

A Message from Senior Managing Director



With a clear vision of the future,
we will continue taking on challenges.

Naoya Tsurumi

Senior Managing Director and Representative Director
SEGA SAMMY HOLDINGS INC.

Aggregation of Businesses Related to Integrated Resorts

The Group is highly committed to participating in the integrated resort business in Japan. This commitment motivated us to aggregate the Group's business resources related to the integrated resort business and position it as a medium-to-long-term growth area.

To enable us to take a powerful first step when entering the integrated resort business, we are fully exploiting our resources to accumulate expertise in the development and management of integrated resorts.

For example, a joint venture with the Paradise Group of South Korea, PARADISE SEGASAMMY Co., Ltd., manages and operates *Paradise Casino Incheon*. After establishing this joint venture, we dispatched seven personnel to the company on a long-term basis. These personnel are mastering important duties in such areas as business management, marketing, IT, and accounting, and they are learning about the overall business flow of a casino operator. Moreover, we plan to send additional personnel in fiscal 2016. Also, in the International Business Center area next to Incheon International Airport, PARADISE SEGASAMMY is developing *PARADISE CITY*, which will be South Korea's first full-fledged

integrated resort. Through this project, we intend to acquire expertise in planning, development, and construction.

No Intention of Using Prior Investment as an Excuse

The Resort Business segment will require prior investment, including expenditures for a range of surveys related to integrated resorts in Japan. However, as the segment begins to play a larger role in the Group, we do not intend to use this prior investment as an excuse for not being profitable. Moving the segment into the black as rapidly as possible is our first priority. With this in mind, we will invest effectively to heighten our customer-attracting ability while addressing the management issues of existing theme parks and resort facilities one at a time. Furthermore, we will pursue new initiatives to heighten our ability to attract customers with the intention of using this ability at integrated resorts in the future.

I will give one example. A spin-off from the former SEGA CORPORATION, SEGA LIVE CREATION Inc. manages the theme park business area, including the indoor theme park *TOKYO JOYPOLIS* and the nature simulation museum *Orbi Yokohama*. The use of the

word "live" in the company's name represents our strategy of creating entirely new forms of entertainment by combining digital content, attractions, and other conventional elements with musical and theatrical performances. If we continue to hone our ability to produce live entertainment, we can apply this ability at domestic integrated resorts in the future.

Furthermore, we will expand our earnings foundations in overseas markets centered on Asia. By focusing on the licensing business for *TOKYO JOYPOLIS* and other facilities, we will develop businesses while curbing risk. We will build win-win relationships in which our operational management know-how helps licensees succeed, while we receive license fees and earn revenues through equipment sales.

Currently, many companies are expressing a desire to enter the integrated resort business in Japan. Accumulated expertise in the development and operational management of integrated resorts is likely to be the decisive factor in operator selection. I am confident that we are ahead of the curve in this respect. To establish an earnings mainstay for the future, we will extend this advantage even further.

Vision for the Resort Business Segment's Short-, Medium-, and Long-Term Growth



Phoenix Seagaia Resort

Move into the black by strengthening management capabilities of existing theme parks and resort facilities



Orbi Yokohama



TOKYO JOYPOLIS



2017
Open **PARADISE CITY** (plan)

20XX
Enter integrated resort business in Japan