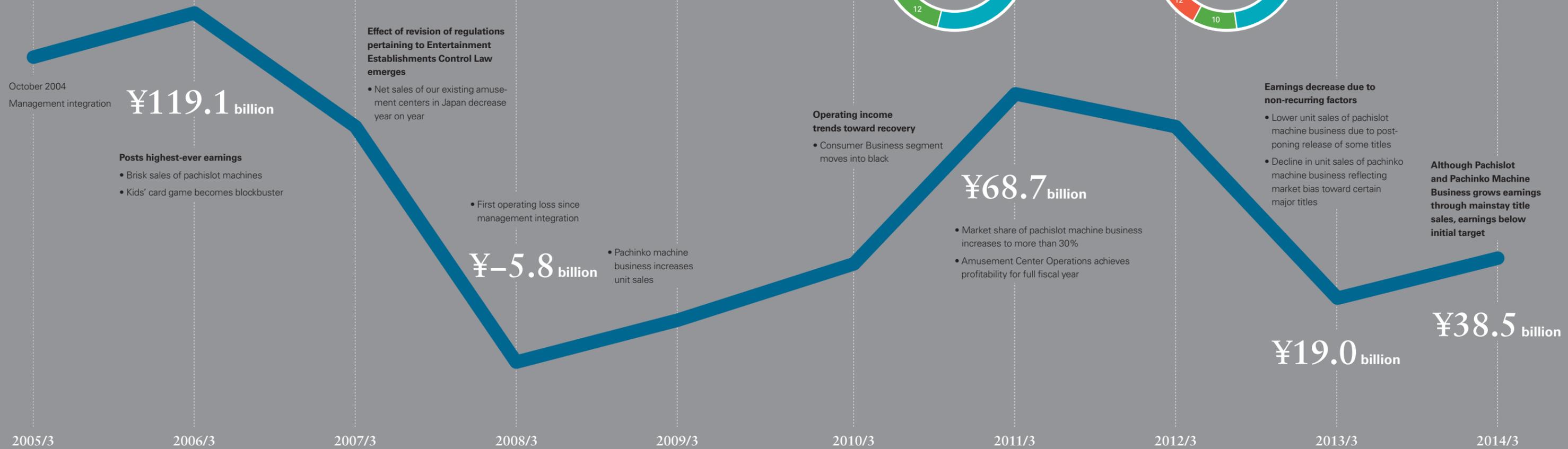


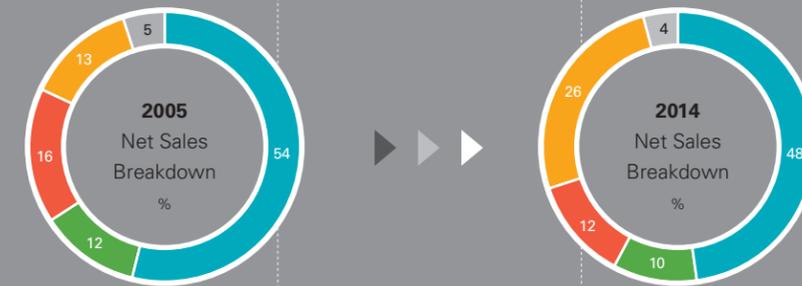
# SEGA SAMMY Group—Constant Reform

The Group continues self-reform to reflect the entertainment industry's ever evolving business conditions. These include dramatic changes in the pachinko and pachislot machine market due to regulatory revisions as well as shrinking markets for amusement arcade machines, amusement centers, and packaged game software.

## Operating Income (Loss)



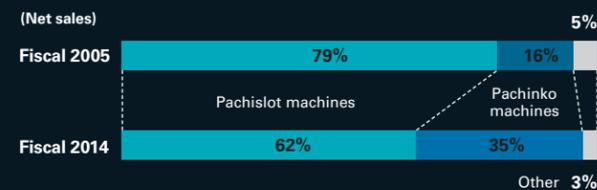
## Long-Term Changes



- Pachislot and Pachinko Machine Business
- Amusement Machine Sales Business
- Amusement Center Operations
- Consumer Business
- Other

## Pachislot and Pachinko Machine Business

### Shift from Reliance on Pachislot Machines to Balanced Portfolio



In response to changes in cyclical demand for pachinko and pachislot machines following regulatory revisions, we have been building a better-balanced product portfolio. By strengthening developmental capabilities for pachinko machines, we have reduced the reliance on pachislot machines that characterized the product portfolio at the time of management integration.

## Amusement Machine Sales Business

### Amusement Center Operations

### Number of Amusement Centers in Japan



In the Amusement Machine Sales Business segment, we have been trying to invigorate the market by stepping up the development of business models that lower amusement center operators' initial investment. Meanwhile, the Amusement Center Operations segment has been optimizing its amusement center portfolio by continuing to close or sell amusement centers with low profitability or potential.

## Consumer Business

### Number of Packaged Game Software Titles



In the packaged game software area, which continues to shrink as the online game content market expands, we have been streamlining developmental organizations in North America and Europe decisively, narrowing down the number of titles under development, and improving investment efficiency.

### Growth of the Digital Game Area



Established in July 2012, SEGA Networks, Ltd., leads initiatives in the digital game area, which is growing rapidly thanks to a combination of abundant developmental resources and a team specializing in building business models.