

Summary of FY Ending March 2012 3rd Quarter Results

February 6, 2012

SEGA SAMMY HOLDINGS INC.

(1)FY Ending March 2012 3Q Results

□Results Highlights

For the third quarter, sales and profits increased year-on-year.

For Pachislot and Pachinko Machines, Pachislot unit sales decreased and Pachinko unit sales increased compared to the results of the previous fiscal year

For Amusement Machine Sales, sales of the mainstay title and distribution of earnings due to utilization of revenue sharing model were solid.

For Amusement Center Operations, SEGA domestic same-store sales exceeded results of the previous fiscal year.

For Consumer Business, Game software sales performed at a lower level year-on-year.

□Consolidated Income Statements

Net Sales: **311.6 billion yen (increased by 0.5% year-on-year)**

Operating Income: **64.3 billion yen (increased by 2.2% year-on-year)**

Ordinary Income: **63.4 billion yen (increased by 1.8% year-on-year)**

Net Income: **34.3 billion yen (decreased by 6.8% year-on-year)**

□Costs and Expenses

Cap-ex increased year-on-year due in part to commencement of construction of new factory and new logistics center of Sammy Corporation in the 3Q.

Investment amount in new factory and new logistics center totals 16.2 billion yen, of which around 6.0 billion yen is expected to be invested in the current period

□Consolidated Balance Sheet

Current assets increased **41.3 billion yen** due primarily to the increase of accounts receivable, etc.

Meanwhile, noncurrent assets increased by **29.6 billion yen** due primarily to the increase of the value of the investment securities etc.

As a result, total assets increased **70.8 billion yen** from the previous period end to **529.4 billion yen**.

Net assets increased **27.3 billion yen** from the end of the previous fiscal year, to **312.7 billion yen**.

Equity ratio was **58.5%**, continuing to maintain a healthy level.

□ Pachislot and Pachinko Machines

Net Sales: **177.5 billion yen (increased by 5.7% year-on-year)**

Operating Income: **67.4 billion yen (increased by 23.4% year-on-year)**

For pachislot machines, sales of mainstay title “**Pachislot Hokuto No Ken**” reached **169,000 units**. As a result, overall unit sales decreased year-on-year by around **40,000 units** to **228,000 units**.

In the pachinko sector, as a result of the sales of titles such as “**Pachinko SOUTEN-NO-KEN**” and “**CR Ryu ga Gotoku Kenzan!**”, whole unit sales was **287,000units**, an increase of **46,000units** from the same period last year

Profit ratio improved year-on-year due to a sales of the major title for pachislot.

As for 4Q forecasts, in the pachislot segment, scheduled to launch Rodeo brand's mainstay title "**Monster Hunter**" in March.

In the pachinko segment, we are planning to sell "**Pachinko CR Nogaremono Orin2**" in February and "**Pachinko CR Momotaro Dentetsu**" in March.

Concerns over procurement of particular pachislot materials emerged in the wake of the flooding in Thailand last year, and alternative materials were used and we re-applied for licenses and permission.

As a result, the release schedules for some titles have been reviewed..

□ Amusement Machine Sales

Net Sales: **34.0 billion yen (decreased by 11.5% year-on-year)**

Operating Income: **5.0 billion yen (decreased by 40.5% year-on-year)**

With solid sales of this term's mainstay title “**StarHorse3 Season I A NEW LEGEND BEGINS.**” that was installed from November, we will continue delivery of this title in the 4Q.

Utilization of revenue sharing model remains strong. Distribution of earnings accounted for around **13%** of domestic amusement machine sales through the end of the 3Q. Stable contribution of earnings is also expected in the 4Q..

□ Amusement Center Operations

Net Sales: **33.9 billion yen (decreased by 1.7% year-on-year)**

Operating Income: **1.2 billion yen (increased by 50.0% year-on-year)**

Decreased sales year-on-year, but operating income increased due to efforts to reinforce management capabilities of the existing amusement centers.

5 new domestic stores were opened and **6** closed.

As a result, the number of facilities as of the end of the third quarter was **247**.

Sales of SEGA domestic same-store was **100.5 %** year-on-year. Slightly decreased sales year-on-year in 3Q, but solid against projection.

In the 4Q, continue to thoroughly strengthen operations of each individual store, and seek to maximize the impact of installing mainstay titles toward sales recovery.

□ Consumer Business

Net Sales: **63.5 billion yen** (decreased by **5.1%** year-on-year)

Operating Loss: **5.5 billion yen** (operating income of **2.8 billion yen** in the same period last year)

In the home video game software business, we sold mainstay titles such as “**Mario & Sonic at the London 2012 Olympic Games™**” and “**Sonic Generations**”. As a result of weak environment in the overseas market, home video game software sales was **12,600 thousand units**, a decrease of **1,030 thousand units** compared to the same period last year.

In the social game segment, released the Android version of “**Kingdom Conquest**” in December. Surpassing 2 million downloads worldwide on a cumulative basis including conventional iOS as of end of December.

Acquired U.S. development company “**Three Rings Design Inc.**” for the purpose of further strengthening development and operation capabilities for online games in the U.S. and European region.

In the toy sales division, sales of the “**Anpanman**” series and “**Jewelpod**” were strong, but domestic and overseas sales were generally weak.

In the animation business, royalty revenue from “**Anpanman**” was solid.

As for forecasts for the fourth quarter, in the home video game software business, we plan to introduce multiple titles such as “**Mario & Sonic at the London Olympic Games™**” for 3DS and “**Binary Domain**”.

As for smartphones and SNS, we are planning to deliver new titles such as “**SANGOKUSHI CONQUEST**” for iOS and “**KINGDOM CONQUEST HEAVEN**” for Mobage.

We will also carry out activities towards development of Pachinko and Pachislot game for smartphones.

In the toys business, we will strengthen activities of mainstay products.

In the animation business, we are planning production of several new titles for television. Also, we will continue to strive to reduce content production expenses.

In the consumer business, we are considering measures given the current earnings performance.

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