

# FY 2011 Interim Results Presentation



November 1st, 2010  
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.

## 【Results through 2<sup>nd</sup> Quarter of FY 2011】

<b>Results Highlights</b>	<b>3</b>
<b>Consolidated Income Statements</b>	<b>4</b>
<b>Cost and Expenses</b>	<b>5</b>
<b>Consolidated Balance Sheet</b>	<b>6</b>
<b>Segment Results</b>	
:Pachislot and Pachinko Machines	7
:Amusement Machine Sales	10
:Amusement Center Operations	12
:Consumer Business	14

## 【FY 2011 Full Year Projections】

<b>Consolidated Income Statements</b>	<b>19</b>
<b>Cost and Expenses</b>	<b>20</b>
<b>Segment Projections</b>	
:Pachislot and Pachinko Machines	22
:Amusement Machine Sales	26
:Amusement Center Operations	28
:Consumer Business	30
<b>Listed Subsidiaries</b>	
Sammy NetWorks / SEGA TOYS	34/35
TAIYO ELEC / TMS ENTERTAINMENT	36/37
<b>Appendix</b>	<b>38</b>

# FY 2011 Interim Results



SEGA-SAMMY  
HOLDINGS



<p><b>Net Sales / Profits</b></p>		<ul style="list-style-type: none"> <li>▪ Net sales: ¥217.8 billion, Operating income ¥46.8 billion, Net income: ¥24.3 billion</li> <li>▪ Sales increased year-on-year, return to profitability</li> <li>▪ Posted extraordinary losses related to kids card games</li> <li>▪ Upward revision of full year projections on September 30 based on the results through 2Q</li> <li>▪ Decision to make Sammy NetWorks, SEGA TOYS and TMS ENTERTAINMENT wholly owned subsidiaries</li> </ul>
<p><b>Segment breakdown</b></p>	<p><b>Pachislot and Pachinko Machines</b></p>	<ul style="list-style-type: none"> <li>▪ Year-on-year, sales and profits increased</li> <li>▪ Pachislot unit sales significantly exceeded results of the previous fiscal year</li> <li>▪ Pachinko unit sales exceeded results of the previous fiscal year</li> <li>▪ Gross margin ratio significantly improved due to reuse of components and decrease in parts procurement costs, centered on liquid crystal panels</li> </ul>
	<p><b>Amusement Machine Sales</b></p>	<ul style="list-style-type: none"> <li>▪ Sales increased year-on-year, return to profitability</li> <li>▪ Strong distribution of earnings due to utilization of revenue sharing model</li> <li>▪ Solid sales of CVT kits for mainstay titles, prize products and consumables such as cards</li> </ul>
	<p><b>Amusement Center Operations</b></p>	<ul style="list-style-type: none"> <li>▪ Year-on-year, sales decreased but profit increased</li> <li>▪ SEGA domestic same-store sales performed at year-before level (has exceeded 100% since July)</li> </ul>
	<p><b>Consumer Business</b></p>	<ul style="list-style-type: none"> <li>▪ Sales remained at year-before level but operating losses reduced year-on-year</li> <li>▪ As for sales of game software, strong domestic sales but weak sales of new titles overseas due to severe market environment</li> <li>▪ We will introduce multiple mainstay game software titles mainly in the fiscal second half</li> </ul>

# Consolidated Income Statements



SEGA-SAMMY  
GROUP

		FY 2009	FY 2010	FY 2011			YoY Change
		Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Revised Projections through 2Q (revised on Jul 30)	Results through 2Q	
		(JPY billion)					
<b>Net Sales</b>		<b>200.4</b>	<b>154.3</b>	<b>190.0</b>	<b>205.0</b>	<b>217.8</b>	<b>+41.2%</b>
Breakdown	Pachinko Pachislot	65.2	68.3	108.5	125.0	134.2	+96.5%
	Amusement Machines	34.4	17.9	19.0	19.5	19.6	+9.5%
	Amusement Facilities	37.1	28.9	22.0	22.5	23.6	-18.3%
	Consumer	61.9	37.6	39.0	36.5	38.7	+2.9%
	Other	1.6	1.5	1.5	1.5	1.5	-
<b>Operating Income</b>		<b>-7.5</b>	<b>-0.3</b>	<b>14.5</b>	<b>34.0</b>	<b>46.8</b>	<b>-</b>
Breakdown	Pachinko Pachislot	-1.0	10.8	20.5	39.5	47.6	+340.7%
	Amusement Machines	4.6	-0.7	0.1	0.6	1.9	-
	Amusement Facilities	-2.8	0.2	-0.7	-0.2	1.1	+450.0%
	Consumer	-5.9	-8.1	-2.0	-2.5	-1.3	-
	Other	0.2	0.2	0.0	0.0	0.1	-50.0%
	Eliminations	-2.6	-2.7	-3.4	-3.4	-2.7	-
	Operating Income Margin	-	-	7.6%	16.6%	21.5%	-
<b>Ordinary Income</b>		<b>-8.4</b>	<b>-0.7</b>	<b>14.0</b>	<b>33.5</b>	<b>46.0</b>	<b>-</b>
<b>Extraordinary Gain</b>		<b>1.6</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>2.8</b>	<b>-</b>
<b>Extraordinary Loss</b>		<b>2.4</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>3.6</b>	<b>-</b>
<b>Net Income</b>		<b>-9.5</b>	<b>-6.3</b>	<b>5.5</b>	<b>17.0</b>	<b>24.3</b>	<b>-</b>
<b>Earning Per Share (JPY)</b>		<b>-37.92</b>	<b>-25.10</b>	<b>21.83</b>	<b>67.48</b>	<b>96.66</b>	<b>-</b>
<b>Net Assets Per Share (JPY)</b>		<b>990.09</b>	<b>841.80</b>	<b>-</b>	<b>-</b>	<b>1,031.45</b>	<b>-</b>



(JPY billion)	FY 2009	FY 2010	FY 2011		
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q	YoY Change
<b>R&amp;D expense / Content Production Expense</b>	<b>30.4</b>	<b>22.9</b>	<b>19.5</b>	<b>18.6</b>	<b>-18.8%</b>
<b>Cap-ex</b>	<b>14.5</b>	<b>6.3</b>	<b>10.1</b>	<b>6.5</b>	<b>+3.2%</b>
<b>Depreciation</b>	<b>11.9</b>	<b>7.3</b>	<b>7.5</b>	<b>7.3</b>	<b>-</b>
<b>Advertising</b>	<b>11.2</b>	<b>7.8</b>	<b>10.1</b>	<b>7.3</b>	<b>-6.4%</b>

# Consolidated Balance Sheet

(JPY billion)

【 Assets 】				【 Liabilities and Net Assets 】			
Account	End of previous fiscal year	End of 2Q	Change	Account	End of previous fiscal year	End of 2Q	Change
Cash and Cash Equivalents	101.3	110.7	9.4	Accounts Payable	37.3	47.5	10.1
Accounts Receivable	67.0	74.5	7.4	Corporate Bond	20.6	12.1	-8.4
Securities	73.4	97.4	24.0	Short Term Borrowings	3.4	3.1	-0.3
Inventories	36.7	38.1	1.3	Other	31.3	49.3	17.9
Other	20.2	18.8	-1.3				
				<b>Total Current Liabilities</b>	<b>92.8</b>	<b>112.1</b>	<b>19.2</b>
<b>Total Current Assets</b>	<b>298.7</b>	<b>339.6</b>	<b>40.9</b>	Corporate Bond	41.5	35.5	-5.9
Tangible Fixed Assets	59.0	57.3	-1.6	Long Term Debt	6.1	5.6	-0.5
Intangible Fixed Assets	13.3	13.1	-0.1	Other	25.8	31.2	5.3
Investment Securities	28.6	34.0	5.4				
Others	23.4	21.3	-2.0	<b>Total Long-term Liabilities</b>	<b>73.5</b>	<b>72.3</b>	<b>-1.1</b>
				<b>Total Liabilities</b>	<b>166.3</b>	<b>184.4</b>	<b>18.1</b>
				Shareholders Equity	259.4	280.0	20.5
				Valuation/Translation Adjustments	-23.2	-20.1	3.0
				Warrants	1.1	0.2	-0.9
				Minority Interest	19.3	21.0	1.7
<b>Total Fixed Assets</b>	<b>124.4</b>	<b>125.9</b>	<b>1.5</b>	<b>Total Net Assets</b>	<b>256.7</b>	<b>281.1</b>	<b>24.4</b>
<b>Total Assets</b>	<b>423.1</b>	<b>465.6</b>	<b>42.5</b>	<b>Total Liabilities and Net Assets</b>	<b>423.1</b>	<b>465.6</b>	<b>42.5</b>

## Summary of Results through 2Q

◆ Current Assets: Up **40.9 billion yen**, due to an increase in securities, etc.

