



June 27, 2007

Company Name: ARUZE CORP.

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Additional Revision to Brief Report of Settlement of Accounts for Full Fiscal Year Ending March 31, 2007

Items not yet finalized as reported in the June 22, 2007 release “Additional Revision to Brief Report of Settlement of Accounts for Full Fiscal Year Ending March 31, 2007” have been finalized as of today. Please see below and the attached materials for details. Revised items have been marked with an underline.

The materials disclosed herein represent the conclusion of the revising and correction of the Company’s Brief Report of the Settlement of Accounts for the full fiscal year ending March 31, 2007

1. Items Finalized as of Today

- (1) Analysis of Operating Results
- (2) Lease Transactions (Consolidated/Non-Consolidated)
- (3) Tax Effect Accounting (Consolidated/Non-Consolidated)
- (4) Segment Information

2. Reason for Revision of Items Finalized as of Today

A portion of the contents in the Brief Report of the Settlement of Accounts released on June 1, 2007 was revised in order to accommodate changes in items specified by the audit corporation during the audit process after June 1. Specific reasons for the changes to the items in question are as follows:

(1) Analysis of Operating Results

A revision of operating profit (or loss) and other items in each segment was conducted following a careful calculation of the costs and assets per segment. Specifically, transactions originally recorded as being within a single segment were revised following the audit process to be transactions across segments.

(2) Lease Transactions (Consolidated/Non-Consolidated)

The following two points constitute the primary reasons for revision:

- ① Following a careful calculation of figures listed in the “(1) Amounts equivalent to acquisition costs, accumulated depreciation, accumulated asset impairment loss and fiscal year-end book value” and “(3) Lease payments, draw-down amount from asset impairment loss account for lease assets, amount equivalent to depreciation, amount equivalent to interest expenses and asset impairment loss” items on pages 7 and 13 of the materials disclosed herein, subleases were found to be included in said items. These items were hence revised to exclude subleases.
- ② Following a careful calculation of the number of units listed in item (1) on page 8 and item (1) on page 14 of the materials disclosed herein, a revision to said figures was made.

(3) Tax Effect Accounting (Consolidated/Non-Consolidated)

Revisions were conducted to reflect adjustments in profit and loss (previously disclosed on June 13) and a reassessment of items of adjustment for tax reporting purposes. The following three points represent the primary points of revision:

- ① Allowance for Litigation Losses
As reported in the “Revision of Figures for Settlement of Accounts for Full Fiscal Year Ending March 31, 2007” disclosed on June 13, 2007, in accordance with the revision of 1,412 million yen previously posted as litigation losses to be changed to a provision of an allowance for litigation losses, the allowance for litigation losses was posted under current liabilities. Subsequently, the litigation losses posted under deferred tax assets under the “Consolidated (Tax Effect Accounting) 【Before Revision】” on page 9 and under the “Non-Consolidated (Tax Effect Accounting) 【Before Revision】” on page 15 of the materials disclosed herein were both rendered following revision as an allowance for litigation losses under deferred tax assets (current).
- ② Development Works in Progress
As a portion of an amount posted as costs under R&D expenses was determined to be more suitably posted as assets from a tax standpoint, this portion of said amount was posted as development works in progress under “Consolidated (Tax Effect Accounting) 【After Revision】” on page 9 and “Non-Consolidated (Tax Effect Accounting) 【After Revision】” on page 15 of the materials disclosed herein.
- ③ Revision of “Difference on Timing of Sales Recognition” to “Non-Recognition of Advance Receipts”
In the initial stages of the Company’s Pachislot rental business, the Company had conducted a campaign in which a replacement software title was provided free of charge for a limited time. For accounting purposes, the Company was instructed to record the free software title provided as advance receipts, and later on post said title as sales once it had been provided as a replacement title. Conversely, for tax purposes, the Company did not recognize this amount of advance receipts, and posted it as an additional adjustment amount for tax reporting purposes. In order to reflect this, amounts posted as “Difference on Timing of Sales Recognition” under Deferred Tax Assets (Current) as found on “Consolidated (Tax Effect Accounting) 【Before Revision】” on page 9 and “Non-Consolidated (Tax Effect Accounting) 【Before Revision】” on page 15 of the materials disclosed herein were both listed under 【After Revision】 as “Non-Recognition of Advance Receipts,” which was determined to be a more proper term.
- (4) Segment Information
The reason for revision is the same as that provided for (1) Analysis of Operating Results.
(Unallocable amounts relating to operating expenses listed on pages 11 and 12 of the materials disclosed herein refer to costs that cannot be allocated to each segment.)

