

Q2 for the Fiscal Year Ending March 2025

# Financial Results Presentation

Nov. 8, 2024

## Disclaimer

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

This is an English translation from the original Japanese-language version. The translation is provided for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Company assumes no responsibility for this translation and for direct, indirect or any other forms of damages arising from the translations. Should there be any inconsistency between the translation and the original Japanese document, the Japanese language version shall prevail. If you quote all or part of this document, please clearly indicate the source of the citation or link to this page

01

# FY2025/3 Q2 Results / Forecast

# Result Highlights (Consolidated)



(Billion yen)	FY2024/3*		FY2025/3	
	Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
<b>Sales</b>	<b>221.6</b>	<b>468.9</b>	<b>211.6</b>	<b>445.0</b>
<b>Operating Income</b>	<b>40.0</b>	<b>57.8</b>	<b>32.8</b>	<b>45.0</b>
<b>Ordinary Income</b>	<b>42.0</b>	<b>59.7</b>	<b>33.0</b>	<b>48.0</b>
Extraordinary income	0.2	1.3	9.0	8.5
Extraordinary losses	9.7	19.2	6.8	0.5
<b>Profit attributable to owners of parent</b>	<b>23.1</b>	<b>33.0</b>	<b>30.3</b>	<b>39.0</b>
<b>Adjusted EBITDA</b>	<b>37.5</b>	<b>54.7</b>	<b>34.8</b>	<b>62.0</b>
<b>ROE</b>	-	<b>9.6%</b>	-	-
<b>Dividends per share (JPY)</b>	<b>23.00</b>	<b>50.00</b>	<b>25.00</b>	<b>50.00</b>

\*1CS = Consumer area, \*2Entertainment = Entertainment Content business

\*Allocated revenue related to investments in film production in the U.S. previously recorded as "Non-operating income" is recorded in "Sales" from this fiscal year  
 Also, as the provisional accounting treatment for company consolidation has been settled, financial results for FY2024/3 have been retroactively changed. Retroactive results are Approx. value (unaudited)  
 The same applies to the tables of financial results that follow in this document

\*The interim dividend for FY2025/3 is calculated at DOE3%

The annual return amount would be Approx. 10.7 billion yen if calculated with DOE3%, and would be Approx. 19.5 billion yen if calculated with total return ratio of 50% (calculated based on 39.0 billion yen of profit attributable to owners of parent for FY2025/3.) The actual amount and method of return at the end of the fiscal year may vary depending on the progress of business performance and other factors

## FY2025/3 Q2 Results

### ➤ Exceeded initial expectations overall

- Performed strong centered on CS<sup>\*1</sup> and Animation (Entertainment<sup>\*2</sup>)
- Steady sales of new titles (Pachislot & Pachinko)
- While recorded gain on sales of shares of PHOENIX RESORT, etc. as extraordinary income, recorded loss on business restructuring associated with the transfer of European studio as extraordinary losses

## Forecast

### ➤ Closely monitor the trends in each business

- Launch new mainstay titles, promote Transmedia development (CS)
- Review the lineup in the second half due to recent weak order situation (Pachislot & Pachinko)

# (Reference) Per Segments Results

(Billion yen)	FY2024/3		FY2025/3	
	Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
<b>Sales</b>	<b>221.6</b>	<b>468.9</b>	<b>211.6</b>	<b>445.0</b>
Entertainment Contents	121.7	319.8	141.7	335.0
Pachislot and Pachinko Machines	92.5	133.2	64.7	105.0
Gaming	0.6	1.9	1.8	3.0
Other / Elimination	6.8	14.0	3.4	2.0
<b>Ordinary Income</b>	<b>42.0</b>	<b>59.7</b>	<b>33.0</b>	<b>48.0</b>
Entertainment Contents	9.1	30.8	18.3	40.0
Pachislot and Pachinko Machines	39.3	41.9	21.5	23.5
Gaming	0.0	-0.4	-0.2	-1.5
Other / Elimination	-6.4	-12.6	-6.6	-14.0
<b>Adjusted EBITDA</b>	<b>37.5</b>	<b>54.7</b>	<b>34.8</b>	<b>62.0</b>
Entertainment Contents	2.7	22.0	18.6	50.0
Pachislot and Pachinko Machines	40.6	44.5	23.2	26.5
Gaming	-0.0	-0.4	-0.8	-1.5
Other / Elimination	-5.8	-11.4	-6.2	-13.0

\*Details of each business are from p. 12~

# Breakdown of Income Statement (FY2025/3 Q2 Results)



(Unit: Billion yen)



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

<b>Non-operating income</b>	<b>4.4</b>
Interest income	1.6
Equity in earnings of affiliates	1.2
Gain on investment in partnership	0.5
<b>Non-operating expenses</b>	<b>4.1</b>
Foreign exchange losses	2.5
Interest expenses	0.8
Loss on investments in partnership	0.5
<b>Extraordinary Income</b>	<b>9.0</b>
Gain on sales of shares of subsidiaries and affiliates	8.4
<b>Extraordinary losses</b>	<b>6.8</b>
Loss on business restructuring	5.9
Impairment loss	0.6
<b>Taxes/Others</b>	<b>4.9</b>

## ➤ **Transfer Amplitude Studios through MBO**

- **Background of transfer:** Implemented as part of structural reforms for European business in Consumer area
- **Impact on business performance:** Recorded 5.9 billion yen of loss on business restructuring as extraordinary losses (FY2025/3 Q2)

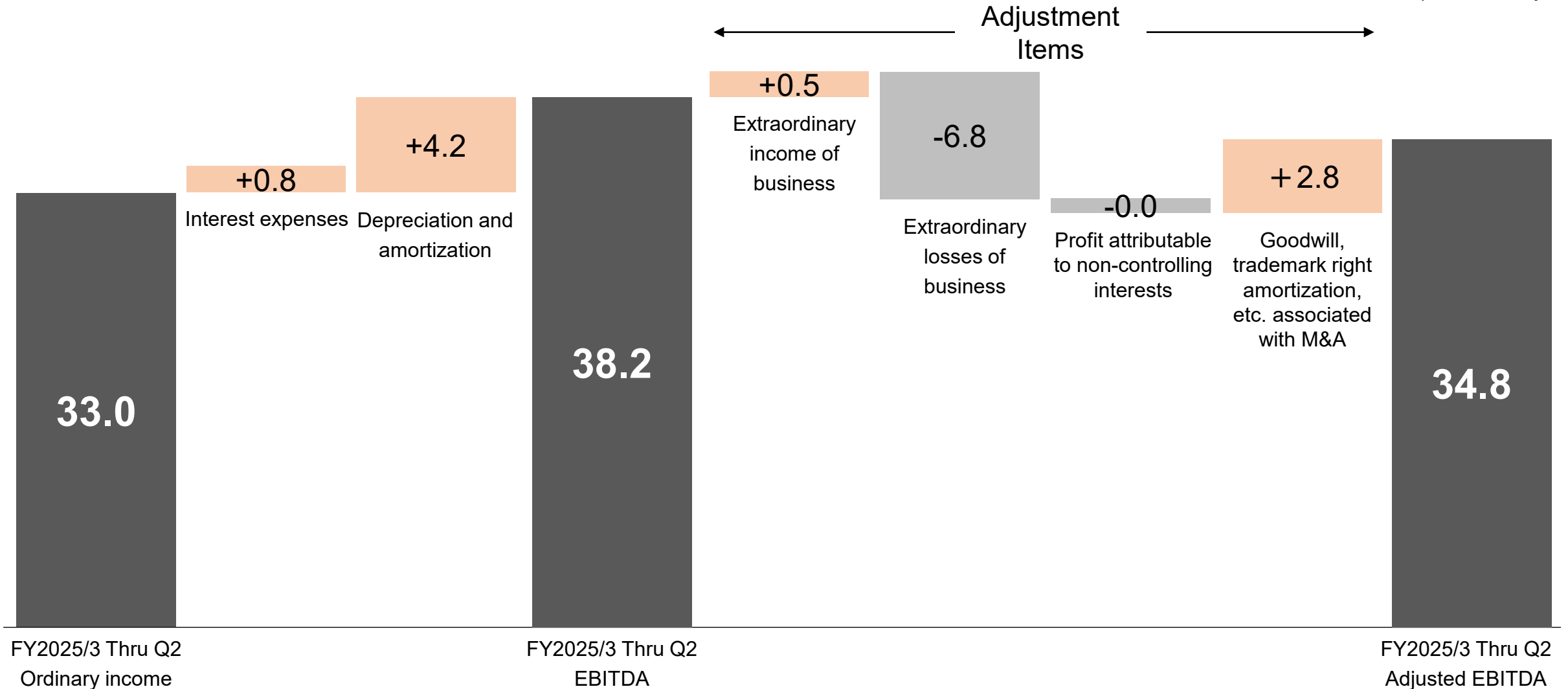
## ➤ **Completion of share buyback**

(Acquisition of Treasury Stocks based on our shareholder return policy)

Total number of shares acquired	: 3,549,800 shares
Total cost of acquisition of shares	: 9,999,838,000 yen

# (Reference) EBITDA Adjustment Items (FY2025/3 Q2 Results)

(Unit: Billion yen)



[Impact of foreign exchange in Q2 Results]

- **Positive impact of 3.8 billion yen for sales and 0.6 billion yen for operating income in Entertainment Contents business**

(Billion yen)		Q1	Q2	Thru Q2
CS <sup>*1</sup>	Net Sales	+2.7	+0.9	<b>+3.6</b>
	Operating Income	+1.7	-0.3	<b>+1.4</b>
Animation	Net Sales	+0.2	-	<b>+0.2</b>
	Operating Income	+0.2	-	<b>+0.2</b>
AM <sup>*2</sup> & TOY	Net Sales	-	-	-
	Operating Income	-0.4	-0.6	<b>-1.0</b>

- 1 USD: Rate in initial forecast 137 yen → AR 152 yen
- 1 GBP: Rate in initial forecast 190 yen → AR 195 yen
- 1 Euro: Rate in initial forecast 161 yen → AR 165 yen

- **Recorded foreign exchange losses of 2.5 billion yen in non-operating expenses due to revaluation and settlement of receivables and payable denominated in foreign currencies**

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

# Various Expenses, etc.

(Billion yen)		FY2024/3		FY2025/3	
		Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
Entertainment Contents	R&D / Content production	30.0	83.1	30.7	68.1
	Advertising	9.1	31.6	11.6	30.8
	Depreciation	2.0	4.4	2.2	4.4
	Cap-ex	3.1	5.6	3.1	5.8
Pachislot & Pachinko	R&D / Content production	6.2	14.4	6.2	14.1
	Advertising	1.4	2.9	2.0	4.1
	Depreciation	1.2	2.6	1.4	2.8
	Cap-ex	1.7	3.9	2.0	4.9
Gaming	R&D / Content production	0.4	0.7	0.4	1.0
	Advertising	0.0	0.0	0.0	0.1
	Depreciation	0.0	0.0	0.0	0.0
	Cap-ex	0.2	0.4	0.9	0.0
Consolidated total	R&D / Content production	36.6	98.2	37.3	83.3
	Advertising	11.6	36.2	14.4	37.0
	Depreciation	4.0	8.5	4.2	8.3
	Cap-ex	5.6	11.6	6.8	11.9

