

FY Ending March 2015 1st Quarter Results Presentation



August 4th, 2014
SEGA SAMMY HOLDINGS INC.

[Disclaimer]

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

【FY Ending March 2015 1st Quarter Results/ 1st Half Forecasts】

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Consolidated Income Statements (Summary)



SEGA-SAMMY
GROUP

| (JPY Billion) | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|--|---------------------|--------------------|-------------------|----------------------|-------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| Net Sales | 90.7 | 162.2 | 378.0 | 88.3 | -3% | 160.0 | 450.0 |
| Pachislot and Pachinko Machines | 51.8 | 71.2 | 181.8 | 47.4 | -8% | 60.0 | 217.5 |
| Amusement Machine Sales | 6.8 | 18.0 | 38.6 | 7.2 | +6% | 20.0 | 46.0 |
| Amusement Center Operations | 10.0 | 21.9 | 43.2 | 9.6 | -4% | 21.5 | 42.0 |
| Consumer Business | 18.8 | 43.8 | 99.8 | 21.1 | +12% | 51.0 | 128.5 |
| Other | 3.2 | 7.1 | 14.5 | 2.9 | -9% | 7.5 | 16.0 |
| Operating Income | 16.1 | 12.3 | 38.5 | 9.3 | -42% | -8.0 | 35.0 |
| Pachislot and Pachinko Machines | 18.7 | 15.1 | 45.2 | 12.9 | -31% | 0.0 | 40.5 |
| Amusement Machine Sales | -0.4 | -0.0 | -1.2 | -0.6 | - | -1.7 | -1.7 |
| Amusement Center Operations | -0.0 | 0.2 | 0.0 | -0.4 | - | 0.0 | -0.6 |
| Consumer Business | 0.0 | 1.1 | 2.0 | -0.2 | - | -0.3 | 6.6 |
| Other | -0.4 | -0.4 | -1.2 | -0.6 | - | -2.0 | -2.8 |
| Eliminations | -1.6 | -3.6 | -6.4 | -1.5 | - | -4.0 | -7.0 |
| Operating Margin | 17.8% | 7.6% | 10.2% | 10.5% | -7.3pt | - | 7.8% |
| Ordinary Income | 17.0 | 14.2 | 40.5 | 10.0 | -41% | -8.0 | 35.0 |
| Extraordinary Gain | 3.3 | 3.8 | 15.7 | 0.1 | - | 0.0 | 0.0 |
| Extraordinary Loss | 0.0 | 0.6 | 8.7 | 0.3 | - | 0.0 | 0.5 |
| Income before income taxes and minority interests | 20.3 | 17.4 | 47.5 | 9.8 | -52% | -8.0 | 34.5 |
| Net Income | 12.9 | 11.3 | 30.7 | 5.5 | -57% | -7.0 | 21.0 |
| Dividends per share (JPY) | - | 20.00 | 40.00 | - | - | 20.00 | 40.00 |
| Earnings per share (JPY) | 53.40 | 46.76 | 126.42 | 22.66 | - | -28.74 | 86.21 |
| Net Assets per share (JPY) | 1,357.63 | 1,401.90 | 1,409.27 | 1,400.10 | - | - | - |



| | | |
|--|---|---|
| <p>Net Sales/Profits Other</p> | | <ul style="list-style-type: none"> • Year-on-year, sales and profits decreased ⇒ Performed well against forecasts through 2Q, announced on May 9 |
| <p>Segment breakdown</p> | <p>Pachislot and Pachinko Machines</p> | <ul style="list-style-type: none"> • Pachislot unit sales decreased year-on-year although mainstay title “Pachislot SOUTEN-NO-KEN 2” was released and generally performed well • Pachinko unit sales increased year-on-year due to sales of several titles including “Pachinko CR Bakemonogatari” performed well |
| | <p>Amusement Machine Sales</p> | <ul style="list-style-type: none"> • Loss increased year-on-year due to there being no mainstay titles released in 1Q |
| | <p>Amusement Center Operations</p> | <ul style="list-style-type: none"> • Sales decreased and loss increased year-on-year due to the consumption tax hike although same-store sales remained stable |
| | <p>Consumer Business</p> | <ul style="list-style-type: none"> • Sales increased year-on-year due to expanded earnings in the digital games field but recorded losses due to the increase of advertising expenses, etc. • Mainstay digital title “PHANTASY STAR ONLINE 2” remained stable • Applications for smartphones “Puyopuyo!! Quest” and “CHAIN CHRONICLE” remained stable |
| | <p>Others</p> | <ul style="list-style-type: none"> • Preliminary expenses in the casino related business such as casino machines development continued to be incurred |

(announced on June 11, 2014)

■ Issuance of Straight Corporate Bonds

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

- Total value of bond: 10 billion yen
- Interest rate: 0.519%
- Term: 5 years

- Maturity date: June 17, 2019

(announced on August 1, 2014)

■ Medium-Term Investment Plan by PHOENIX RESORT CO.,LTD.

Implement selective and concentrated investments in an aim to further improve attractiveness, facility utilization rate and profit ratio of Phoenix Seagaia Resort operated by PHOENIX RESORT CO.,LTD.

<Major Targets>

- ① Renovation of all guest rooms of Sheraton Grande Ocean Resort and renovation of Seagaia Convention Center
- ② Cease consideration on usage and utilization of Ocean Dome and termination of the operation of Sun Hotel Phoenix

* Plan to record loss in 2Q in line with the ceasing of consideration on usage and utilization of Ocean Dome

Costs and Expenses Results/Forecast

| (JPY Billion) | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|---|---------------------|--------------------|-------------------|----------------------|-------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| R&D Expense / Content Production Expense*1 | 10.7 | 25.1 | 59.2 | 12.4 | +16% | 31.5 | 69.6 |
| Pachislot and Pachinko Machines | 4.8 | 9.7 | 19.5 | 5.1 | +6% | 12.5 | 23.2 |
| Amusement Machine Sales | 1.3 | 4.0 | 8.9 | 1.4 | +8% | 4.6 | 9.2 |
| Amusement Center Operations | 0.0 | 0.0 | 0.1 | 0.0 | - | 0.1 | 0.1 |
| Consumer Business | 4.5 | 11.3 | 30.1 | 5.8 | +29% | 13.2 | 34.9 |
| Other, eliminations etc. | 0.1 | 0.1 | 0.6 | 0.1 | - | 1.1 | 2.2 |
| Cap-ex | 16.2 | 22.6 | 38.1 | 6.9 | -57% | 18.2 | 33.3 |
| Pachislot and Pachinko Machines | 1.4 | 2.5 | 7.9 | 2.0 | +43% | 5.6 | 10.9 |
| Amusement Machine Sales | 0.1 | 0.3 | 2.0 | 0.8 | +700% | 2.3 | 4.7 |
| Amusement Center Operations | 1.4 | 4.1 | 7.7 | 1.4 | - | 3.5 | 6.2 |
| Consumer Business | 2.1 | 4.3 | 8.3 | 2.3 | +10% | 5.9 | 9.8 |
| Other, eliminations etc. | 11.2 | 11.4 | 12.2 | 0.4 | -96% | 0.9 | 1.7 |
| Depreciation*2 | 3.5 | 7.5 | 16.1 | 4.0 | +14% | 8.2 | 18.3 |
| Pachislot and Pachinko Machines | 1.3 | 2.8 | 5.8 | 1.3 | - | 3.0 | 7.1 |
| Amusement Machine Sales | 0.3 | 0.8 | 1.9 | 0.4 | +33% | 0.9 | 2.2 |
| Amusement Center Operations | 0.9 | 2.1 | 4.7 | 1.2 | +33% | 2.6 | 5.4 |
| Consumer Business | 0.5 | 1.2 | 2.6 | 0.6 | +20% | 1.0 | 2.2 |
| Other, eliminations etc. | 0.5 | 0.6 | 1.1 | 0.5 | - | 0.7 | 1.4 |
| Advertising*3 | 3.0 | 7.6 | 16.0 | 4.1 | +37% | 12.1 | 24.9 |
| Pachislot and Pachinko Machines | 0.6 | 1.4 | 2.8 | 0.5 | -17% | 1.4 | 4.7 |
| Amusement Machine Sales | 0.2 | 0.6 | 1.4 | 0.2 | - | 1.0 | 2.2 |
| Amusement Center Operations | 0.2 | 0.7 | 1.2 | 0.2 | - | 0.8 | 1.3 |
| Consumer Business | 1.5 | 3.6 | 8.6 | 2.5 | +67% | 7.2 | 14.4 |
| Other, eliminations etc. | 0.5 | 1.3 | 2.0 | 0.7 | +40% | 1.7 | 2.3 |

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

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

*3 In the fiscal year ended March 2014 and after, advertising expense include the amount contained in cost of sales. (Up to the fiscal year ended March 2013, only selling, general and administrative (SG&A) expenses were included.)

