

(Translation)

October 17, 2008

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: Takatoshi Akiba,  
Executive Officer  
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of the First Half Non-consolidated Operating Results  
for the Year Ending March 31, 2009 of the Company's Subsidiary (TAIYO ELEC Co., Ltd.)

Notice is hereby given that TAIYO ELEC Co., Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company") made an announcement on adjustment to the forecasts of its first half non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009), which was publicized in its "Non-Consolidated Settlement of Accounts for the Fiscal Year Ended March 31, 2008" on May 13, 2008 as described in the attachment hereto.

The adjustment will have no significant effect on the operating results of the Company and no adjustment will be made to the forecasts of the operating results of the Company.

<<Attached material: Press release of TAIYO ELEC Co., Ltd.  
"Notice of Adjustment to the Forecasts of the First Half Operating  
Results (Non-Consolidated) for the Year Ending March 31, 2009 ">>

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(Translation)



October 17, 2008

Dear Sirs,

Name of Company: TAIYO ELEC Co., Ltd.  
Name of Representative: Eriko Sato,  
President and Representative  
Director  
Code No: 6429  
Listing Exchange: JASDAQ  
Further Inquiry: Masahiko Watanabe,  
Executive Officer  
Administration Division  
(TEL: 052-502-9222)

Notice of Adjustment to the Forecasts of the First Half Operating Results  
(Non-Consolidated) for the Year Ending March 31, 2009

Notice is hereby given that TAIYO ELEC Co., Ltd. (the "Company") has made adjustment to the forecasts of its first half non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009), which was given at the time of publication of its financial statements on May 13, 2008 as described below:

Description

1. Adjustment to the forecast of the first half non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to September 30, 2008):

(million yen except otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	11,500	300	300	250	¥10.95
Adjusted forecast (B)	9,300	330	390	340	¥14.91
Amount of increase or decrease (B-A)	(-) 2,200	30	90	90	—
Rate of increase or decrease	(-) 19.1%	10.0%	30.0%	36.0%	—
(For reference) Interim operating results for the year ended March 31, 2008	11,147	404	398	282	¥16.77

(2) Reason for the adjustment:

In the pachinko business, sales of “CR SAMURAI CHAMPULOO” receiving popularity from the market were very strong. However, sales of “CR ELVIS PRESLEY” in the second quarter were below our expectations and sales of “CR Takumi no Michi” was partially recognized in the second half. Based on this, the number of units sold during the first half of the fiscal year ended March 31, 2009 in the pachinko machine business is expected to be about 27,000 (a decrease of about 13,000 units from initial plan).

In the pachislot business, the Company introduced two titles, “Nekketsu Koha Kuniokun” and “Kido Shinsengumi Moeyo Ken”. Due to the severe market environment, each sale was below our initial plan. However, by introducing one title in the first half, which were originally planned to be sold in the second half, the number of units sold during the first half of the fiscal year ended March 31, 2009 in the pachislot machine business is expected to be about 6,000 (an increase of about 1,000 from initial plan).

As a result, on a non-consolidated basis, the Company is expected to report total unit sales number of about 33,000 (a decrease of about 12,000 from initial plan), net sales of ¥9,300 million (a decrease of ¥2,200 million from the previously publicized forecast).

With regard to profitability, the Company is expected to report an operating income of ¥330 million (an increase of ¥30 million from the previously publicized forecast), an ordinary income of ¥390 million (an increase of ¥90 million from the previously publicized forecast), a net income of ¥340 million (an increase of ¥90 million from the previously publicized forecast) though net sales were decreased. This is based on improvement in gross margin by increased price competitiveness with enhancement of product quality, a decrease of sales commission due to a decrease in unit sales and reduction of other expenses.

The Company is currently considering a revision of full year forecast of the fiscal year ended March 31, 2009 based on the adjusted first half forecast stated herein, market environment in the second half and other factors, which will be publicized as soon as it is fixed.

- \* The above forecast of operating results is made based on the information available to management as of the date hereof. Actual results may differ from the projected figures due to a variety of factors in the future.

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