



Corporate Profile 2011





for the next smile

**SEGA TOYS delivers
the best smiles and excitement to
people all over the world.**

Based on our corporate mission "Creating New Value: for the next smile," SEGA TOYS' goal is to provide fresh and innovative ways of playing that are not bound by the confines of conventional toys. Creating new value, we will satisfy the universal need for "enjoyment" that is an essential human quality, and we will also continue to give full consideration to the social environment and safety while contributing to the creation of a society that enriches people's lives.



A Message from the President

As a member of the SEGA SAMMY Group in the consumer toy business, Sega Toys is committed to providing the world brand new forms of entertainment originating in Japan and delivering the brightest smiles and ultimate excitement to people all over the globe.

The toy industry is currently facing a number of challenges associated with Japan's low birthrate, diversification in consumer preferences, price competition produced by stagnant consumer spending, rising manufacturing costs and diversification of retail formats. In order to come out ahead of the competition in this unfavorable climate we are working to develop new products and expand business operations through alliances and partnerships with other companies, both in Japan and overseas, and are actively promoting policies directed at creating synergies within the SEGA SAMMY Group.

Boldly taking on challenges not only in the Japanese market but throughout the world, in the future we will act to further raise international cost and product competitiveness by striving to surpass global standards from the planning stage onward.

In addition, we are developing new content continuing on from BAKUGAN, a character for boys that has become a global hit, executing a brand strategy for HOMESTAR home planetariums, an industry-leading example of an entertainment product for adults, and creating other new businesses. Sega Toys still has much potential.

Ultimately, all of Sega Toys is striving to bring the brightest smiles to people around the world and create opportunities for thrilling excitement and fun.



Yoshiharu Suzuki

President, CEO & COO
SEGA TOYS CO., LTD.

Sega Toys constantly produces new cute entertainment by offering forms of fun not bound by conventional toy categories.



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Jewel Pet

These characters were created through a joint project with Sanrio Co., Ltd. We are developing toys linked with animated programs, magazines and other products to unfurl a world of fantasy.

Zoobles!

This cute series of collectible toys with animal motifs is based on the idea of "candy friends" escaping from a candy factory. Animation produced jointly in Korea and Japan will be developed into standard characters.



©SEGA TOYS/SPIN MASTER/ZOOBLES COMMITTEE



Girls Toy Award at the 2011 Japan Toy Association Awards



©SEGA TOYS/SPIN MASTER/BAKUGAN 3 PROJECT

BAKUGAN

A novel action card game played with cards and balls that transform instantly. This major worldwide hit is still going strong, with animated programs on the air in 110 countries and toys sold in 80 countries.



Boys Toy Award at the 2011 Japan Toy Association Awards



みいつけた!

©NHK-NHK Educational

Miitsuketa!

Miitsuketa! is an educational entertainment program broadcast on NHK Educational TV. We develop and sell toys based on popular characters from the program.

Punickies

Punickies are small dolls with a squishy feel. They offer the fun of collecting them and the enjoyment of capsule games and creating accessories. They are a very popular girls' toy in the U.S.



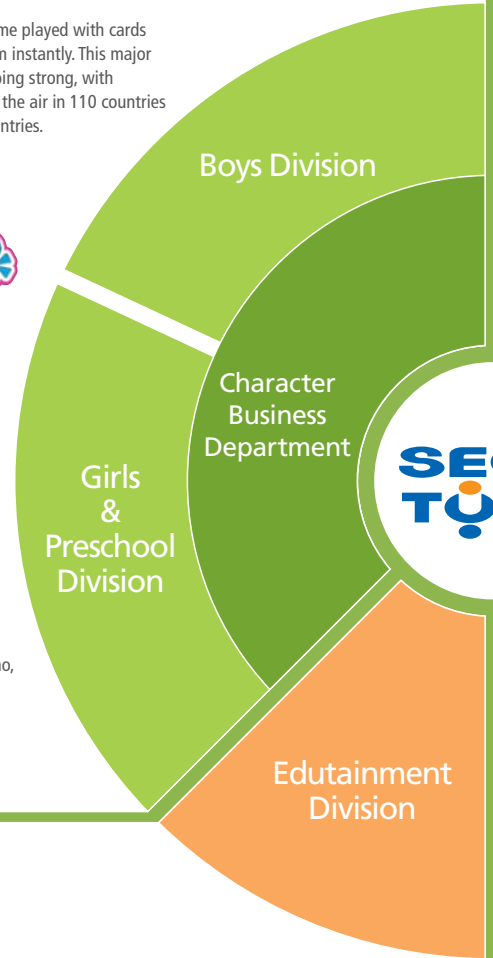
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©NHK

