March 15, 2007

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Business Realignment of ARUZE GROUP

As of last year, ARUZE CORP. ("ARUZE" below) has been examining a realignment of its business in order to accommodate its transition to an operating holding company. In its Board of Directors Meeting held today, the Company decided on the following two courses of action: I. The transfer of ARUZE's overseas casino gaming machine business and II. the separation of its mobile website operation business. Details of this decision follow below. Furthermore, included at the end of this document is information on ARUZE's future policy regarding its transition to an operating holding company.

I. Transfer of Overseas Casino Gaming Machine Business

On April 1, 2007, ARUZE's overseas casino gaming machine business is scheduled to be transferred to Aruze Gaming America, Inc. ("AGA" below), a 100%-owned American subsidiary of the Company.

1. Reason for Transfer

ARUZE aims to expand the scope of its operations around the three primary businesses that comprise the Company's current focus, these being its: (1) Japanese Pachislot/Pachinko business, (2) overseas casino gaming machine business and (3) joint casino hotel operation business through Wynn Resorts, Limited. Recognizing the necessity of establishing an R&D and sales framework capable of accommodating the growing US market (and facilitating the Company's entry in the Indian casino market*) in order to successfully expand its casino machine business, ARUZE concluded that transferring its R&D and sales departments for that business to AGA and working towards strengthening its presence in the world's largest market would be the most appropriate course of action. Additionally, transferring this business to AGA ensures that no duty to refrain from competition is present between AGA and ARUZE.

(*Indian casinos: Casinos operated by Native American tribes in the United States. Said casinos have been benefiting from rapid growth in the last several years.)

2. Nature of Transfer

(1) Nature of Operations of Department to Be Transferred

	No. of Employees	Nature of Operations
International Sales Department	10	Sales of gaming machines to overseas casinos
Gaming R&D Department	88	Development of gaming machines for overseas casinos
Total	98	

(2) Business Results of International Sales Department for Fiscal Year Ending March 31, 2006

	International Sales Dept. (a)	ARUZE CORP. Business Performance for Fiscal Year Ending March 31, 2007	Ratio (a/b)
Net Sales	¥1,539 million	¥29,165 million	5.3%
Gross Profit	¥501 million	¥13,643 million	3.7%
Operating Profit	-¥1,491 million	-¥5,613 million	**-%**
*Ordinary Profit	-	-¥5,805 million	**-%**

(No net sales are recorded for the Gaming R&D Department due to the nature of its activities.)

*Ordinary profit is omitted here due to non-operating profit/loss not being allocated on a departmental basis.

(3) Items and Amounts Pertaining to Assets to Be Transferred (As of March 15, 2007) (Units: Million ¥)

Assets			Liabilities
Department	Item	Book Value	N/A
International Sales Department	Tangible Fixed Assets	0.2	
Gaming R&D Department	Tangible Fixed Assets	23.6	
Total		23.8	—

(4) Transfer Price and Method of Settlement

ARUZE intends to add a valuation amount determined by an independent third-party assessor (tax accounting corporation) to the ¥23.8 million representing the book value of assets.

3. Summary of Transfer Recipient Company

(1) Company Name	Aruze Gaming America, Inc.
(2) Primary Business	Sale and manufacture of gaming machines for overseas casinos
(3) Date Established	February 7, 1983
(4) Location of Headquarters	745 Grier Drive, Las Vegas, Nevada 89119 USA
(5) Representative	Kunihiko Yogo (ARUZE CORP. Representative Director and CEO)
(6) Capital	US$190,000.00

(7) No. of Employees	7
(8) Major Shareholder Structure and Holding Percentage	ARUZE CORP. 100%
(9) Relationship with ARUZE	Capital relationship: AGA is a wholly-owned subsidiary of ARUZE. Personnel relationship: One ARUZE Director is concurrently serving as Director of AGA. Business relationship: The purchase and sale of components for overseas casino gaming machines.

4. Schedule

Date of Board of Directors Meeting finalizing transfer agreement	March 15, 2007
Date of finalization of transfer agreement	March 31, 2007 (tent.)
Date of transfer	April 1, 2007 (tent.)

5. Description of Accounting Procedures

The valuation amount established by the third-party assessor may result in transfer gains for ARUZE. Any amounts corresponding to these gains are scheduled to be posted by the transfer recipient company in the form of goodwill. This goodwill would be amortized in accordance with US accounting standards.

