FY Ending March 2019
1st Quarter Results Presentation

August 3, 2018

[Disclaimer]
The contents of this material and comments made during the questions and answers etc. of this briefing session are the judgements and projections of the Company's management based on currently available information.
These contents involve the risk and uncertainty and the actual results may differ materially from them.

© SEGA SAMMY HOLDINGS INC. All Rights Reserved.

1. FY Ending March 2019 1st Quarter Results / Forecasts

Consolidated Performance

(JPY Billion)

	2018/3		2019/3	
	Results Through 1Q	Full Year Results	Results Through 1Q	Full Year Forecast
Sales	107.2	**323.6**	**68.8**	**390.0**
Operating Income	16.6	**17.7**	**0.9**	**21.0**
Operating Income Margin	15.5%	**5.5%**	**1.3%**	**5.4%**
Ordinary Income	16.2	**14.5**	**0.6**	**16.0**
Income before income taxes	16.4	**12.4**	**0.7**	**17.0**
Profit attributable to owners of parent	11.5	**8.9**	**0.3**	**12.0**
ROA※	-	**1.8%**	-	-

* ROA = Profit attributable to owners of parent / Total assets

Highlights

2019/3 1Q Results

Pachislot and Pachinko Machines:

Sales volume decreased from the same period last year, when the sales was posted from a big-name title.

Entertainment Contents:

Strong performance in packaged games but digital games below forecast

2019/3 Forecast

Pachislot and Pachinko Machines:

Accelerating launch of new titles of No. 6-type pachislot machines and previous regulation pachinko machines etc.

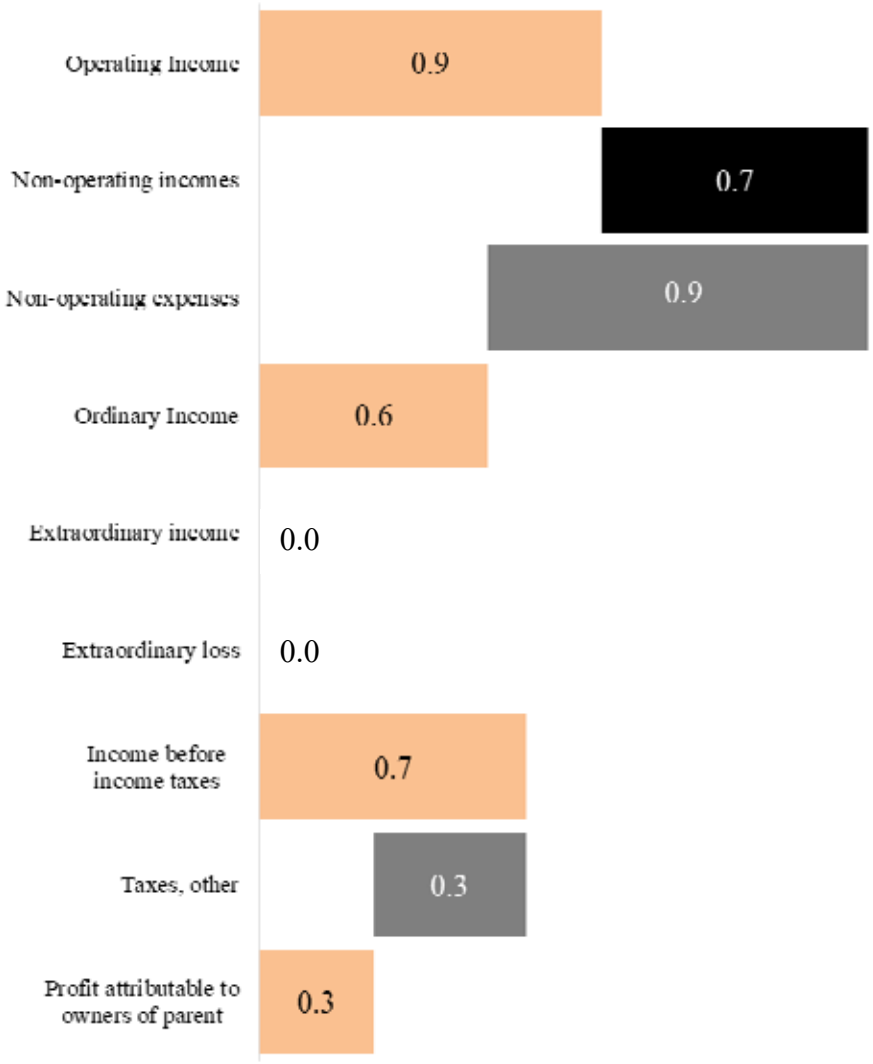
Entertainment Contents:

Launch of several new titles in digital games.
Launch of the titles that utilize IP.

⇒Details in “ FY Ending March 2019 1st Quarter Appendix”.

