

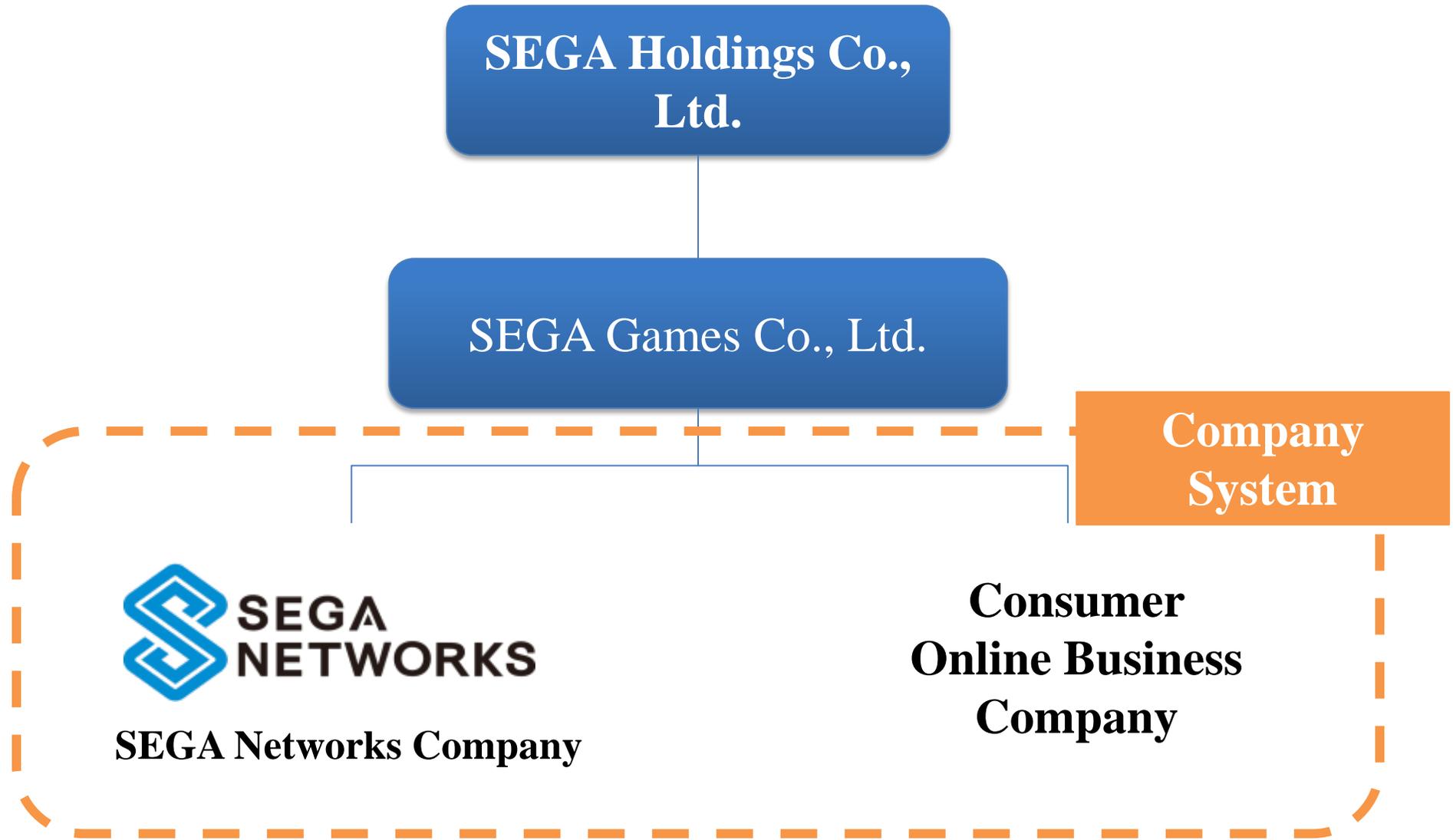
# Meeting Material



February 20, 2015



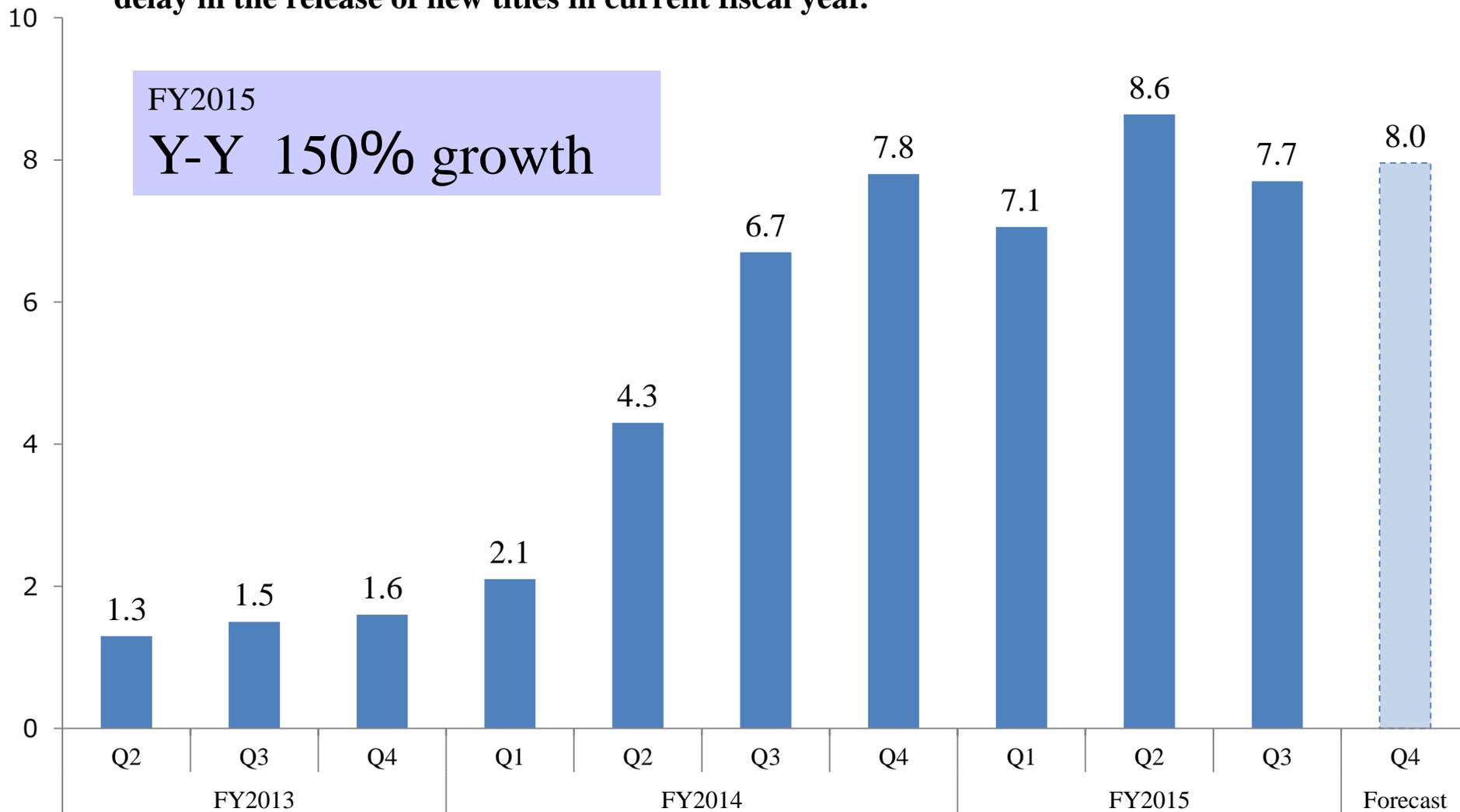
# Group Structure Reform (2)



