

FY Ending March 2014 Interim Results Presentation



November 5th, 2013
SEGA SAMMY HOLDINGS INC.

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【FY Ending March 2014 Interim Results / Full Year Forecasts】

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FY Ending March 2014 Interim Results / Full Year Forecasts



Consolidated Income Statements (Summary)



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(JPY Billion)	FY Ended March 2012		FY Ended March 2013		FY Ending March 2014				
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	152.6	395.5	136.5	321.4	198.0	162.2	+19%	485.0	+51%
Pachislot and Pachinko Machines	74.8	212.1	54.3	142.2	109.0	71.2	+31%	270.0	+90%
Amusement Machine Sales	19.3	49.9	18.7	39.1	18.0	18.0	-4%	45.5	+16%
Amusement Center Operations	23.2	44.6	21.7	42.7	23.0	21.9	+1%	45.5	+7%
Consumer Business	33.4	85.6	35.3	83.8	41.0	43.8	+24%	109.5	+31%
Other	1.6	3.0	6.3	13.4	7.0	7.1	+13%	14.5	+8%
Operating Income	15.1	58.3	7.8	19.0	17.5	12.3	+58%	73.0	+284%
Pachislot and Pachinko Machines	20.6	71.0	10.4	23.5	25.2	15.1	+45%	74.0	+215%
Amusement Machine Sales	1.5	7.4	0.8	1.9	-0.1	-0.0	-	2.7	+42%
Amusement Center Operations	1.6	0.3	0.8	1.1	0.4	0.2	-75%	0.2	-82%
Consumer Business	-6.0	-15.1	-0.7	-0.7	-3.7	1.1	-	3.9	-
Other	0.2	0.2	-0.1	-0.4	-0.3	-0.4	-	-0.3	-
Eliminations	-2.9	-5.4	-3.2	-6.3	-4.0	-3.6	-	-7.5	-
Operating Margin	9.9%	14.7%	5.7%	5.9%	8.8%	7.6%	+1.9pt	15.1%	+9.2pt
Ordinary Income	14.7	58.1	7.2	20.9	17.0	14.2	+97%	72.0	+244%
Extraordinary Gain	1.1	3.3	0.3	10.1	3.0	3.8	-	3.3	-
Extraordinary Loss	5.3	18.5	0.3	5.4	-	0.6	-	4.8	-
Income before income taxes and minority interests	10.4	42.9	7.3	25.6	20.0	17.4	+138%	70.5	+175%
Net Income	3.9	21.8	3.8	33.4	9.0	11.3	+197%	47.0	+41%
Dividends per share (JPY)	20	40	20	40	20	20	-	40	-
Earnings per share (JPY)	15.79	86.73	15.74	137.14	37.18	46.76	-	194.17	-
Net Assets per share (JPY)	1,115.46	1,167.59	1,125.09	1,304.44	-	1,401.90	-	-	-

Net Sales/Profits		<ul style="list-style-type: none"> • Year-on-year, sales and profits increased • Downward revision of interim forecasts on September 20, no change for full year forecasts • Recorded extraordinary loss of 609 million yen due to costs resulting from response to unforeseen issues of digital game
Other		
Segment breakdown	Pachislot and Pachinko Machines	<ul style="list-style-type: none"> • Year-on-year, sales and profits increased due to sales of mainstay pachislot machines • Year-on-year, pachislot unit sales increased • Year-on-year, pachinko unit sales decreased due to the sales period for mainstay titles being changed to the second half of the fiscal year
	Amusement Machine Sales	<ul style="list-style-type: none"> • Recorded losses due to sales decreasing year-on-year • Results are solid compared to the initial forecast • Income from revenue sharing model continues to be strong
	Amusement Center Operations	<ul style="list-style-type: none"> • Year-on-year, profits decreased as a result of same-store sales struggling to increase • “Orbi Yokohama” opened on August 19
	Consumer Business	<ul style="list-style-type: none"> • Year-on-year, sales increased and returned to profit due to expansion of earnings in the digital business • Sales of Packaged Game, “Total War: ROME II” are solid • Mainstay digital title of the previous fiscal period “Phantasy Star Online 2” surpassed 3 million registered IDs • Applications “Puyopuyo!! Quest” and “CHAIN CHRONICLE” for smartphones are robust
	Others	<ul style="list-style-type: none"> • Year-on-year, sales increased mainly due to strengthening the management capabilities of Phoenix Resort • Preliminary expenses in resort related activities occurred, such as the establishment of SEGA SAMMY BUSAN INC.



(first half of 2013)

■ Established SEGA SAMMY CREATION, INC.

- Business Description: Development, manufacture and sales of casino equipment
- Address: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo Sunshine 60 39F
- Established: June 3, 2013
- Capital: 10 million yen
- President and Representative Director: Hisao Oguchi (Director and CCO at SEGA SAMMY HOLDINGS INC.)

(announced on July 19, 2013)

■ Issuance of Straight Corporate Bonds

<SEGA SAMMY HOLDINGS INC. First Unsecured Straight Bond (with inter-bond pari passu clause)>

- Total value of bond: 5 billion yen
- Interest rate: 0.732%
- Term: 5 years
- Maturity date: July 25, 2018

<SEGA SAMMY HOLDINGS INC. Second Unsecured Straight Bond (with inter-bond pari passu clause)>

- Total value of bond: 5 billion yen
- Interest rate: 0.493%
- Term: 3 years
- Maturity date: July 25, 2016

(announced on September 18, 2013)

■ Business Transfer of Index Corporation

- Outline of business transfer:

The operations conducted by Index Corporation including the Digital Game Business (design and development of console games and social games); Contents & Solutions Business (delivery of contents, development of systems, consigned development related to amusement machines, internet advertising, etc.); Amusement Business (development and sales of commercial amusement machines) and related businesses.

- Assets and liabilities to be transferred:

Tangible and intangible fixed assets as well as intellectual property assets related to the above operations to be transferred.

*In principle, liabilities including interest-bearing debts will not be taken over

- Value of acquisition : 14.1 billion yen
- Date for the transfer of operations: November 1, 2013

Costs and Expenses Results/Forecasts



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(JPY Billion)	FY Ended Mach 2012		FY Ended Mach 2013		FY Ending Mach 2014				
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full year Forecasts	YoY Change
R&D Expense / Content Production Expense	19.7	53.3	19.1	45.2	24.1	23.0	+20%	54.9	+21%
Cap-ex	9.4	36.1	21.6	32.8	17.1	22.6	+5%	32.5	-1%
Depreciation	6.4	16.1	7.4	18.1	10.7*	9.2	+24%	23.0*	+27%
Advertising	7.6	17.2	5.6	13.1	10.0	7.0	+25%	19.5	+49%

※ We've made a correction to the forecasts of the depreciation cost due to error in counting.

Consolidated Balance Sheet (Summary)

(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	176.5	110.4	-66.1	Accounts Payable	50.1	28.6	-21.5
Accounts Receivable	63.8	40.2	-23.6	Corporate Bond	5.8	1.7	-4.1
Securities	4.2	66.3	+62.1	Short Term Borrowings	12.8	12.8	+0.0
Inventories	42.5	44.6	+2.1	Other	34.9	29.0	-5.9
Other	31.5	21.9	-9.6	Total Current Liabilities	103.6	72.1	-31.5
Total Current Assets	318.5	283.4	-35.1	Corporate Bond	29.5	38.6	+9.1
Tangible Fixed Assets	87.0	99.0	+12.0	Long Term Debt	44.9	40.2	-4.7
Intangible Fixed Assets	22.9	21.6	-1.3	Other	30.4	33.6	+3.2
Investment Securities	72.7	100.6	+27.9	Total Noncurrent Liabilities	104.8	112.4	+7.6
Other	27.3	24.9	-2.4	Total Liabilities	208.4	184.5	-23.9
				Shareholders Equity	307.6	315.5	+7.9
				Total accumulated other comprehensive income	8.0	25.1	+17.1
				Warrants	1.1	1.0	-0.1
				Minority Interest	3.1	3.3	+0.2
Total Noncurrent Assets	209.9	246.1	+36.2	Total Net Assets	320.0	345.0	+25.0
Total Assets	528.5	529.6	+1.1	Total Liabilities and Net Assets	528.5	529.6	+1.1

Summary of Results Through 2Q

- Current Assets: Down 35.1 billion yen primarily due to the decrease of cash and deposits, accounts receivable while conversely, securities increased (short-term fund management)
- Noncurrent Assets: Up 36.2 billion yen primarily due to the increase in investment securities (increase of shares market price) and the purchase of land in Busan
 - Total Assets : 529.6 billion yen increased by 1.1 billion yen
- Equity ratio : 64.3% (+4.6pt)
- Current ratio : 393.1% (+85.7pt)

(JPY billion)	End of Previous Fiscal Year	End of 2Q	Difference
Total assets	528.5	529.6	+1.1
Net assets	320.0	345.0	+25.0
Equity ratio	59.7%	64.3%	+4.6pt
Current ratio	307.4%	393.1%	+85.7pt

(JPY Billion)	FY Ended Mach 2012		FY Ended Mach 2013		FY Ending Mach 2014				
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	74.8	212.1	54.3	142.2	109.0	71.2	+31%	270.0	+90%
Pachislot	15.4	104.3	36.1	64.2	66.6	52.2	+45%	165.0	+157%
Pachinko	56.9	101.8	14.8	72.3	40.3	16.9	+14%	100.8	+39%
Other	2.5	6.0	3.4	5.7	2.1	2.1	-38%	4.2	-26%
Operating Income	20.6	71.0	10.4	23.5	25.2	15.1	+45%	74.0	+215%
Operating Income Margin	27.5%	33.5%	19.2%	16.5%	23.1%	21.2%	+2.0pt	27.4%	+10.9pt
Unit Sales (Pachislot)	52,769	300,866	108,604	202,221	188,000	143,171	+32%	478,000	+136%
Unit Sales (Pachinko)	181,589	332,288	57,749	216,860	127,500	54,955	-5%	324,500	+50%

Summary of Results Through 2Q

Full Year Forecast

Overall

- Year-on-year, sales and profits increased
- Results are below the initial forecast due to the revision of sales schedule for several titles

- Year-on-year, sales and profits are forecasted to increase

Pachislot

- Unit sales increased year-on-year in 2Q mainly as a result of the continued sales of “**Pachislot Hokuto No Ken Chapter of Resurrection**” launched in 1Q and the sales of “**Pachislot Kaiji 3**” launched in 2Q, etc. On the other hand, the unit sales decreased compared to the initial forecast
- Main new title launched in 2Q
⇒GINZA “**Pachislot Kaiji 3**”

- Unit sales forecasted to increase by 270,000 units year-on-year by introducing several mainstay titles
- Main titles to be launched in the second half of the fiscal year
⇒Sammy “**Pachislot Bakemonogatari**,” “**Pachislot Eureka Seven 2**,” “**Pachislot Juuh**” etc.
⇒GINZA “**Pachislot Urusei Yatsura 3**” etc.
⇒TAIYO ELEC “**Pachislot Kamen Rider Unlimited**” etc.