◆ Fixed Assets: Up **1.5 billion yen**, due to an increase in evaluation of investment securities, etc.

⇒ Total Assets : **465.6 billion yen** increased by **42.5 billion yen**

◆ Current ratio : **303.0%** (-18.8pt)

◆ Equity ratio : **55.8%**, same level as end of previous fiscal year

(JPY billion)	End of previous fiscal year	End of 2Q	Difference
<b>Total assets</b>	423.1	465.6	+42.5
<b>Net assets</b>	256.7	281.1	+24.4
<b>Equity ratio</b>	55.8%	55.8%	-
<b>Current ratio</b>	321.8%	303.0%	-18.8pt

(JPY billion)	FY 2009	FY 2010	FY 2011		
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q	YoY Change
<b>Net Sales</b>	<b>65.2</b>	<b>68.3</b>	<b>108.5</b>	<b>134.2</b>	<b>+96.5%</b>
Pachislot	15.6	18.2	30.5	65.9	+262.1%
Pachinko	43.8	47.1	75.0	67.0	+42.3%
Other	5.8	3.0	3.0	1.3	-56.7%
<b>Operating Income</b>	<b>-0.1</b>	<b>10.8</b>	<b>20.5</b>	<b>47.6</b>	<b>+340.7%</b>
Operating Income Margin	-	15.8%	18.9%	35.5%	+19.7pt
<b>Unit Sales (Pachislot)</b>	<b>55,102</b>	<b>57,038</b>	<b>100,000</b>	<b>201,402</b>	<b>+253.1%</b>
<b>Unit Sales (Pachinko)</b>	<b>154,950</b>	<b>167,715</b>	<b>230,000</b>	<b>198,230</b>	<b>+18.2%</b>

## Summary of Results through 2Q

Pachislot	<ul style="list-style-type: none"> <li>◆ Unit sales increased significantly year-on-year</li> <li>◆ Strong sales of several titles               <ul style="list-style-type: none"> <li>⇒ TAIYO ELEC “Ring ni Kakero -Golden Japan Jr. Series-”, Sammy “Pachislot SPIDER-MAN 3”</li> <li>⇒ Sammy “Pachislot SOUTEN-NO-KEN”, RODEO “Shin Onimusha”</li> </ul> </li> <li>◆ Effects from reuse centered on liquid crystal panels</li> </ul>
Pachinko	<ul style="list-style-type: none"> <li>◆ Unit sales increased year-on-year</li> <li>◆ Solid sales of mainstay titles in this fiscal year               <ul style="list-style-type: none"> <li>⇒ Sammy “Pachinko CR Hokuto No Ken Raoh” series</li> </ul> </li> <li>◆ Reduction of parts procurement costs centered on liquid crystal panels</li> <li>◆ Board sales ratio decreased year-on-year due to introduction of new chassis (Sammy)</li> </ul>

## Shipment Data: Pachislot

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

Pachislot	FY 2009	FY 2010	FY 2011	
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q
<b>Sammy</b>	2 titles	3 titles	2 titles	2 titles
	24,775 units	53,898 units	50,000 units	116,407 units
<b>RODEO</b>	1 title	0 title	2 titles	1 title
	4,289 units	65 units	25,000 units	49,976 units
<b>TAIYO ELEC</b>	2 titles	1 title	2 titles	1 title
	6,193 units	1,806 units	25,000 units	35,019 units
<b>GINZA</b>	2 titles	0 title	-	-
	11,391 units	27 units	-	-
Unit Supply	2 titles	1 title	-	-
	8,454 units	1,242 units	-	-
Total	9 titles	5 titles	6 titles	4 titles
	55,102 units	57,038 units	100,000 units	201,402 units



“Ring ni Kakero  
-Golden Japan Jr. Series-”  
(TAIYO ELEC)

©Masami Kurumada/Shueisha, Toei Animation ©Sammy



“Pachislot SPIDER-MAN 3”  
(Sammy)



Spider-Man 3, the Movie © 2007 Columbia Pictures Industries, Inc.  
Spider-Man and all related characters: TM & © 2010 Marvel Entertainment, LLC and its subsidiaries. All Rights Reserved.  
© Sammy

## Pachislot Major Titles

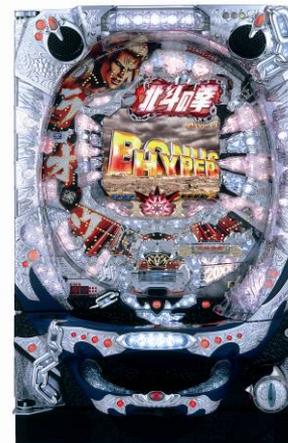
\* Unit Supply includes the supply of parts to other makers

Brand	Title	Total Sales	Installed From
<b>Sammy</b>	Pachislot SOUTEN-NO-KEN	91,011 units	May
<b>RODEO</b>	Pachislot Shin Onimusha	36,325 units	Previous Fiscal Year
<b>TAIYO ELEC</b>	Ring ni Kakero -Golden Japan Jr. Series-	34,767 units	September
<b>Sammy</b>	Pachislot SPIDER-MAN 3	22,363 units	September

\*Aggregated sales of “Shin Onimusha” as of the end of September since previous fiscal year : 64,496 units )

## Shipment Data: Pachinko

Pachinko	FY 2009	FY 2010	FY 2011	
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q
Sammy	2 titles	4 titles	3 titles	6 titles
	126,842 units	105,764 units	190,000 units	169,874 units
TAIYO ELEC	3 titles	3 titles	3 titles	2 titles
	26,946 units	48,653 units	40,000 units	28,356 units
GINZA	1 title	1 title	-	-
	1,162 units	13,298 units	-	-
Total	6 titles	8 titles	6 titles	8 titles
	154,950 units	167,715 units	230,000 units	198,230 units
Board + Frame	138,215 units	58,504 units	170,000 units	137,649 units
Board	16,735 units	109,211 units	60,000 units	60,581 units



**“Pachinko CR Hokuto No Ken Raoh”**  
(Sammy)

© Buroinson & Tetsuo Hara/NSP 1983  
© NSP 2007 Approved No. SAF-308  
© Sammy



**“CR Full Metal Panic! TSR”**  
(TAIYO ELEC)

©Shoji Gatoh , Shiki Doji/  
Full Metal Panic! Film Partners

## Pachinko Major Titles

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

Brand	Title	Total Sales	Installed From
Sammy	Pachinko CR Hokuto No Ken Raoh Series	120,635 units	July September
Sammy	Pachinko CR GATCHAMAN UNMEI-NO-KIZUNA	15,037 units	July
TAIYO ELEC	CR Full Metal Panic! TSR	14,721 units	September

(JPY billion)	FY 2009	FY 2010	FY 2011		
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q	YoY Change
<b>Net Sales</b>	<b>34.4</b>	<b>17.9</b>	<b>19.0</b>	<b>19.6</b>	<b>+9.5%</b>
Domestic	31.3	14.8	16.3	17.7	+19.6%
Overseas	3.1	3.1	2.7	1.9	-38.7%
<b>Operating Income</b>	<b>4.6</b>	<b>-0.7</b>	<b>0.1</b>	<b>1.9</b>	<b>-</b>
Operating Income Margin	13.4%	-	0.5%	9.7%	-
<b>R&amp;D expense / Content Production Expense</b>	<b>5.7</b>	<b>4.3</b>	<b>3.5</b>	<b>3.7</b>	<b>-14.0%</b>

## Summary of Results through 2Q

- ◆ Sales increased year-on-year, return to profitability
- ◆ Solid distribution of earnings due to utilization of revenue sharing model
  - ⇒ Introduced **“HATSUNE MIKU Project DIVA Arcade”**
  - ⇒ Utilization of **“BORDER BREAK”** released in the previous fiscal year remained strong
- ◆ Solid sales of CVT kits for mainstay titles, prize products and consumables such as cards
- ◆ Weak sales of kids card games

## Major Titles

Title		Sales
<b>SANGOKUSHI WAR 3 Series</b>	<b>Trading Card Game</b>	<b>¥2.0 billion</b>
<b>BORDER BREAK</b>	<b>Video Game</b>	<b>¥1.3 billion</b>
<b>WORLD CLUB Champion Football Intercontinental Clubs Series</b>	<b>Trading Card Game</b>	<b>¥1.1 billion</b>

\*Sales figures include consumable sales such as cards and sales of revenue share model machine according to utilization.



