

(Translation)

August 29, 2014

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.  
 Name of Representative: Hajime Satomi  
 Chairman, President and  
 Representative Director (CEO)

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

Further Inquiry: Seiichiro Kikuchi  
 Executive Officer  
 Division Manager, Group  
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 (TEL: 03-6215-9955)

Notice of Adjustment to the Forecast of First-Half Consolidated  
 Operating Results for the Year Ending March 31, 2015

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It is hereby notified that SEGA SAMMY HOLDINGS INC. (the “Company”), in consideration of the recent development of its business performance, has made an adjustment to the forecast of its first-half consolidated operating results for the year ending March 31, 2015, publicized on May 9, 2014, as described below.

Description

● Details of Adjustment to the Forecast

Adjustment to the forecast of first-half consolidated operating results for the year ending March 31, 2015 (from April 1, 2014 to September 30, 2014)

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Quarterly net income	Quarterly net income per share (yen)
Previously publicized forecast (A)	160,000	(8,000)	(8,000)	(7,000)	(28.74)
Adjusted forecast (B)	157,000	3,000	3,000	(1,500)	(6.15)
Amount of increase or decrease (B-A)	(3,000)	11,000	11,000	5,500	—
Rate of increase or decrease (%)	(1.9)	—	—	—	—
(For reference) Operating results for the first-half of the previous year (from April 1, 2013 to September 30, 2013)	162,209	12,398	14,266	11,348	46.76

[Reasons for the adjustment]

As a result of pachinko machines sales performing strongly while postponing the sales schedule of the pachislot title to the second half of the fiscal year in the Pachislot and Pachinko Machines Business, unit sales for the first half of the year ending March 31, 2015 is projected to be about 92,000 units (previous forecast: about 114,000 units) for pachislot machines and about 92,000 units (previous forecast: 58,000 units) for pachinko machines. In the Amusement Machine Sales segment and the Packaged Games field of the Consumer Business segment, the sales schedule of some titles has been postponed to the second half of the fiscal year. As a result, consolidated net sales is expected to fall below the previously announced forecast.

On the other hand, however, operating income, ordinary income and quarterly net income are projected to surpass the previously announced forecast. This is mainly due to robust sales of pachinko machines exceeding the initial plan and increased profit margins through cost improvement measures such as the reuse of parts/materials in the Pachislot and Pachinko Machines Business. In the Consumer Business segment, distribution revenue from the animated films division was strong surpassing the initial plan. In addition, operating expenses such as R&D expenses have decreased. Although an extraordinary loss is expected in the second quarter because a resolution made concerning some facilities at PHOENIX SEAGAIA RESORT will not be utilized in the future, quarterly net income is expected to surpass the previously announced forecast. PHOENIX SEAGAIA RESORT is operated by PHOENIX RESORT CO., LTD., a wholly owned subsidiary of the Company.

As a result of the above, consolidated net sales for the first half of the fiscal year ending March 31, 2015 is expected to be 157.0 billion yen (a decrease of 3.0 billion yen compared to the previously announced forecast), operating income is expected to be 3.0 billion yen (an improvement of 11.0 billion yen compared to the previously announced forecast), ordinary income is expected to be 3.0 billion yen (an improvement of 11.0 billion yen compared to the previously announced forecast) and quarterly net loss is expected to be 1.5 billion yen (an improvement of 5.5 billion yen compared to the previously announced forecast).

As to the fiscal year ending March 2015, since the sales of mainstay products are scheduled mainly in and after the third quarter, there is currently no adjustment to the forecast of that year's full-year consolidated operating results. Instead, the forecast will be released once it becomes clear after determining the sales schedule and trend of such mainstay products.

\*The figures and forecasts of operating results described in this document are based on information available to management as of the date hereof. Actual results may differ from the projected figures due to various factors arising in the future.

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