

SEGA-SAMMY
H O L D I N G S

SEGA-SAMMY
G R O U P

FY Ending March 2018 2nd Quarter Results Presentation

**November 6th, 2017
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.

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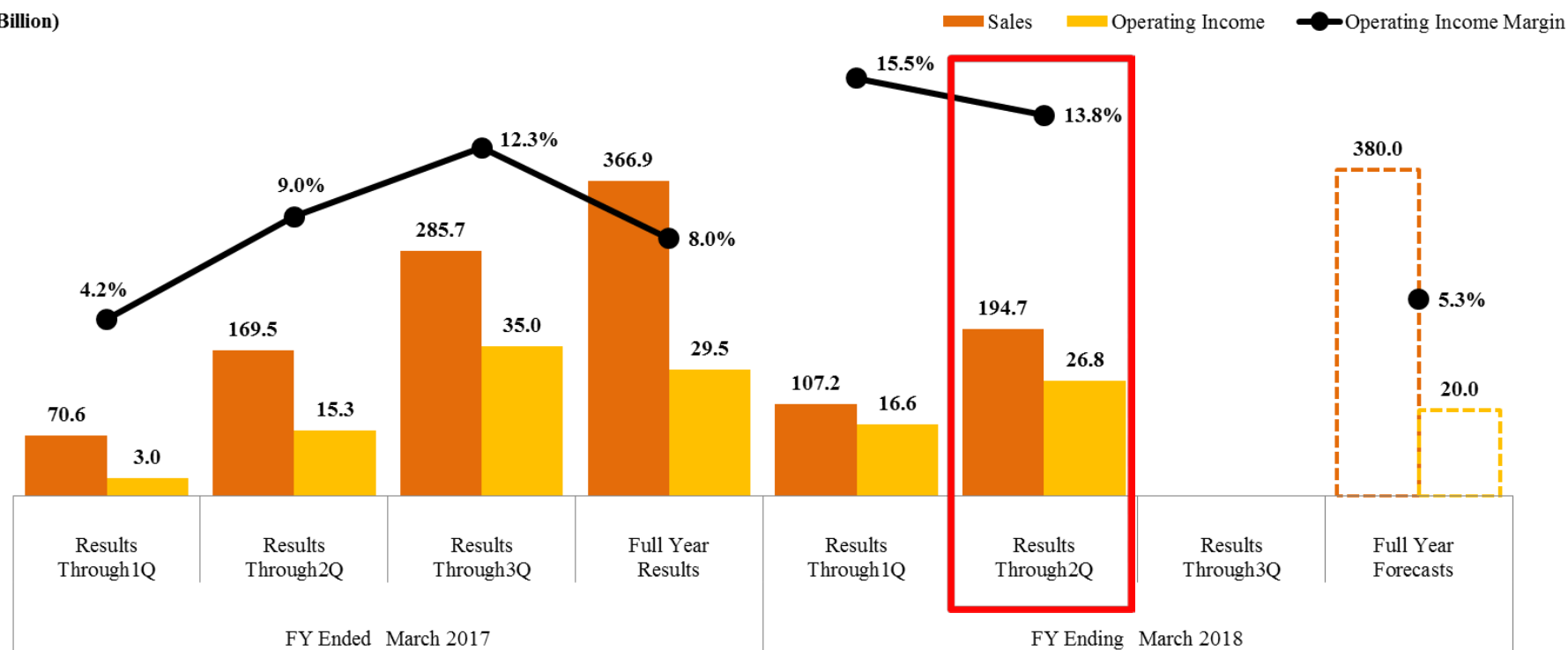
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1. FY Ending March 2018 2nd Quarter Results / Forecasts

Sales : **194.7** JPY Billion Operating Income : **26.8** JPY Billion Operating Income Margin : **13.8%**

(JPY Billion)



Summary of Results Through 2Q

- Both sales and profits increased year-on-year
- Major titles were launched in Pachislot and Pachinko Machines Business
- Overall Entertainment Contents Business performed strongly

Forecasts

- Revising the sales schedule of the pachislot and pachinko machines significantly and expect the number of titles and unit sales will likely be less than originally planned for the full year.
- Following the favorable results in the first half, the Group plans to launch multiple new titles in the Entertainment Contents Business.

Consolidated Income Statements (Summary)

(JPY Billion)		FY Ended March 2017		FY Ending March 2018		
		Results Through 2Q	Full Year Results	Results Through 2Q	YoY Change	Full Year Forecasts
Sales		169.5	366.9	194.7	+15%	380.0
	Pachislot and Pachinko Machines	64.9	148.2	88.3	+36%	150.0
	Entertainment Contents	97.8	205.7	101.5	+4%	220.0
	Resort	6.7	13.0	4.7	-30%	10.0
Operating Income		15.3	29.5	26.8	+75%	20.0
	Pachislot and Pachinko Machines	10.6	26.3	21.4	+102%	20.0
	Entertainment Contents	9.1	11.1	10.1	+11%	10.0
	Resort	-1.3	-2.2	-1.2	-	-3.0
	Other / Elimination	-3.1	-5.7	-3.4	-	-7.0
	Operating Income Margin	9.0%	8.0%	13.8%	+4.8pt	5.3%
Ordinary Income		15.4	28.5	25.2	+64%	16.0
Extraordinary Gain		11.9	13.3	0.8	-	0.0
Extraordinary Loss		0.3	8.1	0.4	-	0.0
Income before income taxes		27.1	33.7	25.6	-6%	16.0
Profit attributable to owners of parent		24.2	27.6	17.7	-27%	11.0
Dividends per share (JPY)		20.00	40.00	20.00	-	40.00
Earnings per share (JPY)		103.47	117.79	75.78	-	46.93
Net Assets per share (JPY)		1,292.06	1,313.06	1,380.42	-	-

Costs and Expenses

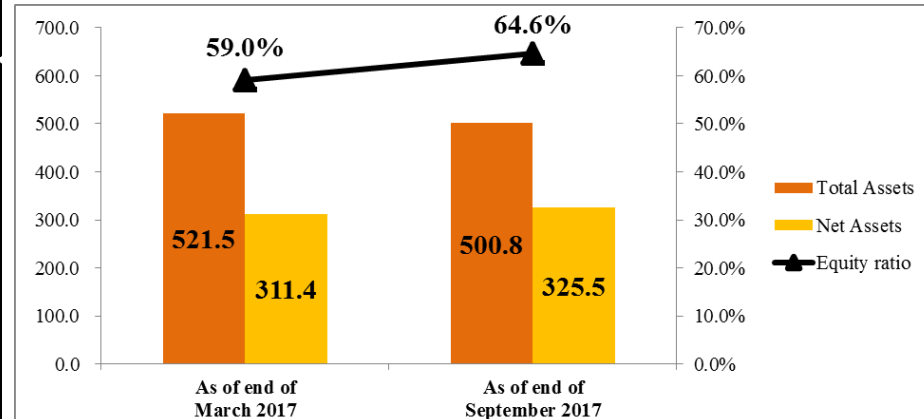
(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 2Q	Full Year Results	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change
R&D Expense / Content Production Expense	31.7	67.1	30.7	-3%	71.0	+6%
Pachislot and Pachinko Machines	9.3	18.8	9.7	+4%	19.3	+3%
Entertainment Contents	22.2	48.1	21.1	-5%	51.7	+7%
Resort	0.1	0.2	0.0	-	0.0	-
Other / Elimination	0.1	0.0	-0.1	-	0.0	-
Cap-ex	13.8	27.0	10.3	-25%	24.4	-10%
Pachislot and Pachinko Machines	3.0	5.8	1.9	-37%	5.7	-2%
Entertainment Contents	8.0	16.6	7.3	-9%	16.4	-1%
Resort	2.7	4.5	1.0	-63%	2.3	-49%
Other / Elimination	0.1	0.1	0.1	-	0.0	-
Depreciation	7.6	16.3	8.2	+8%	16.6	+2%
Pachislot and Pachinko Machines	3.0	5.8	2.8	-7%	5.4	-7%
Entertainment Contents	3.7	8.7	4.5	+22%	9.2	+6%
Resort	0.5	1.1	0.5	-	1.3	+18%
Other / Elimination	0.4	0.7	0.4	-	0.7	-
Advertising	7.6	14.8	7.8	+3%	20.5	+39%
Pachislot and Pachinko Machines	1.2	2.1	1.1	-8%	5.2	+148%
Entertainment Contents	5.0	10.7	5.4	+8%	13.9	+30%
Resort	0.3	0.5	0.2	-33%	0.2	-60%
Other / Elimination	1.1	1.5	1.1	-	1.2	-

Consolidated Balance Sheet (Summary)

(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2017	As of end of September 2017	Change	Account	As of end of March 2017	As of end of September 2017	Change
Cash and Deposits	137.4	118.1	-19.3	Accounts Payable	45.6	24.4	-21.2
Accounts Receivable	44.5	50.1	+5.6	Corporate Bonds	19.5	18.8	-0.7
Securities	65.2	67.5	+2.3	Short Term Borrowings	6.3	11.7	+5.4
Inventories	47.4	34.8	-12.6	Other	41.1	40.0	-1.1
Other	29.6	28.2	-1.4	Total Current Liabilities	112.5	94.9	-17.6
Total Current Assets	324.1	298.7	-25.4	Corporate Bonds	32.5	25.0	-7.5
Tangible Fixed Assets	81.6	79.4	-2.2	Long Term Debt	44.5	34.8	-9.7
Intangible Fixed Assets	22.1	23.6	+1.5	Other	20.5	20.5	-
Investment Securities	69.8	75.0	+5.2	Total Noncurrent Liabilities	97.5	80.3	-17.2
Other	23.9	24.1	+0.2	Total Liabilities	210.1	175.2	-34.9
				Shareholders Equity	300.3	313.3	+13.0
				Total accumulated other comprehensive income	7.4	10.1	+2.7
				Warrants	0.3	0.5	0.2
				Non-controlling intersests	3.4	1.4	-2.0
Total Noncurrent Assets	197.4	202.1	+4.7	Total Net Assets	311.4	325.5	+14.1
Total Assets	521.5	500.8	-20.7	Total Liabilities and Net Assets	521.5	500.8	-20.7

Summary of Results Through 2Q

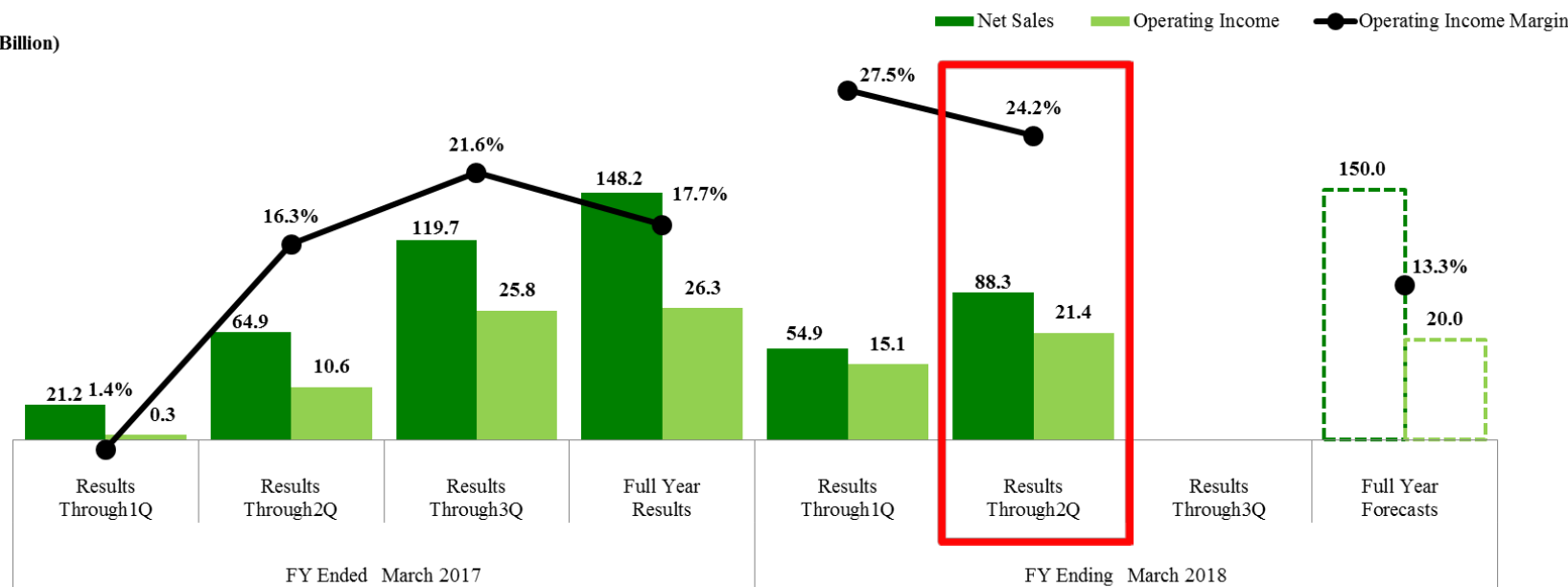
- Total Assets: 500.8 billion yen (decreased by 20.7 billion yen)
- Current Assets: Down 25.4 billion yen due to decrease in Cash and Deposits, etc.
- Liabilities: Down 34.9 billion yen due to payment of trade payables, redemption of Corporate Bonds and repayment of Borrowings
- Equity Ratio: 64.6% (+5.6pt)
- Current Ratio: 314.6% (+26.7pt)



2. Segment Results / Forecasts

Sales : **88.3** JPY BillionOperating Income : **21.4** JPY BillionOperating Income Margin : **24.2%**

(JPY Billion)



Summary of Results Through 2Q

- Both sales and profits increased year-on-year.
- Launched mainstay titles for both pachislot and pachinko machines.

Forecasts

- Plans to revise the sales schedule of the pachislot and pachinko machines significantly.
- Expect the number of titles and unit sales will likely be less than originally planned for the full year.

- Launched titles including “**Pachislot Hokuto No Ken Shindensetsu souzou**,” the new title of the mainstay “**Hokuto No Ken**” series.

- The Group plans to launch its first No. 5.9-type machines.

- Launched titles including “**Pachinko CR GHOST IN THE SHELL - STAND ALONE COMPLEX-**,” which adopts the motif of the popular animation, “**GHOST IN THE SHELL -STAND ALONE COMPLEX-**”

- To launch newest title “**Pachinko CR SOUTEN-NO-KEN Tenra**,” which realizes new gaming elements with a new system added to the “**Pachinko SOUTEN-NO-KEN**” series, and others.

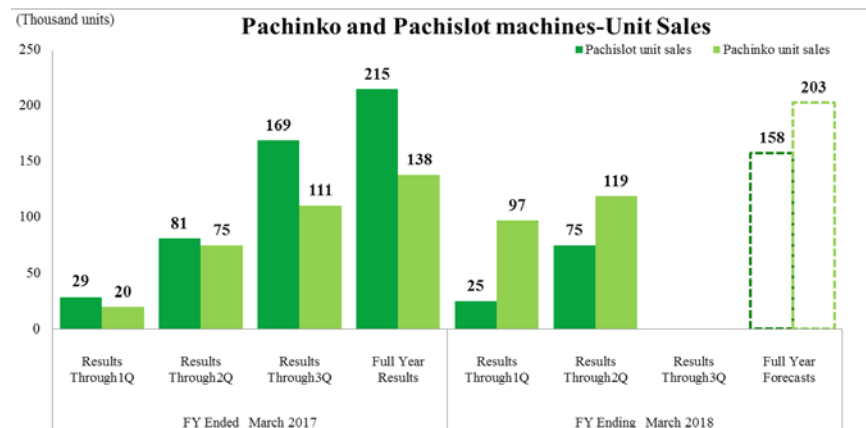
(JPY Billion)		FY Ended March 2017		FY Ending March 2018			
		Results Through 2Q	Full Year Results	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales		64.9	148.2	88.3	+36%	150.0	+1%
	Pachislot	31.8	86.2	32.3	+2%	63.1	-27%
	Pachinko	26.4	48.3	48.8	+85%	71.6	+48%
	Other / Elimination	6.7	13.7	7.2	-	15.3	-
Operating Income		10.6	26.3	21.4	+102%	20.0	-24%
	Operating Income Margin	16.3%	17.7%	24.2%	+7.9pt	13.3%	-4.4pt
Pachislot	Number of Titles	3 titles	10 titles	8 titles	+5 titles	11 titles	+1 title
	Unit Sales	81,895 units	215,736 units	75,380 units	-8%	158,000 units	-27%
Pachinko	Number of Titles	3 titles	9 titles	4 titles	+1 title	7 titles	-2 titles
	Unit Sales	75,542 units	138,321 units	119,312 units	+58%	203,000 units	+47%
	Board + Frame	68,175 units	115,227 units	92,344 units	+35%	160,300 units	+39%
	Board	7,367 units	23,094 units	26,968 units	+266%	42,700 units	+85%

* New series of title is counted as one title (Machines launched in the previous fiscal year/change of specification, etc. aren't included).