Income

(JPY Billion)



Non-operating income / loss

(JPY Billion)

Non-operating income	
Dividends income	0.2
Non-operating expense	
Equity in losses of affiliates	0.5

Consolidated Costs and Expenses

(JPY Billion)

	2018/3		2019/3		(Main factors)
	Results Through 1Q	Full Year Results	Results Through 1Q	Full Year Forecast	19/3 1Q results
R&D Expense / Content Production Expense	15.3	62.0	14.1	73.3	Entertainment Content: Decreased compared to the same period last year when development costs for a new title in packaged games were posted
Cap-ex	5.0	24.1	6.4	32.1	Increased with the relocation of headquarters
Depreciation	4.2	16.2	3.9	14.8	–
Advertising	3.2	15.4	3.3	22.1	–

Consolidated Balance Sheet

(JPY Billion)

	As of end of March 2018	As of end of June 2018	Change
Current Assets	272.3	265.3	-7.0
Cash and Deposits	157.8	97.3	-60.5
Securities	24.6	62.1	+37.5
Non Current Assets	201.1	207.1	+6.0
Current Liabilities	84.4	96.7	+12.3
Corporate Bonds	10.0	20.0	+10.0
Non Current Liabilities	78.5	69.1	-9.4
Corporate Bonds	22.5	12.5	-10.0
Total Liabilities	163.0	165.8	+2.8
Total Net Assets	310.4	306.6	-3.8
Total Assets	473.4	472.4	-1.0
Equity ratio	65.0%	64.3%	-0.7pt

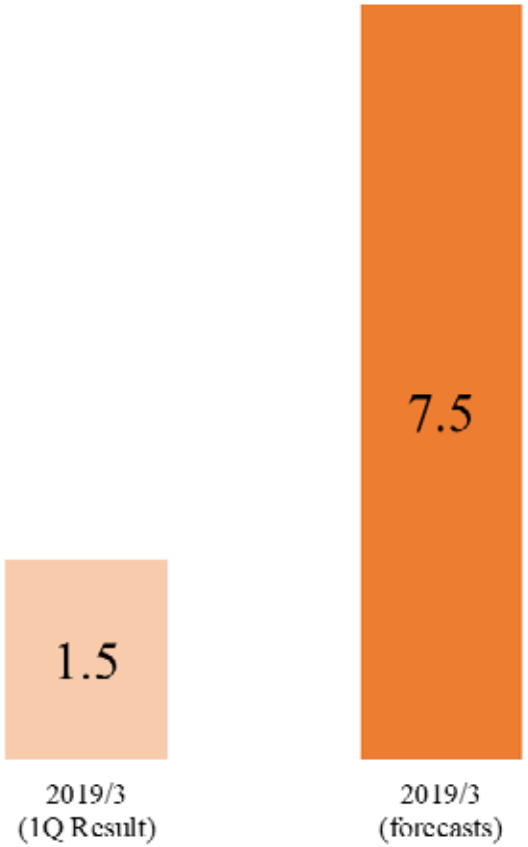
Main factors	
Current Assets	
Cash and deposits decreased due to purchase of short-term investment securities etc.	-7.0
Non Current Assets	+6.0
Increase in investment securities	

Relocation Expenses (2019/3 1Q / FY ending March 2019)

Incurrence of Relocation Expenses Associated with Relocation of Headquarters

One-off expenses of relocation
(Reference)

(JPY Billion)



■ Relocation starts from August

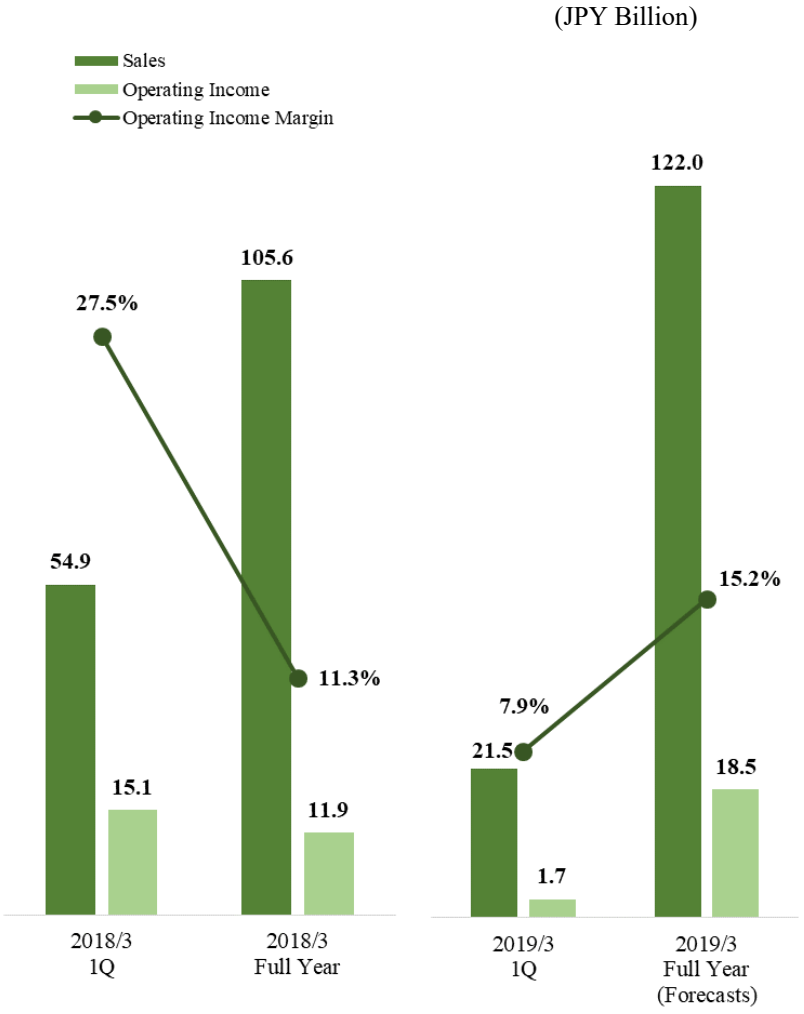
⇒No incurrence of relocation expenses expected for FY ending March 2020

