

Major Questions Concerning Actual Results for Third Quarter
of the Year Ending March 2013

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SEGA SAMMY HOLDINGS INC.

Actual Results for the Third Quarter of the Year Ending March 2013

■ **General Matters**

Q: What factors led to the decrease in sales and income compared to the same quarter of the previous fiscal year (third quarter of year ended March 2012)?

A: Sales and income decreased mainly due to the decrease in number of unit sales of pachinko machines impacted by the market environment, as well as the revision of sales period for some pachislot machines, and sales and income of the Pachislot and Pachinko Machines Business fell below the same quarter of the previous fiscal year.

Q: What factors led to a significant decrease in the advertising expense compared to the same quarter of the previous fiscal year?

A: Advertising expense decreased compared to the same quarter of the previous fiscal year due to revising the sales schedule for some titles in the Pachislot and Pachinko Machines Business and the Consumer Business.

■ **Pachislot and Pachinko Machines Business**

Q: What factors led to the decrease in sales and income compared to the same quarter of the previous fiscal year (third quarter of year ended March 2012)?

A: Sales and income decreased mainly due to the decrease in number of unit sales of pachinko machines impacted by the market environment, as well as the revision of sales period for some pachislot machines, and sales and income of the Pachislot and Pachinko Machines Business fell below the same quarter of the previous fiscal year.

■ **Amusement Machine Sales Business**

Q: What factors led to the decrease in sales and income compared to the same quarter of the previous fiscal year (third quarter of year ended March 2012)?

A: Sales and income decreased compared to the same quarter of the previous fiscal year due to the lack of sales of new major titles due to the development cycle.

■ **Amusement Center Operations Business**

Q: What factors led to the decrease in sales and income compared to the same quarter of the previous fiscal year (third quarter of year ended March 2012)?

A: Sales and income decreased due to the reduction in the number of amusement centers and SEGA domestic same-store sales falling below the same quarter of the previous fiscal year.

■ **Consumer Business**

Q: What factors led to posting of operating income despite the decrease in sales compared to the same quarter of the previous fiscal year (third quarter of year ended March 2012)?

A: Sales decreased due to the reduction in the number of titles in the packaged game software field, but we returned to profitability as the repeat sales of titles released in the past and the sales of mainstay titles being strong, and solid service of major titles in the digital game field in addition to saving operating expenses through structural reform in Europe and the U.S announced in the end of the previous fiscal year. .

Q: What were the major actual results in the digital game field?

A: The service of the mainstay title of this period “Phantasy Star Online 2” continued to be strong, and in addition to having the new title “Dragon Coins” for smartphones surpassing 500,000 downloads, the “Kingdom Conquest” series continued to be strong surpassing cumulative downloads of 3.3 million worldwide.

Forecast for the Full-Year Ending March 2013

■ **General Matters**

Q: What factors led to the downward revision of the full-year forecast of operating results?

A: The full-year forecast of operating results were revised downwards mainly due to the sales period of mainstay pachislot machines, which were planned for sale in the fourth quarter, being changed to the next fiscal year in the Pachislot and Pachinko Machines Business.

■ **Pachislot and Pachinko Machines Business**

Q: What are the details of the change in the sales schedule for Pachislot Machine Business?

A: As for the Pachislot Machine Business, we revised the number of unit sales of pachislot machines downwards for this fiscal year due to the impact of changing the sales period of several titles to the next fiscal year such as Sammy brand’s “Hokuto no Ken,” which were mainstay titles of this fiscal year planned for release at the end of March.

Q: What is the reason behind the downward revision of number of unit sales of pachinko machines?

A: As for the Pachinko Machine Business, we revised the forecast for full-year’s unit sales downwards due to the market environment being over dependent on major titles, as well as our sales of non-major titles being weak.

■ **Amusement Machine Sales Business**

Q: What are the initiatives for the fourth quarter in Amusement Machine Sales Business?

A: We are planning sales of CVT kits for titles such as “SEGA NETWORK MAHJONG MJ5 EVOLUTION” in the fourth quarter, and we are also expecting stable earnings contribution from the revenue sharing model.

■ **Amusement Center Operations Business**

Q: What are the initiatives for the fourth quarter in Amusement Center Operations Business?

A: We will continuously aim to reinforce our operations capability and competitiveness of existing facilities and aim for earnings improvement.

■ **Consumer Business**

Q: What are the initiatives for the fourth quarter in the Consumer Business?

A: As for the fourth quarter, we will sell the mainstay title in the packaged game software field “Aliens™: Colonial Marines,” and will intensively introduce digital content including new titles such as “Demon Tribe.”

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*The contents in this material are the judgment and projections of the Company’s management based on currently available information. These contents involve risks and uncertainties, and the actual results may differ materially from these contents/comments.