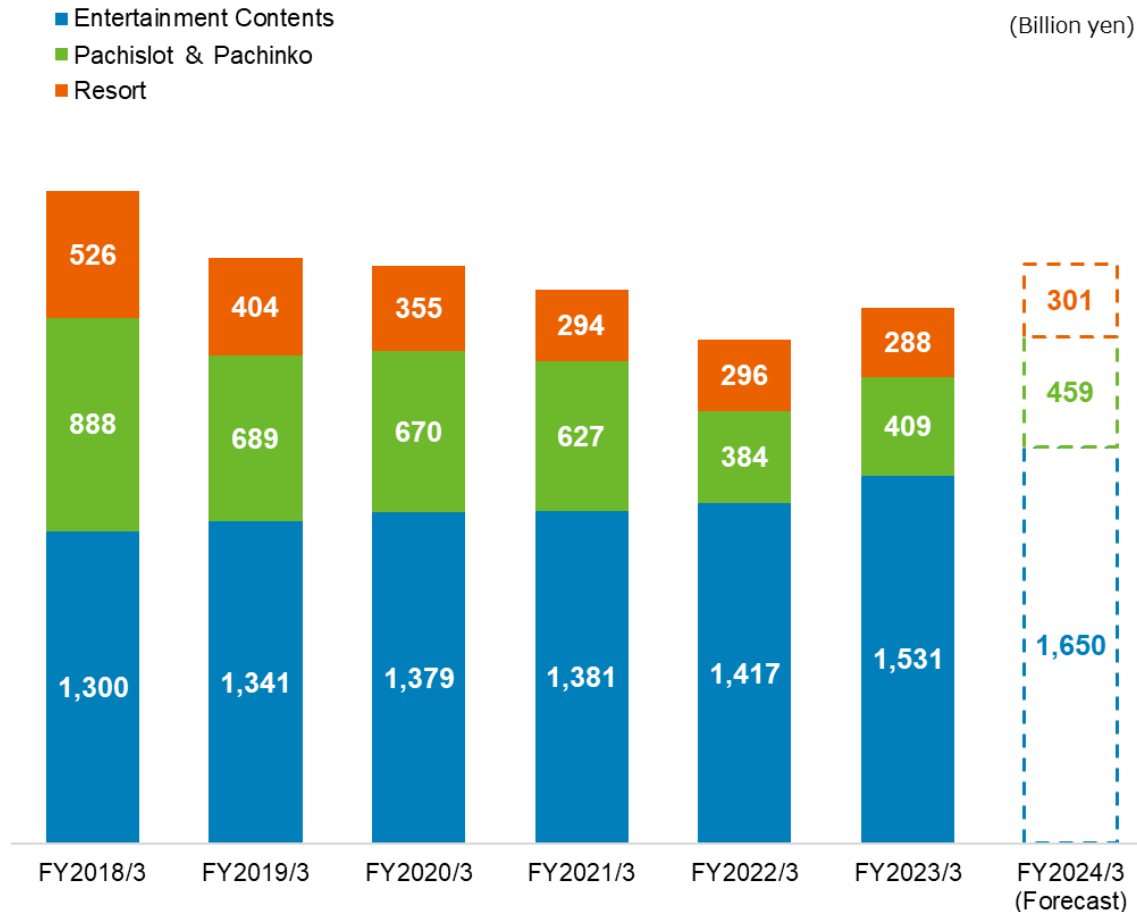
• Resort Business

ROIC is improving due to the impact of improved utilization at each facility

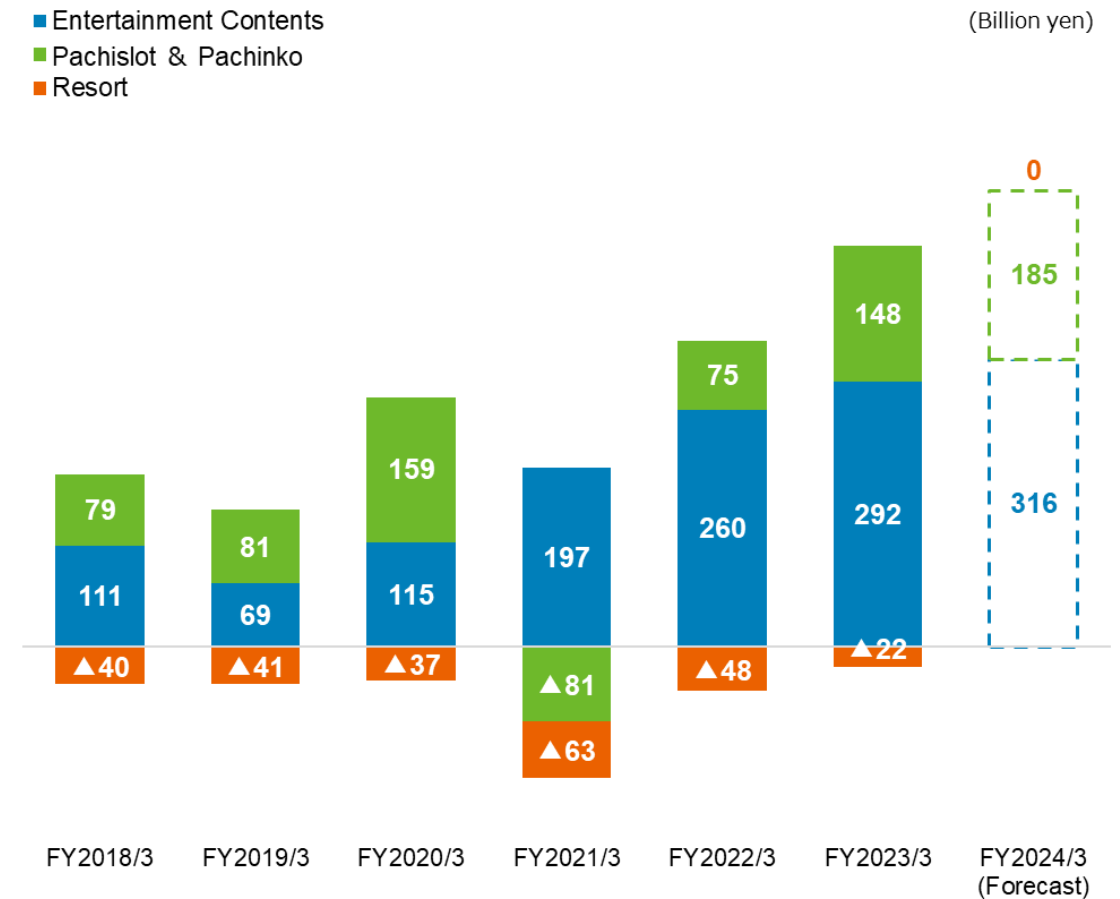
*Per business ROIC: Adjusted profits per business/Investment capital per business

Investment Capital/Adjusted Profits per Business

[Investment capital trend per business]



[Adjusted profits trend by business]



*Investment Capital per business: investment capital at the end of each business period (total assets-current liabilities excluding interest-bearing debt)-CMS deposits

*Adjusted profits by business: ordinary income after-tax and before-interest (Tax rate for the respective business is set to 30% for simplicity)

➤ Impact on adjusted profits of Entertainment Contents Business

- Impacts on consolidated results are currently being calculated
(Reference) Operating profit of Rovio in the latest period is approximately 28.5 million euros (4.1 billion yen) * Rovio's accounting standard
- The difference between the acquisition price of shares and net assets of Rovio is estimated to be approx. 479 million euros (about 70.3 billion yen) as of the end of Dec. 2022

