Moving Experience Creation Cycle

The SEGA SAMMY Group recognizes various issues that need to be resolved in order to realize a strong cycle of “Moving Experience Creation Process” that contributes to society and increases corporate value by continuing to create “Moving Experiences” that exceed customer expectations, rather than “Products” and “Services.”

“Moving Experience Creation Cycle” We Aim to Realize

- **Ideal form**
  By continuously providing moving experiences, we continue to provide value that exceeds expectations, so that we will continue to be selected as a company.

- **Ideal form**
  Contributing to an affluent lifestyle through the creation of moving experiences and promoting SDGs and ESG measures, including thorough compliance, will make us a company that be selected by society.

- **Ideal form**
  The Group continues to create products and services that provide moving experiences to customers in a unified manner.

- **Ideal form**
  A robust structure that enables the creation of stable and highly efficient cash flows through a strong cycle, achieving a high total return ratio, and making sufficient investments in organizational capital and human resources.

- **Ideal form**
  Achieve stable recruitment and development of diverse human resources that will serve as sources of innovation for the sustainable creation of moving experiences.

- **Ideal form**
  Build an organization that shares values and enables the Group and external partners to make mutual use of management resources to continuously realize creating moving experiences. As a result, we establish a SEGA SAMMY brand that is a testament to the support of customers and society, and realize a virtuous cycle in which people, partners, and customers come together.

A cycle in which “Visible Assets (Financial Foundations, Products and Services)” and “Invisible Assets (“Human Resources and Organizational Capital, Customers, and Society”)” are raised synergistically.
Challenges for Realizing a Strong Cycle

**Challenges**
We have not been able to continuously provide moving experiences at a level that will ensure we will continue to be selected by customers.

**Challenges**
Products and services that generate moving experiences have not been able to provide due to some factors, such as continuous low approval rates of prototype testing for new regulation (No. 6 model) machines and a shortage of hit titles for digital games.

**Challenges**
Earnings are unstable due to insufficient cycles.

**Challenges**
Creating moving experiences utilizing our comprehensive strengths is insufficient. The SDGs and ESG measures have just begun.

**Major Initiatives**
- Renewed SEGA SAMMY Group brand logo
- Relocation of head office and consolidation of head office functions
- Integration of administrative and licensing functions
- Establishment of Resort Business Headquarters
- Consolidation of Group auditing and internal control functions
- Reorganization of Entertainment Contents Business

**Efforts completed**
- Although diverse ways of working are practiced based on the concept of work-style reforms it has not yet become widespread enough.
- We are promoting the sharing of values across the entire Group, but there is insufficient interaction and connection within the Group.
Target Virtuous Cycles of Three Strengths

The SEGA SAMMY Group aims to achieve sustainable Creating Moving Experiences by unlocking the potential of its three strengths of “Innovative DNA,” “Financial Foundations” and “Business Portfolio” and creating a cycle in which these strengths are synergistically enhanced.

CREATION

Innovative DNA

By making full use of “Innovative DNA,” we aim to strengthen our business portfolio by providing moving experiences with unrivaled competitiveness in a wide range of business fields.

DIVERSITY

Business Portfolio

By diversifying the risk of business environmental changes, we will continue to generate stable earnings and maintain stable financial foundations.

FINANCIAL BASE

Financial Foundations

Stable investment in growth areas based on a strong financial base. This will lead to the strengthening of the “Innovative DNA.”
Innovative DNA

The SEGA SAMMY Group was formed as a result of the management integration of SEGA, which pursued innovation that did not exist anywhere else in the world based on the Company Credo “Creation is Life,” and Sammy, which consistently challenged uncharted area in the industry based on the Company Credo “Always Proactive, Always Pioneering.” We will continue to create sustainable moving experiences by exploiting the creativity potential that each company has fostered and creating new “Innovative DNA” through the fusion of these strengths.

Business Portfolio

The SEGA SAMMY Group is building a well-balanced business portfolio that spans a wide range of entertainment areas through management integration. We believe that this is the foundation for sustainable corporate value expansion which supporting stable earnings even in an environment that “playing options” for users are increasing and competition for capturing users occurs in the entertainment sector, and improving asset efficiency by effectively utilizing a single IP in multiple businesses.

