Q3 for the Fiscal Year Ending March 2025

Results Presentation

February 7, 2025

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01

FY2025/3 Q3 Results / Forecast

Result Highlights (Consolidated)

(Billion yen)	FY2024/3		FY2025/3		
	Thru Q3	Full Year Results	Thru Q3	Full Year Forecast (announced on May 10)	Revised Full Year Forecast (announced on Feb. 7)
Sales	**350.5**	**468.9**	**322.3**	**445.0**	**425.0**
Operating Income	**55.1**	**57.8**	**43.7**	**45.0**	**46.0**
Ordinary Income	**57.3**	**59.7**	**49.4**	**48.0**	**51.5**
Extraordinary income	0.4	1.3	9.1	8.5	9.5
Extraordinary losses	11.7	19.2	7.4	0.5	7.5
Profit attributable to owners of parent	**35.5**	**33.0**	**41.7**	**39.0**	**37.5**
Adjusted EBITDA	**54.8**	**54.7**	**54.5**	**62.0**	**60.7**
ROE	**-**	**9.6%**	**-**	**-**	**-**
Dividends per share (JPY)	**23.00**	**50.00**	**25.00**	**50.00**	**50.00**

FY2025/3 Q3 Results

- **Strong performance overall due to strong performance in Entertainment[*1]**
  - Strong performance centered on CS[*2] and Animation area (Entertainment)
  - Recorded loss associated with inventory write-down (CS)
  - Steady performance (Pachislot & Pachinko)

[*1] Entertainment = Entertainment Contents Business, [*2] CS = Consumer area

Forecast

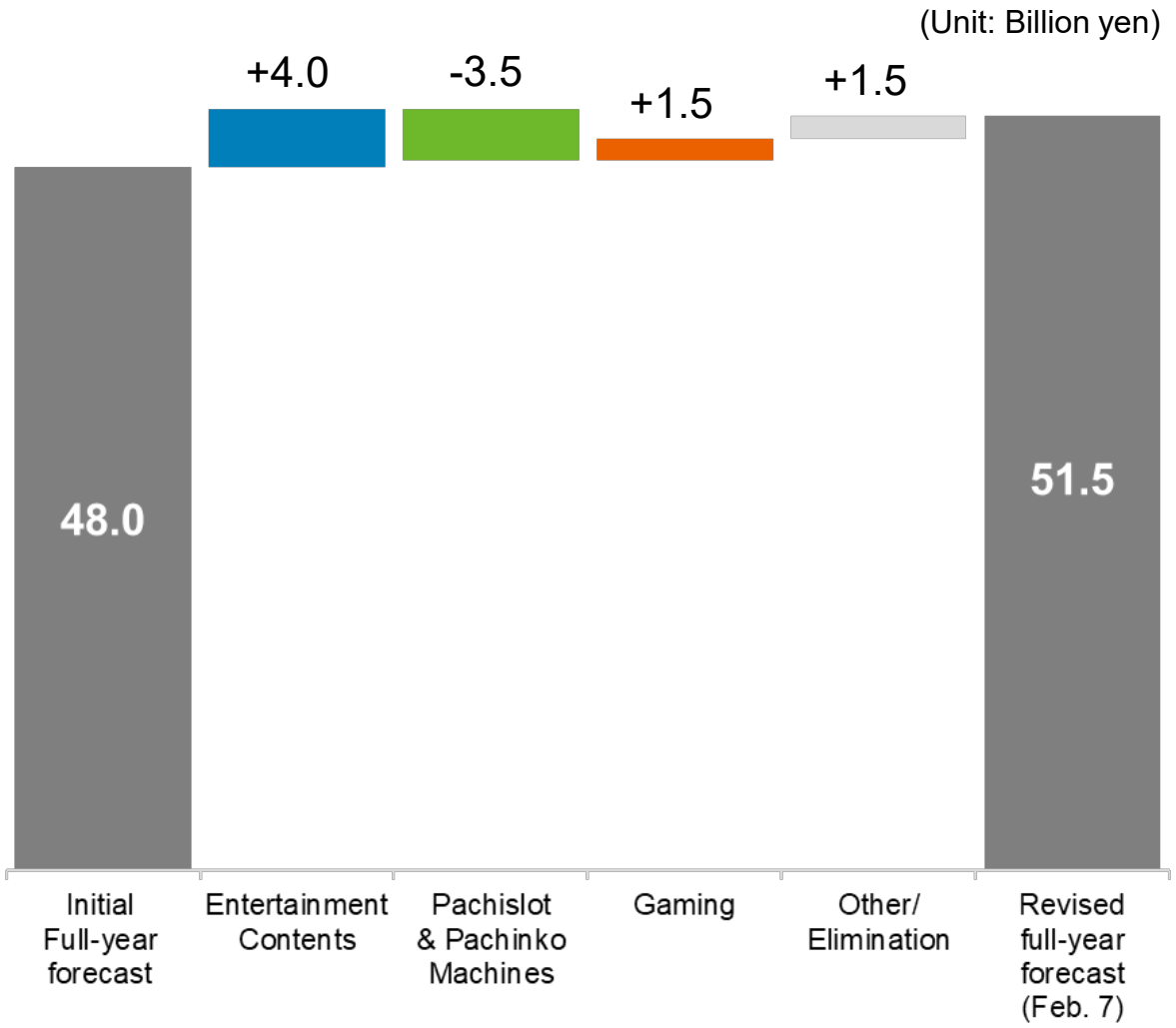
- **Revised operating results forecasts** (See page 4 for details)
- **Launch new titles in each segment**

*Allocated revenue related to investments in film production in the U.S. previously recorded as "Non-operating income" is recorded in "Sales" from this fiscal year
Also, the results for the fiscal year ended March 2024 have been retrospectively changed due to the finalization of provisional accounting treatment for company combination and changes in segment classifications
Retroactive results are Approx. value (unaudited)
The same applies to the tables of operating results that follow in this document

*The interim dividend for FY2025/3 is calculated at DOE3%
The annual return amount would be Approx. 11.0 billion yen if calculated with DOE3%, and would be Approx. 18.8 billion yen if calculated with total return ration of 50% (calculated based on 37.5 billion yen of profit attributable to owners of parent for FY2025/3 in revised forecast on Feb. 7) The actual amount and method of return at the end of the fiscal year may vary depending on the progress of business performance and other factors

Revision of Operating Results Forecast

[Ordinary Income by Segment: Increase and decrease from the Initial Plan]