## FY2025/3 Q2 Results

- R&D / content production expenses:
  - Despite a decrease in write-downs, there was a slight increase YoY due to the consolidation of Rovio (Entertainment\*1)
- Advertising expenses:
  - Increased YoY due to the consolidation of Rovio (Entertainment)

## Forecast

- R&D / content production and advertising expenses:
  - Increase compared to the first half due to launch of new mainstay titles (Entertainment)

\*1 Entertainment = Entertainment Contents business

\*The expenses for "other/elimination" are included in "Data Appendix (FY2025/3 Q2)"

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

- Entertainment Contents business (Full Game (CS)): Expenses are capitalized as inventory assets or intangible assets during development and booked as expenses after launch. 25% will be amortized in first month and the rest will be amortized over a period of 23 months using the straight-line method (Total amortization period is 24 months)
- Entertainment Contents business (F2P (CS)): Expenses are capitalized as intangible assets during development and booked as expenses after launch. Expenses are amortized over a period of 24 or 36 months using the straight-line method
- Entertainment Contents business (AM): Expenses are capitalized as inventory assets during development and booked as expenses after launch. 30% will be amortized in first 2 months with 15% per month, and the rest will be amortized 7% per 10 months using the straight-line method (Total amortization period is 12 months)
- Pachislot & Pachinko Machines business: Expenses aren't capitalized but are recognized as they arise (outsourced process expenses are recognized when work is inspected)

# Consolidated Balance Sheet Summary



(Billion yen)	【Assets】			【Liabilities and Net Assets】				
	Account	As of the end of Mar. 2024	As of the end of Sep. 2024	Increase /Decrease	Account	As of the end of Mar. 2024	As of the end of Sep. 2024	Increase /Decrease
	Cash and Deposits	211.7	175.5	-36.2	Accounts Payable	26.0	25.3	-0.7
	Accounts Receivable	54.2	45.5	-8.7	Short Term Borrowings	22.5	22.5	-0.0
	Securities	8.0	33.2	+25.2	Other	86.9	61.2	-25.7
	Inventories	81.7	91.3	+9.6	<b>Total Current Liabilities</b>	<b>135.4</b>	<b>109.0</b>	<b>-26.4</b>
	Other	39.4	33.4	-6.0	Corporate Bonds	10.0	10.0	-
	<b>Current Assets</b>	<b>395.0</b>	<b>378.9</b>	<b>-16.1</b>	Long Term Borrowings	124.5	120.7	-3.8
	Tangible Fixed Assets	60.0	50.4	-9.6	Other	26.2	26.1	-0.1
	Intangible Fixed Assets	92.2	91.1	-1.1	<b>Total Noncurrent Liabilities</b>	<b>160.7</b>	<b>156.8</b>	<b>-3.9</b>
	(included in Intangible Fixed Assets)	30.2	31.2	+1.0	<b>Total Liabilities</b>	<b>296.2</b>	<b>265.9</b>	<b>-30.3</b>
	Work right (same as above)	47.5	45.3	-2.2	Shareholders' Equity	333.2	349.4	+16.2
	Investment Securities	49.8	50.9	+1.1	Total accumulated other comprehensive income	23.6	18.8	-4.8
	Other	56.9	63.5	+6.6	Share acquisition rights	0.7	0.5	-0.2
					Non-controlling interests	0.0	0.0	+0.0
	<b>Noncurrent Assets</b>	<b>258.9</b>	<b>255.9</b>	<b>-3.0</b>	<b>Total Net Assets</b>	<b>357.7</b>	<b>368.9</b>	<b>+11.2</b>
	<b>Total Assets</b>	<b>653.9</b>	<b>634.8</b>	<b>-19.1</b>	<b>Total Liabilities and Net Assets</b>	<b>653.9</b>	<b>634.8</b>	<b>-19.1</b>

	As of the end of Mar. 2024	As of the end of Sep. 2024	Increase /Decrease
Deposits and cash equivalents	219.8	202.4	-17.4
Interest bearing debt	157.0	153.2	-3.8
Net cash	62.8	49.2	-13.6
Equity ratio	54.6%	58.0%	+3.4p

## Main reasons for increase/decrease

(Assets)	Cash and deposits decreased due to progress of share buyback, etc. in addition to transfer to securities associated with the purchase of a monetary trust Tangible fixed assets decreased due to the deconsolidation of Phoenix Resort
(Liabilities)	Provision for bonuses, accrued consumption taxes, income taxes payable, etc. decreased due to payment of bonuses and taxes
(Net assets)	Shareholders' equity increased mainly due to the recording of profit attributable to owners of parent, despite share buybacks and the payment of dividends -10-

02

## Per Segments Results / Forecast

(Billion yen)	FY2024/3		FY2025/3	
	Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
<b>Sales</b>	<b>121.7</b>	<b>319.8</b>	<b>141.7</b>	<b>335.0</b>
Consumer	78.4	224.0	95.6	235.0
Animation	10.2	23.9	11.2	23.5
AM* & TOY	33.0	71.8	34.8	76.5
<b>Operating Income</b>	<b>7.9</b>	<b>29.9</b>	<b>18.7</b>	<b>38.0</b>
Consumer	3.1	21.9	12.4	27.5
Animation	2.7	5.6	4.3	4.5
AM* & TOY	2.0	2.3	1.8	6.0
<b>Ordinary Income</b>	<b>9.1</b>	<b>30.8</b>	<b>18.3</b>	<b>40.0</b>
<b>Adjusted EBITDA</b>	<b>2.7</b>	<b>22.0</b>	<b>18.6</b>	<b>50.0</b>
<b>Full Game Sales</b>	<b>23.4</b>	<b>88.1</b>	<b>27.7</b>	<b>93.0</b>
New titles	6.2	55.0	5.6	53.3
Repeat sales	17.1	33.0	22.1	39.6
<b>F2P Sales</b>	<b>26.9</b>	<b>53.9</b>	<b>23.1</b>	<b>56.9</b>
<b>Full Game Unit Sales (Thousand)</b>	<b>10,520</b>	<b>27,890</b>	<b>12,390</b>	<b>29,670</b>
New titles	1,660	9,230	1,020	9,190
Repeat sales	8,850	18,660	11,370	20,480

\*1 DLC = Downloadable content, \*2 CS = Consumer area, \*3 AM = Amusement Machine

\*Exchange rate in FY2025/3 initial forecast: 1 USD = 137 yen, 1 GBP = 190 yen, 1 Euro = 161 yen

## FY2025/3 Q2 Results

### ➤ Strong performance as a whole

- Exceeded expectations due to strong DLC\*<sup>1</sup> sales etc. and positive impact from foreign exchanges (CS\*<sup>2</sup>)
  - ✓ Sales of Full Game increased YoY, but slightly below the expectations
  - ✓ Recording of Rovio sales contributed sales increase
- Sonic's cinematic works and *Detective Conan : The Million-dollar Pentagon* performed strong (Animation)

## Forecast

### ➤ Launch new titles in Consumer area

- Full-scale sales of mainstay new titles (CS)
- Promote Transmedia development in line with the above
- Closely monitor the impact of exchange rate fluctuations (CS, AM\*<sup>3</sup> & TOY)

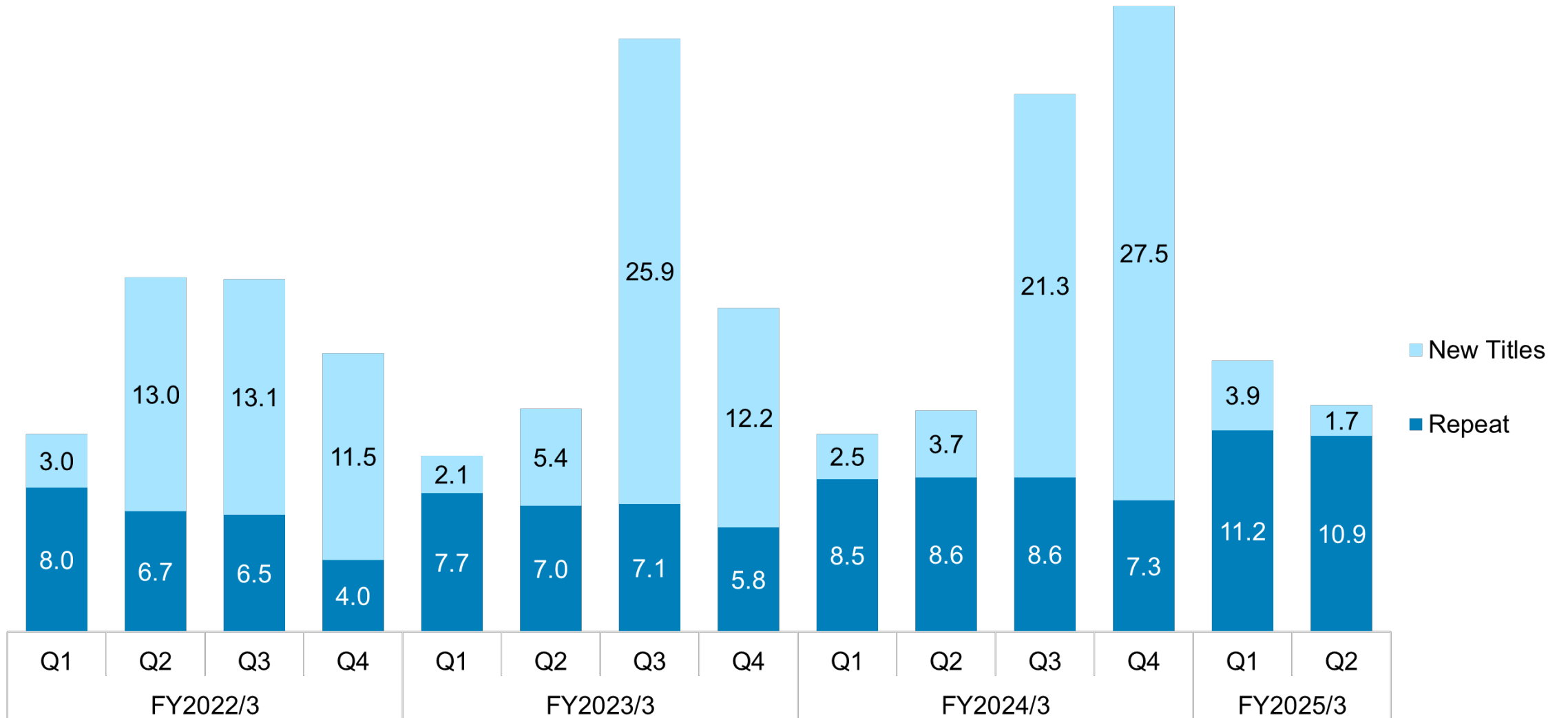
		FY2025/3 Q2 Results	Forecast
Consumer	Full game	<ul style="list-style-type: none"> <li>Sales of new titles released in Q1 went sluggish</li> <li>Repeat sales including <i>Unicorn Overlord</i> went strong</li> <li>Cost improvement mainly in Europe exceeded expectations</li> </ul>	<ul style="list-style-type: none"> <li>Full-scale sales of mainstay new titles -<i>Metaphor: ReFantazio</i>, <i>SONIC X SHADOW GENERATIONS</i>, <i>Football Manager 25</i>, etc.</li> </ul>
	F2P	<ul style="list-style-type: none"> <li>Existing titles performed as expected</li> </ul>	<ul style="list-style-type: none"> <li>Plan to launch the service of new title, <i>Sonic Rumble</i> this Winter</li> </ul>
	Other	<ul style="list-style-type: none"> <li>DLC sales continued to be strong, exceeding expectations</li> <li>Positive impact from exchange rate fluctuations</li> </ul>	<ul style="list-style-type: none"> <li>Expect an increase in character licensing revenues from Transmedia development centered on Sonic</li> <li>Closely monitor the impact of exchange rate fluctuations</li> </ul>
Animation		<ul style="list-style-type: none"> <li>Recorded allocated revenue of <i>Detective Conan : The Million-dollar Pentagon</i>, etc.</li> <li>Recorded revenues associated with video production and sales, distribution, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Plan to record revenue from video production and sales, distribution, etc.</li> </ul>
AM*1 & TOY	AM	<ul style="list-style-type: none"> <li>Sold centered on new <i>UFO CATCHER</i>® machine and prize category</li> <li>Continued to be impacted by raw material price hikes caused by exchange rate fluctuations, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the sales of prize category</li> <li>Closely monitor the impact of raw material price hikes caused by exchange rate fluctuations, etc.</li> </ul>
	TOY	<ul style="list-style-type: none"> <li>Mainly sold regular products, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the sales of new and regular products for year-end sales season</li> </ul>

