

FLASH REPORT
CONSOLIDATED FINANCIAL STATEMENTS [Japanese GAAP]
Year Ended March 31, 2011

Name of the Company : SEGA SAMMY HOLDINGS INC.
Code number : 6460
 (URL <http://www.segasammy.co.jp/>)
Representative: Hajime Satomi
 Chairman of the Board and Chief Executive Officer
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Annual Meeting of Shareholders: June 23, 2011 (plan)
 Filing of Financial Report : June 24, 2011 (plan)
 Start of cash dividend payments : June 2, 2011 (plan)

(Amounts below one million yen are rounded down)

1. Consolidated Operating Results for the Year Ended March 31, 2011

(1) RESULTS OF CONSOLIDATED OPERATIONS

(Percentage for net sales, operating income and net income represent change from the prior year)

	Net sales		Operating income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For Year ended March 31, 2011	396,732	3.1	68,750	87.3	41,510	104.8
For Year ended March 31, 2010	384,679	(10.4)	36,712	339.0	20,269	—

(Note) Comprehensive income:

For Year ended March 31, 2011: ¥53,435 million (135.1%)

For Year ended March 31, 2010: ¥22,731 million (— %)

	Net income per share	Net income per share (Diluted)	Return on equity	Operating income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
For Year ended March 31, 2011	163.19	163.01	16.2	15.6	17.3
For Year ended March 31, 2010	80.46	—	8.8	8.7	9.5

(Reference) Equity in earnings of affiliates:

For Year ended March 31, 2011: ¥ 35 million

For Year ended March 31, 2010: ¥ 37 million

(2) CONSOLIDATED FINANCIAL POSITION

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
March 31, 2011	458,624	285,461	60.0	1,093.23
March 31, 2010	423,161	256,770	55.8	937.80

(Reference) Shareholders' equity

March 31, 2011: ¥275,193 million

March 31, 2010: ¥236,245 million

(3) CONSOLIDATED CASH FLOWS

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the year-end
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
For Year ended March 31, 2011	87,696	(29,585)	(57,168)	165,983
For Year ended March 31, 2010	54,998	(7,640)	(3,401)	167,000

2. Cash Dividends

	Cash dividends per share					Total dividends paid (annual)	Payout ratio (Consolidated)	Dividends paid to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	For the year			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Year ended March 31, 2010	—	15.00	—	15.00	30.00	7,557	37.3	3.3
Year ended March 31, 2011	—	20.00	—	20.00	40.00	10,072	24.5	3.9
Year ending March 31, 2012 (plan)	—	20.00	—	20.00	40.00		30.5	

3. Projection for Consolidated Results for the Year ending March 31, 2012

(Percentage for net sales, operating income and net income represent change from the prior year)

	Net sales		Operating income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half ending September, 2011	165,000	(24.2)	1,500	(96.8)	(3,000)	—	(11.92)
Entire - year	450,000	13.4	60,000	(12.7)	33,000	(20.5)	131.10

4. Other

- (1) Significant changes in subsidiaries (scope of consolidation) during the year ended March 31, 2011: No
- (2) Changes in accounting principles, procedures, disclosure methods, etc., for preparing the consolidated financial statements:
 1. Changes associated with revision in accounting standards: Yes
 2. Other changes: No
- (3) Number of shares outstanding (common stock)
 1. Number of shares outstanding at the end of the period (including treasury stock)
 - March 31, 2011: 266,229,476
 - March 31, 2010: 283,229,476
 2. Number of treasury stock at the end of the period
 - March 31, 2011: 14,504,662
 - March 31, 2010: 31,315,801
 3. Average number of shares during the period
 - For Year ended March 31, 2011: 254,373,107
 - For Year ended March 31, 2010: 251,918,483

[Caution With Regard to Operating Results Outlook]

- This report is outside the scope of audit in accordance with the Financial Instruments and Exchange Law, and the audit of financial statements in accordance with the Law has not been completed as of the disclosure of this report.

- The forward-looking statements, such as results forecasts, included in this document are based on information available to the Company at the time of the announcement and assumptions considered reasonable. Actual results could differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the forecasts, please see "Overview" on page 4 of the attached material.

1. Operating Results and Financial Position

(1) Overview

During the fiscal year ended March 31, 2011, the Japanese economy witnessed the growing concern for the economic recovery losing its momentum, given the rapidly rising yen and still stagnant personal consumption, although there were signs of turnaround in some areas of the economy, including recovery trends in corporate earnings. Unpredictability still prevails as a result of the severe damage caused by the Great East Japan Earthquake that took place on March 11, 2011, along with the shortage in electricity supply mainly due to the suspended operation of Fukushima Daiichi Nuclear Power Plant.

In this climate, although the pachislot and pachinko industry witnessed the replacement of older pachinko machines at a rather weak pace, the pachislot market is on a recovery trend thanks to the positive factors including the launch of a few newly launched machines that enjoyed high market reputation, the recovery of pachislot's popularity in pachinko parlors, and an increase in the number of pachislot machines installed in pachinko parlors.

In the amusement machine and amusement center industry in which the conditions still remain challenging, there is a hint of recovery in the market mainly in the area of prize category such as the UFO Catcher. Meanwhile, the development and supply of innovative game machines that will further invigorate the market is expected, while a changeover to new business models is under way, which simultaneously enhance investment efficiency for amusement center operators and secure sources of stable earnings for amusement machine manufacturers.

In the home video game software industry, the demand was generally weak in the U.S. and European markets due to the headwind like sluggish personal consumption. The Group needs to adapt to changing business environment in which the market demand for new content geared to social networking service (SNS) and smartphone is expanding.

In this business environment, net sales for the fiscal year ended March 31, 2011 amounted to ¥396,732 million, an increase of 3.1% from the previous fiscal year. The Group posted an operating income of ¥68,750 million, an increase of 87.3% from the previous fiscal year. Due to the factors including gain on reversal of subscription rights to shares, distribution of patent royalty income for prior periods, cost of product compensation related, impairment loss, loss on liquidation of subsidiaries, the Group recorded a net income of ¥41,510 million, an increase of 104.8% from the previous fiscal year.

