

(Translation)

February 28, 2014

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: Koichi Fukazawa,  
 Senior Executive Officer  
 Division Manager,  
 Group Executive Office  
 (TEL: 03-6215-9955)

Notice of Adjustment to the Forecast of Consolidated Results  
 for the Year Ending March 31, 2014

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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 consolidated operating results for the year ending March 31, 2014 publicized on May 10, 2013, as described below.

Description

•Details of Adjustment to the Forecast

Adjustment to the forecast of full-year consolidated operating results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Unit: million yen unless otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	485,000	73,000	72,000	47,000	194.17
Adjusted forecast (B)	377,000	37,000	39,000	30,000	123.53
Amount of increase or decrease (B-A)	(108,000)	(36,000)	(33,000)	(17,000)	
Rate of increase or decrease (%)	(22.3)	(49.3)	(45.8)	(36.2)	
(For reference) Operating results for the previous fiscal year (from April 1, 2012 to March 31, 2013)	321,407	19,073	20,914	33,460	137.14

1. Reasons for the adjustment

After postponing the sales schedule of some of the pachislot machines to the next fiscal year under a policy in the Pachislot and Pachinko Machine Business, with an aim to maximize the unit sales amount, the pachislot unit sales for the year ending March 31, 2014 is projected to be about 307,000 units (previous forecast: 478,000 units). As to pachinko machines, the annual pachinko machine unit sales is expected to be 198,000 units (the previous forecast: 324,500 units) due to sluggish sales of titles other than the solid sales of "Pachinko CR Hokuto No Ken 5 Hyakuretsu," the mainstay title for the year

ending March 31, 2014. Responding to returning and parts replacement of some pachislot machines was another factor for pressing down the income by approximately 3.5 billion yen.

In the Amusement Machine Sales, the sales of mainstay products did not see an increase as a result of the curbing of investment by amusement facilities operators, and an operating loss is expected to be posted for the full-year. In the Amusement Center Operations, same store earnings are sluggish and it remained underperformed against the initial forecast.

In the Consumer Business, although the sales in the Packaged Games Business were sluggish, sales in the Digital Games Business were robust with such as online RPG “Phantasy Star Online 2” and applications for iOS and Android “Puyopuyo!! Quest” and “CHAIN CHRONICLE” and earnings is expected to be generally as planned.

As a result of the above, the consolidated net sales for the full-year ending March 31, 2014 is expected to be 377 billion yen (a decrease of 108 billion yen compared to the previously announced forecast), the operating income is expected to be 37 billion yen (a decrease of 36 billion yen compared to the previously announced forecast), the ordinary income is expected to be 39 billion yen (a decrease of 33 billion yen compared to the previously announced forecast) and net income is expected to be 30 billion yen (a decrease of 17 billion yen compared to the previously announced forecast).

As for dividend, the Company has made no change to its forecast of year-end dividends at 20 yen per share and an annual total of 40 yen per share.

## 2. Business measures for each business segment

The Company will implement the following business measures to deal with issues in each business segment and to further reinforce the earning system. In order to ensure the carrying out of these measures, optimization of management systems within the Group will be implemented as stated in “Notice of the Management Systems of SEGA SAMMY HOLDINGS INC. and its Major Subsidiaries” announced as of today.

Pachislot and Pachinko Machines	Considering the present severe market environment, the Pachinko Machines field will focus on the development and sales of mainstay titles and at the same time will aim to strengthen the TAIYO ELEC brand through interaction between developers, standardizing parts/materials, joint procurement and such. For the relatively strong Pachislot Machine field, the Company aims to develop and sell several mainstay titles that can lead the recovery of the market as a continuing top-share company.
Amusement Machine Sales	In line with the trend of curbing new investment by amusement facilities operators, the Company will raise the share of revenue share model and free-to-play model in sales composition, which can realize both the reduction of investment burden on the amusement facilities operators and stabilization of income for the Company’s group. Furthermore, the Company will aim to maximize the Group’s income by adapting to environment changes in the industry by shifting management resources in this segment to the growing field of Digital Games.
Amusement Center Operations	Considering such as the income trend of existing domestic amusement centers, the Company will review the store portfolio and develop/open stores targeting families and stores accompanying restaurants. By also extending accumulated know-how of development and operation of amusement centers to overseas companies, the Company intends to obtain licensing income.
Consumer Business	The Company aims to increase income by improving the earnings mix through shifting the management resources in the Amusement Machine Sales, Amusement Center Operations and the Packaged Games Businesses to the Digital Games Business which continues high growth.
Others	The Company will newly appoint a representative director who will be in charge of the resort complex business, which the Company positions as the largest income opportunity for the Group in the long-term, and will promote

	at an accelerating pace the business by maximizing the use of the management resources of the Group.
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\*The forecasts of operating results described in this document are based on information available to management as of the date hereof. Actual results may differ from the projected figures due to various factors arising in the future.

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