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Announcement on separation of business and shift to a holding company

Aruze Corp. announces its plan to shift to a holding company on October 1 2006, in order to improve business performance and establish a long-term basis for stable management in the businesses of Aruze and its affiliates, resolved at a meeting of its Board of Directors held today.

We will carry out the plan on condition that we receive approval at its ordinary general meeting of shareholders, scheduled in June 2006, and details such as separation plan will be announced upon determination.

1 . Background and purpose

Since the middle of January 2006, Aruze Corp. has started the revolutionary Pachislot Rental Business with low price system all over Japan, and launched the promotion called "New Year Pachislot Rental Campaign." For further exposure, starting late January 2006, we have been extensively putting advertisements in the various types of media, such as TV, radio, newspaper, magazine, etc. Even with these actions, we expect that it would take a while for our customers to fully understand function and advantage of the rental business since this is practically the first time for the industry to see such a business model.

However, Aruze Corp. strongly believes that introduction of rental business with Type No. 5 standard machines would create the most appropriate business model for development and promotion of Pachislot industry after the complete removal of old standard machines of Type No. 4.

Separating Pachislot and Pachinko business from current Aruze Corp., management group of new company will be fully aware of responsibility as a leader of the business



corporation and create an environment for the management group to drive forward the business model to improve its performance in near future.

Meanwhile, current Aruze Corp. will change its name to “Aruze Holdings (provisional name),” and shift to an operative holding company with the business of ①~⑤, described below.

① Research & Development, Patent management

Aruze Corp. has put a great emphasis on research and development of elemental technology, such as one for large liquid crystal display (LCD) installed onto Pachinko CR machines, bill validator with special optical sensor technology, and nanotechnology required for IC tags and semiconductor chips, and so forth. We will utilize such advanced technologies into products by our group companies.

As for the patents management, we will increase the number of patent applications, and protect our patent rights through the utilization of the rights as well as the enforcement against patent infringements as a part of our intellectual property strategy.

② Investment management

Wynn Resorts Ltd., NASDAQ listed company to which Aruze Corp. invested 24.7% of capitalization through its subsidiary of Aruze USA Inc., opened its first casino hotel in Nevada, Las Vegas last April, and the place instantly became very popular destination as one of the largest hotels in Las Vegas with 18-hole luxurious golf course. Wynn Resorts plans to open its second hotel in Macau coming September, and Aruze Corp., as a business partner of Wynn Resorts, will work together for the casino management business, which is expected to expand continuously in the future.

(Reference: Aruze Corp. owns 24,549,222 shares of Wynn Resorts, Ltd. through its subsidiary, Aruze USA Inc., and book value of shares is about 46 billion yen. Closing price of the share on February 21 2006 is about 66 US dollar, and according to this price, current valuation of shares owned by Aruze as of the date is about 190 billion yen.)

③ Finance for group companies

Aruze Corp. will take over the capital procurement and management function for the group companies and increase efficiency in financing. This business is going to play particularly important part for the expansion of our Pachislot rental business.

④ Property management



Aruze Corp. will try making the most out of our property management among the group companies and keep producing the continuous profits as a group.

⑤ Sales of casino gaming devices and amusement facility equipments

Aruze Corp. plans to expand the businesses in sales of Aruze-brand slot machines and distribution of mass game machines, such as roulette and video baccarat, to the worldwide casino markets. For domestic market, we will focus on expanding the sales of medal games.

Regarding the sales division of casino gaming devices, we recognize the possibility of another separation of business for further growth once its scale of business reaches certain level.

The holding company of “Aruze Holdings (provisional name)” will be the listed company, just as Aruze Corp. has been.