II. Separation of Mobile Website Operation Business

ARUZE will separate its mobile phone website operation business as of April 2, 2007.

1. Purpose of Separation

Currently, ARUZE's Research and Development Division conducts the planning, development and operation of pay mobile websites, including "ARUZE Kingdom," "Super Real Mahjong" and "Shoryu Shogi." In order to boost the specialization and improve the competitiveness of this business to address intensified competition, as well as streamline the business of ARUZE, the Company has decided to separate this mobile website operation business and render it independent.

2. Key Points Pertaining to Separation

(1) Separation Schedule

Date of Board of Directors Meeting approving separation plan	March 15, 2007
Date of separation	April 2, 2007 (tent.)
Registration of establishment of newly-established company (effective date of separation)	April 2, 2007 (tent.)

This separation is defined as a "new establishment separation through a simplified company separation" as stipulated in Article 805 of the Commercial Code of Japan. As such, ARUZE is not planning an approved resolution of the matter at the General Meeting of Shareholders.

(2) Method of Separation

①Method of Separation

ARUZE CORP. will represent the split company and ARUZE MEDIA NET INC. ("ARUZE MEDIA NET" below) will represent the newly-established company created through a new establishment separation.

②Reason for Adopting this Method of Separation

In order to boost the specialization of its mobile website operations business and further strengthen that competitiveness of that business in the process, ARUZE concluded that operating said business in the form of a 100%-owned subsidiary would be the most appropriate course of action. The Company therefore elected to employ the aforementioned method of separation, which establishes the business as a wholly-owned subsidiary.

(3) Share Allocation

The newly-established company will issue 2,000 shares of common stock upon the separation, with all of these shares to be allocated to ARUZE.

(4) Handling of Share Warrants and Bonds with Share Warrants Attached

The split company has issued share warrants; however, upon the separation, the newly-established company will not issue share warrants for the newly-established company in place of share warrants for the split company.

Additionally, the split company has not issued bonds with share warrants attached.

(5) Summary of Accounting Methods

As this separation is defined as a new establishment separation resulting in a subsidiary, accounting will be conducted based on the book value succession method.

(6) Rights and Obligations to Be Succeeded by Newly-Established Company

In accordance with the aforementioned new establishment separation plan, on the appointed day of the separation, the newly-established company will succeed the assets, liabilities and any and all incidental rights and obligations incidental to the business from the split company.

Additionally, ARUZE will make a concomitant assumption of debt to be succeeded by the newly-established company from ARUZE.

The valuation of assets and liabilities shall be based on the balance sheet dated on the final day of September 2006 and finalized after adjusting for differences in each as valued on the appointed day of separation.

(7) Expectations Regarding Debt Fulfillment

ARUZE has determined that there are no problems inherent with the certainty of debt fulfillment to be assumed by the Company and the newly-established company upon the separation.

3. Description of Companies Involved in Separation (As of March 15, 2007)

	Split Company (ARUZE)	Newly-Established Company
(1) Company Name	ARUZE CORP.	ARUZE MEDIA NET INC.
(2) Primary Business	Development, manufacturing, sales, leasing and import/export of amusement machines	Planning, development and sales of contents for mobile websites
(3) Date of Establishment	June 26, 1973	April 2, 2007 (tent.)
(4) Location of Headquarters	3-1-25 Ariake, Koto-ku, Tokyo	Same as left
(5) Representative	Kunihiko Yogo	Norihisa Kiriu
(6) Capital	¥3,447 million (*1)	¥50 million
(7) Outstanding No. of Shares	80,195,000 shares (*1)	2,000 shares
(8) Net Assets	¥113,959 million (*1)	¥100 million (tent.)
(9) Total Assets	¥166,540 million (*1)	¥121 million (tent.)
(10) Closing Day of Business Year	March 31	March 31
(11) No. of Employees	901 (*1)	4 (tent.)
(12) Primary Customers	Pachinko parlors across Japan	NTT DoCoMo, Inc. KDDI CORPORATION KYOCERA COMMUNICATION SYSTEMS Co., Ltd. SOFTBANK MOBILE Corp.
(13) Major Shareholders and Holding Ratio (As of Sept. 30, 2006)	Kazuo Okada 40.61% Tomohiro Okada 29.51% Hiromi Okada 6.64%	ARUZE CORP. 100.00%
(14) Primary Banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, etc.	(Undetermined)
(15) Relationship between Involved Companies	Capital relationship: The newly-established company will be a wholly-owned subsidiary of ARUZE. Personnel relationship: Directors from the split company will be dispatched to the newly-established company. Business relationship: The newly-established company will consign development work pertaining to mobile contents to the separated company.	

