

Meeting Material

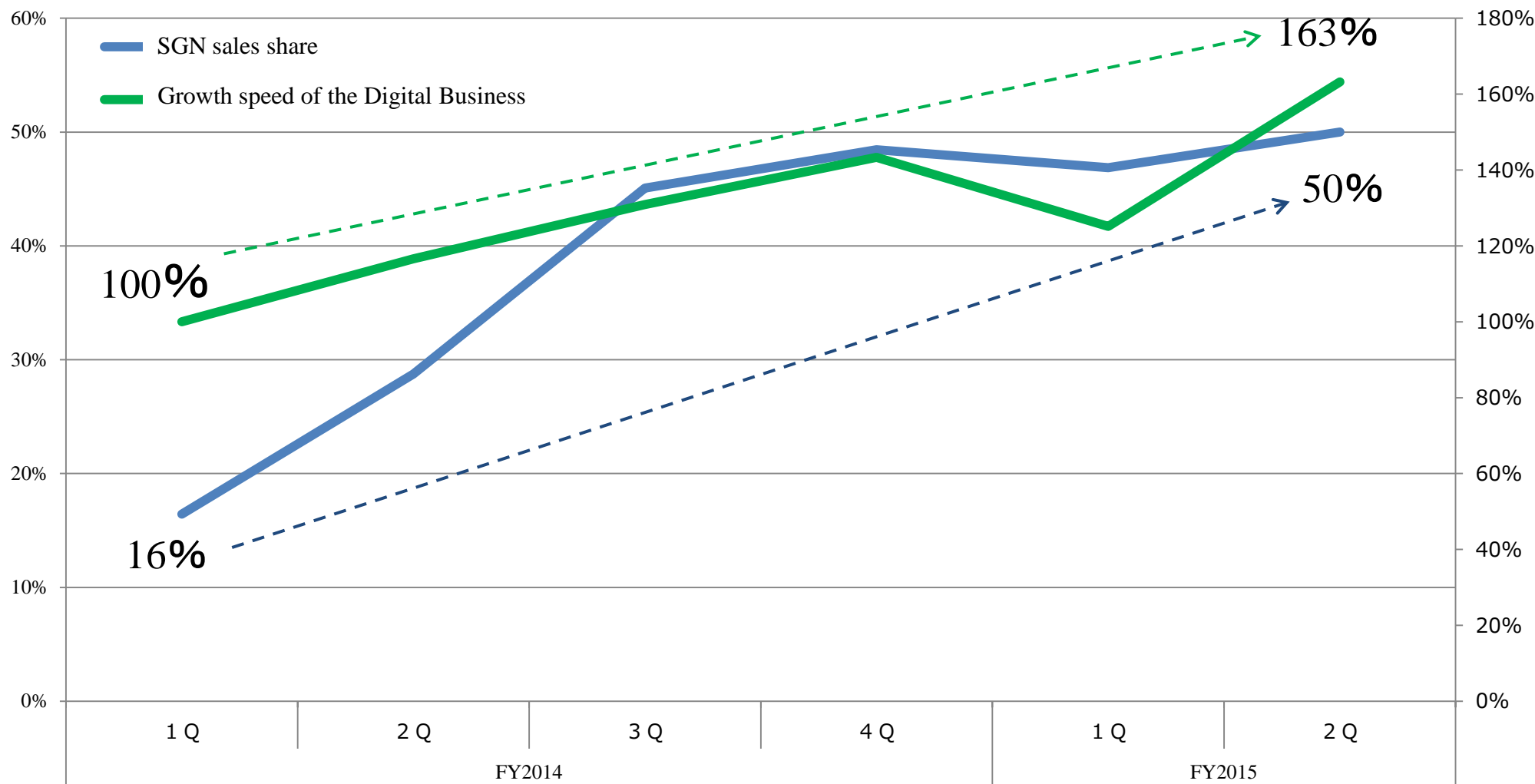


5/29/2014

	Main Operating Companies	Main products, services
Package	SEGA CORPORATION 	“Ryu ga Gotoku”, ”Sonic The Hedgehog™” “FOOTBALL MANAGER”, “TOTAL WAR” “Company of Heroes”
	ATLUS.CO.,LTD 	“Megami Tensei” series “Persona” series “Etrian Odyssey” series
Digital	SEGA CORPORATION 	“PHANTASY STAR ONLINE 2” “SEGA Network Mar-jang MJ”
	SEGA Networks Co., Ltd. 	“Puyopuyo!! Quest” “CHAIN CHRONICLE”
	Sammy Networks Co., Ltd. 	“777Town.net” “777Town for Android/iOS” “Ramen Tamashii”, ”Moba 7”
Toys	SEGA TOYS CO., LTD 	“Jewelpod” Series “Anpanman Series”
Animation	TMS ENTERTAINMENT,LTD 	“Detective Conan” “Lupin the 3rd”
	MARZA ANIMATION PLANET INC. 	“SPACE PIRATE CAPTAIN HARLOCK”

