

(Translation)

April 25, 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 Forecast of
Whole-Year Consolidated Operating Results for the Year Ended March 31, 2008 and
the Forecast of Whole-Year Consolidated Operating Results for the Year Ending March 31, 2009

It is hereby notified that SEGA SAMMY HOLDINGS INC. (the "Company") has made adjustment to the forecast of its whole-year consolidated operating results for the year ended March 31, 2008 (from April 1, 2007 to March 31, 2008) publicized on February 8, 2008, as described below. Notice is also given of the forecast of its whole-year consolidated operating results for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009).

Description

1. Adjustment to the forecast of whole-year consolidated operating results for the year ended March 31, 2008 (from April 1, 2007 to March 31, 2008):

(million yen except otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previously publicized forecast (A)	475,000	(-) 6,000	(-) 7,000	(-) 26,000	(-) ¥103.20
Adjusted forecast (B)	460,000	(-) 6,000	(-) 7,000	(-) 52,000	(-) ¥206.40
Amount of increase or decrease (B-A)	(-) 15,000	0	0	(-) 26,000	(-) ¥103.20
Rate of increase or decrease	(-) 3.2%	0%	0%	-%	-%
(For reference) Operating results for the previous year ended March 31, 2007	528,238	76,530	81,287	43,456	172.47

2. Reasons for the adjustment:

Principally in the pachislot and pachinko machine business, sales of both pachislot machines and pachinko machines are expected to fall below the previously publicized forecast and net sales are not expected to reach the initially projected amount. In the pachislot and pachinko market, due to the July 2004 revision of regulations, pachinko halls have been placed in very severe operational situations. In this business environment, the Group has been focusing on the development of differentiated major products which can acquire popularity from the market. However, products with major titles under the new development system are expected to be launched during the fiscal year ending March 31, 2009. Based on this, the number of units planned to be sold during the fiscal year ended March 31, 2008 in the pachislot machine business is revised from 408,000 to 380,000 and the number of units planned to be sold during the fiscal year ended March 31, 2008 in the pachinko machine business is revised from 134,000 to 108,000. In the meantime, operating loss and ordinary loss are expected to remain as previously publicized, due to decreases in advertising and promotion costs and sales commissions, among others.

With regard to extraordinary losses not reflected in the previously publicized forecast of operating results, valuation losses of the securities held by the Company and its subsidiaries due to the disposition of an impairment loss thereof are expected to amount to approximately ¥12,000 million, penalty charges due to the determination to discontinue the development of a complex focused on entertainment in the central ward of the "Minato Mirai 21" development zone are expected to amount to approximately ¥5,600 million and expenses of a voluntary recall of some products are expected to amount to approximately ¥2,300 million.

As a result, on a consolidated basis, the Company is expected to report net sales of ¥460,000 million (a decrease of ¥15,000 million from the previously publicized forecast), an operating loss of ¥6,000 million (same as the previously publicized forecast), an ordinary loss of ¥7,000 million (same as the previously publicized forecast) and a net loss of ¥52,000 million (an increase of ¥26,000 million in loss from the previously publicized forecast), respectively.

3. Forecast of whole-year consolidated operating results for the year ending March 31, 2009 (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
Whole-year operating results for the year ending March 31, 2009	470,000	15,000	13,000	5,000	¥19.85

4. Policies by segment:

With the aim of strengthening its pachinko machine business in the pachislot and pachinko machine business, which is an important issue of management, and improving earnings in its amusement facilities business and domestic consumer business, the Group will continue promoting "selection and concentration" of business to steadily revitalize its core

business.

In consideration of the pachislot and pachinko machine business facing the difficult market conditions, sales volumes of pachislot machines are expected to decrease year-on-year, while those of pachinko machines are expected to increase year-on-year owing to sales of machines with major titles in the strong pachinko machine market and contributions of TAIYO ELEC CO., LTD., which became a consolidated subsidiary during the second half of the previous fiscal year, to operating results.

The amusement machine business is expected to produce strong results due to sales of core major titles. With regard to sales of amusement machines overseas, the Group will shift to a basic policy of direct selling from Japan in Asia and also formulate measures to improve efficiencies in Europe and America to improve its earnings.

In the amusement facilities business, the Group will continue its work on selling or closing facilities with poor profitability and future potential. Additionally, the Group will make a fundamental reform of the functions of the headquarters to seek more efficient business management, and simultaneously aim to increase sales of each equipment category and intensify support for facility management, whereby improving its earnings substantially.

In the consumer business, the overseas game software business is expected to further expand. In the domestic game software business, the Group will drastically review its line-up strategy. Simultaneously, measures, including the recruitment of outside influential creators to create hit products and establish IP of its own, are expected to yield results. Furthermore, with improved performances of the consolidated subsidiaries engaging in the businesses of toys, content for use in cellular phones and animation, the consumer business as a whole is expected to move into profit.

The Company is currently preparing a fuller report on the above forecast of operating results and the forecast of dividends, which will be publicized at the time of publication of its "Brief Statement of Accounts for the Year Ended March 31, 2008" scheduled on May 13, 2008.

* The forecast of operating results stated herein is made based on information available to management as of the date hereof. The actual results may differ from the forecasted figures due to various factors in the future.

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