The Group is scheduled to adopt the consolidated tax return system from the next fiscal year, whereby realizability of deferred tax assets has been reviewed, and tax expenses have been reduced by ¥12,154 million compared with previous years.

The Company conducted an exchange of shares effective December 1, 2010, in order to convert Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD., and TMS ENTERTAINMENT, LTD. into wholly owned subsidiaries of SEGA SAMMY HOLDINGS INC., which will become the wholly owning parent of each such company.

Furthermore, following the resolution at the meeting of Board of Directors for the retirement and acquisition of treasury stock, the Company retired 17,000,000 shares (6.0% of the total number of shares outstanding prior to the retirement) on December 10, 2010, before it acquired 14,000,000 shares of treasury stock (at an acquisition cost of ¥24,287 million) by March 15, 2011.

Results by business segments were as follows.

《Pachislot and Pachinko Machines》

In the pachinko machine business, the Group launched this year's major title "Pachinko CR Hokuto No Ken" series under the Sammy brand, which received a favorable evaluation in the market and recorded sales in excess of 200 thousand units. Sales of other titles also remained solid. Furthermore, the "Dejiten Series", which features innovative game elements to come up to the diversifying customer needs, were introduced as a new approach. As a result, overall pachinko machine sales amounted to 343 thousand units.

In the pachislot machine business, sales of "Pachislot SOUTEN-NO-KEN" under the Sammy brand and "Pachislot Shin Onimusha" launched in the previous fiscal year under the RODEO brand remained solid. As a result, overall pachislot machine sales amounted to 302 thousand units, exceeding the results of the previous fiscal year significantly. Meanwhile, thanks to an initiative to promote reuse of components, especially those related to liquid crystal display, there was an improvement in profit ratio as well.

As a result, net sales in this segment were ¥212,293 million (an increase of 32.1% from the previous fiscal year) and operating income was ¥64,284 million (an increase of 117.9% from the previous fiscal year).

Main Pachinko Machines and Units Sold

Model name	Brand	Units sold (Thousands)
Pachinko CR Hokuto No Ken Raoh Series	(Sammy)	123
Pachinko CR Hokuto No Ken Kenshiro	(Sammy)	78
Pachinko CR Juoh	(Sammy)	33
Pachinko CR GATCHAMAN UNMEI-NO-KIZUNA Series	(Sammy)	21
CR SAMURAI CHAMPLOO 2 Series	(Taiyo Elec)	17

Main Pachislot Machines and Units Sold

Model name	Brand	Units sold (Thousands)
Pachislot SOUTEN-NO-KEN	(Sammy)	92
Pachislot Shin Onimusha	(Rodeo)	62
Oreno Sora~Spirit of Young Justice~	(Rodeo)	38
Ring ni Kakero -Golden Japan Jr. Series-	(Taiyo Elec)	36
Pachislot SPIDER-MAN 3	(Sammy)	22

《Amusement Machine Sales》

In the amusement machine sales business, distribution revenue remained solid thanks to the operation of the revenue sharing models such as "BORDER BREAK" launched in the previous fiscal year, and "HATSUNE MIKU Project DIVA Arcade" launched in the current fiscal year, for the purpose of improving investment efficiency of the operators of amusement centers and of securing long-term stable earnings for the Group. Meanwhile, the Group committed to selling the major title "SENGOKU TAISEN", CVT KITS including "WORLD CLUB Champion Football Intercontinental Clubs 2009-2010" and consumables including cards and prize products.

In the overseas amusement machine sales business, the Group started to develop amusement machine sales business in China, with the acquisition of license to manufacture and sell amusement machines in the Chinese market by Sega Jinwin (Shanghai) Amusements Co., Ltd., a joint venture established between SEGA CORPORATION and Shanghai JinWin Investment Co., Ltd.

As a result, net sales in this segment were ¥50,319 million (an increase of 5.0% from the previous fiscal year) and operating income was ¥7,317 million (an increase of 3.1% from the previous fiscal year).

《Amusement Center Operations》

In the amusement center operations business, sales at existing SEGA amusement centers in Japan remained solid up to the third quarter of the current fiscal year, exceeding the level of performance during the same period in the previous fiscal year, thanks to the initiative to reinforce management capabilities at amusement centers. However, sales at existing SEGA amusement centers in Japan achieved 99.3% compared with the previous fiscal year, because of the suspension of business and reduction in opening hours at some of the amusement centers, implemented under constraint of the aftermaths of the Great East Japan Earthquake, and the rolling blackouts resulting therefrom. The Group closed 17 amusement centers and opened 6 new amusement centers. Consequently, the Group operated a total of 249 amusement centers at the end of the current fiscal year.

As a result, net sales in this segment were ¥45,721 million (a decrease of 16.6% from the previous fiscal year) and operating income was ¥342 million, compared with operating loss of ¥1,338 million in the previous fiscal year, registering profit for the first time in four years.

《Consumer Business》

In the consumer business, in the area of home video game software, some major titles for the overseas markets including “Sonic Colors” and “SHOGUN 2 : Total War”, along with the major titles for the Japanese market including “Phantasy Star Portable 2 Infinity” were launched. Although the launch of some of the major titles was delayed into the next fiscal year due to the impact by the Great East Japan Earthquake, domestic sales generally remained solid. In the overseas markets, sales of the new titles remained slow as affected by the adverse market condition. As a result, the Group sold 7,830 thousand video game copies in the U.S., 8,230 thousand copies in Europe and 2,630 thousand copies in Japan and other regions, for a total of 18,710 thousand copies, falling below the performance level of the previous fiscal year.

In the toy sales division, along with the solid sales of “Bakugan” by “Bakugan Limited Liability Partnership (Bakugan LLP)” which was formed mainly by the five Group companies and “Anpanman Series”, etc., full-scale sales of “Zoobles” was started as a new development. In the mobile phone, smartphone and PC content business, the pay-per-use service of “Sammy 777 town” (for mobile phone users) continued to remain solid, while supply of the titles targeted at the new platform went into full swing. In the animated films business, distribution revenue remained favorable thanks to the sound box office sales of the 14th theater film “Detective Conan” while domestic and overseas royalty revenue from “Bakugan” stayed robust.

