

# FY 2009 1st Quarter Results

August 1st, 2008

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 1<sup>st</sup> Quarter Results 】

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Items	Points	
<b>Net Sales・Profits</b>	<p>Net sales: 74.6 Billion, Operating loss: 10.2 Billion, Net loss: 10.5 Billion            Decrease in sales and expansion of loss, but in line with plan.            ⇒No change of full year plan</p>	
<b>Segment Overview</b>	<p>■ <b>Pachinko Pachislot</b></p>	<ul style="list-style-type: none"> <li>▪ Decrease in sales and profits year-over-year, posted operating loss</li> <li>▪ No major new titles yet - main titles to be released in 2Q onward</li> <li>▪ Pachislot machine sales were below last year level</li> <li>▪ Pachinko machine sales were above last year level with business contribution by TAIYO ELEC that became a subsidiary after 2<sup>nd</sup> half of previous fiscal year although the introduction of a certain title was postponed.</li> </ul>
	<p>■ <b>Amusement Machine</b></p>	<ul style="list-style-type: none"> <li>▪ Decrease in sales and profits year over year</li> <li>▪ Continued to sell the products introduced in the prior fiscal year</li> <li>▪ Introduced “WORLD CLUB Champion Football Intercontinental Clubs 2006-2007” from June, main title of this fiscal year.</li> </ul>
	<p>■ <b>Amusement Facilities</b></p>	<ul style="list-style-type: none"> <li>▪ Decrease in sales, expansion of operating loss</li> <li>▪ Same store sales below last year’s level</li> <li>▪ Continued closure and selling facilities with low profitability</li> </ul>
	<p>■ <b>Consumer</b></p>	<ul style="list-style-type: none"> <li>▪ Increase in revenue, narrower operating loss</li> <li>▪ Overseas sales continuously strong, movie contents titles</li> <li>▪ Domestic sales also steady</li> </ul>
	<p>■ <b>Others</b></p>	<ul style="list-style-type: none"> <li>▪ Decrease in sales due to sale of subsidiary company</li> <li>▪ Returned to profitability</li> </ul>

(JPY Billions)	FY 2008			FY 2009			
	1Q	Interim	FY	1Q	YOY Change	Interim	FY
	Results	Results	Results	Results		Plan	Plan
<b>Net Sales</b>	95.4	231.0	458.9	74.6	-21.8%	200.0	470.0
<b>Operating Income</b>	-2.4	-4.3	-5.8	-10.2	—	-10.0	15.0
Operating margin	—	—	—	—	—	—	3.2%
<b>Ordinary Income</b>	-1.4	-3.9	-8.2	-9.8	—	-11.0	13.0
Ordinary income margin	—	—	—	—	—	—	2.8%
<b>Net Income</b>	-5.0	-20.2	-52.4	-10.5	—	-12.0	5.0
Net income margin	—	—	—	—	—	—	1.1%
<b>Dividend per share</b>	—	30	45	—	—	15	30
Earning per share (Yen)	-20.19	-80.44	-208.26	-41.81		-47.63	19.85
Net assets per share (Yen)	1281.36	1196.21	1030.09	989.32			

# Condensed Consolidated Balance Sheet

Units: JPY Millions

【 Assets 】				【 Liabilities and Net Assets 】			
Account	Prior	Current	Change	Account	Prior	Current	Change
Cash and Cash Equivalents	101,539	103,699	2,160	Accounts Payable	49,496	32,769	-16,727
Accounts Receivable	72,541	40,637	-31,904	Short term borrowings	27,455	32,767	5,311
Securities	2,495	3,497	1,002	Other	55,911	43,199	-12,712
Inventories	51,435	50,606	-829				
Other	47,026	42,983	-4,043	<b>Total Current Liabilities</b>	<b>132,863</b>	<b>108,735</b>	<b>-24,127</b>
				Bonds Payable	25,679	25,679	0
<b>Total Current Assets</b>	<b>275,038</b>	<b>241,423</b>	<b>-33,614</b>	Long Term Debt	6,988	6,738	-249
Tangible Fixed Assets	104,029	104,334	305	Other	22,483	22,552	68
Intangible Fixed Assets	20,217	20,292	75				
Investment Securities	35,608	35,356	-251	<b>Total Long-term Liabilities</b>	<b>55,151</b>	<b>54,970</b>	<b>-181</b>
Other	34,749	33,442	-1,307	<b>Total Liabilities</b>	<b>188,014</b>	<b>163,705</b>	<b>-24,309</b>
				Shareholders Equity	278,253	263,952	-14,300
				Valuation/Translation Adjustments	-18,733	-14,709	4,024
				Warrants	1,070	1,202	131
				Minority Interest	21,038	20,699	-339
<b>Total Fixed Assets</b>	<b>194,604</b>	<b>193,425</b>	<b>-1,178</b>	<b>Total Net Assets</b>	<b>281,627</b>	<b>271,144</b>	<b>-10,483</b>
<b>Total Assets</b>	<b>469,642</b>	<b>434,849</b>	<b>-34,792</b>	<b>Total Liabilities and Net Assets</b>	<b>469,642</b>	<b>434,849</b>	<b>-34,792</b>

