

(Translation)

March 4, 2011

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
Executive Office and Group
Communications Office
(TEL: 03-6215-9955)

Notice Concerning Posting of Extraordinary Loss and Outlook of Whole-Year Consolidated Results

As publicized on January 27, 2011, a replacement machine will be prepared and compensation for operations will be paid to pachinko halls who do not wish to continue installation of "Pachislot Sakura Wars 3." As a result of reviewing the impact of this incident on consolidated operating results, SEGA SAMMY HOLDINGS INC. (the "Company") expects to post an extraordinary loss of about 5.5 billion yen as related expenses in the fiscal year ending March 31, 2011.

On the other hand, in view of the robust sales of "Pachinko CR Hokuto No Ken Kenshiro," which subsidiary Sammy Corporation is currently selling, and the expected reduction in tax expenses with the potential to recover deferred tax assets is to be reviewed with the Company planning to apply the consolidated tax system from the next fiscal year, it is judged that there is no need to revise forecasts of operating results that were announced on September 30, 2010. The Company will promptly disclose any changes in the event that revisions of forecasts of operating results become necessary.

(Reference) Projection for Consolidated Results for the Year ending March 31, 2011 (publicized on September 30, 2010)

(Unit: million yen unless otherwise indicated)

| Net sales | Operating income | Ordinary income | Net income | Net income per share (yen) |
|-----------|------------------|-----------------|------------|----------------------------|
| 410,000 | 65,000 | 64,000 | 37,500 | 147.44 |

(Note) Full-year forecast of the net income per share was revised to ¥147.44 (announced at ¥148.86 on September 30, 2010), as a result of the recalculation reflecting the increase in the number of shares due to the exchange of shares with subsidiaries as well as the purchase of treasury stock during the period.

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