\*1 AM = Amusement Machine

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



(Unit: Billion yen)



# (Reference) Entertainment Contents Business Roll-out Schedule

## (CS/Animation area)



Area		Title	Launch	Region	Platform	
CS <sup>*1</sup>	Full Game	Shin Megami Tensei V Vengeance	Jun. 14, 2024	Global	Multi-platform	
		Super Monkey Ball Banana Rumble	Jun. 25, 2024	Global	Nintendo Switch™	
		Metaphor: ReFantazio	Oct. 11, 2024	Global	Multi-platform	
		SONIC X SHADOW GENERATIONS	Oct. 25, 2024	Global	Multi-platform	
		Like a Dragon: Pirate Yakuza in Hawaii	Feb. 21, 2025	Global	Multi-platform	
		TWO POINT MUSEUM	Mar. 5, 2025	Global	Multi-platform	
	Football Manager 25	Mar. 2025	Global	Multi-platform		
	F2P	Persona5: The Phantom X	Apr. 12, 2024	China, Traditional Chinese area, South Korea	iOS/Android	Licensing out
		Sonic Rumble	This Winter	Global	iOS/Android/PC	
	Persona5: The Phantom X	TBD	Japan	iOS/Android/PC		
Animation	TMS ENTERTAINMENT	Detective Conan : The Million-dollar Pentagram	Apr. 12, 2024	-	-	
		Baki Hanma	On streaming	Global	Netflix	
		Blue Box	Oct. 3, 2024	-	-	A work for UNLIMITED PRODUCE project <sup>*2</sup>
		Four Knights of the Apocalypse 2nd Season	Oct. 6, 2024	-	-	A work for UNLIMITED PRODUCE project <sup>*2</sup>
		SAKAMOTO DAYS	Jan., 2025	-	-	
		Honey Lemon Soda	Jan., 2025	-	-	A work for UNLIMITED PRODUCE project <sup>*2</sup>

\*1 CS = Consumer area

\*2 UNLIMITED PRODUCE project = an initiative to produce animation works in collaboration with other studios, with the aim of strengthening the animation production business

\*Only announced titles are listed

# (Reference) Entertainment Contents Business Roll-out Schedule

## (Animation/AM & TOY area)



Area		Title	Launch	Region	Platform		
Animation	License-out/ Investment Project etc.	Sonic the Hedgehog 3	Dec. 20, 2024	Global	-	Date in "Launch" is the scheduled release date in North America	
		The Angry Birds Movie 3	TBD	-	-		
		Knuckles	Apr. 26, 2024	Global	Paramount+		Licensing out
		Angry Birds Mystery Island	May. 21, 2024	Global	Amazon Prime Video		Licensing out
		Like a Dragon: Yakuza	Oct. 25, 2024	Global	Amazon Prime Video		Licensing out
		COLORFUL STAGE! The Movie: A Miku Who Can't Sing	Jan. 17, 2025	-	-		Licensing out
		Golden Axe (Title TBD)	TBD	-	-		Licensing out
		SHINOBI	TBD	-	-		Licensing out
AM <sup>*1</sup> & TOY	AM	GIMMI	Jul. 4, 2024	-	-	Print Sticker machine	
		UFO CATCHER TRIPLE TWIN Compact	Jul. 11, 2024	-	-		
		MONOPOLY THE MEDAL AMERICAN DREAM	TBD	-	-		
	TOY	SONIC&FRIENDS	Apr. 26, 2024	-	-		
		Let's play store for the first time! ANPANMAN's Fluffy Bakery	May. 30, 2024	-	-		
		"Moving Picture Book" Projector Dream Switch ANPANMAN	Jun. 27, 2024	-	-		
		Come play! Chiikawa House with Talking dolls	Jun. 27, 2024	-	-		
		monpoke Sounds and Lights! Rolling round Pikachu Tower	Jun. 27, 2024	-	-		
		me-smartphone + (Plus)	Aug. 8, 2024	-	-		
		ePICO 100 experiences edition	Oct. 10, 2024	-	-		

\*1 AM = Amusement Machine

\*Only announced titles are listed

(Billion yen)	FY2024/3		FY2025/3	
	Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
<b>Sales</b>	<b>92.5</b>	<b>133.2</b>	<b>64.7</b>	<b>105.0</b>
Pachislot	64.6	88.7	28.2	49.6
Pachinko	23.5	35.5	31.4	46.4
Other / Elimination	4.4	9.0	5.1	9.0
<b>Operating Income</b>	<b>39.1</b>	<b>41.6</b>	<b>21.2</b>	<b>23.0</b>
<b>Ordinary Income</b>	<b>39.3</b>	<b>41.9</b>	<b>21.5</b>	<b>23.5</b>
<b>Adjusted EBITDA</b>	<b>40.6</b>	<b>44.5</b>	<b>23.2</b>	<b>26.5</b>

<b>Pachislot</b>				
Number of Titles	<b>3 titles</b>	<b>7 titles</b>	<b>4 titles</b>	<b>7 titles</b>
Unit Sales (units)	<b>130,395</b>	<b>180,090</b>	<b>59,146</b>	<b>107,000</b>
<b>Pachinko</b>				
Number of Titles	<b>3 titles</b>	<b>4 titles</b>	<b>4 titles</b>	<b>8 titles</b>
Unit Sales (units)	<b>56,498</b>	<b>88,236</b>	<b>68,735</b>	<b>115,000</b>
Board + Frame	22,945	25,419	38,499	57,400
Board	33,553	62,817	30,236	57,600

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

## FY2025/3 Q2 Results

### ➤ Exceeded expectations

- Sales of *e Hokuto No Ken 10*, the Group's first smart pachinko and other new titles went steady
- Main titles sold:  
*e Hokuto No Ken 10*  
*Smart Pachislot Shin Hokuto Muso* etc.

## Forecast

- **Closely monitor the impact to the financial results associated with the revision of the sales lineup**
  - Recent order situation trending weak
  - Review the line-up in the second half to improve product competitiveness
- **Continue to launch new titles**

# (Reference) Pachislot & Pachinko Machines Business Sales Schedule



[Main titles sold up to Q2 and titles planned to be sold in or after Q3]

		Title	Installation	Unit Sales	Specification Range*1	Type
<b>Pachislot</b>	In or before Q2	Smart Pachislot Golden Kamuy	Apr. 2024	12,865 units	Medium	New Series
		Smart Pachislot Psalms of Planets Eureka Seven 4 HI-EVOLUTION	May 2024	13,600 units	Medium	New Series
		Smart Pachislot Shin Hokuto Muso	Jul. 2024	17,398 units	High	New Series
	In or after Q3	Smart Pachislot Initial D 2nd	Oct. 2024	-	Medium	New Series
		Smart Pachislot Aura Battler Dunbine	Dec. 2024	-	Medium	New Series

		Title	Installation	Unit Sales	Specification Range*2	Type
<b>Pachinko</b>	In or before Q2	★P Initial D 2nd	Jun. 2024	9,099 units	High Middle	New Series
		★e Hokuto No Ken 10	Aug. 2024	35,320 units	High	New Series
		P IKUSA no KO Legend of Oda Nobunaga	Sep. 2024	7,554 units	High Middle	New Series
	In or after Q3	P Monster Hunter Rise	Nov. 2024	-	Middle	New Series
		★P The Rising of the Shield Hero	Dec. 2024	-	High Middle	New Series
		★P BLACK LAGOON4 EXTRA BULLET 129ver.	Jan. 2025	-	Light	Specification Change

Titles marked with “★” are machines that equip Lucky Trigger feature

\*1 Specification Range (Pachislot): Classified by gambling aspect (High/Medium/Low). Calculated based on in-house definition.

\*2 Specification Range (Pachinko): Classified by symbol matching probability (High/High Middle/Middle/Light Middle/Light/Minimum/Other). Based on the jackpot probability classification of Daikoku Denki Co., Ltd.  
High=1/320 or less, High Middle=1/280~1/319, Middle=1/200~1/279, Light Middle=1/120~1/199, Light=1/40~1/119, Minimum=1/39 or more

\*Unit sales only in FY2025/3 are listed

\*Only announced titles are listed

(Billion yen)	FY2024/3		FY2025/3	
	Thru Q2	Full Year Results	Thru Q2	Full Year Forecast
<b>Sales</b>	0.6	1.9	1.8	3.0
<b>Operating Income</b>	-0.9	-1.7	-1.0	-2.0
Non-operating income	1.0	1.4	1.1	1.0
Non-operating expenses	0.0	0.1	0.4	0.5
<b>Ordinary Income</b>	0.0	-0.4	-0.2	-1.5
<b>Adjusted EBITDA</b>	-0.0	-0.4	-0.8	-1.5
<b>Gaming Machine (units)</b>				
Unit Sales (N.A.+Asia)	172	563	478	1,087
No. of newly installed units (N.A.+Asia)	263	755	647	1,428
No. of utilized units of leased machine at the end of each period (N.A.)	288	311	492	456

## FY2025/3 Q2 Results

### ➤ Strong sales of casino machines

- Gaming machine sales:
  - Sales of *Railroad Riches*™, compatible with video slot machine cabinet *Genesis Atmos*®, has been strong in the U.S.
- PARADISE SEGASAMMY:
  - Contributed to profit in equity-method earnings as casino revenues remained at high levels
- Recorded M&A-related expenses and foreign exchange impact from valuation of assets denominated in foreign currencies, etc.