# Q-Q Gross Sales

The performance of this fiscal year is in line with the initial plan supported by strong performance of existing titles despite the decrease in the number of new titles due to strategic delay in the release of new titles in current fiscal year.

(billions of yen)

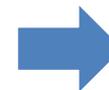
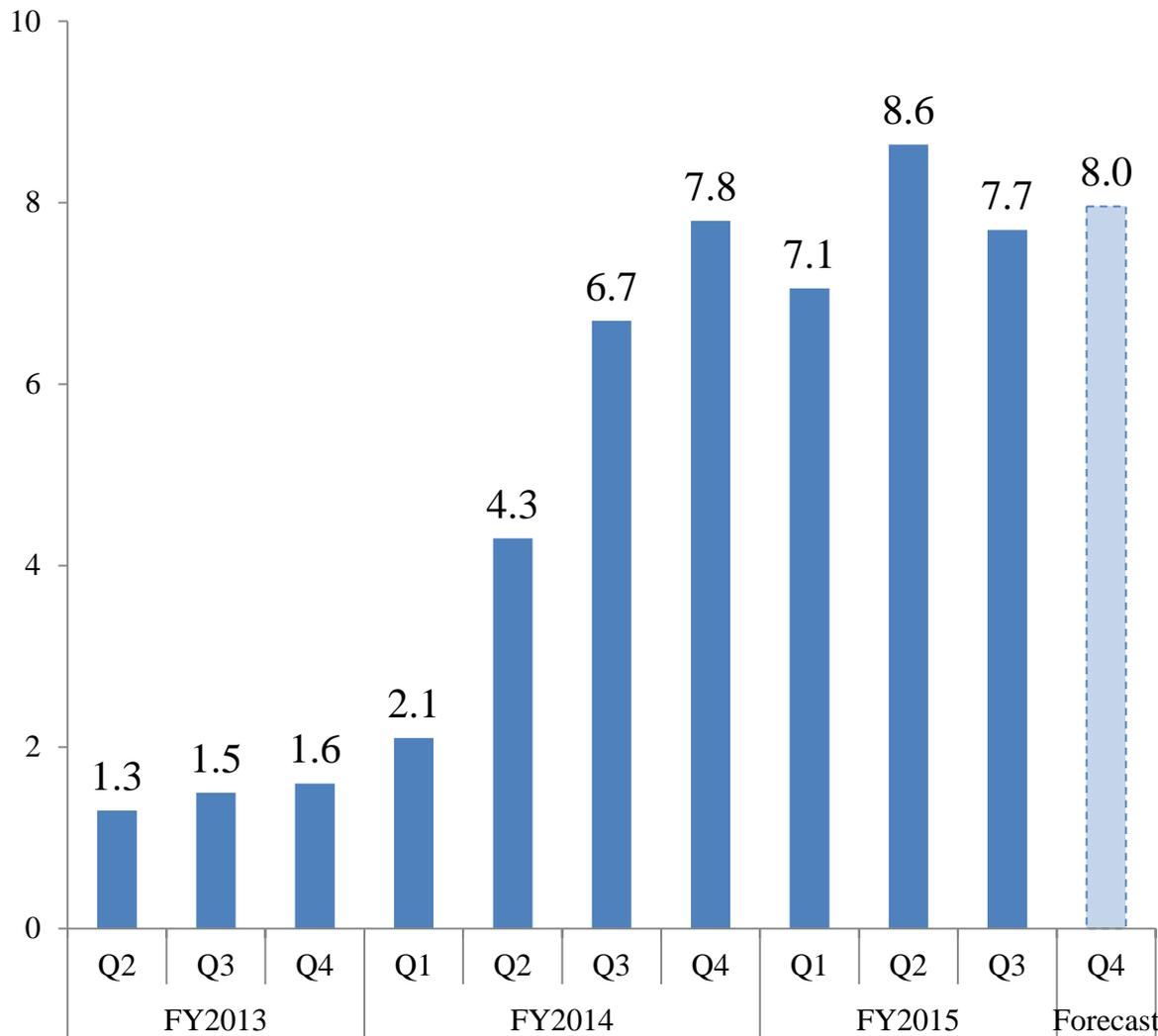


FY2015

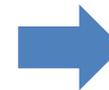
Y-Y 150% growth

# Further Acceleration of Growth in FY2016

(billion of yen)