(The revision status of the Brief Report of the Settlement of Accounts in its entirety may be viewed on pages 3 through 5.)

Revision Status of Brief Report of Settlement of Accounts

Item	Revision announced today, Wed., June 27	Revision announced on Fri., June 22	Revision announced on Fri., June 15	No revision
I. Summary information (standard format)				
1. Consolidated financial results				
(1) Consolidated results of operations			○	
(2) Consolidated financial position			○	
(3) Consolidated cash flow position		○		
2. Status of dividends				
3. Forecast of consolidated financial results				
4. Others				
(1) Changes in material subsidiaries during fiscal year (changes in specified subsidiaries accompanying change in scope of consolidation)				○
(2) Changes in principles, procedures, methods of presentation etc. for accounting methods pertaining to preparation of consolidated financial statements				○
(3) Outstanding shares (common stock)				○
(Reference) Summary of non-consolidated financial results			○	
1. Non-consolidated financial results				
(1) Non-consolidated results of operations			○	
(2) Non-consolidated financial position			○	
2. Forecast of non-consolidated financial results				
*Explanation and other noteworthy items regarding proper application of financial results forecast				○
II. Qualitative information, financial statements, etc.				
1. Operating results				
(1) Analysis of operating results	○			
(2) Analysis of financial condition		○		
(3) Basic policy regarding distribution of dividends and dividends for this/next fiscal year				○
(4) Business risks				○
2. Status of the corporate group				
3. Management policy				
(1) Basic management policy of the Company				○
(2) Targeted performance indicators				○
(3) Medium- and long-term business strategy				○
(4) The Company's challenges				○
(5) Establishment and status of internal control systems				○
(6) Other significant matters from a management perspective				○
4. Consolidated financial statements				
(1) Consolidated balance sheet			○	
(2) Consolidated profit and loss statement			○	
(3) Consolidated statement of changes in shareholders' equity			○	

Item	Revision announced today, Wed., June 27	Revision announced on Fri., June 22	Revision announced on Fri., June 15	No revision
(4) Consolidated cash flow statement		<input type="radio"/>		
(5) Events or circumstances exerting material doubt on the assumption of continued businesses	Not applicable			
(6) Important matters serving as basis for preparation of consolidated financial statements			<input type="radio"/>	
(7) Changes in important matters serving as basis for preparation of consolidated financial statements			<input type="radio"/>	
(8) Changes in description		<input type="radio"/>		
(9) Notes (consolidated financial statements)	Not applicable			
a. Notes, etc. (consolidated balance sheet, consolidated income statement, consolidated equity capital fluctuations statement, consolidated cash flow statement)			<input type="radio"/>	
b. Segment information	<input type="radio"/>			
c. Lease transactions	<input type="radio"/>			
d. Transactions with affiliated parties				<input type="radio"/>
e. Tax effect accounting	<input type="radio"/>			
f. Securities			<input type="radio"/>	
g. Derivative transactions				<input type="radio"/>
h. Retirement benefits				<input type="radio"/>
i. Stock option, etc.				<input type="radio"/>
j. Combination of enterprises, etc.				<input type="radio"/>
k. Per share information			<input type="radio"/>	
l. Significant subsequent events			<input type="radio"/>	
5. Non-consolidated financial statements	Not applicable			
(1) Balance sheet			<input type="radio"/>	
(2) Profit and loss statement			<input type="radio"/>	
(3) Statement of changes in shareholders' equity, etc.			<input type="radio"/>	
(4) Events or circumstances exerting material doubt on the assumption of continued businesses	Not applicable			
(5) Significant accounting policies			<input type="radio"/>	
(6) Changing in accounting methods			<input type="radio"/>	
(7) Notes (non-consolidated financial statements)	Not applicable			
a. Notes, etc. (balance sheet, profit and loss statement, equity capital fluctuations statement)			<input type="radio"/>	
b. Lease transactions	<input type="radio"/>			
c. Securities				<input type="radio"/>
d. Tax effect accounting	<input type="radio"/>			
e. Per share information			<input type="radio"/>	
f. Significant subsequent events			<input type="radio"/>	
6. Others	Not applicable			
(1) Personnel changes of Company officers and directors				<input type="radio"/>
(2) Others	Not applicable			