Growth comparison – SEGA SAMMY Digital business vs SEGA Networks

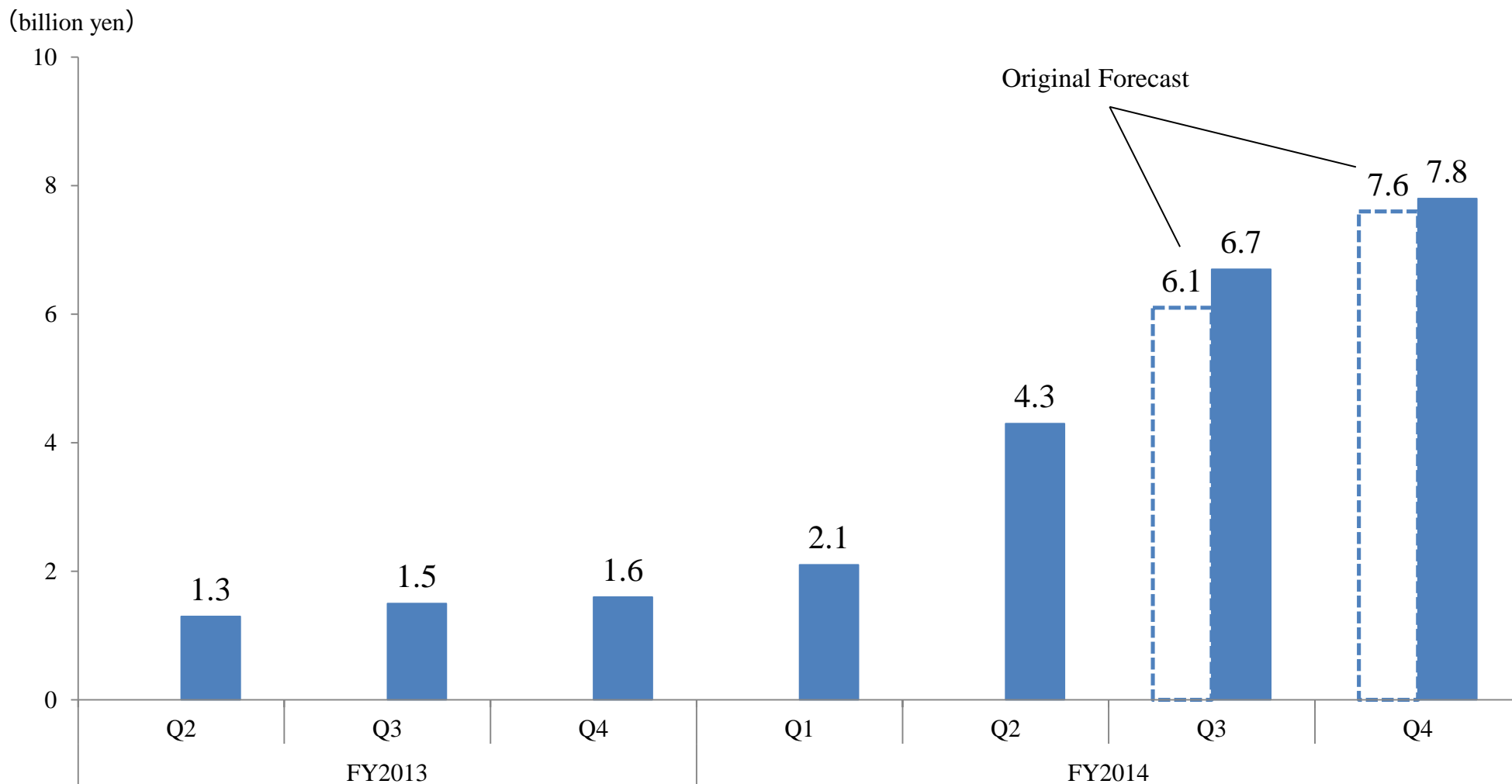
- 163% growth is projected at the end of Q2 FY2015 for all SEGA SAMMY Digital Business
- With it's rapid growth, SEGA Networks(SGN) is expected to hold 50% of Sega Sammy's Digital Business sales in Q2 FY2015



FY2014 Highlights

Q-Q Gross Sales

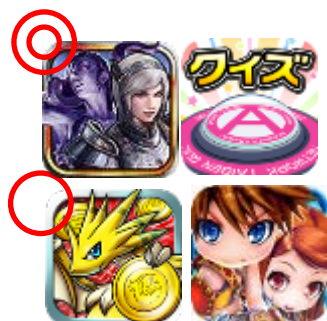
- Sales doubled in the past six months
- Achieved 487% year-on-year growth



Titles Released

- Significant increase in hit rates since FY 2013 4Q
- Have achieved to build a sustainable capability of bringing a stable title portfolio since the last FY

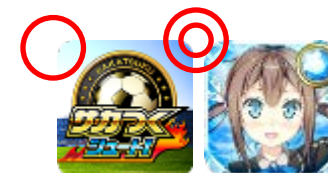
◎ : Titles sold over 100 million yen
○ : Titles within Top 50



