

FY Ended March 2014 Full Year Results Presentation














May 12th, 2014
SEGA SAMMY HOLDINGS INC.

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These contents involve risk and uncertainty and the actual results may differ materially from these contents/comments.

【FY Ended March 2014 Full Year Results / FY Ending March 2015 Full Year Forecasts】

 Consolidated Income Statements	3	 <u>Future Activities</u>	
 FY Ended March 2014 Highlights	4	Group Structure Reform	25
 Major Business Measures	5		
 Operating Income Primary Factors Behind Fluctuations	6	 <u>Appendix</u>	27
 Net Income	7		
 Costs and Expenses	8		
 Consolidated Balance Sheet	9		
 Consolidated Cash Flows	10		
 <u>Segment Results / Forecasts</u>			
Pachislot and Pachinko Machines	11		
Amusement Machine Sales	15		
Amusement Center Operations	17		
Consumer Business	19		

FY Ended March 2014 Full Year Results/ FY Ending March 2015 Full Year Forecasts



SEGA-SAMMY
HOLDINGS

Consolidated Income Statements (Summary)



SEGA-SAMMY
GROUP

(JPY Billion)	FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
	Results Through 2Q	Full Year Results	Results Through 2Q	Full year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	136.5	321.4	162.2	378.0	+18%	160.0	-1%	450.0	+19%
Pachislot and Pachinko Machines	54.3	142.2	71.2	181.8	+28%	60.0	-16%	217.5	+20%
Amusement Machine Sales	18.7	39.1	18.0	38.6	-1%	20.0	+11%	46.0	+19%
Amusement Center Operations	21.7	42.7	21.9	43.2	+1%	21.5	-2%	42.0	-3%
Consumer Business	35.3	83.8	43.8	99.8	+19%	51.0	+16%	128.5	+29%
Other	6.3	13.4	7.1	14.5	+8%	7.5	+6%	16.0	+10%
Operating Income	7.8	19.0	12.3	38.5	+103%	-8.0	-	35.0	-9%
Pachislot and Pachinko Machines	10.4	23.5	15.1	45.2	+92%	0.0	-	40.5	-10%
Amusement Machine Sales	0.8	1.9	-0.0	-1.2	-	-1.7	-	-1.7	-
Amusement Center Operations	0.8	1.1	0.2	0.0	-	0.0	-	-0.6	-
Consumer Business	-0.7	-0.7	1.1	2.0	-	-0.3	-	6.6	+230%
Other	-0.1	-0.4	-0.4	-1.2	-	-2.0	-	-2.8	-
Eliminations	-3.2	-6.3	-3.6	-6.4	-	-4.0	-	-7.0	-
Operating Margin	5.7%	5.9%	7.6%	10.2%	+4.3pt	-	-	7.8%	-2.4pt
Ordinary Income	7.2	20.9	14.2	40.5	+94%	-8.0	-	35.0	-14%
Extraordinary Gain	0.3	10.1	3.8	15.7	-	0.0	-	0.0	-
Extraordinary Loss	0.3	5.4	0.6	8.7	-	0.0	-	0.5	-
Income before income taxes and minority interests	7.3	25.6	17.4	47.5	+86%	-8.0	-	34.5	-27%
Net Income	3.8	33.4	11.3	30.7	-8%	-7.0	-	21.0	-32%
Dividends per share (JPY)	20	40	20	40	-	20	-	40	-
Earnings per share (JPY)	15.74	137.14	46.76	126.42	-	-28.74	-	86.21	-
Net Assets per share (JPY)	1,125.09	1,304.44	1,401.90	1,409.27	-	-	-	-	-



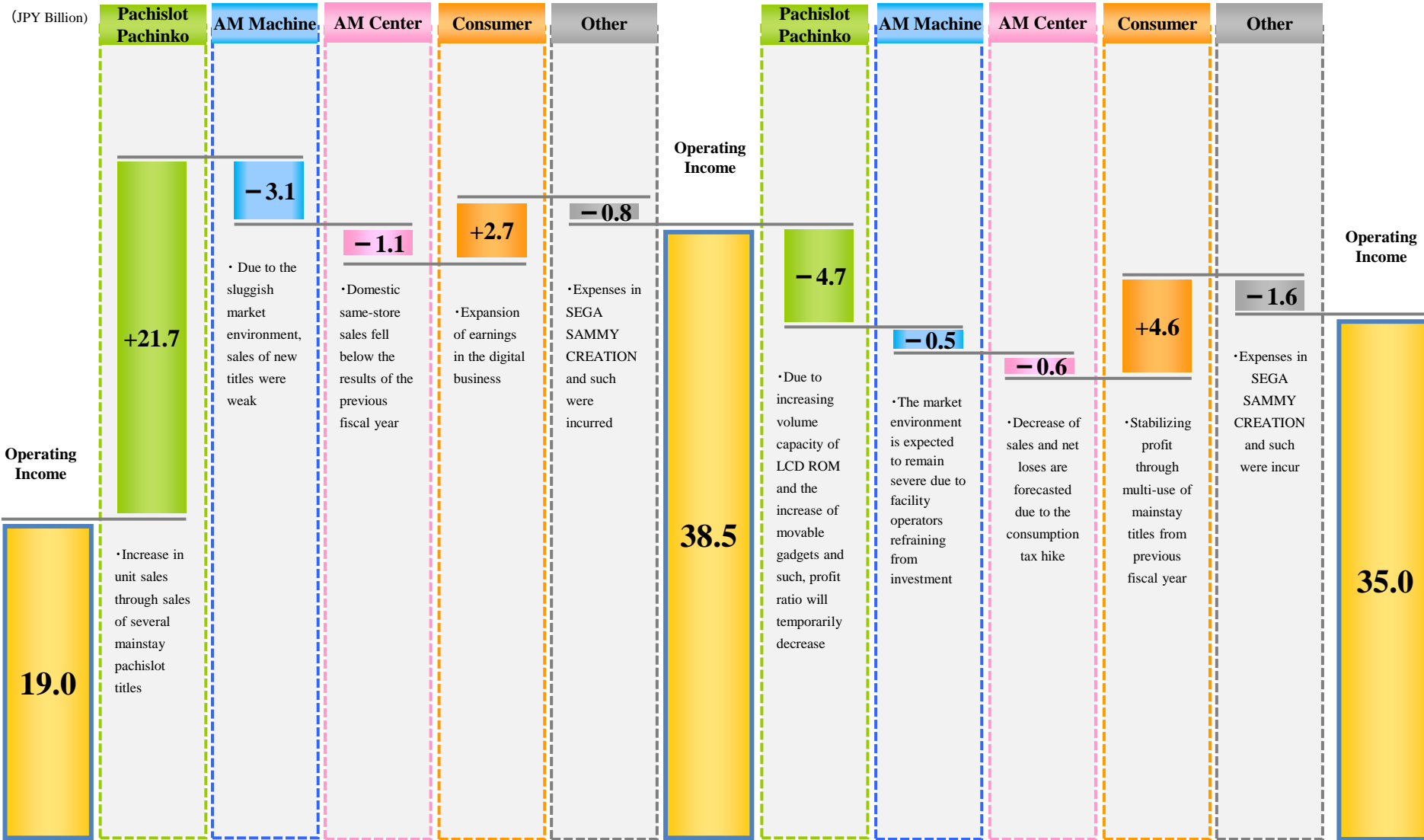
Net Sales / Profits Other		<ul style="list-style-type: none"> • Sales and profits increased year-on-year mainly due to the sales of mainstay products in Pachislot and Pachinko Machines Business. • Both sales and operating income fell below the forecast at the beginning of the fiscal year due to revising the sales schedule in Pachislot and Pachinko Machines Business. • Recorded extraordinary gain due to the sales of investment securities. (Common shares of Sanrio Co., Ltd.) • Recorded extraordinary loss on liquidation of subsidiaries and affiliates from realization of foreign currency translation adjustment resulted from the completion of the liquidation of some of the subsidiaries in the U.S. and Europe
Segment breakdown	Pachislot and Pachinko Machines	<ul style="list-style-type: none"> • Pachislot unit sales fell below the forecast at the beginning of the fiscal year due to revising the sales schedule for several titles to the next fiscal year, but the unit sales increased significantly year-on-year as the titles launched received generally high feedback. • Pachinko unit sales decreased compared to the results of the previous fiscal year and the forecast at the beginning of the fiscal year due to weak sales of titles other than mainstay titles were impacted by the market environment.
	Amusement Machine Sales	<ul style="list-style-type: none"> • Recorded losses due to sales decrease year-on-year as sales of new titles were sluggish impacted by the severe market environment of amusement centers.
	Amusement Center Operations	<ul style="list-style-type: none"> • Profit decreased year-on-year as a result of same-store sales struggling to increase and it fell below the results of the previous fiscal year. • "Orbi Yokohama" opened in August 2013.
	Consumer Business	<ul style="list-style-type: none"> • Year-on-year, sales increased and returned to profit due to expansion of earnings in the digital business although new titles for Packaged Games were sluggish. • Mainstay digital title "PHANTASY STAR ONLINE 2" was strong. • Applications for smartphones "Puyopuyo!! Quest" and "CHAIN CHRONICLE" were robust.
	Other	<ul style="list-style-type: none"> • Preliminary expenses in SEGA SAMMY CREATION INC. and such were incurred.



