

FY Ending March 2016 1st Quarter Results Presentation










August 3rd, 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 2016 1st Quarter Results/ 1st Half Forecasts】

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Consolidated Income Statements (Summary)



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New Segment

(Reference) Former Segment

(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	90.0	158.1	366.8	52.9	-41%	200.0	+27%	420.0	+15%
Pachislot and Pachinko Machines	47.2	61.1	152.1	7.6	-84%	94.5	+55%	167.0	+10%
Entertainment Contents	39.9	90.3	199.6	41.8	+5%	98.5	+9%	235.0	+18%
Resort	2.8	6.6	14.9	3.4	+21%	7.0	+6%	18.0	+21%
Operating Income	8.9	2.7	17.4	-9.4	-	14.0	+419%	25.0	+44%
Pachislot and Pachinko Machines	12.5	7.0	25.7	-6.7	-	22.0	+214%	23.0	-11%
Entertainment Contents	-1.3	0.6	0.0	-0.7	-	-2.5	-	11.5	-
Resort	-0.7	-1.4	-2.3	-0.5	-	-2.0	-	-3.5	-
Other / Elimination	-1.4	-3.5	-6.0	-1.3	-	-3.5	-	-6.0	-
Operating Income Margin	9.9%	1.7%	4.7%	-	-	7.0%	+5.3pt	6.0%	+1.3pt
Ordinary Income	9.6	2.6	16.8	-8.7	-	14.0	+438%	25.0	+49%
Extraordinary Gain	0.1	0.3	1.0	0.3	-	0.0	-	0.0	-
Extraordinary Loss	0.3	3.5	15.9	0.1	-	0.0	-	1.0	-
Income before income taxes	9.4	-0.6	1.9	-8.4	-	14.0	-	24.0	+1,163%
Profit attributable to owners of parent	5.1	-2.8	-11.3	-7.9	-	11.0	-	19.0	-
Dividends per share (JPY)	-	20	40	-	-	20	-	40	-
Earnings per share (JPY)	21.18	-11.50	-46.70	-33.79	-	46.33	-	80.02	-
Net Assets per share (JPY)	1,398.21	1,384.25	1,336.54	1,286.88	-	-	-	-	-

(JPY Billion)	FY Ended March 2015		
	Results Through 1Q	Results Through 2Q	Full Year Results
Net Sales	88.3	154.2	354.9
Pachislot and Pachinko Machines	47.4	60.6	149.1
Amusement Machine Sales	7.2	18.0	39.6
Amusement Center Operations	9.6	20.8	41.4
Consumer Business	21.1	48.2	111.0
Other	2.9	6.4	13.6
Operating Income	9.3	3.4	17.6
Pachislot and Pachinko Machines	12.9	7.3	25.7
Amusement Machine Sales	-0.6	0.1	-2.5
Amusement Center Operations	-0.4	-0.2	-0.9
Consumer Business	-0.2	0.9	4.0
Other	-0.6	-1.0	-2.0
Eliminations	-1.5	-3.7	-6.5
Operating Income Margin	10.5%	2.2%	5.0%
Ordinary Income	10.0	3.3	16.9
Extraordinary Gain	0.1	0.3	1.0
Extraordinary Loss	0.3	3.5	15.9
Income before income taxes and minority interests	9.8	0.0	2.0
Net Income	5.5	-2.0	-11.2
Dividends per share (JPY)	-	20	40
Earnings per share (JPY)	22.66	-8.52	-46.22
Net Assets per share (JPY)	1,400.10	1,387.64	1,337.46

*Sales of new segment is changed to gross basis.

*Basis for recording net sales was changed from shipment to delivery starting in FY ending March 2016.

*In line with the change of accounting policy, contents of retroactive processing have been reflected on new segments since FY ended March 2015.



Net Sales/Profits Other		<ul style="list-style-type: none">• Sales decreased year-on-year and recorded operating loss as there weren't any new pachislot titles released in the Pachislot and Pachinko Machines Business etc.
Segment breakdown	Pachislot and Pachinko Machines	<ul style="list-style-type: none">• Sales decreased year-on-year and loss was recorded due to lack of new pachislot titles released as well as decrease in unit sales of pachinko machines despite release of several new titles including “Pachinko CR Aura Battler Dunbine” and “Dejihane CR Bakemonogatari series”.
	Entertainment Contents Business	<ul style="list-style-type: none">• Because of increase from Amusement machine sales area and Amusement Center operations area remained stable, year-on-year sales increased and loss decreased.
	Resort Business	<ul style="list-style-type: none">• Sales increased year-on-year and loss decreased• In domestic resort facilities, “Phoenix Seagaia Resort” etc remained stable.



(announced on June 9, 2015)

■ Issuance of Straight Corporate Bonds

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

Total value of bond	10 billion yen
Interest rate	0.567% per annum
Term and redemption method	5 years
Maturity date	June 15, 2020

Costs and Expenses Results



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(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
R&D Expense / Content Production Expense	12.4	28.4	67.6	12.8	+3%	30.0	+6%	69.4	+3%
Pachislot and Pachinko Machines	5.1	10.5	22.3	4.9	-4%	10.2	-3%	21.2	-5%
Entertainment Contents	7.4	17.9	45.7	7.7	+4%	19.7	+10%	48.0	+5%
Resort	0.0	0.1	0.2	0.0	-	0.0	-	0.1	-50%
Other / Elimination	-0.1	-0.1	-0.6	0.2	-	0.1	-	0.1	-
Cap-ex	6.9	14.7	28.7	6.8	-1%	15.0	+2%	34.4	+20%
Pachislot and Pachinko Machines	2.0	4.1	6.9	1.5	-25%	4.0	-2%	8.1	+17%
Entertainment Contents	4.5	9.4	19.5	4.2	-7%	9.2	-2%	18.7	-4%
Resort	0.3	1.0	2.1	0.9	+200%	1.6	+60%	7.4	+252%
Other / Elimination	0.1	0.2	0.2	0.2	-	0.2	-	0.2	-
Depreciation	4.0	8.1	17.6	4.1	-	7.9	-2%	16.8	-5%
Pachislot and Pachinko Machines	1.3	2.9	6.4	1.5	+15%	3.1	+7%	6.7	+5%
Entertainment Contents	2.2	4.4	9.6	2.2	-	3.9	-11%	8.1	-16%
Resort	0.2	0.4	0.9	0.1	-50%	0.5	+25%	1.2	+33%
Other / Elimination	0.3	0.4	0.7	0.3	-	0.4	-	0.8	-
Advertising	4.1	10.0	19.1	3.9	-5%	12.6	+26%	24.5	+28%
Pachislot and Pachinko Machines	0.5	1.3	2.1	0.2	-60%	1.6	+23%	3.1	+48%
Entertainment Contents	3.2	7.0	14.5	3.4	+6%	9.4	+34%	19.1	+32%
Resort	0.1	0.5	0.8	0.0	-	0.4	-20%	0.7	-13%
Other / Elimination	0.3	1.2	1.7	0.3	-	1.2	-	1.6	-

Consolidated Balance Sheet (Summary)



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(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2015	As of end of June 2015	Change	Account	As of end of March 2015	As of end of June 2015	Change
Cash and Deposits	102.2	88.8	-13.4	Accounts Payable	26.9	19.3	-7.6
Accounts Receivable	38.5	26.2	-12.3	Corporate Bonds	1.6	6.6	+5.0
Securities	97.2	83.1	-14.1	Short Term Borrowings	13.8	13.7	-0.1
Inventories	29.2	35.3	+6.1	Other	44.4	32.6	-11.8
Other	30.9	30.0	-0.9	Total Current Liabilities	86.7	72.2	-14.5
Total Current Assets	298.0	263.4	-34.6	Corporate Bonds	56.2	61.2	+5.0
Tangible Fixed Assets	100.2	102.1	+1.9	Long Term Debt	32.9	31.8	-1.1
Intangible Fixed Assets	29.0	29.7	+0.7	Other	30.3	31.2	+0.9
Investment Securities	70.0	76.5	+6.5	Total Noncurrent Liabilities	119.4	124.2	+4.8
Other	31.4	31.6	+0.2	Total Liabilities	206.2	196.5	-9.7
				Shareholders Equity	298.6	280.3	-18.3
				Total accumulated other comprehensive income	18.7	21.2	+2.5
				Warrants	0.8	0.8	-
				Non-controlling interests	4.2	4.3	+0.1
Total Noncurrent Assets	230.6	239.9	+9.3	Total Net Assets	322.4	306.7	-15.7
Total Assets	528.6	503.3	-25.3	Total Liabilities and Net Assets	528.6	503.3	-25.3

Summary of Results Through 1Q

- Current Assets: Down 34.6 billion yen as cash and deposits, accounts receivable and securities (short-term fund management) decreased
- Noncurrent Assets: Down 9.3 billion yen primarily due to the increase in investment securities and tangible fixed assets
- Total Assets : 503.3 billion yen decreased by 25.3 billion yen
- Equity ratio : 59.9% (-0.1pt) ■ Current ratio : 364.6% (+20.7pt)

(JPY billion)	As of end of March 2015	As of end of June 2015	Change
Total Assets	528.6	503.3	-25.3
Net Assets	322.4	306.7	-15.7
Equity ratio	60.0%	59.9%	-0.1pt
Current ratio	343.9%	364.6%	+20.7pt

Segment Results: Pachislot and Pachinko Machines



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(JPY Billion)		FY Ended March 2015			FY Ending March 2016				
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts
Sales		47.2	61.1	152.1	7.6	-84%	94.5	+55%	167.0
	Pachislot	31.0	34.5	73.8	0.0	-	61.3	+78%	97.0
	Pachinko	14.7	23.8	73.2	6.3	-57%	31.0	+30%	65.7
	Other / Elimination	1.5	2.8	5.1	1.3	-	2.2	-	4.3
Operating Income		12.5	7.0	25.7	-6.7	-	22.0	+214%	23.0
	Operating Income Margin	26.5%	11.5%	16.9%	-	-	23.3%	+11.8pt	13.8%
Unit Sales (Pachislot)		82,791	93,045	207,830	102	-100%	165,000	+77%	265,000
Unit Sales (Pachinko)		47,711	82,955	241,425	22,362	-53%	110,000	+33%	220,000

Summary of Results Through 1Q

■ Sales decreased year-on-year and loss was recorded.

