

(Translation)

May 23, 2008

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 Whole-Year Operating Results  
(Consolidated/Non-Consolidated) for the Year Ending March 31, 2009 and  
the Recording of an Extraordinary Gain of the Company's Subsidiary (TMS Entertainment, Ltd.)

TMS Entertainment, Ltd. ("TMS"), a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company"), made an announcement on the conclusion of a final agreement to assign by transfer its amusement business and the spinning of its amusement business division by a corporate separation, as of the date hereof.

Accordingly, notice is hereby given that TMS made an announcement on adjustment to the forecasts of its whole-year consolidated and non-consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009), which was publicized in its "Consolidated and Non-Consolidated Settlement of Accounts for the Fiscal Year Ended March 31, 2008" on May 9, 2008, and the recording of an extraordinary gain, 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.

<<Attached material: Press release of TMS Entertainment, Ltd.  
"Notice of Adjustment to the Forecasts of Whole-Year Operating  
Results (Consolidated/Non-Consolidated) for the Year Ending March  
31, 2009 and the Recording of an Extraordinary Gain">>

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(Translation)

May 23, 2008

Dear Sirs,

Name of Company: TMS Entertainment, Ltd.  
Name of Representative: Masanori Koga,  
President and Representative  
Director  
Code No: 3585  
Listing Exchange: Nagoya Stock Exchange 2nd  
Section  
Further Inquiry: Katsuhiro Yamada,  
Managing Director and Division  
Manager, Administration Division  
(TEL: 03-5325-9111)

Notice of Adjustment to the Forecasts of Whole-Year Operating Results  
(Consolidated/Non-Consolidated) for the Year Ending March 31, 2009 and  
the Recording of an Extraordinary Gain

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Notice is hereby given that TMS Entertainment, Ltd. (the "Company") has made adjustment to the forecasts of its whole-year operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009), which was given at the time of publication of its financial statements on May 9, 2008, and the recording of an extraordinary gain, as described below:

Description

1. Adjustment to the forecast of the consolidated operating results for the year ending March 31, 2009

- (1) For the whole-year period (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
Previous forecast (A)	16,070	970	1,000	550	¥13.01
Adjusted forecast (B)	13,630	680	700	720	¥17.04
Amount of increase or decrease (B-A)	(-) 2,440	(-) 290	(-) 300	170	¥4.03
Rate of increase or decrease	(-) 15.2%	(-) 29.9%	(-) 30.0%	30.9%	30.9%
(For reference) Operating results for the year ended March 31, 2008	14,970	880	862	528	¥12.43

(2) Reason for the adjustment:

The Company plans to assign by transfer its amusement business to a new company incorporated by the Company by a corporate separation and transfer the shares of the new company to GEO Corporation, as of October 1, 2008.

Accordingly, net sales, operating income and ordinary income are expected to decrease ¥2,440 million, ¥290 million and ¥300 million, respectively, from the previous forecast.

On the other hand, net income is expected to increase ¥170 million from the previous forecast due to the recording of an extraordinary gain on the said assignment in spite of the said decrease in ordinary income.

For further information on the assignment, please refer to the "Conclusion of a Master Agreement on the Assignment by Transfer of the Amusement Business" publicized on May 9, 2008 and the "Notice of the Conclusion of a Final Agreement to Assign by Transfer Amusement Business and the Spinning of Amusement Business Division by a Corporate Separation" publicized today.

(3) For the interim period (from April 1, 2008 to September 30, 2008):

There is no change in the forecast given at the time of publication of its financial statements on May 9, 2008.

2. Adjustment to the forecast of the non-consolidated operating results for the year ending March 31, 2009

(1) For the whole-year period (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
Previous forecast (A)	15,350	850	910	500	¥11.83
Adjusted forecast (B)	12,910	560	610	670	¥15.85
Amount of increase or decrease (B-A)	(-) 2,440	(-) 290	(-) 300	170	¥4.02
Rate of increase or decrease	(-) 15.9%	(-) 34.1%	(-) 33.0%	34.0%	34.0%
(For reference) Operating results for the year ended March 31, 2008	14,589	819	839	512	¥12.04

(2) Reason for the adjustment:

Due to the same reason for the adjustment to the forecast of the consolidated operating results, net sales, operating income and ordinary income are expected to decrease ¥2,440 million, ¥290 million and ¥300 million, respectively, from the previous forecast.

On the other hand, net income is expected to increase ¥170 million from the previous forecast due to the same reason for the adjustment to the forecast of the consolidated operating results.

(3) For the interim period (from April 1, 2008 to September 30, 2008):

There is no change in the forecast given at the time of publication of its financial statements on May 9, 2008.

3. Recording of an extraordinary gain

As a result of the assignment by transfer of its amusement business, the Company expects to record an extraordinary gain of ¥530 million for the third quarter of the fiscal year on a consolidated and non-consolidated basis.

As to the effect thereof on the operating results, please refer to the forecasts of the operating results described in Sections 1 and 2 above.

\* 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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