Poko-Potato

Poko-Potato is a segment on Okaasan to Issho, a children's program on NHK Educational TV. We develop and sell toys based on popular characters from the program.



©Disney/Pixar

Beena

Beena is an educational toy that enables children to learn as they have fun playing games. The software, which is based on the Disney / Pixar film Cars 2, helps children learn numbers, shapes and the alphabet as they play a racing game with a steering wheel-shaped racing controller.

Character Business Department Boys Division

Starting with the worldwide hit BAKUGAN, the Boys Division creates original character content and develops it globally.

Character Business Department Girls & Preschool Division

This division develops the original characters Jewelpet and Zoobles! as well as toys based on popular characters appearing on NHK educational programs.

Anpanman Business Department MD Division

The MD Division develops stuffed toys and educational toys based on Soreike! Anpanman, a highly popular animated program for preschool-age children.



We promote the creation of new character content and its global development with an eye on proactive alliances with partner companies and cross-media development. We also provide quality products for preschool-age children by acquiring licenses for exceptional character content. Drawing on distinctive expertise accumulated to date, we are developing an educational platform business and entertainment business for adults.



The best of Educational Toy Award at the 2010 Japan Toy Association Awards



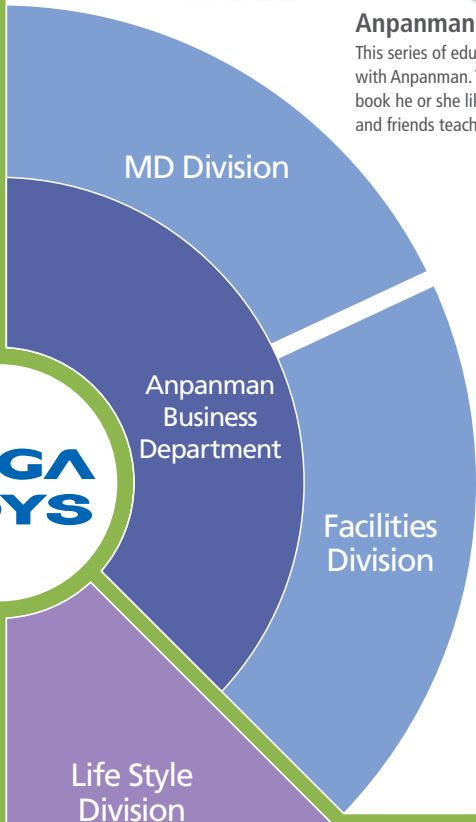
Educational Toy Award at the 2011 Japan Toy Association Awards

Anpanman Words Book

This series of educational toys lets children study words while playing with Anpanman. The child simply uses a pen to touch things in the book he or she likes or is interested in, and the voices of Anpanman and friends teach the child about it.

Anpanman Living Card

These educational toys teach children greetings and daily habits through the voices of Anpanman and friends. The ring-card type is popular with children and teaches greetings, daily habits and expressions for the seasons and various events.



Anpanman Driving Course

A three-dimensional course full of fun exclusively for die cast Anpanman mini-cars. Children have fun racing mini-cars on the course to their hearts' content.



Anpanman Fluffy Stuffed Toy Shop

We sell original stuffed toys based on popular Anpanman characters, cell phone straps, exclusive Anpanman Museum products and more.



