



SEGA-SAMMY
H O L D I N G S

SEGA-SAMMY
G R O U P

FY Ended March 2018 Appendix

May 11th, 2018

[Disclaimer]

The contents of this material and comments made during the questions and answers etc of this briefing session are the judgment and projections of the Company's management based on currently available information. These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

Consolidated Income Statements (Summary)

(JPY Billion)	2017/3				2018/3				2019/3
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q	Forecast
Sales	70.6	169.5	285.7	366.9	107.2	194.7	260.8	323.6	390.0
Pachislot and Pachinko Machines	21.2	64.9	119.7	148.2	54.9	88.3	95.4	105.6	122.0
Entertainment Contents	46.7	97.8	155.4	205.7	50.2	101.5	157.9	208.0	258.0
Resort	2.6	6.7	10.5	13.0	2.0	4.7	7.3	9.9	10.0
Operating Income	3.0	15.3	35.0	29.5	16.6	26.8	25.6	17.7	21.0
Pachislot and Pachinko Machines	0.3	10.6	25.8	26.3	15.1	21.4	15.1	11.9	18.5
Entertainment Contents	4.9	9.1	15.3	11.1	3.7	10.1	17.2	14.8	13.5
Resort	-0.8	-1.3	-1.8	-2.2	-0.7	-1.2	-1.8	-2.5	-3.0
Other / Elimination	-1.4	-3.1	-4.3	-5.7	-1.5	-3.4	-4.9	-6.5	-8.0
Operating Income Margin	4.2%	9.0%	12.3%	8.0%	15.5%	13.8%	9.8%	5.5%	5.4%
Ordinary Income	2.9	15.4	35.3	28.5	16.2	25.2	24.3	14.5	16.0
Extraordinary Gain	1.5	11.9	12.8	13.3	0.5	0.8	0.8	0.9	1.0
Extraordinary Loss	0.1	0.3	5.2	8.1	0.3	0.4	0.7	3.1	-
Income before income taxes	4.3	27.1	43.0	33.7	16.4	25.6	24.4	12.4	17.0
Profit attributable to owners of parent	4.1	24.2	36.5	27.6	11.5	17.7	13.7	8.9	12.0
Dividends per share (JPY)	-	20.00	20.00	40.00	-	20.00	20.00	40.00	40.00
Earnings per share (JPY)	17.54	103.47	155.84	117.79	49.22	75.78	58.68	38.10	51.20
Net Assets per share (JPY)	1,215.03	1,292.06	1,356.30	1,313.06	1,353.20	1,380.42	1,339.46	1,313.90	-

Costs and Expenses

(JPY Billion)	2017/3				2018/3				2019/3
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q	Forecast
R&D Expense / Content	13.9	31.7	48.8	67.1	15.3	30.7	45.5	62.0	73.3
Production Expense									
Pachislot and Pachinko Machine:	4.5	9.3	14.1	18.8	4.5	9.7	13.8	17.3	18.4
Entertainment Contents	9.3	22.2	34.6	48.1	10.8	21.1	31.7	44.9	54.9
Resort	0.0	0.1	0.1	0.2	0.0	0.0	0.0	0.1	0.0
Other / Elimination	0.1	0.1	0.0	0.0	0.0	-0.1	0.0	-0.3	0.0
Cap-ex	6.1	13.8	20.8	27.0	5.0	10.3	16.2	24.1	32.1
Pachislot and Pachinko Machine:	1.4	3.0	4.3	5.8	1.0	1.9	2.7	3.6	7.6
Entertainment Contents	3.3	8.0	11.9	16.6	3.6	7.3	11.8	17.2	20.4
Resort	1.2	2.7	4.5	4.5	0.3	1.0	1.5	1.9	0.5
Other / Elimination	0.2	0.1	0.1	0.1	0.1	0.1	0.2	1.4	3.6
Depreciation	3.9	7.6	12.0	16.3	4.2	8.2	12.2	16.2	14.8
Pachislot and Pachinko Machine:	1.5	3.0	4.4	5.8	1.5	2.8	4.1	5.3	4.1
Entertainment Contents	2.0	3.7	6.2	8.7	2.2	4.5	6.7	9.0	8.7
Resort	0.2	0.5	0.8	1.1	0.2	0.5	0.7	1.0	1.2
Other / Elimination	0.2	0.4	0.6	0.7	0.3	0.4	0.7	0.9	0.8
Advertising	3.1	7.6	11.2	14.8	3.2	7.8	11.7	15.4	22.1
Pachislot and Pachinko Machine:	0.5	1.2	1.7	2.1	0.4	1.1	1.5	1.9	2.8
Entertainment Contents	2.3	5.0	7.9	10.7	2.5	5.4	8.6	11.8	17.4
Resort	0.1	0.3	0.5	0.5	0.1	0.2	0.3	0.4	0.3
Other / Elimination	0.2	1.1	1.1	1.5	0.2	1.1	1.3	1.3	1.6

Consolidated Balance Sheet (Summary)

(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2017	As of end of March 2018	Change	Account	As of end of March 2017	As of end of March 2018	Change
Cash and Deposits	137.4	157.8	+20.4	Accounts Payable	45.6	21.7	-23.9
Accounts Receivable	44.5	29.3	-15.2	Corporate Bonds	19.5	10.0	-9.5
Securities	65.2	24.6	-40.6	Short Term Borrowings	6.3	15.8	+9.5
Inventories	47.4	40.5	-6.9	Other	41.1	36.9	-4.2
Other	29.6	25.1	-4.5	Total Current Liabilities	112.5	84.4	-28.1
Total Current Assets	324.1	277.3	-46.8	Corporate Bonds	32.5	22.5	-10.0
Tangible Fixed Assets	81.6	78.1	-3.5	Long Term Debt	44.5	38.6	-5.9
Intangible Fixed Assets	22.1	23.4	+1.3	Other	20.5	17.4	-3.1
Investment Securities	69.8	70.2	+0.4	Total Noncurrent Liabilities	97.5	78.5	-19.0
Other	23.9	24.4	+0.5	Total Liabilities	210.1	163.0	-47.1
				Shareholders Equity	300.3	299.6	-0.7
				Total accumulated other comprehensive income	7.4	8.2	+0.8
				Warrants	0.3	0.8	+0.5
				Non-controlling interesrests	3.4	1.6	-1.8
Total Noncurrent Assets	197.4	196.1	-1.3	Total Net Assets	311.4	310.4	-1.0
Total Assets	521.5	473.5	-48.0	Total Liabilities and Net Assets	521.5	473.5	-48.0

(For reference) One-off expenses of relocation Impact (FY Ending March 2019)

(JPY Billion)

	Operating Income (Before consideration)	one-off expenses of relocation	Operating Income (After consideration)
Total	28.5	-7.5	21.0
Pachislot and Pachinko Machines	20.1	-1.6	18.5
Entertainment Contents	18.5	-5.0	13.5
Resort	-3.0	0.0	-3.0
Other / Elimination	-7.1	-0.9	-8.0

(For reference) One-off expenses of relocation

(JPY Billion)

	2018/3	2019/3
Total	-2.4	-7.5
Pachislot and Pachinko Machines	-0.8	-1.6
Entertainment Contents	-1.4	-5.0
Resort	0.0	0.0
Other / Elimination	-0.2	-0.9

Segment Results: Pachislot and Pachinko Machines

(JPY Billion)	2017/3				2018/3				2019/3
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q	Forecast
Sales	21.2	64.9	119.7	148.2	54.9	88.3	95.4	105.6	122.0
Pachislot	11.4	31.8	70.0	86.2	10.2	32.3	32.4	36.0	39.1
Pachinko	6.3	26.4	39.6	48.3	41.1	48.8	52.2	55.3	71.2
Other / Elimination	3.5	6.7	10.1	13.7	3.6	7.2	10.8	14.3	11.7
Operating Income	0.3	10.6	25.8	26.3	15.1	21.4	15.1	11.9	18.5
Operating Income Margin	1.4%	16.3%	21.6%	17.7%	27.5%	24.2%	15.8%	11.3%	15.2%
Pachislot									
Number of Titles	2 titles	3 titles	6 titles	10 titles	3 titles	8 titles	8 titles	9 titles	9 titles
Unit Sales(unit)	29,902	81,895	169,827	215,736	25,440	75,380	75,590	85,041	103,000
Pachinko									
Number of Titles	1 title	3 titles	6 titles	9 titles	2 titles	4 titles	5 titles	5 titles	9 titles
Unit Sales(unit)	20,525	75,542	111,104	138,321	97,499	119,312	129,778	140,013	201,000
Board + Frame	13,327	68,175	101,440	115,227	83,178	92,344	95,912	97,655	94,500
Board	7,198	7,367	9,664	23,094	14,321	26,968	33,866	42,358	106,500

Segment Results: Pachislot and Pachinko Machines

	2015/3 Results	2016/3 Results	2017/3 Results	2018/3 Estimate	2019/3 Forecast
Pachislot					
Market unit sales(million)	1.23	0.96	0.88	0.74	0.50
Market install base(million)	1.64	1.66	1.69	1.68	1.66
Turnover(Sales/Installation)	0.75	0.58	0.52	0.44	0.30
Sega Sammy's Unit Sales(Thousands)	207	142	215	85	103
Pachinko					
Market unit sales(million)	2.01	1.88	1.56	1.42	1.14
Market install base(million)	2.95	2.91	2.83	2.74	2.67
Turnover(Sales/Installation)	0.68	0.65	0.55	0.52	0.43
Sega Sammy's Unit Sales(Thousands)	241	199	138	140	201

Source: National Police Agency, Yano Research Institute Ltd.,

* The data for 18/03 and 19/03, which have not been publicized yet, are our estimates and forecasts.