Pachinko

- Unit sales decreased year-on-year and decreased compared to the initial forecast due to the sales schedule for major titles being changed to the second half of the fiscal year
- Main new sales title launched in 2Q
⇒Sammy “**Pachinko CR Rookies**”
⇒TAIYO ELEC “**CR Gorenger**”

- Unit sales forecasted to increase by 110,000 units year-on-year by introducing several major titles
- Main titles to be launched in the second half of the fiscal year
⇒Sammy ” **Pachinko CR SOUTEN-NO-KEN**,” “**Pachinko CR Aladdin TURBO**,” “**Pachinko CR Hokuto No Ken 5 Hyakuretsu**” etc.
⇒TAIYO ELEC “**CR SAMURAI CHAMPLOO 3**” etc.

Shipment Data: Pachislot

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

Pachislot	FY Ended March 2012		FY Ended March 2013		FY Ending March 2014		
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	Full Year Forecasts
Sammy	2 titles	4 titles	3 titles	4 titles	2 titles	1title	5 titles
	20,005 units	204,687 units	69,209 units	91,484 units	155,000 units	114,453 units	365,000 units
RODEO	1title	3titles	0title	2titles	0title	0title	1title
	23,465 units	82,474 units	38,663 units	104,041 units	0unit	893 units	30,000 units
TAIYO ELEC	1title	4titles	0title	2titles	1title	1title	3 titles
	9,299 units	13,705 units	732 units	6,696 units	3,000 units	2,375 units	33,000 units
GINZA	-	-	-	-	1title	1title	2 titles
	-	-	-	-	30,000 units	25,450 units	50,000 units
Total	4 titles	11 titles	3 titles	8 titles	4 titles	3titles	11 titles
	52,769 units	300,866 units	108,604 units	202,221 units	188,000 units	143,171 units	478,000 units

*A portion of breakdown of number of titles and number of unit sales by brand for the forecast of the year ending March 2014 has been changed

Major Titles (Results) / Pachislot

Brand	Title	Total Sales	Installed From
Ginza	Pachislot Kaiji 3	25,450 units	September



“Pachislot Kaiji 3” (Ginza)

©Nobuyuki Fukumoto/ Kodansha, VAP Inc., Nippon Television Network Corporation
 ©Nobuyuki Fukumoto/ Kodansha, VAP Inc., MADHOUSE Inc., Nippon Television Network Corporation, DNDP
 ©Sammy ©RODEO Manufactured by Ginza

Segment Results / Forecast: Pachinko

Shipment Data: Pachinko

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

Pachinko	FY Ended March 2012		FY Ended March 2013		FY Ending March 2014		
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	Full Year Forecasts
Sammy	4 titles	9 titles	5 titles	8 titles	3 titles	2 titles	7 titles
	153,818 units	276,617 units	45,119 units	195,088 units	90,000 units	27,405 units	260,000 units
TAIYO ELEC	3 titles	5 titles	4 titles	6 titles	3 titles	2 titles	5 titles
	27,771 units	55,671 units	12,630 units	21,772 units	37,500 units	27,550 units	64,500 units
Total	7 titles	14 titles	9 titles	14 titles	6 titles	4 titles	12 titles
	181,589 units	332,288 units	57,749 units	216,860 units	127,500 units	54,955 units	324,500 units
Board + Frame	118,311 units	158,266 units	8,678 units	160,128 units	77,700 units	35,151 units	163,900 units
Board	63,278 units	174,022 units	49,071 units	56,732 units	49,800 units	19,804 units	160,600 units

Major Titles (Results)/ Pachinko

Brand	Title	Total Sales	Installed From
Sammy	Pachinko CR Rookies	12,196 units	September
TAIYO ELEC	CR Gorenger	5,945 units	August



“Pachinko CR Rookies” (Sammy)

©Masanori Morita, Studio Hitman / Shueisha ©Sammy



“CR Gorenger” (TAIYO ELEC)

©Ishimori Production Inc., Toei Company, Ltd., ©TAIYO ELEC



(JPY Billion)	FY Ended Mach 2012		FY Ended Mach 2013		FY Ending Mach 2014				
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts Through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	19.3	49.9	18.7	39.1	18.0	18.0	-4%	45.5	+16%
Domestic	17.1	43.9	16.0	32.7	15.3	15.5	-3%	39.3	+20%
Overseas	2.2	6.0	2.7	6.4	2.7	2.5	-7%	6.2	-3%
Operating Income	1.5	7.4	0.8	1.9	-0.1	-0.0	-	2.7	+42%
Operating Income Margin	7.8%	14.8%	4.3%	4.9%	-	-	-	5.9%	+1.0pt
R&D Expense / Content Production Expense	4.3	9.3	3.7	7.8	3.6	4.0	+8%	8.8	+13%

Summary of Results Through 2Q

- Recorded losses due to sales decreasing year-on-year
- Results are solid compared to the initial forecast
- Launched mainstay title under revenue sharing model **“CODE OF JOKER”**
- Launched CVT kits for mainstay titles
⇒ **“StarHorse3 Season II BLAZE OF GLORY”**
- Distribution of earnings from revenue sharing model continue to be strong
(mainstay titles under revenue sharing models)
“CODE OF JOKER”
“BORDER BREAK” series

Full Year Forecast

- Year-on-year, sales and profits are forecasted to increase
- Launch of several mainstay titles
⇒ **“Hokuto no Ken BATTLE MEDAL,” “The World of Three Kingdoms,”**
etc.
- Promote sales of CVT kits for mainstay titles
⇒ **“WORLD CLUB Champion Football,” “SENGOKU TAISEN,”** etc.
- Expect continued distribution of earnings from revenue sharing model
- Introduce free-to-play model as a new business model
⇒ **“Puyopuyo!! Quest Arcade”** (November)

Major Titles (Results)

Title	Game Type	Sales
CODE OF JOKER	Video Game	2.2 billion yen
StarHorse3 Series	Medal Game	0.9 billion yen
BORDER BREAK Series	Video Game	0.8 billion yen

*Sales figures include sales of CVT Kits and distribution of earnings of revenue sharing titles.



“CODE OF JOKER”
©SEGA



“StarHorse3 Season II BLAZE OF GLORY”
©SEGA

(JPY Billion)	FY Ended March 2012		FY Ended March 2013		FY Ending March 2014					
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Initial Forecasts through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change	
Net Sales	23.2	44.6	21.7	42.7	23.0	21.9	+1%	45.5	+7%	
Operating Income	1.6	0.3	0.8	1.1	0.4	0.2	-75%	0.2	-82%	
Operating Income Margin	6.9%	0.7%	3.7%	2.6%	1.7%	0.9%	-2.8pt	0.4%	-2.2pt	
Same Store Sales Comparisons *	101.2%	100.5%	93.8%	93.8%	101.5%	95.0%	-	101.8%	-	
Domestic Facilities	Opened	3 facilities	5 facilities	1 facility	3 facilities	2 facilities	3 facilities	-	4 facilities	-
	Closed	3 facilities	12 facilities	4 facilities	8 facilities	3 facilities	3 facilities	-	9 facilities	-
	Total	248 facilities	241 facilities	238 facilities	236 facilities	201 facilities	202 facilities	-	197 facilities	-
Overseas Facilities	3 facilities	3 facilities	3 facilities	3 facilities	3 facilities	2 facilities	-	4 facilities	-	
Cap-ex	2.4	8.3	5.4	7.9	5.0	4.1	-24%	10.1	+28%	
Depreciation	2.3	6.1	2.1	4.6	2.5	2.1	-	5.5	+20%	

※ The counting method for the number of facilities has been changed from fiscal year ending March 2014 as a result of establishment of Sega Entertainment Co., Ltd. and the integration of center operation business within the Group

※ The facilities targeted as same stores have been changed from fiscal year ending March 2014 as a result of the integration of center operation business within the Group

