

# Q3 for the Fiscal Year Ending March 2024 Results Presentation

2024/2/9

## 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

# FY2024/3 Q3 Results / Forecast

# Financial Highlights



(Billion yen)	FY2023/3		FY2024/3		
	Through Q3	Full Year Results	Through Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
<b>Sales</b>	<b>271.9</b>	<b>389.6</b>	<b>349.9</b>	<b>474.0</b>	<b>463.0</b>
Entertainment Contents	210.4	282.8	219.3	327.0	313.5
Pachislot and Pachinko Machines	52.1	94.2	120.2	134.0	136.0
Resort	8.7	11.5	9.2	12.0	12.0
Other / Elimination	0.7	1.1	1.2	1.0	1.5
<b>Operating Income</b>	<b>38.2</b>	<b>46.7</b>	<b>54.4</b>	<b>60.0</b>	<b>51.0</b>
Entertainment Contents	39.6	38.7	18.8	34.5	23.0
Pachislot and Pachinko Machines	6.9	20.0	45.1	39.0	41.5
Resort	-0.7	-1.1	-0.6	-1.0	-1.0
Other / Elimination	-7.6	-10.9	-8.9	-12.5	-12.5
Non-operating income	4.3	4.9	5.4	6.0	6.0
Non-operating expenses	2.4	2.2	2.6	3.0	3.5
<b>Ordinary Income</b>	<b>40.1</b>	<b>49.4</b>	<b>57.2</b>	<b>63.0</b>	<b>53.5</b>
Entertainment Contents	41.5	41.1	19.7	36.5	24.5
Pachislot and Pachinko Machines	7.3	20.7	45.7	39.5	42.0
Resort	-2.8	-3.2	0.7	0.0	0.0
Other / Elimination	-5.9	-9.2	-8.9	-13.0	-13.0
Ordinary Income Margin	14.7%	12.7%	16.3%	13.3%	11.6%
Extraordinary income	0.0	0.0	0.4	0.2	0.5
Extraordinary losses	0.3	2.4	11.7	13.2	14.0
<b>Income before income taxes</b>	<b>39.7</b>	<b>47.0</b>	<b>46.0</b>	<b>50.0</b>	<b>40.0</b>
<b>Profit attributable to owners of parent</b>	<b>32.8</b>	<b>45.9</b>	<b>35.3</b>	<b>35.0</b>	<b>28.0</b>
<b>ROE</b>	-	<b>14.7%</b>	-	-	-
<b>Dividends per share (JPY)</b>	<b>20.00</b>	<b>59.00</b>	<b>23.00</b>	<b>47.00</b>	<b>47.00</b>

## FY2024/3 Q3 Results

### ➤ Significant increase in sales and profit YoY due to strong performance of Pachislot and Pachinko Machines

- Entertainment\*: Some of new titles in Full Game went weak (CS\*)
- Pachislot and Pachinko Machines: Strong performance centered on pachislot
- Resort: Steady performance both in Japan and overseas

## Forecast

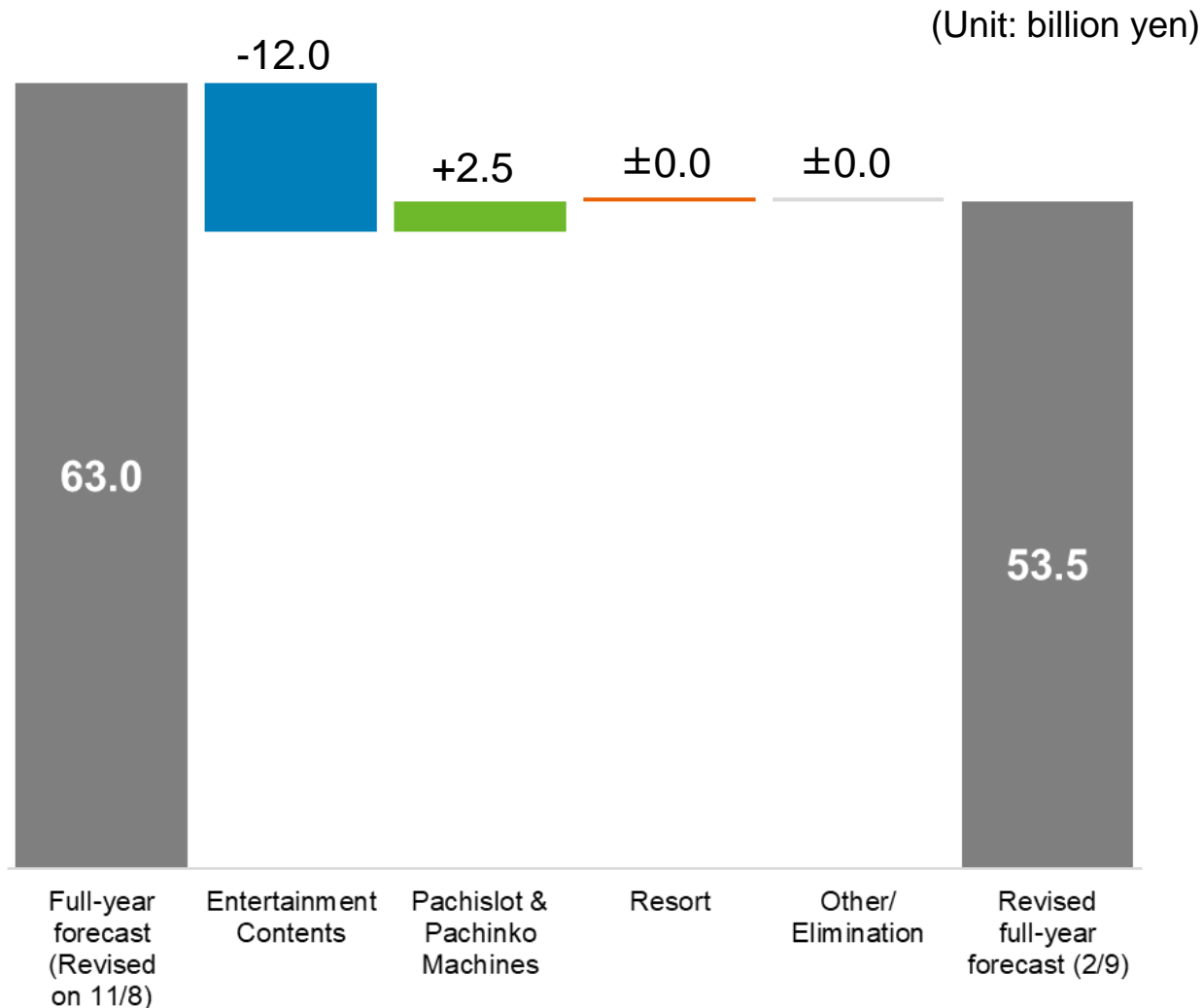
### ➤ Revise the full-year operating results forecast downward

- See next page for the details

\*Tax rate in the full-year forecast is calculated at 30% for simplified purposes

# Revision of Operating Results Forecast

[Ordinary income by segment: Changes from the revised full-year forecast announced on Nov. 8]



## ➤ Entertainment Contents business

- Some of new titles in Full Game released in Q3 has been performing weak, expecting the inventory write-down (CS\*)
- Sales of prize category has been performing below expectations (AM\*)

## ➤ Pachislot and Pachinko Machines business

- Sales of both pachislot and pachinko has been exceeding previous forecast
- Allowance for doubtful accounts decreased as collection of receivables in possession has progressed

\*Expenses related to the structural reform in Europe under consideration are not factored in (CS)

\*See next page for the progress of structural reform

\*CS = Consumer area, AM = Amusement Machine area

## [Regarding the Structural Reform in Consumer Area (CS) ]

### ➤ **Continue to consider structural reform measures of the CS business in European region**

#### **Items for consideration in structural reform**

- 1. Review of medium-term lineup**
- 2. Optimization of fixed expenses, Improvement of investment efficiency**
- 3. Review of development/sales structure and management system**

### ➤ **Revision of Management Structure (as of Jan. 1, 2024)**

Jurgen Post took up his post of Chief Operating Officer of West Studios / Regional Managing Director of SEGA Europe Limited

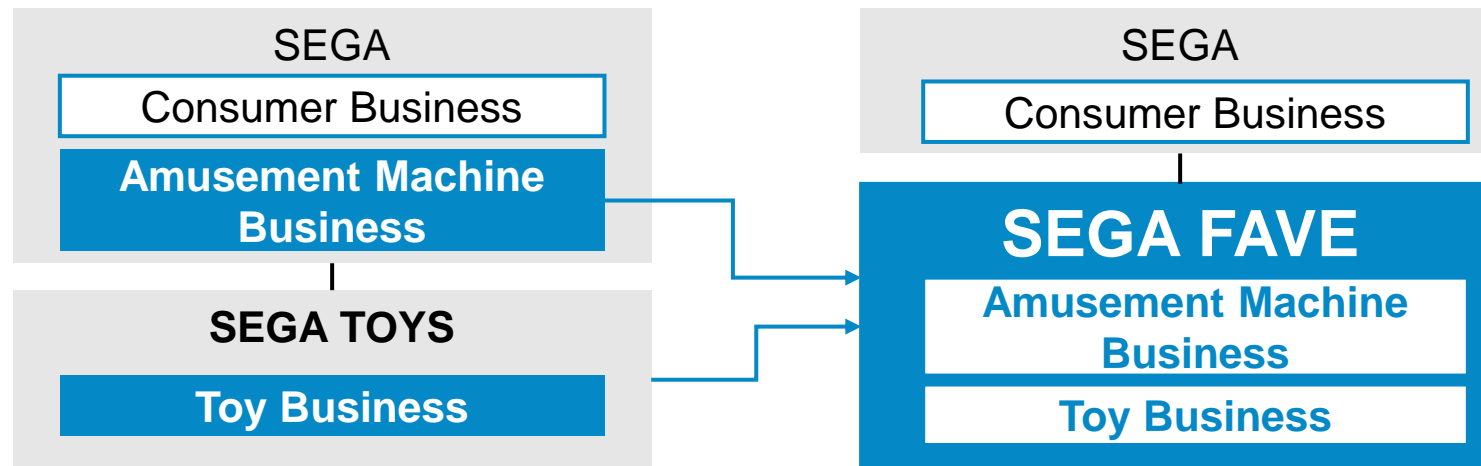
(Major career profile)