Segment Results: Pachislot and Pachinko Machines

■ Major Titles in 2018/3 and newly titles to be launched in and after 2019/3

New title
Specification changed title

	2018/3 1Q	2Q	3Q	4Q	2019/3
Pachislot	<div>Pachislot Beast King Oujya no kakusei</div> <div>Pachislot Sakura Wars ~Atsuki chishioni~</div> <div>Pachislot Twin Angel BREAK</div>	<div>Pachislot Hokuto No Ken Shindensetsu souzou</div> <div>A – SLOT ALIYAN EVOLUTION</div> <div>Pachislot Tatakae! Salaryman</div> <div>Pachislot ARPEGGIO OF BLUE STEEL -ARS NOVA-</div> <div>Pachislot Ys I&II</div>		<div>Pachislot CODE GEASS Lelouch of the Rebellion R2 C.C.ver.</div> <div>Pachislot Valkyria Chronicles</div>	<div>Pachislot Hokuto No Ken Syura no kuni hen Rasetsu ver.</div> <div>Pachislot DISC UP</div>
Pachinko	<div>Pachinko CR Hokuto No Ken 7 Resurrection</div> <div>Pachinko CR BIG GACHINKO Seven</div>	<div>Pachinko CR Wataru seken wa oni bakari</div> <div>Pachinko CR GHOST IN THE SHELL -STAND ALONE COMPLEX-</div> <div>Dejihane CR Monster Hunter 4</div>	<div>Pachinko CR SOUTEN-NO-KEN Tenra</div> <div>Pachinko CR Puyopuyo</div>	<div>Dejihane CR GHOST IN THE SHELL - STAND ALONE COMPLEX-</div> <div>Dejihane CRA SOUTEN-NO-KEN Tenki</div> <div>Dejihane CR Wataru seken wa oni bakari</div>	<div>Pachinko CR Nisemonogatari</div> <div>Pachinko CR Hokuto No Ken 7 Hyakuretsuranbu</div> <div>Pachinko CR Shin Hokuto Muso Chapter 2</div>

2018/3 Major titles and number of units sold

Pachislot title	Total sales	Installed From
Pachislot Hokuto No Ken Shindensetsu souzou	45,220 units	September
Pachislot Beast King Oujya no kakusei	13,501 units	April
Pachislot CODE GEASS Lelouch of the Rebellion R2 C.C.ver.	8,127 units	January

Pachinko title	Total sales	Installed From
Pachinko CR Hokuto No Ken 7 Resurrection	94,955 units	April
Pachinko CR Wataru seken wa oni bakari	9,323 units	July
Pachinko CR SOUTEN-NO-KEN Tenra	8,669 units	November

Segment Results: Entertainment Contents Business

(JPY Billion)									
	2017/3				2018/3				2019/3
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q	Forecast
Sales	46.7	97.8	155.4	205.7	50.2	101.5	157.9	208.0	258.0
Digital Games	12.0	23.0	35.0	47.3	9.5	19.3	28.9	38.5	70.0
Packaged Games	10.7	23.0	37.3	47.1	14.4	27.1	45.9	57.0	62.0
Amusement Machine Sales	10.3	22.5	37.4	49.4	10.4	22.6	33.9	47.1	58.0
Amusement Center Operations	8.8	19.0	27.9	37.2	9.0	19.6	29.2	39.0	39.0
Animation / Toy	4.2	9.4	16.5	22.7	5.1	10.3	16.9	22.5	26.0
Other / Elimination	0.7	0.9	1.3	2.0	1.8	2.6	3.1	3.9	3.0
Operating Income	4.9	9.1	15.3	11.1	3.7	10.1	17.2	14.8	13.5
Digital Games	2.4	3.8	5.3	4.9	1.2	2.0	3.3	3.3	9.0
Packaged Games	2.4	2.7	4.2	2.6	1.3	3.5	7.5	6.5	7.0
Amusement Machine Sales	-0.1	0.8	3.3	1.7	0.5	2.4	3.6	2.7	0.0
Amusement Center Operations	0.6	2.0	2.3	2.2	0.4	1.7	2.2	2.7	2.0
Animation / Toy	-0.1	0.1	1.0	1.2	0.1	0.7	1.6	2.0	2.0
Other / Elimination	-0.3	-0.3	-0.8	-1.5	0.2	-0.2	-1.0	-2.4	-6.5
Operating Income Margin	10.5%	9.3%	9.8%	5.4%	7.4%	10.0%	10.9%	7.1%	5.2%
Packaged Games Number of Titles	9 titles	21 titles	33 titles	42 titles	6 titles	16 titles	27 titles	38 titles	41 titles
Japan	-	3 titles	7 titles	9 titles	1 title	3 titles	6 titles	11 titles	9 titles
Asia	4 titles	7 titles	14 titles	16 titles	2 titles	6 titles	10 titles	15 titles	10 titles
North America / Europe	5 titles	11 titles	12 titles	17 titles	3 titles	7 titles	11 titles	12 titles	22 titles
Packaged Games Sales in Units (Thousands)	2,410	4,650	8,130	10,280	4,560	8,650	14,280	17,330	20,000
Japan	90	1,000	1,550	1,850	150	420	950	1,540	2,150
New title	-	850	1,300	1,500	40	200	520	950	1,590
Repeat title	90	150	250	350	110	220	420	590	560
Asia	300	410	770	1,060	140	230	550	810	770
New title	190	240	490	700	60	100	350	540	460
Repeat title	110	170	280	360	70	130	190	270	310
North America / Europe	2,020	3,240	5,810	7,370	4,260	8,000	12,780	14,980	17,080
New title	970	1,460	2,460	3,040	1,200	2,850	5,710	6,640	4,950
Repeat title	1,050	1,780	3,350	4,330	3,060	5,150	7,090	8,340	12,130
Domestic Facilities	193	189	190	191	190	189	191	189	189
Same Store Sales Comparisons	111.2%	110.8%	110.3%	108.5%	100.1%	101.5%	102.1%	101.9%	100.5%

Digital

	2017/3				2018/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales (JPY Billion)	12.0	11.0	12.0	12.3	9.5	9.8	9.6	9.6
Domestic								
Average MAU(Thousands, 3 months average)*1	4,640	3,690	4,140	4,560	3,440	3,310	3,220	2,910
ARPM AU (JPY) *2	2,038	2,771	2,568	2,327	2,502	2,435	2,321	2,502
Share of sales for top 3 titles *3	68.4%	70.3%	67.6%	64.6%	59.6%	57.7%	51.5%	53.9%
Overseas								
Composition ratio of sales	19.5%	8.6%	10.5%	11.1%	10.4%	10.7%	16.1%	16.3%
Other indicators								
Number of Titles(Domestic)	34	30	28	27	25	21	22	23
Number of New Titles(Domestic)	2	1	1	2	1	0	1	1
Ratio of advertising expense to net sales *4	6.5%	7.9%	10.2%	9.2%	8.2%	11.2%	10.1%	9.5%
Downloads (Thousands) *5	22,320	32,650	33,370	30,040	28,420	21,940	31,680	24,580
Domestic	2,860	4,720	8,230	9,410	2,120	2,080	2,040	1,750
Overseas	19,460	27,930	25,140	20,630	26,300	19,860	29,640	22,830

TOP 3 Titles (Digital Game)

1. PHANTASY STAR ONLINE 2
2. D×2 Shin Megami Tensei Liberation
3. Puyopuyo!! Quest

*Sales top three titles in the period of January-March 2018

Only free-to-play titles are covered for the calculation of Number of titles under service, Domestic MAU, Domestic ARP MAU and Number of downloads. (Pay-to-play models are not included.)

*1. Average MAU (Monthly Active Users) over 3 months

*2. Calculated from dividing sales by MAU (Monthly Active Users)

*3. Sales percentage for top 3 titles in sales

*4. As of the last day of each quarter

*5. We've made a correction to the FY2017 3Q number of downloads.

Major Titles in 2018/3 and newly titles to be launched in and after 2019/3

					2018/3 1Q	2Q	3Q	4Q	2019/3
Digital Games	Existing Titles	PHANTASY STAR ONLINE 2 (Jul 2012~)							
		Puyopuyo!! Quest (Apr 2013~)							
		CHAIN CHRONICLE 3 (Jul 2013~)							
		Hortensia Saga (Apr 2015~)							
		Magic Record : Puella Magi Madoka Magica Side Story							
		D × 2 Shin Megami Tensei Liberation							
									kotodaman
									Pro Soccer Club wo Tsukurou! Road to World
									PoPoLoCRoIS ~Narcia's tears & the Fairy's flute
									BORDER BREAK and 8 titles
Packaged Games	Persona5								Yakuza 6: The Song of Life
	SONIC MANIA								Shenmue I&II
	SONIC FORCES								New Sakura Wars (working title)
Amusement Machines	Hokuto ga Gotoku								Fate/Grand Order Arcade
	Total War: WARHAMMER 2								O·N·G·E·K·I
	Football Manager 2018								
Animation /Toys	Valkyria Chronicles 4								
	UFO CATCHER TRIPLE								Detective Conan: Zero the Enforcer
	StarHorse3 SeasonVI FULL THROTTLE								ANPANMAN series
Animation /Toys	SOUL REVERSE								
	SEGA World Drivers Championship								
	Detective Conan Crimson Love Letter								
Animation /Toys	Yowamushi Pedal RE:GENERATION								
	Disney&Disney/Pixar Characters Dream Switch								
	Yowamushi Pedal GLORY LINE								
Animation /Toys	Let's bake the bread in the oven! Uncle Jam's Bakery								
	"ANPANMAN" D.I.Y. Moving ANPANMANGO-CAR								