■ No new titles were released.

■ Although several titles including “Pachinko CR Aura Battler Dunbine” and “Dejihane CR Bakemonogatari series” were released, unit sales decreased year-on-year.

■ Main titles launched in 1Q
⇒ Sammy “Pachinko CR Aura Battler Dunbine” (April)
“Dejihane CR Bakemonogatari series” (June), etc.
⇒ TAIYO ELEC “CR GAMERA” (June), etc.

1st Half Forecasts

■ Forecast increase in sales and profits year-on-year due to release of mainstay titles.

■ Main titles to be launched in 2Q
⇒ Sammy’s mainstay title “Pachislot Hokuto No Ken Tomo” (September)

■ Main titles to be launched in 2Q
⇒ Sammy “Pachinko CR TOMORROW'S JOE” (July)
“Pachinko CR Shin-Juoh 2” (September), etc.
⇒ TAIYO ELEC “CR BIG DREAM series” (August), etc.




Segment Results: Pachislot



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Delivery Data: Pachislot

Pachislot	FY Ended March 2015			FY Ending March 2016		
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	Forecasts Through 2Q	Full Year Forecasts
	2 titles	2 titles	3 titles	-	3 titles	7 titles
	81,165 units	83,516 units	155,695 units	102 units	140,000 units	240,000 units
	1 title	2 titles	2 titles	-	2 titles	2 titles
	1,626 units	9,529 units	9,569 units	-	25,000 units	25,000 units
	-	-	1 title	-	-	-
	-	-	42,566 units	-	-	-
Total	3 titles	4 titles	6 titles	-	5 titles	9 titles
	82,791 units	93,045 units	207,830 units	102 units	165,000 units	265,000 units

* New series of title is counted as one title (machines launched in the previous fiscal year/change of specification, etc. are not included).

Segment Results: Pachinko

Delivery Data: Pachinko

Pachinko	FY Ended March 2015			FY Ending March 2016		
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	Forecasts Through 2Q	Full Year Forecasts
 Sammy	3 titles	3 titles	5 titles	1 title	3 titles	5 titles
	39,718 units	62,893 units	206,775 units	15,630 units	75,000 units	165,000 units
 TAIYO ELEC	2 titles	2 titles	5 titles	1 title	4 titles	6 titles
	7,993 units	20,062 units	34,650 units	6,732 units	35,000 units	55,000 units
Total	5 titles	5 titles	10 titles	2 titles	7 titles	11 titles
	47,711 units	82,955 units	241,425 units	22,362 units	110,000 units	220,000 units
Board + Frame	14,161 units	20,786 units	64,476 units	6,586 units	41,500 units	127,500 units
Board	33,550 units	62,169 units	176,949 units	15,776 units	68,500 units	92,500 units

*New series of title is counted as one title (machines launched in the previous fiscal year/change of specification, etc. are not included)

Major Titles (Results)/ Pachinko

Brand	Title	Total Sales	Installed From
Sammy	Dejihane CR Bakemonogatari series	8,564 units	June
Sammy	Pachinko CR Aura Battler Dunbine	5,205 units	April
TAIYO ELEC	CR GAMERA	4,176 units	June



“Pachinko CR Aura Battler Dunbine” (Sammy)
©SOTSU・SUNRISE Project by Sammy



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

Segment Results: Entertainment Contents Business



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(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	39.9	90.3	199.6	41.8	+5%	98.5	+9%	235.0	+18%
Digital Games	12.2	27.3	55.1	12.6	+3%	34.0	+25%	87.0	+58%
Packaged Games	7.7	16.4	47.4	7.7	-	13.5	-18%	44.5	-6%
Amusement Machine Sales	7.5	18.6	39.3	8.7	+16%	23.0	+24%	45.0	+15%
Amusement Center Operations	8.3	17.9	36.0	8.7	+5%	18.5	+3%	36.5	+1%
Animation / Toy	3.6	9.1	19.9	3.6	-	8.5	-7%	20.0	+1%
Other / Elimination	0.6	1.0	1.9	0.5	-	1.0	-	2.0	-
Operating Income	-1.3	0.6	0.0	-0.7	-	-2.5	-	11.5	-
Digital Games	0.3	3.8	8.0	0.2	-33%	2.0	-47%	11.5	+44%
Packaged Games	-0.4	-3.0	-2.7	-0.2	-	-3.1	-	1.3	-
Amusement Machine Sales	-0.7	-0.0	-3.9	-0.4	-	-0.4	-	0.0	-
Amusement Center Operations	-0.0	0.6	0.9	0.1	-	0.5	-17%	0.3	-67%
Animation / Toy	-0.4	-0.5	-1.7	-0.3	-	-0.7	-	0.2	-
Other / Elimination	-0.1	-0.3	-0.6	-0.1	-	-0.8	-	-1.8	-
Operating Income Margin	-	0.7%	-	-	-	-	-	4.9%	-
Sales in Units (Thousands)	1,700	4,100	12,280	1,830	+8%	2,120	-48%	7,140	-42%
Same Store Sales Comparisons	99.4%	98.7%	100.1%	101.4%	-	99.3%	-	97.3%	-
Domestic Facilities	201	198	198	198	-	198	-	199	-

Summary of Results Through 1Q

Overall		<ul style="list-style-type: none"> • Because of increase from Amusement machine sales area and Amusement Center operations area remained stable, year-on-year sales increased and loss decreased.
Breakdown	Digital Games	<ul style="list-style-type: none"> • Sales increased year-on-year as several new titles as well as existing titles made a good start. On the other hand, profits decreased as preliminary expenses such as advertising expenses increased mainly for new titles. • Number of titles under service in Japan (Free-to-play only): 46 at the end of 1Q ⇒ Major new titles: “Hortensia SAGA,” “MONSTER GEAR,” etc
	Packaged Games	<ul style="list-style-type: none"> • New titles such as “PERSONA4 DANCING ALL NIGHT” were released and sales of repeat titles remained stable. As a result, loss decreased year-on-year.
	Amusement Machines	<ul style="list-style-type: none"> • Due to the sales of CVT kits and standard products, year-on-year sales is increased and loss is decreased.
	Amusement Center Operations	<ul style="list-style-type: none"> • Sales and profits increased year-on-year due to solid same-store sales which stood at 101.4%.
	Animation/ Toy	<ul style="list-style-type: none"> • Sales decreased due to the backlash of distribution earnings of movies posted in the same period of the previous year despite focusing on services for regular/mainstay products.

1st Half Forecasts

<ul style="list-style-type: none"> • While sales are expected to increase year-on-year due to growth in the digital games field, operating loss is forecast due to the expected increase in preliminary expenses on mainstay titles, etc. in the second half of the fiscal year.
<ul style="list-style-type: none"> • Sales are expected to increase year-on-year due to release of several new titles in addition to existing titles. However, profits are expected to decrease as profits from new titles are likely to appear in the second half of the fiscal year. ⇒ Major new titles: “CHAOS DRAGON,” “XUCCESS HEAVEN,” etc.
<ul style="list-style-type: none"> • Sales are expected to decrease year-on-year as launch of mainstay titles is scheduled in the second half of the fiscal year
<ul style="list-style-type: none"> • Sales are expected to increase year-on-year due to the release of new products targeting a broad user base/market such as “CHUNITHM” and “NEW MUSHIKING: The King of Beetles.” However, due to the preliminary expenses from casino machine development, loss is forecast to increase.
<ul style="list-style-type: none"> • Profits are expected to increase year-on-year through streamlining of same-store operation. However, profit is expected to decrease as preliminary expense for development of new concept store is expected to increase.
<ul style="list-style-type: none"> • Focus will be on services for regular/mainstay products. However, due to backlash of distribution earnings of movies posted in the previous period, sales are expected to decrease year-on-year and loss is expected to increase.

Main Title (Digital game)



“PHANTASY STAR ONLINE 2”

©SEGA



“CHAIN CHRONICLE – Kizuna no Shintairiku”

© SEGA



“Puyopuyo!! Quest”

© SEGA

■ Major Index / Digital Games (Digital Overall)

		FY Ended March 2015				FY Ending March 2016
		1Q Results	2Q Results	3Q Results	4Q Results	1Q Results
Domestic	Average MAU(Thousands, 3 months average) *1	6,690	5,750	5,510	5,430	5,490
	ARPPMAU (JPY) *2	1,225	1,928	1,757	1,761	1,625
	Share of sales for top 3 titles *3	47.6%	52.8%	47.6%	45.4%	42.2%
Accumulated Downloads (Thousands)	Domestic *4	48,560	55,430	61,740	68,020	75,240
	Overseas *4	81,980	118,890	138,010	160,000	179,670
	Total	130,540	174,320	199,740	228,020	254,910
Ratio of advertising expense to net sales *5		12.6%	8.8%	7.1%	8.8%	16.0%
Noah Pass KPI	Total number of users (Thousands) *6	51,930	58,960	82,600	94,730	100,750
	Average MAU(Thousands, 3 months average)	4,810	7,300	9,180	10,540	11,020
(Composition ratio of overseas sales)		9.4%	8.0%	6.3%	10.4%	11.8%

Only free to play titles are covered for the calculation of average MAU, ARP MAU, Number of downloads. (Pay-to play models are not included.)

*1 Average of MAU within each quarter

*2 Calculated from dividing quarter digital sales (gross basis) by average MAU

*3 Sales percentage for top 3 titles against total digital sales (gross basis) of each quarter

*4 As of the last day of each quarter

*5 Advertising expense percentage for total digital sales of each quarter

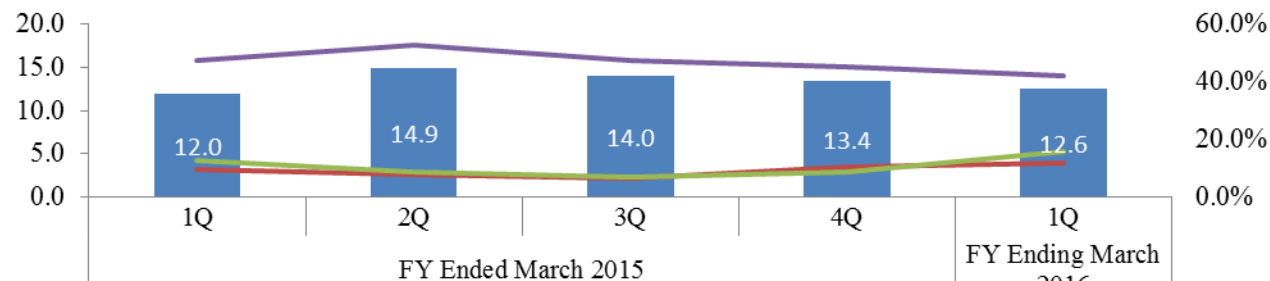
*6 As of the last day of each quarter

(Note) Noah Pass refers to a marketing support tool for smart devices.

