

Entertainment Contents Business

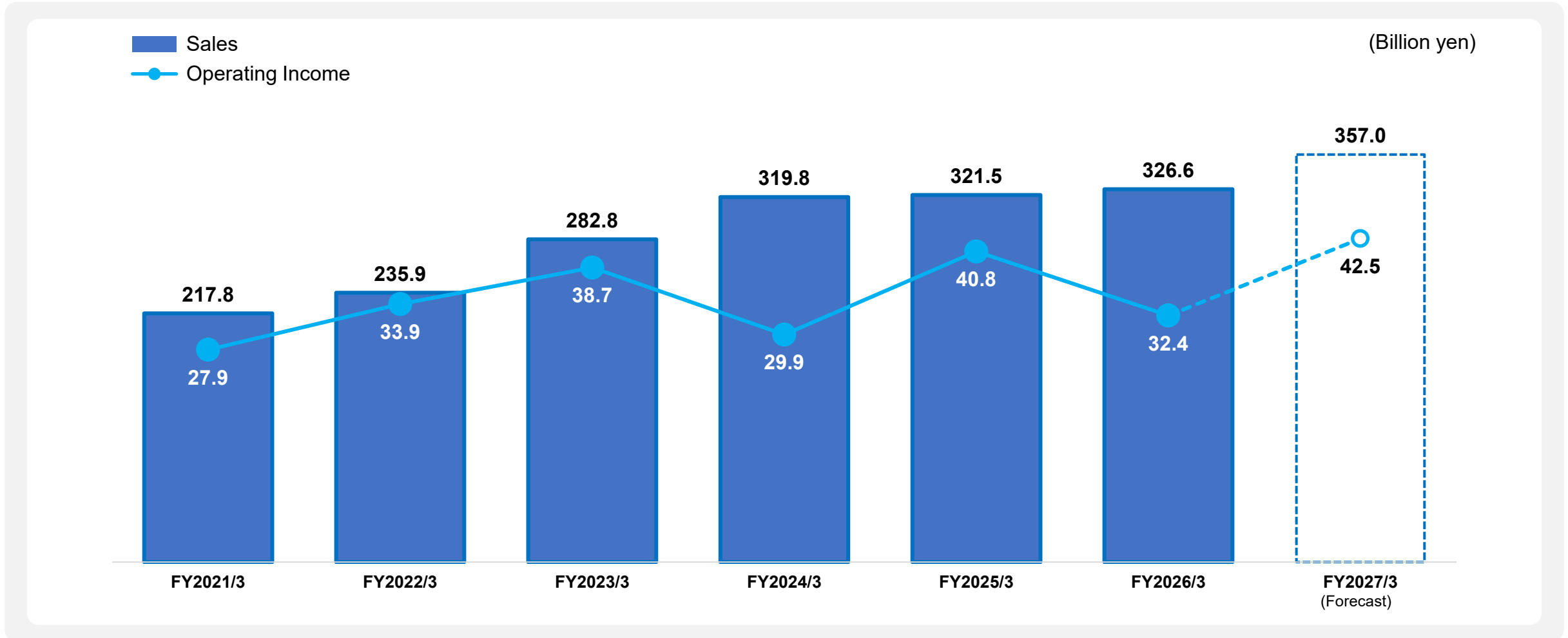
Current Status and Future Outlook

Representative Director, President and COO
of SEGA CORPORATION

Shuji Utsumi

Entertainment Contents Business Performance Trend

- Targeting record-high performance in FY2027/3
Advancing initiatives to address challenges for further growth





Achievements

Growth of domestic mainstay IPs
(Progress in globalization and improvement in development capabilities centered on Japan studios)

