

Q3 for the Fiscal Year Ending March 2023 Results Presentation

2023/2/9

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FY2023/3 Q3 Results / Forecast

Results Highlights



(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	236.7	320.9	271.9	375.0	381.5
Entertainment Contents	177.8	235.9	210.4	277.0	280.0
Pachislot and Pachinko Machines	51.8	75.8	52.1	86.0	89.0
Resort	6.6	8.6	8.7	11.5	11.5
Other / Elimination	0.5	0.6	0.7	0.5	1.0
Operating Income	32.6	32.0	38.2	40.0	45.0
Entertainment Contents	35.3	33.9	39.6	39.0	39.5
Pachislot and Pachinko Machines	5.3	9.3	6.9	11.5	17.0
Resort	-1.9	-2.5	-0.7	-1.2	-1.2
Other / Elimination	-6.1	-8.7	-7.6	-9.3	-10.3
Non-operating income	3.6	5.9	4.3	2.0	4.0
Non-operating expenses	2.9	4.6	2.4	2.0	3.0
Ordinary Income	33.3	33.3	40.1	40.0	46.0
Entertainment Contents	36.8	36.8	41.5	40.0	41.0
Pachislot and Pachinko Machines	6.0	10.2	7.3	12.0	17.5
Resort	-4.6	-6.7	-2.8	-3.0	-3.0
Other / Elimination	-4.9	-7.0	-5.9	-9.0	-9.5
Ordinary Income Margin	14.1%	10.4%	14.7%	10.7%	12.1%
Extraordinary income	2.7	5.2	0.0	-	0.0
Extraordinary losses	0.5	0.6	0.3	-	0.5
Income before income taxes	35.5	37.9	39.7	40.0	45.5
Profit attributable to owners of parent	29.4	37.0	32.8	28.0	31.5
ROE	-	12.7%	-	-	-
Dividends per share (JPY)	20.00	40.00	20.00	41.00	41.00

FY2023/3 Q3 Results

➤ Sales and profits increased YoY, progressed steadily

- Performed steadily as a whole (Entertainment Contents)
- Strong sales of No. 6.5 model of pachislot responding to the revision of regulation (Pachislot and Pachinko Machines)
- Recovery trend in both domestic and overseas (Resorts)

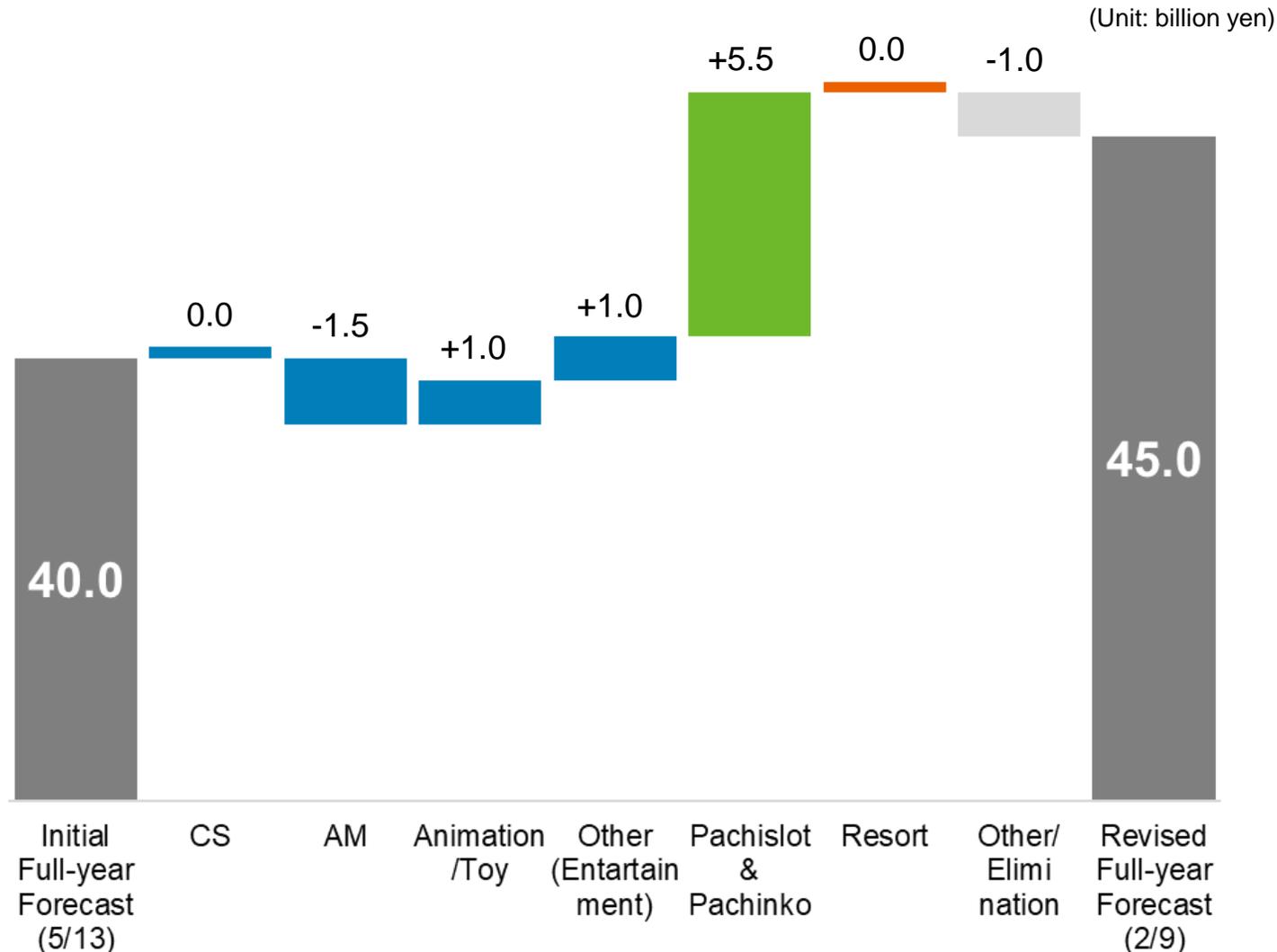
Forecast

➤ Revise the full-year operating results forecast upward

- Tax rate for the full-year forecast is calculated at 30% for simplicity

Revision of Operating Results Forecast

[Increase or decrease in operating income by segment from initial forecast]



➤ Entertainment Contents Business

- Expect the cost for revaluation of asset quality of inventory assets at the end of the fiscal year (CS)
- Impact of raw material price hikes continues (AM)
- Animation distribution revenues, etc. remains strong (Animation and Toy)

