

SUSTAINABILITY STATEMENT

“No one left behind”

GROUP MISSION
Constantly Creating, Forever Captivating
— Making Life More Colorful —

SEGA SAMMY GROUP
SUSTAINABILITY VISION
Sustainability helps keep life colorful

We at SEGA SAMMY believe our determination to enhance life
with a rich and colorful stream of
captivating experiences should be reflected in our approach to sustainability.

It is our responsibility to put sustainability at the heart of everything we do,
in tandem with our people, society, and the environment.

SEGA SAMMY will continue to pursue this synergy
as a company dedicated to the shared experiences of a colorful world.

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Our driving force for innovation and growth is our belief that a company which does not inspire resonance cannot survive.

Our goal is to contribute to the enrichment of the social environment and the creation of culture through sustainable management, while also achieving continual improvement in corporate value.

Haruki Satomi

President and Group CEO,
Representative Director

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Realizing Our Vision for 2030

When formulating our sustainability vision, we focused in particular on social change and the needs of society. As a listed company, our fundamental policy for sustainable management is defined by the principles of the Corporate Governance Code, as the framework for our relationships with stakeholders.

We are also aware of the need to address the Sustainable Development Goals (SDGs). In the past we have tended to work on social initiatives without setting any deadlines, but I believe that there is also need to work tirelessly toward specific goals. By 2030, the target year for the SDGs, the business community is likely to be centered on Generation Z, a group known for their sensitivity to environmental issues.

Our vision defines how we want our company to evolve, and how it should evolve, in the period to 2030, and we are now at the stage of implementing effective plans to realize a sustainable future under that vision.

Key word: Resonance

I firmly believe that the ability to inspire resonance is vital to a company's survival. Even if a company creates hit products and becomes highly profitable, it cannot look forward to long-term survival without the ability to inspire resonance. It is no longer prudent to choose a company or a job primarily on the basis of profits and past successes. A company must be useful to society, and needed by society. People feel no sense of resonance toward companies that lack those qualities, and they do not want to work for such companies. That attitude is becoming increasingly prevalent today.

How can we inspire this sense of resonance? I believe that the keys are integrity and humility. In the past a company could justify its existence by earning profits. That is no longer true. A company needs to inspire resonance and earn respect, both among its own work force, and also in society in general. Resonance is the key to the improvement of sustainability. I see this as our first priority, and am determined to take effective action to generate resonance within the SEGA SAMMY Group and beyond.

Raising awareness of the importance of resonance within the SEGA SAMMY Group

The core goal of sustainability management is to achieve a situation that is sustainable from the environmental, social, and governance (ESG) perspectives. This is a grand concept, but individual employees may find it difficult to form a clear picture of what specifically needs to be done. If we can help people to see sustainability management in simpler terms as the things that we must do to keep our company alive, we can modify their mindsets and behavior in a positive direction and encourage them to take ownership of the concept.

I am working to disseminate this approach within the SEGA SAMMY Group by turning my words into action and setting an example through my leadership. In an era characterized by volatility, uncertainty, complexity, and ambiguity (VUCA), some people think that it is acceptable to say one thing in the morning and another in the afternoon. I believe that our goals and vision must be clear and consistent.

I try to set an example by participating actively in company events, such as "SEGA SAMMY Sustainability Weeks" and "Town Hall Meetings", and by engaging in dialogue with employees. I have launched a video feature named Haruki Monthly View Live (HMYL) on our internal portal site. I use this content to raise awareness of our goals by speaking

directly to employees once a month. I recognize the importance of communicating with stakeholders through external messaging, but my first priority is to raise awareness among our employees and modify their behavior patterns as the basis for group-wide reforms.

Initiatives to benefit stakeholders

We are making unified efforts to reduce not only our own CO₂ emissions, but also the amounts emitted across all of our supply chains.