Growth in Transmedia development

Initiatives to improve Rovio's business



Challenges

Challenges remained in the "sales capabilities" of Full Game

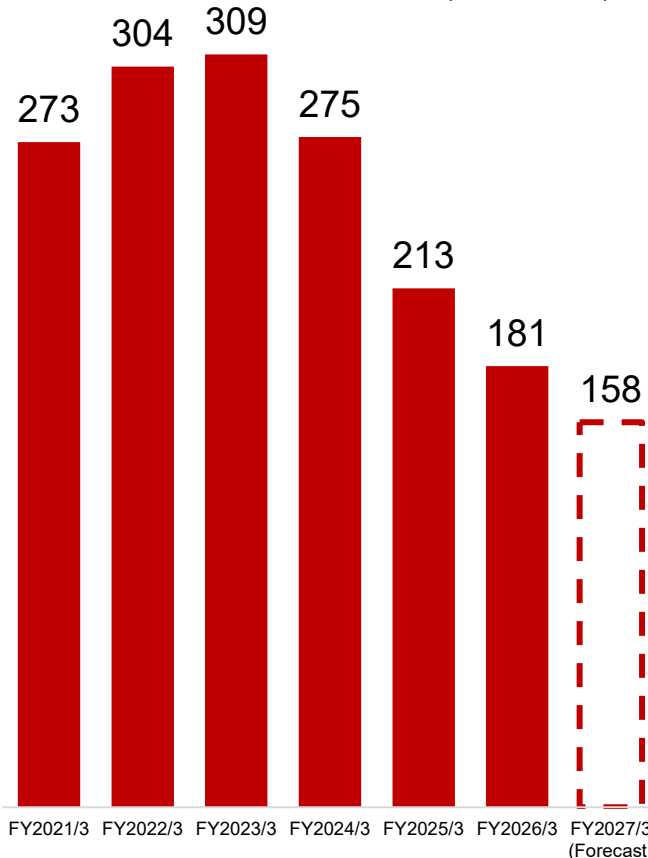
Underperformance of global GaaS (F2P) and review of its strategic positioning

Initiatives to Improve Rovio's Business

Sales Trend of Rovio and *Angry Birds 2*

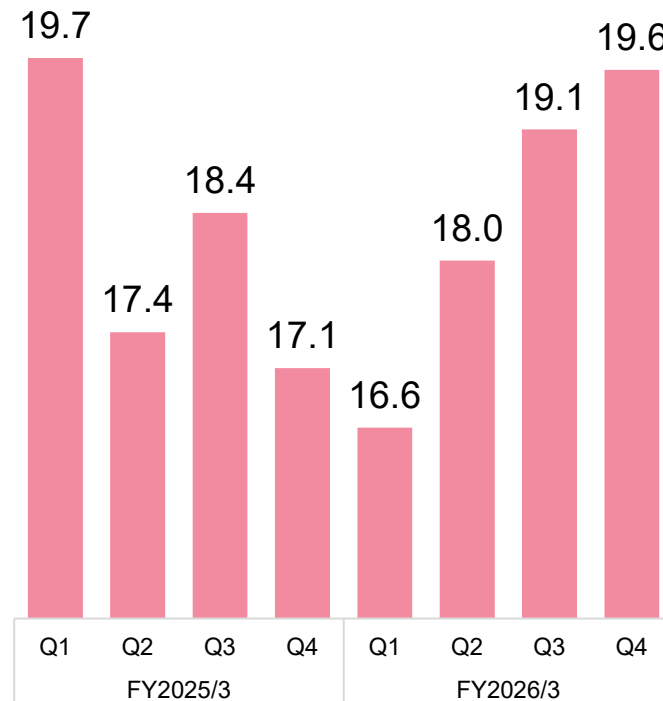
ROVIO

(Million euros)



ANGRY BIRDS 2

(Million euros)



➤ Achieve conservative targets steadily and drive the business turnaround

- Sales from the mainstay title *Angry Birds 2* bottomed out in Q1 of FY2026/3 and has been on a recovery trend
- Full-scale rollout of Transmedia
- Launch multiple new titles based on the *Angry Birds* IP
- Ongoing efforts to optimize fixed expenses

1 Game development focused on mainstay IPs

- **Strengthen rollout of *Angry Birds 2***
 - Strengthen operations through continuous feature additions and hosting events
 - Relaunch in mainland China
- **Game development focused on *Angry Birds* and *Sonic***
 - New *Angry Birds* titles scheduled for launch in FY2027/3

2 Advancement of Transmedia strategy

- **Advancing Transmedia expansion of the *Angry Birds* IP through a joint effort by SEGA and Rovio**
 - Release of *The Angry Birds Movie 3* (Dec. 2026)
 - Enhance synergies with games and accelerate merchandising expansion
 - Strengthen expansion in Japan and Asia, in addition to Europe and the U.S.