As a result, net sales in this segment were ¥89,550 million (a decrease of 26.5% from the previous fiscal year), and an operating income was ¥1,969 million (a decrease of 68.9% from the previous fiscal year).

Outlook for the Fiscal Year ending March 2012

The Japanese economy during the fiscal year ending March 31, 2012 is expected to remain unpredictable, as it is likely to remain adversely affected by various influences from the Great East Japan Earthquake that hit Japan on March 11, 2011, including response measures to the shortage in electricity supply which is feared to prolong, concern for procurement of materials and components, and companies’ withering appetite for capital expenditure as well as consumption.

Under such circumstance, prospect of the pachislot and pachinko machines business is expected to diverge, in which the market is likely to remain stagnant for the pachinko machine business, while the pachislot machine business which was already on a recovery track is likely to remain solid. In its pachislot and pachinko machines business, the Group will seek to further expand product diversity and reinforce its overall lineup in both the pachislot and pachinko machine categories. For the fiscal year ending March 31, 2012, the Group forecasts sales of 455 thousand pachinko machines, up 111 thousand from the current fiscal year, and 290 thousand pachislot machines, down 12 thousand.

In the amusement machine sales business, the Group will seek to reinforce product line-up in response to the changing business environment in this sector, along with the continuous deployment of the revenue sharing models, for the purpose of improving investment efficiency of the operators of amusement centers, while securing long-term stable earnings for the Company. In overseas sales business, the Group will pursue business development in the Asian markets, not least China.

In the amusement center operations business, some of the amusement centers have suspended business because of the Great East Japan Earthquake. However, they shall be resuming operation one by one as soon as they will be ready for reopening. Meanwhile, we will seek to improve profitability by reinforcing management capabilities and competitiveness at amusement centers, along with closure or disposal of the less profitable or promising amusement centers overseas. For the fiscal year ending March 31, 2012, the Group plans to open 6 new amusement centers, and to close 17 amusement centers.

In the home video game software business as part of the consumer business, a few major titles including “Mario & Sonic at the London 2012 Olympic Games™” are scheduled to be launched. Sales of game software is estimated at 9,240 thousand copies in the U.S., 10,680 thousand copies in Europe and 3,360 thousand copies in Japan and other regions, for a total of 23,290 thousand copies, up 4,580 thousand copies from the current fiscal year. Meanwhile, new platforms including smartphone and SNS shall further be developed in a proactive manner, as exemplified in the existing pachinko and pachislot game websites for mobile phones corresponding to smartphones.

In the toy sales division, further marketing efforts shall be pursued for the main products including “Bakugan”, “Zoobles” and “Anpanman Series”.

In the animated films business, a few new titles including the 15th theater film “Detective Conan” which started to be released in April 2011.

We will fully capitalize on the Group’s total strength, exploiting the synergy and complementary effect created by the conversion of Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD., and TMS ENTERTAINMENT, LTD. into wholly owned subsidiaries implemented in December 2010.

In light of the above, the Group is forecasting consolidated net sales of ¥450,000 million (an increase of 13.4% from the previous fiscal year), operating income of ¥60,000 million (a decrease of 12.7% from the previous fiscal year), and net income of ¥33,000 million (a decrease of 20.5% from the previous fiscal year) for the fiscal year ending March 31, 2012.

[Caution With Regard to Operating Results Outlook]

Statements in this report pertaining to market projections and the outlook for operating results reflect the assumptions and judgment of the Company’s management based on the most accurate information available at the time of release. Such statements carry inherent risks and uncertainties. Factors that may affect operating results include, but are not limited to, those discussed in the projections and outlook. Readers are cautioned that changes in a variety of factors could cause actual results to differ substantially from the aforementioned projections and outlook.

(2) Consolidated Financial Position

1) Assets, liabilities and net assets

(Assets and liabilities)

Current assets increased ¥16,850 million thanks primarily to an increase in cash and deposits following the redemption at maturity of negotiable certificates of deposit, along with the review of realizability of deferred tax assets associated with the introduction of filing the consolidated tax return scheduled from the fiscal year ending March 31, 2012, surpassing the redemption of bonds. Meanwhile, noncurrent assets increased by ¥18,612 million due primarily to an increase in goodwill, resulting from the exchange of shares to convert Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD., and TMS ENTERTAINMENT, LTD. into wholly owned subsidiaries of the Company, and an increase of investment securities due primarily to the increase of the value of the investment securities. As a result, total assets as of the end of the current fiscal year increased ¥35,463 million from the end of the previous fiscal year, to ¥458,624 million.

(Net assets)

During the current fiscal year, shareholder's equity increased thanks to the posting of net income for the current fiscal year, the exchange of shares, and an increase in valuation difference on available-for-sale securities, while dividend payments and acquisition of treasury stock reduced shareholder's equity, a decrease of minority interests. As a result, net assets as of the end of the current fiscal year increased ¥28,690 million from the end of the previous fiscal year, to ¥285,461 million.

(Financial ratio)

The current ratio at the end of the current fiscal year still remained at high level of 289.4%, despite 32.4 points decrease from the end of the previous fiscal year due to an increase in current assets as well as in current liabilities. The equity ratio at the end of the current fiscal year increased 4.2 points from the end of the previous fiscal year, to 60.0%.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year decreased ¥1,016 million from the end of the previous fiscal year, to ¥165,983 million.

Cash flows in respect of each area of activities in the current fiscal year are as follows.

(Cash flows from operating activities)

Factors including ¥57,467 million income before income taxes and minority interests, along with ¥10,033 million decrease in notes and accounts receivable-trade, resulted in ¥87,696 million (an increase of ¥32,697 million from the previous fiscal year) net cash provided by operating activities in the current fiscal year.

(Cash flows from investing activities)

Factors including expenditures of ¥24,300 million for the purchase of short-term investment securities, along with ¥10,901 million for the purchase of property, plant and equipment, resulted in ¥29,585 million net cash used in investing activities in the current fiscal year, compared with ¥7,640 million net cash used in investing activities in the previous fiscal year.

