

SEGA-SAMMY  
H O L D I N G S

SEGA-SAMMY  
G R O U P

# FY Ending March 2018 3<sup>rd</sup> Quarter Results Presentation

February 7th, 2018  
SEGA SAMMY HOLDINGS INC.

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**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.**

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# **1.FY Ending March 2018 3rd Quarter Results / Forecasts**

## ■ Revised full-year operating results forecast (announced on November 30)

- ✓ **Pachislot and Pachinko Machines Business**  
→ Number of titles decreased following review of sales schedule impacted by the revision to the rules
- ✓ **Entertainment Contents Business**  
→ Performed strongly centered around packaged game field and amusement machine sales field

(Unit:JPY Billion)

	Previously publicized forecast	Adjusted forecast	Amount of increase or decrease
<b>Sales</b>	<b>380.0</b>	<b>330.0</b>	<b>△50.0</b>
Pachislot and Pachinko Machines	150.0	105.0	△45.0
Entertainment Contents	220.0	215.0	△5.0
Resort	10.0	10.0	—
<b>Operating Income</b>	<b>20.0</b>	<b>13.0</b>	<b>△7.0</b>
Pachislot and Pachinko Machines	20.0	8.5	△11.5
Entertainment Contents	10.0	14.0	4.0
Resort	△3.0	△3.0	—
Other/Elimination	△7.0	△6.5	0.5
Ordinary Income	<b>16.0</b>	<b>10.0</b>	<b>△6.0</b>
Profit attributable to owners of parent	<b>11.0</b>	<b>5.0</b>	<b>△6.0</b>

## ■ Acquisition of gaming machine manufacturer and distributor licenses in Nevada, U.S. (announced on December 5)

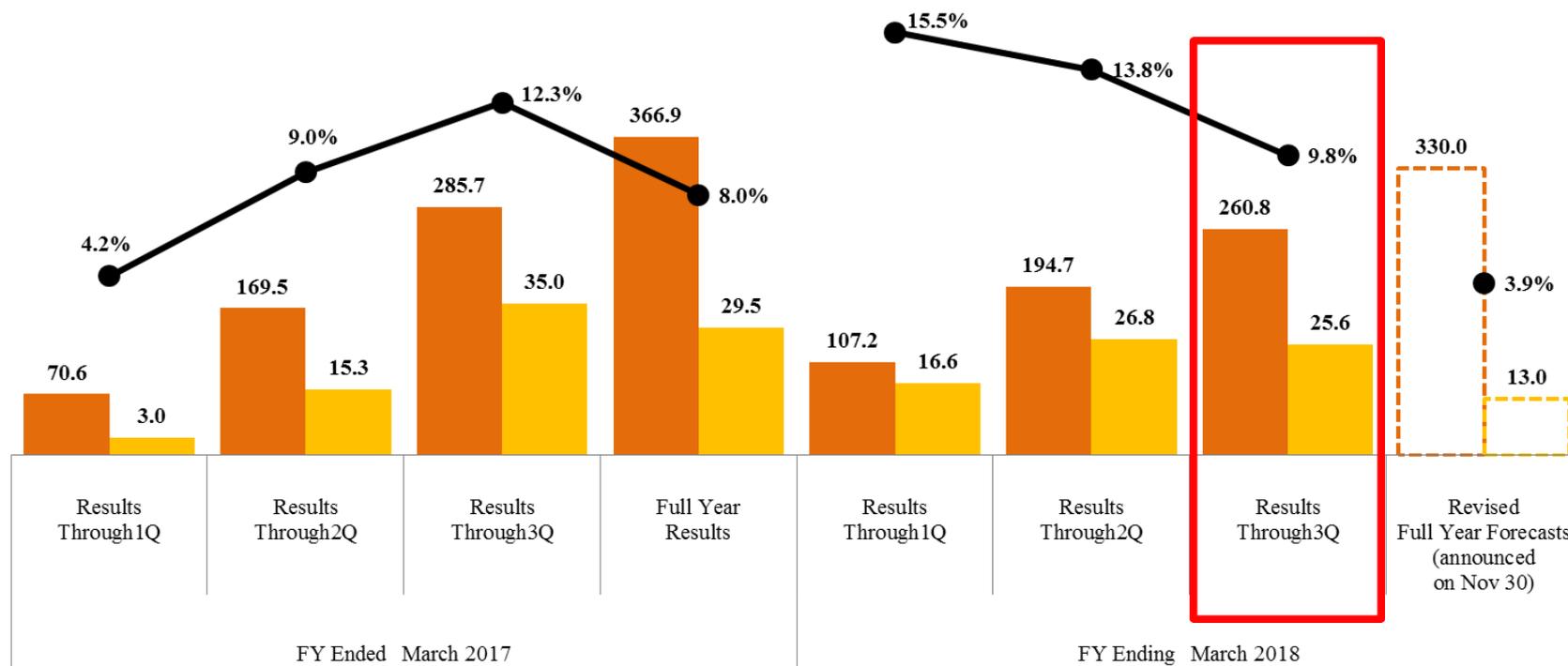
- ✓ While aiming to launch products in Nevada, perform procedures to obtain licenses in other areas as well in an aim to expand the sales area

Date of license acquisition	December 1, 2017 (local time)
The company that acquired the license	SEGA SAMMY CREATION INC. (SSC) Sega Sammy Creation USA Inc. (SSCU)
Companies and individuals examined / surveyed	Companies : SEGA SAMMY HOLDINGS INC., SSC, SSCU Individuals : Executive officers and directors of SSC and SSCU CEO, COO, CFO and General Counsel of SEGA SAMMY HOLDINGS INC. (at the time of the application in 2016)
Main items reviewed / surveyed	Companies : Governance and compliance structures, financial and tax information, client information and litigation histories Individuals : Education and employment records, information of asset etc., litigation and criminal histories and relationships

Sales : **260.8** JPY Billion    Operating Income : **25.6** JPY Billion    Operating Income Margin : **9.8%**

(JPY Billion)

— Sales    — Operating Income    ● Operating Income Margin



## Summary of Results Through 3Q

- Revised full-year operating results forecast (announced on November 30)
- Both sales and profits decreased year-on-year
- No major titles were launched in Pachislot and Pachinko Machines Business in 3Q
- Overall Entertainment Contents Business performed strongly

## Forecasts

- No major titles are scheduled to be launched in pachislot and pachinko machines
- The Group plans to launch multiple new titles in the Entertainment Contents Business
- Assessment of future sales trends, emergence status of operating expenses, etc. are required as multiple new titles are scheduled to be launched

# Consolidated Income Statements (Summary)

(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Nov 30)	YoY Change
<b>Sales</b>	<b>285.7</b>	<b>366.9</b>	<b>260.8</b>	<b>-9%</b>	<b>330.0</b>	<b>-10%</b>
Pachislot and Pachinko Machines	119.7	148.2	95.4	-20%	105.0	-29%
Entertainment Contents	155.4	205.7	157.9	+2%	215.0	+5%
Resort	10.5	13.0	7.3	-30%	10.0	-23%
<b>Operating Income</b>	<b>35.0</b>	<b>29.5</b>	<b>25.6</b>	<b>-27%</b>	<b>13.0</b>	<b>-56%</b>
Pachislot and Pachinko Machines	25.8	26.3	15.1	-41%	8.5	-68%
Entertainment Contents	15.3	11.1	17.2	+12%	14.0	+26%
Resort	-1.8	-2.2	-1.8	-	-3.0	-
Other / Elimination	-4.3	-5.7	-4.9	-	-6.5	-
Operating Income Margin	12.3%	8.0%	9.8%	-2.5pt	3.9%	-4.1pt
<b>Ordinary Income</b>	<b>35.3</b>	<b>28.5</b>	<b>24.3</b>	<b>-31%</b>	<b>10.0</b>	<b>-65%</b>
Extraordinary Gain	12.8	13.3	0.8	-	-	-
Extraordinary Loss	5.2	8.1	0.7	-	-	-
<b>Income before income taxes</b>	<b>43.0</b>	<b>33.7</b>	<b>24.4</b>	<b>-43%</b>	<b>-</b>	<b>-</b>
<b>Profit attributable to owners of parent</b>	<b>36.5</b>	<b>27.6</b>	<b>13.7</b>	<b>-62%</b>	<b>5.0</b>	<b>-82%</b>
<b>Dividends per share (JPY)</b>	<b>20.00</b>	<b>40.00</b>	<b>20.00</b>	<b>-</b>	<b>40.00</b>	<b>-</b>
<b>Earnings per share (JPY)</b>	<b>155.84</b>	<b>117.79</b>	<b>58.68</b>	<b>-</b>	<b>21.33</b>	<b>-</b>
<b>Net Assets per share (JPY)</b>	<b>1,356.30</b>	<b>1,313.06</b>	<b>1,339.46</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Costs and Expenses

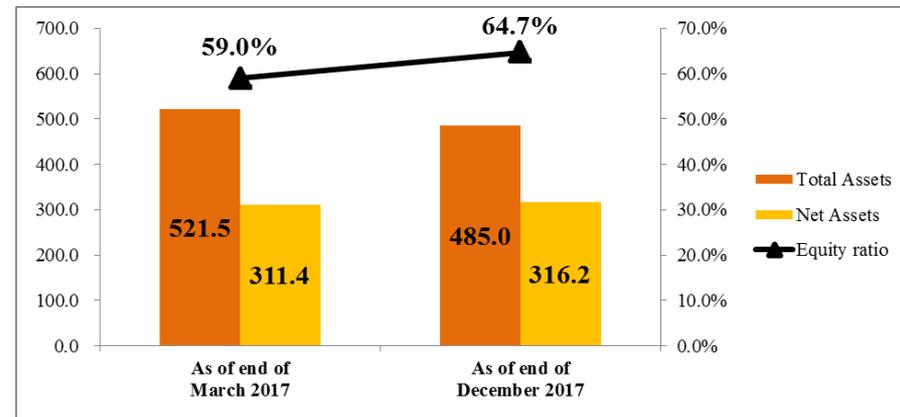
(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Nov 30)	YoY Change
<b>R&amp;D Expense / Content Production Expense</b>	<b>48.8</b>	<b>67.1</b>	<b>45.5</b>	<b>-7%</b>	-	-
Pachislot and Pachinko Machines	14.1	18.8	13.8	-2%	-	-
Entertainment Contents	34.6	48.1	31.7	-8%	-	-
Resort	0.1	0.2	0.0	-	-	-
Other / Elimination	0.0	0.0	0.0	-	-	-
<b>Cap-ex</b>	<b>20.8</b>	<b>27.0</b>	<b>16.2</b>	<b>-22%</b>	-	-
Pachislot and Pachinko Machines	4.3	5.8	2.7	-37%	-	-
Entertainment Contents	11.9	16.6	11.8	-1%	-	-
Resort	4.5	4.5	1.5	-67%	-	-
Other / Elimination	0.1	0.1	0.2	-	-	-
<b>Depreciation</b>	<b>12.0</b>	<b>16.3</b>	<b>12.2</b>	<b>+2%</b>	-	-
Pachislot and Pachinko Machines	4.4	5.8	4.1	-7%	-	-
Entertainment Contents	6.2	8.7	6.7	+8%	-	-
Resort	0.8	1.1	0.7	-13%	-	-
Other / Elimination	0.6	0.7	0.7	-	-	-
<b>Advertising</b>	<b>11.2</b>	<b>14.8</b>	<b>11.7</b>	<b>+4%</b>	-	-
Pachislot and Pachinko Machines	1.7	2.1	1.5	-12%	-	-
Entertainment Contents	7.9	10.7	8.6	+9%	-	-
Resort	0.5	0.5	0.3	-40%	-	-
Other / Elimination	1.1	1.5	1.3	-	-	-