3 Implementation of profitability improvement measures

- **Improve profit margins through proactive use of external payments**
 - Targeting 30% of external payments ratio for Rovio titles within five years
- **Improve UA cost efficiency by updating marketing initiatives**
 - Leverage influencers and creator programs, etc.
- **Optimization of fixed expenses**
 - Disciplined cost management across development studios and back-office functions

Challenges in “Sales Capabilities”

- Need to update sales and marketing approach in response to changes in the internal and external environment

Internal Environment

- Despite strong title evaluations, sales results have fallen short of expectation



Sonic Racing: CrossWorlds

- Metascore: 82
- User Score: 8.6



SHINOBI: Art of Vengeance

- Metascore: 87
- User Score: 8.3

External Environment

- Consumer touchpoints have changed significantly
- Purchase method
 - ✓ In-store purchases of physical products
 -
 - ✓ Purchase of digital content via the internet
- Awareness Driver
 - ✓ TV commercials
 - ✓ Web ads
 -
 - ✓ Social media
 - ✓ Streaming content by influencers, etc.

- Significant transformation in both organizational structure and mindset

1 | Toward a Global Publishing Structure

- Integration of EAST and WEST Publishing Organizations
- Global standardization of database and KPI management

2 | From Advertising to Fandom

- Shifting focus from mass and targeted advertising to building and expanding Fandom that drives sales
- Focusing on the expansion of third-party recommendations, including those from influencers and users

FY2027/3

FY2028/3

Four mainstay titles (Including titles based on IP from European studios)



New title from
flagship IP

New title from
flagship IP



Four or more
mainstay titles
(Including titles based on IP
from European studios)

Sonic Racing: CrossWorlds Season Pass 2 planned for release
Collaborations with “Godzilla”, “Evangelion”, and more planned

(Reference) Announced Title Lineup



Crazy Taxi: World Tour (2027)



VIRTUA FIGHTER CROSSROADS (2027)



