



FY Ending March 2019 3rd Quarter Results Presentation

February 6, 2019

[Disclaimer]

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These contents involve the risk and uncertainty and the actual results may differ materially from them.

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Good morning everyone. My name is Yoichi Owaki and I'm the Managing Director of Finance & Accounting Division at SEGA SAMMY HOLDINGS INC.

Thank you for taking the time to be at our third quarter results presentation. Today's presentation will be given by Takahashi, the Vice President, Senior Executive Officer and myself.

We will explain the result along the results presentation uploaded to our website.

1. With regard to adjusted full year consolidated operating results forecast publicized on Feb 5

With regard to adjusted consolidated operating results forecast ①

Adjusted Full Year Operating Results Forecast: Segments Break Down

(JPY Billion)	2018/3	2019/3		Increase / Decrease
	Full Year Results	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Feb 5)	
Sales	323.6	390.0	337.0	-53.0
Pachislot and Pachinko Machines	105.6	122.0	102.0	-20.0
Entertainment Contents	208.0	258.0	224.5	-33.5
Resort	9.9	10.0	10.5	0.5
Operating Income	17.7	21.0	13.0	-8.0
Pachislot and Pachinko Machines	11.9	18.5	14.0	-4.5
Entertainment Contents	14.8	13.5	9.7	-3.8
Resort	-2.5	-3.0	-2.8	0.2
Other / Elimination	-6.5	-8.0	-7.9	0.1
Operating Income Margin	5.5%	5.4%	3.9%	-1.5pt
Non-operating income	3.2	1.5	2.0	0.5
Non-operating expenses	6.4	6.5	7.5	1.0
Ordinary Income	14.5	16.0	7.5	-8.5
Extraordinary income	0.9	1.0	1.8	0.8
Extraordinary losses	3.1	-	6.8	6.8
Income before income taxes	12.4	17.0	2.5	-14.5
Profit (loss) attributable to owners of parent	8.9	12.0	-1.5	-13.5

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Adjusted the operating results forecast for FY ending March 2019 mainly due to the performance of Pachislot and Pachinko machine business and Entertainment Contents business.

Record impairment loss of approx. ¥6.1billion for the part of fixed assets in Digital Games area owned by SEGA Games Co., Ltd. as extraordinary losses.

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First, I'd like to explain the adjustments to the operating results forecasts for FY ending March 2019 we publicized yesterday.

We adjusted the operating results forecast for FY ending March 2019 downward mainly due to slowdown in Pachislot and Pachinko machines business and the Digital Games area of Entertainment Contents business.

Due to the weak performance of the Digital Games area, we closely investigated the likelihood of recovery on some of the fixed assets our consolidated subsidiary SEGA Games Co., Ltd. and its subsidiary owns based on the current business environment and outlook of future performance.

As the result, we recorded an impairment loss of approximately 6.1 billion yen as extraordinary loss, as we reduced the book value of assets deemed less recoverable to their recoverable amount.

With regard to adjusted consolidated operating results forecast ②

Pachislot and Pachinko Machines Business

(JPY Billion)	2019/3		
	Through 3Q	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Feb 5)
Sales	76.1	122.0	102.0
Pachislot	11.0	39.1	26.3
Pachinko	52.3	71.2	59.3
Other / Elimination	12.8	11.7	16.4
Operating Income	9.6	18.5	14.0
Operating Income Margin	12.6%	15.2%	13.7%
Pachislot			
Number of Titles	3 titles	9 titles	6 titles
Unit Sales (units)	31,534	103,000	71,000
Pachinko			
Number of Titles	5 titles	9 titles	7 titles
Unit Sales (units)	136,670	201,000	158,000
Board + Frame	87,468	94,500	93,000
Board	49,202	106,500	65,000

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Main factors

- ◆ Acquisition status of approval in prototype testing has been lower than expected
- ◆ The number of machine unit sales are expected to decrease from the initial plan

Future Initiatives

- ◆ Promote the effort to bring about a full-fledged supply of titles conforming to new regulations and voluntary regulation
- ◆ Continue the effort for cost improvement

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Please look at page 4.

In the Pachislot and Pachinko machines business, as acquisition of approval in prototype testing fell short of expectations, number of titles and unit sales of machine are expected to be lower than initially planned.

In Pachinko machines, as a result of close investigation of appropriate selling time, we decided to delay some of the titles scheduled to be sold this fiscal year until next year, so we anticipate the number of titles and unit sales of machine decrease from our plan at the beginning of the fiscal year.

We are also continuing our efforts to reduce operating expenses, but expect sales to be 102 billion yen and operating income to be 14 billion yen, which is lower than planned at the beginning of the fiscal year.

Going forward, we aim to improve our approval ratio to achieve a full-fledged supply of titles conforming to new regulation and new voluntary regulations so that we can supply the titles matches the user's needs as quickly as possible to stimulate the market.

We will also continue to improve cost efficiency in order to enhance profitability.