Consolidated Balance Sheet (Summary)

| (JPY billion) 【 Assets 】 | | | | 【 Liabilities and Net Assets 】 | | | |
|--------------------------------|-------------------------|--------------|-------------|--|-------------------------|--------------|--------------|
| Account | As of end of March 2014 | End of 1Q | Change | Account | As of end of March 2014 | End of 1Q | Change |
| Cash and Deposits | 101.2 | 125.7 | +24.5 | Accounts Payable | 37.2 | 32.8 | -4.4 |
| Accounts Receivable | 48.1 | 58.8 | +10.7 | Corporate Bond | 1.7 | 1.7 | - |
| Securities | 107.7 | 65.5 | -42.2 | Short Term Borrowings | 12.9 | 12.9 | - |
| Inventories | 35.9 | 36.4 | +0.5 | Other | 39.2 | 33.4 | -5.8 |
| Other | 25.5 | 28.3 | +2.8 | Total Current Liabilities | 91.0 | 80.8 | -10.2 |
| Total Current Assets | 318.4 | 314.7 | -3.7 | Corporate Bond | 37.8 | 47.8 | +10.0 |
| Tangible Fixed Assets | 102.1 | 104.4 | +2.3 | Long Term Debt | 35.1 | 34.0 | -1.1 |
| Intangible Fixed Assets | 31.7 | 30.2 | -1.5 | Other | 30.6 | 27.1 | -3.5 |
| Investment Securities | 60.8 | 55.2 | -5.6 | Total Noncurrent Liabilities | 103.5 | 108.9 | +5.4 |
| Other | 29.8 | 31.3 | +1.5 | Total Liabilities | 194.6 | 189.7 | -4.9 |
| | | | | Shareholders Equity | 330.9 | 332.4 | +1.5 |
| | | | | Total accumulated other comprehensive income | 12.3 | 8.9 | -3.4 |
| | | | | Warrants | 1.0 | 1.1 | +0.1 |
| | | | | Minority Interest | 3.8 | 3.6 | -0.2 |
| Total Noncurrent Assets | 224.4 | 221.1 | -3.3 | Total Net Assets | 348.2 | 346.1 | -2.1 |
| Total Assets | 542.9 | 535.8 | -7.1 | Total Liabilities and Net Assets | 542.9 | 535.8 | -7.1 |

Summary of Results Through 1Q

■ Current Assets: Cash and deposits and accounts receivable increased while conversely, securities (short-term fund management) decreased and current assets were decreased by 3.7 billion yen.

■ Noncurrent Assets: Down 3.3 billion yen primarily due to the decrease in investment securities (valuation loss on stocks held)

• Total Assets : 535.8 billion yen decreased by 7.1 billion yen

■ Equity ratio : 63.7% (+0.5pt)

■ Current ratio : 389.4% (+39.7pt)

| (JPY billion) | As of end of March 2014 | End of 1Q | Difference |
|----------------------|-------------------------|---------------|----------------|
| Total assets | 542.9 | 535.8 | -7.1 |
| Net assets | 348.2 | 346.1 | -2.1 |
| Equity ratio | 63.2% | 63.7% | +0.5pt |
| Current ratio | 349.7% | 389.4% | +39.7pt |

| (JPY Billion) | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|-------------------------------|---------------------|--------------------|-------------------|----------------------|-------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| Net Sales | 51.8 | 71.2 | 181.8 | 47.4 | -8% | 60.0 | 217.5 |
| Pachislot | 41.9 | 52.2 | 112.7 | 30.9 | -26% | 40.5 | 136.8 |
| Pachinko | 8.9 | 16.9 | 63.5 | 15.7 | +76% | 16.9 | 76.1 |
| Other | 1.0 | 2.1 | 5.6 | 0.8 | -20% | 2.6 | 4.6 |
| Operating Income | 18.7 | 15.1 | 45.2 | 12.9 | -31% | 0.0 | 40.5 |
| Operating Income Margin | 36.1% | 21.2% | 24.9% | 27.2% | -8.9pt | - | 18.6% |
| Unit Sales (Pachislot) | 108,247 | 143,171 | 301,575 | 82,901 | -23% | 114,800 | 374,800 |
| Unit Sales (Pachinko) | 28,606 | 54,955 | 200,225 | 50,806 | +78% | 58,000 | 250,000 |

Summary of Results Through 1Q
1st Half Forecasts
Overall

- Year-on-year, sales and profits decreased

- Year-on-year, sales and profits are forecasted to decrease
- Unit sales in 2Q is expected to decrease from 1Q due to launch of mainstay titles in the 1st half of the fiscal year being concentrated in 1Q

Pachislot

- Year-on-year, unit sales decreased although mainstay title “Pachislot SOUTEN-NO-KEN 2” was launched and generally performed strongly
- Main titles launched
⇒ Sammy “Pachislot SOUTEN-NO-KEN 2,” “Pachislot Lost Island” etc.

- Main titles to be launched in 2Q
⇒ TAIYO ELEC “Pachislot Virtua Fighter” (August) etc.
- Plans to launch several mainstay titles in the second half of the fiscal year

Pachinko

- Pachinko unit sales increased year-on-year due to sales of several titles including “Pachinko CR Bakemonogatari” performed well
- Main titles launched
⇒ Sammy “Pachinko CR Bakemonogatari,” “Pachinko CR Senran BurST!” etc.
⇒ TAIYO ELEC “CR Moeyoken 3,” “CR BLACK LAGOON 2” etc.

- Main titles to be launched in 2Q
⇒ Sammy “Dejihane CR Monster Hunter” (July), “Dejihane CR SOUTEN-NO-KEN” (July), “Dejihane CR Hokuto No Ken 5 Jibo” (September) etc.
- Plans to launch mainstay titles in the second half of the fiscal year

Shipment Data: Pachislot

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

| Pachislot | FY Ended March 2014 | | | FY Ending March 2015 | | |
|-------------------|--------------------------|---------------------------|---------------------------|--------------------------|---------------------------|----------------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | Forecasts Through 2Q | Full year Forecasts |
| Sammy | 1 title 106,674 units | 1 title 114,453 units | 5 titles 264,365 units | 2 titles 81,275 units | 2 titles 84,800 units | 6 titles 319,800 units |
| RODEO | 0 title 893 units | 0 title 893 units | 0 title 893 units | - - | 1 title 20,000 units | 1 title 20,000 units |
| TAIYO ELEC | 0 title 680 units | 1 title 2,375 units | 2 titles 6,445 units | 1 title 1,626 units | 1 title 10,000 units | 3 titles 35,000 units |
| GINZA | - - | 1 title 25,450 units | 2 titles 29,872 units | - - | - - | - - |
| Total | 1 title 108,247 units | 3 titles 143,171 units | 9 titles 301,575 units | 3 titles 82,901 units | 4 titles 114,800 units | 10 titles 374,800 units |

Major Titles (Results) / Pachislot

| Brand | Title | Total Sales | Installed From |
|-------|---------------------------|-------------|----------------|
| Sammy | Pachislot SOUTEN-NO-KEN 2 | 74,622units | June |
| Sammy | Pachislot Lost Island | 4,544units | May |



“Pachislot SOUTEN-NO-KEN 2” (Sammy)

©Tetsuo Hara&Buronson/NSP2001, Approved No.YKU-127 ©Sammy



“Pachislot Lost Island” (Sammy)

©Sammy

Shipment Data: Pachinko

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

| Pachinko | FY Ended March 2014 | | | FY Ending March 2015 | | |
|---------------|---------------------|--------------------|-------------------|----------------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | Forecasts Through 2Q | Full year Forecasts |
| Sammy | 1 title | 2 titles | 7 titles | 3 titles | 4 titles | 7 titles |
| | 11,002 units | 27,405 units | 160,688 units | 39,798 units | 35,000 units | 175,000 units |
| TAIYO ELEC | 1 title | 2 titles | 3 titles | 2 titles | 3 titles | 7 titles |
| | 17,604 units | 27,550 units | 39,537 units | 11,008 units | 23,000 units | 75,000 units |
| Total | 2 titles | 4 titles | 10 titles | 5 titles | 7 titles | 14 titles |
| | 28,606 units | 54,955 units | 200,225 units | 50,806 units | 58,000 units | 250,000 units |
| Board + Frame | 23,557 units | 35,151 units | 103,819 units | 15,814 units | 24,500 units | 124,500 units |
| Board | 5,049 units | 19,804 units | 96,406 units | 34,992 units | 33,500 units | 125,500 units |



