

(Translation)

January 27, 2011

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi,
Chairman of the Board and
Chief Executive Officer

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Koichiro Ueda,
General Manager of Group Executive
Office and Group Communications
Office
(TEL: 03-6215-9955)

Notice on “Pachislot Sakura Taisen 3”

The “Pachislot Sakura Taisen 3” that Sammy Corporation, a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), for which installment started on January 11, 2011, has been well received by pachislot fans. However, some pachinko halls have reported that the machine's payout is fluctuating at a relatively high rate. The Company confirmed the facts and following deliberations on countermeasures has come to the decision as described below.

Pachinko halls who wish to continue use of “Pachislot Sakura Taisen 3” may continue to use the product. (Moreover, for pachinko halls who do not wish to continue installation of this product, a replacement machine will be prepared at no cost on the condition that the “Pachislot Sakura Taisen 3” machine is retrieved. Furthermore, 3,000 yen per day shall be paid for each “Pachislot Sakura Taisen 3” machine until the date when a replacement machine is installed (planned for the middle of February 2011), as a compensation for operations.)

The Company is currently reviewing the impact of this incident on its operating results. However, in view of the progression of operating results up to the third quarter of the fiscal year ending March 31, 2011, and the robust status of orders of “Pachinko CR Hokuto No Ken Kenshiro,” which Sammy Corporation is currently selling and other factors, it is judged that there will be no need to revise forecasts of operating results that were announced on September 30, 2010. The Company will promptly disclose any changes in the event that revisions of forecasts of operating results become necessary.

(Note) The above forecasts of operating results are made based on information available to management as of the date hereof. In the future, actual results may differ from the projected figures due to various factors.

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