Domestic Market



Overseas Market



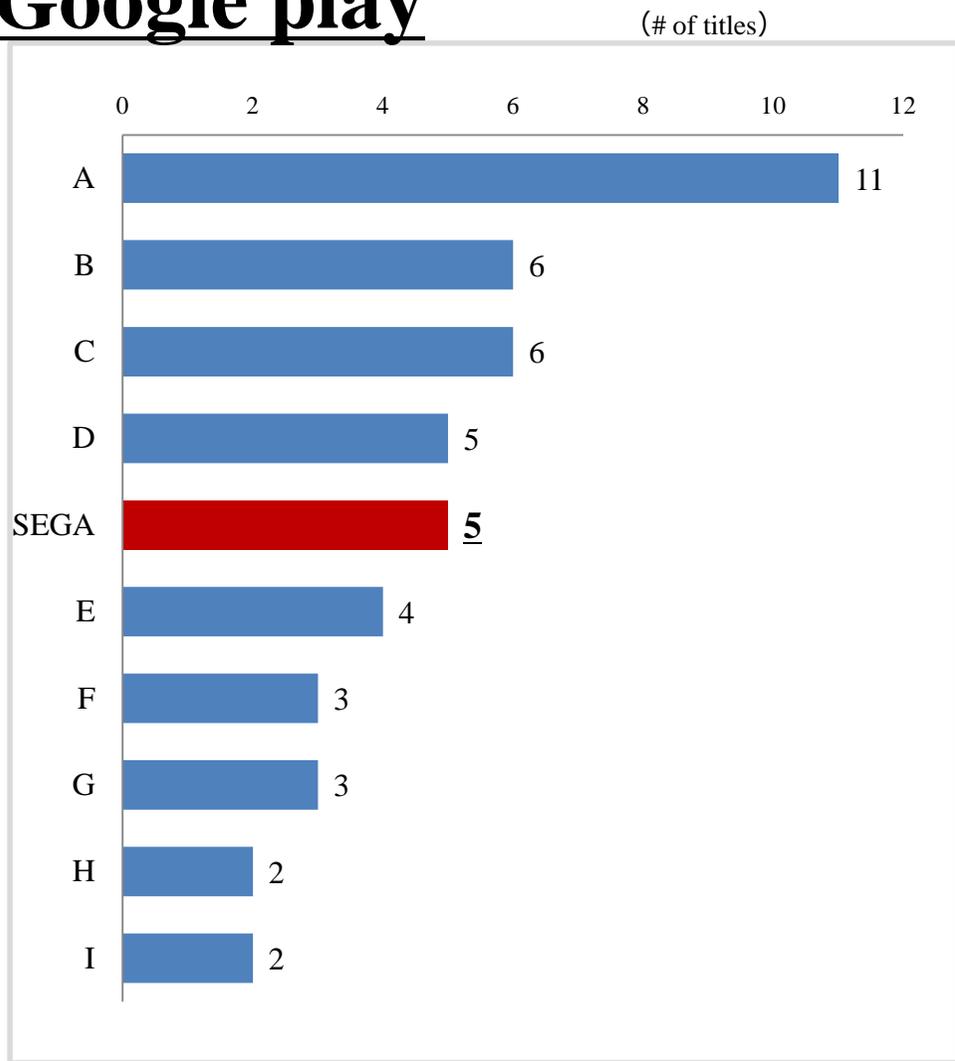
Noah Pass

# Domestic Market

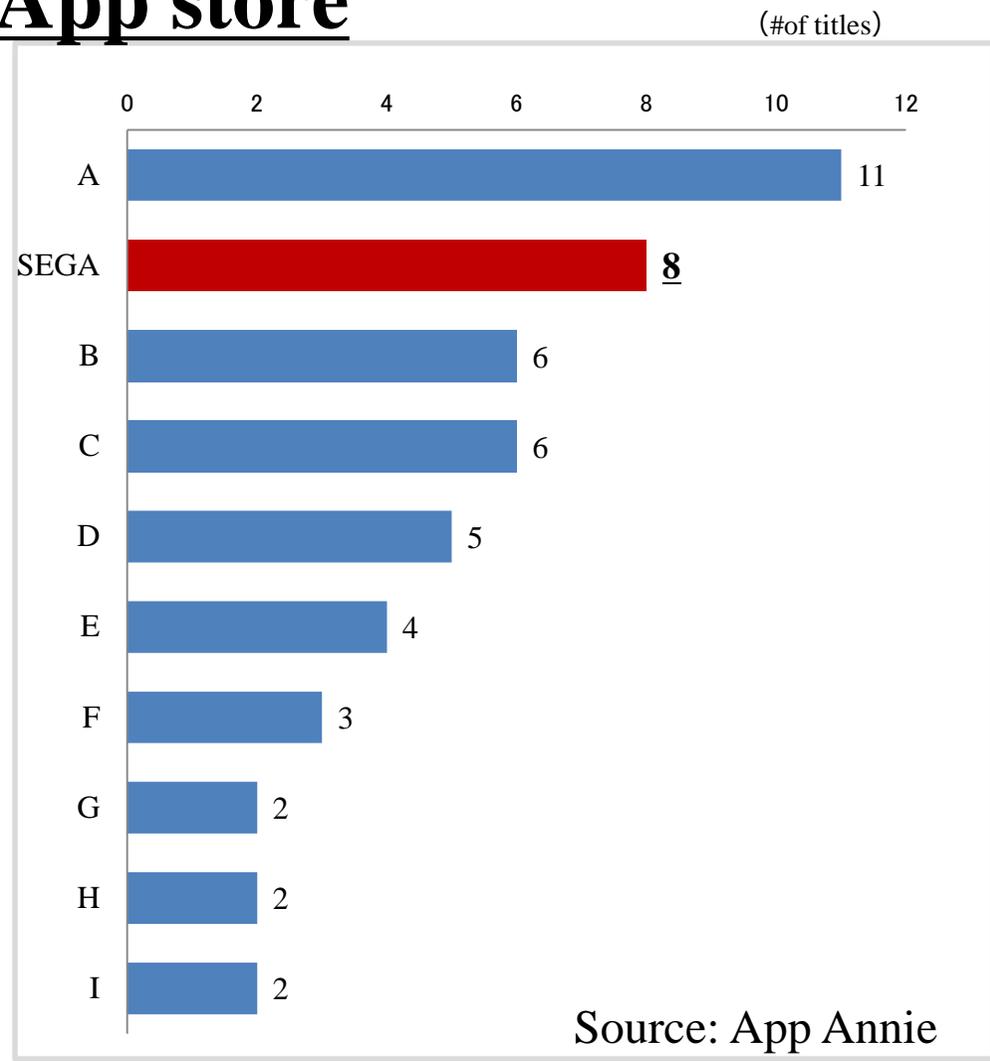
# Hit Rate (1) (Number of TOP 50 sales titles : Jan 2015)

