

(Translation)

October 27, 2010

To whom it may concerns,

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 Inquiries: Koichiro Ueda,
General Manager of
Group Communications Office
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of Operating Results for 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 May 11, 2010 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 from 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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October 27, 2010

To whom it may concern,

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

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 May 11.

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	3,860	3,890	2,280	100.52
Adjusted forecast (B)	33,100	4,550	4,570	2,650	116.83
Amount of increase or decrease (B-A)	(1,000)	690	680	370	—
Rate of increase or decrease (%)	(2.9%)	17.9%	17.5%	16.2%	—
(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

Based on developments in the business performance during the first six-month period (from April 10, 2010 to September 30, 2010), and in the midst of an uncertain market environment in the second half of the fiscal year including the negative effect of shelved replacements of pachinko/pachislot machines occurring from early October to mid November due to the occurrence of APEC and related meetings, lines of products for sale and sales strategies for the second half of the fiscal year ending March 31, 2011 have been revised, with the state of progress of new product development also taken into consideration. As a result, forecasts of the unit sales of pachinko machines and pachislot machines have been revised to 68,000 and 41,000 respectively for the fiscal year ending March 31, 2011.

Due to the revisions described above, it is anticipated that the total unit sales and sales of pachinko machines and pachislot machines will be about 109,000 units (a decrease of about 16,000 from the forecasts announced earlier) and 33.1 billion yen (a decrease of about 1 billion yen from the forecasts announced earlier), respectively.

Despite this downward adjustment of the total unit sales of pachinko machines and pachislot machines from the initial forecasts, thanks to the Company's price strategies in response to the market environment in the first six-month period and proper placement of material orders of adequate volumes by the Company in its production schedule as well as streamlining efforts regarding other expenses throughout the fiscal year ending March 31, 2011, it is anticipated that operating income, ordinary income and net income will be 4.55 billion yen (an increase of 690 million yen from the forecasts announced earlier), 4.57 billion yen (an increase of 680 million yen from the forecasts announced earlier) and 2.65 billion yen (an increase of 370 million yen from the forecasts announced earlier), respectively.

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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