

REPORT OF BACKGROUND INVESTIGATION

**MARYLAND LOTTERY & GAMING
CONTROL AGENCY**

COMMISSION REPORT



ANGEL PLAYING CARDS MFG. KYOTO CO. LTD

MANUFACTURER LICENSE APPLICANT

Report Date: December 3, 2019

“Commission Presentation”

We are conducting a hearing on the manufacturers license application submitted by Angel Playing Cards Manufacturing Kyoto Co. LTD. The Maryland Lottery and Gaming Control Agency is required by “The Gaming Law” to conduct an investigation to determine if Angel Playing Cards Manufacturing Kyoto Co. LTD. is qualified to be awarded a manufacturers license.

You (the commissioners) have been provided with the complete investigative report on Angel Playing Cards Manufacturing Kyoto Co. LTD. You have also received a copy of the public report that was in your packets and made available to everyone on the agency website. I will summarize the reports that have been given to you.

Background

Angel Playing Cards Manufacturing Kyoto Company, Ltd. was incorporated in Shiga, Japan in April of 2007 and its corporate offices are also located in Shiga, Japan. Angel Playing Cards Manufacturing Kyoto Co. LTD is a wholly owned subsidiary of Angel Holdings Godo Kaisha, which in turn is wholly owned by Mr. Yasushi Shigeta. Angel Playing Cards Manufacturing Kyoto is part of a group of companies owned by Mr. Shigeta

(the Angel Group of Companies) that engage in the planning, development, manufacture and sale of playing cards, chips and other card game related products internationally. Angel Playing Cards Manufacturing Kyoto is currently licensed by four state regulatory gaming authorities (Nevada, Pennsylvania, New Jersey and Mississippi) and gaming authorities in nine countries worldwide (Macau, Singapore, Malaysia, Philippines, South Korea, Australia, New Zealand, Canada and USA) and in the Commonwealth of the Northern Mariana Islands.

Angel Playing Cards Manufacturing Kyoto has submitted a Gaming Manufacturer License Application to the Maryland Lottery and Gaming Control Commission. Angel Holdings Godo Kaisha is a Principal Entity and Mr. Yasushi Shigeta is licensed as a Principal Employee in Maryland.

Discussion of Recent Financial Performance

Prior to April of 2017, Angel Playing Cards Manufacturing Kyoto Company, Ltd. operated as Angel Playing Cards Manufacturing Company, Ltd., its predecessor. Subsequently, the predecessor was split into Angel Playing Cards Manufacturing Kyoto Company, Ltd. and its wholly owned subsidiary Angel Playing Cards Manufacturing Shiga Company, Ltd., who

independently report financial results. These two entities are significant to the Angel Group as operations were conducted through two manufacturing facilities located in Kyoto and Shiga, Japan. Consequently, we performed a detailed analysis of the operating results and financial condition of Angel Playing Cards Manufacturing Kyoto Company, Ltd. and Angel Playing Cards Manufacturing Shiga Company, Ltd. (the “Company”) for the period from April 1, 2014 to March 31, 2019.

Our financial and background investigation of Angel Playing Cards Manufacturing Kyoto Company, Ltd. found the following:

- 1) Angel Playing Cards Manufacturing Kyoto Company, Ltd. was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Angel Playing Cards Manufacturing Kyoto Company, Ltd. possesses the requisite good character, honesty and integrity
- 4) Angel Playing Cards Manufacturing Kyoto Company, Ltd. has sufficient business ability and experience
- 5) There were no potential disqualifying factors

PRINCIPAL QUALIFIERS

We identified the below listed natural person qualifiers (“principals”) who are associated with the Applicant. We conducted an extensive due diligence investigation on each qualifier, as described in our full report. We found that these principals have satisfied the applicable qualification criteria under SG § 9-1A-07(c) (7), and that none are disqualified under SG § 9-1A-08(d).

1. Yasushi Shigeta – Managing Partner (*Previously licensed by MLGCC on March 4, 2019*)
2. Naoya Takine – Director of Gaming Equipment Production
3. Takashi Morifuji – Director of Playing Card Production
4. Naoki Terasawa – Director of Administration

CONCLUSIONS and OPINION

MLGCA’s investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant’s qualifications. MLGCA has not found any disqualifying factors that would preclude Angel Playing Cards Manufacturing Kyoto

Company, Ltd. from being issued a Manufacturer License. Based on the criteria in SG §§ 9-1A-07(c)(7) and 9-1A-08(d), staff has concluded that the Applicant and its Principals have established by clear and convincing evidence their qualifications and, therefore; recommends Commission approval.