1. Operating Results

【Before revision】	【After revision】
<p>(1) Analysis of Operating Results (Operating Results for the Fiscal Year in Question) (Omitted) ① Pachislot and Pachinko Business (p. 3) (Omitted)</p> <p>As a result of the situation described above, in the Pachislot and Pachinko business, sales totaled 31,605 million yen (a 26.2%-increase over the previous fiscal year), with operating profit totaling <u>6,306</u> million yen (a <u>122.5%</u>-increase over the previous fiscal year).</p>	<p>(1) Analysis of Operating Results (Operating Results for the Fiscal Year in Question) (Omitted) ① Pachislot and Pachinko Business (Omitted)</p> <p>As a result of the situation described above, in the Pachislot and Pachinko business, sales totaled 31,605 million yen (a 26.2%-increase over the previous fiscal year), with operating profit totaling <u>6,106</u> million yen (a <u>115.5%</u>-increase over the previous fiscal year).</p>
<p>③ Gaming Machine Business (p. 4) (Omitted)</p> <p>As a result of the situation described above, sales for the gaming machine businesses for the consolidated fiscal year in question totaled 2,630 million yen (a 50.1%-decrease from the previous fiscal year), with operating losses at <u>1,348</u> million yen (2,556 million yen in operating losses for the previous fiscal year).</p>	<p>③ Gaming Machine Business (Omitted)</p> <p>As a result of the situation described above, sales for the gaming machine businesses for the consolidated fiscal year in question totaled 2,630 million yen (a 50.1%-decrease from the previous fiscal year), with operating losses at <u>1,329</u> million yen (2,556 million yen in operating losses for the previous fiscal year).</p>
<p>④ Other Businesses (p. 4) (Omitted)</p> <p>As a result of the activities described above, sales for other businesses for the consolidated fiscal year in question totaled <u>1,218</u> million yen (a <u>42.5%</u>-decrease from the previous fiscal year), with operating profit at <u>4</u> million (327 million in operating losses for the previous fiscal year).</p>	<p>④ Other Businesses (Omitted)</p> <p>As a result of the activities described above, sales for other businesses for the consolidated fiscal year in question totaled <u>3,006</u> million yen (a <u>41.9%</u>-increase from the previous fiscal year), with operating profit at <u>603</u> million (327 million in operating losses for the previous fiscal year).</p>

(Lease transactions) (P40)

[Before revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	[After revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
1. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lessee)	1. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lessee)
(1) Amounts equivalent to acquisition costs, accumulated depreciation, accumulated asset impairment loss and fiscal year-end book value (Million yen)	(1) Amounts equivalent to acquisition costs, accumulated depreciation, accumulated asset impairment loss and fiscal year-end book value (Million yen)
Tangible fixed assets (others)	Tangible fixed assets (others)
Amount equivalent to acquisition costs	Amount equivalent to acquisition costs
7,828	250
Amount equivalent to accumulated depreciation	Amount equivalent to accumulated depreciation
3,054	64
Amount equivalent to fiscal year-end book value	Amount equivalent to fiscal year-end book value
4,774	186
Intangible fixed assets (others)	Intangible fixed assets (others)
Amount equivalent to acquisition costs	Amount equivalent to acquisition costs
2	2
Amount equivalent to accumulated depreciation	Amount equivalent to accumulated depreciation
2	2
Amount equivalent to fiscal year-end book value	Amount equivalent to fiscal year-end book value
0	0
Total	Total
Amount equivalent to acquisition costs	Amount equivalent to acquisition costs
7,831	253
Amount equivalent to accumulated depreciation	Amount equivalent to accumulated depreciation
3,057	67
Amount equivalent to fiscal year-end book value	Amount equivalent to fiscal year-end book value
4,774	186
(2) Amounts equivalent to future lease payments outstanding at fiscal year-end, etc.	(3) Amounts equivalent to future lease payments outstanding at fiscal year-end, etc.
Amounts equivalent to future lease payments outstanding at fiscal year-end (Million yen)	Amounts equivalent to future lease payments outstanding at fiscal year-end (Million yen)
Due within one year	Due within one year
4,509	4,552
(3,883)	(4,504)
Due after one year	Due after one year
2,532	2,669
(931)	(2,522)
Total	Total
7,042	7,221
(4,814)	(7,027)
Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at fiscal year-end.	Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at fiscal year-end.
(3) Lease payments, draw-down amount from asset impairment loss account for lease assets, amount equivalent to depreciation, amount equivalent to interest expenses and asset impairment loss (Million yen)	(3) Lease payments, draw-down amount from asset impairment loss account for lease assets, amount equivalent to depreciation, amount equivalent to interest expenses and asset impairment loss (Million yen)
Lease payments	Lease payments
3,110	62
Amount equivalent to depreciation	Amount equivalent to depreciation
2,998	50
Amount equivalent to Interest expenses	Amount equivalent to Interest expenses
164	17
(4) Calculation of the amount equivalent to depreciation Same as on the left.	(4) Calculation of the amount equivalent to depreciation Same as on the left.
(5) Calculation of the amount equivalent to interest expense Same as on the left.	(5) Calculation of the amount equivalent to interest expense Same as on the left.
2. Operating lease transactions	2. Operating lease transactions
Future lease payments (Million Yen)	Future lease payments (Million Yen)
Due within one year	Due within one year
1	1
Due after one year	Due after one year
2	2
Total	Total
3	3
(Asset impairment loss) Same as on the left.	(Asset impairment loss) Same as on the left.