	2019/3 1Q	2019/3 Full Year (Forecast)
Consolidated	**-1.5**	**-7.5**
Pachislot and Pachinko Machines	-0.4	-1.6
Entertainment Contents	-0.7	-5.0
Resort	0.0	0.0
Other / Elimination	-0.4	-0.9

2. Segment Results / Forecasts

Segment Results: Pachislot and Pachinko Machines

Pachislot and Pachinko Machines



Highlights

2019/3 1Q Results

Strong sales of titles mainly for pachinko.

Sales volume decreased from the same period last year, when sales from a big-name title was posted.

2019/3 Forecast

Pachislot: Full-scale sales of No. 6-type will commence in 2H, following the certification of No. 6-type.
Introduction of ZEEG-made machine cabinet.

Pachinko: Sales centered on machines conforming to previous regulation
("Pachinko CR Shin Hokuto Muso Chapter 2" (2Q) etc.)

Unit Sales (Thousands)

	2018/3 1Q	2018/3 Full year	2019/3 1Q	2019/3 Full year (Forecast)
Pachislot	25	85	9	103
Pachinko	97	140	40	201
Board+ Frame	83	97	13	94
Board	14	42	27	106

⇒Details in " FY Ending March 2019 1st Quarter Appendix".

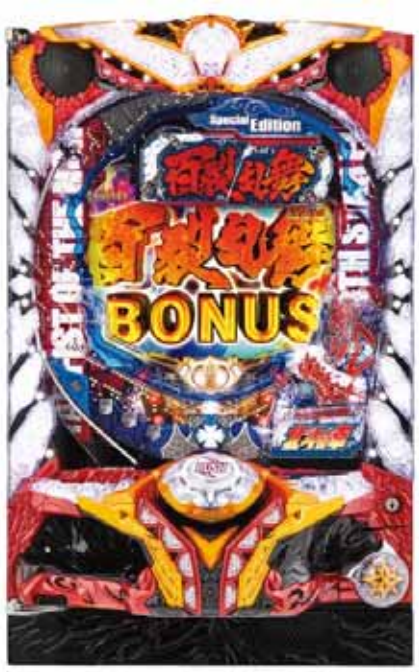
Segment Results: Pachislot and Pachinko Machines

Main titles launched in 1Q



“Pachinko CR Nisemonogatari”

©Nisioisin/Kodansha, Aniplex Inc., SHAFT INC.
©Sammy



“Pachinko CR Hokuto No Ken 7 Hyakuretsuranbu”

©Buronson & Tetsuo Hara/NSP 1983, ©NSP 2007
Approved No.YHO-419 ©Sammy

Main titles to be launched in 2Q



“Pachinko CR The Seven Deadly Sins”

©Nakaba Suzuki,Kodansha/The Seven Deadly Sins Project,MBS
©Nakaba Suzuki,Kodansha/The Seven Deadly Sins TVSP Project,MBS
©Nakaba Suzuki,Kodansha
©Sammy



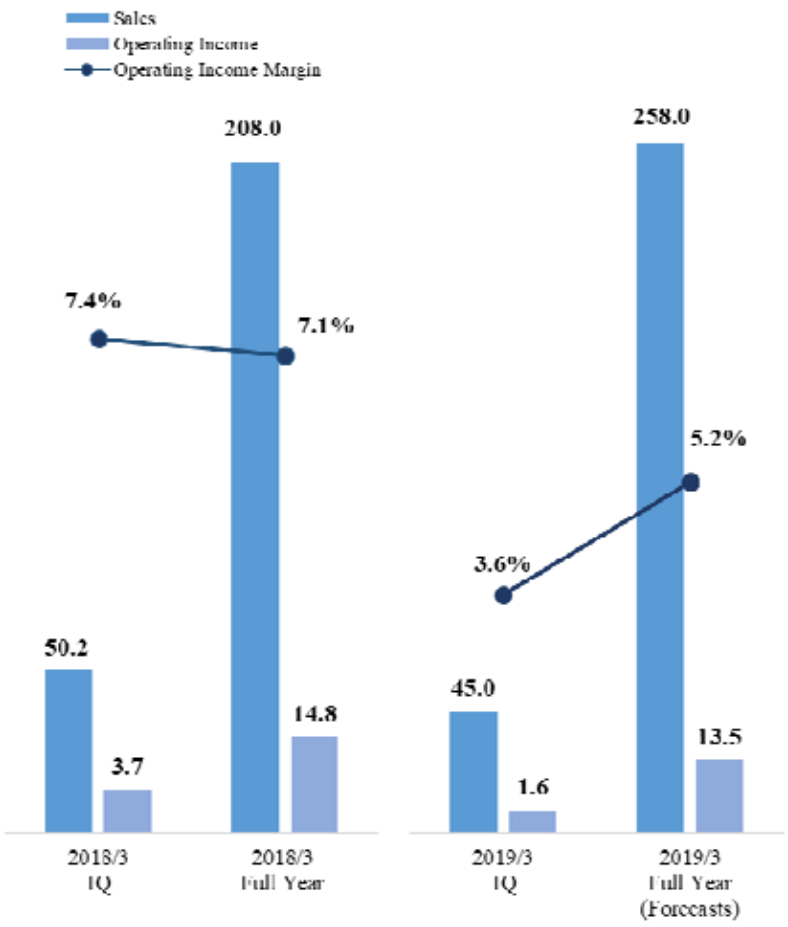
“Pachinko CR Shin Hokuto Muso Chapter 2”