2Q Major titles and number of units sold

Pachislot title	Total sales	Installed From
Pachislot Hokuto No Ken Shindensetsu souzou	45,220 units	September
A – SLOT ALIYAN EVOLUTION	2,381 units	July

Pachinko title	Total sales	Installed From
Pachinko CR Wataru seken wa oni bakari	9,323 units	July
Pachinko CR GHOST IN THE SHELL -STAND ALONE COMPLEX-	7,735 units	September
Dejihane CR Monster Hunter 4	4,320 units	August



■ Major Titles in 2Q and newly titles to be launched in and after 3Q

New title

Specification changed title

2Q

3Q~

Pachislot

Pachislot Beast King
Oujya no kakusei

Pachislot Hokuto No Ken
Shindensetsu souzou

Pachislot Sakura Wars
~Atsuki chishioni~

Pachislot Tatakae! Salaryman

Pachislot Twin Angel BREAK

Pachislot Ys I & II

Plan to launch new title

A – SLOT ALIYAN EVOLUTION

Pachislot ARPEGGIO OF BLUE STEEL
-ARS NOVA-

Pachinko

Pachinko CR Hokuto No Ken 7
Resurrection

Pachinko CR Wataru seken wa oni bakari

Pachinko CR SOUTEN-NO-KEN Tenra

Pachinko CR BIG GACHINKO Seven

Dejihane CR Monster Hunter 4

Pachinko CR Puyopuyo

Pachinko CR GHOST IN THE SHELL
-STAND ALONE COMPLEX-



“Pachislot Hokuto No Ken
Shindensetsu souzou”

©Burson & Tetsuo Hara/NSP 1983,©NSP
2007 Approved No.YBJ-918 ©Sammy



“ Pachinko CR Wataru seken wa oni bakari”

©TBS ©Sammy



“Pachinko CR GHOST IN THE SHELL
-STAND ALONE COMPLEX-”

©SHIROW MASAMUNE・Production I.G/KODANSHA
LTD.・The Ghost in the Shell Production Committee
©Sammy



“Pachinko CR SOUTEN-NO-KEN Tenra”

©Tetsuo Hara & Burson/NSP 2001,
Approved No.YHK-818 ©Sammy

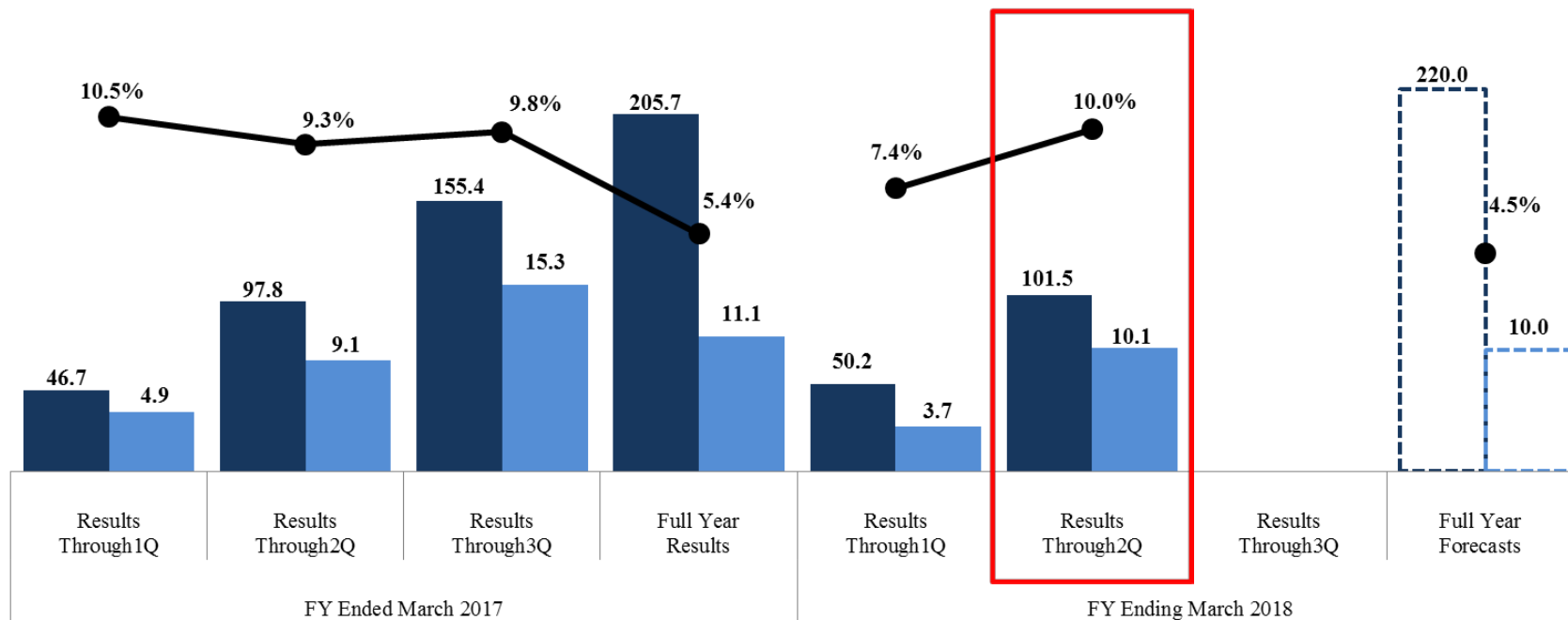
Sales : **101.5** JPY Billion

Operating Income : **10.1** JPY Billion

Operating Income Margin : **10.0** %

(JPY Billion)

■ Sales ■ Operating Income ● Operating Income Margin



Summary of Results Through 2Q

- Both sales and profits increased year-on-year.
- Sales of titles remained strong in all business fields

Forecasts

- Planning to release several new titles in the digital games field, the packaged games field and amusement machine sales field.

(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 2Q	Full Year Results	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	97.8	205.7	101.5	+4%	220.0	+7%
Digital Games	23.0	47.3	19.3	-16%	59.0	+25%
Packaged Games	23.0	47.1	27.1	+18%	51.5	+9%
Amusement Machine Sales	22.5	49.4	22.6	-	43.5	-12%
Amusement Center Operations	19.0	37.2	19.6	+3%	38.0	+2%
Animation / Toy	9.4	22.7	10.3	+10%	24.5	+8%
Other / Elimination	0.9	2.0	2.6	-	3.5	-
Operating Income	9.1	11.1	10.1	+11%	10.0	-10%
Digital Games	3.8	4.9	2.0	-47%	7.3	+49%
Packaged Games	2.7	2.6	3.5	+30%	3.2	+23%
Amusement Machine Sales	0.8	1.7	2.4	+200%	-0.4	-
Amusement Center Operations	2.0	2.2	1.7	-15%	1.7	-23%
Animation / Toy	0.1	1.2	0.7	+600%	1.5	+25%
Other / Elimination	-0.3	-1.5	-0.2	-	-3.3	-
Operating Income Margin	9.3%	5.4%	10.0%	+0.7pt	4.5%	-0.9pt
Packaged Games Number of Titles *	21 titles	42 titles	16 titles	-5 titles	38 titles	-4 titles
Japan	3 titles	9 titles	3 titles	-	11 titles	+2 titles
Asia	7 titles	16 titles	6 titles	-1 title	17 titles	+1 title
North America / Europe	11 titles	17 titles	7 titles	-4 titles	10 titles	-7 titles
Packaged Games Sales in Units (Thousands)	4,650	10,280	8,650	+86%	11,600	+13%
Japan	1,000	1,850	420	-58%	2,000	+8%
New title	850	1,500	200	-76%	1,770	+18%
Repeat title	150	350	220	+47%	230	-34%
Asia	410	1,060	230	-44%	670	-37%
New title	240	700	100	-58%	640	-9%
Repeat title	170	360	130	-24%	30	-92%
North America / Europe	3,240	7,370	8,000	+147%	8,930	+21%
New title	1,460	3,040	2,850	+95%	5,170	+70%
Repeat title	1,780	4,330	5,150	+189%	3,760	-13%
Domestic Facilities	189	191	189	-	190	-
Same Store Sales Comparisons	110.8%	108.5%	101.5%	-9.3pt	101.3%	-7.2pt

* Added the number of titles in Asia

Digital

		FY Ended March 2017				FY Ending March 2018	
		1Q Results	2Q Results	3Q Results	4Q Results	1Q Results	2Q Results
Sales (JPY Billion)		12.0	11.0	12.0	12.3	9.5	9.8
Domestic	Average MAU(Thousands, 3 months average)*1	4,640	3,690	4,140	4,560	3,440	3,310
	ARPPMAU (JPY) *2	2,038	2,771	2,568	2,327	2,502	2,435
	Share of sales for top 3 titles *3	68.4%	70.3%	67.6%	64.6%	59.6%	57.7%
Overseas	Composition ratio of sales	19.5%	8.6%	10.5%	11.1%	10.4%	10.7%
Other indicators	Number of Titles(Domestic) *4	34	30	28	27	25	21
	Ratio of advertising expense to net sales	6.5%	7.9%	10.2%	9.2%	8.2%	11.2%
	Noah Pass Average MAU(Thousands, 3 months average)*5	12,360	11,800	11,960	11,400	11,940	11,480
Accumulated Downloads (Thousands) *6		22,320	32,650	33,370	30,040	28,420	21,940
	Domestic	2,860	4,720	8,230	9,410	2,120	2,080
	Overseas	19,460	27,930	25,140	20,630	26,300	19,860

Only free-to-play titles are covered for the calculation of Number of titles under service, Domestic MAU, Domestic ARP MAU and Number of downloads. (Pay-to-play models are not included.)

*1. Average MAU (Monthly Active Users) over 3 months

*2. Calculated from dividing sales by MAU (Monthly Active Users)

*3. Sales percentage for top 3 titles in sales

*4. As of the last day of each quarter

*5. Noah pass is a marketing support tool for smart devices.

*6. We've made a correction to the FY2017 3Q number of downloads.

TOP 3 Titles (Digital Game)



“PHANTASY STAR ONLINE 2”
©SEGA



“Puyopuyo!! Quest”
©SEGA



“Hortensia Saga”
©SEGA / f4samurai

*Sales top three titles in
the period of July-
September 2017

Summary of Results Through 2Q

- Number of titles under service (Domestic): 25⇒21
- Held various events and conducted updates mainly for existing mainstay titles
- The new title “**Magia Record : Puella Magi Madoka Magica Side Story,**” which our group company f4samurai developed and is commissioned to operate, kicked off to a good start

Forecasts

- Expect continuous profit contributions from events, etc. of existing titles
- Planning to release several new titles including
『PoPoLoCRoIS ～Narcia’s tears & the Fairy’s flute』
『D × 2 Shin Megami Tensei Liberation』, etc.



Summary of Results through 2Q

Forecasts

Packaged Games

- **"SONIC MANIA"** performed strongly, becoming the most popular title among new SONIC titles released in the past 15 years, etc.
- New PC game title **"Total War: WARHAMMER 2"** had solid performance.

- Planning to release several new titles including **"SONIC FORCES"** (November)
"Football Manager 2018" (November)
"Ryu ga Gotoku KIWAMI 2" (December)
"Hokuto ga Gotoku" (February), etc.

Amusement Machine Sales

- Recorded distribution earnings from existing titles under revenue sharing model.
- Launched a CTV kit **"StarHorse3 Season VI FULL THROTTLE."**
- Sales of **"UFO CATCHER 9"** and **"UFO CATCHER TRIPLE"** were solid.
- Preliminary expenses for casino machine development and sales incurred..

- Expect to record earnings from existing titles under revenue sharing model.
- Planning to release new mainstay titles such as **"SOUL REVERSE"** and **"SEGA World Drivers Championship."**
- Preliminary expenses for casino machine development and sales to be incurred.

Amusement Center Operations

- Store sales of domestic (amusement) facilities performed at **101.5%** against last fiscal year's same-store sales.
- Reinforced facility operation focusing on the prize category.
- Reinforced measures for new-style stores such as **"SEGA Collaboration Cafe"** and **"Sweets Spoon"** in Ikebukuro and Akihabara.
- Started accepting e-money at existing stores. (4 stores as of September 30, 2017)

- Continue to reinforce facility operation by introducing prize category machines and expanding prize category section.
- Reinforce measures for new-style stores such as **"SEGA Collaboration Cafe."**
- Continue to increase the number of existing stores accepting e-money. (6 stores as of October 31, 2017)

Animation / Toys

- Recorded earnings from distribution of the movie **"Detective Conan Crimson Love Letter"** and others.
- Focused on sales of regular and mainstay products, such as **"ANPANMAN"** series.

- Expect to record distribution earnings from a movie **"Yowamushi Pedal RE:GENERATION"** etc. .
- Planning to sell **"ANPANMAN"** series, **"Disney&Disney/Pixar Characters Dream Switch"** and others.