**“SANGOKUSHI WAR 3 WAR BEGINS”**  
 (Trading Card Game)  
 ©SEGA



**“HATSUNE MIKU Project DIVA Arcade”**  
 (Video Game)

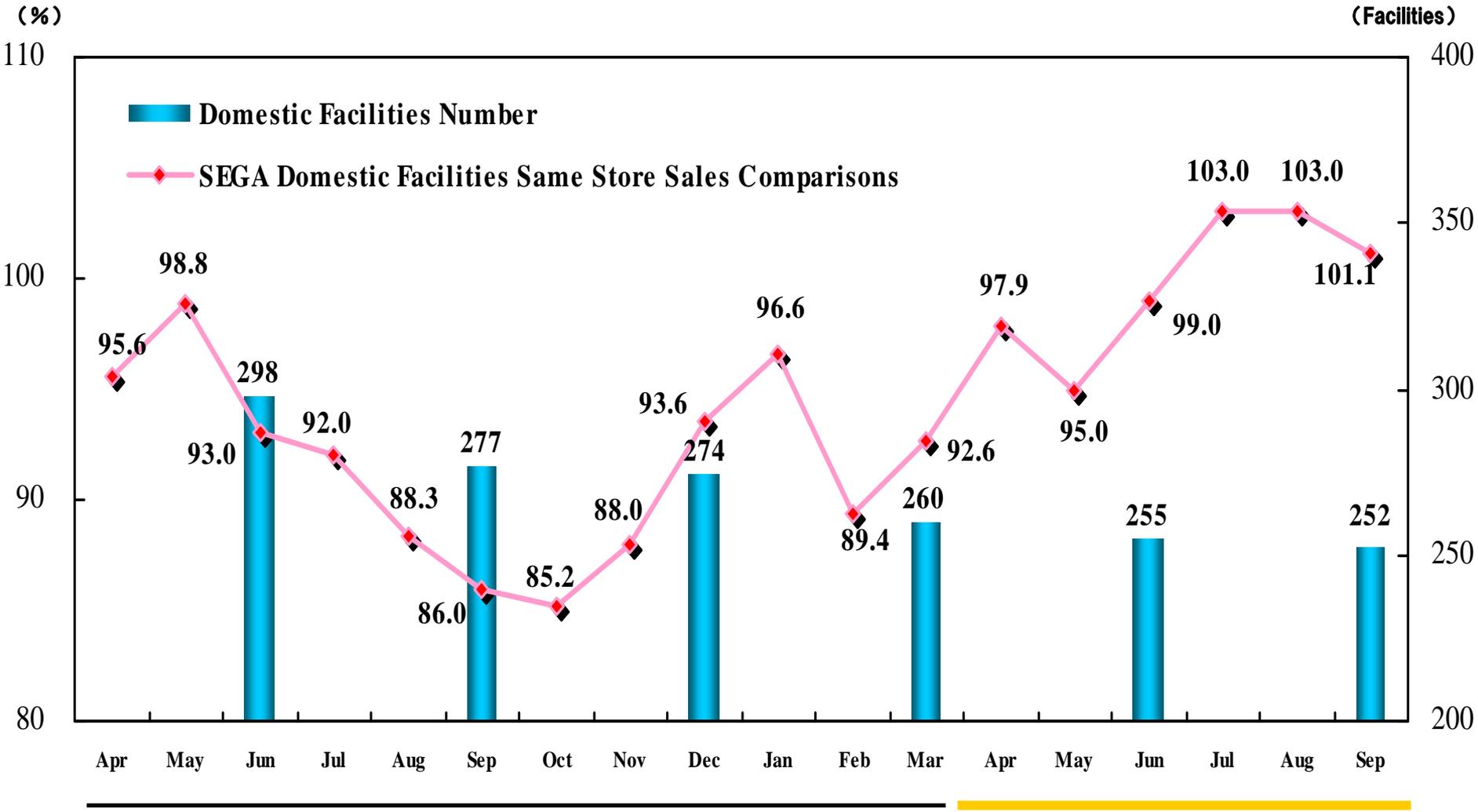
©SEGA  
 ©Crypton Future Media, Inc.  
 VOCALOID is a trademark or a registered trademark of Yamaha Corporation, Japan.  
 Hatsune Miku is a computer software by singing synthesis.

(JPY billion)	FY 2009	FY2010	FY 2011			
	Results through 2Q	Results through 2Q	Initial Projections through 2Q (announced on May 14)	Results through 2Q	YoY Change	
<b>Net Sales</b>	<b>37.1</b>	<b>28.9</b>	<b>22.0</b>	<b>23.6</b>	<b>-18.3%</b>	
(Overseas)	4.7	2.8	1.6	1.5	-46.4%	
<b>Operating Income</b>	<b>-2.8</b>	<b>0.2</b>	<b>-0.7</b>	<b>1.1</b>	<b>+450.0%</b>	
Operating Income Margin	-	0.7%	-	4.7%	+4.0pt	
<b>SEGA Same Store Sales Comparisons</b>	<b>90.6%</b>	<b>92.3%</b>	<b>91.7%</b>	<b>99.9%</b>	-	
<b>Domestic Facilities</b>	<b>347 facilities</b>	<b>277 facilities</b>	<b>249 facilities</b>	<b>252 facilities</b>	-	
SEGA	Opened	1 facility	1 facility	2 facilities	1 facility	-
	Closed	19 facilities	44 facilities	12 facilities	7 facilities	-
	Total	300 facilities	231 facilities	207 facilities	211 facilities	-
Bee / TMS	Opened	2 facilities	0 facility	1 facility	1 facility	-
	Closed	0 facility	2 facilities	2 facilities	3 facilities	-
	Total	47 facilities	46 facilities	42 facilities	41 facilities	-
<b>Overseas Facilities</b>	<b>22 facilities</b>	<b>21 facilities</b>	<b>13 facilities</b>	<b>11 facilities</b>	-	
<b>Cap-ex</b>	<b>9.0</b>	<b>2.5</b>	<b>2.2</b>	<b>1.9</b>	<b>-24.0%</b>	
<b>Depreciation</b>	<b>7.1</b>	<b>3.4</b>	<b>2.8</b>	<b>2.6</b>	<b>-23.5%</b>	

## Summary of Results through 2Q

- ◆ Year-on-year, sales decreased but profit increased
- ◆ SEGA domestic same-store sales comparisons:  
 Whole period through 2Q: 99.9% (Jul: 103.0%, Aug: 103.0%, Sep: 101.1%, 1Q period: 97.2%)
- ◆ Number of domestic facilities as of end of 2Q: 252 facilities  
 (Closures: 10 facilities, Openings: 2 facilities)

## SEGA Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



FY 2010 Results

FY 2011 Results



(JPY billion)	FY 2009	FY2010	FY 2011		
	Results through 2Q	Results through 2Q	Initial Projections through 2Q	Results through 2Q	YoY Change
<b>Net Sales</b>	<b>61.9</b>	<b>37.6</b>	<b>39.0</b>	<b>38.7</b>	<b>+2.9%</b>
Entertainment Software	39.0	15.7	19.7	18.7	+19.1%
Network / Other	22.9	21.9	19.3	20.0	-8.7%
<b>Operating Income</b>	<b>-5.9</b>	<b>-8.1</b>	<b>-2.0</b>	<b>-1.3</b>	<b>-</b>
Operating Income Margin	-	-	-	-	-
<b>Units Sales (Thousands)</b>	<b>12,760</b>	<b>5,400</b>	<b>6,320</b>	<b>6,600</b>	<b>+22.2%</b>
<b>R&amp;D expense / Content Production Expense</b>	<b>16.7</b>	<b>11.2</b>	<b>7.3</b>	<b>8.0</b>	<b>-28.6%</b>

### Summary of Results through 2Q

- ◆ Year-on-year, sales increased and losses decreased
- ◆ R&D costs and content production expenses  
⇒ Actual results for first half of previous fiscal year: **¥11.2 billion** ⇒ Actual results for first half of this fiscal year: **¥8.0 billion**
- ◆ Strong domestic sales but weak sales of new titles overseas due to severe market environment  
⇒ Domestic: **“HATSUNE MIKU –Project DIVA– 2nd,” “Kurohyo: Ryu ga Gotoku Shinsyo,” “K-ON! HO-KAGO LIVE!!”**
- ◆ TOY: Strong sales of **“BAKUGAN”**, **“HOMESTAR AQUA”**, **“Anpanman Oshaberi Ippai! Kotoba Zukan”**
- ◆ Mobile phone and PC content: Continued strong sales centered on **“777Town.net”** (for PCs)
- ◆ Animation: Strong distribution of earnings from the hit **“Detective Conan”** and royalty revenue for domestic and overseas sales of **“BAKUGAN”**
- ◆ Decision to make **Sammy NetWorks**, **SEGA TOYS** and **TMS ENTERTAINMENT** wholly owned subsidiaries

