February 5, 2016

F L A S H　R E P O R T

CONSOLIDATED FINANCIAL STATEMENTS［Japanese GAAP］

9 Months Ended December 31, 2015

Name of the Company : SEGA SAMMY HOLDINGS INC.
Code number : 6460
(URL http://www.segasammy.co.jp/)
Representative: Hajime Satomi
Chairman of the Board and Chief Executive Officer
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Filing of Quarterly Report: February 12, 2016 (plan)
Start of cash dividend payments: －

(Amounts below one million yen are rounded down)

1. Consolidated Operating Results for the 9 Months Ended December 31, 2015

(1) RESULTS OF CONSOLIDATED OPERATIONS

(Percentage represents changes from the prior period)

	Net sales		Operating income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
For 9 months ended December 31, 2015	245,002	(8.5)	12,101	11.7	6,498	―
For 9 months ended December 31, 2014	267,729	―	10,835	―	(2,765)	―

(Note) Comprehensive income
For 9 months ended December 31, 2015 : ¥2,160 million ((38.0) %)
For 9 months ended December 31, 2014 : ¥3,482 million (―%)

	Net income per share	Net income per share (Diluted)
	Yen	Yen
For 9 months ended December 31, 2015	27.71	27.71
For 9 months ended December 31, 2014	(11.33)	―

(Note) Due to retroactive application associated with a change in accounting policy, year-on-year changes for the first three quarters of the fiscal year ended March 31, 2015 are omitted.

(2) CONSOLIDATED FINANCIAL POSITION

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2015	510,496	308,677	59.5
March 31, 2015	528,659	322,452	60.0

(Reference) Shareholders’ equity
December 31, 2015 : ¥303,540 million
March 31, 2015 : ¥317,330 million

2. Cash Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	—	20.00	—	20.00	40.00
Year ending March 31, 2016	—	20.00	—		
Year ending March 31, 2016 (plan)				20.00	40.00

(Note) Revision of the forecast from latest announcement: No

3. Forecast of Consolidated Operating Results for the Year ending March 31, 2016

(Percentage represents changes from the prior period/year)

	Net sales		Operating income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Entire – year	355,000	(3.2)	10,000	(42.8)	2,000	–	8.53

(Note) Revision of the forecast from latest announcement: No

Due to retroactive application associated with a change in accounting policy, year-on-year changes are comparisons with figures after retroactive application.

4. Other

(1) Significant changes in subsidiaries (scope of consolidation) during period: No

(2) Adoption of the simplified method of accounting as well as specific accounting for preparing the quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures, disclosure methods, etc., for preparing the quarterly consolidated financial statements:

1. Changes associated with revision in accounting standards: Yes
2. Other changes: Yes

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at the end of the period (including treasury stock)
   December 31, 2015 : 266,229,476
   March 31, 2015 : 266,229,476

2. Number of treasury stock at the end of the period
   December 31, 2015 : 31,833,674
   March 31, 2015 : 28,801,789

3. Average number of shares during the period (cumulative from the beginning of the fiscal year)
   For 9 months ended December 31, 2015: 234,499,538
   For 9 months ended December 31, 2014: 244,061,673

(Note)

- At the time of this report’s release, the quarterly review procedures under the Financial Instruments and Exchange Law have not been completed.
- The forward-looking statements, such as results forecasts, included in this document are based on information available to the SEGA SAMMY HOLDINGS INC. (the “Company”) at the time of the announcement and assumptions considered reasonable. Actual results could differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the forecasts, please see “Forecast of Consolidated Operating Results” on page 5.

Operating Results and Financial Position

Effective from the first quarter of the fiscal year ending March 31, 2016, accounting policies were changed and comparison with the same period of the previous year is based on figures in which the changes are retrospectively reflected. For details of the changes in accounting policies, please refer to "(3) Other, Changes in accounting policies" on page 5.

