

FY 2009 Interim Results

November 4th, 2008
SEGA SAMMY HOLDINGS INC

[Disclaimer]

The contents of this material and comments made during the questions and answers etc of this briefing session are the judgment and projections of the Company's management based on currently available information.

These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

【 FY2009 Interim Results / Full Year Forecast】

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Items	Points	
<p>Net Sales・Profits</p>	<ul style="list-style-type: none"> ▪ Net sales: 200.4 billion, Operating loss:7.5 billion, Net loss: 9.5 billion ▪ Sales decrease and loss expanded year on year, but narrower loss than plan. ▪ Leaves whole year forecast unchanged 	
<p>Segment Overview</p>	<p>■ Pachinko Pachislot</p>	<ul style="list-style-type: none"> ▪ Sales decreased year on year and booked operating loss ▪ Pachinko units sales were above plan substantially with strong sales of “CR Hokuto no Ken” and contribution by TAIYO ELEC. ▪ Pachislot units sales were below last year level when all old regulated products were replaced by new machines conforming to new regulation.
	<p>■ Amusement Machine</p>	<ul style="list-style-type: none"> ▪ Both sales and profits increased year on year ▪ Sold “WORLD CLUB Champion Football Intercontinental Clubs 2006-2007” and “GALILEO FACTORY” , main titles of this fiscal year
	<p>■ Amusement Facilities</p>	<ul style="list-style-type: none"> ▪ Sales decreased and operating loss expanded year on year ▪ Same store sales lower than the prior year ▪ Continued closure and selling facilities with low profitability and future potential
	<p>■ Consumer</p>	<ul style="list-style-type: none"> ▪ Sales increased, narrower operating loss ▪ Steady game software sales in both domestic and overseas market
	<p>■ Others</p>	<ul style="list-style-type: none"> ▪ Yokohama City bought back the land in Minato Mirai 21 ⇒The relevant extraordinary loss was posted in previous fiscal year. There is no effect on income statements of this fiscal year ▪ Cancellation of contract for amusement facility transfer between TMS Entertainment and GEO Corporation ⇒No significant impact on group operating results

Consolidated Income Statements

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	Interim		FY Plan	YOY Change
				Plan	YOY Change		
Net Sales	231.0	458.9	200.4	-13.2%	200.0	470.0	+2.4%
Pachinko Pachislot	99.7	145.5	65.2	-34.6%	68.0	160.0	+10.0%
Amusement Machines	34.3	71.0	34.4	+0.3%	36.5	76.0	+7.0%
Amusement Facilities	47.9	91.2	37.1	-22.5%	39.0	78.0	-14.5%
Consumer	41.2	141.7	61.9	+50.2%	55.0	153.0	+8.0%
Other	7.7	9.3	1.6	-79.2%	1.5	3.0	-67.7%
Operating Income	-4.3	-5.8	-7.5	—	-10.0	15.0	—
Pachinko Pachislot	12.1	8.4	-1.0	—	2.5	13.0	+54.8%
Amusement Machines	1.8	7.1	4.6	+155.6%	2.0	5.5	-22.5%
Amusement Facilities	-2.2	-9.8	-2.8	—	-0.8	-1.5	—
Consumer	-12.5	-5.9	-5.9	—	-10.8	3.3	—
Other	-0.2	0.0	0.2	—	0.1	0.1	—
Eliminations	-3.4	-5.5	-2.6	—	-3.0	-5.4	—
Operating margin	—	—	—	—	—	3.2%	—
Pachinko Pachislot	12.1%	5.8%	—	—	3.7%	8.1%	+2.4pt
Amusement Machines	5.2%	10.0%	13.4%	+8.1pt	5.5%	7.2%	-2.8pt
Amusement Facilities	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	2.2%	—
Ordinary Income	-3.9	-8.2	-8.4	—	-11.0	13.0	—
Ordinary income margin	—	—	—	—	—	2.8%	—
Net Income	-20.2	-52.4	-9.5	—	-12.0	5.0	—
Net income margin	—	—	—	—	—	1.1%	—
Dividend per share	30	45	15		15	30	
Earning per share (Yen)	-80.44	-208.26	-37.92		-47.63	19.85	
Net assets per share (Yen)	1196.21	1030.09	990.09				

Consolidated Balance Sheet

JPY million

【 Assets 】				【 Liabilities and Net Assets 】			
Account	Prior	Current	Change	Account	Prior	Current	Change
Cash and Cash Equivalents	101,539	117,257	15,718	Account Payable	49,496	56,822	7,325
Accounts Receivable	72,541	78,163	5,622	Corporate Bond	5,716	1,241	-4,475
Securities	2,495	26,473	23,977	Short Term Borrowings	27,455	18,805	-8,650
Inventories	51,435	47,799	-3,635	Other	50,195	38,727	-11,468
Other	47,026	36,871	-10,155				
				Total Current Liabilities	132,863	115,595	-17,267
Total Current Assets	275,038	306,565	31,526	Corporate Bond	25,679	55,513	29,834
Tangible Fixed Assets	104,029	78,403	-25,625	Long Term Debt	6,988	7,348	359
Intangible Fixed Assets	20,217	19,021	-1,195	Other	22,483	23,186	703
Investment Securities	35,608	37,996	2,387				
Others	34,749	31,425	-3,324	Total Long-term Liabilities	55,151	86,048	30,897
				Total Liabilities	188,014	201,644	13,629
				Shareholders Equity	278,253	264,201	-14,051
				Valuation/Translation Adjustments	-18,733	-14,767	3,966
				Warrants	1,070	1,269	198
				Minority Interest	21,038	21,064	25
Total Fixed Assets	194,604	166,846	-27,757	Total Net Assets	281,627	271,767	-9,860
Total Assets	469,642	473,412	3,769	Total Liabilities and Net Assets	469,642	473,412	3,769

Topics

- Equity ratio was 52.7% (55.3% at March-end). Continue to keep strong financial position
- Decreased in fixed assets resulting from return of Minato Mirai 21 land and sales of unused land
- Improved liquidity in cash and financial mobility by issuing corporate bond by a subsidiary

Segment Results : Pachinko Pachislot

Interim Results

Pachislot

- Overall units sales fell from same period of previous fiscal year when all machines installed in the market were replaced by new machines conforming to new pachislot regulation.
- Rental plans was no longer a negative factor
- Introduced a title with new entertainment features using partially relaxed items for the new regulations that was made in march 2008.
=>Started from Ginza branded “THE BLUE HEARTS”
- Postponed the introductions of Sammy branded “Hardboiled” and Rodeo branded “Tenchi Wo Kurau” to 3Q.