## Sales Results (Home video game software)

\* Number of titles reflects products which begin sales in the period  
(Number of titles by platform is based on SKU)

Breakdown by Region	FY 2009		FY 2010		FY 2011			
	Results through 2Q		Results through 2Q		Initial Projections through 2Q (announced on May 14)		Results through 2Q	
	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
Japan / Other	16 (17)	2,000	8 (8)	1,090	5 (5)	970	5 (5)	1,240
US	11 (22)	5,410	8 (12)	2,300	6 (12)	3,060	7 (14)	3,200
Europe	9 (22)	5,340	7 (10)	2,000	9 (15)	2,290	8 (14)	2,150
<b>Total</b>	<b>36 (61)</b>	<b>12,760</b>	<b>23 (30)</b>	<b>5,400</b>	<b>20 (32)</b>	<b>6,320</b>	<b>20 (33)</b>	<b>6,600</b>
Breakdown by Region	FY 2009		FY 2010		FY 2011			
	Results through 2Q		Results through 2Q		Initial Projections through 2Q (announced on May 14)		Results through 2Q	
	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
PS2	7	930	-	-	-	-	-	-
PS3	9	1,040	2	350	4	970	5	620
Wii	8	1,050	11	1,100	6	470	6	340
Xbox360	7	1,090	2	210	4	1,050	5	580
NDS	18	1,880	9	620	4	480	4	410
PSP	4	1,030	2	210	9	930	9	1,130
PC	8	270	4	40	5	260	4	130
Catalogue	-	5,450	-	2,850	-	2,140	-	3,350
<b>Total</b>	<b>61</b>	<b>12,760</b>	<b>30</b>	<b>5,400</b>	<b>32</b>	<b>6,320</b>	<b>33</b>	<b>6,600</b>

## Major titles in Q2

Title (Region)	Platform	Sales Results (thousand units)	Sold From
HATSUNE MIKU –Project DIVA– 2nd (Japan)	PSP	340	July
Kurohyo: Ryu ga Gotoku Shinsyo (Japan)	PSP	250	September
K-ON! HO-KAGO LIVE!! (Japan)	PSP	210	September



“HATSUNE MIKU –Project DIVA– 2nd”

© SEGA  
 © Crypton Future Media, Inc.  
 VOCALOID is a trademark or a registered trademark of  
 Yamaha Corporation, Japan.



“Kurohyo: Ryu ga Gotoku Shinsyo”

©SEGA



“K-ON! HO-KAGO LIVE!!”

©SEGA  
 ©kakifly・Houbunsha/Sakura High Band



【MEMO】

# FY 2011 Full Year Projections



SEGA-SAMMY  
HOLDINGS

# Consolidated Income Statements

(JPY billion)	FY 2009	FY 2010	FY 2011			YoY Change
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	
<b>Net Sales</b>	<b>429.1</b>	<b>384.6</b>	<b>217.8</b>	<b>400.0</b>	<b>410.0</b>	<b>+6.6%</b>
Pachinko Pachislot	161.6	160.3	134.2	200.0	215.0	+34.1%
Amusement Machines	61.9	45.1	19.6	53.0	53.0	+17.5%
Amusement Facilities	71.3	54.7	23.6	44.0	45.0	-17.7%
Consumer	131.3	121.5	38.7	100.0	94.0	-22.6%
Other	2.9	2.8	1.5	3.0	3.0	+7.1%
<b>Operating Income</b>	<b>8.3</b>	<b>36.7</b>	<b>46.8</b>	<b>40.0</b>	<b>65.0</b>	<b>+77.1%</b>
Pachinko Pachislot	14.5	29.5	47.6	35.0	58.5	+98.3%
Amusement Machines	6.8	7.0	1.9	5.5	6.5	-7.1%
Amusement Facilities	-7.5	-1.3	1.1	-1.5	-0.5	-
Consumer	-0.9	6.3	-1.3	7.0	6.0	-4.8%
Other	0.3	0.3	0.1	0.0	0.0	-
Eliminations	-4.9	-5.2	-2.7	-6.0	-5.5	-
Operating Margin	1.9%	9.5%	21.5%	10.0%	15.9%	+6.4pt
<b>Ordinary Income</b>	<b>6.6</b>	<b>35.9</b>	<b>46.0</b>	<b>39.0</b>	<b>64.0</b>	<b>+78.3%</b>
Ordinary Income Margin	1.5%	9.3%	21.1%	9.8%	15.6%	+6.3pt
<b>Net Income</b>	<b>-22.8</b>	<b>20.2</b>	<b>24.3</b>	<b>22.0</b>	<b>37.5</b>	<b>+85.6%</b>
Net Income Margin	-	5.3%	11.2%	5.5%	9.1%	+3.8pt
<b>Dividend Per Share (JPY)</b>	<b>30</b>	<b>30</b>	<b>20</b>	<b>40</b>	<b>40</b>	<b>-</b>
<b>Earning Per Share (JPY)</b>	<b>-90.83</b>	<b>80.46</b>	<b>96.66</b>	<b>87.33</b>	<b>148.86</b>	<b>-</b>
<b>Net Assets Per Share (JPY)</b>	<b>882.47</b>	<b>937.80</b>	<b>1,031.45</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Costs and Expenses Projections



SEGA-SAMMY  
HOLDINGS

SEGA-SAMMY  
GROUP

(JPY billion)	FY 2009	FY 2010	FY 2011			
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	YoY Change
R&D expense / Content Production Expense	59.6	41.5	18.6	43.4	43.4	+4.6%
Cap-ex	26.6	16.1	6.5	18.9	18.9	+17.4%
Depreciation	26.6	17.1	7.3	17.8	17.8	+4.1%
Advertising	20.7	20.7	7.3	19.7	19.7	-4.8%



【MEMO】

(JPY billion)	FY 2009	FY 2010	FY 2011			YoY Change
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	
<b>Net Sales</b>	<b>161.6</b>	<b>160.3</b>	<b>134.2</b>	<b>200.0</b>	<b>215.0</b>	<b>+34.1%</b>
Pachislot	33.8	51.7	65.9	63.5	95.4	+84.5%
Pachinko	116.5	103.1	67.0	129.5	116.7	+13.2%
Other	11.2	5.5	1.3	7.0	2.9	-47.3%
<b>Operating Income</b>	<b>14.5</b>	<b>29.5</b>	<b>47.6</b>	<b>35.0</b>	<b>58.5</b>	<b>+98.3%</b>
Operating Income Margin	9.0%	18.4%	35.5%	17.5%	27.2%	+8.8pt
<b>Unit Sales (Pachislot)</b>	<b>123,286</b>	<b>162,932</b>	<b>201,402</b>	<b>210,000</b>	<b>300,000</b>	<b>+84.1%</b>
<b>Unit Sales (Pachinko)</b>	<b>391,831</b>	<b>360,171</b>	<b>198,230</b>	<b>410,000</b>	<b>360,000</b>	<b>-</b>

## Full Year Projections

Pachislot

- ◆ Full-year unit sales: Projection of **300,000 units** (up **137,000 units** year-on-year)  
⇒ Strategically review sales schedule and change the number of titles released this term (initially planned **13 titles** ⇒ revised to **9 titles**)
- ◆ Titles to be released in 3Q  
⇒ “**Oreno Sora ~ Spirit of Young Justice ~**”(December)

Pachinko

- ◆ Full year unit sales: Projection of **360,000 units**, same level as previous fiscal year  
⇒ Review sales schedule and unit sales projections in accordance with change in specifications of some products
- ◆ To introduce several strategic titles in 4Q

## Pachislot Sales Projections

\* Number of titles reflects products which begin sales in the period

Pachislot	FY 2009	FY 2010	FY 2011		
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)
Sammy	6 titles	6 titles	2 titles	5 titles	-
	58,184 units	121,677 units	116,407 units	115,000 units	-
RODEO	4 titles	2 titles	1 title	4 titles	-
	30,073 units	29,734 units	49,976 units	60,000 units	-
TAIYO ELEC	2 titles	2 titles	1 title	4 titles	-
	6,268 units	9,257 units	35,019 units	35,000 units	-
GINZA	5 titles	0 title	-	-	-
	19,657 units	27 units	-	-	-
Unit Supply	2 titles	2 titles	-	-	-
	9,104 units	2,237 units	-	-	-
Total	19 titles	12 titles	4 titles	13 titles	9 titles
	123,286 units	162,932 units	201,402 units	210,000 units	300,000 units