(1) Overview

During the first three quarters of the fiscal year ending March 31, 2016, the gradual recovery of the overall Japanese economy continued despite a lackluster performance in certain respects, as evidenced by such developments as improvement of both corporate earnings and the labor market due to the effects monetary and fiscal policies. With regard to individual consumption, in general, consumption levels have not fallen owing to steady improvements in both the employment environment and personal incomes. However, attention should be paid to the risk of downward pressure on the Japanese economy, caused by factors such as a downswing in China's economy and other overseas economies, and fluctuations in financial and capital markets. Thus, a full recovery of the economy will require more time.

In this climate, with regard to the pachislot and pachinko industry, machine utilization of titles compliant with the standards before the change in the application of the model test procedure by the Security Communications Association, which conducts model tests for pachislot and pachinko machines, remains firm in the pachislot machine market. On the other hand, pachinko parlor operators have been cautious about replacing pachislot machines with new machines corresponding to the change in the application, and purchasing by parlors has tended to concentrate on titles with successful track records. Thus, replacement demand for new pachislot machines was relatively weak. With the exception of some major titles, replacement demand for new pachinko machines was also weak in line with the application of the voluntary agreement on measures to prevent players from becoming too immersed in playing, which were decided by Nikkoso, an association of pachinko machine manufacturers. In order to revitalize the market going ahead, it is essential to develop and supply machines that are compliant with various voluntary regulations and capable of appealing to a wide range of players.

Regarding the environment of the Entertainment Contents Business, while the market for digital games for smart devices continues to grow at a moderate pace in Japan in line with the spread of smartphones, competition is intensifying. Therefore, provision of higher-quality content is expected, thus resulting in a trend of longer development lead times. With regard to the packaged game software market, despite the persisting harsh market environment, expectations of expansion are rising in Japan in line with the penetration of new-generation hardware. As for the market for amusement centers and amusement machines, which is shrinking, initiatives to expand the player base are required.

In the resort industry, thanks to an increase in the number of foreign visitors to Japan, an upward trend in the hotel occupancy rate is still evident and revenues of amusement parks and theme parks continue to exceed the previous year's level. With a view to establishing Japan as a popular tourist destination, a bill concerning the promotion of the establishment of specified integrated resort areas (Integrated Resort Promotion Bill) was submitted to the Diet.

In this business environment, net sales for the first three quarters of the fiscal year ending March 31, 2016 amounted to ¥245,002 million, a decrease of 8.5% for the same period in the previous fiscal year. The Group posted an operating income of ¥12,101 million (an increase of 11.7% for the same period in the previous fiscal year) and profit attributable to owners of parent of ¥6,498 million (loss attributable to owners of parent of ¥2,765 million for the same period in the previous fiscal year).

In order to review the Group's earnings structure from a medium- to long-term perspective, as well as to address the issues of each business, the Company implemented an organizational restructuring within the Group (*) on April 1, 2015. Effective from the first quarter of the fiscal year ending March 31, 2016, the Group's businesses were reorganized into three businesses: (i) the Pachislot and Pachinko Machines Business, (ii) the Entertainment Contents Business, and (iii) the Resort Business. In line with this reorganization, the former Amusement Machine Sales Business, Amusement Center Operations Business and Consumer Business have been integrated into the Entertainment Contents Business. Operations of theme parks, previously included in the Amusement Center Operations Business, and operations of resort facilities, previously included in Other Businesses, have been integrated into the Resort Business.

(*) As of April 1, 2015, SEGA CORPORATION was divided and SEGA Holdings Co., Ltd., SEGA Interactive Co., Ltd., and SEGA LIVE CREATION Inc. were established through an incorporation-type demerger. In addition, SEGA CORPORATION merged with SEGA Networks Co., Ltd. and changed its trade name to SEGA Games Co., Ltd.

Result of each segment is as follows

In line with the reorganization within the Group as of April 1, 2015, effective from the first quarter of the fiscal year ending March 31, 2016, the classification of the reporting segments has been changed. Comparison and analysis of results for the first three quarters of the fiscal year ending March 31, 2016 are based on the segment classification after the change. For details of segment information, please refer to “SEGMENT INFORMATION, (2) Change of reporting segments, etc.” on page 13.