Major Titles in 2Q and newly titles to be launched in and after 3Q

	2Q	3Q~
Digital Games	Existing Titles	PHANTASY STAR ONLINE 2 (Jul 2012~)
		Puyopuyo!! Quest (Apr 2013~)
		CHAIN CHRONICLE 3 (Jul 2013~)
		Hortensia Saga (Apr 2015~)
		Magia Record : Puella Magi Madoka Magica Side Story
		PoPoLoCRoIS ~Narcia's tears & the Fairy's flute
Packaged Games	Warhammer 40,000: Dawn of War III	SONIC MANIA
	Endless Space 2	Total War: WARHAMMER 2
		SONIC FORCES
		Ryu ga Gotoku KIWAMI 2
Amusement Machines		Football Manager 2018
		Hokuto ga Gotoku
	UFO CATCHER TRIPLE	StarHorse3 SeasonVI FULL THROTTLE
		SOUL REVERSE
Animation / Toys	Detective Conan Crimson Love Letter	Yowamushi Pedal RE:GENERATION
	"ANPANMAN" D.I.Y. Moving ANPANMANGO-CAR	Disney&Disney/Pixar Characters Dream Switch
	ANPANMAN: BURUBURU'S TREASURE HUNTING	
	Cars3 Shakin' and Movin'! Smartphone Driving	



『D x 2 Shin Megami Tensei Liberation』
©SEGA/©ATLUS



『SONIC FORCES』
©SEGA



『StarHorse3 SeasonVI FULL THROTTLE』
©SEGA



『Yowamushi Pedal RE:GENERATION』
© Wataru Watanabe (Akitashoten) 2008/
Yowamushi Pedal 03 Film Partners 2017



『Disney&Disney/Pixar Characters Dream Switch』
©Disney ©Disney. Based on the "Winnie the Pooh" works by A.A.Milne and E.H.Shepard.
©Disney/Pixar Slinky®Dog. ©Poof-Slinky, Inc. FIAT™ Model T™ Porsche™



Segment Results: Resort Business

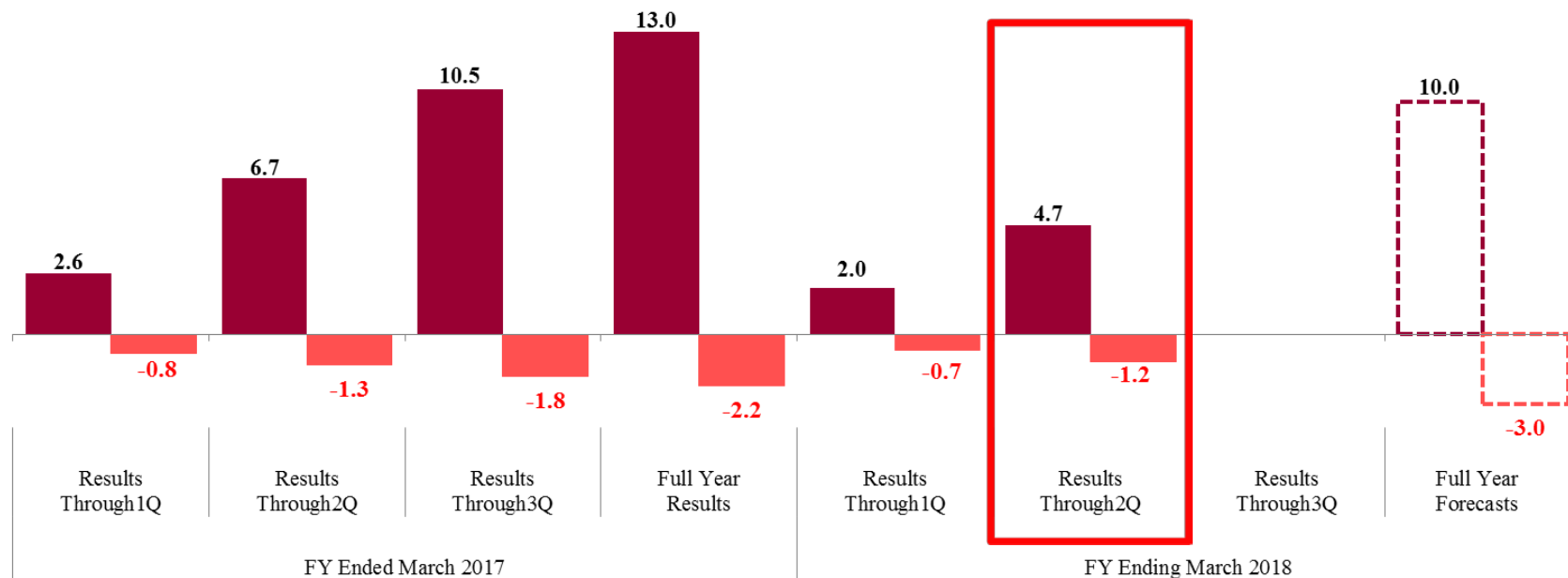
Sales : **4.7** JPY Billion

Operating Income : **-1.2** JPY Billion

Operating Income Margin : **-** %

(JPY Billion)

■ Sales ■ Operating Income



Summary of Results Through 2Q

- Both sales and margin of loss decreased year-on-year.
- Profitability of **“Phoenix Seagaia Resort”** improved.
- Sales decreased due to partial transfer of shares of the subsidiary that operates indoor theme park (JOYPOLIS).

Forecasts

- Conduct measures such as holding of events to draw customers at **“Phoenix Seagaia Resort.”**
- Planning prior investments in the integrated resort business.



(JPY Billion)	FY Ended March 2017		FY Ending March 2018			
	Results Through 2Q	Full Year Results	Results Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Sales	6.7	13.0	4.7	-30%	10.0	-23%
Operating Income	-1.3	-2.2	-1.2	-	-3.0	-

<PHOENIX RESORT>

Sales	3.5	8.4	4.2	+20%	10.0	+19%
Operating Income	-0.7	-0.8	-0.4	-	0.0	-
Number of facility users (thousand people)	259	561	296	+14%	651	+16%
3 accommodation facilities	134	293	156	+16%	332	+13%
2 golf courses	39	87	46	+18%	100	+15%
Other facilities	85	181	94	+11%	218	+20%

<PARADISE SEGASAMMY*>

Sales (Billion KRW)	46	95	62	+35%	-	-
Operating Income (Billion KRW)	3	-0	-30	-	-	-
Number of Casino visitors (Thousands)	24	57	59	+146%	-	-

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

Summary of Results Through 2Q

- The number of guests increased at “**Phoenix Seagaia Resort**” from the same period of the previous year when the effects of the earthquake were seen, due to factors such as the large-scale renewal and summer holiday events.
- “**PARADISE CITY**,” South Korea’s first integrated resort, opened.

Forecasts

- Planning to conduct various projects and programs only Seagaia can offer at “**Phoenix Seagaia Resort**” as a golf tournament is scheduled in the third quarter and the sports camp season is to start in the fourth quarter.
- Planning prior investments in the integrated resort business.

Major measures taken in 2Q and measures to be taken in 3Q

2Q

■ "Summer Vacation at New Seagaia"

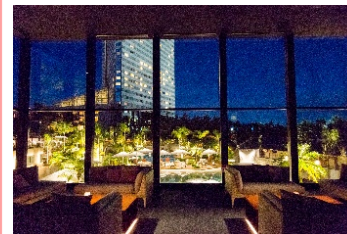
Held programs offering experiences unique to Seagaia as well as events making nights at the resort more enjoyable. Such measures led to the increase of guests who stay more than two nights.



3Q~

■ Grand opening of "THE LIVING GARDEN" in October

The garden area exclusively for hotel guests was renovated under the concept of "a waterside living room to enjoy adult time." "Living room with bonfire" where you can relax watching the dancing flames and "KUROBAR" where you can have a view of the garden area are newly opened.



■ The 44th DUNLOP PHOENIX TOURNAMENT

The tournament will be held from November 16 to 19 at the Phoenix Country Club. Hideki Matsuyama as well as last year's winner and the U.S. Open champion Brooks Koepka will take part. Heated competition not seen in recent years is expected.



■ Opened "PARADISE CITY," South Korea's first integrated resort (IR) in April 2017

Highest-quality, 5-star resort hotel and one of the largest foreigner-exclusive casinos in South Korea.

Convention halls with ballrooms of the largest scale are established as facilities attached to the highest-quality hotel in South Korea.



■ 1-2 Phase (scheduled to open in the first half of 2018)

- Spa • Club • Wonder Box (for-family facility)
- Plaza (retail/culture facility, shopping mall)
- Boutique Hotel



Taken in mid-September 2017



■ Exterior

■ Golf Course

■ Convention Center

<Overview>

Facility name	Phoenix Seagaia Resort	
Operating company	Phoenix Resort Co., Ltd.	
Facility address	3083 Aza Hamayama, O-Aza Shioji, Miyazaki City, Miyazaki Prefecture	
Number of employees	747 (as of Sep 30, 2017) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)	
Site area	2,511,144m ²	
Facility composition	Hotel	950 rooms (Sheraton Grande Ocean Resort, Luxze Hitotsuba and Cottage HIMUKA)
	Golf courses	45holes (Phoenix Country Club, Tom Watson Golf Course) Phoenix Golf Academy
	Convention Center	Approx. 5,500 m ² (capacity for approx. 5,000 people)
	Entertainment facilities	Spa, hot springs, fitness club and horse riding club
	Other facilities	Tennis court and wedding halls

<Access>

- Miyazaki Airport 20-minute by car
- JR Miyazaki train station Approx. 25-minute by public bus (chargeable)
- 15-minute by car
- Express way Approx. 25-minute drive from Miyazaki Interchange



■ Exterior

■ Casino Facility

■ Lobby lounge (Hotel)

<Overview>

Facility name	PARADISE CITY	
Operating company	PARADISE SEGASAMMY Co.,Ltd.	
Facility address	186, Yeongjonghaeannam-ro 321-gil, Jung-gu, Incheon, Republic of Korea	
Number of employees	1,247 (as of September 30, 2017) (including, concurrent officers, full-time employees, seconded employees, contract employees and part-time employees)	
Site area	330,000㎡	
Investment amount	Approx. 1,420 billion KRW (amount invested by SEGA SAMMY: 286.9 billion KRW; shareholding ratio: 45%)	
Facility composition	Open in April 2017	<ul style="list-style-type: none"> • Casino (table games: 158 units, electronic table games: 4 units 62 seats, slot machines: 291 units) • Hotel (711 rooms; additional facilities: restaurant, banquet hall, indoor and outdoor pools, etc.) • Convention
	Opening planned for first half of 2018	<ul style="list-style-type: none"> • SPA ・CLUB ・WONDER BOX (for families) • PLAZA (Commercial facility / cultural center, shopping mall) • Boutique Hotel

<Overview of Incheon International Airport

- Number of users: 57.77 million (2016)
- Terminal 2, which will be able to accommodate 18 million passengers, is scheduled for completion in 2017

<Access to PARADISE CITY>

- 3-minute drive by car or shuttle bus (free of charge)
- 5-minute ride on linear monorail (free of charge) and 15-minute walk from Incheon International Airport
- Also a 5-minute drive from Incheon Interchange on the expressway

3. Future Outlook

Overview of revision to the rules

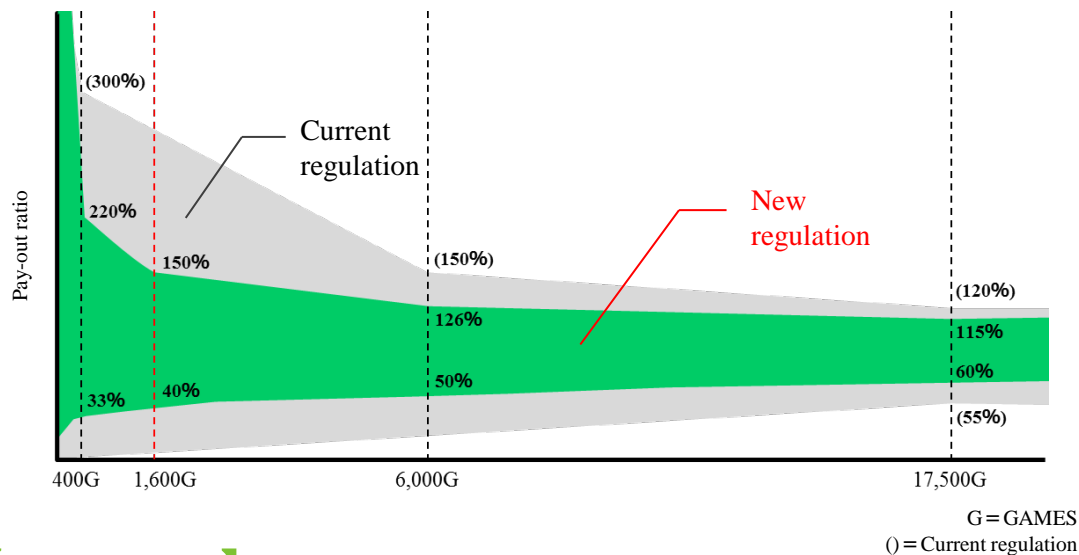
Date of enforcement	February 1, 2018
Pachislot and pachinko machine manufacturers	(1) Matters related to regulations of pay-out balls/medals (2) Addition of standards for pachislot and pachinko machines with which pay-out balls/medals information can be easily checked (3) Introduction of “multi stage payout-ratio” to pachinko machines
Pachinko halls	(4) Addition of responsibilities of administrators

- ✓ **Curbing of gambling element is intended in the matters related to regulations of pay-out balls/medals.**
- ✓ **“Multi stage payout-ratio” is newly approved for pachinko machines.**

※ (2) Able to play without touching balls and medals (record and pay-out electronically)

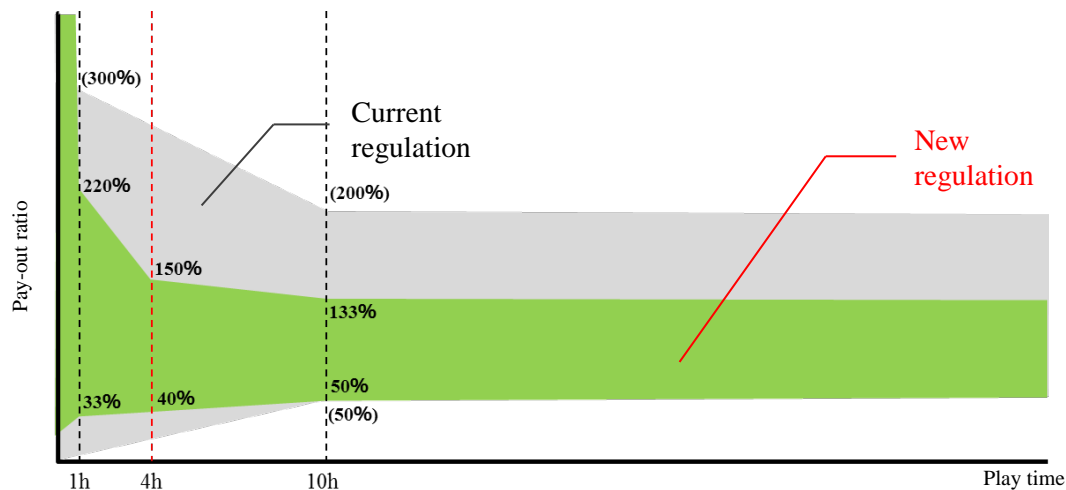
Comparisons of pay-out ratio (image)

[Pachislot]



- ✓ Machines will be transformed to become more playable with the setting of the lower limit of pay-out probability.
- ✓ The introduction of “multi stage payout-ratio” will allow broader ways to play.

[Pachinko]



$$\text{Pay-out ratio} = \frac{\text{Balls and medals played out}}{\text{Balls and medals used}}$$



<APPENDIX : Outline of revisions to regulations >

【Pachislot】

Content	Test				Number of pay-out medals when hitting a jackpot (Upper limit)
	400G	1,600G	6,000G	17,500G	
Current regulation	Less than 300%	—	Less than 150%	Over 55% and less than 120%	480
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 126%	Over 60% and less than 115%	300

G=GAMES

【Pachinko】

Content	Test			Multi stage payout-ratio	Number of pay-out balls when hitting a jackpot (Upper limit)
	1 hour	4 hours	10 hours		
Current regulation	Less than 300%	—	Less than 150%	—	2,400
New regulation	Over 33% and less than 220%	Over 40% and less than 150%	Over 50% and less than 133%	Up to 6 stages	1,500

Schedule for revision of rules(Pachislot)

		2018/2/1	2021/1/31
Pachislot	•Former standard machines*	Application Not allowed	
		Sales Not allowed	
	•No. 5.5-type machines	Installation Sequential removal due to expiration	
		Certification	
	Current machines (No. 5.9-type)		
		Application	
		Sales	
		Installation Sequential removal due to expiration	
		Certification	
	Pachislot under new regulation (No. 6-type)		
		Application	
		Sales	
		Installation	
		Certification	

✓ **Current-format machines (No. 5.9-type machines) can be sold a certain period of time after the revision.**

* Regarding the old machines that acquired the certification by 2015/3/31, it is subject to certification.

* The deadline of application for certification is January 31, 2018
(Installation allowed for three years after becoming certified).