■ Major Index / Digital Games (Digital Overall)

■ Balance of title portfolio improved as share of top 3 titles' sales declined due to the release of mainstay titles such as "Hortensia SAGA" and "MONSTER GEAR" in 1Q.

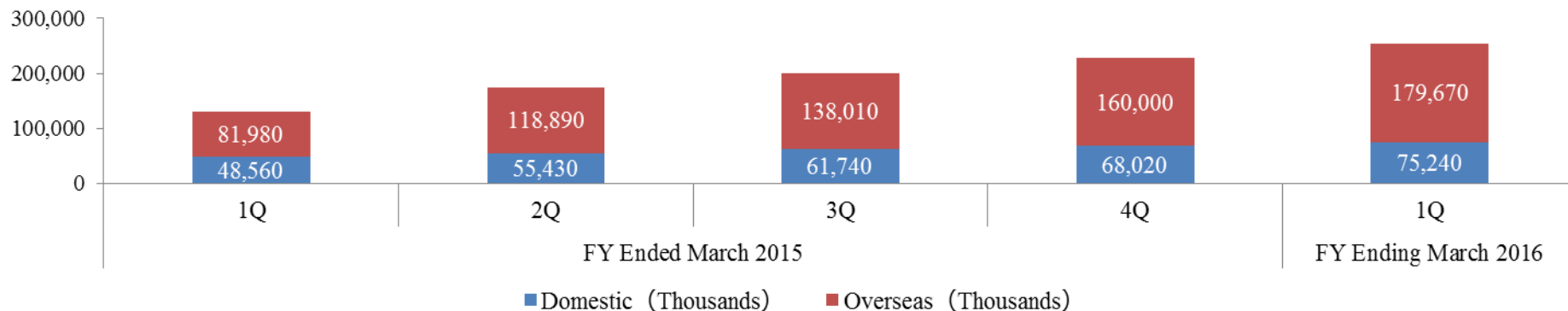
■ As a result of strategic injection of advertising expenses centering on new mainstay titles in 1Q, the ratio of advertising expense rose Q-on-Q.



Quarterly Sales (JPY billion) (left)	12.0	14.9	14.0	13.4	12.6
Composition ratio of overseas sales (%) (right)	9.4%	8.0%	6.3%	10.4%	11.8%
Ratio of advertising expense to net sales (%) (right)	12.6%	8.8%	7.1%	8.8%	16.0%
Share of sales for top 3 titles (%) (right)	47.6%	52.8%	47.6%	45.4%	42.2%

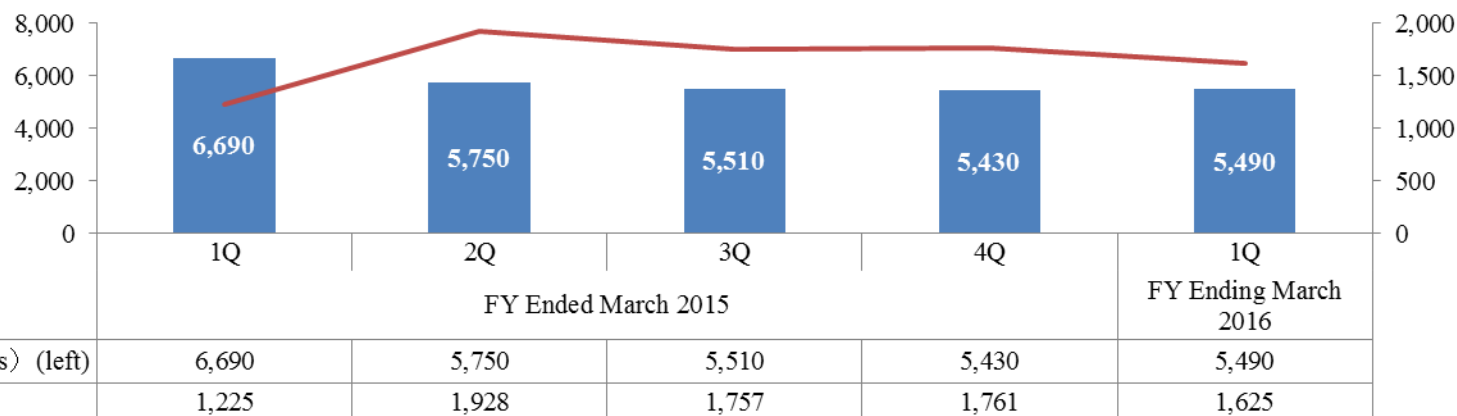
*Quarter sales for FY ended March 2015 are approximate estimates (gross basis)

■ The number of downloads continues to be on an increasing trend due to the release of several new titles in 1Q.



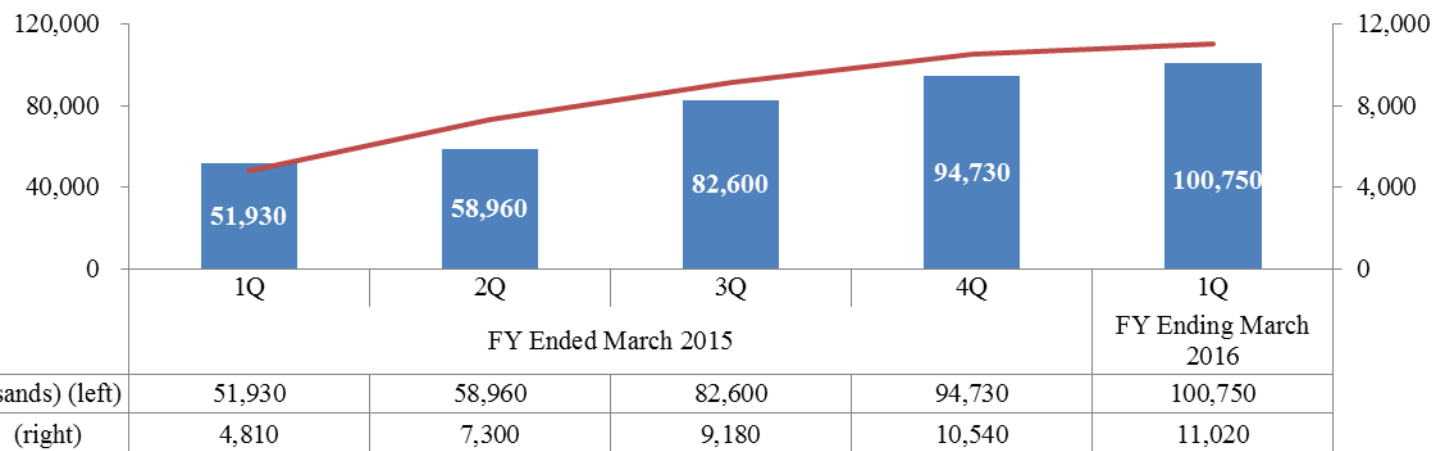
■ Major Index / Digital Games (Digital Overall)

■ MAU grew again due to release of new titles.



- Total number of Noah Pass users surpassed 100 million (up 94% year-on-year)
- Work to gain profits with an advertisement profit business model going forward.

Noah Pass: Major Index



Delivery Data / Plan: Packaged Games

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

Breakdown by Region		FY Ended March 2015			FY Ending March 2016		
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	Forecasts Through 2Q	Full Year Forecasts
Domestic	# of titles	2	3	15	4	4	14
	# of titles(SKU)	3	4	19	5	5	21
	Unit Sales(Thousands)	420	710	2,120	330	480	2,660
Overseas	# of titles	1	3	15	1	9	20
	# of titles(SKU)	2	10	31	1	11	24
	Unit Sales(Thousands)	1,280	3,380	10,160	1,490	1,640	4,480
Total	# of titles	3	6	30	5	13	34
	# of titles(SKU)	5	14	50	6	16	45
	Unit Sales(Thousands)	1,700	4,100	12,280	1,830	2,120	7,140



“PERSONA4 DANCING ALL NIGHT” (June)

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“Hatsune Miku: Project Mirai DX” (May)

(c) SEGA

(c) Crypton Future Media, INC. www.piapro.net

Design Collaboration: Nendoroid

piapro

Segment Results: Resort Business

(JPY Billion)		FY Ended March 2015			FY Ending March 2016				
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts
Sales		2.8	6.6	14.9	3.4	+21%	7.0	+6%	18.0
Operating Income		-0.7	-1.4	-2.3	-0.5	-	-2.0	-	-3.5
Operating Income Margin		-	-	-	-	-	-	-	-
Phoenix Seagaia Resort	Number of visitors (Thousands)	126	322	643	131	+4%	298	-7%	580
	Average sale per customer (JPY)	15,226	12,982	14,481	15,883	+4%	14,626	+13%	16,383
Tokyo Joypolis	Number of visitors (Thousands)	132	333	614	148	+12%	334	-	622
	Average sale per customer (JPY)	3,444	3,342	3,426	3,489	+1%	3,394	+2%	3,413
Orbi Yokohama	Number of visitors (Thousands)	92	240	400	73	-21%	233	-3%	384
	Average sale per customer (JPY)	2,098	2,264	2,283	2,444	+16%	2,253	-	2,236
Paradise Casino Incheon *	Casino sales (Billion KRW)	28	55	109	26	-7%	-	-	-
	Number of visitors (Thousands)	14	29	58	13	-7%	-	-	-

* Paradise Casino Incheon is operated by PARADISE SEGASAMMY Co., Ltd., an equity method affiliate of our company.

* Figures for Paradise Casino Incheon are recorded with three months delay (Record financial results from January 2015 to March 2015)

Summary of Results Through 1Q

1st Half Forecasts

Domestic

- The number of visitors to Phoenix Seagaia Resort increased 4% year-on-year.
⇒ The number of visitors increased 9% if Sun Hotel Phoenix, which was closed in June, is disregarded.
⇒ Average sale per customer increased 4% (mainly due to the increase of number of visitors to Sheraton Grande Ocean Resort)
- The number of visitors to Tokyo Joypolis increased 12% year-on-year.
⇒ Average sale per customer increased 1%.
- The number of visitors to Orbi Yokohama decreased 21% year-on-year.
⇒ Average sale per customer increased 16%.

