

March 13, 2017

SEGA SAMMY HOLDINGS INC.

■ **General Matters**

Q: What are the reasons for not revising the full-year operating results forecast although the cumulative results through the third quarter have surpassed the revised full-year forecast?

A: Operating income, ordinary income and profit attributable to owners of parent have surpassed those in the full-year consolidated operating results forecast for the fiscal year ending March 2017 announced on November 2, 2016 due to the concentrated sales of several major titles in all segments. However, for the fourth quarter, no sales of major titles are planned in all segments and it is necessary to assess sales trends, operating expenses arising, etc. going forward. Therefore, there will be no changes made to the full-year consolidated operating results forecast for the fiscal year ending March 2017 announced on November 2, 2016. We will promptly announce any necessary revision to the operating results forecast.

■ **Pachislot and Pachinko Machines Business**

Q: The results through the third quarter seems relatively strong, but what about the fourth quarter?

A: In the fourth quarter, “Pachislot GARO-Mamorishimono-,” “Pachislot Eureka Seven AO,” etc. will be launched in the Pachislot Machines Business while sales of titles with changed specifications, etc. is mainly scheduled for the Pachinko Machines Business.

Q: What is the market environment for the Pachislot and Pachinko Machines Business?

A: As to the market environment of Pachislot machines, new-format sales struggle to grow as the operation of old-format machines continues to be strong. In addition, since further voluntary regulations (5.9 type machine regulations) are scheduled to be introduced in October 2017, the outlook is likely to remain uncertain. Concerning the market environment of Pachinko machines, we recognize that currently, sales and operation of some titles with low gambling elements have become robust. On the other hand, we believe it is necessary to closely watch the situation as the operating level of the entire market is not quite stable yet.

■ **Entertainment Contents Business**

Q: What factors led to the strong performance of the Entertainment Contents Business in the third quarter?

A: The Business performed well with the launch of large titles concentrated in the third quarter for the packaged game field and amusement machine sales field, in addition to strong performance of existing mainstay titles in the digital game field.

Q: What factors are leading to the apparent deficit in the Entertainment Contents Business in the fourth quarter?

A: We believe the large profit in the third quarter was due to the concentrated sales of several major titles. On the other hand, however, there are no major titles to be launched in the fourth quarter and it is necessary to carefully assess the sales trends of new titles and others as well as the operating expenses status, etc. toward the end of the fiscal year.

#### ■ Resort Business

Q: What is the purpose of the discontinuance of the Busan project?

A: We have decided to discontinue the complex development project in Busan Metropolitan City, South Korea in order to improve our financial standing, enhance capital efficiency and also to concentrate our management resources on PARADISE CITY and other Integrated Resort (IR) business.

Q: Have there been any movements in the IR business after the IR promotion law was established?

A: We anticipate that the IR implementation law will pass and the environment to introduce IR facilities in Japan will be ready. We are accumulating know-how on IR business through operation of Phoenix Seagaia Resort and PARADISE CITY.

#### ■ Regarding Next Fiscal Year

Q: What are your thoughts on the next fiscal year (fiscal year ending March 2018) forecast?

A: The forecast for the next fiscal year is currently under close examination, but the market environment for the Pachislot and Pachinko Machines Business is expected to remain uncertain, particularly for Pachislot machines. Concerning the Entertainment Contents Business, since major titles are concentrated in the current fiscal year, we need to carefully examine the line-up for the next fiscal year. We will continue to work to achieve the mid-term management goal of the fiscal year ending March 2020.

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\* 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.