

FY Ending March 2012 Interim Results Presentation



November 1st, 2011
SEGA SAMMY HOLDINGS INC.

[Disclaimer]

The contents of 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 currently available information.

These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

FY Ending March 2012

【Interim Results】

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FY Ending March 2012 Interim Results



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Net Sales / Profits		<ul style="list-style-type: none"> ▪ Net sales 152.6 billion yen, Operating income 15.1 billion yen, Net Income 3.9 billion yen ▪ Year-on-year, sales and profits decreased ▪ Upward revision of operating income, ordinary income and quarterly net income on October 5 based on the results through the 2Q ▪ Upward revision of full-year forecasts of operating income, ordinary income and net income on October 31
Segment breakdown	Pachislot and Pachinko Machines	<ul style="list-style-type: none"> ▪ Year-on-year, sales and profits decreased ▪ Pachislot and Pachinko unit sales decreased compared to the results of the previous fiscal year
	Amusement Machine Sales	<ul style="list-style-type: none"> ▪ Year-on-year, sales and profits decreased ▪ Strong distribution of earnings due to utilization of revenue sharing model
	Amusement Center Operations	<ul style="list-style-type: none"> ▪ Decreased sales year-on-year, but operating income increased due to efforts to reinforce management capabilities of the existing amusement centers ▪ SEGA domestic same-store sales exceeded results of the previous fiscal year
	Consumer Business	<ul style="list-style-type: none"> ▪ Decreased sales year-on-year and increased losses ▪ Game software sales performed at a lower level year-on-year



(Publicized on September 12, 2011)

◆ Completed acquisition of treasury stocks

< Total number of shares acquired >

- Total number of shares acquired: 5,000,000 shares
- Total acquisition costs: 8,280,587,700 yen
- Acquisition period: From August 1, 2011 through September 5, 2011

< Number of treasury stocks held as of September 30, 2011 >

- Total number of issued and outstanding shares 266,229,476 shares
- Total Number of treasury stocks: 15,087,016 shares

(Effective August 1, 2011)

◆ Conversion of TAIYO ELEC into a
Wholly Owned Subsidiary of Sammy
Corporation

- Convert TAIYO ELEC to wholly owned subsidiary through share exchange of 0.40 shares of common stock of SEGA SAMMY against per share of common stock of TAIYO ELEC
⇒ Used 4,423,546 shares of Common stock of SEGA SAMMY

Consolidated Income Statements



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(JPY Billion)		FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
		Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q	YoY Change
Breakdown	Net Sales	154.3	217.8	165.0	152.6	-29.9%
	Pachislot and Pachinko Machines	68.3	134.2	82.0	74.8	-44.3%
	Amusement Machine Sales	17.9	19.6	17.5	19.3	-1.5%
	Amusement Center Operations	28.9	23.6	22.0	23.2	-1.7%
	Consumer Business	37.6	38.7	42.0	33.4	-13.7%
	Other	1.5	1.5	1.5	1.6	+6.7%
Breakdown	Operating Income	-0.3	46.8	1.5	15.1	-67.7%
	Pachislot and Pachinko Machines	10.8	47.6	11.5	20.6	-56.7%
	Amusement Machine Sales	-0.7	1.9	-1.5	1.5	-21.1%
	Amusement Center Operations	0.2	1.1	-0.1	1.6	+45.5%
	Consumer Business	-8.1	-1.3	-5.0	-6.0	-
	Other	0.2	0.1	0.1	0.2	+100.0%
	Eliminations	-2.7	-2.7	-3.5	-2.9	-
	Operating Income Margin	-	21.5%	0.9%	9.9%	-11.6pt
Ordinary Income		-0.7	46.0	1.0	14.7	-68.0%
Extraordinary Gain		1.9	2.8	-	1.1	-
Extraordinary Loss		2.5	3.6	-	5.3	-
Net Income		-6.3	24.3	-3.0	3.9	-84.0%
Dividend Per Share (JPY)		15	20	20	20	-
Earning Per Share (JPY)		-25.10	96.66	-11.92	15.79	-
Net Assets Per Share (JPY)		841.80	1,031.45	-	1,115.46	-



(JPY Billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q	YoY Change
R&D expense / Content Production Expense	22.9	18.6	22.6	19.7	+5.9%
Cap-ex	6.3	6.5	10.4	9.4	+44.6%
Depreciation	7.3	7.3	6.4	6.4	-12.3%
Advertising	7.8	7.3	9.3	7.6	+4.1%

Consolidated Balance Sheet



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(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	End of Previous Fiscal Year	End of 2Q	Change	Account	End of Previous Fiscal Year	End of 2Q	Change
Cash and Deposits	149.0	167.5	+18.5	Accounts Payable	37.5	40.6	+3.1
Accounts Receivable	56.4	45.2	-11.2	Corporate Bond	11.8	8.5	-3.3
Securities	42.4	18.9	-23.5	Short Term Borrowings	2.8	7.9	+5.1
Inventories	36.3	47.3	+11.0	Other	56.7	28.3	-28.4
Other	31.3	25.2	-6.1				
				Total Current Liabilities	109.0	85.5	-23.5
Total Current Assets	315.5	304.3	-11.2	Corporate Bond	29.6	28.5	-1.1
Tangible Fixed Assets	57.1	57.3	+0.2	Long Term Debt	5.3	30.6	+25.3
Intangible Fixed Assets	22.7	22.2	-0.5	Other	29.2	33.3	+4.1
Investment Securities	44.1	59.7	+15.6				
Other	18.9	17.1	-1.8	Total Noncurrent Liabilities	64.1	92.5	+28.4
				Total Liabilities	173.1	178.0	+4.9
				Shareholders Equity	289.0	287.1	-1.9
				Total accumulated other comprehensive income	-13.8	-6.9	+6.9
				Warrants	0.4	0.7	+0.3
				Minority Interest	9.8	2.0	-7.8
Total Noncurrent Assets	143.0	156.5	+13.5	Total Net Assets	285.4	282.9	-2.5
Total Assets	458.6	460.9	+2.3	Total Liabilities and Net Assets	458.6	460.9	+2.3