- For Phoenix Seagaia Resort, work to prepare more travel plans for neighboring prefectures taking advantage of East Kyushu Expressway's opening, to implement sales measures in line with the start of flight service to/from Hong Kong, etc.
⇒ The number of visitors is expected to decrease due to the closure of Sun Hotel Phoenix.
- For Tokyo Joypolis, work to strengthen contents production capability such as collaborating with well-recognized contents, etc.
- For Orbi Yokohama, work to improve the number of facility users by introducing new video contents, etc.

Overseas

- Net sales of Paradise Casino Incheon, a casino facility in Incheon, South Korea, decreased 7% year-on-year due to MERS, etc.
- The number of employees of our company at Paradise Casino Incheon: 12 (as of June 30)

- Opened QINGDAO JOYPOLIS in Qingdao, China in July 2015.

Segment Results: Resort Business (Domestic)



PHOENIX
SEAGAIA
RESORT

1st Quarter



- Held events such as “Organic Night Market”
- 1st stage opening of Sheraton Grande Ocean Resort after renovation of guest rooms

2nd Quarter and after



- To offer a role-playing style adventure attraction “HELLO KITTY BLACK WONDER,” “Illumination Pool,” etc.

アトラクション&ライブパーク
JOYPOLIS



- Held collaboration events with popular contents such as “Hozuki no Reitetsu” and “Phoenix Wright”

- To strengthen contents production capability such as collaborating with “attack on titan”
- QINGDAO JOYPOLIS is opened in Qingdao, China



- Held “Moudokuten in Minatomirai” collaborating with Sunshine Aquarium, etc.

- To offer a new program “Roxy’s Island Adventure,” a summer vacation event “Animals’ Hide-and-seek ‘Animal Quest’,” etc.

Segment Results: Resort Business

■ Construction progress of PARADISE CITY, South Korea's first full-fledged integrated resort

<Construction progress (as of June 30, 2015)>



<Image after completion
(scheduled to open in the first half of 2017)>



<Image of location>



<Overview>

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	330,000㎡
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

<Overview of Incheon International Airport>

- Number of users: 41.67 million (2013)
- Terminal 2, which will be able to accommodate 18 million passengers, is scheduled for completion in 2017

<Access to PARADISE CITY>

- 5-minute drive from Incheon International Airport
⇒ Free shuttle bus service to be arranged
⇒ Directly connected to a Maglev train station (currently under trial operation)
- Also a 5-minute drive from Incheon IC on the expressway

Appendix



SEGA-SAMMY
HOLDINGS

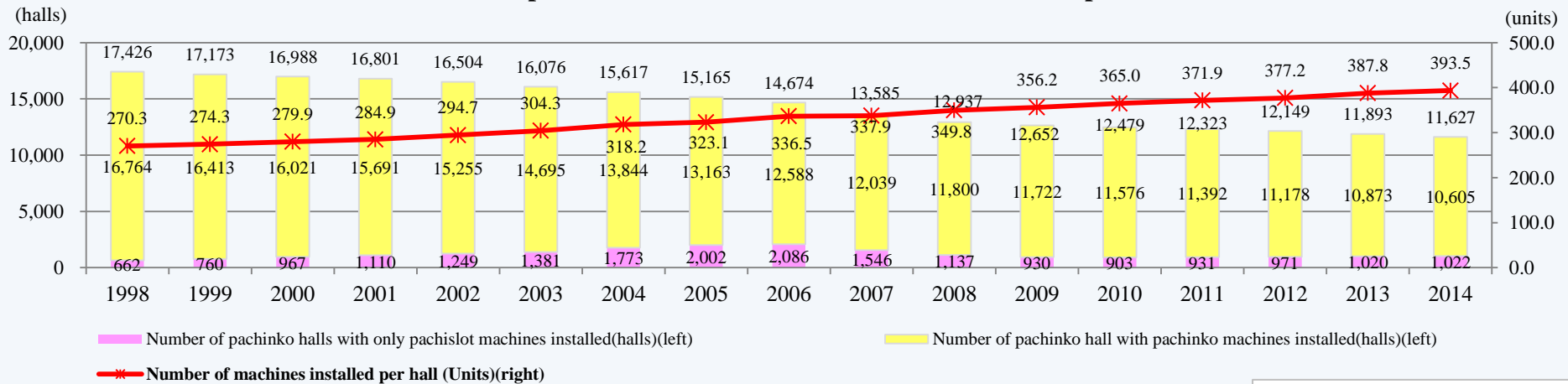
1. Supplementary Information on the Market



