

FY Ending March 2015 3rd Quarter Results Presentation



February 13th, 2015
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.

【FY Ending March 2015 3rd Quarter Results / Full Year Forecasts】

	Consolidated Income Statements (Summary)	3
	Results Highlights	4
	Major Business Measures	5
	Costs and Expenses	6
	Consolidated Balance Sheet (Summary)	7
	<u>Segment Results / Forecasts</u>	
	Segment Results: Pachislot and Pachinko Machines	8
	Segment Results: Amusement Machine Sales	11
	Segment Results: Amusement Center Operations	13
	Segment Results: Consumer Business	15
	<u>Group Structure Reform Activities</u>	19
	<u>Appendix</u>	27

FY Ending March 2015 3rd Quarter Results / Full Year Forecasts



SEGA-SAMMY
HOLDINGS

Consolidated Income Statements (Summary)



SEGA-SAMMY
GROUP

(JPY Billion)	FY Ended March 2014		FY Ending March 2015				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
Net Sales	303.9	378.0	267.5	-12%	370.0	352.5	-7%
Pachislot and Pachinko Machines	160.2	181.8	115.3	-28%	158.5	149.0	-18%
Amusement Machine Sales	28.0	38.6	28.9	+3%	40.0	39.0	+1%
Amusement Center Operations	32.4	43.2	30.9	-5%	41.0	41.0	-5%
Consumer Business	72.3	99.8	82.1	+14%	116.5	110.0	+10%
Other	10.9	14.5	10.0	-8%	14.0	13.5	-7%
Operating Income	46.5	38.5	16.2	-65%	18.0	16.0	-58%
Pachislot and Pachinko Machines	50.0	45.2	20.6	-59%	25.0	25.0	-45%
Amusement Machine Sales	-0.2	-1.2	0.4	-	-2.3	-1.6	-
Amusement Center Operations	-0.0	0.0	-0.5	-	-0.8	-0.8	-
Consumer Business	2.7	2.0	2.2	-19%	5.0	2.7	+35%
Other	-0.7	-1.2	-1.4	-	-2.0	-2.6	-
Eliminations	-5.1	-6.4	-5.1	-	-7.0	-6.7	-
Operating Margin	15.3%	10.2%	6.1%	-9.2pt	4.9%	4.5%	-5.7pt
Ordinary Income	49.1	40.5	16.2	-67%	17.0	15.0	-63%
Extraordinary Gain	15.5	15.7	0.8	-	0.3	1.0	-
Extraordinary Loss	1.0	8.7	5.6	-	4.6	15.0	-
Income before income taxes and minority interests	63.6	47.5	11.5	-82%	12.7	1.0	-98%
Net Income	44.3	30.7	-0.0	-	4.0	-13.0	-
Dividends per share (JPY)	-	40	-	-	40	40	-
Earnings per share (JPY)	182.53	126.42	-0.10	-	16.40	-53.25	-
Net Assets per share (JPY)	1,453.40	1,409.27	1,396.48	-	-	-	-

	<p>Net Sales/Profits Other</p>	<ul style="list-style-type: none"> • Year-on-year, sales and profits decreased • Revised full year forecasts on February 12, 2015
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Segment breakdown</p>	<p>Pachislot and Pachinko Machines</p>	<ul style="list-style-type: none"> • Sales and profits decreased year-on-year as number of pachislot titles decreased • Number of pachinko units sales increased year-on-year, as sales of pachinko machine, mainly mainstay titles remained solid
	<p>Amusement Machine Sales</p>	<ul style="list-style-type: none"> • Turned to profit as operating cost such as development cost etc. was moved back
	<p>Amusement Center Operations</p>	<ul style="list-style-type: none"> • Sales decreased year-on-year and loss increased due to the consumption tax hike although same-store sales remained solid
	<p>Consumer Business</p>	<ul style="list-style-type: none"> • The overall performance of the digital games field was solid due to robust performance of existing titles as well of mainstay titles • Business performance was weak in toy sales business and packaged game field, though digital game field was solid. As a result, year-on-year sales increased but profit decreased.
	<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 November 21, 2014)

<PARADISE CITY: Facility Overview>

■ Construction Start on PARADISE CITY

Facility name	PARADISE CITY
Operating company	PARADISE SEGASAMMY Co.,Ltd.
Facility address	IBC-1 2nd Phase District, Woonseo-dong, Jung-gu, Incheon, Republic of Korea
Site area	330,000m ²
Investment amount	Approx. 1,300 billion KRW (amount invested by Sega Sammy: 142.9 billion KRW; shareholding ratio: 45%)
Facility composition	<ul style="list-style-type: none"> • Casino (table games: 160 units, electronic table games: 388 units, slot machines: 350 units) • Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.) • Commercial facility, cultural center • Upscale spa (hot bath facility) • Boutique hotel (103 rooms; additional facilities: fitness center)
Opening	Scheduled for First half of 2017

■ Announcement of various measures regarding group structure reform

*Please refer Page 20, group structure reform

(announced on February 12, 2015)

<Overview of Acquisition of Treasury Stocks>

■ Acquisition of Treasury Stocks

Total number of shares to be acquired	10,000,000 shares (upper limit) (Ratio to total number of issued and outstanding shares (excluding treasury stocks): 4.09%)
Total acquisition costs:	20 billion yen (upper limit)
Acquisition period:	From February 18, 2015 through May 29, 2015

(Reference) Number of treasury stocks held as of December 31, 2014

Total number of issued and outstanding shares	244,313,892 shares (excluding treasury stocks)
Total number of treasury stocks	21,915,584 shares

Costs and Expenses Results/Forecast



SEGA-SAMMY
GROUP

(JPY Billion)	FY Ended March 2014		FY Ending March 2015				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
R&D Expense / Content Production Expense	40.7	59.2	48.8	+20%	67.2	64.0	+8%
Pachislot and Pachinko Machines	14.6	19.5	16.5	+13%	23.1	21.9	+12%
Amusement Machine Sales	6.3	8.9	6.4	+2%	9.1	9.0	+1%
Amusement Center Operations	0.1	0.1	0.1	-	0.2	0.1	-
Consumer Business	19.9	30.1	25.2	+27%	33.8	32.2	+7%
Other, eliminations etc.	-0.2	0.6	0.6	-	1.0	0.8	+33%
Cap-ex	29.3	38.1	20.5	-30%	33.3	28.7	-25%
Pachislot and Pachinko Machines	4.4	7.9	4.9	+11%	10.9	7.1	-10%
Amusement Machine Sales	0.8	2.0	3.1	+288%	4.7	4.8	+140%
Amusement Center Operations	5.8	7.7	4.3	-26%	6.2	6.5	-16%
Consumer Business	6.5	8.3	6.7	+3%	9.8	8.7	+5%
Other, eliminations etc.	11.8	12.2	1.5	-87%	1.7	1.6	-87%
Depreciation	11.4	16.1	12.8	+12%	18.3	17.5	+9%
Pachislot and Pachinko Machines	4.3	5.8	4.5	+5%	7.1	6.2	+7%
Amusement Machine Sales	1.4	1.9	1.4	-	2.2	2.1	+11%
Amusement Center Operations	3.4	4.7	3.8	+12%	5.4	5.4	+15%
Consumer Business	1.7	2.6	2.1	+24%	2.2	2.7	+4%
Other, eliminations etc.	0.6	1.1	1.0	+67%	1.4	1.1	-
Advertising	11.4	16.0	14.5	+27%	22.0	20.0	+25%
Pachislot and Pachinko Machines	2.2	2.8	1.6	-27%	2.9	2.3	-18%
Amusement Machine Sales	1.0	1.4	1.2	+20%	2.0	2.1	+50%
Amusement Center Operations	1.0	1.2	1.0	-	1.4	1.5	+25%
Consumer Business	5.7	8.6	8.7	+53%	13.5	12.1	+41%
Other, eliminations etc.	1.5	2.0	2.0	+33%	2.2	2.0	-

Consolidated Balance Sheet (Summary)

Account	As of end of March 2014	End of 3Q	Change	Account	As of end of March 2014	End of 3Q	Change
Cash and Deposits	101.2	104.6	+3.4	Accounts Payable	37.2	37.0	-0.2
Accounts Receivable	48.1	53.6	+5.5	Corporate Bond	1.7	1.6	-0.1
Securities	107.7	110.2	+2.5	Short Term Borrowings	12.9	12.9	-
Inventories	35.9	35.4	-0.5	Other	39.2	42.4	+3.2
Other	25.5	27.8	+2.3	Total Current Liabilities	91.0	93.9	+2.9
Total Current Assets	318.4	331.6	+13.2	Corporate Bond	37.8	57.0	+19.2
Tangible Fixed Assets	102.1	106.0	+3.9	Long Term Debt	35.1	37.8	+2.7
Intangible Fixed Assets	31.7	29.8	-1.9	Other	30.6	30.4	-0.2
Investment Securities	60.8	66.0	+5.2	Total Noncurrent Liabilities	103.5	125.2	+21.7
Other	29.8	32.4	+2.6	Total Liabilities	194.6	219.2	+24.6
				Shareholders Equity	330.9	322.6	-8.3
				Total accumulated other comprehensive income	12.3	18.5	+6.2
				Warrants	1.0	0.9	-0.1
				Minority Interest	3.8	4.5	+0.7
Total Noncurrent Assets	224.4	234.2	+9.8	Total Net Assets	348.2	346.6	-1.6
Total Assets	542.9	565.8	+22.9	Total Liabilities and Net Assets	542.9	565.8	+22.9

