

## Summary of 3rd Quarter Results for FY Ending March 2016

### Consolidated Income Statements (Summary)

(JPY Billion)	FY Ended March 2015		FY Ending March 2016				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Dec 4)	YoY Change
Sales	267.7	366.8	245.0	-8%	420.0	355.0	-3%
Operating Income	10.8	17.4	12.1	+12%	25.0	10.0	-43%
Ordinary Income	10.7	16.8	12.6	+18%	25.0	9.0	-46%
Income before income taxes	6.0	1.9	11.2	+87%	24.0	-	-
Profit attributable to owners of parent	-2.7	-11.3	6.4	-	19.0	2.0	-
Dividends per share (JPY)	20.00	40.00	20.00	-	40.00	40.00	-
Earnings per share (JPY)	-11.33	-46.70	27.71	-	80.02	8.53	-
Net Assets per share (JPY)	1,384.84	1,336.54	1,294.99	-	-	-	-

#### <Results Through 3Q>

■ Sales decreased and profits increased year-on-year

⇒ Revised full-year forecasts downward on December 4

⇒ Improvement was seen compared to same period last year in net income attributable to shareholders of parent company since corporate tax, etc. was smaller compared to the previous period when part of deferred tax assets were reversed

### Costs and Expenses

(JPY Billion)	FY Ended March 2015		FY Ending March 2016				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Dec 4)	YoY Change
R&D Expense / Content Production Expense	48.8	67.6	40.3	-17%	69.4	-	-
Cap-ex	20.5	28.7	21.0	+2%	34.4	-	-
Depreciation	12.8	17.6	12.5	-2%	16.8	-	-
Advertising	14.5	19.1	13.6	-6%	24.5	-	-

### Consolidated Balance Sheet (Summary)

(JPY billion)	【 Assets 】			【 Liabilities and Net Assets 】				
	Account	As of end of March 2015	As of end of December 2015	Change	Account	As of end of March 2015	As of end of December 2015	Change
	Total Current Assets	298.0	262.5	-35.5	Total Current Liabilities	86.7	95.8	+9.1
	Total Noncurrent Assets	230.6	247.9	+17.3	Total Noncurrent Liabilities	119.4	105.9	-13.5
					Total Liabilities	206.2	201.8	-4.4
					Total Net Assets	322.4	308.6	-13.8
	Total Assets	528.6	510.4	-18.2	Total Liabilities and Net Assets	528.6	510.4	-18.2
					Account	As of end of March 2015	As of end of December 2015	Change
					Equity ratio	60.0%	59.5%	-0.5pt
					Current ratio	343.7%	273.9%	-69.8pt

■ Current Assets: Down 35.5 billion yen as cash and deposits, and securities (short-term fund management) decreased though accounts receivable increased

■ Noncurrent Assets: Up 17.3 billion yen primarily due to the increase in investment securities

⇒ Total Assets : 510.4 billion yen (decreased by 18.2 billion yen)

■ Equity ratio : 59.5% (-0.5pt) ■ Current ratio : 273.9% (-69.8pt)

## Pachislot and Pachinko Machines

(JPY Billion)	FY Ended March 2015		FY Ending March 2016				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Dec 4)	YoY Change
<b>Sales</b>	<b>108.9</b>	<b>152.1</b>	<b>90.4</b>	<b>-17%</b>	<b>167.0</b>	<b>133.0</b>	<b>-13%</b>
Pachislot	35.8	73.8	52.7	+47%	97.0	-	-
Pachinko	69.2	73.2	34.0	-51%	65.7	-	-
Other / Elimination	3.9	5.1	3.7	-	4.3	-	-
<b>Operating Income</b>	<b>15.3</b>	<b>25.7</b>	<b>15.4</b>	<b>+1%</b>	<b>23.0</b>	<b>16.5</b>	<b>-36%</b>
Operating Income Margin	14.0%	16.9%	17.0%	+3.0pt	13.8%	12.4%	-4.5pt
<b>Unit Sales (Pachislot)</b>	<b>96,111</b>	<b>207,830</b>	<b>121,645</b>	<b>+27%</b>	<b>265,000</b>	<b>154,000</b>	<b>-26%</b>
<b>Unit Sales (Pachinko)</b>	<b>224,519</b>	<b>241,425</b>	<b>115,396</b>	<b>-49%</b>	<b>220,000</b>	<b>203,000</b>	<b>-16%</b>

### <Summary of Results Through 3Q>

#### 【Overall】

- Sales decreased and profits increased year-on-year
- Unit sales of Pachislot increased year-on-year, but unit sales of Pachinko decreased year-on-year
- Profits increased as a result of efforts to improve costs such as by reusing parts

#### 【Pachislot】

- “Pachislot Onimusha3 Jikuu Tenshou” and “Pachislot Ryu ga Gotoku OF THE END” were released and unit sales increased year-on-year
- Major titles launched in 3Q
  - ⇒ Sammy “Pachislot Onimusha3 Jikuu Tenshou,”
  - ⇒ TAIYO ELEC “Pachislot Ryu ga Gotoku OF THE END,” etc.

