

# FY 2010 1st Quarter Results



August 3rd, 2009  
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 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.**

**※Numbers of plan for the year ended March 30, 2010 on this documents are based on the numbers publicized on May 13, 2009**



## 【FY2010 1<sup>st</sup> Quarter Results】

<b>FY 2010 1Q Highlight</b>	<b>2</b>
<b>Consolidated Income Statement</b>	<b>3</b>
<b>Cost and Expenses</b>	<b>4</b>
<b>Consolidated Balance Sheet</b>	<b>5</b>
<b>Segment Information</b>	<b>6</b>
Segment Results : Pachislot Pachinko	6
Segment Results : Amusement Machine	10
Segment Results : Amusement Facilities	12
Segment Results : Consumer Business	14
<b>Listed Subsidiaries Results</b>	<b>18</b>
Sammy Networks / SEGA TOYS	19
TAIYO ELEC / TMS Entertainment	20
<b>Appendix</b>	<b>22</b>

<p>Net Sales • Profits</p>		<ul style="list-style-type: none"> <li>▪ Net Sales : 60.4 Billion, Operating loss : 7.8 Billion (8.5 Billion), Net loss : 10.2 Billion (10.9 Billion)     *Numbers shown in parentheses are based on previous accounting policy</li> <li>▪ Decreased sales, but operating loss shrunk year on year, in line with plan     ⇒ No adjustment to interim and full year plan</li> </ul>
<p>Segment Overview</p>	<p>Pachislot Pachinko</p>	<ul style="list-style-type: none"> <li>▪ Increased sales and decreased operating loss compare to prior period</li> <li>▪ Pachislot unit sales : With no launch of new titles planned during the 1Q, Overall unit sales decreased year on year</li> <li>▪ Pachinko sales above last year level with introduction of new titles despite postponement of one title</li> </ul>
	<p>Amusement Machine</p>	<ul style="list-style-type: none"> <li>▪ With no launch of new major titles planned during the 1Q, sales decreased year over year and posted operating loss</li> <li>▪ Largely sold cards and other consumables for amusement machine as well as sales of the product we introduced in the previous fiscal year</li> </ul>
	<p>Amusement Facilities</p>	<ul style="list-style-type: none"> <li>▪ Decreased sales year on year due to decrease in number of facilities, but reduced operating loss</li> <li>▪ SEGA same store sales performed at a lower in year-on-year terms</li> <li>▪ Closed 25 facilities in 1Q</li> </ul>
	<p>Consumer</p>	<ul style="list-style-type: none"> <li>▪ Decreased sales and expanded operating loss compared with previous fiscal year that had sales of major titles</li> <li>▪ To introduce main titles of this fiscal year in second half</li> </ul>

# Consolidated Income Statement

(JPY Billion)	FY 2009			FY 2010						
	1Q Results	Interim Results	FY Results	(*) Before change in accounting policy				After change in accounting policy		
				1Q Results	YoY Change	Interim Plan	FY Plan	1Q Results	Interim Plan	FY Plan
<b>Net Sales</b>	<b>74.6</b>	<b>200.4</b>	<b>429.1</b>	<b>60.4</b>	<b>-19.0%</b>	<b>163.0</b>	<b>420.0</b>	<b>60.4</b>	<b>163.0</b>	<b>420.0</b>
Pachinko Pachislot	12.0	65.2	161.6	19.6	+63.3%	78.5	186.0	19.6	78.5	186.0
Amusement Machines	13.7	34.4	61.9	7.8	-43.1%	18.0	43.0	7.8	18.0	43.0
Amusement Facilities	17.4	37.1	71.3	14.1	-19.0%	26.5	52.0	14.1	26.5	52.0
Consumer	30.5	61.9	131.3	18.0	-41.0%	38.5	136.0	18.0	38.5	136.0
Other	0.8	1.6	2.9	0.7	-12.5%	1.5	3.0	0.7	1.5	3.0
<b>Operating Income</b>	<b>-10.2</b>	<b>-7.5</b>	<b>8.3</b>	<b>-8.5</b>	-	<b>-15.0</b>	<b>22.0</b>	<b>-7.8</b>	<b>-12.5</b>	<b>27.0</b>
Pachinko Pachislot	-4.3	-1.0	14.5	-1.0	-	3.0	22.0	-1.0	3.0	22.0
Amusement Machines	0.7	4.6	6.8	-1.2	-	-2.5	2.0	-1.0	-2.3	2.5
Amusement Facilities	-1.5	-2.8	-7.5	-0.1	-	-0.8	-1.0	-0.1	-0.8	-1.0
Consumer	-4.1	-5.9	-0.9	-5.0	-	-11.7	4.0	-4.5	-9.4	8.5
Other	0.0	0.2	0.3	0.1	-	0.0	0.0	0.1	0.0	0.0
Eliminations	-1.0	-2.6	-4.9	-1.1	-	-3.0	-5.0	-1.1	-3.0	-5.0
Operating Margin	-	-	1.9%	-	-	-	5.2%	-	-	6.4%
<b>Ordinary Income</b>	<b>-9.8</b>	<b>-8.4</b>	<b>6.6</b>	<b>-8.7</b>	-	<b>-15.5</b>	<b>21.0</b>	<b>-8.0</b>	<b>-13.0</b>	<b>26.0</b>
Ordinary Income Margin	-	-	1.5%	-	-	-	5.0%	-	-	6.2%
<b>Net Income</b>	<b>-10.5</b>	<b>-9.5</b>	<b>-22.8</b>	<b>-10.9</b>	-	<b>-17.0</b>	<b>10.0</b>	<b>-10.2</b>	<b>-14.5</b>	<b>15.0</b>
Net Income Margin	-	-	-	-	-	-	2.4%	-	-	3.6%
<b>Dividend per share (JPY)</b>	<b>-</b>	<b>15</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>30</b>	<b>-</b>	<b>15</b>	<b>30</b>
<b>Earning per share (JPY)</b>	<b>-41.81</b>	<b>-37.92</b>	<b>-90.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-40.86</b>	<b>-57.56</b>	<b>59.54</b>
<b>Net Assets per share (JPY)</b>	<b>989.32</b>	<b>990.09</b>	<b>882.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837.05</b>	<b>-</b>	<b>-</b>

※FY 2010 1Q numbers before change in accounting policy are unaudited information (reference)

(JPY Billion)	FY 2009			FY 2010						
	1Q Results	Interim Results	FY Results	(*) Before change in accounting policy				After change in accounting policy		
				1Q Results	YoY Change	Interim Plan	FY Plan	1Q Results	Interim Plan	FY Plan
(*) R&D expense	16.6	30.4	59.6	12.5	-24.7%	28.2	56.2	11.8	25.7	51.2
Cap-ex	6.5	14.5	26.6	2.7	-58.5%	8.6	16.9	2.7	8.6	16.9
Depreciation	5.4	11.9	26.6	3.5	-35.2%	7.9	18.2	3.5	7.9	18.2
Advertising	4.1	11.2	20.7	2.7	-34.1%	8.7	22.5	2.7	8.7	22.5

