Entertainment Contents Business

We aim to achieve steady earnings growth by strengthening game sales and expanding our Transmedia strategy.



Shuji Utsumi
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President and COO, Representative Director,
SEGA CORPORATION

Achievements and Challenges under the Current Medium-Term Plan

In the Entertainment Contents Business, we have steadily increased global sales through initiatives including simultaneous worldwide releases of consumer games, multi-platform development, and the active rollout of subscription services in collaboration with various platform providers. We have simultaneously applied continuous investment to strengthen our development and product capabilities, which has enabled us to establish a framework for consistently creating high-quality content. Under the current medium-term plan, we have accelerated our Transmedia expansion, leading to enhanced IP value and the creation of new revenue opportunities. These initiatives have helped our key IPs, represented by *Sonic*, *Persona*, and *Like a Dragon*, grow significantly on a global scale.

On the other hand, we recognize that there remains room for improvement in our sales capabilities to translate high-quality content into sales results, and that this represents a major challenge. We will aim to maximize lifetime sales of each game title going forward by strengthening data-driven digital sales, in addition to generating buzz through fandom (fan base) and expanding IP awareness.

In the GaaS area, Rovio's performance weakened, due in part to intensifying competition in the mobile game market. This resulted in the recognition of impairment losses in the fiscal year ended March 2026 (FY2026/3). We also faced other difficulties in this area, including the weak performance of the F2P title *Sonic Rumble Party* and the cancellation of Super Game development.

At Rovio, sales of its key mobile game *Angry Birds 2*, are already showing signs of recovery through ongoing updates, events, and other initiatives. We will continue to work to turn the business around by strengthening existing key titles and concentrating development resources on leading IPs such as *Angry Birds* and *Sonic*, promoting Transmedia expansion through collaboration with the SEGA Group, and implementing measures to increase profitability, including improving profit margins through the use of external payments and disciplined cost management.

For GaaS other than Rovio, we will review the investment allocation to this area while continuing to utilize the development assets and other resources we have accumulated in future projects. Going forward, we will focus on the development of Full Game to expand our medium-term to long-term revenue base, while continuing our GaaS initiatives after further pursuing selection and concentration.



Sonic Racing: CrossWorlds
©SEGA



Example of *Sonic* merchandising
©SEGA

Future Strategy

Strengthening Games at the Core of Our Business

As noted before, we will concentrate management resources on Full Game, which forms the core of the business, and further strengthen them. We will seek to maximize game sales by steadily advancing sales transformation and coordinating it with our Transmedia strategy, both centered on key IPs including *Sonic*, *Persona*, and *Like a Dragon*. At the same time, we will stabilize our revenue base by strengthening the operation of existing F2P titles while creating diverse revenue opportunities by leveraging external platforms such as subscription services.

Further Expansion of the Transmedia Strategy

We will continue to pursue our Transmedia strategy, in which high-potential IPs are developed primarily through games while also expanding into visual media, music, merchandising, location-based entertainment, and other areas, thereby simultaneously increasing user touchpoints and revenue to enhance IP value. In addition to the already successful *Sonic*, we will further expand Transmedia development for key IPs such as *Like a Dragon*, *Persona*, and *Angry Birds*.



Building Fandom through Game Enhancement and Transmedia Expansion

Starting with games that are the source of SEGA's revenue, we aim to expand title awareness and maximize sales results through collaboration with partners and influencers. We will also broaden touchpoints with our IPs through Transmedia expansion to further expand our fan base. By significantly growing our fan base through the twin engines of games and Transmedia, we will build a strong user base that supports not only increased sales of new Full Game titles but also catalogue sales of past titles and other content.



SEGA STORE TOKYO



Sonic the Hedgehog 3
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FY2026/3 left us with challenges, including difficulties in the GaaS area and the recognition of impairment losses for Rovio, but we also achieved solid results, including growth in our key IPs and expansion of the Transmedia business. We will contribute to enhancing the corporate value of the SEGA Group by sincerely addressing each of these challenges on our path while continuing to provide fans around the world with captivating experiences through SEGA's IPs.

Strengthening Games at the Core of Our Business

Strengthening Full Game for Key IPs and the Future Development Pipeline

In the fiscal year ending March 2027 (FY2027/3), we plan to launch four key titles, including *STRANGER THAN HEAVEN*, an entirely new title from RGG Studio (formerly Ryu Ga Gotoku Studio), and *Persona 4 Revival*, a remake of the fourth title in the globally acclaimed *Persona* series. We also plan to launch four or more key titles in the fiscal year ending March 2028, giving us an extensive development pipeline that will drive future growth. With this pipeline in place, we will firmly implement sales transformation to increase lifetime unit sales.

