

May 23, 2007  
IR & PR Office

## Announcement of Ruling in Patent Case

On May 22, 2007, the Tokyo District Court reached a ruling on a patent case filed by ARUZE CORP. (“ARUZE” or “the Company”) against Sammy Corporation (“Sammy”). Details of the ruling follow below.

### 1. Nature of Ruling

ARUZE had filed a lawsuit with the Tokyo District Court claiming damages for the violation of two of the Company’s patents (Patent No. 3069092 and 3708056) by Sammy in “Hokuto No Ken,” a Pachislot machine manufactured and distributed by Sammy. The Court ruled to dismiss these claims.

### 2. Explanation of Patented Invention and ARUZE’s View on Ruling

The core of the patent applicability contested in this case revolves around the “Alert Function System” and the means of alert used in that system. As ARUZE was unable to elicit sufficient understanding regarding the applicability of relevant patents to this system, the very reason for holding such patents became opaque in the process. The alert itself, which represents but a single, superficial component of the patented areas being contested, was treated as the primary element of contention in this case, and was subsequently determined to not have been the subject of patent violation. This ruling clearly implies that certain areas of patent applicability under ARUZE’s claims were merely touched upon, and that that the alert itself rather than the claims of the Company became the focal point of the patent rights being deliberated. In this respect, the Company feels that the meaning of the patents in question were not properly understood, and intends to appeal the ruling with the expectation that more proper deliberation, consideration and judgment will be applied in a higher court.

### 3. Future Outlook

The ruling in this case does not reflect a proper understanding of the technology, the true center of this patent case, utilized in the “Alert Function

System.” In order to clarify the nature of this technology in a court of law, ARUZE is currently reconfiguring its legal framework to more capably handle the advanced legal and technical aspects involved with patents. The Company maintains that “Hokuto No Ken” represents a clear violation of Patent No. 3069092 as it applies to the “Alert Function System.” In the case in question, the Court properly ruled that this patent was valid despite Sammy’s claims that it was not. However, while maintaining the patent’s validity, the court incorrectly ruled that “Hokuto No Ken” did not represent a violation of this patent as claimed by ARUZE.

ARUZE will clarify the applicability of this patent as well as the nature in which this patent was violated in the forthcoming appeal trial.

Lastly, the ruling discussed above will have no effect on ARUZE’s business results for the current fiscal year.