

(Translation)

October 27, 2009

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

Notice of Adjustment to the Forecast of First Half  
Operating Results (Consolidated) for the Year Ending March 31, 2010

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 operating results for the year ending March 31, 2010 (from April 1, 2009 to September 30, 2009) publicized on May 13, 2009 as described below:

Description

Adjustment to the forecast of the first half consolidated operating results for the year ending March 31, 2010 (from April 1, 2009 to September 30, 2009):

(million yen except when otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	163,000	(12,500)	(13,000)	(14,500)	(57.56)
Adjusted forecast (B)	154,390	(320)	(730)	(6,330)	(25.13)
Amount of increase or decrease (B-A)	(-)8,610	12,180	12,270	8,170	—
Rate of increase or decrease (%)	(-)5.3	—	—	—	—
(For reference) Operating results for the same period the previous year (from April 1, 2008 to September 30, 2008)	200,446	(7,578)	(8,484)	(9,554)	(37.92)

<<Reasons for the adjustment>>

Net sales are expected to fall below the previous forecast, primarily for the pachislot and pachinko machine business. In the pachislot and pachinko machine business, pachislot machine sales volume is forecast at 57,000 units as opposed to the initially planned 40,000 units, while pachinko machine sales volume is forecast at 167,000 units against the initially planned 220,000 units.

Operating income is expected to exceed the previous forecast in the pachislot and pachinko machine business, amusement machine business, amusement facility business and consumer business. With regard to the pachislot and pachinko machine business, profit margins increased, due in part to the rise in the sales ratio of pachinko boards as well as better-than-expected sales volume of pachislot machines, which have high profit margins, and increases in sales prices of both pachinko and pachislot machines. Selling, general and administrative expenses declined, centered on research and development costs and sales commissions. With regard to the amusement machine business, sales were strong for mainly the mainstay titles with high profit margins. Regarding the amusement facilities business, the Company reviewed its portfolio of facilities and worked to reduce operating expenses. In the consumer business, the recording of some of the content production expenses, which had been expected as expenses, has been carried forward to the second half or later.

As a result of the above, on a consolidated basis, the Company is expected to report net sales of 154.3 billion yen (a decrease of 8.6 billion yen from the previously publicized forecast), an operating loss of 320 million yen (an earnings recovery of 12.1 billion yen from the previously publicized forecast), an ordinary loss of 730 million yen (an earnings recovery of 12.2 billion yen from the previously publicized forecast) and a net loss of 6.3 billion yen (an earnings recovery of 8.1 billion yen from the previously publicized forecast), respectively.

With regard to the full year consolidated operating results for the year ending March 31, 2010, the Company is not making any revisions at this point as it is necessary to discern sales activities of mainstay products planned for the third quarter and later.

- \* The above forecasts of operating results are 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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