



SEGA SAMMY HOLDINGS INC.

FY2005 1Q Business Results

Aug. 4, 2005

FY2005 1Q Results: Consolidated P/L Statement (Summary)

(JPY billion)

	FY2004 1Q		FY2005			
	Sammy	SEGA	1Q Result	% to 1H plan	1H plan	Full Year Plan
Net sales	109.7	41.7	100.5	41.8%	240.0	567.0
Operating income	40.6	1.4	17.5	62.5%	28.0	100.0
Ordinary income	40.0	1.2	17.0	60.7%	28.0	100.0
Net income	21.4	0.9	10.7	118.8%	9.0	56.0

{ Net sales }

- Over 100 billion

{ Operating income , Ordinary income }

- Over 60% achievement

{ Net income }

- Over 10 billion

FY2005 1Q Results: Segment data



(JPY billion)

	FY2004 1Q		FY2005			
	Sammy	SEGA	1Q Result	% to 1H plan	1H plan	Full Year Plan
Net sales	109.7	41.7	100.5	41.8%	240.0	567.0
Pachislot & Pachinko machines	96.8	-	49.7	40.7%	122.0	284.0
Amusement Machine Sales	2.9	12.8	12.6	42.0%	30.0	68.0
Amusement Center Operations	-	16.9	21.0	40.7%	51.5	106.0
Consumer Business	2.0	11.9	11.5	43.3%	26.5	85.0
Others	7.9	-	5.5	55.0%	10.0	24.0
Operating income	40.6	1.4	17.5	62.5%	28.0	100.0
Pachislot & Pachinko machines	42.6	-	18.2	58.7%	31.0	86.0
Amusement Machine Sales	0.2	2.1	0.4	16.0%	2.5	8.5
Amusement Center Operations	-	1.1	0.6	11.1%	5.4	11.0
Consumer Business	-0.4	-1.4	-2.0	-	-8.3	-1.0
Others	0.1	-	0	-	-0.3	0.1

(*) SAMMY's Amusement Center Operations business is included in "Others" for FY2004 1Q. (Previous 1Q Sales:about ¥0.4B)

FY2005 1Q Results: Pachislot & Pachinko machines - Pachislot

1Q Results

Brand	FY2004 1Q	FY2005			
		1Q Result	Change to 1H plan	1H plan	Full year Plan
 Sammy	1 model	1 model	-3 models	4 models	9 models
	169,379 units	68,025 units	68.0%	100,000 units	335,000 units
 RODEO	1 model	1 model	-3 models	4 models	7 models
	30,863 units	51,643 units	46.9%	110,000 units	140,000 units
Units supply (*)	1 model	2 models	± 0	2 models	6 models
	34,650 units	33,638 units	84.0%	40,000 units	105,000 units
Total	234,892	153,306	61.3%	250,000	580,000
	¥78.2B	¥42.0B	63.2%	¥66.4B	¥171.8B

(*) supplying for Aristerat, IGT

Unit sales by key products

 Sammy	Umi Monogatari	63,821
 RODEO	Onimusha 3	50,168
Units supply (*)	Street Fighter 2	
	Winning Post	

1Q Results

<< Unit sales >>

- Achieved 61.3% of 1H plan.
Previous 1Q, FY2004, Hokuto no Ken became mega hit.
In this FY2005, major products will be released in 2H.

<< Steady Development & supply of Hit models >>

Umi Monogatari: About 63K shipped in 1Q
 Onimusha 3: About 50K shipped in 1Q
 (70K shipped in FY04)

2Q Forecasts

<< Strategic release of old regulation machines >>


Watching very careful to the market trend,
 Release the old regulation machines at a best time.

<< Positive development ; New regulation machines >>

New regulation machines are under development and examination.

FY2005 1Q Results: Pachislot & Pachinko machines - Pachinko

1Q Results

Brand	FY2004 1Q	FY2005			
		1Q Result	Change to 1H plan	1H plan	Full year Plan
 Sammy	3 models	1 model	-5 models	6 models	12 models
	88,296 units	25,813 units	11.2%	230,000 units	430,000 units
	¥15.7B	¥ 5.3B	10.7%	¥49.4B	¥94.6B

Unit sales by key products

 Sammy	CR CHORO Q	25,795
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1Q Results

<< Decrease in units sold >>

- Achieved 11.2% of 1H plan.
Strategic sales schedule of CR Hokuto no Ken.

<< Steady Development & supply of Hit models >>

- Higher product quality by enhanced development capability.
- Establishment of SAMMY brand in Pachinko market.
- Development of new-genre pachinko machines.