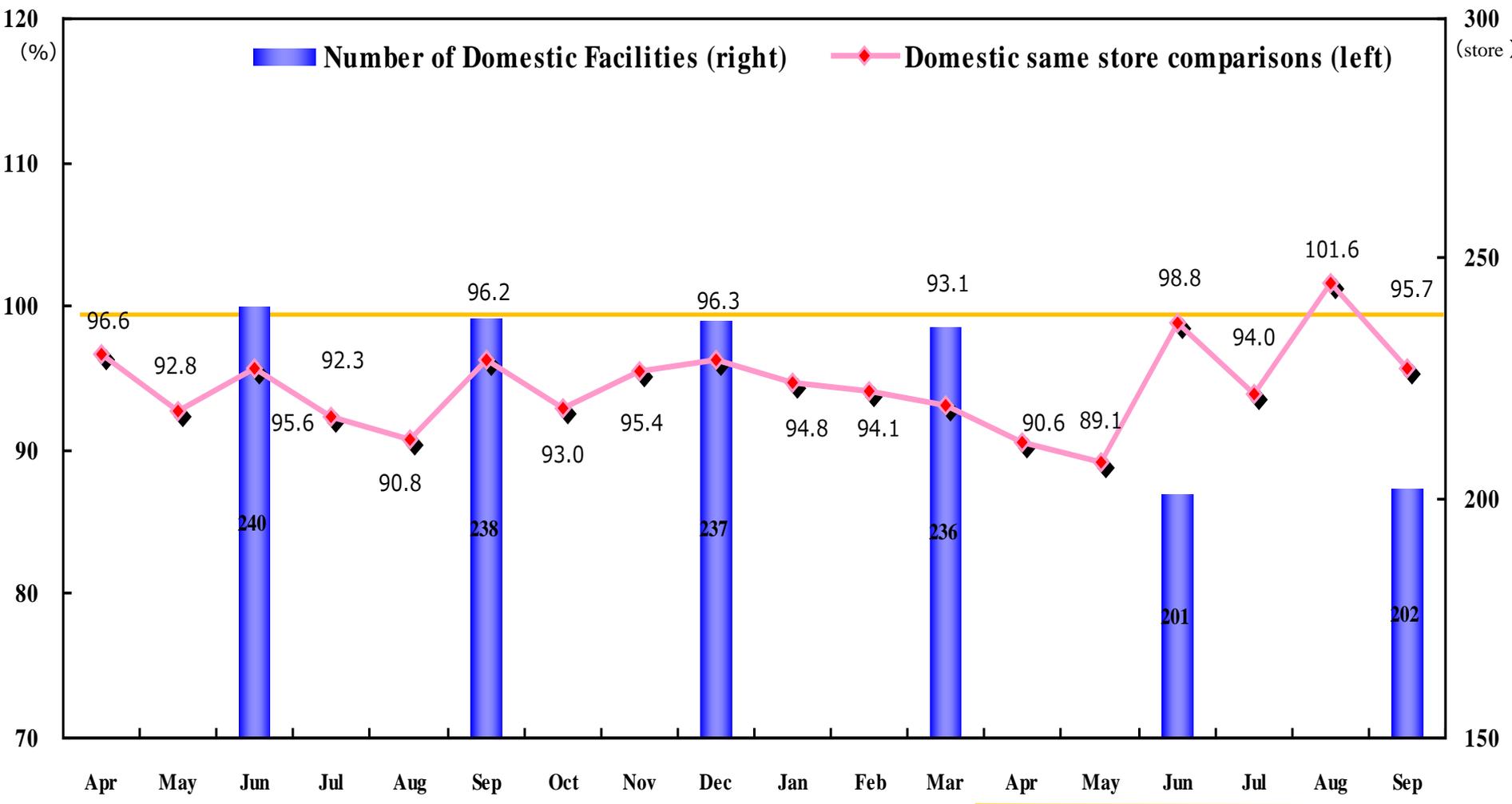
Summary of Results Through 2Q

- Profits decreased as a result of same-store sales struggling to increase year-on-year
- Domestic same store sales year-on-year comparison: 2Q Result: 95.0% (July: 94.0%, August: 101.6%, September: 95.7%)
- Domestic facilities: End of the 2Q: 202 facilities (opening of 3 facilities and closing of 3 facilities)
- Number of visitors for “Orbi Yokohama” surpassed 100,000 in one month since its opening

Full Year Forecast

- Year on year, sales are forecasted to increase and profit is estimated to decrease
- Domestic facilities: End of full year: 197 (Openings: 4, Closures 9)

Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



FY Ended March 2013 Results

FY Ending March 2014 Results

※Number of domestic facilities and domestic store comparison against the previous year, are calculated based on the old standard until the fiscal year ended March 2013.

※From FY Ending March 2014, number of domestic facilities we've covered have been changed.

(JPY Billion)	FY Ended March 2012		FY Ended March 2013		FY Ending March 2014				
	Results Through 2Q	Full Year Forecasts	Results Through 2Q	Full Year Forecasts	Initial Forecasts through 2Q (announced on May 10)	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Net Sales	33.4	85.6	35.3	83.8	41.0	43.8	+24%	109.5	+31%
Packaged Games			14.4	35.6	13.5	16.2	+13%	45.9	+29%
Digital Games	24.4	66.4	13.0	29.7	17.8	17.6	+35%	40.3	+36%
Toy	4.5	8.9	3.9	8.4	4.6	4.9	+26%	9.9	+18%
Animation	4.6	10.4	4.2	10.5	5.3	5.1	+21%	13.7	+30%
Other / Elimination	-0.1	-0.1	-0.2	-0.6	-0.2	-0.1	-	-0.3	-
Operating Income	-6.0	-15.1	-0.7	-0.7	-3.7	1.1	-	3.9	-
Operating Income Margin	-	-	-	-	-	2.5%	-	3.6%	-
Sales in Units (Thousands)	4,840	17,240	2,760	10,780	3,010	3,230	+17%	11,660	+8%
R&D Expense / Content Production Expense	8.4	29.3	6.6	19.5	8.0	9.3	+41%	22.0	+13%
Cap-ex	3.6	10.7	4.6	8.3	4.5	4.3	-7%	8.0	-4%
Depreciation	1.7	4.0	2.4	6.0	3.5	2.9	+21%	7.8	+30%

Summary of Results Through 2Q

Full Year Forecast

Overall

- Year-on-year, sales increased and returned to profit due to earnings contribution of the digital games field

- Year-on-year, sales and profits forecasted to increase due to improved earnings in the digital games field

Packaged Games

- Overseas: Sales of **“Total War: ROME II”** are solid

- Launch of major and mainstay games are focused in the second half of the fiscal year
- Major titles planned to be launched in the second half of the fiscal year:
Overseas: **“Sonic Lost World” “Football Manager 2014”**
Domestic: **“RYU GA GOTOKU ISHIN !”**

Digital Games

- Mainstay title **“Phantasy Star Online 2”** surpassed 3 million registered IDs
- “CHAIN CHRONICLE,”** a title launched for smartphones, surpassed 1 million downloads (as of October 15)
- Strengthened activities for **“777townSP”** for smartphones and **“Moba7”** for DeNA among pachinko/pachislot game sites for mobile phones/PCs

- Launch service of **“Phantasy Star Online 2”** for smartphones
- Expand earnings from smartphones titles

Toy

- Sales of mainstay products such as **“Jewelpod Diamond Premium”** are robust

- Strengthen activities of mainstay products such as **“Anpanman Series”** and **“Jewelpod Series”**

Animation

- Distribution earnings from the movie **“Detective Conan Private Eye in the Distant Sea,”** which recorded the highest box-office revenues for the series, etc. are robust

- Focus on business development centered on new movie and TV series
⇒ **“LUPIN THE 3rd VS DETECTIVE CONAN THE MOVIE”** for movies, **“YOWAMUSHI PEDARU”** for television, etc.



Sales Results (Packaged Game)

*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 2012				FY Ended March 2013				FY Ending March 2014					
	Results Through 2Q		Full Year Results		Results Through 2Q		Full Year Results		Initial Forecasts through 2Q (announced on May 10)		Results Through 2Q		Full Year Forecasts	
	# 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)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
Japan	5 (6)	1,060	16 (24)	2,800	6 (7)	640	10 (13)	2,140	4 (6)	610	3 (3)	400	12 (17)	2,640
US	5 (14)	1,650	14 (29)	6,140	2 (4)	1,160	8 (18)	4,200	3 (3)	1,280	3 (3)	1,300	7 (12)	4,310
Europe	6 (16)	2,120	15 (33)	8,290	1 (3)	960	7 (18)	4,420	3 (3)	1,110	2 (2)	1,520	7 (13)	4,690
Total	16 (36)	4,840	45 (86)	17,240	9 (14)	2,760	25 (49)	10,780	10 (12)	3,010	8 (8)	3,230	26 (42)	11,660

Breakdown by Platform	FY Ended March 2012				FY Ended March 2013				FY Ending March 2014					
	Results Through 2Q		Full Year Results		Results Through 2Q		Full Year Results		Initial Forecasts through 2Q (announced on May 10)		Results Through 2Q		Full Year Forecasts	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS3	8	1,120	19	2,450	5	420	14	2,280	1	150	1	20	7	1,320
Wii	8	390	11	3,050	0	0	0	0	0	0	0	0	0	0
WiiU	-	-	-	-	-	-	2	310	3	170	1	0	7	950
Xbox360	10	680	16	1,540	3	300	9	1,420	0	0	0	0	4	690
NDS	6	290	7	370	0	0	0	0	0	0	0	0	0	0
3DS	2	30	18	1,790	1	10	3	200	0	0	0	0	6	980
PSP	1	200	7	1,110	0	0	2	130	2	180	1	130	2	200
PSV	0	0	3	150	3	250	8	520	1	40	0	0	5	650
PC	1	20	5	950	2	40	11	1,240	5	860	5	1,270	11	2,580
Catalogue etc.	-	2,090	-	5,800	-	1,720	-	4,650	-	1,610	-	1,790	-	4,240
Total	36	4,840	86	17,240	14	2,760	49	10,780	12	3,010	8	3,230	42	11,660

Major Titles (Results) / Packaged Games

Title (Region)	Platform	Sales Results (thousand)	Launch
Total War : ROME II (Europe • US)	PC	800	September



“Total War : ROME II”

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Major Titles (Results) /Digital Games



“Phantasy Star Online 2”

©SEGA



“CHAIN CHRONICLE”

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“Puyopuyo!! Quest”

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“BORDER BREAK Mobile: Gun Front Hurricane”