With regard to adjusted consolidated operating results forecast ③

Entertainment Contents Business

(JPY Billion)	2019/3		
	Through 3Q	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Feb.5)
Sales	166.2	258.0	224.5
Digital Games	29.4	70.0	44.5
Packaged Games	43.7	62.0	56.5
Amusement Machine Sales	40.9	58.0	54.0
Amusement Center Operations	30.7	39.0	41.3
Animation / Toy	18.3	26.0	24.3
Other / Elimination	3.2	3.0	3.9
Operating Income	10.6	13.5	9.7
Digital Games	-2.7	9.0	-0.2
Packaged Games	8.1	7.0	7.0
Amusement Machine Sales	3.0	0.0	0.7
Amusement Center Operations	2.2	2.0	3.0
Animation / Toy	2.1	2.0	2.2
Other / Elimination	-2.1	-6.5	-3.0
Operating Income Margin	6.4%	5.2%	4.3%

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Main factors

- ◆ Performance of new titles has been below expectation and is not able to compensate for slowdown of existing mainstay titles in Digital Games area.
- ◆ Recorded losses in relation to the termination of operating title.(Digital Games)

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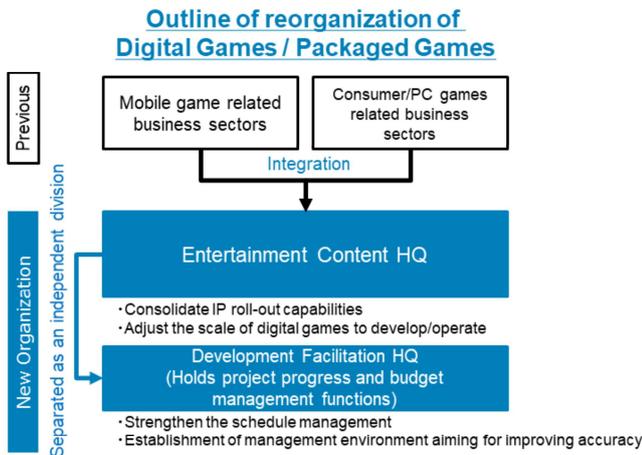
Next, please look at page 5.

In the Entertainment Contents business, we were planning to increase sales and operating income by launching several new titles in Digital Games area, but due to the delays of release and sluggishness of launched new titles, results did not reach our expectations.

Furthermore, as we recorded loss in third-quarter in relation to the service termination of operating title, we expect the operating loss in Digital Games area.

With regard to adjusted consolidated operating results forecast ④

Entertainment Contents Business



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Future Initiatives

- ◆ Accelerate and promote IP oriented business roll-out.
- ◆ Promote the effective use of resources and improve accuracy of development management through execution of reorganization in Digital Games area.
- ◆ Adjust the scale of digital games to develop/operate.

Please look at page 6, future initiatives in the Entertainment Contents business.

We will accelerate our IP-oriented business roll out, maximize the value of IP held by the Group, and actively utilize external IP to increase profitability.

In addition, by restructuring to integrate organizations of the Digital Games and Packaged Games areas as of January this year, we will turn resources such as people in practical use, and apply the development management know-how gained in Packaged Games to Digital Games area to increase accuracy of development management in order to avoid delays in the development or other problems.

Furthermore, in Digital Games area, we will optimizing the number of titles in development and operation to improve profitability.

2. FY Ending March 2019 3rd Quarter Results / Full Year Forecasts

Results Highlights

(JPY Billion)

	2018/3		2019/3		
	Results Through 3Q	Full Year Results	Results Through 3Q	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Feb 5)
Sales	260.8	323.6	250.3	390.0	337.0
Operating Income	25.6	17.7	11.9	21.0	13.0
Operating Income Margin	9.8%	5.5%	4.8%	5.4%	3.9%
Non-operating income	3.1	3.2	1.5	1.5	2.0
Non-operating expenses	4.4	6.4	4.4	6.5	7.5
Ordinary Income	24.3	14.5	9.0	16.0	7.5
Extraordinary income	0.8	0.9	1.7	1.0	1.8
Extraordinary losses	0.7	3.1	6.7	-	6.8
Income before income taxes	24.4	12.4	4.0	17.0	2.5
Profit (loss) attributable to owners of parent	13.7	8.9	0.6	12.0	-1.5
ROA [*]	-	1.8%	-	-	-

*ROA = Profit attributable to owners of parent / Total assets



3Q Results

- ◆ Sales and profits decreased from the same period in last fiscal year.
- ◆ Performance of both Pachislot and Pachinko Machines Business and Entertainment Contents Business (mainly Digital games area) went below expectation.