\* Unit Supply includes the supply of parts to other makers

## Major Title in 3Q / Pachislot

Brand	Title	To be installed from
RODEO	Oreno Sora ~Spirit of Young Justice~	December



## “Oreno Sora ~Spirit of Young Justice~”

(RODEO)

©Hiroshi Motomiya / SHUEIISHA / FIELDS  
©Sammy  
©RODEO

## Pachinko Sales Projections

\* Number of titles reflects products which begin sales in the period

Pachinko	FY 2009	FY 2010	FY 2011		
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)
	4 titles	6 titles	6 titles	6 titles	-
	307,263 units	274,578 units	169,874 units	320,000 units	-
	5 titles	6 titles	2 titles	6 titles	-
	44,491 units	72,295 units	28,356 units	90,000 units	-
	3 titles	1 title	-	-	-
	40,077 units	13,298 units	-	-	-
Total	12 titles	13 titles	8 titles	12 titles	13 titles
	391,831 units	360,171 units	198,230 units	410,000 units	360,000 units
Board + Frame	350,689 units	111,140 units	137,649 units	285,400 units	244,500 units
Board	41,142 units	249,031 units	60,581 units	124,600 units	115,500 units



【MEMO】

(JPY billion)	FY 2009	FY 2010	FY 2011			
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	YoY Change
<b>Net Sales</b>	<b>61.9</b>	<b>45.1</b>	<b>19.6</b>	<b>53.0</b>	<b>53.0</b>	<b>+17.5%</b>
<b>Domestic</b>	<b>53.2</b>	<b>38.9</b>	<b>17.7</b>	<b>43.3</b>	<b>44.5</b>	<b>+14.4%</b>
<b>Overseas</b>	<b>8.7</b>	<b>6.2</b>	<b>1.9</b>	<b>9.7</b>	<b>8.5</b>	<b>+37.1%</b>
<b>Operating Income</b>	<b>6.8</b>	<b>7.0</b>	<b>1.9</b>	<b>5.5</b>	<b>6.5</b>	<b>-7.1%</b>
<b>Operating Income Margin</b>	<b>11.0%</b>	<b>15.5%</b>	<b>9.7%</b>	<b>10.4%</b>	<b>12.3%</b>	<b>-3.2pt</b>
<b>R&amp;D expense / Content Production expense</b>	<b>11.4</b>	<b>7.8</b>	<b>3.7</b>	<b>8.5</b>	<b>8.5</b>	<b>+9.0%</b>

\*The kids card game business, which had been included in the amusement facilities segment, was transferred to the amusement machine segment starting from fiscal year ending March 31, 2011.

## Full Year Projections

- ◆ Release of this period's mainstay title **"SENGOKU TAISEN"** (Trading Card Game)
- ◆ Sales of CVT kits for mainstay titles
  - ⇒ **"StarHorse2 FINAL DESTINATION"** (October),
  - ⇒ **"WORLD CLUB Champion Football Intercontinental Clubs 2009-2010"**(December)
- ◆ Continued contribution to profit from revenue sharing

## Major Titles in 3Q

Title		Installation Month
SENGOKU TAISEN	Trading Card Game	November
StarHorse2 FINAL DESTINATION (CVT kit)	Medal Game	October
WORLD CLUB Champion Football Intercontinental Clubs 2009-2010 (CVT kit)	Trading Card Game	December



“SENGOKU TAISEN”  
(Trading Card Game)

©SEGA

(JPY billion)	FY 2009	FY 2010	FY 2011				
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	YoY Change	
<b>Net Sales</b>	<b>71.3</b>	<b>54.7</b>	<b>23.6</b>	<b>44.0</b>	<b>45.0</b>	<b>-17.7%</b>	
(Overseas)	8.6	5.4	1.5	3.3	3.0	-44.4%	
<b>Operating Income</b>	<b>-7.5</b>	<b>-1.3</b>	<b>1.1</b>	<b>-1.5</b>	<b>-0.5</b>	<b>-</b>	
Operating Income Margin	-	-	4.7%	-	-	-	
SEGA Same Store Sales Comparisons	92.4%	91.7%	99.9%	95.8%	-	-	
<b>Domestic Facilities</b>	<b>322 facilities</b>	<b>260 facilities</b>	<b>252 facilities</b>	<b>248 facilities</b>	<b>253 facilities</b>	<b>-7 facilities</b>	
SEGA	Opened	3 facilities	4 facilities	1 facility	3 facilities	2 facilities	-
	Closed	47 facilities	61 facilities	7 facilities	13 facilities	9 facilities	-
	Total	274 facilities	217 facilities	211 facilities	207 facilities	210 facilities	-7 facilities
Bee / TMS	Opened	3 facilities	0 facility	1 facility	2 facilities	3 facilities	-
	Closed	0 facility	5 facilities	3 facilities	4 facilities	3 facilities	-
	Total	48 facilities	43 facilities	41 facilities	41 facilities	43 facilities	-
<b>Overseas Facilities</b>	<b>22 facilities</b>	<b>14 facilities</b>	<b>11 facilities</b>	<b>13 facilities</b>	<b>11 facilities</b>	<b>-3 facilities</b>	
<b>Cap-ex</b>	<b>14.8</b>	<b>7.7</b>	<b>1.9</b>	<b>6.6</b>	<b>6.6</b>	<b>-14.3%</b>	
<b>Depreciation</b>	<b>15.9</b>	<b>8.2</b>	<b>2.6</b>	<b>6.9</b>	<b>6.9</b>	<b>-15.9%</b>	

## Full Year Projections

- ◆ Year-on-year, sales decreased but losses decreased
- ◆ Expect earnings recovery at SEGA domestic facilities in second half continuously
- ◆ Number of domestic facilities: Full year projection: 253 facilities  
(Closures: 12 facilities, Openings: 5 facilities)



(MEMO)

(JPY billion)	FY 2009	FY 2010	FY 2011			YoY Change
	Full Year Results	Full Year Results	Results through 2Q	Initial Full Year Projections (announced on May 14)	Revised Full Year Projections (revised on Sep 30)	
<b>Net Sales</b>	<b>131.3</b>	<b>121.5</b>	<b>38.7</b>	<b>100.0</b>	<b>94.0</b>	<b>-22.6%</b>
Entertainment Software	82.1	77.5	18.7	52.9	49.5	-36.1%
Network / Other	49.2	44.0	20.0	47.1	44.5	+1.1%
<b>Operating Income</b>	<b>-0.9</b>	<b>6.3</b>	<b>-1.3</b>	<b>7.0</b>	<b>6.0</b>	<b>-4.8%</b>
Operating Income Margin	-	5.2%	-	7.0%	6.4%	+1.2pt
<b>Units Sales (Thousands)</b>	<b>29,470</b>	<b>26,750</b>	<b>6,600</b>	<b>16,960</b>	<b>16,000</b>	<b>-40.2%</b>
<b>R&amp;D expense / Content Production expense</b>	<b>32.8</b>	<b>19.6</b>	<b>8.0</b>	<b>18.1</b>	<b>18.1</b>	<b>-7.7%</b>

## Full Year Projections

- ◆ Year on year, sales and profit decreased
- ◆ Reduction of R&D costs and content production expenses
  - ⇒ Actual results for previous fiscal year: ¥19.6 billion
  - ⇒ Projection for current fiscal year: ¥18.1 billion
- ◆ Full year unit sales: Projection of **16,000,000 units**, down **960,000 units** from initial full year projection
- ◆ Release of several mainstay titles
  - ⇒ “VANQUISH” (October), “Sonic Colors” (November), “PHANTASY STAR PORTABLE2 INFINITY” (February)
- ◆ TOY: Expect strong overseas sales of “BAKUGAN”
- ◆ Active development of girl-oriented character “Zoobles” as second series of joint development project with Spin Master Ltd., which is the co-developing partner of “BAKUGAN”
- ◆ Mobile phone and PC content: Continue to introduce mainstay titles and expand “pay-per-use” service in the company’s core Amusement Business (PCs and mobile phones), and also introduce new titles for new platforms such as SNS and smart phones
- ◆ Animation: Expect royalty revenue from overseas sales of “BAKUGAN” and revenue from animation production work for pachislot and pachinko machines