©SEGA ©SEGA Networks

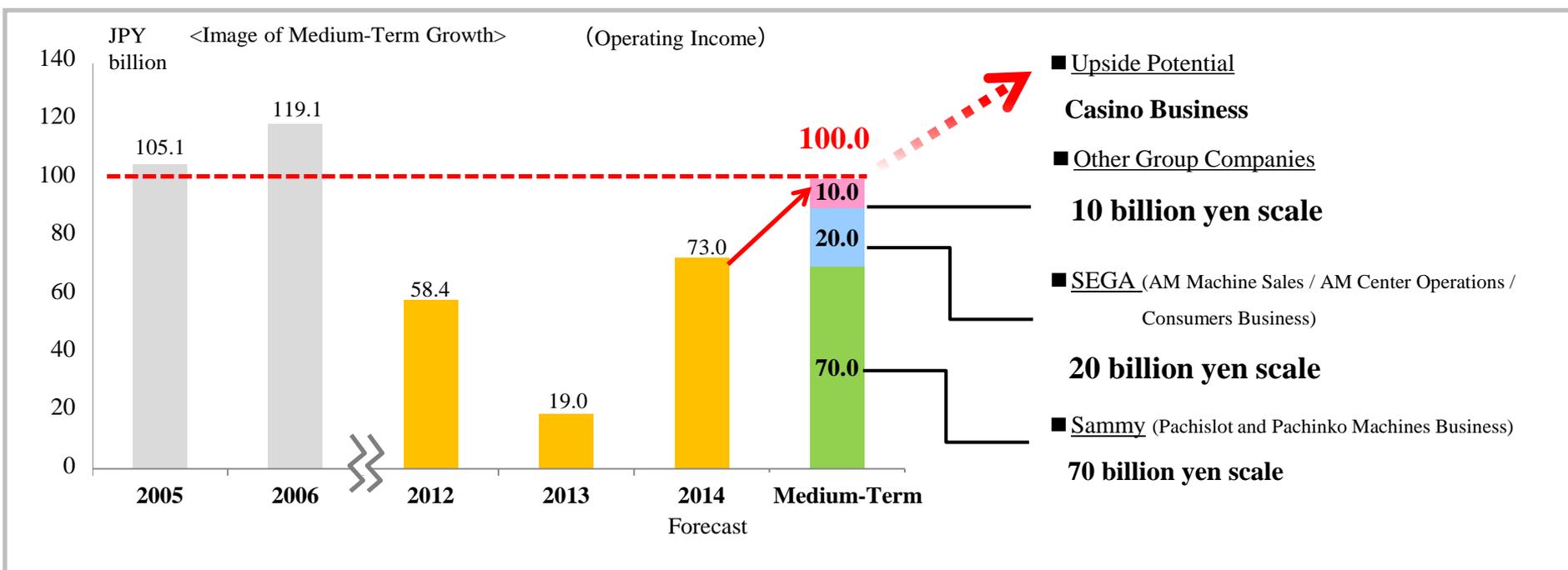
Future Activities



SEGA-SAMMY
HOLDINGS

Future Activities

(Medium- to Long-Term Vision of the Entire SEGA SAMMY Group)



<Recovering to Operating Income of 100 Billion Yen>

Expanding shares and stabilizing earnings from Pachislot and Pachinko Machines Business and strengthening of the digital games field in the Consumers Business will be conducted under the aim of recovering to operating income of 100 billion yen



Resort complex and casino business aiming for further growth

Main Activities Concerning the Casino Related Business (Resort Complex / Casino Machines)

Resort Complex / Casino Facilities Operations

<Operation of Phoenix Seagaia Resort>

- Development and operation of resort complexes (hotels, golf courses and international conference halls, etc.), such as Phoenix Seagaia Resort, which is one of the most prominent resort complex facility in Japan
- Accumulate know-how for operation of resort complex facilities in Japan



<Development and Operation of Resort Complexes including a Casino in Incheon, South Korea>

- Joint venture PARADISE SEGASAMMY Co., Ltd. acquired Paradise Casino Incheon, an existing casino facility (as of July 1, 2013)
- Plan to newly open a large resort complex facility on the land adjacent to Incheon International Airport ((Plan to complete construction in fall 2016, open in 2017)



*A rendering of facility in Incheon

<Development and Operation of Resort Complex Facility in Busan, South Korea>

- Development and operation of resort complex facility comprised of a hotel, entertainment and commercial facilities, etc., in Busan Metropolitan City, South Korea (Plan to open in 2016)
- Accumulate know-how for development and operation of large resort complex facilities



*A rendering of facility in Busan

Casino Machines Development

<Began Developing Machines for Casinos>

- Established SEGA SAMMY CREATION INC., which will develop, manufacture and sell casino machines (June 2013)
- Develop machines for casinos by utilizing Sega Sammy development resources (Plan to announce the first model in May 2014)



Main Topics in Pachislot and Pachinko Machines Business

- Steadily progress toward regaining top share of pachislot machines for the fiscal period ending March 2014
- Introduce several mainstay titles in this fiscal period ending March 2014 to gain top share in pachinko machines over the medium-term

Titles Planned to be Introduced in the Second Half of the Fiscal Period Ending March 2014 (portion)



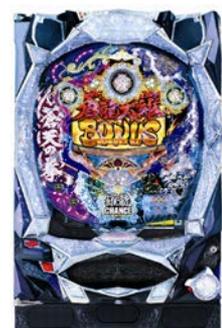
“Pachislot Bakemonogatari” (Sammy)



“Pachislot Eureka Seven 2” (Sammy)



“Pachislot Juoh” (Sammy)



“Pachinko CR SOUTEN-NO-KEN” (Sammy)



“Pachinko CR Aladdin TURBO” (Sammy)



“Pachinko CR Hokuto No Ken 5 Hyakuretsu” (Sammy)



“Pachislot Urusei Yatsura 3” (Ginza)



“Pachislot Kamen Rider Unlimited” (TAIYO ELEC)

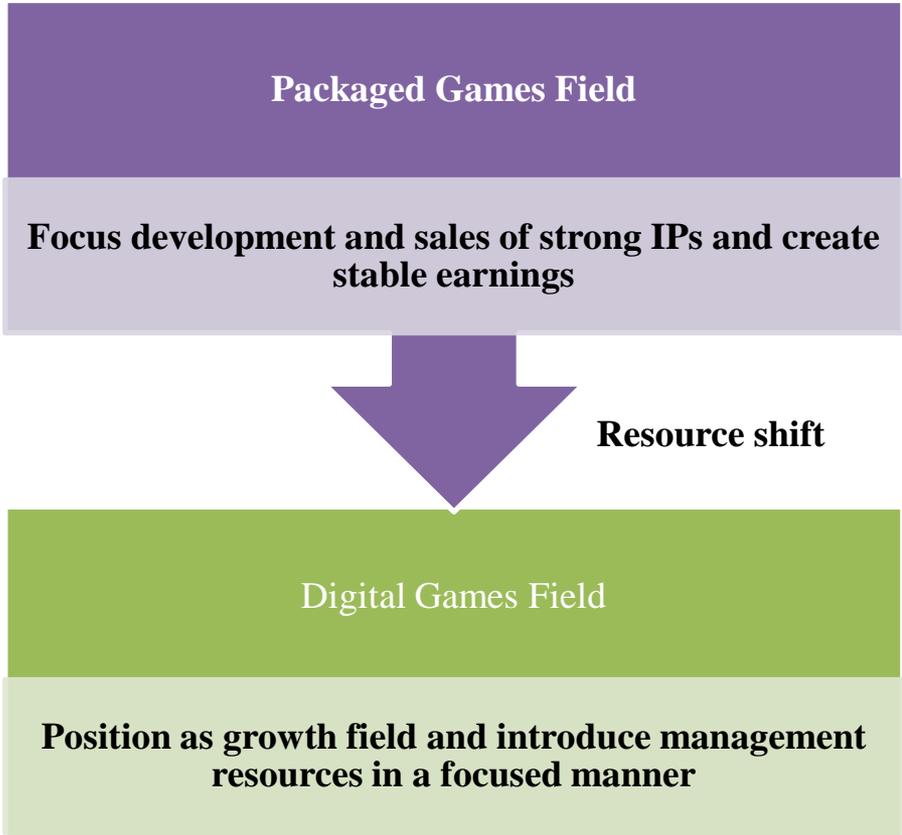


“CR SAMURAI CHAMPLOO 3” (TAIYO ELEC)