## Topics

■ Equity ratio was 57.3% at the end of 1Q, improved from 55.3% at the end of the previous fiscal year. Still keeps strong financial position

# Segment Information

(JPY Billions)	FY 2008			FY 2009			
	1Q	Interim	FY	1Q	YOY Change	Interim	FY
	Results	Results	Results	Results		Plan	Plan
<b>Net Sales</b>	<b>95.4</b>	<b>231.0</b>	<b>458.9</b>	<b>74.6</b>	-21.8%	<b>200.0</b>	<b>470.0</b>
Pachinko Pachislot	37.9	99.7	145.5	12.0	-68.3%	68.0	160.0
Amusement Machines	15.2	34.3	71.0	13.7	-9.9%	36.5	76.0
Amusement Facilities	22.8	47.9	91.2	17.4	-23.7%	39.0	78.0
Consumer	16.0	41.2	141.7	30.5	+90.6%	55.0	153.0
Other	3.3	7.7	9.3	0.8	-75.8%	1.5	3.0
<b>Operating Income</b>	<b>-2.4</b>	<b>-4.3</b>	<b>-5.8</b>	<b>-10.2</b>	—	<b>-10.0</b>	<b>15.0</b>
Pachinko Pachislot	6.6	12.1	8.4	-4.3	—	2.5	13.0
Amusement Machines	0.6	1.8	7.1	0.7	+16.7%	2.0	5.5
Amusement Facilities	-0.8	-2.2	-9.8	-1.5	—	-0.8	-1.5
Consumer	-7.2	-12.5	-5.9	-4.1	—	-10.8	3.3
Other	-0.1	-0.2	0.0	0.0	—	0.1	0.1
Eliminations	-1.5	-3.4	-5.5	-1.0	—	-3.0	-5.4
Operating margin	—	—	—	—	—	—	3.2%
Pachinko Pachislot	17.4%	12.1%	5.8%	—	—	3.7%	8.1%
Amusement Machines	3.9%	5.2%	10.0%	5.1%	+1.2pt	5.5%	7.2%
Amusement Facilities	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	2.2%

## 1Q Results

Pachislot

- Units sales decreased year-over-year
- Repeat orders for “Pachislot Hokuto no Ken Next Zone” proceeded well in 1Q  
⇒ Introduced new panel for “Hokuto NZ”
- Sales of “Fighting Beauty Wolong” was below our plan, but the utilization after installation is relatively high, which garner repeat orders in Q2 and will impact on new titles to be launched in 2Q positively.
- Sales at subsidiary brands  
⇒ Rodeo: “Sonic Live”  
⇒ Taiyo Elec: “Nekketsu Koha Kunio-kun”

Pachinko

- Units sold increased year-over-year
- Steady sales of Taiyo Elec branded “CR SAMURAI CHAMPULOO”
- “CR Back to the Future” under Sammy brand and Ginza branded “The Dog of Flanders” were below our forecast
- “CR Virtua Fighter” was postponed

## 1<sup>st</sup> Half Outlook

Pachislot

- Sales of “Momotaro Dentetsu” was strong and above plan
- Launch of Ginza branded “THE BLUE HERTS” ⇒ Title with new entertainment feature relating to partially relaxed items of interpretation of regulation. It will widen potential of reg-5 machine from now onward.
- Will be announcing new titles as appropriate upon reflection on market movements
- Continue cost reduction  
⇒ To continue recycle activities and reduce manufacturing cost. To release “Hard-boiled” and other machines