Multiple titles continue to be ranked in top 50

## Google play



## App store



Source: App Annie

# Hit Rate (2) Number of Hit Titles

- Many existing hit titles are on a growing trend in this fiscal year
- Release of many new titles in first half of next fiscal year is expected to further solidify hit titles

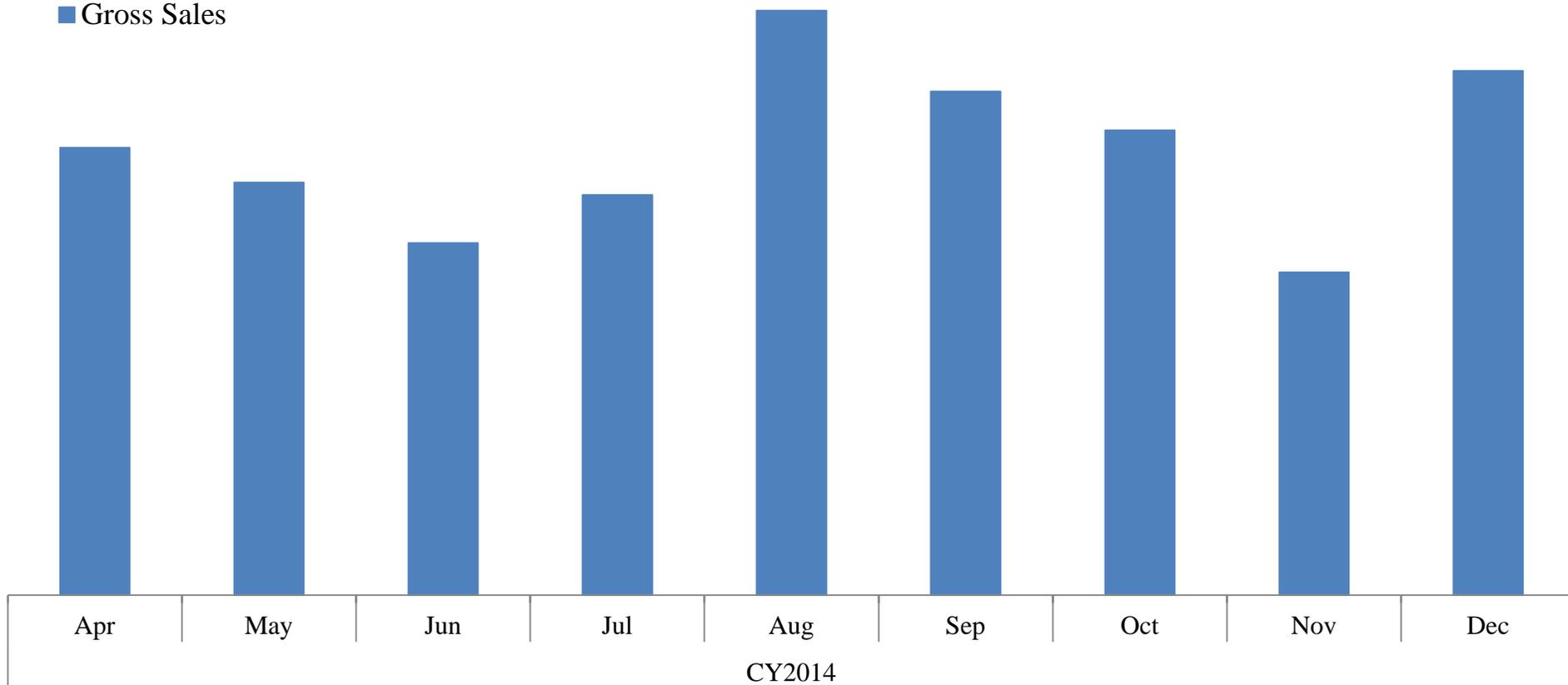


# Key Title (CHAIN CHRONICLE)



- Re-accelerated due to major update in 2Q
- Anticipated to remain as one of the major key titles next fiscal year onward