## Sales Projections (Home video game software)

\* Number of titles reflects products which begin sales in the period  
(Number of titles by platform is based on SKU)

Breakdown by Region	FY 2009		FY 2010		FY 2011					
	Full Year Results		Full Year Results		Results through 2Q		Initial Full Year Projections (announced on May 14)		Revised Full Year Projections (revised on Sep 30)	
	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)	# of titles (SKU)	Unit Sales (Thousands)
Japan / Other	36 (39)	4,230	17 (21)	3,820	5 (5)	1,240	18 (20)	3,380	-	3,000
US	22 (41)	12,490	24 (40)	10,550	7 (14)	3,200	17 (25)	6,290	-	6,200
Europe	20 (42)	12,730	25 (44)	12,380	8 (14)	2,150	21 (30)	7,280	-	6,800
<b>Total</b>	<b>78 (122)</b>	<b>29,470</b>	<b>66 (105)</b>	<b>26,750</b>	<b>20 (33)</b>	<b>6,600</b>	<b>56 (75)</b>	<b>16,960</b>	<b>-</b>	<b>16,000</b>

Breakdown by Region	FY 2009		FY 2010		FY 2011					
	Full Year Results		Full Year Results		Results through 2Q		Initial Full Year Projections (announced on May 14)		Revised Full Year Projections (revised on Sep 30)	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS2	10	1,780	-	-	-	-	-	-	-	-
PS3	21	3,130	20	3,560	5	620	11	2,520	-	-
Wii	23	3,920	23	5,740	6	340	11	1,550	-	-
Xbox360	16	2,120	16	2,300	5	580	15	2,660	-	-
NDS	30	3,170	24	4,290	4	410	10	1,570	-	-
PSP	7	1,420	8	1,310	9	1,130	14	1,930	-	-
PC	15	1,980	14	1,490	4	130	14	1,900	-	-
Catalogue	-	11,920	-	8,040	-	3,350	-	4,790	-	-
<b>Total</b>	<b>122</b>	<b>29,470</b>	<b>105</b>	<b>26,750</b>	<b>33</b>	<b>6,600</b>	<b>75</b>	<b>16,960</b>	<b>-</b>	<b>16,000</b>

## Major Titles in 3Q and 4Q

Title (Region)	Platform	Sales Month
VANQUISH (Japan / Europe / US)	PS3, Xbox360	October
Sonic Colors (Japan / Europe / US)	Wii, NDS	November
PHANTASY STAR PORTABLE2 INFINITY (Japan)	PSP	February



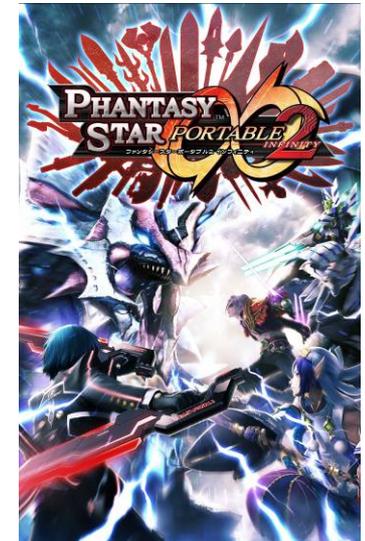
“VANQUISH”

©SEGA



“Sonic Colors”

©SEGA



PHANTASY STAR PORTABLE2 INFINITY

©SEGA



【MEMO】

# Listed Subsidiaries Results and Projections



(Consolidated: JPY billion)	FY 2009	FY 2010	FY 2011			
	Results through 2Q	Results through 2Q	Projections through 2Q	Results through 2Q	YoY Change	Full Year Projections
Net Sales	5.35	5.26	6.06	5.59	+6.3%	13.00
Operating Income	1.05	1.04	1.40	1.59	+52.9%	3.10
Operating Income Margin	19.6%	19.8%	23.1%	28.4%	+8.6pt	23.8%

## Sammy NetWorks

<b>Results through 2Q</b>	<ul style="list-style-type: none"> <li>◆ Year-on-year, net sales <b>increased by 6.3%</b> to <b>5.59 billion yen</b> and operating income <b>increased by 52.9%</b> to <b>1.59 billion yen</b></li> <li>◆ Continued strong sales of the company's core Amusement Business, centered on "777Town.net" (for PCs). ⇒ Introduced "Pachislot SOUTEN-NO-KEN", "Pachinko CR Hokuto No Ken Raoh", etc.</li> <li>◆ Introduced mainstay title "Pachislot Shin Onimusha" for "Sammy 777Town" (for mobile phones). Strong sales due to full-fledged development of "pay-per-use" service.</li> </ul>
<b>Full Year Projections</b>	<ul style="list-style-type: none"> <li>◆ Introduce SNS game for Yahoo! Mobage (for PCs)</li> <li>◆ Introduce new game to SNS (for mobile phone)</li> <li>◆ Develop core business targeting smart phones (Android)</li> <li>◆ Continue to introduce mainstay titles and expand "pay-per-use" service in the core Amusement Business (PCs and mobile phones).</li> </ul>



### 777Town.net "Pachinko CR Hokuto No Ken Raoh"

© Buronson & Tetsuo Hara/NSP 1983  
GT-706  
© Sammy



### Sammy 777Town "Pachislot SOUTEN-NO-KEN"

©H&B/NSP 2001, PGE-119 ©Sammy

(Consolidated: JPY billion)	FY 2009	FY 2010	FY 2011		
	Results through 2Q	Results through 2Q	Projections through 2Q (Full Year)	Results through 2Q (Full Year)	YoY Change
Net Sales	8.46	8.75	5.1	6.15	-29.7%
Operating Income	0.0	-0.24	-0.32	0.057	-
Operating Income Margin	-	-	-	0.92%	-

\*The current period is an irregular six-month fiscal period, due to the change in fiscal periods implemented in the current period to run for one year from October 1 to September 30

## SEGA TOYS

**Full Year Results**

- ◆ Year-on-year, net sales **decreased by 29.7% to 6.15 billion yen**, and as for income, an operating income of **57 million yen** was recorded, up **297 million yen** from an operating loss of **240 million yen** in the previous fiscal year
- ◆ Solid performance of the strategic domestic businesses, “**BAKUGAN**”, as well as regular products such as “**HOMESTAR AQUA**” and “**Anpanman**” related products
- ◆ Begin development of new girl-oriented character “**Zoobles**” for North American market as the second series of the joint development project with Spin Master Ltd. (Canada), which is the co-developing partner of “**BAKUGAN**”

**Projections in Next Fiscal Year**

- ◆ Continue to focus on expanded sales for 3 domestic mainstay products and regular products in domestic market
- ◆ Promote cross media development of “**BAKUGAN**” contents centered on Bakugan LLP.
- ◆ Proactive development of new girl-oriented character “**Zoobles**” for global markets
- ◆ Further strengthen Anpanman business



“Anpanman Oshaberi Ippai!  
Kotoba Zukan”

© TAKASHI YANASE/FREEBELKAN • TMS • NTV



“BAKUGAN”

©SEGA TOYS/SPIN MASTER/BAKUGAN 2 PROJECT



“HOMESTAR AQUA”

©SEGA TOYS



“Zoobles”

©SEGA TOYS / SPIN MASTER



(Consolidated: JPY billion)	FY 2009	FY 2010	FY 2011			
	Results through 2Q	Results through 2Q	Projections through 2Q	Results through 2Q	YoY Change	Full Year Projections
Net Sales	9.36	15.34	18.05	21.07	+37.4%	33.10
Operating Income	0.34	3.02	1.63	4.23	+40.1%	4.55
Operating Income Margin	3.6%	19.7%	9.0%	20.1%	+0.4pt	13.7%

\*Revised full year projections were publicized on October 27, 2010

## TAIYO ELEC

### Results through 2Q

- ◆ Year-on-year, net sales **increased by 37.4%** to **21.07 billion yen** and operating income **increased by 40.1%** to **4.23 billion yen**
- ◆ Sold **28,000 units** of pachinko machine through 2Q, such as by launching the “**CR Full Metal Panic! TSR**” series  
Launch of one series was postponed to 3Q
- ◆ As for pachislot machines, released this period’s mainstay title “**Ring ni Kakero 1 – Golden Japan Jr. Series-**” and sold **35,000 units** through 2Q