# Consolidated Balance Sheet (Summary)

(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2017	As of end of December 2017	Change	Account	As of end of March 2017	As of end of December 2017	Change
Cash and Deposits	137.4	114.7	-22.7	Accounts Payable	45.6	20.4	-25.2
Accounts Receivable	44.5	33.6	-10.9	Corporate Bonds	19.5	18.8	-0.7
Securities	65.2	70.1	+4.9	Short Term Borrowings	6.3	11.6	+5.3
Inventories	47.4	39.7	-7.7	Other	41.1	37.0	-4.1
Other	29.6	29.7	+0.1	<b>Total Current Liabilities</b>	<b>112.5</b>	<b>87.8</b>	<b>-24.7</b>
<b>Total Current Assets</b>	<b>324.1</b>	<b>287.8</b>	<b>-36.3</b>	Corporate Bonds	32.5	25.0	-7.5
Tangible Fixed Assets	81.6	78.3	-3.3	Long Term Debt	44.5	36.8	-7.7
Intangible Fixed Assets	22.1	24.7	+2.6	Other	20.5	19.1	-1.4
Investment Securities	69.8	69.9	+0.1	<b>Total Noncurrent Liabilities</b>	<b>97.5</b>	<b>80.9</b>	<b>-16.6</b>
Other	23.9	24.3	+0.4	<b>Total Liabilities</b>	<b>210.1</b>	<b>168.8</b>	<b>-41.3</b>
				Shareholders Equity	300.3	304.4	+4.1
				Total accumulated other comprehensive income	7.4	9.4	+2.0
				Warrants	0.3	0.6	+0.3
				Non-controlling interests	3.4	1.5	-1.9
<b>Total Noncurrent Assets</b>	<b>197.4</b>	<b>197.2</b>	<b>-0.2</b>	<b>Total Net Assets</b>	<b>311.4</b>	<b>316.2</b>	<b>+4.8</b>
<b>Total Assets</b>	<b>521.5</b>	<b>485.0</b>	<b>-36.5</b>	<b>Total Liabilities and Net Assets</b>	<b>521.5</b>	<b>485.0</b>	<b>-36.5</b>

## Summary of Results Through 3Q

- Total Assets: **485.0 billion** yen (decreased by 36.5 billion yen )
- Current Assets: Down **36.3 billion** yen due to decrease in Cash and Deposits and accounts receivable-trade, etc
- Liabilities: Down **41.3 billion** yen due to payment of trade payables, redemption of Corporate Bonds and repayment of Borrowings
- Equity Ratio: **64.7%** (+5.7pt)
- Current Ratio: **327.6%** (+39.7pt)



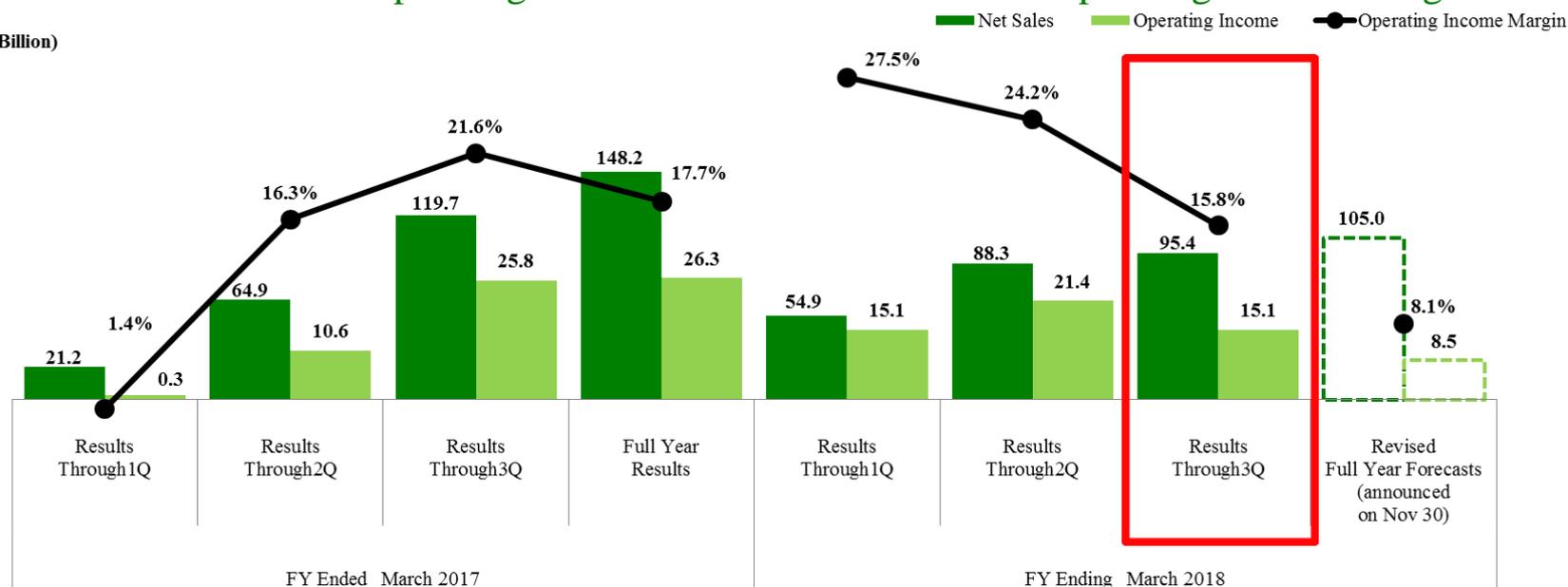
## 2. Segment Results / Forecasts

Sales : **95.4** JPY Billion

Operating Income : **15.1** JPY Billion

Operating Income Margin : **15.8%**

(JPY Billion)



## Summary of Results Through 3Q

## Forecasts

Overall

- Revised full-year operating results forecast due to the decrease in the number of titles and unit sales as a result of the review of sales schedule in and after the second half with the revision of rules(November 30)
- Both sales and profits decreased year-on-year.

- Make progress in selling machines of which licenses are obtained under the rules before revision as well as in developing machines supporting the revision of rules and new voluntary regulations

Pachislot

- Delivered part of “**Pachislot CODE GEASS Lelouch of the Rebellion R2 C.C. ver.**” scheduled to commence operation in January 2018 in advance in 3Q

- The Group plans to launch its first No. 5.9-type machines “**Pachislot CODE GEASS Lelouch of the Rebellion R2 C.C. ver.**,” “**Pachislot Valkyria Chronicles,**” and others

Pachinko

- Launched “**Pachinko CR SOUTEN-NO-KEN Tenra,**” which realizes new game elements with a new system added to the “**Pachinko SOUTEN-NO-KEN**” series, and others

- To launch specification changed titles “**Dejihane CRA SOUTEN-NO-KEN Tenki,**” “**Dejihane CR GHOST IN THE SHELL-STAND ALONE COMPLEX-**,” and others

(JPY Billion)		FY Ended March 2017		FY Ending March 2018			
		Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Nov 30)	YoY Change
<b>Sales</b>		<b>119.7</b>	<b>148.2</b>	<b>95.4</b>	<b>-20%</b>	<b>105.0</b>	<b>-29%</b>
	Pachislot	70.0	86.2	32.4	-54%	-	-
	Pachinko	39.6	48.3	52.2	+32%	-	-
	Other / Elimination	10.1	13.7	10.8	-	-	-
<b>Operating Income</b>		<b>25.8</b>	<b>26.3</b>	<b>15.1</b>	<b>-41%</b>	<b>8.5</b>	<b>-68%</b>
	Operating Income Margin	21.6%	17.7%	15.8%	-5.8pt	8.1%	-9.6pt

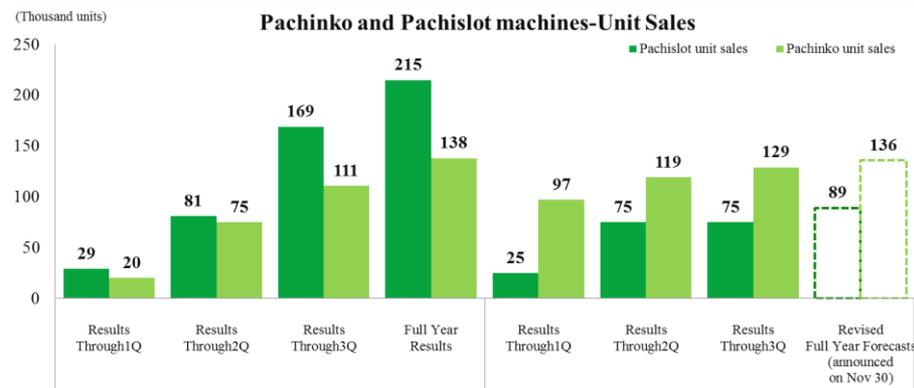
Pachislot	Number of Titles	6 titles	10 titles	8 titles	+2 titles	10 titles	-
	Unit Sales	169,827 units	215,736 units	75,590 units	-55%	89,000 units	-59%
Pachinko	Number of Titles	6 titles	9 titles	5 titles	-1 title	5 titles	-4 titles
	Unit Sales	111,104 units	138,321 units	129,778 units	+17%	136,000 units	-2%
	Board + Frame	101,440 units	115,227 units	95,912 units	-5%	-	-
	Board	9,664 units	23,094 units	33,866 units	+250%	-	-

\* New series of title is counted as one title (Machines launched in the previous fiscal year/change of specification, etc. aren't included).

### 3Q Major titles and number of units sold

Pachislot title	Total sales	Installed From
—	—	—

Pachinko title	Total sales	Installed From
Pachinko CR SOUTEN-NO-KEN Tenra	8,645units	November



## Major Titles in 3Q and newly titles to be launched in and after 4Q

New title  
Specification changed title

3Q

4Q~

Pachislot

Pachislot Beast King  
Oujya no kakusei

Pachislot Hokuto No Ken  
Shindensetsu souzou

Pachislot CODE GEASS Lelouch of the  
Rebellion R2 C.C.ver.

Pachislot Sakura Wars  
~Atsuki chishioni~

Pachislot Tatakae! Salaryman

Pachislot Valkyria Chronicles

Pachislot Twin Angel BREAK

Pachislot Ys I & II

A – SLOT ALIYAN EVOLUTION

Pachislot ARPEGGIO OF BLUE STEEL  
-ARS NOVA-

Pachinko

Pachinko CR Hokuto No Ken 7  
Resurrection

Pachinko CR Wataru seken wa oni bakari

Pachinko CR SOUTEN-NO-KEN Tenra

Dejihane CR GHOST IN THE SHELL -  
STAND ALONE COMPLEX-

Pachinko CR BIG GACHINKO Seven

Dejihane CR Monster Hunter 4

Pachinko CR Puyopuyo

Dejihane CRA SOUTEN-NO-KEN Tenki

Pachinko CR GHOST IN THE SHELL  
-STAND ALONE COMPLEX-



“Pachislot CODE GEASS Lelouch of the Rebellion R2  
C.C.ver.”

©SUNRISE/PROJECT GEASS  
Character Design ©2006 CLAMP•ST  
©SUNRISE/PROJECT GEASS  
Character Design ©2006-2008 CLAMP•ST  
©BANDAI NAMCO Entertainment Inc. ©Sammy  
Manufacturer/RODEO Co., Ltd.