➤ Pachislot and Pachinko Machines Business

- Strong performance of pachislot machines

Breakdown of Income (FY2023/3 Q3 Results)



(Unit: billion yen)



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

Non-operating income	4.3
Gain on investments in partnership	1.6
Foreign exchange gains	1.5
Dividends income	0.5
Non-operating expenses	2.4
Equity in losses of affiliates	1.1
Loss on investments in partnership	0.5
Extraordinary Income	0.0
Extraordinary losses	0.3
Taxes/Others	6.9

Impact of Exchange Rate Fluctuations

[Impact of foreign exchange on Q3 results]

(Unit: billion yen)

- **Positive impact of approx. 11.3 billion yen for sales and approx. 5.6 billion yen for operating income in Entertainment Contents business**

		Q1	Through Q2	Through Q3
CS	Sales	+1.5	+4.3	+11.3
	Operating income	+0.8	+2.3	+6.8
AM	Sales	-	-	-
	Operating income	-0.1	-0.4	-1.2

- 1 USD: Initial forecast 114 yen → AR135 yen (Mainly affect on **sales increase**)
- 1 GBP: Initial forecast 157 yen → AR163 yen (Mainly affect on **cost increase**)
- 1 Euro: Initial forecast 130 yen → AR140 yen (Mainly affect on **sales increase**)

- **Recorded foreign exchange gains of 1.5 billion yen in non-operating income due to revaluation and settlement of receivables and payables denominated in foreign currencies**

Costs and Expenses, etc.

■Entertainment Contents

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	9.2	9.8	11.8	14.7	9.9	13.5	12.7	18.3	11.9	14.8	16.4	66.6	63.6
Advertising expenses	1.7	2.8	3.3	3.7	2.2	3.9	3.7	4.4	2.7	5.0	6.3	19.0	19.0
Depreciation	2.2	2.3	0.7	1.5	0.8	0.9	0.9	1.1	0.9	1.0	0.9	3.5	3.7
Cap-ex	2.2	2.8	3.5	1.9	1.5	1.4	1.6	2.8	1.1	1.1	1.7	7.5	5.6

■Pachislot & Pachinko

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	5.4	3.9	3.3	3.7	3.4	3.2	3.4	4.4	3.0	3.5	3.7	14.3	13.2
Advertising expenses	0.1	0.6	0.3	0.2	0.2	0.6	0.5	0.3	0.3	0.3	0.3	3.3	1.7
Depreciation	0.8	0.9	0.9	0.8	0.5	0.7	0.7	0.8	0.6	0.7	0.7	2.1	2.7
Cap-ex	1.1	0.7	0.7	0.8	1.2	1.1	0.8	1.0	1.0	1.0	1.0	4.0	4.0

Costs and Expenses, etc.

■ Resort

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Advertising expenses	0.0	0.1	0.1	0.0	0.0	0.2	0.1	0.0	0.0	0.1	0.1	0.4	0.3
Depreciation	0.2	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.8	0.6
Cap-ex	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.5	0.1	0.4	1.3	1.2

■ Other / Elimination

(Billion yen)	FY2021/3				FY2022/3				FY2023/3			FY2023/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
R&D / Content production expenses	0.1	-0.1	0.0	-0.1	0.1	-0.1	0.1	-0.1	0.0	0.0	0.1	0.0	0.0
Advertising expenses	0.2	0.1	0.2	0.2	0.4	0.4	0.2	0.3	0.3	0.7	0.2	1.2	1.5
Depreciation	0.4	0.3	0.3	0.1	0.4	0.1	0.3	0.2	0.5	0.1	0.3	0.9	1.0
Cap-ex	0.3	0.1	-0.1	0.4	0.3	0.0	0.3	0.6	0.2	0.0	0.2	0.5	0.4

Consolidated Balance Sheet Summary



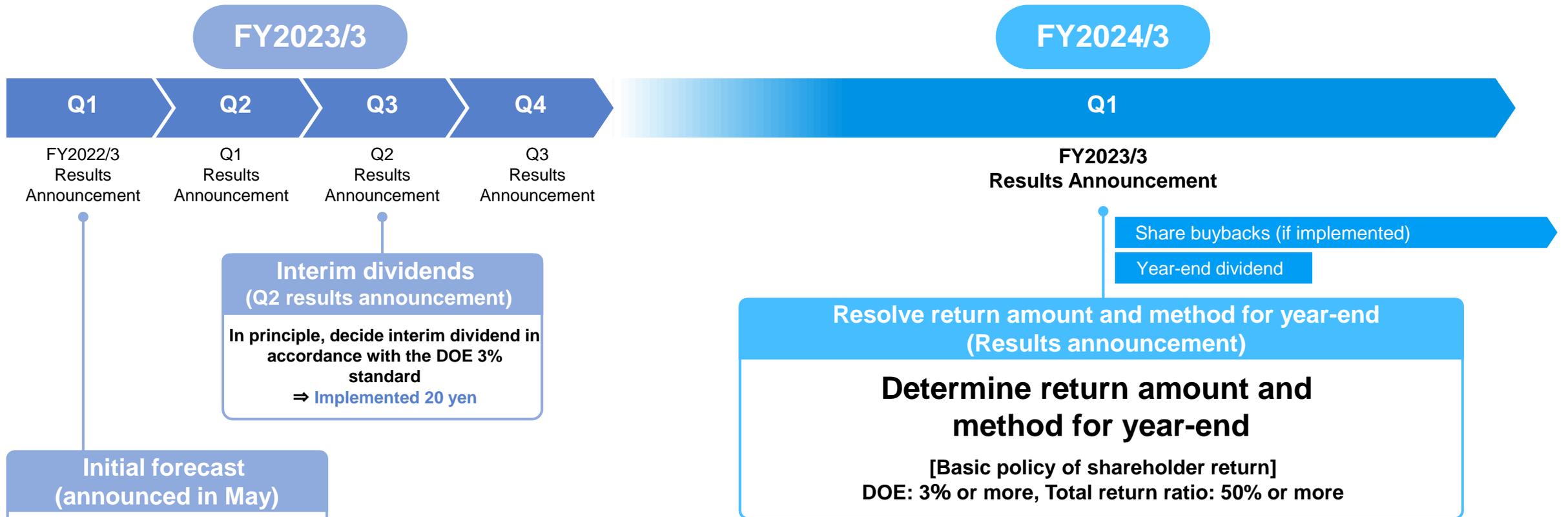
(Billion yen)	【Assets】			【Liabilities and Net Assets】				
	Account	As of end of March 2022	As of end of Dec 2022	Increase /Decrease	Account	As of end of March 2022	As of end of Dec 2022	Increase /Decrease
	Cash and Deposits	152.4	147.6	-4.8	Accounts Payable	24.4	32.6	+8.2
	Accounts Receivable	38.9	51.9	+13.0	Short Term Borrowings	10.0	-	-10.0
	Inventories	67.5	96.7	+29.2	Other	52.5	55.7	+3.2
	Other	28.9	29.7	+0.8	Total Current Liabilities	86.9	88.3	+1.4
	Total Current Assets	287.7	325.9	+38.2	Corporate Bonds	10.0	10.0	-
	Tangible Fixed Assets	60.3	60.8	+0.5	Long Term Borrowings	32.0	42.0	+10.0
	Intangible Fixed Assets	13.1	12.5	-0.6	Other	13.8	15.0	+1.2
	Investment Securities	40.6	38.8	-1.8	Total Noncurrent Liabilities	55.8	67.0	+11.2
	Other	33.7	31.4	-2.3	Total Liabilities	142.8	155.4	+12.6
	Total Noncurrent Assets	147.7	143.5	-4.2	Shareholders Equity	294.4	313.6	+19.2
	Total Assets	435.4	469.4	+34.0	Total accumulated other comprehensive income	-2.0	-0.1	+1.9
					Share acquisition rights	0.1	0.3	+0.2
					Non-controlling intesrests	0.0	0.0	+0.0
					Total Net Assets	292.6	314.0	+21.4
					Total Liabilities and Net Assets	435.4	469.4	+34.0