Segment Results: Resort Business

(JPY Billion)	2017/3				2018/3				2019/3
	1Q	Through 2Q	Through 3Q	Through 4Q	1Q	Through 2Q	Through 3Q	Through 4Q	Forecast
Sales	2.6	6.7	10.5	13.0	2.0	4.7	7.3	9.9	10.0
Operating Income	-0.8	-1.3	-1.8	-2.2	-0.7	-1.2	-1.8	-2.5	-3.0

<PHOENIX RESORT>

Sales	1.4	3.5	6.0	8.4	1.8	4.2	6.7	9.2	10.0
Operating Income	-0.5	-0.7	-0.8	-0.8	-0.3	-0.4	-0.5	-0.6	0.0
Number of facility users (thousand people)	99	259	411	561	126	296	449	607	684
3 accommodation facilities	44	134	214	293	57	156	237	323	342
2 golf courses	20	39	63	87	25	46	70	93	101
Other facilities	35	85	134	181	44	94	142	191	241

<PARADISE SEGASAMMY*>

Sales (Billion KRW)	21	46	69	95	22	62	129	200	-
Operating Income (Billion KRW) *	1	3	2	-0	-12	-30	-30	-32	-
Number of visitors (Thousands)	11	24	39	57	17	59	117	182	-

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

* Local accounting rule bases

*We've made a correction to the FY2017 1Q Operating Income.



■ Exterior



■ Golf Course



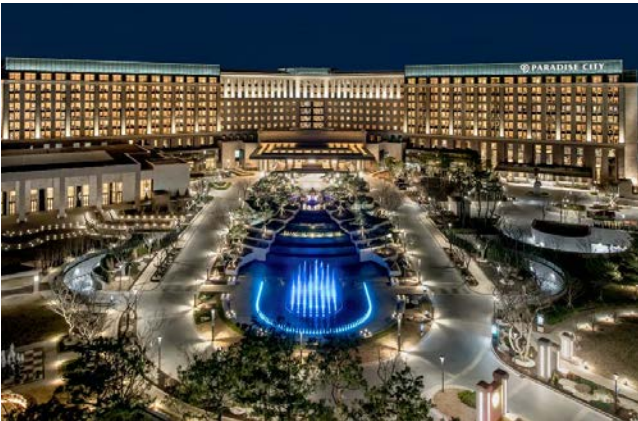
■ Convention Center

<Overview>

Facility name	Phoenix Seagaia Resort	
Operating company	Phoenix Resort Co., Ltd.	
Facility address	3083 Aza Hamayama, O-Aza Shioji, Miyazaki City, Miyazaki Prefecture	
Number of employees	732 (as of March 31, 2018) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)	
Site area	2,511,144m ²	
Facility composition	Hotel	950 rooms (Sheraton Grande Ocean Resort, Luxze Hitotsuba and Cottage HIMUKA)
	Golf courses	45holes (Phoenix Country Club, Tom Watson Golf Course) Phoenix Golf Academy
	Convention Center	Approx. 5,500 m ² (capacity for approx. 5,000 people)
	Other Entertainment facilities etc.	Spa, hot springs, fitness club and horse riding club Tennis court and wedding halls

<Access>

- Miyazaki Airport 20-minute by car
- JR Miyazaki train station Approx. 25-minute by public bus (chargeable)
15-minute by car
- Express way Approx. 25-minute drive from Miyazaki Interchange



■ Exterior



■ Casino Facility



■ Lobby lounge (Hotel)

<Overview>

Facility name	PARADISE CITY	
Operating company	PARADISE SEGASAMMY Co.,Ltd.	
Facility address	186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea	
Number of employees	1,912 (as of March 31, 2018) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)	
Site area	330,000㎡	
Investment amount	Approx. 1,420 billion KRW (amount invested by SEGA SAMMY: 286.9 billion KRW; shareholding ratio: 45%)	
Facility composition	Open in April 2017	<ul style="list-style-type: none">• Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units)• Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.)• Convention
	Opening planned for first half of 2018	<ul style="list-style-type: none">• SPA ・CLUB ・WONDER BOX (for families)• PLAZA (Commercial facility / cultural center, shopping mall)• Boutique Hotel

<Overview of Incheon International Airport

- Number of users: 62.08 million (2017)
- Terminal 2, which is able to accommodate 18 million passengers, opened on January 18, 2018

<Access to PARADISE CITY>

- 3-minute drive by car or shuttle bus (free of charge)
- 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport
- Also a 5-minute drive from Incheon Interchange on the expressway

< APPENDIX : Overview of revision to the rules >

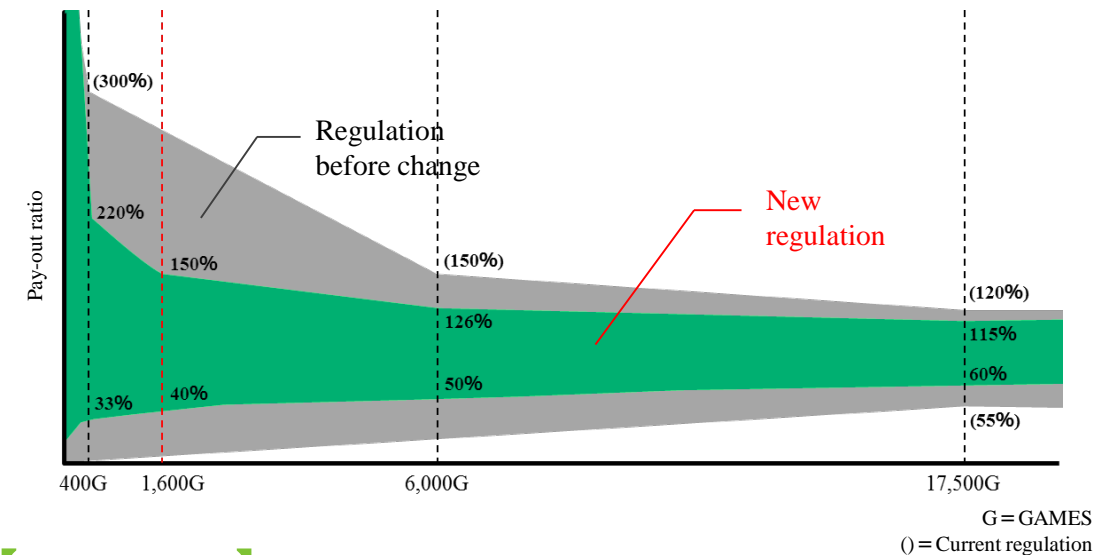
Date of enforcement	February 1, 2018
Pachislot and pachinko machine manufacturers	(1) Matters related to regulations of pay-out balls/medals (2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked (3) Introduction of “multi stage payout-ratio” to pachinko machines
Pachinko halls	(4) Addition of responsibilities of administrators

- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

※ (2) Able to play without touching balls and medals (record and pay-out electronically)

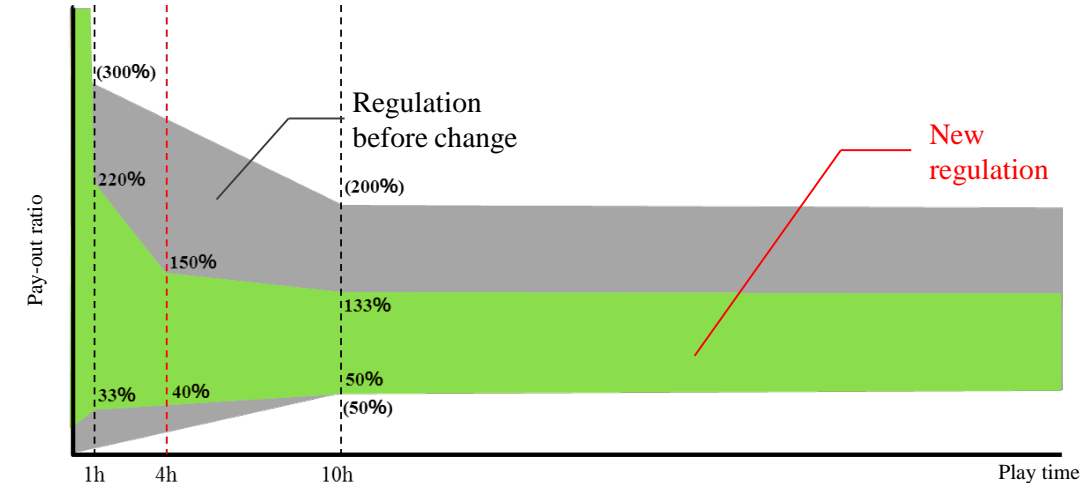
<APPENDIX : Comparisons of pay-out ratio (image)>

[Pachislot]



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

[Pachinko]



Pay-out ratio= $\frac{\text{Balls and medals payed out}}{\text{Balls and medals used}}$

