

Summary of 1st Quarter Results for FY Ending March 2016

Consolidated Income Statements (Summary)

(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	90.0	158.1	366.8	52.9	-41%	200.0	+27%	420.0	+15%
Operating Income	8.9	2.7	17.4	-9.4	-	14.0	+419%	25.0	+44%
Ordinary Income	9.6	2.6	16.8	-8.7	-	14.0	+438%	25.0	+49%
Income before income taxes	9.4	-0.6	1.9	-8.4	-	14.0	-	24.0	+1,163%
Profit attributable to owners of parent	5.1	-2.8	-11.3	-7.9	-	11.0	-	19.0	-
Dividends per share (JPY)	-	20.00	40.00	-	-	20.00	-	40.00	-
Earnings per share (JPY)	21.18	-11.50	-46.70	-33.79	-	46.33	-	80.02	-
Net Assets per share (JPY)	1,398.21	1,384.25	1,336.54	1,286.88	-	-	-	-	-

<Full Year Results >

- Sales decreased year-on-year and recorded operating loss as there weren't any new pachislot titles released in the Pachislot and Pachinko Machines Business etc.

Costs and Expenses

(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
R&D Expense / Content Production Expense	12.4	28.4	67.6	12.8	+3%	30.0	+6%	69.4	+3%
Cap-ex	6.9	14.7	28.7	6.8	-1%	15.0	+2%	34.4	+20%
Depreciation	4.0	8.1	17.6	4.1	-	7.9	-2%	16.8	-5%
Advertising	4.1	10.0	19.1	3.9	-5%	12.6	+26%	24.5	+28%

Consolidated Balance Sheet (Summary)

(JPY billion) [Assets]				[Liabilities and Net Assets]			
Account	As of end of March 2015	As of end of June 2015	Change	Account	As of end of March 2015	As of end of June 2015	Change
Total Current Assets	298.0	263.4	-34.6	Total Current Liabilities	86.7	72.2	-14.5
Total Noncurrent Assets	230.6	239.9	+9.3	Total Noncurrent Liabilities	119.4	124.2	+4.8
				Total Liabilities	206.2	196.5	-9.7
				Total Net Assets	322.4	306.7	-15.7
Total Assets	528.6	503.3	-25.3	Total Liabilities and Net Assets	528.6	503.3	-25.3
				Account	As of end of March 2014	As of end of March 2015	Change
				Equity ratio	60.0%	59.9%	-0.1pt
				Current ratio	343.9%	364.6%	+20.7pt

- Current Assets: Down 34.6 billion yen as cash and deposits, accounts receivable and securities (short-term fund management) decreased
- Noncurrent Assets: Up 9.3 billion yen primarily due to the increase in investment securities and tangible fixed assets
- Total Assets : 503.3 billion yen (decreased by 25.3 billion yen)
- Equity ratio : 59.9% (-0.1pt)
- Current ratio : 364.6% (+20.7pt)

Pachislot and Pachinko Machines

(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	47.2	61.1	152.1	7.6	-84%	94.5	+55%	167.0	+10%
Pachislot	31.0	34.5	73.8	0.0	-	61.3	+78%	97.0	+31%
Pachinko	14.7	23.8	73.2	6.3	-57%	31.0	+30%	65.7	-10%
Other / Elimination	1.5	2.8	5.1	1.3	-	2.2	-	4.3	-
Operating Income	12.5	7.0	25.7	-6.7	-	22.0	+214%	23.0	-11%
Operating Income Margin	26.5%	11.5%	16.9%	-	-	23.3%	+11.8pt	13.8%	-3.1pt
Unit Sales (Pachislot)	82,791	93,045	207,830	102	-100%	165,000	+77%	265,000	+28%
Unit Sales (Pachinko)	47,711	82,955	241,425	22,362	-53%	110,000	+33%	220,000	-9%

<Summary of Results Through 1Q>
【Overall】

- Sales decreased year-on-year and loss was recorded.

【Pachislot】

- No new titles were released.

【Pachinko】

- Although several titles including “**Pachinko CR Aura Battler Dunbine**” and “**Dejihane CR Bakemonogatari series**” were released, unit sales decreased year-on-year.
- Main titles launched in 1Q
 - ⇒ Sammy “**Pachinko CR Aura Battler Dunbine**” (April)
 - “**Dejihane CR Bakemonogatari series**” (June), etc.
 - ⇒ TAIYO ELEC “**CR GAMERA**” (June), etc.