2006-17: SEGA Europe Limited (2012-2017 President/COO)

2017-19: Tencent / President, International Partnerships (Europe)

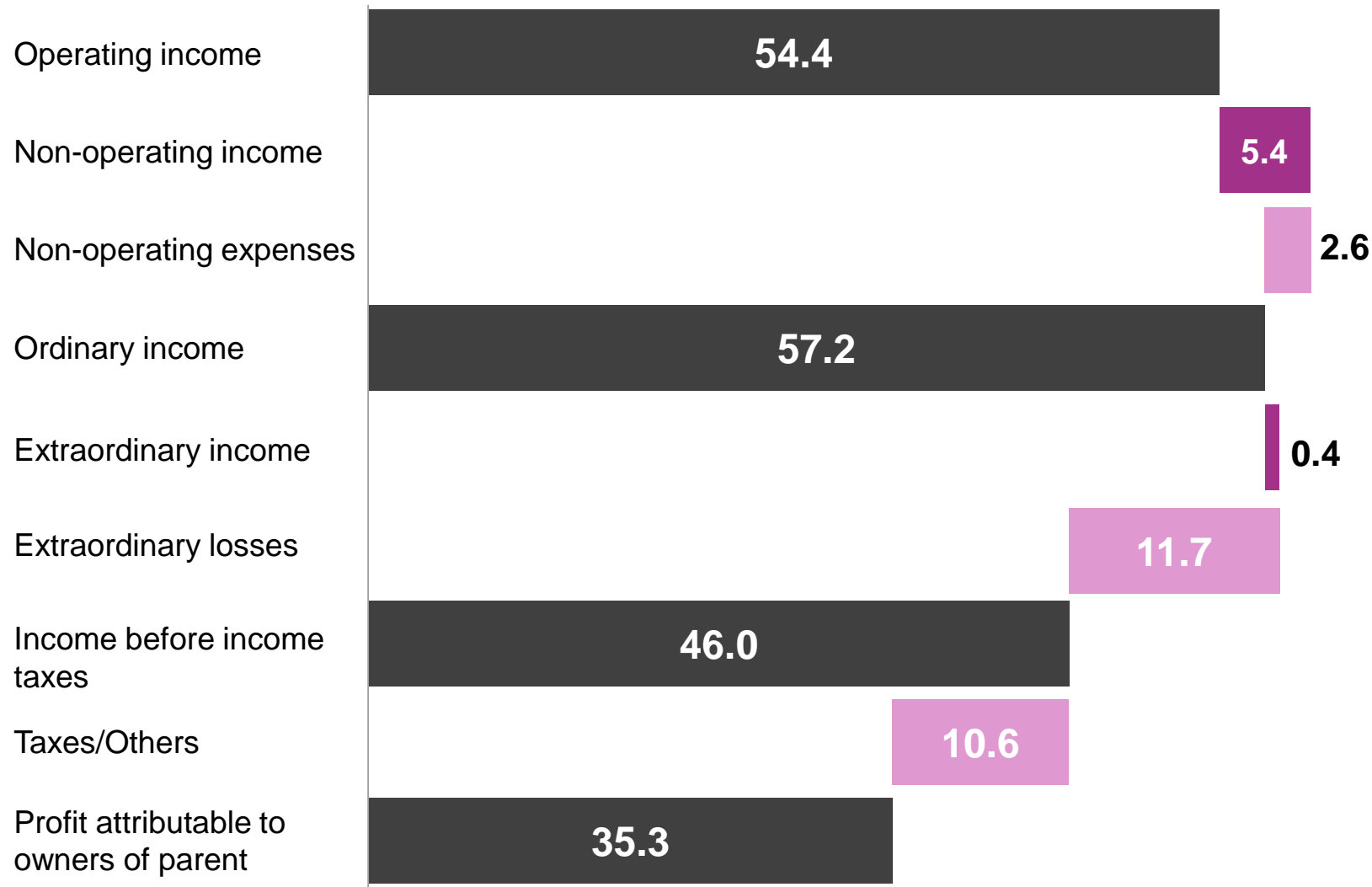
2020-21: Miniclip / CEO

- **Completion of share buybacks** (Acquisition of Treasury Stocks based on our shareholder return policy)
  - Total number of shares acquired: 4,782,700 shares
  - Total cost of acquisition of shares: 9,999,811,850 yen
  
- **Organizational Restructure in the Entertainment Contents Business** (Effective date: Apr. 1, 2024 (Plan))
  - Establish a new business unit integrating the amusement machine and toy businesses
  - Create new experience value based on the strengths of both businesses



# Breakdown of Income (FY2024/3 Q3 Results)

(Unit: Billion yen)



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

<b>Non-operating income</b>	<b>5.4</b>
Equity in earnings of affiliates	2.2
Interest income	1.2
Gain on investments in partnership	0.9
<b>Non-operating expenses</b>	<b>2.6</b>
Foreign exchange losses	0.9
Loss on investments in partnership	0.6
<b>Extraordinary Income</b>	<b>0.4</b>
<b>Extraordinary losses</b>	<b>11.7</b>
Loss on business restructuring	11.2
<b>Taxes/Others</b>	<b>10.6</b>

# Impact of Exchange Rate Fluctuations

- Impact of exchange rate in Consumer area in Q3 are positive in approx. 0.6 billion yen for sales and approx. 0.1 billion yen for operating income

		Q3 Revision at 11/8	Q4 Revision at 2/9
Rate at forecast	1 USD	140 yen	147 yen
	1 GBP	172 yen	188 yen
	1 Euro	151 yen	151 yen
Rate in actual results	1 USD	142 yen	-
	1 GBP	178 yen	-
	1 Euro	155 yen	-
Amount of impact per quarter	Sales	0.6 billion yen	1.9 billion yen
	Operating Income	0.1 billion yen	0.4 billion yen

\*USD, Euro: Mainly affect on sales increase, GBP: Mainly affect on cost increase

\*Rate at forecast in Q3: at the revision on Nov. 8, rate at forecast in Q4: at the revision on Feb. 9

\*Rate in actual results is the average from the start of this FY to the end of relevant quarter (e.g. from Apr. to Dec. 2023 for Q3)

\*Q4 impact includes the impact from revision of rate for 1 USD from 140 yen to 147 yen

- Recorded foreign exchange losses of 0.9 billion yen in non-operating expenses due to revaluation and settlement of receivables and payables denominated in foreign currencies



# Costs and Expenses, etc.

## Entertainment Contents

(Billion yen)	FY2022/3				FY2023/3				FY2024/3			FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	9.9	13.5	12.7	18.3	11.9	14.8	16.4	22.9	12.5	17.5	27.8	66.6	79.7
Advertising expenses	2.2	3.9	3.7	4.4	2.7	5.0	6.3	6.7	3.1	6.0	11.1	32.7	31.9
Depreciation	0.8	0.9	0.9	1.1	0.9	1.0	0.9	1.0	0.9	1.1	1.2	4.0	4.2
Cap-ex	1.5	1.4	1.6	2.8	1.1	1.1	1.7	2.0	1.9	1.2	1.4	5.6	5.5

## Pachislot & Pachinko

(Billion yen)	FY2022/3				FY2023/3				FY2024/3			FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	3.4	3.2	3.4	4.4	3.0	3.5	3.7	4.2	3.1	3.5	3.5	13.4	12.8
Advertising expenses	0.2	0.6	0.5	0.3	0.3	0.3	0.3	0.8	0.8	0.6	0.5	2.9	2.6
Depreciation	0.5	0.7	0.7	0.8	0.6	0.7	0.7	0.7	0.5	0.7	0.6	3.0	2.8
Cap-ex	1.2	1.1	0.8	1.0	1.0	1.0	1.0	1.2	0.8	1.1	1.4	5.4	5.4

### \*Recognition criteria of R&D 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 (CS)): Expenses are amortized over a period of 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 Machines business: Expenses aren't capitalized but are recognized as they arise (outsourced process 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 expenses 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)	FY2022/3				FY2023/3				FY2024/3			FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.1
Advertising expenses	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.2	0.1	0.4	0.4
Depreciation	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.1	0.2	0.1	0.6	0.6
Cap-ex	0.1	0.1	0.1	0.1	0.5	0.1	0.4	0.2	0.0	0.2	0.0	0.3	0.3

## ■ Other / Elimination

(Billion yen)	FY2022/3				FY2023/3				FY2024/3			FY2024/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.1	-0.1	0.1	-0.1	0.0	0.0	0.1	-0.2	0.1	-0.1	-0.1	0.0	-0.1
Advertising expenses	0.4	0.4	0.2	0.3	0.3	0.7	0.2	0.2	0.3	0.6	0.1	1.8	1.7
Depreciation	0.4	0.1	0.3	0.2	0.5	0.1	0.3	0.2	0.4	0.1	0.3	1.0	0.9
Cap-ex	0.3	0.0	0.3	0.6	0.2	0.0	0.2	0.1	0.3	0.1	0.5	1.9	1.3