(Cash flows from financing activities)

Factors including expenditures of ¥9,209 million for cash dividends paid (including cash dividends paid to minority shareholders), ¥24,530 million for the purchase of treasury stock, and ¥20,600 million for the redemption of bonds, resulted in ¥57,168 million net cash used in financing activities in the current fiscal year, compared with ¥3,401 million net cash used in financing activities in the previous fiscal year.

<Cash Flow Indices>

	March 2007	March 2008	March 2009	March 2010	March 2011
Equity ratio	61.5%	55.3%	52.4%	55.8%	60.0%
Equity ratio (fair market value)	126.0%	56.6%	51.3%	67.4%	79.4%
Redemption of debt	89.0%	—	218.9%	137.9%	58.9%
Interest coverage ratio	196.3 times	—	35.1 times	73.0 times	134.1 times

Notes: Equity ratio: (Net assets — Subscription rights to shares — Minority interests) / total assets

Equity ratio (fair market value): Market capitalization / total assets

Redemption of debt: Interest-bearing debt / operating cash flow

Interest coverage ratio: Operating cash flow / interest payments

1. All indicators are calculated using the consolidated financial results.
2. Market capitalization is calculated by multiplying the year-end share price with the number of shares issued and outstanding at year-end (excluding treasury stock).
3. Operating cash flow refers to Cash Flows from Operating Activities in the Consolidated Statements of Cash Flows.
4. Interest-bearing debt is the portion of debt recorded in the Consolidated Balance Sheets on which interest is being paid.
5. Interest payments refer to interest paid as shown in the Consolidated Statements of Cash Flows.
6. No figures are shown in Redemption of debt, and Interest coverage ratio in March 2008, due to negative results on Operating cash flow.

(3) Basic Policy Concerning Distribution of Earnings for the Fiscal Year Under Review and the Following Fiscal Year

SEGA SAMMY HOLDINGS gives priority to returning profits to shareholders. The Company's basic policy is to pay an appropriate dividend that is commensurate with earnings.

For the distribution of surplus, the Company paid second quarter and plans to pay year-end dividends of ¥20 per share, respectively. This reflects the Group's policy of paying dividends to shareholders stably.

For the fiscal year ending March 31, 2012, the Company plans to pay second quarter and year-end dividends of ¥20 per share, respectively.

Furthermore, the Company's policy is to effectively use retained earnings to bolster its financial position and operating base as well as for investments in line with business expansion.

2. Overview of the SEGA SAMMY Group

This information is omitted since nothing significant has changed from the one set forth in the Annual Securities Report filed on June 24, 2010.

3. Management Policies

(1) Basic Management Policies

SEGA CORPORATION and Sammy Corporation on October 1, 2004 integrated their operations to build an even more powerful base as a comprehensive global entertainment organization. Combining the resources of the two companies, a holding company called SEGA SAMMY HOLDINGS was established with the aim of maximizing corporate value. Since then, the Group has been taking various measures to build a business framework that responds quickly and flexibly to changes in the operating environment and accelerate growth.

The core business domain of the SEGA SAMMY Group is the comprehensive entertainment business, comprising pachislot and pachinko machines, amusement machine sales, amusement center operations, and the consumer business.

Within this sphere, the Group targets markets worldwide in the quest to maximize and cross-fertilize its entertainment content and resources, ultimately aiming to promote business operations that target every age group. Moreover, the SEGA SAMMY Group is enhancing its presence in every applicable business field in a drive to become the world's leading name in comprehensive entertainment. To this end, the Group is committed to winning the trust and meeting the expectations of its stakeholders.

(2) Medium- to Long-term Strategies and Other Issues

The SEGA SAMMY Group is engaged in a diverse array of entertainment businesses, ranging from pachislot and pachinko machines to commercial amusement machines, amusement center operation and home videogame software, as well as services through internet and for mobile handsets. Operations also extend to toys and animation. Our goal is to have strong competitiveness in these fields as our core businesses.

(3) Issues to be Addressed

In the pachislot and pachinko machine business, the Group will strive to adapt to the changes in business environment, through efforts including the development and supply of the products with innovative gameplay that meet market needs, reflecting changes in user preference.

In the amusement machine business, the Group will seek a broad range of users by providing various products from high value added products to the products for family users that meet user needs. The Group will seek to simultaneously enhance investment efficiency for operators and secure sources of long-term and stable earnings for the Group as an amusement machine manufacturer. In overseas markets, the Group must provide the products that meet local needs at competitive price.

In the amusement center operations business, the Group's business challenge will be to recover the profits by strengthening management capabilities and competitiveness at its amusement centers, as well as by attracting new customers.

In the consumer business, the Group must enhance profitability through streamlining the development by such measures as narrowing down the titles in the home video game software business. The Group must also adapt to new functions of game consoles as well as to rapidly expanding market for new content, including that for SNS and smartphone. In the toy sales, the mobile phone and PC content business and the animated films business, the Group's business challenge will be to further reinforce its operational strength by implementing measures such as the conversion of the formerly listed subsidiaries into wholly-owned subsidiaries.

It will be the Group's business challenge to flexibly address the wide-reaching impacts of the Great East Japan Earthquake that may affect areas including the electricity supply, procurement of materials and components, corporate capital investment, and personal consumption.

(4) Other Key Management Issues

Please refer to "Notice Concerning the Conversion of TAIYO ELEC Co., Ltd. into a Wholly Owned Subsidiary of Sammy Corporation, a Wholly Owned Subsidiary of SEGA SAMMY HOLDINGS INC." released on May 13, 2011.