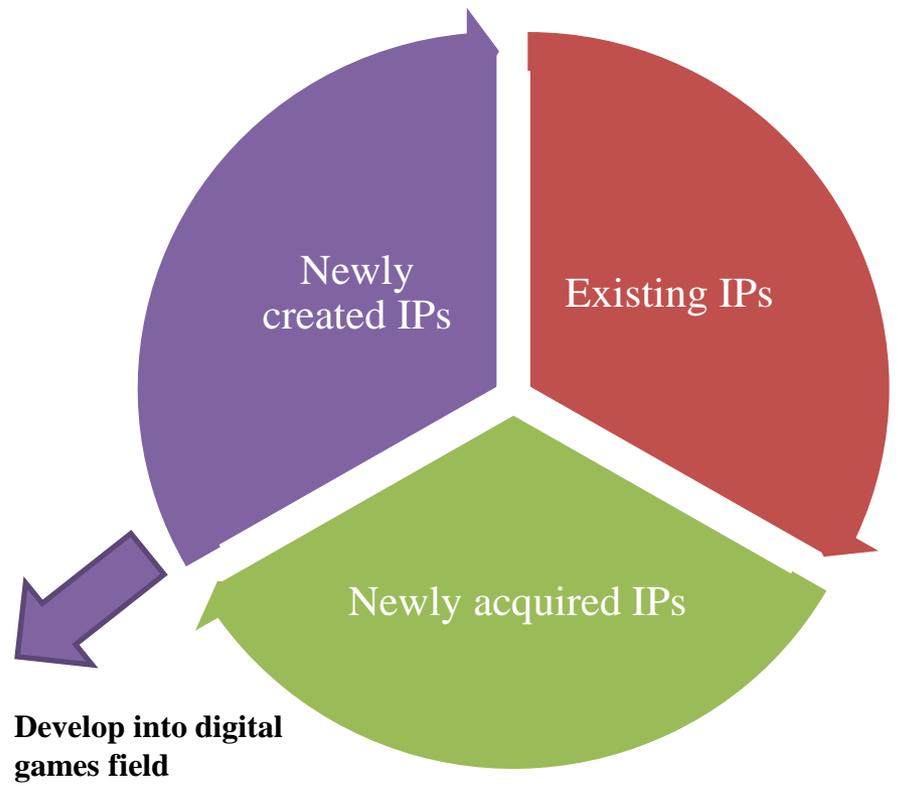
*Pachislot Bakemonogatari : ©Nisioisin/ Kodansha, Aniplex Inc., SHAFT INC. ©Sammy
 *Pachislot Eureka Seven 2 : ©2005 BONES/Project EUREKA ©2009 BONES/Project EUREKA MOVIE ©NAMCO BANDAI Games Inc. ©Sammy
 *Pachislot Juoh : ©Sammy
 *Pachislot Urusei Yatsura 3 : ©RUMIKO TAKAHASHI / SHOGAKUKAN ©Sammy
 *Pachislot Kamen Rider Unlimited : ©Ishimori Production Inc., Toei Company, Ltd., ©TAIYO ELEC
 *Pachinko CR SOUTEN-NO-KEN : ©Tetsuo Hara&Buronson 2001, Approved No. YKE-106 ©Sammy
 *Pachinko CR Aladdin TURBO : ©Sammy
 *Pachinko CR Hokuto No Ken 5 Hyakuretsu : ©Buronson&Tetsuo Hara/NSP1983 .Approved No. YHB-107 ©Sammy
 *CR SAMURAI CHAMPLOO 3 : ©manglobe/Shimoigusa Champloos ©TAIYO ELEC

Measures to Focus on Digital Games Field

Aim to improve profitability of digital games



Strong IPs

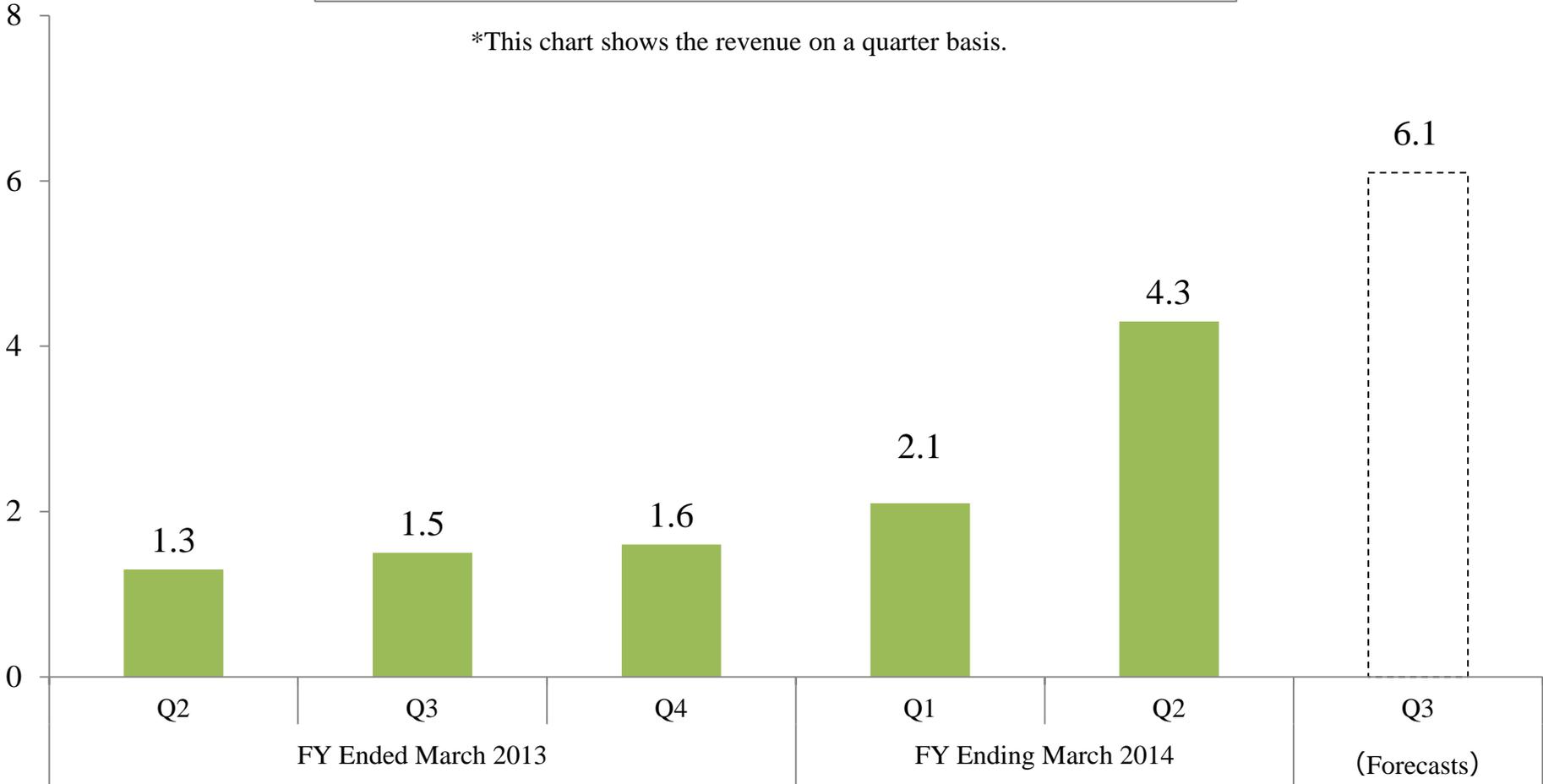


Sales rapidly increased in the second quarter of fiscal period ending March 2014 and are expected to increase in the third quarter as well.

(JPY billion)

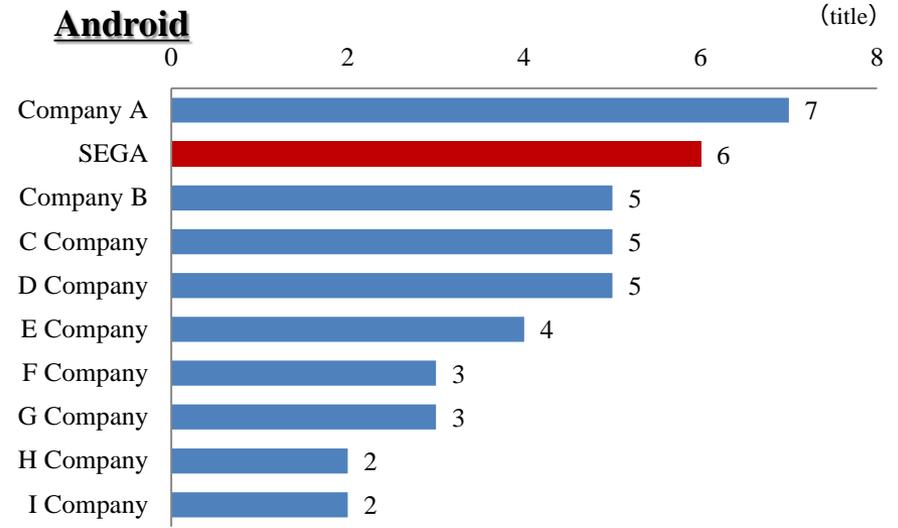
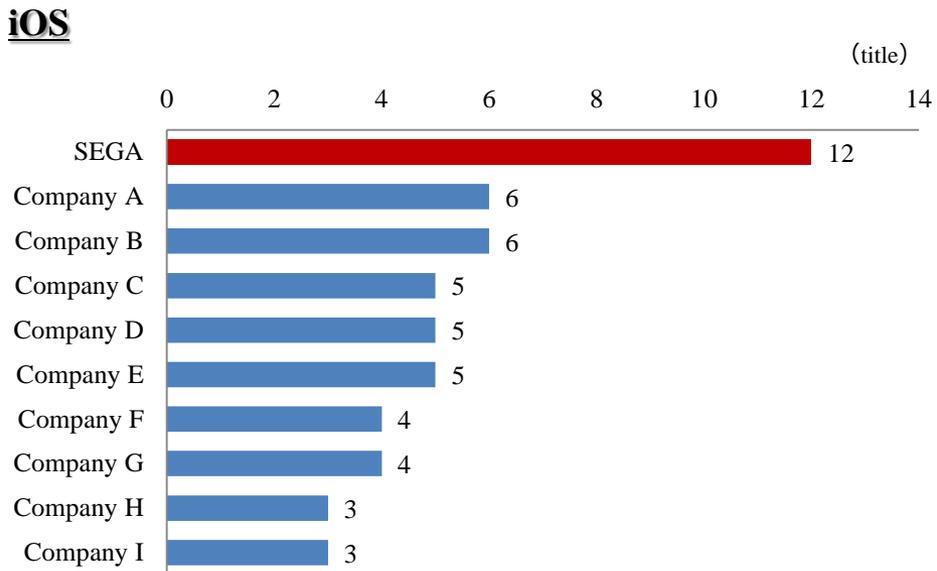
Sega Networks Each quarter of Gross Revenue

*This chart shows the revenue on a quarter basis.



In a little more than a year after establishment, the number of titles ranked in the top 50 sales was one of the best in the industry which helped form a stable portfolio.

Ranking Results (Top 50 Domestic Sales; September 2013 Results)



※Number of SEGA titles include “The Clan Battle of Fate” and “Devils Academy Catastrophe”, a cooperative title.