FY2027/3 Four Key Titles (including European IP Titles)



STRANGER THAN HEAVEN (Jan. 15, 2027)



Football Manager 27 (Nov 10, 2026)



Persona 4 Revival (Feb. 18, 2027)

* One other key title is scheduled for release

(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

* As of June 2026

Sales Transformation

Toward a Global Publishing Structure

We will strengthen our sales capabilities in three directions: marketing and sales strategies, data and technology, and organization and processes. Our efforts to improve organization and processes include integrating the publishing organizations previously divided between Asia (including Japan) and Europe and North America, and transitioning to a global organizational structure. In terms of data and technology, we have consolidated customer data and marketing expertise previously dispersed across regions and established a framework for data-driven sales and marketing activities based on common KPIs and databases beginning in FY2027/3.



From Conventional Advertising to Continuous Promotion Utilizing New Media

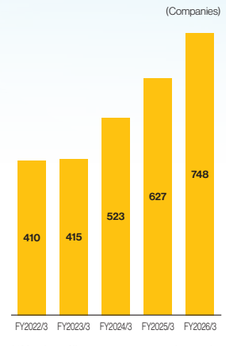
We previously relied on promotions that peaked around each new title's release date and marketing methods centered on traditional media. Going forward, we will expand IP awareness and our fan base by encouraging voluntary information sharing and generating early buzz through various social media platforms and collaborations with influencers. By conducting Transmedia expansion and promotions for past titles alongside occasions such as new title releases, we will expand revenue opportunities across the entire IP portfolio. We have already begun specific initiatives for *STRANGER THAN HEAVEN* and *Persona 4 Revival*. By starting marketing activities earlier than for past titles, we are creating touchpoints with users and working with partners and influencers to generate buzz. Wishlist numbers, one of the indicators we track, are progressing steadily at levels well above those of past titles in the series. By visualizing user interest before release and using those responses to inform subsequent promotions, we aim to build momentum for each title, establish a large fan base and cultivate high expectations by the time of release, and translate that into sales results. This is the sales transformation that we are pursuing. We will further strengthen these initiatives in preparation for the sales of major titles going forward.

Transmedia Strategy

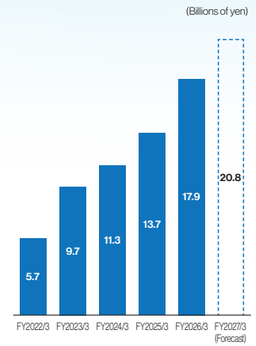
Licensing-out Business

Following the success of the *Sonic* movie series, both licensing revenue and the number of licensees have continued to grow globally. We will leverage the sales channels and partner network established through *Sonic* to further promote Transmedia expansion for other key IPs. Beyond the North American market which has driven growth to date, we will strengthen development in the Japanese and Asian markets. We are also pursuing a multifaceted roll-out of the *Angry Birds* IP beginning in January 2026, including licensing and merchandising, while leveraging the SEGA Group's global partner network, which we believe could contribute to sales growth in Asia. With these efforts, we will further enhance the value of each IP globally in ways best fitting its characteristics.

Trend in number of licensees*1



Licensing revenue trends*2



*1 Number of licensees represents the number of business partners from which sales were recorded during the fiscal year
*2 Excludes allocated revenue from the *Sonic* movies
* Rovio's licensing revenue for FY2024/3 to FY2026/3 is an approximate figure

Key Focus Areas for Transmedia Expansion

In Transmedia expansion, we will strengthen development of key IPs such as *Persona*, *Like a Dragon*, and *Angry Birds* in addition to *Sonic*, thereby strengthening our revenue base through multiple IPs. We will also expand touchpoints with licensees and strengthen relationships with them, seeking to develop new licensees and create business opportunities through events hosted by SEGA, such as licensing kickoffs for licensees, as well as by exhibiting at large-scale events such as Licensing Expo. We will strengthen store and location-based entertainment (LBE) development, including pop-up stores, permanent stores, and facilities operated under licensing-out arrangements, expanding touchpoints with fans and enhancing IP value.

Sonic is celebrating its 35th anniversary this year, and the *Sonic the Hedgehog 4* movie is scheduled for release in March 2027. *Persona* is also celebrating its 30th anniversary, while *The Angry Birds Movie 3* is scheduled for release in December 2026. We will further accelerate our Transmedia expansion going forward while leveraging these events and other opportunities.

Sonic 35th Anniversary





Persona 30th Anniversary



Angry Birds



The Angry Birds Movie 3

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