

# FY 2009 3rd Quarter Results

SEGA SAMMY HOLDINGS INC

**[Disclaimer]**

**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.**

## 【 FY2009 3rd Quarter Results / Full Year Forecast 】

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Items	Points	
<p><b>Net Sales・Profits</b></p>	<ul style="list-style-type: none"> <li>▪ Net sales: 309.0 billion, Operating loss: 2.7 billion, Net loss: 10.8 billion</li> <li>▪ Sales decreased and loss expanded year on year</li> <li>▪ Revised full year forecast based on 3Q results and 4Q expectations</li> </ul>	
<p><b>Segment Overview</b></p>	<p>■ <b>Pachislot Pachinko</b></p>	<ul style="list-style-type: none"> <li>▪ Both sales and profits decreased from the previous year's comparable period</li> <li>▪ Introduced new titles responding partial amendment in March 2008 of standards for interpretations of technical Specification</li> <li>▪ Strong sales of "CR Hokuto no Ken" continued</li> </ul>
	<p>■ <b>Amusement Machine</b></p>	<ul style="list-style-type: none"> <li>▪ Sales decreased but, profits increased from the same period a year ago</li> <li>▪ Continued to sell "WORLD CLUB Champion Football Intercontinental Clubs 2006-2007" and "GALILEO FACTORY" launched in 1<sup>st</sup> half, main titles of this fiscal year</li> </ul>
	<p>■ <b>Amusement Facilities</b></p>	<ul style="list-style-type: none"> <li>▪ Sales decreased year over year and posted operating loss of last year's level</li> <li>▪ Same store sales lower than the prior year</li> <li>▪ Continued to close or sell facilities with low profitability and low future potential</li> </ul>
	<p>■ <b>Consumer</b></p>	<ul style="list-style-type: none"> <li>▪ Sales increased and narrower operating loss compared with the previous year</li> <li>▪ Steady game software sales in overseas market, but domestic sales below plan</li> <li>▪ Profit decrease due to changes in expected foreign exchange rates caused by continuous appreciation of the yen</li> </ul> <p>⇒ Expected rate : US\$/¥: JPY 100, £/¥:JPY 200</p>
	<p>■ <b>Others</b></p>	<ul style="list-style-type: none"> <li>▪ Posted an extraordinary loss on goodwill amortization (TAIYO ELEC)</li> <li>▪ Adopted a resolution to end business and capital tie-up with GINZA</li> <li>▪ Adopted a resolution to discontinue pachislot pachinko peripheral machine business</li> </ul>

# Consolidated Income Statements

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY			2/10 Revised		5/10
	Results	Results	3Q Results	YOY Change	FY Plan	YOY Change	FY Plan
<b>Net Sales</b>	342.0	458.9	309.0	-9.6%	435.0	-5.2%	470.0
Pachislot Pachinko	123.6	145.5	106.2	-14.1%	170.0	+16.8%	160.0
Amusement Machines	52.1	71.0	49.9	-4.2%	62.0	-12.7%	76.0
Amusement Facilities	69.2	91.2	54.4	-21.4%	70.0	-23.2%	78.0
Consumer	88.4	141.7	96.0	+8.6%	130.0	-8.3%	153.0
Other	8.5	9.3	2.3	-72.9%	3.0	-67.7%	3.0
<b>Operating Income</b>	-1.5	-5.8	-2.7	—	2.5	—	15.0
Pachislot Pachinko	12.1	8.4	5.2	-57.0%	13.0	+54.8%	13.0
Amusement Machines	5.4	7.1	6.2	+14.8%	4.2	-40.8%	5.5
Amusement Facilities	-4.9	-9.8	-4.9	—	-9.0	—	-1.5
Consumer	-9.6	-5.9	-5.6	—	-0.5	—	3.3
Other	-0.1	0	0.2	—	0.1	—	0.1
Eliminations	-4.4	-5.5	-3.9	—	-5.3	—	-5.4
Operating margin	—	—	—	—	0.6%	—	3.2%
Pachinko Pachislot	9.8%	5.8%	4.9%	- 4.9 pt	7.6%	+1.9pt	8.1%
Amusement Machines	10.4%	10.0%	12.4%	+ 2.0 pt	6.8%	-3.2pt	7.2%
Amusement Facilities	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	2.2%
<b>Ordinary Income</b>	-1.4	-8.2	-5.0	—	0.5	—	13.0
Ordinary income margin	—	—	—	—	0.1%	—	2.8%
<b>Net Income</b>	-15.7	-52.4	-10.8	—	-21.5	—	5.0
Net income margin	—	—	—	—	—	—	1.1%
<b>Dividend per share</b>	—	45	—	—	30	—	30
Earning per share (Yen)	-62.58	-208.26	-43.03	—	-85.34	—	19.85
Net assets per share (Yen)	1158.54	1030.09	929.90	—	—	—	—