CONSOLIDATED FINANCIAL STATEMENTS

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year (As of March 31, 2010)	Current year (As of March 31, 2011)
	Amount	Amount
(A s s e t s)		
Current assets		
Cash and deposits	101,324	149,006
Notes and accounts receivable-trade	67,027	56,468
Allowance for doubtful accounts	(712)	(472)
Short-term investment securities	73,400	42,412
Merchandise and finished goods	6,500	5,889
Work in process	7,914	14,916
Raw materials and supplies	22,358	15,567
Income taxes receivable	2,534	5,861
Deferred tax assets	3,219	13,795
Other	15,163	12,136
Total current assets	298,730	315,580
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	49,461	48,271
Accumulated depreciation	(26,974)	(28,150)
Buildings and structures, net	22,487	20,120
Amusement machines and facilities	54,832	49,869
Accumulated depreciation	(48,495)	(45,318)
Amusement machines and facilities, net	6,336	4,550
Land	22,632	24,643
Construction in progress	171	1,155
Other	42,035	41,889
Accumulated depreciation	(34,632)	(35,218)
Other, net	7,403	6,670
Total property, plant and equipment	59,030	57,140
Intangible assets		
Goodwill	6,767	15,559
Other	6,592	7,195
Total intangible assets	13,360	22,754
Investments and other assets		
Investment securities	28,605	44,193
Long-term loans receivable	1,638	306
Lease and guarantee deposits	13,493	12,396
Deferred tax assets	3,871	1,988
Other	7,593	5,646
Allowance for doubtful accounts	(3,162)	(1,382)
Total investments and other assets	52,040	63,149
Total noncurrent assets	124,431	143,044
Total assets	423,161	458,624

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year (As of March 31, 2010)	Current year (As of March 31, 2011)
	Amount	Amount
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	37,387	37,513
Short-term loans payable	3,489	2,857
Current portion of bonds	20,600	11,892
Income taxes payable	2,449	26,310
Accrued expenses	16,528	17,546
Provision for bonuses	2,539	2,373
Provision for directors' bonuses	656	956
Provision for point card certificates	161	143
Asset retirement obligations	—	185
Deferred tax liabilities	—	0
Other	9,004	9,247
Total current liabilities	92,817	109,028
Noncurrent liabilities		
Bonds payable	41,501	29,608
Long-term loans payable	6,173	5,316
Provision for retirement benefits	12,218	12,656
Provision for directors' retirement benefits	1,096	1,203
Deferred tax liabilities	399	2,782
Deferred tax liabilities for land revaluation	960	958
Asset retirement obligations	—	1,848
Other	11,223	9,760
Total noncurrent liabilities	73,573	64,135
Total liabilities	166,390	173,163
(Net Assets)		
Shareholders' equity		
Capital stock	29,953	29,953
Capital surplus	171,080	119,784
Retained earnings	132,128	164,669
Treasury stock	(73,694)	(25,329)
Total shareholders' equity	259,468	289,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	346	11,350
Deferred gains or losses on hedges	24	(0)
Revaluation reserve for land	(5,966)	(5,969)
Foreign currency translation adjustment	(17,626)	(19,264)
Total accumulated other comprehensive income	(23,222)	(13,883)
Subscription rights to shares	1,188	406
Minority interests	19,335	9,861
Total net assets	256,770	285,461
Total liabilities and net assets	423,161	458,624

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year From April 1, 2009 To March 31, 2010	Current year From April 1, 2010 To March 31, 2011
	Amount	Amount
Net sales	384,679	396,732
Cost of sales	245,811	230,677
Gross profit	138,867	166,055
Selling, general and administrative expenses	102,154	97,304
Operating income	36,712	68,750
Other income (expenses) :		
Interest income	511	463
Dividends income	454	311
Equity in earnings of affiliates	37	35
Gain on investments in partnership	114	391
Income from operation of lease asset	188	92
Gain on valuation of derivatives	46	—
Interest expenses	(782)	(637)
Sales discounts	(21)	(198)
Commission fee	(74)	(399)
Provision of allowance for doubtful accounts	(2)	(32)
Loss on investments in partnership	(235)	(97)
Foreign exchange losses	(265)	(206)
Penalty payment for cancellation of game center lease agreement	(477)	(18)
Loss on valuation of derivatives	—	(263)
Gain on sales of noncurrent assets	528	34
Reversal of allowance for doubtful accounts	166	315
Gain on sales of subsidiaries and affiliates' stocks	29	—
Gain on sales of investment securities	258	52
Gain on change in equity	20	125
Reversal of recovery costs of video game arcades	1,043	544
Gain on outlawed debt	377	167
Gain on compensation payment	427	—
Gain on reversal of subscription rights to shares	—	1,174
Distribution of patent royalty income for prior periods	—	1,139
Loss on retirement of noncurrent assets	(497)	(296)
Loss on sales of noncurrent assets	(121)	(40)
Impairment loss	(3,857)	(1,502)
Loss on valuation of investment securities	(2,465)	(1,308)
Premium allowance of retirement	(184)	—
Loss on closing of stores	(844)	—
Loss on litigation	(371)	—
Loss on sales of stocks of subsidiaries and affiliates	(653)	—
Loss on liquidation of subsidiaries	(1,682)	(1,468)
Amortization of goodwill	—	(204)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	(1,177)
Cost of product compensation related	—	(5,225)
Loss on disaster	—	(1,254)
Other	(1,282)	(1,800)
Subtotal	(9,615)	(11,283)

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year From April 1, 2009 To March 31, 2010	Current year From April 1, 2010 To March 31, 2011
	Amount	Amount
Income before income taxes and minority interests	27,097	57,467
Income taxes-current	3,067	27,460
Income taxes-deferred	2,559	(14,140)
Total income taxes	5,627	13,320
Income before minority interests	—	44,147
Minority interests in income	1,200	2,636
Net income	20,269	41,510
Minority interests in income	—	2,636
Income before minority interests	—	44,147
Other comprehensive income		
Valuation difference on available-for-sale securities	—	10,986
Deferred gains or losses on hedges	—	(24)
Foreign currency translation adjustment	—	(1,684)
Share of other comprehensive income of associates accounted for using equity method	—	10
Total other comprehensive income	—	9,288
Comprehensive income	—	53,435
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	50,852
Comprehensive income attributable to minority interests	—	2,582

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2010 AND 2011

Prior year (From April 1, 2009 to March 31, 2010)

(Unit : Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2009	29,953	171,082	119,417	(73,685)	246,767
Changes of items during the period					
Dividends from surplus			(7,557)		(7,557)
Net income			20,269		20,269
Purchase of treasury stock				(12)	(12)
Disposal of treasury stock		(2)		3	1
Total changes of items during the period	-	(2)	12,711	(8)	12,700
Balances as of March 31, 2010	29,953	171,080	132,128	(73,694)	259,468

