

With Customers



Group CSR Charter

We will continue to provide “experiences that move the heart” to our customers in any age as their needs evolve.

Group Code of Conduct

“Security, Safety and High Quality,” “Customer Satisfaction” and “Ensuring the Safety of Products”

1. We will strive to provide secure, safe and high-quality products and services that always meet our customer's expectations.
2. We will strive to always listen to our customer's opinions, and provide products and services that are satisfactory to our customer.
3. We will strive to always look at our operations from our customer's perspective, and provide products and services at an appropriate price and in a prompt manner.
4. We will strive to continually monitor the market, be sensitive to changing trends, improve technology and create new ideas.
5. When we perform product design at our own responsibility, we will strive to ensure that products meet the safety standards as set forth in the relevant laws and regulations, etc., of each country.

“Proper Business Relationships,” “Information Disclosure” and “Claims and Reporting”

6. We will always maintain proper business relationships with our customers. We will not conduct any activities such as: unduly low bargain sales that might damage profits; or acts that are not considered to be normal commercial activities.
7. We will actively disclose information to our customers that is useful for their further understanding of the corporate activities, products and services of the SEGA SAMMY Group.
8. We will carefully examine and take appropriate measures to handle claims against the company, accidents or any other problems.



Takayuki Kikuchi

Sega Logistics Service Co., Ltd.



Dedicated to the Revival of Retro Machines

In February 2017, our department responsible for the maintenance of second-hand amusement machines was approached by SEGA Interactive with a project to refurbish and exhibit amusement machines that were major hits back in the SEGA era.

SIC contacted us because they wanted cross-sectional cooperation in the project's implementation.

A large amusement machines plant, which has produced a number of new products since 1991, was annexed to the logistics warehouse at the Yaguchi Office in Chiba Prefecture, where we are located, and we have many highly skilled and experienced repair specialists there.

This project requires a tremendous amount of time and effort. For instance, while we were able to easily make minor repairs, such as removing rust, repainting, and refilling chipped areas, when we found that a part was missing we had to check other machines for a replacement, ask around for it, or find a supplier that could produce it.

Unfortunately, the event to show the revived retro machines has been canceled indefinitely due to COVID-19. We will, however, continue our efforts to revive as many machines as possible so that those who grew up with SEGA arcade games can enjoy that nostalgic feeling and younger people can experience SEGA's history.



Creating Unique Memories for Customers



I am in charge of two special stores—the Yogorino restaurant and Sepurish photo booth store—and a conventional amusement facility. All our employees at these locations are dedicated to helping customers create unique memories by offering them a new menu at the Seventeen magazine event for teenage girls and “a place where you can take the best pictures of yourself in uniforms,” which expresses the store concept.

I would like to see at these stores more female employees, helping customers enjoy an experience that can't be found elsewhere. As the need for female workers increases due to the population decline, I strive to be a role model who

inspires confidence in staff to pursue higher career ambitions, regardless of gender, and also to motivate potential staff interested in working at our stores.



Kanako Nakada

Large Facility Sales Department,
SEGA ENTERTAINMENT Co., Ltd.



SEGA Sammy
GOLF ENTERTAINMENT

Mitsuki Sawada

Operation Dept.,
SEGA SAMMY GOLF
ENTERTAINMENT INC.

Enhancing the Customer Experience as the Face of Our Golf Course

Front desk staff are the face of our golf course, mainly handling morning check-ins and payments as well as check-outs and record-keeping. We also make careful preparations for customers so they can fully enjoy golfing.

I have only been with the company for two years, so I am still learning new things every day. By working as a member of a team with other front staff members and sections and closely communicating with them, I would like to provide customer services that make people happy about having chosen The North Country Golf Club and encourage them to come back.



Delivering the Worldview of Our Games in 3D

The Music Business Team is responsible for the licensing of live concerts and performances. Our goal is to reproduce the worldview of our games so that we don't disappoint the fans who love Atlus games. For PERSONA5 the Stage, which is a staged work of our PERSONA5, our development and stage staff worked together as often as possible to oversee the finest details, from the clothing fabric, wigs, and makeup used to character movement. An Atlas sound creator, Atsushi Kitajo, also composed the soundtrack for the stage.

I would very much like to see these stages held overseas to deliver a worldview of our games to fans across the globe. And I encourage everyone to look forward to the second stage, scheduled to open in October.



ATLUS

Ayano Harada

Sales and Music Business Dept.,
ATLUS Co., LTD.

Celebrating the 60th Anniversary of SEGA with Content that Conveys Our Deepest Appreciation to All SEGA's Stakeholders

In celebrating the 60th anniversary of SEGA, we are focusing on actions under the key message, "GO SEGA," for one year starting in April, to deepen the connection between our customers and all other stakeholders and the SEGA Group on June 3, 2020.

Through our special website, a major tool for connecting with customers, we are celebrating our anniversary internationally by sharing more than 5,800 congratulatory messages received from across the globe. The PR videos featuring SEGA Shiro, an ambassador of the project, have been viewed seven million times.



We produce goods on which "GO SEGA" is printed and feature them in brochures.

We feel that there are many fans, from loyal gamers to those new to the brand, who appreciate SEGA's charm.

Unfortunately, some events have been suspended due to the current pandemic. Nevertheless, we will continue our efforts to communicate with all our customers to share the strong DNA of the SEGA Group, which has enabled us to overcome many obstacles, as well as our commitment and enthusiasm for GO SEGA and our solid steps toward a brighter future.



SEGA®

From left: **Takayuki Yashiro, Mayu Koike, and Shigeru Kikegawa,**

SEGA 60th Anniversary Project Office, SEGA Corporation

Promoting "E-commerce Sales" of Pachislot and Pachinko Machines!?



Naoto Murano

EC Promotion Dept., Sales Div., Sammy Corporation

Sammy

Front row from the left:
Kenji Inoue
Takashi Shimada
Shigeo Narushima

Back row from the left:
Naoto Murano
Hideki Sakamoto, Manager
Masaaki Hasegawa
Ryo Matsuoka
Taishi Morinaga

We live in a time when everything is connected to the Internet—when people can even purchase a car simply with a few clicks on their smartphone. Nonetheless, it is still customary for this industry to sell pachislot and pachinko machines in person and order parts by phone or fax.

SAMMY was one of the first companies to launch a website for ordering after-sales parts, and in 2020 it will expand that system to include an e-commerce channel for the sale of these products.

Although our mission is to promote e-commerce, we believe this means more than merely putting all our products and services online.

Sales are carried out in any number of ways depending on the customer. For example, they may want to first try out a machine before purchasing it online or to do some research online before visiting a showroom to make a purchase. We must take advantage of every resource and the available knowledge base without being exclusively bound by current business practices. We believe that it is our mission to deliver products and services that are more personalized than ever before by taking advantage of the benefits of both face-to-face sales and e-commerce. Going forward, we will collaborate across SEGA Group and utilize the website to promote the sales of pachislot and pachinko machines as well as various services to support the success of our customers businesses.



Pursuing Customer Satisfaction

Gauging and Applying Customer Needs

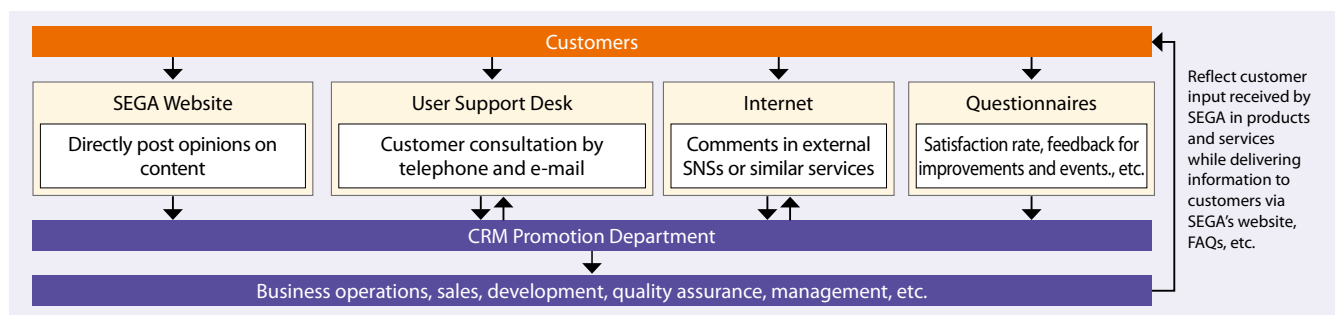
Customer Support System

E We operate the User Support Desk so that customer input can be used in quality improvements for our products and services. Moreover, we have a specialized group (CRM Promotion Department) that forwards customer information to related departments.

1. We promptly and accurately respond to customer inquiries through the operation of the User Support Desk while efficiently collecting customer feedback received through questionnaires, websites, and external social media. Also, we use special tools to report market developments to related departments. On the business side, such as development, we thoroughly analyze and then use customer feedback, along with the state of products or services, to develop a framework for quickly improving them as well as advancing their evolution and generating new projects.
2. We safely and effectively handle personal information, and we operate the SEGA ID member system, which enables Group-wide user verification and online payment. SEGA ID as a key is also used to combine and store personal information with other data. Furthermore, we obtained Privacy Mark certification in June 2017. By presenting the mark to third parties, we will strive to gain public trust. At the same time, we will establish an environment for appropriate management and use of the personal information we have collected.

Up until now, we have been conducting user data surveys with IT tools. Now, under the slogan “building relationships for longer and more enjoyable experiences,” we receive game server logs from some of our development departments to promptly resolve the issues our customers are facing by reviewing their log history and the content of inquiries and to promote the internal use of customer data by strengthening market reporting.

Mechanisms and Framework to Act on Customer Feedback (Entertainment Contents Business)



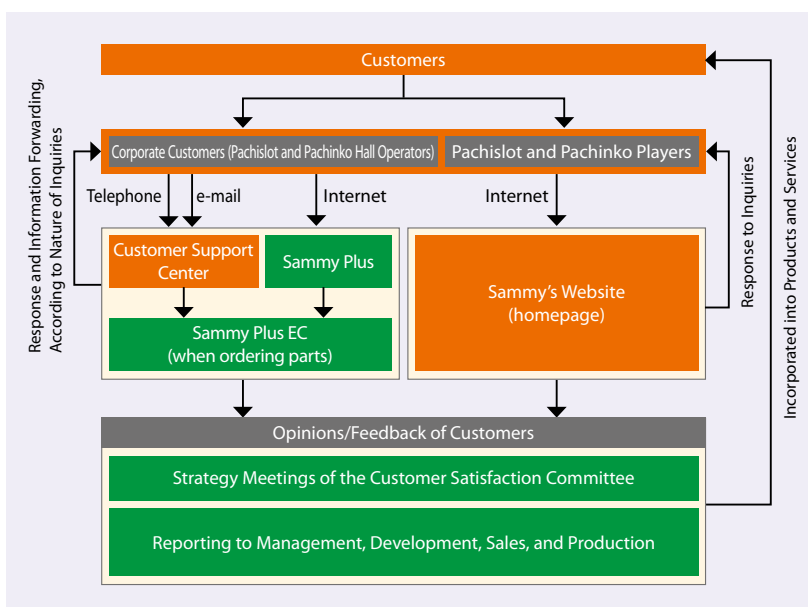
PP In fiscal 2018, we integrated the Call Center and Parts Center to establish the Customer Support Center, streamlining a series of customer services, such as the receipt of customer inquiries on machine problems and troubleshooting by phone, follow-up calls to customers who made inquiries on the shipment of after-service parts and technical problems, and the collection of defective parts. In response to the government's request to suspend business due to the COVID-19 pandemic, we will start receiving email inquiries in fiscal 2021, facilitating an even faster response. We train customer service staff on how to mount defective parts on actual machines in order to strengthen their skills for more accurately diagnosing machine problems.

In addition, to make customer services more user friendly, we are:

- (1) providing a multi-channel guidance service that delivers easy-to-understand explanations to customers about the location of the parts in the machine and how to replace them, which is difficult to explain by phone but easier with the support of our Sammy Plus website;
- (2) operating Sammy Plus EC, our e-commerce website for after-sales parts so that customers can order parts according to their respective needs; and
- (3) unifying phone numbers of our call center with those of our competitors.

In fiscal 2020 alone there were 16,000 customer inquiries to the Support Center. We apply what we

Mechanisms and Framework to Act on Customer Feedback (Pachislot and Pachinko Machines Business)



learn from these to reduce incidents of machine problems and improve the operability of game machines and other activities in the development and manufacturing divisions. This involves the collection and analysis of opinions and feedback at the Customer Service Division and the timely sharing of this information with the related departments.

