

(Translation)

June 16, 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: Koichi Fukazawa,
Executive Officer
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecast of Dividends
for the Year Ending March 31, 2006 (the 2nd Fiscal Year)

Notice is hereby given that SEGA SAMMY HOLDINGS INC. (the "Company"), at the meeting of its Board of Directors held on June 16, 2005, resolved to make adjustment to the forecast of interim and year-end dividends per share for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006) (the 2nd fiscal year), as described below:

1. Reasons for the adjustment to the forecast of dividends:

The Company regards the paying out of profits to its shareholders as an important mission of management and has adopted a basic policy of paying dividends properly in proportion to profits.

To pay out profits to its shareholders more positively in accordance with such policy, the Company will make adjustment to the forecast of interim and year-end dividends per share for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006) (the 2nd fiscal year).

We believe that the Company is steadily driving performance to fulfill its business plan for the current fiscal year and medium-term business plan publicized on May 24, 2005.

2. Content of the adjustment:

Forecast of dividends per share for the year ending March 31, 2006 (from April 1, 2005 to March 31, 2006) (the 2nd fiscal year)

	Interim dividend	Year-end dividend	Annual dividend
Previous forecast (May 24, 2005)	¥40.00	¥40.00	¥80.00
Adjusted forecast	¥50.00	¥50.00	¥100.00

(For reference)

	Interim dividend	Year-end dividend	Annual dividend
For the year ended March 31, 2005 (from October 1, 2004 to March 31, 2005)	- *1	¥60.00 *2 (Ordinary dividend: ¥40) (Commemorate dividend: ¥20)	¥60.00

*1 The Company, which was established on October 1, 2004, did not pay interim dividends for the year ended March 31, 2005 as SEGA SAMMY HOLDINGS INC. The interim dividends for the period paid by Sammy Corporation and SEGA CORPORATION were ¥40.00 per share and ¥0.00, respectively.

*2 The amount is based on the proposed appropriation of retained earnings to be submitted to the 1st Ordinary General Meeting of Shareholders of the Company to be held on June 24, 2005.

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