FY2013 Q3

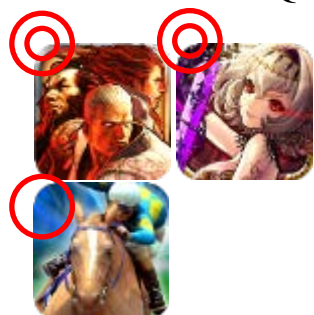


FY2014 Q1

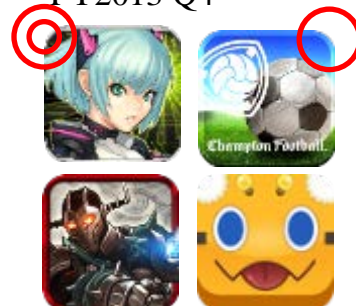


FY2014 Q2

Before FY2013 Q2



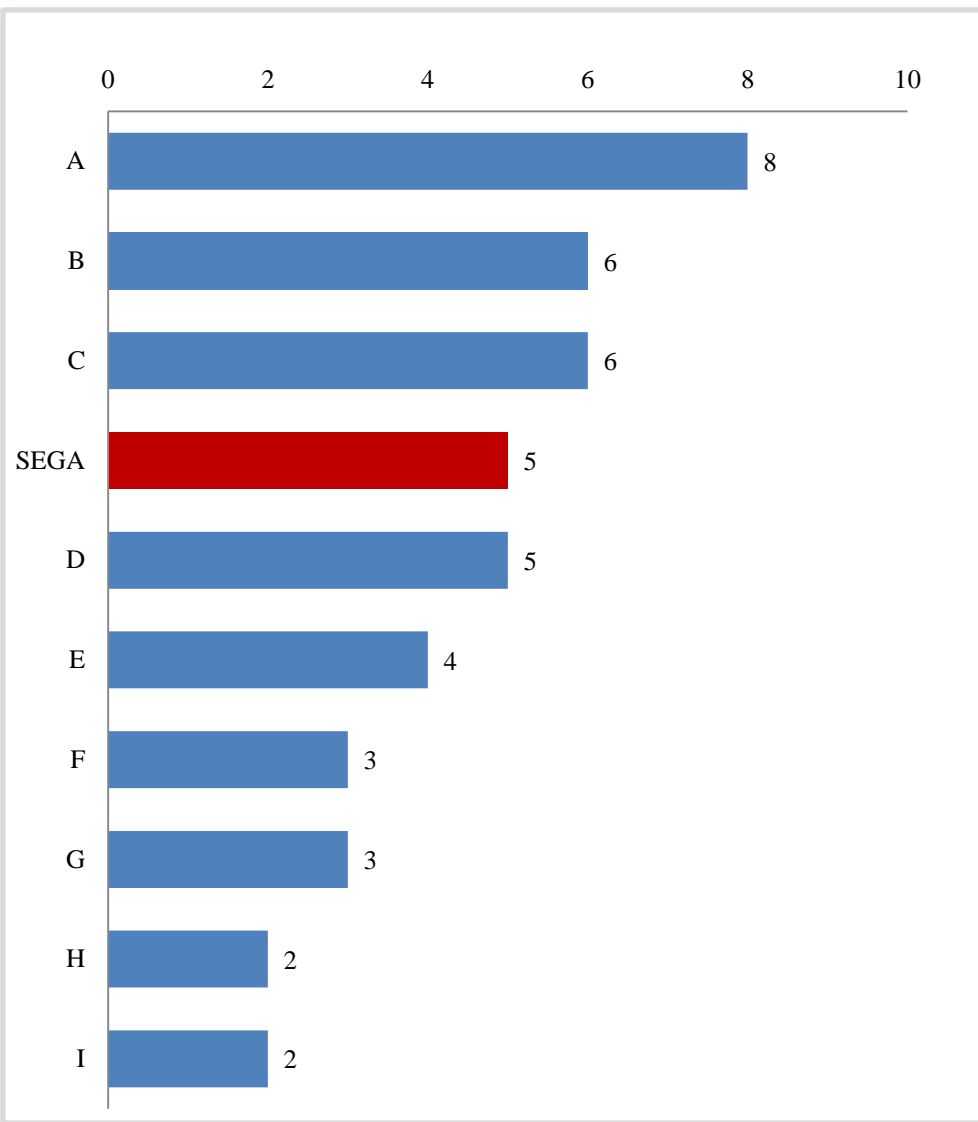
FY2013 Q4



High Hit Rate(1) Number of TOP 50 sales titles: Apr2014

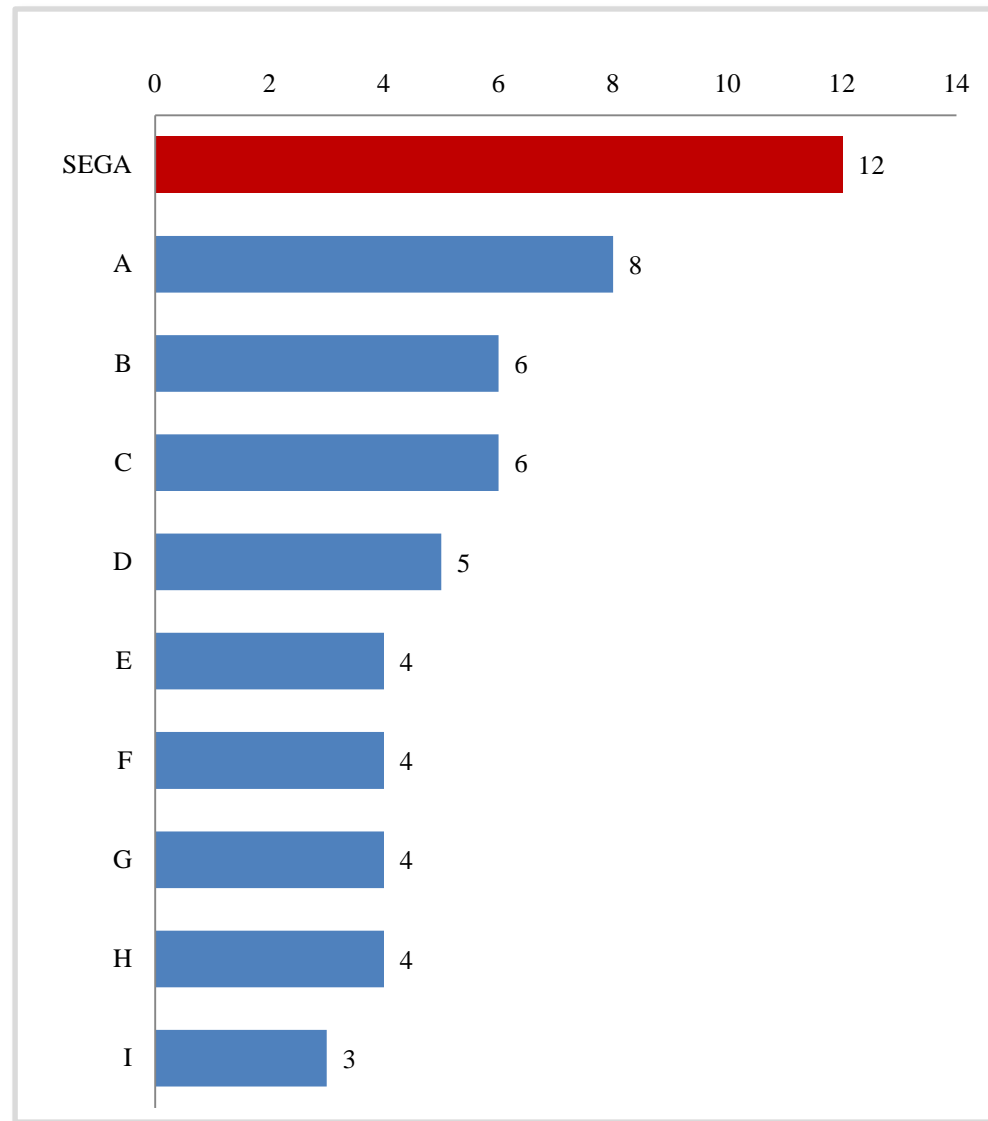
Google play

(# of titles)