More than 40 companies participate in Noah Pass led by SEGA and contribute to expansion in user base

Noah Pass	
Number of participating companies	43 companies
Number of investigating companies	20 companies
Number of users	More than 28 million

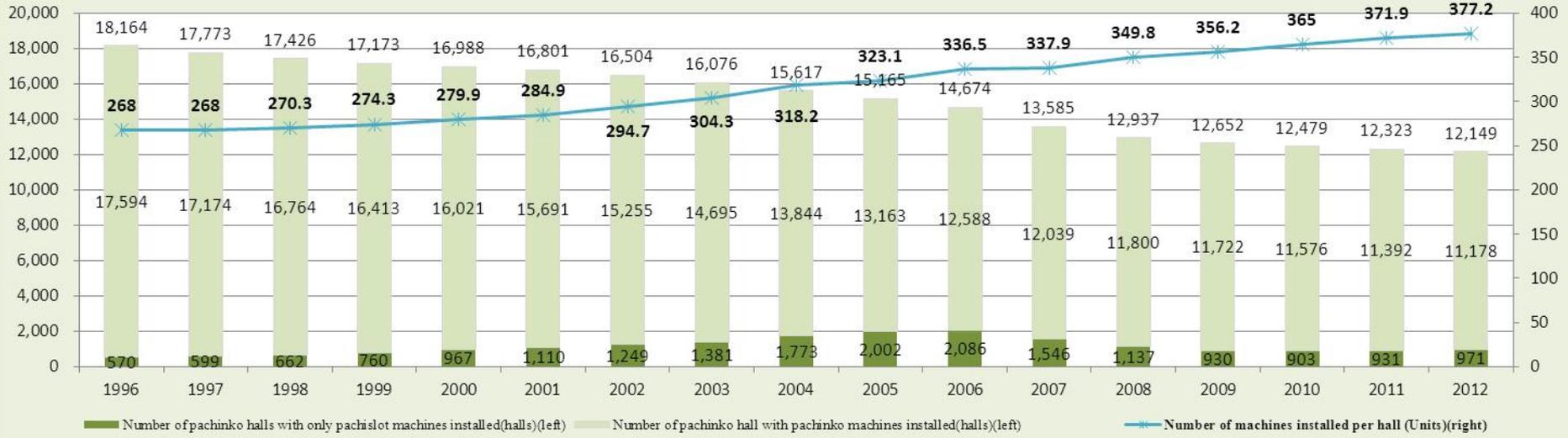
Appendix



SEGA-SAMMY
HOLDINGS

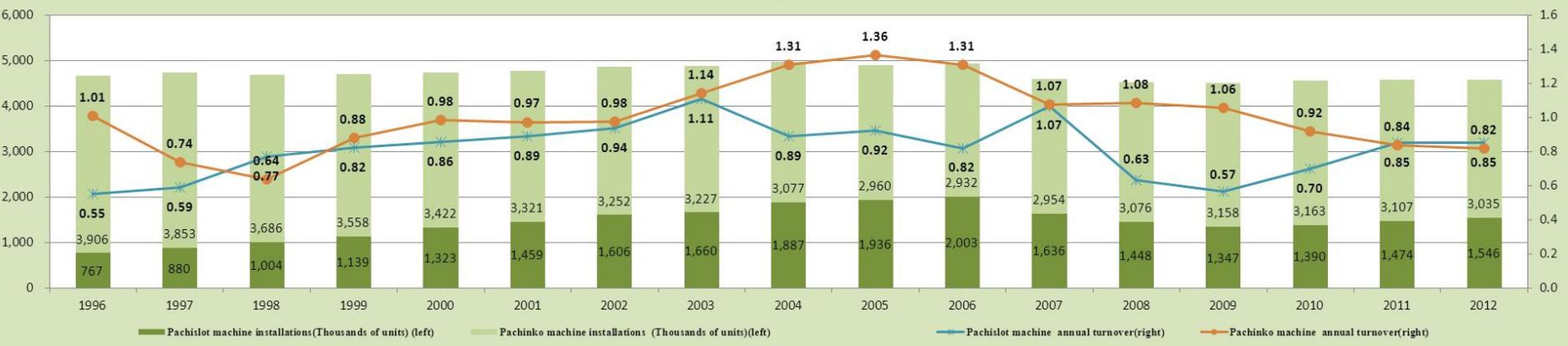
Pachinko and Pachislot Machine Markets

Number of pachinko hall and Number of machines installed per hall



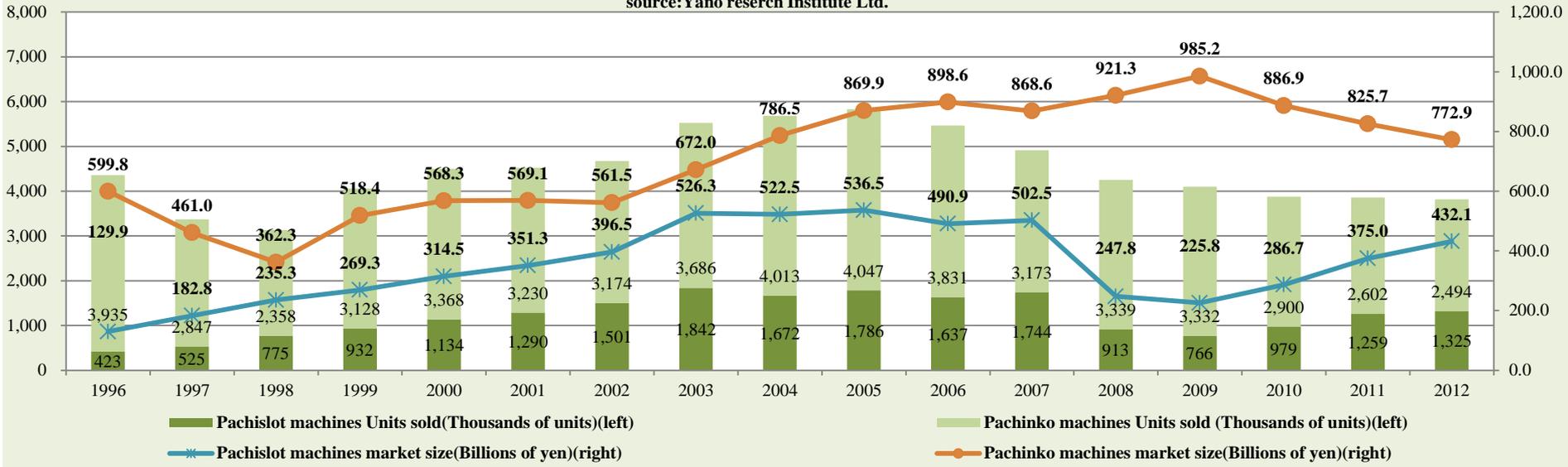
Pachinko and pachislot machine installations and annual turnover

Sources: National Police Agency and Yano research Institute Ltd.



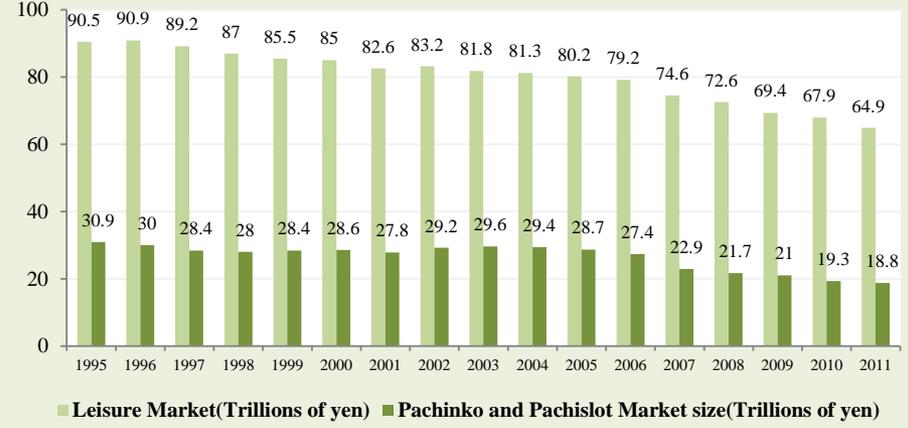
Pachinko and Pachislot machines-Unit Sales and Market Size

source:Yano reserch Institute Ltd.



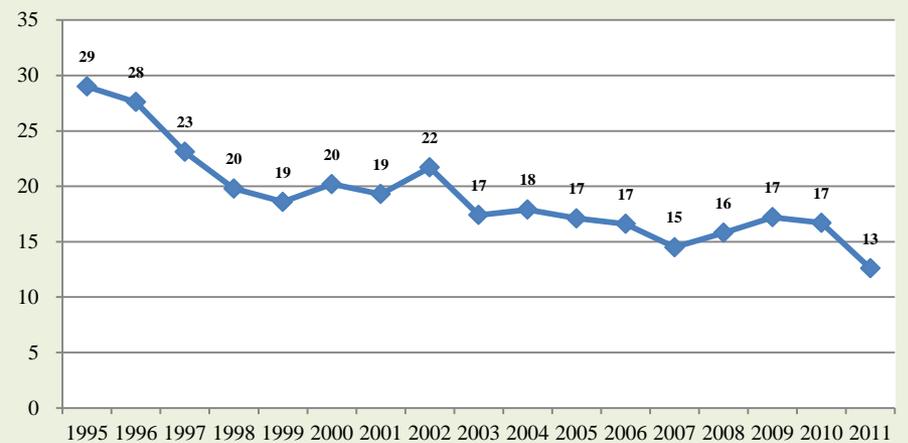
Market size results

Sources:White Paper on Leisure Industry,Japan Productivity Center



Number of players (million)