<APPENDIX : Outline of revisions to regulations >

【Pachislot】

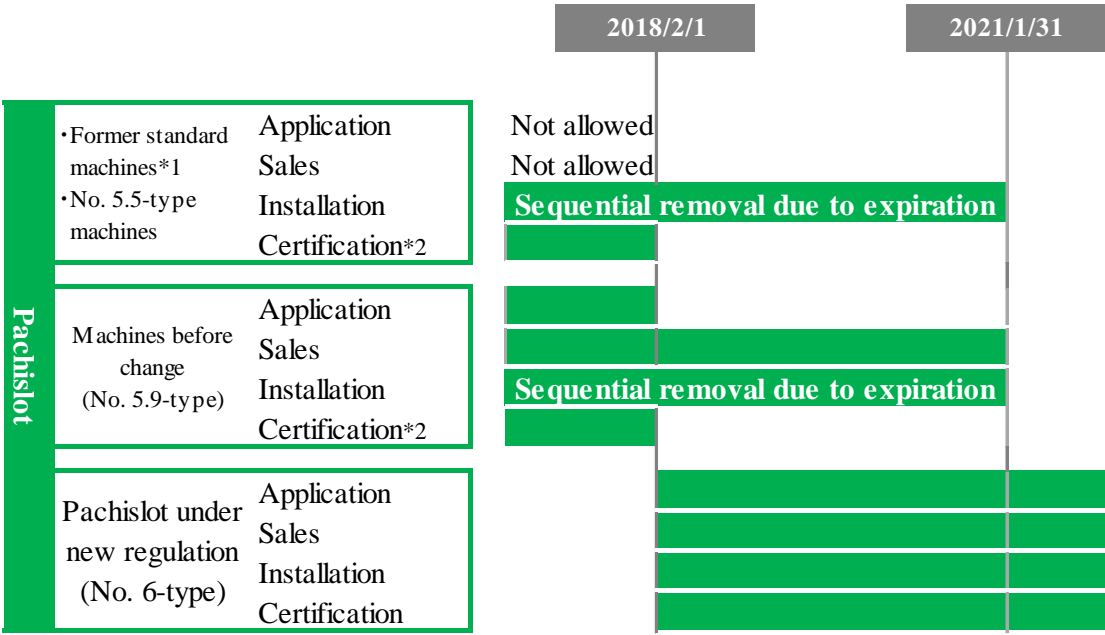
Content	Test				Multi stage payout-ratio	Number of pay-out medals when hitting a jackpot (Upper limit)
	400G	1,600G	6,000G	17,500G		
Regulation before change	Less than 300%	—	Less than 150%	Over 55% and less than 120%	Up to 6 stages	480
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 126%	Over 60% and less than 115%	Up to 6 stages	300

G=GAMES

【Pachinko】

Content	Test			Multi stage payout-ratio	Number of pay-out balls when hitting a jackpot (Upper limit)
	1 hour	4 hours	10 hours		
Regulation before change	Less than 300%	—	Over 50% and less than 200%	—	2,400
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 133%	Up to 6 stages	1,500

Schedule for revision of rules(Pachislot)



✓ **Machines before change of regulation (No. 5.9-type machines) can be sold a certain period of time after the revision.**

〈Pachislot under new regulation〉
✓ **Voluntary regulations were changed in line with the revision to the rules**

✓ **Curbed gambling element but range of game elements will expand**

*1 Regarding the old machines that acquired the certification by 2015/3/31, it is subject to certification
*2 The deadline of application for certification was January 31, 2018 (Installation allowed for three years after becoming certified).

Schedule for revision of rules(Pachinko)

			2018/2/1	2021/1/31
Pachinko	Former standard machines	Application	Not allowed	
		Sales	Not allowed	
		Installation	Sequential removal due to expiration	
		Certification*		
	Machines before change	Application		
		Sales		
		Installation	Sequential removal due to expiration	
		Certification*		
	Pachinko under new regulation	Application		
		Sales		
		Installation		
		Certification		

✓ Machines before change of regulation can be sold a certain period of time after the revision.

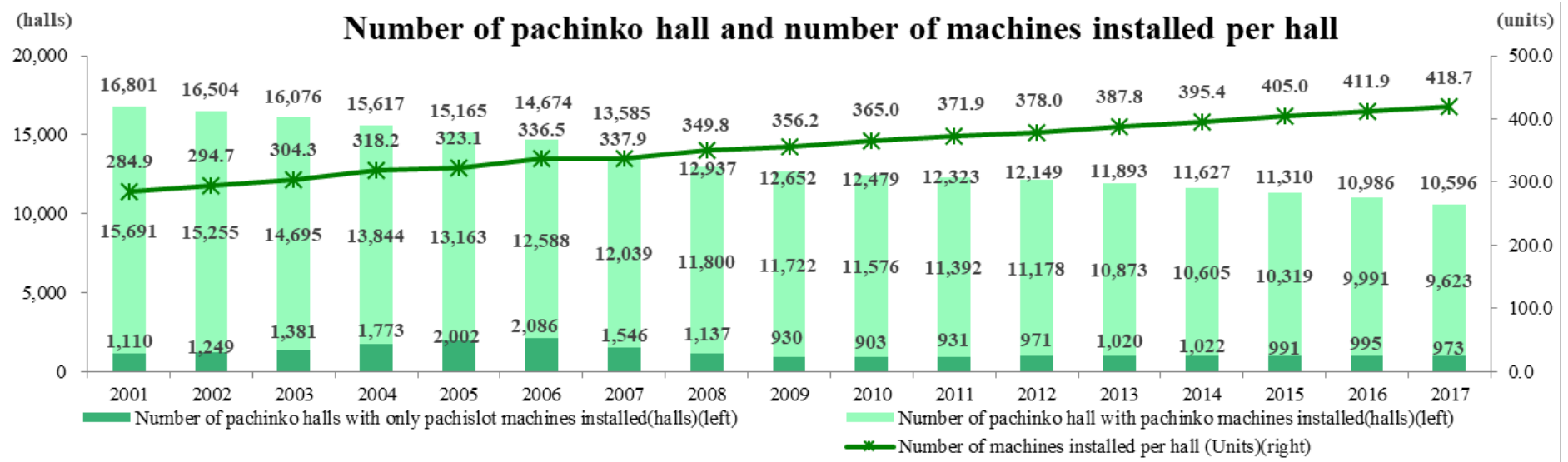
〈Pachinko under new regulation〉

✓ Voluntary regulations were changed in line with the revision to the rules

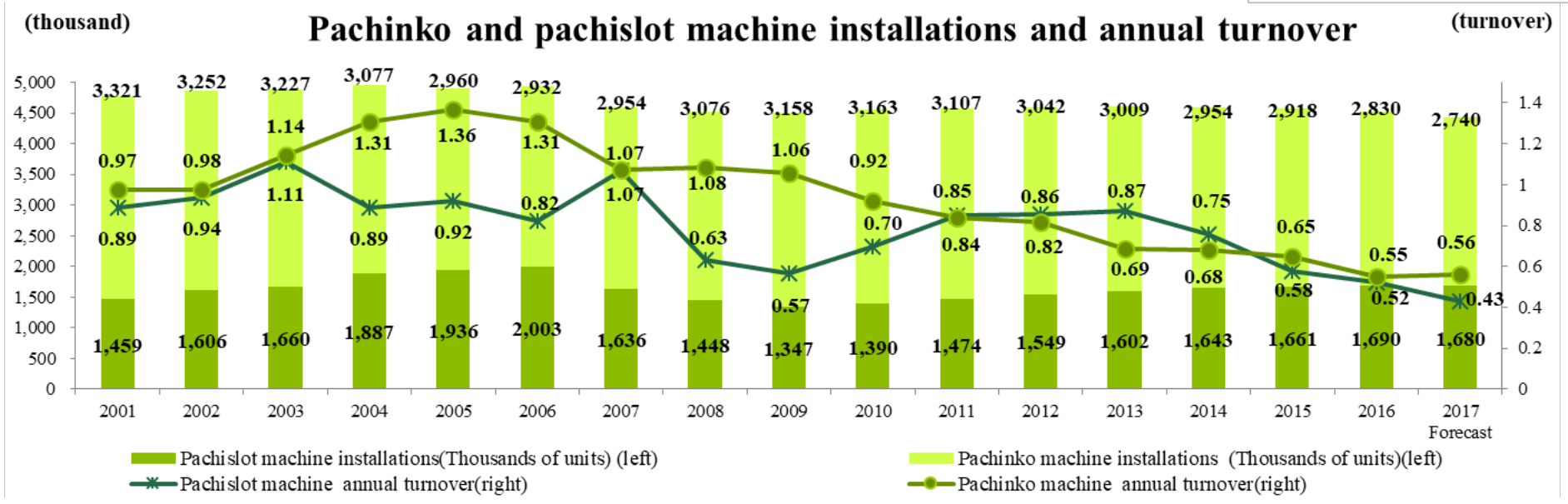
✓ Partially curbed gambling element

* The deadline of application for certification was January 31, 2018 (Installation allowed for three years after becoming certified).