Safety and Quality Assurance of Products and Services

Quality Assurance System

E At SEGA Interactive, the Quality Assurance Department operates independently from other departments, such as sales and development, to strengthen our quality assurance system by centrally managing product and service safety and quality in keeping with relevant rules. Particularly for managing product safety, the business follows its own voluntary standards as well as industry guidelines established by JAIA.*1 In addition, we conduct design reviews in which the relevant personnel from each department, such as development, production, sales, and quality management, gather to evaluate products from four perspectives: product specifications, design specifications, mass production specifications, and mass production readiness.

Prior to market release, we make sure that we are releasing a product that has satisfied strict standards. This entails conducting a PL*2 diagnosis, during which we assess product risks using various safety control techniques, and a product approval meeting to determine whether a product is ready for release.

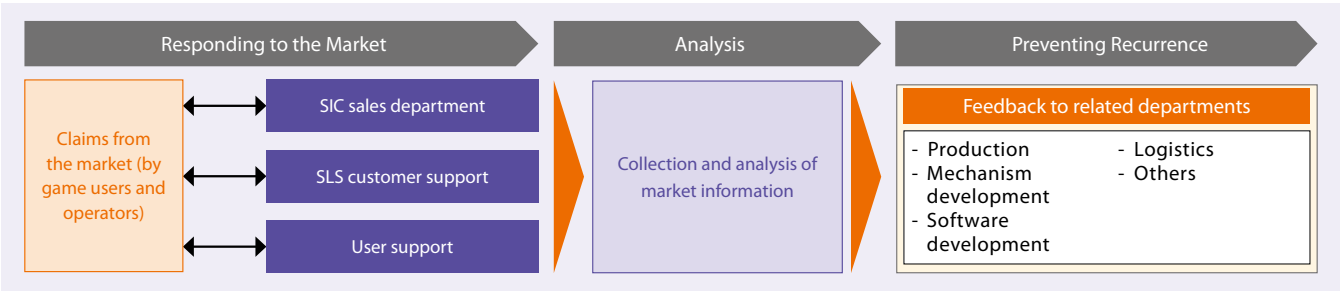
*1 Japan Amusement Machine and Marketing Association, Inc.
 *2 Product liability

Flow of the AM Equipment Quality Assurance System



DR: design review

Mechanism for Utilizing Customer Input (Amusement Machines)

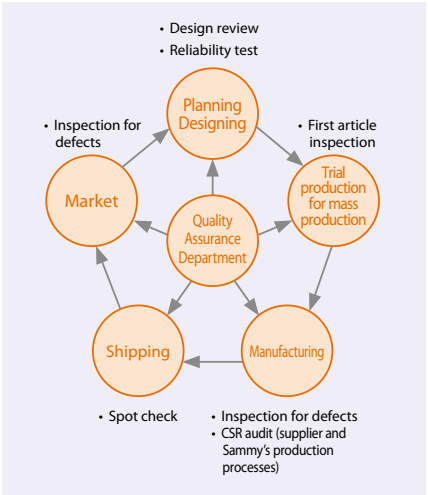


PP At SAMMY, we offer safe, high-quality products and services after undertaking quality assurance initiatives for proactive creativity and effective improvement. Also, we take the following actions to eliminate major failures that could compromise safety.

- (1) Develop quality manuals and manage quality records
 (2) Verify that the 4M* system is being properly implemented by suppliers and, as necessary, conduct audits and provide guidance
 (3) Conduct process audits for production and gaming testing for machines in a high-temperature environment
 (4) Optimize inspection specifications for movable accessories
 (5) Reinforce collaboration between our development, sales, and production departments to improve product quality

As a result of these efforts, we achieved our target of eliminating major failures.
 *Man, machine, material, method

Quality Assurance Action (Pachislot and Pachinko Machines Business)



Creating a Wholesome Environment for User Enjoyment

Product and Service Labeling

E At SEGA Games, we label product packaging, user manuals and other tools for home video game software in accordance with the relevant laws and regulations, industry group guidelines and internal rules. By applying clear and appropriate labels, we ensure that customers can confidently use our products and services. We also proactively specify the range of users for each product and address any ethical concerns. SEGA labels all of its products in line with assessments conducted in countries around the world. In Japan, we indicate the target age group for each game based on the ratings system of the Computer Entertainment Rating Organization (CERO) and label products in accordance with our own voluntary standards. With the expertise accumulated through the CERO rating system and previous cases, we have formulated guidelines that cover 9 categories and 26 items. Furthermore, we share as needed information on the latest cases from both Japan and overseas concerning voluntary ethical restraint through newsletters to raise employee awareness.



Initiatives for the Appropriate Use of Content

E PP SEGA Games of the Entertainment Contents Business and Sammy Networks of the Pachislot and Pachinko Machines Business provide content for smartphones and tablet mobile terminals. Particularly in light of problems related to excessive game use by minors and the associated fees, we have instituted age authentication for most titles for the domestic market that sets an upper limit on monthly fees that can be accumulated. In connection with the game “gacha,” in which players use points and other items that we sell, we also take steps to temper player expectations by avoiding ambiguous statements that could result in accumulating excessive fees. For example, we have established in-house guidelines for clearly stating the rarity of items that players can acquire or the probability of their acquisition, item by item. We intend to continue our efforts through such measures, all of which are in accordance with the guidelines of industry associations. This allows us to create a wholesome environment for game playing in which users can enjoy themselves with a sense of security.

Measures against Illegal Customer Behavior

PP The Revised Amusement Businesses Law Enforcement Ordinance, in effect since July 2004, is primarily intended to control excessive gambling on amusement machines and prevent improper modifications. Adhering to this ordinance, the Pachislot and Pachinko Machines Business has established a special group to collect market information and build amusement machines that are resistant to abuse toward preventing users from illegally manipulating the machines for illicit benefit. To combat improper modifications, which are becoming increasingly complex, we monitor and manage the distribution of our amusement machines to completely eradicate from the market any that have been illegally modified. Suspicious solicitations for “sakura/uchiko” by people posing as SEGA Sammy Group recruiters and groundless walkthroughs and strategy guides have been circulating in some areas of the market. Also, we are implementing various countermeasures and encouraging caution via the Sammy website and pamphlets.



Ethics and Social Considerations

E PP In compliance with the Standards for Elimination of Unhealthy Amusement Machinery, established by the JAIA, SEGA Interactive conducts in-house inspections prior to commercialization. It does this to identify any expression that may be excessively cruel or cause discomfort to customers.

SAMMY has established an ethics committee, which serves as an in-house audit function. Moreover, it has developed pachislot and pachinko machines that satisfy prevailing ethical standards and social codes. We have formulated our own guidelines and strictly control our products to ensure that they do not contain any content that could lead to criminal acts or significantly encourage gambling. For more information on our efforts to prevent addiction, please refer to our integrated report.

Countermeasures to Addiction

E The annual conference of the World Health Organization in May 2019 recognized gaming addiction as a new mental disorder, defining it as a pattern of excessive online and video gaming that can impair an individual's daily functioning.

For the "gacha" game, which has strong gambling elements that can lead to excessive fees, the Entertainment Contents Business has taken steps particularly in light of problems related to excessive game playing by minors and the associated fees. These measures include age authentication for certain titles that restrict the amount of monthly fees and in-house guidelines to temper player expectations by avoiding the use of ambiguous terms and prevent the charging of exorbitant fees.

Four organizations related to gaming, including COMPUTER ENTERTAINMENT SUPPLIER'S ASSOCIATION (CESA), Japan Online Game Association(JOGA), Mobile Content Forum(MCF), Japan esports Union(JeSU), have established a four-member joint study group to study player behavior induced by gaming and promote awareness of healthy gaming. Currently, the group is conducting research on gaming disorder in collaboration with external experts and will also work on developing effective measures in the future. The SEGA SAMMY Group will continue to appropriately address these issues in cooperation with the study group.

PP Discussions regarding addiction began in the pachinko and pachislot machine industry when the Society for Research on Pachinko Addiction was formed in 2003. The Recovery Support Network (RSN), established with support from industry groups in 2006, conducts wide-ranging problem-solving initiatives, such as public outreach and telephone counseling while also collaborating with public institutions.

Following the promulgation and enforcement of the Act on Promotion of Development of Specified Integrated Resort Districts (IR Promotion Act) in December 2016, the pachinko and pachislot machine industry has been working to respond to government efforts to address gambling addiction. Accordingly, in January 2017, the 21st Century Pachinko and Pachislot Industry Association, which consists of 14 groups from the industry, released the Statement Regarding Issues Involving Pachinko and Pachislot Addiction. Since then it has been promoting such initiatives as the expansion of RSN office hours, addition of new items to the scope of the Self-reporting Program*1, introduction of the Family Reporting Program*2, assignment of Secure Pachinko and Pachislot Advisors who provide consultation on addiction issues at pachinko halls across Japan, and replacement of pachinko and pachislot machines to comply with the revised rules enforced in February 2018. Furthermore, in December of the same year, a third-party organization that evaluates and issues proposals on the industry's addiction measures was established to create an environment open to objective feedback.

In December 2019, the Basic Guidelines for Addressing Pachinko Addiction and the Basic Guidelines for the Pachinko and Pachislot Industry for Addressing Addiction that specify the guidelines and concrete measures to address addiction were formulated and announced to accelerate the efforts to address gaming addiction.

The SEGA SAMMY Group will play a leading role in these initiatives and contribute to the industry's sound development.

*1 A program that allows customers to set limits on the money and time spent on machines per day and the number of visits per month, and their entry is restricted when these limits are exceeded.

*2 A program that allows customers to consent to family members restricting their entry.



Addiction prevention poster

Developing and Operating a Safe and Reliable IR Facility

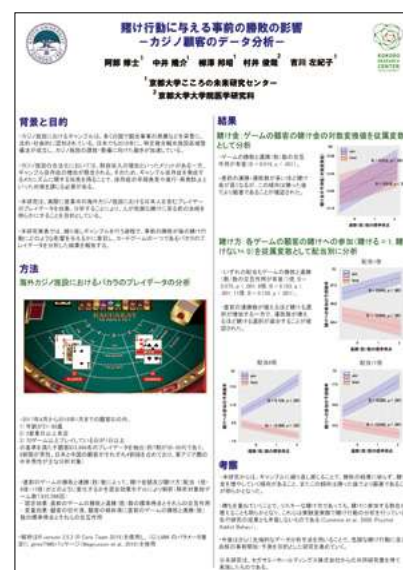
■ Launching industry-academia joint research on gambling addiction

R SEGA SAMMY HOLDINGS and Kyoto University have been jointly conducting process research* on gambling addiction with Kyoto University through the collection and analysis of data on transitions in gambling behavior.

The research is being carried out with the aim of identifying signs that appear prior to a person's engagement in dangerous gambling by collecting and analyzing player data (including Japanese players) at overseas casino operations. With this research, we intend to establish a system to identify players who exhibit signs of addiction and then prevent further progression. At the same time, by establishing facility operations that encourage self-control and restraint, we aim to build consistent, systematic anti-gambling addiction measures through education, prevention, and collaboration with medical institutions for treatment.

Research has so far revealed the effects of prior wins and losses on subsequent gaming behavior, based on data analysis and presented at the 83rd Annual Convention of the Japanese Psychological Association in September 2019, and research aimed at detecting the signs of addiction is ongoing.

*Research will be extended to March 2023 and will continue at the Kyoto University Kokoro Research Center.



Poster for the 83rd Annual Convention of the Japanese Psychological Association

With Partners



Group CSR Charter

We will maintain fair and impartial relationships with our suppliers and work together diligently as partners to create “experiences that move the heart” continuously.

Group Code of Conduct

Fair Business Relations and Impartial Selections

1. Our relationships with trade partners will always be conducted cleanly, transparently and fairly; and we will not engage in any acts that might be misinterpreted as being part of a “cozy relationship” or collusion.
2. In our relationships with trade partners, we will not engage in any transaction that causes undue detriment by abusing our dominant bargaining position over them.*
3. As to the selection of trade partners, we will comprehensively consider such characteristics as creditworthiness, technological capability, development capability, price, adaptability to environment, and judge them based on fair and open standards.
4. We will conduct transparent and fair transactions even within our group companies.

Entertainment and Gift-Giving

5. When entertaining or giving gifts to trade partners, we will not only follow internal rules stipulated by the relevant company, but will also, in view of social common sense, remain moderate in our conduct and make appropriate judgments.

Individual Profits

6. We will not pursue personal profits from trade partners including receiving profits or favors by using our individual positions.

*Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antitrust Act) and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, etc.



SEGA Sammy
HOLDINGS

Uchijima Takashi

Resort Business Div.
SEGA SAMMY HOLDINGS INC.

