

**Financial Results for Q1 of the Fiscal Year Ending March, 2025**  
**Briefing for Analysts and Institutional Investors Key Questions (Summary)**

September 6, 2024  
SEGA SAMMY HOLDINGS INC.  
IR/SR Department, Corporate Planning Division

- Date and time: Wednesday, August 7, 2024, 13:00-
- Respondents:  
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\*This document is an excerpt and summary of the Q&A session at the financial results briefing, and some edits and modifications have been made to improve comprehensibility.

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**Company-wide**

Q: To what extent did the Q1 results exceed your initial expectations? Also, how should we think about its impact to the full-year results?

A: Ordinary income has significantly exceeded expectations centered on the Entertainment Contents business, and the Pachislot & Pachinko Machines business and Gaming business are also performing well compared to expectations. On the other hand, we will not revise our full-year operating results forecast at this time as we plan to launch a series of new mainstay titles from Q2 onward.

**Entertainment Contents Business**

Q: What are the factors behind the higher-than-expected ordinary income in the Entertainment Contents business?

A: A major factor was that the recording of revenue from *Shin Megami Tensei V Vengeance*, which was partially included in Q2 during the planning stage, was shifted to Q1, but the effect of this is expected to be offset in Q2. Un-used expenses and the impact of foreign exchange rates are other factors that also contributed. In addition, several other factors are contributing, including revenue related to cinematic works in *Sonic The Hedgehog* franchise and strong sales of downloadable content for *Total War: WARHAMMER III*.

Q: What were the factors behind the strong repeat sales in the Consumer area?

A: Repeat sales increased YoY, but fell slightly short of the forecast. Among them, *Unicorn Overlord*, *Persona 5 Royal (Remaster)*, etc. performed strong. Going forward, we expect that the development of our Transmedia strategy will raise touchpoints of our mainstay titles and contribute to repeat sales.

Q: How do you expect repeat sales to be after Q2?

A: Repeat sales are strongly factored in the plan, and although it is not an easy plan to achieve, we plan to develop measures to drive repeat sales, such as the contribution of *Unicorn Overlord* and *Persona 5 Royal (Remaster)*. We aim to increase repeat sales by developing a new fan base through our Transmedia strategy and digital distribution, and by building a publishing system for emerging countries' markets such as Asia.

Q: What are the sales results in Q1 and full year forecast in character licensing, etc. in Consumer area?

A: The result in the previous fiscal year was more than 10.0 billion yen, and we expect a comparable level of sales for the current fiscal year. The Q1 results have started slightly above expectations.

Q: What are your thoughts on the sales results of *Shin Megami Tensei V Vengeance*?

A: Although there are differences between regions, overall sales have remained steady. Since the forecast itself is set at a high level, we will continue to strive to achieve the forecast in Q2 and beyond.

Q: How are the current response to *Metaphor: ReFantazio*, the mainstay title for this fiscal year?

A: This is a new title by creators of the *Persona* franchise, and we are very confident about its quality, so we have very high expectations for this title. We have been currently strengthening our global promotion for its release in October. Since this is a new IP, we intend to aim for increased sales by firstly raising customers' awareness and demonstrating the quality of the product.

Q: Please tell us about the Q1 results of the sales related to *Sonic's* cinematic works, etc. in Animation area.

A: Q1 results for Animation area has started off strongly, with both sales and ordinary income far exceeding our expectations. This includes allocated revenue related to *Sonic's* cinematic works, as well as allocated revenue from other titles.

Q: Please tell us if the revenue related to *Sonic's* cinematic works that have contributed to Q1 results, can be expected in Q2 and beyond?

A: It is challenging to assume revenue related to *Sonic's* cinematic works, especially for the films, since Paramount is taking the lead in the business. However, as promotional activities for the third movie will be in full scale from going forward, we expect good synergistic effects from these activities.

Q: Please tell us the status of Rovio.

A: Due to the impact of foreign exchange rates, its sales have been a levelling off from a downwards trend. In terms of profit, through cost controls, it is contributing to profit even after the amortization of goodwill. In this fiscal year, we will collaborate with Rovio for *Sonic Rumble* and in the medium term, we will generate synergies by developing titles that utilize SEGA IP.

### **Pachislot and Pachinko Machines Business**

Q: Please tell us about the sales and utilization status of "e Hokuto No Ken 10".

A: Unit sales have exceeded our plan, and we recognize that utilization status is off to a good start too.

Q: I think profitability of Q1 was high. What is the background of this?

A: Ordinary income exceeded the initial forecast due to steady sales of products and unused expenses. Product sales exceeded the initial forecast due to steady sales of new titles and additional sales of titles released in the previous fiscal year.

Q: In line with your mid-term plan to expand the range of specifications, you introduced "Smart Pachislot Shin Hokuto Muso", which belongs to high-range in gambling aspect level. How is the response?

A: Unfortunately, we recognize that utilization status is weak. In order to increase market share, it is necessary to create titles with high utilization in a wide range of specifications, so we will apply the lessons learned this time to the development of the next high gambling aspect title.

### **Gaming Business**

Q: Regarding Gaming business, what are the aims in acquiring GAN Limited and Stakelogic B.V.?

A: We plan to develop our Gaming business primarily as a B2B business for operators, and the acquisition of both companies is intended to reinforce the elements necessary to execute our strategy. We aim to provide comprehensive gaming services by combining GAN's B2B platform and Stakelogic's content with SEGA SAMMY CREATION's customer base, which we have been operated from the past.

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