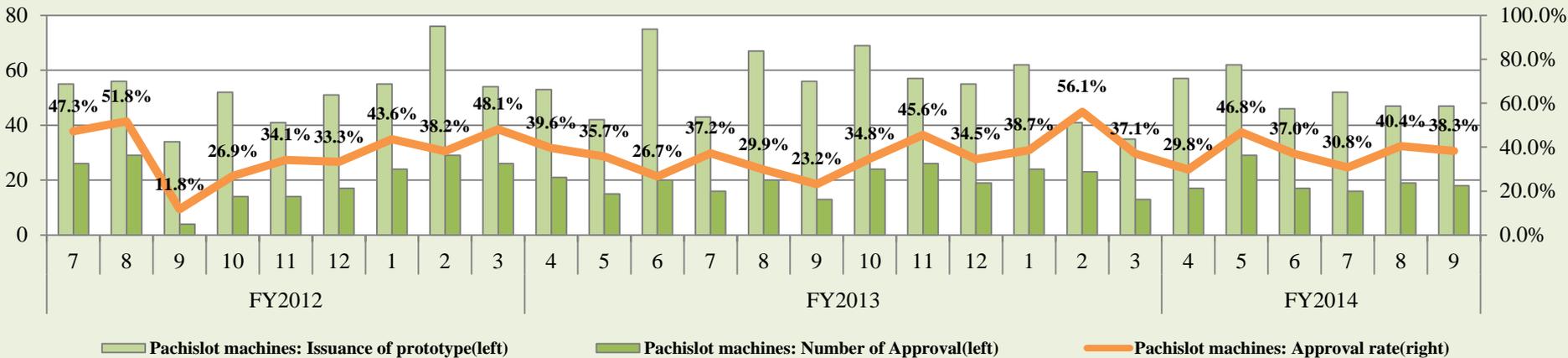
Sources:White Paper on Leisure Industry,Japan Productivity Center





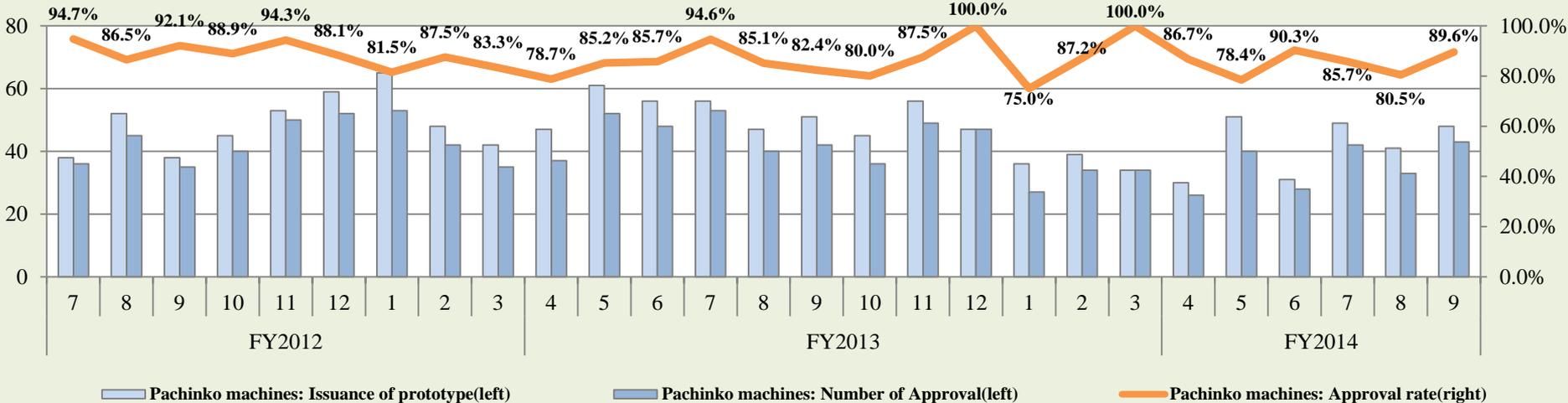
Pachislot machines: Prototype testing results

Sources: Security Communications Association



Pachinko machines: Prototype testing results

Sources: Security Communications Association



Share of Annual Pachislot Machine Sales

Rank	2008			2009			2010			2011			2012		
	Manufacturer	Units sold	Share												
1	Y Company	172,000	18.8%	Sammy	162,932	21.3%	Sammy	302,270	30.9%	Sammy	300,866	23.9%	U Company	236,000	17.8%
2	S Company	133,714	14.6%	S Company	104,266	13.6%	D Company	117,000	11.9%	D Company	200,000	15.9%	Sammy	202,221	15.3%
3	Sammy	123,286	13.5%	U Company	100,000	13.1%	S Company	116,424	11.9%	Y Company	196,000	15.6%	Y Company	193,000	14.6%
4	H Company	68,000	7.4%	Y Company	73,000	9.5%	H Company	111,000	11.3%	U Company	172,000	13.7%	D Company	186,000	14.0%
5	K Company	59,000	6.5%	K Company	60,000	7.8%	U Company	103,000	10.5%	S Company	96,158	7.6%	K Company	110,000	8.3%

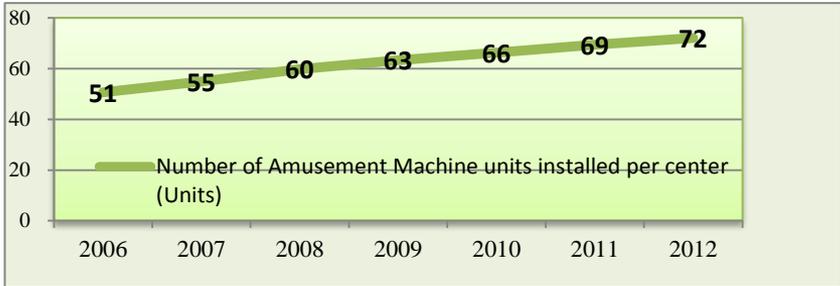
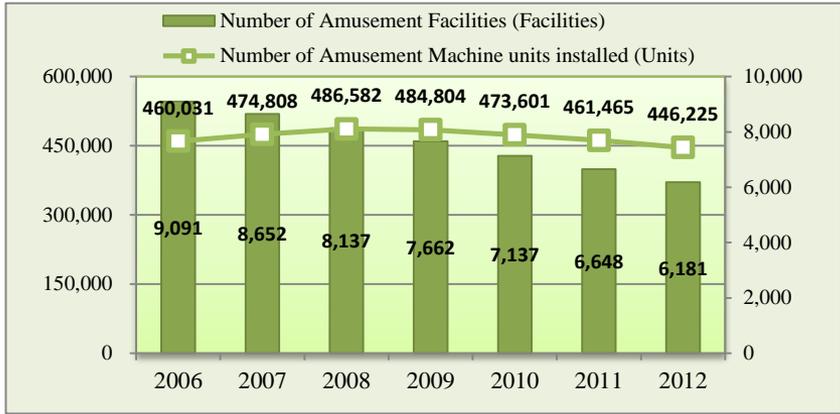
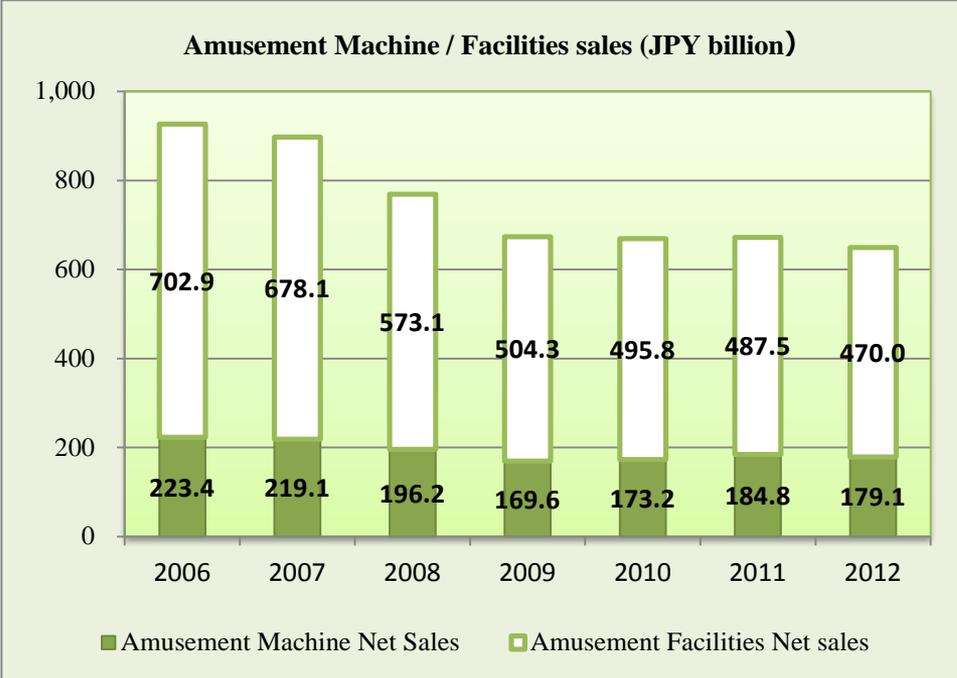
Share of Annual Pachinko Machine Sales

Rank	2008			2009			2010			2011			2012		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share									
1	S Company	810,000	24.3%	S Company	600,000	18.0%	S Company	653,000	22.5%	K Company	485,000	18.6%	S Company	544,000	21.8%
2	S Company	451,941	13.5%	S Company	572,464	17.2%	S Company	424,533	14.6%	S Company	360,805	13.9%	K Company	507,000	20.3%
3	Sammy	391,831	11.7%	K Company	426,000	12.8%	Sammy	343,188	11.8%	Sammy	332,288	12.8%	H Company	252,000	10.1%
4	N Company	349,000	10.5%	N Company	395,000	11.9%	K Company	322,000	11.1%	S Company	332,000	12.8%	N Company	250,000	10.0%
5	K Company	340,000	10.2%	Sammy	360,171	10.8%	N Company	296,000	10.2%	N Company	255,000	9.8%	Sammy	216,860	8.7%

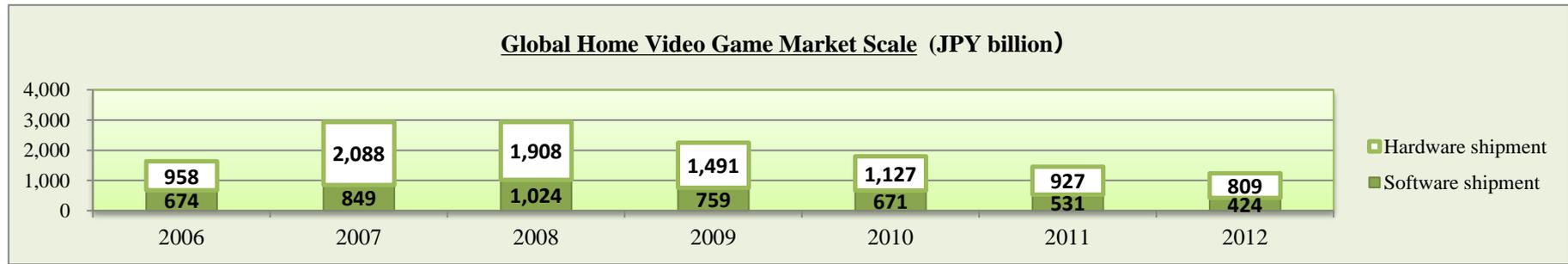
Source: Yano Research Institute Ltd.