	As of end of March 2022	As of end of Dec 2022	Increase /Decrease
Cash, deposits and cash equivalents	152.4	147.6	-4.8
Interest bearing debt	52.0	52.0	-
Net cash	100.4	95.6	-4.8
Equity ratio	67.1%	66.8%	-0.3p

	Main factors for increase / decrease
(Current Assets)	Notes and accounts receivable and inventory assets increased, while cash and deposits decreased
(Liabilities)	Notes and accounts payable increased
(Net assets)	Shareholders' equity increased due to recording of profit attributable to owners of parent while dividend payments and share buybacks were executed

Shareholder Returns

(Process of Determining the Amount of Return and Methods)



- Setting dividends forecast at the beginning of fiscal year using DOE 3% as base dividend

- Calculate the amount of shareholder returns in accordance with the profit level based on the basic policy of shareholder returns when the full-year business results are fixed
 - Apply DOE or total return ratio, whichever is higher
 - Implement shareholder returns through dividends or share buybacks

02

Per Segments Results / Forecast

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	177.8	235.9	210.4	277.0	280.0
Consumer	119.6	158.3	142.5	192.0	188.0
Amusement Machine	36.0	49.7	45.6	55.8	63.5
Animation / Toy	20.4	25.6	21.7	28.7	28.0
Other / Elimination	1.8	2.3	0.6	0.5	0.5
Operating Income	35.3	33.9	39.6	39.0	39.5
Consumer	29.4	29.3	33.3	34.5	34.5
Amusement Machine	3.0	2.5	2.1	3.3	1.8
Animation / Toy	3.8	3.0	4.2	3.0	4.0
Other / Elimination	-0.9	-0.9	0.0	-1.8	-0.8
Non-operating income	1.8	3.3	2.2	1.0	2.0
Non-operating expenses	0.3	0.5	0.2	0.0	0.5
Ordinary Income	36.8	36.8	41.5	40.0	41.0
Ordinary Income Margin	20.7%	15.6%	19.7%	14.4%	14.6%

*CS = Consumer area, AM = Amusement Machine area

FY2023/3 Q3 Results

➤ **Performed generally in line with expectations**

- While full game were slightly below expectation, F2P went strong and there were positive impact of foreign exchange rates. As a result, performed steadily as a whole (CS*)
- UFO Catcher ® series performed strongly but the impact of raw material price hikes continued (AM*)
- Strong performance in Animation and Toy area
- Recorded non-operating income (foreign exchange gains due to revaluation, etc. of receivables and payables denominated in foreign currencies, dividends income, etc.)

Forecast

➤ **New title launches will proceed in each area**

- Plan to sell multiple mainstay new titles (CS)
- Focus on prize categories (AM)
- Expect the cost for revaluation of asset quality of inventory assets at the end of the fiscal year (CS, AM)

Entertainment Contents Business: Per Subsegments



		FY2023/3 Q3 Results	Forecast
Consumer	Full Game	<ul style="list-style-type: none"> Strong sales of new titles "Sonic Frontiers" and "Persona 5 Royal" (Remaster) Repeat sales went weak 	<ul style="list-style-type: none"> Launch several major IP titles Expect revaluation of asset quality of some titles
	F2P	<ul style="list-style-type: none"> Strong sales of existing mainstay titles, centered on "Project SEKAI COLORFUL STAGE! feat. Hatsune Miku" 	<ul style="list-style-type: none"> Enhance the operation of existing titles Review the launch date of new title
	Other	<ul style="list-style-type: none"> Recorded license revenue, etc. Recorded foreign exchange gains 	<ul style="list-style-type: none"> Continue to record license revenue, etc.
Amusement Machine Sales		<ul style="list-style-type: none"> Sold centered on UFO Catcher® series and prizes Reviewed sales prices for UFO Catcher® series 	<ul style="list-style-type: none"> Expect the strong sales of prize category, but the impact of raw material price hikes continues Expect revaluation of asset quality of some titles
Animation / Toy	Animation	<ul style="list-style-type: none"> Recorded the revenue from animation production and licensing revenue from animation distribution, etc. 	<ul style="list-style-type: none"> Expect the revenue from animation production and licensing revenue from animation distribution, etc.
	Toy	<ul style="list-style-type: none"> Strengthened the sales of new products such as "Fun to change screen covers! Sumikkogurashi Smart Phone" and regular products on holiday shopping season 	<ul style="list-style-type: none"> Sell new products and regular products, etc.