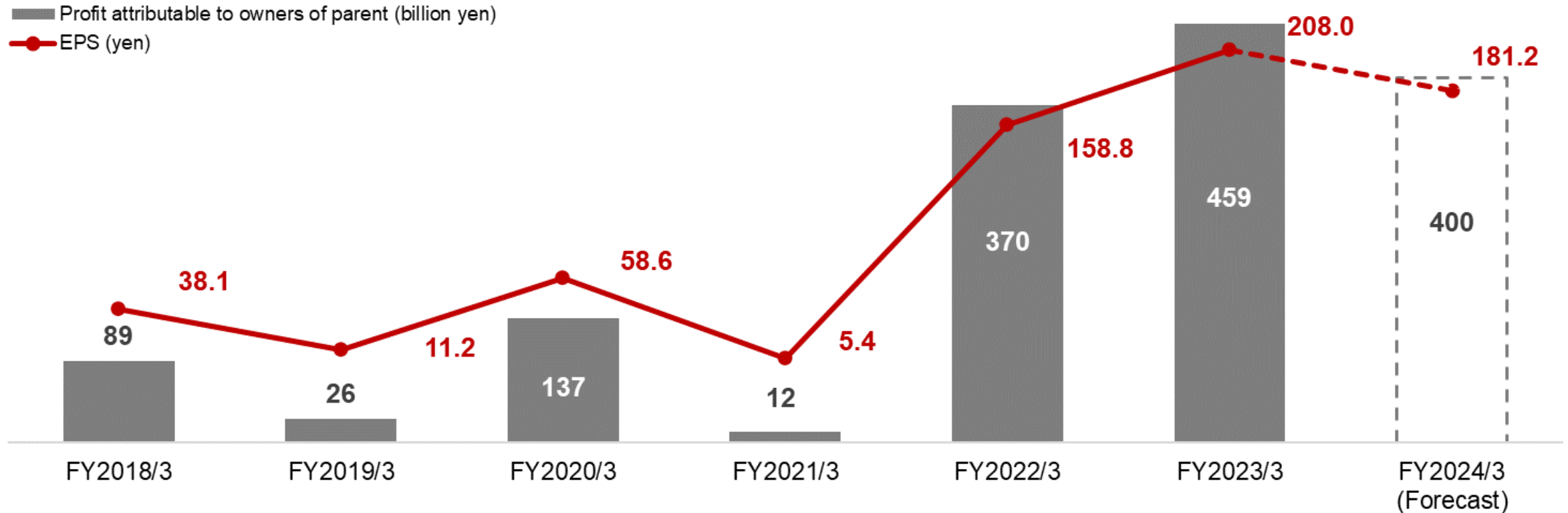
➤ Impact on investment capital per business

- Investment capital for Entertainment Contents business is expected to rise by about 80.0 billion yen

➤ Impact on D/E ratio

- Plan to use cash on hand for the funds required for the tender offer, EUR 706 million in total (approx. ¥103,680 million)
(We may continue to draw loans as appropriate based on its capital policy, in a way that does not affect the capability and willingness to fund the offer)
- If the loans of the same scale as the acquisition amount will be implemented, D/E ratio is estimated to be around from 0.2 times between 0.5 times at the end of FY2023/3 (Simplified simulation based on the balance sheet at the end of FY2023/3)

