

October 4, 2007

To Whom It May Concern:

ARUZE CORP.

IR Office

## Announcement Regarding Judgment in Patent Case

Judgments were issued from the Japan Patent Office for three reviews of invalidity filed for by Sammy Corporation (“Sammy” below) with regards to Patent No. 3069092 (“the Patent” below), which belongs to ARUZE CORP. (“the Company” below). Please see below for details.

### 1. Nature of Judgments for Reviews of Invalidity

#### 1) Review of Invalidity 1 (Invalidity 2006-80049)

Nature of Judgment: Request for invalidity rejected (Patent sustainment decision).

#### 2) Review of Invalidity 2 (Invalidity 2006-80112)

Nature of Judgment: Claim 1 deemed invalid (Only patent Claim 1 invalidated).

#### 3) Review of Invalidity 3 (Invalidity 2006-80116)

Nature of Judgment: Claims 3, 4, 6, 8, 9, 10 and 14 of patent claims sustained.

Claims 1, 2, 5, 7, 11, 12, 13 and 15-24 of patent claims deemed invalid.

### 2. Nature of Patent and Opinion on Judgment

The Patent concerns the mechanisms of and alert system for renderings utilized in Pachislot machines.

Out of the claims for the Patent, the judgment in this matter recognized and sustained the validity of Claims 3, 9, 10 and other patent claims.

Claims 3, 9 and 10 of the Patent concern the scope of rights of the mechanisms of the alert function system. In this system, when a Pachislot machine registers a win, it sends a signal that activates a search of a table of renderings. Another random signal determines the alert to be used for the rendering selected out of that table. This combined rendering and alert is then provided to the player.

Claims 3, 9 and 10 also contain a means of supplying a notification to the player through connectivity with sound and stop buttons, which encompasses a broad scope of rights, in addition to the system behind the mechanisms of the alert.

The nature of the patented invention as thus described yields a remarkable effect that has

the use of button-press commands elevating the degree of application of inference and guessing by the player.

The judgment in question acknowledged the notification mechanisms of the alert function system, which includes Claims 3, 9 and 10, and recognized the sustainment of the patent.

However, a misunderstanding on the part of the Japan Patent Office led to Claims 1, 2 and other claims, which contain notifications resulting from the alert notification system mechanisms, to be determined as simply representing notifications and therefore invalid. This was a misunderstanding in judgment over the fact that the notification resulting from the alert notification system, which was found to be valid by the Japan Patent Office, is an extension of that system. As the judgment contains several matters that did not accept the Company's argument, which was found to be unsatisfactory, the Company will move to request its reversal in court.

### 3. Effect on Patent Infringement Case and Future Outlook

With regards to the patent infringement lawsuit filed by the Company that remains in contention, "Hokuto No Ken," the Pachislot machine in question, is a clear violation of the scope of rights surrounding the patent recognized and sustained under the aforementioned judgment, including Claims 3, 9, 10 and other items of the patented invention in question. The Company cannot conceive of any effects that will be exerted on this patent infringement case, which lies with the Intellectual Property High Court, from Claims 1, 2 and the other items determined to be invalid.

Additionally, SEGA SAMMY HOLDING INC. has issued an announcement regarding this matter on October 3; however, please be aware that said announcement contains statements that can be construed as the patent in question rendered invalid, as well as items that do not convey the facts correctly.