<p>(June, 2013)</p> <p>■ Established SEGA SAMMY CREATION, INC.</p>	<ul style="list-style-type: none">• Business Description: Development, manufacture and sales of casino equipment• Address: 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo Sunshine 60 39F• Established: June 3, 2013• Capital: 10 million yen• President and Representative Director: Hisao Oguchi (Director and CCO at SEGA SAMMY HOLDINGS INC.)
<p>(announced on July 19, 2013)</p> <p>■ Issuance of Straight Corporate Bonds</p>	<p><SEGA SAMMY HOLDINGS INC. First Unsecured Straight Bond (with inter-bond pari passu clause)></p> <ul style="list-style-type: none">• Total value of bond: 5 billion yen• Interest rate: 0.732%• Term: 5 years• Maturity date: July 25, 2018 <p><SEGA SAMMY HOLDINGS INC. Second Unsecured Straight Bond (with inter-bond pari passu clause)></p> <ul style="list-style-type: none">• Total value of bond: 5 billion yen• Interest rate: 0.493%• Term: 3 years• Maturity date: July 25, 2016
<p>(announced on September 18, 2013)</p> <p>■ Business Transfer of Index Corporation</p>	<ul style="list-style-type: none">• Outline of business transfer: The operations conducted by Index Corporation including the Digital Game Business (design and development of console games and social games); Contents & Solutions Business (delivery of contents, development of systems, consigned development related to amusement machines, internet advertising, etc.); Amusement Business (development and sales of commercial amusement machines) and related businesses.• Assets and liabilities to be transferred: Tangible and intangible fixed assets as well as intellectual property assets related to the above operations to be transferred. *In principle, liabilities including interest-bearing debts will not be taken over• Value of acquisition : 14.1 billion yen• Date for the transfer of operations: November 1, 2013
<p>(announced on November, 2013)</p> <p>■ Sales of Investment Securities</p>	<ul style="list-style-type: none">■ Outline of Sales of Investment Securities• Investment securities sold : Sanrio Co., Ltd. Common Share• Number of shares sold : 2,870,000 shares• Total sales amount : 12.5 billion yen (4,371 yen per share)• Gain on sales of investment securities : 10 billion yen■ Number of Shares the Company Owns After the Sale• Number of shares owned before sale : 12,326,800 shares• Number of shares owned after sale : 9,456,800 shares

Operating Income

- Primary Factors Behind Fluctuations (Major Causes)



FY 2013 Results

Consolidated Operating Income +19.5 Billion yen

FY 2014 Results

Consolidated Operating Income -3.5 Billion yen

FY 2015 Forecasts



(JPY Billion)	FY Ended March 2013 (Full Year Results)	FY Ended March 2014 (Full Year Results)	FY Ending March 2015 (Full Year Forecasts)												
Ordinary Income	20.9	40.5	35.0												
Extraordinary Gain	10.1	15.7	0.0												
	<table border="1"> <tr> <td>Gain on transfer of benefit obligation relating to employees' pension fund</td> <td>6.3</td> </tr> <tr> <td>Gain on sales of securities</td> <td>1.9</td> </tr> <tr> <td>Other</td> <td>1.9</td> </tr> </table>	Gain on transfer of benefit obligation relating to employees' pension fund	6.3	Gain on sales of securities	1.9	Other	1.9	<table border="1"> <tr> <td>Gain on sales of investment securities</td> <td>11.9</td> </tr> <tr> <td>Gain on sales of fixed assets</td> <td>3.5</td> </tr> <tr> <td>Other</td> <td>0.3</td> </tr> </table>	Gain on sales of investment securities	11.9	Gain on sales of fixed assets	3.5	Other	0.3	
Gain on transfer of benefit obligation relating to employees' pension fund	6.3														
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Gain on sales of investment securities	11.9														
Gain on sales of fixed assets	3.5														
Other	0.3														
Extraordinary Loss	5.4	8.7	0.5												
	<table border="1"> <tr> <td>Impairment loss</td> <td>2.9</td> </tr> <tr> <td>Loss on liquidation of affiliates</td> <td>1.7</td> </tr> <tr> <td>Other</td> <td>0.8</td> </tr> </table>	Impairment loss	2.9	Loss on liquidation of affiliates	1.7	Other	0.8	<table border="1"> <tr> <td>Loss on liquidation of affiliate</td> <td>6.6</td> </tr> <tr> <td>Impairment loss</td> <td>1.7</td> </tr> <tr> <td>Other</td> <td>0.4</td> </tr> </table>	Loss on liquidation of affiliate	6.6	Impairment loss	1.7	Other	0.4	
Impairment loss	2.9														
Loss on liquidation of affiliates	1.7														
Other	0.8														
Loss on liquidation of affiliate	6.6														
Impairment loss	1.7														
Other	0.4														
Income before income taxes and minority interests	25.6	47.5	34.5												
Total Income Taxes (incl. Minority Interest Income)	(7.8)	16.8	13.5												
	<table border="1"> <tr> <td>Decrease from the booking of deferred tax assets</td> <td></td> </tr> </table>	Decrease from the booking of deferred tax assets													
Decrease from the booking of deferred tax assets															
Net Income	33.4	30.7	21.0												

Costs and Expenses Results/Forecast

(JPY Billion)	FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
	Results Through 2Q	Full Year Results	Results Through 2Q	Full year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full year Forecasts	YoY Change
R&D Expense / Content Production Expense*1	19.1	45.2	25.1	59.2	-	31.5	+25%	69.6	+18%
Pachislot and Pachinko Machines	8.6	18.0	9.7	19.5	-	12.5	+29%	23.2	+19%
Amusement Machine Sales	3.7	7.8	4.0	8.9	-	4.6	+15%	9.2	+3%
Amusement Center Operations	0.1	0.2	0.0	0.1	-	0.1	-	0.1	-
Consumer Business	6.6	19.5	11.3	30.1	-	13.2	+17%	34.9	+16%
Cap-ex	21.6	32.8	22.6	38.1	+16%	18.2	-19%	33.3	-13%
Pachislot and Pachinko Machines	9.1	11.9	2.5	7.9	-34%	5.6	+124%	10.9	+38%
Amusement Machine Sales	1.0	2.3	0.3	2.0	-13%	2.3	+667%	4.7	+135%
Amusement Center Operations	5.4	7.9	4.1	7.7	-3%	3.5	-15%	6.2	-19%
Consumer Business	4.6	8.3	4.3	8.3	-	5.9	+37%	9.8	+18%
Depreciation*2	7.4	18.1	7.5	16.1	-	8.2	+9%	18.3	+14%
Pachislot and Pachinko Machines	2.0	5.4	2.8	5.8	-	3.0	+7%	7.1	+22%
Amusement Machine Sales	0.6	1.5	0.8	1.9	-	0.9	+13%	2.2	+16%
Amusement Center Operations	2.1	4.6	2.1	4.7	-	2.6	+24%	5.4	+15%
Consumer Business	2.4	6.0	1.2	2.6	-	1.0	-17%	2.2	-15%
Advertising*3	5.6	13.1	7.6	16.0	-	12.1	+59%	24.9	+56%
Pachislot and Pachinko Machines	0.9	2.4	1.4	2.8	-	1.4	-	4.7	+68%
Amusement Machine Sales	0.4	1.2	0.6	1.4	-	1.0	+67%	2.2	+57%
Amusement Center Operations	0.1	0.1	0.7	1.2	-	0.8	+14%	1.3	+8%
Consumer Business	2.9	7.2	3.6	8.6	-	7.2	+100%	14.4	+67%

*1 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.)

*2 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.)

*3 In the fiscal year ended March 2014 and after, advertising expense include the amount contained in cost of sales. (Up to the fiscal year ended March 2013, only selling, general and administrative (SG&A) expenses were included.)

Consolidated Balance Sheet (Summary)

(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2013	As of end of March 2014	Change	Account	As of end of March 2013	As of end of March 2014	Change
Cash and Deposits	176.5	101.2	-75.3	Accounts Payable	50.1	37.2	-12.9
Accounts Receivable	63.8	48.1	-15.7	Corporate Bond	5.8	1.7	-4.1
Securities	4.2	107.7	+103.5	Short Term Borrowings	12.8	12.9	+0.1
Inventories	42.5	35.9	-6.6	Other	34.9	39.2	+4.3
Other	31.5	25.5	-6.0	Total Current Liabilities	103.6	91.0	-12.6
Total Current Assets	318.5	318.4	-0.1	Corporate Bond	29.5	37.8	+8.3
Tangible Fixed Assets	87.0	102.1	+15.1	Long Term Debt	44.9	35.1	-9.8
Intangible Fixed Assets	22.9	31.7	+8.8	Other	30.4	30.6	+0.2
Investment Securities	72.7	60.8	-11.9	Total Noncurrent Liabilities	104.8	103.5	-1.3
Other	27.3	29.8	+2.5	Total Liabilities	208.4	194.6	-13.8
				Shareholders Equity	307.6	330.9	+23.3
				Total accumulated other comprehensive income	8.0	12.3	+4.3
				Warrants	1.1	1.0	-0.1
				Minority Interest	3.1	3.8	+0.7
Total Noncurrent Assets	209.9	224.4	+14.5	Total Net Assets	320.0	348.2	+28.2
Total Assets	528.5	542.9	+14.4	Total Liabilities and Net Assets	528.5	542.9	+14.4