We are also strongly committed to human rights, including the use of supply chain management to prevent human rights violations in any of supply chains, even in cases that do not involve direct transactions. Specifically, we carry out risk assessments as part of efforts to prevent slave labor and human trafficking by overseas suppliers, especially the contract manufacturers from which we procure toys and prize goods for our Entertainment Contents Business. We are also working to enhance the overall effectiveness of our efforts in this area by applying knowledge and expertise accumulated through collaborative initiatives on human rights with a wide variety of business partners.

In recent years, end users have become more critical in their assessments of business corporations. Once it was enough to offer exciting products, but consumers today also want to be sure that no human rights violations occur during the manufacture of our games. Shareholders, investors, and even end users carry out research into a company's philosophy and stance in order to decide whether or not that company is worthy of their interest. This trend is now part of the business mainstream and is reflected in the growing importance of accountability.

Diversity, equity, and inclusion as a Global Company

Our goal under our medium- to long-term strategy for the Entertainment Contents Business is to become a global leading content provider. In recent years, people in developed countries have become increasingly focused on issues relating to gender, ethnicity, nationality, and other attributes. I am convinced that we need to work more proactively to raise and maintain awareness of human rights.

The SEGA SAMMY Group supports Black Lives Matter and Stop Asian Hate and has declared its commitment to the eradication of all forms of racial discrimination and violence. Group employees and game fans have reacted positively to these actions. It is a fact of life that whenever an opinion is voiced there will be some form of opposition. However, we are determined to move forward in ways that reflect the unique colors of SEGA SAMMY without fear of criticism. That commitment is expressed in the use of the word "colorful" in our mission statement.

Tackling negative issues head-on

We enrich people's lives through our business activities relating to Pachislot and Pachinko games, consumer games, arcade games, and other gaming products. However, there are also negative social consequences, including obsessive and addictive disorders. The SEGA SAMMY Group is determined to tackle these issues head-on, and we have identified addiction as a key issue in our Materiality. I believe that SEGA SAMMY is unusual in that it has made a public declaration of this type. When I became Group CEO, I resolved that we should clearly state our determination to find real solutions without hiding these negative aspects.

We also work with various industry organizations to address and prevent obsessive disorders and gaming addiction. One such initiative is an industry-academia research project on gambling addiction at Kyoto University. We aim to respond to the expectations of society by working to minimize the negative aspects of entertainment, while creating even greater positive benefits in the form of captivating experiences that include fun, stimulation, and relaxation.

Valuing emotions as well as dreams

We provide not only dreams, but also emotional experiences. Entertainment is fundamentally a process of providing enjoyment, but some of our games, pachislot and pachinko machines, movies, and animation products have sad endings. Life is not limited to good experiences, and sometimes we also feel sadness and anger. We add a human dimension to our products by portraying these aspects realistically.

The SEGA SAMMY Group will continue to create exciting experiences through a core focus on entertainment with a rich human dimension, including a full spectrum of emotions. Emotion and diversity are part of our definition of the word "colorful". That is what makes the SEGA SAMMY Group unique.

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an expanded version of this article.**

[→ Group CEO message](#)



GROUP MISSION

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**To create innovative products and services,
we need people with diverse values and abilities.**

**Developing people
who can create captivating
experiences**



Why?

**To create captivating experiences,
we need to be a game changer.**

Making Life More Colorful—This commitment drives the SEGA SAMMY Group's global business expansion. By adapting to rapid changes in society and value systems, we will ensure that we can continue to create captivating experiences. We will also maintain our role as a game changer by investing in human resources and the development of systems.

How?

**The SEGA SAMMY Group's vision for
HR reforms calls for the creation of
an environment in which people can grow.**

The SEGA SAMMY Group's vision for HR reforms is key to the future of the SEGA SAMMY Group. We are creating an environment in which diverse people can build successful careers regardless of age or gender. We are also developing mechanisms that will enable people to continue their careers after major life changes, such as childbirth and the need to care for young children or ailing family members. We recognize the importance of diversity and equity, and we are committed to respect for human rights, protection of the weak, and the elimination of discrimination and inequity. Through initiatives in these areas, we will create an environment in which every individual can reach their full potential and achieve success.

