

# FY Ending March 2013 1<sup>st</sup> Quarter Results Presentation










August 1st, 2012  
SEGA SAMMY HOLDINGS INC.

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

## 【FY Ending March 2013 1<sup>st</sup> Quarter Results/ 1<sup>st</sup> Half Forecasts】

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<b>Net Sales / Profits</b>		<ul style="list-style-type: none"> <li>▪ Net sales 69.9billion yen, Operating income 5.4 billion yen, Net income 2.5 billion yen</li> <li>▪ Year-on-year, sales and profits increased</li> <li>⇒Results are favorable compared against forecasts through 2Q announced on May 11</li> </ul>
<b>Segment breakdown</b>	<b>Pachislot and Pachinko Machines</b>	<ul style="list-style-type: none"> <li>▪ Year-on-year, sales and profits increased</li> <li>▪ Pachislot unit sales exceeded results of the previous fiscal year</li> <li>▪ Pachinko unit sales decreased compared to the results of the previous fiscal year</li> </ul>
	<b>Amusement Machine Sales</b>	<ul style="list-style-type: none"> <li>▪ Year-on-year, sales and profits increased</li> <li>▪ Solid distribution of earnings due to utilization of revenue sharing model</li> </ul>
	<b>Amusement Center Operations</b>	<ul style="list-style-type: none"> <li>▪ Decreased sales and profits year-on-year</li> <li>▪ SEGA domestic same-store sales performed at a lower level year-on-year</li> </ul>
	<b>Consumer Business</b>	<ul style="list-style-type: none"> <li>▪ Sales decreased year-on-year, but the loss was reduced due to suppressed operating expenses</li> <li>▪ Sales of packaged software performed at a lower level year-on-year due to title reductions</li> </ul>
	<b>Other</b>	<ul style="list-style-type: none"> <li>▪ Sales increased year-on-year due to the conversion of Phoenix Resort K.K. into a wholly owned subsidiary</li> </ul>



(Publicized on May 11, 2012)

## ◆ Joint Venture with Paradise Group

- Name of developer: Paradise Sega Sammy
- Location: IBC-I 2nd Phase District, Woonseo-dong, Jung-gu, Incheon, Korea
- Overview of business: Development of resort complex comprised of casinos, hotels, shopping malls, convention centers, offices, etc.
- Site area: 336,000m<sup>2</sup>
- Investment amount: To be determined
- Investment share: 45%

(Publicized on May 31, 2012)

## ◆ Acquisition of treasury stocks

- Total number of shares to be acquired: 10,000,000 shares (upper limit)
  - Total acquisition costs: 17 billion yen (upper limit)
  - Acquisition period: From June 7, 2012 through September 28, 2012
- <Status as of end of June 2012>
- Total number of shares acquired: 4,063,700 shares
  - Total acquisition costs: 6,302 million yen

# Consolidated Income Statements



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(JPY Billion)		FY Ended March 2012			FY Ending March 2013			
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>Net Sales</b>		<b>65.3</b>	<b>152.6</b>	<b>395.5</b>	<b>69.9</b>	+7.0%	<b>163.0</b>	<b>470.0</b>
Breakdown	Pachislot and Pachinko Machines	29.9	74.8	212.1	33.7	+12.7%	83.5	286.5
	Amusement Machine Sales	7.6	19.3	49.9	8.3	+9.2%	19.0	40.5
	Amusement Center Operations	10.9	23.2	44.6	10.0	-8.3%	23.0	44.5
	Consumer Business	16.0	33.4	85.6	14.9	-6.9%	31.0	85.0
	Other	0.7	1.6	3.0	2.8	+300.0%	6.5	13.5
	<b>Operating Income</b>	<b>2.9</b>	<b>15.1</b>	<b>58.3</b>	<b>5.4</b>	+86.2%	<b>2.5</b>	<b>66.0</b>
Breakdown	Pachislot and Pachinko Machines	7.1	20.6	71.0	7.8	+9.9%	11.7	70.0
	Amusement Machine Sales	0.1	1.5	7.4	0.2	+100.0%	-0.7	1.3
	Amusement Center Operations	0.6	1.6	0.3	0.4	-33.3%	1.5	1.0
	Consumer Business	-3.8	-6.0	-15.1	-1.5	-	-6.0	0.5
	Other	0.0	0.2	0.2	-0.1	-	-0.5	-0.5
	Eliminations	-1.1	-2.9	-5.4	-1.3	-	-3.5	-6.3
	Operating Income Margin	4.4%	9.9%	14.7%	7.7%	+3.3pt	1.5%	14.0%
<b>Ordinary Income</b>		<b>3.2</b>	<b>14.7</b>	<b>58.1</b>	<b>4.6</b>	+43.8%	<b>2.0</b>	<b>65.0</b>
Extraordinary Gain		0.0	1.1	3.3	0.3	-	-	-
Extraordinary Loss		3.6	5.3	18.5	0.0	-	-	-
<b>Net Income</b>		<b>-2.2</b>	<b>3.9</b>	<b>21.8</b>	<b>2.5</b>	-	<b>3.5</b>	<b>40.0</b>
<b>Dividend Per Share (JPY)</b>		-	<b>20</b>	<b>40</b>	-	-	<b>20</b>	<b>40</b>
<b>Earning Per Share (JPY)</b>		<b>-8.84</b>	<b>15.79</b>	<b>86.73</b>	10.17	-	<b>14.22</b>	<b>164.20</b>
<b>Net Assets Per Share (JPY)</b>		<b>1,081.69</b>	<b>1,115.46</b>	<b>1,167.59</b>	1,136.01	-	-	-