		FY 2009		
		2/10 Revised FY Plan(A)	5/13 FY Plan(B)	Difference (B-A)
		(JYP Billions)		
Breakdown	<b>Net Sales</b>	<b>435.0</b>	470.0	-35.0
	Pachislot Pachinko	<b>170.0</b>	160.0	10.0
	Amusement Machines	<b>62.0</b>	76.0	-14.0
	Amusement Facilities	<b>70.0</b>	78.0	-8.0
	Consumer	<b>130.0</b>	153.0	-23.0
	Other	<b>3.0</b>	3.0	0.0
Breakdown	<b>Operating Income</b>	<b>2.5</b>	15.0	-12.5
	Pachinko Pachislot	<b>13.0</b>	13.0	0.0
	Amusement Machines	<b>4.2</b>	5.5	-1.3
	Amusement Facilities	<b>-9.0</b>	-1.5	-7.5
	Consumer	<b>-0.5</b>	3.3	-3.8
	Other	<b>0.1</b>	0.1	0.0
	Eliminations	<b>-5.3</b>	-5.4	0.1
	Operating margin	<b>0.6%</b>	3.2%	—
	Pachinko Pachislot	<b>7.6%</b>	8.1%	—
	Amusement Machines	<b>6.8%</b>	7.2%	—
	Amusement Facilities	—	—	—
	Consumer	—	2.2%	—
	<b>Ordinary Income</b>	<b>0.5</b>	13.0	-12.5
Ordinary income margin	<b>0.1%</b>	2.8%	—	
<b>Net Income</b>	<b>-21.5</b>	5.0	-26.5	
Net income margin	—	1.1%	—	

### 【Pachislot Pachinko Machine business】

Net sales and operating income in line with

Increased Pachinko overall unit sales forecast from 280k to 421k units

Decreased Pachislot overall unit sales forecast from 248k to 134k units

### 【Amusement Machine business】

Decreased sales and operating income forecast

### 【Amusement Facilities Business】

Decreased both net sales and operating income forecast

Same store sales changed from 104.3% to 91.9%

### 【Consumer Business】

Decreased both net sales and operating income forecast

Changed expected rate :

US\$/¥: JPY 100 ⇒ JPY 90, £/¥:JPY 200 ⇒130 JPY

Decreased game software sales from 31,710k to 28,000k

### 【Extraordinary Loss Items】

Scrap cost of amusement facilities :5.2 billion

Solicitation for voluntary retirement at SEGA :4.0 billion

Discontinuance of pachislot pachinko peripheral business :2.5 billion

# Consolidated Balance Sheet

JPY Millions

【 Assets 】				【 Liabilities and Net Assets 】			
Account	Prior	Current	Change	Account	Prior	Current	Change
Cash and Cash Equivalents	101,539	103,796	2,257	Account Payable	49,496	64,100	14,603
Accounts Receivable	72,541	76,576	4,035	Corporate Bond	5,716	1,231	-4,485
Securities	2,495	27,197	24,701	Short Term Borrowings	27,455	12,139	-15,315
Inventories	51,435	46,435	-5,000	Other	50,195	31,665	-18,529
Other	47,026	42,335	-4,690				
				<b>Total Current Liabilities</b>	<b>132,863</b>	<b>109,136</b>	<b>-23,726</b>
<b>Total Current Assets</b>	<b>275,038</b>	<b>296,342</b>	<b>21,303</b>	Corporate Bond	25,679	55,513	29,834
Tangible Fixed Assets	104,029	75,590	-28,438	Long Term Dept	6,988	7,067	79
Intangible Fixed Assets	20,217	13,747	-6,469	Other	22,483	22,973	490
Investment Securities	35,608	32,962	-2,645				
Others	34,749	30,407	-4,342	<b>Total Long-term Liabilities</b>	<b>55,151</b>	<b>85,555</b>	<b>30,403</b>
				<b>Total Liabilities</b>	<b>188,014</b>	<b>194,691</b>	<b>6,676</b>
				Shareholders Equity	278,253	259,133	-19,119
				Valuation/Translation Adjustments	-18,733	-24,866	-6,132
				Warrants	1,070	1,272	202
				Minority Interest	21,038	18,818	-2,219
<b>Total Fixed Assets</b>	<b>194,604</b>	<b>152,708</b>	<b>-41,896</b>	<b>Total Net Assets</b>	<b>281,627</b>	<b>254,358</b>	<b>-27,269</b>
<b>Total Assets</b>	<b>469,642</b>	<b>449,050</b>	<b>-20,592</b>	<b>Total Liabilities and Net Assets</b>	<b>469,642</b>	<b>449,050</b>	<b>-20,592</b>

## Topics

- Equity ratio was 52.2% (55.3% at March-end). Keeps strong financial position
- Decreased in fixed assets resulting from return of Minato Mirai 21 land and sales of unused land
- Improved liquidity in cash and financial mobility by issuing corporate bond by a subsidiary
- Decreased in foreign currency translation adjustment due to fluctuation of foreign exchange.

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY	3Q	2/10 Revised		5/13 FY	
	Results	Results	Results	YOY Change	FY Plan	YOY Change	Plan
<b>Net sales</b>	123.6	145.5	<b>106.2</b>	-14.1%	<b>170.0</b>	+16.8%	160.0
Pachislot	90.0	103.7	<b>29.4</b>	-67.3%	<b>35.0</b>	-66.2%	70.1
Pachinko	22.9	28.1	<b>68.4</b>	+198.7%	<b>123.0</b>	+337.7%	77.3
Peripherals and other	10.6	13.8	<b>8.4</b>	-20.8%	<b>12.0</b>	-13.0%	12.5
<b>Operating Income</b>	12.1	8.4	<b>5.2</b>	-57.0%	<b>13.0</b>	+54.8%	13.0
Operating margin	9.8%	5.8%	<b>4.9%</b>	-4.9pt	<b>7.6%</b>	+1.9pt	8.1%