### Full Year Projections

- ◆ As for full year sales projections, pachinko machine unit sales are expected to be **68,000**, and pachislot machine unit sales are expected to be **41,000**
- ◆ The projection of full year operating results was revised upward, with net sales projected at **33.1 billion yen** (down 1.0 billion yen from the initial projection), operating income at **4.55 billion yen** (up 690 million yen) and net income at **2.65 billion yen** (up 370 million yen)



**“Ring ni Kakero  
-Golden Japan Jr. Series-”**  
(TAIYO ELEC)

©Masami Kurumada/Shueisha, Toei Animation ©Sammy



**“CR Full Metal Panic! TSR”**  
(TAIYO ELEC)

©Shoji Gato, Shiki Doji/  
Full Metal Panic! Film Partners

(Consolidated: JPY billion)	FY 2009	FY 2010	FY 2011			
	Results through 2Q	Results through 2Q	Projections through 2Q	Results through 2Q	YoY Change	Revised Full Year Projections
Net Sales	7.12	6.43	5.95	6.77	+5.3%	14.40
Operating Income	0.19	-0.02	-0.3	0.16	-	0.56
Operating Income Margin	2.7%	—	-	2.4%	-	3.9%

\*Projections through 2Q are initial projections. \*Revised full year projections were publicized on October 27, 2010

## TMS ENTERTAINMENT

### Results through 2Q

- ◆ Year-on-year, net sales **increased by 5.3%** to **6.77 billion yen** and operating income **increased by 180 million yen** to **160 million yen**
- ◆ Animation Business:
  - Strong revenue from the hit 14<sup>th</sup> “**Detective Conan**” animated film for theater under revenue sharing and from royalty revenue for domestic and overseas sales of “**BAKUGAN**”
  - Strong sales of animation production work and sales of licenses for pachislot and pachinko machines
  - Decrease in depreciation expenses due to effect of narrowing down number of titles by selecting projects with focus on profitability becoming visible
- Amusement Center Operations: Domestic same-store year-on-year sales was strong, exceeding projections

### Full Year Projections

- ◆ Animation Business:
  - Production and release of new TV series “**CARDFIGHT!! Vanguard**”
  - Release of film for theater “**YOU ARE UMASOU**”
  - Distribution of earnings from “**Detective Conan**”, royalty revenue from domestic and overseas sales of “**BAKUGAN**” and sales of animation production work for pachislot and pachinko machines projected to show continued strength
- ◆ Amusement Center Operations: Aim for continued strength by maintaining operating capabilities of each facility



### “BAKUGAN BATTLE BRAWLERS:NEW VESTROIA”

(c)SEGA TOYS / SPIN MASTER / BAKUGAN 2 PROJECT



### “Detective Conan :The Lost Ship in The Sky”

(C) 2010 Gosho Aoyama/DETECTIVE CONAN COMMITTEE

# Appendix



SEGA-SAMMY  
HOLDINGS

# 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	29,953 million yen	Director and CCO(*) (*):CCO : Chief Creative Officer	Hisao Oguchi
Listing	Tokyo Stock Exchange 1 <sup>st</sup> Section (6460)	Director	Yuji Iwanaga
Number of Shares Outstanding	283,229,476 shares	Director	Takeshi Natsuno

Major Shareholders		Equity Shares	% of Voting
1	Hajime Satomi	43,569,338	17.43%
2	SEGA SAMMY HOLDINGS INC.	31,319,119	-
3	Mellon Bank, NA Treaty Clients Omnibus	18,014,222	7.21%
4	FSC Co., Ltd.	14,172,840	5.67%
5	The Master Trust Bank of Japan, Ltd. (As Trustee)	12,204,900	4.88%
6	The Bank of New York Mellon Depository Bank for Depository Receipt Holders	11,193,992	4.48%
7	Japan Trustee Services Bank, Ltd. (As Trustee)	10,410,100	4.16%
8	Japan Trustee Services Bank, Ltd. (As Trustee9)	4,686,300	1.87%
9	State Street Bank West Pension Fund Clients Exempt	3,097,590	1.23%
10	Hideo Ando	2,694,500	1.07%

Shareholder Data		
Type	% of Shares	% by Number of Shareholders
Financial Institutions	16.89%	0.07%
Securities Companies	0.78%	0.06%
Other Companies	6.54%	0.78%
Foreign Institutions and Individuals	33.17%	0.58%
Japanese Individuals and Other	31.55%	98.49%
Treasury stock	11.06%	0.00%

Shareholders
86,721

Data as of September 30, 2010



Subsidiary	Listed on:	Major Operation
<p><b>Sammy NetWorks Co., Ltd.</b>  <a href="http://www.sammy-net.jp/english/">http://www.sammy-net.jp/english/</a></p> 	<p>TSE Mothers                      Securities code: 3745</p>	<p><u>&lt;Consumer&gt;</u>                      Distribution of music related content and game related content through mobile phones and the Internet.</p>
<p><b>SEGA TOYS, LTD.</b>  <a href="http://www.segatoys.co.jp/english/">http://www.segatoys.co.jp/english/</a></p> 	<p>JASDAQ                      Securities code: 7842</p>	<p><u>&lt;Consumer&gt;</u>                      Design, development and sales of toys</p>
<p><b>TAIYO ELEC Co., Ltd.</b>  <a href="http://www.taiyoelec.co.jp/english/">http://www.taiyoelec.co.jp/english/</a></p> 	<p>JASDAQ                      Securities code: 6429</p>	<p><u>&lt;Pachinko Pachislot&gt;</u>                      Design, development and sales of Pachinko and Pachislot machine</p>
<p><b>TMS Entertainment Ltd.</b>  <a href="http://www.tms-e.com/english/">http://www.tms-e.com/english/</a></p> 	<p>NSE 2<sup>nd</sup> Section                      Securities code: 3585</p>	<p><u>&lt;Consumer / Amusement Facilities&gt;</u>                      Planning, production, sales and export of animation films, and amusement businesses</p>

(\*) Sammy, 100% subsidiary of SEGA SAMMY HOLDINGS, holds the shares of TAIYO ELEC

Data as of September 30, 2010

## Pachislot Installed Base / Unit Sales / Market Scale

	2004	2005	2006	2007	2008	2009
Number of Pachislot Machines installed (Units)	1,887,239	1,936,470	2,003,482	1,635,860	1,448,773	1,347,176
Number of Pachislot Machines sold annually (Units)	1,672,049	1,786,292	1,647,759	1,744,308	913,053	765,924
Pachislot Machine Market Size (JPY Million)	522,582	536,539	490,959	502,501	247,860	225,860

## Pachinko Installed Base / Unit Sales / Market Scale

	2004	2005	2006	2007	2008	2009
Number of Pachinko Machines installed (Units)	3,077,537	2,960,939	2,932,952	2,954,386	3,076,421	3,158,799
Number of Pachinko Machines sold annually (Units)	4,013,153	4,047,999	3,837,960	3,173,725	3,349,146	3,332,984
Pachinko Machine Market Size (JPY Million)	786,535	869,940	898,646	868,623	918,514	978,937

## Pachinko Pachislot Market Installed Base / Unit Sales / Market Scale

	2004	2005	2006	2007	2008	2009
Number of Machines installed (Units)	4,964,776	4,897,409	4,936,434	4,590,246	4,525,194	4,505,975
Number of Machines sold annually (Units)	5,685,202	5,834,291	5,485,719	4,918,033	4,262,199	4,098,908
Total Machine Market Size (JPY Million)	1,309,117	1,406,479	1,389,605	1,371,124	1,166,374	1,204,797

	2004	2005	2006	2007	2008	2009
Total Number of Pachinko Halls	15,617	15,165	14,674	13,585	12,937	12,652
Number of Halls with pachinko and pachislot machines installed	13,844	13,163	12,588	12,039	11,800	11,722
Number of Halls with only pachislot machines installed	1,773	2,002	2,086	1,546	1,137	930

Source: National Police Agency, Yano Research Institute Ltd., Japan Productivity Center for Socio-Economic Development



## Share of Annual Pachislot Machine Sales

Rank	2006			2007			2008			2009		
	Manufacture	Units Sold	Share									
1	Sammy	523,422	31.8%	Sammy	380,688	21.8%	Y Company	172,000	18.8%	Sammy	162,932	21.3%
2	D Company	200,000	12.1%	A Company	192,000	11.0%	S Company	133,673	14.6%	S Company	104,266	13.6%
3	H-O Company	180,000	10.9%	S Company	169,239	9.7%	Sammy	123,286	13.5%	U Company	100,000	13.1%
4	Y Company	173,000	10.5%	D Company	152,000	8.7%	H-O Company	68,000	7.5%	Y Company	73,000	9.5%
5	K Company	155,000	9.4%	Y Company	152,000	8.7%	K Company	59,000	6.5%	K Company	60,000	7.8%