Segment Results: Pachislot and Pachinko Machines

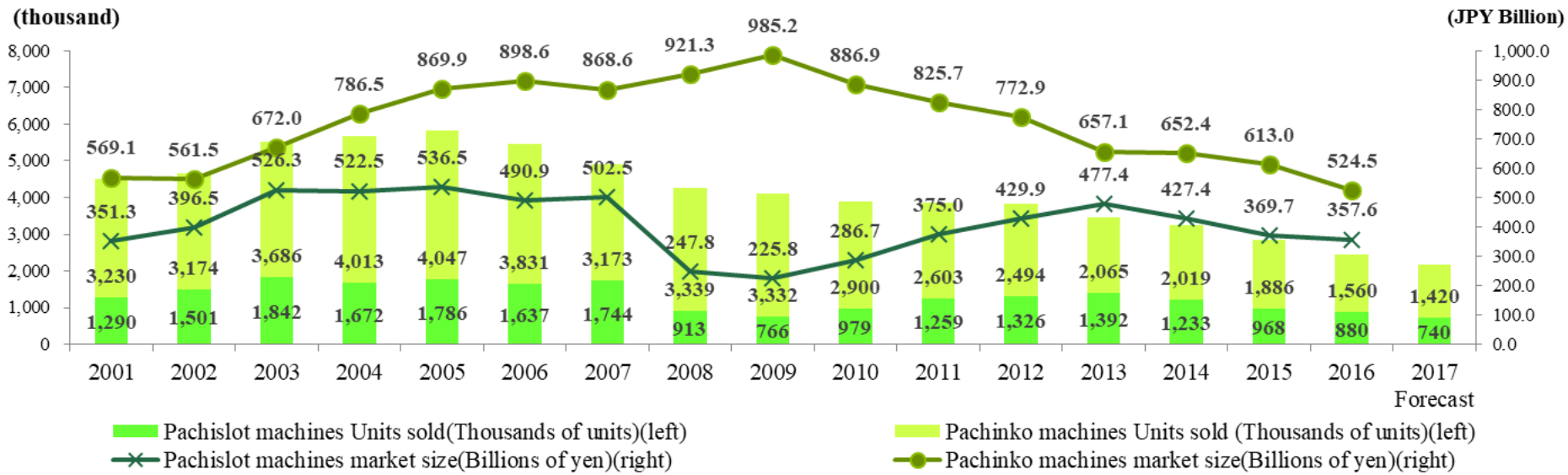


Sources : National Police Agency

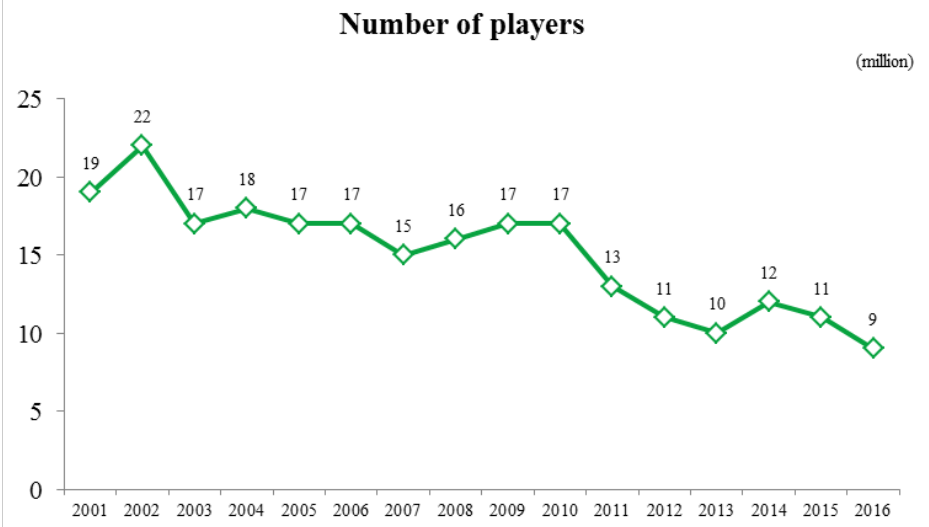
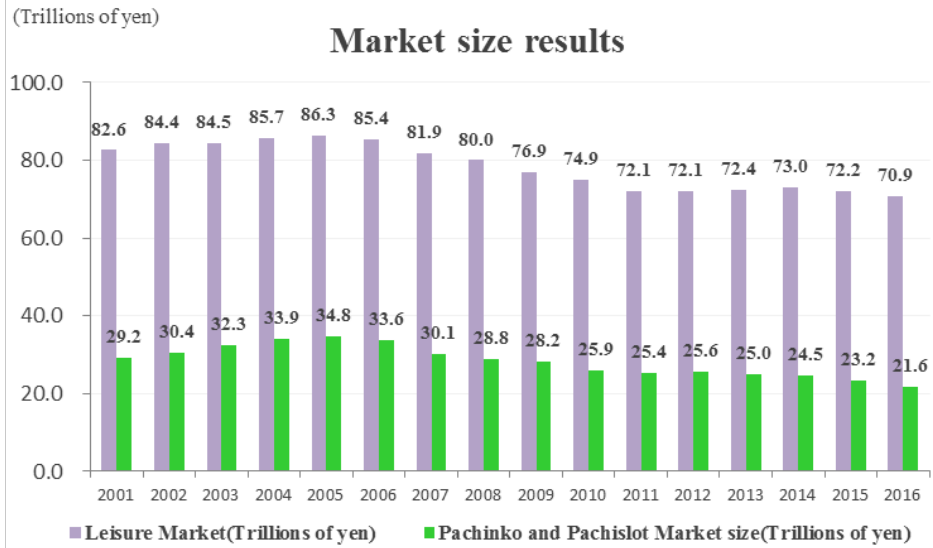


Sources:National Police Agency and Yano research Institute Ltd.

Pachinko and Pachislot machines-Unit Sales and Market Size

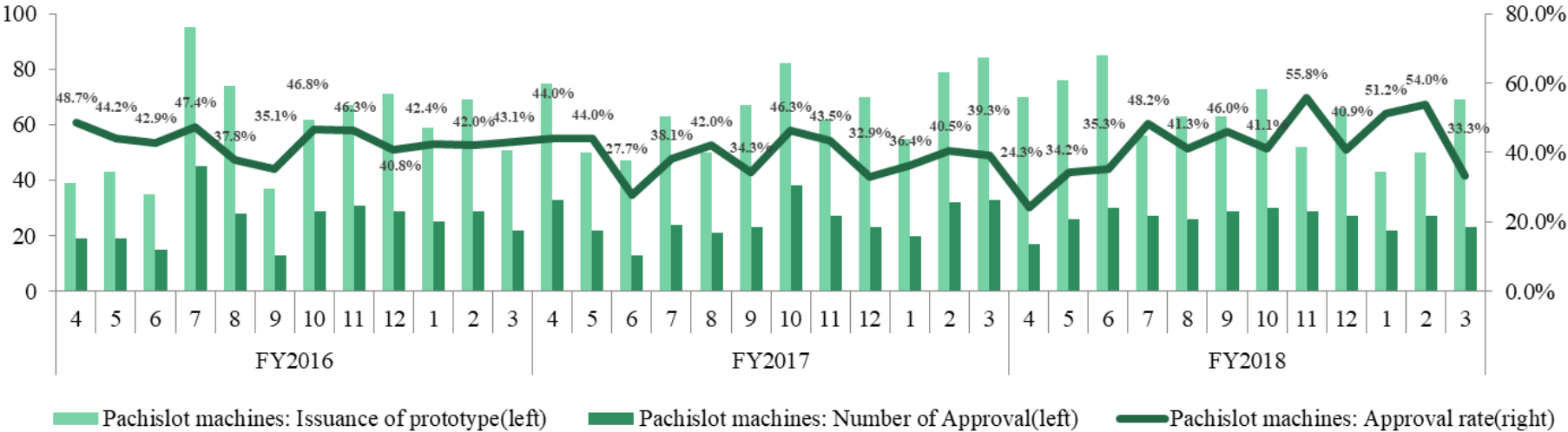


Sources:Yano research Institute Ltd.

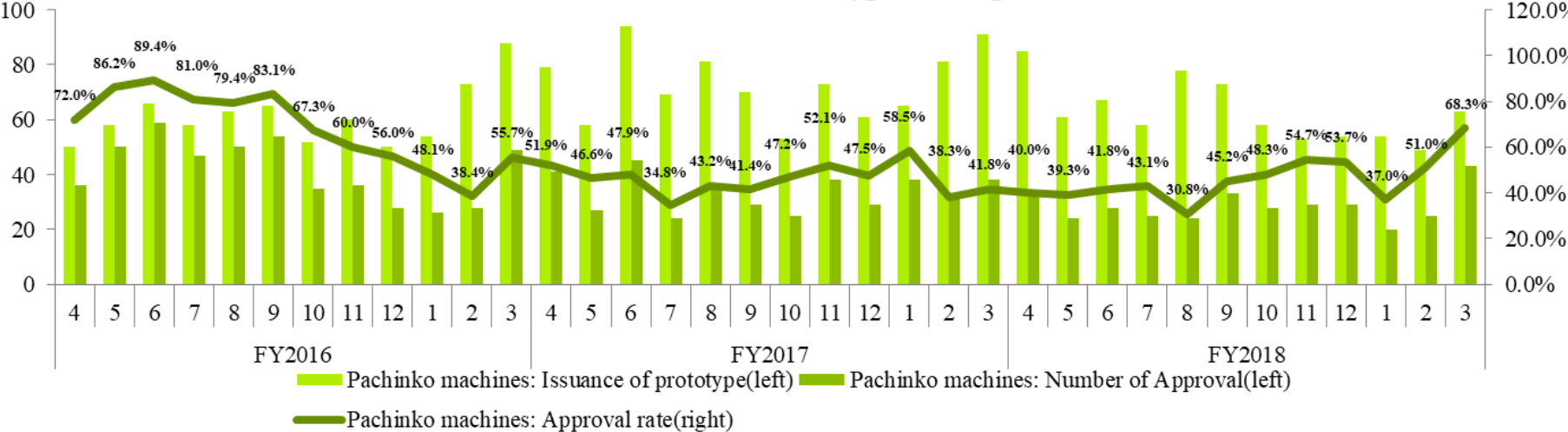


Sources : White Paper on Leisure Industry 2017, Japan Productivity Center

Pachislot machines:Prototype testing results



Pachinko machines:Prototype testing results



Sources:Security Communications Association

Share of Annual Pachislot Machine Sales

Rank	2011			2012			2013			2014			2015			2016		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	Sammy	300,866	23.9%	U Company	236,000	17.8%	Sammy	301,575	21.7%	Sammy	207,828	16.8%	U Company	165,000	17.0%	Sammy	215,736	24.3%
2	D Company	200,000	15.9%	Sammy	202,221	15.3%	U Company	215,000	15.5%	U Company	205,000	16.6%	Sammy	142,337	14.7%	U Company	203,000	22.9%
3	Y Company	196,000	15.6%	Y Company	193,000	14.6%	H Company	120,000	8.6%	D Company	128,000	10.4%	H Company	113,997	11.8%	K Company	90,500	10.2%
4	U Company	172,000	13.7%	D Company	186,000	14.0%	S Company	116,291	8.4%	Y Company	108,000	8.7%	K Company	100,000	10.3%	H Company	80,953	9.1%
5	S Company	96,158	7.6%	K Company	110,000	8.3%	D Company	102,000	7.3%	H Company	92,763	7.5%	S Company	80,125	8.3%	E Company	57,000	6.4%