Summary of Results Through 2Q

- ◆ Current Assets: Down 11.2 billion yen, primarily to the tax payment
- ◆ Non Current Assets: Up 13.5 billion yen, primarily to the increase of the value of the investment securities etc
⇒ Total Assets: 460.9 billion yen increased by 2.3 billion yen
- ◆ Current ratio: 356.0% (+66.6 pt)
- ◆ Equity ratio: 60.8% (+0.8pt)

(JPY billion)	End of Previous Fiscal Year	End of 2Q	Difference
Total assets	458.6	460.9	+2.3
Net assets	285.4	282.9	-2.5
Equity ratio	60.0%	60.8%	+0.8pt
Current ratio	289.4%	356.0%	+66.6pt



【MEMO】



【MEMO】

Segment Results: Pachislot and Pachinko Machines



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(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q	YoY Change
Net Sales	68.3	134.2	82.0	74.8	-44.3%
Pachislot	18.2	65.9	10.2	15.4	-76.6%
Pachinko	47.1	67.0	70.0	56.9	-15.1%
Other	3.0	1.3	1.8	2.5	+92.3%
Operating Income	10.8	47.6	11.5	20.6	-56.7%
Operating Income Margin	15.8%	35.5%	14.0%	27.5%	-8.0pt
Unit Sales (Pachislot)	57,038	201,402	42,000	52,769	-73.8%
Unit Sales (Pachinko)	167,715	198,230	235,000	181,589	-8.4%

Summary of Results Through 2Q

Overall	<ul style="list-style-type: none"> ◆ Year-on-year, sales and profits decreased ◆ Cost improvement effect from reuse of components especially liquid crystal displays for Pachinko machines ◆ Material procurement cost is nearly the same as same period last year
Pachislot	<ul style="list-style-type: none"> ◆ Unit sales decreased year-on-year ◆ Solid sales of a number of released titles ⇒Rodeo “Kaze no Yojimbo 2”, Sammy “Pachislot Kaitou Tenshi Twin Angel 3”, TAIYO ELEC “GINTOKIN”
Pachinko	<ul style="list-style-type: none"> ◆ Unit sales decreased year-on-year due to the impact of the launch of some titles being postponed to 3Q and later ◆ Strong sales of a number of released titles ⇒Sammy “Pachinko CR ALADDIN NEO”, “Pachinko CR Hokuto No Ken Yuria”, “Pachinko CR Hokuto No Ken Falco”

Segment Results: Pachislot



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Shipment Data: Pachislot

*Number of titles reflects products which begin sales in the period

Pachislot	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012	
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q
Sammy	3titles	2titles	1title	2titles
	53,898units	116,407units	5,000units	20,005units
RODEO	0 title	1title	2titles	1title
	65units	49,976units	30,000units	23,465units
TAIYO ELEC	1title	1title	2titles	1title
	1,806units	35,019units	7,000units	9,299units
Total	5titles	4titles	5titles	4titles
	57,038units	201,402units	42,000units	52,769units

*Unit sales through 2Q of the fiscal year ended March 2010 includes 1,269 units in the "Other" category (Ginza brand, unit supplies)

Major Titles / Pachislot

*Unit Supply includes the supply of parts to other makers

Brand	Title	Total Sales	Installed From
RODEO	Kaze no Yojimbo 2	23,439 units	July
Sammy	Pachislot Kaitou Tenshi Twin Angel 3	12,345 units	October*
TAIYO ELEC	GINTOKIN	9,299 units	August

* Unit sales of "Pachislot Kaitou Tenshi Twin Angel 3" incorporates shipment in 2Q



“Kaze no Yojimbo 2”
(Rodeo)

©KurosawaProduction/Sammy・Dentsu・Pierrot・NTV
©Sammy ©RODEO



“Pachislot Kaitou Tenshi Twin Angel 3”
(Sammy)

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Segment Results: Pachinko





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Shipment Data: Pachinko

*Number of titles reflects products which begin sales in the period

Pachinko	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012	
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q
	4titles	6titles	6titles	4titles
	105,764units	169,874units	190,000units	153,818units
	3titles	2titles	4titles	3titles
	48,653units	28,356units	45,000units	27,771units
Total	8titles	8titles	10titles	7titles
	167,715units	198,230units	235,000units	181,589units
Board+Frame	58,504units	137,649units	87,500units	118,311units
Board	109,211units	60,581units	147,500units	63,278units

*Unit sales through 2Q for the fiscal year ended March 2010 includes 13,298 units in the "Other" category (Ginza brand)

Major Titles / Pachinko

Brand	Title	Total Sales	Installed From
	Pachinko CR ALADDIN NEO	57,455 units	July
	Pachinko CR Hokuto No Ken Yuria	20,449 units	September
	Pachinko CR Hokuto No Ken Falco	15,021 units	September



“Pachinko CR ALADDIN NEO”
(Sammy)

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“Pachinko CR Hokuto No Ken Yuria”
(Sammy)

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【MEMO】



(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q	YoY Change
Net Sales	17.9	19.6	17.5	19.3	-1.5%
Domestic	14.8	17.7	15.8	17.1	-3.4%
Overseas	3.1	1.9	1.7	2.2	+15.8%
Operating Income	-0.7	1.9	-1.5	1.5	-21.1%
Operating Income Margin	-	9.7%	-	7.8%	-1.9pt
R&D expense / Content Production Expense	4.3	3.7	3.9	4.3	+16.2%

*The kids card game business, which had been included in the Amusement Center Operations segment, was transferred to the Amusement Machine Sales segment starting from the fiscal year ending March 31, 2011.