#### 【Pachinko】

- Even though mainstay titles such as “Pachinko CR Hokuto No Ken 6 Tenshou Hyakuretsu” and “Pachinko CR HARLOCK:SPACE PIRATE” were released, unit sales decreased year-on-year due to the rebound from major titles
- Major titles launched in 3Q
  - ⇒ Sammy “Pachinko CR Hokuto No Ken 6 Tenshou Hyakuretsu,” “Pachinko CR HARLOCK:SPACE PIRATE,” etc.

### <Full Year Forecasts>

#### 【Overall】

- Revised full-year forecasts downward on December 4
- Order of recent mainstay titles are generally strong

#### 【Pachislot】

- Plan to release “Pachislot Nisemonogatari”
- Major titles to be launched in 4Q
  - ⇒ Sammy “Pachislot Nisemonogatari,” etc.

#### 【Pachinko】

- Plan to release several titles including the mainstay title “Pachinko CR Shin Hokuto Muso”
- Major titles to be launched in 4Q
  - ⇒ Sammy “Dejihane CR Hokuto No Ken 6 Jibo,” “Pachinko CR Shin Hokuto Muso,” etc.

**Entertainment Contents Business**

(JPY Billion)	FY Ended March 2015		FY Ending March 2016				
	Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Dec 4)	YoY Change
<b>Sales</b>	<b>147.9</b>	<b>199.6</b>	<b>143.0</b>	<b>-3%</b>	<b>235.0</b>	<b>205.5</b>	<b>+3%</b>
Digital Games	41.4	55.1	39.3	-5%	87.0	-	-
Packaged Games	34.8	47.4	28.9	-17%	44.5	-	-
Amusement Machine Sales	28.5	39.3	29.8	+5%	45.0	-	-
Amusement Center Operations	27.5	36.0	28.2	+3%	36.5	-	-
Animation / Toy	14.4	19.9	15.7	+9%	20.0	-	-
Other / Elimination	1.3	1.9	1.1	-	2.0	-	-
<b>Operating Income</b>	<b>2.0</b>	<b>0.0</b>	<b>2.4</b>	<b>+20%</b>	<b>11.5</b>	<b>2.0</b>	-
Digital Games	6.3	8.0	-0.5	-	11.5	-	-
Packaged Games	-2.9	-2.7	0.5	-	1.3	-	-
Amusement Machine Sales	-0.7	-3.9	-0.1	-	0.0	-	-
Amusement Center Operations	0.6	0.9	1.9	+217%	0.3	-	-
Animation / Toy	-0.7	-1.7	0.7	-	0.2	-	-
Other / Elimination	-0.6	-0.6	-0.1	-	-1.8	-	-
Operating Income Margin	1.4%	-	1.7%	+0.3pt	4.9%	1.0%	-
<b>Sales in Units (Thousands)</b>	<b>8,910</b>	<b>12,280</b>	<b>6,120</b>	<b>-31%</b>	<b>7,140</b>	-	-
<b>Same Store Sales Comparisons</b>	<b>100.1%</b>	<b>100.1%</b>	<b>101.7%</b>	<b>+1.6pt</b>	<b>97.3%</b>	-	-
<b>Domestic Facilities</b>	<b>198</b>	<b>198</b>	<b>198</b>	-	<b>199</b>	-	-

**<Summary of Results Through 3Q>**
**【Overall】**

- As for digital games, although existing titles were solid, advertising costs have increased and asset value of some titles have been reviewed that were unable to gain market reception
- There were no sales of mainstay titles in the packaged game software field but performed strong due to strong sales of repeat titles
- The amusement center operations area was solid

**【Digital Games】**

- Existing titles such as “CHAIN CHRONICLE – Kizuna no Shintairiku” and “Puyopuyo!! Quest” were strong
- Asset values were reviewed with the delay of overseas operation and because some PC and mobile titles, including “Football Manager Online” operated in South Korea, were not evaluated as favorably as initially expected and increase in expenses such as advertising costs associated with large-scale updates, etc.
  - ⇒ Number of titles under service in Japan (Free-to-play only): **50 at the end of 3Q**
  - ⇒ Major newly launched titles up to 3Q: “Hortensia SAGA,” “Monster Gear,” “Sen-no-kaizoku,” “Fortisia SEGA×LINE\*”, etc. \*Not Official English Title

**【Packaged Games】**

- Although “Football Manager 2016” and repeat sales were strong, sales of packaged games decreased due to the rebound from launching mainstay titles in the same period last year
- Turned to profit as, conversely, R&D and advertising costs decreased

**【Amusement Machine Sales】**

- Sales increased as sales of CVT kits and new music game “CHUNITHM” remained strong
- Loss decreased due to the impact of fixed expenses being reduced and recording of operating expenses were delayed until the fourth quarter or later

**【Amusement Center Operations】**

- Due to the prize category performing well, favorable same-store sales stood at 101.7% year-on-year, sales and profits increased in the same period of last fiscal year