## Summary of 3Q Results and FY Outlook

Pachislot	Results	<ul style="list-style-type: none"> <li>■ Introduced new titles responding partial amendment in March 2008 of standards for interpretations of technical Specification =&gt;Sammy “Hard Boiled”, Rodeo “Tenchi wo Kurau”, “Kaiji2”</li> <li>■ Initiatives for margin improvement ⇒ Introduced machines with reused components (“Hard Boiled”, “Tenchi wo Kurau”)</li> </ul>
	Plan	<ul style="list-style-type: none"> <li><input type="checkbox"/> To continue development under new process and to introduce of differentiated products</li> <li><input type="checkbox"/> New titles in the 4Q ⇒ Sammy : “Twin Angel”, GINZA : “School☆Wars”, “Uchukeiji GAVAN”</li> <li><input type="checkbox"/> To postpone major title to next fiscal year</li> </ul>
Pachinko	Results	<ul style="list-style-type: none"> <li>■ Sammy branded “CR Hokuto no Ken” developed under new R&amp;D process hit the market with high utilization at parlors, resulting in market share increase</li> <li>⇒ Sales of “Hokuto” far above plan : Total orders from the introduction: 21.3K units, Total sales from the introduction 18.3K units</li> </ul>
	Plan	<ul style="list-style-type: none"> <li><input type="checkbox"/> To develop and introduce differentiated products under new R&amp;D framework</li> <li><input type="checkbox"/> New titles in 4Q ⇒ Sammy : “CR Nogaremono Orin”, “CR Hokuto no Ken (low payout version)”, TAIYO ELEC : “CR PERSONA3”, GINZA : “CR Momotaro Dentetsu (low payout version)”, ”</li> </ul>
Others	Plan	<ul style="list-style-type: none"> <li><input type="checkbox"/> To discontinue and transfer pachislot pachinko peripherals business to Japan Cash Machine Co., Ltd. (4Q)</li> <li><input type="checkbox"/> To end business and capital tie-up with GINZA Co.,Ltd. (4Q)</li> </ul>

## Shipment Data: Pachislot

	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results	2/10 Revised FY Plan	5/13 FY Plan
<b>Sammy</b>	5title	6title	5title	6title	7title
	147,995units	167,879units	52,139units	62,500units	100,000units
<b>RODEO</b>	4title	5title	4title	4title	4title
	68,058units	85,117units	29,056units	30,000units	55,000units
<b>GINZA</b>	3title	3title	3title	5title	5title
	84,446units	84,639units	12,083units	26,000units	60,000units
<b>TAIYO ELEC</b>	1title	1title	2title	2title	3title
	5,470units	10,947units	6,268units	6,500units	15,000units
Unit Supply	6title	7title	2title	2title	4title
	29,056units	32,106units	8,954units	9,000units	18,000units
<b>Total</b>	19title	22title	16title	19title	23title
	335,025units	380,688units	108,500units	134,000units	248,000units

Brand	Title	Total sales	Installed From
<b>Sammy</b>	Pachislot Hard Boiled	23,535 units	Nov
<b>RODEO</b>	Pachislot Tenchi wo Kurau	7,271 units	Oct
<b>RODEO</b>	Pachislot Kaiji 2	17,218 units	Dec

\* Number of titles reflects products which began sales in the period  
 \* Unit Supply includes the supply of parts to other makers

## Shipment Data: Pachinko

	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results	2/10 Revised FY Plan	5/13 FY Plan
<b>Sammy</b>	2title	3title	3title	4title	6title
	55,571units	55,617units	198,445units	320,000units	130,000units
<b>GINZA</b>	1title	2title	2title	3title	4title
	4,710units	10,931units	7,899units	43,000units	50,000units
<b>TAIYO ELEC</b>	3title	4title	3title	5title	6title
	28,571units	41,636units	30,944units	58,000units	100,000units
<b>Total</b>	6title	9title	8title	12title	16title
	88,852units	108,184units	237,288units	421,000units	280,000units

Brand	Title	Total sales	Installed From
<b>Sammy</b>	Pachinko CR Hokuto No Ken	183,688 units	Sep
<b>Sammy</b>	Pachinko CR Virtua Fighter	11,725 units	Oct
<b>GINZA</b>	Pachinko CR GU-GU GANMO	6,735 units	Oct

\* Number of titles reflects products which began sales in the period



# Amusement Machines

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY	3Q	YOY Change	2/10 Revised	YOY Change	5/13 FY
	Results	Results	Results		FY Plan		Plan
<b>Net Sales</b>	52.1	71.0	<b>49.9</b>	-4.2%	<b>62.0</b>	-12.7%	76.0
<b>Domestic</b>	41.4	60.7	<b>43.0</b>	+3.9%	<b>53.2</b>	-12.4%	64.0
<b>Overseas</b>	10.6	10.4	<b>7.0</b>	-34.0%	<b>8.8</b>	-15.4%	12.0
<b>Operating Income</b>	5.4	7.1	<b>6.2</b>	+14.8%	<b>4.2</b>	-40.8%	5.5
Operating margin	10.4%	10.0%	<b>12.4%</b>	+2.1pt	<b>6.8%</b>	-3.2pt	7.2%

## Summary of 3Q Results and FY Outlook

Results	<ul style="list-style-type: none"> <li>■ Continued to sell two major titles launched in the first half “WORLD Club Champion Football Intercontinental Clubs 2006-2007”, “GALILEO FACTORY”</li> </ul>
Plan	<ul style="list-style-type: none"> <li><input type="checkbox"/> Anticipate harsh business environment in amusement facility market</li> <li><input type="checkbox"/> Aim to secure revenue and profits by selling major titles continuously</li> <li><input type="checkbox"/> Discontinued development of one title by considering current market environment</li> </ul>