“Pachinko CR Bakemonogatari” (Sammy)
©Nisioisin/ Kodansha, Aniplex Inc., SHAFT INC. ©Sammy

Major Titles (Results)/ Pachinko

| Brand | Title | Total Sales | Installed From |
|------------|----------------------------|-------------|----------------|
| Sammy | Pachinko CR Bakemonogatari | 32,503units | June |
| TAIYO ELEC | CR Moeyoken 3 | 6,595units | May |
| Sammy | Pachinko CR Senran BurST! | 6,468units | April |



“CR Moeyoken 3” (TAIYO ELEC)

©2002 RED/TakahashiRumiko ©2002 KADOKAWA CORPORATION ENTERBRAIN ©TAIYO ELEC

| (JPY Billion) | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|-------------------------|---------------------|--------------------|-------------------|----------------------|------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| Net Sales | 6.8 | 18.0 | 38.6 | 7.2 | +6% | 20.0 | 46.0 |
| Domestic | 5.5 | 15.5 | 32.6 | 5.5 | - | 16.9 | 38.8 |
| Overseas | 1.3 | 2.5 | 6.0 | 1.7 | +31% | 3.1 | 7.2 |
| Operating Income | -0.4 | -0.0 | -1.2 | -0.6 | - | -1.7 | -1.7 |
| Operating Income Margin | - | - | - | - | - | - | - |

Summary of Results Through 1Q

- Loss increased year-on-year
- No mainstay titles released in 1Q
- Posted distribution of earnings from revenue sharing model (mainstay titles under revenue sharing models)
 - ⇒ **“BORDER BREAK”** series, **“SEGA NETWORK MAHJONG MJ5 Evolution”** etc.

1st Half Forecasts

- Forecast sales to increase year-on-year, but increase in loss due to increase in advertising expenses, etc.
- Promoting sales of CVT kits for several titles
 - ⇒ **“StarHorse3 Season III CHASE THE WIND” (July)**,
 - “INITIAL D ARCADE STAGE 8 INFINITY” (July)**,
 - “SENGOKU-TAISEN” (September)**, etc.
- To capture a broad range of users, plan to offer a lineup that can meet diverse users’ needs, from high-value added items to household items
 - ⇒ **“Hero Bank Arcade” (July)**

Major Titles (Results)

| Title | Game Type | Sales |
|-------------------------------------|-------------------|-----------------|
| WORLD CLUB Champion Football Series | Trading Card Game | 0.4 billion yen |
| BORDER BREAK Series | Video Game | 0.3 billion yen |
| SEGA NETWORK MAHJONG MJ5 Evolution | Video Game | 0.2 billion yen |

*Sales figures include sales of expendable such as cards and distribution of earnings of revenue sharing titles.



“WORLD CLUB Champion Football Series”

©SEGA ©Panini S.p.A. All Rights Reserved
 The game is made by Sega in association with Panini.



“BORDER BREAK Series”

©SEGA



| (JPY Billion) | | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|------------------------------|--------------|-----------------------|-----------------------|-----------------------|-----------------------|------------|-----------------------|-----------------------|
| | | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| Net Sales | | 10.0 | 21.9 | 43.2 | 9.6 | -4% | 21.5 | 42.0 |
| Operating Income | | -0.0 | 0.2 | 0.0 | -0.4 | - | 0.0 | -0.6 |
| Operating Income Margin | | - | 0.9% | - | - | - | - | - |
| Same Store Sales Comparisons | | 92.5% | 95.0% | 96.1% | 99.4% | - | 98.3% | 97.5% |
| Domestic Facilities | Opened | 1 facility | 3 facilities | 5 facilities | 3 facilities | - | 3 facilities | 3 facilities |
| | Closed | 2 facilities | 3 facilities | 9 facilities | 0 facility | - | 7 facilities | 7 facilities |
| | Total | 201 facilities | 202 facilities | 198 facilities | 201 facilities | - | 194 facilities | 194 facilities |
| Overseas Facilities | | 2 facilities | 2 facilities | 2 facilities | 2 facilities | - | 2 facilities | 3 facilities |

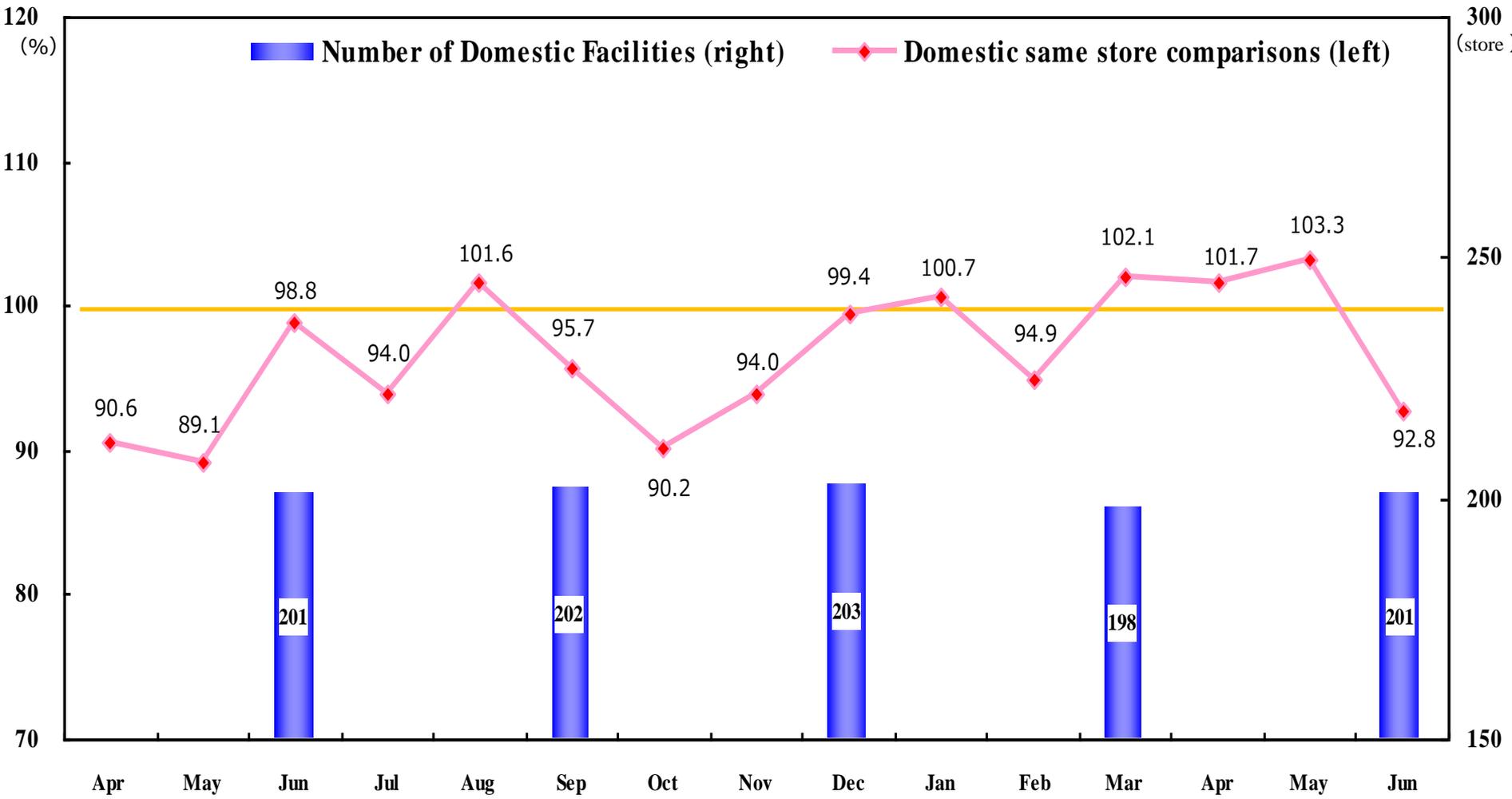
Summary of Results Through 1Q

- Sales decreased and loss increased year-on-year due to the consumption tax hike although same-store sales were stable
- Domestic same store sales year-on-year comparison: 1Q Result: 99.4% (April: 101.7%; May: 103.3%; June: 92.8%)
- Domestic facilities: End of 1Q: 201 facilities (opening of 3 facilities and closing of 0 facility)