■ EPS* improved from expansion of business results and share buybacks



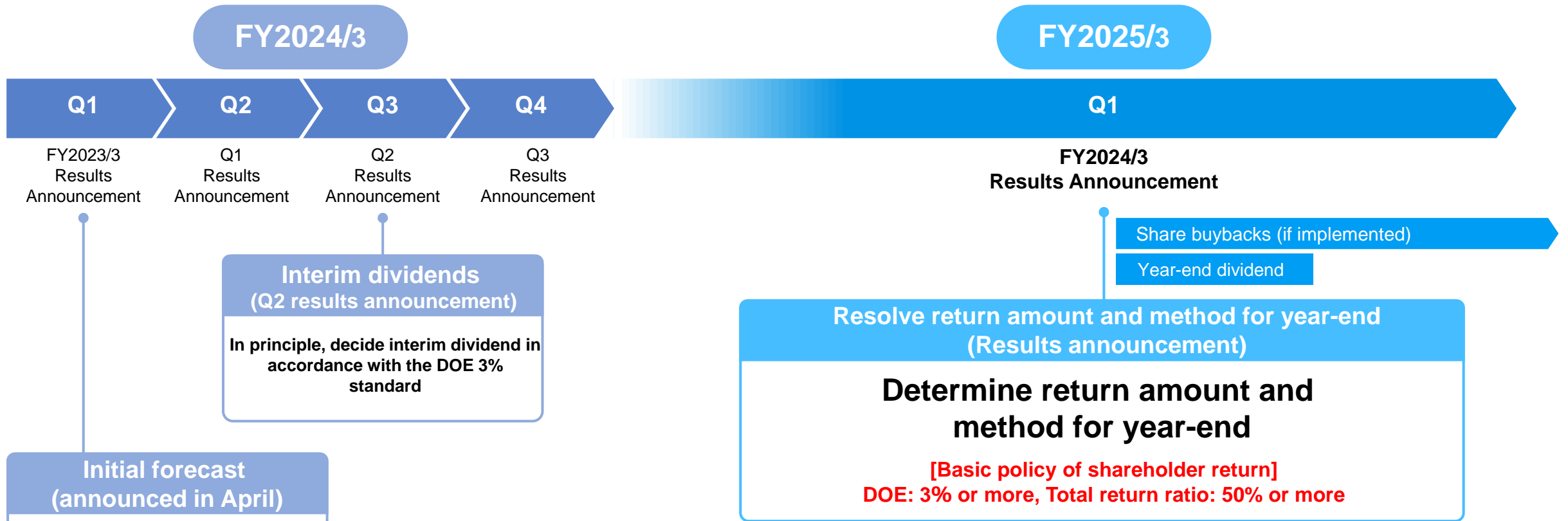
*EPS = Earnings per share

*In FY2022/3 and FY2023/3, decrease in taxable income from net loss carried forward and income taxes, etc. decreased from tax credit relevant to research and development for subsidiaries in U.K. also contributed

*Tax rate for FY2024/3 is set at 30% for simplicity

Shareholder Returns

(Process of Determining the Amount of Return and Methods)



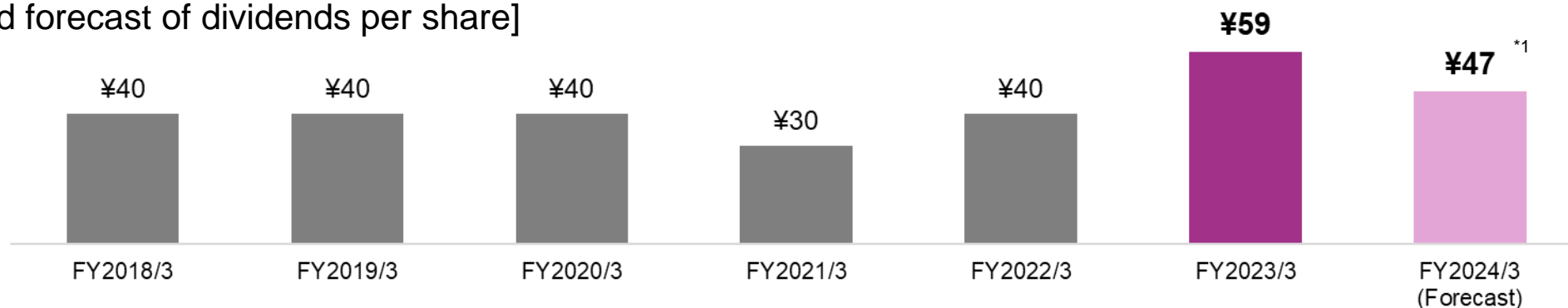
- Setting dividends forecast at the beginning of fiscal year using DOE 3% as base dividend

- Calculate the amount of shareholder returns in accordance with the profit level based on the basic policy of shareholder returns when the full-year business results are fixed
 - Apply DOE or total return ratio, whichever is higher
 - Implement shareholder returns through dividends or share buybacks

Shareholder Returns Trend (FY2018/3-FY2024/3)

- Based on the policy of a total return ratio of 50%, annual dividends for FY2023/3 is expected to be 59 yen and plan to execute share buybacks of 10.0 billion yen

[Results and forecast of dividends per share]



	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3 (Forecast)
Total dividends	9.37 billion yen	9.38 billion yen	9.39 billion yen	7.05 billion yen	9.16 billion yen	12.96 billion yen	-
Dividend per share	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 20 yen	Interim: 20 yen Year-end: 39 yen	Interim: 23 yen Year-end: 24 yen
Amount for share buyback ^{*2}	-	-	-	-	29.99 billion yen	10.0 billion yen	n/a
DOE ^{*3}	3.0%	3.1%	3.1%	2.4%	3.1%	4.2%	3% or more
Total return ratio ^{*4}	105%	355%	68%	553%	106%	50%	50% or more