➢ Entertainment Contents Business

- Strong performance centered on CS[*1] and Animation area

➢ Pachislot & Pachinko Machines Business

- Postpone the launch of mainstay titles, etc. to the next fiscal year or later

➢ Gaming Business

- Strong sales of gaming machines in U.S.
- Strong performance of PARADISE CITY

[*1] CS = Consumer area

(Reference) Per Segments Results

(Billion yen)	FY2024/3		FY2025/3		
	Thru Q3	Full Year Results	Thru Q3	Full Year Forecast (announced on May 10)	Revised Full Year Forecast (announced on Feb. 7)
Sales	**350.5**	**468.9**	**322.3**	**445.0**	**425.0**
Entertainment Contents	220.4	319.8	238.6	335.0	320.0
Pachislot and Pachinko Machines	118.7	133.2	76.4	105.0	96.0
Gaming	0.9	1.9	3.1	3.0	4.5
Other / Elimination	10.5	14.0	4.2	2.0	4.5
Ordinary Income	**57.3**	**59.7**	**49.4**	**48.0**	**51.5**
Entertainment Contents	19.9	30.8	37.5	40.0	44.0
Pachislot and Pachinko Machines	46.1	41.9	19.7	23.5	20.0
Gaming	-0.1	-0.4	0.9	-1.5	0.0
Other / Elimination	-8.6	-12.6	-8.7	-14.0	-12.5
Adjusted EBITDA	**54.8**	**54.7**	**54.5**	**62.0**	**60.7**
Entertainment Contents	14.5	22.0	40.5	50.0	49.5
Pachislot and Pachinko Machines	48.1	44.5	22.2	26.5	23.3
Gaming	-0.1	-0.4	0.0	-1.5	-0.9
Other / Elimination	-7.7	-11.4	-8.2	-13.0	-11.2

*Details of each business are from p.12~

Breakdown of Income Statement (FY2025/3 Q3 results)

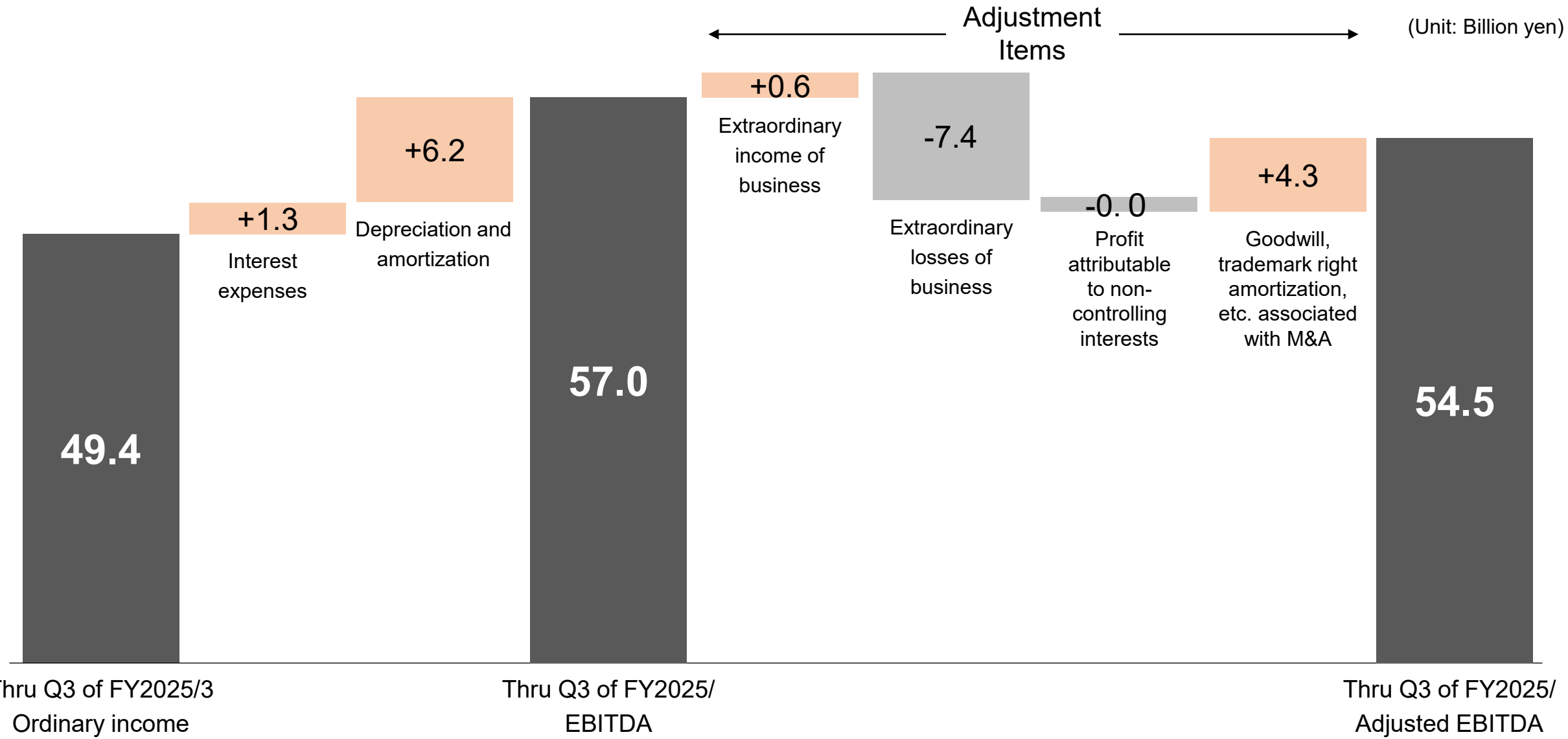


(Unit: Billion yen)

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

Non-operating income	**8.0**
Interest income	2.5
Equity in earnings of affiliates	2.0
Foreign exchange gains	1.2
Gain on investment in partnership	0.7
Non-operating expenses	**2.3**
Interest expenses	1.3
Loss on investments in partnership	0.6
Extraordinary Income	**9.1**
Gain on sales of shares of subsidiaries and affiliates	8.4
Extraordinary losses	**7.4**
Loss on business restructuring	6.1
Impairment loss	1.0
Taxes/Others	**9.3**

(Reference) EBITDA Adjustment Items (FY2025/3 Q3 Results)



Impact of Exchange Rate Fluctuations

[Impact of foreign exchange in Q3 Results]

- **Positive impact of 7.0 billion yen for sales and 1.8 billion yen for operating income in Entertainment Contents Business**

(Unit: Billion yen)

		Q1	Q2	Q3	**Thru Q3**
CS[*1]	Net Sales	+2.7	+0.9	+3.1	**+6.7**
	Operating Income	+1.7	-0.3	+1.8	**+3.2**
Animation	Net Sales	+0.2	-	+0.1	**+0.3**
	Operating Income	+0.2	-	+0.1	**+0.3**
AM[*2] & TOY	Net Sales	-	-	-	**-**
	Operating Income	-0.4	-0.6	-0.7	**-1.7**

- 1 USD: Rate in initial forecast 137 yen → AR 153 yen
- 1 GBP: Rate in initial forecast 190 yen → AR 195 yen
- 1 Euro: Rate in initial forecast 161 yen → AR 165 yen

- **Recorded foreign exchange gains of 1.2 billion yen in non-operating income due to revaluation and settlement of receivables and payable denominated in foreign currencies**

[*1] CS = Consumer area, [*2] AM = Amusement Machine

Various Expenses, etc.