# Consolidated Balance Sheet Summary



(Billion yen) [Assets]				[Liabilities and Net Assets]				
Account	As of end of Mar. 2023	As of end of Dec. 2023	Increase /Decrease	Account	As of end of Mar. 2023	As of end of Dec. 2023	Increase /Decrease	
Cash and Deposits	179.5	169.7	-9.8	Accounts Payable	30.5	26.1	-4.4	
Accounts Receivable	53.3	59.8	+6.5	Short Term Borrowings	17.0	117.4	+100.4	
Securities	-	23.9	+23.9	Other	72.8	72.3	-0.5	
Inventories	89.4	88.8	-0.6	<b>Total Current Liabilities</b>	<b>120.3</b>	<b>215.8</b>	<b>+95.5</b>	
Other	31.6	34.1	+2.5	Corporate Bonds	10.0	10.0	-	
<b>Total Current Assets</b>	<b>353.8</b>	<b>376.3</b>	<b>+22.5</b>	Long Term Borrowings	25.0	25.0	-	
Tangible Fixed Assets	60.4	61.1	+0.7	Other	14.8	17.0	+2.2	
Intangible Fixed Assets	13.2	79.5	+66.3	<b>Total Noncurrent Liabilities</b>	<b>49.8</b>	<b>52.0</b>	<b>+2.2</b>	
Goodwill (included in Intangible Fixed Assets)	2.5	69.7	+67.2	<b>Total Liabilities</b>	<b>170.2</b>	<b>267.9</b>	<b>+97.7</b>	
Investment Securities	39.5	50.1	+10.6	Shareholders' Equity	326.7	337.4	+10.7	
Other	34.6	48.6	+14.0	Total accumulated other comprehensive income	4.0	8.8	+4.8	
				Share acquisition rights	0.4	0.6	+0.2	
				Non-controlling interests	0.0	0.7	+0.7	
<b>Total Noncurrent Assets</b>	<b>147.7</b>	<b>239.3</b>	<b>+91.6</b>	<b>Total Net Assets</b>	<b>331.3</b>	<b>347.7</b>	<b>+16.4</b>	
<b>Total Assets</b>	<b>501.5</b>	<b>615.6</b>	<b>+114.1</b>	<b>Total Liabilities and Net Assets</b>	<b>501.5</b>	<b>615.6</b>	<b>+114.1</b>	

## Main factors for increase/decrease

	As of end of Mar. 2023	As of end of Dec. 2023	Increase /Decrease		
Cash, deposits and cash equivalents	179.5	193.6	+14.1	(Assets)	Securities and goodwill increased due to the inclusion of Rovio Entertainment Corporation (Rovio) in the scope of consolidation
Interest bearing debt	52.0	152.4	+100.4	(Liabilities)	Short term borrowings increased related to the acquisition of Rovio
Net cash	127.5	41.2	-86.3		Shareholders equity increased mainly due to the recording of profit attributable to owners of parent, despite the payment of dividends and implementation of share buyback
Equity ratio	66.0%	56.2%	-9.8p	(Net assets)	In addition, foreign currency exchange adjustments increased

02

## Per Segments Results / Forecast

(Billion yen)	FY2023/3		FY2024/3		
	Through Q3	Full Year Results	Through Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
<b>Sales</b>	<b>210.4</b>	<b>282.8</b>	<b>219.3</b>	<b>327.0</b>	<b>313.5</b>
Consumer	142.5	187.9	148.1	227.5	218.0
Amusement Machine	45.6	64.9	45.1	65.0	62.0
Animation / Toy	21.7	29.3	25.5	34.0	33.0
Other / Elimination	0.6	0.7	0.6	0.5	0.5
<b>Operating Income</b>	<b>39.6</b>	<b>38.7</b>	<b>18.8</b>	<b>34.5</b>	<b>23.0</b>
Consumer	33.3	32.8	13.9	30.0	20.0
Amusement Machine	2.1	2.9	3.3	4.0	2.7
Animation / Toy	4.2	4.5	4.0	3.8	3.2
Other / Elimination	0.0	-1.5	-2.4	-3.3	-2.9
Non-operating income	2.2	2.8	2.4	3.5	3.0
Non-operating expenses	0.2	0.4	1.5	1.5	1.5
<b>Ordinary Income</b>	<b>41.5</b>	<b>41.1</b>	<b>19.7</b>	<b>36.5</b>	<b>24.5</b>
Ordinary Income Margin	19.7%	14.5%	9.0%	11.2%	7.8%

## FY2024/3 Q3 Results

### ➤ Sales increased and profit decreased YoY

- Sales increased due to the acquisition of Rovio (CS\*)
- Profit decreased as some of new titles in Full Game went weak (same as above)
- Repeat sales went steady (same as above)

## Forecast

### ➤ Revised the forecast downward mainly due to weak sales of new titles in Full Game

- Some of new titles in Full Game released in Q3 are performing weak, inventory write-down is expected (CS)
- Sales of prize products are expected to be below the previous forecast (AM\*)
- Animation is performing steadily  
Regarding Toy, inventory write-down is expected at the end of this fiscal year

\*Expenses related to the structural reform in Europe are not factored in (CS)

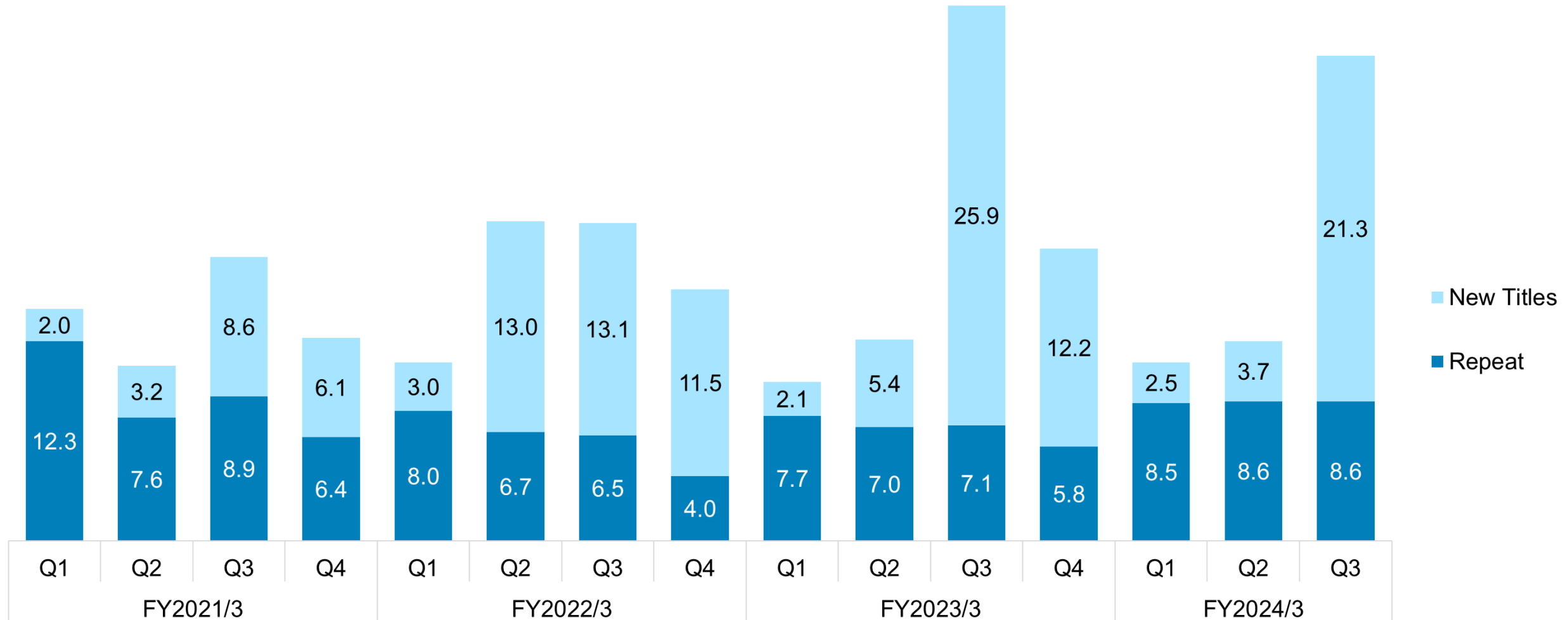
# Entertainment Contents Business By sub-segment



		FY2024/3 Q3 Results	Forecast
Consumer	Full Game	<ul style="list-style-type: none"> <li>Some of new titles released in Q3 went weak</li> <li>Repeat sales went steady</li> <li>Recorded losses associated with inventory write-down</li> </ul>	<ul style="list-style-type: none"> <li>Launch new titles of mainstay IPs, Like a Dragon and Persona series</li> <li>Continue the consideration regarding the structural reforms in Europe</li> </ul>
	F2P	<ul style="list-style-type: none"> <li>Existing titles performed as expected</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen operations of existing titles</li> </ul>
	Other	<ul style="list-style-type: none"> <li>Recorded license revenue from subscription services</li> <li>Recorded license revenue from IPs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Plan to record license revenue from IPs, etc.</li> </ul>
Amusement Machine		<ul style="list-style-type: none"> <li>Sales centered on UFO Catcher® series and prizes</li> </ul>	<ul style="list-style-type: none"> <li>Sales of prize products are expected to be below the previous forecast</li> <li>Plan to launch one new medal game machine</li> </ul>
Animation / Toy	Animation	<ul style="list-style-type: none"> <li>Recorded license and other revenues associated with video production, distribution, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Plan to record license and other revenues associated with video production, distribution, etc.</li> </ul>
	Toy	<ul style="list-style-type: none"> <li>Sales in holiday sales season went weak</li> </ul>	<ul style="list-style-type: none"> <li>Inventory write-down is expected at the end of this fiscal year</li> </ul>