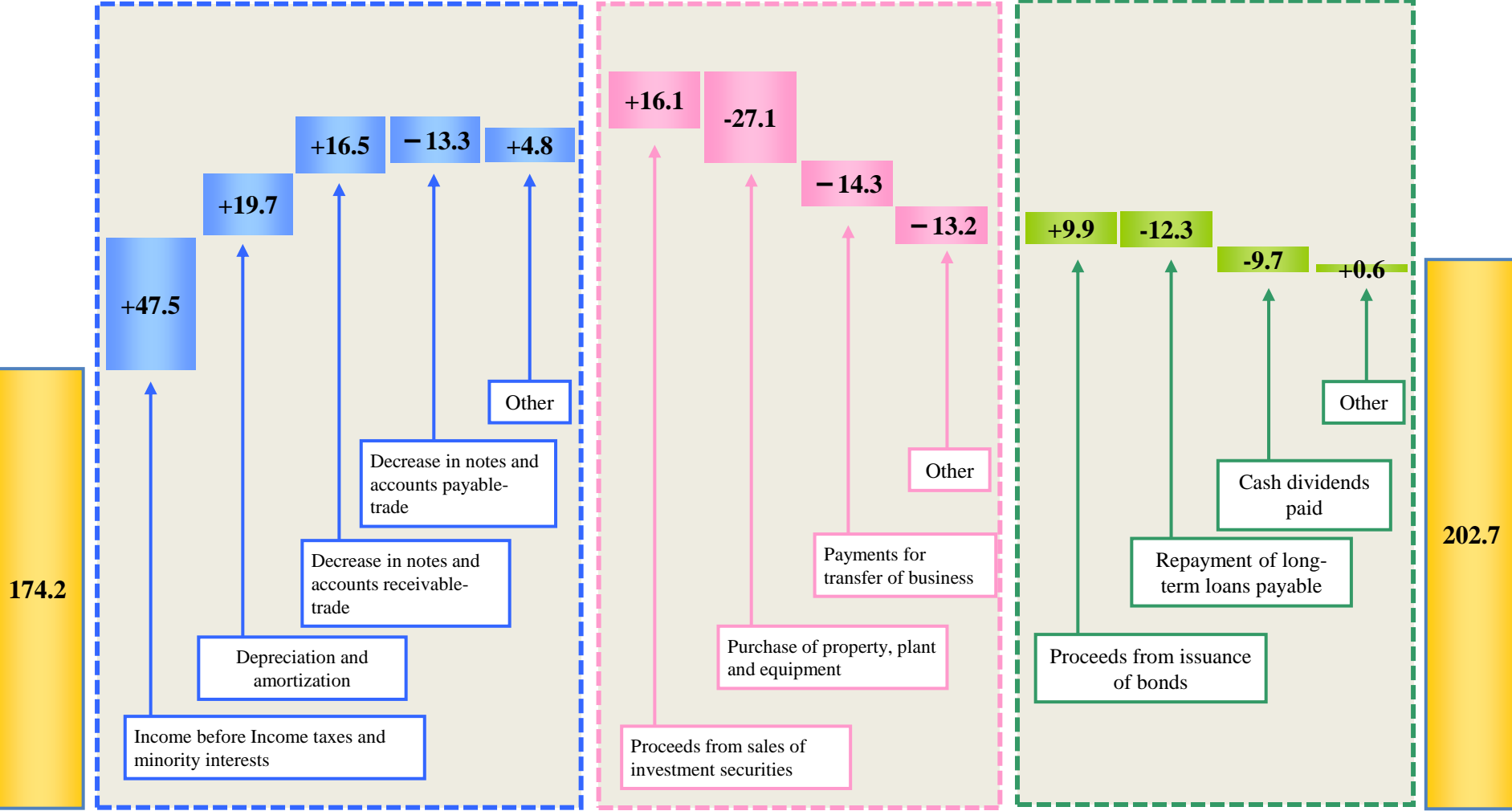
Summary of FY Ended March 2014 Results

- Current Assets: Securities (short-term fund management) increased while conversely, cash and deposits decreased and current assets were almost the same level of previous fiscal year.
- Noncurrent Assets: Up 14.5 billion yen primarily due to the increase in goodwill and the purchase of land in Busan
 - Total Assets : 542.9 billion yen increased by 14.4 billion yen
- Equity ratio : 63.2% (+3.5pt)
- Current ratio : 349.7% (+42.3pt)

(JPY billion)	As of end of March 2013	As of end of March 2014	Difference
Total assets	528.5	542.9	+14.4
Net assets	320.0	348.2	+28.2
Equity ratio	59.7%	63.2%	+3.5pt
Current ratio	307.4%	349.7%	+42.3pt

Consolidated Cash Flows

(JPY billion)

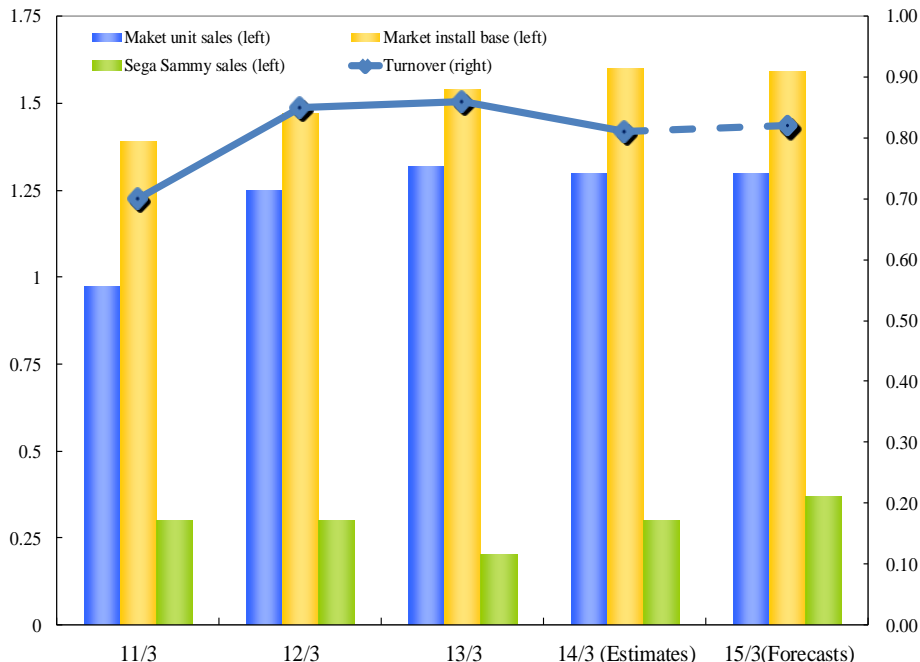


End of FY 2013 **Cash Flows from Operating Activities +75.2 billion yen** **Cash Flows from Investing Activities -38.5 billion yen** **Cash Flows from Financing Activities -11.5 billion yen** End of FY 2014

(Pachislot / Pachinko Market Forecasts)

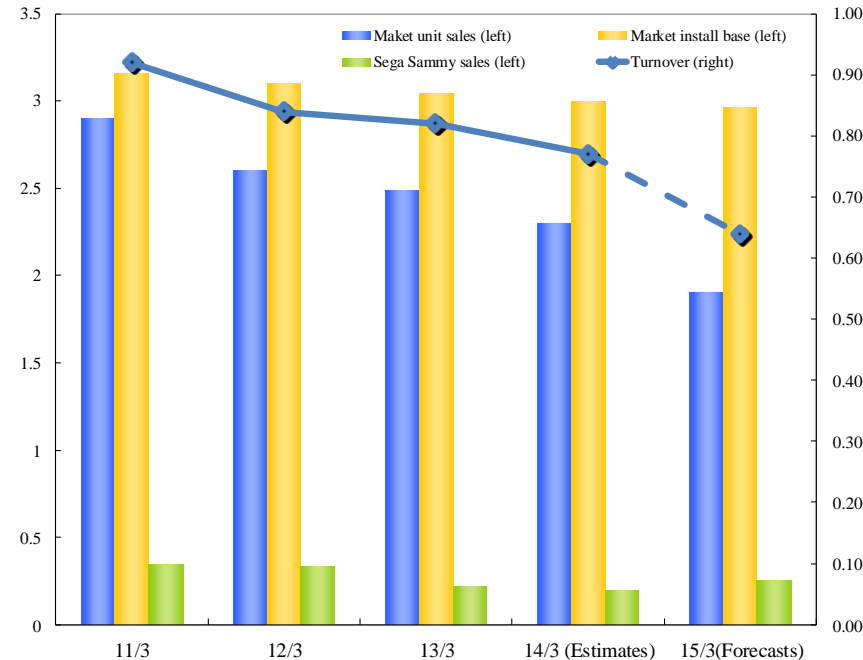
Pachislot Machine

(million units)



Pachinko Machine

(million units)



Pachislot	11/03 Results	12/03 Results	13/03 Results	14/03 Estimate	15/03 Forecasts
Market Unit Sales (million)	0.97	1.25	1.32	1.30	1.30
Market Installed Base (million)	1.39	1.47	1.54	1.60	1.59
Turnover (Sales/Installation)	0.70	0.85	0.86	0.81	0.82
Sega Sammy's Unit Sales (thousand)	302	300	202	301	374

Pachinko	11/03 Results	12/03 Results	13/03 Results	14/03 Estimate	15/03 Forecasts
Market Unit Sales (million)	2.90	2.60	2.49	2.30	1.90
Market Installed Base (million)	3.16	3.10	3.04	3.00	2.96
Turnover (Sales/Installation)	0.92	0.84	0.82	0.77	0.64
Sega Sammy's Unit Sales (thousand)	343	332	216	200	250

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

* The data for 14/03 and 15/03, which have not been publicized yet, are our estimates and forecasts.

(JPY Billion)	FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
	Results Through 2Q	Full Year Results	Results Through 2Q	Full year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	54.3	142.2	71.2	181.8	+28%	60.0	-16%	217.5	+20%
Pachislot	36.1	64.2	52.2	112.7	+76%	40.5	-22%	136.8	+21%
Pachinko	14.8	72.3	16.9	63.5	-12%	16.9	-	76.1	+20%
Other	3.4	5.7	2.1	5.6	-2%	2.6	+24%	4.6	-18%
Operating Income	10.4	23.5	15.1	45.2	+92%	0.0	-	40.5	-10%
Operating Income Margin	19.2%	16.5%	21.2%	24.9%	+8.4pt	-	-	18.6%	-6.3pt
Unit Sales (Pachislot)	108,604	202,221	143,171	301,575	+49%	114,800	-20%	374,800	+24%
Unit Sales (Pachinko)	57,749	216,860	54,955	200,225	-8%	58,000	+6%	250,000	+25%

Summary results of FY Ended March 2014

Forecast of FY Ending March 2015

Overall

- Year-on-year, sales and profits increased
- Due to changes in sales schedule of Pachislot mainstay titles, both sales and profits fell below the forecast at the beginning of the fiscal year

- Year-on-year, sales and profits are forecasted to increase but profits decreased
- Although unit sales will increase year-on-year due to the sales of several mainstay titles, profit ratio will temporarily decrease due to increasing volume capacity of LCD ROM and the increase of moving gadgets and such

Pachislot

- Unit sales increased significantly year-on-year as the titles launched generally performed well
- Due to revising the sales schedule of several titles including the mainstay title “Pachislot SOUTEN-NO-KEN 2,” unit sales fell below the forecast at the beginning of the fiscal year
- Main titles launched
⇒ Sammy “Pachislot Hokuto No Ken Chapter of Resurrection,” “Pachislot Eureka Seven 2,” “Pachislot Juoh,” “Pachislot Bakemonogatari”

- Year-on-year, sales expected to increase by 73 thousand units by releasing several mainstay titles including “Pachislot SOUTEN-NO-KEN 2”
- Main titles to be launched (1Q)
⇒ Sammy “Pachislot SOUTEN-NO-KEN 2” (June), “Pachislot Lost Island” (May)

Pachinko

- Sales of titles other than the mainstay titles were sluggish due to the severe market environment
- Main titles launched
⇒ Sammy “Pachinko CR Hokuto No Ken 5 Hyakuretsu,” “Pachinko CR Monster Hunter”