《Pachislot and Pachinko Machines》

In the pachislot machine business, the Group launched titles such as “Pachislot Onimusha3 Jikuu Tenshou,” the legitimate successor to the big hit “Onimusha” series, and “Pachislot Ryu ga Gotoku OF THE END,” the fruition of IP collaboration with SEGA’s masterpiece, the “Ryu ga Gotoku” series. As a result, overall sales of pachislot machines were 121 thousand units. (Overall sales of pachislot machines were 96 thousand units for the same period of the previous fiscal year.)

In the pachinko machine business, the Group launched titles such as “Pachinko CR HARLOCK:SPACE PIRATE” and “Pachinko CR Hokuto No Ken 6 Tenshou Hyakuretsu,” the latest additions to the “Pachinko CR Hokuto No Ken 6” series. Overall sales of pachinko machines were 115 thousand units. (Overall sales of pachinko machines were 224 thousand units for the same period of the previous fiscal year.)

Furthermore, we carried out measures to improve costs such as through reuse of components from pachislot and pachinko machines launched in the previous fiscal year or earlier.

As a result, net sales in this segment were ¥90,973 million (a decrease of 16.9% for the same period in the previous fiscal year) and operating income was ¥15,475 million (an increase of 0.9% for the same period in the previous fiscal year).

《Entertainment Contents》

With regard to the Entertainment Contents Business, in the field of digital game software, updates, etc. were implemented for existing titles for smart devices, such as “PHANTASY STAR ONLINE 2” launched over three years ago, “CHAIN CHRONICLE – Kizuna no Shintairiku” and “Puyopuyo!! Quest,” and sales remained robust. Sales of “Hortensia SAGA” launched in the current fiscal year are also robust. However, with regard to the expansion in South Korea of “Football Manager Online,” a new online game for the Asian market, and certain titles for smart devices, advertising expenses etc. increased due to a review of the value of assets relating to titles that were less well-received than expected in the initial plan, as well as extensive updates of various titles. The number of titles distributed domestically in the field of digital game software (free-to-play types) was 50 as of the end of December 2015.

In the packaged game software field, sales amounted to 6,120 thousand copies, which was lower than the level in the same period of the previous fiscal year, despite the launch of “Football Manager 2016,” the latest addition to the “Football Manager” series, which has continued to attract diehard fans for over 10 years, mainly in Europe.

In the amusement machine field, sales of CVT KITs for “StarHorse3 Season Ⅲ CHASE THE WIND” and demand for “CHUNITHM,” a new music game, were strong.

In the amusement center operations field, like-for-like sales were robust at 101.7% compared with the same period of the previous fiscal year owing to reinforced management of prizes etc. at the existing game center operations.

In the animated film and toy fields, program sales of “LUPIN THE 3rd,” the first new title for the TV series for the past 30 years, and revenue from merchandise sales and license revenue from the TV series “Yowamushi Pedal” were robust. In addition, the Group implemented the sale of toy products such as “Anpanman Series” and “Disney Character Magical Pod.”

As a result, net sales in this segment were ¥143,590 million (a decrease of 3.5% for the same period in the previous fiscal year) while operating income was ¥2,432 million (an increase of 17.5% for the same period in the previous fiscal year), mainly because of a decrease in research and development expenses.

《**Resort**》

In the Resort Business, the Group collaborated with popular comic "Tokyo Ghoul" at the indoor theme park Tokyo Joypolis, and facilities utilization remained robust. At the supercharged nature experience Orbi Yokohama, facilities utilization was low despite the implementation of "Aurora Live broadcasting from Alaska" as a winter holidays event.

Regarding Phoenix Seagaia Resort, one of the leading resorts in Japan whose amenities include hotels, golf courses and international conference venues, Dunlop Phoenix Tournament 2015 was held at the Phoenix Country Club. Furthermore, in addition to golf, the designation of Phoenix Seagaia Resort and its surrounding area as an Event-Specific Affiliated National Training Center Facility for triathlons, an official Olympic event, by the Ministry of Education, Culture, Sports, Science and Technology received attention from the general public.

