

(Translation)

October 14, 2005

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  
for the Interim Period 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 interim period of the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006), as publicized on May 10, 2005, 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 14, 2005

Dear Sirs,

Name of Company: SEGATOYS CO., LTD.  
Name of Representative: Isao Kokubun  
President and Representative  
Director  
(Code No. 7842, JASDAQ)  
Further Inquiry: Nobuto Fukushima,  
General Manager, Finance &  
Accounting Division  
(TEL: 03-5822-6244)

Notice of Adjustment to the Forecasts of Operating Results  
for the Interim Period of the Year Ending March 31, 2006

Notice is hereby given that the forecasts of operating results of SEGATOYS CO., LTD. for the interim period of the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006), as publicized in its "Brief Statement of Accounts for the Year Ended March 31, 2005 (Non-Consolidated)" on May 10, 2005, are adjusted as described below:

Description

1. Adjustment to the forecast of the operating results for the interim period of the year ending March 31, 2006 (from April 1, 2005 to September 30, 2005):

- (1) Adjustment to the Forecasts of Operating Results

(million yen)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	5,200	250	150
Adjusted forecast (B)	6,300	290	170
Amount of increase or decrease (B-A)	1,100	40	20
Rate of increase or decrease	21.1%	16.0%	13.3%
Operating results for the previous interim period (from April 1, 2004 to September 2004)	4,413	155	80

- (2) Reasons for the adjustment:

During the interim period under review, due to continued strong sales of "Play TV" and "i-dog" in the overseas business since the previous business year and favorable sales of products related with "The King of Beetle MUSHIKING" owing to the synergistic effect with the Sega Sammy Group, net sales increased by ¥1,100 million more than the previous forecast. Ordinary income also increased by ¥40 million more than the previous forecast due to an increase in overseas sales with lower margins.

2. Adjustment to the forecast of the operating results for the whole-year period of the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006):

The forecast of the operating results for the whole-year period of the year ending March 31, 2006, which have currently been reviewed by taking into consideration the operating results for the interim period and some factors, including the present incoming orders for the Christmas selling season, the greatest selling season in the toy industry, will be publicized at the time of publication of the interim financial statements for the year ending March 31, 2006 to be given toward the end of October 2005.

(For reference)

The forecast of the operating results for the whole-year period of the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006):

(million yen)

	Net Sales	Ordinary Income	Net Income
Whole year	12,500	1,000	600

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.

- END -