What?

**Our goal is to attract people who can work
effectively in the global arena, and to develop
leaders who can take up the challenge
of innovation.**



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The source of our ability to create exciting experiences,
and the most important factor for the sustainability
of the SEGA SAMMY Group

**Providing safe, dependable,
and innovative products
and services**



Human
Resources



Addition



Environment



Governance

Why?

We make life more colorful for people everywhere by providing value that exceeds expectations.

SEGA SAMMY Group companies all have their own visions for the future. SEGA's vision is to be a game changer and a creator of content and services with themes that will excite the world's three billion gamers. Sammy's vision is to create pachislot and pachinko machines that will bring excitement to everyday life and earn the support of diverse users. Group companies in the resort business are dedicated to providing their customers with opportunities for rest and relaxation.

How?

We will continue to create products and services that combine safety and dependability with innovativeness.

Group companies set priorities and strategies for all of their products and services. We disclose these priorities and strategies and monitor progress toward their realization.

What?

These efforts result in safe, dependable products and services.



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**Products and
Services**

The SEGA SAMMY Group also prioritizes efforts to
 address issues that have negative aspects
 for society as a whole.

**Strategic commitment to
 action on climate change**



**Human
Resources**



Addiction



Governance



Environment

Why?

We aim to lead the entertainment market in addressing social needs and working toward decarbonization.

The video game industry and the pachislot and pachinko machine industry have only just begun to implement forward-looking initiatives toward the development of a decarbonized society. The SEGA SAMMY Group will promote activities designed to influence the entire market.

How?

We will review our existing business operations and look for new opportunities arising during the transition to a decarbonized society.

We see the present situation as an opportunity to improve manufacturing efficiency, train highly skilled workers, and enhance our decarbonization technology, while further increasing our added value, through business model innovation and digital transformation (DX). By meeting the needs of customers who require environmentally responsible products and services, we will provide environmental value to society as a whole.

What?

These proactive environmental initiatives will ensure the SEGA SAMMY Group's future as an essential contributor to the development of a decarbonized society.



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We will take decisive action to address any increase in negative aspects linked to the expansion of the SEGA SAMMY Group's business activities.

Prevention of addictions and disorders



Why?

While products and services supplied by the SEGA SAMMY Group help to make life more colorful and exciting, we also need to address the negative aspects, such as addiction.

The video game industry and the pachislot and pachinko machine industry have a social responsibility to prevent dependence-related problems and other harmful effects. We support the activities of related industry groups and engage in various activities to prevent addiction and other problems.

How?

We actively participate in educational initiatives by industry organizations and work with university research institutes on studies concerning dependence-related conditions.

We ensure that our products and activities are appropriate by complying with laws, regulations, voluntary codes, and other requirements. We also participate in educational programs run by organizations in the video game industry and the pachislot and pachinko machine industry. The SEGA SAMMY Group is currently working with Kyoto University on a research project relating to gambling addiction. The aim of this work is to develop mechanisms to prevent addiction from becoming a serious problem.

What?

We will continue our efforts to minimize negative operating impacts by sharing our knowledge of issues and returning benefits from our various initiatives to communities.



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**Systems to support group
sustainability initiatives**

**Strengthening
sustainability governance**



Why?

The SEGA SAMMY Group needs to maintain sophisticated governance systems to support its growth as a globally active business group.

As a corporate group listed on the Prime Market of the Tokyo Stock Exchange, we maintain a high standard of compliance with Japan's Corporate Governance Code. In addition to our efforts to prevent fraud and risks, we will also continue to address human rights problems and other social issues.

How?






We have created structures to ensure sustainability on a group-wide basis.

We have created the Group Sustainability Promotion Committee, consisting of representatives of group companies, as a subsidiary organization of the Group Sustainability Subcommittee, which is part of the Group Management Strategies Committee. These organizations form a structure to support group-wide sustainability initiatives.