Schedule for revision of rules(Pachinko)

			2018/2/1	2021/1/31
Pachinko	Former standard machines	Application	Not allowed	
		Sales	Not allowed	
		Installation	Sequential removal due to expiration	
		Certification		
	Current machine	Application		
		Sales		
		Installation	Sequential removal due to expiration	
		Certification		
	Pachinko under new regulation	Application		
		Sales		
		Installation		
		Certification		

✓ **Current-format machines can be sold a certain period of time after the revision.**

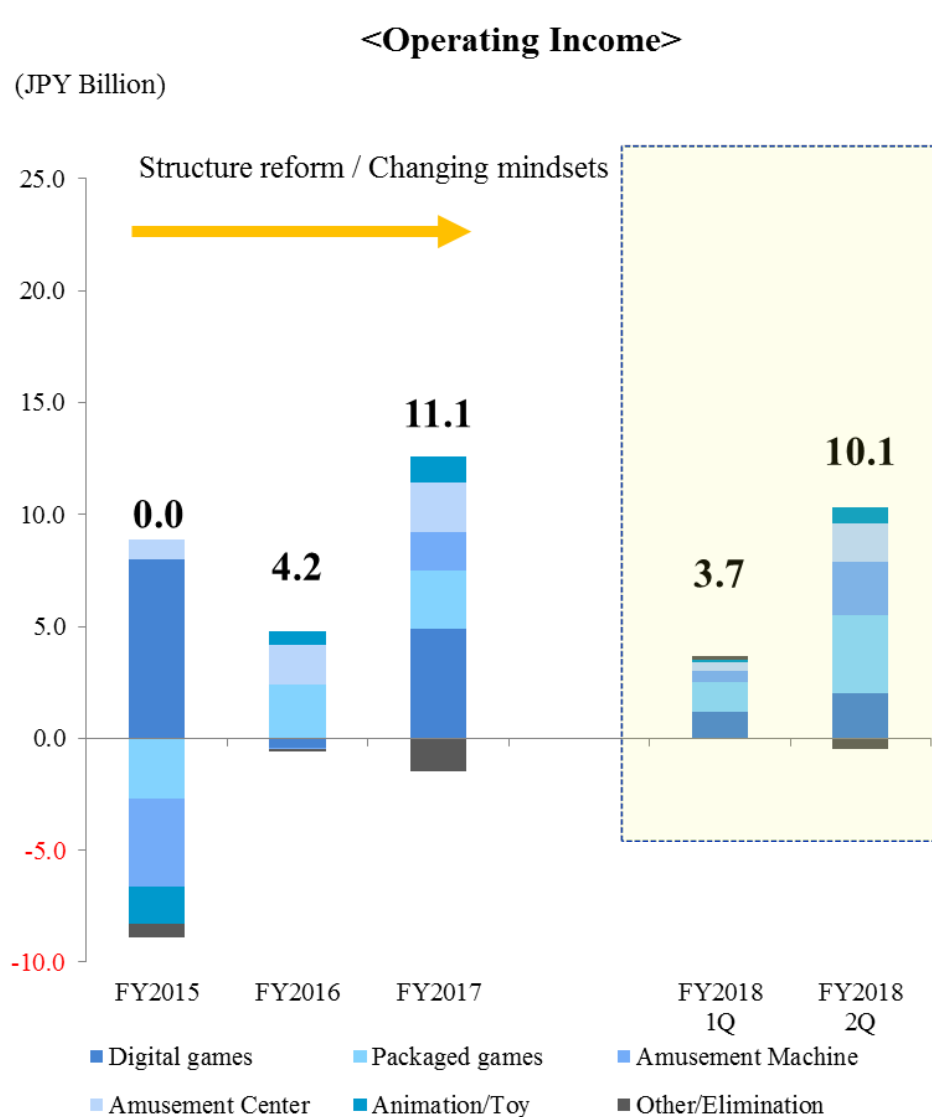
* The deadline of application for certification is January 31, 2018
(Installation allowed for three years after becoming certified).

Strategy going forward

- ✓ **Demand for the continuous installation of former standard machines with good utilization is high and remain installed until 2021 at the most.**
 - **Pachislot : Utilization of former standard machines is solid and new machine sales is weak.**
 - **Pachinko : Utilization of former standard machines is solid and some of the current standard machines were well received.**
- ✓ **New machine turnover is expected to relatively low going forward and centered on titles and manufacturers that have good track records.**
- ✓ **Focusing on to have as many as approval of prototype testing for current standard in the short term. At the same time, prepare for the development of new regulation machines.**



Progress of operating results from FY ended March 2015 to FY ending March 2018



- ✓ **The Entertainment Contents Business has maintained strong performance overall after the implementation of structural reform.**
- ✓ **Performance in 2Q of FY ending March 2018 has surpassed that of the same quarter of the previous fiscal year.**



Specific measures in the Entertainment Contents Business

✓ **Improve product quality and profitability**

- Develop products emphasizing on user evaluation
- Establish a structure focusing on profitability
(Responsibility of profitability of development line, careful selection of titles, utilization of development engine)

✓ **Strengthen overseas development**

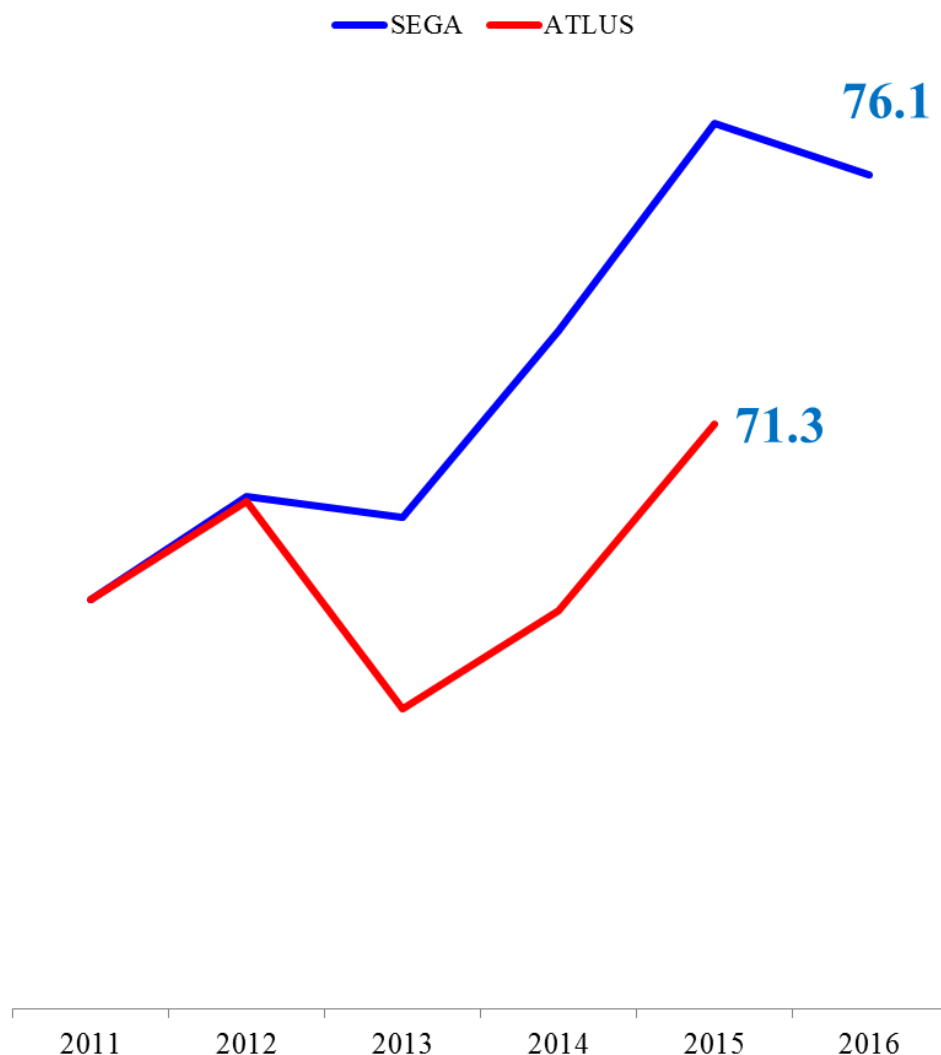
- Improve localization quality
(strengthen cooperation with Atlus U.S.A.)
- Promote global development at an early stage

✓ **Maximize IP value**

- Use outside IP proactively
- Strengthen multi-device development
(development of PC/smartphone versions of console games)



Change in average external evaluation score



<Packaged Games Field>

External evaluation has been on an improving trend after bottoming out in 2013.

External evaluation of global titles

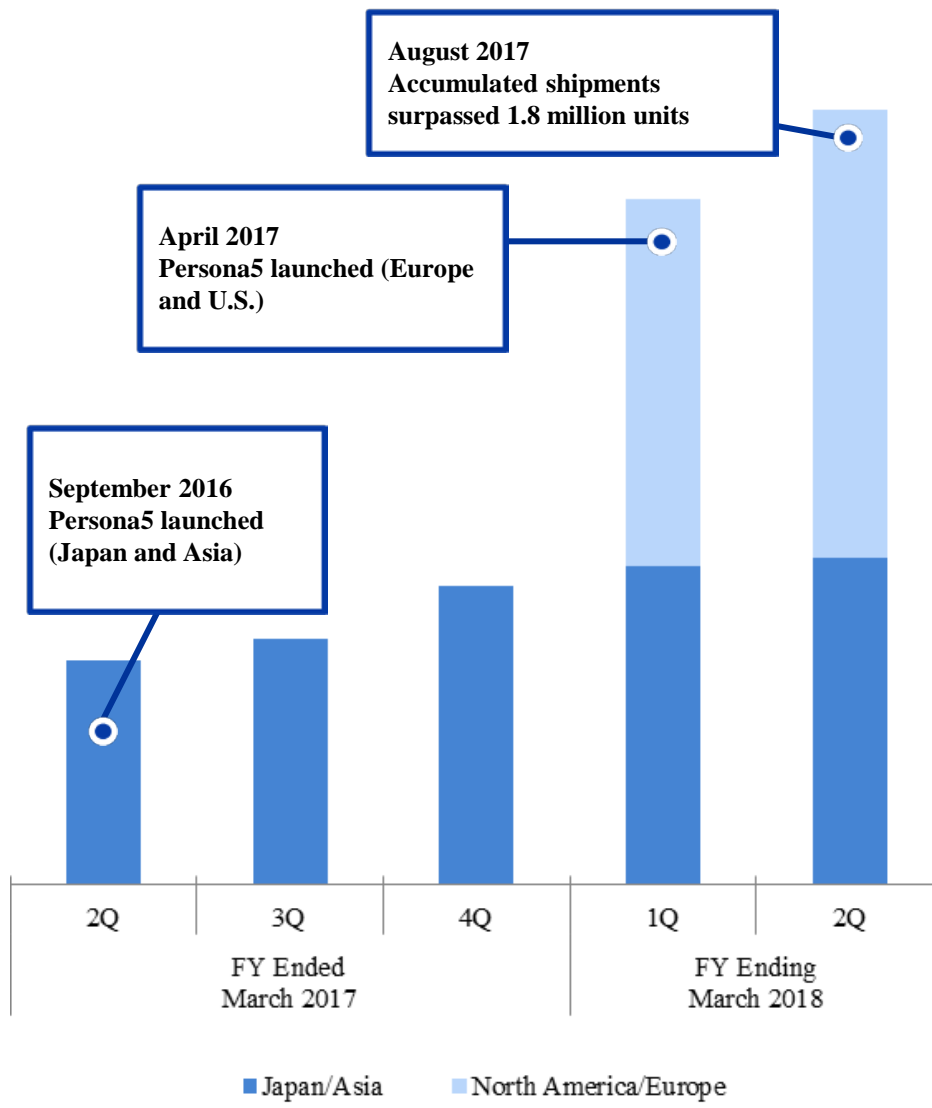
(Major highly evaluated titles in FY ending March 2018)

title	score
Persona5*	93
SONIC MANIA	86
Total War: WARHAMMER 2	86
Yakuza Kiwami	80

*Persona5 was evaluated under the ATLUS brand. Others were evaluated under the Sega brand.



Change in sales in units of Persona5

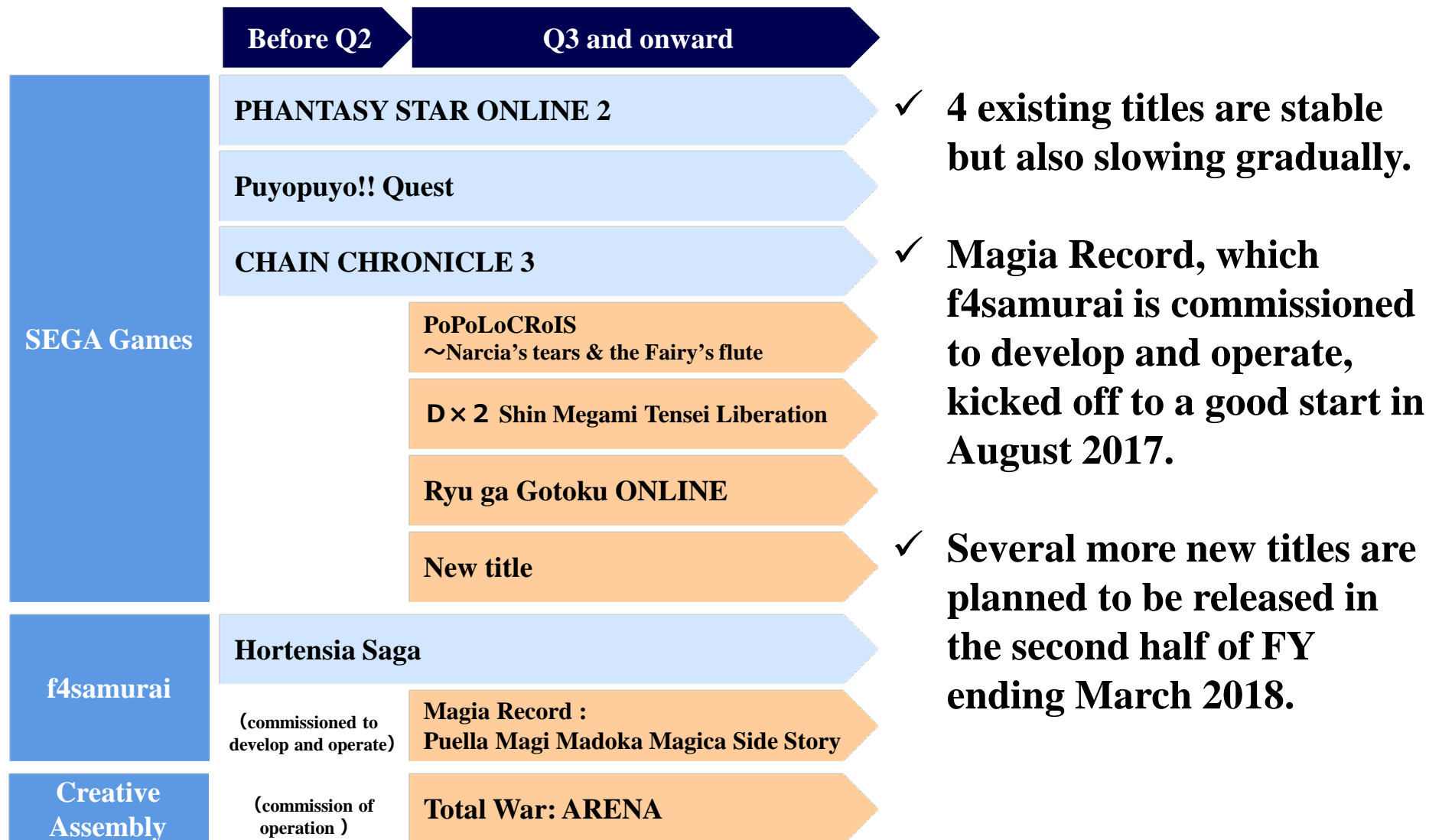


<Packaged Games Field>

- ✓ Sales of “Persona5” significantly increased after releasing Europe/U.S. versions.