[Before revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	[After revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)																																																														
<p><u>2.</u> Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lender)</p> <p>(1) Acquisition costs, accumulated depreciation, accumulated impairment loss and fiscal year-end book value</p> <p style="text-align: right;">(Million yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Rental assets</td> </tr> <tr> <td style="padding-left: 20px;">Acquisition costs</td> <td style="text-align: right;"><u>5,098</u></td> </tr> <tr> <td style="padding-left: 20px;">Accumulated depreciation</td> <td style="text-align: right;"><u>2,287</u></td> </tr> <tr> <td style="padding-left: 20px;">Fiscal year-end book value</td> <td style="text-align: right;"><u>2,811</u></td> </tr> <tr> <td colspan="2">Total</td> </tr> <tr> <td style="padding-left: 20px;">Acquisition costs</td> <td style="text-align: right;"><u>5,098</u></td> </tr> <tr> <td style="padding-left: 20px;">Accumulated depreciation</td> <td style="text-align: right;"><u>2,287</u></td> </tr> <tr> <td style="padding-left: 20px;">Fiscal year-end book value</td> <td style="text-align: right;"><u>2,811</u></td> </tr> </table> <p>(2) Amount equivalent to future lease payments outstanding at the fiscal year-end</p> <p style="text-align: right;">(Million yen)</p> <table style="width: 100%; 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(Tax effect accounting) (P48)

[Before correction] Current Consolidated Fiscal Year (As of Mar. 31, 2006)		[After correction] Current Consolidated Fiscal Year (As of Mar. 31, 2007)	
I. Causes for deferred tax assets and deferred tax liabilities		I. Causes for deferred tax assets and deferred tax liabilities	
Deferred tax assets (Current)	(Mil. Yen)	Deferred tax assets (Current)	(Mil. Yen)
Accrued enterprise taxes	<u>73</u>	Accrued enterprise taxes	<u>74</u>
Inventories	<u>3,156</u>	Inventories	<u>3,132</u>
Allowance for bonuses	<u>95</u>	Allowance for bonuses	<u>98</u>
Deferred loss	<u>2,644</u>	Deferred loss	<u>2,506</u>
<u>Difference of timing on sales recognition</u>	2,519	<u>Denial of advance receipts, etc</u>	2,519
Others	<u>368</u>	<u>Allowance for litigation loss</u>	<u>575</u>
Sub-total	<u>8,855</u>	<u>R&D work in process</u>	<u>277</u>
Valuation allowance	<u>(7,384)</u>	Others	<u>322</u>
Balance	<u>1,471</u>	Sub-total	<u>9,506</u>
Deferred tax liabilities (Current)		Valuation allowance	<u>(8,045)</u>
Allowance for doubtful accounts	<u>(16)</u>	Balance	<u>1,460</u>
Others	<u>(5)</u>	Deferred tax liabilities (Current)	
Sub-total	<u>(22)</u>	Allowance for doubtful accounts	<u>(6)</u>
Net deferred tax liabilities	<u>1,449</u>	Others	<u>(5)</u>
Deferred tax assets (Fixed)		Sub-total	<u>(11)</u>
Allowance for doubtful accounts	<u>1,035</u>	Net deferred tax liabilities	<u>1,449</u>
Loss on appraisal of membership rights	13	Deferred tax assets (Fixed)	
Loss on appraisal of real estate	50	Allowance for doubtful accounts	<u>1,072</u>
<u>Loss on litigation</u>	<u>575</u>	Loss on appraisal of membership rights	13
Amount in excess of depreciation	<u>324</u>	Loss on appraisal of real estate	50
Research and development cost	329	Amount in excess of depreciation	<u>101</u>
Loss on investment	284	Research and development cost	329
Asset Impairment loss	503	Loss on investment	284
Deferred loss	2,081	Asset Impairment loss	503
Others	<u>63</u>	Deferred loss	2,081
Sub-total	<u>5,257</u>	Others	<u>130</u>
Valuation allowance	<u>(5,210)</u>	Sub-total	<u>4,568</u>
Balance	<u>47</u>	Valuation allowance	<u>(4,446)</u>
Deferred tax liabilities (Fixed)		Balance	<u>122</u>
Corrected enterprise taxes	(135)	Deferred tax liabilities (Fixed)	
Others	<u>(67)</u>	Corrected enterprise taxes	(135)
Sub-total	<u>(203)</u>	Others	<u>(143)</u>
Net deferred tax liabilities (Fixed)	<u>(156)</u>	Sub-total	<u>(279)</u>
		Net deferred tax liabilities (Fixed)	<u>(156)</u>