“Pachinko CR SOUTEN-NO-KEN  
Tenra”

©Tetsuo Hara & Buronson/NSP 2001,  
Approved No.YHK-818 ©Sammy



“Dejihane CR GHOST IN THE SHELL  
-STAND ALONE COMPLEX-”

©2002 Shirow Masamune • Production I.G./KODANSHA



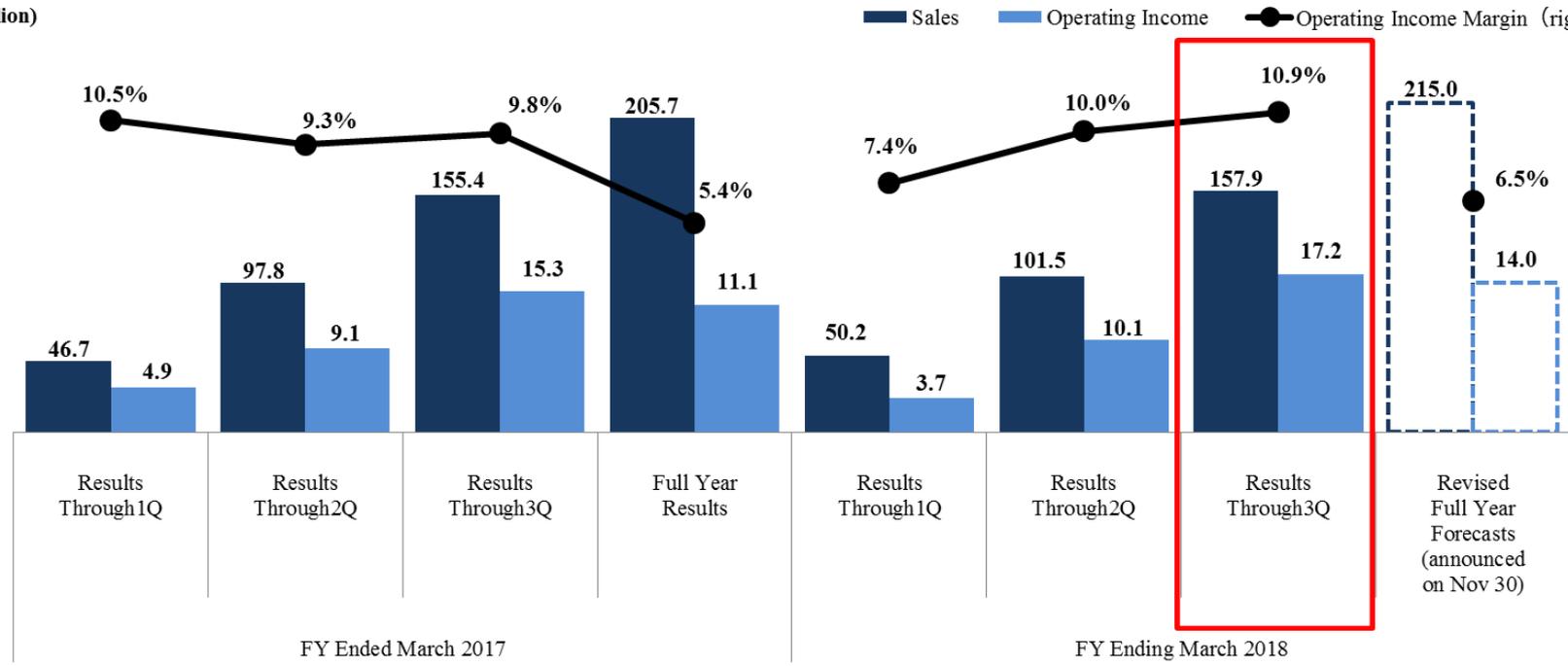
“Dejihane CRA SOUTEN-NO-KEN Tenki”

©Tetsuo Hara & Buronson/NSP 2001,Approved No.YKB-318  
©Sammy



Sales : **157.9** JPY Billion    Operating Income : **17.2** JPY Billion    Operating Income Margin : **10.9%**

(JPY Billion)



## Summary of Results Through 3Q

- Both sales and profits increased year-on-year
- Revised full-year operating results forecast as sales of new titles remained strong mainly in the packaged games field and amusement machines sales field (November 30)

## Forecasts

- Planning to release new titles in the respective fields of digital games, packaged games and amusement machine sales
- Emergence of operating expenses, etc. expected with the release of new titles



(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Nov 30)	YoY Change
<b>Sales</b>	<b>155.4</b>	<b>205.7</b>	<b>157.9</b>	<b>+2%</b>	<b>215.0</b>	<b>+5%</b>
Digital Games	35.0	47.3	28.9	-17%	-	-
Packaged Games	37.3	47.1	45.9	+23%	-	-
Amusement Machine Sales	37.4	49.4	33.9	-9%	-	-
Amusement Center Operations	27.9	37.2	29.2	+5%	-	-
Animation / Toy	16.5	22.7	16.9	+2%	-	-
Other / Elimination	1.3	2.0	3.1	-	-	-
<b>Operating Income</b>	<b>15.3</b>	<b>11.1</b>	<b>17.2</b>	<b>+12%</b>	<b>14.0</b>	<b>+26%</b>
Digital Games	5.3	4.9	3.3	-38%	-	-
Packaged Games	4.2	2.6	7.5	+79%	-	-
Amusement Machine Sales	3.3	1.7	3.6	+9%	-	-
Amusement Center Operations	2.3	2.2	2.2	-4%	-	-
Animation / Toy	1.0	1.2	1.6	+60%	-	-
Other / Elimination	-0.8	-1.5	-1.0	-	-	-
Operating Income Margin	9.8%	5.4%	10.9%	+1.1pt	6.5%	+1.1pt
<b>Packaged Games Number of Titles *</b>	<b>33 titles</b>	<b>42 titles</b>	<b>27 titles</b>	<b>-6 titles</b>	<b>-</b>	<b>-</b>
Japan	7 titles	9 titles	6 titles	-1 title	-	-
Asia	14 titles	16 titles	10 titles	-4 titles	-	-
North America / Europe	12 titles	17 titles	11 titles	-1 title	-	-
<b>Packaged Games Sales in Units (Thousands)</b>	<b>8,130</b>	<b>10,280</b>	<b>14,280</b>	<b>+76%</b>	<b>-</b>	<b>-</b>
Japan	1,550	1,850	950	-39%	-	-
New title	1,300	1,500	520	-60%	-	-
Repeat title	250	350	420	+68%	-	-
Asia	770	1,060	550	-29%	-	-
New title	490	700	350	-29%	-	-
Repeat title	280	360	190	-32%	-	-
North America / Europe	5,810	7,370	12,780	+120%	-	-
New title	2,460	3,040	5,710	+132%	-	-
Repeat title	3,350	4,330	7,090	+112%	-	-
<b>Domestic Facilities</b>	<b>190</b>	<b>191</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Same Store Sales Comparisons</b>	<b>110.3%</b>	<b>108.5%</b>	<b>102.1%</b>	<b>-8.2pt</b>	<b>-</b>	<b>-</b>

\* Added the number of titles in Asia

## Digital

### TOP 3 Titles (Digital Game)

		FY Ended March 2017				FY Ending March 2018		
		1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results	3Q Results
<b>Sales (JPY Billion)</b>		<b>12.0</b>	<b>11.0</b>	<b>12.0</b>	<b>12.3</b>	<b>9.5</b>	<b>9.8</b>	<b>9.6</b>
<b>Domestic</b>	Average MAU(Thousands, 3 months average)*1	4,640	3,690	4,140	4,560	3,440	3,310	3,220
	ARPPMAU (JPY) *2	2,038	2,771	2,568	2,327	2,502	2,435	2,321
	Share of sales for top 3 titles *3	68.4%	70.3%	67.6%	64.6%	59.6%	57.7%	51.5%
<b>Overseas</b>	Composition ratio of sales	19.5%	8.6%	10.5%	11.1%	10.4%	10.7%	16.1%
<b>Other indicators</b>	Number of Titles(Domestic)	34	30	28	27	25	21	22
	Ratio of advertising expense to net sales *4	6.5%	7.9%	10.2%	9.2%	8.2%	11.2%	10.1%
	Noah Pass Average MAU(Thousands, 3 months average)*5	12,360	11,800	11,960	11,400	11,940	11,480	10,390
<b>Accumulated Downloads (Thousands) *6</b>		<b>22,320</b>	<b>32,650</b>	<b>33,370</b>	<b>30,040</b>	<b>28,420</b>	<b>21,940</b>	<b>31,680</b>
	Domestic	2,860	4,720	8,230	9,410	2,120	2,080	2,040
	Overseas	19,460	27,930	25,140	20,630	26,300	19,860	29,640



“PHANTASY STAR ONLINE 2”  
©SEGA



“Puyopuyo!! Quest”  
©SEGA



“Hortensia Saga”  
©SEGA / f4samurai

\*Sales top three titles in the period of October-December 2017

### Summary of Results Through 3Q

- Number of titles under service (Domestic): 21⇒22
- Performed strongly due to events, etc. of existing titles
- “**Magia Record: Puella Magi Madoka Magica Side Story,**” developed by group company f4samurai and commissioned to operate, had solid performance

### Forecasts

- Expect continuous profit contributions from events, etc. of existing titles
- Planning to release several new titles including service started for new title, “**D × 2 Shin Megami Tensei Liberation,**” in January 2018, and kicked off to a good start



## Summary of Results through 3Q

## Forecasts

Packaged Games

- “SONIC FORCES,” which is a new title of a 3D high speed action game, performed strongly
- New title, “Ryu ga Gotoku KIWAMI 2” and new PC game title “Football Manager 2018” performed strongly

- Planning to release several new titles including
  - “Hokuto ga Gotoku” (March)
  - “Valkyria Chronicles 4” (March), etc.

Amusement Machine Sales

- Recorded distribution earnings from mainstay title “KanColle Arcade,” etc. under revenue sharing model
- Sales of prize category machines of “UFO CATCHER” series, etc. were solid
- Launched “maimai MiLK,” which is an updated version of music game “maimai” series
- Preliminary expenses for casino machine development and sales incurred

- Expect to continuously record earnings from prize category machines of “UFO CATCHER” series, etc.
- Planning to release new titles such as “SOUL REVERSE” and “SEGA World Drivers Championship”, etc.
- Preliminary expenses for casino machine development and sales to be incurred

Amusement Center Operations

- Same-store sales of domestic amusement facilities performed at **102.1%** against last fiscal year’s same-store sales
- Reinforced facility operation focusing on the new introduction of prize category machines and the prize category
- Reinforced measures for new-style stores such as “SEGA VR AREA AKAIKE”
- Introduced e-money at existing stores (6 stores as of December 31, 2017)

- Continue to reinforce facility operation focusing on the prize category
- Reinforce measures for new-style stores such as “SEGA Collaboration Cafe” and VR facilities
- Continue to increase the number of existing stores accepting e-money

Animation / Toys

- Recorded distribution earnings from a movie “Yowamushi Pedal RE:GENERATION,” etc.
- Conducted sales of “ANPANMAN” series, “Disney&Disney/Pixar Characters Dream Switch” and others.