Team Effort Wins Prestigious Award

I worked in Paradise City, Incheon, South Korea, as a project manager for the development of the Wonderbox family entertainment center. Working with staff members from more than eight countries, we embodied the concept of a night theme park in the Wonderbox and opened it in March 2019. During the development period, I made myself available onsite as much as possible to facilitate prompt decision-making and effectively manage quality, cost, and delivery while ensuring that all staff worked in concert toward opening the Wonderbox as planned. Even after it opened, we continued to make the utmost effort to increase customer satisfaction in cooperation with related vendors, and this team effort resulted in our winning the Outstanding Achievement Award for having contributed to creating excellent cultural facilities, in the Thea Awards from the Themed Entertainment Association (TEA), one of the entertainment industry's most prestigious organizations. Going forward, we will continue to provide new and fun entertainment experiences to our customers.



Fantastical interior imaging for a night theme park

Creating Game Software Overseas and Delivering it to Customers All Over the World

To promote the international development of game software sales between Japan and other countries across the world, we apply the overseas business expertise and distribution network that SEGA has for years cultivated to meet the needs of software manufacturers seeking to create new sales channels. Localization, or ensuring that software is suitable for specific markets, is the key for selling game software overseas. We were recently engaged in a project for which we were entrusted with a product license from a software manufacturer in Japan and sold the projects in Taiwan, South Korea, and other countries. The project resulted in a sales volume comparable to that in Japan, which very much pleased the manufacturer. We believe that our unwavering attention to detail in modifying specifications so that the local language is used in the most natural way possible and that having local staff implement sales and promotional activities led to the project's success.

While our main work is in the so-called BtoB business, we know that many end users around the world are waiting for our software game to become available. And we will continue to undertake our projects for a wider and even worldwide audience.



Business negotiations in Asian countries



SEGA®

Takako Takusagawa

Account Management Dept., Business Development Group,
Japan Asia Publishing HQ,
SEGA CORPORATION



Right: Tatsuma Ito

Left: Sho Matsumoto

Intellectual Property & Public Relations Division, Research & Development Group Division, Sammy Corporation

 **Sammy**

For the Future of the Entire Industry

The Liaison Department mainly plans specific measures and builds consensus with rival competitors to lead the entire pachinko industry in a better direction while making adjustments and negotiating with our customers, such as those running pachinko halls as well as supervisory agencies including the National Police Agency.

Proud to be among the foremost gaming companies, we will exercise leadership in addressing various issues facing the industry, such as a decline in the number of people playing pachinko, gambling addiction, improving the entertainment experience, promoting sound distribution, practicing voluntary business restraint in the wake of the spread of COVID-19, and conducting social contribution activities related to natural disasters. Moreover, we will contribute to the sustainability of both the company and gaming as a whole by promoting the revitalization, efficiency, and soundness of the industry.



A fan event organized by Nippon Yugikikogyo Kumiai

Ensuring Fair and Impartial Procurement

Ensuring Fairness in All Respects

Requests to Suppliers

We ask our suppliers to undertake the measures and actions described in the following items and based on the SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook.

- I. Labor
Prohibit discrimination, inhumane treatment, and infringements of human rights; pay appropriate wages; regulate working hours; respect the rights to freedom of association; and prohibit child labor
- II. Environment
Control hazardous chemicals; minimize environmental pollution; and promote the 3Rs, the appropriate disposal of waste, and the reduction of final waste
- III. Occupational Health and Safety
Promote workplace safety and hygiene; take appropriate measures for occupational injuries and illnesses; and promote employee health management
- IV. Product Quality and Safety
Ensure product safety
- V. Fair Trading and Ethics
Prohibit corruption, bribery, and abuse of a superior position; provide accurate information on products and services; respect intellectual property; and implement appropriate export control
- VI. Information Security



SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook

https://www.segasammy.co.jp/english/media/file/pr/commu/csr/20141101_supplychain_csr.pdf

Promoting CSR Activities in Procurement and Purchasing

E Since fiscal 2016, the basic agreement signed before any transaction stipulates the supplier's commitment to the SEGA SAMMY Group Supply-Chain CSR Deployment Guidebook. Also, we ask our suppliers to renew current agreements, with 93% agreeing to do so.

PP The Pachislot and Pachinko Machines Business upholds internal rules including the Internal Regulations on Managing Outside Orders for Production and Purchasing. Established purchasing rules are applied for the evaluation and selection of business partners. Before commencing business with new suppliers, we assess and analyze data provided by them as well as from external research organizations to evaluate the suitability of the candidates. In regard to annual audits, we review content every year.

In fiscal 2020, although we initially planned to audit 81 companies, we were only able to audit 76 due to the impact of COVID-19.

Learning from the experience of the last fiscal year, we will consider adopting remote auditing this fiscal year to ensure that all target companies undergo proper audits.

Continuing to Strengthen the Framework for Subcontract Act Compliance

PP Building and operating a system of compliance with the Subcontract Act and other regulations is of the utmost importance, and we are stepping up internal seminars accordingly, such as by covering the Subcontract Act in the e-learning provided for the entire Group. Moreover, we participate in seminars during Subcontract Act Compliance Month every year in November and rollout the content, such as changes, to the relevant departments of our Group companies. In regard to internal training for the purchasing department in the Pachislot and Pachinko Machines Business, we standardized implementation of the Subcontract Act training program for employees transferred to the purchasing department so they could quickly gain knowledge about the act. This will help them more efficiently carry out their tasks, even if they are new to purchasing work.

We established the SEGA SAMMY Group Corporate Ethics Hotline, an internal reporting system and an internal and external consultation contact point for maintaining sound business transactions based on integrity and mutual trust with business partners. To prevent unfair treatment, SEGA SAMMY HOLDINGS responds to inquiries as a neutral party, and they are handled responsibly by the director in charge rather than the individual directly involved.

Amusement Material Procurement Policy

Basic Stance

1. All employees engaged in amusement materials procurement at SEGA will comply with legal and social norms and conduct themselves with sound judgment in keeping with the SEGA SAMMY Group Code of Conduct and internal rules.
2. SEGA amusement materials procurement will be conducted with integrity and impartiality, and we will deal with our business partners fairly and sincerely.
3. We will endeavor to build trusting relationships with our business partners by conducting fair trade, and we will work with our business partners to improve technologies and product quality, pursue economy and efficiency and achieve mutual success.

■ Prohibition of Child Labor and Forced Labor

E Initiatives have been underway, primarily at overseas production plants and similar facilities, to prohibit child labor and forced labor. Every month, members of the purchasing and quality control divisions of SEGA Interactive visit plants producing prizes, including onsite inspections, resulting in auditing 96% of our suppliers. The results of these audits showed that no suppliers were at a high risk. In addition, in fiscal 2020, 19 purchasing and procurement staff members participated in the CSR procurement seminar held by SEGA SAMMY HOLDINGS.

SEGA ENTERTAINMENT conducts a survey of major suppliers, manufacturing prizes used at amusement facilities, on slavery and human trafficking in order to ensure appropriate management and reduce any associated risks (audited 80% of our suppliers). These audits confirmed that no suppliers were at a high risk.

SEGA TOYS is pursuing the conclusion of a master manufacturing contract incorporating a clause that obligates compliance with laws about child labor and forced labor, the provision of a human rights seminar for the purchasing division and local employees in charge, and the confirmation of a third-party certification for labor standard compliance (audited 96% of our suppliers).

■ Response to the U.K. Modern Slavery Act

E As our commitment to the Modern Slavery Act 2015, enacted in March 2015, SEGA SAMMY HOLDINGS has posted a statement on its corporate website about preventing human rights violations such as slavery and trafficking in all our businesses and supply chains.



Modern Slavery Act Transparency Statement

https://www.segasammy.co.jp/english/media/file/pr/commu/csr_library/uk_modern-Slavery-Act-statement_en.pdf

CSR Procurement Training

With the enactment of the U.K. Modern Slavery Act, laws and regulations governing human rights violations, including child labor and forced labor, are becoming increasingly strict. Since the entertainment industry is also closely associated with concerns over human rights violations, we have started to conduct CSR procurement training for the procurement and purchasing personnel at our seven Group companies in previous fiscal year. In fiscal 2020, our seminars have been postponed due to COVID-19. However, we will continue to provide the program, which includes the lecture “CSR procurement—Instilling CSR throughout the supply chain” and the card game “Game of Choice,” to deepen employee understanding of CSR procurement and create an opportunity for participants to reflect on their roles in society as members of the SEGA SAMMY Group.

Partnership with Suppliers

■ Coordination with Suppliers

E SEGA Interactive has been working to strengthen its relationships with suppliers by holding supplier meetings, in which we share purchasing and development policies concerning the environment and quality. In fiscal 2020, the meetings were attended by 161 people from 90 companies, and 98.7% of them informed us that the meetings were beneficial.



Supplier meeting in fiscal 2020

With Employees



CSR Charter

Our employees bring to us creativity and a spirit of challenge. They are our most cherished assets and the fuel for our growth. We will cultivate a corporate culture that allows them to fully exploit their talents and enables us to grow together with our employees.

Group Code of Conduct

Improvement of Workplace Environment

1. By considering the safety and health of employees, we will build a workplace environment where employees can work with a sense of security.
2. We will create a company, which enables employees to fully utilize their individual capabilities and to feel rewarded and challenged.

Harassment and Discrimination

3. We will not commit and will prevent any acts that disturb the workplace environment such as sexual harassment, harassment by superiors and invasion of privacy.
4. We will not commit and will prevent both discriminatory acts that damage equal employment opportunity and discriminatory treatment based on such factors as a person's race, beliefs, sex, age, disability, academic background or family origin.

Measures for COVID-19 and a Remote Work Environment

The Network team of the Platform Department is responsible for providing Internet lines and building, operating, and managing VPN systems necessary for remote work environments. The User Support Section is providing the support necessary for remote working, such as computer setup and online voice/video conferencing while also responding to inquiries from employees.

The outbreak of the virus forced almost all our employees to work remotely, so we upgraded all the necessary infrastructure in March and April, and our remote work operations have been going smoothly. We are always ready to provide IT support to maintain employee productivity as much as possible. While we expect remote work will become more prevalent, some issues remain to be addressed.

Therefore, we will continue to provide the best IT support to create a better remote work environment for the SEGA SAMMY Group.



Right: **Takuro Ishimori**
Left: **Yasuyuki Komiya**
Platform Dept., IT Solution Div.,
SEGA SAMMY HOLDINGS INC.

SEGASAMMY
HOLDINGS



Developing Challenging Titles

I am currently involved in developing software for titles offered to casinos. My main responsibility is to create a package library that supports software development for slot machines. To sell titles in the casino market, we have to ensure they conform to the various regulations of each relevant country or region. In addition, we have to support functions that casino games require.

The package library provides basic functions that reduce the burden of worrying about how to implement them, allowing developers to concentrate on pursuing gameplay that is more challenging than ever before.

I will continue developing package libraries that contribute to the development of innovative titles that only SEGA SAMMY CREATION can produce.



Ryu Azeura

Software Development, R&D,
SEGA SAMMY CREATION INC.

Using Riddles to Understand Corporate Identity in a Fun Way

DARTSLIVE encourages employees to deepen their understanding of its unique corporate identity and apply it in their daily work. My division holds a monthly event in which employees speak about the corporate identity and culture from their own viewpoints. Since DARTSLIVE is an entertainment company, I wanted to come up with a fun way that everyone can enjoy deepening their understanding of the corporate identity. So, I decided to make up riddles, which I am good at. My use of riddles proved to be far more successful than I had expected and ultimately reached all employees beyond my division, of which I am very pleased and proud.



Koji Hata

Total Service Section, DL Service
Strategy Div.,
DARTSLIVE Co., Ltd.



“Ameche” Video-Sharing Community Site for Children’s Discovery of Their Interests and Strengths

We opened the “Ameche” video-sharing community site on the Amazing MEIJIN Channel in April 2020 to provide a service that enables children to discover and develop what they like and can do well.

Since the project was originally started to address the issue of collecting market data from children that SEGA TOYS was then addressing, General Affairs Department and Promotion Department are collaborating on the project. As the first media ever created by SEGA TOYS, we faced many obstacles along the way. We facilitated close communication within the team to share information effectively and sought opinions and ideas from the staff of the Group’s TMS ENTERTAINMENT CO., LTD. who had previous experience launching media. These efforts allowed us to explore different perspectives and consequently helped us to create exciting media.

We will be thrilled to see our media bring out the unique potential in children to become future stars in diverse genres and for the word “MEIJIN” to become universal.



<https://amchannel.top/>



Lower right: **Yoshiki Toho**

Upper middle: **Reoto Toida**

Promotion Div., Product Planning Dept.
SEGA TOYS CO., LTD.

Upper left: **Shigeo Yamada**

Lower left: **Yuki Ito**

Lower middle: **Tetsuro Noda**

General Affairs Dept., Corporate Div.
SEGA TOYS CO., LTD.

Upper right: **Genichiro Yajima**

Corporate Div., SEGA TOYS CO., LTD.