## Share of Annual Pachinko Machine Sales

Rank	2006			2007			2008			2009		
	Manufacture	Units Sold	Share									
1	S Company	887,000	23.1%	S Company	820,000	25.8%	S Company	810,000	24.2%	S Company	600,000	18.0%
2	K Company	804,000	21.0%	S Company	725,819	22.9%	S Company	451,941	13.5%	S Company	572,464	17.2%
3	S Company	640,186	16.7%	K Company	510,000	16.1%	Sammy	391,831	11.7%	K Company	426,000	12.8%
4	N Company	253,000	6.6%	N Company	204,000	6.4%	K Company	350,000	10.5%	N Company	395,000	11.9%
5	D Company	195,947	5.1%	D Company	168,000	5.3%	N Company	349,000	10.4%	Sammy	360,171	10.8%
6	H Company	186,000	4.9%	H Company	165,000	5.2%	F Company	194,443	5.8%	H Company	170,000	5.1%
7	F Company	180,006	4.7%	F Company	146,134	4.6%	S Company	177,000	5.3%	D Company	165,000	5.0%
8	Sammy	132,981	3.5%	Sammy	108,184	3.4%	D Company	122,000	3.6%	F Company	156,545	4.7%

Source: Yano Research Institute Ltd.

## Amusement Machine and Amusement Center Operations Markets Scale

(JPY billion)

	2004	2005	2006	2007	2008	2009
Amusement Machines Net Sales	180.5	199.2	223.3	219.0	196.1	169.6
Amusement Facilities Operations Net Sales	649.2	682.4	702.8	678.0	573.1	504.2
Market Size of Amusement	829.7	881.6	926.2	897.0	769.2	673.8

	2004	2005	2006	2007	2008	2009
Number of Amusement Facilities (Facilities)	10,109	9,515	9,091	8,652	8,137	7,662
Number of Amusement Machine units installed (Units)	438,986	445,025	460,031	474,808	486,582	484,804
Number of Amusement Machine units installed per center (Units)	43.4	46.8	50.6	54.9	59.8	63.3

Source: JAMMA, AOU, CESA, National Police Agency

## Home Video Game Software Market Scale

	2004	2005	2006	2007	2008	2009
Japan	316.3	290.8	363.9	360.5	332.1	326.2
Europe	477.7	546.7	604.0	888.3	948.5	874.5
US	667.6	711.7	750.4	991.9	1179.3	1071.2

Source: Famitsu Game White Paper 2010

# Past Operating Results



SEGA-SAMMY GROUP

## From FY 2007 to Results through 2Q of FY 2011

\* Number of titles reflects products which begin sales in the period (Numbers shown in parentheses are based on SKU)

\* The data in this page can be downloaded from following URL. ([http://www.segasammy.co.jp/english/ir/library/excel/201103\\_2q\\_transition.xls](http://www.segasammy.co.jp/english/ir/library/excel/201103_2q_transition.xls))

(JPY billion)	FY2008		FY 2009				FY 2010				FY 2011	
	Results through 2Q	Full Year Results	Results through 1Q	Results through 2Q	Results through 3Q	Full Year Results	Results through 1Q	Results through 2Q	Results through 3Q	Full Year Results	Results through 1Q	Results through 2Q
<b>Net Sales</b>	231.0	458.9	74.6	200.4	309.0	429.1	60.4	154.3	285.3	384.6	91.3	217.8
Breakdown												
Pachislot and Pachinko Machines	99.7	145.5	12.0	65.2	106.2	161.6	19.6	68.3	125.6	160.3	48.9	134.2
Amusement Machines Sales	34.3	71.0	13.7	34.4	49.9	61.9	7.8	17.9	33.1	45.1	9.7	19.6
Amusement Center Operations	47.9	91.2	17.4	37.1	54.4	71.3	14.1	28.9	41.4	54.7	11.1	23.6
Consumer Business	41.2	141.7	30.5	61.9	96.0	131.3	18.0	37.6	82.9	121.5	20.7	38.7
Other	7.7	9.3	0.8	1.6	2.3	2.9	0.7	1.5	2.2	2.8	0.7	1.5
<b>Operating Income</b>	-4.3	-5.8	-10.2	-7.5	-2.7	8.3	-7.8	-0.3	28.8	36.7	14.9	46.8
Breakdown												
Pachislot and Pachinko Machines	12.1	8.4	-4.3	-1.0	5.2	14.5	-1.0	10.8	26.9	29.5	15.1	47.6
Amusement Machines Sales	1.8	7.1	0.7	4.6	6.2	6.8	-1.0	-0.7	4.7	7.0	1.3	1.9
Amusement Center Operations	-2.2	-9.8	-1.5	-2.8	-4.9	-7.5	-0.1	0.2	-0.6	-1.3	0.1	1.1
Consumer Business	-12.5	-5.9	-4.1	-5.9	-5.6	-0.9	-4.5	-8.1	1.4	6.3	-0.6	-1.3
Other	-0.2	0.0	0.0	0.2	0.2	0.3	0.1	0.2	0.3	0.3	0.0	0.1
Eliminations	-3.4	-5.5	-1.0	-2.6	-3.9	-4.9	-1.1	-2.7	-3.9	-5.2	-1.1	-2.7
Operating Margin	-	-	-	-	-	1.9%	-	-	10.1%	5.2%	16.6%	21.5%
<b>Ordinary Income</b>	-3.9	-8.2	-9.8	-8.4	-5.0	6.6	-8.0	-0.7	27.6	35.9	14.6	46.0
Ordinary Income Margin	-	-	-	-	-	1.5%	-	-	9.7%	9.3%	16.0%	21.1%
<b>Net Income</b>	-20.2	-52.4	-10.5	-9.5	-10.8	-22.8	-10.2	-6.3	16.9	20.2	7.0	24.3
Net Income Margin	-	-	-	-	-	-	-	-	5.9%	5.3%	7.7%	11.2%
<b>R&amp;D expense / content production expense</b>	29.8	65.3	16.6	30.4	43.4	59.6	11.8	22.9	32.7	41.5	9.5	18.6
Cap-ex	34.9	50.4	6.5	14.5	20.1	26.6	2.7	6.3	11.4	16.1	3.3	6.5
Depreciation	29.5	45.6	5.4	11.9	18.9	26.6	3.5	7.3	12.0	17.1	3.4	7.3
Advertising	9.0	22.8	4.1	11.2	16.7	20.7	2.7	7.8	14.3	20.7	3.3	7.3
<b># of pachislot titles</b>	16 titles	22 titles	4 titles	9 titles	16 titles	19 titles	1 title	5 titles	8 titles	12 titles	2 titles	4 titles
Unit sales	310,496 units	380,688 units	15,048 units	55,102 units	108,500 units	123,286 units	5,111 units	57,038 units	79,243 units	162,932 units	109,621 units	201,402 units
<b># of pachinko titles</b>	2 titles	9 titles	3 titles	6 titles	8 titles	12 titles	2 titles	8 titles	10 titles	13 titles	6 titles	8 titles
Unit sales	56,641 units	108,184 units	19,704 units	154,950 units	237,288 units	391,831 units	53,748 units	167,715 units	329,850 units	360,171 units	49,240 units	198,230 units
SEGA Same Store Sales Comparisons	88.9%	89.0%	87.3%	90.6%	92.1%	92.4%	96.0%	92.3%	91.3%	91.7%	97.2%	99.9%
Domestic Facilities	433 facilities	363 facilities	357 facilities	347 facilities	347 facilities	322 facilities	298 facilities	277 facilities	274 facilities	260 facilities	255 facilities	252 facilities
<b># of game software titles</b>	22 (32)	80 (138)	14 (37)	36 (61)	58 (93)	78 (122)	11 (17)	23 (30)	39 (62)	66 (105)	7 (19)	20 (33)
Sales (Thousand units)	4,910	26,990	6,890	12,760	21,090	29,470	2,650	5,400	16,730	26,750	3,290	6,600



# SEGA-SAMMY HOLDINGS

<http://www.segasammy.com/>

## [Disclaimer]

The contents in 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 the currently available information. These contents involve risk and uncertainty, and the actual results may differ materially from these contents/comments.

Please visit below websites for products and service information.

<http://sega.jp/> (SEGA)

<http://www.sammy.co.jp/> (Sammy)

\* Company / product names in this document are trademarks or registered trademarks of the respective companies.