1st Half Forecasts

- Year-on-year, decrease in sales and profits are forecasted due to the consumption tax hike
- Working towards improved profitability by narrowing investments and streamlining facility operations, etc.
- Domestic same store sales year-on-year comparison: 1st half forecast: 98.3%
- Domestic facilities: End of 1st Half: 194 (Openings: 3, Closures: 7)
- Attractiveness of “Orbi Yokohama” will be enhanced by new contents introduced on July 19, 2014

Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



FY Ended March 2014 Results

FY Ending March 2015 Results

| (JPY Billion) | FY Ended March 2014 | | | FY Ending March 2015 | | | |
|-----------------------------------|---------------------|--------------------|-------------------|----------------------|-------------|----------------------|---------------------|
| | Results Through 1Q | Results Through 2Q | Full Year Results | Results Through 1Q | YoY Change | Forecasts Through 2Q | Full year Forecasts |
| Net Sales | 18.8 | 43.8 | 99.8 | 21.1 | +12% | 51.0 | 128.5 |
| Packaged Games | 7.6 | 16.2 | 38.9 | 6.7 | -12% | 16.3 | 49.0 |
| Digital Games | 8.2 | 17.6 | 40.0 | 10.2 | +24% | 23.5 | 52.4 |
| Toy | 1.2 | 4.9 | 8.4 | 0.9 | -25% | 3.9 | 9.7 |
| Animation | 1.8 | 5.1 | 12.1 | 3.0 | +67% | 6.0 | 13.9 |
| Other / Elimination | 0.0 | -0.1 | 0.4 | 0.3 | - | 1.3 | 3.5 |
| Operating Income | 0.0 | 1.1 | 2.0 | -0.2 | - | -0.3 | 6.6 |
| Operating Income Margin | - | 2.5% | 2.0% | - | - | - | 5.1% |
| Sales in Units (Thousands) | 1,210 | 3,230 | 8,730 | 1,700 | +40% | 4,070 | 12,780 |

Summary of Results Through 1Q

1st Half Forecasts

Overall

- Year-on-year, sales increased but recorded losses due to the increase of advertising expenses, etc.

- Year-on-year, increase in sales from the digital games field and recorded losses due to the advertising expenses, etc.

Packaged Games

- Launched new titles including “PERSONA Q SHADOW OF THE LABYRINTH”

- Launch of major and mainstay titles are focused in the second half of the fiscal year
- Major titles planned to be launched in 2Q:
Domestic: “PERSONA 4 The ULTIMAX ULTRA SUPLEX HOLD”

Digital Games

- Number of titles under service at end of 1Q 134 (Pay-to-play 73, Free-to-play 61)
- Online RPG “PHANTASY STAR ONLINE 2” remained stable
- Titles for smartphones, “Puyopuyo!! Quest” and “CHAIN CHRONICLE” remained stable
- Noah Pass: 70 companies participated and the number of users surpassed 55 million
- In pachinko and pachislot games for mobile phones and PCs, strengthened activities of “777TOWN for Android” and “777TOWN for iOS” for smartphones and “Moba7” for DeNA

- A new chapter “EPISODE3” from “PHANTASY STAR ONLINE 2” is scheduled to start in late August 2014
- Working towards maximization of earnings through releasing sequel and PS Vita version of “CHAIN CHRONICLE”
- Full-fledged development of domestic for smart device titles in the Asian regions
- Conclude capital and business tie-up agreement with gumi Inc. (plan to distribute “CHAIN CHRONICLE” in North America within the year)

Toy

- Sales of mainstay products such as “Anpanman Series” and “Jewelpod Series”

- Work towards improvement of profitability through sales focused on new products such as “Jewelpad,” “SPOON PETS” and “Heart Energy Poochi”

Animation

- Distribution earnings from the movie “LUPIN THE 3rd VS DETECTIVE CONAN THE MOVIE” which recorded over 3 million viewers and TV series such as “Yowamushi Pedal” remained strong

- Expected to perform well centering on the distribution earnings from the movie “Detective Conan: Dimensional Sniper” and sales of TV series such as “Yowamushi Pedal”

Sales Results (Packaged Game)

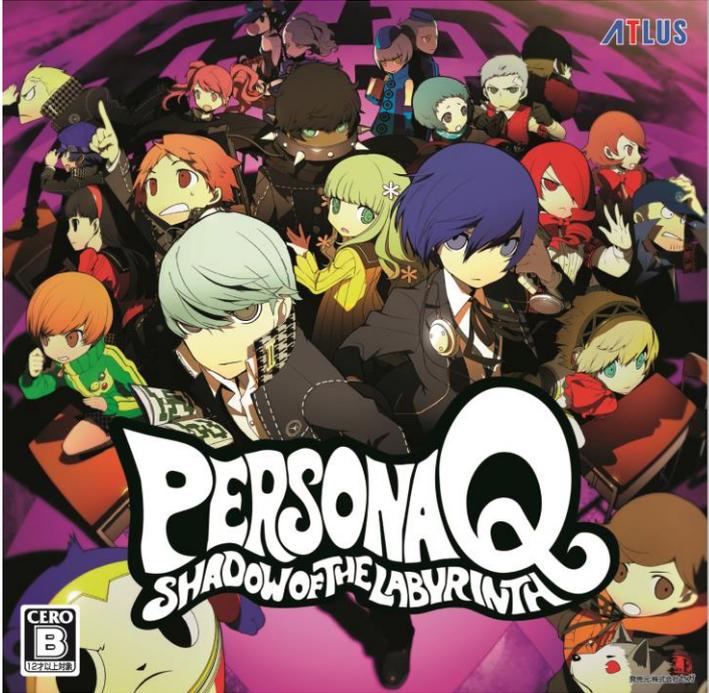
*Number of titles reflects products which begin sales in the period
(Number of titles by platform is based on SKU)

| Breakdown by Region | FY Ended March 2014 | | | | | | FY Ending March 2015 | | | | | |
|------------------------|-----------------------|---------------------------|-----------------------|---------------------------|----------------------|---------------------------|-----------------------|---------------------------|-------------------------|---------------------------|------------------------|---------------------------|
| | Results Through 1Q | | Results Through 2Q | | Full Year Results | | Results Through 1Q | | Forecasts 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) |
| Japan | 1 (1) | 250 | 3 (3) | 400 | 12 (21) | 2,150 | 2 (3) | 420 | 5 (6) | 1,320 | 14 (18) | 3,340 |
| US | 1 (1) | 370 | 3 (3) | 1,300 | 5 (6) | 2,800 | 1 (2) | 640 | 2 (4) | 1,120 | 12 (20) | 4,540 |
| Europe | 1 (1) | 570 | 2 (2) | 1,520 | 4 (5) | 3,770 | 0 (0) | 640 | 2 (7) | 1,620 | 5 (11) | 4,890 |
| Total | 3 (3) | 1,210 | 8 (8) | 3,230 | 21 (32) | 8,730 | 3 (5) | 1,700 | 9 (17) | 4,070 | 31 (49) | 12,780 |

| Breakdown by Platform | FY Ended March 2014 | | | | | | FY Ending March 2015 | | | | | |
|--------------------------|-----------------------|---------------------------|-----------------------|---------------------------|----------------------|---------------------------|-----------------------|---------------------------|-------------------------|---------------------------|------------------------|---------------------------|
| | Results Through 1Q | | Results Through 2Q | | Full Year Results | | Results Through 1Q | | Forecasts 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) |
| PS3 | - | - | 1 | 20 | 5 | 540 | 1 | 0 | 5 | 270 | 11 | 1,520 |
| PS4 | - | - | - | - | 1 | 140 | - | - | 1 | 90 | 3 | 690 |
| WiiU | - | - | 1 | 0 | 5 | 320 | 1 | 0 | 1 | 0 | 4 | 600 |
| Xbox360 | - | - | - | - | - | - | - | - | 2 | 160 | 3 | 700 |
| Xbox One | - | - | - | - | - | - | - | - | 1 | 90 | 2 | 440 |
| 3DS | - | - | - | - | 6 | 780 | 2 | 280 | 2 | 450 | 13 | 2,270 |
| PSP | 1 | 130 | 1 | 130 | 2 | 160 | - | - | - | - | - | - |
| PSV | - | - | - | - | 5 | 330 | 1 | 50 | 4 | 570 | 7 | 790 |
| PC | 2 | 380 | 5 | 1,270 | 8 | 2,640 | - | - | 1 | 80 | 6 | 1,150 |
| Catalogue etc. | - | 690 | - | 1,790 | - | 3,790 | - | 1,340 | - | 2,340 | - | 4,590 |
| Total | 3 | 1,210 | 8 | 3,230 | 32 | 8,730 | 5 | 1,700 | 17 | 4,070 | 49 | 12,780 |