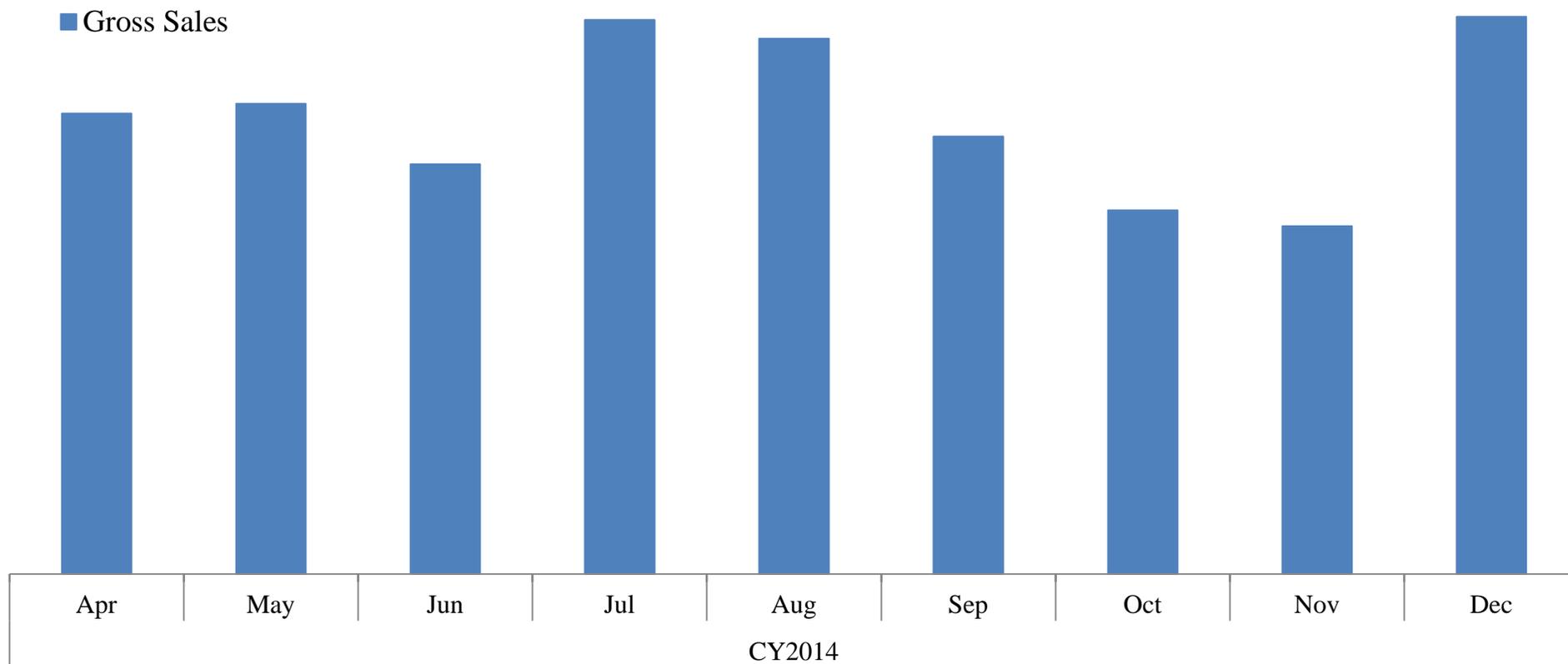
■ Gross Sales



# Key Title (Puyopuyo!! Quest)

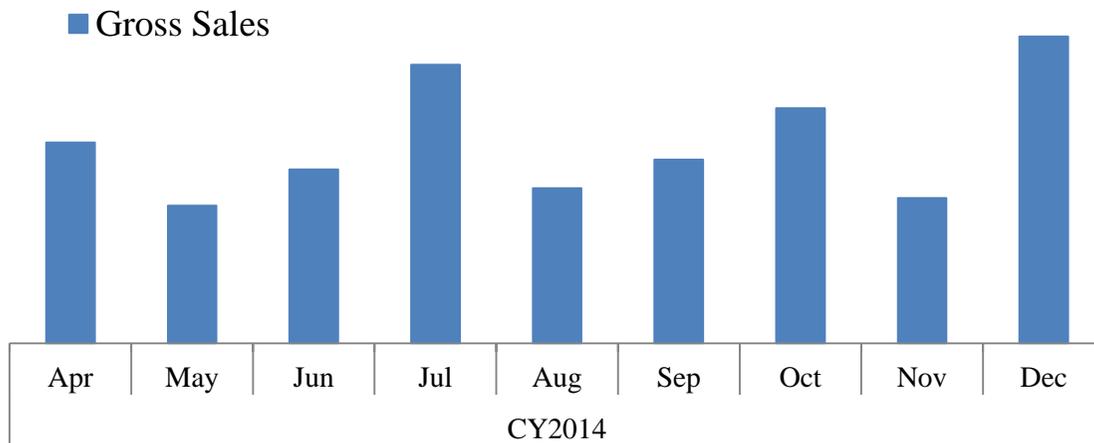


- Showing stable growth since release with further acceleration anticipated next fiscal year
- Monthly sales have grown and stabilized at over 500 million yen. (Reached record high sales in Dec 2014. )
- Achieved 11 million DL



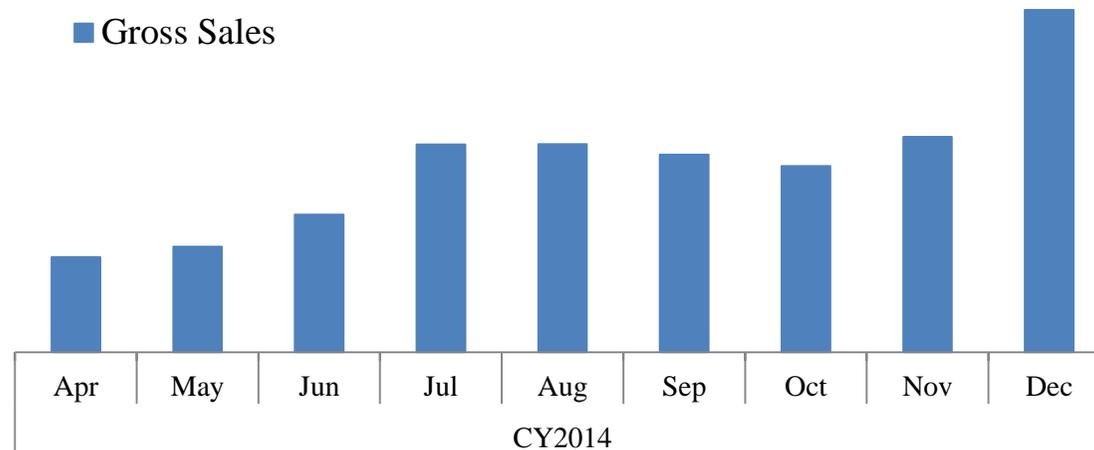
# Ange Vierge / SAKATSUKU Shoot !

## • Ange Vierge



- Continued growth and had record high sales in December 2014
- Monthly sales remained stable at 100 to 200 million yen level
- TV animation version to be created and further growth also anticipated as IP

## • SAKATSUKU Shoot !



- Continued further growth and had record high sales in December 2014
- Further continuous growth anticipated in 2015

\*"SAKATSUKU Shoot !" is translated in English for the sake of convenience.

# Well-Developed Pipeline with New Titles

- 16 mainstay titles in this fiscal year will continued to be operated
- About 20 titles with console quality to be added for full preparation
- Over half of the 20 titles planned to be released in first half of next fiscal year

	Existing		New
Developed by SEGA Networks	5 titles	+	10 titles
Developed by SEGA	5 titles	+	5 titles
Co-Develop /Publish	6 titles	+	5 titles

- **Investment in game developer, PLAY HEART**

Secure production line with console quality.



PLAYHEART,Inc.