- Expect to record earnings from production of a TV animation “Yowamushi Pedal GLORY LINE,” etc.
- Planning to launch regular and mainstay products such as “Let’s bake the bread in the oven! Uncle Jam’s Bakery”



## Major Titles in 3Q and newly titles to be launched in and after 4Q

### 3Q

### 4Q~

Digital Games	Existing Titles	PHANTASY STAR ONLINE 2 (Jul 2012~)
		Puyopuyo!! Quest (Apr 2013~)
		CHAIN CHRONICLE 3 (Jul 2013~)
		Hortensia Saga (Apr 2015~)
		Magia Record : Puella Magi Madoka Magica Side Story
		D × 2 Shin Megami Tensei Liberation
		PoPoLoCRoIS ~Narcia's tears & the Fairy's flute Ryu ga Gotoku ONLINE

Packaged Games	SONIC MANIA	SONIC FORCES	Hokuto ga Gotoku
	Total War: WARHAMMER 2	Ryu ga Gotoku KIWAMI 2	Valkyria Chronicles 4
		Football Manager 2018	
Amusement Machines	UFO CATCHER TRIPLE	StarHorse3 SeasonVI FULL THROTTLE	SOUL REVERSE
			SEGA World Drivers Championship
Animation /Toys	Detective Conan Crimson Love Letter	Yowamushi Pedal RE:GENERATION	Yowamushi Pedal GLORY LINE
	"ANPANMAN" D.I.Y. Moving ANPANMANGO-CAR	Disney&Disney/Pixar Characters Dream Switch	Let's bake the bread in the oven! Uncle Jam's Bakery



“D × 2 Shin Megami Tensei Liberation”  
©SEGA/©ATLUS



“Hokuto ga Gotoku”

©SEGA ©Buronson & Tetsuo Hara/NSP 1983,  
Approved No.GA-217



“SOUL REVERSE”

©SEGA



“Yowamushi Pedal GLORY LINE”

© Wataru Watanabe (Akitashoten) 2008/  
Yowamushi Pedal 04 Film Partners 2018



“Let's bake the bread in the oven!  
Uncle Jam's Bakery”

©Takashi Yanase / Froebel-kan, TMS, NTV



## <APPENDIX : Digital Games Titles scheduled to be launched>

### D × 2 Shin Megami Tensei Liberation



- ⇒ The first title of “Shin Megami Tensei” series for smartphone
- ⇒ Service started on January 22 and kicked off to a good start

### Ryu ga Gotoku ONLINE



- ⇒ First project of “New Ryu ga Gotoku”
- ⇒ Dramatic conflict RPG

### Pro Soccer Club wo Tsukurou! Road to World



- ⇒ Newest title of “Sakatsuku” series
- ⇒ Simulation game of managing a soccer club

### kotodaman



- ⇒ Conducting pre-registration campaign
- ⇒ RPG in which a maximum of four players fight with “words”

### PoPoLoCRoIS ~Narcia’s tears & the Fairy’s flute~



- ⇒ Newest smartphone game of “PoPoLo”
- ⇒ RPG themed on love, friendship and kindness

### WONDER GRAVITY ~BEST BUDDY: PINO & GRAVITOR~



- ⇒ Completely new GvG title made by f4samurai
- ⇒ Touching RPG themed on “GRAVITOR”



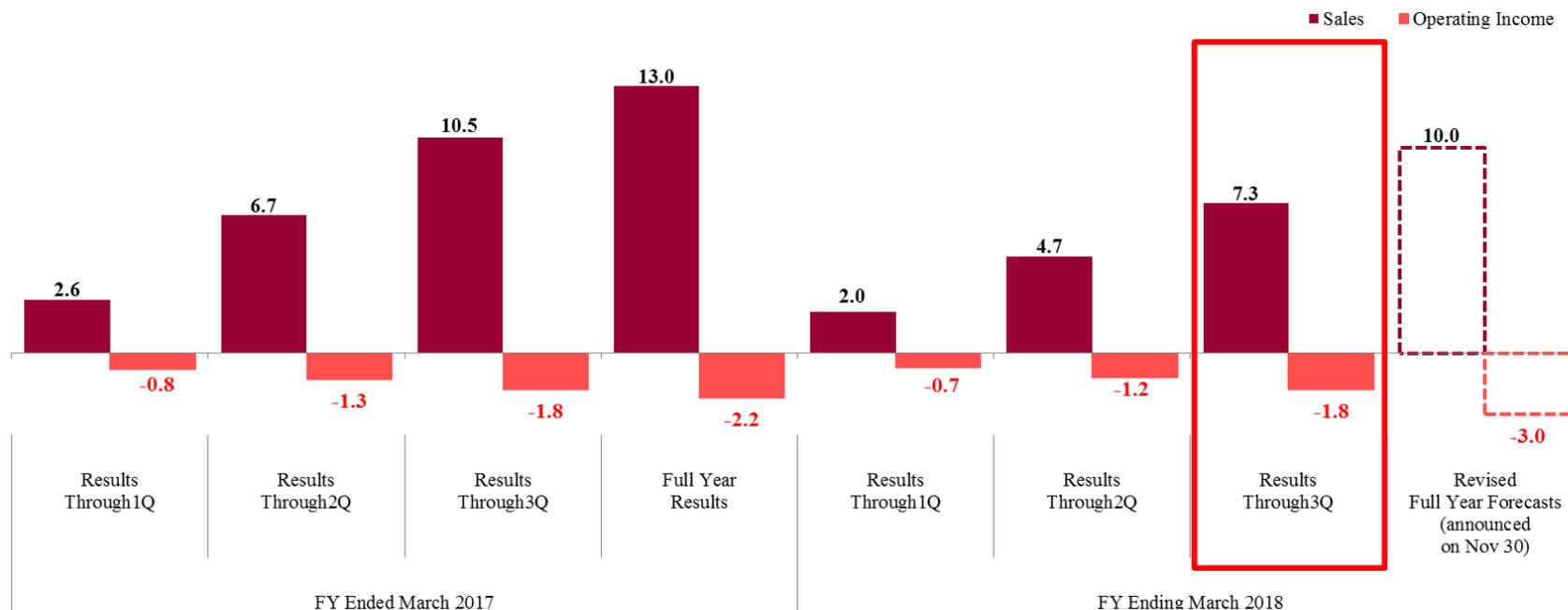
# Segment Results: Resort Business

Sales : **7.3** JPY Billion

Operating Income : **-1.8** JPY Billion

Operating Income Margin : **-** %

(JPY Billion)



## Summary of Results Through 3Q

- Sales decreased year-on-year due to partial transfer of shares of the subsidiary that operates indoor theme park (JOYPOLIS)
- Preliminary expenses emerged in the integrated resort business

## Forecasts

- Planning to conduct measures to draw customers in line with various sports camps at “**Phoenix Seagaia Resort**”
- Continue to plan prior investments in the integrated resort business



# Segment Results: Resort Business



(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Revised Full Year Forecasts (announced on Nov 30)	YoY Change
Sales	10.5	13.0	7.3	-30%	10.0	-23%
Operating Income	-1.8	-2.2	-1.8	-	-3.0	-

## <PHOENIX RESORT>

Sales	6.0	8.4	6.7	+12%	-	-
Operating Income	-0.8	-0.8	-0.5	-	-	-
Number of facility users (thousand people)	411	561	449	+9%	-	-
3 accommodation facilities	214	293	237	+11%	-	-
2 golf courses	63	87	70	+11%	-	-
Other facilities	134	181	142	+6%	-	-

## <PARADISE SEGASAMMY\*>

Sales (Billion KRW)	69	95	129	+87%	-	-
Operating Income (Billion KRW)	2	-0	-30	-	-	-
Number of visitors (Thousands)	39	57	117	+200%	-	-

\* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

\* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

\* Local accounting rule bases

## Summary of Results Through 3Q

- Number of visitors in 44th Dunlop Phoenix Tournament increased significantly from the previous year at “**Phoenix Seagaia Resort**”
- Operation turned into the black in the July-September period due to the increase in the number of Japanese tourists and other factors at “**PARADISE CITY**”\*

## Forecasts

- Planning to conduct various projects and programs only Seagaia can offer at “**Phoenix Seagaia Resort**” as the sports camp season is to start in the fourth quarter
- To open 1-2 Phase in the first half of 2018 at “**PARADISE CITY**”  
Continue to accumulate know-how of integrated resorts by dispatching more personnel

## Major measures taken in 3Q and measures to be taken in 4Q

3Q

4Q~

“Phoenix Resort”



■ **Grand opening of “THE LIVING GARDEN” in October**  
The garden area exclusively for hotel guests was renovated under the concept of “a waterside living room to enjoy adult time.” “Living room with bonfire” where you can relax watching the dancing flames and “KUROBAR” where you can have a view of the garden area are newly opened.



■ **The 44th DUNLOP PHOENIX TOURNAMENT**  
The tournament was held from November 16 to 19 at the Phoenix Country Club and had more visitors than the previous year.



■ **Buffet restaurant “Pine Terrace” to open after undergoing renovation!**  
The restaurant transformed into a buffet style restaurant where guests can enjoy “Miyazaki, the treasury of foods” with global dishes and cooking methods, and create a unique dining space only available at a resort.



■ **Miyazaki spring sports camp**  
Many professional baseball teams and J-league teams are scheduled to camp in Miyazaki this year as well. Temporary buses will be operated and many events which fans can also enjoy are scheduled to be held at the same time with various sports camps.

“PARADISE SEGASAMMY”

■ **Opened “PARADISE CITY,” South Korea’s first integrated resort (IR) in April 2017**

Highest-quality, 5-star resort hotel and one of the largest foreigner-exclusive casinos in South Korea.  
Convention halls with ballrooms of the largest scale are established as facilities attached to the highest-quality hotel in South Korea.



■ **1-2 Phase (scheduled to open in the first half of 2018)**

- Spa
- Club
- Wonder Box (for-family facility)
- Plaza (retail/culture facility, shopping mall)
- Boutique Hotel



Taken in mid-December 2017





■ Exterior

■ Casino Facility

■ Lobby lounge (Hotel)

<Overview>

<b>Facility name</b>	PARADISE CITY	
<b>Operating company</b>	PARADISE SEGASAMMY Co.,Ltd.	
<b>Facility address</b>	186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea	
<b>Number of employees</b>	1,847 (as of December 31, 2017) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)	
<b>Site area</b>	330,000㎡	
<b>Investment amount</b>	Approx. 1,420 billion KRW (amount invested by SEGA SAMMY: 286.9 billion KRW; shareholding ratio: 45%)	
<b>Facility composition</b>	Open in April 2017	<ul style="list-style-type: none"> <li>• Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units)</li> <li>• Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.)</li> <li>• Convention</li> </ul>
	Opening planned for first half of 2018	<ul style="list-style-type: none"> <li>• SPA ·CLUB ·WONDER BOX (for families)</li> <li>• PLAZA (Commercial facility / cultural center, shopping mall)</li> <li>• Boutique Hotel</li> </ul>

<Overview of Incheon International Airport  
 ■ Number of users: 62.08 million (2017)  
 ■ Terminal 2, which is able to accommodate 18 million passengers, opened on January 18, 2018

<Access to PARADISE CITY>  
 ■ 3-minute drive by car or shuttle bus (free of charge)  
 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport  
 ■ Also a 5-minute drive from Incheon Interchange on the expressway

## **3. Supplementary Information on the Market**



## < APPENDIX : Overview of revision to the rules >

<b>Date of enforcement</b>	<b>February 1, 2018</b>
<b>Pachislot and pachinko machine manufacturers</b>	<p>(1) Matters related to regulations of pay-out balls/medals</p> <p>(2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked</p> <p>(3) Introduction of “multi stage payout-ratio” to pachinko machines</p>
<b>Pachinko halls</b>	<b>(4) Addition of responsibilities of administrators</b>