What?

We will continue to contribute to the development of a sustainable society through steady efforts guided by high ethical standards.

Materiality-related Activity Plans

Materiality	Activities planned for FYE March 2023 and beyond	
 Human resources	<ul style="list-style-type: none"> Cultural diversity Active career opportunities for women Development of core human resources Maintenance of work environment 	<ul style="list-style-type: none"> • Consideration of global human resource measures • Disclosure of monitoring data
 Products and Services	<ul style="list-style-type: none"> • Quality improvement and further efforts to enhance safety and security 	
 Environment	Scope 1 and 2	<ul style="list-style-type: none"> • Consideration of overseas emission reduction measures
	Scope 3	<ul style="list-style-type: none"> • Improvement of supplier engagement • Consideration of supplier selection criteria • Consideration of whether reduction targets should be applied to more companies, and when
	TCFD compliance	<ul style="list-style-type: none"> • Strategy update • Consideration of whether disclosure should cover more companies, and when
 Addiction	<ul style="list-style-type: none"> • Collaboration with industry groups on initiatives to address and prevent addiction and gaming disorder • Continuing commitment to addiction research 	
 Governance	<ul style="list-style-type: none"> • Continuing development of a corporate governance structure that will ensure highly transparent management and contribute to medium- to long-term improvement in corporate value 	

We will steadily implement the materiality initiatives that were first announced in May 2022.

We will continue to set numerical targets and KPIs for the “Human resources” materiality.

Initiatives relating to the “Environment” materiality will include the expansion of Scope 1, 2, and 3 monitoring to Group companies and their suppliers.

We will address the “Addiction” materiality by considering and implementing a range of measures based on initiatives by industry groups.

Group Sustainability Governance Structure

Board of Directors meeting of SEGA SAMMY Holdings

Composition of the Board of Directors 5 internal directors, 3 external directors
 Composition of the Audit & Supervisory Committee 1 internal member, 3 external members
 Gender breakdown of Board of Directors and Audit & Supervisory Committee members 8 males, 4 females

Group Management Strategies Committee

7 SEGA SAMMY Holdings directors, 4 SEGA SAMMY Holdings Audit & Supervisory Committee members * Excluding the Chairman of the Board

Chairman: President and Group CEO, Representative Director of SEGA SAMMY Holdings ("the Company").

Group Sustainability Subcommittee (2 meetings per year)

Chairman: President and Group CEO, Representative Director of the Company

Members: Senior Executive Vice President and Group CFO, directors and Audit and Supervisory Committee members with sustainability-related expertise in their skill matrices, and directors in charge of sustainability at key Group companies

Secretariat: Sustainability Promotion Office

- Formulation and revision of the Group sustainability plan
- Formulation of Group targets
- Evaluation of initiatives by Group companies, provision of recommendations and advice



Policy implementation
Monitoring



Reporting

Group Sustainability Promotion Committee (2 meetings per year)

Chairman: General Manager of the Company's Sustainability Promotion Office
 Directors and staff with sustainability-related responsibilities in Group companies

- Sharing of group-wide policies
- Monitoring of initiatives by Group companies, cross-organizational roll-out of successful initiatives

Sammy Group

SEGA Group

Other business companies

The Group Sustainability Subcommittee was established as part of the Group Management Strategies Committee. The Subcommittee holds management discussions on various topics, including the formulation of Group policies and goals, the status of initiatives by Group companies, and changes to performance targets. The policies and goals of the Group are determined by the Board of Directors of SEGA SAMMY Holdings.

Policies and goals determined through this process are shared with Group companies via the Group Sustainability Promotion Committee. Committee meetings also provide opportunities for Group companies that interact with the public to share insights gained through their business activities, such as requests and feedback from customers and users. In addition, the Group Sustainability Promotion Committee acts as a channel through which initiatives that need to be incorporated into Group policies and goals can be reported to the Group Sustainability Subcommittee for further discussion.