Pachinko

- Started introducing main titles developed under new R&D process, leading to increase in market installation shares by high utilizations at stores
=>Sammy branded “Hokuto no Ken”
- Total unit sales at Sep-End : 125 thousands units
- Total order receipts at Oct-End: about 170 thousands units
- TAIYO ELEC, which became a consolidated subsidiary from 2nd half of previous fiscal year, made a contribution to consolidated results
- Sammy branded “CR Virtua Fighter” was postponed to 3Q

Full Year Outlook

Pachislot

- To continue development and introduction of differentiated products.
- Main titles in the 3Q
Sammy brand : “Hard Boiled”
Rodeo brand : “Tenchi Wo Kurau”
- Initiatives for margin improvement
=>To continue component recycle and introduce machines with high reuse-rate
(“Hard Boiled” “Tenchi Wo Kurau”)

Pachinko

- Continue to sell “CR Hokuto no Ken”
- Will be announcing new main titles developed under new R&D process after “CR Hokuto no Ken”
- Main titles in the 3Q (as of October end)
Sammy brand : “CR Virtua Fighter”
Ginza brand : “CR GU-GU GANMO”
TAIYO ELEC : “CR Takumi No Michi”

Pachislot Results

(JPY Billions)	FY 2008		FY2009				
	Interim Results	FY Results	Interim Results	Full year		YOY Change	
				Interim Plan	Full year Plan		
Net sales	99.7	145.5	65.2	-34.6%	68.0	160.0	+10.0%
Pachislot	78.8	103.7	15.6	-80.2%	27.9	70.1	-32.4%
Pachinko	14.1	28.1	43.8	+210.6%	34.9	77.3	+175.1%
Peripherals and other	6.8	13.8	5.8	-14.7%	5.2	12.5	-9.4%
Operating Income	12.1	8.4	-1.0	—	2.5	13.0	+54.8%
Operating margin	12.1%	5.8%	—	—	3.7%	8.1%	—

Sales Breakdown

	FY 2008		FY 2009		
	Interim Results	FY Results	Interim Results	Interim Plan	Full year Plan
Sammy	5 titles 147,819 units	6 titles 167,879 units	2 titles 24,775 units	3 titles 40,000 units	7 titles 100,000 units
RODEO	3 titles 58,336 units	5 titles 85,117 units	1 titles 4,289 units	2 titles 20,000 units	4 titles 55,000 units
GINZA	2 titles 76,166 units	3 titles 84,639 units	2 titles 11,391 units	2 titles 25,000 units	5 titles 60,000 units
TAIYO ELEC	—	1 titles 10,947 units	2 titles 6,193 units	1 titles 5,000 units	3 titles 15,000 units
Unit Supply	6 titles 28,175 units	7 titles 32,106 units	2 titles 8,454 units	2 titles 8,000 units	4 titles 18,000 units
Total	16 titles 310,496 units	22 titles 380,688 units	9 titles 55,102 units	10 titles 98,000 units	23 titles 248,000 units

Major Products

Brand	Title	First Half Sales	Installed From
Sammy	Pachislot Momotaro Dentetsu	11,676 units	July
Sammy	Pachislot Hokuto No Ken Next Zone	10,469 units	Prior FY
GINZA	Pachislot THE BLUE HEARTS	11,098 units	August




* Number of titles reflects products which began sales in the period

* Unit Supply includes the supply of parts to other makers



Pachinko Results

	FY 2008		FY2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	YOY Change
Net sales	99.7	145.5	65.2	-34.6%	68.0	160.0	+10.0%
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Operating Income	12.1	8.4	-1.0	—	2.5	13.0	+54.8%
Operating margin	12.1%	5.8%	—	—	3.7%	8.1%	—

Sales Breakdown

	FY 2008		FY 2009		
	Interim Results	FY Results	Interim Results	Interim Plan	Full year Plan
 Sammy	1 titles 51,931 units	3 titles 55,617 units	2 titles 126,842 units	3 titles 75,000 units	6 titles 130,000 units
 GINZA	1 titles 4,710 units	2 titles 10,931 units	1 titles 1,162 units	2 titles 10,000 units	4 titles 50,000 units
 TAIYO ELEC		4 titles 41,636 units	3 titles 26,946 units	3 titles 40,000 units	6 titles 100,000 units
Total	2 titles 56,641 units	9 titles 108,184 units	6 titles 154,950 units	8 titles 125,000 units	16 titles 280,000 units

Major Products

Brand	Title	First Half Sales	Installed From
 Sammy	Pachinko CR Hokuto No Ken	123,824 units	Sep
 TAIYO ELEC	CR SAMURAI CHAMPLOO	17,460 units	May

*Number of titles reflects products which began selling in the period

Interim Results

■ Started introducing major titles for domestic market

“WORLD Club Champion Football
Intercontinental Clubs 2006-2007”

“GALILEO FACTORY”

■ Margin improved

Ratio of high-margin products and ratio of domestic sales that has higher margin than overseas sales were high.