# Consumer Area / Full Game: Sales Trend

(Unit: billion yen)



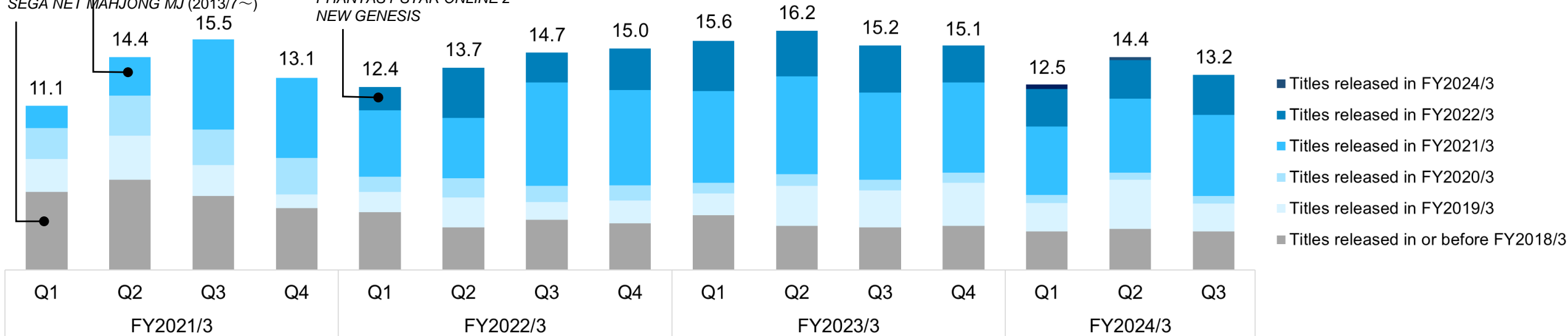
# Consumer Area / F2P: Sales Trend

Project SEKAI COLORFUL STAGE feat. Hatsune Miku

(Unit: billion yen)

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

PHANTASY STAR ONLINE 2  
NEW GENESIS



## [Top 3 titles in sales from October to December 2023]

(No. 1)



**Project SEKAI COLORFUL STAGE! feat. Hatsune Miku**

© SEGA/© CP/© CFM

Release: Sep. 2020

(No. 2)



**PHANTASY STAR ONLINE 2 NEW GENESIS ver.2**

©SEGA

Release: Jun. 2021 \*ver.2 released in Jun. 2023

(No. 3)



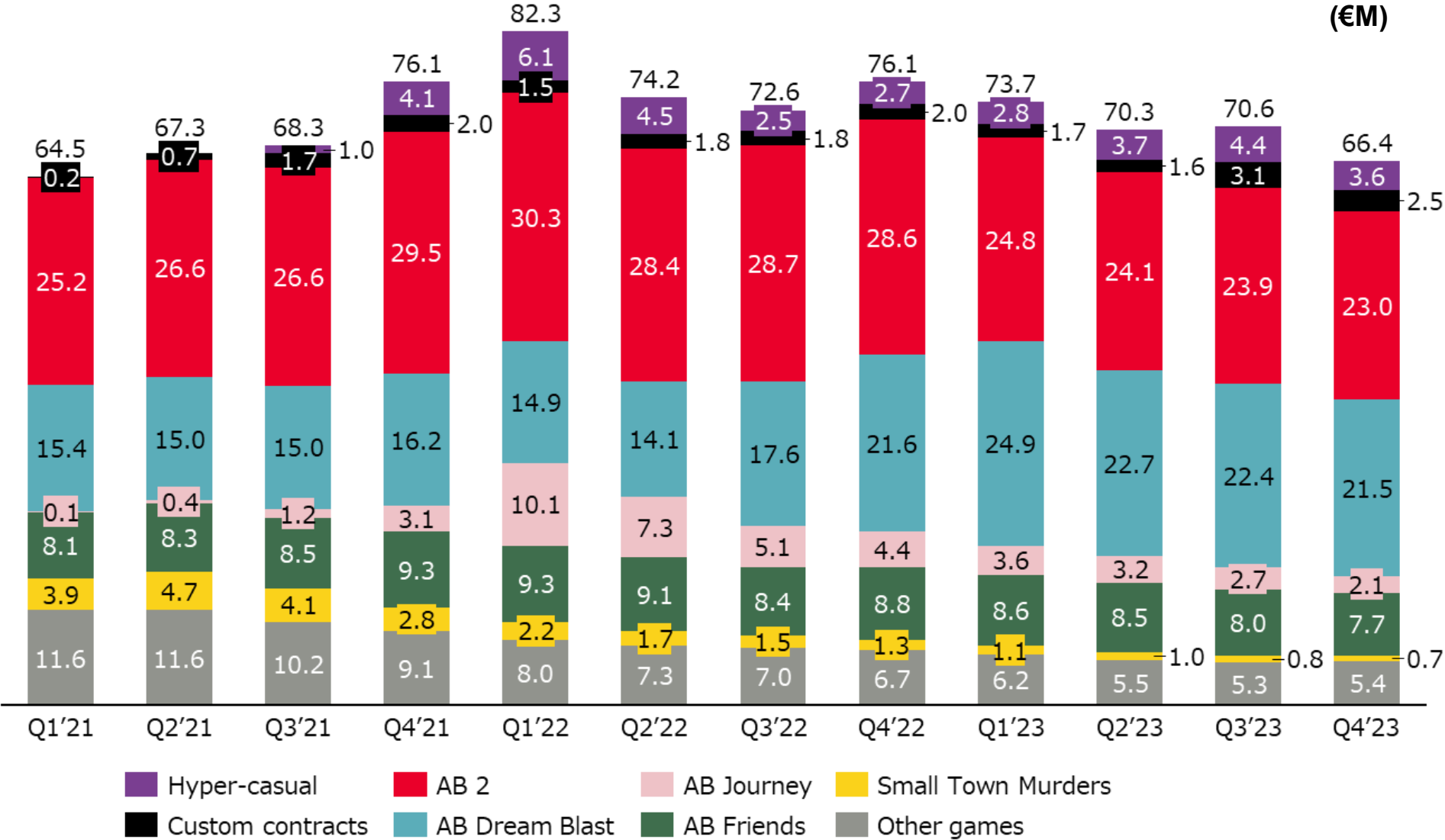
**SEGA NET MAHJONG MJ**

©SEGA

Release: Jul. 2013



# Sales by Titles of Rovio



\*Rovio applies December fiscal year end  
 \*Created by Rovio

# (Reference) Consumer Area: Sales Trend

(Billion yen)	FY2023/3				FY2024/3				
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
<b>Sales</b>	<b>34.7</b>	<b>75.0</b>	<b>142.5</b>	<b>187.9</b>	<b>33.7</b>	<b>77.9</b>	<b>148.1</b>	<b>227.5</b>	<b>218.0</b>
Domestic	15.7	33.8	52.4	71.4	14.5	32.2	51.9	71.4	74.8
Overseas	19.2	41.1	89.8	116.7	19.3	45.8	96.4	156.2	143.7
Overseas sales ratio	55.3%	54.8%	63.0%	62.1%	57.3%	58.8%	65.1%	68.7%	65.9%
Other / Elimination	-0.2	0.1	0.3	-0.2	-0.1	-0.1	-0.2	-0.1	-0.5
<b>Full Game</b>	<b>9.9</b>	<b>22.3</b>	<b>55.3</b>	<b>73.2</b>	<b>11.0</b>	<b>23.4</b>	<b>53.2</b>	<b>94.6</b>	<b>86.8</b>
<b>New titles</b>	<b>2.1</b>	<b>7.5</b>	<b>33.4</b>	<b>45.6</b>	<b>2.5</b>	<b>6.2</b>	<b>27.5</b>	<b>64.0</b>	<b>55.8</b>
Japan	0.5	1.7	3.6	5.0	0.7	0.8	4.4	11.1	12.7
Asia	0.5	1.1	3.5	5.3	0.1	0.3	2.5	5.7	6.4
North America / Europe	1.0	4.6	26.3	35.2	1.5	5.0	20.5	47.1	36.6
<b>Repeat titles</b>	<b>7.7</b>	<b>14.7</b>	<b>21.8</b>	<b>27.6</b>	<b>8.5</b>	<b>17.1</b>	<b>25.7</b>	<b>30.5</b>	<b>31.0</b>
Japan	0.8	1.7	2.4	3.0	1.0	2.0	3.0	3.5	3.8
Asia	0.8	1.5	2.2	2.8	1.0	2.6	3.8	4.2	4.8
North America / Europe	6.1	11.5	17.1	21.6	6.3	12.4	18.7	22.7	22.3
Download sales ratio	74.9%	74.5%	66.0%	69.7%	57.1%	54.6%	57.1%	56.9%	53.9%
<b>F2P</b>	<b>15.6</b>	<b>31.8</b>	<b>47.0</b>	<b>62.1</b>	<b>12.5</b>	<b>26.9</b>	<b>40.1</b>	<b>54.3</b>	<b>52.7</b>
Japan	13.0	27.1	39.9	53.2	10.8	23.4	34.8	46.0	45.9
Asia	0.5	0.5	0.5	0.6	-	-	-	0.6	0.1
North America / Europe	2.0	4.1	6.5	8.2	1.7	3.4	5.1	7.5	6.7
<b>Other</b>	<b>9.2</b>	<b>20.9</b>	<b>40.2</b>	<b>52.6</b>	<b>10.2</b>	<b>27.6</b>	<b>54.8</b>	<b>78.6</b>	<b>78.5</b>
Rovio	-	-	-	-	-	3.4	13.0	23.9	22.7

•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.