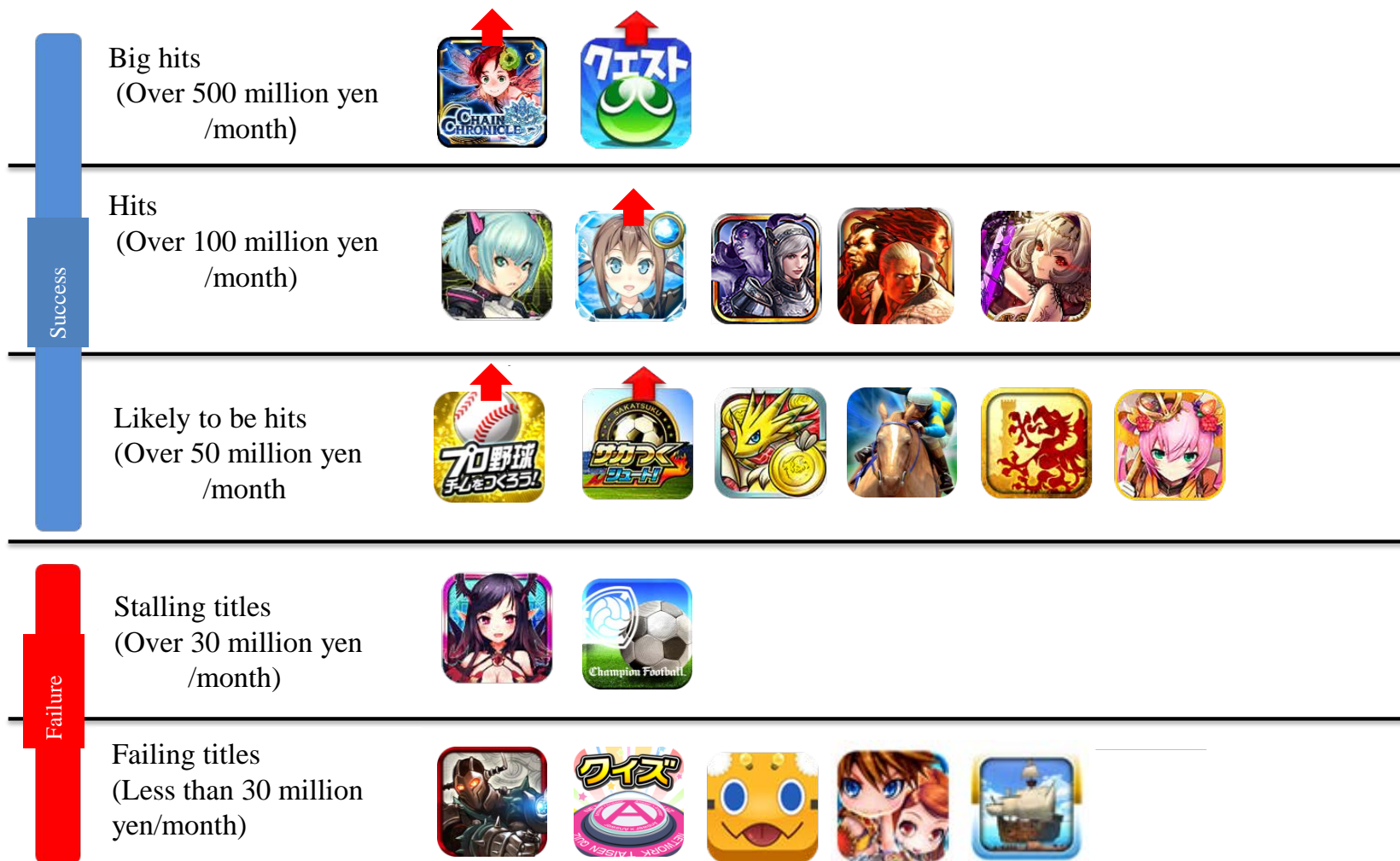
App store

(#of titles)