Financial Foundations

Many of our Group’s businesses are so-called “hit business” in which continued development investment is required to create a hit, and the presence or absence of a hit has a major impact on profits. Financial stability and the ability to generate cash, primarily in the Pachislot and Pachinko Machines Business, support stable investment in development and enable long-term investment in Resort and other businesses.
Road Map for Corporate Value Enhancement

The Group is steadily implementing various measures to continuously exceed the expectations of its customers, society and shareholders on a long-term basis.

**Exceed Customer Expectations**

“Continuing to create moving experiences”
— Making life more colorful —

**Mission (raison d’être)**

**Vision (ideal self)**

**Goal (specific target)**

**Value (Mindset / DNA)**

“Creation is Life”
×
“Always Proactive, Always Pioneering”

**Be an Experiential Innovator**

Sammy...the wellspring of new ideas as an innovator in the industry

**Be a Game Changer**

**Pachislot and Pachinko Machines Business**

Sammy...the wellspring of new ideas as an innovator in the industry

**Entertainment Contents Business**

**Resort Business**

Promotion of IP-Oriented Strategy

- Full utilization of existing IP
- Revival IP and external IP
- Introduction of new IP

Maximizing the value of IP

Road Map for Corporate Value Enhancement

The Group is steadily implementing various measures to continuously exceed the expectations of its customers, society and shareholders on a long-term basis.

<table>
<thead>
<tr>
<th>Exceed Customer Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Continuing to create moving experiences” — Making life more colorful —</td>
</tr>
<tr>
<td>Mission (raison d’être)</td>
</tr>
<tr>
<td>Vision (ideal self)</td>
</tr>
<tr>
<td>Goal (specific target)</td>
</tr>
<tr>
<td>Value (Mindset / DNA)</td>
</tr>
<tr>
<td>“Creation is Life” × “Always Proactive, Always Pioneering”</td>
</tr>
</tbody>
</table>

**Be an Experiential Innovator**

Sammy...the wellspring of new ideas as an innovator in the industry

**Be a Game Changer**

**Pachislot and Pachinko Machines Business**

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**Entertainment Contents Business**

**Resort Business**

Promotion of IP-Oriented Strategy

- Full utilization of existing IP
- Revival IP and external IP
- Introduction of new IP

Maximizing the value of IP
Reduction of Capital Costs and Simultaneous Creation of Social and Economic Values

- Response to ESG risks
- Measures of each business (for environment and society)
- Strengthening governance

Priority issues of the SDGs

- Super low birth rate and aging population
- Diverse ways of working
- Countermeasures for addiction
- Responses to other environmental and social risks

Risk reduction and effective use of external resources

- Strengthening our financial foundations towards participation in the IR and ensuring flexibility in financing
- Stable dividend

Leverage control (Maintain equity ratio of 50% to 60%)

Integration of management and licensing divisions

- Consolidation of head office functions
- Reorganization of SEGA

Securing diverse human resources

- Shifting human resources to strategic areas
- Work-style reforms
- Human resource development (Operation of SEGA SAMMY College)

Improving personnel productivity and enhancing innovation capabilities

Surpass Shareholders’ Expectations

Enhancing capital efficiency

Improving capital efficiency

Enhancing productivity and sustainability of non-financial capital

Surpass Society’s Expectations

Sustainably Enhance Corporate Value

Exceed the expectations of all stakeholders
ESG Risks and Countermeasures in the Value Chain

Recognizing that the various ESG risks faced by different face-to-face markets and business models confront different types of risk, our group has taken steps to address these risks and has identified key themes for contributing to the SDGs.

PACHISLOT AND PACHINKO MACHINES

Pachislot and Pachinko Machines Business

Planning and development

Manufacturing

Sales

Operations

Regulatory revision

Before they can be sold, pachislot and pachinko machines must receive approval through prototype testing, which determines whether machines are compliant with the Entertainment Establishments Control Law and other statutory laws and regulations. Therefore, regulatory revision can significantly affect the marketability and unit sales of pachislot and pachinko machines.