•Sales forecast of Rovio in full year forecast is estimation of SEGA SAMMY HOLDINGS

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



	FY2023/3				FY2024/3			Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3		
<b>Full Game: Number of Titles</b>									
Japan	3 titles	7 titles	11 titles	15 titles	2 titles	3 titles	8 titles	11 titles	11 titles
Asia	3 titles	7 titles	11 titles	15 titles	2 titles	3 titles	9 titles	12 titles	12 titles
North America / Europe	3 titles	7 titles	12 titles	16 titles	2 titles	3 titles	10 titles	13 titles	13 titles
<b>Full Game: Unit sales (Thousand)</b>	<b>5,140</b>	<b>10,140</b>	<b>20,750</b>	<b>27,890</b>	<b>4,870</b>	<b>10,520</b>	<b>19,100</b>	<b>28,090</b>	<b>25,930</b>
<b>Total New titles</b>	<b>440</b>	<b>1,480</b>	<b>6,970</b>	<b>10,090</b>	<b>740</b>	<b>1,660</b>	<b>5,270</b>	<b>11,020</b>	<b>9,140</b>
Japan	90	250	640	1,090	160	190	770	1,590	1,760
Asia	110	260	860	1,350	40	100	490	1,000	1,130
North America / Europe	230	960	5,460	7,640	540	1,360	4,000	8,420	6,250
<b>Total Repeat titles</b>	<b>4,700</b>	<b>8,650</b>	<b>13,770</b>	<b>17,790</b>	<b>4,120</b>	<b>8,850</b>	<b>13,830</b>	<b>17,060</b>	<b>16,780</b>
Japan	260	760	1,080	1,380	430	830	1,280	1,510	1,630
Asia	410	750	1,390	1,840	470	1,220	1,860	2,200	2,340
North America / Europe	4,030	7,120	11,290	14,560	3,210	6,790	10,680	13,340	12,800

\*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 North America/Europe)

## [Unit sales of major IPs]

(Thousand units)	FY2023/3				FY2024/3		
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3
Sonic series	1,460	2,630	6,750	8,150	1,220	2,710	5,050
Total War series	420	950	1,750	2,300	310	870	1,490
Persona series	270	500	2,040	3,270	630	1,380	2,670
Like a Dragon series*	470	960	1,730	2,830	510	1,190	2,710

\*Like a Dragon series includes Judgment series

# (Reference) Consumer Area / Full Game: Major New Titles

[Titles released in Q3, FY2024/3] \*Dates in () to the right of the titles are actual release dates



**Sonic Superstars** (Oct. 17, 2023)

©SEGA



**Football Manager 2024** (Nov. 7, 2023)

©Sports Interactive Limited 2023. Published by SEGA Publishing Europe Limited.



**Like a Dragon Gaiden: The Man Who Erased His Name**

(Nov. 9, 2023)

©SEGA



**Persona 5 Tactical** (Nov. 17, 2023)

©ATLUS. ©SEGA. All rights reserved.

# (Reference) Consumer Area / Full Game: Major New Titles

[Titles to be released in Q4, FY2024/3] \*Dates in () to the right of the title are the planned release dates



**Like a Dragon: Infinite ∞ Wealth** (Jan. 26, 2024)

©SEGA

Reaches 1 million units sales worldwide, the fastest in the series



**Persona 3 Reload** (Feb. 2, 2024)

©ATLUS. ©SEGA. All rights reserved.

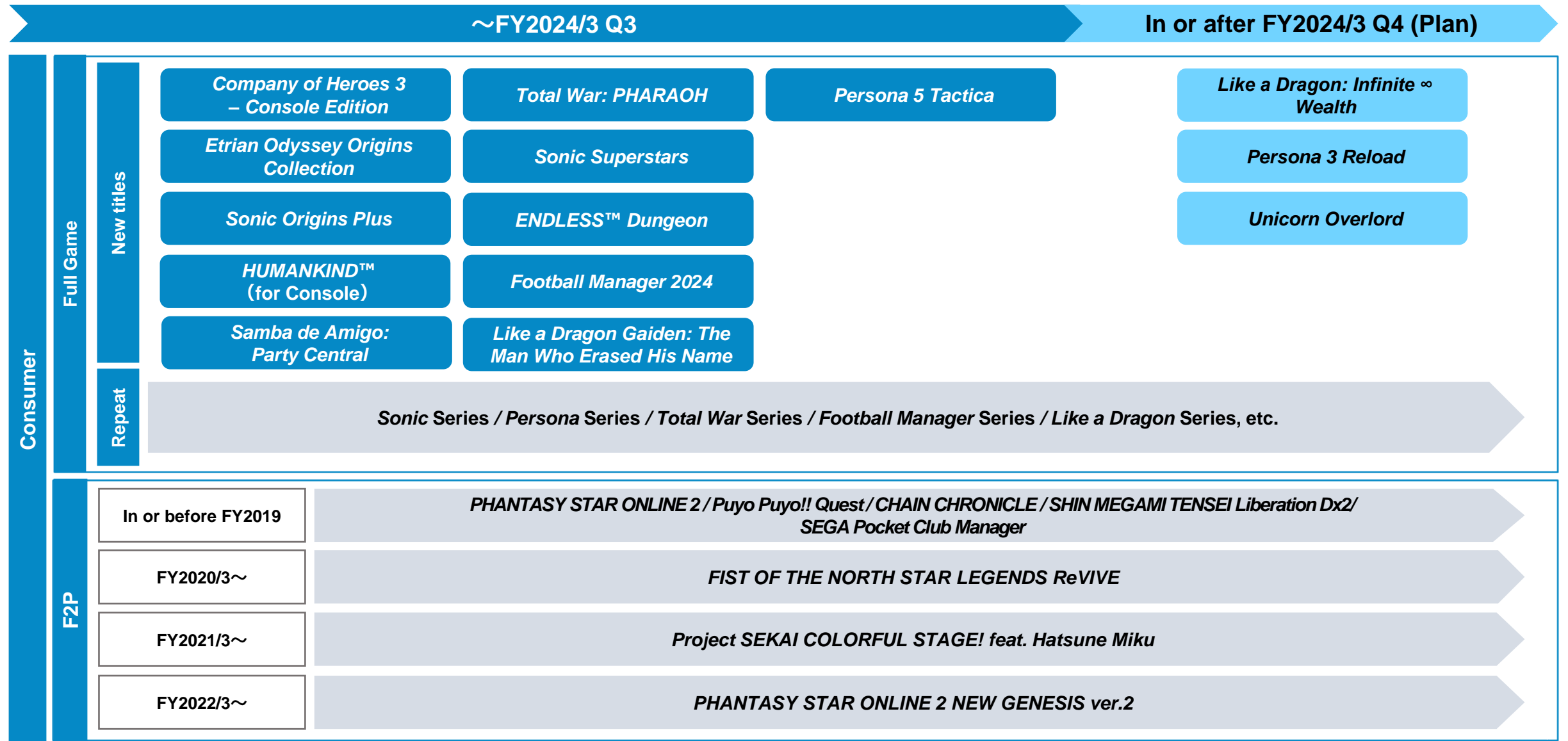
Reaches 1 million units sales worldwide, the fastest within ATLUS titles



**Unicorn Overlord** (Mar. 8, 2024 (Plan))

©ATLUS. ©SEGA. All rights reserved.

# (Reference) Entertainment Contents Business: Sales Schedule



\*Only announced titles are listed for "In or after FY2024/3 Q4 (Plan)"

# (Reference) Entertainment Contents Business: Sales Schedule

~FY2024/3 Q3

In or after FY2024/3 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 / HORI A TALE / i my merry*

<Major regular sales titles> *UFO Catcher® series / Prizes for prize machines*

*UFO CATCHER 10*

*BINGO THEATER*

*JACKPOT CIRCUS*

**Animation / Toy**

*DETECTIVE CONAN:  
Black Iron Submarine*

*ANPANMAN:  
Roboly and the Warming Present*

---

*Stream your live with a head set! With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer "My Live"*

*Let me treat you!  
I am a kitten's doctor*

*#BuzzCam*

*Disney&Pixar Characters  
Dream Switch  
Anniversary Gift Set*

*Chiikawa's dream talking giant pudding house*

*Fun to change screen covers!  
Sumikkogurashi Smart Phone with U*

*"ANPANMAN" Talking Picture Book Premium & Knowledgeable Picture Books Set*

\*Only announced titles are listed for "In or after FY2024/3 Q4 (Plan)"

(Billion yen)	FY2023/3		FY2024/3		
	Through Q3	Full Year Results	Through Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
<b>Sales</b>	<b>52.1</b>	<b>94.2</b>	<b>120.2</b>	<b>134.0</b>	<b>136.0</b>
Pachislot	26.2	41.0	81.3	88.0	88.6
Pachinko	19.9	44.2	30.6	34.2	35.5
Other / Elimination	6.0	9.0	8.3	11.8	11.9
<b>Operating Income</b>	<b>6.9</b>	<b>20.0</b>	<b>45.1</b>	<b>39.0</b>	<b>41.5</b>
Non-operating income	0.5	0.8	0.7	0.8	0.7
Non-operating expenses	0.1	0.2	0.1	0.3	0.2
<b>Ordinary Income</b>	<b>7.3</b>	<b>20.7</b>	<b>45.7</b>	<b>39.5</b>	<b>42.0</b>
Ordinary Income Margin	14.0%	22.0%	38.0%	29.5%	30.9%
<b>Pachislot</b>					
Number of Titles	7 titles	8 titles	5 titles	7 titles	7 titles
Unit Sales (units)	63,579	94,966	163,698	178,000	179,000
<b>Pachinko</b>					
Number of Titles	3 titles	5 titles	4 titles	4 titles	4 titles
Unit Sales (units)	49,159	103,556	74,681	84,000	87,000
Board + Frame	18,832	52,152	24,317	27,000	26,000
Board	30,327	51,404	50,364	57,000	61,000