Pachinko

- Strong demand for “CR Hokuto no Ken” to be released in September.  
⇒ Plan is 70 thousand units. Orders has already exceeded 100 thousand units
- Other titles to be announced according to market situation

## 1Q Results

(JPY Billions)	FY 2008			FY 2009			
	1Q Results	Interim Results	FY Results	1Q Results	YOY Change	Interim Plan	Full year Plan
<b>Net sales</b>	<b>37.9</b>	<b>99.7</b>	<b>145.5</b>	<b>12.0</b>	-68.3%	<b>68.0</b>	<b>160.0</b>
Pachislot	32.9	78.8	103.7	4.8	-85.4%	27.9	70.1
Pachinko	2.3	14.1	28.1	5.2	+126.1%	34.9	77.3
Peripherals and other	2.8	6.8	13.8	2.0	-28.6%	5.2	12.5
<b>Operating Income</b>	<b>6.6</b>	<b>12.1</b>	<b>8.4</b>	<b>-4.3</b>	—	<b>2.5</b>	<b>13.0</b>
Operating margin	17.4%	12.1%	5.8%	—	—	3.7%	8.1%

## Sales Breakdown

(JPY Billions)	FY 2008			FY 2009		
	1Q Results	Interim Results	FY Results	1Q Results	Interim Plan	Full year Plan
<b>Sammy</b>	4titles 27,026units	5titles 147,819units	6titles 167,879units	1titles 7,693units	3titles 40,000units	7titles 100,000units
<b>RODEO</b>	1titles 47,290units	3titles 58,336units	5titles 85,117units	1titles 4,253units	2titles 20,000units	4titles 55,000units
<b>GINZA</b>	1titles 36,813units	2titles 76,166units	3titles 84,639units	1titles 290units	2titles 25,000units	5titles 60,000units
<b>TAIYO ELEC</b>			1titles 10,947units	1titles 2,662units	1titles 5,000units	3titles 15,000units
Unit supply	3titles 15,008units	6titles 28,175units	7titles 32,106units	0titles 150units	2titles 8,000units	4titles 18,000units
<b>Total</b>	9titles 126,137units	16titles 310,496units	22titles 380,688units	4titles 15,048units	10titles 98,000units	23titles 248,000units

## Major Products

Brand	Title	1Q Sales	Installed From
<b>Sammy</b>	Pachislot Hokuto no Ken Next Zone	6,226 units	Previous FY
<b>RODEO</b>	Salary Man Kintaro	2,740 units	Previous FY

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




\* Unit Supply includes the supply of parts to other makers





## 1Q Results

(JPY Billions)	FY 2008			FY 2009			
	1Q Results	Interim Results	FY Results	1Q Results	YOY Change	Interim Plan	Full year Plan
<b>Net sales</b>	<b>37.9</b>	<b>99.7</b>	<b>145.5</b>	<b>12.0</b>	-68.3%	<b>68.0</b>	<b>160.0</b>
Pachislot	32.9	78.8	103.7	4.8	-85.4%	27.9	70.1
Pachinko	2.3	14.1	28.1	5.2	+126.1%	34.9	77.3
Peripherals and other	2.8	6.8	13.8	2.0	-28.6%	5.2	12.5
<b>Operating Income</b>	<b>6.6</b>	<b>12.1</b>	<b>8.4</b>	<b>-4.3</b>	—	<b>2.5</b>	<b>13.0</b>
Operating margin	17.4%	12.1%	5.8%	—	—	3.7%	8.1%

## Sales Breakdown

	FY 2008			FY 2009		
	1Q Results	Interim Results	FY Results	1Q Results	Interim Plan	Full year Plan
 <b>Sammy</b>	0titles	1titles	3titles	1titles	3titles	6titles
	7,538units	51,931units	55,617units	3,010units	75,000units	130,000units
 <b>GINZA</b>	1titles	1titles	2titles	1titles	2titles	4titles
	2,131units	4,710units	10,931units	1,142units	10,000units	50,000units
 <b>TAIYO ELEC</b>			4titles	1titles	3titles	6titles
			41,636units	15,552units	40,000units	100,000units
<b>Total</b>	1titles	2titles	9titles	3titles	8titles	16titles
	9,669units	56,641units	108,184units	19,704units	125,000units	280,000units

## Major Products

Brand	Title	1Q Sales	Installed From
 <b>Sammy</b>	CR Back to the Future	3,010 units	May
 <b>TAIYO ELEC</b>	CR SAMURAI CHAMPLOO	15,456 units	May

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

## 1Q Results

### ■ Domestic sales were largely steady

Sales of “WORLD Club Champion Football Intercontinental Clubs 2006-2007” were strong.