- Year-on-year, sales expected to increase by 49 thousand units by releasing several titles including major titles
- Main titles to be launched (1Q)
⇒ Sammy “Pachinko CR Bakemonogatari” (June), “Pachinko CR Senran BurST!” (April)
⇒ TAIYO ELEC “CR Moeyoken 3” (May)

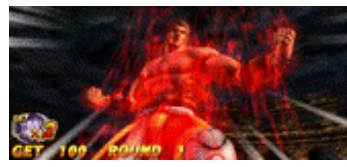
Shipment Data: Pachislot

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

Pachislot	FY Ended March 2013		FY Ended March 2014		FY Ending March 2015	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Forecasts Through 2Q	Full Year Forecasts
Sammy	3 titles	4 titles	1 title	5 titles	2 titles	6 titles
	69,209 units	91,484 units	114,453 units	264,365 units	84,800 units	319,800 units
RODEO	0 title	2 titles	0 title	0 title	1 title	1 title
	38,663 units	104,041 units	893 units	893 units	20,000 units	20,000 units
TAIYO ELEC	0 title	2 titles	1 title	2 titles	1 title	3 titles
	732 units	6,696 units	2,375 units	6,445 units	10,000 units	35,000 units
GINZA	-	-	1 title	2 titles	-	-
	-	-	25,450 units	29,872 units	-	-
Total	3 titles	8 titles	3 titles	9 titles	4 titles	10 titles
	108,604 units	202,221 units	143,171 units	301,575 units	114,800 units	374,800 units

Major Titles (Results) / Pachislot

Brand	Title	Total Sales	Installed From
Sammy	Pachislot Hokuto No Ken Chapter of Resurrection	114,667units	June
Sammy	Pachislot Eureka Seven 2	59,432units	November
Sammy	Pachislot Juoh	43,989units	December
Sammy	Pachislot Bakemonogatari	31,948units	October
Ginza	Pachislot Kaiji 3	25,466units	September



“Pachislot Hokuto No Ken Chapter of Resurrection” (Sammy)

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“Pachislot Eureka Seven 2” (Sammy)

©2005 BONES/Project EUREKA ©2009 BONES/Project EUREKA MOVIE ©NAMCO BANDAI Games Inc. ©Sammy

Shipment Data: Pachinko

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

Pachinko	FY Ended March 2013		FY Ended March 2014		FY Ending March 2015	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	Forecasts Through 2Q	Full Year Forecasts
Sammy	5 titles	8 titles	2 titles	7 titles	4 titles	7 titles
	45,119 units	195,088 units	27,405 units	160,688 units	35,000 units	175,000 units
TAIYO ELEC	4 titles	6 titles	2 titles	3 titles	3 titles	7 titles
	12,630 units	21,772 units	27,550 units	39,537 units	23,000 units	75,000 units
Total	9 titles	14 titles	4 titles	10 titles	7 titles	14 titles
	57,749 units	216,860 units	54,955 units	200,225 units	58,000 units	250,000 units
Board + Frame	8,678 units	160,128 units	35,151 units	103,819 units	24,500 units	124,500 units
Board	49,071 units	56,732 units	19,804 units	96,406 units	33,500 units	125,500 units



“Pachinko CR Hokuto No Ken 5 Hyakuretsu” (Sammy)

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Major Titles (Results)/ Pachinko

Brand	Title	Total Sales	Installed From
Sammy	Pachinko CR Hokuto No Ken 5 Hyakuretsu	69,207units	January
Sammy	Pachinko CR Monster Hunter	32,430units	March
Sammy	Pachinko CR SOUTEN-NO-KEN	27,139units	October
TAIYO ELEC	CR Kayou Suspense Gekijou Series	18,686units	May / September
Sammy	Pachinko CR Rookies	12,201units	September



“Pachinko CR Monster Hunter” (Sammy)

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(JPY Billion)	FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
	Results Through 2Q	Full Year Results	Results Through 2Q	Full year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full year Forecasts	YoY Change
Net Sales	18.7	39.1	18.0	38.6	-1%	20.0	+11%	46.0	+19%
Domestic	16.0	32.7	15.5	32.6	-	16.9	+9%	38.8	+19%
Overseas	2.7	6.4	2.5	6.0	-6%	3.1	+24%	7.2	+20%
Operating Income	0.8	1.9	-0.0	-1.2	-	-1.7	-	-1.7	-
Operating Income Margin	4.3%	4.9%	-	-	-	-	-	-	-

Summary results of FY Ended March 2014

- Recorded losses due to year-on-year sales decrease
- Sales of new titles were weak due to the sluggish market environment
- Launched CVT kits for mainstay titles
⇒ "WORLD CLUB Champion Football," etc.
- Posted distribution of earnings from revenue sharing model (mainstay titles under revenue sharing models)
⇒ "BORDER BREAK" Series, "SEGA NETWORK MAHJONG MJ5 EVOLUTION" etc.
- Introduced free-to-play model as a new business model
⇒ "Puyopuyo!! Quest Arcade" (November)

Forecast of FY Ending March 2015

- Increased sales year-on-year but losses increase
- Due to facility operators refraining from investment, the market environment is expected to remain severe
- Promoting sales of CVT kits for several titles
⇒ "INITIAL D ARCADE STAGE 8 INFINITY"
"StarHorse3 Season III CHASE THE WIND"
- In order to win a broad range of users, plan to offer a lineup that can meet diverse users' needs, from high-value added items to household items.
⇒ "Hero Bank Arcade," etc.
- Strengthening activities for revenue sharing models
⇒ Releasing new title "WONDERLAND WARS"
- Working to enhance earning capability by redistributing management resources to the digital sector and such

Major Titles (Results)

Title	Game Type	Sales
WORLD CLUB Champion Football Series	Trading Card Game	2.5 billion yen
CODE OF JOKER	Video Game	2.4 billion yen
SENGOKU-TAISEN	Trading Card Game	2.1 billion yen
BORDER BREAK Series	Video Game	1.5 billion yen
StarHorse3 Series	Medal Game	1.1 billion yen

*Sales figures include sales of expendable such as cards and distribution of earnings of revenue sharing titles.



“WORLD CLUB Champion Football Series”

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 The game is made by Sega in association with Panini.



“CODE OF JOKER”

©SEGA

(JPY Billion)		FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
		Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Net Sales		21.7	42.7	21.9	43.2	+1%	21.5	-2%	42.0	-3%
Operating Income		0.8	1.1	0.2	0.0	-	0	-	-0.6	-
Operating Income Margin		3.7%	2.6%	0.9%	-	-	-	-	-	-
Same Store Sales Comparisons *1		93.8%	93.8%	95.0%	96.1%	-	98.3%	-	97.5%	-
Domestic Facilities *2	Opened	1 facility	3 facilities	3 facilities	5 facilities	-	3 facilities	-	3 facilities	-
	Closed	4 facilities	8 facilities	3 facilities	9 facilities	-	7 facilities	-	7 facilities	-
	Total	238 facilities	236 facilities	202 facilities	198 facilities	-	194 facilities	-	194 facilities	-
Overseas Facilities		3 facilities	3 facilities	2 facilities	2 facilities	-	2 facilities	-	3 facilities	-

*1 The counting rules for the number of facilities have been changed for the fiscal year ended March 2014 as a result of the establishment of Sega Entertainment Co., Ltd. and the integration of the amusement center operation business within the Group

*2 The facilities targeted as same stores have been changed from fiscal year ended March 2014 as a result of the integration of the amusement center operation business within the Group

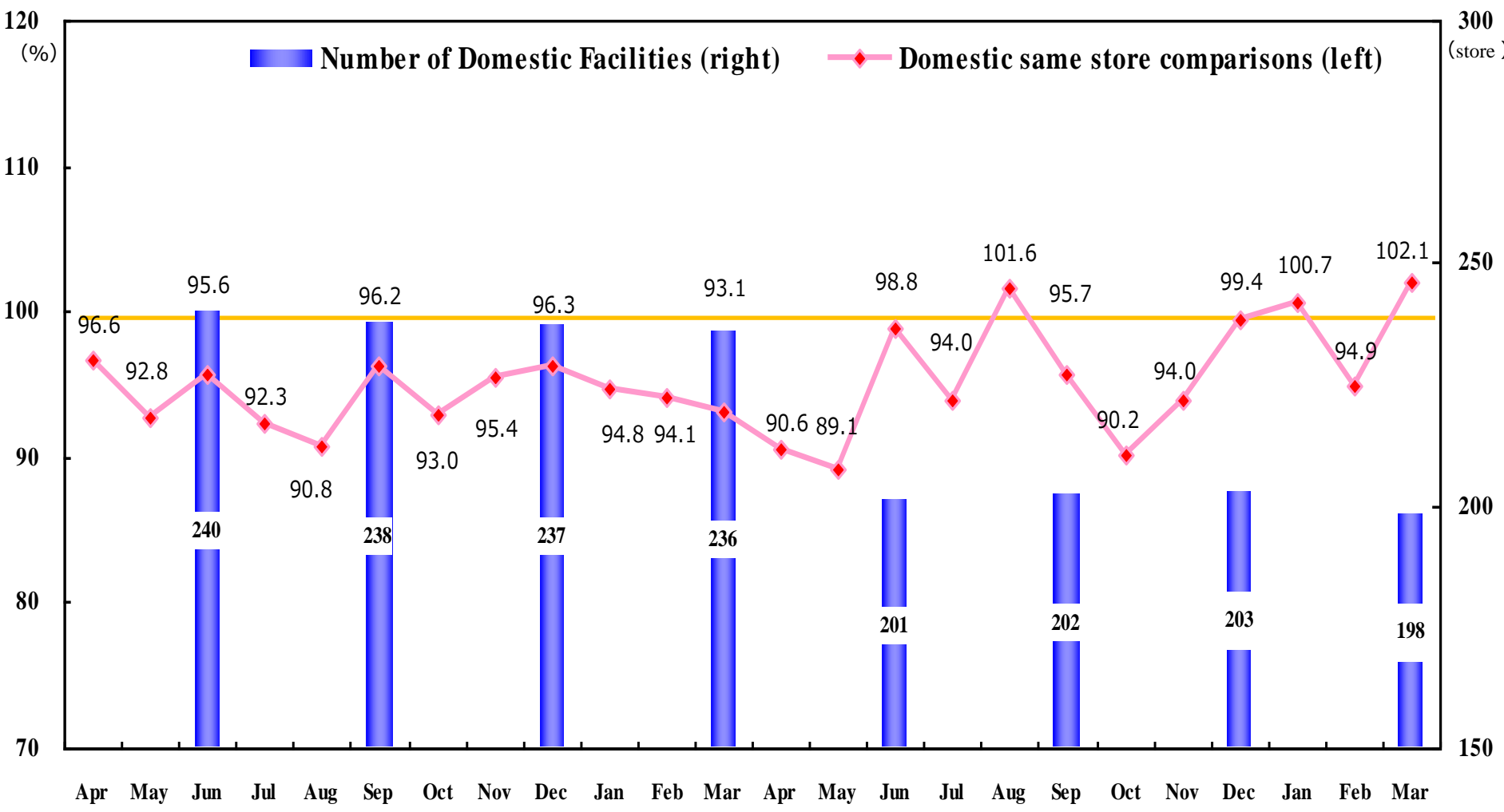
Summary results of FY Ended March 2014

- Profits decreased as same store sales struggled to grow year-on-year
- Domestic same store sales year-on-year comparison: Full year result 96.1% (January: 100.7%, February: 94.9%, March: 102.1%)
- Domestic facilities: End of the fiscal year: 198 facilities (Opening of 5 facilities and closing of 9 facilities)
- “Orbi Yokohama” opened in August 2013

