

October 2, 2001

To whom it may concern;

Company Name	: Sammy Corporation
Name of representative	: Hajime Satomi, President and CEO
Stock Code	: 6426(1 <sup>st</sup> section of TSE)
Contact	: Yasuhiro Katayama, Executive Officer and Manager of Administration Division
TEL	: +81-3-5950-3790

Notice on Faults in Parts of Pachislot  
and Measures which We Will Take

On September 29, 2001, faults were found out in the starting levers of our Pachislot machines (hereinafter referred to as "Start Lever"). The following is the current situation and measures, which we will take:

1. Background and description of the faults

On September 29, 2001, one of our sales agents in Kouchi Prefecture reported to us that "Neko de Koban", a Pachislot machine developed and manufactured by our company (consigned by K.K. Aristocrat Technologies), and sold by K.K. Aristocrat Technologies, has been malfunctioning. We analyzed the incident at our development department, and found out that when operating the Start Lever very slowly and manually stopping it when the slot starts to revolve, an unusual operation occurs in both the reel movement and the drawing of random numbers by the optical sensor, and consequently higher winnings can be obtained.

Our further investigation uncovered that similar faults occurred in the other Pachislot machines (although not all of them), which were manufactured by RODEO Co., Ltd., K.K. Aristocrat Technologies and our company, and which were sold after August 2000.

2. The Number of Shipments in the Market

Accumulated number of shipments: approximately 320,000  
(as of October 1, 2001, for the machines in question, sold after August 2000, excluding some of them)

The number of machines that are installed and operated at pachinko halls at present may be less than those shipped. The exact number is under investigation.

3. Measures to Be Taken and Effects on the Operating Results

We have been promptly making contact with related administrative authorities and organizations and are keeping in close contact with them. Now, as a top priority at our company we are preparing remedial measures including an exchange of parts, which is to start tomorrow. As for specific measures, it is possible to fully prevent unusual operation by equipping a supplementary electronic device on the optical sensor. It is estimated to cost 300 million yen for the above installation of the electronic device. In addition to this, an amount to recover the clients' damages may be incurred.

Regarding the amount, which may affect our operating results, at present, we anticipate that it will not be serious. However, as soon as we know specific amounts other than the above, we will notify to you.