We arranged for a viewing and discussion around an LGBT documentary film with the participation of actress Chizuru Azuma, who is also one of the producers.

The 60 employees who attended the event were given the opportunity to listen to the real voices of those in sexual minorities who continue to seek their own ways of life in the face of harsh realities. They also gained a deeper understanding of invisible obstacles this community has to deal with, such as misunderstandings, prejudices, misconceptions, stereotypes, and discrimination.

"SDGs x LGBTs" Program — Promoting a Better Understanding of Diversity

SDG Themes (Related SDGs)

Increasing job satisfaction and diversity while eliminating unfairness



Gender Equality



Decent Work and Economic Growth



Reduced Inequalities

Program

1. Film screening

The documentary film *I Am What I Am: Over the Rainbow*, with interviews of more than 50 members of sexual minorities, was written by, cast, and produced by actress Chizuru Azuma, directed by Genki Masuda, and made by Get in touch.

2. A conversation between Chizuru Azuma and Haruki Satomi, President and Group COO of SEGA SAMMY HOLDINGS, INC.

3. A discussion session with Chizuru Azuma

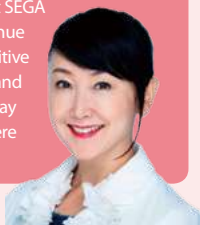
Comments of Participants

- The program was great because it covered LGBTs and in a sense all minority communities.
- I learned that ignorance can hurt others and that it is important to understand the individuals as real people.
- Sometimes people close to members of sexual minorities feel uncomfortable about their own situations, not due to ignorance but because they have had few opportunities to learn about each other and are prone to have negative preconceptions, which is easier than accepting something that seems unfamiliar. This was a valuable opportunity for learning about sexual minorities while watching a film in a relaxed setting, and I highly recommend it to all employees.
- Participating in the program has made me more open to the concept of diversity.
- Falling in love with a man would make me a member of the LGBT community. If I or one of my family members were to become disabled after a car accident, then we would be members of the disabled community. Ms. Azuma and President Satomi really convinced me when they said they want to create a company and society that are open to such diversity and that everyone is a minority in some way.
- I know that the information I get from the Internet is merely knowledge. Listening to the real voices of those interviewed in the film broadened my understanding about LGBTs.
- It seems that President Satomi is putting a lot of effort into promoting specific measures, and I think his message in support of diversity will instill a sense of trust and security in employees.



Comment from Ms. Chizuru Azuma

I have noticed more businesspeople wearing a shining SDGs badge on their suit collars. In fact, though, many companies have still not taken any action. The behavior of companies taking the initiative is significant. The LGBT program featuring a screening and discussion of *I Am What I Am: Over the Rainbow* offered a perfect opportunity to think about human rights and how companies should stand up for them. I hope that SEGA SAMMY HOLDINGS will continue to bring about significant positive impacts to other companies and society to open up the pathway to a "melting pot" society where no one gets left behind.



TOPIC

Tokyo Rainbow Pride 2020

Online #Ouchi-de-Pride

The SEGA SAMMY Group promotes diversity through the achievement of SDGs toward realizing a society in which everyone plays an active role. As part of this effort, we have been sponsoring Tokyo Rainbow Pride since 2019 to celebrate the diversity of life and gender while also raising awareness of sexual minority communities, including LGBT. Although Tokyo Rainbow Pride 2020 originally scheduled for April 25 to May 6, 2020 had been cancelled to prevent the spread of COVID-19, we participated in its online event, TRP2020 Online – #Ouchi-de-Pride (pride at home) during the same period. The online live talk and parade, watched by about 440,000 people, included a video of the SEGA SAMMY Group, and many of our Group employees shared the event with the rest of the world through social media.



Cultivation and Evaluation of Human Resources

Personal System

E At SEGA Holdings, SEGA Interactive and SEGA Games, we provide a dual-track career system to support the long-term career development and professional attitude of employees, who can choose between a management path for those who want to be organizational leaders or a specialist path for those who want to focus on applying their own knowledge and technical skills. We regularly conduct an employee satisfaction survey to identify their level of recognition and attention to issues, expected value, level of dissatisfaction and other items, and we incorporate our findings into various personnel measures.

In training, we have a system in which a coach is assigned to each new employee for both professional and personal support along with other training programs to support the development of younger employees. This involves new employee follow-up training and second year training.

In regard to personnel assessment and rewards, we use an assessment/incentive system. Through this we consider time productivity in addition to performance and conduct in order to reward employees who demonstrate high productivity.

PP Employees are provided with a personal choice system through which they can select a management or professional course, a scheme for promoting a sense of professionalism and the will to take on employee challenges. We believe we can draw out the best performance of each employee by clarifying the roles expected of them and properly treating them in accordance with their contribution to success in those roles.

In addition to personnel development training for different levels of employees, we are strengthening our management team and conducting fair personnel assessments by increasing the capacity building opportunities provided for managers. Through our Internal Commendation Program, we presented the Fiscal 2020 President's Award to 55 individuals involved in 10 projects and the Proactive and Pioneering Award to 47 involved in 9 projects, which encourage employees to take on challenges. Also, we launched our "Just Do It G30" system, through which employees propose ideas with the spirit of "always proactive, always pioneering." Of the roughly 500 ideas proposed over the past years, 63 have been implemented. In addition, we conduct employee satisfaction surveys and other measures, such as a self-declaration system that allows employees to declare the jobs they would like to try.

* Award winners for fiscal 2020 have yet to be determined due to the impact of COVID-19.

Human Resource Development

● Online Training at SEGASAMMY College

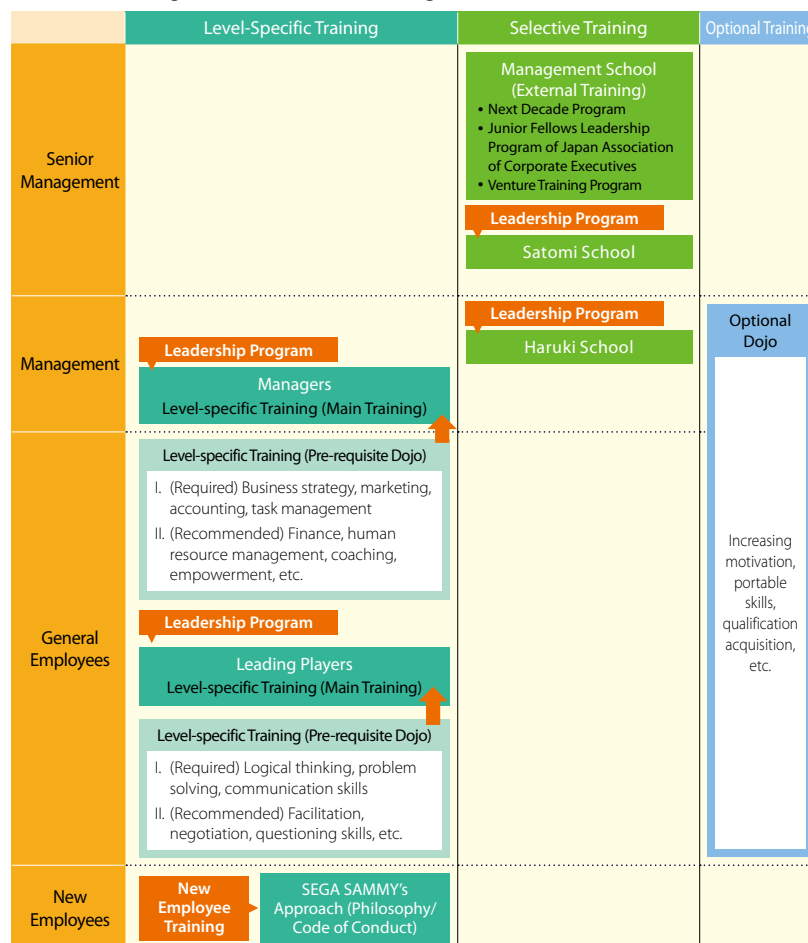
At SEGASAMMY College, the Group's cross-organizational institution for human resource development, more than 4,000 employees annually develop their skills and knowledge through a variety of courses.

The learning styles offered by the college extend beyond conventional classroom training to include an online option to support all Group employees, including those overseas. For example, under the "learn from anywhere" concept, we have developed online versions of our level-specific Leadership Program and an optional format called Dojo to offer e-learning as well as real-time and hybrid-type sessions.

Classroom sessions could not be held for our new employee training program in April 2020 following the declaration of the state of emergency, so we converted it into an online, 16-day program. It was intended to both provide knowledge and encourage employees to search for themselves, deepen their discoveries with colleagues, and apply them in creating the experiences that move their heart at SEGA SAMMY.

SEGASAMMY College will continue to provide learning environments that enable employees to become game changers who meet the needs of the times.

■ Structural Diagram of SEGASAMMY College



Number of Participants in Fiscal 2020

	Training Name	Number of participant(s)
Selective Training	Next Decade Program (15 days)	2
	Junior Fellows Leadership Program of Japan Association of Corporate Executives (15 days)	1
	Satomi School (10 days)	16
	Haruki School (9 days)	12
	Venture Training Progra	2
Level-specific Training	Level-specific Training (Main training)	276
	Level-specific Training (Pre-requisite Dojo)	1,413
	New Employee Training	212
Optional Training	Optional Dojo (53 courses) (including 7 courses taught by internal lecturers)	2,464
Total number of participants		4,398



Online New Employee Training

Promoting Diversity

Creating the Active Participation of Female Employees

E To grow as a corporation, an action plan is in place for accelerating the ability of female employees to participate at the highest possible level of achievement in our business operations, and efforts are being made to achieve its targets.

At SEGA Holdings, SEGA Games and SEGA Interactive, the four years from fiscal 2017 to 2021 have been set as a planning period for ensuring that women represent at least 30% of all new graduate applicants. The planning included the development of guidelines for equitable gender selection, and seminars for female students jointly conducted with universities. Various initiatives have also been taken to achieve the goal of a 100% return to work rate after childcare leaves, including updating information updates for those on leave and providing staff working shorter hours the same salary corresponding to full-time work until their child reaches the age of three. Since fiscal 2020, the flextime system has also been available to staff working shorter hours so they can handle childcare needs.

PP To support employees who are on childcare leave in the Pachislot and Pachinko Machines Business, we have introduced e-learning to develop skills and eliminate career gaps. It also provides a communication channel for them to monitor company activities during a leave. We are also continuing our efforts to support the career advancement of female employees, such as by launching a review project team of female staff who will take the initiative in activities related to developing career development policies in demand by female employees, and to introduce policies that better meet their needs. Other efforts include holding career advancement seminars and exchange meetings for female employees, introducing a mentoring system, and providing training for managers.

Respect for Human Rights

Initiatives to Eliminate Harassment

E At SEGA Holdings, SEGA Interactive and SEGA Games, we focus on preventing harassment so that every employee can work comfortably and can thus perform at their best. Measures to strengthen our effort include in-house training, mini-tests on the intranet and case studies. Several consultation counters are available inside and outside the company for executives and employees (including loaned employees, part-time staff and temp staff) who have concerns or issues.

Creating a More Attractive Workplace

Supporting Work-life Balance

E As part of the work style reforms initiated by the Group, we introduced a flextime system to SEGA Holdings, SEGA Games and SEGA Interactive in July 2017 to raise employee awareness about their time management as well as to improve labor productivity and achieve a better work-life balance. In addition, we introduced the Job Plus (JOB+) side job system in July 2018, which allows eligible employees to obtain side jobs, and a support system for LGBT employees in February 2019, continuing our efforts to embrace diversity in the workplace. SEGA Holdings in April 2019 and SEGA Games and SEGA Interactive in October 2019 also introduced the teleworking system for employees to work outside the office, including at home. These systems provide employees with a safe and productive work environment for balancing work with

various personal situations such as nursing care, childcare, and other types of caregiving.

PP To promote a work-life balance in our workplaces, we have introduced a flextime system and teleworking system, which was officially adopted in April 2018. Another flextime system was introduced for those working shorter hours due, for example, to childcare or nursing care. We also introduced the Job Plus system, which enables employees to strengthen their capabilities and facilitate self-realization with the experiences gained from both their main job (SAMMY) and their side job.

Occupational Safety Initiatives

E The Health and Safety Committee meets every month to ensure employee well-being and safety. Also, we are working to achieve zero workplace accidents by constantly making efforts to prevent accidents and improve workplace safety. In the event of an accident, the cause is investigated and improvement measures are taken to prevent any recurrence.

PP SAMMY's Kawagoe Factory conducts what we call 6S patrols*, in which employees check for latent risk factors around them and work for improvements case by case, and also 8S patrols, in which two Ss (security and saving energy) are added to 6S patrols, putting significant effort into the safeguarding of personnel health and safety. In fiscal 2020, our Health and Safety Committee reviewed our factory Safety and Sanitation Standards. We also regularly review our daily production operations and steadily raise our standards to correspond with actual production site conditions.