※FY 2010 1Q numbers before change in accounting policy are unaudited information (reference)

※ R&D expense of this material includes content production expense

## Summary of FY 2010 1Q Results

- Cap-ex and depreciation decreased significantly due to decrease in amusement facilities year on year
- R&D expenses decreased in amusement machine segment and consumer segment year on year
- Advertisement cost decreased mainly in consumer business segment year on year

# Consolidated Balance Sheet

(JPY Million) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	Prior	Current	Change	Account	Prior	Current	Change
Cash and Cash Equivalents	106,436	97,067	-9,369	Accounts Payable	51,298	31,977	-19,321
Accounts Receivable	80,468	42,879	-37,589	Corporate Bond	3,294	16,759	13,465
Securities	26,798	32,494	5,696	Short Term Borrowings	5,467	3,490	-1,977
Inventories	41,541	40,051	-1,490	Other	37,135	26,232	-10,903
Other	31,497	44,664	13,167				
				<b>Total Current Liabilities</b>	<b>97,194</b>	<b>78,461</b>	<b>-18,733</b>
<b>Total Current Assets</b>	<b>286,740</b>	<b>257,156</b>	<b>-29,584</b>	Corporate Bond	52,834	49,869	-2,965
Tangible Fixed Assets	65,116	63,430	-1,686	Long Term Debt	6,740	6,513	-227
Intangible Fixed Assets	13,242	13,434	192	Other	24,637	24,858	221
Investment Securities	27,732	29,518	1,786				
Others	31,107	27,963	-3,144	<b>Total Long-term Liabilities</b>	<b>84,211</b>	<b>81,241</b>	<b>-2,970</b>
				<b>Total Liabilities</b>	<b>181,405</b>	<b>159,702</b>	<b>-21,703</b>
				Shareholders Equity	246,767	232,692	-14,075
				Valuation/Translation Adjustments	-24,451	-21,821	2,630
				Warrants	1,222	1,193	-29
				Minority Interest	18,994	19,737	743
<b>Total Fixed Assets</b>	<b>137,197</b>	<b>134,347</b>	<b>-2,850</b>	<b>Total Net Assets</b>	<b>242,532</b>	<b>231,801</b>	<b>-10,731</b>
<b>Total Assets</b>	<b>423,938</b>	<b>391,504</b>	<b>-32,434</b>	<b>Total Liabilities and Net Assets</b>	<b>423,938</b>	<b>391,504</b>	<b>-32,434</b>

## Summary of 1Q Results (JPY Billion)

- Current assets : -29.5 Decrease in account receivable
- Fixed assets : -2.8 Decrease in fixed assets
- Current liability : -18.7 Decrease in account payable
- Fixed liability : -2.9 Decrease in corporate bond

(JPY Billion)	March 31, 2009	June 30, 2009	difference
<b>Total assets</b>	423.9	391.5	-32.4
<b>Net assets</b>	242.5	231.8	-10.7
<b>Equity ratio</b>	52.4%	53.9%	+1.5pt
<b>Current ratio</b>	295.0%	327.8%	+32.8pt

# Segment Results: Pachislot Pachinko

(JPY Billion)	FY 2009			FY 2010			
	1Q Results	Interim Results	FY Results	1Q Results	YoY Change	Interim Plan	FY Plan
<b>Net Sales</b>	<b>12.0</b>	<b>65.2</b>	<b>161.6</b>	<b>19.6</b>	<b>+63.3%</b>	<b>78.5</b>	<b>186.0</b>
Pachislot	4.8	15.6	33.8	1.6	-66.7%	10.6	51.4
Pachinko	5.2	43.8	116.5	16.0	+207.7%	64.1	128.1
Other	2.0	5.8	11.2	2.0	0.0%	3.8	6.4
<b>Operating Income</b>	<b>-4.3</b>	<b>-1.0</b>	<b>14.5</b>	<b>-1.0</b>	-	<b>3.0</b>	<b>22.0</b>
Operating Income Margin	-	-	9.0%	-	-	3.8%	11.8%
<b>Sales in Unit (Pachislot)</b>	<b>15,048</b>	<b>55,102</b>	<b>123,286</b>	<b>5,111</b>	<b>-66.0%</b>	<b>40,000</b>	<b>180,000</b>
<b>Sales in Unit (Pachinko)</b>	<b>19,704</b>	<b>154,950</b>	<b>391,831</b>	<b>53,748</b>	<b>+172.8%</b>	<b>220,000</b>	<b>450,000</b>

## 1Q Results

Pachislot

- Pachislot unit sales decreased year on year with no launch of new titles planned during the 1Q
- Repeat orders for Sammy branded “Pachislot Twin Angels 2” was main orders in 1Q

Pachinko

- Pachinko unit sales increased year on year
- Review of unit price
- Steady Sales of TAIYO ELEC “Pachinko CR Kidou Shinsengumi Moeyo Ken 2”
- Launched Sammy “Pachinko CR Hakushon Daimaou 3”
- Postponed introduction of “Pachinko CR Showa Densetsu Minami Haruo” (unit supply to GINZA) to 2Q

## 1<sup>st</sup> Half Outlook

Pachislot

- Strong sales of Sammy “Pachislot Urusei Yatsura2”
- To introduce Sammy “Pachisot Eureka Seven”, one of our mail titles of this fiscal year

Pachinko

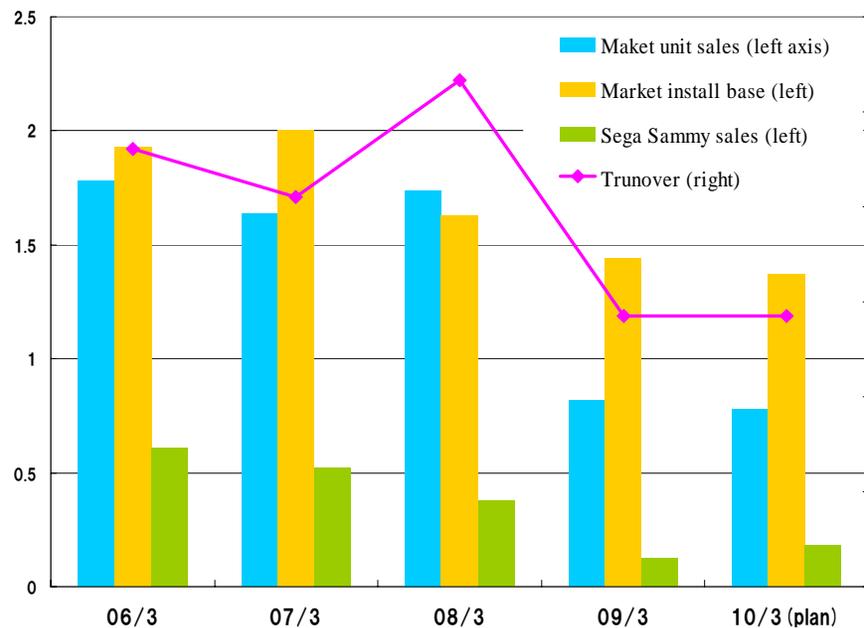
- Sold up Sammy “CR GAMERA THE BATTLE PACHINKO
- To introduce Sammy “Pachinko CR Kyutei Nyokan Chamgum no Chikai”, one of our major titles of this fiscal year

