

SEGA SAMMY HOLDINGS INC. (SEGA CORPORATION)
Interim Non-Consolidated Financial Results
for the Term ended September 30, 2004

Company Name: SEGA SAMMY HOLDINGS INC (SEGA CORPORATION)
TSE Code: 6460
(URL: <http://www.segasammy.co.jp>)
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1. Non-Consolidated Results for the term ended September 30, 2004

1) Non-Consolidated Results

(millions of yen)

	Net Sales	Operating Income	Ordinary Profit
First Half of FY 2005	50,814	2,027	2,414
First Half of FY 2004	47,832	2,861	3,615
FY 2004	97,268	6,124	6,998

(yen)

	Net Income	Net Income per share
First Half of FY 2005	162	1.04
First Half of FY 2004	5,673	36.59
FY 2004	9,655	62.28

1. Average number of shares issued during the term:

First Half of FY 2005: 156,058,832 shares

First Half of FY 2004: 155,040,118 shares

FY 2004: 155,038,766 shares

2) Dividend

(yen)

	Interim Dividend per Share	Annual Dividend per Share
First Half of FY 2005	-	-
First Half of FY 2004	-	-
FY 2003	-	-

3) Non-Consolidated Financial Data

(millions of yen)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per share (yen)
First Half of FY 2005	140,079	94,351	67.4%	594.10
First Half of FY 2004	150,858	84,728	56.2%	546.50
FY 2003	151,078	90,038	59.6%	580.77

(Note)

Average number of shares issued at the end of the term

First Half of FY 2005: 158,814,072 shares

First Half of FY 2004: 155,040,118 shares

FY 2004: 155,038,766 shares

Number of treasury stock at the end of the term

First Half of FY 2005: 16,131,628 shares

First Half of FY 2004: 19,907,667 shares

FY 2004: 19,911,436 shares

2. Forecast for Non-Consolidated Financial Results for FY 2005

(millions of yen)

	Net Sales	Recurring Profit	Net Income
Full-year	104,000	5,000	4,500

(Reference) Net income per share for FY 2004 is forecasted to be 28.33 yen.

(Notes)

1. Year-end dividends is to be paid by the Company's parent company, SEGA SAMMY HOLDINGS INC.

2. Business results forecasts described above are based on management's assumption regarding the economic environment and the Company's operating environment as of the date of announcement and involved various risks and uncertainty. Actual results may differ materially from forecasts herein.

Non-Consolidated Balance Sheets

SEGA CORPORATION

As of September 30, 2003 and 2004, and March 31, 2004

(millions of yen)

ASSETS	2004.9	2003.9	2004.3
Current Assets:			
Cash and time deposits	33,199	51,533	53,799
Notes and accounts receivable	14,858	14,097	13,646
Inventories	6,841	4,836	5,245
Prepaid expenses	344	3,123	344
Other current assets	10,064	11,135	10,994
Less allowance for doubtful accounts	(424)	(265)	(520)
Total current assets	64,884	84,461	83,510
Property and Equipment			
Amusement machines and facilities	1,278	832	817
Building and structure	9,338	10,585	10,354
Land	8,968	8,924	8,968
Others	2,274	2,549	2,209
Total property and equipment	21,860	22,891	22,350
Intangible Fixed Assets	3,325	3,253	3,126
Investments and Advances			
Investments in securities	7,563	6,512	7,150
Investments in subsidiaries	23,009	18,375	23,171
Long-term loans receivable	20,080	20,781	15,116
Leasehold deposits	2,354	2,238	1,999
Others	16,664	13,619	15,282
Less allowance for doubtful accounts	(12,126)	(13,388)	(12,790)
Reserve for valuation loss of investments in subsidiaries	(7,598)	(8,129)	(7,962)
Total investments and advances	49,947	40,009	41,967
Deferred Charges	61	241	122
Total Assets	140,079	150,858	151,078

(millions of yen)

LIABILITIES	2004.9	2003.9	2004.3
Current Liabilities:			
Notes payable	7,852	7,167	5,689
Accounts payable	5,093	4,410	4,358
Short-term bank loans	777	778	739
Current portion of straight bonds	2,900	600	600
Current portion of long-term bank loans	600	2,900	2,900
Current portion of convertible bonds	-	12,140	10,080
Accrued expenses	7,865	7,762	7,475
Income taxes payable	190	39	53
Other current liabilities	1,765	2,669	2,026
Total current liabilities	27,045	38,468	33,920
Long-Term Liabilities			
Straight bonds	11,200	14,100	12,650
Convertible bonds	-	6,806	6,806
Long-term bank loans	3,000	3,600	3,300
Deferred income taxes	1,212	96	1,018
Accrued employees' retirement benefits	2,368	2,334	2,511
Accrued retirement benefits for directors and corporate directors	15	76	85
Other	886	648	744
Total long-term liabilities	18,683	27,660	27,115
Total Liabilities	45,728	66,129	61,039
Shareholders' Equity			
Common stock	127,582	127,582	127,582
Additional paid-in capital	2,171	2,171	2,171
Retained earnings (Accumulated deficit)	(3,647)	(5,269)	(1,285)
Adjustment of revaluation of land	(6,265)	(6,264)	(6,265)
Unrealized gain on investments in securities	1,767	152	1,485
Treasury stock	(27,256)	(33,644)	(33,649)
Total Shareholders' Equity	94,351	84,728	90,038
Total liabilities, minority interests in consolidated subsidiaries and shareholders' equity	140,079	150,858	151,078

Non-Consolidated Statement of Operations

SEGA CORPORATION

For Six Months Ended September 30, 2003 and 2004 and the year ended March 31, 2004

(millions of yen)

	2004.9	2003.9	2004.3
Net Sales	50,814	47,832	97,268
Cost of Sales	38,087	35,536	71,851
Gross profit	12,726	12,296	25,417
Selling, General and Administrative Expenses	10,699	9,435	19,293
Operating income	2,027	2,861	6,124
Non-Operating Income	1,168	2,543	3,459
Non-Operating Expenses	781	1,789	2,584
Recurring Profit	2,414	3,615	6,998
Extraordinary Income	1,293	1,492	1,909
Extraordinary Loss	3,799	980	2,251
Income before income taxes and minority interests in earnings of consolidated subsidiaries	(92)	4,127	6,655
Income taxes	(254)	(1,546)	(3,000)
Net Income for the term	162	5,673	9,655
Loss Carried Forward from the previous term	(1,285)	(10,942)	(10,942)
Adjustment on revaluation of land	-	-	(0)
Loss on disposal of treasury stock	2,524	-	-
Undisposed Loss	3,647	5,269	1,285

(Notes) 1. The above financial information was prepared using accounting principles generally accepted in Japan

2. Figures less than 1million yen have been omitted