

(Translation)

October 5, 2007

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: 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 of the Year
Ending March 31, 2008 of the Company's Subsidiary (SEGATOYS CO., LTD.)
Ending March 31, 2008 of the Company's Subsidiary (SEGATOYS CO., LTD.)

Notice is hereby given that SEGATOYS CO., LTD., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), has made adjustments to the forecasts of its consolidated and non-consolidated operating results for the interim period of the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008), which was given at the time of publication of its financial statements on April 27, 2007, as described in the attachment hereto. The adjustment will have no significant effect on the operating results of the Company.

The Company today separately released its "Notice of Adjustments to the Forecasts of Operating Results for the Interim Period of the Year Ending March 31, 2008".

Attached material: Press release of SEGATOYS
"Notice of Adjustments to the Forecasts of Operating Results
(Consolidated/Non-Consolidated) for the Interim Period of the Year Ending
March 31, 2008"

- END -



(Translation)

October 5, 2007

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: 03-5822-6244)

Notice of Adjustments to the Forecasts of Operating Results
(Consolidated/Non-Consolidated) for the Interim Period of the Year Ending March 31, 2008

Notice is hereby given that SEGATOYS CO., LTD. (the "Company") has made adjustments to the forecasts of its consolidated and non-consolidated operating results for the interim period of the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008), as given at the time of publication of its "Brief Statements of Accounts for the Year Ended March 31, 2007" on April 27, 2007, as described below:

Description

1. Adjustments to the forecast of the consolidated operating results for the interim period of the year ending March 31, 2008 (from April 1, 2007 to September 30, 2007):

- (1) Forecast of consolidated operating results:

(million yen)

	Net Sales	Operating income	Ordinary Income	Net Income
Previous forecast (A)	7,500	(-) 183	(-) 200	(-) 203
Adjusted forecast (B)	7,730	(-) 380	(-) 370	(-) 390
Amount of increase or decrease (B-A)	230	(-) 197	(-) 170	(-) 187
Percent increase or decrease	3.1%	-	-	-
(For reference) Operating results for the interim period of the previous year (from April 1, 2006 to March 31, 2007)	7,821	282	263	141

(2) Reasons for the adjustments:

During the interim period under review, the Company has endeavored to improve business performance by launching new products, including "Grand Pianist" and focusing its efforts on radio-controlled toy business of Taiyo Co., Ltd., a consolidated subsidiary of the Company which was incorporated during the previous fiscal year. In the meantime, such factors as a delay in and the cancellation of the launch of some new products and slowing sales of staple toys for children in Japan depressed sales, while overseas sales increased. Consequently, consolidated net sales for the interim period under review are expected to slightly exceed the previous forecasts, amounting to ¥7,730 million. With regard to profits, principally due to an increase in overseas sales with lower gross margins, operating loss, ordinary loss and net loss are expected to amount to ¥380 million, ¥370 million and ¥390 million, respectively.

2. Adjustment to the forecast of the non-consolidated operating results for the interim period of the year ending March 31, 2008 (from April 1, 2007 to September 30, 2007):

(1) Forecast of non-consolidated operating results:

	(million yen)			
	Net Sales	Operating income	Ordinary Income	Net Income
Previous forecast (A)	6,500	(-) 139	(-) 150	(-) 152
Adjusted forecast (B)	6,650	(-) 360	(-) 350	(-) 370
Amount of increase or decrease (B-A)	150	(-) 221	(-) 200	(-) 218
Percent increase or decrease	2.3%	-	-	-
(For reference) Operating results for the interim period of the previous year (from April 1, 2006 to March 31, 2007)	7,785	289	270	148

(2) Reasons for the adjustments:

During the interim period under review, the Company has endeavored to improve business performance by launching new products, including "Grand Pianist", specifically. In the meantime, such factors as a delay in and the cancellation of the launch of some new products and slowing sales of staple toys for children in Japan depressed sales, while overseas sales increased. Consequently, non-consolidated net sales for the interim period under review are expected to slightly exceed the previous forecasts, amounting to ¥6,650 million. With regard to profits, principally due to an increase in overseas sales with lower gross margins, operating loss, ordinary loss and net loss are expected to amount to ¥360 million, ¥350 million and ¥370 million, respectively.

The forecasts of its whole-year consolidated and non-consolidated operating results for the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008), which are currently in

review by taking into consideration the results for the interim period, will be publicized as soon as they become available.

- * 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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