(JPY Billion)	FY Ended March 2012			FY Ending March 2013			
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>R&amp;D Expense / Content Production Expense</b>	<b>11.0</b>	<b>19.7</b>	<b>53.3</b>	<b>9.2</b>	<b>-16.4%</b>	<b>22.3</b>	<b>45.2</b>
<b>Cap-ex</b>	<b>4.4</b>	<b>9.4</b>	<b>36.1</b>	<b>11.1</b>	<b>+152.3%</b>	<b>27.9</b>	<b>41.0</b>
<b>Depreciation</b>	<b>2.9</b>	<b>6.4</b>	<b>16.1</b>	<b>3.2</b>	<b>+10.3%</b>	<b>9.6</b>	<b>21.4</b>
<b>Advertising</b>	<b>3.1</b>	<b>7.6</b>	<b>17.2</b>	<b>2.2</b>	<b>-29.0%</b>	<b>9.5</b>	<b>18.3</b>

# Consolidated Balance Sheet



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(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	End of Previous Fiscal Year	End of 1Q	Change	Account	End of Previous Fiscal Year	End of 1Q	Change
Cash and Deposits	127.7	157.1	+29.4	Notes and accounts payable-trade	59.9	36.8	-23.1
Notes and accounts receivable-trade	73.5	36.2	-37.3	Current portion of bonds	23.5	23.4	-0.1
Short-term investment securities	66.5	27.7	-38.8	Short-term loans payable	10.1	11.2	+1.1
Inventories	34.5	35.3	+0.8	Other	38.8	33.6	-5.2
Other	25.4	39.5	+14.1				
				<b>Total Current Liabilities</b>	<b>132.3</b>	<b>105.0</b>	<b>-27.3</b>
<b>Total Current Assets</b>	<b>327.6</b>	<b>295.8</b>	<b>-31.8</b>	Bonds payable	11.9	16.9	+5.0
Property, plant and equipment	78.1	82.5	+4.4	Long-term loans payable	25.0	34.4	+9.4
Intangible Assets	21.3	21.6	+0.3	Other	31.7	31.4	-0.3
Investment Securities	52.7	47.7	-5.0				
Other	17.7	24.2	+6.5	<b>Total Noncurrent Liabilities</b>	<b>68.6</b>	<b>82.7</b>	<b>+14.1</b>
				<b>Total Liabilities</b>	<b>201.0</b>	<b>187.7</b>	<b>-13.3</b>
				Shareholder's Equity	298.4	289.6	-8.8
				Total accumulated other comprehensive income	-5.3	-9.0	-3.7
				Subscription rights to shares	0.9	1.1	+0.2
				Minority Interest	2.2	2.4	+0.2
<b>Total Noncurrent Assets</b>	<b>169.8</b>	<b>176.0</b>	<b>+6.2</b>	<b>Total Net Assets</b>	<b>296.3</b>	<b>284.1</b>	<b>-12.2</b>
<b>Total Assets</b>	<b>497.4</b>	<b>471.9</b>	<b>-25.5</b>	<b>Total Liabilities and Net Assets</b>	<b>497.4</b>	<b>471.9</b>	<b>-25.5</b>

## Summary of Results Through 1Q

- ◆ Current Assets: Down 31.8 billion yen due to payment of accounts payable etc.
- ◆ Fixed Assets: Up 6.2 billion yen, due to a construction of new plant etc.  
⇒ Total Assets: 471.9 billion yen decreased by 25.5 billion yen
- ◆ Current ratio: 281.6% (+34.1pt)
- ◆ Equity ratio: 59.4% (+0.5pt)

(JPY billion)	End of Previous Fiscal Year	End of 1Q	Difference
<b>Total assets</b>	<b>497.4</b>	<b>471.9</b>	<b>-25.5</b>
<b>Net assets</b>	<b>296.3</b>	<b>284.1</b>	<b>- 12.2</b>
<b>Equity ratio</b>	<b>58.9%</b>	<b>59.4%</b>	<b>+ 0.5 pt</b>
<b>Current ratio</b>	<b>247.5%</b>	<b>281.6%</b>	<b>+34.1 pt</b>

# Segment Results: Pachislot and Pachinko Machines



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(JPY Billion)	FY Ended March 2012			FY Ending March 2013			
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>Net Sales</b>	<b>29.9</b>	<b>74.8</b>	<b>212.1</b>	<b>33.7</b>	<b>+12.7%</b>	<b>83.5</b>	<b>286.5</b>
Pachislot	2.2	15.4	104.3	26.2	+1,090.9%	53.7	143.9
Pachinko	26.5	56.9	101.8	5.1	-80.8%	27.4	137.5
Other	1.2	2.5	6.0	2.4	+100.0%	2.4	5.1
<b>Operating Income</b>	<b>7.1</b>	<b>20.6</b>	<b>71.0</b>	<b>7.8</b>	<b>+9.9%</b>	<b>11.7</b>	<b>70.0</b>
Operating Income Margin	23.7%	27.5%	33.5%	23.1%	-0.6pt	14.0%	24.4%
<b>Unit Sales (Pachislot)</b>	<b>7,633</b>	<b>52,769</b>	<b>300,866</b>	<b>80,906</b>	<b>+960.0%</b>	<b>179,000</b>	<b>473,000</b>
<b>Unit Sales (Pachinko)</b>	<b>82,394</b>	<b>181,589</b>	<b>332,288</b>	<b>23,764</b>	<b>-71.2%</b>	<b>103,000</b>	<b>450,000</b>