2Q Forecasts

<< "CR Hokuto no Ken" Market in >>

Breaking through 150,000 units to 80,000 units of the Business plan already.

FY2005 1Q Results: Amusement Machine Sales

1Q Results

(JPY billion)

	FY2004 1Q		FY2005			
	Sammy	SEGA	1 Q Result	Change to 1H plan	1H plan	Full year Plan
Net sales	2.9	12.8	12.6	42.0%	30.0	68.0
Operating income	0.2	2.1	0.4	16.0%	2.5	8.5

Unit sales by key products

Product	Actual units sold
Sangokushi Taisen	260 Units
WCCF EC 2004-2005	457 Kits
Bingo Parade	71 Units
Revolution	537 Units
MJ2	502 satellites

1Q Results

<< Regular products' steady sales >>

Regular products (e.g. token games and "UFO Catcher 7") are sold well.
 Thanks to vigorous development of new mid/large-scale arcades

<< Absence of new large products sales >>

No major products in this 1Q.
 Star Horse 2, new big title will be released in 2Q.

<< Steady sales of prize products >>

Mushi King goods continue good sales

2Q Forecasts

<<Ready for releasing Main Large type of Products >>

Acquiring satisfied number of order for high value added product, "Star Horse2"

<< Special demand in Summer Holiday Season >>

amusement operations make satisfied number of amusement machines sales .

FY2005 1Q Results: Amusement Center Operations

1Q Results

(JPY billion)

	FY2004 1Q		FY2005			
	Sammy	SEGA	1Q Result	Change to 1H plan	1H plan	Full year Plan
Net sales	-	16.9	21.0	40.7%	51.5	106.0
Operating income	-	1.1	0.6	11.1%	5.4	11.0

(*) SAMMY's amusement Center Operations business is included in "Others" for FY2004.

1Q Results

<< Existing facilities: 1.6% minus YOY sales >>

Due to big holidays in May, etc

<< Aggressive promotion of scrap-and-build >>

Opened 5 facilities, closed 12 facilities.

<< New businesses including Mushi King in top gear >>

Mushi King: accumulated total installations 12,000 units

accumulated total card sales 215 millions cards

# of facilities at end of FY04: 477	FY2005 1Q
Opened	5
Closed	12
# of facilities at end of 1Q	470

	FY2005 1Q
Capital investment	6.7 billion
Depreciation	2.7 billion

Mushi King

Installations at end of FY04: 9,000	1Q Results
FY2005 installations (cumulative installations)	3,000 units (12,000 units)
FY2005 card sales (cumulative installations)	55M (215M)

2Q Forecasts

<< New businesses leads >>

"Mushi King", "Love and Berry"

<< Special demand in Summer vacations >>

Plan for Existing facilities' sales: 1% plus YOY

FY2005 1Q Results: Consumer business

1Q Results

(JPY billion)

	FY2004 1Q		FY2005			
	Sammy	SEGA	1Q Result	Change to 1H plan	1H plan	Full year Plan
Net sales	2.0	11.9	11.5	43.3%	26.5	85.0
Operating income	-0.4	-1.4	-2.0	-	-8.3	-1.0

Sales by region

	# of titles	Sales (M pieces)
Japan	6	0.84
U.S.	No new titles	0.38
Europe	7	0.64
Total		1.86

Unit sales by key products

	Product/service	M pieces/members
Japan	GBA Mushi King	0.48 M pieces
Over-seas	SONIC MEGA COLLECTION	0.19 M pieces
	SONIC HEROES	0.20 M pieces
Mobile	Sammy 777 Town	1.48 M members

1Q Results

<<GBA "Mushi King" is going well >>

The order received already exceeding the plan

<< Steady growth of subsidiary's mobile content business >>

of paid service members of SAMMY 777 Town: 1.48 million

<<The TOY business of a subsidiary is good >>

"i dog", "Mushi King" related goods, and others

<< Starting of PC on-line business >>

"SEGA Link" started in June

Launch testing of "777 Town.net" in July

2Q Forecasts

<< Subsidiaries will lead >>

Sammy Networks "MUPASS"

Sega Toys "HOME STAR", "Beena" etc. will come in 2Q

<<Game softs >>

Japan: "Sakura Taisen" (PS2) sales about 0.17 million at the present time

Overseas: "Spartan: Total Warrior" will be released in 2Q



SEGA-SAMMY
H O L D I N G S

Disclaimer

The contents in 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 the currently available information.

These contents involve risk and uncertainty, and the actual results may differ materially from these contents/comments.

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