Persona 6



Total War: WARHAMMER 40,000



Total War: MEDIEVAL III



Alien: Isolation 2

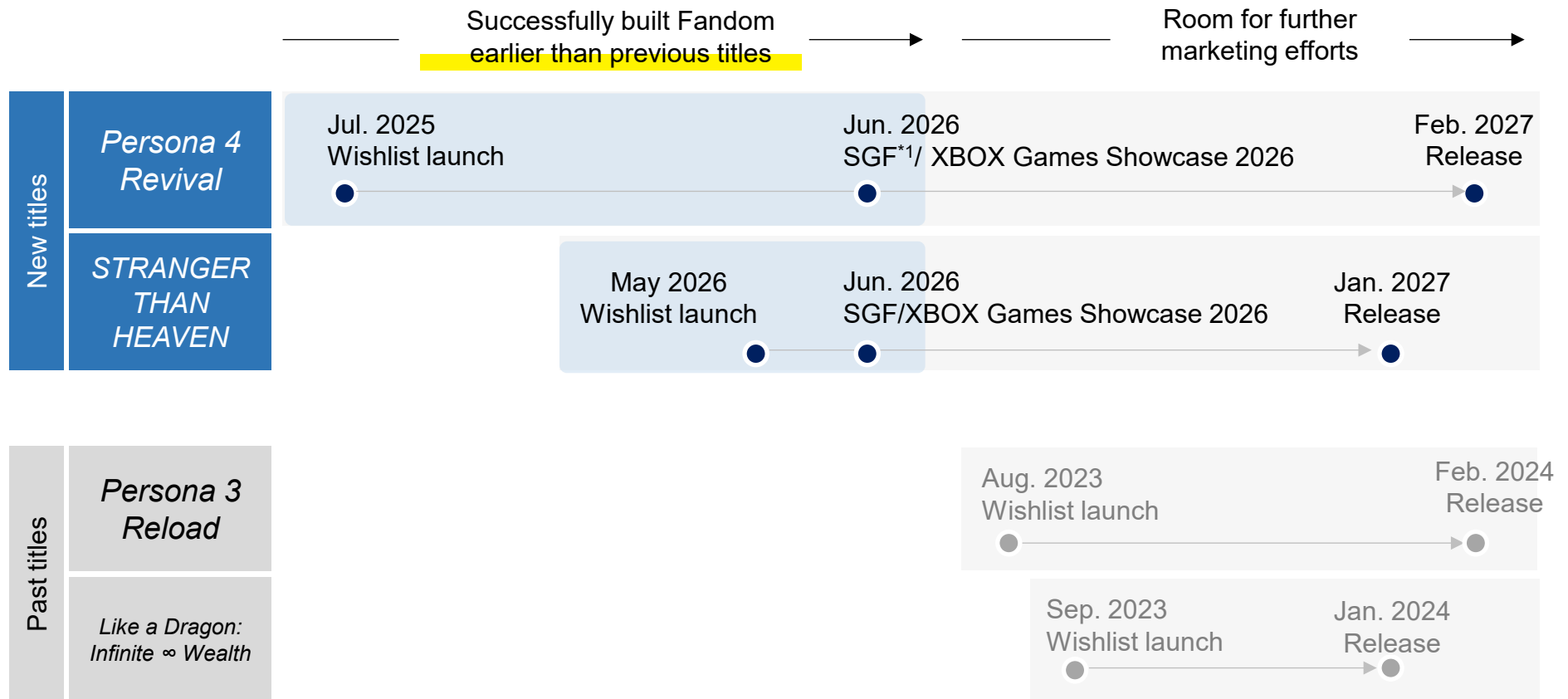
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Initial Promotion Results and Objectives (Wishlists)

➤ Focus on early Fandom building for *STRANGER THAN HEAVEN* and *Persona 4 Revival*

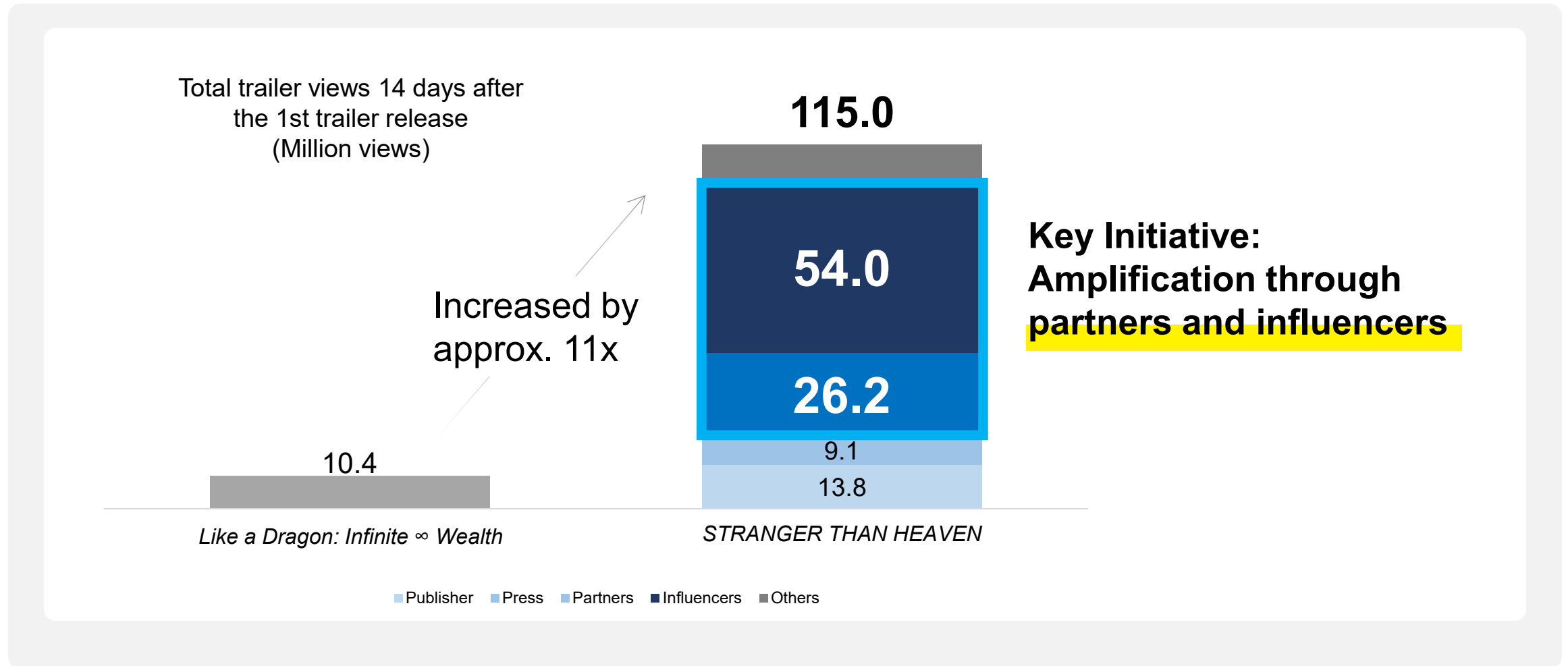
- *Persona 4 Revival* has already reached the same level of wishlist volume as *Persona 3 Reload* did just before launch
- *STRANGER THAN HEAVEN* has reached wishlist level significantly above that of *Like a Dragon: Infinite Wealth* shortly after wishlist launch



