



December 24, 2008

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Announcement Regarding Merger Between ARUZE Subsidiaries

ARUZE CORP. (hereinafter referred to as the "Company") hereby notifies that the merger of the following four consolidated subsidiaries was resolved at meetings of the Board of Directors held today by each of the companies involved: ARUZE MARKETING JAPAN CORPORATION (hereinafter referred to as "AMJ"), ARUZE RENTAL SERVICE CORPORATION (hereinafter referred to as "ARS"), SEVEN WORKS CORPORATION (hereinafter referred to as "7W") and ARUZE GLOBAL TRADING CORPORATION (hereinafter referred to as "AGT"). Said merger will take place on February 1, 2009, with AMJ to act as the surviving company.

1. Purpose of Merger

Having conducted the transition to an operating holding company on October 1, 2007, the Company, in an effort to establish a clear division between its domestic and overseas businesses, separated the group companies under the operating holding company into those conducting the Japanese Pachislot and Pachinko business and those conducting the overseas casino gaming machine business. Additionally, while the Pachislot and Pachinko development department of the Company was originally scheduled to belong to the operating holding company, the popularization of Type 5 Pachislot machines came to require both higher development capability and a sales framework capable of adapting to changes in the market environment. Given these circumstances, it was determined that maximizing the autonomy and specialization of each group company was necessary; hence, each company was rendered separate and independent.

This has served to yield a number of positive results, beginning the clarification of the responsibility and authority associated with each business. Additionally, in the previous fiscal year, despite the market environment not exhibiting any improvement, two hit titles in the form of "Ao-Don" and "Aka-Don" enabled the Company to successfully install its machines on the market, enabling it to secure a degree of positive recognition from the aspects of manufacturing, sales, and marketing.

However, where this fiscal year is concerned, with the transition to Type 5 machines having come to a close during the last fiscal year, the market is not exhibiting any improvement in its environment. This has translated into severe conditions with regards to our business performance. Furthermore, the current global financial uncertainty founded in the failure of Lehman Brothers in September, the

resulting dramatic fluctuations in foreign currency and the recent jump in the value of the Japanese yen in particular have resulted in a worsening of economic conditions within Japan. Within this environment, reuniting the functions under the Japanese Pachislot and Pachinko business, boosting the ties between development and sales, enforcing solidarity and supplying products that conform to market needs was determined by the Company to be the most effective course of action. The Company thus elected to merge the four wholly-owned subsidiaries that make up the nucleus of the Company's Pachislot and Pachinko business, with these subsidiaries comprising the development, sales and trading functions of the Company group. With regards to Macy Sales Co. Ltd., Eleco Ltd. and Mizuho Corp., all of which manufacture finished products within the Company group, the Company intends to implement measures that strengthen the brand of each of those companies.

Additionally, through this merger, the Company intends to apply operational efficiency and the efficient use of managerial resources towards the strengthening of cost competitiveness through contracting administrative costs and establishment of a business framework capable of withstanding the current severe market environment.

2. Outline of Merger

(1) Merger Schedule

Meeting of Board of Directors at which Merger Was Resolved	December 24, 2008
Concluding of Merger Agreement	December 24, 2008
General Shareholders' Meeting to Approve Merger Agreement	December 25, 2008 (tentative)
Effective Date of Merger	February 1, 2009 (tentative)

(2) Merger Method

An absorption-based merger with AMJ to act as the surviving company and ARS, 7W and AGT to be dissolved.

(3) Nature of Allocation Pertaining to Merger

Said merger will take place between consolidated subsidiaries of Company, with no consideration to be issued to under said merger nor any capital increase to be conducted.

(4) Treatment of Subscription Rights to Shares and Bonds Containing Subscription Rights to Shares of the Extinguished Companies

No applicable items.

3. Outline of Companies Involved in Merger (As of March 31, 2008)

(1) Company Name	ARUZE MARKETING JAPAN CORPORATION (surviving company)	ARUZE RENTAL SERVICE CORPORATION (extinguished company)	SEVEN WORKS CORPORATION (extinguished company)	ARUZE GLOBAL TRADING CORPORATION (extinguished company)
(2) Nature of Business	Sales and rental of amusement machines	Rental asset management and financial services	Contents planning, development and design	Component and unit procurement
(3) Date of Establishment	May 17, 1977	September 14, 2007	May 12, 2006	January 28, 1978
(4) Location of Headquarters	3-1-25 Ariake, Koto-ku, Tokyo	3-1-25 Ariake, Koto-ku, Tokyo	3-1-25 Ariake, Koto-ku, Tokyo	3-1-25 Ariake, Koto-ku, Tokyo
(5) Representative	Hajime Tokuda	Hajime Tokuda	Kenkichi Yoshida	Koki Seki
(6) Capital	2,015 million yen	313 million yen	450 million yen	480 million yen
(7) No. of Outstanding Shares	41,500	100,000	9,000	16,900
(8) Net Assets	9,741 million yen	5,169 million yen	501 million yen	634 million yen
(9) Total Assets	30,356 million yen	8,098 million yen	1,674 million yen	8,952 million yen
(10) Date of Settlement of Accounts	March 31	March 31	March 31	March 31
(11) Major Shareholders and Ownership Percentage	ARUZE CORP. 100%	ARUZE CORP. 100%	ARUZE CORP. 100%	ARUZE CORP. 100%

4. Status Following Merger

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|-------------------------------------|-----------------------------------|
| (1) Company Name: | ARUZE MARKETING JAPAN CORPORATION |
| (2) Nature of Business: | Pachislot and Pachinko business |
| (3) Location of Headquarters: | 3-1-25 Ariake, Koto-ku, Tokyo |
| (4) Representative: | Hajime Tokuda |
| (5) Capital: | 2,015 million yen |
| (6) Date of Settlement of Accounts: | March 31 |

5. Future Outlook on Business Performance Following Merger Between Involved Subsidiaries

Given that said merger is between consolidated subsidiaries of the Company, the impact of said merger on the consolidated and non-consolidated business performance of the Company for the fiscal year ending March 31, 2009 will be negligible.