# Segment Plan: Pachislot Pachinko

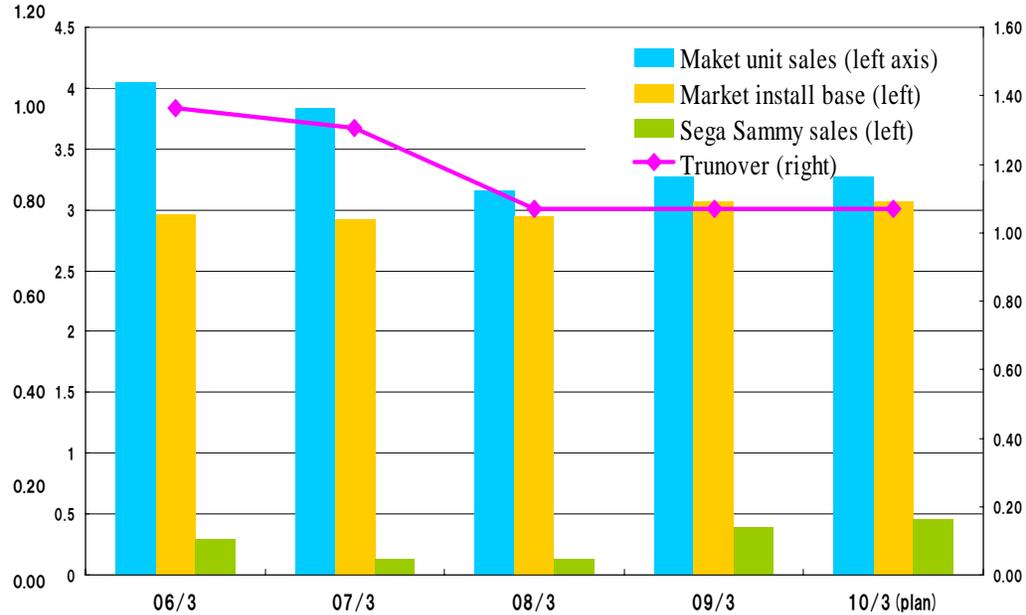
## Pachislot Pachinko Market Forecast

※The data which was not publicized yet and market forecast for 2010 are based on the company's projection

### Pachislot Machine



### Pachinko Machine



Pachislot	06/03 Results	07/03 Results	08/03 Results	09/03 Results	10/03 Plan
Market Unit Sales (Million)	1.78	1.64	1.74	0.82	0.78
Market Installed Base (Million)	1.93	2.00	1.63	1.44	1.37
Turnover (Sales / Installation)	0.92	0.82	1.07	0.57	0.57
SEGA SAMMY's Unit Sales (Thousands)	607	523	380	123	180

Pachinko	06/03 Results	07/03 Results	08/03 Results	09/03 Results	10/03 Plan
Market Unit Sales (Million)	4.04	3.83	3.16	3.28	3.28
Market Installed Base (Million)	2.96	2.93	2.95	3.07	3.07
Turnover (Sales / Installation)	1.36	1.31	1.07	1.07	1.07
SEGA SAMMY's Unit Sales (Thousands)	288	132	108	391	450

# Segment Results: Pachislot

## Sales Breakdown / Pachislot

	FY 2009			FY 2010		
	1Q Results	Interim Results	FY Results	1Q Results	Interim Plan	FY Plan
Sammy	1 title	2 titles	6 titles	0 title	1 title	6 titles
	7,693 units	24,775 units	58,184 units	3,777 units	10,000 units	100,000 units
RODEO	1 title	1 title	4 titles	0 title	1 title	3 titles
	4,253 units	4,289 units	30,073 units	65 units	20,000 units	60,000 units
TAIYO ELEC	1 title	2 titles	2 titles	0 title	2 titles	3 titles
	2,662 units	6,193 units	6,268 units	0 unit	10,000 units	20,000 units
GINZA	1 title	2 titles	5 titles	-	-	-
	290 units	11,391 units	19,657 units	-	-	-
Unit Supply	0 title	2 titles	2 titles	1 title	-	-
	150 units	8,454 units	9,104 units	1,269 units	-	-
Total	4 titles	9 titles	19 titles	1 title	4 titles	12 titles
	15,048 units	55,102 units	123,286 units	5,111 units	40,000 units	180,000 units



『Pachislot Twin Angels 2』  
(Sammy) ©Sammy

## Major Products / Pachislot

※Number of titles reflects products which began sales in period  
 ※Unit Supply includes the supply of parts to other makers

Brand	Title	1Q Sales	Installed From
Sammy	Pachislot Twin Angels 2	3,694units	Previous Fiscal Year

# Segment Results: Pachinko

## Sales Breakdown / Pachinko

	FY 2009			FY 2010		
	1Q Results	Interim Results	FY Results	1Q Results	Interim Plan	FY Plan
<b>Sammy</b>	1 title	2 titles	4 titles	1 title	3 titles	5 titles
	3,010 units	126,842 units	307,263 units	19,263 units	150,000 units	330,000 units
<b>TAIYO ELEC</b>	1 title	3 titles	5 titles	1 title	3 titles	6 titles
	15,552 units	26,946 units	44,491 units	34,248 units	50,000 units	100,000 units
<b>GINZA</b>	1 title	1 title	3 titles	-	-	-
	1,142 units	1,162 units	40,077 units	-	-	-
<b>Unit Supply</b>	-	-	-	0 title	1 title	1 title
	-	-	-	237 units	20,000 units	20,000 units
<b>Total</b>	3 titles	6 titles	12 titles	2 titles	7 titles	12 titles
	19,704 units	154,950 units	391,831 units	53,748 units	220,000 units	450,000 units
Board + Flame	10,814 units	138,215 units	350,689 units	38,278 units	132,440 units	202,500 units
Board	8,890 units	16,735 units	41,142 units	15,470 units	87,560 units	247,500 units



『CR Hakushon Daimaou 3』  
(Sammy)』

©Tatsunoko Production ©Sammy



『CR Kidou Shinsengumi Moeyo Ken2』  
(TAIYO ELEC)