Major Titles (Results) / Packaged Games

| Title (Region) | Platform | Sales Unit (thousand) | Launch |
|---|----------|-----------------------|--------|
| PERSONA Q SHADOW OF THE LABYRINTH (Japan) | 3DS | 250 | June |



“PERSONA Q SHADOW OF THE LABRINTH”

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Major Titles (Results) /Digital Games



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<PHANTASY STAR ONLINE 2>

- Surpassed 3.5 million registered IDs as of July 20, 2014
- Started distribution in Taiwan, Hong Kong, Macau and six South East Asian countries
- Implemented the updating event of “**PHANTASY STAR THANKS FESTIVAL 2014 ONLINE**” from July 2014 commemorating the second anniversary since launch of the service
- Plan to launch a new chapter “**EPISODE3**” in late August 2014



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<CHAIN CHRONICLE>

- Started providing “**CHAIN CHRONICLE**” in South Korea and mainland China which are performing well. Start providing services in Taiwan, Hong Kong and Macau.
- Started distribution of “**CHAIN CHRONICLE V**,” PS Vita version, which offers basic play free of charge, from July 15, 2014
- Started distribution of a new chapter “**CHAIN CHRONICLE – Kizuna no Shintairiku**” from July 17, 2014



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<Puyopuyo!! Quest>

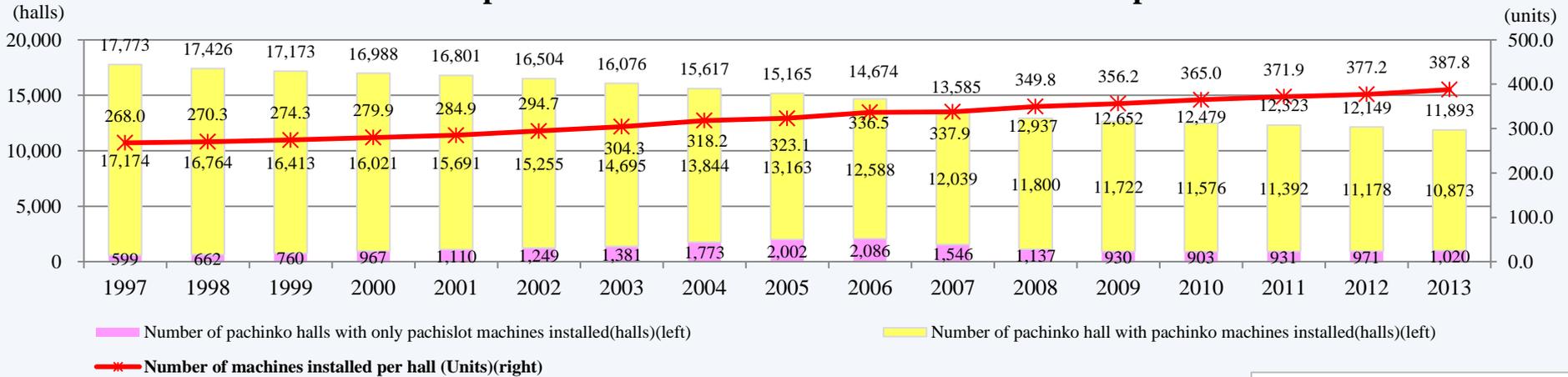
- Surpassed 10 million downloads on June 30, 2014
- Plan to start providing services in mainland China, Taiwan, Hong Kong, Macau, South Korea, South East Asia including Indonesia and Thailand sequentially starting in summer 2014