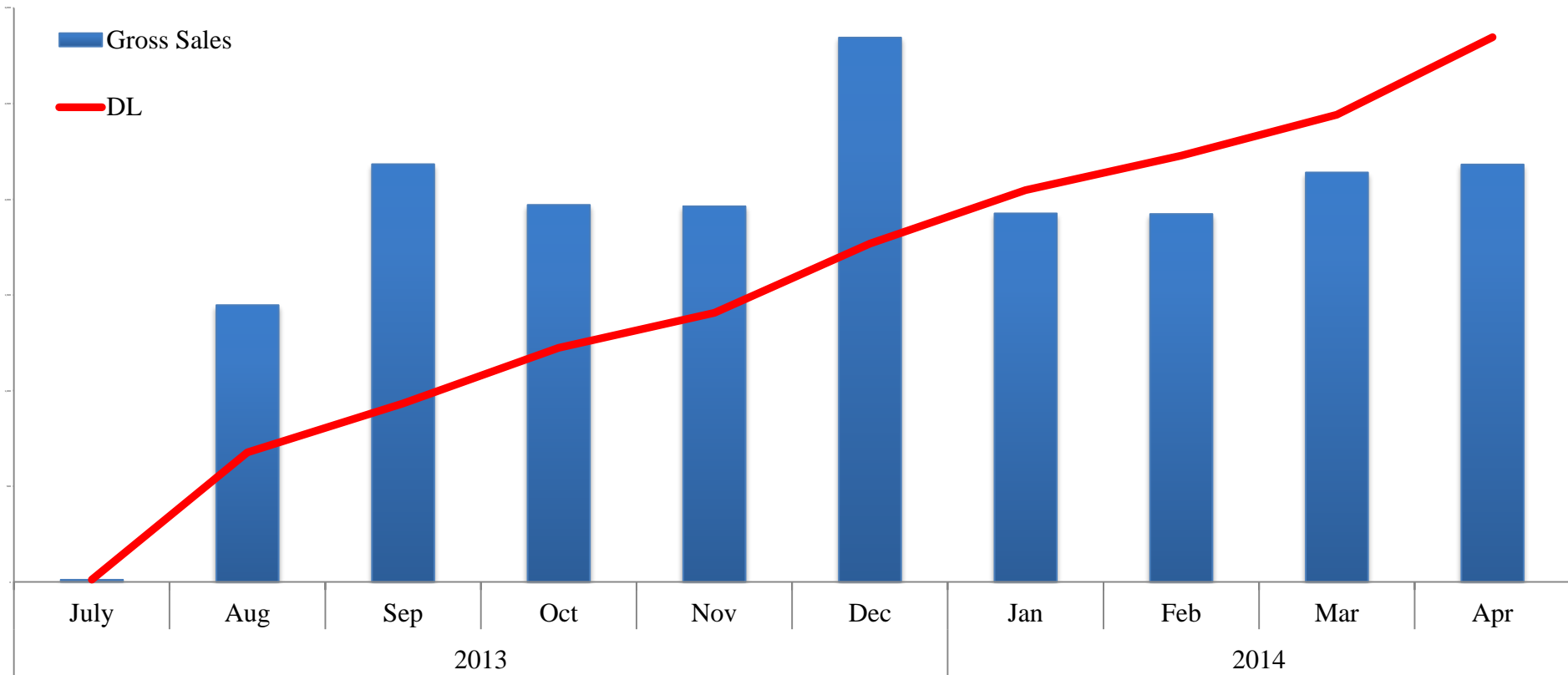
High Hit Rate (2) Number of Hit Titles

- The already high hit rate has further increased after 2013
 - Top 50 hit rate 80% (68% overall)
 - Titles sold over 100 million yen: 5 titles (8 titles overall)



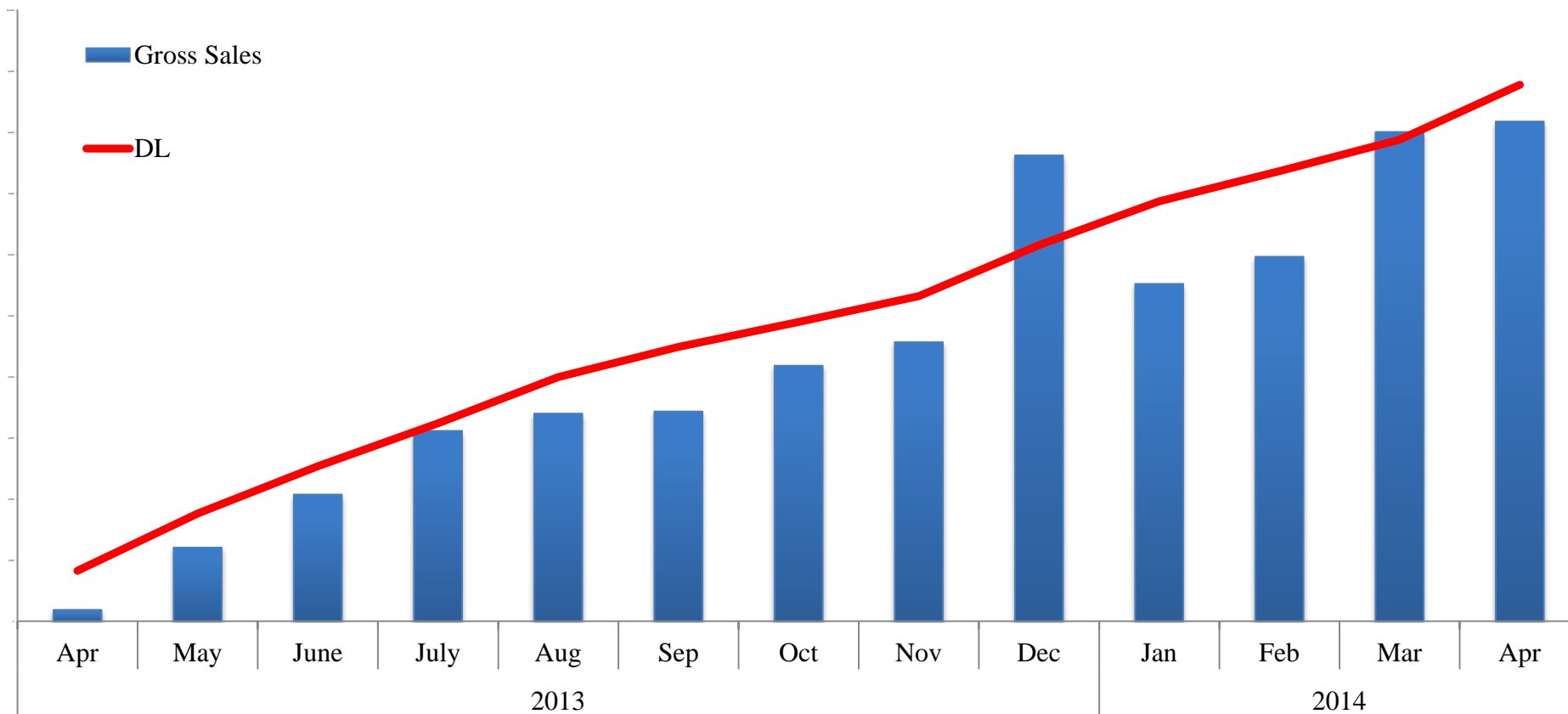


- Achieved cumulative sales of 7.5 billion yen in 9 months of launch
- Monthly sales has grown and stabilized between 0.9 to 1 billion yen in recent months due to increased DL
- DL increased to nearly 3 million DL at the end of 4Q