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balances as of March 31, 2009	(1,619)	-	(5,966)	(16,865)	(24,451)
Changes of items during the period					
Dividends from surplus					
Net income					
Purchase of treasury stock					
Disposal of treasury stock					
Net changes of items other than shareholders' equity	1,966	24		(760)	1,229
Total changes of items during the period	1,966	24	-	(760)	1,229
Balances as of March 31, 2010	346	24	(5,966)	(17,626)	(23,222)

(Unit : Millions of Yen)

	Subscription rights to shares	Minority interests	Total net assets
Balances as of March 31, 2009	1,222	18,994	242,532
Changes of items during the period			
Dividends from surplus			(7,557)
Net income			20,269
Purchase of treasury stock			(12)
Disposal of treasury stock			1
Net changes of items other than shareholders' equity	(33)	341	1,537
Total changes of items during the period	(33)	341	14,237
Balances as of March 31, 2010	1,188	19,335	256,770

Current year (From April 1, 2010 to March 31, 2011)

(Unit : Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2010	29,953	171,080	132,128	(73,694)	259,468
Changes of items during the period					
Dividends from surplus			(8,816)		(8,816)
Net income			41,510		41,510
Increase by share exchanges		(11,294)		32,890	21,595
Retirement of treasury stock		(40,000)		40,000	-
Purchase of treasury stock				(24,530)	(24,530)
Disposal of treasury stock		(1)		3	2
Change of scope of consolidation			(155)		(155)
Reversal of revaluation reserve for land			2		2
Total changes of items during the period	-	(51,296)	32,541	48,364	29,609
Balances as of March 31, 2011	29,953	119,784	164,669	(25,329)	289,077

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balances as of March 31, 2010	346	24	(5,966)	(17,626)	(23,222)
Changes of items during the period					
Dividends from surplus					
Net income					
Increase by share exchanges					
Retirement of treasury stock					
Purchase of treasury stock					
Disposal of treasury stock					
Change of scope of consolidation					
Reversal of revaluation reserve for land			(2)		(2)
Net changes of items other than shareholders' equity	11,003	(24)		(1,637)	9,341
Total changes of items during the period	11,003	(24)	(2)	(1,637)	9,338
Balances as of March 31, 2011	11,350	(0)	(5,969)	(19,264)	(13,883)

(Unit : Millions of Yen)

	Subscription rights to shares	Minority interests	Total net assets
Balances as of March 31, 2010	1,188	19,335	256,770
Changes of items during the period			
Dividends from surplus			(8,816)
Net income			41,510
Increase by share exchanges			21,595
Retirement of treasury stock			-
Purchase of treasury stock			(24,530)
Disposal of treasury stock			2
Change of scope of consolidation			(155)
Reversal of revaluation reserve for land			-
Net changes of items other than shareholders' equity	(782)	(9,474)	(915)
Total changes of items during the period	(782)	(9,474)	28,690
Balances as of March 31, 2011	406	9,861	285,461

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year From April 1, 2009 To March 31, 2010	Current year From April 1, 2010 To March 31, 2011
	Amount	Amount
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	27,097	57,467
Depreciation and amortization	17,175	15,949
Impairment loss	3,857	1,502
Amount of transfer of equipment by amusement center operation business	(4,344)	(3,074)
Amount of transfer of equipment by pachislot and pachinko rental business	(12)	—
Loss (gain) on sales of noncurrent assets	(407)	5
Loss on retirement of noncurrent assets	497	296
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,177
Loss (gain) on sales of stocks of subsidiaries and affiliates	624	—
Loss on liquidation of subsidiaries	1,682	1,468
Loss (gain) on sales of investment securities	(222)	113
Loss (gain) on valuation of investment securities	2,465	1,308
Loss (gain) on investments in partnership	120	(294)
Amortization of goodwill	1,004	1,875
Increase (decrease) in allowance for doubtful accounts	(156)	(719)
Increase (decrease) in provision for directors' bonuses	178	302
Increase (decrease) in provision for point card certificates	24	(17)
Increase (decrease) in provision for retirement benefits	1,344	438
Increase (decrease) in provision for directors' retirement benefits	(1,055)	107
Increase (decrease) in provision for bonuses	265	(136)
Interest and dividends income	(965)	(775)
Interest expenses	782	637
Foreign exchange losses (gains)	2	171
Equity in (earnings) losses of affiliates	(37)	(35)
Loss (gain) on change in equity	(20)	(81)
Decrease (increase) in notes and accounts receivable-trade	11,493	10,033
Decrease (increase) in inventories	2,862	(737)
Increase (decrease) in notes and accounts payable-trade	(13,061)	222
Increase (decrease) in guarantee deposits received	(751)	35
Other, net	3,925	7,268
Subtotal	54,370	94,507
Interest and dividends income received	843	653
Interest expenses paid	(753)	(653)
Income taxes paid	(16,572)	(9,565)
Income taxes refund	17,110	2,755
Net cash provided by (used in) operating activities	54,998	87,696

SEGA SAMMY HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2010 AND 2011

(Unit : Millions of Yen)