Forecast of FY Ending March 2015

- Year-on-year, decrease of sales and operating losses are forecasted due to the consumption tax hike
- Working towards improved profitability by narrowing investments and streamlining facility operations, etc.
- Domestic same store sales year-on-year comparison: Full year forecast: 97.5%
- Domestic facilities: Planned opening of 3 facilities and closing of 7 facilities ⇒ Domestic facilities at fiscal year end 194 facilities
- Reviewing facility portfolio and developing/opening of family-oriented facilities and facilities accompanying restaurants

Domestic Facilities Same Store Sales Comps / Domestic Facilities Number Transition



FY Ended March 2013 Results

FY Ended March 2014 Results

※Number of domestic facilities and domestic store comparison against the previous year, are calculated based on the old standard until the fiscal year ended March 2013.

※From FY Ended March 2014, number of domestic facilities we've covered have been changed.

(JPY Billion)	FY Ended March 2013		FY Ended March 2014			FY Ending March 2015			
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Forecasts Through 2Q	YoY Change	Full Year Forecasts	YoY Change
Net Sales	35.3	83.8	43.8	99.8	+19%	51.0	+16%	128.5	+29%
Packaged Games	14.4	35.6	16.2	38.9	+9%	16.3	+1%	49.0	+26%
Digital Games	13.0	29.7	17.6	40.0	+35%	23.5	+34%	52.4	+31%
Toy	3.9	8.4	4.9	8.4	-	3.9	-20%	9.7	+15%
Animation	4.2	10.5	5.1	12.1	+15%	6.0	+18%	13.9	+15%
Other / Elimination	-0.2	-0.6	-0.1	0.4	-	1.3	-	3.5	+775%
Operating Income	-0.7	-0.7	1.1	2.0	-	-0.3	-	6.6	+230%
Operating Income Margin	-	-	2.5%	2.0%	-	-	-	5.1%	+3.1pt
Sales in Units (Thousands)	2,760	10,780	3,230	8,730	-19%	4,070	+26%	12,780	+46%

Summary results of FY Ended March 2014

■ Year-on-year, sales increased and returned to profit

■ Although domestic sales remained strong, overseas sales of new titles were weak
 ■ Launched several new titles including “**Total War : ROME II**,” “**Football Manager 2014**”

■ Number of titles under service at fiscal year end 141 (Pay-to-play 73 , Free-to-play 68)
 ■ “**PHANTASY STAR ONLINE 2**” (for PC, Vita) was strong
 ■ Titles for smartphones, “**Puyopuyo!! Quest**” and “**CHAIN CHRONICLE**” were strong
 ■ Noah Pass: 57 companies participated and the number of users surpassed 41.6 million
 ■ In pachinko and pachislot games for mobile phones and PCs, strengthened activities of “**777TOWN for Android**” and “**777TOWN for iOS**” for smartphones and “**Moba7**” for DeNA

■ Although sales of mainstay products “**Anpanman Series**” and “**Jewelpod Series**” were robust, the toy business as a whole remained weak

■ The movie “**LUPIN THE 3rd VS DETECTIVE CONAN THE MOVIE**” which recorded over 3 million viewers remained strong

Forecast of FY Ending March 2015

■ Year-on-year, sales and profits are forecasted to increase from expanded earnings in the digital games field

■ Packaged games unit sales: Full-year forecast of 12.78 million units
 ■ Increasing games sales with full-fledged introduction of ATLUS brand in addition to existing mainstay IP

■ Number of titles to be newly released 43 (Pay-to-play 13, Free-to-play 30)
 ■ Stabilizing profit through cross platform strategy of mainstay titles from previous fiscal year
 ■ Full-fledged development of domestic for smart device titles in the Asian regions
 ■ Working towards further enhancement of earning capabilities by not only packaging the prominent IPs but also developing them for free-to-play games

■ Continuing to work towards improvement of profitability by reviewing value chains, etc.

■ Concentrating on the development of related businesses while mainly working on the production of TV programs such as “**Yowamushi Pedal**” and “**LUPIN THE 3rd**” etc.

Sales Results (Packaged Game)

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

Breakdown by Region	FY Ended March 2013				FY Ended March 2014				FY Ending March 2015			
	Results Through 2Q		Full Year Results		Results Through 2Q		Full Year Results		Forecasts Through 2Q		Full Year Forecasts	
	# 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)	# of titles (SKU)	Unit Sales (Thousands)
Japan	6 (7)	640	10 (13)	2,140	3 (3)	400	12 (21)	2,150	5 (6)	1,320	14 (18)	3,340
US	2 (4)	1,160	8 (18)	4,200	3(3)	1,300	5 (6)	2,800	2 (4)	1,120	12 (20)	4,540
Europe	1 (3)	960	7 (18)	4,420	2 (2)	1,520	4 (5)	3,770	2 (7)	1,620	5 (11)	4,890
Total	9 (14)	2,760	25 (49)	10,780	8 (8)	3,230	21 (32)	8,730	9 (17)	4,070	31 (49)	12,780

Breakdown by Platform	FY Ended March 2013				FY Ended March 2014				FY Ending March 2015			
	Results Through 2Q		Full Year Results		Results Through 2Q		Full Year Results		Forecasts Through 2Q		Full Year Forecasts	
	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)	SKU	Unit Sales (Thousands)
PS3	5	420	14	2,280	1	20	5	540	5	270	11	1,520
PS4	-	-	-	-	-	-	1	140	1	90	3	690
WiiU	-	-	2	310	1	0	5	320	1	0	4	600
Xbox360	3	300	9	1,420	-	-	-	-	2	160	3	700
Xbox One	-	-	-	-	-	-	-	-	1	90	2	440
3DS	1	10	3	200	-	-	6	780	2	450	13	2,270
PSP	-	-	2	130	1	130	2	160	-	-	-	-
PSV	3	250	8	520	-	-	5	330	4	570	7	790
PC	2	40	11	1,240	5	1,270	8	2,640	1	80	6	1,150
Catalogue etc.	-	1,720	-	4,650	-	1,790	-	3,790	-	2,340	-	4,590
Total	14	2,760	49	10,780	8	3,230	32	8,730	17	4,070	49	12,780

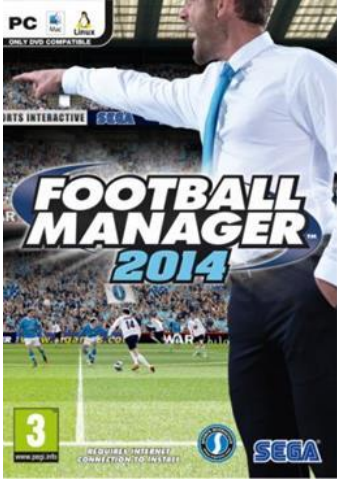
Major Titles (Results) / Packaged Games

Title (Region)	Platform	Sales Unit (thousand)	Launch
Total War : ROME II (Europe, US)	PC	1,130	September
Football Manager 2014 (Europe, US)	PC	790	October
Sonic Lost World (Japan, Europe, US)	Wii U, 3DS	710	October
Company of Heroes 2 (Europe, US)	PC	680	June
Ryu ga gotoku Ishin ! (Japan)	PS3, PS4	390	February



“Total War : ROME II”

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“Football Manager 2014”

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Major Titles (Results) /Digital Games



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<PHANTASY STAR ONLINE 2>

- Started providing "PHANTASY STAR ONLINE 2 es" for Android in April 2014 (iOS version to be launched in May)
- Started providing services in Taiwan, Hong Kong and Macau in April 2014
- Start providing services in six countries; Thailand, Singapore, Malaysia, Vietnam, the Philippines and Indonesia, from the end of May 2014
- Implemented the fourth round of major updating of EPISODE 2 starting in late April 2014



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<CHAIN CHRONICLE>

- Surpassed 2.5 million downloads in April 2014
- Started providing "CHAIN CHRONICLE" in South Korea (plan to provide services in mainland China, Taiwan, Hong Kong and Macau)
- Plans to distribute the new chapter "CHAIN CHRONICLE – Kizuna no Shintairiku" in summer 2014



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<Puyopuyo!! Quest>

- Surpassed 9 million downloads in May 2014
- Plan to start providing services in mainland China, Taiwan, Hong Kong, Macau, South Korea, South East Asia including Indonesia and Thailand sequentially starting in summer 2014

Main Activities Concerning the Casino Related Business (Resort Complex / Casino Machines)

Resort Complex / Casino Facilities Operations

<Operation of Phoenix Seagaia Resort>

- Development and operation of resort complexes (hotels, golf courses and international conference halls, etc.), such as Phoenix Seagaia Resort, which is one of the most prominent resort complex facility in Japan
- Accumulate know-how for operation of resort complex facilities in Japan



<Development and Operation of Resort Complexes including a Casino in Incheon, South Korea>

- Joint venture PARADISE SEGASAMMY Co., Ltd. acquired Paradise Casino Incheon, an existing casino facility (as of July 1, 2013)
- Plan to newly open a large resort complex facility on the land adjacent to Incheon International Airport (Plan to complete construction in fall 2016, open in 2017)