(\* )Pictures of “WCCF” and “GALILEO FACTORY” are listed on Page 23

Major Titles	Sales Results
WORLD CLUB Champion Football Intercontinental Clubs 2006-2007	Live unit + Satellite (8P) Live unit + Satellite (4P) 658 sets 161 sets
DERBY OWNERS CLUB 2008 feel the rush	Main + Satellite 142 sets
GALILEO FACTORY	Body 235 units
SEGA Network Mah-jong MJ4	Live unit+ Satellite + Satellite CVT 2,438 units

# Amusement Facilities

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY	3Q	YOY Change	2/10 Revised	YOY Change	5/13 FY
	Results	Results	Results		FY Plan		Plan
<b>Net Sales</b>	69.2	91.2	54.4	-21.4%	70.0	-23.2%	78.0
<b>Overseas</b>	7.1	11.7	6.6	-7.0%	8.3	-29.1%	10.3
<b>Operating Income</b>	-4.9	-9.8	-4.9	—	-9.0	—	-1.5
Operating margin	—	—	—	—	—	—	—
<b>Exsting Sales Comps</b>	88.6%	89.0%	92.1%	+3.5points	91.9%	+2.9points	104.3%
<b>Demestic Facilities</b>	430	363	347	-83	322	-41	347
Facilities Opened	11	12	6	—	6	—	12
Facilities Closed	30	92	22	—	47	—	28
<b>Segment Cap-ex</b>	11.8	15.9	12.3	+4.2%	16.3	+2.5%	13.6
<b>Segment Depreciation</b>	12.1	17.1	11.4	-5.8%	15.7	-8.2%	13.9

## Summary of 3Q Results and FY Outlook

Results	<p>■ Same store sales comps for 3Q at 92.1%</p> <p>Same store sales, particularly in suburban area, were hit by sluggish personal consumption, and performed at a lower level in year-on-year terms.</p> <p>1Q(April ~June) Same store sales :87.3%, 2Q(July~Sep) Same store sales :93.6%, 3Q(Oct~Dec) Same store sales :95.6%</p> <p>■ Accelerated closure and sales of amusement facilities</p> <p>⇒ Open : 6 facilities Close : 22 facilities, Number of stores at 3Q-end : 347 stores</p>
Plan	<p>□ To implementation restructuring initiatives in 4Q ....improving cost structure</p> <p>To close 110 facilities in 4Q and next fiscal year additionally</p> <p>□ Aim to establish a solid earning base enabling us to make profits with certainty even if for the next fiscal year or thereafter are estimated strictly.</p>

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY	3Q	2/10 Revised		5/13	
	Results	Results	Results	YOY Change	FY Plan	YOY Change	FY Plan
<b>Net Sales</b>	88.4	141.7	<b>96.0</b>	+8.6%	<b>130.0</b>	-8.3%	153.0
<b>Entertainment Software</b>	55.1	94.8	<b>59.7</b>	+8.3%	<b>81.9</b>	-13.6%	103.0
<b>Network/Other</b>	33.2	46.9	<b>36.3</b>	+9.3%	<b>48.1</b>	+2.6%	50.1
<b>Operating Income</b>	-9.6	-5.9	<b>-5.6</b>	—	<b>-0.5</b>	—	3.3
Operating Margin	—	—	—	—	—	—	2.2%
<b>Unit Sold (thousand)</b>	14,650	26,990	<b>21,090</b>	+44.0%	<b>28,000</b>	+3.7%	31,710
<b>Segment R&amp;D</b>	29.6	37.1	<b>23.4</b>	-20.9%	<b>31.7</b>	-14.6%	37.8

## Summary of 3Q Results and FY Outlook

Results	<ul style="list-style-type: none"> <li>■ Overseas sales “Mario &amp; Sonic at the Olympic Games”, title launched in the previous fiscal year, was strong ⇒ Total shipment from the introduction exceeded 10 million worldwide)</li> <li>Favorable sales of “Sonic Unleashed” and “Football Manager 2009”</li> <li>■ Domestic sales Released 『PHANTASY STAR ZERO』(*), 『Sakatsuku DS touch and direct (Soccer simulation game) 』(*), 『428』</li> <li>■ Profit decrease due to changes in expected foreign exchange rates caused by continuous appreciation of the yen ⇒ Expected rate : US\$/¥=100 JPY, ₤/¥:JPY=JPY200</li> </ul>
Plan	<ul style="list-style-type: none"> <li><input type="checkbox"/> Main titles in 4Q (overseas): 『Empire:Total War』, 『MADWORLD』, 『Sonic and the Black Knights』</li> <li><input type="checkbox"/> Main titles in 4Q (domestic): 『Ryu Ga Gotoku 3』</li> <li><input type="checkbox"/> New expected rate : US\$/¥=JPY 90, ₤/¥:JPY=JPY130</li> <li><input type="checkbox"/> To reduce R&amp;D cost by 20% from current level by comprehensive streamlining such as narrowing down number of development titles and increasing internal development ratio (in next fiscal year)</li> </ul>

(\* )Pictures of “Sonic Unleashed”, “Football Manger 2009”, “SakatsukuDS touch and direct”, “PHANTASY STAR ZERO” are listed on Page 24

## Video Games Sales

Breakdown by Region	FY2008 3Q Results		FY2009 3Q Results	
	# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
US	30	1,880	31	3,130
Europe	29	6,250	31	8,820
Japan	24	6,520	31	9,130
<b>Total</b>	83	14,650	93	21,090