Summary of Results Through 2Q

- ◆ Sales and profit decreased year-on-year
- ◆ Strong distribution of earnings due to utilization of revenue sharing model
- ◆ Solid sales of mainstay title “**SEGA NETWORK MAHJONG MJ5**” (2Q)
- ◆ Solid distribution of consumables such as cards



Major Titles

Title		Sales
SEGA NETWORK MAHJONG MJ5	Video Game	2.6 billion Yen
BORDER BREAK Series	Video Game	1.2 billion Yen
WORLD CLUB Champion Football Intercontinental Clubs Series	Trading Card Game	1.0 billion Yen

*Sales figures include consumable sales such as cards and sales of revenue share model machine according to utilization.



**“SEGA NETWORK MAHJONG MJ5”
(Video Game)**

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Segment Results : Amusement Center Operations



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(JPY billion)	FY Ended March 2010		FY Ended March 2011		FY Ending March 2012	
	Results Through 2Q		Results Through 2Q		Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q YoY Change
Net Sales	28.9		23.6		22.0	23.2 -1.7%
(Overseas)	2.8		1.5		0.5	0.4 -73.3%
Operating Income	0.2		1.1		-0.1	1.6 +45.5%
Operating Income Margin	0.7%		4.7%		-	6.9% +2.2pt
SEGA Same Store Sales Comparisons	92.3%		99.9%		95.7%	101.2% -
Domestic Facilities*	277facilities		252facilities		242facilities	248facilities -
SEGA	Opened	1 facility	1 facility		2facilities	2facilities -
	Closed	44facilities	7facilities		5facilities	3facilities -
	Total	231facilities	211facilities		203facilities	205facilities -
Other	Opened	0facility	1 facility		0facility	1 facility -
	Closed	2facilities	3facilities		3facilities	0facility -
	Total*	46facilities	41facilities		39facilities	43facilities -
Overseas Facilities	21facilities		11facilities		3facilities	3facilities -
Cap-ex	2.5		1.9		3.1	2.4 +26.3%
Depreciation	3.4		2.6		2.7	2.3 -11.5%

*1 facility has decreased compared to the previously released number as a result of changing counting rules for "Other" facilities in 1Q

*The kids card game business, which had been included in the Amusement Center Operations segment, was transferred to the Amusement Machine Sales segment starting from the fiscal year ending March 31, 2011.

Summary of Results Through 2Q

- ◆ Decreased sales year-on-year, but operation income increased due to efforts to reinforce management capabilities of the existing amusement centers
- ◆ SEGA domestic same-store sales: 2Q Results **101.2%** (July: **100.9%**, August: **99.1%**, September: **100.3%**, 1Q results: **102.5%**)
- ◆ Domestic Facilities : End of 1Q **248** (Openings : **3**, Closures : **3**)
⇒Temporarily closed facilities as an effect of the Great East Japan Earthquake: 1 (as of September 30)

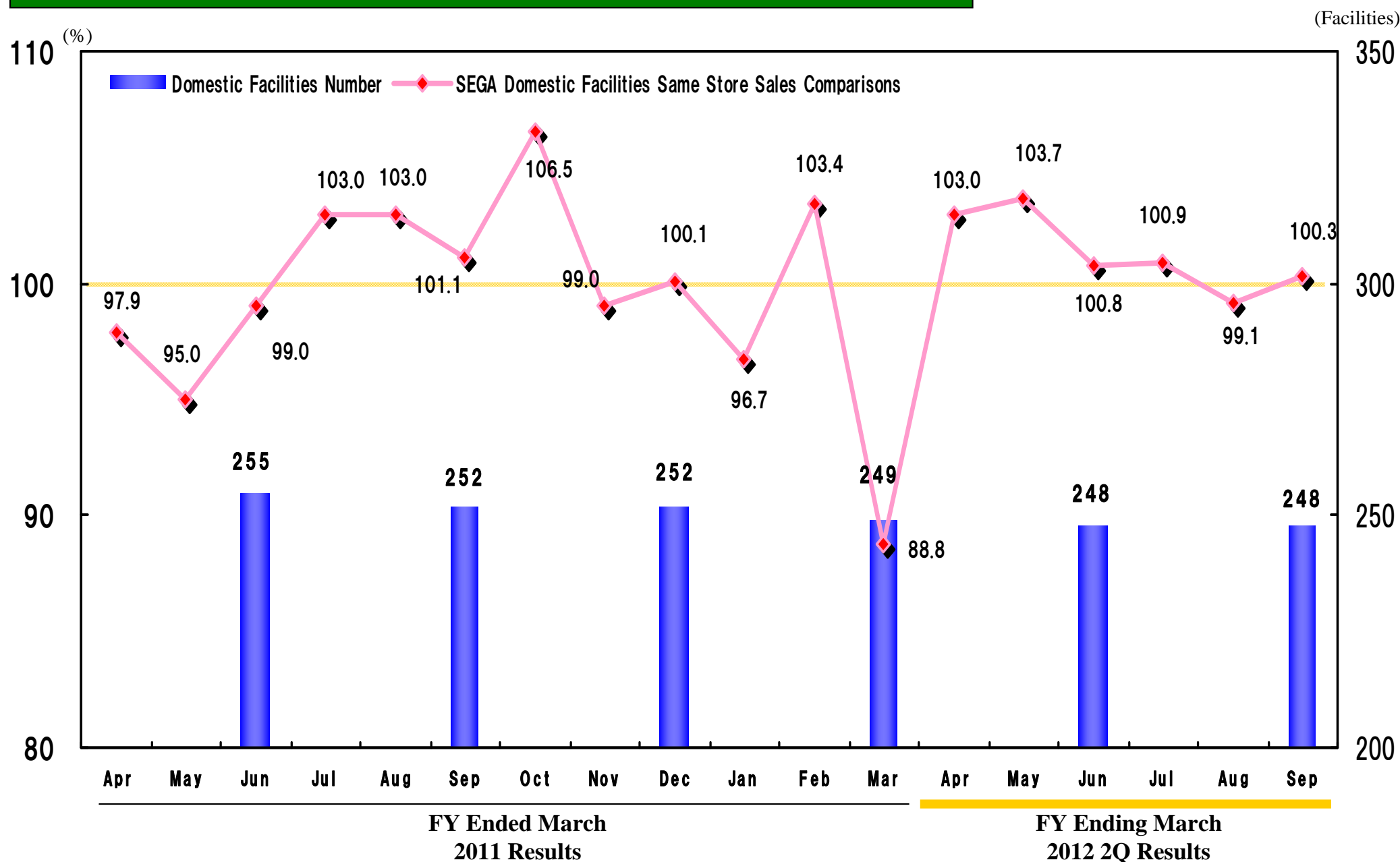
Segment Results : Amusement Center Operations



