

January 19, 2006

Company Name: Aruze Corp.

Name and Title of Representative: Kazuo Okada

Representative Director

Chairman of the Board of

Director and President

(JASDAQ Code: 6425)

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Aruze Appeals Against Court Decision

Aruze announced today that on January 18, 2006 it appealed against a court ruling issued on January 17, 2006 in a lawsuit brought against Aruze by KM Enterprise.

1. Summary of the Case and the Court Ruling

(1) Name of the Court, Case Number, and the Date of Filing

Name of the Court: Tokyo District Court

Case Number 2002 (wa) 23734 for seeking damages for breach of contract

Date of Filing: October 31, 2002

(2) Parties

Plaintiff: KM Enterprise Co. Ltd. (Address of the headquarters: 9-32-3 Seijo, Setagaya-ku, Tokyo, Representative: Representative Director, Kastunori Manabe)

Defendant: Aruze Corp.

(3) Background and Outline of Plaintiff's Complaint

On February 3, 2000, Aruze entered into a stock purchase option contract with the plaintiff with the purpose of acquiring all the stocks of the plaintiff's wholly owned US subsidiary, Sigma Game Inc. which has a gaming license given according to the laws of the State of Nevada. The purchase required Aruze to obtain a gaming license from the Nevada gaming authority. The plaintiff sued Aruze claiming that Aruze had failed to obtain the license by March 31, 2001 for reasons attributable to Aruze and, based on the breach of contract clause stipulated in the agreement, sought the damages of a sum equivalent to the purchase price that have been agreed upon.

(4) The Amount of Damages Sought by the Plaintiff

US\$ 30,000,000 plus interest at 6 % per annum for the period starting on April 1, 2001

until such sum is paid in full.

(5) Court Ruling

The defendant is ordered to pay to the plaintiff the damages as sought by the plaintiff.

2. Future Progress in the Case

The court did not accept Aruze's interpretation of the stock purchase option contract and the claims that the failure to obtain a gaming license by the agreed date was not attributable to Aruze. The ruling is economically unreasonable and drawn from illogical assumption of the original intentions of the parties to the contract. Aruze therefore appealed to the Tokyo High Court on January 18, 2006. The progress in this case will be posted in a timely manner. The impact of this court judgment on the company's business performance is uncertain at this moment.