

# Fiscal Year Ending March 2021 1Q Results Appendix

August 5, 2020

[Disclaimer]

Market forecasts, operating results forecast, and other information contained in this materials 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.

	1Q Results	Forecast
Consolidated Business	<ul style="list-style-type: none"> <li>◆ Significant decline in sales YoY and recording of losses.</li> <li>✓ Pachislot and Pachinko Machines Business, Amusement Machine Sales &amp; Amusement Center Operations and Resort Business are heavily influenced by COVID-19.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expected to record losses for the full year assuming the impact of COVID-19 will remain.</li> <li>◆ Undertake structural reforms.</li> <li>◆ Dividend plan is not yet determined.</li> </ul>
Pachislot and Pachinko Machines Business	<ul style="list-style-type: none"> <li>◆ Sales decreased YoY and recorded losses as no new title launched.</li> <li>✓ Delayed the release of new titles considering the impact of COVID-19 on Pachinko halls.</li> <li>✓ Sales were mainly attributable to Sammy Networks and etc.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Sales decrease YoY and recording losses due to the decrease of unit sales.</li> <li>✓ Unit sales decrease YoY for both pachislot and pachinko.</li> <li>✓ Launch titles to coincide with the demand for replacement at the end of 2020.</li> </ul>
Entertainment Contents Business	<ul style="list-style-type: none"> <li>◆ Sales decreased but profit increased YoY due to strong performance in Consumer area.</li> <li>✓ Consumer area performed strong centered on repeat sales overseas.</li> <li>✓ Recorded losses in Amusement Machine Sales and Amusement Center Operation due to the temporary closure and a decline in utilization of facilities.</li> <li>✓ Common fixed expenses and others incurred during temporary closure period are recorded as extraordinary losses.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Despite the contribution of Consumer area, profit decreased significantly YoY due to spread losses in Amusement Machine Sales and Amusement Center Operation area.</li> <li>✓ The profit of Consumer area is expected to be increased significantly</li> <li>✓ Proceed the optimization of business and shift of R&amp;D resources to growing area in Amusement Machine Sales and Amusement Center Operation.</li> <li>✓ Non-operating income from the movie "Sonic the Hedgehog" is expected in the second half of the year.</li> </ul>
Resort Business	<ul style="list-style-type: none"> <li>◆ Sales decreased and losses expanded YoY due to significant decline in the number of users.</li> <li>✓ Closed facilities temporary in respond to request.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Sales decrease and losses expand YoY</li> <li>✓ The demand for travel decreases</li> <li>✓ Start the optimization of the facility operations.</li> <li>✓ Expecting that the restriction of foreign visitors will not lift in South Korea within this year.</li> </ul>

# Current impacts of the spread of COVID-19

		2021/3 1Q	Full-year
Pachinko	Negative	<ul style="list-style-type: none"> <li>Pachinko Halls suspended their operation under the state of emergency.</li> <li>Utilization of Pachinko halls declined due to temporary suspension but is in recovering trend since state of emergency was lifted.</li> <li>Extension of deadline for removal resolved.</li> </ul>	<ul style="list-style-type: none"> <li>Expecting that the recovery of purchasing motivation of pachinko halls take a while as the deadline for removal extended and forecasting that the unit sales decrease YoY.</li> </ul>
Entertainment Contents	Positive	<b>Consumer</b> <ul style="list-style-type: none"> <li>Sales grew due to spending from staying at home.</li> </ul>	<b>Consumer</b> <ul style="list-style-type: none"> <li>Assuming the spending from staying at home will continue but will settle down.</li> </ul>
	Negative	<b>Amusement Machine Sales</b> <ul style="list-style-type: none"> <li>Revenue from revenue sharing model and sales of machines decreased due to closure and declined utilization of stores.</li> </ul>	<b>Amusement Machine Sales</b> <ul style="list-style-type: none"> <li>Expecting the decrease of revenue from revenue sharing model and sales of machines due to decline of utilization of stores.</li> </ul>
		<b>Amusement Center Operations</b> <ul style="list-style-type: none"> <li>Started temporary closure of stores sequentially from April 8.</li> <li>Resumed the operation at all stores from June 17.</li> <li>Sales of existing stores YoY 27.4% due to temporary closure.</li> </ul>	<b>Amusement Center Operations</b> <ul style="list-style-type: none"> <li>Although expecting the gradual recovery towards the end of fiscal year, sales of existing stores is expected to be 62.7% YoY for the full year.</li> </ul>
		<b>Animation / Toys</b> (No significant impact)	<b>Animation / Toys</b> <ul style="list-style-type: none"> <li>Animation: Expecting the decline of allocated revenue this fiscal year due to the postponement of the release of theatrical version of "Detective Conan," and etc.</li> </ul>
Resort	Negative	<b>PHOENIX RESORT</b> <ul style="list-style-type: none"> <li>5/7-30 Temporary closure of all facilities</li> </ul>	<b>PHOENIX RESORT</b> <ul style="list-style-type: none"> <li>Although expecting the gradual recovery towards the end of fiscal year, assuming the recovery of visitors may take a while due to the decline in travel demand.</li> </ul>
		<b>PARADICE CITY</b> <ul style="list-style-type: none"> <li>3/2-5/1 Suspension of operations at some facilities other than casino section</li> <li>3/24-4/20 Suspension of operations at the casino section</li> </ul>	<b>PARADICE CITY</b> <ul style="list-style-type: none"> <li>Temporary closure of some facilities from 7/1.</li> <li>Expecting that the restriction of foreign visitors entering South Korea will not lift within this year.</li> </ul>

The following changes have been made from the fiscal year ending March 2021.

- ✓ **“ Operating income “ to ” Ordinary income ”**
  - The Company has changed its method of measuring segment income from "operating income" to "ordinary income," which is the profit recurring from business as a whole, including equity in net profits and losses of affiliates, etc.
  
- ✓ **Gaming machine business into Pachislot and Pachinko Machines Business segment**
  - The gaming machine business, which develops and sells gaming machines for casinos, was shifted from Amusement Machine Sales area of Entertainment Contents Business segment to Pachislot and Pachinko Machines Business segment.
  
- ✓ **“Digital + Packaged Games” area to "Consumer" area**
  - Digital Games area and Packaged Games area have been integrated into 1 sub-segment and changed the name to Consumer area.

# Consolidated Income Statements (Summary)

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>Sales</b>	<b>72.7</b>	<b>165.5</b>	<b>280.8</b>	<b>366.5</b>	<b>48.3</b>	<b>277.0</b>
Pachislot and Pachinko Machines	17.1	44.2	86.3	108.5	2.7	56.0
Entertainment Contents	53.0	115.7	186.1	247.6	45.1	214.0
Resort	2.4	5.5	8.2	10.4	0.4	6.5
Other / Elimination	0.0	0.0	0.0	0.0	0.1	0.5
<b>Operating Income</b>	<b>3.4</b>	<b>14.6</b>	<b>28.0</b>	<b>27.6</b>	<b>-3.8</b>	<b>-15.0</b>
Pachislot and Pachinko Machines	1.0	7.3	19.9	23.2	-8.4	-9.5
Entertainment Contents	5.2	13.2	17.0	16.5	8.1	9.0
Resort	-0.8	-1.5	-2.3	-3.6	-1.7	-6.5
Other / Elimination	-2.0	-4.4	-6.6	-8.5	-1.8	-8.0
Non-operating income	0.8	1.3	1.8	3.2	0.6	4.0
Non-operating expenses	1.9	3.3	4.0	5.5	0.8	9.0
<b>Ordinary Income</b>	<b>2.3</b>	<b>12.6</b>	<b>25.8</b>	<b>25.2</b>	<b>-4.0</b>	<b>-20.0</b>
Pachislot and Pachinko Machines	0.9	7.2	19.4	22.7	-8.5	-10.0
Entertainment Contents	4.9	12.8	16.0	16.2	8.2	11.0
Resort	-1.6	-3.1	-3.3	-5.3	-2.1	-12.5
Other / Elimination	-1.9	-4.3	-6.3	-8.4	-1.6	-8.5
Ordinary Income Margin	3.2%	7.6%	9.2%	6.9%	-	-
Extraordinary income	0.0	0.0	3.0	3.1	0.2	0.2
Extraordinary losses	0.1	0.1	0.5	1.2	2.5	3.2
<b>Income before income taxes</b>	<b>2.2</b>	<b>12.5</b>	<b>28.3</b>	<b>27.1</b>	<b>-6.4</b>	<b>-23.0</b>
<b>Profit attributable to owners of parent</b>	<b>1.7</b>	<b>9.8</b>	<b>22.9</b>	<b>13.7</b>	<b>-3.3</b>	<b>-17.0</b>
<b>Dividends per share (JPY)</b>	<b>-</b>	<b>20.00</b>	<b>20.00</b>	<b>40.00</b>	<b>-</b>	<b>-</b>
<b>Earnings per share (JPY)</b>	<b>7.32</b>	<b>42.05</b>	<b>97.92</b>	<b>58.65</b>	<b>-14.04</b>	<b>-72.31</b>
<b>Net Assets per share (JPY)</b>	<b>1,259.70</b>	<b>1,276.36</b>	<b>1,318.14</b>	<b>1,251.02</b>	<b>1,219.49</b>	<b>-</b>

\*The results of FY2020/3 reflect the change of segment classification retrospectively.

# Costs and Expenses

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>R&amp;D Expense / Content Production Expense</b>	<b>17.1</b>	<b>33.5</b>	<b>56.4</b>	<b>76.5</b>	<b>14.7</b>	<b>64.2</b>
Pachislot and Pachinko Machines	4.3	8.9	14.3	18.1	5.4	17.3
Entertainment Contents	12.8	24.7	42.3	58.6	9.2	46.8
Resort	0.0	0.0	0.1	0.1	0.0	0.0
Other / Elimination	0.0	-0.1	-0.3	-0.3	0.1	0.1
<b>Cap-ex</b>	<b>5.1</b>	<b>10.5</b>	<b>16.1</b>	<b>22.8</b>	<b>3.6</b>	<b>15.2</b>
Pachislot and Pachinko Machines	0.9	1.8	2.5	3.5	1.1	3.6
Entertainment Contents	4.0	8.3	12.9	18.2	2.2	10.7
Resort	0.0	0.1	0.1	0.2	0.0	0.3
Other / Elimination	0.2	0.3	0.6	0.9	0.3	0.6
<b>Depreciation</b>	<b>3.6</b>	<b>7.3</b>	<b>10.9</b>	<b>14.8</b>	<b>3.6</b>	<b>13.4</b>
Pachislot and Pachinko Machines	1.0	1.9	2.8	3.6	0.8	2.9
Entertainment Contents	2.1	4.2	6.4	8.9	2.2	8.5
Resort	0.2	0.5	0.8	1.1	0.2	0.9
Other / Elimination	0.3	0.7	0.9	1.2	0.4	1.1
<b>Advertising</b>	<b>3.6</b>	<b>8.5</b>	<b>12.9</b>	<b>17.4</b>	<b>2.0</b>	<b>16.9</b>
Pachislot and Pachinko Machines	0.2	0.8	1.2	1.5	0.1	2.0
Entertainment Contents	3.0	6.4	10.2	14.1	1.7	13.4
Resort	0.1	0.2	0.3	0.4	0.0	0.2
Other / Elimination	0.3	1.1	1.2	1.4	0.2	1.3

\*The results of FY2020/3 reflect the change of segment classification retrospectively.

# Consolidated Balance Sheet (Summary)

(JPY billion)				[Liabilities and Net Assets]			
[Assets]							
Account	As of end of March 2020	As of end of June 2020	Change	Account	As of end of March 2020	As of end of June 2020	Change
Cash and Deposits	159.0	157.0	-2.0	Accounts Payable	17.8	15.7	-2.1
Accounts Receivable	40.4	24.5	-15.9	Corporate Bonds	10.0	-	-10.0
Short term investment securities	5.3	0.2	-5.1	Short Term Loans Payable	13.3	43.3	+30.0
Inventories	47.0	56.0	+9.0	Other	45.0	29.7	-15.3
Other	17.2	27.5	+10.3	<b>Total Current Liabilities</b>	<b>86.1</b>	<b>88.7</b>	<b>+2.6</b>
<b>Total Current Assets</b>	<b>268.9</b>	<b>265.2</b>	<b>-3.7</b>	Corporate Bonds	10.0	10.0	-
Tangible Fixed Assets	86.6	85.2	-1.4	Long Term Loans Payable	42.0	42.0	-
Intangible Fixed Assets	17.9	18.5	+0.6	Other	23.2	23.8	+0.6
Investment Securities	55.0	56.3	+1.3	<b>Total Noncurrent Liabilities</b>	<b>75.2</b>	<b>75.8</b>	<b>+0.6</b>
Other	29.7	28.9	-0.8	<b>Total Liabilities</b>	<b>161.4</b>	<b>164.6</b>	<b>+3.2</b>
				Shareholders Equity	301.2	293.2	-8.0
				Total accumulated other comprehensive income	-7.1	-6.5	+0.6
				Warrants	0.8	0.7	-0.1
				Non-controlling intesrests	1.9	2.0	+0.1
<b>Total Noncurrent Assets</b>	<b>189.2</b>	<b>188.9</b>	<b>-0.3</b>	<b>Total Net Assets</b>	<b>296.8</b>	<b>289.5</b>	<b>-7.3</b>
<b>Total Assets</b>	<b>458.2</b>	<b>454.1</b>	<b>-4.1</b>	<b>Total Liabilities and Net Assets</b>	<b>458.2</b>	<b>454.1</b>	<b>-4.1</b>

# Segment Results: Pachislot and Pachinko Machines

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Forecast
<b>Sales</b>	<b>17.1</b>	<b>44.2</b>	<b>86.3</b>	<b>108.5</b>	<b>2.7</b>	<b>56.0</b>
Pachislot	7.0	11.1	46.2	54.1	0.2	19.7
Pachinko	5.4	23.8	26.8	37.4	0.0	26.7
Other / Elimination	4.7	9.3	13.3	17.0	2.5	9.6
<b>Operating Income</b>	<b>1.0</b>	<b>7.3</b>	<b>19.9</b>	<b>23.2</b>	<b>-8.4</b>	<b>-9.5</b>
Non-operating income	0.1	0.2	0.4	0.7	0.1	0.3
Non-operating expenses	0.1	0.3	0.8	1.1	0.2	0.8
<b>Ordinary Income</b>	<b>0.9</b>	<b>7.2</b>	<b>19.4</b>	<b>22.7</b>	<b>-8.5</b>	<b>-10.0</b>
Ordinary Income Margin	5.3%	16.3%	22.5%	20.9%	-	-

## Pachislot

<b>Number of Titles</b>	<b>0 title</b>	<b>1 title</b>	<b>3 titles</b>	<b>5 titles</b>	<b>0 title</b>	<b>8 titles</b>
<b>Unit Sales (units)</b>	<b>17,930</b>	<b>28,360</b>	<b>105,860</b>	<b>123,336</b>	<b>485</b>	<b>52,000</b>

## Pachinko

<b>Number of Titles</b>	<b>2 titles</b>	<b>4 titles</b>	<b>5 titles</b>	<b>7 titles</b>	<b>0 title</b>	<b>5 titles</b>
<b>Unit Sales (units)</b>	<b>16,212</b>	<b>66,140</b>	<b>75,094</b>	<b>104,581</b>	<b>177</b>	<b>71,000</b>
Board + Frame	8,020	15,850	18,878	33,056	54	44,000
Board	8,192	50,290	56,216	71,525	123	27,000

\*From FY2021/3, the gaming machine business, which develops and sells gaming machines for casino, was shifted from Amusement Machine Sales area of Entertainment Contents Business segment to Pachislot and Pachinko Machines Business segment.