© 2002 RED/Rumiko Takahashi © 2002 ENTERBRAIN, INC.  
© 2005 MOEYOKEN PROJECT

※Number of titles reflects products which began sales in period  
※Unit Supply includes the supply of parts to GINZA Corporation

## Major Products / Pachinko

Brand	Title	1Q Sales	Installed From
<b>TAIYO ELEC</b>	CR Kidou Shinsengumi Moeyo Ken 2	29,952units	May
<b>Sammy</b>	CR Hakushon Daimaou 3	15,094units	June



(JPY Billion)	FY 2009			FY 2010						
	1Q Results	Interim Results	FY Results	(*) Before change in accounting policy				After change in accounting policy		
				1Q Results	YoY Change	Interim Plan	FY Plan	1Q Results	Interim Plan	FY Plan
Net Sales	13.7	34.4	61.9	7.8	-43.1%	18.0	43.0	7.8	18.0	43.0
Domestic	12.0	31.3	53.2	6.3	-47.5%	14.8	35.9	6.3	14.8	35.9
Overseas	1.7	3.1	8.7	1.5	-11.8%	3.2	7.1	1.5	3.2	7.1
Operating Income	0.7	4.6	6.8	-1.2	-	-2.5	2.0	-1.0	-2.3	2.5
Operating Income Margin	5.1%	13.4%	11.0%	-	-	-	4.7%	-	-	5.8%
(*) R&D expense	2.6	5.7	11.4	2.4	-7.7%	5.0	9.4	2.2	4.8	8.9

※FY 2010 1Q numbers before change in accounting policy are unaudited information (reference)

※ R&D expense of this material includes content production expense

## 1Q Results

■ Decrease sales compared with last fiscal year that had sales of major title, and posted operating loss

■ Largely sold cards and other consumables for amusement machine as well as sales of the product we introduced in the previous fiscal year. Results were in line with our plan.

■ Reduced R&D cost and content production expense

※Content production expenses posted under inventories as work in process under new accounting policy in 1Q : 0.2 Billion

## 1st Half Outlook

■ To introduce “BOADER BREAK”, major title of this fiscal year  
⇒Provide new business model to improve investment efficiency of amusement facility operators and to secure our stable revenue in long term

■ Cost reduction by utilizing common reusable chassis and new circuit board

■ To reduce R&D costs and content expenses



Major Titles

Title		Total Sales		Installed From
<b>GALILEO FACTORY</b>	Medal Game	Body	26 units	Previous fiscal year



『GALILEO FACTORY』  
(Medal game)

© SEGA

# Segment Results : Amusement Facilities

(JPY Billion)		FY 2009			FY 2010			
		1Q Results	Interim Results	FY Results	1Q Results	YoY Change	Interim Plan	FY Plan
Net Sales		17.4	37.1	71.3	14.1	-19.0%	26.5	52.0
(Overseas)		2.2	4.7	8.6	1.5	-31.8%	3.0	6.0
Operating Income		-1.5	-2.8	-7.5	-0.1	-	-0.8	-1.0
Operating Income Margin		-	-	-	-	-	-	-
SEGA Same Store Sales Comps		87.3%	90.6%	92.4%	96.0%	-	91.5%	93.6%
Domestic Facilities		357 facilities	347 facilities	322 facilities	298 facilities	-	249 facilities	246 facilities
SEGA	Opened	0 facility	1 facility	3 facilities	1 facility	-	1 facility	6 facilities
	Closed	7 facilities	19 facilities	47 facilities	24 facilities	-	74 facilities	82 facilities
	Total	311 facilities	300 facilities	274 facilities	251 facilities	-	201 facilities	198 facilities
(*)Bee / TMS	Opened	1 facility	2 facilities	3 facilities	0 facility	-	0 facility	0 facility
	Closed	0 facility	0 facility	0 facility	1 facility	-	0 facility	0 facility
	Total	46 facilities	47 facilities	48 facilities	47 facilities	-	48 facilities	48 facilities
Overseas Facilities		24 facilities	22 facilities	22 facilities	21 facilities	-	20 facilities	20 facilities
Cap-ex		3.6	9.0	14.8	1.1	-69.4%	4.1	8.7
Depreciation		3.1	7.1	15.9	1.6	-48.4%	3.6	7.8

※“Bee” is an entertainment facility (Darts bar) produced by SEGA Bee LINK Co., LTD

## 1Q Results

■ Decreased sales year on year due to decrease in amusement facilities, but profitability improved

■ SEGA same store sales comps:

April: 95.6%, May: 98.8%, June: 93.0%、1Q: 96.0%

Strengthened facility operation such as medal game

Positive effect from installation of major title

■ Domestic facility number as of 1Q end: 298 facilities

(Open:1, Close:25) (March end: 322 facilities)