(P49)

[Before correction] Current Consolidated Fiscal Year (As of Mar. 31, 2007)	[After correction] Current Consolidated Fiscal Year (As of Mar. 31, 2007)
II. Major components of the significant difference between the statutory effective tax rate and burden rate of corporate taxes, etc. after the application of tax-effect accounting	II. Major components of the significant difference between the statutory effective tax rate and burden rate of corporate taxes, etc. after the application of tax-effect accounting
Statutory effective tax rate (Adjustments)	Statutory effective tax rate (Adjustments)
Valuation allowance	Valuation allowance
Equity in the losses/profits of affiliates	Equity in the losses/profits of affiliates
Non-deductible expenses such as entertainment	Non-deductible expenses such as entertainment
Per capita inhabitants' taxes	Per capita inhabitants' taxes
Amortization of goodwill	Amortization of goodwill
<u>Tax of retained profit</u>	<u>Losses and profits on changes of equity</u>
Other	Other
Burden rate of corporate taxes, etc. after the application of tax-effect accounting	Burden rate of corporate taxes, etc. after the application of tax-effect accounting
40.7%	40.7%
<u>40.7</u>	<u>43.7</u>
<u>(62.3)</u>	<u>(61.0)</u>
<u>0.1</u>	<u>0.5</u>
<u>0.8</u>	<u>0.5</u>
<u>0.4</u>	<u>0.3</u>
-	<u>(2.6)</u>
<u>0.8</u>	<u>(1.2)</u>
<u>21.2%</u>	<u>20.9%</u>

(Segment Information)

a. Segment information by types of business

The following data are the segment information by types of business in the last 2 consolidated fiscal years.

[Before correction] (P51)

Current Consolidated Fiscal Year (April 1st, 2006 to March 31st, 2007)

	Pachislot and Pachinko Business (Mil. Yen)	Real Estate Business (Mil. Yen)	Game Machines Business (Mil. Yen)	Other Businesses (Mil. Yen)	Total (Mil. Yen)	Eliminations or Unallocated Amounts (Mil. Yen)	Consolidated (Mil. Yen)
I. Net sales and operating profit							
Net sales							
(1) Sales to external customers	31,605	1,022	2,563	1,196	36,387		36,387
(2) Inter-segment sales or reallocations	-	53	66	22	142	(142)	-
Total	31,605	1,075	2,630	1,218	36,529	(142)	36,387
Operating expenses	25,299	456	3,978	1,214	30,948	8,317	39,266
Operating profit (or loss)	6,306	618	(1,348)	4	5,581	(8,460)	(2,879)
II. Assets, depreciation and capital expenditures							
Assets	50,779	8,844	11,572	38,512	109,708	60,944	170,653
Depreciation	4,393	129	190	0	4,712	192	4,904
Asset Impairment loss	=	-	=	-	=	64	64
Capital expenditures	8,269	-	177	7	8,454	177	8,632

*Note:

1. Basis of segmentation

The Company's businesses are divided into segments based on the classification of its products, as well as similarities of sales market characteristics.

2. Adores, Inc, which was mainly classified to Amusement facilities management business, was changed to affiliated company on equity methods in the end of March 2006 fiscal year. Due to this change, the business segment described as "Amusement facilities management business" in the past was eliminated.

3. Major products and merchandise in each segment

Business Segment	Major Products and Merchandise
Pachislot and Pachinko business	Pachislot and Pachinko machines and related parts and peripheral equipment
Real estate business	Leasing of real estate
Game machines business	Industrial and home use game machines (including game software)
Other businesses	Planning, design and construction of Pachinko halls, and broadcasting business

4. Eliminations or unallocated amounts relating to operating expenses includes an unallocable amount of 8,452 million yen in total, comprised primarily of expenses incurred in the administrative departments of Aruze Corp.

5. Eliminations or unallocated amounts relating to total assets includes an unallocable amount of 135,146 million yen in total, comprised primarily of investments in affiliates, surplus operating funds (cash and deposits, and marketable securities) as well as assets associated with the administrative departments of these companies.