\*The results of FY2020/3 reflect the change of segment classification retrospectively.



# Segment Results: Pachislot and Pachinko Machines

■Major Titles launch in 2021/3

New title  
Specification changed title

~ 2021/3 1Q

2021/3 2Q~

Pachislot

Pachislot Shin  
Hokuto Muso

Pachislot  
Kaidoumokuhiroku  
kaiji numa

Pachinko

P Psalms of Planets  
Eureka Seven HI-  
EVOLUTION ZERO

P ROAD TO EDEN

P Shin Hokuto Muso  
Chapter 3



"Pachislot Shin Hokuto Muso"

©Buronson & Tetsuo Hara/NSP 1983, Approved No.KOM-620  
© 2010-2013 Koei Tecmo Games Co., Ltd.  
©Sammy



"P Psalms of Planets Eureka Seven  
HI-EVOLUTION ZERO"

©2017 BONES/Project EUREKA MOVIE  
©BANDAI NAMCO Entertainment Inc.  
©Sammy



"Pachislot Kaidoumokuhiroku  
kaiji numa"

©Fukumoto nobuyuki./Koudansha · VAP · MADHOUSE · NTV · D.N.Dream Partners  
©Fukumoto nobuyuki./Koudansha · VAP · NTV  
©Sammy



"P Shin Hokuto Muso Chapter 3"

©Buronson & Tetsuo Hara/NSP 1983, Approved No.KOO-411  
©2010-2013 Koei Tecmo Games Co., Ltd.  
©Sammy

# Segment Results: Entertainment Contents Business

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>Sales</b>	<b>53.0</b>	<b>115.7</b>	<b>186.1</b>	<b>247.6</b>	<b>45.1</b>	<b>214.0</b>
Consumer	26.7	55.8	90.2	125.5	32.4	125.0
Amusement Machine Sales	10.1	24.6	41.1	51.0	5.4	35.0
Amusement Center Operations	10.4	22.0	32.2	41.9	3.4	28.0
Animation / Toy	5.0	11.7	20.3	26.2	3.4	24.0
Other / Elimination	0.6	1.6	2.2	2.9	0.4	2.0
<b>Operating Income</b>	<b>5.2</b>	<b>13.2</b>	<b>17.0</b>	<b>16.5</b>	<b>8.1</b>	<b>9.0</b>
Consumer	5.3	9.7	12.1	14.7	12.5	22.5
Amusement Machine Sales	-0.4	0.7	1.1	-0.6	-1.6	-3.5
Amusement Center Operations	0.7	1.9	1.7	1.4	-2.0	-7.5
Animation / Toy	0.3	1.7	2.9	2.7	-0.0	0.5
Other / Elimination	-0.7	-0.9	-0.9	-1.7	-0.8	-3.0
Non-operating income	0.3	0.3	0.3	1.3	0.2	3.0
Non-operating expenses	0.6	0.8	1.3	1.6	0.1	1.0
<b>Ordinary Income</b>	<b>4.9</b>	<b>12.8</b>	<b>16.0</b>	<b>16.2</b>	<b>8.2</b>	<b>11.0</b>
Ordinary Income Margin	9.2%	11.1%	8.6%	6.5%	18.2%	5.1%
<b>No. of domestic amusement centers</b>	<b>191</b>	<b>192</b>	<b>195</b>	<b>192</b>	<b>195</b>	<b>194</b>
<b>YoY sales rate comparison of existing amusement centers</b>	<b>109.0%</b>	<b>103.6%</b>	<b>100.7%</b>	<b>97.7%</b>	<b>27.4%</b>	<b>62.7%</b>

\*As the breakdown of sub-segment, Digital Games area and Packaged Games area have been integrated into 1 sub-segment and changed the name to Consumer area from FY2021/3.

\*From FY2021/3, the gaming machine business, which develops and sells gaming machines for casino, was shifted from Amusement Machine Sales area of Entertainment Contents Business segment to Pachislot and Pachinko Machines Business segment.

\*The results of FY2020/3 reflect the change of segment classification retrospectively.

# Segment Results: Entertainment Contents Business

## Consumer Area (KPI)

<Sales by Business Model>

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>Sales</b>	<b>26.7</b>	<b>55.8</b>	<b>90.2</b>	<b>125.5</b>	<b>32.4</b>	<b>125.0</b>
Domestic	12.9	57.0	45.9	64.2	12.4	58.0
Overseas	13.9	29.0	45.4	63.9	19.6	69.2
Overseas sales ratio	52.1%	52.0%	50.3%	50.9%	60.5%	55.4%
Other / Elimination	-0.1	-0.2	-1.2	-2.6	0.2	-2.3
<b>Full Game</b>	<b>11.5</b>	<b>19.4</b>	<b>37.8</b>	<b>57.0</b>	<b>14.4</b>	<b>51.3</b>
Japan	0.7	1.7	9.0	15.3	1.8	5.6
New titles	0.2	0.6	7.5	12.5	0.0	1.2
Repeat titles	0.5	1.1	1.5	2.7	1.7	4.4
Asia	0.8	1.3	2.3	5.3	1.3	4.7
New titles	0.4	0.5	1.1	3.5	0.7	2.0
Repeat titles	0.3	0.8	1.1	1.7	0.5	2.7
North America / Europe	9.9	16.3	26.4	36.3	11.1	40.9
New titles	6.6	10.1	16.9	22.9	1.2	17.3
Repeat titles	3.3	6.1	9.4	13.3	9.9	23.6
Download sales ratio	65.9%	58.6%	48.4%	46.0%	66.5%	62.0%
<b>F2P</b>	<b>9.1</b>	<b>18.1</b>	<b>27.6</b>	<b>38.1</b>	<b>10.4</b>	<b>47.1</b>
Japan	8.4	16.9	25.8	35.3	8.4	40.6
Asia	0.0	0.0	0.1	0.3	0.0	0.7
North America / Europe	0.6	1.1	1.6	2.4	1.9	5.8
<b>Other</b>	<b>6.1</b>	<b>18.4</b>	<b>25.8</b>	<b>33.0</b>	<b>7.2</b>	<b>28.7</b>

\*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.

\*Others = Sales of additional downloadable contents, consignment sales of 3rd party titles, revenue from consignment development, transfer of titles, offering of titles in batches to 1st parties, sales of non-game software products, etc.

# Segment Results: Entertainment Contents Business

	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>Full Game: Number of Titles</b>	<b>9 titles</b>	<b>13 titles</b>	<b>26 titles</b>	<b>36 titles</b>	<b>4 titles</b>	<b>30 titles</b>
Japan	2 titles	3 titles	9 titles	11 titles	-	3 titles
Asia	3 titles	3 titles	6 titles	12 titles	1 title	12 titles
North America / Europe	4 titles	7 titles	11 titles	13 titles	3 titles	15 titles
<b>Full Game: Sales in Units (Thousands)</b>	<b>6,490</b>	<b>12,100</b>	<b>20,570</b>	<b>28,570</b>	<b>12,980</b>	<b>34,100</b>
<b>Japan</b>	<b>270</b>	<b>610</b>	<b>1,760</b>	<b>2,790</b>	<b>470</b>	<b>1,370</b>
New titles	60	170	1,180	1,910	10	270
Repeat titles	210	440	580	880	460	1,090
<b>Asia</b>	<b>240</b>	<b>420</b>	<b>680</b>	<b>1,360</b>	<b>400</b>	<b>1,470</b>
New titles	130	130	300	780	150	450
Repeat titles	110	280	380	580	240	1,020
<b>North America / Europe</b>	<b>5,970</b>	<b>11,060</b>	<b>18,110</b>	<b>24,410</b>	<b>12,100</b>	<b>31,250</b>
New titles	2,110	3,240	5,970	8,790	620	6,300
Repeat titles	3,860	7,820	12,140	15,620	11,480	24,940
<b>Total New titles</b>	<b>2,300</b>	<b>3,550</b>	<b>7,460</b>	<b>11,480</b>	<b>790</b>	<b>7,040</b>
<b>Total Repeat titles</b>	<b>4,180</b>	<b>8,550</b>	<b>13,110</b>	<b>17,090</b>	<b>12,190</b>	<b>27,050</b>

\*Numbers of titles and sales units of Full Game in FY2020/3 results was revised due to the change of subsegment classifications

## 2021/3 1Q Major Titles

1Q titles	Release	Platform	Launched region
Persona 4 The Golden (PC version)	2020/6	PC	Japan / Asia / North America / Europe
Repeat titles		Platform	Launched region
Total War series		PC	Japan / Asia / North America / Europe
Alien series		Multi-platform	Japan / Asia / North America / Europe
Football Manager series		PC	Japan / Asia / North America / Europe

## 2021/3 1Q Results of Titles

Series	Unit sales	Name of main titles (released month)	
<b>Total War</b>	Approx. 1,900K units	“Total War: SHOGUN 2” (March, 2011) “Total War: ROME II “ (September, 2013)	“Total War: WARHAMMER 2” (September, 2017) “Total War: WARHAMMER” (May, 2016), etc.
<b>Persona</b>	Approx. 1,200K units	“Persona 4 The Golden” (June, 2020) “PERSONA 5 ROYAL” (October, 2019)	“Persona5” (September, 2016) “Persona 5 Scramble: The Phantom Strikers” (February 2020)
<b>Football Manager</b>	Approx. 900K units	“Football Manager 2020” (November, 2019)	“Football Manager 2020 Mobile” (November, 2020), etc.
<b>Sonic</b>	Approx. 800K units	“Mario & Sonic at the Olympic Games Tokyo 2020™” (November, 2019) “Team Sonic Racing” (May, 2019)	“Sonic Mania” (August, 2017) “SONIC FORCES” (November, 2017), etc.
<b>Other</b>	—	“Alien: Isolation” (October, 2014)	“Two Point Hospital” (August, 2018), etc.

## Consumer Area (KPI)

<Sales breakdown of F2P>

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
<b>Sales</b>	<b>9.1</b>	<b>18.1</b>	<b>27.6</b>	<b>38.1</b>	<b>10.4</b>	<b>47.1</b>
Titles before FY2018/3	6.5	12.7	18.2	24.5	5.1	19.2
Titles released in FY2019/3	2.4	4.7	7.0	9.1	2.2	8.3
Titles released in FY2020/3	0.0	0.6	2.3	4.4	1.4	5.9
Titles release in FY2021/3	-	-	-	-	1.5	13.5

<Numbers of titles for F2P>

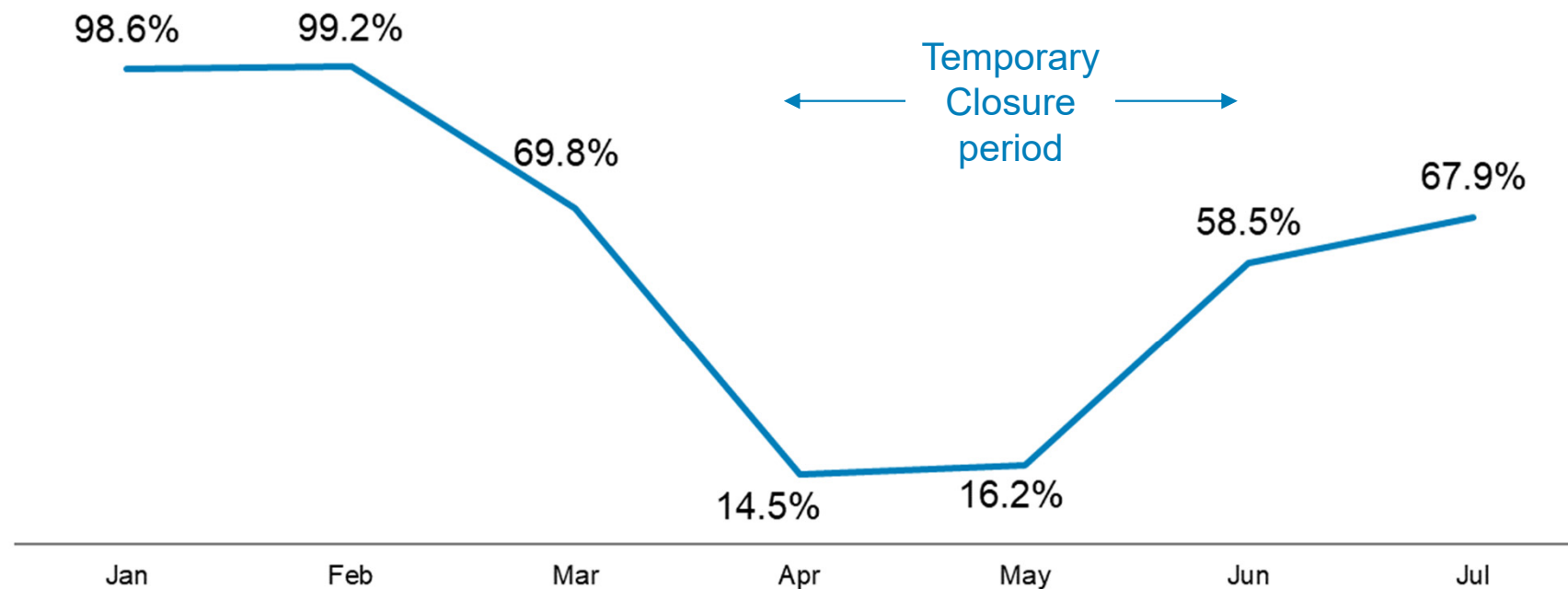
	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Full Year Forecast
No. of new titles launched	1	4	4	4	2	5
No. of titles in operation	20	21	20	19	20	23
No. of titles ended services	-4	-6	-7	-8	-1	-1

<Top 3 titles in sales for F2P>

Title name	Release
1. PHANTASY STAR ONLINE 2 North American Version	2020/4
2. PHANTASY STAR ONLINE 2	2012/7
3. SEGA Pocket Club Manager	2018/4