New series are counted as one title  
 (Titles which installation started from previous FY, specification changed titles, etc. are not included)

## FY2024/3 Q3 Results

### ➤ Significant increase in sales and profit YoY

- Continued strong performance, centered on pachislot
- Major titles sold:  
*Smart Pachislot Hokuto No Ken, etc.*

## Forecast

### ➤ Both sales and profit are expected to increase significantly compared to the previous fiscal year

- Pachislot: Proceed the launch of new titles including  
*Smart Pachislot CODE GEASS Lelouch of the Rebellion / Lelouch of the Re;surrection*
- Pachinko: Plan to sell *P Hokuto No Ken Tomo LT* which applies the "Lucky Trigger" feature, and etc.
- Expect to record one-off expenses, such as write-downs of parts, at the end of this fiscal year



# (Reference) Pachislot and Pachinko Machines Business: Sales Schedule

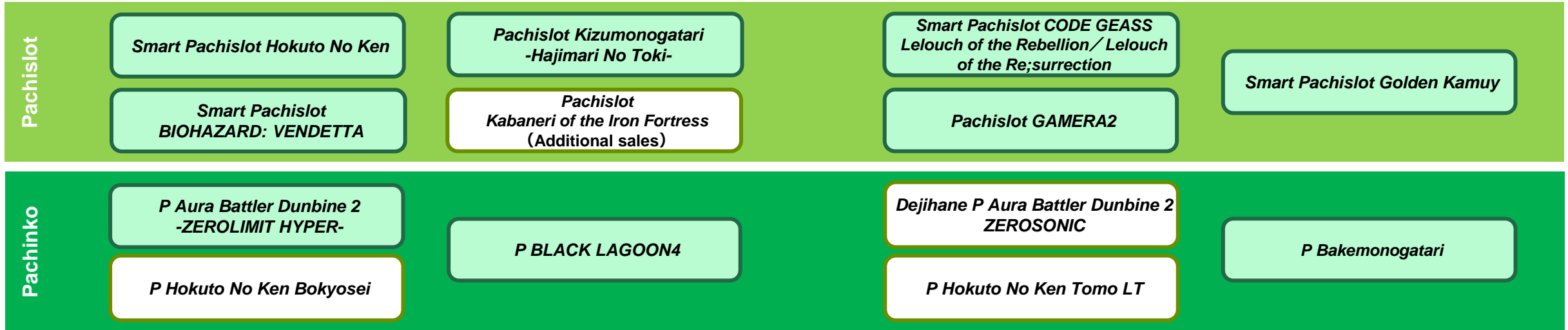
**New series**  
Titles which installation started from previous FY / Specification changed title



~FY2024/3 Q3

FY2024/3 Q4 (Plan)

In or after FY2025/3 (plan)



(Major titles sold before Q3)		Installation	Unit Sales
Pachislot	Smart Pachislot Hokuto No Ken	Apr.	79,177 units
	Smart Pachislot BIOHAZARD: VENDETTA	Jul.	33,151 units
	Pachislot Kizumonogatari -Hajimari No Toki-	Sep.	18,170 units
	Pachislot Kabaneri of the Iron Fortress	Previous FY	15,958 units
Pachinko	P Hokuto No Ken Bokyosei	May.	17,500 units
	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.	12,642 units
	P BLACK LAGOON4	Jul.	12,235 units

(Major titles scheduled for sale in Q4 and beyond)		Installation
Pachislot	Smart Pachislot CODE GEASS Lelouch of the Rebellion / Lelouch of the Re;surrection	Feb.
	Pachislot GAMERA2	Mar.
	Smart Pachislot Golden Kamuy	Apr.
Pachinko	Dejihane P Aura Battler Dunbine 2 ZEROSONIC	Feb.
	P Hokuto No Ken Tomo LT	Mar.
	P Bakemonogatari	Apr.

\*Unit sales sold only in FY2024/3 are listed

\*Only announced titles are listed for “FY2024/3 Q4 (Plan)” and “In or after FY2025/3 (Plan)”

## ➤ Implemented additional sales of the following popular titles



***Pachislot Kabaneri of the Iron Fortress***

©Kabaneri Committee ©Sammy



***Smart Pachislot Hokuto No Ken***

©Buronson & Tetsuo Hara / COAMIX 1983,  
©COAMIX 2007 Approved No. YRA-114  
©Sammy

### ***Pachislot Kabaneri of the Iron Fortress***

- Initial installation: Jul. 2022
- Cumulative installed units: 51 thousand units (As of end of Dec. 2023)
- Contributed weeks in utilization\*: 80 weeks

### ***Smart Pachislot Hokuto No Ken***

- Initial installation: Apr. 2023
- Cumulative installed units: 84 thousand units (As of end of Dec. 2023)
- Contributed weeks in utilization: 44 weeks (still contributing)

\*Contributed weeks in utilization : Indicator used to decide whether each machine's weekly utilization is over/below average weekly utilization of the whole market. In-house estimation.

(Billion yen)	FY2023/3		FY2024/3		
	Through Q3	Full Year Results	Through Q3	Revised Full Year Forecast (announced on Nov 8)	Revised Full Year Forecast (announced on Feb 9)
<b>Sales</b>	<b>8.7</b>	<b>11.5</b>	<b>9.2</b>	<b>12.0</b>	<b>12.0</b>
<b>Operating Income</b>	<b>-0.7</b>	<b>-1.1</b>	<b>-0.6</b>	<b>-1.0</b>	<b>-1.0</b>
Non-operating income	0.0	0.1	1.3	1.1	1.0
Non-operating expenses	2.1	2.1	0.0	0.1	0.0
<b>Ordinary Income</b>	<b>-2.8</b>	<b>-3.2</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>
Ordinary Income Margin	-	-	<b>7.6%</b>	-	-
<b>&lt;PHOENIX RESORT&gt;</b>					
<b>No. of facility users (Thousands)</b>	<b>717</b>	<b>946</b>	<b>675</b>	<b>923</b>	<b>909</b>
3 accommodation facilities	299	394	268	370	354
2 golf courses	76	103	74	101	102
Other facilities	342	449	333	452	453

## FY2024/3 Q3 Results

### ➤ **Steady performance both in Japan and overseas**

- **PHOENIX RESORT:**
  - In individual visitors, numbers of facility users fell short of expectations
  - Group visitors has been recovering
- **PARADISE SEGASAMMY:** Contributed to profit with equity method acquisition

## Forecast

### ➤ **Expect to be black at ordinary income level**

- **PHOENIX RESORT:** Operating income is expected to be black for the second consecutive year
- **PARADISE SEGASAMMY:**
  - Expect to contribute to profit with equity method acquisition
  - Facility occupancy remains at high level
  - Record incentive expenses associated with the recovery of business performance at the end of this fiscal year

(KRW Billion)	FY2023/3		FY2024/3
	Through Q3	Full year Results	Through Q3
<b>Sales</b>	<b>169.7</b>	<b>270.5</b>	<b>333.3</b>
Casino	85.6	157.5	243.4
Hotel	71.8	95.9	74.6
Other	12.2	17.0	15.2
<b>Cost of sales</b>	<b>156.0</b>	<b>234.1</b>	<b>253.0</b>
Casino	59.7	100.4	135.7
Hotel	67.4	94.2	81.5
Other	28.8	39.4	35.8
<b>Gross profit</b>	<b>13.7</b>	<b>36.4</b>	<b>80.2</b>
SG&A	18.6	27.9	28.6
<b>Operating profit</b>	<b>-4.8</b>	<b>8.5</b>	<b>51.6</b>
<b>EBITDA</b>	<b>37.6</b>	<b>65.3</b>	<b>88.2</b>
<b>Net profit</b>	<b>-37.4</b>	<b>-33.9</b>	<b>33.5</b>
<b>Number of casino visitors (Thousands)</b>	<b>91</b>	<b>151</b>	<b>216</b>
Source: Paradise IR			
<b>SEGASAMMY Equity method acquisition amount (Billion yen)</b>	<b>-1.9</b>	<b>-1.8</b>	<b>1.3</b>

## FY2024/3 Q3 Results

### ➤ **Contributed to profit with equity method acquisition**

- Recovery of casino sales progressed centered on Japanese VIP customers
- Hotel sales continued to achieve high room rates and occupancy by capturing the demand for stay type travel in South Korea

## Forecast

### ➤ **Facility occupancy remains at a high level**

- Expect to contribute to profit with equity method acquisition
- Record incentive expenses associated with the recovery of business performance at the end of this fiscal year

\*PARADISE SEGASAMMY is an equity-method affiliate of the Company

\*PARADISE SEGASAMMY is recorded 3 months late to the Company as it applies December fiscal year end

