

February 17, 2003

Tax Case Appeal Now Confirmed in ARUZE's Favor

ARUZE CORP. (Representative Director and President Kazuo Okada; JASDAQ: 6425) today announced that further to the report dated January 29, 2003, Tokyo High Court's judgment in a Tax Appeal is finally confirmed in ARUZE's favor.

1. Background Information on This Litigation

Koto West Tax Office notified ARUZE in December 2000 of its ruling that ARUZE had failed to report the profit it made in a transaction which should have been reported in Japan. ARUZE viewed that the transaction was made by a U.S. affiliate independently. The affiliate had reported the earnings in the U.S. to IRS. ARUZE objected and sued for relief in Tokyo District Court and subsequently won. Japanese Tax Authority appealed to Tokyo High Court on May 23, 2002. The High Court upheld the judgment of the District Court on January 29, 2003. The tax authority decided to refrain from further appeal.

2. Impact on Financial Results of the Company

The refund of ¥2,294,260,700 (including the interest on the temporarily deposit while held by the tax authority on contingent-to-outcome basis), being the sum of the corporate income tax, and consumption tax for Fiscal Year 1996 the corporate income tax, consumption tax, and local consumption tax for Fiscal Year 1997 and the Additional Heavy Tax on Fiscal Year 1998 corporate income tax (in a separate suit) which had been deposited with the tax authority on the said contingency basis has been released and duly received by ARUZE. A part of the interest on the said deposit may be added to ARUZE's profit for Financial Year 2002.