<1st Half Forecasts>
【Overall】

- Forecast increase in sales and profits year-on-year due to release of mainstay titles.

【Pachislot】

- Main titles to be launched in 2Q
 - ⇒ Sammy’s mainstay title “**Pachislot Hokuto No Ken Tomo**” (September)

【Pachinko】

- Main titles to be launched in 2Q
 - ⇒ Sammy “**Pachinko CR TOMORROW'S JOE**” (July)
 - “**Pachinko CR Shin-Juoh 2**” (September), etc.
 - ⇒ TAIYO ELEC “**CR BIG DREAM series**” (August), etc.

Entertainment Contents Business

(JPY Billion)	FY Ended March 2015			FY Ending March 2016					
	Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	39.9	90.3	199.6	41.8	+5%	98.5	+9%	235.0	+18%
Digital Games	12.2	27.3	55.1	12.6	+3%	34.0	+25%	87.0	+58%
Packaged Games	7.7	16.4	47.4	7.7	-	13.5	-18%	44.5	-6%
Amusement Machine Sales	7.5	18.6	39.3	8.7	+16%	23.0	+24%	45.0	+15%
Amusement Center Operations	8.3	17.9	36.0	8.7	+5%	18.5	+3%	36.5	+1%
Animation / Toy	3.6	9.1	19.9	3.6	-	8.5	-7%	20.0	+1%
Other / Elimination	0.6	1.0	1.9	0.5	-	1.0	-	2.0	-
Operating Income	-1.3	0.6	0.0	-0.7	-	-2.5	-	11.5	-
Digital Games	0.3	3.8	8.0	0.2	-33%	2.0	-47%	11.5	+44%
Packaged Games	-0.4	-3.0	-2.7	-0.2	-	-3.1	-	1.3	-
Amusement Machine Sales	-0.7	-0.0	-3.9	-0.4	-	-0.4	-	0.0	-
Amusement Center Operations	-0.0	0.6	0.9	0.1	-	0.5	-17%	0.3	-67%
Animation / Toy	-0.4	-0.5	-1.7	-0.3	-	-0.7	-	0.2	-
Other / Elimination	-0.1	-0.3	-0.6	-0.1	-	-0.8	-	-1.8	-
Operating Income Margin	-	0.7%	-	-	-	-	-	4.9%	-
Sales in Units (Thousands)	1,700	4,100	12,280	1,830	+8%	2,120	-48%	7,140	-42%
Same Store Sales Comparisons	99.4%	98.7%	100.1%	101.4%	-	99.3%	-	97.3%	-
Domestic Facilities	201	198	198	198	-	198	-	199	-

<Summary of Results Through 1Q>
【Overall】

■ Because of increase from Amusement machine sales area and Amusement Center operations area remained stable, year-on-year sales increased and loss decreased.

【Digital Games】

■ Sales increased year-on-year as several new titles as well as existing titles made a good start. On the other hand, profits decreased as preliminary expenses such as advertising expenses increased mainly for new titles.

■ Number of titles under service in Japan (Free-to-play only:46 at the end of 1Q)

⇒ Major new titles: “**Hortensia SAGA**,” “**MONSTER GEAR**,” etc

【Packaged Games】

■ New titles such as “**PERSONA4 DANCING ALL NIGHT**” were released and sales of repeat titles remained stable. As a result, loss decreased year-on-year.

【Amusement Machine Sales】

■ Due to the sales of CVT kits and standard products, year-on-year sales is increased and loss is decreased.

【Amusement Center Operations】

■ Sales and profits increased year-on-year due to solid same-store sales which stood at 101.4%.

【Animation / Toy】

■ Sales decreased due to the backlash of distribution earnings of movies posted in the same period of the previous year despite focusing on services for regular/mainstay products.

Entertainment Contents Business**<1st Half Forecasts>****【Overall】**

■ While sales are expected to increase year-on-year due to growth in the digital games field, operating loss is forecast due to the expected increase in preliminary expenses on mainstay titles, etc. in the second half of the fiscal year.

【Digital Games】

■ Sales are expected to increase year-on-year due to release of several new titles in addition to existing titles. However, profits are expected to decrease as profits from new titles are likely to appear in the second half of the fiscal year.