Strong Titles in Q3 (Full Game)



"Sonic Frontiers"

Multi-platform release
Nov. 8, 2022

Sold over 2.9 million units worldwide
(as of the end of December 2022)

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"Persona 5 Royal" (Remaster)

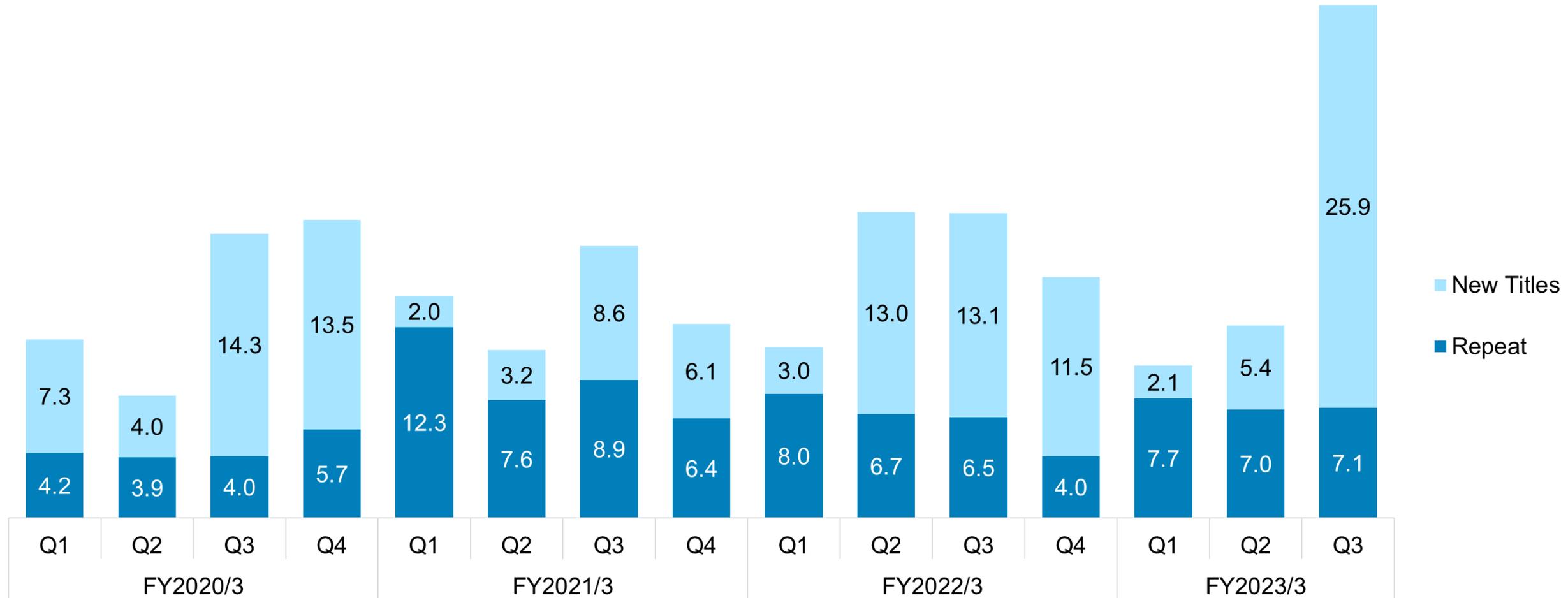
Multi-platform release
Oct. 21, 2022

Sold over 1.3 million units worldwide
(as of the end of December 2022)

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Consumer Area / Full Game: Sales Trend

(Unit: billion yen)

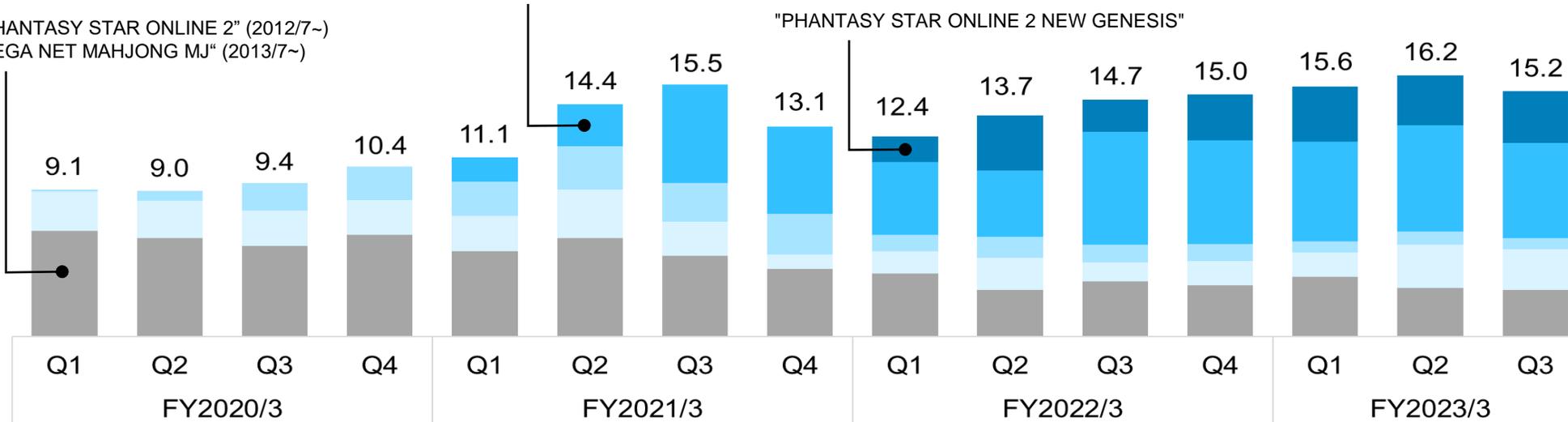


Consumer Area / F2P: Sales Trend

"Project SEKAI COLORFUL STAGE! feat. Hatsune Miku"

(Unit: billion yen)

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



- Titles released in FY2022/3
- Titles released in FY2021/3
- Titles released in FY2020/3
- Titles released in FY2019/3
- Titles released in or before FY2018/3

[Top 3 titles in sales from Oct. to Dec.]

(No. 1)



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

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Release: Sep. 2020

(No. 2)



**"PHANTASY STAR ONLINE 2
NEW GENESIS"**

© SEGA

Release: Jun. 2021

(No. 3)



"SEGA Pocket Club Manager"