(Billion yen)		FY2024/3		FY2025/3		
		Thru Q3	Full Year Results	Thru Q3	Full Year Forecast (announced on May 10)	Revised Full Year Forecast (announced on Feb. 7)
Entertainment Contents	R&D / Content production	57.8	83.1	**49.3**	68.1	64.7
	Advertising	20.2	31.6	**20.3**	30.8	26.0
	Depreciation	3.2	4.4	**3.3**	4.4	4.4
	Cap-ex	4.5	5.6	**4.4**	5.8	6.5
Pachislot & Pachinko	R&D / Content production	9.6	14.4	**9.6**	14.1	13.4
	Advertising	1.9	2.9	**2.7**	4.1	3.2
	Depreciation	1.8	2.6	**2.1**	2.8	2.8
	Cap-ex	2.9	3.9	**3.2**	4.9	4.0
Gaming	R&D / Content production	0.6	0.7	**0.6**	1.0	0.9
	Advertising	0.0	0.0	**0.0**	0.1	0.1
	Depreciation	0.0	0.0	**0.0**	0.0	0.0
	Cap-ex	0.2	0.4	**1.7**	0.0	2.2
Consolidated total	R&D / Content production	67.9	98.2	**59.6**	83.3	79.0
	Advertising	23.4	36.2	**24.0**	37.0	30.8
	Depreciation	6.2	8.5	**6.2**	8.3	8.3
	Cap-ex	8.9	11.6	**10.2**	11.9	13.8

FY2025/3 Q3 Results

- R&D / Content production expenses:
  - Decreased YoY due to a decrease in write-downs (Entertainment[*1])
- Cap-ex expenses:
  - Increased YoY due to an increase in leased assets (Gaming)

Forecast

- R&D / Content production expenses and Advertising expenses:
  - Expected to be lower than initial forecast (Entertainment)

[*1] Entertainment = Entertainment Contents Business

*The expenses for “other/elimination” are included in “Data Appendix (FY2025/3 Q3)”

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

- Entertainment (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 (F2P (CS)): Expenses are capitalized as intangible assets during development and booked as expenses after launch. Expenses are amortized over a period of 24 or 36 months using the straight-line method
- Entertainment (AM): Expenses are capitalized as inventory assets during development and booked as expenses after launch. 30% will be amortized in first 2 months with 15% per month, and the rest will be amortized 7% per 10 months using the straight-line method (Total amortization period is 12 months)
- Pachislot & Pachinko Machines business: Expenses aren’t capitalized but are recognized as they arise (outsourced process expenses are recognized when work is inspected)

Consolidated Balance Sheet Summary

(Billion yen) 【Assets】				【Liabilities and Net Assets】			
Account	As of the end of Mar. 2024	As of the end of Dec. 2024	Increase /Decrease	Account	As of the end of Mar. 2024	As of the end of Dec. 2024	Increase /Decrease
Cash and Deposits	211.7	168.0	-43.7	Accounts Payable	26.0	21.1	-4.9
Accounts Receivable	54.2	51.8	-2.4	Short Term Borrowings	22.5	22.5	-0.0
Securities	8.0	34.3	+26.3	Other	86.9	60.8	-26.1
Inventories	81.7	93.5	+11.8	**Total Current Liabilities**	135.4	104.4	-31.0
Other	39.4	39.4	+0.0	Corporate Bonds	10.0	10.0	-
Total Current Assets	395.0	387.0	-8.0	Long Term Borrowings	124.5	120.7	-3.8
Tangible Fixed Assets	60.0	49.4	-10.6	Other	26.2	27.4	+1.2
Intangible Fixed Assets	92.2	91.9	-0.3	**Total Noncurrent Liabilities**	160.7	158.1	-2.6
Goodwill (included in Intangible Fixed Assets)	30.2	31.0	+0.8	**Total Liabilities**	296.2	262.5	-33.7
Trademark right (same as above)	47.5	45.7	-1.8	Shareholders' Equity	333.2	356.1	+22.9
Investment Securities	49.8	50.5	+0.7	Total accumulated other comprehensive income	23.6	26.4	+2.8
Other	56.9	66.8	+9.9	Share acquisition rights	0.7	0.4	-0.3
				Non-controlling interests	0.0	0.0	+0.0
Total Noncurrent Assets	258.9	258.6	-0.3	**Total Net Assets**	357.7	383.0	+25.3
Total Assets	653.9	645.6	-8.3	**Total Liabilities and Net Assets**	653.9	645.6	-8.3

	As of the end of Mar. 2024	As of the end of Dec. 2024	Increase /Decrease
Cash, deposits and cash equivalents	219.8	200.7	-19.1
Interest bearing debt	157.0	153.2	-3.8
Net cash	62.8	47.5	-15.3
Equity ratio	54.6%	59.3%	+4.7p

Main reasons for increase/decrease

(Assets)
Cash and deposits decreased due to progress of share buyback, etc. in addition to transfer to securities associated with the purchase of a monetary trust
Tangible fixed assets decreased due to the deconsolidation of PHOENIX RESORT

(Liabilities)
Provision for bonuses, accrued consumption taxes, income taxes payable, etc. decreased due to payment of bonuses and taxes

(Net assets)
Shareholders' equity increased mainly due to the recording of profit attributable to owners of parent, despite share buybacks and payment of dividends

02

Per Segments Results / Forecast

Entertainment Contents Business

(Billion yen)	FY2024/3		FY2025/3		
	Thru Q3	Full Year Results	Thru Q3	Full Year Forecast (announced on May 10)	Revised Full Year Forecast (announced on Feb. 7)
Sales	**220.4**	**319.8**	**238.6**	**335.0**	**320.0**
Consumer	149.1	224.0	164.8	235.0	216.5
Animation	17.3	23.9	18.8	23.5	28.0
AM* & TOY	54.0	71.8	54.8	76.5	75.5
Operating Income	**19.6**	**29.9**	**34.6**	**38.0**	**41.0**
Consumer	11.6	21.9	25.1	27.5	29.0
Animation	4.3	5.6	6.5	4.5	9.0
AM* & TOY	3.6	2.3	2.9	6.0	3.0
Ordinary Income	**19.9**	**30.8**	**37.5**	**40.0**	**44.0**
Adjusted EBITDA	**14.5**	**22.0**	**40.5**	**50.0**	**49.5**
Full Game Sales	**53.2**	**88.1**	**59.2**	**93.0**	**77.4**
New titles	**27.5**	**55.0**	**25.3**	**53.3**	**36.2**
Repeat sales	**25.7**	**33.0**	**33.9**	**39.6**	**41.1**
F2P Sales	**40.1**	**53.9**	**34.7**	**56.9**	**46.5**
Full Game Unit Sales (Thousand)	**19,100**	**27,890**	**24,810**	**29,670**	**31,150**
New titles	**5,270**	**9,230**	**4,790**	**9,190**	**6,740**
Repeat sales	**13,830**	**18,660**	**20,010**	**20,480**	**24,410**