\*Top three titles in the period of Apr-Jun 2020

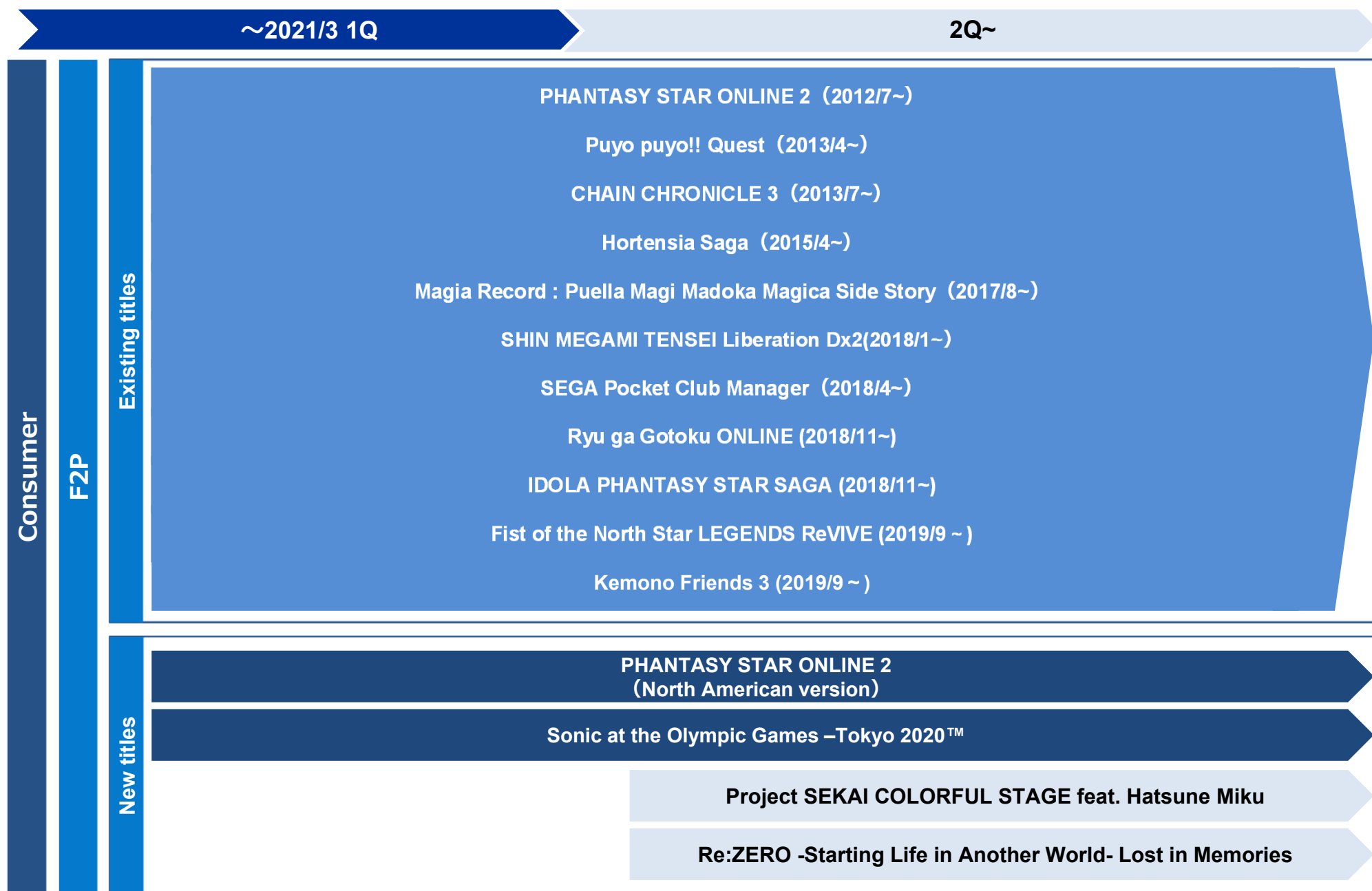
## Amusement Center Area (KPI)



CY2020

\*July figure is preliminary value

## ■Major Titles in 1Q and titles to be launched in and after 2Q, fiscal year ending Mar 2021





## ■Major Titles in 1Q and titles to be launched in and after 2Q, fiscal year ending Mar 2021

		1Q	2Q~	
Consumer	Full Game	Persona 4 The Golden	A Total War Saga: TROY	HUMANKIND™
			Shin Megami Tensei III NOCTURNE HD REMASTER	Shin Megami Tensei V
Amusement Machine Sales	< Existing titles > KanColle Arcade / StarHorse Series / Fate/Grand Order Arcade /WCCF FOOTISTA 2019			
	maimai Series / O· N· G· E· K· I / CHUNITHM Series			
Animation/Toys		TRANSFORMERS SHADOWS RISING	fiz	Initial D THE ARCADE
		Sonic The Hedgehog (in Japan)	Disney&Disney/Pixar Characters Magical Smart Note	Disney Characters D.I.Y. TOWN Series

# Segment Results: Resort Business

(JPY Billion)	2020/3				2021/3	
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Forecast
<b>Sales</b>	2.4	5.5	8.2	10.4	0.4	6.5
<b>Operating Income</b>	-0.8	-1.5	-2.3	-3.6	-1.7	-6.5
Non-operating income	0.1	0.2	0.2	0.2	0.0	0.0
Non-operating expenses	0.9	1.7	1.2	1.9	0.3	6.0
<b>Ordinary Income</b>	-1.6	-3.1	-3.3	-5.3	-2.1	-12.5
Ordinary Income Margin	-	-	-	-	-	-

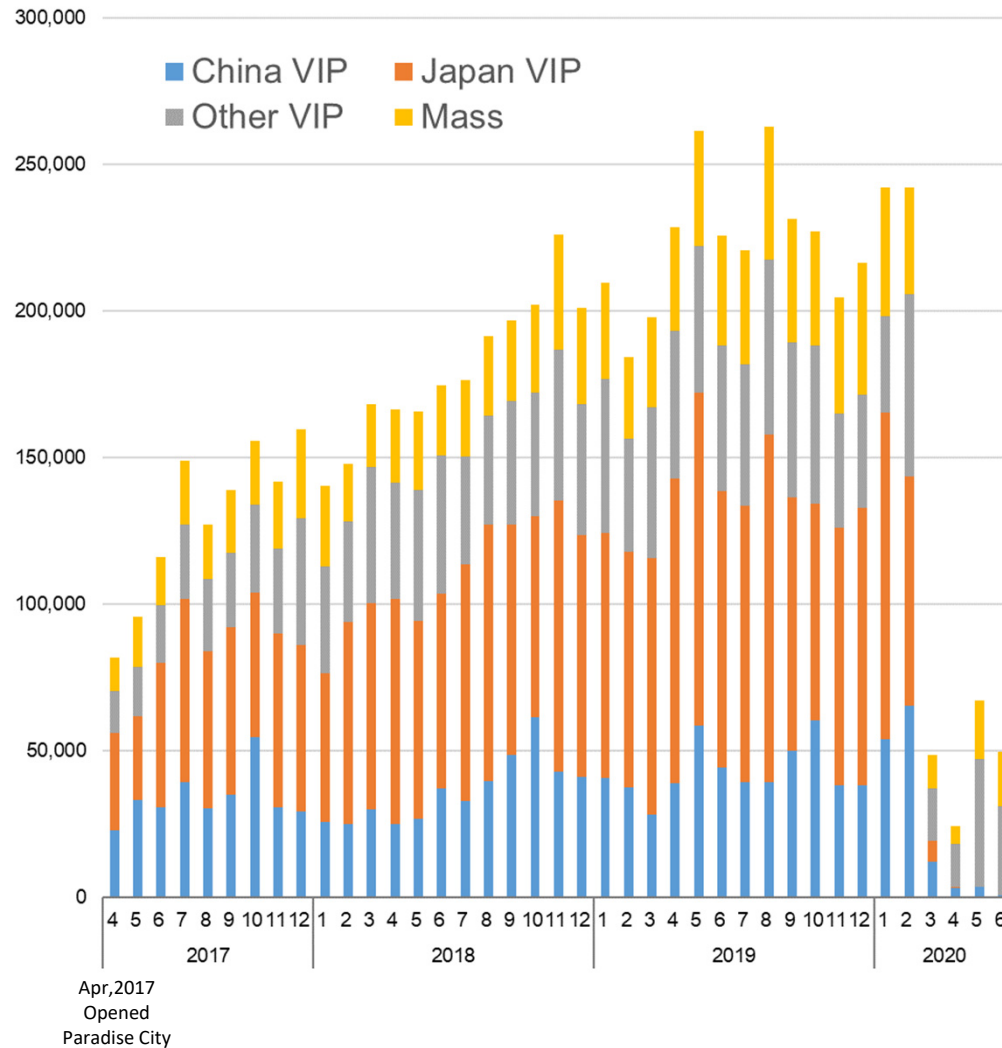
## <PHOENIX RESORT>

<b>Sales</b>	2.2	5.0	7.7	9.9	0.3	6.0
<b>Operating Income</b>	-0.1	-0.1	-0.0	-0.2	-1.0	-2.4
<b>No. of facility users (Thousands)</b>	189	454	658	839	44	484
3 accommodation facilities	75	194	283	359	12	200
2 golf courses	25	46	70	92	9	70
Other facilities	89	214	305	388	23	214

## Transition of Drop amount\* at Paradise City

\*Drop amount: Purchased amount of chips by customers at the table

(KRW Millions)



\* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate  
 \* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay  
 \* Local accounting standards

(KRW Billion)	FY2020 1Q Results	FY2021 1Q Results
<b>Sales</b>	90.6	89.7
Casino	74.7	75.8
Hotel	13.2	10.8
Other	2.6	3.0
<b>Cost of sales</b>	88.7	78.4
Casino	44.5	40.8
Hotel	27.3	25.9
Other	16.7	11.6
<b>Gross profit</b>	1.9	11.2
SG&A	9.0	8.8
<b>Operating profit</b>	-7.1	2.4
<b>EBITDA</b>	8.2	17.5
<b>Net profit</b>	-14.3	-5.3
<b>Number of casino visitors (Thousands)</b>	82	66

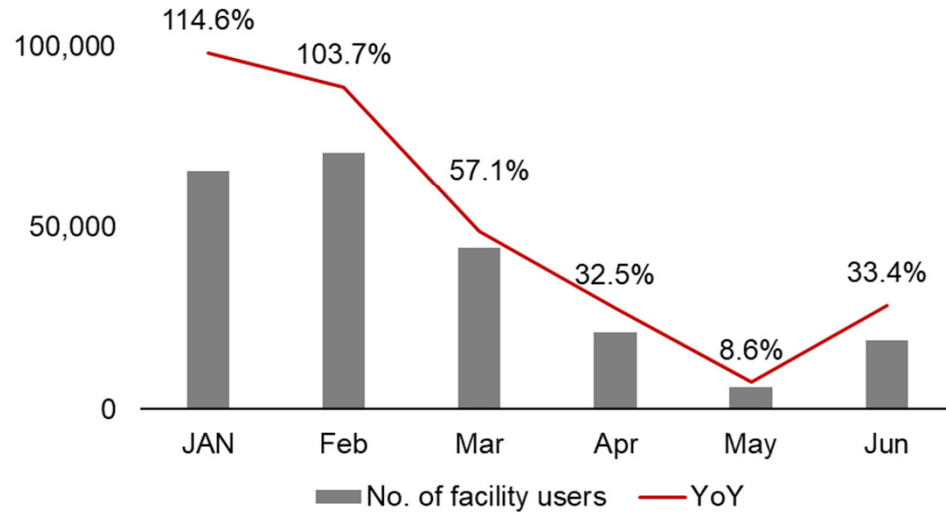
Source: Paradise IR

<b>SEGASAMMY</b>		
<b>Equity method acquisition amount (Billion yen)</b>	<b>-0.8</b>	<b>-0.3</b>

## ■ PHOENIX RESORT

Number of facilities users and YoY comparison

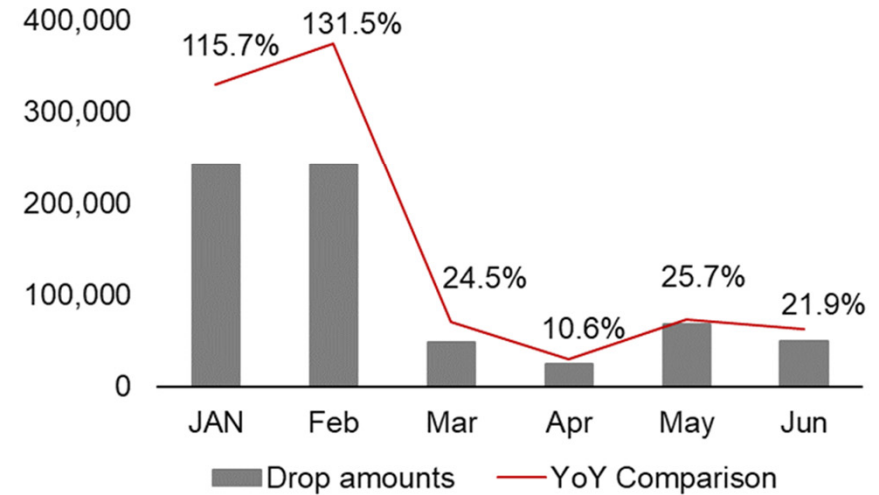
(Users)



## ■ PARADISE SEGASAMMY

Drop amount and YoY comparison

(KRW Million)



# Segment Results: Resort Business (Phoenix Seagaia Resort)



■Exterior



■Golf Course



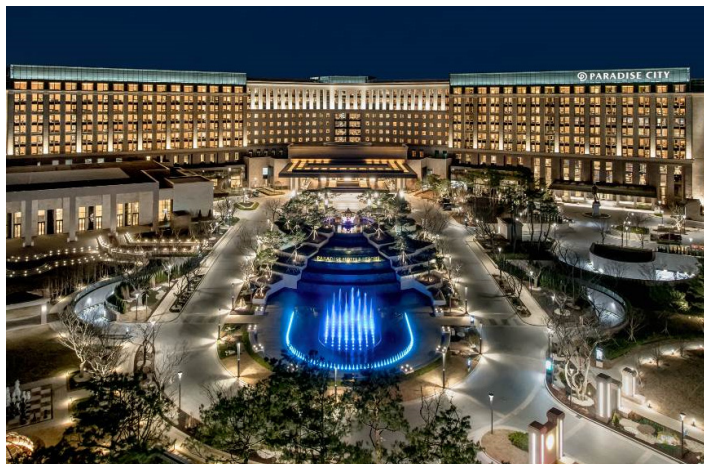
■Convention Center

## <Overview>

<b>Facility name</b>	Phoenix Seagaia Resort	
<b>Operating company</b>	Phoenix Resort Co., Ltd.	
<b>Facility address</b>	3083 Aza Hamayama, O-Aza Shioji, Miyazaki City, Miyazaki Prefecture	
<b>Access</b>	<ul style="list-style-type: none"> <li>■Miyazaki Airport 20-minute by car</li> <li>■JR Miyazaki train station Approx. 25-minute by public bus(chargeable) 15-minute by car</li> <li>■Express way Approx. 25-minute drive from Miyazaki Interchange</li> </ul>	
<b>Number of employees</b>	758 (as of June 30 2020 (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees))	
<b>Site area</b>	2,511,144m <sup>2</sup>	
<b>Facility composition</b>	Hotel	950 rooms (Sheraton Grande Ocean Resort, Luxze Hitotsuba and Cottage HIMUKA)
	Golf Courses	45 holes (Phoenix Country Club, Tom Watson Golf Course), Phoenix Golf Academy
	Convention Center	Approx. 5,500 m <sup>2</sup> (capacity for approx. 5,000 people)
	Other Entertainment Facilities etc.	Spa, hot springs, fitness club, horse riding club, tennis court and wedding halls