Response

We are taking steps to increase efficiency with the aim of accelerating development so that we can swiftly respond to regulatory revision. Further, we are developing machine models with diverse gameplay that a wide range of customers can enjoy casually.

Environmental burden of raw materials and the processing of recovered and surplus components

Sammy’s manufacturing processes could give rise to surplus electrical components and other components. We use natural resources, such as wood, and materials that could place a burden on the environment, such as adhesives. Also, processing pachinko and pachislot machines at the end of their service lives is an important responsibility.

Response

We are committed to the “3Rs” (Reduce, reuse and recycle) throughout all our business processes. At the design and development stages, we are working to standardize parts and share parts between pachislot and pachinko machines, and we reuse machines removed from pachinko halls. We are promoting the use of water-based adhesives with less environmental impact.

Deterioration of image due to improper modifications or playing techniques

There is concern that the use of improperly modified pachinko and pachislot machines in commercial operations or improper playing techniques could harm the image of pachinko and pachislot, ultimately leading to the contraction of the pachinko and pachislot machine market.

Response

We coordinate with industry associations in a voluntary drive to collect pachinko and pachislot machines that have been improperly modified. In addition, we have established an office tasked with preventing illegal acts, which gathers market information and contributes to the manufacture of pachinko and pachislot machines that are highly resistant to improper modification. We also take measures to urge caution in relation to strategy guides that are unfounded.

ENTERTAINMENT CONTENTS

Entertainment Contents Business

Digital Games area

Planning and development

Distribution and sales

Operations and additional distribution

Excessive use by minors

In the digital games market, social problems associated with minors who incur excessive fees when playing games based on the Gacha system, which encourages gambling aspects, are not infrequent. Content vendors are required to take countermeasures for this issue.

Response

For certain titles, we have applied age authentication to set upper limits on monthly fees. Also, we have established and implemented in-house guidelines to avoid the use of vague terms that can give players overly high expectations and to prevent the charging of excessive fees.

Customer support

Unlike packaged games, digital games maintain contact between the provider and consumers. Therefore, the provision of ongoing support is necessary. Any shortcomings in such support could harm brands.

Response

Normally, we respond to customer inquiries through a player support helpdesk. If needed, however, we establish dedicated helpdesks.

Game addiction

The World Health Organization (WHO) has recognized gaming disorder as a mental disease.

Response

Research has begun by external experts with a fair, neutral, professional background, led by game organizations such as CESA, JOGA, MCF, and JeSU.
Compliance in relation to procurement

The amusement machine sales area has a fabless business model. If we used our advantageous position to conduct unfair business transactions or failed to comply with the applicable laws in relation to labor practices, we could become subject to legal sanctions. Furthermore, failure to conform to the worldwide strengthening of environmental regulations could lead to the rejection of our products.

Guidance and development of young people

As an operator of amusement centers, we have a social responsibility to take measures in relation to minors that comply with laws prohibiting smoking, restricting access to venues, restricting entry to amusement centers including restaurants that serve alcohol, and prohibiting alcohol consumption.

Compliance violations

Any litigation filed against us or any penalties incurred from regulatory authorities for violations of laws or ordinances may have an impact on our brand image and possibly affect our participation in domestic integrated resort operations.

Measures against addiction

Lack of responsiveness to social demands for measures against gambling addiction could invite public backlash and jeopardize business continuity.

Response

We educate employees based on an operational manual that clarifies how to respond appropriately with regard to restricting minors’ access to venues and prohibiting smoking. We strictly prohibit the consumption of alcohol and smoking by minors in our amusement centers.

Response

Under the Group Compliance Liaison Committee, we are working to build a corporate structure that fosters the development of sound corporate management in observance of laws, ordinances, and societal norms.

Response

We strive to build fair and equitable relationships with our suppliers based on the Supply Chain Procurement Guidebook and the Group Code of Conduct. In the amusement machine sales area, which has a large number of suppliers, we have established a separate AM Material Procurement Policy to ensure fair transactions. In addition, based on the Standards for Chemical Substances in Sega machines and Products all suppliers are requested to establish and operate a chemical substance management system and are monitored.
Mega Trends: Opportunities and Risks

Because we conduct business activities in fields with different industrial characteristics, the business environment varies. Based on a medium- to long-term perspective, we are continuously working to expand our corporate value.

