

**2Q Financial Results for the Fiscal Year Ending March 2020**  
**Major Questions in Telephone Conference Briefing Session**  
**for Analysts and Institutional Investors**

November 22, 2019  
SEGA SAMMY HOLDINGS INC.

- Date and time: Thursday, October 31, 2019 16 : 00 - 17 : 00 (JST)
- Answerer: Makoto Takahashi (Vice President, Senior Executive Officer and Managing Director of Group Executive Office of SEGA SAMMY HOLDINGS INC.)  
Yoichi Owaki (Vice President, Senior Executive Officer and Managing Director of Finance & Accounting Division of SEGA SAMMY HOLDINGS INC.)

**Pachislot and Pachinko Machines Business**

Q: Could you tell us about the status of orders received for “Pachislot Hokuto No Ken Tenshou” as of present?

A: Orders for almost double our initial plan of around 30,000 units are coming in, and we are currently making adjustments to deliver all ordered units.

Q: What factors led to the favourable status of orders received for “Pachislot Hokuto No Ken Tenshou” and is there any sign that demand in the pachislot and pachinko machine market will expand?

A: Alongside being able to launch the title at the timing of removal of machines conforming to the previous regulations, which we believe created demand for replacement, high evaluation of the title’s specifications was a factor contributing to the favourable status of orders received. As for the market environment, we believe that demand will also increase gradually depending on the utilization status of “Pachislot Hokuto No Ken Tenshou.”

**Entertainment Contents Business**

Q: What are the factors behind the high operating income margin for the Digital Games area?

A: Recording revenue from transfer of titles in 1Q and recording revenues from offering titles for Apple Arcade in 2Q are the main factors of the high operating income margin. In addition, the launch of several new titles and steady performance of existing titles led to profit contribution.

Q: When you offer more titles to Apple Arcade in the future, will that contribute to future business results as well?

A: It is possible that revenue from offering of titles will be recorded for every such offer in the future, but there is no plan for additional offering of titles as of present. As for measures towards next-generation platforms, we will be offering titles with multi-platform in mind.

Q: Would you tell us about the sales status of major titles in the Packaged Games area to be launched in the second half of the fiscal year?

A: We are planning to launch several major titles in the second half of the fiscal year, and will closely observe the sales status.

- END -