6. Depreciation and capital expenditures include the long-term prepaid expenses and amortization amounts associated with these expenses.

[After correction] (P51)

Current Consolidated Fiscal Year (April 1st, 2006 to March 31st, 2007)

	Pachislot and Pachinko Business (Mil. Yen)	Real Estate Business (Mil. Yen)	Game Machines Business (Mil. Yen)	Other Businesses (Mil. Yen)	Total (Mil. Yen)	Eliminations or Unallocated Amounts (Mil. Yen)	Consolidated (Mil. Yen)
I. Net sales and operating profit							
Net sales							
(1) Sales to external customers	31,605	1,022	2,563	1,196	36,387	==	36,387
(2) Inter-segment sales or reallocations	-	53	66	<u>1,810</u>	<u>1,930</u>	(1,930)	-
Total	31,605	1,075	2,630	<u>3,006</u>	<u>38,318</u>	(1,930)	36,387
Operating expenses	<u>25,498</u>	456	<u>3,959</u>	<u>2,403</u>	<u>32,318</u>	<u>6,860</u>	<u>39,178</u>
Operating profit (or loss)	<u>6,106</u>	618	<u>(1,329)</u>	<u>603</u>	<u>5,999</u>	<u>(8,790)</u>	<u>(2,791)</u>
II. Assets, depreciation and capital expenditures							
Assets	<u>55,425</u>	8,844	<u>5,729</u>	<u>984</u>	<u>70,892</u>	<u>101,061</u>	<u>172,043</u>
Depreciation	<u>4,175</u>	129	190	<u>36</u>	<u>4,531</u>	<u>265</u>	<u>4,797</u>
Asset Impairment loss	<u>54</u>	-	<u>10</u>	-	<u>64</u>	==	64
Capital expenditures	<u>8,360</u>	-	<u>85</u>	7	<u>8,453</u>	<u>170</u>	<u>8,624</u>

*Note:

1. Basis of segmentation

The Company's businesses are divided into segments based on the classification of its products, as well as similarities of sales market characteristics.

2. Adores, Inc, which was mainly classified to Amusement facilities management business, was changed to affiliated company on equity methods in the end of March 2006 fiscal year. Due to this change, "Amusement facilities management business" was not the object for disclosure.

3. Major products and merchandise in each segment

Business Segment	Major Products and Merchandise
Pachislot and Pachinko business	Pachislot and Pachinko machines and related parts and peripheral equipment
Real estate business	Leasing of real estate
Game machines business	Industrial and home use game machines (including game software)
Other businesses	Planning, design and construction of Pachinko halls, and broadcasting business

4. Eliminations or unallocated amounts relating to operating expenses includes an unallocable amount of 8,298 million yen in total, comprised primarily of expenses incurred in the administrative departments of Aruze Corp.

5. As stated in "Important Matters Serving as Basis for Preparation of Consolidated Financial Statements," "Accounting Standards for Stock Option, etc" and "Implementation Guidance for Accounting Standards for Stock Option, etc." are adopted from the current consolidated fiscal year.

This change caused 12 million yen increase of the unallocable operating expenses included in the items of eliminations or unallocated amounts, comparing with the old method.

6. Eliminations or unallocated amounts relating to total assets includes an unallocable amount of 109,764 million yen in total, comprised primarily of investments in affiliates, surplus operating funds (cash and deposits, and marketable securities) as well as assets associated with the administrative departments of these companies.

7. Depreciation and capital expenditures include the long-term prepaid expenses and amortization amounts associated with these expenses.

(Lease transactions) (P77)