As a result of the gradual strengthening of regulations, the number of game players continues to decline and the number of units sold continues to decline. After the recent revisions of regulations that took effect in February 2018, environment are expected to broaden the base of users with divergence of playability, but the introduction of machines that meet the new has been delayed. To revitalize the market, game machines that attract a wide range of users are required to be introduced.

The digitally distributed games market is trending toward expansion due to increasing online distribution.

Further, Japan’s mobile games market is seeing fiercer competition and increased domination by certain titles. As for the amusement center market, partial regulatory relaxation has produced a clear recovery trend.

In July 2018, as the Integrated Resort Development Bill, which includes casinos, was enacted, and moves toward the establishment of integrated resort, which the government regards as the trump card for “a tourism-oriented country” are gaining momentum.

Candidate locations and operators will be selected in the future.
### Anticipated Opportunities and Risks

#### Opportunities

- **Possibility of expanding user base**
  As the scope of development has expanded due to changes in voluntary regulations, machines conforming to the new regulation may expand the user base.

- **Expansion of replacement demand**
  With the introduction of machines conforming to the new regulation, it is necessary to gradually remove machines conforming to the previous regulation according to the installation deadline, and the replacement demand is expected to increase.

- **Expansion of the packaged games market**
  The packaged game market is expanding, supported by growth in the European, North America, and Asian markets.

- **Growth potential of the overseas online games market**
  The expansion of diverse game distribution platforms has great potential, particularly in overseas markets.

#### Risks

- **Decline in the number of players**
  The decline in the number of players will reduce the capital investment capacity of halls and affect the number of machines sold.

- **Risk of approval status**
  The approval rate, which has remained at a low level due to the recent revision of regulations, may have a significant impact on sales.

- **Intensifying competition in the domestic digital games market**
  The risk of not being able to realize the expected return on investment is increasing as a result of intensified competition due to a slowdown in growth of market and the fixation of top titles. (Digital Games area)

- **Decline in the number of players**
  The decline in the number of players will reduce the capital investment capacity of halls and affect the number of machines sold.

### Responses

- **Promotion of reuse**
- **Building an industry platform**
- **Improvement of development efficiency**
- **BtoC strategy**
- **Application for multiple specifications**
- **Development of pachislot and pachinko machines in accordance with market trends**

- **Packaged Games**
  - Expansion of development studios
  - Expansion of overseas publishing business
  - Development of next-generation titles
  - Maximize IP asset value

- **Digital Games**
  - Maintenance of earnings through long-term operation of existing titles
  - Optimization of the number of titles under development and operation in the Digital Games area
  - Reconsidering focus area

- **Opportunity**
  - **Commercialization of a domestic IR business**
    If integrated resort is realized in Japan in the future and our group’s entry into the market is realized, there is a strong possibility that this business will become a major revenue source.

- **Risks**
  - **Risk of entering into domestic IR business**
    Delays in legislation related to integrated resorts will have a major impact on our group’s long-term scenario. There is also a risk that investment may not be recovered unless the Company is selected as a business entity.

- **Acquisition of know-how for the success of IR business**
- **Improving the profitability of Phoenix Resort**
- **Countermeasures to addiction**

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*INTEGRATED REPORT 2019 31*
Business Models of the Main Business Segments

The SEGA SAMMY Group advances business activities across an expansive area in the entertainment sector, and its business models in each field are markedly different. Therefore, we tirelessly adapt our business models to better reflect changes in operating environments.

Features of this business are the susceptibility of product cycles and profit margins to new machine installations and utilization rates at pachinko halls as well as the high percentage of costs for which electronic components account. We are taking measures to realize efficient development while reusing more components to increase cost effectiveness.

In the amusement machine sales area, we have a fabless business model. We focus on planning, design, and development and contract manufacturing to partner companies. Also, we are diversifying sales models to stimulate the market. In the amusement center operations area, our business model is based on capital investment.