SEGA-SAMMY
HOLDINGS

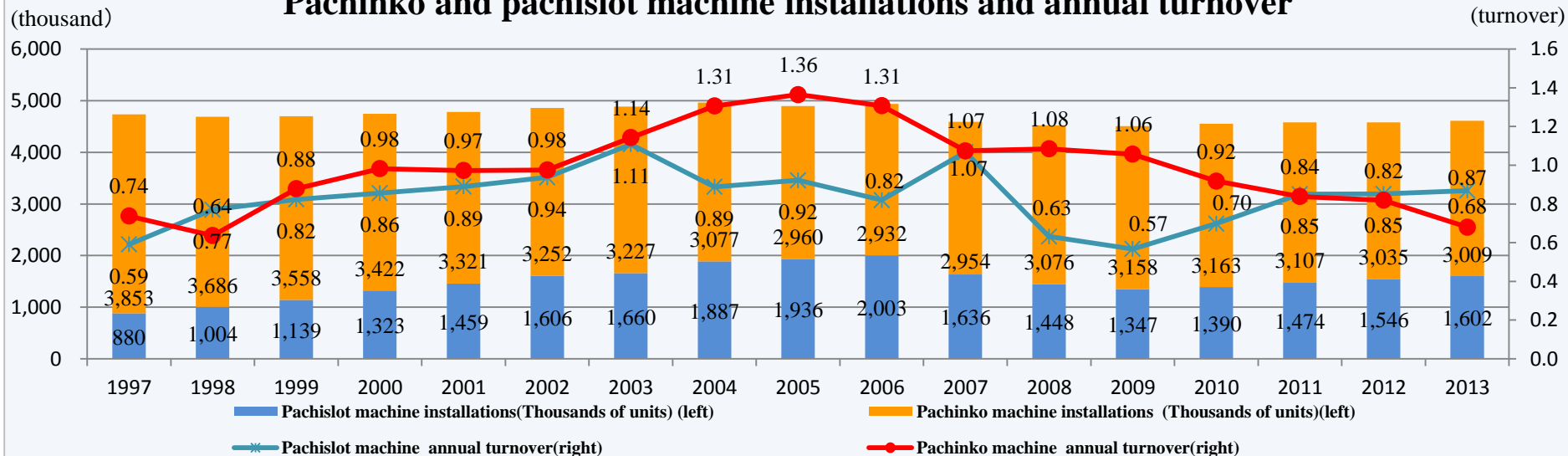
Pachinko and Pachislot Machine Markets

Number of pachinko hall and number of machines installed per hall

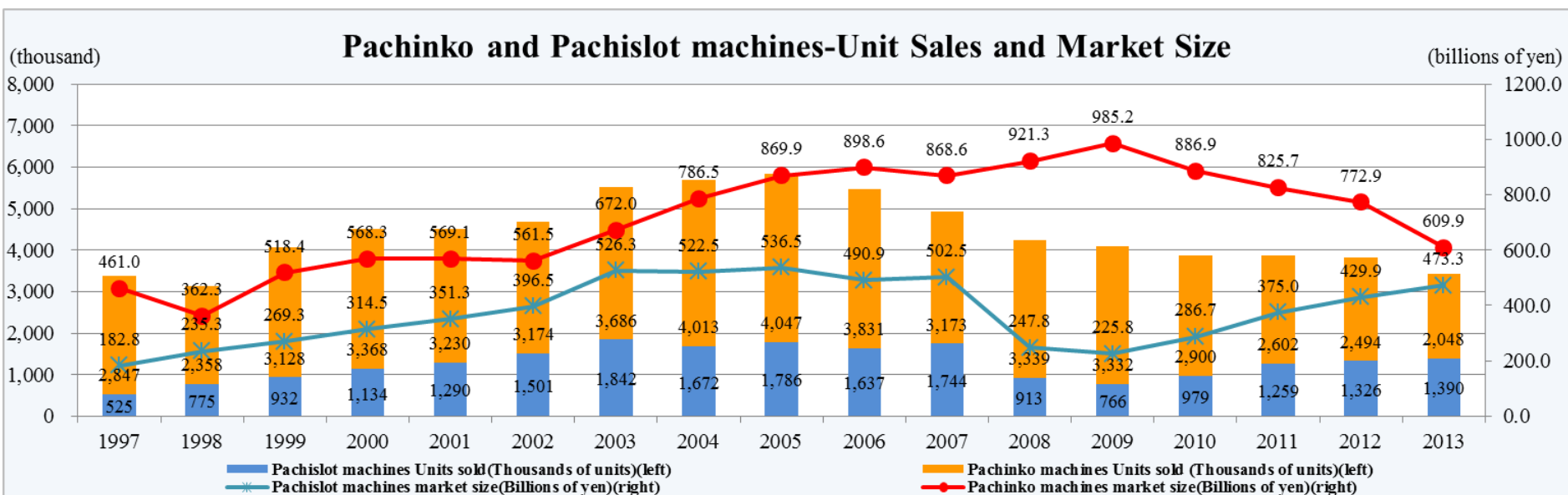


Sources : National Police Agency

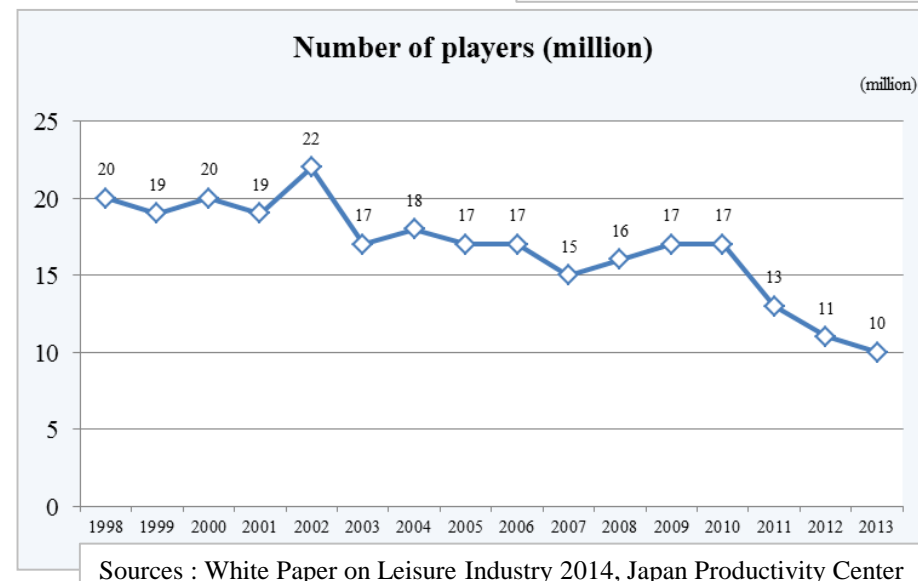
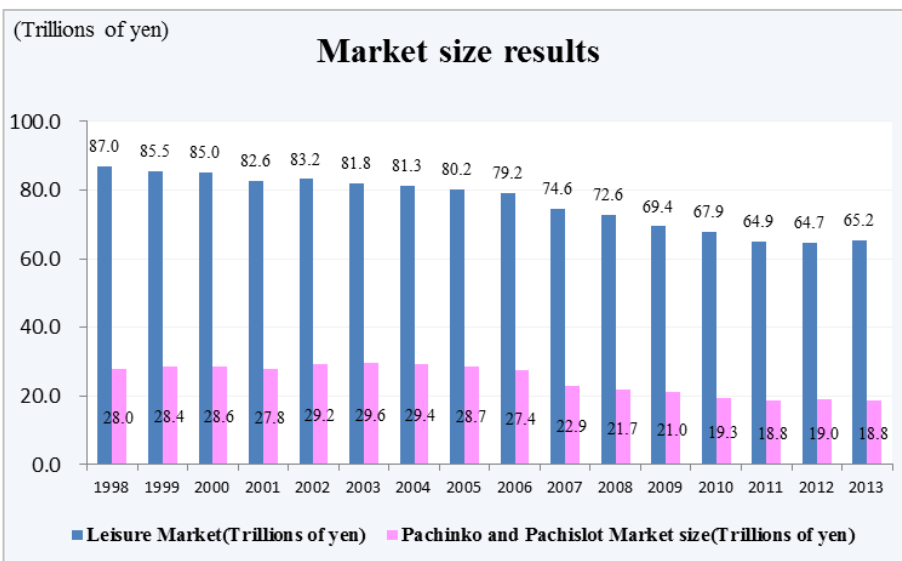
Pachinko and pachislot machine installations and annual turnover



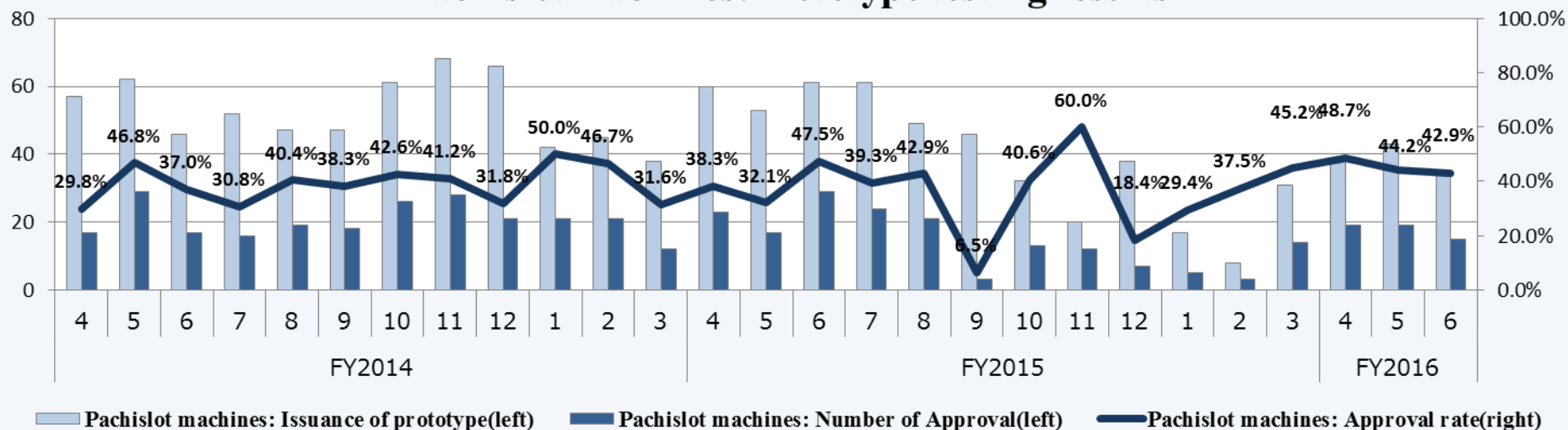
Sources:National Police Agency and Yano research Institute Ltd.



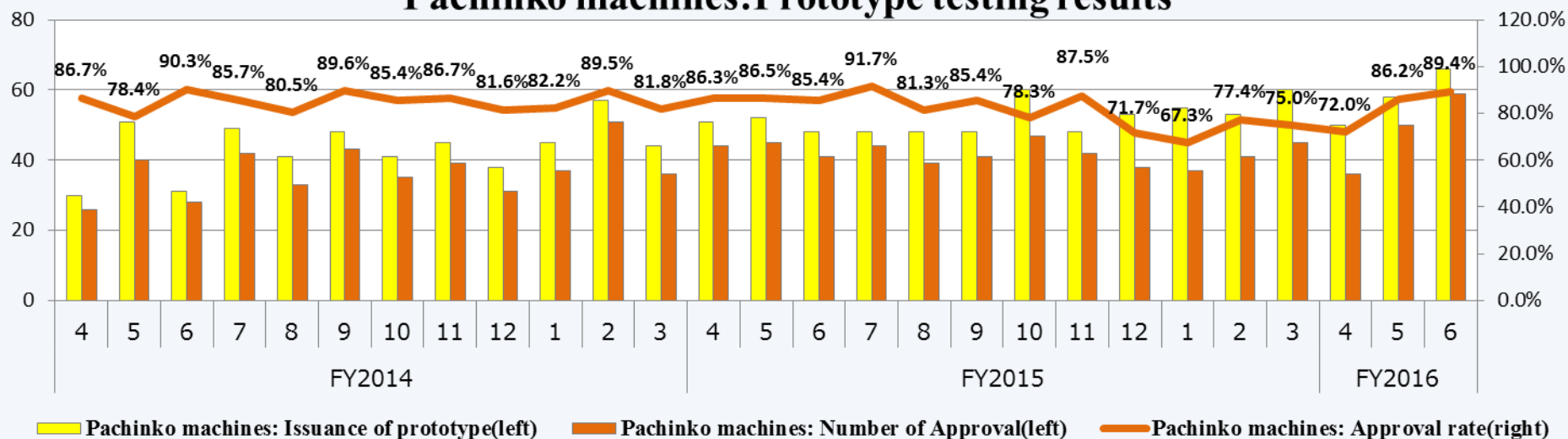
Sources: Yano research Institute Ltd.



