

(Translation)

October 19, 2004

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: Koichi Fukazawa,
Executive Officer
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of Operating Results
of the Company's Subsidiary (Sammy NetWorks Co., Ltd.)

Notice is hereby given that the forecasts of operating results of Sammy NetWorks Co., Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), for the interim period of the year ending March 31, 2005 (from April 1, 2004 to September 30, 2004) and for the whole-year period of the year ending March 31, 2005 (from April 1, 2004 to March 31, 2005), as publicized on July 30, 2004, are adjusted as described in the attachment hereto.

(Translation)

October 19, 2004

Dear Sirs,

Name of Company: Sammy NetWorks Co., Ltd.
Name of Representative: Masaaki Oono,
President and Representative
Director

(Code No. 3745, Tokyo Stock Exchange, Mothers)

Further Inquiry: Nobukuni Sato,
Director and General
Manager, Administration
Division
(TEL: 03-5730-0171)

Notice of Adjustment to the Forecasts of Operating Results

Notice is hereby given that in consideration of recent developments of operating performance, the forecasts of operating results of Sammy NetWorks Co., Ltd. (the "Company") for the interim period of the year ending March 31, 2005 (from April 1, 2004 to September 30, 2004) and for the whole-year period of the year ending March 31, 2005 (from April 1, 2004 to March 31, 2005), as publicized on July 30, 2004, 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, 2005 (from April 1, 2004 to September 30, 2004):

(million yen)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	2,501	752	441
Adjusted forecast (B)	2,944	1,155	673
Amount of increase or decrease (B-A)	443	402	231
Rate of increase or decrease	17.7%	53.5%	52.5%

2. Adjustment to the forecast of the operating results for the whole-year period of the year ending March 31, 2005 (from April 1, 2004 to March 31, 2005):

(million yen)

	Net Sales	Ordinary Income	Net Income
Previous forecast (A)	5,003	1,301	759
Adjusted forecast (B)	6,028	2,000	1,160
Amount of increase or decrease (B-A)	1,024	699	401
Rate of increase or decrease	20.5%	53.8%	52.8%
(For reference) Operating results for the previous year (ended March 31, 2004)	3,308	768	371

(For reference) Projected net income per share (for the whole-year period): ¥81,125.23

3. Reasons for the adjustment:

Principally due to strong sales of content services (Sammy 777 Town) in the amusement business, net sales are expected to amount to ¥2,944 million for the interim period, an increase of ¥443 million from the previous forecast, and ¥6,028 million for the whole-year period, an increase of ¥1,024 million.

Accordingly, ordinary incomes are expected to amount to ¥1,155 million for the interim period, an increase of ¥402 million from the previous forecast, and ¥2,000 million for the whole-year period, an increase of ¥699 million.

As a result, net incomes are expected to amount to ¥673 million for the interim period, an increase of ¥231 million from the previous forecast, and ¥1,160 million for the whole-year period, an increase of ¥401 million.

Notice on the forecast of operating results:

The projected figures in the above forecasts of operating results are calculated based on the information available to management as of the date hereof. You should be aware that actual results may differ from the forecasts described above for a variety of factors in the future, including the economic conditions of the market surrounding the Company.

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