Appendix



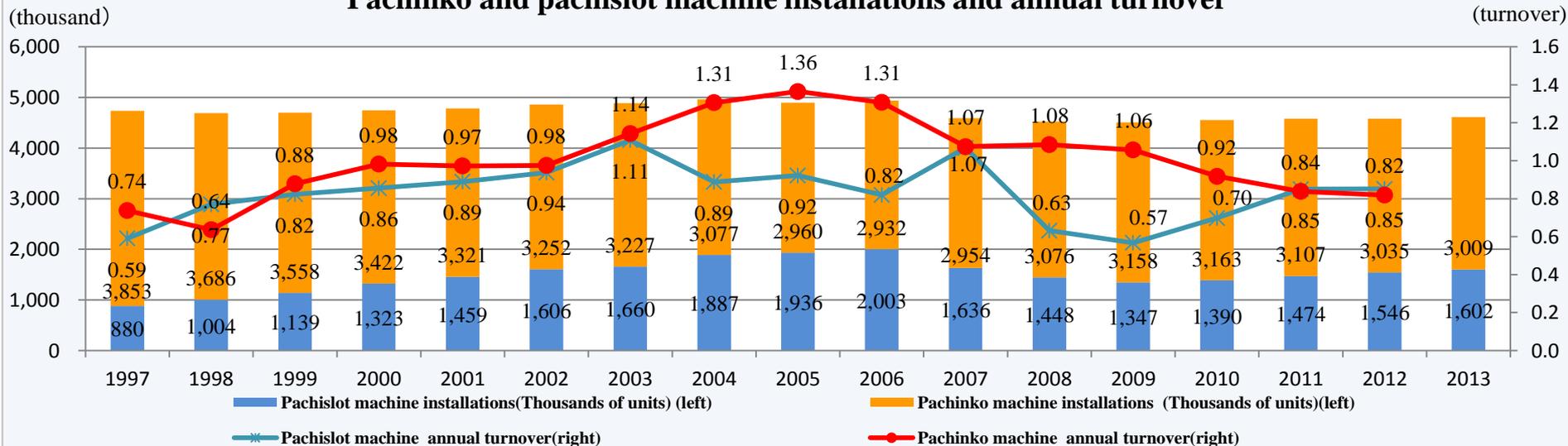
SEGA-SAMMY
HOLDINGS

Number of pachinko hall and number of machines installed per hall



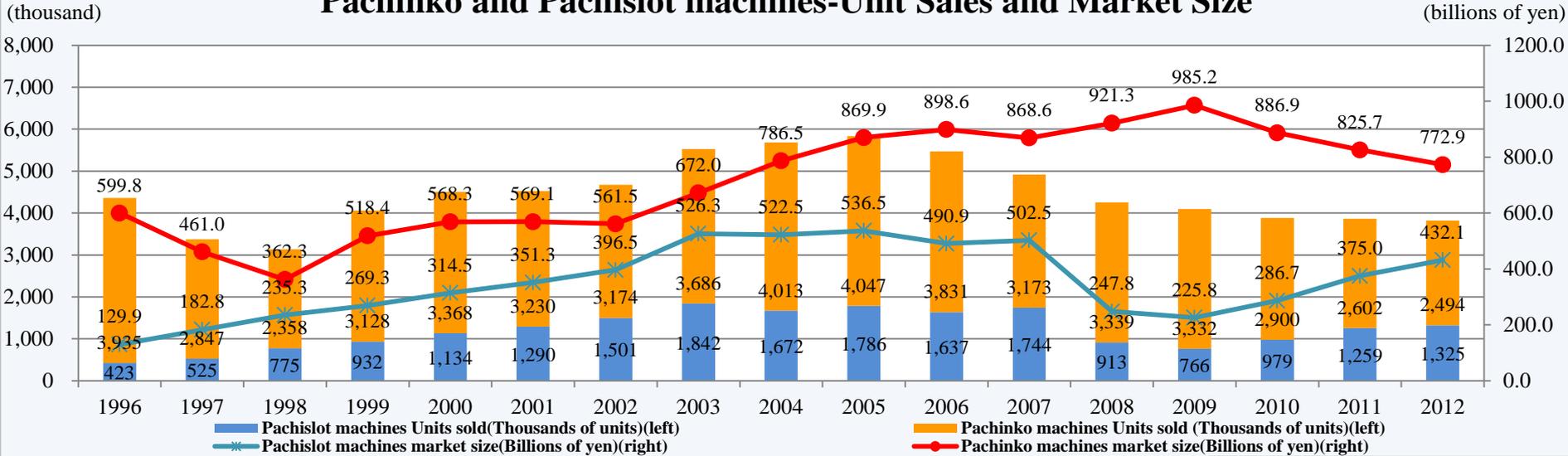
Sources : National Police Agency

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

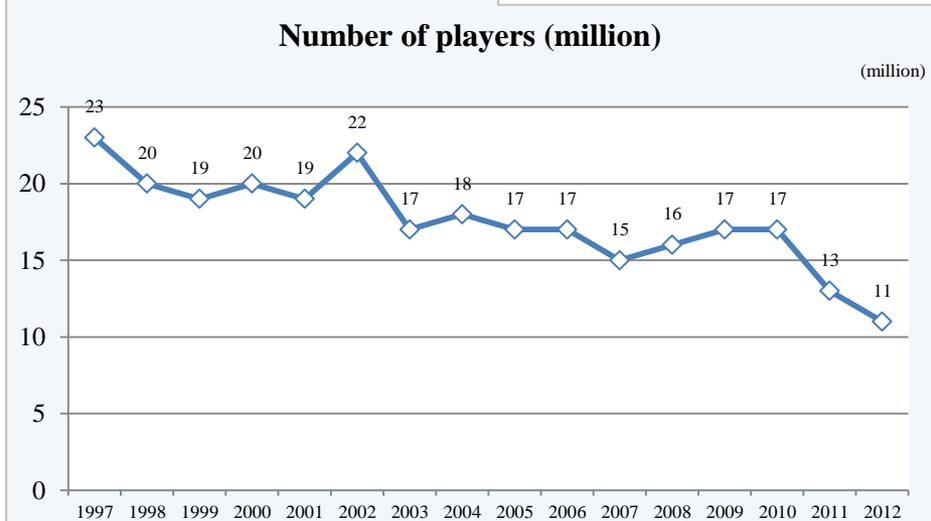


Sources: Yano research Institute Ltd.

Market size results



Number of players (million)



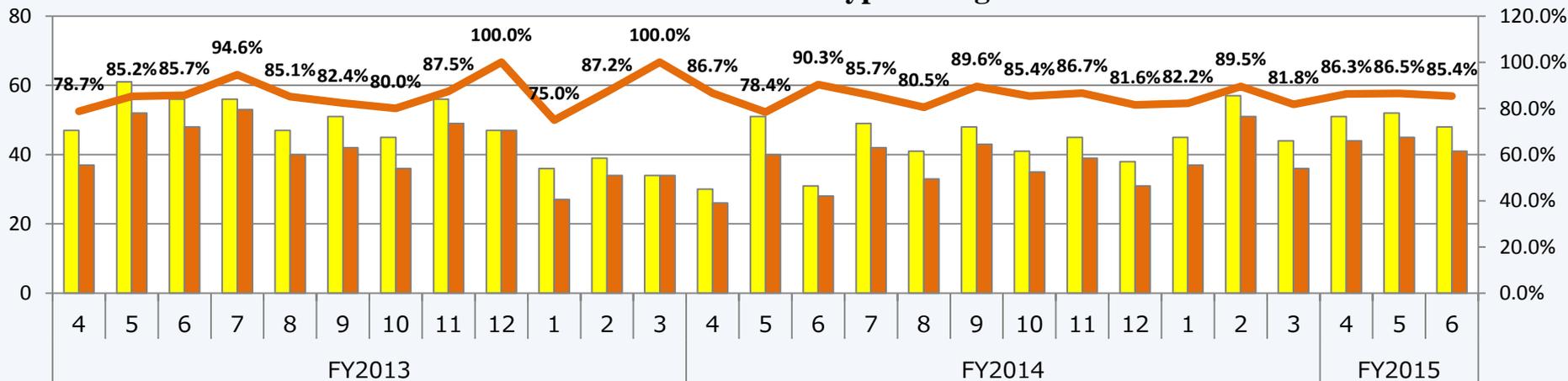
Sources : White Paper on Leisure Industry, Japan Productivity Center

Pachislot machines: Prototype testing results



■ Pachislot machines: Issuance of prototype(left)
 ■ Pachislot machines: Number of Approval(left)
 — Pachislot machines: Approval rate(right)

Pachinko machines: Prototype testing results



■ Pachinko machines: Issuance of prototype(left)
 ■ Pachinko machines: Number of Approval(left)
 — Pachinko machines: Approval rate(right)

Sources: Security Communications Association



Share of Annual Pachislot Machine Sales

| Rank | 2009 | | | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|
| | Manufacturer | Units sold | Share |
| 1 | Sammy | 162,932 | 21.3% | Sammy | 302,270 | 30.9% | Sammy | 300,866 | 23.9% | U Company | 236,000 | 17.8% | - | - | - |
| 2 | S Company | 104,266 | 13.6% | D Company | 117,000 | 11.9% | D Company | 200,000 | 15.9% | Sammy | 202,221 | 15.3% | - | - | - |
| 3 | 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 | 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 | 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

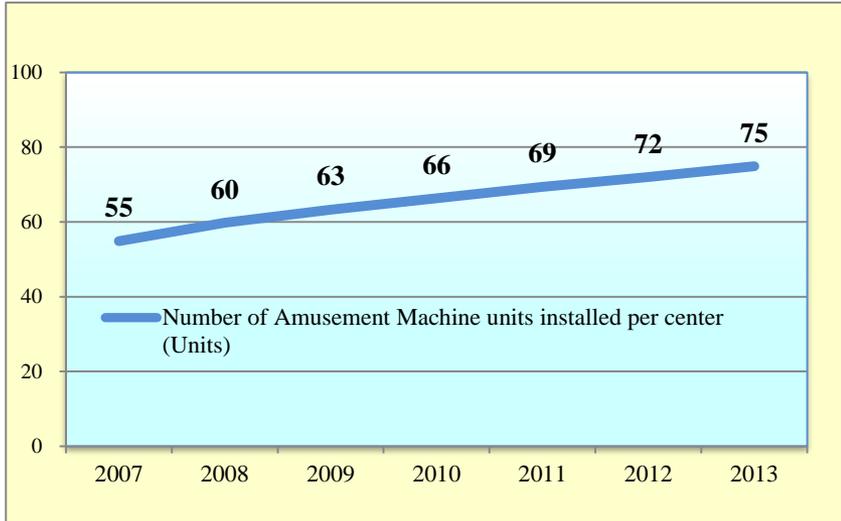
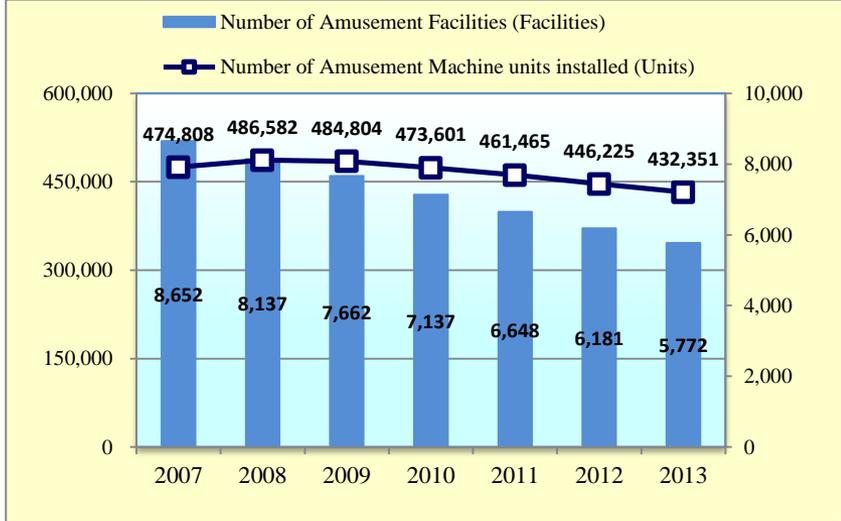
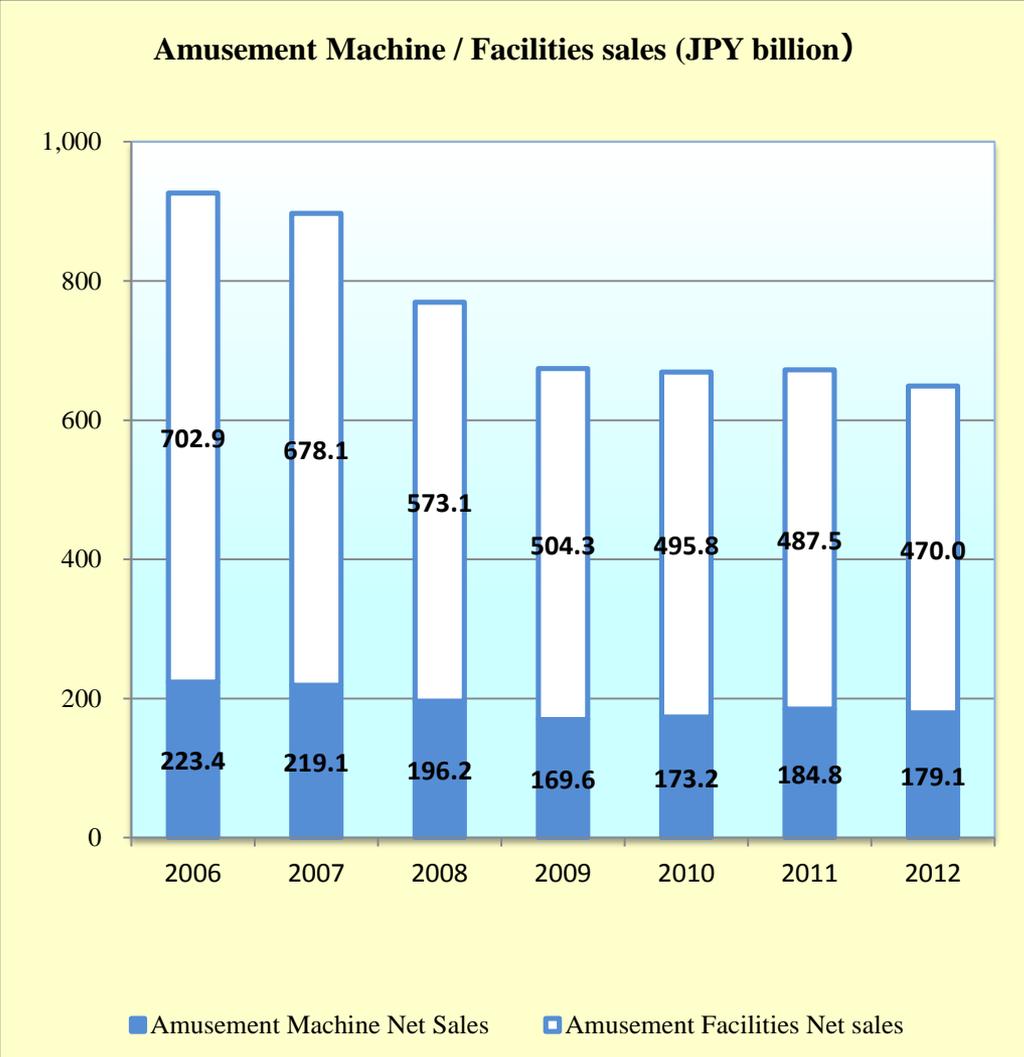
| Rank | 2009 | | | 2010 | | | 2011 | | | 2012 | | | 2013 | | |
|------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|--------------|------------|-------|
| | Manufacturer | Units sold | Share |
| 1 | S 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 | 572,464 | 17.2% | S Company | 424,533 | 14.6% | S Company | 360,805 | 13.9% | K Company | 507,000 | 20.3% | - | - | - |
| 3 | 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 | 395,000 | 11.9% | K Company | 322,000 | 11.1% | S Company | 332,000 | 12.8% | N Company | 250,000 | 10.0% | - | - | - |
| 5 | 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



