

(Translation)

February 10, 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: Takatoshi Akiba,
Executive Officer
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecast of
Whole-Year Consolidated Operating Results for the Year Ending March 31, 2009

It is hereby notified that SEGA SAMMY HOLDINGS INC. (the "Company"), in consideration of the recent development of its business performance, has made adjustment to the forecast of its whole-year consolidated operating results for the year ending March 31, 2009 publicized on May 13, 2008, as described below:

Description

Adjustment to the forecast of whole-year consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009):

(million yen except otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	470,000	15,000	13,000	5,000	19.85
Adjusted forecast (B)	435,000	2,500	500	(-)21,500	(-)85.34
Amount of increase or decrease (B-A)	(-)35,000	(-)12,500	(-)12,500	(-)26,500	(-)105.19
Rate of increase or decrease (%)	(-)7.4%	(-)83.3%	(-)96.1%	-%	-%
(For reference) Operating results for the previous year ended March 31, 2008	458,977	(-)5,829	(-)8,224	(-)52,470	(-)208.26

<<Reasons for the adjustment>>

In the pachislot and pachinko machine business, development activities under its new development system have resulted in a success of several lines of pachinko machines and whole-year numbers of sales in the pachinko machine business are expected to reach 421,000 (as compared with 280,000 in the initial plan). The pachislot machine business, on the other hand, has been placed in severe operational situations partly due to a revision of regulations put in force in July 2004. However, since the partial deregulation of the "standard for the interpretation of technological specifications" in March 2008, the Group has been focusing on the development of pachislot machines of great originality with more enjoyable games. Consequently, products with major titles are planned to be launched in the next fiscal year and whole-year numbers of sales in the pachislot machine business are expected to reach 134,000 (as compared with 248,000 in the initial plan). Net income and profits in the whole pachislot and pachinko machine business are expected to realize the initial plan.

In the amusement machine business, the Group has put off launching some products by taking into consideration the business environment of the amusement facilities industry in Japan. In addition, due to severe economic situations, overseas sales are expected to fail to realize the initial plan. Consequently, net sales and profits are expected to slightly fall below the initial plan.

In the amusement facilities business, due to slumping personal consumption affected by unforeseeable economic prospects, revenues of its existing amusement facilities have continued to remain at a level lower than the actual results for the previous fiscal year. Consequently, net sales and profits are expected to fall below the initial plan.

In the consumer business, overseas, sales of major titles, such as "Sonic Unleashed" and "Football Manager 2009", for the year-end shopping season and repeat sales of titles for the previous fiscal year, such as "Mario & Sonic at the Olympic Games", were strong. However, in Japan, sales of titles for the year-end shopping season were weak and whole-year numbers of sales are expected to fall below the initial plan. In addition, due to abrupt appreciation of the yen, the Company has revised its assumed exchange rate. Consequently, net sales and profits in the whole consumer business are expected to fall below the initial plan.

With regard to extraordinary losses, losses from additional closing of amusement facilities in the amusement facilities business are expected to amount to ¥5,200 million, the payment by SEGA CORPORATION of special severance allowances in conjunction with the solicitation for voluntary retirement for the purpose of fixed cost reduction is expected to amount to ¥4,000 million and losses from the withdrawal by Sammy Corporation from the peripheral equipment business to focus its management resources on its core business are expected to amount to ¥2,500 million.

As a result, on a consolidated basis for the whole-year period, the Company is expected to report net sales of ¥435,000 million (a decrease of ¥35,000 million from the previously publicized forecast), an operating income of ¥2,500 million (a decrease of ¥12,500 million from the previously publicized forecast), an ordinary income of ¥500 million (a decrease of ¥12,500 million from the previously publicized forecast) and a net loss of ¥21,500 million (a net income of ¥5,000 million in the previously publicized forecast), respectively. No adjustment has been made to the forecast of year-end dividends for the year ending March 31,

2009.

Under such business condition, SEGA CORPORATION ("SEGA"), which engages in amusement machine business, amusement facilities business and consumer business, will implement the following managerial measures to improve its earnings:

In the amusement facilities business, SEGA will close or sell the remaining 110 amusement facilities additionally in order to establish a solid base to produce profits with certainty even if net sales for the next fiscal year or thereafter are estimated strictly.

In the consumer business and amusement machine business, SEGA will reduce research and development cost by approximately 20% compared with fiscal year 2008 for the next fiscal year by consolidating titles to be developed and enhancing the self-manufacture ratio.

Furthermore, to maintain the appropriate size of its work force compatible with its current revenues, SEGA has determined to solicit voluntary retirement of approximately 560 employees. Consequently, SEGA will be able to reduce labor cost by approximately ¥5,000 million for the year ending March 31, 2010 and thereafter to ensure improvement of the earnings in its amusement facilities business and consumer business, as well as whole businesses.

* The forecast of operating results stated herein is made based on information available to management as of the date hereof. The actual results may differ from the forecasted figures due to various factors in the future.

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