# Segment Results: Resort Business (PARADISE CITY)



■Exterior

■Casino facility

■Lobby lounge (Hotel)

## <Overview>

<b>Facility name</b>	PARADISE CITY
<b>Operating company</b>	PARADISE SEGASAMMY Co.,Ltd.
<b>Facility address</b>	186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea
<b>Access to PARADISE CITY</b>	<ul style="list-style-type: none"> <li>■3-minute drive by car or shuttle bus (free of charge) 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport</li> <li>■Also a 5-minute drive from Incheon Interchange on the expressway</li> </ul>
<b>Number of employees</b>	2,144(as of June 30, 2020) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)
<b>Site area</b>	330,000m <sup>2</sup>
<b>Investment amount</b>	Approx. 1,567.5 billion KRW (amount invested by SEGA SAMMY: 331.9 billion KRW; shareholding ratio: 45%)
<b>Facility composition</b>	<ul style="list-style-type: none"> <li>• Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units)</li> <li>• Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.)</li> <li>• Convention · PLAZA (Commercial facility / cultural center, shopping mall)</li> </ul> <p>Facilities in temporary suspension (from Jul 1, 2020)</p> <ul style="list-style-type: none"> <li>• SPA · CLUB · Boutique Hotel (58 rooms)</li> <li>• WONDER BOX (for families)</li> </ul>

<b>Casino facility</b>	Upper limit for square measures of gaming areas within casino facility is 3% of the total floor area of IR facilities
<b>Facility No.1: International convention and conference facilities</b>	Capacity of the largest international convention and conference room must be more than 1,000 people. Total capacity of whole international convention and conference facilities must be more than twice of the capacity of the largest international convention and conference room.
<b>Facility No.2: Exhibition facilities</b>	<p>Square measures of exhibition facilities must meet the standards according to the below tier based on capacity of the largest international convention and conference room.</p> <p>(Capacity of the largest international convention and conference room)</p> <ul style="list-style-type: none"> <li>• More than 1,000 and less than 3,000 people ⇔ Total floor area of exhibition facilities: more than 120K m<sup>2</sup></li> <li>• More than 3,000 and less than 6,000 people ⇔ Total floor area of exhibition facilities: more than 60K m<sup>2</sup></li> <li>• More than 6,000 people ⇔ Total floor area of exhibition facilities: more than 20K m<sup>2</sup></li> </ul>
<b>Facility No.3: Facilities enhancing the attractiveness of tourism</b>	Theater, entertainment hall, concert hall, stadium, cinema, museum, gallery, restaurant and other facilities that contribute enhancing the attractiveness of Japanese tourism
<b>Facility No.4: Facilities with customer transfer functions</b>	Facilities satisfying below 4 conditions 1) showcase function, 2) concierge function, 3) multilingual support function, 4) sufficient facility scale
<b>Facility No.5: Accommodation facilities</b>	Total square measures for floor area of all guest rooms must be more than 100K m <sup>2</sup> and facilities must have suite rooms with appropriate square measures and certain ratio of suite rooms.
<b>Facility No. 6 Other facilities</b>	Facility contributing to the promotion of visit and stay of domestic and inbound tourists
<b>Other: Restriction of casino ads</b>	Can applies only to places where foreign travelers can stay until they complete immigration procedures at airports operating international flights and passenger terminals of ports where foreign cruise ships are in service
<b>Other: Transaction subject to report</b>	Cash transactions exceeding 1 million yen between casino business operators and customers

## < APPENDIX : Overview of revision to the rules >

<b>Date of enforcement</b>	<b>February 1, 2018</b>
<b>Pachislot and pachinko machine manufacturers</b>	(1) Matters related to regulations of pay-out balls/medals (2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked (3) Introduction of “multi stage payout-ratio” to pachinko machines
<b>Pachinko halls</b>	(4) Addition of responsibilities of administrators

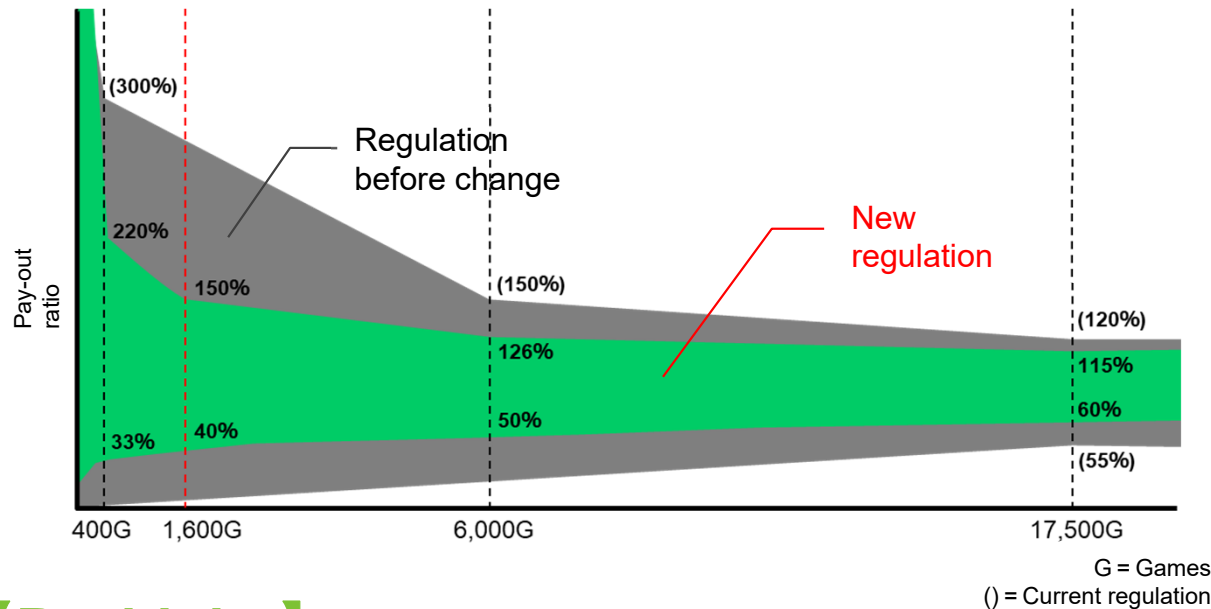
- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

\* (2) Able to play without touching balls and medals (record and pay-out electronically)



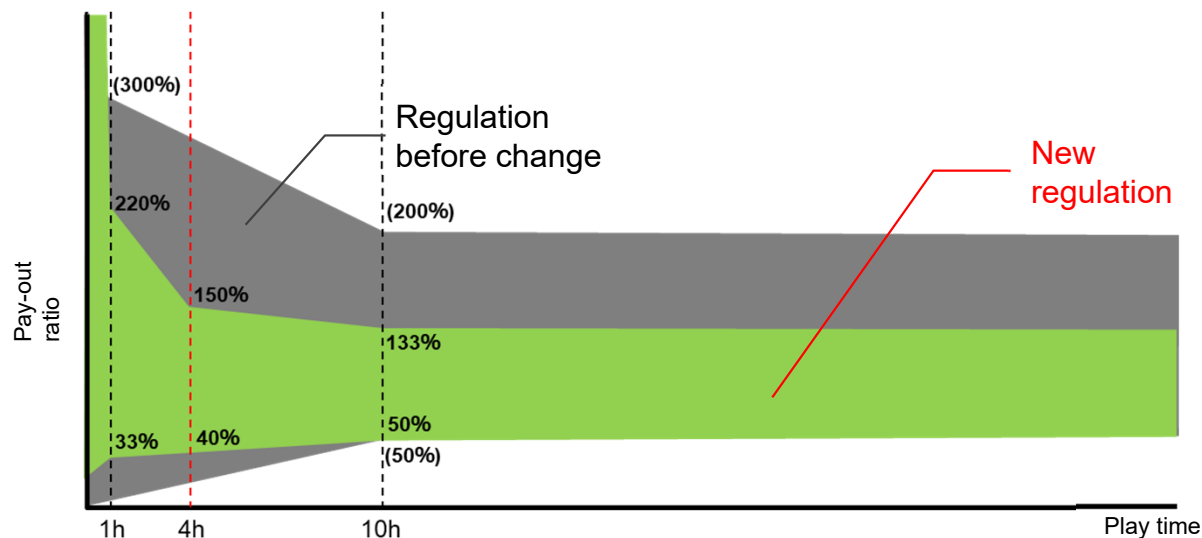
## < APPENDIX : Comparisons of pay-out ratio (image) >

### [Pachislot]



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

### [Pachinko]



$$\text{Pay-out ratio} = \frac{\text{Balls and medals played out}}{\text{Balls and medals used}}$$

## < APPENDIX : Overview of revisions to regulations >

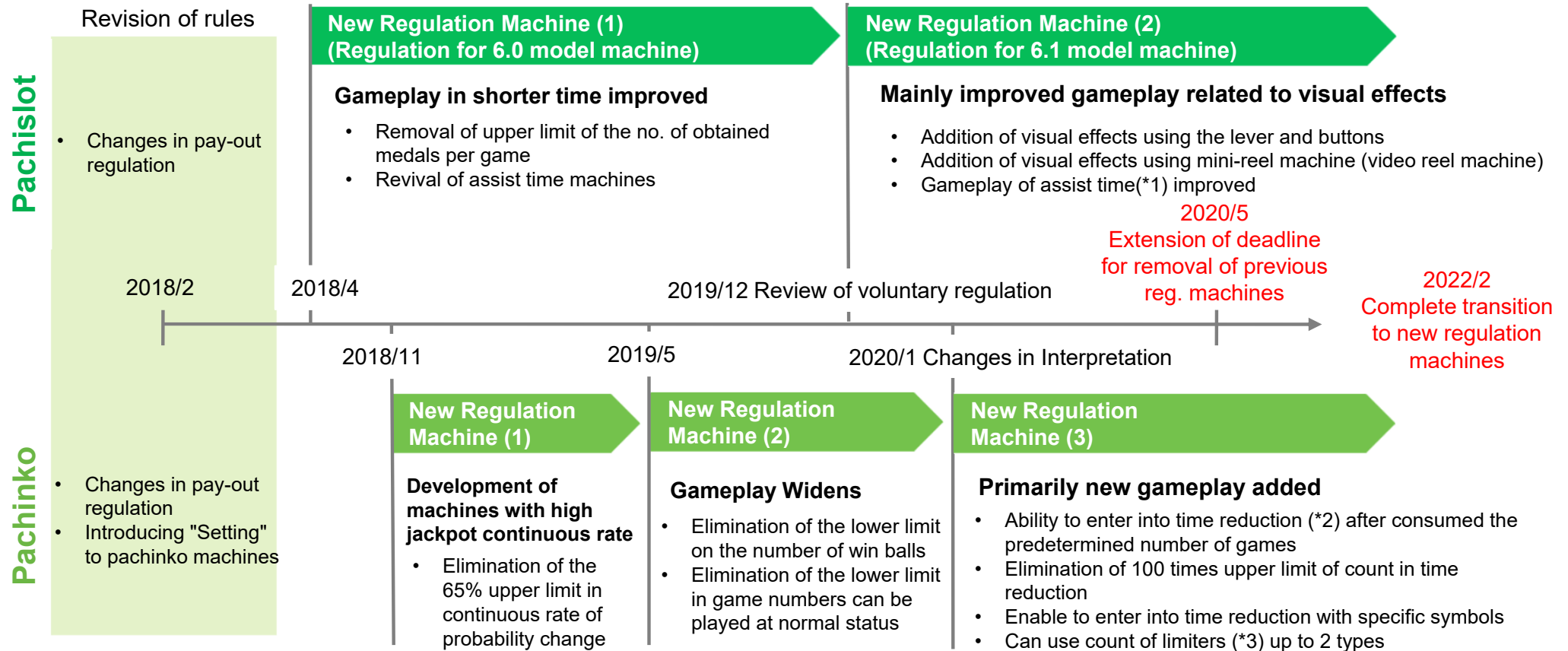
### 【Pachislot】

Content	Test				Multi stage payout-ratio	Number of pay-out medals when hitting a jackpot (Upper limit)
	400G	1,600G	6,000G	17,500G		
Regulation before change	Less than 300%	—	Less than 150%	Over 55% and less than 120%	Up to 6 stages	480
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 126%	Over 60% and less than 115%	Up to 6 stages	300

G=Games

### 【Pachinko】

Content	Test			Multi stage payout-ratio	Number of pay-out balls when hitting a jackpot (Upper limit)
	1 hour	4 hours	10 hours		
Regulation before change	Less than 300%	—	Over 50% and less than 200%	—	2,400
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 133%	Up to 6 stages	1,500



\*1: AT=assist time

\*2: Time reduction = Function to play games efficiently without greatly reducing the number of balls.

\*3: Limiter = one of the functions in probability change, refers to the function of the probability change ends when the predetermined number of jackpots times consumed.