Full Year Forecast

- ◆ Adjust the full year operating results forecast

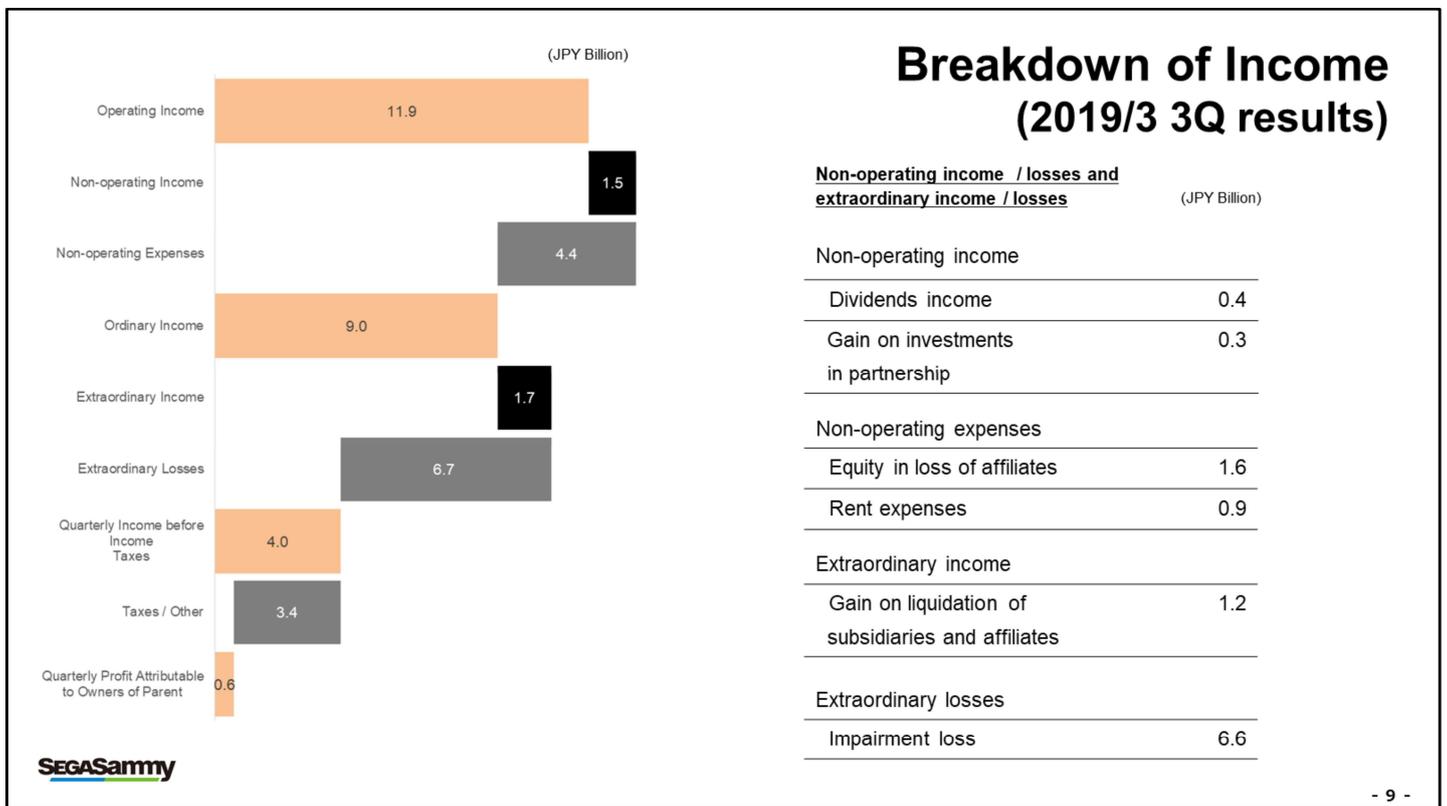
*For more details, please see "FY Ending March 2019 3rd Quarter Appendix"

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Now I'd like to present our performance results for the third quarter and efforts in the fourth quarter of this fiscal year.

Please look at page 8.

In the third quarter, both Pachislot and Pachinko Machines and Entertainment Contents businesses declined from last year, and with increased costs from relocation of our headquarters, both sales and operating income decreased year on year.



Page 9 shows the breakdown of income.

Non-operating expenses include July-September results of PARADISE SEGASAMMY as well as overlapping rent during the relocation.

As mentioned at the start, as a result of impairment loss of certain assets in Digital Games area being recorded as extraordinary loss in the third quarter, quarterly profit attributable to owners of the parent was 0.6 billion yen.

Consolidated Costs and Expenses

(JPY Billion)

(Main factors)

	2018/3		2019/3		Revised Full Year Forecasts (announced on Feb 5)	19/3 3Q Results
	Results Through 3Q	Full Year Results	Results Through 3Q	Full Year Forecast (announced on May 11)		
R&D Expense / Content Production Expense	45.5	62.0	48.3	73.3	65.8	Increased in association with the launch of new titles in Digital Games area
Cap-ex	16.2	24.1	24.3	32.1	32.0	Increased in association with the relocation of headquarters
Depreciation	12.2	16.2	10.8	14.8	14.3	Accelerated depreciation decreased in relation to the execution of relocation.
Advertising	11.7	15.4	12.2	22.1	16.4	—

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Please look at page 10 for consolidated costs and expenses.

R&D and advertising expenses increased at the same period in last year mainly due to the launch of new titles in the Digital Games area but we expect the full-year results will be lower than our initial plan due to the delayed launch of new titles.

Amount of capital expenditure increased in association with the relocation of our headquarters.

Consolidated Balance Sheet

(JPY Billion)

**Consolidated Balance Sheet
Summary**

	As of end of 2018/3	As of end of 3Q, 2019/3	Change
Current Assets	272.3	246.7	-25.6
Cash and Deposits	157.8	84.4	-73.4
Securities	24.6	45.5	+20.9
Non-Current Assets	201.1	208.7	+7.6
Current Liabilities	84.4	93.2	+8.8
Short-term loans payable	15.8	15.3	-0.5
Corporate Bonds	10.0	15.0	+5.0
Non-Current Liabilities	78.5	60.3	-18.2
Long-term loans payable	38.6	29.5	-9.1
Corporate Bonds	22.5	10.0	-12.5
Total Liabilities	163.0	153.6	-9.4
Total Net Assets	310.4	301.8	-8.6
Total Assets	473.4	455.5	-17.9
Equity Ratio	65.0%	65.7%	+0.7pt

Main factors	Changes
Current Assets	
Cash and deposits decreased with payment of interest-bearing debt and purchase of securities for short term investment.	-25.6
Non-current Assets	
Tangible fixed assets increased in association with relocation of headquarter and investment securities increased.	+7.6
Liabilities	
Interest-bearing debt decreased with redemption of corporate bonds, payment of loans payable and etc.	-9.4

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Next, please look at the balance sheet on page 11.