*1 The initial dividend forecast for FY2024/3 is based on DOE3% or equivalent

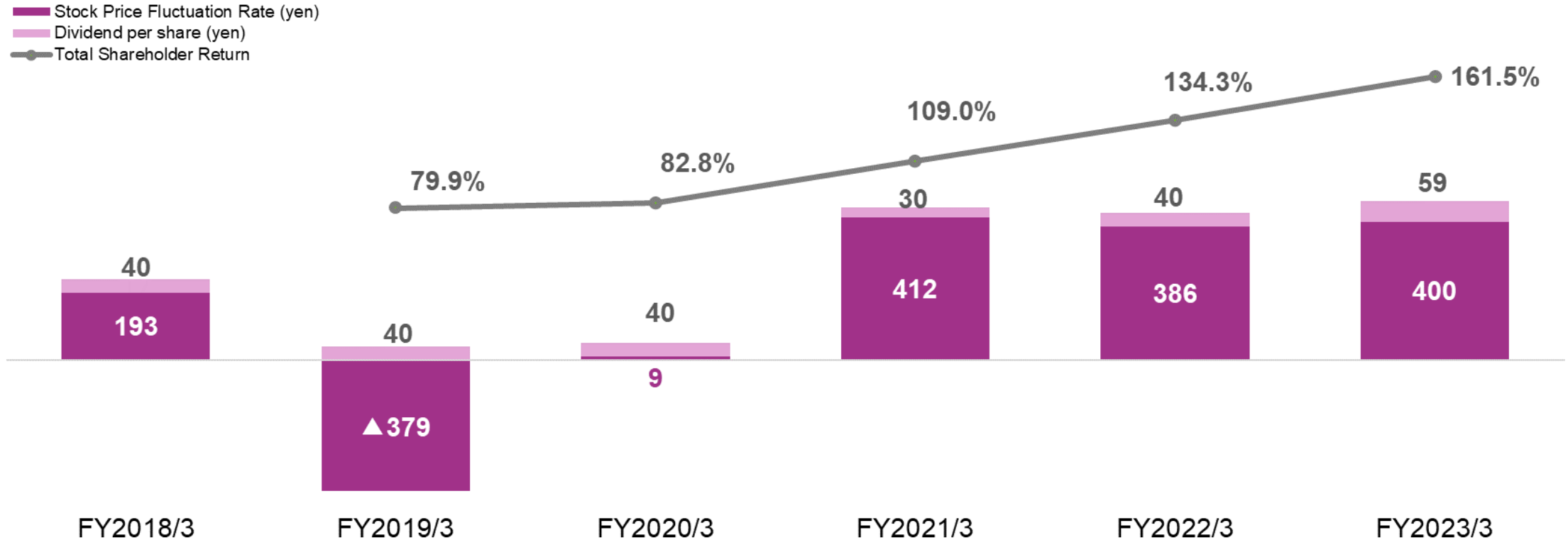
*2 Purchase period of share buyback for FY2022/3 was 2021/11/9-2022/4/19 and plan to be 2023/5/1-2023/9/29 for FY2023/3

For FY2023/3, plan for : acquisition price (maximum) = ¥10.0 billion, number of shares to be acquired (maximum) = 8 million shares

*3 DOE (Dividends on Equity) = dividend amount / net asset

*4 Total return ratio = (total dividend amount + total amount of share buybacks) / net income

Total Shareholder Return Trend



	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3 (Forecast)
Stock Price Fluction Rate (yen)	193	▲379	9	412	386	400	—
Dividend per share (yen)	40	40	40	30	40	59	47
Total Shareholder Return	—	79.9%	82.8%	109.0%	134.3%	161.5%	—

*Stock Price fluctuation Rate = closing price at the end of the relevant fiscal year - closing price at the end of the previous fiscal year