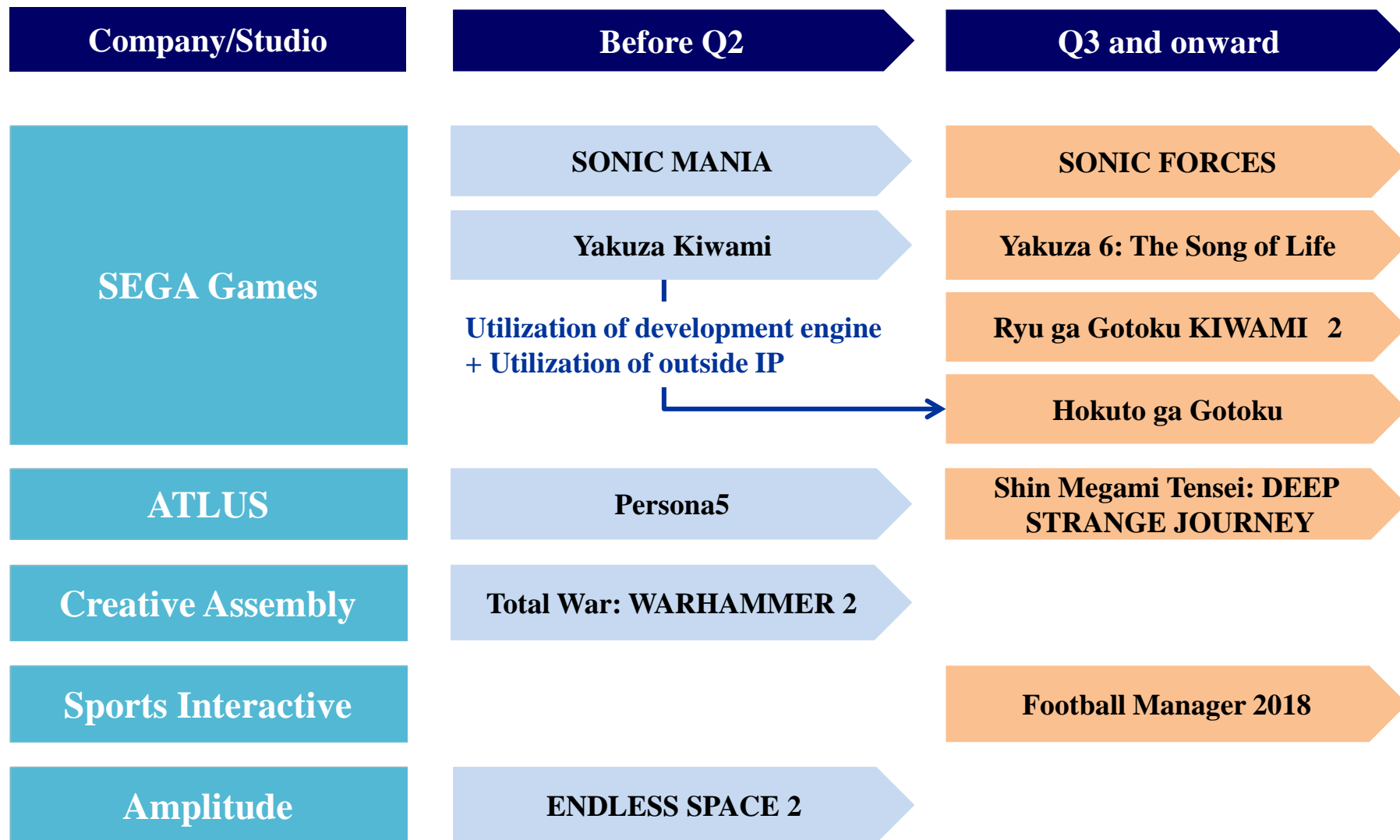


<Appendix: Digital Games Field – Major Titles>



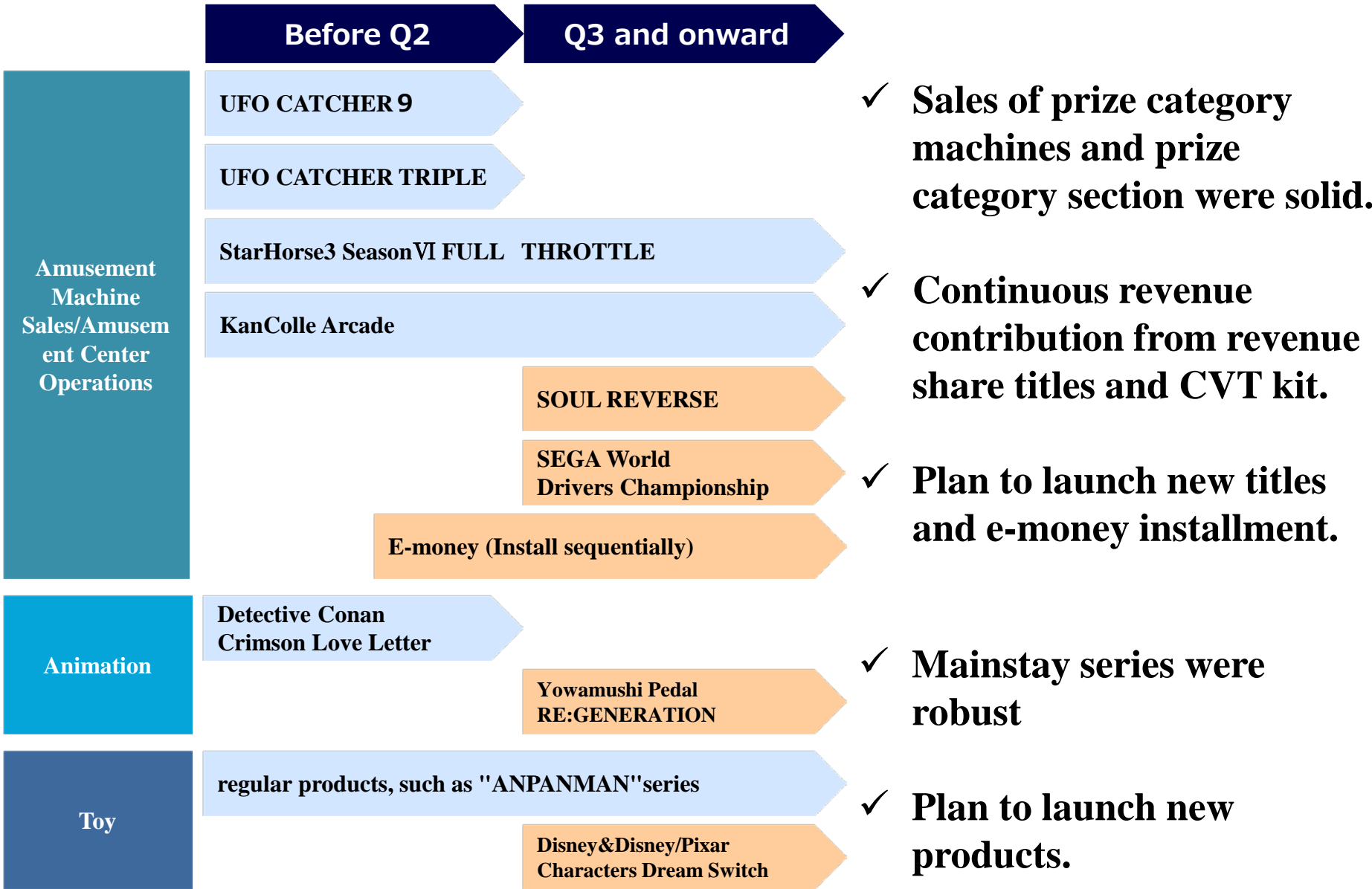


<Appendix: Packaged Games Field – Major Titles >





<Appendix: Amusement Machines Sales, Amusement Center Operations, Animation/Toy Field – Major Titles >

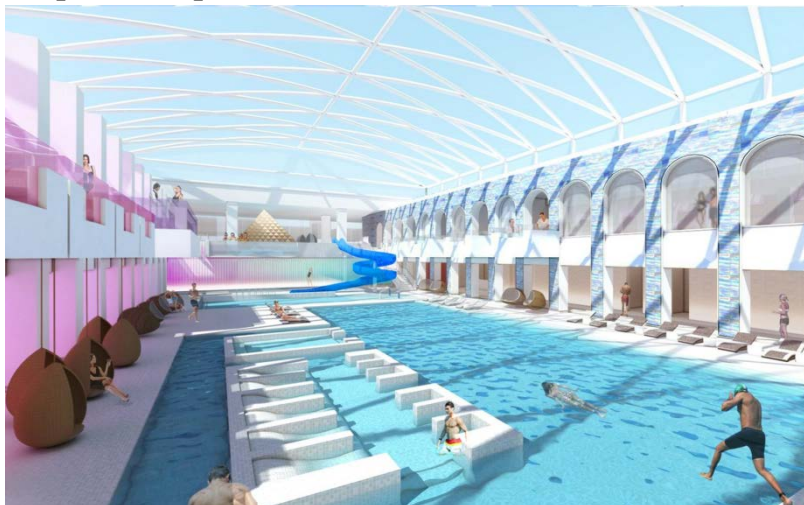




1-2 Phase scheduled to open in the first half of FY2018

- ✓ Draw a broader range of customer groups by raising competitiveness and appeal of 1-1 which has already opened

Spa/Water park



Boutique Hotel



Plaza (retail/culture facility, shopping mall)



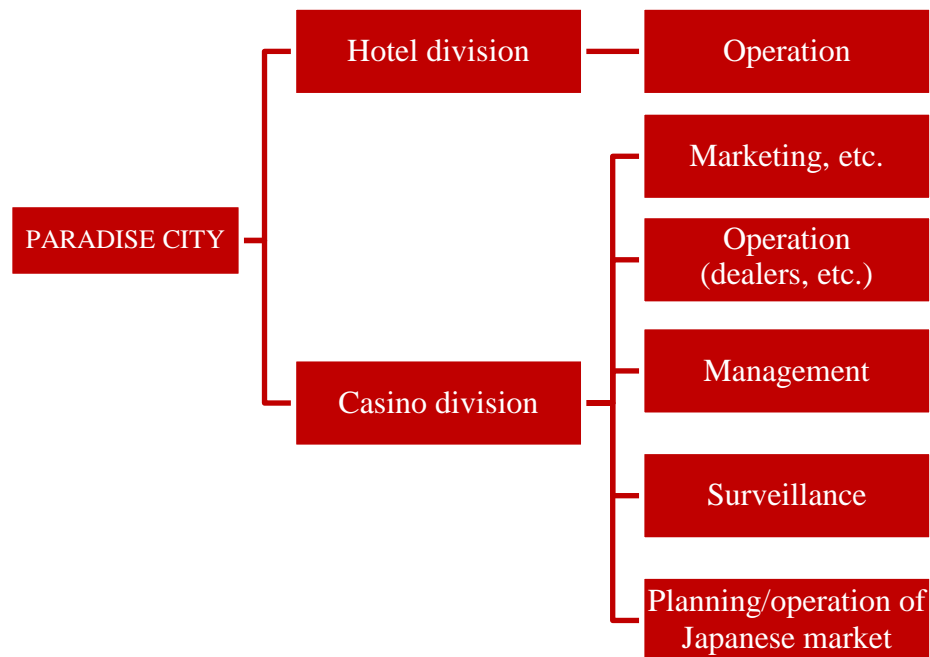
Club





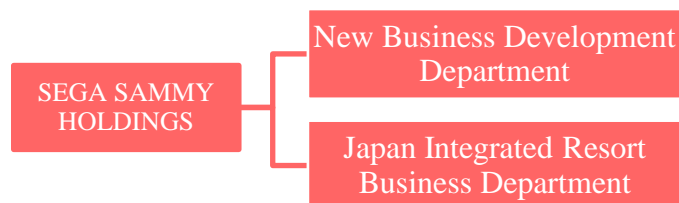
Dispatching personnel to accumulate know-how of integrated resort business (64 people in total as of November 6)

PARADISE CITY operational promotion team 45 members in total



- ✓ **Steadily accumulating development/operational know-how for realization of IR in Japan**
- ✓ **Planning to dispatch more personnel going forward**

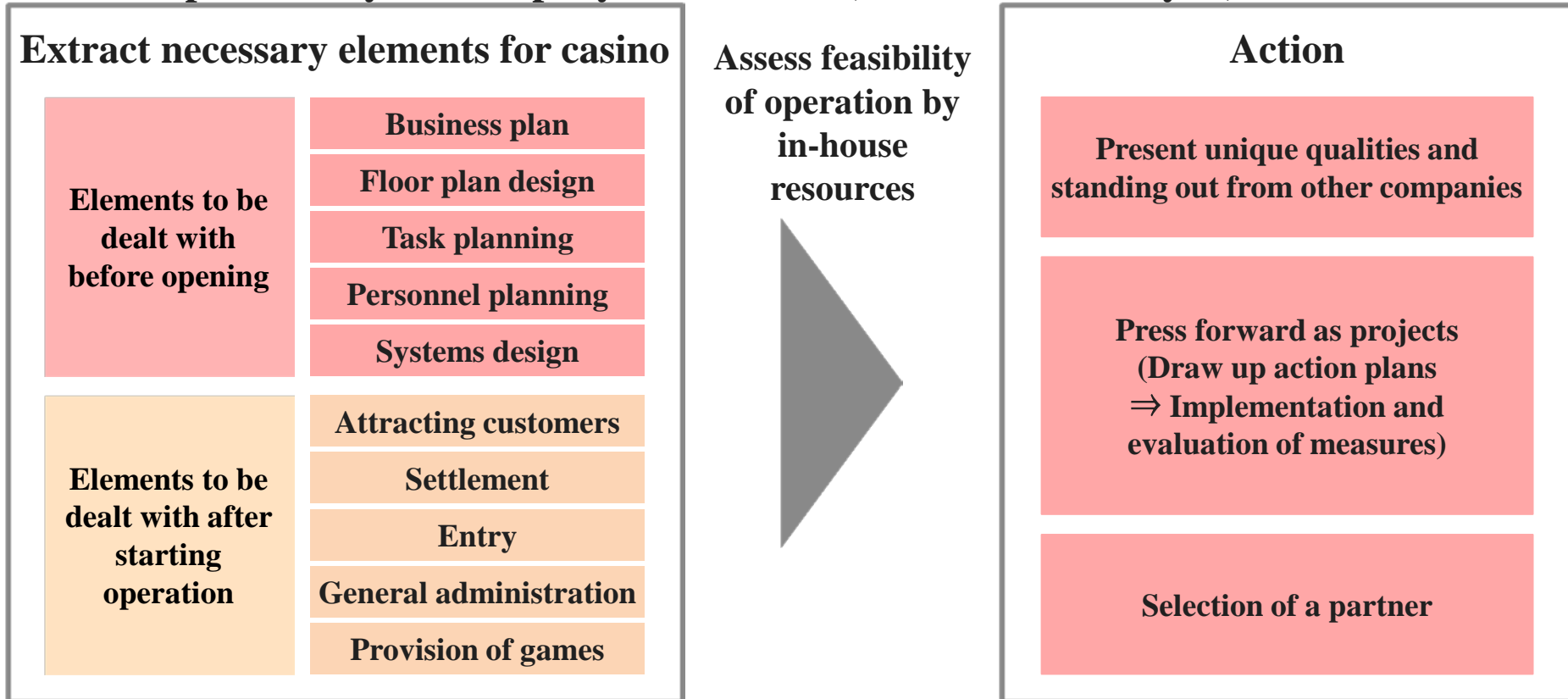
Operation site support/marketing team in Japan 19 members in total





Measures currently taken by SEGA SAMMY Group (part)

- ✓ Extract necessary elements for Integrated Resort operation and assess whether Integrated Resort operation by the company is feasible. (Value Chain Analysis)