Summary of Results Through 3Q

- Current Assets: Up 13.2 billion yen as cash and deposits, accounts receivable and securities (short-term fund management) increased
- Noncurrent Assets: Up 9.8 billion yen primarily due to the increase in tangible fixed assets and investment securities
- Noncurrent Liabilities: Up 21.7 billion yen primarily due to the issuance of corporate bonds
 - Total Assets : 565.8 billion yen increased by 22.9 billion yen
- Equity ratio : 60.3% (-2.9pt) ■ Current ratio : 353.0% (+3.3pt)

(JPY billion)	As of end of March 2014	End of 3Q	Difference
Total assets	542.9	565.8	+22.9
Net assets	348.2	346.6	-1.6
Equity ratio	63.2%	60.3%	-2.9pt
Current ratio	349.7%	353.0%	+3.3pt

(JPY Billion)	FY Ended March 2014		FY Ending March 2015				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
Net Sales	160.2	181.8	115.3	-28%	158.5	149.0	-18%
Pachislot	107.1	112.7	44.6	-58%	75.5	73.7	-35%
Pachinko	49.3	63.5	69.7	+41%	82.0	74.0	+17%
Other	3.8	5.6	1.0	-74%	1.0	1.3	-77%
Operating Income	50.0	45.2	20.6	-59%	25.0	25.0	-45%
Operating Income Margin	31.2%	24.9%	17.9%	-13.3pt	15.8%	16.8%	-8.1pt
Unit Sales (Pachislot)	286,396	301,575	130,191	-55%	222,998	207,000	-31%
Unit Sales (Pachinko)	156,538	200,225	225,783	+44%	267,453	242,000	+21%

Summary of Results Through 3Q

Full Year Forecast

Overall

- Year-on-year, sales and profits decreased as number of pachislot titles decreased though sales of pachinko machine were solid

- Sales and profits are forecast to decrease due to the decreased number of pachislot titles compared to the previous fiscal year.
- Revised full year forecast on February 12, 2015
⇒ No change in operating income despite the decrease in unit sales in comparison with the previous forecast as of October 31, 2014

Pachislot

- Although RODEO's "Salaryman Kintaro" was launched, unit sales decreased year-on-year as number of titles decreased
- Main titles launched (3Q)
⇒ RODEO "Salaryman Kintaro"

- Continues with shipments of "Salaryman Kintaro" launched in 3Q and releases the mainstay title "Pachislot ALADDINA II"
- Main titles to be launched (4Q)
⇒ Sammy "Pachislot ALADDINA II" etc.

Pachinko

- Unit sales increased year-on-year as sales of new titles such as "CR Hokuto No Ken 6 series", which sold more than 130 thousand units, remained solid
- Main titles launched (3Q)
⇒ Sammy "CR Hokuto No Ken 6 series" etc.
⇒ TAIYO ELEC "CR Ryu ga Gotoku Kenzan! Tensho-gion hen," "Dejihane CR BLACK LAGOON 2," "CR Dokkyun Resort" etc.

- Several titles to be launched
- Main titles to be launched (4Q)
⇒ Sammy "CR HAKUSHON DAIMAO series" etc.

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 3Q	Full year Results	Results Through 3Q	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)
Sammy	4 titles	5 titles	2 titles	3 titles	3 titles
	243,474 units	264,365 units	83,468 units	163,468 units	155,000 units
RODEO	0 title	0 title	1 title	1 title	1 title
	893 units	893 units	37,154 units	50,000 units	42,000 units
TAIYO ELEC	2 titles	2 titles	2 titles	2 titles	2 titles
	12,163 units	6,445 units(*)	9,569 units	9,530 units	10,000 units
GINZA	2 titles	2 titles	-	-	-
	29,866 units	29,872 units	-	-	-
Total	8 titles	9 titles	5 titles	6 titles	6 titles
	286,396 units	301,575 units	130,191 units	222,998 units	207,000 units

* As there were returns of some titles in 4Q FY ended March 2014, number of units in 4Q decreased compared with 3Q.

Major Titles (Results) / Pachislot

Brand	Title	Total Sales	Installed From
RODEO	Salaryman Kintaro	37,154 units	January



“Salaryman Kintaro” (RODEO)

©HIROSHI MOTOMIYA / SHUEISHA / FIELDS ©Sammy ©RODEO

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 3Q	Full year Results	Results Through 3Q	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)
Sammy	5 titles	7 titles	8 titles	9 titles	9 titles
	120,201 units	160,688 units	196,306 units	223,938 units	205,000 units
TAIYO ELEC	3 titles	3 titles	4 titles	7 titles	5 titles
	36,337 units	39,537 units	29,477 units	43,515 units	37,000 units
Total	8 titles	10 titles	12 titles	16 titles	14 titles
	156,538 units	200,225 units	225,783 units	267,453 units	242,000 units
Board + Frame	82,975 units	103,819 units	62,431 units	80,320 units	69,000 units
Board	73,563 units	96,406 units	163,352 units	187,133 units	173,000 units



Major Titles (Results)/ Pachinko

Brand	Title	Total Sales	Installed From
Sammy	CR Hokuto No Ken 6 series	132,760 units	November

“CR Hokuto No Ken 6 Ken-ou” (Sammy)

©Buronson&Tetsuo Hara/NSP1983 ©NSP2007 .Approved No.YDA-108 ©Sammy

(JPY Billion)	FY Ended March 2014		FY Ending March 2015				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
Net Sales	28.0	38.6	28.9	+3%	40.0	39.0	+1%
Domestic	23.9	32.6	23.4	-2%	-	-	-
Overseas	4.1	6.0	5.5	+34%	-	-	-
Operating Income	-0.2	-1.2	0.4	-	-2.3	-1.6	-
Operating Income Margin	-	-	1.4%	-	-	-	-

Summary of Results Through 3Q

- Conducted sales of CVT kits for mainstay titles
⇒ **“WORLD CLUB Champion Football”**
- Posted distribution of earnings from revenue sharing model (mainstay titles under revenue sharing models)
⇒ **“BORDER BREAK”** series, **“SEGA NETWORK MAHJONG MJ5 Evolution”** etc.
- To capture a broad range of users, conducted sales of a lineup that can meet diverse users’ needs, from high-value added items to household items
⇒ **“EDEL SUNABA”**, **“Uranai Collection Torotte”**

Full Year Forecast

- Expects increase in loss compared to previous fiscal year due to weak sales of new titles, etc.
- Only one title is planned to be released in 4Q
- Expects distribution of earnings from revenue sharing model
⇒ New title **“Wonderland Wars”**

Major Titles (Results)

Title	Game Type	Sales
WORLD CLUB Champion Football Series	Trading Card Game	2.3 billion yen
StarHorse3 Series	Medal Game	1.3 billion yen
SENGOKU-TAISEN	Trading Card Game	1.1 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.
 ©2009 JFA



“StarHorse3 Season III CHASE THE WIND”

©SEGA

(JPY Billion)		FY Ended March 2014		FY Ending March 2015				
		Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
Net Sales		32.4	43.2	30.9	-5%	41.0	41.0	-5%
Operating Income		-0.0	0.0	-0.5	-	-0.8	-0.8	-
Operating Income Margin		-	-	-	-	-	-	-
Same Store Sales Comparisons		94.9%	96.1%	100.1%	-	97.7%	99.1%	-
Domestic Facilities	Opened	4 facilities	5 facilities	4 facilities	-	4 facilities	5 facilities	-
	Closed	3 facilities	9 facilities	4 facilities	-	4 facilities	4 facilities	-
	Total	203 facilities	198 facilities	198 facilities	-	198 facilities	199 facilities	-
Overseas Facilities		2 facilities	2 facilities	2 facilities	-	2 facilities	2 facilities	-