Pachislot machines:Prototype testing results



Pachinko machines:Prototype testing results



Sources:Security Communications Association

Share of Annual Pachislot Machine Sales

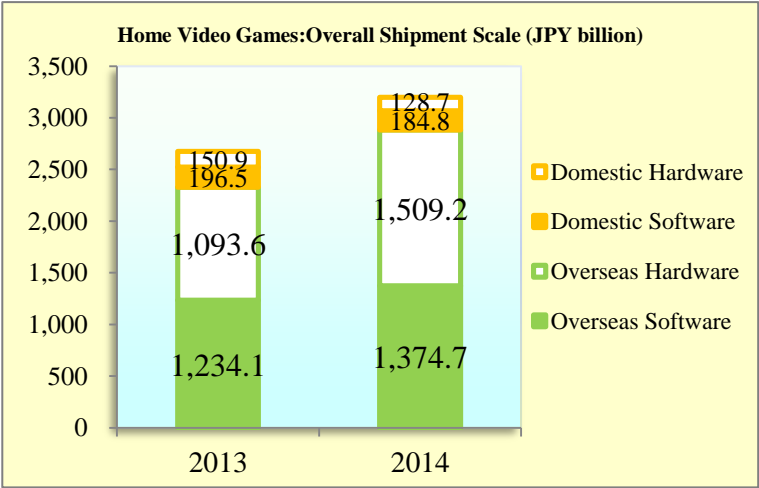
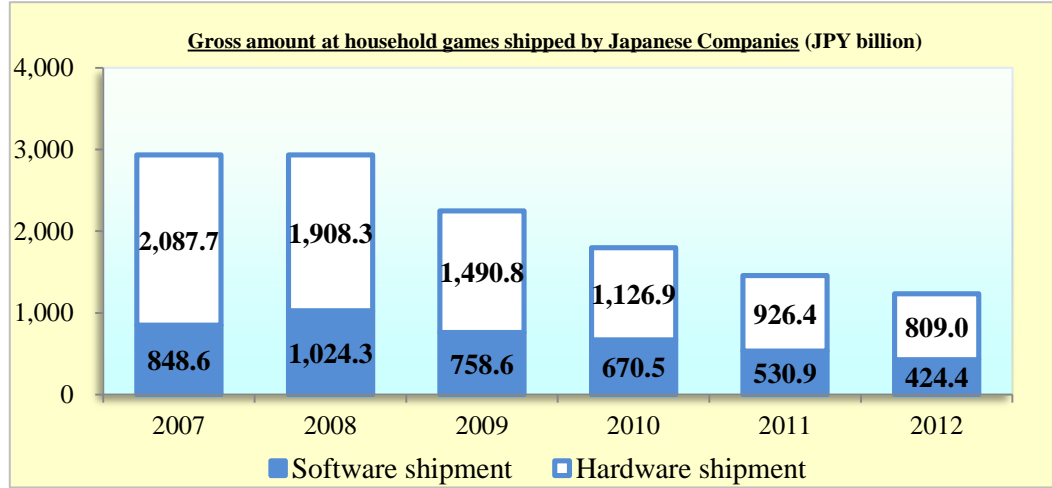
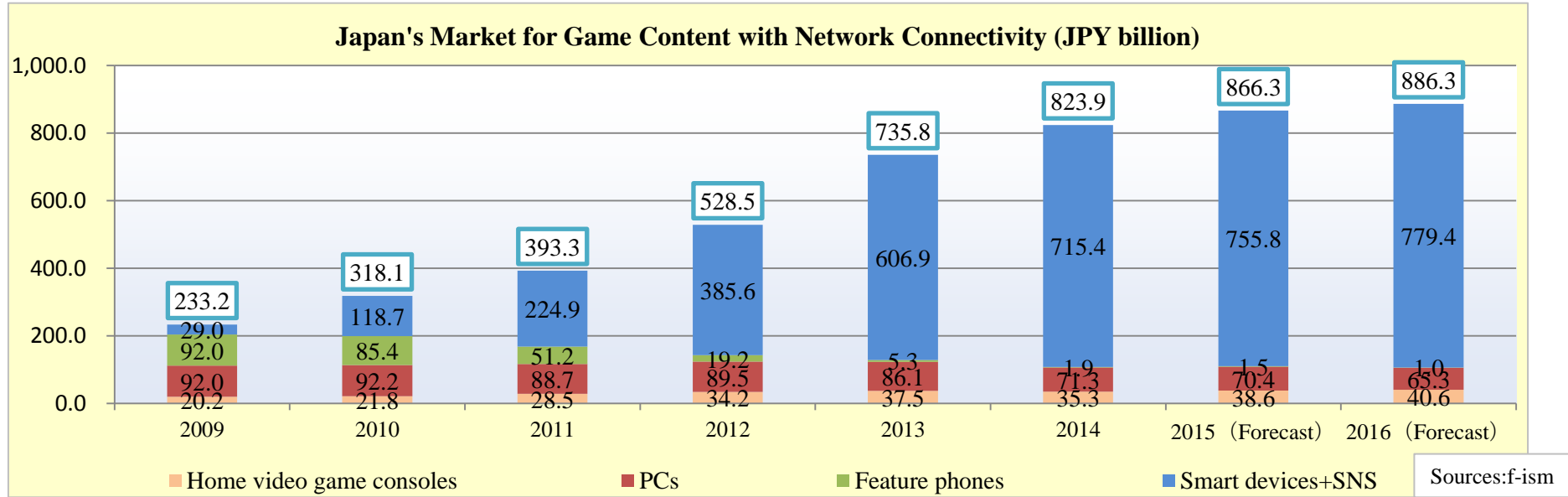
Rank	2009			2010			2011			2012			2013		
	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	Sammy	162,932	21.3%	Sammy	302,270	30.9%	Sammy	300,866	23.9%	U Company	236,000	17.8%	Sammy	301,575	21.7%
2	S 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	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	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%

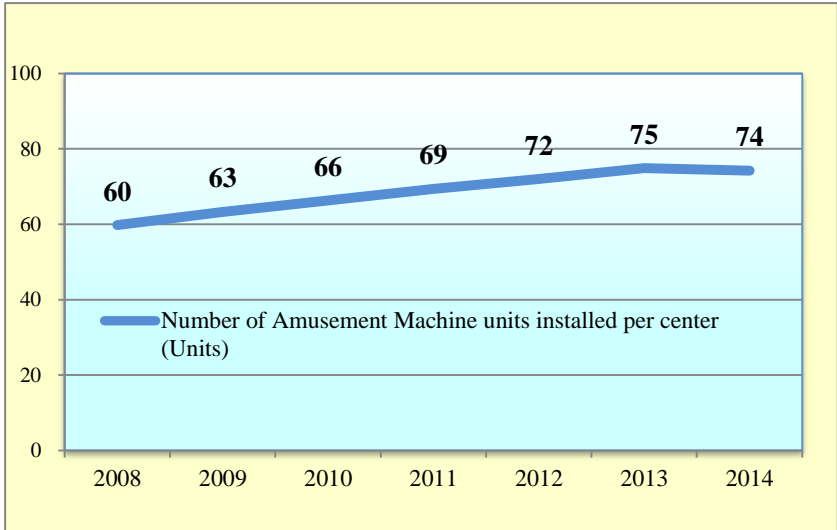
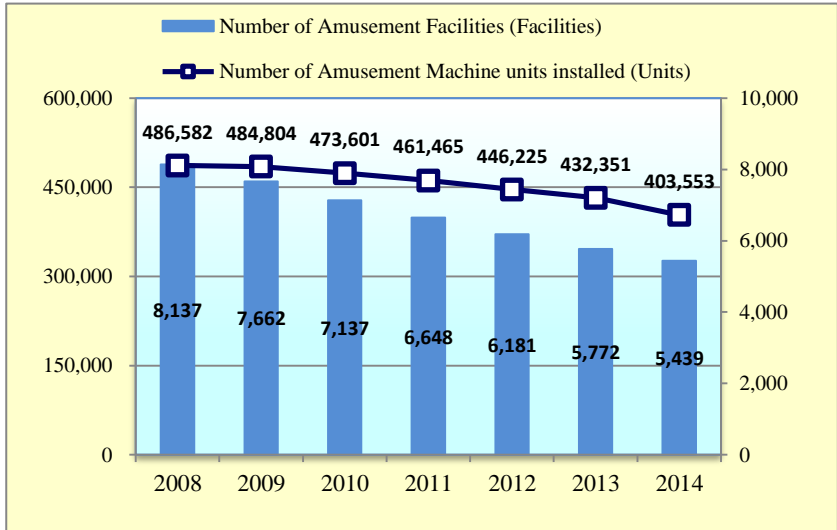
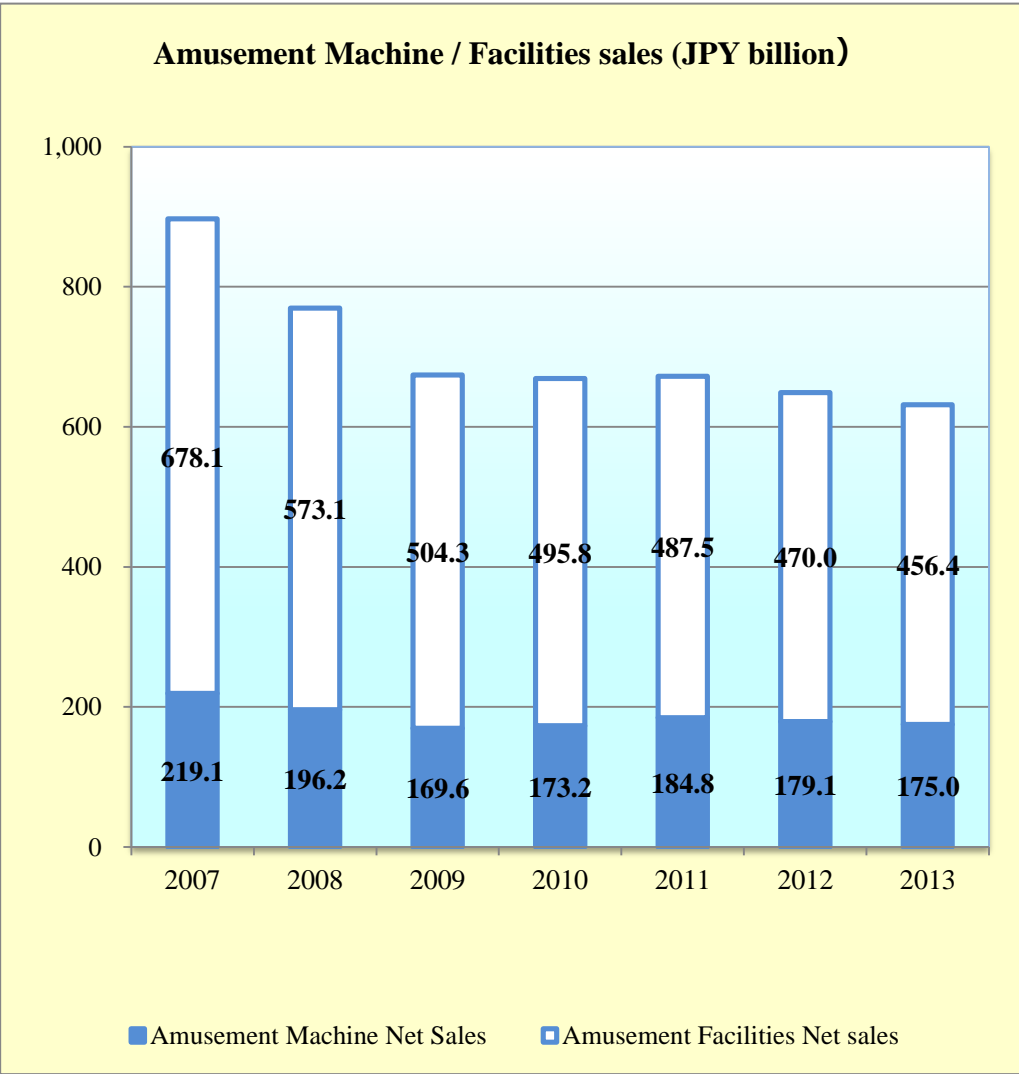
Source: Yano Research Institute Ltd.
*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria

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.