*A rendering of facility in Incheon

<Development and Operation of Resort Complex Facility in Busan, South Korea>

- Development and operation of resort complex facility comprised of a hotel, entertainment and commercial facilities, etc., in Busan Metropolitan City, South Korea (Plan to open in 2016)
- Accumulate know-how for development and operation of large resort complex facilities



*A rendering of facility in Busan

Casino Machines Development

<Began Developing Machines for Casinos>

- Established SEGA SAMMY CREATION INC., which will develop, manufacture and sell casino machines (June 2013)
- Develop machines for casinos by utilizing Sega Sammy development resources (Plan to announce the first model in May 2014)



Future Activities



SEGA-SAMMY
HOLDINGS

Set-up of “Group Structure Reform Division”

- **Established “Group Structure Reform Division” as of May 9, 2014**

(General Manager: Hajime Satomi, Chairman of the Board and Chief Executive Officer
Deputy General Manager: Akira Sugano, Director)
- **Aim: To prepare to inject management resources into IR (Integrated Resorts) business which stands as a strategic business for the mid- to long-term**
 - ① **Implement swift and fundamental measures against issues in existing businesses**
 - ② **Look to return to a profitability growth trend by adapting to the market environment**
- **Issues to be discussed:**
 - ① **Reviewing poorly performing businesses**
 - ② **Optimizing distribution of management resources**
 - ③ **Reviewing development structure**
 - ④ **Strengthening management of fixed expenses**
- **Going forward: Continue discussions through the end of the current fiscal year and announce specific measures at appropriate timing**

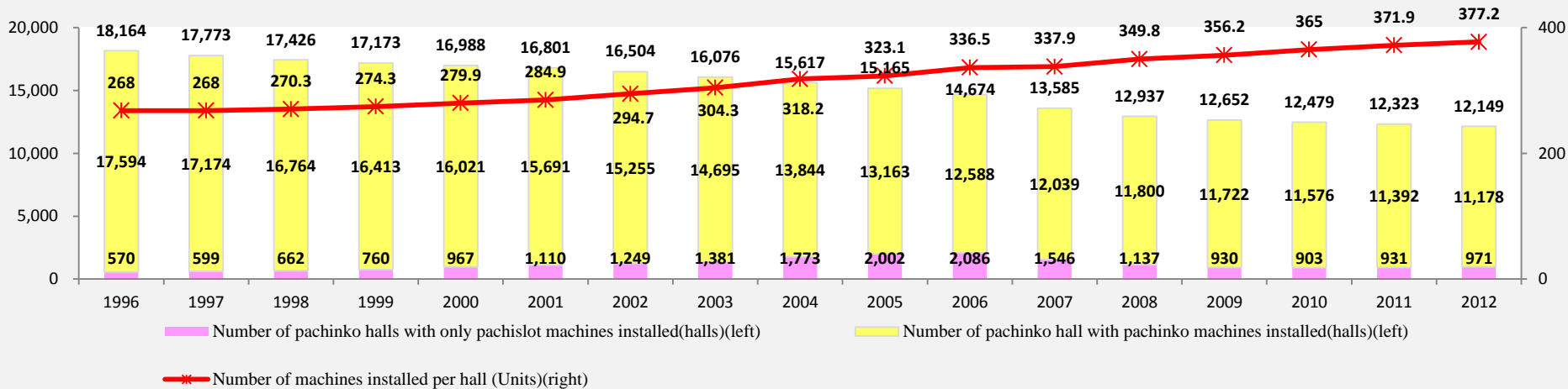
Appendix



SEGA-SAMMY
HOLDINGS

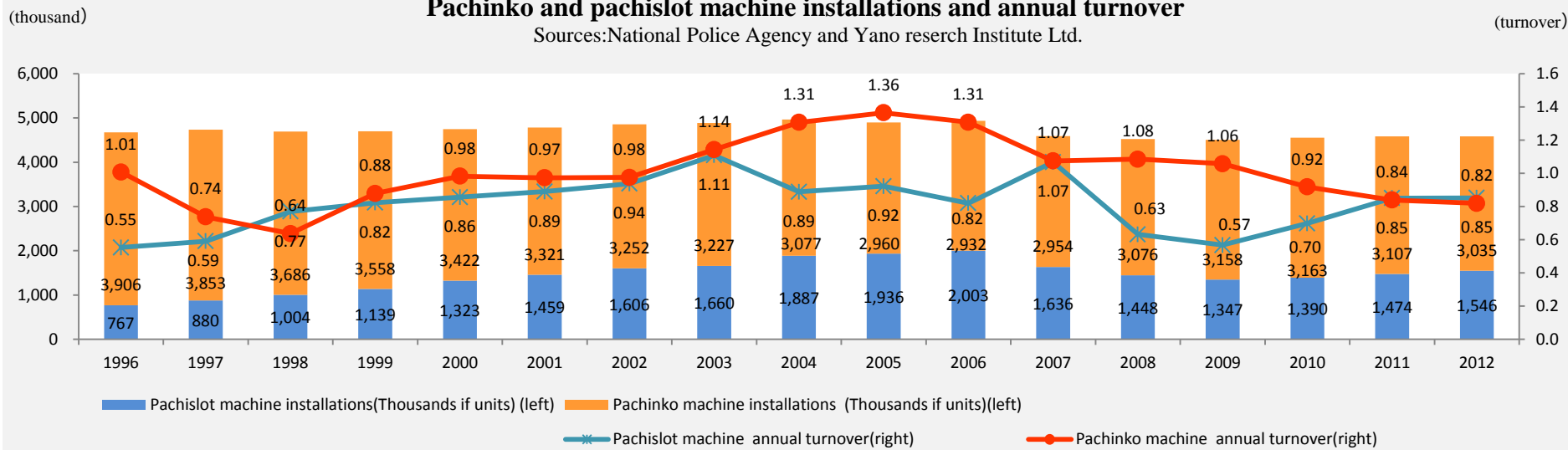
Number of Pachinko Hall and Number of Machines Installed Per Hall

Sources : National Police Agency and Yano Research Institute Ltd.



Pachinko and pachislot machine installations and annual turnover

Sources:National Police Agency and Yano reserch Institute Ltd.



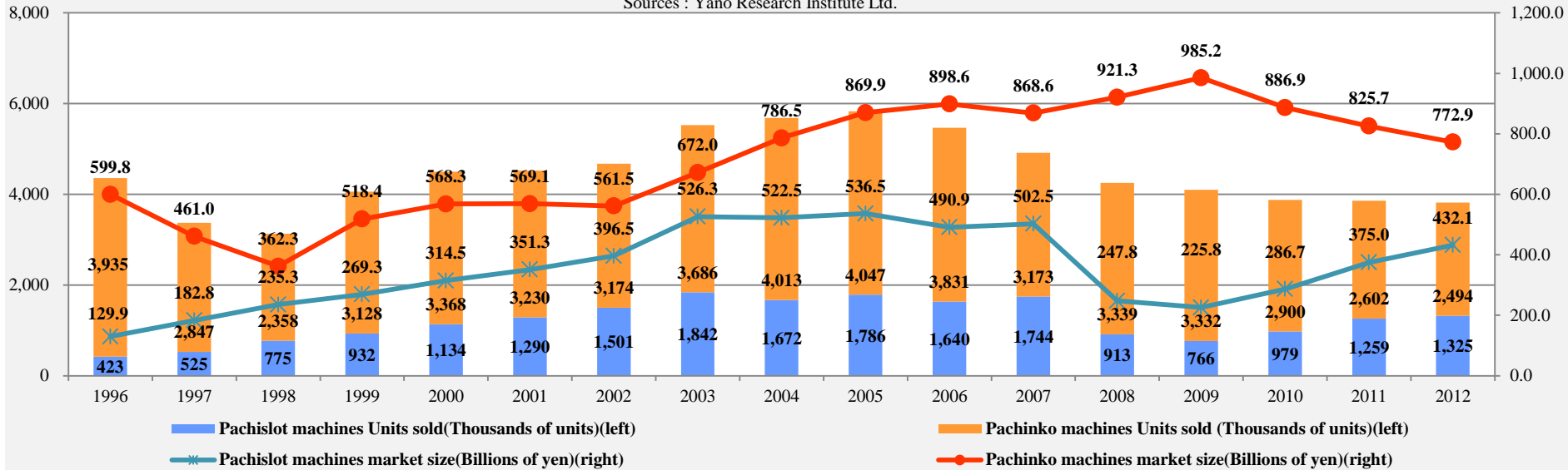
Pachinko and Pachislot Machine Markets

Pachinko and Pachislot Machines-Unit Sales and Market Size

Sources : Yano Research Institute Ltd.

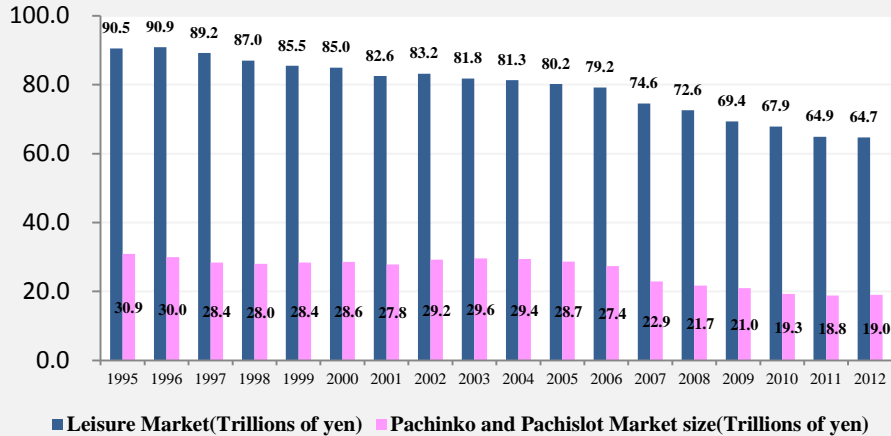
(billions of yen)

(thousand)