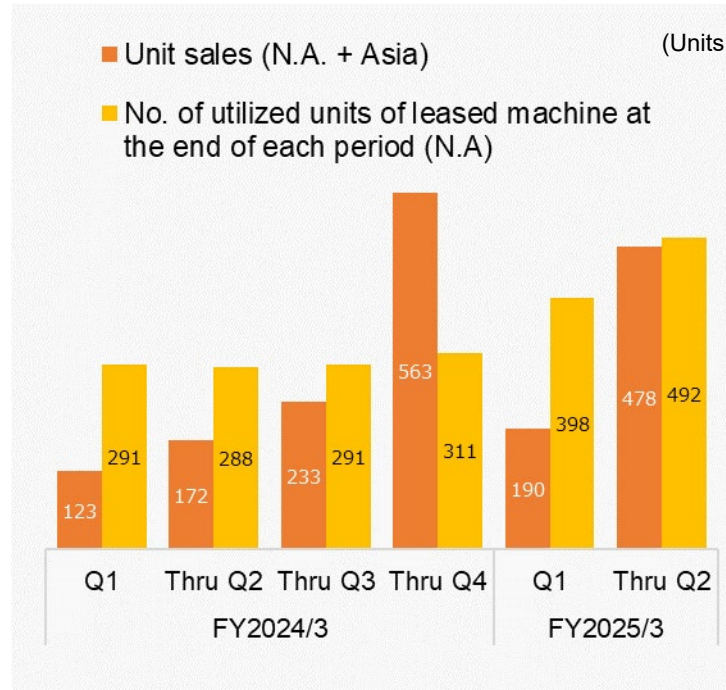
## Forecast

- Gaming machine sales:
  - Expect the expansion of the unit sales in North America and Asia
- PARADISE SEGASAMMY:
  - Expect to contribute to profit in equity-method earnings

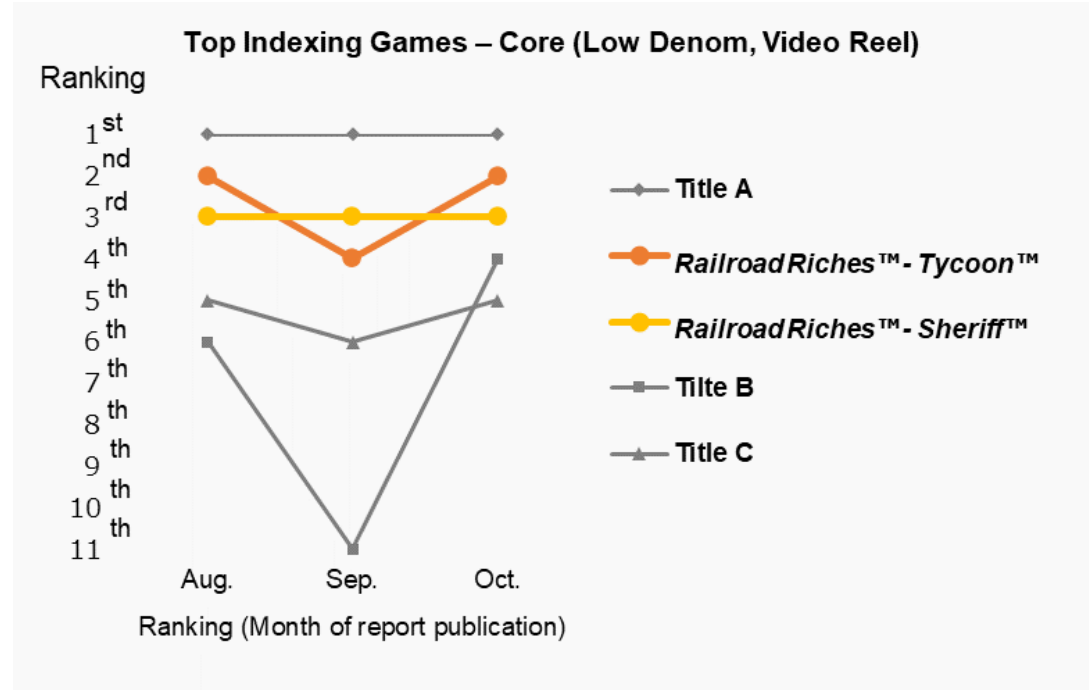


➤ **Strong utilization of *Railroad Riches*<sup>™</sup> continues and contributes to strengthening the relationship with casino operators**

■ **Sales trend of gaming machines (North America and Asia)**



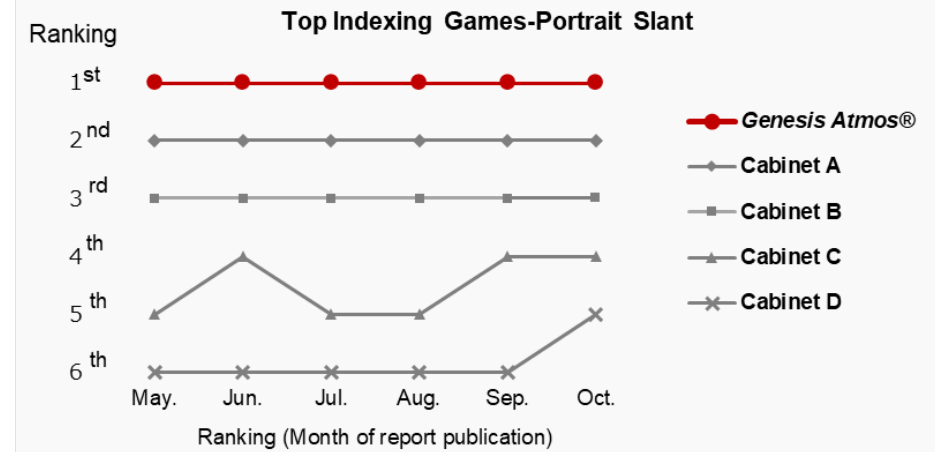
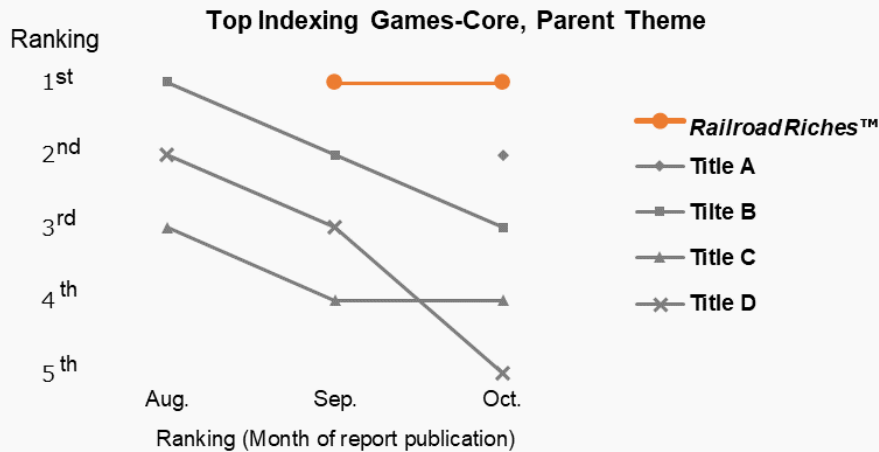
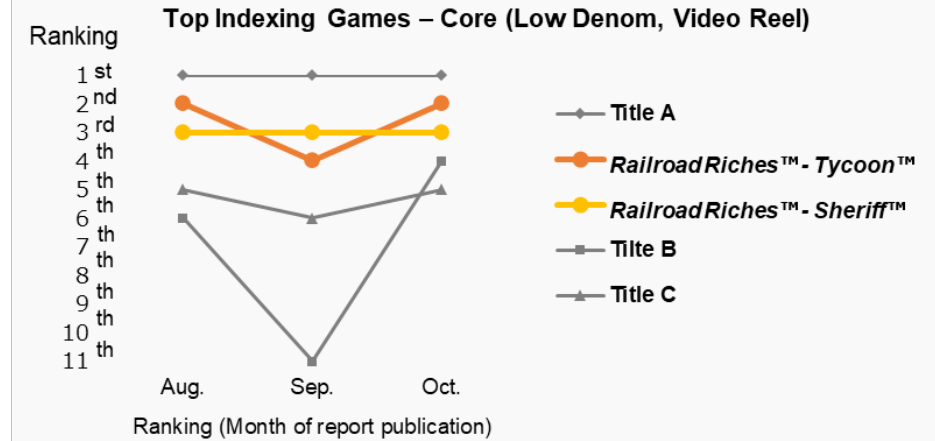
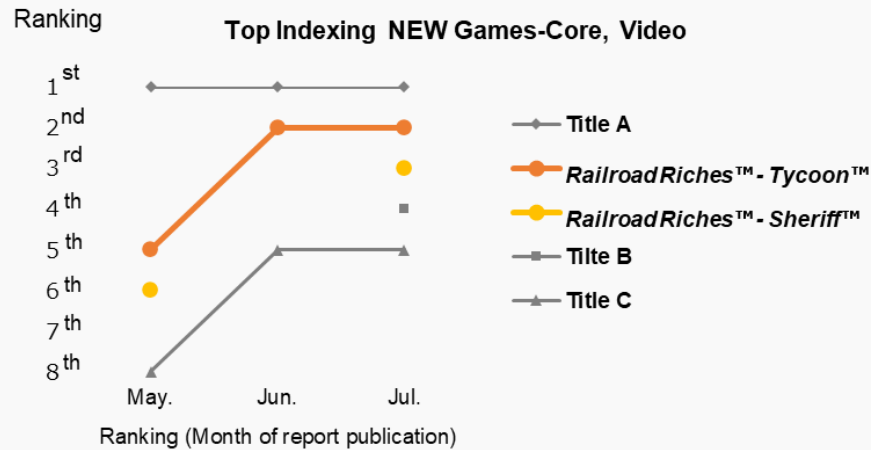
■ **Performance trend of *Railroad Riches*<sup>™\*1</sup>**



\*1 "Top Indexing Games-Core (Low Denom, Video Reel) Ranking" in "U.S. & Canada Game Performance Report" issued by Eilers & Krejcik Gaming, LLC, a US gaming research company



## ■ Performance trend of *Railroad Riches*™ and *Genesis Atmos*® (cabinet) \*1



\*1 From "Top Indexing NEW Games-Core, Video Ranking", "Top Indexing Games-Core (Low Denom, Video Reel) Ranking", "Top Indexing Games-Core, Parent Theme Ranking", "Top Indexing Cabinet-Portrait Slant Ranking" in "U.S. & Canada Game Performance Report" issued by Eilers & Krejcik Gaming, LLC, a US gaming research company

# (Reference) PARADISE SEGASAMMY



(KRW Billion)	FY2024/3		FY2025/3
	Thru Q2	Full year Results	Thru Q2
<b>Sales</b>	<b>200.6</b>	<b>448.7</b>	<b>263.7</b>
Casino	145.5	327.9	205.0
Hotel	46.5	100.3	48.4
Other	8.5	20.4	10.1
<b>Cost of sales</b>	<b>155.5</b>	<b>353.1</b>	<b>190.3</b>
Casino	82.3	193.4	109.4
Hotel	52.1	112.1	59.1
Other	21.1	47.6	21.8
<b>Gross profit</b>	<b>45.0</b>	<b>95.5</b>	<b>73.4</b>
SG&A	18.2	39.2	29.2
<b>Operating profit</b>	<b>26.8</b>	<b>56.3</b>	<b>44.1</b>
<b>EBITDA</b>	<b>52.4</b>	<b>103.7</b>	<b>65.9</b>
<b>Net profit</b>	<b>17.9</b>	<b>28.0</b>	<b>27.2</b>
<b>Number of casino visitors (Thousands)</b>	<b>135</b>	<b>297</b>	<b>172</b>
<b>SEGASAMMY Equity method acquisition amount (Billion yen)</b>	<b>0.6</b>	<b>0.9</b>	<b>1.1</b>

Source: Paradise IR

## FY2025/3 Q2 Results

### ➤ **Casino sales continued to be strong**

- Casino sales remained strong, centered on Japanese VIP customers
- Hotel sales continued to achieve high room rates and occupancy by capturing the demand for stay type travel in South Korea

## Forecast

### ➤ **Contribution to profit in equity-method earnings**

- Casino sales in August recorded its highest since its opening
- Hotel occupancy in August also recorded its highest since its opening
- Work for further attraction of customers through strengthened marketing

\*PARADISE SEGASAMMY is an equity-method affiliate of the Company

\*PARADISE SEGASAMMY is recorded 3 months late to the Company as it closes its fiscal year in December

\*Local accounting standards

03

## Future Initiatives

## Overall

- The first half results exceeded expectations
- Need to closely monitor the trends in each business in the second half

### Entertainment Contents Business

- Launch of mainstay new titles x Promotion of Transmedia strategy
- Service launch of *Sonic Rumble*, the first title in cooperation with Rovio
- Delayed the launch of *Football Manager 25*

### Pachslot & Pachinko Machines Business

- Review of sales lineup to improve product competitiveness
- Aim to create hit titles continuously by leveraging high-profile large-scale IPs, etc.