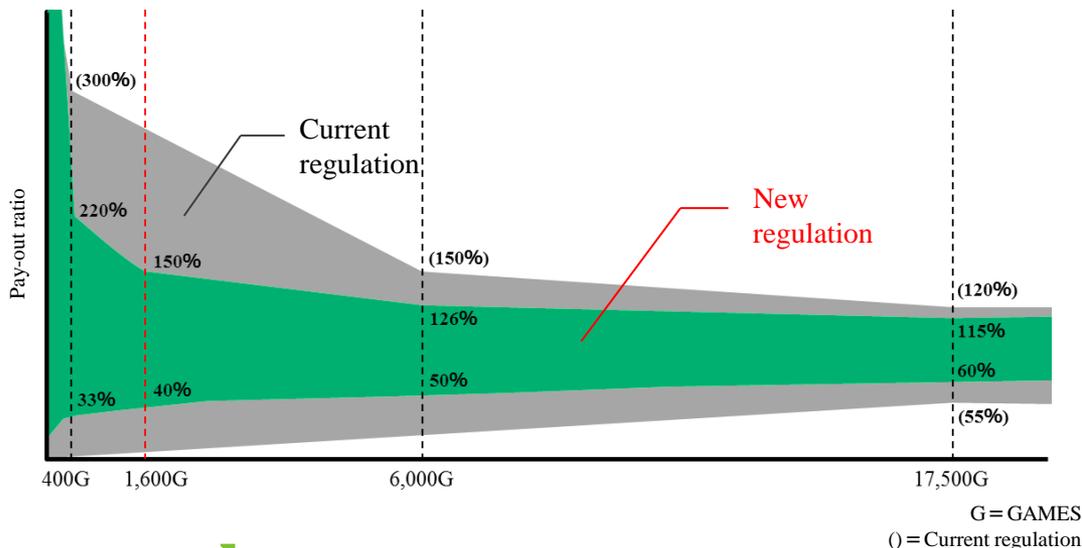
- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

※ (2) Able to play without touching balls and medals (record and pay-out electronically)



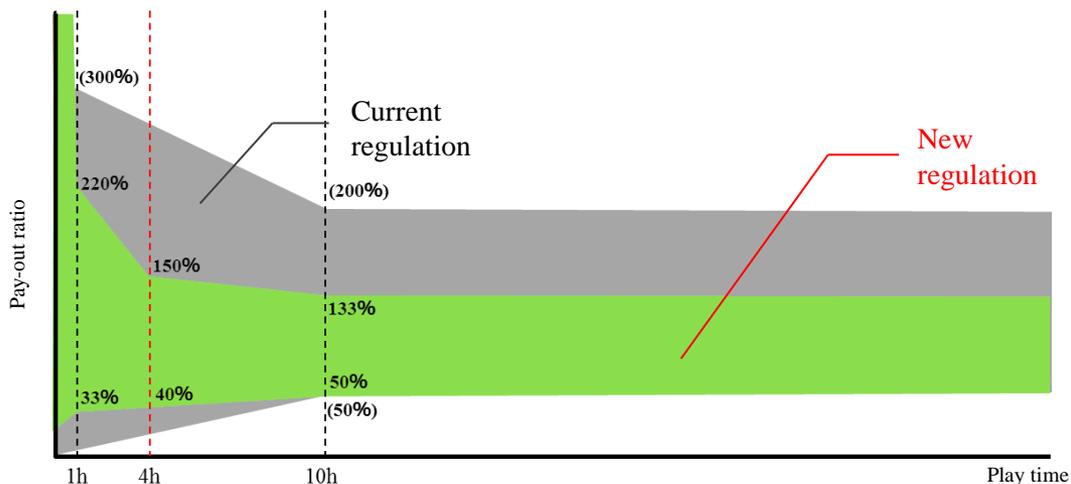
<APPENDIX : Comparisons of pay-out ratio (image)>

【Pachislot】



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

【Pachinko】



$$\text{Pay-out ratio} = \frac{\text{Balls and medals payed out}}{\text{Balls and medals used}}$$



## <APPENDIX : Outline of revisions to regulations >

### 【Pachislot】

Content	Test				Multi stage payout-ratio	Number of pay-out medals when hitting a jackpot (Upper limit)
	400G	1,600G	6,000G	17,500G		
Current regulation	Less than 300%	—	Less than 150%	Over 55% and less than 120%	Up to 6 stages	480
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 126%	Over 60% and less than 115%	Up to 6 stages	300

G=GAMES

### 【Pachinko】

Content	Test			Multi stage payout-ratio	Number of pay-out balls when hitting a jackpot (Upper limit)
	1 hour	4 hours	10 hours		
Current regulation	Less than 300%	—	Over 50% and less than 200%	—	2,400
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 133%	Up to 6 stages	1,500

## Schedule for revision of rules(Pachislot)

		2018/2/1	2021/1/31
Pachislot	•Former standard machines*1 •No. 5.5-type machines	Application	Not allowed
		Sales	Not allowed
		Installation	Sequential removal due to expiration
		Certification*2	
	Current machines (No. 5.9-type)	Application	
		Sales	
		Installation	Sequential removal due to expiration
		Certification*2	
	Pachislot under new regulation (No. 6-type)	Application	
		Sales	
		Installation	
		Certification	

✓ **Current-format machines (No. 5.9-type machines) can be sold a certain period of time after the revision.**

〈Pachislot under new regulation〉  
 ✓ **Voluntary regulations were changed in line with the revision to the rules**

✓ **Curbed gambling element but range of game elements will expand**

\*1 Regarding the old machines that acquired the certification by 2015/3/31, it is subject to certification

\*2 The deadline of application for certification was January 31, 2018 (Installation allowed for three years after becoming certified).

## Schedule for revision of rules(Pachinko)

		2018/2/1	2021/1/31
Pachinko	Former standard machines	Application	Not allowed
		Sales	Not allowed
		Installation Certification*	Sequential removal due to expiration
	Current machine	Application	
		Sales	
		Installation Certification*	Sequential removal due to expiration
	Pachinko under new regulation	Application	
		Sales	
		Installation Certification	

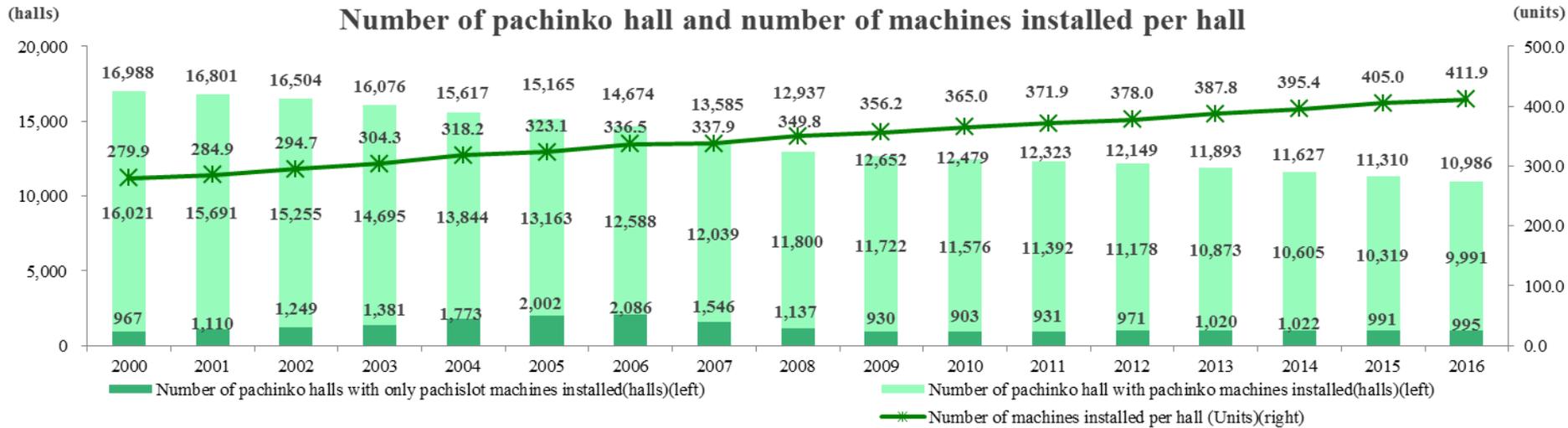
\* The deadline of application for certification was January 31, 2018 (Installation allowed for three years after becoming certified).

✓ **Current-format machines can be sold a certain period of time after the revision.**

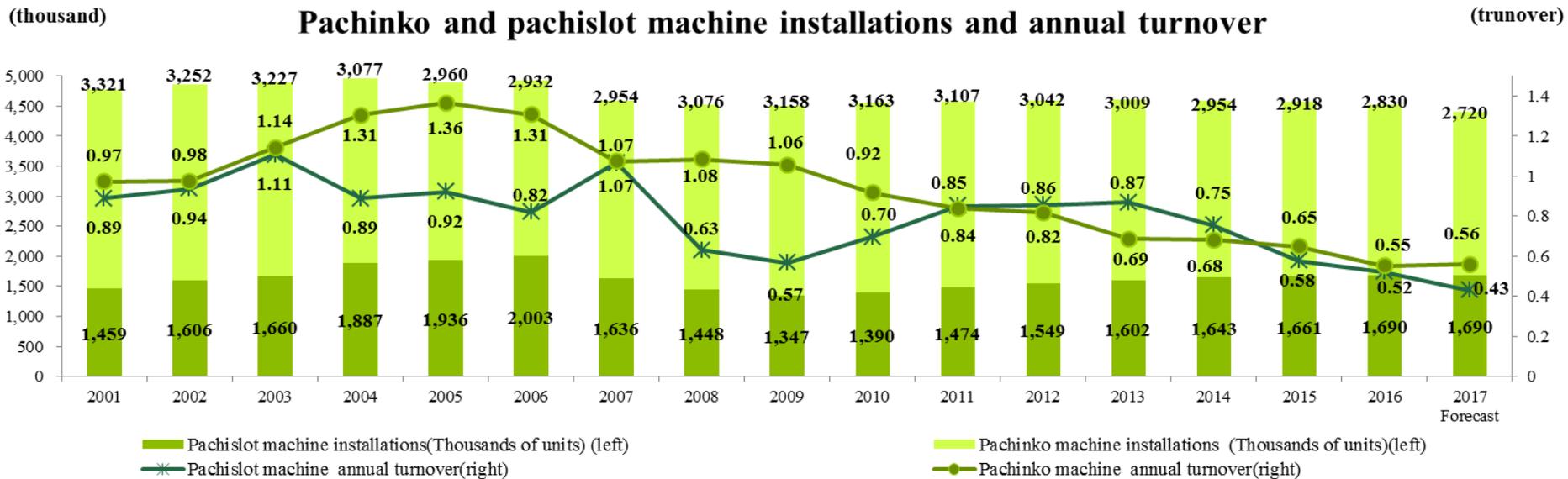
〈Pachinko under new regulation〉

✓ **Voluntary regulations were changed in line with the revision to the rules**

✓ **Partially curbed gambling element**

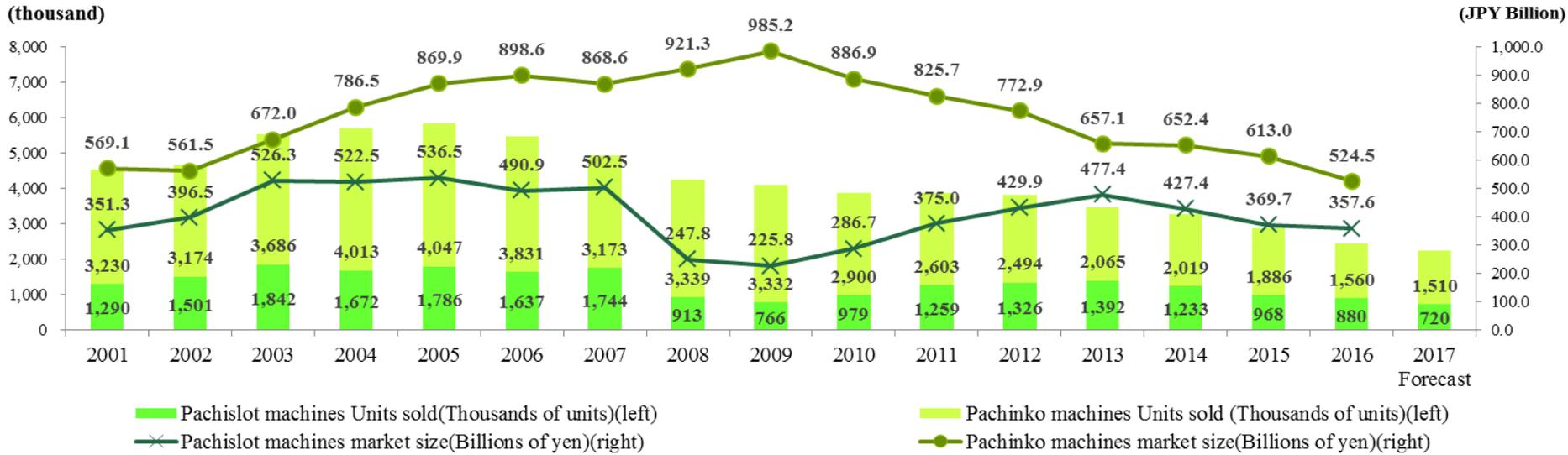


Sources : National Police Agency



Sources: National Police Agency and Yano research Institute Ltd.