*1 Summer Game Fest

STRANGER THAN HEAVEN Trailer View Performance

- Sustained amplification was driven by partners such as Microsoft and influencers



- Strong expectations from the Fandom confirmed

(Based on global Google Search trends immediately after the showcase)

No. 1 *Persona 6*

No. 2 *Persona 4 Revival*

No.3 xbox series x25

No.4 halo campaign evolved

No.5 xbox games showcase

No.6 spyro

No.7 clockwork revolution

No. 8 *Crazy Taxi: World Tour*

Combined trailer views for the two titles

Approx. **140 million views**

(Combined total for the first 2 days following the Jun. 7 Announcement)

Repeat Unit Sales Trend

- Repeat sales of mainstay IP remained stable
- There is room for maximization by strengthening sales initiatives

(Thousand units)

	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3	FY2026/3	Cumulative
SONIC X SHADOW GENERATIONS (Including Nintendo Switch™ 2 version)					2,250	820		3,070
Metaphor: ReFantazio					1,980	480		2,460
Like a Dragon: Infinite ∞ Wealth				1,180	480	390		2,050
Like a Dragon Gaiden: The Man Who Erased His Name				740	220	90		1,050
Persona 3 Reload (Including Nintendo Switch™ 2 version)				1,220	790	960		2,970
Sonic Superstars				1,810	640	430		2,880
Sonic Frontiers				3,200	760	620	360	4,940
Total War: WARHAMMER III			960	580	420	370	370	2,700
Shin Megami Tensei V (Including Vengeance)			990	150	10	960	330	2,440
Yakuza: Like a Dragon	450	720	410	240	680	360	260	3,120
Persona 5 Royal (Including Remaster ver.)	1,030	700	350	1,820	1,600	1,740	1,420	8,660
Team Sonic Racing *1	1,380	870	520	310	200	220	130	3,500
Total War: THREE KINGDOMS	2,100	410	230	220	160	70	130	3,320

*1 Team Sonic Racing is a different title from Sonic Racing: CrossWorlds, a title released in FY2026/3

- Shift the investment allocation within the portfolio following strategic experimentation
- Increase the portfolio weighting toward the Transmedia, which continues to deliver significant growth

GaaS (F2P)