Overseas, the Group operates existing casino facilities in Incheon, South Korea, through PARADISE SEGASAMMY Co., Ltd. (associate accounted for using the equity method), a joint venture between Paradise Co., Ltd., a major tourism enterprise in South Korea, and the Company.

As a result, net sales in this segment were ¥11,547 million (an increase of 6.5% for the same period in the previous fiscal year) and operating loss was ¥1,371 million (operating loss of ¥1,789 million for the same period in the previous fiscal year).

(2) Forecast of Consolidated Operating Results

During the first three quarters of the fiscal year ending March 31, 2016, operating income and profit exceeded the forecast of consolidated operating results for the full year of the fiscal year ending March 31, 2016 as announced on December 4, 2015 as a result of factors such as cost improvement effects centering on the reuse of components mainly in the Pachislot and Pachinko Machines Business. With regard to the Pachislot and Pachinko Machines Business in the fourth quarter, the Company is promoting sales of titles such as "Pachislot Nisemonogatari" and "Pachinko CR Shin Hokuto Muso," a major title in the current period, and receiving orders steadily overall. In the Pachislot and Pachinko Machines Business in the fourth quarter, however, it is necessary to discern the order trend of the titles stated above as well as sales schedule and sales trend of other titles.

Regarding the digital game software field of the Entertainment Contents Business, the Company is consecutively implementing large-scale updates centered on major existing titles, including "PHANTASY STAR ONLINE 2" and "CHAIN CHRONICLE," as well as planning the launch of a number of new titles mainly for the Asian market, and needs to monitor the progress of such initiatives.

As a result of the above, no change has been made to the forecast of consolidated operating results for the full year of the fiscal year ending March 31, 2016 as announced on December 4, 2015.

A modified forecast of the consolidated operating results will be released promptly if any adjustment is necessary.

(3) Other

(Changes in accounting policies)

a. Adoption of accounting standard for business combinations, etc.

Effective from the first quarter of the fiscal year ending March 31, 2016, the Company adopted "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21 issued on September 13, 2013) (hereinafter, the "Business Combinations Accounting Standard"), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on September 13, 2013) (hereinafter, the "Consolidation Accounting Standard"), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 issued on September 13, 2013) (hereinafter, the "Business Divestitures Accounting Standard"), and other related accounting standards. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which the Company continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after the April 1, 2015 the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of net income and others has been changed and presentation of minority interests has been changed to non-controlling interests. To reflect these changes in the presentations, quarterly consolidated financial statements for the first three quarters of the previous fiscal year and consolidated financial statements for the previous fiscal year have been reclassified.

The Business Combinations Accounting Standard and other standards were applied from April 1, 2015 into the future in accordance with the transitional measures provided in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidation Accounting Standard and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard.

As a result, capital surplus at the end of the third quarter decreased by ¥892 million.

b. Change in revenue recognition for sales of merchandise and finished goods

Some of the Company's subsidiaries previously recognized revenue primarily on a shipping basis. Effective from the first quarter of the fiscal year ending March 31, 2016, the revenue recognition method was changed to on a delivery basis. From the first quarter of the fiscal year ending March 31, 2016, the Company's systems for identifying delivery dates were improved in line with the reinforcement of product delivery management mainly in the Pachislot and Pachinko Machines Business. Taking this improvement as an opportunity, the Company reconsidered the revenue recognition standard and judged that recognition of revenues upon delivery more accurately reflects actual transactions.

This change in the accounting policy is retroactively applied and quarterly consolidated financial statements for the first three quarters of the previous fiscal year and the consolidated financial statements for the previous fiscal year are presented after retroactive application of the change.

As a result, compared with the figures prior to retroactive application of the revised revenue recognition method, the following changes are made. On the consolidated statement of income and comprehensive income for the first three quarters of the previous fiscal year, net sales decreased by ¥8,852 million, gross profit decreased by ¥5,434 million, and operating income and income before income taxes decreased by ¥5,428 million, respectively. The beginning balance of retained earnings for the previous year decreased by ¥103 million, as cumulative effects of the change in the accounting policy are to be reflected in net assets at the beginning of the previous fiscal year.

