

BEFORE THE NEVADA GAMING COMMISSION  
AND THE STATE GAMING CONTROL BOARD

\_\_\_\_\_  
In the Matter of

ARUZE CORP.

(Registration)\_\_\_\_\_

ORDER OF REGISTRATION

THIS MATTER came on regularly for hearing before the State Gaming Control Board (“Board”) on June 4, 2004, and before the Nevada Gaming Commission (“Commission”) on June 17, 2004, at Carson City, Nevada; and

THE BOARD AND COMMISSION having considered all information pertinent hereto;

IT IS HEREBY ORDERED BY THE NEVADA GAMING COMMISSION UPON THE RECOMMENDATION OF THE STATE GAMING CONTROL BOARD:

1. THAT the following applications, as amended and supplemented, have been filed:

a. The applications of Aruze Corp. for (i) registration as a publicly traded corporation, (ii) approval to acquire control of Universal Distributing of Nevada, Inc., (iii) a finding of suitability as the sole shareholder of Universal Distributing of Nevada, Inc., (iv) licensure as a manufacturer, and (v) an exemption from NGC Regulation 16.100(1) and (2) pursuant to NGC Regulation 16.450, and

b. The applications of Kazuo Okada and Tomohiro Okada for licensure as shareholders and controlling shareholders.

2. THAT Aruze Corp., a Japanese corporation, is registered as a publicly traded corporation, is found suitable as the sole shareholder of Universal Distributing of Nevada, Inc.,

and pursuant to NGC Regulation 16.200, is approved to acquire control of Universal Distributing of Nevada, Inc.

3. THAT Aruze Corp. is licensed as a manufacturer, subject to such conditions and/or limitations that may be imposed by the Board and Commission.

4. THAT Kazuo Okada and Tomohiro Okada are each found suitable as shareholders and controlling shareholders of Aruze Corp.

5. THAT in addition to the requirements imposed by NRS 463.639(2), Aruze Corp. shall, pursuant to NRS 463.639(2), provide the Board, within 10 days of receipt, a true copy of all statements regarding ownership of Aruze Corp. securities filed pursuant to The Securities and Exchange Law of 1948 of Japan, as amended.

6. THAT in addition to the requirements of NGC Regulation 16.330, and pursuant to NGC Regulation 16.330(6), Aruze Corp. shall provide to the Board the following:

a. A copy of all material documents filed by Aruze Corp. with the Securities Bureau of Japan's Ministry of Finance, the Japanese Securities Dealers Association ("JSDA"), and any other foreign governmental agency, or any national or regional securities exchange, which regulates the sale of its securities. These material documents include, but are not limited to, filings which are similar in nature and purpose to those filed by a domestic publicly traded corporation with the Securities and Exchange Commission ("SEC"), such as registration statements, proxy statements, information statements, annual and quarterly reports to stockholders, statements reflecting beneficial ownership, or any report involving insider trading, self-dealing, related third party transactions, fraud, market manipulations, short-swing profits, or margin accounts, which such documents may be filed pursuant to The Securities and Exchange Law of 1948 of Japan, as amended, the JSDA exchange standards, or other applicable statutes, regulations, or listing rules.

b. A copy of all press releases issued by Aruze Corp. or a licensed subsidiary thereof, faxed to the Corporate Securities Division in Carson City, Nevada, at or

before the time of release, to be followed by the filing of a hard copy of any such press release within 5 calendar days after its release;

c. Within 10 days of receipt, a true copy of all material documents received by Aruze Corp. from any national or regional securities exchange. In addition, Aruze Corp. shall immediately advise the Board of any inquiries or investigations undertaken by any national or regional securities exchange or any other such agency which regulates the sale of Aruze Corp.'s securities; and

d. Within 5 calendar days of a request (oral or written) by the Board and/or the Corporate Securities Division, any additional information which may be required to effectively and adequately investigate, monitor, and regulate the business and gaming activities of Aruze Corp., and its subsidiaries and any affiliated entities.

e. Within five (5) calendar days of the event, a report of any event that would be reportable by a domestic publicly traded corporation to the SEC on a Form 8-K.

f. Within five (5) calendar days of notification of such an action, a report of any action filed by any governmental authority against Aruze Corp., Universal Distributing of Nevada, Inc., its subsidiaries or affiliates.

7. THAT if Aruze Corp. conducts an offering of securities that is a "public offering" pursuant to Article 4 and Chapter II of The Securities and Exchange Law of 1948 of Japan, as amended, and if the securities or the proceeds from the sale thereof are intended to be used for any of the purposes set forth in NGC Regulation 16.110(2), then Aruze Corp. shall comply with the provisions of NGC Regulations 16.100, 16.110, 16.115, 16.125, 16.130, and 16.140, as applicable.

8. THAT before any proxy or information statement, or similar such document, required pursuant to The Securities and Exchange Law of 1948 of Japan, as amended, or required by any other statutes, regulations, rules or standards, is sent to the holders of the voting securities of Aruze Corp., which includes a discussion of the nature and scope of, and

procedures under, the Nevada Gaming Control Act (the "Act") and the Commission Regulations (the "Regulations"), such proxy statement or information statement must be approved by the Board. A proxy statement or information statement is deemed to have been approved if it has been filed with the Board for at least 10 days and the Board has not issued a stop order during such period.

9. THAT Aruze Corp. shall not issue securities in the form of Bearer Bonds that are convertible into voting securities if as a result of the exercise of all conversions of such bonds, the holders thereof would own greater than 10% of the then outstanding voting securities of Aruze Corp. without the prior approval of the Commission upon the recommendation of the Board.