Preparation for Japan IR

Pachislot and Pachinko Machines

- ✓ **Consider major review of sales schedule over the short time**

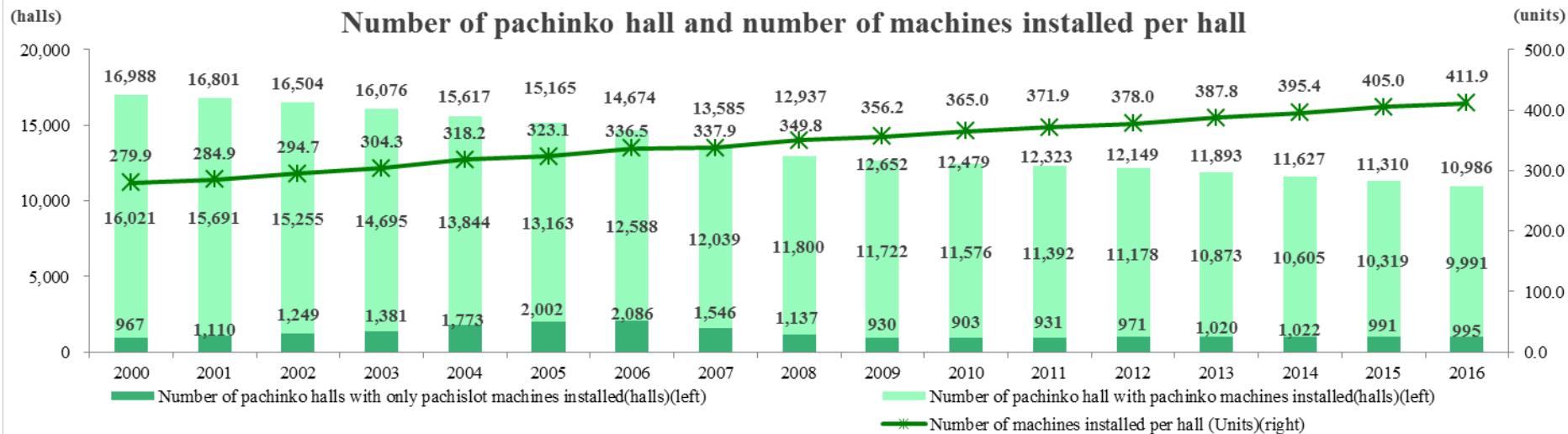
Entertainment Contents Business

- ✓ **Overall performance is strong.
Planning to release several new titles**

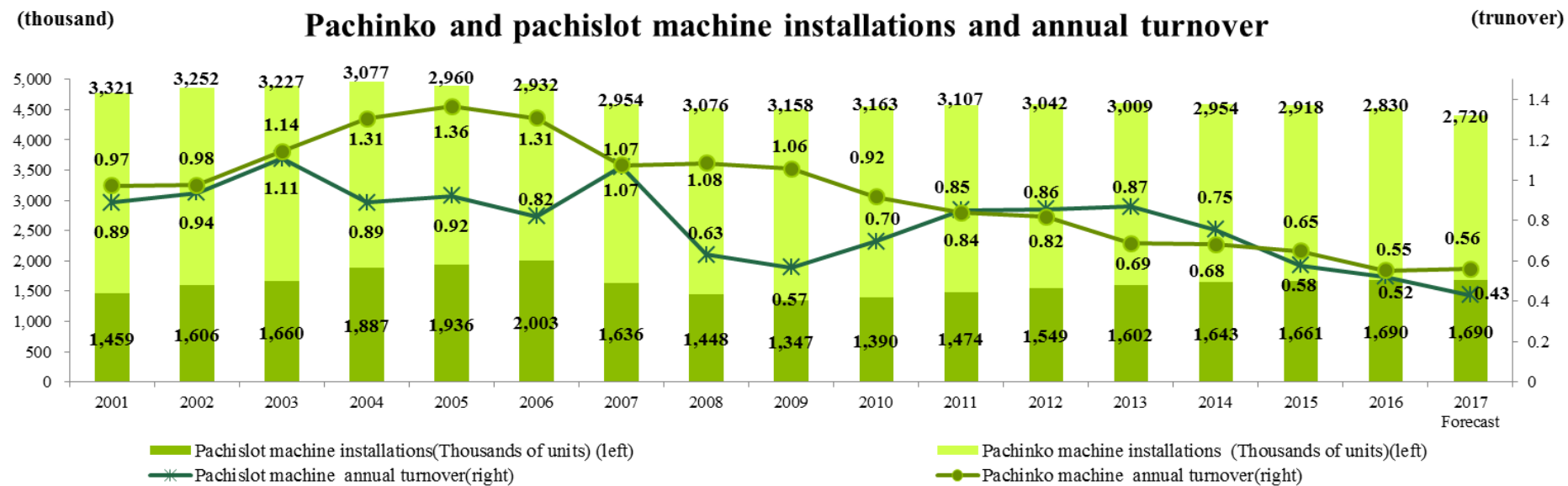
Resort Business

- ✓ **Continuously acquire know-how towards the launch of IR in Japan**

4. Supplementary Information on the Market

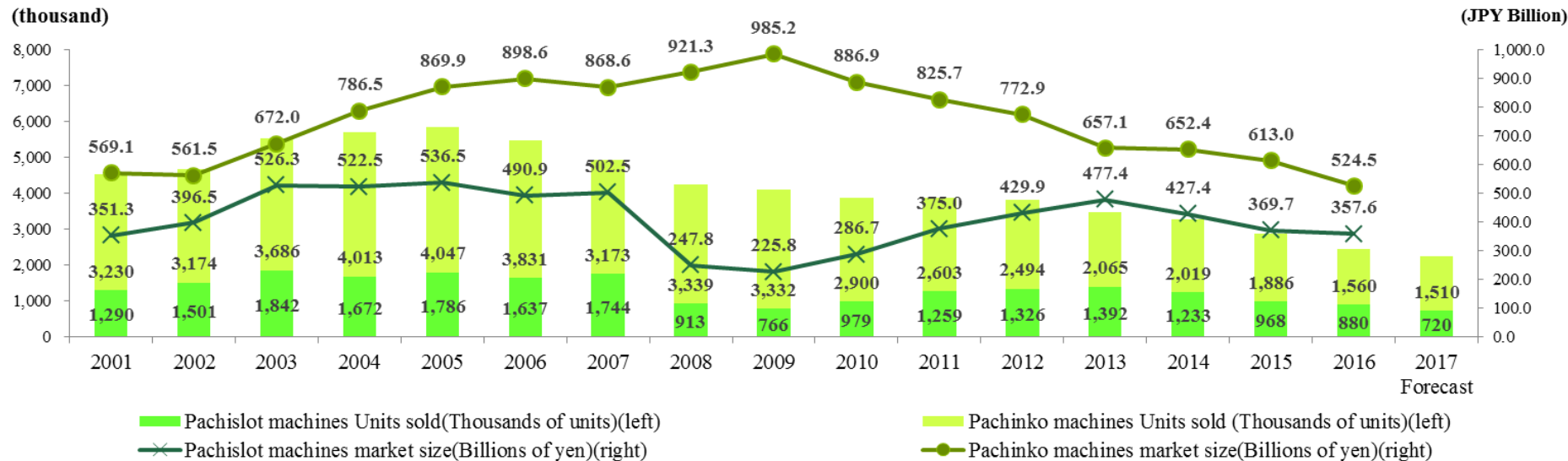


Sources : National Police Agency



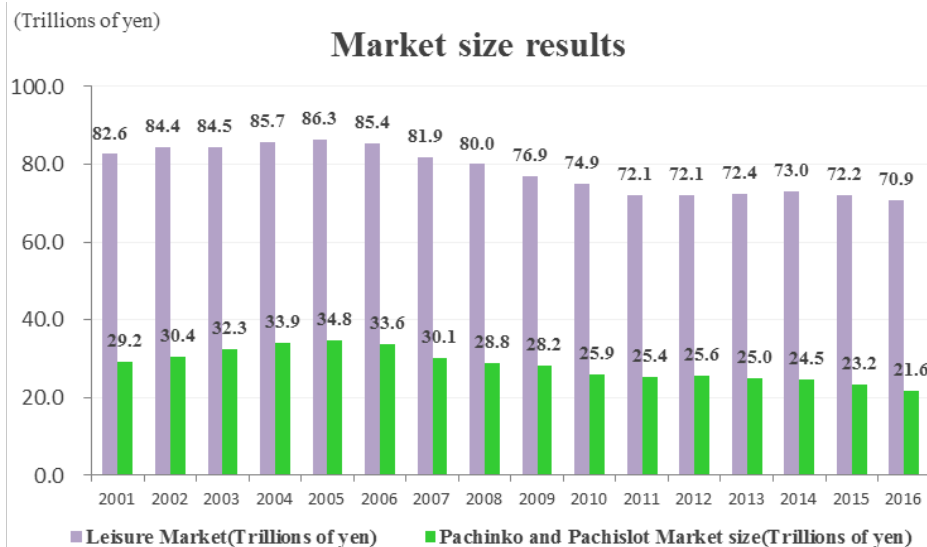
Sources:National Police Agency and Yano research Institute Ltd.

Pachinko and Pachislot machines-Unit Sales and Market Size

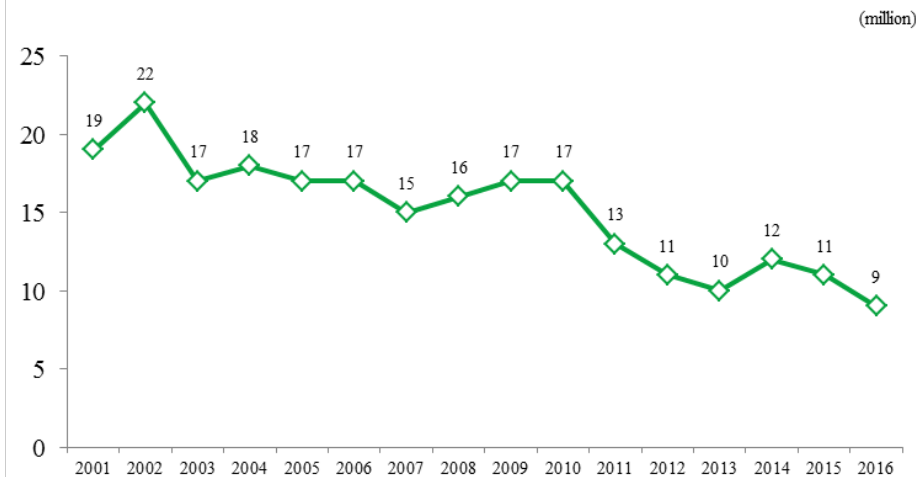


Sources: Yano research Institute Ltd.

Market size results

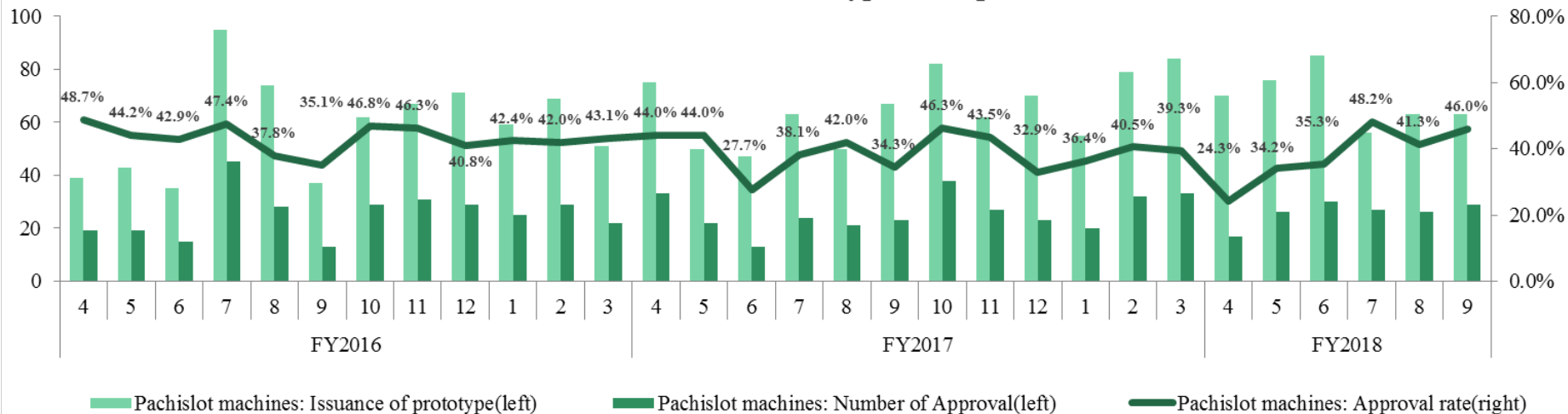


Number of players

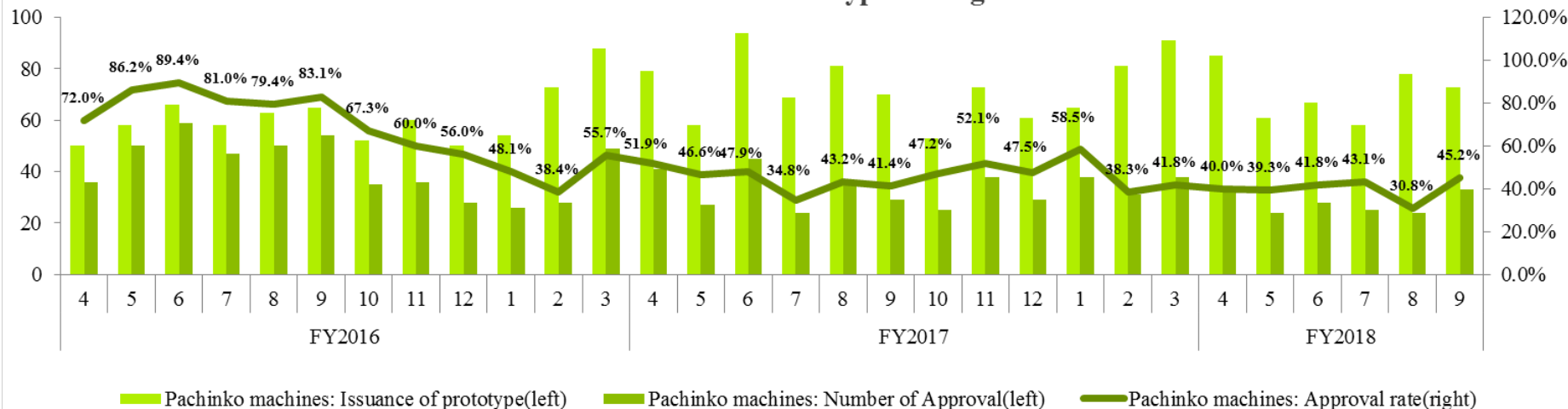


Sources : White Paper on Leisure Industry 2016, Japan Productivity Center

Pachislot machines:Prototype testing results



Pachinko machines:Prototype testing results



Sources:Security Communications Association

Share of Annual Pachislot Machine Sales

	2011			2012			2013			2014			2015			2016		
Rank	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	Sammy	300,866	23.9%	U Company	236,000	17.8%	Sammy	301,575	21.7%	Sammy	207,828	16.8%	U Company	165,000	17.0%	Sammy	215,736	24.3%
2	D Company	200,000	15.9%	Sammy	202,221	15.3%	U Company	215,000	15.5%	U Company	205,000	16.6%	Sammy	142,337	14.7%	U Company	203,000	22.9%
3	Y Company	196,000	15.6%	Y Company	193,000	14.6%	H Company	120,000	8.6%	D Company	128,000	10.4%	H Company	113,997	11.8%	K Company	90,500	10.2%
4	U Company	172,000	13.7%	D Company	186,000	14.0%	S Company	116,291	8.4%	Y Company	108,000	8.7%	K Company	100,000	10.3%	H Company	80,953	9.1%
5	S Company	96,158	7.6%	K Company	110,000	8.3%	D Company	102,000	7.3%	H Company	92,763	7.5%	S Company	80,125	8.3%	E Company	57,000	6.4%

