



December 4, 2017

Name of Company: Universal Entertainment Corporation

Name of Representative: Jun Fujimoto

Representative Director and President

(JASDAQ Code: 6425)

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Execution of Basic Agreement with Guangcai Group

Universal Entertainment Corporation (hereinafter referred to as the “Company”) hereby announces that today (December 4, 2017), the Company executed a Basic Agreement with the Guangcai Group (core enterprise: China Guangcai International Investment Group Co., Ltd.), one of China’s leading nationally-owned finance conglomerates. Based on this Basic Agreement, the Company and the Guangcai Group plan to establish a fifty-fifty joint corporation in Hong Kong and implement a joint venture in the manner described below.

(1) Purpose of basic agreement and joint venture establishment

Since the foundation, the Guangcai Group has developed as a state-owned finance enterprise group with support from the Chinese central government, and has been engaged in national level projects globally in fields such as finance, resource development, mineral development, trade. We believe that the cooperative relationship with the internationally proven group will contribute to expanding our casino related business.

(2) Contents of the joint venture to be established

1.Name	Hong Kong Guangcai Universal Entertainment Limited
2.Adress	Hong Kong Special Administrative Region of the People’s Republic of China
3. Name, title of representative	To be determined.
4. Scope of business	<ul style="list-style-type: none">● Sales and maintenance business for casino-related devices and systems developed and manufactured by the Company.● The joint corporation will have the exclusive right of sales under said sales and maintenance business for casino-related devices and systems in all Southeast Asian countries minus the Philippines.

	<ul style="list-style-type: none"> ● Expansion of the joint venture to other casino-related businesses.
5. Paid in capital	To be determined.
6. Date of establishment	To be determined.(Within six months following the execution of the Basic Agreement)
7. Fiscal year end	To be determined.
8. Paid in capital	To be determined.
9. Total assets	To be determined.
10. Paid in capital	China Guangcai International Investment Group Co., Ltd. 50% Universal Entertainment Corporation 50%

Note: Whether or not the joint venture will become a consolidated subsidiary of the Company is undecided at this stage.

(3) Determination date and schedule

1. Basic Agreement signing date: December 4, 2017
2. Capital and business alliance agreement, etc. to be determined

(4) Description of the joint partner

Overview of China Guangcai International Investment Group Co., Ltd.

Location: People's Republic of China

Representative: Mr. Ren Jie

Business description:

Global national projects in the fields of finance, resource development, mineral development, trade (electric power project in Russia, mining resource development in Laos, infrastructure construction in Sri Lanka etc.)

Relationship with our company:

1. Capital relationship Not applicable
2. Business relationship Not applicable
3. Personnel Relationship Not applicable.

(5) Future prospects

The impact of this matter on the business performance of the Company for this fiscal year will be negligible. The Company will promptly disclose any items including undecided information that merit disclosure should they arise in the future.