Full Year Outlook

■ Anticipate harsh business environment in amusement facility market

■ Aim to increase revenue by selling major products launched in the first half of this year continuously

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	YOY Change
Net Sales	34.3	71.0	34.4	+0.3%	36.5	76.0	+7.0%
Domestic	28.0	60.7	31.3	+11.8%	32.7	64.0	+5.4%
Overseas	6.3	10.4	3.1	-50.8%	3.8	12.0	+15.4%
Operating Income	1.8	7.1	4.6	+155.6%	2.0	5.5	-22.5%
Operating margin	5.2%	10.0%	13.4%	+8.1pt	5.5%	7.2%	-2.8pt

Major products

Sales results of major titles in first half of FY 2009		
Titles		Sales Results
WORLD CLUB Champion Football	Live unit + Satellite (8P)	646 sets
Intercontinental Clubs 2006-2007	Live unit + Satellite (4P)	139 sets
DERBY OWNERS CLUB 2008 feel the rush	Main + Satellite	142 sets
GALILEO FACTORY	Body	79 units
SEGA Network Mah-jong MJ4	Live unit+ Satellite + Satellite CVT	2,267 units

Interim Results

■ Same store sales comps for the first half at 90.6%

- Same store sales, particularly in suburban area, were hit by sluggish personal consumption, and performed at a lower level in year-on-year terms.
- Sign of a recovery continued to emerge from the 1Q through 2Q of the year.

■ Ongoing measures (closure and sales of amusement facilities)

Accelerated closing or selling about 110 facilities with low profitability and low future potential since last fiscal year.

⇒ Close : 19 facilities, Open : 3 facilities

Number of stores at 2Q-end : 347 stores

Full Year Outlook

■ To take initiatives to increase revenues for each machine category (Video game machine, Medal machine, Prize machine)

■ To accelerate portfolio review

Continue to evaluate each facility in terms of profitability and future prospect for improvement in order to optimize the facility portfolio

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	YOY Change
Net Sales	47.9	91.2	37.1	-22.5%	39.0	78.0	-14.5%
Overseas	6.1	11.7	4.7	-23.0%	5.0	10.3	-12.0%
Operating Income	-2.2	-9.8	-2.8	—	-0.8	-1.5	—
Operating Margin	—	—	—	—	—	—	—
Existing Sales Comps	89.0%	89.0%	90.6%		100.2%	104.3%	
Domestic Facilities	433	363	347		342	347	-16
Facilities Opened	6	12	3		4	12	0
Facilities Closed	22	92	19		25	28	-64
Segment Cap-ex	8.7	15.9	9.0	+3.4%	6.2	13.6	-14.5%
Segment Depreciation	7.7	17.1	7.1	-7.8%	5.9	13.9	-18.7%

(JPY Billions, Thousand Units)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	
						Plan	YOY Change
Net Sales	41.2	141.7	61.9	+50.2%	55.0	153.0	+8.0%
Entertainment Software	19.7	94.8	39.0	+98.0%	33.4	103.0	+8.6%
Network/Other	21.5	46.9	22.9	+6.5%	21.6	50.1	+6.8%
Operating Income	-12.5	-5.9	-5.9	—	-10.8	3.3	—
Operating Margin	—	—	—	—	—	2.2%	—
Region Breakout (Units Sold)	4,910	26,990	12,760	+159.9%	10,300	31,710	+17.5%
Segment R&D	16.4	37.1	16.7	+1.8%	19.4	37.8	+1.9%

Interim Results

■ Overseas sales of video games were strong

⇒ Favorable sales of titles released in the previous fiscal year
 “Mario & Sonic at the Olympic Games” (Accumulated shipment quantity exceeded 8.5 million worldwide from the introduction)

⇒ Strong sales of titles featuring popular movie contents :
 “Iron Man”

⇒ Good sales of “Beijing 2008”

■ Domestic sales of video game were steady

⇒ Strong sales of “PHANTASY STAR PORTABLE”

Full Year Outlook

■ Overseas sales : To release major titles of the year for Christmas selling season

“Sonic Unleashed” “Football Manager 2009”

■ Domestic sales : To release RPG title and the latest title of the popular series

“PHANTASY STAR ZERO”, “Ryu Ga Gotoku 3”

■ To proceed in developing business collaboration with influential creators

PLATINUM GAMES: “MAD WORLD”

PROPE: “Let’s TAP”

Video Games Sales

Sales Region		Interim Results of FY 2008		Interim Results of FY 2009	
		# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
	Japan	14	930	17	2,000
	US	7	1,720	22	5,410
	Europe	11	2,270	22	5,340
Total		32	4,910	61	12,760

Platform		Interim Results of FY 2008		Interim Results of FY 2009	
		# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
Brea	PS2	6	250	7	930
	GC	0	0	0	0
	Xbox	0	0	0	0
	PS3	1	210	9	1,040
	Wii	4	180	8	1,050
	Xbox360	1	210	7	1,090
	NDS	10	650	18	1,880
	PSP	7	460	4	1,030
	GBA	0	0	0	0
	PC	3	350	8	270
	Catalogue	-	2,600	-	5,450
Total		32	4,910	61	12,760

Major game titles released in first half of FY 2009		
Titles	Platform	Sales (Thousand)
Iron man	PS3, Xbox360, Wii, PS2, PSP, DS, PC	2,070
The Incredible Hulk	PS3, Xbox360, Wii, PS2, DS, PC	1,300
Beijing 2008	PS3, Xbox360, PC	970
PHANTASY STAR PORTABLE	PSP	620

Major game titles to be released in second half of FY 2009	
Titles	Platform
Sonic Unleashed (Japan, Europe, US)	PS3, Xbox360, Wii PS2
Football Manager 2009 (Europe, US)	PC, PS3, Xbox360
Empire: Total War (Europe, US)	PC
Storm Rise (Europe, US)	Multiplatform
Mad World (Europe, US)	Wii
Ryu Ga Gotoku 3 (Japan)	PS3

Costs and Expenses

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	FY Plan	YOY Change
R&D expense	29.8	65.3	30.4	+2.0%	34.3	66.3	+1.5%
Ca-pex	34.9	50.4	14.5	-58.5%	11.3	23.6	-53.2%
Depreciation	29.5	45.6	11.9	-59.7%	9.7	22.2	-51.3%
Advertising	9.0	22.8	11.2	+24.4%	11.8	25.5	+11.8%

FY2009 Interim Results

■ Both ca-pex and depreciation decreased substantially over comparable period resulting from shrunk pachislot rental business.