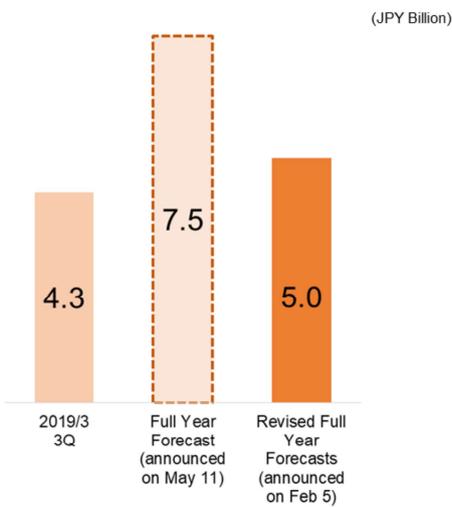
In addition to increase in operating receivables such as accounts receivables, cash and deposits decreased with payment of interest-bearing debt and purchase of securities for short term investment.

Fixed assets increased due to acquisition of tangible fixed assets in association with relocating our headquarters and etc.

Relocation Expenses (2019/3 3Q, 2019/3 full year)

Incurrence of expenses for relocation of
headquarter

- One-off relocation expenses (Reference)



⇒ No incurrence of one-off relocation expenses expected for
FY ending March 2020

One-off expenses for relocation	(JPY Billion)	
	2019/3 3Q	2019/3 Full Year (2/5 Revision)
Consolidated	-4.3	-5.0
Pachislotand Pachinko Machines	-1.1	-1.1
Entertainment Contents	-2.4	-3.1
Resort	-	-
Other / Elimination	-0.8	-0.8

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Next, page 12 is expenses associated with relocation of our headquarter.

Total one-off expenses up to the third quarter was 4.3 billion yen.

The cost associated with the studio creation for the Entertainment Contents business and company-wide expenses are mainly recorded.

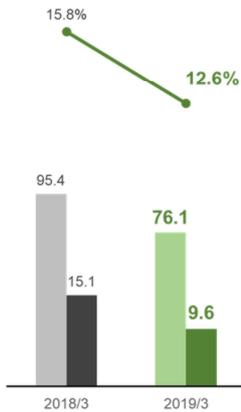
Although we planned to incur expenses of 7.5 billion yen this fiscal year, we've revised the full-year forecast to 5 billion yen due to the increased number of capitalized items.

In the fourth quarter, we are moving forward with the relocation of group company Sega Interactive, so we expect to incur costs mainly in the Amusement Machines area.

3. 3rd Quarter Results / Full Year Forecast per Segments

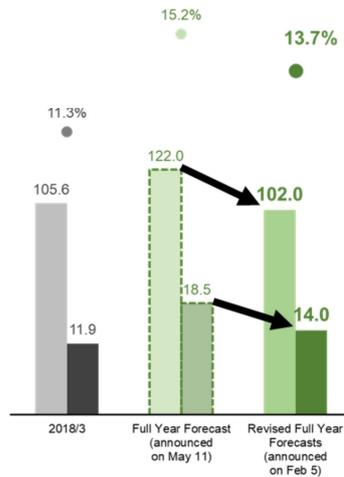
3Q Results

■ Sales
■ Operating Income
● Operating Income Margin



Full Year

(JPY Billion)



Pachislot and Pachinko Machines Business

3Q Results

- ◆ Pachislot: Commenced the sales of No. 6-type machine.
- ◆ Pachinko: Sold machines centering on those conforming to previous regulation.

Full Year Forecast

- ◆ Adjust the full year operating results forecast.
- ◆ Review the number of titles and sales units.
- ◆ Pachislot: Proceed the sales of No. 6-type machines and launch ZEEG machine
- ◆ Pachinko: Continue the sales centered on machines conforming to previous regulation.

Unit sales (Thousands)

	2018/3 3Q	2019/3 3Q	2018/3 Full Year	2019/3 Full Year (Initial Forecast)	2019/3 Full Year (2/5 Revision)
Pachislot	75	31	85	103	71
Pachinko	129	136	140	201	158
Board+ Frame	95	87	97	94	93
Board	33	49	42	106	65

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Please look at page 14.

In the Pachislot and Pachinko machines business, although pachinko machine unit sales were equivalent year on year, for Pachislot machine, despite the sales of our first No. 6-type "Pachislot CHAIN CHRONICLE" and the repeat sale of "Pachislot DISC UP" we launched in first quarter has contributed, factors like the lower-than-expected approval in prototype testing caused the decline in unit sales and this resulted in sales and operating income decreasing year on year.

As I mentioned earlier, we've revised our full-year operating results forecasts, but in the fourth quarter we plan to sell "Pachislot SOUTEN-NO-KEN PONYOU" and "Pachislot Beast King Oujya no Houkou" to be launched in March, as well as additional sales of "Pachislot DISC UP" launched in the first quarter.

For Pachinko machine, with sales of "Dejihane PA Hokuto No Ken 7 Tenha" and "Pachinko CR TOMORROW'S JOE", we expect the unit sales to rise year on year.