Summary of Results Through 3Q

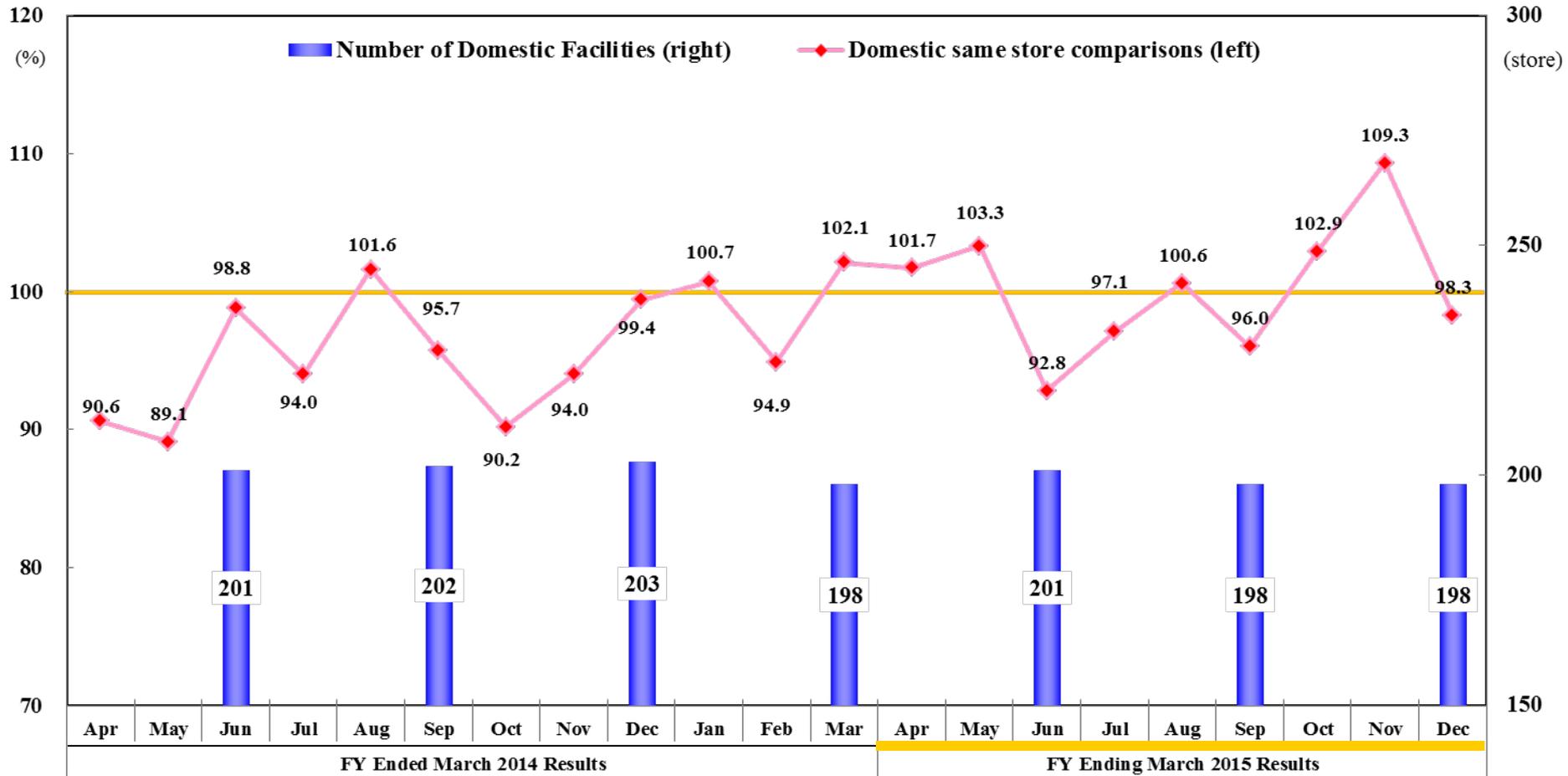
- Sales decreased year-on-year and loss increased due to the consumption tax hike although same-store sales remained solid
- Domestic same store sales year-on-year comparison: 3Q Result: 100.1% (October: 102.9%, November: 109.3%, December: 98.3%)
- Domestic facilities: End of 3Q: 198 facilities (opening of 4 facilities and closing of 4 facilities)

Full Year Forecasts

- Working towards improved profitability by narrowing investments and streamlining facility operations, etc.
- Domestic same store sales year-on-year comparison:
End of full year forecasts: 99.1%
- Domestic facilities: End of full year forecasts: 199 (Openings: 5, Closures: 4)
- Reviewing facilities portfolio and development and opening of facilities targeting families and facilities accompanying restaurants

Segment Results : Amusement Center Operations

Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



Segment Results: Consumer Business

(JPY Billion)	FY Ended March 2014		FY Ending March 2015				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Oct 31)	Revised Full Year Forecasts (announced on Feb 12)	YoY Change
Net Sales	72.3	99.8	82.1	+14%	116.5	110.0	+10%
Packaged Games	28.4	38.9	32.0	+13%	45.7	43.8	+13%
Digital Games	28.3	40.0	33.7	+19%	47.3	44.4	+11%
Toy	7.4	8.4	5.6	-24%	6.9	6.2	-26%
Animation	8.3	12.1	9.9	+19%	14.5	13.9	+15%
Other / Elimination	-0.1	0.4	0.9	-	2.1	1.7	+325%
Operating Income	2.7	2.0	2.2	-19%	5.0	2.7	+35%
Operating Income Margin	3.7%	2.0%	2.7%	-1.0pt	4.3%	2.5%	+0.5pt
Sales in Units (Thousand)	6,310	8,730	8,900	+41%	11,040	11,060	+27%

Summary of Results Through 3Q

Overall ■ Business performance was weak in toy sales business and packaged game field, though digital field remained solid. As a result, year-on-year sales increased but profit decreased.

Packaged Games ■ Launched new titles including “Alien: Isolation,” “Football Manager 2015” etc.
■ As sales of repeat titles remained stable, units sales increased year-on-year, but performance of sales of new titles remained weak.

Digital Games ■ The overall performance of the digital games field was strong due to robust performance of existing titles as well as mainstay titles
Mainstay titles → “PHANTASY STAR ONLINE 2,” “Puyopuyo!! Quest,” “CHAIN CHRONICLE – Kizuna no Shintairiku” etc.
Existing titles → “Ange Vierge,” “SAKATSUKU Shoot !” etc.
■ Number of titles under service at end of 3Q: 132 (Pay-to-play 73, Free-to-play 59)
■ 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

Toy ■ Sales centering on products from “Anpanman Series,” “JewelPad” etc.

Animation ■ License revenue from TV series “Yowamushi Pedal” and product sales revenue were strong

Full Year Forecast

■ Revised full year forecast from the previous forecast on October 31 2014, because of the weak performance in packaged game field etc.

■ Expects weak sales of new titles
■ Main titles to be launched in 4Q
Domestic “Ryu ga Gotoku 0: Chikai no Basho”

■ The overall performance of the digital games field was temporarily weak as release of new titles is strategically slipped to the next fiscal year, timing of posting the license income of overseas online game moves to the next fiscal year, and pachinko and pachislot games for mobile phones and PCs didn't performed well
■ Launch several new titles for domestic smartphones
→ “Dairantou!! Dragon Parade” etc.
■ Development of domestic for smart device titles in the Asian regions
Note: “SAKATSUKU Shoot !” and “Dairantou!! Dragon Parade” are translated in English for the sake of convenience.

■ Business performance is expected to be weak, in spite of sales of mainstay products

■ License revenue and product sales revenue from TV series “Yowamushi Pedal” are expected to remain robust

Sales Results (Packaged Game)

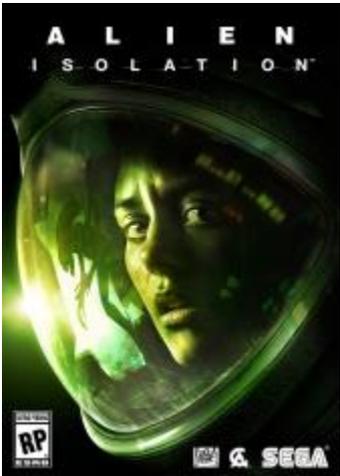
*Number of titles reflects products which begin sales in the period
(Number of titles by platform is based on SKU)

Breakdown by Region	FY Ended March 2014				FY Ending March 2015					
	Results Through 3Q		Full Year Results		Results Through3Q		Revised Full Year Forecasts (announced on Oct 31)		Revised Full Year Forecasts (announced on Feb 12)	
	# of titles (SKU)	Unit Sales (Thousand)	# of titles (SKU)	Unit Sales (Thousand)	# of titles (SKU)	Unit Sales (Thousand)	# of titles (SKU)	Unit Sales (Thousand)	# of titles (SKU)	Unit Sales (Thousand)
Japan	6 (9)	960	12 (21)	2,150	12 (15)	1,400	13 (18)	2,270	15 (19)	2,140
US	5 (6)	2,290	5 (6)	2,800	7 (16)	3,540	9 (18)	4,120	9 (18)	4,210
Europe	4 (5)	3,060	4 (5)	3,770	6 (13)	3,950	5 (12)	4,630	6 (13)	4,710
Total	15 (20)	6,310	21 (32)	8,730	25 (44)	8,900	27 (48)	11,040	30 (50)	11,060

Breakdown by Platform	FY Ended March 2014				FY Ending March 2015					
	Results Through 3Q		Full Year Results		Results Through 3Q		Revised Full Year Forecasts (announced on Oct 31)		Revised Full Year Forecasts (announced on Feb 12)	
	SKU	Unit Sales (Thousand)	SKU	Unit Sales (Thousand)	SKU	Unit Sales (Thousand)	SKU	Unit Sales (Thousand)	SKU	Unit Sales (Thousand)
PS3	2	150	5	540	11	730	11	980	12	960
PS4	-	-	1	140	3	660	4	760	4	920
WiiU	4	270	5	320	4	210	4	300	4	230
Xbox360	0	0	0	0	4	230	3	190	4	240
Xbox One	-	-	-	-	3	410	3	340	3	420
3DS	4	550	6	780	9	900	12	1,380	13	1,160
PSP	2	160	2	160	0	0	0	0	0	0
PSV	1	70	5	330	5	330	5	360	5	340
PC	7	2,270	8	2,640	5	990	6	1,210	5	1,080
Catalogue etc.	-	2,810	-	3,790	-	4,420	-	5,480	-	5,680
Total	20	6,310	32	8,730	44	8,900	48	11,040	50	11,060

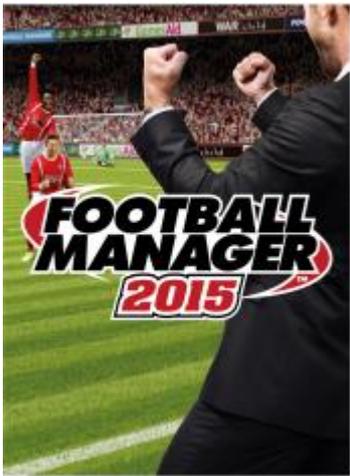
Major Titles (Results) / Packaged Games

Title (Region)	Platform	Sales Unit (thousand)	Launch
Alien: Isolation (Europe, US)	PS3, PS4, Xbox360, XboxOne, PC	1,760	October
Football Manager 2015 (Europe, US)	PC	640	November
Sonic Boom Rise of Lyric (Japan, Europe, US)	Wii U	490	November
Sonic Boom Shattered Crystal (Japan, Europe, US)	3DS		



“Alien: Isolation”

Alien: Isolation, Alien, Aliens, Alien 3 TM & © 2014 Twentieth Century Fox Film Corporation. All rights reserved. Twentieth Century Fox, Alien, Aliens, Alien 3 and their associated logos are registered trademarks or trademarks of Twentieth Century Fox Film Corporation. Alien: Isolation game software, excluding Twentieth Century Fox elements © SEGA. Developed by The Creative Assembly Limited. Creative Assembly and the Creative Assembly logo are either registered trade marks or trade marks of The Creative Assembly Limited. SEGA and the SEGA logo are either registered trade marks or trade marks of SEGA Corporation. All rights reserved.