■ Advertising cost increased resulting from introductions of major titles in each segment

Consolidated Income Statements

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Other	-0.2	0.0	0.2	—	0.1	0.1	—
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Operating margin	—	—	—	—	—	3.2%	—
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Amusement Facilities	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	2.2%	—
Ordinary Income	-3.9	-8.2	-8.4	—	-11.0	13.0	—
Ordinary income margin	—	—	—	—	—	2.8%	—
Net Income	-20.2	-52.4	-9.5	—	-12.0	5.0	—
Net income margin	—	—	—	—	—	1.1%	—
Dividend per share	30	45	15		15	30	
Earning per share (Yen)	-80.44	-208.26	-37.92		-47.63	19.85	
Net assets per share (Yen)	1196.21	1030.09	990.09				

Interim Results

Pachislot

- Overall units sales fell from same period of previous fiscal year when all machines installed in the market were replaced by new machines conforming to new pachislot regulation.
- Rental plans was no longer a negative factor
- Introduced a title with new entertainment features using partially relaxed items for the new regulations that was made in march 2008.
=>Started from Ginza branded “THE BLUE HEARTS”
- Postponed the introductions of Sammy branded “Hardboiled” and Rodeo branded “Tenchi Wo Kurau” to 3Q.

Pachinko

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Full Year Outlook

Pachislot

- To continue development and introduction of differentiated products.
- Main titles in the 3Q
Sammy brand : “Hard Boiled”
Rodeo brand : “Tenchi Wo Kurau”
- Initiatives for margin improvement
=>To continue recycle activities and introduce machines with high reuse-rate
(“Hard Boiled” “Tenchi Wo Kurau”)

Pachinko

- Continue to sell “CR Hokuto No Ken”
- Will be announcing new main titles developed under new R&D process after “CR Hokuto No Ken”
- Main titles in the 3Q (as of October end)
Sammy brand : “CR Virtua Fighter”
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TAIYO ELEC : “CR Takumi No Michi”

Segment Forecast : Pachinko Pachislot

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Pachinko	14.1	28.1	43.8	+210.6%	34.9	77.3	+175.1%
Peripherals and other	6.8	13.8	5.8	-14.7%	5.2	12.5	-9.4%
Operating Income	12.1	8.4	-1.0	—	2.5	13.0	+54.8%
Operating margin	12.1%	5.8%	—	—	3.7%	8.1%	—

Sales Breakdown

	FY 2008		FY 2009		
	Interim Results	FY Results	Interim Results	Interim Plan	Full year Plan
Sammy	5 titles 147,819 units	6 titles 167,879 units	2 titles 24,775 units	3 titles 40,000 units	7 titles 100,000 units
RODEO	3 titles 58,336 units	5 titles 85,117 units	1 titles 4,289 units	2 titles 20,000 units	4 titles 55,000 units
GINZA	2 titles 76,166 units	3 titles 84,639 units	2 titles 11,391 units	2 titles 25,000 units	5 titles 60,000 units
TAIYO ELEC	—	1 titles 10,947 units	2 titles 6,193 units	1 titles 5,000 units	3 titles 15,000 units
Unit Supply	6 titles 28,175 units	7 titles 32,106 units	2 titles 8,454 units	2 titles 8,000 units	4 titles 18,000 units
Total	16 titles 310,496 units	22 titles 380,688 units	9 titles 55,102 units	10 titles 98,000 units	23 titles 248,000 units

Major Products

Brand	Title	First Half Sales	Installed From
Sammy	Pachislot Momotaro Dentetsu	11,676 units	July
Sammy	Pachislot Hokuto No Ken Next Zone	10,469 units	Prior FY
GINZA	Pachislot THE BLUE HEARTS	11,098 units	August

* Number of titles reflects products which began sales in the period

* Unit Supply includes the supply of parts to other makers

Segment Forecast : Pachinko Pachislot

	FY 2008		FY2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	
						YOY Change	
(JPY Billions)							
Net sales	99.7	145.5	65.2	-34.6%	68.0	160.0	+10.0%
Pachislot	78.8	103.7	15.6	-80.2%	27.9	70.1	-32.4%
Pachinko	14.1	28.1	43.8	+210.6%	34.9	77.3	+175.1%
Peripherals and other	6.8	13.8	5.8	-14.7%	5.2	12.5	-9.4%
Operating Income	12.1	8.4	-1.0	—	2.5	13.0	+54.8%
Operating margin	12.1%	5.8%	—	—	3.7%	8.1%	—

Sales Breakdown

	FY 2008		FY 2009		
	Interim Results	FY Results	Interim Results	Interim Plan	Full year Plan
Sammy	1 titles 51,931 units	3 titles 55,617 units	2 titles 126,842 units	3 titles 75,000 units	6 titles 130,000 units
GINZA	1 titles 4,710 units	2 titles 10,931 units	1 titles 1,162 units	2 titles 10,000 units	4 titles 50,000 units
TAIYO ELEC		4 titles 41,636 units	3 titles 26,946 units	3 titles 40,000 units	6 titles 100,000 units
Total	2 titles 56,641 units	9 titles 108,184 units	6 titles 154,950 units	8 titles 125,000 units	16 titles 280,000 units

Major Products

Brand	Title	First Half Sales	Installed From
Sammy	Pachinko CR Hokuto No Ken	123,824 units	Sep
TAIYO ELEC	CR SAMURAI CHAMPLOO	17,460 units	May

*Number of titles reflects products which began selling in the period

Interim Results

■ Started introducing major titles for domestic market

“WORLD Club Champion Football
Intercontinental Clubs 2006-2007”

“GALILEO FACTORY”

■ Margin improved

Ratio of high-margin products and ratio of domestic sales that has higher margin than overseas sales were high.