Summary of Results Through 1Q		1st Half Forecasts	
Overall	<ul style="list-style-type: none"> <li>◆ Year-on-year, sales and profits increased</li> <li>◆ Effect from reuse of components especially liquid crystal displays</li> </ul>		<ul style="list-style-type: none"> <li>◆ Focus on expansion of sales of titles for pachislot and pachinko machines and improve profitability by reusing of components</li> </ul>
Pachislot	<ul style="list-style-type: none"> <li>◆ Solid sales of several titles</li> <li>⇒ Sammy “Pachislot CODE GEASS Lelouch of the Rebellion”, “Pachislot THE iDOLMASTER LIVE in SLOT!”</li> <li>⇒ Rodeo “Pachislot Monster Hunter” (previous fiscal year)</li> </ul>		<ul style="list-style-type: none"> <li>◆ Plans for sales of several titles</li> <li>⇒ Sammy “Pachislot Ring ni Kakero 1 -The Twelve Gods of Greek Series-” (September)</li> <li>◆ Sale of major titles and mainstay titles will center on 2nd half</li> </ul>
Pachinko	<ul style="list-style-type: none"> <li>◆ There were no plans of selling mainstay titles in 1Q</li> <li>⇒ Sammy “Pachinko CR GAOGAOKING” Series, “Dejiten CR Hokuto No Ken Toki”</li> <li>⇒ TAIYO ELEC “CR Ryu ga Gotoku Kenzan!” Series</li> </ul>		<ul style="list-style-type: none"> <li>◆ Sales of several titles</li> <li>⇒ Sammy “Pachinko CR Virtua Fighter REVOLUTION” (August)</li> <li>“Dejihane CR Nogaremono Orin2” (July)</li> <li>⇒ TAIYO ELEC “CR Chameleon” (August)</li> <li>◆ Sale of major titles and mainstay titles will center on 2nd half</li> </ul>



## Shipment Data: Pachislot

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

Pachislot	FY Ended March 2012			FY Ending March 2013		
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	Forecasts Through 2Q	Full Year Forecasts
<b>Sammy</b>	1title	2titles	4titles	2title	4titles	8titles
	7,613units	20,005units	204,687units	41,523units	105,000units	336,000units
<b>RODEO</b>	0title	1title	3titles	0 title	1title	3titles
	20units	23,465units	82,474units	38,663units	73,000units	133,000units
<b>TAIYO ELEC</b>	0title	1title	4titles	0 title	1title	2titles
	0unit	9,299units	13,705units	720units	1,000units	4,000units
<b>Total</b>	1title	4titles	11titles	2title	6titles	13titles
	7,633units	52,769units	300,866units	80,906units	179,000units	473,000units



“Pachislot CODE GEASS Lelouch of the Rebellion”  
(Sammy)

©SUNRISE/PROJECT GEASS-MBS Character Design ©2006 CLAMP ©NAMCO BANDAI Games Inc. ©Sammy



“Pachislot THE iDOLMASTER LIVE in SLOT!”  
(Sammy)

©Toshiyuki Kubooka ©NAMCO BANDAI Games Inc. ©Sammy

## Major Titles / Pachislot

Brand	Title	Units Sold	Installed from
<b>RODEO</b>	Pachislot Monster Hunter	38,663 units	Previous Fiscal Year
<b>Sammy</b>	Pachislot CODE GEASS Lelouch of the Rebellion	31,108 units	May
<b>Sammy</b>	Pachislot THE iDOLMASTER LIVE in SLOT!	10,401 units	July

\*Aggregated sales of “Pachislot Monster Hunter” since previous fiscal year :95,529 units

## Shipment Data: Pachinko

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

Pachinko	FY Ended March 2012			FY Ending March 2013		
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	Forecasts Through 2Q	Full Year Forecasts
<b>Sammy</b>	2titles	4titles	9titles	2titles	3titles	8titles
	60,383units	153,818units	276,617units	16,273units	50,000units	342,000units
<b>TAIYO ELEC</b>	2titles	3titles	5titles	3titles	5titles	7titles
	22,011units	27,771units	55,671units	7,491units	53,000units	108,000units
<b>Total</b>	4titles	7titles	14titles	5titles	8titles	15titles
	82,394units	181,589units	332,288units	23,764units	103,000units	450,000units
Frame+Board	58,327units	118,311units	158,266units	3,815units	39,450units	309,500units
Board	24,067units	63,278units	174,022units	19,949units	63,550units	140,500units



“Pachinko CR GAOGAOKING” Series  
(Sammy)

©Sammy



“Dejiten CR Hokuto No Ken Toki”  
(Sammy)

©Buronson&Tetsuo Hara/NSP1983 ©NSP2007 ,Approved No.YKN-10  
©Sammy

## Major Titles / Pachinko

Brand	Title	Total Sales	Installed From
<b>Sammy</b>	Pachinko CR GAOGAOKING Series	9,884 units	June
<b>Sammy</b>	Dejiten CR Hokuto No Ken Toki	6,364 units	April
<b>TAIYO ELEC</b>	CR Ryu ga Gotoku Kenzan! Series	3,516 units	May