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SEGA Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



Segment Results : Consumer Business



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(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Results Through 2Q	Results Through 2Q	Initial Forecasts Through 2Q (announced on May 13)	Results Through 2Q	YoY Change
Net Sales	37.6	38.7	42.0	33.4	-13.7%
Game Contents	23.9	27.8	31.5	24.4	-12.2%
Toy	8.7	6.2	6.0	4.5	-27.4%
Animation	4.5	5.3	5.0	4.6	-13.2%
Other / Elimination	0.5	-0.6	-0.5	-0.1	-
Operating Income	-8.1	-1.3	-5.0	-6.0	-
Operating Income Margin	-	-	-	-	-
Units Sales (Thousands)	5,400	6,600	6,690	4,840	-26.7%
R&D expense / Content Production Expense	11.2	8.0	9.0	8.4	+5.0%

Summary of Results Through 2Q

Overall	<ul style="list-style-type: none"> ◆ Decreased sales year-on-year and increased losses ◆ Increase in operating expenses such as amortization on goodwill etc.
Game Contents	<ul style="list-style-type: none"> ◆ Game software sales performed at a lower level year-on-year ◆ Strong domestic sales, but sales of new titles overseas slumped ◆ “Kingdom Conquest” (iOS): achieved more than 1.6million downloads
Toy	<ul style="list-style-type: none"> ◆ Expand sales of “Anpanman”, “Jewelpod” etc.
Animation	<ul style="list-style-type: none"> ◆ Royalty revenue from “Anpanman” and “Detective Conan” were solid.

Segment Results : Consumer Business



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Sales Results (Home video game software)

*Number of titles reflects products which begin sales in the period
(Number of titles by platform is based on SKU)

Breakdown by Region	FY Ended March 2010		FY Ended March 2011		FY Ending March 2012			
	Results through 2Q		Results through 2Q		Initial Forecasts Through 2Q (announced on May 13)		Results through 2Q	
	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
Japan / Other	8 (8)	1,090	5 (5)	1,240	7 (8)	1,180	5 (6)	1,060
US	8 (12)	2,300	7 (14)	3,200	8 (18)	2,430	5 (14)	1,650
Europe	7 (10)	2,000	8 (14)	2,150	8 (19)	3,070	6 (16)	2,120
Total	23 (30)	5,400	20 (33)	6,600	23 (45)	6,690	16 (36)	4,840

Breakdown by Platform	FY Ended March 2010		FY Ended March 2011		FY Ending March 2012			
	Results through 2Q		Results through 2Q		Initial Forecasts Through 2Q (announced on May 13)		Results through 2Q	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS3	2	350	5	620	8	1,420	8	1,120
Wii	11	1,100	6	340	8	630	8	390
Xbox360	2	210	5	580	10	1,230	10	680
NDS	9	620	4	410	7	460	6	290
3DS	-	-	-	-	9	500	2	30
PSP	2	210	9	1,130	2	380	1	200
PC	4	40	4	130	1	40	1	20
Catalogue	-	2,850	-	3,350	-	2,010	-	2,090
Total	30	5,400	33	6,600	45	6,690	36	4,840

Major Titles / Home Video Game Software

Title (Region)	Platform	Sales Results (thousand units)	Sold From
Captain America: Super Soldier (Europe / US)	PS3, Xbox360, Wii, DS	450	July
RISE OF NIGHTMARES (Japan / Europe / US)	Xbox360	200	September
Sakatsuku7 EURO PLUS (Japan)	PSP	200	August



“RISE OF NIGHTMARES”

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“Sakatsuku7 EURO PLUS”

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Major Titles / Other Game Contents

Titles		Platform	Time of release and service starts
Kingdom Conquest	Download (Charging for specific items)	iOS	Previous Fiscal Year
Ryu ga Gotoku Mobile for GREE	SNS	GREE	Previous Fiscal Year

Registered Users for “777Town” / Other Game Contents

Title		Registered Users (in thousands)
Sammy 777 Town	Mobile Phones	670
777 Town.net	PC	170



“Kingdom Conquest”

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FY Ending March 2012 Full Year Forecasts