In-house Development

Outsourcing

In-house Manufacturing

Outsourcing

In-house Sales

Outsourcing

Operations

Value Chain of the Pachislot and Pachinko Machines Business

Average development lead time: 1 year-2.5 years
Promote shortening of development lead time under Road to 2020

Average sales lead time: 1 month ~

Average return on investment cycle: 24 months to 30 months

Component reuse
Conversion into components
Collection of trade-ins

Reduction of component costs and environmental burden

In the revenue-sharing business model, we provide low-priced machine cabinets and free contents to amusement center operators, sharing revenues from the utilization of the amusement machines with them. The aim of this business model is to stimulate the market and secure a source of continuous earnings. Increased adoption of this business model makes short-term revenue growth appear to have softened.

CVT kits
Amusement center operators use CVT kits to introduce the latest game contents or replace the boards and exteriors of existing machines. CVT kits help lessen the investment burden of amusement center operators by enabling them to upgrade games without purchasing new machine cabinets.

Sell out
This is a traditional business model in which revenues are recorded as products are sold.
Increasing Repeat Sales

Digital distribution of packaged games is trending upward. The lengthening of sales is progressing due to the expansion of game distribution platforms for PCs such as STEAM. As with digital games, the diversification of revenues has also progressed, such as additional contents after release. In recent years, a rise in repeat sales has been contributing to the basic levels of unit sales and improving profitability.

* Free-to-Play

---

**Business Model of Digital Games Area**

- Development
- Distribution and operation
  - F2P
  - Additional updates

**Business Model of Packaged Games Area**

- In-house or Outsourcing
  - Development
  - Production
  - Sales
  - Sell out
  - Additional content

---

**Number of Packaged Games Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>In-house</th>
<th>Outsourcing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9.22</td>
<td>2.64</td>
<td>11.86</td>
</tr>
<tr>
<td>2017</td>
<td>10.28</td>
<td>5.24</td>
<td>15.52</td>
</tr>
<tr>
<td>2018</td>
<td>8.13</td>
<td>5.04</td>
<td>13.17</td>
</tr>
<tr>
<td>2019</td>
<td>19.35</td>
<td>9.20</td>
<td>28.55</td>
</tr>
<tr>
<td>2020</td>
<td>(Forecast)</td>
<td>10.69</td>
<td>21.39</td>
</tr>
</tbody>
</table>

- Repeat sales
- New title sales

---

**Increasing Repeat Sales**

Digital distribution of packaged games is trending upward. The lengthening of sales is progressing due to the expansion of game distribution platforms for PCs such as STEAM. As with digital games, the diversification of revenues has also progressed, such as additional contents after release. In recent years, a rise in repeat sales has been contributing to the basic levels of unit sales and improving profitability.
Driving the Moving Experience Creation Cycle

IP Strategy

Existing IP

Total War™ Series
Themed on the Three Kingdom Saga legends, Total War™: THREE KINGDOMS, which is the latest installation of Total War™, a highly popular IP in North America and Europe as a PC game, is earning endorsement in China and other Asian countries. In the first week after release, download sales surpassed 1 million units.

IP Enhancements for Existing IP

Sonic Series
While continuing development of games, we plan to release a live action–computer graphics Hollywood movie in spring 2020 aimed at raising the profile of Sonic among the young generation.

Four IP* Strategies

Our group classifies its IPs assets into four categories: existing IP, new IP, revived IP, and external IP, and is strengthening its global deployment across multiple devices such as mobile, PC, and console. We will expand profit opportunities and maximize IP value through the full utilization of IPs to achieve sustainable growth in corporate value.

Create new IP

Judgment
The Ryu ga Gotoku Studio has taken on the challenge of creating an IP in a new genre. We are also marketing this title overseas.

Leverage revived IP

New Sakura Wars
We launched the first Sakura Wars title in 1996, rolling out the popular IP not only through subsequent iterations of the game but also through various media. We have unveiled a completely new title for the first time since the release of the previous title 14 years ago in 2005.

Utilize external IP

Kemono Friends
(Digital Games and Amusement Machine Sales areas)
For amusement machines and smartphones, the Group launched game titles featuring an external IP that has gained popularity as an animation series for television.

Mega Drive Mini
We will release Mega Drive Mini, a miniaturized game terminal that reproduces the Mega Drive home video game console released in 1988 and which includes 42 video games. Overseas, we have launched Sega Genesis Mini, which reproduces the version marketed in North America.