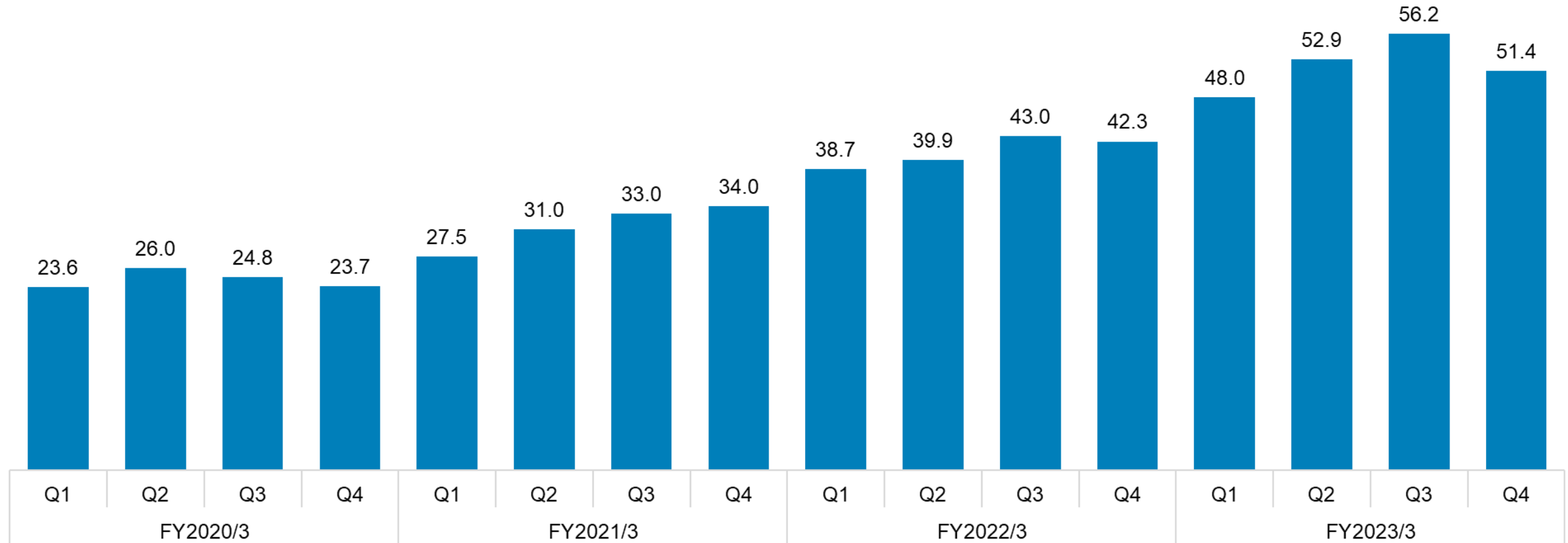
*Total shareholder return = (stock price on the last day of each business fiscal year + cumulative amount of dividends per share from the last four business fiscal years of the current business fiscal year through the respective business fiscal years)/stock price on the last day of the five business fiscal years of the current business fiscal year (Source: FSA) -69-

04

Appendix

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

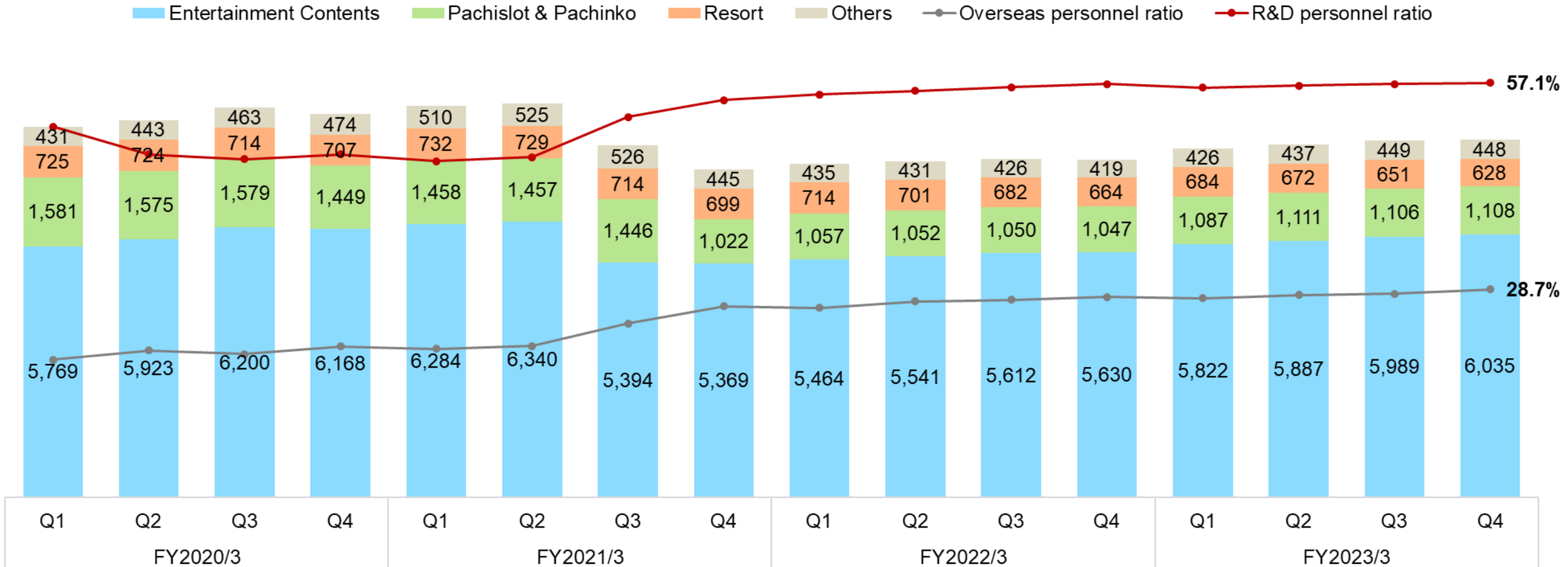
(Unit: billion yen)