Consolidated Income Statements



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(JPY billion)		FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
		Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
Breakdown	Net Sales	384.6	396.7	152.6	450.0	440.0	+10.9%
	Pachislot and Pachinko Machines	160.3	212.0	74.8	235.0	237.0	+11.8%
	Amusement Machine Sales	45.1	47.2	19.3	50.0	52.0	+10.2%
	Amusement Center Operations	54.7	45.6	23.2	42.0	44.0	-3.5%
	Consumer Business	121.5	88.8	33.4	120.0	104.0	+17.1%
	Other	2.8	2.8	1.6	3.0	3.0	+7.1%
Breakdown	Operating Income	36.7	68.7	15.1	60.0	77.0	+12.1%
	Pachislot and Pachinko Machines	29.5	64.2	20.6	59.0	76.0	+18.4%
	Amusement Machine Sales	7.0	7.3	1.5	4.0	5.5	-24.7%
	Amusement Center Operations	-1.3	0.3	1.6	-1.6	-0.1	-
	Consumer Business	6.3	1.9	-6.0	4.5	1.5	-21.1%
	Other	0.3	0.0	0.2	0.1	0.1	-
	Eliminations	-5.2	-5.1	-2.9	-6.0	-6.0	-
	Operating Income Margin	9.5%	17.3%	9.9%	13.3%	17.5%	+0.2pts
Ordinary Income		35.9	68.1	14.7	59.0	75.5	+10.9%
Extraordinary Gain		3.1	3.7	1.1	-	-	-
Extraordinary Loss		11.9	14.3	5.3	-	-	-
Net Income		20.2	41.5	3.9	33.0	38.0	-8.4%
Dividend Per Share (JPY)		30	40	20	40	40	-
Earning Per Share (JPY)		80.46	163.19	15.79	131.10	151.03	-
Net Assets Per Share (JPY)		937.80	1,093.23	1,115.46	-	-	-



(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
R&D Expense / Content Production Expense	41.5	41.1	19.7	47.5	47.1	+14.6%
Cap-ex	16.1	19.6	9.4	20.6	30.8	+57.1%
Depreciation	17.1	15.9	6.4	16.2	16.3	+2.5%
Advertising	20.7	15.1	7.6	21.9	20.4	+35.1%



【MEMO】

Segment Forecasts: Pachislot and Pachinko Machines



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(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
Net Sales	160.3	212.0	74.8	235.0	237.0	+11.8%
Pachislot	51.7	94.9	15.4	91.8	107.3	+13.1%
Pachinko	103.1	113.9	56.9	138.6	124.2	+9.0%
Other	5.5	3.2	2.5	4.6	5.5	+71.9%
Operating Income	29.5	64.2	20.6	59.0	76.0	+18.4%
Operating Income Margin	18.4%	30.3%	27.5%	25.1%	32.1%	+1.8pt
Unit Sales (Pachislot)	162,932	302,270	52,769	290,000	310,000	+2.6%
Unit Sales (Pachinko)	360,171	343,188	181,589	455,000	400,000	+16.6%

Full Year Forecasts

Overall	<ul style="list-style-type: none"> ◆ Forecasting increased sales and profits year-on-year ◆ Risk of increase in material procurement costs due to impact of the earthquake is minimal / Cost improvement efforts centered on reuse of components ◆ Continue voluntarily halting of some advertising activities
Pachislot	<ul style="list-style-type: none"> ◆ Revised full-year sales forecast to 310,000 units ◆ Significant recovery of pachislot sales market in the wake of high operating rate of pachinko halls ◆ Order receipt for mainstay title Sammy “Pachislot Hokuto No Ken” (December) largely exceeded projections ◆ Major title scheduled for release in 4Q as well
Pachinko	<ul style="list-style-type: none"> ◆ Revised full-year sales forecast to 400,000 units ◆ Launch of mainstay titles Sammy “Pachinko SOUTEN-NO-KEN” (November), TAIYO ELEC “Ryu ga Gotoku Kenzan!” (December) ◆ Multiple titles scheduled for release in 4Q as well

Segment Forecasts : Pachislot



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Pachislot Sales Forecasts

*Number of titles reflects products which begin sales in the period

Pachislot	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)
Sammy	6titles	5titles	2titles	6titles	-
	121,677units	144,884units	20,005units	210,000units	-
RQDEO	2titles	3titles	1title	3titles	-
	29,734units	120,719units	23,465units	60,000units	-
TAIYO ELEC	2titles	2titles	1title	4titles	-
	9,257units	36,667units	9,299units	20,000units	-
Total	12titles	10titles	4titles	13titles	-
	162,932units	302,270units	52,769units	290,000units	310,000units

*Full-year unit sales of the fiscal year ended March 2010 includes 2,264 units in the "Other" category (Ginza brand, unit supplies)

3Q Major Title / Pachislot

Brand	Title	To be installed from
Sammy	Pachislot Hokuto No Ken	December



“Pachislot Hokuto No Ken”
(Sammy)

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Segment Forecasts : Pachinko



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Pachinko Sales Forecasts

*Number of titles reflects products which begin sales in the period

Pachinko	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012		
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)
Sammy	6titles	9titles	4titles	9titles	-
	274,578units	297,411units	153,818units	370,000units	-
TAIYO ELEC	6titles	3titles	3titles	6titles	-
	72,295units	45,777units	27,771units	85,000units	-
Total	13titles	12titles	7titles	15titles	-
	360,171units	343,188units	181,589units	455,000units	400,000units
Board + Frame	111,140units	245,442units	118,311units	178,500units	-
Board	249,031units	97,746units	63,278units	276,500units	-

*Full-year unit sales for the fiscal year ended March 2010 includes 13,298 units in the "Other" category (Ginza brand)