10. THAT, pursuant to NRS 463.643(5), Aruze Corp. shall, at least annually, notify its security holders that any person who, individually or in association with others, has acquired, directly or indirectly, beneficial ownership of more than 5% of any class of Aruze Corp.'s voting securities, such person is required to notify the Board in writing, within 10 days of knowledge of such acquisition. If Aruze Corp. becomes aware that any person, individually or in association with others, has acquired, directly or indirectly, beneficial ownership of more than 5% of any class of its voting securities, Aruze Corp. shall notify the Board in writing, within 10 days of knowledge of such acquisition.

11. THAT, pursuant to NRS 463.643(5), any person who, individually or in association with others, has acquired, directly or indirectly, beneficial ownership of more than 10% of any class of voting securities of Aruze Corp., must apply to the Commission for a finding of suitability within 30 days after the Chairman of the Board mails written notice.

12. THAT Aruze Corp. shall, within 6 months of the effective date of this Order of Registration, and at least annually thereafter, notify its security holders of the nature and scope of, and procedures under, the Act and Regulations, in a written form approved by the Chairman of the Board or his designee.

13. THAT within 6 months from the effective date of this Order of Registration, Aruze Corp. shall take the necessary actions to ensure the ability of the Board and the Commission to enforce the provisions of NGC Regulation 16.440(2).

14. THAT any and all documents (which includes, but is not limited to, securities filings, company reports, letters, memoranda, correspondence, and press releases) filed with the Board or the Commission by Aruze Corp., or any of its subsidiaries, shall be in the English language. If original documents required to be filed with the Board are in the Japanese language, such documents shall include a translation into the English language, and upon the request of the Board, certain such documents must be accompanied by a certification by a nationally recognized independent public accounting firm, or other independent person or entity acceptable to the Board, that the English translation is true and correct. If Aruze Corp. is unable to meet the required deadlines to file the documents, solely as a result of the inability to translate such documents, a written request shall be made to the Chief of the Corporate Securities Division ("Chief") requesting an extension of time. Such request shall include a reasonable estimate of the time at which the documents will be provided to the Board. The Chief or his designee shall have the authority to either administratively approve or deny such request.

15. THAT Aruze Corp. shall, within 90 days of the date of this Order of Registration, establish and maintain a gaming compliance program for the purpose of, at a minimum, performing due diligence, determining the suitability of relationships with other entities and individuals, and to review and ensure compliance by Aruze Corp., its subsidiaries and any affiliated entities, with the Act, as amended, the Regulations, as amended, and the laws and regulations of any other jurisdiction in which Aruze Corp., its subsidiaries and any affiliated entities, may conduct gaming operations. The gaming compliance program, and amendments thereto, and the members of the gaming compliance committee, one such member who shall be independent and knowledgeable of the Act and Regulations, shall be administratively reviewed

and approved by the Chairman of the Board or his designee. Aruze Corp. shall amend the gaming compliance program, or any element thereof, and perform such duties as may be requested or assigned by the Chairman of the Board or his designee, relating to a review of activities relevant to the continuing qualifications of Aruze Corp. under the provisions of the Act and Regulations.

16. THAT Aruze Corp. shall, within 30 days from the effective date of this Order of Registration, appoint an officer or key employee who shall be fluent in the English and Japanese languages and have actual authority to bind Aruze Corp. and Universal Distributing of Nevada, Inc., as the contact between the Board, Aruze Corp., Universal Distributing of Nevada, Inc. and any subsidiaries or affiliates. Such individual shall be administratively approved by the Chairman of the Board or his designee and have the primary responsibility to monitor and report to the Board, Aruze Corp.'s and Universal Distributing of Nevada, Inc.'s compliance with the Act, Regulations and this Order of Registration.

17. THAT Aruze Corp. shall fund and maintain with the Board a revolving fund in the amount of \$50,000 for the purpose of funding investigative reviews by the Board for compliance with the terms of this Order of Registration and any amendments thereto. Without limiting the foregoing, the Board shall have the right, without notice, to draw upon the funds of said account for the payment of costs and expenses incurred by the Board and its staff in the surveillance, monitoring, and investigative review of all activities of Aruze Corp. its subsidiaries and any affiliated entities.

18. THAT, pursuant to NRS 463.625, Aruze Corp. is exempted from compliance with NRS 463.585 through 463.615, inclusive, and shall instead comply with NRS 463.635, 463.637, 463.639(1)(a) and (2), and NRS 463.641 through 463.645, inclusive, and all other provisions of the Act that apply to publicly traded corporations registered with the Commission.

19. THAT Aruze Corp. is exempted from NGC Regulation 15 and, pursuant to NGC Regulation 16.450, is exempted from NGC Regulation 16.100(1) and (2), and shall instead

comply with the provisions of NGC Regulation 16 and all other Regulations that apply to publicly traded corporations registered with the Commission.

20. THAT the Commission hereby expressly finds that: (i) pursuant to NRS 463.627(2), the business activities of Aruze Corp. are regulated in a manner which will prevent those activities from posing any threat to the control of gaming in the State of Nevada, and (ii) Aruze Corp. is regulated in a manner which protects its investors and the State of Nevada and that the Japanese regulatory system complies with the factors set forth in NRS 463.633.

21. THAT the Commission hereby expressly finds that the exemptions and conditions herein are consistent with the State policy set forth in NRS 463.0129 and 463.489.

22. THAT this Order of Registration, including each license, finding of suitability and approval contained herein, is limited for a period of twenty-five months, to expire on midnight of the day of the Commission meeting to be held in July 2006.

ENTERED at Carson City, Nevada, this 17<sup>th</sup> day of June 2004.