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## GLOSSARY OF TECHNICAL TERMS

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*This glossary contains definitions of certain technical terms used in this Prospectus as they relate to us. Some of these definitions may not correspond to the standard industry meaning.*

“anti-social force(s)”	organisation(s) or individual(s) who pursues economic benefit through violence, threat or fraudulent methods as defined in the Guidelines for Enterprises to Prevent Damage caused by Antisocial Organisations* (企業が反社会的勢力による被害を防止するための指針) published on 19 June 2007
“attacker”	a larger pocket in a pachinko machine’s playing field which opens for limited periods of time during jackpot mode
“G-prize”	a prize offered by a pachinko hall, namely a decorative plastic card with a small embedded piece of metal (such as gold) or a small coin-shaped pendant of metal (such as gold), which can be sold by customers to a G-prize buyer for cash
“G-prize buyer”	an independent party in the business of operating G-prize buying centre(s) which purchase G-prizes for cash from pachinko players outside of pachinko halls, and subsequently sell G-prizes to G-prize wholesaler(s), and a party to the Three Party System
“G-prize mark-up”	difference between the value of the number of balls or tokens required to collect a G-prize and the cost of the G-prize
“G-prize wholesaler”	an independent party in the business of purchasing G-prizes from G-prize buyer(s), and subsequently selling G-prizes to pachinko hall operator(s), and a party to the Three Party System
“gaming”	in the context of an industry sector, as defined by EBI, the industry sector consisting of pachinko, bicycle-racing, auto-racing, horse-racing and lottery
“general prize”	any prize offered by a pachinko hall that is not a G-prize
“gross pay-ins”	amount received from customers for rented pachinko balls and pachislot tokens
“gross payouts”	aggregate cost of G-prizes and general prizes exchanged by customers

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“high playing cost machine(s)”	pachinko machine(s) with a playing cost of ¥4 per pachinko ball, and pachislot machines with a playing cost of ¥20 per pachislot token, each of which is the maximum playing cost (exclusive of consumption tax) possible stipulated under the Enforcement Ordinance
“IC card”	a card used to store the balance of cash and pachinko balls or pachislot tokens remaining in the machine after the player finishes playing
“island”	a long row of (in our case, around 10-24) pachinko or pachislot machines in a pachinko hall
“jackpot mode”	a mode of a pachinko game triggered by certain winning combinations of images on the screen in the centre of the field of play, during which the attacker opens and releases a relatively large number of balls or tokens when the jackpot is hit
“jackpot probability”	probability of triggering the jackpot mode, during which a relatively large number of balls and tokens may be won
“jackpot size”	number of balls or tokens that won during the jackpot mode
“jet counter”	a device that automatically counts pachinko balls or pachislot tokens collected and issues a printed ticket displaying the number of balls or tokens collected
“low playing cost machine(s)”	pachinko machine(s) with playing costs of ¥0.5, ¥1, ¥1.25 and ¥2 per pachinko ball (before consumption tax) and pachislot machines with playing costs of ¥2, ¥5 and ¥10 per pachislot token (before consumption tax)
“pachinko”	in the context of a game machine, a game played on a device similar to a pinball machine which is played for entertainment and prizes; in other contexts (such as our business or the industry), includes both pachinko and pachislot
“pachinko ball(s)” or “ball(s)”	small metal ball(s) used to play pachinko games
“pachinko hall(s)” or “hall(s)”	a facility providing pachinko and/or pachislot games
“pachinko hall operator(s)” or “hall operator(s)”	an entity that operates pachinko hall(s), such as ourselves, and a party to the Three Party System
“pachislot”	a game played on a device similar to a slot machine which is played for entertainment and prizes

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## GLOSSARY OF TECHNICAL TERMS

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“pachislot token(s)” or “token(s)”	small metal token(s) used to play pachislot games
“payout ratio”	total number of balls or tokens won divided by the total number of balls or tokens played, representing the average probability of winning balls or tokens when playing the machines
“pins”	small, cylindrical pegs affixed on the pachinko machine’s playing field
“POS system”	point of sale system used in our pachinko halls for the exchange of pachinko balls and pachislot tokens for prizes
“revenue”	<p>in the context of our total revenue, revenue from pachinko and pachislot hall operations, together with revenue from hotel operations</p> <p>in the context of our pachinko and pachislot hall operations, revenue from pachinko and pachislot business, together with vending machine income</p> <p>in the context of our pachinko and pachislot business, gross pay-ins less gross payouts</p>
“revenue margin”	gross pay-ins less gross payouts, divided by gross pay-ins, representing the portion of gross pay-ins that the hall operator receives as revenue, namely through customers playing the machines and mark-ups on prize redemption
“sq.m.”	square metre
“Three Party System”	the industry practice under which pachinko hall operators, G-prize buyers and G-prize wholesalers participate in the sale and purchase of G-prizes obtained by a customer of a pachinko hall operator by playing pachinko and pachislot machines in Japan, as described in more detail in “Business — Pachinko and Pachislot Hall Operations — Three Party System” and “Applicable Laws and Regulations”
“trap”	a pocket at the bottom of a pachinko machine’s playing through which pachinko balls are lost