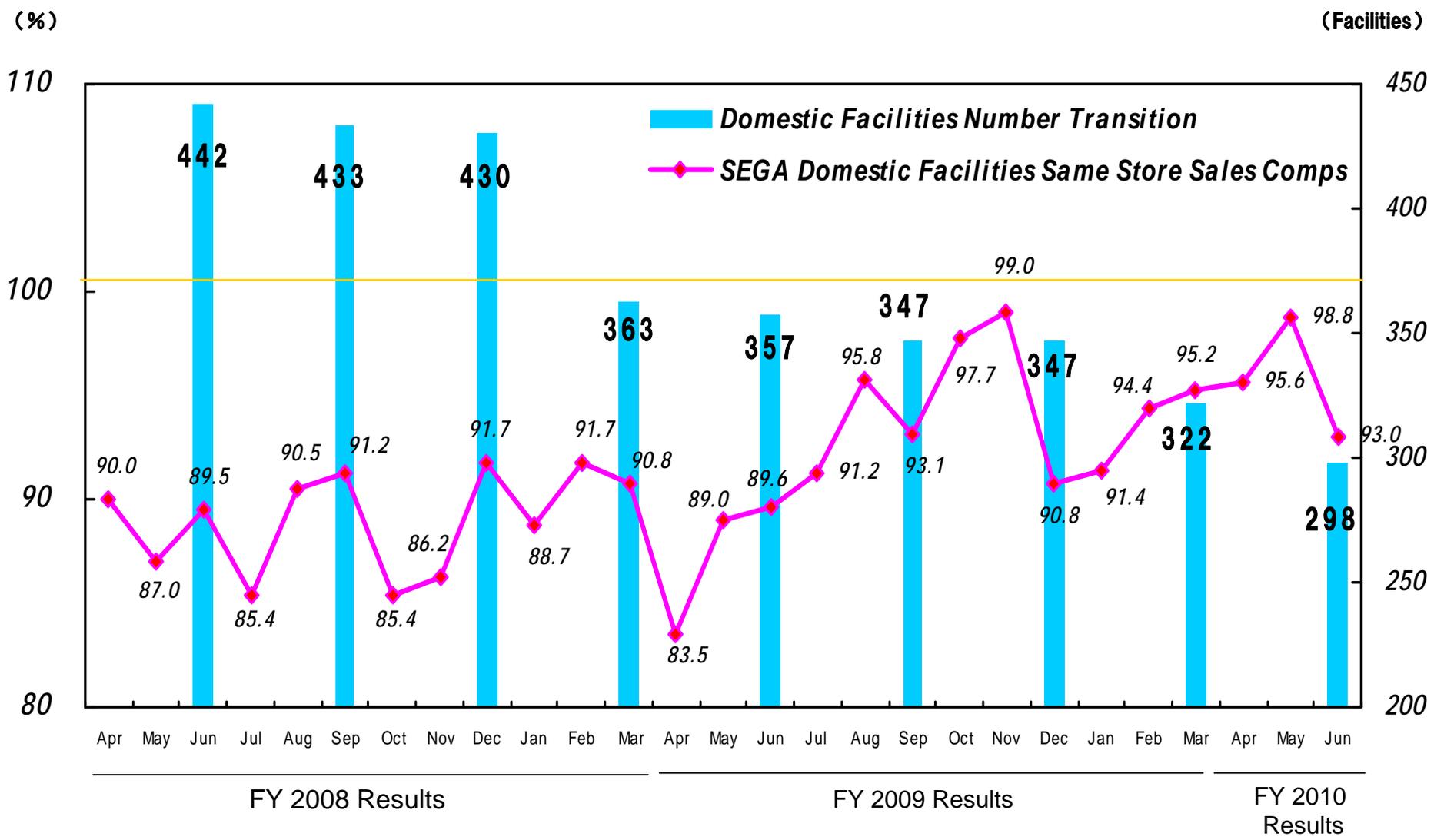
## 1st Half Outlook

■ 1st half SEGA same store sales plan : 91.5%

■ To continue closure of facilities with low profitability and future potential

# Segment results : Amusement Facilities

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



(JPY Billion)	FY 2009			FY 2010						
	1Q Results	Interim Results	FY Results	(*) Before change in accounting policy				After change in accounting policy		
				1Q Results	YoY Change	Interim Plan	FY Plan	1Q Results	Interim Plan	FY Plan
Net Sales	30.5	61.9	131.3	18.0	-41.0%	38.5	136.0	18.0	38.5	136.0
Entertainment Software	21.0	39.0	82.1	8.3	-60.5%	16.5	84.7	8.3	16.5	84.7
Network / Other	9.5	22.9	49.2	9.7	+2.1%	22.0	51.3	9.7	22.0	51.3
Operating Income	-4.1	-5.9	-0.9	-5.0	-	-11.7	4.0	-4.5	-9.4	8.5
Operating Margin	-	-	-	-	-	-	2.9%	-	-	6.3%
Sales in Units (Thousands)	6,890	12,760	29,470	2,650	-61.5%	6,170	29,700	2,650	6,170	29,700
(*) R&D expense	9.9	16.7	32.8	6.3	-36.4%	13.6	29.2	5.8	11.3	24.7

※FY 2010 1Q numbers before change in accounting policy are unaudited information (reference)

※ R&D expense of this material includes content production expense

## 1Q Results

- Decreased sales from last year that had sales of major titles, and expanded operating loss
- Reduced R&D cost and content expenses  
R&D capitalized in 1Q under new accounting policy: 0.5 Billion
- Implemented organizational reform
- TOY: Weak domestic sales, strong sales of “BAKUGAN” in overseas market.
- Mobile phone and PC content: Steady sales of downloadable games for PC
- Animation: Production and sales of animated films exceeded the results of the previous fiscal year, but the profit slightly below last year level due to an increase of production expenses

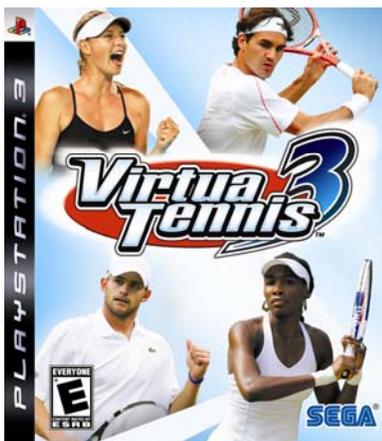
## 1st Half Outlook

- Titles to be launched in 2Q  
Overseas: “The Conduit” (Europe)  
Domestic: “Puyopuyo7” (NDS)
- Major titles of this fiscal year to be introduced in the second half  
“Mario & Sonic at the Olympic Winter Games”  
“BAYONETTA”
- To reduce R&D cost and content expenses continuously

## FY2010 1Q period Major Releases

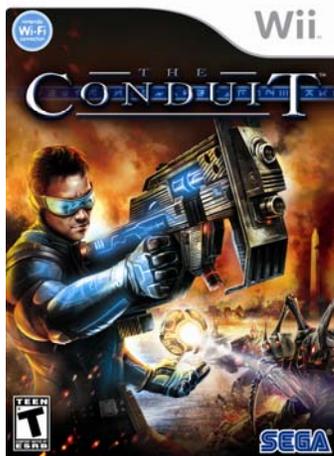
Title (Region)	Platform	Unit Sales (Thousands)	Sold from
Virtua Tennis 2009 (Europe・US)	PS3, Xbox360, Wii, PC	790	May (Europe), July (US)
The Conduit (Europe・US)	Wii	150	June (US), July (Europe)
HATSUNE MIKU -Project DIVA- (Japan)	PSP	90	July

Unit sales of HATSUNE MIKU -Project DIVA- in 1Q: Shipment in June  
 Total shipment as of July 26. : About 150 thousand units



『Virtua Tennis 2009』

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『The Conduit』

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『HATSUNE MIKU -Project DIVA-』

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# Segment Results : Consumer Business

## Sales Results / Sales Plan

※Number of titles reflects products which began sales in the period  
(Number of titles by platform in based on SKU)

Breakdown by Region	FY 2009						FY 2010					
	1Q Results		Interim Results		FY Results		1Q Results		Interim Plan		FY Plan	
	# of titles (SKU)	Sales (Thousands)										
Japan / Other	8 (8)	830	16 (17)	2,000	36 (39)	4,230	4 (4)	530	8 (8)	900	17 (22)	3,570
US	3 (15)	3,160	11 (22)	5,410	22 (41)	12,490	3 (6)	990	4 (7)	1,930	22 (43)	11,630
Europe	3 (14)	2,890	9 (22)	5,340	20 (42)	12,730	4 (7)	1,120	4 (7)	3,330	21 (42)	14,500
<b>Total</b>	<b>14 (37)</b>	<b>6,890</b>	<b>36 (61)</b>	<b>12,760</b>	<b>78 (122)</b>	<b>29,470</b>	<b>11 (17)</b>	<b>2,650</b>	<b>16 (22)</b>	<b>6,170</b>	<b>60 (107)</b>	<b>29,700</b>