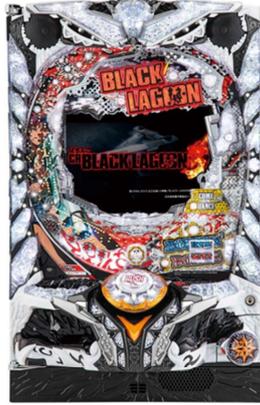
Pachislot and Pachinko Machines Business

Major titles in 3Q



“Pachislot CHAIN CHRONICLE ”

©SEGA ©SEGA/CHAIN CHRONICLE FILM PARTNERS
©Sammy



“Pachinko CR BLACK LAGOON 3”

©2006, 2010 REI HIROE / SHOGAKUKAN / BLACK LAGOON PROJECT
©Sammy

Major titles in and after 4Q



“Pachislot SOUTEN-NO-KEN PONYOU”

©Tetsuo Hara & Buronson/NSP 2001, Approved No. YRB-320
©Sammy



“Pachislot Beast King Ujya no Houkou”

©Sammy

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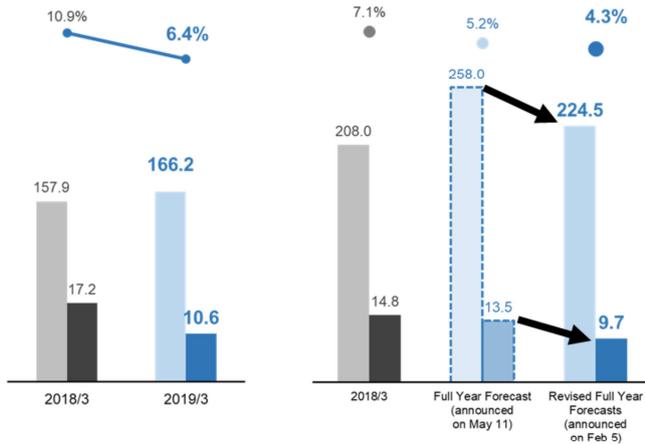
Entertainment Contents Business

3Q Results

Full Year

■ Sales
■ Operating Income
● Operating Income Margin

(JPY Billion)



3Q Results

- ◆ Recorded losses in Digital Games area.
- ◆ Performance of the areas other than Digital Games remained at equivalent level with the same period in last fiscal year.

Full Year Forecast

- ◆ Adjust the full year operating results forecast
- ◆ Planning to launch several new titles in each business area.

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From page 16, we'll explain about the Entertainment Contents business.

Despite the steady performance in areas outside of Digital Games area, recording a loss in Digital Games area resulted in rise in sales but decline in operating income year on year.

3Q Results

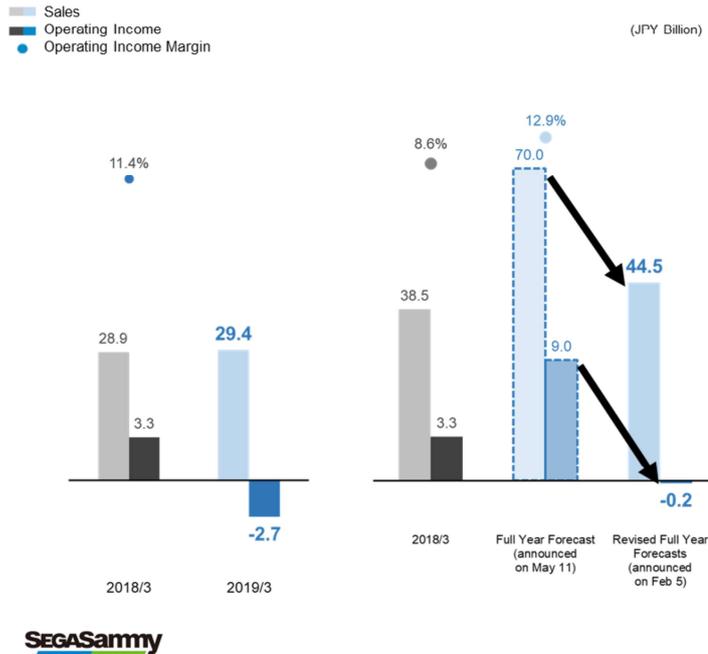
Full Year

3Q Results

- ◆ Sales decreased from 2Q this fiscal year due to the slow down of existing titles although new titles were launched.
- ◆ Recorded loss in relation to the termination of operating title.

Full Year Forecast

- ◆ Revise the number of new titles in this fiscal year from 12 to 9 titles.
- ◆ Expecting to recover operating losses in Q4 with the introduction of new titles while incorporating the decline in existing titles.
- ✓ Revolve8
- ✓ Readyyy!
- ✓ WONDER GRAVITY
~BEST BUDDY: PINO & GRAVITOR~



Please look at page 17.

The sales increased year on year in Digital Games area as we launched several new titles.

On the other hand, in addition to increased operating expenses as a result of launching new titles, we recorded the write-down accompanying the service termination of certain title as the cost in third quarter, operating loss has continued from previous quarter.

For the full-year forecast, we revised the number of new titles from the initially-planned 12 to 9 and we are planning to launch 3 new titles for the fourth quarter.

As of today, two titles, "Revolve8" and "Readyyy!" have started the service, and while the competitive environment is getting tougher, we are working to improve profits with these new titles.

In addition, as we held impairment of certain fixed assets in the third quarter, we expect the operating expenses will be reduced in the fourth quarter.