[Before revision] Current fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	[After revision] Current fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
1. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lessee)	1. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lessee)
(1) Amounts equivalent to acquisition costs, accumulated depreciation, accumulated asset impairment loss and fiscal year-end book value (Million yen)	(1) Amounts equivalent to acquisition costs, accumulated depreciation, accumulated asset impairment loss and fiscal year-end book value (Million yen)
Vehicles	Vehicles
Amount equivalent to acquisition costs 9	Amount equivalent to acquisition costs 9
Amount equivalent to accumulated depreciation 1	Amount equivalent to accumulated depreciation 1
Amount equivalent to fiscal year-end book value 7	Amount equivalent to fiscal year-end book value 7
Tools and fixtures	Tools and fixtures
Amount equivalent to acquisition costs <u>7,812</u>	Amount equivalent to acquisition costs <u>2</u>
Amount equivalent to accumulated depreciation <u>3,048</u>	Amount equivalent to accumulated depreciation <u>0</u>
Amount equivalent to fiscal year-end book value <u>4,763</u>	Amount equivalent to fiscal year-end book value <u>2</u>
Total	Total
Amount equivalent to acquisition costs <u>7,821</u>	Amount equivalent to acquisition costs <u>12</u>
Amount equivalent to accumulated depreciation <u>3,050</u>	Amount equivalent to accumulated depreciation <u>2</u>
Amount equivalent to fiscal year-end book value <u>4,770</u>	Amount equivalent to fiscal year-end book value <u>9</u>
(2) Amount equivalent to future lease payments outstanding at fiscal year-end, etc.	(2) Amount equivalent to future lease payments outstanding at fiscal year-end, etc.
Amount equivalent to future lease payments outstanding at fiscal year-end (Million yen)	Amount equivalent to future lease payments outstanding at fiscal year-end (Million yen)
Due within one year 3,885 (3,883)	Due within one year 3,885 (3,883)
Due after one year <u>939</u> (931)	Due after one year <u>938</u> (931)
Total <u>4,825</u> (4,814)	Total <u>4,823</u> (4,814)
Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at fiscal year-end.	Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at fiscal year-end.
(3) Lease payments, draw-down amount from asset impairment loss account for lease assets, amount equivalent to depreciation, amount equivalent to interest expenses and asset impairment loss (Million yen)	(3) Lease payments, draw-down amount from asset impairment loss account for lease assets, amount equivalent to depreciation, amount equivalent to interest expenses and asset impairment loss (Million yen)
Lease payments <u>3,108</u>	Lease payments <u>3</u>
Amount equivalent to depreciation <u>2,996</u>	Amount equivalent to depreciation <u>2</u>
Amount equivalent to Interest expenses <u>164</u>	Amount equivalent to Interest expenses <u>0</u>
(4) Calculation of the amount equivalent to depreciation Same as on the left.	(4) Calculation of the amount equivalent to depreciation Same as on the left.
(5) Calculation of the amount equivalent to interest expense Same as on the left.	(5) Calculation of the amount equivalent to interest expense Same as on the left.
(Asset impairment loss) Same as on the left.	(Asset impairment loss) Same as on the left.

(P78)

[Before revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	[After revision] Current consolidated fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
2. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lender)	2. Finance leases other than those deemed to transfer the ownership of rental assets to lessees (As a lender)
(1) Acquisition costs, accumulated depreciation, accumulated impairment loss and fiscal year-end book value (Million yen)	(1) Acquisition costs, accumulated depreciation, accumulated impairment loss and fiscal year-end book value (Million yen)
Rental assets	Rental assets
Acquisition costs <u>5,098</u>	Acquisition costs <u>4,014</u>
Accumulated depreciation <u>2,287</u>	Accumulated depreciation <u>1,887</u>
Fiscal year-end book value <u>2,811</u>	Fiscal year-end book value <u>2,126</u>
Total	Total
Acquisition costs <u>5,098</u>	Acquisition costs <u>4,014</u>
Accumulated depreciation <u>2,287</u>	Accumulated depreciation <u>1,887</u>
Fiscal year-end book value <u>2,811</u>	Fiscal year-end book value <u>2,126</u>
(2) Amount equivalent to future lease payments outstanding at the fiscal year-end (Million yen)	(2) Amount equivalent to future lease payments outstanding at the fiscal year-end (Million yen)
Due within one year <u>6,474</u> (3,883)	Due within one year <u>5,928</u> (3,883)
Due after one year <u>1,409</u> (931)	Due after one year <u>1,207</u> (931)
Total <u>7,883</u> (4,814)	Total <u>7,136</u> (4,814)
Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at the fiscal year-end.	Note: The values in the parentheses represent the amount equivalent to the future lease payments for sublease transactions outstanding at the fiscal year-end.
(3) Lease receivables, depreciation and amount equivalent to interest profits (Million yen)	(3) Lease receivables, depreciation and amount equivalent to interest profits (Million yen)
Lease receivables <u>2,748</u>	Lease receivables <u>2,250</u>
Depreciation <u>2,165</u>	Depreciation <u>1,784</u>
Amounts equivalent to interest profits <u>817</u>	Amounts equivalent to interest profits <u>639</u>
(4) Calculation of the amount equivalent to interest expense Same as on the left	(4) Calculation of the amount equivalent to interest expense Same as on the left
(Asset impairment loss) Same as on the left	(Asset impairment loss) Same as on the left

(Tax effect accounting) (P79)