### ■ Overseas sales were generally steady

Europe : “SEGA RALLY”

US and Asia : Continued sales of products introduced in the prior period

⇒ “Let’s Go JUNGLE!”

## 1<sup>st</sup> Half Outlook

### ■ Expand sales of main titles for domestic market

⇒ “WORLD Club Champion Football Intercontinental Clubs 2006-2007”

⇒ “Galileo Factory”

### ■ Expand sales of main titles for overseas market

Continue to sell products launched in the previous fiscal year

## 1Q Results

(JPY Billions)	FY 2008			FY 2009			
	1Q Results	Interim Results	FY Results	1Q Results	YOY Change	Interim Plan	Full year Plan
<b>Net Sales</b>	<b>15.2</b>	<b>34.3</b>	<b>71.0</b>	<b>13.7</b>	-9.9%	<b>36.5</b>	<b>76.0</b>
Domestic	12.5	28.0	60.7	12.0	-4.0%	32.7	64.0
Overseas	2.7	6.3	10.4	1.7	-37.0%	3.8	12.0
<b>Operating Income</b>	<b>0.6</b>	<b>1.8</b>	<b>7.1</b>	<b>0.7</b>	+16.7%	<b>2.0</b>	<b>5.5</b>
Operating margin	3.9%	5.2%	10.0%	5.1%	+1.2pt	5.5%	7.2%

## Major products

Major Titles	Sales Results
DERBY OWNERS CLUB 2008 feel the rush	Main+Satellite: 134 sets Card: 4,453 carton
WORLD CLUB Champion Football Intercontinental Clubs 2006-2007	Main+Satellite: 123 sets Card: 1,531 carton
SEGA Network Mah-jong MJ4	Satellite: 1,217 units CVT: 391units
UFO CATCHER 8	Body: 579 units
Sangokushi Taisen 3	Card: 8,848 carton IC card: 803 carton

## 1Q Results

### ■ Same store sales comps for the quarter at -12.7%

Although existing store sales were below last year level, especially in suburban area, in reaction to soaring crude oil price and other factors, it is on a gradual recovery trend month after month.

### ■ Closure and sales of amusement facilities

7 stores closed, 1 store opened

## 1<sup>st</sup> Half Outlook

### ■ Look for increased same store sales numbers

To increase sales by installing good products , “WORLD CLUB Champion Football Intercontinental Clubs 2006-2007” and “Galileo Factory”

### ■ Continue closure and sales of amusement facilities

To continue closure activities for approximately 110 stores with low profitability and low future potential since last year.

To pursue optimization for facility portfolio by fully evaluating each facility in terms of profitability and future potential

## 1Q Results

(JPY Billions)	FY 2008			FY 2009			
	1Q	Interim	FY	1Q	YOY Change	Interim	Full year
	Results	Results	Results	Results		Plan	Plan
<b>Net Sales</b>	<b>22.8</b>	<b>47.9</b>	<b>91.2</b>	<b>17.4</b>	-23.7%	<b>39.0</b>	<b>78.0</b>
Overseas	2.4	6.1	11.7	2.2	-8.3%	5.0	10.3
<b>Operating Income</b>	<b>-0.8</b>	<b>-2.2</b>	<b>-9.8</b>	<b>-1.5</b>	—	<b>-0.8</b>	<b>-1.5</b>
Operating Margin	—	—	—	—	—	—	—
<b>Existing Sales Comps</b>	<b>88.8%</b>	<b>89.0%</b>	<b>89.0%</b>	<b>87.3%</b>			
Plan	92.6%	89.0%	89.2%	97.5%		100.2%	104.3%
<b>Domestic Facilities</b>	<b>442</b>	<b>433</b>	<b>363</b>	<b>357</b>		<b>342</b>	<b>347</b>
Facilities Opened	3	6	12	1		4	12
Facilities Closed	10	22	92	7		25	28
<b>Segment Cap-ex</b>	<b>2.9</b>	<b>8.7</b>	<b>15.9</b>	<b>3.6</b>	+24.1%	<b>6.2</b>	<b>13.6</b>
<b>Segment Depreciation</b>	<b>3.4</b>	<b>7.7</b>	<b>17.1</b>	<b>3.1</b>	-8.8%	<b>5.9</b>	<b>13.9</b>