Full Year Outlook

■ Anticipate harsh business environment in amusement facility market

■ Aim to increase revenue by selling major products launched in the first half of this year continuously

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	YOY Change
Net Sales	34.3	71.0	34.4	+0.3%	36.5	76.0	+7.0%
Domestic	28.0	60.7	31.3	+11.8%	32.7	64.0	+5.4%
Overseas	6.3	10.4	3.1	-50.8%	3.8	12.0	+15.4%
Operating Income	1.8	7.1	4.6	+155.6%	2.0	5.5	-22.5%
Operating margin	5.2%	10.0%	13.4%	+8.1pt	5.5%	7.2%	-2.8pt

Major products

Sales results of major titles in first half of FY 2009		
Titles		Sales Results
WORLD CLUB Champion Football	Live unit + Satellite (8P)	646 sets
Intercontinental Clubs 2006-2007	Live unit + Satellite (4P)	139 sets
DERBY OWNERS CLUB 2008 feel the rush	Main + Satellite	142 sets
GALILEO FACTORY	Body	79 units
SEGA Network Mah-jong MJ4	Live unit+ Satellite + Satellite CVT	2,267 units

Interim Results

■ Same store sales comps for the 1st half at 90.6%

- Same store sales, particularly in suburban area, were hit by sluggish personal consumption, and performed at a lower level in year-on-year terms.
- Sign of a recovery continued to emerge from the 1Q through 2Q of the year.

■ Ongoing measures (closure and sales of amusement facilities)

Accelerated closing or selling about 110 facilities with low profitability and low future potential since last fiscal year.

⇒ Close : 19 facilities, Open : 3 facilities

Number of stores at Oct-end : 347 stores

Full Year Outlook

■ To take initiatives to increase revenues for each machine category (Video game machine, Medal machine, Prize machine)

■ To accelerate portfolio review

Continue to evaluate each facility in terms of profitability and future prospect for improvement in order to optimize the facility portfolio

(JPY Billions)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	YOY Change
Net Sales	47.9	91.2	37.1	-22.5%	39.0	78.0	-14.5%
Overseas	6.1	11.7	4.7	-23.0%	5.0	10.3	-12.0%
Operating Income	-2.2	-9.8	-2.8	—	-0.8	-1.5	—
Operating Margin	—	—	—	—	—	—	—
Existing Sales Comps	89.0%	89.0%	90.6%		100.2%	104.3%	
Domestic Facilities	433	363	347		342	347	-16
Facilities Opened	6	12	3		4	12	0
Facilities Closed	22	92	19		25	28	-64
Segment Cap-ex	8.7	15.9	9.0	+3.4%	6.2	13.6	-14.5%
Segment Depreciation	7.7	17.1	7.1	-7.8%	5.9	13.9	-18.7%

(JPY Billions, Thousand Units)	FY 2008		FY 2009				
	Interim Results	FY Results	Interim Results	YOY Change	Interim Plan	Full year Plan	
						Plan	YOY Change
Net Sales	41.2	141.7	61.9	+50.2%	55.0	153.0	+8.0%
Entertainment Software	19.7	94.8	39.0	+98.0%	3.3	103.0	+8.6%
Network/Other	21.5	46.9	22.9	+6.5%	21.6	5.0	-89.3%
Operating Income	-12.5	-5.9	-5.9	—	-10.8	3.3	—
Operating Margin	—	—	—	—	—	2.2%	—
Region Breakout (Units Sold)	4,910	26,990	12,760	+159.9%	10,300	31,710	+17.5%
Segment R&D	16.4	37.1	16.7	+1.8%	19.4	37.8	+1.9%

Interim Results

■ Overseas sales of video games were strong

⇒ Favorable sales of titles released in the previous FY
 “Mario & Sonic at the Olympic Games” (Accumulated shipment quantity exceeded 8.5 million worldwide from the introduction)

⇒ Strong sales of titles featuring popular movie contents : “Iron Man”

⇒ Good sales of “Beijing 2008”

■ Domestic sales of video game were steady

⇒ Strong sales of “PHANTASY STAR PORTABLE”

Full Year Outlook

■ Overseas sales : To release major titles of the year for Christmas selling season

“Sonic Unleashed” “Football Manager 2009”

■ Domestic sales : To release RPG title and the latest title of the popular series

“PHANTASY STAR ZERO”, “Ryu Ga Gotoku 3”

■ To proceed in developing business collaboration with influential creators

PLATINUM GAMES: “MAD WORLD”

PROPE: “Let’s TAP”

Video Games Sales

Sales Region		Interim Results of FY 2008		Interim Results of FY 2009	
		# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
	Japan	14	930	17	2,000
	US	7	1,720	22	5,410
	Europe	11	2,270	22	5,340
Total		32	4,910	61	12,760

Platform		Interim Results of FY 2008		Interim Results of FY 2009	
		# of titles	Sales (Thousand)	# of titles	Sales (Thousand)
Brea	PS2	6	250	7	930
	GC	0	0	0	0
	Xbox	0	0	0	0
	PS3	1	210	9	1,040
	Wii	4	180	8	1,050
	Xbox360	1	210	7	1,090
	NDS	10	650	18	1,880
	PSP	7	460	4	1,030
	GBA	0	0	0	0
	PC	3	350	8	270
	Catalogue	-	2,600	-	5,450
Total		32	4,910	61	12,760

Major game titles released in first half of FY 2009		
Titles	Platform	Sales (Thousand)
Iron man	PS3, Xbox360, Wii, PS2, PSP, DS, PC	2,070
The Incredible Hulk	PS3, Xbox360, Wii, PS2, DS, PC	1,300
Beijing 2008	PS3, Xbox360, PC	970
PHANTASY STAR PORTABLE	PSP	620

Major game titles to be released in second half of FY 2009	
Titles	Platform
Sonic Unleashed (Japan, Europe, US)	PS3, Xbox360, Wii PS2
Football Manager 2009 (Europe, US)	PC, PS3, Xbox360
Empire: Total War (Europe, US)	PC
Storm Rise (Europe, US)	Multiplatform
Mad World (Europe, US)	Wii
Ryu Ga Gotoku 3 (Japan)	PS3