(JPY Billion)	FY Ended March 2012			FY Ending March 2013			
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>Net Sales</b>	<b>7.6</b>	<b>19.3</b>	<b>49.9</b>	<b>8.3</b>	<b>+9.2%</b>	<b>19.0</b>	<b>40.5</b>
<b>Domestic</b>	<b>6.3</b>	17.1	43.9	<b>6.8</b>	<b>+7.9%</b>	16.9	35.1
<b>Overseas</b>	<b>1.3</b>	2.2	6.0	<b>1.5</b>	<b>+15.4%</b>	2.1	5.4
<b>Operating Income</b>	<b>0.1</b>	<b>1.5</b>	<b>7.4</b>	<b>0.2</b>	<b>+100.0%</b>	<b>-0.7</b>	<b>1.3</b>
Operating Income Margin	1.3%	7.8%	14.8%	2.4%	+1.1pt	-	3.2%
<b>R&amp;D Expense / Content Production Expense</b>	<b>1.8</b>	<b>4.3</b>	<b>9.3</b>	<b>1.8</b>	-	<b>4.4</b>	<b>8.3</b>

## Summary of Results Through 1Q

- ◆ Sales and profit increased year-on-year
- ◆ There were no plans of selling mainstay titles in 1Q
- ◆ Solid distribution of earnings due to utilization of revenue sharing model

## 1st Half Forecasts

- ◆ Major titles to be sold in 2Q :
  - “maimai” (July)
  - “100&medal HYOZAAAN!!” (August)
- ◆ Continuous contribution of earnings due to utilization of revenue sharing model



## Major Titles

Title		Sales
WORLD CLUB Champion Football Series	Trading Card Game	0.5 billion yen
StarHorse3 Season I A NEW LEGEND BEGINS.	Medal Game	0.5 billion yen
BORDER BREAK Series	Video Game	0.5 billion yen

\*Sales figures include consumable sales such as cards and sales of revenue sharing model machine according to utilization.



### “WORLD CLUB Champion Football Series”

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The game is made by Sega in association with Panini.



(JPY billion)	FY Ended March 2012			FY Ending March 2013			
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>Net Sales</b>	<b>10.9</b>	<b>23.2</b>	<b>44.6</b>	<b>10.0</b>	<b>-8.3%</b>	<b>23.0</b>	<b>44.5</b>
<b>Operating Income</b>	<b>0.6</b>	<b>1.6</b>	<b>0.3</b>	<b>0.4</b>	<b>-33.3%</b>	<b>1.5</b>	<b>1.0</b>
Operating Income Margin	5.5%	6.9%	0.7%	4.0%	-1.5pt	6.5%	2.2%
<b>SEGA Same Store Sales Comparisons</b>	<b>102.5%</b>	<b>101.2%</b>	<b>100.5%</b>	<b>94.6%</b>	-	<b>98.8%</b>	<b>99.0%</b>
<b>Domestic Facilities</b>	<b>248facilities</b>	<b>248facilities</b>	<b>241facilities</b>	<b>240facilities</b>	-	<b>238facilities</b>	<b>237facilities</b>
<b>SEGA</b>	Opened	2facilities	2facilities	3facilities	1facility	2facilities	6facilities
	Closed	3facilities	3facilities	10facilities	2facilities	5facilities	9facilities
	<b>Total</b>	<b>205facilities</b>	<b>205facilities</b>	<b>199facilities</b>	<b>198facilities</b>	-	<b>196facilities</b>
<b>Other</b>	Opened	1facility	1facility	2facilities	0facility	0facility	1facility
	Closed	0facility	0facility	2facilities	0facility	0facility	2facilities
	<b>Total</b>	<b>43facilities</b>	<b>43facilities</b>	<b>42facilities</b>	<b>42facilities</b>	-	<b>42facilities</b>
<b>Overseas Facilities</b>	<b>3facilities</b>	<b>3facilities</b>	<b>3facilities</b>	<b>3facilities</b>	-	<b>3facilities</b>	<b>3facilities</b>
<b>Cap-ex</b>	<b>1.0</b>	<b>2.4</b>	<b>8.3</b>	<b>2.0</b>	<b>+100.0%</b>	<b>5.7</b>	<b>9.7</b>
<b>Depreciation</b>	<b>1.0</b>	<b>2.3</b>	<b>6.1</b>	<b>0.9</b>	<b>-10.0%</b>	<b>3.7</b>	<b>6.8</b>