## 1Q Results

### ■ Overseas sales were strong

Total units sold was above last year's level  
⇒ Repeat order : “Mario & Sonic at the Olympic Games” (Accumulated shipment quantity exceeded 7 million worldwide from the introduction)

⇒ Software featuring popular movie contents : “Iron Man” and “The Incredible Hulk”

### ■ Domestic sales were steady

Total units sold was above last year's level  
“Valkyria Chronicles”  
“Proyakyu team wo tsyukuro” (sports simulation game)

## 1<sup>st</sup> Half Outlook

### ■ Introduce popular software “Samba De Amigo” and continue to sell titles launched in the previous fiscal year

To sell mainly “Mario & Sonic at the Olympic Games”

### ■ Expand RPG title sales for domestic market

To sell mainly

“Phantasy Star Portable”, the latest version of the series

“World Destruction”

⇒ SEGA's new original title. To be launched with several types of media promotions

## 1Q Results

(JPY Billions)	FY 2008			FY 2009			
	1Q	Interim	FY	1Q	YOY Change	Interim	Full year
	Results	Results	Results	Results		Plan	Plan
<b>Net Sales</b>	<b>16.0</b>	<b>41.2</b>	<b>141.7</b>	<b>30.5</b>	+90.6%	<b>55.0</b>	<b>153.0</b>
Entertainment Software	7.5	19.7	94.8	21.0	+180.0%	33.4	103.0
Network/Other	8.5	21.5	46.9	9.5	+11.8%	21.6	50.1
<b>Operating Income</b>	<b>-7.2</b>	<b>-12.5</b>	<b>-5.9</b>	<b>-4.1</b>	—	<b>-10.8</b>	<b>3.3</b>
Operating Margin	—	—	—	—	—	—	2.2%
<b>Region Breakout (Units Sold)</b>	<b>1,433</b>	<b>4,910</b>	<b>26,990</b>	<b>6,890</b>	+380.8%	<b>10,300</b>	<b>31,710</b>
<b>Segment R&amp;D</b>	<b>8.1</b>	<b>16.4</b>	<b>37.1</b>	<b>9.9</b>	+22.2%	<b>19.4</b>	<b>37.8</b>

## Video Games Sales

Sales Region		FY 2008 1Q		FY2009 1Q	
		# of Titles	Sales (Thousands)	# of Titles	Sales (Thousands)
<b>Breakout</b>	<b>Japan</b>	5	390	8	830
	<b>US</b>	2	590	15	3,160
	<b>Europe</b>	2	450	14	2,890
<b>Total</b>		9	1,430	37	6,890

FY 2009 1Q Period Major Releases		Unit Sales (Thousands)
Japan	Valkyria Gallian Chronicles (PS3)	147.24
US	Iron Man (PS3,X360,Wii,PS2,PSP,NDS,PC)	1,238.08
Europe	Iron Man (PS3,X360,Wii,PS2,PSP,NDS,PC)	602.11

Platform		FY 2008 1Q		FY 2009 1Q	
		# of Titles	Sales (Thousands)	# of Titles	Sales (Thousands)
<b>Breakout</b>	<b>PS2</b>	3	160	3	630
	<b>GC</b>	—	—	—	—
	<b>Xbox</b>	—	—	—	—
	<b>PS3</b>	—	—	8	760
	<b>Wii</b>	1	10	5	510
	<b>Xbox360</b>	—	—	6	890
	<b>NDS</b>	3	70	9	850
	<b>PSP</b>	2	60	2	290
	<b>GBA</b>	—	—	—	—
	<b>PC</b>	—	—	4	90
	<b>Catalogue</b>	—	1,130	—	2,860

(JPY Billions)	FY 2008			FY 2009			
	1Q	Interim	FY	1Q	YOY Change	Interim	FY
	Results	Results	Results	Results		Plan	Plan
<b>R&amp;D expense</b>	<b>14.7</b>	<b>29.8</b>	<b>65.3</b>	<b>16.6</b>	+12.9%	<b>34.3</b>	<b>66.3</b>
<b>Ca-pex</b>	<b>11.5</b>	<b>34.9</b>	<b>50.4</b>	<b>6.5</b>	-43.5%	<b>11.3</b>	<b>23.6</b>
<b>Depreciation</b>	<b>8.0</b>	<b>29.5</b>	<b>45.6</b>	<b>5.4</b>	-32.5%	<b>9.7</b>	<b>22.2</b>
<b>Advertising</b>	<b>3.0</b>	<b>9.0</b>	<b>22.8</b>	<b>4.1</b>	+36.7%	<b>11.8</b>	<b>25.5</b>

## Summary of FY2009 1Q Results

■ R&D expense was increased mainly due to the increase in consumer business segment.