### Gaming Business

- Promote the sales of new slot machines
- Advance the acquisition procedure of 2 gaming companies

# Consumer Area, Entertainment Contents Business

Entertainment Contents Business

## Promote Transmedia development towards new movie and games to be released at the of end the year under the theme of "Fearless: Year of Shadow"

Fostering a sense of unity in community under the theme of "Shadow"



©SEGA

Strategic interaction of each initiative to create a strong tailwind toward the end of the year

Game

Console/PC Title  
**SONIC X SHADOW GENERATIONS**

Release: Oct. 25, 2024

Movie

**Sonic the Hedgehog 3**

Release: Dec. 20, 2024 (Plan)

Game

F2P Title  
**Sonic Rumble**

Service launch: this winter (Plan)

Animation

Original TV Series  
**Knuckles**

Release: Apr. 26, 2024  
Now available on Paramount+

## Strategically promote the Transmedia roll-out of Sonic IP

Apr. 2024



©2024 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC.

### Knuckles

(Streaming start: Apr. 26, 2024)

- Ranked No. 1 on “Paramount+”

Oct. 2024



©SEGA

### SONIC X SHADOW GENERATIONS

(Release: Oct. 25, 2024)

Dec. 2024



©2024 PARAMOUNT PICTURES AND SEGA OF AMERICA, INC.

### Sonic the Hedgehog 3

(Release: Dec. 20, 2024 (Plan))

\* Scheduled release date in North America

This Winter



©SEGA

### Sonic Rumble

(Service launch: this winter (Plan))

Merchandising, etc.

- Selected as 3-star property for **Walmart's Entertainment Council program**<sup>\*1</sup>



<sup>\*1</sup> A sales support program at Walmart which reserved for AAA IP



©SEGA

## **SONIC x SHADOW GENERATIONS** (Full Game)

(Release: Oct. 25, 2024)

- Worldwide sales surpassed 1 million units in its release date
- Gained high marks on review sites, etc.
  - ✓ Scores at Metacritic  
METAScore: 80 points  
User Score: 9.0
  - ✓ Customer review at Steam: Overwhelmingly Positive  
(97% of review are positive)

\*Scores are for PS5 version as of Nov. 7



©SEGA

## **Sonic Rumble** (F2P)

(Service launch: this winter (Plan))

- The first collaborative title with Rovio
  - ✓ Development: SEGA
  - ✓ Global Marketing: Rovio
- Preliminary test underway in various locations in the world

Implement measures to strengthen sales in line with the drama series  
Release new title at the beginning of the coming year

Oct. 2024



©2024 Amazon Content Services LLC or its Affiliates

## ***Like a Dragon: Yakuza***

(Streaming start: Oct. 25, 2024)

- Amazon Original drama series

Feb. 2025



©SEGA

## ***Like a Dragon: Pirate Yakuza in Hawaii***

(Release: Feb. 21, 2025 (Plan))

- Multi-platform and simultaneous worldwide release



©SEGA

## **Implementation of measures to strengthen sales**

- Launched the first Nintendo Switch™ version in the series (Like a Dragon Kiwami)
- Sold three types of bundle versions with different themes



©ATLUS. ©SEGA.

## ***Metaphor: ReFantazio***

(Release: Oct. 11, 2024)

- Worldwide sales surpassed 1 million units in its release date
- Gained high marks on review sites, etc.
  - ✓ Scores at Metacritic  
METAScore: 94 points / Earned “Must-Play”  
User Score: 9.0
  - ✓ Customer review at Steam: Overwhelmingly Positive  
(90% of review are positive)

\*Scores are for PS5 version as of Nov. 7

## ***Persona5: The Phantom X***

(Service launch in Japan decided, \*Release timing TBD)

- Developed by Perfect World (license-out from our Group)
- Published by Perfect World and available in China, Traditional Chinese area, and South Korea
- SEGA will be in charge of publishing of Japanese version



## ***Football Manager 25***

(Release: Mar. 2025 (Plan))

- Postponed release date from **November to March** to ensure game quality
- Changed the development engine to Unity
  - ✓ Renewal of the UI\*
  - ✓ Enhancement of graphics
- Addition of new elements
  - ✓ Acquired full license of Premier League
  - ✓ Adoption of female soccer

\*User Interface

- **Transfer of Amplitude Studios through an MBO**

- Realized a business structure that focuses on strengths through selection and concentration
- Recorded 5.9 billion yen of loss on business restructuring as extraordinary losses (FY2025/3 Q2)
- Structural reforms for European business has been completed

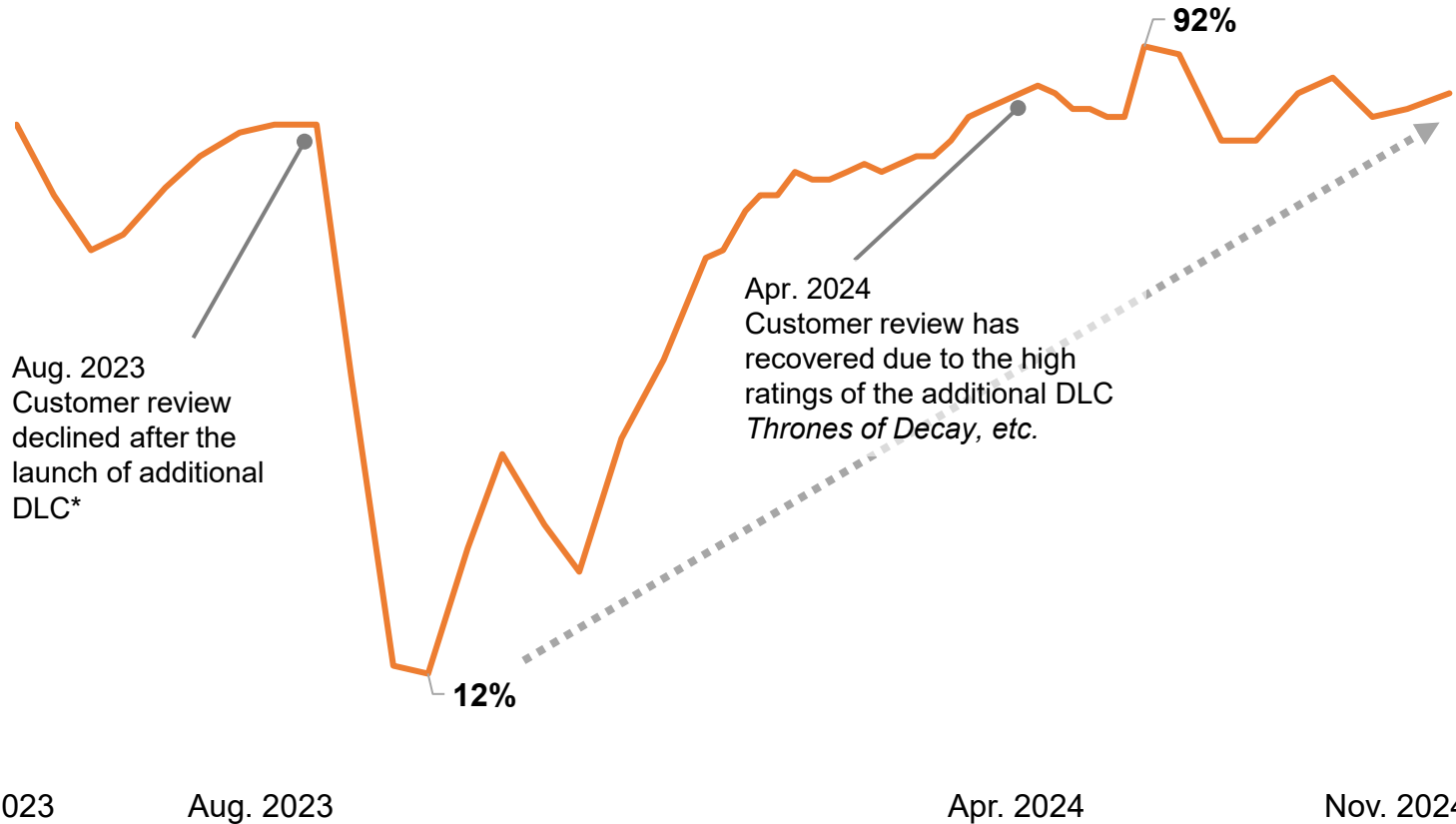
- **Recovery of *Total War*, the main IP of the Creative Assembly**

- As for *Total War: WARHAMMER III* and *Total War: PHARAOH*, sales of the main game have increased along with the high ratings of the additional DLC\*<sup>1</sup> released this fiscal year

\*1 DLC = Downloadable content

### **Total War: WARHAMMER III**

— The ratio of “positive” out of all Steam reviews



Aug. 2023  
Customer review declined after the launch of additional DLC\*

Apr. 2024  
Customer review has recovered due to the high ratings of the additional DLC *Thrones of Decay*, etc.