Major titles in 3Q



"Ryu ga Gotoku ONLINE" ©SEGA

Major titles in and after 4Q



"Revolve8" ©SEGA



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"IDOLA PHANTASY STAR SAGA" ©SEGA

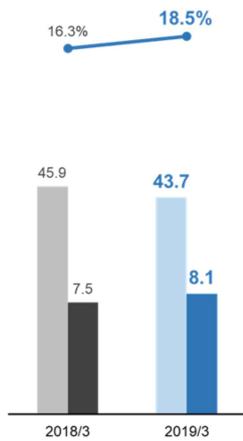


"WONDER GRAVITY ~BEST BUDDY: PINO & GRAVITOR~" ©SEGA・f4samurai - 18 -

Packaged Games

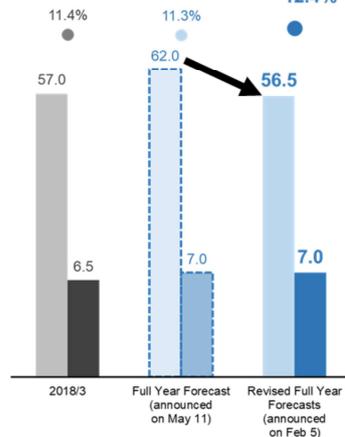
3Q Results

■ Sales
■ Operating Income
● Operating Income Margin



Full Year

(JPY Billion)



3Q Results

- ◆ Launched new titles and the repeat sales remains steady.
 - ✓ Football Manager 2019
 - ✓ Judgment

Full Year Forecast

- ◆ Expecting the sales from new titles and repeat sales but the R&D expenses from new titles will incur
- ◆ Launch new titles
 - ✓ Total War: THREE KINGDOMS
 - ✓ Catherine:Full Body

Unit sales of Packaged Games

	2018/3 3Q	2019/3 3Q	2018/3 Full Year	2019/3 Full Year (Initial Forecast)	2019/3 Full Year (2/5 Revision)
New titles	6,580	3,420	8,130	7,000	4,830
Repeat titles	7,700	15,090	9,200	13,000	17,940
Total	14,280	18,510	17,330	20,000	22,770

(Thousands unit)

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Next, please look at page 19.

In Packaged Games area, sales decreased and operating income increased year on year.

We sold new titles, but the main reason for the increased operating income was significant increase in high-profit-margin repeat sales.

In the fourth quarter, while we expect the sales from the new titles "Total War: THREE KINGDOMS" and "Catherine:Full Body" and continuous contribution of repeat sales, the development costs will increase including the new titles released in the third quarter, we expect to record loss in fourth quarter.

Packaged Games

Major titles in 3Q



"Football Manager 2019"
© Sports Interactive Limited 2019.
Published by SEGA Publishing Europe Limited.

Major titles in and after 4Q



"Total War: THREE KINGDOMS"
© SEGA. Developed by The Creative Assembly Limited.



SEGA Sammy "Judgment"
©SEGA



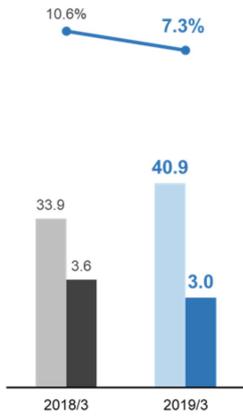
"Catherine: Full Body"
©ATLUS ©SEGA All rights reserved.



"Ryu ga Gotoku 4 (PS4)"
©SEGA

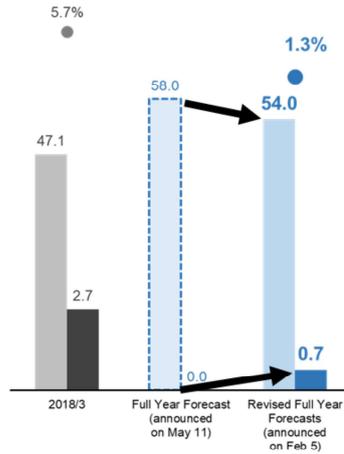
3Q Results

■ Sales
■ Operating Income
● Operating Income Margin



Full Year

(JPY Billion)



Amusement Machine Sales

3Q Results

- ◆ The sales of prize machines mainly contributed to the result.

Full Year Forecast

- ◆ Record the losses from titles of which operation was suspended and relocation expenses.
- ◆ Expecting the revenues from new titles and additional prize machines.

✓ WCCF FOOTISTA 2019



Next is Amusement Machines area. Please look at page 21.

In the third quarter, sales were strong, particularly from prize machines such as UFO CATCHER, but the expenses increased from the launch of new revenue-sharing titles. As a result, sales increased but operating income decreased.

We plan to sell a new title in the popular series "WCCF FOOTISTA 2019" in the fourth quarter, but also plan to record the impact of suspending operation of "SOUL REVERSE," sold last fiscal year, and expenses related to the headquarters relocation.

Amusement Machine Sales

Major titles in and after 4Q



"WCCF FOOTISTA 2019"

©SEGA
© Panini S.p.A. All Rights Reserved.
PANINI
The game is made by Sega in association with association with Panini.



"chronoregalia"
©SEGA

Amusement Center Operations

3Q Results

Full Year

3Q Results

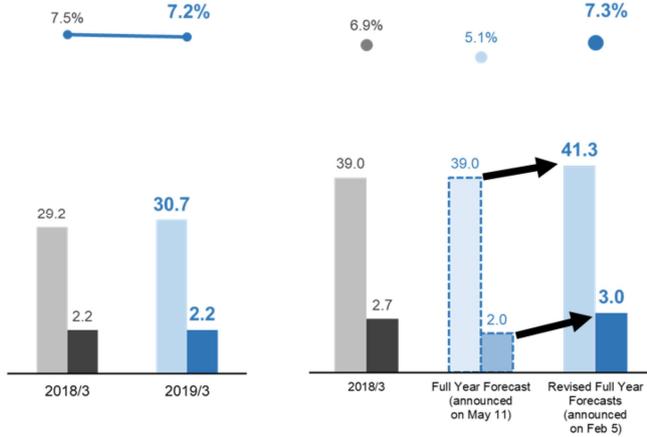
- ◆ Recorded solid performance centered on prize area.