The impact on segment information is described in the related section.

c. Change in revenue presentation in the field of digital game software

Regarding sales in the field of digital game software and platform fees and other associated expenses, some of the Company's subsidiaries previously recorded a net amount by offsetting net sales, the cost of sales and selling, general and administrative expenses. Effective from the first quarter of the fiscal year ending March 31, 2016, those subsidiaries changed the method to the recording of a gross amount of net sales, the cost of sales and selling, general and administrative expenses. Owing to the Company's decision to promote business development in the field of digital game software, which is positioned as a growth field in the Entertainment Contents Business, through reallocation of resources and new investment including overseas, quantitative materiality of the field of digital game software will increase from now on. Thus, the Company considered accounting treatment that more clearly presents the situation of the Company's business activities and concluded that presenting a gross amount of net sales and recording platform fees and other associated expenses as part of the cost of sales and selling, general and administrative expenses will more clearly represent the results of operations.

The change in the accounting policy is retroactively applied and the quarterly consolidated financial statements for the first three quarters of the previous fiscal year are presented after retroactive application of the change.

As a result of this change, compared with the figures prior to retroactive application of the revised accounting treatment, net sales and gross profit for the first three quarters of the previous fiscal year increased by ¥9,070 million and ¥471 million, respectively, but there is no impact on operating income and income before income taxes.

The impact on segment information is described in the related section.

CONSOLIDATED FINANCIAL STATEMENTS

SEGA SAMMY HOLDINGS INC.

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2015 AND MARCH 31, 2015

(Unit : Millions of yen)

	Prior year (As of March 31, 2015)	Current period (As of December 31, 2015)
	Amount	Amount
(A s s e t s)		
Current assets		
Cash and deposits	102,260	81,227
Notes and accounts receivable – trade	38,526	43,257
Allowance for doubtful accounts	(389)	(482)
Short-term investment securities	97,210	80,401
Merchandise and finished goods	6,988	7,449
Work in process	12,281	18,487
Raw materials and supplies	9,967	11,140
Other	31,177	21,019
Total current assets	298,021	262,500
Noncurrent assets		
Property, plant and equipment		
Land	39,822	38,891
Other, net	60,450	62,368
Total property, plant and equipment	100,272	101,259
Intangible assets		
Goodwill	14,668	12,544
Other	14,402	15,445
Total intangible assets	29,071	27,990
Investments and other assets		
Investment securities	70,051	87,536
Other	32,032	31,759
Allowance for doubtful accounts	(790)	(549)
Total investments and other assets	101,293	118,746
Total noncurrent assets	230,637	247,995
Total assets	528,659	510,496

SEGA SAMMY HOLDINGS INC.

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2015 AND MARCH 31, 2015

(Unit : Millions of yen)

	Prior year (As of March 31, 2015)	Current period (As of December 31, 2015)
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	26,964	32,317
Short - term loans payable	13,842	13,604
Income taxes payable	3,240	1,424
Provision	5,082	3,079
Asset retirement obligations	133	53
Other	37,442	45,367
Total current liabilities	86,707	95,845
Noncurrent liabilities		
Bonds payable	56,200	52,800
Long - term loans payable	32,918	25,682
Net defined benefit liability	3,716	2,686
Provision for directors’ retirement benefits	121	—
Asset retirement obligations	2,435	3,943
Provision for dismantling of fixed assets	3,395	2,874
Other	20,710	17,986
Total noncurrent liabilities	119,498	105,973
Total liabilities	206,206	201,819
(Net assets)		
Shareholders’ equity		
Capital stock	29,953	29,953
Capital surplus	119,282	118,404
Retained earnings	198,704	195,634
Treasury stock	(49,335)	(54,756)
Total shareholders’ equity	298,604	289,235
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,794	15,553
Deferred gains or losses on hedges	10	(2)
Revaluation reserve for land	(4,699)	(4,634)
Foreign currency translation adjustment	3,414	1,274
Remeasurements of defined benefit plans	2,206	2,114
Total accumulated other comprehensive income	18,726	14,305
Subscription rights to shares	832	804
Non-controlling interests	4,289	4,332
Total net assets	322,452	308,677
Total liabilities and net assets	528,659	510,496