⇒ Major new titles: “**CHAOS DRAGON**,” “**XUCCESS HEAVEN**,” etc.

【Packaged Games】

■ Sales are expected to decrease year-on-year as launch of mainstay titles is scheduled in the second half of the fiscal year.

【Amusement Machine Sales】

■ Sales are expected to increase year-on-year due to the release of new products targeting a broad user base/market such as “**CHUNITHM**” and “**NEW MUSHIKING: The King of Beetles**.” However, due to the preliminary expenses from casino machine development, loss is forecast to increase.

【Amusement Center Operations】

■ Profits are expected to increase year-on-year through streamlining of same-store operation. However, profit is expected to decrease as preliminary expense for development of new concept store is expected to increase.

【Animation / Toy】

■ Focus will be on services for regular/mainstay products. However, due to backlash of distribution earnings of movies posted in the previous period, sales are expected to decrease year-on-year and loss is expected to increase.

Resort Business

(JPY Billion)		FY Ended March 2015			FY Ending March 2016					
		Results Through 1Q	Results Through 2Q	Full Year Results	Results Through 1Q	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales		2.8	6.6	14.9	3.4	+21%	7.0	+6%	18.0	+21%
Operating Income		-0.7	-1.4	-2.3	-0.5	-	-2.0	-	-3.5	-
Operating Income Margin		-	-	-	-	-	-	-	-	-
Phoenix Seagaia Resort	Number of visitors (Thousands)	126	322	643	131	+4%	298	-7%	580	-10%
	Average sale per customer (JPY)	15,226	12,982	14,481	15,883	+4%	14,626	+13%	16,383	+13%
Tokyo Joypolis	Number of visitors (Thousands)	132	333	614	148	+12%	334	-	622	+1%
	Average sale per customer (JPY)	3,444	3,342	3,426	3,489	+1%	3,394	+2%	3,413	-
Orbi Yokohama	Number of visitors (Thousands)	92	240	400	73	-21%	233	-3%	384	-4%
	Average sale per customer (JPY)	2,098	2,264	2,283	2,444	+16%	2,253	-	2,236	-2%
Paradise Casino Incheon *	Casino sales (Billion KRW)	28	55	109	26	-7%	-	-	-	-
	Number of visitors (Thousands)	14	29	58	13	-7%	-	-	-	-

* Paradise Casino Incheon is operated by PARADISE SEGASAMMY Co., Ltd., an equity method affiliate of our company.

* Figures for Paradise Casino Incheon are recorded with three months delay (Record financial results from January 2015 to March 2015)

<Summary of Results Through 1Q>

【Domestic】

- The number of visitors to **Phoenix Seagaia Resort** increased 4% year-on-year.
⇒ The number of visitors increased 9% if **Sun Hotel Phoenix**, which was closed in June, is disregarded.
⇒ Average sale per customer increased 4% (mainly due to the increase of number of visitors to **Sheraton Grande Ocean Resort**)
- The number of visitors to **Tokyo Joypolis** increased 12% year-on-year.
⇒ Average sale per customer increased 1%.
- The number of visitors to **Orbi Yokohama** decreased 21% year-on-year.
⇒ Average sale per customer increased 16%.

【Overseas】

- Net sales of Paradise Casino Incheon, a casino facility in Incheon, South Korea, decreased 7% year-on-year due to MERS, etc.
- The number of employees of our company at Paradise Casino Incheon: 12 (as of June 30)

<1st Half Forecasts>

【Domestic】

- For **Phoenix Seagaia Resort**, work to prepare more travel plans for neighboring prefectures taking advantage of East Kyushu Expressway's opening, to implement sales measures in line with the start of flight service to/from Hong Kong, etc.
⇒ The number of visitors is expected to decrease due to the closure of **Sun Hotel Phoenix**.
- For **Tokyo Joypolis**, work to strengthen contents production capability such as collaborating with well-recognized contents, etc.
- For **Orbi Yokohama**, work to improve the number of facility users by introducing new video contents, etc.

【Overseas】

- Opened **QINGDAO JOYPOLIS** in Qingdao, China in July 2015.

※The contents in this material and comments made during the questions and answers etc. of this briefing session are the judgment and forecasts 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.