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Release: Apr. 2018

(Reference) Consumer Area: Sales Trend

(Billion yen)	FY2022/3				FY2023/3				
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	29.5	71.2	119.6	158.3	34.7	75.0	142.5	192.0	188.0
Domestic	13.0	30.9	50.3	66.6	15.7	33.8	52.4	66.1	71.7
Overseas	16.7	40.3	69.4	92.0	19.2	41.1	89.8	126.1	117.2
Overseas sales ratio	56.6%	56.6%	58.0%	58.1%	55.3%	54.8%	63.0%	65.7%	62.3%
Other / Elimination	-0.2	0.0	-0.1	-0.3	-0.2	0.1	0.3	-0.2	-0.9
Full Game	11.0	30.7	50.3	65.8	9.9	22.3	55.3	98.4	75.9
New titles	3.0	16.0	29.1	40.6	2.1	7.5	33.4	62.2	49.2
Japan	0.2	2.4	5.4	5.7	0.5	1.7	3.6	5.1	5.2
Asia	0.1	0.9	2.0	3.0	0.5	1.1	3.5	4.9	5.2
North America / Europe	2.7	12.7	21.7	31.9	1.0	4.6	26.3	52.3	38.7
Repeat titles	8.0	14.7	21.2	25.2	7.7	14.7	21.8	36.2	26.6
Japan	0.8	2.0	2.8	3.4	0.8	1.7	2.4	3.3	3.0
Asia	0.7	1.4	1.8	2.3	0.8	1.5	2.2	4.5	2.8
North America / Europe	6.4	11.3	16.6	19.5	6.1	11.5	17.1	28.3	20.7
Download sales ratio	61.6%	65.3%	63.8%	69.5%	74.9%	74.5%	66.0%	79.4%	70.3%
F2P	12.4	26.1	40.8	55.8	15.6	31.8	47.0	56.8	61.4
Japan	10.9	23.2	36.6	50.1	13.0	27.1	39.9	50.6	52.4
Asia	0.0	0.0	0.3	0.5	0.5	0.5	0.5	0.5	0.6
North America / Europe	1.4	2.9	3.9	5.2	2.0	4.1	6.5	5.7	8.3
Other	6.2	14.5	28.6	37.0	9.2	20.9	40.2	37.0	50.7

• Full Game = Mainly physical sales and download sales of full game for home video game consoles and PCs. (Additional download content sales are not included.)

• F2P = Mainly sales of contents offering free basic play and microtransaction for smartphones and PCs.

• Other = Sales of additional download contents, consignment sales of 3rd party titles, revenue from consignment development, transfer of titles, offering of titles in batches to 1st parties, sales of products other than game software, etc.

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



	FY2022/3				FY2023/3			Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3		
Full Game: Number of Titles									
Japan	0 title	3 titles	5 titles	6 titles	3 titles	7 titles	11 titles	15 titles	15 titles
Asia	1 title	4 titles	7 titles	9 titles	3 titles	7 titles	11 titles	15 titles	15 titles
North America / Europe	3 titles	6 titles	11 titles	13 titles	3 titles	7 titles	12 titles	16 titles	16 titles
Full Game: Unit sales (Thousands)	6,580	14,040	21,970	27,200	5,140	10,140	20,750	34,250	28,250
Total New titles	1,060	3,500	6,630	8,770	440	1,480	6,970	13,950	11,350
Japan	50	410	780	850	90	250	640	1,040	1,130
Asia	50	250	500	760	110	260	860	1,570	1,450
North America / Europe	960	2,840	5,350	7,160	230	960	5,460	11,330	8,760
Total Repeat titles	5,520	10,540	15,340	18,430	4,700	8,650	13,770	20,300	16,890
Japan	290	660	950	1,140	260	760	1,080	1,240	1,390
Asia	340	680	880	1,170	410	750	1,390	2,110	1,740
North America / Europe	4,890	9,200	13,500	16,130	4,030	7,120	11,290	16,960	13,750

*Unit sales don't include the figure for free download

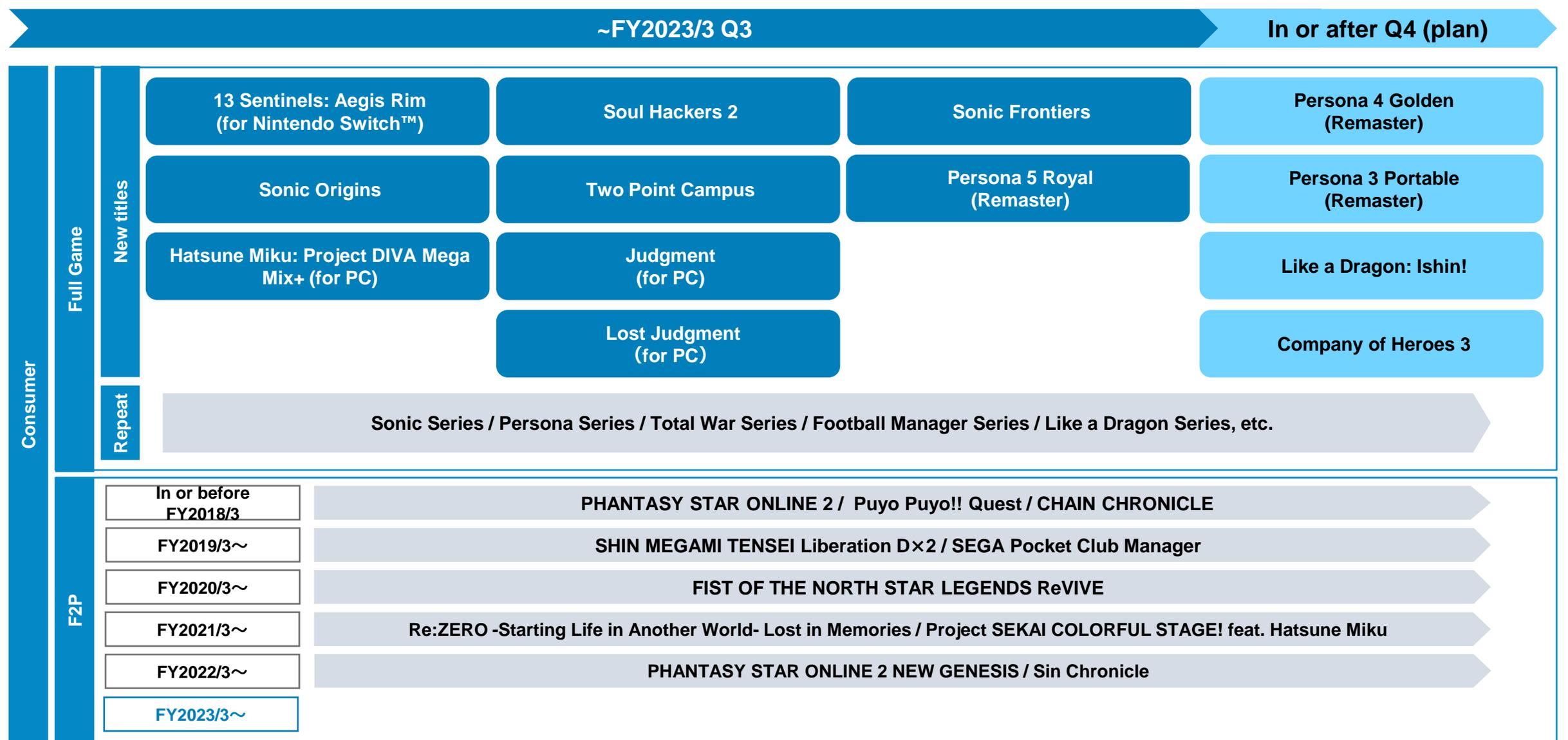
*As for Numbers of Titles above, for the same title released in multiple regions, the title number is counted 1 per each sales region (Japan, Asia and NA/EU)