Share of Annual Pachinko Machine Sales

	2011			2012			2013			2014			2015			2016		
Rank	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
1	K Company	485,000	18.6%	S Company	544,000	21.8%	K Company	349,000	17.0%	S Company	330,000	16.4%	S Company	300,000	15.9%	S Company	306,000	19.5%
2	S Company	360,805	13.9%	K Company	507,000	20.3%	S Company	315,000	15.4%	S Company	329,892	16.4%	S Company	296,346	15.7%	S Company	209,000	13.3%
3	Sammy	332,288	12.8%	H Company	252,000	10.1%	S Company	291,967	14.3%	K Company	308,000	15.3%	S Company	275,000	14.6%	H Company	192,761	12.3%
4	S Company	332,000	12.8%	N Company	250,000	10.0%	Sammy	200,225	9.8%	H Company	252,103	12.5%	H Company	234,616	12.4%	S Company	172,954	11.0%
5	N Company	255,000	9.8%	Sammy	216,860	8.7%	H Company	197,000	9.6%	Sammy	242,847	12.0%	N Company	220,000	11.7%	N Company	160,000	10.2%
												6	Sammy	199,014	10.5%	Sammy	138,321	8.8%

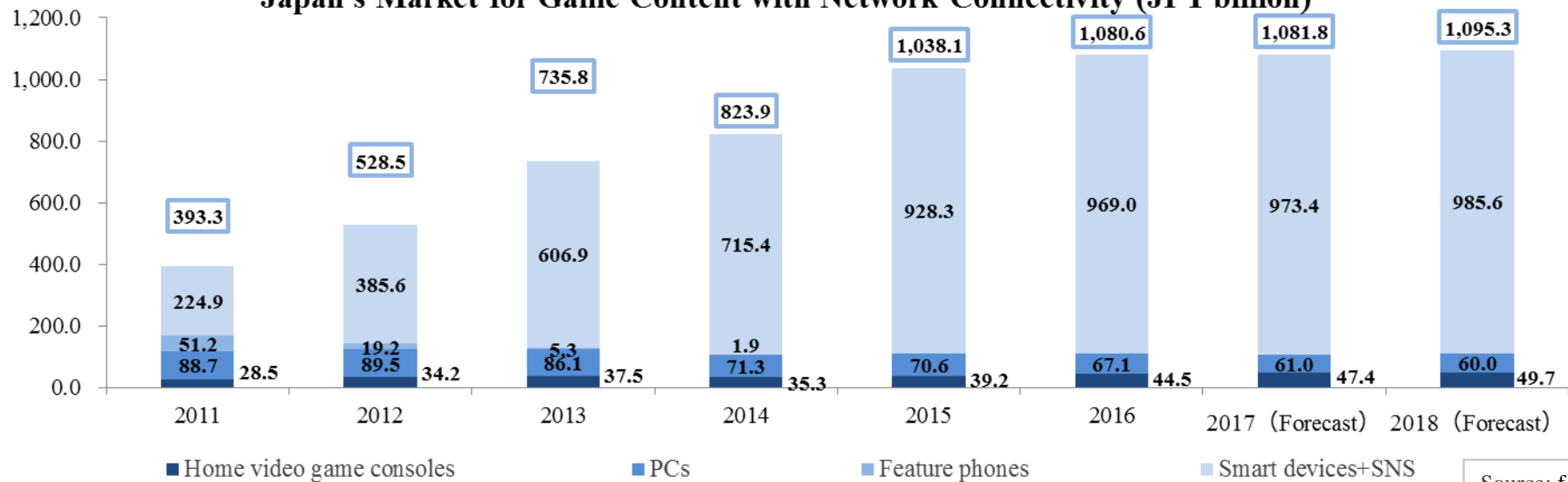
Source: Yano Research Institute Ltd.

*Estimated by Yano Research Institute Ltd. with fiscal years from July of each year through June the following year as criteria



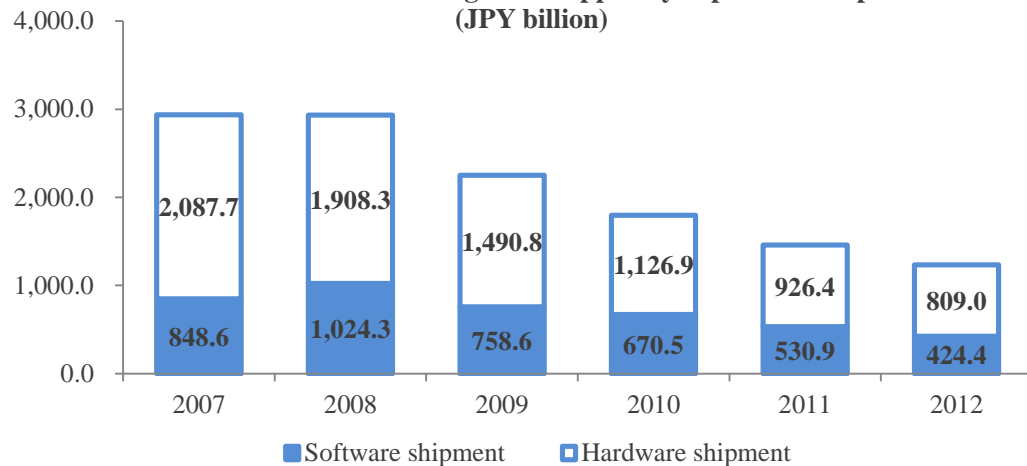
Home Video Game and Online Game Markets Scale

Japan's Market for Game Content with Network Connectivity (JPY billion)

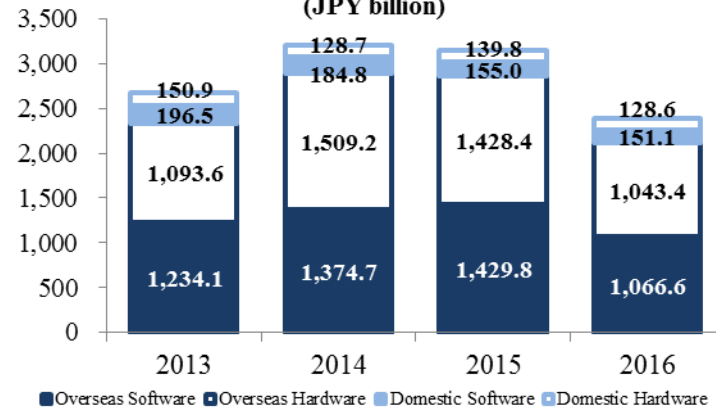


Source: f-ism

Gross amount at household games shipped by Japanese Companies (JPY billion)



Home Video Games: Overall Shipment Scale (JPY billion)

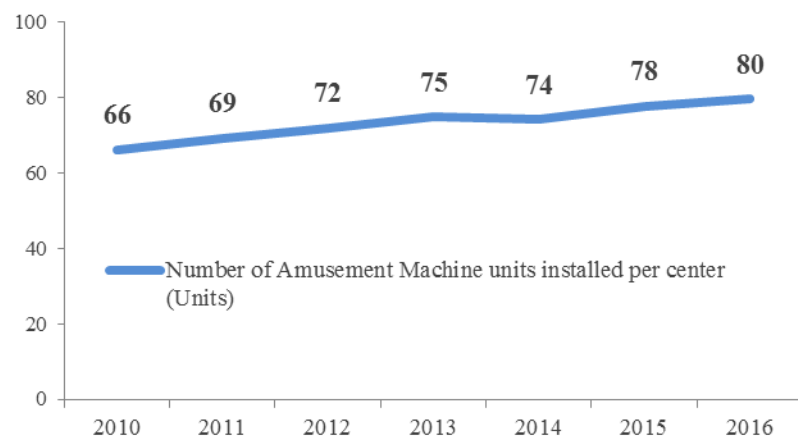
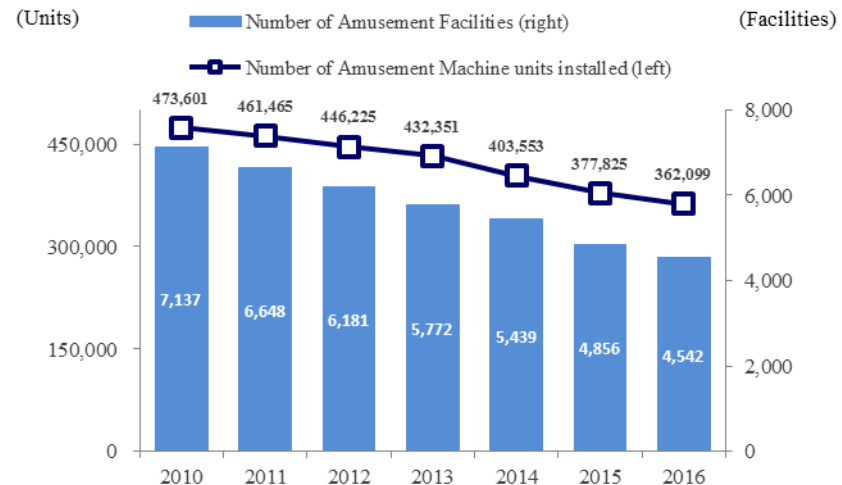
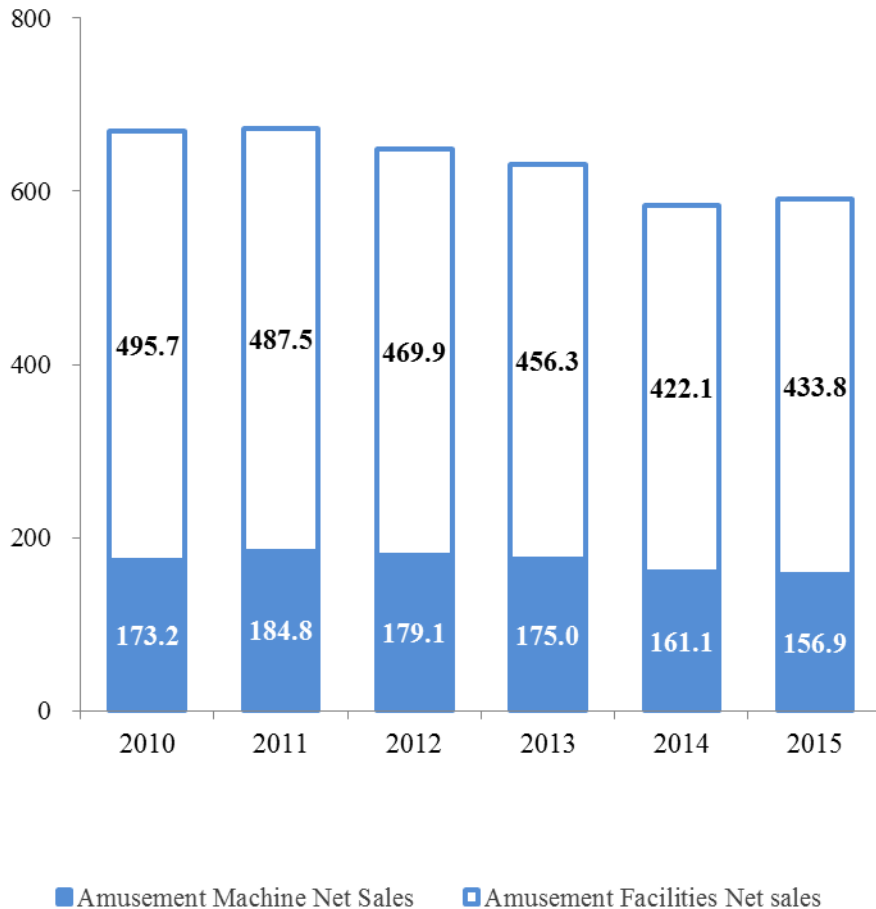


Source: CESA Games White Paper *Chart is separated from 2013 due to the change of collection method of the data.



Amusement Machine and Amusement Center Operations Markets Scale

Amusement Machine / Facilities sales (JPY billion)

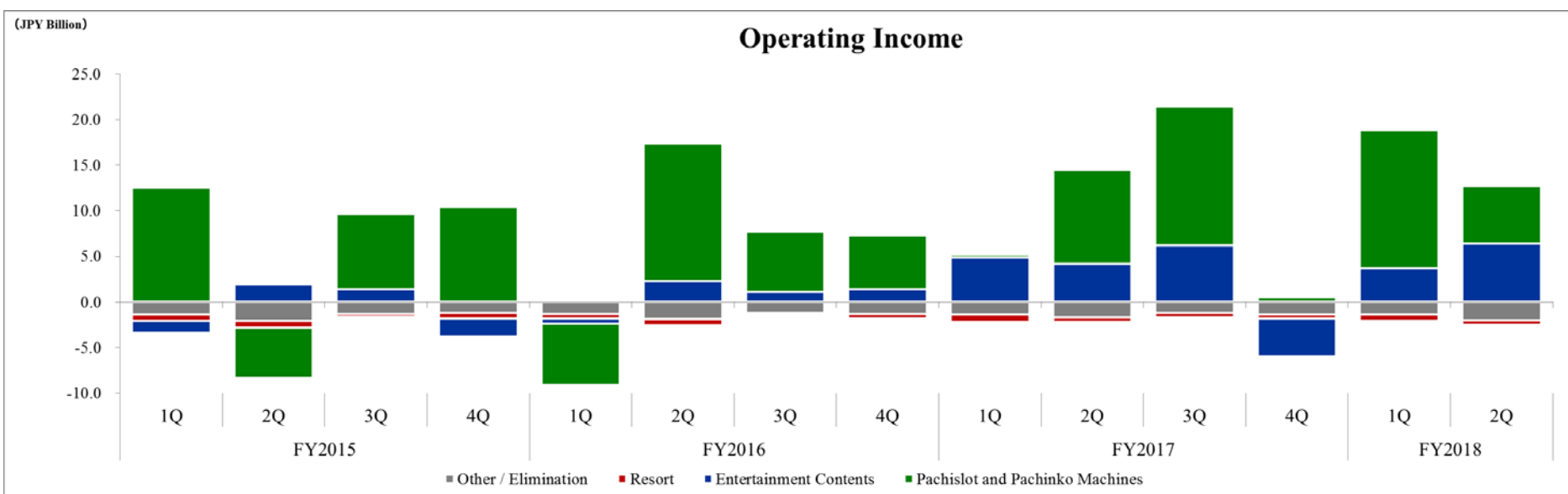
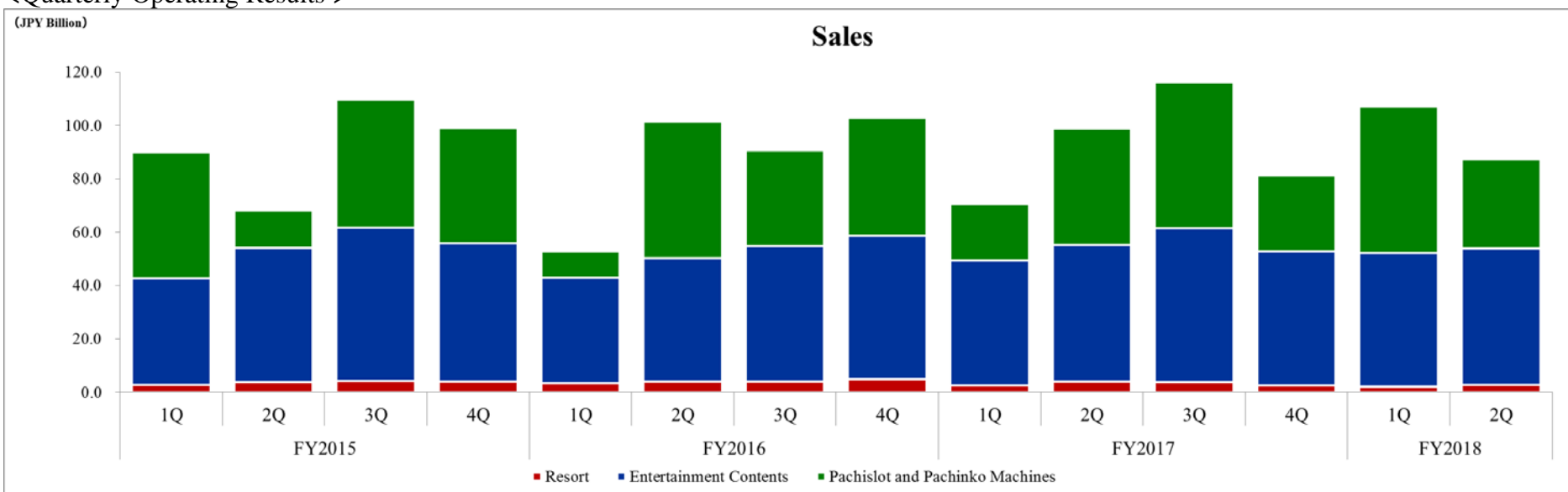


Source: JAIA, National Police Agency

5.Past Operating Results/Company Profile

Past Operating Results

<Quarterly Operating Results>



Past Operating Results (Former Segment basis)

From FY Ended March 2005 to FY Ended March 2015

*The data in this page can be downloaded from following URL.