**【Animation / Toy】**

- In the animation business, sold TV series “LUPIN THE 3rd PART4,” recorded license revenue from TV series “Yowamushi Pedal” and its product sales revenue; Conducted sales focusing on services for regular/mainstay products in the toy business

**Entertainment Contents Business****<Full Year Forecasts>****【Overall】**

- Revised full-year forecasts downward on December 4
- Hold various events and implement updates in the digital game software field

**【Digital Games】**

- Further development of lineup through offering new titles
  - Advance overseas operation of existing domestic titles through localization
  - Holding events, major updating to enhance game element and other measures for existing titles
    - ⇒ Large-scale update of mainstay titles:
      - “**PHANTASY STAR ONLINE 2 – Reborn: EPISODE 4**” January
      - “**CHAIN CHRONICLE – Kizuna no Shintairiku**” –Shokanoichizoku-hen– Planned for February
      - “**Hortensia SAGA The Successors**” February
    - ⇒ Upcoming new major titles:
      - “**Sanrio Characters: Fantasy Theater**” \* January
      - “**Liberation of azure**” \* Planned for March etc.
- \*Not Official English Title

**【Packaged Games】**

- Launch of new titles such as mainstay title “**Ryu ga Gotoku Kiwami**”
  - ⇒ Major new titles: “**Ryu ga Gotoku Kiwami**,” “**Shin Megami Tensei IV FINAL**,” etc.

**【Amusement Machine Sales】**

- Launch of new product “**THE MEDAL TOWER OF BABEL**”

**【Amusement Center Operations】**

- Enforce streamlining existing-store operations
- On the other hand, as an effort for new concept stores, hold “**Sega Collaboration Café Love Live!**” at Club Sega Akihabara Shop

**【Animation / Toy】**

- Develop business focusing on services for regular/mainstay products

**Resort Business**

(JPY Billion)		FY Ended March 2015		FY Ending March 2016				
		Results Through 3Q	Full Year Results	Results Through 3Q	YoY Change	Full Year Forecast (announced on May 11)	Revised Full Year Forecasts (announced on Dec 4)	YoY Change
Sales		10.8	14.9	11.5	+6%	18.0	16.5	+11%
Operating Income		-1.7	-2.3	-1.3	-	-3.5	-2.8	-
Operating Income Margin		-	-	-	-	-	-	-
Phoenix Seagaia Resort	Number of visitors (Thousands)	474	643	424	-11%	580	-	-
	Average sales per customer (JPY) *1	14,339	14,468	15,753	+10%	16,383	-	-
Tokyo Joypolis	Number of visitors (Thousands)	466	614	528	+13%	622	-	-
	Average sales per customer (JPY)	3,406	3,426	3,510	+3%	3,413	-	-
Orbi Yokohama	Number of visitors (Thousands)	323	400	260	-20%	384	-	-
	Average sales per customer (JPY)	2,309	2,283	2,345	+2%	2,236	-	-
Paradise Casino Incheon *2	Casino sales (Billion KRW)	80	109	65	-19%	-	-	-
	Number of visitors (Thousands)	44	58	36	-18%	-	-	-

\*1. We've made a correction to the full year results for the FY Ended March 2015.

\*2. 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

**<Summary of Results Through 3Q>**
**【Domestic】**

- Visitors to “**Phoenix Seagaia Resort**” decreased 11% year-on-year  
⇒ The number of visitors increased 9% when the data of closed facilities is excluded such as “**Phoenix Bowl**” and “**Sun Hotel Phoenix**”  
⇒ Average sale per customer increased 10% mainly due to the increase of visitors to “**Sheraton Grande Ocean Resort**”
- Visitors to “**TOKYO JOYPOLIS**” increased 13% year-on-year  
⇒ Average sale per customer increased 3%
- Visitors to “**Orbi Yokohama**” decreased 20% year-on-year  
⇒ Average sale per customer increased 2%

**【Overseas】**

- Net sales of “**Paradise Casino Incheon**,” a casino facility in Incheon, South Korea, decreased 19% year-on-year due to the influence of MERS and such
- Held the event “Qingdao JOYPOLIS x SNH48 Winter Meeting” and other events at “**QINGDAO JOYPOLIS**” in an effort to enhance operating capabilities

**<Full Year Forecasts>**
**【Domestic】**

- For “**Phoenix Seagaia Resort**,” implement sales measures in line with the camp seasons of 3 professional baseball teams and 3 J. League clubs  
⇒ The number of visitors is expected to decrease due to the closure of “**Sun Hotel Phoenix**”
- For “**TOKYO JOYPOLIS**,” work to strengthen operating capability by collaborating with well-recognized contents, etc.  
⇒ Hold experience-based escape game “Persona 3” The Movie (January through March)
- For “**Orbi Yokohama**,” work to improve the number of visitors
- Open “**Orbi Osaka**,” the first licensing out facility in Japan (January)

**【Overseas】**

- Work on the construction of the integrated resort “**PARADISE CITY**,” scheduled to open in the first half of 2017
- Grand opening of “**SHANGHAI JOYPOLIS**,” the first licensing out facility in China (planned for February)

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