\*Local accounting standards

# Concept of Investment in Growth (~FY2026/3)

## ■ Implemented investment in the following growth area

	Area of consideration for investment	Progress
<b>Consumer Area</b>  Approx. ¥100.0 billion	<b>Strengthen development resources</b> <ul style="list-style-type: none"> <li>● Expansion of organic development pipeline</li> <li>● Strengthen global mobile and online games</li> </ul>	<ul style="list-style-type: none"> <li>● Establishment of SEGA Sapporo Studio</li> <li>● <b>TOB of Rovio completed (Aug. 25, 2023)</b> -&gt; Implemented investment of approx. 105.0 billion yen in total</li> <li>● Step off from domestic and overseas IR</li> <li>● Considering investment in online gaming area -&gt; <b>Announced the acquisition of GAN Limited</b> Plan to implement investment of approx. 16.15 billion yen</li> <li>● Implement 23 new investments, approx. 3.7 billion yen Exit from existing investment x 5</li> <li>● <b>Establishment of joint venture with PAPYLESS CO., LTD.</b></li> <li>● <b>“GAPOLI” service released</b></li> </ul>
	<b>Investment in new ecosystem</b> <ul style="list-style-type: none"> <li>● Strengthen CRM functions to revitalize user communities</li> <li>● Investment in newly emerging business areas</li> </ul>	
<b>Gaming Area</b>  Approx. ¥100.0 billion	<b>Careful assessment of investment opportunities in the gaming area</b> <ul style="list-style-type: none"> <li>● Online casino and sports betting overseas</li> <li>● Land-based casinos overseas</li> <li>● <del>Both domestic and overseas IR</del></li> </ul>	
<b>Other</b>  Approx. ¥50.0 billion	<b>Expand CVC investment limit (Total limit: 15.0 billion yen)</b> <ul style="list-style-type: none"> <li>● Strengthen open innovation activities, including investment in start-up companies</li> </ul>	
	<b>Creation of new business, acquisition of IPs, etc.</b>	

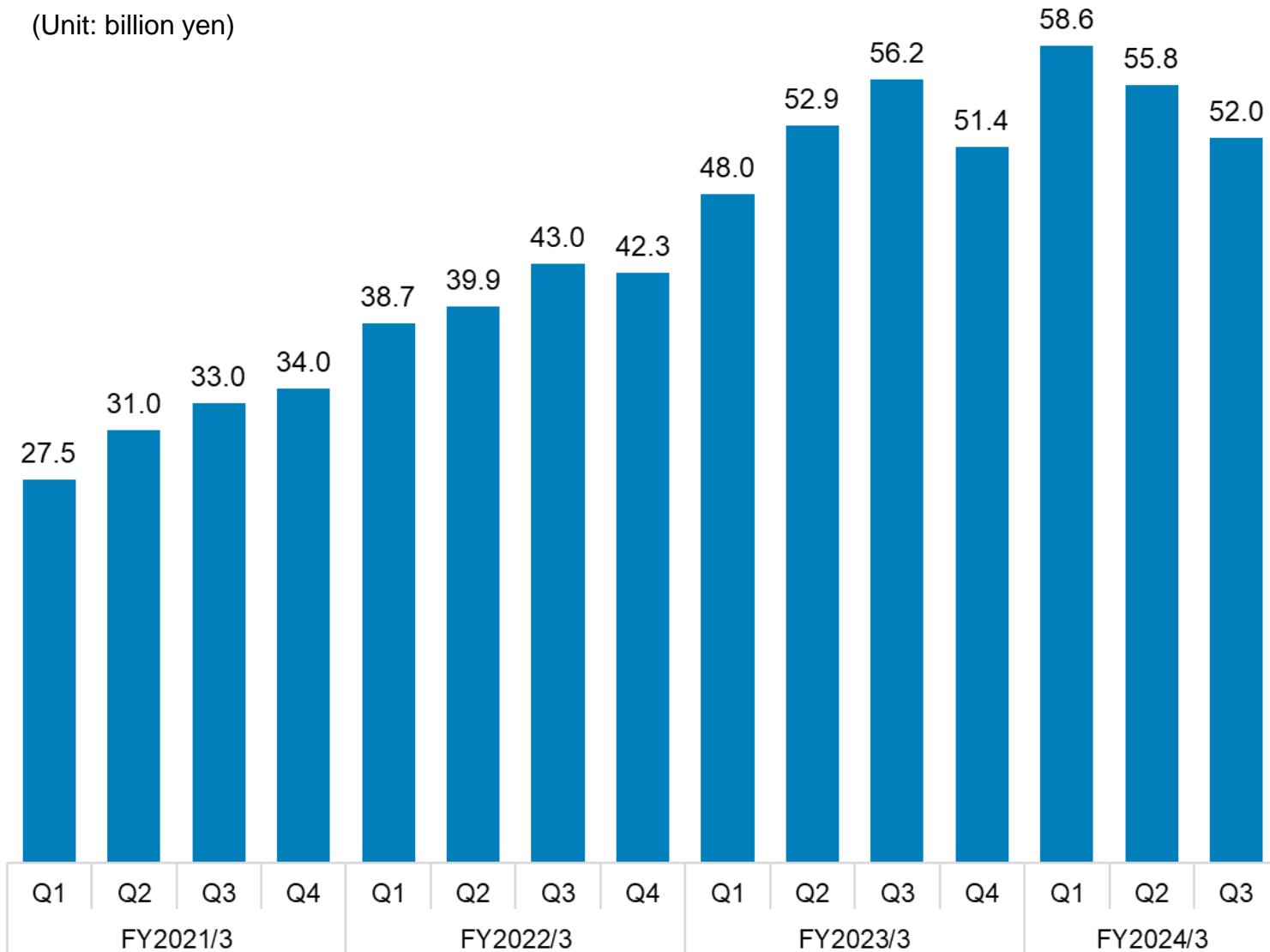
**Total 250.0 billion yen**

04

# Appendix

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

(Unit: billion yen)



## Q3

Factors for decrease

- Launch of new titles
- Implementation of inventory write-down, etc.

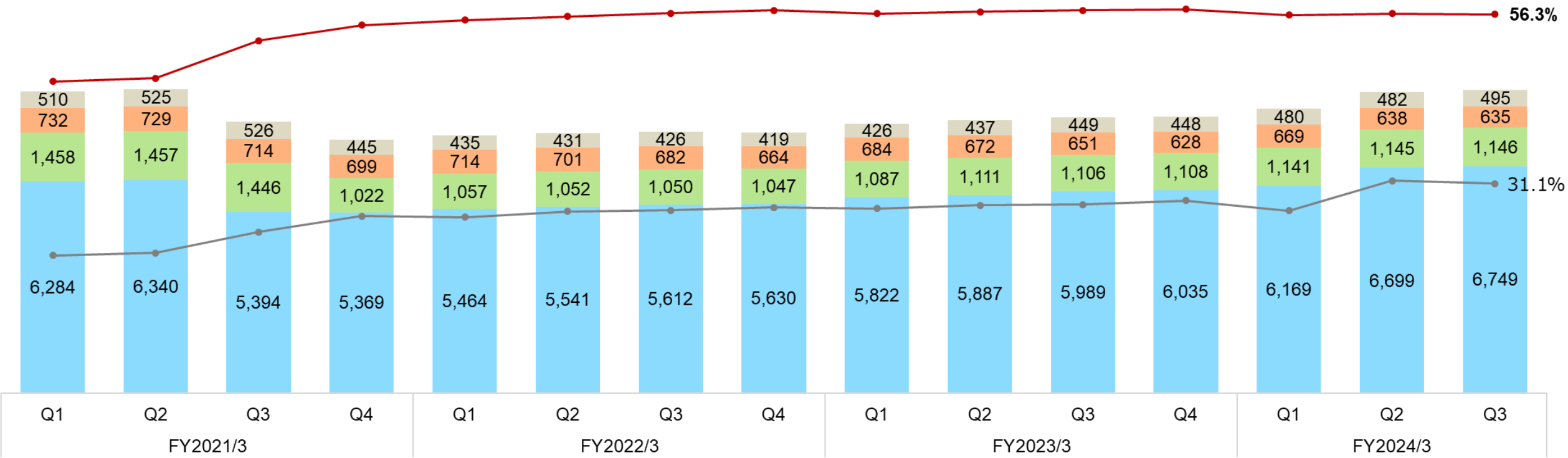
# Trend of No. of Employees by Segment



\*Full-time and permanent contract employees, excluding temporary employees

(Unit: employees)

Entertainment Contents   Pachislot & Pachinko   Resort   Others   Overseas personnel ratio   R&D personnel ratio