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

Amusement Machine and Amusement Center Operations Markets Scale



Source: JAIA, National Police Agency

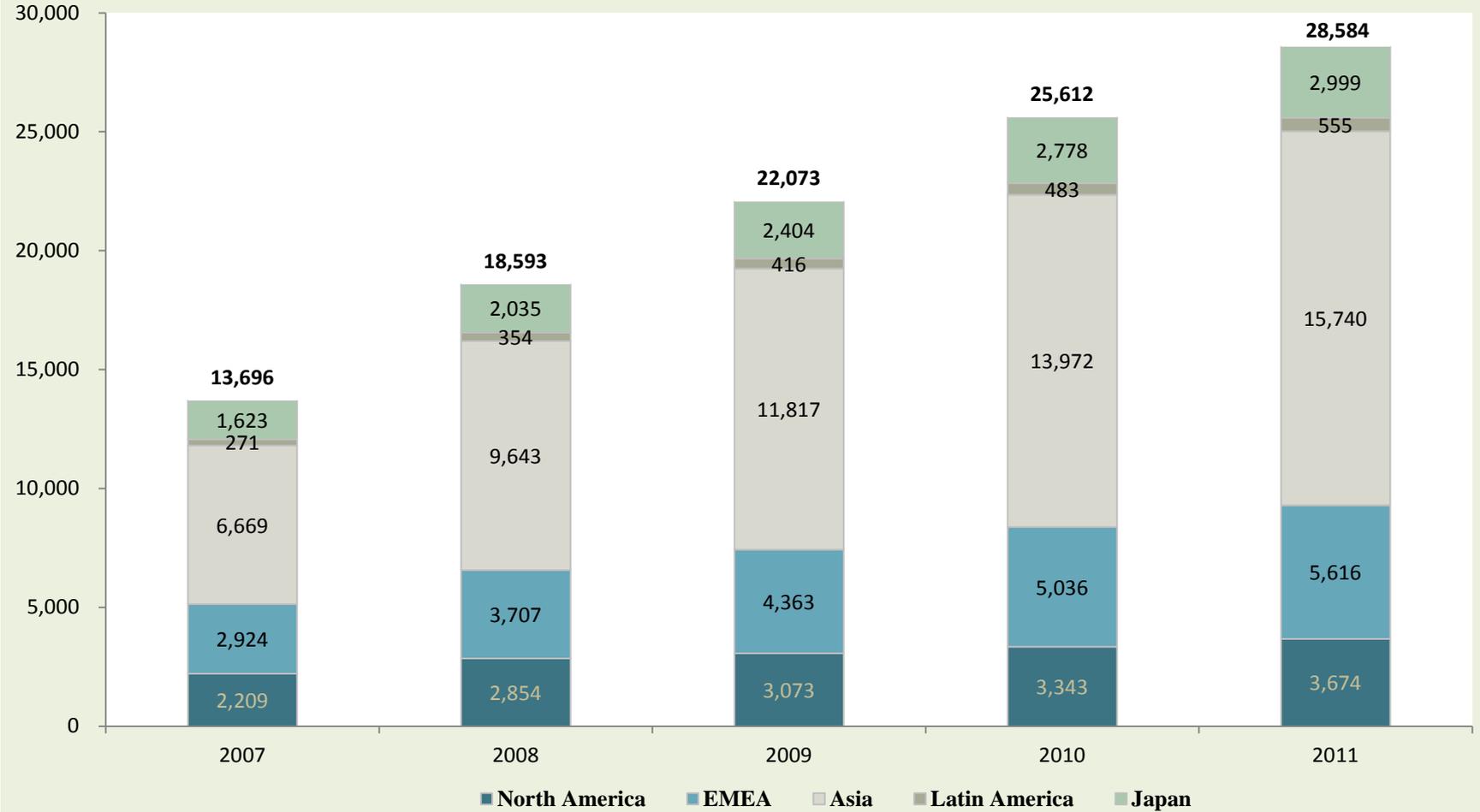


Source: 2013 CESA Games White Paper

Global Online Game Market

(US Dollar millions)

Source : PwC's annual Global Entertainment and Media Outlook: 2012-2016



Past Operating Results



SEGA-SAMMY GROUP

From FY Ended March 2010 to FY Ending March 2014

*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/2014/e_201403_2qtransition.xls)

(JPY billion)	FY Ended March 2010	FY Ended March 2011	FY Ended March 2012		FY Ended March 2013			FY Ending March 2014		
	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
Net Sales	384.6	396.7	152.6	395.5	69.9	136.5	207.0	321.4	90.7	162.2
Breakdown										
Pachislot and Pachinko Machines	160.3	212.0	74.8	212.1	33.7	54.3	74.0	142.2	51.8	71.2
Amusement Machines Sales	45.1	47.2	19.3	49.9	8.3	18.7	30.6	39.1	6.8	18.0
Amusement Center Operations	54.7	45.6	23.2	44.6	10.0	21.7	32.0	42.7	10.0	21.9
Consumer Business	121.5	88.8	33.4	85.6	14.9	35.3	60.3	83.8	18.8	43.8
Other	2.8	2.8	1.6	3.0	2.8	6.3	9.8	13.4	3.2	7.1
Operating Income	36.7	68.7	15.1	58.3	5.4	7.8	7.0	19.0	16.1	12.3
Breakdown										
Pachislot and Pachinko Machines	29.5	64.2	20.6	71.0	7.8	10.4	7.7	23.5	18.7	15.1
Amusement Machines Sales	7.0	7.3	1.5	7.4	0.2	0.8	2.6	1.9	-0.4	-0.0
Amusement Center Operations	-1.3	0.3	1.6	0.3	0.4	0.8	0.9	1.1	0.0	0.2
Consumer Business	6.3	1.9	-6.0	-15.1	-1.5	-0.7	0.5	-0.7	0.0	1.1
Other	0.3	0.0	0.2	0.2	-0.1	-0.1	-0.2	-0.4	-0.4	-0.4
Eliminations	-5.2	-5.1	-2.9	-5.4	-1.3	-3.2	-4.5	-6.3	-1.6	-3.6
Operating Margin	9.5%	17.3%	9.9%	14.7%	7.7%	5.7%	3.4%	5.9%	17.8%	7.6%
Ordinary Income	35.9	68.1	14.7	58.1	4.6	7.2	8.4	20.9	17.0	14.2
Ordinary Income Margin	9.3%	17.2%	9.6%	14.7%	6.6%	5.3%	4.1%	6.5%	18.7%	8.8%
Net Income	20.2	41.5	3.9	21.8	2.5	3.8	3.0	33.4	12.9	11.3
Net Income Margin	5.3%	10.5%	2.6%	5.5%	3.6%	2.8%	1.4%	10.4%	14.2%	7.0%
R&D expense / content production expense	41.5	41.1	19.7	53.3	9.2	19.1	32.7	45.2	9.8	23.0
Cap-ex	16.1	19.6	9.4	36.1	11.1	21.6	27.3	32.8	16.2	22.6
Depreciation	17.1	15.9	6.4	16.1	3.2	7.4	12.3	18.1	4.3	9.2
Advertising	20.7	15.1	7.6	17.2	2.2	5.6	9.2	13.1	2.8	7.0
# of pachislot titles	12 titles	10 titles	4 titles	11 titles	2 titles	3 titles	5 titles	8 titles	1 title	3 titles
Unit sales	162,932 units	302,270 units	52,769 units	300,866 units	80,906 units	108,604 units	130,590 units	202,221 units	108,247 units	143,171 units
# of pachinko titles	13 titles	12 titles	7 titles	14 titles	5 titles	9 titles	12 titles	14 titles	2 titles	4 titles
Unit sales	360,171 units	343,188 units	181,589 units	332,288 units	23,764 units	57,749 units	89,188 units	216,860 units	28,606 units	54,955 units
Same Store Sales Comparisons	91.7%	99.3%	101.2%	100.5%	94.6%	93.8%	93.7%	93.8%	92.5%	95.0%
Domestic Facilities	260 facilities	249 facilities	248 facilities	241 facilities	240 facilities	238 facilities	237 facilities	236 facilities	201 facilities*	202 facilities*
# of game software titles	66 (105)	51 (71)	16 (36)	45 (86)	7 (12)	9 (14)	19 (32)	25 (49)	3 (3)	8 (8)
Sales (Thousand units)	26,750	18,710	4,840	17,240	1,340	2,760	6,940	10,780	1,210	3,230

※The counting rules for the number of facilities have been changed from fiscal year ending March 2014

