

(Translation)

October 17, 2006

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.
Name of Representative: Hajime Satomi,
Chairman, President and Representative
Director

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Michael Masakimi Hotta,
Executive Officer
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of Operating Results
(Consolidated/Non-Consolidated) for the Interim Period
Ending March 31, 2007 of the Company's Subsidiary (SEGATOYS CO., LTD.)

Notice is hereby given that the forecasts of operating results of SEGATOYS CO., LTD., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), for the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007), as given at the time of publication of the "Notice of the Forecasts of Consolidated Operating Results for the Year Ending March 31, 2007" on July 25, 2006, are adjusted 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.



(Translation)

October 17, 2006

Dear Sirs,

Name of Company: SEGATOYS CO., LTD.
Name of Representative: Isao Kokubun,
President and Representative
Director
(JASDAQ, Code No. 7842)
Further Inquiry: Yoshiharu Yamashige,
Director and General
Manager, Financing &
Accounting Dept.
(TEL: 03-5822-6222)

Notice of Adjustment to the Forecasts of Operating Results
(Consolidated/Non-Consolidated) for the Interim Period of the Year Ending March 31, 2007

Notice is hereby given that the forecasts of operating results of SEGATOYS CO., LTD. (the "Company") for the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007), as given at the time of publication of the "Notice of the Forecasts of Consolidated Operating Results for the Year Ending March 31, 2007" on July 25, 2006, are adjusted as described below:

1. Adjustment to the forecast of the consolidated operating results for the year ending March 31, 2007

(1) Interim period of the year ending March 31, 2007 (from April 1, 2006 to September 30, 2006):

(million yen)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	7,030	250	150
Adjusted forecast (B)	7,821	262	141
Amount of increase or decrease (B-A)	791	12	(-) 9
Rate of increase or decrease	11.3%	4.8%	(-) 6.4%
(For reference) Operating results for the previous interim period (from April 1, 2005 to	-	-	-

September 30, 2005)			
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(2) Reasons for the adjustment:

Net sales are expected to amount to ¥7,821 million, an increase of ¥791 million over the previous forecast, due to strong sales of edutainment-related "Beena" series, NEW content business-related "Anpanman" series and family entertainment-related "Brain Age/Brain Stress Scale Atama-Scan", as well as continued favorable sales of "idog" and "Play TV" overseas since the previous year.

Ordinary income is expected to amount to ¥262 million, an increase of ¥12 million over the previous forecast, due to an increase in overseas OEM sales, which have lower gross margins.

Net income is expected to amount to ¥141 million, a decrease of ¥9 million from the previous forecast, due to the higher effective tax rate than initially projected.

(3) Whole-year period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007):

For the second half of the year ending March 31, 2007, sales are expected to continue to trend favorably. However, the Company will not adjust the previous forecasts of operating results for the whole-year period as there still remain a lot of uncertain factors.

<For reference> The forecast of consolidated operating results for the whole-year period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007):

(million yen)

	Net Sales	Ordinary Income	Net Income
Whole-year period (from April 1, 2006 to March 31, 2007)	17,080	1,400	840
(For reference) Operating results for the previous year (from April 1, 2005 to March 31, 2006)	-	-	-

2. Adjustment to the forecast of the non-consolidated operating results for the year ending March 31, 2007

(1) Interim period of the year ending March 31, 2007 (from April 1, 2006 to September 30, 2006):

(million yen)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	7,000	250	150
Adjusted forecast (B)	7,785	270	147
Amount of increase or	785	20	(-) 3

	Net Sales	Ordinary Income	Net Income
decrease (B-A)			
Rate of increase or decrease	11.2%	8.0%	(-) 2.0%
(For reference) Operating results for the previous interim period (from April 1, 2005 to September 30, 2005)	6,349	292	172

(2) Reasons for the adjustment:

The reasons for the consolidated operating results for the interim period of the year ending March 31, 2007 apply similarly.

(3) Whole-year period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007):

For the second half of the year ending March 31, 2007, sales are expected to continue to trend favorably. However, the Company will not adjust the previous forecasts of operating results for the whole-year period as there still remain a lot of uncertain factors.

<For reference> The forecast of non-consolidated operating results for the whole-year period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007):

(million yen)

	Net Sales	Ordinary Income	Net Income
Whole-year period (from April 1, 2006 to March 31, 2007)	17,000	1,400	840
(For reference) Operating results for the previous year (from April 1, 2005 to March 31, 2006)	14,400	1,019	637

[Notice on the forecast of operating results]

The projected figures in the forecasts of operating results described herein are calculated based on the information available to management as of the date hereof and contain various uncertain factors. Actual results may differ from the projected figures for a variety of factors in the future.

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