Breakdown by Platform	FY 2009						FY 2010					
	1Q Results		Interim Results		FY Results		1Q Results		Interim Plan		FY Plan	
	SKU	Sales (Thousands)	SKU	Sales (Thousands)	SKU	Sales (Thousands)	SKU	Sales (Thousands)	SKU	Sales (Thousands)	SKU	Sales (Thousands)
PS2	3	630	7	930	10	1,780	0	0	0	0	0	0
PS3	8	760	9	1,040	21	3,130	2	310	2	380	20	4,630
Wii	5	510	8	1,050	23	3,920	6	550	7	1,130	22	7,300
Xbox360	6	890	7	1,090	16	2,120	2	200	2	260	19	3,460
NDS	9	850	18	1,880	30	3,170	3	180	7	600	21	4,610
PSP	2	290	4	1,030	7	1,420	2	110	2	90	9	1,260
PC	4	90	8	270	15	1,980	2	20	2	30	16	1,770
Catalogue	-	2,860	-	5,450	-	11,920	-	1,260	-	3,650	0	6,640
<b>Total</b>	<b>37</b>	<b>6,890</b>	<b>61</b>	<b>12,760</b>	<b>122</b>	<b>29,470</b>	<b>17</b>	<b>2,650</b>	<b>22</b>	<b>6,170</b>	<b>107</b>	<b>29,700</b>



【MEMO】

# Listed Subsidiaries Results



# Listed Subsidiaries Results

## Sammy NetWorks

(Consolidated: JPY Billion)	FY 2009		FY 2010		
	1Q Results	1Q Results	YoY Change	1H Plan	FY Plan
Net Sales	2.68	2.71	+1.1%	5.5	12.4
Operating Income	0.57	0.61	+7.0%	0.95	2.5
Operating Margin	21.3%	22.5%	+1.2pt	17.3%	20.2%

## SEGA TOYS

(Consolidated: JPY Billion)	FY 2009		FY 2010		
	1Q Results	1Q Results	YoY Change	1H Plan	FY Plan
Net Sales	2.6	3.02	+16.2%	9.0	19.5
Operating Income	-0.39	-0.33	—	0.02	0.42
Operating Margin	—	—	—	0.2%	2.2%

## Sammy Networks

1Q Results	<ul style="list-style-type: none"> <li>Introduced new category “Game Center (test version)” in addition to Mah-jong and casino in “777 town. net” for PC</li> <li>Prepare business base to start pay-as-you-go systems in “Sammy 777 town” for mobile phone properly</li> <li>“Yoso.net mobile” : Acquired memberships steadily mainly in “au one okozukai” collaborating with KDDI group</li> </ul>
1H Outlook	<ul style="list-style-type: none"> <li>“777 town. net” for PC : To start business “Game Center”. To provide new service by collaborating with public gambling</li> <li>“Sammy 777 town” for mobile :To utilize know-how for pay-as-you-go accumulated in “777 town. net”</li> <li>“Yoso.net mobile” : To focus on acquiring memberships continuously and also to start pay-as-you-go system</li> </ul>

## SEGA TOYS

1Q Results	<ul style="list-style-type: none"> <li>Domestic sales : Started sales of “Jwelpet”, new TV character for girls” but, sales of adult oriented toys below last year results.</li> <li>Overseas sales : Strong “BAKUGAN” exceeded last year results</li> <li>Operating loss decreased year on year by reducing sales and administrative expenses</li> </ul>
1H Outlook	<ul style="list-style-type: none"> <li>To pursue improvement in profitability by taking following four initiatives 1.Recovery of domestic sales, 2.Expansion of global business, 3. Restructuring of subsidiaries, 4. Reformation of organizational function</li> <li>To launch “Monoranmonoran”, toy from Japanese most famous educational TV program for kids, and “Uchiage Hanabi”, new family oriented toy.</li> <li>“BAKUGAN” business in overseas market will proceed as planned.</li> </ul>

# Listed Subsidiaries Results

## TAIYO ELEC

(Consolidated: JPY Billion)	FY 2009		FY 2010		
	1Q Results	1Q Results	YoY Change	1H Plan	FY Plan
Net Sales	5.11	10.61	+107.6%	17.3	34.3
Operating Income	0.39	2.49	+538.5%	1.18	2.48
Operating Margin	7.6%	23.5%	+15.9pt	6.8%	7.2%

## TMS

(Consolidated: JPY Billion)	FY 2009		FY 2010		
	1Q Results	1Q Results	YoY Change	1H Plan	FY Plan
Net Sales	2.96	3.24	+9.5%	6.45	14.97
Operating Income	-0.08	-0.07	—	-0.07	0.31
Operating Margin	—	—	—	—	2.1%

## TAIYO ELEC

1 Q Results	<p>■【Steady sales of main titles】</p> <p>Sales of “CR Kidou Shinsengumi Moeyo Ken2”, first product with new pachinko frame called “Aldio”, proceeded well, but no launch of new pachislot models was planned. Consequently, pachinko unit sales was 34 thousand (increase by 18 thousand from previous fiscal year) and pachislot unit sales was zero (decrease by 2 thousand from previous fiscal year)</p>
1 H Outlook	<p>■Currently selling lower payout version of “CR Kidou Shinsengumi Moeyo Ken2” and “Shin Megami Tensei”, new pachislot tiles using Sammy’s body frame.</p> <p>■To strengthen TAIYO ELEC brand by releasing major titles and conducting effecting advertising and promotion</p>

## TMS Entertainment

1 Q Results	<p>■Production and sales of animated films up 11% and 19% respectively year on year. Total sales of animation business up 16%, but operating income down 4% respectively</p> <p>■Sales of amusement facility business down 3% year on year, posted operating loss of 19 million yen under sullugish industry conditions</p>
1 H Outlook	<p>■Sales are expected to decrease due to decrease in production of animated films.</p> <p>■Sales are expected to be below last year results though TV series “BAKUGAN” is strong and “DETECTIVE CONAN” established the best box-office record of the series</p>



【MEMO】

# Appendix



SEGA-SAMMY  
HOLDINGS

# Company Overview



SEGA-SAMMY  
GROUP

Company Name	Sega Sammy Holdings, Inc.	Chairman President and Representative Director (CEO)	Hajime Satomi
Head Office	Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi Minato-ku, Tokyo 105-0021, Japan	Executive Vice President and Representative Director	Keishi Nakayama
Established	October 1, 2004	Director	Okitane Usui
Capital	29.953billion	Director and CCO(*) (*):CCO : Chief Creative Officer	Hisao Oguchi
Listing	Tokyo Stock Exchange 1 <sup>st</sup> Section (6460)	Director	Yuji Iwanaga
Number of Shares Outstanding	283,229,476 shares	Director	Takeshi Natsuno

