

(Translation)

February 21, 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 of Adjustment to the Forecasts of Operating Results of the Company's  
Subsidiary (TAIYO ELEC Co., Ltd.) for the Fiscal Year Ending March 31, 2011

Notice is hereby given that TAIYO ELEC Co., Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), has made an announcement concerning adjustment to the forecasts of operating results for the fiscal year ending March 31, 2011 announced on January 26, 2011 as described in the attachment hereto.

These events will have no significant effect on the Company's operating results and no adjustment will be made to the forecasts of the Company's operating results.

<<Attached material: Press release of TAIYO ELEC Co., Ltd.

"Notice of Adjustment to the Forecasts of Operating Results for the Fiscal Year  
Ending March 31, 2011">>

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February 21, 2011

Dear Sirs,

Company: TAIYO ELEC Co., Ltd.  
Representative: Eriko Sato,  
President and  
Representative Director  
(Code No. 6429, JASDAQ)  
Further Inquiries: Nobuhiko Watanabe,  
Corporate Officer and  
General Manager of Management  
Headquarters  
(Tel: 052-502-9222)

Notice of Adjustment to the Forecasts of Operating Results  
for the Fiscal Year Ending March 31, 2011

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Notice is hereby given that TAIYO ELEC Co., Ltd. ("the Company"), in light of recent developments in its business performance, has made an announcement as described below, concerning adjustment to the forecasts of operating results for the fiscal year ending March 31, 2011, which was announced on January 26, 2011.

**1. Adjustment to the forecasts of operating results for the fiscal year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)**

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Net Income	Net Income per share (Yen)
Previously announced forecast (A)	33,100	4,550	4,570	2,650	116.83
Adjusted forecast (B)	26,600	3,300	3,310	1,940	85.53
Amount of increase or decrease (B-A)	(6,500)	(1,250)	(1,260)	(710)	—
Rate of increase or decrease (%)	(19.6%)	(27.5%)	(27.6%)	(26.8%)	—
(For reference) Operating results for the same period of the previous year (from April 1, 2009 to March 31, 2010)	24,190	3,773	3,776	3,640	160.49

## 2. Reason for the adjustment

In the pachinko machine business, new models of three series were initially planned to be launched in the second half. However, we strategically postponed sales of the “CR Okinawa Collection” to the next period to further refine and heighten gameplay, and we determined it would be difficult to launch one series during the period that was planned to be launched due to delays in adaptation. Therefore, we expect to launch only one series, “CR Samurai Champloo 2,” for which sales are continuing in the second half.

Due to the revisions described above, an adjustment was made to the full year pachinko machine sales volume forecast from the previous forecast of 68,000 units to 45,000 units (down 23,000 units from the previous forecast).

As for the pachislot machine business, although a new model of one series was initially planned to be launched in the second half, we decided to forgo the launch during the period after taking into consideration the market environment at the period end. As a result of the above, the full year pachislot machine sales volume forecast was adjusted from the previous forecast of 41,000 units to 37,000 units (down 4,000 units from the previous forecast).

Due to the reduced pachinko and pachislot machine sales volume forecasts, full year net sales have been adjusted to 26.6 billion yen (down 6.5 billion yen from the previous forecast). In terms of profit, despite continued efforts to reduce losses for scrapped parts and expenses, these will not be enough to offset the impact of pachinko and pachislot machine sales volume forecasts falling below previous forecasts. Operating income has been adjusted to 3.3 billion yen (down 1.25 billion yen from the previous forecast), ordinary income has been adjusted to 3.31 billion yen (down 1.26 billion yen from the previous forecast), and net income has been adjusted to 1.94 billion yen (down 710 million yen from the previous forecast).

Furthermore, as for the year-end dividends for the fiscal year ending March 2011, there has been no change to the dividend per share of 15 yen announced on January 26, 2011.

Forecasts of operating results include predictions based on assumptions, expectations and plans regarding the future as of the date of the announcement of this material. Actual results may vary significantly from the Company’s forecasts due to risks and uncertainties involving factors including but not limited to economic conditions and market trends.

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