©Buronson & Tetsuo Hara/NSP 1983, Approved No.KOK-115
© 2010-2013 Koei Tecmo Games Co., Ltd. ©Sammy

Segment Results: Entertainment Contents Business

Entertainment Contents

(JPY Billion)



Highlights

2019/3 1Q Results

Strong performance in packaged games but expenses incurred associated with the launch of new digital titles

2019/3 Forecast

Several new titles in digital games.

Launch of titles that utilize IP in each business segment.

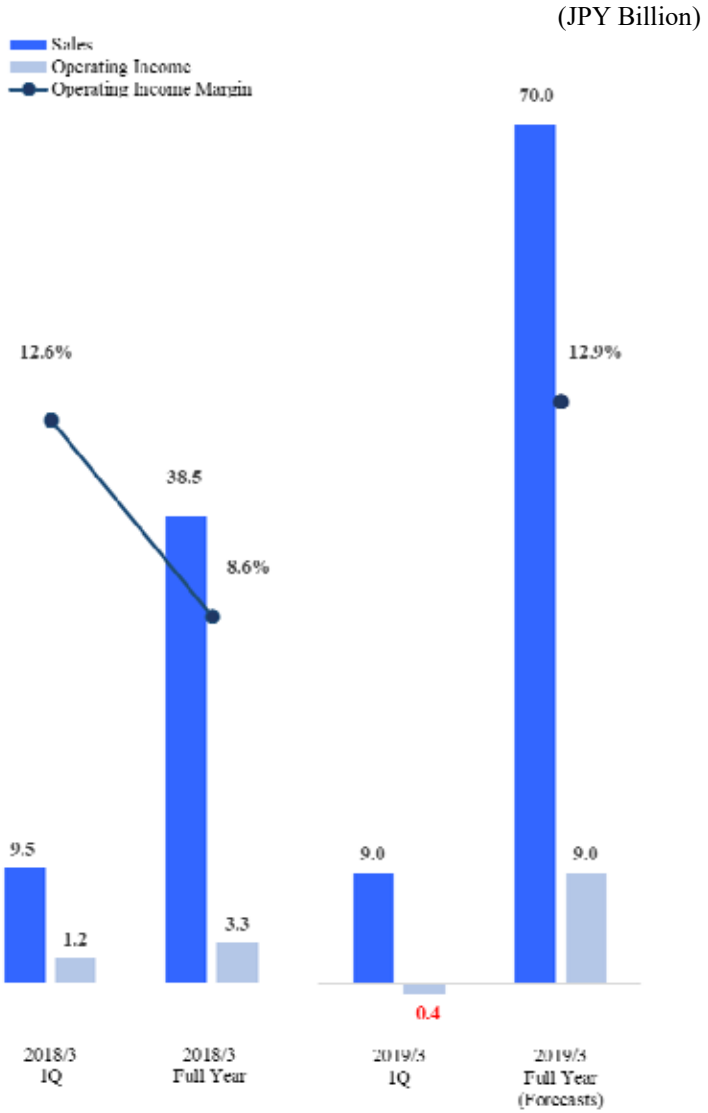
Main New titles in and after 2Q

Digital Games	WONDER GRAVITY ～BEST BUDDY: PINO & GRAVITOR～	NewIP
	BORDER BREAK	Existing IP
Packaged Games	Sonic Mania Plus	Existing IP
	Ryu ga Gotoku 3 (PS4)	Existing IP
	Shenmue I&II	Revival IP
Amusement Machine Sales	Fate/Grand Order Arcade	Outside IP
	O・N・G・E・K・I	New IP
	StarHorse3 SeasonVII GREAT JOURNEY	Existing IP

⇒Details in “ FY Ending March 2019 1st Quarter Appendix”.

Segment Results: Entertainment Contents Business

■ Digital Games



Highlights

2019/3 1Q Results

Started the distribution of “kotodaman” and “SEGA Pocket Club Manager”.

Losses recorded due to the incurrence of R&D expenses associated with the launch of new titles in addition to attenuation of existing titles

2019/3 Forecast

Gradual launch of new titles.

Top 3 sales titles

PHANTASY STAR ONLINE 2
SEGA Pocket Club Manager
Puyopuyo!! Quest

Segment Results: Entertainment Contents Business

Main New titles in 1Q



©SEGA

“kotodaman”
Number of downloads exceeded 7 million since the start of distribution in April, 2018



©SEGA All Rights Reserved By JFA The use of images and names of the football players in this game is under license from FIFPro Commercial Enterprises BV.
FIFPro is a registered trademark of FIFPro Commercial Enterprises BV.

