

(Translation)

September 30, 2010

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
Communications Office
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecast of First-Half and Whole-Year
Consolidated Operating Results for the Year Ending March 31, 2011

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, 2011 publicized on July 30, 2010 and whole-year consolidated operating results for the year ending March 31, 2011 publicized on May 14, 2010 as described below.

Description

Adjustment to the forecast of first-half consolidated operating results for the year ending March 31, 2011 (from April 1, 2010 to September 30, 2010).

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	205,000	34,000	33,500	17,000	67.48
Adjusted forecast (B)	217,000	45,000	44,500	24,500	97.25
Amount of increase or decrease (B-A)	12,000	11,000	11,000	7,500	—
Rate of increase or decrease (%)	5.9%	32.4%	32.8%	44.1%	—
(For reference) Operating results for the same period of the previous year (from April 1, 2009 to September 30, 2009)	154,395	(318)	(729)	(6,323)	(25.10)

Adjustment to the forecast of whole-year consolidated operating results for the 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 publicized forecast (A)	400,000	40,000	39,000	22,000	87.33
Adjusted forecast (B)	410,000	65,000	64,000	37,500	148.86
Amount of increase or decrease (B-A)	10,000	25,000	25,000	15,500	—
Rate of increase or decrease (%)	2.5%	62.5%	64.1%	70.5%	—
(For reference) Operating results for the previous year (from April 1, 2009 to March 31, 2010)	384,679	36,712	35,925	20,269	80.46

[Reasons for the adjustment]

(1) First half of the year ending March 31, 2011

In the pachislot and pachinko machines business, with pachislot machines in operation being on a recovery trend, sales of the Company's Group products remained robust and pachislot machine sales volume is projected to be about 200,000 units (previously publicized forecast: 180,000 units) in the first half of the year ending March 31, 2011. In addition, efforts to lower costs through the reuse of parts and reduction of parts procurement costs improved the profit margin.

As a result of the above, consolidated net sales of 217,000 million yen (up 12,000 million yen from the previously publicized forecast), operating income of 45,000 million yen (up 11,000 million yen from the previously publicized forecast), ordinary income of 44,500 million yen (up 11,000 million yen from the previously publicized forecast) and net income of 24,500 million yen (up 7,500 million yen from the previously publicized forecast) are projected for the first half of the year ending March 31, 2011.

(2) Whole year of the year ending March 31, 2011

Based on the progression of operating results in the first half of the year ending March 31, 2011, sales volume in the pachislot and pachinko machines business for the year ending March 31, 2011 was revised to about 300,000 pachislot machine units (previously publicized forecast: 210,000 units) and about 360,000 pachinko machine units (previously publicized forecast: 410,000 units), and profit margin is also expected to improve through the reuse of parts and reduction of parts procurement costs.

While the consumer business saw mainly sales of new titles in overseas markets hover at weak volumes, the amusement machine sales business and amusement center operations business are expected to maintain robust operating results.

As a result of the above, consolidated net sales of 410,000 million yen (up 10,000 million yen from the previously publicized forecast), operating income of 65,000 million yen (up 25,000 million yen from the previously publicized forecast), ordinary income of 64,000 million yen (up 25,000 million yen from the previously publicized forecast) and net income of 37,500 million yen (up 15,500 million yen from the previously publicized forecast) are projected for the year ending March 31, 2011.

Furthermore, as outlined in the “Notice Concerning Exchange of Shares to Convert Sammy NetWorks Co., Ltd., SEGA TOYS CO., LTD. and TMS ENTERTAINMENT, LTD. into Wholly Owned Subsidiaries of SEGA SAMMY HOLDINGS INC.” publicized on August 27, 2010, goodwill (or negative goodwill) is expected on the Company’s consolidated financial statements in association with the exchange of shares. The amount of goodwill (or negative goodwill) that will generate is yet to be determined at this stage, but the impact of such on consolidated operating results is expected to be minimal.

(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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