Full Year Forecast

- ◆ Expecting the expansion of income with continuing efforts in expanding the prize areas and strengthening operation.

■ Sales
■ Operating Income
● Operating Income Margin

(JPY Billion)



Domestic amusement centers: No. of stores / YoY sales ratio comparison

	2018/3 3Q	2019/3 3Q	2018/3 Full Year	2019/3 Full Year (Initial Forecast)	2019/3 Full Year (2/5 Revision)
No. of stores	191	191	189	189	190
YoY Sales Ratio comparison (%)	102.1	104.2	101.9	100.5	105.0



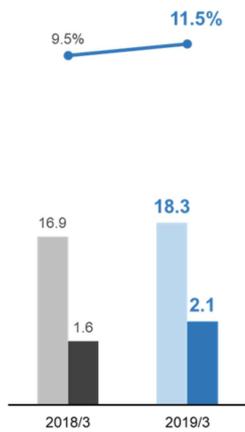
Next, please look at Amusement Center Operations area on page 23.

The number of existing centers remained steady in the third quarter at 104.2% year on year.

In the fourth quarter, we will also work to enhance operations centering on prizes and continue to expand our prize areas to increase earnings.

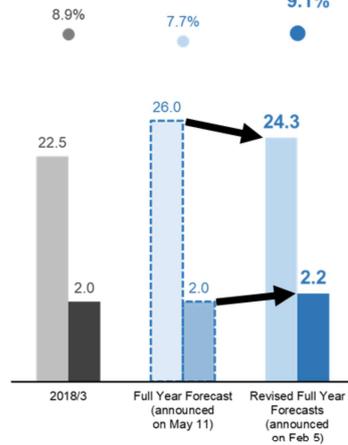
3Q Results

■ Sales
■ Operating Income
● Operating Income Margin



Full Year

(JPY Billion)



3Q Results

- ◆ Animation: Recorded the earnings from video distribution and etc.
 - ✓ Movie version of "Detective Conan" series
- ◆ Toys: Sold new product and regular products.
 - ✓ WHOareYOU?

Full Year Forecast

- ◆ Animation: Expecting the continuous earnings from video distribution and etc.
- ◆ Toys: Sell the products centered on regular products.

Moving on, page 24 is Animation and Toys area.

In the third quarter, with video distribution revenue from our streaming service for video such as past series including the movie version of "Detective Conan," and toy sales of regular products as well as the popular "WHOareYOU?" product, sales and operating income both increased.

In the fourth quarter, we expect continued revenue from video distribution and will continue to sell mainly regular product in toy area.

Major titles in 3Q

Animation



"BAKI"
©K|(AS)/BFP



"BETWEEN THE SKY AND SEA"
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Major titles in and after 4Q



"MEIJI TOKYO RENKA"
© LOVE&ART/MEIKOI project



"LUPIN THE 3rd Goodbye Partner"
Original comic books created by Monkey Punch ©Monkey Punch All rights reserved ©TMS All rights reserved.

Toys



“WHOareYOU?”

SEGA Sammy

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“WHOareYOU? Pastel!”

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Resort Business

3Q Results

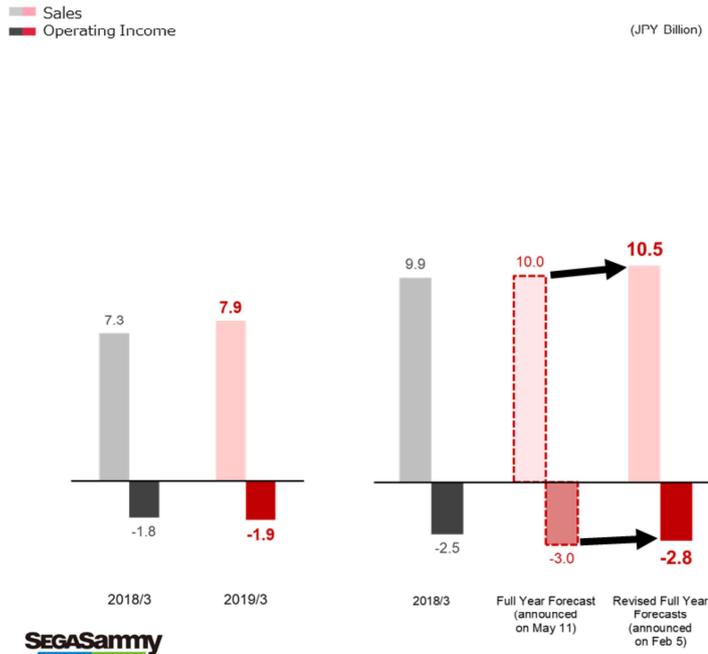
Full Year

3Q Results

- ◆ Sales increased from the same period in last fiscal year while losses also increased.

Full Year Forecast

- ◆ Prior investment continually incurs for the preparation to participate domestic Integrated Resort.
- ◆ Continue efforts to improve profitability of existing facilities.



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Next, page 26 is the Resort business.

Utilization of Phoenix Seagaia Resort remained steady in the third quarter, but due to factors such as recording prior investment for domestic IR (Integrated Resort), the operating loss margin expanded year on year.