(16) Business Results for Last Three Fiscal Years (Units: Million ¥)

①Split Company (ARUZE)	Non-Consolidated			Consolidated		
Fiscal Year Ending	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2004	March 31, 2005	March 31, 2006
Net Sales	79,491	49,526	29,165	101,077	72,458	48,506

Operating Profit	8,189	3,354	-5,613	10,065	5,467	-5,310
Ordinary Profit	9,738	3,313	-5,805	8,399	2,083	-8,578
Net Profit	1,723	-7,019	-13,891	156	1,022	-12,713
Net Profit Per Share (¥)	21.56	-87.85	-173.86	1.96	12.79	-159.11
Dividends Per Share (¥)	30	30	20	-	-	-
Net Assets Per Share (¥)	1,805.30	1,687.43	1,483.81	1,480.45	1,468.75	1,351.89

(*1) As of September 30, 2006.

4. Nature of Business Department to Be Separated

(1) Description of Operations of Mobile Website Operation Business Department

Planning and sales of contents for mobile websites, operation of mobile websites, etc.

(2) Business Results of Mobile Website Operation Department for Fiscal Year Ending March 31, 2006

	Mobile Website Operation Business (a)	ARUZE CORP. Business Performance for Fiscal Year Ending March 31, 2007	Ratio (a/b)
Net Sales	¥1,009 million	¥29,165 million	3.5%
Gross Profit	¥761 million	¥13,643 million	5.6%
Operating Profit	-	-¥5,613 million	**-%**
*Ordinary Profit	-	-¥5,805 million	**-%**

*Operating profit and ordinary profit are omitted here due to selling, general and administrative expenses and non-operating profit/loss not being allocated to this business.

(3) Items and Amounts Pertaining to Assets to Be Succeeded (As of April 2, 2007) (Units: Million ¥)

Assets		Liabilities	
Item	Book Value	Item	Book Value
Cash	34	Accrued Payable/ Accrued Expenses	21
Accounts Receivable	86	-	-
Tangible Fixed Assets	1	-	-
Total Assets	121	Total Liabilities	21

5. Status of ARUZE Following Separation

(1)	Company Name	ARUZE CORP. (no change)
(2)	Primary Business	Development, manufacturing sales, leasing and import/export of amusement machines (no change)
(3)	Location of Headquarters	3-1-25 Ariake, Koto-ku, Tokyo (no change)
(4)	Representative	Kunihiko Yogo (no change)
(5)	Capital	¥3,447 million (no change)
(6)	Total Assets	Minute change in total assets due to separation.
(7)	Closing Day of Business Year	March 31
(8)	Effect on Business Performance	The separation will not bear an effect ARUZE'S consolidated business results due to the newly-established company being a wholly-owned subsidiary.

III. Outlook on Business Performance Following Transfer

Outlook on Business Performance (Non-Consolidated/Consolidated)

	Fiscal Year Ending March 31, 2007 (Non-Consolidated)	Fiscal Year Ending March 31, 2007 (Consolidated)
Net Sales	¥34,000 million	¥37,800 million
Ordinary Profit	-¥1,500 million	-¥5,500 million
Net Profit	-¥3,700 million	¥10,100 million
Annual Dividends Per Share	¥50.00	-

*Note: The above will bear no effect on ARUZE's business results for the current fiscal year.

Additionally, the realignment of ARUZE's business as announced in this press release will not have an effect on consolidated results.

Business performance expectations for the fiscal year ending March 31, 2008 will be reported once they have been finalized.