*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 Full year Results	2023/3 Full year Results
Sales		161.5	270.5
	Casino	86.6	157.5
	Hotel	67.7	95.9
	Other	7.0	17.0
Cost of sales		178.2	234.1
	Casino	63.7	100.4
	Hotel	81.9	74.7
	Other	32.4	38.8
Gross profit		-16.7	36.4
	SG&A	25.4	27.9
Operating profit		-42.2	8.5
EBITDA		14.9	65.3
Net profit		-87.9	-33.9
Number of casino visitors (Thousands)		99.0	151.0
		Source: Paradise IR	
SEGASAMMY Equity method acquisition amount (Billion yen)		-4.1	-1.8

FY2023/3 Results

- **Recovery trend due to relaxation of travel restrictions**
 - Drop amounts of Japanese VIP recovered rapidly which close to before COVID-19 levels
- **EBITDA remained positive due to cost reduction initiative under COVID-19**

FY2024/3 Forecast

- **Expect the contribution to profits from equity in gains of affiliates**
 - Casino sales are expected to continue to be driven by strong Japanese VIP customers, along with a complete recovery in flights to and from Japan and Korea, and a gradual recovery in Chinese VIP customers is also expected due to a staged recovery in traffic to and from China and 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

Overview of Rovio

Trade name	Rovio Entertainment Oyj	
Location of head office	Keilaranta 7 02150, Espoo, Uusimaa Finland	
Name / title of the representative	Alexandre Pelletier-Normand / CEO	
Business overview	Planning, development, management, and distribution of mobile games, as well as licensing of Angry Birds IP	
Capital	EUR 0.7 million (as of December 31, 2022)	
Establishment	2003	
Major shareholders, and their ownership ratio (as of March 31, 2023)	MOOR Holding AB	15.57%
	Adventurous Ideas Oy	7.79%
	Brilliant Problems Oy	7.79%
	Impera Oy Ab	6.13%
Relationship between the Company and Rovio	Capital relationship	N/A
	Human relationship	N/A
	Business relationship	N/A
	Applicability to Related Parties	N/A

Consolidated performance and financials of Rovio for the last three years			
Fiscal year (Units: EUR millions)	FY2020/12	FY2021/12	FY2022/12
Consolidated net assets	165.4	197.5	226.8
Consolidated total assets	208.4	287.0	294.3
NAV per share on a consolidated basis (euro)	2.27	2.66	2.73
Consolidated sales	272.2	286.2	317.7
Consolidated operating profit	42.5	37.7	28.5
Profit for the period	32.1	30.1	22.8
EPS on a consolidated basis (EUR)	0.43	0.41	0.30
Dividend per share (EUR)	0.12	0.12	0.13

*Per-share figures are calculated on a fully diluted basis (assuming all outstanding options are converted into shares). Some financial figures differ from audited figures due to the figures in this document being rounded down.

Repost from document disclosed in Apr. 17, 2023, "SEGA to Acquire Rovio Entertainment Oyj"

https://www.segasammy.co.jp/cms/wp-content/uploads/2023/04/20230417_aquisition_e.pdf



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

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/en/ir/stock/regulation/>

Please visit below website for more information of products and services of SEGASAMMY.

<https://www.segasammy.co.jp/en/corp/group/>
(Sega Sammy Group Website list)

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