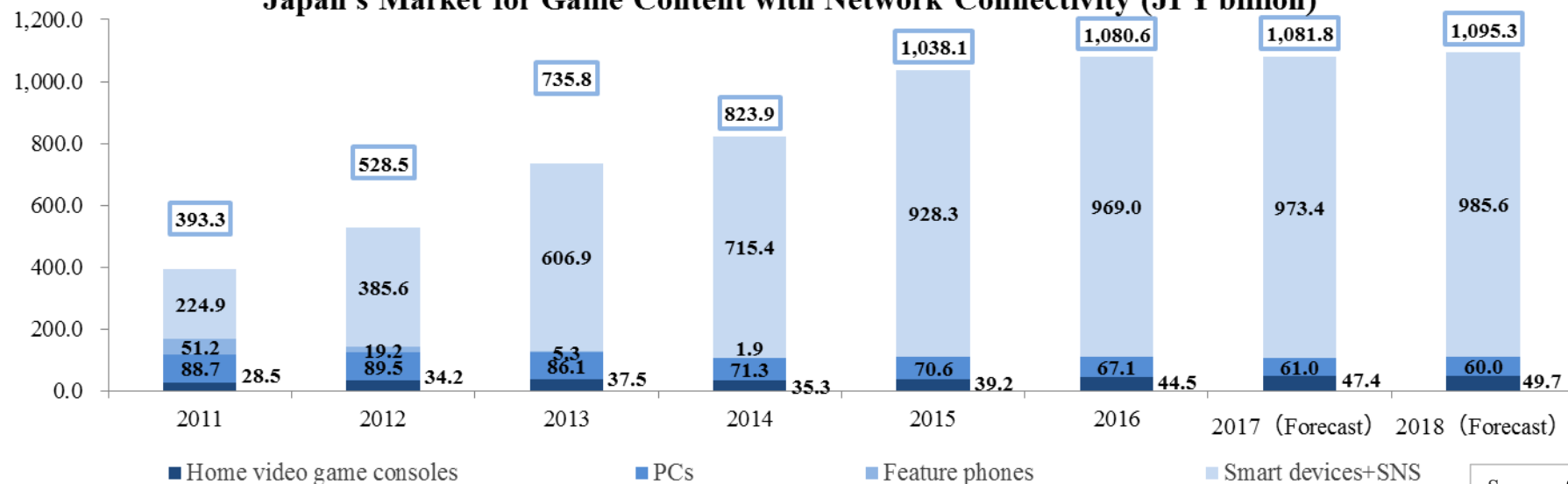
Share of Annual Pachinko Machine Sales

Rank	2011			2012			2013			2014			2015			2016		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	K Company	485,000	18.6%	S Company	544,000	21.8%	K Company	349,000	17.0%	S Company	330,000	16.4%	S Company	300,000	15.9%	S Company	306,000	19.5%
2	S Company	360,805	13.9%	K Company	507,000	20.3%	S Company	315,000	15.4%	S Company	329,892	16.4%	S Company	296,346	15.7%	S Company	209,000	13.3%
3	Sammy	332,288	12.8%	H Company	252,000	10.1%	S Company	291,967	14.3%	K Company	308,000	15.3%	S Company	275,000	14.6%	H Company	192,761	12.3%
4	S Company	332,000	12.8%	N Company	250,000	10.0%	Sammy	200,225	9.8%	H Company	252,103	12.5%	H Company	234,616	12.4%	S Company	172,954	11.0%
5	N Company	255,000	9.8%	Sammy	216,860	8.7%	H Company	197,000	9.6%	Sammy	242,847	12.0%	N Company	220,000	11.7%	N Company	160,000	10.2%
6	Sammy	199,014	10.5%	Sammy	138,321	8.8%												

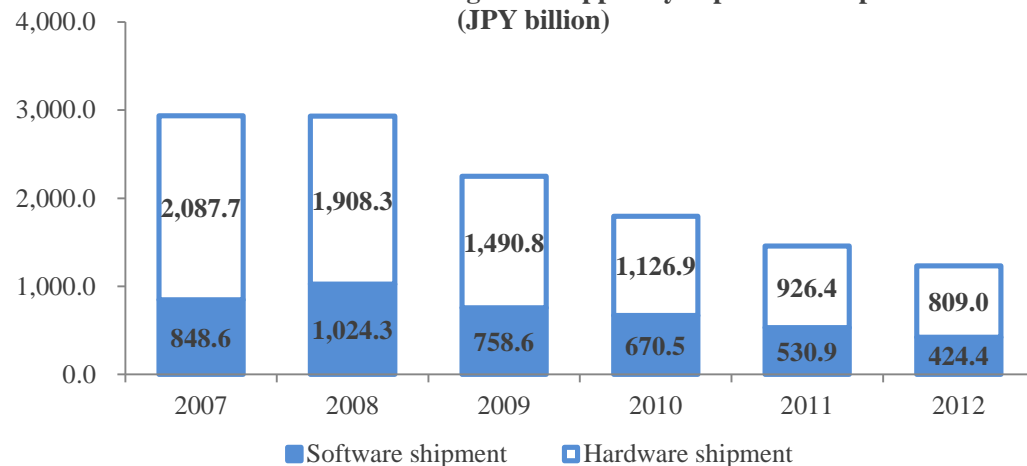
Source: Yano Research Institute Ltd.
*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

Home Video Game and Online Game Markets Scale

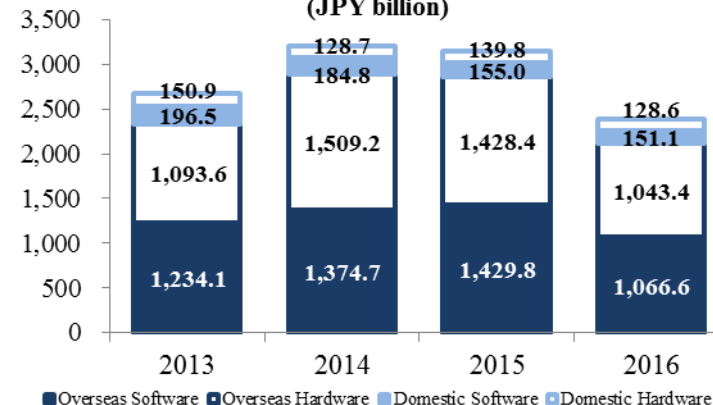
Japan's Market for Game Content with Network Connectivity (JPY billion)



Gross amount at household games shipped by Japanese Companies (JPY billion)