<Future Policy Regarding Transition to Operating Holding Company>

1. Revision of Pachislot/Pachinko Business

At the time of ARUZE's announcement made on August 24, 2006 entitled "Revision of Transition Method to Operative Holding Company Framework," the Company had intended to separate its sales department by April 1, 2007. This scheduled date has been changed to October 1, 2007. The reason for this six-month extension is the belief that having the sales and manufacturing departments remain directly integrated rather than become separate companies will allow for more flexibility in dealing with currently-occurring changes in the market. This is especially crucial given the peak in replacement demand for Type 5 Pachislot machines expected to occur in the 1st Half of the fiscal year ending March 31, 2008.

With regards to the R&D departments for Pachislot and Pachinko, at the time of the aforementioned announcement on August 24, 2006, these two departments were scheduled to belong to the operating holding company. However, given that the market is anticipated to expect elevated levels of playability in order to balance out the lower volatility of Type 5 Pachislot machines relative to their Type 4 counterparts, increasingly high levels of R&D capability are expected to be called upon in the future. With this in mind, ARUZE concluded that it is essential to increase the autonomy and specialization of its Pachislot and Pachinko R&D departments. Consequently, as of October 1, 2007, both departments will be separated from ARUZE and rendered as independent companies.

2. Transition to Operating Holding Company

ARUZE intends to make the transition to an operative holding company as of October 1, 2007. Following this transition, the ARUZE GROUP's domestic and overseas businesses will be separated, with clear delineation within the GROUP of which companies conduct Japanese Pachislot/Pachinko-related operations and which companies conduct operations pertaining to overseas casino gaming machines. The holding company itself is expected to focus specifically on areas that include "core R&D and patent management," "investment management," "group finance," "property management" and "systems management."

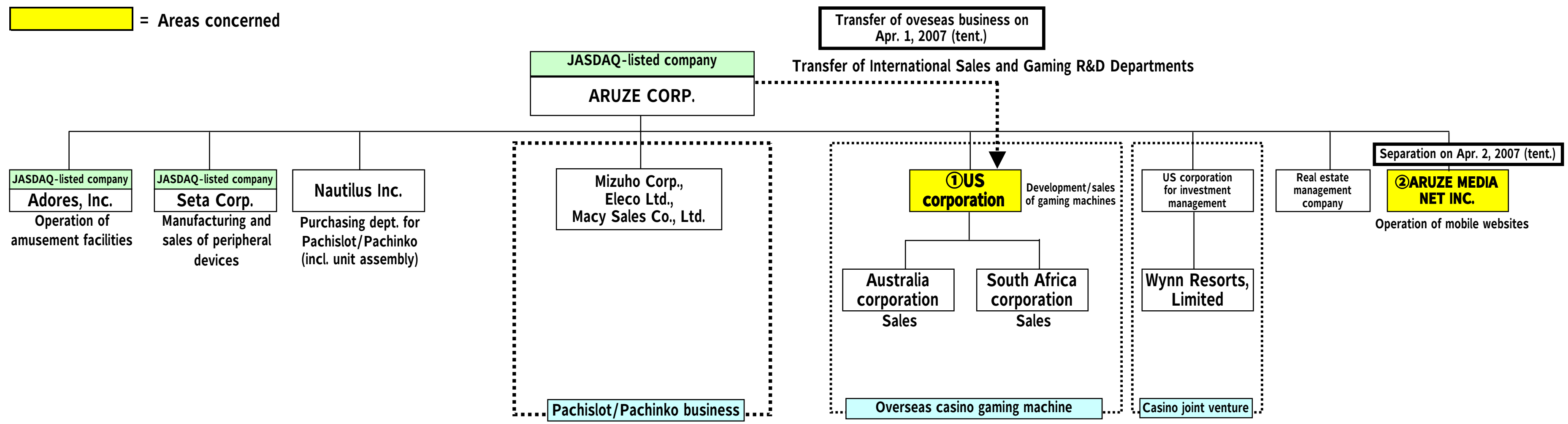
Specific plans regarding the transition will be executed pending approval by the Board of Directors and by shareholders at the Annual General Meeting of Shareholders scheduled for June 2007.

-Attachment: "Relationship Between ARUZE GROUP Companies"

Relationship Between ARUZE GROUP Companies

(Nature of Board Decisions Concerned)

Scheduled enactment date: April 2, 2007



Changes from existing organization:

(1) Overseas casino gaming machine business to be transferred to overseas subsidiary (scheduled for April 1, 2007)

(2) Mobile website operation business to be separated (scheduled for April 2, 2007)

(Existing organization)

As of March 15, 2007