* 6S refers to safety plus five Japanese terms (all starting with the letter S) relating to orderliness, cleanliness, and discipline.

Health Maintenance

PP **E** When we consolidated our Group companies in Osaki, we integrated the health management center of SEGA HOLDINGS and the medical office of SAMMY to establish the SSHD health management center. Four occupational health staff members are available for consultation during work hours. Internal medicine and psychiatric doctors work in shifts to handle more specialized consultations.

Individual efforts by each company, such as Group-wide influenza vaccinations, stress level checks, and countermeasures for rubella, will also be reviewed to find a new approach.

Although the number of employees working long hours who are subject to health interviews has been decreasing since the flextime system was introduced, we continue to monitor their health conditions using questionnaires. We also ensure that managers appropriately oversee employee working hours and encourage them to take leave so all Group employees can maintain a healthy work-life balance.

E In addition, the monthly meetings of the Health and Safety Committee are jointly held with Group companies, mainly led by SSHD, to foster a common understanding among employees working in Osaki. Meeting minutes and other related information are posted on the intranet of each company to ensure that all employees are kept informed.

To ensure 100% participation in regular health checkups, we continue to provide mobile health screenings and offer financial assistance for receiving comprehensive medical examinations. In-house standards have been established from the viewpoint of health and safety, and health management interviews are conducted to manage presymptomatic health risks and to prevent lifestyle-related diseases.

PP Moreover, as part of our efforts to promote improved employee health, SAMMY held a number of events from September to November 2019 to encourage more exercise and help employees to stop smoking, with around 400 participants.

TOPIC Group-wide Exchange with Developers through Study Sessions

Since the relocation of our head office, we have been actively encouraging communication and information exchanges among employees of SEGA and other Group companies.

We hold a variety of Group-wide study sessions, including the SEGA Developers Conference, a technical conference sponsored by SEGA; GITEN, an internal research and presentation meeting for basic technologies held by the arcade team; AI Tech Sharing Session; Automation Tech Sharing Meetings, and Game Jam.

Going forward, we will actively promote the exchange of personnel between Group companies to demonstrate even greater collective strength.



CSR Seminars

Since fiscal 2014, we have been holding CSR seminars for employees of our Group companies. In fiscal 2020, we held 21 seminars, attended by 761 participants. A total of 148 seminars with 4,090 participants from 13 Group companies have been held. These are intended to deepen understanding of what it means for a company to exist in harmony with society and the CSR activities of the SEGA SAMMY Group through discussions and group work. The seminars also provide opportunities for employees to think about their roles in society as members of the Group.

Seminars in Fiscal 2020

Company Name	Number of Seminars	Number of Participants
SSGE	1	64
Joint seminar for six companies (SSHD, Sammy, SE, SHD, SGC, and SIC)	5	242
Joint seminar for five companies (SSHD, SHD, Sammy, SGC, and SIC)	2	45
Joint seminar for 11 companies (SHD, Sammy, Atlus, DL, SE, SGC, SIC, SLS, SNW, SE, TMS, and TOYS)	4	172
Joint seminar for six companies (F55SSHD, SHD, Sammy, Atlus, SGC, and SIC)	5	190
PSR	3	48
SEGA SAMMY Baseball Club	1	30
Fiscal 2020 total	21	791
Total since fiscal 2014	148	4,090

CSR Seminar Program

- 14:00** Opening with an explanation of the seminar's purpose
- 14:15** Lecture 1: What it means for a company to exist in harmony with society
Lecture 2: CSR activities of the SEGA SAMMY Group
- 15:15** Break
- 15:25** Group work 1 (World Café)
- 16:45** Group work 2 (World Café)
- 17:20** Presentation
- 17:45** My CSR declaration, post-seminar questionnaire
- 18:00** Closing

*1 Some content differs depending on target participants.

*2 Group discussions of four to five people in a relaxed, café-like setting

Seminar Details and Post-Seminar Questionnaire

- In the CSR seminar, participants deepen their understanding of what it means for a company to exist in harmony with society and CSR activities of the SEGA SAMMY Group through lectures.
- Participants then express their opinions and exchange ideas to address social issues in group sessions through brainstorming and discussion.
- Various groups interact with each other during the seminar, resulting in over 86% of the post-seminar questionnaire respondents confirming that it was helpful and fun. Of the participants, 89% demonstrated an understanding of the importance of CSR, and over 90% think the company's CSR initiatives are closely related to its sustainability.



Participant Comments

- I did not know much about the SDGs. The seminar helped me understand them while also broadening my perspective.
- The seminar made me realize that CSR activities are essential for the growth of both employees and the company. I will do my best to find value.
- If there is anything that our baseball club could do, I want to work with local communities and other employees to make a social contribution.
- I learned that companies can improve their corporate value through CSR activities. As a member of the baseball club, I would like to be of help to the company to strengthen its sense of unity, teamwork, and public relations efforts.
- Winning is important, but there are things much more important than that. I would like to continue working on CSR activities with this in mind.
- I realized that instead of only focusing on improving my work skills, I need to also become a resourceful and respectable member of society.
- I realized that the reason for the long-standing presence of Japanese companies is their commitment to CSR.
- I will continue to engage in my daily tasks aware of how they contribute to the growth of our company and society.
- The seminar gave me an opportunity to interact with employees from other departments, and I enjoyed it very much.
- I initially had a somewhat limited view of CSR activities as being mostly about volunteer work, but the seminar made me realize that in fact they are very important for our company.
- I was new to the World Café method and enjoyed it very much. It seemed that discussions were carried out at different levels, depending on the members.
- Before the seminar, I did not know there were "defensive" and "offensive" approaches in CSR activities, but now I understand them well.
- It was very nice to learn that an entertainment company, which at first glance may not seem to have a role in addressing social issues, can actually contribute to society by providing the vitality needed for the future.
- During the World Café session, I was able to talk to many people with whom I typically had no opportunity to interact, so it was a great opportunity.
- The seminar taught me many good things about our Group, which made me prouder to be working here and consequently motivated me to work harder.

Personnel and Labor Data

Scope, and the "Count Method"

● FY2018 and FY2019: 15 domestic companies, 2 overseas companies, FY2020: 13 domestic companies, 2 overseas companies (composition of employees only)

* Data coverage for FY2020: about 90% of the sales ratio and more than 70% of the regular employment ratio

Domestic : SSHD, SHD, SAMMY, BTF, DL, PSR, SE, SGC, SIC, SLS, SNW, TMS, TOYS

Overseas : SOA(Sega of America, Inc.)/SOE(Sega Europe Ltd.)

● Data of Composition of Employees, Employees with disabilities, Composition of Management-level staff is as of the end of March 2020.

*For abbreviations, see page 2.

● Composition of Employees

	FY2020 (13 domestic companies)			FY2020 (2 overseas companies)		
	Total	Male	Female	Total	Male	Female
Number of employees	11,181	7,621	3,560	465	266	199
Regular employees	6,324	5,076	1,248	465	266	199
Non-regular employees	4,857	2,545	2,312	—	—	—
Number of foreign nationals	80	54	26	—	—	—
Average age of employees	40.3	41.1	37.3	—	—	—
Average length of service (year)	12.6	13.2	10.1	—	—	—

● Employees with Disabilities

	FY2018	FY2019	FY2020
Number of employees	205	212	211
Rate of employment	2.12	2.14	2.05

● Composition of Management-level Staff

	FY2018	FY2019	FY2020
Number of female management-level staff	81	102	86
Percentage of female management-level staff	5.0	6.6	6.4

Detailed Composition FY2020

	Total	Specialists	Managers	Division Managers	Executive Officers	Directors
Number of board members by position	1,337	357	634	223	45	78
Male	1,251	326	590	216	43	76
Female	86	31	44	7	2	2
Ratio of females	6.4	8.7	6.9	3.1	4.4	2.6

Note: Specialists are included in the category of management-level staff from fiscal 2019.

● Recruiting

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of new graduates	139	86	53	135	84	51	201	126	75
Turnover rate of new employees (%) (within 3 years from employment)	20.4	16.4	28.1	15.7	5.3	31.4	22.6	10.8	40.7
Number of mid-career recruits	226	169	57	224	133	91	193	131	62
Rehired employees after retirement	43	40	3	57	50	7	60	54	6

● Occupational Health and Safety

	FY2020
Number of industrial accidents*	18

Note: Number of industrial accidents = number of accidents accompanied by lost worktime (4 or more days)

● Data on the System Supporting Both Professional and Private Lives

	FY2018			FY2019			FY2020		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Maternity/Childcare leave (number of employees)	55	—	55	66	—	66	70	—	70
Childcare leave (number of employees)	95	21	74	130	24	106	136	40	96
Number of employees who returned to work after childcare leave	56	20	36	82	22	60	73	39	34
Percentage of employees who returned to work after childcare leave	—	100	98.6	96.5	100	95.2	93.6	100	87.2

● Work-life Balance

	FY2018	FY2019	FY2020
Average overtime hours per month	21.9	19.7	19.4
Number of paid leaves taken	11.5	12.5	14.0
General employees	12.2	13.1	14.6
Management-level staff	9.3	10.5	12.0
Percentage of paid leaves taken	63.7	69.5	75.6
General employees	69.4	75.1	80.9
Management-level staff	48.0	54.5	61.0
Number of annual holidays	124.1	125.8	128.0
Total number of employees who took volunteer leave	46	42	16
Total number of days for volunteer leave taken	70	101	18

Notes

■ Average overtime hours

We are promoting work style reforms and since fiscal 2018 have included overtime hours of discretionary employees, calculated based on their hours in attendance, insofar as possible.

■ Percentage of paid leaves taken

Percentage of paid leaves taken is calculated by dividing the number of paid leaves taken per year by the number of statutory paid leaves given per year. Since fiscal 2018, figures of the management-level staff and general employees have been shown separately. Non-statutory paid leaves adopted by some Group companies have also been taken into account.

■ Annual holidays

The number of annual holidays of relevant companies is calculated by the weighted average of the number of regular employees.

● Examples of the System Supporting Both Professional and Private Lives

Childcare

System	SSHD, SHD, SAMMY, etc.
Childcare leave	In cases where a child is still not admitted to a nursery school, even after having reached two years of age, until the day the child is admitted to such a school in the following April
Shorter working hours for childcare	- Up to 2 hours per day until the child enters elementary school - Up to 1 hour clock-out time earlier until the child reaches the third grade

Nursing

System	SSHD, SHD, SAMMY, etc.
Nursing leave	93 business days per person (including shorter working hours for nursing)
Shorter work hours for nursing	Up to 2 hours per day within 93 business days
Nursing paid leave	Allowed to take a long-term nursing leave up to the number of unused annual paid leave days

With Shareholders and Investors



Group CSR Charter

We will view our business with a global perspective in our efforts to ensure sustained growth and to maximize enterprise value. Additionally, we will enhance management transparency and meet the expectations of our shareholders and society through fair and timely disclosure and appropriate return of profit.

Group Code of Conduct

Highly Transparent Management and Interactive Communication

1. We will comply with relevant laws and other rules; properly and fairly disclose company information; and strive to secure transparency in management.
2. We will actively listen to the voices of shareholders, and strive to achieve bilateral and interactive communication.

Positive and Fair Disclosure Attitude

3. We will strive to pro-actively disclose company information that contributes to helping investors understand our group.
4. We will strive to treat all investors equally and to prevent company information being unevenly distributed.

Proper Return of Profits, Maximization of Enterprise Value, and Perpetuity

5. We will efficiently manage assets and properly return profits to shareholders.
6. By always keeping an eye on global situations and trends and responding to social needs, we aim to maximize enterprise value and grow continuously.

Insider Trading

7. We will comply with the laws, company regulations and rules regarding insider trading*, and handle undisclosed material facts in strict confidence.

* Refers to Article 166 of the Financial Instruments and Exchange Act, etc.

Improving Corporate Value Starts with Attentive Communication

VOICE



SEGA Sammy
HOLDINGS

Miyako Shimizu

Investor Relations Dept.,
Finance & Accounting Div.
SEGA SAMMY HOLDINGS INC.

In coordinating investor relations activities, including quarterly results announcements, we are always aware of the need to remain attentive and diligent in our disclosure of useful information and facilitate a dynamic exchange of opinions.

To gain the trust of all our shareholders and investors, it is important not only to disseminate and share such information but also to listen with sincerity and respond appropriately. We believe that accurately grasping and analyzing the substance of their opinions as well as sharing these ideas across the company are important responsibilities of our role in providing information that will benefit the decision-making process of management.

Moreover, we provide learning opportunities for all employees, including by reporting financial results internally. And we will continue to create an environment where staff feel closer to our shareholders and investors.

Additionally, we want to create a variety of opportunities for effective communication, which will ultimately enhance the SEGA SAMMY Group's corporate value.