“SEGA Pocket Club Manager”
Title for smartphones utilizing existing IP “Sakatsuku”

Main New titles in and after 2Q



©SEGA / f4samurai

“WONDER GRAVITY
～BEST BUDDY: PINO & GRAVITOR～”

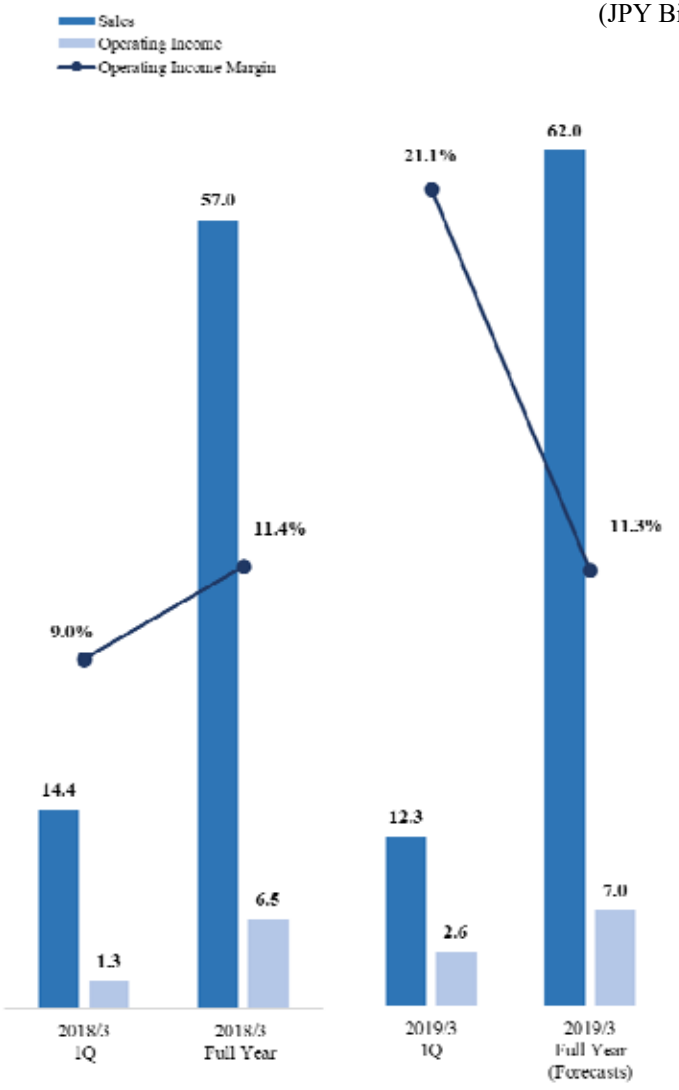


©SEGA

“BORDER BREAK”

Segment Results: Entertainment Contents Business

■ Packaged Games



Highlights

2019/3 1Q Results

Solid performance continued for the titles that utilize the existing IP, including the Yakuza and PERSONA series.
Repeat sales contributed to profit.

2019/3 Forecast

Expecting the launch of the titles that utilize IP and repeat sales.

Unit sales of packaged game

(Thousands)

	2018/3		2019/3	
	1Q	Full year	1Q	Full year (Forecasts)
Total	**4,560**	**17,330**	**5,700**	**20,000**
Japan	150	1,540	280	2,150
New title	40	950	120	1,590
Repeat title	110	590	160	560
Asia	140	810	120	770
New title	60	540	-	460
Repeat title	70	270	120	310
North America / Europe	4,260	14,980	5,300	17,080
New title	1,200	6,640	730	4,950
Repeat title	3,060	8,340	4,570	12,130

Segment Results: Entertainment Contents Business

Main New titles in 1Q

Main New title in and after 2Q

"Yakuza 6: The Song of Life"



©SEGA

"PERSONA 5: DANCING IN STARLIGHT"



©ATLUS ©SEGA All rights reserved.

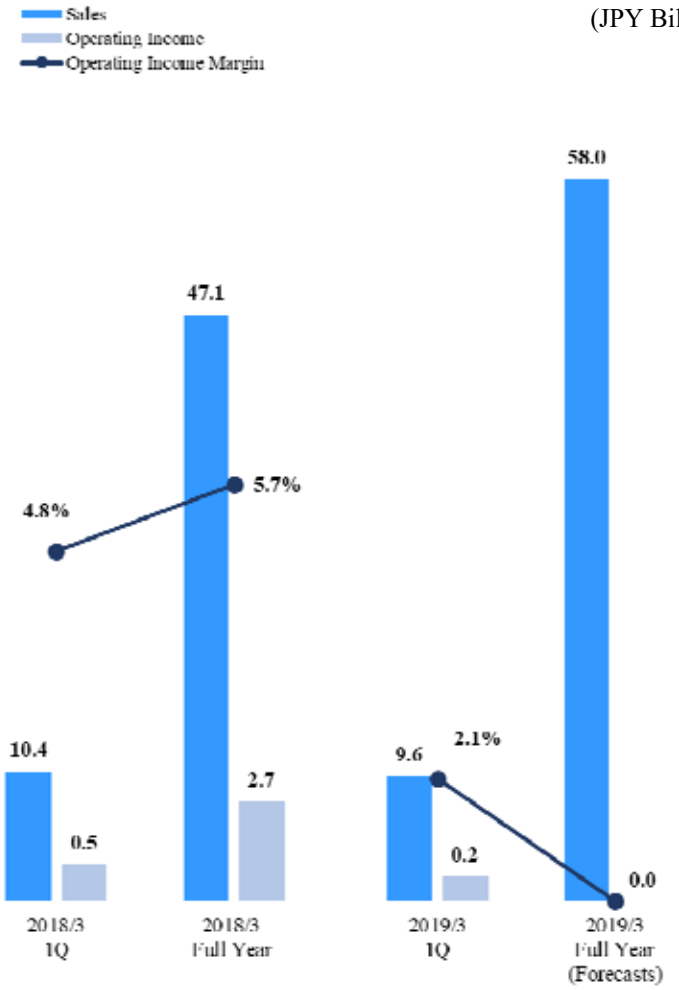
"Sonic Mania Plus"