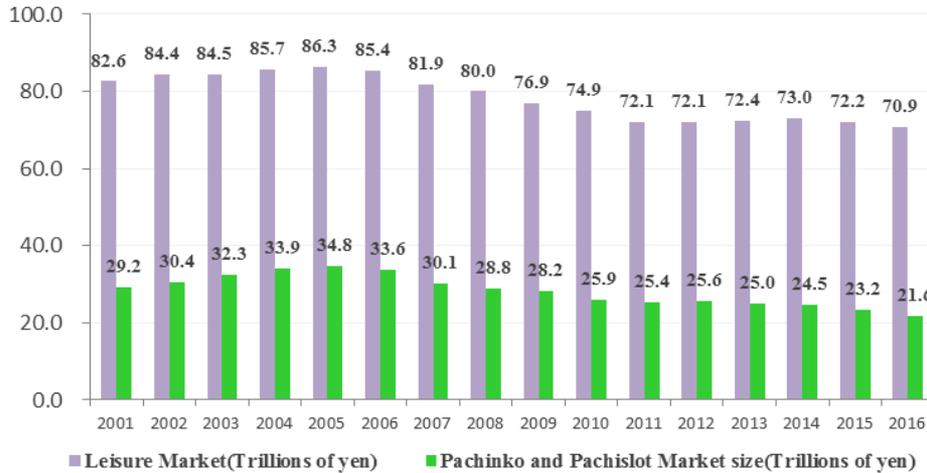
**Pachinko and Pachislot machines-Unit Sales and Market Size**



Sources: Yano research Institute Ltd.

(Trillions of yen)

**Market size results**

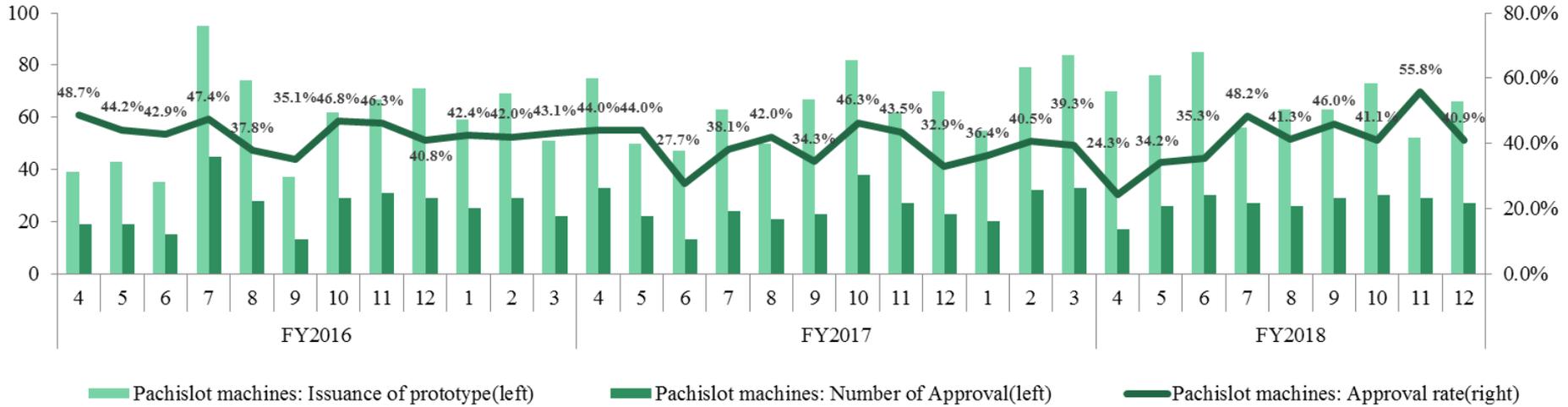


**Number of players**

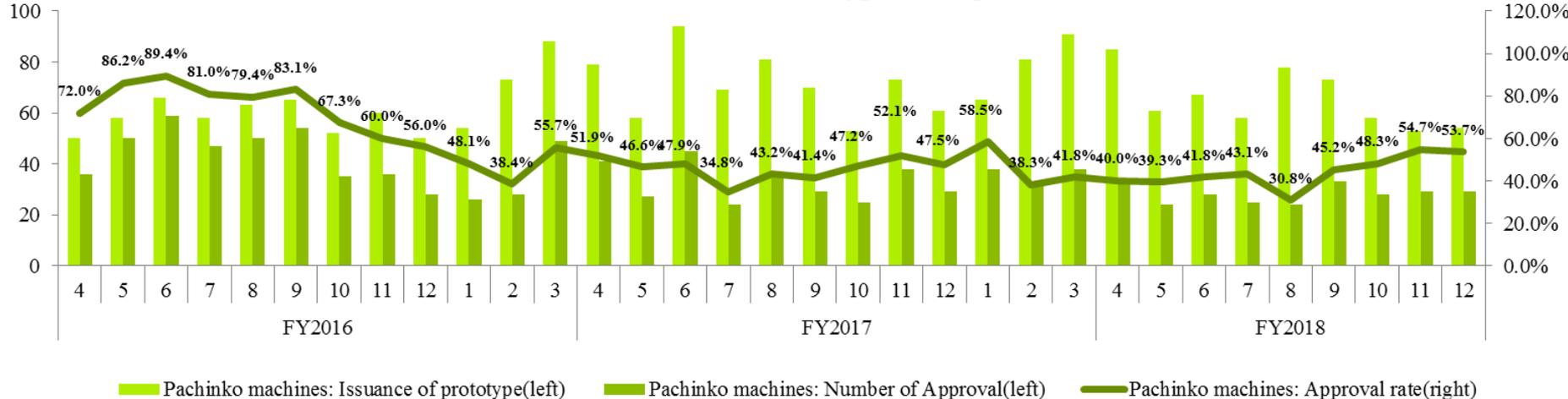


Sources : White Paper on Leisure Industry 2016, Japan Productivity Center

### Pachislot machines: Prototype testing results



### Pachinko machines: Prototype testing results



Sources: Security Communications Association

## Share of Annual Pachislot Machine Sales

Rank	2011				2012			2013			2014			2015			2016		
	Manufacturer	Units sold	Share																
1	Sammy	300,866	23.9%	U Company	236,000	17.8%	Sammy	301,575	21.7%	Sammy	207,828	16.8%	U Company	165,000	17.0%	Sammy	215,736	24.3%	
2	D Company	200,000	15.9%	Sammy	202,221	15.3%	U Company	215,000	15.5%	U Company	205,000	16.6%	Sammy	142,337	14.7%	U Company	203,000	22.9%	
3	Y Company	196,000	15.6%	Y Company	193,000	14.6%	H Company	120,000	8.6%	D Company	128,000	10.4%	H Company	113,997	11.8%	K Company	90,500	10.2%	
4	U Company	172,000	13.7%	D Company	186,000	14.0%	S Company	116,291	8.4%	Y Company	108,000	8.7%	K Company	100,000	10.3%	H Company	80,953	9.1%	
5	S Company	96,158	7.6%	K Company	110,000	8.3%	D Company	102,000	7.3%	H Company	92,763	7.5%	S Company	80,125	8.3%	E Company	57,000	6.4%	

## Share of Annual Pachinko Machine Sales

Rank	2011				2012			2013			2014			2015			2016		
	Manufacturer	Units sold	Share																
1	K Company	485,000	18.6%	S Company	544,000	21.8%	K Company	349,000	17.0%	S Company	330,000	16.4%	S Company	300,000	15.9%	S Company	306,000	19.5%	
2	S Company	360,805	13.9%	K Company	507,000	20.3%	S Company	315,000	15.4%	S Company	329,892	16.4%	S Company	296,346	15.7%	S Company	209,000	13.3%	
3	Sammy	332,288	12.8%	H Company	252,000	10.1%	S Company	291,967	14.3%	K Company	308,000	15.3%	S Company	275,000	14.6%	H Company	192,761	12.3%	
4	S Company	332,000	12.8%	N Company	250,000	10.0%	Sammy	200,225	9.8%	H Company	252,103	12.5%	H Company	234,616	12.4%	S Company	172,954	11.0%	
5	N Company	255,000	9.8%	Sammy	216,860	8.7%	H Company	197,000	9.6%	Sammy	242,847	12.0%	N Company	220,000	11.7%	N Company	160,000	10.2%	
6	Sammy	199,014	10.5%	Sammy	138,321	8.8%													

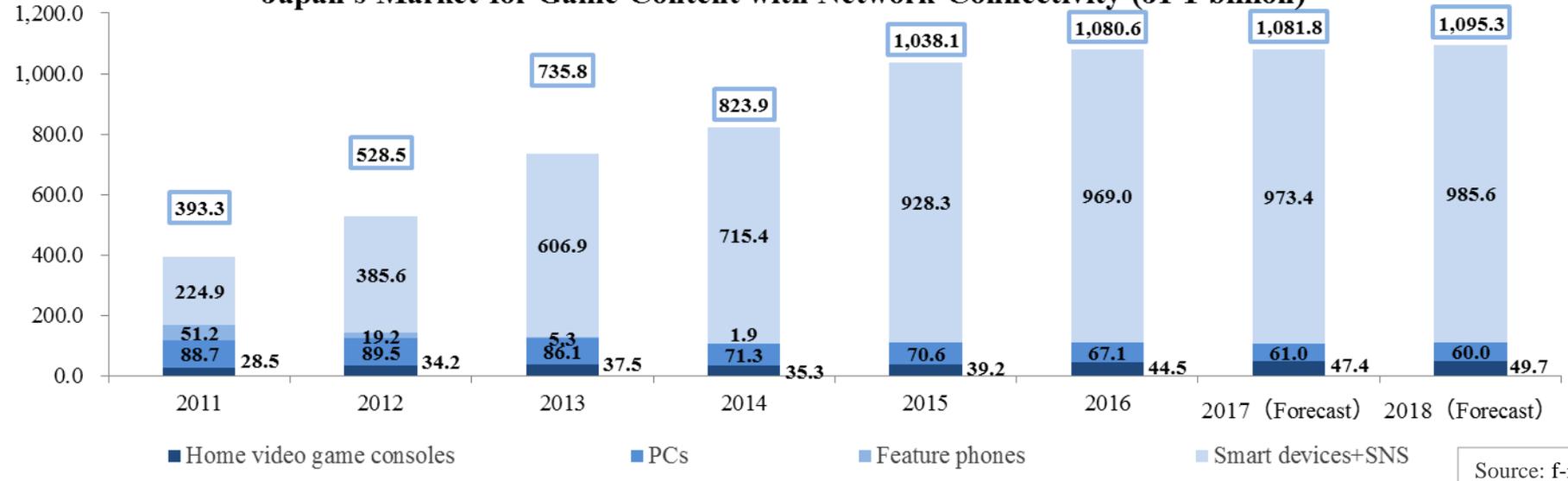
Source: Yano Research Institute Ltd.