	Prior year From April 1, 2009 To March 31, 2010	Current year From April 1, 2010 To March 31, 2011
	Amount	Amount
Net cash provided by (used in) investing activities		
Payments into time deposits	(1,720)	(1,185)
Proceeds from withdrawal of time deposits	4,169	1,288
Purchase of short-term investment securities	(5,395)	(24,300)
Proceeds from redemption of securities	4,000	8,195
Purchase of trust beneficiary right	(6,163)	(7,293)
Proceeds from sales of trust beneficiary right	5,185	7,511
Purchase of property, plant and equipment	(8,608)	(10,901)
Proceeds from sales of property, plant and equipment	758	197
Purchase of intangible assets	(2,042)	(3,571)
Proceeds from sales of intangible assets	8	1
Purchase of investment securities	(3,323)	(5,413)
Proceeds from sales of investment securities	1,874	1,239
Proceeds from redemption of investment securities	—	3,800
Payments for investment in partnerships	(12)	(190)
Proceeds from distribution of investment in partnerships	564	1,062
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(120)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	219	30
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(220)	—
Purchase of stocks of subsidiaries and affiliates	(996)	(1,030)
Payments of loans receivable	(1,178)	(66)
Collection of loans receivable	535	46
Payments for lease deposits	(381)	(563)
Collection of lease deposits	2,845	1,674
Proceeds from transfer of business	2,018	23
Other, net	222	(20)
Net cash provided by (used in) investing activities	(7,640)	(29,585)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,503)	55
Proceeds from long-term loans payable	1,120	—
Repayment of long-term loans payable	(1,211)	(1,512)
Proceeds from issuance of bonds	10,783	—
Redemption of bonds	(5,027)	(20,600)
Proceeds from stock issuance to minority shareholders	—	103
Cash dividends paid	(7,571)	(8,810)
Cash dividends paid to minority shareholders	(305)	(399)
Purchase of treasury stock	(12)	(24,530)
Other, net	1,327	(1,473)
Net cash provided by (used in) financing activities	(3,401)	(57,168)
Effect of exchange rate change on cash and cash equivalents	(342)	(1,191)
Net increase (decrease) in cash and cash equivalents	43,614	(248)
Cash and cash equivalents	123,385	167,000
Increase in cash and cash equivalents from newly consolidated subsidiary	—	35
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(803)
Cash and cash equivalents at end of period	167,000	165,983

Changes in Important Matters that Form the Basis for Preparing Consolidated Financial Statements

(Application of accounting standard for asset retirement obligations)

Effective from the fiscal year ended March 31, 2011, “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18, issued March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued March 31, 2008) have been applied. Accordingly, operating income decreased ¥96 million, while income before income taxes and minority interests decreased ¥1,302 million. In addition, the amount of asset retirement obligation change is ¥2,146 million following the application of the subject accounting standard and guidance.

SEGMENT INFORMATION

[Operations by product]

Prior year (From April 1, 2009 to March 31, 2010)

(Unit: Millions of Yen)

	Pachinko Pachislot	Amusement machine sales	Amusement center operations	Consumer business	Other	Total	Corporate and eliminations	Consolidated
I. Net sales -								
(1) Outside customers	160,376	45,117	54,788	121,575	2,821	384,679	—	384,679
(2) Inter segment	322	2,807	46	262	911	4,351	(4,351)	—
Total	160,698	47,925	54,835	121,838	3,732	389,030	(4,351)	384,679
Cost and expenses	131,196	40,831	56,173	115,505	3,396	347,103	862	347,966
Operating income (loss)	29,502	7,094	(1,338)	6,332	336	41,926	(5,213)	36,712
II. Assets -	108,353	27,835	37,909	96,412	3,982	274,493	148,668	423,161
Depreciation	4,305	1,288	8,212	3,173	148	17,129	46	17,175
Impairment losses	93	15	3,584	137	26	3,857	—	3,857
Capital expenditure	3,297	974	7,796	3,952	189	16,210	(46)	16,164

(Note)

1. The Company has 5 operating segments based on its management control structure, and nature of products and market.
2. Main products and line of business by segment
 - (1) Pachinko and pachislot … Development, manufacture and sale of Pachinko and pachislot machines and design for parlors
 - (2) Amusement machine sales … Development, manufacture and sale of game machines used in amusement arcades
 - (3) Amusement center operations … Development, operation, rent and maintenance of Amusement center
 - (4) Consumer business … Development and sale of home video game software,
Development, manufacture, and sale of toys
Project and production of entertainment contents through cellular phone etc.
Planning, production and sale of animated movies.
 - (5) Others … Information provider services, etc.
3. General corporate expenses of ¥4,965 million, which mainly consist of expenses of group management incurred by the holding company, are included in “Corporate and eliminations”.
4. Corporate assets of ¥149,052 million, which mainly consist of the holding company’s excess funds and others, are included in “Corporate and eliminations”.
5. Content production expenses related to game software and amusement machines conducted primarily by the consolidated subsidiary SEGA CORPORATION have previously been accounted for as cost of sales at the time that such expenses are incurred (when production work is outsourced, these expenses are first posted as advance payments, and later treated as cost of sales at the time that production work is inspected). However, from the fiscal year ended March 31, 2010, goods recognized as products for commercialization are posted under inventories and noncurrent assets, with opting to treat the amount of such expenses for the inventories equivalent to the actual sales volume recorded as of the fiscal year end among projected sales volume as cost of sales, and treat the amount of such expenses for the noncurrent assets equivalent to the depreciation calculated based on their respective useful lives as cost of sales. The rationale for this change is to redeploy a framework capable of properly evaluating the certainty of realizing earnings by clarifying decision-making processes at the development stages of each project in line with efforts to review and enhance the development structure. This change will enable the appropriate disclosure of income for a given fiscal period by directly matching content production expenses, which have tended to grow sharply in recent years, with commensurate earnings.

As a consequence of this change, cost and expenses decreased by ¥1,643 million in Amusement machine sales, ¥174 million in Amusement center operations, ¥3,980 million in Consumer business, also each operating income increased in Amusement machine sales, and Consumer business by the same amount respectively, and operating loss decreased in Amusement center operations by the same amount.

[Geographical segment information]

Prior year (From April 1, 2009 to March 31, 2010)

(Unit: Millions of Yen)

	Japan	North America	Europe	Other	Total	Corporate and eliminations	Consolidated
I. Net sales -							
(1) Outside customers	322,012	27,079	31,985	3,602	384,679	—	384,679
(2) Inter segment	18,741	3,188	1,615	1,106	24,651	(24,651)	—
Total	340,754	30,268	33,600	4,708	409,331	(24,651)	384,679
Cost and expenses	305,140	30,236	31,996	4,546	371,921	(23,954)	347,966
Operating income	35,614	31	1,603	161	37,410	(697)	36,712
II. Assets -	270,584	21,026	18,242	1,323	311,176	111,985	423,161

(Note)

- Segmentation of countries and regions is based on geographical proximity.
- Major countries and regions are as follows.
 - North America … United States
 - Europe … United Kingdom, France, Germany, etc.
 - Other … Australia, China, Taiwan, etc.
- General corporate expenses of ¥4,965 million, which mainly consist of expenses of group management incurred by the holding company, are included in “Corporate and eliminations”.
- Corporate assets of ¥149,052 million, which mainly consist of the holding company’s excess funds and others, are included in “Corporate and eliminations”.

