

News Release : Melco Holdings Inc. (6676 TSE 1)

Date : October 24, 2006

Notice of Revisions to Non-consolidated Business Forecasts

Melco Holdings Inc. today announced the following revisions to its non-consolidated forecasts for the first half and the fiscal year ending March 2007. These forecasts replace the forecasts that were announced on April 26, 2006.

1. First half (April 1, 2006 ~ September 30, 2006)

(Yen in million)

	Operating income	Ordinary income	Net income
Previous forecast (A)	1,000	300	180
Revised forecast (B)	1,000	536	421
Increase/decrease (B-A)		236	241
Percentage change (%)		78.7	133.9
First half of March 2006 fiscal year	3,069	2,256	2,001
Percentage change (%) against first half of March 2006 fiscal year	-67.4	-76.2	-79.0

2. Full fiscal year (April 1, 2006 ~ March 31, 2007)

(Yen in million)

	Operating income	Ordinary income	Net income
Previous forecast (A)	1,800	700	430
Revised forecast (B)	1,800	850	500
Increase/decrease (B-A)		150	130
Percentage change (%)		21.4	16.3
First half of March 2006 fiscal year	5,871	4,671	4,259
Percentage change (%) against first half of March 2006 fiscal year	-69.3	-81.8	-88.3

(Reference) Net income per share 21.62 yen

Reasons for revisions

Ordinary income increased as the management guidance fees from subsidiaries increased and part of the cost which was planned to be used in the first half concentrated in the second half.

Moreover, current profitability decreased significantly compared to the previous year because dividends weren't paid by Buffalo Inc. In the consolidation process, a holding company eliminates dividend income from subsidiaries and the dividends from subsidiaries do not affect consolidated business results. Therefore, there are no revisions to consolidated business forecasts announced on July 25, 2006.

Note: The above forecasts are based on information currently available and incorporate many uncertainties. Actual results may differ from these forecasts due to changes in industry conditions and many other factors.