“Football Manager 2015”

© Sports Interactive Limited 2014. Published by SEGA Publishing Europe Limited. Developed by Sports Interactive Limited. SEGA and SEGA logo are either registered trade marks or trade marks of SEGA Corporation. Football Manager, the Football Manager logo, Sports Interactive and the Sports Interactive logo are either registered trade marks or trade marks of Sports Interactive Limited. All rights reserved. All other company names, brand names and logos are property of their respective owners.

Major Titles (Results) /Digital Games



©SEGA



© SEGA/© SEGA Networks

< PHANTASY STAR ONLINE 2 >

- As a first project to commemorate the 15th anniversary of PHANTASY STAR series, “**PHANTASY STAR ONLINE 2—ON STAGE—**” was performed on stage for the first time
- Implemented the updating event of “**Arks Kyoutousai 2015**” commemorating the second anniversary since launch of the PS Vita version service
- To launch PC and PS Vita versions of “**PHANTASY STAR ONLINE2 EPISODE3 DELUXE PACKAGE**” in March 2015

< CHAIN CHRONICLE >

- Started service in North America through overseas bases of gumi Inc. from December 8, 2014
- TV animation version is to be created
- Started production of a new chapter “**Tsumi no Tairikuhen**” which is planned to be released in 2015

< Noah Pass >

- 81 companies participated and the number of users surpassed 82 million as of December 2014
- Implemented crowdfunding on the theme of “**CHAIN CHRONICLE – Kizuna no Shintairiku**” from November to December 2014 using “Crowdrive”, a game-focused crowdfunding service, which has been developed with Fuji Television Network, Inc. and GOOPA Inc.
- Started to sell white paper which compiled analysis data about behavior and value of smartphone game users from December 2014



Group Structure Reform Activities



SEGA-SAMMY
HOLDINGS

Major Measures of Group Structure Reform in the fiscal year ending March 2015

- 1. Established Group Structure Reform Division** (on May 9, 2014)
 - Chairman: Hajime Satomi, President & CEO
 - Vice Chairman: Akira Sugano, CFO & Executive Vice President
- 2. Announcement of Group Structure Reform Policy** (on October 31, 2014)
 - Restructuring into three business groups
 - Policy for reduction of fixed expense
 - Appointment of personnel in charge of structure reform in SEGA CORPORATION
- 3. Implementation of Structure Reform in SEGA CORPORATION**
(on January 30, 2015)
 - Enhancing efficiency in domestic businesses
 - Soliciting voluntary retirement
 - Enhancing efficiency in overseas businesses
- 4. Implementation of Group Structure Reform** (on February 12, 2015)
 - Implementation of restructuring the group subsidiaries as of April 1, 2015
 - To promote further business reorganization, organizational restructuring within the group will be determined.

Implementation of Structure Reform in SEGA CORPORATION (announced on January 30, 2015)

SEGA has positioned domestic and overseas Digital Games, centered around smartphone and PC online gaming, as a growth area and has determined to implement the following measures in order to constantly post profits by improving management efficiency while promptly promoting redistribution of management resources.

➤ **Enhancing efficiency in domestic businesses**

- Review its business structures mainly in Amusement Businesses
- Narrow down product lineup and withdraw or consolidate and downsize some of the services
- Structure reform related cost is expected to be posted in the businesses to be withdrawn or consolidated and downsized

➤ **Soliciting voluntary retirement**

- Voluntary retirement will be solicited in the businesses to be withdrawn or consolidated and downsized
- Number of solicited employees: About 120
- Personnel will be repositioned within the group at the same time of soliciting voluntary retirement

➤ **Enhancing efficiency in overseas businesses**

- Streamlining of packaged game area, mainly in North America
- Streamline the businesses centered on the corporate functions, while at the same time reinforce the Sonic and merchandising business in Sega of America, Inc.
- Structure reform related cost etc. including reduction of employees and base relocation is expected to be posted.

Impact of structure reform implementation on operating results

➤ Extraordinary loss arising in the year ending March 2015: approx. 15 billion yen (full Year)

■ Revised the previous forecast announced on October 31, 2014 due to posting extraordinary loss

(Billion yen)	Full-Year Consolidated Operating Results Forecast Adjustment (as of October 31, 2014)	Full-Year Consolidated Operating Results Forecast Adjustment (as of February 12, 2015)
Net Sales	370.0	352.5
Operating Income	18.0	16.0
Ordinary Income	17.0	15.0
Extraordinary Income	0.3	0.1
Extraordinary Loss	4.6	15.0
Profit before Net Income	12.7	1.0
Net Income	4.0	-13.0

➤ Activities such as soliciting voluntary retirement

In addition to the solicitation of voluntary retirement at SEGA CORPORATION offices in Japan, streamlining efforts are being undertaken including measures to solicit voluntary retirement at several Group companies. Concurrently, repositioning of personnel within the Group aiming for optimum distribution of management resources is being conducted. With the number of regular employees planned to be reduced by 300 as of January 30, 2015, the result of examination of the status of applications for voluntary retirement and of the repositioning of personnel mentioned above currently projects a reduction of 300 regular employees and 100 fixed-term employees.

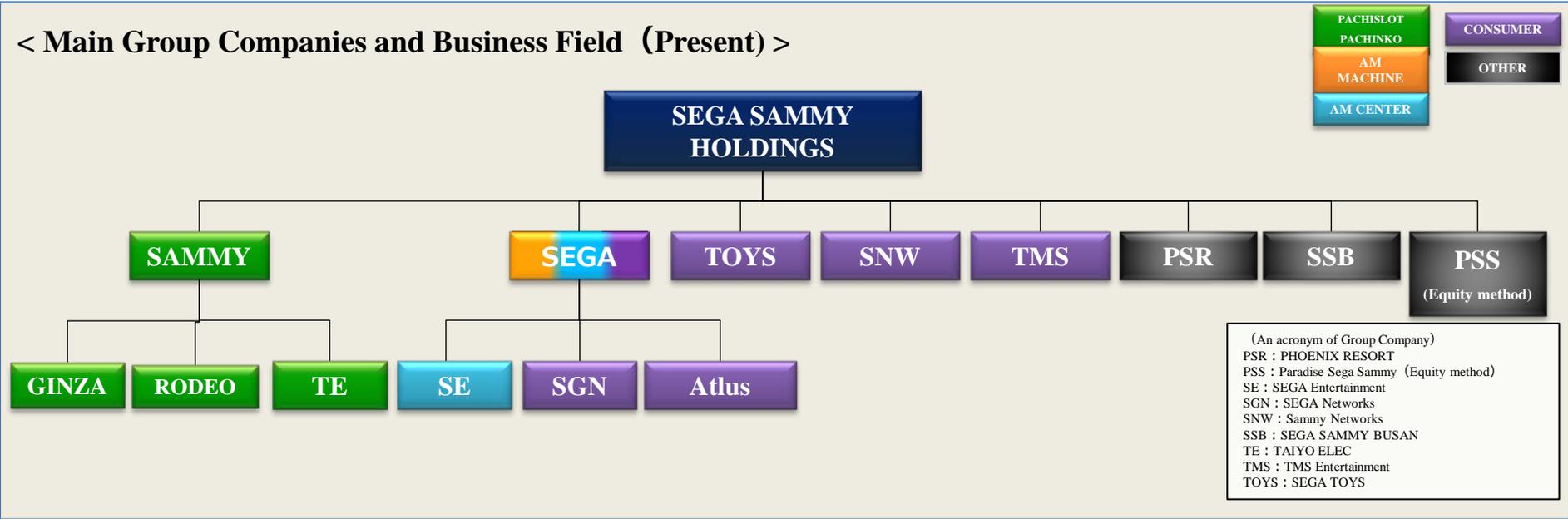
➤ Expected reduction in annual labor cost due to the implementation of various structure reform: approx. 2.8 billion yen / (compared with the fiscal year)