Anpanman Jam Ojisan's Bread Factory

A bakery shop providing fresh bread based on popular Anpanman characters. Bread baking classes (Genki 100-Bai! Pan Kyoshitsu) for parents and their children are also held.

©TAKASHI YANASE / FRÖBELKAN-TMS-NTV



HOMESTAR

HOMESTAR is a full-fledged planetarium for the home. HOMESTAR Aqua Tokyo Sky Tree® shows the night sky as seen from Tokyo Sky Tree®. Over 500,000 HOMESTAR series products have been sold.



© TOKYO-SKYTREE



Innovative Toy Award at the 2011 Japan Toy Association Awards

Spray Art PRO

The Spray Art series makes it easy to draw airbrush-like pictures. 3D Spray Art Pro makes the pictures you draw jump out in 3D when viewed through special glasses.

Dream Pet

The Dream-Pet series of robotic pets provides the same kind of fun as the real thing. The robots respond with various movements and cute gestures. Over 1.5 million of the series have been sold.



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Anpanman Business Department Facilities Division

This division manages the Jam Ojisan's Bread Factory and Fluffy Stuffed Toy Shop in the Anpanman Children's Museum & Mall.






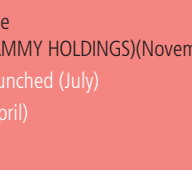


































Edutainment Division

This division develops the platform business for preschool-age children, including the educational toy Beena.

Life Style Division

This division develops the HOMESTAR home planetarium, Dream Pet series and other entertainment products for adults.

History of SEGA TOYS

<p>Year 2011</p>	<p>"Punickies" toys launched (July) "Anpanman Living Card" launched (July) "BAKUGAN BA-001 Colossus Dragon" launched (July) "3D Spray Art PRO" launched (April) "Zoobles!" toys launched (March)</p>		 Girls Toy Award at the 2011 Japan Toy Association Awards	 Innovative Toy Award at the 2011 Japan Toy Association Awards	 Educational Toy Award at the 2011 Japan Toy Association Awards	 Boys Toy Award at the 2011 Japan Toy Association Awards
<p>Year 2010</p>	<p>Delisted from Osaka Securities Exchange (Made fully owned subsidiary of SEGA SAMMY HOLDINGS)(November) "Bakugan 7 in 1 Maxus Dragonoid" launched (July) "Anpanman Words Book" launched (April) "Zhu Zhu Pets" launched (March)</p>		 The best of Educational Toy Award at the 2010 Japan Toy Association Awards	 Boys Toy Award at the 2010 Japan Toy Association Awards		
<p>Year 2009</p>	<p>Established Bakugan Limited Liability Partnership (November) "Glodoodle" launched (August) "Home Fireworks" launched (August) "Dream Cat Venus" launched (July)</p>	 Innovation Toy Award at the 2009 Japan Toy Association Awards	 High Target Toy Award at the 2009 Japan Toy Association Awards	 High Target Toy Award at the 2009 Japan Toy Association Awards	 The Best of Universal Toy Award at the 2009 Japan Toy Association Awards	
<p>Year 2008</p>	<p>"Jewel Pet" toys launched (October) "Dream Dog DX" launched (September) "Headstand Lucky" launched (August) "Ice-cream maker" launched (July) "Aerobic Navigator" launched (May)</p>	 High Target Toy Award at the 2008 Japan Toy Association Awards	 High Target Toy Award at the 2008 Japan Toy Association Awards	 Universal Toy Award at the 2011 Japan Toy Association Awards	 Innovation Toy Award at the 2008 Japan Toy Association Awards	
<p>Year 2007</p>	<p>"Grand Pianist" launched (April) "Anpanman Register" launched (February)</p>		 The Best of Universal Toy Award at the 2008 Japan Toy Association Awards	 2007 Nikkei Excellent Product and Service Award and Nikkei MJ Award		
<p>Year 2006</p>	<p>"Dream Cat Smile" launched (September) "BAKUGAN" toys launched (July) Established SEGA TOYS (HK) CO., LIMITED (May) "Dino King" toys launched (March)</p>		 Awarded the 2009 Toy of the Year U.S.A.			
<p>Year 2005</p>	<p>"Love and Berry" toys launched (December) "Beena" launched (August) "HOME STAR" launched (August) "i-Dog" launched (March)</p>		 2005 Nikkei Excellent Product and Service Award and Nikkei MJ Award			
<p>Year 2004</p>	<p>"Brain Trainer" launched (October) "Mushi-King" toys launched (March)</p>					
<p>Year 2003</p>	<p>Listed on the JASDAQ exchange (February) (Present: OSAKA Securities Exchange)</p>					
<p>Year 2002</p>	<p>"Dream Cat" launched (September) "Tea Dog" series launched (March) "CoCoPad" launched (March)</p>					
<p>Year 2000</p>	<p>"Poo-Chi" launched (April)</p>					
<p>Year 1998</p>	<p>Changed company name to SEGA TOYS CO., LTD. (April)</p>					