Platform	FY2008 3Q Results		FY2009 3Q Results	
	# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
PS2	15	1,000	10	1,550
GC	0	0	0	0
Xbox	0	0	0	0
PS3	5	570	15	2,010
Wii	15	3,310	15	2,220
Xbox360	7	890	11	1,610
NDS	17	1,440	26	2,660
PSP	13	1,130	6	1,240
GBA	0	0	0	0
PC	11	1,330	10	940
Catalogue	-	4,980	-	8,870
<b>Total</b>	83	14,650	93	21,090

3Q Main Titles	Platform	Total Sales (Thousand)
Sonic Unleashed (Europe, US, Japan)	PS3, X360, Wii, PS2	2,027
Football Manager 2009 (Europe, US)	PSP, PC	762
PHANTASY STAR ZERO (Japan)	NDS	214
Mario & Sonic at the Olympic Games (Catalogue title) (Europe, US)	Wii, NDS	3,169

FY 2008 4Q Period Major Releases	Platform
Empire:Total War (Europe, US)	PC
Stormrise (Europe, US)	PS3, X360, PC
MADWORLD (Europe, US)	Wii
Sonic and the Black Knights (Europe, US)	Wii
Ryu ga Gotoku 3 (Japan)	PS3

(JPY Billions)	FY 2008		FY 2009				
	3Q	FY	3Q	2/10 Revised		5/13 FY	
	Results	Results	Results	YOY Change	FY Plan	YOY Change	Plan
<b>R&amp;D expense</b>	50.5	65.3	43.4	-14.1%	58.8	-10.0%	66.3
<b>Ca-pex</b>	43.6	50.4	20.1	-53.9%	26.8	-46.8%	23.6
<b>Depreciation</b>	37.5	45.6	18.9	-49.6%	25.4	-44.3%	22.2
<b>Advertising</b>	15.5	22.8	16.7	+7.7%	23.9	+4.8%	25.5

## FY2009 3Q Results

- Both ca-pex and depreciation decreased substantially over comparable period resulting from shrunk pachislot rental business.
- Advertising cost increased resulting from introductions of major titles in each segment

Listed Subsidiaries Interim Results/Full Year Forecast  
Appendix






(Consolidated: JPY Billion)	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results		FY Plan
				YOY Change	
Net Sales	8.45	11.14	8.12	-3.9%	10.88
Operating Profit	1.24	1.69	1.64	32.3%	1.67
Operating Margin	14.7%	15.2%	20.2%	+5.5 pt	15.3%

(Consolidated: JPY Billion)	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results		FY Plan
				YOY Change	
Net Sales	13.51	16.81	15.08	+111.6%	19.37
Operating Profit	-0.36	-0.69	0.22	—	0.12
Operating Margin	—	—	1.5%	—	0.6%

## Sammy Networks

### 【3Q Results】

■ Amusement business was very steady by providing market with game contents constantly including “Pachinko CR Hokuto no Ken”, new functions to website and some event promotion.

■ The company opened “au one okodukai” service website with KDDI CORPORATION in October in Point Media business. Both companies proceeded collaboration and promotion together.

### 【Full Year Forecast】

□ Leaves full year forecast unchanged:

Net sales 10.88 billion, operating income 1.67 billion, ordinary income 1.64 billion, net income 1.4 billion

The company has almost achieved profit forecast already. However, the company is now reviewing full year outlook carefully and will announce as soon as it is fixed.

## SEGA TOYS

### 【3Q Results】

#### ■ Net Sales

Domestic sales decreased 25% year on year to 6.37 billion due to unfavorable sales during holiday season.

Overseas sales increased 74% year over year to 8.71 billion with strong sales of “BAKUGAN”

#### ■ Operating profit

Disposal cost for unused inventories, negative factor in last fiscal year, decreased. However, the company posted operating income of 0.22 billion only (35.4% of plan) due to decline in domestic sales, which has higher margin than overseas sales.

### 【Full Year forecast】

Based on the weak domestic sales and strong overseas sales in 3Q and 4Q, the company revised full year forecast on Feb.10, sales up by 8.8%, operating profits down by 70.1%.



(Consolidated: JPY Billion)	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results		FY Plan
				YOY Change	
Net Sales	20.41	25.33	10.55	-48.2%	18.00
Operating Profit	1.76	1.65	-0.11	—	1.70
Operating Margin	8.7%	6.5%	—	—	9.4%

## TAIYO ELEC

### 【3Q Results】

■ Major title planed to be launched in 3Q was postponed to 4Q due to the delay in getting approval. Since there was no new title introduced in 3Q, total units sales of both pachinko and pachislot until 3Q end were limited to 37K units.

■ Reduced expenses, but it did not cover decline in profits due to sales decrease. As a result, posted a very slight operating loss.

### 【Full Year Forecast】

□ One of two titles planed to be launched in second half, both of which are self confident products, was postponed to next fiscal year. On the other hand, “CR Persona3”, which was originally expected to be introduced in next fiscal year, is going to be sold in 4Q. As a result, 60K units, second half sales plan, was revised to 26K units.

□ The company revises forecast for net sales to JPY 18.0 billion, decrease by 9.0 billion, but keeps profit forecast due to margin improvement in pachinko business, budget freeze for advertisement, budgetary restraint in R&D, reducing disposal, cutting other expenses and so forth.



(Consolidated: JPY Billion)	FY 2008		FY 2009		
	3Q Results	FY Results	3Q Results		FY Plan
				YOY Change	
Net Sales	10.3	14.97	10.06	-2.3%	14.11
Operating Profit	0.58	0.88	0.08	-85.7%	0.28
Operating Margin	5.7%	5.9%	0.8%	-4.9pt	1.9%

## TMS Entertainment

### 【3Q Results】

■ Animation business

Sales increased compared with the previous year, but profits decreased due to poor video sales

■ Amusement Business

Both sales and profits decreased compared with the previous year due to unfavorable same store sales.