Implementation of Group Structure Reform

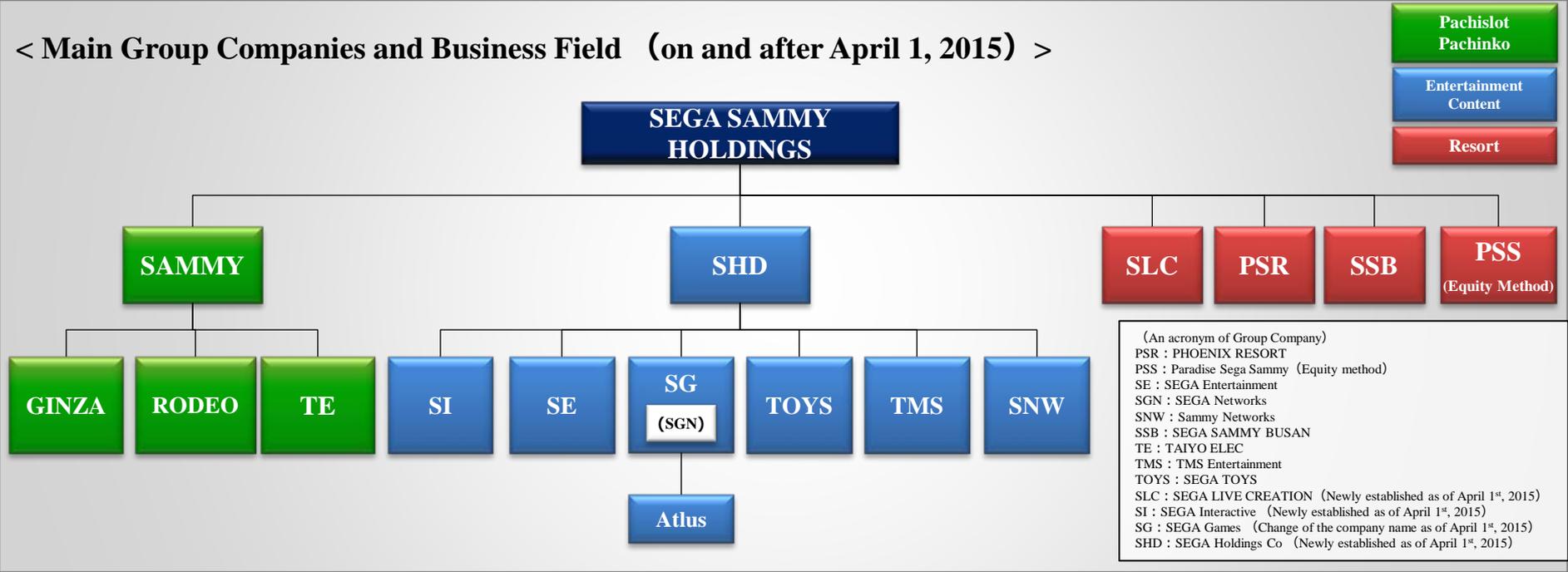
- Determine to restructure into three business groups based on the group restructuring policy
(announced on October 31, 2014)

Each business group will make efforts to enhance management efficiency by constructing a system to allow appropriate investment of management resources and responding to changes in business environment while working to speed up decision making and streamlining redundant functions

- Based on the above policy, determine to implement the restructuring of group subsidiaries as of April 1, 2015
(For details, please see the next page)



Implementation of Group Structure Reform



<Overview of Group Restructuring as of April 1, 2015>

- Establish SEGA Holdings Co., Ltd. (the Company) and entertainment content business is affiliated under the Company
- Establish SEGA Interactive Co., Ltd. which assumes a role in Amusement Machine Sales Business
- Change the company name to SEGA Games Co., Ltd. which assumes a role in both packaged and digital game area by merging SEGA CORPORATION and SEGA Networks Co., Ltd.
- Establish SEGA LIVE CREATION Inc. by divesting part of the entertainment park business (Tokyo Joypolis, Orbi Yokohama etc.) in order to utilize know-how of Sega's large facilities operation for resort business and the new company becomes the wholly owned subsidiary of SEGA SAMMY HOLDINGS INC.

Significance and future direction of structure reform

The purpose of this structure reform is implemented to concentrate the management resource to major business and area, right-size the business contents and volume of other business and area, improve operational efficiency and rapid decision-making. The organizational restructuring within the group is aimed at continuously reviewing business owned by the group on and after next fiscal year and promote further business reorganization.

➤ Pachislot and Pachinko Machines Business

- Continue to maintain a business structure centering on Sammy Corporation. This segment continues to be positioned as core segment in the group.
- By responding to new testing methods and various voluntary regulations at an early stage, supply pachislot and pachinko machines that capture market needs
- Aim to ensure income by maintaining and improving the competitiveness, although impact on the market from new testing method and voluntary regulations is difficult to expect at the moment

➤ Entertainment Contents Business

- Consolidate three segments whose profit contribution is decreasing and at the same time, change the organizational structure drastically.
- Clarify the management responsibility and speed up the decision-making
- Focus on investing human and economical resource in the digital game area perceived as the source of growth
- Structure reform of other areas (packaged game, amusement, toys and animation) doesn't end just for once and continues to be considered to improve the profitability of the whole entertainment content business.

➤ Resort Business

- Consolidate related function under SEGA SAMMY Holdings Inc. and focus on investing human and economical resource
- Accelerate acquisition of the operational know-how of Integrated Resorts (IR) through various activities both inside and outside Japan
 - ⇒ Operation of domestic resorts centering on PHOENIX RESORT CO.,LTD.
 - ⇒ Operation and development of IR facilities including casinos in Incheon, South Korea, through PARADISE SEGASAMMY Co.,Ltd.
 - ⇒ Development of large complex facilities in Busan, South Korea.