## Summary of Results Through 1Q

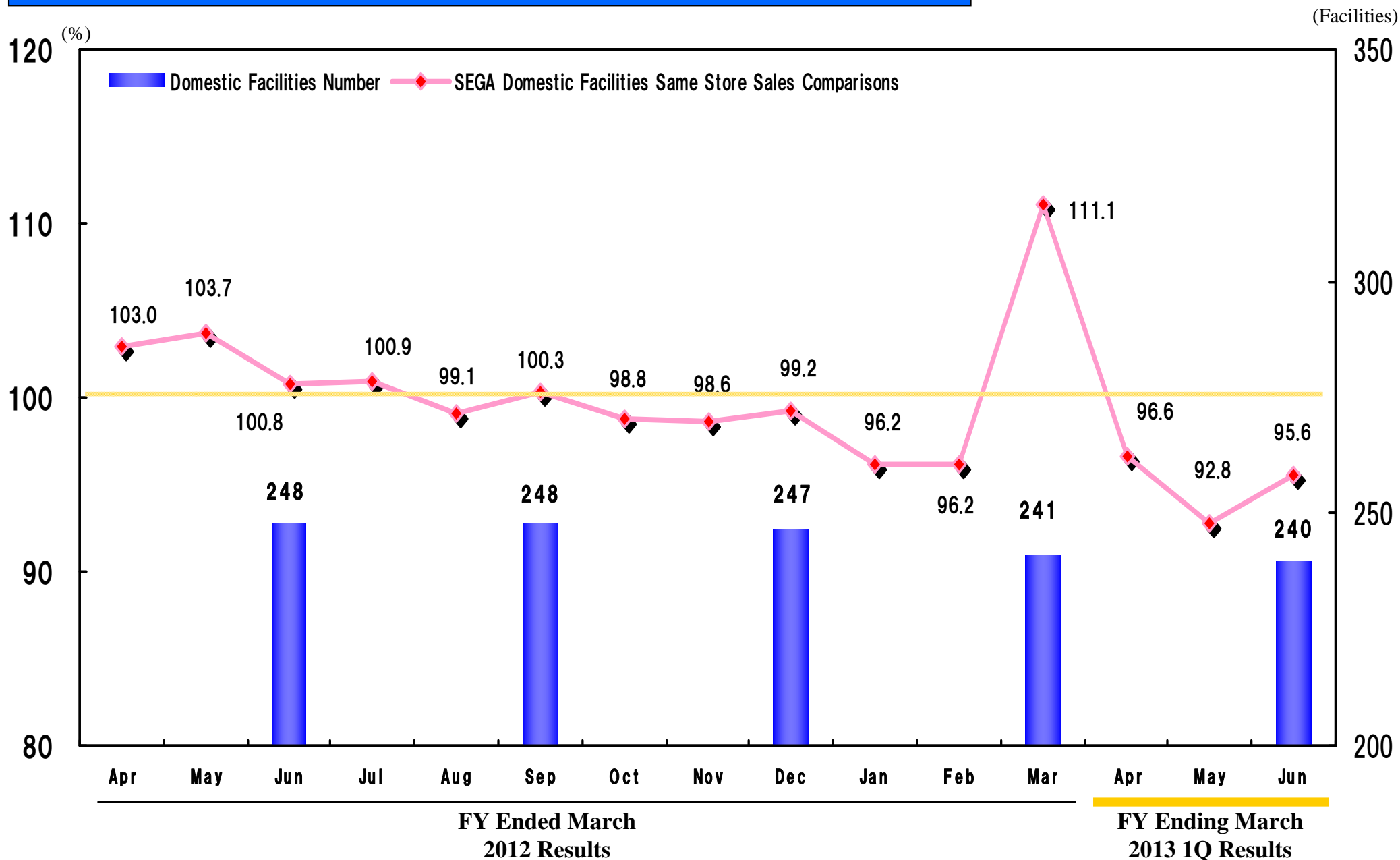
- ◆ Decreased sales and profits year-on-year
- ◆ SEGA domestic same-store sales  
1Q Results **94.6%** (April : **96.6%**, May : **92.8%**, June : **95.6%**)
- ◆ Domestic Facilities : End of 1Q **240** (Openings : **1**, Closures : **2**)

## 1st Half Forecasts

- ◆ Domestic same-store sales comparison: 1<sup>st</sup> half: **98.8%**
- ◆ Domestic Facilities : End of 1<sup>st</sup> half **238** (Openings : **2**, Closures : **5**)
- ◆ Renewal opening of “Tokyo Joypolis” (July)



## SEGA Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition





## Structural Reform of SEGA CORPORATION's Consumer Business

Reduced selling, general and administrative expenses by streamlining organizations and building a structure that can create stable earnings

<p>◆ Streamlined organizations</p>	<p>Streamlined organizations in the U.S. and European markets</p> <ul style="list-style-type: none"> <li>⇒ Close bases in France, Germany, Spain, Australia and Benelux</li> <li>⇒ Employed Koch Media, Level03 and 5 Star as external distributors</li> <li>⇒ Employees in the U.S. and Europe from 345 (end of March 2012) to 215 (end of July 2012)</li> </ul>
<p>◆ Reduction of number of titles</p>	<p>Reduce sales titles to strong IPs expected to post solid earnings in the packaged games sales field</p> <ul style="list-style-type: none"> <li>⇒ Focus on mainstay IPs such as Sonic the Hedgehog, Total War, Football Manager and Aliens</li> <li>⇒ Number of titles launched: 45 titles in previous fiscal year → 24 titles planned for this fiscal year</li> <li>⇒ Packaged games unit sales: 17.24 million units in previous fiscal year → 8.94 million units planned for this fiscal year</li> </ul>

\*Expenses concerning structural reform (streamline organizations, loss from the suspension of the development of some products, reserve allowance for expenses among inventories and booking impairment loss on work in progress assets) posted entirely in previous fiscal year (extraordinary loss of 6.6 billion yen; costs of 4.9 billion yen)

## Launch of SEGA Networks, Ltd.

<p>◆ Launch of SEGA Networks, Ltd.</p>	<p>Company split of main functions of network business operated by SEGA and transfer such to newly established SEGA Networks, Ltd. (as of July 2nd 2012)</p> <p>⇒ Seek to maximize earnings from network business by speeding up management decision making and providing services that cater to diversifying needs of customers</p>
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# Segment Results : Consumer Business