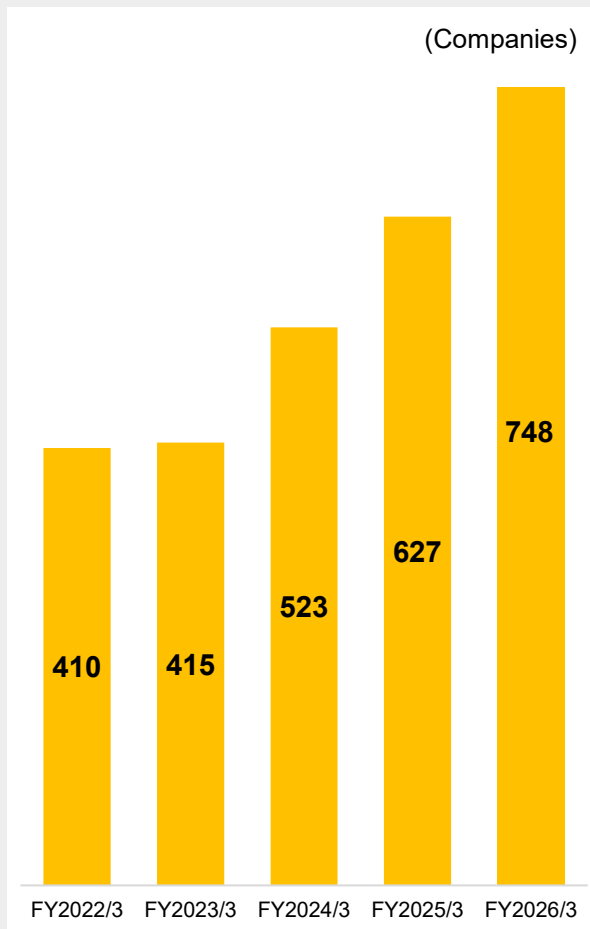
- Recent struggles (Super Game / global mobile)
- Lower investment allocation within portfolio

Transmedia

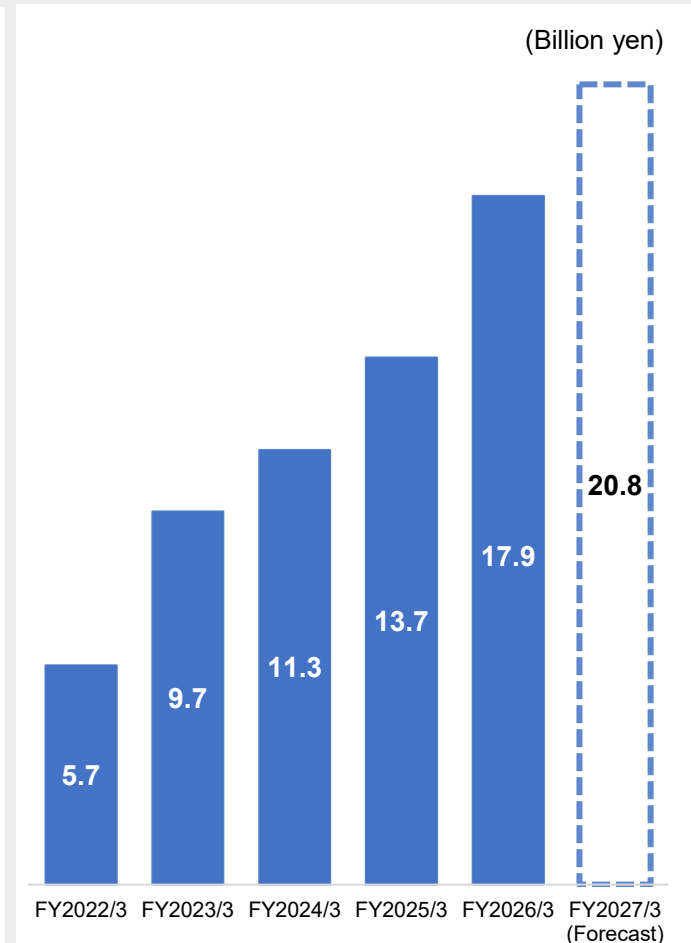
- Achieved significant business growth in recent years
- Increase investment allocation within portfolio
- Further accelerate IP value growth while generating revenue