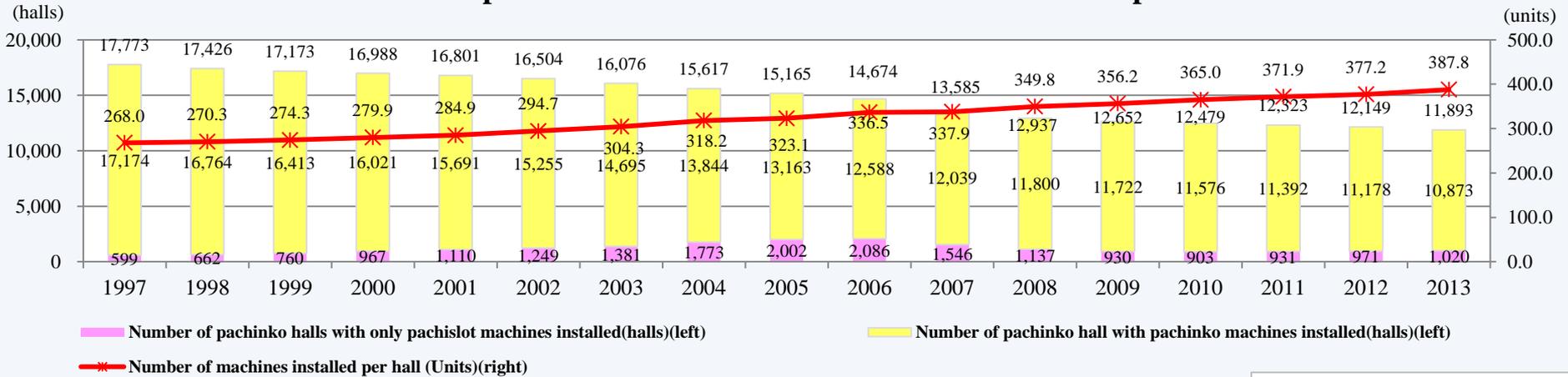
Appendix



SEGA-SAMMY
HOLDINGS

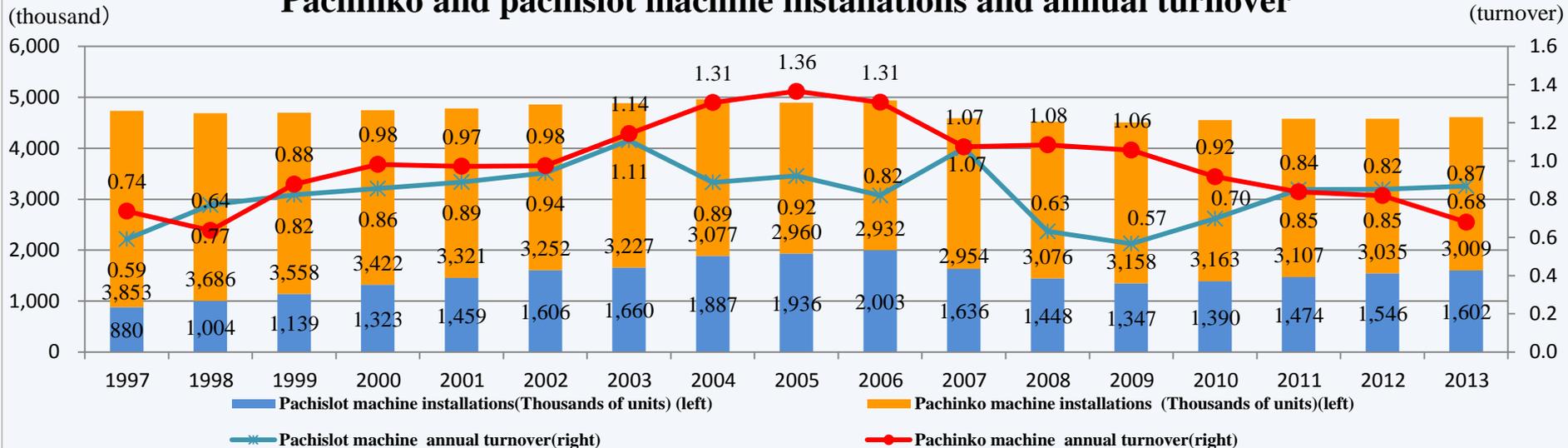
Pachinko and Pachislot Machine Markets

Number of pachinko hall and number of machines installed per hall

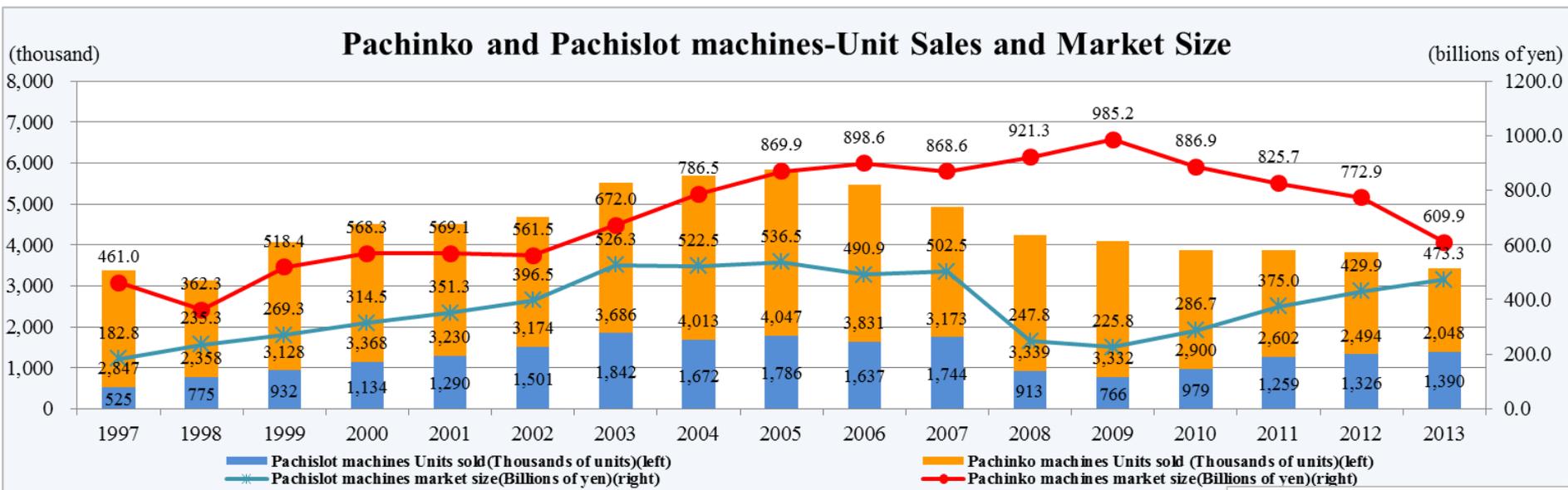


Sources : National Police Agency

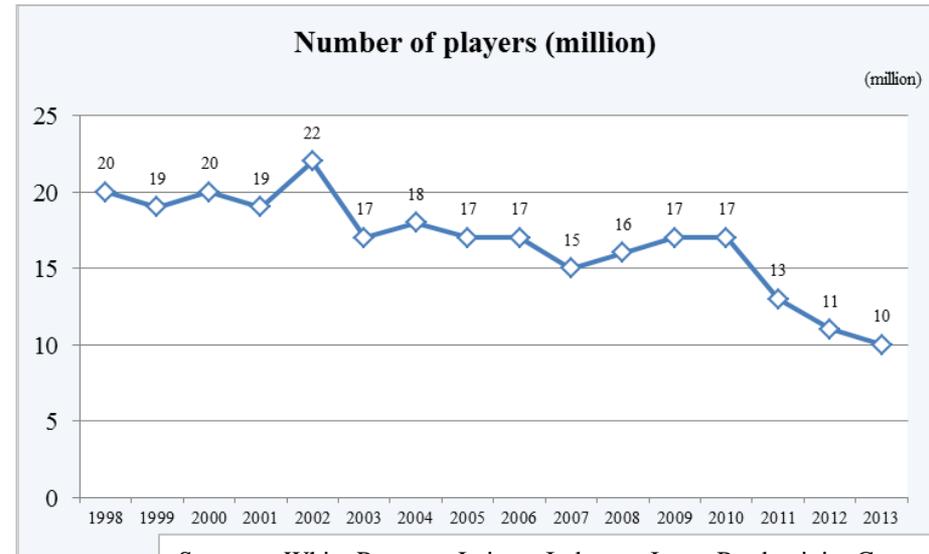
Pachinko and pachislot machine installations and annual turnover



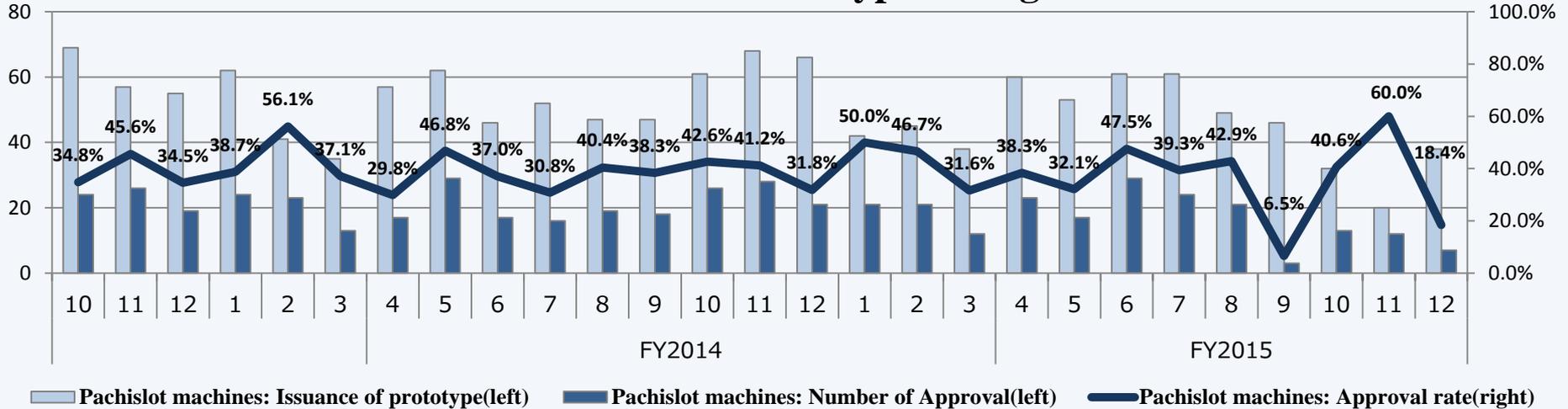
Sources: National Police Agency and Yano research Institute Ltd.



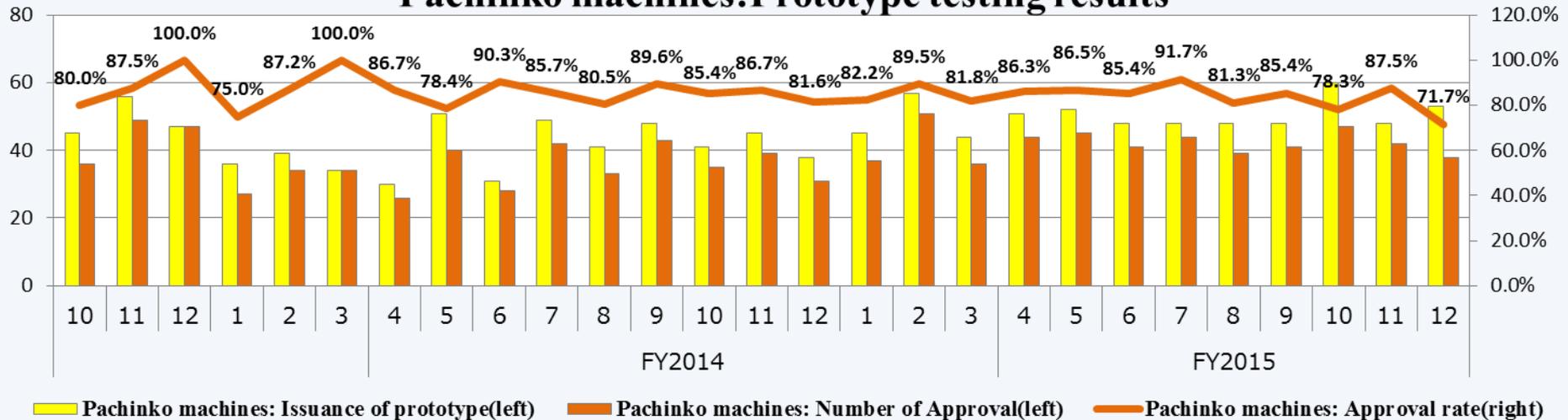
Sources: Yano research Institute Ltd.