[Before correction] Current Fiscal Year (FYE on Mar. 31, 2007)		[After correction] Current Fiscal Year (FYE on Mar. 31, 2007)	
1. Causes for deferred tax assets and deferred tax liabilities		1. Causes for deferred tax assets and deferred tax liabilities	
Deferred tax assets (Current)	Million yen	Deferred tax assets (Current)	Million yen
Excess of reversal of allowances for bonuses	<u>80</u>	Excess of reversal of allowances for bonuses	<u>84</u>
<u>Taxable depreciation of used machines</u>	<u>23</u>	<u>R&D work in process</u>	<u>277</u>
Accrued enterprise property taxes	7	Accrued enterprise property taxes	7
Excess of reversal of allowance for bad debt	<u>76</u>	Excess of reversal of allowance for bad debt	<u>338</u>
Accrued enterprise taxes	20	Accrued enterprise taxes	20
Appraisal loss on inventories	2,826	Appraisal loss on inventories	2,826
<u>Difference of timing on sales recognition</u>	<u>2,519</u>	<u>Denial of advance receipts, etc.</u>	<u>2,519</u>
Deferred loss	<u>244</u>	<u>Allowance for litigation loss</u>	<u>575</u>
Other	<u>20</u>	Deferred loss	<u>2,384</u>
Sub-total of deferred tax assets (Current)	<u>8,321</u>	Other	<u>249</u>
Valuation allowance	<u>(6,917)</u>	Sub-total of deferred tax assets (Current)	<u>9,282</u>
Total deferred tax assets (Current)	1,404	Valuation allowance	<u>(7,877)</u>
Deferred tax liabilities (Current)		Total deferred tax assets (Current)	1,404
Reserve for special depreciation for PCs	<u>(5)</u>	Deferred tax liabilities (Current)	
Net deferred tax assets (Current)	1,399	Reserve for special depreciation for PCs	<u>(5)</u>
Deferred tax assets (Fixed)		Net deferred tax assets (Current)	1,399
Loss on appraisal of subsidiaries shares	<u>2,223</u>	Deferred tax assets (Fixed)	
Excess of allowance for bad debt	<u>1,175</u>	Loss on appraisal of subsidiaries shares	<u>2,343</u>
Loss on appraisal of investment	177	Excess of allowance for bad debt	<u>1,211</u>
<u>R&D expenses</u>	<u>329</u>	Loss on appraisal of investment	177
Depreciation	<u>323</u>	<u>R&D expenses</u>	<u>329</u>
Impairment loss	503	Depreciation	<u>101</u>
<u>Litigation loss</u>	<u>575</u>	Impairment loss	503
Others	<u>102</u>	Others	102
Sub-total of deferred tax assets (Fixed)	<u>5,409</u>	Sub-total of deferred tax assets (Fixed)	<u>4,769</u>
Valuation allowance	<u>(5,312)</u>	Valuation allowance	<u>(4,672)</u>
Total deferred tax assets (Fixed)	97	Total deferred tax assets (Fixed)	97
Deferred tax liabilities (Fixed)		Deferred tax liabilities (Fixed)	
Corrected enterprise taxes	(135)	Corrected enterprise taxes	(135)
Valuation difference on available-for-sale securities	<u>(19)</u>	Valuation difference on available-for-sale securities	<u>(19)</u>
Total of deferred tax liabilities (Fixed)	<u>(154)</u>	Total of deferred tax liabilities (Fixed)	<u>(154)</u>
Net amount of deferred tax assets (Fixed)	<u>(57)</u>	Net amount of deferred tax assets (Fixed)	<u>(57)</u>

(P80)

[Before correction] Current Fiscal Year (FYE on Mar. 31, 2007)	[After correction] Current Fiscal Year (FYE on Mar. 31, 2007)
2. Major components of significant differences between the statutory effective tax rate and burden rate of corporate taxes, etc. after application of tax-effect accounting. Statutory effective tax rate 40.7% (Adjustment) Valuation Allowance <u>(57.8)</u> <u>Non-deductible expenses such as entertainment</u> <u>(0.3)</u> Per capita inhabitants' taxes (0.5) Other <u>0.3</u> Burden rate of corporate taxes, etc. after application of tax-effect accounting <u>(17.6%)</u>	2. Major components of significant differences arising between the statutory effective tax rate and burden rate of corporate taxes, etc. after application of tax-effect accounting. Statutory effective tax rate 40.7% (Adjustment) Valuation Allowance <u>(59.3)</u> <u>Non-deductible expenses such as entertainment, etc.</u> <u>(0.6)</u> Per capita inhabitants' taxes (0.5) Other <u>0.4</u> Burden rate of corporate taxes, etc. after application of tax-effect accounting <u>(19.3%)</u>