3Q Major Title / Pachinko

Brand	Title	To be installed from
Sammy	Pachinko SOUTEN-NO-KEN	November
TAIYO ELEC	Ryu ga Gotoku Kenzan!	December
Sammy	CR Rokudenashi BLUES	October



“Pachinko SOUTEN-NO-KEN”
(Sammy)

© Tetsuo Hara&Buronson 2001, Approved
No. YDG-102 ©Sammy



“Ryu ga Gotoku Kenzan!”
(TAIYO ELEC)

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(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
Net Sales	45.1	47.2	19.3	50.0	52.0	+10.2%
Domestic	38.9	42.7	17.1	41.8	-	-
Overseas	6.2	4.5	2.2	8.2	-	-
Operating Income	7.0	7.3	1.5	4.0	5.5	-24.7%
Operating Income Margin	15.5%	15.5%	7.8%	8.0%	10.6%	-4.9pt
R&D expense / Content Production Expense	7.8	9.1	4.3	7.9	-	-

*The kids card game business, which had been included in the Amusement Center Operations segment, was transferred to the Amusement Machine Sales segment starting from the fiscal year ending March 31, 2011.

Full Year Forecasts

- ◆ Forecasting sales increase but decreased profits year-on-year
- ◆ Solid sales of mainstay title “**StarHorse3 Season I A NEW LEGEND BEGINS.**” (November)
- ◆ Continuous contribution of earnings due to utilization of revenue sharing model
- ◆ Projecting temporarily increase in material cost due to a change of circuit boards

Major Title (3Q)

Title		To be installed from
StarHorse3 Season I A NEW LEGEND BEGINS.		Medal Game
		November



“StarHorse3 Season I A NEW LEGEND BEGINS.”

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(JPY billion)			FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
			Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
Net Sales			54.7	45.6	23.2	42.0	44.0	-3.5%
	(Overseas)		5.4	3.1	0.4	0.8	-	-
Operating Income			-1.3	0.3	1.6	-1.6	-0.1	-
	Operating Income Margin		-	0.7%	6.9%	—	-	-
SEGA Same Store Sales Comparisons			91.7%	99.3%	101.2%	96.3%	-	-
Domestic Facilities			260facilities	249facilities	248facilities	237facilities	-	-
SEGA	Opened		4facilities	2facilities	2facilities	5facilities	-	-
	Closed		61facilities	13facilities	3facilities	13facilities	-	-
	Total		217facilities	206facilities	205facilities	198facilities	-	-
Other	Opened		0facility	4facilities	1 facility	1 facility	-	-
	Closed		5facilities	4facilities	0facility	4facilities	-	-
	Total		43facilities	43facilities	43facilities	39facilities	-	-
Overseas Facilities			14facilities	10facilities	3facilities	3facilities	-	-
Cap-ex			7.7	7.7	2.4	9.2	-	-
Depreciation			8.2	6.1	2.3	6.9	-	-

Full Year Forecasts

- ◆ Forecasting decreased sales and profits year-on-year
- ◆ SEGA domestic same store sales comparisons: aim to achieve 100% in the full year, following strong progress through the 2Q
- ◆ Seek to maximize the impact of installing major and mainstay titles to be introduced in 3Q toward sales growth
 - ⇒ Cap-ex and depreciation projected to increase compared to the previous fiscal year



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Segment Forecasts : Consumer Business



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(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ending March 2012			
	Full Year Results	Full Year Results	Results Through 2Q	Initial Full Year Forecasts (announced on May 13)	Revised Full Year Forecasts (announced on Oct 31)	YoY Change
Net Sales	121.5	88.8	33.4	120.0	104.0	+17.1%
Game Contents	94.4	67.1	24.4	94.5	-	-
Toy	17.1	12.0	4.5	14.5	-	-
Animation	9.7	10.9	4.6	11.5	-	-
Others / Elimination	0.3	-1.2	-0.1	-0.5	-	-
Operating Income	6.3	1.9	-6.0	4.5	1.5	-21.1%
Operating Income Margin	5.2%	2.1%	-	3.8%	1.4%	-0.7pt
Units Sales (Thousands)	26,750	18,710	4,840	23,290	20,000	+6.9%
R&D expense / Content Production Expense	19.6	18.1	8.4	22.1	-	-

Full Year Forecasts

Overall	<ul style="list-style-type: none"> ◆ Forecasting sales increase but decreased profits year-on-year ◆ Increase in operating expenses such as amortization on goodwill etc (The amortization on goodwill commenced in 4Q of previous fiscal year)
Game Contents	<ul style="list-style-type: none"> ◆ Revised full-year sales forecast to 20 million units ◆ Launch multiple mainstay standard titles for overseas market ⇒ “Mario & Sonic at the London 2012 Olympic Games™” (Wii:November / 3DS:February), “Sonic Generations” (EU: November / Japan : December) ◆ Scheduled to commence online game service “Football Manager Online” in South Korea (4Q) ◆ Carry out activities of "Sammy 777 Town" for smartphones
Toy	<ul style="list-style-type: none"> ◆ Strengthen activities of mainstay products such as “Zoobles”, “Jewelpod” and “Anpanman”
Animation	<ul style="list-style-type: none"> ◆ Production of new TV series / Strong performance in production of footage for pachislot and pachinko machines / Efforts to reduce production expenses

Segment Forecasts : Consumer Business



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Sales Forecasts (Home video game software)

*Number of titles reflects products which begin sales in the period
(Number of titles by platform is based on SKU)