Listed Subsidiaries Interim Results/Full Year Forecast
Appendix



Sammy NetWorks



(JPY Billions)	FY 2008	FY 2009			
	Interim Results	Interim Results	YOY change	1H plan	FY Plan
Net Sales	5.53	5.35	-3.4%	5.19	10.88
Operating Profit	0.64	1.05	+63.0%	0.81	1.67
Operating Margin	11.7%	19.1%	+7.4 point	15.8%	15.4%

(JPY Billions)	FY 2008	FY 2009			
	Interim Results	Interim Results	YOY change	1H plan	FY Plan
Net Sales	7.94	8.47	+6.6%	7.25	17.8
Operating Profit	-0.32	0.01	-%	0.01	0.42
Operating Margin	-	0.1%	-	0.1%	2.4%

Sammy Networks

SEGA TOYS

【Interim Results】

【Interim Results】

■ Although delivery of “Pachinko CR Hokuto No Ken” and other titles for Pachinko pachislot game site for PC “777 town. net” and for mobile “Sammy 777 town” went well, due to withdrawal of overseas business, net sales decreased by 3.4% year on year.

■ Net sales increased with strong sales of “BAKUGAN” in overseas market

■ Operating income decreased by 63.0% due to withdrawal of overseas business

■ Profits is in line with plan totally. Strong overseas sales but, continuous weak sales in domestic market with higher margin

【Full Year forecast】

【Full Year Forecast】

■ We keep the publicized forecast. Net sales 10.88 billion, operating income 1.67 billion, ordinary income 1.64 billion, net income 1.4 billion

■ Steady sales of “Ampanman” even under severe domestic market. “Jewelpet” developed with Sanrio gets off to a flying

■ To expand “BAKUGAN” globally further



(JPY Billions)	FY 2008	FY 2009			
	Interim Results	Interim Results	YOY change	1H plan	FY Plan
Net Sales	11.14	9.36	-16.0%	11.50	27.00
Operating Profit	0.40	0.34	-14.8%	0.30	1.70
Operating Margin	3.6%	3.7%	+0.1 point	2.6%	6.3%

(JPY Billions)	FY 2008	FY 2009			
	Interim Results	Interim Results	YOY change	1H plan	FY Plan
Net Sales	7.35	7.12	-3.1%	7.52	14.11
Operating Profit	0.43	0.19	-54.0%	0.30	0.28
Operating Margin	5.9%	2.8%	-3.1 point	4.0%	2.0%

TAIYO ELEC

TMS Entertainment

【Interim Results】

【Interim Results】

■ Introduced 3 titles of pachinko and 2 titles of pachislot. Total unit sales was 33,000 (a decrease of about 12,000 from plan due to weak sales and delayed introduction of a certain pachinko title)

■ Both sales and profits increased due to an increase in the number of films produced in its animation business and reduction of sales administration expense.

■ Net sales below last year level and below expectations but, operating income above plan with improvement in gross margin and effective reduction of other expenses.

■ Both sales and profits decreased due to severe market environment
As a combination of these factors, both sales and profits decreased overall.

【Full Year Forecast】

【Full Year Forecast】

■ 【Revision of unit sales plan】 1 titles to be postponed to next FY but, maintain unit sales plan in second half by introducing strong title

■ Due to a decrease in number of films produced and weak video sales in its animation business as well as deterioration of amusement industry, both sales and profits are expected to decrease year on year.

■ 【Revision of operating results】 Sales will decrease by 3.0 billion Yen from the plan to 27.0 billion Yen but, maintain profits plan





Appendix /Company Overview

Company Name	Sega Sammy Holdings, Inc.	Chairman President and Representative Director (CEO)	Hajime Satomi
Head Office	Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi Minato-ku, Tokyo 105-0021, Japan	Executive Vice President and Representative Director	Keishi Nakayama
Established	October 1, 2004	Director	Okitane Usui
Capital	29.953billion	Director and CCO(*)	Hisao Oguchi
Listing	Tokyo Stock Exchange 1 st Section (6460)	Director	Yuji Iwanaga
Number of Shares Outstanding	283,229,476 shares	Director (*):CCO: Chief Creative Officer	Takeshi Natsuno

Major Shareholders		Equity Shares	% Voting
1	Hajime Satomi	43,569,338	17.45%
2	Sega Sammy Holdings	31,299,283	-
3	Mellon Bank, NA Treaty Clients Omnibus	23,182,622	9.20%
4	Hero and Company	15,983,541	6.34%
5	FSC Co., Ltd.	14,172,840	5.63%
6	The Master Trust Bank of Japan, Ltd. (As Trustee)	10,284,700	4.08%
7	State Street Bank and Trust Company	9,723,060	3.86%
8	Japan Trustee Services Bank, Ltd. (As Trustee)	6,769,300	2.69%
9	Japan Trustee Services Bank, Ltd. (As Trustee)	6,586,600	2.61%
10	Japan Trustee Services Bank, Ltd. (As Trustee)	2,961,900	1.18%

Shareholder Data		
Type	% of Shares	% by Number of Shareholders
Financial Institutions	13.86%	0.07%
Securities Companies	1.05%	0.06%
Other Companies	6.98%	0.81%
Foreign Institutions and Individuals	33.15%	0.45%
Japanese Individuals and Other	33.91%	98.61%
Treasury stock	11.05%	0.00%
Shareholders		
		97,034

Shareholders data as of September 30th, 2008
Board Director data as of September 30th, 2008