Amusement Machine and Amusement Center Operations Markets Scale



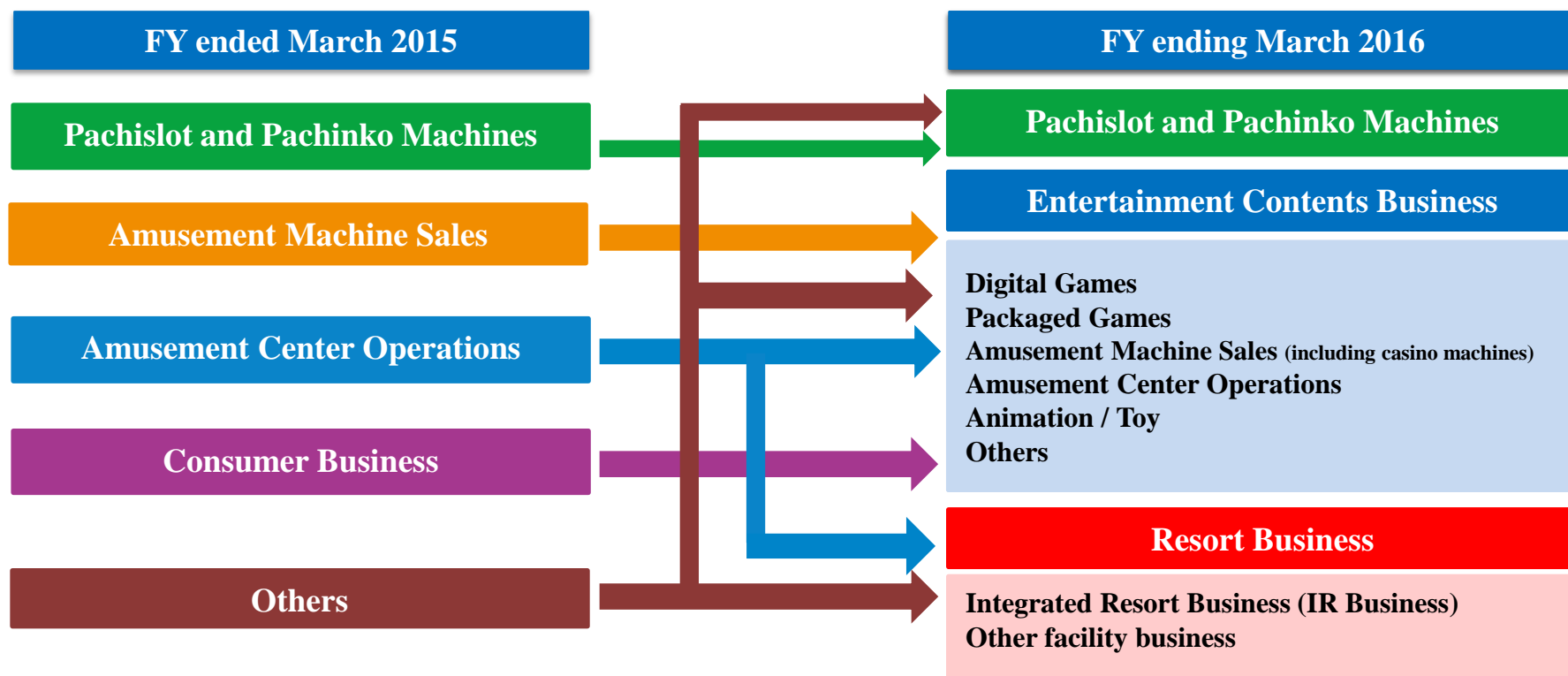
Source: JAIA, National Police Agency

2. Supplementary Information on the Business



SEGA-SAMMY
HOLDINGS

(1) Change to Business segment

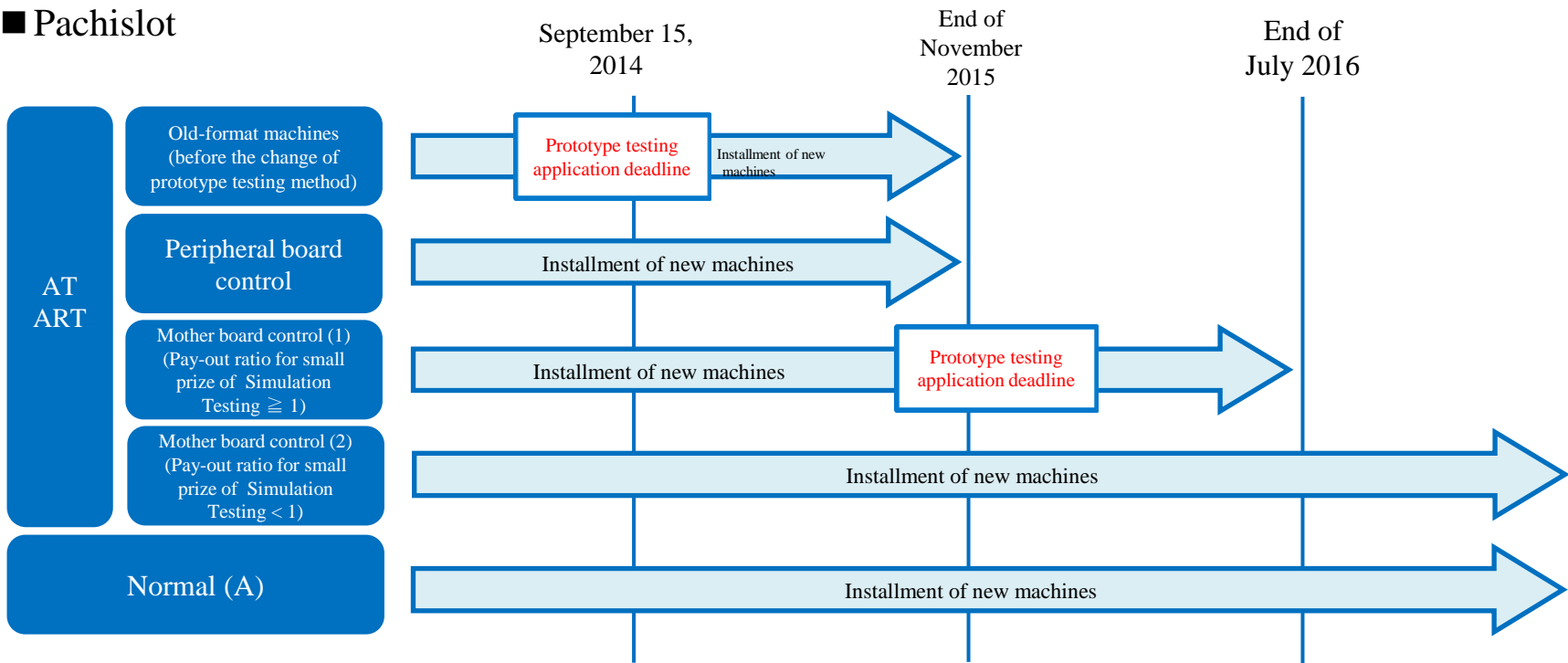


(2) Change to Accounting policy (From FY ending March 2016)

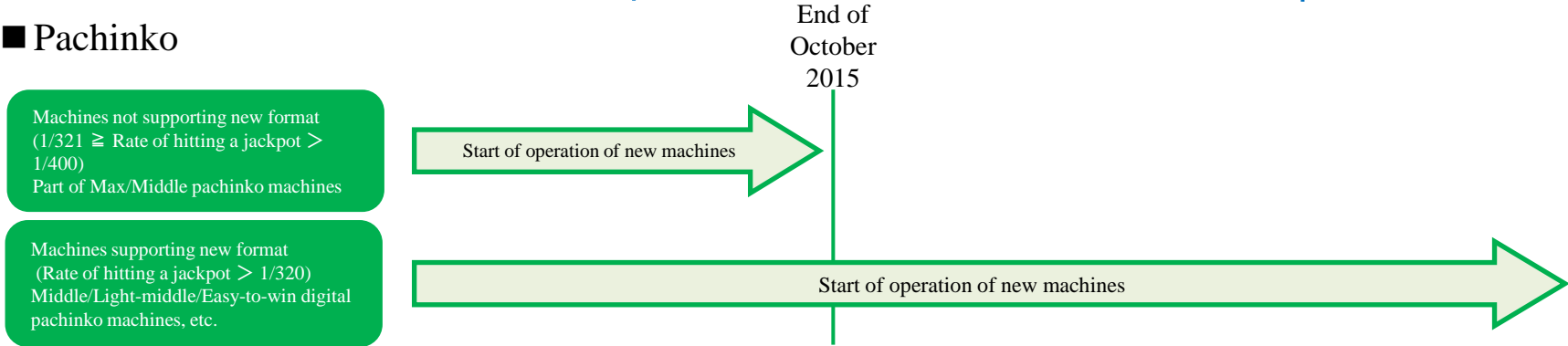
Recording of net sales has been changed from net basis to gross basis.

Recording of net sales has been changed from shipment basis to delivery basis.

■ Pachislot



■ Pachinko





■ Pachinko

	Max	Middle	Light-middle	Light/Easy-to-win, etc.
Market Share	Sales: Approx. 48.5% Installment: Approx. 30.3%	Sales: Approx. 12.8% Installment: Approx. 16.2%	Sales: Approx. 19.5% Installment: Approx. 14.5%	Sales: Approx. 19.2% Installment: Approx. 39.0%
Approximate probability of hitting a jackpot	Approx. 1/400 ~ 1/370	Approx. 1/370 ~ 1/260	Approx. 1/260 ~ 1/180	Approx. 1/180 ~
Features	Probability of hitting the jackpot is lowest, but can win more ball pay-out than other types.	Probability of hitting the jackpot is higher than that with Max, but cannot win as many balls pay-out as Max type.	Probability of hitting the jackpot is higher than that with Middle, but cannot win as many balls pay-out as Middle type.	Probability of hitting the jackpot is high, but cannot win many balls pay-out
Our company's products (launch year)	CR Hokuto No Ken 6 Ken-ou (2014)	Pachinko CR Bakemonogatari (2014)	CR GAMERA (2015)	Dejihane CR Bakemonogatari (2015)

■ Pachislot

	Normal (A)	A+ART (Combined)	AT・ART
Market Share	Sales: Approx. 13.3% Installment: Approx. 33.4%	Sales: Approx. 0.8% Installment: Approx. 4.1%	Sales: Approx. 85.9% Installment: Approx. 62.4%
Features	Machine type that increases put-out medals only with bonus	Combined machine type that increases put-out medals with both bonus and ART	Machine type that increases put-out medals only with AT and ART
Our company's products (launch year)	Pachislot ALIYAN BEGINS (2011)	Pachislot Psalms of Planets Eureka SeveN (2009)	Pachislot ALADDINA II (2015)

*Sales share is calculated using our company's estimates for April 2014 to the end of March 2015 and installment share is calculated using that for June 30, 2015.