*1 CS = Consumer area, *2 AM = Amusement Machine

FY2025/3 Q3 Results

➢ **Strong performance as a whole**

- Ordinary income exceeded initial forecasts due to factors including strong repeat sales in Full Game, as well as strong sales of Sonic's cinematic works
- *SONIC X SHADOW GENERATIONS* and *Metaphor: ReFantazio* released in Q3 have been sold well
- Implemented inventory write-down associated with cancellation of *Football Manager 25* (CS*1)

Forecast

➢ **Revised forecast upward due to strong performance of Full Game in CS and Animation**

- Launch mainstay IP titles, expect steady repeat sales (CS)
- Expect strong performance in Animation area
- Continue to be impacted by raw material price hikes caused by weak yen (AM*2&TOY)

(Reference) Entertainment Contents Business Sub-segment

		FY2025/3 Q3 Results	Forecast
Consumer	Full Game	• 2 titles released in Q3 have been sold well • Repeat sales remained strong • Recorded a loss associated with the cancellation of *Football Manager 25*	• Launch *Like a Dragon: Pirate Yakuza in Hawaii* and other new titles • Expect steady repeat sales
	F2P	• Existing titles performed as expected	• Strengthen the operation of existing titles
	Other	• DLC sales continued to be strong, exceeding Initial expectations • Positive impact from exchange rate fluctuations	• Expect revenue contribution from DLC sales, subscriptions, etc. • Expect positive impact from exchange rate fluctuations
Animation		• Allocated revenue of Sonic's cinematic works went strong • Recorded revenue from works including *Blue Box*	• Broadcast of *SAKAMOTO DAYS* and other works start • Expect continuous contribution of Sonic's cinematic works to earnings
AM*1&TOY	AM	• Sold centered on prize category • Impact of raw material price hikes due to exchange rate fluctuations, etc. continued	• Sales centered on prize category • Expect the continued impact of raw material price hikes due to exchange rate fluctuations, etc.
	TOY	• Mainly sold regular products, etc. • Sales went weak centered on high-priced products in year-end sales season	• Plan to sell regular products, etc.

*1 AM = Amusement Machine

(Reference) Consumer Area/Full Game: Main New Titles

[Titles released in Q3 of FY2025/3]



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SONIC X SHADOW GENERATIONS

(Release: Oct. 25, 2024)

- Worldwide sales surpassed 2 million units



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Metaphor: ReFantazio

(Release: Oct. 11, 2024)

- Worldwide sales surpassed 1 million units in its release date
  (Announced on Oct. 11, 2024)
- Nominated in 6 categories including “Game of the Year” and awarded in three categories including “Best RPG” at The Game Awards 2024

(Reference)
Trends in Box Office Revenue and Reviews of Sonic Movie Series

	CY2020	CY2022	CY2024
			
	©2019 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC. ALL RIGHTS RESERVED.	©2022 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC.	©2024 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC.
Worldwide box office revenue	$320M	$400M	**$460M**
Rotten Tomatoes* **Tomatometer score**	64%	69%	**87%**
Rotten Tomatoes* **Popcornmeter score**	93%	96%	**96%**

As of Feb. 4, 2025

*Rotten Tomatoes: Review site for movies and TV programs. The site publishes the Tomatometer score, which is based on reviews by film and television critics, and the Popcornmeter score, which is based on reviews by viewers, and shows the percentage of people who gave each a positive review.

Consumer Area: Status of Major Title



Football Manager 25

Decided to cancel its development

- ✓ Aiming for a major evolution of the series by renewing the UI and graphics and adding new elements, but it was found that more time was needed than expected to ensure quality
- ✓ Cancel the release of this title and focus on development of next title by taking over development assets
- ✓ Recorded a loss associated with a write-down of inventory assets in Q3

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(Reference) Consumer Area: Major New Titles

[Titles released and to be released in Q4 of FY2025/3]



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Virtua Fighter 5 R.E.V.O.
(Release: Jan. 28, 2025)

- For PC / Simultaneous worldwide release



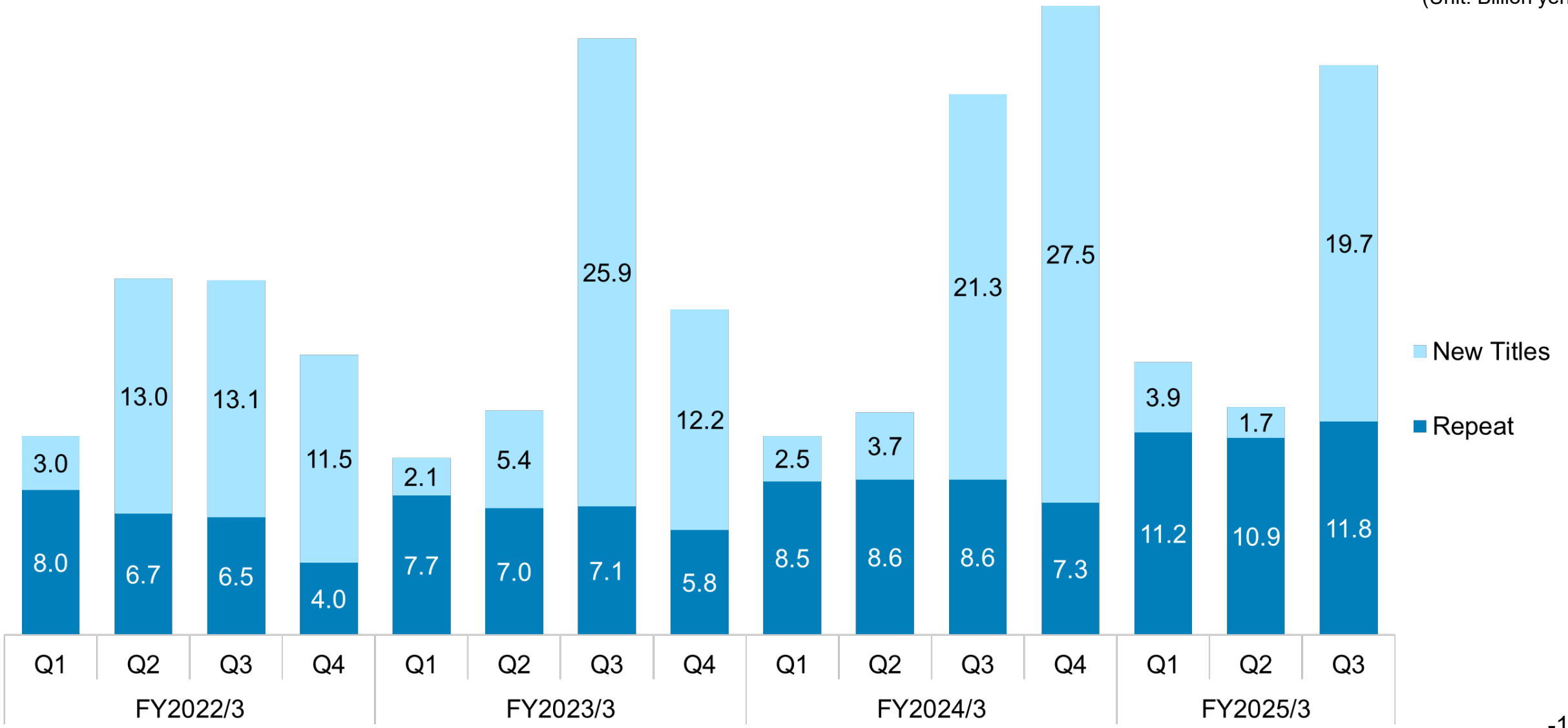
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Like a Dragon: Pirate Yakuza in Hawaii
(Release: Feb. 21, 2025)

