

(Translation)

February 10, 2009

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: Takatoshi Akiba,
Executive Officer
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of Operating Results,
Recording of Extraordinary Loss, Adjustment to the Forecast of Dividends and
Reduction of Officers' Remuneration of the Company's Subsidiary (SEGATOYS CO., LTD.)

Notice is hereby given that SEGATOYS CO., LTD. ("SEGATOYS"), a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), has publicized adjustment to the forecasts of its whole-year consolidated/non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009) publicized on October 27, 2008, the occurrence of an extraordinary loss, adjustment to the forecast of dividends and the reduction of its officers' remuneration as described in the attachment hereto.

The said treatment will have no significant impact on the operating results of the Company.

The company publicized "Notice of Adjustment to the Forecasts of Whole-Year Consolidated Operating Results for the Year Ending March 31, 2009" separately.

<<Attached material: Press release of SEGATOYS CO., LTD.

"Notice of Adjustment to the Forecasts of Operating Results, Recording of Extraordinary Loss, Adjustment to the Forecast of Dividends and Reduction of Officers' Remuneration">>

- END -



(Translation)

February 10, 2009

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
(TEL: 03-5822-6244)

Notice of Adjustment to the Forecasts of Operating Results,
Recording of Extraordinary Loss, Adjustment to the Forecast of Dividends and
Reduction of Officers' Remuneration

Notice is hereby given that SEGATOYS CO., LTD. (the "Company"), in consideration of the recent development of its business performance, has made adjustment to the forecasts of its whole-year consolidated/non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009) publicized on October 27, 2008 and will incur an extraordinary loss in the forecast of its whole-year non-consolidated operating results, as described below.

Notice is also given that in accordance with the adjustment to the forecasts of its operating results, the Company, at the meeting of its Board of Directors held on February 10, 2009, made adjustment to the forecast of dividends per share for the year ending March 31, 2009 and taking seriously the difficult circumstances facing the Company, adopted a resolution to reduce its officers' remuneration.

Description

1. Adjustment to the forecasts of operating results
 - (1) Adjustment to the forecast of the whole-year consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009):

(million yen except otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	17,800	422	400	350	16.29
Adjusted forecast (B)	19,370	126	20	0	0.00
Amount of increase or decrease (B-A)	1,570	(-) 296	(-) 380	(-) 350	-
Rate of increase or decrease (%)	8.8	(-) 70.1	(-) 95.0	-	-
(For reference) Operating results for the previous year (from April 1, 2007 to March 31, 2008)	16,816	(690)	(759)	(814)	(37.88)

- (2) Adjustment to the forecast of the whole-year non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009):

(million yen except otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	15,500	342	320	310	14.42
Adjusted forecast (B)	17,680	169	166	77	3.58
Amount of increase or decrease (B-A)	2,180	(-) 173	(-) 154	(-) 233	-
Rate of increase or decrease (%)	14.1	(-) 50.6	(-) 48.1	(-) 75.2	-
(For reference) Operating results for the previous year (from April 1, 2007 to March 31, 2008)	14,116	(785)	(770)	(817)	(38.06)

- (3) Reasons for the adjustment:

With regard to the whole-year consolidated and non-consolidated operating results for the year ending March 31, 2009, the Company has determined that it is highly possible that the forecasts thereof will inevitably be affected by a decline in personal consumption that has become more distinct due to an economic recession and a hard time the Company has had with the sales for the year-end and new-year shopping season in the domestic market.

Net sales are expected to exceed the previous forecast due to a hit of "BAKUGAN" series in the overseas market. However, with regard to profits, domestic sales, which generate

higher profit margins, are expected to fall below the initial plan and its group companies have faced a drop in earnings. Consequently, both operating income and ordinary income are expected to fall below the previous forecast.

Net income is expected to fall below the previous forecast due to a decline in ordinary income, as well as an extraordinary loss that will have to be recorded as described below.

2. Recording of extraordinary loss and the content thereof

As a result of the deterioration of earnings of its consolidated subsidiaries RemArt Co., Ltd. and SEGATOYS PLUS CO., LTD., the Company will record an extraordinary loss of ¥84 million to account for a loss on investment in stocks of affiliated companies and an allowance for doubtful accounts with regard to its investments in and loans to such subsidiaries.

3. Adjustment to the forecast of dividends

(1) Content of the adjustment:

(yen)

(Record date)	Dividend per share				
	First-quarter end	Second-quarter end	Third-quarter end	Year-end	Annual
Previous forecast (January 28, 2009)	-	-	-	5.00	5.00
Adjusted forecast	-	-	-	0.00	0.00
Actual results for the current year (For reference)	-	-	-	-	-
Actual results for the previous year (from April 1, 2007 to March 31, 2008)	-	-	-	0.00	0.00

(2) Reason for the adjustment to the forecast of dividends:

With regard to the distribution of profits to its shareholders, the Company follows a fundamental policy of maintaining the constant payment of dividends according to profits while it exerts its efforts to strengthen its corporate basis and keep a stable management base by taking into consideration its business results and business developments. However, as described above, as a result of the deterioration of the business environment, the Company is forced to make a substantial downward adjustment to the forecasts of its whole-year operating results. Consequently, it is very regrettable but the Company will pay no year-end dividend for the year ending March 31, 2009.

4. Reduction of officers' remuneration

Taking seriously the adjustment to the forecasts of whole-year operating results and the forecast of dividends, the Company has determined to reduce its officers' remuneration to clarify management responsibility, as described below:

(1) Content of the reduction of remuneration:

Representative Director: Reduction of 15% of monthly remuneration as an officer

Other Directors: Reduction of 5% to 10% of monthly remuneration as an officer

(2) Period of the reduction of remuneration:

For an undetermined period from March 2009 (The termination of the reduction of remuneration will be determined according to the Company's business results.)

Management will implement all possible measures to further improve and strengthen the corporate basis of the Company.

Management cordially seeks the continued understanding and support of the shareholders.

* 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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