■ Both ca-pex and depreciation were decreased due to shrinking of pachislot rental business



# Listed Subsidiaries Results



## Sammy NetWorks

(JPY Billions)	FY 2008	FY 2009			
	1Q	1Q	YOY change	1H plan	FY Plan
Net Sales	2.66	2.69	+0.9%	5.19	10.88
Operating Profit	0.23	0.57	+145.8%	0.81	1.67
Operating Margin	8.6%	21.9%	+13.3 points	15.8%	15.4%

(JPY Billions)	FY 2008	FY 2009			
	1Q	1Q	YOY change	1H plan	FY Plan
Net Sales	2.60	2.60	0%	7.25	16.70
Operating Profit	-0.46	-0.39	-	0.01	0.42
Operating Margin	-	-	-	0.1%	2.5%

### Sammy Networks

- To expand Amusement business, core business of Sammy Networks. Aim to launch new service. To improve profitability by reducing selling, general and administrative expenses.
- The number of registered members of “777 town.net (PC)”, pachinko pachislot online game service, exceeded 1 million
- Strengthen collaboration with other companies in “Yosoo Net”. To start “Yosoo Net Mobile” service in Q2

### SEGA TOYS

- Overseas sales of “Bakugan” were strong
- Cultivate new sales network such as Drug Store and Home improvement retailer with new product “Karada Trainer”
- Entering cooking toy market with new product “Kururin Icekurin”



(JPY Billions)	FY 2008	FY 2009			
	1Q	1Q	YOY change	1H plan	FY Plan
Net Sales	6.0	5.11	-14.8%	11.5	30.0
Operating Profit	0.34	0.39	+14.8%	0.3	1.7
Operating Margin	5.7%	7.7%	+2.0 points	2.6%	5.6%

(JPY Billions)	FY 2008	FY 2009			
	1Q	1Q	YOY change	1H plan	FY Plan
Net Sales	3.21	2.96	-7.6%	7.52	13.63
Operating Profit	-0.13	-0.08	-	0.30	0.68
Operating Margin	-	-	-	4.0%	5.0%

## TAIYO ELEC

### ■ Strong Quarter

Although net sales were down by 14.8%, operating income was 0.39 billion, increased by 14.8 year over year due to increase of panel sales with higher margin and the effort for decrease in expenses

### ■ Sales Situation

New pachinko machine “CR Samurai Champloo” and new pachislot machine “Nekketsukoha Kuniokun” were introduced in this quarter.  
Total pachinko machine sales fell by 880 units from the previous fiscal year to 15,552 units.  
Total pachislot machine sales fell by 1,930 units from previous fiscal year to 2,662 units.

## TMS Entertainment

### ■ Net sales

Net sales was decreased due to decrease in TV and Movie creation in animation business segment. In the amusement business, sales was also decreased due to lower same store sales than last year and closure of 3 stores in the previous fiscal year.

### ■ Operating income

Narrower operating loss with steady sales . Sales of high margin products were above last year level in animation business.



# Appendix





# Company Overview

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	Takeshi Natsuno

Major Shareholders		Equity Shares	% Voting
1	Hajime Satomi	43,569,338	17.45%
2	Mellon Bank, NA Treaty Clients Omnibus	33,221,522	13.30%
3	Sega Sammy Holdings	31,292,007	-
4	Hero and Company	20,141,569	8.06%
5	FSC Co., Ltd.	14,172,840	5.67%
6	State Street Bank and Trust Company	11,249,971	4.50%
7	The Master Trust Bank of Japan, Ltd. (As Trustee)	7,601,600	3.04%
8	Japan Trustee Services Bank, Ltd. (As Trustee)	3,877,400	1.55%
9	JP Morgan Chase Bank 380055	3,735,532	1.49%
10	The Bear Stearns Companies, Inc.	2,978,556	1.19%