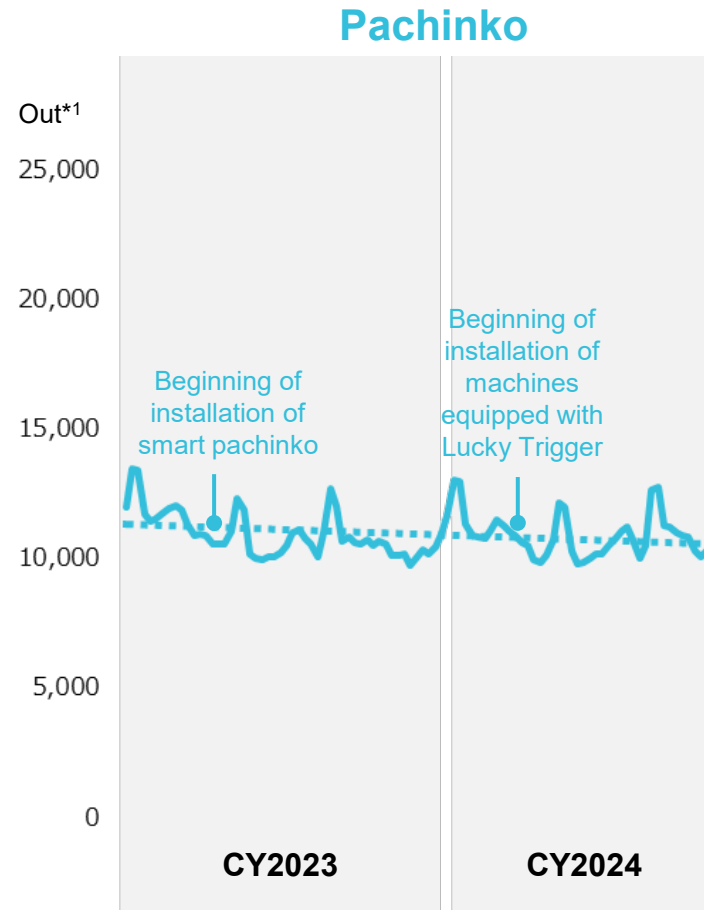
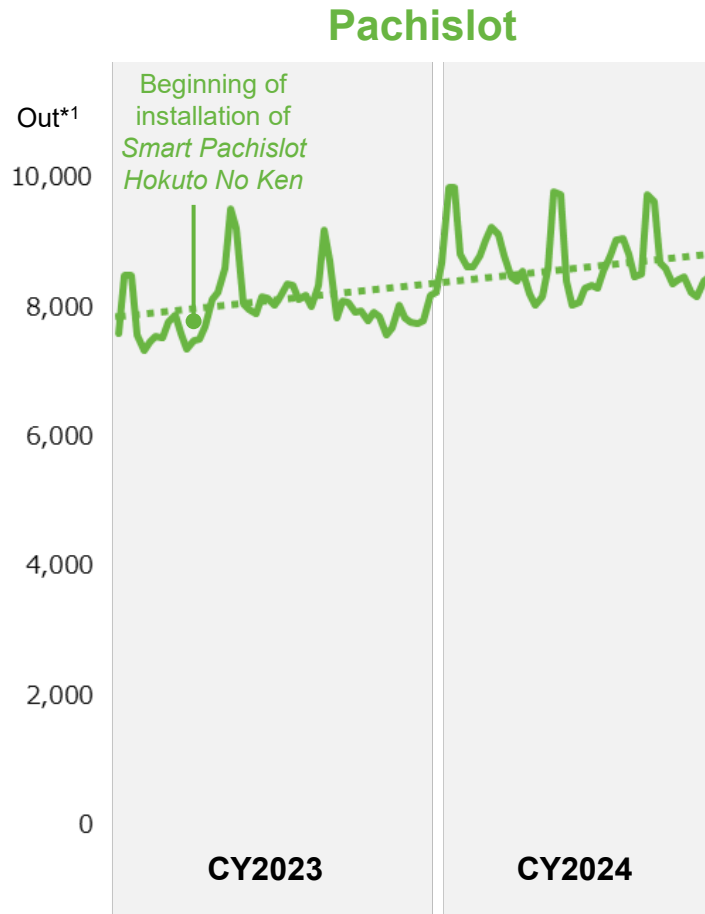
- Strengthen the communication with user community
- Reviewed the content and pricing, etc. of DLCs
- The most recent customer review is “Very Positive”

\*DLC=Downloadable Content

# Pachislot & Pachinko Machines Business

Pachislot & Pachinko Machines Business

## Pachislot & Pachinko Utilization Trend



### Pachislot

- Steady utilization centered on smart pachislot

### Pachinko

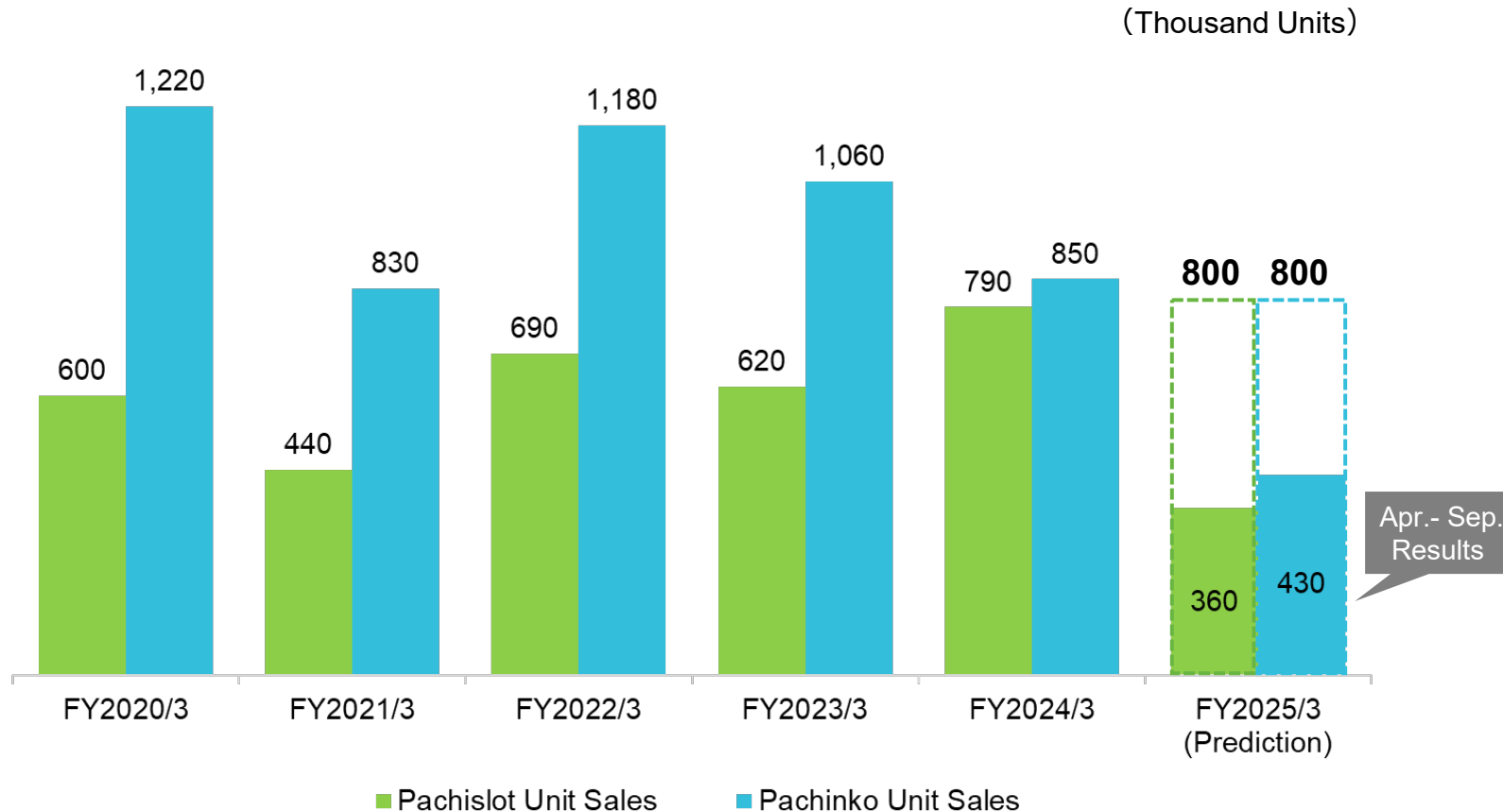
- Weak utilization continues

\*1 Out = Used as an indicator to represent utilization of pachislot & pachinko machines (Pachislot: Average number of inserted medals in a day for each title, Pachinko: Average number of shot balls in a day for each title)  
When Daikoku Denki Co., Ltd convert "Out" to time of utilization, each of them are converted by Pachislot: 1 hour = 2,000 medals, Pachinko: 1 hour = 5,000 balls

\*2 weeks moving average, the dotted line in the graph is a linear approximation of the average utilization

\*In-house estimation based on DK-SIS data (Data for 4 yen Pachinko and 20 yen Pachislot) of Daikoku Denki Co., Ltd

## Pachislot & Pachinko Unit Sales Trend



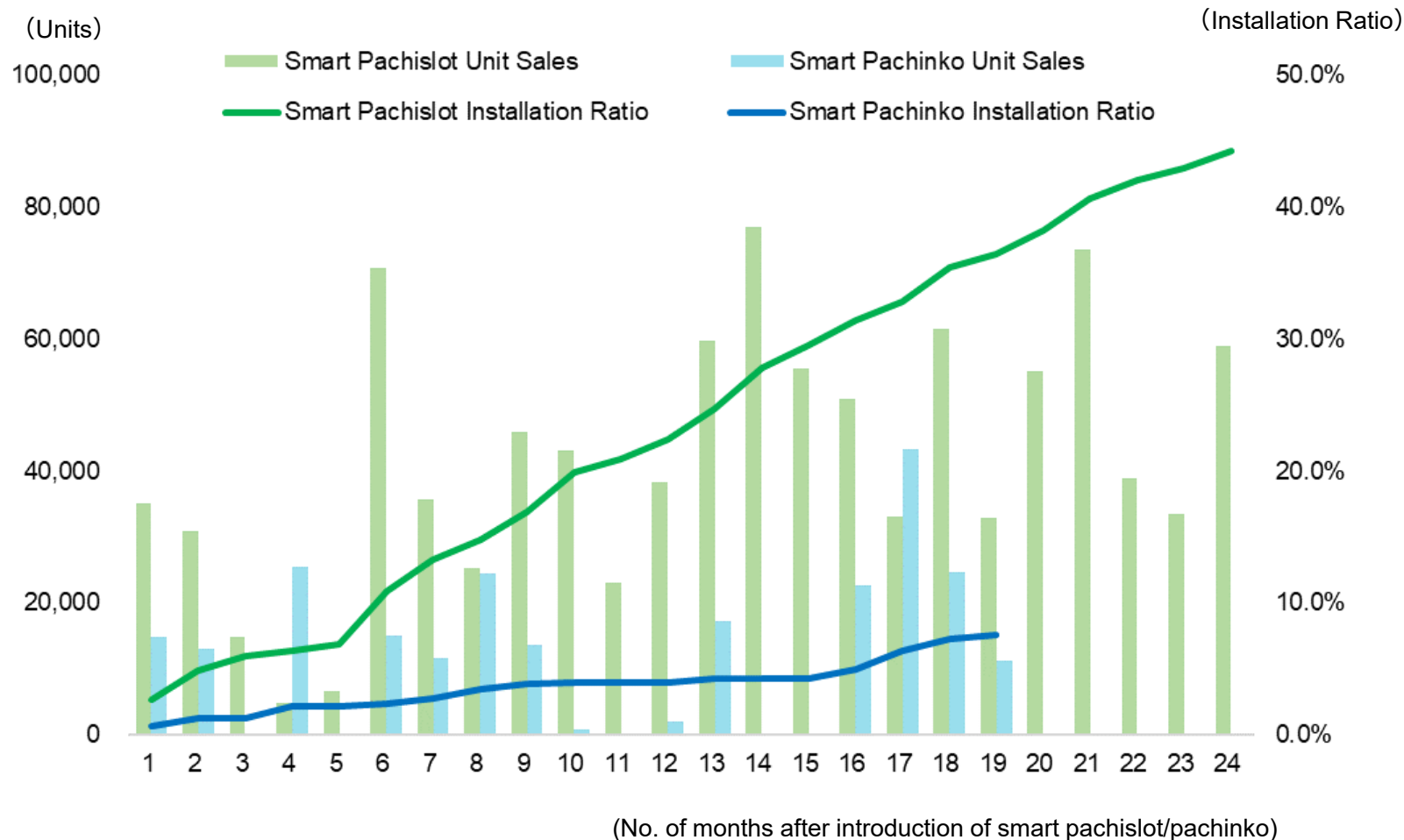
### Pachislot

- Unit sales are on an increasing trend over the medium to long term
- Sales has progressed centered on smart pachislot in the first half

### Pachinko

- Unit sales are on a decreasing trend over the medium to long term
- Sales of titles equipped with Lucky Trigger were concentrated in the first half

## Unit sales & installation ratio of smart pachislot/pachinko



### Smart Pachislot

- Topical machines are appearing constantly
- Installation ratio has exceeded 40%

### Smart Pachinko

- Pace of penetration after introduction has been slow
- Multiple hit titles have appeared on the market recently

- The revision of regulations has accelerated the spread of smart machines
- Continue to promote positive discussions at manufacturers' associations, etc.