## Overview of the extension of the deadline of previous regulation machines

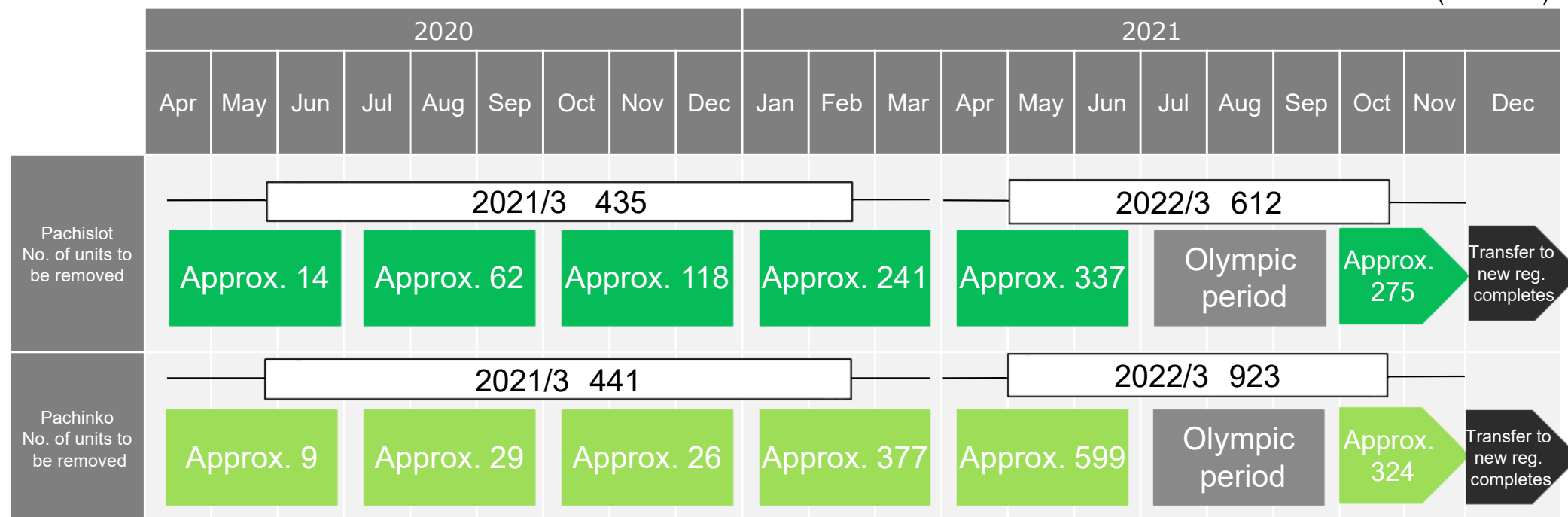
May 20, 2020

- ✓ The transitional period of previous regulation machines with some exception extended for 1 year by the amendment of enforcement regulations of the Law on Control and Improvement of Amusement and Entertainment Businesses.
- ✓ 21st Century Pachinko and Pachislot Industry Association which consists of 14 groups from the industry resolved the phased removal

### Number of previous regulation machines that are due for removal

\*Schedule after the announcement of extension of deadline for removal

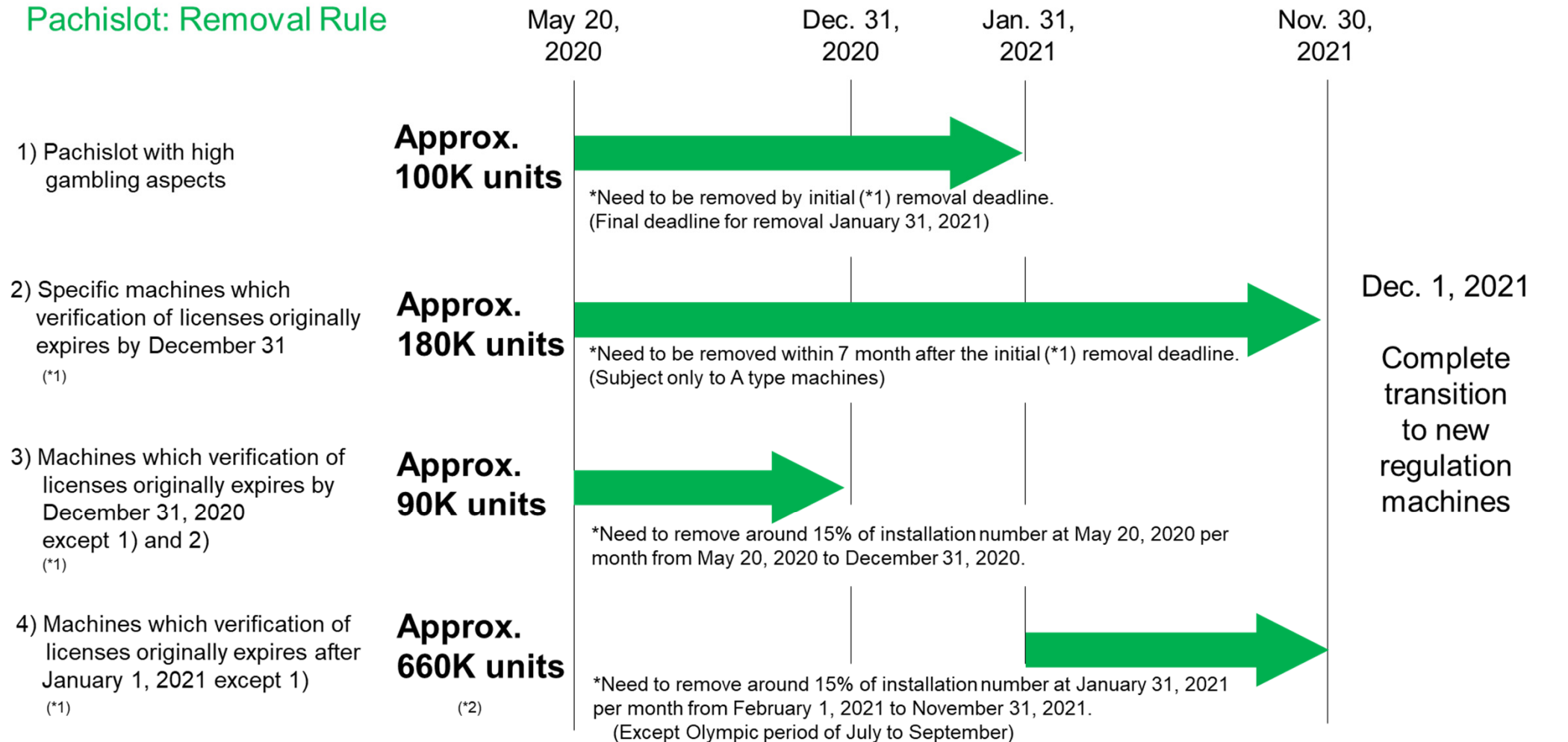
Thousand of units  
(Estimates)



\*Numbers above are in-house estimation as of end of July, 2020

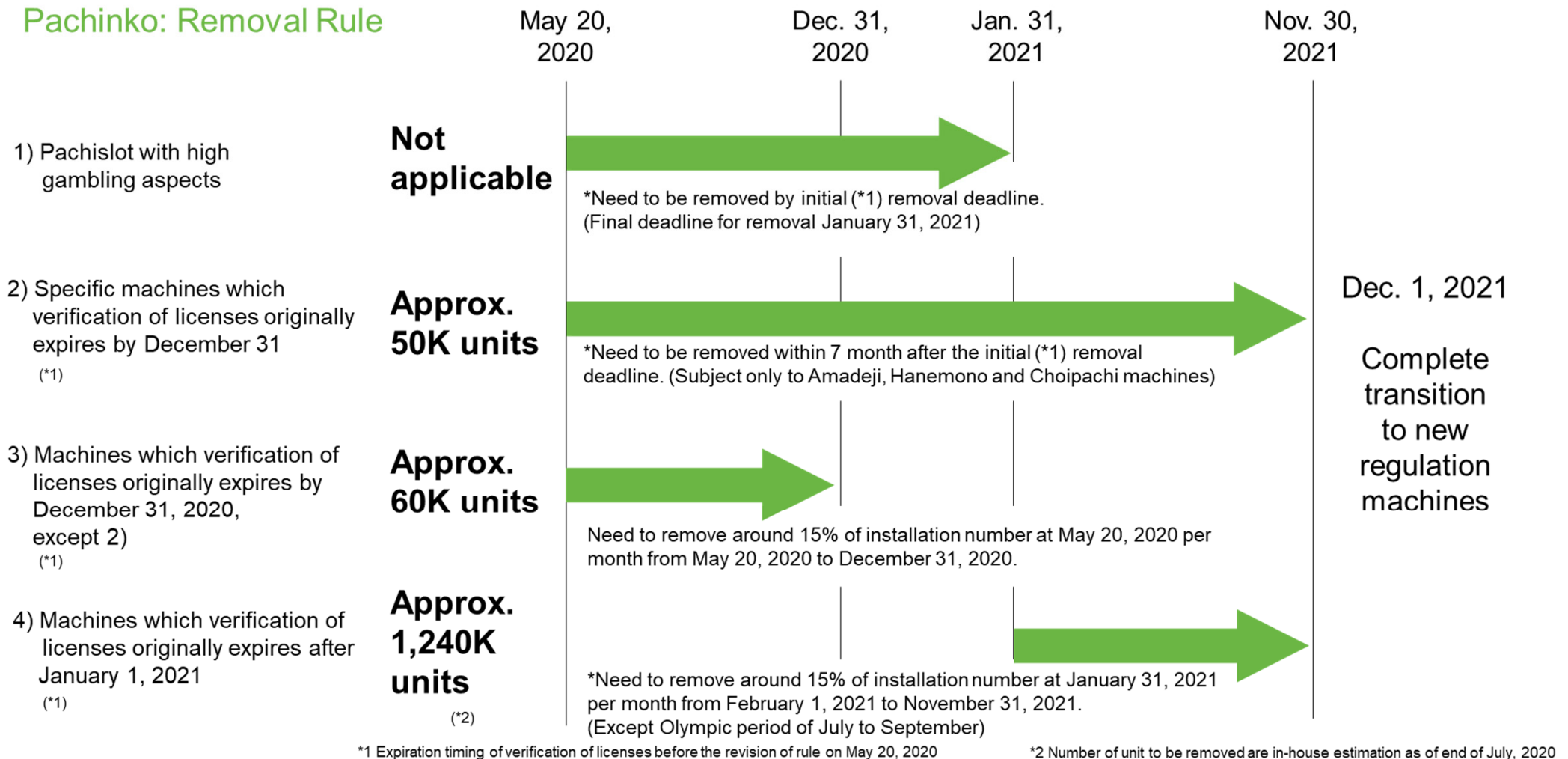
# Schedule for transferring to new regulation machines

## Pachislot: Removal Rule

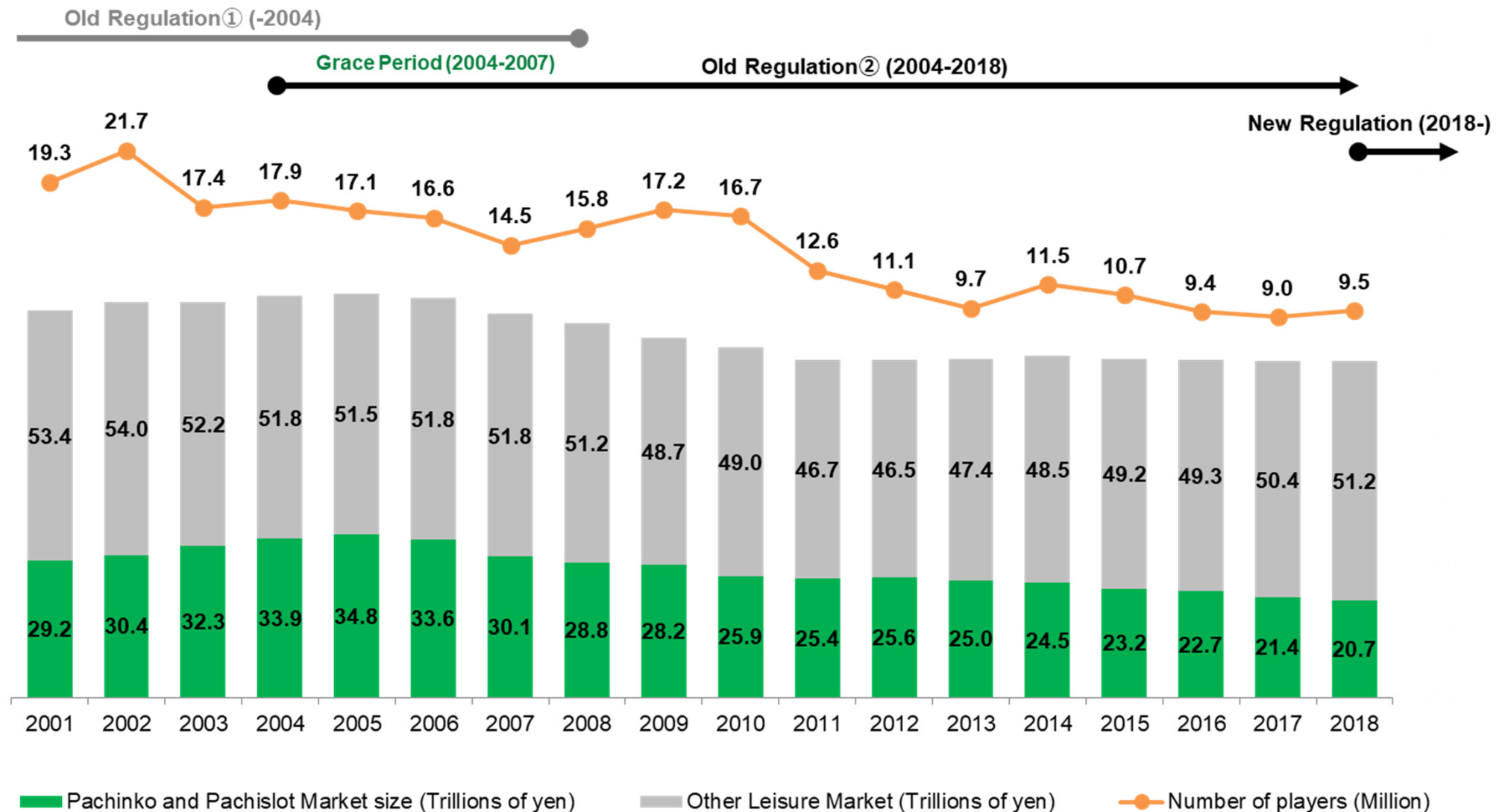


# Schedule for transferring to new regulation machines

## Pachinko: Removal Rule



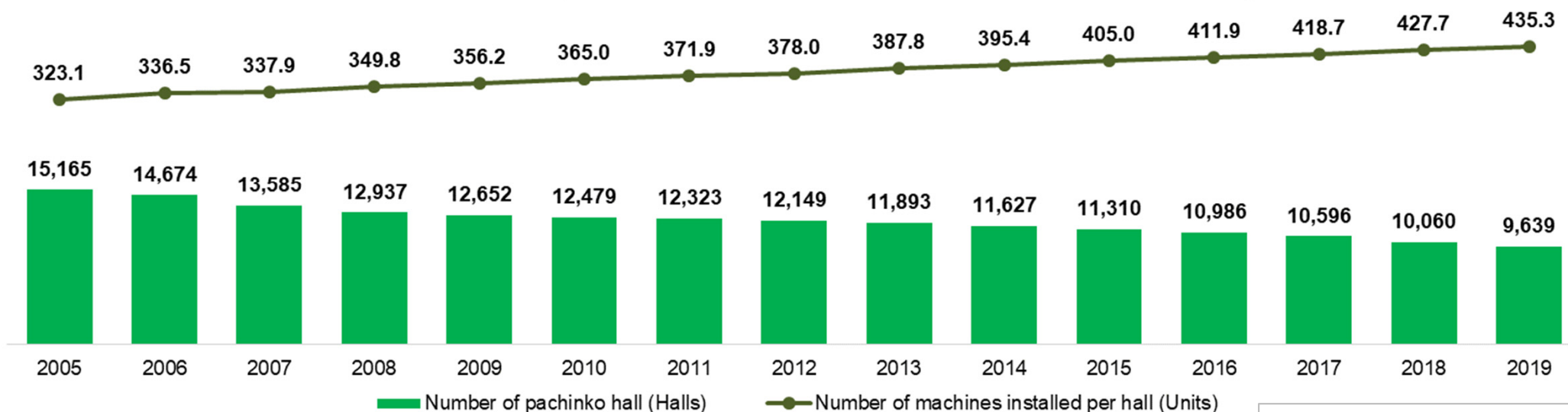
## Transition of market size and number of players