Major Shareholders		Equity Shares	% Voting
1	Hajime Satomi	43,569,338	17.44%
2	SEGA SAMMY HOLDDINGS INC.	31,305,733	-
3	Mellon Bank, NA Treaty Clients Omnibus	18,093,022	7.24%
4	FSC Co., Ltd.	14,172,840	5.67%
5	The Bank Of New York Mellon Depository Bank For Depository Receipt Holders	12,757,705	5.10%
6	Japan Trustee Services Bank, Ltd. (As Trustee 4G)	11,453,000	4.58%
7	The Master Trust Bank of Japan, Ltd. (As Trustee)	10,679,600	4.27%
8	Japan Trustee Services Bank, Ltd. (As Trustee)	9,079,700	3.63%
9	State Street Bank and Trust Company	8,770,415	3.51%
10	JP Morgan Chase Bank, Ltd.380084	2,897,300	1.16%

Shareholder Data		
Type	% of Shares	% by Number of Shareholders
Financial Institutions	15.01%	0.01%
Securities Companies	0.53%	0.05%
Other Companies	6.86%	0.81%
Foreign Institutions and Individuals	33.68%	0.49%
Japanese Individuals and Other	32.87%	98.59%
Treasury stock	11.05%	0.00%

Shareholders
93,748

Shareholder Data as of March 31<sup>th</sup>, 2009  
Board Director data as of June 18<sup>th</sup>, 2009



Subsidiary	Listed on :	Major Operation	Share held by Sega Sammy (Share holding ratio)
<p><b>Sammy NetWorks Co., Ltd.</b> <a href="http://www.sammy-net.jp/">http://www.sammy-net.jp/</a> </p>	<p>TSE Mothers Securities code: 3745</p>	<p><u>&lt;Consumer&gt;</u> Distribution of music related content and game related content through mobile phones and the Internet.</p>	<p>24,804 shares (56.26%)</p>
<p><b>SEGA TOYS, LTD.</b> <a href="http://www.segatoys.co.jp/">http://www.segatoys.co.jp/</a> </p>	<p>JASDAQ Securities code: 7842</p>	<p><u>&lt;Consumer&gt;</u> Design, development and sales of toys</p>	<p>11,250,000 shares (52.24%)</p>
<p><b>TAIYO ELEC Co., Ltd.</b> <a href="http://www.taiyoelec.co.jp/">http://www.taiyoelec.co.jp/</a> </p>	<p>JASDAQ Securities code: 6429</p>	<p><u>&lt;Pachinko Pachislot&gt;</u> Design, development and sales of Pachinko and Pachislot machine</p>	<p>(*)11,623,100 shares (51.24%)</p>
<p><b>TMS Entertainment Ltd.</b> <a href="http://www.tms-e.co.jp/">http://www.tms-e.co.jp/</a> </p>	<p>NSE 2<sup>nd</sup> Section Securities code: 3585</p>	<p><u>&lt;Consumer &amp; Amusement Facilities&gt;</u> Planning, production, sales and export of animation films, and amusement businesses</p>	<p>23,549,000 shares (57.79%)</p>

(\*) Sammy, 100% subsidiary of Sega Sammy Holdings, holds the shares of TAIYO ELEC

Data as of March 31<sup>st</sup>, 2009



## Pachislot Installed Base • Unit Sales • Market Scale

	2003	2004	2005	2006	2007	2008
Number of Pachislot Machines installed (Set)	1,660,839	1,887,239	1,936,470	2,003,482	1,635,860	1,448,773
Number of Pachislot Machines sold annually (Set)	1,842,392	1,672,049	1,786,292	1,647,759	1,744,308	913,053
Pachislot Machine Market Size (JPY Million)	526,354	522,582	536,539	490,959	500,998	242,331

## Pachinko Installed Base • Unit Sales • Market Scale

	2003	2004	2005	2006	2007	2008
Number of Pachinko Machines installed (Set)	3,227,239	3,077,537	2,960,939	2,932,952	2,954,386	3,076,421
Number of Pachinko Machines sold annually (Set)	3,686,677	4,013,153	4,047,999	3,837,960	3,173,725	3,331,278
Pachinko Machine Market Size (JPY Million)	672,055	786,535	869,940	898,646	856,400	900,558

## Pachinko Pachislot market Installed Base • Unit Sales • Market Scale

	2003	2004	2005	2006	2007	2008
Number of Machines installed (Set)	4,888,078	4,964,776	4,897,409	4,936,434	4,590,246	4,525,194
Number of Machines sold annually (Set)	5,529,069	5,685,202	5,834,291	5,485,719	4,918,033	4,244,331
Total Machine Market Size (JPY Million)	1,198,409	1,309,117	1,406,479	1,389,605	1,357,398	1,142,889

## Pachinko Hall

	2003	2004	2005	2006	2007	2008
Total number of pachinko halls	16,076	15,617	15,165	14,674	13,585	12,937
Number of pachinko halls with pachinko and pachislot machines installed	14,695	13,844	13,163	12,588	12,039	11,800
Number of pachinko halls with pachislot machines installed	1,381	1,773	2,002	2,086	1,546	1,137

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

## Share of Annual Pachislot Machine Sales

Rank	2005			2006			2007			2008		
	Manufacture	Units Sold	Share									
1	<b>Sammy</b>	<b>607,106</b>	<b>34.0%</b>	<b>Sammy</b>	<b>523,422</b>	<b>31.8%</b>	<b>Sammy</b>	<b>380,688</b>	<b>21.8%</b>	Y Company	172,000	18.8%
2	D Company	236,000	13.2%	D Company	200,000	12.1%	A Company	192,000	11.0%	S Company	133,673	14.6%
3	O Company	187,000	10.5%	O Company	180,000	10.9%	S Company	169,239	9.7%	<b>Sammy</b>	<b>123,286</b>	<b>13.5%</b>
4	Y Company	150,000	8.4%	Y Company	173,000	10.5%	D Company	152,000	8.7%	O Company	68,000	7.5%
5	S Company	111,659	6.3%	K Company	155,000	9.4%	Y Company	152,000	8.7%	K Company	59,000	6.5%

## Share of Annual Pachinko Machine Sales

Rank	2005			2006			2007			2008		
	Manufacture	Units Sold	Share									
1	S Company	1,000,000	24.7%	S Company	887,000	23.1%	S Company	820,000	25.8%	S Company	810,000	24.3%
2	S Company	740,320	18.3%	K Company	804,000	21.0%	S Company	725,819	22.9%	S Company	451,941	13.6%
3	K Company	390,000	9.6%	S Company	640,186	16.7%	K Company	510,000	16.1%	<b>Sammy</b>	<b>391,831</b>	<b>11.8%</b>
4	N Company	320,000	7.9%	N Company	253,000	6.6%	N Company	204,000	6.4%	K Company	350,000	10.5%
5	<b>Sammy</b>	<b>288,895</b>	<b>7.1%</b>	D Company	195,947	5.1%	D Company	168,000	5.3%	N Company	349,000	10.5%
6	H Company	242,276	6.0%	H Company	186,000	4.9%	H Company	165,000	5.2%	F Company	194,443	5.8%
7	F Company	185,572	4.6%	F Company	180,006	4.7%	F Company	146,134	4.6%	S Company	177,000	5.3%
8	D Company	172,123	4.3%	<b>Sammy</b>	<b>132,981</b>	<b>3.5%</b>	<b>Sammy</b>	<b>108,184</b>	<b>3.4%</b>	D Company	122,000	3.7%

Source: Yano Research Institute Ltd.