Pachislot machines: Prototype testing results



Pachinko machines: Prototype testing results



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%	Sammy	301,575	21.7%
2	S Company	104,266	13.6%	D Company	117,000	11.9%	D Company	200,000	15.9%	Sammy	202,221	15.3%	U Company	215,000	15.5%
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%	H Company	120,000	8.6%
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%	S Company	116,291	8.4%
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%	D Company	102,000	7.3%

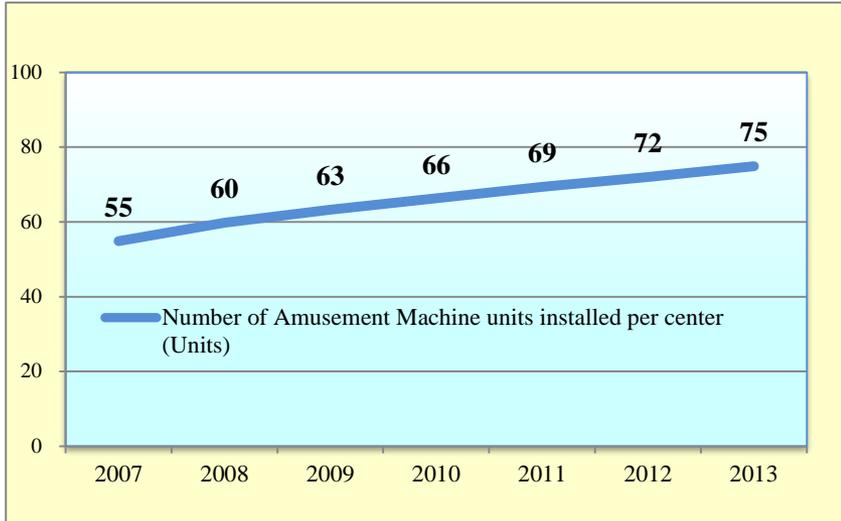
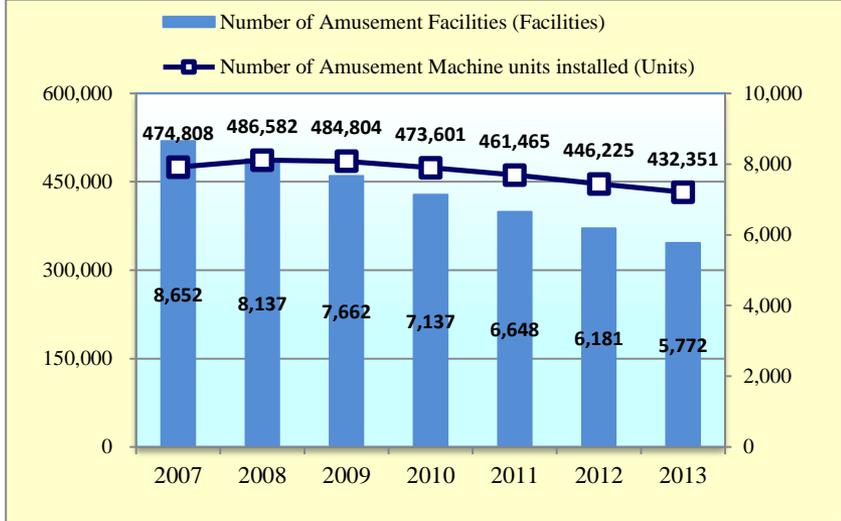
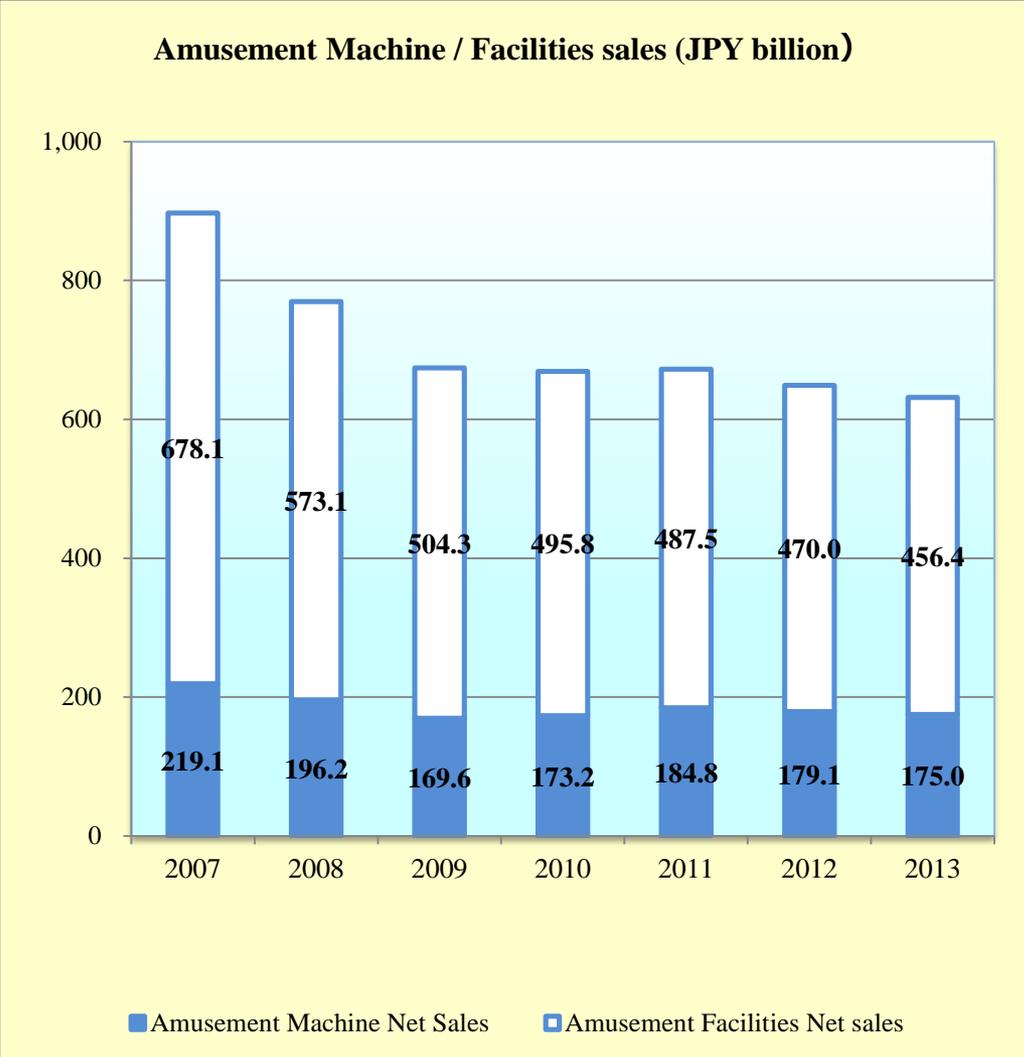
Share of Annual Pachinko Machine Sales

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%	K Company	349,000	17.0%
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%	S Company	315,000	15.4%
3	K Company	426,000	12.8%	Sammy	343,188	11.8%	Sammy	332,288	12.8%	H Company	252,000	10.1%	S Company	291,967	14.3%
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%	Sammy	200,225	9.8%
5	Sammy	360,171	10.8%	N Company	296,000	10.2%	N Company	255,000	9.8%	Sammy	216,860	8.7%	H Company	197,000	9.6%

Source: Yano Research Institute Ltd.

