

(Translation)

October 29, 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 Adjustment to  
the Recording of an Extraordinary Gain of the Company's Subsidiary (TMS Entertainment, Ltd.)

Notice is hereby given that TMS Entertainment, Ltd., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company") made an announcement on 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) publicized on May 23, 2008 and adjustment to the recording of an extraordinary gain publicized on May 23, 2008 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 Adjustment to the Recording of an Extraordinary Gain">>

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(Translation)

October 29, 2008

Dear Sirs,

Name of Company: TMS Entertainment, Ltd.  
Name of Representative: Hideki Okamura,  
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  
Adjustment to the Recording of an Extraordinary Gain

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Notice is hereby given that TMS Entertainment, Ltd. (the "Company") made an announcement on 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) publicized on May 23, 2008 and adjustment to the recording of an extraordinary gain publicized on May 23, 2008, as described in the attachment hereto.

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)	13,630	680	700	720	¥17.04
Adjusted forecast (B)	14,110	280	310	40	¥0.95
Amount of increase or decrease (B-A)	480	(-)400	(-)390	(-)680	(-)¥16.09
Rate of increase or decrease (%)	3.5	(-)58.8	(-)55.7	(-)94.4	(-)94.4
(For reference) Whole year operating results for the year ended March 31, 2008	14,790	880	862	528	¥12.43

(2)Reason for the adjustment

As stated on the release “Notice of Cancellation of Contact for Amusement Facility Business Transfer” publicized on September 29, 2008, the Company will continue operations of amusement facility business at AG SQUARE LTD., which was separated from the Company and established as a consolidated subsidiary of the Company.

Although sales of amusement facility business are added, net sales is expected to increase by 480 million from previous publicized forecast due to a decrease in the number of films produced and weak video sales in its animation business, as well as stagnant existing store sales in its amusement facility business in the second quarter.

With regard to operating income and ordinary income, a profit increase of amusement facility business will not cover the profit decrease relating to sales decline mentioned above. Consequently, operating income and ordinary income are expected to fall by 400 million and by 390 million respectively from the previously publicized forecast.

Net income is expected to decrease by 680 million from the previously publicized forecast due to a decrease in ordinary income stated herein, a decrease in an extraordinary gain resulting from cancellation of business transfer contract and a recording of an extraordinary loss upon completion of liquidation of Subsidiary.

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)	12,910	560	610	670	¥15.85
Adjusted forecast (B)	11,490	180	330	380	¥9.02
Amount of increase or decrease (B-A)	(-)1,420	(-)380	(-)280	(-)290	(-)¥6.83
Rate of increase or decrease (%)	(-)11.0	(-)67.9	(-)45.9	(-)43.3	(-)43.1
(For reference) Whole year operating results for the year ended March 31, 2008	14,589	819	839	512	¥12.04

(2)Reason for the adjustment

Net sales is expected to decrease by 1,420 million from previous publicized forecast due to a decrease in the number of films produced and weak video sales in its animation business.

Operating income and ordinary income are expected to fall by 380 million and by 280 million respectively from the previously publicized forecast due to the sales decrease mentioned above.

Net income is expected to decrease by 290 million from the previously publicized forecast due to a decrease in ordinary income mentioned above and a decrease in an extraordinary gain resulting from cancellation of business transfer contract though tax

expenses are expected to decrease.

3. Adjustment to the recording of an extraordinary gain

As publicized on May 23, 2008 and September 29, 2008, the Company expected to post an extraordinary gain of 530 million in the third quarter of the year ending March 31, 2009 (non-consolidated/consolidated) by the transfer of amusement facility business. However, due to cancellation of the contract, the extraordinary gain is expected to decrease to 240 million.

With regard to the impact on the Company's operating results, please see the reason for the adjustment stated herein (No.1 and No.2).

- \* The above forecast of operating results is 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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