©SEGA

Segment Results: Entertainment Contents Business

■ Amusement Machine Sales



Highlights

2019/3 1Q Results

Solid performance of the “UFO CATCHER” series.

2019/3 Forecast

Launch of new titles such as “Fate/Grand Order Arcade” and “O・N・G・E・K・I”, CVT kits and others.

Segment Results: Entertainment Contents Business

SEGASammy

Main New titles in 1Q

UFO CATCHER TRIPLE TWIN



©SEGA

Main New titles in and after 2Q

Fate Grand Order Arcade

フェイト/グランドオーダー アーケード



©TYPE-MOON / FGO ARCADE PROJECT

オンゲキ 音撃 O.N.G.E.K.I.

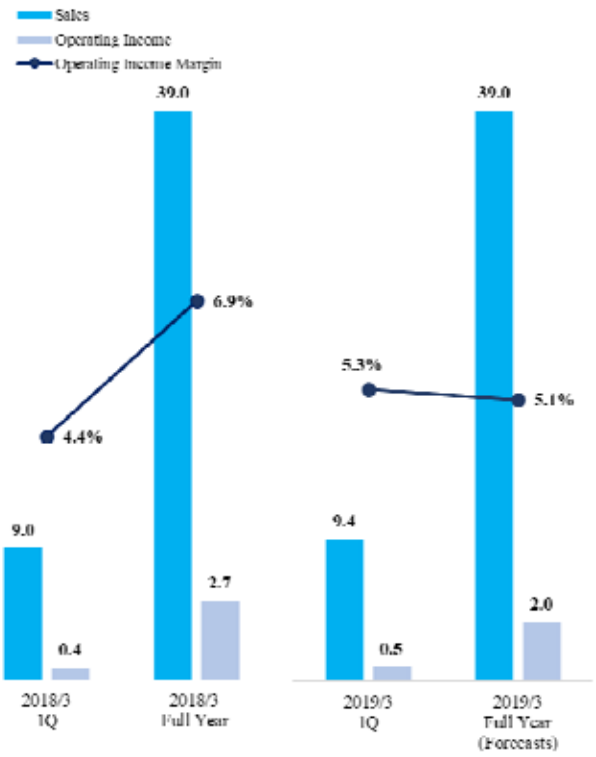


©SEGA

Segment Results: Entertainment Contents Business

■ Amusement Center Operations

(JPY Billion)



Highlights

2019/3 1Q Results

Strong performance in the prize field.

Costs generated from introduction of e-money (73 stores).

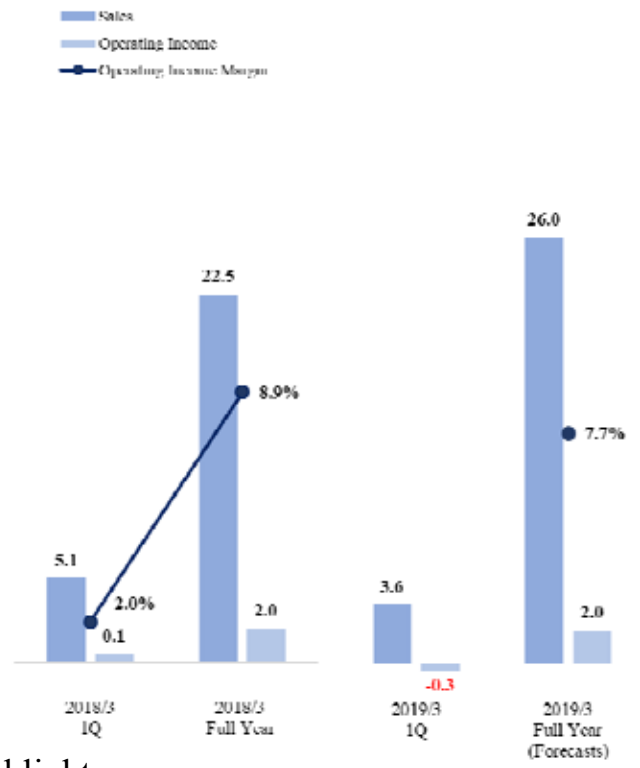
2019/3 Forecast

Focusing on expansion of prizes.