Growth in Licensing-Out Related Businesses

**Number of Licensees*1
Trends**



**Licensing Revenue*2
Trends**



➤ Licensing-out and related businesses continue to grow

[Past]

- The business gained full momentum following the hit of the first *Sonic* movie
- The *Sonic* IP has grown steadily, mainly in the U.S. market
- The number of licensees has also increased steadily
- Promoted visual media adaptations and music-related initiatives for IPs beyond *Sonic*

[Going Forward]

- Expect growth in *Sonic* and *Angry Birds* IP-related businesses following the movie release
 - *The Angry Birds Movie 3* (Dec. 23, 2026 in NA)
 - *Sonic the Hedgehog 4* (Mar. 19, 2027 in NA)
- Strengthen initiatives in Asian market including Japan and China

*1The number of licensees refers to the number of clients from whom revenue was recorded during each fiscal year

*2 Does not include allocated revenue from *Sonic* movies

*The Rovio portion of licensing revenue for FY2023–FY2025 is rough estimate

1 Strengthen revenue foundation with multiple IPs

- Focus on *Persona*, *Like a Dragon*, *Angry Birds*, etc.

2 Increase touchpoints and strengthen relationship with licensees

- Expand touchpoints through SEGA-hosted events and participation in major events



Licensing Kickoff 2026
(March 18 @SEGA Office)



Licensing Expo
(May @U.S.)

3 Strengthen store and LBE development

- Develop pop-up stores in Japan and overseas through SEGA direct operations and collaborations



Limited-time store commemorating SEGA's 65th anniversary (Shibuya)



Pop-up store at a shopping mall (Korea)

Focus IPs for Transmedia Expansion in FY2027/3

- Aim for further growth by leveraging IP anniversaries and event timing

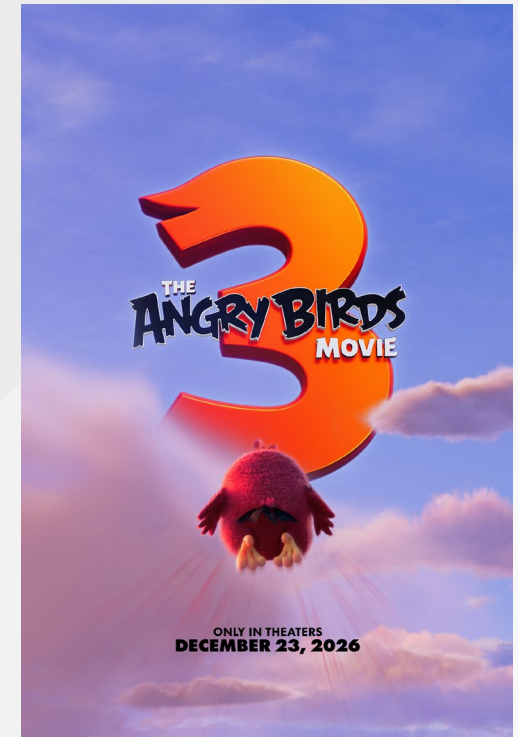
Sonic 35th Anniversary



Persona 30th Anniversary



Angry Birds





Changed the company name to **SEGA MUSIC** (formerly Wave Master Inc.)