Consequently, overall sales and profits decreased year over year

### 【Full Year Forecast】

The company anticipate harsh business environment and expect decrease in both sales and profits year on year due to each market decline of animation business and amusement facilities business







Company Name	Sega Sammy Holdings, Inc.	Chairman President and Representative Director (CEO)	Hajime Satomi
Head Office	Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi Minato-ku, Tokyo 105-0021, Japan	Executive Vice President and Representative Director	Keishi Nakayama
Established	October 1, 2004	Director	Okitane Usui
Capital	29.953billion	Director and CCO(*)	Hisao Oguchi
Listing	Tokyo Stock Exchange 1 <sup>st</sup> Section (6460)	Director	Yuji Iwanaga
Number of Shares Outstanding	283,229,476 shares	Director (*):CCO: Chief Creative Officer	Takeshi Natsuno

Major Shareholders		Equity Shares	% Voting
1	Hajime Satomi	43,569,338	17.45%
2	Sega Sammy Holdings	31,299,283	-
3	Mellon Bank, NA Treaty Clients Omnibus	23,182,622	9.20%
4	Hero and Company	15,983,541	6.34%
5	FSC Co., Ltd.	14,172,840	5.63%
6	The Master Trust Bank of Japan, Ltd. (As Trustee)	10,284,700	4.08%
7	State Street Bank and Trust Company	9,723,060	3.86%
8	Japan Trustee Services Bank, Ltd. (As Trustee 4G)	6,769,300	2.69%
9	Japan Trustee Services Bank, Ltd. (As Trustee)	6,586,600	2.61%
10	Japan Trustee Services Bank, Ltd. (As Trustee 4)	2,961,900	1.18%

Shareholder Data		
Type	% of Shares	% by Number of Shareholders
Financial Institutions	13.86%	0.07%
Securities Companies	1.05%	0.06%
Other Companies	6.98%	0.81%
Foreign Institutions and Individuals	33.15%	0.45%
Japanese Individuals and Other	33.91%	98.61%
Treasury stock	11.05%	0.00%
Shareholders		
		97,034

Shareholders data as of September 30<sup>th</sup>, 2008  
Board Director data as of September 30<sup>th</sup>, 2008

Subsidiary	Listed on:	Main operations	Shares held by the Company (Share holdings ratio)
<p><b>Sammy NetWorks Co., Ltd.</b>  <a href="http://www.sammy-net.jp/">http://www.sammy-net.jp/</a></p> 	<p>TSE Mothers            Securities code:            3745</p>	<p><u>&lt;Consumer&gt;</u>            Distribution of music related content and game related content through mobile phones and the Internet.</p>	<p>24,804 shares            (56.3%)</p>
<p><b>SEGA TOYS, LTD.</b>  <a href="http://www.segatoys.co.jp/">http://www.segatoys.co.jp/</a></p> 	<p>JASDAQ            Securities code:            7842</p>	<p><u>&lt;Consumer&gt;</u>            Design, development and sales of toys</p>	<p>11,250,000 shares            (52.2%)</p>
<p><b>TAIYO ELEC Co., Ltd.</b>  <a href="http://www.taiyoelec.co.jp/">http://www.taiyoelec.co.jp/</a></p> 	<p>JASDAQ            Securities code:            6429</p>	<p><u>&lt;Pachinko Pachislot&gt;</u>            Design, development and sales of Pachinko and Pachislot machine</p>	<p>(*)11,623,100 shares            (51.2%)</p>
<p><b>TMS Entertainment ltd.</b>  <a href="http://www.tms-e.co.jp/">http://www.tms-e.co.jp/</a></p> 	<p>NSE 2<sup>nd</sup> Section            Securities code:            3585</p>	<p><u>&lt;Consumer - Amusement Facilities&gt;</u>            Planning, production, sales and export of animation films, and amusement businesses</p>	<p>23,549,000 shares            (57.1%)</p>

(\*) Sammy, 100% subsidiary of Sega Sammy Holdings, holds the shares of TAIYO ELEC

Data as of December 31<sup>th</sup>, 2008

## Pachislot Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Pachislot Machines installed (Set)	1,660,839	1,887,239	1,936,470	2,003,482	1,635,860
Number of Pachislot Machines sold annually (Set)	1,842,392	1,672,049	1,786,292	1,637,853	1,744,876
Pachislot Machine Market Size (Million Yen)	526,354	522,582	537,349	485,404	495,226

## Pachinko Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Pachinko Machines installed (Set)	3,227,239	3,077,537	2,960,939	2,932,952	2,954,386
Number of Pachinko Machines sold annually (Set)	3,686,677	4,013,153	4,047,999	3,831,211	3,166,039
Pachinko Machine Market Size (Million Yen)	672,055	786,535	869,940	875,009	836,436

## Pachinko Pachislot market Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Machines installed (Set)	4,888,078	4,964,776	4,897,409	4,936,434	4,590,246
Number of Machines sold annually (Set)	5,529,069	5,685,202	5,834,291	5,469,064	4,910,915
Total Machine Market Size (Million Yen)	1,198,409	1,309,117	1,407,289	1,360,413	1,331,662