\*Results for Smart Pachislot is from Nov. 2022 to Oct. 2024; Smart Pachinko is from Apr. 2023 to Oct. 2024

\*Installation ratio in the whole market (as of the end of each month)

\*In-house estimation

Our first smart pachinko title has been strong in both sales and utilization



## *e Hokuto No Ken 10*

- **Unit Sales : Over 35 thousand units**
- **Utilization level : Trending over market average**  
Accounts for about 5% of utilization share within the 4 yen pachinko market\*1

【Reference】Top ranking models in terms of utilization share (4 yen pachinko)

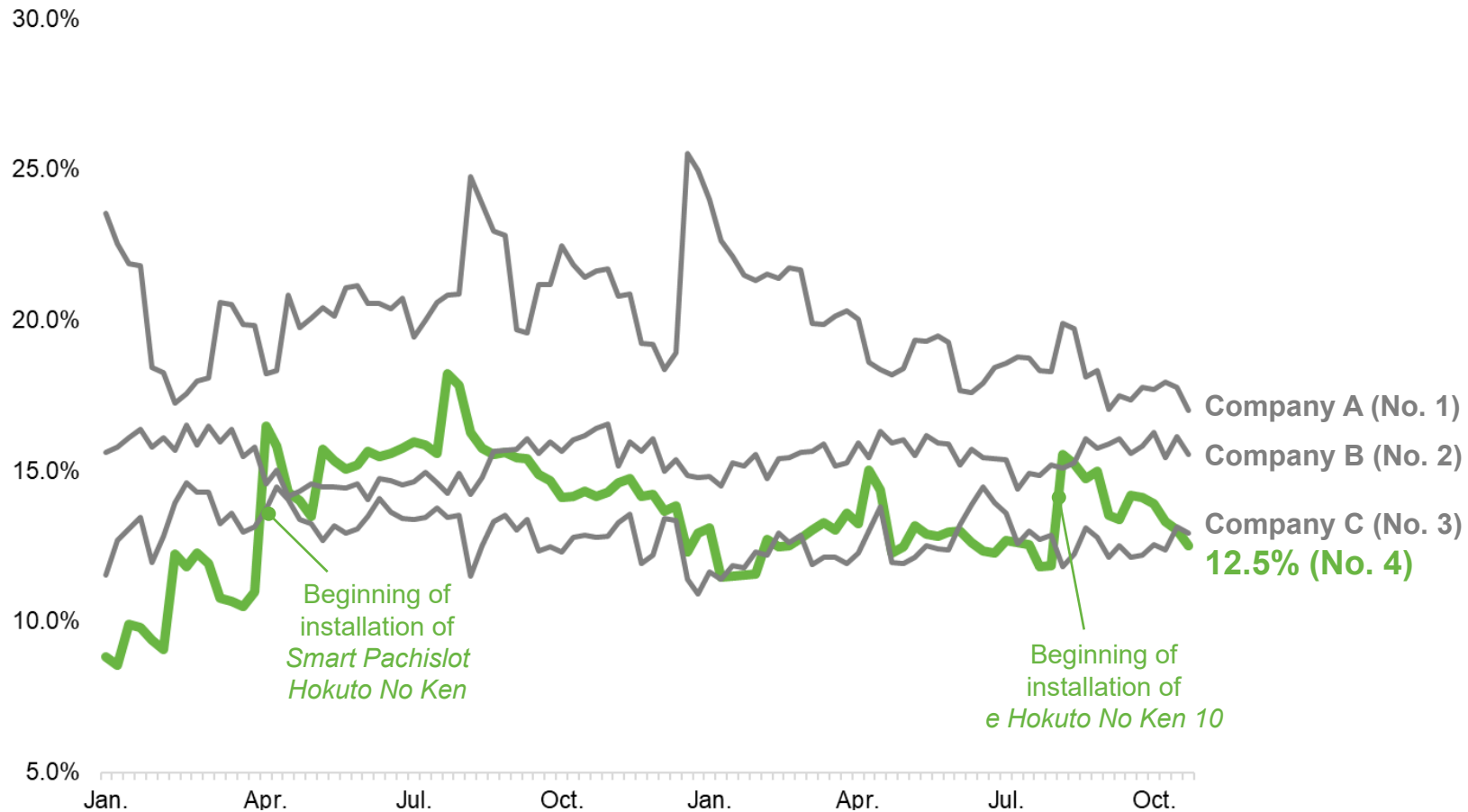
Rank	Name	Utilization Share	Installation	Smart Pachinko
1	Title A	10.0%	Feb. 2023	-
2	Title B	7.4%	Dec. 2021	-
3	Title C	6.7%	Nov. 2023	✓
4	<i>e Hokuto No Ken 10</i>	<b>4.9%</b>	<b>Aug. 2024</b>	✓
5	Title D	4.0%	Dec. 2023	-

©Buronson & Tetsuo Hara / COAMIX 1983, ©COAMIX 2007 Approved No.YSS-324  
©Sammy

\*1 Calculation based on utilization data for the week of Oct. 21 – Oct. 27, 2024

\*In-house estimation based on DK-SIS data of Daikoku Denki Co., Ltd

Trend of total utilization share of our Group & competitors



- **Our total utilization share growth has stalled**  
Share expansion through *Smart Pachislot Hokuto No Ken* and *e Hokuto No Ken 10* remained temporary
- **Continuous creation of hit titles is the challenge**

Continue to launch new titles while reviewing the lineup (FY2025/3)

Aim to expand share by releasing sequels of hit titles and titles utilizing popular IP, etc. (FY2026/3~)

New titles in and after Q3 of this FY (example)



**Smart Pachislot  
Initial D 2nd**  
(Installation: Oct. 2024)



**Smart Pachislot  
Aura Battler Dunbine**  
(Installation: Dec. 2024 (Plan))

New titles from next FY onwards (example)



©Shuichi Shigeno / Kodansha・2014 New Movie "Initial D" Production Committee  
©Shuichi Shigeno / Kodansha・2015 New Movie "Initial D" L2 Production Committee  
©Shuichi Shigeno / Kodansha・2016 New Movie "Initial D" L3 Production Committee  
©Sammy

©SOTSU・SUNRISE  
©Sammy

©Buronson & Tetsuo Hara / COAMIX 1983, ©COAMIX 2007 Approved No.YJN-815 ©Sammy  
©Ken Wakui, KODANSHA / TOKYO REVENGERS Anime Production Committee. ©Sammy  
©Kabaneri Committee ©Sammy  
©Spider Lily/Aniplex, ABC ANIMATION, BS11 ©Sammy

# Gaming Business

Gaming Business

➤ **New titles following *Railroad Riches*™ installed in the U.S.**

- *RAISE 'EM UP HOUSE OF THE DEAD SCARLET DAWN*™ (Installation: Jun. 2024)
- *RAISE 'EM UP LEPRECHAUN*™ (Installation: Jul. 2024)
- *SUPER BURST CARTIN' GOLD*™ (Installation: Jun. 2024)



➤ **Existing titles also continue to enjoy high utilization in Asia**

- *Baccarat Maximum Fortune*™ (Installation: Jun. 2018)



© SEGA SAMMY CREATION INC.

➤ **Steadily advance M&A procedure**

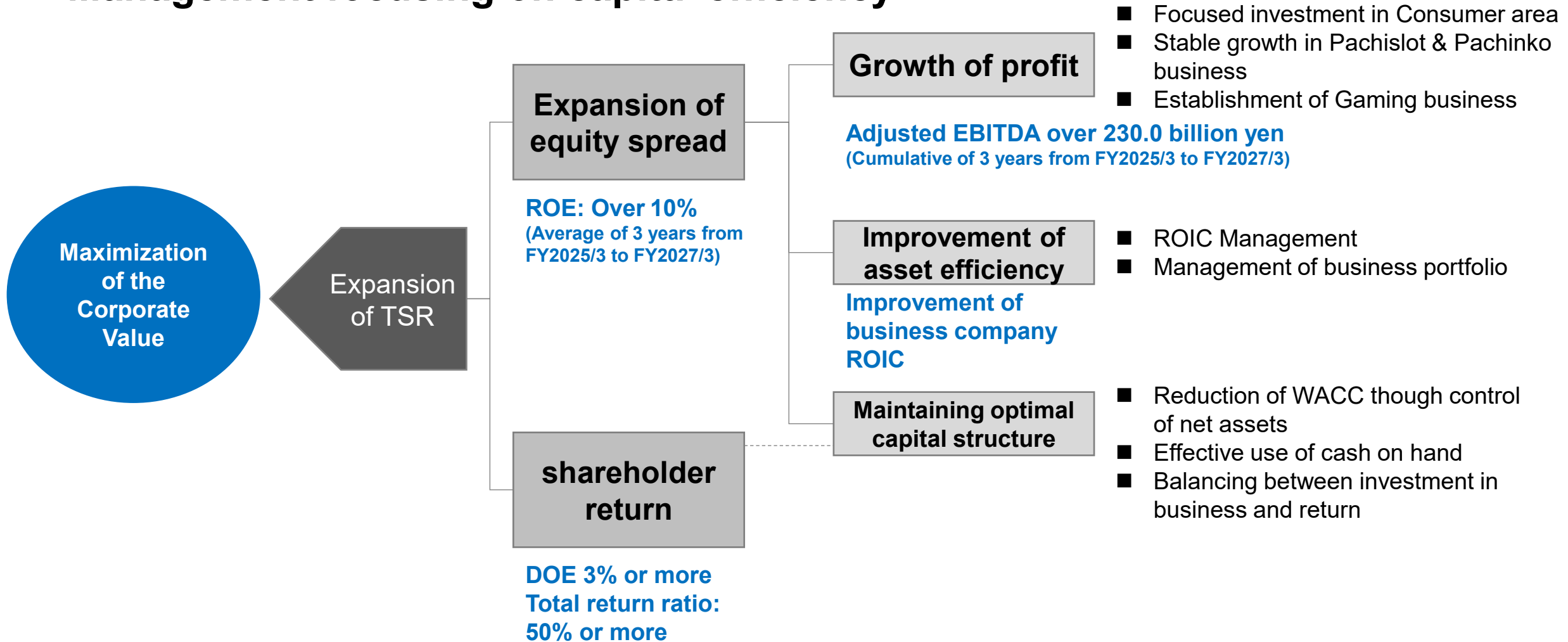
	Completion of Acquisition (Schedule)	Impact on Financial Results
	FY2025/3 Q4	<ul style="list-style-type: none"> <li>Impact on FY2025/3 financial results is immaterial (expenses related to acquisition will be incurred)</li> <li><b>Scheduled to be consolidated from FY2026/3 Q1</b></li> </ul>
	FY2026/3 Q1	<ul style="list-style-type: none"> <li>Impact on FY2025/3 financial result is immaterial (expenses related to acquisition will be incurred)</li> <li><b>Scheduled to be consolidated from FY2026/3 Q2</b></li> </ul>