Create new IP

Total War™ Series

IP Enhancements for Existing IP

Sonic Series

Utilize external IP

Kemono Friends

Mega Drive Mini

* IP: Intellectual property
### IP Portfolio

#### Examples of acquired IP

<table>
<thead>
<tr>
<th>IP title</th>
<th>First appearance year</th>
<th>Multifaceted rollout</th>
<th>Total editions</th>
<th>Cumulative unit sales / downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Megami Tensei series</td>
<td>1992</td>
<td>–</td>
<td>30</td>
<td>Approx. 17.4 million (Units / DL*)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
<tr>
<td>Persona series</td>
<td>1996</td>
<td>–</td>
<td>16</td>
<td>Approx. 10.2 million (Units / DL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
<tr>
<td>Total War™ series</td>
<td>2000</td>
<td>–</td>
<td>–</td>
<td>More than 27.6 million (Units / DL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Football Manager series</td>
<td>2004</td>
<td>–</td>
<td>–</td>
<td>More than 20.0 million (Units / DL)</td>
</tr>
</tbody>
</table>

#### Examples of IP developed in-house

<table>
<thead>
<tr>
<th>IP title</th>
<th>First appearance year</th>
<th>Multifaceted rollout</th>
<th>Total editions</th>
<th>Cumulative unit sales / downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonic the Hedgehog</td>
<td>1991</td>
<td>–</td>
<td>–</td>
<td>Approx 920 million (Units / DL*)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
<tr>
<td>Puyo Puyo series</td>
<td>1991*</td>
<td>–</td>
<td>–</td>
<td>Approx 29.0 million (Units / DL*/ ID)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital, AM-registered ID total)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(total for registrations after IP acquisition)</td>
</tr>
<tr>
<td>New Sakura Wars series</td>
<td>1996</td>
<td>–</td>
<td>–</td>
<td>Approx 3.8 million units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
<tr>
<td>Ryu ga Gotoku series</td>
<td>2005</td>
<td>–</td>
<td>101</td>
<td>Approx 12.0 million (Units / DL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged total)</td>
</tr>
<tr>
<td>ALADDIN series</td>
<td>1989</td>
<td>–</td>
<td>14</td>
<td>Approx 570 thousand units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(pachislot and pachinko machines and amusement machines total)</td>
</tr>
<tr>
<td>Beast King series</td>
<td>2001</td>
<td>–</td>
<td>17</td>
<td>Approx 500 thousand units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(pachislot and pachinko machines and amusement machines total)</td>
</tr>
<tr>
<td>PHANTASY STAR series</td>
<td>1987</td>
<td>–</td>
<td>–</td>
<td>Approx 5.50 million users*2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(cumulative total for registered IDs)</td>
</tr>
<tr>
<td>CHAIN CHRONICLE series</td>
<td>2013</td>
<td>–</td>
<td>3</td>
<td>Approx 19.0 million (Units / DL*3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
</tbody>
</table>

*1 SEGA CORPORATION acquired the rights in 1998. Figures for cumulative unit sales are the totals for titles that SEGA sold after acquiring the rights.

*2 Total for PHANTASY STAR ONLINE 2

*3 Including downloads of free-to-play titles

#### Examples of IP licensed from third parties

<table>
<thead>
<tr>
<th>IP title</th>
<th>First appearance year</th>
<th>Multifaceted rollout</th>
<th>Total editions</th>
<th>Cumulative unit sales / downloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEGA feat. HATSUNE MIKU</td>
<td>2009</td>
<td>–</td>
<td>61</td>
<td>Approx 6.1 million (Units / DL)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(packaged and digital total)</td>
</tr>
<tr>
<td>Hokuto No Ken series</td>
<td>2002</td>
<td>–</td>
<td>32</td>
<td>Approx 2.88 million units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(pachislot and pachinko machines total)</td>
</tr>
<tr>
<td>SOUTEN-NO-KEN series</td>
<td>2009</td>
<td>–</td>
<td>12</td>
<td>Approx 470 thousand units</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(pachislot and pachinko machines total)</td>
</tr>
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</table>