Established: 2011

Representative: Itsuki Fukuzato  
(President and Chief Executive Officer)

Principal business: Development/operation of online games  
Development/distribution of games for mobile phones  
Development/operation of the Internet services

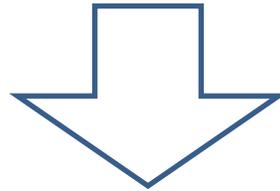


# Overseas Market

Asia 1 trillion yen = Market Scale Europe and U.S. 1 trillion yen

South East Asia + South Asia Room to grow ≐ South America +  
EMEA

Unique market  $\doteq$  Independent strategy



Independent management system

# Progress of Overseas Expansion



## Sonic Dash

- 98 million downloads on a cumulative basis
- Record high downloads in Sega Networks' history
- \*143.5 million downloads on cumulative basis for the Sonic series alone



## CHAIN CHRONICLE

- Released in 144 countries
- Asia: Launched in March 2014
- Europe and the U.S.: Launched in December 2014

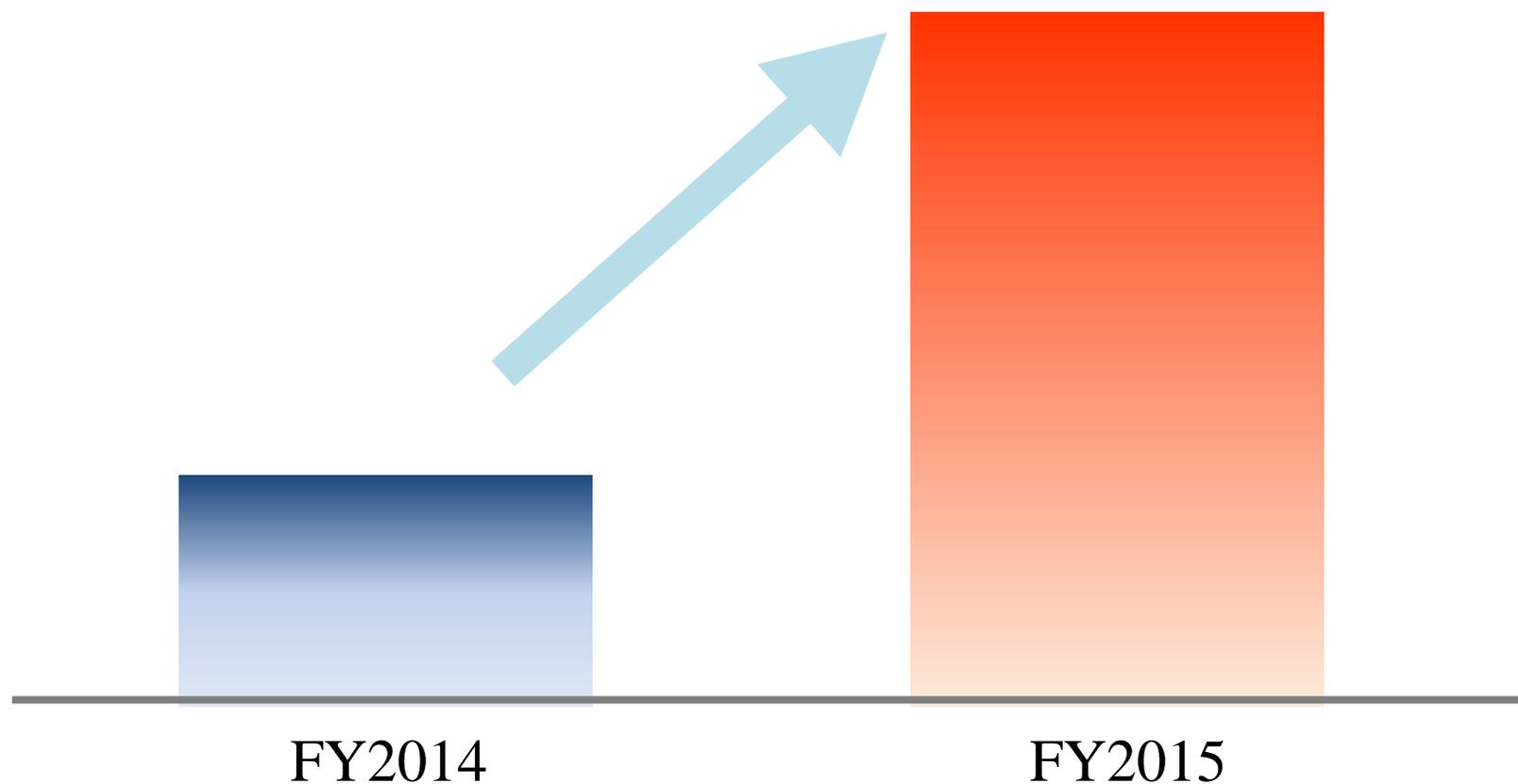


## Expansion of Local Developmental System

- Expanded local developmental system to 2 studios with 70 staff
- Developed original titles such as Crazy Taxi™ City Rush, Sonic Dash, Super Monkey Ball Bounce

# Overseas Contents Production Pipeline

Target threefold growth while enhancing quality



# Progress of Overseas Expansion



# Overseas Bases and Partner Developers

## Hire



- Release several new titles next fiscal year
- Proactively increase personnel

## Acquire



- 100% owned subsidiary
- Representative title: Marvel Puzzle Quest
- Release of new titles in 1Q

## Incubate



- Established in December 2014
- Composed of experienced PC online game/home video game developers.
- Release new titles at end of next fiscal year

## Partner



- Capital and business partnership
- Distribution of new titles in Japan
- Further accelerate cooperation towards end of 2015