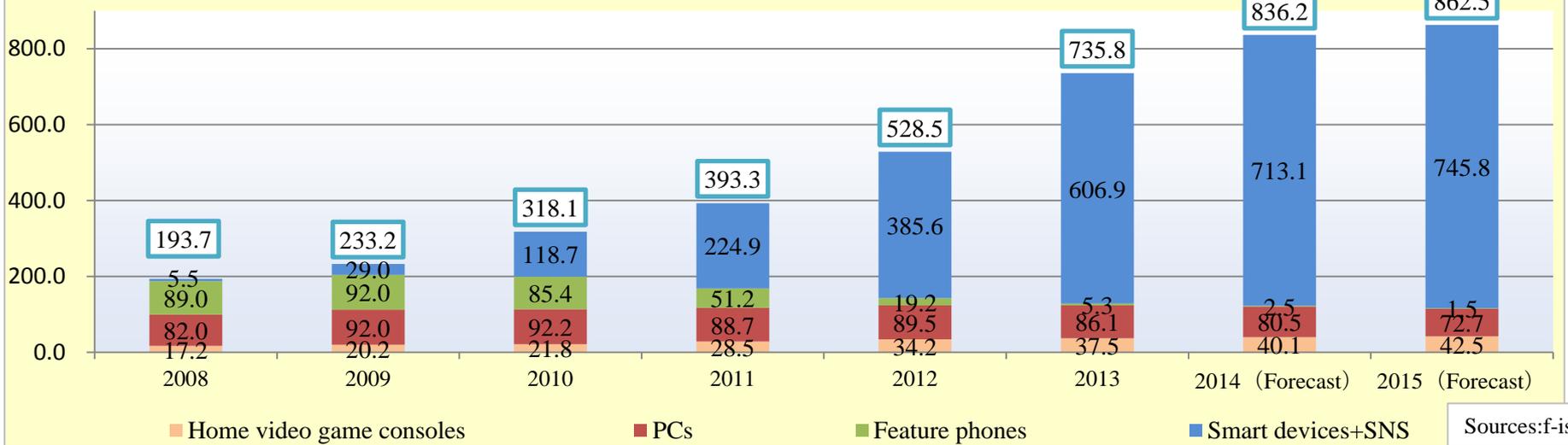
Amusement Machine and Amusement Center Operations Markets Scale



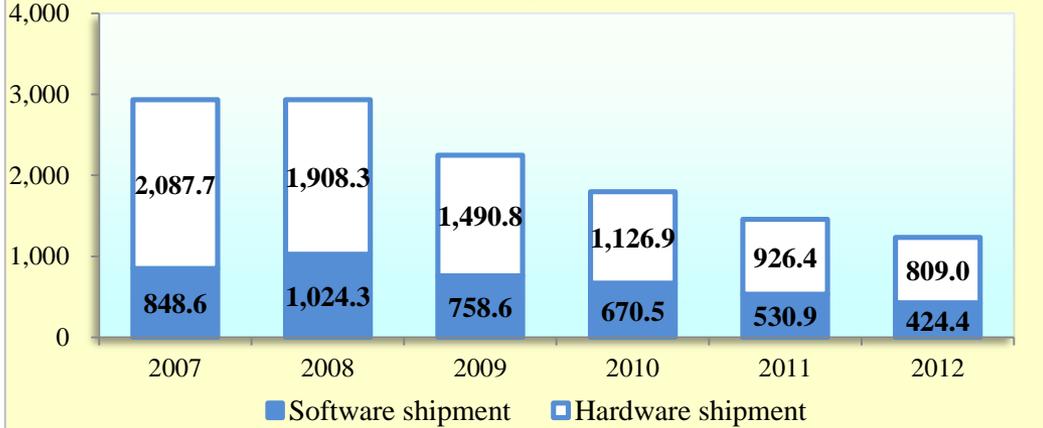
Source: JAIA, National Police Agency

Home Video Game and Online Game Markets Scale

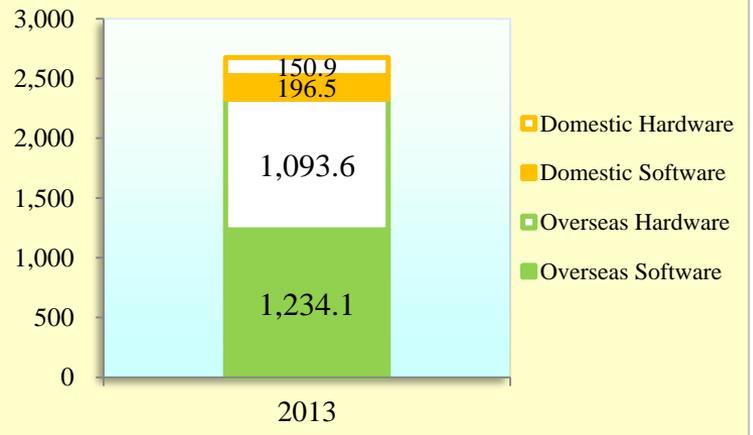
Japan's Market for Game Content with Network Connectivity (JPY billion)



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



Home Video Games: Overall Shipment Scale (JPY billion)



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

Past Operating Results

From FY Ended March 2005 to FY Ended March 2014

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

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2015/e_201503_1q_transition.xls)