SEGA SAMMY HOLDINGS INC.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

FOR 9 MONTHS ENDED DECEMBER 31, 2014 AND 2015

（Unit：Millions of yen）

	Prior period From April 1, 2014 To December 31, 2014	Current period From April 1, 2015 To December 31, 2015
	Amount	Amount
Net sales	267,729	245,002
Cost of sales	169,277	150,491
Gross profit	98,452	94,510
Selling, general and administrative expenses	87,617	82,409
Operating income	10,835	12,101
Other income (expenses) :		
Interest income	207	380
Dividends income	981	913
Equity in earnings of affiliates	92	—
Foreign exchange gains	—	69
Gain on investments in partnership	278	198
Interest expenses	(673)	(690)
Equity in losses of affiliates	—	(315)
Bond issuance cost	(155)	(41)
Foreign exchange losses	(474)	—
Commission fee	(143)	(66)
Gain on sales of noncurrent assets	112	29
Gain on sales of investment securities	187	89
Gain on liquidation of subsidiaries and associates	—	306
Gain on reversal of subscription rights to shares	107	11
Compensation income for expropriation	277	—
Gain on reversal of provision for dismantling of fixed assets	—	521
Loss on sales of noncurrent assets	(79)	(66)
Impairment loss	(294)	(523)
Loss on valuation of investment securities	(99)	(19)
Loss on sales of shares of subsidiaries and associates	(255)	(8)
Provision for dismantling of fixed assets	(2,778)	—
Loss on the discontinuance of independent film production	(1,826)	—
Early extra retirement payments	(91)	(1,606)
Other income	798	1,317
Other expenses	(925)	(1,368)
Subtotal	(4,755)	(871)
Income (loss) before income taxes	6,080	11,230
Income taxes-current	8,890	4,572
Total income taxes	8,890	4,572
Profit (loss)	(2,810)	6,657
(Breakdown)		
Profit (loss) attributable to owners of parent	(2,765)	6,498
Profit (loss) attributable to non-controlling interests	(44)	159

SEGA SAMMY HOLDINGS INC.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

FOR 9 MONTHS ENDED DECEMBER 31, 2014 AND 2015

（Unit：Millions of yen）

	Prior period From April 1, 2014 To December 31, 2014	Current period From April 1, 2015 To December 31, 2015
	Amount	Amount
Other comprehensive income		
Valuation difference on available-for-sale securities	14	(2,246)
Deferred gains or losses on hedges	4	(13)
Revaluation reserve for land	(30)	64
Foreign currency translation adjustment	5,588	(1,059)
Remeasurements of defined benefit plans, net of tax	188	(95)
Share of other comprehensive income of associates accounted for using equity method	527	(1,145)
Total other comprehensive income	6,292	(4,496)
Comprehensive income	3,482	2,160
(Breakdown)		
Comprehensive income attributable to owners of parent	3,478	2,077
Comprehensive income attributable to non-controlling interests	3	83

SIGNIFICANT CHANGES IN THE AMOUNT OF SHAREHOLDERS' EQUITY

(Unit: Millions of Yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of April 1, 2015 (Note 1)	29,953	119,282	198,704	(49,335)	298,604
Changes of items for the 9 months ended December 31, 2015					
Dividends from retained earnings			(9,436)		(9,436)
Profit attributable to owners of parent			6,498		6,498
Effect of changes in accounting period of subsidiaries			(129)		(129)
Purchase of treasury stock (Note 2)				(5,548)	(5,548)
Disposal of treasury stock		14		126	141
Change of scope of consolidation			(1)		(1)
Change of scope of equity method			(0)		(0)
Purchase of shares of consolidated subsidiaries		(892)			(892)
Total changes of items for the 9 months ended December 31, 2015	―	(877)	(3,069)	(5,421)	(9,368)
Balances as of December 31, 2015	29,953	118,404	195,634	(54,756)	289,235

(Notes) 1. Balances as of April 1, 2015 are presented after retroactive application of the changes in the accounting policy.