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

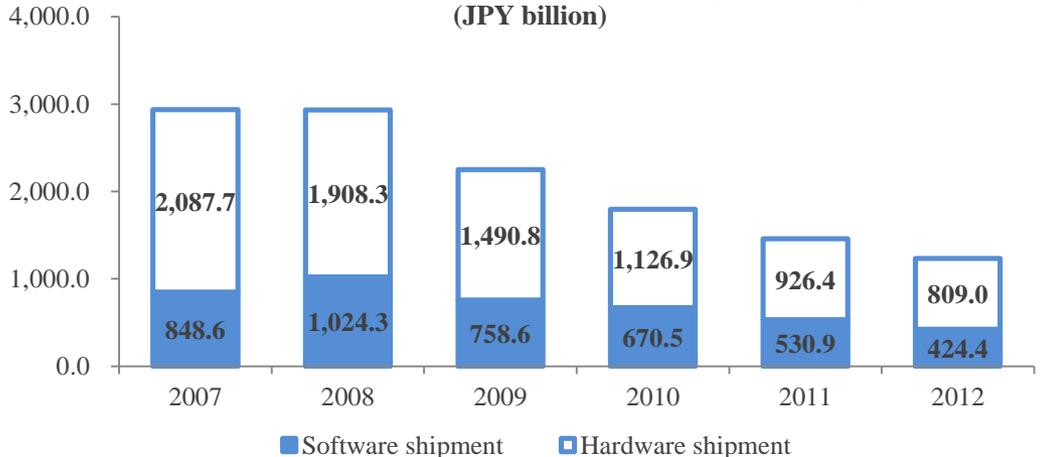


## Home Video Game and Online Game Markets Scale

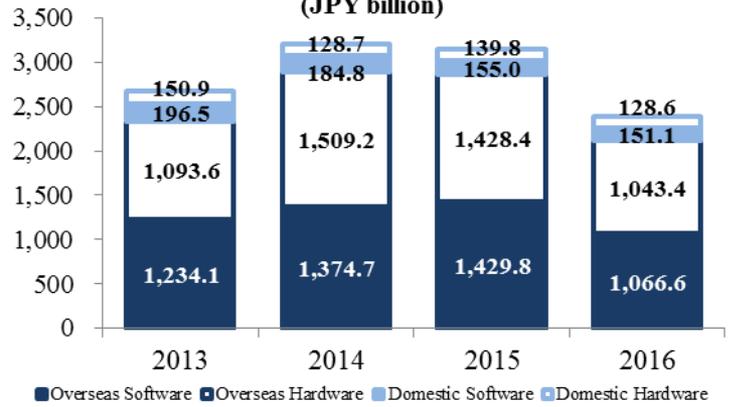
### Japan's Market for Game Content with Network Connectivity (JPY billion)



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



### Home Video Games: Overall Shipment Scale (JPY billion)

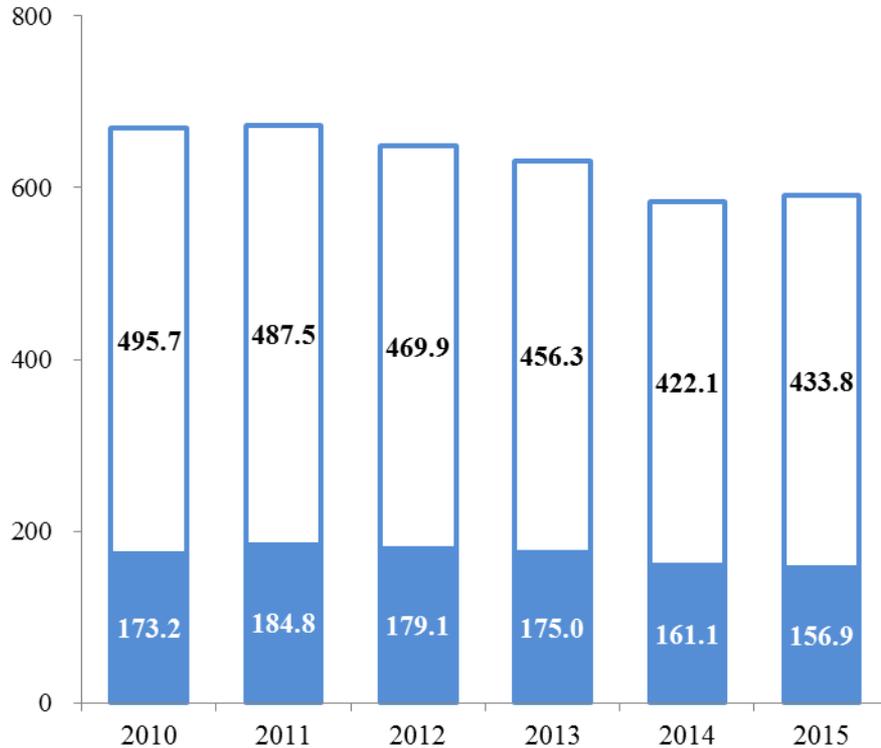


Source: CESA Games White Paper \*Chart is separated from 2013 due to the change of collection method of the data.

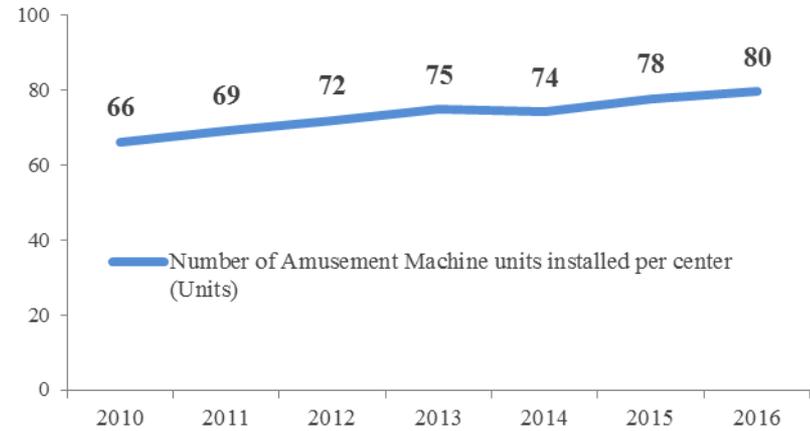
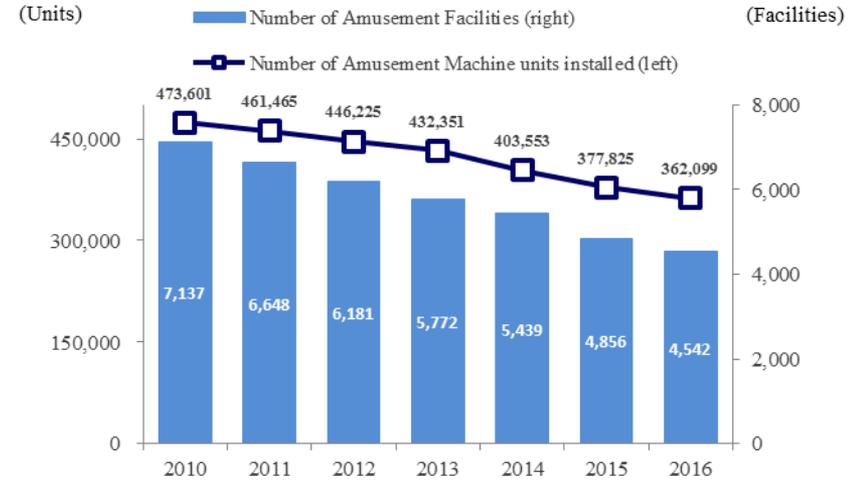


## Amusement Machine and Amusement Center Operations Markets Scale

### Amusement Machine / Facilities sales (JPY billion)



■ Amusement Machine Net Sales    ■ Amusement Facilities Net sales

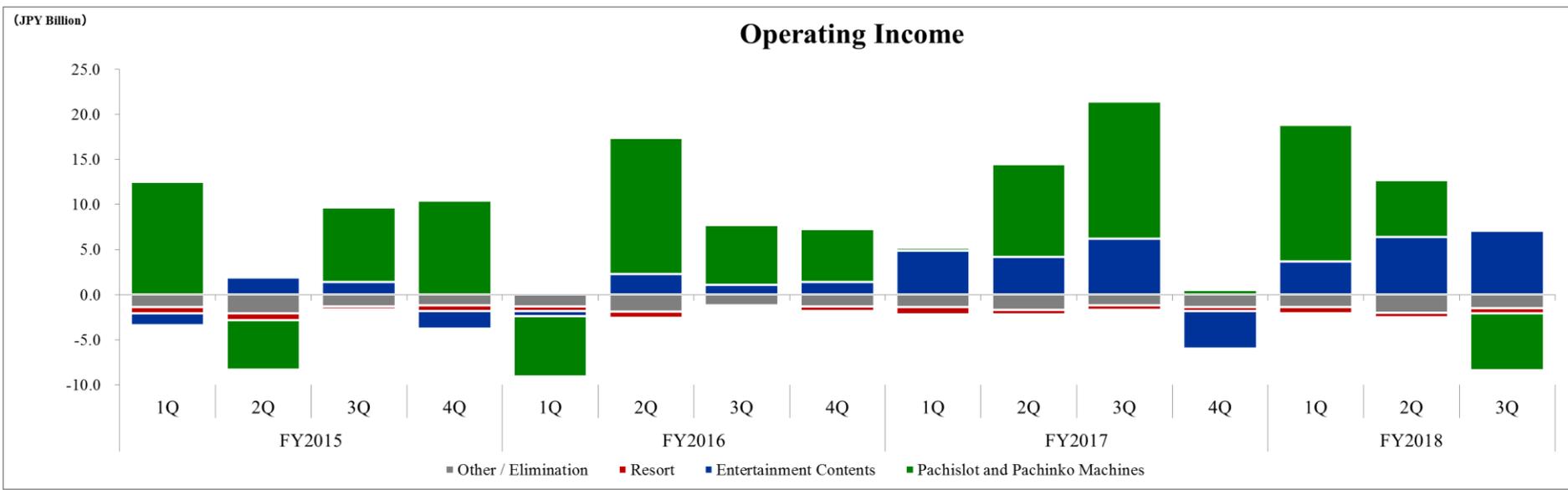
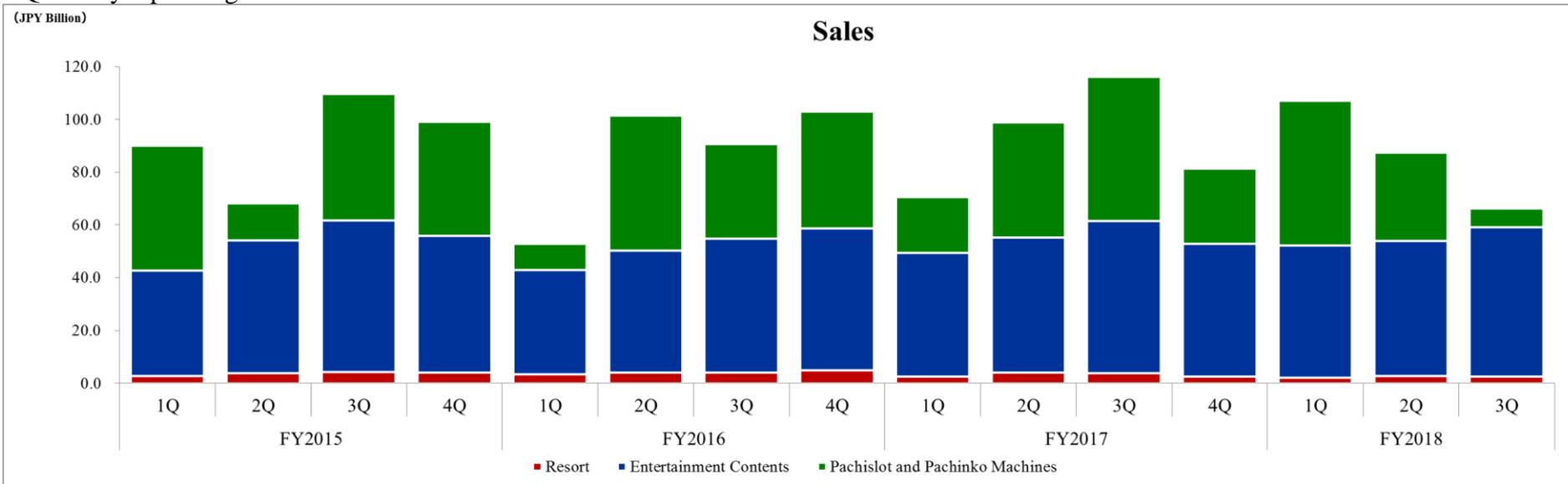