[Overseas sales]

Prior year (From April 1, 2009 to March 31, 2010)

(Unit: Millions of Yen)

	North America	Europe	Other	Total
I Total Overseas sales	35,810	34,165	9,815	79,790
II Consolidated net sales				384,679
III Percentage of Overseas sales to Consolidated net sales	9.3	8.9	2.5	20.7

(Note)

- Segmentation of countries and regions is based on geographical proximity.
- Major countries and regions are as follows.
 - North America … United States
 - Europe … United Kingdom, Italy, France, Germany, etc.
 - Other … China, South Korea, Taiwan, etc.
- Overseas sales represent sales of the company and subsidiaries excluding domestic sales.

[Segment information]

1. Outline of reporting segments

Reporting segments of the Group are the organizational units for which separated financial information is available, and on the basis of which the Board of Directors makes decision on the allocation of management resources and examines financial performance on a regular basis.

Planning of business development and strategies as well as execution of business activities in respect of each product and service, is carried out by each Group company that provides such product and service.

As such, the Group is comprised of segments classified by product and service provided through the business run by each company, in which “Pachinko and pachislot”, “Amusement machine sales”, “Amusement center operations” and “Consumer business” are the reporting segments.

Line of business at each reporting segment is as follows:

- (1) Pachinko and pachislot ... Development, manufacture and sale of Pachinko and pachislot machines and design for parlors
- (2) Amusement machine sales ... Development, manufacture and sale of game machines used in amusement arcades
- (3) Amusement center operations ... Development, operation, rent and maintenance of Amusement center
- (4) Consumer business ... Development and sale of home video game software,
Development, manufacture, and sale of toys
Project and production of entertainment contents through cellular phone etc.
Planning, production and sale of animated movies.

2. Information on the amounts of net sales, income, assets, and other items by each reporting segment

Prior year (From April 1, 2009 to March 31, 2010)

Nothing is stated herein as information similar to that in compliance with the “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, issued March 27, 2009) is disclosed as segment information in the consolidated financial statements in accordance with the conventional segment information protocol.

Current year (From April 1, 2010 to March 31, 2011)

(Unit: Millions of Yen)

	Pachinko Pachislot	Amusement machine sales	Amusement center operations	Consumer business	Subtotal	Other (note)	Total
Net sales -							
Outside customers	212,060	47,237	45,695	88,896	393,889	2,843	396,732
Inter segment	233	3,082	25	654	3,995	979	4,975
Total	212,293	50,319	45,721	89,550	397,885	3,822	401,708
Segment income (loss)	64,284	7,317	342	1,969	73,914	(10)	73,903
Segment assets	125,565	27,374	36,019	98,535	287,495	2,252	289,748
Other items							
Depreciation	3,943	2,194	6,126	3,566	15,832	135	15,967
Increases in property, plant and equipment and intangible assets	5,725	1,538	7,701	4,848	19,813	92	19,905

(Note) “Other” is the business segment not included in the reporting segments, and includes Information provider services, etc.

3. Major differences between the total amount of all reporting segments and the amounts on the consolidated financial statements for the fiscal year ended March 31, 2011 (Difference adjustment)

(Unit: Millions of Yen)

Net sales	Current year
Total net sales in the reporting segments	397,885
Segment net sales in Other	3,822
Elimination of inter segment transactions	(4,975)
Net sales in the consolidated financial statements for the fiscal year ended March 31, 2011	396,732

(Unit: Millions of Yen)

Income	Current year
Total income in the reporting segments	73,914
Segment income in Other	(10)
Elimination of inter segment transactions	(126)
General corporate expenses (note)	(5,026)
Operating income in the consolidated financial statements for the fiscal year ended March 31, 2011	68,750

(Note) General corporate expenses are mainly consisted of the expenses of the group management incurred by the holding company.

(Unit: Millions of Yen)

Assets	Current year
Total assets in the reporting segments	287,495
Segment assets in Other	2,252
General corporate assets (note)	169,159
Other adjustments	(282)
Total assets in the consolidated financial statements for the fiscal year ended March 31, 2011	458,624

(Note) General corporate assets are mainly consisted of excess funds at the holding company, etc. and other assets, etc. of the holding company.

(Additional Information)

Effective from the fiscal year ended March 31, 2011, “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No.17, issued March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, issued March 21, 2008) have been applied.

[Related information]

Current year (From April 1, 2010 to March 31, 2011)

1. Information by each product and service

Nothing is stated herein as similar information is disclosed in Segment information.

2. Geographical information

(1) Net sales

(Unit: Millions of Yen)

Japan	North America	Europe	Other	Total
352,444	20,805	17,190	6,292	396,732

(Note) Net sales are geographically classified by country or region in which customers are located.

(2) Property, plant and equipment

Nothing is stated herein as value of the property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information by each major customer

Nothing is stated herein as there is no outside customer representing 10% or more of the net sales in the consolidated statement of income and comprehensive income.

[Information on the amount of impairment loss on noncurrent assets by each reporting segment]

Current year (From April 1, 2010 to March 31, 2011)

(Unit: Millions of Yen)

	Pachinko Pachislot	Amusement machine sales	Amusement center operations	Consumer business	Other (note)	Total
Impairment losses	13	787	246	381	73	1,502

(Note) "Other" is the business segment not included in the reporting segments, and includes Information provider services, etc.

[Information on amortization of goodwill and unamortized balance by each reporting segment]

Current year (From April 1, 2010 to March 31, 2011)

(Unit: Millions of Yen)

	Pachinko Pachislot	Amusement machine sales	Amusement center operations	Consumer business	Other (note)	Total
Amortization	288	—	—	1,466	120	1,875
Balance as of March 31, 2011	1,062	—	—	14,497	—	15,559

(Note)

- "Other" is the business segment not included in the reporting segments, and includes Information provider services, etc.
- Amortization in the fiscal year under review includes amortization of goodwill in other expenses.

[Information on gain on negative goodwill by each reporting segment]

Current year (From April 1, 2010 to March 31, 2011)

Not applicable