2. This refers primarily to the purchase of treasury stocks worth ¥5,536 million (3,098,400 shares) according to the resolution at the meeting of Board of Directors held on February 12, 2015.

Outline of the resolution

(1) Type of shares to be acquired: Common shares
(2) Total number of shares to be acquired: 10,000,000 shares (upper limit)
(3) Total acquisition costs: ¥20,000 million (upper limit)
(4) Acquisition period: From February 18, 2015 through May 29, 2015

SEGMENT INFORMATION

1. Prior period (From April 1, 2014 to December 31, 2014)

(1) Information on the amounts of net sales, income (loss) by each reporting segment

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Note)	Amount in consolidated financial statements
	Pachislot Pachinko	Entertainment Contents	Resort			
Net sales						
(1) Sales to third parties	108,970	147,957	10,802	267,729	—	267,729
(2) Inter-segment sales and transfers	449	847	35	1,332	(1,332)	—
Total	109,420	148,804	10,837	269,062	(1,332)	267,729
Segment income (loss)	15,332	2,069	(1,789)	15,612	(4,777)	10,835

(Notes) 1. Elimination of inter-segment transactions of ¥29 million and general corporate expenses of ¥(4,806) million which are not allocated to the reporting segment are included in the adjustment to segment income (loss) of ¥(4,777) million. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.

2. Adjustment has been made to segment income (loss) and operating income in the consolidated financial statements.

2. Current period (From April 1, 2015 to December 31, 2015)

(1) Information on the amounts of net sales, income (loss) by each reporting segment

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Note)	Amount in consolidated financial statements
	Pachislot Pachinko	Entertainment Contents	Resort			
Net sales						
(1) Sales to third parties	90,448	143,034	11,519	245,002	—	245,002
(2) Inter-segment sales and transfers	525	556	27	1,109	(1,109)	—
Total	90,973	143,590	11,547	246,111	(1,109)	245,002
Segment income (loss)	15,475	2,432	(1,371)	16,535	(4,434)	12,101

(Notes) 1. Elimination of inter-segment transactions of ¥85 million and general corporate expenses of ¥(4,519) million which are not allocated to the reporting segment are included in the adjustment to segment income (loss) of ¥(4,434) million. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.

2. Adjustment has been made to segment income (loss) and operating income in the consolidated financial statements.

(2) Change of reporting segments, etc.

(Change in classification of reporting segments)

Effective from the first quarter of the fiscal year ending March 31, 2016, in line with the reorganization, the classification of the reporting segments has been revised. The reporting segments, which previously consisted of the “Pachislot and Pachinko Machines Business,” the “Amusement Machines Sales Business,” the “Amusement Center Operations Business,” and the “Consumer Business,” now consist of the “Pachislot and Pachinko Machines Business,” the “Entertainment Contents Business,” and the “Resort Business,” in line with the reorganization within the Group as of April 1, 2015.

Segment information for the first three quarters of the previous fiscal year is based on the segment classification after the change.

(Change in revenue recognition for sales of merchandise and finished goods)

As described in “Changes in accounting policies,” some of the Company’s subsidiaries changed revenue recognition for sales of merchandise and finished goods. The change in the accounting policy is retroactively applied and the segment information for the first half of the previous fiscal year is presented after retroactive application of the change.

As a result of this change, compared with figures prior to retroactive application, net sales and segment income (loss) for the first three quarters of the previous fiscal year changed as follows: in the “Pachislot and Pachinko Machines Business,” net sales decreased by ¥8,986 million and segment income decreased by ¥5,477 million; in the “Entertainment Contents Business,” net sales increased by ¥133 million and segment income increased by ¥48 million.

(Change in revenue presentation in the field of digital game software)

As described in “Changes in accounting policies,” some of the Company’s subsidiaries changed revenue presentation in the field of digital game software. The change in the accounting policy is retroactively applied and the segment information for the first half of the previous fiscal year is presented after retroactive application of the change.

As a result of this change, compared with figures prior to retroactive application, net sales for the first three quarters of the previous fiscal year increased by ¥9,070 million in the “Entertainment Contents Business” but there is no impact on segment income (loss).