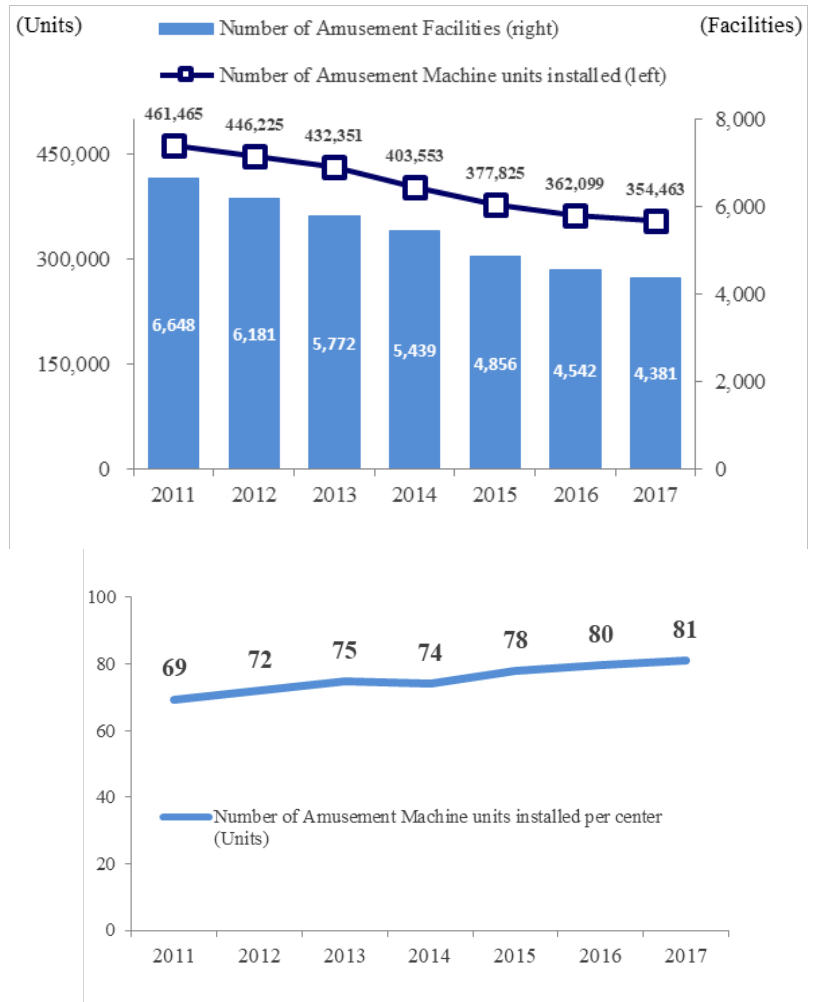
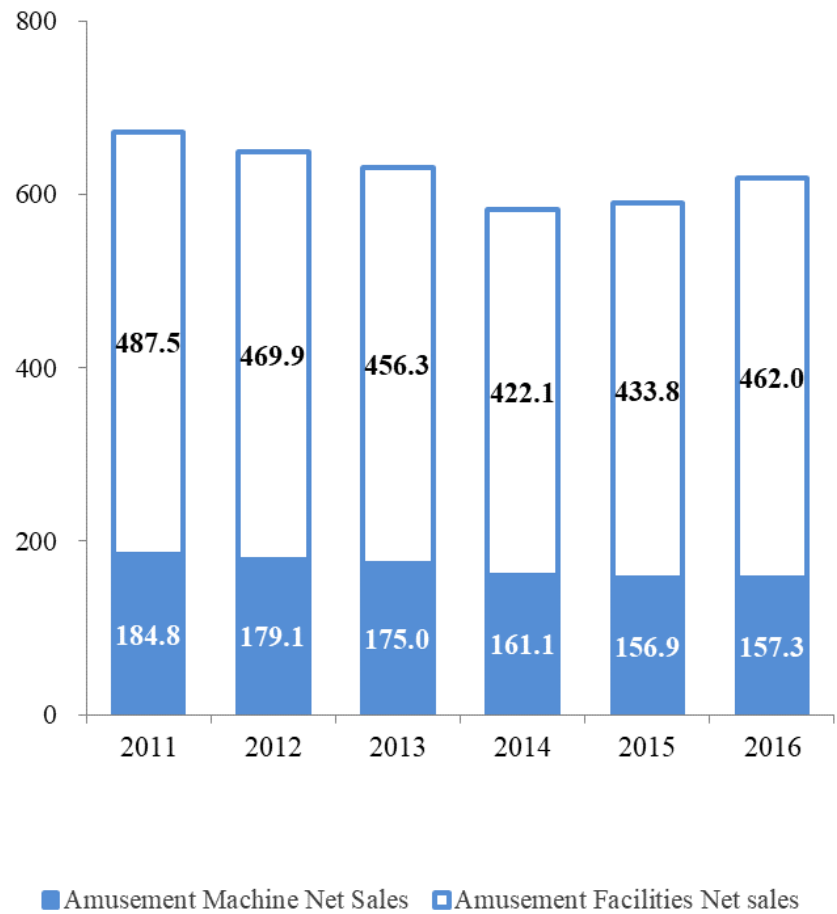
Home Video Games: Overall Shipment Scale (JPY billion)



Source: CESA Games White Paper *Chart is separated from 2013 due to the change of collection method of the data.

Amusement Machine and Amusement Center Operations Markets Scale

Amusement Machine / Facilities sales (JPY billion)



Source: JAIA, National Police Agency

Past Operating Results (Former Segment basis)

From FY Ended March 2005 to FY Ended March 2015

*The data in this page can be downloaded from following URL.
(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2015/e_201503_4q_transition.xls)

(JPY billion)		FY Ended March 2005	FY Ended March 2006	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011	FY Ended March 2012	FY Ended March 2013	FY Ended March 2014		FY Ended March 2015	
		Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results
Breakdown	Net Sales	515.6	553.2	528.2	458.9	429.1	384.6	396.7	395.5	321.4	162.2	378.0	154.2	354.9
	Pachislot and Pachinko Machines	280.1	265.6	211.5	145.5	161.6	160.3	212.0	212.1	142.2	71.2	181.8	60.6	149.1
	Amusement Machines Sales	63.3	71.5	75.4	71.0	61.9	45.1	47.2	49.9	39.1	18.0	38.6	18.0	39.6
	Amusement Center Operations	83.1	106.2	103.8	91.2	71.3	54.7	45.6	44.6	42.7	21.9	43.2	20.8	41.4
	Consumer Business	65.3	90.3	119.5	141.7	131.3	121.5	88.8	85.6	83.8	43.8	99.8	48.2	111.0
	Other	23.7	19.4	17.8	9.3	2.9	2.8	2.8	3.0	13.4	7.1	14.5	6.4	13.6
Breakdown	Operating Income	105.0	119.1	76.5	-5.8	8.3	36.7[31.0]	68.7	58.3	19.0	12.3	38.5	3.4	17.6
	Pachislot and Pachinko Machines	103.9	99.8	71.1	8.4	14.5	29.5	64.2	71.0	23.5	15.1	45.2	7.3	25.7
	Amusement Machines Sales	7.4	12.1	11.6	7.1	6.8	7.0[5.4]	7.3	7.4	1.9	-0.0	-1.2	0.1	-2.5
	Amusement Center Operations	5.4	9.2	0.1	-9.8	-7.5	-1.3[-1.4]	0.3	0.3	1.1	0.2	0.0	-0.2	-0.9
	Consumer Business	-8.8	1.9	1.7	-5.9	-0.9	6.3[2.4]	1.9	-15.1	-0.7	1.1	2.0	0.9	4.0
	Other	-0.5	-1.7	-1.3	-0.0	-0.3	0.3	0.0	0.2	-0.4	-0.4	-1.2	-1.0	-2.0
	Eliminations	-2.3	-2.3	-6.7	-5.5	-4.9	-5.2	-5.1	-5.4	-6.3	-3.6	-6.4	-3.7	-6.5
	Operating Margin	20.4%	21.5%	14.5%	-	1.9%	9.5%[8.1%]	17.3%	14.7%	5.9%	7.6%	10.2%	2.2%	5.0%
	Ordinary Income	104.4	119.5	81.2	-8.2	6.6	35.9[30.2]	68.1	58.1	20.9	14.2	40.5	3.3	16.9
	Ordinary Income Margin	20.2%	21.6%	15.4%	-	1.5%	9.3%[7.9%]	17.2%	14.7%	6.5%	8.8%	10.7%	2.1%	4.8%
	Net Income	50.5	66.2	43.4	-52.4	-22.8	20.2[14.5]	41.5	21.8	33.4	11.3	30.7	-2.0	-11.2
	Net Income Margin	9.8%	12.0%	8.2%	-	-	5.3%[3.8%]	10.5%	5.5%	10.4%	7.0%	8.1%	-	-
	ROA	11.5%	12.7%	7.9%	-11.2%	-5.4%	4.8%	11.7%	6.0%	6.3%	-	5.7%	-	-2.2%
	ROE	19.5%	23.0%	13.3%	-17.6%	-9.5%	8.8%	16.2%	7.7%	11.0%	-	9.3%	-	-3.4%
	Equity Ratio	59.0%	60.6%	61.5%	55.3%	52.4%	55.8%	60.0%	58.9%	59.7%	-	63.2%	-	60.0%
	Cash flows to interest bearing debt ratio	185.6%	230.2%	89.0%	-	218.9%	137.9%	58.9%	192.4%	524.9%	-	127.7%	-	301.9%
	Interest coverage ratio	105.8 times	123.8 times	196.3 times	-	35.1 times	73.0 times	134.1 times	58.1 times	22.9 times	-	90.0 times	-	45.2 times
	R&D expense / content production expense *3	41.5	36.3	52.1	65.3	59.6	41.5[47.2]	41.1	53.3	45.2	25.1	59.2	28.4	67.6
	Cap-ex	32.4	38.5	36.6	50.4(*1)	26.6	16.1	19.6	36.1	32.8	22.6	38.1	14.7	28.7
	Depreciation *4	17.7	21.8	28.0	45.6(*2)	26.6	17.1	15.9	16.1	18.1	7.5	16.1	8.1	17.6
	Advertising *5	11.8	18.9	22.2	22.8	20.7	20.7	15.1	17.2	13.1	7.6	16.0	10.0	19.1
	# of pachislot titles	9 titles	14 titles	17 titles	22 titles	19 titles	12 titles	10 titles	11 titles	8 titles	3 titles	9 titles	4 titles	6 titles
	Unit sales	676,933 units	607,106 units	523,422 units	380,688 units	123,286 units	162,932 units	302,270 units	300,866 units	202,221 units	143,171 units	301,575 units	92,998 units	207,828 units
	# of pachinko titles	8 titles	8 titles	14 titles	9 titles	12 titles	13 titles	12 titles	14 titles	14 titles	4 titles	10 titles	9 titles	14 titles
	Unit sales	233,049 units	288,895 units	132,981 units	108,184 units	391,831 units	360,171 units	343,188 units	332,288 units	216,860 units	54,955 units	200,225 units	86,453 units	242,847 units
	Same Store Sales Comparisons	98.5%	103.3%	95.8%	89.0%	92.4%	91.7%	99.3%	100.5%	93.8%	95.0%	96.1%	98.7%	100.1%
	Domestic Facilities	477 facilities	462 facilities	449 facilities	363 facilities	322 facilities	260 facilities	249 facilities	241 facilities	236 facilities	202 facilities	198 facilities	198 facilities	198 facilities
	# of game software titles	- (84)	- (122)	- (140)	80 (138)	78 (122)	66 (105)	51 (71)	45 (86)	25 (49)	8 (8)	21 (32)	6(14)	30 (50)
	Sales (Thousand units)	11,790	16,400	21,270	26,990	29,470	26,750	18,710	17,240	10,780	3,230	8,730	4,100	12,300

* Numbers shown in parentheses are based on previous accounting policy (For reference, unaudited)

* Number of titles reflects products which begin sales in the period (Numbers shown in parentheses are based on SKU)

(* 1): Includes rental assets of 17.1 billion Yen (full year) (* 2): Includes rental assets of 17.3 billion Yen (full year)

*3 In the fiscal year ended March 2014 and after, amortization cost of digital titles is included in R&D expense. (Up to the fiscal year ended March 2013, it was included in depreciation.)