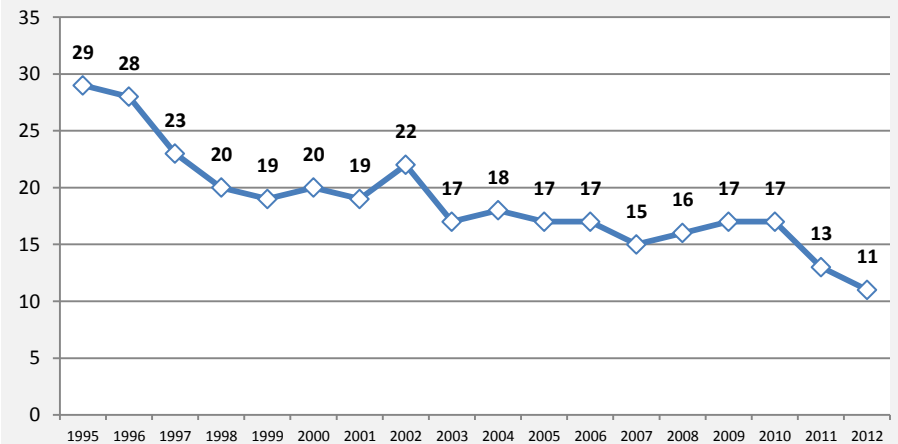
Market Size Results

Sources : White Paper on Leisure Industry, Japan Productivity Center



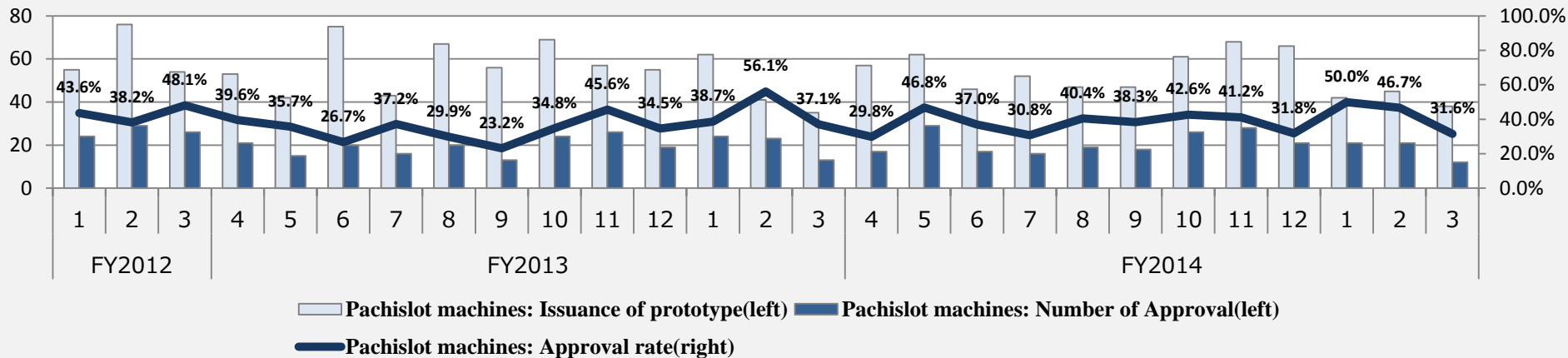
Number of Players (million)

Sources : White Paper on Leisure Industry, Japan Productivity Center



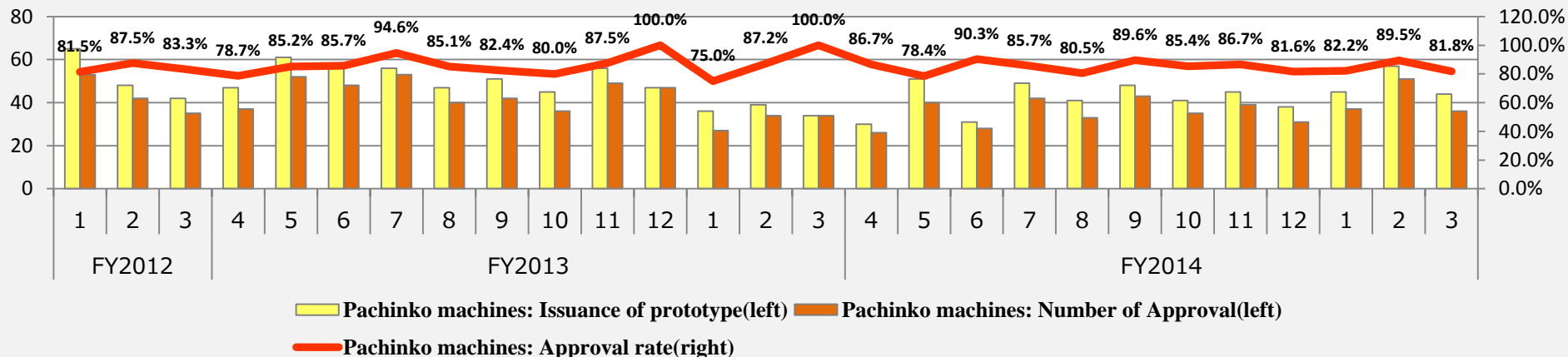
Pachislot machines: Prototype testing results

Sources: Security Communications Association



Pachinko machines: Prototype testing results

Sources: Security Communications Association





Share of Annual Pachislot Machine Sales

2009			2010			2011			2012			2013		
Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
Sammy	162,932	21.3%	Sammy	302,270	30.9%	Sammy	300,866	23.9%	U Company	236,000	17.8%	-	-	-
S Company	104,266	13.6%	D Company	117,000	11.9%	D Company	200,000	15.9%	Sammy	202,221	15.3%	-	-	-
U Company	100,000	13.1%	S Company	116,424	11.9%	Y Company	196,000	15.6%	Y Company	193,000	14.6%	-	-	-
Y Company	73,000	9.5%	H Company	111,000	11.3%	U Company	172,000	13.7%	D Company	186,000	14.0%	-	-	-
K Company	60,000	7.8%	U Company	103,000	10.5%	S Company	96,158	7.6%	K Company	110,000	8.3%	-	-	-

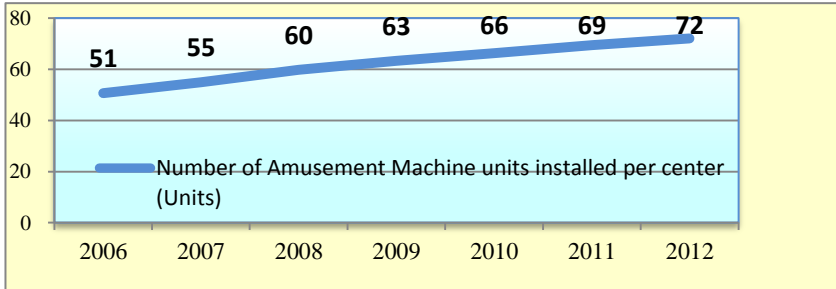
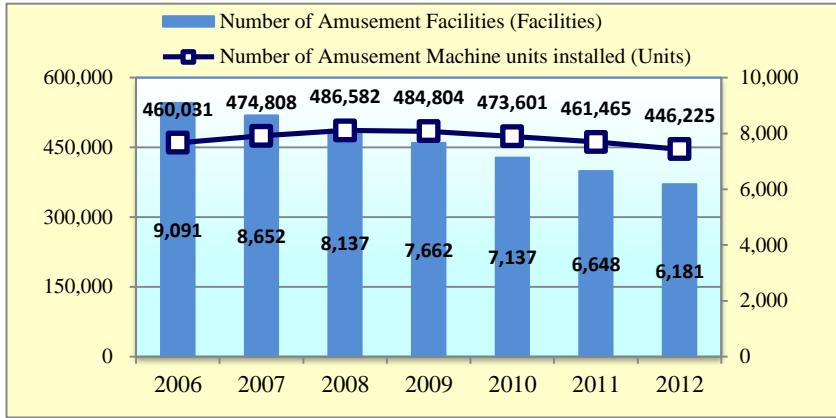
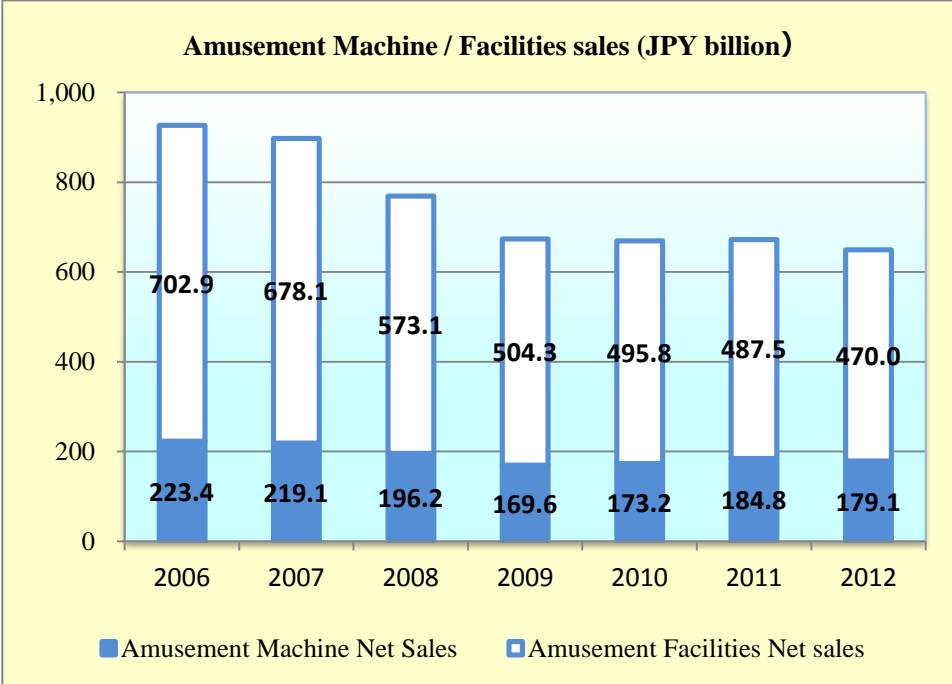
Share of Annual Pachinko Machine Sales

2009			2010			2011			2012			2013		
Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share	Manufacturer	Units sold	Share
S Company	600,000	18.0%	S Company	653,000	22.5%	K Company	485,000	18.6%	S Company	544,000	21.8%	-	-	-
S Company	572,464	17.2%	S Company	424,533	14.6%	S Company	360,805	13.9%	K Company	507,000	20.3%	-	-	-
K Company	426,000	12.8%	Sammy	343,188	11.8%	Sammy	332,288	12.8%	H Company	252,000	10.1%	-	-	-
N Company	395,000	11.9%	K Company	322,000	11.1%	S Company	332,000	12.8%	N Company	250,000	10.0%	-	-	-
Sammy	360,171	10.8%	N Company	296,000	10.2%	N Company	255,000	9.8%	Sammy	216,860	8.7%	-	-	-

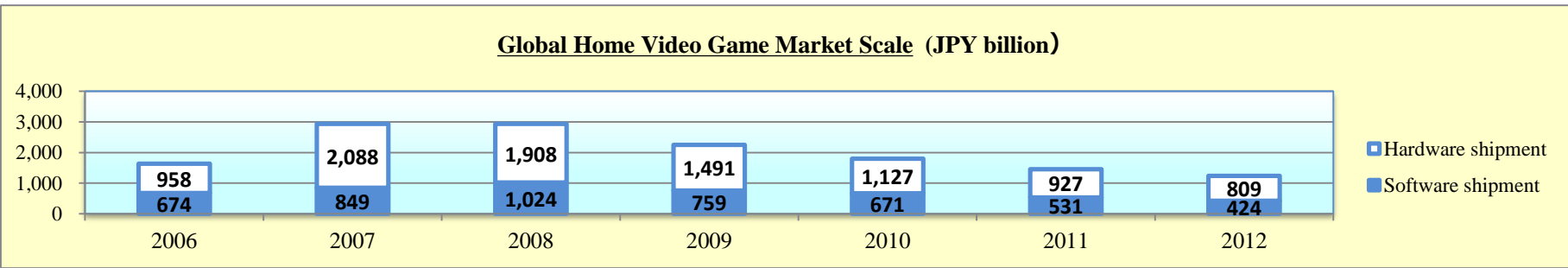
Source: Yano Research Institute Ltd.