## Pachinko Hall

	2003	2004	2005	2006	2007
Total number of pachinko halls	16,076	15,617	15,165	14,674	13,585
Number of pachinko halls with pachinko and pachislot machines installed	14,695	13,844	12,913	12,588	12,039
Number of pachinko halls with pachislot machines installed	1,381	1,773	2,252	2,086	1,546

## Share of Annual Pachislot Machine Sales

Rank	2004			2005			2006			2007		
	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share
1	<b>Sammy</b>	<b>676,933</b>	<b>40.5%</b>	<b>Sammy</b>	<b>607,106</b>	<b>34.0%</b>	<b>Sammy</b>	<b>523,422</b>	<b>32.0%</b>	<b>Sammy</b>	<b>380,688</b>	<b>21.8%</b>
2	O Compnay	275,000	16.5%	D Company	236,000	13.2%	D Company	200,000	12.2%	A Company	192,000	11.0%
3	Y Company	150,000	9.0%	O Compnay	187,000	10.5%	Y Company	173,000	10.6%	S Company	169,156	9.7%
4	D Company	132,000	7.9%	Y Company	150,000	8.4%	O Compnay	158,000	9.6%	D Company	152,000	8.7%
5	A Company	77,881	4.7%	S Company	111,659	6.3%	K Company	155,000	9.5%	Y Company	152,000	8.7%

## Share of Annual Pachinko Machine Sales

Rank	2004			2005			2006			2007		
	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share
1	S Company	920,000	22.9%	S Company	1,000,000	24.7%	S Company	887,000	23.2%	S Company	820,000	25.9%
2	S Company	849,911	21.2%	S Company	740,320	18.3%	K Company	804,000	21.0%	S Company	724,756	22.9%
3	H Company	350,184	8.7%	K Company	390,000	9.6%	S Company	636,105	16.6%	K Company	510,000	16.1%
4	D Company	308,173	7.7%	N Company	320,000	7.9%	N Company	253,000	6.6%	N Company	204,000	6.4%
5	N Company	278,000	6.9%	<b>Sammy</b>	<b>288,895</b>	<b>7.1%</b>	D Company	195,947	5.1%	D Company	168,000	5.3%
6	<b>Sammy</b>	<b>233,049</b>	<b>5.8%</b>	H Company	242,276	6.0%	H Company	184,832	4.8%	H Company	165,377	5.2%
7	K Company	225,000	5.6%	F Company	185,572	4.6%	F Company	180,006	4.7%	F Company	146,134	4.6%
8	F Company	168,000	4.2%	D Company	172,123	4.3%	<b>Sammy</b>	<b>132,981</b>	<b>3.5%</b>	<b>Sammy</b>	<b>108,184</b>	<b>3.4%</b>

Source: Yano Research Institute Ltd.

## AM machines net sales, operations net sales and home videogame related market (hardware & software)

(JPY Billion)

	2001	2002	2003	2004	2005	2006	2007
AM machines net sales	140.8	154.5	177.9	180.6	199.2	223.4	219.1
AM facilities operations net sales	590.3	605.5	637.7	649.2	682.5	702.9	678.1
<b>Market size of Amusement</b>	<b>73.1</b>	<b>76.0</b>	<b>81.6</b>	<b>83.0</b>	<b>88.2</b>	<b>92.6</b>	<b>897.2</b>

Number of amusement centers	12,742	11,499	10,759	10,109	9,515	9,091	8,652
Number of game machine units installed	456,327	439,937	428,358	438,986	445,025	460,031	474,808
Number of game machine units installed per center	35.8	38.3	39.8	43.4	46.8	50.6	54.9

Hardware net sales	998.1	790.8	631.5	425.1	862.2	1,125.3	2,299.2
Software net sales	504.2	475.9	438.0	494.8	502.6	701.2	719.6
<b>Market size of Home videogame</b>	<b>150.2</b>	<b>126.7</b>	<b>107.0</b>	<b>92.0</b>	<b>136.5</b>	<b>182.7</b>	<b>3,018.8</b>

<b>Total Market size of Amusement/Game</b>	<b>223.3</b>	<b>202.7</b>	<b>188.5</b>	<b>175.0</b>	<b>224.7</b>	<b>275.3</b>	<b>3,916.0</b>
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(JAMMA, AOU and NSA)