Disclosing Information to Shareholders and Investors

IR Policy

In accordance with our IR Policy, SEGA SAMMY HOLDINGS works to earn the understanding and trust of shareholders and investors by disclosing information in keeping with the Financial Instruments and Exchange Act, other laws and the rules of the Tokyo Stock Exchange for timely disclosure. We also provide a wide range of information on management policies, business activities and more. If there is a chance that it could affect the investment decisions of investors, we actively disclose voluntary information that does not fall under legal and timely disclosure rules. Information disclosures are made on the Tokyo Stock Exchange's TDnet and our website.



SEGA SAMMY Group IR Policy

https://www.segasammy.co.jp/english/ir/ir_policy/

Communication with Shareholders and Investors

Holding a Hybrid Virtual Shareholders Meeting for Participant Safety

To prevent the spread of COVID-19, we requested that all our shareholders refrain from attending the meeting in person and exercise their voting rights by mail or via the Internet to the extent possible. Thanks to their cooperation, we were able to hold a safe meeting on June 2020.

Live streaming the meeting online allowed for a large number of shareholders to attend without having to gather in person.

Investor Relations

SEGA SAMMY HOLDINGS has an IR Information Center, which provides briefings to investors in Japan and abroad and responds to shareholder and investor inquiries. For institutional investors and security analysts in and outside of Japan, we provide results briefings at the end of each fiscal year and telephone conferences to discuss quarterly results.

Furthermore, we hold events such as facility tours and workshops for securities analysts to deepen their understanding of our business. We also participate in company information sessions and other events to actively communicate with individual investors.



Briefing for individual investors

Past Activities

	FY2019	FY2020
Financial results briefings (quarterly, including teleconference)	4	4
Small meetings	2	2
Individual meetings (domestic investors)	128	152
Individual meetings (overseas investors)	169	159
Business segment briefings (including facility tours)	3	0
Overseas roadshows (including conferences)	5 (North America: 1, Asia: 2, Europe: 2)	5 (North America: 2, Asia: 2, Europe: 1)
Domestic conferences	4	4
Events for individual investors	1	1

External Evaluation of our Investor Relations

A list of awards the SEGA SAMMY Group has received from third-party institutions for its IR activities in fiscal 2020 is shown below.

- **FY2020 Listed Company Website Quality Ranking**
Best site in comprehensive awards, commendations by industry (Machine)
Nikko Investor Relations Co., Ltd.
- **Gomez IR Site Comprehensive Ranking 2019, Silver Medal**
Morningstar Japan K.K.

- **Internet IR Best Company Award 2019, Commendation Award**
Daiwa Investor Relations Co., Ltd.



Integrated Report

https://www.segasammy.co.jp/english/ir/library/printing_annual.html

Appropriate Returns of Profits

Basic Policy on Profit Sharing

SEGA SAMMY HOLDINGS identifies profit distribution to our shareholders as a top management priority. Our basic policy is therefore to return an appropriate level of profits to shareholders. To provide a stable dividend stream, we pay dividends twice a year, at interim and year-end during the fiscal year. For fiscal 2020, our interim dividend was 20 yen per share and the year-end dividend was 20 yen per share.

Shareholder Benefits Program

In February 2018, we introduced the shareholder benefits program to express our gratitude to all shareholders for their ongoing support and to offer an opportunity to experience our services. We have expanded our shareholder benefits based on the feedback we have received since the program was introduced.

Due to the spread of COVID-19, we extended by six months the expiration date of all shareholder benefit tickets sent in June 2019, which had been set to expire at the end of June 2020.



Past Dividends and Shareholder Benefits System

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

With Society

Environment



Group CSR Charter

With a full awareness of the fact that we are, as a corporate citizen, a member of society, we will voluntarily and proactively put forward efforts to provide a social contribution through our business activities, etc., our support in the development of cultural activities including art and sport and the preservation of the global environment.

Group Code of Conduct

Global Environment

1. We will consider the possible effects on the global environment stemming from all elements of our products overall lifecycles, ranging from material procurement, manufacturing, distribution, use, recycling and disposal.
2. To protect the global environment, we will not only comply with related laws and various regulations, but will also actively and voluntarily consider and implement any further measures we believe will benefit the global environment.
3. We will nurture our personnel, to be highly aware of the global environment and to strive for material and energy conservation, both personally and professionally.

VOICE



Left: Takayuki Kuroki

Engineering,
PHOENIX RESORT CO., LTD.



Receiving the 2019 Miyazaki Prefecture Greenhouse Gas Emission Control Business Award

Energy-saving measures that effectively use electricity, gas, and other energy sources are essential for reducing greenhouse gas emissions. Phoenix Resort has been implementing energy-saving measures since it opened in 1993. As a result, in 2019 we received the Miyazaki Prefecture Greenhouse Gas Emission Control Business Award in recognition of our leadership in reducing greenhouse gas emissions and for setting a great example for others.

Saving energy requires more than simply installing energy-efficient equipment. Sites for the equipment must be carefully determined and post-installation checks and improvements must be undertaken regularly to maximize effectiveness. We also keep a close eye on our energy-saving measures to ensure they do not negatively impact the quality of the environments and spaces used by our customers and staff.

Going forward, we will continuously seek and implement improvements that benefit customers and the environment so that we are always able to both offer comfortable resort stays and save energy.



Lobby of the Convention Center
Adjusting the lighting saves energy without compromising Seagaia's unique atmosphere.

Our Energy Saving Efforts

- Preparing a daily energy consumption graph and comparing it with the same day and month of the previous year
- Displaying lighting patterns next to the control panel to be used in sunny and rainy weather and at nighttime to ensure efficient lighting
- Reporting energy use at internal meetings about once a month
- Visualizing energy use by introducing the Energy Management System (EMS)
- Upgrading heat source equipment for air conditioning systems and units, etc.
- Converting to energy-efficient LED lighting



Green Power Certificates System



E SEGA Holdings has bought one million kilowatt-hours' worth of Green Power Certificates (microhydropower and biomass) annually since April 2005 under a contract with Japan Natural Energy Co., Ltd.

Additionally, in April 2007 we became a Y-Green Partner of the Yokohama City Wind-Power Electricity Generation Project, whose main facility is the Hama Wing turbines in Yokohama's Kanagawa Ward, and generated 168,184 kWh in fiscal 2020.

Japan Natural Energy Company Limited (Japanese only)
<http://www.natural-e.co.jp/>



Marks of accreditations by Japan Natural Energy Company Limited for the use of green electricity, or renewable energy, generated by wind power, biomass power and small hydroelectric generators.

Designing Environmentally Friendly Products



E Our ongoing efforts to save energy have proven to be effective, with achievements that include a 47%–55% reduction in power consumption of the medal game machines, THE MEDAL TOWER OF BABEL, and LetsriGO, compared to an older product, Arabian Jewel.

We reduce waste by designing components for amusement machines that can be reused in new products, recovering and reusing the used chassis of other titles for Kemono Friends 3: Planet Tours, using the main monitors of StarHorse3 for StarHorse4, and making new modifications to the seating of StarHorse4 to improve user comfort. We also provide customers at amusement centers with maintenance and inspection manuals so our products can be used over a long time. In our amusement centers, we implement thorough daily maintenance to extend the life of machines.

SEGA Logistics Service Co., Ltd. has established a nationwide recycling system that reduces the cost and prevents illegal dumping.

The company is also in charge of the storage and management of used machines, selling units in good condition for reuse, processing those no longer needed for repair parts, and disposing of unusable machines as industrial waste. These machines are sorted at the company's Yaguchi Plant in Chiba Prefecture by intermediate industrial waste processing workers who manually disassemble good used machines and sort the components by material for complete recycling toward eliminating the need for landfill disposal and simple incineration. Additionally, waste cards and papers used for amusement machines and some plastic waste are recycled by thermal recycling to produce RPF (refuse paper and plastic fuel), an alternative fuel.



RPF (refuse paper and plastic fuel), an alternative fuel

PP To improve the reusability of parts from pachislot and pachinko machines, we have worked to standardize parts, substrates, and units at the design and development stages. In fiscal 2017, we set targets for the number of reusable parts and achieved all of them in fiscal 2019. In fiscal 2020, we promoted the use of some units that made up the pachinko board and others around the pachislot LCD and reels in used pachislot and pachinko machines. And we promoted the use of these units as is, without dismantling them into parts to improve the efficiency of reuse and quality.

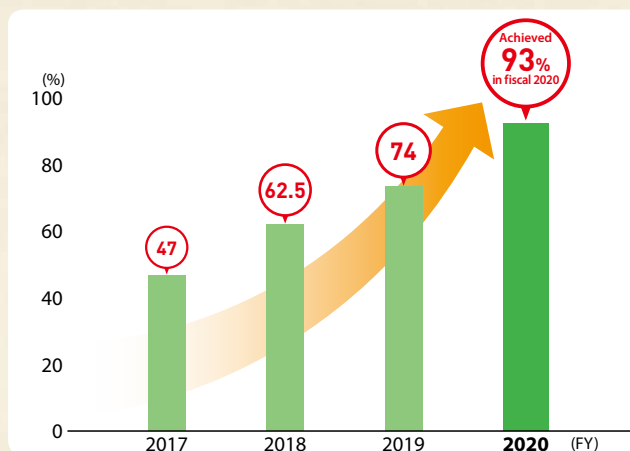
In addition, by revising the conventional trade-in conditions for collecting used machines and implementing environmentally sound purchase measures, the collection rate in fiscal 2020 reached 93%.

On an industry basis, we have been promoting industry-wide efforts to reduce environmental impacts through the standardization of parts and units in collaboration with other makers.

As a part of our initiative to provide environmentally sound products, almost all of our pachislot and pachinko machines feature eco-friendly functions to reduce power consumption, such as the low illumination of LED components (e.g., decorative parts) during standby mode, leading to a power consumption reduction of the current machines by 5% compared to those launched prior to fiscal 2015.

Also, a new feature of our machines allows players to adjust sound and lighting levels, and we incorporated life-cycle considerations into the design of the machines by using long-life, high-efficiency components. Other achievements include maintaining a 100% usage rate of lead-free soldering components for pachislot and pachinko machines. Additionally, we participate in the initiative of Nippon Yugikikogyo Kumiai (Japan game machine industry association) and Nichidenkyo (Japan electronic game machine industry association) to grasp and reduce the overall industry usage of substances of concern and to share information among companies.

Collection Rate of Used Pachislot and Pachinko Machines



Number of Reused Parts from Pachislot and Pachinko Machines

	(Number of parts)		
	FY2019	FY2020	Targets
Pachinko	About 30	About 40	15 or more
Pachislot	About 80	About 80	50 or more

* Targets were set in fiscal 2017.

Twelfth Year of the Adopt-A-Forest Activity

SEGA-no-Mori

E SEGA Holdings endorses the intent of Adopt-A-Forest Promotion Program, a program led by Nagano Prefecture acting as an intermediary, and signed an “adopt-a-forest” contract with Minamiaiki Village of Saku County in Nagano Prefecture in April 2008. The contracted forest covers an area of 3,633 hectares (roughly 773 times the area of the Tokyo Dome) of privately-owned forest. We named the forest SEGA-no-Mori and support global environmental preservation by funding part of forest maintenance activities to sustain the forest’s ability to absorb CO₂. As a result of maintenance efforts, the volume of CO₂ absorbed by the forest in fiscal 2020 was 267.9 t-CO₂.

With the impressive cooperation of local people, SEGA-no-Mori also fosters an awareness of global environmental protection among employees. In January 2018, our ten years of performance in forest maintenance activities and interaction with the local community were recognized by the presentation of the Nagano Prefectural Governor’s Award in the category of utilization of prefectural tax for Nagano Prefecture’s forest creation.

Learning about Nature

With the hope of handing down to the next generation the spirit of treasuring nature, we are organizing nature study events during which SEGA SAMMY Group employees and their families share experiences in tasks that vary every summer. These include removing undergrowth, harvesting crops and catching fish by hand.



Adoption of signs identifying the forest as SEGA-no-Mori was an initiative set up in 2008, the first year of the SEGA-no-Mori project. These drawings were made by students of Minamiaiki Elementary School under the theme “Creating the future together with nature.”



Minamiaiki Village is rich in nature, with about 80% of its gross area covered by mountains, forests, and fields as well as rivers flowing through the valley.

● Minamiaiki Village website (Japanese only): <http://www.minamiaiki.jp/>

Forest Maintenance

To provide opportunities to learn and experience first-hand the importance and the weight of forest maintenance, we organize forest thinning and maintenance experiences every autumn such as tree planting guided by people from the village who preserve and nurture SEGA-no-Mori on a daily basis.



Interaction with the Local Community

Villagers have shared a variety of stories such as the history of Minamiaiki Village, tips for mountain hiking, and the hard work required for growing delicious produce, thereby teaching us about the harsh and precious sides of nature that are not experienced in city life.