Subsidiary	Listed on:	Main operations	Shares held by the Company (Share holdings ratio)
Sammy NetWorks Co., Ltd. http://www.sammy-net.jp/ 	TSE Mothers Securities code: 3745	<u><Consumer></u> Distribution of music related content and game related content through mobile phones and the Internet.	24,804 shares (56.3%)
SEGA TOYS, LTD. http://www.segatoys.co.jp/ 	JASDAQ Securities code: 7842	<u><Consumer></u> Design, development and sales of toys	11,250,000 shares (52.2%)
TAIYO ELEC Co., Ltd. http://www.taiyoelec.co.jp/ 	JASDAQ Securities code: 6429	<u><Pachinko Pachislot></u> Design, development and sales of Pachinko and Pachislot machine	(*)11,623,100 shares (51.2%)
TMS Entertainment ltd. http://www.tms-e.co.jp/ 	NSE 2 nd Section Securities code: 3585	<u><Consumer - Amusement Facilities></u> Planning, production, sales and export of animation films, and amusement businesses	23,549,000 shares (56.2%)

(*) Sammy, 100% subsidiary of Sega Sammy Holdings, holds the shares of TAIYO ELEC

Data as of September 30th, 2008



Pachislot Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Pachislot Machines installed (Set)	1,660,839	1,887,239	1,936,470	2,003,482	1,635,860
Number of Pachislot Machines sold annually (Set)	1,842,392	1,672,049	1,786,292	1,637,853	1,744,876
Pachislot Machine Market Size (Million Yen)	526,354	522,582	537,349	485,404	495,226

Pachinko Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Pachinko Machines installed (Set)	3,227,239	3,077,537	2,960,939	2,932,952	2,954,386
Number of Pachinko Machines sold annually (Set)	3,686,677	4,013,153	4,047,999	3,831,211	3,166,039
Pachinko Machine Market Size (Million Yen)	672,055	786,535	869,940	875,009	836,436

Pachinko Pachislot market Installed Base•Unit Sales•Market Scale

	2003	2004	2005	2006	2007
Number of Machines installed (Set)	4,888,078	4,964,776	4,897,409	4,936,434	4,590,246
Number of Machines sold annually (Set)	5,529,069	5,685,202	5,834,291	5,469,064	4,910,915
Total Machine Market Size (Million Yen)	1,198,409	1,309,117	1,407,289	1,360,413	1,331,662

Pachinko Hall

	2003	2004	2005	2006	2007
Total number of pachinko halls	16,076	15,617	15,165	14,674	13,585
Number of pachinko halls with pachinko and pachislot machines installed	14,695	13,844	12,913	12,588	12,039
Number of pachinko halls with pachislot machines installed	1,381	1,773	2,252	2,086	1,546

Share of Annual Pachislot Machine Sales

Rank	2004			2005			2006			2007		
	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share
1	Sammy	676,933	40.5%	Sammy	607,106	34.0%	Sammy	523,422	32.0%	Sammy	380,688	21.8%
2	O Compnay	275,000	16.5%	D Company	236,000	13.2%	D Company	200,000	12.2%	A Company	192,000	11.0%
3	Y Company	150,000	9.0%	O Compnay	187,000	10.5%	Y Company	173,000	10.6%	S Company	169,156	9.7%
4	D Company	132,000	7.9%	Y Company	150,000	8.4%	O Compnay	158,000	9.6%	D Company	152,000	8.7%
5	A Company	77,881	4.7%	S Company	111,659	6.3%	K Company	155,000	9.5%	Y Company	152,000	8.7%

Share of Annual Pachinko Machine Sales

Rank	2004			2005			2006			2007		
	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share	Manufacture	Units Sold	Share
1	S Company	920,000	22.9%	S Company	1,000,000	24.7%	S Company	887,000	23.2%	S Company	820,000	25.9%
2	S Company	849,911	21.2%	S Company	740,320	18.3%	K Company	804,000	21.0%	S Company	724,756	22.9%
3	H Company	350,184	8.7%	K Company	390,000	9.6%	S Company	636,105	16.6%	K Company	510,000	16.1%
4	D Company	308,173	7.7%	N Company	320,000	7.9%	N Company	253,000	6.6%	N Company	204,000	6.4%
5	N Company	278,000	6.9%	Sammy	288,895	7.1%	D Company	195,947	5.1%	D Company	168,000	5.3%
6	Sammy	233,049	5.8%	H Company	242,276	6.0%	H Company	184,832	4.8%	H Company	165,377	5.2%
7	K Company	225,000	5.6%	F Company	185,572	4.6%	F Company	180,006	4.7%	F Company	146,134	4.6%
8	F Company	168,000	4.2%	D Company	172,123	4.3%	Sammy	132,981	3.5%	Sammy	108,184	3.4%

Source: Yano Research Institute Ltd.



AM machines net sales, operations net sales and home videogame related market (hardware & software)

(JPY Billion)

	2001	2002	2003	2004	2005	2006	2007
AM machines net sales	140.8	154.5	177.9	180.6	199.2	223.4	-
AM facilities operations net sales	590.3	605.5	637.7	649.2	682.5	702.9	-
Market size of Amusement	73.1	76.0	81.6	83.0	88.2	92.6	-

Number of amusement centers	12,742	11,499	10,759	10,109	9,515	9,091	8,652
Number of game machine units installed	456,327	439,937	428,358	438,986	445,025	460,031	474,808
Number of game machine units installed per center	35.8	38.3	39.8	43.4	46.8	50.6	54.9

Hardware net sales	998.1	790.8	631.5	425.1	862.2	1,125.3	-
Software net sales	504.2	475.9	438.0	494.8	502.6	701.2	-
Market size of Home videogame	150.2	126.7	107.0	92.0	136.5	182.7	-

Total Market size of Amusement/Game	223.3	202.7	188.5	175.0	224.7	275.3	-
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JAMMA, AOU and NSA