Source: White Paper on Leisure Industry 2019, Japan Productivity Center

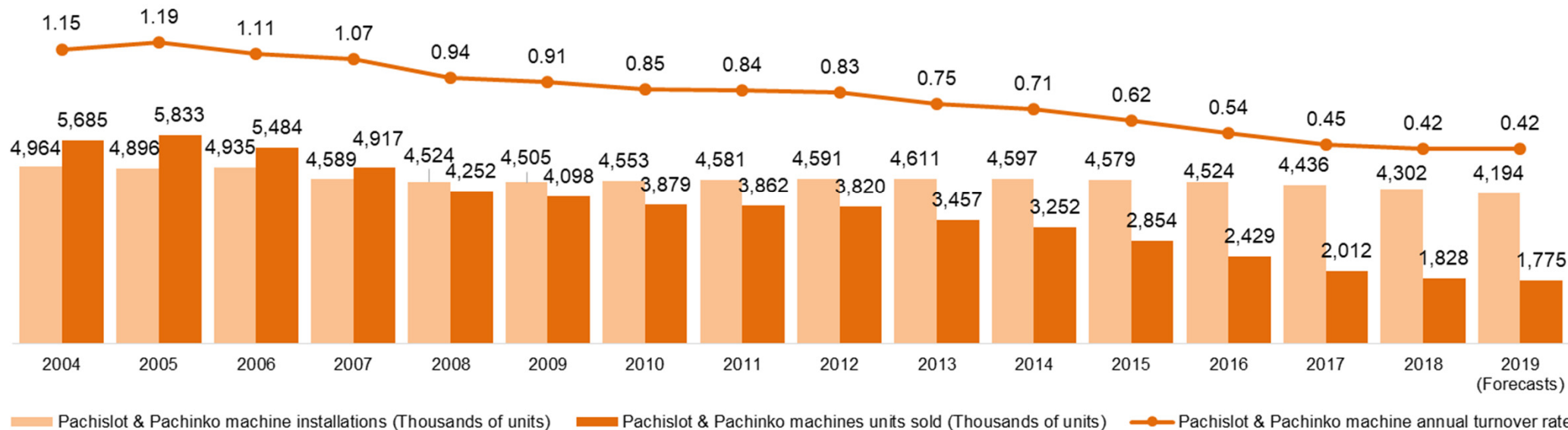


Transition of number of pachinko halls and number of machines installed per hall



Sources : National Police Agency

Pachislot & Pachinko machine Installations, Unit sales and Annual turnover

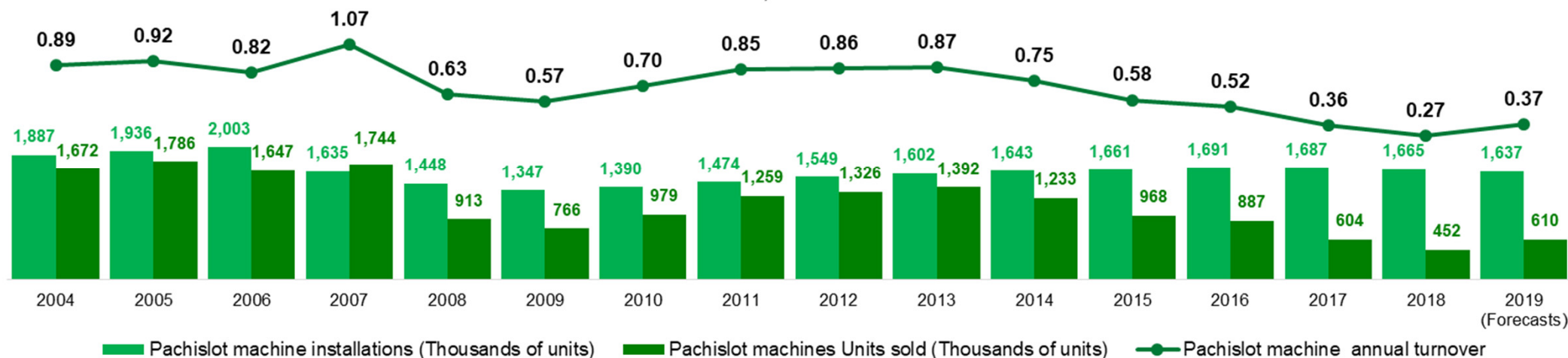


Sources: National Police Agency and Yano research Institute Ltd. (\*The data for 2019 are our forecasts)

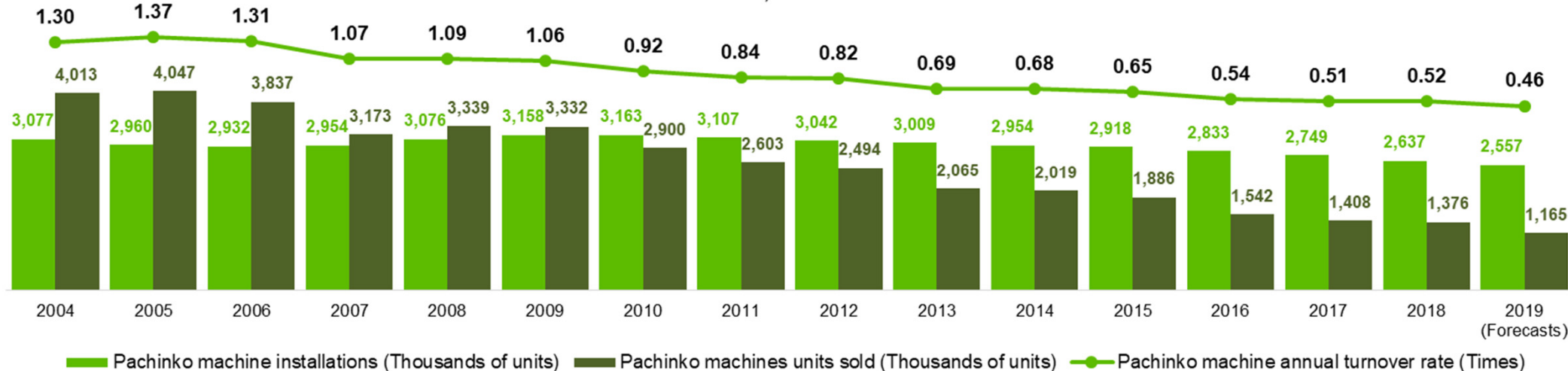


# Pachinko and Pachislot Machine Markets

Pachislot machine installations, unit sales and annual turnover rate

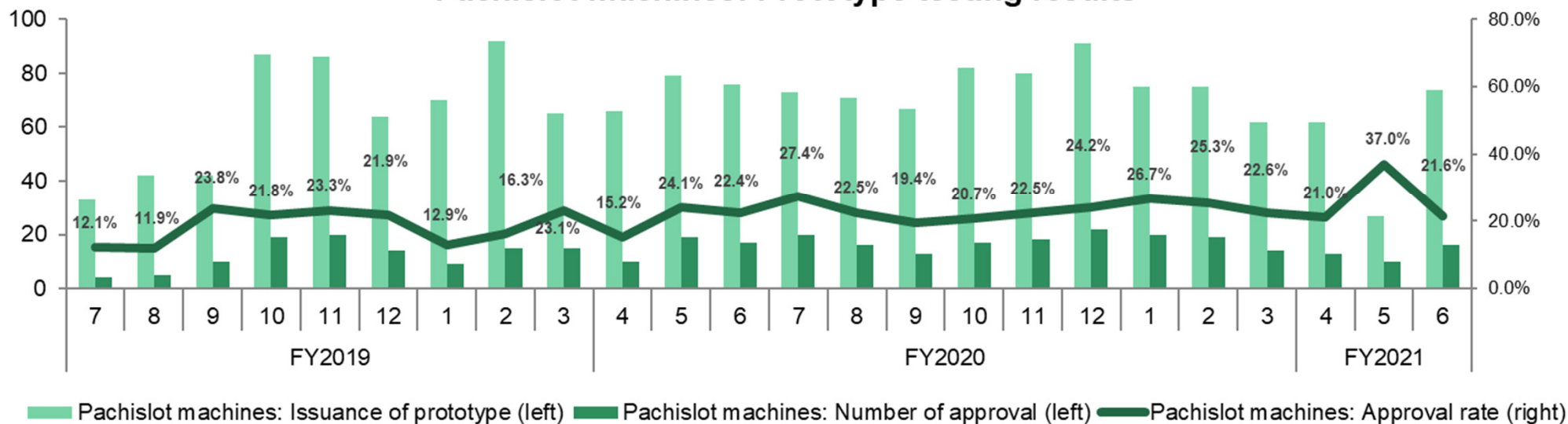


Pachinko machine installations, unit sales and annual turnover rate

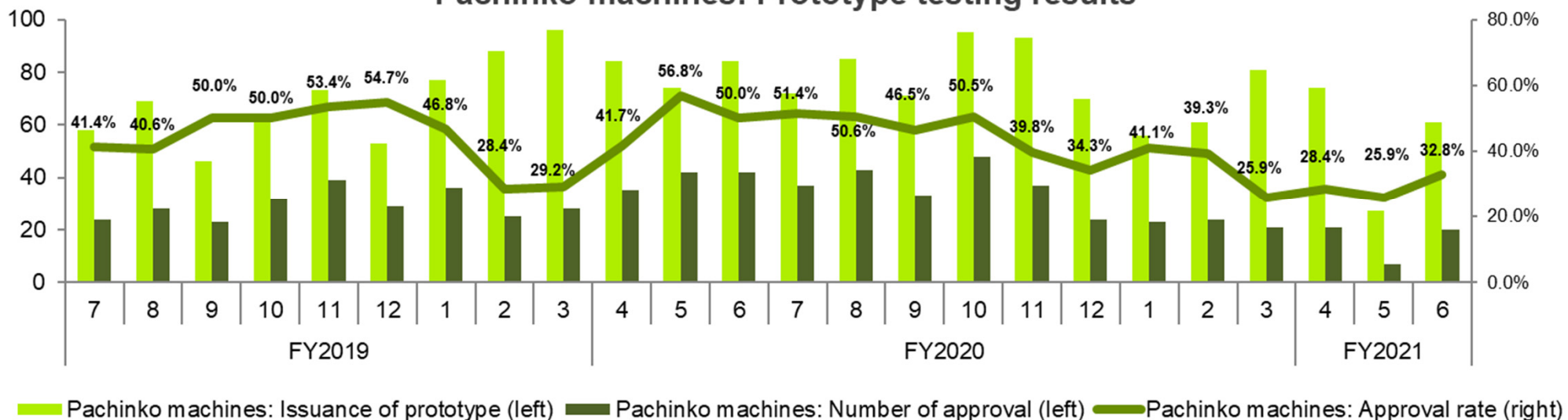


Sources: National Police Agency and Yano research Institute Ltd. (\*The data for 2019 are our forecasts)

## Pachislot machines: Prototype testing results



## Pachinko machines: Prototype testing results



Source: Security Communications Association

## Share of Annual Pachislot Machine Sales

Rank	2013			2014			2015			2016			2017			2018		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	Sammy	301,575	21.7%	Sammy	207,828	16.8%	UNIVERSAL	165,000	17.0%	Sammy	215,736	24.3%	KITA DENSHI	107,000	17.7%	D company	80,000	17.7%
2	UNIVERSAL	215,000	15.5%	UNIVERSAL	205,000	16.6%	Sammy	142,337	14.7%	UNIVERSAL	203,000	22.9%	DAITO	100,000	16.5%	K company	68,000	15.0%
3	HEIWA/OLYMPIA	120,000	8.6%	DAITO	128,000	10.4%	HEIWA/OLYMPIA	113,997	11.8%	KITA DENSHI	90,500	10.2%	Sammy	85,041	14.1%	Sammy	67,140	14.8%
4	SANKYO	116,291	8.4%	YAMASA	108,000	8.8%	KITA DENSHI	100,000	10.3%	HEIWA/OLYMPIA	80,953	9.1%	UNIVERSAL	43,000	7.1%	H company	47,244	10.4%
5	DAITO	102,000	7.3%	HEIWA/OLYMPIA	92,763	7.5%	SANKYO	80,125	8.3%	Enterrise	57,000	6.4%	YAMASA	38,000	6.3%	U company	37,365	8.3%