Participant Voices

This was a great opportunity to enjoy experiences I don't have every day, such as cooking fish, doing field work, and picking blueberries.

This was my first camping trip with my children, and we had a wonderful summer experience thanks to all the residents of the village and staff members.

I felt like I'd found a new home while spending time with the people of Minamiaiki Village. This opportunity to meet them was very valuable.

The event started off with a barbecue followed by a hot spring visit and fireworks—a real summer vacation! Even the adults had a great time.

Sega of Europe Switching to Fully Recyclable Packaging for All PC Game Products

E Sega of Europe has started switching to fully recyclable packaging materials for all its PC titles. The move toward more eco-friendly PC game packaging is driven by the shared desire of Sports Interactive and Sega of Europe to reduce global warming by finding alternatives to plastic packaging.

The packaging and manual are both made from 100% recycled paper, and all printed matter uses water- and vegetable-based inks. The discs are also recyclable through special services.



Top Message

Gary Dale President & COO, Sega of Europe

This initiative underlines SEGA of Europe's commitment to reducing its plastic waste and its ongoing efforts to implement environmentally friendly business practices. Our estimations with regards to Football Manager 2020 suggested we'd save up to 20 tonnes of plastic packaging for that title alone, so taking this step for the rest of our PC portfolio would see that saving rise exponentially. We'd like the entertainment industries to investigate similar packaging solutions, across movies, games and music so we can collectively observe a drastic reduction in the production of plastic packaging and its associated waste and pollution, over the coming years.

Countermeasures for Plastic Waste

E To reduce plastic bags for prizes generated from game centers, each shop sorts the plastic waste according to the standards of each region and facility and has it treated by a contracted intermediate industrial waste processing firm. Moreover, we have begun to investigate how many bags are used by the shop and are comparing material costs to support switching to environmentally sound materials.

Recognizing that a manufacturer is responsible for reducing waste by simplifying product packaging, we reuse plastic bags at the time of shipment and take other necessary actions to keep the packaging as simple as possible.

Efforts to Reduce Electricity Use in Game Centers

E In addition to promoting the use of LED lighting for facilities, we are replacing air conditioning units, mainly at renovated shops. We also use the same electricity supply company for all our shops so that monitoring and optimizing the usage for each place is easier.

Seagaia Beach Cleaning Campaign in Hitotsuba

R At Phoenix Resort, we have conducted the Seagaia Beach Cleaning Campaign in Hitotsuba since 2015 to protect loggerhead sea turtles, a designated natural treasure of Miyazaki Prefecture, and their spawning areas.

Every year, we invite around 100 volunteers, including local residents and members of the Junior Sports Club, to participate by, for example, collecting household waste and driftwood that could hinder loggerhead sea turtles from reaching land where they can lay their eggs.

Before the cleanup, participants have the opportunity to attend a lecture by Mr. Tomohisa Deguchi on loggerhead sea turtles and their ecology. Mr. Deguchi is a member of the Miyazaki Wildlife Research Group, which is a non-profit organization, and he is also head of the Miyazaki City Phoenix Zoo. Although we have not been able to hold the campaign with local residents in 2020 due to the impact of COVID-19, we are committed to continuing the campaign in the future.



The beach clean-up has been conducted annually.

Environmental Data

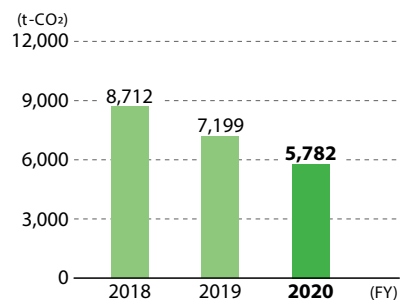
Scope

Reporting organizations for the aggregation of data: 14 companies

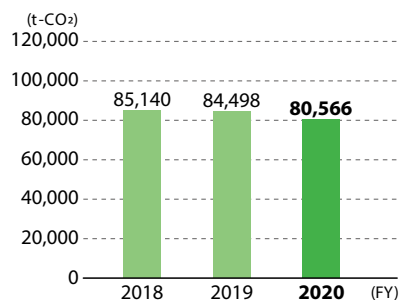
●SSHD/SHD/SAMMY/BTF/DL/ELEC/PSR/SE/SGC/SIC/SLS/SNW/TMS/TOYS*

*For abbreviations, see page 2.

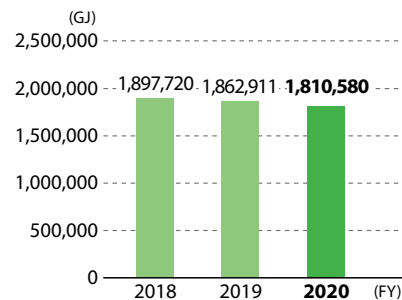
CO₂ Emissions (Scope 1)



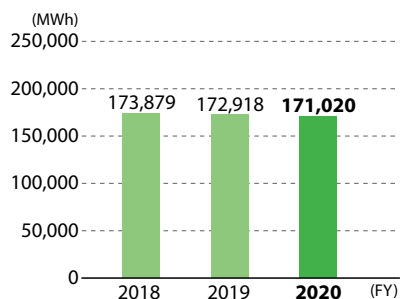
CO₂ Emissions (Scope 2)



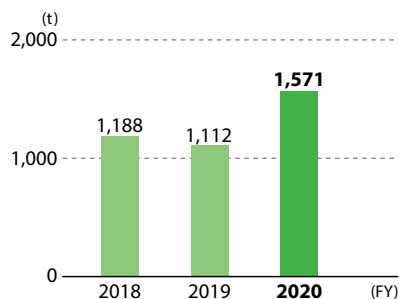
Total Energy Input



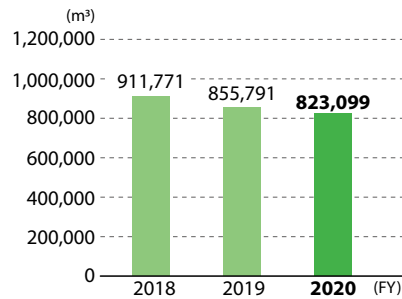
Electricity Usage



Industrial Waste Discharged



Water Usage



- Aggregated data include an estimate based on total floor area.
- Gross decrease in CO₂ emissions is mainly attributable to reduced fuel and electricity consumption.
- Adjusted CO₂ emission factors for each power company in previous years are used for purchased electricity.

Number of Violations of Environmental Laws

FY2018	FY2019	FY2020
0	0	0

Status of Eco-friendly Initiatives at the SAMMY's Kawagoe Factory

		FY2018	FY2019	FY2020	Remarks
Amusement machine recycling rate	Recycling rate (%)	95.99	95.00	95.40	Pachislot and pachinko machines combined
Use of environmentally friendly materials	Amount of lumber used (t)	566	370	215	
	Amount of PEFC-certified lumber*	38t(6.8%)	51t(13.8%)	7t(3.3%)	



Note: No adhesives, including water-based ones, are used at SAMMY's Kawagoe Factory

* PEFC-certified lumber has been procured properly from forests certified by a third-party organization under the Programme for the Endorsement of Forest Certification Schemes (PEFC) as being sustainably managed. The volume has been reduced as the production of products made with PEFC-certified lumber has decreased.

With Society



Group CSR Charter

With a full awareness of the fact that we are, as a corporate citizen, a member of society, we will voluntarily and proactively put forward efforts to provide a social contribution through our business activities, our support in the development of cultural activities including art and sport and the preservation of the global environment.

Group Code of Conduct

Prosperity in Core Business

1. We will always aim for our core business to prosper by providing products and services satisfactory to our customers, and will not forget to contribute to society by paying taxes and creating employment.

Contribution to Society and Donations

2. Not only will we contribute to society through our business activities, but we will also actively and voluntarily support cultural interests such as the arts and sports to contribute to the realization of a prosperous society.

3. In engaging in the above socially contributing activities (including giving donations), we will comply with any internal rules stipulated in accordance with related laws including tax laws, the Commercial Code of Japan and the Political Funding Regulation Law.

Local Community

4. As a locally-rooted company, we will actively and voluntarily strive to promote solidarity and cooperation with, and engage in exchange with, the local community.

VOICE 1 Hosting Programming Workshops that Are a Joyful Experience

We support children's development.



Keisuke Harada

Experience Innovation Labo,
SEGA Entertainment Co., Ltd.

Experience Innovation Labo is engaged in planning and other activities to provide a place that offers new "experiences that move the heart" that are unlike any at other game centers. The Sega Labs began as an experimental event for creating something fun, since computer programming will be included as a compulsory subject at elementary schools in 2020. Until now, we have held the SEGA LAB workshops at locations across the country, such as shopping malls, elementary schools and other public facilities, and with more than 6,000 participants. We would be thrilled if our SEGA LAB programming workshops could deliver the joy of learning and motivate children to learn and try

new experiences. We would like to contribute through these events to unleashing the infinite potential of children.

In addition to these programming workshops, we would like to combine the content and entertainment capabilities of SEGA SAMMY Group with learning to deliver more fun and exciting events around the world and continue to support the education of the next generation.

<https://sega-lab.com/>

SEGA LAB

Entertainment
Laboratory



Tsuneko Uchiyama

After-School Kids Club,
Tatenoe Elementary School

The programming workshop has been the best event for children to learn and enjoy exciting experiences! Thank you for this great opportunity. Children learned about programming in a natural way by operating a cute mBot. Their eyes sparkled with excitement as they thought about the mBot and worked very hard to navigate it through a maze, and they were overjoyed when they got it out. Everyone was so excited at the last soccer match too, regardless if they'd won or lost! All of them were clearly content and happy. Our principal quietly observed the class and, as teachers, we learned a lot from the experience as well. I hope you continue creating programs that offer experiential learning for children.



Woodcraft,
a specified non-
profit corporation
in Yokohama City

We participated in the programming workshop during an After-School Kids Club. The workshop offered several fun activities using mBots and drones, which grabbed the children's attention and sparked curiosity.

Parents were also very pleased with the programming experience for their children before it became a mandatory school subject. I look forward to the excitement and fun of future SEGA LAB Workshops.



Yukiko Oota

After-School Kids Club,
Morinodai Elementary
School

VOICE 2

Former J League Player Invigorates Local Communities through the Power of Sports



Kyohei Noda

Operation Manager
MPandC Inc.



As part of its CSR activities, MPandC conducts the Asu Match Project to connect athletes with communities for the purpose of revitalizing community life through sports. This has created a second career for athletes and offers children experiences that have quite an impact. Many athletes who represent Japan, such as Shinji Kagawa and Kohei

Uchimura, participate in the project and work together to liven up events across the country.

Both retired and current athletes work in dual careers at MPandC. In fact, as a former J League football player, I continue to take on new challenges in the business world using my experience at Tokyo Verdy and other clubs.

I would like to fill Japan with smiles through the power of sports.



VOICE 3

Company Tour



Students from overseas receiving an explanation on the animation production process (Keio University)

TMS ENTERTAINMENT offers company tours primarily to junior high and high school students from other regions who come to Tokyo for corporate training and to international college students studying in Japan (in fiscal 2020, about 80 students from 8 groups including elementary students in Nakano Ward visited). At first, they are brought to a preview room where we explain the animation production process. Then we show them actual storyboards and original pictures. Students get very excited when they see materials that had been used in animation, and they shower us with sharp questions that sometimes make us sweat as we ourselves also learn. Also, we have often been spoken to by big fans of our work, who mention specific titles.

We hope our company tours will help to broaden public understanding of the animation industry, which is still not widely known.



Shuhei Maeda



Meiko Yaeno

Kumiko Shoji

General Affairs Department,
Administration Division,
TMS ENTERTAINMENT CO., LTD.

SOCIAL SUPPORT

Co-creation Project of SEGA SAMMY College and Shinagawa Joshi Gakuin



SEGASAMMY College has launched the co-creative "dream photo booths (Prikura)" project with a Shinagawa Joshi Gakuin high school campus near SEGA SAMMY Group's headquarters, using a "fiz" photo booth machine developed by SEGA.

Shinagawa Joshi Gakuin places great emphasis on encouraging students to envision themselves at 28 years old and to work toward their goals while exploring how to do so. The co-creation project stemmed from this educational philosophy, which resonates with the DNA of SEGA SAMMY, "Creation is Life" and "Always Proactive, Always Pioneering."

The class is full of smiles and endless questions from students, even after the bell marks the end of the class period. In this

co-creation project we will work to make our society more cheerful and colorful by helping students to find the fun of creating experiences that move their heart and also learning from new perspectives and sources of inspiration.



SOCIAL SUPPORT

Sports Darts Project



DARTSLIVE has launched a project to promote darts as a sport toward achieving a world in which people live long and healthy lives.