Breakdown by Region	FY Ended March 2010		FY Ended March 2011		FY Ending March 2012					
	Full Year Results		Full Year Results		Results through 2Q		Initial Full Year Forecasts (announced on May 13)		Revised Full Year Forecasts (announced on Oct 31)	
	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
Japan / Other	17 (21)	3,820	15 (17)	2,630	5 (6)	1,060	19 (25)	3,360	-	-
US	24 (40)	10,550	16 (24)	7,830	5 (14)	1,650	17 (32)	9,240	-	-
Europe	25 (44)	12,380	20 (30)	8,230	6 (16)	2,120	17 (34)	10,680	-	-
Total	66 (105)	26,750	51 (71)	18,710	16 (36)	4,840	53 (91)	23,290	-	20,000

Breakdown by Platform	FY Ended March 2010		FY Ended March 2011		FY Ending March 2012					
	Full Year Results		Full Year Results		Results through 2Q		Initial Full Year Forecasts (announced on May 13)		Revised Full Year Forecasts (announced on Oct 31)	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS3	20	3,560	9	1,350	8	1,120	23	4,620	-	-
Wii	23	5,740	9	1,600	8	390	11	3,600	-	-
Xbox360	16	2,300	13	1,780	10	680	18	3,080	-	-
NDS	24	4,290	9	1,590	6	290	7	610	-	-
3DS	-	-	3	360	2	30	20	4,150	-	-
PSP	8	1,310	13	2,030	1	200	6	1,080	-	-
PC	14	1,490	15	1,620	1	20	6	1,140	-	-
Catalogue	-	8,040	-	8,340	-	2,090	-	4,950	-	-
Total	105	26,750	71	18,710	36	4,840	91	23,290	-	20,000



Major Titles / Home Video Game Software

Title (Region)	Platform	To be sold from
Mario & Sonic at the London 2012 Olympic Games™ (Europe / US)	Wii, 3DS	Wii: November 3DS: February
Sonic Generations (Japan / Europe / US)	PS3, Xbox360, 3DS, PC	November
Binary Domain (Japan / Europe / US)	PS3, Xbox360	February



“Mario & Sonic at the London 2012 Olympic Games™”

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“Sonic Generations”

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Appendix



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◆ Pachislot Installed Base / Unit Sales / Market Scale

	2005	2006	2007	2008	2009	2010
Number of Pachislot Machines installed (Units)	1,936,470	2,003,482	1,635,860	1,448,773	1,347,176	1,390,492
Number of Pachislot Machines sold annually (Units)	1,786,292	1,647,759	1,744,308	913,053	766,094	979,794
Pachislot Machine Market Size (JPY Million)	536,539	490,959	502,501	247,860	225,860	286,700

◆ Pachinko Installed Base / Unit Sales / Market Scale

	2005	2006	2007	2008	2009	2010
Number of Pachinko Machines installed (Units)	2,960,939	2,932,952	2,954,386	3,076,421	3,158,799	3,163,650
Number of Pachinko Machines sold annually (Units)	4,047,999	3,837,960	3,173,725	3,349,146	3,332,984	2,900,286
Pachinko Machine Market Size (JPY Million)	869,940	898,646	868,623	921,338	985,227	886,914

◆ Pachinko Pachislot Market Installed Base / Unit Sales / Market Scale

	2005	2006	2007	2008	2009	2010
Number of Machines installed (Units)	4,897,409	4,936,434	4,590,246	4,525,194	4,505,975	4,554,142
Number of Machines sold annually (Units)	5,834,291	5,485,719	4,918,033	4,252,240	4,099,078	3,880,080
Total Machine Market Size (JPY Million)	1,406,479	1,389,605	1,371,124	1,169,198	1,211,087	1,173,614

	2005	2006	2007	2008	2009	2010
Total Number of Pachinko Halls	15,165	14,674	13,585	12,937	12,652	12,479
Number of Halls with pachinko and pachislot machines installed	13,163	12,588	12,039	11,800	11,722	11,576
Number of Halls with only pachislot machines installed	2,002	2,086	1,546	1,137	930	903

Source: National Police Agency, Yano Research Institute Ltd., Japan Productivity Center for Socio-Economic Development.

*Number of pachinko halls with pachinko machines installed includes halls that combine installations of pachinko machines, pachislot machines.



◆ Share of Annual Pachislot Machine Sales

	2007			2008			2009			2010		
Rank	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share
1	Sammy	380,688	21.8%	Y Company	172,000	18.8%	Sammy	162,932	21.3%	Sammy	302,270	30.9%
2	U Company	192,000	11.0%	S Company	133,673	14.6%	S Company	104,266	13.6%	D Company	117,000	11.9%
3	S Company	169,239	9.7%	Sammy	123,286	13.5%	U Company	100,000	13.1%	S Company	116,424	11.9%
4	D Company	152,000	8.7%	H Company	68,000	7.5%	Y Company	73,000	9.5%	H Company	111,000	11.3%
5	Y Company	152,000	8.7%	K Company	59,000	6.5%	K Company	60,000	7.8%	U Company	103,000	10.5%

◆ Share of Annual Pachinko Machine Sales

	2007			2008			2008			2009		
Rank	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share
1	S Company	820,000	25.8%	S Company	810,000	24.2%	S Company	600,000	18.0%	S Company	653,000	22.5%
2	S Company	725,819	22.9%	S Company	451,941	13.5%	S Company	572,464	17.2%	S Company	424,533	14.6%
3	K Company	510,000	16.1%	Sammy	391,831	11.7%	K Company	426,000	12.8%	Sammy	343,188	11.8%
4	N Company	204,000	6.4%	N Company	349,000	10.5%	N Company	395,000	11.9%	N Company	322,000	11.1%
5	D Company	168,000	5.3%	K Company	340,000	10.2%	Sammy	360,171	10.8%	K Company	296,000	10.2%
	Sammy	108,184	3.4%									

Source: Yano Research Institute Ltd.