[Unit sales of major IPs]

(Thousands units)	FY2022/3				FY2023/3		
	Q1	Through Q2	Through Q3	Through Q4	Q1	Through Q2	Through Q3
Sonic series	1,000	2,900	4,900	5,800	1,460	2,630	6,750
Total War series	600	1,000	1,300	2,600	420	950	1,750
Persona series	400	700	1,000	1,300	270	500	2,040
Like a Dragon series	700	1,800	2,500	2,900	470	960	1,730

**"Like a Dragon" series includes "Judgment" series

(Reference) Entertainment Contents Business: Sales Schedule



*Only announced titles are listed for “In or after FY2023/3 Q4 (plan)”

(Reference) Entertainment Contents Business: Sales Schedule

~FY2023/3 Q3

In or after Q4 (plan)

Amusement Machine

<Major titles in operation>

StarHorse4 / EIKETSU TAISEN / maimai DX / CHUNITHM / O.N.G.E.K.I. / MJ ARCADE
INITIAL D THE ARCADE / KanColle Arcade / Fate Grand Order Arcade / lalamee

<Major regular sales titles>

UFO Catcher® series / Prizes for prize machines

ROMAPI

Bépiu.

HORI A TALE

romakyun

Animation / Toy

Detective Conan: The Bride of Halloween

ANPANMAN: Dororin and the Transformation Carnival

Battle with medals! Dinausor PC Ω

With a front camera! Fun to change mouse covers!
Sumikkogurashi Personal Computer Premium Design by
yourself

Fun to change screen covers!
Sumikkogurashi Smart Phone

Pachislot and Pachinko Machines Business

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	51.8	75.8	52.1	86.0	89.0
Pachislot	19.4	30.6	26.2	32.7	41.0
Pachinko	26.3	37.1	19.9	44.5	43.4
Other / Elimination	6.1	8.1	6.0	8.8	4.6
Operating Income	5.3	9.3	6.9	11.5	17.0
Non-operating income	0.7	1.0	0.5	0.5	0.6
Non-operating expenses	0.0	0.1	0.1	0.0	0.1
Ordinary Income	6.0	10.2	7.3	12.0	17.5
Ordinary Income Margin	11.6%	13.5%	14.0%	14.0%	19.7%
Pachislot					
Number of Titles	6 titles	10 titles	7 titles	9 titles	8 titles
Unit Sales (units)	48,922	77,870	63,579	84,000	90,000
Pachinko					
Number of Titles	5 titles	5 titles	3 titles	6 titles	5 titles
Unit Sales (units)	64,025	97,027	49,159	114,000	100,000
Board + Frame	40,999	56,728	18,832	46,900	50,000
Board	23,026	40,299	30,327	67,100	50,000

*New series is counted as one title
(Machines which delivery started from previous fiscal year/specification changed titles, etc. aren't included)

FY2023/3 Q3 Results

➤ Progressed steadily overall

- Especially the sales of pachislot machines (No. 6.5 models) went strong
- Major titles sold:
 - "Pachislot Kabaneri of the Iron Fortress"
 - "Pachislot Saga of Tanya the Evil" etc.

Forecast

➤ Forecast higher sales and profits compared to initial forecast

➤ Sell mainstay titles for both pachislot and pachinko machines

- Pachislot: Continue to launch No. 6.5 models
Additional sales of "Pachislot Kabaneri of the Iron Fortress"
- Pachinko: Launch mainstay series machines,
"P Shin Hokuto Muso Chapter 4", etc.



"Pachislot Kabaneri of the Iron Fortress"

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"P Shin Hokuto Muso Chapter 4"

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- **"Pachislot Kabaneri of the Iron Fortress"**
 - Maintaining high utilization level since its launch in Jul. 2022
 - Unit sales: 19,205 units (as of the end of Dec. 2022)
 - Large-scale additional sales in Jan. 2023
- **"P Shin Hokuto Muso Chapter 4"**
 - Delivery month: February 2023



- The first smart pachislot for the Group
- Follows "Pachislot Hokuto No Ken", the No. 1 machine in all-time sales volume
- Delivery month: Apr. 2023 (plan)

**"Smart Pachislot
Hokuto No Ken"**

(Reference) Pachislot and Pachinko Machines Business: Sales Schedule

New series
Specification changed title



(Major titles before Q3)		Delivery month	Unit sales
Pachislot	Pachislot Kabaneri of the Iron Fortress	Jul.	19,205 units
	Pachislot Saga of Tanya the Evil	Dec.	15,165 units
	Pachislot Persona5	Sep.	9,662 units
	Pachislot Hard Boiled	Oct.	9,473 units
Pachinko	P The Seven deadly Sins 2	Nov.	12,165 units
	P TIGER & BUNNY ~Kanzen Muketsu WILD Spec~	Dec.	12,113 units
	P Initial D	May.	10,700 units

(Major titles to be launched in or after Q4)		Delivery month
Pachislot	Pachislot Kabaneri of the Iron Fortress (additional sales)	Jan.
	Pachislot The Rising of the Shield Hero	Feb.
	Smart Pachislot Hokuto No Ken	Apr.
Pachinko	P BIG DREAM 3	Jan.
	P Shin Hokuto Muso Chapter 4	Feb.
	P Shin Hokuto Muso Chapter 3 Kakuseitoubu	Mar.
	P Aura Battler Dunbine 2 -ZEROLIMIT HYPER-	Apr.

*Only announced titles are listed for in or after 2023/3 Q4 (plan)

(Billion yen)	FY2022/3		FY2023/3		
	Through Q3	Full Year Results	Through Q3	Full Year Forecast (announced on May 13)	Revised Full Year Forecast (announced on Feb 9)
Sales	6.6	8.6	8.7	11.5	11.5
Operating Income	-1.9	-2.5	-0.7	-1.2	-1.2
Non-operating income	0.0	0.0	0.0	0.0	0.1
Non-operating expenses	2.7	4.1	2.1	1.8	1.9
Ordinary Income	-4.6	-6.7	-2.8	-3.0	-3.0
Ordinary Income Margin	-	-	-	-	-

<PHOENIX RESORT>

No. of facility users (Thousands)	571	760	717	868	943
3 accommodation facilities	233	308	299	363	388
2 golf courses	70	94	76	98	104
Other facilities	268	358	342	407	451