- Stable growth since release
- Monthly sales have grown and stabilized at over 500 million yen
- Also achieved 9 million DL in early May



Strength of the Company -- Realizing Sustained Growth

Volume of development resources

- Has nearly 15 studios with the Sega Group and collaborative companies combined
- Human resources can be procured without external recruiting process
- Human resources can be procured without transfers (Arcade, Console studios directly develop mobile games without transfers)

Extensive Pipeline

Development capability

- Top class technological capabilities in the smart device market
- Deep stock of talent in “Game planning/development”
- Capable of developing a wide range of genres utilizing AM/CS experiences

Wide range of genres

Quality of titles centrally managed

- Authorization process/Know-how of all F2P title development (through lineup composition to dev-management/Live operation) is concentrated in SGN business function
- Significant improvement in hit rates enabled by multilateral analysis, and concentration of various external human resources and know-how/decision-making authority

Centralized/Concentrated F2P know-how

Business support by a wide range of expert teams

- —

Functions to support the above

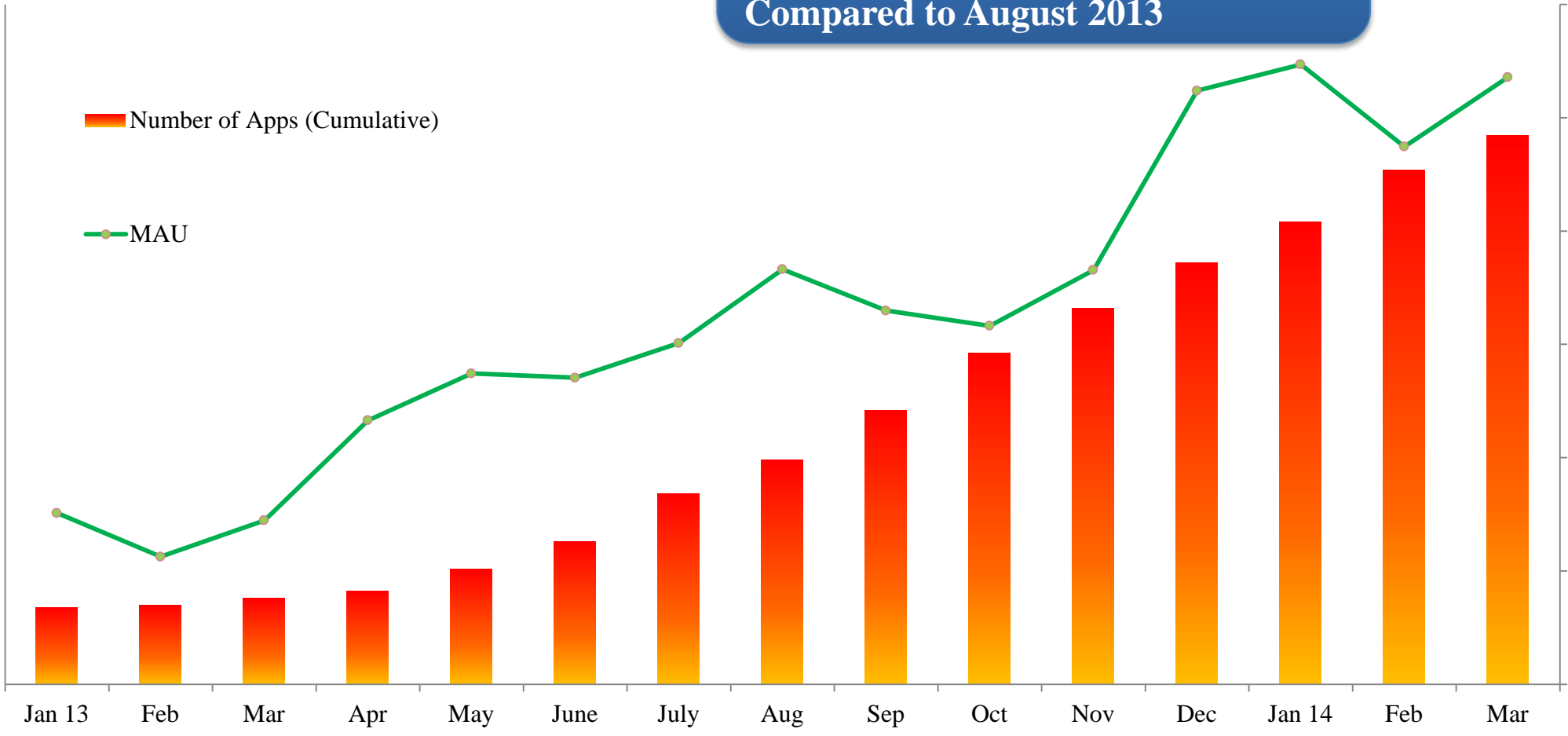
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Major Index (1)

	August 2013	As of End of March 2014
Participating companies <small>(subscriptions filed)</small>	15 companies	57 companies
Participating apps	84	246
Total users	20 million	41.6 million
Maximum introductions/app	50,000/month 30,000/month	100,000/month 70,000/month

Major Index (2)

MAU +200%
Titles +300%
Compared to August 2013



*All figures are as of April 17, 2014. The number of apps is counted separately for iOS and Android.