## AM machines net sales, operations net sales and home videogame related market (hardware & software)

(JPY Billion)

	2003	2004	2005	2006	2007	2008
AM machines net sales	177.9	180.6	199.2	223.4	219.1	-
AM facilities operations net sales	637.7	649.2	682.5	702.9	678.1	-
Market size of Amusement	815.6	829.8	881.7	926.2	897.2	-

	2003	2004	2005	2006	2007	2008
Number of amusement centers	10,759	10,109	9,515	9,091	8,652	8,137
Number of game machine units installed	428,358	438,986	445,025	460,031	474,808	486,582
Number of game machine units installed per center	39.8	43.4	46.8	50.6	54.9	59.8

	2003	2004	2005	2006	2007	2008
Hardware shipment	704.5	440.7	872.7	958.1	2,087.7	-
Software shipment	429.8	468.4	487.1	674.1	848.6	-
Market size of Home videogame	1,134.3	909.1	1,359.8	1,632.3	2,936.4	-

	2003	2004	2005	2006	2007	2008
Total Market size of Amusement/Game	1,885.0	1,749.7	2,246.4	2,752.6	3,916.0	-

Source :JAMMA, AOU, CESA, National Police Agency

# Past Operating Results

From FY 2006 to FY 2010

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

※FY 2010 1Q numbers before change in accounting policy are unaudited information (reference)

※ R&D expense of this material includes content production expense

\* The data in this page can be downloaded from following URL. (<http://www.segasammy.co.jp/english/ir/library/excel/transition.xls>)

(JPY Billion)	FY 2006	FY 2007	FY 2008		FY 2009				FY2010	
									Before change in accounting policy	After change in accounting policy
									1Q Results	1Q Results
	FY Results	FY Results	Interim Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	1Q Results
<b>Net Sales</b>	553.2	528.2	231.0	458.9	74.6	200.4	309.0	429.1	60.4	60.4
Breakdown										
Pachislot Pachinko	265.6	211.5	99.7	145.5	12.0	65.2	106.2	161.6	19.6	19.6
Amusement Machines	71.5	75.4	34.3	71.0	13.7	34.4	49.9	61.9	7.8	7.8
Amusement Facilities	106.2	103.8	47.9	91.2	17.4	37.1	54.4	71.3	14.1	14.1
Consumer	90.3	119.5	41.2	141.7	30.5	61.9	96.0	131.3	18.0	18.0
Other	19.4	17.8	7.7	9.3	0.8	1.6	2.3	2.9	0.7	0.7
<b>Operating Income</b>	119.1	76.5	-4.3	-5.8	-10.2	-7.5	-2.7	8.3	-8.5	-7.8
Breakdown										
Pachislot Pachinko	99.8	71.1	12.1	8.4	-4.3	-1.0	5.2	14.5	-1.0	-1.0
Amusement Machines	12.1	11.6	1.8	7.1	0.7	4.6	6.2	6.8	-1.2	-1.0
Amusement Facilities	9.2	0.1	-2.2	-9.8	-1.5	-2.8	-4.9	-7.5	-0.1	-0.1
Consumer	1.9	1.7	-12.5	-5.9	-4.1	-5.9	-5.6	-0.9	-5.0	-4.5
Other	-1.7	-1.3	-0.2	0.0	0.0	0.2	0.2	0.3	0.1	0.1
Eliminations	-2.3	-6.7	-3.4	-5.5	-1.0	-2.6	-3.9	-4.9	-1.1	-1.1
Operating Margin	21.5%	14.5%	-	-	-	-	-	1.9%	-	-
<b>Ordinary Income</b>	119.5	81.2	-3.9	-8.2	-9.8	-8.4	-5.0	6.6	-8.7	-8.0
Ordinary Income Margin	21.6%	15.4%	-	-	-	-	-	1.5%	-	-
<b>Net Income</b>	66.2	43.4	-20.2	-52.4	-10.5	-9.5	-10.8	-22.8	-10.9	-10.2
Net Income Margin	12.0%	8.2%	-	-	-	-	-	-	-	-
<b>R &amp; D expense</b>	36.3	52.1	29.8	65.3	16.6	30.4	43.4	59.6	12.5	11.8
Cap-ex	38.5	36.6	34.9	50.4	6.5	14.5	20.1	26.6	2.7	2.7
Depreciation	21.8	28.0	29.5	45.6	5.4	11.9	18.9	26.6	3.5	3.5
Advertising	18.9	22.2	9.0	22.8	4.1	11.2	16.7	20.7	2.7	2.7

# of pachislot titles	14 titles	17 titles	16 titles	22 titles	4 titles	9 titles	16 titles	19 titles	1 title	1 title
Unit sales	607,106 units	523,422 units	310,496 units	380,688 units	15,048 units	55,102 units	108,500 units	123,286 units	5,111 units	5,111 units

# of pachinko titles	8 titles	14 titles	2 titles	9 titles	3 titles	6 titles	8 titles	12 titles	2 titles	2 titles
Unit sales	288,895 units	132,981 units	56,641 units	108,184 units	19,704 units	154,950 units	237,288 units	391,831 units	53,748 units	53,748 units

SEGA Same Store Sales Comps	103.3%	95.8%	88.9%	89.0%	87.3%	90.6%	92.1%	92.4%	96.0%	96.0%
Domestic Facilities	462 facilities	449 facilities	433 facilities	363 facilities	357 facilities	347 facilities	347 facilities	322 facilities	298 facilities	298 facilities

# of game software titles	-(122)	-(140)	22 (32)	80 (138)	14 (37)	36 (61)	58 (93)	78 (122)	11 (17)	11 (17)
Sales (Thousands)	16,400	21,270	4,910	26,990	6,890	12,760	21,090	29,470	2,650	2,650



<http://www.segasammy.com/>

## [Disclaimer]

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