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Issuance of Share Purchase Warrants as Stock Options

It is to inform the brief summary that the company resolved at the board of director's meeting held on May 31, 2007 to list up as a agenda for the 34th annual general shareholder meeting to be held on June 28, 2007, that the board of directors meeting will be authorized to decide offerings of share purchase warrants to be issued as stock options to the directors of the company's affiliates and the executive officers, employees and advisers of the company and its affiliates, in accordance to Articles 236, 238 and 239 of the Corporation Code (Code No. 86 of 2005).

1. The reason to invite persons to subscribe the share purchase warrants under especially advantageous conditions:
For purpose of boosting up motivation and morale to improve the company's consolidated financial results, the company allocates the share purchase warrants to the directors of the company's affiliates and the executive officers, employees and advisers of the company and its affiliates without requesting monetary payments.
2. Description and maximum numbers of the share purchase warrants which can be decided to offer for subscription, in accordance with the item to be resolved at the annual general shareholders meeting.
 - (1) Maximum numbers of the share purchase warrants which can be decided the offerings for subscription in accordance with the authorization:
Up to 1,400 shares purchase warrants which are specified in the following item (3).
The total number of shares to be issued by exercising the share purchase warrants is up to 140,000 ordinary shares of the company. If the Number of Granted Shares (defined below) is adjusted in accordance with the following item (3) ①, the number obtained from multiplying the Number of Granted Shares is equal to the number obtained from multiplying the Number of Granted Shares after the adjustment by the said maximum numbers of the share purchase warrants.
 - (2) No monetary payment is required as to the share purchase warrants which can be decided to offer for subscription in accordance with the authorization.

(3) Description of the share purchase warrants which can be decided to offer for subscription in accordance with the authorization.

① Type and number of shares to be issued subject to the share purchase warrants

The type of shares to be issued subject to the share purchase warrants shall be ordinary shares of the company, and the number of shares to be issued against one share purchase warrant shall be 100 shares (hereinafter referred to as the “Number of Granted Shares”). In the event that the company implements share split (including gratis issue of the company’s ordinary shares, and the same will be applied as to stock split hereafter) or share consolidation after the allotment date of the share purchase warrants (hereinafter referred to as the “Allotment Date”), the Number of Granted Shares shall be adjusted according to the following calculation And any fractions of less than one share resulted from the adjustment shall be omitted:

$$\begin{array}{rcccl} \text{Number of Granted} & & \text{Number of Granted} & & \text{Ratio of Split or} \\ \text{Shares after the} & = & \text{Shares before the} & \times & \text{Consolidation} \\ \text{adjustment} & & \text{adjustment} & & \end{array}$$

In the case that unavoidable circumstances to adjust the Number of Granted Shares arise after the Allotment Date, the Number of Granted Shares shall be adjusted within reasonable scope.

② Calculation method of value of the property to be contributed upon exercising the share purchase warrants

The value of the property to be contributed upon exercising the share purchase warrants is equal to the amount obtained from multiplying amount to be paid per one share to be received upon exercising the share purchase warrants (hereinafter referred to as the “Exercising Value”) by the Number of Granted Shares.

Exercising Value is equal to the amount obtained from multiplying the average of closing prices of the ordinary transactions in JASDAQ Market for the past six months (excluding days on which no transaction is concluded) (hereinafter referred to as the “Closing Price”) by 1.05 and fractions under 1 yen shall be rounded up.

In the case that the amount is under Closing Price of Allotment Date of the share purchase warrants (if the transaction is not concluded, the Closing Price of the nearest preceding day), the Closing Price shall be the Exercising Value.

In the case that new shares are issued or treasury stocks are disposed of at the price below the market price after the Allotment Date, the Exercising Value shall be adjusted in accordance with the following formula and any fractions of less than one yen resulted from the adjustment shall be rounded up. In the case of conversion of securities to be converted to or securities which can be converted to the company’s ordinary shares, execution of the share purchase warrants which can request issuance of ordinary shares of the company (including those attached to share purchase warrant bonds), transfer of treasury stocks obtained by the company based upon the resolutions of the 29th annual general shareholders meeting held on June 27, 2002 and the 31st annual general shareholders meeting held on June 29, 2004, and the 33rd annual

general shareholders meeting held on June 29, 2006 to the person having the stock option right, transfer of treasury stock responding to sales transfer request of any fractional shares by fractional shareholders, and transfer of treasury stock by stock exchange, no adjustment of the Exercising Value shall be made.

$$\frac{\text{Execution Price after Adjustment} \times \text{Execution Price before Adjustment} \times \left(\frac{\text{Existing Outstanding Shares} + \frac{\text{New shares To be Issued} \times \text{Amount to be Paid per Share}}{\text{Market Value}}}{\text{Existing Outstanding Shares} + \text{New Shares to be Issued}} \right)}{\text{Execution Price before Adjustment}}$$

“Existing Outstanding Shares” used in the above formula means the number gained through deduction of treasury stock of the company’s ordinary shares from the outstanding shares of the company’s ordinary shares. In the case that treasury stocks of the company’s ordinary shares are disposed of, “New Shares to be Issued” shall be replaced by “the Number of Treasury Stocks to be Disposed of”.

In addition, if unavoidable circumstances other than those describe above to adjust the Execution Price such as the company’s reduction of its capital amount arise after the Allotment Date, the Execution Price shall be adjusted within reasonable scope considering the condition of the deduction of its capital amount.