Corporate Profile

Company Name	SEGA TOYS CO., LTD.
Established	February 1991
President, CEO & COO	Yoshiharu Suzuki
Head Office	Ebisu Prime Square, 1-1-39 Hiroo, Shibuya-ku, Tokyo, Japan 150-0012 Tel: 81-3-5774-3600
Capital	100 Millions of Yen
Number of Employees	125 (consolidated)

Members of the Board

Chairman	Hajime Satomi
President, CEO & COO	Yoshiharu Suzuki
Executive Vice President & CFO	Akira Sugano
Senior Managing Director	Kenji Yokozeki
Executive Officer	Michitoshi Sugimoto
Executive Officer	Junichi Kimura
Corporate Auditor (Full-time)	Yoshiharu Yamashige
Corporate Auditors (Outside)	Tomio Kazashi

Consolidated Subsidiaries

BAKUGAN LLP
Ebisu Prime Square, 1-1-39 Hiroo, Shibuya-ku, Tokyo, Japan 150-0012

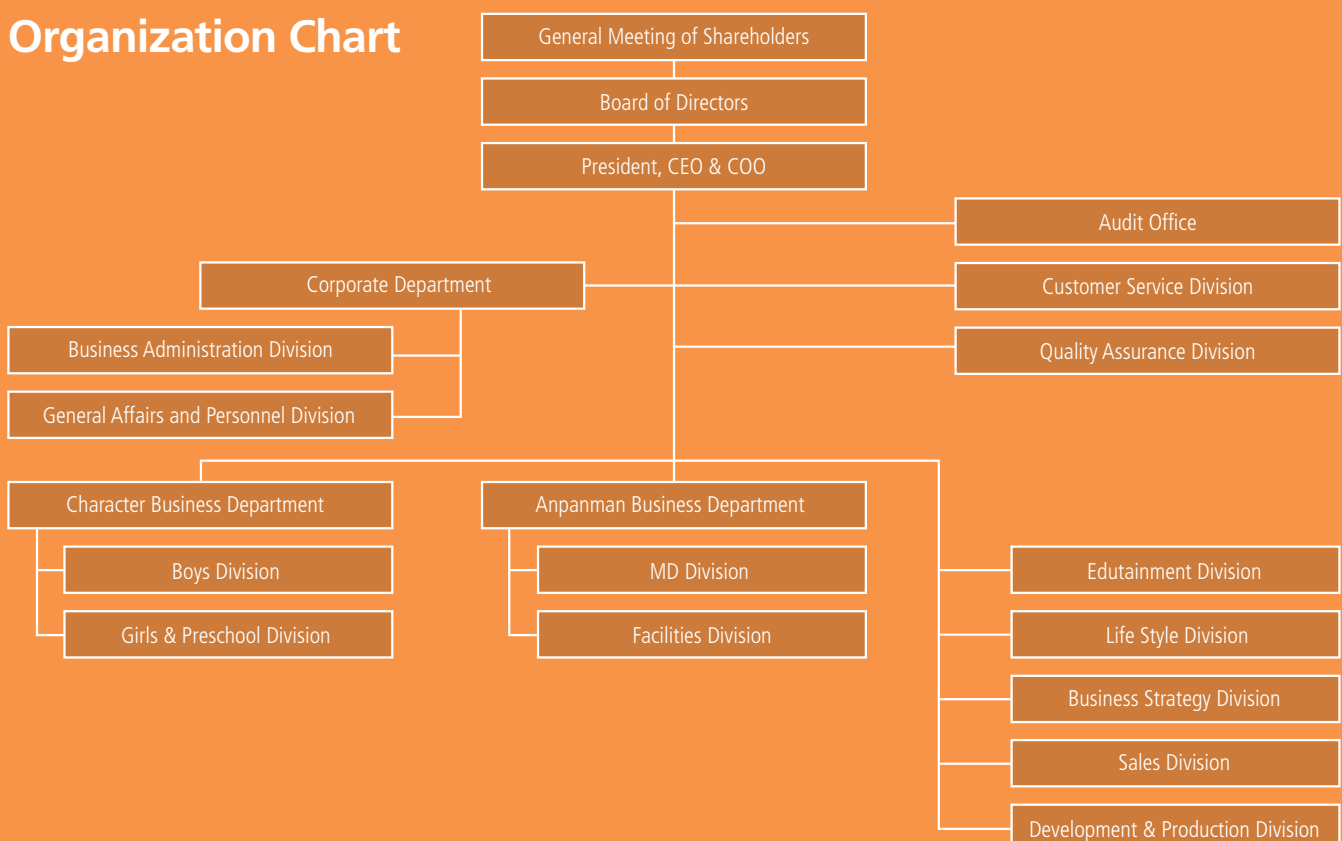
SEGA TOYS (HK) CO., LIMITED
Flat/Rm 1803 18/F Tower 1 China Hong Kong City 33,
Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

Group Company

SEGA SAMMY HOLDINGS INC.
Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi,
Minato-ku, Tokyo, Japan



Organization Chart



Basic Policy Regarding Product Safety

SEGA TOYS CO., LTD.(hereinafter, the “Company”), recognizes that consumer confidence regarding the safety of products manufactured and sold by the Company is an important management issue. Company management assigns the highest priority to the customer perspective and product safety assurance, and as part of its sincere effort to ensure product safety, has formulated the following basic policy regarding product safety.

1. Legal Compliance

The Company meets its obligations under the Consumer Product Safety Act and other laws and regulations related to product safety.

2. Establishment of Voluntary Action Plan

The Company formulated and promotes a Voluntary Action Plan based on this basic policy and has created a corporate culture focused on a customer conscious and product safety assurance.

3. Quality Control for Product Safety Assurance

The Company strives to always conduct the proper quality control to ensure product safety. We attempt to provide safe products by making use of the Japan Toy Association’s safety toy mark (ST Mark) program and other initiatives. We provide use manuals and affix warnings on products to inform customers of the potential dangers posed by misuse of the product to aid in avoiding accidents.

4. Collection and Disclosure of Product Incident Information

In the event of an incident caused by one of our products, we proactively collect information from the customers while providing the appropriate details to other customers and stakeholders.

5. Serious Product Accident Information

In the event of a serious accident caused by one of our products, we promptly inform the relevant authorities in accordance with legal requirements.

6. Preventing the Occurrence and Escalation of Damage

Regarding unforeseen product accidents, when necessary we recall products employing approved methods to prevent the occurrence and/or escalation of damages, and we promptly provide appropriate information to customers and relevant parties.

7. Measures to Avoid Misuse

To ensure that customers use our products safely, we provide user manuals and affix warnings on products to inform customers of the potential dangers posed by misuse of the product to aid in avoiding accidents.



SEGA TOYS CO., LTD.

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