- Multi-platform / Simultaneous worldwide release

(Reference) Consumer Area / Full Game: Sales Trend

(Unit: Billion yen)



(Reference) Entertainment Contents Business Roll-out Schedule

CS[*1]

		Title	Launch	Region	Platform	
Full Game	In or before Q3	Shin Megami Tensei Ⅴ Vengeance	Jun. 14, 2024	Global	Multi-platform	
		Super Monkey Ball Banana Rumble	Jun. 25, 2024	Global	Nintendo Switch™	
		Metaphor: ReFantazio	Oct. 11, 2024	Global	Multi-platform	
		SONIC X SHADOW GENERATIONS	Oct. 25, 2024	Global	Multi-platform	
	In or after Q4	Virtua Fighter 5 R.E.V.O.	Jan. 28, 2025	Global	PC (Steam)	
		Like a Dragon: Pirate Yakuza in Hawaii	Feb. 21, 2025	Global	Multi-platform	
		TWO POINT MUSEUM	Mar. 5, 2025	Global	Multi-platform	
		Sonic Racing: CrossWorlds	TBD	TBD	Multi-platform	
F2P	In or before Q3	Persona5: The Phantom X	Apr. 12, 2024	China, Traditional Chinese area, South Korea	iOS/Android	Licensing out
	In or after Q4	Sonic Rumble	This Winter	Global	iOS/Android/PC	
		Persona5: The Phantom X	TBD	Japan	iOS/Android/PC	
TBD	In or after Q4	Project Century (Title TBD)	TBD	TBD	TBD	
		New VIRTUA FIGHTER Project (Title TBD)	TBD	TBD	TBD	
		Crazy Taxi (Title TBD)	TBD	TBD	TBD	
		Golden Axe (Title TBD)	TBD	TBD	TBD	
		Jet Set Radio (Title TBD)	TBD	TBD	TBD	
		Shinobi (Title TBD)	TBD	TBD	TBD	
		Streets of Rage (Title TBD)	TBD	TBD	TBD	

[*1] CS = Consumer area

*Only announced titles are listed.

(Reference) Entertainment Contents Business Roll-out Schedule

Animation Area

		Title	Launch	Region	Platform	
TMS ENTERTAINMENT	In or before Q3	Detective Conan : The Million-dollar Pentagram	Apr. 12, 2024	-	-	
		Baki Hanma	On streaming	Global	Netflix	
		Blue Box	Oct. 3, 2024	-	-	A work for UNLIMITED PRODUCE project[*1]
		Four Knights of the Apocalypse 2nd Season	Oct. 6, 2024	-	-	A work for UNLIMITED PRODUCE project[*1]
		Bananya Around the World	Oct. 21, 2024	Global	Multi-platform	
	In or after Q4	SAKAMOTO DAYS	Jan. 11, 2025	-	-	
		Honey Lemon Soda	Jan. 8, 2025	-	-	A work for UNLIMITED PRODUCE project[*1]
License-out/ Investment Project etc.	In or before Q3	Sonic the Hedgehog 3	Dec. 20, 2024	Global	-	Date in "Launch" is the scheduled release date in North America
		Knuckles	Apr. 26, 2024	Global	Paramount＋	Licensing out
		Angry Birds Mystery Island	May. 21, 2024	Global	Amazon Prime Video	Licensing out, Date in ”Launch” is the launch date for some regions. The distribution area will be expanded thereafter.
		Like a Dragon: Yakuza	Oct. 25, 2024	Global	Amazon Prime Video	Licensing out
	In or after Q4	COLORFUL STAGE! The Movie: A Miku Who Can't Sing	Jan. 17, 2025	-	-	Licensing out
		Sonic the Hedgehog 4	Mar. 19, 2027	-	-	Date in "Launch" is the scheduled release date in US.
		The Angry Birds Movie 3	TBD	TBD	TBD	
		Golden Axe (Title TBD)	TBD	TBD	TBD	Licensing out
		SHINOBI (Title TBD)	TBD	TBD	TBD	Licensing out

[*1] UNLIMITED PRODUCE project = an initiative to produce animation works in collaboration with other studios, with the aim of strengthening the animation production business

*Only announced titles are listed

(Reference) Entertainment Contents Business Development Schedule

AM[*1] & TOY area

		Title	Launch	Region	Platform	
AM	In or before Q3	GIMMI	Jul. 4, 2024	-	-	Print Sticker machine
		UFO CATCHER TRIPLE TWIN Compact	Jul. 11, 2024	-	-	
	In or after Q4	MONOPOLY THE MEDAL AMERICAN DREAM	Spring, 2025	-	-	
		PAW PATROL（Title TBD）	Spring, 2025			
TOY	In or before Q3	SONIC & FRIENDS	Apr. 26, 2024	-	-	
		Let's play store for the first time! ANPANMAN's Fluffy Bakery	May. 30, 2024	-	-	
		"Moving Picture Book" Projector Dream Switch ANPANMAN	Jun. 27, 2024	-	-	
		Come play! Chiikawa House with Talking dolls	Jun. 27, 2024	-	-	
		monpoke Sounds and Lights! Rolling round Pikachu Tower	Jun. 27, 2024	-	-	
		me-smartphone＋(Plus)	Aug. 8, 2024	-	-	
		ePICO 100 experiences edition	Oct. 10, 2024	-	-	
		Come play! Hachiware House with Talking dolls	Nov. 28, 2024	-	-	
		emojam	Dec. 10, 2024	-	-	

[*1] AM = Amusement Machine

*Only announced titles are listed.

Pachislot & Pachinko Machines Business

(Billion yen)	FY2024/3		FY2025/3		
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Pachislot	81.3	88.7	35.1	49.6	41.1
Pachinko	30.6	35.5	33.6	46.4	44.3
Other / Elimination	6.8	9.0	7.7	9.0	10.6
Operating Income	**45.6**	**41.6**	**19.2**	**23.0**	**19.5**
Ordinary Income	**46.1**	**41.9**	**19.7**	**23.5**	**20.0**
Adjusted EBITDA	**48.1**	**44.5**	**22.2**	**26.5**	**23.3**
Pachislot					
Number of Titles	**5 titles**	**7 titles**	**6 titles**	**7 titles**	**8 titles**
Unit Sales (units)	**163,698**	**180,090**	**73,437**	**107,000**	**86,000**
Pachinko					
Number of Titles	**4 titles**	**4 titles**	**6 titles**	**8 titles**	**8 titles**
Unit Sales (units)	**74,681**	**88,236**	**74,040**	**115,000**	**97,000**
Board + Frame	24,317	25,419	38,826	57,400	59,000
Board	50,364	62,817	35,214	57,600	38,000

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

FY2025/3 Q3 Results

➢ **Performed Steadily**

- Main titles sold:

  e Hokuto No Ken 10 (installed in August 2024)

  Smart Pachislot Shin Hokuto Muso (installed in July 2024), etc.