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# Major Index①

August 2013

As of February 17, 2015

**Participating Companies**  
(subscription filed)

**15** Developers

**88** Developers

**Participating apps**

**84**

**395**

**Total Users**

**20** million

**89.1** million

**MAU**

—

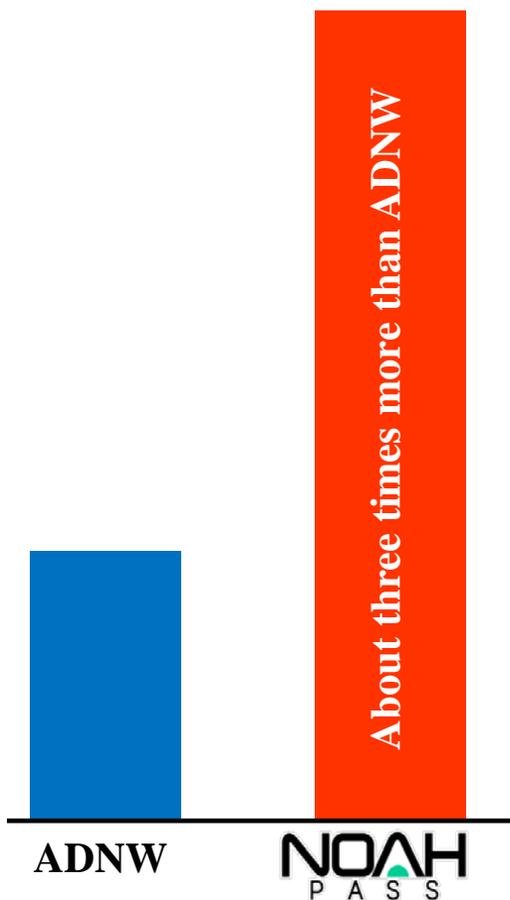
**10.7** million  
/month

\*MAU: as of the end of January, 2015

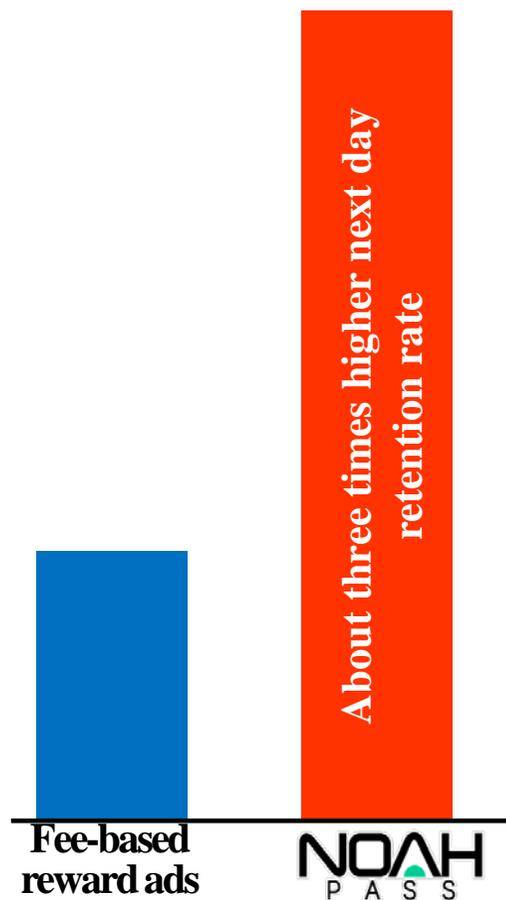
# Effect of Noah Pass

## Quality Ecosystem

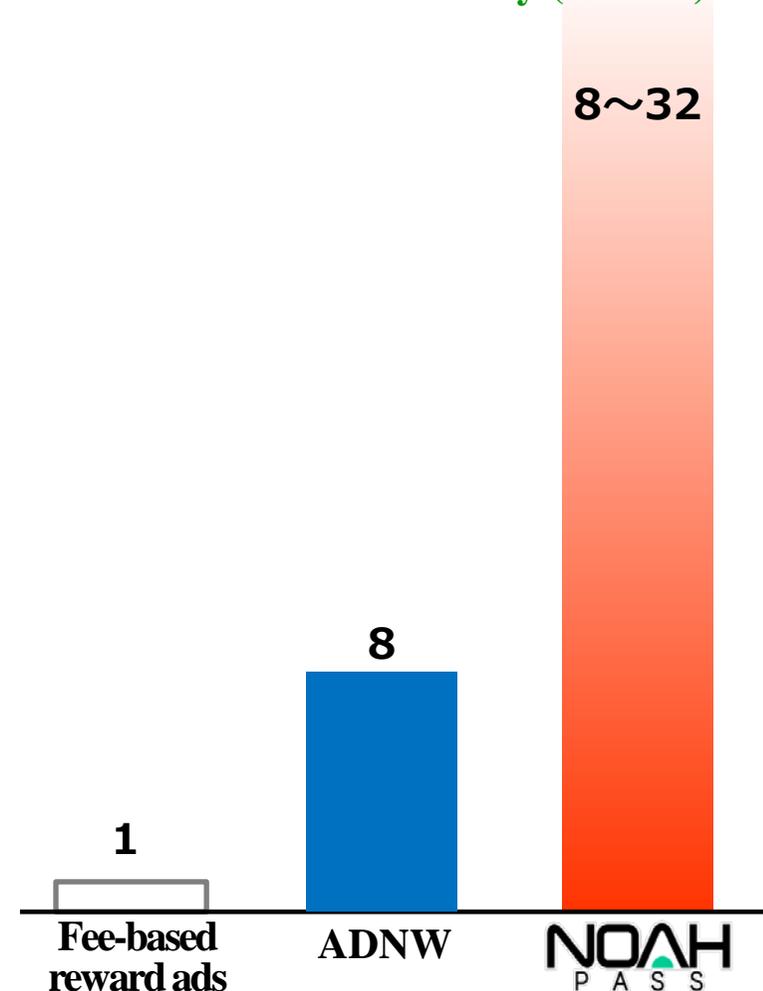
<Banner ads CVR>



<Retention Rate>



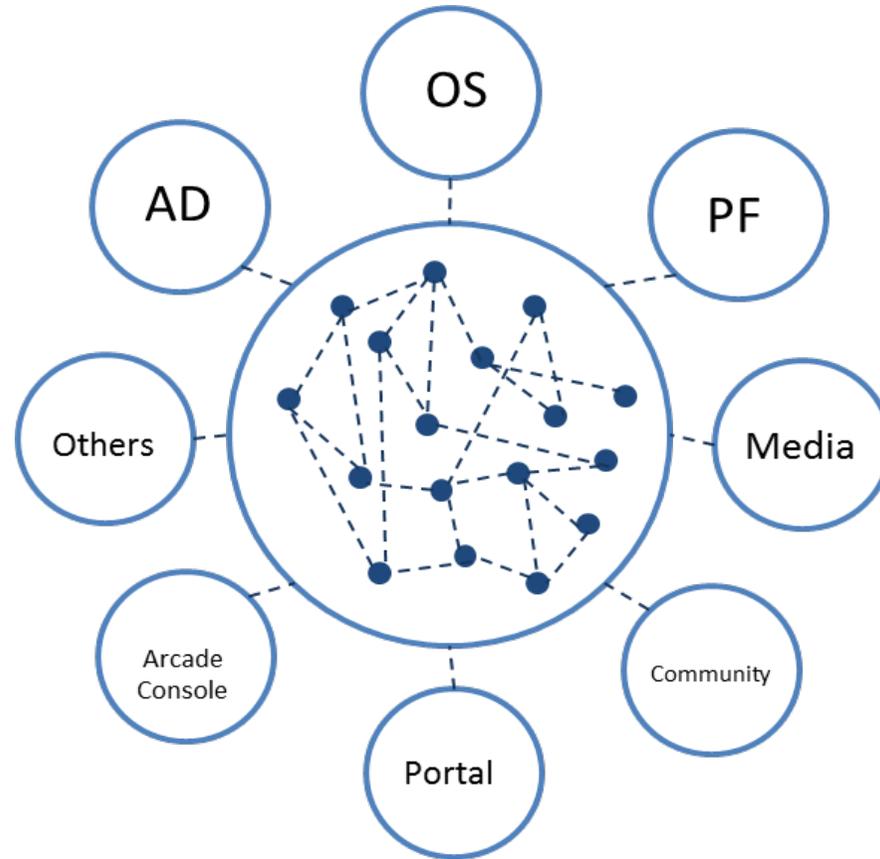
<Investment Efficiency (to LTV)>



**B to B Sharing =**

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**Free**  
**Open**  
**Effective**



**88**  
**Companies**  
**395 titles**  
**89 million**  
**users**

Monthly  
subscription  
Service A

Monthly  
subscription  
Service B

**NOAH**  
P A S S

Commerce  
A

Portal A

# Project 1

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Sending new users  
Sending trial users who read  
episodes 1-3  
Subscription to fee-based  
comics



Mutually sending users  
over 200,000 times



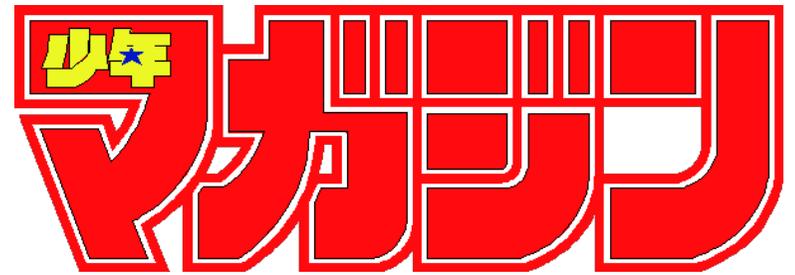
Sending new users  
Returning dormant users



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×



# Project 2

## Categorizing smartphone users and smartphone game users by type



# Advance to Dash Board

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Dash Board

Exclusive  
Reports