2. Outline

(1) We will separate our main business of Pachinko and Pachislot to form a subsidiary, and the new company will absorb the business and concentrate resources on the business of its own to improve the performance as an independent corporation. Along with this separation, current Aruze Corp. plans to become an operative holding company with the following businesses of ①~⑤ for now, and aim to build a basis for stable management:

- ① Research & Development, Patent management
- ② Investment management
- ③ Finance for group companies
- ④ Property management
- ⑤ Sales of casino gaming devices and amusement facility equipments

(2) We will review and reorganize the businesses of the subsidiary, especially businesses that are valuable for the company but take time for product commercialization, and research and development which continuously requires large amount of fund. We plan to sell these businesses to investment funds outside the company to improve management efficiency.

3. Schedule of the separation (draft)

Board of Directors meeting

to approve separation plan

Middle of May, 2006 (tentative)



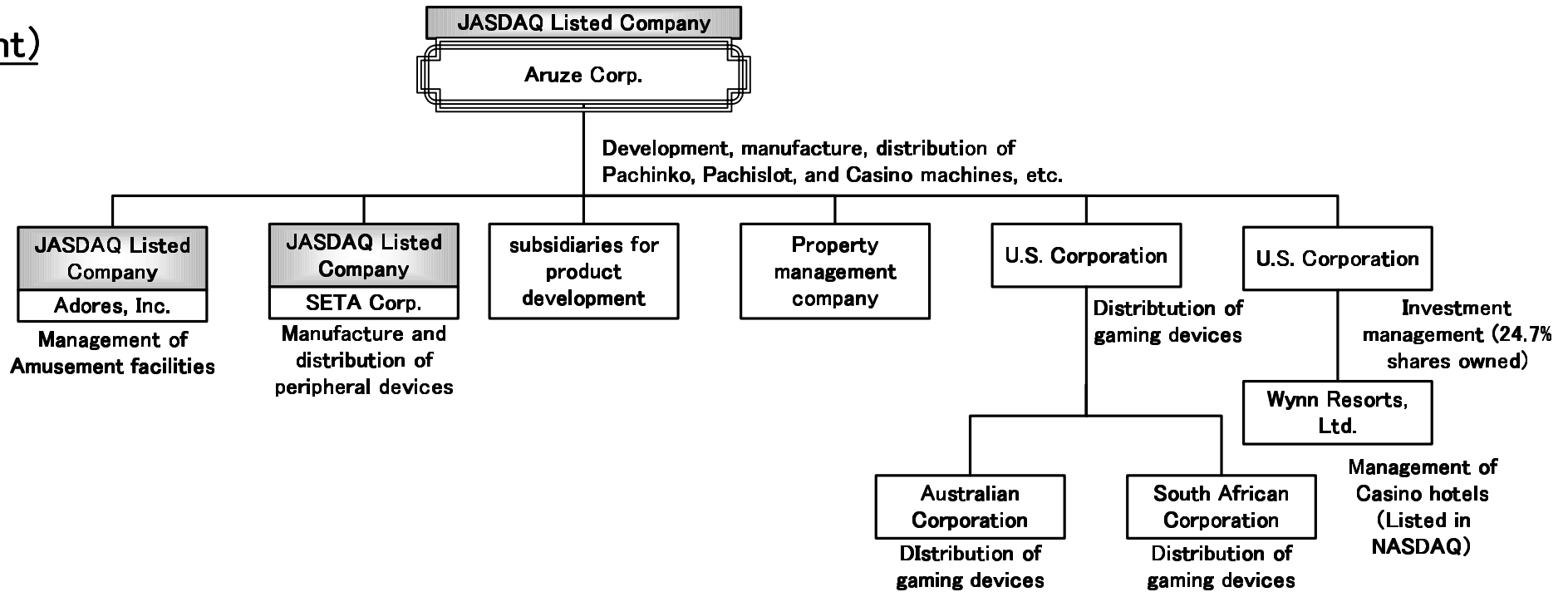
Ordinary general meeting of shareholders to approve separation plan	June 29, 2006 (tentative)
Date of separation	October 1, 2006 (tentative)
Registration of separation	October 1, 2006 (tentative)

4. Schedule of reorganization of subsidiary business

At this moment, nothing is set yet, and we will report as we come to conclusion.

End of Report

(Current)



(After Reorganization)