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(JPY billion)	FY Ended March 2012			FY Ending March 2013			
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	Full Year Forecasts
<b>Net Sales</b>	<b>16.0</b>	<b>33.4</b>	<b>85.6</b>	<b>14.9</b>	<b>-6.9%</b>	<b>31.0</b>	<b>85.0</b>
Packaged Games	12.0	24.4	66.4	6.7	-	9.8	32.2
Digital Games	1.9	4.5	8.9	5.1	-	12.9	32.2
Toy	2.2	4.6	10.4	1.4	<b>-26.3%</b>	4.0	9.4
Animation	-0.1	-0.1	-0.1	1.7	<b>-22.7%</b>	4.1	10.8
Others / Elimination	-	-	-	0.0	-	0.2	0.4
<b>Operating Income</b>	<b>-3.8</b>	<b>-6.0</b>	<b>-15.1</b>	<b>-1.5</b>	-	<b>-6.0</b>	<b>0.5</b>
Operating Income Margin	-	-	-	-	-	-	0.6%
<b>Units Sales (Thousands)</b>	<b>2,330</b>	<b>4,840</b>	<b>17,240</b>	<b>1,340</b>	<b>-42.5%</b>	<b>1,770</b>	<b>8,940</b>
<b>R&amp;D / Content Production Expense</b>	<b>5.9</b>	<b>8.4</b>	<b>29.3</b>	<b>2.9</b>	<b>-50.8%</b>	<b>6.5</b>	<b>16.9</b>
<b>Cap-ex</b>	<b>1.7</b>	<b>3.6</b>	<b>10.7</b>	<b>2.5</b>	<b>+47.1%</b>	<b>5.8</b>	<b>9.6</b>
<b>Depreciation</b>	<b>0.8</b>	<b>1.7</b>	<b>4.0</b>	<b>1.0</b>	<b>+25.0%</b>	<b>2.9</b>	<b>6.5</b>

## Summary of Results Through 1Q

Overall	◆ Year-on-year sales decreased and loss reduced
Packaged Games	◆ As a result of the impact of reducing number of titles as a measure of structural reform in the U.S. and Europe, packaged games sales will perform at a lower level year-on-year
Digital Games	◆ Full-scale digital content development ⇒ “ <b>Kingdom Conquest</b> ”: Achieved 3 million downloads ⇒ Launched free download (charging for specific items) title “ <b>SAMURAI &amp; DRAGONS</b> ” service for the PSVita ⇒ Introduction of several new titles such as “ <b>Sakatsuku Social World Stars</b> ” and “ <b>Miku Flick</b> ” ◆ Solid pay-per-use service in pachinko/pachislot game sites for mobile phones/PCs
Toy	◆ Solid sales of mainstay products such as “ <b>Anpanman Words Book</b> ”
Animation	◆ Solid sales in television program ◆ Good reviews for the new TV series of Lupin the Third “ <b>LUPIN THE 3RD -The Woman Called Fujiko Mine-</b> ”

## 1st Half Forecasts

◆ Forecasting improvement in earnings through reduction of operating expenses
◆ Planned introduction of major titles in 2nd half
◆ Mainstay packaged games to be sold in 2Q: Domestic: “ <b>HATSUNE MIKU -Project DIVA- f</b> ” (August)
◆ Strong in service of mainstay title of this period “ <b>Phantasy Star Online 2</b> ”
◆ Reinforced pachinko/pachislot game sites for smartphones (began iOS compatibility in 1 <sup>st</sup> half)
◆ Focus on expanding sales of domestic mainstay products such as “ <b>Anpanman Words Book DX</b> ” and “ <b>Jewel Pod Diamond</b> ”
◆ Solid distribution of earnings from the movie “ <b>DETECTIVE CONAN: The Eleventh Striker</b> ”



# Segment Results : Consumer Business



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## Sales Results / Packaged Games

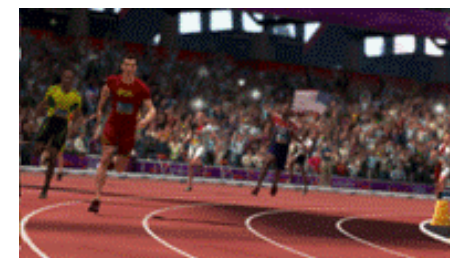
\* Number of titles reflects products which begin sales in the period  
(Number of titles by platform is based on SKU)

Breakdown by Region	FY Ended March 2012						FY Ending March 2013					
	Results Through 1Q		Results Through 2Q		Full Year Results		Results Through 1Q		Forecasts Through 2Q		Full Year Forecasts	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
Japan / Other	2 (3)	600	5 (6)	1,060	16 (24)	2,800	5 (6)	230	6 (7)	580	11 (13)	2,060
US	3 (8)	700	5 (14)	1,650	14 (29)	6,140	1 (3)	400	2 (3)	410	7 (13)	2,850
Europe	4 (10)	1,020	6 (16)	2,120	15 (33)	8,290	1 (3)	700	1 (3)	770	6 (14)	4,020
<b>Total</b>	<b>9 (21)</b>	<b>2,330</b>	<b>16 (36)</b>	<b>4,840</b>	<b>45 (86)</b>	<b>17,240</b>	<b>7 (12)</b>	<b>1,340</b>	<b>9 (13)</b>	<b>1,770</b>	<b>24 (40)</b>	<b>8,940</b>

Breakdown by Platform	FY Ended March 2012						FY Ending March 2013					
	Results Through 1Q		Results Through 2Q		Full Year Results		Results Through 1Q		Forecasts Through 2Q		Full Year Forecasts	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS3	7	910	8	1,120	19	2,450	5	320	5	380	12	2,430
Wii	6	300	8	390	11	3,050	0	0	0	0	0	0
Xbox360	5	290	10	680	16	1,540	3	210	3	210	7	1,540
NDS	2	80	6	290	7	370	0	0	0	0	0	0
3DS	0	0	2	30	18	1,790	0	0	1	20	3	380
PSP	0	0	1	200	7	1,110	0	0	0	0	2	250
PSV	-	-	-	-	3	150	2	10	3	260	8	600
PC	1	0	1	20	5	950	2	30	1	70	8	1,560
Catalogue	-	730	-	2,090	-	5,800	-	750	-	810	-	2,180
<b>Total</b>	<b>21</b>	<b>2,330</b>	<b>36</b>	<b>4,840</b>	<b>86</b>	<b>17,240</b>	<b>12</b>	<b>1,340</b>	<b>13</b>	<b>1,770</b>	<b>40</b>	<b>8,940</b>