Shareholder Data		
Type	% of Shares	% by Number of Shareholders
Financial Institutions	9.85%	0.07%
Securities Companies	0.61%	0.05%
Other Companies	7.54%	0.83%
Foreign Institutions and Individuals	37.07%	0.46%
Japanese Individuals and Other	33.87%	98.59%
Treasury stock	11.05%	0.00%
Shareholders		
99,035		

Shareholders data as of March 31<sup>th</sup>, 2008  
Board Director data as of June 18<sup>th</sup>, 2008

Subsidiary	Listed on:	Main operations	Shares held by the Company (Percentage of voting rights)
<b>Sammy NetWorks Co., Ltd.</b> <a href="http://www.sammy-net.jp/">http://www.sammy-net.jp/</a> 	TSE Mothers Securities code: 3745	<u>&lt;Consumer&gt;</u> Distribution of music related content and game related content through mobile phones and the Internet.	24,804 shares (56.3%)
<b>SEGA TOYS, LTD.</b> <a href="http://www.segatoys.co.jp/">http://www.segatoys.co.jp/</a> 	JASDAQ Securities code: 7842	<u>&lt;Consumer&gt;</u> Design, development and sales of toys	11,250,000 shares (52.4%)
<b>TAIYO ELEC Co., Ltd.</b> <a href="http://www.taiyoelec.co.jp/">http://www.taiyoelec.co.jp/</a> 	JASDAQ Securities code: 6429	<Pachinko Pachislot> Design, development and sales of Pachinko and Pachislot machine	11,623,100 shares (50.9%)
<b>TMS Entertainment Ltd.</b> <a href="http://www.tms-e.co.jp/">http://www.tms-e.co.jp/</a> 	NSE 2 <sup>nd</sup> Section Securities code: 3585	<u>&lt;Consumer - Amusement Facilities&gt;</u> Planning, production, sales and export of animation films, and amusement businesses	23,549,000 shares (55.8%)

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

Data as of March 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	Olympia	275,000	16.5%	Daito Giken	236,000	13.2%	Daito Giken	200,000	12.2%	Aruze	192,000	11.0%
3	YAMASA	150,000	9.0%	Olympia	187,000	10.5%	YAMASA	173,000	10.6%	SANKYO	169,156	9.7%
4	Daito Giken	132,000	7.9%	YAMASA	150,000	8.4%	Olympia	158,000	9.6%	Daito Giken	152,000	8.7%
5	Aruze	77,881	4.7%	SANKYO	111,659	6.3%	Kita Denshi	155,000	9.5%	YAMASA	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	Sanyo Bussan	920,000	22.9%	Sanyo Bussan	1,000,000	24.7%	Sanyo Bussan	887,000	23.2%	Sanyo Bussan	820,000	25.9%
2	SANKYO	849,911	21.2%	SANKYO	740,320	18.3%	Kyoraku	804,000	21.0%	SANKYO	724,756	22.9%
3	Heiwa	350,184	8.7%	Kyoraku	390,000	9.6%	SANKYO	636,105	16.6%	Kyoraku	510,000	16.1%
4	Daïichi Shokai	308,173	7.7%	Newgin	320,000	7.9%	Newgin	253,000	6.6%	Newgin	204,000	6.4%
5	Newgin	278,000	6.9%	<b>Sammy</b>	<b>288,895</b>	<b>7.1%</b>	Daïichi Shokai	195,947	5.1%	Daïichi Shokai	168,000	5.3%
6	<b>Sammy</b>	<b>233,049</b>	<b>5.8%</b>	Heiwa	242,276	6.0%	Heiwa	184,832	4.8%	Heiwa/Olympia	165,377	5.2%
7	Kyoraku	225,000	5.6%	Fuji Shoji	185,572	4.6%	Fuji Shoji	180,006	4.7%	Fuji Shoji	146,134	4.6%
8	Fuji Shoji	168,000	4.2%	Daïichi Shokai	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	-
AM facilities operations net sales	590.3	605.5	637.7	649.2	682.5	702.9	-
<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>-</b>

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

Hardware net sales	998.1	790.8	631.5	425.1	862.2	1,125.3	-
Software net sales	504.2	475.9	438.0	494.8	502.6	701.2	-
<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>-</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>-</b>
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JAMMA, AOU and NSA



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

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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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