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2015/e_201503_4q_transition.xls)

(JPY billion)		FY Ended March 2005	FY Ended March 2006	FY Ended March 2007	FY Ended March 2008	FY Ended March 2009	FY Ended March 2010	FY Ended March 2011	FY Ended March 2012	FY Ended March 2013	FY Ended March 2014		FY Ended March 2015	
		Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Full Year Results	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results
Breakdown	Net Sales	515.6	553.2	528.2	458.9	429.1	384.6	396.7	395.5	321.4	162.2	378.0	154.2	354.9
	Pachislot and Pachinko Machines	280.1	265.6	211.5	145.5	161.6	160.3	212.0	212.1	142.2	71.2	181.8	60.6	149.1
	Amusement Machines Sales	63.3	71.5	75.4	71.0	61.9	45.1	47.2	49.9	39.1	18.0	38.6	18.0	39.6
	Amusement Center Operations	83.1	106.2	103.8	91.2	71.3	54.7	45.6	44.6	42.7	21.9	43.2	20.8	41.4
	Consumer Business	65.3	90.3	119.5	141.7	131.3	121.5	88.8	85.6	83.8	43.8	99.8	48.2	111.0
	Other	23.7	19.4	17.8	9.3	2.9	2.8	2.8	3.0	13.4	7.1	14.5	6.4	13.6
Breakdown	Operating Income	105.0	119.1	76.5	-5.8	8.3	36.7[31.0]	68.7	58.3	19.0	12.3	38.5	3.4	17.6
	Pachislot and Pachinko Machines	103.9	99.8	71.1	8.4	14.5	29.5	64.2	71.0	23.5	15.1	45.2	7.3	25.7
	Amusement Machines Sales	7.4	12.1	11.6	7.1	6.8	7.0[5.4]	7.3	7.4	1.9	-0.0	-1.2	0.1	-2.5
	Amusement Center Operations	5.4	9.2	0.1	-9.8	-7.5	-1.3[-1.4]	0.3	0.3	1.1	0.2	0.0	-0.2	-0.9
	Consumer Business	-8.8	1.9	1.7	-5.9	-0.9	6.3[2.4]	1.9	-15.1	-0.7	1.1	2.0	0.9	4.0
	Other	-0.5	-1.7	-1.3	-0.0	-0.3	0.3	0.0	0.2	-0.4	-0.4	-1.2	-1.0	-2.0
	Eliminations	-2.3	-2.3	-6.7	-5.5	-4.9	-5.2	-5.1	-5.4	-6.3	-3.6	-6.4	-3.7	-6.5
	Operating Margin	20.4%	21.5%	14.5%	-	1.9%	9.5%[8.1%]	17.3%	14.7%	5.9%	7.6%	10.2%	2.2%	5.0%
	Ordinary Income	104.4	119.5	81.2	-8.2	6.6	35.9[30.2]	68.1	58.1	20.9	14.2	40.5	3.3	16.9
	Ordinary Income Margin	20.2%	21.6%	15.4%	-	1.5%	9.3%[7.9%]	17.2%	14.7%	6.5%	8.8%	10.7%	2.1%	4.8%
	Net Income	50.5	66.2	43.4	-52.4	-22.8	20.2[14.5]	41.5	21.8	33.4	11.3	30.7	-2.0	-11.2
	Net Income Margin	9.8%	12.0%	8.2%	-	-	5.3%[3.8%]	10.5%	5.5%	10.4%	7.0%	8.1%	-	-
	ROA	11.5%	12.7%	7.9%	-11.2%	-5.4%	4.8%	11.7%	6.0%	6.3%	-	5.7%	-	-2.2%
	ROE	19.5%	23.0%	13.3%	-17.6%	-9.5%	8.8%	16.2%	7.7%	11.0%	-	9.3%	-	-3.4%
	Equity Ratio	59.0%	60.6%	61.5%	55.3%	52.4%	55.8%	60.0%	58.9%	59.7%	-	63.2%	-	60.0%
	Cash flows to interest bearing debt ratio	185.6%	230.2%	89.0%	-	218.9%	137.9%	58.9%	192.4%	524.9%	-	127.7%	-	301.9%
	Interest coverage ratio	105.8 times	123.8 times	196.3 times	-	35.1 times	73.0 times	134.1 times	58.1 times	22.9 times	-	90.0 times	-	45.2 times
	R&D expense / content production expense *3	41.5	36.3	52.1	65.3	59.6	41.5[47.2]	41.1	53.3	45.2	25.1	59.2	28.4	67.6
	Cap-ex	32.4	38.5	36.6	50.4(*1)	26.6	16.1	19.6	36.1	32.8	22.6	38.1	14.7	28.7
	Depreciation *4	17.7	21.8	28.0	45.6(*2)	26.6	17.1	15.9	16.1	18.1	7.5	16.1	8.1	17.6
	Advertising *5	11.8	18.9	22.2	22.8	20.7	20.7	15.1	17.2	13.1	7.6	16.0	10.0	19.1
	# of pachislot titles	9 titles	14 titles	17 titles	22 titles	19 titles	12 titles	10 titles	11 titles	8 titles	3 titles	9 titles	4 titles	6 titles
	Unit sales	676,933 units	607,106 units	523,422 units	380,688 units	123,286 units	162,932 units	302,270 units	300,866 units	202,221 units	143,171 units	301,575 units	92,998 units	207,828 units
	# of pachinko titles	8 titles	8 titles	14 titles	9 titles	12 titles	13 titles	12 titles	14 titles	14 titles	4 titles	10 titles	9 titles	14 titles
	Unit sales	233,049 units	288,895 units	132,981 units	108,184 units	391,831 units	360,171 units	343,188 units	332,288 units	216,860 units	54,955 units	200,225 units	86,453 units	242,847 units
	Same Store Sales Comparisons	98.5%	103.3%	95.8%	89.0%	92.4%	91.7%	99.3%	100.5%	93.8%	95.0%	96.1%	98.7%	100.1%
	Domestic Facilities	477 facilities	462 facilities	449 facilities	363 facilities	322 facilities	260 facilities	249 facilities	241 facilities	236 facilities	202 facilities	198 facilities	198 facilities	198 facilities
	# of game software titles	- (84)	- (122)	- (140)	80 (138)	78 (122)	66 (105)	51 (71)	45 (86)	25 (49)	8 (8)	21 (32)	6 (14)	30 (50)
	Sales (Thousand units)	11,790	16,400	21,270	26,990	29,470	26,750	18,710	17,240	10,780	3,230	8,730	4,100	12,300

* Numbers shown in parentheses are based on previous accounting policy (For reference, unaudited)

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

(* 1): Includes rental assets of 17.1 billion Yen (full year) (* 2): Includes rental assets of 17.3 billion Yen (full year)

*3 In the fiscal year ended March 2014 and after, amortization cost of digital titles is included in R&D expense. (Up to the fiscal year ended March 2013, it was included in depreciation.)

*4 In the fiscal year ended March 2014 and after, amortization cost of digital titles is not included in depreciation. (In the fiscal year ended March 2014 and after, it is included in R&D expense/content production expense.)

*5 In the fiscal year ended March 2014 and after, advertising expenses are included in cost. (Up to the fiscal year ended March 2013, only selling, general and administrative (SG&A) expenses were included in cost.)

Past Operating Results (New Segment basis)

From FY Ended March 2015~

*The data in this page can be downloaded from following URL.

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2018/e_201803_2q_transition.xls)

(JPY Billion)		FY Ended March 2015				FY Ended March 2016				FY Ended March 2017				FY Ending March 2018	
		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	Results Through 3Q	Full Year Results	Results Through 1Q	Results Through 2Q
Breakdown	Net Sales	90.0	158.1	267.7	366.8	52.9	154.3	245.0	347.9	70.6	169.5	285.7	366.9	107.2	194.7
	Pachislot and Pachinko Machines	47.2	61.1	108.9	152.1	7.6[9.8]*	56.6[60.9]*	90.4[96.7]*	132.7[141.0]*	21.2	64.9	119.7	148.2	54.9	88.3
	Entertainment Contents	39.9	90.3	147.9	199.6	41.8[39.6]*	90.2[85.9]*	143.0[136.6]*	198.8[190.5]*	46.7	97.8	155.4	205.7	50.2	101.5
	Resort	2.8	6.6	10.8	14.9	3.4	7.4	11.5	16.3	2.6	6.7	10.5	13.0	2.0	4.7
Breakdown	Operating Income	8.9	2.7	10.8	17.4	-9.4	5.7	12.1	17.6	3.0	15.3	35.0	29.5	16.6	26.8
	Pachislot and Pachinko Machines	12.5	7.0	15.3	25.7	-6.7[-6.7]*	8.5[8.4]*	15.4[15.0]*	21.5[20.9]*	0.3	10.6	25.8	26.3	15.1	21.4
	Entertainment Contents	-1.3	0.6	2.0	0.0	-0.7[-0.6]*	1.5[1.7]*	2.4[2.8]*	3.6[4.2]*	4.9	9.1	15.3	11.1	3.7	10.1
	Resort	-0.7	-1.4	-1.7	-2.3	-0.5	-1.2	-1.3	-1.8	-0.8	-1.3	-1.8	-2.2	-0.7	-1.2
	Other / Elimination	-1.4	-3.5	-4.8	-6.0	-1.3	-3.1[-3.2]*	-4.4	-5.7	-1.4	-3.1	-4.3	-5.7	-1.5	-3.4
	Operating Margin	9.9%	1.7%	4.0%	4.7%	-	3.7%	4.9%	5.1%	4.2%	9.0%	12.3%	8.0%	15.5%	13.8%
Ordinary Income		9.6	2.6	10.7	16.8	-8.7	5.8	12.6	16.4	2.9	15.4	35.3	28.5	16.2	25.2
Ordinary Income Margin		10.7%	1.6%	4.0%	4.6%	-	3.8%	5.1%	4.7%	4.1%	9.1%	12.4%	7.8%	15.1%	12.9%
Profit attributable to owners of parent		5.1	-2.8	-2.7	-11.3	-7.9	0.9	6.4	5.3	4.1	24.2	36.5	27.6	11.5	17.7
Net Income Margin		5.7%	-	-	-	-	0.6%	2.6%	1.5%	5.8%	14.3%	12.8%	7.5%	10.7%	9.1%
ROA		-	-	-	-2.2%	-	-	-	1.0%	-	-	-	5.2%	-	-
ROE		-	-	-	-3.4%	-	-	-	1.8%	-	-	-	9.2%	-	-
Equity Ratio		-	-	-	60.0%	-	-	-	55.3%	-	-	-	59.0%	-	-
Cash flows to interest bearing debt ratio		-	-	-	301.9%	-	-	-	798.8%	-	-	-	178.6%	-	-
Interest coverage ratio		-	-	-	45.2 times	-	-	-	19.1 times	-	-	-	61.4 times	-	-
R&D expense / content production expense		12.4	28.4	48.8	67.6	12.8	24.7	40.3	58.0	13.9	31.7	48.8	67.1	15.3	30.7
Cap-ex		6.9	14.7	20.5	28.7	6.8	12.5	21.0	28.0	6.1	13.8	20.8	27.0	5.0	10.3
Depreciation		4.0	8.1	12.8	17.6	4.1	8.2	12.5	16.6	3.9	7.6	12.0	16.3	4.2	8.2
Advertising		4.1	10.0	14.5	19.1	3.9	9.3	13.6	17.9	3.1	7.6	11.2	14.8	3.2	7.8
# of pachislot titles		3 titles	4 titles	5 titles	6 titles	-	2 titles	6 titles	7 titles	2 titles	3 titles	6 titles	10 titles	3 titles	8 titles
Unit sales		82,791 units	93,045 units	96,111 units	207,830 units	102 units	70,260 units	121,645 units	142,337 units	29,902 units	81,895 units	169,827 units	215,736 units	25,440 units	75,380 units
# of pachinko titles		5 titles	5 titles	8 titles	10 titles	2 titles	6 titles	7 titles	8 titles	1 titles	3 titles	6 titles	9 titles	2 titles	4 titles
Unit sales		47,711 units	82,955 units	224,519 units	241,425 units	22,362 units	79,604 units	115,396 units	199,014 units	20,525 units	75,542 units	111,104 units	138,321 units	97,499 units	119,312 units
Same Store Sales Comparisons		99.4%	98.7%	100.1%	100.1%	101.4%	102.2%	101.7%	103.1%	111.2%	110.8%	110.3%	108.5%	100.1%	101.5%
Domestic Facilities		201 facilities	198 facilities	198 facilities	198 facilities	198 facilities	198 facilities	198 facilities	194 facilities	193 facilities	189 facilities	190 facilities	191 facilities	190 facilities	189 facilities
# of game software titles		3	6	25	30	5	12	24	29	9	21	33	42	6	16
Sales (Thousand units)		1,700	4,100	8,910	12,280	1,830	3,280	6,120	9,220	2,410	4,650	8,130	10,280	4,560	865

*Sales of new segment is changed to gross basis.

*Basis for recording net sales was changed from shipment to delivery starting in FY ended March 2016.

*In line with the change of accounting policy, contents of retroactive processing have been reflected on new segments since FY ended March 2015.

*Part of Entertainment Contents Business has been transferred to Pachislot and Pachinko Machines Business since for FY ended March 2017.

*Numbers shown in parentheses for FY 2016 results are retroactively adjusted values of estimates after changing the breakdown.

*Added the number of titles in Asia from FY March 2017

Company Profile

(As of September 30, 2017)

Company Name	SEGA SAMMY HOLDINGS INC.
Address	Shiodome Sumitomo Building 21F, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
Established	October 1, 2004
Capital	¥29.9 billion
Number of Employees	7,737 (Consolidated)
Stock Exchange	Tokyo Stock Exchange (Stock Code : 6460)

Managements

Chairman and CEO (Representative Director)	Hajime Satomi
President and COO (Representative Director)	Haruki Satomi
Senior Executive Vice President (Director of the Board)	Naoya Tsurumi
Executive Vice President and CFO (Director of the Board)	Koichi Fukazawa
Executive Vice President (Director of the Board)	Hideki Okamura
Director of the Board (External)	Yuji Iwanaga
Director of the Board (External)	Takeshi Natsuno
Director of the Board (External)	Kohei Katsukawa
Standing Audit & Supervisory Board Member	Shigeru Aoki
Audit & Supervisory Board Member	Yukito Sakaue
Audit & Supervisory Board Member (External)	Tomio Kazashi
Audit & Supervisory Board Member (External)	Mineo Enomoto

Information on Outstanding Shares

(As of September 30, 2017)

Number of shares authorized for issuance	800,000,000 shares
Total number of shares issued and outstanding	266,229,476 shares
Number of Shareholders	84,172

■ Principal Shareholders

Name of Shareholder	Shares Held	Shareholding Ratio (%)
Hajime Satomi	31,869,338	11.97
SEGA SAMMY HOLDINGS INC.	31,845,527	11.96
FSC Co., Ltd.	12,972,840	4.87
HS Company	11,750,000	4.41
Japan Trustee Services Bank, Ltd. (Trust account)	9,348,000	3.51

■ Distribution of Shareholders

Financial Institutions	14.59%
Securities Companies	2.51%
Other Companies	12.00%
Foreign Institutions and Individuals	26.76%
Japanese Individuals and Other	32.17%
Treasury Stock	11.96%

*Including the number of share less than 1 unit



<http://www.segasammy.co.jp/>

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