## Share of Annual Pachinko Machine Sales

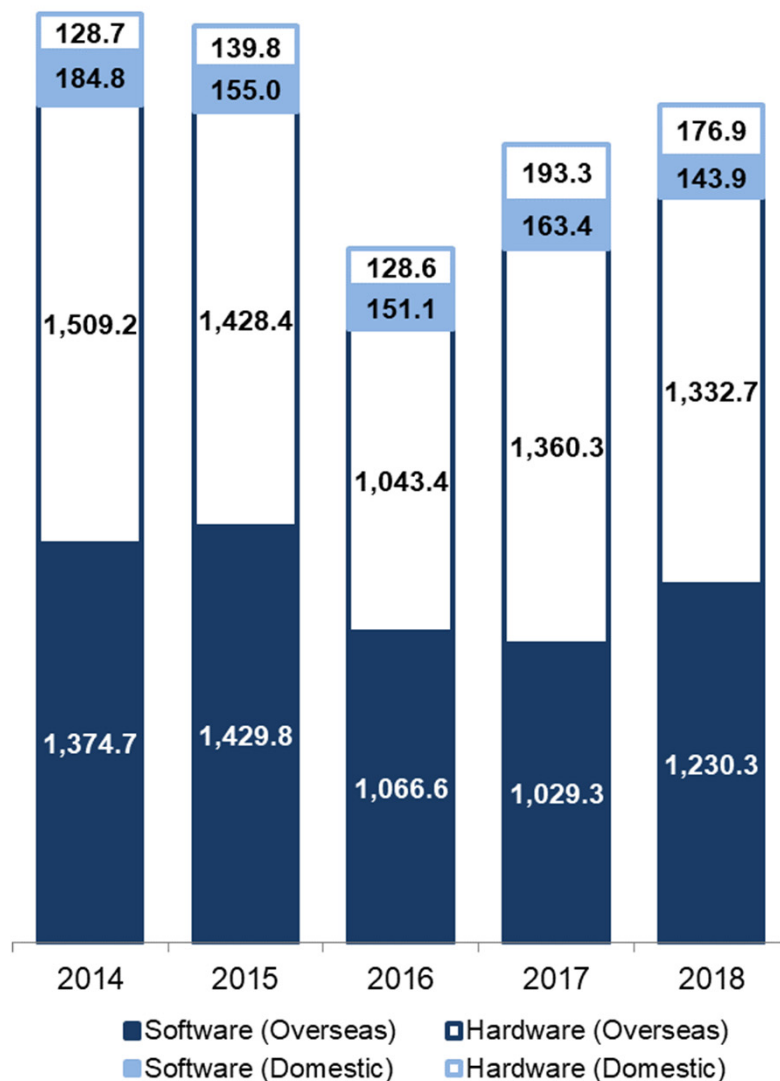
Rank	2013			2014			2015			2016			2017			2018		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	KYORAKU	349,000	17.0%	SANYO	330,000	16.3%	Sansei R&D	300,000	15.9%	SANYO	306,000	19.8%	SANYO	330,000	23.4%	S company	250,000	18.2%
2	SANYO	315,000	15.4%	SANKYO	329,892	16.3%	SANKYO	296,346	15.7%	Sansei R&D	209,000	13.5%	SANKYO	171,919	12.2%	S company	196,007	14.2%
3	SANKYO	291,967	14.3%	KYORAKU	308,000	15.3%	SANYO	275,000	14.6%	HEIWA/OLYMPIA	192,761	12.5%	Sammy	140,013	9.9%	K company	192,800	14.0%
4	Sammy	200,225	9.8%	HEIWA/OLYMPIA	252,103	12.5%	HEIWA/OLYMPIA	234,616	12.4%	SANKYO	172,954	11.2%	KYORAKU	140,000	9.9%	Sammy	159,848	11.6%
5	HEIWA/OLYMPIA	197,000	9.6%	Sammy	241,425	12.0%	Newgin	220,000	11.7%	Newgin	160,000	10.4%	Sansei R&D	130,000	9.2%	H company	118,880	8.6%
6							Sammy	199,014	10.5%	Sammy	138,321	9.0%						

Source: Yano Research Institute Ltd.

\*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

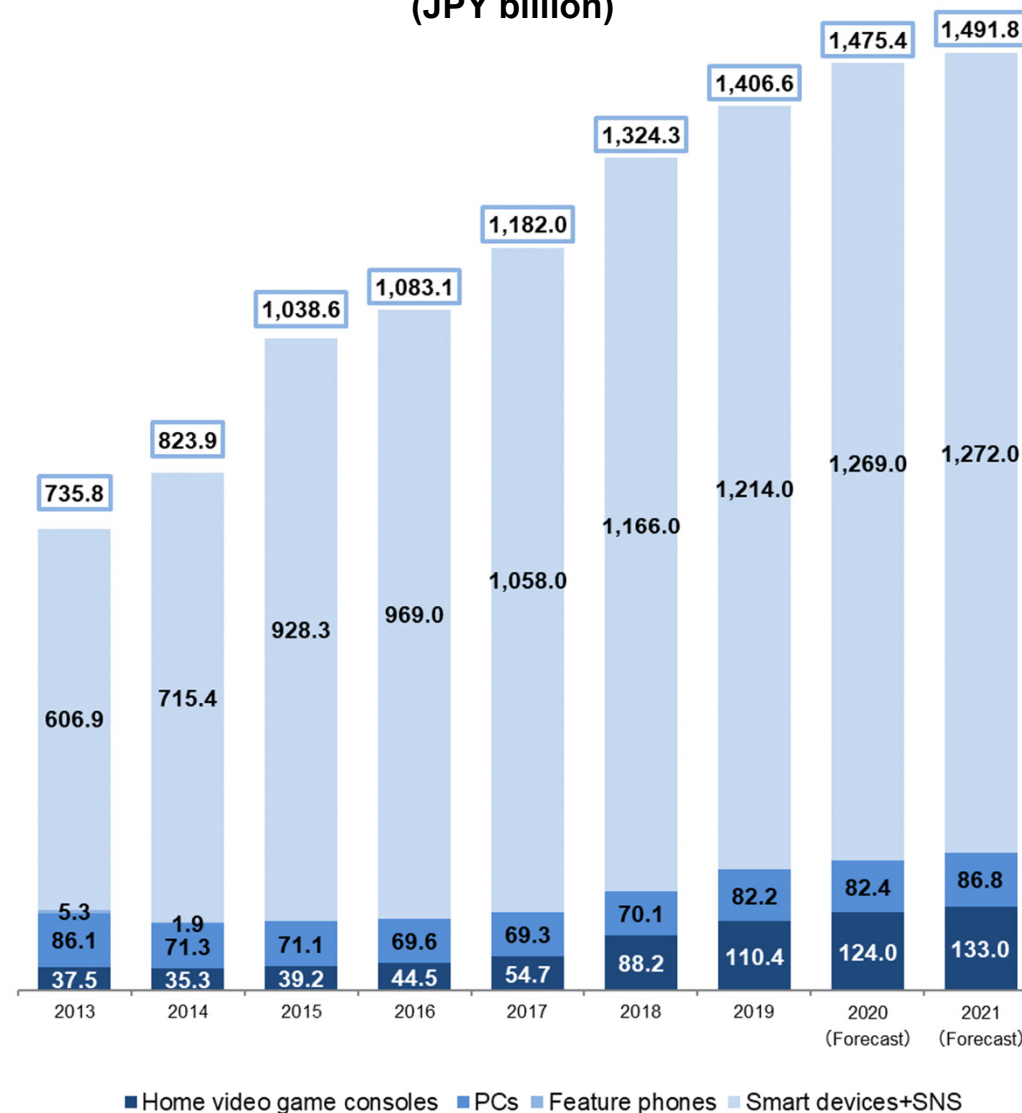
## Home Video Game and Online Game Markets Scale

Home Video Games: Overall Shipment Scale  
(JPY billion)



Source: CESA Games White Paper

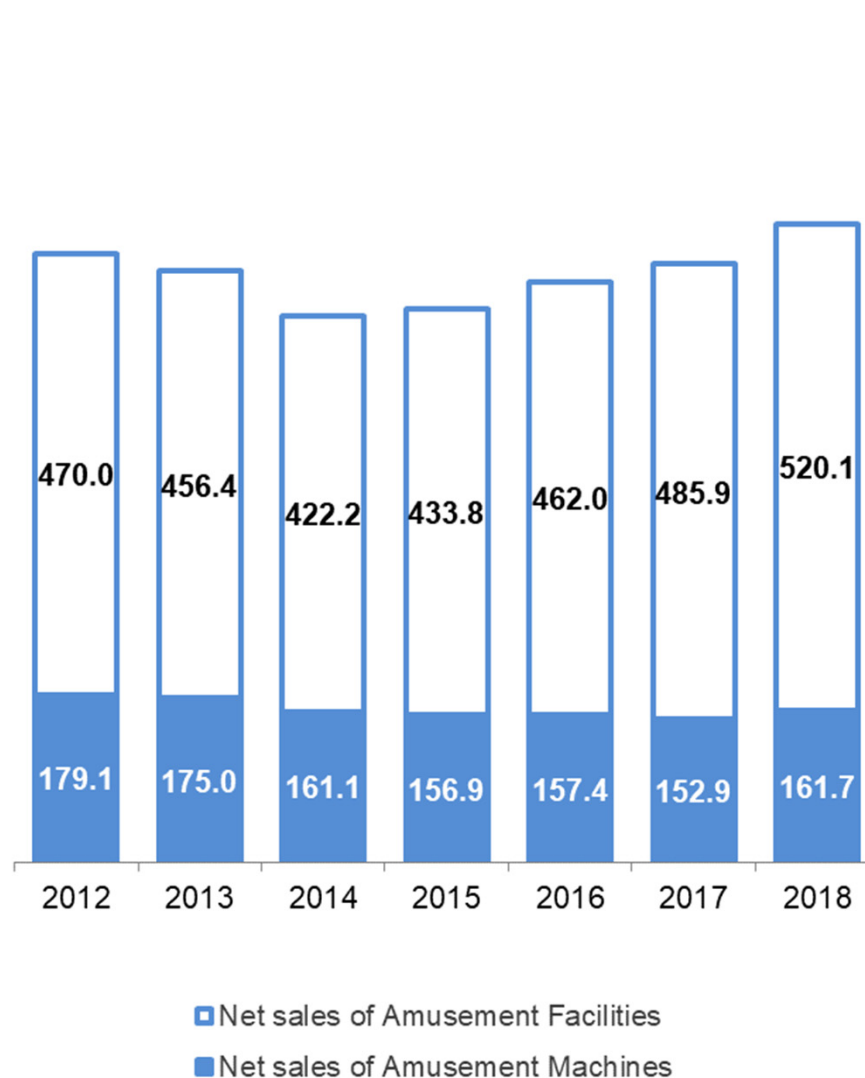
Japan's Market for Game Content with Network Connectivity  
(JPY billion)



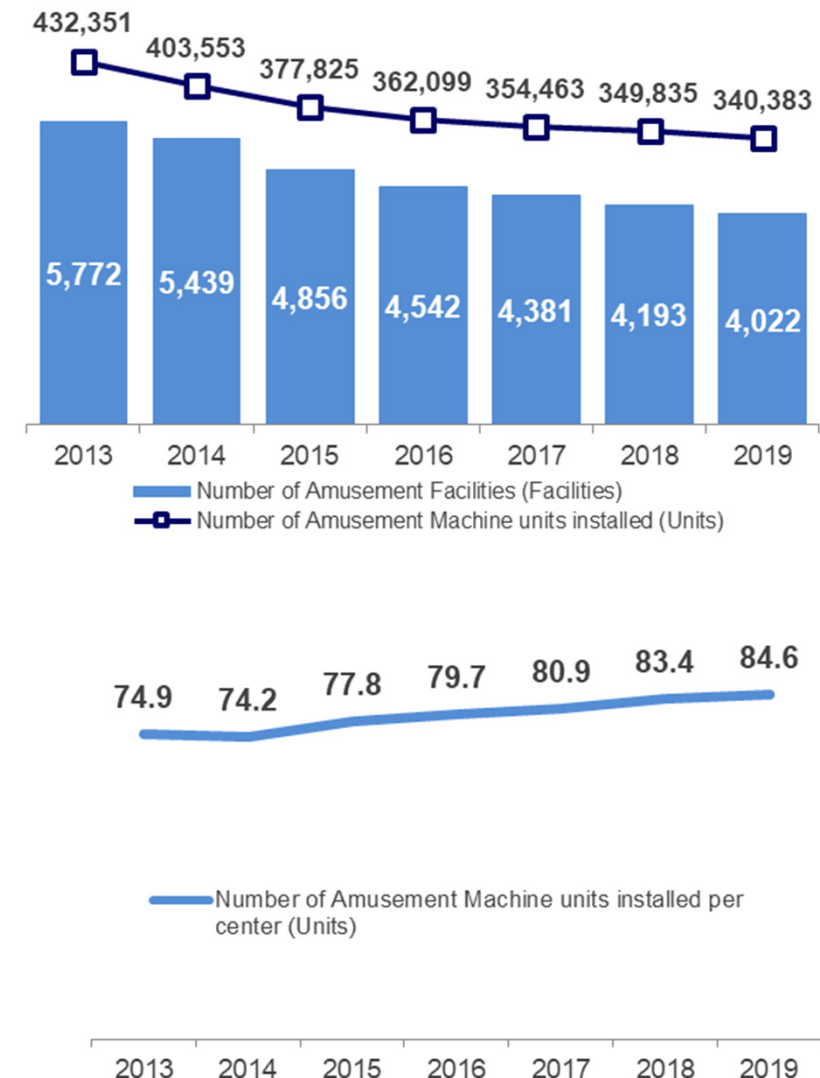
Source: f-ism

## Amusement Machine and Amusement Center Operations Markets Scale

Amusement Machine / Facilities sales (JPY billion)



Number of Amusement Facilities / Amusement Machine unit installed



Source: JAIA, National Police Agency

# Past Operating Results①

From FY Ended March 2015~

\*The data in this page can be downloaded from following URL.

