

(Translation)

October 26, 2006

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 Year
Ending March 31, 2007 of the Company's Subsidiary (TMS Entertainment Co., Ltd.)

Notice is hereby given that TMS Entertainment Co., Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), has made adjustment to the forecasts of operating results for the interim period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007), which was given at the time of publication of its financial statements on May 10, 2006, 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 26, 2006

Dear Sirs,

Name of Company: TMS Entertainment Co., Ltd.

Name of Representative: Masanori Koga,
President and Representative
Director

(Code No. 3585, Nagoya Stock Exchange 2nd section)

Further Inquiry: Yukimasa Ukai,
Riji and General Manager,
Account and Finance
Department
(TEL: 03-5325-9111)

Notice of Adjustment to the Forecasts of Operating Results for
the Interim Period of the Year Ending March 31, 2007

TMS Entertainment Co., Ltd. (the "Company") has made adjustment to the forecasts of operating results for the interim period of the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007), which was given at the time of publication of its financial statements on May 10, 2006, as described below:

1. Adjustment to the forecast of the consolidated operating results for the interim period of the year ending March 31, 2007 (from April 1, 2006 to September 30, 2006):

(million yen)

| | Net Sales | Ordinary Income | Net Income |
|--|-----------|-----------------|------------|
| Previous forecast (A) | 6,755 | 663 | 350 |
| Adjusted forecast (B) | 6,589 | 702 | 595 |
| Amount of increase or decrease (B-A) | (-) 166 | 39 | 244 |
| Rate of increase or decrease | (-) 2.5% | 5.9% | 69.8% |
| (For reference) Operating results for the interim period of the year ended March 31, 2006 | 7,294 | 794 | 466 |

2. Adjustment to the forecast of the non-consolidated operating results for the interim period of the year ending March 31, 2007 (from April 1, 2006 to September 30, 2006):

(million yen)

| | Net Sales | Ordinary Income | Net Income |
|--|-----------|-----------------|------------|
| Previous forecast (A) | 6,574 | 660 | 358 |
| Adjusted forecast (B) | 6,373 | 688 | 592 |
| Amount of increase or decrease (B-A) | (-) 200 | 28 | 234 |
| Rate of increase or decrease | (-) 3.1% | 4.3% | 65.4% |
| (For reference) Operating results for the interim period of the year ended March 31, 2006 | 6,385 | 715 | 420 |

3. Reasons for the adjustment to the forecasts of operating results:

The Company, at the meeting of its Board of Directors held today, determined to sell the land and building of its amusement facilities (AG Square in Tokushima). Consequently, with regard to the loss on impairment of fixed assets recorded for the current and previous fiscal years relating to the land and building, income tax expenses were decreased based on tax effect accounting during the interim period of the current fiscal year and the final net income for the interim period is expected to exceed the previous forecast. Hence, the Company intends to make adjustment to the forecasts for operating results for the interim period as described above.

The Company will not make adjustment to the forecasts of operating results for the whole-year period publicized on May 10, 2006.

Note: The above projected figures are calculated 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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