In the fourth quarter, while we will continue the effort to improve profitability at each facility, we anticipate incurrence of prior expenses for domestic IR.

PHOENIX RESORT

3Q Results

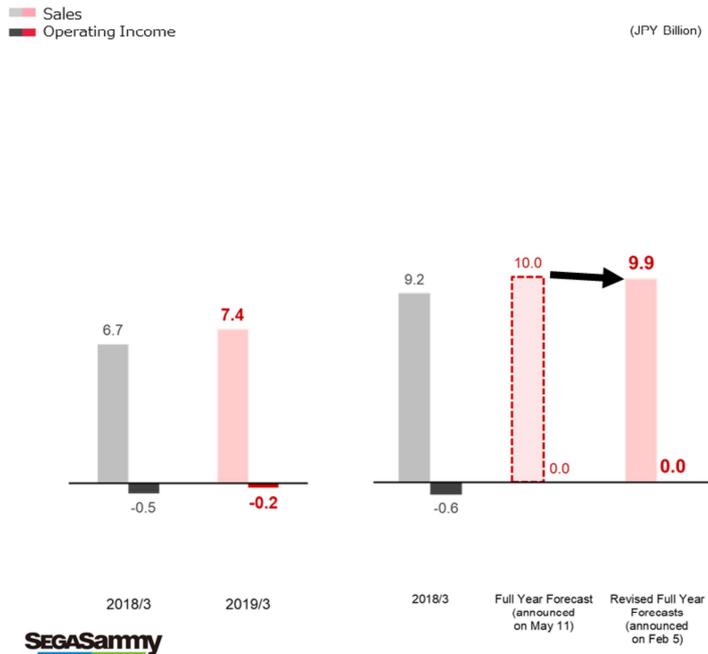
Full Year

3Q Results

- ◆ Sales and number of facility users increased as a result of measures such as renovation of facilities, 25th anniversary campaign and other various promotion.
- ◆ Implemented various measures for 45th celebration of DUNLOP PHOENIX TOURNAMENT to attract visitors.

Full Year Forecast

- ◆ Implement various promotion activities continuously to improve the profitability.



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Page 27 explains PHOENIX RESORT.

In the third quarter, with the effect of renovation as well as various measures accompanying the hosting of the DUNLOP PHOENIX TOURNAMENT 2018, New Year's events, and promotions mainly targeting local customers, the numbers of users increased by 35% year on year.

We will continue to implement such kind of various measures in the fourth quarter, striving to improve profitability enough to bring operating figures into the black.

PHOENIX RESORT

Major activities in 3Q



"DUNLOP PHOENIX TOURNAMENT 2018"



"Starlight Winter"

SEGA **Sammy**

Major activities in 4Q



"Miyazaki Spring Sports Camp"

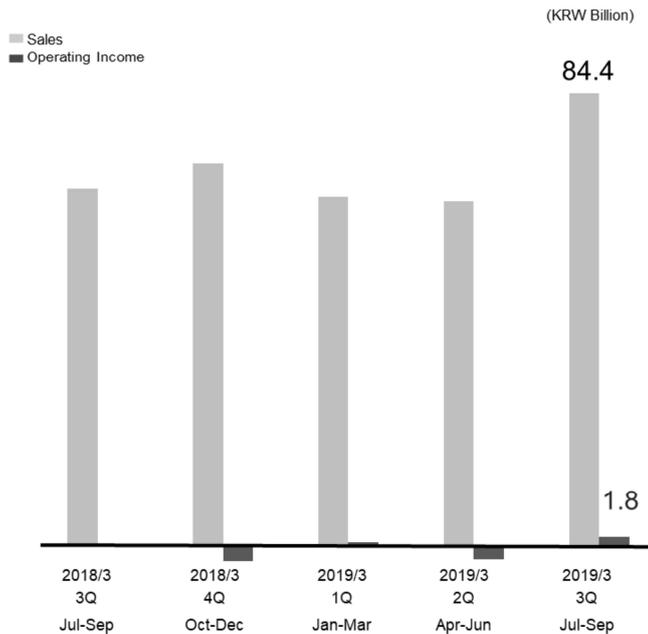
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"FLOWER LIVING"

©Phoenix Resort

PARADISE SEGASAMMY (Equity method affiliate)



3Q Results

- ◆ Sales and profits increased from the same period in last fiscal year.
- ◆ Continuously attracted a large number of Japanese visitors.
- ◆ Commenced the depreciation of "FUNCITY" (1-2 phase facilities opened on Sep, 2018).

Full Year Forecast

- ◆ Planning to open "Wonder Box" in the first half of 2019.



* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate of SEGA SAMMY HOLDINGS INC.
* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

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Finally, page 29 explains PARADISE SEGASAMMY, our equity method affiliate.

From July to September 2018, the opening of FUNCITY (Phase 1-2 facilities) in September increased expenses including the preparation period, but both sales and income increased year on year.

We continuously have many Japanese visitors and plan to open a family entertainment facility called "Wonder Box" in the spring of 2019.

We will keep gathering expertise to enter the domestic IR market through development and operation of PARADISE CITY.

That concludes the presentation.

Thank you for your time.

PARADISE SEGASAMMY (Equity method affiliate)



"CHROMA Halloween"



"New Year count down event"

SEGASammy



"Wonder Box (image)"



<https://www.segasammy.co.jp/>

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<https://www.segasammy.co.jp/english/ir/stock/regulation/>

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