- Partnership on provision of services in China, Taiwan, Hong Kong, Macau and South Korea
- Marked a good start in South Korea after release at the end of March
 - Appstore 2nd place
 - Google Play 20th place
- Releases planned in May for China, in July for Taiwan, Hong Kong and Macau
- Releases planned within 2014 for Europe and the U.S.



- Started provision of services in mainland China, Taiwan, Hong Kong, Macau and South Korea
- Marked a good start in the Taiwan/Macau markets ranking in Appstore TOP10, Google Play TOP20, etc.
- In North America, distributed after localization with U.S.-made lines

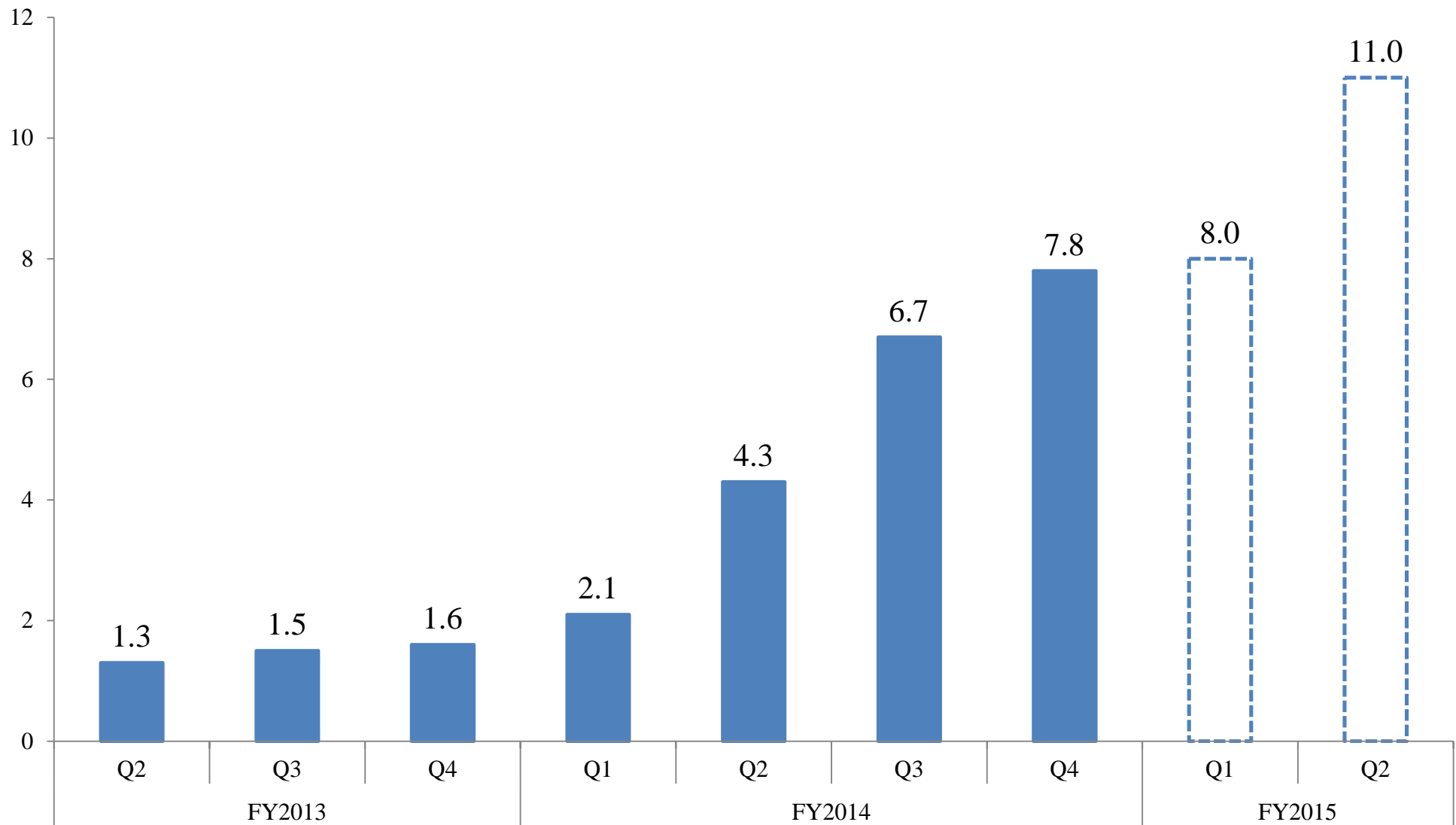


- Already released in 10 European countries and the U.S.
- Surpassed cumulative 65 million DL and grew as a core title in Europe and the U.S.
- Continues to have over 1 million DAU

FY2015 Forecast

Q-Q Gross Sales

(billion yen)