In fiscal 2020, we held four darts events at elementary schools and six at nursing homes, mainly in Yokohama City. In fiscal 2021, we launched a special website and online community site to brush up on the know-how cultivated through these events and to disseminate the achievements throughout the country. We would like to continue our efforts to create a new era with darts as a sport.



Sports Darts Project
<https://sportsdarts.jp/>

Yokohama Human & Techno Land



Yokohama Human & Techno Land, commonly known as Yotec, is a comprehensive welfare event sponsored by the social welfare corporation Foundation for Yokohama Rehabilitation Service. The event is held to exhibit and share the experience of welfare equipment, introduce new technologies, and promote public



understanding of the self-reliance of persons with disabilities and their potential for social participation. Diverse visitors attend, including persons with disabilities, supporters, family members, and welfare equipment manufacturers. The SEGA SAMMY Group supports the purpose of the event by providing free gifts and collaborating to build a society in which everyone, regardless of disabilities, can live comfortably.



Donating and Disinfecting Toys in Collaboration with NPOs



This year marked the 11th time we engaged in the initiative since fiscal 2010. Working together with the Japan NPO Center, we select NPOs to donate our toys.

In fiscal 2020, hoping to deliver smiles and courage to children who spend most of their time in beds and their family members, we donated about 100 toys from SEGA TOYS (fiscal 2020) and 500 non-woven masks to the Approved Specified NPO Family House, which provides accommodation support for the families of children undergoing treatment for cancer and other intractable diseases.

Due to the impact of COVID-19, many hospitals have restricted visits, increasing the need for support to help children with illnesses and their family members experience closer bonds of connection.

Group employees regularly visit the houses and disinfect toys and stuffed animals so that children and their families feel more comfortable using them. In future we will continue to develop contributions to make all children smile.



Report from Family House on donations

Supporting Children's Diet



Hoping to be of assistance in supporting children's development through our Group businesses and facilities, SAMMY donated a popular snack called Umaibo to the children's cafeteria. The snack came in a special package that was originally planned to be distributed at the Universal Carnival x SAMMY Festival 2020. A total of 57,000 Umaibo snacks were donated to 26 NPOs that operate children's clubs and homes. A circle of support for children's cafeterias has also been expanding in the pachislot and pachinko industry. In addition, Phoenix Resort continues to donate vegetables harvested

from its own farm.

We are glad to help make children smile and will continue our support in a number of ways beyond food donations.



SEGA SAMMY HOLDINGS Public Relations Department staff donating snacks to the Shinagawa Children's Cafeteria Network



©UNIVERSAL ENTERTAINMENT
©Sammy

Campaign to Deliver Picture Books

SEGA Sammy
文化芸術財団

We have been participating in the Shanti Volunteer Association's Campaign to contribute through entertainment to children living in conflict areas by delivering picture books to them. We purchase picture books with money raised through the collection of unwanted used items from our offices and the homes of our employees. Staff from 17 Group companies took part in pasting stickers into the books along with translations into local languages. They also sent them to designated locations. Since the start of the activity in 2009, a total of 2,825 books have been sent to those areas. While offering entertainment, we also pray for a world in which all children can have dreams for the future, and so we will continue to carry out these activities.



Supporting Vaccinations for Children across the World

SEGA Sammy
文化芸術財団

The SEGA SAMMY Group contributes to reducing CO₂ emissions and encourages childhood vaccinations across the world by collecting plastic bottle caps on each floor of the Osaki headquarters. The caps are processed by a special recycling operator to reduce CO₂ emissions during incineration. The revenues generated from their sale to the operator are donated to the certified NPO corporation Japan Committee, Vaccines for the World's Children to support the health of children around the world. In fiscal 2020, we recycled 49,880 caps, reduced CO₂ emissions by 365.5 kilograms, and donated money to purchase vaccines for 65 children.



Box for collecting PET bottle caps

ペットボトルキャップ受領書			
セガサミーホールディングス株式会社 御中			
2019/12/3	65.00 Kg		
個数:	27,960 個		
ワクオン:	32.5 人分		
CO ₂ :	204.8 Kg		
※上記のCO ₂ は、キャップを分別して焼却処理された場合の推定値です。(キャップ1個で約0.15gのCO ₂ が発生します)			
回収場所	受領額	49,880 個	ワクオン 57.5 人分
<p>説明: 毎月必ず毎月ご報告のこととお断り申し上げます。</p> <p>ペットボトルキャップの回収にご協力いただきありがとうございます。上記の金額を寄付に使用いたしました。</p> <p>集約いたしましたキャップは、当社でリサイクル原料として利用しています。</p> <p>ワクオン寄付は、寄付より「世界で1人1人の子どもにワクチン接種を支援する (JCV)」へ。</p> <p>最終寄付先は、寄付より「世界で1人1人の子どもにワクチン接種を支援する (JCV)」へ。</p> <p>今後とも宜しくお願いいたします。</p>			

Certificate of recycling PET bottle caps

SPORTS, THE ARTS AND OTHER CULTURAL ACTIVITIES

Dance Base Yokohama

SEGA Sammy
文化芸術財団



SEGA SAMMY Culture and Art Foundation, a general incorporated foundation that contributes to the enrichment of our cultural and artistic life and realizes a prosperous society, opened a new performing arts facility called Dance Base Yokohama (DaBY) in Yokohama's Kitanaka area. Using DaBY as an attractive platform for gathering those involved in dance across genres will encourage and spread traditional Japanese dance and facilitate international exchanges with domestic and international artists and art organizations.



Para-Nordic Skiing Japan Team

SEGA Sammy
文化芸術財団

The SEGA SAMMY Group provides ongoing support to Japan's national Para-Nordic skiing team with the Ski Association of Japan for the Disabled, a specified non-profit corporation, as its parent organization.

The association strives to open up cross-country and biathlon skiing to persons with disabilities and related individuals in Japan to increase competitive abilities as well as to promote and popularize the sport. We will continue to support the team in working hard with the hope of inspiring persons with disabilities so that they can enjoy cross-country skiing and biathlon, which can lead to a healthier physical condition, while we also encourage young people with disabilities to dream of making it to the Paralympics.



SPORTS, THE ARTS AND OTHER CULTURAL ACTIVITIES

Japan Disabled Golf Players Association

SEGA Sammy

In Japan, disabled golf is not well known among the general public, and much less by those with disabilities. With so few opportunities to play the sport, few disabled individuals do. Therefore, activities aimed at offering opportunities to play it are needed so that more disabled golfers can enjoy it as a lifelong sport.

Through activities such as donations and promotion campaigns, the SEGA SAMMY Group will contribute to the creation of a society in which all people can live safely with dignity and a sense of purpose regardless of disability.



Tokyo Jazz Festival

SEGA Sammy

As part of its efforts to support the arts and cultural activities, the SEGA SAMMY Group has been helping out the Tokyo JAZZ (Tokyo JAZZ + plus from 2020), since its inception in 2002. The event gathers top jazz musicians from around the world to perform under the concept of encouraging cultural and generational cross-fertilization. To prevent the spread of COVID-19, Tokyo JAZZ + plus 2020, which had been scheduled for May 23 and 24, 2020, cancelled all its performances and decided to hold online the TOKYO JAZZ + plus LIVE STREAM to give the affected artists an opportunity to perform and a chance for those fighting the coronavirus around the world to experience art. The SEGA SAMMY Culture and Art Foundation announced its support for the event as the sole worldwide sponsor, and it was streamed live on May 23 and 24, 2020 and watched by 125,000 people.



TOKYO JAZZ + plus LIVE STREAM

Junior Sport Festival

SEGA Sammy



The SEGA SAMMY Group holds the Junior Sport Festival, during which first-class athletes from each sport field provide personal instruction to elementary and junior high school students in Chitose City, the site of the Shigeo Nagashima Invitational SEGA SAMMY CUP Golf Tournament, Eniwa City, and Tomakomai City. We have no choice but to cancel the festival in fiscal 2021, which would have been its 13th year, to prevent the spread of COVID-19. We are committed, however, to continuing the festival to support the growth and development of children.

SEGA SAMMY Cup Children's Rubber Baseball Tournament

SEGA Sammy



Supporting the efforts of the Tokyo Kids Baseball Academy to strengthen children's baseball skills in Tokyo, the SEGA SAMMY Group has been serving as a special cosponsor for The SEGA SAMMY Cup Children's Rubber Baseball Tournament. This year's event, the 11th tournament, took place at the SEGA SAMMY baseball field and Takigahara Ground in Hachioji, with 16 teams comprising 320 players competing. On the day of the opening ceremony there were events to help boost baseball education, such as baseball lessons by active players of the SEGA SAMMY baseball team and a seminar for instructors by the team's manager and coach. In a seminar held before the tournament, the captain of the SEGA SAMMY baseball team, Mr. Miyagawa, and two other players, Mr. Suehisa and Mr. Sunagawa, participated and shared their experiences, which sparked significant audience excitement. We will continue our support so that the tournament, which boasts a total of 2,500 participants so far, can serve as a stage to help children's dreams come true.

Under-18 Free Kick Championship



MP&C holds the annual U-18 Free Kick Championship for kids who play soccer, a community engagement activity for making children's wishes come true. The championship is supervised by Mr. Atsuhiko Miura, manager of Vissel Kobe, and Mr. Yuichi Nishimura, a former international judge.

This new type of free kick competition for junior and senior high school students is intended to improve the national level of free kicks under the slogan, "Transforming Japan into a Free Kick Powerhouse to Become a Global Winner." In 2019, Mr. Tetsuji Hashiratani, a former captain of Japan's national soccer team participated in the competition as a special ambassador and provided lessons for

students at the Kids Soccer Clinic before the event. He was energetic and enthusiastic with the students while sharing the fun of soccer and importance of thinking when playing, making the students' eyes sparkle and their faces light up from a very exciting experience.

MP&C will continue to expand these activities across the country to put smiles on faces across Japan through sports.



COMMUNITY ACTIVITIES

Visiting Children at Orphanages (Hachioji City, Tokyo)



Since 2010, the SEGA SAMMY Baseball Club has been visiting three orphanages in Hachioji City, where the team is based. Also, in December every year,

it organizes a Christmas event for interacting with children.

In 2019, 11 people including baseball team members visited. They gave toys from the SEGA SAMMY Group to children and played tee-ball and other games. The group home and nursery schools were filled with laughter. We will continue these interactive activities as a strong team beloved by the community.

Exhibition at the Sakura City Industrial Festival: Sakura Monozukuri Festa 2019



As part of its community contributions, Sega Logistics Service has been participating in the Sakura Monozukuri Festa every year since 2012.

In 2019, the company exhibited the UFO CATCHER at a permanent booth in the Shizu Community Center, which attracted about 15,000 visitors over two days.

Looking ahead, we will continue working as members of the local community.



Kids Races (Kakamigahara City, Gifu Prefecture)



We hold the Kids Races as a childcare support activity twice a year, in spring and autumn, at Oasis Park. The event is participated in by many children and consists of four races, each for a different age group: the Hai-hai Race (toddlers before walking), Kata-kata Race (under two); Bu-bu Race (two years old), and Tricycle Race (three to five years old). The event is great for the entire family; three generations of family members are often seen taking photos and cheering for their children competing in the race.

The event is also a place for parents who work hard raising their children to interact with each other, providing an opportunity that has been well received by many as both stimulating and encouraging. We will continue to support parents by helping them to create good memories.



Oasis Park

<https://www.oasispark.co.jp/>

Supporting the Development of Career Choices and Appropriate Professional Behavior for Local Students



In cooperation with local junior and senior high schools and universities, the Phoenix Resort offers opportunities such as experience-based

training, lectures, and tours for students so they can explore career choices and start developing professional behavior.

During the professional behavior seminars, presented as onsite classes, students learn important social skills and manners and receive personal guidance on future career or education choices. In addition, high school students studying social welfare tour a barrier-free room inside the resort and receive a one-point lesson about engaging in pleasant social interactions.

We will continue to provide support that is uniquely possible at the Phoenix Resort, which reflects a high level of expertise in creating pleasant occasions and spaces for customers, and thereby contribute to the growth of local communities.



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**New Official Twitter Account for
the SEGA SAMMY Group's CSR and SDG Activities**

In April 2020, the SEGA SAMMY Group created an official Twitter account to provide information about its CSR activities, compliance and work styles as well as the SDGs. We hope to strengthen our bonds with society by communicating with many customers through Twitter so they feel closer to SEGA SAMMY. Please follow us!



SEGASAMMY CSR Official Account
[@SEGASAMMY_CSR](https://twitter.com/SEGASAMMY_CSR)



Disclaimer

This report contains past and current facts about the SEGA SAMMY Group as well as forward-looking statements about social conditions, business plans, and forecasts based on management's judgments in light of information available as of the publication date. Please note that social conditions and business results may vary from these forecasts.