Appendix/Past Operating Results

From FY 2005 to First Half of FY 2009

	FY 2005		FY 2006				FY 2007				FY 2008				FY 2009	
	3Q Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	Interim Results	3Q Results	FY Results	1Q Results	Interim Results
(JPY Billion)																
Net Sales	399.4	515.6	100.5	248.5	420.8	553.2	85.6	283.5	404.2	528.2	95.4	231.0	342.0	458.9	74.6	200.4
Pachislot Pachinko	220.7	280.1	49.7	129.8	212.0	265.6	21.5	145.0	177.7	211.5	37.9	99.7	123.6	145.5	12.0	65.2
Amusement machine	49.7	63.3	12.6	30.8	54.1	71.5	17.7	34.6	52.2	75.4	15.2	34.3	52.1	71.0	13.7	34.4
Amusement facility	62.2	83.1	21.0	48.5	77.8	106.2	25.2	53.5	78.4	103.8	22.8	47.9	69.2	91.2	17.4	37.1
Consumer	49.1	65.3	11.5	28.5	61.9	90.3	16.5	40.7	82.2	119.5	16.0	41.2	88.4	141.7	30.5	61.9
Other	17.7	23.7	5.5	10.7	14.7	19.4	4.5	9.6	13.5	17.8	3.3	7.7	8.5	9.3	0.8	1.6
Operating Income	92.0	105.0	17.5	49.8	101.2	119.1	2.7	62.9	75.1	76.5	-2.4	-4.3	-1.5	-5.8	-10.2	-7.5
Pachislot Pachinko	88.5	103.9	18.2	46.4	82.6	99.8	2.1	63.7	69.6	71.1	6.6	12.1	12.1	8.4	-4.3	-1.0
Amusement machine	6.4	7.4	0.4	4.5	10.5	12.1	4.0	6.6	9.3	11.6	0.6	1.8	5.4	7.1	0.7	4.6
Amusement facility	5.0	5.4	0.6	4.3	8.0	9.2	2.0	2.9	2.4	0.1	-0.8	-2.2	-4.9	-9.8	-1.5	-2.8
Consumer	-5.1	-8.8	-2.0	-4.3	2.2	1.9	-4.0	-6.7	-0.7	1.7	-7.2	-12.5	-9.6	-5.9	-4.1	-5.9
Other	-0.2	-0.5	0.0	-0.4	-0.8	-1.7	-0.2	-0.4	-0.5	-1.3	-0.1	-0.2	-0.1	0.0	0.0	0.2
Eliminations	-2.6	-2.3	0.3	-0.5	-1.4	-2.3	-1.1	-3.2	-5.0	-6.7	-1.5	-3.4	-4.4	-5.5	-1.0	-2.6
Operating margin	23.0%	20.4%	17.4%	20.0%	24.0%	21.5%	3.2%	22.2%	18.6%	14.5%	-	-	-	-	-	-
Pachislot Pachinko	40.1%	37.1%	36.6%	35.7%	39.0%	37.6%	9.8%	43.9%	39.2%	33.6%	17.4%	12.1%	9.8%	5.8%	-	-
Amusement machine	12.9%	11.7%	3.2%	14.6%	19.4%	16.9%	22.6%	19.1%	17.8%	15.4%	3.9%	5.2%	10.4%	10.0%	5.1%	13.4%
Amusement facility	8.0%	6.5%	2.9%	8.9%	10.3%	8.7%	7.9%	5.4%	3.1%	0.1%	-	-	-	-	-	-
Consumer	-	-	-	-	3.6%	2.1%	-	-	-	1.4%	-	-	-	-	-	-
Ordinary Income	90.7	104.4	17.0	49.4	101.1	119.5	2.4	66.0	77.4	81.2	-1.4	-3.9	-1.4	-8.2	-9.8	-8.4
Ordinary income margin	22.7%	20.2%	16.9%	19.9%	24.0%	21.6%	2.8%	23.3%	19.1%	15.4%	-	-	-	-	-	-
Net Income	46.2	50.5	10.7	24.9	63.4	66.2	0.7	37.9	49.3	43.4	-5.0	-20.2	-15.7	-52.4	-10.5	-9.5
Net income margin	11.6%	9.8%	10.6%	10.0%	15.1%	12.0%	0.8%	13.4%	12.2%	8.2%	-	-	-	-	-	-
R & D expense	30.3	41.5	7.6	16.4	24.5	36.3	11.0	23.0	39.9	52.1	14.7	29.8	50.5	65.3	16.6	30.4
Ca-pex	24.3	32.4	10.1	14.3	22.9	38.5	11.7	23.7	31.9	36.6	11.5	34.9	43.6	50.4	6.5	14.5
Depreciation	11.5	17.7	4.3	8.7	13.7	21.8	5.0	11.5	19.5	28.0	8.0	29.5	37.5	45.6	5.4	11.9
Advertising	9.0	11.8	2.6	7.5	13.9	18.9	3.9	10.2	16.4	22.2	3.0	9.0	15.5	22.8	4.1	11.2
# of pachislot title	6	9	4	6	9	14	2	5	10	17	9	16	19	22	4	9
Unit sales	534,752	676,933	153,306	255,286	465,454	607,106	31,836	360,602	432,591	523,422	126,137	310,496	335,025	380,688	15,048	55,102
# of pachinko titles	7	8	1	4	6	8	4	7	11	15	1	2	6	9	3	6
Unit sales	201,092	233,049	25,813	223,920	259,272	288,895	45,632	81,210	118,863	132,981	9,669	56,641	88,852	108,184	19,704	154,950
Existing Sales Comps	98.4%	98.5%	98.4%	100.0%	101.3%	103.3%	103.8%	100.2%	98.1%	95.8%	88.8%	89.0%	88.6%	89.0%	87.3%	90.6%
Domestic Facilities	469	477	470	451	472	462	460	463	463	449	442	433	430	363	357	347
# of game software title	46	84	13	32	77	122	29	53	101	140	9	32	83	138	37	61
Sales (thousand)	9190	11,790	1,860	4,480	11,470	16,400	2,140	5,750	14,690	21,270	1,430	4,910	14,650	26,990	6,890	12,760

Pachislot Business



Pachislot Momotaro Dentetsu

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Pachinko Business



Pachinko CR Hokuto No Ken

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 ©Sammy

Amusement Machine Business



GALILEO
 FACTORY
 (Medal game)

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WORLD CLUB Champion
 Football Intercontinental
 Clubs 2006-2007
 (Trading card game)

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Consumer Business



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