

(Translation)

October 28, 2009

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

Notice of Adjustment to the Forecasts of Operating Results, Recording of Extraordinary Loss and
Adjustment to the Forecast of Dividends for the Year Ending March 31, 2010
of the Company's Subsidiary (SEGATOYS CO., LTD.)

Notice is hereby given that SEGATOYS CO., LTD., a subsidiary of SEGA SAMMY HOLDINGS INC. (the "Company") made an announcement on adjustment to the forecasts of its operating results for the year ending March 31, 2010 (from April 1, 2009 to March 31, 2010) publicized on April 28, 2009, recording of extraordinary loss and adjustment to the forecast of dividends for the year ending March 31, 2010 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 SEGATOYS CO., LTD.
"Notice of Adjustment to the Forecasts of Operating Results, Recording
of Extraordinary Loss and Adjustment to the Forecast of Dividends
for the Year Ending March 31, 2010">>

- END -

(Translation)

October 28, 2009

Dear Sirs,

Name of Company: SEGATOYS CO., LTD.
 Name of Representative: Isao Kokubun,
 President and CEO
 (JASDAQ, Code No. 7842)
 Further Inquiry: Akira Sugano,
 Senior Managing Director, Head of
 Corporate Department
 (TEL: 03-5822-6244)

Notice of Adjustments to the Forecasts of Operating Results, Recording of Extraordinary
 Loss and Adjustment to the Forecast of Dividends for the Year Ending March 31, 2010

SEGATOYS CO., LTD. (the "Company"), in consideration of the recent development of its business performance, has announced an adjustment to the forecasts of its full year consolidated/non-consolidated operating results for the year ending March 31, 2010 (from April 1, 2009 to March 31, 2010) publicized on April 28, 2009, and on the occurrence of an extraordinary loss. Following the adjustment to the forecasts of the operating results, the forecast of dividends has also been adjusted as described below.

Description

1. Adjustment to the forecast of operating results

(1) Adjustment to the forecast of consolidated operating results for the year ending March 31, 2010 (from April 1, 2009 to March 31, 2010):

(million yen except when otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	19,500	427	400	317	14.76
Adjusted forecast (B)	18,000	(180)	(200)	(1,500)	—
Amount of increase or decrease (B-A)	(1,500)	(607)	(600)	(1,817)	—
Rate of increase or decrease (%)	(7.7%)	—	—	—	—
(For reference) Operating results for the previous year (year ended March 31, 2009)	18,947	(87)	(98)	(114)	—

(2) Adjustment to the forecast of the non-consolidated operating results for the year ending March 31, 2010 (from April 1, 2009 to March 31, 2010):

(million yen except when otherwise indicated)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously publicized forecast (A)	17,700	400	377	296	13.76
Adjusted forecast (B)	17,000	20	10	(1,650)	—
Amount of increase or decrease (B-A)	(700)	(380)	(367)	(1,946)	—
Rate of increase or decrease (%)	(4.0%)	—	—	—	—
(For reference) Operating results for the previous year (year ended March 31, 2009)	17,371	81	100	27	1.30

(3) Reason for the adjustment

i. Reason for the adjustment to the forecast of consolidated operating results:

With regard to consolidated net sales, overseas sales are expected to remain steady due to the hit sales of the “BAKUGAN” character toy for boys, but domestic sales are expected to remain weak, due in part to the slump in consumer spending and despite efforts to cultivate new markets for adults and families, in addition to toys for children, such as by launching the “Uchiage-Hanabi” for families and the “Yumeneko Venus” for the elderly. Consequently, consolidated net sales are expected to fall below the previous forecast. As for existing toys, the cooking toy product series such as “Tsukitate Omochi Kururin Mochi” remain strong, but sales of the Anpanman series, Yume Pet series and “Jewel Pet” related products, etc. are forecast to fall short of initial expectations. Furthermore, sluggish sales at our consolidated subsidiary, Taiyo Co., Ltd., has also prompted the adjustment to our previously publicized forecast.

Profits are expected to fall below the previous forecast, due in part to a huge drop in domestic sales, which generate higher profit margins, as well as the recording of an extraordinary loss in accordance with business restructuring.

As a result of the above, on a consolidated basis, the Company is expected to report net sales of ¥18,000 million (a decrease of ¥1,500 million from the previously publicized forecast), an operating loss of ¥180 million (a decrease of ¥607 million from the previously publicized forecast), an ordinary loss of ¥200 million (a decrease of ¥600 million from the previously publicized forecast) and a net loss of ¥1,500 million (a decrease of ¥1,817 million from the previously publicized forecast), respectively.

ii. Reason for the adjustment to the forecast of non-consolidated operating results:

The forecast of non-consolidated operating results was adjusted for the same reason that the forecast of consolidated operating results was adjusted. The Company expects to report net sales of ¥17,000 million (a decrease of ¥700 million from the previously publicized forecast), an operating income of ¥20 million (a decrease of ¥380 million from the previously publicized forecast), ordinary income of ¥10 million (a decrease of ¥367 million from the previously publicized forecast) and a net loss of ¥1,650 million (a decrease of ¥1,946 million from the previously publicized forecast), respectively.

2. Recording of extraordinary loss and the content thereof

(1) Consolidated

The Company expects to record an extraordinary loss of ¥630 million due to measures to reduce fixed costs centered on personnel costs as well as ¥450 million in costs in accordance with the dissolution and liquidation of Taiyo Co., Ltd.

(2) Non-consolidated

The Company expects to record an extraordinary loss of ¥630 million due to measures to reduce fixed costs centered on personnel costs as well as ¥810 million in costs in accordance with the dissolution and liquidation of Taiyo Co., Ltd.

The Company will announce specific measures for reducing fixed costs centered on personnel costs on a consolidated and non-consolidated basis as soon as the contents are determined.

3. Adjustment to the forecast of dividends

(1) Content of the adjustment:

(yen)

Dividend per share					
(Record date)	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Previous forecast (April 28, 2009)	—	0.00	—	5.00	5.00
Adjusted forecast	—	—	—	0.00	0.00
Actual results for the current year	—	0.00	—	—	—
Actual results for the previous year (ended March 31, 2009)	—	0.00	—	0.00	0.00

(2) Reason for the adjustment to the forecast of dividends:

With regard to the distribution of profits to its shareholders, the Company follows a fundamental policy of maintaining the constant payment of dividends according to profits, while it exerts its efforts to strengthen its business structure and to keep a stable management base by taking into consideration its business results and business developments. However, as described above, the Company's forecasts of its full year operating results are lower than previous forecasts, and the Company must inevitably record substantial losses. Consequently, it is very regrettable but the Company will pay no year-end dividend for the year ending March 31, 2010.

* 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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