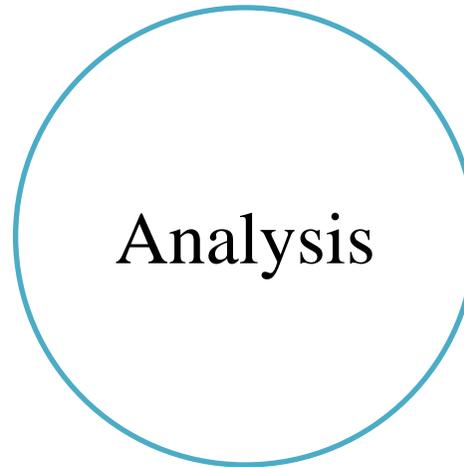
User/title/market  
Analytics

Exclusive  
AD products

Cluster composition  
+  
Chronological changes

Market analysis  
(Macro + Title)

Analysis of In game KPI



Advertisement efficiency

Visualization of media contacts  
by cluster

Analysis of effects of events  
held in games

# Dashboard Analysis

## Media contact ranking by Datasection Inc.

### TV Program

Rank	Name of program	Genre
1	A	Variety
2	B	Drama
3	C	Drama
4	D	Animation
5	E	Sports
6	F	News
7	G	Drama
8	H	Animation
9	I	Informational program
10	J	Animation

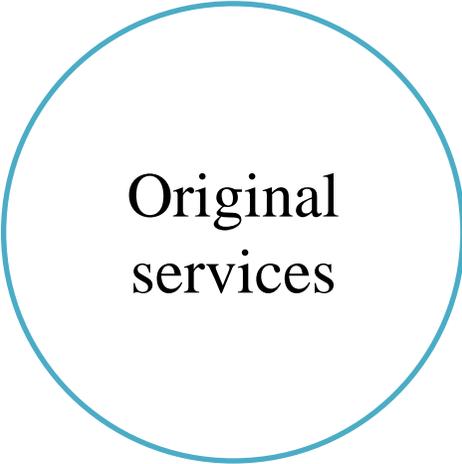
### Beverages

Rank	Name of product	Genre
1	A	Soft drink
2	B	Energy drink
3	C	Canned coffee
4	D	Snacks
5	E	Soft drink
6	F	Ice cream
7	G	Snacks
8	H	Ice cream
9	I	Soft drink
10	J	Ice cream

Original Report can't be disclosed as its disclosure was limited to the meeting.

Retargeting ads

Ad network



Reward ads

Mass ads



Strategic business partnership with Metaps Inc.



Strategic business partnership with Metaps Inc.

Combination of dashboard and Metaps analytics

Collaboration in overseas development

Collaboration among services developed by each company



Strategic business partnership with Datasection Inc.



Strategic business partnership with DataSection Inc.

Visualization of media contact ranking

Acceleration of cross-industrial exchange of big data generated by dashboard

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DASH BOARD

# Decision × Science

Beta service will be provided from  
April 1, 2015