## Major Titles / Packaged Games

Title (Region)	Platform	Sales Results (thousand units)	Sold From
London 2012: The Official Video Game of the Olympic Games (Europe / US)	PS3, Xbox360, PC	510	June



### ”London 2012: The Official Video Game of the Olympic Games”

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## Major Titles / Digital Games

Titles	Platform	Time of release and service starts
Kingdom Conquest	iOS, Android	Two fiscal periods ago
SAMURAI & DRAGONS	PSV	Download : Previous Fiscal Year Package : May
Miku Flick	iOS	Previous Fiscal Year
Sakatsuku Social World Stars	DeNA	June

\*“SAMURAI & DRAGONS” offer packaged sales that also include paid items

# Appendix



SEGA-SAMMY  
HOLDINGS

## ◆ Pachislot Installed Base / Unit Sales / Market Scale

	2006	2007	2008	2009	2010	2011
Number of Pachislot Machines installed (Units)	2,003,482	1,635,860	1,448,773	1,347,176	1,390,492	1,474,838
Number of Pachislot Machines sold annually (Units)	1,647,759	1,744,308	913,094	766,094	979,794	1,271,924
Pachislot Machine Market Size (JPY Million)	490,959	502,501	247,860	225,860	286,700	376,901

## ◆ Pachinko Installed Base / Unit Sales / Market Scale

	2006	2007	2008	2009	2010	2011
Number of Pachinko Machines installed (Units)	2,932,952	2,954,386	3,076,421	3,158,799	3,163,650	3,107,688
Number of Pachinko Machines sold annually (Units)	3,837,960	3,173,725	3,339,146	3,332,984	2,900,286	2,607,560
Pachinko Machine Market Size (JPY Million)	898,646	868,623	921,338	985,227	886,914	825,476

## ◆ Pachinko Pachislot Market Installed Base / Unit Sales / Market Scale

	2006	2007	2008	2009	2010	2011
Number of Machines installed (Units)	4,936,434	4,590,246	4,525,194	4,505,975	4,554,142	4,582,526
Number of Machines sold annually (Units)	5,485,719	4,918,033	4,252,240	4,099,078	3,880,080	3,879,484
Total Machine Market Size (JPY Million)	1,389,605	1,371,124	1,169,198	1,211,087	1,173,614	1,202,377

	2006	2007	2008	2009	2010	2011
Total Number of Pachinko Halls	14,674	13,585	12,937	12,652	12,479	12,323
Number of Halls with pachinko and pachislot machines installed	12,588	12,039	11,800	11,722	11,576	11,392
Number of Halls with only pachislot machines installed	2,086	1,546	1,137	930	903	931

\*Number of pachinko halls with pachinko machines installed includes halls that combine installations of pachinko machines, pachislot machines.

Source: National Police Agency, Yano Research Institute Ltd., Japan Productivity Center for Socio-Economic Development.



## ◆ Share of Annual Pachislot Machine Sales

Rank	2008			2009			2010			2011		
	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share
1	Y Company	172,000	18.8%	<b>Sammy</b>	<b>162,932</b>	<b>21.3%</b>	<b>Sammy</b>	<b>302,270</b>	<b>30.9%</b>	<b>Sammy</b>	<b>300,866</b>	<b>23.7%</b>
2	S Company	133,714	14.6%	S Company	104,266	13.6%	D Company	117,000	11.9%	D Company	200,000	15.7%
3	<b>Sammy</b>	<b>123,286</b>	<b>13.5%</b>	U Company	100,000	13.1%	S Company	116,424	11.9%	Y Company	196,000	15.4%
4	H Company	68,000	7.4%	Y Company	73,000	9.5%	H Company	111,000	11.3%	U Company	179,000	14.1%
5	K Company	59,000	6.5%	K Company	60,000	7.8%	U Company	103,000	10.5%	S Company	96,158	7.6%

## ◆ Share of Annual Pachinko Machine Sales

Rank	2008			2009			2010			2011		
	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share	Manufacturer	Units Sold	Share
1	S Company	810,000	24.3%	S Company	600,000	18.0%	S Company	653,000	22.5%	K Company	485,000	18.6%
2	S Company	451,941	13.5%	S Company	572,464	17.2%	S Company	424,533	14.6%	S Company	360,805	13.8%
3	<b>Sammy</b>	<b>391,831</b>	<b>11.7%</b>	K Company	426,000	12.8%	<b>Sammy</b>	<b>343,188</b>	<b>11.8%</b>	<b>Sammy</b>	<b>332,288</b>	<b>12.7%</b>
4	N Company	349,000	10.5%	N Company	395,000	11.9%	K Company	322,000	11.1%	S Company	332,000	12.7%
5	K Company	340,000	10.2%	<b>Sammy</b>	<b>360,171</b>	<b>10.8%</b>	N Company	296,000	10.2%	N Company	255,000	9.8%

Source: Yano Research Institute Ltd.