*4 In the fiscal year ended March 2014 and after, amortization cost of digital titles is not included in depreciation. (In the fiscal year ended March 2014 and after, it is included in R&D expense/content production expense.)

*5 In the fiscal year ended March 2014 and after, advertising expenses are included in cost. (Up to the fiscal year ended March 2013, only selling, general and administrative (SG&A) expenses were included in cost.)

Past Operating Results (New Segment basis)

From FY Ended March 2015~

*The data in this page can be downloaded from following URL.

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2018/e_201803_4q_transition.xls)

(JPY Billion)		FY Ended March 2015		FY Ended March 2016				FY Ended March 2017				FY Ending March 2018			
		Results Through 2Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	Results Through 4Q
Breakdown	Net Sales	158.1	366.8	52.9	154.3	245.0	347.9	70.6	169.5	285.7	366.9	107.2	194.7	260.8	323.6
	Pachislot and Pachinko Machines	61.1	152.1	7.6[9.8]*	56.6[60.9]*	90.4[96.7]*	132.7[141.0]*	21.2	64.9	119.7	148.2	54.9	88.3	95.4	105.6
	Entertainment Contents	90.3	199.6	41.8[39.6]*	90.2[85.9]*	143.0[136.6]*	198.8[190.5]*	46.7	97.8	155.4	205.7	50.2	101.5	157.9	208.0
	Resort	6.6	14.9	3.4	7.4	11.5	16.3	2.6	6.7	10.5	13.0	2.0	4.7	7.3	9.9
Breakdown	Operating Income	2.7	17.4	-9.4	5.7	12.1	17.6	3.0	15.3	35.0	29.5	16.6	26.8	25.6	17.7
	Pachislot and Pachinko Machines	7.0	25.7	-6.7[-6.7]*	8.5[8.4]*	15.4[15.0]*	21.5[20.9]*	0.3	10.6	25.8	26.3	15.1	21.4	15.1	11.9
	Entertainment Contents	0.6	0.0	-0.7[-0.6]*	1.5[1.7]*	2.4[2.8]*	3.6[4.2]*	4.9	9.1	15.3	11.1	3.7	10.1	17.2	14.8
	Resort	-1.4	-2.3	-0.5	-1.2	-1.3	-1.8	-0.8	-1.3	-1.8	-2.2	-0.7	-1.2	-1.8	-2.5
	Other / Elimination	-3.5	-6.0	-1.3	-3.1[-3.2]*	-4.4	-5.7	-1.4	-3.1	-4.3	-5.7	-1.5	-3.4	-4.9	-6.5
	Operating Margin	1.7%	4.7%	-	3.7%	4.9%	5.1%	4.2%	9.0%	12.3%	8.0%	15.5%	13.8%	9.8%	5.5%
	Ordinary Income	2.6	16.8	-8.7	5.8	12.6	16.4	2.9	15.4	35.3	28.5	16.2	25.2	24.3	14.5
	Ordinary Income Margin	1.6%	4.6%	-	3.8%	5.1%	4.7%	4.1%	9.1%	12.4%	7.8%	15.1%	12.9%	9.3%	4.5%
	Profit attributable to owners of parent	-2.8	-11.3	-7.9	0.9	6.4	5.3	4.1	24.2	36.5	27.6	11.5	17.7	13.7	8.9
	Net Income Margin	-	-	-	0.6%	2.6%	1.5%	5.8%	14.3%	12.8%	7.5%	10.7%	9.1%	5.3%	2.8%
	ROA	-	-2.2%	-	-	-	1.0%	-	-	-	5.2%	-	-	-	1.8%
	ROE	-	-3.4%	-	-	-	1.8%	-	-	-	9.2%	-	-	-	2.9%
	Equity Ratio	-	60.0%	-	-	-	55.3%	-	-	-	59.0%	-	-	-	65.0%
	Cash flows to interest bearing debt ratio	-	301.9%	-	-	-	798.8%	-	-	-	178.6%	-	-	-	334.7%
	Interest coverage ratio	-	45.2 times	-	-	-	19.1 times	-	-	-	61.4times	-	-	-	36.5 times
	R&D expense / content production expense	28.4	67.6	12.8	24.7	40.3	58.0	13.9	31.7	48.8	67.1	15.3	30.7	45.5	62.0
	Cap-ex	14.7	28.7	6.8	12.5	21.0	28.0	6.1	13.8	20.8	27.0	5.0	10.3	16.2	24.1
	Depreciation	8.1	17.6	4.1	8.2	12.5	16.6	3.9	7.6	12.0	16.3	4.2	8.2	12.2	16.2
	Advertising	10.0	19.1	3.9	9.3	13.6	17.9	3.1	7.6	11.2	14.8	3.2	7.8	11.7	15.4
	# of pachislot titles	4 titles	6 titles	-	2 titles	6 titles	7 titles	2 titles	3 titles	6 titles	10 titles	3 titles	8 titles	8 titles	9 titles
	Unit sales	93,045 units	207,830 units	102 units	70,260 units	121,645 units	142,337 units	29,902 units	81,895 units	169,827 units	215,736 units	25,440 units	75,380 units	75,590 units	85,041 units
	# of pachinko titles	5 titles	10 titles	2 titles	6 titles	7 titles	8 titles	1 title	3 titles	6 titles	9 titles	2 titles	4 titles	5 titles	5 titles
	Unit sales	82,955 units	241,425 units	22,362 units	79,604 units	115,396 units	199,014 units	20,525 units	75,542 units	111,104 units	138,321 units	97,499 units	119,312 units	129,778 units	140,013 units
	Same Store Sales Comparisons	98.7%	100.1%	101.4%	102.2%	101.7%	103.1%	111.2%	110.8%	110.3%	108.5%	100.1%	101.5%	102.1%	101.9%
	Domestic Facilities	198 facilities	198 facilities	198 facilities	198 facilities	198 facilities	194 facilities	193 facilities	189 facilities	190 facilities	191 facilities	190 facilities	189 facilities	191 facilities	189 facilities
	# of game software titles	6	30	5	12	24	29	9	21	33	42	6	16	27	38
	Sales (Thousand units)	4,100	12,280	1,830	3,280	6,120	9,220	2,410	4,650	8,130	10,280	4,560	8,650	14,280	17,330

*Sales of new segment is changed to gross basis.

*Basis for recording net sales was changed from shipment to delivery starting in FY ended March 2016.

*In line with the change of accounting policy, contents of retroactive processing have been reflected on new segments since FY ended March 2015.

*Part of Entertainment Contents Business has been transferred to Pachislot and Pachinko Machines Business since for FY ended March 2017.

*Numbers shown in parentheses for FY 2016 results are retroactively adjusted values of estimates after changing the breakdown.

*Added the number of titles in Asia from FY March 2017

Company Profile

(As of March 31, 2018)

Company Name	SEGA SAMMY HOLDINGS INC.
Address	Shiodome Sumitomo Building 21F, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
Established	October 1, 2004
Capital	¥29.9 billion
Number of Employees	7,726 (Consolidated)
Stock Exchange	Tokyo Stock Exchange (Stock Code : 6460)

Managements

(As of April 1, 2018)

Chairman and Group CEO (Representative Director)	Hajime Satomi
President and Group COO (Representative Director)	Haruki Satomi
Senior Executive Vice President (Director of the Board)	Naoya Tsurumi
Executive Vice President and Group CFO (Director of the Board)	Koichi Fukazawa
Executive Vice President (Director of the Board)	Hideki Okamura
Director of the Board (External)	Yuji Iwanaga
Director of the Board (External)	Takeshi Natsuno
Director of the Board (External)	Kohei Katsukawa
Standing Audit & Supervisory Board Member	Shigeru Aoki
Audit & Supervisory Board Member	Yukito Sakaue
Audit & Supervisory Board Member (External)	Tomio Kazashi
Audit & Supervisory Board Member (External)	Mineo Enomoto

Information on Outstanding Shares

(As of March 31, 2018)

Number of shares authorized for issuance	800,000,000 shares
Total number of shares issued and outstanding	266,229,476 shares
Number of Shareholders	80,330

■ Principal Shareholders

Name of Shareholder	Shares Held	Shareholding Ratio (%)
HS Company	35,308,000	13.26
SEGA SAMMY HOLDINGS INC.	31,850,504	11.96
FSC Co., Ltd.	13,562,840	5.09
Japan Trustee Services Bank, Ltd. (Trust account)	10,754,900	4.03
Hajime Satomi	7,721,338	2.90

■ Distribution of Shareholders

Financial Institutions	14.96%
Securities Companies	1.83%
Other Companies	21.13%
Foreign Institutions and Individuals	28.07%
Japanese Individuals and Other	22.05%
Treasury Stock	11.96%

*Including the number of share less than 1 unit



<https://www.segasammy.co.jp/>

[Disclaimer]

■ The contents in this material and comments made during the questions and
■ answers etc. of this briefing session are the judgment and forecasts of the
■ Company's management based on the currently available information.
■ These contents involve risk and uncertainty, and the actual results may differ
■ materially from these contents/comments.

Please visit below websites for products and service information.

<https://www.sega.jp/> (SEGA Group)

<https://www.sammy.co.jp/> (Sammy)

* Company / product names in this document are trademarks or registered trademarks of the respective companies.