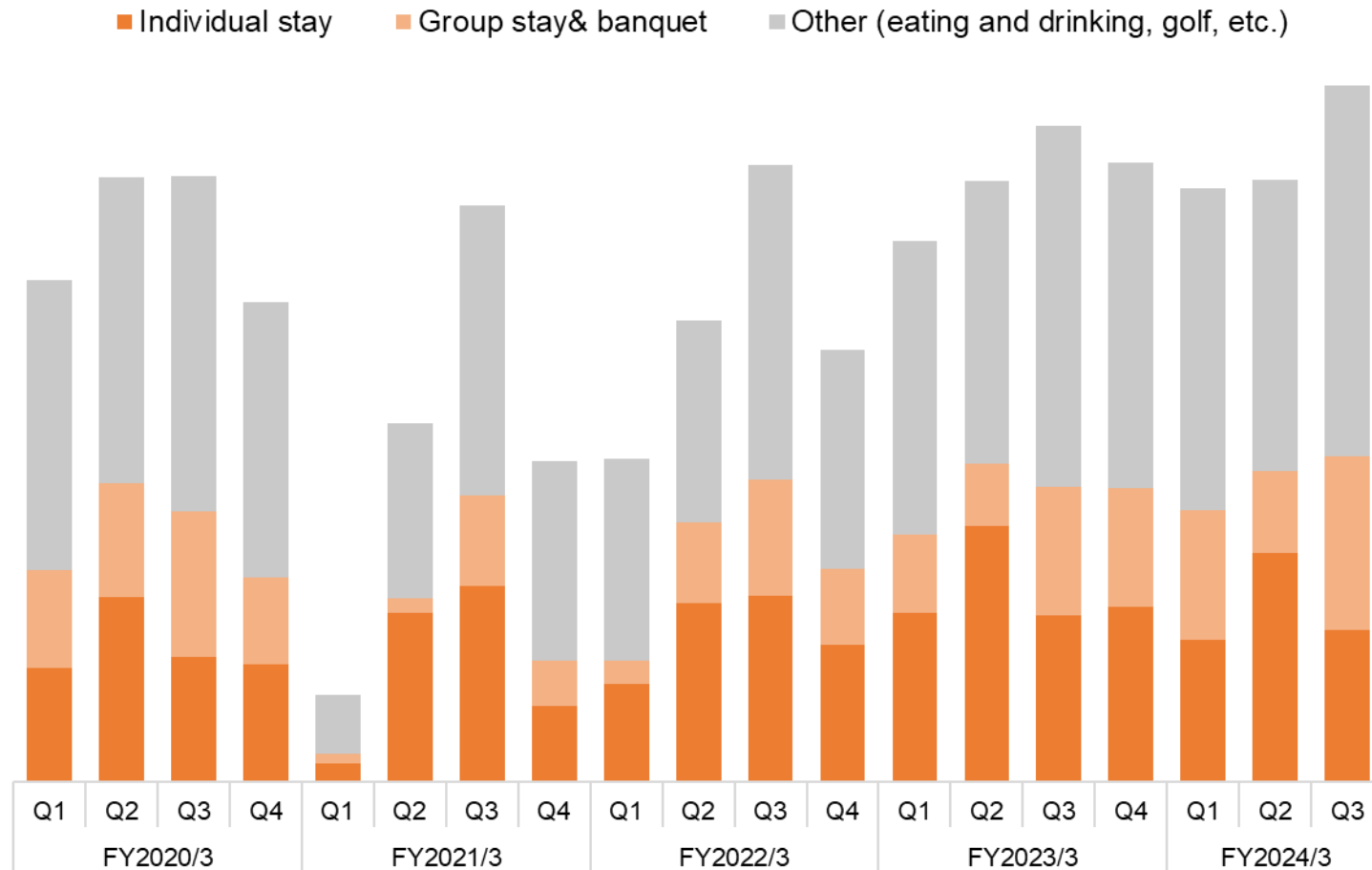


\*R&D personnel ratio of FY2024/3 Q2 and Q3 doesn't reflect the change associated with the incorporation of Rovio into the Group



# Status of each facility: PHOENIX RESORT

## ■ PHOENIX RESORT Revenue by facility user



### FY2024/3 Q3 Results

- Individual visitors fell short of expectations due to the resumption of outbound travel and the impact of high unit price sales
- Group visitors has been recovering associated with the holding of corporate events and large MICE events

### Forecast

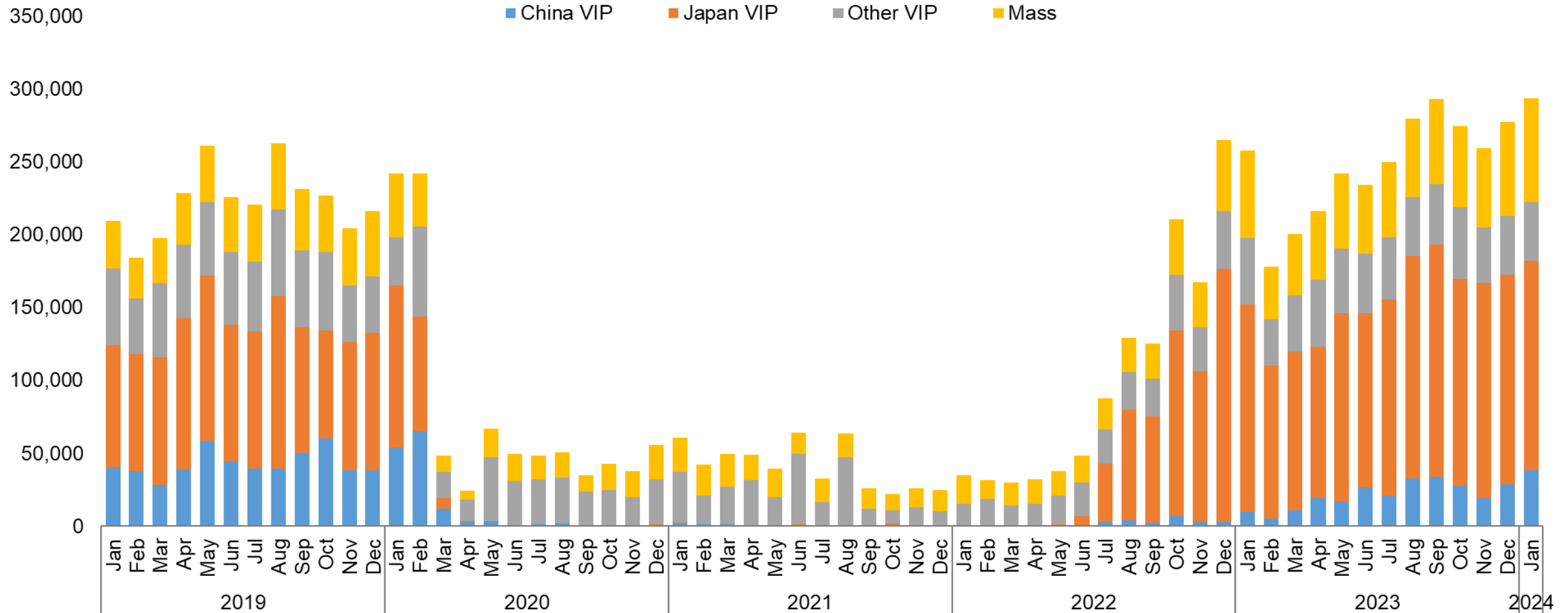
- In addition to various measures for individual customers and strengthening of CRM, recovery of group customers is expected due to various sports camps and holding of large MICE, etc.

# Status of each facility: PARADISE SEGASAMMY



## ■ Trend of Drop amounts\* at PARADISE CITY

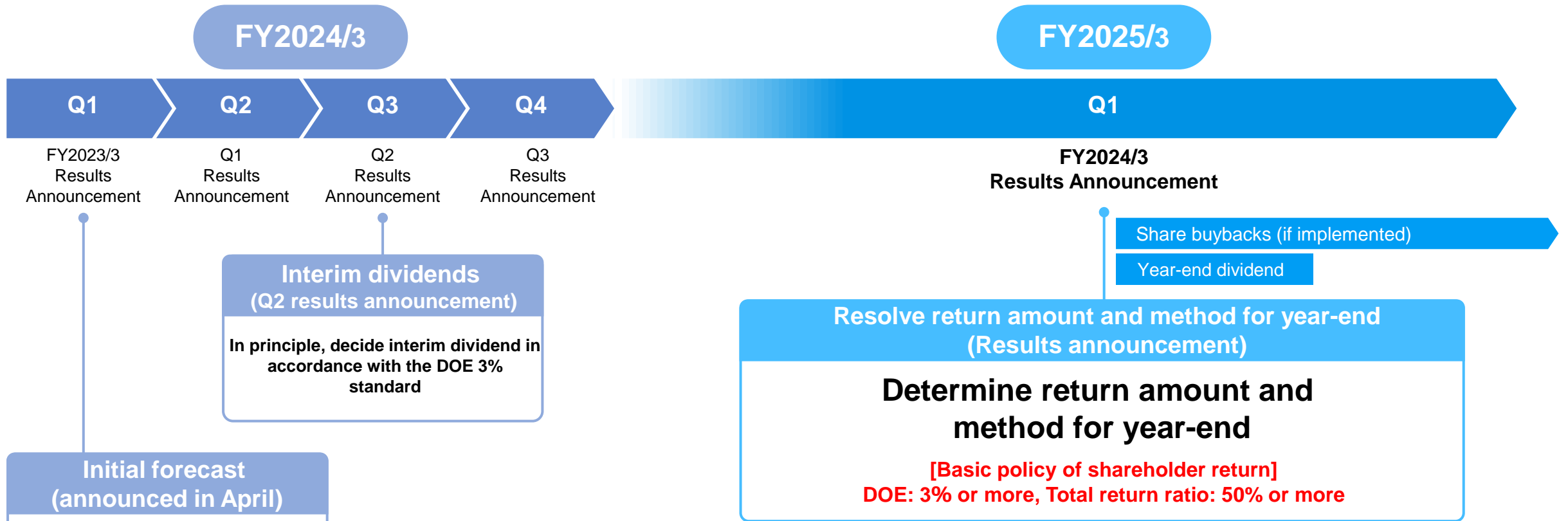
(Unit: KRW million)



\*Drop amounts = Purchased amount of chips

# Repost: Shareholder Returns

(Process of Determining the Amount of Return and Methods) \*announced on April 28, 2023



- 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



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

**Cautionary Statement for Investors and Shareholders with Respect to 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 its subsidiary, SEGA SAMMY CREATION INC., and Sega Sammy Creation USA Inc., a wholly owned subsidiary of SEGA SAMMY CREATION INC., (collectively, the "Operating 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 Gaming Statutes and Regulations can be found on the Company's corporate website: <https://www.segasammy.co.jp/en/ir/stock/regulation/>

The Operating Subsidiaries have also been licensed as manufacturers and distributors of gaming devices in multiple countries, states, and regions other than the State of Nevada (collectively, the "Other Regions"). In addition to the foregoing, the Company's shareholders may be subject to the same or similar restrictions as in the State of Nevada under the statutes of the Other Regions or the regulations of the gaming authorities of such Other Regions.

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