



October 3, 2007

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Announcement Regarding Plan to Render ARUZE Subsidiary (Seta Corp.) into Wholly-Owned Subsidiary

At a Meeting of the Board of Directors held today, ARUZE CORP. ("the Company" below) resolved a plan to render its subsidiary (Seta Corp.) into a wholly-owned subsidiary. Please see below for details.

1. Circumstances Behind Conversion to Wholly-Owned Subsidiary

As disclosed in the press release "Announcement Regarding Investigation Results for Handling of Sales for Fiscal Year Ending March 31, 2007" dated October 2, 2007, it was determined after an investigation by the Internal Compliance Committee of Seta Corp. ("Seta" below), a subsidiary of the Company, that Seta had conducted an inappropriate handling of the settlement of accounts.

As the parent company of Seta, the Company views the active involvement of the former Representative Director and former Executive Director of Seta in this inappropriate handling of the settlement of accounts, as well as the seriousness of the effect that the inappropriate posting of sales in the approximate amount of 800 million yen will have on Seta's net sales, as a grave matter.

Although the Company had already been in the process of conducting a business realignment of the ARUZE GROUP, a revision of the in-group framework has been conducted in light of the recent series of events concerning Seta.

Consequently, it has been recognized that rendering Seta into a wholly-owned subsidiary and securing the technological assets Seta possesses with regards to its medal and ball dispensers for Pachislot and Pachinko is both essential for expanding the profits of the ARUZE GROUP as a whole, and that this course of action will link to an increase in the value of the group.

Additionally, it is the belief of the Company that it will be difficult for an independent Seta to reform its business constitution into one capable of prohibiting the inappropriate handling of the settlement of accounts and of fulfilling a role consistent with the business strategy of ARUZE GROUP. As a result, the Company determined that it would be best to avoid unnecessary confusion by promptly illustrating its future response as the parent company.

Given the above, at the Meeting of the Board of Directors held today, the Company resolved a plan to acquire all of the shares of Seta and convert it into a wholly-owned subsidiary.

2. Future Outlook

With regards to the timing, plan etc. for the conversion of Seta to a wholly-owned subsidiary, the Company wishes to determine these items in full after corrections to Seta's Securities Registration Report for the fiscal year ending March 31, 2007 and other efforts are conducted, and the duty of explaining the situation to investors has been carried out. Details concerning said items will be announced once they have been made clear.