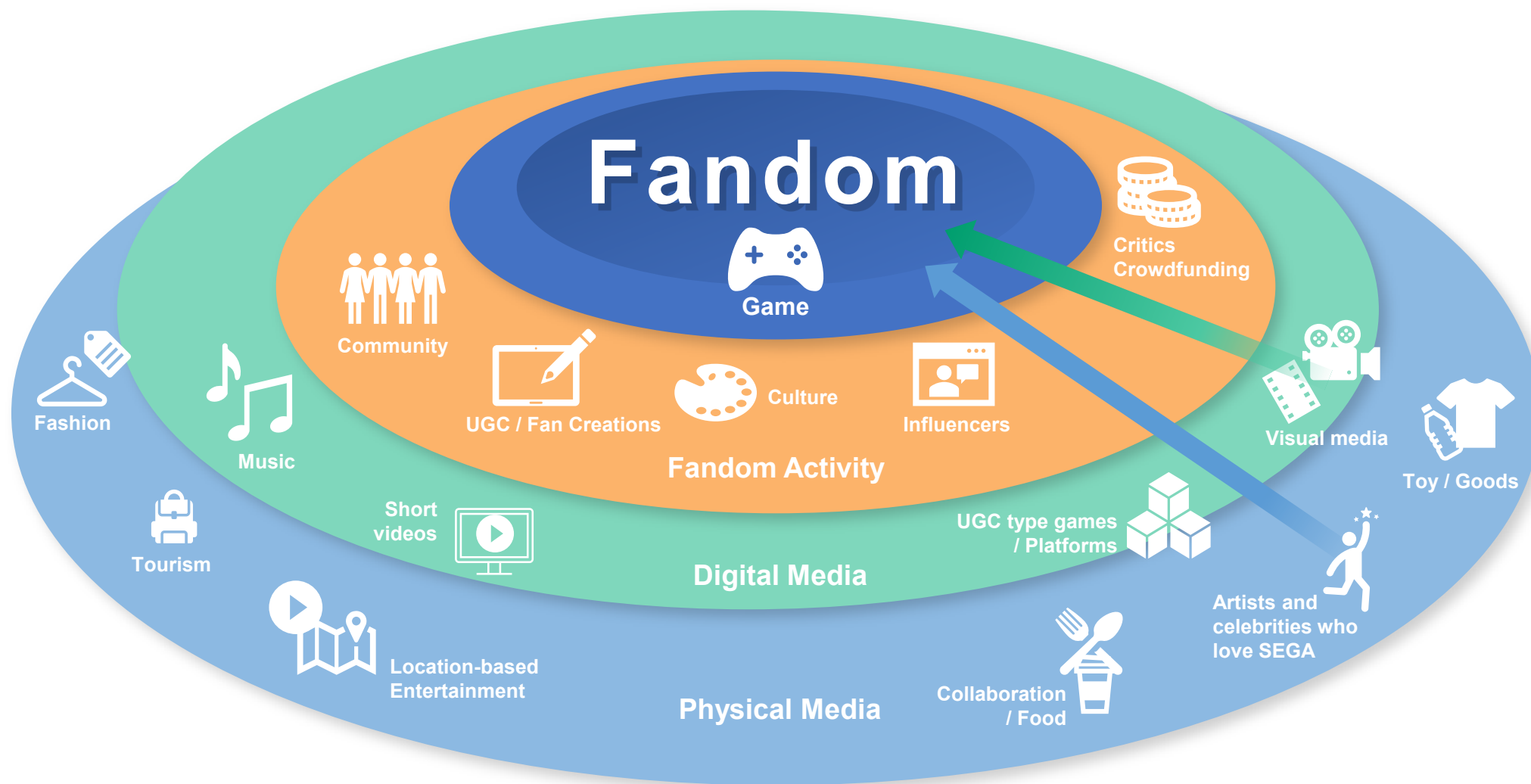
- Started in April 2026
- Fully leverage the library of approx. 50,000 tracks owned by the SEGA Group and the power of games as a media
- Music from the *Sonic*, *Persona*, and *Like a Dragon* series has also earned strong acclaim overseas
 - The ATLUS Sound Team was ranked No. 2 among the most-streamed Japanese artists overseas on Spotify in the first half of 2025
- Advance Strategic Music Management
 - Digital distribution / physical releases
 - Promotional activities through social media and other media
 - Internal and external tie-ins and business development
 - Hosting music-related events, etc.



Establishment of a **Visual Content Business Development Office**

- Established within SEGA in April 2026
- Expand and strengthen initiatives for visual media adaptations of game IP through investment, licensing-out, etc.

- Promote IP through diverse touchpoints and build "Fandom" (a fan base)





**Robust Lineup of
High-Potential
Full Games**



**More Efficient Promotion
and Increased Unit Sales
Through the Enhancement
of Sales Capabilities**



**Further Strengthening of
the Transmedia Strategy**

Empower the Gamers

[Disclaimer]

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