*AT=Assist Time ART=Assist Replay Time



Digital Games	Packaged Games	Amusement Machine Sales	Amusement Center Operations	Animation / Toy
<ul style="list-style-type: none"> Planning / development / operation of PC online games Planning / development / operation of games for smart devices 	<ul style="list-style-type: none"> Planning / development / sales of game software for home video game consoles 	<ul style="list-style-type: none"> Development / production / sales, etc. of amusement machines Development / production / sales of casino machines 	<ul style="list-style-type: none"> Planning / development / operation of amusement centers and darts bars 	<ul style="list-style-type: none"> Production / sales / distribution / export of animation works Planning / production / sales of toys
 <p>“PHANTASY STAR ONLINE 2”</p> <p>©SEGA</p>	 <p>“Ryu ga Gotoku 0: Chikai no Basho”</p> <p>©SEGA</p>	 <p>“UFO Catcher 9”</p> <p>©SEGA</p>	 <p>“SEGA LaLaport FUJIMI”</p> <p>©SEGA ENTERTAINMENT Co. Ltd.</p>	 <p>“LUPIN THE 3rd”</p> <p>Original comic books created by Monkey Punch © Monkey Punch All rights reserved © TMS All rights reserved</p>
 <p>“CHAIN CHRONICLE – Kizuna no Shintairiku”</p> <p>© SEGA</p>	 <p>“Sonic Boom Series”</p> <p>©SEGA</p>	 <p>『StarHorse3 Season III CHASE THE WIND』</p> <p>© SEGA</p>	 <p>“KidsBee “</p> <p>©SEGA ENTERTAINMENT Co. Ltd.</p>	 <p>“Jewel Watch”</p> <p>©’08, ’15 SANRIO / SEGA TOYS S・S / TX・JLPC</p>

Major initiatives taken in the Resort Business

- Facility name: Phoenix Seagaia Resort
 - Location: Miyazaki prefecture (Miyazaki City)
 - Operating company: PHOENIX RESORT CO.,LTD.
 - Overview: Resort facility which holds accommodation facilities such as “Sheraton Grande Ocean Resort,” a world-class convention center with maximum capacity of 5,000 people and sports facilities including one of Japan’s most renowned golf course “Phoenix Country Club”
- Facility name: Joypolis
 - Location: Tokyo (Odaiba), Osaka (Umeda)
 - Operating company: SEGA LIVE CREATION Inc.
 - Overview: One of the largest indoor theme parks in Japan produced under the concept of “DigitaReal” meaning fusion of “digital” and “real”
- Facility name: Orbi
 - Location: Kanagawa prefecture (Minato Mirai)
 - Operating company: SEGA LIVE CREATION Inc.
 - Overview: Various scenes on the earth are recreated by combining footage of BBC EARTH and SEGA’s entertainment technologies. Completely new type of museum where visitors can feel the mystery of nature throughout their bodies
- Facility name: Paradise Casino Incheon / PARADISE CITY
 - Location: South Korea (Incheon)
 - Operating company: PARADISE SEGASAMMY Co., Ltd.
 - Overview: Operation of Paradise Casino Incheon, South Korea’s first casino exclusively for foreigners which opened in 1967, and development of PARADISE CITY, South Korea’s first full-fledged integrated resort which is scheduled to open in 2017
- Facility name: (to be determined)
 - Location: South Korea (Busan Metropolitan City)
 - Operating company: SEGASAMMY Busan Inc.
 - Overview: Development and operation of large resort complex facility comprised of a hotel, entertainment and commercial facilities, etc., in Busan Metropolitan City, South Korea



Past Operating Results (Former Segment basis)

From FY Ended March 2005 to FY Ended 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_4q_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 Ended March 2015	
		Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results
Breakdown	Net Sales	515.6	553.2	528.2	458.9	429.1	384.6	396.7	395.5	321.4	162.2	378.0	154.2	354.9
	Pachislot and Pachinko Machines	280.1	265.6	211.5	145.5	161.6	160.3	212.0	212.1	142.2	71.2	181.8	60.6	149.1
	Amusement Machines Sales	63.3	71.5	75.4	71.0	61.9	45.1	47.2	49.9	39.1	18.0	38.6	18.0	39.6
	Amusement Center Operations	83.1	106.2	103.8	91.2	71.3	54.7	45.6	44.6	42.7	21.9	43.2	20.8	41.4
	Consumer Business	65.3	90.3	119.5	141.7	131.3	121.5	88.8	85.6	83.8	43.8	99.8	48.2	111.0
	Other	23.7	19.4	17.8	9.3	2.9	2.8	2.8	3.0	13.4	7.1	14.5	6.4	13.6
Breakdown	Operating Income	105.0	119.1	76.5	-5.8	8.3	36.7[31.0]	68.7	58.3	19.0	12.3	38.5	3.4	17.6
	Pachislot and Pachinko Machines	103.9	99.8	71.1	8.4	14.5	29.5	64.2	71.0	23.5	15.1	45.2	7.3	25.7
	Amusement Machines Sales	7.4	12.1	11.6	7.1	6.8	7.0[5.4]	7.3	7.4	1.9	-0.0	-1.2	0.1	-2.5
	Amusement Center Operations	5.4	9.2	0.1	-9.8	-7.5	-1.3[-1.4]	0.3	0.3	1.1	0.2	0.0	-0.2	-0.9
	Consumer Business	-8.8	1.9	1.7	-5.9	-0.9	6.3[2.4]	1.9	-15.1	-0.7	1.1	2.0	0.9	4.0
	Other	-0.5	-1.7	-1.3	-0.0	-0.3	0.3	0.0	0.2	-0.4	-0.4	-1.2	-1.0	-2.0
	Eliminations	-2.3	-2.3	-6.7	-5.5	-4.9	-5.2	-5.1	-5.4	-6.3	-3.6	-6.4	-3.7	-6.5
Operating Margin		20.4%	21.5%	14.5%	-	1.9%	9.5%[8.1%]	17.3%	14.7%	5.9%	7.6%	10.2%	2.2%	5.0%
Ordinary Income		104.4	119.5	81.2	-8.2	6.6	35.9[30.2]	68.1	58.1	20.9	14.2	40.5	3.3	16.9
Ordinary Income Margin		20.2%	21.6%	15.4%	-	1.5%	9.3%[7.9%]	17.2%	14.7%	6.5%	8.8%	10.7%	2.1%	4.8%
Net Income		50.5	66.2	43.4	-52.4	-22.8	20.2[14.5]	41.5	21.8	33.4	11.3	30.7	-2.0	-11.2
Net Income Margin		9.8%	12.0%	8.2%	-	-	5.3%[3.8%]	10.5%	5.5%	10.4%	7.0%	8.1%	-	-
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	25.1	59.2	28.4	67.6
Cap-ex		32.4	38.5	36.6	50.4(*1)	26.6	16.1	19.6	36.1	32.8	22.6	38.1	14.7	28.7
Depreciation *4		17.7	21.8	28.0	45.6(*2)	26.6	17.1	15.9	16.1	18.1	7.5	16.1	8.1	17.6
Advertising *5		11.8	18.9	22.2	22.8	20.7	20.7	15.1	17.2	13.1	7.6	16.0	10.0	19.1
# of pachislot titles		9 titles	14 titles	17 titles	22 titles	19 titles	12 titles	10 titles	11 titles	8 titles	3 titles	9 titles	4 titles	6 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	143,171 units	301,575 units	92,998 units	207,828 units
# of pachinko titles		8 titles	8 titles	14 titles	9 titles	12 titles	13 titles	12 titles	14 titles	14 titles	4 titles	10 titles	9 titles	14 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	54,955 units	200,225 units	86,453 units	242,847 units
Same Store Sales Comparisons		98.5%	103.3%	95.8%	89.0%	92.4%	91.7%	99.3%	100.5%	93.8%	95.0%	96.1%	98.7%	100.1%
Domestic Facilities		477 facilities	462 facilities	449 facilities	363 facilities	322 facilities	260 facilities	249 facilities	241 facilities	236 facilities	202 facilities	198 facilities	198 facilities	198 facilities
# of game software titles		- (84)	- (122)	- (140)	80 (138)	78 (122)	66 (105)	51 (71)	45 (86)	25 (49)	8 (8)	21 (32)	6(14)	30 (50)
Sales (Thousand units)		11,790	16,400	21,270	26,990	29,470	26,750	18,710	17,240	10,780	3,230	8,730	4,100	12,300

* 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.)

Past Operating Results (New Segment basis)

From FY Ended March 2015~

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

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2016/e_201603_1q_transition.xls)

(JPY billion)		FY Ended March 2015			FY Ending March 2016
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q
Breakdown	Net Sales	90.0	158.1	366.8	52.9
	Pachislot and Pachinko Machines	47.2	61.1	152.1	7.6
	Entertainment Contents	39.9	90.3	199.6	41.8
	Resort	2.8	6.6	14.9	3.4
Breakdown	Operating Income	8.9	2.7	17.4	-9.4
	Pachislot and Pachinko Machines	12.5	7.0	25.7	-6.7
	Entertainment Contents	-1.3	-0.6	0.0	-0.7
	Resort	-0.7	-1.4	-2.3	-0.5
	Other / Elimination	-1.4	-3.5	-6.0	-1.3
	Operating Margin	9.9%	1.7%	4.7%	-
	Ordinary Income	9.6	2.6	16.8	-8.7
	Ordinary Income Margin	10.7%	1.6%	4.6%	-
	Profit attributable to owners of parent	5.1	-2.8	-11.3	-7.9
	Net Income Margin	5.7%	-	-	-
	R&D expense / content production expense	12.4	28.4	67.6	12.8
	Cap-ex	6.9	14.7	28.7	6.8
	Depreciation	4.0	8.1	17.6	4.1
	Advertising	4.1	10.0	19.1	3.9

# of pachislot titles	3 titles	4 titles	6 titles	-
Unit sales	82,791 units	93,045 units	207,830 units	102 units

# of pachinko titles	5 titles	5 titles	10 titles	2 titles
Unit sales	47,711 units	82,955 units	241,425 units	22,362 units

Same Store Sales Comparisons	99.4%	98.7%	100.1%	101.4%
Domestic Facilities	201 facilities	198 facilities	198 facilities	198 facilities

# of game software titles	3	6	30	5
# of game software titles (sku)	5	14	50	6
Sales (Thousand units)	1,700	4,100	12,280	1,830



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

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 ■ answers etc. of this briefing session are the judgment and forecasts of the
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<http://http://www.sega.co.jp/> (SEGA Holdings)

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