

(Translation)

October 22, 2010

Dear Sirs,

Name of Company: SEGA SAMMY HOLDINGS INC.

Name of Representative: Hajime Satomi,
Chairman of the Board and
Chief Executive Officer

(Code No. 6460, Tokyo Stock Exchange 1st Section)

Further Inquiry: Koichiro Ueda,
General Manager of Group
Communications Office
(TEL: 03-6215-9955)

Notice of Adjustment to the Forecasts of Operating Results
of the Company's Subsidiary (SEGA TOYS CO., LTD.)

Notice is hereby given that SEGA TOYS CO., LTD., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), has made an announcement concerning adjustment to the forecasts of whole-term operating results for the term ended September 30, 2010 publicized on July 29, 2010 as described in the attachment hereto.

These events will have no significant effect on the Company's operating results and no adjustment will be made to the forecasts of the Company's operating results.

<<Attached material: Press release of SEGA TOYS CO., LTD.

"Notice of Adjustment to the Forecasts of Operating Results">>

-END-

(Translation)

October 22, 2010

Dear Sirs,

Name of Company: SEGA TOYS CO., LTD.

Name of Representative: Yoshiharu Suzuki,
President and CEO

(JASDAQ, Code No. 7842)

Further Inquiry: Akira Sugano,
Executive Vice President and
Representative Director
Head of Corporate Department
(TEL: 03-5774-3600)

Notice of Adjustment to the Forecasts of Operating Results

Notice is hereby given that SEGA TOYS CO., LTD. (the “Company”), in consideration of the recent development of its business performance, has made an adjustment to the forecasts of its whole-term consolidated/non-consolidated operating results for the term ended September 30, 2010 publicized on July 29, 2010 as described below.

Description

1. Adjustment to the forecasts of operating results

Adjustment to the forecasts of whole-term consolidated operating results for the term ended September 30, 2010 (from April 1, 2010 to September 30, 2010):

(Unit: million yen except when otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	6,100	(50)	(60)	(70)	(3.25)
Adjusted forecast (B)	6,160	59	50	25	1.18
Amount of increase or decrease (B-A)	60	109	110	95	—
Rate of increase or decrease (%)	1.0	—	—	—	—
(For reference) Operating results for the previous year (ended March 31, 2010)	17,139	(395)	(412)	(1,666)	(77.40)

Adjustment to the forecasts of whole-term non-consolidated operating results for the term ended September 30, 2010 (from April 1, 2010 to September 30, 2010):

(Unit: million yen except when otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	5,900	(50)	(60)	(70)	(3.25)
Adjusted forecast (B)	5,905	109	190	139	6.45
Amount of increase or decrease (B-A)	5	159	250	209	—
Rate of increase or decrease (%)	0.1	—	—	—	—
(For reference) Operating results for the previous year (ended March 31, 2010)	16,355	(25)	(96)	(1,854)	(86.13)

2. Reason for the adjustment

(1) Reason for the adjustment to the forecasts of consolidated operating results:

Consolidated net sales are roughly in accordance with the previous forecasts publicized on July 29, 2010. In terms of profit, in Japan, sales of established product lines with a high gross profit margin such as “BAKUGAN” products and “HOMESTAR AQUA” were strong, while overseas, not only have royalty revenues increased due to a strong performance by the “BAKUGAN” character for boys and the new “Zoobles” character for girls, our efforts to concentrate on core business and product competencies led to improved expenses, particularly with respect to research and development expenses and advertising expenses. Note that the following extraordinary losses are newly expected: costs associated with inappropriate transactions by a former employee of the Company and the costs related to the Company’s product recall publicized on October 19, this year.

As a result of the above, on a consolidated basis, the Company is expected to report net sales of ¥6,160 million (an increase of ¥60 million from the previously publicized forecast), an operating income of ¥59 million (up ¥109 million from the previously publicized forecast), an ordinary income of ¥50 million (up ¥110 million from the previously publicized forecast) and a net income of ¥25 million (up ¥95 million from the previously publicized forecast), respectively. The difference between the forecasts of consolidated and non-consolidated operating results is mainly due to unrealized gains from the transactions between the Company and its overseas subsidiaries.

(2) Reason for the adjustment to the forecasts of non-consolidated operating results:

The forecasts of non-consolidated operating results were adjusted for the same reasons that the adjustment to the forecasts of consolidated operating results were made.

* Change in fiscal period

As publicized on May 24, 2010, the Company has changed the last day of its business year to September 30 and the fiscal year has been changed to one year from October 1 to September 30 from the following fiscal year. Furthermore, the term ended September 30, 2010, which is the transitional period for the change in the last day of the business year (fiscal period), is a six-month fiscal period that runs from April 1, 2010 to September 30, 2010.

* Explanation concerning the appropriate use of the forecasts of operating results and other items of special mention

The above forecasts of operating results have been prepared based on the information available to management as of the date hereof as well as assumptions made as of the date hereof relating to uncertain factors which may affect future operating results. Actual results, etc. may differ from the expected figures due to a variety of factors, such as the economic climate and market trends.

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