Forecast

➢ **Expect the decrease in sales and profit compared to the initial forecast**

- Postpone the launch of mainstay titles, etc., which were scheduled for Q4, to the next fiscal year or later to improve product quality
- Securing profit through the launch of multiple titles

(Reference) Pachislot & Pachinko Machines Business Sales Schedule

SEGASammy

[Main titles sold up to Q3 and titles planned to be sold in or after Q4]

		Title	Installation	Unit Sales	Specification Range*1	Type
Pachislot	In or before Q3	Smart Pachislot Golden Kamuy	Apr. 2024	12,865 units	Medium	New Series
		Smart Pachislot Psalms of Planets Eureka Seven 4 HI-EVOLUTION	May 2024	13,600 units	Medium	New Series
		Smart Pachislot Shin Hokuto Muso	Jul. 2024	17,398 units	High	New Series
	In Q4	A-SLOT+ DISC UP ULTRAREMIX	Jan. 2025	-	Low	New Series
		Pachislot Kaidoumokushiroku Kaiji Kyouen	Mar. 2025	-	Medium	New Series
	In or after FY26/3	(TBD) Hokuto No Ken Chapter of Resurrection 2	TBD	-	TBD	New Series
		(TBD) Kabaneri of the Iron Fortress: The Battle of Unato	TBD	-	TBD	New Series
		(TBD) Tokyo Revengers	TBD	-	TBD	New Series
		(TBD) Lycoris Recoil	TBD	-	TBD	New Series

		Title	Installation	Unit Sales	Specification Range*2	Type
Pachinko ★: Machines equipped Lucky Trigger	In or before Q3	★P Initial D 2nd	Jun. 2024	9,099 units	High Middle	New Series
		★e Hokuto No Ken 10	Aug. 2024	35,340 units	High	New Series
		P IKUSA no KO Legend of Oda Nobunaga	Sep. 2024	7,664 units	High Middle	New Series
	In Q4	★P BLACK LAGOON4 EXTRA BULLET 129ver.	Jan. 2025	-	Light Middle	Specification Change
		★e SOUTEN-NO-KEN Raryu	Feb. 2025	-	High	New Series
		★e Shin Hokuto Muso Chapter 5 Dodeka START	Mar. 2025	-	High Middle	Specification Change
	In or after FY26/3	(TBD) Tokyo Revengers	TBD	-	TBD	New Series

*1 Specification Range (Pachislot): Classified by gambling aspect (High/Medium/Low). Calculated based on in-house definition.
*2 Specification Range (Pachinko): Classified by symbol matching probability (High/High Middle/Middle/Light Middle/Light/Minimum/Other). Based on the jackpot probability classification of Daikoku Denki Co., Ltd.
High=1/320 or less, High Middle=1/280~1/319, Middle=1/200~1/279, Light Middle=1/120~1/199, Light=1/40~1/119, Minimum=1/39 or more

*Unit sales only in FY2025/3 are listed
*Only announced titles are listed

Gaming Business

(Billion yen)	FY2024/3		FY2025/3		
	Thru Q3	Full Year Results	Thru Q3	Full Year Forecast (announced on May 10)	Revised Full Year Forecast (announced on Feb. 7)
Sales	**0.9**	**1.9**	**3.1**	**3.0**	**4.5**
Operating Income	**-1.5**	**-1.7**	**-1.1**	**-2.0**	**-2.0**
Non-operating income	1.5	1.4	2.1	1.0	2.1
Non-operating expenses	0.1	0.1	0.1	0.5	0.1
Ordinary Income	**-0.1**	**-0.4**	**0.9**	**-1.5**	**0.0**
Adjusted EBITDA	**-0.1**	**-0.4**	**0.0**	**-1.5**	**-0.9**
Gaming Machine (units)					
Unit Sales (N.A.+Asia)	**233**	**563**	**747**	**1,087**	**1,076**
No. of newly installed units (N.A.+Asia)	**367**	**755**	**1,067**	**1,428**	**1,512**
No. of utilized units of leased machine at the end of each quarter (N.A.)	**291**	**311**	**564**	**456**	**718**

FY2025/3 Q3 Results

➢ Strong sales of casino machines

- Gaming machine sales:
  - Sales of *Railroad Riches*™, compatible with video slot machine cabinet *Genesis Atmos*®, has been strong in the U.S.
- PARADISE SEGASAMMY:
  - Contributed to profit in equity-method earnings as both casino and hotel sales remained strong

