



April 27, 2007

Company Name: ARUZE CORP.

Name and Title of Representative: Kunihiko Yogo

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**Revision of Full Fiscal Year Business Performance Forecast and Incurrence of Extraordinary Losses for ARUZE Subsidiary (Seta Corp.)**

Seta Corp. ("Seta"), a subsidiary of ARUZE CORP., has revised its business performance forecast for the full fiscal year ending March 31, 2007 (beginning April 1, 2006 and ending March 31, 2007). The original forecast for said period was announced in the "Revision of Interim Period and Full Year Business Performance Forecast and Incurrence of Extraordinary Losses for Fiscal Year ending March 31, 2007 (Consolidated/Non-Consolidated)" press release issued by Seta on November 30, 2006. Please see the attached materials for more details.



April 27, 2007

Company Name: Seta Corp.  
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Representative Director and President  
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**Revision of Full Year Business Performance Forecast and Incurrence of  
Extraordinary Losses for Fiscal Year ending March 31, 2007  
(Consolidated/Non-Consolidated)**

Seta Corp. (“Seta” or “the Company”) has revised its business performance forecast for the full fiscal year ending March 31, 2007 (beginning April 1, 2006 and ending March 31, 2007). While Seta achieved a level of profitability significantly greater than that posted for the previous fiscal year, original forecasts for said period as announced in the “Revision of Interim Period and Full Year Business Performance Forecast and Incurrence of Extraordinary Losses for Fiscal Year ending March 31, 2007 (Consolidated/Non-Consolidated)” press release issued by the Company on November 30, 2006 were not met. Details of the revisions follow below.

1. Revision of Business Performance Forecast for Full Fiscal Year Ending March 31, 2007

<Consolidated> (Beginning April 1, 2006 and Ending March 31, 2007)

(Unit: Million ¥)

	Net Sales	Ordinary Profit	Net Profit
Previous Forecast (A)	5,807	780	634
Revised Forecast (B)	5,119	651	318
Difference	-688	-129	-316
Ratio of Increase/Decrease (B-A)	-11.8%	-16.5%	-49.8%
Reference: Business Performance Previous Fiscal Year	2,705	-739	-1,407

<Non-Consolidated> (Beginning April 1, 2006 and Ending March 31, 2007)

(Unit: Million ¥)

	Net Sales	Ordinary Profit	Net Profit
Previous Forecast (A)	5,743	767	632
Revised Forecast (B)	4,975	619	310
Difference	-768	-148	-322
Ratio of Increase/Decrease (B-A)	-13.4%	-19.3%	-50.9%
Reference: Business Performance Previous Fiscal Year	2,621	-764	-1,406

## (2) Reason for Revision and Incurrence of Extraordinary Losses

Seta's amusement machine business currently finds itself in a rocky business environment characterized by a decrease in the number of Pachinko parlors that stems from a decline in the player population. In addition, steep costs are expected to accompany the upcoming replacement of machines to be removed from those parlors due to expired approvals, with this transition to take place primarily in June. This translates into heightened inhibitions on the part of parlors in general to engage in capital expenditure.

Within this business environment, Seta endeavored to expand sales of its flagship product, a multi-function IC card system capable of utilizing high-denomination bills for Pachislot and Pachinko machines. Through these efforts, the Company significantly increased the number of parlors adopting the use of said system to 248 from the figure of 158 at the end of the last fiscal year. Of particular note is the Company's success in increasing the number of such parlors in the 4<sup>th</sup> Quarter, during which competitors across the board experience a drop in systems adoption.

Collectively, for the full fiscal year, Seta predicts that it will achieve a consolidated net sales figure of ¥5,119 million (up approximately ¥2,414 million from the previous fiscal year) and a consolidated ordinary profit figure of ¥651 million (up approximately ¥1,390 million from the previous fiscal year). Under this considerable increase in revenue and earnings, all of the Company's business departments have returned to profitability. However, with a number of parlor operators expected to revise the renovation period of their establishments, the delivery and installation of a number of Seta systems have been postponed until the next fiscal year. Consequently, the Company anticipates a ¥688 million reduction in consolidated net sales and a ¥129 million reduction in ordinary profit relative to its previous forecast figures.

Concerning extraordinary losses, in addition to ¥84 million in redemption costs on stagnant accounts receivable turnover, inventory and other items posted in the interim period, the Company is expecting to post valuation losses of ¥232 million on older product and parts inventory for which consumption is expected to take longer than previously anticipated due to changes in market trends. Consequently, Seta predicts a consolidated net profit of ¥318 million, representing an approximate ¥316 million decrease from initial projections.