

February 9, 2024

(Translation)

Dear all,

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

(Code No. 6460, Tokyo Stock Exchange Prime)

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

SEGA SAMMY HOLDINGS INC. (the “Company”) hereby notifies that it has revised its full-year operating results forecast announced on November 8, 2023 as follows.

Description

Revisions to full year consolidated operating results forecast for the fiscal year ending March 2024 (April 1, 2023 to March 31, 2024)

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (Yen)
Previously announced forecast (A)	474,000	60,000	63,000	35,000	158.54
Revised forecast this time (B)	463,000	51,000	53,500	28,000	127.07
Amount of increase or decrease (B-A)	(11,000)	(9,000)	(9,500)	(7,000)	—
Rate of increase or decrease (%)	(2.3%)	(15.0%)	(15.1%)	(20.0%)	—
(Reference) Operating results for the previous fiscal year (Fiscal year ended March 31, 2023)	389,635	46,789	49,473	45,938	208.07

(Reference: Per segment breakdown of full-year operating results forecast for the fiscal year ending March 2024)

(Unit: million yen)

Segment		Previously announced forecast (A)	Revised forecast this time (B)	Amount of increase or decrease (B-A)
Net sales	Total	474,000	463,000	(11,000)
	Entertainment Contents Business	327,000	313,500	(13,500)
	Pachislot and Pachinko Machines Business	134,000	136,000	2,000
	Resort Business	12,000	12,000	—
	Others/Eliminations, etc.	1,000	1,500	500
Ordinary income	Total	63,000	53,500	(9,500)
	Entertainment Contents Business	36,500	24,500	(12,000)
	Pachislot and Pachinko Machines Business	39,500	42,000	2,500
	Resort Business	0	0	—
	Others/Eliminations, etc.	(13,000)	(13,000)	—

■ Reasons for revision of full year consolidated operating results forecast

Net sales and income at all levels are expected to be lower than previous forecast, mainly because the performance of Consumer area in the Entertainment Contents Business is expected to be lower than previous forecast.

Since it is difficult to calculate a reasonable tax rate at this stage, profit attributable to owners of parent is calculated at a simplified tax rate of 30%.

The status by business segment is as follows.

(Entertainment Contents Business)

In the Consumer area, although we released some new titles in Q3, including *Sonic Superstars*, *ENDLESS™ Dungeon* and *Total War: PHARAOH*, sales went sluggish during the holiday sales season. Also, we recorded losses associated with the inventory write-down in response to these sales conditions. As a result of these factors, etc., both sales and ordinary income are expected to be lower than previous forecast.

(Reference: Per sub-segment breakdown of Entertainment Contents business)

(Unit: million yen)

Sub segments		Previously announced forecast (A)	Revised forecast this time (B)	Amount of increase or decrease (B-A)	
Net sales	Breakdown	Total	327,000	313,500	(13,500)
		Consumer area	227,500	218,000	(9,500)
		Amusement Machine area	65,000	62,000	(3,000)
		Animation / Toy area	34,000	33,000	(1,000)
		Others/Eliminations, etc.	500	500	—
Operating income	Breakdown	Total	34,500	23,000	(11,500)
		Consumer area	30,000	20,000	(10,000)
		Amusement Machine area	4,000	2,700	(1,300)
		Animation / Toy area	3,800	3,200	(600)
		Others/Eliminations, etc.	(3,300)	(2,900)	400

(Pachislot and Pachinko Machines Business)

Sales of both pachislot and pachinko are performing strong and we revise the unit sales forecast to 179,000 units (178,000 units in the previous forecast) in pachislot and 87,000 units (84,000 units in the previous forecast) in pachinko. In addition, allowance for doubtful accounts decreased as collection of receivables in possession has progressed. As a result of these factors, etc., both sales and ordinary income are expected to exceed the previous forecast.

(Resort Business)

Performance in both Japan and overseas has been steady and there is no change from the previous forecast.

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

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