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

FY2023/3 Results

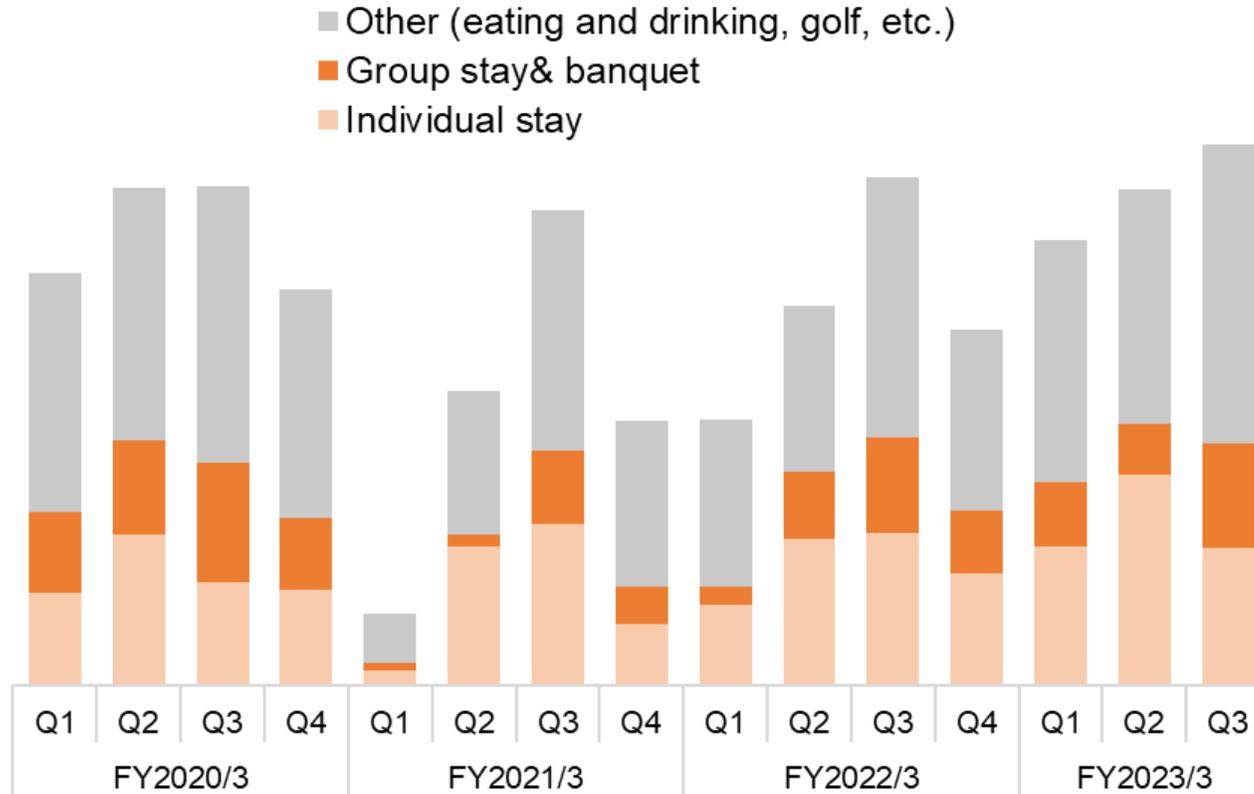
- **PHOENIX RESORT: Recovery trend centered on individual customers**
 - Measures to stimulate tourism demand by the government and facility itself contributed
- **PARADISE SEGASAMMY: Recovery trend due to relaxation of travel restrictions**
 - Travel restrictions were partially relaxed from June onward, and drop amount of Japanese VIP customers recovered to the level close to before COVID-19

Forecast

- **PHOENIX RESORT: Expect the recovery of revenue by the strong sales of individual customers**
 - Expect the contribution of stimulating demand through "National Travel Discount program"
 - Continue to engage in unique measures such as strengthening CRM
- **PARADISE SEGASAMMY: Loss margin expect to narrow**
 - Casino sales are recovering centered on Japanese VIP customers, and hotel sales remain at a high level due to growing demand in South Korea

(Reference) Status of Each Facility: PHOENIX RESORT

■ PHOENIX RESORT: Sales by type of facility users



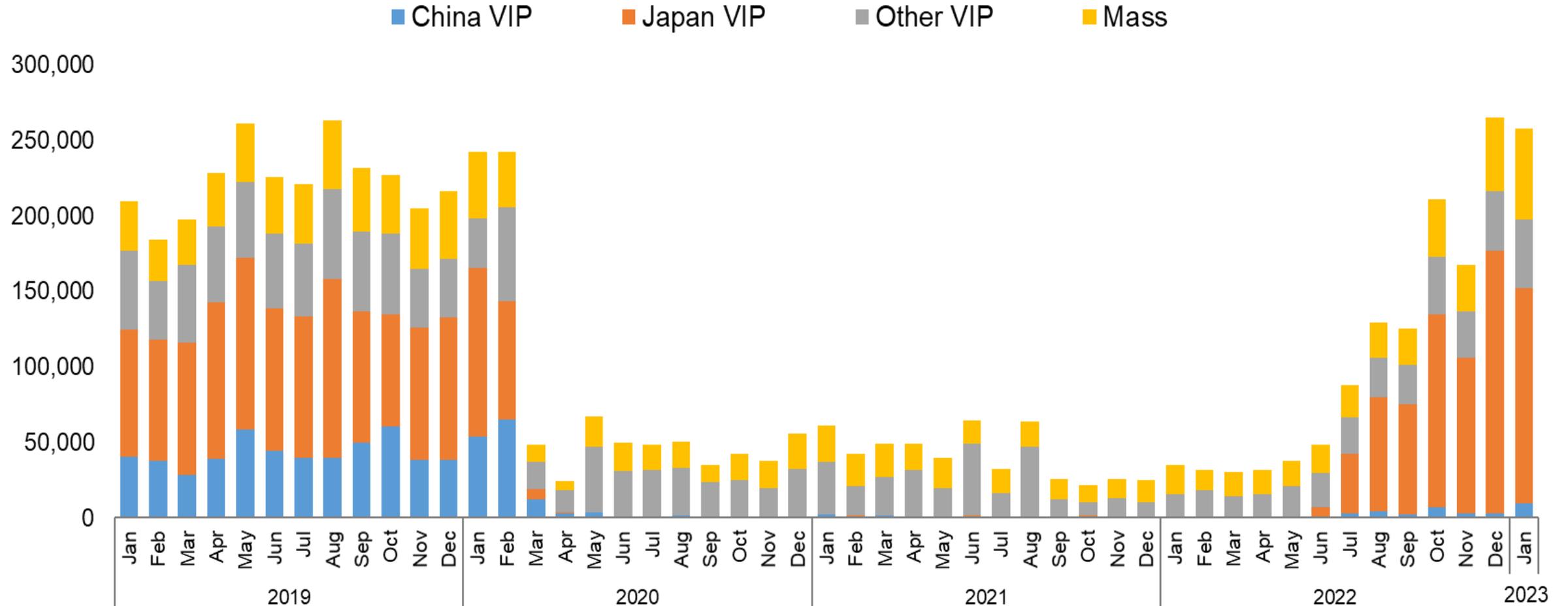
- Cumulative Q3 sales and No. of facility users exceeded before COVID-19 levels due to strong sales of individual consumer
- Continue to expect high individual customer demand from the contribution of "National Travel Discount program" and other factors