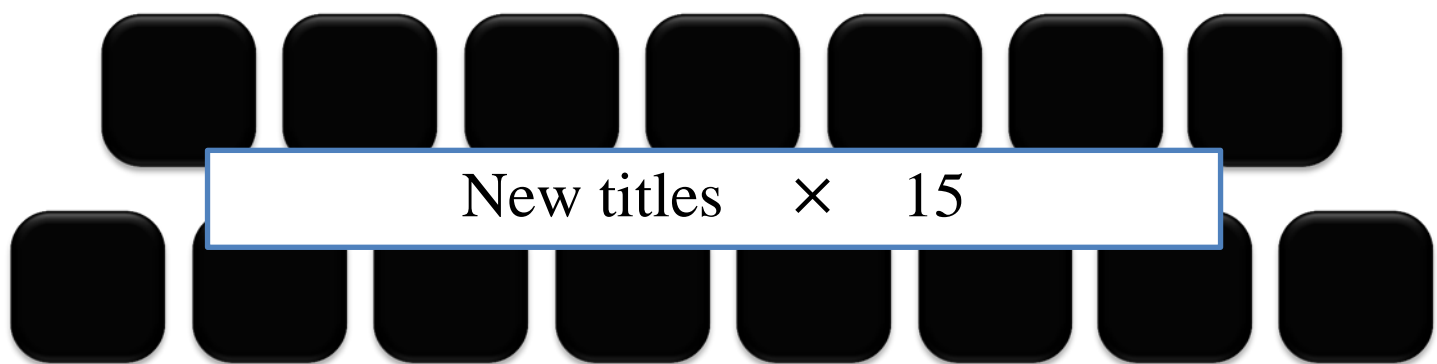
Domestic Lineup/Pipeline

- Largest-scale development Pipeline in the industry (15 New titles + 13 existing titles)
- Actively planting seeds to create new big hit titles backed by high hit rates
 ⇒ New titles by the Chain Chronicle team, major MO-ARPG, major IP titles, etc.

Existing titles

<p>Big hits (Over 500 million yen/month)</p>							
<p>Hits (Over 100 million yen/month)</p>							
<p>Likely to be hits (Over 50 million yen/month)</p>							

New titles



Domestic Pipeline

- A wide range of lineups with potential to become a big hit is planned

New titles by Chain Chronicle team

- New RPG from the Chain Chronicle team (planned for 2Q)

Major MO-ARPG

- New cooperative 3D MO-ARPG from our in-house studio (planned for 3Q)

Major IP title

- Plans to provide several new titles utilizing the Company's game engine (planned for 3Q-4Q)

Newest title of F4samurai

- First ever full native title from F4Samurai (planned for 3Q)

Chain Chronicle VITA

- Bringing Chain Chronicle into Handheld Console emulating the success of Samurai & Dragons (planned for 2Q)

Others

- Plan to release several titles co-developed with collaborative companies
- Plan to release several new IP titles with a new genre × media mix

Expansion of Earnings from Other Domains/IP

Improving earnings

PlayStation®Vita version “Chain Chronicle V”

Retaining the realm and basic functions found in the smartphone version, a new game will be developed for PlayStation®Vita incorporating team battle functions.

<Product outline>

Product name	Chain Chronicle V
Compatible device	PlayStation®Vita
Date of release	Summer 2014 (plan)
Price	Free (Item charges)
Genre	Chain Scenario RPG
Number of players	To be determined
CERO	Planned to be reviewed
Copyright notation	© SEGA / © SEGA Networks



Nurturing IP

Chain Chronicle Crimson

Featuring magazine: “Bessatsu Shonen Magazine”
published by Kodansha

Starting issue: June 9, 2014 issue



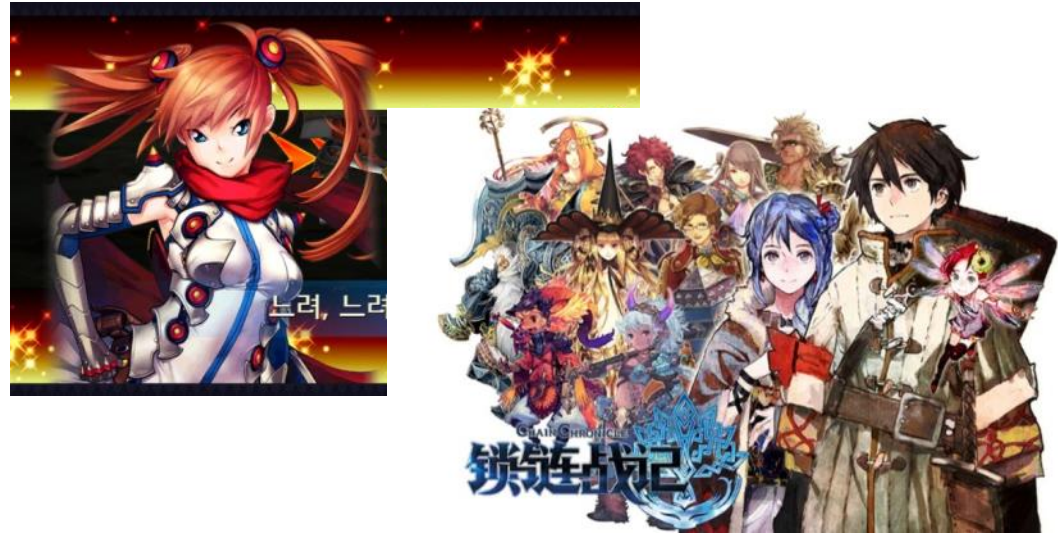
Full-scale Entry to Overseas Market (Europe and the U.S.)

- Renovation of organization structure
 - Reinforcement to bring know-how from the Japanese market
 - Accelerating strategic Alliance/Partnerships
- Utilization of the massive Japanese title library & pipeline
 - Maximizing release numbers utilizing alliances/Partnership etc.
- Accelerating the Incubation of in-house studios
 - Full scale localization - Dragon Coins
 - Development of original titles - Super Monkey Ball Bounce etc.



Full-scale Entry to Overseas Market (Asia)

- Utilization of the massive Japanese title library & pipeline
 - Release of “Puyopuyo!! Quest” following “Chain Chronicle” and “Dragon Coins”
 - Continuous release of other domestic titles
- Promotion of independent business starting with some regions
 - Partnership/alliance with influential players
 - Utilization of Group resources



- Simplified Chinese zone
 - Traditional Chinese zone
 - Hangeul zone
 - Southeast Asia
- Imminent release
July (plan)
Already released
3Q



- Simplified Chinese zone
 - Traditional Chinese zone
 - Hangeul zone
 - Southeast Asia
- Summer 2014
Summer 2014
Summer 2014
Summer 2014



- Simplified Chinese zone
 - Traditional Chinese zone
 - Hangeul zone
 - Southeast Asia
- Already released
Already released
Already released
Already released