Source: JAIA, National Police Agency

## **4.Past Operating Results/Company Profile**

# Past Operating Results

## <Quarterly Operating Results >



# 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](http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2015/e_201503_4q_transition.xls))

(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	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results								
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
Breakdown													
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	131.5	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
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
Breakdown													
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%	-	-
ROA	11.5%	12.7%	7.9%	-11.2%	-5.4%	4.8%	11.7%	6.0%	6.3%	-	5.7%	-	-2.2%
ROE	19.5%	23.0%	13.3%	-17.6%	-9.5%	8.8%	16.2%	7.7%	11.0%	-	9.3%	-	-3.4%
Equity Ratio	59.0%	60.6%	61.5%	55.3%	52.4%	55.8%	60.0%	58.9%	59.7%	-	63.2%	-	60.0%
Cash flows to interest bearing debt ratio	185.6%	230.2%	89.0%	-	218.9%	137.9%	58.9%	192.4%	524.9%	-	127.7%	-	301.9%
Interest coverage ratio	105.8 times	123.8 times	196.3 times	-	35.1 times	73.0 times	134.1 times	58.1 times	22.9 times	-	90.0 times	-	45.2 times
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 (For reference, unaudited)

\* 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/2018/e\\_201803\\_3q\\_transition.xls](http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2018/e_201803_3q_transition.xls))

(JPY Billion)	FY Ended March 2015				FY Ended March 2016				FY Ended March 2017				FY Ending March 2018		
	Results Through 1Q	Results Through 2Q	Results Through 3Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	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	90.0	158.1	267.7	366.8	52.9	154.3	245.0	347.9	70.6	169.5	285.7	366.9	107.2	194.7	260.8
Breakdown															
Pachislot and Pachinko Machines	47.2	61.1	108.9	152.1	7.6[9.8]*	56.6[60.9]*	90.4[96.7]*	132.7[141.0]*	21.2	64.9	119.7	148.2	54.9	88.3	95.4
Entertainment Contents	39.9	90.3	147.9	199.6	41.8[39.6]*	90.2[85.9]*	143.0[136.6]*	198.8[190.5]*	46.7	97.8	155.4	205.7	50.2	101.5	157.9
Resort	2.8	6.6	10.8	14.9	3.4	7.4	11.5	16.3	2.6	6.7	10.5	13.0	2.0	4.7	7.3
Operating Income	8.9	2.7	10.8	17.4	-9.4	5.7	12.1	17.6	3.0	15.3	35.0	29.5	16.6	26.8	25.6
Breakdown															
Pachislot and Pachinko Machines	12.5	7.0	15.3	25.7	-6.7[-6.7]*	8.5[8.4]*	15.4[15.0]*	21.5[20.9]*	0.3	10.6	25.8	26.3	15.1	21.4	15.1
Entertainment Contents	-1.3	0.6	2.0	0.0	-0.7[-0.6]*	1.5[1.7]*	2.4[2.8]*	3.6[4.2]*	4.9	9.1	15.3	11.1	3.7	10.1	17.2
Resort	-0.7	-1.4	-1.7	-2.3	-0.5	-1.2	-1.3	-1.8	-0.8	-1.3	-1.8	-2.2	-0.7	-1.2	-1.8
Other / Elimination	-1.4	-3.5	-4.8	-6.0	-1.3	-3.1[-3.2]*	-4.4	-5.7	-1.4	-3.1	-4.3	-5.7	-1.5	-3.4	-4.9
Operating Margin	9.9%	1.7%	4.0%	4.7%	-	3.7%	4.9%	5.1%	4.2%	9.0%	12.3%	8.0%	15.5%	13.8%	9.8%
Ordinary Income	9.6	2.6	10.7	16.8	-8.7	5.8	12.6	16.4	2.9	15.4	35.3	28.5	16.2	25.2	24.3
Ordinary Income Margin	10.7%	1.6%	4.0%	4.6%	-	3.8%	5.1%	4.7%	4.1%	9.1%	12.4%	7.8%	15.1%	12.9%	9.3%
Profit attributable to owners of parent	5.1	-2.8	-2.7	-11.3	-7.9	0.9	6.4	5.3	4.1	24.2	36.5	27.6	11.5	17.7	13.7
Net Income Margin	5.7%	-	-	-	-	0.6%	2.6%	1.5%	5.8%	14.3%	12.8%	7.5%	10.7%	9.1%	5.3%
ROA	-	-	-	-2.2%	-	-	-	1.0%	-	-	-	5.2%	-	-	-
ROE	-	-	-	-3.4%	-	-	-	1.8%	-	-	-	9.2%	-	-	-
Equity Ratio	-	-	-	60.0%	-	-	-	55.3%	-	-	-	59.0%	-	-	-
Cash flows to interest bearing debt ratio	-	-	-	301.9%	-	-	-	798.8%	-	-	-	178.6%	-	-	-
Interest coverage ratio	-	-	-	45.2 times	-	-	-	19.1 times	-	-	-	61.4 times	-	-	-
R&D expense / content production expense	12.4	28.4	48.8	67.6	12.8	24.7	40.3	58.0	13.9	31.7	48.8	67.1	15.3	30.7	45.5
Cap-ex	6.9	14.7	20.5	28.7	6.8	12.5	21.0	28.0	6.1	13.8	20.8	27.0	5.0	10.3	16.2
Depreciation	4.0	8.1	12.8	17.6	4.1	8.2	12.5	16.6	3.9	7.6	12.0	16.3	4.2	8.2	12.2
Advertising	4.1	10.0	14.5	19.1	3.9	9.3	13.6	17.9	3.1	7.6	11.2	14.8	3.2	7.8	11.7
# of pachislot titles	3 titles	4 titles	5 titles	6 titles	-	2 titles	6 titles	7 titles	2 titles	3 titles	6 titles	10 titles	3 titles	8 titles	8 titles
Unit sales	82,791 units	93,045 units	96,111 units	207,830 units	102 units	70,260 units	121,645 units	142,337 units	29,902 units	81,895 units	169,827 units	215,736 units	25,440 units	75,380 units	75,590 units
# of pachinko titles	5 titles	5 titles	8 titles	10 titles	2 titles	6 titles	7 titles	8 titles	1 title	3 titles	6 titles	9 titles	2 titles	4 titles	5 titles
Unit sales	47,711 units	82,955 units	224,519 units	241,425 units	22,362 units	79,604 units	115,396 units	199,014 units	20,525 units	75,542 units	111,104 units	138,321 units	97,499 units	119,312 units	129,778 units
Same Store Sales Comparisons	99.4%	98.7%	100.1%	100.1%	101.4%	102.2%	101.7%	103.1%	111.2%	110.8%	110.3%	108.5%	100.1%	101.5%	102.1%
Domestic Facilities	201 facilities	198 facilities	198 facilities	198 facilities	198 facilities	198 facilities	198 facilities	194 facilities	193 facilities	189 facilities	190 facilities	191 facilities	190 facilities	189 facilities	191 facilities
# of game software titles	3	6	25	30	5	12	24	29	9	21	33	42	6	16	27
Sales (Thousand units)	1,700	4,100	8,910	12,280	1,830	3,280	6,120	9,220	2,410	4,650	8,130	10,280	4,560	865	1,428

\*Sales of new segment is changed to gross basis.

\*Basis for recording net sales was changed from shipment to delivery starting in FY ended 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.

\*Part of Entertainment Contents Business has been transferred to Pachislot and Pachinko Machines Business since for FY ended March 2017.

\*Numbers shown in parentheses for FY 2016 results are retroactively adjusted values of estimates after changing the breakdown.

\*Added the number of titles in Asia from FY March 2017

## Company Profile

(As of September 30, 2017)

<b>Company Name</b>	SEGA SAMMY HOLDINGS INC.
<b>Address</b>	Shiodome Sumitomo Building 21F, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
<b>Established</b>	October 1, 2004
<b>Capital</b>	¥29.9 billion
<b>Number of Employees</b>	7,737 (Consolidated)
<b>Stock Exchange</b>	Tokyo Stock Exchange (Stock Code : 6460)

### Managements

Chairman and CEO (Representative Director)	Hajime Satomi
President and COO (Representative Director)	Haruki Satomi
Senior Executive Vice President (Director of the Board)	Naoya Tsurumi
Executive Vice President and CFO (Director of the Board)	Koichi Fukazawa
Executive Vice President (Director of the Board)	Hideki Okamura
Director of the Board (External)	Yuji Iwanaga
Director of the Board (External)	Takeshi Natsuno
Director of the Board (External)	Kohei Katsukawa
Standing Audit & Supervisory Board Member	Shigeru Aoki
Audit & Supervisory Board Member	Yukito Sakaue
Audit & Supervisory Board Member (External)	Tomio Kazashi
Audit & Supervisory Board Member (External)	Mineo Enomoto

## Information on Outstanding Shares

(As of September 30, 2017)

<b>Number of shares authorized for issuance</b>	800,000,000 shares
<b>Total number of shares issued and outstanding</b>	266,229,476 shares
<b>Number of Shareholders</b>	84,172

### ■ Principal Shareholders

Name of Shareholder	Shares Held	Shareholding Ratio (%)
Hajime Satomi	31,869,338	11.97
SEGA SAMMY HOLDINGS INC.	31,845,527	11.96
FSC Co., Ltd.	12,972,840	4.87
HS Company	11,750,000	4.41
Japan Trustee Services Bank, Ltd. (Trust account)	9,348,000	3.51

### ■ Distribution of Shareholders

Financial Institutions	14.59%
Securities Companies	2.51%
Other Companies	12.00%
Foreign Institutions and Individuals	26.76%
Japanese Individuals and Other	32.17%
Treasury Stock	11.96%

\*Including the number of share less than 1 unit