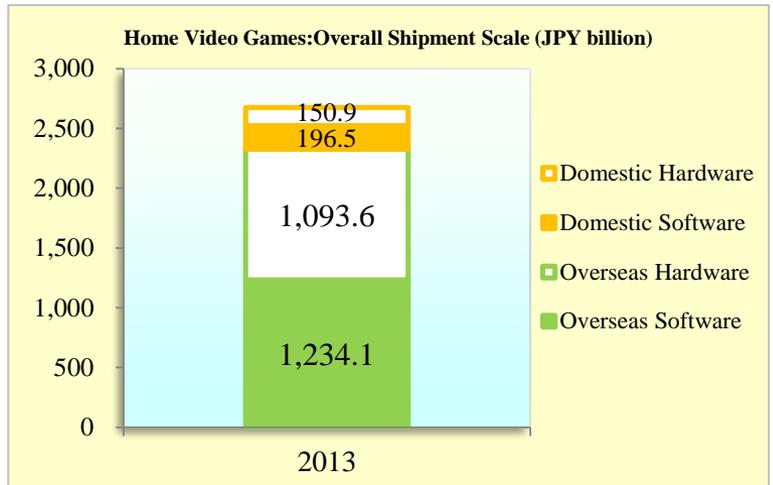
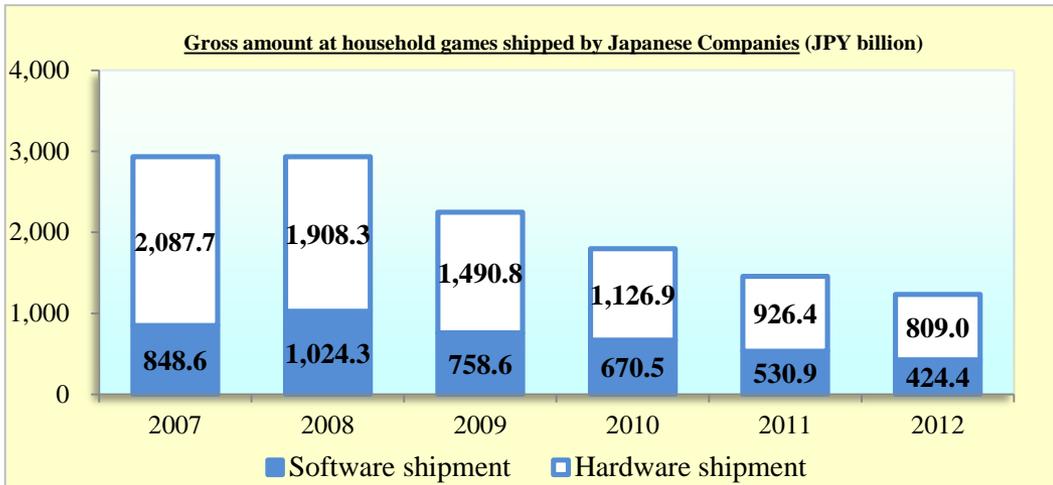
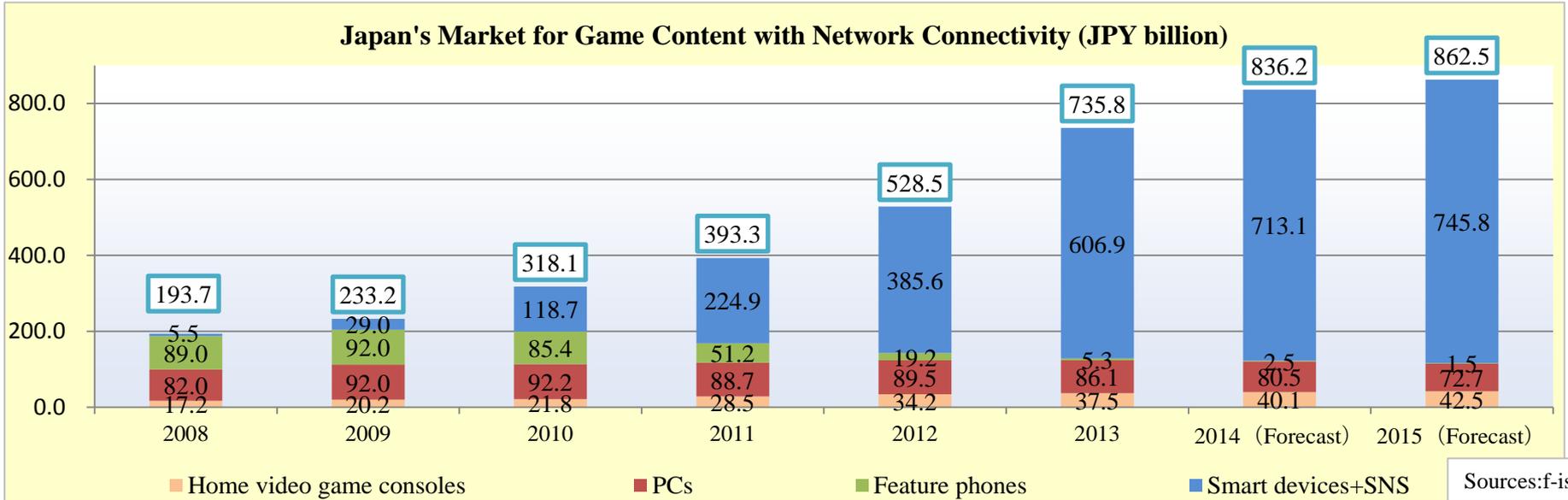
*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

Amusement Machine and Amusement Center Operations Markets Scale



Source: JAIA, National Police Agency

Home Video Game and Online Game Markets Scale



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 Ending March 2015

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

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2015/e_201503_3q_transition.xls)

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

(JPY billion)	FY Ended March 2005	FY Ended March 2006	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011	FY Ended March 2012	FY Ended March 2013		FY Ended March 2014				FY Ending March 2015		
	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	Results Through 3Q							
Net Sales	515.6	553.2	528.2	458.9	429.1	384.6	396.7	395.5	136.5	321.4	90.7	162.2	303.9	378.0	88.3	154.2	267.5
Breakdown																	
Pachislot and Pachinko Machines	280.1	265.6	211.5	145.5	161.6	160.3	212.0	212.1	54.3	142.2	51.8	71.2	160.2	181.8	47.4	60.6	115.3
Amusement Machines Sales	63.3	71.5	75.4	71.0	61.9	45.1	47.2	49.9	18.7	39.1	6.8	18.0	28.0	38.6	7.2	18.0	28.9
Amusement Center Operations	83.1	106.2	103.8	91.2	71.3	54.7	45.6	44.6	21.7	42.7	10.0	21.9	32.4	43.2	9.6	20.8	30.9
Consumer Business	65.3	90.3	119.5	141.7	131.3	121.5	88.8	85.6	35.3	83.8	18.8	43.8	72.3	99.8	21.1	48.2	82.1
Other	23.7	19.4	17.8	9.3	2.9	2.8	2.8	3.0	6.3	13.4	3.2	7.1	10.9	14.5	2.9	6.4	10.0
Operating Income	105.0	119.1	76.5	-5.8	8.3	36.7[31.0]	68.7	58.3	7.8	19.0	16.1	12.3	46.5	38.5	9.3	3.4	16.2
Breakdown																	
Pachislot and Pachinko Machines	103.9	99.8	71.1	8.4	14.5	29.5	64.2	71.0	10.4	23.5	18.7	15.1	50.0	45.2	12.9	7.3	20.6
Amusement Machines Sales	7.4	12.1	11.6	7.1	6.8	7.0[5.4]	7.3	7.4	0.8	1.9	-0.4	-0.0	-0.2	-1.2	-0.6	0.1	0.4
Amusement Center Operations	5.4	9.2	0.1	-9.8	-7.5	-1.3[-1.4]	0.3	-0.3	0.8	1.1	-0.0	0.2	-0.0	0.0	-0.4	-0.2	-0.5
Consumer Business	-8.8	1.9	1.7	-5.9	-0.9	6.3[2.4]	1.9	-15.1	-0.7	-0.7	0.0	1.1	2.7	2.0	-0.2	0.9	2.2
Other	-0.5	-1.7	-1.3	0.0	-0.3	0.3	0.0	0.2	-0.1	-0.4	-0.4	-0.4	-0.7	-1.2	-0.6	-1.0	-1.4
Eliminations	-2.3	-2.3	-6.7	-5.5	-4.9	-5.2	-5.1	-5.4	-3.2	-6.3	-1.6	-3.6	-5.1	-6.4	-1.5	-3.7	-5.1
Operating Margin	20.4%	21.5%	14.5%	-	1.9%	9.5%[8.1%]	17.3%	14.7%	5.7%	5.9%	17.8%	7.6%	15.3%	10.2%	10.5%	2.2%	6.1%
Ordinary Income	104.4	119.5	81.2	-8.2	6.6	35.9[30.2]	68.1	58.1	7.2	20.9	17.0	14.2	49.1	40.5	10.0	3.3	16.2
Ordinary Income Margin	20.2%	21.6%	15.4%	-	1.5%	9.3%[7.9%]	17.2%	14.7%	5.3%	6.5%	18.7%	8.8%	16.2%	10.7%	11.3%	2.1%	6.1%
Net Income	50.5	66.2	43.4	-52.4	-22.8	20.2[14.5]	41.5	21.8	3.8	33.4	12.9	11.3	44.3	30.7	5.5	-2.0	-0.0
Net Income Margin	9.8%	12.0%	8.2%	-	-	5.3%[3.8%]	10.5%	5.5%	2.8%	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	19.1	45.2	10.7	25.1	40.7	59.2	12.4	28.4	48.8
Cap-ex	32.4	38.5	36.6	50.4(*1)	26.6	16.1	19.6	36.1	21.6	32.8	16.2	22.6	29.3	38.1	6.9	14.7	20.5
Depreciation *4	17.7	21.8	28.0	45.6(*2)	26.6	17.1	15.9	16.1	7.4	18.1	3.5	7.5	11.4	16.1	4.0	8.1	12.8
Advertising *5	11.8	18.9	22.2	22.8	20.7	20.7	15.1	17.2	5.6	13.1	3.0	7.6	11.4	16.0	4.1	10.0	14.5
# of pachislot titles	9 titles	14 titles	17 titles	22 titles	19 titles	12 titles	10 titles	11 titles	3 titles	8 titles	1 title	3 titles	8 titles	9 titles	3 titles	4 titles	5 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	108,604 units	202,221 units	108,247 units	143,171 units	286,396 units	301,575 units	82,901 units	92,998 units	130,191 units
# of pachinko titles	8 titles	8 titles	14 titles	9 titles	12 titles	13 titles	12 titles	14 titles	9 titles	14 titles	2 titles	4 titles	8 titles	10 titles	5 titles	9 titles	12 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	57,749 units	216,860 units	28,606 units	54,955 units	156,538 units	200,225 units	50,806 units	86,453 units	225,783 units
Same Store Sales Comparisons	98.5%	103.3%	95.8%	89.0%	92.4%	91.7%	99.3%	100.5%	93.8%	93.8%	92.5%	95.0%	94.9%	96.1%	99.4%	98.7%	100.1%
Domestic Facilities	477 facilities	462 facilities	449 facilities	363 facilities	322 facilities	260 facilities	249 facilities	241 facilities	238 facilities	236 facilities	201 facilities	202 facilities	203 facilities	198 facilities	201 facilities	198 facilities	198 facilities
# of game software titles	(84)	(122)	(140)	80 (138)	78 (122)	66 (105)	51 (71)	45 (86)	9 (14)	25 (49)	3 (3)	8 (8)	15 (20)	21 (32)	3 (5)	6(14)	25 (44)
Sales (Thousand units)	11,790	16,400	21,270	26,990	29,470	26,750	18,710	17,240	2,760	10,780	1,210	3,230	6,310	8,730	1,700	4,100	8,900

* 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.)