(Reference) Status of Each Facility: PARADISE SEGASAMMY



■ Trend of Drop amounts* at PARADISE CITY

(KRW million)



*Drop amounts: Purchased amount of chips by customers

03

Appendix

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

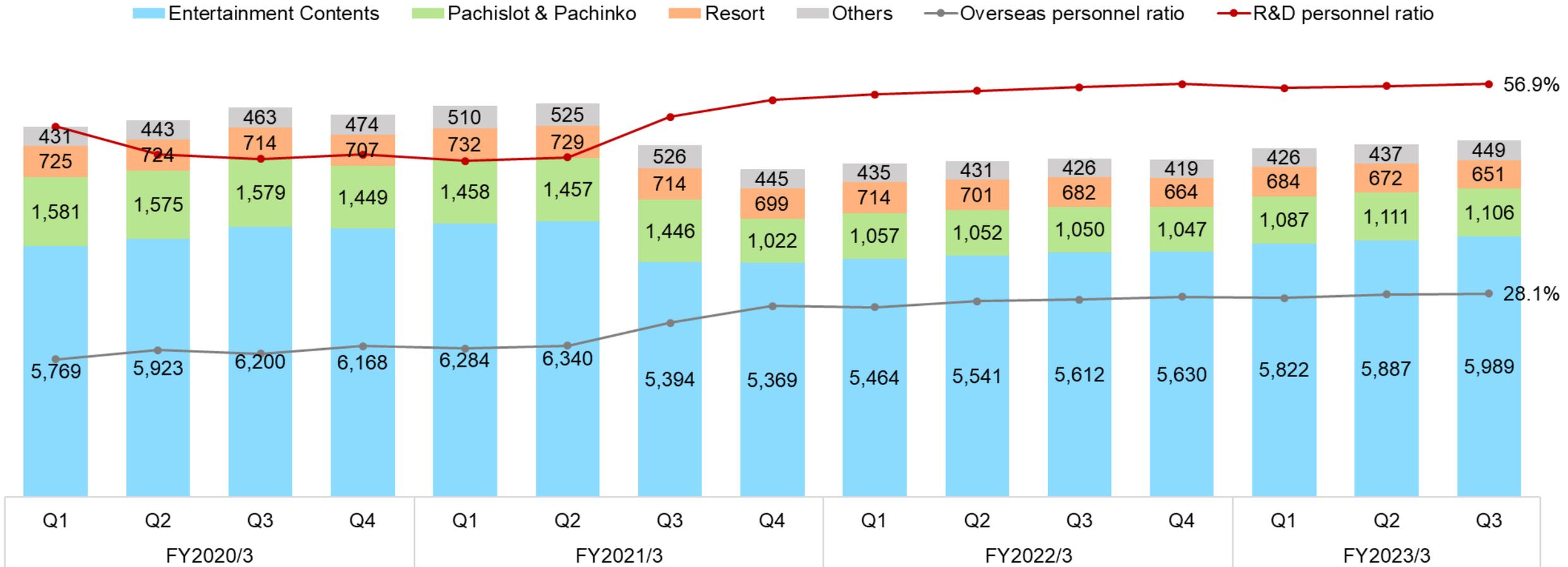
(Unit: billion yen)



*Balance of work in progress R&D expenses of titles before release + balance of unamortized R&D expenses of released titles

Trend of No. of Employees by Segment

(Unit: employees)



*No. of employees are the No. of full-time employees and permanent contract employees. Excludes the No. of temporary employees

Resort Business (PARADISE SEGASAMMY)



(KRW Billion)	2022/3		2023/3
	Through Q3	Full year Results	Through Q3
Sales	126.2	161.5	169.7
Casino	75.2	86.6	85.6
Hotel	46.7	67.7	71.8
Other	4.3	7.0	12.2
Cost of sales	131.2	178.2	156.0
Casino	48.5	63.7	59.7
Hotel	59.4	81.9	67.4
Other	23.2	32.4	28.8
Gross profit	-4.9	-16.7	13.7
SG&A	18.8	25.4	18.6
Operating profit	-23.8	-42.2	-4.8
EBITDA	18.9	14.9	37.6
Net profit	-56.6	-87.9	-37.4
Number of casino visitors (Thousands)	80.0	99.0	91.0
			Source: Paradise IR
SEGASAMMY Equity method acquisition amount (Billion yen)	-2.6	-4.1	-1.9

FY2023/3 Q3 Results

- **Recovery trend due to relaxation of travel restrictions**
 - While number of casino visitors remained sluggish, casino sales recovered rapidly, particularly centered on Japanese VIP customers
- **EBITDA remained positive due to cost reduction.**

Forecast

- **Loss margin expect to narrow**
 - Casino sales are recovering centered on Japanese VIP customers, and hotel sales remain at a high level due to growing demand in South Korea

*PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate of SEGA SAMMY HOLDINGS INC.

*Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay as its settlement of accounts is December

*Local accounting standard

Continue to consider investing in the following growth areas

Consumer Area Approx. 100.0 billion yen	Strengthen development resources	Area of consideration for investment	<ul style="list-style-type: none"> ● Expansion of organic development pipeline ● Strengthen global mobile and online games
	Investment in new ecosystem	Area of consideration for investment	<ul style="list-style-type: none"> ● Strengthen CRM functions to revitalize user communities ● Investment in newly emerging business areas
Gaming Area Approx. 100.0 billion yen	Careful assessment of investment opportunities in the gaming area	Area of consideration for investment	<ul style="list-style-type: none"> ● Both domestic and overseas IR ● Online casino and sports betting overseas ● Land-based casinos overseas
Other Approx. 50.0 billion yen	Expand CVC investment limit (Total limit: 15.0 billion yen)		<ul style="list-style-type: none"> ● Strengthen open innovation activities, including investment in start-up companies
	Creation of new business, acquisition of IPs, etc.		

Total 250.0 billion yen



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

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