\*To be recorded 3 months late to the Company as those 2 companies close their fiscal year in December

# Investment in Growth

Investment Strategy

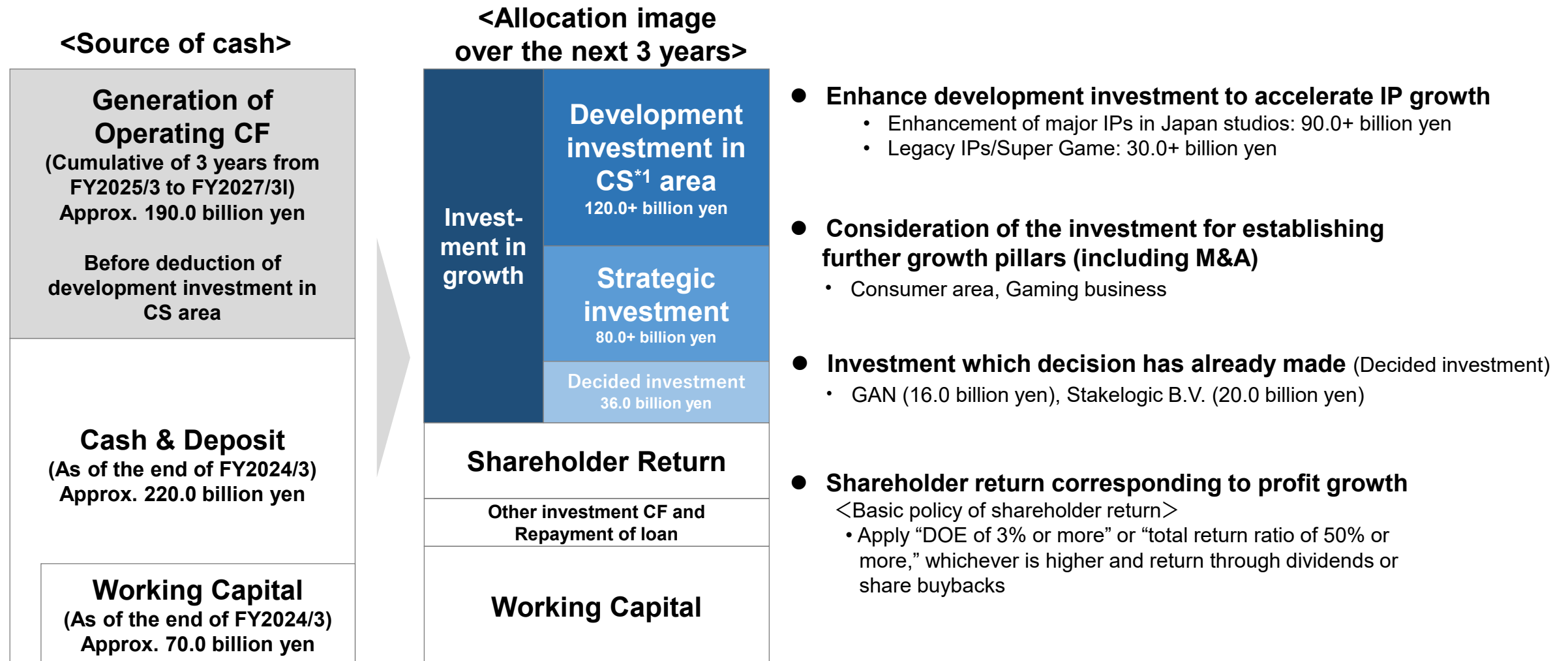
## ■ Management focusing on capital efficiency



# Concept of Investment in Growth and Shareholder Return:

New Medium-term Plan

## 【Capital allocation policy】



\*1 CS = Consumer

## ■ Enhance the measures toward the stock price improvement which involving employees

### Increase awareness of stock price (since 2021)

- **Continuous delivery of financial results and stock price information, etc. via CEO video messages**
- **Conduct a group-wide stock price awareness survey** (Collected Approx. 4,000 opinions)
- **Expansion of stock price information for employees**
  - ⇒ Distribute monthly IR/SR reports for employees
  - ⇒ Stock price display on intranet site

### Sharing of stock price related knowledge (since 2022)

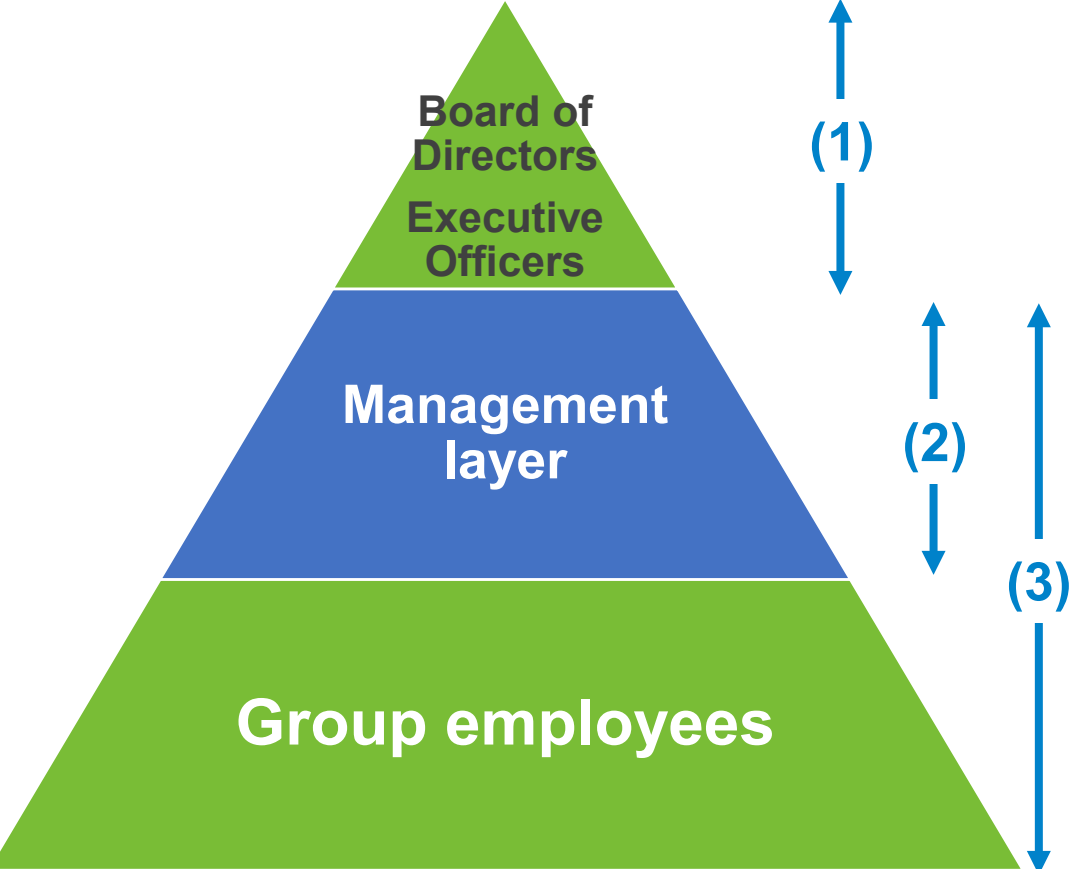
- **Conducted a dialogue between a security analyst and CEO**
- **Conduct various briefings for employees**
  - ⇒ Commentary about medium-term plans from an investor's perspective by the external lecturer
  - ⇒ Investment seminar by a security company
  - ⇒ Conduct IR briefings for employees

### Review of Stock-based Compensation Systems (since 2024)

- **Review stock-based compensation systems to share value among shareholders, directors, and employees**
- **Aim to improve corporate value over the medium to long term and increase morale and willingness to contribute to the improvement of business performance**
  - ⇒ Details in next page

## Background and aims of the review of the stock-based compensation system

- To promote value sharing among shareholders, directors, and employees
- To be aware of the stock price as an indicator and aiming to improve corporate value with the group working together



Target	Revised points
(1) Board of Directors Executive Officers	<ul style="list-style-type: none"> <li>• Changed to the post-delivery, unit-type stock compensation scheme (RSU/PSU)</li> <li>• Increased the ratio of stock-based compensation compared to the past system</li> </ul>
(2) Management layer	<ul style="list-style-type: none"> <li>• Abolished stock options and introduced "Stock-granting ESOP Trust"</li> <li>• Granting a number of shares corresponding to achievement rate of the performance targets in the medium-term plan</li> <li>• Clarify the linkage with business performance further</li> </ul>
(3) Group employees	<ul style="list-style-type: none"> <li>• Create an environment for employees to own the Company's share easier</li> <li>• Introduced a special incentive program which utilize a stock ownership association for employees</li> </ul> <p>⇒ <b>Participation ratio of Stock Ownership Association increased to about 81%</b> (approx. 24% before the introduction of the system)</p>



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

**Cautionary Statement for Investors and Shareholders with Respect to Gaming Statutes and Regulations**

SEGA SAMMY HOLDINGS INC. ("the Company") is registered with the Nevada Commission as a publicly traded corporation and has been found suitable to directly or indirectly own the stock of its subsidiary, SEGA SAMMY CREATION INC., and Sega Sammy Creation USA Inc., a wholly owned subsidiary of SEGA SAMMY CREATION INC., (collectively, the "Operating Subsidiaries") that have been licensed as manufacturers and distributors of gaming devices in Nevada. Pursuant to Nevada law, the Company's shareholders are subject to the rules and regulations of the Nevada Gaming Authorities. A detailed explanation of Gaming Statutes and Regulations can be found on the Company's corporate website: <https://www.segasammy.co.jp/en/ir/stock/regulation/>

The Operating Subsidiaries have also been licensed as manufacturers and distributors of gaming devices in multiple countries, states, and regions other than the State of Nevada (collectively, the "Other Regions"). In addition to the foregoing, the Company's shareholders may be subject to the same or similar restrictions as in the State of Nevada under the statutes of the Other Regions or the regulations of the gaming authorities of such Other Regions.

Please visit below website for more information of products and services of SEGASAMMY.  
<https://www.segasammy.co.jp/en/corp/group/>  
(Sega Sammy Group Website list)

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