

March 20, 2015

SEGA SAMMY HOLDINGS INC.

Actual Results for the Third Quarter of the Year Ending March 2015

■ General Matters

<Matters related to adjustment of operating results forecast>

**Q: What factors led to the adjustment of the full-year operating results forecast? In particular, what are the reasons for the significant downward revision of net income?**

A: The reasons are that extraordinary loss is expected during the fiscal year ending March 2015 due to implementation of various measures for the structure reform, and that as a result of considering the future performance outlook and estimates for taxable income as well as carefully examining the recouping capability of deferred tax assets, the total amounts of corporate income tax, etc. increased due to the expected partial reduction of deferred tax assets.

**Q: What are the reasons for lowering the operating income of the Consumer Business in the adjustment of the full-year operating results forecast from the previous forecast?**

A: Operating income is expected to be lower than the previous forecast due to combined factors such as impact from strategically changing the schedule of releases of new smartphone titles to the next fiscal year and the timing of posting the license income of overseas online games to the next fiscal year, in addition to sluggish performance of packaged game software and pachinko/pachislot games for mobile phones and PCs.

<Matters related to structure reform>

**Q: What is the breakdown of extraordinary loss related to the structure reform?**

A: That is currently under review.

**Q: What is the outcome of the reduction of fixed expenses in the fiscal year ending March 2016?**

A: That is currently under review. However, the target of a 6 billion yen reduction in fixed expenses, which was set in the second quarter, is expected to be achieved.

**Q: In which segment was the fixed expenses reduction mainly conducted?**

A: Details are currently under review. However, we mainly reduced fixed expenses in the amusement businesses.

**Q: Is further structure reform being planned?**

A: We will continue discussing the possibility by assessing the results of the current structure reform, but

there are no definite plans at present.

<Outlook for the next fiscal year onward>

**Q: How do you view the performance for the next fiscal year onward, and what is the outlook for the timing of business recovery?**

A: A positive impact from the reduction of fixed expenses through the implementation of various structure reform measures is expected in the next fiscal year onward. Plans for the fiscal year ending March 2016 are currently being formulated.

■ **Pachislot and Pachinko Machines Business**

**Q: What are the main titles launched/to be launched in the Pachislot and Pachinko Machines Business?**

A: (Pachislot)

RODEO's "Salaryman Kintaro" was launched in the third quarter.

Sammy's "Pachislot ALADDINA II" will be launched in the fourth quarter.

(Pachinko)

The mainstay title "CR Hokuto No Ken 6 series" and others were launched in the third quarter.

**Q: What is the outlook for pachislot machines in the fiscal year ending March 2016, which is expected to be impacted by the new testing method introduced by Hoan Tsushin Kyokai (Security Communications Association)?**

A: We will continue to release attractive products while adapting to the new testing method.

Plans for the fiscal year ending March 2016 are currently being formulated, but release of titles adapted to the new testing method is scheduled to start in the first quarter.

■ **Consumer Business**

**Q: What is the situation concerning new smartphone title releases?**

A: Several new titles were released during the current fiscal year. On the other hand, however, since we strategically promoted the brushing-up of titles for quality improvement, the release of several titles was changed to the next fiscal year.

Services for "Dairantou!! Dragon Parade" was launched in the fourth quarter of the fiscal year ending March 2015.

Services for "Hortensia Saga" are scheduled to start this spring.

**Q: What is the outlook for the digital game field in the next fiscal year?**

A: Plans for the fiscal year ending March 2016 are currently being formulated, but we will further enhance profitability in the fiscal year ending March 2016 by launching several new titles starting in the first quarter in addition to existing titles in the fiscal year ending March 2015.

## ■ Other Business

**Q: What is the progress of the resort complex development in Incheon?**

A: Construction of the development of a resort complex facility on the land adjacent to Incheon International Airport has been underway since November 2014 and its opening is scheduled for the first half of 2017.

### <Matters related to acquisition of treasury stocks>

**Q: Why are you acquiring treasury stocks?**

A: In anticipation of full-fledged entry into the IR business and such, we are acquiring treasury stocks to prepare for flexible capital policies for future financing.

**Q: Are you considering cancellation of stocks including treasury stocks currently held?**

A: Treasury stocks are intended to be used to execute flexible capital policies in the future and thus their cancellation is not being considered at present.

\*The contents of this material are the judgments and projections of the Company's management based on currently available information. These contents include risks and uncertainties and the actual results may differ materially from these contents/comments.