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

Amusement Machine and Amusement Center Operations Markets Scale



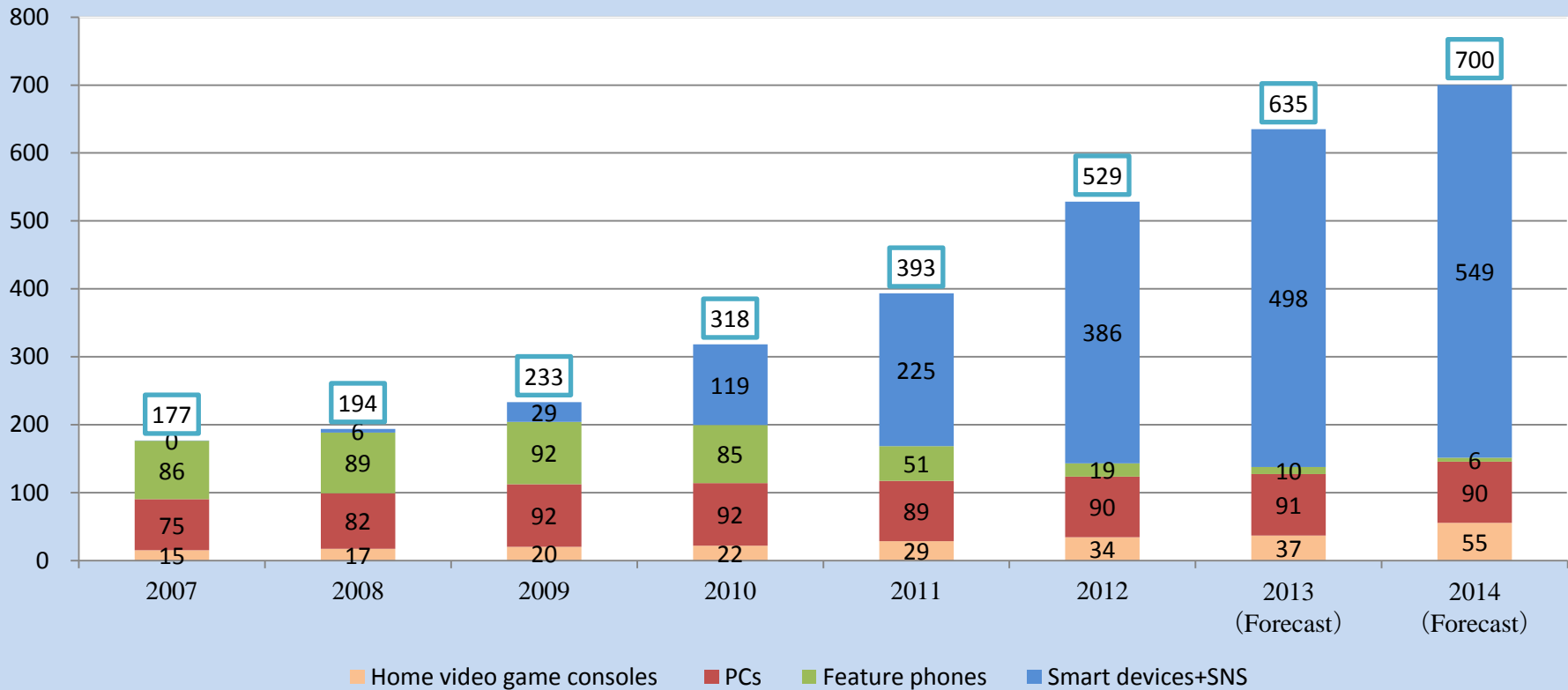
Source: JAIA, National Police Agency



Source: 2013 CESA Games White Paper

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

Sources:f-ism



Past Operating Results

From FY Ended March 2005 to FY Ended March 2014

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

(http://www.segasammy.co.jp/english/ir/library/pdf/settlement/2014/e_201403_3qtransition.xls)

※The counting rules for the number of facilities have been changed from fiscal year ending March 2014

(JPY billion)	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended	FY Ended		FY Ended	
	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2013	March 2014	March 2014	
	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	Full Year	Results	Full Year	Results	Full Year
	Results	Results	Results	Results	Results	Results	Results	Results	Results	Through 2Q	Results	Through 2Q	Results
Net Sales	515.6	553.2	528.2	458.9	429.1	384.6	396.7	395.5	365.5	136.5	321.4	162.2	378.0
Breakdown													
Pachislot and Pachinko Machines	280.1	265.6	211.5	145.5	161.6	160.3	212.0	212.1	212.1	54.3	142.2	71.2	181.8
Amusement Machines Sales	63.3	71.5	75.4	71.0	61.9	45.1	47.2	49.9	18.7	39.1	18.0	38.6	
Amusement Center Operations	83.1	106.2	103.8	91.2	71.3	54.7	45.6	44.6	21.7	42.7	21.9	43.2	
Consumer Business	65.3	90.3	119.5	141.7	131.3	121.5	88.8	85.6	35.3	83.8	43.8	99.8	
Other	23.7	19.4	17.8	9.3	2.9	2.8	2.8	3.0	6.3	13.4	7.1	14.5	
Operating Income	105.0	119.1	76.5	-5.8	8.3	36.7[31.0]	68.7	58.3	7.8	19.0	12.3	38.5	
Breakdown													
Pachislot and Pachinko Machines	103.9	99.8	71.1	8.4	14.5	29.5	64.2	71.0	10.4	23.5	15.1	45.2	
Amusement Machines Sales	7.4	12.1	11.6	7.1	6.8	7.0[5.4]	7.3	7.4	0.8	1.9	0	-1.2	
Amusement Center Operations	5.4	9.2	0.1	-9.8	-7.5	-1.3[-1.4]	0.3	0.3	0.8	1.1	0.2	0	
Consumer Business	-8.8	1.9	1.7	-5.9	-0.9	6.3[2.4]	1.9	-15.1	-0.7	-0.7	1.1	2.0	
Other	-5.0	-1.7	-1.3	0	-0.3	0.3	0	0.2	-0.1	-0.4	-0.4	-1.2	
Eliminations	-2.3	-2.3	-6.7	-5.5	-4.9	-5.2	-5.1	-5.4	-3.2	-6.3	-3.6	-6.4	
Operating Margin	20.4%	21.5%	14.5%	-	1.9%	9.5%[2.0%]	17.3%	14.7%	5.7%	5.9%	7.6%	10.2%	
Ordinary Income	104.4	119.5	81.2	-8.2	6.6	35.9[30.5]	68.1	58.1	7.2	20.9	14.2	40.5	
Ordinary Income Margin	20.2%	21.6%	15.4%	-	1.5%	9.3%[7.9%]	17.2%	14.7%	5.3%	6.5%	8.8%	10.7%	
Net Income	50.5	66.2	43.4	-52.4	-22.8	20.2[14.5]	41.5	21.8	3.8	33.4	11.3	30.7	
Net Income Margin	9.8%	12.0%	8.2%	-	-	5.3%[3.8%]	10.5%	5.5%	2.8%	10.4%	7.0%	8.1%	
R&D expense / content production expense *4	41.5	36.3	52.1	65.3	59.6	41.5[47.2]	41.1	53.3	19.1	45.2	25.1	59.2	
Cap-ex	32.4	38.5	36.6	50.4(*1)	26.6	16.1	19.6	36.1	21.6	32.8	22.6	38.1	
Depreciation *5	17.7	21.8	28.0	45.6(*2)	26.6	17.1	15.9	16.1	7.4	18.1	7.6	16.1	
Advertising *6	11.8	18.9	22.2	22.8	20.7	20.7	15.1	17.2	5.6	13.1	7.6	16.0	

# of pachislot titles	9 titles	14 titles	17 titles	22 titles	19 titles	12 titles	10 titles	11 titles	3 titles	8 titles	3 titles	9 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	108,604 units	202,221 units	143,171 units	301,575 units

# of pachinko titles	8 titles	8 titles	14 titles	9 titles	12 titles	13 titles	12 titles	14 titles	9 titles	14 titles	4 titles	10 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	57,749 units	216,860 units	54,955 units	200,225 units

Same Store Sales Comparisons	98.5%	103.3%	95.8%	89.0%	92.4%	91.7%	99.3%	100.5%	93.8%	93.8%	95.0%	96.1%
Domestic Facilities	477 facilities	462 facilities	449 facilities	363 facilities	322 facilities	260 facilities	249 facilities	241 facilities	238 facilities	236 facilities	202 facilities*	198 facilities

# of game software titles	- (84)	- (122)	- (140)	80 (138)	78 (122)	66 (105)	51 (71)	45 (86)	9 (14)	25 (49)	8 (8)	21 (32)
Sales (Thousand units)	11,790	16,400	21,270	26,990	29,470	26,750	18,710	17,240	2,760	10,780	3,230	8,730

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

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

(* 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.)



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