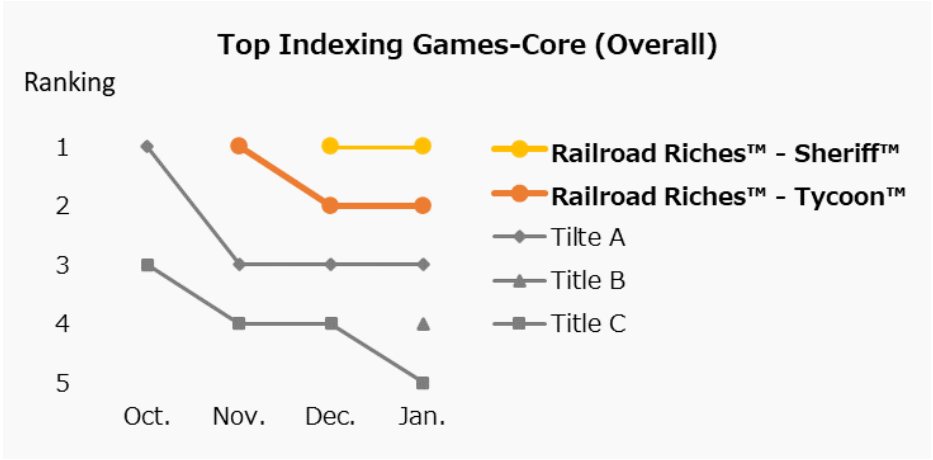
Forecast

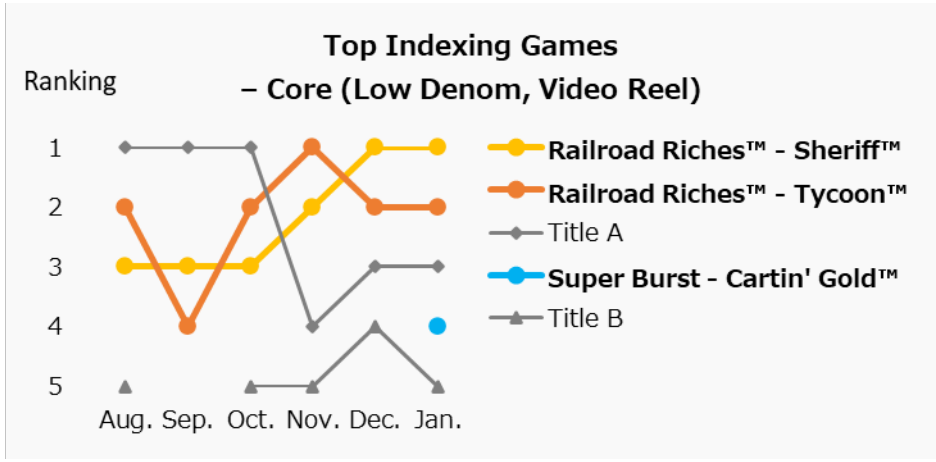
- Gaming machine sales:
  - Launched the new title *Super Burst – Cartin' Gold*™ in the U.S. and off to a good start
  - Expect the expansion of the unit sales in North America and Asia
- PARADISE SEGASAMMY:
  - Expect to contribute to profit in equity-method earnings

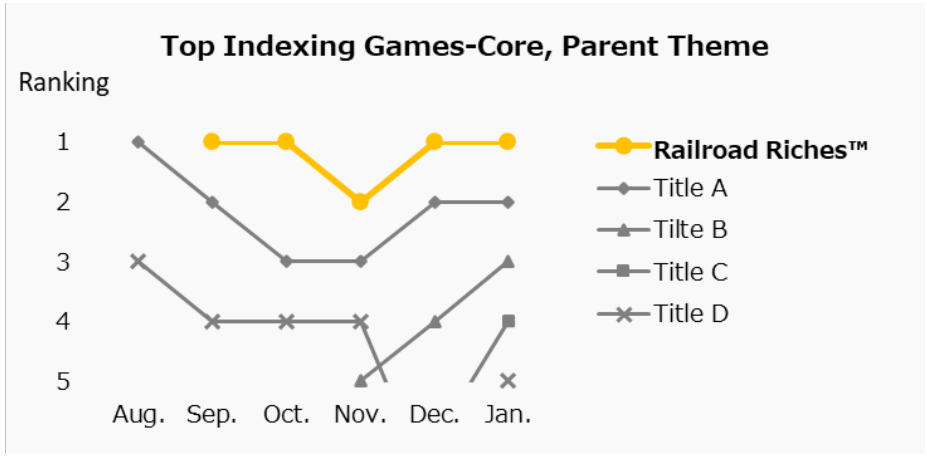
(Reference) Gaming Business

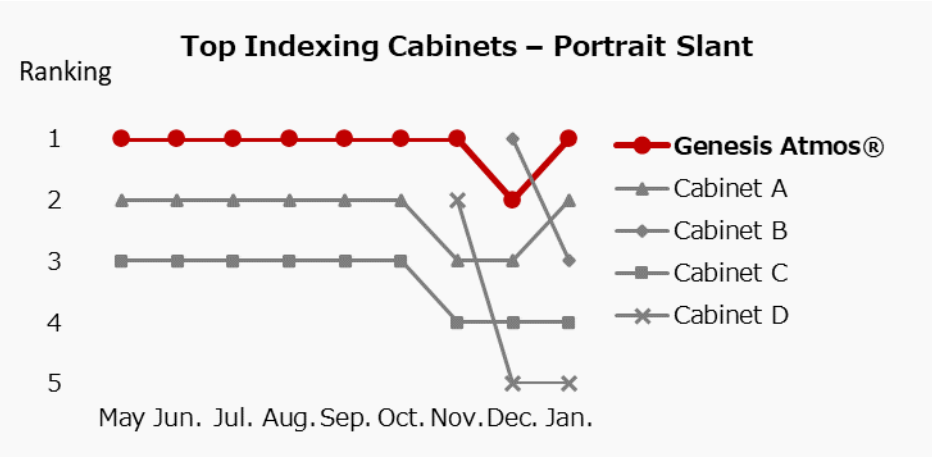


➢ *Railroad Riches*™ series took the 1st and 2nd place*









*"Top Indexing Games-Core (Overall) Ranking", "Top Indexing Games-Core (Low Denom, Video Reel)Ranking" and "Top Indexing Games-Core, Parent Theme Ranking" in "U.S. & Canada Game Performance Report" and "Top Indexing Cabinets-Portrait Slant Ranking" in "U.S. & Canada Cabinet Performance Report" issued by Eilers & Krejcik Gaming, LLC, a US gaming research company
*The months in the graph indicate the report issuance months

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(Reference) PARADISE SEGASAMMY

(KRW Billion)	FY2024/3 Thru Q3	FY2024/3 Full year Results	FY2025/3 Thru Q3
Sales	**333.3**	**448.7**	**410.2**
Casino	243.4	327.9	315.3
Hotel	74.6	100.3	77.8
Other	15.2	20.4	17.0
Cost of sales	**253.0**	**353.1**	**295.6**
Casino	135.7	193.4	169.9
Hotel	81.5	112.1	91.7
Other	35.8	47.6	33.9
Gross profit	**80.2**	**95.5**	**114.5**
SG&A	28.6	39.2	43.3
Operating profit	**51.6**	**56.3**	**71.1**
EBITDA	**88.2**	**103.7**	**103.4**
Net profit	**33.5**	**28.0**	**45.4**
Number of casino visitors (Thousands)	**216**	**297**	**267**

Source: Paradise IR

SEGASAMMY Equity method acquisition amount (Billion yen)	**1.3**	**0.9**	**2.0**

*PARADISE SEGASAMMY is an equity-method affiliate of the Company
*PARADISE SEGASAMMY is recorded 3 months late to the Company as it closes its fiscal year in December
*Local accounting standards

FY2025/3 Q3 Results

➢ **Both casino and hotel sales were strong**

- Casino sales remained strong, centered on Japanese VIP customers, and recorded its highest sales in Q3 since its opening
- Hotel occupancy rate in Q3 remained strong, recording 84.6%, the highest since its opening

Forecast

➢ **Contribution to profit in equity-method earnings**

- Recorded incentive expenses at the end of FY associated with strong performance

