

(Translation)

October 31, 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 Whole-Year Operating Results
(Consolidated/Non-Consolidated) for the Year
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 whole-year consolidated and non-consolidated operating results for 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 adjustments 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.

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

- END -



(Translation)

October 31, 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 Adjustment to the Forecasts of Whole-Year Operating Results
(Consolidated/Non-Consolidated) for the Year Ending March 31, 2008

Notice is hereby given that SEGATOYS CO., LTD. (the "Company") has made adjustment to 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), 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. Adjustment to the forecast of the whole-year consolidated operating results for the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008):

- (1) Forecast of consolidated operating results:

(million yen)

	Net Sales	Operating income	Ordinary Income	Net Income
Previous forecast (A)	17,500	677	650	340
Adjusted forecast (B)	17,500	302	300	116
Amount of increase or decrease (B-A)	0	(-) 375	(-) 350	(-) 224
Percent increase or decrease	0%	(-) 55.4%	(-) 53.8%	(-) 65.9%
(For reference) Operating results for the previous year (from April 1, 2006 to March 31, 2007)	15,206	333	284	114

(2) Reasons for the adjustments:

The Company is aggressively conducting sales promotional activities towards the year-end and new-year selling season, the most significant in the industry. In its family entertainment-related business, in the meantime, the Company has launched new products vigorously and sales of products in the "idog" series are expected to be strong overseas. In its NEW content-related business, sales of "Dinosaur King D-Kids Adventure" series, "Bakugan" series, which have shown signs of having a success overseas, and radio-controlled toy-related products by Taiyo Co., Ltd., a subsidiary of the Company incorporated in February 2007, are expected to see favorable results. On the other hand, however, in its edutainment-related business, sales of intellectual training toys "Advanced PICO Beena" have been poor. In its family entertainment-related business, sales are expected to level off in Japan due to a delay in and the cancellation of the launch of some new products arising from production issues. In its other businesses, sales of AM equipment, toys in capsules, candy-toys and licenses are expected to fall below the initial projections. Consequently, consolidated net sales for the whole fiscal year under review are not expected to vary from the previous forecasts.

With regard to the whole-year consolidated profits, in the NEW content-related business and in Taiyo Co., Ltd., profits are expected to exceed the previous forecasts. However, due to poor sales in its edutainment-related business, as well as an increase in promotion costs attributable to the expansion of sales of entertainment toys for adults through a new channel in Japan and slimmer profit margins arising from an increase in overseas sales with lower margins, profits are expected to substantially fall below the initial projections. As a result, operating income and ordinary income are expected to amount to ¥302 million and ¥300 million, respectively. Net income is expected to amount to ¥116 million.

2. Adjustments to the forecast of the whole-year non-consolidated operating results for the year ending March 31, 2008 (from April 1, 2007 to March 31, 2008):

(1) Forecast of non-consolidated operating results:

(million yen)

	Net Sales	Operating income	Ordinary Income	Net Income
Previous forecast (A)	15,500	617	600	310
Adjusted forecast (B)	15,000	193	200	96
Amount of increase or decrease (B-A)	(-) 500	(-) 424	(-) 400	(-) 214
Percent increase or decrease	(-) 3.2%	(-) 68.7%	(-) 66.7%	(-) 69.0%
(For reference) Operating results for the previous year (from April 1, 2006 to March 31, 2007)	15,143	356	306	121

(2) Reasons for the adjustments:

The Company is aggressively conducting sales promotional activities towards the year-end and new-year selling season, the most significant in the industry. In its family entertainment-related business, in the meantime, the Company has launched new products vigorously and sales of products in the "idog" series are expected to increase favorably overseas.

In its NEW content-related business, sales of "Dinosaur King D-Kids Adventure" series and "Bakugan" series, which have shown signs of having a success overseas, are expected to see favorable results. On the other hand, however, in its edutainment-related business, sales of intellectual training toys "Advanced PICO Beena" have been poor. In its family entertainment-related business, sales are expected to level off in Japan due to a delay in and the cancellation of the launch of some new products arising from production issues. In its other businesses, sales of AM equipment, toys in capsules, candy-toys and licenses are expected to fall below the initial projections. Consequently, net sales for the whole fiscal year under review are not expected to vary from the previous forecasts.

With regard to the whole-year profits, in the NEW content-related business, profits are expected to exceed the previous forecasts. However, due to poor sales in its edutainment-related business, as well as an increase in promotion costs attributable to the expansion of sales of entertainment toys for adults through a new channel in Japan and slimmer profit margins arising from an increase in overseas sales with lower margins, profits are expected to substantially fall below the initial projections. As a result, operating income and ordinary income are expected to amount to ¥193 million and ¥200 million, respectively. Net income is expected to amount to ¥96 million.

- * 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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