In the case that share split or share consolidation of the company’s ordinary shares are implemented after the Allotment Date, the Execution Price shall be adjusted in proportion to the ratio of the share split or share consolidation. Any fractions of less than one yen resulted from the adjustment shall be rounded up.

③ Term during which the share purchase warrants can be exercised

The term shall be the one within 4 years after the Allotment Day of the share purchase warrants, which shall be decided by the board of directors meeting.

④ Matters relating to capital and additional paid-in capital, which would increase in case of stock issuance under exercising the share purchase warrants.

- i. The increment of capital, which would increase in the case of stock issuance under exercising the share purchase warrants, is equal to one half of the increase limit of capital calculated based on Article 40, Item 1 of the Regulations of Accounting with fractions under 1 yen being rounded up.
- ii. The increment of additional paid-in capital, which would increase in the case of stock issuance under exercising the share purchase warrants, is equal to the amount obtained after subtracting the increase in capital specified in the item i above from the increase limit specified in the item i above.

⑤ Restriction on acquisition of the share purchase warrants by transfer

Acquisition of the share purchase warrants by transfer shall be approved by the company’s

board of directors meeting.

⑥ Grounds and conditions for acquisition of the share purchase warrants:

In the event the annual general shareholders meeting approves a proposal (in the event the resolution is made by the board of directors meeting if the shareholders meeting resolution is not required) for a merger contract whereby the company will become a resolved company, an absorption-type company split contract or an incorporation-type company split plan whereby the company will become a company which is split, a share exchange contract whereby the company will become a wholly owned subsidiary or a share transfer plan, the share purchase warrants may be obtained without consideration on the date to be decided by the board of directors meeting.

2. The company may obtain the share purchase warrants without consideration in the event a holder of the share purchase warrants will not be in a position to exercise its right in accordance with the clause ⑦

⑦ Conditions to exercise the share purchase warrants

i. The person who will exercise the share purchase warrants must hold any one of the positions as a director of the company's affiliates or an executive officer, employee or adviser of the company or its affiliates, provide, however, that this would not be applied if there is any reasonable reason which the board of directors meeting approves.

ii. In the event that the share purchase warrants are subject to inheritance, scope of heirs and conditions for exercise shall be governed by the provisions of a share purchase warrant grant agreement referred to in item iv below.

iii. Pledge of share purchase warrants or other disposal shall not be allowed.

iv. Other conditions shall be governed by a share purchase warrant grant agreement to be executed by and between a share purchase warrants holder and the company in accordance with the resolutions of the annual general shareholder meeting and the board of directors meeting.

⑧ Treatment when Company Reorganization is implemented:

At mergers (limited to cases where the company is liquidated as a result of the merger), absorption-type company splits, incorporation-type company splits, share exchanges or share transfers of the company (hereinafter collectively referred to as the "Corporate Reorganization"), the share purchase warrants of the corporations specified in Article 236, paragraph 1, items (1) to (5) of Corporate Code (hereinafter referred to as the "Reorganized Corporations") will be granted to the holders of the share purchase warrants that remain on the effective date of the Corporate Reorganization (hereinafter referred to as the "Remaining Share Purchase Warrants") in accordance with the following conditions. In this case, Remaining Share Purchase Warrants are extinguished and the Reorganized Corporations shall newly issue the share purchase warrants. This, however, shall be limited to the cases in which merger agreements, absorption-type company splits agreements, incorporation-type company splits plans, share exchanges contracts or share transfers plans stipulate that the share purchase warrants of Reorganized Corporations will be issued

under the following terms and conditions:

i. Number of the share purchase warrants of Reorganized Corporations to be granted:

The same numbers of Remaining Share Purchase Warrants owned by each holder are granted.

ii. Type of shares of Reorganized Corporations to be issued under the share purchase warrants:

The ordinary shares of Reorganized Corporations are issued.

iii. Number of shares of Reorganized Corporations to be issued under the share purchase warrants:

This shall be dealt with in the same manner as the item ① above taking into consideration the terms and conditions of Corporate Reorganization.

iv. Value of the property to be contributed upon exercising the share purchase warrants

The value of the property to be contributed upon exercising the share purchase warrants is the amount obtained from multiplying the amount to be paid in after Reorganization which is gained through adjustment of Exercising Payment specified in the item ② by the number of the share purchase warrants of Reorganized Corporations to be decided in accordance with the said item iii, considering the terms and conditions of Reorganization.

v. Period during which the share purchase warrants can be exercised

From the later date of either the first day of "Term during which the share purchase warrants can be exercised" specified in the item ③ or the effective date of the Corporate Reorganization, to the last day of the "Term during which the share purchase warrants can be exercised" specified in the item ③.

vi. Matters relating to increment of capital and additional paid-in capital which would increase by stock issuance under exercising the share purchase warrants

This shall be dealt with in the same manner as the item ④ above.

vii. Restrictions on acquisition of the share purchase warrants through transfer

The acquisition of share purchase warrants through transfer shall require the approval of the board of directors meeting of Reorganized Corporation (or, its director if Reorganized Corporation is not a company with the board of directors.)

viii. Terms and conditions for acquisition of the share purchase warrants

This shall be dealt with in the same manner as the item ⑤ above.

⑨ Treatment of shares less than one share as a result of exercise of the share purchase warrants

If a fraction of less than one share is included in the shares to be issued to a holder of the share purchase warrants, who exercise the warrants, it shall be rounded off.

For the contents stated above, approval at the 34th Annual General Shareholders Meeting scheduled on June 28, 2007 shall be required.