Gaming Business: Topics

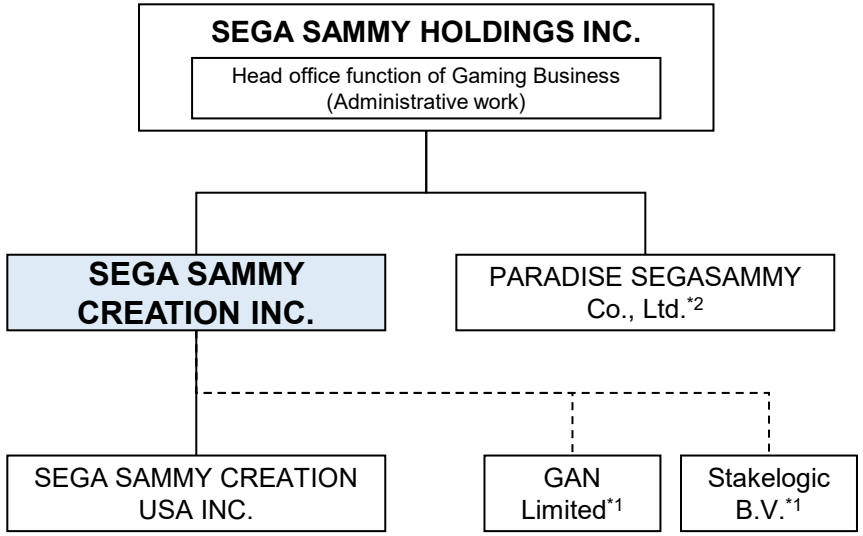
➢ Change the expected closing schedule for the acquisition of GAN to Q1 of FY2026/3

- Changed the expected closing schedule for the acquisition from Q4 of FY2025/3 to Q1 of FY2026/3

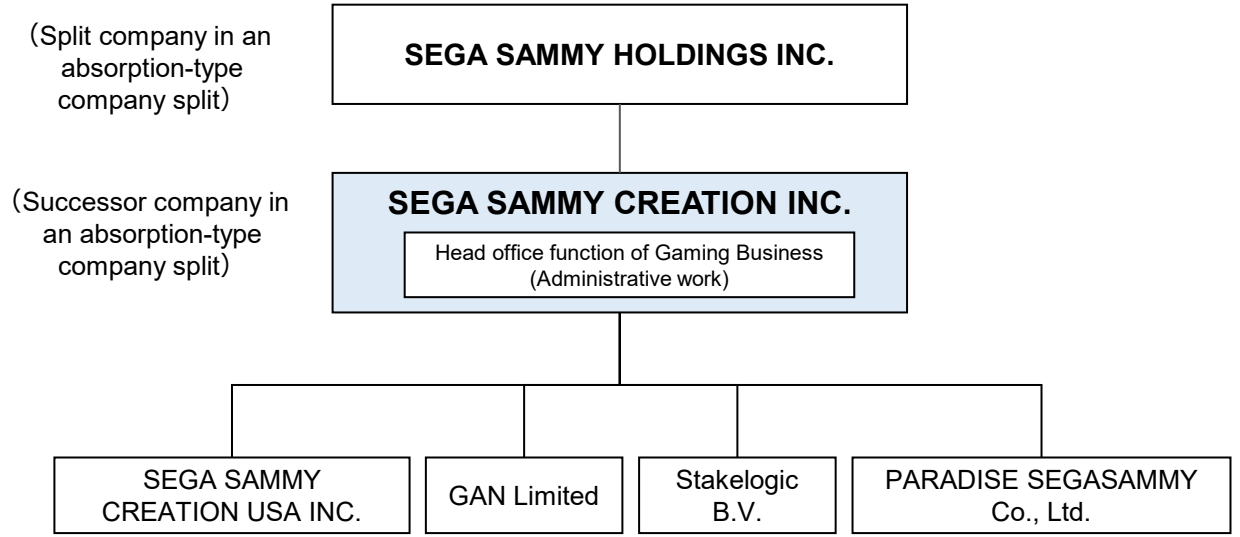
➢ Implement an organizational restructuring in Gaming Business (Effective date: Q1 of FY2026/3 (Plan))

- Transition to a segment system with SEGA SAMMY CREATION as the core operating company, in line with the closing of the acquisition for GAN and Stakelogic
- Aim to establish the “Gaming Business” as a third pillar of the Company’s business by strengthening alliances between each gaming company and establishing their governance system

[Current structure]



[Structure from Q1 of FY2026/3 (Plan)]



*1 Expected closing schedule for the acquisition of GAN Limited and Stakelogic B.V. is Q1 of FY2026/3
*2 PARADISE SEGASAMMY Co., Ltd. is an equity-method affiliate of the Company

(Repost) Concept of Investment in Growth and Shareholder Return:
New Medium-term Plan

【Capital allocation policy】

<Source of cash>

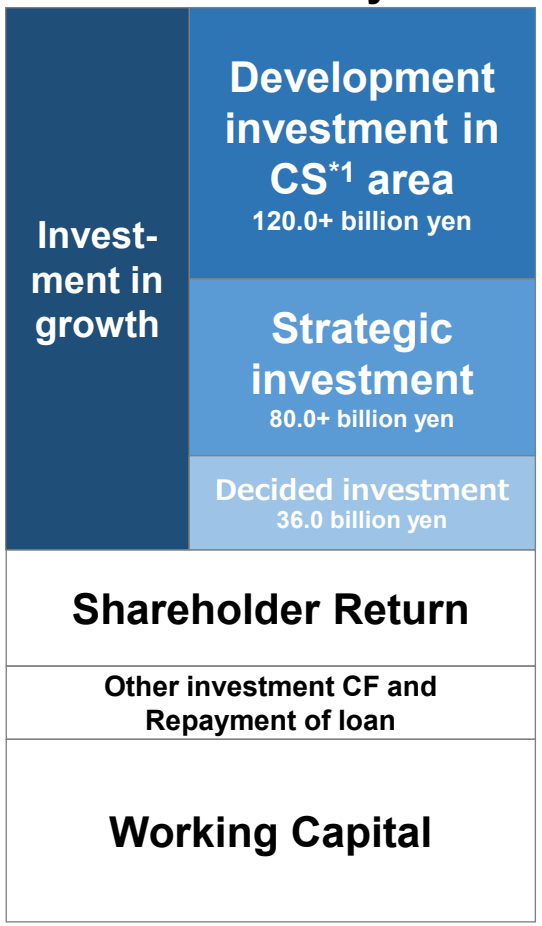
Generation of Operating CF
(Cumulative of 3 years from FY2025/3 to FY2027/3)
Approx. 190.0 billion yen

Before deduction of development investment in CS area

Cash & Deposit
(As of the end of FY2024/3)
Approx. 220.0 billion yen

Working Capital
(As of the end of FY2024/3)
Approx. 70.0 billion yen

<Allocation image over the next 3 years>



- **Enhance development investment to accelerate IP growth**
  - Enhancement of major IPs in Japan studios: 90.0+ billion yen
  - Legacy IPs/Super Game: 30.0+ billion yen
- **Consideration of the investment for establishing further growth pillars (including M&A)**
  - Consumer area, Gaming Business
- **Investment which decision has already made**
  - GAN (16.0 billion yen), Stakelogic B.V. (20.0 billion yen)
- **Shareholder return corresponding to profit growth**
  ＜Basic policy of shareholder return＞
  - Apply “DOE of 3% or more” or “total return ratio of 50% or more,” whichever is higher and return through dividends or share buybacks

*The amount is based on the exchange rate at the time of the announcement.

*1 CS = Consumer

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)

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