Introduction of new video games.

■ Animation / Toys

(JPY Billion)



Highlights

2019/3 1Q Results

Earnings from film distribution of Detective Conan and distribution of animations were recorded.

Sales of regular, mainstay products, including the “ANPANMAN” series.

2019/3 Forecast

Earnings from distribution of “Detective Conan: Zero the Enforcer”.

Focusing on new products, such as “ShuwaBomb”, and regular products.

Segment Results: Entertainment Contents Business

Main New titles



©2018 GOSHO AOYAMA/DETECTIVE CONAN COMMITTEE All Rights Reserved.

Record the distribution revenue from “Detective Conan: Zero the Enforcer”, the best hit movie (box office revenue exceeded 8 billion yen) in the series from 2Q.

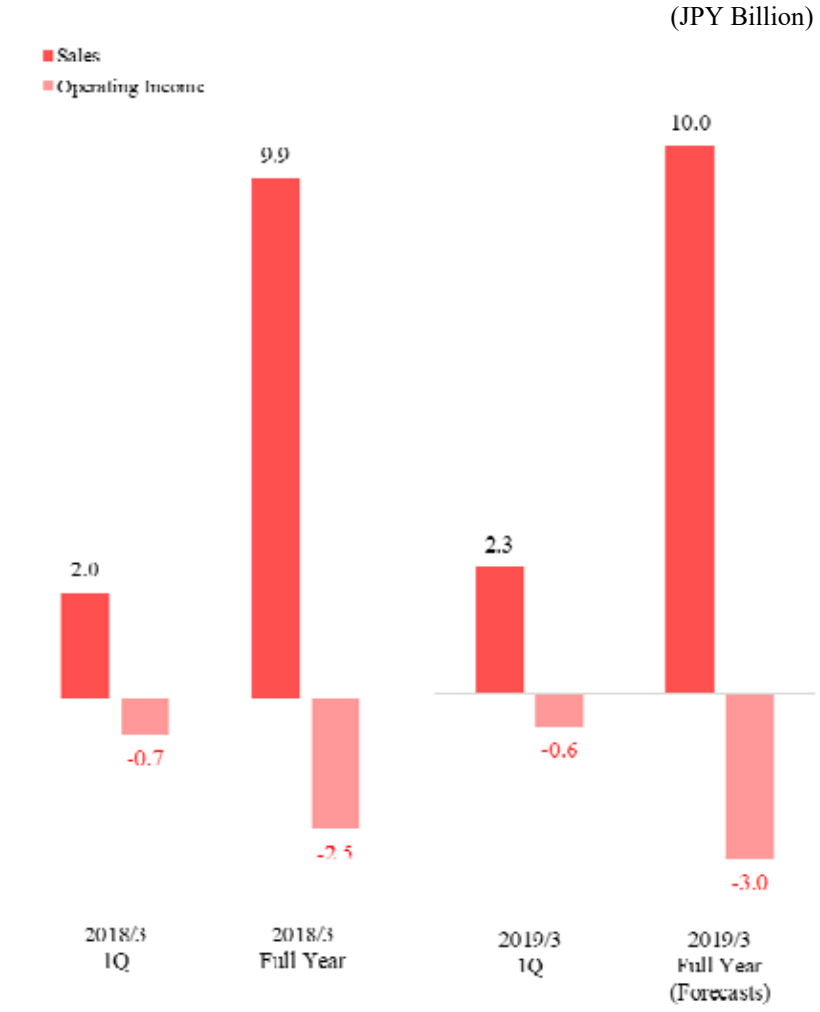




Launched “Shuwa Bomb Cupcakes Basic set”, which won the 2018 Nihon Omocha Taisho award (Japan Toy Award) for excellence in the girl’s toy category.

Segment Results: Resort Business

Resort Business



Highlights

2019/3 1Q Results

Strong operation from PHOENIX RESORT with reduced operating loss.

2019/3 Forecast

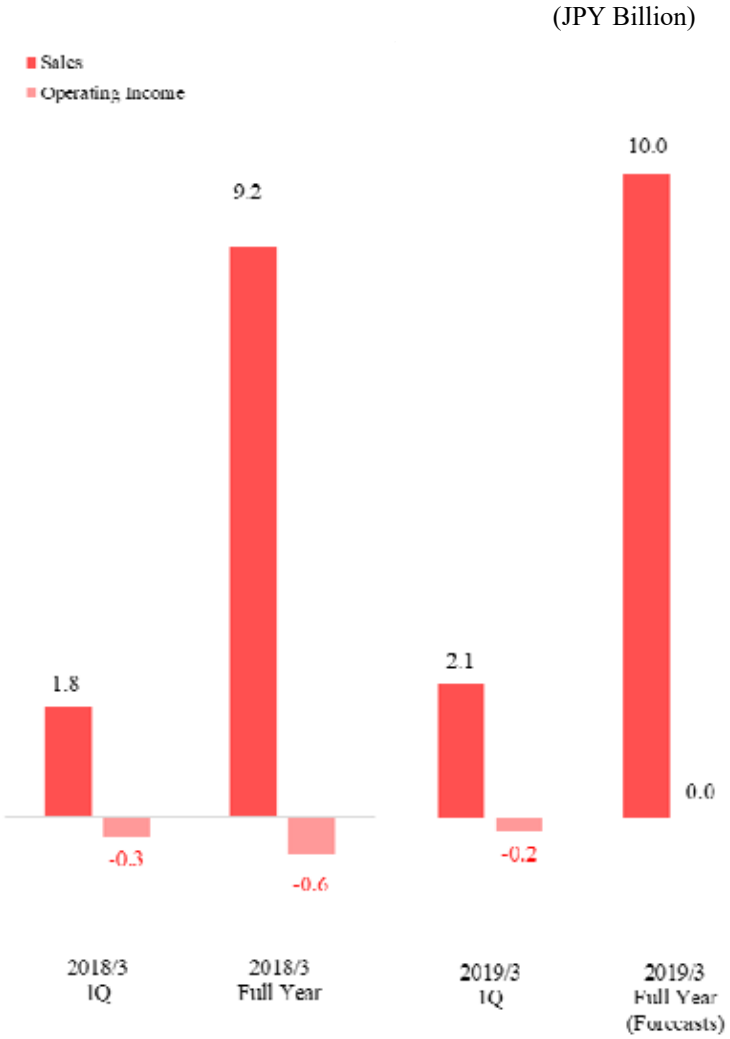
Prior investment in domestic IR.