# Appendix/Past Operating Results

From FY 2005 to 3rd quarter of FY 2009

	FY 2005		FY 2006		FY 2007				FY 2008				FY 2009		
	(JPY Billion)	FY Results	Interim Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	Interim Results	3Q Results
<b>Breakdown</b>															
Net Sales		515.6	248.5	553.2	85.6	283.5	404.2	528.2	95.4	231.0	342.0	458.9	74.6	200.4	309.0
Pachislot Pachinko		280.1	129.8	265.6	21.5	145.0	177.7	211.5	37.9	99.7	123.6	145.5	12.0	65.2	106.2
Amusement machine		63.3	30.8	71.5	17.7	34.6	52.2	75.4	15.2	34.3	52.1	71.0	13.7	34.4	49.9
Amusement facility		83.1	48.5	106.2	25.2	53.5	78.4	103.8	22.8	47.9	69.2	91.2	17.4	37.1	54.4
Consumer		65.3	28.5	90.3	16.5	40.7	82.2	119.5	16.0	41.2	88.4	141.7	30.5	61.9	96.0
Other		23.7	10.7	19.4	4.5	9.6	13.5	17.8	3.3	7.7	8.5	9.3	0.8	1.6	2.3
<b>Operating Income</b>		105.0	49.8	119.1	2.7	62.9	75.1	76.5	-2.4	-4.3	-1.5	-5.8	-10.2	-7.5	-2.7
Pachislot Pachinko		103.9	46.4	99.8	2.1	63.7	69.6	71.1	6.6	12.1	12.1	8.4	-4.3	-1.0	5.2
Amusement machine		7.4	4.5	12.1	4.0	6.6	9.3	11.6	0.6	1.8	5.4	7.1	0.7	4.6	6.2
Amusement facility		5.4	4.3	9.2	2.0	2.9	2.4	0.1	-0.8	-2.2	-4.9	-9.8	-1.5	-2.8	-4.9
Consumer		-8.8	-4.3	1.9	-4.0	-6.7	-0.7	1.7	-7.2	-12.5	-9.6	-5.9	-4.1	-5.9	-5.6
Other		-0.5	-0.4	-1.7	-0.2	-0.4	-0.5	-1.3	-0.1	-0.2	-0.1	0.0	0.0	0.2	0.2
Eliminations		-2.3	-0.5	-2.3	-1.1	-3.2	-5.0	-6.7	-1.5	-3.4	-4.4	-5.5	-1.0	-2.6	-3.9
Operating margin		20.4%	20.0%	21.5%	3.2%	22.2%	18.6%	14.5%	—	—	—	—	—	—	—
Pachislot Pachinko		37.1%	35.7%	37.6%	9.8%	43.9%	39.2%	33.6%	17.4%	12.1%	9.8%	5.8%	—	—	4.9%
Amusement machine		11.7%	14.6%	16.9%	22.6%	19.1%	17.8%	15.4%	3.9%	5.2%	10.4%	10.0%	5.1%	13.4%	12.4%
Amusement facility		6.5%	8.9%	8.7%	7.9%	5.4%	3.1%	0.1%	—	—	—	—	—	—	—
Consumer		—	—	2.1%	—	—	—	1.4%	—	—	—	—	—	—	—
<b>Ordinary Income</b>		104.4	49.4	119.5	2.4	66.0	77.4	81.2	-1.4	-3.9	-1.4	-8.2	-9.8	-8.4	-5.0
Ordinary income margin		20.2%	19.9%	21.6%	2.8%	23.3%	19.1%	15.4%	—	—	—	—	—	—	—
<b>Net Income</b>		50.5	24.9	66.2	0.7	37.9	49.3	43.4	-5.0	-20.2	-15.7	-52.4	-10.5	-9.5	-10.8
Net income margin		9.8%	10.0%	12.0%	0.8%	13.4%	12.2%	8.2%	—	—	—	—	—	—	—
<b>R &amp; D expense</b>		41.5	16.4	36.3	11.0	23.0	39.9	52.1	14.7	29.8	50.5	65.3	16.6	30.4	43.4
<b>Ca-pex</b>		32.4	14.3	38.5	11.7	23.7	31.9	36.6	11.5	34.9	43.6	50.4	6.5	14.5	20.1
<b>Depreciation</b>		17.7	8.7	21.8	5.0	11.5	19.5	28.0	8.0	29.5	37.5	45.6	5.4	11.9	18.9
<b>Advertising</b>		11.8	7.5	18.9	3.9	10.2	16.4	22.2	3.0	9.0	15.5	22.8	4.1	11.2	16.7
<b># of pachislot title</b>		9	6	14	2	5	10	17	9	16	19	22	4	9	16
Unit sales		676,933	255,286	607,106	31,836	360,602	432,591	523,422	126,137	310,496	335,025	380,688	15,048	55,102	108,500
<b># of pachinko titles</b>		8	4	8	4	7	11	15	1	2	6	9	3	6	8
Unit sales		233,049	223,920	288,895	45,632	81,210	118,863	132,981	9,669	56,641	88,852	108,184	19,704	154,950	237,288
Existing Sales Comps		98.5%	100.0%	103.3%	103.8%	100.2%	98.1%	95.8%	88.8%	89.0%	88.6%	89.0%	87.3%	90.6%	92.1%
Domestic Facilities		477	451	462	460	463	463	449	442	433	430	363	357	347	347
<b># of game software title</b>		84	32	122	29	53	101	140	9	32	83	138	37	61	93
Sales (thousand)		11,790	4,480	16,400	2,140	5,750	14,690	21,270	1,430	4,910	14,650	26,990	6,890	12,760	21,090

## Pachislot Business



**Pachislot Hard Boiled**

©Sammy

## Pachinko Business



**Pachinko CR Hokuto No Ken**

©1983 Buronson & Tetsuo Hara,  
©NSP 2007 Approved No. SAE-307  
©Sammy

## Amusement Machine Business



**GALILEO  
FACTORY  
(Medal game)**

© SEGA



**WORLD CLUB Champion  
Football Intercontinental  
Clubs 2006-2007  
(Trading card game)**

© SEGA



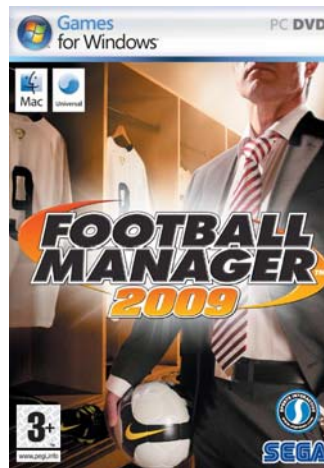
The game is made by Sega in association with Panini.

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## Consumer Business



**Sonic Unleashed** © SEGA



**Football Manager 2009**

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**Sakatsuku DS touch and direct**  
 (Soccer simulation game)

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**PHANTASY STAR ZERO**

© SEGA







<http://www.segasammy.com/>

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