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

| (JPY billion) | | FY Ended | | | FY Ended | |
|---------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| | | March 2005 | March 2006 | March 2007 | March 2008 | March 2009 | March 2010 | March 2011 | March 2012 | March 2013 | March 2014 | March 2014 | March 2014 | March 2014 | March 2015 |
| | | Full Year Results | Results Through 1Q | Results Through 2Q | Results Through 3Q | Full Year Results | Results Through 1Q |
| Breakdown | Net Sales | 515.6 | 553.2 | 528.2 | 458.9 | 429.1 | 384.6 | 396.7 | 395.5 | 321.4 | 90.7 | 162.2 | 303.9 | 378.0 | 88.3 |
| | Pachislot and Pachinko Machines | 280.1 | 265.6 | 211.5 | 145.5 | 161.6 | 160.3 | 212.0 | 212.1 | 142.2 | 51.8 | 71.2 | 160.2 | 181.8 | 47.4 |
| | Amusement Machines Sales | 63.3 | 71.5 | 75.4 | 71.0 | 61.9 | 45.1 | 47.2 | 49.9 | 39.1 | 6.8 | 18.0 | 28.0 | 38.6 | 7.2 |
| | Amusement Center Operations | 83.1 | 106.2 | 103.8 | 91.2 | 71.3 | 54.7 | 45.6 | 44.6 | 42.7 | 10.0 | 21.9 | 32.4 | 43.2 | 9.6 |
| | Consumer Business | 65.3 | 90.3 | 119.5 | 141.7 | 131.3 | 121.5 | 88.8 | 85.6 | 83.8 | 18.8 | 43.8 | 72.3 | 99.8 | 21.1 |
| | Other | 23.7 | 19.4 | 17.8 | 9.3 | 2.9 | 2.8 | 2.8 | 3.0 | 13.4 | 3.2 | 7.1 | 10.9 | 14.5 | 2.9 |
| Breakdown | Operating Income | 105.0 | 119.1 | 76.5 | -5.8 | 8.3 | 36.7[31.0] | 68.7 | 58.3 | 19.0 | 16.1 | 12.3 | 46.5 | 38.5 | 9.3 |
| | Pachislot and Pachinko Machines | 103.9 | 99.8 | 71.1 | 8.4 | 14.5 | 29.5 | 64.2 | 71.0 | 23.5 | 18.7 | 15.1 | 50.0 | 45.2 | 12.9 |
| | Amusement Machines Sales | 7.4 | 12.1 | 11.6 | 7.1 | 6.8 | 7.0[5.4] | 7.3 | 7.4 | 1.9 | -0.4 | 0.0 | -0.2 | -1.2 | -0.6 |
| | Amusement Center Operations | 5.4 | 9.2 | 0.1 | -9.8 | -7.5 | -1.3[-1.4] | 0.3 | 0.3 | 1.1 | 0.0 | 0.2 | 0.0 | 0.0 | -0.4 |
| | Consumer Business | -8.8 | 1.9 | 1.7 | -5.9 | -0.9 | 6.3[2.4] | 1.9 | -15.1 | -0.7 | 0.0 | 1.1 | 2.7 | 2.0 | -0.2 |
| | Other | -0.5 | -1.7 | -1.3 | 0.0 | -0.3 | 0.3 | 0.0 | 0.2 | -0.4 | -0.4 | -0.4 | -0.7 | -1.2 | -0.6 |
| | Eliminations | -2.3 | -2.3 | -6.7 | -5.5 | -4.9 | -5.2 | -5.1 | -5.4 | -6.3 | -1.6 | -3.6 | -5.1 | -6.4 | -1.5 |
| | Operating Margin | 20.4% | 21.5% | 14.5% | - | 1.9% | 9.5%[8.1%] | 17.3% | 14.7% | 5.9% | 17.8% | 7.6% | 15.3% | 10.2% | 10.5% |
| | Ordinary Income | 104.4 | 119.5 | 81.2 | -8.2 | 6.6 | 35.9[30.2] | 68.1 | 58.1 | 20.9 | 17.0 | 14.2 | 49.1 | 40.5 | 10.0 |
| | Ordinary Income Margin | 20.2% | 21.6% | 15.4% | - | 1.5% | 9.3%[7.9%] | 17.2% | 14.7% | 6.5% | 18.7% | 8.8% | 16.2% | 10.7% | 11.3% |
| | Net Income | 50.5 | 66.2 | 43.4 | -52.4 | -22.8 | 20.2[14.5] | 41.5 | 21.8 | 33.4 | 12.9 | 11.3 | 44.3 | 30.7 | 5.5 |
| | Net Income Margin | 9.8% | 12.0% | 8.2% | - | - | 5.3%[3.8%] | 10.5% | 5.5% | 10.4% | 14.2% | 7.0% | 14.6% | 8.1% | 6.2% |
| | R&D expense / content production expense *3 | 41.5 | 36.3 | 52.1 | 65.3 | 59.6 | 41.5[47.2] | 41.1 | 53.3 | 45.2 | 9.8 | 25.1 | 38.1 | 59.2 | 12.4 |
| | Cap-ex | 32.4 | 38.5 | 36.6 | 50.4(*1) | 26.6 | 16.1 | 19.6 | 36.1 | 32.8 | 16.2 | 22.6 | 29.3 | 38.1 | 6.9 |
| | Depreciation *4 | 17.7 | 21.8 | 28.0 | 45.6(*2) | 26.6 | 17.1 | 15.9 | 16.1 | 18.1 | 4.3 | 7.5 | 14.4 | 16.1 | 4.0 |
| | Advertising *5 | 11.8 | 18.9 | 22.2 | 22.8 | 20.7 | 20.7 | 15.1 | 17.2 | 13.1 | 2.8 | 7.6 | 10.7 | 16.0 | 4.1 |

| | FY Ended March 2005 | FY Ended March 2006 | FY Ended March 2007 | FY Ended March 2008 | FY Ended March 2009 | FY Ended March 2010 | FY Ended March 2011 | FY Ended March 2012 | FY Ended March 2013 | FY Ended March 2014 | FY Ended March 2015 |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| # of pachislot titles | 9 titles | 14 titles | 17 titles | 22 titles | 19 titles | 12 titles | 10 titles | 11 titles | 8 titles | 1 titles | 3 titles | 8 titles | 9 titles | 3 titles |
| Unit sales | 676,933 units | 607,106 units | 523,422 units | 380,688 units | 123,286 units | 162,932 units | 302,270 units | 300,866 units | 202,221 units | 108,247 units | 143,171 units | 286,396 units | 301,575 units | 82,901 units |

| | FY Ended March 2005 | FY Ended March 2006 | FY Ended March 2007 | FY Ended March 2008 | FY Ended March 2009 | FY Ended March 2010 | FY Ended March 2011 | FY Ended March 2012 | FY Ended March 2013 | FY Ended March 2014 | FY Ended March 2015 |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| # of pachinko titles | 8 titles | 8 titles | 14 titles | 9 titles | 12 titles | 13 titles | 12 titles | 14 titles | 14 titles | 2 titles | 4 titles | 8 titles | 10 titles | 5 titles |
| Unit sales | 233,049 units | 288,895 units | 132,981 units | 108,184 units | 391,831 units | 360,171 units | 343,188 units | 332,288 units | 216,860 units | 28,606 units | 54,955 units | 156,538 units | 200,225 units | 50,806 units |

| | FY Ended March 2005 | FY Ended March 2006 | FY Ended March 2007 | FY Ended March 2008 | FY Ended March 2009 | FY Ended March 2010 | FY Ended March 2011 | FY Ended March 2012 | FY Ended March 2013 | FY Ended March 2014 | FY Ended March 2015 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Same Store Sales Comparisons | 98.5% | 103.3% | 95.8% | 89.0% | 92.4% | 91.7% | 99.3% | 100.5% | 93.8% | 92.5% | 95.0% | 94.9% | 96.1% | 99.4% |
| Domestic Facilities | 477 facilities | 462 facilities | 449 facilities | 363 facilities | 322 facilities | 260 facilities | 249 facilities | 241 facilities | 236 facilities | 201店舗 | 202店舗 | 203店舗 | 198 facilities | 201 facilities |

| | FY Ended March 2005 | FY Ended March 2006 | FY Ended March 2007 | FY Ended March 2008 | FY Ended March 2009 | FY Ended March 2010 | FY Ended March 2011 | FY Ended March 2012 | FY Ended March 2013 | FY Ended March 2014 | FY Ended March 2015 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| # of game software titles | - (84) | - (122) | - (140) | 80 (138) | 78 (122) | 66 (105) | 51 (71) | 45 (86) | 25 (49) | 3 (3) | 8 (8) | 15 (20) | 21 (32) | 3 (5) |
| Sales (Thousand units) | 11,790 | 16,400 | 21,270 | 26,990 | 29,470 | 26,750 | 18,710 | 17,240 | 10,780 | 1,210 | 3,230 | 6,310 | 8,730 | 1,700 |

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

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

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

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

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

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



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