Implement various activities and accommodation plans at Phoenix Seagaia Resort for continuing improvement of the profitability.

⇒Details in “ FY Ending March 2019 1st Quarter Appendix”.

Segment Results: Resort Business (PHOENIX RESORT)

■ PHOENIX RESORT



Highlights

2019/3 1Q Results

Number of visitors increased due to a variety of renewals completed in the previous year.
Number of members of Seagaia Premium Members Club exceeded 36,000.

2019/3 Forecast

Implement various activities and accommodation plans for the 25th anniversary of the opening to attract more visitors.

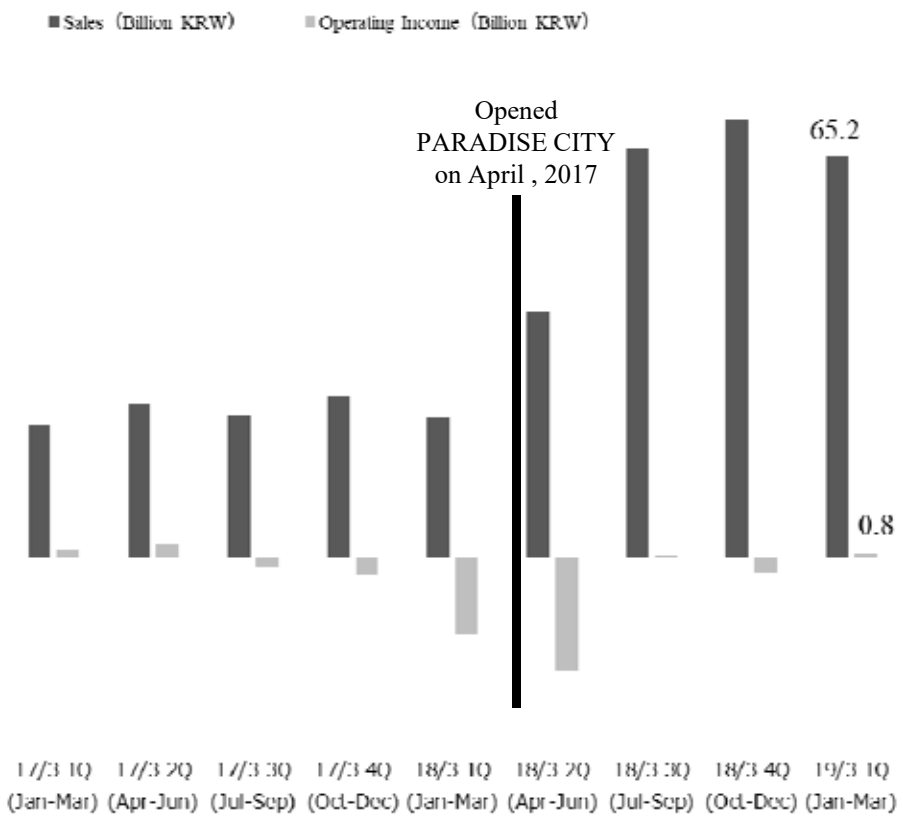
Segment Results: Resort Business (PHOENIX RESORT)

■ Phoenix Seagaia Resort



PARADISE SEGASAMMY (Equity method affiliate)

■PARADISE SEGASAMMY



Highlights

2019/3 1Q Results

Profitability improved steadily mainly due to a large number of Japanese visitors.

2019/3 Forecast

1-2 Phase which includes a Club and Spa, is scheduled to open gradually from September.

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate
* Figures for PARADISE SEGASAMMY Co., Ltd. are recorded with three months delay

PARADISE SEGASAMMY (Equity method affiliate)

Conceptual image of PARADISE CITY 1-2
(gradual opening starting in September 2018)



Taken in July 2018



https://www.segasammy.co.jp/

Please visit below websites for products and service information.
https://www.segasammy.co.jp/english/pr/corp/group/list.html
(SegaSammy Group Website list)

*** Company / product names in this document are trademarks or registered trademarks of the respective companies.**