◆ Amusement Machine and Amusement Center Operations Markets Scale

(JPY billion)

	2005	2006	2007	2008	2009	2010
Amusement Machines Net Sales	199.2	223.3	219.0	196.1	169.6	173.1
Amusement Facilities Operations Net Sales	682.4	702.8	678.0	573.1	504.2	495.7
Market Size of Amusement	881.6	926.2	897.0	769.2	673.8	668.8

	2005	2006	2007	2008	2009	2010
Number of Amusement Facilities (Facilities)	9,515	9,091	8,652	8,137	7,662	7,137
Number of Amusement Machine units installed (Units)	445,025	460,031	474,808	486,582	484,804	473,601
Number of Amusement Machine units installed per center (Units)	46.8	50.6	54.9	59.8	63.3	66.4

Source: JAMMA, AOU, CESA, National Police Agency

◆ Home Video Game Market Scale

(JPY billion)

	2005	2006	2007	2008	2009	2010
Software shipment	487.1	674.1	848.6	1,024.3	758.6	670.5
Hardware shipment	872.7	958.1	2,087.7	1,908.3	1,490.8	1,126.9
Total Home Video Game Market Scale	1,359.8	1,632.2	2,936.3	2,932.6	2,249.4	1,797.4

Source: 2011CESA Games White Paper

Past Operating Results



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From FY Ended March 2008 to 1Q FY Ending March 2012

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

* The data in this page can be downloaded from following URL. (http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2011/e_201203_2qtransition.xls)

(JPY billion)		FY Ended March 2008	FY Ended March 2009	FY Ended March 2010		FY Ended March 2011				FY Ending March 2012	
		Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	Full Year Results	Results Through 1Q	Results Through 2Q
Breakdown	Net Sales	458.9	429.1	154.3	384.6	91.3	217.8	310.1	396.7	65.3	152.6
	Pachislot and Pachinko Machines	145.5	161.6	68.3	160.3	48.9	134.2	167.9	212.0	29.9	74.8
	Amusement Machines Sales	71.0	61.9	17.9	45.1	9.7	19.6	38.4	47.2	7.6	19.3
	Amusement Center Operations	91.2	71.3	28.9	54.7	11.1	23.6	34.5	45.6	10.9	23.2
	Consumer Business	141.7	131.3	37.6	121.5	20.7	38.7	66.9	88.8	16.0	33.4
	Other	9.3	2.9	1.5	2.8	0.7	1.5	2.2	2.8	0.7	1.6
Breakdown	Operating Income	-5.8	8.3	-0.3	36.7	14.9	46.8	62.9	68.7	2.9	15.1
	Pachislot and Pachinko Machines	8.4	14.5	10.8	29.5	15.1	47.6	54.6	64.2	7.1	20.6
	Amusement Machines Sales	7.1	6.8	-0.7	7.0	1.3	1.9	8.4	7.3	0.1	1.5
	Amusement Center Operations	-9.8	-7.5	0.2	-1.3	0.1	1.1	0.8	0.3	0.6	1.6
	Consumer Business	-5.9	-0.9	-8.1	6.3	-0.6	-1.3	2.8	1.9	-3.8	-6.0
	Other	0.0	0.3	0.2	0.3	0.0	0.1	0.1	0.0	0.0	0.2
	Eliminations	-5.5	-4.9	-2.7	-5.2	-1.1	-2.7	-3.9	-5.1	-1.1	-2.9
Operating Margin		-	1.9%	-	5.2%	16.6%	21.5%	20.3%	17.3%	4.4%	9.9%
Ordinary Income		-8.2	6.6	-0.7	35.9	14.6	46.0	62.3	68.1	3.2	14.7
Ordinary Income Margin		-	1.5%	-	9.3%	16.0%	21.1%	20.1%	17.2%	4.9%	9.6%
Net Income		-52.4	-22.8	-6.3	20.2	7.0	24.3	36.8	41.5	-2.2	3.9
Net Income Margin		-	-	-	5.3%	7.7%	11.2%	11.9%	10.5%	-	2.6%
R&D expense / content production expense		65.3	59.6	22.9	41.5	9.5	18.6	28.8	41.1	11.0	19.7
Cap-ex		50.4	26.6	6.3	16.1	3.3	6.5	12.1	19.6	4.4	9.4
Depreciation		45.6	26.6	7.3	17.1	3.4	7.3	11.3	15.9	2.9	6.4
Advertising		22.8	20.7	7.8	20.7	3.3	7.3	11.2	15.1	3.1	7.6

# of pachislot titles	22 titles	19 titles	5 titles	12 titles	2 titles	4 titles	6 titles	10 titles	1 title	4 titles
Unit sales	380,688 units	123,286 units	57,038 units	162,932 units	109,621 units	201,402 units	268,470 units	302,270 units	7,633 units	52,769 units

# of pachinko titles	9 titles	12 titles	8 titles	13 titles	6 titles	8 titles	11 titles	12 titles	4 titles	7 titles
Unit sales	108,184 units	391,831 units	167,715 units	360,171 units	49,240 units	198,230 units	241,374 units	343,188 units	82,394 units	181,589 units

SEGA Same Store Sales Comparisons	89.0%	92.4%	92.3%	91.7%	97.2%	99.9%	100.5%	99.3%	102.5%	101.2%
Domestic Facilities	363 facilities	322 facilities	277 facilities	260 facilities	255 facilities	252 facilities	252 facilities	249 facilities	248 facilities	248 facilities

# of game software titles	80 (138)	78 (122)	23 (30)	66 (105)	7 (19)	20 (33)	37 (56)	51 (71)	9 (21)	16 (36)
Sales (Thousand units)	26,990	29,470	5,400	26,750	3,290	6,600	13,630	18,710	2,330	4,840



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