([https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e\\_202103\\_1q\\_transition.xls](https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e_202103_1q_transition.xls))

(JPY Billion)	FY Ended March 2015	FY Ended March 2016	FY Ended March 2017		FY Ended March 2018		FY Ended March 2019		FY Ended March 2020				FY Ended March 2021
	Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Results Through 4Q	Results Through 2Q	Results Through 4Q	Results Through 1Q	Results Through 2Q	Results Through 3Q	Results Through 4Q	Results Through 1Q
<b>Net Sales</b>	<b>366.8</b>	<b>347.9</b>	<b>169.5</b>	<b>366.9</b>	<b>194.7</b>	<b>323.6</b>	<b>171.0</b>	<b>331.6</b>	<b>72.7</b>	<b>165.5</b>	<b>280.8</b>	<b>366.5</b>	<b>48.3</b>
Pachislot and Pachinko Machines	152.1	132.7[141.0]*	64.9	148.2	88.3	105.6	58.6	101.4	17.1	44.1[44.2]*	86.2[86.3]*	108.3[108.5]*	2.7
Entertainment Contents	199.6	198.8[190.5]*	97.8	205.7	101.5	208.0	107.2	219.6	53.0	115.8[115.7]*	186.2[186.1]*	247.7[247.6]*	45.1
Resort	14.9	16.3	6.7	13.0	4.7	9.9	5.1	10.5	2.4	5.5	8.2	10.4	0.4
Other / Elimination	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.1
<b>Operating Income</b>	<b>17.4</b>	<b>17.6</b>	<b>15.3</b>	<b>29.5</b>	<b>26.8</b>	<b>17.7</b>	<b>10.2</b>	<b>13.0</b>	<b>3.4</b>	<b>14.6</b>	<b>28.0</b>	<b>27.6</b>	<b>-3.8</b>
Pachislot and Pachinko Machines	25.7	21.5[20.9]*	10.6	26.3	21.4	11.9	9.6	13.4	1.3[1.0]*	7.8[7.3]*	20.7[19.9]*	24.9[23.2]*	-8.4
Entertainment Contents	0.0	3.6[4.2]*	9.1	11.1	10.1	14.8	6.1	9.8	4.9[5.2]*	12.7[13.2]*	16.1[17.0]*	14.8[16.5]*	8.1
Resort	-2.3	-1.8	-1.3	-2.2	-1.2	-2.5	-1.1	-2.4	-0.8	-1.5	-2.3	-3.6	-1.7
Other / Elimination	-6.0	-5.7	-3.1	-5.7	-3.4	-6.5	-4.4	-7.8	-2.0	-4.4	-6.6	-8.5	-1.8
Operating Margin	4.7%	5.1%	9.0%	8.0%	13.8%	5.5%	6.0%	3.9%	4.7%	8.8%	10.0%	7.5%	-
<b>Non-operating income</b>	<b>2.8</b>	<b>3.1</b>	<b>2.1</b>	<b>3.8</b>	<b>1.8</b>	<b>3.2</b>	<b>1.3</b>	<b>2.1</b>	<b>0.8</b>	<b>1.3</b>	<b>1.8</b>	<b>3.2</b>	<b>0.6</b>
Pachislot and Pachinko Machines	-	-	-	-	-	-	-	-	0.1	0.2	0.4	0.7	0.1
Entertainment Contents	-	-	-	-	-	-	-	-	0.3	0.3	0.3	1.3	0.2
Resort	-	-	-	-	-	-	-	-	0.1	0.2	0.2	0.2	0.0
<b>Non-operating expenses</b>	<b>3.4</b>	<b>4.3</b>	<b>2.0</b>	<b>4.8</b>	<b>3.3</b>	<b>6.4</b>	<b>2.3</b>	<b>7.7</b>	<b>1.9</b>	<b>3.3</b>	<b>4.0</b>	<b>5.5</b>	<b>0.8</b>
Pachislot and Pachinko Machines	-	-	-	-	-	-	-	-	0.1	0.3	0.8	1.1	0.2
Entertainment Contents	-	-	-	-	-	-	-	-	0.6	0.8	1.3	1.6	0.1
Resort	-	-	-	-	-	-	-	-	0.9	1.7	1.2	1.9	0.3
<b>Ordinary Income</b>	<b>16.8</b>	<b>16.4</b>	<b>15.4</b>	<b>28.5</b>	<b>25.2</b>	<b>14.5</b>	<b>9.1</b>	<b>7.4</b>	<b>2.3</b>	<b>12.6</b>	<b>25.8</b>	<b>25.2</b>	<b>-4.0</b>
Pachislot and Pachinko Machines	-	-	-	-	-	-	-	-	0.9	7.2	19.4	22.7	-8.5
Entertainment Contents	-	-	-	-	-	-	-	-	4.9	12.8	16.0	16.2	8.2
Resort	-	-	-	-	-	-	-	-	-1.6	-3.1	-3.3	-5.3	-2.1
Other / Elimination	-	-	-	-	-	-	-	-	-1.9	-4.3	-6.3	-8.4	-1.6
Ordinary Income Margin	4.6%	4.7%	9.1%	7.8%	12.9%	4.5%	5.3%	2.2%	3.2%	7.6%	9.2%	6.9%	-
<b>Profit attributable to owners of parent</b>	<b>-11.3</b>	<b>5.3</b>	<b>24.2</b>	<b>27.6</b>	<b>17.7</b>	<b>8.9</b>	<b>6.7</b>	<b>2.6</b>	<b>1.7</b>	<b>9.8</b>	<b>22.9</b>	<b>13.7</b>	<b>-3.3</b>
Net Income Margin	-	1.5%	14.3%	7.5%	9.1%	2.8%	3.9%	0.8%	2.3%	5.9%	8.2%	3.7%	-

\*Net sales of new segment is shown in total amount bases.

\*Basis for recording of sales was changed from shipping basis to delivery basis from FY2016/3.

\*In line with the change of accounting policy, the figures for new segment reflect the change from FY2015/3 retrospectively.

\*Some business has shifted from Entertainment Contents business to Pachinko and Pachislot business and numbers shown in [] are retroactively adjusted figures which reflect such change.

\*Number of packaged titles include the number of titles in Asian territory except Japan from FY2017/3.

\*Numbers of titles and sales units of Full Game in FY2020/3 results was revised due to the change of subsegment classifications in Entertainment Contents business

# Past Operating Results②

From FY Ended March 2015~

\*The data in this page can be downloaded from following URL.

([https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e\\_202103\\_1q\\_transition.xls](https://www.segasammy.co.jp/english/ir/library/pdf/settlement/2020/e_202103_1q_transition.xls))

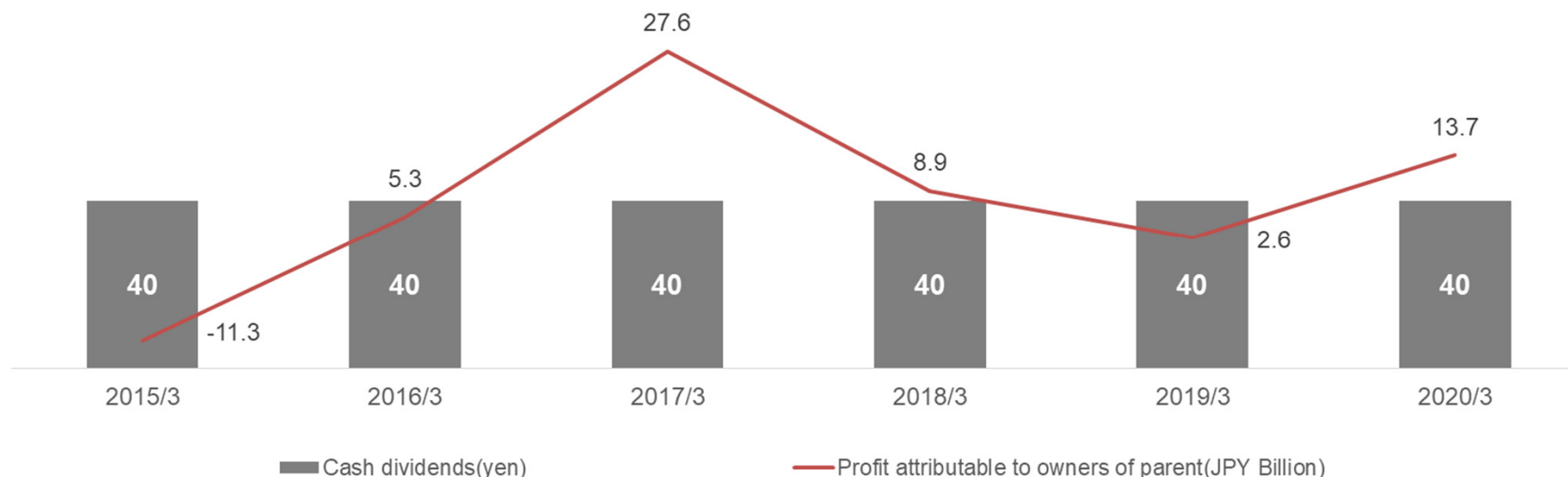
(JPY Billion)	FY Ended March 2015	FY Ended March 2016	FY Ended March 2017		FY Ended March 2018		FY Ended March 2019		FY Ended March 2020				FY Ended March 2021
	Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Results Through 4Q	Results Through 2Q	Results Through 4Q	Results Through 1Q	Results Through 2Q	Results Through 3Q	Results Through 4Q	Results Through 1Q
ROA	-2.2%	1.0%	-	5.2%	-	1.8%	-	0.6%	-	-	-	3.0%	-
ROE	-3.4%	1.8%	-	9.2%	-	2.9%	-	0.9%	-	-	-	4.6%	-
Equity Ratio	60.0%	55.3%	-	59.0%	-	65.0%	-	65.1%	-	-	-	64.2%	-
Cash flows to interest bearing debt ratio	301.9%	798.8%	-	178.6%	-	334.7%	-	520.9%	-	-	-	207.2%	-
Interest coverage ratio	45.2 times	19.1 times	-	61.4times	-	36.5 times	-	27.3 times	-	-	-	83.6 times	-
R&D expense / content production expense	67.6	58.0	31.7	67.1	30.7	62.0	30.8	66.6	17.1	33.5	56.4	76.5	14.7
Cap-ex	28.7	28.0	13.8	27.0	10.3	24.1	17.8	34.4	5.1	10.5	16.1	22.8	3.6
Depreciation	17.6	16.6	7.6	16.3	8.2	16.2	7.4	14.5	3.6	7.3	10.9	14.8	3.6
Advertising	19.1	17.9	7.6	14.8	7.8	15.4	8.4	16.0	3.6	8.5	12.9	17.4	2.0
# of pachislot titles	6 titles	7 titles	3 titles	10 titles	8 titles	9 titles	1 title	6 titles	0 title	1 title	3 titles	5 titles	0 title
Unit sales	207,830 units	142,337 units	81,895 units	215,736 units	75,380 units	85,041 units	12,853 units	67,140 units	17,930 units	28,360 units	105,860 units	123,336 units	485 units
# of pachinko titles	10 titles	8 titles	3 titles	9 titles	4 titles	5 titles	3 titles	7 titles	2 title	4 titles	5 titles	7 titles	0 title
Unit sales	241,425 units	199,014 units	75,542 units	138,321 units	119,312 units	140,013 units	117,891 units	159,848 units	16,212 units	66,140 units	75,094 units	104,581 units	177 units
YoY sales comparison of existing amusement centers	100.1%	103.1%	110.8%	108.5%	101.5%	101.9%	104.5%	104.0%	109.0%	103.6%	100.7%	97.7%	27.4%
No. of domestic amusement centers	198 facilities	194 facilities	189 facilities	191 facilities	189 facilities	189 facilities	189 facilities	190 facilities	191 facilities	192 facilities	195 facilities	192 facilities	195 facilities
# of game software titles	30 titles	29 titles	21 titles	42 titles	16 titles	38 titles	18 titles	31 titles	9 titles	13 titles	26 titles	36 titles	4 titles
Sales (Thousand units)	12,280	9,220	4,650	10,280	8,650	17,330	11,180	23,440	6,490	12,100	20,570	28,570	12,980



## Dividend Policy

Continue to pay an annual dividend of ¥40

\*Dividend plan for this fiscal year is not yet determined.



## Introduction of Shareholder Benefits

We introduced shareholders benefit program to encourage shareholders to experience our services and hold our shares over the mid to long term. From March 31, 2020, we have expanded the contents of the program and also introduced the option for donation to social contribution activities.

Number of owned shares	Shareholder benefit contents (annual)	
	Less than 2 consecutive years	More than 2 consecutive years (New)
More than 100 shares Less than 1,000 shares	i) 2,000 yen worth	
More than 1,000 shares Less than 3,000 shares	i) 2,000 yen worth ii) 20,000 yen worth	
More than 3,000 shares Less than 5,000 shares	i) 2,000 yen worth ii) 40,000 yen worth	i) 2,000 yen worth ii) 40,000 yen worth iii) 1 ticket (To be gifted on December)
More than 5,000 shares Less than 20,000 shares	i) 2,000 yen worth ii) 40,000 yen worth iii) 2 tickets iv) 2 tickets	i) 2,000 yen worth ii) 40,000 yen worth iv) 2 tickets v) 2 tickets
20,000 shares or more (New)	i) 2,000 yen worth ii) 40,000 yen worth iv) 2 tickets vi) 2 tickets	

- Voucher for either UFO Catcher, redeemable at SEGA game centers in Japan or redeemable at SEGA Catcher Online
- Facility use ticket, redeemable at Phoenix Seagaia Resort (Miyazaki Prefecture)
- Free accommodation ticket (1 room, maximum 2 adults) usable at Sheraton Grande Ocean Resort in Phoenix Seagaia Resort
- Free accommodation ticket (1 room, maximum 2 adults) usable at Paradise Hotel & Resort in Paradise City (Incheon, Korea)
- Free accommodation ticket (1 room, maximum 2 adults) usable at premium category "Club Floor" of Sheraton Grande Ocean Resort in Phoenix Seagaia Resort
- Free accommodation ticket (1 room, maximum 2 adults) usable at premium category suite room of Sheraton Grande Ocean Resort in Phoenix Seagaia Resort

\*Please see the [official website of SEGA SAMMY HOLDINGS](#) for the details about shareholder benefits program



## Company Profile

(As of March 31, 2020)

<b>Company Name</b>	SEGA SAMMY HOLDINGS INC.
<b>Address</b>	Sumitomo Fudosan Osaki Garden Tower, 1-1-1 Nishi-Shinagawa, Shinagawa-ku, Tokyo
<b>Established</b>	October 1, 2004
<b>Capital</b>	¥29.9 billion
<b>Number of Employees</b>	8,798 (Consolidated)
<b>Stock Exchange</b>	Tokyo Stock Exchange (Stock Code : 6460)

## Managements (As of June 24, 2020)

Chairman and Group CEO, Representative Director	Hajime Satomi
President and Group COO, Representative Director	Haruki Satomi
Senior Executive Vice President, Director of the Board	Naoya Tsurumi
Senior Executive Vice President and Group CFO, Director of the Board	Koichi Fukazawa
Senior Vice President, Director of the Board	Hideo Yoshizawa
Director of the Board (External)	Takeshi Natsuno
Director of the Board (External)	Kohei Katsukawa
Director of the Board (External)	Melanie Brock
Standing Audit & Supervisory Board Member	Shigeru Aoki
Audit & Supervisory Board Member	Yukito Sakaue
Audit & Supervisory Board Member (External)	Mineo Enomoto
Audit & Supervisory Board Member (External)	Kazutaka Okubo
Substitute Audit & Supervisory Board Member (External)	Kazuaki Inaoka

## Information on Outstanding Shares

(As of March 31, 2020)

<b>Number of shares authorized for issuance</b>	800,000,000 shares
<b>Total number of shares issued and outstanding</b>	266,229,476 shares
<b>Number of Shareholders</b>	72,584

### ■Principal Shareholders

Name of Shareholder	Shares Held	Shareholding Ratio (%)
HS Company	35,308,000	13.26
SEGA SAMMY HOLDINGS INC.	31,138,238	11.69
The Master Trust Bank of Japan, Ltd. (Trust account)	16,252,100	6.10
FSC Co., Ltd.	13,622,840	5.11
Japan Trustee Services Bank, Ltd. (Trust account)	10,185,700	3.82

### ■Distribution of Shareholders

Financial Institutions	18.06%
Securities Companies	1.64%
Other Companies	21.06%
Foreign Institutions and Individuals	27.32%
Japanese Individuals and Other	20.22%
Treasury Stock	11.70%

\*Including the number of share less than 1 unit



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

Please visit below websites for products and service information.

<https://www.segasammy.co.jp/english/pr/corp/group/list.html>

(SegaSammy Group Website list)

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

**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/english/ir/stock/regulation/>