\*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria



## ◆ Amusement Machine and Amusement Center Operations Markets Scale

(JPY billion)

	2006	2007	2008	2009	2010	2011
Amusement Machines Net Sales	223.3	219.0	196.1	169.6	173.1	-
Amusement Facilities Operations Net Sales	702.8	678.0	573.1	504.2	495.7	-
Market Size of Amusement	926.2	897.0	769.2	673.8	668.8	-

	2006	2007	2008	2009	2010	2011
Number of Amusement Facilities (Facilities)	9,091	8,652	8,137	7,662	7,137	6,648
Number of Amusement Machine units installed (Units)	460,031	474,808	486,582	484,804	473,601	461,465
Number of Amusement Machine units installed per center (Units)	50.6	54.9	59.8	63.3	66.4	69.4

Source: JAIA, National Police Agency

## ◆ Home Video Game Market Scale

(JPY billion)

	2006	2007	2008	2009	2010	2011
Software shipment	674.1	848.6	1,024.3	758.6	670.5	-
Hardware shipment	958.1	2,087.7	1,908.3	1,490.8	1,126.9	-
Total Home Video Game Market Scale	1,632.2	2,936.3	2,932.6	2,249.4	1,797.4	-

Source: 2011CESA Games White Paper

# Past Operating Results



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## From FY Ended March 2009 to FY Ending March 2013

\*Number of titles reflects products which begin sales in the period (Numbers shown in parentheses are based on SKU)

\* The data in this page can be downloaded from following URL. ([http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2013/e\\_201303\\_1qttransition.xls](http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2013/e_201303_1qttransition.xls))

(JPY billion)		FY Ended March 2009	FY Ended March 2010	FY Ended March 2011		FY Ended March 2012			FY Ending March 2013	
		Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 1Q	Results Through 2Q	Results Through 3Q	Full Year Results	Results Through 1Q
Breakdown	<b>Net Sales</b>	429.1	384.6	217.8	396.7	65.3	152.6	311.6	395.5	69.9
	Pachislot and Pachinko Machines	161.6	160.3	134.2	212.0	29.9	74.8	177.5	212.1	33.7
	Amusement Machines Sales	61.9	45.1	19.6	47.2	7.6	19.3	34.0	49.9	8.3
	Amusement Center Operations	71.3	54.7	23.6	45.6	10.9	23.2	33.9	44.6	10.0
	Consumer Business	131.3	121.5	38.7	88.8	16.0	33.4	63.5	85.6	14.9
	Other	2.9	2.8	1.5	2.8	0.7	1.6	2.4	3.0	2.8
Breakdown	<b>Operating Income</b>	8.3	36.7	46.8	68.7	2.9	15.1	64.3	58.3	5.4
	Pachislot and Pachinko Machines	14.5	29.5	47.6	64.2	7.1	20.6	67.4	71.0	7.8
	Amusement Machines Sales	6.8	7.0	1.9	7.3	0.1	1.5	5.0	7.4	0.2
	Amusement Center Operations	-7.5	-1.3	1.1	0.3	0.6	1.6	1.2	0.3	0.4
	Consumer Business	-0.9	6.3	-1.3	1.9	-3.8	-6.0	-5.5	-15.1	-1.5
	Other	0.3	0.3	0.1	0.0	0.0	0.2	0.2	0.2	-0.1
	Eliminations	-4.9	-5.2	-2.7	-5.1	-1.1	-2.9	-4.2	-5.4	-1.3
Operating Margin	1.9%	9.5%	21.5%	17.3%	4.4%	9.9%	20.6%	14.7%	7.7%	
<b>Ordinary Income</b>	6.6	35.9	46.0	68.1	3.2	14.7	63.4	58.1	4.6	
Ordinary Income Margin	1.5%	9.3%	21.1%	17.2%	4.9%	9.6%	20.3%	14.7%	6.6%	
<b>Net Income</b>	-22.8	20.2	24.3	41.5	-2.2	3.9	34.3	21.8	2.5	
Net Income Margin	-	5.3%	11.2%	10.5%	-	2.6%	11.0%	5.5%	3.6%	
<b>R&amp;D expense / content production expense</b>	59.6	41.5	18.6	41.1	11.0	19.7	31.5	53.3	9.2	
<b>Cap-ex</b>	26.6	16.1	6.5	19.6	4.4	9.4	27.8	36.1	11.1	
<b>Depreciation</b>	26.6	17.1	7.3	15.9	2.9	6.4	10.7	16.1	3.2	
<b>Advertising</b>	20.7	20.7	7.3	15.1	3.1	7.6	12.5	17.2	2.2	
# of pachislot titles	19 titles	12 titles	4 titles	10 titles	1 title	4 titles	7 titles	11 titles	2 titles	
Unit sales	123,286 units	162,932 units	201,402 units	302,270 units	7,633 units	52,769 units	228,646 units	300,866 units	80,906 units	
# of pachinko titles	12 titles	13 titles	8 titles	12 titles	4 titles	7 titles	11 titles	14 titles	5 titles	
Unit sales	391,831 units	360,171 units	198,230 units	343,188 units	82,394 units	181,589 units	287,722 units	332,288 units	23,764 units	
SEGA Same Store Sales Comparisons	92.4%	91.7%	99.9%	99.3%	102.5%	101.2%	100.5%	100.5%	94.6%	
Domestic Facilities	322 facilities	260 facilities	252 facilities	249 facilities	248 facilities	248 facilities	247 facilities	241 facilities	240 facilities	
# of game software titles	78 (122)	66 (105)	20 (33)	51 (71)	9 (21)	16 (36)	32 (66)	45 (86)	7 (12)	
Sales (Thousand units)	29,470	26,750	6,600	18,710	2,330	4,840	12,600	17,240	1,340	





# SEGA-SAMMY H O L D I N G S

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

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